

INS 3

Filed Apr 1 - 1964  
1:30 P.M.

STATE OF WISCONSIN )  
                                  ) ss.  
DEPARTMENT OF INSURANCE )

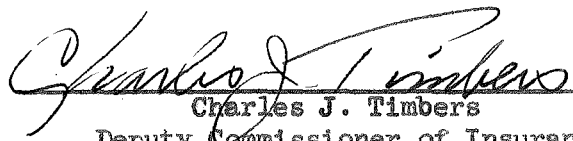
TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Charles J. Timbers, Deputy Commissioner of Insurance, and custodian of the official records of said department, do hereby certify that the annexed rules relating to noncancellable and guaranteed renewable accident and sickness insurance policies were duly approved and adopted by this department on April 1, 1964.

I further certify that said copy has been compared by me with the original on file in this department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department at the Hill Farms State Office Building, in the city of Madison, this 1st day of April, A.D., 1964.

STATE OF WISCONSIN SS  
DEPARTMENT OF STATE  
**RECEIVED AND FILED**  
APR 1 1964  
ROBERT C. ZIMMERMAN  
SECRETARY OF STATE

  
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Charles J. Timbers  
Deputy Commissioner of Insurance

ORDER OF THE DEPARTMENT OF INSURANCE

Amending Rules

Pursuant to authority vested in the Commissioner of Insurance by section 200.03 (2), Wis. Stats., the Commissioner of Insurance hereby amends rules as follows:

Section Ins 3.08 (19) of the Wisconsin Administrative Code is amended to read:

(19) NON-CANCELLABLE AND GUARANTEED RENEWABLE POLICIES. (a) No person, in the presentation, solicitation, effectuation, or sale of a policy, and no advertisement, relating to or used in connection with a policy, shall use the terms "non-cancellable" or "non-cancellable and guaranteed renewable" or "guaranteed renewable", except in connection with policies conforming to Ins 3.13 (2) (e).

(b) An advertisement describing a non-cancellable or non-cancellable and guaranteed renewable or guaranteed renewable policy form shall be subject to subsection (5).

(c) A printed advertisement describing a non-cancellable or non-cancellable and guaranteed renewable policy form shall disclose, as prominently as and in close conjunction with any prominent use of the terms "non-cancellable" or "non-cancellable and guaranteed renewable":

1. the age to or term for which the form is non-cancellable or non-cancellable and guaranteed renewable, if other than lifetime,
2. the age or time at which the form's benefits are reduced, if applicable, (The age or time at which a form's benefits are reduced need not be so disclosed if such reduction is not effected prior to the

age to or term for which the form is non-cancellable or non-cancellable and guaranteed renewable or if regular benefits are payable at least to the age to or term for which the form is non-cancellable or non-cancellable and guaranteed renewable.) and

3. that benefit payments are subject to an aggregate limit, if applicable.

(d) A printed advertisement describing a guaranteed renewable policy form shall disclose, as prominently as and in close conjunction with any prominent use of the term "guaranteed renewable":

1. the age to or term for which the form is guaranteed renewable, if other than lifetime,

2. the age or time at which the form's benefits are reduced, if applicable, (The age or time at which a form's benefits are reduced need not be so disclosed if such reduction is not effected prior to the age to or term for which the form is guaranteed renewable or if regular benefits are payable at least to the age to or term for which the form is guaranteed renewable.)

3. that benefit payments are subject to an aggregate limit, if applicable, and

4. that the applicable premium rates may be changed.

(e) The foregoing limitations on the use of the term "non-cancellable" shall also apply to any synonymous term such as "not cancellable"; and the foregoing limitations on use of the term "guaranteed renewable" shall apply to any synonymous term such as "guaranteed continuable".

Note: The intent of paragraphs (b), (c), and (d) is, first to emphasize that any advertisement of a non-cancellable or non-cancellable and guaranteed renewable or guaranteed renewable policy form is subject to subsection (5) and,

second, to specify how subsection (5) should be complied with in connection with the prominent use of the terms "non-cancellable", "non-cancellable and guaranteed renewable", or "guaranteed renewable" in a printed advertisement of such form.

Subsection (5) is interpreted, with respect to any advertisement of a non-cancellable, or non-cancellable and guaranteed renewable, or guaranteed renewable policy form which refers to renewability, non-cancellability, or non-termination of the form, as requiring the disclosure of all provisions relating to renewal and termination and modification of benefits, losses covered, or premiums because of age or for other reasons, such disclosure to be effected in a manner which shall not minimize or render obscure the qualifying conditions. This interpretation is consistent with the interpretive guide prepared in 1956 by the subcommittee on interpretation of the National Association of Insurance Commissioners' rules governing advertisement of accident and sickness insurance.

"Prominent use" as referred to in paragraphs (c) and (d) is considered to include, but is not necessarily limited to, use in titles, captions, bold-face type or type larger than that used in the text of the advertisement.

The provisions in the original form of the subsection permitting as an alternative the setting out of the required information under appropriate captions of such prominence that such information shall not be minimized or rendered obscure were deleted. The deleted provisions were not consistent with the amended requirements or with subsection (5). Paragraphs (c) and (d) apply only to the prominent use of the terms "non-cancellable", "non-cancellable and guaranteed renewable", and "guaranteed renewable" in printed advertisements, not to all descriptions of the non-cancellable or guaranteed renewable feature of a policy. Printed advertisements in which the subject terms are prominently used could not reasonably be considered to properly disclose the qualifying conditions if all or a part of such conditions are less prominent than the terms themselves.

Section Ins 3.13 (2) (e) 2 and 4 of the Wisconsin Administrative Code is amended to read:

2. A non-cancellable or non-cancellable and guaranteed renewable policy form shall disclose, as prominently as and in close conjunction with any prominent use of the terms "non-cancellable" or "non-cancellable and guaranteed renewable":

a. the age to or term for which the form is non-cancellable or non-cancellable and guaranteed renewable, if other than lifetime,

b. the age or time at which the form's benefits are reduced, if applicable, (The age or time at which a form's benefits are reduced need not be so disclosed if such reduction is not effected prior to the age to or term for which the form is non-cancellable or non-cancellable and guaranteed renewable or if regular benefits are payable at least to the age to or term for which the form is non-cancellable or non-cancellable and guaranteed renewable.) and

c. that benefit payments are subject to an aggregate limit, if applicable.

4. A guaranteed renewable policy form shall disclose, as prominently as and in close conjunction with any prominent use of the term "guaranteed renewable":

a. the age to or term for which the form is guaranteed renewable, if other than lifetime,

b. the age or time at which the form's benefits are reduced, if applicable, (The age or time at which a form's benefits are reduced need not be so disclosed if such reduction is not effected prior to the age to or term for which the form is guaranteed renewable or if regular benefits are payable at least to the age to or term for which the form is guaranteed renewable.)

c. that benefit payments are subject to an aggregate limit, if applicable, and

d. that the applicable premium rates may be changed.

Note: "Prominent use" as referred to in subparagraphs 2. and 4. is considered to include, but is not necessarily limited to, use in titles,

brief descriptions, captions, bold-face type, or type larger than that used in the text of the form.

The rules contained herein shall take effect on May 1, 1964, as provided in section 227.026 (1), Wis. Stats.

Department of Insurance



Charles J. Timbers  
Deputy Commissioner of Insurance

Dated April 1, 1964.