
Wisconsin Legislative Council

AMENDMENT MEMO



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2023 Senate Bill 432

Senate Amendment 1

2023 SENATE BILL 432

Together with a number of minor and technical changes, 2023 Senate Bill 432 makes the following modifications to insurance law:

- Allows the articles or bylaws of a domestic stock or mutual insurance corporation to require, consistent with applicable jurisdictional requirements, that any or all claims pertaining to the internal affairs of the corporation be brought solely and exclusively in the courts in Wisconsin.
- Allows the Commissioner of Insurance to appoint the deputy commissioner, chief legal counsel, or chief financial regulator in the Office of the Commissioner of Insurance (OCI) to serve as a member on the Wisconsin Retirement Board (board), rather than limiting the commissioner's designee to an experienced actuary in OCI.
- Eliminates the requirement that the commissioner develop a uniform employee application form that small employer insurers must use when a small employer applies for coverage under a group health benefit plan, including the requirement that small employer insurers must use the form.
- Eliminates the requirement that the commissioner prescribe, by rule, uniform questions and the format for applications for individual major medical health insurance policies and the requirement that all insurers may use only those questions and that format for individual major medical health insurance policy applications.
- Allows the commissioner to enter directly into a contract for the services of a consultant if OCI is coordinating a review on a regulatory matter with another state's or U.S. territory's insurance department that has already procured the services of the consultant.
- Eliminates the commissioner's responsibility regarding dissolution of the former Health Insurance Risk-Sharing Plan.
- Adds the insurance security fund to the list of persons with whom OCI may confidentially share or from whom OCI may confidentially obtain information.
- Eliminates the requirement that the commissioner study, and provide a report to the Legislature and Governor on certain health care administration costs.
- Changes the procedures for providing notice of the revocation of an insurer's authority to do business in this state.
- Increases the forfeiture amount, from \$1,000 to \$5,000 per violation, for a violation of an insurance statute or rule that involves or constitutes fraud.
- Requires a health maintenance organization that participates in the Family Care Program to make a monetary deposit, in an amount determined by the Department of Health Services, to pay for services on behalf of an insolvent or financially hazardous care management organization.

- Changes a standard under which the commissioner may revoke, suspend, or limit the license of an insurance marketing intermediary or individual navigator from finding that the licensee “is not of good character” to finding that the licensee “is not competent or trustworthy.”
- Eliminates the financial responsibility requirement under current law that applies to navigators.
- Reduces the number of segregated accounts that compose the insurance security fund, from six to five, by merging the life insurance and annuities accounts.
- Changes the manner in which the board calculates assessment amounts for the merged life insurance and annuities account. Under the bill, the amount is calculated as a percentage of premiums for the year immediately preceding the year in which the board authorizes the assessment or, if that data is not available, for the most recent year for which that data is available.
- Adds to the powers of the insurance security fund the authority to negotiate and contract with other guaranty associations to provide and receive administrative, claims, and other services that are usual to guaranty associations.

SENATE AMENDMENT 1

Senate Amendment 1 allows the articles or bylaws of a service insurance corporation to require, consistent with applicable jurisdictional requirements, that any or all claims pertaining to the internal affairs of the service insurance corporation must be brought solely and exclusively in the courts in Wisconsin.

BILL HISTORY

Senator Felzkowski offered Senate Amendment 1 on October 5, 2023. On December 6, 2023, the Senate Committee on Insurance and Small Business voted to recommend adoption of the amendment and passage of the bill, as amended, both on votes of Ayes, 4; Noes, 0.

For a full history of the bill, visit the Legislature’s [bill history page](#).

MSK:jal