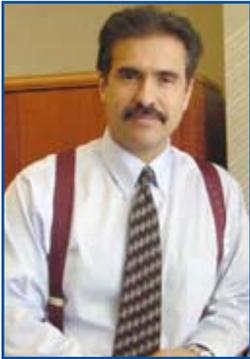




Wisconsin Insurance News

Issue 2 - Fall 2006

Agent Licensing Rule Demonstrates Effectiveness of State-Based Regulatory System



By Jorge Gomez,
Commissioner
of Insurance

This edition of the Wisconsin Insurance News focuses on recent changes to agent licensing regulations in the state. It is important for us all to recognize the cooperative effort that has gone into the rule changes. This rule would not have been possible without a coordinated effort at the national level, through the NAIC, to work done here in Wisconsin. The state-based model continues to be a successful model to achieving coordinated change to the insurance regulatory structure.

The states have been working towards a more coordinated system of agent licensing and Continuing Education (CE) compliance for a number of years. For example, the states

developed a system to allow continuing education credits earned in one state to be reciprocal for CE requirements in other states. Through the NAIC, virtually all states eventually signed on to the CE reciprocity program.

Progress has also been encouraged by changes at the federal level. The Graham-Leach-Bliley Act required the states, through the NAIC, to develop a licensing system that would recognize an agent's license status across each of the states. Eventually, a producer licensing system in which all states and agents could participate was developed. The licensing system is now known as the National Insurance Producer Registry (NIPR). NIPR facilitates the agent licensing and listing process by providing a single point of entry to the regulatory system for agents. All 50 states, the District of Columbia and Puerto Rico now participate. NIPR recently recorded its 30 millionth transaction in its 10th year of existence.

The advantage of this type of cooperative system is that state-specific requirements can be built into the systems. For example, while many states have a CE requirement similar to Wisconsin's requirement of 24 hours every 2 years, the system does permit other state-specific requirements to be recognized.

All states need to have the flexibility in any coordinated regulatory system to respond to the needs identified by their state legislature. The concerns of the Wisconsin Legislature were made clear and addressed prior to the promulgation of our rule. OCI had originally planned to make statutory changes rather than

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promulgate rules. While we were unsuccessful in getting the Legislature to adopt the changes, we did exercise the option to make what changes were possible by rules. Members of the Legislature further questioned the rules proposed by the agency and adjustments were made to the rule to respond to their concerns. I know many of you took time to share your concerns during the rule promulgation process and I believe the rule is better for the time we have all spent working on it.

During my tenure as Commissioner, I have spent a significant amount of time talking to insurance agents. I remain convinced that the state-based regulatory system offers the most effective way for us to deliver quality service to our citizens and allow for insurers and agents to have input into the regulatory system that affects them. No other system would allow for the amount of input by state participants but still be able to develop a coordinated process across the states.

I will not use this forum to review the requirements of the new regulations. This issue of the WIN is devoted to describing the changes. I strongly encourage you to familiarize yourselves with the new requirements. ●

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Changes to Agent Licensing and Continuing Education Requirements

By Laurna J. Landphier, Chief - Agent Licensing Section

Updated license copies were mailed to all existing agents in June of this year. These licenses identify if continuing education is required, as well as the number of hours needed by the new expiration date. An information sheet was enclosed outlining the adoption of the national uniformity standards.

The administrative rules were passed and will officially become effective November 1, 2006. A complete copy of the rule changes is available on our Web site at oci.wi.gov. Highlights of the rule and procedure changes include:

- Expiration dates were moved to the end of the licensee's birth month, in the odd or even license issue year.
- Continuing education compliance is now due at the same time renewal fees are collected.
- No existing fees were increased, and no new fees were added.
- Licensees billed in 2007 will pay 50 percent of the standard renewal fee.
- Licensees billed in 2008 will pay a full renewal fee.
- Continuing education compliance must be met before a licensee is able to renew their license. Transcripts will be mailed to licensees who have yet to achieve compliance 90 days prior to their expiration date. Under this new system, it is imperative that you do not wait until the last few weeks of your reporting period to complete your continuing education for the biennium. By rule, your continuing education providers have ten days to electronically bank your credits, and paper confirmation is not acceptable.
- All future renewals must be paid by credit card, debit card or electronic check. Paper checks, money orders, or cash will not be accepted. Specific information will be included with the renewal notices that will be mailed to individuals and business entities 60 days prior to their due date.
- For those licensees who must comply with continuing education in 2008 or after, three of the required continuing education hours must be devoted to the ethics of insurance. Approved ethics courses will be specifically identified on Promissor's and Sircon's respective Web sites after November 1. Each individual's transcript will be updated to identify any ethics courses already completed after November 1 as well. A link to those sites is available on our Web site at oci.wi.gov.
- Persons who were licensed prior to May 5, 2006, whose license dates were



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converted to 2008 must complete 36 hours of continuing education to accommodate the extra year.

- Correspondence, self-study and online continuing education courses will now be available as long as they are approved and include successful completion of a certified proctored examination.
- Electronic posting of prelicensing education completion information by providers and online background checks by Promissor with the Department of Justice, Crime Information Bureau, will allow implementation of a paperless resident licensing process.
- New resident applicants who hold certain professional designations can qualify for an exemption from the prelicensing education requirements.
- A streamlined reapplication process for residents who reapply within 12 months of a license being cancelled for nonpayment of renewal fees, noncompliance with continuing education, or failing to pay delinquent taxes will be implemented. All previous continuing education requirements or any outstanding tax obligation would need to be met prior to reapplying.
- Nonresident applicants are no longer required to provide a paper letter of certification to confirm license status.
- New Wisconsin residents who were previously licensed as a resident of another state within the previous 12 months will be able to apply without completing prelicensing education or an examination. ●

Biennial Regulation Fees

Renewal notices will be mailed 60 days prior to fees being due. Again, if you are required to complete continuing education, all credits must be banked in

order for you to complete the electronic renewal process. Those individuals who have a license expiring in January should expect their renewal notice in November; those expiring in February will receive their notice in December, and so on.

Wisconsin law requires that you provide our office with your current resident address. Please make sure your current license copy contains your most up-to-date home address information. Business addresses are not acceptable.

If you have a **resident** address change, please notify the Agent Licensing Section in writing at **P.O. Box 7872, Madison, Wisconsin 53707-7872**, by fax at **608-267-9451** or by e-mail at agentlicensing@oci.state.wi.us. Telephone requests for change of address are not accepted. ●

Exemption from Offering and Providing Underinsured Motorists Coverage

In order to address coverage problems that arose due to two recent Wisconsin Supreme Court decisions (Rebernick v. American Family Mutual Insurance Company, 2006 WI 27 and Rocker v. USAA Casualty Insurance Company, 2006 WI 26), OCI promulgated an emergency rule to revise s. Ins 6.77, Wis. Adm. Code.

The rule revisions implement the following changes:

1. The scope of the rule is expanded to include all insurers authorized to write commercial liability policies in Wisconsin.
2. Adds a definition for a commercial liability policy as any form of commercial insurance contract providing coverage for the insured's liability arising out of the ownership, maintenance or use of an automobile or other motor vehicle. For purposes of this section, commercial liability policy includes policies written on farms and agricultural operations but excludes worker's compensation policies.
3. The exemption under subsection (4) is expanded to apply to commercial liability policies as well as umbrella and excess liability policies.
4. The exemption under subsection (4) (a) is also expanded to exempt the policies mentioned in 3. above from ss. 632.32 (4) and 632.32 (4m), Wis. Stat., which require the offering and/or providing of uninsured motorists, underinsured motorists, and medical payments coverages.

The rule changes took effect on September 29, 2006.

If you have any questions regarding the rule, you may contact Rhonda Peterson, Property and Casualty Section Chief, at **608-267-7186** or rhonda.peterson@oci.state.wi.us.



Agents Required to File Medicare Supplement Advertisements

Wisconsin insurance law requires that issuers file with the OCI a copy of any advertisement used in connection with the sale of Medicare supplement or Medicare cost policies. If the advertisement does not reference particular issues or Medicare supplement or Medicare cost policies, each agent utilizing the advertisement shall file the advertisement with the OCI prior to using it.

The definition of an advertisement is very broad and includes: printed and published material, audio visual material and descriptive literature of an insurer used in newspapers, magazines, other periodicals, radio and TV scripts, the Internet, Web pages, electronic or computer presentations, billboards and similar displays. It includes information prepared for the public, Medicare beneficiaries, and potential applicants,

such as invitations to inquire, invitations to apply, letters sent to existing policyholders and notices of informational seminars.

The process for filing an advertisement with the OCI includes completing the OCI's Medicare Supplement Transmittal form and sending the transmittal form to the OCI along with a copy of the advertisement. An OCI insurance examiner will review the transmittal and advertisement. The insurance examiner will then send either a letter disapproving the advertisements and indicating changes that must be made to comply with Wisconsin insurance law or will return a dated and initialed copy of the transmittal form indicating and documenting that the advertisement has been filed.

The OCI's Medicare Supplement Advertising Transmittal Form [form OCI

26-042] is available on the OCI Web site under Policy Form and Rate Filings. The OCI Web site also includes a Medicare Supplement Advertisements policy form checklist, which identifies information that may have to be included in the advertisement. You can access the transmittal form, instructions and checklist at <http://oci.wi.gov/ociforms.htm#companyol>

Agents who fail to file Medicare supplement advertisements with the OCI prior to use may be subject to enforcement action. Enforcement action may include a forfeiture, such as a \$500 fine. The OCI posts information regarding these forfeitures on its Web site.

Agents are encouraged to subscribe to the OCI's list serve (electronic mailing list.) See page 2 for information on how to subscribe.

Continuing Education Requirements

Basic Requirements

All agents who hold a license in any of the major lines of property, casualty, personal lines P&C, life, accident and health insurance, or the limited line of automobile, must meet the continuing

education requirements. Your new compliance date is printed on your license. Individual licenses that identify a February 15 expiration date are no longer valid.

Course credits may be completed at any time during the two-year period.

Carryover of credits from one reporting period to another is not allowed. Please refer to your on-line transcript to confirm your assigned compliance period.

A list of approved providers and courses is available at Promissor's Web site through a link at OCI's Web site by logging on to oci.wi.gov, then clicking on "Agent" followed by "Promissor." You can also log on directly to www.promissor.com. Use the query tool available at their site to

determine course availability and location.

Internet Transcripts Available from Promissor

To request your most current Licensee Continuing Education Transcript log on to www.promissor.com. Select "Testing Services," then "Insurance" followed by "Wisconsin Insurance." Under Continuing Education Services, click on "Licensee Course Transcript" and enter your Wisconsin license number or social security number and last name. You will be able to view and print your transcript. Please note that allocated courses (those with a "Y") were credited to a previous reporting period. Non-allocated courses will be credited to the current reporting period as soon as you have completed your requirements and renewed your

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Updated Publications

OCI has recently updated several publications. Choose "Publications" from the Quick Links located at the top left side of our homepage, oci.wi.gov, then "Consumer Publications" to view, print or request a copy.

- A Brief Guide to Renter's Insurance
- Consumer's Guide to Managed Care Health Plans in Wisconsin
- Health Insurance Coverage in Wisconsin
- Medicare Advantage - Questions and Answers
- Long-Term Care Insurance Approved Policies in Wisconsin
- Teenagers and Auto Insurance
- Una Breve Guía Sobre el Seguro del Arrendatario (A Brief Guide to Renter's Insurance)
- Warranties
- Wisconsin Insurance Report (Business of 2005)



New Lookup Feature Available for Policy Form and Rate/Rule Filings

The OCI is pleased to provide a new online lookup feature that enhances access to some approved policy forms, rates and rules. This information is used regularly by both consumers and industry. It was previously available only by visiting the OCI offices in Madison. Through this new feature we are now able to reach out and provide improved access to all of Wisconsin and beyond.

Please note that filings with a SERFF ID (the number assigned by the NAIC system for electronic rate and form filings) number are not currently viewable.

Display Per Page	10	Sort by	Approved/Filed Date	Search	Reset
OCI Tracking No.	<input type="text"/>				
Filing Type	<input type="text"/>				
Approved/Filed Date (MM/DD/YYYY)	From:	<input type="text"/>	To:	<input type="text"/>	
Type of Insurance	02.3 Flood <input type="text"/>				
Subtype of Insurance	<input type="text"/>				
Company Name	<input type="text"/>				Find
(Fill in beginning of company name and click Find, then choose company from resulting list.)					
Form No.	<input type="text"/>				

This Form and Rate/Rule Lookup application is the latest in a growing number of online, web-based applications OCI has made available to the public in order to meet the need for faster access to information 24/7. Other web-based applications include:

- Agent/Agency Lookup - Find information about an agent or agency license status.
- Company Lookup - Find information about insurers authorized to transact the business of insurance in Wisconsin.
- Service of Process - Find designated registered agents for service of process.
- Publications - Consumer publications online viewing or ordering of printed copy.

Questions that arise in the use of the application or about the records should be directed to records@oci.state.wi.us or **608-264-8110**.

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license. After November 1, 2006, this same transcript will be available at www.sircon.com/wisconsin.

The transcript will permit you to take any action that is necessary to add, delete, or change information that is inaccurate. To correct credit discrepancies, agents are required to contact their continuing education provider(s) directly. These discrepancies can only be resolved between the agent, the provider and Promissor.

Who to Call

Contact Promissor for answers to general questions, to gain information on course availability and to confirm if credits have been banked in an agent's individual record. They may be reached at **800-274-4679**. *Reminder: Dial the (800) prefix whenever using this number.*

Recent Changes Made to HIRSP

With the enactment of 2005 Wisconsin Act 74, effective July 1, 2006, administrative responsibility for the Health Insurance Risk Sharing Plan (HIRSP) was transferred to the newly-created HIRSP Authority. The Authority is not a state agency and its employees are not state employees. In July 2006, Amie Goldman was hired as Chief Executive Officer (CEO) of the HIRSP Authority.

There are several changes that affect the process of enrolling eligible people in the HIRSP program. Effective July 1, 2006, to be eligible for HIRSP, individuals who have been declined insurance coverage in the individual market must now be declined coverage by two insurers. In addition, the residency requirement has changed from 30 to 90 days. The Authority would also like to remind agents that a six-month waiting period exists for most policyholders. For more information, please email your questions to info@hirsp.org.

Contact OCI

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