



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-4699/P1
MIM&TJD:kjf

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 **AN ACT to amend** 102.077, 102.078 (1) (intro.), 102.078 (2), 102.31 (2) (a), 102.31
2 (2) (b) 2., 102.315 (10) (a) 2., 102.315 (10) (a) 3., 102.315 (10) (a) 4., 102.315 (10)
3 (b) 2., 102.315 (10) (b) 3. and 631.39 (2) (intro.); and **to create** 102.31 (2) (ae)
4 of the statutes; **relating to:** cancellation or termination of worker's
5 compensation insurance.

Analysis by the Legislative Reference Bureau

This bill provides that if an insured employer requests the cancellation or termination of the employer's worker's compensation insurance policy because the insured employer is no longer considered an employer under the worker's compensation law, the cancellation or termination becomes effective on the date the employer provides to the insurance company.

The bill also clarifies when an insurance company must provide notice of nonrenewal, cancellation, or termination of a worker's compensation insurance policy under certain circumstances.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 102.077 of the statutes is amended to read:

2 **102.077 Election by school district or private school.** (1) A school
3 district, private school, or institution of higher education may elect to name as its
4 employee for purposes of this chapter a student described in s. 102.07 (12m) (b) by
5 an endorsement on its policy of worker's compensation insurance or, if the school
6 district, private school, or institution of higher education is exempt from the duty to
7 insure under s. 102.28 (2) (a), by filing a declaration with the department in the
8 manner provided in s. 102.31 (2) (~~a~~) (as) naming the student as an employee of the
9 school district, private school, or institution of higher education for purposes of this
10 chapter. A declaration under this subsection shall list the name of the student to be
11 covered under this chapter, the name and address of the employer that is providing
12 the work training or work experience for that student, and the title, if any, of the work
13 training, work experience, or work study program in which the student is
14 participating.

15 **(2)** A school district, private school, or institution of higher education may
16 revoke a declaration under sub. (1) by providing written notice to the department in
17 the manner provided in s. 102.31 (2) (~~a~~) (as), the student, and the employer who is
18 providing the work training or work experience for that student. A revocation under
19 this subsection is effective 30 days after the department receives notice of that
20 revocation.

21 **SECTION 2.** 102.078 (1) (intro.) of the statutes is amended to read:

22 **102.078 (1)** (intro.) A firm, as defined in s. 452.01 (4w), may elect to name as
23 its employee for purposes of this chapter a real estate broker or salesperson who is
24 excluded under s. 452.38 by an endorsement on its policy of worker's compensation
25 insurance or, if the firm is self-insured under s. 102.28 (2) (b), by filing a declaration

1 with the department in the manner provided in s. 102.31 (2) ~~(a)~~ (as) naming the real
2 estate broker or salesperson as an employee of the firm for purposes of this chapter.

3 A declaration under this subsection shall state all of the following:

4 **SECTION 3.** 102.078 (2) of the statutes is amended to read:

5 102.078 (2) A firm, as defined in s. 452.01 (4w), may revoke a declaration under
6 sub. (1) by providing written notice to the department in the manner provided in s.
7 102.31 (2) ~~(a)~~ (as) and to the real estate broker or salesperson named in the
8 declaration. A revocation under this subsection is effective 30 days after the
9 department receives notice of that revocation.

10 **SECTION 4.** 102.31 (2) (a) of the statutes is amended to read:

11 102.31 (2) (a) ~~No party to a contract of insurance~~ insured employer may cancel
12 ~~the a contract of insurance~~ within the contract period ~~or terminate or not renew the~~
13 ~~contract upon the expiration date~~ until a notice in writing is given to the ~~other party~~
14 insurance company fixing the proposed date of cancellation ~~or declaring that the~~
15 ~~party intends to terminate or does not intend to renew the policy upon expiration.~~
16 Upon receipt of notice from an insured employer of the employer's intent to cancel
17 a contract of insurance within the contract period, the insurance company shall give
18 written notice of the cancellation to the department as soon as practicable.

19 (am) Except as provided in par. (b), when an insurance company ~~does not renew~~
20 initiates the nonrenewal of a policy upon expiration, the nonrenewal is not effective
21 until 60 days after the insurance company has given written notice of the nonrenewal
22 to the insured employer and the department. ~~Cancellation~~ When an insurance
23 company initiates the cancellation or termination of a policy ~~by an insurance~~
24 ~~company~~ for any reason other than nonrenewal of the policy, it is not effective until

1 30 days after the insurance company has given written notice of the cancellation or
2 termination to the insured employer and the department.

3 (as) Notice to the department under this subsection may be given by personal
4 service of the notice upon the department at its office in Madison or by sending the
5 notice to the department in a medium approved by the department. The department
6 may provide by rule that the notice of nonrenewal, cancellation, or termination be
7 given to the Wisconsin compensation rating bureau rather than to the department
8 in a medium approved by the department after consultation with the Wisconsin
9 compensation rating bureau. Whenever the Wisconsin compensation rating bureau
10 receives such a notice of nonrenewal, cancellation, or termination it shall
11 immediately notify the department of the notice of cancellation or termination.

12 **SECTION 5.** 102.31 (2) (ae) of the statutes is created to read:

13 102.31 (2) (ae) When an insured employer provides notice to an insurance
14 company of the employer's intent to cancel a contract of insurance within the contract
15 period due to the employer going out of business or selling a business and no longer
16 being an employer under s. 102.04 (1), the cancellation is not effective until the date
17 the employer provides in the notice of the intent to go out of business or sell a
18 business.

19 **SECTION 6.** 102.31 (2) (b) 2. of the statutes is amended to read:

20 102.31 (2) (b) 2. Regardless of whether the notices required under ~~par. (a)~~ (am)
21 and (as) have been given, a cancellation or termination is effective upon the effective
22 date of replacement insurance coverage obtained by the employer, the effective date
23 of an order under s. 102.28 (2) (b) exempting the employer from the duty to carry
24 insurance under s. 102.28 (2) (a), or the effective date of an election by an employer

1 under s. 102.28 (2) (bm) to self-insure its liability for the payment of compensation
2 under this chapter.

3 **SECTION 7.** 102.315 (10) (a) 2. of the statutes is amended to read:

4 102.315 (10) (a) 2. The insureds under a policy described in subd. 1. may cancel
5 the policy during the policy period if both the employee leasing company and the
6 client agree to the cancellation, the cancellation is confirmed by the employee leasing
7 company promptly providing written confirmation of the cancellation to the client or
8 by the client agreeing to the cancellation in writing, and the insurer provides written
9 notice of the cancellation to the department as required under s. 102.31 (2) ~~(a)~~ (am)
10 and (as).

11 **SECTION 8.** 102.315 (10) (a) 3. of the statutes is amended to read:

12 102.315 (10) (a) 3. Subject to subd. 4., an insurer may cancel, terminate, or
13 nonrenew a policy described in subd. 1. by providing written notice of the
14 cancellation, termination, or nonrenewal to the insured employee leasing company
15 and to the department as required under s. 102.31 (2) ~~(a)~~ (am) and (as) and by
16 providing that notice to the insured client. The insurer is not required to state in the
17 notice to the insured client the facts on which the decision to cancel, terminate, or
18 nonrenew the policy is based. Except as provided in s. 102.31 (2) (b), cancellation or
19 termination of a policy under this subdivision for any reason other than nonrenewal
20 is not effective until 30 days after the insurer has provided written notice of the
21 cancellation or termination to the insured employee leasing company, the insured
22 client, and the department. Except as provided in s. 102.31 (2) (b), nonrenewal of a
23 policy under this subdivision is not effective until 60 days after the insurer has
24 provided written notice of the cancellation or termination to the insured employee
25 leasing company, the insured client, and the department.

1 **SECTION 9.** 102.315 (10) (a) 4. of the statutes is amended to read:

2 102.315 **(10)** (a) 4. If an employee leasing company terminates an employee
3 leasing agreement with a client in its entirety, an insurer may cancel or terminate
4 a policy described in subd. 1. covering that client during the policy period by
5 providing written notice of the cancellation or termination to the insured employee
6 leasing company and the department as required under s. 102.31 (2) ~~(a)~~ (am) and (as)
7 and by providing that notice to the insured client. The insurer shall state in the
8 notice to the insured client that the policy is being cancelled or terminated due to the
9 termination of the employee leasing agreement. Except as provided in s. 102.31 (2)
10 (b), cancellation or termination of a policy under this subdivision is not effective until
11 30 days after the insurer has provided written notice of the cancellation or
12 termination to the insured employee leasing company, the insured client, and the
13 department.

14 **SECTION 10.** 102.315 (10) (b) 2. of the statutes is amended to read:

15 102.315 **(10)** (b) 2. The insureds under a policy described in subd. 1. may cancel
16 the policy during the policy period if both the employee leasing company and the
17 client agree to the cancellation, the cancellation is confirmed by the employee leasing
18 company promptly providing written confirmation of the cancellation to the client or
19 by the client agreeing to the cancellation in writing, and the insurer provides written
20 notice of the cancellation to the department as required under s. 102.31 (2) ~~(a)~~ (am)
21 and (as).

22 **SECTION 11.** 102.315 (10) (b) 3. of the statutes is amended to read:

23 102.315 **(10)** (b) 3. An insurer may cancel, terminate, or nonrenew a policy
24 described in subd. 1., including cancellation or termination of a policy providing
25 continued coverage under subd. 4., by providing written notice of the cancellation,

1 termination, or nonrenewal to the insured employee leasing company and to the
2 department as required under s. 102.31 (2) ~~(a)~~ (am) and (as) and by providing that
3 notice to the insured client. Except as provided in s. 102.31 (2) (b), cancellation or
4 termination of a policy under this subdivision for any reason other than nonrenewal
5 is not effective until 30 days after the insurer has provided written notice of the
6 cancellation or termination to the insured employee leasing company, the insured
7 client, and the department. Except as provided in s. 102.31 (2) (b), nonrenewal of a
8 policy under this subdivision is not effective until 60 days after the insurer has
9 provided written notice of the cancellation or termination to the insured employee
10 leasing company, the insured client, and the department.

11 **SECTION 12.** 631.39 (2) (intro.) of the statutes is amended to read:

12 631.39 (2) RENEWAL REQUIREMENTS. (intro.) An insurer may renew a policy in
13 an affiliate without having to comply with s. 102.31 (2) ~~(a)~~ (am) or (as) or 631.36 (4)
14 or s. INS 21.01 (6), Wis. Adm. Code, if all of the following are satisfied:

15 (END)