



Wisconsin Office of the
COMMISSIONER
OF INSURANCE

Introduction to Insurance

About OCI

The Office of the Commissioner of Insurance (OCI) was created by the legislature in 1870 and continues its work today making sure that the insurance industry meets the insurance needs of Wisconsin citizens.



Our Mission

The mission of the Office of the Commissioner of Insurance is to **protect and educate Wisconsin consumers** by **maintaining and promoting a strong insurance industry.**



Serve as a resource for consumers, insurers, and agents

Monitor market activity for any untruthful, misleading, or deceptive marketing practices targeted toward individuals losing Medicaid coverage.

Respond to consumer inquiries regarding what resources are available for help selecting a commercial insurance plan.

Investigate consumer complaints to ensure that any substantiated complaints are referred to our legal unit for possible administrative action.



OCI by the Numbers

- In 2022, there were 2,044 insurers authorized to write business in Wisconsin with 329 of those domiciled in Wisconsin.
- There are over 214,000 agents licensed to do business in Wisconsin and over 34,000 of those are Wisconsin residents.
- In 2022, OCI investigated and resolved 2,678 written consumer complaints and handled over 19,000 general inquiries received via email and telephone.
- OCI assisted complainants in recovering over \$9.2 million from insurers.



Powers and Duties of the Insurance Commissioner

- Protect and Educate the Public
- Ensure Insurance Industry Meets Needs
 - Responsibly
 - Adequately
 - Even-handedly



General Powers

- Administer and enforce insurance laws and regulations
- Issue orders
- Require licensees to respond to inquiries and provide reports
- Power to examine licensees
- Rehabilitate and Liquidate Insurers



Statutes and Rules

- General Statutes and Administrative Rules
 - Commissioner Responsibilities
 - Licensing
 - Financial Solvency
 - Marketing
 - Insurance Contracts



Insurance Statute s. 601.01, Wis. Stat.

The purpose of the Wisconsin Insurance Statutes is to:

- Ensure the financial solvency of all insurers doing business in this state.
- Ensure that policyholders, claimants and insurers are treated fairly and equitably.
- Ensure that the state has an adequate and healthy insurance market characterized by competitive conditions and the exercise of initiative.
- Maintain freedom of contract and freedom of enterprise so far as consistent with the other purposes of the law.
- Keep the public informed on insurance matters.



Enforcement Procedures

- Hearings
 - Before issuing rules
 - Before issuing formal guidance
 - Agents/Navigators right to hearing
- Enforcement Sanctions
 - Order to comply
 - Forfeitures
 - Restitution



Licensing and OCI Authority

- Licensing of insurance companies
- Licensing of insurance agents
- Licensing of navigators
- Regulation of insurance marketing practices
- Regulation of navigator and non-navigator assisters



When is an Insurance License Required?

- A person may not solicit, negotiate, sell or advertise any service as an intermediary in Wisconsin unless the person obtains a license.
- No person may use the services of another as an intermediary if the person knows or should know that the other does not have a license as required by law.
- An insurance contract is valid even if sold or serviced by an unlicensed intermediary. [s. 628.03]



Is a License is Required?

- A person who incidentally advises other persons about insurance needs and coverages during the normal course of his or her noninsurance-related business, and who receives no direct or indirect compensation on account of any transaction which results from the advice?
- A person who places insurance for an insurance company on a door-to door basis?
- A person who advises other persons about insurance needs and coverages and is directly compensated by an insurance company or the insured?



Principles of Insurance

- Principles of insurance
 - Definition of risk
 - Pooling concept
 - Types of insurance companies
- Contract law
 - Elements of a contract
 - Unique aspects of health insurance contracts



Insurance Contracts

- Laws apply to policies sold in Wisconsin
- Policies need to comply with readability requirements
- Notice to agent is notice to insurer
- Insurer bound by acts of the agent within scope of apparent authority
Representations – oral and written statements by applicant
- Privacy protections
- Right to file a complaint with Commissioner of Insurance



Polling Slide #1

- An insurance company is bound by the acts of its appointed agent when the agent acts within the scope of their apparent authority, even if they do not have actual authority from the company:
 - A. True
 - B. False



Insurance Contracts cont.

- Notice of claim
- Prompt settlement of claims
- Effect of a mistake in an insurance contract



Insurance Contracts cont.

- Unfair claim settlement practices
- Right to Return policy
- Grace periods



What is generally exempt from OCI Jurisdiction

- Self-funded ERISA Plans
- Labor Union Health & Welfare Plans
- Discount Plans
- Medicare Advantage Plans
- Medicare Part D Prescription Drug Plans
- Healthcare Sharing Ministries (HCSMs)
- Direct Primary Care



BREAK



Supplemental Insurance Products/Discount Programs That Are Not ACA Compliant

Ex: fixed/limited indemnity plans (LIPs), AD&D plans, dental plans, Rx discount cards

LIPs may be bundled with the above products (or other similar products) to mimic comprehensive major medical coverage

It is a violation of Wis. Stat. 628.34 (misrepresentation) to market LIPs or other supplemental products (either alone or in combo) as providing ACA-compliant major medical



Marketing Considerations

- Unfair marketing practices as governed by s. 628.34, Wis. Stat.
- Misrepresentation
- Restraint of competition
- Choice of Insurer
- Home solicitation and sales as governed under Ins. 20



Advertising Rules

Section INS 3.27, Wis. Adm. Code

- Clear, unambiguous statements/explanations
- Advertisements must be truthful and not misleading
- No disparaging statements
- Overall impression created
- Insurer/agent responsible for suitability of sale
- Lead generators purchased by agents



Agent-specific Marketing

Marketing materials

- Websites
- Media
- Mailings
- Social Media
- Lead Generators

Phone calls and face-to-face conversation

- these can be a "record" (INS s. 6.61(3)(h), Wis. Adm. Code)
- Applications potentially subject to E-delivery requirements
- False, inaccurate, or misleading statements are violations

Steering enrollees to other products for financial gain



Polling Slide #2

- Which of the following insurance is generally exempt from OCI jurisdiction?
 - A. Health Sharing Ministries
 - B. Self-funded ERISA plans
 - C. Medicare Advantage Plans
 - D. All of the above



Common Federal Laws Impacting Health Ins.

Medicare (Title XVIII of the Social Security Act)

ERISA

COBRA

Mothers' Health Protection Act of 1996

Women's Health and Cancer Rights Act of 1998

HIPAA

Mental Health Parity & Addiction Equity Act (MHPAEA)

PPACA (Affordable Care Act)

Federal No Surprises Act (NSA)

Medicare

- Medicare is a federally funded and regulated program under the U.S. Department of Health and Human Services.
- Medicare: Federal program for those:
 - People aged 65 or older.
 - People under age 65 with certain disabilities.
 - People of all ages with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant).



Medicare Basics

- Medicare now has four different parts: A, B, C, and D. Policyholders can stay with original Medicare (Parts A & B), purchase a Medicare Advantage Plan (Part C). Most people also buy Drug Insurance (Part D).
- Medicare supplement (also called Medigap) is a separate insurance product regulated by the states. Wisconsin is an exempt state from the federal supplemental uniform product offerings generally associated with additional alphanumeric identifiers. ("L" "N" etc.)



Timely Payment of Claims

- Insurers can require sufficient documentation necessary to make a determination of liability.
- Consumers may need to provide additional information to their insurer in order to facilitate payment of health care claims. Frequently the insurer is needing confirmation as to who received the services, who provided the services and why services were needed.
- The policy will identify the timeframe consumers must file a claim or provide information for payment.



Nonrenewal of Insurance

- Nonrenewal of a policy refers to the termination of a policy at the expiration date. If an insurer decides it does not want to renew your policy, it must mail or deliver to you a nonrenewal notice at least 60 days before the policy expires. The notice must provide the reason for the nonrenewal.
- Reasons include:
 - Nonpayment of premium
 - Fraud by the consumer
 - Failure to meet minimum participation or employer contribution requirements
 - Insurer ceases to offer coverage in the market or area in which the group plan is located
 - For network plans, when no enrollees under the plan reside, live or work in the insurer's service area



Timely Notice of Cancellation

- Section 631.36 (2) (b), Wis. Stat., provides that no cancellation is effective until at least 10 days after the 1st class mailing or delivery of a written notice to the policyholder
- The Court of Appeals of Wisconsin has discussed the "10 days after the 1st class mailing or delivery" language and determined that the two words "mailing" (using postal mail) and "delivery" (some form other than the postal mail) refer to two different methods of providing notice of cancellation to consumers



What scams currently target Wisconsin consumers?

- High-pressure sales tactics, lots of double-talk
- Products that have the appearance of ACA compliant insurance but aren't
- Products with such limited provider networks as to be nearly impossible to use
- Products with hidden, unnecessary expenses bundled in
- Examples...



This website is not a government website and is privately owned and intended to generate private leads for offers of insurance via telephone calls to consumers. Learn more

ONLINE LEAD GENERATORS



2018

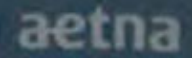
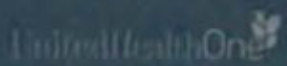



Obamacare Market
Compare rates and provide

INDIVIDUAL & FAMILY COVERAGE
Enter Your Zip Code:

Get Rates Now

COMPARE THE TOP PROVIDERS IN YOUR AREA




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JUST PASSED!!!

The State of Wisconsin has recently approved **NEW** self-employed health insurance programs, designed specifically for small business owners and self-employed.

Click **BELOW** to see if you qualify 📌



SELF-EMPLOYED IN

SOCIAL MEDIA

This promoted advertisement from Facebook uses the Governor's image to imply government sponsorship of the program.

When a consumer falls for a scam?

DON'T wait for someone to fall for it

- Help inform people how to spot red flags
- Make sure to refer people directly to HealthCare.gov
- If you see something, say something – submit suspicious materials to OCI for investigation

File a complaint with OCI

- Anyone can file a complaint – consumer, Navigator, neighbor, provider, agent, *anyone*
- In many instances, the complaint can be confidential
- If an issue falls outside our jurisdiction or has dual jurisdiction, OCI will refer it to the appropriate entity (DATCP, etc.)
- Online complaint form, e-mail, print/mail, paper form
- If exposed to a possible scam, write down as much information as possible: phone numbers, names, agent number (if they'll give it), company name, keep envelopes from mailings.

Free look period

- Most policies have a free look period. Review documents carefully and if misrepresented or doesn't meet needs, return it within the free look period.



Right to File a Complaint with the Commissioner

S. INS 6.85, Wis. Adm. Code

- Notice of right to file a complaint
- Insurers must provide to insureds
- Notice format
- Notice delivery requirements



OCI Complaint Information

What is a complaint?

- A complaint is a dissatisfaction you are having with an insurance company or insurance agent.
- You may file a complaint with us if you are unable to resolve a dispute with an insurance company or agent, if you have a problem with a pharmacy benefit manager (PBM) service, or you receive a surprise medical bill.
- .A complaint is a public record, under Wisconsin's Public Records law. The Office will withhold personally identifiable personal, health and financial information before releasing closed complaint files.
- On our website, we now have 3 specific forms available to submit that now also encompass complaints for PBM's and Surprise Billing.



Complaints

- OCI's focus is consumer harm and compliance with Insurance laws and regulations
- Did the company identify the problem?
- Was the company's action proactive?
- Was consumer made whole?
- Was corrective action taken by the insurer or agent?



OCI Complaint Information

What OCI will do:

- Send the complaint to the insurance company and require them to provide an explanation for their actions.
- Review the company's response to make sure they followed Wisconsin state laws and your policy.
- Work with the company and the consumer to resolve the problem or facilitate communication among the parties.
- Help consumers understand their insurance policy.
- Recommend places consumers can go for help if we do not have the legal authority to resolve the matter.



OCI Complaint Information

What OCI can't do:

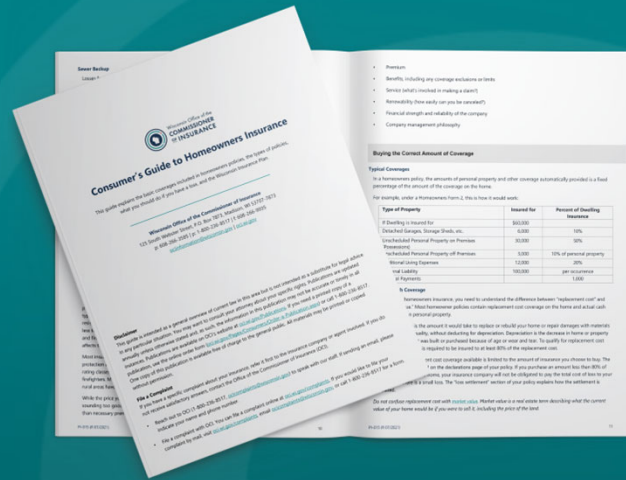
- Act as a lawyer or give legal advice.
- Make medical judgments or determine medical necessity.
- Act as your adjuster on claim amounts, value, or compensable loss.
- Address issues we cannot legally enforce (i.e. self-funded plans.)
- Advocate for any party to a complaint. We are neutral regulators.



OCI Resources

- Policy form checklists
- Bulletins
- Publications
- WisCovered.com
- Wisconsin Insurance Report

<https://oci.wi.gov/Pages/Agents/NavigatorLicense.aspx>



Printable Consumer Guides and FAQ Sheets



Easy to Read Webpages

