

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0203/P3dn

PJK:...:ch

1. Because I have some questions on the new additions, I made this a preliminary draft again. In addition to this drafter's note, I included a few 4-star notes in the draft itself. The analysis includes the analyses from LRB-0203 and LRB-2515, but does not yet include an analysis for the new additions.

2. I have not as yet included anything for number 1. on your list of additions (to revoke a license that has been suspended for 60 days for child support delinquency). The request is problematic. Section 49.857 sets out the standard procedures that are to be followed for license-issuing agencies when applicants for or holders of licenses are, generally, delinquent in paying child support. Variations for individual agencies are to be contained in the memoranda of understanding (between each licensing agency and DWD) that are required under s. 49.857. The general scheme is for an agency to "restrict, limit, suspend, withhold, deny or refuse to grant or issue or renew" a license if an applicant for or a holder of a license is delinquent in paying child support. The federal law requiring this provision did not authorize revoking a license. In addition, under the standard procedure of s. 49.857, a delinquent person's license is to be affected until he or she pays the delinquent amount or makes satisfactory alternative payment arrangements, at which time DWD is required to notify the agency, which is to reinstate the license. However, in no event is the effect on the license to last longer than five years (or six months for failure to comply with a subpoena or warrant). The change that you want made is in conflict with these requirements. Making exceptions for OCI would probably be the beginning of exceptions for many, if not all, other licensing agencies. The following would have to be amended to make exceptions for OCI from the standard procedure: s. 49.857 (2) (a), (b) 1. and 3. c. and d., (c) 1. and 2. and (d), (3) (a) 3., (am) 3., (b) 3. and (d) 1. and 2. and (4). In addition, a special type of notice for OCI licenses would probably have to be included in s. 49.857. Please let me know how you want to proceed.

3. I included the second part of number 6. on your list of additions but did not know what to include for the first part: the creation of s. 601.42 (7). The first sentence of the suggested language seems to simply authorize the commissioner to employ experts to assist in examinations or reviews of any transactions subject to approval under the insurance chapters, but the second sentence seems to imply that an examination or a review of a transaction subject to approval would only apply to an insurer or person controlling or attempting to acquire the insurer. Wouldn't it be preferable to make the language broader and require the person that is the subject of the examination or review to pay the cost of the expert?

4. For number 8. on your list of additions (the exception from the hearing requirement under s. 611.72 (3)), it seems strange that the end result of a proposed transfer of control does not change control. Is there any way to expand on this so that it does not seem illogical?

5. For number 9. on your list of additions, I don't think that you need the language inserted in s. 601.465 (3) (intro.). Section 601.465 (intro.) authorizes OCI to prevent any other person from disclosing information obtained by OCI from any of the sources listed in sub. (3) (a) to (d). That is, if OCI discloses information obtained from any of those sources, OCI may prevent further disclosure.

It doesn't make sense to say that OCI may refuse to disclose information disclosed by OCI, unless the information disclosed by OCI is obtained from a source other than the sources listed in s. 601.465; in which case, it would be preferable to add a new source or to simply state the type of information. Please let me know if I'm missing the point on this one.

6. Do you want to specify any initial applicability for any of the new additions?

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