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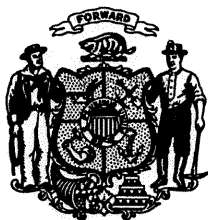
LCRC
FORM 2

WISCONSIN LEGISLATIVE COUNCIL STAFF

RULES CLEARINGHOUSE

Ronald Sklansky
Director
(608) 266-1946

Richard Sweet
Assistant Director
(608) 266-2982



Jane R. Henkel, Acting Director
Legislative Council Staff
(608) 266-1304

One E. Main St., Ste. 401
P.O. Box 2536
Madison, WI 53701-2536
FAX: (608) 266-3830

CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE 99-170

AN ORDER to amend Ins 6.57 (4), relating to listing fees for resident agents.

Submitted by **OFFICE OF THE COMMISSIONER OF INSURANCE**

12-29-99 RECEIVED BY LEGISLATIVE COUNCIL.

01-24-00 REPORT SENT TO AGENCY.

RNS:GAA:jal;rv

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached YES NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached YES NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached YES NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS [s. 227.15 (2) (e)]

Comment Attached YES NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached YES NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL REGULATIONS [s. 227.15 (2) (g)]

Comment Attached YES NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached YES NO

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CLEARINGHOUSE RULE 99-170

Comments

[NOTE: All citations to "Manual" in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated September 1998.]

2. Form, Style and Placement in Administrative Code

In amending a rule, the new material should follow, not precede, the stricken material.
[See s. 1.06 (1), Manual.]

**PROPOSED ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE AMENDING A
RULE**

To amend Ins 6.57(4), Wis. Adm. Code, relating to listing fees for resident agents.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

Statutory authority: ss. 600.01(2), 601.31(n), 601.41(3), 601.42, 628.11, 628.34(12), Stats.

Statutes interpreted: ss. 600.01, 628.34 (12), Stats.

Wisconsin has experienced a strong economy and a growing and competitive insurance industry. At the same time, OCI has been a good fiscal steward and has not grown at the same rate as the insurance industry, allowing OCI to reduce fee collections. Effective use of information technology and increased efficiency in agency operations has resulted in a reduced need for revenue from the industry. This change would lower the listing fees paid by insurers for resident agents from \$8.00 to \$7.00.

SECTION 1. Section Ins 6.57(4) is amended to read:

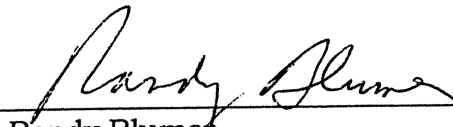
Ins 6.57(4) Fees applicable for listing of insurance agents under s. 628.11,
Stats.,

Resident individual intermediary-agents	\$8.00 <u>\$7.00</u>
Nonresident individual intermediary-agents	\$24.00

SECTION 2. These changes will take effect on the first day of the first month after publication, as provided in s. 227.22(2)(intro.), Stats.

SECTION 3. These changes will apply to any resident agent listing fee on a bill sent to the insurer after the effective date of this rule.

Dated at Madison, Wisconsin, this 29th day of December, 1999.



Randy Blumer
Deputy Commissioner of Insurance

MAR 06 2000



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Tommy G. Thompson
Governor
Connie L. O'Connell
Commissioner

March 6, 2000

121 East Wilson Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
E-Mail: Information@oci.state.wi.us
http://badger.state.wi.us/agencies/oci/oci_home.htm

HONORABLE JUDITH ROBSON
SENATE CO-CHAIRPERSON
JOINT COMM FOR REVIEW OF ADM RULES
15 SOUTH STATE CAPITOL
MADISON WI 53702

Re: Rule, Section Ins 6.57(4), Wis. Adm. Code, relating to listing fees for resident agents

Clearinghouse Rule No. 99-170

Dear Senator Robson:

I am enclosing a copy of this proposed rule which has been submitted to the presiding officers of the legislative houses under s. 227.19 (2), Wis. Stat. A copy of the report required under s. 227.19 (3), Wis. Stat., is also enclosed.

Sincerely,

A handwritten signature in cursive script that reads "Randy Blumer".

Randy Blumer
Deputy Commissioner of Insurance

RB:RL

Attachment: 1 copy rule & legislative report

**PROPOSED ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE AMENDING A
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SECTION 1. Section Ins 6.57(4) is amended to read:

Ins 6.57(4) Fees applicable for listing of insurance agents under s. 628.11, Stats.,

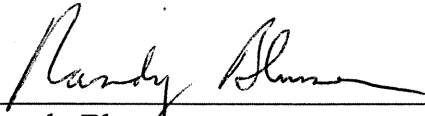
Resident individual intermediary-agents ~~\$8.00~~ \$7.00

Nonresident individual intermediary-agents \$24.00

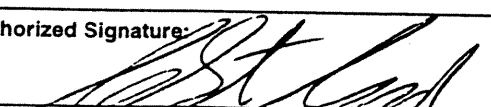
SECTION 2. These changes will take effect on the first day of the first month after publication, as provided in s. 227.22(2)(intro.), Stats.

SECTION 3. These changes will apply to any resident agent listing fee on a bill sent to the insurer after the effective date of this rule.

Dated at Madison, Wisconsin, this 6th day of March, 2000.



Randy Blumer
Deputy Commissioner of Insurance

1999 Session		LRB Number
FISCAL ESTIMATE DOA-2048 N(R06/99)		Bill Number
<input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> UPDATED <input type="checkbox"/> CORRECTED <input type="checkbox"/> SUPPLEMENTAL		Amendment No. if Applicable
Subject Reduction in resident agent listing fees.		Administrative Rule Number INS 6.57
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.		
<input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation		<input type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
Local: <input checked="" type="checkbox"/> No local government costs		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S		Affected Chapter 20 Appropriations 20.145 (1) (g)
Assumptions Used in Arriving at Fiscal Estimate <p>Wisconsin has experienced a strong economy and a growing and competitive insurance industry. At the same time, OCI has been a good fiscal steward and has effectively used information technology and increased its efficiency in agency operations resulting in a reduced need for revenue from the industry.</p> <p>The agency is proposing a decrease in the resident agent listing fees. By reducing the resident agent listing fee from its current level of \$8.00 to the new proposed fee of \$7.00, the agency will reduce its revenues by \$522,599 on an annualized basis.</p>		
Long-Range Fiscal Implications		
Prepared by: Tim Mero	Telephone No. (608)264-8114	Agency OCI
Authorized Signature: 	Telephone No. (608)266-5673	Date 12/29/99

FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R06/99)

LRB Number	Amendment No. if Applicable
Bill Number	Administrative Rule Number INS 6.57

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Subject


Reduction in resident agent listing fees.

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:		Annualized Fiscal impact on State funds from:	
A. State Costs by Category		Increased Costs	Decreased Costs
State Operations - Salaries and Fringes		\$	\$ -
(FTE Position Changes)		(FTE)	(- FTE)
State Operations - Other Costs			-
Local Assistance			-
Aids to Individuals or Organizations			-
TOTAL State Costs by Category		\$ 0.00	\$ - 0.00
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$	\$ -
FED			-
PRO/PRS			-
SEG/SEG-S			-
State Revenues	Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS			- 522,599.00
SEG/SEG-S			-
TOTAL State Revenues		\$	\$ - 522,599.00

NET ANNUALIZED FISCAL IMPACT

	STATE	LOCAL
NET CHANGE IN COSTS	\$ 0.00	\$ 0.00
NET CHANGE IN REVENUES	\$ (522,599.00)	\$ 0.00

Prepared by: Tim Mero	Telephone No. (608) 264-8114	Agency OCI
Authorized Signature: 	Telephone No. (608) 266-5873	Date 12/29/99



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Tommy G. Thompson
Governor

Connie L. O'Connell
Commissioner

121 East Wilson Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
E-Mail: Information@oci.state.wi.us
http://badger.state.wi.us/agencies/oci/oci_home.htm

REPORT ON Section Ins 6.57(4), Wis. Adm. Code, relating
to listing fees for resident agents

Clearinghouse Rule No 99-170
Submitted Under s. 227.19 (3), Stats.
The proposed rule-making order is attached.

(a) Statement of need for the proposed rule

OCI has a reduced need for revenue from the industry and thus can reduce this fee.

(b) Modifications made in proposed rule based on testimony at public hearing:

None

(c) Persons who appeared or registered regarding the proposed rule:

Appearances For: None

Appearances Against: None

Appearances For Information: None

Registrations For: None

Registrations Against: None

Registrations Neither for nor against: None

Letters received: None

(d) Response to Legislative Council staff recommendations

All comments were complied with and corrected

(e) Regulatory flexibility analysis

1. None of the methods specified under s. 227.14 (2), Stats., for reducing the rule's impact on small businesses were included because all must be treated equally and thus it is not possible to have different rules for one segment of the population.

2. No issues were raised by small businesses during the hearing on the proposed rule.
3. The proposed rule does not impose any additional reporting requirements on small businesses.
4. The proposed rule does not require any additional measures or investments by small businesses.
5. No methods specified under s. 227.114 (2), Stats., are included in the proposed rule.
6. No methods specified under s. 227.114 (2), Stats., are included in the proposed rule.

(f) Fiscal Effect

See fiscal estimate attached to proposed rule.

Attachment: Legislative Council Staff Recommendations
March 6, 2000