

2001 DRAFTING REQUEST

Bill

Received: **09/20/2000**

Received By: **kahlepj**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget 7-9546**

By/Representing: **Jablonsky**

This file may be shown to any legislator: **NO**

Drafter: **kahlepj**

May Contact:

Alt. Drafters:

Subject: **Insurance - miscellaneous**

Extra Copies:

Pre Topic:

DOA:.....Jablonsky -

Topic:

Amount of monies received that are to be deposited in appropriation for general program operations

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kahlepj 09/22/2000	hhagen 09/22/2000					State
/1			martykr 09/22/2000		gretskl 09/22/2000		State
/2	kahlepj 01/25/2001	wjackson 01/26/2001	rschluet 01/26/2001		lrb_docadmin 01/26/2001		

FE Sent For:

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FE Sent For:

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1-26-1

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W15
1-26-1

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1/?	kahlepj	1 9/20 jld	2/22/02	ds 2/22/02	9/22		

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BCBS revenue

Change in statutory language of s. 20.145(1)(g) relating to the deposit of receipts generated by s. 611.76(10) and s. 601.42(7):

Intent of the Statutory Language Changes:

This modification has been submitted at the suggestion of the State Controller. This is to clearly show that the receipts generated by s. 611.76(10) and s. 601.42(7) should be deposited to this appropriation at the 100% level.

The amounts received under s. 611.76(10) are intended to cover all of the expenses incurred by the commissioner and the prorated salaries of any insurance office staff members involved in reviewing the conversion of a domestic mutual into a stock corporation. These costs are borne by the corporation being converted. If these receipts are not deposited at the 100% level, then not all of the expenses incurred by the commissioner and the prorated salaries of any insurance office staff members involved would be covered.

The amounts received under s. 601.42(7) are intended to cover all of the expenses incurred to employ experts to assist the commissioner in an examination or in the review of any transaction subject to approval under chapters 600 to 646. These costs are borne by the person that is a party to the transaction being reviewed. If these receipts are not deposited at the 100% level, then not all of the expenses incurred by the commissioner to employ the experts would be covered

Current Language:

20.145 (1)(g): General Program Operations. The amounts in the schedule for general program operations. Ninety percent of all moneys received under ss. 601.31,601.32, 601.45 and 601.47 shall be credited to this appropriation.

Revised Language:

20.145 (1)(g): General Program Operations. The amounts in the schedule for general program operations. One hundred percent of all moneys received under ss. 611.76(10) and 601.42(7) and ninety percent of all moneys received under ss. 601.31,601.32, 601.45 and 601.47 shall be credited to this appropriation.



TOMMY G. THOMPSON
GOVERNOR

MARK D. BUGHER
SECRETARY

Date: July 28, 1999

To: Clare Stapleton Concord
Office of Commissioner of Insurance

From: William J. Raftery, CPA
State Controller

A handwritten signature in black ink that reads "W J Raftery".

Subject: Blue Cross & Blue Shield Conversion

You have asked our opinion on how to account for the amounts received under s. 611.76(10) Wis. Stat. for the conversion of Blue Cross & Blue Shield to a for profit stock insurance company. We have discussed this issue with DOA Legal Counsel and the State Budget Office. It is our opinion that these receipts should be deposited 100% to the appropriation authorized under s. 20.145(1)(g) Wis. Stat. as revenue to the appropriation and not as a refund of expenditure. Since the expenditures that are generating these revenues are also recorded in this appropriation this treatment would match revenues with expenditures. Treatment of these receipts as refunds of expenditures would net the receipts against the expenditures and would not allow easy identification of the actual cost of the conversion.

I would suggest that the language in s. 20.145(1)(g) be modified to reference receipts generated by s. 611.76(10) so that it is clear these receipts should be deposited to this appropriation at the 100% level.

If you have any questions feel free to contact me.

cc
Sue Jablonsky



Jld

DOA:.....Jablonsky – Amount of monies received that are to be deposited in appropriation for general program operations

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

SOON
(9-22)

insurance company

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1 AN ACT...; relating to: the budget. ✓

Analysis by the Legislative Reference Bureau

INSURANCE

Current law authorizes the commissioner of insurance (commissioner) to employ experts to assist in an examination or review of a transaction subject to the insurance provisions of the statutes. The party being examined or reviewed must pay the reasonable costs incurred by the commissioner for the experts. Current law also provides that, in the conversion of a domestic mutual into a stock corporation, the converting company must pay all expenses incurred by the commissioner and the prorated salaries of OCI staff involved in the conversion. The bill provides that all amounts paid under these two requirements are to be credited to the appropriation account out of which are paid OCI's general program operations.

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:

2 SECTION 1. 20.145 (1) (g) of the statutes is amended to read:

1 20.145 (1) (g) *General program operations.* The amounts in the schedule for
 2 general program operations. ~~Ninety~~^{90%} ~~All~~^{most} moneys received under ss. 601.42 (7) and
 3 611.76 (10) and ~~any~~ percent of all moneys received under ss. 601.31, 601.32, 601.45
 4 and 601.47 shall be credited to this appropriation.

History: 1971 c. 40 s. 93; 1971 c. 125 ss. 51, 52, 53, 54, 55, 522 (1); 1973 c. 117, 333, 336; 1975 c. 37, 39; 1975 c. 147 s. 54; 1975 c. 372 s. 41; 1977 c. 29, 418; 1979 c. 34 ss. 121 to 127, 2102 (26) (a); 1979 c. 109 s. 16; 1979 c. 221, 313; 1981 c. 20 ss. 142m to 145, 2202 (26) (b); 1983 a. 27, 120; 1985 a. 29, 340; 1987 a. 27; 1989 a. 187; 1991 a. 39, 315; 1993 a. 16; 1995 a. 10, 27, 463; 1997 a. 27, 35, 227, 252.

5

(END)

1-25-01

Sue Jablonsky - phone

LRB-0469

change ss. 601.42 (7)
and 611.76 (10) to
90% also



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-04697

PJK:jld

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DOA:.....Jablonsky - Amount of monies received that are to be deposited in appropriation for general program operations

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

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(1-25)

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as is the case with other payments to OCI

1 AN ACT...; relating to: the budget.

Analysis by the Legislative Reference Bureau

INSURANCE

Current law authorizes the commissioner of insurance (commissioner) to employ experts to assist in an examination or review of a transaction subject to the insurance provisions of the statutes. The party being examined or reviewed must pay the reasonable costs incurred by the commissioner for the experts. Current law also provides that, in the conversion of a domestic mutual insurance company into a stock corporation, the converting company must pay all expenses incurred by the commissioner and the prorated salaries of OCI staff involved in the conversion. The bill provides that all amounts paid under these two requirements are to be credited to the appropriation account out of which are paid OCI's general program operations.

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

90% of

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

2

SECTION 1. 20.145 (1) (g) of the statutes is amended to read:

plain

- 1
- 2
- 3
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- 5

20.145 (1) (g) *General program operations*. The amounts in the schedule for
 general program operations. Ninety percent ~~of all moneys received under ss. 601.31, 601.32, 601.45~~
~~and 601.47~~ of all moneys received under ss. 601.31, 601.32, 601.45
 and 601.47 shall be credited to this appropriation.

(END)

account

601.42(7),

and 611.76(10)✓



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0469/2

PJK:jld:rs

DOA:.....Jablonsky – Amount of monies received that are to be deposited in appropriation for general program operations

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** the budget.

Analysis by the Legislative Reference Bureau

INSURANCE

Current law authorizes the commissioner of insurance (commissioner) to employ experts to assist in an examination or review of a transaction subject to the insurance provisions of the statutes. The party being examined or reviewed must pay the reasonable costs incurred by the commissioner for the experts. Current law also provides that, in the conversion of a domestic mutual insurance company into a stock corporation, the converting company must pay all expenses incurred by the commissioner and the prorated salaries of OCI staff involved in the conversion. The bill provides that 90% of all amounts paid under these two requirements are to be credited to the appropriation account out of which are paid OCI's general program operations, as is the case with other payments to OCI.

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:

2 **SECTION 1.** 20.145 (1) (g) of the statutes is amended to read:

