



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2015 Wisconsin Act 325
[2015 Assembly Bill 584]

**Local Government Property
Insurance Fund**

2015 Wisconsin Act 325 relates to rate regulations, assessment levies, and dividends for the local government property insurance fund.

The Act specifies a target premium-to-surplus ratio that must be maintained in the local government property insurance fund, with a floor and ceiling that triggers the levy of an assessment or payout of dividends. The target ratio is at most \$1.00 of surplus for each \$2.00 in net premiums.

The floor for the minimum amount of surplus is \$1.00 of surplus for each \$2.25 in net premiums, and if the surplus falls below that level, an assessment must be levied on each participating local governmental unit. The ceiling for the maximum amount of surplus is \$1.00 of surplus for each \$0.45 in net premiums, and if the surplus exceeds that level, a dividend must be paid to each participating local governmental unit.

The Act also specifies that in setting premium rates for the local government property insurance fund, the general insurance rate standards apply. Under these standards, rates may not be excessive, inadequate, or unfairly discriminatory, and ongoing rates may not have the effect of destroying competition or creating a monopoly.

Effective date: July 1, 2018.

Prepared by: Margit S. Kelley, Senior Staff Attorney

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.wisconsin.gov>.