



WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

Scott Grosz
Clearinghouse Director

Jessica Karls-Ruplinger
Legislative Council Acting Director

Margit Kelley
Clearinghouse Assistant Director

CLEARINGHOUSE RULE 19-013

Comments

[NOTE: All citations to “Manual” in the comments below are to the Administrative Rules Procedures Manual, prepared by the Legislative Reference Bureau and the Legislative Council Staff, dated December 2014.]

2. Form, Style and Placement in Administrative Code

Throughout the proposed rule, the agency should review cross-references for use of the style specified in s. 1.07 (2), Manual. For example, “Ins” should precede references to other sections of administrative code in SECTIONS 2 and 3, and “, Stats.” should follow the reference to “s. 622.03 (2)” in proposed s. Ins 53.02 (2).

5. Clarity, Grammar, Punctuation and Use of Plain Language

a. It appears that the text of the rule relies heavily on the text of NAIC model rules. Generally, however, the text of the rule could benefit from editing to improve clarity, state requirements more directly, and remove surplus language. To what extent can the agency deviate from the wording of NAIC model rules and still retain accreditation?

b. To the extent permitted by NAIC accreditation requirements, the agency should consider editing the rule throughout to state requirements more directly and remove surplus language. Examples of areas in which these edits could be made include the following:

- In proposed s. Ins 40.07 (1), “is authorized to act” could be replaced with “may”.
- Also in proposed s. Ins. 40.07 (1), the phrase, “acknowledge that another regulatory official is a more appropriate group-wide supervisor”, would benefit from being rewritten to clearly denote the action the commissioner may take: e.g., “designate (or authorize) a regulatory official as the group wide supervisor”.

- In proposed s. Ins 40.07 (3), the words “make a determination” could be removed.
- In proposed s. Ins 40.07 (4), “The commissioner is authorized to...” could be replaced with “the commissioner may”.
- In proposed s. Ins 53.04 (1), “with inclusion of” could be replaced with “and include”.
- In proposed s. Ins 53.04 (2), the word “consideration” appears to be unnecessary.
- In proposed s. Ins 53.04 (2) (a), the words “various” and “ultimately” appear to be unnecessary.

c. The agency should edit the rule to remove unnecessary uses of the phrase “for example”. [See proposed ss. Ins 53.03 (3) and 53.04 (2) (c) 4. and (d) 2. and 3.]

d. The agency should edit the rule to ensure commas necessary to set off clauses are included. [See proposed s. Ins 40.08 (3) (insert commas after “with” and “from”); proposed s. Ins. 53.01 (insert commas after “filing” and “of”).] In addition, there appears to be a missing comma following the word “governed” in proposed s. Ins 53.04.

e. The agency should replace “and/or” with “or” in proposed s. Ins 53.04 (2) (d) 3. [s. 2.08 (2) (c), Bill Drafting Manual 2019-20, Legislative Reference Bureau.]

f. In SECTION 4 of the proposed rule, if the agency wishes to refer to the Corporate Governance Annual Disclosure as a “CGAD”, it should create a definition for CGAD and define CGAD as a “Corporate Governance Annual Disclosure”. In general, however, it is advisable to avoid the use of an acronym unless it improves readability. [s. 1.01 (8), Manual.] The Legislative Reference Bureau’s Bill Drafting Manual also advises against using “an acronym or abbreviation in the text of a proposal unless it is so widely used that readers are more likely to recognize the acronym or abbreviation than the full term”. [s. 2.06 (4) (a), Bill Drafting Manual 2019-20, Legislative Reference Bureau.]

g. The term “suitability standards”, in SECTION 4 of the proposed rule, is not defined. Is this term understood widely in the industry?