

Ins 6072

STATE OF WISCONSIN
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JUL 8 1981



STATE OF WISCONSIN
OFFICE OF THE COMMISSIONER OF INSURANCE

STATE OF WISCONSIN)
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OFFICE OF THE COMMISSIONER OF INSURANCE)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Thomas R. Hefty, Deputy Commissioner of Insurance and
custodian of the official records of said office, do hereby certify that
the annexed order repealing and recreating a rule relating to risk
limitations was issued by this office July 7, 1981.

I further certify that said copy has been compared by me with
the original on file in this office and that the same is a true copy
thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have
hereunto subscribed my name
in the City of Madison, State
of Wisconsin, this 7th day of
July, 1981.

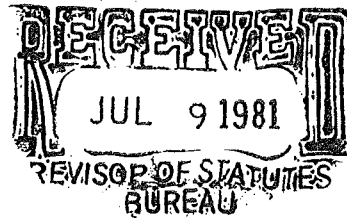
Thomas R. Hefty
Deputy Commissioner of Insurance

9-1-81

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VEL PHILLIPS
SECRETARY OF STATE



ORDER OF THE COMMISSIONER OF INSURANCE

REPEALING AND RECREATING A RULE

Relating to risk limitations.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

The purpose of this repeal and recreation is to include the text of section 201.16, 1973 statutes as risk limitations rather than to refer to that statute in the rule. It is believed that this will make the risk limitations more accessible to those affected by the rule. Although s. 201.16, 1973, Stats., was repealed by Ch. 272, Laws of 1975, the Commissioner of Insurance continues to have risk limitation responsibilities under ss. 623.11 and 623.12, Stats.

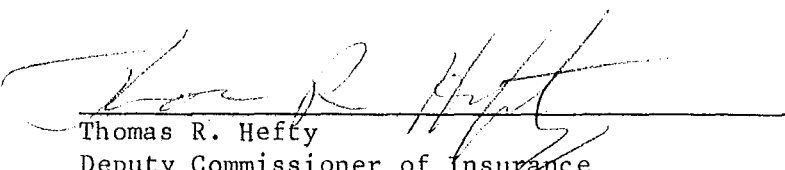
Pursuant to the authority vested in the Commissioner of Insurance by sections 601.41 (3), 623.11 and 623.12, Wisconsin Statutes, the Commissioner of Insurance hereby repeals and recreates a rule interpreting sections 623.11 and 623.12, Wisconsin Statutes, as follows:

Section Ins 6.72 RISK LIMITATIONS. (1) Except as otherwise provided by law, no single risk assumed by any insurance company shall exceed 10% of the admitted assets, except that in a mutual company it may be a greater amount not exceeding 3 times the average policy or 1/4 of 1% of the insurance in force, whichever is the greater. Upon the business mentioned in Wisconsin Administrative Code section Ins 6.75 (2) (h), the maximum single risk may be a greater amount not exceeding 50% of the admitted assets. Any reinsurance taking effect simultaneously with the policy shall be deducted in determining risk.

(2) In a mutual company organized for the insurance or guaranty of depositors or deposits in banks or trust companies, the maximum single risk may be fixed at a higher amount by the bylaws. Any such company may effect reinsurance in any authorized or unauthorized company that complies with s. 627.23, Stats. Insurance in any unauthorized company shall be reported annually and the same taxes paid upon the premiums as are paid by authorized companies.

As provided in s. 227.026 (1), the rule is effective on the first day of the month following its publication in the Wisconsin Administrative register.

Dated at Madison, Wisconsin, this 7th day of July, 1981.


Thomas R. Hefty
Deputy Commissioner of Insurance

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