

CR 88-60

RULES CERTIFICATE

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STATE OF WISCONSIN)
) SS
DEPT. OF INDUSTRY,)
LABOR & HUMAN RELATIONS)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, John T. Coughlin, Secretary of the Department of Industry, Labor and Human Relations, and custodian of the official records of said department, do hereby certify that the annexed rule(s) relating to Self-Insurance of Worker's Compensation Liability were duly approved and adopted by this department on July 15, 1988.

(Subject)
(Date)

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

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the department at 11:00 a.m. in the city of Madison, this 15th day of July A.D. 1988.

Michael W. Mahoney Deputy Secretary
for Secretary

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ORDER OF ADOPTION

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Pursuant to authority vested in the Department of Industry, Labor and Human Relations by section(s) 227-026,

Stats., the Department of Industry, Labor and Human Relations creates;
 amends; repeals and recreates; repeals and adopts rules of Wisconsin Administrative Code chapter (s):

1nd 80.60(4)(b)

(Number)

Exemption from duty to insure.

(Title)

The attached rules shall take effect on the day following publication in
the Wisconsin Administrative Register pursuant to section
227.22, Stats.

Adopted at Madison, Wisconsin, this

date: July 15, 1988

DEPARTMENT OF INDUSTRY, LABOR AND HUMAN
RELATIONS

Michael W. Mahoney Deputy Sec.
for Secretary

The Wisconsin Department of Industry, Labor and Human Relations proposes an order to repeal s. Ind 80.60(4)(b)1. relating to self-insurance requirements.

Analysis of Proposed Rules

Statutory Authority: ss. 102.28(2)(b)
Statutes Interpreted: ss. 102.28(2)(b)

Section 102.28(2)(b) allows the Department to grant orders of exemption from the duty to insure compensation liability to employers who can demonstrate financial ability to pay compensation.

Ind. 80.50 establishes requirements meant to ensure that there is financial stability to guarantee payment of benefits. The requirement of 80.60(4)(b)1. is that the employer be a corporation authorized to do business in Wisconsin and registered in the office of the Secretary of State. The Department believes that this is an unnecessary requirement for proof of financial accountability.

The proposal provides that business entities other than corporations may now apply for self-insured status. The other requirements for application are unchanged.

Section 2 of the proposal is simply a renumbering required by the repeal of Ind 80.60(4)(b)1.

The proposed rule is currently in effect as an emergency rule. The emergency rule was developed in consultation with the Worker's Compensation Advisory Council on self-insurance.

Pursuant to the authority vested in the state of Wisconsin's Department of Industry, Labor and Human Relations by s. 101.02(1), Stats., the department hereby repeals, and recreates and creates rules interpreting s. 102.28(2), Stats., as follows:

Section 1. Ind 80.60(4)(b)(intro.) is amended to read:

Ind 80.60(4)(b)(intro.). The minimum requirements necessary for initial consideration for self-insurance are: set forth in this paragraph. References in this paragraph to "board of directors" and "stockholders of the corporation" apply only to corporations but an equivalent requirement as determined by the department shall be applied to sole proprietorships, partnerships and other forms of business ownership.

Section 2. Ind 80.60(4)(b)1. is repealed.

Section 3. Ind 80.60(4)(b) 2 to 11 are renumbered 80.60(4)(b) 1 to 10.

EFFECTIVE DATE

Pursuant to s. 227.22(2) (intro.), Stats., these rules shall take effect on the first day of the month following publication in the Wisconsin Administrative Register.



State of Wisconsin \ Department of Industry, Labor and Human Relations

Office of the Secretary
201 E. Washington Avenue
P.O. Box 7946
Madison, Wisconsin 53707
Telephone 608/266-7552

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Gary Poulson
Assistant Revisor of Statutes
Suite 904
30 West Mifflin Street
Madison, Wisconsin 53703

Douglas LaFollette
Secretary of State
Room 271, GEF-1
201 East Washington Avenue
Madison, Wisconsin 53702

Dear Messrs. Poulson and LaFollette:

TRANSMITTAL OF RULE ADOPTION

CLEARINGHOUSE RULE NO. 88-60

RULE NO. Ind 80.60(4)(b)

RELATING TO Self-Insurance of Worker's Compensation Liability

Pursuant to section 227.20, Stats., agencies are required to file a certified copy of every rule adopted by the agency with the offices of the Secretary of State and the Revisor of Statutes.

At this time, the following material is being submitted to you:

- 1. Order of Adoption.
- 2. Rules Certificate Form.
- 3. Rules in Final Draft Form.

Pursuant to section 227.114, Stats., a summary of the final regulatory flexibility analysis is also included.

Respectfully submitted,

John T. Coughlin
Secretary



State of Wisconsin \ Department of Industry, Labor and Human Relations

Office of the Secretary
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The Honorable John Plewa
State Senator
Joint Committee for Review of
Administrative Rules
337 South, State Capitol
Madison, Wisconsin 53707

The Honorable John Antaramian
State Representative
Joint Committee for Review of
Administrative Rules
117 West, State Capitol
Madison, Wisconsin 53707

Dear Senator Plewa and Representative Antaramian:

Pursuant to your committee's request, this implementation report is being submitted regarding the following rule:

Rule: Ind 80.60(4)(b)

Rule Clearinghouse No. 88-60

Relating to: Self-Insurance of Worker's Compensation Liability

1. Description of the rule.

The rule allows employers who are not corporation to be eligible for applying self-insurance status, and provides the Department with the authority to grant the employers to self-insure their Worker's Compensation liabilities. Previously, only corporations were eligible to apply, and may be granted, for self-insuring their Worker's Compensation liabilities.

2. Personnel involved in enforcing the rule.

The Administrator of the Worker's Compensation Division, the Bureau Director and Insurance Section Chief of the Compensation Performance Bureau in the Division

3. How the rule will be enforced.

The Compensation Performance Bureau in the Worker's Compensation Division receives and processes self-insurance applications, presents these applications to the Self-Insurance Advisory Council, and then recommends the Secretary of the Department to grant (or deny) the self-insurance applications.

4. Comments and recommendations on statutory authority.

Respectfully submitted,



John T. Coughlin
Secretary