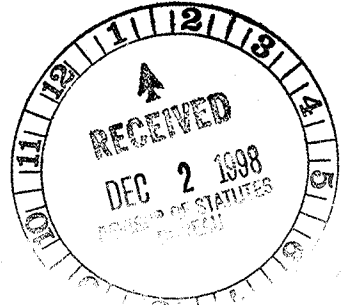


# Clearinghouse Rule 98-111

## CERTIFICATE

STATE OF WISCONSIN )  
 ) ss.  
DEPARTMENT OF TRANSPORTATION )



TO ALL WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, CHARLES H. THOMPSON, Secretary of the Wisconsin Department of Transportation and custodian of the official records, do hereby certify that the rule, relating to **charges for submission of proof of insurance**, was duly approved and adopted by this Department on November 27, 1998.

I further certify that this 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.

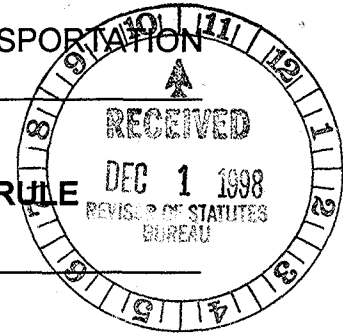


IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department of Transportation at 4802 Sheboygan Avenue, in the City of Madison, Wisconsin, this 27 day of **November**, 1998.

  
for CHARLES H. THOMPSON  
Secretary

2-1-99

The Wisconsin Department of Transportation adopts an order to create ch. TRANS 197, relating to charges for submission of proof of insurance.

**ORDER ADOPTING RULE**

**Analysis Prepared by the Wisconsin Department of Transportation**

**STATUTORY AUTHORITY:** s. 344.42, Stats., as created by 1997 Wis. Act 27.

**STATUTES INTERPRETED:** s. 344.42, Stats., as created by 1997 Wis. Act 27.

**General Summary of Rule.** This rule making is intended to codify procedures for collection of fees charged to insurers under s. 344.42, Stats., as created by 1997 Wis. Act 27.

Section 344.42, Stats., imposes a \$1.50 fee for filing SR-22 (certifications of proof of insurance) or SR-26s (insurance cancellation notices) in paper rather than electronic form if the insurer files more than 1000 certifications in a year. To determine whether an insurer meets the 1000 certification in a year requirement, all SR-22 and SR-26 filings are counted.

The \$1.50 fee per "paper" filing fee is imposed on insurers who exceed that 1000 certification threshold. No fee will be assessed for "on behalf" filings made by employers or parents on behalf of employees or children under s. 343.38, Stats. The Department's computer systems are unable to accept those types of filings electronically.

The Department proposes to bill insurers twice per year for paper filings. Payment is due 30 days after billing. Interest accrues on unpaid balances, and the Department may refuse to accept additional filings from an insurer that fails to pay the fees imposed under s. 344.42, Stats.

**Fiscal Estimate.** This rule will clarify the fee collection process used by the Department. This fiscal estimate is based on the effect of s. 344.42, Stats. The expected impact will be an eventual reduction of 7.5 FTE totaling \$198,000. It is estimated in fiscal 1999, revenues will be increased by approximately \$250,000, and in fiscal 2000, revenues will be increased by approximately \$140,000. This rule will have no adverse effect on state or local governments.

**Final Regulatory Flexibility Analysis.** This rule will not have any adverse effect on small businesses, except to the extent that s. 342.42, as created by 1997 Wis. Act 27, imposes fees on businesses that submit more than 1000 insurance filings to the Department in a year and do not use electronic systems to make the filings.

**Copies of Rule.** Copies of this rule are available without cost upon request from the Wisconsin Department of Transportation, Compliance and Restoration Section, P. O. Box 7917, 4802 Sheboygan Avenue, Room 301, Madison, Wisconsin, 53707-7917, telephone (608) 266-2261.

**Contact Person.** Persons having questions about this rule may write or call Richard Kleist, Wisconsin Department of Transportation, Compliance and Restoration Section, P. O. Box 7917, Madison, Wisconsin, 53707-7917, telephone (608) 264-7029. Legal questions may be addressed to John Sobotik, Assistant General Counsel, Wisconsin Department of Transportation, Office of General Counsel, P. O. Box 7910, Madison, Wisconsin 53707-7910, telephone (608) 267-9320. Alternate formats of the rule will be provided to individuals at their request.

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**TEXT OF RULE**

Under the authority vested in the state of Wisconsin, department of transportation, by s. 344.42, Stats., as created by 1997 Wis. Act 27, the department of transportation hereby adopts an order creating a rule interpreting s. 344.42, Stats., relating to fees charged for filing proof of financial responsibility with the department by non-electronic means.

**SECTION 1.** Chapter Trans 197 is created to read:

**CHAPTER TRANS 197  
PROOF OF INSURANCE CERTIFICATIONS**

**TRANS 197.01 Purpose and scope.** (1) The purpose of this chapter is to administratively interpret s. 344.42, Stats., and to establish billing and collection procedures for the collection of fees related to the filing of proof of insurance forms by non-electronic means with the department.

(2) This chapter applies to any person that files proof of insurance with the department on behalf of insured drivers.

**TRANS 197.02 Definitions.** The definitions in ss. 340.01 and 344.01, Stats., have the same meaning in this chapter unless a different definition is specifically provided. In this chapter:

(1) "Electronic filing" means an insurance certification submitted to the department by an insurer using the department's electronic certification submission process.

(2) "Insurance certification" means an SR-22, certification of proof of insurance for the future, or SR-26, notice of cancellation or termination of certified policy, submitted to the department by an insurance company on behalf of an insured driver.

(3) "Paper filing" means any insurance certification submitted to the department by an insurer that does not use the department's electronic certification process, including certifications submitted by handwritten or typewritten documents, on preprinted forms, or by facsimile.

(4) "Year" means calendar year.

**TRANS 197.03 Counting.** (1) **ELECTRONIC FILINGS.** Each electronic filing counts as one filing. Duplicate electronic filings shall be disregarded by the department and may not be counted.

(2) **PAPER FILINGS.** (a) Each original or duplicate paper filing counts as a separate filing.

(b) Filings made pursuant to s. 344.38, Stats., on behalf of an employe, family member or household member may not be counted.

**NOTE:** See s. 344.42, Stats. The Department does not accept s. 344.38 filings electronically.

**TRANS 197.04 Fees.** The department shall assess a fee of \$1.50 for each paper filing, except filings made pursuant to s. 344.38, Stats., if the insurer has filed more than 1,000 insurance certifications in the year.

**TRANS 197.05 Time and effect of electronic certifications.** (1) **TIME OF FILING.** An electronic insurance certification is considered filed on the date the electronic transmission is posted to the department's computerized database of driver records.

**NOTE: Filings are usually posted the same day they are received. Section 344.34, Stats., provides that certified insurance policies may not be canceled or terminated earlier than ten days after filing a notice of cancellation or termination with the department.**

(2) **EFFECT OF ELECTRONIC SR-22 CERTIFICATIONS.** An insurer who submits an electronic SR-22, certification of proof of financial responsibility for the future, to the department certifies that the insurer provides coverage for the named insured as of the effective date of the certification for any motor vehicle operated by the named insured.

**NOTE: The purpose of an electronic SR-22 filing is to meet the insurance filing requirements of s. 344.31, Stats.**

**TRANS 197.06 Billing procedures.** (1) The department shall establish an account for any insurance company that files proofs of insurance on behalf of drivers with the department. The billing address shall be the address of the insurer provided with the filing, unless a different billing address is specified by the insurer.

(2) Fees assessed under s. Trans 197.04 shall be billed twice per year.

(3) Payment is due 30 days from the date of billing.

(4) The department shall assess interest charges at an annual rate of 18% on all past due accounts. Interest shall accrue from the date of billing.

(5) The department may refuse to accept insurance certifications submitted by an insurance company that has not made timely payment under sub. (3) until the insurance company pays all outstanding fees and interest charges.

(6) Partial payments shall be applied first to outstanding interest charges, if any, then to outstanding fees due.

(7) An insurance company shall promptly advise the department of any change in billing address.

(END OF RULE TEXT)

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**Effective Date.** This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s. 227.22(2), Stats.

Signed at Madison, Wisconsin, this 27 day of November, 1998.

  
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CHARLES H. THOMPSON  
Secretary

Wisconsin Department of Transportation



## Wisconsin Department of Transportation



Tommy G. Thompson  
Governor

Charles H. Thompson  
Secretary

OFFICE OF GENERAL COUNSEL  
P. O. Box 7910  
Madison, WI 53707-7910

December 1, 1998

Mr. Gary Poulson  
Deputy Revisor of Statutes  
131 West Wilson Street, Suite 800  
Madison, Wisconsin 53703

RE: **CLEARINGHOUSE RULE 98-111**

In the Matter of the Adoption of **TRANS 197**, Wisconsin Administrative Code,  
relating to **charges for submission of proof of insurance**

Dear Mr. Poulson:

Enclosed for filing, pursuant to s. 227.20, Wis. Stats., is a certified copy of **CR 98-111**, an administrative rule relating to the above-mentioned matter.

Sincerely,

Julie A. Johnson  
Paralegal

Enclosures

cc: Gene Kussart  
Mike Goetzman  
Sandy Beaupre  
Roger Cross  
Rick Kleist

