



1997 ASSEMBLY BILL 931

March 19, 1998 – Introduced by Representative HOVEN. Referred to Committee on Labor and Employment.

1 **AN ACT** *to create* 626.40 of the statutes; **relating to:** establishing a worker's
2 compensation insurer pool and requiring the exercise of rule-making authority.

Analysis by the Legislative Reference Bureau

This bill requires the Wisconsin compensation rating bureau (bureau) to establish a risk pool of 8 insurers that will offer worker's compensation insurance to employers in this state. The bureau is composed of every insurer that writes worker's compensation insurance, or other insurance covering an employer's liability for compensation under the worker's compensation laws, on risks or operations in this state. At least 4 of the insurers in the risk pool must be domestic insurers (which means that they must be organized under the laws of this state) unless fewer than 4 domestic insurers submit bids to participate in the risk pool. The commissioner of insurance must promulgate rules that specify the bidding, review and selection processes for determining which insurers will be included in the risk pool, as well as an appeal procedure for an insurer to appeal a decision of the bureau with respect to the insurers selected to be included in the risk pool.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 **SECTION 1.** 626.40 of the statutes is created to read:

ASSEMBLY BILL 931**SECTION 1**

1 **626.40 Worker's compensation risk pool.** (1) (a) The bureau shall
2 establish and maintain a risk pool of insurers to offer worker's compensation
3 insurance coverage to employers in this state. The risk pool shall be operational
4 within one year after the effective date of this paragraph [revisor inserts date].

5 (b) The risk pool shall be made up of 8 insurers authorized to do a worker's
6 compensation insurance business in this state. Except as provided in par. (c), at least
7 4 of the insurers in the pool shall be domestic insurers organized or operating under
8 ch. 611.

9 (c) The bureau shall solicit and accept bids from insurers every 5 years. The
10 bureau is not required to include at least 4 domestic insurers in the risk pool if fewer
11 than 4 domestic insurers submit bids to participate in the pool.

12 **(2)** The commissioner shall promulgate rules for establishing and maintaining
13 the risk pool. The rules shall include a description of the bidding, review and
14 selection processes, as well as the selection criteria, that will be used for determining
15 the insurers that will be included in the risk pool. The rules shall provide for, and
16 include a description of, a procedure for an insurer to appeal the decision of the
17 bureau related to the insurers that will be included in the risk pool.

18 **SECTION 2. Nonstatutory provisions.**

19 (1) PROPOSED RULES SUBMISSION. The commissioner of insurance shall submit
20 in proposed form the rules required under section 626.40 (2) of the statutes, as
21 created by this act, to the legislative council staff under section 227.15 (1) of the
22 statutes no later than the first day of the 6th month beginning after the effective date
23 of this subsection.

24

(END)