605.01 Definitions.

605.02 Kinds of property insured.

605.03 Coverage to be provided.

605.09 Restrictions on private insurance.

605.21 Manner of participation in property fund.
605.21 LOCAL GOVERNMENT PROPERTY FUND

The property fund may pay a dividend to its insured local governmental units whenever the ratio of net premiums written to surplus of no less than 200 percent. The rate standards under s. 625.11 shall apply to property fund rates.

(2) APPRAISAL IN CASE OF DISAGREEMENT. If there is disagreement between the manager and the local governmental unit as to the amount of the loss or damage to property covered by the property fund, the amount shall be determined by appraisal, upon the demand of the local governmental unit. The manager and the claimant shall each select a competent and disinterested appraiser and notify the other of the selection within 20 days of the demand. If either party fails to select an appraiser within the allotted time, the other party may request a court of record to appoint an appraiser. The appraisers shall first select a competent and disinterested umpire. If they do not agree on one within 15 days, then either party may request a judge of a court of record in the county in which the property is located to select a competent and disinterested umpire and the judge shall so promptly. The appraisers shall then appraise the loss and damage, stating separately the actual cash value or other applicable basis of valuation and the loss or damage to each item. If they fail to agree they shall submit their differences to the umpire. An itemized award in writing of any 2 of 3 when filed with the manager shall determine the amount of the insured value and of loss or damage. Each appraiser shall be paid by the party selecting that appraiser and other expenses of appraisal and of the umpire shall be paid by the parties equally.

(3) CONSIDERATIONS IN ASCERTAINING LOSS. The basic criterion for ascertaining the amount of any loss to property under this chapter is actual cash value, unless the property is insured for replacement cost. Obsolescence and plans for demolition are factors to be considered in determining actual cash value, and replacement cost shall not be paid if there are plans for demolition of the property.

History: 1973 c. 117; 1979 c. 102, 221; 2017 a. 59.

605.22 Property fund rates and assets. (1) RATE DETERMINATION. The property fund’s annual premium rates shall be actuarially determined to be sufficient to maintain a ratio of net premiums written to surplus of no less than 200 percent. The rate standards under s. 625.11 shall apply to property fund rates.

(2) ASSESSMENTS. The property fund shall levy an assessment on local governmental units participating in the fund whenever the ratio of net premiums written to surplus is greater than 225 percent. Assessments shall be levied on all insured local governmental units participating in the fund in the fiscal year ending immediately prior to the date of the notice of assessment. Assessments shall be levied at the same rate according to each insured local governmental unit’s proportional share of direct premiums written in the fund’s fiscal year that ended immediately prior to the date of the notice of assessment. The date on which the assessment is due shall be specified in the notice of assessment and may not be less than 60 days after the date of the notice of assessment. The property fund shall collect unpaid assessments in the manner provided for collection of unpaid premiums under s. 605.21 (2).

History: 1973 c. 117; 1979 c. 102, 221; 2017 a. 59.

605.23 Adjustment of losses. (1) PAYMENT FOR LOSSES. Subject to s. 605.03 (1) (1) 2., the manager shall determine within a reasonable time any loss on insured property owned by a local governmental unit or for which the unit is liable and promptly certify the amount to the department of administration, which shall issue a warrant on the property fund payable to the treasurer of the local governmental unit for the amount of the loss less any applicable amounts under s. 605.03 (2) or (3).

(3) DIVIDENDS. The property fund shall pay a dividend to its insured local governmental units whenever the ratio of net premiums written to surplus does not exceed 45 percent, provided that, following the payment of the dividend, the ratio of net premiums written to surplus does not exceed 100 percent and the amount of surplus is not less than $3,000,000. Dividends shall be paid to all insured local governmental units participating in the property fund in the fiscal year that ended immediately prior to the date of the notice of the dividend. Dividends shall be paid at the same rate according to each insured local governmental unit’s proportional share of premiums written in the fund’s fiscal year that ended immediately prior to the date of the notice of the dividend. Dividends shall be paid by the property fund to each insured local governmental unit, upon certifying such action to the manager the policy unless the unit specifies an earlier date for termination.

History: 2015 a. 325.

605.24 Recovery of losses from other parties. (1) SUIT BY ATTORNEY GENERAL. Upon the request of the manager, the attorney general may proceed in the courts of any jurisdiction to recover from any responsible party other than an insured or any person using or dealing with the property in the course of the person’s employment for the insured, for any loss or damage to any property covered by insurance under this chapter. Any recovery less expenses shall be paid into the property fund, but if the amount recovered less expenses exceeds that paid out by the fund, the difference shall be paid to the insured.

(2) COLLECTION OF REINSURANCE. The manager shall collect reinsurance due and pay the amount collected into the property fund.

(3) RIGHT OVER AGAINST 3RD PERSONS. The property fund may name other persons as additional persons protected under s. 605.02, but unless it does so the fund shall have any right of recovery by subrogation or otherwise against such persons that a private insurer would have and shall not lose such right because the governmental unit protected has after commencement of the coverage waived any right of recovery it would otherwise have had, or has thereafter contracted to assume the risk that general law would have placed elsewhere.

History: 1973 c. 117; 1979 c. 102 s. 236 (15); 2005 a. 253.

There is nothing in either chs. 604 or 605, or anywhere else, that prohibits the Fund from voluntarily contracting away sub. (3) protection. Wisconsin State Local Government Property Insurance Fund v. Thomas A. Mason Company, 2008 WI App 49, 308 Wis. 2d 512, 748 N.W.2d 476, 07−1112.

605.30 Inadequacy of fund. If the property fund does not have sufficient assets to pay claims that are due, the secretary of administration shall transfer from the general fund to the property fund an amount sufficient to pay the losses and shall pay the losses. The property fund shall thereafter pay the general fund this amount and the secretary of administration shall transfer the amount as soon as there are assets in the property fund.

History: 1973 c. 117; 2003 a. 33.