



2005 SENATE BILL 550

February 3, 2006 - Introduced by Senators DARLING, LASSA and ROESSLER, cosponsored by Representatives GIELOW, NISCHKE, AINSWORTH, ALBERS, BIES, GUNDERSON, HAHN, HINES, HUNDERTMARK, MCCORMICK, NERISON, OTT and STRACHOTA. Referred to Committee on Agriculture and Insurance.

1 **AN ACT** *to amend* 619.04 (6) (a) of the statutes; **relating to:** return of funds in
2 excess of surplus and incurred liabilities.

Analysis by the Legislative Reference Bureau

Under current law, the commissioner of insurance is required to promulgate rules establishing a plan of health care liability that offers professional health care liability coverage for health care providers. The statutes specify the make-up of the board of governors that operates the plan and how rates are to be determined. If the plan accumulates funds in excess of incurred liabilities and the surplus required under law, the board of governors is required to return those excess funds, by means of refunds or prospective rate decreases, to the insureds, who may be employees of the health care providers or other persons that actually paid the premiums. This bill requires the board of governors to return those excess funds to the persons that paid the premiums, rather than to the insureds.

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

3 **SECTION 1.** 619.04 (6) (a) of the statutes is amended to read:
4 619.04 (6) (a) If the plan accumulates funds in excess of the surplus required
5 under s. 619.01 (1) (c) 2. and incurred liabilities, including reserves for claims

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1 incurred but not yet reported, the board of governors shall return those excess funds
2 to the insureds persons that paid the premiums by means of refunds or prospective
3 rate decreases.

4 **SECTION 2. Initial applicability.**

5 (1) This act first applies to the return of excess funds attributable to policies
6 issued or renewed on the effective date of this subsection.

7 (END)