

# State of Wisconsin



1995 Assembly Bill 836

Date of enactment: **April 18, 1996**

Date of publication\*: **May 2, 1996**

## 1995 WISCONSIN ACT 236

**AN ACT** to repeal 646.35 (6) (bm) 2.; to consolidate, renumber and amend 646.35 (6) (bm) (intro.) and 1.; to amend 646.12 (1) (a); to repeal and recreate 646.01 (1) (a) 2. e.; and to create 613.19 (5m), 646.01 (1) (a) 2. i. and 646.03 (2r) of the statutes; relating to: the insurance security fund, compulsory and security surplus and requiring the exercise of rule-making authority.

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

**SECTION 1g.** 613.19 (5m) of the statutes is created to read:

613.19 (5m) CAPITAL REQUIREMENTS RULE. Notwithstanding subs. (1), (2) and (5), the commissioner shall promulgate a rule that establishes for a corporation that is organized under this chapter and that is not a health maintenance organization insurer the same compulsory and security surplus requirements that apply to a corporation that is organized under ch. 611, subject to ch. 646 and authorized to write the same line of business as a corporation that is organized under this chapter and that is not a health maintenance organization insurer.

**SECTION 1m.** 646.01 (1) (a) 2. e. of the statutes is repealed and recreated to read:

646.01 (1) (a) 2. e. Limited service health organization insurers.

**SECTION 1p.** 646.01 (1) (a) 2. i. of the statutes is created to read:

646.01 (1) (a) 2. i. Service insurance corporations that offer only dental or vision care.

**SECTION 2.** 646.03 (2r) of the statutes is created to read:

646.03 (2r) "Limited service health organization" has the meaning given in s. 609.01 (3).

**SECTION 2m.** 646.12 (1) (a) of the statutes is amended to read:

646.12 (1) (a) *Members.* The fund shall be administered by a board of directors which shall consist of not fewer than 7 nor more than ~~13~~ 14 members. The attorney general, the state treasurer and the commissioner are members with full voting rights. Other members shall be chosen from representatives of insurers subject to this chapter under procedures specified by the commissioner by rule, provided that one member is a representative of a service insurance corporation. The rule may provide that, instead of natural persons, specific insurers or associations of insurers may be selected as members of the board and may act through any duly authorized representative.

**SECTION 3.** 646.35 (6) (bm) (intro.) and 1. of the statutes are consolidated, renumbered 646.35 (6) (bm) and amended to read:

646.35 (6) (bm) For coverages continued pursuant to par. (b), the board may ~~do any of the following:~~ 1. ~~Substitute~~ substitute a comprehensive health insurance policy approved by the commissioner for a health maintenance organization policy that is subject to sub. (2) or (3), and

\* Section 991.11, WISCONSIN STATUTES 1993-94: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

increase rates or premiums for the substituted coverage as provided in sub. (5).

**SECTION 4.** 646.35 (6) (bm) 2. of the statutes is repealed.

**SECTION 5. Nonstatutory provisions.**

(1) The commissioner of insurance shall submit in proposed form the rules required under section 613.19 (5m) of the statutes, as created by this act, to the legisla-

tive council staff under section 227.15 (1) of the statutes no later than the first day of the 7th month beginning after the effective date of this subsection.

**SECTION 6. Initial applicability.**

(1) The treatment of sections 646.01 (1) (a) 2. e. of the statutes first applies to liquidation orders issued on the effective date of this subsection.

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