



1995 ASSEMBLY BILL 836

January 30, 1996 - Introduced by Representative ALBERS. Referred to Committee on Insurance, Securities and Corporate Policy.

1 **AN ACT** *to repeal* 646.35 (6) (bm) 2.; *to consolidate, renumber and amend*
2 646.35 (6) (bm) (intro.) and 1.; *to repeal and recreate* 646.01 (1) (a) 2. e.; and
3 *to create* 646.03 (2r) of the statutes; **relating to:** the insurance security fund.

Analysis by the Legislative Reference Bureau

The insurance security fund (fund) under current law pays claims under insurance policies or annuities that were issued by an insurer that is in liquidation. Certain insurers, however, are exempt from participation in the fund. Those insurers do not pay assessments into the fund, and the fund does not pay claims under policies or annuities issued by those insurers when those insurers are in liquidation. Those insurers that are exempt from participation in the fund are fraternal organizations that are not health maintenance organization insurers, assessable mutuals, mutual municipal insurers, issuers of gift annuities, service insurance corporations that are not health maintenance organization insurers, motor clubs, state insurance funds and risk retention groups. This bill requires all service insurance corporations to participate in the fund and exempts limited service health organization insurers from participation in the fund.

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

4 **SECTION 1.** 646.01 (1) (a) 2. e. of the statutes is repealed and recreated to read:
5 646.01 (1) (a) 2. e. Limited service health organization insurers.
6 **SECTION 2.** 646.03 (2r) of the statutes is created to read:

