

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 07/8/99

Received By: rmarchan

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Russell

This file may be shown to any legislator: NO

Drafter: rmarchan

May Contact:

Alt. Drafters:

Subject: **Fin. Inst. - miscellaneous**
Insurance - miscellaneous

Extra Copies: **PJK**

Pre Topic:

LFB:.....Russell -

Topic:

Insurance premium finance company licenses

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rmarchan 07/9/99	ygeller 07/9/99		_____			
/1			martykr 07/12/99	_____	lrb_docadmin 07/12/99		

FE Sent For:

<END>

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 07/8/99

Received By: **rmarchan**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Russell**

This file may be shown to any legislator: **NO**

Drafter: **rmarchan**

May Contact:

Alt. Drafters:

Subject: **Fin. Inst. - miscellaneous
Insurance - miscellaneous**

Extra Copies: **PJK**

Pre Topic:

Legislative Fiscal Bureau:.....Rus

Topic:

Insurance premium finance company licenses

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rmarchan	11/7/99 jlg	11/7/99 Hmg	11/7/99 JF	11/7/99 JF		

FE Sent For:

<END>

All together w/ Universal Banking draft
A 61671
A 61672
A 61673

1. NAME CHANGE FOR DIVISION OF SAVINGS AND LOAN

Assembly: Restore the Governor's proposal to change the name of the Division of Savings and Loan in the Department of Financial Institutions (DFI) to the Division of Savings Institutions. Provide that any action taken by the Division of Savings and Loan between July 1, 1996, and the bill's general effective date under the name of the Division of Savings Institutions would have the same force and effect in all respects as if the action had been taken under the name of the Division of Savings and Loan.

Senate: No change to Joint Finance.

2. INSURANCE PREMIUM FINANCE COMPANY LICENSES

Assembly: Restore the Governor's proposal to provide the Division of Banking in the Department of Financial Institutions, rather than the Commissioner of Insurance, with the authority to revoke or suspend the license of an insurance premium finance company under the conditions specified in the statutes.

Currently, the Division of Banking is responsible for issuing licenses for insurance finance premium companies and for enforcing all state regulations relating to insurance premium finance companies, except that the Commissioner of Insurance is authorized to revoke or suspend the license of such a company. This provision would make the Division responsible for revoking or suspending the license of an insurance premium finance company, under the conditions specified in the statutes, thereby maintaining consistency in the authority of the Division with respect to regulation of such companies.

Senate: No change to Joint Finance.

3. INTEREST RATE ON HOME MORTGAGE ESCROW ACCOUNTS

Assembly: Restore the Governor's proposal to clarify that the Division of Banking (DOB) must report information to the Division of Savings and Loan [whose name would change to the Division of Savings Institutions (DSI) under the amendment] to be used in calculating the interest rate that must be paid on residential mortgage escrow accounts. Under current law, DSI calculates the interest rate for escrow accounts based on information regarding interest rates paid on passbook accounts provided by the Office of Credit Unions (OCU) and the Division of Banking. However, the current statutes do not specifically require DOB to provide this information to DSI.

Senate: No change to Joint Finance.



State of Wisconsin
1999 - 2000 LEGISLATURE

1
LRBb1672/3

RJM:.....

SOON

EMNR
jlg

Legislative Fiscal Bureau:.....Rus Insurance premium finance company
licenses

DNOTE

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

INSERT
1-1

1
2

At the locations indicated, amend the substitute amendment as follows:

(END)

last quarterly reporting period that ended at least 30 days before the determination is made.

SECTION 2167a. 138.052 (5) (am) 2. b. of the statutes is amended to read:
 138.052 (5) (am) 2. b. The office of credit unions and the division of banking shall report the rate calculated to the division of savings and loan institutions within 5 days after the date on which the determination is made. The division of savings and loan institutions shall calculate the average, rounded to the nearest one-hundredth of a percent, of the 3 rates and report that interest rate to the revisor of statutes within 5 days after the date on which the determination is made.

SECTION 2168a. 138.055 (4) (a) of the statutes is amended to read:
 138.055 (4) (a) The division of savings and loan institutions, if the lender is a savings and loan association or savings bank;

SECTION 2169a. 138.056 (1) (a) 4. a. of the statutes is amended to read:
 138.056 (1) (a) 4. a. The division of savings and loan institutions, if the lender is a savings and loan association or savings bank;”

INSERT 1-1



9

Page 1139, line 23: after that line insert:

“SECTION 2170a. 138.12 (5) (a) of the statutes is amended to read:

138.12 (5) (a) The ~~commissioner~~ division may revoke or suspend the license of any insurance premium finance company if the ~~commissioner~~ division finds that any of the following:

1. Any license issued to such company was obtained by fraud,;
2. There was any misrepresentation in the application for the license,;
3. The holder of such license has otherwise shown himself or herself untrustworthy or incompetent to act as a premium finance company,;



INSERT
1-1 cont

4. ~~Such~~ The company has violated any provision of this section, ~~or,~~

5. ~~Such~~ The company has been rebating part of the service charge as allowed and permitted herein to any insurance agent or insurance broker or any employe of an insurance agent or insurance broker or to any other person as an inducement to the financing of any insurance policy with the premium finance company.”.

8. Page 1179, line 19: after that line insert:

“SECTION 2308r. 186.098 (12) of the statutes is amended to read:

186.098 (12) LOANS TO MEMBERS. A credit union may make loans to members secured by assignment or transfer of stock certificates or other evidence of the borrower’s ownership interest in a corporation formed for the cooperative ownership of real estate. Sections 846.10 and 846.101, as they apply to a foreclosure of a mortgage involving a one-family residence, apply to a proceeding to enforce the lender’s rights in security given for a loan under this subsection. The office of credit unions shall promulgate joint rules with the ~~divisions of savings and loan division of savings institutions and the division of banking~~ that establish procedures for enforcing a lender’s rights in security given for a loan under this subsection.”.

9. Page 1186, line 9: after that line insert:

“SECTION 2337a. 214.01 (1) (im) of the statutes is amended to read:

214.01 (1) (im) “Division” means the division of savings and loan institutions.

SECTION 2338a. 214.592 of the statutes is amended to read:

214.592 **Financially related services tie-ins**. In any transaction conducted by a savings bank, a savings bank holding company or a subsidiary of either with a customer who is also a customer of any other subsidiary of any of them, the customer shall be given a notice in 12-point boldface type in substantially the following form:

(end ins)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb1672/1dn

RJM:.....

↑
jlg

Faith Russell:

The attached amendment provides the division of banking with authority to revoke or suspend the license of an insurance premium finance company. Please call if you have any questions.

Robert J. Marchant
Legislative Attorney
Phone: (608) 261-4454
E-mail: Robert.Marchant@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb1672/1dn
RJM:jlg:km

July 9, 1999

Faith Russell:

The attached amendment provides the division of banking with authority to revoke or suspend the license of an insurance premium finance company. Please call if you have any questions.

Robert J. Marchant
Legislative Attorney
Phone: (608) 261-4454
E-mail: Robert.Marchant@legis.state.wi.us



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1672/1
RJM:jlq:km

LFB:.....Russell – Insurance premium finance company licenses

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 1139, line 23: after that line insert:

3 “SECTION 2170a. 138.12 (5) (a) of the statutes is amended to read:

4 138.12 (5) (a) The ~~commissioner~~ division may revoke or suspend the license of
5 any insurance premium finance company if the ~~commissioner~~ division finds ~~that any~~
6 of the following:

7 1. Any license issued to such company was obtained by fraud,.

8 2. There was any misrepresentation in the application for the license,.

9 3. The holder of such license has otherwise shown himself or herself

10 untrustworthy or incompetent to act as a premium finance company,.

