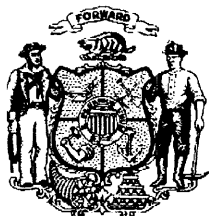

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MEMORANDUM

April 26, 1999

TO: Senate Committee on Insurance, Tourism
Transportation & Corrections
FR: Senator Roger Breske, Chair *R.B.*
RE: Proposed Administrative Rule 94-034

Below, please find a description of administrative rule 99-034 which was recently referred to the Senate Committee on Insurance, Tourism, Transportation & Corrections. For your reference, I have included a brief summary, prepared by the department, of the rule. If you would like a copy of this rule, or if you would like to request a hearing, please contact Vaughn in my office before *Friday, May 14, 1999*.

CLEARINGHOUSE RULE 99-034; *Relating to annual billings for the examination of domestic insurers.* Under current rules, each year OCI bills domestic insurers for a proportion of the estimated total cost of administering that year's examinations program in an amount generally determined by comparing each insurer's premium volume. Today, approximately 50 "domestic" insurers maintain headquarters and records outside of the State of Wisconsin. Examination of these insurers requires out-of-state travel and additional expenses that are not currently factored into the billing structure for each individual domestic insurer ... This rule will...add a factor to recognize the added costs associated with domestic insurers which require out-of-state examinations.. Those insurers will pay higher assessments to offset those added costs. This will more equitably distribute the examination costs among insurers.