

2003 DRAFTING REQUEST

Bill

Received: **09/19/2002**

Received By: **pkahler**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget 7-9546**

By/Representing: **Jablonsky**

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

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Insurance - miscellaneous**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Jablonsky -

Topic:

Eliminate OCI requirement for public official bond

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>
/?	pkahler 09/19/2002	kgilfoy 09/19/2002		_____			State
/P1			rschluet 09/19/2002	_____	sbasford 09/19/2002		

FE Sent For:

<END>

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		1/PI-9/19 KMG					

FE Sent For:

<END>

9-19-2

DECISION ITEM REQUEST

**Office of the Commissioner of Insurance
2003- 2005 Biennial Budget Request**

Appropriation No: Appropriations under s. 20.145

Bureau/Unit: Division of Administrative Services

Title of Request: Elimination of mandatory public official bond requirement

Statutory Language Change No: 2

NARRATIVE JUSTIFICATION

I. Request

The purpose of this request is to eliminate Wis. Stat. 601.17. This requires that the Office maintain \$100,000 public official bond coverage of all employees of the office.

II. Benefit

Repeal of this provision will allow the Office to adjust its bond coverage to reflect the risk exposure.

III. Background

This provision requires the office to maintain public official bond coverage for all employees of the Office. This coverage is both excessive, for example for employees who are not responsible for significant program function of the office, and inadequate, for example for those employees who may have authority to expend significant funds. The office should be free to purchase the bond coverage that is appropriate given the risk exposure.

IV. Analysis of Need

The statutory bond requirement imposing the obligation to purchase unneeded coverage while interfering with the Office's ability to purchase appropriate coverage.

V. Alternatives

None

VI. Statutory Language Changes Required

Eliminate 601.17 that reads as follows:

601.17 Bond. (1) Blanket bond. The commissioner shall procure a blanket bond conforming to s. 19.01 (2) covering the commissioner and each employee of the commissioner's office in the sum of \$100,000, applying separately to each covered person. The premium for the bond shall be allocated to the several appropriations under s. 20.145.
(2) Qualifications of surety. The bond shall be underwritten by an insurer authorized to transact surety business in this state and shall be approved by the governor.

VII. Internal and External Impact

Internally this will allow the Office to purchase bond coverage appropriate for its risk exposure. There should be no external impact.



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0153/

PJK/.....

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KMG

DOA:.....Jablonsky - Eliminate OCI requirement for public official bond
FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SOON
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J-note

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1 AN ACT _↓; relating to: elimination of bond requirement.

Analysis by the Legislative Reference Bureau

INSURANCE

Under current law, OCI is required to procure for the commissioner of insurance and for each employee of OCI a separate public officer's bond providing \$100,000 of coverage. This bill eliminates that requirement.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

2 SECTION 1. 601.17[✓] of the statutes is repealed.

3 (END)

J-note

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

LRB-0153/Edn

PJK:l:...

PI
Kmg

Sue:

Rather than simply getting rid of the bond requirement altogether, OCI could be required to procure bonds in the appropriate amounts for the commissioner and for each employee for whom the commissioner (or someone else) determines a bond is necessary.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0153/P1dn
PJK:kmg:rs

September 19, 2002

Sue:

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Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0153/P1

PJK:kmg:rs

DOA:.....Jablonsky – Eliminate OCI requirement for public official bond

FOR 2003-05 BUDGET -- NOT READY FOR INTRODUCTION

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