



2007 DRAFTING REQUEST

Bill

Received: **09/26/2006**

Received By: **pkahler**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget**

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: **NO**

Pre Topic:

DOA:.....Jablonsky, BB0062 -

Topic:

Combining two OCI appropriations into one

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 09/27/2006	lkunkel 10/02/2006		_____			State
/P1			sherritz 10/02/2006	_____	lparisi 10/02/2006		State
/1	pkahler 10/26/2006	lkunkel 11/01/2006	nmatzke 11/02/2006	_____	lparisi 11/02/2006		State
/2	pkahler 01/10/2007	lkunkel 01/11/2007	nmatzke 01/11/2007	_____	mbarman 01/11/2007		State
/3	pkahler 01/29/2007	lkunkel 01/29/2007	pgreensl 01/30/2007	_____	sbasford 01/30/2007		

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For:

<END>

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/P1			sherritz 10/02/2006	_____	lparisi 10/02/2006		State
/1	pkahler 10/26/2006	lkunkel 11/01/2006	nmatzke 11/02/2006	_____	lparisi 11/02/2006		State
/2	pkahler 01/10/2007	lkunkel 01/11/2007	nmatzke 01/11/2007	_____	mbarman 01/11/2007		

FE Sent For:

1/31/mk/29
[Handwritten signatures]

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/P1			sherritz 10/02/2006	_____	lparisi 10/02/2006		State
/1	pkahler 10/26/2006	lkunkel 11/01/2006	nmatzke 11/02/2006	_____	lparisi 11/02/2006		

FE Sent For: *2lmk 1/11* *nwn 1/11* *nwn 1/11*
<END>

2007 DRAFTING REQUEST

Bill

Received: 09/26/2006

Received By: pkahler

Wanted: Soon

Identical to LRB:

For: Administration-Budget

By/Representing: Sue Jablonsky

This file may be shown to any legislator: NO

Drafter: pkahler

May Contact:

Addl. Drafters:

Subject: Insurance - miscellaneous

Extra Copies:

Submit via email: NO

Pre Topic:

DOA:..... Sue Jablonsky, BB0062 -

Topic:

Combining two OCI appropriations into one ✓

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 09/27/2006	lkunkel 10/02/2006		_____			State
/P1			sherritz 10/02/2006	_____	lparisi 10/02/2006		
		1/mk 11/1	nwn 11/1	nwn/rs 11/1			

FE Sent For:

<END>

2007 DRAFTING REQUEST

Bill

Received: 09/26/2006

Received By: pkahler

Wanted: Soon

Identical to LRB:

For: Administration-Budget

By/Representing: Sue Jablonsky

This file may be shown to any legislator: NO

Drafter: pkahler

May Contact:

Addl. Drafters:

Subject: Insurance - miscellaneous

Extra Copies:

Submit via email: NO

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DOA:.....Sue Jablonsky, BB0062 -

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/?	pkahler	/pl lmk 10/2	sh 10/2	sh/rs 10/2			

FE Sent For:

<END>

2007-09 Budget Bill Statutory Language Drafting Request

- Topic: OCI Appropriation Consolidation
- Tracking Code: BB0062
- SBO team: Health/Insurance
- SBO analyst: Sue Jablonsky
 - Phone: 7-9546
 - Email: sue.jablonsky@wisconsin.gov
- Agency acronym: OCI
- Agency number: 145

Consolidate appropriations 20.145(1)(k) and 20.145 (1)(g) into (1)(g) according to the attached language.

Priority - High

Statutory Language

**Office of the Commissioner of Insurance
2007-2009 Biennial Budget Request**

Appropriation No: 130 and 131

Bureau/Unit: Agency-wide

Title of Request: Consolidate Program Revenue Appropriations 130 and 131

Statutory Language Change Request Number: 2

NARRATIVE JUSTIFICATION

I. Request/Objective

The Office of the Commissioner of Insurance (OCI) requests to consolidate its Program Revenue Appropriations 130 & 131 to reflect a reorganization that was approved by the governor on May 1, 2006. This request will eliminate the need to request the additional expenditure authority needed to cover any expenses in the program revenue-service appropriation. All cash balances, assets, receivable, obligations, liabilities, revenues, expenses, and encumbrances from the former Program Revenue Service appropriation (20.145 (1)(k)) will be transferred to Program Revenue Appropriation (20.145 (1)(g)).

II. Benefit

This would ultimately result in less work in the budget process, eliminate the double count of expenditure authority caused by the need for both expenditure authority in appropriation 130 and chargeback expenditure authority in appropriation 131, and better facilitate better management of the agency general program operations through a single appropriation (other than the SEG funds).

III. Background

In the 1997-99 biennial budget, the Office of the Commissioner of Insurance received a program revenue-service appropriation, Administrative and Support Services appropriation (appn. 130) to track costs associated with the Division of Administrative Services. OCI's 2006 reorganization eliminated the Division of Administrative Services. Consistent with that initiative, the existing distinct appropriations for Administrative Services (PR-S chargeback appropriation for administrative and support service) and for the Regulation and Enforcement (PR for general program operations) can be combined into one. The agency's regulatory support services work in conjunction with the Regulation and Enforcement Division. There is no longer a need to segregate these costs.

IV. Analysis of Need

If the requested statutory and budget language changes are not made, management of the organization and financial records would be time consuming and costly with the two program revenue appropriations for it will not reflect the current organizational changes that occurred due to the reorganization.

V. Alternatives

There are no viable alternatives.

VI. Statutory Language Changes Required

Eliminate 20.145(1)(k) in total. It reads as follows:

20.145(1)(k)

~~Administrative and support services. The amounts in the schedule for administrative and support services and products. All moneys received by the office of the commissioner of insurance from the office of the commissioner of insurance as payment for administrative and support services and products shall be credited to this appropriation account~~

Add Language to 20.145(1)(g) to transfer accounting balances from appropriation 130 to 131.

20.145(1)(g)

~~General program operations. The amounts in the schedule for general program operations. Ninety percent of all moneys received under ss. 601.31, 601.32, 601.42 (7), 601.45, and 601.47 and by the commissioner for expenses related to insurance company restructurings, except for restructurings specified in par. (h), shall be credited to this appropriation account. One hundred percent of all moneys received in this appropriation from the Injured Patients and Families Compensation Fund, Local Government Property Insurance Fund and State Life Insurance Fund for payment of organizational support services shall be credited to this appropriation account. All cash balances, assets, receivable, obligations, liabilities, revenues, expenses, and encumbrances from the former appropriation 20.145 (1)(k) will be transferred to this appropriation account.~~



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-0388

PJK:.....

lmk

soon

DOA:.....Sue Jablonsky, BB0062 - Combining two OCI appropriations into one

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

D-vote

do not
percent

✓

1 AN ACT ...; relating to: an appropriation for general program operations. ✓

Analysis by the Legislative Reference Bureau

INSURANCE

This bill does all of the following: 1) eliminates an OCI appropriation under which administrative and support services are provided with moneys received for the administrative and support services; 2) expands OCI's general program operations appropriation to include the provision of organizational support services; 3) adds as a source of funding for the general program operations appropriation payments made to OCI by the injured patients and families compensation fund, local government property insurance fund, and state life insurance fund for organizational support services; and 4) transfers the unencumbered balance from the eliminated appropriation to the general program operations appropriation. ✓

Q
S

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. 20.145 (1) (g) of the statutes is renumbered 20.145 (1) (g) (intro.)
3 and amended to read:

1 20.145 (1) (g) *General program operations.* (intro.) The amounts in the
2 schedule for general program operations, including organizational support services.

3 All of the following shall be credited to this appropriation account: ✓

4 1. Ninety percent of all moneys received under ss. 601.31, 601.32, 601.42 (7),
5 601.45, and 601.47 and by the commissioner for expenses related to insurance
6 company restructurings, except for restructurings specified in par. (h), ~~shall be~~
7 ~~credited to this appropriation account.~~ ✓

History: 1971 c. 40 s. 93; 1971 c. 125 ss. 51, 52, 53, 54, 55, 522 (1); 1973 c. 117, 333, 336; 1975 c. 37, 39; 1975 c. 147 s. 54; 1975 c. 372 s. 41; 1977 c. 29, 418; 1979 c. 34 ss. 121 to 127, 2102 (26) (a); 1979 c. 109 s. 16; 1979 c. 221, 313; 1981 c. 20 ss. 142m to 145, 2202 (26) (b); 1983 a. 27, 120; 1985 a. 29, 340; 1987 a. 27; 1989 a. 187; 1991 a. 39, 315; 1993 a. 16; 1995 a. 10, 27, 463; 1997 a. 27, 35, 227, 252; 2001 a. 16; 2003 a. 111; 2005 a. 74.

8 **SECTION 2.** 20.145 (1) (g) 2. of the statutes is created to read:

9 20.145 (1) (g) 2. All moneys received from the injured patients and families
10 compensation fund, local government property insurance fund, and state life
11 insurance fund as payment for organizational support services. ✓

12 **SECTION 3.** 20.145 (1) (k) of the statutes is repealed. ✓

13 **SECTION 4.** 20.145 (2) (v) of the statutes is amended to read:

14 20.145 (2) (v) *Specified responsibilities, investment board payments, and future*
15 *medical expenses.* After deducting the amounts appropriated under pars. (q), (u), and
16 (um), the balance of the moneys paid into the injured patients and families
17 compensation fund under s. 655.27 (3), excluding moneys paid to the commissioner
18 for organizational support services, to carry out the responsibilities of the
19 commissioner of insurance specified under s. 655.27, excluding payment of expenses
20 related to administering the fund, to make payments to the investment board under
21 s. 20.536, and to pay future medical expenses under s. 655.015.

History: 1971 c. 40 s. 93; 1971 c. 125 ss. 51, 52, 53, 54, 55, 522 (1); 1973 c. 117, 333, 336; 1975 c. 37, 39; 1975 c. 147 s. 54; 1975 c. 372 s. 41; 1977 c. 29, 418; 1979 c. 34 ss. 121 to 127, 2102 (26) (a); 1979 c. 109 s. 16; 1979 c. 221, 313; 1981 c. 20 ss. 142m to 145, 2202 (26) (b); 1983 a. 27, 120; 1985 a. 29, 340; 1987 a. 27; 1989 a. 187; 1991 a. 39, 315; 1993 a. 16; 1995 a. 10, 27, 463; 1997 a. 27, 35, 227, 252; 2001 a. 16; 2003 a. 111; 2005 a. 74.

22 **SECTION 5.** 20.145 (3) (v) of the statutes is amended to read:

1 20.145 (3) (v) *Specified payments, fire dues and reinsurance.* After deducting
 2 the amounts appropriated under par. (u), the balance of moneys in the local
 3 government property insurance fund, excluding moneys paid to the commissioner for
 4 organizational support services, for the payment of insurance losses, payments to the
 5 investment board under s. 20.536, payments to the general fund under s. 101.573 (1),
 6 loss adjustment expenses, fire rating bureau dues, and the cost to purchase
 7 reinsurance under s. 604.04 (6).

History: 1971 c. 40 s. 93; 1971 c. 125 ss. 51, 52, 53, 54, 55, 522 (1); 1973 c. 117, 333, 336; 1975 c. 37, 39; 1975 c. 147 s. 54; 1975 c. 372 s. 41; 1977 c. 29, 418; 1979 c. 34 ss. 121 to 127, 2102 (26) (a); 1979 c. 109 s. 16; 1979 c. 221, 313; 1981 c. 20 ss. 142m to 145, 2202 (26) (b); 1983 a. 27, 120; 1985 a. 29, 340; 1987 a. 27; 1989 a. 187; 1991 a. 39, 315; 1993 a. 16; 1995 a. 10, 27, 463; 1997 a. 27, 35, 227, 252; 2001 a. 16; 2003 a. 111; 2005 a. 74.

8 **SECTION 6.** 20.145 (4) (v) of the statutes is amended to read:

9 20.145 (4) (v) *Specified payments and losses.* After deducting the amounts
 10 appropriated under par. (u), the balance of moneys in the state life fund, excluding
 11 moneys paid to the commissioner for organizational support services, for payments
 12 authorized under chs. 604 and 607, excluding payment of expenses related to
 13 administering the fund except for those administrative expenses specifically
 14 authorized in ch. 604 or 607. Payments to the investment board pursuant to s.
 15 20.536, payments to the general fund under s. 607.21 (4) and payments for medical
 16 examinations and inspection reports shall be charged directly to this subsection.

History: 1971 c. 40 s. 93; 1971 c. 125 ss. 51, 52, 53, 54, 55, 522 (1); 1973 c. 117, 333, 336; 1975 c. 37, 39; 1975 c. 147 s. 54; 1975 c. 372 s. 41; 1977 c. 29, 418; 1979 c. 34 ss. 121 to 127, 2102 (26) (a); 1979 c. 109 s. 16; 1979 c. 221, 313; 1981 c. 20 ss. 142m to 145, 2202 (26) (b); 1983 a. 27, 120; 1985 a. 29, 340; 1987 a. 27; 1989 a. 187; 1991 a. 39, 315; 1993 a. 16; 1995 a. 10, 27, 463; 1997 a. 27, 35, 227, 252; 2001 a. 16; 2003 a. 111; 2005 a. 74.

17 **SECTION 9225. Fiscal changes; Insurance.**

18 (1) REPEAL OF SUPPORT SERVICES APPROPRIATION. On the effective date of this
 19 subsection, the unencumbered balance in the appropriation account of the office of
 20 the commissioner of insurance under section 20.145 (1) (k) of the statutes is
 21 transferred to the appropriation account under section 20.145 (1) (g).

22

(END)

*of the statutes,
as affected
by this act*

D-note

↑ 2005 statute

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

LRB-0388/^{PI}dn
PJK:.....
mk

(date)

Sue:

Do we need statutory language in chs. 604 and 655 to allow payment from the funds to the commissioner for organizational support services? For this draft, I assumed that payment for organizational support services came from moneys in each fund and was not included in payment for administration under ~~ss.~~ ^{s.} 20.145 (2) (u), (3) (u), or (4) (u).

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

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0388/P1dn
PJK:lmk:sh

October 2, 2006

Sue:

Do we need statutory language in chs. 604 and 655 to allow payment from the funds to the commissioner for organizational support services? For this draft, I assumed that payment for organizational support services came from moneys in each fund and was not included in payment for administration under s. 20.145 (2) (u), (3) (u), or (4) (u). Is this correct?

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

Kahler, Pam

From: Jablonsky, Sue - DOA [sue.jablonsky@wisconsin.gov]
Sent: Thursday, October 19, 2006 11:42 AM
To: Kahler, Pam
Subject: FW: LRB Draft: 07-0388/P1 Combining two OCI appropriations into one
Attachments: 07-0388/P1; 07-0388/P1dn

FYI

From: Mero, Tim [mailto:Tim.Mero@oci.state.wi.us]
Sent: Wednesday, October 18, 2006 2:47 PM
To: Jablonsky, Sue - DOA
Subject: RE: LRB Draft: 07-0388/P1 Combining two OCI appropriations into one

Sue:

In this LRB draft, Ms. Kahler assumed that the organizational support services payments come directly from the fund and are not included in the payment for administration under s. 20.145 (2)(u), (3)(u), and (4)(u). This is not the case. The organizational support services **do** come from payments from the administrative appropriations under s. 20.145 (2)(u), (3)(u), and (4)(u). The statutory language will need to be changed to reflect this.

Thanks!

Timothy R. Mero, Budget and Policy Analyst
 Management Analysis and Planning Section
 Office of the Commissioner of Insurance
 (☎) phone: (608) 264-8114
 (☎) fax: (608) 266-9935
 (✉) e-mail: tim.mero@oci.state.wi.us

-----Original Message-----

From: Jablonsky, Sue - DOA [mailto:sue.jablonsky@wisconsin.gov]
Sent: Tuesday, October 03, 2006 9:01 AM
To: Mero, Tim R
Subject: FW: LRB Draft: 07-0388/P1 Combining two OCI appropriations into one

From: Herritz, Shelly [mailto:Shelly.Herritz@legis.wisconsin.gov]
Sent: Monday, October 02, 2006 3:54 PM
To: Jablonsky, Sue - DOA
Cc: Johnston, James - DOA; Hanaman, Cathlene; Palchik, Laurie A - DOA
Subject: LRB Draft: 07-0388/P1 Combining two OCI appropriations into one

10/24/2006



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-0388/P1

PJK:lmk:sh

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Kell*

DOA:.....⁶ Sue Jablonsky, BB0062 - Combining two OCI appropriations into one

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

D-note

*do not
you cut*

1 AN ACT ...; relating to: an appropriation for general program operations. ✓

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This bill does all of the following: 1) eliminates an OCI appropriation under which administrative and support services are provided with moneys received for the administrative and support services; 2) expands OCI's general program operations appropriation to include the provision of organizational support services; 3) adds as a source of funding for the general program operations appropriation payments made to OCI by the injured patients and families compensation fund, local government property insurance fund, and state life insurance fund for organizational support services; and 4) transfers the unencumbered balance from the eliminated appropriation to the general program operations appropriation.

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:

insert 1-1

2 SECTION ~~1.~~ 20.145 (1) (g) of the statutes is renumbered 20.145 (1) (g) (intro.)

3 and amended to read:

1 20.145 (1) (g) *General program operations.* (intro.) The amounts in the
2 schedule for general program operations, including organizational support services.
3 All of the following shall be credited to this appropriation account:

4 1. Ninety percent of all moneys received under ss. 601.31, 601.32, 601.42 (7),
5 601.45, and 601.47 and by the commissioner for expenses related to insurance
6 company restructurings, except for restructurings specified in par. (h), ~~shall be~~
7 ~~credited to this appropriation account.~~

under s. 655.27(2)

8 SECTION 2. 20.145 (1) (g) 2. of the statutes is created to read:

9 20.145 (1) (g) 2. All moneys received from the injured patients and families
10 compensation funds, *and under s. 604.04(3) from the* local government property insurance funds, *and* state life
11 insurance fund as payment for organizational support services. *the*

Insert 2-12

12 SECTION 3. 20.145 (1) (k) of the statutes is repealed.

13 SECTION 4. 20.145 (2) (v) of the statutes is amended to read:

14 20.145 (2) (v) *Specified responsibilities, investment board payments, and future*
15 *medical expenses.* After deducting the amounts appropriated under pars. (q), (u), and
16 (um), the balance of the moneys paid into the injured patients and families
17 compensation fund under s. 655.27 (3), excluding moneys paid to the commissioner
18 for organizational support services, to carry out the responsibilities of the
19 commissioner of insurance specified under s. 655.27, excluding payment of expenses
20 related to administering the fund, to make payments to the investment board under
21 s. 20.536, and to pay future medical expenses under s. 655.015.

Insert 2-21

22 SECTION 5. 20.145 (3) (v) of the statutes is amended to read:

23 20.145 (3) (v) *Specified payments, fire dues and reinsurance.* After deducting
24 the amounts appropriated under par. (u), the balance of moneys in the local
25 government property insurance fund, excluding moneys paid to the commissioner for

Insert 3-4

Insert 3-13

1 organizational support services, for the payment of insurance losses, payments to the
2 investment board under s. 20.536, payments to the general fund under s. 101.573 (1),
3 loss adjustment expenses, fire rating bureau dues, and the cost to purchase
4 reinsurance under s. 604.04 (6).

5 **SECTION 6.** 20.145 (4) (v) of the statutes is amended to read:

6 20.145 (4) (v) *Specified payments and losses.* After deducting the amounts
7 appropriated under par. (u), the balance of moneys in the state life fund, excluding
8 moneys paid to the commissioner for organizational support services, for payments
9 authorized under chs. 604 and 607, excluding payment of expenses related to
10 administering the fund except for those administrative expenses specifically
11 authorized in ch. 604 or 607. Payments to the investment board pursuant to s.
12 20.536, payments to the general fund under s. 607.21 (4), and payments for medical
13 examinations and inspection reports shall be charged directly to this subsection.

14 **SECTION 9225. Fiscal changes; Insurance.**

15 (1) REPEAL OF SUPPORT SERVICES APPROPRIATION. The unencumbered balance in
16 the appropriation account under section 20.145 (1) (k), 2005 stats., is transferred to
17 the appropriation account under section 20.145 (1) (g) of the statutes, as affected by
18 this act.

19 (END)

D-vote

2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0388/Plins
PJK:lmk:sh

INSERT 1-1

1 ~~SECTION 1.~~ 14.83 of the statutes is amended to read:

2 **14.83 Interstate insurance receivership commission.** There is created an
3 interstate insurance receivership commission as specified in s. 601.59 (3). The
4 member of the commission representing this state shall be the commissioner of
5 insurance or his or her designated representative. The commission member shall
6 serve without compensation but shall be reimbursed from the appropriation under
7 s. 20.145 (1) (g) 1. for actual and necessary expenses incurred in the performance of
8 his or her duties. The commission has the powers and duties granted and imposed
9 under s. 601.59.

History: 1995 a. 462

(END OF INSERT 1-1)

INSERT 2-12

10 ~~SECTION 2.~~ 20.145 (2) (u) of the statutes is amended to read:

11 20.145 (2) (u) *Administration.* From the injured patients and families
12 compensation fund under s. 655.27 (3), the amounts in the schedule for
13 administration, other than organizational support services for which payment is
14 made under s. 655.27 (2) and except for costs of the injured patients and families
15 compensation fund peer review council and its associated administrative costs
16 assessed under s. 655.27 (3) (am).

History: 1971 c. 40 s. 93; 1971 c. 125 ss. 51, 52, 53, 54, 55, 522 (1); 1973 c. 117, 333, 336; 1975 c. 37, 39; 1975 c. 147 s. 54; 1975 c. 372 s. 41; 1977 c. 29, 418; 1979 c. 34 ss. 121 to 127, 2102 (26) (a); 1979 c. 109 s. 16; 1979 c. 221, 313; 1981 c. 20 ss. 142m to 145, 2202 (26) (b); 1983 a. 27, 120; 1985 a. 29, 340; 1987 a. 27; 1989 a. 187; 1991 a. 39, 315; 1993 a. 16; 1995 a. 10, 27, 463; 1997 a. 27, 35, 227, 252; 2001 a. 16; 2003 a. 111; 2005 a. 74.

(END OF INSERT 2-12)

INSERT 2-21

17 ~~SECTION 3.~~ 20.145 (3) (u) of the statutes is amended to read:

1 20.145 (3) (u) *Administration.* The amounts in the schedule for
2 administration, other than organizational support services for which payment is
3 made under s. 604.04 (3).

History: 1971 c. 40 s. 93; 1971 c. 125 ss. 51, 52, 53, 54, 55, 522 (1); 1973 c. 117, 333, 336; 1975 c. 37, 39; 1975 c. 147 s. 54; 1975 c. 372 s. 41; 1977 c. 29, 418; 1979 c. 34 ss. 121 to 127, 2102 (26) (a); 1979 c. 109 s. 16; 1979 c. 221, 313; 1981 c. 20 ss. 142m to 145, 2202 (26) (b); 1983 a. 27, 120; 1985 a. 29, 340; 1987 a. 27; 1989 a. 187; 1991 a. 39, 315; 1993 a. 16; 1995 a. 10, 27, 463; 1997 a. 27, 35, 227, 252; 2001 a. 16; 2003 a. 111; 2005 a. 74.

(END OF INSERT 2-21)

INSERT 3-4

4 ~~SECTION 4.~~ 20.145 (4) (u) of the statutes is amended to read:

5 20.145 (4) (u) *Administration.* The amounts in the schedule for
6 administration, other than organizational support services for which payment is
7 made under s. 604.04 (3).

History: 1971 c. 40 s. 93; 1971 c. 125 ss. 51, 52, 53, 54, 55, 522 (1); 1973 c. 117, 333, 336; 1975 c. 37, 39; 1975 c. 147 s. 54; 1975 c. 372 s. 41; 1977 c. 29, 418; 1979 c. 34 ss. 121 to 127, 2102 (26) (a); 1979 c. 109 s. 16; 1979 c. 221, 313; 1981 c. 20 ss. 142m to 145, 2202 (26) (b); 1983 a. 27, 120; 1985 a. 29, 340; 1987 a. 27; 1989 a. 187; 1991 a. 39, 315; 1993 a. 16; 1995 a. 10, 27, 463; 1997 a. 27, 35, 227, 252; 2001 a. 16; 2003 a. 111; 2005 a. 74.

(END OF INSERT 3-4)

INSERT 3-13

8 ~~SECTION 5.~~ 20.432 (1) (kb) of the statutes is amended to read:

9 20.432 (1) (kb) *Insurance and other information, counseling and assistance.*

10 The amounts in the schedule for the purpose of providing information and counseling
11 on medicare supplemental insurance, long-term care insurance, and medical
12 assistance eligibility requirements, training, educational materials, and technical
13 assistance under s. 16.009 (2) (j). The office of the commissioner of insurance shall
14 credit to this appropriation account amounts equal to the amounts in the schedule
15 for the purposes of this paragraph, from the appropriation under s. 20.145 (1) (g) 1.
16 Notwithstanding s. 20.001 (3) (a), the unencumbered balance on June 30 of each
17 fiscal year shall revert to the appropriation account under s. 20.145 (1) (g).

History: 1981 c. 20, 391; 1985 a. 29; 1987 a. 27; 1995 a. 27; 1999 a. 9; 2001 a. 16.

18 ~~SECTION 6.~~ 601.32 (1) of the statutes is amended to read:

1 601.32 (1) If the moneys credited to s. 20.145 (1) (g) 1. under other sections of
 2 the statutes prove inadequate for the office's supervision of insurance industry
 3 program, the commissioner may increase any or all of the fees imposed by s. 601.31,
 4 or may in any year levy a special assessment on all domestic insurers, or both, for the
 5 general operation of that program. ✓

History: 1975 c. 372 s. 41; 1977 c. 339; 1979 c. 102 ss. 66, 236 (4); 1983 a. 215.

6 ~~SECTION 7.~~ 601.45 (3) of the statutes is amended to read:

7 601.45 (3) DEPOSIT. The commissioner may require any examinee, before or
 8 from time to time during an examination, to deposit with the secretary of
 9 administration such deposits as the commissioner deems necessary to pay the costs
 10 of the examination. Any deposit and any payment made under subs. (1) and (2) shall
 11 be credited to the appropriation account under s. 20.145 (1) (g) 1. in the percentage
 12 specified in that paragraph subdivision.

History: 1977 c. 29; 1979 c. 102; 1981 c. 20; 2003 a. 33.

13 ~~SECTION 8.~~ 601.45 (4) of the statutes is amended to read:

14 601.45 (4) EXEMPTIONS. On the examinee's request or on the commissioner's
 15 own motion, the commissioner may pay all or part of the costs of an examination from
 16 the appropriation under s. 20.145 (1) (g) 1., whenever the commissioner finds that
 17 because of the frequency of examinations or other factors, imposition of the costs
 18 would place an unreasonable burden on the examinee. The commissioner shall
 19 include in his or her annual report information about any instance in which the
 20 commissioner applied this subsection.

History: 1977 c. 29; 1979 c. 102; 1981 c. 20; 2003 a. 33.

21 ~~SECTION 9.~~ 601.47 (1) of the statutes is amended to read:

22 601.47 (1) GENERAL. The commissioner may prepare books, pamphlets, and
 23 other publications relating to insurance and sell them in the manner and at the

1 prices the commissioner determines. The cost of publication and distribution may
2 be paid from the appropriation under s. 20.145 (1) (g) 1.

3 History: 1971 c. 125; 1979 c. 102 ss. 75, 236 (6); 2001 a. 16.

~~SECTION 10.~~ 601.47 (3) of the statutes is amended to read:

4 601.47 (3) FREE DISTRIBUTION. The commissioner may furnish free copies of the
5 publications prepared under subs. (1) and (2) to public officers and libraries in this
6 state and elsewhere. The cost of free distribution shall be charged to the
7 appropriation under s. 20.145 (1) (g) 1.

8 History: 1971 c. 125; 1979 c. 102 ss. 75, 236 (6); 2001 a. 16.

~~SECTION 11.~~ 601.48 (1) of the statutes is amended to read:

9 601.48 (1) NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS. The
10 commissioner and the office of the commissioner shall maintain close relations with
11 the commissioners of other states and shall participate in the activities and affairs
12 of the National Association of Insurance Commissioners and other organizations so
13 far as it will, in the judgment of the commissioner, enhance the purposes of chs. 600
14 to 655. The actual and necessary expenses incurred thereby shall be reimbursed out
15 of the appropriation under s. 20.145 (1) (g) 1. *note lack of spaces*

16 History: 1977 c. 339 s. 43; 1979 c. 89; 1979 c. 102 s. 236 (14); 1979 c. 177; 1983 a. 358 s. 14; 1989 a. 187 s. 29.

~~SECTION 12.~~ 601.62 (4) of the statutes is amended to read:

17 601.62 (4) FEES IN INVESTIGATIONS AND HEARINGS. The fees for stenographic
18 services in investigations, examinations, and hearings may not exceed the sum
19 provided for like services in the circuit court. The fees of officers, witnesses,
20 interpreters, and stenographers on behalf of the commissioner or the state shall be
21 paid by the secretary of administration, authorized by the certificate of the
22 commissioner, and shall be charged to the appropriation under s. 20.145 (1) (g) 1.

23 History: 1975 c. 371; 1975 c. 414 ss. 27, 28; 1975 c. 421; 1977 c. 203 ss. 81, 82, 102; 1977 c. 339 ss. 30, 43; 1979 c. 89; 1983 a. 358 s. 14; 1989 a. 122; 1989 a. 187 s. 29; 1995 a. 396; 2003 a. 33.

~~SECTION 13.~~ 604.04 (3) of the statutes is amended to read:

1 604.04 (3) EXPENSES. No full-time state officer or employee may receive
 2 additional compensation for services under chs. 604 to 607. Appropriate portions of
 3 the salaries of such persons who do work for the funds or supervise them, and other
 4 expenses including reasonable charges for state-owned or state-rented office space
 5 and the use of state-owned or state-rented office equipment shall be charged against
 6 each fund. Each fund shall pay to the commissioner amounts charged for
 7 organizational support services, which shall be credited to the appropriation account
 8 under s. 20.145 (1) (g) 2. Each fund shall also be charged a sum equivalent to the state
 9 premium tax that would be paid by a domestic mutual insurer organized or operating
 10 under ch. 611 and doing the same kind of insurance business, except that no such
 11 charge shall be made for the insurance of governmental units.

History: 1973 c. 117; 1979 c. 102 ss. 84, 236 (5), (13); 1981 c. 20 ss. 1759m, 2202 (26) (c); 2001 a. 65; 2003 a. 33.

12 ~~SECTION 14.~~ 645.09 (2) (a) of the statutes is amended to read:

13 645.09 (2) (a) *Causes of delinquency.* The commissioner may include in his or
 14 her annual report, not later than the 2nd annual report following the initiation of any
 15 formal proceedings under this chapter, a detailed analysis of the basic causes and the
 16 contributing factors making the initiation of formal proceedings necessary, and may
 17 make recommendations for remedial legislation. For this purpose the commissioner
 18 may appoint a special assistant qualified in insurance, finance, and accounting to
 19 conduct the study and prepare the analysis, and may determine the special
 20 assistant's compensation, which shall be paid from the appropriation under s. 20.145
 21 (1) (g) 1.

History: 1979 c. 102 ss. 197, 236 (13), (14); 1979 c. 221.

22 ~~SECTION 15.~~ 645.09 (2) (b) of the statutes is amended to read:

23 645.09 (2) (b) *Final study.* The commissioner may include in his or her annual
 24 report, not later than the 2nd annual report following discharge of the receiver, a

1 detailed study of the delinquency proceeding for each insurer subjected to a formal
 2 proceeding, with an analysis of the problems faced and their solutions. The
 3 commissioner may also suggest alternative solutions, as well as other material of
 4 interest, for the purpose of assisting and guiding liquidators or rehabilitators in the
 5 future. For this purpose the commissioner may appoint a special assistant qualified
 6 to conduct the study and prepare the analysis, and may determine his or her
 7 compensation, which shall be paid from the appropriation under s. 20.145 (1) (g) 1.

History: 1979 c. 102 ss. 197, 236 (13), (14); 1979 c. 221.

8 **SECTION 16.** 645.46 (4) of the statutes is amended to read:

9 645.46 (4) Defray all expenses of taking possession of, conserving, conducting,
 10 liquidating, disposing of, or otherwise dealing with the business and property of the
 11 insurer. If the property of the insurer does not contain sufficient cash or liquid assets
 12 to defray the costs incurred, the liquidator may advance the costs so incurred out of
 13 the appropriation under s. 20.145 (1) (g) 1. Any amounts so paid shall be deemed
 14 expense of administration and shall be repaid for the credit of the office of the
 15 commissioner of insurance out of the first available moneys of the insurer.

History: 1971 c. 164 s. 90; 1977 c. 196 s. 131; 1977 c. 273; 1979 c. 93; 1979 c. 102 ss. 206, 236 (11); 1979 c. 109; 1993 a. 301.

16 **SECTION 17.** 655.27 (2) of the statutes is amended to read:

17 655.27 (2) FUND ADMINISTRATION AND OPERATION. Management of the fund shall
 18 be vested with the board of governors. The commissioner shall either provide staff
 19 services necessary for the operation of the fund or, with the approval of the board of
 20 governors, contract for all or part of these services. Such a contract is subject to ss.
 21 16.753 and 16.765, but is otherwise exempt from subch. IV of ch. 16. The
 22 commissioner shall adopt rules governing the procedures for creating and
 23 implementing these contracts before entering into the contracts. At least annually,
 24 the contractor shall report to the commissioner and to the board of governors

1 regarding all expenses incurred and subcontracting arrangements. If the board of
2 governors approves, the contractor may hire legal counsel as needed to provide staff
3 services. The cost of contracting for staff services shall be funded from the
4 appropriation under s. 20.145 (2) (u). The fund shall pay to the commissioner
5 amounts charged for organizational support services, which shall be credited to the
6 appropriation account under s. 20.145 (1) (g) 2.

History: 1975 c. 37, 79, 199; 1977 c. 29, 131; 1979 c. 34, 194; 1981 c. 20; 1983 a. 27, 158; 1985 a. 340; 1987 a. 27, 186, 247, 399; 1989 a. 102, 187, 332; 1991 a. 214, 315; 1993 a. 473; 1995 a. 10; 2001 a. 65; 2003 a. 111; 2005 a. 36, 410.

(END OF INSERT 3-13)

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

LRB-0388/PJ/dn
PJK:lmk:sh

(date)

Don't be alarmed by the increase in the length of this draft. ✓ I thought it best in most cases to limit the current cross-references to s. 20.145 (1)(g) to the specific subdivision. ✓

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

LRB-0388/1dn
PJK:lmk:nwn

November 1, 2006

Don't be alarmed by the increase in the length of this draft. I thought it best in most cases to limit the current cross-references to s. 20.145 (1) (g) to the specific subdivision.

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