

2009 DRAFTING REQUEST

Bill

Received: **06/30/2009**

Received By: **tdodge**

Wanted: **Soon**

Identical to LRB:

For: **Peter Barca (608) 266-5504**

By/Representing: **Matt Egerer**

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

Drafter: **tdodge**

May Contact:

Addl. Drafters:

Subject: **Insurance - other insurance**

Extra Copies: **PJK**

Submit via email: **YES**

Requester's email: **Rep.Barca@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Premium reduction for local government payments to local government property insurance fund

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>
/?	tdodge 07/09/2009	bkraft 07/09/2009		_____			S&L
/1			phenry 07/10/2009	_____	mbarman 07/10/2009	lparisi 08/20/2009	

FE Sent For:

*at intro
8/28*

<END>

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1?	tdodge	11 bjk 7/9	7/10 ph	1/19 ph			
FE Sent For:				<END>			

Kahler, Pam

From: Egerer, Matt
Sent: Monday, June 29, 2009 2:45 PM
To: Kahler, Pam
Subject: Barca - Local Government Property Insurance Fund

Ms. Kahler,

I believe that you are the appropriate person to address this request to, but if not, please forward this message to the appropriate attorney.

I am writing because Representative Barca would like to draft legislation that would require the Office of the Commissioner of Insurance to reduce premiums due between October 1, 2009 and September 30, 2010 from each local unit of government insured by the Local Government Property Insurance Fund by an amount equal to the Fund premiums paid by that unit of government during calendar year 2008. The practical effect of this move would be that entities would receive a premium holiday for policies that they had paid premiums on during the last calendar year.

As you likely know, the Local Government Property Insurance Fund is administered by the Office of the Commissioner of Insurance and provides property insurance to counties, towns, villages, school districts, and other units of local government.

A June 2009 audit by the nonpartisan Legislative Audit Bureau reported that the Fund had a surplus of \$36.7 million dollars at the end of fiscal year 2007-08. In 2004, the Property Fund had set a minimum target surplus of \$20 million. However, more conservative targets for the surplus were established in April 2009. The Audit Bureau report noted that the surplus had grown to \$40.0 million as of March 31, 2009.

Representative Barca was hoping to move on this bill fairly quickly so we would appreciate any effort to expedite the process on this piece of legislation.

Matt Egerer
Office of Representative Peter Barca
608.266.5504

Dodge, Tamara

From: Egerer, Matt
Sent: Monday, July 06, 2009 3:03 PM
To: Dodge, Tamara
Subject: RE: Local Government Property Insurance Fund

Tami,

Sorry for my delayed response.

The answer to the first question would be that in a situation where the previous premium was higher, the entity would not receive an additional credit; they would simply pay no premium.

Second, we would like to tie this to the previously insured property and not the dollar amount paid. This would appear cleaner and easier for OCI to administer.

Let me know if there are any additional questions,

Matt Egerer
Office of Representative Peter Barca
608.266.5504

From: Dodge, Tamara
Sent: Thursday, July 02, 2009 9:20 AM
To: Egerer, Matt
Subject: Local Government Property Insurance Fund

Matt,

I work on insurance drafting at the LRB, along with Pam Kahler, and I am working on the Local Government Property Insurance Fund draft request. I had a couple of questions. First, what happens if a local government unit's premium in 2008 is higher than its premium for the period between October 1, 2009, and September 30, 2010? Should they get a credit or just pay no premium?

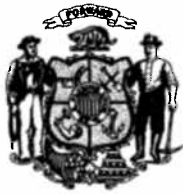
Also, what happens if the local government unit is insuring a different amount of property or different property during this period than they were in 2008? Will that matter for purposes of the draft?

Please let me know how Representative Barca would like these questions handled in the draft.

Thank you.

Tami

Tamara J. Dodge
Attorney
Wisconsin Legislative Reference Bureau
P.O. Box 2037
Madison, WI 53701-2037
(608) 267 - 7380
tamara.dodge@legis.wisconsin.gov



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-30537

TJD:.....

bjk

RMNR

In 7/9/09 (soon)

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 AN ACT ^{gen.}...; relating to: local government property insurance fund premiums.

Analysis by the Legislative Reference Bureau

Under current law, a local governmental unit, including a city, county, town, village, or school district, may insure its property through the local government property insurance fund (property fund). The local governmental unit pays premiums into the state treasury for the benefit of the property fund.

This bill requires the commissioner of insurance to reduce a local governmental unit's premium for insuring property through the property fund, for premiums due beginning on October 1, 2009, and ending on September 30, 2010, for property insured in 2008 through the property fund by the amount the local governmental unit paid in premiums in 2008 on that property. The local governmental unit pays no premium, and receives no refund, if the premium paid in 2008 is higher than the premium due beginning on October 1, 2009, and ending on September 30, 2010.

For further information see the ***state and local*** 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. Nonstatutory provision.

3 (1) LOCAL GOVERNMENT PROPERTY INSURANCE FUND; PREMIUM REDUCTION.

4 (a) In this subsection:

1 1. "Local governmental unit" has the meaning given in section 605.01 (1) of the
2 statutes.

3 2. "Property fund" means the local government property insurance fund.

4 (b) For property insured by a local governmental unit in the property fund for
5 which premiums are payable on or after October 1, 2009, but before October 1, 2010,
6 and which was insured in the property fund during calendar year 2008, the
7 commissioner of insurance shall reduce the premium payable by the local
8 governmental unit on or after October 1, 2009, but before October 1, 2010, by an
9 amount equal to one of the following, whichever is less:

10 1. The premium paid to the property fund on that property by that local
11 governmental unit during calendar year 2008.

12 2. The premium payable by that local governmental unit for that property on
13 or after October 1, 2009, but before October 1, 2010.

14 (END)

Parisi, Lori

From: Egerer, Matt
Sent: Thursday, August 20, 2009 3:14 PM
To: LRB.Legal
Subject: Draft Review: LRB 09-3053/1 Topic: Premium reduction for local government payments to local government property insurance fund

Please Jacket LRB 09-3053/1 for the ASSEMBLY.