

2009 DRAFTING REQUEST

Assembly Substitute Amendment (ASA-AB403)

Received: 10/29/2009

Received By: **tdodge**

Wanted: 10/30/2009

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 - miscellaneous**

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:

Dividend to insureds under 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 10/30/2009	kfollett 10/30/2009		_____			
/1			mduchek 10/30/2009	_____	mbarman 10/30/2009	mbarman 10/30/2009	

FE Sent For:

<END>

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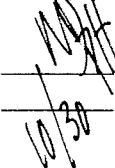
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/?	tdodge	11kf 10/30					

FE Sent For:

<END>

Dodge, Tamara

From: Egerer, Matt
Sent: Thursday, October 29, 2009 2:02 PM
To: Dodge, Tamara
Subject: Barca AB 403 Sub Request

Importance: High

Hi Tamara,

I believe you had initially drafted our proposal on the local government property insurance fund AB 403 (LRB 3053). I completely apologize for our request, but we are going to have to ask for a sub amendment in a very tight time period. We need this by the end of the day tomorrow to be distributed to committee members for an executive session early next week.

Please get back to me today to let me know if this will be possible, or if I need to contact another attorney.

The new request for the amendment is below. Thank you in advance for your assistance with this request. We very much appreciate your work.

1. Direct the Commissioner of Insurance to declare a one-time dividend to Local Government Property Insurance Fund policyholders under Ch. 605 WI Statutes.
2. Pay the dividend to Fund insureds of record as of September 1, 2009.
3. Base the dividend on each insured's relative percentage of earned premium over the most recent five fiscal years (FY2005-2009), compared to the overall total Fund earned premium for that same period; then multiplied by the amount of dividend declared.
4. Set the total amount of the dividend to be paid at \$12 million.
5. Deduct each insured's dividend amount from each insured's annual renewal premium as a credit against the premium otherwise due for coverage, as those premiums are billed, rather than mailed as a separate dividend check.

Matt Egerer
Office of Representative Peter Barca
608.266.5504



State of Wisconsin
2009 - 2010 LEGISLATURE

LRBs01837

TJD: [initials]

In: 10/30/09 TODAY

RMNR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

ASSEMBLY SUBSTITUTE AMENDMENT,

TO 2009 ASSEMBLY BILL 403

D-note

Gen

1

AN ACT ...; relating to: dividends to insured^s under local government property

2

insurance fund.

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

3

SECTION 1. Nonstatutory provisions.

4

(1) LOCAL GOVERNMENT PROPERTY INSURANCE FUND; DIVIDEND.

5

(a) In this subsection:

6

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

7

statutes.

8

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

9

(b) Within 4 months after the effective date of this paragraph ... [LRB inserts

10

date], the commissioner of insurance shall declare a one-time dividend of

1 \$12,000,000 total to be divided among all local governmental units that had property
2 insured by the property fund on September 1, 2009.

3 (c) To determine the amount of the dividend to be paid to an individual local
4 governmental unit, the commissioner of insurance shall perform the following
5 calculations:

6 1. Divide the amount of earned premium paid to the property fund by that local
7 governmental unit in fiscal years 2004-2005 to 2008-2009 by the total amount of all
8 earned premium paid to the property fund by local governmental units in fiscal years
9 2004-2005 to 2008-2009.

10 2. Multiply the quotient determined in subdivision # by \$12,000,000.

11 (d) The commissioner of insurance shall pay the dividend to a local
12 governmental unit by reducing the next premium payable by the local governmental
13 unit to the property fund by the amount of the dividend determined for that local
14 governmental unit under paragraph #.

15 (END)

D-note

← create auto ref (a)

← create auto ref (b)

← create auto ref (c)

← a.r. (b)

← a.r. (a)

← a.r. (c)

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

LRBs01837dn

TJD:...

01
tjf

Date

To Matt Egerer: ✓

To put a time limit on the commissioner's declaration of a dividend, I selected four months from the effective date of the bill.

I was wondering about the term "earned premium." I want to ensure that the term is applicable to all fiscal years so you achieve the result you want. You may want to check with the Office of the Commissioner of Insurance to make sure this term is used correctly in this substitute amendment.

Tamara J. Dodge
Legislative Attorney
Phone: (608) 267-7380
E-mail: tamara.dodge@legis.wisconsin.gov

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

LRBs0183/1dn
TJD:kjf:md

October 30, 2009

To Matt Egerer:

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Tamara J. Dodge
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