

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3969/3dn
MDK&PJK:kjf:jm

February 10, 2012

Sen. Lasee:

This version makes the changes described in OCI's February 3, 2012, memo as clarified in our recent conference call with OCI, except that this version does not make the change in item 8 of that memo regarding the insurance exemption. Please note the following about this draft:

1. In addition to the changes described above, this version also creates the exemption in proposed s. 616.52 (1) (e). This exemption was requested after the conference call. Is it okay?
2. The exemption in proposed s. 616.52 (3) (intro.) refers to a person *holding* a valid certificate of authority under OCI's rules at s. Ins 15.01, Wis. Adm. Code. Thus, a person who holds a valid certificate of authority, regardless of whether it is issued before, on, or after the effective date of the bill, can take advantage of the exemption. We used the term "certificate of authority," as that is the term which is defined under the rules. In addition, we decided to clarify that the certificate of authority must be "valid," which we think ensures that a person whose certificate has been revoked or suspended cannot take advantage of the exemption. Is that okay? Also, note that we revised proposed s. 616.52 (3) (a) to allow a person to continue to operate "under the certificate of authority," which is consistent with the change made to proposed s. 616.52 (3) (intro.).
3. The second sentence of proposed s. 616.54 (1) refers to s. 616.58 (2) (b) to create an exception to the liability rule that applies to providers for acts of administrators. We think the exception is necessary because s. 616.58 (2) (b) creates a different liability rule that applies to specified violations committed by administrators.
4. We made changes to the language suggested for proposed s. 616.54 (7) (c).
5. Rather than refer to s. 631.85 in proposed s. 616.56 (17), we created language for s. 616.56 (17) that is based on s. 631.85. However, instead of referring to approval of

insurance policies under s. 631.20, we referred to approval of service contracts under s. 616.56 (1).

Mark D. Kunkel
Senior Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.wisconsin.gov

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