

State of Wisconsin



2015 Assembly Bill 584

Date of enactment: **March 30, 2016**

Date of publication*: **March 31, 2016**

2015 WISCONSIN ACT 325

AN ACT *to create* 605.22 of the statutes; **relating to:** rate regulations, assessment levies, and dividends for the local government property insurance fund.

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

SECTION 1. 605.22 of the statutes is created to read:

605.22 Property fund rates and assets. (1) **RATE DETERMINATION.** The property fund's annual premium rates shall be actuarially determined to be sufficient to maintain a ratio of net premiums written to surplus of no less than 200 percent. The rate standards under s. 625.11 shall apply to property fund rates.

(2) **ASSESSMENTS.** The property fund shall levy an assessment on local governmental units participating in the fund whenever the ratio of net premiums written to surplus is greater than 225 percent. Assessments shall be levied on all insured local governmental units participating in the fund in the fiscal year ending immediately prior to the date of the notice of assessment. Assessments shall be levied at the same rate according to each insured local governmental unit's proportional share of direct premiums written in the fund's fiscal year that ended immediately prior to the date of the notice of assessment. The date on which the assessment is due shall be specified in the notice of assessment and may not be less than 60 days after the date of the notice of assessment. The property fund shall collect unpaid assessments in the manner provided for collection of unpaid premiums under s. 605.21

(2). If an insured local governmental unit does not pay an assessment within 60 days after the assessment is due, the fund shall terminate coverage for that local governmental unit. If a local governmental unit cancels its coverage and a refund of premiums is due to the local governmental unit, the refund due shall be reduced by the amount of any unpaid assessment. A local governmental unit that fails to pay an assessment when due may not participate in the property fund until the past due assessment is paid.

(3) **DIVIDENDS.** The property fund shall pay a dividend to its insured local governmental units whenever the ratio of net premiums written to surplus is less than 45 percent, provided that, following the payment of the dividend, the ratio of net premiums written to surplus does not exceed 100 percent and the amount of surplus is not less than \$3,000,000. Dividends shall be paid to all insured local governmental units participating in the property fund in the fiscal year that ended immediately prior to the date of the notice of the dividend. Dividends shall be paid at the same rate according to each insured local government unit's proportional share of premiums written in the fund's fiscal year that ended immediately prior to the date of the notice of the dividend.

SECTION 2. Effective date.

(1) This act takes effect on July 1, 2018.

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."