

1 evidence. ~~A commissioner~~ An insurance regulatory official may attend the hearing  
2 in person or by telecommunication.

X  
\*\*\*NOTE: I do not know if the insurance-related rules of the new department will  
continue to be designated as "Ins." DJK

3 ~~\*-0797/P1.229\*~~SECTION 856. 611.72 (3) (bm) 2. of the statutes is amended to  
4 read:

5 611.72 (3) (bm) 2. ~~The commissioner of insurance of this state~~ department may  
6 opt out of a consolidated hearing, and shall provide notice to the person requesting  
7 the consolidated hearing of the opt out within 10 days after the ~~commissioner~~  
8 department receives the statement under s. Ins 40.02 (2), Wis. Adm. Code.

9 ~~\*-0797/P1.230\*~~SECTION 857. 611.73 (1) (a) of the statutes is amended to read:

10 611.73 (1) (a) *In general.* Any 2 or more domestic mutuals may merge under  
11 the procedures of this section and ss. 181.1105 and 181.1106, ~~except that papers~~  
12 ~~required by those sections to be filed with the department of financial institutions~~  
13 ~~shall instead be filed with the commissioner.~~

14 ~~\*-0797/P1.231\*~~SECTION 858. 611.73 (3) (a) of the statutes is amended to read:

15 611.73 (3) (a) The plan of merger shall be submitted to the ~~commissioner~~  
16 department for ~~his or her~~ the department's approval after any necessary action by  
17 the boards and before any necessary action by the policyholders. The ~~commissioner~~  
18 department shall approve the plan unless ~~he or she~~ the department finds, after a  
19 hearing, that the proposed merger would be contrary to the law or to the interests  
20 of the insureds of any participating domestic corporation or the Wisconsin insureds  
21 of any participating nondomestic corporation.

22 ~~\*-0797/P1.232\*~~SECTION 859. 611.73 (3) (b) 1. of the statutes is amended to  
23 read:

1           611.73 (3) (b) 1. If the proposed merger of 2 or more domestic and foreign  
2           mutuals will require the approval of more than one ~~commissioner~~ insurance  
3           regulatory authority, the hearing under par. (a) may be held on a consolidated basis  
4           upon the request of a person filing with the ~~commissioner of insurance of this state~~  
5           department the plan of merger under par. (a) and the statement under s. Ins 40.02  
6           (2), Wis. Adm. Code. The person must request a consolidated hearing when the plan  
7           of merger and statement are filed. That person shall file copies of the plan of merger  
8           and the statement under s. Ins 40.02 (2), Wis. Adm. Code, with the National  
9           Association of Insurance Commissioners within 5 days after making the request for  
10          a consolidated hearing. A hearing conducted on a consolidated basis shall be public  
11          and held within the United States before the ~~commissioners~~ insurance regulatory  
12          officials of the states in which the insurers involved in the merger are domiciled. The  
13          ~~commissioners~~ insurance regulatory officials may hear and receive evidence. ~~A~~  
14          ~~commissioner~~ An insurance regulatory official may attend the hearing in person or  
15          by telecommunication.

16           \*~~0797/P1.233~~\*SECTION 860. 611.73 (3) (b) 2. of the statutes is amended to  
17          read:

18           611.73 (3) (b) 2. The ~~commissioner of insurance of this state~~ department may  
19          opt out of a consolidated hearing, and shall provide notice to the person requesting  
20          the consolidated hearing of the opt out within 10 days after the ~~commissioner~~  
21          department receives the plan of merger under par. (a) and the statement under s. Ins  
22          40.02 (2), Wis. Adm. Code.

23           \*~~0797/P1.234~~\*SECTION 861. 611.73 (4) of the statutes is amended to read:

1           611.73 (4) VOTING BY POLICYHOLDERS. ~~The commissioner~~ department may order  
2           that the plan submitted to ~~him or her~~ the department under sub. (3) (a) be amended  
3           to provide for voting by policyholders of any mutual involved.

4           \*~~-0797/P1.235~~\*SECTION 862. 611.74 (1) of the statutes is amended to read:

5           611.74 (1) PLAN OF DISSOLUTION. At least 60 days prior to the submission to  
6           shareholders or policyholders of any proposed voluntary dissolution of an insurance  
7           corporation under s. 180.1402 or 181.1401 the plan shall be filed with the  
8           ~~commissioner~~ department. ~~The commissioner~~ department may require the  
9           submission of additional information to establish the financial condition of the  
10          corporation or other facts relevant to the proposed dissolution. If the shareholders  
11          or policyholders adopt the resolution to dissolve, the ~~commissioner~~ department shall,  
12          within 30 days after the adoption of the resolution, begin to examine the corporation.  
13          ~~The commissioner~~ department shall approve the dissolution unless, after a hearing,  
14          the ~~commissioner~~ department finds that it is insolvent or may become insolvent in  
15          the process of dissolution. Subject to chs. 600 to 645, upon approval, the corporation  
16          may dissolve under ss. 180.1402 to 180.1408 and 180.1706, or ss. 181.1401 to  
17          181.1407, ~~except that papers required by those sections to be filed with the~~  
18          ~~department of financial institutions shall instead be filed with the commissioner.~~  
19          Upon disapproval, the ~~commissioner~~ department shall petition the court for  
20          liquidation or for rehabilitation under ch. 645.

21          \*~~-0797/P1.236~~\*SECTION 863. 611.75 (4) (intro.) of the statutes is amended to  
22          read:

23          611.75 (4) CONDITION FOR APPROVAL. (intro.) ~~The commissioner~~ department  
24          shall approve the conversion unless ~~he or she~~ the department finds, after a hearing,  
25          that:

1           \*~~0797/P1.237~~\*SECTION 864. 611.75 (7) of the statutes is amended to read:

2           611.75 (7) EXPENSES. The corporation may not pay compensation of any kind  
3 to any person other than regular salaries to existing personnel, in connection with  
4 the proposed conversion, other than for clerical and mailing expenses, except that  
5 with the ~~commissioner's~~ department's approval payment may be made at reasonable  
6 rates for printing costs and for legal and other professional fees for services actually  
7 rendered. All expenses of the conversion, including the expenses incurred by the  
8 ~~commissioner~~ department and the prorated salaries of any ~~insurance office~~  
9 department staff members involved, shall be borne by the corporation being  
10 converted.

11           \*~~0797/P1.238~~\*SECTION 865. 611.76 (3) (a) (intro.) of the statutes is amended  
12 to read:

13           611.76 (3) (a) *Application.* (intro.) The board shall file with the ~~commissioner~~  
14 department the resolution and any additional documents and information he or she  
15 reasonably requires, whereupon the ~~commissioner~~ department shall order  
16 examination and appraisal of the corporation, unless ~~he or she~~ the department finds  
17 that:

18           \*~~0797/P1.239~~\*SECTION 866. 611.76 (6) (b) of the statutes is amended to read:

19           611.76 (6) (b) With regard to a mutual life insurance company, the notice, the  
20 plan or a summary of the plan, and any comments under par. (a) shall also be mailed  
21 to the ~~commissioner~~ insurance regulatory authority of every jurisdiction in which the  
22 mutual life insurance company is authorized to do any business.

23           \*~~0797/P1.240~~\*SECTION 867. 611.76 (6) (c) of the statutes is amended to read:

24           611.76 (6) (c) Any policyholder under par. (a) and any ~~commissioner~~ insurance  
25 regulatory authority under par. (b) may present written or oral statements at the

1 hearing and may present written statements within a period after the hearing  
2 specified by the ~~commissioner~~ department. The ~~commissioner~~ department shall  
3 take statements presented under this paragraph into consideration in making the  
4 determination under sub. (7).

5 ~~\*-0797/P1.241~~\*SECTION 868. 611.76 (7) (a) of the statutes is amended to read:

6 611.76 (7) (a) The ~~commissioner~~ department shall approve the plan of  
7 conversion unless ~~he or she~~ the department finds that the plan violates the law or  
8 is contrary to the interests of policyholders or the public.

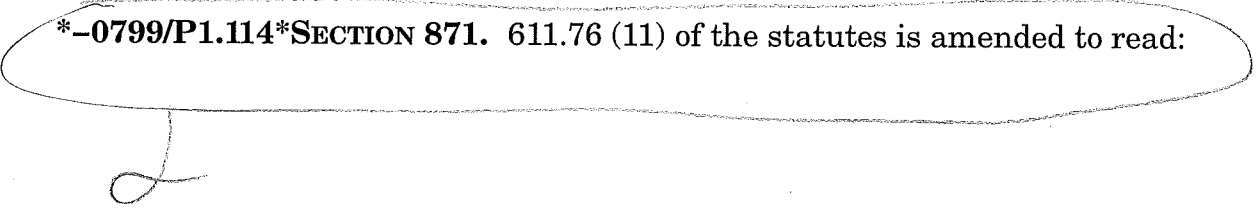
9 ~~\*-0797/P1.242~~\*SECTION 869. 611.76 (10) of the statutes is amended to read:

10 611.76 (10) EXPENSES. The corporation may not pay compensation of any kind  
11 to any person other than regular salaries to existing personnel, in connection with  
12 the proposed conversion, other than for clerical and mailing expenses, except that  
13 with the ~~commissioner's~~ department's approval payment may be made at reasonable  
14 rates for printing costs and for legal and other professional fees for services actually  
15 rendered. All expenses of the conversion, including the expenses incurred by the  
16 ~~commissioner~~ department and the prorated salaries of any ~~insurance office~~  
17 department staff members involved, shall be borne by the corporation being  
18 converted.

19 ~~\*-0797/P1.243~~\*SECTION 870. 611.76 (11) of the statutes is amended to read:

20 611.76 (11) SECURITY REGULATION. The filing with the ~~division of securities~~  
21 department of a certified copy of the plan of conversion as approved by the  
22 ~~commissioner~~ department constitutes registration under s. 551.305 of the securities  
23 authorized to be issued thereunder.

24 ~~\*-0799/P1.114~~\*SECTION 871. 611.76 (11) of the statutes is amended to read:



1           611.76 (11) SECURITY REGULATION. The filing with the ~~division of securities~~  
2           department of a certified copy of the plan of conversion as approved by the  
3           ~~commissioner~~ secretary constitutes registration under s. 551.305 of the securities  
4           authorized to be issued thereunder.

\*\*\*NOTE: This provision assumes that another draft in the compile will create  
definitions of "department" and "secretary" applicable to this provision.

5           \*-0797/P1.244\*SECTION 872. 611.77 (1) of the statutes is amended to read:

6           611.77 (1) ASSESSABLE TO NONASSESSABLE. Whenever an assessable mutual  
7           accumulates enough surplus to satisfy the financial requirements for the operation  
8           of a nonassessable mutual under like conditions, it may apply for a certificate of  
9           authority authorizing it to sell nonassessable policies. The ~~commissioner~~  
10          department shall issue a certificate of authority designating it a nonassessable  
11          mutual if ~~he or she~~ the department finds that the applicant satisfies the  
12          requirements of the law and that the issuance of nonassessable policies will not  
13          endanger the interests of its insureds or the public. Policies issued thereafter shall  
14          be nonassessable; existing policies shall continue in effect and shall also become  
15          nonassessable.

16          \*-0797/P1.245\*SECTION 873. 611.77 (2) of the statutes is amended to read:

17          611.77 (2) NONASSESSABLE TO ASSESSABLE. A nonassessable mutual may apply  
18          to the ~~commissioner~~ department for a certificate of authority designating it an  
19          assessable mutual. The ~~commissioner~~ department shall issue the certificate if the  
20          law permits such a corporation to issue assessable policies and if ~~he or she~~ the  
21          department finds that the conversion will not endanger the interests of present or  
22          future insureds or of the public. All policies issued after conversion shall be

1 assessable, and all policies in effect on the date of conversion shall be assessable  
2 except to the extent that there is a contract right then existing not to be assessed.

3 **\*-0797/P1.246\*SECTION 874.** 612.01 (4) of the statutes is amended to read:

4 612.01 (4) APPLICABLE DEFINITIONS. The definitions in ss. 181.0103 (3) and (18),  
5 600.03, and 610.01 (1), and (2) and (4) apply to town mutuals.

6 **\*-0797/P1.247\*SECTION 875.** 612.02 (6) (intro.) of the statutes is amended to  
7 read:

8 612.02 (6) CERTIFICATE OF AUTHORITY. (intro.) The ~~commissioner~~ department  
9 shall issue a certificate of authority if ~~he or she~~ the department:

10 **\*-0797/P1.248\*SECTION 876.** 612.04 (2) of the statutes is amended to read:

11 612.04 (2) APPROVAL REQUIRED. No change in the articles or bylaws or in the  
12 business plan is effective until approved by the ~~commissioner~~ department, nor may  
13 a town mutual depart from its business plan except with the ~~commissioner's~~  
14 department's approval. No change may be made inconsistent with s. 612.02 (2).  
15 Section 181.1008 applies to town mutuals.

16 **\*-0797/P1.249\*SECTION 877.** 612.04 (3) (intro.) of the statutes is amended to  
17 read:

18 612.04 (3) GROUNDS FOR DISAPPROVAL. (intro.) The ~~commissioner~~ department  
19 shall approve the change unless ~~he or she~~ the department finds, after a hearing, that  
20 it would be:

21 **\*-0797/P1.250\*SECTION 878.** 612.11 (3) of the statutes is amended to read:

22 612.11 (3) ~~COMMISSIONER'S~~ DEPARTMENT'S RIGHT TO ATTEND. The ~~commissioner~~  
23 department or the department's representative may attend any meeting of members.

24 **\*-0797/P1.251\*SECTION 879.** 612.21 (3) of the statutes is amended to read:

1           612.21 (3) APPROVAL BY ~~COMMISSIONER~~ DEPARTMENT. Each of the participating  
2 town mutuals shall file with the ~~commissioner~~ department for approval a copy of the  
3 resolution and any explanatory statement proposed to be issued to the members,  
4 together with so much of the information under s. 612.02 (4) for the surviving or new  
5 town mutual as the ~~commissioner~~ department reasonably requires. The  
6 ~~commissioner~~ department shall approve the plan unless ~~he or she~~ the department  
7 finds, after a hearing, that it would be contrary to the law, or that the surviving or  
8 new town mutual would not satisfy the requirements for a certificate of authority  
9 under s. 612.02 (6), or that the plan would be contrary to the interests of insureds or  
10 of the public.

11           \*~~-0797/P1.252~~\*SECTION 880. 612.22 (3) (a) of the statutes is amended to read:

12           612.22 (3) (a) Each of the participating corporations shall file with the  
13 ~~commissioner~~ department for approval a copy of the resolution and any explanatory  
14 material proposed to be issued to the members who have the right to vote on the  
15 merger under sub. (4), together with so much of the information under s. 611.13 (2)  
16 or 612.02 (4), whichever is appropriate, for the surviving or new corporation as the  
17 ~~commissioner~~ department reasonably requires. The ~~commissioner~~ department shall  
18 approve the plan unless ~~he or she~~ the department finds, after a hearing, that it would  
19 be contrary to the law, or that the surviving or new corporation would not satisfy the  
20 requirements for a certificate of authority under s. 611.20 or 612.02 (6), whichever  
21 is appropriate, or that the plan would be contrary to the interest of insureds or of the  
22 public.

23           \*~~-0797/P1.253~~\*SECTION 881. 612.25 (3) of the statutes is amended to read:

24           612.25 (3) APPROVAL BY MEMBERS AND ~~COMMISSIONER~~ DEPARTMENT. The plan shall  
25 thereupon be submitted to the members. If the members adopt the plan, the



1 corporation shall file with the ~~commissioner~~ department for approval a copy of the  
2 resolution of the members, stating the number of members entitled to vote, the  
3 number of members voting and the number of votes cast in favor of the plan, stating  
4 separately the mail votes and the votes cast in person. The ~~commissioner~~  
5 department shall approve the plan unless ~~he or she~~ the department finds, after a  
6 hearing, that the town mutual is insolvent or may become insolvent in the process  
7 of dissolution unless it makes an assessment. If an assessment would be required,  
8 the ~~commissioner~~ department shall institute proceedings under s. 645.41 (10).

9 \*~~0797/P1.254~~\*SECTION 882. 612.31 (2) (c) of the statutes is amended to read:

10 612.31 (2) (c) *Limitations by rule.* The ~~commissioner~~ department may by rule  
11 exclude any insurance authorized under sub. (1) or (3) if ~~he or she~~ the department  
12 finds that it cannot be successfully transacted by town mutuals without endangering  
13 the interests of insureds or the public.

14 \*~~0797/P1.255~~\*SECTION 883. 612.33 (2) (b) of the statutes is amended to read:

15 612.33 (2) (b) *Nonproperty insurance.* To the extent that a town mutual  
16 provides insurance under s. 612.31 (3), it shall obtain reinsurance of at least a 90%  
17 proportional share of each risk with an insurer authorized to do such business in this  
18 state. The ~~commissioner~~ department may permit a town mutual to retain a larger  
19 percentage if ~~he or she~~ the department finds that the interests of the members will  
20 not be endangered thereby, or may require it to reinsure a larger percentage if he or  
21 she finds that the interests of the members make it advisable. The ~~commissioner~~  
22 department may by rule require other reinsurance.

23 \*~~0797/P1.256~~\*SECTION 884. 612.33 (2) (e) of the statutes is amended to read:

24 612.33 (2) (e) *Approval of reinsurance contract.* Every reinsurance contract  
25 required under this subsection shall be on a form approved by the ~~commissioner~~

1 ~~department~~ under s. 612.51. The ~~commissioner~~ department shall approve the form  
2 unless ~~he or she~~ the department finds that it would be contrary to the law or to the  
3 interests of insureds or the public.

4 \*~~0797/P1.257~~\*SECTION 885. 612.34 (2) of the statutes is amended to read:

5 612.34 (2) CLASSIFICATIONS. No classification plan for the purpose of  
6 determining premiums or assessment shares may be used unless it has been  
7 approved by the ~~commissioner~~ department. The ~~commissioner~~ department shall  
8 approve the plan unless ~~he or she~~ the department finds that it would be contrary to  
9 the law, including the standards of s. 625.11, or contrary to the interests of insureds  
10 or of the public.

11 \*~~0797/P1.258~~\*SECTION 886. 613.01 (8) of the statutes is repealed.

12 \*~~0797/P1.259~~\*SECTION 887. 613.19 (5) of the statutes is amended to read:

13 613.19 (5) REDUCTION OF MINIMUM SURPLUS. The ~~commissioner~~ department may  
14 by order reduce the minimum amounts of surplus required under subs. (1) and (2)  
15 if in the ~~commissioner's~~ department's opinion the extent and nature of providers'  
16 contracts under sub. (3), financial guarantees and other support by financially sound  
17 private or public corporations, a pressing social need in a particular community for  
18 the formation of a service insurance corporation, or other special circumstances,  
19 justify the proposed reduction in the required surplus. A person who will directly  
20 compete with the proposed insurer is aggrieved within the meaning of s. 601.62 (3)  
21 (a).

22 \*~~0797/P1.260~~\*SECTION 888. 613.31 (2) of the statutes is amended to read:

23 613.31 (2) APPROVAL BY COMMISSIONER DEPARTMENT. Securities of a service  
24 insurance corporation may not be registered under ch. 551 without prior approval  
25 of the ~~commissioner of insurance~~ department.

1           \*~~0797/P1.261~~\*SECTION 889. 613.41 (2) of the statutes is amended to read:

2           613.41 (2) ATTENDANCE AT MEETINGS. The ~~commissioner~~ department or the  
3           department's representative may attend any members' or policyholders' meeting.

4           \*~~0797/P1.262~~\*SECTION 890. 613.72 (2) of the statutes is amended to read:

5           613.72 (2) COMMISSIONER'S DEPARTMENT'S APPROVAL REQUIRED. No proposed  
6           merger plan under this section may be submitted to the members until the  
7           ~~commissioner~~ department approves it.

8           \*~~0797/P1.263~~\*SECTION 891. 613.74 (3) of the statutes is amended to read:

9           613.74 (3) CONVERSION TO INVOLUNTARY LIQUIDATION. The corporation may at  
10          any time during the liquidation under ss. 181.1401 to 181.1407 apply to the  
11          ~~commissioner~~ department to have the liquidation continued under the  
12          ~~commissioner's~~ department's supervision; thereupon the ~~commissioner~~ department  
13          shall apply to the court for liquidation under s. 645.41 (10).

14          \*~~0797/P1.264~~\*SECTION 892. 614.01 (6) of the statutes is amended to read:

15          614.01 (6) The definitions in ss. 181.0103 (3), (17), and (18), 600.03, and 610.01  
16          (1), and 2 and ~~(4)~~ apply to fraternal.

17          \*~~0797/P1.265~~\*SECTION 893. 614.09 of the statutes is amended to read:

18          **614.09 Reservation of corporate name.** Sections 181.0402 and 181.0403  
19          (2), (3) and (3m) apply to fraternal, ~~except that "department" shall be read~~  
20          ~~"commissioner"~~.

21          \*~~0797/P1.266~~\*SECTION 894. 614.19 (4) of the statutes is amended to read:

22          614.19 (4) REDUCTION OF MINIMUM SURPLUS. The ~~commissioner~~ department may,  
23          by order, reduce the minimum amounts of surplus required under subs. (1) and (2)  
24          if in the ~~commissioner's~~ department's opinion the extent and nature of providers'  
25          contracts, financial guarantees and other support by financially sound private or

1 public corporations, a pressing social need in a particular community for the  
2 formation of a fraternal to provide needed insurance coverage, or other special  
3 circumstances, justify the proposed reduction in the required surplus. A person who  
4 will directly compete with the proposed fraternal is aggrieved within the meaning  
5 of s. 601.62 (3) (a).

6 \*~~0797/P1.267~~\*SECTION 895. 614.73 (5) of the statutes is amended to read:

7 614.73 (5) PROCEDURE FOR NONDOMESTIC FRATERALS. Where a nondomestic  
8 fraternal is a party to the proposed contract, the parties shall follow the procedure  
9 for domestic fraternal under subs. (3) and (4), but the ~~commissioner~~ department  
10 may not issue a certificate of compliance until the parties file a certificate that the  
11 proposed contract has been approved in the manner provided by the laws of the  
12 jurisdiction under which the fraternal is incorporated, or, if such laws contain no  
13 procedure for approval, that the proposed contract has been approved by the  
14 ~~commissioner of insurance~~ insurance regulatory authority for that jurisdiction.

15 \*~~0797/P1.268~~\*SECTION 896. 614.74 (2) of the statutes is amended to read:

16 614.74 (2) CONVERSION TO INVOLUNTARY LIQUIDATION. The fraternal may at any  
17 time during the liquidation under ss. 181.1401 to 181.1407 apply to the  
18 ~~commissioner~~ department to have the liquidation continued under the  
19 ~~commissioner's~~ department's supervision; thereupon the ~~commissioner~~ department  
20 shall apply to the court for liquidation under s. 645.41 (10).

21 \*~~0797/P1.269~~\*SECTION 897. 614.76 (4) of the statutes is amended to read:

22 614.76 (4) APPROVAL BY MEMBERS. After being approved by the ~~commissioner~~  
23 department, the plan shall be submitted for approval to the persons who were voting  
24 members on the date of the ~~commissioner's~~ department's approval under sub. (3).

1 At least a majority of the votes cast must be in favor of the plan, or a larger number  
2 if required by the laws of the fraternal.

3 ~~\*-0797/P1.270\*~~SECTION 898. 614.76 (8) of the statutes is amended to read:

4 614.76 (8) EXPENSES. The corporation may not pay compensation of any kind  
5 to existing personnel, in connection with the proposed conversion, other than regular  
6 salaries. With the ~~commissioner's~~ department's approval, payment may be made at  
7 reasonable rates for printing costs and for legal and other professional fees for  
8 services actually rendered. All expenses of the conversion, including the expenses  
9 incurred by the ~~commissioner~~ department and the prorated salaries of any insurance  
10 office department staff members involved, shall be borne by the corporation being  
11 converted.

12 ~~\*-0797/P1.271\*~~SECTION 899. 616.09 (1) (c) 2. of the statutes is amended to  
13 read:

14 616.09 (1) (c) 2. In all actions commenced after May 11, 1980, but before July  
15 1, 2015, in those provisions of ch. 185 which apply under subd. 1. to plans authorized  
16 under s. 616.06, "department" shall be deemed to read "department of financial  
17 institutions and commissioner", except in s. 185.48, where "department" shall be  
18 deemed to read "commissioner".

19 ~~\*-0797/P1.272\*~~SECTION 900. 616.09 (1) (c) 2. of the statutes is repealed.

20 ~~\*-0797/P1.273\*~~SECTION 901. 616.50 (3) of the statutes is repealed.

21 ~~\*-0797/P1.274\*~~SECTION 902. 616.54 (7) (b) 2. of the statutes is amended to  
22 read:

23 616.54 (7) (b) 2. An irrevocable letter of credit that is from a bank properly  
24 chartered by the federal government or any state, that is acceptable to the  
25 ~~commissioner~~ department, and that is issued for a term of at least 5 years with

1 provision for renewal 2 years before termination. The letter of credit shall be payable  
2 to the ~~commissioner~~ department or the ~~commissioner's~~ department's designee for the  
3 benefit of Wisconsin consumers upon a finding by the ~~commissioner~~ department that  
4 a provider is insolvent or financially impaired and unable to meet its obligations  
5 under service contracts issued in Wisconsin. The provider shall notify the  
6 ~~commissioner~~ department in writing of the nonrenewal of a letter of credit within 30  
7 days after receiving a notice of nonrenewal. No provider whose letter of credit has  
8 been nonrenewed may offer or sell or renew any service contract on or after the date  
9 of nonrenewal until the provider obtains security satisfying the requirements of this  
10 subsection or satisfies the requirements of sub. (6).

11 \*~~0797/P1.275~~\*SECTION 903. 616.56 (3) of the statutes is amended to read:

12 616.56 (3) Service contracts shall contain the following statement printed in  
13 bold and capitalized type: "THIS CONTRACT IS SUBJECT TO LIMITED  
14 REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE  
15 DEPARTMENT OF FINANCIAL INSTITUTIONS, INSURANCE, AND  
16 PROFESSIONAL STANDARDS."

17 \*~~0797/P1.276~~\*SECTION 904. 616.62 (2) of the statutes is amended to read:

18 616.62 (2) The ~~commissioner~~ department may take any action under ss. 601.41  
19 and 601.61 to 601.73 that is necessary or appropriate to enforce the provisions of this  
20 subchapter and the ~~commissioner's~~ department's rules and orders and to protect  
21 service contract holders in this state. The ~~commissioner~~ department may subject a  
22 provider to any reporting and replying requirement under s. 601.42.

23 \*~~0797/P1.277~~\*SECTION 905. 616.71 (4) of the statutes is repealed.

24 \*~~0797/P1.278~~\*SECTION 906. 616.74 (1) (c) of the statutes is amended to read:

1           616.74 (1) (c) A certificate from the department of ~~financial institutions~~, if it  
2 is a nonprofit corporation, that it has complied with the corporation laws of this state;  
3 if it is a corporation the stock of which has been or is being sold to the general public,  
4 a certificate from the ~~division of securities~~ department that it has complied with the  
5 requirements of the securities law of this state.

6           \*~~0799/P1.115~~\***SECTION 907.** 616.74 (1) (c) of the statutes is amended to read:

7           616.74 (1) (c) A certificate from the department of ~~financial institutions~~, if it  
8 is a nonprofit corporation, that it has complied with the corporation laws of this state;  
9 if it is a corporation the stock of which has been or is being sold to the general public,  
10 a certificate from the ~~division of securities~~ department that it has complied with the  
11 requirements of the securities law of this state.

\*\*\*\*NOTE: This provision assumes that another draft in the compile will create a definition of "department" applicable to this provision.

12           \*~~0797/P1.279~~\***SECTION 908.** 617.11 (5) of the statutes is amended to read:

13           617.11 (5) CONSENT TO JURISDICTION. Every insurer authorized to do business  
14 in this state shall promptly submit to the ~~commissioner~~ department a statement  
15 from each of its affiliates that owns stock in the insurer either directly or through  
16 intermediaries, that controls the insurer or that is a party to any transaction,  
17 dividend or distribution that the insurer is required to report under s. 617.21, to the  
18 effect that the affiliate agrees to be subject to the jurisdiction of the ~~commissioner~~  
19 department and the courts of this state for the purposes of this chapter. The  
20 ~~commissioner~~ department may by rule require that such statements be submitted  
21 for other classes of affiliates if ~~he or she~~ the department finds that the interests of  
22 policyholders or the public so require.

23           \*~~0797/P1.280~~\***SECTION 909.** 617.215 (3) of the statutes is amended to read:

1           617.215 (3) PAYMENT OF EXPENSES. All insurers to which this section applies are  
2     liable for and shall pay the reasonable expenses related to the ~~commissioner's~~  
3     department's participation in supervisory colleges, including reasonable travel  
4     expenses. The ~~commissioner~~ department may impose a regular assessment on  
5     insurers to cover the expenses.

6           \*~~0797/P1.281~~\*SECTION 910. 617.215 (4) of the statutes is amended to read:

7           617.215 (4) NOT DELEGATION OF AUTHORITY. Nothing in this section delegates to  
8     a supervisory college the authority of the ~~commissioner~~ department to regulate or  
9     supervise an insurer or its affiliates within the ~~commissioner's~~ department's  
10    jurisdiction.

11          \*~~0797/P1.282~~\*SECTION 911. 618.11 (14) of the statutes is amended to read:

12          618.11 (14) Authorization to the ~~commissioner or office~~ department to make  
13    inquiry of any person about the applicant, its manager under a management  
14    contract, its attorney in fact, its general agents, and any of the officers, directors or  
15    shareholders of any of them designated by the ~~commissioner or office~~ department,  
16    and agreement by the applicant and any other persons so designated that in the  
17    absence of actual malice, no communication made in response to any such inquiry  
18    will subject the persons making it to an action for damages for the communication  
19    brought by the applicant or the designated person or a legal representative of either.  
20    No such action shall lie whether such agreement is made or not.

21          \*~~0797/P1.283~~\*SECTION 912. 618.12 (4) of the statutes is amended to read:

22          618.12 (4) ALTERATION OF CERTIFICATE. An insurer may at any time apply to the  
23    ~~commissioner~~ department for a new certificate of authority, removing, altering or  
24    adding limits on its business or methods of operation. The application shall be  
25    accompanied by so much of the information under s. 618.11 as the ~~commissioner~~



1 department reasonably requires. The ~~commissioner~~ department shall issue the new  
2 certificate as requested if ~~he or she~~ the department would do so if an initial  
3 application were being made.

4 **\*-0797/P1.284\*SECTION 913.** 618.21 (2) (b) of the statutes is amended to read:

5 618.21 (2) (b) *Corporate reorganization or transformation.* When any corporate  
6 reorganization, transformation, or liquidation of a nondomestic insurer is proposed  
7 by it or approved by the domiciliary ~~commissioner~~ insurance regulatory authority or  
8 by another official act, notice shall be given to the ~~commissioner~~ department  
9 promptly.

10 **\*-0797/P1.285\*SECTION 914.** 618.22 (2) (intro.) of the statutes is amended to  
11 read:

12 618.22 (2) DISAPPROVAL. (intro.) The ~~commissioner~~ department shall  
13 disapprove a contract under sub. (1) or s. 611.67 if ~~he or she~~ the department finds  
14 that:

15 **\*-0797/P1.286\*SECTION 915.** 618.23 (2) of the statutes is amended to read:

16 618.23 (2) SUBSTITUTE FOR THE LIABILITY UNDER SUB. (1) (B). Where the liability  
17 of subscribers does not satisfy sub. (1) (b), the ~~commissioner~~ department may  
18 nevertheless authorize an assessable reciprocal if ~~he or she~~ the department is  
19 satisfied that practices are actually followed by the attorney in fact which ensure the  
20 capacity and willingness of all subscribers to pay assessments if called upon to do so,  
21 or which otherwise ensure the solidity of the operation.

22 **\*-0797/P1.287\*SECTION 916.** 618.26 (2) (b) of the statutes is amended to read:

23 618.26 (2) (b) *Corporate reorganization or transformation.* When any corporate  
24 reorganization, transformation, or liquidation of a nondomestic fraternal, or any  
25 levy to cover a deficiency under a law comparable to s. 614.19 (3), is proposed by it

1 or approved by the domiciliary ~~commissioner~~ insurance regulatory authority or by  
2 another official act, notice shall be given to the ~~commissioner~~ department promptly.

3 \*~~0797/P1.288~~\*SECTION 917. 618.36 (3) (intro.) of the statutes is amended to  
4 read:

5 618.36 (3) RELEASE ORDER. (intro.) The ~~commissioner~~ department shall release  
6 the insurer from regulation if ~~he or she~~ the department finds:

7 \*~~0797/P1.289~~\*SECTION 918. 618.36 (4) of the statutes is amended to read:

8 618.36 (4) NOTIFICATION OR PUBLICATION. The ~~commissioner~~ department may,  
9 before deciding on the release, require the insurer to notify all agents or other classes  
10 of potentially interested persons in a manner ~~he or she~~ the department prescribes,  
11 or in a manner ~~he or she~~ the department prescribes to publish at its own expense its  
12 intention to withdraw. The notice shall advise affected persons to communicate to  
13 the ~~commissioner~~ department any objections they may have to the withdrawal.

14 \*~~0797/P1.290~~\*SECTION 919. 618.39 (3) (a) (intro.) of the statutes is amended  
15 to read:

16 618.39 (3) (a) (intro.) The ~~office~~ department may by rule promulgate standards  
17 for any of the following:

18 \*~~0797/P1.291~~\*SECTION 920. 618.39 (3) (b) of the statutes is amended to read:

19 618.39 (3) (b) Notwithstanding par. (a) 1., it is not necessary for the ~~office~~  
20 department to promulgate a rule under par. (a) 1. to establish that a person violated  
21 sub. (1).

22 \*~~0797/P1.292~~\*SECTION 921. 618.41 (6) (d) of the statutes is amended to read:

23 618.41 (6) (d) *Evaluations*. The ~~commissioner~~ department may issue lists of  
24 unauthorized nondomestic insurers whose solidity he or she believes to be doubtful  
25 or whose practices ~~he or she~~ the department believes to be objectionable. The

1 ~~commissioner~~ department may issue lists of unauthorized nondomestic insurers ~~he~~  
2 ~~or she~~ the department believes to be reliable and solid. The ~~commissioner~~  
3 department may also issue other relevant evaluations of unauthorized insurers. No  
4 action may lie against the ~~commissioner~~ department, secretary, or any employee of  
5 the ~~office~~ department for anything said in the issuance of such lists and evaluations.

6 \*~~0797/P1.293~~\*SECTION 922. 618.416 (1) (b) of the statutes is amended to read:

7 618.416 (1) (b) Either the unauthorized insurer has capital and surplus or its  
8 equivalent under the laws of its domiciliary jurisdiction that equals the greater of  
9 either the minimum capital and surplus requirements under the laws of this state  
10 or \$15,000,000 or the ~~commissioner~~ department affirmatively finds that the  
11 unauthorized insurer's capital and surplus are acceptable. The ~~commissioner's~~  
12 department's finding shall be based on factors that include quality of management,  
13 capital and surplus of any parent company, company underwriting profit and  
14 investment income trends, market availability, and company record and reputation  
15 within the industry. In no event may the ~~commissioner~~ department find that the  
16 unauthorized insurer's capital and surplus are acceptable if the unauthorized  
17 insurer's capital and surplus are less than \$4,500,000.

18 \*~~0797/P1.294~~\*SECTION 923. 618.42 (2) of the statutes is amended to read:

19 618.42 (2) REPORTS AND TAXATION. Every policyholder who procures or renews  
20 insurance otherwise subject to chs. 600 to 646 and 655 from any insurer not  
21 authorized to do business in this state, other than insurance procured under s.  
22 618.41 and the renewal of guaranteed renewable insurance lawfully issued outside  
23 this state, shall within 60 days after the insurance procured or renewed report to the  
24 ~~commissioner~~ department in such form as ~~he or she~~ the department requires and pay  
25 the taxes specified by s. 618.43.

1           \*-0797/P1.295\*SECTION 924. 618.61 (3) of the statutes is amended to read:

2           618.61 (3) ENFORCEMENT OF WISCONSIN DECREES OR ORDERS. The attorney  
3           general upon request of the ~~commissioner~~ department may proceed in the courts of  
4           this state or any other state to enforce an order or decision issued in this state in any  
5           court proceeding or in any administrative proceeding before the ~~insurance~~  
6           ~~commissioner~~ department.

      \*\*\*\*NOTE: Both ss. 618.47 and 618.61 (3) mention administrative proceedings  
before the commissioner (which I've changed to department). I assume there will still be  
administrative proceedings before the department and that not all will be before the  
division of hearings and appeals. If that is not the case, do ss. 618.47 and 618.61 (3) need  
to reference the division of hearings and appeals instead of the department? PJK

7           \*-0797/P1.296\*SECTION 925. 619.01 (1) (a) of the statutes is amended to read:

8           619.01 (1) (a) *Establishment of plans*. If the ~~commissioner~~ department finds  
9           after a hearing that in any part of this state automobile insurance, property  
10          insurance, health care liability insurance, liability insurance but not to include  
11          coverage for risks that are determined to be uninsurable, worker's compensation  
12          insurance, insurance coverage for foster homes, or insurance coverage for group  
13          homes is not readily available in the voluntary market, and that the public interest  
14          requires that availability, the ~~commissioner~~ department may by rule either  
15          promulgate plans to provide such insurance coverages for any risks in this state that  
16          are equitably entitled to, but otherwise unable to obtain, that coverage, or may call  
17          upon the insurance industry to prepare plans for the ~~commissioner's~~ department's  
18          approval.

19          \*-0797/P1.297\*SECTION 926. 619.04 (3) of the statutes is amended to read:

20          619.04 (3) The plan shall operate subject to the supervision and approval of a  
21          board of governors consisting of 3 representatives of the insurance industry  
22          appointed by and to serve at the pleasure of the ~~commissioner~~ secretary, a person to

1 be named by the State Bar Association, a person to be named by the Wisconsin  
2 Academy of Trial Lawyers, 2 persons to be named by the Wisconsin Medical Society,  
3 a person to be named by the Wisconsin Hospital Association, the ~~commissioner~~  
4 secretary or a designated representative employed by the ~~office of the commissioner~~  
5 department, and 4 public members at least 2 of whom are not attorneys or physicians  
6 and are not professionally affiliated with any hospital or insurance company,  
7 appointed by the governor for staggered 3-year terms. The ~~commissioner or the~~  
8 ~~commissioner's~~ secretary or the secretary's representative shall be the chairperson  
9 of the board of governors. Board members shall be compensated at the rate of \$50  
10 per diem plus actual and necessary travel expenses.

11 \*~~0797/P1.298~~\*SECTION 927. 622.03 (1) of the statutes is amended to read:

12 622.03 (1) "Guidance manual" means the most current version of the Own Risk  
13 and Solvency Assessment Guidance Manual developed and adopted by the National  
14 Association of Insurance Commissioners as of January 1, 2015, subject to the  
15 adoption of any amendments by the ~~commissioner~~ department under s. 601.415 (11).

16 \*~~0797/P1.299~~\*SECTION 928. 622.09 (1) (intro.) and (a) 2. of the statutes are  
17 amended to read:

18 622.09 (1) ~~FILING WITH THE COMMISSIONER~~ DEPARTMENT (intro.) An insurer must  
19 file with the ~~commissioner~~ department a summary report or any combination of  
20 reports that together contain the information described in the guidance manual  
21 applicable to the insurer and, if applicable, the insurance holding company system  
22 of which the insurer is a member as follows:

23 (a) 2. The insurer is a member of an insurance holding company system and  
24 the ~~commissioner~~ secretary is the lead state ~~commissioner~~ insurance regulator.

1           \***-0797/P1.300**\*SECTION 929. 622.09 (1) (b) (intro.) of the statutes is amended  
2 to read:

3           622.09 (1) (b) (intro.) Within 45 days after the date on which the final summary  
4 report is filed with the ~~commissioner~~ insurance regulator of the insurer's lead state  
5 if all of the following apply:

6           \***-0797/P1.301**\*SECTION 930. 622.09 (1) (b) 2. of the statutes is amended to  
7 read:

8           622.09 (1) (b) 2. The insurer is a member of an insurance holding company  
9 system for which the ~~commissioner~~ secretary is not the lead state ~~commissioner~~  
10 insurance regulator.

11           \***-0797/P1.302**\*SECTION 931. 622.09 (3) of the statutes is amended to read:

12           622.09 (3) ALTERNATE FILING. An insurer may satisfy sub. (1) by providing the  
13 most recent summary report provided by the insurer or another member of the  
14 insurance holding company system of which the insurer is a member to the  
15 ~~commissioner~~ insurance regulator of another state or to a supervisor or regulator of  
16 a jurisdiction not located in the United States or any of its territories, if that  
17 summary report provides information that is substantially comparable to the  
18 information described in the guidance manual. Any such summary report in a  
19 language other than English must be accompanied by a translation of that summary  
20 report into English.

21           \***-0797/P1.303**\*SECTION 932. 622.11 (3) of the statutes is amended to read:

22           622.11 (3) WAIVER. An insurer that does not qualify for exemption under sub.  
23 (1) may apply to the ~~commissioner~~ department for a waiver from the requirements  
24 of this chapter. In determining whether to grant the waiver, the ~~commissioner~~  
25 department may consider the type and volume of business written by the insurer, the

1 ownership and organizational structure of the insurer, and any other factor the  
2 ~~commissioner~~ department considers relevant to the insurer or insurance holding  
3 company system of which the insurer is a member. If the insurer is part of an  
4 insurance holding company system that includes insurers domiciled in more than  
5 one state, the ~~commissioner~~ department shall coordinate with the ~~commissioner~~  
6 insurance regulator of the lead state and with the ~~commissioners~~ insurance  
7 regulators of each of the other states in which insurer members of the insurance  
8 holding company system are domiciled in determining whether to grant the insurer's  
9 request for a waiver.

10 \*~~0797/P1.304~~\***SECTION 933.** 622.11 (4) of the statutes is amended to read:

11 622.11 (4) WITHDRAWAL OF EXEMPTION OR WAIVER. Notwithstanding subs. (1) and  
12 (3), the ~~commissioner~~ department may issue an order requiring an insurer to create  
13 and maintain a risk management framework, conduct an own risk and solvency  
14 assessment, and file a summary report if either of the following applies:

15 (a) The ~~commissioner~~ department finds that the insurer's unique  
16 circumstances, including the type and volume of business written, the ownership  
17 and organizational structure, federal agency requests, or international supervisor  
18 requests, warrant withdrawal of the exemption or waiver. If the ~~commissioner~~  
19 department withdraws the exemption or waiver, the insurer or the insurance holding  
20 company system is subject to the requirement under s. 622.09 until the ~~commissioner~~  
21 department reinstates the exemption under sub. (1) or the waiver under sub. (3).

22 (b) The insurer has a risk-based capital company action level event, as defined  
23 in s. Ins 51.01 (4), Wis. Adm. Code, meets one or more of the standards for an insurer  
24 in hazardous financial condition as described in s. 623.11, 645.31, or 645.41, or

1 otherwise exhibits qualities of a troubled insurer as determined by the ~~commissioner~~  
2 department.

3 \*~~-0797/P1.305~~\*SECTION 934. 622.13 (1) of the statutes is amended to read:

4 622.13 (1) PREPARATION. The summary report shall be prepared consistently  
5 with the guidance manual. Documentation and supporting information shall be  
6 maintained and made available upon examination or upon request of the  
7 ~~commissioner~~ department.

8 \*~~-0797/P1.306~~\*SECTION 935. 622.13 (2) of the statutes is amended to read:

9 622.13 (2) REVIEW. The ~~commissioner's~~ department's review of the summary  
10 report, and any additional requests for information, shall be made using similar  
11 procedures used in the analysis and examination of multistate or global insurers and  
12 insurance holding company systems.

13 \*~~-0797/P1.307~~\*SECTION 936. 622.15 (1) of the statutes is amended to read:

14 622.15 (1) CONFIDENTIAL TREATMENT. Documents, materials, or other  
15 information, including summary reports, in the possession or control of the  
16 ~~commissioner~~ department that are obtained by, created by, or disclosed to the  
17 ~~commissioner~~ department or any other person under this chapter, are confidential  
18 and privileged, are not subject to inspection or copying under s. 19.35 (1), are not  
19 subject to subpoena, and are not subject to discovery or admissible in evidence in any  
20 private civil action. The ~~commissioner~~ department is authorized to use the  
21 documents, materials, or other information in the ~~commissioner's~~ department's  
22 regulation of the insurer or insurance holding company system but may not make the  
23 documents, materials, or other information public without the prior written consent  
24 of the insurer.

25 \*~~-0797/P1.308~~\*SECTION 937. 622.15 (2) of the statutes is amended to read:



1           622.15 (2) PROHIBITION ON TESTIMONY. Neither the ~~commissioner~~ department  
2 nor any person who received documents, materials, or other information related to  
3 own risk and solvency assessments, through examination or otherwise, while acting  
4 under the authority of the ~~commissioner~~ department or with whom such documents,  
5 materials, or other information are shared in accordance with this chapter, may  
6 testify in any private civil action concerning any confidential documents, materials,  
7 or information subject to sub. (1).

8           \*~~-0797/P1.309~~\*SECTION 938. 622.15 (3) (intro.) of the statutes is amended to  
9 read:

10           622.15 (3) PERMITTED DISCLOSURES. (intro.) In furtherance of the performance  
11 of the ~~commissioner's~~ department's regulatory duties, all of the following apply:

12           \*~~-0797/P1.310~~\*SECTION 939. 622.15 (3) (a) of the statutes is amended to read:

13           622.15 (3) (a) The ~~commissioner~~ department may, upon request, share  
14 documents, materials, or other information related to own risk and solvency  
15 assessments, including the confidential and privileged documents, materials, or  
16 information subject to sub. (1), including proprietary and trade secret documents  
17 and materials, with other state, federal, and international financial regulatory  
18 agencies, including members of any supervisory college as described in s. 617.215,  
19 with the National Association of Insurance Commissioners, and with any 3rd-party  
20 consultants designated by the ~~commissioner~~ department, provided that the recipient  
21 agrees in writing to maintain the confidentiality and privileged status of the  
22 documents, materials, or other information required by this section related to own  
23 risk and solvency assessments and has verified in writing its legal authority to  
24 maintain confidentiality.

25           \*~~-0797/P1.311~~\*SECTION 940. 622.15 (3) (b) of the statutes is amended to read:

1           622.15 (3) (b) The ~~commissioner~~ department may receive documents,  
2 materials, or other information related to own risk and solvency assessments,  
3 including otherwise confidential and privileged documents, materials, or  
4 information, including proprietary and trade secret information or documents, from  
5 regulatory officials of other jurisdictions, including members of any supervisory  
6 college as described in s. 617.215, and from the National Association of Insurance  
7 Commissioners, and shall maintain as confidential or privileged any document,  
8 material, or information received with notice or the understanding that it is  
9 confidential or privileged under the laws of the jurisdiction that is the source of the  
10 document, material, or information.

11           \*~~-0797/P1.312~~\*SECTION 941. 622.15 (3) (c) (intro.) of the statutes is amended  
12 to read:

13           622.15 (3) (c) (intro.) The ~~commissioner~~ department shall enter into a written  
14 agreement with the National Association of Insurance Commissioners or any 3rd  
15 party consulted formally or informally by the ~~commissioner~~ department governing  
16 the sharing and use of information provided under this chapter, consistent with this  
17 subsection, that does all of the following:

18           \*~~-0797/P1.313~~\*SECTION 942. 622.15 (3) (c) 2. of the statutes is amended to  
19 read:

20           622.15 (3) (c) 2. Specifies that ownership of information shared with the  
21 National Association of Insurance Commissioners or 3rd-party consultants in  
22 accordance with this chapter remains with the ~~commissioner~~ department and that  
23 the use of the information by the National Association of Insurance Commissioners,  
24 regulatory officials, or 3rd-party consultants is subject to the direction of the  
25 ~~commissioner~~ department.

1           \*~~0797/P1.314~~\*SECTION 943. 622.15 (3) (d) of the statutes is amended to read:

2           622.15 (3) (d) The sharing of information and documents by the ~~commissioner~~  
3           department under this chapter does not constitute a delegation of regulatory  
4           authority or rule making, and the ~~commissioner~~ department is solely responsible for  
5           the administration, execution, and enforcement of the provisions of this chapter.

6           \*~~0797/P1.315~~\*SECTION 944. 622.15 (3) (e) of the statutes is amended to read:

7           622.15 (3) (e) No waiver of any applicable privilege or claim of confidentiality  
8           in the documents, proprietary and trade secret materials, or other information  
9           related to own risk and solvency assessments obtained or developed under this  
10          chapter shall occur as a result of disclosure of such information or documents to the  
11          ~~commissioner~~ department under this section or as a result of the ~~commissioner~~  
12          department sharing such information or documents as authorized in this section.

13          \*~~0797/P1.316~~\*SECTION 945. 623.06 (1m) (b) 2. of the statutes is amended to  
14          read:

15          623.06 (1m) (b) 2. An insurance company that is required to submit an opinion  
16          under subd. 1. shall have prepared by the qualified actuary who renders the opinion  
17          a memorandum in support of the opinion under subd. 1. The ~~commissioner~~  
18          department shall specify by rule the form and content of the memorandum. The  
19          insurance company shall provide the memorandum to the ~~commissioner~~ secretary,  
20          at the ~~commissioner's~~ secretary's request, for his or her examination. After  
21          examination, the ~~commissioner~~ secretary shall return the memorandum to the  
22          insurance company. The memorandum shall not be considered a record of the  
23          ~~commissioner's~~ secretary's office.

24          \*~~0797/P1.317~~\*SECTION 946. 623.06 (1m) (b) 3. of the statutes is amended to

25          read:

1           623.06 (1m) (b) 3. If an insurance company fails to provide a supporting  
2 memorandum to the ~~commissioner~~ secretary upon request within the period  
3 specified by rule, or if the ~~commissioner~~ secretary determines that the supporting  
4 memorandum provided by an insurance company fails to meet the standards  
5 prescribed by rule or is otherwise unacceptable, the ~~commissioner~~ department may  
6 retain a qualified actuary at the expense of the insurance company to review the  
7 opinion required under subd. 1. and the basis for the opinion and to prepare such  
8 supporting memorandum as the ~~commissioner~~ secretary requires.

9           \***-0797/P1.318**\*SECTION 947. 623.06 (1m) (f) 3. of the statutes is amended to  
10 read:

11           623.06 (1m) (f) 3. A memorandum loses its confidentiality if the insurance  
12 company cites any portion of the memorandum for marketing purposes or before any  
13 governmental agency other than a state insurance ~~department~~ agency or if the  
14 insurance company releases any portion of the memorandum to the news media.

15           \***-0797/P1.319**\*SECTION 948. 623.06 (2a) (intro.) of the statutes is amended to  
16 read:

17           623.06 (2a) (intro.) Except as provided in sub. (2m), the minimum standard for  
18 the valuation of all individual annuity and pure endowment contracts issued on or  
19 after the operative date of this subsection, as defined in sub. (2b), and for all  
20 annuities and pure endowments purchased on or after that operative date under  
21 group annuity and pure endowment contracts, shall be the ~~commissioners~~ reserve  
22 valuation methods defined in subs. (3) to (4m) and the following tables and interest  
23 rates:

24           \***-0797/P1.320**\*SECTION 949. 623.06 (3) (intro.) of the statutes is amended to  
25 read:

1           623.06 (3) (intro.) Except as provided in subs. (4m) and (7), reserves according  
2 to the ~~commissioners~~ reserve valuation method, for the life insurance and  
3 endowment benefits of policies providing for a uniform amount of insurance and  
4 requiring the payment of uniform premiums shall be the excess, if any, of the present  
5 value, at the date of valuation, of such future guaranteed benefits provided for by  
6 such policies, over the then present value of any future modified net premiums  
7 therefor. The modified net premiums for any such policy shall be such uniform  
8 percentage of the respective contract premiums for such benefits that the present  
9 value, at the date of issue of the policy, of all such modified net premiums shall be  
10 equal to the sum of the then present value of such benefits provided for by the policy  
11 and the excess of par. (a) over par. (b), as follows:

12           \*~~-0797/P1.321~~\***SECTION 950.** 623.06 (3m) (b) (intro.) of the statutes is  
13 amended to read:

14           623.06 (3m) (b) (intro.) Except as provided under sub. (7), any life insurance  
15 policy issued on or after January 1, 1984, for which no comparable benefit is provided  
16 in the first year for an excess premium and which provides an endowment benefit or  
17 a cash surrender value or a combination of both in an amount greater than the excess  
18 premium, the reserve according to the ~~commissioners~~ reserve valuation method as  
19 of any policy anniversary occurring on or before the assumed ending date is the  
20 greater of the reserve on that policy anniversary calculated under sub. (3) and the  
21 reserve on that policy anniversary calculated under sub. (3) subject to the following  
22 computational assumptions:

23           \*~~-0797/P1.322~~\***SECTION 951.** 623.06 (4) (intro.) of the statutes is amended to  
24 read:

1           623.06 (4) (intro.) Reserves according to the ~~commissioners~~ reserve valuation  
2 method for the following shall be calculated by a method consistent with the  
3 principles of sub. (3), except that any extra premiums charged because of  
4 impairments or special hazards shall be disregarded in the determination of  
5 modified net premiums:

6           \*~~0797/P1.323~~**SECTION 952.** 623.06 (4m) of the statutes is amended to read:

7           623.06 (4m) This subsection applies to all annuity and pure endowment  
8 contracts other than group annuity and pure endowment contracts purchased under  
9 a retirement plan or plan of deferred compensation, established or maintained by an  
10 employer, including a partnership or sole proprietorship, or by an employee  
11 organization, or by both, other than a plan providing individual retirement accounts  
12 or individual retirement annuities under section 408 of the Internal Revenue Code.  
13 Reserves according to the ~~commissioners~~ annuity reserve method for benefits under  
14 annuity or pure endowment contracts, excluding any disability and accidental death  
15 benefits in such contracts, shall be the greatest of the respective excesses of the  
16 present values, at the date of valuation, of the future guaranteed benefits, including  
17 guaranteed nonforfeiture benefits, provided for by such contracts at the end of each  
18 respective contract year, over the present value, at the date of valuation, of any  
19 future valuation considerations derived from future gross considerations, required  
20 by the terms of such contract, that become payable prior to the end of such respective  
21 contract year. The future guaranteed benefits shall be determined by using the  
22 mortality table, if any, and the interest rate specified in such contracts for  
23 determining guaranteed benefits. The valuation considerations are the portions of  
24 the respective gross considerations applied under the terms of such contracts to  
25 determine nonforfeiture values.

1           \*~~-0797/P1.324~~\***SECTION 953.** 625.21 (1) of the statutes is amended to read:

2           625.21 (1) **RULE INSTITUTING DELAYED EFFECT.** If the ~~commissioner~~ department  
3 finds that competition is not an effective regulator of the rates charged or that a  
4 substantial number of companies are competing irresponsibly through the rates  
5 charged, or that there are widespread violations of this chapter, in any kind or line  
6 of insurance or subdivision thereof or in any rating class or rating territory, ~~he or she~~  
7 the department may promulgate a rule requiring that in the kind or line of insurance  
8 or subdivision thereof or rating class or rating territory comprehended by the finding  
9 any subsequent changes in the rates or supplementary rate information be filed with  
10 the ~~commissioner~~ department at least 15 days before they become effective. The  
11 ~~commissioner~~ department may extend the waiting period for not to exceed 15  
12 additional days by written notice to the filer before the first 15-day period expires.

13           \*~~-0797/P1.325~~\***SECTION 954.** 625.23 of the statutes is amended to read:

14           **625.23 Special restrictions on individual insurers.** The ~~commissioner~~  
15 department may by order require that a particular insurer file any or all of its rates  
16 and supplementary rate information 15 days prior to their effective date, if and to  
17 the extent that ~~he or she~~ the department finds, after a hearing, that the protection  
18 of the interests of its insureds and the public in this state requires closer supervision  
19 of its rates because of the insurer's financial condition or rating practices. The  
20 ~~commissioner~~ department may extend the waiting period for any filing for not to  
21 exceed 15 additional days by written notice to the insurer before the first 15-day  
22 period expires. A filing not disapproved before the expiration of the waiting period  
23 shall be deemed to meet the requirements of this chapter, subject to the possibility  
24 of subsequent disapproval under s. 625.22.

25           \*~~-0797/P1.326~~\***SECTION 955.** 625.32 (3) of the statutes is amended to read:

1           625.32 (3) GRANTING OF LICENSE. If the ~~commissioner~~ department finds that the  
2 applicant and the natural persons through whom it acts are competent, trustworthy,  
3 and technically qualified to provide the services proposed, and that all requirements  
4 of law are met, ~~he or she~~ the department shall issue a license specifying the  
5 authorized activity of the applicant. The ~~commissioner~~ department may not issue  
6 a license if the proposed activity would tend to create a monopoly or to lessen or  
7 destroy price competition.

8           \*~~0797/P1.327~~\*SECTION 956. 626.12 (3) of the statutes is amended to read:

9           626.12 (3) PHYSICAL IMPAIRMENT. Rates or rating plans may not take into  
10 account the physical impairment of employees. Any employer who applies or  
11 promotes any oppressive plan of physical examination and rejection of employees or  
12 applicants for employment shall forfeit the right to experience rating. If the  
13 ~~department of workforce development~~ determines that grounds exist for such  
14 forfeiture it shall ~~file with the commissioner~~ make a certified copy of its findings,  
15 which shall automatically suspend any experience rating credit for the employer.  
16 The department shall make the determination as ~~prescribed in the same manner as~~  
17 the department of workforce development makes the determinations under ss.  
18 103.005 (5) (b) to (f), (6) to (11), (13) (b) to (d) and (16), so far as such subsections are  
19 applicable, subject to review under ch. 227. Restoration of an employer to the  
20 advantages of experience rating shall be by the same procedure.

21           \*~~0872/P1.204~~\*SECTION 957. 626.12 (3) of the statutes is amended to read:

22           626.12 (3) PHYSICAL IMPAIRMENT. Rates or rating plans may not take into  
23 account the physical impairment of employees. Any employer who applies or  
24 promotes any oppressive plan of physical examination and rejection of employees or  
25 applicants for employment shall forfeit the right to experience rating. If the



1 ~~department of workforce development~~ financial institutions, insurance, and  
2 professional standards determines that grounds exist for such forfeiture ~~it, the~~  
3 department shall file with the ~~commissioner~~ secretary a certified copy of its findings,  
4 which shall automatically suspend any experience rating credit for the employer.  
5 The department shall make the determination ~~as prescribed in the same manner as~~  
6 the department of workforce development makes determinations under ss. 103.005  
7 (5) (b) to (f), (6) to (11), (13) (b) to (d), and (16), so far as such subsections those  
8 provisions are applicable, subject to review under ch. 227. Restoration of an  
9 employer to the advantages of experience rating shall be by the same procedure.

10 \*~~0797/P1.328~~\*SECTION 958. 626.31 (1) (b) of the statutes is amended to read:

11 626.31 (1) (b) *Representation.* The rating committee shall consist of 10  
12 members. Two members of the rating committee shall represent noninsurer,  
13 employer interests and shall be appointed by and serve at the pleasure of the  
14 governor. Of the remaining 8 members, 4 shall be chosen by stock insurers and 4 by  
15 mutual insurers. Both stock and mutual insurers shall be represented equally on all  
16 other committees, including the managing committee. Each member of a committee  
17 shall have one vote, with the ~~commissioner~~ secretary deciding the matter in the event  
18 of a tie.

19 \*~~0797/P1.329~~\*SECTION 959. 626.32 (1) (a) of the statutes is amended to read:

20 626.32 (1) (a) *General.* Every insurer writing any insurance specified under  
21 s. 626.03 shall report its insurance in this state to the bureau at least annually, on  
22 forms and under rules prescribed by the bureau. The bureau shall file, under rules  
23 promulgated by the department of ~~workforce development~~, a record of such reports  
24 with ~~that~~ the department. No such information may be made public by the bureau  
25 or any of its employees except as required by law and in accordance with its rules.

1 No such information may be made public by the department of ~~workforce~~  
2 ~~development~~ or any of its employees except as authorized by the bureau.

3 \*~~0872/P1.205~~\*SECTION 960. 626.32 (1) (a) of the statutes is amended to read:

4 626.32 (1) (a) *General.* Every insurer writing any insurance specified under  
5 s. 626.03 shall report its insurance in this state to the bureau at least annually, on  
6 forms and under rules prescribed by the bureau. The bureau shall file, under rules  
7 promulgated by the department of ~~workforce development~~, a record of such reports  
8 with ~~that~~ the department. No ~~such~~ information contained in those reports may be  
9 made public by the bureau or any of its employees except as required by law and in  
10 accordance with its rules. No ~~such~~ information contained in those reports may be  
11 made public by the department of ~~workforce development~~ or any of its employees  
12 except as authorized by the bureau.

13 \*~~0797/P1.330~~\*SECTION 961. 628.095 (4) (a) of the statutes is amended to read:

14 628.095 (4) (a) The ~~commissioner~~ department of financial institutions,  
15 insurance, and professional standards shall disclose a social security number  
16 obtained under sub. (1) or (3) to the department of children and families in the  
17 administration of s. 49.22, as provided in a memorandum of understanding entered  
18 into under s. 49.857.

19 \*~~0797/P1.331~~\*SECTION 962. 628.095 (4) (b) of the statutes is amended to read:

20 628.095 (4) (b) The ~~commissioner~~ department of financial institutions,  
21 insurance, and professional standards may disclose any information received under  
22 sub. (1) or (3) to the department of revenue for the purpose of requesting  
23 certifications under s. 73.0301 and to the department of workforce development for  
24 the purpose of requesting certifications under s. 108.227.

25 \*~~0797/P1.332~~\*SECTION 963. 628.095 (5) of the statutes is amended to read:

1           628.095 (5) IF APPLICANT OR INTERMEDIARY OR NAVIGATOR HAS NO SOCIAL SECURITY  
2           NUMBER. If an applicant who is a natural person does not have a social security  
3           number, the applicant shall provide to the commissioner department of financial  
4           institutions, insurance, and professional standards, along with the application for  
5           a license and on a form prescribed by the department of children and families, a  
6           statement made or subscribed under oath or affirmation that the applicant does not  
7           have a social security number. If an intermediary or navigator who is a natural  
8           person does not have a social security number, the intermediary or navigator shall  
9           provide to the commissioner department of financial institutions, insurance, and  
10          professional standards, each time that the annual fee is paid under s. 601.31 (1) (m)  
11          or (nm) 2. and on a form prescribed by the department of children and families, a  
12          statement made or subscribed under oath or affirmation that the intermediary or  
13          navigator does not have a social security number.

14           \*~~0797/P1.333~~\*SECTION 964. 628.097 (1m) of the statutes is amended to read:

15           628.097 (1m) FOR FAILURE TO PAY SUPPORT OR TO COMPLY WITH SUBPOENA OR  
16          WARRANT. The commissioner department of financial institutions, insurance, and  
17          professional standards shall refuse to issue to a natural person a license, including  
18          a temporary license, under this subchapter or subch. V if the natural person is  
19          delinquent in court-ordered payments of child or family support, maintenance, birth  
20          expenses, medical expenses, or other expenses related to the support of a child or  
21          former spouse, or if the natural person fails to comply, after appropriate notice, with  
22          a subpoena or warrant issued by the department of children and families or a county  
23          child support agency under s. 59.53 (5) and related to paternity or child support  
24          proceedings, as provided in a memorandum of understanding entered into under s.  
25          49.857.

1           \***-0797/P1.334**\*SECTION 965. 628.097 (2m) of the statutes is amended to read:

2           628.097 (2m) FOR LIABILITY FOR DELINQUENT TAXES OR UNEMPLOYMENT INSURANCE  
3           CONTRIBUTIONS. The ~~commissioner~~ department of financial institutions, insurance,  
4           and professional standards shall refuse to issue a license, including a temporary  
5           license, under this subchapter or subch. V, or to register a navigator entity under  
6           subch. V, if the department of revenue certifies under s. 73.0301 that the applicant  
7           for the license or registration is liable for delinquent taxes or if the department of  
8           workforce development certifies under s. 108.227 that the applicant for the license  
9           or registration is liable for delinquent unemployment insurance contributions.

10          \***-0797/P1.335**\*SECTION 966. 628.10 (2) (c) of the statutes is amended to read:

11          628.10 (2) (c) *For failure to pay support or to comply with subpoena or warrant.*  
12          The ~~commissioner~~ department of financial institutions, insurance, and professional  
13          standards shall suspend or limit the license of an intermediary who is a natural  
14          person, the license of an individual navigator, or a temporary license of a natural  
15          person under s. 628.09, if the natural person is delinquent in court-ordered  
16          payments of child or family support, maintenance, birth expenses, medical expenses,  
17          or other expenses related to the support of a child or former spouse, or if the natural  
18          person fails to comply, after appropriate notice, with a subpoena or warrant issued  
19          by the department of children and families or a county child support agency under  
20          s. 59.53 (5) and related to paternity or child support proceedings, as provided in a  
21          memorandum of understanding entered into under s. 49.857. A natural person  
22          whose license or temporary license is suspended under this paragraph who satisfies  
23          the requirements under this paragraph for which the license was suspended may  
24          have his or her license or temporary license reinstated by satisfactorily completing

1 a reinstatement application and paying the application fee for original licensure as  
2 specified by rule.

3 \*~~0797/P1.336~~\***SECTION 967.** 628.10 (2) (cm) of the statutes is amended to  
4 read:

5 628.10 (2) (cm) *For liability for delinquent taxes or unemployment insurance*  
6 *contributions.* The ~~commissioner~~ department of financial institutions, insurance,  
7 and professional standards shall revoke the license of an intermediary or individual  
8 navigator, including a temporary license under s. 628.09, if the department of  
9 revenue certifies under s. 73.0301 that the intermediary or navigator is liable for  
10 delinquent taxes or if the department of workforce development certifies under s.  
11 108.227 that the intermediary or navigator is liable for delinquent unemployment  
12 insurance contributions. An intermediary who is a natural person, or an individual  
13 navigator, whose license is revoked under this paragraph may have his or her license  
14 reinstated, or may be relicensed, as provided in sub. (5).

15 \*~~0797/P1.337~~\***SECTION 968.** 628.347 (4m) (b) 9. of the statutes is amended to  
16 read:

17 628.347 (4m) (b) 9. An insurer shall verify that an insurance intermediary has  
18 completed the annuity training course required under this paragraph before  
19 allowing the intermediary to sell an annuity product for that insurer. An insurer  
20 may satisfy its responsibility under this subdivision by obtaining certificates of  
21 completion of the training course or obtaining reports provided by  
22 ~~commissioner-sponsored~~ database systems or vendors that are sponsored by the  
23 department or from a reasonably reliable commercial database vendor that has a  
24 reporting arrangement with approved insurance education providers.

1           \***-0797/P1.338**\*SECTION 969. 628.36 (4) (a) (intro.) of the statutes is amended  
2 to read:

3           628.36 (4) (a) (intro.) The ~~commissioner~~ department of financial institutions,  
4 insurance, and professional standards shall provide information and assistance to  
5 the department of employee trust funds, employers and their employees, providers  
6 of health care services and members of the public, as provided in par. (b), for the  
7 following purposes:

8           \***-0797/P1.339**\*SECTION 970. 631.13 (intro.) and (1) of the statutes are  
9 amended to read:

10           **631.13 Incorporation by reference.** (intro.) No insurance contract may  
11 contain any agreement or incorporate any provision not fully set forth in the policy  
12 or in an application or other document attached to and made a part of the policy at  
13 the time of its delivery ~~except that~~ for any of the following circumstances:

14           (1) RATES. Any policy may by reference incorporate rate schedules and  
15 classifications of risks and short-rate tables filed with the ~~commissioner; and~~  
16 department.

17           \***-0797/P1.340**\*SECTION 971. 631.28 (1) of the statutes is amended to read:

18           631.28 (1) REQUIREMENT TO PROVIDE NOTICE. Every insurer shall provide notice  
19 to its policyholders and its insureds of the right to file a complaint with the ~~office~~  
20 department in the manner prescribed by rule under sub. (2).

21           \***-0797/P1.341**\*SECTION 972. 631.28 (2) of the statutes is amended to read:

22           631.28 (2) CONTENTS BY RULE. The ~~commissioner~~ department shall promulgate  
23 rules specifying the contents of a notice that insurers must disseminate under sub.  
24 (1), and when and in what manner the notice must be provided. The rules shall  
25 describe how a policyholder, insured or other person may make a complaint with the

1 office department about an insurer, an intermediary or other insurance matter. The  
2 rules may also specify the form, including the type size, in which insurers must  
3 present the notice.

4 \*~~0800/P1.195~~**SECTION 973.** 632.10 (1) of the statutes is amended to read:

5 632.10 (1) “Building and safety standards” means the requirements of chs. 101  
6 and 145 and of any rule promulgated by the department of ~~safety and professional~~  
7 ~~services~~ under ch. 101 or 145, and standards of a 1st class city relating to the health  
8 and safety of occupants of buildings.

9 \*~~0797/P1.342~~**SECTION 974.** 632.69 (2) (c) of the statutes is amended to read:

10 632.69 (2) (c) The ~~commissioner~~ department of financial institutions,  
11 insurance, and professional standards may not issue a license under this subsection  
12 unless the applicant provides his or her social security number or its federal  
13 employer identification number or, if the applicant does not have a social security  
14 number, a statement made or subscribed under oath or affirmation that the  
15 applicant does not have a social security number. An applicant who is providing a  
16 statement that he or she does not have a social security number, shall provide that  
17 statement along with the application for a license on a form prescribed by the  
18 department of children and families. A licensee shall provide to the ~~commissioner~~  
19 department of financial institutions, insurance, and professional standards the  
20 licensee’s social security number, statement the licensee does not have the social  
21 security number, or federal employment identification number of the licensee at the  
22 time that the annual license renewal fee is paid, if not previously provided. The  
23 ~~commissioner~~ department of financial institutions, insurance, and professional  
24 standards shall disclose a social security number obtained from an applicant or  
25 licensee to the department of children and families in the administration of s. 49.22,

1 as provided in a memorandum of understanding entered into under s. 49.857. The  
2 ~~commissioner~~ department of financial institutions, insurance, and professional  
3 standards may disclose the social security number or federal employment  
4 identification number of an applicant or licensee to the department of revenue for the  
5 purpose of requesting certifications under s. 73.0301 and to the department of  
6 workforce development for the purpose of requesting certifications under s. 108.227.

7 **\*-0797/P1.343\*SECTION 975.** 632.69 (14) (g) 12. of the statutes is amended to  
8 read:

9 632.69 (14) (g) 12. Exaggerate the fact that a licensee under this section is  
10 licensed in the state where the advertisement appears or suggest or imply that  
11 competing licensees may not be so licensed. An advertisement may ask the audience  
12 to consult the licensee's Web site or contact the ~~office of the commissioner~~ department  
13 for licensing requirements and the status of a license.

14 **\*-0797/P1.344\*SECTION 976.** 632.69 (20) (title) of the statutes is amended to  
15 read:

16 632.69 (20) (title) POWERS OF COMMISSIONER DEPARTMENT.

17 **\*-0797/P1.345\*SECTION 977.** 633.14 (2c) (a) of the statutes is amended to read:  
18 633.14 (2c) (a) The ~~commissioner~~ department of financial institutions,  
19 insurance, and professional standards shall disclose a social security number  
20 obtained under sub. (1) (d) to the department of children and families in the  
21 administration of s. 49.22, as provided in a memorandum of understanding entered  
22 into under s. 49.857.

23 **\*-0797/P1.346\*SECTION 978.** 633.14 (2c) (b) of the statutes is amended to read:  
24 633.14 (2c) (b) The ~~commissioner~~ department of financial institutions,  
25 insurance, and professional standards may disclose any information received under



1 sub. (1) (d) or (2) (d) or s. 633.15 (1m) to the department of revenue for the purpose  
2 of requesting certifications under s. 73.0301 and to the department of workforce  
3 development for the purpose of requesting certifications under s. 108.227.

4 \*–0797/P1.347\*SECTION 979. 633.14 (2m) (a) of the statutes is amended to  
5 read:

6 633.14 (2m) (a) Notwithstanding sub. (1), the ~~commissioner~~ department of  
7 financial institutions, insurance, and professional standards may not issue a license  
8 under this section if the individual applying for the license is delinquent in  
9 court-ordered payments of child or family support, maintenance, birth expenses,  
10 medical expenses or other expenses related to the support of a child or former spouse,  
11 or if the individual fails to comply, after appropriate notice, with a subpoena or  
12 warrant issued by the department of children and families or a county child support  
13 agency under s. 59.53 (5) and related to paternity or child support proceedings, as  
14 provided in a memorandum of understanding entered into under s. 49.857.

15 \*–0797/P1.348\*SECTION 980. 633.14 (2m) (b) of the statutes is amended to  
16 read:

17 633.14 (2m) (b) Notwithstanding subs. (1) and (2), the ~~commissioner~~  
18 department of financial institutions, insurance, and professional standards may not  
19 issue a license under this section if the department of revenue certifies under s.  
20 73.0301 that the applicant is liable for delinquent taxes or if the department of  
21 workforce development certifies under s. 108.227 that the applicant is liable for  
22 delinquent unemployment insurance contributions.

23 \*–0797/P1.349\*SECTION 981. 633.15 (2) (c) of the statutes is amended to read:

24 633.15 (2) (c) *Failure to pay support or to comply with subpoena or warrant.*

25 The ~~commissioner~~ department of financial institutions, insurance, and professional

1 standards shall suspend, limit or refuse to renew a license issued under this section  
2 to an individual if the individual is delinquent in court-ordered payments of child  
3 or family support, maintenance, birth expenses, medical expenses or other expenses  
4 related to the support of a child or former spouse, or if the individual fails to comply,  
5 after appropriate notice, with a subpoena or warrant issued by the department of  
6 children and families or a county child support agency under s. 59.53 (5) and related  
7 to paternity or child support proceedings, as provided in a memorandum of  
8 understanding entered into under s. 49.857.

9 \*~~0797/P1.350~~\*SECTION 982. 633.15 (2) (d) of the statutes is amended to read:

10 633.15 (2) (d) *For liability for delinquent taxes or unemployment insurance*  
11 *contributions.* The ~~commissioner~~ department of financial institutions, insurance,  
12 and professional standards shall revoke or refuse to renew a license issued under s.  
13 633.14 if the department of revenue certifies under s. 73.0301 that the licensee is  
14 liable for delinquent taxes or if the department of workforce development certifies  
15 under s. 108.227 that the licensee is liable for delinquent unemployment insurance  
16 contributions.

17 \*~~0797/P1.351~~\*SECTION 983. 644.02 (2) (b) of the statutes is repealed.

18 \*~~0797/P1.352~~\*SECTION 984. 644.05 (2) of the statutes is amended to read:

19 644.05 (2) EFFECT OF UNAUTHORIZED CORPORATE ACTS. Section 181.0304 applies  
20 to mutual holding companies, except that, for purposes of this subsection, “attorney  
21 general” used in s. 181.0304 (3) means “~~commissioner~~” “secretary”.

22 \*~~0797/P1.353~~\*SECTION 985. 644.07 (6) (a) of the statutes is amended to read:

23 644.07 (6) (a) The ~~commissioner~~ secretary or a hearing examiner designated  
24 by the ~~commissioner~~ secretary shall hold a hearing after receipt of a mutual holding  
25 company plan.

1           \*~~0797/P1.354~~\*SECTION 986. 644.07 (6) (b) 1. of the statutes is amended to  
2 read:

3           644.07 (6) (b) 1. Notice of the hearing shall be mailed by the converting  
4 insurance company not more than 60 days and not less than 10 days before the  
5 scheduled date of the hearing to the last-known address of each person who was a  
6 policyholder of the converting insurance company on the date of the resolution under  
7 sub. (2), together with a copy of the mutual holding company plan, or a copy of a  
8 summary of the plan if the ~~commissioner~~ secretary approves the summary, and any  
9 comment that the ~~commissioner~~ secretary considers necessary for the adequate  
10 information of policyholders. Failure to mail notice to a policyholder does not  
11 invalidate a proceeding under this subsection if the ~~commissioner~~ secretary  
12 determines that the converting insurance company has substantially complied with  
13 this subdivision and has attempted in good faith to mail notice to all policyholders  
14 entitled to notice.

15           \*~~0797/P1.355~~\*SECTION 987. 644.07 (6) (b) 2. of the statutes is amended to  
16 read:

17           644.07 (6) (b) 2. The notice, the plan or a summary of the plan and any  
18 comments under subd. 1. shall also be mailed by the converting insurance company  
19 not more than 60 days and not less than 10 days before the scheduled date of the  
20 hearing to the ~~commissioner~~ insurance regulator of every jurisdiction in which the  
21 converting insurance company is authorized to do any business.

22           \*~~0797/P1.356~~\*SECTION 988. 644.07 (6) (c) of the statutes is amended to read:

23           644.07 (6) (c) In accordance with such hearing procedures as the ~~commissioner~~  
24 secretary or the designated hearing examiner may prescribe, any policyholder under  
25 par. (b) 1. and any ~~commissioner~~ insurance regulator under par. (b) 2. may present

1 written or oral statements at the hearing and may present written statements within  
2 a period after the hearing specified by the ~~commissioner~~ secretary or the hearing  
3 examiner. The ~~commissioner~~ secretary shall take statements presented under this  
4 paragraph into consideration in making the determination under sub. (7).

5 **\*-0797/P1.357\*SECTION 989.** 644.07 (7) (title) of the statutes is amended to  
6 read:

7 644.07 (7) (title) APPROVAL BY ~~COMMISSIONER~~ SECRETARY.

8 **\*-0797/P1.358\*SECTION 990.** 644.07 (7) (a) of the statutes is amended to read:

9 644.07 (7) (a) The ~~commissioner~~ secretary shall approve the mutual holding  
10 company plan unless he or she finds that the plan violates the law, is not fair and  
11 equitable to policyholders or is contrary to the interests of policyholders or the public.

12 **\*-0797/P1.359\*SECTION 991.** 644.07 (7) (b) of the statutes is amended to read:

13 644.07 (7) (b) In considering the plan, the ~~commissioner~~ secretary shall  
14 consider whether the restructuring would be detrimental to the safety and  
15 soundness of the converting insurance company or the contractual rights and  
16 reasonable expectations of the persons who are policyholders on the effective date of  
17 the restructuring. The ~~commissioner~~ secretary may take into consideration any  
18 conclusions and recommendations on the subject of restructuring published by  
19 recognized organizations of professional insurance actuaries. The ~~commissioner~~  
20 department may by rule establish standards applicable to a restructuring under this  
21 chapter.

22 **\*-0797/P1.360\*SECTION 992.** 644.07 (9) of the statutes is amended to read:

23 644.07 (9) AMENDMENT OR WITHDRAWAL. At any time before the effective date of  
24 the restructuring, the converting insurance company may, by resolution of its board,  
25 amend the mutual holding company plan or withdraw the mutual holding company

1 plan. The ~~commissioner~~ secretary shall determine whether any amendment made  
2 after the public hearing under sub. (6) changes the mutual holding company plan in  
3 a manner that is materially disadvantageous to any of the policyholders of the  
4 converting insurance company and, in such case, may require a further public  
5 hearing on the plan as amended. If an amendment that the ~~commissioner~~ secretary  
6 determines is materially disadvantageous to any of the policyholders is made after  
7 the plan has been approved by the policyholders, the plan as amended shall be  
8 submitted for reconsideration by the policyholders.

9 \*~~0797/P1.361~~\*SECTION 993. 644.07 (10m) of the statutes is amended to read:

10 644.07 (10m) EFFECT ON SERVICE INSURANCE CORPORATION OF DISAPPROVAL OF  
11 PLAN. Notwithstanding sub. (1) (a) 2. and s. 644.02 (1) (b), if the converting insurance  
12 company is a service insurance corporation, and the ~~commissioner~~ secretary  
13 disapproves the mutual holding company plan under sub. (7) or the policyholders  
14 disapprove the mutual holding company plan under sub. (8), the converting  
15 insurance company shall remain a service insurance corporation subject to ch. 613.

16 \*~~0797/P1.362~~\*SECTION 994. 644.07 (11) of the statutes is amended to read:

17 644.07 (11) EXPENSES. The converting insurance company may not pay  
18 compensation of any kind to any person in connection with the mutual holding  
19 company plan other than regular salaries to the company's personnel. This  
20 subsection does not prohibit the payment of reasonable fees and compensation to  
21 attorneys at law, accountants, financial advisers, actuaries or other consultants for  
22 services performed in the independent practice of their professions. All expenses of  
23 the restructuring, including the expenses incurred by the ~~commissioner~~ secretary  
24 and the prorated salaries of any involved office staff members of the ~~office of the~~

1 ~~commissioner of insurance~~ department, shall be borne by the converting insurance  
2 company.

3 \*~~0797/P1.363~~\*SECTION 995. 644.09 (2) of the statutes is amended to read:

4 644.09 (2) AMENDMENT OF ARTICLES. A mutual holding company may amend its  
5 articles in the manner provided in ss. 181.1001, 181.1002 (1), 181.1003, 181.1005 and  
6 181.1006, ~~except that papers required by those sections to be filed with the~~  
7 ~~department of financial institutions shall instead be filed with the commissioner.~~  
8 The articles may be amended in any desired respect, including substantial changes  
9 of its original purposes, except that no amendment may be made that is contrary to  
10 sub. (1). In addition to the requirements of s. 181.1005, the articles of amendment  
11 of a mutual holding company shall, if mail voting is used, state the number of  
12 members voting by mail and the number of such members voting for and against the  
13 amendment. No amendment may become effective until the articles of amendment  
14 have been filed with the ~~commissioner~~ department. No amendment shall affect any  
15 existing cause of action in favor of or against such mutual holding company, any civil,  
16 criminal, administrative or investigatory proceeding to which the mutual holding  
17 company is a party or the existing rights of persons other than members. In the event  
18 that the corporate name is changed by amendment, no suit brought by or against  
19 such mutual holding company under its former name shall abate for that reason.

20 \*~~0797/P1.364~~\*SECTION 996. 644.10 (1) (intro.) of the statutes is amended to  
21 read:

22 644.10 (1) (intro.) The converting insurance company may propose to acquire,  
23 or to merge or consolidate with, one or more domestic or foreign insurers, or both, as  
24 part of a mutual holding company plan under s. 644.07. ~~The commissioner~~ secretary  
25 shall approve the acquisition, merger or consolidation as part of the mutual holding

1 company plan and shall approve the continued corporate existence of any domestic  
2 insurer that is a party to the plan under this section as a subsidiary of the mutual  
3 holding company or any intermediate stock holding company, if any of the following  
4 applies:

5 **\*-0797/P1.365\*SECTION 997.** 644.10 (1) (b) of the statutes is amended to read:

6 644.10 (1) (b) In the case of a domestic mutual, no grounds for disapproval exist  
7 under s. 611.73 (3) (a) and the domestic mutual has complied with s. 644.07 (2) to (8).  
8 The converting insurance company and any domestic mutual that the converting  
9 insurance company proposes to acquire, or merge or consolidate with, may adopt one  
10 plan. The ~~commissioner~~ secretary may combine the hearings required under s.  
11 644.07 (6) for the converting insurance company and any domestic mutual that is the  
12 subject of the acquisition by, or merger or consolidation with, the converting  
13 insurance company. Section 644.07 (9), (10) (b) to (f), and (11) applies to a domestic  
14 mutual acquired by, merged into, or consolidated with a converting insurance  
15 company under this section.

16 **\*-0797/P1.366\*SECTION 998.** 644.11 (2) (c) 2. of the statutes is amended to  
17 read:

18 644.11 (2) (c) 2. The ~~commissioner~~ secretary may hold a hearing on the plan  
19 of merger prior to the meeting at which a vote of the members will be taken. A  
20 hearing under this subdivision may be combined with the hearing required under  
21 par. (b). The existing domestic mutual holding company shall provide written notice  
22 of the hearing to each member in the manner provided under s. 644.07 (6) (b) 1. for  
23 notice to policyholders of the hearing under s. 644.07 (6).

24 **\*-0797/P1.367\*SECTION 999.** 644.11 (2) (c) 3. of the statutes is amended to  
25 read:

1           644.11 (2) (c) 3. The ~~commissioner~~ secretary shall approve the proposed plan  
2 of merger unless he or she finds that the plan is not fair and equitable to members  
3 or is contrary to the interests of members.

4           \*~~-0797/P1.368~~\*SECTION 1000. 644.11 (2) (d) (title) of the statutes is amended  
5 to read:

6           644.11 (2) (d) (title) ~~Commissioner issues new~~ New certificate of authority if  
7 *approved.*

8           \*~~-0797/P1.369~~\*SECTION 1001. 644.19 (3) (title) of the statutes is amended to  
9 read:

10          644.19 (3) (title) NOTICE TO ~~COMMISSIONER~~ DEPARTMENT.

11          \*~~-0797/P1.370~~\*SECTION 1002. 644.28 (2) (title) of the statutes is amended to  
12 read:

13          644.28 (2) (title) APPROVAL BY THE ~~COMMISSIONER~~ SECRETARY.

14          \*~~-0797/P1.371~~\*SECTION 1003. 644.28 (2) (a) of the statutes is amended to read:

15          644.28 (2) (a) At least 60 days prior to the submission to members of any  
16 proposed voluntary dissolution of a mutual holding company under s. 181.1401, the  
17 plan shall be filed with the ~~commissioner~~ secretary. The ~~commissioner~~ secretary may  
18 require the submission of additional information relevant to the effect of the  
19 proposed dissolution on the solvency of the converted insurance company. The  
20 ~~commissioner~~ secretary shall approve the dissolution unless, after a hearing, the  
21 ~~commissioner~~ secretary finds that dissolution of the mutual holding company would  
22 cause the converted insurance company to become insolvent, would be unfair or  
23 inequitable to the members of the mutual holding company or would not be in the  
24 best interests of the policyholders of the converted insurance company or the public.

25          \*~~-0797/P1.372~~\*SECTION 1004. 644.28 (4) of the statutes is amended to read:



1           644.28 (4) FILING AND RECORDING ARTICLES OF DISSOLUTION AND EFFECT THEREOF.

2           Upon approval by the ~~commissioner~~ secretary under sub. (2) and by the members  
3           under s. 181.1401, the mutual holding company shall file articles of dissolution with  
4           the ~~commissioner~~ department. When the articles are filed, the existence of the  
5           mutual holding company shall cease, except for the purpose of suits, other  
6           proceedings and appropriate corporate action of members, directors and officers as  
7           provided in this chapter and in ss. 181.1401 to 181.1407. Upon the filing of the  
8           articles, the ~~commissioner~~ department may issue a certificate of dissolution.

9           \*~~-0797/P1.373~~\*SECTION 1005. 645.01 (2) of the statutes is amended to read:

10          645.01 (2) CONSTRUCTION: NO LIMITATION OF POWERS. This chapter shall not be  
11          interpreted to limit the powers granted the ~~commissioner~~ department by other  
12          provisions of the law.

13          \*~~-0797/P1.374~~\*SECTION 1006. 645.03 (1) (f) of the statutes is amended to read:

14          645.03 (1) (f) “Insurer” means any person who is doing, has done, purports to  
15          do or is licensed to do an insurance business and is or has been subject to the  
16          authority of, or to liquidation, rehabilitation, reorganization or conservation by, the  
17          secretary or a commissioner. For purposes of this chapter, all other persons included  
18          under s. 645.02 shall be deemed to be insurers.

19          \*~~-0797/P1.375~~\*SECTION 1007. 645.03 (1) (i) of the statutes is amended to read:

20          645.03 (1) (i) “Reciprocal state” means any state other than this state in which  
21          in substance and effect ss. 645.42 (1), 645.83 (1) and (3), 645.84 and 645.86 to 645.89  
22          are in force, and in which provisions are in force requiring that the commissioner or  
23          other insurance regulator be the receiver of a delinquent insurer, and in which some  
24          provision exists for the avoidance of fraudulent conveyances and preferential  
25          transfers.

1           \*~~-0797/P1.376~~\*SECTION 1008. 645.04 (1) of the statutes is amended to read:

2           645.04 (1) ACTIONS BY ~~COMMISSIONER~~ SECRETARY. Except as provided in sub. (2)  
3 and s. 645.45 (1), no delinquency proceeding may be commenced under this chapter  
4 by anyone other than the ~~commissioner of this state~~ secretary and no court has  
5 jurisdiction to entertain, hear or determine any proceeding commenced by any other  
6 person.

7           \*~~-0797/P1.377~~\*SECTION 1009. 645.04 (2) (a) (intro.) of the statutes is amended  
8 to read:

9           645.04 (2) (a) (intro.) The judgment creditors of 3 or more unrelated judgments  
10 may commence proceedings under the conditions and in the manner prescribed in  
11 this subsection, by serving notice upon the ~~commissioner~~ secretary and the insurer  
12 of intention to file a petition for liquidation under s. 645.41 or 645.82. Each of the  
13 judgments must:

14           \*~~-0797/P1.378~~\*SECTION 1010. 645.04 (2) (b) of the statutes is amended to read:

15           645.04 (2) (b) If any one of the judgments in favor of a petitioning creditor  
16 remains unpaid for 30 days after service of the notice, and the ~~commissioner~~  
17 secretary has not then filed a petition for liquidation, the creditor may file in the  
18 name of the ~~commissioner~~ secretary a verified petition for liquidation of the insurer  
19 under s. 645.41 or 645.82 alleging the conditions stated in this subsection. The  
20 ~~commissioner~~ secretary shall be served and joined in the action.

21           \*~~-0797/P1.379~~\*SECTION 1011. 645.06 of the statutes is amended to read:

22           **645.06 Costs and expenses of litigation.** In any proceeding or action  
23 brought by the ~~commissioner~~ secretary or a receiver under this chapter, the court  
24 may award such costs and other expenses of litigation to the ~~commissioner~~ secretary