

1 or receiver as justice requires, without regard to the limitations otherwise prescribed  
2 by law.

3 **\*-0797/P1.380\*SECTION 1012.** 645.07 (1) (intro.) of the statutes is amended to  
4 read:

5 645.07 (1) DUTY TO COOPERATE. (intro.) Any officer, manager, trustee or general  
6 agent of any insurer, any attorney representing an insurer on any matter, and any  
7 other person with executive authority over or in charge of any segment of the  
8 insurer's affairs shall cooperate with the ~~commissioner~~ secretary in any proceeding  
9 under this chapter or any investigation preliminary or incidental to the proceeding.

10 "To cooperate" includes:

11 **\*-0797/P1.381\*SECTION 1013.** 645.07 (1) (a) of the statutes is amended to read:

12 645.07 (1) (a) To reply promptly in writing to any inquiry from the  
13 ~~commissioner~~ secretary requesting a reply; and

14 **\*-0797/P1.382\*SECTION 1014.** 645.07 (1) (b) of the statutes is amended to read:

15 645.07 (1) (b) To make available and deliver to the ~~commissioner~~ secretary any  
16 books, accounts, documents or other records, or information or property of or  
17 pertaining to the insurer and in the person's possession, custody or control.

18 **\*-0797/P1.383\*SECTION 1015.** 645.07 (2) of the statutes is amended to read:

19 645.07 (2) DUTY NOT TO OBSTRUCT. No person may obstruct or interfere with the  
20 ~~commissioner~~ secretary in the conduct of any delinquency proceeding or any  
21 investigation preliminary or incidental thereto.

22 **\*-0797/P1.384\*SECTION 1016.** 645.07 (4) of the statutes is amended to read:

23 645.07 (4) SANCTION. Any person included within sub. (1) who fails to cooperate  
24 with the ~~commissioner~~ secretary, or any person who obstructs or interferes with the

1 ~~commissioner~~ secretary in the conduct of any delinquency proceeding or any  
2 investigation preliminary or incidental thereto, is subject to s. 601.64.

3 \*–0797/P1.385\*SECTION 1017. 645.08 (1) of the statutes is amended to read:

4 645.08 (1) BONDS. In any proceeding under this chapter the ~~commissioner~~  
5 secretary and the ~~commissioner's~~ secretary's deputies are responsible on their  
6 official bonds for the faithful performance of their duties. If the court deems it  
7 desirable for the protection of the assets, it may at any time require an additional  
8 bond from the ~~commissioner~~ secretary or the ~~commissioner's~~ secretary's deputies.

9 \*–0797/P1.386\*SECTION 1018. 645.08 (2) of the statutes is amended to read:

10 645.08 (2) IMMUNITY. No civil cause of action may arise against and no civil  
11 liability may be imposed upon the state, ~~commissioner~~ secretary, special deputy  
12 ~~commissioner~~, rehabilitator or liquidator, or their employees or agents, or the  
13 insurance security fund under ch. 646 or its agents, employees, directors or  
14 contributor insurers, for an act or omission by any of them in the performance of their  
15 powers and duties under this chapter or in the performance of their powers and  
16 duties relating to regulation of the capital or solvency of an insurer under chs. 600  
17 to 646, including the compulsory or security surplus requirements under ch. 623.  
18 This subsection does not apply to a civil cause of action arising from an act or  
19 omission that is criminal under ch. 943. Such a cause of action, however, may be  
20 barred or limited by common law, sovereign immunity, governmental immunity or  
21 otherwise by law.

22 \*–0797/P1.387\*SECTION 1019. 645.09 (title), (1) (intro.) and (a), (2) (a) and (b)  
23 and (3) of the statutes are amended to read:

1           **645.09** (title) **Commissioner's Secretary's reports.** (1) GENERAL REPORT OF  
2 PROCEEDINGS. (intro.) The ~~commissioner~~ secretary may include in his or her annual  
3 report any of the following:

4           (a) *Formal proceedings.* The names of the insurers proceeded against under  
5 ss. 645.31, 645.41, 645.45, 645.81, 645.82 and 645.84, and such other facts as indicate  
6 in reasonable detail the ~~commissioner's~~ secretary's formal proceedings under this  
7 chapter; ~~and.~~

8           (2) (a) *Causes of delinquency.* The ~~commissioner~~ secretary may include in his  
9 or her annual report, not later than the 2nd annual report following the initiation  
10 of any formal proceedings under this chapter, a detailed analysis of the basic causes  
11 and the contributing factors making the initiation of formal proceedings necessary,  
12 and may make recommendations for remedial legislation. For this purpose the  
13 ~~commissioner~~ secretary may appoint a special assistant qualified in insurance,  
14 finance, and accounting to conduct the study and prepare the analysis, and may  
15 determine the special assistant's compensation, which shall be paid from the  
16 appropriation under s. ~~20.145 (1)~~ 20.142 (3) (g) 1.

17           (b) *Final study.* The ~~commissioner~~ secretary may include in his or her annual  
18 report, not later than the 2nd annual report following discharge of the receiver, a  
19 detailed study of the delinquency proceeding for each insurer subjected to a formal  
20 proceeding, with an analysis of the problems faced and their solutions. The  
21 ~~commissioner~~ secretary may also suggest alternative solutions, as well as other  
22 material of interest, for the purpose of assisting and guiding liquidators or  
23 rehabilitators in the future. For this purpose the ~~commissioner~~ secretary may  
24 appoint a special assistant qualified to conduct the study and prepare the analysis,

1 and may determine his or her compensation, which shall be paid from the  
2 appropriation under s. ~~20.145 (1)~~ 20.142 (3) (g) 1.

3 (3) REPORTS ON INSURERS SUBJECT TO PROCEEDINGS. The ~~commissioner~~ secretary  
4 as receiver shall make and file annual reports and any other required reports for the  
5 companies proceeded against under ss. 645.31, 645.41, 645.45, 645.81, 645.82 and  
6 645.84 in the manner and form and within the time required by law of insurers  
7 authorized to do business in this state, and under the same penalties for failure to  
8 do so.

9 \*-0797/P1.388\*SECTION 1020. 645.10 of the statutes is amended to read:

10 **645.10 Continuation of delinquency proceedings.** Every proceeding  
11 commenced before August 5, 1967 is deemed to have commenced under this chapter  
12 for the purpose of conducting the proceeding thereafter, except that in the discretion  
13 of the ~~commissioner~~ secretary the proceeding may be continued, in whole or in part,  
14 as it would have been continued had this chapter not been enacted.

15 \*-0797/P1.389\*SECTION 1021. 645.21 of the statutes is amended to read:

16 **645.21 Commissioner's Secretary's summary orders.** (1) SUMMARY ORDER  
17 AFTER HEARING. Whenever the ~~commissioner~~ secretary has reasonable cause to  
18 believe, and determines, after a hearing held as prescribed in s. 601.62, that any  
19 insurer has committed or engaged in, or is committing or engaging in or is about to  
20 commit or engage in any act, practice or transaction, or is in or is about to get into  
21 a situation that would subject it to formal delinquency proceedings under this  
22 chapter, the ~~commissioner~~ secretary may make and serve upon the insurer and any  
23 other persons involved, such orders other than seizure orders under ss. 645.22 and  
24 645.23 as are reasonably necessary to correct, eliminate or remedy such conduct,  
25 condition or ground.

1           (2) SUMMARY ORDER BEFORE HEARING. If the conditions of sub. (1) are satisfied,  
2 and if it appears to the ~~commissioner~~ secretary that irreparable harm to the property  
3 or business of the insurer or to the interests of its policyholders, creditors or the  
4 public may occur unless the ~~commissioner~~ secretary issues with immediate effect the  
5 orders described in sub. (1), the ~~commissioner~~ secretary may make and serve such  
6 orders without notice and before hearing, simultaneously serving upon the insurer  
7 notice of hearing under s. 601.62.

8           (4) JUDICIAL RELIEF. If the ~~commissioner~~ secretary issues a summary order  
9 before hearing under sub. (2), the insurer may at any time waive the ~~commissioner's~~  
10 secretary's hearing and apply for immediate judicial relief by means of any remedy  
11 afforded by law without first exhausting administrative remedies. Subsequent to a  
12 hearing the insurer or any person whose interests are substantially affected is  
13 entitled to judicial review of any order issued by the ~~commissioner~~ secretary.

14           \*~~-0797/P1.390~~\*SECTION 1022. 645.22 (1) (intro.) of the statutes is amended to  
15 read:

16           645.22 (1) ISSUANCE. (intro.) Upon the filing by the ~~commissioner~~ secretary in  
17 any circuit court in this state of a verified petition alleging any ground that would  
18 justify a court order for a formal delinquency proceeding against an insurer under  
19 this chapter and that the interests of policyholders, creditors or the public will be  
20 endangered by delay, and setting out the order considered necessary by the  
21 ~~commissioner~~ secretary, the court shall issue forthwith, ex parte and without a  
22 hearing, the requested order, which may do any of the following:

23           \*~~-0797/P1.391~~\*SECTION 1023. 645.22 (1) (a) of the statutes is amended to read:

1           645.22 (1) (a) Direct the ~~commissioner~~ secretary to take possession and control  
2 of all or a part of the property, books, accounts, documents and other records of an  
3 insurer and of the premises occupied by it for the transaction of its business.

4           \*~~-0797/P1.392~~\*SECTION 1024. 645.22 (1) (b) of the statutes is amended to read:

5           645.22 (1) (b) Until further order of the court, enjoin the insurer and its officers,  
6 managers, agents, and employees from disposition of its property and from  
7 transaction of its business except with the written consent of the ~~commissioner~~  
8 secretary.

9           \*~~-0797/P1.393~~\*SECTION 1025. 645.22 (2) of the statutes is amended to read:

10          645.22 (2) DURATION. The court shall specify in the order what its duration shall  
11 be, which shall be such time as the court deems necessary for the ~~commissioner~~  
12 secretary to ascertain the condition of the insurer. On motion of either party or on  
13 its own motion, the court may hold such hearings as it deems desirable after such  
14 notice as it deems appropriate, and may extend, shorten or modify the terms of the  
15 seizure order. The court shall vacate the seizure order if the ~~commissioner~~ secretary  
16 fails to commence a formal proceeding under this chapter after having had a  
17 reasonable opportunity to do so. The issuance of an order of the court pursuant to  
18 a formal proceeding under this chapter vacates the seizure order.

19          \*~~-0797/P1.394~~\*SECTION 1026. 645.23 (title), (1), (2) and (3) of the statutes are  
20 amended to read:

21          645.23 (title) **Commissioner's Secretary's seizure order.** (1) ISSUANCE. If  
22 it appears to the ~~commissioner~~ secretary that the interests of creditors, policyholders  
23 or the public will be endangered by the delay incident to asking for a court seizure  
24 order, then on any ground that would justify a court seizure order under s. 645.22,  
25 without notice and without applying to the court, the ~~commissioner~~ secretary may

1 issue a seizure order which must contain a verified statement of the grounds for the  
2 action. As directed by the seizure order, the ~~commissioner's~~ secretary's  
3 representatives shall forthwith take possession and control of all or part of the  
4 property, books, accounts, documents and other records of the insurer, and of the  
5 premises occupied by the insurer for the transaction of its business. The  
6 ~~commissioner~~ secretary shall retain possession and control until the order is vacated  
7 or is replaced by an order of the court pursuant to a proceeding commenced under  
8 sub. (2) or a formal proceeding under this chapter.

9 (2) JUDICIAL REVIEW. At any time after seizure under sub. (1), the insurer may  
10 apply to the circuit court for Dane County or for the county in which the insurer's  
11 principal office is located. The court shall thereupon order the ~~commissioner~~  
12 secretary to appear forthwith and shall proceed thereafter as if the order were a court  
13 seizure order issued under s. 645.22.

14 (3) DUTY TO ASSIST ~~COMMISSIONER~~ SECRETARY. Every law enforcement officer  
15 shall assist the ~~commissioner~~ secretary in making and enforcing any such seizure,  
16 and every sheriff's and police department shall furnish the ~~commissioner~~ secretary  
17 with such deputies, patrolmen or officers as are necessary to assist in the seizure.

18 \*-0797/P1.395\*SECTION 1027. 645.24 (1) of the statutes is amended to read:

19 645.24 (1) CONFIDENTIALITY OF ~~COMMISSIONER'S~~ SECRETARY'S HEARINGS. The  
20 ~~commissioner~~ secretary shall hold all hearings in summary proceedings privately  
21 unless the insurer requests a public hearing, in which case the hearing shall be  
22 public.

23 \*-0797/P1.396\*SECTION 1028. 645.24 (3) of the statutes is amended to read:

24 645.24 (3) RECORDS. In all summary proceedings and judicial reviews thereof,  
25 all records of the company, other documents, and all ~~office of the commissioner of~~

1 ~~insurance department~~ files and court records and papers, so far as they pertain to  
2 or are a part of the record of the summary proceedings, shall be and remain  
3 confidential except as is necessary to obtain compliance therewith, unless the court,  
4 after hearing arguments from the parties in chambers, orders otherwise, or unless  
5 the insurer requests that the matter be made public. Until the court order is issued,  
6 all papers filed with the clerk of the court shall be held by the clerk in a confidential  
7 file.

8 **\*-0797/P1.397\*SECTION 1029.** 645.24 (5) of the statutes is amended to read:

9 645.24 (5) SANCTIONS. Any person having possession or custody of and refusing  
10 to deliver any of the property, books, accounts, documents or other records of an  
11 insurer against which a seizure order or a summary order has been issued by the  
12 ~~commissioner~~ secretary or by the court, is subject to s. 601.64.

13 **\*-0797/P1.398\*SECTION 1030.** 645.31 (intro.) of the statutes is amended to  
14 read:

15 **645.31 Grounds for rehabilitation.** (intro.) The ~~commissioner~~ secretary  
16 may apply by verified petition to the circuit court for Dane County or for the county  
17 in which the principal office of the insurer is located for an order directing  
18 rehabilitation of a domestic insurer or an alien insurer domiciled in this state on any  
19 one or more of the following grounds:

20 **\*-0797/P1.399\*SECTION 1031.** 645.31 (1) of the statutes is amended to read:

21 645.31 (1) Any ground on which the ~~commissioner~~ secretary may apply for an  
22 order of liquidation under s. 645.41, whenever he or she believes that the insurer may  
23 be successfully rehabilitated without substantial increase in the risk of loss to  
24 creditors of the insurer or to the public.

25 **\*-0797/P1.400\*SECTION 1032.** 645.31 (2) of the statutes is amended to read:



1           645.31 (2) That the ~~commissioner~~ secretary has reasonable cause to believe  
2 that there has been embezzlement from the insurer, wrongful sequestration or  
3 diversion of the insurer's assets, forgery or fraud affecting the insurer or other illegal  
4 conduct in, by or with respect to the insurer, that if established would endanger  
5 assets in an amount threatening the solvency of the insurer.

6           \*~~-0797/P1.401~~\*SECTION 1033. 645.31 (3) of the statutes is amended to read:

7           645.31 (3) That information coming into the ~~commissioner's~~ secretary's  
8 possession has disclosed substantial and not adequately explained discrepancies  
9 between the insurer's records and the most recent annual report or other official  
10 company reports.

11           \*~~-0797/P1.402~~\*SECTION 1034. 645.31 (4) of the statutes is amended to read:

12           645.31 (4) That the insurer has failed to remove any person who in fact has  
13 executive authority in the insurer, whether an officer, manager, general agent,  
14 employee or other person, if the person has been found by the ~~commissioner~~ secretary  
15 after notice and hearing to be dishonest or untrustworthy in a way affecting the  
16 insurer's business.

17           \*~~-0797/P1.403~~\*SECTION 1035. 645.31 (6) of the statutes is amended to read:

18           645.31 (6) That any person who in fact has executive authority in the insurer,  
19 whether an officer, manager, general agent, employee or other person, has refused  
20 to be examined under oath by the ~~commissioner~~ secretary concerning its affairs,  
21 whether in this state or elsewhere, and after reasonable notice of the fact the insurer  
22 has failed promptly and effectively to terminate the employment and status of the  
23 person and all his or her influence on management.

24           \*~~-0797/P1.404~~\*SECTION 1036. 645.31 (7) of the statutes is amended to read:

1           645.31 (7) That after demand by the ~~commissioner~~ secretary the insurer has  
2 failed to submit promptly any of its own property, books, accounts, documents or  
3 other records, or those of any subsidiary or other affiliate within the control of the  
4 insurer, or those of any person having executive authority in the insurer so far as they  
5 pertain to the insurer, to reasonable inspection or examination by the ~~commissioner~~  
6 secretary or the ~~commissioner's~~ secretary's authorized representative. If the insurer  
7 is unable to submit the property, books, accounts, documents or other records of a  
8 person having executive authority in the insurer, it shall be excused from doing so  
9 if it promptly and effectively terminates the relationship of the person to the insurer.

10           \***-0797/P1.405**\*SECTION 1037. 645.31 (8) of the statutes is amended to read:

11           645.31 (8) That less than 30 days after reporting the proposed action to the  
12 ~~commissioner~~ secretary unless it is earlier approved by the ~~commissioner~~ secretary,  
13 or after the action has been disapproved by the ~~commissioner~~ secretary, the insurer  
14 has transferred, or attempted to transfer, substantially its entire property or  
15 business, or has entered into any transaction the effect of which is to merge,  
16 consolidate or reinsure substantially its entire property or business in or with the  
17 property or business of any other person.

18           \***-0797/P1.406**\*SECTION 1038. 645.31 (10) of the statutes is amended to read:

19           645.31 (10) That within the previous year the insurer has willfully violated its  
20 charter or articles of incorporation or its bylaws or any insurance law or regulation  
21 of any state, or of the federal government, or any valid order of the ~~commissioner~~  
22 secretary under s. 645.21, or having become aware within the previous year of an  
23 unintentional violation has failed to take all reasonable steps to remedy the situation  
24 resulting from the violation and to prevent future violations.

25           \***-0797/P1.407**\*SECTION 1039. 645.31 (12) of the statutes is amended to read:

1           645.31 (12) That the insurer has failed to pay for 60 days after due date any  
2 obligation to this state or any political subdivision thereof or any judgment entered  
3 in this state, except that such nonpayment shall not be a ground until 60 days after  
4 any good faith effort by the insurer to contest the obligation has been terminated,  
5 whether it is before the ~~commissioner~~ secretary or in the courts.

6           \*~~0797/P1.408~~\*SECTION 1040. 645.31 (13) of the statutes is amended to read:

7           645.31 (13) That the insurer has failed to file its annual report or other report  
8 within the time allowed by law, and after written demand by the ~~commissioner~~  
9 secretary has failed to give an adequate explanation immediately.

10          \*~~0797/P1.409~~\*SECTION 1041. 645.32 (1) of the statutes is amended to read:

11          645.32 (1) APPOINTMENT OF REHABILITATOR. An order to rehabilitate the business  
12 of a domestic insurer, or an alien insurer domiciled in this state, shall appoint the  
13 ~~commissioner~~ secretary and his or her successors in office rehabilitator and shall  
14 direct the rehabilitator to take possession of the assets of the insurer and to  
15 administer them under the orders of the court. The recording of the order with any  
16 register of deeds in the state imparts the same notice as a deed, bill of sale or other  
17 evidence of title recorded with that register of deeds.

18          \*~~0797/P1.410~~\*SECTION 1042. 645.33 (1) of the statutes is amended to read:

19          645.33 (1) SPECIAL DEPUTY ~~COMMISSIONER~~. The rehabilitator may appoint a  
20 special deputy ~~commissioner~~ to rehabilitate the insurer. The special deputy  
21 ~~commissioner~~ shall have all of the powers of the rehabilitator granted under this  
22 section. Subject to court approval, the rehabilitator shall make such arrangements  
23 for compensation as are necessary to obtain a special deputy ~~commissioner~~ of proven  
24 ability. The special deputy ~~commissioner~~ shall serve at the pleasure of the  
25 rehabilitator.

1           \*~~0797/P1.411~~\*SECTION 1043. 645.41 (intro.) of the statutes is amended to  
2 read:

3           **645.41 Grounds for liquidation.** (intro.) The ~~commissioner~~ secretary may  
4 apply by verified petition to the circuit court for Dane County or for the county in  
5 which the principal office of the insurer is located for an order directing him or her  
6 to liquidate a domestic insurer or an alien insurer domiciled in this state on any one  
7 or more of the following grounds:

8           \*~~0797/P1.412~~\*SECTION 1044. 645.41 (1) of the statutes is amended to read:

9           645.41 (1) Any ground on which the ~~commissioner~~ secretary may apply for an  
10 order of rehabilitation under s. 645.31, whenever the ~~commissioner~~ secretary  
11 believes that attempts to rehabilitate the insurer would substantially increase the  
12 risk of loss to its creditors, its policyholders or the public, or would be futile, or that  
13 rehabilitation would serve no useful purpose;

14           \*~~0797/P1.413~~\*SECTION 1045. 645.41 (8) of the statutes is amended to read:

15           645.41 (8) That the insurer has concealed records or assets from the  
16 ~~commissioner~~ secretary or improperly removed them from the jurisdiction;

17           \*~~0797/P1.414~~\*SECTION 1046. 645.42 (1) of the statutes is amended to read:

18           645.42 (1) ORDER TO LIQUIDATE. An order to liquidate the business of a domestic  
19 insurer shall appoint the ~~commissioner~~ secretary and his or her successors in office  
20 liquidator and shall direct the liquidator to take possession of the assets of the  
21 insurer and to administer them under the orders of the court. The liquidator is  
22 vested by operation of law with the title to all of the property, contracts, rights of  
23 action and books and records, wherever located, of the insurer ordered liquidated,  
24 and with all of the stock issued by the insurer and any cause of action that has or  
25 subsequently accrues to the holder of the stock, as of the date of the filing of the

1 petition for liquidation. The liquidator may recover and reduce the same to  
2 possession except that ancillary receivers in reciprocal states shall have, as to assets  
3 located in their respective states, the rights and powers which are prescribed in s.  
4 645.84 (3) for ancillary receivers appointed in this state as to assets located in this  
5 state. The recording of the order with any register of deeds in this state imparts the  
6 same notice as a deed, bill of sale or other evidence of title recorded with that register  
7 of deeds.

8 **\*-0797/P1.415\*SECTION 1047.** 645.42 (4) of the statutes is amended to read:

9 645.42 (4) DECLARATION OF INSOLVENCY. At the time of petitioning for an order  
10 of liquidation, or at any time thereafter, the ~~commissioner~~ secretary may petition the  
11 court to declare the insurer insolvent, and after such notice and hearing as it deems  
12 proper, the court may make the declaration.

13 **\*-0797/P1.416\*SECTION 1048.** 645.44 of the statutes is amended to read:

14 **645.44 Dissolution of insurer.** The ~~commissioner~~ secretary may petition for  
15 an order dissolving the corporate existence of a domestic insurer or the U.S. branch  
16 of an alien insurer domiciled in this state at the time of the application for a  
17 liquidation order. If the court issues a liquidation order, it also shall order dissolution  
18 if the commissioner has petitioned for it. The court shall order dissolution of the  
19 corporation upon petition by the ~~commissioner~~ secretary at any time after a  
20 liquidation order has been granted. If the dissolution has not previously occurred,  
21 it shall be effected by operation of law upon the discharge of the liquidator.

22 **\*-0797/P1.417\*SECTION 1049.** 645.45 (1) of the statutes is amended to read:

23 645.45 (1) PETITION FOR FEDERAL RECEIVER. Whenever in the ~~commissioner's~~  
24 secretary's opinion, liquidation of a domestic insurer or an alien insurer domiciled  
25 in this state would be facilitated by a federal receivership, and when any ground

1 exists upon which the ~~commissioner~~ secretary might petition the court for an order  
2 of rehabilitation or liquidation under s. 645.31 or 645.41, or if an order of  
3 rehabilitation or liquidation has already been entered, the ~~commissioner~~ secretary  
4 may request another insurance regulator or commissioner or other willing resident  
5 of another state to petition any appropriate federal district court for the appointment  
6 of a federal receiver. The ~~commissioner~~ secretary may intervene in any such action  
7 to support or oppose the petition, and may accept appointment as the receiver if he  
8 or she is so designated. So much of this chapter shall apply to the receivership as can  
9 be made applicable and is appropriate. Upon motion of the ~~commissioner~~ secretary,  
10 the courts of this state shall relinquish all jurisdiction over the insurer for purposes  
11 of rehabilitation or liquidation.

12 \*~~0797/P1.418~~\*SECTION 1050. 645.45 (2) of the statutes is amended to read:

13 645.45 (2) COMPLIANCE WITH FEDERAL REQUIREMENTS. If the ~~commissioner~~  
14 secretary is appointed receiver under this section, the ~~commissioner~~ secretary shall  
15 comply with any requirements necessary to give him or her title to and control over  
16 the assets and affairs of the insurer.

17 \*~~0797/P1.419~~\*SECTION 1051. 645.46 (4) of the statutes is amended to read:

18 645.46 (4) Defray all expenses of taking possession of, conserving, conducting,  
19 liquidating, disposing of, or otherwise dealing with the business and property of the  
20 insurer. If the property of the insurer does not contain sufficient cash or liquid assets  
21 to defray the costs incurred, the liquidator may advance the costs so incurred out of  
22 the appropriation under s. ~~20.145 (1)~~ 20.142 (3) (g) 1. Any amounts so paid shall be  
23 deemed expense of administration and shall be repaid for the credit of the ~~office of~~  
24 ~~the commissioner of insurance~~ department out of the first available moneys of the  
25 insurer.

1           \*~~0797/P1.420~~\*SECTION 1052. 645.46 (14) of the statutes is amended to read:

2           645.46 (14) Remove any records and property of the insurer to the offices of the  
3           ~~commissioner~~ department or to such other place as is convenient for the purposes of  
4           efficient and orderly execution of the liquidation.

5           \*~~0797/P1.421~~\*SECTION 1053. 645.46 (21) of the statutes is amended to read:

6           645.46 (21) Enter into agreements with any receiver or insurance regulator or  
7           commissioner of any other state relating to the rehabilitation, liquidation,  
8           conservation or dissolution of an insurer doing business in both states.

9           \*~~0797/P1.422~~\*SECTION 1054. 645.47 (1) (a) of the statutes is amended to read:

10          645.47 (1) (a) *General requirements.* The liquidator shall give notice of the  
11          liquidation order as soon as possible by first class mail and either by telegram or  
12          telephone to the insurance regulator or commissioner of each jurisdiction in which  
13          the insurer is licensed to do business, by first class mail and by telephone to the  
14          ~~department of workforce development of this state~~ if the insurer is or has been an  
15          insurer of worker's compensation, by first class mail to all insurance agents having  
16          a duty under s. 645.48, by first class mail to the director of state courts under s. 601.53  
17          (1) if the insurer does a surety business and by first class mail at the last-known  
18          address to all persons known or reasonably expected from the insurer's records to  
19          have claims against the insurer, including all policyholders. The liquidator also shall  
20          publish a class 3 notice, under ch. 985, in a newspaper of general circulation in the  
21          county in which the liquidation is pending or in Dane County, the last publication to  
22          be not less than 3 months before the earliest deadline specified in the notice under  
23          sub. (2).

24          \*~~0872/P1.206~~\*SECTION 1055. 645.47 (1) (a) of the statutes is amended to read:

## SECTION 1055

1           645.47 (1) (a) *General requirements.* The liquidator shall give notice of the  
2 liquidation order as soon as possible by first class mail and either by telegram or  
3 telephone to the insurance commissioner of each jurisdiction in which the insurer is  
4 licensed to do business, by first class mail and by telephone to the department of  
5 ~~workforce development of this state~~ if the insurer is or has been an insurer of  
6 worker's compensation, by first class mail to all insurance agents having a duty  
7 under s. 645.48, by first class mail to the director of state courts under s. 601.53 (1),  
8 if the insurer does a surety business, and by first class mail at the last-known  
9 address to all persons known or reasonably expected from the insurer's records to  
10 have claims against the insurer, including all policyholders. The liquidator also shall  
11 publish a class 3 notice, under ch. 985, in a newspaper of general circulation in the  
12 county in which the liquidation is pending or in Dane County, the last publication to  
13 be not less than 3 months before the earliest deadline specified in the notice under  
14 sub. (2).

15           \*~~0797/P1.423~~\*SECTION 1056. 645.49 (1) of the statutes is amended to read:

16           645.49 (1) TERMINATION OF ACTIONS AGAINST INSURER BY ORDER APPOINTING  
17 LIQUIDATOR. Upon issuance of any order appointing the ~~commissioner~~ secretary  
18 liquidator of a domestic insurer or of an alien insurer domiciled in this state, all  
19 actions and all proceedings against the insurer whether in this state or elsewhere  
20 shall be abated and the liquidator shall not intervene in them, except as provided in  
21 this subsection. Whenever in the liquidator's judgment an action in this state has  
22 proceeded to a point where fairness or convenience would be served by its  
23 continuation to judgment, the liquidator may apply to the court for leave to defend  
24 or to be substituted for the insurer, and if the court grants the application, the action  
25 shall not be abated. Whenever in the liquidator's judgment, protection of the estate



1 of the insurer necessitates intervention in an action against the insurer that is  
2 pending outside this state, with approval of the court the liquidator may intervene  
3 in the action. The liquidator may defend at the expense of the estate of the insurer  
4 any action in which he or she intervenes under this section at the expense of the  
5 estate of the insurer.

6 \*~~0797/P1.424~~\*SECTION 1057. 645.61 (4) of the statutes is amended to read:

7 645.61 (4) FILING OF CLAIMS BY FUNDS. Claims by funds under s. 646.33 and  
8 corresponding provisions of funds of other jurisdictions that satisfy s. 646.60 (1) (b)  
9 shall be filed periodically by the funds pursuant to rules promulgated by the  
10 ~~commissioner~~ department.

11 \*~~0797/P1.425~~\*SECTION 1058. 645.73 (2) of the statutes is amended to read:

12 645.73 (2) WITHHELD FUNDS. All funds withheld under s. 645.64 and not  
13 distributed shall upon discharge of the liquidator be deposited with the secretary of  
14 revenue and paid by the secretary in accordance with s. 645.64. Any sums remaining  
15 which under s. 645.64 would revert to the undistributed assets of the insurer shall  
16 be transferred to the secretary of revenue and become the property of the state under  
17 sub. (1), unless the ~~commissioner~~ secretary of financial institutions, insurance, and  
18 professional standards petitions the court to reopen the liquidation under s. 645.75.

19 \*~~0797/P1.426~~\*SECTION 1059. 645.75 of the statutes is amended to read:

20 **645.75 Reopening liquidation.** After the liquidation proceeding has been  
21 terminated and the liquidator discharged, the ~~commissioner~~ secretary or other  
22 interested party may at any time petition the court to reopen the proceedings for good  
23 cause, including the discovery of additional assets. If the court is satisfied that there  
24 is justification for reopening, it shall so order.

25 \*~~0797/P1.427~~\*SECTION 1060. 645.77 of the statutes is amended to read:

1           **645.77 External audit of receiver's books.** The court in which the  
2 proceeding is pending may, as it deems desirable, cause audits to be made of the  
3 books of the ~~commissioner~~ secretary relating to any receivership established under  
4 this chapter, and a report of each audit shall be filed with the ~~commissioner~~ secretary  
5 and with the court. The books, records and other documents of the receivership shall  
6 be made available to the auditor at any time without notice. The expense of each  
7 audit shall be considered a cost of administration of the receivership.

8           \*~~0797/P1.428~~\*SECTION 1061. 645.81 (1) (intro.) of the statutes is amended to  
9 read:

10           645.81 (1) GROUNDS FOR PETITION. (intro.) If a domiciliary liquidator has not  
11 been appointed, the ~~commissioner~~ secretary may apply to the circuit court for Dane  
12 County by verified petition for an order directing him or her to conserve the property  
13 of an alien insurer not domiciled in this state or a foreign insurer on any one or more  
14 of the following grounds:

15           \*~~0797/P1.429~~\*SECTION 1062. 645.82 (1) (intro.) of the statutes is amended to  
16 read:

17           645.82 (1) GROUNDS FOR PETITION. (intro.) If no domiciliary receiver has been  
18 appointed, the ~~commissioner~~ secretary may apply to the circuit court for Dane  
19 County by verified petition for an order directing the ~~commissioner~~ secretary to  
20 liquidate the assets found in this state of a foreign insurer or an alien insurer not  
21 domiciled in this state, on any of the following grounds:

22           \*~~0797/P1.430~~\*SECTION 1063. 645.82 (4) of the statutes is amended to read:

23           645.82 (4) FEDERAL RECEIVERSHIP. On the same grounds as are specified in sub.  
24 (1), the ~~commissioner~~ secretary may petition any appropriate federal district court  
25 to be appointed receiver to liquidate that portion of the insurer's assets and business

1 over which the court will exercise jurisdiction, or any lesser part thereof that the  
2 ~~commissioner~~ secretary deems desirable for the protection of the policyholders and  
3 creditors in this state. The ~~commissioner~~ secretary may accept appointment as  
4 federal receiver if another person files a petition.

5 \*~~0797/P1.431~~\*SECTION 1064. 645.83 (2) of the statutes is amended to read:

6 645.83 (2) PROPERTY RIGHTS AND TITLE: STATE NOT A RECIPROCAL STATE. If a  
7 domiciliary liquidator is appointed for an insurer not domiciled in a reciprocal state,  
8 the ~~commissioner of this state~~ secretary shall be vested by operation of law with the  
9 title to all of the property, contracts and rights of action, and all of the books, accounts  
10 and other records of the insurer located in this state, at the same time that the  
11 domiciliary liquidator is vested with title in the domicile. The ~~commissioner of this~~  
12 ~~state~~ secretary may petition for a conservation or liquidation order under s. 645.81  
13 or 645.82, or for an ancillary receivership under s. 645.84, or after approval by the  
14 circuit court for Dane County may transfer title to the domiciliary liquidator, as the  
15 interests of justice and the equitable distribution of the assets require.

16 \*~~0797/P1.432~~\*SECTION 1065. 645.84 (1) (intro.) of the statutes is amended to  
17 read:

18 645.84 (1) APPOINTMENT OF ANCILLARY RECEIVER IN THIS STATE. (intro.) If a  
19 domiciliary liquidator has been appointed for an insurer not domiciled in this state,  
20 the ~~commissioner~~ secretary shall file a petition with the circuit court for Dane  
21 County requesting appointment as ancillary receiver in this state in any of the  
22 following circumstances:

23 \*~~0797/P1.433~~\*SECTION 1066. 645.84 (1) (a) of the statutes is amended to read:

1           645.84 (1) (a) If the ~~commissioner~~ secretary finds that there are sufficient  
2 assets of the insurer located in this state to justify the appointment of an ancillary  
3 receiver;

4           \*~~-0797/P1.434~~\*SECTION 1067. 645.84 (1) (b) of the statutes is amended to read:

5           645.84 (1) (b) If 10 or more persons resident in this state having claims against  
6 the insurer file a petition with the ~~commissioner~~ secretary requesting appointment  
7 of an ancillary receiver; ~~or.~~

8           \*~~-0797/P1.435~~\*SECTION 1068. 645.85 of the statutes is amended to read:

9           **645.85 Ancillary summary proceedings.** The ~~commissioner~~ secretary in  
10 his or her sole discretion may institute proceedings under ss. 645.21 to 645.23 at the  
11 request of the ~~commissioner~~ secretary or other appropriate official of the domiciliary  
12 state of any nondomestic insurer having property located in this state.

13           \*~~-0797/P1.436~~\*SECTION 1069. 646.11 (5) of the statutes is amended to read:

14           646.11 (5) IMMUNITY. No cause of action of any nature may arise against and  
15 no liability may be imposed upon the fund or its agents, employees, directors,  
16 including alternate representatives designated under s. 646.12 (1) (a) 3., or  
17 contributor insurers, or the ~~commissioner~~ secretary or the ~~commissioner's~~  
18 secretary's agents, employees, or representatives, for any act or omission by any of  
19 them in the performance of their powers and duties under this chapter.

20           \*~~-0797/P1.437~~\*SECTION 1070. 646.12 (1) (a) 1. of the statutes is amended to  
21 read:

22           646.12 (1) (a) 1. The fund shall be administered by a board of directors that  
23 shall consist of the attorney general, the state treasurer, and the ~~commissioner~~  
24 secretary, each of whom shall have full voting rights, and at least 9 but not more than

1 11 insurer representatives of domestic, foreign, and alien insurers subject to this  
2 chapter.

3 \*~~0797/P1.438~~SECTION 1071. 646.12 (1) (a) 2. of the statutes is amended to  
4 read:

5 646.12 (1) (a) 2. The ~~commissioner~~ secretary shall appoint the insurer  
6 representative members for 3-year terms, after considering recommendations of the  
7 other board members currently serving terms. In recommending candidates to fill  
8 the positions, the board shall consider whether all insurers subject to this chapter  
9 are fairly represented, including property and casualty insurers, life and health  
10 insurers, health maintenance organizations and service insurance corporations, and  
11 domestic and nondomestic insurers.

12 \*~~0797/P1.439~~SECTION 1072. 646.12 (2) (e) of the statutes is amended to read:

13 646.12 (2) (e) Advise and make recommendations to the ~~commissioner~~  
14 secretary on any matter related to the possible insolvency of an insurer covered by  
15 this chapter, and respond to any reasonable questions presented by the  
16 ~~commissioner~~ secretary. Information, recommendations and advice under this  
17 subsection are privileged and confidential and are not open to public inspection  
18 under s. 19.35 (1).

19 \*~~0797/P1.440~~SECTION 1073. 646.16 (1) of the statutes is amended to read:

20 646.16 (1) The ~~commissioner~~ department shall promptly pay to the fund any  
21 deposit held in this state that was paid, as required by law or the ~~commissioner~~  
22 department, by the insolvent insurer for the benefit of creditors, including  
23 policyholders, and not turned over to the domiciliary liquidator upon the entry of a  
24 final order of liquidation of an insurer domiciled in this state or in a reciprocal state,  
25 as defined in s. 645.03 (1) (i). Of the amount paid to the fund under this subsection,

1 the fund may retain the percentage determined by dividing the aggregate amount  
2 of policyholders' claims that are related to the insolvency and for which the fund has  
3 provided benefits under this chapter by the aggregate amount of all policyholders'  
4 claims in this state that are related to the insolvency. The fund shall remit the  
5 balance to the domiciliary liquidator.

6 **\*-0797/P1.441\*SECTION 1074.** 646.35 (8) (e) of the statutes is amended to read:

7 646.35 (8) (e) This subsection supersedes s. 645.58 (1), any applicable rules of  
8 the ~~commissioner~~ department, and the provisions of any affected reinsurance  
9 agreement that provide for or require payment of reinsurance proceeds to the  
10 liquidator of the insolvent insurer on account of losses or events that occur after the  
11 coverage date. The liquidator remains entitled to any amounts payable by the  
12 reinsurer under the reinsurance agreement with respect to losses or events that  
13 occur before the coverage date, subject to any applicable setoff provisions.

14 **\*-0797/P1.442\*SECTION 1075.** 646.51 (7) (d) of the statutes is amended to  
15 read:

16 646.51 (7) (d) Any amount available for credit against future tax liabilities  
17 under this subsection may be regarded as an asset of the insurer under rules  
18 promulgated by the ~~commissioner~~ department.

19 **\*-0797/P1.443\*SECTION 1076.** 648.01 (2) of the statutes is repealed.

20 **\*-0797/P1.444\*SECTION 1077.** 648.05 (2) (intro.) of the statutes is amended to  
21 read:

22 648.05 (2) APPLICATION. (intro.) A care management organization applying for  
23 a permit shall submit all of the following information in the format required by the  
24 ~~commissioner~~ department of financial institutions, insurance, and professional  
25 standards:

1           \*~~0797/P1.445~~SECTION 1078. 648.05 (2) (a) of the statutes is amended to read:

2           648.05 (2) (a) The names, addresses and occupations of all controlling persons  
3 and directors and principal officers of the care management organization currently  
4 and for the preceding 10 years, unless the ~~commissioner~~ department of financial  
5 institutions, insurance, and professional standards waives this requirement.

6           \*~~0797/P1.446~~SECTION 1079. 648.05 (2) (c) of the statutes is amended to read:

7           648.05 (2) (c) A business plan approved by the department of health services,  
8 including a projection of the anticipated operating results at the end of each of the  
9 next 3 years of operation, based on reasonable estimates of income and operating  
10 expenses.

11           \*~~0797/P1.447~~SECTION 1080. 648.05 (2) (d) of the statutes is amended to  
12 read:

13           648.05 (2) (d) Any other relevant documents or information that the  
14 ~~commissioner~~ department of financial institutions, insurance, and professional  
15 standards reasonably requires after consulting with the department of health  
16 services.

17           \*~~0797/P1.448~~SECTION 1081. 648.05 (3) (intro.) of the statutes is amended to  
18 read:

19           648.05 (3) STANDARDS FOR ISSUING PERMIT. (intro.) The ~~commissioner~~  
20 department of financial institutions, insurance, and professional standards may  
21 issue a permit to the care management organization if the ~~commissioner~~ department  
22 of financial institutions, insurance, and professional standards finds, after  
23 consulting with the department of health services, all of the following:

24           \*~~0797/P1.449~~SECTION 1082. 648.05 (4) (intro.) of the statutes is amended to  
25 read:

1           648.05 (4) SUSPENSION OR REVOCATION. (intro.) The ~~commissioner~~ department  
2 of financial institutions, insurance, and professional standards may suspend or  
3 revoke a permit issued under this chapter if the ~~commissioner~~ department of  
4 financial institutions, insurance, and professional standards finds, after consulting  
5 with the department of health services, any of the following:

6           \*~~-0797/P1.450~~\*SECTION 1083. 648.05 (4) (d) of the statutes is amended to  
7 read:

8           648.05 (4) (d) The permittee conceals records from the ~~commissioner~~  
9 department of financial institutions, insurance, and professional standards.

10           \*~~-0797/P1.451~~\*SECTION 1084. 648.05 (4) (f) of the statutes is amended to read:  
11           648.05 (4) (f) The permittee ceases to be certified by or maintain a contract with  
12 the department of health services.

13           \*~~-0797/P1.452~~\*SECTION 1085. 648.10 (intro.) and (1) of the statutes are  
14 amended to read:

15           **648.10 Powers and duties of the ~~commissioner~~ department.** (intro.) The  
16 ~~commissioner~~ department of financial institutions, insurance, and professional  
17 standards may do any of the following:

18           (1) Promulgate rules that are necessary to carry out the intent of this chapter,  
19 including, after consulting with the department of health services, standards for the  
20 financial condition of care management organizations.

21           \*~~-0797/P1.453~~\*SECTION 1086. 648.15 (1) (intro.) of the statutes is amended to  
22 read:

23           648.15 (1) REPORTS. (intro.) The ~~commissioner~~ department of financial  
24 institutions, insurance, and professional standards may require from any care  
25 management organization any of the following:



1           \*~~0797/P1.454~~\*SECTION 1087. 648.15 (1) (a) of the statutes is amended to read:

2           648.15 (1) (a) Statements, reports, answers to questionnaires, and other  
3 information in whatever reasonable form the ~~commissioner~~ department of financial  
4 institutions, insurance, and professional standards designates and at such  
5 reasonable intervals as the ~~commissioner~~ department of financial institutions,  
6 insurance, and professional standards chooses, or from time to time.

7           \*~~0797/P1.455~~\*SECTION 1088. 648.15 (2) of the statutes is amended to read:

8           648.15 (2) FORMS. The ~~commissioner~~ department of financial institutions,  
9 insurance, and professional standards, after consulting with the department of  
10 health services, may prescribe forms for the reports under sub. (1) and specify who  
11 shall execute or certify such reports.

12           \*~~0797/P1.456~~\*SECTION 1089. 648.15 (3) of the statutes is amended to read:

13           648.15 (3) ACCOUNTING METHODS. The ~~commissioner~~ department of financial  
14 institutions, insurance, and professional standards, after consulting with the  
15 department of health services, may prescribe reasonable minimum standards and  
16 techniques of accounting and data handling to ensure that timely and reliable  
17 information will exist and will be available to the ~~commissioner~~ department of  
18 financial institutions, insurance, and professional standards.

19           \*~~0797/P1.457~~\*SECTION 1090. 648.15 (4) of the statutes is amended to read:

20           648.15 (4) REPLIES. Any officer or manager of a care management organization,  
21 any person controlling or having a contract under which the person has a right to  
22 control a care management organization, whether exclusively or otherwise, or any  
23 person with executive authority over or in charge of any segment of such a care  
24 management organization's affairs, shall reply promptly in writing or in another

1 designated form, to any written inquiry from the ~~commissioner~~ department of  
2 financial institutions, insurance, and professional standards requesting a reply.

3 **\*-0797/P1.458\*SECTION 1091.** 648.15 (5) of the statutes is amended to read:

4 648.15 (5) VERIFICATION. The ~~commissioner~~ department of financial  
5 institutions, insurance, and professional standards may require that any  
6 communication made to the ~~commissioner~~ department of financial institutions,  
7 insurance, and professional standards under this section be verified.

8 **\*-0797/P1.459\*SECTION 1092.** 648.15 (6) of the statutes is amended to read:

9 648.15 (6) IMMUNITY. In the absence of actual malice, no person shall be subject  
10 to damages in an action for defamation based on a communication to the  
11 ~~commissioner~~ department of financial institutions, insurance, and professional  
12 standards required by law under this chapter or by the ~~commissioner~~ department of  
13 financial institutions, insurance, and professional standards under this chapter.

14 **\*-0797/P1.460\*SECTION 1093.** 648.15 (7) of the statutes is amended to read:

15 648.15 (7) EXPERTS. The ~~commissioner~~ department of financial institutions,  
16 insurance, and professional standards may employ experts to assist the  
17 ~~commissioner~~ department of financial institutions, insurance, and professional  
18 standards in an examination or in the review of any transaction subject to approval  
19 under this chapter. The care management organization that is the subject of the  
20 examination, or that is a party to a transaction under review, including the person  
21 acquiring, controlling, or attempting to acquire the care management organization,  
22 shall pay the reasonable costs incurred by the ~~commissioner~~ department of financial  
23 institutions, insurance, and professional standards for the expert and related  
24 expenses.

25 **\*-0797/P1.461\*SECTION 1094.** 648.20 (1) (a) of the statutes is amended to read:

1           648.20 (1) (a) To inform himself or herself about a matter related to the  
2 enforcement of this chapter, the ~~commissioner~~ department of financial institutions,  
3 insurance, and professional standards may examine the affairs and condition of any  
4 permittee.

5           \*~~0797/P1.462~~\***SECTION 1095.** 648.20 (1) (b) (intro.) of the statutes is amended  
6 to read:

7           648.20 (1) (b) (intro.) So far as reasonably necessary for an examination under  
8 par. (a), the ~~commissioner~~ department of financial institutions, insurance, and  
9 professional standards may examine the accounts, records, or documents so far as  
10 they relate to the permittee, of any of the following:

11           \*~~0797/P1.463~~\***SECTION 1096.** 648.20 (1) (c) of the statutes is amended to read:

12           648.20 (1) (c) On demand, every permittee shall make available to the  
13 ~~commissioner~~ department of financial institutions, insurance, and professional  
14 standards for examination any of its own accounts, records, documents, or evidences  
15 of transactions.

16           \*~~0797/P1.464~~\***SECTION 1097.** 648.20 (1) (d) of the statutes is amended to  
17 read:

18           648.20 (1) (d) On order of the ~~commissioner~~ department of financial  
19 institutions, insurance, and professional standards any examinee under this chapter  
20 shall bring to the ~~office~~ department of financial institutions, insurance, and  
21 professional standards for examination such records as the order reasonably  
22 requires.

23           \*~~0797/P1.465~~\***SECTION 1098.** 648.20 (2) of the statutes is amended to read:

24           648.20 (2) AUDITS OR ACTUARIAL OR OTHER EVALUATIONS. In lieu of all or part of  
25 an examination under sub. (1), or in addition to it, the ~~commissioner~~ department of

1 financial institutions, insurance, and professional standards may order an  
2 independent audit by certified public accountants or an actuarial or other evaluation  
3 by actuaries or other experts approved by the ~~commissioner~~ department of financial  
4 institutions, insurance, and professional standards of any permittee. Any  
5 accountant, actuary, or other expert selected is subject to rules respecting conflicts  
6 of interest promulgated by the ~~commissioner~~ department of financial institutions,  
7 insurance, and professional standards. Any audit or evaluation under this section  
8 is subject to s. 648.25, so far as applicable.

9 \*~~0797/P1.466~~\*SECTION 1099. 648.20 (3) of the statutes is amended to read:

10 648.20 (3) ALTERNATIVES TO EXAMINATION. In lieu of all or part of an examination  
11 under this section, the ~~commissioner~~ department of financial institutions,  
12 insurance, and professional standards may accept the report of an audit already  
13 made by certified public accountants or of an actuarial or other evaluation already  
14 made by actuaries or other experts approved by the ~~commissioner~~ department of  
15 financial institutions, insurance, and professional standards, or the report of an  
16 examination made by another government agency in this state, the federal  
17 government, or another state.

18 \*~~0797/P1.467~~\*SECTION 1100. 648.20 (4) of the statutes is amended to read:

19 648.20 (4) PURPOSE AND SCOPE OF EXAMINATION. An examination may but need  
20 not cover comprehensively all aspects of the permittee's affairs and condition. The  
21 ~~commissioner~~ department of financial institutions, insurance, and professional  
22 standards shall determine the exact nature and scope of each examination, and in  
23 doing so shall take into account all relevant factors, including the length of time the  
24 permittee has been doing business, the length of time the permittee has been  
25 certified by the department of health services, the nature of the business being

1 examined, the nature of the accounting records available, and the nature of  
2 examinations performed elsewhere.

3 **\*-0797/P1.468\*SECTION 1101.** 648.25 (1) of the statutes is amended to read:

4 648.25 (1) ORDER OF EXAMINATION. For each examination under s. 648.20, the  
5 ~~commissioner~~ department of financial institutions, insurance, and professional  
6 standards shall issue an order stating the scope of the examination and designating  
7 the examiner in charge. Upon demand, a copy of the order shall be provided to the  
8 examinee.

9 **\*-0797/P1.469\*SECTION 1102.** 648.25 (2) of the statutes is amended to read:

10 648.25 (2) ACCESS TO EXAMINEE. Any examiner authorized by the ~~commissioner~~  
11 department of financial institutions, insurance, and professional standards shall, for  
12 the purposes of the examination, have access at all reasonable hours to the premises  
13 and to any property of the examinee.

14 **\*-0797/P1.470\*SECTION 1103.** 648.25 (4) of the statutes is amended to read:

15 648.25 (4) CORRECTION OF BOOKS. If the ~~commissioner~~ department of financial  
16 institutions, insurance, and professional standards finds the accounts or records to  
17 be inadequate for proper examination of the condition and affairs of the permittee  
18 or improperly kept or posted, the ~~commissioner~~ department of financial institutions,  
19 insurance, and professional standards may employ experts to rewrite, post, or  
20 balance them at the expense of the permittee.

21 **\*-0797/P1.471\*SECTION 1104.** 648.25 (5) of the statutes is amended to read:

22 648.25 (5) REPORT ON EXAMINATION. The examiner in charge of an examination  
23 shall make a proposed report of the examination, including information and analysis  
24 ordered in sub. (1), together with the examiner's recommendations. Preparation of  
25 the proposed report may include conferences with the examinee or the examinee's

1 representatives at the option of the examiner in charge. The ~~commissioner~~  
2 department of financial institutions, insurance, and professional standards shall  
3 serve the final examination report on the examinee.

4 \*~~-0797/P1.472~~\*SECTION 1105. 648.27 (1) of the statutes is amended to read:

5 648.27 (1) COSTS TO BE PAID BY CARE MANAGEMENT ORGANIZATIONS. Permittees  
6 shall pay the reasonable estimate of costs of examinations under s. 648.20, of review  
7 of applications under s. 648.05, and of analysis and financial monitoring of care  
8 management organizations by the ~~commissioner~~ department of financial  
9 institutions, insurance, and professional standards and the department of health  
10 services, including overhead and fixed costs, by a system of regular annual billings.

11 \*~~-0797/P1.473~~\*SECTION 1106. 648.27 (2) of the statutes is amended to read:

12 648.27 (2) DETERMINATION OF COSTS. Annually, the ~~commissioner~~ department  
13 of financial institutions, insurance, and professional standards shall determine the  
14 estimated costs under sub. (1) for the ~~commissioner~~ department of financial  
15 institutions, insurance, and professional standards and the department of health  
16 services. The ~~commissioner~~ department of financial institutions, insurance, and  
17 professional standards shall serve a request for payment on each permittee  
18 allocating the cost to each permittee in an amount that the ~~commissioner~~  
19 department of financial institutions, insurance, and professional standards  
20 determines reflects the permittee's proportionate share of projected enrollment in  
21 the department's annual contracting period for the department of health services.

22 \*~~-0797/P1.474~~\*SECTION 1107. 648.27 (3) of the statutes is amended to read:

23 648.27 (3) PAYMENT DEADLINE. The permittee shall pay the amount determined  
24 by the ~~commissioner~~ department of financial institutions, insurance, and

1 professional standards within 30 days of service of the request for payment under  
2 sub. (2).

3 \*~~0797/P1.475~~\*SECTION 1108. 648.30 (1) (intro.) of the statutes is amended to  
4 read:

5 648.30 (1) TYPES OF INFORMATION. (intro.) The ~~office~~ department of financial  
6 institutions, insurance, and professional standards may refuse to disclose and may  
7 prevent any other person from disclosing any of the following:

8 \*~~0797/P1.476~~\*SECTION 1109. 648.30 (1) (c) (intro.) of the statutes is amended  
9 to read:

10 648.30 (1) (c) (intro.) Testimony, reports, records, communications, and  
11 information that are obtained by the ~~office~~ department of financial institutions,  
12 insurance, and professional standards from, or provided by the office to, any of the  
13 following, under a pledge of confidentiality or for the purpose of assisting or  
14 participating in monitoring activities or in the conduct of any inquiry, investigation,  
15 or examination:

16 \*~~0797/P1.477~~\*SECTION 1110. 648.30 (1) (c) 5. of the statutes is amended to  
17 read:

18 648.30 (1) (c) 5. An international, federal, state, or local regulatory or law  
19 enforcement agency, including the department of health services.

20 \*~~0797/P1.478~~\*SECTION 1111. 648.35 (1) of the statutes is amended to read:

21 648.35 (1) INJUNCTIONS AND RESTRAINING ORDERS. The ~~commissioner~~  
22 department of financial institutions, insurance, and professional standards may  
23 commence an action in circuit court in the name of the state to restrain by temporary  
24 or permanent injunction or by temporary restraining order any violation of this  
25 chapter, any rule promulgated under this chapter, or any order issued under s.

1 648.10 (2). The ~~commissioner~~ department of financial institutions, insurance, and  
2 professional standards need not show irreparable harm or lack of an adequate  
3 remedy at law in an action commenced under this subsection.

4 \*~~0797/P1.479~~\*SECTION 1112. 648.35 (2) of the statutes is amended to read:

5 648.35 (2) ORDERS. The ~~commissioner~~ department of financial institutions,  
6 insurance, and professional standards shall issue any orders under the procedures  
7 described in s. 601.63 and shall hold any hearings under the procedures described  
8 in s. 601.62.

9 \*~~0797/P1.480~~\*SECTION 1113. 648.35 (3) of the statutes is amended to read:

10 648.35 (3) COMPULSIVE FORFEITURES. If a person does not comply with an order  
11 issued under s. 648.10 (2) within 2 weeks after the ~~commissioner~~ department of  
12 financial institutions, insurance, and professional standards has given the care  
13 management organization notice of the ~~commissioner's~~ department's intention to  
14 proceed under this subsection, the ~~commissioner~~ department of financial  
15 institutions, insurance, and professional standards may commence an action for a  
16 forfeiture in such sum as the court considers just, but not exceeding \$5,000 for each  
17 day that the violation continues after the commencement of the action until  
18 judgment is rendered. No forfeiture may be imposed under this subsection if at the  
19 time the action was commenced the care management organization was in  
20 compliance with the order, nor for any violation of an order occurring while any  
21 proceeding for judicial review of the order was pending, unless the court in which the  
22 proceeding was pending certifies that the claim of invalidity or nonapplicability of  
23 the order was frivolous or a sham. If after judgment is rendered the care  
24 management organization does not comply with the order, the commissioner  
25 department of financial institutions, insurance, and professional standards may



1 commence a new action for a forfeiture and may continue commencing actions until  
2 the person complies. The proceeds of all actions under this subsection, after  
3 deduction of the expenses of collection, shall be paid into the common school fund of  
4 the state.

5 \*~~0797/P1.481~~\*SECTION 1114. 648.35 (4) (c) of the statutes is amended to read:

6 648.35 (4) (c) *Forfeiture for violation of statute or rule.* Whoever violates,  
7 intentionally aids in violating, or knowingly permits a person over whom he or she  
8 has authority to violate a section of this chapter or a rule promulgated under this  
9 chapter shall forfeit to the state not more than \$1,000 for each violation. If the section  
10 or rule violated imposes a duty to make a report to the ~~commissioner~~ department of  
11 financial institutions, insurance, and professional standards, each week of delay in  
12 complying with the duty is a new violation.

13 \*~~0797/P1.482~~\*SECTION 1115. 648.35 (4) (d) of the statutes is amended to read:

14 648.35 (4) (d) *Procedure.* The ~~commissioner~~ department of financial  
15 institutions, insurance, and professional standards may order any person to pay a  
16 forfeiture imposed under this subsection, which shall be paid into the common school  
17 fund. If the order is issued without a hearing, the affected person may demand a  
18 hearing through procedures described under s. 601.62 (3) (a). If the person fails to  
19 request a hearing, the order is conclusive as to the person's liability. The scope of  
20 review for forfeitures ordered is that specified under s. 227.57. The ~~commissioner~~  
21 department of financial institutions, insurance, and professional standards may  
22 cause an action to be commenced to recover the forfeiture. Before an action is  
23 commenced, the ~~commissioner~~ department of financial institutions, insurance, and  
24 professional standards may compromise the forfeiture.

25 \*~~0797/P1.483~~\*SECTION 1116. 648.45 (1) of the statutes is amended to read:

1           648.45 (1) INFORMATION. A permittee and a person attempting to acquire or  
2           having control of a permittee, shall report to the ~~commissioner~~ department of  
3           financial institutions, insurance, and professional standards the information  
4           concerning the permittee, its affiliates, and the person attempting to acquire control  
5           of the permittee that the ~~commissioner~~ department of financial institutions,  
6           insurance, and professional standards requires by rule. The ~~commissioner~~  
7           department of financial institutions, insurance, and professional standards may  
8           promulgate rules prescribing the timing of reports under this subsection, including  
9           requiring periodic reporting and the form and procedure for filing reports.

10           \*~~0797/P1.484~~\*SECTION 1117. 648.45 (3) of the statutes is amended to read:

11           648.45 (3) CONSENT TO JURISDICTION. Every permittee shall promptly submit  
12           to the ~~commissioner~~ department of financial institutions, insurance, and  
13           professional standards a statement from each of its affiliates that the affiliate agrees  
14           to be subject to the jurisdiction of the ~~commissioner~~ department of financial  
15           institutions, insurance, and professional standards and the courts of this state for  
16           the purposes of this chapter. A governmental unit is not subject to this requirement.  
17           The ~~commissioner~~ department of financial institutions, insurance, and professional  
18           standards may exempt other affiliates from this subsection.

19           \*~~0797/P1.485~~\*SECTION 1118. 648.45 (4) of the statutes is amended to read:

20           648.45 (4) INFORMATION ORDER. The ~~commissioner~~ department of financial  
21           institutions, insurance, and professional standards may, by order, require any  
22           permittee or any person attempting to acquire or having control of the permittee, to  
23           report information under sub. (1) or other information to the ~~commissioner~~  
24           department of financial institutions, insurance, and professional standards.

25           \*~~0797/P1.486~~\*SECTION 1119. 648.45 (5) (d) of the statutes is amended to read:

1           648.45 (5) (d) The transaction complies with any other standard that the  
2 ~~commissioner~~ department of financial institutions, insurance, and professional  
3 standards, after consulting with the department of health services, prescribes by  
4 rule.

5           \*~~-0797/P1.487~~\*SECTION 1120. 648.45 (6) (a) 1. (intro.) of the statutes is  
6 amended to read:

7           648.45 (6) (a) 1. (intro.) ~~The commissioner~~ department of financial institutions,  
8 insurance, and professional standards, after consulting with the department of  
9 health services, may promulgate rules requiring a permittee, a person attempting  
10 to acquire or having control of a permittee, and affiliates of a permittee to report a  
11 transaction or a group or series of transactions, if all of the following are satisfied:

12           \*~~-0797/P1.488~~\*SECTION 1121. 648.45 (6) (a) 2. of the statutes is amended to  
13 read:

14           648.45 (6) (a) 2. Transactions that are material to a permittee for the purposes  
15 of subd. 1. include management contracts, service contracts, and cost-sharing  
16 arrangements. ~~The commissioner~~ department of financial institutions, insurance,  
17 and professional standards, after consulting with the department of health services,  
18 may prescribe by rule standards for determining whether a transaction is material  
19 under this subsection.

20           \*~~-0797/P1.489~~\*SECTION 1122. 648.45 (6) (a) 3. of the statutes is amended to  
21 read:

22           648.45 (6) (a) 3. No permittee, person attempting to acquire or having control  
23 of a permittee, or affiliate of the permittee may enter into a transaction required to  
24 be reported to the ~~commissioner~~ department of financial institutions, insurance, and  
25 professional standards under this subsection unless the permittee, person, and

1 affiliate report the transaction to the ~~commissioner~~ department of financial  
2 institutions, insurance, and professional standards in the form and by the date  
3 before the effective date of the transaction that are prescribed by the ~~commissioner~~  
4 department of financial institutions, insurance, and professional standards by rule,  
5 after consulting with the department of health services. The ~~commissioner~~  
6 department of financial institutions, insurance, and professional standards may not  
7 require the transaction to be reported earlier than 30 days before the effective date  
8 of the transaction.

9 \*~~0797/P1.490~~\*SECTION 1123. 648.45 (6) (b) of the statutes is amended to read:

10 648.45 (6) (b) *Disapproval*. The ~~commissioner~~ department of financial  
11 institutions, insurance, and professional standards may, within the period  
12 prescribed in par. (a) 3., disapprove any transaction reported under par. (a) if the  
13 ~~commissioner~~ department of financial institutions, insurance, and professional  
14 standards finds, after consulting with the department, that it would violate the law  
15 or would be contrary to the interests of enrollees of the permittee, the department  
16 of health services, or the public.

17 \*~~0797/P1.491~~\*SECTION 1124. 648.45 (6) (c) of the statutes is amended to read:

18 648.45 (6) (c) *Transactions prohibited*. No permittee, person attempting to  
19 acquire or having control of the permittee, or affiliate of the permittee may enter into  
20 a transaction that is not reported as required under par. (a) or that is disapproved  
21 by the ~~commissioner~~ department of financial institutions, insurance, and  
22 professional standards under par. (b).

23 \*~~0797/P1.492~~\*SECTION 1125. 648.45 (6) (d) of the statutes is amended to read:

24 648.45 (6) (d) *Voidable transactions*. If a permittee, person attempting to  
25 acquire or having control of the permittee, or affiliate enters into a transaction in

1 violation of this section, the permittee may void the transaction, obtain an  
2 injunction, and recover from the person or affiliate the amount necessary to restore  
3 the permittee to its condition had the transaction not occurred. The ~~commissioner~~  
4 department of financial institutions, insurance, and professional standards may  
5 order a permittee to void the transaction, to commence an action against the person  
6 or affiliate, or to take other action.

7 \*~~0797/P1.493~~\*SECTION 1126. 648.45 (6) (e) of the statutes is amended to read:

8 648.45 (6) (e) *Required financial conditions.* The ~~commissioner~~ department of  
9 financial institutions, insurance, and professional standards, after consulting with  
10 the department of health services, may promulgate rules for determining adequacy  
11 of financial condition under this section.

12 \*~~0797/P1.494~~\*SECTION 1127. 648.45 (6) (f) of the statutes is amended to read:

13 648.45 (6) (f) *Exemption if permittee reports.* Paragraph (a) does not apply to  
14 a person attempting to acquire or having control of, or an affiliate of, a permittee, if  
15 the permittee reports on behalf of the person or on behalf of the affiliate, and the  
16 transaction is not disapproved by the ~~commissioner~~ department of financial  
17 institutions, insurance, and professional standards under par. (b).

18 \*~~0797/P1.495~~\*SECTION 1128. 648.45 (7) (a) of the statutes is amended to read:

19 648.45 (7) (a) A permittee may not pay a dividend or distribution, and an  
20 affiliate of a permittee may not accept a dividend or distribution, unless the  
21 permittee reports the dividend or distribution to the ~~commissioner~~ department of  
22 financial institutions, insurance, and professional standards at least 30 days before  
23 payment and the ~~commissioner~~ department of financial institutions, insurance, and  
24 professional standards does not disapprove the dividend or distribution within that  
25 period.

1           \***-0797/P1.496**\*SECTION 1129. 648.45 (7) (b) (intro.) of the statutes is amended  
2 to read:

3           648.45 (7) (b) (intro.) The ~~commissioner~~ department of financial institutions,  
4 insurance, and professional standards, after consulting with the department of of  
5 health services, may promulgate rules under this section that do any of the following:

6           \***-0797/P1.497**\*SECTION 1130. 648.45 (7) (b) 2. of the statutes is amended to  
7 read:

8           648.45 (7) (b) 2. Exempt dividends or distributions from the reporting  
9 requirement under par. (a) under conditions that the ~~commissioner~~ department of  
10 financial institutions, insurance, and professional standards determines will not  
11 jeopardize the financial condition of the permittee.

12           \***-0797/P1.498**\*SECTION 1131. 648.45 (7) (c) of the statutes is amended to read:

13           648.45 (7) (c) A permittee may declare a dividend or distribution that is  
14 conditioned upon the permittee's compliance with this subsection. A declaration of  
15 a dividend or distribution under this subsection does not confer rights to the  
16 proposed recipient of the dividend or distribution unless this subsection is complied  
17 with and is void if the dividend or distribution is disapproved by the ~~commissioner~~  
18 department of financial institutions, insurance, and professional standards under  
19 par. (a).

20           \***-0797/P1.499**\*SECTION 1132. 648.45 (8) (b) of the statutes is amended to read:

21           648.45 (8) (b) An officer or director of a permittee or of an affiliate of a permittee  
22 who knows, or reasonably should know, that the permittee or affiliate has entered  
23 into a transaction or paid a dividend or distribution that violates this chapter shall  
24 report the transaction, dividend, or distribution to the commissioner in writing  
25 within 30 days after attaining that knowledge. Section 648.15 (6) applies to a report

1 under this section, and the report is confidential unless the ~~commissioner~~  
2 department of financial institutions, insurance, and professional standards finds it  
3 necessary to disclose the report for the purpose of enforcing this chapter.

4 \*~~0797/P1.500~~\*SECTION 1133. 648.50 (1) of the statutes is amended to read:

5 648.50 (1) APPROVAL REQUIRED. No proposed plan of merger or other plan for  
6 acquisition of control of a permittee may be executed unless the ~~commissioner~~  
7 department of financial institutions, insurance, and professional standards, after  
8 consulting with the department of health services, approves the plan.

9 \*~~0797/P1.501~~\*SECTION 1134. 648.50 (2) of the statutes is amended to read:

10 648.50 (2) GROUNDS FOR APPROVAL. The ~~commissioner~~ department of financial  
11 institutions, insurance, and professional standards shall approve the plan under  
12 this section if the ~~commissioner~~ department of financial institutions, insurance, and  
13 professional standards finds, after a hearing, that it would not violate the law or be  
14 contrary to the interests of the public, the department of health services, or the  
15 enrollees.

16 \*~~0797/P1.502~~\*SECTION 1135. 648.50 (3) of the statutes is amended to read:

17 648.50 (3) INFORMATION REQUIRED. A permittee shall report to the ~~commissioner~~  
18 department of financial institutions, insurance, and professional standards any  
19 changes in directors or principal officers after a permit is issued, together with  
20 biographical data on the new director or officer that the ~~commissioner~~ department  
21 of financial institutions, insurance, and professional standards requires by rule.

22 \*~~0797/P1.503~~\*SECTION 1136. 648.55 (title) of the statutes is amended to read:

23 648.55 (title) **Commissioner's Department's summary orders.**

24 \*~~0797/P1.504~~\*SECTION 1137. 648.55 (1) (intro.) of the statutes is amended to

25 read:

1           648.55 (1) (intro.) The ~~commissioner~~ department of financial institutions,  
2 insurance, and professional standards, after consulting with the department of of  
3 health services, may make and serve an order on a permittee, requiring it to stop  
4 providing services under the department contract, or to take corrective measures,  
5 without notice and before hearing, if it appears to the ~~commissioner~~ department of  
6 financial institutions, insurance, and professional standards that irreparable harm  
7 to the property or business of the permittee or to the interests of its enrollees or the  
8 public, will occur unless the ~~commissioner~~ department of financial institutions,  
9 insurance, and professional standards acts with immediate effect and one of the  
10 following applies:

11           \***-0797/P1.505**\*SECTION 1138. 648.55 (3) of the statutes is amended to read:

12           648.55 (3) The permittee has the rights provided under s. 601.62. The  
13 ~~commissioner~~ department of financial institutions, insurance, and professional  
14 standards may serve upon the permittee notice of hearing under the procedures  
15 under s. 601.62 simultaneously with service of the order under sub. (1).

16           \***-0797/P1.506**\*SECTION 1139. 648.55 (4) of the statutes is amended to read:

17           648.55 (4) The ~~commissioner~~ department of financial institutions, insurance,  
18 and professional standards may keep proceedings under this section confidential.

19           \***-0797/P1.507**\*SECTION 1140. 648.65 (1) of the statutes is amended to read:

20           648.65 (1) IMMUNITY. An enrollee of a care management organization is not  
21 liable for health care, service, equipment, or supply charges that are covered under  
22 the care management organization's contract with the department of health  
23 services.

24           \***-0797/P1.508**\*SECTION 1141. 648.75 (1) of the statutes is amended to read:



1           648.75 (1) DEPOSIT REQUIRED. A permittee shall deposit an amount established  
2 by the contract with the department of health services, and not less than \$250,000,  
3 using the procedures under s. 601.13.

4           \*~~-0797/P1.509~~\*SECTION 1142. 648.75 (2) (intro.) of the statutes is amended to  
5 read:

6           648.75 (2) RELEASE OF DEPOSIT. (intro.) A deposit under this section may be  
7 released only with the approval of the ~~commissioner~~ department of financial  
8 institutions, insurance, and professional standards, after consulting with the  
9 department of health services, by the procedures under s. 601.13 (10) and only in one  
10 of the following circumstances:

11           \*~~-0797/P1.510~~\*SECTION 1143. 648.75 (2) (b) of the statutes is amended to read:

12           648.75 (2) (b) To pay creditors of the permittee according to the priority  
13 determined by the department of health services if the permittee is insolvent,  
14 dissolves, or is subject to an insolvency proceeding, including a bankruptcy  
15 proceeding.

16           \*~~-0797/P1.511~~\*SECTION 1144. 648.75 (3) of the statutes is amended to read:

17           648.75 (3) ASSESSMENT. The department of health services may assess an  
18 amount from each permittee's deposit for the purpose of funding arrangements for,  
19 or to pay expenses related to, services for enrollees of an insolvent or financially  
20 hazardous permittee. The department's assessment by the department of health  
21 services shall be allocated to each permittee's deposit in an amount that reflects the  
22 permittee's proportionate share of projected enrollment in the department's annual  
23 contracting period for the department of health services. The ~~commissioner~~  
24 department of financial institutions, insurance, and professional standards may

1 authorize release, and the department of administration shall pay to the department  
2 of health services the assessed amount for the purposes of this subsection.

3 \*~~0797/P1.513~~\*SECTION 1145. 648.75 (4) of the statutes is amended to read:

4 648.75 (4) RESTORATION. A permittee shall restore its deposit that is subject to  
5 an assessment under sub. (3) within 30 days after the assessment, unless the ~~office~~  
6 department of financial institutions, insurance, and professional standards, after  
7 consulting with the department of health services, authorizes a longer period, which  
8 shall not exceed 2 years.

9 \*~~0797/P1.512~~\*SECTION 1146. 648.75 (4) of the statutes is amended to read:

10 648.75 (4) RESTORATION. A permittee shall restore its deposit that is subject to  
11 an assessment under sub. (3) within 30 days after the assessment, unless the ~~office~~  
12 department of financial institutions, insurance, and professional standards, after  
13 consulting with the department of health services, authorizes a longer period, which  
14 shall not exceed 2 years.

15 \*~~0797/P1.514~~\*SECTION 1147. 648.75 (5) of the statutes is amended to read:

16 648.75 (5) RECOVERY. The department of health services may recover, and may  
17 file a claim or bring civil action to recover, from the insolvent or financially hazardous  
18 permittee any amount that the department of health services assesses and pays  
19 under sub. (3). Any amount recovered shall be restored to each permittee's deposit  
20 in the same proportion as the assessment.

21 \*~~0797/P1.515~~\*SECTION 1148. 655.001 (4) of the statutes is repealed.

22 \*~~0797/P1.516~~\*SECTION 1149. 655.001 (14) of the statutes is amended to read:

23 655.001 (14) "Self-insurance plan" means a plan approved by the  
24 ~~commissioner~~ department of financial institutions, insurance, and professional  
25 standards to self-insure health care providers against medical malpractice claims

1 in accordance with this chapter. A “self–insurance plan” may provide coverage to a  
2 single health care provider or affiliated health care providers.

3 \*–0797/P1.517\*SECTION 1150. 655.002 (2) (intro.) of the statutes is amended  
4 to read:

5 655.002 (2) OPTIONAL PARTICIPATION. (intro.) All of the following may elect, in  
6 the manner designated by the ~~commissioner~~ department of financial institutions,  
7 insurance, and professional standards by rule under s. 655.004, to be subject to this  
8 chapter:

9 \*–0797/P1.518\*SECTION 1151. 655.003 (3) of the statutes is amended to read:

10 655.003 (3) Except for a physician or nurse anesthetist who meets the criteria  
11 under s. 146.89 (5) (a), a physician or a nurse anesthetist who provides professional  
12 services under the conditions described in s. 146.89, with respect to those  
13 professional services provided by the physician or nurse anesthetist for which he or  
14 she is covered by s. 165.25 and considered an agent of the department of health  
15 services, as provided in s. 165.25 (6) (b).

16 \*–0797/P1.519\*SECTION 1152. 655.004 of the statutes is amended to read:

17 655.004 Rule–making authority. The director of state courts, department  
18 of health services and ~~commissioner~~ department of financial institutions, insurance,  
19 and professional standards may promulgate such rules under ch. 227 as are  
20 necessary to enable them to perform their responsibilities under this chapter.

21 \*–0797/P1.520\*SECTION 1153. 655.015 of the statutes is amended to read:

22 655.015 Future medical expenses. If a settlement or judgment under this  
23 chapter resulting from an act or omission that occurred on or after May 25, 1995,  
24 provides for future medical expense payments in excess of \$100,000, that portion of  
25 future medical expense payments in excess of an amount equal to \$100,000 plus an

1 amount sufficient to pay the costs of collection attributable to the future medical  
2 expense payments, including attorney fees reduced to present value, shall be paid  
3 into the fund. The ~~commissioner~~ department of financial institutions, insurance,  
4 and professional standards shall develop by rule a system for managing and  
5 disbursing those moneys through payments for these expenses, which shall include  
6 a provision for the creation of a separate accounting for each claimant's payments  
7 and for crediting each claimant's account with a proportionate share of any interest  
8 earned by the fund, based on that account's proportionate share of the fund. The  
9 ~~commissioner~~ department of financial institutions, insurance, and professional  
10 standards shall promulgate a rule specifying the criteria that shall be used to  
11 determine the medical expenses related to the settlement or judgment, taking into  
12 consideration developments in the provision of health care. The payments shall be  
13 made under the system until either the account is exhausted or the patient dies.

14 \*~~0797/P1.521~~\*SECTION 1154. 655.019 of the statutes is amended to read:

15 **655.019 Information needed to set fees.** The department of health services  
16 shall provide the director of state courts, the ~~commissioner~~ department of financial  
17 institutions, insurance, and professional standards and the board of governors with  
18 information on hospital bed capacity and occupancy rates as needed to set fees under  
19 s. 655.27 (3) or 655.61.

20 \*~~0797/P1.522~~\*SECTION 1155. 655.23 (3) (a) of the statutes is amended to read:

21 655.23 (3) (a) Except as provided in par. (d), every health care provider either  
22 shall insure and keep insured the health care provider's liability by a policy of health  
23 care liability insurance issued by an insurer authorized to do business in this state  
24 or shall qualify as a self-insurer. Qualification as a self-insurer is subject to  
25 conditions established by the ~~commissioner~~ department of financial institutions,

1 insurance, and professional standards and is valid only when approved by the  
2 ~~commissioner~~ department of financial institutions, insurance, and professional  
3 standards. The ~~commissioner~~ department of financial institutions, insurance, and  
4 professional standards may establish conditions that permit a self-insurer to  
5 self-insure for claims that are against employees who are health care practitioners  
6 and that are not covered by the fund. An approved self-insurance plan may provide  
7 coverage for all affiliated health care providers under a controlling legal entity.

8 \*~~0797/P1.523~~\*SECTION 1156. 655.23 (3) (b) of the statutes is amended to read:

9 655.23 (3) (b) Each insurance company issuing health care liability insurance  
10 that meets the requirements of sub. (4) to any health care provider shall, at the times  
11 prescribed by the ~~commissioner~~ department of financial institutions, insurance, and  
12 professional standards, file with the ~~commissioner~~ department of financial  
13 institutions, insurance, and professional standards in a form prescribed by the  
14 ~~commissioner~~ department of financial institutions, insurance, and professional  
15 standards a certificate of insurance on behalf of the health care provider upon  
16 original issuance and each renewal.

17 \*~~0797/P1.524~~\*SECTION 1157. 655.23 (3) (c) of the statutes is amended to read:

18 655.23 (3) (c) Each self-insured health care provider furnishing coverage that  
19 meets the requirements of sub. (4) shall, at the times and in the form prescribed by  
20 the ~~commissioner~~ department of financial institutions, insurance, and professional  
21 standards, file with the ~~commissioner~~ department of financial institutions,  
22 insurance, and professional standards a certificate of self-insurance and a separate  
23 certificate of insurance for each additional health care provider covered by the  
24 self-insured plan.

25 \*~~0797/P1.525~~\*SECTION 1158. 655.23 (3) (d) of the statutes is amended to read:

1           655.23 (3) (d) If a cash or surety bond furnished by a health care provider for  
2 the purpose of insuring and keeping insured the health care provider's liability was  
3 approved by the commissioner before April 25, 1990, par. (a) does not apply to the  
4 health care provider while the cash or surety bond remains in effect. A cash or surety  
5 bond remains in effect unless the ~~commissioner~~ department of financial institutions,  
6 insurance, and professional standards, at the request of the health care provider or  
7 the surety, approves its cancellation.

8           \*~~-0797/P1.526~~\*SECTION 1159. 655.23 (4) (d) of the statutes is amended to read:

9           655.23 (4) (d) The ~~commissioner~~ department of financial institutions,  
10 insurance, and professional standards may promulgate such rules as the  
11 ~~commissioner~~ department of financial institutions, insurance, and professional  
12 standards considers necessary for the application of the liability limits under par. (b)  
13 to reporting years following termination of claims-made coverage, including rules  
14 that provide for the use of actuarial equivalents.

15           \*~~-0797/P1.527~~\*SECTION 1160. 655.23 (7) of the statutes is amended to read:

16           655.23 (7) Each health care provider shall comply with this section and with  
17 s. 655.27 (3) (a) before exercising any rights or privileges conferred by his or her  
18 health care provider's license. The ~~commissioner~~ department of financial  
19 institutions, insurance, and professional standards shall notify the board that issued  
20 the license of a health care provider that has not complied with this section or with  
21 s. 655.27 (3) (a). The board that issued the license may suspend, or refuse to issue  
22 or to renew the license of any health care provider violating this section or s. 655.27  
23 (3) (a).

24           \*~~-0797/P1.528~~\*SECTION 1161. 655.23 (8) of the statutes is amended to read:

1           655.23 (8) No health care provider who retires or ceases operation after July  
2           24, 1975, shall be eligible for the protection provided under this chapter unless proof  
3           of financial responsibility for all claims arising out of acts of malpractice occurring  
4           after July 24, 1975, is provided to the ~~commissioner~~ department of financial  
5           institutions, insurance, and professional standards in the form prescribed by the  
6           ~~commissioner~~ department of financial institutions, insurance, and professional  
7           standards.

8           \*~~-0797/P1.529~~\*SECTION 1162. 655.24 (1) of the statutes is amended to read:

9           655.24 (1) No insurer may enter into or issue any policy of health care liability  
10          insurance until its policy form has been submitted to and approved by the  
11          ~~commissioner~~ department of financial institutions, insurance, and professional  
12          standards under s. 631.20 (1) (a). The filing of a policy form by any insurer with the  
13          ~~commissioner~~ department of financial institutions, insurance, and professional  
14          standards for approval shall constitute, on the part of the insurer, a conclusive and  
15          unqualified acceptance of all provisions of this chapter, and an agreement by it to be  
16          bound hereby as to any policy issued by it to any health care provider.

17          \*~~-0797/P1.530~~\*SECTION 1163. 655.24 (3) of the statutes is amended to read:

18          655.24 (3) A notice of cancellation or nonrenewal that is required under sub.  
19          (2) (b) issued to a health care provider who is a natural person must inform the health  
20          care provider that his or her license to practice medicine or nursing may be  
21          suspended or not renewed if the health care provider has no insurance or insufficient  
22          insurance. The insurer shall retain a copy of each notice issued under sub. (2) (b) for  
23          not less than 10 years from the date of mailing or delivery of the notice and shall  
24          furnish a copy to the ~~commissioner~~ department of financial institutions, insurance,  
25          and professional standards upon request.

1           \*~~0797/P1.531~~\*SECTION 1164. 655.24 (4) of the statutes is amended to read:

2           655.24 (4) The insurer shall, upon termination of a policy of health care liability  
3 insurance issued under this chapter by cancellation or nonrenewal, notify the  
4 ~~commissioner~~ department of financial institutions, insurance, and professional  
5 standards of the termination.

6           \*~~0797/P1.532~~\*SECTION 1165. 655.26 (1) (intro.) of the statutes is amended to  
7 read:

8           655.26 (1) (intro.) In addition to any information required by the ~~commissioner~~  
9 department of financial institutions, insurance, and professional standards under s.  
10 601.42, by the 15th day of each month, each insurer that writes health care liability  
11 insurance in this state and each self-insurer approved under s. 655.23 (3) (a) shall  
12 report the following information to the medical examining board and the board of  
13 governors on each claim paid during the previous month for damages arising out of  
14 the rendering of health care services:

15           \*~~0797/P1.533~~\*SECTION 1166. 655.26 (2) of the statutes is amended to read:

16           655.26 (2) By the 15th day of each month, the board of governors shall report  
17 the information specified in sub. (1) to the medical examining board for each claim  
18 paid by the fund or from the appropriation under s. ~~20.145 (2)~~ 20.142 (4) (a) during  
19 the previous month for damages arising out of the rendering of health care services  
20 by a health care provider or an employee of a health care provider.

21           \*~~0797/P1.534~~\*SECTION 1167. 655.27 (2) of the statutes is amended to read:

22           655.27 (2) FUND ADMINISTRATION AND OPERATION. Management of the fund shall  
23 be vested with the board of governors. The ~~commissioner~~ department of financial  
24 institutions, insurance, and professional standards shall either provide staff  
25 services necessary for the operation of the fund or, with the approval of the board of



1       governors, contract for all or part of these services. Such a contract is subject to ss.  
2       16.753 and 16.765, but is otherwise exempt from subch. IV of ch. 16. The  
3       ~~commissioner~~ department of financial institutions, insurance, and professional  
4       standards shall adopt rules governing the procedures for creating and implementing  
5       these contracts before entering into the contracts. At least annually, the contractor  
6       shall report to the ~~commissioner~~ department of financial institutions, insurance, and  
7       professional standards and to the board of governors regarding all expenses incurred  
8       and subcontracting arrangements. If the board of governors approves, the contractor  
9       may hire legal counsel as needed to provide staff services. The cost of contracting for  
10      staff services shall be funded from the appropriation under s. ~~20.145 (2)~~ 20.142 (4)  
11      (u). The fund shall pay to the ~~commissioner~~ department of financial institutions,  
12      insurance, and professional standards amounts charged for organizational support  
13      services, which shall be credited to the appropriation account under s. ~~20.145 (1)~~  
14      20.142 (3) (g) 2.

15           \*~~0797/P1.535~~\***SECTION 1168.** 655.27 (3) (a) 5. of the statutes is amended to  
16      read:

17           655.27 (3) (a) 5. The supplemental appropriation under s. ~~20.145 (2)~~ 20.142 (4)  
18      (a) for payment of claims.

19           \*~~0797/P1.536~~\***SECTION 1169.** 655.27 (3) (am) of the statutes is amended to  
20      read:

21           655.27 (3) (am) *Assessments for peer review council.* The fund, a mandatory  
22      health care liability risk-sharing plan established under s. 619.04, and a private  
23      health care liability insurer shall be assessed, as appropriate, fees sufficient to cover  
24      the costs of the injured patients and families compensation fund peer review council,  
25      including costs of administration, for reviewing claims paid by the fund or from the

1 appropriation under s. ~~20.145 (2)~~ 20.142 (4) (a), by the plan, and by the insurer,  
2 respectively, under s. 655.275 (5). The fees shall be set by the ~~commissioner~~  
3 department of financial institutions, insurance, and professional standards by rule,  
4 after approval by the board of governors, and shall be collected by the ~~commissioner~~  
5 department of financial institutions, insurance, and professional standards for  
6 deposit in the fund. The costs of the injured patients and families compensation fund  
7 peer review council shall be funded from the appropriation under s. ~~20.145 (2)~~ 20.142  
8 (4) (um).

9 \***-0797/P1.537**\*SECTION 1170. 655.27 (3) (b) 1. of the statutes is amended to  
10 read:

11 655.27 (3) (b) 1. The ~~commissioner~~ department of financial institutions,  
12 insurance, and professional standards, after approval by the board of governors,  
13 shall by rule set the fees under par. (a). The rule shall provide that fees may be paid  
14 annually or in semiannual or quarterly installments. In addition to the prorated  
15 portion of the annual fee, semiannual and quarterly installments shall include an  
16 amount sufficient to cover interest not earned and administrative costs incurred  
17 because the fees were not paid on an annual basis. This paragraph does not impose  
18 liability on the board of governors for payment of any part of a fund deficit.

19 \***-0797/P1.538**\*SECTION 1171. 655.27 (3) (b) 2m. of the statutes is amended to  
20 read:

21 655.27 (3) (b) 2m. In addition to the fees and payment classifications described  
22 under subds. 1. and 2., the ~~commissioner~~ department of financial institutions,  
23 insurance, and professional standards, after approval by the board of governors, may  
24 by rule establish a separate payment classification for physicians satisfying s.  
25 655.002 (1) (b) and a separate fee for nurse anesthetists satisfying s. 655.002 (1) (b)