

1 of the proceeding against the holder. Costs assessed under this subsection are
2 payable to the department. Interest shall accrue on costs assessed under this
3 subsection at a rate of 12% per year beginning on the date that payment of the costs
4 are due as ordered by the department, examining board, affiliated credentialing
5 board or board. Upon the request of the department of safety and professional
6 services, the department of justice may commence an action to recover costs assessed
7 under this subsection and any accrued interest.

8 **SECTION 675.** 440.25 of the statutes is amended to read:

9 **440.25 Judicial review.** The department may seek judicial review under ch.
10 227 of any final disciplinary decision of the medical examining board or affiliated
11 credentialing board attached to the medical examining board. The department shall
12 be represented in such review proceedings by an attorney within the department.
13 Upon request of the medical examining board or the interested affiliated
14 credentialing board, the attorney general may represent the board. If the attorney
15 general declines to represent the board, the board may retain special counsel which
16 shall be paid for out of the appropriation under s. ~~20.165(1)~~ 20.142 (7) (hg).

17 **SECTION 676.** 440.905 (1) of the statutes is amended to read:

18 440.905 (1) In addition to the other duties and powers of the board under this
19 subchapter, the board shall advise the secretary of safety and professional services
20 on matters relating to cemeteries, to this chapter, or to the board.

21 **SECTION 677.** 440.92 (2) (d) of the statutes is amended to read:

22 440.92 (2) (d) A preneed seller may not sell any undeveloped space unless the
23 plans for the construction of the mausoleum have been submitted to the department
24 of safety and professional services for approval under s. 157.12 (2) (a) and the
25 preneed sales contract includes the following language in not less than 10-point

1 boldface type: “THE PLANS FOR CONSTRUCTING THE MAUSOLEUM SPACE
2 HAVE BEEN SUBMITTED TO THE DEPARTMENT OF SAFETY AND
3 PROFESSIONAL SERVICES FINANCIAL INSTITUTIONS, INSURANCE, AND
4 PROFESSIONAL STANDARDS FOR APPROVAL. THE SELLER IS
5 RESPONSIBLE FOR ALL COSTS REQUIRED TO OBTAIN APPROVAL OF THE
6 PLANS BY THE DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES
7 FINANCIAL INSTITUTIONS, INSURANCE, AND PROFESSIONAL
8 STANDARDS, COMPLETE THE CONSTRUCTION, AND OBTAIN
9 CERTIFICATION OF THE CONSTRUCTION BY THE DEPARTMENT OF
10 SAFETY AND PROFESSIONAL SERVICES FINANCIAL INSTITUTIONS,
11 INSURANCE, AND PROFESSIONAL STANDARDS.”

12 SECTION 678. 440.945 (5) (b) of the statutes is amended to read:

13 440.945 (5) (b) The department of justice or any district attorney, upon
14 informing the department of justice, may commence an action in circuit court in the
15 name of the state to restrain by temporary or permanent injunction any violation of
16 this section. The court may, prior to entry of final judgment, make such orders or
17 judgments as may be necessary to restore to any person any pecuniary loss suffered
18 because of the acts or practices involved in the action, if proof of such loss is submitted
19 to the satisfaction of the court. The department of justice may subpoena persons and
20 require the production of books and other documents, and may request the
21 department of safety and professional services to exercise its authority under par. (a)
22 to aid in the investigation of alleged violations of this section.

23 SECTION 679. 441.01 (7) (a) 2. of the statutes is amended to read:

1 441.01 (7) (a) 2. Pay a nursing workforce survey fee of \$4. All moneys received
2 under this subdivision shall be deposited into the general fund and credited to the
3 appropriation account under s. ~~20.165 (1)~~ 20.142 (7) (jm). 3

4 **SECTION 680.** 441.16 (3) (e) of the statutes is amended to read:

5 441.16 (3) (e) Establishing the minimum amount of malpractice liability
6 insurance coverage that an advanced practice nurse shall have if he or she is certified
7 to issue prescription orders. The board shall promulgate rules under this paragraph
8 in consultation with the ~~commissioner of insurance~~ appropriate personnel in the
9 department.

10 **SECTION 681.** 443.10 (6) of the statutes is amended to read:

11 443.10 (6) ROSTER. A roster showing the names and mailing addresses of all
12 registered surveyors shall be prepared annually by the secretary and made available
13 for purchase at cost, ~~and a copy shall be placed on file with the department of~~
14 ~~financial institutions.~~

15 **SECTION 682.** 444.04 of the statutes is amended to read:

16 **444.04 Promoter and club reports.** Within 2 business days after a promoter
17 or club holds a professional contest or amateur mixed martial arts fighting contest,
18 the club shall furnish to the department a written report, verified by the promoter
19 or by one of the club's officers under penalty of perjury, showing the number of tickets
20 sold for the contest, the amount of gross proceeds, and all other information the
21 department requires by rule to be included in the report. The department may limit,
22 suspend, revoke, or assess a forfeiture to the promoter or club for failure to comply
23 with this section or failure to provide accurate information to the department. Any
24 forfeiture collected under this section shall be deposited in the appropriation account
25 under s. ~~20.165 (1)~~ 20.142 (7) (jm). 3

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SECTION 683. 444.14 of the statutes is amended to read:

444.14 Sham contests; contestants penalized; forfeitures; hearing. The department shall ban a contestant who participates in any sham or fake professional contest or amateur mixed martial arts fighting contest or violates any rule promulgated by the department, and may require the contestant, the contestant's manager, or the promoter of the contest to forfeit an amount determined by the department, but not more than \$500. Fifty percent of all forfeitures collected under this section shall be deposited in the appropriation account under s. ~~20.165 (1)~~ 20.142

~~(1)~~ (im).

3

SECTION 684. 452.13 (2) (b) 1. of the statutes is amended to read:

452.13 (2) (b) 1. Register with the department ~~of safety and professional services~~ the name and address of the depository institution and the number of the interest-bearing common trust account.

SECTION 685. 452.13 (2) (b) 2. of the statutes is amended to read:

452.13 (2) (b) 2. Notify the department ~~of safety and professional services~~ when any of the information required under subd. 1. is changed.

SECTION 686. 452.13 (2) (b) 3. of the statutes is amended to read:

452.13 (2) (b) 3. Furnish the department ~~of safety and professional services~~ with a letter authorizing the department ~~of safety and professional services~~ and the department of administration to examine and audit the interest-bearing common trust account whenever the department ~~of safety and professional services~~ or the department of administration considers it necessary.

SECTION 687. 452.13 (2) (bm) of the statutes is amended to read:

1 452.13 (2) (bm) The department of ~~safety and professional services~~ shall
2 forward to the department of administration the information and documents
3 furnished under par. (b).

4 SECTION 688. 452.13 (5) of the statutes is amended to read:

5 452.13 (5) RULES. In consultation with the department of ~~safety and~~
6 ~~professional services~~, the department of administration shall promulgate rules
7 necessary to administer this section.

8 SECTION 689. 452.14 (5) of the statutes is amended to read:

9 452.14 (5) The department may seek judicial review under ch. 227 of any final
10 decision of the board. The department shall be represented in such review
11 proceedings by an attorney within the department. Upon request of the board, the
12 attorney general may represent the board. If the attorney general does not represent
13 the board, the board may retain special counsel which shall be paid for out of the
14 appropriation under s. ~~20.165 (1)~~ 20.142 (g).

15 SECTION 690. 462.01 (3) of the statutes is repealed.

16 SECTION 691. Chapter 463 (title) of the statutes is created to read:

17 **CHAPTER 463**

18 **BODY ART AND TANNING FACILITIES**

19 SECTION 692. 463.18 of the statutes is created to read:

20 **463.18 Violation of law relating to body art.** Any person who willfully
21 violates or obstructs the execution of any state statute or rule, county, city, or village
22 ordinance or departmental order under this chapter and relating to the public
23 health, for which no other penalty is prescribed, shall be fined not more than \$500
24 or imprisoned for not more than 30 days or both.

25 SECTION 693. 551.102 (1m) of the statutes is amended to read:

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1 551.102 (1m) "Administrator" means the ~~administrator of the division of~~
2 ~~securities in the department~~ secretary of financial institutions, insurance, and
3 professional standards or an employee of the department of financial institutions,
4 insurance, and professional standards designated by the secretary.

5 **SECTION 694.** 551.102 (4t) of the statutes is created to read:

6 551.102 (4t) "Department" means the department of financial institutions,
7 insurance, and professional standards.

8 **SECTION 695.** 551.102 (5m) of the statutes is repealed.

9 **SECTION 696.** 551.102 (12) of the statutes is amended to read:

10 551.102 (12) "Insurance company" means a company organized as an
11 insurance company whose primary business is writing insurance or reinsuring risks
12 underwritten by insurance companies and which is subject to supervision by the
13 ~~insurance commissioner~~ department of financial institutions, insurance, and
14 professional standards or a similar official or agency of a state.

15 **SECTION 697.** 551.202 (26) (f) (intro.) of the statutes is amended to read:

16 551.202 (26) (f) (intro.) Not less than 10 days prior to the commencement of an
17 offering of securities in reliance on the exemption under this subsection, the issuer
18 files a notice with the administrator, in writing or in electronic form as prescribed by
19 the administrator, which the administrator shall make available as an electronic
20 document on the ~~department of financial institutions~~ department's Internet site,
21 containing all of the following:

22 **SECTION 698.** 551.202 (27) (h) (intro.) of the statutes is amended to read:

23 551.202 (27) (h) (intro.) Before the 101st offer of the security, the issuer
24 provides a notice to the administrator in writing or in electronic form, accompanied
25 by the filing fee specified in s. 551.614 (1m). The administrator shall prescribe the

1 form required for the notice and make the form available as an electronic document
2 on the ~~department of financial institutions~~ department's Internet site.
3 Notwithstanding s. 551.204 (1) and (3), the notice shall be limited to all of the
4 following:

5 **SECTION 699.** 551.205 (1) (b) 1. (intro.) of the statutes is amended to read:

6 551.205 (1) (b) 1. (intro.) The Internet site operator shall register with the
7 ~~division~~ department by filing a statement, which the administrator shall make
8 available as an electronic document on the ~~department of financial institutions~~
9 department's Internet site, accompanied by the filing fee specified in s. 551.614 (1m),
10 that includes all of the following:

11 **SECTION 700.** 551.205 (3) of the statutes is amended to read:

12 551.205 (3) If the Securities and Exchange Commission adopts rules under
13 authority of section 3 (h) of the Securities Exchange Act of 1934 (15 USC 78c (h)) and
14 P.L. 112-106, section 304, that authorize funding portals to receive commissions
15 without registering as broker-dealers under the Securities Exchange Act of 1934,
16 the ~~division~~ department shall promulgate rules authorizing Internet site operators
17 registered with the ~~division~~ department under sub. (1) (b) that are not registered as
18 broker-dealers under s. 551.401 to receive commissions. The ~~division~~ department
19 shall ensure that its rules authorizing commissions for Internet site operators are
20 consistent with rules adopted by the Securities and Exchange Commission. The
21 ~~division's~~ department's rules shall also ensure that Internet site operators that do
22 not satisfy rules adopted by the Securities and Exchange Commission have the
23 opportunity to operate in compliance with the requirements of this section.

24 **SECTION 701.** 551.206 of the statutes is amended to read:

SECTION 701

1 **551.206 Adjustments.** At 5-year intervals after January 1, 2014, the
2 department of financial institutions shall adjust the monetary amounts specified in
3 s. 551.202 (26) (c) 1. a. and b. and (27) (c) 1. a. and b. to reflect changes since January
4 1, 2014, in the consumer price index for all urban consumers, Milwaukee–Racine
5 area average, as determined by the U.S. department of labor. Each adjustment shall
6 be rounded to the nearest multiple of \$50,000. Each adjustment under this section
7 shall be published on the ~~department of financial institutions~~ department's Internet
8 site.

9 **SECTION 702.** 551.601 (5) of the statutes is amended to read:

10 551.601 (5) SECURITIES INVESTOR EDUCATION AND TRAINING FUNDING. All moneys
11 collected from the administrative assessment under s. 551.604 (4) shall be credited
12 to the appropriation under s. ~~20.144 (1)~~ 20.142 (2) (i). Subject to s. ~~20.144 (1)~~ 20.142
13 (2) (i), the ~~division~~ department shall use moneys credited to that appropriation for
14 the purposes specified in sub. (4) and s. ~~20.144 (1)~~ 20.142 (2) (i).

15 **SECTION 703.** 551.605 (3) (bm) 1. of the statutes is amended to read:

16 551.605 (3) (bm) 1. Except as provided in subd. 2., a financial institution
17 holding company whose securities have been registered under this chapter shall not
18 be required to prepare or distribute to shareholders or provide to the department of
19 ~~financial institutions~~, at any time after such registration, any financial statements,
20 financial information, annual reports, or other periodic reports except to the extent
21 required under ss. 180.1620 and 180.1622. This subdivision does not apply with
22 respect to any financial statement, financial information, or report required under
23 ch. 622 or 644 or otherwise required as a result of operations as an insurance
24 company.

****NOTE: We are uncertain whether a financial institution holding company may be subject to reporting requirements as an insurance company or insurance holding company. The last sentence of this provision may be unnecessary.

1 SECTION 704. 551.614 (5) of the statutes is amended to read:

2 551.614 (5) FEES PAID TO STATE. All fees and expenses collected by the division
3 department under this section shall be deposited into the general fund and credited
4 to the appropriation account under s. 20.144 (1) 20.142 (2) (g).

5 SECTION 705. 552.01 (1) of the statutes is repealed.

6 SECTION 706. 552.01 (1m) of the statutes is created to read:

7 552.01 (1m) "Department" means the department of financial institutions,
8 insurance, and professional standards.

9 SECTION 707. 552.23 (1) of the statutes is amended to read:

10 552.23 (1) If the target company is an insurance company subject to regulation
11 by the commissioner of insurance, a banking corporation, savings bank, or savings
12 and loan association subject to regulation by the division of banking, or a company
13 subject to regulation by the public service commission, the department of
14 transportation, or the office of the commissioner of railroads, the division of
15 securities department shall promptly furnish a copy of the registration statement
16 filed under this chapter to the regulatory agency having supervision of the target
17 company. Any hearing under this chapter involving any such target company shall
18 be held jointly with the regulatory agency having supervision, and any
19 determination following the hearing shall be made jointly with that regulatory
20 agency.

21 SECTION 708. 553.03 (2m) of the statutes is created to read:

22 553.03 (2m) "Department" means the department of financial institutions,
23 insurance, and professional standards.

1 **SECTION 709.** 553.03 (3) of the statutes is repealed.

2 **SECTION 710.** 553.605 (2) of the statutes is amended to read:

3 553.605 (2) INVESTOR EDUCATION. All moneys collected from the administrative
4 assessment under sub. (1) shall be credited to the appropriation under s. ~~20.144 (1)~~
5 20.142 (2) (i). Subject to s. ~~20.144 (1)~~ 20.142 (2) (i), the ~~division~~ department shall use
6 moneys credited to that appropriation to provide information to residents of this
7 state about franchise investments to help investors and potential investors evaluate
8 their investment decisions, protect themselves from false, fraudulent or deceptive
9 practices in connection with the offer, sale or purchase of a franchise, be alert for false
10 or misleading advertising or other harmful practices, and know their rights as
11 investors.

12 **SECTION 711.** 553.73 of the statutes is amended to read:

13 **553.73 Service of process.** When any person, including any nonresident of
14 this state, engages in conduct prohibited or made actionable by this chapter or any
15 rule or order under this chapter, whether or not the person has filed a consent to
16 service of process under s. 553.27 (10), and personal jurisdiction over the person
17 cannot otherwise be obtained in this state, that conduct shall be considered
18 equivalent to the person's appointment of the ~~division~~ department to be the person's
19 attorney to receive service of any lawful process in any noncriminal suit, action, or
20 proceeding against the person or the person's successor or personal representative
21 that grows out of that conduct and that is brought under this law or any rule or order
22 under this chapter, with the same force and validity as if served on the person
23 personally. Service may be made by leaving a copy of the process at the office of the
24 ~~division~~ secretary of the department, but it is not effective unless the plaintiff, who
25 may be the ~~division~~ department in a suit, action, or proceeding instituted by the

1 ~~division~~ department, immediately sends notice of the service and a copy of the
2 process by registered or certified mail to the defendant or respondent at his or her
3 last-known address or takes other steps that are reasonably calculated to give actual
4 notice, and the plaintiff's affidavit of compliance with this section is filed in the case
5 on or before the return day of the process, if any, or within any further time that the
6 court allows.

7 **SECTION 712.** 565.01 (4d) of the statutes is amended to read:

8 565.01 (4d) "Minority business" means a business certified by ~~the department~~
9 ~~of administration~~ under s. ~~16.287~~ 203.07 (2).

10 **SECTION 713.** 565.01 (4e) of the statutes is amended to read:

11 565.01 (4e) "Minority group member" has the meaning given in s. ~~16.287~~
12 203.07 (1) (f).

13 **SECTION 714.** 600.03 (11) of the statutes is repealed.

14 **SECTION 715.** 600.03 (15c) of the statutes is created to read:

15 600.03 (15c) "Department" means the department of financial institutions,
16 insurance, and professional standards.

17 **SECTION 716.** 600.03 (34) of the statutes is repealed.

18 **SECTION 717.** 600.03 (41f) of the statutes is created to read:

19 600.03 (41f) "Secretary" means the secretary of the department.

20 **SECTION 718.** 601.01 (4) of the statutes is amended to read:

21 601.01 (4) To provide for ~~an office~~ a regulatory authority that is expert in the
22 field of insurance, and able to enforce chs. 600 to 655;

23 **SECTION 719.** 601.01 (5) of the statutes is amended to read:

24 601.01 (5) To encourage full cooperation of the ~~office~~ department with other
25 regulatory bodies, both of this and other states and of the federal government;

delete
pp 212 to 218 SECTION 720

1 SECTION 720. Subchapter II (title) of chapter 601 [precedes 601.11] of the
2 statutes is repealed and recreated to read:

3 CHAPTER 601

4 SUBCHAPTER II

5 INSURANCE INDUSTRY SUPERVISION

6 OFFICES

7 SECTION 721. 601.11 (1) of the statutes is repealed.

****NOTE: I repealed the provisions related to the deputy commissioner because I assumed that a deputy secretary would be created elsewhere. PJK

8 SECTION 722. 601.11 (2) (title) of the statutes is repealed.

9 SECTION 723. 601.11 (2) of the statutes is renumbered 601.11.

10 SECTION 724. 601.12 (1) of the statutes is amended to read:

11 601.12 (1) LEGAL SERVICES. The attorney general shall allocate personnel as the
12 legal needs of the ~~office~~ department demand.

13 SECTION 725. 601.12 (2) of the statutes is amended to read:

14 601.12 (2) ENFORCEMENT. Upon request of the ~~commissioner~~ department, the
15 attorney general shall proceed in any federal or state court or agency to recover any
16 tax or fee related to insurance payable under the laws of this state and not paid when
17 due, and any penalty or forfeiture authorized by chs. 600 to 655. Upon request of the
18 ~~commissioner~~ department, the attorney general or, in a proper case, the district
19 attorney of any county, shall aid in any investigation, hearing or other procedure
20 under chs. 600 to 655 and shall institute, prosecute and defend proceedings relating
21 to the enforcement or interpretation of chs. 600 to 655, including any proceeding to
22 which the state, or the ~~insurance commissioner~~ department, the secretary, or any

1 employee of the ~~office~~ department, in the employee's official capacity, shall be a party
2 or in which the ~~commissioner~~ department, secretary, or the employee is interested.

3 **SECTION 726.** 601.13 (1) (intro.) of the statutes is amended to read:

4 601.13 (1) RECEIPT OF DEPOSITS. (intro.) Subject to the approval of the
5 ~~commissioner~~ secretary of financial institutions, insurance, and professional
6 standards, the secretary of administration shall accept deposits or control of
7 acceptable book-entry accounts from insurers and other licensees of the ~~office~~
8 department as follows:

9 **SECTION 727.** 601.13 (3) (intro.) of the statutes is amended to read:

10 601.13 (3) SECURITIES ELIGIBLE. (intro.) All deposits may consist of any of the
11 securities authorized in this subsection. Each security must be approved by the
12 ~~commissioner~~ secretary of financial institutions, insurance, and professional
13 standards, must be subject to disposition by the secretary of administration, and
14 must not be available to any other person except as expressly provided by law. The
15 authorized securities are:

16 **SECTION 728.** 601.13 (5) of the statutes is amended to read:

17 601.13 (5) RECEIPT, INSPECTION, AND RECORD. The secretary of administration
18 shall deliver to the depositor a receipt for all securities deposited or held under the
19 control of the secretary of administration and shall permit the depositor to inspect
20 its physically held securities at any reasonable time. On application of the depositor
21 the secretary of administration shall certify when required by any law of the United
22 States or of any other state or foreign country or by the order of any court of
23 competent jurisdiction that the deposit was made. The secretary of administration
24 and the ~~commissioner~~ department shall each keep a permanent record of securities

1 deposited or held under the control of the secretary of administration and of any
2 substitutions or withdrawals and shall compare records at least annually.

3 SECTION 729. 601.13 (6) of the statutes is amended to read:

4 601.13 (6) TRANSFER OF SECURITIES. No transfer of a deposited security, whether
5 voluntary or by operation of law, is valid unless approved in writing by the
6 ~~commissioner~~ secretary of financial institutions, insurance, and professional
7 standards and countersigned by the secretary of administration.

8 SECTION 730. 601.13 (8) (b) of the statutes is amended to read:

9 601.13 (8) (b) To substitute for deposited securities other eligible securities, as
10 expressly approved by the ~~commissioner~~ secretary of financial institutions,
11 insurance, and professional standards.

12 SECTION 731. 601.13 (10) of the statutes is amended to read:

13 601.13 (10) RELEASE OF DEPOSIT. Upon approval of the ~~commissioner~~ secretary
14 of financial institutions, insurance, and professional standards, any deposit or part
15 thereof shall be released upon the depositor's request to the extent permitted by law.

16 SECTION 732. 601.14 (1) (intro.) of the statutes is amended to read:

17 601.14 (1) OFFICES. (intro.) The department of administration shall provide
18 suitable premises for the insurance industry supervision offices of the ~~commissioner~~
19 of insurance department.

20 SECTION 733. 601.14 (1) (b) of the statutes is amended to read:

21 601.14 (1) (b) Elsewhere, if approved by the governor as necessary for the
22 efficient operation of the ~~office~~ insurance industry supervision offices.

23 SECTION 734. 601.14 (2) of the statutes is amended to read:

24 601.14 (2) MATERIALS, SUPPLIES, EQUIPMENT AND CONTRACTUAL SERVICES. The
25 department of administration shall provide the ~~office~~ insurance industry

1 supervision offices of the department of financial institutions, insurance, and
2 professional standards with all materials, supplies, equipment and contractual
3 services necessary for its efficient operation, including reasonable library facilities
4 and books. Part-time or temporary services of professionals and experts shall be
5 provided by the department of administration upon the recommendation of the
6 ~~commissioner~~ secretary of financial institutions, insurance, and professional
7 standards, and may be provided without regard to the restrictions of subch. II of ch.
8 230.

9 **SECTION 735.** 601.15 of the statutes is repealed.

10 **SECTION 736.** 601.16 (1) of the statutes is amended to read:

11 601.16 (1) SEAL. The ~~commissioner~~ department need not have ~~nor~~ or use an
12 official seal. Any statutory or common law requirement that an official seal be affixed
13 is satisfied by the signature of the ~~commissioner~~ secretary.

14 **SECTION 737.** 601.16 (2) of the statutes is amended to read:

15 601.16 (2) SIGNATURES. Any signature of the ~~commissioner~~ secretary may be
16 in facsimile unless specifically required to be handwritten.

17 **SECTION 738.** 601.18 of the statutes is amended to read:

18 **601.18 Delegation.** Any power, duty, or function vested in the ~~commissioner~~
19 secretary by law may be exercised, discharged, or performed by any employee of the
20 ~~office~~ department acting in the ~~commissioner's~~ secretary's name and by the
21 ~~commissioner's~~ secretary's delegated authority. Any person whose own course of
22 action in good faith depends upon proof of the validity of an asserted delegation is
23 not obligated to act until the person is shown a written delegation with a handwritten
24 signature of the ~~commissioner or deputy commissioner~~ secretary.

25 **SECTION 739.** 601.19 of the statutes is amended to read:

1 projected expenses for the office's department's supervision of the insurance
2 industry.

3 **SECTION 745.** 601.32 (1) of the statutes is amended to read:

4 601.32 (1) If the moneys credited to s. ~~20.145 (1)~~ 20.142 (3) (g) 1. under other
5 sections of the statutes prove inadequate for the office's department's supervision of
6 insurance industry program, the commissioner may increase any or all of the fees
7 imposed by s. 601.31, or may in any year levy a special assessment on all domestic
8 insurers, or both, for the general operation of that program.

9 **SECTION 746.** 601.41 (3) (b) of the statutes is amended to read:

10 601.41 (3) (b) The ~~commissioner~~ department may, without the consent of the
11 attorney general as required under s. 227.21 (2), adopt standards of the National
12 Association of Insurance Commissioners by incorporating by reference in rules
13 promulgated by the ~~commissioner~~ department any materials published, adopted, or
14 approved by the National Association of Insurance Commissioners, without
15 reproducing the standards in full. The standards referred to in this paragraph do
16 not include any model act or model regulation proposed or adopted by the National
17 Association of Insurance Commissioners. Any materials of the National Association
18 of Insurance Commissioners that are incorporated by reference in rules promulgated
19 by the ~~commissioner~~ department shall be obtainable from, and are only required to
20 be kept on file at, the office department, which shall be stated in any rule containing
21 such an incorporation by reference. Nothing in this paragraph prohibits the
22 ~~commissioner~~ department from adopting standards of the National Association of
23 Insurance Commissioners through incorporation by reference in rules in the manner
24 provided under s. 227.21 (2).

25 **SECTION 747.** 601.41 (9) (b) of the statutes is amended to read:

1 601.41 (9) (b) ~~If the federal government has not developed by July 1, 2003, a~~
2 no uniform claim processing form that must be used by all health care providers for
3 submitting claims to insurers and by all insurers for processing claims submitted by
4 health care providers, ~~the commissioner shall develop, by December 31, 2003, has~~
5 been developed by the effective date of this paragraph ... [LRB inserts date], the
6 department shall develop a uniform claim processing form for that purpose.

7 **SECTION 748.** 601.41 (10) (b) of the statutes is amended to read:

8 601.41 (10) (b) After the effective date of the rules promulgated under par. (a),
9 an insurer may use only the prescribed questions and format for individual major
10 medical health insurance policy applications. ~~The commissioner shall publish a~~
11 ~~notice in the Wisconsin Administrative Register that states the effective date of the~~
12 ~~rules promulgated under par. (a).~~

13 **SECTION 749.** 601.415 (1) of the statutes is amended to read:

14 601.415 (1) JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS. The
15 ~~commissioner~~ secretary or an experienced actuary in the ~~office~~ department
16 designated by the ~~commissioner~~ secretary shall serve as a member of the joint survey
17 committee on retirement systems under s. 13.50.

18 **SECTION 750.** 601.415 (2) of the statutes is amended to read:

19 601.415 (2) GROUP INSURANCE BOARD. The ~~commissioner~~ secretary shall serve
20 as a member of the group insurance board under s. 15.165 (2).

21 **SECTION 751.** 601.415 (3) of the statutes is amended to read:

22 601.415 (3) WISCONSIN RETIREMENT BOARD. The ~~commissioner~~ secretary or an
23 experienced actuary in the ~~office~~ department designated by the ~~commissioner~~
24 secretary shall serve as a member of the Wisconsin retirement board under s. 15.165

25 (3) (b).

1 SECTION 752. 601.415 (5) of the statutes is amended to read:

2 601.415 (5) COOPERATION WITH DEPARTMENT OF ADMINISTRATION. The
3 ~~commissioner~~ department of financial institutions, insurance, and professional
4 standards shall cooperate with the department of administration in placing
5 insurance under s. 16.865 (4).

6 SECTION 753. 601.415 (7) of the statutes is repealed.

7 SECTION 754. 601.415 (8) of the statutes is amended to read:

8 601.415 (8) LONG-TERM CARE PARTNERSHIP PROGRAM. ~~The commissioner~~ On and
9 after July 1, 2015, the department of financial institutions, insurance, and
10 professional standards shall provide the certifications required under s. 49.45 (31)
11 (b) 5. and shall cooperate with the department of health services in approving the
12 training program under s. 49.45 (31) (c) for agents who sell long-term care insurance
13 policies.

14 SECTION 755. 601.415 (9) of the statutes is repealed.

15 SECTION 756. 601.415 (11) of the statutes is amended to read:

16 601.415 (11) AMENDMENTS TO OWN RISK AND SOLVENCY ASSESSMENT GUIDANCE
17 MANUAL. The ~~commissioner~~ department shall, in ~~his or her~~ the department's
18 discretion, adopt amendments made after April 18, 2014, by the National
19 Association of Insurance Commissioners to the guidance manual, as defined in s.
20 622.03 (1). Any such amendments made by the National Association of Insurance
21 Commissioners become effective in this state if adopted by the ~~commissioner~~
22 department by order after giving 30 days' notice to insurers of the changes proposed
23 by the National Association of Insurance Commissioners. If one or more insurers
24 request a hearing on the proposed changes during the 30-day period, the
25 ~~commissioner~~ department shall hold a hearing to determine whether the

Insert 219-14

SECTION 756

*Delete
PP 220
to 228*

1 ~~commissioner~~ department will, in his or her ~~the department's~~ discretion, adopt one
2 or more of the changes made by the National Association of Insurance
3 Commissioners.

4 **SECTION 757.** 601.415 (12) of the statutes is amended to read:

5 601.415 (12) HEALTH INSURANCE RISK-SHARING PLAN. ~~The commissioner~~ On and
6 after July 1, 2015, the department shall perform the duties specified to be performed
7 by the commissioner of insurance in s. 149.13, 2011 stats., and under 2013 Wisconsin
8 Act 20, section 9122 (1L) (b) 8.

9 **SECTION 758.** 601.42 (6) (a) of the statutes is amended to read:

10 601.42 (6) (a) In the absence of actual malice, no communication to the
11 commissioner of insurance required by law or by the commissioner shall subject the
12 person making it to an action for damages for defamation. This paragraph applies
13 to communications received by the commissioner before May 11, 1990, or on or after
14 June 1, 1994, and before the effective date of this paragraph [LRB inserts date].

15 **SECTION 759.** 601.42 (6) (am) of the statutes is created to read:

16 601.42 (6) (am) In the absence of actual malice, no communication to the
17 secretary required by law or by the secretary shall subject the person making it to
18 an action for damages for the communication. This paragraph applies to
19 communications received by the secretary on or after the effective date of this
20 paragraph [LRB inserts date].

****NOTE: Do you want the paragraph above? I think pars. (a) and (b) in current law were not intended generally but for a specific situation, so this provision may not be necessary. PJK

21 **SECTION 760.** 601.42 (6) (b) of the statutes is amended to read:

22 601.42 (6) (b) In the absence of actual malice, no communication to the
23 commissioner of insurance or the office of the commissioner of insurance required by

1 law or by the commissioner shall subject the person making it to an action for
2 damages for the communication. This paragraph applies to communications
3 received by the commissioner or office on or after May 11, 1990, and before June 1,
4 1994.

5 **SECTION 761.** 601.422 (7) of the statutes is amended to read:

6 601.422 (7) ~~NO LIABILITY OR CAUSE OF ACTION.~~ There shall be no liability on the
7 part of and no cause of action shall arise against an insurer or an insurer's agents
8 or employees for reporting in good faith under this section, or against the
9 ~~commissioner or employees of the office secretary, department, or employees of the~~
10 department for any good faith act or omission under this section.

11 **SECTION 762.** 601.427 (9) of the statutes is repealed.

12 **SECTION 763.** 601.43 (1) (a) of the statutes is amended to read:

13 601.43 (1) (a) *Insurers, other licensees and other persons subject to regulation.*

14 Whenever the ~~commissioner~~ department deems it necessary ~~in order to inform~~
15 ~~himself or herself to obtain information~~ about any matter related to the enforcement
16 of chs. 600 to 647, the ~~commissioner~~ department may examine the affairs and
17 condition of any licensee or permittee under chs. 600 to 647 or applicant for a license
18 or permit, of any person or organization of persons doing or in process of organizing
19 to do an insurance business in this state, and of any advisory organization serving
20 any of the foregoing in this state.

21 **SECTION 764.** 601.43 (1) (d) of the statutes is amended to read:

22 601.43 (1) (d) *Delivery of records to the office department.* On order of the
23 ~~commissioner~~ department any licensee or permittee under chs. 600 to 647 shall bring
24 to the ~~office~~ department for examination such records as the order reasonably
25 requires.

1 **SECTION 765.** 601.44 (9) of the statutes is amended to read:

2 601.44 (9) COPIES FOR OTHER PERSONS. The ~~commissioner~~ department may
3 furnish, without cost or at a price to be determined by the ~~commissioner~~ department,
4 a copy of the adopted report to the insurance ~~commissioner~~ regulatory authority of
5 each state in the United States and of each foreign jurisdiction in which the examinee
6 is authorized to do business, and to any other interested person in this state or
7 elsewhere.

8 **SECTION 766.** 601.45 (3) of the statutes is amended to read:

9 601.45 (3) DEPOSIT. The ~~commissioner~~ department may require any examinee,
10 before or from time to time during an examination, to deposit with the secretary of
11 administration such deposits as the ~~commissioner~~ department deems necessary to
12 pay the costs of the examination. Any deposit and any payment made under subs.
13 (1) and (2) shall be credited to the appropriation account under s. ~~20.145 (1)~~ 20.142
14 (3) (g) 1.

15 **SECTION 767.** 601.45 (4) of the statutes is amended to read:

16 601.45 (4) EXEMPTIONS. On the examinee's request or on the ~~commissioner's~~
17 department's own motion, the ~~commissioner~~ may pay all or part of the costs of an
18 examination from the appropriation under s. ~~20.145 (1)~~ 20.142 (3) (g) 1., whenever
19 the commissioner finds that because of the frequency of examinations or other
20 factors, imposition of the costs would place an unreasonable burden on the examinee.
21 The ~~commissioner~~ shall include in ~~his or her~~ the department's annual report
22 information about any instance in which the commissioner applied this subsection.

23 **SECTION 768.** 601.45 (5) of the statutes is amended to read:

24 601.45 (5) RETALIATION. Deposits and payments under this section shall not be
25 deemed to be a tax or license fee within the meaning of any statute. If any other state

1 charges a per diem fee for examination of examinees domiciled in this state, any
2 examinee domiciled in that other state shall be required to pay the same fee when
3 examined by the ~~insurance office of this state~~ department.

4 **SECTION 769.** 601.46 (title) of the statutes is amended to read:

5 **601.46 (title) Commissioner's Department's records and reports.**

6 **SECTION 770.** 601.46 (1) of the statutes is amended to read:

7 **601.46 (1) RECORD MAINTENANCE.** The commissioner shall maintain the records
8 required by law and those necessary to provide for the continued effective operation
9 of the ~~office~~ insurance industry supervision offices, to constitute an adequate and
10 proper recording of its activities and to protect the rights of the people of this state.
11 The records shall be preserved in the ~~office~~ department offices except as provided in
12 s. 16.61.

13 **SECTION 771.** 601.46 (3) (c) of the statutes is amended to read:

14 **601.46 (3) (c)** A summary of the complaints made to or processed by the ~~office~~
15 department about insurers, agents and others connected with insurance, and
16 information about their disposition;

17 **SECTION 772.** 601.465 (1m) (intro.) of the statutes is amended to read:

18 **601.465 (1m) TYPES OF INFORMATION.** (intro.) The ~~office~~ department may refuse
19 to disclose and may prevent any other person from disclosing any of the following:

20 **SECTION 773.** 601.465 (1m) (c) (intro.) of the statutes is amended to read:

21 **601.465 (1m) (c) (intro.)** Testimony, reports, records, communications, and
22 information that are obtained by the ~~office~~ department from, or provided by the ~~office~~
23 department to, any of the following, under a pledge of confidentiality or for the
24 purpose of assisting or participating in monitoring activities or in the conduct of an
25 inquiry, investigation, or examination:

1 **SECTION 774.** 601.465 (1m) (c) 3. of the statutes is amended to read:

2 601.465 (1m) (c) 3. The insurance ~~commissioner~~ regulatory authority of
3 another state.

4 **SECTION 775.** 601.465 (1m) (c) 4. of the statutes is amended to read:

5 601.465 (1m) (c) 4. An agent or employee of the insurance ~~commissioner~~
6 regulatory authority of another state.

7 **SECTION 776.** 601.465 (1n) (a) of the statutes is amended to read:

8 601.465 (1n) (a) Notwithstanding sub. (1m) and subch. II of ch. 19, it is
9 presumed that nonpublic documents and information provided by an insurer to the
10 ~~office~~ department under s. 601.42 or 601.43 are proprietary and confidential and that
11 the potential for harm and competitive disadvantage to the insurer if the documents
12 and information are made public by the ~~office~~ department outweighs the public
13 interest in the disclosure of the documents and information.

14 **SECTION 777.** 601.465 (1n) (c) of the statutes is amended to read:

15 601.465 (1n) (c) Paragraph (a) does not apply to the ~~commissioner's~~
16 department's discretion to disclose documents and information provided by an
17 insurer to the ~~office~~ department under s. 601.42 or 601.43 as a part of an enforcement
18 proceeding the ~~commissioner~~ department brings under s. 601.64.

19 **SECTION 778.** 601.465 (2m) (c) of the statutes is amended to read:

20 601.465 (2m) (c) The privilege applies to testimony, reports, records,
21 communications, and information obtained, created, or provided by any official,
22 employee, or agent of the ~~office~~ department for the purpose of assisting or
23 participating in monitoring activities or in the conduct of an inquiry, investigation,
24 or examination by, or coordinated through, the National Association of Insurance
25 Commissioners.

1 **SECTION 779.** 601.47 (1) of the statutes is amended to read:

2 601.47 (1) **GENERAL.** The commissioner may prepare books, pamphlets, and
3 other publications relating to insurance and sell them in the manner and at the
4 prices the commissioner determines. The cost of publication and distribution may
5 be paid from the appropriation under s. ~~20.145 (1)~~ 20.142 (3) (g) 1.

6 **SECTION 780.** 601.47 (3) of the statutes is amended to read:

7 601.47 (3) **FREE DISTRIBUTION.** The commissioner may furnish free copies of the
8 publications prepared under subs. (1) and (2) to public officers and libraries in this
9 state and elsewhere. The cost of free distribution shall be charged to the
10 appropriation under s. ~~20.145 (1)~~ 20.142 (3) (g) 1.

11 **SECTION 781.** 601.48 (1) of the statutes is amended to read:

12 601.48 (1) **NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS.** The
13 ~~commissioner secretary~~ and the ~~office of the commissioner~~ department shall
14 maintain close relations with the ~~commissioners~~ insurance regulatory authorities of
15 other states and shall participate in the activities and affairs of the National
16 Association of Insurance Commissioners and other organizations so far as it will, in
17 the judgment of the ~~commissioner secretary~~, enhance the purposes of chs. 600 to 655.
18 The actual and necessary expenses incurred thereby shall be reimbursed out of the
19 appropriation under s. ~~20.145 (1)~~ 20.142 (3) (g) 1.

20 **SECTION 782.** 601.49 of the statutes is amended to read:

21 **601.49 Access to records.** The commissioner shall have access to the records
22 of any agency of the state government or of any political subdivision thereof which
23 the commissioner may wish to consult in discharging ~~his or her~~ the department's
24 duties.

25 **SECTION 783.** 601.56 (1) of the statutes is repealed.

1 **SECTION 784.** 601.56 (2) (title) of the statutes is repealed.

2 **SECTION 785.** 601.56 (2) of the statutes is renumbered 601.56 and amended to
3 read:

4 **601.56 Study and rules on standards for health insurers.** If, as a result
5 of the study under sub. (1), ~~the commissioner s. 601.56/ (1), 2013 stats., the~~
6 department determines that in transactions with health care providers compliance
7 by health insurers with certain standards will likely reduce the cost of health care
8 administration, the ~~commissioner~~ department shall promulgate rules to establish
9 and implement appropriate standards.

10 **SECTION 786.** 601.57 (1) (a) of the statutes is renumbered 601.57 (1) and
11 amended to read:

12 **601.57 (1)** The commissioner of insurance, in consultation with the department
13 of health services, shall study the feasibility and cost-effectiveness of requiring
14 every health insurer to issue to its insureds uniform machine-readable health
15 insurance identification cards and to establish a computerized support system for
16 the cards that will accept and respond to electronically conveyed requests from
17 health care providers for information related to an insured, such as eligibility,
18 coverages and authorizations. The study shall consider the feasibility and
19 cost-effectiveness of including the medical assistance program under subch. IV of ch.
20 49 in the system of identification cards and the computerized support system and the
21 feasibility of using those systems to coordinate the payment of benefits by health
22 insurers and the medical assistance program.

23 **SECTION 787.** 601.57 (1) (b) of the statutes is repealed.

24 **SECTION 788.** 601.57 (2) of the statutes is amended to read:

1 601.57 (2) RULES. If, as a result of the study under sub. (1), the commissioner
2 of insurance determined, or the department of financial institutions, insurance, and
3 professional standards determines, that a health insurance identification card
4 system and its computerized support system are feasible and would be cost-effective,
5 the commissioner or department, whichever is appropriate, shall promulgate rules
6 to establish and implement the systems.

7 **SECTION 789.** 601.58 (2) (d) of the statutes is amended to read:

8 601.58 (2) (d) “Commissioner” means the chief insurance regulatory official of
9 a state, including, but not limited to, commissioner, secretary, superintendent,
10 director, or administrator.

11 **SECTION 790.** 601.62 (3) (a) of the statutes is amended to read:

12 601.62 (3) (a) *Subsequent hearings.* Whenever an order is issued without a
13 hearing, any person aggrieved by the order may demand a hearing within 30 days
14 after the date on which the notice of the order was mailed. Failure to demand a
15 hearing within the period prescribed therefor is waiver of a hearing. The demand
16 shall be in writing and shall be served on the commissioner by delivering a copy to
17 the ~~commissioner~~ secretary or by leaving it at the ~~commissioner’s~~ secretary’s office.
18 The commissioner shall thereupon hold a hearing not less than 10 nor more than 60
19 days after service of the demand.

20 **SECTION 791.** 601.62 (4) of the statutes is amended to read:

21 601.62 (4) **FEEES IN INVESTIGATIONS AND HEARINGS.** The fees for stenographic
22 services in investigations, examinations, and hearings may not exceed the sum
23 provided for like services in the circuit court. The fees of officers, witnesses,
24 interpreters, and stenographers on behalf of the commissioner or the state shall be
25 paid by the secretary of administration, authorized by the certificate of the

1 ~~commissioner~~ secretary of financial institutions, insurance, and professional
2 standards, and shall be charged to the appropriation under s. ~~20.145 (1)~~ 20.142 (3)
3 (g) 1.

4 **SECTION 792.** 601.63 (5) (a) of the statutes is amended to read:

5 601.63 (5) (a) *Required approval.* Whenever the law requires the
6 ~~commissioner's~~ department's approval for a certain action, the action is not effective
7 until expressly approved. The approval is deemed refused if the commissioner does
8 not act within 60 days after receiving the application for approval.

9 **SECTION 793.** 601.64 (2) of the statutes is amended to read:

10 601.64 (2) COMPULSIVE FORFEITURES. If a person does not comply with an order
11 issued under s. 601.41 (4) within 2 weeks after the commissioner has given the
12 person notice of the ~~commissioner's~~ department's intention to proceed under this
13 subsection, the commissioner may commence an action for a forfeiture in such sum
14 as the court considers just, but not exceeding \$5,000 for each day that the violation
15 continues after the commencement of the action until judgment is rendered. No
16 forfeiture may be imposed under this subsection if at the time the action was
17 commenced the person was in compliance with the order, nor for any violation of an
18 order occurring while any proceeding for judicial review of the order was pending,
19 unless the court in which the proceeding was pending certifies that the claim of
20 invalidity or nonapplicability of the order was frivolous or a sham. If after judgment
21 is rendered the person does not comply with the order, the commissioner may
22 commence a new action for a forfeiture and may continue commencing actions until
23 the person complies. The proceeds of all actions under this subsection, after
24 deduction of the expenses of collection, shall be paid into the common school fund of
25 the state.

and professional standards

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SECTION 794. 601.64 (5) of the statutes is amended to read:

601.64 (5) REVOCATION, SUSPENSION AND LIMITATION OF LICENSES. Whenever a licensee of the office department other than an insurer, a motor club, an adjuster or an insurance intermediary persistently or substantially violates chs. 600 to 646 or an order of the commissioner under s. 601.41 (4), or if the licensee's methods and practices in the conduct of business endanger, or financial resources are inadequate to safeguard, the legitimate interests of customers and the public, the commissioner may, after a hearing, in whole or in part revoke, suspend or limit the license.

SECTION 795. 601.72 (1) (intro.) of the statutes is amended to read:

601.72 (1) GENERAL. (intro.) Under procedures specified in s. 601.73, the ^{plain} commissioner department is by law constituted attorney, ~~except in cases in which the proceeding is to be brought by the state against an insurer or intermediary other than a risk retention group or risk purchasing group, in which event the department of financial institutions~~ is by law constituted attorney, ^{plain} to receive service of summons, notices, orders, pleadings and all other legal process relating to any court or administrative agency in this state for all of the following:

SECTION 796. 601.72 (2) of the statutes is amended to read:

601.72 (2) APPOINTMENT OF ATTORNEY. Except as provided in sub. (2m), every licensed insurer by applying for and receiving a certificate of authority, every surplus lines insurer by entering into a contract subject to the surplus lines law, and every unauthorized insurer by doing an insurance business in this state, is deemed to have irrevocably appointed the ^{plain} commissioner and department of financial institutions ^{plain} department as the insurer's attorneys attorney in accordance with sub. (1).

SECTION 797. 601.72 (3) of the statutes is amended to read:

plain ↓

1 601.72 (3) OTHERS AFFECTED. The commissioner and department of financial
 2 institutions ^{plain} department shall also be ^{plain} attorneys attorney for the personal
 3 representatives, receivers, trustees, or other successors in interest of the persons
 4 specified in sub. (1).

5 SECTION 798. 601.73 (1) (intro.) of the statutes is amended to read:

6 601.73 (1) REQUIREMENTS FOR EFFECTIVE SERVICE. (intro.) Service upon the
 7 commissioner or department of financial institutions department under s. 601.72 is
 8 service on the principal, if:

9 SECTION 799. 601.73 (1) (a) of the statutes is amended to read:

10 601.73 (1) (a) Two copies of the process are left in the hands or office of the
 11 commissioner or department of financial institutions respectively secretary, and

12 SECTION 800. 601.73 (1) (b) of the statutes is amended to read:

13 601.73 (1) (b) ^{plain} The commissioner or department of financial institutions
 14 department mails a copy of the process to the person served according to sub. (2) (b).

15 SECTION 801. 601.73 (2) (title) of the statutes is amended to read:

16 601.73 (2) (title) COMMISSIONER'S DEPARTMENT'S ACTION.

17 SECTION 802. 601.73 (2) (a) of the statutes is amended to read:

18 601.73 (2) (a) ^{plain} *Records.* The commissioner and department of financial
 19 institutions ^{plain} department shall give receipts for and keep records of all process served
 20 through ^{plain} them the department.

21 SECTION 803. 601.73 (2) (b) of the statutes is amended to read:

22 601.73 (2) (b) *Process mailed.* The commissioner or department of financial
 23 institutions ^{plain} department shall send immediately by certified mail to the person
 24 served, at the person's last-known principal place of business, residence or

and professional standards

1 post-office address or at an address designated in writing by the person, one copy of
2 any process received and shall retain the other copy.

3 SECTION 804. 601.73 (3) of the statutes is amended to read:

4 601.73 (3) PROOF OF SERVICE. A certificate by the ~~commissioner or the~~ ^{Plain}
5 ~~department of financial institutions~~ department, showing service made upon the
6 ~~commissioner or department of financial institutions~~ department, and attached to
7 a copy of the process presented for that purpose is sufficient evidence of the service.

8 SECTION 805. 601.93 (2) of the statutes is amended to read:

9 601.93 (2) Every insurer doing a fire insurance business in this state shall,
10 before March 1 in each year, file with the ~~commissioner~~ ^{Plain} department a statement,
11 showing the amount of premiums upon fire insurance due for the preceding calendar
12 year. Return premiums may be deducted in determining the premium on which the
13 fire department dues are computed. Payments of quarterly installments of the total
14 estimated payment for the then current calendar year under this subsection are due
15 on or before April 15, June 15, September 15 and December 15. On March 1 the
16 insurer shall pay any additional amounts due for the preceding calendar year.

17 Overpayments will be credited on the amount due April 15. ~~The commissioner shall,~~
18 ~~prior to May 1 each year, report to the department of safety and professional services~~ ^{stays struck}
19 ~~the amount of dues paid under this subsection and to be paid under s. 101.573 (1).~~ ^{struck}

20 SECTION 806. 604.04 (1) of the statutes is amended to read:

21 604.04 (1) MANAGER. Each fund under chs. 605 to 607 shall be administered
22 by a manager ~~who~~ which shall be the ~~commissioner~~ department. In chs. 604 to 607,
23 "manager" means the ~~commissioner in his or her~~ department in its capacity as
24 manager.

25 SECTION 807. 604.04 (2) of the statutes is amended to read:

Plain (circled 4, 5, 6)
Plain (circled 10)
Plain (circled 18)
and professional standards (vertical, circled)
stays struck (circled)
struck (circled)
financial institutions and professional standards (circled)

1 604.04 (2) OTHER PERSONNEL. The manager of a fund may employ such
2 personnel as are necessary for proper administration. To the extent practicable, the
3 manager shall manage the funds, issue policies, and prepare reports in the same way
4 that as ~~commissioner he or she~~ requires other insurers are required to do, except that
5 periodic annual audits may not be required. The manager may make such
6 reasonable rules for the administration of the funds as are necessary to implement
7 the enabling statutes.

8 **SECTION 808.** 604.04 (3) of the statutes is amended to read:

9 604.04 (3) EXPENSES. No full-time state officer or employee may receive
10 additional compensation for services under chs. 604 to 607. Appropriate portions of
11 the salaries of such persons who do work for the funds or supervise them, and other
12 expenses including reasonable charges for state-owned or state-rented office space
13 and the use of state-owned or state-rented office equipment shall be charged against
14 each fund. Each fund shall pay to the ~~commissioner~~ department amounts charged
15 for organizational support services, which shall be credited to the appropriation
16 account under s. ~~20.145 (1)~~ 20.142 (3) (g) 2. Each fund shall also be charged a sum
17 equivalent to the state premium tax that would be paid by a domestic mutual insurer
18 organized or operating under ch. 611 and doing the same kind of insurance business,
19 except that no such charge shall be made for the insurance of governmental units.

20 **SECTION 809.** 604.04 (4) of the statutes is amended to read:

21 604.04 (4) PAYMENT PROCEDURE. Any charges against a fund under sub. (3) shall
22 be certified by the ~~commissioner~~ department of financial institutions, insurance, and
23 professional standards, audited by the department of administration under s. 16.53,
24 and paid by the secretary of administration out of the appropriate fund in accordance
25 with procedures of the department of administration.

1 **SECTION 810.** 604.04 (6) of the statutes is amended to read:

2 604.04 (6) REINSURANCE. The manager may procure such reinsurance for the
3 fund as ~~he or she~~ the manager considers necessary for its sound operation.

4 **SECTION 811.** 604.07 of the statutes is amended to read:

5 **604.07 Bonds.** ~~The commissioner~~ department as manager of the funds and the
6 secretary of administration shall file surety bonds, specifically conditioned on the
7 performance of their duties under chs. 605 to 607, in amounts required by, and with
8 sureties approved by, the governor.

9 **SECTION 812.** 610.01 (4) of the statutes is repealed.

10 **SECTION 813.** 610.21 (2) (c) of the statutes is amended to read:

11 610.21 (2) (c) ~~The commissioner~~ department orders it to cease doing such
12 business upon finding that doing such business is not consistent with the interests
13 of its insureds, creditors, or the public in this state; or that it gives the insurer a
14 substantial competitive advantage in relation to domestic insurers.

15 **SECTION 814.** 610.65 of the statutes is amended to read:

16 **610.65 Uniform claim processing form.** Beginning no later than July 1,
17 2004, every insurer shall use the uniform claim processing form developed by ~~the~~
18 ~~commissioner~~ under s. 601.41 (9) (b) when processing a claim submitted by a health
19 care provider, as defined in s. 146.81 (1) (a) to (p).

20 **SECTION 815.** 610.70 (1) (a) of the statutes is amended to read:

21 610.70 (1) (a) "Health care provider" means any person licensed, registered,
22 permitted or certified by the department of health services or the department of
23 safety and professional services financial institutions, insurance, and professional
24 standards to provide health care services, items or supplies in this state.

25 **SECTION 816.** 611.07 (2) of the statutes is amended to read:

1 611.07 (2) EFFECT OF UNAUTHORIZED CORPORATE ACTS. Section 180.0304 applies
2 to stock corporations and s. 181.0304 applies to mutuals, except that references to
3 “attorney general” shall be read as “~~commissioner~~”, “department.”

4 SECTION 817. 611.20 (2) (a) (intro.) of the statutes is amended to read:

5 611.20 (2) (a) (intro.) The ~~commissioner~~ department shall issue a certificate of
6 authority, if ~~he or she~~ the department finds:

7 SECTION 818. 611.20 (4) (a) (intro.) of the statutes is amended to read:

8 611.20 (4) (a) *Upon application.* (intro.) A corporation may at any time apply
9 to the ~~commissioner~~ department for a new or amended certificate of authority,
10 removing, altering or adding limits on its business or methods of operation. The
11 application shall contain or be accompanied by so much of the information in s.
12 611.13 (2) as the ~~commissioner~~ department reasonably requires. The ~~commissioner~~
13 department shall issue the new certificate as requested if ~~he or she~~ the department
14 finds:

15 SECTION 819. 611.20 (4) (b) of the statutes is amended to read:

16 611.20 (4) (b) *By commissioner department.* If the ~~commissioner~~ department
17 issues a summary order under s. 645.21 against a corporation, ~~he or she~~ the
18 department may also revoke the corporation’s certificate and issue a new one with
19 the limits the ~~commissioner~~ department deems necessary.

20 SECTION 820. 611.24 (2) of the statutes is amended to read:

21 611.24 (2) OPTIONAL SEGREGATED ACCOUNTS. With the approval of the
22 ~~commissioner~~ department, a corporation may establish a segregated account for any
23 part of its business. The ~~commissioner~~ department shall approve unless ~~he or she~~
24 the department finds that the segregated account would be contrary to the law or to
25 the interests of any class of insureds.

1 SECTION 821. 611.28 (2) of the statutes is amended to read:

2 611.28 (2) CONTINUING CONTROL. ~~The commissioner~~ department may by rule or
3 order specify portions of the business plan to which the requirement of sub. (1) shall
4 apply even after the initial 5-year period, if ~~he or she~~ the department finds after a
5 hearing that it is required to protect the interests of insureds, creditors or the public
6 in this state.

7 SECTION 822. 611.29 (1) of the statutes is amended to read:

8 611.29 (1) RIGHT TO AMEND ARTICLES. A stock corporation may amend its articles
9 under ss. 180.0726, 180.1001 to 180.1007, 180.1706, 180.1707 and 180.1708 (4) and
10 a mutual may amend its articles under ss. 181.1001, 181.1002 (1), 181.1003,

plain

11
12

11 181.1005 and 181.1006, ~~except that papers required by those sections to be filed with~~
12 ~~the department of financial institutions shall instead be filed with the commissioner.~~

and professional standards

13 Subject to sub. (3), the stock corporation or mutual may amend its articles in any
14 desired respect including substantial changes of its original purposes. No
15 amendment may be made contrary to s. 611.12 (1) to (3).

16 SECTION 823. 611.31 (4) (a) of the statutes is amended to read:

17 611.31 (4) (a) Every person who is directly or indirectly the beneficial owner
18 of more than 10% of any class of any equity security of a domestic stock insurance
19 corporation, or who is a director or officer thereof, shall file ~~in the office of the~~
20 ~~commissioner~~ with the department within 10 days after becoming a beneficial owner
21 or a director or officer, and within 10 days after the close of any calendar month
22 thereafter in which there has been a change in his or her ownership or office, a
23 statement in the form prescribed by the ~~commissioner~~ department, of the office and
24 of all equity securities of the company of which the person is the beneficial owner, and
25 of all changes in either.

1 SECTION 824. 611.32 (2) (b) (intro.) of the statutes is amended to read:

2 611.32 (2) (b) (intro.) Except under this section and s. 611.18 (2) (a) 2., and
3 except for stock dividends, no promoter stock may be issued for 5 years following the
4 initial issuance of the certificate of authority, without the approval of the
5 ~~commissioner~~ department which may be granted by the ~~commissioner~~ department
6 only if ~~he or she~~ the department finds that:

7 SECTION 825. 611.33 (1) (a) 1. of the statutes is amended to read:

8 611.33 (1) (a) 1. Until one year after the initial issuance of a certificate of
9 authority, the corporation may issue no shares and no other securities convertible
10 into shares except for a single class of common stock that satisfies s. 180.0601 (3) and,
11 with the approval of the ~~commissioner~~ department, on terms that ~~he or she~~ the
12 department considers fair, a single class of preferred stock for sale to no more than
13 15 shareholders;

14 SECTION 826. 611.33 (1) (a) 2. of the statutes is amended to read:

15 611.33 (1) (a) 2. After the first year and within 5 years after the initial issuance
16 of a certificate of authority, no additional classes of shares may be issued, except after
17 approval of the ~~commissioner, who~~ department, which may approve only if ~~he or she~~
18 the department finds that existing shareholders will not be prejudiced.

19 SECTION 827. 611.33 (2) (a) 2. of the statutes is amended to read:

20 611.33 (2) (a) 2. After the first year but within 5 years after the initial issuance
21 of a certificate of authority, additional classes of bonds may be authorized after
22 approval of the ~~commissioner, who~~ department, which shall approve if ~~he or she~~ the
23 department finds that policyholders and prior bondholders will not be prejudiced;

24 SECTION 828. 611.33 (2) (b) (intro.) of the statutes is amended to read:

1 611.33 (2) (b) *Contribution notes.* (intro.) Any mutual may issue contribution
2 notes if the ~~commissioner~~ department approves. The ~~commissioner~~ department may
3 approve only if he or she the department finds that:

4 **SECTION 829.** 611.41 (2) of the statutes is amended to read:

5 611.41 (2) ATTENDANCE AT MEETINGS. The ~~commissioner~~ department or
6 department's representative has the right to attend any shareholders' or
7 policyholders' meeting.

8 **SECTION 830.** 611.51 (2) (c) of the statutes is amended to read:

9 611.51 (2) (c) *Exception.* The ~~commissioner~~ department may by order reduce
10 the number of directors required under this subsection, if he or she the department
11 finds that it would be an unreasonable burden on the corporation to comply with the
12 requirement and that the interests of policyholders and shareholders can be
13 otherwise protected.

14 **SECTION 831.** 611.72 (1) of the statutes is amended to read:

15 611.72 (1) GENERAL. Subject to this section, ss. 180.1101, 180.1103 to 180.1106,
16 180.1706, 180.1707, and 180.1708 (5) apply to the merger of a domestic stock
17 insurance corporation or its parent insurance holding corporation, ~~except that~~
18 ~~papers required by those sections to be filed with the department of financial~~
19 ~~institutions shall instead be filed with the commissioner.~~

20 **SECTION 832.** 611.72 (3) (bm) 1. of the statutes is amended to read:

21 611.72 (3) (bm) 1. If the proposed merger or other acquisition of control will
22 require the approval of more than one ~~commissioner~~ insurance regulatory authority,
23 the hearing under par. (am) may be held on a consolidated basis upon the request of
24 a person filing a statement with the ~~commissioner~~ of insurance of this state
25 department under s. Ins 40.02 (2), Wis. Adm. Code, which request must be made

and professional standards

Plain

1 when the statement is filed. That person shall file a copy of the statement under s.
 2 Ins 40.02 (2), Wis. Adm. Code, with the National Association of Insurance
 3 Commissioners within 5 days after making the request for a consolidated hearing.
 4 A hearing conducted on a consolidated basis shall be public and held within the
 5 United States before the ~~commissioners~~ insurance regulatory officials of the states
 6 in which the insurers involved in the merger or other acquisition of control are
 7 domiciled. The ~~commissioners~~ insurance regulatory officials may hear and receive
 8 evidence. ~~A commissioner~~ An insurance regulatory official may attend the hearing
 9 in person or by telecommunication.

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

10 SECTION 833. 611.72 (3) (bm) 2. of the statutes is amended to read:

11 611.72 (3) (bm) 2. The ~~commissioner of insurance of this state~~ department may
 12 opt out of a consolidated hearing, and shall provide notice to the person requesting
 13 the consolidated hearing of the opt out within 10 days after the ~~commissioner~~
 14 department receives the statement under s. Ins 40.02 (2), Wis. Adm. Code.

15 SECTION 834. 611.73 (1) (a) of the statutes is amended to read:

16 ^{plain} 611.73 (1) (a) *In general.* Any 2 or more domestic mutuals may merge under
 17 the procedures of this section and ss. 181.1105 and 181.1106, ~~except that papers~~
 18 ~~required by those sections to be filed with the department of financial institutions~~
 19 ~~shall instead be filed with the commissioner.~~

20 SECTION 835. 611.73 (3) (a) of the statutes is amended to read:

21 611.73 (3) (a) The plan of merger shall be submitted to the ~~commissioner~~
 22 department for his or her the department's approval after any necessary action by
 23 the boards and before any necessary action by the policyholders. The ~~commissioner~~

and professional standards

1 department shall approve the plan unless ~~he or she~~ the department finds, after a
2 hearing, that the proposed merger would be contrary to the law or to the interests
3 of the insureds of any participating domestic corporation or the Wisconsin insureds
4 of any participating nondomestic corporation.

5 **SECTION 836.** 611.73 (3) (b) 1. of the statutes is amended to read:

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

21 **SECTION 837.** 611.73 (3) (b) 2. of the statutes is amended to read:

22 611.73 (3) (b) 2. The ~~commissioner of insurance of this state~~ department may
23 opt out of a consolidated hearing, and shall provide notice to the person requesting
24 the consolidated hearing of the opt out within 10 days after the ~~commissioner~~

1 department receives the plan of merger under par. (a) and the statement under s. Ins
2 40.02 (2), Wis. Adm. Code.

3 SECTION 838. 611.73 (4) of the statutes is amended to read:

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

7 SECTION 839. 611.74 (1) of the statutes is amended to read:

8 611.74 (1) PLAN OF DISSOLUTION. At least 60 days prior to the submission to
9 shareholders or policyholders of any proposed voluntary dissolution of an insurance
10 corporation under s. 180.1402 or 181.1401 the plan shall be filed with the

11 ~~commissioner~~ department The ~~commissioner~~ department may require the

12 submission of additional information to establish the financial condition of the
13 corporation or other facts relevant to the proposed dissolution. If the shareholders

14 or policyholders adopt the resolution to dissolve, the ~~commissioner~~ department shall,

15 within 30 days after the adoption of the resolution, begin to examine the corporation.

16 The ~~commissioner~~ department shall approve the dissolution unless, after a hearing,

17 the ~~commissioner~~ department finds that it is insolvent or may become insolvent in

18 the process of dissolution. Subject to chs. 600 to 645, upon approval, the corporation

19 may dissolve under ss. 180.1402 to 180.1408 and 180.1706, or ss. 181.1401 to

20 181.1407, ~~except that papers required by those sections to be filed with the~~

21 ~~department of financial institutions shall instead be filed with the commissioner.~~

22 Upon disapproval, the ~~commissioner~~ department shall petition the court for

23 liquidation or for rehabilitation under ch. 645.

24 SECTION 840. 611.75 (4) (intro.) of the statutes is amended to read:

Plan

and professional standards

1 611.75 (4) ~~CONDITION FOR APPROVAL.~~ (intro.) ~~The commissioner~~ department
2 shall approve the conversion unless he or she the department finds, after a hearing,
3 that:

4 **SECTION 841.** 611.75 (7) of the statutes is amended to read:

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

14 **SECTION 842.** 611.76 (3) (a) (intro.) of the statutes is amended to read:

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

20 **SECTION 843.** 611.76 (6) (b) of the statutes is amended to read:

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

25 **SECTION 844.** 611.76 (6) (c) of the statutes is amended to read:

1 611.76 (6) (c) Any policyholder under par. (a) and any ~~commissioner~~ insurance
 2 regulatory authority under par. (b) may present written or oral statements at the
 3 hearing and may present written statements within a period after the hearing
 4 specified by the ~~commissioner~~ department. The ~~commissioner~~ department shall
 5 take statements presented under this paragraph into consideration in making the
 6 determination under sub. (7).

7 **SECTION 845.** 611.76 (7) (a) of the statutes is amended to read:

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

11 **SECTION 846.** 611.76 (10) of the statutes is amended to read:

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

21 **SECTION 847.** 611.76 (11) of the statutes is amended to read:

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

plain

of financial institutions and professional standards

1 **SECTION 848.** 611.77 (1) of the statutes is amended to read:

2 611.77 (1) **ASSESSABLE TO NONASSESSABLE.** Whenever an assessable mutual
3 accumulates enough surplus to satisfy the financial requirements for the operation
4 of a nonassessable mutual under like conditions, it may apply for a certificate of
5 authority authorizing it to sell nonassessable policies. The ~~commissioner~~
6 department shall issue a certificate of authority designating it a nonassessable
7 mutual if ~~he or she~~ the department finds that the applicant satisfies the
8 requirements of the law and that the issuance of nonassessable policies will not
9 endanger the interests of its insureds or the public. Policies issued thereafter shall
10 be nonassessable; existing policies shall continue in effect and shall also become
11 nonassessable.

12 **SECTION 849.** 611.77 (2) of the statutes is amended to read:

13 611.77 (2) **NONASSESSABLE TO ASSESSABLE.** A nonassessable mutual may apply
14 to the ~~commissioner~~ department for a certificate of authority designating it an
15 assessable mutual. The ~~commissioner~~ department shall issue the certificate if the
16 law permits such a corporation to issue assessable policies and if ~~he or she~~ the
17 department finds that the conversion will not endanger the interests of present or
18 future insureds or of the public. All policies issued after conversion shall be
19 assessable, and all policies in effect on the date of conversion shall be assessable
20 except to the extent that there is a contract right then existing not to be assessed.

21 **SECTION 850.** 612.01 (4) of the statutes is amended to read:

22 612.01 (4) **APPLICABLE DEFINITIONS.** The definitions in ss. 181.0103 (3) and (18),
23 600.03, and 610.01 (1), and (2) ~~and~~ (4) apply to town mutuals.

24 **SECTION 851.** 612.02 (6) (intro.) of the statutes is amended to read:

1 612.02 (6) CERTIFICATE OF AUTHORITY. (intro.) The ~~commissioner~~ department
2 shall issue a certificate of authority if ~~he or she~~ the department:

3 **SECTION 852.** 612.04 (2) of the statutes is amended to read:

4 612.04 (2) APPROVAL REQUIRED. No change in the articles or bylaws or in the
5 business plan is effective until approved by the ~~commissioner~~ department, nor may
6 a town mutual depart from its business plan except with the ~~commissioner's~~
7 department's approval. No change may be made inconsistent with s. 612.02 (2).
8 Section 181.1008 applies to town mutuals.

9 **SECTION 853.** 612.04 (3) (intro.) of the statutes is amended to read:

10 612.04 (3) GROUNDS FOR DISAPPROVAL. (intro.) The ~~commissioner~~ department
11 shall approve the change unless ~~he or she~~ the department finds, after a hearing, that
12 it would be:

13 **SECTION 854.** 612.11 (3) of the statutes is amended to read:

14 612.11 (3) ~~COMMISSIONER'S~~ DEPARTMENT'S RIGHT TO ATTEND. The ~~commissioner~~
15 department or the department's representative may attend any meeting of members.

16 **SECTION 855.** 612.21 (3) of the statutes is amended to read:

17 612.21 (3) APPROVAL BY ~~COMMISSIONER~~ DEPARTMENT. Each of the participating
18 town mutuals shall file with the ~~commissioner~~ department for approval a copy of the
19 resolution and any explanatory statement proposed to be issued to the members,
20 together with so much of the information under s. 612.02 (4) for the surviving or new
21 town mutual as the ~~commissioner~~ department reasonably requires. The
22 ~~commissioner~~ department shall approve the plan unless ~~he or she~~ the department
23 finds, after a hearing, that it would be contrary to the law, or that the surviving or
24 new town mutual would not satisfy the requirements for a certificate of authority

1 under s. 612.02 (6), or that the plan would be contrary to the interests of insureds or
2 of the public.

3 **SECTION 856.** 612.22 (3) (a) of the statutes is amended to read:

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

15 **SECTION 857.** 612.25 (3) of the statutes is amended to read:

16 612.25 (3) ~~APPROVAL BY MEMBERS AND COMMISSIONER DEPARTMENT~~ APPROVAL BY MEMBERS AND DEPARTMENT. The plan shall
17 thereupon be submitted to the members. If the members adopt the plan, the
18 corporation shall file with the ~~commissioner~~ department for approval a copy of the
19 resolution of the members, stating the number of members entitled to vote, the
20 number of members voting and the number of votes cast in favor of the plan, stating
21 separately the mail votes and the votes cast in person. The ~~commissioner~~
22 department shall approve the plan unless ~~he or she~~ the department finds, after a
23 hearing, that the town mutual is insolvent or may become insolvent in the process
24 of dissolution unless it makes an assessment. If an assessment would be required,
25 the ~~commissioner~~ department shall institute proceedings under s. 645.41 (10).

1 SECTION 858. 612.31 (2) (c) of the statutes is amended to read:

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

6 SECTION 859. 612.33 (2) (b) of the statutes is amended to read:

7 612.33 (2) (b) *Nonproperty insurance.* To the extent that a town mutual
8 provides insurance under s. 612.31 (3), it shall obtain reinsurance of at least a 90%
9 proportional share of each risk with an insurer authorized to do such business in this
10 state. The ~~commissioner~~ department may permit a town mutual to retain a larger
11 percentage if ~~he or she~~ the department finds that the interests of the members will
12 not be endangered thereby, or may require it to reinsure a larger percentage if he or
13 she finds that the interests of the members make it advisable. The ~~commissioner~~
14 department may by rule require other reinsurance.

15 SECTION 860. 612.33 (2) (e) of the statutes is amended to read:

16 612.33 (2) (e) *Approval of reinsurance contract.* Every reinsurance contract
17 required under this subsection shall be on a form approved by the ~~commissioner~~
18 department under s. 612.51. The ~~commissioner~~ department shall approve the form
19 unless ~~he or she~~ the department finds that it would be contrary to the law or to the
20 interests of insureds or the public.

21 SECTION 861. 612.34 (2) of the statutes is amended to read:

22 612.34 (2) CLASSIFICATIONS. No classification plan for the purpose of
23 determining premiums or assessment shares may be used unless it has been
24 approved by the ~~commissioner~~ department. The ~~commissioner~~ department shall
25 approve the plan unless ~~he or she~~ the department finds that it would be contrary to

1 the law, including the standards of s. 625.11, or contrary to the interests of insureds
2 or of the public.

3 **SECTION 862.** 613.01 (8) of the statutes is repealed.

4 **SECTION 863.** 613.19 (5) of the statutes is amended to read:

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

14 **SECTION 864.** 613.31 (2) of the statutes is amended to read:

15 613.31 (2) APPROVAL BY ~~COMMISSIONER~~ DEPARTMENT Securities of a service
16 insurance corporation may not be registered under ch. 551 without prior approval
17 of the ~~commissioner of insurance~~ department.

18 **SECTION 865.** 613.41 (2) of the statutes is amended to read:

19 613.41 (2) ATTENDANCE AT MEETINGS. ~~The commissioner~~ department or the
20 department's representative may attend any members' or policyholders' meeting.

21 **SECTION 866.** 613.72 (2) of the statutes is amended to read:

22 613.72 (2) ~~COMMISSIONER'S~~ DEPARTMENT'S APPROVAL REQUIRED. No proposed
23 merger plan under this section may be submitted to the members until the
24 ~~commissioner~~ department approves it.

25 **SECTION 867.** 613.74 (3) of the statutes is amended to read:

Insert 247-25 →

1 613.74 (3) CONVERSION TO INVOLUNTARY LIQUIDATION. The corporation may at
2 any time during the liquidation under ss. 181.1401 to 181.1407 apply to the
3 ~~commissioner~~ department to have the liquidation continued under the
4 ~~commissioner's~~ department's supervision; thereupon the ~~commissioner~~ department
5 shall apply to the court for liquidation under s. 645.41 (10).

6 **SECTION 868.** 614.01 (6) of the statutes is amended to read:

7 614.01 (6) The definitions in ss. 181.0103 (3), (17), and (18), 600.03, and 610.01
8 (1), ~~(and 2) and (4)~~ apply to fraternal.

9 **SECTION 869.** 614.09 of the statutes is amended to read:

10 **614.09 Reservation of corporate name.** Sections 181.0402 and 181.0403
11 (2), (3) and (3m) apply to fraternal, ~~except that "department" shall be read~~
12 ~~"commissioner"~~.

13 **SECTION 870.** 614.19 (4) of the statutes is amended to read:

14 614.19 (4) **REDUCTION OF MINIMUM SURPLUS.** ~~The commissioner~~ department may,
15 by order, reduce the minimum amounts of surplus required under subs. (1) and (2)
16 if in the ~~commissioner's~~ department's opinion the extent and nature of providers'
17 contracts, financial guarantees and other support by financially sound private or
18 public corporations, a pressing social need in a particular community for the
19 formation of a fraternal to provide needed insurance coverage, or other special
20 circumstances, justify the proposed reduction in the required surplus. A person who
21 will directly compete with the proposed fraternal is aggrieved within the meaning
22 of s. 601.62 (3) (a).

23 **SECTION 871.** 614.73 (5) of the statutes is amended to read:

24 614.73 (5) **PROCEDURE FOR NONDOMESTIC FRATERALS.** Where a nondomestic
25 fraternal is a party to the proposed contract, the parties shall follow the procedure

1 for domestic fraternal under subs. (3) and (4), but the ~~commissioner~~ department
2 may not issue a certificate of compliance until the parties file a certificate that the
3 proposed contract has been approved in the manner provided by the laws of the
4 jurisdiction under which the fraternal is incorporated, or, if such laws contain no
5 procedure for approval, that the proposed contract has been approved by the
6 ~~commissioner of insurance~~ insurance regulatory authority for that jurisdiction.

7 **SECTION 872.** 614.74 (2) of the statutes is amended to read:

8 614.74 (2) CONVERSION TO INVOLUNTARY LIQUIDATION. The fraternal may at any
9 time during the liquidation under ss. 181.1401 to 181.1407 apply to the
10 ~~commissioner~~ department to have the liquidation continued under the
11 ~~commissioner's department's~~ supervision; thereupon the ~~commissioner~~ department
12 shall apply to the court for liquidation under s. 645.41 (10).

13 **SECTION 873.** 614.76 (4) of the statutes is amended to read:

14 614.76 (4) APPROVAL BY MEMBERS. After being approved by the ~~commissioner~~
15 department, the plan shall be submitted for approval to the persons who were voting
16 members on the date of the ~~commissioner's~~ department's approval under sub. (3).
17 At least a majority of the votes cast must be in favor of the plan, or a larger number
18 if required by the laws of the fraternal.

19 **SECTION 874.** 614.76 (8) of the statutes is amended to read:

20 614.76 (8) EXPENSES. The corporation may not pay compensation of any kind
21 to existing personnel, in connection with the proposed conversion, other than regular
22 salaries. With the ~~commissioner's~~ department's approval, payment may be made at
23 reasonable rates for printing costs and for legal and other professional fees for
24 services actually rendered. All expenses of the conversion, including the expenses
25 incurred by the ~~commissioner~~ department and the prorated salaries of any ~~insurancee~~

the effective date
of this subdivision
[LRB inserts date]

1 office department staff members involved, shall be borne by the corporation being
2 converted.

3 SECTION 875. 616.09 (1) (c) 2. of the statutes is amended to read:

4 616.09 (1) (c) 2. In all actions commenced after May 11, 1980, but before July

5 1, 2015, in those provisions of ch. 185 which apply under subd. 1. to plans authorized

6 under s. 616.06, "department" shall be deemed to read "department of financial

7 institutions and commissioner", except in s. 185.48, where "department" shall be

8 deemed to read "commissioner".

Insert 250-8

9 SECTION 876. 616.50 (3) of the statutes is repealed.

10 SECTION 877. 616.54 (7) (b) 2. of the statutes is amended to read:

11 616.54 (7) (b) 2. An irrevocable letter of credit that is from a bank properly

12 chartered by the federal government or any state, that is acceptable to the

13 ~~commissioner~~ department, and that is issued for a term of at least 5 years with

14 provision for renewal 2 years before termination. The letter of credit shall be payable

15 to the ~~commissioner~~ department or the ~~commissioner's~~ department's designee for the

16 benefit of Wisconsin consumers upon a finding by the ~~commissioner~~ department that

17 a provider is insolvent or financially impaired and unable to meet its obligations

18 under service contracts issued in Wisconsin. The provider shall notify the

19 ~~commissioner~~ department in writing of the nonrenewal of a letter of credit within 30

20 days after receiving a notice of nonrenewal. No provider whose letter of credit has

21 been nonrenewed may offer or sell or renew any service contract on or after the date

22 of nonrenewal until the provider obtains security satisfying the requirements of this

23 subsection or satisfies the requirements of sub. (6).

24 SECTION 878. 616.56 (3) of the statutes is amended to read: