

1 616.56 (3) Service contracts shall contain the following statement printed in
 2 bold and capitalized type: "THIS CONTRACT IS SUBJECT TO LIMITED
 3 REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE
 4 DEPARTMENT OF FINANCIAL INSTITUTIONS, INSURANCE, AND
 5 PROFESSIONAL STANDARDS."

6 **SECTION 879.** 616.62 (2) of the statutes is amended to read:

7 616.62 (2) The ~~commissioner~~ department may take any action under ss. 601.41
 8 and 601.61 to 601.73 that is necessary or appropriate to enforce the provisions of this
 9 subchapter and the ~~commissioner's~~ department's rules and orders and to protect
 10 service contract holders in this state. The ~~commissioner~~ department may subject a
 11 provider to any reporting and replying requirement under s. 601.42.

12 **SECTION 880.** 616.71 (4) of the statutes is repealed.

13 **SECTION 881.** 616.74 (1) (c) of the statutes is amended to read:

14 616.74 (1) (c) A certificate from the department of ^{plain} ~~financial institutions~~, if it
 15 is a nonprofit corporation, that it has complied with the corporation laws of this state;
 16 if it is a corporation the stock of which has been or is being sold to the general public,
 17 a certificate from the ~~division of securities~~ department that it has complied with the
 18 requirements of the securities law of this state.

and professional standards

19 **SECTION 882.** 617.11 (5) of the statutes is amended to read:

20 617.11 (5) CONSENT TO JURISDICTION. Every insurer authorized to do business
 21 in this state shall promptly submit to the ~~commissioner~~ department a statement
 22 from each of its affiliates that owns stock in the insurer either directly or through
 23 intermediaries, that controls the insurer or that is a party to any transaction,
 24 dividend or distribution that the insurer is required to report under s. 617.21, to the
 25 effect that the affiliate agrees to be subject to the jurisdiction of the ~~commissioner~~

→ of financial institutions

1 department and the courts of this state for the purposes of this chapter. The
2 ~~commissioner~~ department may by rule require that such statements be submitted
3 for other classes of affiliates if ~~he or she~~ the department finds that the interests of
4 policyholders or the public so require.

5 **SECTION 883.** 617.215 (3) of the statutes is amended to read:

6 617.215 (3) PAYMENT OF EXPENSES. All insurers to which this section applies are
7 liable for and shall pay the reasonable expenses related to the ~~commissioner's~~
8 department's participation in supervisory colleges, including reasonable travel
9 expenses. The ~~commissioner~~ department may impose a regular assessment on
10 insurers to cover the expenses.

11 **SECTION 884.** 617.215 (4) of the statutes is amended to read:

12 617.215 (4) NOT DELEGATION OF AUTHORITY. Nothing in this section delegates to
13 a supervisory college the authority of the ~~commissioner~~ department to regulate or
14 supervise an insurer or its affiliates within the ~~commissioner's~~ department's
15 jurisdiction.

16 **SECTION 885.** 618.11 (14) of the statutes is amended to read:

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

1 SECTION 886. 618.12 (4) of the statutes is amended to read:

2 618.12 (4) ALTERATION OF CERTIFICATE. An insurer may at any time apply to the
3 ~~commissioner~~ department for a new certificate of authority, removing, altering or
4 adding limits on its business or methods of operation. The application shall be
5 accompanied by so much of the information under s. 618.11 as the ~~commissioner~~
6 department reasonably requires. The ~~commissioner~~ department shall issue the new
7 certificate as requested if ~~he or she~~ the department would do so if an initial
8 application were being made.

9 SECTION 887. 618.21 (2) (b) of the statutes is amended to read:

10 618.21 (2) (b) *Corporate reorganization or transformation.* When any corporate
11 reorganization, transformation, or liquidation of a nondomestic insurer is proposed
12 by it or approved by the domiciliary ~~commissioner~~ insurance regulatory authority or
13 by another official act, notice shall be given to the ~~commissioner~~ department
14 promptly.

15 SECTION 888. 618.22 (2) (intro.) of the statutes is amended to read:

16 618.22 (2) DISAPPROVAL. (intro.) The ~~commissioner~~ department shall
17 disapprove a contract under sub. (1) or s. 611.67 if ~~he or she~~ the department finds
18 that:

19 SECTION 889. 618.23 (2) of the statutes is amended to read:

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

1 **SECTION 890.** ~~618.26~~ (2) (b) of the statutes is amended to read:

2 618.26 (2) (b) *Corporate reorganization or transformation.* When any corporate
3 reorganization, transformation, or liquidation of a nondomestic fraternal, or any
4 levy to cover a deficiency under a law comparable to s. 614.19 (3), is proposed by it
5 or approved by the domiciliary ~~commissioner~~ insurance regulatory authority or by
6 another official act, notice shall be given to the ~~commissioner~~ department promptly.

7 **SECTION 891.** 618.36 (3) (intro.) of the statutes is amended to read:

8 618.36 (3) **RELEASE ORDER.** (intro.) The ~~commissioner~~ department shall release
9 the insurer from regulation if ~~he or she~~ the department finds:

10 **SECTION 892.** 618.36 (4) of the statutes is amended to read:

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

17 **SECTION 893.** 618.39 (3) (a) (intro.) of the statutes is amended to read:

18 618.39 (3) (a) (intro.) The ~~office~~ department may by rule promulgate standards
19 for any of the following:

20 **SECTION 894.** 618.39 (3) (b) of the statutes is amended to read:

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

24 **SECTION 895.** 618.41 (6) (d) of the statutes is amended to read:

1 618.41 (6) (d) *Evaluations*. The ~~commissioner~~ department may issue lists of
2 unauthorized nondomestic insurers whose solidity he or she believes to be doubtful
3 or whose practices ~~he or she~~ the department believes to be objectionable. The
4 ~~commissioner~~ department may issue lists of unauthorized nondomestic insurers ~~he~~
5 ~~or she~~ the department believes to be reliable and solid. The ~~commissioner~~
6 department may also issue other relevant evaluations of unauthorized insurers. No
7 action may lie against the ~~commissioner~~ department, secretary, or any employee of
8 the ~~office~~ department for anything said in the issuance of such lists and evaluations.

9 **SECTION 896.** 618.416 (1) (b) of the statutes is amended to read:

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

21 **SECTION 897.** 618.42 (2) of the statutes is amended to read:

22 618.42 (2) **REPORTS AND TAXATION.** Every policyholder who procures or renews
23 insurance otherwise subject to chs. 600 to 646 and 655 from any insurer not
24 authorized to do business in this state, other than insurance procured under s.
25 618.41 and the renewal of guaranteed renewable insurance lawfully issued outside

1 this state, shall within 60 days after the insurance procured or renewed report to the
2 ~~commissioner~~ department in such form as ~~he or she~~ the department requires and pay
3 the taxes specified by s. 618.43.

4 **SECTION 898.** 618.61 (3) of the statutes is amended to read:

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

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

10 **SECTION 899.** 619.01 (1) (a) of the statutes is amended to read:

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

22 **SECTION 900.** 619.04 (3) of the statutes is amended to read:

1 619.04 (3) The plan shall operate subject to the supervision and approval of a
2 board of governors consisting of 3 representatives of the insurance industry
3 appointed by and to serve at the pleasure of the ~~commissioner~~ secretary, a person to
4 be named by the State Bar Association, a person to be named by the Wisconsin
5 Academy of Trial Lawyers, 2 persons to be named by the Wisconsin Medical Society,
6 a person to be named by the Wisconsin Hospital Association, the ~~commissioner~~
7 secretary or a designated representative employed by the ~~office of the commissioner~~
8 department, and 4 public members at least 2 of whom are not attorneys or physicians
9 and are not professionally affiliated with any hospital or insurance company,
10 appointed by the governor for staggered 3-year terms. The ~~commissioner or the~~
11 ~~commissioner's~~ secretary or the secretary's representative shall be the chairperson
12 of the board of governors. Board members shall be compensated at the rate of \$50
13 per diem plus actual and necessary travel expenses.

14 **SECTION 901.** 622.03 (1) of the statutes is amended to read:

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

19 **SECTION 902.** 622.09 (1) (intro.) and (a) 2. of the statutes are amended to read:

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

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

3 **SECTION 903.** 622.09 (1) (b) (intro.) of the statutes is amended to read:

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

7 **SECTION 904.** 622.09 (1) (b) 2. of the statutes is amended to read:

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

11 **SECTION 905.** 622.09 (3) of the statutes is amended to read:

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

21 **SECTION 906.** 622.11 (3) of the statutes is amended to read:

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

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

10 **SECTION 907.** 622.11 (4) of the statutes is amended to read:

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

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

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

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

3 **SECTION 908.** 622.13 (1) of the statutes is amended to read:

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

8 **SECTION 909.** 622.13 (2) of the statutes is amended to read:

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

13 **SECTION 910.** 622.15 (1) of the statutes is amended to read:

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

25 **SECTION 911.** 622.15 (2) of the statutes is amended to read:

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

8 **SECTION 912.** 622.15 (3) (intro.) of the statutes is amended to read:

9 **622.15 (3) PERMITTED DISCLOSURES.** (intro.) In furtherance of the performance
10 of the ~~commissioner's~~ department's regulatory duties, all of the following apply:

11 **SECTION 913.** 622.15 (3) (a) of the statutes is amended to read:

12 **622.15 (3) (a)** The ~~commissioner~~ department may, upon request, share
13 documents, materials, or other information related to own risk and solvency
14 assessments, including the confidential and privileged documents, materials, or
15 information subject to sub. (1), including proprietary and trade secret documents
16 and materials, with other state, federal, and international financial regulatory
17 agencies, including members of any supervisory college as described in s. 617.215,
18 with the National Association of Insurance Commissioners, and with any 3rd-party
19 consultants designated by the ~~commissioner~~ department, provided that the recipient
20 agrees in writing to maintain the confidentiality and privileged status of the
21 documents, materials, or other information required by this section related to own
22 risk and solvency assessments and has verified in writing its legal authority to
23 maintain confidentiality.

24 **SECTION 914.** 622.15 (3) (b) of the statutes is amended to read:

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

11 **SECTION 915.** 622.15 (3) (c) (intro.) of the statutes is amended to read:

12 622.15 (3) (c) (intro.) The ~~commissioner~~ department shall enter into a written
13 agreement with the National Association of Insurance Commissioners or any 3rd
14 party consulted formally or informally by the ~~commissioner~~ department governing
15 the sharing and use of information provided under this chapter, consistent with this
16 subsection, that does all of the following:

17 **SECTION 916.** 622.15 (3) (c) 2. of the statutes is amended to read:

18 622.15 (3) (c) 2. Specifies that ownership of information shared with the
19 National Association of Insurance Commissioners or 3rd-party consultants in
20 accordance with this chapter remains with the ~~commissioner~~ department and that
21 the use of the information by the National Association of Insurance Commissioners,
22 regulatory officials, or 3rd-party consultants is subject to the direction of the
23 ~~commissioner~~ department.

24 **SECTION 917.** 622.15 (3) (d) of the statutes is amended to read:

1 622.15 (3) (d) The sharing of information and documents by the ~~commissioner~~
2 department under this chapter does not constitute a delegation of regulatory
3 authority or rule making, and the ~~commissioner~~ department is solely responsible for
4 the administration, execution, and enforcement of the provisions of this chapter.

5 **SECTION 918.** 622.15 (3) (e) of the statutes is amended to read:

6 622.15 (3) (e) No waiver of any applicable privilege or claim of confidentiality
7 in the documents, proprietary and trade secret materials, or other information
8 related to own risk and solvency assessments obtained or developed under this
9 chapter shall occur as a result of disclosure of such information or documents to the
10 ~~commissioner~~ department under this section or as a result of the ~~commissioner~~
11 department sharing such information or documents as authorized in this section.

12 **SECTION 919.** 623.06 (1m) (b) 2. of the statutes is amended to read:

13 623.06 (1m) (b) 2. An insurance company that is required to submit an opinion
14 under subd. 1. shall have prepared by the qualified actuary who renders the opinion
15 a memorandum in support of the opinion under subd. 1. The ~~commissioner~~
16 department shall specify by rule the form and content of the memorandum. The
17 insurance company shall provide the memorandum to the ~~commissioner~~ secretary,
18 at the ~~commissioner's~~ secretary's request, for his or her examination. After
19 examination, the ~~commissioner~~ secretary shall return the memorandum to the
20 insurance company. The memorandum shall not be considered a record of the
21 ~~commissioner's~~ secretary's office.

22 **SECTION 920.** 623.06 (1m) (b) 3. of the statutes is amended to read:

23 623.06 (1m) (b) 3. If an insurance company fails to provide a supporting
24 memorandum to the ~~commissioner~~ secretary upon request within the period
25 specified by rule, or if the ~~commissioner~~ secretary determines that the supporting

1 memorandum provided by an insurance company fails to meet the standards
2 prescribed by rule or is otherwise unacceptable, the ~~commissioner~~ department may
3 retain a qualified actuary at the expense of the insurance company to review the
4 opinion required under subd. 1. and the basis for the opinion and to prepare such
5 supporting memorandum as the ~~commissioner~~ secretary requires.

6 **SECTION 921.** 623.06 (1m) (f) 3. of the statutes is amended to read:

7 623.06 (1m) (f) 3. A memorandum loses its confidentiality if the insurance
8 company cites any portion of the memorandum for marketing purposes or before any
9 governmental agency other than a state insurance ~~department~~ agency or if the
10 insurance company releases any portion of the memorandum to the news media.

11 **SECTION 922.** 623.06 (2a) (intro.) of the statutes is amended to read:

12 623.06 (2a) (intro.) Except as provided in sub. (2m), the minimum standard for
13 the valuation of all individual annuity and pure endowment contracts issued on or
14 after the operative date of this subsection, as defined in sub. (2b), and for all
15 annuities and pure endowments purchased on or after that operative date under
16 group annuity and pure endowment contracts, shall be the ~~commissioners~~ reserve
17 valuation methods defined in subs. (3) to (4m) and the following tables and interest
18 rates:

19 **SECTION 923.** 623.06 (3) (intro.) of the statutes is amended to read:

20 623.06 (3) (intro.) Except as provided in subs. (4m) and (7), reserves according
21 to the ~~commissioners~~ reserve valuation method, for the life insurance and
22 endowment benefits of policies providing for a uniform amount of insurance and
23 requiring the payment of uniform premiums shall be the excess, if any, of the present
24 value, at the date of valuation, of such future guaranteed benefits provided for by
25 such policies, over the then present value of any future modified net premiums

1 therefor. The modified net premiums for any such policy shall be such uniform
2 percentage of the respective contract premiums for such benefits that the present
3 value, at the date of issue of the policy, of all such modified net premiums shall be
4 equal to the sum of the then present value of such benefits provided for by the policy
5 and the excess of par. (a) over par. (b), as follows:

6 **SECTION 924.** 623.06 (3m) (b) (intro.) of the statutes is amended to read:

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

16 **SECTION 925.** 623.06 (4) (intro.) of the statutes is amended to read:

17 623.06 (4) (intro.) Reserves according to the ~~commissioners~~ reserve valuation
18 method for the following shall be calculated by a method consistent with the
19 principles of sub. (3), except that any extra premiums charged because of
20 impairments or special hazards shall be disregarded in the determination of
21 modified net premiums:

22 **SECTION 926.** 623.06 (4m) of the statutes is amended to read:

23 623.06 (4m) This subsection applies to all annuity and pure endowment
24 contracts other than group annuity and pure endowment contracts purchased under
25 a retirement plan or plan of deferred compensation, established or maintained by an

1 employer, including a partnership or sole proprietorship, or by an employee
2 organization, or by both, other than a plan providing individual retirement accounts
3 or individual retirement annuities under section 408 of the Internal Revenue Code.
4 Reserves according to the ~~commissioners~~ annuity reserve method for benefits under
5 annuity or pure endowment contracts, excluding any disability and accidental death
6 benefits in such contracts, shall be the greatest of the respective excesses of the
7 present values, at the date of valuation, of the future guaranteed benefits, including
8 guaranteed nonforfeiture benefits, provided for by such contracts at the end of each
9 respective contract year, over the present value, at the date of valuation, of any
10 future valuation considerations derived from future gross considerations, required
11 by the terms of such contract, that become payable prior to the end of such respective
12 contract year. The future guaranteed benefits shall be determined by using the
13 mortality table, if any, and the interest rate specified in such contracts for
14 determining guaranteed benefits. The valuation considerations are the portions of
15 the respective gross considerations applied under the terms of such contracts to
16 determine nonforfeiture values.

17 **SECTION 927.** 625.21 (1) of the statutes is amended to read:

18 **625.21 (1) RULE INSTITUTING DELAYED EFFECT.** If the ~~commissioner~~ department
19 finds that competition is not an effective regulator of the rates charged or that a
20 substantial number of companies are competing irresponsibly through the rates
21 charged, or that there are widespread violations of this chapter, in any kind or line
22 of insurance or subdivision thereof or in any rating class or rating territory, ~~he or she~~
23 the department may promulgate a rule requiring that in the kind or line of insurance
24 or subdivision thereof or rating class or rating territory comprehended by the finding
25 any subsequent changes in the rates or supplementary rate information be filed with

1 the ~~commissioner~~ department at least 15 days before they become effective. The
2 ~~commissioner~~ department may extend the waiting period for not to exceed 15
3 additional days by written notice to the filer before the first 15-day period expires.

4 **SECTION 928.** 625.23 of the statutes is amended to read:

5 **625.23 Special restrictions on individual insurers.** The ~~commissioner~~
6 department may by order require that a particular insurer file any or all of its rates
7 and supplementary rate information 15 days prior to their effective date, if and to
8 the extent that ~~he or she~~ the department finds, after a hearing, that the protection
9 of the interests of its insureds and the public in this state requires closer supervision
10 of its rates because of the insurer's financial condition or rating practices. The
11 ~~commissioner~~ department may extend the waiting period for any filing for not to
12 exceed 15 additional days by written notice to the insurer before the first 15-day
13 period expires. A filing not disapproved before the expiration of the waiting period
14 shall be deemed to meet the requirements of this chapter, subject to the possibility
15 of subsequent disapproval under s. 625.22.

16 **SECTION 929.** 625.32 (3) of the statutes is amended to read:

17 **625.32 (3) GRANTING OF LICENSE.** If the ~~commissioner~~ department finds that the
18 applicant and the natural persons through whom it acts are competent, trustworthy,
19 and technically qualified to provide the services proposed, and that all requirements
20 of law are met, ~~he or she~~ the department shall issue a license specifying the
21 authorized activity of the applicant. The ~~commissioner~~ department may not issue
22 a license if the proposed activity would tend to create a monopoly or to lessen or
23 destroy price competition.

24 **SECTION 930.** 626.12 (3) of the statutes is amended to read:

1 626.12 (3) PHYSICAL IMPAIRMENT. Rates or rating plans may not take into
2 account the physical impairment of employees. Any employer who applies or
3 promotes any oppressive plan of physical examination and rejection of employees or
4 applicants for employment shall forfeit the right to experience rating. If the
5 department of workforce development determines that grounds exist for such
6 forfeiture it shall file with the commissioner make a certified copy of its findings,
7 which shall automatically suspend any experience rating credit for the employer.
8 The department shall make the determination as prescribed in the same manner as
9 the department of workforce development makes the determinations under ss.
10 103.005 (5) (b) to (f), (6) to (11), (13) (b) to (d) and (16), so far as such subsections are
11 applicable, subject to review under ch. 227. Restoration of an employer to the
12 advantages of experience rating shall be by the same procedure.

13 **SECTION 931.** 626.31 (1) (b) of the statutes is amended to read:

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

22 **SECTION 932.** 626.32 (1) (a) of the statutes is amended to read:

23 626.32 (1) (a) *General.* Every insurer writing any insurance specified under
24 s. 626.03 shall report its insurance in this state to the bureau at least annually, on
25 forms and under rules prescribed by the bureau. The bureau shall file, under rules

1 promulgated by the department of workforce development, a record of such reports
2 with that the department. No such information contained in those reports may be
3 made public by the bureau or any of its employees except as required by law and in
4 accordance with its rules. No such information contained in those reports may be
5 made public by the department of workforce development or any of its employees
6 except as authorized by the bureau.

7 **SECTION 933.** 628.095 (4) (a) of the statutes is amended to read:

8 628.095 (4) (a) The commissioner department of financial institutions,
9 insurance, and professional standards shall disclose a social security number
10 obtained under sub. (1) or (3) to the department of children and families in the
11 administration of s. 49.22, as provided in a memorandum of understanding entered
12 into under s. 49.857.

13 **SECTION 934.** 628.095 (4) (b) of the statutes is amended to read:

14 628.095 (4) (b) The commissioner department of financial institutions,
15 insurance, and professional standards may disclose any information received under
16 sub. (1) or (3) to the department of revenue for the purpose of requesting
17 certifications under s. 73.0301 and to the department of workforce development for
18 the purpose of requesting certifications under s. 108.227.

19 **SECTION 935.** 628.095 (5) of the statutes is amended to read:

20 628.095 (5) IF APPLICANT OR INTERMEDIARY OR NAVIGATOR HAS NO SOCIAL SECURITY
21 NUMBER. If an applicant who is a natural person does not have a social security
22 number, the applicant shall provide to the commissioner department of financial
23 institutions, insurance, and professional standards, along with the application for
24 a license and on a form prescribed by the department of children and families, a
25 statement made or subscribed under oath or affirmation that the applicant does not

1 have a social security number. If an intermediary or navigator who is a natural
2 person does not have a social security number, the intermediary or navigator shall
3 provide to the ~~commissioner~~ department of financial institutions, insurance, and
4 professional standards, each time that the annual fee is paid under s. 601.31 (1) (m)
5 or (nm) 2. and on a form prescribed by the department of children and families, a
6 statement made or subscribed under oath or affirmation that the intermediary or
7 navigator does not have a social security number.

8 **SECTION 936.** 628.097 (1m) of the statutes is amended to read:

9 628.097 (1m) FOR FAILURE TO PAY SUPPORT OR TO COMPLY WITH SUBPOENA OR
10 WARRANT. The ~~commissioner~~ department of financial institutions, insurance, and
11 professional standards shall refuse to issue to a natural person a license, including
12 a temporary license, under this subchapter or subch. V if the natural person is
13 delinquent in court-ordered payments of child or family support, maintenance, birth
14 expenses, medical expenses, or other expenses related to the support of a child or
15 former spouse, or if the natural person fails to comply, after appropriate notice, with
16 a subpoena or warrant issued by the department of children and families or a county
17 child support agency under s. 59.53 (5) and related to paternity or child support
18 proceedings, as provided in a memorandum of understanding entered into under s.
19 49.857.

20 **SECTION 937.** 628.097 (2m) of the statutes is amended to read:

21 628.097 (2m) FOR LIABILITY FOR DELINQUENT TAXES OR UNEMPLOYMENT INSURANCE
22 CONTRIBUTIONS. The ~~commissioner~~ department of financial institutions, insurance,
23 and professional standards shall refuse to issue a license, including a temporary
24 license, under this subchapter or subch. V, or to register a navigator entity under
25 subch. V, if the department of revenue certifies under s. 73.0301 that the applicant

1 for the license or registration is liable for delinquent taxes or if the department of
2 workforce development certifies under s. 108.227 that the applicant for the license
3 or registration is liable for delinquent unemployment insurance contributions.

4 **SECTION 938.** 628.10 (2) (c) of the statutes is amended to read:

5 628.10 (2) (c) *For failure to pay support or to comply with subpoena or warrant.*

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

21 **SECTION 939.** 628.10 (2) (cm) of the statutes is amended to read:

22 628.10 (2) (cm) *For liability for delinquent taxes or unemployment insurance*
23 *contributions.* The ~~commissioner~~ department of financial institutions, insurance,
24 and professional standards shall revoke the license of an intermediary or individual
25 navigator, including a temporary license under s. 628.09, if the department of

1 revenue certifies under s. 73.0301 that the intermediary or navigator is liable for
2 delinquent taxes or if the department of workforce development certifies under s.
3 108.227 that the intermediary or navigator is liable for delinquent unemployment
4 insurance contributions. An intermediary who is a natural person, or an individual
5 navigator, whose license is revoked under this paragraph may have his or her license
6 reinstated, or may be relicensed, as provided in sub. (5).

7 **SECTION 940.** 628.347 (4m) (b) 9. of the statutes is amended to read:

8 628.347 (4m) (b) 9. An insurer shall verify that an insurance intermediary has
9 completed the annuity training course required under this paragraph before
10 allowing the intermediary to sell an annuity product for that insurer. An insurer
11 may satisfy its responsibility under this subdivision by obtaining certificates of
12 completion of the training course or obtaining reports provided by
13 ~~commissioner-sponsored~~ database systems or vendors that are sponsored by the
14 department or from a reasonably reliable commercial database vendor that has a
15 reporting arrangement with approved insurance education providers.

16 **SECTION 941.** 628.36 (4) (a) (intro.) of the statutes is amended to read:

17 628.36 (4) (a) (intro.) ~~The commissioner~~ department of financial institutions,
18 insurance, and professional standards shall provide information and assistance to
19 the department of employee trust funds, employers and their employees, providers
20 of health care services and members of the public, as provided in par. (b), for the
21 following purposes:

22 **SECTION 942.** 631.13 (intro.) and (1) of the statutes are amended to read:

23 **631.13 Incorporation by reference.** (intro.) No insurance contract may
24 contain any agreement or incorporate any provision not fully set forth in the policy

1 or in an application or other document attached to and made a part of the policy at
2 the time of its delivery except that for any of the following circumstances:

3 (1) RATES. Any policy may by reference incorporate rate schedules and
4 classifications of risks and short-rate tables filed with the ~~commissioner~~ and
5 department.

6 SECTION 943. 631.28 (1) of the statutes is amended to read:

7 631.28 (1) REQUIREMENT TO PROVIDE NOTICE. Every insurer shall provide notice
8 to its policyholders and its insureds of the right to file a complaint with the ~~office~~
9 department in the manner prescribed by rule under sub. (2).

10 SECTION 944. 631.28 (2) of the statutes is amended to read:

11 631.28 (2) CONTENTS BY RULE. ~~The commissioner~~ department shall promulgate
12 rules specifying the contents of a notice that insurers must disseminate under sub.
13 (1), and when and in what manner the notice must be provided. The rules shall
14 describe how a policyholder, insured or other person may make a complaint with the
15 ~~office~~ department about an insurer, an intermediary or other insurance matter. The
16 rules may also specify the form, including the type size, in which insurers must
17 present the notice.

18 SECTION 945. 632.10 (1) of the statutes is amended to read:

19 632.10 (1) "Building and safety standards" means the requirements of chs. 101
20 and 145 and of any rule promulgated by the department of safety and professional
21 services of financial institutions and professional standards under ch. 101 or 145, and standards of a 1st class city relating to the health
22 and safety of occupants of buildings.

23 SECTION 946. 632.69 (2) (c) of the statutes is amended to read:

24 632.69 (2) (c) ~~The commissioner~~ department of financial institutions,
25 insurance, and professional standards may not issue a license under this subsection

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1 unless the applicant provides his or her social security number or its federal
2 employer identification number or, if the applicant does not have a social security
3 number, a statement made or subscribed under oath or affirmation that the
4 applicant does not have a social security number. An applicant who is providing a
5 statement that he or she does not have a social security number, shall provide that
6 statement along with the application for a license on a form prescribed by the
7 department of children and families. A licensee shall provide to the ~~commissioner~~
8 department of financial institutions, insurance, and professional standards the
9 licensee's social security number, statement the licensee does not have the social
10 security number, or federal employment identification number of the licensee at the
11 time that the annual license renewal fee is paid, if not previously provided. The
12 ~~commissioner~~ department of financial institutions, insurance, and professional
13 standards shall disclose a social security number obtained from an applicant or
14 licensee to the department of children and families in the administration of s. 49.22,
15 as provided in a memorandum of understanding entered into under s. 49.857. The
16 ~~commissioner~~ department of financial institutions, insurance, and professional
17 standards may disclose the social security number or federal employment
18 identification number of an applicant or licensee to the department of revenue for the
19 purpose of requesting certifications under s. 73.0301 and to the department of
20 workforce development for the purpose of requesting certifications under s. 108.227.

21 **SECTION 947.** 632.69 (14) (g) 12. of the statutes is amended to read:

22 632.69 (14) (g) 12. Exaggerate the fact that a licensee under this section is
23 licensed in the state where the advertisement appears or suggest or imply that
24 competing licensees may not be so licensed. An advertisement may ask the audience

1 to consult the licensee's Web site or contact the office of the commissioner department
2 for licensing requirements and the status of a license.

3 **SECTION 948.** 632.69 (20) (title) of the statutes is amended to read:

4 632.69 (20) (title) POWERS OF COMMISSIONER DEPARTMENT.

5 **SECTION 949.** 633.14 (2c) (a) of the statutes is amended to read:

6 633.14 (2c) (a) The commissioner department of financial institutions,
7 insurance, and professional standards shall disclose a social security number
8 obtained under sub. (1) (d) to the department of children and families in the
9 administration of s. 49.22, as provided in a memorandum of understanding entered
10 into under s. 49.857.

11 **SECTION 950.** 633.14 (2c) (b) of the statutes is amended to read:

12 633.14 (2c) (b) The commissioner department of financial institutions,
13 insurance, and professional standards may disclose any information received under
14 sub. (1) (d) or (2) (d) or s. 633.15 (1m) to the department of revenue for the purpose
15 of requesting certifications under s. 73.0301 and to the department of workforce
16 development for the purpose of requesting certifications under s. 108.227.

17 **SECTION 951.** 633.14 (2m) (a) of the statutes is amended to read:

18 633.14 (2m) (a) Notwithstanding sub. (1), the commissioner department of
19 financial institutions, insurance, and professional standards may not issue a license
20 under this section if the individual applying for the license is delinquent in
21 court-ordered payments of child or family support, maintenance, birth expenses,
22 medical expenses or other expenses related to the support of a child or former spouse,
23 or if the individual fails to comply, after appropriate notice, with a subpoena or
24 warrant issued by the department of children and families or a county child support

1 agency under s. 59.53 (5) and related to paternity or child support proceedings, as
2 provided in a memorandum of understanding entered into under s. 49.857.

3 **SECTION 952.** 633.14 (2m) (b) of the statutes is amended to read:

4 633.14 (2m) (b) Notwithstanding subs. (1) and (2), the commissioner
5 department of financial institutions, insurance, and professional standards may not
6 issue a license under this section if the department of revenue certifies under s.
7 73.0301 that the applicant is liable for delinquent taxes or if the department of
8 workforce development certifies under s. 108.227 that the applicant is liable for
9 delinquent unemployment insurance contributions.

10 **SECTION 953.** 633.15 (2) (c) of the statutes is amended to read:

11 633.15 (2) (c) *Failure to pay support or to comply with subpoena or warrant.*
12 ~~The commissioner~~ department of financial institutions, insurance, and professional
13 standards shall suspend, limit or refuse to renew a license issued under this section
14 to an individual if the individual is delinquent in court-ordered payments of child
15 or family support, maintenance, birth expenses, medical expenses or other expenses
16 related to the support of a child or former spouse, or if the individual fails to comply,
17 after appropriate notice, with a subpoena or warrant issued by the department of
18 children and families or a county child support agency under s. 59.53 (5) and related
19 to paternity or child support proceedings, as provided in a memorandum of
20 understanding entered into under s. 49.857.

21 **SECTION 954.** 633.15 (2) (d) of the statutes is amended to read:

22 633.15 (2) (d) *For liability for delinquent taxes or unemployment insurance*
23 *contributions.* ~~The commissioner~~ department of financial institutions, insurance,
24 and professional standards shall revoke or refuse to renew a license issued under s.
25 633.14 if the department of revenue certifies under s. 73.0301 that the licensee is

1 liable for delinquent taxes or if the department of workforce development certifies
2 under s. 108.227 that the licensee is liable for delinquent unemployment insurance
3 contributions.

4 **SECTION 955.** 644.02 (2) (b) of the statutes is repealed.

5 **SECTION 956.** 644.05 (2) of the statutes is amended to read:

6 644.05 (2) EFFECT OF UNAUTHORIZED CORPORATE ACTS. Section 181.0304 applies
7 to mutual holding companies, except that, for purposes of this subsection, "attorney
8 general" used in s. 181.0304 (3) means "~~commissioner~~" "secretary".

9 **SECTION 957.** 644.07 (6) (a) of the statutes is amended to read:

10 644.07 (6) (a) The ~~commissioner~~ secretary or a hearing examiner designated
11 by the ~~commissioner~~ secretary shall hold a hearing after receipt of a mutual holding
12 company plan.

13 **SECTION 958.** 644.07 (6) (b) 1. of the statutes is amended to read:

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

1 **SECTION 959.** 644.07 (6) (b) 2. of the statutes is amended to read:

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

7 **SECTION 960.** 644.07 (6) (c) of the statutes is amended to read:

8 644.07 (6) (c) In accordance with such hearing procedures as the ~~commissioner~~
9 secretary or the designated hearing examiner may prescribe, any policyholder under
10 par. (b) 1. and any ~~commissioner~~ insurance regulator under par. (b) 2. may present
11 written or oral statements at the hearing and may present written statements within
12 a period after the hearing specified by the ~~commissioner~~ secretary or the hearing
13 examiner. The ~~commissioner~~ secretary shall take statements presented under this
14 paragraph into consideration in making the determination under sub. (7).

15 **SECTION 961.** 644.07 (7) (title) of the statutes is amended to read:

16 644.07 (7) (title) APPROVAL BY ~~COMMISSIONER~~ SECRETARY.

17 **SECTION 962.** 644.07 (7) (a) of the statutes is amended to read:

18 644.07 (7) (a) The ~~commissioner~~ secretary shall approve the mutual holding
19 company plan unless he or she finds that the plan violates the law, is not fair and
20 equitable to policyholders or is contrary to the interests of policyholders or the public.

21 **SECTION 963.** 644.07 (7) (b) of the statutes is amended to read:

22 644.07 (7) (b) In considering the plan, the ~~commissioner~~ secretary shall
23 consider whether the restructuring would be detrimental to the safety and
24 soundness of the converting insurance company or the contractual rights and
25 reasonable expectations of the persons who are policyholders on the effective date of

1 the restructuring. The ~~commissioner~~ secretary may take into consideration any
2 conclusions and recommendations on the subject of restructuring published by
3 recognized organizations of professional insurance actuaries. The ~~commissioner~~
4 department may by rule establish standards applicable to a restructuring under this
5 chapter.

6 **SECTION 964.** 644.07 (9) of the statutes is amended to read:

7 644.07 (9) AMENDMENT OR WITHDRAWAL. At any time before the effective date of
8 the restructuring, the converting insurance company may, by resolution of its board,
9 amend the mutual holding company plan or withdraw the mutual holding company
10 plan. The ~~commissioner~~ secretary shall determine whether any amendment made
11 after the public hearing under sub. (6) changes the mutual holding company plan in
12 a manner that is materially disadvantageous to any of the policyholders of the
13 converting insurance company and, in such case, may require a further public
14 hearing on the plan as amended. If an amendment that the ~~commissioner~~ secretary
15 determines is materially disadvantageous to any of the policyholders is made after
16 the plan has been approved by the policyholders, the plan as amended shall be
17 submitted for reconsideration by the policyholders.

18 **SECTION 965.** 644.07 (10m) of the statutes is amended to read:

19 644.07 (10m) EFFECT ON SERVICE INSURANCE CORPORATION OF DISAPPROVAL OF
20 PLAN. Notwithstanding sub. (1) (a) 2. and s. 644.02 (1) (b), if the converting insurance
21 company is a service insurance corporation, and the ~~commissioner~~ secretary
22 disapproves the mutual holding company plan under sub. (7) or the policyholders
23 disapprove the mutual holding company plan under sub. (8), the converting
24 insurance company shall remain a service insurance corporation subject to ch. 613.

25 **SECTION 966.** 644.07 (11) of the statutes is amended to read:

1 644.07 (11) EXPENSES. The converting insurance company may not pay
 2 compensation of any kind to any person in connection with the mutual holding
 3 company plan other than regular salaries to the company's personnel. This
 4 subsection does not prohibit the payment of reasonable fees and compensation to
 5 attorneys at law, accountants, financial advisers, actuaries or other consultants for
 6 services performed in the independent practice of their professions. All expenses of
 7 the restructuring, including the expenses incurred by the ~~commissioner~~ secretary
 8 and the prorated salaries of any involved office staff members of the ~~office of the~~
 9 ~~commissioner of insurance~~ department, shall be borne by the converting insurance
 10 company.

11 SECTION 967. 644.09 (2) of the statutes is amended to read:

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

and professional standards

1 that the corporate name is changed by amendment, no suit brought by or against
2 such mutual holding company under its former name shall abate for that reason.

3 **SECTION 968.** 644.10 (1) (intro.) of the statutes is amended to read:

4 644.10 (1) (intro.) The converting insurance company may propose to acquire,
5 or to merge or consolidate with, one or more domestic or foreign insurers, or both, as
6 part of a mutual holding company plan under s. 644.07. The ~~commissioner~~ secretary
7 shall approve the acquisition, merger or consolidation as part of the mutual holding
8 company plan and shall approve the continued corporate existence of any domestic
9 insurer that is a party to the plan under this section as a subsidiary of the mutual
10 holding company or any intermediate stock holding company, if any of the following
11 applies:

12 **SECTION 969.** 644.10 (1) (b) of the statutes is amended to read:

13 644.10 (1) (b) In the case of a domestic mutual, no grounds for disapproval exist
14 under s. 611.73 (3) (a) and the domestic mutual has complied with s. 644.07 (2) to (8).
15 The converting insurance company and any domestic mutual that the converting
16 insurance company proposes to acquire, or merge or consolidate with, may adopt one
17 plan. The ~~commissioner~~ secretary may combine the hearings required under s.
18 644.07 (6) for the converting insurance company and any domestic mutual that is the
19 subject of the acquisition by, or merger or consolidation with, the converting
20 insurance company. Section 644.07 (9), (10) (b) to (f), and (11) applies to a domestic
21 mutual acquired by, merged into, or consolidated with a converting insurance
22 company under this section.

23 **SECTION 970.** 644.11 (2) (c) 2. of the statutes is amended to read:

24 644.11 (2) (c) 2. The ~~commissioner~~ secretary may hold a hearing on the plan
25 of merger prior to the meeting at which a vote of the members will be taken. A

1 hearing under this subdivision may be combined with the hearing required under
2 par. (b). The existing domestic mutual holding company shall provide written notice
3 of the hearing to each member in the manner provided under s. 644.07 (6) (b) 1. for
4 notice to policyholders of the hearing under s. 644.07 (6).

5 **SECTION 971.** 644.11 (2) (c) 3. of the statutes is amended to read:

6 644.11 (2) (c) 3. The ~~commissioner~~ secretary shall approve the proposed plan
7 of merger unless he or she finds that the plan is not fair and equitable to members
8 or is contrary to the interests of members.

9 **SECTION 972.** 644.11 (2) (d) (title) of the statutes is amended to read:

10 644.11 (2) (d) (title) ~~Commissioner issues new~~ New certificate of authority if
11 approved.

12 **SECTION 973.** 644.19 (3) (title) of the statutes is amended to read:

13 644.19 (3) (title) NOTICE TO ~~COMMISSIONER~~ DEPARTMENT.

14 **SECTION 974.** 644.28 (2) (title) of the statutes is amended to read:

15 644.28 (2) (title) APPROVAL BY THE ~~COMMISSIONER~~ SECRETARY.

16 **SECTION 975.** 644.28 (2) (a) of the statutes is amended to read:

17 644.28 (2) (a) At least 60 days prior to the submission to members of any
18 proposed voluntary dissolution of a mutual holding company under s. 181.1401, the
19 plan shall be filed with the ~~commissioner~~ secretary. The ~~commissioner~~ secretary may
20 require the submission of additional information relevant to the effect of the
21 proposed dissolution on the solvency of the converted insurance company. The
22 ~~commissioner~~ secretary shall approve the dissolution unless, after a hearing, the
23 ~~commissioner~~ secretary finds that dissolution of the mutual holding company would
24 cause the converted insurance company to become insolvent, would be unfair or

1 inequitable to the members of the mutual holding company or would not be in the
2 best interests of the policyholders of the converted insurance company or the public.

3 **SECTION 976.** 644.28 (4) of the statutes is amended to read:

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

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

12 **SECTION 977.** 645.01 (2) of the statutes is amended to read:

13 **645.01 (2) CONSTRUCTION: NO LIMITATION OF POWERS.** This chapter shall not be
14 interpreted to limit the powers granted the ~~commissioner~~ department by other
15 provisions of the law.

16 **SECTION 978.** 645.03 (1) (f) of the statutes is amended to read:

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

22 **SECTION 979.** 645.03 (1) (i) of the statutes is amended to read:

23 **645.03 (1) (i) "Reciprocal state"** means any state other than this state in which
24 in substance and effect ss. 645.42 (1), 645.83 (1) and (3), 645.84 and 645.86 to 645.89
25 are in force, and in which provisions are in force requiring that the commissioner or

1 other insurance regulator be the receiver of a delinquent insurer, and in which some
2 provision exists for the avoidance of fraudulent conveyances and preferential
3 transfers.

4 **SECTION 980.** 645.04 (1) of the statutes is amended to read:

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

10 **SECTION 981.** 645.04 (2) (a) (intro.) of the statutes is amended to read:

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

16 **SECTION 982.** 645.04 (2) (b) of the statutes is amended to read:

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

23 **SECTION 983.** 645.06 of the statutes is amended to read:

24 **645.06 Costs and expenses of litigation.** In any proceeding or action
25 brought by the ~~commissioner~~ secretary or a receiver under this chapter, the court

1 may award such costs and other expenses of litigation to the ~~commissioner~~ secretary
2 or receiver as justice requires, without regard to the limitations otherwise prescribed
3 by law.

4 **SECTION 984.** 645.07 (1) (intro.) of the statutes is amended to read:

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

10 "To cooperate" includes:

11 **SECTION 985.** 645.07 (1) (a) of the statutes is amended to read:

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

14 **SECTION 986.** 645.07 (1) (b) of the statutes is amended to read:

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

18 **SECTION 987.** 645.07 (2) of the statutes is amended to read:

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

22 **SECTION 988.** 645.07 (4) of the statutes is amended to read:

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

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

3 **SECTION 989.** 645.08 (1) of the statutes is amended to read:

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

9 **SECTION 990.** 645.08 (2) of the statutes is amended to read:

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

22 **SECTION 991.** 645.09 (title), (1) (intro.) and (a), (2) (a) and (b) and (3) of the
23 statutes are amended to read:

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

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

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

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

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

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

9 **SECTION 992.** 645.10 of the statutes is amended to read:

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

15 **SECTION 993.** 645.21 of the statutes is amended to read:

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

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

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

14 **SECTION 994.** 645.22 (1) (intro.) of the statutes is amended to read:

15 645.22 (1) ISSUANCE. (intro.) Upon the filing by the ~~commissioner~~ secretary in
16 any circuit court in this state of a verified petition alleging any ground that would
17 justify a court order for a formal delinquency proceeding against an insurer under
18 this chapter and that the interests of policyholders, creditors or the public will be
19 endangered by delay, and setting out the order considered necessary by the
20 ~~commissioner~~ secretary, the court shall issue forthwith, ex parte and without a
21 hearing, the requested order, which may do any of the following:

22 **SECTION 995.** 645.22 (1) (a) of the statutes is amended to read:

23 645.22 (1) (a) Direct the ~~commissioner~~ secretary to take possession and control
24 of all or a part of the property, books, accounts, documents and other records of an
25 insurer and of the premises occupied by it for the transaction of its business.

1 **SECTION 996.** 645.22 (1) (b) of the statutes is amended to read:

2 645.22 (1) (b) Until further order of the court, enjoin the insurer and its officers,
3 managers, agents, and employees from disposition of its property and from
4 transaction of its business except with the written consent of the ~~commissioner~~
5 secretary.

6 **SECTION 997.** 645.22 (2) of the statutes is amended to read:

7 645.22 (2) DURATION. The court shall specify in the order what its duration shall
8 be, which shall be such time as the court deems necessary for the ~~commissioner~~
9 secretary to ascertain the condition of the insurer. On motion of either party or on
10 its own motion, the court may hold such hearings as it deems desirable after such
11 notice as it deems appropriate, and may extend, shorten or modify the terms of the
12 seizure order. The court shall vacate the seizure order if the ~~commissioner~~ secretary
13 fails to commence a formal proceeding under this chapter after having had a
14 reasonable opportunity to do so. The issuance of an order of the court pursuant to
15 a formal proceeding under this chapter vacates the seizure order.

16 **SECTION 998.** 645.23 (title), (1), (2) and (3) of the statutes are amended to read:

17 **645.23 (title) Commissioner's Secretary's seizure order.** (1) ISSUANCE. If
18 it appears to the ~~commissioner~~ secretary that the interests of creditors, policyholders
19 or the public will be endangered by the delay incident to asking for a court seizure
20 order, then on any ground that would justify a court seizure order under s. 645.22,
21 without notice and without applying to the court, the ~~commissioner~~ secretary may
22 issue a seizure order which must contain a verified statement of the grounds for the
23 action. As directed by the seizure order, the ~~commissioner's~~ secretary's
24 representatives shall forthwith take possession and control of all or part of the
25 property, books, accounts, documents and other records of the insurer, and of the

1 premises occupied by the insurer for the transaction of its business. The
2 ~~commissioner~~ secretary shall retain possession and control until the order is vacated
3 or is replaced by an order of the court pursuant to a proceeding commenced under
4 sub. (2) or a formal proceeding under this chapter.

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

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

14 SECTION 999. 645.24 (1) of the statutes is amended to read:

15 645.24 (1) CONFIDENTIALITY OF ~~COMMISSIONER'S~~ SECRETARY'S HEARINGS. The
16 ~~commissioner~~ secretary shall hold all hearings in summary proceedings privately
17 unless the insurer requests a public hearing, in which case the hearing shall be
18 public.

19 SECTION 1000. 645.24 (3) of the statutes is amended to read:

20 645.24 (3) RECORDS. In all summary proceedings and judicial reviews thereof,
21 all records of the company, other documents, and all ~~office of the commissioner of~~
22 insurance department files and court records and papers, so far as they pertain to
23 or are a part of the record of the summary proceedings, shall be and remain
24 confidential except as is necessary to obtain compliance therewith, unless the court,
25 after hearing arguments from the parties in chambers, orders otherwise, or unless

1 the insurer requests that the matter be made public. Until the court order is issued,
2 all papers filed with the clerk of the court shall be held by the clerk in a confidential
3 file.

4 **SECTION 1001.** 645.24 (5) of the statutes is amended to read:

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

9 **SECTION 1002.** 645.31 (intro.) of the statutes is amended to read:

10 **645.31 Grounds for rehabilitation.** (intro.) The ~~commissioner~~ secretary
11 may apply by verified petition to the circuit court for Dane County or for the county
12 in which the principal office of the insurer is located for an order directing
13 rehabilitation of a domestic insurer or an alien insurer domiciled in this state on any
14 one or more of the following grounds:

15 **SECTION 1003.** 645.31 (1) of the statutes is amended to read:

16 645.31 (1) Any ground on which the ~~commissioner~~ secretary may apply for an
17 order of liquidation under s. 645.41, whenever he or she believes that the insurer may
18 be successfully rehabilitated without substantial increase in the risk of loss to
19 creditors of the insurer or to the public.

20 **SECTION 1004.** 645.31 (2) of the statutes is amended to read:

21 645.31 (2) That the ~~commissioner~~ secretary has reasonable cause to believe
22 that there has been embezzlement from the insurer, wrongful sequestration or
23 diversion of the insurer's assets, forgery or fraud affecting the insurer or other illegal
24 conduct in, by or with respect to the insurer, that if established would endanger
25 assets in an amount threatening the solvency of the insurer.

1 **SECTION 1005.** 645.31 (3) of the statutes is amended to read:

2 645.31 (3) That information coming into the ~~commissioner's~~ secretary's
3 possession has disclosed substantial and not adequately explained discrepancies
4 between the insurer's records and the most recent annual report or other official
5 company reports.

6 **SECTION 1006.** 645.31 (4) of the statutes is amended to read:

7 645.31 (4) That the insurer has failed to remove any person who in fact has
8 executive authority in the insurer, whether an officer, manager, general agent,
9 employee or other person, if the person has been found by the ~~commissioner~~ secretary
10 after notice and hearing to be dishonest or untrustworthy in a way affecting the
11 insurer's business.

12 **SECTION 1007.** 645.31 (6) of the statutes is amended to read:

13 645.31 (6) That any person who in fact has executive authority in the insurer,
14 whether an officer, manager, general agent, employee or other person, has refused
15 to be examined under oath by the ~~commissioner~~ secretary concerning its affairs,
16 whether in this state or elsewhere, and after reasonable notice of the fact the insurer
17 has failed promptly and effectively to terminate the employment and status of the
18 person and all his or her influence on management.

19 **SECTION 1008.** 645.31 (7) of the statutes is amended to read:

20 645.31 (7) That after demand by the ~~commissioner~~ secretary the insurer has
21 failed to submit promptly any of its own property, books, accounts, documents or
22 other records, or those of any subsidiary or other affiliate within the control of the
23 insurer, or those of any person having executive authority in the insurer so far as they
24 pertain to the insurer, to reasonable inspection or examination by the ~~commissioner~~
25 secretary or the ~~commissioner's~~ secretary's authorized representative. If the insurer

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1 is unable to submit the property, books, accounts, documents or other records of a
2 person having executive authority in the insurer, it shall be excused from doing so
3 if it promptly and effectively terminates the relationship of the person to the insurer.

4 **SECTION 1009.** 645.31 (8) of the statutes is amended to read:

5 645.31 (8) That less than 30 days after reporting the proposed action to the
6 ~~commissioner~~ secretary unless it is earlier approved by the ~~commissioner~~ secretary,
7 or after the action has been disapproved by the ~~commissioner~~ secretary, the insurer
8 has transferred, or attempted to transfer, substantially its entire property or
9 business, or has entered into any transaction the effect of which is to merge,
10 consolidate or reinsure substantially its entire property or business in or with the
11 property or business of any other person.

12 **SECTION 1010.** 645.31 (10) of the statutes is amended to read:

13 645.31 (10) That within the previous year the insurer has willfully violated its
14 charter or articles of incorporation or its bylaws or any insurance law or regulation
15 of any state, or of the federal government, or any valid order of the ~~commissioner~~
16 secretary under s. 645.21, or having become aware within the previous year of an
17 unintentional violation has failed to take all reasonable steps to remedy the situation
18 resulting from the violation and to prevent future violations.

19 **SECTION 1011.** 645.31 (12) of the statutes is amended to read:

20 645.31 (12) That the insurer has failed to pay for 60 days after due date any
21 obligation to this state or any political subdivision thereof or any judgment entered
22 in this state, except that such nonpayment shall not be a ground until 60 days after
23 any good faith effort by the insurer to contest the obligation has been terminated,
24 whether it is before the ~~commissioner~~ secretary or in the courts.

25 **SECTION 1012.** 645.31 (13) of the statutes is amended to read:

1 645.31 (13) That the insurer has failed to file its annual report or other report
2 within the time allowed by law, and after written demand by the ~~commissioner~~
3 secretary has failed to give an adequate explanation immediately.

4 **SECTION 1013.** 645.32 (1) of the statutes is amended to read:

5 645.32 (1) APPOINTMENT OF REHABILITATOR. An order to rehabilitate the business
6 of a domestic insurer, or an alien insurer domiciled in this state, shall appoint the
7 ~~commissioner~~ secretary and his or her successors in office rehabilitator and shall
8 direct the rehabilitator to take possession of the assets of the insurer and to
9 administer them under the orders of the court. The recording of the order with any
10 register of deeds in the state imparts the same notice as a deed, bill of sale or other
11 evidence of title recorded with that register of deeds.

12 **SECTION 1014.** 645.33 (1) of the statutes is amended to read:

13 645.33 (1) SPECIAL DEPUTY ~~COMMISSIONER~~. The rehabilitator may appoint a
14 special deputy ~~commissioner~~ to rehabilitate the insurer. The special deputy
15 ~~commissioner~~ shall have all of the powers of the rehabilitator granted under this
16 section. Subject to court approval, the rehabilitator shall make such arrangements
17 for compensation as are necessary to obtain a special deputy ~~commissioner~~ of proven
18 ability. The special deputy ~~commissioner~~ shall serve at the pleasure of the
19 rehabilitator.

20 **SECTION 1015.** 645.41 (intro.) of the statutes is amended to read:

21 **645.41 Grounds for liquidation.** (intro.) The ~~commissioner~~ secretary may
22 apply by verified petition to the circuit court for Dane County or for the county in
23 which the principal office of the insurer is located for an order directing him or her
24 to liquidate a domestic insurer or an alien insurer domiciled in this state on any one
25 or more of the following grounds:

1 **SECTION 1016.** 645.41 (1) of the statutes is amended to read:

2 645.41 (1) Any ground on which the ~~commissioner~~ secretary may apply for an
3 order of rehabilitation under s. 645.31, whenever the ~~commissioner~~ secretary
4 believes that attempts to rehabilitate the insurer would substantially increase the
5 risk of loss to its creditors, its policyholders or the public, or would be futile, or that
6 rehabilitation would serve no useful purpose;

7 **SECTION 1017.** 645.41 (8) of the statutes is amended to read:

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

10 **SECTION 1018.** 645.42 (1) of the statutes is amended to read:

11 645.42 (1) ORDER TO LIQUIDATE. An order to liquidate the business of a domestic
12 insurer shall appoint the ~~commissioner~~ secretary and his or her successors in office
13 liquidator and shall direct the liquidator to take possession of the assets of the
14 insurer and to administer them under the orders of the court. The liquidator is
15 vested by operation of law with the title to all of the property, contracts, rights of
16 action and books and records, wherever located, of the insurer ordered liquidated,
17 and with all of the stock issued by the insurer and any cause of action that has or
18 subsequently accrues to the holder of the stock, as of the date of the filing of the
19 petition for liquidation. The liquidator may recover and reduce the same to
20 possession except that ancillary receivers in reciprocal states shall have, as to assets
21 located in their respective states, the rights and powers which are prescribed in s.
22 645.84 (3) for ancillary receivers appointed in this state as to assets located in this
23 state. The recording of the order with any register of deeds in this state imparts the
24 same notice as a deed, bill of sale or other evidence of title recorded with that register
25 of deeds.

1 **SECTION 1019.** 645.42 (4) of the statutes is amended to read:

2 645.42 (4) DECLARATION OF INSOLVENCY. At the time of petitioning for an order
3 of liquidation, or at any time thereafter, the ~~commissioner~~ secretary may petition the
4 court to declare the insurer insolvent, and after such notice and hearing as it deems
5 proper, the court may make the declaration.

6 **SECTION 1020.** 645.44 of the statutes is amended to read:

7 **645.44 Dissolution of insurer.** The ~~commissioner~~ secretary may petition for
8 an order dissolving the corporate existence of a domestic insurer or the U.S. branch
9 of an alien insurer domiciled in this state at the time of the application for a
10 liquidation order. If the court issues a liquidation order, it also shall order dissolution
11 if the commissioner has petitioned for it. The court shall order dissolution of the
12 corporation upon petition by the ~~commissioner~~ secretary at any time after a
13 liquidation order has been granted. If the dissolution has not previously occurred,
14 it shall be effected by operation of law upon the discharge of the liquidator.

15 **SECTION 1021.** 645.45 (1) of the statutes is amended to read:

16 645.45 (1) PETITION FOR FEDERAL RECEIVER. Whenever in the ~~commissioner's~~
17 secretary's opinion, liquidation of a domestic insurer or an alien insurer domiciled
18 in this state would be facilitated by a federal receivership, and when any ground
19 exists upon which the ~~commissioner~~ secretary might petition the court for an order
20 of rehabilitation or liquidation under s. 645.31 or 645.41, or if an order of
21 rehabilitation or liquidation has already been entered, the ~~commissioner~~ secretary
22 may request another insurance regulator or commissioner or other willing resident
23 of another state to petition any appropriate federal district court for the appointment
24 of a federal receiver. The ~~commissioner~~ secretary may intervene in any such action
25 to support or oppose the petition, and may accept appointment as the receiver if he

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1 or she is so designated. So much of this chapter shall apply to the receivership as can
2 be made applicable and is appropriate. Upon motion of the ~~commissioner~~ secretary,
3 the courts of this state shall relinquish all jurisdiction over the insurer for purposes
4 of rehabilitation or liquidation.

5 **SECTION 1022.** 645.45 (2) of the statutes is amended to read:

6 645.45 (2) COMPLIANCE WITH FEDERAL REQUIREMENTS. If the ~~commissioner~~
7 secretary is appointed receiver under this section, the ~~commissioner~~ secretary shall
8 comply with any requirements necessary to give him or her title to and control over
9 the assets and affairs of the insurer.

10 **SECTION 1023.** 645.46 (4) of the statutes is amended to read:

11 645.46 (4) Defray all expenses of taking possession of, conserving, conducting,
12 liquidating, disposing of, or otherwise dealing with the business and property of the
13 insurer. If the property of the insurer does not contain sufficient cash or liquid assets
14 to defray the costs incurred, the liquidator may advance the costs so incurred out of
15 the appropriation under s. ~~20.145 (1)~~ 20.142 (3) (g) 1. Any amounts so paid shall be
16 deemed expense of administration and shall be repaid for the credit of the ~~office of~~
17 ~~the commissioner of insurance~~ department out of the first available moneys of the
18 insurer.

19 **SECTION 1024.** 645.46 (14) of the statutes is amended to read:

20 645.46 (14) Remove any records and property of the insurer to the offices of the
21 ~~commissioner~~ department or to such other place as is convenient for the purposes of
22 efficient and orderly execution of the liquidation.

23 **SECTION 1025.** 645.46 (21) of the statutes is amended to read:

1 645.46 (21) Enter into agreements with any receiver or insurance regulator or
2 commissioner of any other state relating to the rehabilitation, liquidation,
3 conservation or dissolution of an insurer doing business in both states.

4 **SECTION 1026.** 645.47 (1) (a) of the statutes is amended to read:

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

19 **SECTION 1027.** 645.49 (1) of the statutes is amended to read:

20 645.49 (1) **TERMINATION OF ACTIONS AGAINST INSURER BY ORDER APPOINTING**
21 **LIQUIDATOR.** Upon issuance of any order appointing the ~~commissioner~~ secretary
22 liquidator of a domestic insurer or of an alien insurer domiciled in this state, all
23 actions and all proceedings against the insurer whether in this state or elsewhere
24 shall be abated and the liquidator shall not intervene in them, except as provided in
25 this subsection. Whenever in the liquidator's judgment an action in this state has

1 proceeded to a point where fairness or convenience would be served by its
2 continuation to judgment, the liquidator may apply to the court for leave to defend
3 or to be substituted for the insurer, and if the court grants the application, the action
4 shall not be abated. Whenever in the liquidator's judgment, protection of the estate
5 of the insurer necessitates intervention in an action against the insurer that is
6 pending outside this state, with approval of the court the liquidator may intervene
7 in the action. The liquidator may defend at the expense of the estate of the insurer
8 any action in which he or she intervenes under this section at the expense of the
9 estate of the insurer.

10 **SECTION 1028.** 645.61 (4) of the statutes is amended to read:

11 645.61 (4) FILING OF CLAIMS BY FUNDS. Claims by funds under s. 646.33 and
12 corresponding provisions of funds of other jurisdictions that satisfy s. 646.60 (1) (b)
13 shall be filed periodically by the funds pursuant to rules promulgated by the
14 ~~commissioner~~ department.

15 **SECTION 1029.** 645.73 (2) of the statutes is amended to read:

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

23 **SECTION 1030.** 645.75 of the statutes is amended to read:

24 **645.75 Reopening liquidation.** After the liquidation proceeding has been
25 terminated and the liquidator discharged, the ~~commissioner~~ secretary or other