




State of Wisconsin


LEGISLATIVE REFERENCE BUREAU


RESEARCH APPENDIX - **PLEASE DO NOT REMOVE FROM DRAFTING FILE**


Date Transfer Requested: 01/06/2015 (Per: CMH & MPG)


Compile Draft – Appendix A **... Part III**


Appendix A  The 2015 drafting file for LRB–0797


Appendix B  The 2015 drafting file for LRB–0799

Appendix C  The 2015 drafting file for LRB–0800

Appendix D  The 2015 drafting file for LRB–0852

Appendix E  The 2015 drafting file for LRB–0872

Appendix F  The 2015 drafting file for LRB–0906

Appendix G  The 2015 drafting file for LRB–0941

has been copied/added to the drafting file for

2015 LRB–0807

1 license, under this subchapter or subch. V, or to register a navigator entity under
2 subch. V, if the department of revenue certifies under s. 73.0301 that the applicant
3 for the license or registration is liable for delinquent taxes or if the department of
4 workforce development certifies under s. 108.227 that the applicant for the license
5 or registration is liable for delinquent unemployment insurance contributions.

History: 1997 a. 191, 237; 2001 a. 65; 2007 a. 20; 2013 a. 20, 36, 173, 276.

6 **SECTION 333.** 628.10 (2) (c) of the statutes is amended to read:

7 628.10 (2) (c) *For failure to pay support or to comply with subpoena or warrant.*

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

History: 1975 c. 371, 421; 1977 c. 363; 1979 c. 102; 1981 c. 38; 1991 a. 214; 1995 a. 27; 1997 a. 191, 237; 1999 a. 9, 30; 2005 a. 387; 2007 a. 20, 169; 2009 a. 180, 342;
2013 a. 20, 36, 173, 276.

23 **SECTION 334.** 628.10 (2) (cm) of the statutes is amended to read:

1 628.10 (2) (cm) *For liability for delinquent taxes or unemployment insurance*
 2 *contributions.* The ~~commissioner~~ department of financial institutions, insurance,
 3 and professional standards shall revoke the license of an intermediary or individual
 4 navigator, including a temporary license under s. 628.09, if the department of
 5 revenue certifies under s. 73.0301 that the intermediary or navigator is liable for
 6 delinquent taxes or if the department of workforce development certifies under s.
 7 108.227 that the intermediary or navigator is liable for delinquent unemployment
 8 insurance contributions. An intermediary who is a natural person, or an individual
 9 navigator, whose license is revoked under this paragraph may have his or her license
 10 reinstated, or may be relicensed, as provided in sub. (5). that are sponsored
by the department ✓

History: 1975 c. 371, 421; 1977 c. 363; 1979 c. 102; 1981 c. 38; 1991 a. 214; 1995 a. 27; 1997 a. 191, 237; 1999 a. 9, 30; 2005 a. 387; 2007 a. 20, 169; 2009 a. 180, 342; 2013 a. 20, 36, 173, 276.

11 **SECTION 335.** 628.347 (4m) (b) 9. of the statutes is amended to read:

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

History: 2003 a. 261; 2007 a. 168; 2009 a. 343; 2011 a. 260.

20 **SECTION 336.** 628.36 (4) (a) (intro.) of the statutes is amended to read:

21 628.36 (4) (a) (intro.) The ~~commissioner~~ department of financial institutions,
 22 insurance, and professional standards shall provide information and assistance to
 23 the department of employee trust funds, employers and their employees, providers

1 of health care services and members of the public, as provided in par. (b), for the
2 following purposes:

3 History: 1975 c. 223, 371, 422; 1983 a. 27, 192, 321, 396; 1985 a. 29; 1987 a. 27; 1989 a. 31, 215; 1991 a. 250; 1997 a. 27, 68; 1997 a. 237 s. 727m.

3 SECTION 337. 631.13 (intro.) and (1) of the statutes are amended to read:

4 **631.13 Incorporation by reference.** ^(intro.) No insurance contract may contain any
5 agreement or incorporate any provision not fully set forth in the policy or in an
6 application or other document attached to and made a part of the policy at the time
7 of its delivery except that for any of the following circumstances:

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

11 History: 1975 c. 375.

11 SECTION 338. 631.28 (1) of the statutes is amended to read:

12 631.28 (1) REQUIREMENT TO PROVIDE NOTICE. Every insurer shall provide notice
13 to its policyholders and its insureds of the right to file a complaint with the ~~office~~
14 department in the manner prescribed by rule under sub. (2).

15 History: 1991 a. 154.

15 SECTION 339. 631.28 (2) of the statutes is amended to read:

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

23 History: 1991 a. 154.

23 SECTION 340. 632.69 (2) (c) of the statutes is amended to read:

1 632.69 (2) (c) The ~~commissioner~~ department of financial institutions,
2 insurance, and professional standards may not issue a license under this subsection
3 unless the applicant provides his or her social security number or its federal
4 employer identification number or, if the applicant does not have a social security
5 number, a statement made or subscribed under oath or affirmation that the
6 applicant does not have a social security number. An applicant who is providing a
7 statement that he or she does not have a social security number, shall provide that
8 statement along with the application for a license on a form prescribed by the
9 department of children and families. A licensee shall provide to the ~~commissioner~~
10 department of financial institutions, insurance, and professional standards the
11 licensee's social security number, statement the licensee does not have the social
12 security number, or federal employment identification number of the licensee at the
13 time that the annual license renewal fee is paid, if not previously provided. The
14 ~~commissioner~~ department of financial institutions, insurance, and professional
15 standards shall disclose a social security number obtained from an applicant or
16 licensee to the department of children and families in the administration of s. 49.22,
17 as provided in a memorandum of understanding entered into under s. 49.857. The
18 ~~commissioner~~ department of financial institutions, insurance, and professional
19 standards may disclose the social security number or federal employment
20 identification number of an applicant or licensee to the department of revenue for the
21 purpose of requesting certifications under s. 73.0301 and to the department of
22 workforce development for the purpose of requesting certifications under s. 108.227.

History: 2009 a. 344; 2011 a. 209; 2011 a. 260 s. 81; 2013 a. 36.

23 **SECTION 341.** 632.69 (14) (g) 12. of the statutes is amended to read:

1 632.69 (14) (g) 12. Exaggerate the fact that a licensee under this section is
2 licensed in the state where the advertisement appears or suggest or imply that
3 competing licensees may not be so licensed. An advertisement may ask the audience
4 to consult the licensee's Web site or contact the ~~office of the commissioner~~ department
5 for licensing requirements and the status of a license.

History: 2009 a. 344; 2011 a. 209; 2011 a. 260 s. 81; 2013 a. 36.

6 **SECTION 342.** 632.69 (20) (title) of the statutes is amended to read:

7 632.69 (20) (title) POWERS OF COMMISSIONER DEPARTMENT.

History: 2009 a. 344; 2011 a. 209; 2011 a. 260 s. 81; 2013 a. 36.

8 **SECTION 343.** 633.14 (2c) (a) of the statutes is amended to read:

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

History: 1991 a. 39; 1993 a. 112; 1997 a. 191, 237; 1999 a. 9; 2007 a. 20; 2011 a. 209; 2013 a. 36.

14 **SECTION 344.** 633.14 (2c) (b) of the statutes is amended to read:

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

History: 1991 a. 39; 1993 a. 112; 1997 a. 191, 237; 1999 a. 9; 2007 a. 20; 2011 a. 209; 2013 a. 36.

20 **SECTION 345.** 633.14 (2m) (a) of the statutes is amended to read:

21 633.14 (2m) (a) Notwithstanding sub. (1), the ~~commissioner~~ department of
22 financial institutions, insurance, and professional standards may not issue a license
23 under this section if the individual applying for the license is delinquent in

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

7 History: 1991 a. 39; 1993 a. 112; 1997 a. 191, 237; 1999 a. 9; 2007 a. 20; 2011 a. 209; 2013 a. 36.

SECTION 346. 633.14 (2m) (b) of the statutes is amended to read:

8 633.14 (2m) (b) Notwithstanding subs. (1) and (2), the ~~commissioner~~
9 department of financial institutions, insurance, and professional standards may not
10 issue a license under this section if the department of revenue certifies under s.
11 73.0301 that the applicant is liable for delinquent taxes or if the department of
12 workforce development certifies under s. 108.227 that the applicant is liable for
13 delinquent unemployment insurance contributions.

14 History: 1991 a. 39; 1993 a. 112; 1997 a. 191, 237; 1999 a. 9; 2007 a. 20; 2011 a. 209; 2013 a. 36.

SECTION 347. 633.15 (2) (c) of the statutes is amended to read:

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

1 to paternity or child support proceedings, as provided in a memorandum of
2 understanding entered into under s. 49.857.

History: 1991 a. 39; 1997 a. 191, 237; 1999 a. 9; 2007 a. 20; 2013 a. 36.

3 **SECTION 348.** 633.15 (2) (d) of the statutes is amended to read:

4 633.15 (2) (d) *For liability for delinquent taxes or unemployment insurance*
5 *contributions.* The ~~commissioner~~ department of financial institutions, insurance,
6 and professional standards shall revoke or refuse to renew a license issued under s.
7 633.14 if the department of revenue certifies under s. 73.0301 that the licensee is
8 liable for delinquent taxes or if the department of workforce development certifies
9 under s. 108.227 that the licensee is liable for delinquent unemployment insurance
10 contributions.

History: 1991 a. 39; 1997 a. 191, 237; 1999 a. 9; 2007 a. 20; 2013 a. 38^x

11 **SECTION 349.** 644.02 (2) (b) of the statutes is repealed.

12 **SECTION 350.** 644.05 (2) of the statutes is amended to read:

13 644.05 (2) EFFECT OF UNAUTHORIZED CORPORATE ACTS. Section 181.0304 applies
14 to mutual holding companies, except that, for purposes of this subsection, “attorney
15 general” used in s. 181.0304 (3) means “~~commissioner~~” “secretary”.

History: 1997 a. 227; 1999 a. 30.

16 **SECTION 351.** 644.07 (6) (a) of the statutes is amended to read:

17 644.07 (6) (a) The ~~commissioner~~ secretary or a hearing examiner designated
18 by the ~~commissioner~~ secretary shall hold a hearing after receipt of a mutual holding
19 company plan.

History: 1997 a. 227.

20 **SECTION 352.** 644.07 (6) (b) 1. of the statutes is amended to read:

21 644.07 (6) (b) 1. Notice of the hearing shall be mailed by the converting
22 insurance company not more than 60 days and not less than 10 days before the
23 scheduled date of the hearing to the last-known address of each person who was a

1 policyholder of the converting insurance company on the date of the resolution under
2 sub. (2), together with a copy of the mutual holding company plan, or a copy of a
3 summary of the plan if the ~~commissioner~~ secretary approves the summary, and any
4 comment that the ~~commissioner~~ secretary considers necessary for the adequate
5 information of policyholders. Failure to mail notice to a policyholder does not
6 invalidate a proceeding under this subsection if the ~~commissioner~~ secretary
7 determines that the converting insurance company has substantially complied with
8 this subdivision and has attempted in good faith to mail notice to all policyholders
9 entitled to notice.

History: 1997 a. 227.

10 **SECTION 353.** 644.07 (6) (b) 2. of the statutes is amended to read:

11 644.07 (6) (b) 2. The notice, the plan or a summary of the plan and any
12 comments under subd. 1. shall also be mailed by the converting insurance company
13 not more than 60 days and not less than 10 days before the scheduled date of the
14 hearing to the ~~commissioner~~ insurance regulator of every jurisdiction in which the
15 converting insurance company is authorized to do any business.

History: 1997 a. 227.

16 **SECTION 354.** 644.07 (6) (c) of the statutes is amended to read:

17 644.07 (6) (c) In accordance with such hearing procedures as the ~~commissioner~~
18 secretary or the designated hearing examiner may prescribe, any policyholder under
19 par. (b) 1. and any ~~commissioner~~ insurance regulator under par. (b) 2. may present
20 written or oral statements at the hearing and may present written statements within
21 a period after the hearing specified by the ~~commissioner~~ secretary or the hearing
22 examiner. The ~~commissioner~~ secretary shall take statements presented under this
23 paragraph into consideration in making the determination under sub. (7).

History: 1997 a. 227.

24 **SECTION 355.** 644.07 (7) (title) of the statutes is amended to read:

1 644.07 (7) (title) APPROVAL BY ~~COMMISSIONER~~ SECRETARY.

2 ^{History: 1997 a. 227.}

3 **SECTION 356.** 644.07 (7) (a) of the statutes is amended to read:

4 644.07 (7) (a) The ~~commissioner~~ secretary shall approve the mutual holding
5 company plan unless he or she finds that the plan violates the law, is not fair and
6 equitable to policyholders or is contrary to the interests of policyholders or the public.

7 ^{History: 1997 a. 227.}

8 **SECTION 357.** 644.07 (7) (b) of the statutes is amended to read:

9 644.07 (7) (b) In considering the plan, the ~~commissioner~~ secretary shall
10 consider whether the restructuring would be detrimental to the safety and
11 soundness of the converting insurance company or the contractual rights and
12 reasonable expectations of the persons who are policyholders on the effective date of
13 the restructuring. The ~~commissioner~~ secretary may take into consideration any
14 conclusions and recommendations on the subject of restructuring published by
15 recognized organizations of professional insurance actuaries. The ~~commissioner~~
16 department may by rule establish standards applicable to a restructuring under this
17 chapter.

18 ^{History: 1997 a. 227.}

19 **SECTION 358.** 644.07 (9) of the statutes is amended to read:

20 644.07 (9) AMENDMENT OR WITHDRAWAL. At any time before the effective date of
21 the restructuring, the converting insurance company may, by resolution of its board,
22 amend the mutual holding company plan or withdraw the mutual holding company
23 plan. The ~~commissioner~~ secretary shall determine whether any amendment made
24 after the public hearing under sub. (6) changes the mutual holding company plan in
a manner that is materially disadvantageous to any of the policyholders of the
converting insurance company and, in such case, may require a further public
hearing on the plan as amended. If an amendment that the ~~commissioner~~ secretary

1 determines is materially disadvantageous to any of the policyholders is made after
2 the plan has been approved by the policyholders, the plan as amended shall be
3 submitted for reconsideration by the policyholders.

4 History: 1997 a. 227.

SECTION 359. 644.07 (10m) of the statutes is amended to read:

5 **644.07 (10m) EFFECT ON SERVICE INSURANCE CORPORATION OF DISAPPROVAL OF**
6 **PLAN.** Notwithstanding sub. (1) (a) 2. and s. 644.02 (1) (b), if the converting insurance
7 company is a service insurance corporation, and the ~~commissioner~~ secretary
8 disapproves the mutual holding company plan under sub. (7) or the policyholders
9 disapprove the mutual holding company plan under sub. (8), the converting
10 insurance company shall remain a service insurance corporation subject to ch. 613.

11 History: 1997 a. 227.

SECTION 360. 644.07 (11) of the statutes is amended to read:

12 **644.07 (11) EXPENSES.** The converting insurance company may not pay
13 compensation of any kind to any person in connection with the mutual holding
14 company plan other than regular salaries to the company's personnel. This
15 subsection does not prohibit the payment of reasonable fees and compensation to
16 attorneys at law, accountants, financial advisers, actuaries or other consultants for
17 services performed in the independent practice of their professions. All expenses of
18 the restructuring, including the expenses incurred by the ~~commissioner~~ secretary
19 and the prorated salaries of any involved office staff members of the ~~office of the~~
20 ~~commissioner of insurance~~ department, shall be borne by the converting insurance
21 company.

22 History: 1997 a. 227.

SECTION 361. 644.09 (2) of the statutes is amended to read:

23 **644.09 (2) AMENDMENT OF ARTICLES.** A mutual holding company may amend its
24 articles in the manner provided in ss. 181.1001, 181.1002 (1), 181.1003, 181.1005 and

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

History: 1997 a. 227; 1999 a. 30.

15 **SECTION 362.** 644.10 (1) (intro.) of the statutes is amended to read:

16 644.10 (1) (intro.) The converting insurance company may propose to acquire,
17 or to merge or consolidate with, one or more domestic or foreign insurers, or both, as
18 part of a mutual holding company plan under s. 644.07. The ~~commissioner~~ secretary
19 shall approve the acquisition, merger or consolidation as part of the mutual holding
20 company plan and shall approve the continued corporate existence of any domestic
21 insurer that is a party to the plan under this section as a subsidiary of the mutual
22 holding company or any intermediate stock holding company, if any of the following
23 applies:

History: 1997 a. 227; 2013 a. 279.

24 **SECTION 363.** 644.10 (1) (b) of the statutes is amended to read:

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

History: 1997 a. 227; 2013 a. 279.

11 **SECTION 364.** 644.11 (2) (c) 2. of the statutes is amended to read:

12 644.11 (2) (c) 2. The ~~commissioner~~ secretary may hold a hearing on the plan
13 of merger prior to the meeting at which a vote of the members will be taken. A
14 hearing under this subdivision may be combined with the hearing required under
15 par. (b). The existing domestic mutual holding company shall provide written notice
16 of the hearing to each member in the manner provided under s. 644.07 (6) (b) 1. for
17 notice to policyholders of the hearing under s. 644.07 (6).

History: 1997 a. 227.

18 **SECTION 365.** 644.11 (2) (c) 3. of the statutes is amended to read:

19 644.11 (2) (c) 3. The ~~commissioner~~ secretary shall approve the proposed plan
20 of merger unless he or she finds that the plan is not fair and equitable to members
21 or is contrary to the interests of members.

History: 1997 a. 227.

22 **SECTION 366.** 644.11 (2) (d) (title) of the statutes is amended to read:

1 644.11 (2) (d) (title) ~~Commissioner issues new~~ New certificate of authority if
2 approved.

History: 1997 a. 227.

3 **SECTION 367.** 644.19 (3) (title) of the statutes is amended to read:

4 644.19 (3) (title) NOTICE TO ~~COMMISSIONER~~ DEPARTMENT

History: 1997 a. 227; 1999 a. 30.

5 **SECTION 368.** 644.28 (2) (title) of the statutes is amended to read:

6 644.28 (2) (title) APPROVAL BY THE ~~COMMISSIONER~~ SECRETARY

History: 1997 a. 227; 1999 a. 30.

7 **SECTION 369.** 644.28 (2) (a) of the statutes is amended to read:

8 644.28 (2) (a) At least 60 days prior to the submission to members of any
9 proposed voluntary dissolution of a mutual holding company under s. 181.1401, the
10 plan shall be filed with the ~~commissioner~~ secretary. The ~~commissioner~~ secretary may
11 require the submission of additional information relevant to the effect of the
12 proposed dissolution on the solvency of the converted insurance company. The
13 ~~commissioner~~ secretary shall approve the dissolution unless, after a hearing, the
14 ~~commissioner~~ secretary finds that dissolution of the mutual holding company would
15 cause the converted insurance company to become insolvent, would be unfair or
16 inequitable to the members of the mutual holding company or would not be in the
17 best interests of the policyholders of the converted insurance company or the public.

History: 1997 a. 227; 1999 a. 30.

18 **SECTION 370.** 644.28 (4) of the statutes is amended to read:

19 644.28 (4) FILING AND RECORDING ARTICLES OF DISSOLUTION AND EFFECT THEREOF.

20 Upon approval by the ~~commissioner~~ secretary under sub. (2) and by the members
21 under s. 181.1401, the mutual holding company shall file articles of dissolution with
22 the ~~commissioner~~ department. When the articles are filed, the existence of the
23 mutual holding company shall cease, except for the purpose of suits, other

1 proceedings and appropriate corporate action of members, directors and officers as
2 provided in this chapter and in ss. 181.1401 to 181.1407. Upon the filing of the
3 articles, the ~~commissioner~~ department may issue a certificate of dissolution.

4 History: 1997 a. 227; 1999 a. 30.

SECTION 371. 645.01 (2) of the statutes is amended to read:

5 645.01 (2) CONSTRUCTION: NO LIMITATION OF POWERS. This chapter shall not be
6 interpreted to limit the powers granted the ~~commissioner~~ department by other
7 provisions of the law.

8 History: 1979 c. 89, 102, 177.

SECTION 372. 645.03 (1) (f) of the statutes is amended to read:

9 645.03 (1) (f) “Insurer” means any person who is doing, has done, purports to
10 do or is licensed to do an insurance business and is or has been subject to the
11 authority of, or to liquidation, rehabilitation, reorganization or conservation by, the
12 secretary or a commissioner. For purposes of this chapter, all other persons included
13 under s. 645.02 shall be deemed to be insurers.

14 History: 1971 c. 260; 1979 c. 93; 1983 a. 189.

SECTION 373. 645.03 (1) (i) of the statutes is amended to read:

15 645.03 (1) (i) “Reciprocal state” means any state other than this state in which
16 in substance and effect ss. 645.42 (1), 645.83 (1) and (3), 645.84 and 645.86 to 645.89
17 are in force, and in which provisions are in force requiring that the commissioner or
18 other insurance regulator be the receiver of a delinquent insurer, and in which some
19 provision exists for the avoidance of fraudulent conveyances and preferential
20 transfers.

21 History: 1971 c. 260; 1979 c. 93; 1983 a. 189.

SECTION 374. 645.04 (1) of the statutes is amended to read:

22 645.04 (1) ACTIONS BY ~~COMMISSIONER~~ SECRETARY. Except as provided in sub. (2)
23 and s. 645.45 (1), no delinquency proceeding may be commenced under this chapter

1 by anyone other than the ~~commissioner~~ secretary of this state and no court has
2 jurisdiction to entertain, hear or determine any proceeding commenced by any other
3 person.

History: Sup. Ct. Order, 67 Wis. 2d 585, 776 (1975); 1979 c. 93; 1979 c. 110; 1981 c. 390; 1989 a. 23.

4 **SECTION 375.** 645.04 (2) (a) (intro.) of the statutes is amended to read:

5 645.04 (2) (a) (intro.) The judgment creditors of 3 or more unrelated judgments
6 may commence proceedings under the conditions and in the manner prescribed in
7 this subsection, by serving notice upon the ~~commissioner~~ secretary and the insurer
8 of intention to file a petition for liquidation under s. 645.41 or 645.82. Each of the
9 judgments must:

History: Sup. Ct. Order, 67 Wis. 2d 585, 776 (1975); 1979 c. 93; 1979 c. 110; 1981 c. 390; 1989 a. 23.

10 **SECTION 376.** 645.04 (2) (b) of the statutes is amended to read:

11 645.04 (2) (b) If any one of the judgments in favor of a petitioning creditor
12 remains unpaid for 30 days after service of the notice, and the ~~commissioner~~
13 secretary has not then filed a petition for liquidation, the creditor may file in the
14 name of the ~~commissioner~~ secretary a verified petition for liquidation of the insurer
15 under s. 645.41 or 645.82 alleging the conditions stated in this subsection. The
16 ~~commissioner~~ secretary shall be served and joined in the action.

History: Sup. Ct. Order, 67 Wis. 2d 585, 776 (1975); 1979 c. 93; 1979 c. 110; 1981 c. 390; 1989 a. 23.

17 **SECTION 377.** 645.06 of the statutes is amended to read:

18 **645.06 Costs and expenses of litigation.** In any proceeding or action
19 brought by the ~~commissioner~~ secretary or a receiver under this chapter, the court
20 may award such costs and other expenses of litigation to the ~~commissioner~~ secretary
21 or receiver as justice requires, without regard to the limitations otherwise prescribed
22 by law.

History: 1989 a. 23.

23 **SECTION 378.** 645.07 (1) (intro.) of the statutes is amended to read:

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

6 “To cooperate” includes:

7 History: 1979 c. 93; 1979 c. 102 ss. 196, 236 (15); 1979 c. 177.

8 **SECTION 379.** 645.07 (1) (a) of the statutes is amended to read:

9 645.07 (1) (a) To reply promptly in writing to any inquiry from the
10 ~~commissioner~~ secretary requesting a reply; and

11 History: 1979 c. 93; 1979 c. 102 ss. 196, 236 (15); 1979 c. 177.

12 **SECTION 380.** 645.07 (1) (b) of the statutes is amended to read:

13 645.07 (1) (b) To make available and deliver to the ~~commissioner~~ secretary any
14 books, accounts, documents or other records, or information or property of or
15 pertaining to the insurer and in the person's possession, custody or control.

16 History: 1979 c. 93; 1979 c. 102 ss. 196, 236 (15); 1979 c. 177.

17 **SECTION 381.** 645.07 (2) of the statutes is amended to read:

18 645.07 (2) DUTY NOT TO OBSTRUCT. No person may obstruct or interfere with the
19 ~~commissioner~~ secretary in the conduct of any delinquency proceeding or any
20 investigation preliminary or incidental thereto.

21 History: 1979 c. 93; 1979 c. 102 ss. 196, 236 (15); 1979 c. 177.

22 **SECTION 382.** 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
with the ~~commissioner~~ secretary, or any person who obstructs or interferes with the
~~commissioner~~ secretary in the conduct of any delinquency proceeding or any
investigation preliminary or incidental thereto, is subject to s. 601.64.

 History: 1979 c. 93; 1979 c. 102 ss. 196, 236 (15); 1979 c. 177.

SECTION 383. 645.08 (1) of the statutes is amended to read:

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

History: 1979 c. 93; 1979 c. 102 s. 236 (14); 1989 a. 23; 1996 a. 396.

6 **SECTION 384.** 645.08 (2) of the statutes is amended to read:

7 645.08 (2) IMMUNITY. No civil cause of action may arise against and no civil
8 liability may be imposed upon the state; ~~commissioner~~ secretary, special deputy
9 ~~commissioner~~, rehabilitator or liquidator, or their employees or agents, or the
10 insurance security fund under ch. 646 or its agents, employees, directors or
11 contributor insurers, for an act or omission by any of them in the performance of their
12 powers and duties under this chapter or in the performance of their powers and
13 duties relating to regulation of the capital or solvency of an insurer under chs. 600
14 to 646, including the compulsory or security surplus requirements under ch. 623.
15 This subsection does not apply to a civil cause of action arising from an act or
16 omission that is criminal under ch. 943. Such a cause of action, however, may be
17 barred or limited by common law, sovereign immunity, governmental immunity or
18 otherwise by law.

History: 1979 c. 93; 1979 c. 102 s. 236 (14); 1989 a. 23; 1996 a. 396.

19 **SECTION 385.** 645.09 (title), (1) (intro.) and (a), (2) ^{(a) and (b)} and (3) of the statutes are
20 amended to read:

21 **645.09** ^(title) **Commissioner's Secretary's reports.** (1) GENERAL REPORT OF
22 PROCEEDINGS. ^(intro.) The ~~commissioner~~ secretary may include in his or her annual report
23 any of the following:

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

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

14 (b) *Final study.* The ~~commissioner~~ Secretary may include in his or her annual report, not
15 later than the 2nd annual report following discharge of the receiver, a detailed study
16 of the delinquency proceeding for each insurer subjected to a formal proceeding, with
17 an analysis of the problems faced and their solutions. The ~~commissioner~~ secretary
18 may also suggest alternative solutions, as well as other material of interest, for the
19 purpose of assisting and guiding liquidators or rehabilitators in the future. For this
20 purpose the ~~commissioner~~ secretary may appoint a special assistant qualified to
21 conduct the study and prepare the analysis, and may determine his or her
22 compensation, which shall be paid from the appropriation under s. 20.145 (1) 20.142
23 (3) (g) 1.

24 (3) **REPORTS ON INSURERS SUBJECT TO PROCEEDINGS.** The ~~commissioner~~ secretary
25 as receiver shall make and file annual reports and any other required reports for the

1 companies proceeded against under ss. 645.31, 645.41, 645.45, 645.81, 645.82 and
2 645.84 in the manner and form and within the time required by law of insurers
3 authorized to do business in this state, and under the same penalties for failure to
4 do so.

History: 1979 c. 102 ss. 197, 236 (13), (14); 1979 c. 221; 2007 a. 20.

5 **SECTION 386.** 645.10 of the statutes is amended to read:

6 **645.10 Continuation of delinquency proceedings.** Every proceeding
7 commenced before August 5, 1967 is deemed to have commenced under this chapter
8 for the purpose of conducting the proceeding thereafter, except that in the discretion
9 of the ~~commissioner~~ secretary the proceeding may be continued, in whole or in part,
10 as it would have been continued had this chapter not been enacted.

11 **SECTION 387.** 645.21 of the statutes is amended to read:

12 **645.21 Commissioner's Secretary's summary orders.** (1) SUMMARY ORDER
13 AFTER HEARING. Whenever the ~~commissioner~~ secretary has reasonable cause to
14 believe, and determines, after a hearing held as prescribed in s. 601.62, that any
15 insurer has committed or engaged in, or is committing or engaging in or is about to
16 commit or engage in any act, practice or transaction, or is in or is about to get into
17 a situation that would subject it to formal delinquency proceedings under this
18 chapter, the ~~commissioner~~ secretary may make and serve upon the insurer and any
19 other persons involved, such orders other than seizure orders under ss. 645.22 and
20 645.23 as are reasonably necessary to correct, eliminate or remedy such conduct,
21 condition or ground.

22 (2) SUMMARY ORDER BEFORE HEARING. If the conditions of sub. (1) are satisfied,
23 and if it appears to the ~~commissioner~~ secretary that irreparable harm to the property
24 or business of the insurer or to the interests of its policyholders, creditors or the

1 public may occur unless the ~~commissioner~~ secretary issues with immediate effect the
2 orders described in sub. (1), the ~~commissioner~~ secretary may make and serve such
3 orders without notice and before hearing, simultaneously serving upon the insurer
4 notice of hearing under s. 601.62.

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

History: 1971 c. 42, 260; 1979 c. 93, 102, 177; 1991 a. 316.

11 SECTION 388. 645.22 (1) (intro.) of the statutes is amended to read:

12 645.22 (1) ISSUANCE. (intro.) Upon the filing by the ~~commissioner~~ secretary in
13 any circuit court in this state of a verified petition alleging any ground that would
14 justify a court order for a formal delinquency proceeding against an insurer under
15 this chapter and that the interests of policyholders, creditors or the public will be
16 endangered by delay, and setting out the order considered necessary by the
17 ~~commissioner~~ secretary, the court shall issue forthwith, ex parte and without a
18 hearing, the requested order, which may do any of the following:

History: 1979 c. 93; 1995 a. 225; 1997 a. 35.

19 SECTION 389. 645.22 (1) (a) ~~of the~~ statutes is amended to read:

20 645.22 (1) (a) Direct the ~~commissioner~~ ^{placel} secretary to take possession and control
21 of all or a part of the property, books, accounts, documents and other records of an
22 insurer and of the premises occupied by it for the transaction of its business.

History: 1979 c. 93; 1995 a. 225; 1997 a. 35.

23 SECTION 390. 645.22 (1) (b) of the statutes is amended to read:

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

History: 1979 c. 93; 1995 a. 225; 1997 a. 35.

5 **SECTION 391.** 645.22 (2) of the statutes is amended to read:

6 645.22 (2) DURATION. The court shall specify in the order what its duration shall
7 be, which shall be such time as the court deems necessary for the ~~commissioner~~
8 secretary to ascertain the condition of the insurer. On motion of either party or on
9 its own motion, the court may hold such hearings as it deems desirable after such
10 notice as it deems appropriate, and may extend, shorten or modify the terms of the
11 seizure order. The court shall vacate the seizure order if the ~~commissioner~~ secretary
12 fails to commence a formal proceeding under this chapter after having had a
13 reasonable opportunity to do so. The issuance of an order of the court pursuant to
14 a formal proceeding under this chapter vacates the seizure order.

History: 1979 c. 93; 1995 a. 225; 1997 a. 35.

15 **SECTION 392.** 645.23 (title), (1), (2) and (3) of the statutes are amended to read:

16 645.23 ^(title) **Commissioner's Secretary's seizure order.** (1) ISSUANCE. If it
17 appears to the ~~commissioner~~ secretary that the interests of creditors, policyholders
18 or the public will be endangered by the delay incident to asking for a court seizure
19 order, then on any ground that would justify a court seizure order under s. 645.22,
20 without notice and without applying to the court, the ~~commissioner~~ secretary may
21 issue a seizure order which must contain a verified statement of the grounds for the
22 action. As directed by the seizure order, the ~~commissioner's~~ secretary's
23 representatives shall forthwith take possession and control of all or part of the
24 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.

History: 1979 c. 93, 102.

14 **SECTION 393.** 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.

History: 1979 c. 93, 102.

19 **SECTION 394.** 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,

1 after hearing arguments from the parties in chambers, orders otherwise, or unless
2 the insurer requests that the matter be made public. Until the court order is issued,
3 all papers filed with the clerk of the court shall be held by the clerk in a confidential
4 file.

History: 1979 c. 93, 102.

5 **SECTION 395.** 645.24 (5) of the statutes is amended to read:

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

History: 1979 c. 93, 102.

10 **SECTION 396.** 645.31 (intro.) of the statutes is amended to read:

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

History: 1971 c. 260; 1979 c. 93; 1979 c. 102 ss. 201, 236 (13), (14); 1989 a. 23; s. 35.17 correction in (1) to (13).

16 **SECTION 397.** 645.31 (1) of the statutes is amended to read:

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

History: 1971 c. 260; 1979 c. 93; 1979 c. 102 ss. 201, 236 (13), (14); 1989 a. 23; s. 35.17 correction in (1) to (13).

21 **SECTION 398.** 645.31 (2) of the statutes is amended to read:

22 645.31 (2) That the ~~commissioner~~ secretary has reasonable cause to believe
23 that there has been embezzlement from the insurer, wrongful sequestration or

1 diversion of the insurer's assets, forgery or fraud affecting the insurer or other illegal
2 conduct in, by or with respect to the insurer, that if established would endanger
3 assets in an amount threatening the solvency of the insurer.

History: 1971 c. 260; 1979 c. 93; 1979 c. 102 ss. 201, 236 (13), (14); 1989 a. 23; s. 35.17 correction in (1) to (13).

4 **SECTION 399.** 645.31 (3) of the statutes is amended to read:

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

History: 1971 c. 260; 1979 c. 93; 1979 c. 102 ss. 201, 236 (13), (14); 1989 a. 23; s. 35.17 correction in (1) to (13).

9 **SECTION 400.** 645.31 (4) of the statutes is amended to read:

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

History: 1971 c. 260; 1979 c. 93; 1979 c. 102 ss. 201, 236 (13), (14); 1989 a. 23; s. 35.17 correction in (1) to (13).

15 **SECTION 401.** 645.31 (6) of the statutes is amended to read:

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

History: 1971 c. 260; 1979 c. 93; 1979 c. 102 ss. 201, 236 (13), (14); 1989 a. 23; s. 35.17 correction in (1) to (13).

22 **SECTION 402.** 645.31 (7) of the statutes is amended to read:

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

History: 1971 c. 260; 1979 c. 93; 1979 c. 102 ss. 201, 236 (13), (14); 1989 a. 23; s. 35.17 correction in (1) to (13).

10 **SECTION 403.** 645.31 (8) of the statutes is amended to read:

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

History: 1971 c. 260; 1979 c. 93; 1979 c. 102 ss. 201, 236 (13), (14); 1989 a. 23; s. 35.17 correction in (1) to (13).

18 **SECTION 404.** 645.31 (10) of the statutes is amended to read:

19 645.31 (10) That within the previous year the insurer has willfully violated its
20 charter or articles of incorporation or its bylaws or any insurance law or regulation
21 of any state, or of the federal government, or any valid order of the ~~commissioner~~
22 secretary under s. 645.21, or having become aware within the previous year of an

1 unintentional violation has failed to take all reasonable steps to remedy the situation
2 resulting from the violation and to prevent future violations.

3 History: 1971 c. 260; 1979 c. 93; 1979 c. 102 ss. 201, 236 (13), (14); 1989 a. 23; s. 35.17 correction in (1) to (13).

SECTION 405. 645.31 (12) of the statutes is amended to read:

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

9 History: 1971 c. 260; 1979 c. 93; 1979 c. 102 ss. 201, 236 (13), (14); 1989 a. 23; s. 35.17 correction in (1) to (13).

SECTION 406. 645.31 (13) of the statutes is amended to read:

10 645.31 (13) That the insurer has failed to file its annual report or other report
11 within the time allowed by law, and after written demand by the ~~commissioner~~
12 secretary has failed to give an adequate explanation immediately.

13 History: 1971 c. 260; 1979 c. 93; 1979 c. 102 ss. 201, 236 (13), (14); 1989 a. 23; s. 35.17 correction in (1) to (13).

SECTION 407. 645.32 (1) of the statutes is amended to read:

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

21 History: 1979 c. 93; 1979 c. 102 s. 236 (13); 1993 a. 301.

SECTION 408. 645.33 (1) of the statutes is amended to read:

22 645.33 (1) SPECIAL DEPUTY ~~COMMISSIONER~~. The rehabilitator may appoint a
23 special deputy ~~commissioner~~ to rehabilitate the insurer. The special deputy

1 ~~commissioner~~ shall have all of the powers of the rehabilitator granted under this
2 section. Subject to court approval, the rehabilitator shall make such arrangements
3 for compensation as are necessary to obtain a special deputy ~~commissioner~~ of proven
4 ability. The special deputy ~~commissioner~~ shall serve at the pleasure of the
5 rehabilitator.

History: 1979 c. 93, 102; 2009 a. 342.

6 **SECTION 409.** 645.41 (intro.) of the statutes is amended to read:

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

History: 1975 c. 373; 1977 c. 339 s. 43; 1979 c. 89, 93; 1979 c. 102 s. 236 (6), (20); 1983 a. 215; 2005 a. 253.

12 **SECTION 410.** 645.41 (1) of the statutes is amended to read:

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

History: 1975 c. 373; 1977 c. 339 s. 43; 1979 c. 89, 93; 1979 c. 102 s. 236 (6), (20); 1983 a. 215; 2005 a. 253.

18 **SECTION 411.** 645.41 (8) of the statutes is amended to read:

19 **645.41 (8)** That the insurer has concealed records or assets from the
20 ~~commissioner~~ secretary or improperly removed them from the jurisdiction;

History: 1975 c. 373; 1977 c. 339 s. 43; 1979 c. 89, 93; 1979 c. 102 s. 236 (6), (20); 1983 a. 215; 2005 a. 253.

21 **SECTION 412.** 645.42 (1) of the statutes is amended to read:

22 **645.42 (1) ORDER TO LIQUIDATE.** An order to liquidate the business of a domestic
23 insurer shall appoint the ~~commissioner~~ secretary and his or her successors in office

1 liquidator and shall direct the liquidator to take possession of the assets of the
2 insurer and to administer them under the orders of the court. The liquidator is
3 vested by operation of law with the title to all of the property, contracts, rights of
4 action and books and records, wherever located, of the insurer ordered liquidated,
5 and with all of the stock issued by the insurer and any cause of action that has or
6 subsequently accrues to the holder of the stock, as of the date of the filing of the
7 petition for liquidation. The liquidator may recover and reduce the same to
8 possession except that ancillary receivers in reciprocal states shall have, as to assets
9 located in their respective states, the rights and powers which are prescribed in s.
10 645.84 (3) for ancillary receivers appointed in this state as to assets located in this
11 state. The recording of the order with any register of deeds in this state imparts the
12 same notice as a deed, bill of sale or other evidence of title recorded with that register
13 of deeds.

History: 1979 c. 102; 1989 a. 23; 1993 a. 301.

14 **SECTION 413.** 645.42 (4) of the statutes is amended to read:

15 645.42 (4) DECLARATION OF INSOLVENCY. At the time of petitioning for an order
16 of liquidation, or at any time thereafter, the ~~commissioner~~ secretary may petition the
17 court to declare the insurer insolvent, and after such notice and hearing as it deems
18 proper, the court may make the declaration.

History: 1979 c. 102; 1989 a. 23; 1993 a. 301.

19 **SECTION 414.** 645.44 of the statutes is amended to read:

20 **645.44 Dissolution of insurer.** The ~~commissioner~~ secretary may petition for
21 an order dissolving the corporate existence of a domestic insurer or the U.S. branch
22 of an alien insurer domiciled in this state at the time of the application for a
23 liquidation order. If the court issues a liquidation order, it also shall order dissolution
24 if the commissioner has petitioned for it. The court shall order dissolution of the

1 corporation upon petition by the ~~commissioner~~ secretary at any time after a
2 liquidation order has been granted. If the dissolution has not previously occurred,
3 it shall be effected by operation of law upon the discharge of the liquidator.

History: 1979 c. 102.

4 **SECTION 415.** 645.45 (1) of the statutes is amended to read:

5 645.45 (1) PETITION FOR FEDERAL RECEIVER. Whenever in the ~~commissioner's~~
6 secretary's opinion, liquidation of a domestic insurer or an alien insurer domiciled
7 in this state would be facilitated by a federal receivership, and when any ground
8 exists upon which the ~~commissioner~~ secretary might petition the court for an order
9 of rehabilitation or liquidation under s. 645.31 or 645.41, or if an order of
10 rehabilitation or liquidation has already been entered, the ~~commissioner~~ secretary
11 may request another insurance regulator or commissioner or other willing resident
12 of another state to petition any appropriate federal district court for the appointment
13 of a federal receiver. The ~~commissioner~~ secretary may intervene in any such action
14 to support or oppose the petition, and may accept appointment as the receiver if he
15 or she is so designated. So much of this chapter shall apply to the receivership as can
16 be made applicable and is appropriate. Upon motion of the ~~commissioner~~ secretary,
17 the courts of this state shall relinquish all jurisdiction over the insurer for purposes
18 of rehabilitation or liquidation.

History: 1979 c. 102 ss. 205, 236 (5).

19 **SECTION 416.** 645.45 (2) of the statutes is amended to read:

20 645.45 (2) COMPLIANCE WITH FEDERAL REQUIREMENTS. If the ~~commissioner~~
21 secretary is appointed receiver under this section, the ~~commissioner~~ secretary shall
22 comply with any requirements necessary to give him or her title to and control over
23 the assets and affairs of the insurer.

History: 1979 c. 102 ss. 205, 236 (5).

24 **SECTION 417.** 645.46 (4) of the statutes is amended to read:

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

9 **History:** 1971 c. 164 s. 90; 1977 c. 196 s. 131; 1977 c. 273. 1979 c. 93; 1979 c. 102 ss. 206, 236 (11); 1979 c. 109; 1993 a. 301; 2007 a. 20.

9 **SECTION 418.** 645.46 (14) of the statutes is amended to read:

10 645.46 (14) Remove any records and property of the insurer to the offices of the
11 ~~commissioner department~~ or to such other place as is convenient for the purposes of
12 efficient and orderly execution of the liquidation.

13 **History:** 1971 c. 164 s. 90; 1977 c. 196 s. 131; 1977 c. 273. 1979 c. 93; 1979 c. 102 ss. 206, 236 (11); 1979 c. 109; 1993 a. 301; 2007 a. 20.

13 **SECTION 419.** 645.46 (21) of the statutes is amended to read:

14 645.46 (21) Enter into agreements with any receiver or insurance regulator or
15 commissioner of any other state relating to the rehabilitation, liquidation,
16 conservation or dissolution of an insurer doing business in both states.

17 **History:** 1971 c. 164 s. 90; 1977 c. 196 s. 131; 1977 c. 273. 1979 c. 93; 1979 c. 102 ss. 206, 236 (11); 1979 c. 109; 1993 a. 301; 2007 a. 20.

17 **SECTION 420.** 645.47 (1) (a) of the statutes is amended to read:

18 645.47 (1) (a) *General requirements.* The liquidator shall give notice of the
19 liquidation order as soon as possible by first class mail and either by telegram or
20 telephone to the insurance regulator or commissioner of each jurisdiction in which
21 the insurer is licensed to do business, by first class mail and by telephone to the
22 ~~department of workforce development of this state~~ if the insurer is or has been an
23 insurer of worker's compensation, by first class mail to all insurance agents having
24 a duty under s. 645.48, by first class mail to the director of state courts under s. 601.53

1 (1) if the insurer does a surety business and by first class mail at the last-known
2 address to all persons known or reasonably expected from the insurer's records to
3 have claims against the insurer, including all policyholders. The liquidator also shall
4 publish a class 3 notice, under ch. 985, in a newspaper of general circulation in the
5 county in which the liquidation is pending or in Dane County, the last publication to
6 be not less than 3 months before the earliest deadline specified in the notice under
7 sub. (2).

8 **History:** 1971 c. 164 s. 85; 1975 c. 147 s. 54; 1975 c. 199; 1975 c. 375 s. 44; 1979 c. 93, 109; 1987 a. 325; 1991 a. 144; 1995 a. 27 s. 9130 (4); 1995 a. 225; 1997 a. 3.

8 **SECTION 421.** 645.49 (1) of the statutes is amended to read:

9 645.49 (1) TERMINATION OF ACTIONS AGAINST INSURER BY ORDER APPOINTING
10 LIQUIDATOR. Upon issuance of any order appointing the ~~commissioner~~ secretary
11 liquidator of a domestic insurer or of an alien insurer domiciled in this state, all
12 actions and all proceedings against the insurer whether in this state or elsewhere
13 shall be abated and the liquidator shall not intervene in them, except as provided in
14 this subsection. Whenever in the liquidator's judgment an action in this state has
15 proceeded to a point where fairness or convenience would be served by its
16 continuation to judgment, the liquidator may apply to the court for leave to defend
17 or to be substituted for the insurer, and if the court grants the application, the action
18 shall not be abated. Whenever in the liquidator's judgment, protection of the estate
19 of the insurer necessitates intervention in an action against the insurer that is
20 pending outside this state, with approval of the court the liquidator may intervene
21 in the action. The liquidator may defend at the expense of the estate of the insurer
22 any action in which he or she intervenes under this section at the expense of the
23 estate of the insurer.

24 **History:** 1979 c. 102.

24 **SECTION 422.** 645.61 (4) of the statutes is amended to read:

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

History: 1971 c. 260; 1979 c. 93, 102, 109.

5 **SECTION 423.** 645.73 (2) of the statutes is amended to read:

6 645.73 (2) WITHHELD FUNDS. All funds withheld under s. 645.64 and not
7 distributed shall upon discharge of the liquidator be deposited with the secretary of
8 revenue and paid by the secretary in accordance with s. 645.64. Any sums remaining
9 which under s. 645.64 would revert to the undistributed assets of the insurer shall
10 be transferred to the secretary of revenue and become the property of the state under
11 sub. (1), unless the ~~commissioner~~ secretary of financial institutions, insurance, and
12 professional standards petitions the court to reopen the liquidation under s. 645.75.

History: 1979 c. 102 ss. 220, 236 (23); 1983 a. 408; 2013 a. 20.

13 **SECTION 424.** 645.75 of the statutes is amended to read:

14 **645.75 Reopening liquidation.** After the liquidation proceeding has been
15 terminated and the liquidator discharged, the ~~commissioner~~ secretary or other
16 interested party may at any time petition the court to reopen the proceedings for good
17 cause, including the discovery of additional assets. If the court is satisfied that there
18 is justification for reopening, it shall so order.

19 **SECTION 425.** 645.77 of the statutes is amended to read:

20 **645.77 External audit of receiver's books.** The court in which the
21 proceeding is pending may, as it deems desirable, cause audits to be made of the
22 books of the ~~commissioner~~ secretary relating to any receivership established under
23 this chapter, and a report of each audit shall be filed with the ~~commissioner~~ secretary
24 and with the court. The books, records and other documents of the receivership shall

1 be made available to the auditor at any time without notice. The expense of each
2 audit shall be considered a cost of administration of the receivership.

3 **SECTION 426.** 645.81 (1) (intro.) of the statutes is amended to read:

4 645.81 (1) GROUNDS FOR PETITION. (intro.) If a domiciliary liquidator has not
5 been appointed, the ~~commissioner~~ secretary may apply to the circuit court for Dane
6 County by verified petition for an order directing him or her to conserve the property
7 of an alien insurer not domiciled in this state or a foreign insurer on any one or more
8 of the following grounds:

History: 1979 c. 102 s. 236 (20); 1993 a. 301; 1995 a. 225.

9 **SECTION 427.** 645.82 (1) (intro.) of the statutes is amended to read:

10 645.82 (1) GROUNDS FOR PETITION. (intro.) If no domiciliary receiver has been
11 appointed, the ~~commissioner~~ secretary may apply to the circuit court for Dane
12 County by verified petition for an order directing the ~~commissioner~~ secretary to
13 liquidate the assets found in this state of a foreign insurer or an alien insurer not
14 domiciled in this state, on any of the following grounds:

History: 1979 c. 102 s. 236 (21); 1993 a. 301.

15 **SECTION 428.** 645.82 (4) of the statutes is amended to read:

16 645.82 (4) FEDERAL RECEIVERSHIP. On the same grounds as are specified in sub.
17 (1), the ~~commissioner~~ secretary may petition any appropriate federal district court
18 to be appointed receiver to liquidate that portion of the insurer's assets and business
19 over which the court will exercise jurisdiction, or any lesser part thereof that the
20 ~~commissioner~~ secretary deems desirable for the protection of the policyholders and
21 creditors in this state. The ~~commissioner~~ secretary may accept appointment as
22 federal receiver if another person files a petition.

History: 1979 c. 102 s. 236 (21); 1993 a. 301.

23 **SECTION 429.** 645.83 (2) of the statutes is amended to read:

1 645.83 (2) PROPERTY RIGHTS AND TITLE: STATE NOT A RECIPROCAL STATE. If a
2 domiciliary liquidator is appointed for an insurer not domiciled in a reciprocal state,
3 the ~~commissioner of this state~~ secretary shall be vested by operation of law with the
4 title to all of the property, contracts and rights of action, and all of the books, accounts
5 and other records of the insurer located in this state, at the same time that the
6 domiciliary liquidator is vested with title in the domicile. The ~~commissioner of this~~
7 state secretary may petition for a conservation or liquidation order under s. 645.81
8 or 645.82, or for an ancillary receivership under s. 645.84, or after approval by the
9 circuit court for Dane County may transfer title to the domiciliary liquidator, as the
10 interests of justice and the equitable distribution of the assets require.

History: 1979 c. 102.

11 **SECTION 430.** 645.84 (1) (intro.) of the statutes is amended to read:

12 645.84 (1) APPOINTMENT OF ANCILLARY RECEIVER IN THIS STATE. (intro.) If a
13 domiciliary liquidator has been appointed for an insurer not domiciled in this state,
14 the ~~commissioner~~ secretary shall file a petition with the circuit court for Dane
15 County requesting appointment as ancillary receiver in this state in any of the
16 following circumstances:

History: 1979 c. 102 ss. 222, 236 (6); 1993 a. 301.

17 **SECTION 431.** 645.84 (1) (a) of the statutes is amended to read:

18 645.84 (1) (a) If the ~~commissioner~~ secretary finds that there are sufficient
19 assets of the insurer located in this state to justify the appointment of an ancillary
20 receiver;

History: 1979 c. 102 ss. 222, 236 (6); 1993 a. 301.

21 **SECTION 432.** 645.84 (1) (b) of the statutes is amended to read:

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

4 History: 1979 c. 102 ss. 222, 236 (6); 1993 a. 301.

4 **SECTION 433.** 645.85 of the statutes is amended to read:

5 **645.85 Ancillary summary proceedings.** The ~~commissioner~~ secretary in
6 his or her sole discretion may institute proceedings under ss. 645.21 to 645.23 at the
7 request of the ~~commissioner~~ secretary or other appropriate official of the domiciliary
8 state of any nondomestic insurer having property located in this state.

9 History: 1979 c. 102.

9 **SECTION 434.** 646.11 (5) of the statutes is amended to read:

10 646.11 (5) IMMUNITY. No cause of action of any nature may arise against and
11 no liability may be imposed upon the fund or its agents, employees, directors,
12 including alternate representatives designated under s. 646.12 (1) (a) 3., or
13 contributor insurers, or the ~~commissioner~~ secretary or the ~~commissioner's~~
14 secretary's agents, employees, or representatives, for any act or omission by any of
15 them in the performance of their powers and duties under this chapter.

16 History: 1979 c. 109, 221; 1983 a. 120; 1985 a. 216, 332; 1989 a. 23; 2003 a. 261; 2007 a. 170.

16 **SECTION 435.** 646.12 (1) (a) 1. of the statutes is amended to read:

17 646.12 (1) (a) 1. The fund shall be administered by a board of directors that
18 shall consist of the attorney general, the state treasurer, and the ~~commissioner~~
19 secretary, each of whom shall have full voting rights, and at least 9 but not more than
20 11 insurer representatives of domestic, foreign, and alien insurers subject to this
21 chapter.

22 History: 1979 c. 109, 355; 1985 a. 216; 1987 a. 325; 1989 a. 332; 1995 a. 236; 2003 a. 261; 2007 a. 170.

22 **SECTION 436.** 646.12 (1) (a) 2. of the statutes is amended to read:

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

8 History: 1979 c. 109, 355; 1985 a. 216; 1987 a. 325; 1989 a. 332; 1995 a. 236; 2003 a. 261; 2007 a. 170.

8 **SECTION 437.** 646.12 (2) (e) of the statutes is amended to read:

9 646.12 (2) (e) Advise and make recommendations to the ~~commissioner~~
10 secretary on any matter related to the possible insolvency of an insurer covered by
11 this chapter, and respond to any reasonable questions presented by the
12 ~~commissioner~~ secretary. Information, recommendations and advice under this
13 subsection are privileged and confidential and are not open to public inspection
14 under s. 19.35 (1).

15 History: 1979 c. 109, 355; 1985 a. 216; 1987 a. 325; 1989 a. 332; 1995 a. 236; 2003 a. 261; 2007 a. 170.

15 **SECTION 438.** 646.16 (1) of the statutes is amended to read:

16 646.16 (1) The ~~commissioner~~ department shall promptly pay to the fund any
17 deposit held in this state that was paid, as required by law or the ~~commissioner~~
18 department, by the insolvent insurer for the benefit of creditors, including
19 policyholders, and not turned over to the domiciliary liquidator upon the entry of a
20 final order of liquidation of an insurer domiciled in this state or in a reciprocal state,
21 as defined in s. 645.03 (1) (i). Of the amount paid to the fund under this subsection,
22 the fund may retain the percentage determined by dividing the aggregate amount
23 of policyholders' claims that are related to the insolvency and for which the fund has
24 provided benefits under this chapter by the aggregate amount of all policyholders'

1 claims in this state that are related to the insolvency. The fund shall remit the
2 balance to the domiciliary liquidator.

3 **History:** 2003 a. 261.

SECTION 439. 646.35 (8) (e) of the statutes is amended to read:

4 646.35 (8) (e) This subsection supersedes s. 645.58 (1), any applicable rules of
5 the ~~commissioner~~ department, and the provisions of any affected reinsurance
6 agreement that provide for or require payment of reinsurance proceeds to the
7 liquidator of the insolvent insurer on account of losses or events that occur after the
8 coverage date. The liquidator remains entitled to any amounts payable by the
9 reinsurer under the reinsurance agreement with respect to losses or events that
10 occur before the coverage date, subject to any applicable setoff provisions.

11 **History:** 1979 c. 109; 1983 a. 120; 1985 a. 216; 1989 a. 23; 1995 a. 236; 2003 a. 261; 2005 a. 253; 2007 a. 168, 170; 2011 a. 224.

SECTION 440. 646.51 (7) (d) of the statutes is amended to read:

12 646.51 (7) (d) Any amount available for credit against future tax liabilities
13 under this subsection may be regarded as an asset of the insurer under rules
14 promulgated by the ~~commissioner~~ department.

15 **History:** 1979 c. 109; 1983 a. 120; 1985 a. 216; 1989 a. 23, 31; 1995 a. 396; 1999 a. 30; 2003 a. 261; 2007 a. 170; 2009 a. 342.

SECTION 441. 648.01 (2) of the statutes is repealed.

16 **SECTION 442.** 648.05 (2) (intro.) of the statutes is amended to read:

17 648.05 (2) APPLICATION. (intro.) A care management organization applying for
18 a permit shall submit all of the following information in the format required by the
19 ~~commissioner~~ department of financial institutions, insurance, and professional
20 standards:

21 **History:** 2009 a. 28.

SECTION 443. 648.05 (2) (a) of the statutes is amended to read:

22 648.05 (2) (a) The names, addresses and occupations of all controlling persons
23 and directors and principal officers of the care management organization currently

1 and for the preceding 10 years, unless the ~~commissioner~~ department of financial
2 institutions, insurance, and professional standards waives this requirement.

3 History: 2009 a. 28.

SECTION 444. 648.05 (2) (c) of the statutes is amended to read:

4 648.05 (2) (c) A business plan approved by the department of health services,
5 including a projection of the anticipated operating results at the end of each of the
6 next 3 years of operation, based on reasonable estimates of income and operating
7 expenses.

8 History: 2009 a. 28.

SECTION 445. 648.05 (2) (d) of the statutes is amended to read:

9 648.05 (2) (d) Any other relevant documents or information that the
10 ~~commissioner~~ department of financial institutions, insurance, and professional
11 standards reasonably requires after consulting with the department of health
12 services.

13 History: 2009 a. 28.

SECTION 446. 648.05 (3) (intro.) of the statutes is amended to read:

14 648.05 (3) STANDARDS FOR ISSUING PERMIT. (intro.) The ~~commissioner~~
15 department of financial institutions, insurance, and professional standards may
16 issue a permit to the care management organization if the ~~commissioner~~ department
17 of financial institutions, insurance, and professional standards finds, after
18 consulting with the department of health services, all of the following:

19 History: 2009 a. 28.

SECTION 447. 648.05 (4) (intro.) of the statutes is amended to read:

20 648.05 (4) SUSPENSION OR REVOCATION. (intro.) The ~~commissioner~~ department
21 of financial institutions, insurance, and professional standards may suspend or
22 revoke a permit issued under this chapter if the ~~commissioner~~ department of

1 financial institutions, insurance, and professional standards finds, after consulting
2 with the department of health services, any of the following:

History: 2009 a. 28.

3 **SECTION 448.** 648.05 (4) (d) of the statutes is amended to read:

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

History: 2009 a. 28.

6 **SECTION 449.** 648.05 (4) (f) of the statutes is amended to read:

7 648.05 (4) (f) The permittee ceases to be certified by or maintain a contract with
8 the department of health services.

History: 2009 a. 28.

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SECTION 450. 648.10 (title), (intro.) and (1) of the statutes are amended to read:

648.10 Powers and duties of the ~~commissioner~~ department. (intro.) The

11 ~~commissioner~~ department of financial institutions, insurance, and professional
12 standards may do any of the following:

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

History: 2009 a. 28.

16 **SECTION 451.** 648.15 (1) (intro.) of the statutes is amended to read:

17 648.15 (1) **REPORTS.** (intro.) The ~~commissioner~~ department of financial
18 institutions, insurance, and professional standards may require from any care
19 management organization any of the following:

History: 2009 a. 28.

20 **SECTION 452.** 648.15 (1) (a) of the statutes is amended to read:

21 648.15 (1) (a) Statements, reports, answers to questionnaires, and other
22 information in whatever reasonable form the ~~commissioner~~ department of financial
23 institutions, insurance, and professional standards designates and at such

1 reasonable intervals as the ~~commissioner~~ department of financial institutions,
2 insurance, and professional standards chooses, or from time to time.

History: 2009 a. 28.

3 **SECTION 453.** 648.15 (2) of the statutes is amended to read:

4 648.15 (2) FORMS. The ~~commissioner~~ department of financial institutions,
5 insurance, and professional standards, after consulting with the department of of
6 health services, may prescribe forms for the reports under sub. (1) and specify who
7 shall execute or certify such reports.

History: 2009 a. 28.

8 **SECTION 454.** 648.15 (3) of the statutes is amended to read:

9 648.15 (3) ACCOUNTING METHODS. The ~~commissioner~~ department of financial
10 institutions, insurance, and professional standards, after consulting with the
11 department of of health services, may prescribe reasonable minimum standards and
12 techniques of accounting and data handling to ensure that timely and reliable
13 information will exist and will be available to the ~~commissioner~~ department of
14 financial institutions, insurance, and professional standards.

History: 2009 a. 28.

15 **SECTION 455.** 648.15 (4) of the statutes is amended to read:

16 648.15 (4) REPLIES. Any officer or manager of a care management organization,
17 any person controlling or having a contract under which the person has a right to
18 control a care management organization, whether exclusively or otherwise, or any
19 person with executive authority over or in charge of any segment of such a care
20 management organization's affairs, shall reply promptly in writing or in another
21 designated form, to any written inquiry from the ~~commissioner~~ department of
22 financial institutions, insurance, and professional standards requesting a reply.

History: 2009 a. 28.

23 **SECTION 456.** 648.15 (5) of the statutes is amended to read:

1 648.15 (5) VERIFICATION. The ~~commissioner~~ department of financial
2 institutions, insurance, and professional standards may require that any
3 communication made to the ~~commissioner~~ department of financial institutions,
4 insurance, and professional standards under this section be verified.

5 History: 2009 a. 28.

SECTION 457. 648.15 (6) of the statutes is amended to read:

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

11 History: 2009 a. 28.

SECTION 458. 648.15 (7) of the statutes is amended to read:

12 648.15 (7) EXPERTS. The ~~commissioner~~ department of financial institutions,
13 insurance, and professional standards may employ experts to assist the
14 ~~commissioner~~ department of financial institutions, insurance, and professional
15 standards in an examination or in the review of any transaction subject to approval
16 under this chapter. The care management organization that is the subject of the
17 examination, or that is a party to a transaction under review, including the person
18 acquiring, controlling, or attempting to acquire the care management organization,
19 shall pay the reasonable costs incurred by the ~~commissioner~~ department of financial
20 institutions, insurance, and professional standards for the expert and related
21 expenses.

22 History: 2009 a. 28.

SECTION 459. 648.20 (1) (a) of the statutes is amended to read:

23 648.20 (1) (a) To inform himself or herself about a matter related to the
24 enforcement of this chapter, the ~~commissioner~~ department of financial institutions,

1 insurance, and professional standards may examine the affairs and condition of any
2 permittee.

History: 2009 a. 28.

3 **SECTION 460.** 648.20 (1) (b) (intro.) of the statutes is amended to read:

4 648.20 (1) (b) (intro.) So far as reasonably necessary for an examination under
5 par. (a), the ~~commissioner~~ department of financial institutions, insurance, and
6 professional standards may examine the accounts, records, or documents so far as
7 they relate to the permittee, of any of the following:

History: 2009 a. 28.

8 **SECTION 461.** 648.20 (1) (c) of the statutes is amended to read:

9 648.20 (1) (c) On demand, every permittee shall make available to the
10 ~~commissioner~~ department of financial institutions, insurance, and professional
11 standards for examination any of its own accounts, records, documents, or evidences
12 of transactions.

History: 2009 a. 28.

13 **SECTION 462.** 648.20 (1) (d) of the statutes is amended to read:

14 648.20 (1) (d) On order of the ~~commissioner~~ department of financial
15 institutions, insurance, and professional standards any examinee under this chapter
16 shall bring to the ~~office~~ department of financial institutions, insurance, and
17 professional standards for examination such records as the order reasonably
18 requires.

History: 2009 a. 28.

19 **SECTION 463.** 648.20 (1) (d) of the statutes is amended to read:

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

History: 2009 a. 28.

1 **SECTION 464.** 648.20 (2) of the statutes is amended to read:

2 648.20 (2) AUDITS OR ACTUARIAL OR OTHER EVALUATIONS. In lieu of all or part of
3 an examination under sub. (1), or in addition to it, the ~~commissioner~~ [✓] department of
4 financial institutions, insurance, and professional standards may order an
5 independent audit by certified public accountants or an actuarial or other evaluation
6 by actuaries or other experts approved by the ~~commissioner~~ [✓] department of financial
7 institutions, insurance, and professional standards of any permittee. Any
8 accountant, actuary, or other expert selected is subject to rules respecting conflicts
9 of interest promulgated by the ~~commissioner~~ [✓] department of financial institutions,
10 insurance, and professional standards. Any audit or evaluation under this section
11 is subject to s. 648.25, so far as applicable.

12 History: 2009 a. 28.

13 **SECTION 465.** 648.20 (3) of the statutes is amended to read:

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

22 History: 2009 a. 28.

23 **SECTION 466.** 648.20 (4) of the statutes is amended to read:

24 648.20 (4) PURPOSE AND SCOPE OF EXAMINATION. An examination may but need
25 not cover comprehensively all aspects of the permittee's affairs and condition. The
26 ~~commissioner~~ [✓] department of financial institutions, insurance, and professional

1 standards shall determine the exact nature and scope of each examination, and in
2 doing so shall take into account all relevant factors, including the length of time the
3 permittee has been doing business, the length of time the permittee has been
4 certified by the department of health services, the nature of the business being
5 examined, the nature of the accounting records available, and the nature of
6 examinations performed elsewhere.

History: 2009 a. 28.

7 **SECTION 467.** 648.25 (1) of the statutes is amended to read:

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

History: 2009 a. 28.

13 **SECTION 468.** 648.25 (2) of the statutes is amended to read:

14 648.25 (2) ACCESS TO EXAMINEE. Any examiner authorized by the ~~commissioner~~
15 department of financial institutions, insurance, and professional standards shall, for
16 the purposes of the examination, have access at all reasonable hours to the premises
17 and to any property of the examinee.

History: 2009 a. 28.

18 **SECTION 469.** 648.25 (4) of the statutes is amended to read:

19 648.25 (4) CORRECTION OF BOOKS. If the ~~commissioner~~ department of financial
20 institutions, insurance, and professional standards finds the accounts or records to
21 be inadequate for proper examination of the condition and affairs of the permittee
22 or improperly kept or posted, the ~~commissioner~~ department of financial institutions,

1 insurance, and professional standards may employ experts to rewrite, post, or
2 balance them at the expense of the permittee.

3 History: 2009 a. 28.

SECTION 470. 648.25 (5) of the statutes is amended to read:

4 648.25 (5) REPORT ON EXAMINATION. The examiner in charge of an examination
5 shall make a proposed report of the examination, including information and analysis
6 ordered in sub. (1), together with the examiner's recommendations. Preparation of
7 the proposed report may include conferences with the examinee or the examinee's
8 representatives at the option of the examiner in charge. The ~~commissioner~~
9 department of financial institutions, insurance, and professional standards shall
10 serve the final examination report on the examinee.

11 History: 2009 a. 28.

SECTION 471. 648.27 (1) of the statutes is amended to read:

12 648.27 (1) COSTS TO BE PAID BY CARE MANAGEMENT ORGANIZATIONS. Permittees
13 shall pay the reasonable estimate of costs of examinations under s. 648.20, of review
14 of applications under s. 648.05, and of analysis and financial monitoring of care
15 management organizations by the ~~commissioner~~ department of financial
16 institutions, insurance, and professional standards and the department of health
17 services, including overhead and fixed costs, by a system of regular annual billings.

18 History: 2009 a. 28.

SECTION 472. 648.27 (2) of the statutes is amended to read:

19 648.27 (2) DETERMINATION OF COSTS. Annually, the ~~commissioner~~ department
20 of financial institutions, insurance, and professional standards shall determine the
21 estimated costs under sub. (1) for the ~~commissioner~~ department of financial
22 institutions, insurance, and professional standards and the department of health
23 services. The ~~commissioner~~ department of financial institutions, insurance, and
24 professional standards shall serve a request for payment on each permittee

1 allocating the cost to each permittee in an amount that the ~~commissioner~~
2 department of financial institutions, insurance, and professional standards
3 determines reflects the permittee's proportionate share of projected enrollment in
4 the ~~department's~~ annual contracting period for the department of health services.

History: 2009 a. 28.

5 **SECTION 473.** 648.27 (3) of the statutes is amended to read:

6 648.27 (3) PAYMENT DEADLINE. The permittee shall pay the amount determined
7 by the ~~commissioner~~ department of financial institutions, insurance, and
8 professional standards within 30 days of service of the request for payment under
9 sub. (2).

History: 2009 a. 28.

10 **SECTION 474.** 648.30 (1) (intro.) of the statutes is amended to read:

11 648.30 (1) TYPES OF INFORMATION. (intro.) The ~~office~~ department of financial
12 institutions, insurance, and professional standards may refuse to disclose and may
13 prevent any other person from disclosing any of the following:

History: 2009 a. 28.

14 **SECTION 475.** 648.30 (1) (c) (intro.) of the statutes is amended to read:

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

History: 2009 a. 28.

21 **SECTION 476.** 648.30 (1) (c) 5. of the statutes is amended to read:

22 648.30 (1) (c) 5. An international, federal, state, or local regulatory or law
23 enforcement agency, including the department of health services.

History: 2009 a. 28.

1 **SECTION 477.** 648.35 (1) of the statutes is amended to read:

2 648.35 (1) INJUNCTIONS AND RESTRAINING ORDERS. The ~~commissioner~~
3 department of financial institutions, insurance, and professional standards may
4 commence an action in circuit court in the name of the state to restrain by temporary
5 or permanent injunction or by temporary restraining order any violation of this
6 chapter, any rule promulgated under this chapter, or any order issued under s.
7 648.10 (2). The ~~commissioner~~ department of financial institutions, insurance, and
8 professional standards need not show irreparable harm or lack of an adequate
9 remedy at law in an action commenced under this subsection.

History: 2009 a. 28.

10 **SECTION 478.** 648.35 (2) of the statutes is amended to read:

11 648.35 (2) ORDERS. The ~~commissioner~~ department of financial institutions,
12 insurance, and professional standards shall issue any orders under the procedures
13 described in s. 601.63 and shall hold any hearings under the procedures described
14 in s. 601.62.

History: 2009 a. 28.

15 **SECTION 479.** 648.35 (3) of the statutes is amended to read:

16 648.35 (3) COMPULSIVE FORFEITURES. If a person does not comply with an order
17 issued under s. 648.10 (2) within 2 weeks after the ~~commissioner~~ department of
18 financial institutions, insurance, and professional standards has given the care
19 management organization notice of the ~~commissioner's~~ department's intention to
20 proceed under this subsection, the ~~commissioner~~ department of financial
21 institutions, insurance, and professional standards may commence an action for a
22 forfeiture in such sum as the court considers just, but not exceeding \$5,000 for each
23 day that the violation continues after the commencement of the action until
24 judgment is rendered. No forfeiture may be imposed under this subsection if at the

1 time the action was commenced the care management organization was in
2 compliance with the order, nor for any violation of an order occurring while any
3 proceeding for judicial review of the order was pending, unless the court in which the
4 proceeding was pending certifies that the claim of invalidity or nonapplicability of
5 the order was frivolous or a sham. If after judgment is rendered the care
6 management organization does not comply with the order, the commissioner
7 department of financial institutions, insurance, and professional standards may
8 commence a new action for a forfeiture and may continue commencing actions until
9 the person complies. The proceeds of all actions under this subsection, after
10 deduction of the expenses of collection, shall be paid into the common school fund of
11 the state.

History: 2009 a. 28.

12 **SECTION 480.** 648.35 (4) (c) of the statutes is amended to read:

13 648.35 (4) (c) *Forfeiture for violation of statute or rule.* Whoever violates,
14 intentionally aids in violating, or knowingly permits a person over whom he or she
15 has authority to violate a section of this chapter or a rule promulgated under this
16 chapter shall forfeit to the state not more than \$1,000 for each violation. If the section
17 or rule violated imposes a duty to make a report to the ~~commissioner~~ department
18 of financial institutions, insurance, and professional standards, each week of delay in
19 complying with the duty is a new violation.

History: 2009 a. 28.

20 **SECTION 481.** 648.35 (4) (d) of the statutes is amended to read:

21 648.35 (4) (d) *Procedure.* The ~~commissioner~~ department of financial
22 institutions, insurance, and professional standards may order any person to pay a
23 forfeiture imposed under this subsection, which shall be paid into the common school
24 fund. If the order is issued without a hearing, the affected person may demand a

1 hearing through procedures described under s. 601.62 (3) (a). If the person fails to
2 request a hearing, the order is conclusive as to the person's liability. The scope of
3 review for forfeitures ordered is that specified under s. 227.57. The ~~commissioner~~
4 department of financial institutions, insurance, and professional standards may
5 cause an action to be commenced to recover the forfeiture. Before an action is
6 commenced, the ~~commissioner~~ department of financial institutions, insurance, and
7 professional standards may compromise the forfeiture.

History: 2009 a. 28.

8 **SECTION 482.** 648.45 (1) of the statutes is amended to read:

9 648.45 (1) INFORMATION. A permittee and a person attempting to acquire or
10 having control of a permittee, shall report to the ~~commissioner~~ department of
11 financial institutions, insurance, and professional standards the information
12 concerning the permittee, its affiliates, and the person attempting to acquire control
13 of the permittee that the ~~commissioner~~ department of financial institutions,
14 insurance, and professional standards requires by rule. The ~~commissioner~~
15 department of financial institutions, insurance, and professional standards may
16 promulgate rules prescribing the timing of reports under this subsection, including
17 requiring periodic reporting and the form and procedure for filing reports.

History: 2009 a. 28; 2011 a. 257 s. 56.

18 **SECTION 483.** 648.45 (3) of the statutes is amended to read:

19 648.45 (3) CONSENT TO JURISDICTION. Every permittee shall promptly submit
20 to the ~~commissioner~~ department of financial institutions, insurance, and
21 professional standards a statement from each of its affiliates that the affiliate agrees
22 to be subject to the jurisdiction of the ~~commissioner~~ department of financial
23 institutions, insurance, and professional standards and the courts of this state for
24 the purposes of this chapter. A governmental unit is not subject to this requirement.

1 The ~~commissioner~~ department of financial institutions, insurance, and professional
2 standards may exempt other affiliates from this subsection.

History: 2009 a. 28; 2011 a. 257 s. 56.

3 SECTION 484. 648.45 (4) of the statutes is amended to read:

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

History: 2009 a. 28; 2011 a. 257 s. 56.

9 SECTION 485. 648.45 (5) (d) of the statutes is amended to read:

10 648.45 (5) (d) The transaction complies with any other standard that the
11 ~~commissioner~~ department of financial institutions, insurance, and professional
12 standards, after consulting with the department of health services, prescribes by
13 rule.

History: 2009 a. 28; 2011 a. 257 s. 56.

14 SECTION 486. 648.45 (6) (a) 1. (intro.) of the statutes is amended to read:

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15 648.45 (6) (a) 1. (intro.) The ~~commissioner~~ department of financial institutions,
16 insurance, and professional standards, after consulting with the department of
17 health services, may promulgate rules requiring a permittee, a person attempting
18 to acquire or having control of a permittee, and affiliates of a permittee to report a
19 transaction or a group or series of transactions, if all of the following are satisfied:

History: 2009 a. 28; 2011 a. 257 s. 56.

20 SECTION 487. 648.45 (6) (a) 2. of the statutes is amended to read:

21 648.45 (6) (a) 2. Transactions that are material to a permittee for the purposes
22 of subd. 1. include management contracts, service contracts, and cost-sharing
23 arrangements. The ~~commissioner~~ department of financial institutions, insurance,