

Clearinghouse Rule 08-064

STATE OF WISCONSIN

OFFICE OF THE COMMISSIONER OF INSURANCE (OCI)

★★★ NOTICE OF RULEMAKING HEARING ★★★

NOTICE IS HEREBY GIVEN that pursuant to the authority granted under s. 601.41(3), Stats., and the procedures set forth in under s. 227.18, Stats., OCI will hold a public hearing to consider the adoption of the attached proposed rulemaking order affecting Section Ins 6.79 and 8.10, Wis. Adm. Code, relating to advisory councils and committees.

HEARING INFORMATION

Date: July 21, 2008
Time: 10:00 a.m., or as soon thereafter as the matter may be reached
Place: OCI, Room 227, 125 South Webster St 2nd Floor, Madison, WI

Written comments can be mailed to:

Julie E. Walsh
Legal Unit - OCI Rule Comment for Rule Ins 679
Office of the Commissioner of Insurance
PO Box 7873
Madison WI 53707-7873

Written comments can be hand delivered to:

Julie E. Walsh
Legal Unit - OCI Rule Comment for Rule Ins 679
Office of the Commissioner of Insurance
125 South Webster St – 2nd Floor
Madison WI 53703-3474

Comments can be emailed to:

Julie E. Walsh
julie.walsh@wisconsin.gov

Comments submitted through the Wisconsin Administrative Rule Web site at: <http://adminrules.wisconsin.gov> on the proposed rule will be considered.

The deadline for submitting comments is 4:00 p.m. on the 10th day after the date for the hearing stated in this Notice of Hearing.

SUMMARY OF PROPOSED RULE & FISCAL ESTIMATE

For a summary of the rule see the analysis contained in the attached proposed rulemaking order. There will be no state or local government fiscal effect. The full text of the proposed changes, a summary of the changes and the fiscal estimate are attached to this Notice of Hearing.

INITIAL REGULATORY FLEXIBILITY ANALYSIS

This rule does not impose any additional requirements on small businesses.

OCI SMALL BUSINESS REGULATORY COORDINATOR

The OCI small business coordinator is Eileen Mallow and may be reached at phone number (608) 266-7843 or at email address eileen.mallow@wisconsin.gov

CONTACT PERSON

A copy of the full text of the proposed rule changes, analysis and fiscal estimate may be obtained from the OCI internet Web site at <http://oci.wi.gov/ocirules.htm> or by contacting Inger Williams, Public Information and Communications, OCI, at: inger.williams@wisconsin.gov, (608) 264-8110, 125 South Webster Street – 2nd Floor, Madison WI or PO Box 7873, Madison WI 53707-7873.

**PROPOSED ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE
REPEALING, REPEALING AND CREATING A RULE**

To repeal s. Ins 8.10;

To repeal and recreate s. Ins 6.79; Wis. Adm. Code

Relating to advisory councils and committees.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE (OCI)

1. Statutes interpreted:

ss. 15.04, 15.09 and 601.20, Stats.

2. Statutory authority:

ss. 601.20, Stats.

3. Explanation of OCI's authority to promulgate the proposed rule under these statutes:

The OCI is specifically granted authority to create advisory councils and committees and permits the OCI to establish by rule the creation, governance, duties and termination of any council or committee that the commissioner establishes.

4. Related statutes or rules:

The topics addressed by the OCI's committees and councils are not duplicative of other state efforts.

5. The plain language analysis and summary of the proposed rule:

The proposed rule implements s. 601.20, Stats., and establishes the structure, governance, duties and termination of councils or committees that the commissioner determines will be of assistance to the Office in carrying out its duty of regulation. The proposed rule repeals s. Ins 8.10, Wis. Adm. Code, as that council no longer functions. Section Ins 6.79, Wis. Adm. Code, is repealed and recreated to more specifically define the structure of advisory councils and committees including duties, meetings, membership, officers and term of the council or committee. Although the listing of specific councils is repealed, the commissioner has continued to utilize councils and committees that focus on topics of life, health and property and casualty insurance issues. The proposed rule provides the structure to continue existing councils and committees and to establish new committees or councils with a focus and composition reflecting the subjects that are being considered by the agency when needed.

6. Summary of and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule:

There is no federal regulation that addresses the content of this rule.

7. Comparison of similar rules in adjacent states as found by OCI:

Illinois: No similar rule, although the Illinois Department of Financial and Professional Regulation is required to use advisory boards or councils for very

specific topics. For example, the Illinois Department is authorized to convene an advisory committee for providing counsel and gathering clinical advice relating to mandated dental care issues. (See., 50 IL Admin Code 5425.40.) However, Illinois does not have a regulation similar to what is being proposed.

Iowa: No similar rules or laws.

Michigan: No similar rules or laws

Minnesota: No similar rules or laws.

8. A summary of the factual data and analytical methodologies that OCI used in support of the proposed rule and how any related findings support the regulatory approach chosen for the proposed rule:

No data analyzed as this addresses the role of advisory councils and committees and not specific regulatory oversight or actions of the Office.

9. Any analysis and supporting documentation that OCI used in support of OCI's determination of the rule's effect on small businesses under s. 227.114:

The proposed rule is simply to describe the structure of advisory councils or committees, not specific regulatory action so there is no effect on small businesses.

10. See the attached Private Sector Fiscal Analysis.

11. A description of the Effect on Small Business:

This rule will have no effect on small businesses.

12. Agency contact person:

A copy of the full text of the proposed rule changes, analysis and fiscal estimate may be obtained from the Web site at: <http://oci.wi.gov/ocirules.htm>

or by contacting Inger Williams, OCI Services Section, at:

Phone: (608) 264-8110

Email: inger.williams@wisconsin.gov

Address: 125 South Webster St – 2nd Floor, Madison WI 53703-3474

Mail: PO Box 7873, Madison, WI 53707-7873

13. Place where comments are to be submitted and deadline for submission:

The deadline for submitting comments is 4:00 p.m. on the 10th day after the date for the hearing stated in the Notice of Hearing.

Mailing address:

Julie E. Walsh

Legal Unit - OCI Rule Comment for Rule Ins 679

Office of the Commissioner of Insurance

PO Box 7873

Madison WI 53707-7873

Street address:

Julie E. Walsh

Legal Unit - OCI Rule Comment for Rule Ins 679

Office of the Commissioner of Insurance

125 South Webster St – 2nd Floor

Madison WI 53703-3474

Email address:

The proposed rule changes are:

SECTION 1. Section Ins 6.79 is repealed and recreated to read:

Ins 6.79 **Advisory councils and committees.** (1) **PURPOSE.** The purpose of this rule is to create advisory councils and committees under s. 15.04 (1) (c), Stats., to assist in dealing with regulatory problems pursuant to s. 601.20, Stats., and may include assistance with rule-making pursuant to s. 227.13, Stats.

(2) **DUTIES.** It shall be the duty of each council or committee to advise the commissioner on matters relating to specific issues or subjects presented to the members for study and review by the commissioner of insurance

(3) **EXPENSE REIMBURSEMENT.** Members of the councils and committees shall receive no salary or compensation for service on the councils or committees but shall be reimbursed for their actual and necessary expenses in attending meetings or while performing other duties as directed by the commissioner.

(4) **MEETINGS.** The councils or committees shall meet as needed and at such times as requested by the commissioner.

(5) **MEMBERSHIP.** For each council or committee created by the commissioner, membership shall not exceed 15 members and shall be representative of the various interested parties and include persons who possess expertise or interest on the issue or topic of the council or committee.

(6) **OFFICERS.** The commissioner shall appoint the chair, unless the commissioner authorizes a different process for selection. The commissioner shall appoint an employee of the office as a non-voting member to assist the council or committee with its duties. The commissioner or a designee shall keep a record of all proceedings, transactions, communications, and other official acts of the councils and committees. The files and records of the councils and committees shall be maintained at the office of the commissioner of insurance.

(7) **TERM.** Members of the councils and committees serve at the pleasure of the commissioner.

SECTION 2. Section Ins 8.10 is repealed.

SECTION 3. This section may be enforced under ss. 601.41, 601.64, 601.65, Stats., or ch. 645, Stats., or any other enforcement provision of chs. 600 to 646, Stats.

SECTION 4. These changes will take effect on the first day of the month after publication, as provided in s. 227.22(2)(intro.), Stats.

Dated at Madison, Wisconsin, this ____ day of _____, 2008.

Sean Dilweg
Commissioner of Insurance

**Office of the Commissioner of Insurance
Private Sector Fiscal Analysis**

For sections Ins 6.79 and 8.10 relating to advisory councils and committees

This rule change will have no effect on the private sector regulated by OCI.

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB Number	Amendment No. if Applicable
Bill Number	Administrative Rule Number INS 679

Subject
advisory councils and committees

One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
None

Annualized Costs:	Annualized Fiscal impact on State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringes	\$ 0	\$ -0
(FTE Position Changes)	(0 FTE)	(-0 FTE)
State Operations - Other Costs	0	-0
Local Assistance	0	-0
Aids to Individuals or Organizations	0	-0
TOTAL State Costs by Category	\$ 0	\$ -0
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$ 0	\$ -0
FED	0	-0
PRO/PRS	0	-0
SEG/SEG-S	0	-0
C. State Revenues	Increased Rev.	Decreased Rev.
Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
GPR Taxes	\$ 0	\$ -0
GPR Earned	0	-0
FED	0	-0
PRO/PRS	0	-0
SEG/SEG-S	0	-0
TOTAL State Revenues	\$ 0 None	\$ -0 None

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>		<u>LOCAL</u>
NET CHANGE IN COSTS	\$ <u>None 0</u>		\$ <u>None 0</u>
NET CHANGE IN REVENUES	\$ <u>None 0</u>		\$ <u>None 0</u>

Prepared by: Julie E. Walsh	Telephone No. (608) 264-8101	Agency Insurance
Authorized Signature:	Telephone No.	Date (mm/dd/ccyy)

FISCAL ESTIMATE

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB Number	Amendment No. if Applicable
Bill Number	Administrative Rule Number INS 679

Subject
advisory councils and committees

Fiscal Effect
 State: No State Fiscal Effect
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.
 Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation
 Increase Costs - May be possible to Absorb Within Agency's Budget Yes No
 Decrease Costs

Local: No local government costs

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts

Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	Affected Chapter 20 Appropriations
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Assumptions Used in Arriving at Fiscal Estimate

Long-Range Fiscal Implications

None

Prepared by: Julie E. Walsh	Telephone No. (608) 264-8101	Agency Insurance
Authorized Signature:	Telephone No.	Date (mm/dd/ccyy)