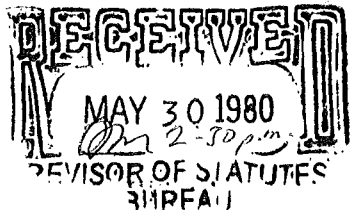


Ins 17.27



STATE OF WISCONSIN
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VEL PHILLIPS
SECRETARY OF STATE

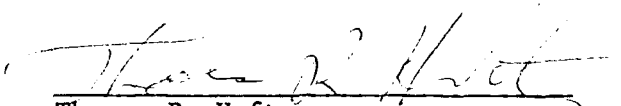
STATE OF WISCONSIN)
)ss
OFFICE OF THE COMMISSIONER OF INSURANCE)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Thomas R. Hefty, Deputy Commissioner of Insurance and custodian of the official records of said office, do hereby certify that the annexed order adopting a rule relating to filing financial statements for the Patients Compensation Fund was issued by this office May 30, 1980.

I further certify that said copy has been compared by me with the original on file in this office and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name in the City of Madison, State of Wisconsin, this 30th day of May, 1980.


Thomas R. Hefty
Deputy Commissioner of Insurance

Text eff. date 7-1-80

ORDER OF THE COMMISSIONER OF INSURANCE

ADOPTING A RULE

Relating to a rule concerning filing financial statements for the Patients Compensation Fund.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

The purpose of this rule is to establish requirements for the reporting of financial data by the Patients Compensation Fund by setting standards and techniques for accounting, valuing, reserving and reporting of data relating to financial transactions of the fund. Reserves for claims are to be maintained on a present value basis with the difference in full value reported as a contra account to the loss reserve liability. The board of governors will be authorized to select one or more actuaries to assist in the determination of reserves and the setting of operating fees under s. 655.327 (3).

Pursuant to the authority vested in the commissioner of insurance by sections 601.41 (3) and 655.003, Stats., the commissioner of insurance hereby adopts a rule interpreting sections 655.21, 655.27 (3) (b), 655.27 (4) (b), and 655.27 (5) (e), Stats., as follows:

Section Ins 17.27 of the Wisconsin Administrative Code is adopted to read:

Ins 17.27 Filing of financial statement. (1) Purpose. This rule is intended to implement and interpret ss. 655.21, 655.27 (3) (b), 655.27 (4) (d) and 655.27 (5) (a), Stats., for the purpose of setting standards and techniques for accounting, valuing, reserving and reporting of data relating to financial transactions of the Patients Compensation Fund.

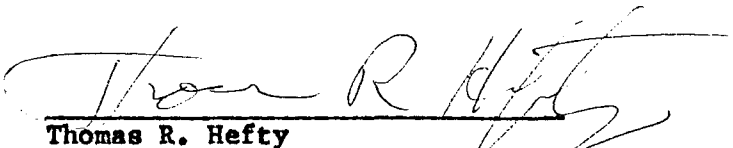
(2) Definitions. (a) "Amounts in the fund" as used in s. 655.27 (5) (a), Stats., means the sum of cash and invested assets as reported in the financial report. (b) "Fiscal year" as used in s. 655.27 (4) (d) means a year commencing July 1 and ending June 30.

(3) Financial Reports. Annual financial reports required by s. 655.27 (4) (d), Stats., shall be furnished within 60 days after the close of each fiscal year. In addition, quarterly financial reports shall be prepared as of September 30, December 31 and March 31 of each year and furnished within 60 days after the close of each reporting period. These financial reports shall be prepared on a format prescribed by the board of governors in accordance with statutory accounting principles for fire and casualty companies. Reserves for reported claims and reserves for incurred but not reported claims shall be maintained on a present value basis with the difference from full value being reported as a contra account to the loss reserve liability. Any funds for administration of the Patients Compensation Panels derived from fees collected under s. 655.21, Stats., shall be included in these financial reports but shall not be regarded as assets or liabilities or otherwise taken into consideration in determining assessment levels to pay claims.

(4) The board of governors shall select one or more actuaries to assist in the determination of reserves and the setting of fees under section 655.27 (3) (b), Stats. In the event more than one actuary is utilized, the health care providers represented on the board of governors shall jointly select the second actuary. Such actuarial reports shall be submitted on a timely basis.

The rule contained in this order shall take effect as provided in section 227.026 (1) (intro.), Stats.

Dated at Madison, Wisconsin, this 30th day of May, 1980.


Thomas R. Hefty
Deputy Commissioner of Insurance