

CR 84-179

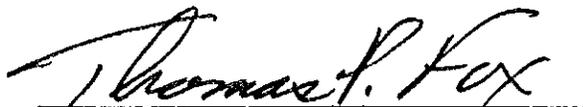
STATE OF WISCONSIN)
)
OFFICE OF THE COMMISSIONER OF INSURANCE)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Thomas P. Fox, Commissioner of Insurance and custodian of the official records of said office, do hereby certify that the annexed order amending, repealing and recreating and creating a rule relating to reinsurance requirements for nonproperty coverages written by town mutual insurance companies was issued by this office on November 20, 1984.

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 20th day of November, 1984.



Thomas P. Fox
Commissioner of Insurance

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Bureau

DOUGLAS LA FOLLETTE
SECRETARY OF STATE

2-1-85

ORDER OF THE COMMISSIONER OF INSURANCE

AMENDING AND CREATING A RULE

To amend Ins 13.06 (3) and (5), to repeal and recreate Ins 13.06 (6) and to create Ins 13.06 (3) (b) and (c) relating to reinsurance requirements for nonproperty coverages written by town mutual insurance companies.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

This rule implements and interprets s. 612.31 and 612.33, Stats., for the purpose of setting minimum surplus requirements as a condition for the transaction of specified types of insurance. The proposed rule provides for levels of retention and reinsurance requirements for town mutual insurance companies to write nonproperty insurance.

Pursuant to the authority vested in the Commissioner of Insurance by ss. 601.41 (3), 612.31 (7) and 612.33, Stats., the Commissioner hereby amends and adopts a rule interpreting s. 612.31 and 612.33, Stats., as follows:

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DOUGLAS LA FOLLETTE
SECRETARY OF STATE

SECTION 1. Ins 13.06 (3) is amended to read:

Ins 13.06 (3) NONPROPERTY INSURANCE. (a) Any town mutual insurer that ~~retains~~ writes any portion of a risk ~~covering~~ covered by nonproperty insurance ~~must~~ shall maintain a surplus of not less than \$50,000.

SECTION 2. Ins 13.06 (3) (b) and (c) are created to read:

Ins 13.06 (3) (b) If a town mutual insurer retains any portion of a risk covered by nonproperty insurance, the town mutual shall obtain reinsurance on that nonproperty business with an insurer authorized to do business in this state. The maximum aggregate liability for incurred losses on nonproperty coverage retained by a town mutual insurer for any calendar year or contract year may not exceed the lesser of \$200,000 or 20% of its surplus as of the preceding December 31.

Ins 13.06 (3) (c) A town mutual may retain nonproperty insurance coverage not to exceed a proportional share of each limit of liability as shown in the following schedule:

Surplus as of the <u>Preceding December 31</u>	Proportional Share <u>of each Limit of Liability Retained</u>
\$1,000,000 or greater	15%
\$ 800,000 to \$999,999	12%
\$ 600,000 to \$799,999	9%
\$ 400,000 to \$599,999	6%
\$ 200,000 to \$399,999	3%
Under \$200,000	0%

SECTION 3. Ins 13.06 (5) is amended to read:

Ins 13.06 (5) PROPERTY AND NONPROPERTY INSURANCE. Any town mutual insurer that writes nonproperty insurance and property insurance shall meet the requirements of ~~subr~~ subs. (3) and (4).

SECTION 4. Ins 13.06 (6) is repealed and recreated to read:

Ins 13.06 (6) INDIVIDUAL CIRCUMSTANCES. The commissioner may take into consideration the experience, management and any other significant information about an individual town mutual insurer in determining whether to approve or disapprove town mutual property and nonproperty reinsurance and in setting of minimum surplus requirements.

This section shall take effect on the first day of the month following its publication in the Wisconsin Administrative Register as provided in s. 227.026 (1) (intro.), Stats.

Dated at Madison, Wisconsin, this 20th day of November, 1984.



Thomas P. Fox
Commissioner of Insurance

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11/19/84



The State of Wisconsin
Office of the Commissioner of Insurance

Thomas P. Fox
Commissioner
(608) 266-3585

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DATE: November 20, 1984
TO: Gary Poulson
FROM: M. E. Van Cleave
Assistant Deputy Commissioner of Insurance
SUBJECT: Ins 13.06, Clearinghouse No. 84-179

A handwritten signature in dark ink, appearing to be "M. E. Van Cleave", written over the typed name in the "FROM:" field.

Enclosed are two copies of an Order of the Commissioner of Insurance amending Ins 13.06 (3) and (5), repealing and recreating Ins 13.06 (6) and creating Ins 13.06 (3) (b) and (c) relating to reinsurance requirements for nonproperty coverages written by town mutual insurance companies.

MEV:mle
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