



CR 93-23

State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

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STATE OF WISCONSIN
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DOUGLAS LA FOLLETTE
SECRETARY OF STATE

STATE OF WISCONSIN)
OFFICE OF THE COMMISSIONER OF INSURANCE)

I, Josephine W. Musser, Commissioner of Insurance and custodian of the official records of this Office, certify that the attached rule-making order affecting sections Ins 6.50 and 6.59, Wis. Adm. Code relating to the procedures for licensing agents in Wisconsin, was issued by this Office on June 11, 1993.

I further certify that I have compared this copy with the original on file in this Office and that it is a true copy of the whole of the original.

Dated at Madison, Wisconsin, on June 11, 1993.

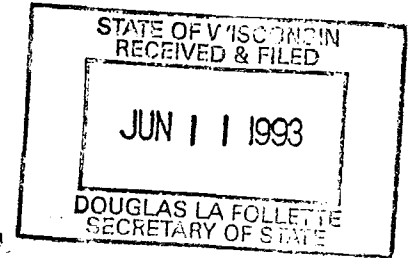
Josephine W. Musser
Josephine W. Musser
Commissioner of Insurance

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ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE

AMENDING, REPEALING AND RECREATING AND CREATING A RULE

To amend Ins 6.50 (2) (b) and (e); 6.59 (3), (4) (b), (c), (6) and the note; to repeal and recreate Ins 6.59 (4) (a); and to create Ins 6.59 (4) (am) and (as), relating to the procedures for licensing agents in Wisconsin.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

Statutory authority: 601.31, 601.41 (3) and 628.04, Stats.

Statutes interpreted: 601.31 and 628.04, Stats.

OCI contracts with a vendor to administer the tests for agent applicants for insurance intermediary licenses in Wisconsin. Every 3 years a new request for proposals is issued to rebid the contract. The current contract expires on July 1, 1993, and the new contract has been awarded to ASI. The new contract contains substantial increases in the fees OCI is charged for the administration. These increases require OCI to raise the testing fees to applicants and the fees are not being raised to generate more net revenue. In addition, the procedures for testing are being changed to allow registration at the time of testing with no prior application to OCI in

advance of the test as is the current procedure. The new contract will have all applicants "apply" to OCI at the time of testing, have a picture taken of the agent at the time of application and require the agent to furnish evidence of pre-licensing education and a crime information bureau (CIB) criminal record report obtained from the Department of Justice by the applicant. The specific changes are as follows:

Section 1. changes the name of the health insurance line to what is currently commonly used in the industry and is being listed on the license.

Section 2. increases the fees to cover the costs OCI will incur under the new contract. Each line of insurance requires a separate test. There is no fee differential for resident and nonresident applicants.

Section 3. changes the application procedure from requiring prior registration to registering at the time of testing and requires the agent to obtain a CIB report, prelicensing education form and the fees to be given to the testing vendor at the time of testing. This revision replaces the revisions done to s. Ins 6.59 (4) (a) in clearinghouse rule No. 92-225.

Section 4. adds separate sections for application procedures for nonresident agents and for reinsurance brokers and managers. Under the prior rule, the procedures for resident and nonresident could be the same. Nonresident agents do not require a test but only a "certification" from their resident state. The new section is required because of the changes to the procedures for resident agents to allow application at the time of testing and because the information required to be submitted with the application is different. The section regarding reinsurance brokers and managers is intended to replace the revisions to s. Ins 6.59 (4) (a) and (c) done in clearinghouse rule No. 92-225.

Section 5. changes the existing application submission from 30 days in advance of the test date to registering with the testing vendor at least 72 hours prior to the test.

The remaining changes are technical changes to conform other sections of the rule to the described changes.

SECTION 1. Ins 6.50 (2) (b) and (e) are amended to read:

Ins 6.50 (2) (b) ~~Disability~~ Accident and health insurance--as described in s. Ins 6.75 (1) (c) or (2) (c);

(e) Credit life and credit accident and ~~sickness~~ health insurance--as described in s. Ins 6.75 (1) (a) 1. and (1) (c) 1. or (2) (c) 1;

SECTION 2. Ins 6.59 (3) is amended to read:

Ins 6.59 (3) FEES. The following fee schedule is established for residents and nonresidents:

Application for ~~one or 2 lines~~ one line of authority \$40.00 \$50.00

Application for 2 lines of authority \$85.00

Application for 3 ~~or 4~~ lines of authority \$80.00 \$135.00

Application for 4 lines of authority \$170.00

SECTION 3. Ins 6.59 (4) (a) is repealed and recreated to read:

Ins 6.59 (4) PROCEDURE. (a) Application for resident intermediary agents. Application for a permanent resident agent license, an enlargement of authority or managing general agent authority shall be made on form OCI 11-041 (rev.) at the time of examination. A completed application consists of a completed OCI 11-041 (rev.); an original certificate of prelicensing education dated not more than one year prior to the test date or an original exemption form as required in ch. 26; an original Form DJ-LE-250 provided from the

Wisconsin department of justice, crime information bureau, dated not more than 90 days prior to the test date; payment of the fees to the testing vendor; a photograph of the applicant taken by the test service at the time of testing; and any documentation required in answer to questions on the application.

SECTION 4. Ins 6.59 (4) (am) and (as) are created to read:

Ins 6.59 (4) (am) Application for nonresident intermediary agents.

Application for a permanent nonresident agent license or an enlargement of authority shall be made on form OCI 11-041N (rev.) and filed with the office of the commissioner of insurance. A completed application consists of a completed OCI 11-041N (rev.); an original certificate of licensing from the state of residence dated not more than 60 days prior to the application date; payment of the fees; and any documentation required in answer to questions on the application.

(as) Application for reinsurance intermediary-broker or reinsurance intermediary-manager. Application for a reinsurance intermediary broker or manager license shall be made on form OCI 11-040 and filed with the office of the commissioner of insurance. A completed application consists of a completed application form; an original certificate of licensing from the state of residence, if other than Wisconsin, dated not more than 60 days prior to the application date; an original form DJ-LE-250, if a Wisconsin resident, provided from the Wisconsin department of justice, crime information bureau, dated not more than 90 days prior to the test date; payment of the fees; and any documentation required in answer to questions on the application.

SECTION 5. Ins 6.59 (4) (b), (c) and (6) and the note are amended to read:

Ins 6.59 (4) (b) ~~Time-of-filing~~ Scheduling the examinations.

~~Applications-and-appropriate-fees-shall-be-filed-with~~ Applicants shall notify
the testing vendor, at least 30-days 72 hours prior to the scheduled date and
time of the written examination.

(c) Issuance of license. An applicant for an original license or a
license an enlargement of authority who passes the examination, ~~-pays-the~~
~~fees,-submits-a-satisfactory-application,-submits-an-original-certificate-of~~
~~prelicensing-education-dated-not-more-than-one-year-prior-to-the-the-test~~
~~date,-unless-exempted-by-s,-Ins-26,04-(2)~~ if required, satisfies the
requirements in par. (a), (am) or (as) and meets the standards of competence
and trustworthiness as described in sub. (5) shall be issued an-agent a
license for those kinds of authority for which the applicant is qualified.
Determination of the acceptance or rejection of a completed application shall
be made within 60 business days of receipt by the office of the commissioner
of insurance of the completed application including any documentation required.

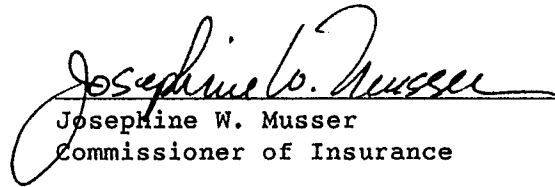
(6) FREQUENCY AND LOCATION. Examinations for each kind of agent
authority will be administered at least once a month in accordance with a
schedule adopted by the commissioner ~~at-the-following-examination-centers:~~
~~Eau-Claire,-Green-Bay,-La-Crosse,-Oshkosh,-Madison,-Rhinelander,-Racine,~~
~~Superior,-and-Stevens-Point,-~~ ~~Examinations-will-be-administered-twice-a-month~~
~~in-Milwaukee-and-at-least-one-other-center.~~

Note: A copy of the ~~form~~ forms referenced in subs. (4) (a), (am),
(as) and (5) (b), ~~OCI-11-041,~~ may be obtained from the office of the
commissioner of insurance, P. O. Box 7872, Madison, WI 53707-7872.

SECTION 6. INITIAL APPLICABILITY. This rule first applies to any
applicant taking the test on or after July 1, 1993.

SECTION 7. EFFECTIVE DATE. This rule will take effect on the first day of the first month after publication, as provided in s. 227.22 (2) (intro.), Stats.

Dated at Madison, Wisconsin, this 11th day of June, 1993.


Josephine W. Musser
Commissioner of Insurance

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