

## CHAPTER 619

## RISK SHARING PLANS

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619 03 Voluntary risk sharing plans

**619.01 Mandatory risk sharing plans.** (1) **MANDATORY PLANS.** (a) *Establishment of plans.* If the commissioner finds after a hearing that in any part of this state automobile insurance, property insurance or workmen's compensation insurance is not readily available in the voluntary market, and that the public interest requires such availability, he may by rule either promulgate plans to provide such insurance coverages for any risks in this state which are equitably entitled to but otherwise unable to obtain such coverage, or may call upon the industry to prepare plans for his approval.

(b) *Purposes and contents of risk sharing plans.* The plan promulgated or prepared under par. (a) shall:

1. Give consideration to the need for adequate and readily accessible coverage, to alternative methods of improving the market affected, to the preferences of the insurers and agents, to the inherent limitations of the insurance mechanism, to the need for reasonable underwriting standards, and to the requirement of reasonable loss prevention measures;

2. Establish procedures that will create minimum interference with the voluntary market;

3. Spread the burden imposed by the facility equitably and efficiently within the industry; and

4. Establish procedures for applicants and participants to have grievances reviewed by an impartial body.

(c) *Persons required to participate.* Each plan shall require participation by all insurers doing any business in this state of the types covered by the specific plan and all agents licensed to represent such insurers in this state for the specified types of business, except that the commissioner may exclude classes of persons for administrative convenience or because it is not equitable or practicable to require them to participate in the plan.

(d) *Voluntary participation.* The plan may provide for optional participation by insurers not required to participate under par. (c).

(e) *Classifications and rates.* Each plan shall provide for the method of classifying risks and making and filing rates applicable thereto.

(2) **BASIS OF PARTICIPATION.** The plan shall specify the basis of participation of insurers and agents and the conditions under which risks must be accepted.

(3) **DUTY TO PROVIDE SERVICE.** Every participating insurer and agent shall provide to any person seeking coverages of kinds available in the plans the services prescribed in the plans, including full information on the requirements and procedures for obtaining coverage under the plans whenever the business is not placed in the voluntary market.

(4) **COMMISSIONS.** The plan shall specify what commission rates shall be paid for business placed in the plans.

(5) **PROVISION OF MARKETING FACILITIES.** If the commissioner finds that the lack of cooperating insurers or agents in an area makes the functioning of the plan difficult, he may order that the plan set up branch service offices or take other appropriate steps to ensure that service is available.

(6) **TRANSITION.** The existing assigned risk plan set up under former s. 204.51 (2) [Stats. 1967] and the existing rejected risk plan set up under former s. 205.15 [Stats. 1967] shall continue unless changed in accordance with this chapter.

**619.02 State contribution for federally reinsured losses.** (1) **ASSESSMENT OF INSURERS.** The commissioner is authorized to assess each insurance company authorized to do business in this state an aggregate amount sufficient to provide a fund to reimburse the U.S. secretary of housing and urban development in the manner set forth in sec. 1223 (a) (1) of the national housing act as amended by sec. 1103 of the urban property protection and reinsurance act of 1968, P.L. 90-448, 82 Stat. 476. The assessment shall be on those lines reinsured during the current year in this state by the U.S. secretary of housing and urban development pursuant to such act. The assessment shall be in the proportion that the premiums earned during the preceding calendar year by each such company in this state bear to the aggregate premiums earned on those lines in this state by all

insurers. The fund may be provided in whole or in part from appropriations by the legislature.

**(2) RECOUPMENT.** Rates used by an insurer shall not be deemed excessive because they contain an amount reasonably calculated to recoup assessments made under this section.

**619.03 Voluntary risk sharing plans.** Insurers doing business within this state are

authorized to prepare voluntary plans providing any specified kind, line or class of insurance coverage or subdivision or combination thereof for all or any part of this state in which such insurance is not readily available in the voluntary market and in which the public interest requires the availability of such coverage. Such plans shall be submitted to the commissioner and if approved by him may be put into operation.