CHAPTER 605
LOCAL GOVERNMENT PROPERTY INSURANCE FUND

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(e) Documents. The manager shall prepare policies and supplementary documents for the use of the fund in providing the coverage under pars. (a) and (b), but no such documents may be used by the fund if the commissioner would not approve them for the use of private insurers.

(f) Limits on issuance, renewal, and filing claims; final distribution. 1. No coverage under the property fund may be issued on or after July 1, 2017. No coverage may be renewed after December 31, 2017. No coverage may terminate later than December 31, 2018.

2. All claims must be filed with the property fund by no later than July 1, 2019. No claim filed after July 1, 2019, will be covered by the fund.

3. Upon the cessation of all operations of the property fund, the manager shall distribute any moneys remaining in the fund among the local governmental units that were insured under the fund on July 1, 2017.

(2) Coinsurance. The manager may prescribe by rule the percentages of value or cost for which coverage may be provided.

(3) Deductibles. The manager may prescribe by rule that small losses in any one occurrence shall not be paid.

605.09 Restrictions on private insurance. After a lawful vote of the local governmental unit to insure under this chapter, no such unit may pay out any money to any private insurer nor incur any indebtedness against the unit to a private insurer for any insurance on any property of the unit or for which the unit may be legally liable if such insurance is available under this chapter, unless it is approved by the commissioner as necessary or unless it is insurance on personal property which the unit by resolution filed with the commissioner has decided to insure in insurance companies authorized to do business in this state.

History: 1973 c. 117; 1975 c. 41; 1979 c. 221.

605.21 Manner of participation in property fund.

1. The property fund shall be placed in the state treasury on July 1, 2017. Any insurance issued by the property fund after that date shall be paid into the state treasury.

2. All claims must be filed with the property fund by no later than July 1, 2019. No claim filed after July 1, 2019, will be covered by the fund.

3. Upon the cessation of all operations of the property fund, the manager shall distribute any moneys remaining in the fund among the local governmental units that were insured under the fund on July 1, 2017.

are collected, with interest from the due date at a rate set by the commissioner by rule or, in the absence of a rule, at twice the most common prime rate charged by major banks in this state.

(3) WITHDRAWAL FROM THE PROPERTY FUND. Any local governmental unit may terminate its insurance in the property fund by a majority vote, and upon certifying such action to the manager the insurer in force in the fund shall terminate upon expiration of the policy unless the unit specifies an earlier date for termination. In case of removal or sale of property, the board may terminate the insurance on that property without terminating its entire insurance in the property fund.

(4) INSURANCE OF PERSONAL PROPERTY. All personal property of the local governing unit is insured and premiums therefor must be paid under this section except to the extent that coverage is limited as provided by the policy.

605.22 Property fund rates and assets. (1) RATE DETERMINATION. The property fund’s annual premium rates shall be actuarially determined to be sufficient to maintain a ratio of net premiums written to surplus of no less than 200 percent. The rate standards under s. 625.11 shall apply to property fund rates.

(2) ASSESSMENTS. The property fund shall levy an assessment on local governmental units participating in the fund whenever the ratio of net premiums written to surplus is greater than 225 percent. Assessments shall be levied on all insured local governmental units participating in the fund in the fiscal year ending immediately prior to the date of the notice of assessment. Assessments shall be levied at the rate according to each insured local governmental unit’s proportional share of direct premiums written in the fund’s fiscal year that ended immediately prior to the date of the notice of assessment. The date on which the assessment is due shall be specified in the notice of assessment and may not be less than 60 days after the date of the notice of assessment. The property fund shall collect unpaid assessments in the manner provided for collection of unpaid premiums under s. 605.21 (2). If an insured local governmental unit does not pay an assessment within 60 days after the assessment is due, the fund shall terminate coverage for that local governmental unit. If a local governmental unit cancels its coverage and a refund of premiums is due to the local governmental unit, the refund due shall be reduced by the amount of any unpaid assessment. A local governmental unit that fails to pay an assessment when due may not participate in the property fund until the past due assessment is paid.

(3) DIVIDENDS. The property fund shall pay a dividend to its insured local governmental units whenever the ratio of net premiums written to surplus does not exceed 100 percent and the amount of surplus is not less than $3,000,000. Dividends shall be paid to all insured local governmental units participating in the property fund in the fiscal year that ended immediately prior to the date of the notice of the dividend. Dividends shall be paid at the same rate according to each insured local governmental unit’s proportional share of premiums written in the fund’s fiscal year that ended immediately prior to the date of the notice of the dividend.

605.23 Adjustment of losses. (1) PAYMENT FOR LOSSES. Subject to s. 605.03 (1) (f) 2., the manager shall determine within a reasonable time any loss on insured property owned by a local governmental unit or for which the unit is liable and promptly certify the amount to the department of administration, which shall issue a warrant on the property fund payable to the treasurer of the local governmental unit for the amount of the loss less any applicable amounts under s. 605.03 (2) or (3).

605.24 Recovery of losses from other parties. (1) SUIT BY ATTORNEY GENERAL. Upon the request of the manager, the attorney general may proceed in the courts of any jurisdiction to recover from any responsible party other than an insured or any person using or dealing with the property in the course of the person’s employment for the insured, for any loss or damage to any property covered by insurance under this chapter. Any recovery less expenses shall be paid into the property fund, but if the amount recovered less expenses exceeds that paid out by the fund, the difference shall be paid to the insured.

(2) COLLECTION OF REINSURANCE. The manager shall collect reinsurance due and pay the amount collected into the property fund.

(3) RIGHT OVER AGAINST 3RD PERSONS. The property fund may name other persons as additional persons protected under s. 605.02, but unless it does so the fund shall have any right of recovery by subrogation or otherwise against such persons that a private insurer would have and shall not lose such right because the governmental unit protected has after commencement of the coverage waived any right of recovery it would otherwise have had, or has thereafter contracted to assume the risk that general law would have placed elsewhere.

605.30 Inadequacy of fund. If the property fund does not have sufficient assets to pay claims that are due, the secretary of administration shall transfer from the general fund to the property fund an amount sufficient to pay the losses and shall pay the losses. The property fund shall thereafter repay the general fund this amount and the secretary of administration shall transfer the amount as soon as there are assets in the property fund.