Definitions.

Coverage to be provided.

Manner of participation in property fund.

Recovery of losses from other parties.

Kinds of property insured.

Cross-reference: See definitions in ss. 600.03 and 628.02.

NOTE: Chapter 117, laws of 1973, which created this chapter, contains explanatory notes.

605.01 Definitions. In this chapter, unless the context requires otherwise:

(1) “Local governmental unit” means any local governmental association, authority, board, commission, department, independent agency, institution, office, society or other body, including any county, town or village board or common council, school or library board, or board of control of a cooperative educational service agency.

(2) “Property fund” means the local government property insurance fund.

History: 1973 c. 117, 333; 1979 c. 221; 1985 a. 335.

605.02 Kinds of property insured. (1) PROPERTY OF LOCAL GOVERNMENTAL UNITS. Any local governmental unit may insure in the property fund its property or, subject to sub. (2), property for which it may be liable in the event of damage or destruction. Property insured under this section by a local governmental unit may not also be insured in any other manner unless the manager certifies that additional insurance is necessary, or unless the local governmental unit by resolution, a certified copy of which is filed with the manager, decides to insure specified personal property with insurers authorized to do business in this state.

(2) REQUIREMENTS FOR NONOWNED PROPERTY. The property fund may cover a building or structure specified in sub. (1) that is not owned by a local governmental unit only if all of the following conditions are met:

(a) The building or structure is listed and described as a non-owned building or structure in the local governmental unit’s statement of values.

(b) The local governmental unit is contractually liable in the event that the building or structure is damaged or destroyed.

(c) The building or structure is in the local governmental unit’s care, custody, or control.

(d) The building or structure is used for a legitimate governmental purpose.


605.03 Coverage to be provided. (1) GENERAL. (a) Mandatory coverage. Subject to par. (f), the property fund shall provide protection against fire and extended coverage perils. The coverage shall be at least as favorable as that customarily provided by policies filed with the commissioner for the use of private insurers in insuring comparable property.

(b) Optional coverage. The fund may also provide additional protection against other named perils or may provide protection on an all-risk basis, on such terms as the manager prescribes.

(c) Valuation basis. The fund may provide coverage on any appropriate valuation basis including actual cash value and replacement cost, and may cover loss from the lack of use of or reduction in the income from property caused by perils insured against.

(d) Term of policy. Subject to par. (f) 1., the manager may prescribe the time periods for which coverage is to be provided.

605.21 Manner of participation in property fund. (1) PLACING INSURANCE. Subject to s. 605.03 (1) (f), the property fund shall insure property described in s. 605.02 after receipt from the clerk of the local governmental unit of a certified copy of the resolution authorizing insurance in the property fund. The clerk shall report to the manager each policy then in force upon such terms as the manager prescribes.

(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) PLACING INSURANCE. Subject to s. 605.03 (1) (f), the property fund shall insure property described in s. 605.02 after receipt from the clerk of the local governmental unit of a certified copy of the resolution authorizing insurance in the property fund. The clerk shall report to the manager each policy then in force upon such property, stating the property covered by the policy and the dates of issue and of expiration, the amounts and rates of insurance and the premiums. Property already insured shall become insured by the property fund as existing policies expire or are canceled. Thereafter the insurance on all property described in s. 605.02 shall be provided. Premiums shall be certified by the manager to the clerk of the appropriate unit.

(2) PREMIUM PAYMENT. Upon receipt of certification of premium due, the premium shall be paid into the state treasury for the benefit of the property fund, within 30 days after the date of certification or the effective date of the policy, whichever is the later. Premiums for property insured effective at a later date shall be paid within 30 days after the effective date of each addition. The amount of a premium in default shall be a special charge against the local governing unit, and be included in the next certification of state taxes and charged and collected as other special charges.
LOCAL GOVERNMENT PROPERTY FUND

605.21 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 insurance 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

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