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(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

1995-96

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on Insurance, Securities and Corporate Policy...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

Assembly Committee on Insurance, Securities, and Corporate Policy

DATE 3-25-96

Moved by Underheim Seconded by Lazich

AB _____ SB 533 Clearinghouse Rule _____

AJR _____ SJR _____ Appointment _____

A _____ SR _____ Other _____

A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

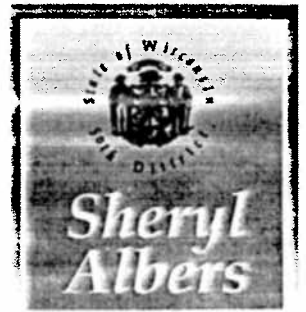
- Passage
- Introduction
- Adoption
- Rejection
- Indefinite Postponement
- Tabling
- Concurrence
- Nonconcurrence
- Confirmation

	Committee Member	Aye	No	Absent	Not Voting
1.	Rep. Sheryl Albers, Chair	✓			
2.	Rep. William Lorge, Vice-Chair	✓			
3.	Rep. Gregg Underheim	✓			
4.	Rep. Robin Kreibich	✓			
5.	Rep. Mary Lazich	✓			
6.	Rep. Tim Hoven	✓			
7.	Rep. Frank Lasee	✓			
8.	Rep. Mark Green	✓			
9.	Rep. Al Baldus	✓			
10.	Rep. Barbara Notestein	✓			
11.	Rep. Judy Robson	✓			
12.	Rep. David Cullen	✓			
13.	Rep. Robert Ziegelbauer	✓			
14.					
15.					
16.					
17.					
18.					
Totals		(7)			

MOTION CARRIED

MOTION FAILED





March 21, 1996

Speaker David Prosser
2nd Floor, State Capitol
Madison, WI 53708

ATTENTION CHRIS

Dear Speaker:

I am writing to request that SB 533, relating to accreditation for certain insurers, immunity for acts related to regulation of insurer solvency, claims under the insurance security fund, service or process on insurers, be referred to the Assembly Insurance, Securities and Corporate Policy Committee by Friday, March 22nd. Senate Bill 533 passed the Senate on Thursday, March 21st.

A compromise has been reached on Senate Bill 535, relating to the sale of prearranged funeral plans, funding of prearranged funeral plans with life insurance policies and annuities, and will be taken up on the Senate floor on Tuesday, March 26th. In order for this legislation to become law, I must hold an executive session on the Assembly companion bill, AB 868, on Monday, March 25th following session so that SB 535 may be substituted for AB 868 when it arrives in the Assembly on Tuesday. I would like to be able to hold a committee hearing and executive session on both bills (SB 533 and AB 868) on the same day to expedite the process and allow for both bills to reach the Assembly floor next week.

It is my understanding that an agreement was reached on the pre-need funeral arrangements bill today and that the time is right to move on the bill.

Thank you for your efforts on this behalf.

Sincerely,

Sheryl K. Albers
State Representative
50th Assembly District

c: Delora Newton-Speaker's office

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State of Wisconsin / Office of the Commissioner of Insurance

Tommy G. Thompson
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Commissioner

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**Testimony relating to Senate Bill 533
to the
Assembly Committee on Insurance, Securities and Corporate Policy
offered by
the Office of the Commissioner of Insurance
on March 25, 1996**

Chairperson Albers and members of the committee, the Office of the Commissioner of Insurance (OCI) supports Senate Bill 533 (SB 533), which contains technical provisions relating primarily to financial regulation of insurers, the Wisconsin Insurance Security Fund (Fund), and service of process on insurers.

The following information summarizes the changes proposed by OCI in this bill.

Actuarial opinion

Insurers are required to obtain on an annual basis an actuarial opinion, which is signed by a qualified actuary, regarding the adequacy of reserves established for life and annuity policies in light of the assets held by the insurer. This actuarial opinion must be submitted to OCI. This provision exists in 38 other states.

Fund coverage

Coverage under the Fund is extended to nonresident beneficiaries of a life or disability insurance policy held by a resident of this state. The Fund pays claims on behalf of insolvent insurers subject to certain limits. The bill also reiterates that surplus lines insurers are not covered by the Fund. This change to the Fund is being made to make it uniform with almost every other state to prevent "holes" in protection of policyholders during an insurer liquidation.

Immunity regarding insolvencies

Currently, the state and OCI are provided immunity from liability for the insolvency of an insurer under sovereign immunity, public official immunity, and statutory immunity provisions. This bill clarifies the statutory immunity provisions for the state and OCI for all solvency-related functions.

Service of process

The procedure for service of legal process on registered agents of insurers is revised to conform more closely to the similar procedure for service of process on business corporations. SB 533 creates the following changes:

- allows service to be on a registered agent's office rather than on the individual named as the registered agent
- allows corporations to serve as registered agents
- makes provisions for change of address
- creates procedures for resignation of a registered agent
- clarifies that other means of service may be utilized
- limits service through registered agents to service on licensed insurers
- establishes a procedure for alternative service through OCI
- requires registered agent to be appointed for one year

Hearing requests

SB 533 revises certain time limits within which an appeal may be filed or a hearing requested. Under the revision, such filings or requests must be made within thirty days from the date of mailing, rather than ten days from the date of receipt. Moreover, the bill reiterates that failure to request a hearing results in default and a final order.

SB 533 strengthens the Wisconsin insurance market allowing consumers to have more confidence in their insurance coverage. Thank you for the opportunity to offer OCI's support for SB 533.