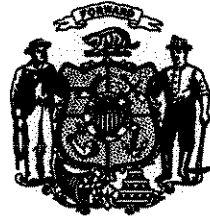


WISCONSIN LEGISLATIVE COUNCIL STAFF



RULES CLEARINGHOUSE

Ronald Sklansky
Director
(608) 266-1946



Terry C. Anderson, Director
Legislative Council Staff
(608) 266-1304

Richard Sweet
Assistant Director
(608) 266-2982

One E. Main St., Ste. 401
P.O. Box 2536
Madison, WI 53701-2536
FAX: (608) 266-3830

CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE 00-181

AN ORDER to repeal and recreate DWD 80.67, relating to worker's compensation insurer name change or reorganization.

Submitted by **DEPARTMENT OF WORKFORCE DEVELOPMENT**

12-15-00 RECEIVED BY LEGISLATIVE COUNCIL.
01-04-01 REPORT SENT TO AGENCY.

RS:RJC:tlu;rv

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached YES NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached YES NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached YES NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS
[s. 227.15 (2) (e)]

Comment Attached YES NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached YES NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached YES NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

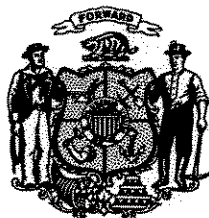
Comment Attached YES NO

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CLEARINGHOUSE RULE 00-181

Comments

[NOTE: All citations to "Manual" in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated September 1998.]

4. Adequacy of References to Related Statutes, Rules and Forms

a. The statutory authority and statutes interpreted section of the rule refers to s. 102.32 (2) (a), Stats. That provision does not exist. It appears that the correct reference may be to s. 102.31 (2) (a), Stats., although that provision does not appear to address the issue of a change in an insurer's name.

b. Section DWD 80.67 requires insurers to comply with the name change requirements of the State of Wisconsin. If the name change requirements of Wisconsin that are referred to are those in s. DWD 80.67, then the rule can simply provide that the insurer, for Wisconsin purposes, must comply with "this section." However, if other name change requirements in Wisconsin exist, the rule should contain a cross-reference to those or, at a minimum, the rule should contain a note identifying where those other requirements can be located.

5. Clarity, Grammar, Punctuation and Use of Plain Language

a. Section DWD 80.67 provides that the notification to an insurer's employers can be made "by any other means acceptable to the department." Those other means should be identified in the rule.

b. For consistency and clarity, the last two words of s. DWD 80.67 should be replaced by the phrase "its employers insured under ch. 102, Stats."

Tommy G. Thompson
Governor

Jennifer Reinert
Secretary



State of Wisconsin

Department of Workforce Development

OFFICE OF THE SECRETARY

201 East Washington Avenue
P.O. Box 7946
Madison, WI 53707-7946
Telephone: (608) 266-7552
Fax: (608) 266-1784
<http://www.dwd.state.wi.us/>

**Notice of Submittal of Proposed Rules to
Wisconsin Legislative Council Rules Clearinghouse**

Rule Submittal Date

On December 14, 2000, the Department of Workforce Development submitted proposed rules to the Legislative Council Rules Clearinghouse.

Analysis

Statutory authority: Sections 102.15(1) and 102.32(2)(a), Stats.

The proposed rules amend s. DWD 80.67 relating to worker's compensation insurer name change or reorganization.

Agency Procedure for Promulgation

A public hearing is required and will be held on January 19, 2001. The organizational unit responsible for the promulgation of the proposed rules is the DWD Division of Worker's Compensation.

Contact Information

Agency contact person for substantive questions:

Richard D. Smith, Director
Bureau of Legal Services
Worker's Compensation Division
Telephone: (608) 267-6704
Email: smithri@dwd.state.wi.us

Agency contact person for internal processing:

Sharon Fellows, Administrative Assistant
Worker's Compensation Division
Telephone: (608) 266-2041

State of Wisconsin
Department of Workforce Development



NOTICE OF PUBLIC HEARING

**Worker's Compensation Insurer Name Change or Reorganization
DWD 80.67**

NOTICE IS HEREBY GIVEN that pursuant to ss. 102.15 (1) and 102.32(2)(a), Stats., the Department of Workforce Development proposes to hold a public hearing relating to worker's compensation insurer name change or reorganization.

Hearing Information

**January 19, 2001
Tuesday
10:00 a.m.**

**MADISON
G.E.F. 1 Building, Room B-106
201 E. Washington Avenue**

Interested persons are invited to appear at the hearing and will be afforded the opportunity to make an oral presentation of their positions. Persons making oral presentations are requested to submit their facts, views, and suggested rewording in writing.

An accessible entrance to the building is available via a ramp from the corner of Washington Avenue and Webster Street to the Webster Street entrance. If you have special needs or circumstances that may make communication or accessibility difficult at the hearing, please call (608) 267-6704 at least 10 days prior to the hearing date. Accommodations such as ASL interpreters, English translators, or materials in audiotape format will be made available on request to the fullest extent possible.

Analysis Prepared by the Department of Workforce Development

Statutory authority: Secs. 102.15(1) and 102.32(2)(a), Stats.
Statute interpreted by the rule: Sec. 102.32(2)(a), Stats.

The current DWD rule provides that when there is a change in the name, ownership, or control of an insurance company the insurer must notify DWD and the Wisconsin Compensation Rating Bureau (WCRB) 90 days prior to the change. It also requires insurers to notify its insured employers by issuing a new policy.

The proposed rule changes the 90-day notice to DWD and WCRB to 30 days, consistent with the 30-day notice requirement that the Office of the Commissioner of Insurance applies to all insurers. It also eliminates the notice requirements for changes of ownership or control.

The proposed rule authorizes insurers to notify insured employers of the name change by an endorsement to the existing policies rather than by canceling policies and reissuing new policies with the new name.

This updates a rule that has not kept pace with modern practice. Thirty days is sufficient notice. Notifying employers by endorsements to existing policies is easier, less expensive, and is the current insurance industry procedure. The ownership and control notices have been eliminated because neither the Department nor the WCRB does anything with that information, and because the Office of the Commissioner of Insurance has similar notice requirements.

Initial Regulatory Flexibility Analysis

The rule affects companies authorized by the Commissioner of Insurance to sell worker's compensation insurance to Wisconsin employers. The proposed rule relaxes current reporting procedures by offering an easier method to comply with notification requirements. The type of professional skills necessary for compliance with the rules are skills related to processing insurance documents.

Fiscal Impact

The proposed rule has no fiscal impact.

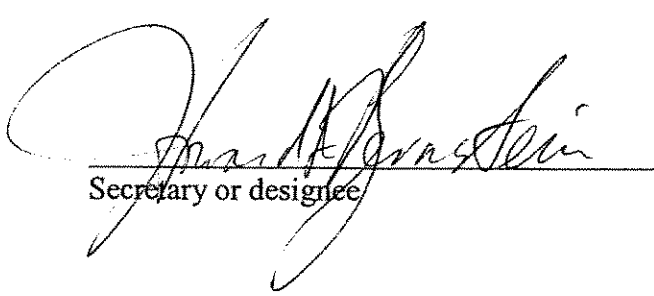
Contact Information

The proposed rules are available on the DWD web site at <http://www.dwd.state.wi.us/dwd/hearings.htm>. A paper copy may be obtained at no charge by contacting:

Richard D. Smith, Director
Bureau of Legal Services
Worker's Compensation Division
Dept. of Workforce Development
P.O. Box 7946
Madison, WI 53707-7946
(608-267-6704)
smithri@dwd.state.wi.us

Written Comments

Written comments on the proposed rules received at the above address no later than January 22, 2001, will be given the same consideration as testimony presented at the hearing.


Secretary or designee

Dec. 13, 2000
Date



**State of Wisconsin
Department of Workforce Development**

Hearing Draft of Proposed Rules

Rule number: DWD 80.67

**Relating to: Worker's Compensation Insurer Name
Change or Reorganization**

**State of Wisconsin
Department of Workforce Development**

DWD 80.67

WORKER'S COMPENSATION INSURER NAME CHANGE

The Wisconsin Department of Workforce Development proposes an order to repeal and recreate DWD 80.67 relating to worker's compensation insurer name change or reorganization.

Analysis Prepared by the Department of Workforce Development

Statutory authority: Secs. 102.15(1) and 102.32³¹(2)(a), Stats. X
Statute interpreted by the rule: Sec. 102.32³¹(2)(a), Stats. X

The current DWD rule provides that when there is a change in the name, ownership, or control of an insurance company the insurer must notify DWD and the Wisconsin Compensation Rating Bureau (WCRB) 90 days prior to the change. It also requires insurers to notify its insured employers by issuing a new policy.

The proposed rule changes the 90-day notice to DWD and WCRB to 30 days, consistent with the 30-day notice requirement that the Office of the Commissioner of Insurance applies to all insurers. It also eliminates the notice requirements for changes of ownership or control. The proposed rule authorizes insurers to notify insured employers of the name change by an endorsement to the existing policies rather than by canceling policies and reissuing new policies with the new name.

This updates a rule that has not kept pace with modern practice. Thirty days is sufficient notice. Notifying employers by endorsements to existing policies is easier, less expensive, and is the current insurance industry procedure. The ownership and control notices have been eliminated because neither the Department nor the WCRB does anything with that information, and because the Office of the Commissioner of Insurance has similar notice requirements.

SECTION 1. DWD 80.67 is repealed and recreated to read:

DWD 80.67 **INSURER NAME CHANGE**. A worker's compensation insurer shall notify the department and the Wisconsin compensation rating bureau in writing 30 days before the effective date of a change in its name. The insurer shall comply with the name change requirements in its state of domicile and in the state of Wisconsin. On or before the effective date of an approved name change, the insurer shall notify each of its employers insured under ch. 102., Stats., that the insurer's name is changed. Insurers shall notify employers by an endorsement to the employer's existing policy that states the insurer's new name, or by any other means acceptable to the department. The insurer shall file a copy of the endorsement with the Wisconsin compensation rating bureau by personal service, facsimile or certified mail at the same time that it provides notice to the employer.

EFFECTIVE DATE. This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22 (2)(intro), Stats.

was to you but all

- ORIGINAL
- UPDATED
- CORRECTED
- SUPPLEMENTAL

FISCAL ESTIMATE
DOA-2048 N(R03/97)

Subject
Worker's Compensation Insurer Name Change or Reorganization

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

- Increase Existing Appropriation
- Increase Existing Revenues
- Decrease Existing Appropriation
- Decrease Existing Revenues
- Create New Appropriation

Decrease Costs

Local: No local government costs

- 1. Increase Costs
 - Permissive
 - Mandatory
- 2. Decrease Costs
 - Permissive
 - Mandatory

- 3. Increase Revenues
 - Permissive
 - Mandatory
- 4. Decrease Revenues
 - Permissive
 - Mandatory

5. Types of Local Governmental Units Affected:

- Towns
- Villages
- Cities
- Counties
- Others _____
- School Districts
- WTCS Districts

Fund Sources Affected

- GPR
- FED
- PRO
- PRS
- SEG
- SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

Insurer name changes are relatively rare. While it is important that the Department's automated systems reflect the correct insurer name, it is easy to modify the name in our systems once we have it.

Long-Range Fiscal Implications

None

Agency/Prepared by: (Name & Phone No.)
Richard Smith 608-267-6704

Authorized Signature/Telephone No.

Richard Smith 266-9427

Date

12/13/00

FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No. DWD 80.67	Amendment No.
--	---------------

Subject
Worker's Compensation Insurer Name Change or Reorganization

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
0

II. Annualized Costs:		Annualized Fiscal impact on State funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$0	\$0 -
(FTE Position Changes)		0 (FTE)	0 (- FTE)
State Operations - Other Costs		0	0
Local Assistance		0	0
Aids to Individuals or Organizations		0	0
TOTAL State Costs by Category		\$0	\$ -
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$0	\$0-
FED		0	0
PRO/PRS		0	0
SEG/SEG-S		0	0
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		Increased Rev.	Decreased Rev.
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S			-
TOTAL State Revenues		\$0	\$0-

NET ANNUALIZED FISCAL IMPACT

	STATE	LOCAL
NET CHANGE IN COSTS	\$0	\$0
NET CHANGE IN REVENUES	\$0	\$0

Agency/Prepared by: (Name & Phone No.)
DWD/Richard D. Smith 608-267-6704

Authorized Signature/Telephone No.

Richard D. Smith 268-9427

Date

12/13/00

Tommy G. Thompson
Governor

Jennifer Reinert
Secretary



State of Wisconsin

Department of Workforce Development

OFFICE OF THE SECRETARY

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P.O. Box 7946
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<http://www.dwd.state.wi.us/>

December 14, 2000

Office of the Secretary
Department of Commerce
123 West Washington Avenue
Madison, Wisconsin 53702

Small Business Ombudsman Clearinghouse
Department of Commerce
123 West Washington Avenue
Madison, Wisconsin 53702

Notification of Proposed Rules Affecting Small Business

Rule number: DWD 80.67

Relating to: Worker's Compensation Insurer Name Change and Reorganization

Pursuant to section 227.114, Stats., agencies are required to notify the Secretary of Commerce and the Small Business Ombudsman Clearinghouse that they propose to adopt rules that will have an effect on small business.

The attached proposed rules are in the form and style specified by section 227.14, Stats., and are being forwarded to you for your review

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jennifer Reinert', written over a printed name and title.

Jennifer Reinert
Secretary

INITIAL REGULATORY FLEXIBILITY ANALYSIS

Department of Workforce Development

RULE NO.: DWD 80.67

RELATING TO: Worker's Compensation Insurer Name Change

1. Types of small businesses that will be affected by the rules.

The rule only affects companies authorized by the Commissioner of Insurance to sell worker's compensation insurance to Wisconsin employers.

2. Reporting, bookkeeping and other procedures required for compliance with the rules.

The proposed rule relaxes the current rule by offering an easier method to comply with notification requirements.

3. Types of professional skills necessary for compliance with the rules.

Skills related to processing insurance documents.

Scott McCallum
Governor

Jennifer Reinert
Secretary



OFFICE OF THE SECRETARY

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<http://www.dwd.state.wi.us/>

APR 24 2001

State of Wisconsin
Department of Workforce Development

April 20, 2001

President of the Senate
220 South, State Capitol
Madison, Wisconsin 53702

Speaker of the Assembly
211 West, State Capitol
Madison, Wisconsin 53702

Notice of Administrative Rules in Final Draft Form

Clearinghouse rule number: 00-181

Rule number: DWD 80.67

Relating to: Worker's compensation insurer name change or reorganization

Dear Senator Risser and Representative Jensen:

I have enclosed proposed rules in final draft form and a rule report as required by s. 227.19(3), Stats., for referral to the appropriate legislative standing committees. If you have any questions regarding this matter, please do not hesitate to contact us.

Respectfully submitted,


Jennifer Reinert
Secretary

Scott McCallum
Governor

Jennifer Reinert
Secretary



State of Wisconsin

Department of Workforce Development

OFFICE OF THE SECRETARY

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Rule Analysis for Legislative Review

Proposed rules relating to worker's compensation insurer name change or reorganization

DWD 80.67

CR 00-181

Need for rules

The proposed rule shortens the length of advance notice that a worker's compensation insurance company must provide to DWD and the Wisconsin Compensation Rating Bureau from 90 days to 30 days. The 30-day notice of a name change is consistent with the 30-day notice requirement that the Office of the Commissioner of Insurance applies to all insurers. The proposed rule also eliminates notice to DWD and WCRB when there is a change in ownership and control of a worker's compensation insurance company. The ownership and control notices have been eliminated because neither DWD nor WCRB does anything with that information, and the Office of the Commissioner of Insurance has similar notice requirements.

In addition, the proposed rule authorizes workers compensation insurers to notify insured employers of a name change by an endorsement to existing policies rather than by canceling policies and reissuing new policies with the new name. Notifying employers by endorsement is standard industry procedure.

The Council on Worker's Compensation has approved the proposed rule changes.

Public hearing response

A public hearing was held in Madison on January 19, 2001. No comments were received.

Response to Legislative Council staff recommendations

The department's response is attached.

Final regulatory flexibility analysis

The proposed rule does not have a significant economic impact on small business.

Department contacts

Richard D. Smith, Director
Bureau of Legal Services
Worker's Compensation Division
267-6704

Elaine Pridgen
Administrative Rules Coordinator
Office of Legal Counsel
267-9403

**State of Wisconsin
Department of Workforce Development**

**DWD 80.67
Worker's Compensation Insurer Name Change**

The Wisconsin Department of Workforce Development proposes an order to repeal and recreate s. DWD 80.67, relating to worker's compensation insurer name change or reorganization.

Analysis Prepared by the Department of Workforce Development

Statutory authority: Sec. 102.15(1), Stats.

Statute interpreted: Sec. 102.31(2), Stats.

The current s. DWD 80.67 provides that when there is a change in the name, ownership, or control of a worker's compensation insurance company the insurer must notify DWD and the Wisconsin Compensation Rating Bureau (WCRB) 90 days prior to the change. It also requires insurers to notify its insured employers by issuing a new policy.

The proposed rule shortens the length of advance notice that a worker's compensation insurance company must provide to DWD and WCRB from 90 days to 30 days when there is a name change and eliminates the notice requirement when there is a change of ownership or control. The 30-day notice for a name change is consistent with the 30-day notice requirement that the Office of the Commissioner of Insurance applies to all insurers. The ownership and control notices have been eliminated because neither DWD nor WCRB does anything with that information, and the Office of the Commissioner of Insurance has similar notice requirements.

The proposed rule also authorizes insurers to notify insured employers of the name change by an endorsement to the existing policies rather than by canceling policies and reissuing new policies with the new name. Notifying employers by endorsement is easier, less expensive, and is the current standard industry procedure.

SECTION 1. DWD 80.67 is repealed and recreated to read:

DWD 80.67 Insurer name change. A worker's compensation insurer shall notify the department and the Wisconsin compensation rating bureau in writing 30 days before the effective date of a change in its name. The insurer shall comply with the name change requirements in its state of domicile and in the state of Wisconsin. On or before the effective date of an approved name change, the insurer shall notify each of its employers insured under ch. 102., Stats., that the insurer's name is changed. Insurers shall notify employers by an endorsement to the employer's existing policy that states the insurer's new name. The insurer shall file a copy of the endorsement with the Wisconsin compensation rating bureau by personal service, facsimile, or certified mail at the same time that it provides notice to its employers insured under ch. 102, Stats.

Note: The State of Wisconsin Office of the Commissioner of Insurance requires advance notice of an insurer name change or reorganization. For further information, contact OCI at (608) 266-3585 or (800) 236-8517.

EFFECTIVE DATE. This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22 (2)(intro), Stats.

Response to Legislative Council Comments

Proposed rules relating to worker's compensation insurer name change or reorganization

DWD 80.67
CR 00-181

Response to comment 4a: Section 102.32, Stats., has been deleted from the from the statutory authority and statutes interpreted section. The statutory authority is s. 102.15(1), Stats., and the statute interpreted is s. 102.31(2), Stats.

Response to comment 4b: The Office of the Commissioner of Insurance requires advance notice of an insurer change in ownership or control. A note has been added to this rule to refer individuals to OCI for more information.

Response to comment 5a: The phrase "by other means acceptable to the department" has been deleted.

Response to comment 5b: Accepted