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## WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

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### CLEARINGHOUSE RULE 19-142

#### Comments

**[NOTE: All citations to “Manual” in the comments below are to the Administrative Rules Procedures Manual, prepared by the Legislative Reference Bureau and the Legislative Council Staff, dated December 2014.]**

#### **2. Form, Style and Placement in Administrative Code**

The agency could consider whether a different ordering of provisions would improve a reader’s ability to quickly ascertain the applicable standard, particularly if the new standard going forward were placed first, rather than last. For example, in both s. Ins 3.17 (6) and (8), a new par. (am) could be created to specify that for contracts issued on or after January 1, 2017, the valuation manual must be used. The introductory statements to both instances of par. (b) could then be amended to something along the following lines: “The minimum ... reserve standards for contracts issued prior to January 1, 2017, at the option of the insurer, shall be either the reserve requirements set forth in the National Association of Insurance Commissioners’ Accounting Practices and Procedures Manual or as follows:”.

#### **3. Conflict With or Duplication of Existing Rules**

If the ordering of provisions in the proposed rule is maintained, the agency should amend both s. Ins 3.17 (6) (b) (intro.) and (8) (b) (intro.) in the existing rule to include the phrase “Except as provided in par. (bm),” at the beginning of these paragraphs to identify how the newly created provisions interact with the existing rule. The rule caption’s listing of affected provisions should also be updated to reflect the addition of the amendments to these provisions.

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

a. In s. Ins 3.17 (6) (bm) and (8) (bm), the agency could consider specifying a particular edition or date of the manual that would apply to a claims or contracts period. For example, a

phrase along the following lines could be added to each reference to a manual: “with any changes to the manual in effect on January 1 of the year in which the claim was incurred.”.

b. The agency should consider revising s. Ins 3.17 (6) (bm) 2. and (8) (bm) 2. to utilize the definition of “valuation manual” that is given in s. 623.06 (1) (j), Stats. For example, “The minimum ... reserve standards ... shall be the standards set forth in the valuation manual, as defined in s. 623.06 (1) (j), Stats.”.

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

a. In the analysis for the proposed rule, the plain language summary states that s. 623.06 (8m), Stats., establishes s. Ins. 3.17 as the reserve standard for contracts issued after November 1, 2015. However, the date listed in s. 623.06 (8m) is November 13, 2015. Should the plain language summary be revised to the date given by statute?

b. In the analysis for the proposed rule, it appears that the date given in the summary of preliminary comments on the scope statement should be revised from “2108” to “2018”. The agency could also consider revising the last sentence in this paragraph to correct grammatical errors.

c. In the text of the proposed rule, should there be an apostrophe after the “s” in “Commissioners” in each reference to the National Association of Insurance Commissioners’ manuals?

d. In the treatment clause for SECTION 1 of the proposed rule, there should be a space between the word “SECTION” and the SECTION number.