



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Jim Doyle, Governor
Sean Dilweg, Commissioner

Wisconsin.gov

May 22, 2008

Legal Unit
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REPORT ON Section Ins 2.19, Wis. Adm. Code, relating to sales of life insurance and annuities to the military and affecting small business and affecting small business

Clearinghouse Rule No. 07-108
Submitted Under s. 227.19 (3), Stats.

(The proposed rule-making order is attached.)

(a) A detailed statement of basis for the proposed rule and how the rule advances relevant statutory goals or purposes:

The purpose of the proposed rule is to address life insurance and annuities sales practices involving military personnel that are unfair, false, misleading or deceptive, practices that are addressed by the Unfair Marketing Practices statute, s. 628.34, Stats. In that regard the Office is adopting the National Association of Insurance Commissioner's ("NAIC") Model Military Sales Practices Model Regulation ("Model").

(b) Summary of the public comments and the agency's responses to those comments:

Comment: No comments were received.

(c) An explanation of any modifications made in proposed rule as a result of public comments or testimony received at a public hearing:

None

(d) Persons who appeared or registered regarding the proposed rule:

Appearances for:

Attorney Connie O'Connell, Wisconsin Council of Life Insurers

Appearances against:

None

Appearances for information:

None

Registrations for:

None

Registrations against:

None

Registrations neither for nor against:

None

Letters received:

None

(e) An explanation of any changes made to the plain language analysis of the rule under s. 227.14 (2), Stats., or to any fiscal estimate prepared under s. 227.14 (4), Stats.

None

(f) The response to the Legislative Council staff recommendations indicating acceptance of the recommendations and a specific reason for rejecting any recommendation:

All comments were complied with and corrections were made.

(g) The response to the report prepared by the small business regulatory review board:

The small business regulatory review board did not prepare a report.

(h) Final Regulatory Flexibility Analysis

A Final Regulatory Flexibility Analysis is not required because the rule will not have a significant economic impact on a substantial number of small businesses. Moreover:

1. None of the methods specified under s. 227.14 (2), Stats., for reducing the rule's impact on small businesses were included because all must be treated equally and thus it is not possible to have different rules for one segment of the population.
2. No issues were raised by small businesses during the hearing on the proposed rule.
3. The proposed rule does not impose any additional reporting requirements on small businesses.
4. The proposed rule does not require any significant additional measures or investments by small businesses.

(i) Fiscal Effect

See fiscal estimate attached to proposed rule.