



**WISCONSIN LEGISLATIVE COUNCIL
ACT MEMO**

2013 Wisconsin Act 279 [2013 Senate Bill 582]	Own Risk and Solvency Assessment Act, Amendments to Wisconsin Insurance Holding Company Act, and Miscellaneous Insurance Provisions
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2013 Wisconsin Act 279 relates to the regulation of insurance in the state. The Act includes provisions related to two model acts adopted by the National Association of Insurance Commissioners (NAIC), in addition to other miscellaneous insurance provisions.

Own Risk and Solvency Assessment (ORSA) Act

Act 279 enacts Wisconsin's version of the Own Risk and Solvency Assessment (ORSA) Act, based on a 2012 NAIC model act. The provisions of Act 279 related to ORSA include the following:

- Creation of a new ch. 622, Stats., containing procedures for an insurer to perform a risk and solvency assessment. Under Act 279, Wisconsin domestic insurers with a direct written premium of \$500 million or more are required to perform an assessment at least once annually and whenever there are significant changes to the insurer's risk profile.
- A requirement that an insurer file an annual ORSA report with the Office of the Commissioner of Insurance (OCI) and retain certain documentation related to the reports.
- A requirement that an insurer maintain a risk management framework to assist in ongoing identification and management of certain risks.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.wisconsin.gov>.

Amendments to Wisconsin Insurance Holding Company Act

Act 279 includes amendments to the Wisconsin Insurance Holding Company Act, based on 2010 amendments to an NAIC model act. The provisions of Act 279 related to holding companies include the following:

- Increased authority for OCI to assess the impact of affiliate companies within an insurance company holding company system on the financial solvency of a regulated insurer.
- A requirement that an insurer file an annual enterprise risk report, providing information related to potential risks faced by the company.
- New authority for OCI to promulgate rules related to regulation of insurance holding companies.

Miscellaneous Insurance Provisions

Act 279 enacts miscellaneous other insurance provisions, including a requirement of OCI approval of divestiture of an insurance company; authorization for OCI to participate in supervisory colleges, funded through insurance company assessments; and authorization for mutual insurers to use electronic means for proxy and other voting.

Effective date: The Act generally took effect on April 18, 2014; the new ch. 622, Stats., provisions will take effect on January 1, 2015.

Prepared by: Brian Larson, Staff Attorney

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