

EXISTING ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Repeal Modification

2. Administrative Rule Chapter, Title and Number

Ins. 50.01 (9) and 50.155 (1)

3. Date Rule promulgated and/or revised; Date of most recent Evaluation

Ins. 50.01 (9) - 8/1/93; Ins. 50.155 - 1/1/18

4. Plain Language Analysis of the Rule, its Impact on the Policy Problem that Justified its Creation and Changes in Technology, Economic Conditions or Other Factors Since Promulgation that alter the need for or effectiveness of the Rule.

The definition of work papers in Ins. 50.01 (9) will be amended to clarify that work papers includes financial compilations. Additionally, the proposed rule will allow smaller insurers that are not part of a group to be eligible for the small-size exemption from the internal audit function requirements of Ins. 50.155.

5. Describe the Rule's Enforcement Provisions and Mechanisms

This rule shall be enforced through OCI's general enforcement authority under s. 601.64, Stats.

6. Repealing or Modifying the Rule Will Impact the Following
(Check All That Apply)

State's Economy

Local Government Units

Specific Businesses/Sectors

Public Utility Rate Payers

Small Businesses

7. Summary of the Impacts, including Compliance Costs, identifying any Unnecessary Burdens the Rule places on the ability of Small Business to conduct their Affairs.

It is anticipated that there will be no significant impact on small businesses. Small insurers may realize some reduced costs if they are exempt from certain internal audit functions.

8. List of Small Businesses, Organizations and Members of the Public that commented on the Rule and its Enforcement and a Summary of their Comments.

By October 12, 2022 email, Medica/Dean Health Plan stated that it did not expect the proposed rule to have a financial impact on the organization and that it therefore took no position on the proposed regulatory change. OCI has received no other comments.

9. Did the Agency consider any of the following Rule Modifications to reduce the Impact of the Rule on Small Businesses in lieu of repeal?

Less Stringent Compliance or Reporting Requirements

Less Stringent Schedules or Deadlines for Compliance or Reporting

Consolidation or Simplification of Reporting Requirements

Establishment of performance standards in lieu of Design or Operational Standards

Exemption of Small Businesses from some or all requirements

Other, describe:

10. Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

11. Chapter 20, Stats. Appropriations Affected

12. Fiscal Effect of Repealing or Modifying the Rule

No Fiscal Effect

Increase Existing Revenues

Increase Costs

Indeterminate

Decrease Existing Revenues

Could Absorb Within Agency's Budget

Decrease Cost

13. Summary of Costs and Benefits of Repealing or Modifying the Rule

There are no anticipated costs to small businesses, affected insurers, or OCI. Small insurers may realize some reduced

EXISTING ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

costs.

14. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

Yes No

15. Long Range Implications of Repealing or Modifying the Rule

There are no significant long-range implications for OCI, regulated entities, or other stakeholders.

16. Compare With Approaches Being Used by Federal Government

N/A

17. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

See:

Illinois:

Ill. Admin. Code tit. 50, § 925.130 (CPA work papers)

Ill. Admin. Code tit. 50, § 925.141 (Internal audit function requirements)

Iowa:

Iowa Admin Code r. 191-98.12 (CPA work papers)

Iowa Admin Code rr. 191-98.2(1), 191.98.16 (Internal audit function requirements)

Michigan:

Mich. Comp. Laws § 500.1021 (CPA work papers)

Mich. Comp. Laws § 500.1028 (Internal audit function requirements)

Minnesota:

Minn. Stat. § 60a.1291, subd. 14. (CPA work papers)

Minn. Stat. § 60a.1291, subd. 15a.. (Internal audit function requirements)

18. Contact Name

Sharone Assa

19. Contact Phone Number

(608) 264-8129

This document can be made available in alternate formats to individuals with disabilities upon request.