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STATE OF WISCONSIN
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DOUGLAS LA FOLLETTE
SECRETARY OF STATE

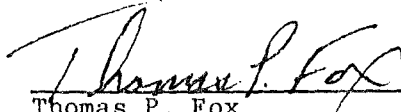
STATE OF WISCONSIN)
OFFICE OF THE COMMISSIONER OF INSURANCE)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Thomas P. Fox, Commissioner of Insurance and custodian of the official records of said office, do hereby certify that the annexed order to repeal and recreate a rule relating to a mandatory risk sharing facility for basic property insurance coverage was issued by this office June 22, 1983.

I further certify that said copy has been compared by me with the original on file in this office and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have
hereunto subscribed my name in the
City of Madison, State of Wisconsin,
this 22nd day of June, 1983.



Thomas P. Fox
Commissioner of Insurance

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STATE OF WISCONSIN
RECEIVED AND FILED

JUN 22 1983

DOUGLAS LA FOLLETTE
SECRETARY OF STATE

ORDER OF THE COMMISSIONER OF INSURANCE

REPEALING, RECREATING, AND ADOPTING RULES

To repeal and recreate Ins 4.10 relating to a mandatory risk sharing facility for basic property insurance coverage.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

This rule is intended to implement and interpret section 619.01, Stats., for the mandatory risk sharing plan for basic property insurance. Since the rule was first adopted in 1970, numerous small changes have been made, such as increasing consumer participation on the governing committee, but no revision of the entire rule has been done with the intent of deleting minor items that no longer apply, eliminating conflicts between subsections of the rule, and adding major features which brings the Plan up to the current "state of the art" in regard to property assigned risk plans.

The minor revisions include deleting reference to servicing company and non-servicing company, dropping glass insurance from the

Plan and revising the definition of governing committee quorum from eight insurers to eight members of the committee.

In addition, five major additions are made to the rule. (1) Standards for defining who may apply for insurance by the Plan are included in the rule. It was found that the rule was too vague and did not contain adequate criteria concerning who was eligible to apply to the Wisconsin Insurance Plan.

(2) Procedures that must be followed to cancel or nonrenew are added to the rule. Under a new section called Policyholder Rights, it is now clearly stated that the Plan shall cancel all insurance contracts in accordance with the general statute which applies to cancellation of insurance contracts, s. 631.36, Stats.

(3) The appeal procedures for a policyholder who has been cancelled or nonrenewed are now clearly outlined in the Policyholder Rights section. The rule also provides for the continuation of the insurance during the appeal and for a timetable which states how soon a hearing must be held and how much time the commissioner has to issue an order.

(4) A takeout program has been included in the rule. This would require that the Plan review risks for eligibility for coverage in the voluntary market.

(5) Underwriting criteria have been written into the Plan rules. It is necessary to have clearly defined underwriting rules in one document so there is no confusion because of different sets of rules, as was the case in the past.

Pursuant to the authority vested in the Commissioner of Insurance by sections 601.41 (3) and 619.01 (1), Stats., the Commissioner

hereby proposes to repeal, recreate, and adopt rules interpreting s. 619.01, Stats, establishing procedures and requirements for a mandatory risk-sharing facility for basic property insurance coverage as follows:

SECTION 1. Ins 4.10, Wisconsin Administrative Code, is repealed and recreated to read:

Ins 4.10 WISCONSIN INSURANCE PLAN. (1) PURPOSE. This section is intended to implement and interpret s. 619.01, Stats., for the purpose of establishing procedures and requirements for a mandatory risk-sharing facility for basic property insurance coverage. This section is also intended to encourage improvement of and reasonable loss prevention measures for properties located in Wisconsin and to further orderly community development.

(2) SCOPE. This section shall apply to all insurers included in sub. (3) (d), except those organized under ch. 612, Stats., assessment mutual insurance companies and insurers who write reinsurance only.

(3) DEFINITIONS. (a) "Basic property insurance" means the insurance coverages described in subds. 1, 2, and 3 against direct loss to real and tangible property at a fixed location. The Plan may use customary policy forms and endorsements to effect coverage contemplated by this paragraph. Other coverage may be added to the Plan by endorsement or policy provision upon approval by the Commissioner.

1. Coverage provided in the customary fire policy and in the customary extended coverage and builders risk endorsements as authorized by s. Ins 6.75 (2) (a).

2. Coverage against loss or damage by burglary or theft, or both, as authorized by s. Ins 6.75 (2) (a).

3. Coverage at least equivalent to that provided in an actual cash value homeowners policy.

(b) "Farm risks" means those risks eligible to be written under the customary rates, premiums, and policy forms approved by the commissioner for farm property.

(c) "Habitational risks" means:

1. Dwellings, permanent or seasonal, designed for occupancy by not more than 4 families or containing not more than 4 apartments.

2. Private boarding and rooming houses and tourist homes, permanent or seasonal, with not more than 20 rooms for lodging and not more than 20 boarders.

3. Nurses' and sisters' homes with not over 10 sleeping rooms.

4. Private outbuildings used in connection with any of the foregoing.

5. Trailer homes at a fixed location.

6. Household and personal property in risks described in subdivisions 1 through 5.

7. Tenants' contents in apartment houses.

(d) "Insurer" means any insurance company authorized to transact in this state on a direct basis basic property insurance, including the property insurance components of multi-peril policies.

(e) "Location" means a single building and its contents or contiguous buildings and their contents under one ownership.

(f) "Manufacturing risks" means those risks eligible to be written under the customary manufacturing business interruption policy forms approved by the commissioner. The following are not considered manufacturing risks:

1. Dry cleaning and laundering -- Carpet, rug, furniture, or upholstery cleaning; diaper service or infants' apparel laundries; dry cleaning; laundries; linen supply.

2. Installation, servicing and repair -- Electrical equipment; electronic equipment; glazing; household furnishings and appliances; office machines; plumbing, heating and air conditioning; protective systems for premises, vaults and safes.

3. Laboratories -- Blood banks; dental laboratories; medical or X-ray laboratories.

4. Duplicating and similar services -- Blue printing and photocopying services; bookbinding; electrotyping; engraving; letter service (mailing or addressing companies); linotype or hand composition; lithographing; photo engraving; photo finishing; photographers (commercial).

5. Warehousing -- Cold storage (locker establishments); warehouse, cold storage; warehouse, furniture or general merchandise.

6. Miscellaneous -- Barber shops; beauty parlors; cemeteries; dog kennels; electroplating; equipment rental (not contractors' equipment); film and tape rental; funeral directors; galvanizing, tinning, and detinning; radio broadcasting, commercial wireless and television broadcasting; taxidermists; telephone or telegraph companies; textiles (bleaching, dyeing, mercerizing or finishing of property of others); veterinarians and veterinary hospitals.

(g) "Motor vehicles" means vehicles which are self-propelled, including trackless trolley busses.

(h) "Weighted premiums written" means:

1. Gross direct premiums less return premiums, dividends paid or credited to policyholders, or the unused or unabsorbed portions of

premium deposits, with respect to property in this state excluding premiums on risks insured under the Plan, for basic property insurance, for homeowners multiple peril policies, and for the basic property insurance premium components of all other multiple peril policies.

2. In addition, 100% of the premiums obtained for homeowners multiple peril policies shall be added to 100% of the premiums obtained for basic property insurance and the basic property insurance premium components of all other multiple peril policies. The basic year for the computation shall be the second preceding calendar year.

(i) "The Wisconsin Insurance Plan," in this section referred to as the Plan, means the nonprofit, unincorporated mandatory risk-sharing facility established by this section to provide for basic property insurance and to assist applicants in securing basic property insurance.

(4) ELIGIBLE RISKS. (a) All risks at a fixed location shall be eligible for inspection and considered for insurance under the Plan except motor vehicles, farm risks, and manufacturing risks as defined in sub. (3) (b), (f), and (g).

(b) The maximum limits of coverage for the type of basic property insurance defined in sub. (3) (a) 1 which may be placed under the Plan are \$100,000 on any habitational risk at one location and \$500,000 on any other eligible property at one location. If the full insurance value at one location is in excess of applicable limits, the Plan, upon specific application, shall seek to place the additional amounts of coverage.

(c) The maximum limits of coverage for the type of basic property insurance defined in sub. (3) (a) 2 which may be placed under the Plan are \$5,000 on any habitational risk at one location and \$15,000 on any other eligible property at one location. If the full insurable

value at one location is in excess of applicable limits, the Plan, upon specific application, shall seek to place the additional amounts of coverage.

(5) MEMBERSHIP. (a) Every insurer, as defined in sub. (3) (d), licensed to write one or more components of basic property insurance, as defined in sub. (3) (a), shall be considered a member of the Plan. Any other insurer may, upon application to and approval by the governing committee, become a member.

(b) An insurer's membership terminates when the insurer is no longer authorized to write basic property insurance in Wisconsin, but the effective date of termination shall be the last day of the fiscal year of the Plan in which termination occurs. Any insurer so terminated shall continue to be governed by the provisions of this section until it completes all of its obligations under the Plan.

(c) Any voluntary insurer member may terminate its membership only as of the last day of the fiscal year of the Plan by giving written notice to the Plan 30 days prior to the last day of the fiscal year of the Plan. The governing committee upon a majority vote may terminate the membership of a voluntary insurer. Any such terminated member shall continue to be governed by the provisions of this section until it completes all of its obligations under the Plan.

(d) Subject to the approval of the commissioner, the governing committee may charge a reasonable annual membership fee.

(6) ADMINISTRATION. (a) The Plan shall be administered by the governing committee, subject to the supervision of the commissioner, and operated by a manager appointed by the governing committee.

(b) The governing committee shall consist of 15 members, each of whom shall serve for a period of one year or until a successor is elected or designated. Each shall have one vote.

1. The following associations shall appoint or elect members as follows:

American Insurance Association -- one member
Alliance of American Insurers -- one member
National Association of Independent Insurers -- one member
Wisconsin Insurance Alliance -- 4 members

2. All other insurers not members of the associations in subdivision 1 shall elect one member by weighted votes based on each insurer's weighted premiums written.

3. The commissioner shall appoint members to represent:
stock agents -- one member
mutual agents -- one member
consumers and other persons not affiliated in any way with the insurance industry -- 5 members

4. Not more than one insurer in a group under the same management or ownership shall serve on the governing committee at the same time. Nominees for individuals to serve as consumer members and as representatives of other persons not affiliated in any way with the insurance industry shall be sought from community groups, local agencies, and from other members of the governing committee.

(7) DUTIES OF THE GOVERNING COMMITTEE. (a) The governing committee shall meet as often as may be required to perform the general duties of the administration of the Plan or on the call of the commissioner. Eight members of the committee shall constitute a quorum.

(b) The governing committee shall be empowered to appoint a manager, who shall serve at the pleasure of the committee, to budget

expenses, levy assessments, disburse funds, and perform all other duties of the Plan. The adoption of or substantive changes in pension plans or employe benefit programs for the manager and staff shall be subject to approval of the governing committee.

(c) The governing committee may designate, with the approval of the commissioner, a rate service organization as defined in s. 625.02 (2), Stats., to make inspections as required under the Plan and to perform such other duties as may be authorized by the governing committee.

(d) The manager shall annually prepare an operating budget which shall be subject to approval of the governing committee. The budget shall be furnished to the insurers after approval. Any contemplated expenditure in excess of or not included in the annual budget shall require prior approval by the governing committee.

(e) The governing committee shall submit to the commissioner periodic reports setting forth the number of requests for inspection, the number of risks inspected, accepted, declined and conditionally declined, the number of reinspections made, and such other information as the commissioner may request.

(f) The governing committee shall separately code all policies written by the Plan so that appropriate records may be compiled for purposes of performing loss prevention and other studies of the operation of the Plan.

(g) The governing committee shall authorize the manager to file rates, surcharge schedules and forms for prior approval by the commissioner.

(h) The governing committee shall prepare such agreements and contracts as may be necessary for the execution of this section consistent with its provisions.

(8) ANNUAL AND SPECIAL MEETINGS. (a) There shall be an annual meeting of the insurers on a date fixed by the governing committee at which time members may be chosen under sub. (6) (b) 1, 2 and 4.

(b) A special meeting may be called at any time by the governing committee and shall be called within 40 days by the governing committee after receipt of a written request from any 10 insurers, not more than one of which may be in a group under the same management or ownership.

(c) The time and place of all meetings shall be reasonable. Twenty days' notice of an annual or special meeting shall be given in writing by the governing committee to all insurers as defined by sub. (3)

(d). Eight members present in person or by proxy shall constitute a quorum. Voting by proxy shall be permitted.

(d) Any matter not inconsistent with the law or this section may be proposed and voted upon by mail by unanimous action of the members of the governing committee present and voting at any meeting of the committee. Notice of any such proposal shall be mailed to each insurer not less than 20 days prior to the final date fixed by the committee for voting thereon.

(e) Any vote of insurers shall be counted on a weighted basis in proportion to each insurer's weighted premiums written. A proposal shall become effective when approved by at least two-thirds of the weighted votes cast.

(9) APPLICATION FOR INSURANCE. (a) Any person having an insurable interest in an eligible risk under sub. (4) (a), and who has received within the last 6 months a notice of rejection or cancellation from an insurer, may apply for insurance by the Plan. The notice of rejection or cancellation shall accompany the application.

(b) With regard to property insurance defined in sub. (3) (a) 2, inspection need not be made if the governing committee determines that insurance can be provided for specified classes of risks on the basis of representations of the applicant or the insurance agent.

(c) The Plan may bind coverage.

(10) INSPECTION PROCEDURE. (a) The inspection by the Plan shall be without cost for the applicant.

(b) The manner and scope of the inspection shall be prescribed by the Plan with the approval of the commissioner.

(c) An inspection report shall be made for each property inspected covering pertinent structural and occupancy features as well as the general condition of the building and surrounding structures. Representative photographs may be taken during the inspection to indicate the pertinent features of building, construction, maintenance, occupancy, and surrounding property.

(d) During the inspection, the inspector shall point out features of structure and occupancy to the applicant or his representative and shall indicate those features which may result in additional charges for deficient physical conditions if the risk is accepted. The inspector shall have no authority to advise whether any insurer will provide the coverage.

(e) After the inspection, a copy of the completed inspection report and any relevant photographs shall be kept on file by the Plan. The report shall contain a rate work sheet, including any deficient physical condition charges proposed by the inspector. A copy of the inspection report shall be made available to the applicant or his agent upon request.

(11) PROCEDURE AFTER INSPECTION AND RECEIPT OF APPLICATION.

(a) After receipt of the inspection report and application, the Plan shall within 5 business days complete and send to the applicant an action report advising him of one of the following:

1. That the risk is acceptable. If the inspection reveals substandard conditions, appropriate charges may be imposed but the report shall specify the improvements necessary for removal of each such charge.

2. That the risk is declined unless reasonable improvements noted in the action report are made by the applicant and confirmed by reinspection.

3. That the risk is declined because it fails to meet reasonable underwriting standards as set forth in sub. (12). Reasonable underwriting standards as set forth in sub. (12) shall not include neighborhood or area location or any environmental hazard beyond the control of the property owner.

(b) If the risk is accepted, the action report shall advise the applicant of:

1. The amount of coverage the Plan agrees to write.

2. The amount of coverage the Plan agrees to write, if specified improvements are made.

3. The amount of coverage the Plan agrees to write only if a large or special deductible is agreed to by the applicant.

(c) If the risk is accepted, the Plan shall deliver the policy to the applicant upon payment of the premium to the Plan. The Plan shall remit the commissions to the licensed agent designated by the applicant; if no licensed agent is so designated, the commissions shall be retained by the Plan.

(d) If the risk is conditionally declined under par. (a) 2. but can be improved to meet reasonable standards the Plan shall promptly

advise the applicant what improvements noted in the action report should be made to the property. Upon completion of the improvements by the applicant or property owner, the Plan when so notified, shall have the property promptly reinspected under sub. (10) and shall send a new action report to the applicant.

(e) If a risk is declined under par. (a) 3, the Plan shall promptly send copies of the inspection and action reports to the property owner and to the commissioner and shall advise the property owner of his right to appeal and the appeal procedure set forth in sub. (16) (b), (c) and (d).

(12) REASONABLE UNDERWRITING STANDARDS FOR PROPERTY COVERAGE. The following characteristics may be used in determining whether a risk is acceptable for property coverage. Where there is more than one cause for declination, all shall be listed and complied with before the property may be accepted for insurance purposes. (a) Physical condition of property; however, the mere fact that a property does not satisfy all current building code specifications will not, of itself, suffice as a reason for declination.

(b) The property's present use such as extended vacancy or extended unoccupancy of the property for 60 consecutive days (other than for rehabilitation purposes) or the improper storage of flammable materials.

(c) Other specific characteristics of ownership, condition, occupancy or maintenance, that violate the law and that result in substantial increased exposure to a loss. Any circumstance considered under this par. must relate to the peril insured against.

(d) Characteristics of ownership or maintenance of building including any two of the following conditions:

1. Failure to pay real estate taxes on the property after the taxes have been delinquent for one year or more. Real estate taxes shall not be deemed to be delinquent for this purpose even if they are due and constitute a lien so long as a grace period remains under local law during which such taxes may be paid without penalty.

2. Failure, within the insured's control, to furnish water for 30 consecutive days or more.

3. Failure, within the insured's control, to furnish heat for 30 consecutive days or more during the heating season.

4. Failure, within the insured's control, to furnish public lighting for 30 consecutive days or more.

(e) Physical condition of buildings which results in an outstanding order to vacate, an outstanding demolition order or in being declared unsafe in accordance with the applicable law.

(f) One or more of the conditions for nonrenewal as listed in sub. (14) currently exist. The Plan shall, upon notice that conditions at the buildings have changed, consider new application for coverage.

(g) Vandalism and malicious mischief coverage shall not be provided for a dwelling or commercial property where the property has been subject to 2 vandalism and malicious mischief losses, each loss amounting to at least \$500.00 in the immediately preceding 12-month period or 3 or more such losses in the immediately preceding 24-month period.

(h) Previous loss history or matters of public record concerning the applicant.

(i) Any other guidelines which have been approved by the commissioner.

(13) REASONABLE UNDERWRITING STANDARDS FOR LIABILITY COVERAGE.

The following characteristics may be used in determining whether a risk is acceptable for liability insurance on homeowner policies:

(a) Liability insurance shall only be provided as contained in the Wisconsin Insurance Plan homeowners policy.

(b) Coverage shall not be considered until an inspection has been completed.

(c) Liability insurance shall not be provided for risks with any of the following deficiencies, as disclosed by the application or inspection, until they have been corrected.

1. Broken, cracked, uneven or otherwise faulty steps, porches, decks, sidewalks, patios and similar areas.

2. Downspouts or drains which discharge onto sidewalks or driveways.

3. Unsafe conditions including inadequate lighting of stairways.

4. Animals known to be vicious or animals which have caused a liability claim.

5. Swimming pools or private ponds not fenced in accordance with local regulations.

6. Unsafe, or the absence of, handrails.

7. Junk cars, empty refrigerators or other potentially dangerous objects in the yard which are an attraction to children.

(d) Previous loss history or matters of public record concerning the applicant.

(e) Any other guidelines which have been approved by the commissioner.

(14) CANCELLATION, NONRENEWAL AND LIMITATIONS. (a) The Plan shall not cancel or refuse to renew a policy issued by the Plan except for the following:

1. Facts as confirmed by inspection or investigation which would have been grounds for nonacceptance of the risk by the Plan had they been known to the Plan at the time of acceptance.

2. Changes in the physical condition of the property or other changed conditions as confirmed by inspection or investigation that make the risk uninsurable under Plan rules.

3. Nonpayment of premiums.

4. At least 65% of the rental units in the building are unoccupied, and the insured has not received prior approval from the Plan of a rehabilitation program which necessitates a high degree of unoccupancy.

5. Fire damage exists and the insured has stated or such time has elapsed as clearly indicates that the damage will not be repaired. Any length of time over 60 days may be considered under this subdivision, unless there are known to be extenuating circumstances.

6. After a fire, permanent repairs following payment of the claim has not commenced within 60 days. The 60-day period starts upon acceptance of payment of the claim.

7. Property has been abandoned for 90 days or more.

8. Utilities such as electric, gas or water services have been disconnected or the insured has failed to pay his account for such services within 120 days;

9. Real estate taxes have not been paid for a 2-year period after the taxes have become delinquent. Real estate taxes shall not be

deemed to be delinquent for this purpose if they are due and constitute a lien, so long as a grace period remains under local law under which taxes may be paid without penalty.

10. There is good cause to believe based on reliable information that the building will be burned for the purpose of collecting the insurance on the property. The removal of damaged salvageable items, such as normally permanent fixtures, from the building shall be considered under this item when the insured can give no reasonable explanation of such removal.

11. A named insured or loss payee or other person having a financial interest in the property being convicted of the crime of arson or a crime involving a purpose to defraud an insurance company. The fact that an appeal has been entered shall not negate the use of this subdivision.

12. The building has been subject to more than 2 fires, each loss amounting to at least \$500 or 1% of the insurance in force, whichever is greater, in the immediately preceding 12-month period; or more than 3 such fires in the immediately preceding 24-month period, provided that the cause of such fires is due to the conditions which are the responsibility of the owner named insured.

13. Theft frequency in which there has been more than 2 thefts, each loss amounting to at least \$500 in a 12-month period.

14. Material misrepresentation in any statement to the Plan.

15. On homeowners policies, excessive theft or liability losses. If on a given property there have been 2 or more losses within a 2-year period or 3 or more losses within a 5-year period, with theft and liability evaluated separately, the Plan may convert the homeowners policy to a dwelling policy.

16. On homeowner policies, excessive vandalism and malicious mischief losses. In the event that a given property has been subject to 2 vandalism and malicious mischief losses, each loss amounting to at least \$500.00, in the immediately preceding 12-month period or 3 or more such losses in the immediately preceding 24-month period, the Plan may convert the homeowners policy to a dwelling policy without vandalism and malicious mischief coverage.

(b) The Plan may limit liability insurance on homeowner policies as follows:

1. Liability insurance shall only be provided as contained in the Wisconsin Insurance Plan homeowners policy.

2. Coverage may not be considered until an inspection has been completed.

3. Liability insurance shall not be provided for risks with any of the following deficiencies, as disclosed by the application or inspection, until they have been corrected:

a. Broken, cracked, uneven or otherwise faulty steps, porches, decks, sidewalks, patios and similar areas.

b. Downspouts or drains which discharge onto sidewalks or driveways.

c. Unsafe conditions including inadequate lighting of stairways.

d. Animals known to be vicious or animals which have caused a liability claim.

e. Swimming pools or private ponds not fenced in accordance with local regulations.

f. Unsafe, or the absence of, handrails.

g. Junk cars, empty refrigerators or other potentially dangerous objects in the yard which are an attraction to children.

(c) The Plan will not write vandalism and malicious mischief coverage on a dwelling or commercial property where the property has been subject to 2 vandalism and malicious mischief losses, each loss amounting to at least \$500.00, in any 12-month period or 3 or more such losses in any 24-month period.

(d) The Plan shall terminate all insurance contracts in accordance with ch. 631.36, Stats.

(15) ASSESSMENTS. (a) Participation and assessments by and upon each insurer in the Plan for losses and expenses in connection with Plan business shall be levied and assessed by the governing committee of the Plan on the basis of participation factors determined annually, giving effect to the proportion which such insurer's weighted premiums written bears to the aggregate weighted premiums written by all insurers in the Plan.

(b) If any member fails to pay an assessment within 30 days after it is due, the unpaid assessment may be collected from the remaining members.

(16) POLICYHOLDER RIGHTS. (a) Any cancellation, nonrenewal, declination or reduction in coverage notice to the insured shall inform the insured of the right of appeal as provided in ch. 227, Stats.

(b) Any cancellation, nonrenewal or reduction in coverage action by the Plan will automatically be suspended if the insured files a notice of appeal as provided in ch. 227, Stats.

(c) Any affected person may request a hearing pursuant to ch. 227, Stats., before the commissioner within 30 days after any final ruling, action or decision of the Plan. The commissioner shall hold a hearing within 30 days after the receipt of a notice of appeal. An order setting forth the commissioner's decision shall be issued within 60 days

after the close of the hearing. Orders of the commissioner shall be subject to judicial review.

(d) At the completion of 36 months of coverage and prior to 48 months, each risk shall be reviewed for its eligibility for coverage in the voluntary market. The risk shall be submitted by the Plan to the agent of record, if any, for a search of the voluntary market. If the agent resubmits the risk to the Plan, it must be resubmitted by a new application and accompanied by a current rejection notice. The Plan shall reinspect the risk before coverage is provided.

(17) COMMISSION. (a) Commission to the licensed agent designated by the applicant shall be 10% of all policy premiums. The Plan shall not license agents.

(b) In the event of cancellation of a policy, or if an endorsement is issued which requires the premium to be returned to the insured, the agent shall refund ratably to the Plan commissions on the return premium at the same rate at which such commissions were originally paid.

(18) PUBLIC EDUCATION. The Plan shall undertake a continuing public education program to assure that the Plan receives public attention. All insurers and agents shall cooperate fully in the public education program.

(19) COOPERATION OF AGENTS. Each insurer shall require its licensed insurance agents to cooperate fully in the accomplishment of the intents and purposes of the Plan.

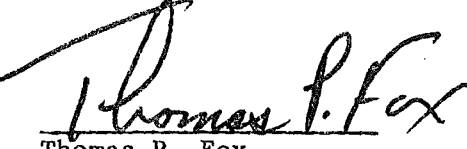
(20) REVIEW BY COMMISSIONER. The governing committee shall report to the commissioner the name of any insurer or agent which fails to comply with the provisions of the Plan or with any rules prescribed

thereunder by the governing committee or to pay within 30 days any assessment levied.

(21) INDEMNIFICATION. Each person serving on the governing committee or any of its subcommittees, each member of the Plan, and the manager and each officer and employee of the Plan shall be indemnified by the Plan against all cost, settlement, judgment, and expense actually and necessarily incurred by that person in connection with the defense of any action, suit, or proceeding in which that person is made a party by reason of that person being or having been a member of the governing committee, or a member or manager or officer or employee of the Plan except in relation to matters as to which that person has been judged in an action, suit, or proceeding to be liable by reason of willful misconduct in the performance of that person's duties as a member of the governing committee, as a member, manager, officer or employee of the Plan. This indemnification shall not apply to any loss, cost or expense on insurance policy claims under the Plan. Indemnification under this section shall not be exclusive of other rights to which the member, manager, officer, or employee may be entitled as a matter of law.

(22) EFFECTIVE DATE. This rule shall take effect as provided by s. 227.026 (1) (intro.), Stats., on the first day of the month following its publication in the register.

Dated at Madison, Wisconsin, this 22nd day of June, 1983.


Thomas P. Fox
Commissioner of Insurance

0112E



State of Wisconsin \ OFFICE OF THE COMMISSIONER OF INSURANCE

Anthony Earl

~~XXXXXXXXXXXX~~

Governor

Thomas P. Fox

~~XXXXXXXXXXXX~~

Commissioner

P.O. Box 7873
Madison, Wisconsin 53707

(608) 266-3585

RECEIVED

DATE: June 22, 1983 JUN 22 1983
TO: Gary Poulson Revisor of Statutes
Bureau
FROM: M. E. Van Cleave
Assistant Deputy Commissioner of Insurance *MVC*
SUBJECT: Wisconsin Administrative Code Ins 4.10 - Clearinghouse No. 83-5

Enclosed is a copy of an Order of the Commissioner of Insurance repealing and recreating Wisconsin Administrative Code Ins 4.10 relating to a mandatory risk sharing facility for basic property insurance coverage.

MEV:baw
2838E-2
Enclosure