

State of Wisconsin



2025 Senate Bill 98

Date of enactment: August 8, 2025
Date of publication*: August 9, 2025

2025 WISCONSIN ACT 23

AN ACT to create 613.76 of the statutes; **relating to:** conversion of cooperative associations organized to establish and operate nonprofit plans or programs for health care into service insurance corporations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 613.76 of the statutes is created to read:

613.76 Conversion of a cooperative association into a service insurance corporation. (1) **AUTHORIZATION.** A cooperative association organized under s. 185.981 may be converted into a service insurance corporation under this chapter as provided in this section.

(2) **ACTION BY BOARD.** A cooperative association seeking conversion under this section shall adopt a plan of conversion stating all of the following:

(a) The reasons for and purposes of the proposed action.

(b) The proposed terms, conditions, and procedures for implementing the conversion.

(c) The proposed name of the service insurance corporation.

(d) The proposed articles and bylaws of the service insurance corporation.

(3) **COMMISSIONER'S APPROVAL REQUIRED.** (a) No proposed plan of conversion under this section may be submitted to the members of the cooperative association under sub. (4) until the cooperative association submits the plan adopted under sub. (2) to the commissioner, together with as much of the information under s. 611.13

(2) as the commissioner reasonably requires, and the commissioner approves the plan.

(b) The commissioner shall approve a plan of conversion submitted under par. (a) unless the commissioner finds, after a hearing, that any of the following would apply:

1. The plan is contrary to law.

2. The surplus of the service insurance corporation or the contracts the service insurance corporation possesses with providers are inadequate to support the plan.

3. The plan is contrary to the interests of members of the cooperative association seeking conversion or the public.

(4) **APPROVAL BY MEMBERS.** After being approved by the commissioner under sub. (3) (b), the plan adopted under sub. (2) shall be submitted for approval to the members of the cooperative association in accordance with ch. 185.

(5) **REPORT APPROVAL TO COMMISSIONER.** A cooperative association seeking conversion under this section that has submitted a plan of conversion to the commissioner under sub. (3) (a) that is approved by the commissioner under sub. (3) (b) shall submit evidence to the commissioner that the members of the cooperative association approve of the plan of conversion under sub. (4).

(6) **AMENDMENT, ABANDONMENT, ARTICLES, AND**

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

EFFECT OF CONVERSION. (a) A plan of conversion approved by the members of a cooperative association under sub. (4) may be amended or abandoned as provided in s. 181.1163 (2) and (3).

(b) A cooperative association seeking conversion under this section that submits a plan of conversion for approval by its membership under sub. (4) that is approved by the membership shall file with the department of financial institutions articles of conversion as provided in s. 181.1164.

(c) The effect of conversion shall be as provided in s. 181.1165.

(7) OFFICERS AND DIRECTORS. The officers and directors of a cooperative association converting into a service insurance corporation under this section shall be the initial officers and directors of the service insurance corporation.

(8) CERTIFICATE OF AUTHORITY. If all requirements of the law are met, the commissioner shall issue a certificate of authority to the new service insurance cor-

poration. Thereupon the cooperative association shall cease its legal existence and the corporate existence of the new service insurance corporation shall begin, but it shall be deemed to have been incorporated as of the date the converted cooperative association was incorporated. The new service insurance corporation shall have all the assets and be liable for all of the obligations of the converted cooperative association. The commissioner may grant a period not exceeding one year for adjustment to the requirements of ch. 613, specifying the extent to which particular provisions of ch. 613 do not apply.

(9) EXPENSES. A cooperative association converting into a service insurance corporation under this section may not pay compensation of any kind to existing personnel, in connection with the proposed conversion, other than regular salaries. With the commissioner's approval, payment may be made at reasonable rates for printing costs and for legal and other professional fees for services actually rendered.
