



Clearinghouse Rule 99-034

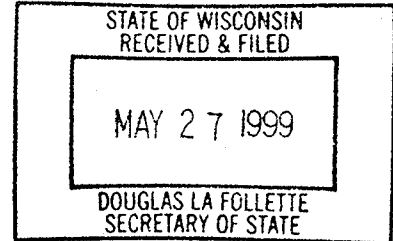
State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

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STATE OF WISCONSIN
OFFICE OF THE COMMISSIONER OF INSURANCE

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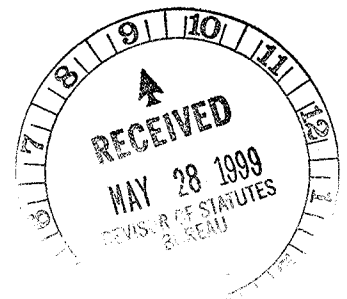
I, Connie L. O'Connell, Commissioner of Insurance and custodian of the official records, certify that the annexed rule affecting Section Ins 16.01, Wis. Adm. Code, relating to annual billings for the examination of domestic insurers, is duly approved and adopted by this Office on May 27, 1999.

I further certify that I have compared this copy with the original on file in this Office and that it is a true copy of the original, and the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 121 East Wilson Street, Madison, Wisconsin, on May 27, 1999.

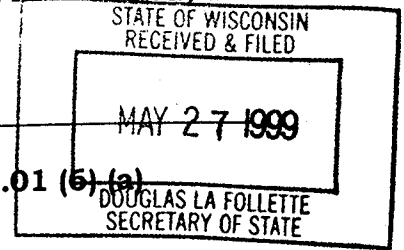
Connie L. O'Connell

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Commissioner of Insurance



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**ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE AMENDING, AND
CREATING A RULE**



SECTION 1. Section Ins 16.01 (6) is renumbered s. Ins. 16.01 (6) (a)

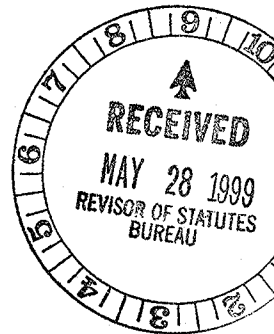
SECTION 2 . Section Ins 16.01 (6) (b) is created to read:

Ins 16.01 (6) (b) Domestic insurers located primarily out of state for examination purposes shall be billed according to the formula in par. (a) adjusted for the additional expense associated with the out of state examinations. However, the total billings to all domestic insurers shall not exceed the estimated cost of administering the insurer examinations program, as determined according to sub. (4), in any one year.

SECTION 3. Section Ins 16.01 (6) (c) is created to read:

Ins 16.01 (6) (c) The following shall be considered when determining whether a domestic insurer is located primarily out of state for examination purposes:

1. The insurer's mailing address.
2. The location of the insurer's administrative offices.
3. The primary location of the insurers books and records.
4. The location where the insurer and its service providers perform accounting, administration, investment, underwriting, claims, data processing and other key business functions.
5. The location of the offices of the insurer's officers and the location of its board of director, policyholder or shareholder meetings.
6. Whether the commissioner must visit out of state locations in order to efficiently and thoroughly conduct the examination.



SECTION 3. Section Ins 16.01 (7) (a) is amended to read:

Ins 16.01 (7) (a) The maximum annual billing for any insurer shall be 1% of Net Premiums Earned or Premiums & Annuity Considerations net premiums earned or premiums and annuity considerations reported in the applicable annual statement

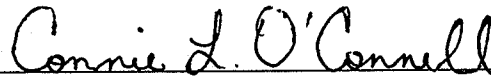
listed in s. Ins 7.02, for business of the second calendar year preceding the year of billing, subject to a requirement that the minimum bill ~~for any insurer~~ be is \$1000 for domestic insurers located primarily out of state for examination purposes and \$300 for all other domestic insurers.

SECTION 4 . The note located after Ins 16.01 (9) is replaced with the following:

Note: Any method for yearly billing of all domestic insurers for examination costs will be somewhat imprecise and arbitrary. This rule attempts to spread those costs in an equitable manner by adjusting billings according to insurers' premiums and the additional costs associated with performing examinations of domestic insurers located primarily out of state.

EFFECTIVE DATE: This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22 (2) (intro), Stats. and shall first apply to annual billings beginning February 2000.

Dated at Madison, Wisconsin, this 25 day of May, 1999.



Connie L. O'Connell
Commissioner of Insurance