



Mutual Insurance Day at the Capitol brings industry to Madison

Cooperative Network and the Wisconsin Association of Mutual Insurance Companies (WAMIC) held their first-ever Mutual Insurance Day at the Capitol on Feb. 24. The event gave more than 50 mutual insurance

company managers and board members the opportunity to become “citizen lobbyists” for a day. Attendees learned about current issues affecting town mutual insurance companies and then took their concerns to the Capitol

where they met with state legislators to voice their concerns on three major issues.

Credit Scoring. Studies have shown that those with higher credit scores tend to have fewer claims. Insurance companies should be able to use credit scores to help determine an appropriate premium for a customer.

Undamaged Property. Assembly Bill 24, which will require insurance companies to match undamaged property, is an unnecessary and costly burden for the consumer. When anything is replaced with new materials, the undamaged parts may be old but are not physically damaged. This will lead to higher property and casualty insurance premiums.

Consolidated Court Automation Program (CCAP). CCAP provides access to certain public records of the circuit courts of Wisconsin. Legislators are considering limiting the types of information allowed on CCAP. Insurance company underwriters should have that information available so the underwriter can make an informed decision about pricing and acceptability of risk. Allowing certain information only to newspapers, judges, and attorneys is unfair.

Town Mutual members also told their legislators about the size and scope of town mutual companies in Wisconsin, which provide insurance to more than 100,000 policyholders and employ more than 200 Wisconsin citizens. Because town mutual insurance companies are cooperatives they are owned by the policyholders and support Wisconsin communities.

Insurance committee members in both the Senate and Assembly and Wisconsin Commissioner of Insurance Sean Dilweg also addressed the group.



Clockwise from top left: Andy Franken, president of the Wisconsin Insurance Alliance, addresses attendees at Mutual Insurance Day at the Capitol. A group from the event makes their way to the Capitol to meet with legislators. Linda Junck, (right) a staff person for Rep. Mary Williams (R-Medford) meets with mutual insurance representatives to discuss credit scoring, undamaged property matches, and the Consolidated Court Automation Program.

Commentary

Cooperative Network questions green-jobs bill

A 174-page bill before the Legislature may soon affect the everyday life of every citizen in Wisconsin. The “Clean Energy Jobs Act” (AB 649 & SB 450) now under consideration by the Wisconsin Legislature lays out new requirements governing how all forms of energy will be produced and used in this state. The bill has plenty to say about the details of everyday life, such as what kind of television set or other consumer electronics you’ll be allowed to buy, how long you’ll be allowed to let your truck idle, how much the state fee added on to your utility bill to finance energy conservation programs will increase, and lots more.

The bill is called a jobs act but the real reason this bill exists is supposedly to fight global warming, and so far no one can or will say what the expected benefit to Earth’s climate will be if the bill is passed and implemented with complete success. Many questions surround AB 649 & SB 450 but we should demand legislators answer these two questions:

1. What will be the environmental benefit if AB 649 & SB 450 pass?

2. How much are we going to pay to get this benefit?

The answers to those questions probably lie in answers to a lot of smaller ones. Here are five questions all citizens who care about affordable energy and workable laws—no matter what they think about global warming—should ask their state lawmakers:

1. Is it true the bill requires utilities to buy renewable energy at prices higher

than their own retail rates, spreading the extra cost over other customers, in order to guarantee profits for those who invest in renewable generation?

2. Is it true that California’s low-carbon fuel standard gives Middle-East oil a big price advantage over oil imported from Canada in terms of the price of gas at the pump? If so, what would the proposed low-carbon standard mean for Wisconsin, where most of our gasoline is refined from Canadian crude?

3. Is it true that the bill repeals limits on the fees added to our monthly utility bills for energy conservation programs? If even more money is collected for those programs, can we be sure it won’t be spent to balance other parts of the state budget as it has been before?

4. Is it true the bill mandates that Wisconsin adopt whatever auto-emissions standards are enacted by the California Air Resources Board to address that state’s air quality problems, in effect making Wisconsin motorists subject to the decisions of California regulators?

5. Do you know—is there any way to know—the cost impact of the bill’s new energy-code requirements applying to residential and commercial construction and agricultural structures like barns and milking parlors?

Cooperative Network has been busy working with legislators and other industry groups to get the answers to these and many more questions before the Legislature casts a vote on AB 649 or SB 450.

OCI issues announcements about licensing

Wisconsin’s Office of the Commissioner of Insurance (OCI) announced that insurance industry personnel who need a license to do business in Wisconsin may now print their own licenses using OCI’s web site. OCI will continue to mail licenses to new applicants and those who

renew their existing licenses for the next few months. Those persons without access to a computer will still be able to request a copy from OCI. Go to <http://oci.wi.gov> for further updates as they become available.

OCI also reminds those who hold licenses to sell insurance in Wisconsin to keep up with their continuing-education requirements. A new requirement for continuing education is the “ethics of insurance.” Agents who hold licenses in any of the major lines of property, casualty, personal lines P&C, life, accident, and health insurance, or the limited line of automobile insurance, must complete a total of 24 credits each biennium, three of which must be in the ethics of insurance. Your compliance/expiration date is printed on your license.

Gov. Doyle gives final State of the State address

Wisconsin Governor Jim Doyle gave his eighth and final “State of the State” address before a joint session of the Legislature on January 26. Doyle announced late last year that he was not going to seek re-election in November 2010.

In the address, Gov. Doyle outlined his plan for his final year in office and called on legislators to pass his ideas for job creation, property tax relief, education reform and health care.

While looking to create jobs in new areas such as “green energy,” Gov. Doyle urged legislators not to overlook creating jobs in the state’s agriculture industry. He called on the Legislature to extend the expired dairy modernization tax credit to help hard-pressed dairy farmers position their businesses for future growth. Cooperative Network was a leader in the legislation that created the original dairy modernization tax credit.

In the area of education reform, the governor centered his remarks on the Milwaukee public schools.

“We need a superintendent appointed by the mayor who will have a clear mission of reform and the ability to drive real change, day after day, month after month, year after year,” Doyle told lawmakers. “Only this Legislature can make this change. If you do not act now, you will be picking up the pieces of a broken school system within a few years and failing children who desperately need your help.”

The Legislature chose to ignore the governor’s plea and adjourned the special session on Milwaukee Public Schools called by Doyle without passing any legislation.

The Legislature will be in session until May 26 to act on proposals the governor made in the speech. Cooperative Network staff is working with legislators supporting some of the governor’s proposals that help cooperatives and working to change those that potentially could hurt cooperatives.

Cooperative Network Mutual Interests

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