



OFFICE OF THE COMMISSIONER OF INSURANCE

Wisconsin State Agency 101

A SERIES
PREPARED BY



INSTITUTE FOR
REFORMING GOVERNMENT

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STATE AGENCY FAST FACTS

AGENCY RESPONSIBILITIES

In 2021, there were **2,008 insurers** authorized to write business in Wisconsin with total assets of more than **\$612 billion**. Of those, 329 insurers were domiciled in Wisconsin.

The office supervises the insurance industry and is responsible for licensing insurance agents, examining the industry's financial practices and market conduct, reviewing policy forms for compliance with state insurance statutes and regulations, investigating consumer complaints, and providing consumer information.

The office also administers three segregated insurance funds: the State Life Insurance Fund, the Local Government Property Insurance Fund, and the Injured Patients and Families Compensation Fund.

There are over 197,000 agents licensed to do business in Wisconsin - over 35,000 of those are Wisconsin residents.

OCI's 2021-23 budget is set at over **\$554 million** and has a total of **133 employees**.

DID YOU KNOW?

OCI is also home to Wisconsin's Injured Patients and Families Compensation Fund (Fund). The Fund was created by legislative enactment in 1975 and its mission is to provide excess medical malpractice coverage to Wisconsin health care providers and to ensure that funds are available to compensate injured patients. The Fund provides coverage in excess of the primary limit established by statute, which is currently \$1 million per occurrence and \$3 million aggregate per year. Participation in the Fund is mandatory for health care providers as defined by statute. OCI provides administrative support for the Fund's operations and is governed by a 13-member Board of Governors, chaired by the Commissioner of Insurance.

TAXPAYER ALERT!

The Legislative Audit Bureau's recent audit of the Wisconsin Healthcare Stability Plan found issues with OCI **not following its own auditing policies**. Administrative rules require OCI to conduct an annual verification audit to determine whether the claims submitted by health insurers are eligible for reimbursement. OCI conducts these audits in the year after health insurers incurred the claims. LAB found OCI did not follow its policies for selecting the individuals and the claims to include in its verification audit in 2020.

**\$554 MILLION
DOLLARS
APPROVED IN
THE LAST
BUDGET**

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CLOSE CALL...

In the last budget, Governor Evers proposed creating a new Office of Prescription Drug Affordability within OCI to administer new initiatives related to prescription drug supply chain regulation and consumer assistance. This new office would have grown government - requiring over **\$3.2 million** and creating **16 new full time staff** to administer.

REFORM HISTORY

During Governor Walker's administration, OCI developed the Wisconsin Healthcare Stability Plan (WIHSP). WIHSP is a state operated reinsurance program approved by the federal government through an Affordable Care Act Section 1332 Waiver. It allows Wisconsin to leverage federal funding to create a stable individual insurance market where individuals have a choice of health plans with affordable premiums.

KEEP AN EYE ON...

Last year, the American Rescue Plan Act provided subsidies in the Affordable Care Act marketplaces, to make plans available in the exchange more affordable. These subsidies were set to expire at the end of 2022 but the recently enacted Inflation Reduction Act (IRA) extended the federal health insurance subsidies for **another three years**. After these subsidies are gone, Wisconsinites will likely have to shoulder the cost of increased premiums

OCI LEADERSHIP



Nathan Houdek was appointed Commissioner of Insurance for the State of Wisconsin by Governor Tony Evers in January 2022. He previously served as Deputy Commissioner of Insurance following his appointment by former Commissioner Mark Afable in January 2019.

Rachel Cissne Carabell is the Deputy Commissioner of Insurance at OCI. She is an experienced health insurance and employee benefit expert who has held leadership roles in both the public and private sectors throughout her career.

IRG WANTS TO KNOW...

WHAT WOULD YOU DO??

If you were in charge for a day, what reforms would you make to the Department? Email Alex Ignatowski, IRG's Director of State Budget and Government Reform, at ai@reforminggovernment.org.

ABOUT IRG



INSTITUTE FOR
REFORMING GOVERNMENT

The Institute for Reforming Government (IRG) is a 501 (c) 3 and Wisconsin-based think tank established to help remove the onerous barriers and red tape separating the individual from an efficient and functioning government.

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