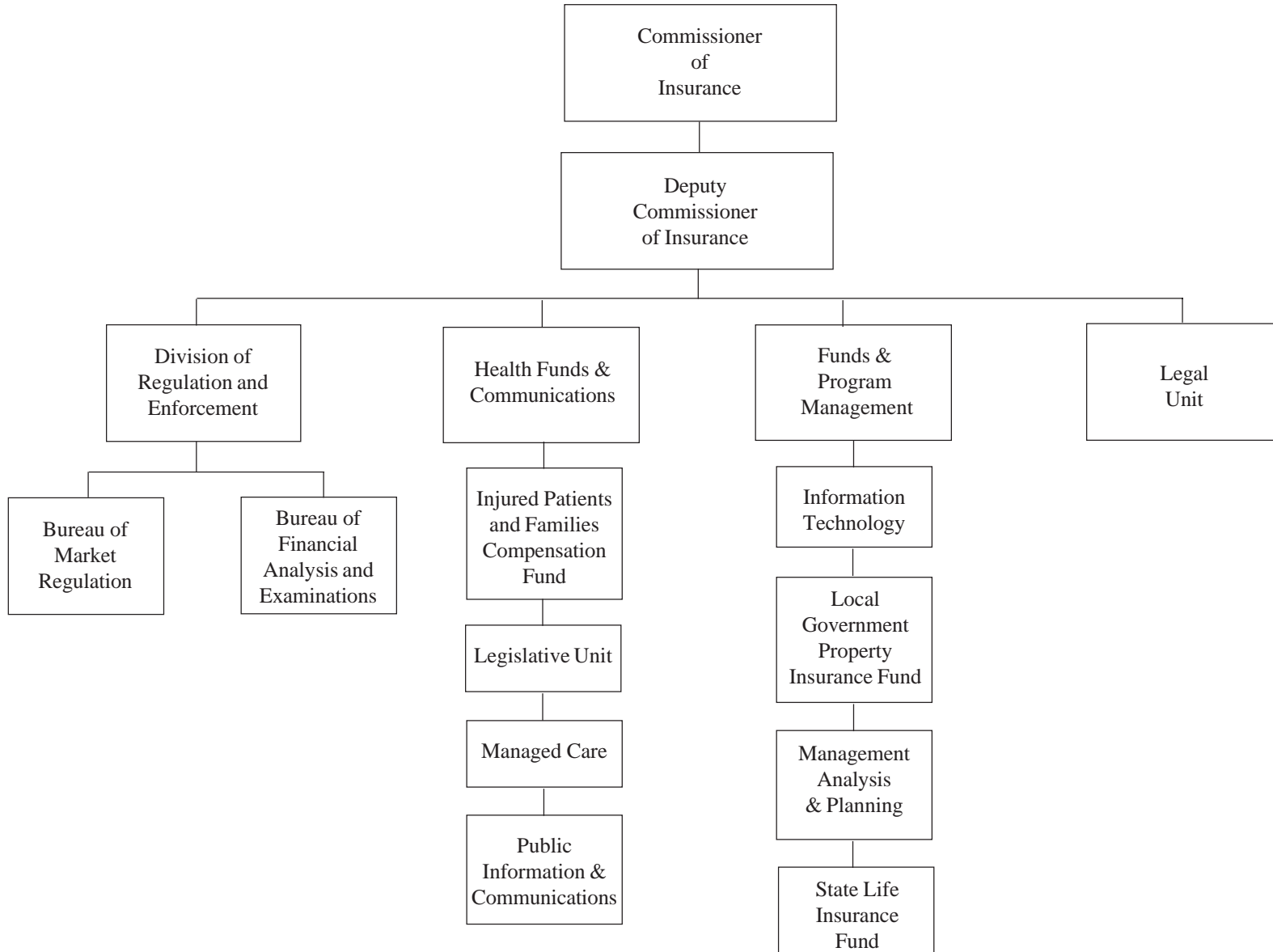


I. Administration of the Office



Organization and Staffing of the Office of the Commissioner of Insurance



Organizational Structure

The office is divided into the Legal Unit, the Health Funds and Communications and the Funds and Program Management areas, and the Division of Regulation and Enforcement.

Legal Unit

The Legal Unit represents the office in administrative proceedings, provides legal advice to staff, represents or supervises representation of the office in litigation and insurance company receiverships, provides legal services for the Injured Patients and Families Compensation Fund, Wisconsin Health Care Liability Insurance Plan, Local Government Property Insurance Fund and State Life Insurance Fund, and develops legislative proposals and administrative rules.

Health Funds and Communication

This unit provides advice on executive matters affecting the office's goals and initiatives, directs the office's legislative initiatives and communications activities, and provides advice on technical insurance-related issues.

The OCI managed care specialist, who serves as an ombudsman for consumers who have questions or problems with their managed care plans, is assigned to this unit. The managed care specialist investigates complex managed care complaints received by OCI and educates consumers on their rights under managed care plans. Administering the state's independent review program is the responsibility of the managed care specialist.

This unit also has administrative responsibilities for the Injured Patients and Families Compensation Fund. The Fund provides medical malpractice protection to health care providers for claims in excess of \$1,000,000 per claim or \$3,000,000 annual aggregate for each policy year.

Funds and Program Management

This unit is responsible for all general administrative functions of the agency including information technology, project management, budget, accounting, facilities management, and support services. This area acts as liaison between the agency and the Department of Administration for procurement, staff development and human resource services.

This unit also has program responsibilities for the Local Government Property Insurance Fund and the State Life Insurance Fund.

- The Local Government Property Insurance Fund offers property insurance protection to participating Wisconsin local government units.
- The State Life Insurance Fund offers life insurance to Wisconsin residents in amounts not exceeding \$10,000 per person.

Division of Regulation and Enforcement

The division is responsible for carrying out all of the office's insurance regulatory and enforcement responsibilities. In addition, it assists with the office's consumer education program by providing technical expertise in the development and publication of the office's insurance consumer education publications. The division is also responsible for the development and promulgation of administrative rules interpreting insurance statutes. Finally, the division has a major role in the office's participation in the National Association of Insurance Commissioners, a trade association made up of the country's chief insurance regulators.

The division fulfills its regulatory responsibilities primarily through its two bureaus, described below.

Bureau of Financial Analysis and Examinations. This bureau monitors the financial solvency of insurers licensed to do business in Wisconsin. It conducts on-site financial examinations of domestic insurer operations, administers insurer rehabilitations and liquidations, audits and collects insurer premium taxes and fees, licenses insurance companies, reviews holding company transactions, reviews change of control transactions, and collects funds from insurers under the fire department dues program.

Bureau of Market Regulation. This bureau conducts market conduct examinations and market analysis of licensed insurers, determines compliance with applicable laws and rules, handles consumer contacts and consumer complaints about licensees, processes rate and policy form filings, initiates appropriate administrative actions, staffs several risk-sharing plans, disseminates information to the public, investigates agent activities, and administers the insurance intermediaries licensing and continuing education program.

Management Staff

Sean Dilweg—Governor Jim Doyle appointed Sean Dilweg Commissioner of Insurance for the State of Wisconsin on January 1, 2007. The Office of the Commissioner of Insurance regulates the business of insurance in Wisconsin. The office has a staff of 135 and is responsible for examining industry financial practices and market conduct, licensing agents, reviewing policy forms for compliance with state legislation, investigating consumer complaints and providing consumer information. In addition to its regulatory duties, the agency administers the State Life Insurance Fund, Local Government Property Insurance Fund and the Injured Patients and Families Compensation Fund.

Commissioner Dilweg served on the following NAIC committees:

Executive Committee

Chair

- Senior Issues Task Force
- Climate Change and Global Warming Task Force
- Consumer Participation Board of Trustees

Vice Chair

- Life Insurance and Annuities Committee
- Midwestern Zone

Prior to this appointment he served as the Executive Assistant to the Secretary of the Wisconsin Department of Administration (DOA) from 2003 to 2006. In addition to managing key agency activities, including external communications, tribal negotiations and state finances, he advised the Secretary of the Department of Administration and Governor Jim Doyle on legislative and policy matters. He played a lead role for the administration in the creation of the HIRSP Authority under 2005 Act 74.

Commissioner Dilweg holds a Masters in Public Administration from the La Follette Institute of Public Affairs at the University of Wisconsin - Madison (1998) and a B.A. in English from Lawrence University in Appleton (1989).

Kimberly Shaul—Commissioner Sean Dilweg appointed Kimberly Shaul Deputy Commissioner of Insurance for the State of Wisconsin on April 3, 2007. Ms. Shaul, subject to the general direction of the commissioner, supervises the regulatory, public information and administrative functions of OCI. As Deputy, Ms. Shaul also exercises and performs the functions of the commissioner in the commissioner's absence. In addition, Ms. Shaul has worked extensively

with a number of advisory councils and NAIC committees, including acting as chair of the Annuity Sales Supervision Advisory Committee which is working to set minimum supervisory requirements that annuity writers need to meet in order to sell annuity products in Wisconsin.

Ms. Shaul is an attorney and has extensive legal and business experience in the insurance industry. Most recently, she was Claims Director for American Family Insurance Group in its Life and Health Division. In this position, her responsibilities included general business management, customer service, claims processing, strategic planning, vendor management and contracting, project management, budget and financial analysis and employee development. Ms. Shaul also served in legal and compliance functions at American Family. She started at the company as a litigation attorney for the Property and Casualty Claims Division. She next served as Assistant General Counsel and then Life/Health Compliance Director before her work as Claims Director. Prior to her tenure at American Family, Ms. Shaul worked in a private law firm and also for the Wisconsin State Assembly.

Ms. Shaul received both her law degree and B.A. from the University of Wisconsin-Madison.

Eileen Mallow—Ms. Mallow was appointed Assistant Deputy Commissioner of Insurance in November 1999. Her duties at the agency include executive assistance on public policy issues affecting insurance regulation at the state and national level, managing the agency's public information and legislative activities, and supervision of the Injured Patients and Families Compensation Fund. She also sits on the Health Insurance Risk-Sharing Plan (HIRSP) Board of Governors, the Group Insurance Board, the Governor's Council on Financial Literacy and the State Council on Alcohol and Other Drug Abuse.

Ms. Mallow has worked in the OCI since 1995. Prior to her current assignment, she was responsible for analyzing public policy and legislative issues for the Commissioner. From 1995 to 1996, she was the director of HIRSP.

Prior to OCI, Ms. Mallow worked as an analyst at the Cost Containment Commission reviewing applications by hospitals, ambulatory surgery centers and home health agencies to expand. Ms. Mallow has also been an analyst for nursing home reimbursement policy for the Wisconsin Medical Assistance program and a Budget Analyst in the state Department of Health and Family Services.

Ms. Mallow has a B.S. degree from the University of Wisconsin-Madison.

John Montgomery—A state employee since 1977, Mr. Montgomery has worked at OCI since 2001. He is currently serving as Insurance Administrator for the Funds and Program Management unit and is responsible for the Local Government Property Insurance Fund, State Life Insurance Fund and all internal administrative activities including budget, accounting, personnel and information technology. Prior to coming to OCI, he worked 14 years as Deputy State Budget Director in the State Budget Office and also served as Chief of Budget Operations. A native of Chicago, he has master's degrees in both public administration and in planning from the University of Wisconsin-Madison.

Fred Nepple—Mr. Nepple has served as OCI General Counsel since 1984. Mr. Nepple received his B.A. (1971), law (1974) and master's in accounting (1986) degrees from the University of Wisconsin. After a period in private practice he became a staff attorney for the Wisconsin Council on Criminal Justice and then for the Wisconsin state legislature. He served as General Counsel for the Commissioner of Savings and Loan from 1980 to 1984 before joining OCI. Mr. Nepple chairs the NAIC ERISA Working Group and received the NAIC Robert Dineen Award in 2003.

Guenther Ruch—Mr. Ruch heads up the Division of Regulation and Enforcement at OCI and is responsible for the enforcement of the Wisconsin insurance laws. Mr. Ruch has been involved in the regulation of insurance for over 30 years. He has been active in the National Association of Insurance Commissioners, a trade association consisting of the country's chief insurance regulatory officials, for over 15 years, heading up the Senior Issues Task Force and actively participating in its insurance market conduct and financial solvency activities.

Prior to his return to OCI, Mr. Ruch had served as Senior Vice President at WPS Health Insurance in Madison where he headed up the Actuarial, Underwriting and Marketing Divisions.

Mr. Ruch also served as the director of OCI's Market Regulation Bureau within the Division of Regulation and Enforcement. The Bureau is responsible for handling consumer complaints, processing insurance policy forms, investigating insurance companies and agents for insur-

ance law violations, and participating in the development of administrative rules. He also served as the Assistant Director of OCI's Financial Analysis and Examinations Bureau within the Division of Regulation and Enforcement.

Mr. Ruch participated on numerous panels and has written a number of insurance-related articles including "Medicare Supplement Insurance Standardization – Myth or Miracle" and "The Use of CPA Working Papers in the Financial Examination Process." He has a BBA from the University of Wisconsin-Whitewater and was the 1998 recipient of the NAIC's Robert Dineen Award for outstanding service and contribution to state regulation of insurance.

Susan Ezalarab—Ms. Ezalarab has been the Director of the Bureau of Market Regulation for OCI since 1994. Her current responsibilities include managing the market analysis and market conduct examination, policy form and rate filing, complaints and enforcement, producer licensing and continuing education functions.

Ms. Ezalarab received a B.S. in Education and an M.A. in Public Policy and Administration from the University of Wisconsin-Madison. She holds the following designations: Certified Insurance Examiner (CIE), Fellow; Life Management Institute (FLMI); and Chartered Property Casualty Underwriter (CPCU).

Ms. Ezalarab is a member of the Insurance Regulatory Examiners Society and serves on the Accreditation and Ethics Committee. She is also a regulator member of the Association of Insurance Compliance Professionals (AICP) and serves on the Government and Industry Relations Committee for AICP.

Roger Peterson—Mr. Peterson became Director of the Bureau of Financial Analysis and Examinations in June 2004. Mr. Peterson's current responsibilities focus on monitoring the solvency of insurers operating in the state and enforcement of the related Wisconsin insurance laws. Mr. Peterson has been involved in the regulation of insurance since 1988. His previous positions include Insurance Financial Examiner Chief, Policy and Claim Reserve Specialist and financial examiner.

Mr. Peterson is active in the NAIC including chairing three financial analysis-related working groups. Mr. Peterson received a B.S. in business and economics from the University of Wisconsin-Platteville and a M.B.A. in finance from the University of Wisconsin-Whitewater.

Office Personnel

(as of June 2009)

Sean Dilweg, Commissioner
Kimberly Shaul, Deputy Commissioner

Anne Debevoise Ostby	Attorney
Kelli Banks	Executive Staff Assistant
Mary Reines	Executive Staff Assistant
Alice Shuman-Johnson	Attorney
Jennifer Stegall	Policy Initiatives Advisor-Administrator

Legal Unit

Fred Nepple	General Counsel
Sheila Becker	Legal Secretary
James Harris	Attorney
Robert Luck	Attorney
Holly Strop	Insurance Examiner
Julie Walsh	Attorney
Lynn Welsh-Steinmeyer	Paralegal

Health Funds and Communications

Eileen Mallow	Insurance Administrator
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Injured Patients and Families Compensation Fund

Theresa Wedekind	Insurance Program Officer
Audrey Hawk	Office Operations Associate
Jeffrey Kohlmann	Insurance Program Specialist
Mary Moore	Financial Specialist
Andrea Nelson	Insurance Program Specialist
Rodney Orr	Regulatory Specialist
Thomas Raymakers	Accountant

Legislative Unit

James Guidry	Legislative Liaison
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Managed Care

Barbara Belling	Managed Care Specialist
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Public Information and Communications

Marcia Elliott	IS Comprehensive Services Senior
Betsey Rewey	Office Operations Associate
Inger Williams	Office Operations Associate

Funds and Program Management

John Montgomery	Insurance Administrator
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Information Services Section

Amit Trivedi	Management Information Chief
James Angus	IS Network Services Specialist
Theresa Daggett	IS Systems Development Services Senior
Jackson Ellis	IS Data Services Specialist
Kathleen Keleher	IS Business Automation Senior
Steve Nickell	IS Systems Development Services Consultant/Administrator
Benjamin Schilling	IS Comprehensive Services Senior
Shawn Vang	IS Systems Development Services Specialist
Kaz Wojtkow	IS Systems Development Services Senior

Yvonne Sherry
Thomas Thomas
Frederick Thornton
Timothy VandeHey
Elena Vetrina
Julie Wipperfurth

Records Management Supervisor
Insurance Financial Examiner
Insurance Financial Examiner
Insurance Financial Examiner
Insurance Financial Examiner
Operations Program Associate

Bureau of Market Regulation

Susan Ezalarab
Jo LeDuc
Stephanie Cook
Deborah Hamele
Ashley Natysin

Director
Administrative Manager
Insurance Examiner
Operations Program Associate
Insurance Examiner

Complaints Unit

Annette Byrnes
Melody Esquivel
Monica Hale
Jennifer Harris
Shasta Hoffhein
Mary Richardson
Lae Thompson

Insurance Supervisor
Operations Program Associate
Consumer Complaint Program Associate
Consumer Complaint Program Associate
Operations Program Associate
Office Operations Associate
Office Operations Associate

Property and Casualty Unit

Rhonda Peterson
Karen Becker
Ronnie Demergian
Drew Hunkins
Gary Morris
Katherine Otis
Rebecca Rebholz
Ellen Schwartz

Insurance Examiner Chief
Insurance Examiner
Insurance Examiner
Insurance Examiner
Insurance Examiner
Insurance Examiner
Insurance Examiner
Insurance Examiner

Life and Health Unit

Michael Honeck
Renee Fabry
John Kitslaar
Glen Navis
John Pegelow
Marcia Zimmer

Insurance Examiner Chief
Insurance Examiner
Insurance Examiner
Insurance Examiner
Insurance Examiner
Insurance Examiner

Accident and Health Unit

Diane Dambach
Brian Baird
Linda Low
Nitza Pfaff
Lynn Pink
Kevin Zwart

Insurance Examiner Chief
Insurance Examiner
Insurance Examiner
Insurance Examiner
Insurance Examiner
Insurance Examiner

Agent Licensing Section

Laurna Landphier
Laura Adkins
Linda Goad
Donald Peckham

Insurance Program Officer
Office Operations Associate
License Permit Program Associate
Office Associate

Office of the Commissioner of Insurance—Office Finances
General Fund—Supervision of the Insurance Industry
Fiscal Year 2008 (Amounts in \$000s)

	Total Revenue	Retained by Office of the Commissioner of Insurance	Transferred to State's General Purpose & Other Revenue Funds ¹
Premium Taxes	\$ 156,606	\$	\$ 156,606
Fire Department Dues	15,467		15,467
Liquidation Account Interest	2,802		2,802
Forfeitures	259		259
Insurance Company Examination Charges	6,628	5,965	663
Agent Initial Appointment Billing	2,347	2,112	235
Agent Appointment Renewal	9,005	8,104	901
Agent Continuing Education Fees	106	95	11
Producer License Issuance	1,731	1,558	173
Producer License Renewal	1,471	1,324	147
Other Licensing Fees	149	134	15
Company Licenses, Admissions, and Renewals	432	389	43
Miscellaneous ²	456	450	6
Total Revenue	<u>\$197,459</u>	20,131	<u>\$177,328</u>
Less Total Operating Expenditures		<u>15,376</u>	
Net Operating Revenue/(Loss)		<u>\$ 4,756</u>	

¹ The Office of the Commissioner of Insurance retains 90% of licenses, services, and various other revenues. Taxes plus 10% of licenses, services, and various other revenues are remitted to the State of Wisconsin General Purpose Revenue Fund. Fire Department Dues are remitted to Wisconsin Fire Departments. Liquidation Account Interest accrues to liquidation account bank balances. Forfeitures are remitted to the Common School Fund.

² Miscellaneous collections include: 1) photocopying, 2) service of process, 3) publications, and 4) segregated fund chargeback.

Office of the Commissioner of Insurance—Office Finances
Segregated Funds
Fiscal Year 2008 (Amounts in \$000s)

	Total Revenue	Admin. Expenses	Operating Expenses	Net Operating Revenue
Injured Patients and Families Compensation Fund	\$52,531	\$1,190	\$135,728	\$(84,387) ¹
Local Government Property Insurance Fund	19,190	1,509	21,001	(3,320) ²
State Life Insurance Fund	7,924	530	5,598	1,796

¹ 2007 Wisconsin Act 20, included a transfer of \$200 million from the segregated fund to the general fund. The transfer consisted of \$71.5 million transferred in October 2007 and an additional \$128.5 million transferred in July 2008.

² The Local Government Property Insurance Fund experienced an underwriting loss of \$5.6 million in 2008 due to losses and loss adjustment expenses incurred exceeding premiums earned during the year. After taking into consideration investment income the net income loss was reduced to \$3.3 million. The fund continues to operate with adequate cash and fund reserves.