

97-22 Local Government Property Insurance Fund

Summary

The Local Government Property Insurance Fund provides property insurance coverage to local units of government, such as counties, towns, cities, villages, school districts, and library boards. The Property Fund must accept any local unit of government that wishes to participate, and it cannot place restrictions on the type of property covered. As of June 30, 1997, the Property Fund insured 1,099 local units of government. The Office of the Commissioner of Insurance, which has statutory responsibility for administering the Property Fund, contracts most of the administrative activities to private firms.

Section 13.94(1)(de), Wis. Stats., requires the Legislative Audit Bureau to perform audits of the Property Fund. As necessary parts of the financial audit, we reviewed the Property Fund's control procedures, assessed the fair presentation of its financial statements for fiscal years 1996-97, 1995-96, and 1994-95, and reviewed compliance with statutory provisions. We were able to provide an unqualified auditor's report on the Property Fund's financial statements, and we found no instances of material weaknesses in the internal control structure.

As of June 30, 1997, the Local Government Property Insurance Fund had a surplus of \$19.2 million. This represents an increase of \$1.4 million over the prior year. The Office of the Commissioner of Insurance monitors the level of surplus to ensure the desirable level is maintained.
