

**WISCONSIN
AUTOMOBILE
INSURANCE
PLAN**

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PLAN LETTER 661 – JULY 26, 2001

To: Members of the Plan

Minutes of the of the Wisconsin Automobile Insurance Plan Governing Committee meeting called to convene in the premises of the Cherry Hills Lodge, 5909 Dunn Road, Sturgeon Bay, WI 54235 on Friday, July 13, 2001. The meeting was called to order immediately upon adjournment of the Annual Meeting with the following members present:

ORGANIZATION

General Casualty Company, Chair
American Family Insurance Company
Employers Insurance of Wausau, A Mutual Company
Employers Mutual Casualty Company
Granite State Insurance Company
St. Paul Fire & Marine Insurance Company
Sentry Insurance A Mutual Company
State Farm Insurance Company

Wisconsin Automobile Insurance Plan

REPRESENTATIVE

John Hagen
Dan Smith
Greg Loman
Bob Cascioli
Ken McIntosh
Vicky Danahey
Bob Lindstedt
Chris Galvin
Pat Egan
Ralph Herrmann
Donna Knepper
Cheryl Korth

Member Absent or Excused:

Hartford Fire Insurance Company

Also Present

AIPSO

Michael Best & Freidrich

Tom Assad
Debbie Silva
Paul Riegel

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The Chairperson read the following opening statement before convening the meeting:

“This Committee meeting has been called to discuss the items of mutual interest and concern to the members of the Wisconsin Automobile Insurance Plan. In accordance with both Federal and Wisconsin State Anti-trust Laws, this Committee is prohibited from any discussion or action which constitutes any form of boycott, coercion or intimidation.”

UNFINISHED BUSINESS

ITEM NUMBER 619 PROPOSED LAD PROGRAM

The Committee concurred with a recommendation from the Personal Subcommittee to file a LAD Program, including manual rule revisions with the Office of the Commissioner of Insurance for approval.

ITEM NUMBER 633 COMMERCIAL AUTOMOBILE MANUAL AMENDMENTS

With all business complete, this item is removed from the agenda.

ITEM NUMBER 635 WAIP SERVICING CARRIER AUDITS

The Committee directed WAIP to develop a time-line for the servicing carriers to follow when completing their self-audits. This item is removed from the agenda.

NEW BUSINESS

ITEM NUMBER 636 2000 WISCONSIN SRP LTD FINANCIAL STATEMENTS

The Committee reviewed the Financial Statements prepared by Peat Marwick. These reports were accepted for filing with the Office of the Commissioner of Insurance on an informational basis. This item is removed from the agenda.

ITEM NUMBER 637 PERSONAL AUTO MANUAL REVISIONS

The Committee accepted the following amendments to the Personal Auto Manual for filing with the Office of the Commissioner of Insurance:

Rule 8. Four-Year Assignment Period

An applicant shall be assigned to a designated company for a period of four consecutive years. However, the designated company may offer to continue an insured's assignment beyond the period of four consecutive years by offering to write a fourth or subsequent renewal policy in accordance with Section II, Rule 3.B.

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If an insured is unable to obtain insurance for itself at the end of the four-year period, reapplication for insurance may be made to the Plan. Such reapplication shall be considered as a new application.

In the case of nonresident military personnel, as described under Section I, rule C of the Plan, the designated company shall not be required to renew if at the time of renewal the insured is stationed in another state and his automobile is not registered in Wisconsin.

The four-year assignment period shall not apply to policies written prior to the implementation of Appendix Rule B - Limited Assignment Distribution Procedure by a subscriber that has elected to be an excused company in accordance with the provisions of Appendix Rule B.

**Rule 9. OFFERS TO REMOVE PRIVATE PASSENGER NONFLEET
AUTOMOBILE INSUREDS FROM THE AUTOMOBILE
INSURANCE PLAN**

- A. No Change
1. No Change
 2. The company shall receive credit for issuing a policy for a private passenger nonfleet automobile assigned to it, provided the insured and producer of record have been given notice of intent, on a prescribed form, to make an offer at the expiration of the policy. Such notice must be mailed to the insured, with a copy to the producer of record 90 days prior to expiration and shall contain the provisional premium quotation for the coverage to be offered. The insured shall be mailed the offer for coverage 45 days prior to expiration with copy to the producer of record.
 3. No Change
 4. No Change
 5. No. Change
 6. No Change
 7. If the offer to service the policy through the producer of record was made and the insured continues to designate said producer as his producer of record, the company issuing the policy under this subsection shall pay an agreed upon commission or in the absence of such agreement shall pay not less than the commission prescribed by Section II, Rule 4 of the Plan.

The LAD servicing Company will assume responsibility for mandatory take-out offers for Plan policies it writes on behalf of LAD excused companies.

8. No Change

**Rule 16 MOTORCYCLES, MOPEDS, MOTORSCOOTERS,
MOTORBIKES, AND ANY OTHER SIMILAR MOTOR
VEHICLES**

Amend #2. as follows:

2. **Uninsured and Underinsured Motorists**
200% of private passenger rate.

**ITEM NUMBER 638 DEPARTMENT OF MOTOR VEHICLES – SR22 FILING
REQUIREMENTS**

The Committee reviewed the revised Wisconsin SR22 filing requirements. The Committee directed that the individual carriers will determine when drivers need to be added to the policy. This item is removed with no further action needed.

ITEM NUMBER 639 MVR VIOLATION CODES

The Committee directed WAIP staff to work with the Department of Transportation to obtain a list of the new MVR codes and a definition of all violation codes. This item is continued.

**ITEM NUMBER 640 REVISED NEW PERSONAL ASSIGNMENT DISTRIBUTION
PROCEDURES**

The Committee reviewed a proposed revised personal auto assignment procedure. This item was referred to WAIP to investigate additional options and report back to the Committee at the next meeting.

ITEM NUMBER 641 PROPOSED COMMERCIAL MANUAL REVISIONS

The Committee reviewed manual revisions recommended by the Commercial Subcommittee. WAIP staff will prepare accepted amendments for Committee review.

ITEM NUMBER 642 2001 COMMERCIAL RATE REVIEW

The Committee accepted the Commercial Rate Review prepared by WAIP staff. After discussion, the Committee voted to refer this report to AIPSO for analysis and recommendations.

ITEM NUMBER 643 EMPLOYERS INSURANCE OF WAUSAU RESIGNATION

The Committee appointed Liberty Mutual Insurance Company as the new servicing carrier to replace Employers Insurance of Wausau. WAIP staff will work with both companies to ensure a smooth transition.

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WAIP staff was directed to review the Appendix of the Commercial Manual regarding the servicing carrier appointments.

**ITEM NUMBER 644 OFFICE OF THE COMMISSIONER OF INSURANCE
MARKET CONDUCT EXAMINATION**

Plan Manager Herrmann reported that the Office of the Commissioner of Insurance will begin their WCRB/WAIP Market Conduct Examination. The final report is not expected until early 2002.

**ITEM NUMBER 645 AUDITED FINANCIAL STATEMENTS YEARS ENDED
DECEMBER 31, 2000 AND 1999**

By the unanimous consent of all members present, this item was added to the agenda.

The Committee was furnished with a copy of the Audited Financial Statements as prepared by the accounting firm of Reilly, Penner & Benton, LLP. The report was accepted for filing with the Office of the Commissioner of Insurance on an informational basis.

Donna Knepper
Executive Secretary