

**WISCONSIN
AUTOMOBILE
INSURANCE
PLAN**

P O BOX 3080
MILWAUKEE, WI 53201-3080
262-796-4599 Fax 262-796-4400

RALPH M. HERRMANN
MANAGER

CHERYL A. KORTH
PLAN ADMINISTRATOR

PLAN LETTER 676—AUGUST 14, 2003

TO: Members of the Plan

Minutes of the Wisconsin Automobile Insurance Plan Governing Committee called to convene in the premises of Cherry Hills Lodge, 5905 Dunn Road, Sturgeon Bay, WI 54235, on Friday, August 8, 2003. The meeting was called to order immediately upon adjournment of the Annual Meeting with the following members present:

ORGANIZATION

Sentry Insurance A Mutual Company, Chair
American Family Insurance Company
Employers Insurance of Wausau, A Mutual Company
Employers Mutual Casualty Company
General Casualty Company
Granite State Insurance Company
St. Paul Mutual Insurance Company
State Farm Insurance Company
Wisconsin Automobile Insurance Plan

REPRESENTATIVE

Bob Lindstedt
John Richardson
Greg Loman
Bob Cascioli
John Hagen
Ken McIntosh
Vicki Danahey
Bob Eastwood
Ralph Herrmann
Donna Knepper
Cheryl Korth

Members Absent or Excused:

Hartford Fire Insurance Company

Also Present:

Liberty Mutual Insurance Company

Charlie Echols

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 reviewed the April 16, 2003 approval of the amendment to Rule B. on the Appendix page in the Personal Manual. Since no member carrier has expressed interest in becoming a LAD carrier at this time and the volume of application does not dictate pursuit, this item is removed from the agenda and will be reintroduced when appropriate.

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

The Committee was advised that the Market Conduct Examination has been adopted by the Office of the Commissioner of Insurance. WAIP staff will respond to the recommendations and make necessary changes to rule and procedures.

This item is continued.

ITEM NUMBER 653 SERVICING CARRIER AUDIT

Self-audits of the servicing carriers are to be completed in 2004. A meeting with the servicing carriers will be scheduled to clarify what will be included in the audit.

This item is continued.

ITEM NUMBER 657 PROPOSED ENDORSEMENT PP 04 28 12 02 UNDERINSURED
MOTORISTS COVERAGE

This item has been approved by the Office of the Commissioner of Insurance effective February 25, 2003 and is removed from the agenda.

ITEM NUMBER 658 PROPOSED ENDORSEMENT CA 21 45 01 03 UNDERINSURED
MOTORISTS COVERAGE

This item has been approved by the Office of the Commissioner of Insurance effective February 25, 2003 and is removed from the agenda.

ITEM NUMBER 660 TERRORISM ISSUES

This item has been approved by the Office of the Commissioner of Insurance effective February 20, 2003 and is removed from the agenda.

ITEM NUMBER 661 NOTICE OF ASSIGNMENT – COMMERCIAL

Questions were raised regarding the effective date of an endorsement or coverage request. WAIP will identify the appropriate rules in the Commercial manual that will need to be amended to indicate that coverage requests and changes will be effective on 12:01A.M. following receipt, or a specified prospective date, of such request by either the WAIP or the servicing carrier.

NEW BUSINESS

ITEM NUMBER 662 AIPSO SERVICE CENTERS

The Committee reviewed AIPSO's Service Center approach as an alternative to a LAD Program. Through the Service Centers, AIPSO does most of the work of a servicing carrier with the exception of claim handling. The Committee agreed that this was not a program they were interested in exploring at this time.

The Committee also discussed the distribution of personal assignments to carriers writing strictly commercial business. The Committee agreed that Rule 5. Determination and Fulfillment of Quotas in the Appendix of the Personal Manual should be amended to indicate that carriers writing commercial business only will be excluded from the personal quota distribution.

ITEM NUMBER 663 AUDITED FINANCIAL STATEMENTS YEARS ENDED
DECEMBER 31, 2002 AND 2001

The Committee accepted the Audited Financial Statements Year Ended December 31, 2002 and 2001 as prepared by the accounting firm of Reilly, Penner & Benton. This report will be filed with the OCI and is removed from the agenda.

ITEM NUMBER 664 WISCONSIN SPECIAL RISKS PROGRAM – LIMITED DETAIL –
FINANCIAL STATEMENT JULY 31, 2002 AND 2001

The Committee accepted the Statutory Financial Statements July 31, 2002 and 2001 and Statements of Cash Receipts and Disbursements Accounted for by the Central Processor Years Ended July 31, 2002 and 2001 as prepared by KPMG.

The WI Special Risks Program was replaced with the WI Special Risk Distribution Program effective January 1, 1993. The run-off of the program is complete and will be closed.

This report will be filed with the OCI and is removed from the agenda.

ITEM NUMBER 665 WISCONSIN SPECIAL RISK DISTRIBUTION PROGRAM –
FINANCIAL STATEMENTS AUGUST 31, 2002 AND 2001

The Committee accepted the Statutory Financial Statements August 31, 2002 and 2001 and Statements of Cash Receipts and Disbursements Accounted for by the Central Processor Years Ended August 31, 2002 and 2001 as prepared by KPMG. This report will be filed with the OCI and is removed from the agenda.

ITEM NUMBER 666 SRDP ACCOUNTING & STATISTICAL REQUIREMENTS MANUAL

The Committee adopted the following proposed amendments to the Wisconsin Special Risk Distribution Program Accounting & Statistical Requirements Manual.

PLAN LETTER 676 – AUGUST 14, 2003 – PAGE 4

- Section A, Chapter 4, Subsection D. and Exhibit A. are amended to incorporate guidelines for servicing carriers submitted reporting packages to the Central Processor.
- Section B, Chapter 1, Subsection A. is revised to incorporate guidelines for allocating future income and expenses that are not reported by policy year.
- Section C, Chapter 1, Subsection B. is revised to amend the allocation process of the contingency fund.

This item is proposed to be effective upon approval.

By the unanimous consent of all members present, the following items were added to the agenda.

ITEM NUMBER 667 REVISED WAIP APPLICATIONS

The Committee adopted several editorial changes to the WAIP applications. A Committee member raised concern with regard to policyholder rejection of coverage such as UIM. WAIP will develop supplemental non-election forms for a policyholder to submit to specifically non-elect coverage.

This item is continued.

ITEM NUMBER 668 FAST FOOD DELIVERY SERVICES

Questions were raised with respect to the proper rating of fast food delivery services by the servicing carriers. Rule 89.C. will be amended to clarify the rating procedures for the employees that do or do not show evidence of primary liability insurance.

ITEM NUMBER 669 ELECTRONIC FILING OF RATES, RULES & FORMS

The Committee was advised that it appears that the Office of the Commissioner is exploring requiring the electronic filing of rates, rules, and forms. The OCI is hosting a meeting in September.

Donna Knepper
Executive Secretary