

**WISCONSIN
AUTOMOBILE
INSURANCE
PLAN**

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PLAN LETTER 698—FEBRUARY 5, 2007

TO: Members of the Plan

FROM: Cheryl Korth

RE: Limited Assignment Distribution (LAD)

A Limited Assignment Distribution Program (LAD) has been approved for use in the Wisconsin Automobile Insurance Plan (WAIP) since February 1, 2002. State Farm Insurance Company has now contracted to be the LAD carrier for Wisconsin.

Companies interested in participating in the LAD as an excused company must complete the Agreement With Excused Companies (which can be found on the WAIP Web site under Forms) and submit it to WAIP for processing. Agreements must be received by WAIP by the 1st of the month prior to the quota quarter to allow sufficient time for processing. The quota dates are February 1, May 1, August 1, and November 1. The expiration date of the Agreements will be in February 1, 2008.

Under the LAD program, a company that writes 5% or less of its respective Wisconsin voluntary private passenger non-fleet liability car years or all other automobile liability net direct written premiums may buy-out from their quota. The Governing Committee has the option to consider a buy-out arrangement for a company writing over 5% and is subject to review on a biennial basis.

Each calendar year, AIPSO, on behalf of WAIP, shall calculate, collect, and distribute the estimated fees in accordance with the provisions of the program. The minimum buy-out fee for Wisconsin is 30% or \$500.00 which ever is greater and is paid annually.