

**WISCONSIN
AUTOMOBILE
INSURANCE
PLAN**

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PLAN LETTER 702—AUGUST 17, 2007

TO: Members of the Plan

Minutes of the Wisconsin Automobile Insurance Plan Governing Committee held in the premises of Lake Lawn Resort, 2400 East Geneva Street, Delavan, WI 53115 on Friday, August 10, 2007. 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
Employers Mutual Casualty Company
Federated Insurance
General Casualty Company
Granite State Insurance Company
St. Paul Mutual Insurance Company
Wisconsin Automobile Insurance Plan

REPRESENTATIVE

Bob Lindstedt
Julie Saletri
Greg Loman
Jim Pousha
Dan Powers
John Hagen
Judy Semancik
Vicki Danahey
Ralph Herrmann
Tad Cleveland
Cheryl Korth
Donna Knepper

Also Present:

Liberty Mutual Insurance Company
Travelers Insurance Company

Charlie Echols
Rick Liber

Members Absent or Excused:

State Farm Insurance Company

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 reaffirmed the January 5, 2007 e-mail vote amending the LAD buy-out provisions as follows:

1. All over/under quota assignments will be held in abeyance through 12-31-05.
2. Amend the minimum buy out fee rule to read: *“The minimum buy-out fee is 30% or \$500.00, whichever is greater and is paid annually.”*
3. Amend the following paragraph: *“The Governing Committee has the option to consider a buy-out arrangement for a company writing 5% or greater of Wisconsin Voluntary Private Passenger Non-Fleet Liability Net Direct Written Car Years. Such buy-out is subject to approval by the Governing Committee on a biennial basis.”*

In accordance with 3. above, the Committee granted permission for Acuity Insurance to enter into a LAD buy-out agreement.

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

ITEM NUMBER 694 AIPSO PROPOSAL—REFORMAT OF WAIP MANUALS

The Committee requested that WAIP staff continue their review and draft of the new, combined manual. The Committee will review WAIP recommendations. WAIP and staff will also review various types of formatting for an easier transition for current manual users.

ITEM NUMBER 695 PROPOSED REVISION TO WAIP COMMERCIAL MANUAL—
PUBLIC AUTO

WAIP staff has identified several carriers currently providing coverage for the elderly and handicapped and day care transportation entities. WAIP will conduct a rate study to determine if the Plan rates are appropriate and not in direct competition with the voluntary market. WAIP will file amended rates with the Office of the Commissioner of Insurance as deemed necessary.

ITEM NUMBER 697 SERVICING CARRIER AUDIT—GRANITE STATE INSURANCE

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

NEW BUSINESS

ITEM NUMBER 703 AIPSO PROPOSAL – YOUTHFUL MALE OPERATOR CREDIT

The Committee adopted AIPSO’s proposed amendment to the Personal Automobile Manual – Appendix rule 5.E.2. regarding the quota credits for youthful male operators. This item will be filed with the Office of the Commissioner of Insurance for approval to be used to determine 2008 and subsequent private passenger quotas.

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ITEM NUMBER 704 AIPSO PROPOSAL – REVISED ENDORSEMENTS

PP 04 28 07 07 UNDERINSURED MOTORISTS COVERAGE – WI
CA 21 45 08 07 WI UNDERINSURED MOTORISTS COVERAGE

The Committee adopted the proposed revisions to the current WI underinsured motorists coverage endorsements which brings the forms into compliance with Wisconsin case law. This item will be filed with the Office of the Commissioner of Insurance to be effective upon approval.

ITEM NUMBER 705 COMMERCIAL AUTOMOBILE MANUAL – TRUCKERS COST OF HIRE FACTOR

The Committee adopted the proposed reduction in the cost of hire factor for truckers from .0033 to .0020. This item will be filed with the Office of the Commissioner of Insurance to be effective upon approval.

Prior to the discussion of Items 706 and 707, the Committee reviewed the current servicing carrier charge-off procedures.

ITEM NUMBER 706 PRICE TRUCKING INC– CHARGE-OFF REQUEST

The Committee approved the charge-off request submitted by Granite State Insurance Company for an uncollectible amount of \$13,477.60 as owed by Price Trucking, Inc.

ITEM NUMBER 707 MR. MOM'S KIDS TRANSPORT – CHARGE-OFF REQUEST

The Committee approved the charge-off request submitted by Granite State Insurance Company for an uncollectible amount of \$10,091.75 as owed by Mr. Mom's Kids Transport.

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

ITEM NUMBER 708 WAIP AUDITED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2006 AND 2005

Each member of the Committee was furnished with a copy of the Wisconsin Automobile Insurance Plan Audited Financial Statements Years Ended December 31, 2006 and 2005 as prepared by Reilly, Penner & Benton LLP. The Committee adopted the statements for filing with the Office of the Commissioner of Insurance.

This item is removed from the agenda.

ITEM NUMBER 708 2006 WISCONSIN SRDP FINANCIAL STATEMENTS

Each member of the Committee was furnished with a copy of the Statutory Financial Statements August 31, 2006 and 2005 and Statements of Cash Receipts and Disbursements Accounted for by the Central Processor Years Ended August 31, 2006 and

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2005 as prepared by KPMG. The Committee adopted the statements for filing with the Office of the Commissioner of Insurance.

This item is removed from the agenda.

Donna Knepper
Executive Secretary