

PLAN LETTER 728—AUGUST 9, 2010

TO: Members of the Plan

Minutes of the Wisconsin Automobile Insurance Plan Governing Committee held in the premises of the Blue Harbor Conference Center, 725 Blue Harbor Drive, Sheboygan, WI 53081 on Friday, July 30, 2010. The meeting was called to order immediately upon adjournment of the Annual meeting.

ORGANIZATION

EMC Insurance Companies, Chair
Federated Mutual Insurance Company
General Casualty Company of WI
Liberty Mutual Insurance Company
National Continental Insurance Company
Sentry Insurance A Mutual Company, Chair
State Farm Insurance Company
Travelers Indemnity Company
Wisconsin Automobile Insurance Plan

REPRESENTATIVE

Jim Pousha
Dan Powers
John Hagen
Craig Sanford
Mike Donovan
Ethan Mowry
Mark Gustafson
Vicki Danahey
Paul Riegel
Tad Cleveland
Cheryl Korth
Donna Knepper

Member Absent or Excused:

American Family Mutual 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.”

The Committee approved the Minutes for the December 8, 2009 Governing Committee meeting.

UNFINISHED BUSINESS

ITEM NUMBER 721 AIPSO PROPOSAL - LOSS PAYABLE CLAUSE – MAXIMUM LOSS PAYABLE

This item was approved by the Office of the Commissioner of Insurance January 20, 2010. With all business complete, this item is removed from the agenda.

ITEM NUMBER 729 2009 WISCONSIN ACT 28 – MANDATORY AUTOMOBILE INSURANCE

The changes to the Private Passenger rules in the WI Automobile Insurance Plan Manual to comply with the new mandatory automobile insurance laws have been approved by the Office of the Commissioner of Insurance.

WAIP staff has been working with AIPSO to bring the Commercial Rules into compliance with the new mandatory insurance laws. The Committee adopted proposed changes to the hired non-owned rules and rating worksheets for filing with the Office of the Commissioner of Insurance.

ITEM NUMBER 732 PRIVATE PASSENGER RATE REVIEW

This item was approved by the Office of the Commissioner of Insurance February 5, 2010. With all business complete, this item is removed from the agenda.

NEW BUSINESS

ITEM NUMBER 733 AIPSO PROPOSAL – NAMED NONOWNER RATING ADJUSTMENT

AIPSO conducted a review of the current private passenger rating factors and determined that the current factors for Class N5 – Pleasure Use Male Operator Under 25 Years of Age and N6 – Pleasure Use No Male Operator Under 25 Years of Age need to be adjusted. The current factors for named nonowner insureds puts the Plan in direct competition with the voluntary market. The Committee adopted the proposal for filing with the Office of the Commissioner of Insurance.

ITEM NUMBER 734 AIPSO PROPOSAL – ELIMINATION OF PRIVATE PASSENGER LIABILITY CLASS RATE SCHEDULES

AIPSO's proposal to replace current rate schedules with a schedule of territorial base rates and class factors is a modernization effort and is intended to display rating information in a more acceptable format. The proposed changes are premium neutral. The Committee adopted this proposal for filing with the Office of the Commissioner of Insurance.

ITEM NUMBER 735 COMMERCIAL AUTOMOBILE RATE REVIEW

The Committee approved a proposed 12.9% overall commercial rate increase for filing with the Office of the Commissioner of Insurance. The rate filing is proposed to be effective January 1, 2011 for new business and March 1, 2011 for renewal business.

ITEM NUMBER 736 2008 WISCONSIN SRDP FINANCIAL STATEMENTS

Each member of the Committee was furnished with a copy of the Statutory Financial Statements August 31, 2009 and 2008 and Statements of Cash Receipts and Disbursements Accounted for by the Central Processor Years Ended August 31, 2009 and 2008 as prepared by KPMG. WAIP provided explanation of some of the changes noted in the statement. The Committee will review the statements and provide feedback to WAIP staff by September 15, 2010. Once accepted, the statements will be filed with the Office of the Commissioner of Insurance for information only.

ITEM NUMBER 737WAIP AUDITED FINANCIAL STATEMENTS

Each member of the Committee was furnished with a copy of the Wisconsin Automobile Insurance Plan Audited Financial Statements Years Ended December 31, 2009 and 2009 as prepared by Reilly, Penner & Benton LLP. The Committee will review the statements and provide feedback to WAIP staff by September 15, 2010. Once accepted, the statements will be filed with the Office of the Commissioner of Insurance for information only.

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

ITEM NUMBER 738 AIPSO SERVICING CARRIER SERVICES

The Committee was updated on a program AIPSO is developing as a back-up service for providing commercial automobile insurance coverage.

Donna Knepper
Executive Secretary