

PLAN LETTER 739—DECEMBER 28, 2011

TO: Members of the Plan

Minutes of the Wisconsin Automobile Insurance Plan Governing Committee meeting held in the premises of the Wisconsin Automobile Insurance Plan, 20700 Swenson Drive, Waukesha, WI 53186, on Tuesday, December 13, 2011. The meeting was called to order at 10:30 A.M with the following members present.

ORGANIZATION

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

REPRESENTATIVE

Jim Pousha
Greg Loman
Craig Sanford
Mike Donovan
Mark Gustafson
Vicki Danahey
Bernie Rosauer
Tad Cleveland
Cheryl Korth
Donna Knepper

Members Present by Teleconference:

ORGANIZATION

American Family Mutual Insurance Company
General Casualty Company of WI
Sentry Insurance A Mutual Company, Chair

REPRESENTATIVE

Stu Hanson
Randy Kaminski
Ethan Mowry

Member Absent or Excused:

Hanover Insurance Company

Also Present by Teleconference:

Office of the Commissioner of Insurance
Riegel Law

Karen Becker
Paul Riegel

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

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“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 adopted the minutes of the July 29, 2011 meeting.

UNFINISHED BUSINESS

ITEM NUMBER 729 2009 WISCONSIN ACT 28—MANDATORY AUTOMOBILE INSURANCE

This item dealt with the changes needed to the WAIP manual and forms due to the repeal of Wisconsin Act 28. The rates and rules portion of this item was approved by the Office of the Commissioner of Insurance November 1, 2011. The forms were approved November 7, 2011. With all business complete, this item is removed from the agenda.

ITEM NUMBER 739 AIPSO PROPOSAL AVAILABILITY OF PLAN MANUAL

AIPSO raised copyright issues with regard to public access to the WAIP manuals and forms. WAIP had discussed this item with OCI. WAIP manuals and forms will be maintained and hosted by AIPSO. WAIP customers will be provided a link to register with AIPSO for access. With all business complete, this item is removed from the agenda.

ITEM NUMBER 740 AIPSO PROPOSAL SEC. 39, ADMINISTRATION RULE CHANGE – COMPANY REPRESENTATION

The Committee rejected this rule change but did file a change with OCI which allows a carrier elected to serve on the Committee to designate a representative to act on its behalf.

The Committee also discussed the current rule regarding the Governing Committee composition. WAIP staff will develop a proposed rule change that will eliminate the current requirement that two representatives of the following classes of companies be represented on the Committee:

- American Insurance Association (AA)
- Property Casualty Insurers Association of America (PCI)
- Nonaffiliated Insurance Companies
- At Large Insurance Companies

The WAIP proposal will require that the Committee consist of eight member carriers with equal representation from the stock and non-stock member carriers.

ITEM NUMBER 741 AIPSO PROPOSAL SEC. 31 PERFORMANCE STANDARDS FOR
SERVICING CARRIERS – POLICIES WITH NO PRODUCER OF
RECORD

AIPSO has been notified that the Committee did not adopt their proposal that would require a producer of record on a plan policy.

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

ITEM NUMBER 730 COMMERCIAL APPLICATIONS

The changes to the Truckers and Business Auto applications have been approved September 22, 2011. With all business complete, this item is removed from the agenda.

ITEM NUMBER 743 PROPOSED MANUAL CHANGES - HIRED & NON-OWNED
MULTISTATE OPERATIONS

The manual changes to clarify premium charges for coverage for hired and non-owned exposure for multistate operations have been approved by the OCI effective September 1, 2011. With all business complete, this item is removed from the agenda.

ITEM NUMBER 744 PROPOSED AMENDMENT TO SEC. 5.B.2.

The clarification that all manual, rule, form and rate filings will be made by WAIP has been approved by the OCI effective September 1, 2011. With all business complete, this item is removed from the agenda.

ITEM NUMBER 745 AIPSO PROPOSAL – SEC. 40 – COST OF ADMINISTRATION

The correction to Sec. 40 of the Manual to a member company's voluntary private passenger information in the calculation of assessments has been approved effective September 1, 2011. With all business complete, this item is removed from the agenda.

ITEM NUMBER 746 AIPSO PROPOSAL – CUSTOM EQUIPMENT COVERAGE

The amendment to rules 21 and 31 to provide coverage for custom equipment has been approved by OCI effective September 20, 2011. With all business complete, this item is removed from the agenda.

NEW BUSINESS

ITEM NUMBER 749 COMMERCIAL AUTOMOBILE RATE REVIEW

The Committee approved a proposed overall commercial rate decrease of 8.8% for filing with the Office of the Commissioner of Insurance. The rate filing is proposed to be effective May 1, 2012 for new business and July 1, 2012 for renewal business.

ITEM NUMBER 750 PRIVATE PASSENGER AUTOMOBILE RATE REVIEW

The Committee reviewed the Private Passenger rate review. The adjustments indicate a zero premium impact. The Committee concurred with the recommendation that no filing be made for this item. This item is removed from the agenda.

ITEM NUMBER 751 OCI MARKET CONDUCT EXAM

The OCI has conducted a Market Conduct Exam. Preliminary exceptions have identified corrections needed to various rules and forms. WAIP staff will research and introduce a formal proposal at the July 2012 meeting.

ITEM NUMBER 752 WAIP 2012 BUDGET

The Committee adopted the 2012 proposed budget.

Donna Knepper
Executive Secretary