

**WISCONSIN
AUTOMOBILE
INSURANCE
PLAN**

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RALPH M. HERRMANN
MANAGER

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PLAN ADMINISTRATOR

PLAN LETTER 670 – AUGUST 23, 2002

TO: Members of the Plan

Minutes of the Wisconsin Automobile Insurance Plan meeting held in the premises of Cherry Hills Lodge, 5905 Dunn Road, Sturgeon Bay, WI 54325 on Friday, August 9, 2002. The meeting was called to order immediately following 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, Chair
Granite State Insurance Company
State Farm Insurance Company
Wisconsin Automobile Insurance Plan

REPRESENTATIVE

Bob Lindstedt
John Richardson
Charlie Echols
Greg Loman
Bob Cascioli
Gary Tribbey
Ken McIntosh
Chris Galvin
Ralph Herrmann
Donna Knepper
Cheryl Korth

Members Absent or Excused:

Hartford Fire Insurance Company
St. Paul Fire & Marine 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

Plan Manager Herrmann reported that a member carrier had expressed possible interest in becoming a LAD carrier, but would not make a decision until later in the year. This item is continued.

ITEM NUMBER 640 REVISED NEW PERSONAL ASSIGNMENT DISTRIBUTION
PROCEDURE

WAIP is anticipating recommendations in the Report of Examination. This item is continued with no action taken.

ITEM NUMBER 641 PROPOSED COMMERCIAL MANUAL REVISIONS

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

ITEM NUMBER 642 2001 COMMERCIAL RATE REVIEW

The Committee reviewed the commercial rate revision submitted by AIPSO. After discussion, the Committee voted to file a 13.8% overall rate increase to be effective November 1, 2002. This adjustment will align WAIP rates to be approximately two times ISO rates.

The last commercial rate revision was effective November 1, 1998. The Committee recommended that the rates be reviewed annually.

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

Plan Manager Herrmann reported that the OCI Report of Examination is not yet available.

ITEM NUMBER 648 AIPSO PROPOSAL – DISCONTINUATION OF PERFORMANCE
AUTO SURCHARGE PROGRAM

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

NEW BUSINESS

ITEM NUMBER 653 SERVICING CARRIER AUDIT

The Committee reviewed the results of the servicing carrier audit and accepted the audit for filing with the Office of the Commissioner of Insurance.

There were some inconsistencies noted in the audit. WAIP and the servicing carriers will meet to review and clarify audit procedures.

ITEM NUMBER 654 INCREASED LIMITS ISSUES

The Committee took action on the following increased limits issued:

- Adopted proposed “a” rates for Halverson Hazardous Transport, Inc. and Wampler Transport for filing with the OCI.
- To track with increased policy limits required by law, adopted a proposed increase in policy limits from \$750,000 to \$1,000,000 for filing with the OCI.

PLAN LETTER 670 – AUGUST 23, 2002 – PAGE 3

- Proposed increased limits factors from \$1,000,000 to \$5,000,000. The Committee voted to file these factors with the OCI for approval. The increased factors will be available for servicing carrier use only. These factors will only be applied when the insured is required to carry the higher limits by law and reinsurance cannot be obtained.

ITEM NUMBER 655 PROPOSED ENDORSEMENT AIP 11 88 05 02 COVERAGE FOR
DAMAGE TO YOUR AUTO EXCLUSION ENDORSEMENT

Endorsement AIP 11 88 05 02 – Coverage for Damage to Your Auto Exclusion was adopted for filing with the OCI. This endorsement is proposed to be effective upon approval.

WAIP was directed to contact AIPSO on the availability of this endorsement for commercial accounts.

ITEM NUMBER 652 WAIP 2002 BUDGET

By the unanimous consent of all members present, this item was reintroduced.

Each member was furnished with a copy of a revision to the 2002 WAIP Budget. The changes were minor and were adopted by the Committee.

ITEM NUMBER 656 WAIP AUDITED FINANCIAL STATEMENTS – YEARS ENDED
DECEMBER 31, 2001 AND 2000

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

Each member of the Committee was furnished with a copy of the WAIP Audit Financial Statements.

WAIP was requested to investigate a couple of minor issues and the report was accepted for filing with the OCI.

Donna Knepper