

**WISCONSIN
AUTOMOBILE
INSURANCE
PLAN**

P O BOX 3080
MILWAUKEE, WI 53201-3080
262-796-4599 Fax 262-796-4400

RALPH M. HERRMANN
MANAGER

CHERYL A. KORTH
PLAN ADMINISTRATOR

PLAN LETTER 695—AUGUST 18, 2006

TO: Members of the Plan

Minutes of the Wisconsin Automobile Insurance Plan Governing Committee meeting held in the premises of Lake Lawn Resort, 2400 East Geneva Street, Delavan, WI 53115 on Friday, August 11, 2006. 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
State Farm Insurance Company
Wisconsin Automobile Insurance Plan

REPRESENTATIVE

Bob Lindstedt
Jann Samarzja
Greg Loman
Jim Pousha
Dan Powers
John Hagen
Judy Semancik-Dodds
Vicki Danahey
Chris Galvin
Ralph Herrmann
Tad Cleveland
Donna Knepper

Also Present:

Liberty Mutual Insurance Company

Charlie Echols

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 680 AIPSO PROPOSAL—PLAN AMENDMENTS—APPENDIX

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

ITEM NUMBER 681 AIPSO PROPOSAL—DATA QUALITY AND ESTIMATION OF DATA
BY STATISTICAL AGENTS

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

ITEM NUMBER 685 RULE 24. TRUCKERS

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

ITEM NUMBER 686 WISCONSIN SRDP FINANCIAL STATEMENTS

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

ITEM NUMBER 687 WAIP AUDITED FINANCIAL STATEMENTS YEARS ENDED
DECEMBER 31, 2004 AND 2003

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

ITEM NUMBER 690 SERVICING CARRIER AUDIT—LIBERTY MUTUAL INSURANCE

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

ITEM NUMBER 691 WAIP 2006 BUDGET

The Committee was furnished with a copy of a recommendation from the Joint Finance Committee to adjust the percentages of charges shared with the Wisconsin Compensation Rating Bureau. The Committee accepted the proposed decrease in percentages of shared expenses.

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

ITEM NUMBER 619 PROPOSED LAD PROGRAM

The Committee reviewed the calculation of the carrier buy-out fee and agreed that the current process does not take into consideration the low private passenger volume in the Wisconsin residual market. WAIP will work with AIPSO to develop alternate buy-out procedures for Committee review.

This item is continued.

ITEM NUMBER 692 DEDICATED SERVICE, INC.

The Committee was advised that the final bankruptcy order has been received and the charge-off of \$572,164 has been processed.

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

NEW BUSINESS

ITEM NUMBER 653 SERVICING CARRIER AUDIT

The Committee was furnished with a copy AIPSO's proposed 2007 audit schedule and estimated budget. The Committee accepted the proposal and recommended that future proposals be reported as a line item in the budget.

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

ITEM NUMBER 693 AIPSO PROPOSAL—ACCOUNTING AND STATISTICAL
REQUIREMENTS MANUAL—RULE CHANGE

The Committee adopted AIPSO's proposed amendment to the Accounting and Statistical Requirements Manual, creating a penalty for overdue assessment payments. This will be filed with the Office of the Commissioner of Insurance for approval.

ITEM NUMBER 694 AIPSO PROPOSAL—REFORMAT OF WAIP MANUALS

The Committee adopted AIPSO's proposal to reformat both the Personal and the Commercial WAIP manuals and create one manual. AIPSO will be asked to prepare the proposal for filing with the Office of the Commissioner of Insurance.

This item is continued.

ITEM NUMBER 695 PROPOSED TO WAIP COMMERCIAL MANUAL—PUBLIC AUTO

The Committee reviewed a proposal to develop two new public auto classifications for elderly & handicap transportation and day care transportation by a for-profit organization or individual. These exposures are currently being classified as social service organizations.

AIPSO will be asked to create a new classification to enable the tracking of experience. AIPSO will also be asked to provide information on how other states are handling these exposures.

WAIP will also send a letter to the servicing carriers correcting some erroneous information in a letter dated March 4, 2004.

This item is continued.

ITEM NUMBER 696 AIPSO PROPOSAL—SRDP PREMIUM CHARGE-OFF
PROCEDURE

The Committee adopted AIPSO proposed Premium Charge-off Procedure and amendments to the Account & Statistical Requirements Manual for filing with the Office of the Commissioner of Insurance.

ITEM NUMBER 697 SERVICING CARRIER AUDIT—GRANITE STATE INSURANCE

The Committee reviewed AIPSO's servicing carrier audit report of Granite State Insurance Company. There was one outstanding issue with regard to an expense that was reported as ALAE. Granite State will provide additional detail. This item is continued pending further review by the Committee.

Liberty Mutual Insurance Company was not present for the discussion.

ITEM NUMBER 698 2005 WISCONSIN SRDP FINANCIAL STATEMENTS

The Committee requested clarification of some figures found in the Statutory Financial Statements August 31, 2005 and 2004 and Statements of Cash Receipts and Disbursements Accounted for by the Central Processor Years Ended August 31, 2005 and 2004. This item is continued.

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

ITEM NUMBER 699 WAIP AUDITED FINANCIAL STATEMENTS YEARS ENDED
DECEMBER 31, 2005 AND 2004

Each member of the Committee was furnished with a copy of the Wisconsin Automobile Insurance Plan Audited Financial Statements Years Ended December 31, 2005 and 2004 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 700 AIPSO PROPOSAL PRIVATE PASSENGER PHYSICAL DAMAGE
MODEL YEAR RATE REVISION

Each member of the Committee was furnished with a copy of the proposed model year rate revision. The following off-balance factors were applied to the latest available model year and symbol (Model Year 2006, Symbol 2) rates.

Comprehensive: .998
Collision: 1.036

This results in no overall premium change.

The Committee accepted the proposal for filing with the Office of the Commissioner of Insurance.

Donna Knepper
Executive Secretary