

PLAN LETTER 736—AUGUST 19, 2011

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 29, 2011. The meeting was called to order immediately upon adjournment of the Annual meeting with the following members present:

ORGANIZATION

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

REPRESENTATIVE

Jim Pousha
Greg Loman
Mike Donovan
Ethan Mowry
Mark Gustafson
Vicki Danahey
Bernie Rosauer
Tad Cleveland
Cheryl Korth
Donna Knepper
Michael Mann

Also Present:

Riegel Law

Paul Riegel

Members Absent or Excused:

American Family Insurance Company
Hanover Insurance Company
Liberty 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.”

UNFINISHED BUSINESS

ITEM NUMBER 729 2009 WISCONSIN ACT 28 – MANDATORY AUTOMOBILE INSURANCE

Many of the changes contemplated in Wisconsin Act 28 have been repealed. Mainly changes to policy limits and underinsured motorist coverage. The Committee directed WAIP staff to file necessary changes to rules and forms with the Office of the Commissioner of Insurance. Changes will be effective concurrent with the repeal effective November 1, 2011.

ITEM NUMBER 739 AIPSO PROPOSAL AVAILABILITY OF PLAN MANUAL

The increase to AIPSO's hard copy charge for the WAIP manual was approved by the Office of the Commissioner of Insurance.

WAIP staff and AIPSO representatives will meet by teleconference August 9 to discuss Web access to WAIP forms and manuals. Copyright issues with ISO and AIPSO will be addressed.

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

The Committee voted to reject AIPSO's manual change proposal to require that Committee representation by an elected carrier must be a salaried employee of the carrier or its member carrier. The following proposed amendment to Sec. 39. Administration in the WAIP Manual will be filed with the Office of the Commissioner of Insurance.

“Each company serving on the Committee shall designate a representative to act on its behalf.”

This filing will be proposed to be effective upon approval by the Office of the Commissioner of Insurance.

The current Committee structure and voting process will be discussed at the December meeting.

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

The Committee voted to reject AIPSO's proposal to require the servicing carrier to non-renew a policy if the policyholder is no longer represented by a producer of record. WI statute does not require producer representation for coverage through the Plan.

NEW BUSINESS

ITEM NUMBER 730 COMMERCIAL APPLICATIONS

This item was reintroduced.

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The Committee voted to adopt the revisions to the Truckers and Business Auto applications to track with the changes to the limits under WI mandatory automobile insurance regulations.

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

The Committee adopted proposed amendments to Sec. 17. Purposes of the WAIP/SRDP Plan; Sec. 18. Eligibility; Rule 103. Hired Autos; and Rule 104. Nonowned Auto Liability Coverage to clarify what premiums are charged for coverage for hired and non-owned exposure with multistate operations. This proposal will be filed with the Office of the Commissioner of Insurance to be effective upon approval.

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

The Committee adopted the following amendment to Sec. 5.B.2. Extent of Coverage – Filing of Policy and Endorsement Forms. This change clarifies that all required filings will be made on behalf of all member companies by WAIP.

“2. Filing of Policy and Endorsement Forms

Any required filings of policy or endorsement forms shall be made on behalf of all companies subscribing to this Plan by AIPSO. ~~For the purposes of such filings, each company subscribing to the Plan is a subscriber to AIPSO.~~ the Wisconsin Automobile Plan.”

This filing is proposed to be effective upon approval.

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

The Committee adopted AIPSO’s proposed correction to Sec. 40 of the Manual to include member company’s voluntary private passenger car years in the calculation of assessments. This correction will be filed with the Office of the Commissioner of Insurance.

ITEM NUMBER 746 AIPSO PROPOSAL – CUSTOM EQUIPMENT COVERAGE

The Committee accepted AIPSO’s proposed amendments to Rule 21 and Rule 31 to provide coverage for custom equipment. Rule 31 will be replace in its entirety. The filing proposes to:

- Cover all original manufacturer equipment on all eligible vehicles rated out of the Private Passenger Chapter.
- Cover custom equipment (other than original manufacturer equipment) on all eligible vehicles rated out of the Private Passenger Chapter up to \$1,500.
- Provide a buy-back for custom equipment above \$1,500.

This filing is proposed to be effective upon approval.

ITEM NUMBER 747 2010 WISCONSIN SRDP FINANCIAL STATEMENTS

The Committee accepted 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, 2010 and 2009 as prepared by KPMG. These statements will be filed with the Office of the Commissioner of Insurance on an informational basis.

ITEM NUMBER 748 WAIP AUDITED FINANCIAL STATEMENTS

The Committee accepted the WAIP Audited Financial Statements Years Ended December 31, 2010 and 2009 prepared by Reilly, Penner & Benton LLP. These statements will be filed with the Office of the Commissioner of Insurance on an informational basis.

Donna Knepper
Executive Secretary