

2011 DRAFTING REQUEST

Bill

Received: 11/17/2010

Received By: pkahler

Wanted: As time permits

Companion to LRB:

For: John Nygren (608) 266-2343

By/Representing: Waylon Hurlburt

May Contact:

Drafter: pkahler

Subject: Insurance - auto

Addl. Drafters: agary

Extra Copies:

Submit via email: YES

Requester's email: Rep.Nygren@legis.wisconsin.gov

Carbon copy (CC:) to: Tamara.Dodge@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Miscellaneous auto insurance changes

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 11/18/2010 agary 11/22/2010	kfollett 11/29/2010		_____			
/P1			rschluet 11/30/2010	_____	mbarman 11/30/2010		
/P2	pkahler 12/09/2010	kfollett 12/13/2010	jfrantze 12/14/2010	_____	cduerst 12/14/2010		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	agary 12/10/2010			_____			
/1	pkahler 12/22/2010 agary 12/23/2010	jdyer 12/28/2010	mduchek 01/03/2011	_____	mbarman 01/03/2011		
/2	pkahler 01/05/2011	kfollett 01/06/2011	jfrantze 01/06/2011	_____	mbarman 01/06/2011	mbarman 01/10/2011	

FE Sent For:

None

<END>

2011 DRAFTING REQUEST

Bill

Received: 11/17/2010

Received By: pkahler

Wanted: As time permits

Companion to LRB:

For: John Nygren (608) 266-2343

By/Representing: Waylon Hurlburt

May Contact:

Drafter: pkahler

Subject: Insurance - auto

Addl. Drafters: agary

Extra Copies:

Submit via email: YES

Requester's email: Rep.Nygren@legis.wisconsin.gov

Carbon copy (CC:) to: Tamara.Dodge@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Miscellaneous auto insurance changes

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 11/18/2010 agary 11/22/2010	kfollett 11/29/2010		_____ _____ _____ _____			
/P1			rschluet 11/30/2010	_____ _____	mbarman 11/30/2010		
/P2	pkahler 12/09/2010	kfollett 12/13/2010	jfrantze 12/14/2010	_____ _____	cduerst 12/14/2010		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	agary 12/10/2010			_____			
/1	pkahler 12/22/2010	jdyer 12/28/2010	mduchek 01/03/2011	_____	mbarman 01/03/2011		
	agary 12/23/2010			_____			
/2	pkahler 01/05/2011	kfollett 01/06/2011	jfrantze 01/06/2011	_____	mbarman 01/06/2011		

FE Sent For:

<END>

2011 DRAFTING REQUEST

Bill

Received: 11/17/2010

Received By: pkahler

Wanted: As time permits

Companion to LRB:

For: John Nygren (608) 266-2343

By/Representing: Waylon Hurlburt

May Contact:

Drafter: pkahler

Subject: Insurance - auto

Addl. Drafters: agary

Extra Copies:

Submit via email: YES

Requester's email: Rep.Nygren@legis.wisconsin.gov

Carbon copy (CC:) to: Tamara.Dodge@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Miscellaneous auto insurance changes

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 11/18/2010 agary 11/22/2010	kfollett 11/29/2010		_____			
/P1			rschluet 11/30/2010	_____	mbarman 11/30/2010		
/P2	pkahler 12/09/2010	kfollett 12/13/2010 12/15/116	jfrantze 12/14/2010	_____	cduerst 12/14/2010		

Handwritten signatures and initials:
- A large signature over the 'Proofed' column for P2.
- Initials 'J' and '12/14' near the bottom right.

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	agary 12/10/2010			_____			
/1	pkahler 12/22/2010	jdyer 12/28/2010	mduchek 01/03/2011	_____	mbarman 01/03/2011		
	agary 12/23/2010			_____			

FE Sent For:

<END>

2011 DRAFTING REQUEST

Bill

Received: 11/17/2010

Received By: pkahler

Wanted: As time permits

Companion to LRB:

For: John Nygren (608) 266-2343

By/Representing: Waylon Hurlburt

May Contact:

Drafter: pkahler

Subject: Insurance - auto

Addl. Drafters: agary

Extra Copies:

Submit via email: YES

Requester's email: Rep.Nygren@legis.wisconsin.gov

Carbon copy (CC:) to: Tamara.Dodge@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Miscellaneous auto insurance changes

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 11/18/2010 agary 11/22/2010	kfollett 11/29/2010 1/12/28 jld		_____			
/P1			rschluet 11/30/2010	_____	mbarman 11/30/2010		
/P2	pkahler 12/09/2010	kfollett 12/13/2010	jfrantze 12/14/2010 1/1/10	_____	cduerst 12/14/2010		

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

agary
12/10/2010

FE Sent For:

<END>

2011 DRAFTING REQUEST

Bill

Received: 11/17/2010

Received By: pkahler

Wanted: As time permits

Companion to LRB:

For: John Nygren (608) 266-2343

By/Representing: Waylon Hurlburt

May Contact:

Drafter: pkahler

Subject: Insurance - auto

Addl. Drafters: agary

Extra Copies:

Submit via email: YES

Requester's email: Rep.Nygren@legis.wisconsin.gov

Carbon copy (CC:) to: Tamara.Dodge@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Miscellaneous auto insurance changes

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 11/18/2010 agary 11/22/2010	kfollett 11/29/2010 1/2/13 12/13		_____			
/P1			rschluet 11/30/2010	_____	mbarman 11/30/2010		

FE Sent For:

Handwritten signatures and dates:
12/13
12/13

2011 DRAFTING REQUEST

Bill

Received: 11/17/2010

Received By: **pkahler**

Wanted: **As time permits**

Companion to LRB:

For: **John Nygren (608) 266-2343**

By/Representing: **Waylon Hurlburt**

May Contact:

Drafter: **pkahler**

Subject: **Insurance - auto**

Addl. Drafters: **agary**

Extra Copies: **EVM**

Submit via email: **YES**

Requester's email: **Rep.Nygren@legis.wisconsin.gov**

Carbon copy (CC:) to: **Tamara.Dodge@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given


Topic:

Miscellaneous auto insurance changes

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler	1P/15f 11/29		==			

FE Sent For:

<END>

Kahler, Pam

From: Hurlburt1, Waylon
Sent: Tuesday, November 16, 2010 3:46 PM
To: Kahler, Pam
Subject: Auto Insurance Repeal Bill Draft

Pam,

I think you would be drafting this bill, you did last session, but if not could you forward it to who is?

We are looking for a draft similar to 2009 ASA 1 to AB 525 which repeals the automobile changes in 2009 Act 28 with these modifications:

ARG • Bodily Injury would be \$30,000/\$60,000 → for financial responsibility
 ✓ UM Coverage \$30,000/\$60,000
 ✓ UIM Coverage \$60,000/\$120,000

✓ • UM and UIM would continue to be mandatory.

✓ • Stacking all together of any coverage would be repealed. (previous law)
 (b)(d), (e), (f)

✓ • Med. Pay would be returned to \$1,000 minimum. (previous law)

✓ • The so-called "reducing clause" which would be returned to what it was prior to WI Act 28. (b)(g)

ARG • Indexing is gone, done away with, back to prior law previous to Act 28.

✓ • There is a provision in Act 28 that didn't allow insurers to put consumers in high-risk pools if they didn't have insurance prior to purchasing a policy. Effective June 1, 2011 the bill draft would allow insurers to do this again because by that time consumers have been breaking the law for one year by not purchasing insurance making Act 28 ineffective. (previous law on June 1, 2011) amend or repeal?

✓ • Define *independent third party* as it relates to hit and run claims. We don't want the independent third party to have been a passenger in the car that is making the claim. There is fraud already occurring do to this law change. It needs to be an independent third party not having been involved in the accident.

Call or email with any questions.

Thanks a lot Pam.

Waylon Hurlburt
Research Assistant
Office of John Nygren
State Representative
89th Assembly District
(888)534-0089

Kahler, Pam

From: Hurlburt1, Waylon
Sent: Wednesday, November 17, 2010 3:56 PM
To: Kahler, Pam
Subject: RE: Questions on draft

- 1) Yes
- 2) Yes
- 3) Yes
- 4) Yes

Thanks Pam,

Waylon

From: Kahler, Pam
Sent: Wednesday, November 17, 2010 3:48 PM
To: Hurlburt1, Waylon
Subject: Questions on draft

Hi, Waylon:

I'll be drafting the auto insurance changes and I have a few questions.

- 1) I think it would make more sense to amend the statute as it currently exists, so I need to know if there are any definitions that you specifically do not want. Since we'll be getting rid of the umbrella excess liability policy provisions, I'll get rid of those definitions. Right?
- 2) The definitions for med pay and UM are the same as in former law (except with the change for "nonhit-and-run"), just placed in the separate definitions section, so I assume you want to keep those. Right?
- 3) UIM was not defined before, so do you want to get rid of the new definition?
- 4) Are the limits for bodily injury (30,000/60,000) intended to be the new limits for financial responsibility?

Thanks,
Pam

Pamela J. Kahler
Legislative Attorney
Legislative Reference Bureau
608-266-2682

Kahler, Pam

From: Hurlburt1, Waylon
Sent: Thursday, November 18, 2010 11:40 AM
To: Kahler, Pam
Subject: RE: Auto insurance draft

Repeal the section and don't explicitly write anything about it. I think that was the way it was previously.

We don't want to be in the position of forcing insurers to do it. We just want to allow it to happen because it seems reasonable to do if the driver was breaking the law. Also, it could be looked at as an incentive to buy insurance.

Thanks Pam.

From: Kahler, Pam
Sent: Thursday, November 18, 2010 11:23 AM
To: Hurlburt1, Waylon
Subject: Auto insurance draft

Hi, Waylon:

Another question. Do you want to explicitly allow insurers to place individuals who have not previously had insurance in a high-risk category by amending s. 632.355? If I simply repeal the section, insurers could (and probably would) do so.

Pam

Pamela J. Kahler
Legislative Attorney
Legislative Reference Bureau
608-266-2682



in
11/22



LRB-0524

PJK+ARG: jgf
jid

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

D-note
PWF - inserts
are
where indicated

1 AN ACT ^{general}; relating to: automobile insurance coverage limits, permissible policy
2 provisions, and proof of financial responsibility.

Insert
ANAL
ARG

Analysis by the Legislative Reference Bureau

Uninsured motorist and medical payments coverages

Before the biennial budget act, all motor vehicle liability insurance policies were required to include uninsured motorist coverage in limits of at least \$25,000 per person and \$50,000 per accident and medical payments coverage in the amount of at least \$1,000 per person, although an insured could reject medical payments coverage. Uninsured motorist coverage provides coverage for persons who are legally entitled to recover damages for bodily injury from owners or operators of motor vehicles that are not insured. Medical payments coverage pays for medical or chiropractic services provided to persons who are injured while using the insured motor vehicle. Starting on November 1, 2009, as a result of provisions in the biennial budget act, the minimum limits for uninsured motorist coverage that motor vehicle liability insurance policies must include, except for those written by town mutuals, is \$100,000 per person and \$300,000 per accident and the minimum limits for medical payments coverage that those policies must include is \$10,000. This bill changes the required minimum limits to \$30,000 per person and \$60,000 per accident for uninsured motorist coverage and back to \$1,000 per person for medical payments coverage.

Underinsured motorist coverage

Before the biennial budget act, motor vehicle liability insurance policies did not have to include underinsured motorist coverage but insurers were required to

provide written notice of the availability of that coverage and, if an insured accepted underinsured motorist coverage after receiving notice of its availability, the policy had to include the coverage in limits of at least \$50,000 per person and \$100,000 per accident. Underinsured motorist coverage provides coverage for persons who are legally entitled to recover damages for bodily injury from owners or operators of underinsured motor vehicles. "Underinsured motor vehicle" was not defined in the statutes.

The biennial budget act eliminated the requirement to provide notice of the availability of underinsured motorist coverage and required, starting on November 1, 2009, every motor vehicle liability insurance policy, except for those written by town mutuals, to include that coverage in limits of at least \$100,000 per person and \$300,000 per accident. In addition, current law now defines an underinsured motor vehicle as a motor vehicle that is involved in an accident with an insured and which, at the time of the accident, was covered by a motor vehicle liability insurance policy with limits that are less than the amount needed to fully compensate the insured for his or her damages. The bill eliminates the definition of an underinsured motor vehicle, retains the requirement that the coverage be provided in every motor vehicle liability insurance policy, except for those written by town mutuals, and reduces the minimum required limits to \$60,000 per person and \$120,000 per accident.

Umbrella and excess liability insurance policies

Current law, as a result of provisions in the biennial budget act, requires an insurer, except for a town mutual, that writes umbrella or excess liability policies that cover motor vehicle liability to make a written offer of both uninsured motorist coverage and underinsured motorist coverage whenever application is made for such an umbrella or excess liability policy. An applicant or insured may reject the coverage, but must do so in writing. If an insurer fails to provide a required written offer of uninsured or underinsured motorist coverage and the umbrella or excess liability policy does not include the coverage, or coverages, for which an offer was not given, a court must, on the request of the insured, reform the policy to include the coverage or coverages with the same limits as the liability coverage limits under the policy. The bill restores former law by eliminating the requirement that an insurer writing an umbrella or excess liability policy make a written offer of uninsured motorist coverage and underinsured motorist coverage.

and the requirement that a court must reform such a policy to include other coverage

Miscellaneous motor vehicle insurance provisions

Current law, as a result of provisions in the biennial budget act, defines an uninsured motor vehicle as including an unidentified motor vehicle involved in an accident with the insured, provided that an independent third party provides evidence in support of the unidentified motor vehicle's involvement in the accident. The bill adds that the independent third party may not be an individual who is involved in the accident.

Current law, as a result of provisions in the biennial budget act, makes a number of formerly permissible provisions prohibited in a motor vehicle liability insurance policy. The substitute amendment restores former law, making the following provisions permissible in a motor vehicle liability insurance policy:

not only an unidentified motor vehicle involved in a hit-and-run accident with an insured but also

that is simply

bill

1. Providing that, regardless of the number of policies, persons, or vehicles involved, the limits for any coverage under the policy may not be added to the limits for similar coverage applying to other motor vehicles to determine an overall limit of coverage available for a person in any one accident.

2. Providing that the maximum amount of uninsured or underinsured motorist coverage available for bodily injury or death suffered by a person not using a motor vehicle in an accident (such as a pedestrian) is the highest single limit of uninsured or underinsured motorist coverage for any vehicle with respect to which the person is insured at the time of the accident.

3. Providing that the maximum amount of medical payments coverage available for bodily injury or death suffered by a person not using a motor vehicle in an accident is the highest single limit of medical payments coverage for any vehicle with respect to which the person is insured at the time of the accident.

4. Providing that the limits under the policy for uninsured or underinsured motorist coverage for bodily injury or death resulting from an accident shall be reduced by amounts paid or payable by or on behalf of a person or organization that is legally responsible for the bodily injury or death; amounts paid or payable under any worker's compensation law; or amounts paid or payable under any disability benefits laws.

Current law provides that an insurer may not place an applicant for motor vehicle insurance in a high-risk category on the basis that the applicant has not previously had motor vehicle insurance. The bill removes this prohibition as of the effective date of the bill or June 1, 2011, whichever is later.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

Insert
3+1
ARL

1 SECTION 1. 631.43 (3) of the statutes is amended to read:

2 631.43 (3) EXCEPTION. Subsection (1) does not affect the rights of insurers to
3 limit ~~or~~, restrict, reduce, or exclude coverage under s. 632.32 (5) (b) ~~or~~, (c), or (f) to (j).

History: 1975 c. 375; 1979 c. 102; 1995 a. 21; 2009 a. 28.

4 SECTION 2. 632.32 (2) (ag) of the statutes is repealed.

5 SECTION 3. 632.32 (2) (cm) of the statutes is repealed.

6 SECTION 4. 632.32 (2) (d) of the statutes is repealed.

7 SECTION 5. 632.32 (2) (e) of the statutes is repealed.

8 SECTION 6. 632.32 (2) (g) 2. of the statutes is amended to read:

1 632.32 (2) (g) 2. Except as provided in subd. 3., an unidentified motor vehicle,
 2 provided that an independent 3rd party who was not involved in the accident
 3 provides evidence in support of the unidentified motor vehicle's involvement in the
 4 accident.

History: 1975 c. 375, 421; 1979 c. 102, 104; 1979 c. 177 ss. 67, 68; 1979 c. 221; 1981 c. 284; 1983 a. 243, 459; 1985 a. 146 s. 8; 1995 a. 21, 448; 1997 a. 48; 1999 a. 31, 162; 2007 a. 168; 2009 a. 28, 342.

5 **SECTION 7.** 632.32 (4) (a) 1. of the statutes is amended to read:

6 632.32 (4) (a) 1. Excluding a policy written by a town mutual organized under
 7 ch. 612, uninsured motorist coverage, in limits of at least \$100,000 \$30,000 per
 8 person and \$300,000 \$60,000 per accident.

History: 1975 c. 375, 421; 1979 c. 102, 104; 1979 c. 177 ss. 67, 68; 1979 c. 221; 1981 c. 284; 1983 a. 243, 459; 1985 a. 146 s. 8; 1995 a. 21, 448; 1997 a. 48; 1999 a. 31, 162; 2007 a. 168; 2009 a. 28, 342.

9 **SECTION 8.** 632.32 (4) (a) 2m. of the statutes is amended to read:

10 632.32 (4) (a) 2m. Excluding a policy written by a town mutual organized under
 11 ch. 612, underinsured motorist coverage, in limits of at least \$100,000 \$60,000 per
 12 person and \$300,000 \$120,000 per accident.

History: 1975 c. 375, 421; 1979 c. 102, 104; 1979 c. 177 ss. 67, 68; 1979 c. 221; 1981 c. 284; 1983 a. 243, 459; 1985 a. 146 s. 8; 1995 a. 21, 448; 1997 a. 48; 1999 a. 31, 162; 2007 a. 168; 2009 a. 28, 342.

13 **SECTION 9.** 632.32 (4) (a) 3m. of the statutes is amended to read:

14 632.32 (4) (a) 3m. Medical payments coverage, in the amount of at least \$10,000
 15 \$1,000 per person. Coverage written under this subdivision may be excess coverage
 16 over any other source of reimbursement to which the insured person has a legal right.

History: 1975 c. 375, 421; 1979 c. 102, 104; 1979 c. 177 ss. 67, 68; 1979 c. 221; 1981 c. 284; 1983 a. 243, 459; 1985 a. 146 s. 8; 1995 a. 21, 448; 1997 a. 48; 1999 a. 31, 162; 2007 a. 168; 2009 a. 28, 342.

17 **SECTION 10.** 632.32 (4) (d) of the statutes is repealed.

18 **SECTION 11.** 632.32 (4r) of the statutes is repealed.

19 **SECTION 12.** 632.355 of the statutes is repealed.

20 **SECTION 13. Initial applicability.**

21 (1) The treatment of sections 631.43 (3) and 632.32 (2) (ag), (cm), (d), and (e),
 22 (4) (a) 1., 2m., and 3m. and (d), (4r), and (6) (d), (e), (f), and (g) of the statutes first

121.555(2)(a), 344.01(2)(am) and (d), 344.11, 344.15(1)(intro.), (a) and (b), 344.33(2), 344.33(2)(a), (b), and (c), 344.55(1)(intro.)

Subject 4-4

Subject 4-18

and (g) 2.

1 applies to motor vehicle insurance policies that are newly issued or renewed on the
2 effective date of this subsection.

3 *create auto ref B* (2) The treatment of section 632.355 of the statutes first applies to motor
4 vehicle insurance policies that are newly issued or renewed on the effective date of
5 this subsection.

6 **SECTION 14. Effective dates.** This act takes effect on the day after publication,
7 except as follows:

8 (1) The treatment of section 632.355 of the statutes and SECTION ~~13~~ (2) of this *auto ref A*
9 act take effect on June 1, 2011, or on the day after publication, whichever is later. *auto ref B*

10

(END)

D - note

Insert 4-4
✓

Section #. 632.32 (4) (a) (intro.) of the statutes is amended to read:

632.32 (4) (a) (intro.) ~~Except as provided in par. (d), every~~ ^{Every} policy of insurance subject to this section that insures with respect to any owned motor vehicle registered or principally garaged in this state against loss resulting from liability imposed by law for bodily injury or death suffered by any person arising out of the ownership, maintenance, or use of a motor vehicle shall contain therein or supplemental thereto provisions for all of the following coverages:

History: 1975 c. 375, 421; 1979 c. 102, 104; 1979 c. 177 ss. 67, 68; 1979 c. 221; 1981 c. 284; 1983 a. 243, 459; 1985 a. 146 s. 8; 1995 a. 21, 448; 1997 a. 48; 1999 a. 31, 162; 2007 a. 168; 2009 a. 28, 342.

(end of ins 4-4)

Insert 4-18 102

1 renewed to the person by that insurer unless an insured under the policy
2 subsequently requests such underinsured motorist coverage in writing.

3 (d) If an insured who is notified under par. (a) accepts underinsured motorist
4 coverage, the insurer shall include the coverage under the policy just delivered to the
5 insured in limits of at least \$50,000 per person and \$100,000 per accident.

6 SECTION 31. 632.32 (4r) of the statutes, as created by 2009 Wisconsin Act 28,
7 is repealed.

8 SECTION 32. 632.32 (6) (d) of the statutes, as affected by 2009 Wisconsin Act 28,
9 is renumbered 632.32 (5) (f) and amended to read:

10 632.32 (5) (f) No A policy may provide that, regardless of the number of policies
11 involved, vehicles involved, persons covered, claims made, vehicles or premiums
12 shown on the policy, or premiums paid, the limits for any ~~uninsured motorist~~
13 ~~coverage or underinsured motorist~~ coverage under the policy may not be added to the
14 limits for similar coverage applying to other motor vehicles to determine the limit of
15 insurance coverage available for bodily injury or death suffered by a person in any
16 one accident, ~~except that a policy may limit the number of motor vehicles for which~~
17 ~~the limits for coverage may be added to 3 vehicles.~~

18 SECTION 33. 632.32 (6) (e) of the statutes, as affected by 2009 Wisconsin Act 28,
19 is renumbered 632.32 (5) (g) and amended to read:

20 632.32 (5) (g) No A policy may provide that the maximum amount of uninsured
21 motorist coverage or underinsured motorist coverage available for bodily injury or
22 death suffered by a person who was not using a motor vehicle at the time of an
23 accident is any the highest single limit of uninsured motorist coverage or
24 underinsured motorist coverage, whichever is applicable, for any motor vehicle with

put

↓

↓

put

↓

Ins 4-18 contd 2012

respect to which the person is insured, ~~except that a policy may limit the number of motor vehicles for which coverage limits may be added to 3 vehicles.~~

SECTION 34. 632.32 (6) (f) of the statutes, ⁴ as affected by 2009 Wisconsin Act 28,

is renumbered 632.32 (5) (h) and amended to read:

632.32 (5) (h) ~~No~~ A policy may provide that the maximum amount of medical payments coverage available for bodily injury or death suffered by a person who was not using a motor vehicle at the time of an accident is ~~any~~ the highest single limit of medical payments coverage for any motor vehicle with respect to which the person is insured, ~~except that a policy may limit the number of motor vehicles for which medical payments coverage limits may be added to 3 vehicles.~~

SECTION 35. 632.32 (6) (g) of the statutes, ⁴ as affected by 2009 Wisconsin Act 28,

is renumbered 632.32 (5) (i), and 632.32 (5) (i) (intro.), as renumbered, is amended to read:

632.32 (5) (i) (intro.) ~~No~~ A policy may provide that the limits under the policy for uninsured motorist coverage or underinsured motorist coverage for bodily injury or death resulting from any one accident shall be reduced by any of the following that apply:

SECTION 36. Initial applicability.

(1) This act first applies to motor vehicle insurance policies issued or renewed on the effective date of this subsection.

SECTION 37. Effective date.

(1) This act takes effect on November 1, 2009, or on the day after publication, whichever is later.

(END) of insert 4-18)

PUF
↓

PUF

PUF

3

11



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 AN ACT *to repeal* 227.01 (13) (zz), 344.01 (2) (am), 344.11, 632.32 (2) (ag), 632.32
2 (2) (am), 632.32 (2) (cm), 632.32 (2) (d), 632.32 (2) (e), 632.32 (2) (f), 632.32 (2)
3 (g), 632.32 (4) (a) 2m., 632.32 (4) (bc), 632.32 (4) (d) and 632.32 (4r); *to*
4 *renumber and amend* 344.33 (2), 632.32 (4) (a) (intro.), 632.32 (4) (a) 3m.,
5 632.32 (4) (c), 632.32 (6) (d), 632.32 (6) (e), 632.32 (6) (f) and 632.32 (6) (g); *to*
6 *consolidate, renumber and amend* 344.15 (1) (intro.), (a) and (b); *to amend*
7 121.555 (2) (a), 344.01 (2) (d), 344.55 (1) (intro.), 631.43 (3) and 632.32 (4) (a)
8 1.; and *to create* 344.33 (2) (a), 344.33 (2) (b), 344.33 (2) (c), 632.32 (4) (a) (title),
9 632.32 (4) (a) 2. and 632.32 (4m) of the statutes; **relating to:** automobile
10 insurance coverage limits and proof of financial responsibility.

Analysis by the Legislative Reference Bureau

Proof of financial responsibility

Under former law, prior to 2009 Wisconsin Act 28 (the biennial budget act), motor vehicles operated in this state were not required to be covered by policies of bodily injury and property damage liability insurance, but owners and operators of motor vehicles involved in accidents were subject to certain financial responsibility

*insert
ARC -
PJK*

requirements. The biennial budget act retained and modified these financial responsibility requirements following a motor vehicle accident while also requiring insurance coverage for motor vehicles operated in this state.

Under current law, if a motor vehicle accident results in injury, death, or property damage of \$1,000 or more, the Department of Transportation (DOT) is required to notify the operator and owner of the vehicle involved in the accident that the person must deposit with DOT security for the accident in an amount specified by DOT, which DOT has determined is sufficient to satisfy any judgment for damages resulting from the accident. Unless an exception applies, if a person fails to timely deposit security after this notice, DOT must suspend the person's operating privilege if the person was the vehicle operator and suspend all vehicle registrations of the person if the person was the vehicle owner. One of the exceptions is that the person provides proof of financial responsibility. In addition, if DOT receives a certified copy of a judgment for damages of \$500 or more arising out of a motor vehicle accident, DOT must immediately suspend the operating privilege and all registrations of the person against whom the judgment was rendered unless the person can provide proof of financial responsibility. In both situations, proof of financial responsibility includes coverage under a motor vehicle liability insurance policy with the following minimum limits for any single accident:

1. Before January 1, 2010, \$25,000 for bodily injury to or death of one person, \$50,000 for bodily injury to or death of more than one person, and \$10,000 for property damage.
2. From January 1, 2010, to December 31, 2016, \$50,000 for bodily injury to or death of one person, \$100,000 for bodily injury to or death of more than one person, and \$15,000 for property damage.
3. After December 31, 2016, the limits specified in item 2., above, adjusted for inflation and published by DOT.

This bill ~~restores former law by~~ decreasing ^{es} the minimum limits required under a policy that is acceptable proof of financial responsibility to ~~the limits applicable before the biennial budget act~~ ^{\$30,000} for bodily injury to or death of one person, ~~\$50,000~~ ^{\$60,000} for bodily injury to or death of more than one person, and \$10,000 for property damage. *The bill also eliminates inflation adjustments for these limits.*

This bill does not eliminate the provisions of the biennial budget act that, as of June 1, 2010, prohibit a person from operating a motor vehicle in this state unless the owner or operator has a motor vehicle liability insurance policy in effect with respect to the motor vehicle. However, the bill affects these provisions by reducing the required coverage from the minimum limits specified in items 1. to 3., above, to ~~the applicable minimum limits for proof of financial responsibility under former law~~ ^{\$30,000} for bodily injury to or death of one person, ~~\$50,000~~ ^{\$60,000} for bodily injury to or death of more than one person, and \$10,000 for property damage.

~~Uninsured motorist and medical payments coverages~~

~~Under former law, all motor vehicle liability insurance policies were required to include uninsured motorist coverage in limits of at least \$25,000 per person and \$50,000 per accident and medical payments coverage in the amount of at least \$1,000 per person. Uninsured motorist coverage provides coverage for persons who are~~

insert ANAL-ARG

*

\$60,000

\$30,000

end insert

ups. p. 3 is not here we don't use it

coverage, but must do so in writing. If an insurer fails to provide a required written offer of uninsured or underinsured motorist coverage and the umbrella or excess liability policy does not include the coverage, or coverages, for which an offer was not given, a court must, on the request of the insured, reform the policy to include the coverage or coverages with the same limits as the liability coverage limits under the policy. The bill restores former law by eliminating the requirement that an insurer writing an umbrella or excess liability policy make a written offer of uninsured motorist coverage and underinsured motorist coverage. Based on case law before the biennial budget act, the effect is likely to be that all of the requirements that apply to motor vehicle liability insurance policies will also apply to umbrella and excess liability insurance policies that cover a motor vehicle's liability.

Miscellaneous motor vehicle insurance provisions

Current law, as a result of provisions in the biennial budget act, makes a number of formerly permissible provisions prohibited in a motor vehicle liability insurance policy. The bill restores former law, making the following provisions permissible in a motor vehicle liability insurance policy:

1. Providing that, regardless of the number of policies, persons, or vehicles involved, the limits for any coverage under the policy may not be added to the limits for similar coverage applying to other motor vehicles to determine an overall limit of coverage available for a person in any one accident.

2. Providing that the maximum amount of uninsured or underinsured motorist coverage available for bodily injury or death suffered by a person not using a motor vehicle in an accident (such as a pedestrian) is the highest single limit of uninsured or underinsured motorist coverage for any vehicle with respect to which the person is insured at the time of the accident.

3. Providing that the maximum amount of medical payments coverage available for bodily injury or death suffered by a person not using a motor vehicle in an accident is the highest single limit of medical payments coverage for any vehicle with respect to which the person is insured at the time of the accident.

4. Providing that the limits under the policy for uninsured or underinsured motorist coverage for bodily injury or death resulting from an accident shall be reduced by amounts paid or payable by or on behalf of a person or organization that is legally responsible for the bodily injury or death; amounts paid or payable under any worker's compensation law; or amounts paid or payable under any disability benefits laws.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 121.555 (2) (a) of the statutes is amended to read:

121.555 (2) (a) *Insurance.* If the vehicle is owned or leased by a school or a school bus contractor, or is a vehicle authorized under sub. (1) (b), it shall comply with

Insert
3-1
ARG
1
2
3

insert 3-1 ARG cont'd

1 s. 121.53. If the vehicle is transporting 9 or less fewer persons in addition to the
 2 operator and is not owned or leased by a school or by a school bus contractor, it shall
 3 be insured by a policy providing property damage coverage with a limit of not less
 4 than \$10,000 and bodily injury liability coverage with limits, ~~as of the policy's~~
 5 ~~effective date, equal to or greater than the minimum liability limits, as defined in s.~~
 6 344.01 (2) (am) ^{30 ✓} of not less than ~~\$25,000~~ for each person, and, subject to the limit for
 7 each person, a total limit of not less than ~~\$50,000~~ ^{6 ✓} for each accident.

8 SECTION 2. 227.01 (13) (zz) ⁴ of the statutes is repealed.

9 SECTION 3. 344.01 (2) (am) ⁴ of the statutes is repealed.

10 SECTION 4. 344.01 (2) (d) [✓] of the statutes is amended to read:

11 344.01 (2) (d) "Proof of financial responsibility" or "proof of financial
 12 responsibility for the future" means proof of ability to respond in damages for
 13 liability on account of accidents occurring subsequent to the effective date of such
 14 proof, arising out of the maintenance or use of a motor vehicle, in ~~an~~ the amount, ~~as~~
 15 ~~of the date that proof is furnished to the department, equal to or greater than the~~
 16 minimum liability limits ^{30 ✓} \$25,000 because of bodily injury to or death of one person
 17 in any one accident and, subject to that limit for one person, in the amount of ^{6 ✓} \$50,000
 18 because of bodily injury to or death of 2 or more persons in any one accident and in
 19 the amount of \$10,000 because of injury to or destruction of property of others in any
 20 one accident. X

21 SECTION 5. 344.11 of the statutes is repealed.

22 SECTION 6. 344.15 (1) (intro.), (a) and (b) of the statutes are consolidated,
 23 renumbered 344.15 (1) and amended to read:

24 344.15 (1) No policy or bond is effective under s. 344.14 unless ~~all of the~~
 25 ~~following apply:~~ (a) ~~The policy or bond is issued by an insurer authorized to do an~~

SECTION 6

1 automobile liability or surety business in this state, except as provided in sub. (2)-
 2 ~~(b) The limits of liability under the, or unless the policy or bond, as of the date of the~~
 3 ~~accident, are equal to or greater than the minimum liability limits is subject, if the~~
 4 ~~accident has resulted in bodily injury or death, to a limit, exclusive of interest and~~
 5 ~~costs, of not less than \$25,000 because of bodily injury to or death of one person in~~
 6 ~~any one accident and, subject to that limit for one person, to a limit of not less than~~
 7 ~~\$50,000 because of bodily injury to or death of 2 or more persons in any one accident~~
 8 ~~and, if the accident has resulted in injury to or destruction of property, to a limit of~~
 9 ~~not less than \$10,000 because of injury to or destruction of property of others in any~~
 10 ~~one accident.~~

11 SECTION 7. 344.33 (2) of the statutes is renumbered 344.33 (2) (intro.) and
 12 amended to read:

13 344.33 (2) MOTOR VEHICLE LIABILITY POLICY. (intro.) A motor vehicle policy of
 14 liability insurance shall insure the person named therein using any motor vehicle
 15 with the express or implied permission of the owner, or shall insure any motor vehicle
 16 owned by the named insured and any person using such motor vehicle with the
 17 express or implied permission of the named insured, against loss from the liability
 18 imposed by law for damages arising out of the maintenance or use of the motor
 19 vehicle within the United States of America or the Dominion of Canada, subject to
 20 the minimum liability following limits, exclusive of interest and costs, with respect
 21 to each such motor vehicle.;

22 SECTION 8. 344.33 (2) (a) of the statutes is created to read:

23 344.33 (2) (a) ~~Twenty-five~~ ^{Thirty} thousand dollars because of bodily injury to or death
 24 of one person in any one accident.

25 SECTION 9. 344.33 (2) (b) of the statutes is created to read:

insert 3-1 ACG cont'd

1

344.33 (2) (b) Subject to the limit under par. (a) for one person, \$~~50,000~~^{6 ✓} because of bodily injury to or death of 2 or more persons in any one accident.

2

3

SECTION 10. 344.33 (2) (c) of the statutes is created to read:

4

344.33 (2) (c) Ten thousand dollars because of injury to or destruction of property of others in any one accident.

6

SECTION 11. 344.55 (1) (intro.) of the statutes is amended to read:

7

344.55 (1) (intro.) No motor vehicle may be used as a human service vehicle unless a policy of bodily injury and property damage liability insurance, issued by an insurer authorized to transact business in this state, is maintained thereon. The policy shall provide property damage liability coverage with a limit of not less than \$10,000. The policy also shall provide bodily injury liability coverage with limits, as of the policy's effective date, of at least the minimum liability limits or, if greater, of not less than \$75,000 for each person and, subject to such limit for each person, total limits as follows:

9

14

15

~~SECTION 12. 631.43 (3) of the statutes is amended to read:~~

16

~~631.43 (3) EXCEPTION. Subsection (1) does not affect the rights of insurers to exclude, limit, or restrict reduce coverage under s. 632.32 (5) (b) or (c), or (f) to (j).~~

17

18

~~SECTION 13. 632.32 (2) (ag) of the statutes is repealed.~~

19

~~SECTION 14. 632.32 (2) (am) of the statutes is repealed.~~

20

~~SECTION 15. 632.32 (2) (cm) of the statutes is repealed.~~

21

~~SECTION 16. 632.32 (2) (d) of the statutes is repealed.~~

22

~~SECTION 17. 632.32 (2) (e) of the statutes is repealed.~~

23

~~SECTION 18. 632.32 (2) (f) of the statutes is repealed.~~

24

~~SECTION 19. 632.32 (2) (g) of the statutes is repealed.~~

25

~~SECTION 20. 632.32 (4) (a) (title) of the statutes is created to read:~~

insert 3-1 ARGG cont'd

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0524/7dn

PJK:...

Date

✓
Do you want to tighten-up the language in s. 632.32 (2) (g) 2.? There could still be collusion between a driver in an accident and someone not involved in the accident, such as a relative or friend who is willing to stretch the truth or commit perjury. But if you prohibit relatives or acquaintances of the driver from providing evidence, you could be eliminating many potential honest witnesses.

X Note that I kept the definition of "underinsured motorist coverage" but repealed the definition of "underinsured motor vehicle" OK?

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0524/P1dn
PJK:kjfrs

November 30, 2010

Do you want to tighten-up the language in s. 632.32 (2) (g) 2.? There could still be collusion between a driver in an accident and someone not involved in the accident, such as a relative or friend who is willing to stretch the truth or commit perjury. But if you prohibit relatives or acquaintances of the driver from providing evidence, you could be eliminating many potential honest witnesses.

Note that I kept the definition of "underinsured motorist coverage" but repealed the definition of "underinsured motor vehicle." OK?

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

Kahler, Pam

From: Hurlburt1, Waylon
Sent: Wednesday, December 08, 2010 1:02 PM
To: Kahler, Pam
Subject: Changes to LRB 0524/P1 - Preliminary Auto Insurance Reform Draft
Attachments: 11-0524P1dn.pdf; 11-0524P1.pdf

Hello Pam,

I have some changes mentioned in the bullets below to the auto insurance repeal draft. I didn't include the explanation why in most cases because I thought it would be confusing. Call with questions.

- ✓• Please leave/include the definition of "underinsured motorist coverage" in current law with the change in red below also:

632.32(2)(e) "Underinsured motor vehicle" means a motor vehicle to which all of the following apply:

632.32(2)(e)1. The motor vehicle is involved in an accident with a person who has underinsured motorist coverage.

632.32(2)(e)2. At the time of the accident, a bodily injury liability insurance policy applies to the motor vehicle or the owner or operator of the motor vehicle has furnished proof of financial responsibility for the future under subch. III of ch. 344 and it is in effect or is a self-insurer under another applicable motor vehicle law.

632.32(2)(e)3. The limits under the bodily injury liability insurance policy or with respect to the proof of financial responsibility or self-insurance are less than the ~~amount needed to fully compensate the insured for his or her damages~~ limit of liability of the insured's underinsured motorist coverage.

- ✓• Retain statutes 632.32(2)(cm) as in current law and change 632.32(4)(d) to below:

632.32(4)(d) This subsection does not apply to umbrella or excess liability policies, ~~which are subject to sub. (4).~~

- ✓• Please include this definition in 632.32(2) and add it as an exclusion from umbrella or excess liability policies 632.32(4)(d):

"Commercial liability policy" means any form of liability insurance policy, including a commercial or business package policy or a policy written on farm and agriculture operations, that is intended principally to provide primary coverage for the insured's general liability arising out of its business or other commercial activities, and which includes coverage for the insured's liability arising out of ownership, maintenance or use of motor vehicles as only one

component of the policy or as coverage that is only incidental to the principle purpose of the policy. For purposes of this section, commercial liability policy excludes worker's compensation policies.

- ✓ Please do not repeal 632.32(2)(ag), leave as in current law and add the language below in red to 632.32(2)(g):

632.32(2)(g) "Uninsured motor vehicle" means a motor vehicle, other than a motor vehicle owned by a governmental unit, that is involved in an accident....

- ✓ Please delete the following statute:

~~632.32(2)(g)2. Except as provided in subd. 3., an unidentified motor vehicle, provided that an independent 3rd party provides evidence in support of the unidentified motor vehicle's involvement in the accident.~~

- ✓ Please add this as the new 632.32(2)(g)2. "A phantom motor vehicle." And then define phantom motor vehicle as:

"Phantom motor vehicle" means a vehicle that causes bodily injury to an insured arising out of a motor vehicle accident that is caused by a vehicle that has no physical contact with the insured or the vehicle the insured is occupying at the time of the accident, provided all of the following apply:

- (1) The identity of either the operator or the owner of the phantom vehicle cannot be ascertained.
- (2) The facts of the accident can be corroborated by competent evidence other than the testimony of the insured or any person having an uninsured motorist claim resulting from the accident.
- (3) The insured or someone on behalf of the insured reported the accident within 72 hours to a police, peace or judicial officer, to the Department of Transportation or to the equivalent department in the state where the accident occurred, and filed with the insurer within 30 days thereafter a statement under oath that the insured or the legal representative of the insured has a cause or causes of action arising out of the accident for damages against a person or persons whose identities are unascertainable, and setting forth the facts in support thereof.

- ARG ✓ Please delete in page 6, line 4 and 5 the words "~~exclusive of interest and costs~~" and delete the same words on page 6, line 20.

- ✓ Please move "medical payments" up to section 24 from page 9, line 21 and delete/repeal the entire section 25 (632.32(5)(h)).

- ✓ Please make the implementation date in section 29, 6 months after enactment.

Call or email with any questions.

Thanks,

12/8/2010

Waylon

Kahler, Pam

From: Hurlburt1, Waylon
Sent: Wednesday, December 08, 2010 2:56 PM
To: Kahler, Pam
Subject: RE: Changes to LRB 0524/P1 - Preliminary Auto Insurance Reform Draft
Yup.

From: Kahler, Pam
Sent: Wednesday, December 08, 2010 2:55 PM
To: Hurlburt1, Waylon
Subject: RE: Changes to LRB 0524/P1 - Preliminary Auto Insurance Reform Draft

Okay, I think I get it - just combining everything into one paragraph.

From: Hurlburt1, Waylon
Sent: Wednesday, December 08, 2010 2:42 PM
To: Kahler, Pam
Subject: RE: Changes to LRB 0524/P1 - Preliminary Auto Insurance Reform Draft

Delete 632.32(6)(f) and make 632.32(5)(g) include medical payments along with uninsured and underinsured motorist coverage.

From: Kahler, Pam
Sent: Wednesday, December 08, 2010 2:29 PM
To: Hurlburt1, Waylon
Subject: RE: Changes to LRB 0524/P1 - Preliminary Auto Insurance Reform Draft

Another question. Second to last bullet. By "delete/repeal section 25 (632.32 (5) (h))," do you mean delete section 25 (which would leave s. 632.32 (6) (f) as is in current law, without the renumbering or amending), or do you mean repeal s. 632.32 (6) (f) in current law (which would, of course, get rid of it altogether)? Thanks!

From: Hurlburt1, Waylon
Sent: Wednesday, December 08, 2010 1:02 PM
To: Kahler, Pam
Subject: Changes to LRB 0524/P1 - Preliminary Auto Insurance Reform Draft

Hello Pam,

I have some changes mentioned in the bullets below to the auto insurance repeal draft. I didn't include the explanation why in most cases because I thought it would be confusing. Call with questions.

- Please leave/include the definition of "underinsured motorist coverage" in current law with the change in red below also:

632.32(2)(e) "Underinsured motor vehicle" means a motor vehicle to which all of the following

Kahler, Pam

From: Hurlburt1, Waylon
Sent: Wednesday, December 08, 2010 2:45 PM
To: Kahler, Pam
Subject: RE: Changes to LRB 0524/P1 - Preliminary Auto Insurance Reform Draft

Yes, that is right.

From: Kahler, Pam
Sent: Wednesday, December 08, 2010 2:34 PM
To: Hurlburt1, Waylon
Subject: RE: Changes to LRB 0524/P1 - Preliminary Auto Insurance Reform Draft

If we exclude them from sub. (4), along with umbrella or excess liability policies, commercial policies will not be obligated to include those specific coverages in those specific amounts. Okay?

From: Hurlburt1, Waylon
Sent: Wednesday, December 08, 2010 2:22 PM
To: Kahler, Pam
Subject: RE: Changes to LRB 0524/P1 - Preliminary Auto Insurance Reform Draft

Exclude it from 632.32(4) by including it in 632.32(4)(d) along with "umbrella and excess liability policies."

The problem we are trying to fix is that some companies don't write auto policies, only these commercial lines that just cover workers while using company vehicles and that sort of thing. The OCI technical bill last session tried to fix this but there is still confusion in the market and these companies are having to write auto when they shouldn't have to. I think by defining commercial liability policies and then excluding them from (4) we should fix this.

One can only hope☺

From: Kahler, Pam
Sent: Wednesday, December 08, 2010 2:02 PM
To: Hurlburt1, Waylon
Subject: RE: Changes to LRB 0524/P1 - Preliminary Auto Insurance Reform Draft

Waylon,

For "commercial liability policy," by "add it as an exclusion from umbrella or excess liability policies 632.32 (4) (d)", do you mean:

1. Include it in s. 632.32 (4) (d), along with umbrella or excess liability policies, from the application of s. 632.32 (4)? OR
2. Exclude it from the definition of "umbrella or excess liability policy"?

I may have other questions.

12/8/2010



in 12/9



LRB-0524/D
PJK&ARG:kjf&jld:ls

rm is mm

P2

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

regenerate ↓

1 AN ACT *to repeal* 227.01 (13) (zz), 344.01 (2) (am), 344.11, 632.32 (2) (ag), 632.32
2 (2) (cm), 632.32 (2) (e), 632.32 (4) (d), 632.32 (4r) and 632.355; *to renumber and*
3 *amend* 344.33 (2), 632.32 (6) (d), 632.32 (6) (e), 632.32 (6) (f) and 632.32 (6) (g);
4 *to consolidate, renumber and amend* 344.15 (1) (intro.), (a) and (b); *to*
5 *amend* 121.555 (2) (a), 344.01 (2) (d), 344.55 (1) (intro.), 631.43 (3), 632.32 (2)
6 (g) 2., 632.32 (4) (a) (intro.), 632.32 (4) (a) 1., 632.32 (4) (a) 2m. and 632.32 (4)
7 (a) 3m.; and *to create* 344.33 (2) (a), 344.33 (2) (b) and 344.33 (2) (c) of the
8 statutes; **relating to:** automobile insurance coverage limits, permissible policy
9 provisions, and proof of financial responsibility.

Analysis by the Legislative Reference Bureau

Proof of financial responsibility

Under former law, prior to 2009 Wisconsin Act 28 (the biennial budget act), motor vehicles operated in this state were not required to be covered by policies of bodily injury and property damage liability insurance, but owners and operators of motor vehicles involved in accidents were subject to certain financial responsibility requirements. The biennial budget act retained and modified these financial responsibility requirements following a motor vehicle accident while also requiring insurance coverage for motor vehicles operated in this state.

Under current law, if a motor vehicle accident results in injury, death, or property damage of \$1,000 or more, the Department of Transportation (DOT) is required to notify the operator and owner of the vehicle involved in the accident that the person must deposit with DOT security for the accident in an amount specified by DOT, which DOT has determined is sufficient to satisfy any judgment for damages resulting from the accident. Unless an exception applies, if a person fails to timely deposit security after this notice, DOT must suspend the person's operating privilege if the person was the vehicle operator and suspend all vehicle registrations of the person if the person was the vehicle owner. One of the exceptions is that the person provides proof of financial responsibility. In addition, if DOT receives a certified copy of a judgment for damages of \$500 or more arising out of a motor vehicle accident, DOT must immediately suspend the operating privilege and all registrations of the person against whom the judgment was rendered unless the person can provide proof of financial responsibility. In both situations, proof of financial responsibility includes coverage under a motor vehicle liability insurance policy with the following minimum limits for any single accident:

1. Before January 1, 2010, \$25,000 for bodily injury to or death of one person, \$50,000 for bodily injury to or death of more than one person, and \$10,000 for property damage.

2. From January 1, 2010, to December 31, 2016, \$50,000 for bodily injury to or death of one person, \$100,000 for bodily injury to or death of more than one person, and \$15,000 for property damage.

3. After December 31, 2016, the limits specified in item 2., above, adjusted for inflation and published by DOT.

This bill decreases the minimum limits required under a policy that is acceptable proof of financial responsibility to \$30,000 for bodily injury to or death of one person, \$60,000 for bodily injury to or death of more than one person, and \$10,000 for property damage. The bill also eliminates inflation adjustments for these limits.

This bill does not eliminate the provisions of the biennial budget act that, as of June 1, 2010, prohibit a person from operating a motor vehicle in this state unless the owner or operator has a motor vehicle liability insurance policy in effect with respect to the motor vehicle. However, the bill affects these provisions by reducing the required coverage from the minimum limits specified in items 1. to 3., above, to \$30,000 for bodily injury to or death of one person, \$60,000 for bodily injury to or death of more than one person, and \$10,000 for property damage.

Uninsured motorist and medical payments coverages

Before the biennial budget act, all motor vehicle liability insurance policies were required to include uninsured motorist coverage in limits of at least \$25,000 per person and \$50,000 per accident and medical payments coverage in the amount of at least \$1,000 per person, although an insured could reject medical payments coverage. Uninsured motorist coverage provides coverage for persons who are legally entitled to recover damages for bodily injury from owners or operators of motor vehicles that are not insured. Medical payments coverage pays for medical or chiropractic services provided to persons who are injured while using the insured motor vehicle. Starting on November 1, 2009, as a result of provisions in the biennial

and eliminates statutory language that these limits ^{are} determined exclusive of interest and costs

budget act, the minimum limits for uninsured motorist coverage that motor vehicle liability insurance policies must include, except for those written by town mutuals, is \$100,000 per person and \$300,000 per accident and the minimum limits for medical payments coverage that those policies must include is \$10,000. This bill changes the required minimum limits to \$30,000 per person and \$60,000 per accident for uninsured motorist coverage and back to \$1,000 per person for medical payments coverage.

Underinsured motorist coverage

Before the biennial budget act, motor vehicle liability insurance policies did not have to include underinsured motorist coverage but insurers were required to provide written notice of the availability of that coverage and, if an insured accepted underinsured motorist coverage after receiving notice of its availability, the policy had to include the coverage in limits of at least \$50,000 per person and \$100,000 per accident. Underinsured motorist coverage provides coverage for persons who are legally entitled to recover damages for bodily injury from owners or operators of underinsured motor vehicles. "Underinsured motor vehicle" was not defined in the statutes.

The biennial budget act eliminated the requirement to provide notice of the availability of underinsured motorist coverage and required, starting on November 1, 2009, every motor vehicle liability insurance policy, except for those written by town mutuals, to include that coverage in limits of at least \$100,000 per person and \$300,000 per accident. In addition, current law now defines an underinsured motor vehicle as a motor vehicle that is involved in an accident with an insured and which, at the time of the accident, was covered by a motor vehicle liability insurance policy with limits that are less than the amount needed to fully compensate the insured for his or her damages. The bill eliminates the definition of an underinsured motor vehicle, retains the requirement that the coverage be provided in every motor vehicle liability insurance policy, except for those written by town mutuals, and reduces the minimum required limits to \$60,000 per person and \$120,000 per accident.

Umbrella and excess liability insurance policies

Current law, as a result of provisions in the biennial budget act, requires an insurer, except for a town mutual, that writes umbrella or excess liability policies that cover motor vehicle liability to make a written offer of both uninsured motorist coverage and underinsured motorist coverage whenever application is made for such an umbrella or excess liability policy. An applicant or insured may reject the coverage, but must do so in writing. If an insurer fails to provide a required written offer of uninsured or underinsured motorist coverage and the umbrella or excess liability policy does not include the coverage, or coverages, for which an offer was not given, a court must, on the request of the insured, reform the policy to include the coverage or coverages with the same limits as the liability coverage limits under the policy. The bill restores former law by eliminating the requirement that an insurer writing an umbrella or excess liability policy must make a written offer of uninsured motorist coverage and underinsured motorist coverage and the requirement that a court must reform such a policy to include either coverage.

uninsured motorist

liability

Insert A-3

Insert A-4

Insert A-5

Miscellaneous motor vehicle insurance provisions

Current law, as a result of provisions in the biennial budget act, defines an uninsured motor vehicle as including not only an unidentified motor vehicle involved in a hit-and-run accident with an insured but also an unidentified motor vehicle that is simply involved in an accident with the insured, provided that an independent third party provides evidence in support of the unidentified motor vehicle's involvement in the accident. The bill ~~adds that the independent third party may not be an individual who is involved in the accident~~ *Insert A-6*

Current law, as a result of provisions in the biennial budget act, makes a number of formerly permissible provisions prohibited in a motor vehicle liability insurance policy. The bill restores former law, making the following provisions permissible in a motor vehicle liability insurance policy:

1. Providing that, regardless of the number of policies, persons, or vehicles involved, the limits for any coverage under the policy may not be added to the limits for similar coverage applying to other motor vehicles to determine an overall limit of coverage available for a person in any one accident.
2. Providing that the maximum amount of uninsured or underinsured motorist coverage available for bodily injury or death suffered by a person not using a motor vehicle in an accident (such as a pedestrian) is the highest single limit of uninsured or underinsured motorist coverage for any vehicle with respect to which the person is insured at the time of the accident.
3. Providing that the maximum amount of medical payments coverage available for bodily injury or death suffered by a person not using a motor vehicle in an accident is the highest single limit of medical payments coverage for any vehicle with respect to which the person is insured at the time of the accident.
4. Providing that the limits under the policy for uninsured or underinsured motorist coverage for bodily injury or death resulting from an accident shall be reduced by amounts paid or payable by or on behalf of a person or organization that is legally responsible for the bodily injury or death; amounts paid or payable under any worker's compensation law; or amounts paid or payable under any disability benefits laws.

Current law provides that an insurer may not place an applicant for motor vehicle insurance in a high-risk category on the basis that the applicant has not previously had motor vehicle insurance. The bill removes this prohibition as of the effective date of the bill or June 1, 2011, whichever is later.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:



- 1 SECTION 1. 121.555 (2) (a) of the statutes is amended to read:
- 2 121.555 (2) (a) *Insurance*. If the vehicle is owned or leased by a school or a
- 3 school bus contractor, or is a vehicle authorized under sub. (1) (b), it shall comply with

1 s. 121.53. If the vehicle is transporting 9 or less fewer persons in addition to the
2 operator and is not owned or leased by a school or by a school bus contractor, it shall
3 be insured by a policy providing property damage coverage with a limit of not less
4 than \$10,000 and bodily injury liability coverage with limits, ~~as of the policy's~~
5 ~~effective date, equal to or greater than the minimum liability limits, as defined in s.~~
6 ~~344.01 (2) (am)~~ of not less than \$30,000 for each person, and, subject to the limit for
7 each person, a total limit of not less than \$60,000 for each accident.

8 **SECTION 2.** 227.01 (13) (zz) of the statutes is repealed.

9 **SECTION 3.** 344.01 (2) (am) of the statutes is repealed.

10 **SECTION 4.** 344.01 (2) (d) of the statutes is amended to read:

11 344.01 (2) (d) "Proof of financial responsibility" or "proof of financial
12 responsibility for the future" means proof of ability to respond in damages for
13 liability on account of accidents occurring subsequent to the effective date of such
14 proof, arising out of the maintenance or use of a motor vehicle, in ~~an~~ the amount, ~~as~~
15 ~~of the date that proof is furnished to the department, equal to or greater than the~~
16 ~~minimum liability limits~~ \$30,000 because of bodily injury to or death of one person
17 in any one accident and, subject to that limit for one person, in the amount of \$60,000
18 because of bodily injury to or death of 2 or more persons in any one accident and in
19 the amount of \$10,000 because of injury to or destruction of property of others in any
20 one accident.

21 **SECTION 5.** 344.11 of the statutes is repealed.

22 **SECTION 6.** 344.15 (1) (intro.), (a) and (b) of the statutes are consolidated,
23 renumbered 344.15 (1) and amended to read:

24 344.15 (1) No policy or bond is effective under s. 344.14 unless ~~all of the~~
25 ~~following apply:~~ (a) ~~The policy or bond is issued by an insurer authorized to do an~~

1 automobile liability or surety business in this state, except as provided in sub. (2).
2 ~~(b) The limits of liability under the, or unless the policy or bond, as of the date of the~~
3 ~~accident, are equal to or greater than the minimum liability limits is subject, if the~~
4 ~~accident has resulted in bodily injury or death, to a limit~~ exclusive of interest and
5 costs, of not less than \$30,000 because of bodily injury to or death of one person in
6 any one accident and, subject to that limit for one person, to a limit of not less than
7 \$60,000 because of bodily injury to or death of 2 or more persons in any one accident
8 and, if the accident has resulted in injury to or destruction of property, to a limit of
9 not less than \$10,000 because of injury to or destruction of property of others in any
10 one accident. ✓

11 SECTION 7. 344.33 (2) of the statutes is renumbered 344.33 (2) (intro.) and
12 amended to read:

13 344.33 (2) MOTOR VEHICLE LIABILITY POLICY. (intro.) A motor vehicle policy of
14 liability insurance shall insure the person named therein using any motor vehicle
15 with the express or implied permission of the owner, or shall insure any motor vehicle
16 owned by the named insured and any person using such motor vehicle with the
17 express or implied permission of the named insured, against loss from the liability
18 imposed by law for damages arising out of the maintenance or use of the motor
19 vehicle within the United States of America or the Dominion of Canada, subject to
20 the ~~minimum liability~~ following limits exclusive of interest and costs, with respect
21 to each such motor vehicle. ✓

22 SECTION 8. 344.33 (2) (a) of the statutes is created to read:

23 344.33 (2) (a) Thirty thousand dollars because of bodily injury to or death of
24 one person in any one accident. ✓

25 SECTION 9. 344.33 (2) (b) of the statutes is created to read:

1 344.33 (2) (b) Subject to the limit under par. (a) for one person, \$60,000 because
2 of bodily injury to or death of 2 or more persons in any one accident.

3 SECTION 10. 344.33 (2) (c) of the statutes is created to read:

4 344.33 (2) (c) Ten thousand dollars because of injury to or destruction of
5 property of others in any one accident.

6 SECTION 11. 344.55 (1) (intro.) of the statutes is amended to read:

7 344.55 (1) (intro.) No motor vehicle may be used as a human service vehicle
8 unless a policy of bodily injury and property damage liability insurance, issued by
9 an insurer authorized to transact business in this state, is maintained thereon. The
10 policy shall provide property damage liability coverage with a limit of not less than
11 \$10,000. The policy also shall provide bodily injury liability coverage with limits, as
12 of the policy's effective date, of at least the minimum liability limits or, if greater, of
13 not less than \$75,000 for each person and, subject to such limit for each person, total
14 limits as follows:

15 SECTION 12. 631.43 (3) of the statutes is amended to read:

16 631.43 (3) EXCEPTION. Subsection (1) does not affect the rights of insurers to
17 limit ~~or~~, restrict, reduce, or exclude coverage under s. 632.32 (5) (b) ~~or~~, (c), or (f) to (j).

18 SECTION 13. 632.32 (2) (ag) of the statutes is repealed.

19 SECTION 14. 632.32 (2) (cm) of the statutes is repealed.

20 SECTION 15. 632.32 (2) (e) of the statutes is repealed.

21 SECTION 16. 632.32 (2) (g) 2. of the statutes is amended to read:

22 632.32 (2) (g) 2. Except as provided in subd. 3., an unidentified motor vehicle,
23 provided that an independent 3rd party who was not involved in the accident
24 provides evidence in support of the unidentified motor vehicle's involvement in the
25 accident.

Insert 8-7

1 SECTION 17. 632.32 (4) (a) (intro.) of the statutes is amended to read:

2 632.32 (4) (a) (intro.) ~~Except as provided in par. (d), every~~ Every policy of
3 insurance subject to this section that insures with respect to any owned motor vehicle
4 registered or principally garaged in this state against loss resulting from liability
5 imposed by law for bodily injury or death suffered by any person arising out of the
6 ownership, maintenance, or use of a motor vehicle shall contain therein or
7 supplemental thereto provisions for all of the following coverages:

8 SECTION 18. 632.32 (4) (a) 1. of the statutes is amended to read:

9 632.32 (4) (a) 1. Excluding a policy written by a town mutual organized under
10 ch. 612, uninsured motorist coverage, in limits of at least \$100,000 \$30,000 per
11 person and ~~\$300,000~~ \$60,000 per accident.

12 SECTION 19. 632.32 (4) (a) 2m. of the statutes is amended to read:

13 632.32 (4) (a) 2m. Excluding a policy written by a town mutual organized under
14 ch. 612, underinsured motorist coverage, in limits of at least \$100,000 \$60,000 per
15 person and ~~\$300,000~~ \$120,000 per accident.

16 SECTION 20. 632.32 (4) (a) 3m. of the statutes is amended to read:

17 632.32 (4) (a) 3m. Medical payments coverage, in the amount of at least \$10,000
18 \$1,000 per person. Coverage written under this subdivision may be excess coverage
19 over any other source of reimbursement to which the insured person has a legal right.

Insert 8-20

20 SECTION 21. 632.32 (4) (d) of the statutes is repealed.

21 SECTION 22. 632.32 (4r) of the statutes is repealed.

22 SECTION 23. 632.32 (6) (d) of the statutes is renumbered 632.32 (5) (f) and
23 amended to read:

24 632.32 (5) (f) ~~No~~ A policy may provide that, regardless of the number of policies
25 involved, vehicles involved, persons covered, claims made, vehicles or premiums

1 shown on the policy, or premiums paid, the limits for any ~~uninsured motorist~~
2 ~~coverage or underinsured motorist~~ coverage under the policy may not be added to the
3 limits for similar coverage applying to other motor vehicles to determine the limit of
4 insurance coverage available for bodily injury or death suffered by a person in any
5 one accident, ~~except that a policy may limit the number of motor vehicles for which~~
6 ~~the limits for coverage may be added to 3 vehicles.~~

7 **SECTION 24.** 632.32 (6) (e) of the statutes is renumbered 632.32 (5) (g) and
8 amended to read:

9 632.32 (5) (g) ~~No A~~ policy may provide that the maximum amount of uninsured
10 motorist coverage ~~or~~ ^{use twice} underinsured motorist coverage ^{coverage} available for bodily injury or
11 death suffered by a person who was not using a motor vehicle at the time of an
12 accident is any the highest single limit of uninsured motorist coverage ~~or~~ ^{coverage}
13 underinsured motorist coverage, whichever is applicable, for any motor vehicle with
14 respect to which the person is insured, ~~except that a policy may limit the number of~~
15 ~~motor vehicles for which coverage limits may be added to 3 vehicles.~~

16 **SECTION 25.** 632.32 (6) (f) of the statutes is renumbered 632.32 (5) (h) and
17 amended to read:

18 632.32 (5) (h) ~~No A~~ policy may provide that the maximum amount of medical
19 payments coverage available for bodily injury or death suffered by a person who was
20 not using a motor vehicle at the time of an accident is any the highest single limit of
21 medical payments coverage for any motor vehicle with respect to which the person
22 is insured, ~~except that a policy may limit the number of motor vehicles for which~~
23 ~~medical payments coverage limits may be added to 3 vehicles.~~

24 **SECTION 26.** 632.32 (6) (g) of the statutes is renumbered 632.32 (5) (i), and
25 632.32 (5) (i) (intro.), as renumbered, is amended to read:

Insert 9-23

1 632.32 (5) (i) (intro.) No A policy may provide that the limits under the policy
2 for uninsured motorist coverage or underinsured motorist coverage for bodily injury
3 or death resulting from any one accident shall be reduced by any of the following that
4 apply:

5 **SECTION 27.** 632.355 of the statutes is repealed.

6 **SECTION 28. Initial applicability.**

7 (1) The treatment of sections 121.555 (2) (a), 344.01 (2) (am) and (d), 344.11,
8 344.15 (1) (intro.), (a), and (b), 344.33 (2), 344.33 (2) (a), (b), and (c), 344.55 (1) (intro.),
9 631.43 (3) and 632.32 (2) (a), (b), (c), (e), and (g) 2., (4) (a) 1., 2m., and 3m. and (d), (4r),
10 and (6) (d), (e), (f), and (g) of the statutes first applies to motor vehicle insurance
11 policies that are newly issued or renewed on the effective date of this subsection.

12 (2) The treatment of section 632.355 of the statutes first applies to motor
13 vehicle insurance policies that are newly issued on the effective date of this
14 subsection.

15 **SECTION 29. Effective dates.** This act takes effect on the day after publication.

16 except as follows:

17 (1) The treatment of section 632.355 of the statutes and SECTION 28 (2) of this
18 act take effect on June 1, 2011, or on the day after publication, whichever is later.

19 (END)

change component
ac *bh* *3.* *(intro.) and*
FF (1) TEXTS: eff date A
first
of the 7th month beginning

**2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0524/P2ins
PJK:.....

INSERT A-3

wdf
The bill modifies the definition of an underinsured motor vehicle to one with liability limits that are lower than the limits of the insured's underinsured motorist coverage. The effect of this change is that, regardless of the extent of the insured's damages, there is no coverage under the insured's underinsured motorist coverage if the other vehicle involved in the accident has liability limits at least as great as the limits of the insured's underinsured motorist coverage.

(END OF INSERT A-3)

INSERT A-4

wdf
Current law also excludes umbrella and excess liability policies from the statutory requirements related to the types of coverage that must be provided in a policy that covers motor vehicles and the minimum limits required for those types of coverage (coverage and limits requirements).

(END OF INSERT A-4)

INSERT A-5

wdf
However, the bill retains the current law provision that umbrella and excess liability policies are not subject to the coverage and limits requirements. In addition, the bill also excludes commercial liability policies from the coverage and limits requirements and defines those policies as ones that are intended principally to provide primary coverage for an insured's general liability arising out of its business or other commercial activities but that include coverage for the insured's liability arising out of the ownership, maintenance, or use of a motor vehicle as one component of the policy.

(END OF INSERT A-5)

INSERT A-6

wdf
replaces that part of the definition of an uninsured motor vehicle with a "phantom motor vehicle," which is defined as one that is involved in an accident with the insured, that does not make contact with the insured or a vehicle the insured is occupying at the time of the accident, and for which neither the owner nor the operator can be ascertained. Additionally, the facts of the accident must be corroborated by competent evidence provided by someone other than the insured or any other person with an underinsured motorist claim as a result of the accident, the accident must be reported to the police or other authorities within 72 hours, and the insured or his or her legal representative must, within 30 days, file with the insurer a statement under oath that the insured has a cause of action for damages against

↓

Ins. A-6 contd.

a person whose identity cannot be ascertained and that sets forth the facts supporting the statement. The bill also excludes a motor vehicle that is owned by a governmental unit from the definition of an uninsured motor vehicle

(END OF INSERT A-6)

INSERT 8-7

1083

1 **SECTION 1.** 632.32 (2) (ac) of the statutes is created to read:

2 632.32 (2) (ac) "Commercial liability policy" means any form of liability
3 insurance policy, including a commercial or business package policy or a policy
4 written on farm and agricultural operations, that is intended principally to provide
5 primary coverage for the insured's general liability arising out of its business or other
6 commercial activities, and that includes coverage for the insured's liability arising
7 out of the ownership, maintenance, or use of a motor vehicle as only one component
8 of the policy or as coverage that is only incidental to the principal purpose of the
9 policy. "Commercial liability policy" does not include a worker's compensation policy.

10 **SECTION 2.** 632.32 (2) (bh) of the statutes is created to read:

11 632.32 (2) (bh) "Phantom motor vehicle" means a motor vehicle to which all of
12 the following apply:

- 13 1. The motor vehicle is involved in an accident with a person who has uninsured
- 14 motorist coverage.
- 15 2. In the accident, the motor vehicle makes no physical contact with the insured
- 16 or with a vehicle the insured is occupying.
- 17 3. The identity of neither the operator nor the owner of the motor vehicle can
- 18 be ascertained.

19 **SECTION 3.** 632.32 (2) (e) 3. of the statutes is amended to read:

20 632.32 (2) (e) 3. The limits under the bodily injury liability insurance policy or
21 with respect to the proof of financial responsibility or self-insurance are less than



Ins. 8-7 cont'd 2073

1 the amount needed to fully compensate the insured for his or her damages limits of
2 the insured's underinsured motorist coverage.

History: 1975 c. 375, 421; 1979 c. 102, 104; 1979 c. 177 ss. 67, 68; 1979 c. 221; 1981 c. 284; 1983 a. 243, 459; 1985 a. 146 s. 8; 1995 a. 21, 448; 1997 a. 48; 1999 a. 31, 162; 2007 a. 168; 2009 a. 28, 342.

3 **SECTION 4.** 632.32 (2) (g) (intro.) of the statutes is amended to read:

4 632.32 (2) (g) (intro.) "Uninsured motor vehicle" means a motor vehicle, other
5 than a motor vehicle owned by a governmental unit, that is involved in an accident
6 with a person who has uninsured motorist coverage and with respect to which, at the
7 time of the accident, a bodily injury liability insurance policy is not in effect and the
8 owner or operator has not furnished proof of financial responsibility for the future
9 under subch. III of ch. 344 and is not a self-insurer under any other applicable motor
10 vehicle law. "Uninsured motor vehicle" also includes any of the following motor
11 vehicles, other than a motor vehicle owned by a governmental unit, involved in an
12 accident with a person who has uninsured motorist coverage:

History: 1975 c. 375, 421; 1979 c. 102, 104; 1979 c. 177 ss. 67, 68; 1979 c. 221; 1981 c. 284; 1983 a. 243, 459; 1985 a. 146 s. 8; 1995 a. 21, 448; 1997 a. 48; 1999 a. 31, 162; 2007 a. 168; 2009 a. 28, 342.

13 **SECTION 5.** 632.32 (2) (g) 2. of the statutes is repealed and recreated to read:

14 632.32 (2) (g) 2. A phantom motor vehicle, if all of the following apply:

15 a. The facts of the accident are corroborated by competent evidence that is
16 provided by someone other than the insured or any other person who may make a
17 claim against the uninsured motorist coverage as a result of the accident.

****NOTE: The suggested language was "or any person having an uninsured motorist claim resulting from the accident." See how I have modified this language. If the language were "a person who makes a claim," there would be an objective standard: either a person does or does not make a claim. The language as drafted, or as suggested, is not objective and will, I think, require construction by a court in many cases.

18 b. Within 72 hours after the accident, the insured or someone on behalf of the
19 insured reports the accident to a police, peace, or judicial officer or to the department
20 of transportation or, if the accident occurs outside of Wisconsin, the equivalent
21 agency in the state where the accident occurs.



Ins. 8-7 cont'd 383

1 c. Within 30 days after the accident occurs, the insured or someone on behalf
 2 of the insured files with the insurer a statement under oath that the insured or a legal
 3 representative of the insured has a cause of action arising out of the accident for
 4 damages against a person whose identity is not ascertainable and setting forth the
 5 facts in support of the statement.

(END OF INSERT 8-7)

INSERT 8-20

6 **SECTION 6.** 632.32 (4) (d) of the statutes is amended to read:
 7 632.32 (4) (d) This subsection does not apply to commercial liability policies or
 8 umbrella or excess liability policies, which are subject to sub. (4r).

9 Cross Reference: Cross Reference: Cross Reference: See also s. Ins 6.77, Wis. adm. code. Cross Reference
 History: 1975 c. 375, 421; 1979 c. 102, 104; 1979 c. 177 ss. 67, 68; 1979 c. 221; 1981 c. 284; 1983 a. 243, 459; 1985 a. 146 s. 8; 1995 a. 21, 448; 1997 a. 48; 1999 a. 31,
 162; 2007 a. 168; 2009 a. 28, 342.

(END OF INSERT 8-20)

INSERT 9-23

10 **SECTION 7.** 632.32 (6) (f) of the statutes is repealed.

(END OF INSERT 9-23)

Kahler, Pam

From: Hurlburt1, Waylon
Sent: Wednesday, December 22, 2010 8:33 AM
To: Kahler, Pam
Subject: RE: LRB 11-0524/P2 Updated Draft Changes for Auto Insurance Changes
No. Thanks.


From: Kahler, Pam
Sent: Tuesday, December 21, 2010 5:13 PM
To: Hurlburt1, Waylon
Subject: RE: LRB 11-0524/P2 Updated Draft Changes for Auto Insurance Changes

Question, Waylon:

In the draft, the requirement to have UIM did not apply to commercial liability policies or umbrella or excess liability policies. With the change back to requiring notice of the availability of UIM, do you want the notice requirement to apply to those policies? Thanks.

From: Hurlburt1, Waylon
Sent: Tuesday, December 21, 2010 4:05 PM
To: Kahler, Pam
Subject: LRB 11-0524/P2 Updated Draft Changes for Auto Insurance Changes

Pam,

 Please change the minimums back to 25/50/10 (prior to Act 28) as opposed to 30/60/10 as the draft reads. Consequently that means UIM would change to 50/100, not 60/120.

Please change UIM to mandatory offer, not mandatory coverage. The bill draft has UIM mandatory. We would like it back to law prior to Act 28.

On page 9 your language for phantom motor vehicle language is fine (reference to your 4 star note).

On page 12, please add language to line 7 to clarify that policy holders can change their policy after initial applicability to include the new minimums. Maybe to read "newly issued, renewed, or modified by the policy holder after the effective date of this subsection."

Thanks and I have my fingers crossed that these are the last changes.

Waylon Hurlburt
Research Assistant
Office of John Nygren
State Representative
89th Assembly District
(888)534-0089

12/22/2010

Gary, Aaron

From: Hurlburt1, Waylon
Sent: Wednesday, December 22, 2010 1:19 PM
To: Gary, Aaron
Subject: RE: LRB 11-0524/P2 Updated Draft Changes for Auto Insurance Changes
Or not, as was drafted in 0524/P2.

From: Gary, Aaron
Sent: Wednesday, December 22, 2010 12:54 PM
To: Hurlburt1, Waylon
Cc: Kahler, Pam
Subject: RE: LRB 11-0524/P2 Updated Draft Changes for Auto Insurance Changes

Hi Waylon,

Prior to Act 28, the minimum limits were 25/50/10, calculated exclusive of interest and costs (this was our first draft - 0423/P1). In the next draft, we bumped the min. limits up to 30/60/10, and in the next redraft we removed the language requiring that the 30/60/10 limits be calculated exclusive of interest and costs.

In this redraft, in restoring the 25/50/10 limits, do you want them to be exclusive of interest and costs (as was the case pre-Act 28) or not (as was drafted in -0524/P2 with respect to the 30/60/10 limits)?

Thanks. Aaron

Aaron R. Gary
Attorney, Legislative Reference Bureau
608.261.6926 (voice)
608.264.6948 (fax)
aaron.gary@legis.state.wi.us

From: Hurlburt1, Waylon
Sent: Tuesday, December 21, 2010 4:05 PM
To: Kahler, Pam
Subject: LRB 11-0524/P2 Updated Draft Changes for Auto Insurance Changes

Pam,

Please change the minimums back to 25/50/10 (prior to Act 28) as opposed to 30/60/10 as the draft reads. Consequently that means UIM would change to 50/100, not 60/120.

Please change UIM to mandatory offer, not mandatory coverage. The bill draft has UIM mandatory. We would like it back to law prior to Act 28.

On page 9 your language for phantom motor vehicle language is fine (reference to your 4 star note).

12/22/2010