

**ADMINISTRATIVE RULES  
FISCAL ESTIMATE AND  
ECONOMIC IMPACT ANALYSIS**

Type of Estimate and Analysis

Original     Updated     Corrected

Administrative Rule Chapter, Title and Number

Ch. Trans 100

Subject

Amendment of Trans 100.2(11m), (12m), and (13m), relating to mandatory minimum liability limits for insurance policies under safety responsibility, damage judgment and mandatory insurance laws and repeal the current rule's references to the indexing system.

Fund Sources Affected

GPR     FED     PRO     PRS     SEG     SEG-S

Chapter 20 , Stats. Appropriations Affected

N/A

Fiscal Effect of Implementing the Rule

No Fiscal Effect  
 Indeterminate

Increase Existing Revenues  
 Decrease Existing Revenues

Increase Costs  
 Could Absorb Within Agency's Budget  
 Decrease Costs

The Rule Will Impact the Following (Check All That Apply)

State's Economy

Local Government Units

Specific Businesses/Sectors

Public Utility Rate Payers

Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes     No

Policy Problem Addressed by the Rule

The rule was changed from these limits to the current limits in 2010. The statute has now changed the limits back to the original limits prior to 2010. The purpose of this amendment is to conform the rule to the requirements of ch. 344, Stats., as amended by 2011 Wisconsin Act 14.

Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The Dept. anticipates that this regulatory change, which is compelled by statutory changes, will have a fiscal effect on private sector revenues and liabilities. Revenues to insurance companies can be expected to fall if drivers purchase less liability coverage. The liability of drivers who carry only the minimum required insurance can be expected to rise because the insurance coverage will be inadequate to cover damages. When medical bills and collision repair bills exceed insurance coverage, the impact of these changes may be realized by providers of medical services and auto repair services.

Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

The rule needs to be changed to reflect the changes to the statute.

Long Range Implications of Implementing the Rule

Implications should be minimal since previous law was only in place for one year.

Compare With Approaches Being Used by Federal Government

There are no existing or proposed federal regulations on this issue.

**Illinois:** All motor vehicles operated in Illinois must be covered by liability insurance. Vehicle owners are required to provide insurance information at the time of registration renewal. Illinois requires drivers to carry bodily injury or death liability limits of \$20,000 for single-person and \$40,000 for multiple-persons, as well as property damage liability limits of \$15,000 and uninsured motorist coverage. 625 Ill. Comp. Stat. 5/7-203 (2011). These limits do not appear to be adjusted by index.

**Iowa:** Iowa does not mandate that drivers or vehicle owners carry insurance. A driver who causes personal injury or damage exceeding \$1,000 to another party must prove his or her financial responsibility or be subject to license suspension. Drivers can prove financial responsibility by showing that they were covered by automobile liability insurance at the time of the accident. An insurance policy is not an effective proof of financial responsibility unless it meets the following minimum liability amounts: \$20,000 for bodily injury or death to one person, \$40,000 for bodily injury or death to two or more persons, and \$15,000 for property damage. Iowa Code § 321A.5 subd. 3 (2011). These limits do not appear to be adjusted by index.

**Michigan:** Owners of passenger vehicles, vans, and light trucks must purchase Michigan no-fault insurance before registering their vehicle. Michigan Law requires the following minimum liability amounts by type: “\$20,000.00 because of bodily injury to or death of 1 person in any 1 accident and, subject to said limit for 1 person, \$40,000.00 because of bodily injury to or death of 2 or more persons in any 1 accident, and \$10,000.00 because of injury to or destruction of property of others in any 1 accident.”

**Minnesota:** The Minnesota No-Fault Act, Minn. Stat. § 65B.48 (2010), requires owners of registered motor vehicles to maintain no-fault insurance. Vehicle owners must be insured to the following minimum liability amounts by type: “not less than \$30,000 because of bodily injury to one person in any one accident and, subject to said limit for one person, of not less than \$60,000 because of injury to two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, of not less than \$10,000 because of such injury to or destruction of property of others in any one accident.” Minn. Stat. § 69B.49 subd. 3(1) (2010). These limits do not appear to be adjusted by index.

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