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LRB-2043/1 PJK:jld:jf

2007 SENATE BILL 348

December 7, 2007 – Introduced by Senators Carpenter and Lehman, cosponsored by Representatives Cullen, Young, Grigsby, Steinbrink and A. Williams. Referred to Committee on Health, Human Services, Insurance, and Job Creation.

AN ACT to renumber 632.365; to amend 632.365 (title); and to create 632.365

(1) (title), 632.365 (2) and 632.365 (3) of the statutes; **relating to:** factors for setting premium rates for motor vehicle insurance.

Analysis by the Legislative Reference Bureau

Current law specifies general criteria on which insurance rates may be based, such as past and prospective loss and expense experience. In addition, current law specifies that, for the purpose of establishing rates, risks may be classified in any reasonable way, except that classifications may not be based on race, color, creed, or national origin and classifications in automobile insurance may not be based on physical condition or developmental disability. Current law also provides that an insurer may not use odometer reading data collected in the course of an inspection as a factor in setting automobile insurance rates.

This bill additionally prohibits an insurer, when setting rates for automobile insurance, from using as a factor the zip code of the residence of an insured. The bill provides that an insurer may use as factors when setting automobile insurance premium rates the driving record of any insured, the length of time that any insured has been driving, and the number of miles that the insured vehicle is driven in a year.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

SENATE BILL 348

1	SECTION 1. 632.365 (title) of the statutes is amended to read:
2	$632.365~\mathrm{(title)}~Use~of~emission~inspection~data~Factors~in~setting~rates.$
3	Section 2. 632.365 of the statutes is renumbered 632.365 (1).
4	Section 3. 632.365 (1) (title) of the statutes is created to read:
5	632.365 (1) (title) Emission inspection data.
6	Section 4. 632.365 (2) of the statutes is created to read:
7	632.365 (2) ZIP CODES. An insurer may not use as a factor in setting rates or
8	premiums for a motor vehicle liability insurance policy, or as a factor in altering rates
9	or premiums during the term or at renewal of such a policy, the zip code of the
10	residence of any insured under the policy.
11	Section 5. 632.365 (3) of the statutes is created to read:
12	632.365 (3) PERMITTED FACTORS. An insurer may use as a factor in setting rates
13	or premiums for a motor vehicle liability insurance policy, or as a factor in altering
14	rates or premiums during the term or at renewal of such a policy, any of the following:
15	(a) The driving record of any insured under the policy.
16	(b) The length of time that any insured under the policy has been driving.
17	(c) The number of miles that the insured motor vehicle is driven or expected to
18	be driven in a year.
19	Section 6. Initial applicability.
20	(1) This act first applies to motor vehicle insurance policies issued or renewed
21	on the effective date of this subsection.
22	(END)