



2005 SENATE BILL 497

December 27, 2005 - Introduced by LAW REVISION COMMITTEE. Referred to Committee on Housing and Financial Institutions.

1 **AN ACT to renumber and amend** 218.0143 (1); and **to consolidate, renumber**
2 **and amend** 218.0143 (2) and (3) of the statutes; **relating to:** insurance
3 requirements for motor vehicle retail installment contracts (suggested as
4 remedial legislation by the Department of Financial Institutions).

Analysis by the Legislative Reference Bureau

Under former law, a seller of a motor vehicle under a retail installment contract that provided insurance coverage was required to include public liability coverage with the insurance coverage, or notify the buyer that public liability coverage was not included with the coverage. In 2000, the law was amended so that, under current law, a seller is required to make such a notification only if the retail installment contract does not provide any insurance coverage.

This bill eliminates the 2000 amendment and restores the former law described above.

For further information, see the NOTES provided by the Law Revision Committee of the Joint Legislative Council.

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

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the Department of Financial Institutions and introduced by the

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Law Revision Committee under s. 13.83 (1) (c) 4., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

1 **SECTION 1.** 218.0143 (1) of the statutes is renumbered 218.0143 (intro.) and
2 amended to read:

3 **218.0143 Notice of insurance to buyer under installment sales**
4 **contract.** (intro.) Whenever a person sells or agrees to sell any motor vehicle at
5 retail under a retail installment contract that provides for insurance coverage, or a
6 charge is made for insurance coverage, the seller shall do one of the following:

7 **(1m)** Ensure that the policy so issued or provided for ~~shall include~~ includes
8 public liability coverage protecting the driver of the motor vehicle against damages
9 resulting from the negligent use of the vehicle.

10 **SECTION 2.** 218.0143 (2) and (3) of the statutes are consolidated, renumbered
11 218.0143 (2) and amended to read:

12 218.0143 **(2)** ~~Whenever a person sells or agrees to sell any motor vehicle at~~
13 ~~retail under a retail installment contract which does not provide for insurance~~
14 ~~coverage the seller shall, in writing, notify~~ Notify, in writing, the buyer at the time
15 of making the retail installment contract that the motor vehicle is not covered by
16 public liability insurance protecting the driver against damages resulting from the
17 negligent use of the vehicle. ~~(3) The seller shall~~ and obtain, on a form separate from
18 the retail installment contract, the signed acknowledgment of the buyer that he or
19 she has been notified that the contract ~~does or~~ does not include public liability
20 insurance protecting the driver against damages resulting from the negligent use of
21 the vehicle.

NOTE: Before its treatment by 1999 Wisconsin Act 31, s. 218.01 (6m), 1997 stats.,
provided that, if insurance coverage was included with a motor vehicle retail installment

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contract, the policy must include public liability insurance (PLI) coverage or the seller was required to notify the buyer that the motor vehicle was not covered by PLI coverage.

Following its treatment by 1999 Wisconsin Act 31, renumbered s. 218.0143 (1) now provides that, if insurance coverage is part of a motor vehicle retail installment contract, the policy issued must include PLI coverage; and, under s. 218.0143 (2), only if insurance coverage is not included with a retail installment contract must the seller notify the buyer that the vehicle is not covered by PLI coverage.

It appears that 1999 Wisconsin Act 31 intended no substantive change (it was a revisor's revision bill). The change proposed by the department of financial institutions will restore the affected provisions to their pre-Act 99 status.

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(END)