

2007 DRAFTING REQUEST

Bill

Received: 02/22/2007

Received By: pkahler

Wanted: As time permits

Identical to LRB:

For: Tim Carpenter (608) 266-8535

By/Representing: G. Stuart Ewy

This file may be shown to any legislator: NO

Drafter: pkahler

May Contact:

Addl. Drafters:

Subject: Insurance - auto

Extra Copies:

Submit via email: YES

Requester's email: Sen.Carpenter@legis.wisconsin.gov

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Bases for auto insurance premiums

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 02/26/2007	jdye 03/06/2007		_____			S&L
/1			jfrantze 03/06/2007	_____	lparisi 03/06/2007	sbasford 03/22/2007	

FE Sent For: "/1" @ intro. 12-7-2007<END>

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/?	pkahler	1 3/6 jld	Jp 3/6	J/Rs 3/6			

FE Sent For:

<END>

Kahler, Pam

From: Ewy, Stuart
Sent: Friday, February 16, 2007 2:36 PM
To: Kahler, Pam
Subject: Drafting Request

Pamela J. Kahler

Hello Pam-

Could you please draft a bill for Senator Tim Carpenter that would require auto insurance companies to set their policy premiums based not upon zip codes of residence, but rather upon a driver's (1) driving record, (2) years behind the wheel, and (3) miles driven per year? (additional to 625)

Please let me know the options of how this could be enforced.

Thank you!

Regards,

G. Stuart Ewy
Office of Senator Tim Carpenter
State Capitol 306 S
608.266.8535



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-2043/7

PJK:.....

JL

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

J-note
(in 2-26)

you cut

1 AN ACT ~~...~~; relating to: factors for setting premium rates for motor vehicle
2 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:

1 SECTION 1. 632.365 (title) of the statutes is amended to read:

2 632.365 (title) Use of emission inspection data Factors in setting rates.

History: 1991 a. 279; 1993 a. 213.

3 Fix → SECTION 2. 632.365 of the statutes is renumbered 632.365 (1) and amended to
component
4 read

SECTION #. CR; 632.365 (1) (title)

5 632.365 (1) EMISSION INSPECTION DATA. An insurer may not use odometer
(title)

6 reading data collected in the course of an inspection under s. 110.20 (6) or (7) as a
7 factor in setting rates or premiums for a motor vehicle liability insurance policy or
8 as a factor in altering rates or premiums during the term, or at renewal, of such a
9 policy. However, an insurer may use such data as a basis for investigation into the
10 number of miles that the motor vehicle is normally driven.

History: 1991 a. 279; 1993 a. 213.

11 SECTION 3. 632.365 (2) of the statutes is created to read:

12 632.365 (2) ZIP CODES. An insurer may not use as a factor in setting rates or
13 premiums for a motor vehicle liability insurance policy, or as a factor in altering rates
14 or premiums during the term or at renewal of such a policy, the zip code of the
15 residence of any insured under the policy.

16 SECTION 4. 632.365 (3) of the statutes is created to read:

17 632.365 (3) PERMITTED FACTORS. An insurer may use as factors in setting rates
18 or premiums for a motor vehicle liability insurance policy any of the following:

- 19 (a) The driving record of any insured under the policy.
- 20 (b) The length of time that any insured under the policy has been driving.
- 21 (c) The number of miles that the insured motor vehicle is driven or expected to
22 be driven in a year.

23 SECTION 5. Initial applicability.

NO #, or as a factor in altering rates or premiums during the term or at renewal of such a policy;

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

date

LRB-2043/7dn

PJK:.....

JLd

Because of other more general and less tangible factors under ch. 625[✓] that are used to set rates and to determine whether rates comply with the required standards, I did not specify that the three[✓] factors you listed were the *exclusive* factors for setting rates for auto insurance.

You asked how the requirements in this bill could be enforced. They would be enforced under subch. V of ch. 601[✓] as are all other insurance requirements. If someone believes that their rates are based on impermissible factors, they may make a complaint to OCI. Also, rates are supposed to be filed with OCI under s. 625.13[✓], and OCI is supposed to determine whether rates comply with the standards under ch. 625[✓] and any other requirements, such as those in this bill.

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-2043/1dn
PJK:jld:jf

March 6, 2007

Because of other more general and less tangible factors under ch. 625 that are used to set rates and to determine whether rates comply with the required standards, I did not specify that the three factors you listed were the *exclusive* factors for setting rates for auto insurance.

You asked how the requirements in this bill could be enforced. They would be enforced under subch. V of ch. 601 as are all other insurance requirements. If someone believes that their rates are based on impermissible factors, they may make a complaint to OCI. Also, rates are supposed to be filed with OCI under s. 625.13, and OCI is supposed to determine whether rates comply with the standards under ch. 625 and any other requirements, such as those in this bill.

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

Basford, Sarah

From: Sen.Carpenter
Sent: Thursday, March 22, 2007 3:42 PM
To: LRB.Legal
Subject: Jacket Request

Hello,

Could you please jacket LRB 2043 for the Senate for Sen. Tim Carpenter?

If you have any questions or comments, please don't hesitate to contact me.

Thank you very much,

Regards,

G. Stuart Ewy
Office of Senator Tim Carpenter
State Capitol 306 S
608.266.8535