

No. 534, S.]

[Published June 29, 1949.

CHAPTER 351.

AN ACT to renumber 204.51 to be 204.51 (1); and to create 204.51 (2) of the statutes, relating to assigned risks among certain insurers.

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

SECTION 1. 204.51 of the statutes is renumbered 204.51 (1).

SECTION 2. 204.51 (2) of the statutes is created to read:

204.51 (2) Every insurer undertaking to transact in this state the business of automobile and motor vehicle bodily injury and property damage liability insurance and every rating organization which files rates for such insurance shall co-operate in the preparation and submission of a plan or plans for the equitable apportionment among insurers of applicants for insurance who are in good faith entitled to, but who are unable to procure through ordinary methods, such insurance. Such plan or plans shall provide: (a) reasonable rules governing the equitable distribution of risks by direct insurance, reinsurance or otherwise and their assignment to insurers; (b) rates and rate modifications applicable to such risks which shall not be excessive, inadequate or unfairly discriminatory; (c) the limits of liability which the insurer shall be required to

assume; (d) a method whereby applicants for insurance, insureds and insurers may have a hearing on grievances and the right of appeal to the commissioner. Every such plan shall be filed in writing with the commissioner. The commissioner shall review the plan as soon as reasonably possible after filing in order to determine whether it meets the requirements set forth in (a), (b), (c) and (d) above. Each plan unless sooner approved in writing shall be on file for a waiting period of 30 days before it becomes effective. A plan shall be deemed approved unless disapproved by the commissioner within the waiting period. Subsequent to the waiting period, the commissioner may disapprove any plan on the ground that it does not meet the requirements set forth in (a), (b), (c) and (d) above, but only after a hearing held upon not less than 10 days' written notice to every insurer and rating organization affected specifying the matters to be considered at such hearing, and only by an order specifying in what respect he finds that such plan fails to meet such requirements, and stating when within a reasonable period thereafter such plan shall be deemed no longer effective. Such order shall not affect any assignment made or policy issued or made prior to the expiration of the period set forth in said order. Amendments to such plan or plans shall be prepared, filed and reviewed in the same manner as herein provided with respect to the original plan or plans. If no plan meeting the standards set forth in (a), (b), (c) and (d) above is submitted to the commissioner within 90 days after the effective date of this section or within the period stated in any order disapproving an existing plan he shall, if necessary to carry out the purpose of this section after hearing, prepare and promulgate a plan meeting such requirements. When such plan or plans or amendments thereto have been approved or promulgated, no insurer shall thereafter issue a policy of automobile and motor vehicle bodily injury and property damage liability insurance or undertake to transact such business in this state unless such insurer shall participate in such an approved or promulgated plan. If, after hearing, the commissioner finds that any activity or practice of any insurer or rating organization in connection with the operation of such plan or plans is unfair or unreasonable or otherwise inconsistent with the provisions of this subsection he may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this subsection and requiring the discontinuance of such activity or practice.

Approved June 24, 1949.
