



1997 ASSEMBLY BILL 298

April 17, 1997 - Introduced by Representatives URBAN, DUEHOLM, KELSO, HASENOHRL, OLSEN, BOCK, CULLEN, PLALE, ROBSON and ZIEGELBAUER, cosponsored by Senators GROBSCHMIDT, PLACHE, BUETTNER and CLAUSING. Referred to Committee on Consumer Affairs.

1 **AN ACT to amend** 628.34 (3) (a) and 632.36 (1); and **to create** 343.165 and 632.39
2 of the statutes; **relating to:** reductions in automobile insurance premiums for
3 persons age 55 and older who complete an accident prevention course and
4 granting rule-making authority.

Analysis by the Legislative Reference Bureau

This bill requires insurers to provide an appropriate reduction in the automobile insurance premium for a person age 55 or older who successfully completes an accident prevention course. The course must be approved by the department of transportation (DOT) and must satisfy standards, including standards regulating the curriculum and minimum number of hours of instruction, established by DOT by rule.

A person's eligibility for a premium reduction continues for 3 years after he or she completes an approved course. However, an insurer may, when the policy is renewed during the 3-year period, discontinue the reduction if during that period the insured has been convicted of a moving traffic violation or involved in an automobile accident in which the insured was at fault.

The bill does not specify the amount by which the premium must be reduced; it simply requires an appropriate reduction. An insurer may take into account an individual operator's driving record when determining the reduction. The bill provides that an insurer's reduction is presumed appropriate unless credible evidence indicates otherwise.

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For further information see the *state* 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.** 343.165 of the statutes is created to read:

2 **343.165 Senior accident prevention courses.** The department shall
3 establish, by rule, standards and procedures for approving accident prevention
4 courses for licensed drivers age 55 and older, the successful completion of which will
5 make a licensed driver eligible for a reduction in his or her motor vehicle insurance
6 premiums under s. 632.39. The rules shall specify the criteria that a course must
7 satisfy in order to be approved by the department, including curriculum
8 requirements and a minimum number of hours of instruction. In addition, the rules
9 shall establish a system under which all of the following occur:

10 (1) A certificate of course completion is issued by the department or the
11 organization offering the course to each participant who successfully completes the
12 course.

13 (2) The department maintains a record of licensees who successfully complete
14 an approved course and makes this record available for public inspection.

15 **SECTION 2.** 628.34 (3) (a) of the statutes, as affected by 1995 Wisconsin Act 289,
16 is amended to read:

17 628.34 (3) (a) No Except as provided in s. 632.39 (2), no insurer may unfairly
18 discriminate among policyholders by charging different premiums or by offering
19 different terms of coverage except on the basis of classifications related to the nature
20 and the degree of the risk covered or the expenses involved, subject to ss. 632.365 and
21 632.745. Rates are not unfairly discriminatory if they are averaged broadly among

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1 persons insured under a group, blanket or franchise policy, and terms are not
2 unfairly discriminatory merely because they are more favorable than in a similar
3 individual policy.

4 **SECTION 3.** 632.36 (1) of the statutes is amended to read:

5 632.36 (1) RATE AND OTHER TERMS. An Except as provided in s. 632.39 (3), an
6 insurer may increase or charge a higher rate for a motor vehicle liability insurance
7 policy ~~issued or renewed on or after April 16, 1982,~~ on the basis of an accident which
8 occurs while the insured is operating a motor vehicle in the course of the insured's
9 business or employment, only if the policy covers the insured for liability arising in
10 the course of the insured's business or employment. An Except as provided in s.
11 632.39 (3), an insurer may issue or renew a motor vehicle liability insurance policy
12 ~~on or after November 1, 1989,~~ on terms that are less favorable to the insured than
13 would otherwise be offered, including but not limited to the rate, because of an
14 accident which occurs while the insured is operating a motor vehicle in the course
15 of the insured's business or employment, only if the policy covers the insured for
16 liability arising in the course of the insured's business or employment.

17 **SECTION 4.** 632.39 of the statutes is created to read:

18 **632.39 Senior citizen premium reduction. (1) DEFINITIONS.** In this section:

19 (a) "Motor vehicle" has the meaning given in s. 632.32 (2) (a).

20 (b) "Motor vehicle insurance policy" means an insurance policy issued or
21 delivered in this state that insures against loss, damage or injury, or liability for loss,
22 damage or injury, to persons or property resulting from an accident involving a motor
23 vehicle.

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1 (c) “Senior accident prevention course” means a course approved by the
2 department of transportation in accordance with rules promulgated under s.
3 343.165.

4 **(2) REQUIRED REDUCTION.** (a) An insurer shall provide an appropriate premium
5 reduction for a motor vehicle insurance policy issued or renewed on or after the
6 effective date of this paragraph ... [revisor inserts date], if the principal operator of
7 the insured motor vehicle is at least age 55 and, within 3 years before the motor
8 vehicle insurance policy is issued or renewed, has successfully completed a senior
9 accident prevention course. An insurer may consider an individual operator’s
10 driving record when determining an appropriate premium reduction for that
11 operator. Any reduction used by an insurer is presumed appropriate unless credible
12 data demonstrates otherwise.

13 (b) Notwithstanding par. (a), an insurer is not required to provide a premium
14 reduction for coverage in any portion of a policy period that is more than 3 years after
15 the date of successful completion of a senior accident prevention course.

16 **(3) CONTINUED ELIGIBILITY.** The premium reduction required by sub. (2) may be
17 reassessed by the insurer upon renewal of an eligible insured’s motor vehicle
18 insurance policy. An insured is eligible for coverage at a reduced premium for 3 years
19 after the date of successful completion of a senior accident prevention course, except
20 that an insurer may require as a condition of continuing the premium reduction that
21 during the 3-year period the insured not be convicted of a moving traffic violation
22 under chs. 341 to 349 or under a local ordinance enacted under ch. 349 or not be
23 involved in a motor vehicle accident for which the insured is at fault.

