



## Restore choice and lower prices for Wisconsin drivers

**In 2009 the legislature passed Act 28, which significantly reduced consumer choice by approving sweeping increases in auto insurance requirements.**

- The minimum limits for liability coverage were increased to \$50,000 per person, \$100,000 per accident and \$15,000 per property damage.
- The minimum limits for Uninsured and Underinsured Motorist coverage were increased to \$100,000 per person, \$300,000 per accident.
- The minimum limit for Medical Payments coverage was increased to \$10,000.
- Other changes were made regarding policy language and redefining of terms, exacerbating the effects of the minimum coverage increases.

### **What have been the effects of these reduced choices?**

- Wisconsin drivers have lost the ability to choose the level of coverage that best suits their needs.
- Auto insurance premiums have increased by as much as 42 percent for some Wisconsin Drivers.<sup>1</sup>

### **What could this do to the number of uninsured drivers in Wisconsin?**

- Historically, the percentage of uninsured drivers has tracked with the unemployment rate. Since 2004, the percentage of uninsured drivers has been about 8 percent higher than the unemployment rate.
- Premium increases coupled with an unemployment rate of 7 percent<sup>2</sup> means that the number of uninsured drivers in Wisconsin is likely to rise unless the legislature acts.

### **How can choice be restored for Wisconsin drivers?**

- Reduce the required coverage limits to pre-Act 28 levels.
  - Return Wisconsin's Financial Responsibility requirements to be in line with the vast majority of other states.<sup>3</sup>
  - Return minimum limits for Uninsured and Underinsured Motorist and Medical Payments coverages to be in line with the vast majority of states.
- Change the provisions of Act 28 that increase loss costs and put pressure on premiums. For example:
  - Eliminate mandatory stacking of Uninsured Motorist and Underinsured Motorist policy limits.
  - Allow consumers to reduce coverage available to those who are not members of the insured's household.
  - Permit offsets for amounts recovered from Workers Compensation and other benefits on Uninsured and Underinsured Motorist coverage.
  - Restore longstanding definitions of Uninsured and Underinsured Motorist.
  - Require corroboration of "hit and run" vehicles for Uninsured Motorist Coverage to reduce fraud in Uninsured Motorist claims.

<sup>1</sup> PCI "2009 Wisconsin Act 28: Analyzing the Repeal of Automobile Insurance Related Provisions," Jan. 10, 2011

<sup>2</sup> December 10, 2010 US Bureau of Labor Statistics

<sup>3</sup> Forty-six states, or 90 percent of all states, have Financial Responsibility limits of \$25,000 per person, \$50,000 per accident or lower.