

# CHECKING SLIP—IMPORTANT

## WISCONSIN AUTOMOBILE INSURANCE PLAN

WI 2025 Revision 001

NEW PAGES ENCLOSED C-3–C-10, C-21–C-22, C-35–C-38, C-45–C-48, C-55–C-58, CR-3–CR-6, (a)–(c)

SUPERSEDED—REMOVE All previous Checking Slips

Pages C-3–C-10, C-21–C-22, C-35–C-38, C-45–C-48, C-55–C-58, CR-3–CR-6, (a)–(c)

### NEW CHANGES

Filing No. WI 25-01

#### Manual of Rules and Rates

The Commercial Auto Liability and Medical Payments rates, including rates for increased limits (Rule 52), uninsured and underinsured motorists insurance (Rule 57), zone rated autos (Rule 74), nonowned auto liability coverage (Rule 104), and snowmobiles (Rule 122) are revised.

In addition, the minimum premiums for hired autos (Rule 103), nonowned auto liability coverage (Rule 104), and repossessed autos (Rule 126) are revised.

The Nonowned Auto Liability rating examples are amended to reflect the revised rates.

These Rule and Rate changes are **effective February 1, 2026 for new business and April 1, 2026 for renewal policies.**

- Rule 52 ..... Page C-3
- Rule 57 ..... Pages C-8 and C-9
- Rule 74 (zone rates) ..... Pages C-21 and C-22
- Rule 103 ..... Page C-36
- Rule 104 ..... Pages C-36–C-38
- Rule 122 ..... Pages C-45 and C-46
- Rule 126 ..... Page C-47
- Nonowned Auto Liability rating examples ..... Pages C-56 and C-57
- Commercial Auto Liability and Medical Payments rates ..... Pages CR-3–CR-6

### ELECTRONIC MANUAL

The Wisconsin Automobile Insurance Plan Manual is available in electronic format at <https://www.aipso.com/Manuals/WisconsinManuals>. Register at <https://www.aipso.com/EmailAlerts> to receive email alerts when the manual is updated.

### ABOUT THIS MANUAL

Stars (★) indicate the beginning of an amendment and end symbols (❖) indicate the ending of an amendment. The latest effective dates of the Plan of Operation and Manual of Rules and Rates are listed on pages (a)–(c) located at the end of the Manual.

Distributed by  
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# **WISCONSIN AUTOMOBILE INSURANCE PLAN**

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# WISCONSIN AUTOMOBILE INSURANCE PLAN

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# **WISCONSIN AUTOMOBILE INSURANCE PLAN**

## **INTRODUCTION**

## NOTES



# WISCONSIN AUTOMOBILE INSURANCE PLAN PLAN OF OPERATION INTRODUCTION

The Wisconsin Automobile Insurance Plan is a risk-sharing plan under Wisconsin law, and was created to provide automobile coverage to eligible risks who are in need of such coverage, but are unable to obtain it in the voluntary insurance market.

The Plan of Operation is divided into three parts and a Supplement as follows:

Part I	Personal Automobile Part
	<ul style="list-style-type: none"><li>• Eligibility</li><li>• Coverages</li><li>• Other applicable provisions</li></ul>
Part II	Commercial Automobile Part
	<ul style="list-style-type: none"><li>• Availability and scope of the Special Risk Distribution Procedure (SRDP)</li><li>• Eligibility</li><li>• Coverages</li><li>• Other applicable provisions</li></ul>
Part III	Appendix - Administrative Rules of Plan
Supplement	Provisions Applicable to Private Passenger Risks Prior to January 1, 2020

Before submitting an application for coverage, it is strongly recommended that users of this Manual read “How to Apply to the Wisconsin Automobile Insurance Plan”. However, it is required that users of this Manual read the Personal and Commercial Plan Manual contained in Parts I and II, the Appendix, the Supplement, and review the General Rules. To the extent of which “How to Apply to the Wisconsin Automobile Insurance Plan” conflicts with the Personal or Commercial Automobile Parts or Appendix of this Plan, the provisions of the respective Personal or Commercial Automobile Part, Appendix, or Supplement shall apply.

## HOW, WHEN, AND WHERE—AN EXPLANATION OF PROCEDURES FOR WISCONSIN PRODUCERS

As producer of record, you can help the company or servicing carrier in providing better service to your insureds by making every effort to facilitate the company’s handling of the Wisconsin Automobile Insurance Plan applications. Incomplete applications, application supplements, or requests for changes in the policy which cannot be easily identifiable to an insured only delays the processing of requests for service. Take a few extra minutes to be certain that you have given the company and/or the Plan all the information necessary for issuance of the policy or completion of the transaction.

Application to the Plan may be made by the following methods:

### • **Electronic Application Submission**

The producer must electronically transmit applications to the Plan using the online process for electronic submission authorized by the Plan. The electronic application submission process offers online completion of the application and electronically transmits the application to the Plan.

The completed signed application, deposit, and supporting documentation must be forwarded to the Plan in accordance with Plan rules. For further details, refer to [Section 7](#) for private passenger applications or [Section 23](#) for commercial applications.

### • **Alternate Application Submission Procedures**

When electronic application submission is not available for any reason, the producer must download and print an application from the Plan website.

The following additional application submission methods are available for producer use:

- United States Postal Service Mail

- Hand delivery to the Plan (hand delivery includes overnight mail, courier, or other delivery service)

The completed signed application, deposit, and supporting documentation must be forwarded to the Plan in accordance with Plan rules in [Section 57](#) for private passenger applications or [Section 58](#) for commercial applications.

An original signed application must be submitted to the Plan for the following types of applications:

- Electronically transmitted private passenger and commercial applications
- All private passenger and commercial applications subject to the Alternate Application Submission Procedures

Copies or facsimiles of the above applications are not acceptable and should not be forwarded to the Plan.

### A. **How to Apply to the Wisconsin Automobile Insurance Plan**

Producers should not telephone the Wisconsin Plan for premium quotations, but should refer to the Rules and Rates in the manual.

The producer must advise the applicant that the policy is being issued as a part of the Wisconsin Automobile Insurance Plan.

Applications must be completed online and electronically transmitted to the Plan. However, if for any reason the electronic application system is not available to the producer, applications may be submitted using the Alternate Application Submission Procedures contained in the Appendix of this Manual.

The producer should advise the applicant that the policy is being issued as part of the Wisconsin Automobile Insurance Plan.

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In completing the application, the producer must be certain that

- the application is completed in the name of the registered owner of the vehicle upon which coverage is requested;
- the application is signed by said registered owner and producer of record;
- all applicable questions are answered fully. Blank or incomplete answers may require a return of the application before it can be processed;
- any and all attachments pertinent to the application are submitted;
- the deposit is correctly computed and the correct amount accompanies the application;
- the applicant has read the application and concurs that all answers are correct and complete;
- the original application form or the original application generated by electronic application submission is forwarded to the Wisconsin Automobile Insurance Plan in accordance with Plan rules;

For private passenger applications, the effective date of coverage shall be determined in accordance with [Section 7](#). For commercial applications, the effective date of coverage shall be determined in accordance with [Section 23](#).

- the name, address, and tax identification number of the producer are included;
- a CAIP Inspected Units Form is completed and submitted with the commercial application if the applicant requires federal filings or endorsements.

An original signed application must be submitted to the Plan for the following types of applications:

- Electronically transmitted private passenger and commercial applications
- All private passenger and commercial applications subject to the Alternate Application Submission Procedures

Copies or facsimiles of the above applications are not acceptable and should not be forwarded to the Plan.

Specific questions on the Wisconsin Automobile Insurance Plan Manual, or any portion thereof, should be directed to the Wisconsin Automobile Insurance Plan, PO Box 6530 Providence, RI 02940-6530, telephone (800) 827-5964, or by email at [WIAIP@aipso.com](mailto:WIAIP@aipso.com).

**B. How to Apply for Additional Coverages or Changes in the Policy**

★All requests for changes in the policy are to be forwarded in writing directly to the company, NOT to the

Wisconsin Automobile Insurance Plan. The company's policy number and other identification numbers must be included on the approved Policy Change Request form. All Policy Change Request forms must be submitted to the company or servicing carrier in accordance with [Sections 7](#) and [23](#).

For commercial risks requiring federal filings or endorsements, a completed CAIP Inspected Units Form must accompany the policy change request.

Only those coverages provided for in the rules of the Plan are available.

**C. Availability of Forms and Manuals**

The following Plan materials are available in electronic format at no cost and may be printed after logging into [www.aipso.com](http://www.aipso.com) and accessing the Plan Sites link:

- Plan applications and forms to be used when applying to the Wisconsin Automobile Insurance Plan
- Wisconsin Automobile Insurance Plan Manual
- Wisconsin SRDP Accounting & Statistical Requirements Manual
- Plan Commercial and Personal Policy Forms and Endorsements
- ISO Symbols and Identification Manual

In the event you do not have access to the Plan website for any reason or are unable to print from the website, Plan applications and forms are available at no charge in plain paper format by contacting WIAIP by email at [WIAIP@aipso.com](mailto:WIAIP@aipso.com) or by calling (800) 827-5964.

**D. Effective Date of Coverage**

The effective date of coverage will be determined in accordance with [Section 7](#) for private passenger applicants and in accordance with [Section 23](#) for commercial applicants.

**E. Other Money Matters**

1. The producer must collect a deposit on additional premium endorsements in accordance with [Section 7.B](#) for private passenger policies and [Section 23.C](#) for commercial policies.
2. The producer must return any unearned commission.
3. The producer shall immediately forward payments received from an insured to the company/servicing carrier.

**F. Claims**

When claims are reported to a producer by the insured, the producer must report them to the company or servicing carrier within one working day, 24 hours, either by mail or telephone.

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**PERSONAL AUTOMOBILE PART**

## NOTES

WISCONSIN AUTOMOBILE INSURANCE PLAN  
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**Sec. 1. PURPOSES OF PLAN**

The purposes of the Plan are

- A. to make automobile bodily injury, property damage, uninsured motorists, and medical payments coverage available;
- B. to make physical damage coverage available, except to the following types of vehicles: motorcycles, motorized bicycles, scooters, similar motorized vehicles, motor homes, or trailers used as a residence;
- C. to establish a procedure for the sharing of expenses and operating results generated by the Personal Automobile Insurance Procedure among all subscriber companies writing Voluntary Private Passenger Nonfleet (PPNF) policies in the state of Wisconsin;
- D. to preserve to the public the benefits of price competition by encouraging maximum use of the normal private insurance system.

**Note:** For purposes of this Part of the Plan of Operation, the Personal Automobile Insurance Procedure (PAIP) servicing carrier (including an appointed service provider, if applicable) is herein referred to as "the company".

**Sec. 2. ELIGIBILITY**

**A. Applicant Eligible for Plan**

To be eligible for bodily injury, property damage, medical payments and physical damage coverages, the applicant must meet the following criteria:

1. The applicant, in the application form, must certify that he or she has tried and failed to obtain coverage in the voluntary market at any price within the last 60 calendar days.
2. An applicant so certifying shall be considered for coverage upon making application in good faith to the Plan. An applicant shall be considered in good faith if he reports all information of a material nature and does not willfully make incorrect or misleading statements, in the prescribed application form, or does not come within any of the prohibitions or exclusions shown in paragraph C.
3. The Plan shall be available to residents and nonresidents of the state only with respect to automobiles that are registered or will be registered in the state within 15 calendar days, except that nonresidents who are members of the United States military forces shall be eligible with respect to automobiles registered in other states provided such military nonresidents are stationed in this state at the time application is made and are otherwise eligible for insurance under the Plan.

**B. Eligible Motor Vehicles**

The following types of vehicles shall be eligible for coverage:

1. A private passenger automobile such as a motor vehicle of the private passenger, station wagon, or jeep type that is not used as a public or livery conveyance for passengers nor rented to others without a driver. Also included are: motorcycles, motorized

bicycles, power cycles, motorized scooters, autocycles, recreational trailers, motor homes, and other similar motorized vehicles of the private passenger type;

2. A motor vehicle with a pickup body or a van owned by an individual, or a married couple who are residents of the same household, and not customarily used in the occupation, profession, or business of the insured other than in the course of driving to or from work shall be classified and rated as a private passenger automobile;
3. A farm truck with a load capacity of 2,000 pounds or less shall be classified and rated as a private passenger automobile.

**C. Applicant Not Eligible for Plan**

1. An applicant shall not be entitled to automobile insurance nor shall the company be required to afford or continue insurance under the following circumstances:
  - a. if any person who usually drives the motor vehicle does not hold or is not eligible to obtain an operator's license;
  - b. if the applicant or anyone who usually drives the motor vehicle fails to meet all obligations to pay to any insurance carrier any automobile insurance premiums during the immediately preceding 12 months.
2. ★An applicant shall not be eligible for physical damage insurance nor shall any subscriber be required to afford or continue to afford physical damage insurance under the following circumstances:✧
  - a. if the applicant's automobile is an antique automobile (25 or more years old);
  - b. if the applicant's automobile has an Actual Cash Value in excess of \$45,000.

**Note:** ★Physical damage coverage is available only in conjunction with the same policy written through the Plan affording bodily injury and property damage liability coverage.✧

- D. Medical payments insurance shall be available to an applicant, but only in conjunction with the same policy written in accordance with this Plan affording bodily injury and property damage coverage.

**Sec. 3. REELIGIBILITY**

An applicant denied insurance under the Plan after appeal to the Committee shall not be eligible to reapply for coverage until 12 months after the date of application. Except for nonpayment of premium, an applicant cancelled under [Section 12.B](#) of the Plan shall not be eligible to reapply for coverage until 12 months after the effective date of cancellation.

Applicants cancelled for nonpayment of premium may reapply for coverage at any time provided no earned premium is owed the previous company. If an applicant canceled for nonpayment of premium reapplies, provided such applicant is otherwise eligible, the application shall be accompanied by the deposit prescribed in [Section 6](#). Such application shall be

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considered a new application and coverage shall be determined in accordance with the provisions of [Section 7](#).

An applicant who fails to pay the renewal premium quoted by the company, in accordance with the provisions of [Section 14.A.2](#) of this Plan, may reapply for coverage at any time. If the applicant reapplies, the rules as outlined in [Section 6](#), shall be applied provided such applicant is otherwise eligible. Such application shall be considered a new application and coverage shall be determined in accordance with the provisions of [Section 7](#).

**Sec. 4. RESERVED FOR FUTURE USE**

**Sec. 5. EXTENT OF COVERAGE**

**A. Coverages and Limits**

1. Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, and Underinsured Motorists Coverage

- a. Each insurer shall be required to write a policy or binder for basic limits of \$25,000/50,000 bodily injury and \$10,000 property damage.
- b. An insured may, at his or her option, also purchase additional coverage to be written in the same policy for
  - (1) increased liability limits at any of the following optional limits:

Optional Bodily Injury Limits	Optional Property Damage Limits
\$ 50,000/100,000	\$25,000
100,000/300,000	50,000

Higher limits are available only to comply with a federal, state, or local law or ordinance.

- (2) medical payments coverage at a limit of up to \$5,000 with increments of \$1,000 and \$2,000, with respect to four-wheel vehicles classified and rated as private passenger vehicles. For all other vehicles, medical payments coverage shall be available at a limit of \$1,000.
  - c. Protection against uninsured motorists at the standard limits of liability specified in the applicable rules and rates.
  - d. Protection against underinsured motorists at the standard limits of liability specified in the applicable rules and rates.
2. Physical Damage Coverage

- a. ★The following coverages are available for vehicles defined in the Manual for physical damage coverage:✧

With respect to vehicles within the definition of the Manual for automobile physical damage coverages, comprehensive (including collision) coverage on an Actual Cash Value basis, subject to a maximum loss payable of \$45,000 and to a deductible in the amount of \$100, \$250, or

\$500 applicable to each loss as to each automobile.

- b. ★Physical damage coverage is available only in conjunction with the same policy written through the Plan affording bodily injury and property damage liability coverage.✧
- c. Upon the request of the applicant, a standard loss payable clause for the benefit of a lienholder shall be included in the policy.
- d. Comprehensive coverage and collision coverage must have the same deductible.

**B. Standard Policy Coverages**

1. Personal Auto Policy

- a. The following risks shall be provided uniform coverage, equivalent to the coverage of the Edition of the Insurance Service Office, Inc. (ISO) Personal Auto Policy and the ISO and Automobile Insurance Plan endorsements which have been approved by the Wisconsin Insurance Department for use with Automobile Insurance Plan business.
  - (1) Private passenger automobiles, as defined in the Automobile Insurance Plan Manual, which have four wheels and are owned or hired under a long-term contract by an individual or by a married couple who are residents in the same household or jointly by relatives other than a married couple or jointly by resident individuals
  - (2) Motorcycles or similar type motor vehicles, or motor homes used for private passenger purposes which are owned or hired under a long-term contract by an individual or a married couple who are residents in the same household, and written on a specified car basis
  - (3) Named nonowner risks
- b. For private passenger automobiles owned or hired under a long-term contract by an individual or a married couple, the Personal Auto Policy excludes coverage to any automobile while used
  - (1) in any prearranged racing or competitive speed contest; or
  - (2) in the business of transporting flammables or similar hazardous materials.
- c. For motorcycles or similar type motor vehicles or motor homes, referred to above, coverage shall be amended by an approved Automobile Insurance Plan Miscellaneous Type Vehicle Endorsement.
- d. For private passenger automobiles owned or hired under a long-term contract by individuals, other than spouses, residing in the same household or nonresident relatives, coverage shall be amended by an approved Automobile Insurance Plan Joint Ownership Coverage Endorsement.

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- e. For named nonowner risks, referred to above, coverage shall be amended by an approved Automobile Insurance Plan Named Nonowner Coverage Endorsement.

2. Filing of Policy and Endorsement Forms

Any required filings of policy or endorsement forms shall be made on behalf of the Wisconsin Automobile Insurance Plan by AIPSO.

**Sec. 6. PREMIUM DEPOSIT  
REQUIREMENTS AND PAYMENT  
OPTIONS (APPLICABLE TO NEW  
AND RENEWAL PAIP PLAN  
POLICIES WITH EFFECTIVE DATES  
JANUARY 1, 2020 AND LATER)**

The application for insurance under the Plan must be submitted to the Plan on a prescribed form, accompanied by a current (within 90 calendar days) motor vehicle department record for all drivers and by the full gross annual premium or a deposit on a gross basis as indicated below.

**A. Full Annual Premium Payment Option**

The full annual premium shall be submitted with the application if the applicant chooses this option. If the premium deposit is inadequate, the outstanding balance shall be billed immediately and due within 30 calendar days of the date of the premium notice.

**B. Advance Premium Payment Option**

30% of the total premium shall accompany the application. The balance will be billed immediately and due within 30 calendar days from the date of the premium notice.

**C. Installment Premium Payment Option (Liability and Physical Damage Coverages)**

**Note:** The installment premium payment option is not available if any portion of the annual premium is financed by a premium finance company. If any portion is financed after the installment premium payment option is elected, the company may bill the insured immediately for the unpaid balance of the annual premium.

1. Deposit

25% of the annual premium shall accompany the new application and be submitted as the initial payment on renewal policies.

No installment charge on the deposit premium.

2. Installments

The first installment bill will show the current annual premium plus the total installment charge minus the deposit. Each installment bill should display the status of the account and is to be released to the insured with a copy to the producer.

Each installment will consist of one-fifth of the remainder of the premium subject to a minimum amount due of \$20 (to which any outstanding bal-

ance of less than \$20 is to be added) plus an installment charge of \$4 on each installment, due as follows:

- a. 1st installment—2 months after the effective date of the policy
- b. 2nd installment—3 months after the effective date of the policy
- c. 3rd installment—4 months after the effective date of the policy
- d. 4th installment—5 months after the effective date of the policy
- e. 5th installment—6 months after the effective date of the policy

At any point during the installment billing period, should the insured elect to pay the outstanding balance, the installment charge for the current bill would apply.

3. Additional Premium Changes

Additional premium resulting from changes to the policy may be spread over the remaining installments, if any, or may be billed immediately as a separate transaction.

4. Return Premium Changes

Return premium resulting from changes to the policy may be used to reduce the outstanding balance, or, if the outstanding balance is eliminated, any amount remaining from the return premium will be returned immediately. If an outstanding balance remains, the number and amounts of the remaining installments will be adjusted accordingly, except when the return amount is less than \$20 it may be treated as a separate transaction.

5. Billing Output and Scheduling

Each installment bill should display the status of the account. At any point during the installment billing period, should the policyholder elect to pay the outstanding balance, the installment charge for the current bill would apply.

- 6. If the installment is past due and the next installment is due to be billed, a notice of cancellation may be issued to be effective no earlier than the due date of the current installment. The total of the past due installment and the current installment shall become the minimum amount required to avoid cancellation of the policy. If the minimum payment is received by the effective date of cancellation, the policy shall be continued and subsequent installments shall be processed on schedule.

**D. Deposit Applicable to Either A or B Above**

The deposit premium shall be submitted gross either in cashier's check, money order, bank draft, certified check, or producer/agency check only payable to the Wisconsin Automobile Insurance Plan. If the risk is ineligible for coverage, the deposit shall be returned.



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**Sec. 7. DESIGNATION OF COMPANY,  
EVIDENCE OF INSURANCE, AND  
EFFECTIVE DATE OF COVERAGE**

**A. Original Application**

1. Upon receipt of the original, prescribed, completed, eligible private passenger application and the deposit specified in [Section 6](#), the Plan will process the application and advise the applicant and producer of record of the company and the effective date of coverage.

In no event shall coverage be effective

- a. prior to 12:01 A.M. on the day following the date the application was transmitted to the Plan using the Electronic Application Submission Interface (EASi);
- b. unless the required deposit is submitted with the application;
- c. unless current (within 90 calendar days) motor vehicle records for all drivers are submitted with the application.

**2. Electronic Application Submission Interface (EASi)**

Producers must transmit the application to the Plan electronically by utilizing the Electronic Application Submission Interface (EASi). Coverage will be effective only when the electronic submission is transmitted under the procedures established and authorized by the Plan.

Prior to accessing EASi, each producer must be registered with the Plan in accordance with the procedure outlined in [Section 52](#).

The completed EASi application must be printed, signed, and submitted to the Plan in accordance with the following procedures:

**a. Effecting Coverage**

Coverage shall become effective at 12:01 A.M. on the day following the date the application was transmitted to the Plan, provided all of the following requirements are met:

- (1) The producer of record and the applicant shall certify on the application prescribed by the Plan the date (day, month, and year) and time (hour, A.M. or P.M.) that the application information was transmitted. The date of receipt of the electronic EASi application by the Plan shall be established by the date and time the application is transmitted by the producer using EASi.
- (2) The paper application generated by EASi, deposit check or money order, and supporting documentation must be received by the Plan no later than 15 calendar days following the date of transmittal of the EASi application. An application received by the Plan on the 15<sup>th</sup> calendar day shall be considered a timely submission.
- (3) If the application, deposit, and supporting documentation are received more than 15 calendar days following the date of transmittal of the EASi application, coverage

shall be effective in accordance with the following:

Coverage will become effective at 12:01 A.M. on the day following the date of mailing of the paper application, deposit check or money order, and supporting documentation to the Plan as shown by the postmark on the envelope accompanying the application or hand delivery (including delivery by means of overnight mail, courier, or other delivery service). If the postmark is illegible, the envelope does not contain a USPS postmark, or if the envelope is stamped by postage meter and does not contain a USPS postmark, the coverage will be effective at 12:01 A.M. on the day following receipt by the Plan.

**b. Future Effective Date of Coverage**

In the event a future effective date of coverage has been requested by the producer of record, coverage shall become effective as of 12:01 A.M. on the future date, provided all of the following requirements are met:

- (1) The requested effective date of coverage does not exceed 45 days from the date of transmittal of the application.
- (2) The producer of record and applicant certify on the application the date (day, month, and year) and time (hour, A.M. or P.M.) of the future effective date of coverage.
- (3) The producer and applicant certify the date and time the application was transmitted on the paper application generated by EASi. The date of receipt of the electronic EASi application by the Plan shall be established by the date and time the application is transmitted by the producer using EASi.
- (4) The paper application generated by EASi, deposit check or money order, and supporting documentation must be received by the Plan no later than 15 calendar days following the date of transmittal of the EASi application. An application received by the Plan on the 15<sup>th</sup> calendar day shall be considered a timely submission.
- (5) If the application, deposit, and supporting documentation are received by the Plan more than 15 calendar days following the date of transmittal of the EASi application, coverage shall be effective in accordance with the following provisions:

If the applicant does not desire coverage until a later date, not to exceed 45 days from the date of application, the applicant shall indicate such date in the application and the Plan shall fix the date when coverage becomes effective at 12:01 A.M. on the desired date of coverage or at 12:01 A.M. on the day following receipt of the application by the Plan, whichever is later.



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If there is an in-force policy terminating at a date later than the date which would be fixed per this Section, the applicant shall indicate such date in the application and the Plan shall fix the date when coverage becomes effective at 12:01 A.M. on the termination date of coverage of the in-force policy or at 12:01 A.M. on the day following receipt of the application by the Plan, whichever is later.

- c. For the purpose of Section 7, the postmark to be recognized by the Plan shall be the postmark of the United States Postal Service. A metered mail stamp, electronic stamp, or other postage service or stamp shall not be considered a postmark of the United States Postal Service for the purpose of effecting coverage. Working day shall mean a day on which business is conducted, Monday through Friday, except for legal holidays when the United States Post Office is closed.
- d. The producer of record may not transmit the application using EASi until the application for coverage has been completed and the deposit has been received.
- e. Appropriate records of all risks for which the producer has designated the date and time of coverage must be maintained. The producer agrees to permit the inspection or photocopying of such office records by the Plan or by a company representative. This inspection and photocopying will be limited to situations where the date and hour of coverage is in question due to the occurrence of an accident or claim arising under the policy issued under this Section.
- f. Private Passenger Application Retraction Procedure

(1) When to Retract an EASi Application

Following issuance of an EASi reference number and prior to the mailing or delivery of a completed, signed paper application to the Plan, the producer of record may retract an EASi private passenger application for the reasons stated in Section 7.A.2.f.(2).

(2) Reasons for Retraction of an EASi Application

An EASi private passenger application may be retracted for any of the following reasons:

- (a) The applicant has notified the producer of record that coverage through the Plan is no longer required.
- (b) The producer of record has made an error in the information provided.
- (c) The producer of record has, in error, requested more than one EASi reference number for the same application.

(3) Electronic Retraction Process

The producer of record shall access EASi and use the online electronic retraction process to retract an EASi application. The retraction must be transmitted to the Plan no later than one working day after the application is submitted using EASi. The producer is not required to submit a copy of the retracted paper application to the Plan.

(4) Alternate Procedure for Submission of an EASi Retraction Request Form

If, for any reason, EASi is not available, a producer may request retraction of an EASi reference number by completing and submitting a paper EASi Retraction Request Form in accordance with the following procedure:

The producer of record shall complete a paper EASi Retraction Request Form and forward it to the Plan no later than two working days after the date the application is submitted using EASi.

If the reason for retraction is (1) the applicant's coverage has been placed in the voluntary market or (2) the applicant has elected not to pursue assignment for coverage through the Plan, the producer may mail, deliver, or electronically transmit the EASi Retraction Request Form to the Plan. The producer is not required to submit a copy of the retracted paper EASi application to the Plan.

When retraction is requested because the producer has made an error in the application information and a corrected application has been electronically transmitted using EASi, the producer must mail or deliver the corrected EASi application, deposit check, and any supporting documentation accompanied by a copy of the completed EASi Retraction Request Form to the Plan.

(5) Plan Retraction of EASi Application

If the producer fails to retract the EASi application in accordance with Sections 7.A.2.f.(3) or (4), the Plan shall retract the application 20 calendar days following the date of transmittal of the EASi application. The Plan shall notify the applicant and producer that the application has been retracted. The application shall be considered null and void and no coverage is in effect.

- g. If EASi is not available or if the producer does not have access to the internet, the producer of record must submit an original application form in accordance with the Alternate Application Submission Procedure in [Section 56](#). The effective date of coverage will be determined in accordance with [Section 56](#).
- h. Producer violation of the procedures of EASi as outlined in this section will be reviewed by the

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Plan Manager and may result in the limitation, suspension, or termination of access to EASi.

- i. Access to EASi shall not be construed as constituting the producer as an agent of the Plan or any company to which an applicant is assigned. In all transactions between the applicant and the Plan, the producer shall be deemed to be the agent of the applicant and not the agent of the Plan or any company to which an applicant is assigned.

**3. Supporting Documentation**

Current (within 90 calendar days) motor vehicle records for all drivers must be submitted with the application.

**4. Producer Submission of Application to the Plan**

The original paper application form generated by EASi bearing the signatures of the applicant and the producer, the deposit, and supporting documentation shall be forwarded to the Plan and must be received no later than 15 calendar days after transmittal of the EASi application. The producer shall supply the applicant with a copy of the application duly executed by the producer.

**5. Plan Submission to the Company**

The Plan shall forward to the company a copy of the application form, the notice of the effective date of coverage, and the deposit, same to be credited by the company against the policy premium.

**6. Financial Responsibility (SR-22) Certificates**

If the risk is eligible for coverage under the Plan and the applicant or spouse requires a Financial Responsibility Certificate (SR-22), the Plan will issue the certificate on behalf of the company, file with the proper authority, and send a copy to the company. Such certificate shall become effective as of the effective date of coverage.

**7. Applicant Refusal to Accept Policy**

If, for any reason, the applicant refuses to accept the policy, the company shall retain the pro rata earned premium for the period of coverage or the minimum policy premium as contained in the Automobile Insurance Plan Manual of Rules and Rates, whichever is greater, and return the balance to the applicant.

**B. Additional Vehicles or Coverages**

1. ★If an additional vehicle or if additional coverages are desired during the policy period, a completed approved Policy Change Request form shall be submitted to the company no later than the first working day after completion.✧
2. Premium requirements for additional vehicles or coverages include the following:
  - a. The Policy Change Request form shall be accompanied by a check or money order payable to the insurer for an amount equal to 30% of the annual premium or the pro rata premium for the remainder of the policy period, whichever is less.

★If the Policy Change Request form is submitted electronically, any additional premium is forwarded to the company no later than the first working day after electronic transmittal of the Policy Change Request form.✧

- b. The balance of the additional premium shall be payable in accordance with the provisions of the payment plan selected.
- c. All such premium payments shall be submitted on a gross basis.

**3. ★Except as otherwise provided in the policy contract, coverage will be effective at the date and hour specified in the Policy Change Request form provided all of the following requirements are met:**

- a. The producer of record and applicant certify the date and hour of completion of the Policy Change Request form.
- b. The producer of record forwards the completed Policy Change Request form to the company in accordance with Section 7.B.1.
- c. The United States Postal Service postmark date on the transmittal envelope complies with the mailing requirement shown in Section 7.B.1.

**4. If the provisions of Section 7.B.3.b and c above are not met, the effective date of coverage shall be determined as follows:**

- a. The coverage shall be made effective at 12:01 A.M. on the day following the date the Policy Change Request form is mailed to the company as shown by the postmark if the transmittal envelope bears a legible postmark affixed by the United States Postal Service.
- b. If the transmittal envelope does not bear a legible postmark affixed by the United States Postal Service, or if the envelope is stamped by a postage meter, electronic stamp, or any other postage service or stamp, coverage shall be made effective at 12:01 A.M. on the day the Policy Change Request form is received by the company.
- c. If the Policy Change Request form is delivered to the company by any means other than the United States Postal Service (including delivery by means of overnight mail, courier, or other delivery service), coverage shall be made effective at 12:01 A.M. on the day following receipt by the company.

**5. If the Policy Change Request form is transmitted to the company via facsimile ("fax") or e-mail, coverage will be effective at the date and hour specified in the Policy Change Request form, provided all the following requirements are met:**

- a. The producer of record and applicant certify the date and hour of completion of the Policy Change Request form.
- b. The producer of record electronically transmits the completed Policy Change Request form to the company no later than the first working day after the Policy Change Request form is completed.

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- c. The producer of record forwards additional premium payment, if required, to the company in accordance with Section 7.B.2 above.

If the provisions of Section 7.B.5.a and b are not met, coverage shall be made effective at 12:01 A.M. on the day following the receipt of electronic transmission of the policy change request by the company.

6. Except when there is a reduction or elimination of coverage, the producer may provide the company with policy change requests by telephone if the option is available by the company. Coverage will be effective at the date and hour specified by telephone, provided all the following requirements are met:
- a. The producer must forward the completed approved Policy Change Request form to the company no later than the first working day after the policy change request information is transmitted by telephone.
  - b. The producer of record and applicant certify the date and hour of completion of the Policy Change Request form.
  - c. The producer of record forwards additional premium payment, if required, to the company in accordance with Section 7.B.2. above.
7. If the provisions of Sections 7.B.6.a and b are not met, the effective date of coverage shall be determined as follows:
- a. The coverage shall be made effective at 12:01 A.M. on the day following the date the Policy Change Request form is mailed to the company as shown by the postmark if the transmittal envelope bears a legible postmark affixed by the United States Postal Service.
  - b. If the transmittal envelope does not bear a legible postmark affixed by the United States Postal Service, or if the envelope is stamped by a postage meter, electronic stamp, or other postage service or stamp, coverage shall be made effective at 12:01 A.M. on the day the Policy Change Request form is received by the company.
  - c. If the Policy Change Request form is delivered to the company by any means other than the United States Postal Service (including delivery by means of overnight mail, courier, or other delivery service), coverage shall be made effective at 12:01 A.M. on the day following receipt by the company.
  - d. If the Policy Change Request form is transmitted to the company via facsimile ("fax") or e-mail, coverage shall be made effective at 12:01 A.M. on the day following the receipt of electronic transmission of the policy change request by the company.
8. In no event shall coverage be effective prior to 12:01 A.M. on the day following receipt of the Policy Change Request form by the servicing carrier except as provided for by the provisions of the policy contract.

9. If the application has been submitted to the Plan and the producer has not yet been notified of the company, the Policy Change Request form and premium payment must be forwarded to the Plan no later than the first working day after completion.

The producer of record shall maintain appropriate records of all risks for which they have designated the date and hour of coverage and agrees to permit inspection or photocopying of such office records by the Plan or by a company representative. This inspection or photocopying will be limited to situations where the date or hour of coverage is in question due to the occurrence of an accident or claim arising under the policy change completed in accordance with this Section. ❖

**C. Reduction or Elimination of Coverage**

In the event a reduction or elimination of coverage is desired during the policy period, a completed approved Policy Change Request form must be signed by the applicant or insured and submitted to the company.

**D. Incomplete Applications**

**1. Applications Returned by the Plan**

The Plan shall give at least 15 calendar days to the applicant and producer to remedy any defects in the application. Written notice of the return of the application shall be provided to the producer and applicant. The corrected application and deposit premium will be processed and coverage will be effective as if the original application were complete, provided the applicant is otherwise eligible. If the application requires further correction, the Plan shall return the application to the producer to remedy any deficiencies.

If the completed application and deposit are not received by the Plan within 20 calendar days from the date of return of the application, the Plan shall notify the producer and applicant in writing that the completed application and deposit have not been received. The application shall be considered null and void and no coverage is in effect. The Plan shall retract an EASi application.

**2. Incomplete Applications Received by the Company**

The company shall give at least 15 calendar days to the insured and to the producer of record for remedying any defects in the application, and no part of the deposit premium shall be returned to the insured or to the producer of record except upon proper cancellation in accordance with the provisions of [Section 12](#) of this Plan, as applicable.

3. Applications submitted without deposit premium shall be returned to the producer and no coverage will be afforded. To obtain coverage, producers must reapply by submitting the completed application and appropriate deposit premium. Coverage will be effective in accordance with Section 7.A above, provided the applicant is otherwise eligible.

**Sec. 8. RESERVED FOR FUTURE USE**

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**Sec. 9. FOUR-YEAR ASSIGNMENT PERIOD**

An applicant shall be assigned to a company for a period of four consecutive years. The company shall be required to renew the policy for three consecutive years following the initial policy term, provided the insured continues to be eligible for coverage through the Plan. If the company is not offering to write a renewal policy, the company shall notify the insured, at least 60 calendar days prior to the expiration date of the final renewal policy, that the period of assignment under the Plan will terminate on said expiration date.

If an insured is unable to obtain insurance for itself at the end of the four-year period, reapplication for insurance may be made to the Plan. Such reapplication shall be considered as a new application.

In the case of nonresident military personnel, as described in [Section 2.A.3](#), the company shall not be required to renew if at the time of renewal the insured is stationed in another state and his automobile is not registered in Wisconsin. The company shall notify the insured at least 60 calendar days prior to the expiration date.

**Secs. 10–11. RESERVED FOR FUTURE USE**

**Sec. 12. CANCELLATIONS**

**A. Cancellation at Request of Insured**

If for any reason the insured requests cancellation of its policy such cancellation shall be on a pro rata basis with a minimum earned premium of \$25 per policy.

**B. Cancellation by Company**

No insurance policy may be cancelled by the insurer prior to the expiration of the agreed term except for failure to pay a premium when due or on grounds stated in the policy, which must be comprehended within one of the following classes:

1. Material misrepresentation
2. Substantial change in the risk assumed, except to the extent that the insurer should reasonably have foreseen the change or contemplated the risk in writing the contract
3. Substantial breaches of contractual duties, conditions, or warranties

- C. Each such cancellation shall be on a pro rata basis, subject to the minimum charge of \$25 per policy, and a copy of each such cancellation notice shall be furnished to the producer of record. A statement of facts in support of each such cancellation shall be furnished to the producer of record and to the insured and, except in the case of cancellation for nonpayment of premium to the Plan and to the Commissioner of Insurance of the state, 10 calendar days prior to the effective date of cancellation.

Cancellation shall be effective on the date specified and coverage shall cease on such date.

At the option of the company, the nonpayment cancellation date may be the equity date computed on the pro rata basis. (Equity date is the date at which all collected premium is earned as computed on the pro rata basis.)

Nothing herein shall be deemed to affect the company's right to rescind a policy for fraud or misrepresentation or to invoke other remedies provided by law. In the event of a rescission, the company shall issue a rescission notice.

**Sec. 13. COMMISSION**

Unless other arrangements have been made with the Commissioner of Insurance, the commission under the Plan shall be as follows:

- A. 10% of the policy premium for commission to a licensed producer designated by the insured; commissions to be paid are not subject to surcharge costs.
- B. On any applicant rated and domiciled outside of this state, the licensed producer may be paid only that portion of the producer's commission specified above which is permissible under the laws of the state in which the applicant is rated and domiciled.
- C. Return compensation shall be paid within 45 calendar days from the date of notice to the producer.
- D. Compensation may be paid by the company either (1) on the full annual premium, or (2) on the basis of premium received by the company.
- E. A producer accounting system may be utilized by a company in its payment of producer compensation.
- F. Commissions will not be paid on installment charges.
- G. In the event of cancellation, a policy change, or a termination resulting in a reduction of premium, compensation will be payable on the earned premium received by the company.
- H. Final compensation adjustment will be in accordance with this Section.
- I. Should the producer fail to provide their tax identification number, the company may defer payment of compensation until the proper tax identification number is provided.

**Sec. 14. PERFORMANCE STANDARDS FOR COMPANIES WRITING WISCONSIN AUTOMOBILE INSURANCE PLAN RISKS**

**A. Company Performance Standards**

The performance standards listed below set forth the specific time periods during which companies must perform in accordance with the rules of this Plan:

**1. Issuance of Original Policy**

Upon receipt of the Notice of Designation and the premium or deposit from the Plan, the company shall

- a. within 15 calendar days issue a policy if all information necessary for the company to fix the proper rate is contained in the application form, or
- b. within 15 calendar days issue a binder if all information necessary for the company to fix the proper rate is not contained in the application form.

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Unless the company finds the applicant ineligible for insurance under the rules of the Plan, the company will notify the insured and the producer of record of the collection procedure to be followed. The company will be guided by the following:

- Full Annual Premium Payment Option  
(See [Section 6.A](#))
- Advance Premium Payment Option  
(See [Section 6.B](#))
- Installment Premium Payment Option  
(See [Section 6.C](#))

The date when Notice of Designation and premium or deposit are received from the Plan shall be deemed the first working day, whatever may be the time of such receipt.

No Saturday, Sunday, or legal holiday in the place of receipt, shall be deemed a working day.

The producer of record shall be notified as to the disposition of the assignment in accordance with paragraphs a and b of Section 14.A.1.

2. First, Second, and Third Renewal Policies

At least 60 calendar days prior to the inception date of the first, second, and third renewal policies, the company shall notify the insured that

- a. a renewal will be issued provided the premium stipulated by such company is received on or before the inception date, or
- b. if the renewal is to be written on the installment premium payment option, such policy will be issued provided the deposit premium stipulated by the company is received on or before the inception of such renewal policy, or
- c. a renewal policy will not be issued. The company shall provide a Notice of Cancellation or nonrenewal that states with reasonable precision the facts on which this decision is based.

Renewal premium quotations will be made as stipulated in the present Plan rules.

Renewal policies or certificates will be issued and mailed within 30 calendar days of the company's receipt of the renewal premium.

3. Completion of Assignment Period

At least 60 calendar days prior to the expiration date of the final renewal policy of the assignment period, the company shall notify the insured that the period of assignment under the Plan will terminate on said expiration date. A copy of such notice shall be sent to the producer of record.

4. Endorsements

The company will acknowledge receipt of the request within 10 calendar days. Any endorsement requested of the company on which it has received all necessary information shall be issued and mailed within 30 calendar days. Acknowledgment is not required of those companies that are able to issue the

requested endorsement within 15 calendar days of receipt of the request.

5. Return Premiums

Return premium checks must be mailed within 30 calendar days of the effective date of the cancellation notice or endorsement.

6. Collection of Premium

Companies are to follow present Plan rules.

7. Commissions

Compensation shall be paid no less frequently than monthly and shall be paid within 15 days after the close of the month in which the commission was credited to the producer's account. The company must issue a statement and, if applicable, the proper compensation check unless the producer fails to provide their proper tax identification number.

8. Claim Handling

- a. The company shall provide policyholders with information on how and where to report claims.
- b. Each company is responsible for handling all claims properly and promptly in accordance with the terms of the contract of insurance subject to the limits of coverage provided. Claim adjustment practices and procedures of each company shall correspond with those followed for voluntary business. Where unfair claim practices, regulations, or legislation exist, companies must comply with such regulations or legislation.
- c. Companies must have the ability to service claims in every state, the District of Columbia, and Canada.
- d. Contact (First- and Third-Party Claimants)

Upon receipt (by mail or facsimile) of notification of a claim containing sufficient information to identify the insured, claimant, and policy number, the company must acknowledge receipt of such notice within the applicable state's regulations or unfair claim practices. If the state has not established time guidelines, the company must acknowledge receipt of such notice to first party claimants within 2 working days and third-party claimants within 15 working days and have the date of the acknowledgement documented in the company's claim file.

The company will provide first party claimants with the necessary forms and instructions to permit compliance with all policy conditions.

e. Appraisal

Within the applicable state regulations or unfair claims practices, an appraisal must be completed for the purpose of determining the cost of repair. If the state has not established time guidelines, an appraisal, or documented attempts, must be completed within 10 working days from the date of receipt of a specific claim, including damages and location of vehicle, by the company. If a second inspection is required,



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the company will document attempts for scheduling a second appraisal within two working days of notice for the need of the second appraisal.

f. Coverage

The company must verify that the proper coverage was in effect at the time of loss which covers the damages claimed by the first or third-party claimant.

g. Investigation

The company must begin an investigation of any claim within 15 working days of receipt of notification of the claim.

The company must substantially complete an investigation of each claim 30 working days after notification of a claim.

If after 30 working days from notification of the claim, the completed investigation is insufficient to properly adjust the claim or the parties cannot agree to settlement, the company must notify the policyholder, claimant, or authorized representative in accordance with the state's applicable regulations or unfair claim practices, until the claim is settled or until both parties agree updates are no longer needed. If a state has not established any guidelines on this topic, the company will advise the claimant within 30 working days from receipt of proof of loss or settlement material, what outstanding information is required to adjust the claim. The company will continue to provide this update every 45 working days or until both parties agree updates are no longer needed.

h. Reserving

Reserving practices must comply with the requirements outlined in the Claims Guidelines Manual.

i. Documentation/File Reporting

A file for each claim must be compiled by the company's claims staff, and should address coverage, liability, damage investigation, reserves, subrogation potential, and recommendations for future handling.

As claim handling continues, the file should be updated to address reserve adequacy, strategies, plans for future handling, and resolution.

j. Payment

All first party physical damage claims shall be paid within the applicable state regulations and/or unfair claim practices. All payments not defined within state regulations or unfair claim practices will be paid within 30 days after receipt of proof of loss, agreed appraisal amount, or written settlement agreement (unless the company has not completed the investigation necessary to make a decision or the parties cannot agree on settlement). Receipt of these documents does not waive the company's right to conduct an investigation prior to settlement and/or offer a reasonable settlement based upon the facts.

k. Final notice of close-out settlements will be furnished to producers within 30 days of the closing date.

l. Expenses

All reported loss adjustment expenses must comply with the eligibility requirements outlined in the PAIP Accounting and Statistical Requirements Manual.

m. Violations of claim handling performance standards will be reported to the Governing Committee for appropriate action. The matter may be referred to the Commissioner of Insurance for such action as is deemed necessary.

**B. Procedures for Compliance with the Performance Standards for Companies**

If the Committee finds that any company without good cause is not complying with the provisions of the Plan, it shall notify the Commissioner of Insurance.

**Secs. 15–16. RESERVED FOR FUTURE USE**

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## NOTES



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**Sec. 17. PURPOSES OF THE WAIP/SRDP  
PLAN (HEREINAFTER CALLED  
THE PLAN)**

The purposes of the Plan are

- A. to make automobile bodily injury, property damage, medical payments insurance, and uninsured and underinsured motorists insurance available to eligible commercial automobile risks, as herein defined, who have been unable to obtain needed coverage in the voluntary insurance market;
- B. to establish a procedure for the equitable sharing of the premiums, losses, and expenses generated by this Plan among all member insurers with voluntary commercial automobile all other insurance premiums in Wisconsin;
- C. to preserve to the public the benefits of price competition by encouraging maximum use of the normal private insurance system.

**Note:** For purposes of this Part of the Plan of Operation, the Special Risk Distribution Procedure (SRDP) servicing carrier shall include a service provider appointed with a fronting company, unless otherwise specified.

**Sec. 18. ELIGIBILITY**

**A. Applicant Eligible for the Plan**

Any commercial automobile risk with its headquarters in Wisconsin, as defined in paragraph C, is eligible for coverage through the Plan.

In addition, the applicant is subject to the following:

1. An applicant shall be considered in good faith if all information of a material nature has been correctly and accurately reported and the applicant does not willfully make incorrect or misleading statements in the prescribed application form; and
2. The applicant, in the application form, must certify that he has tried and failed to obtain coverage in the voluntary market at any price within the last 60 calendar days; and
3. The applicant, under any name, shall not be indebted to the Plan or any carrier under the Plan with respect to current or prior coverage; and
4. The proper deposit premium in accordance with [Section 22](#) must accompany the application and be submitted by certified check, producer/agency check, cashier check, bank draft or money order payable to the Wisconsin Automobile Insurance Plan; and
5. The application must encompass all commercial automobile liability exposure of the risk, as the Plan does not provide excess coverage, nor does it provide coverage for only a portion of a commercial risk.
6. An applicant is considered ineligible if the applicant has been cancelled for failure to respond to a request to schedule an audit or for failure to comply with two documented requests to conduct an audit and has not submitted to and permitted the completion of an audit, unless the cause of ineligibility has been removed.

**Note:** The term "risk" as used in the Plan means the exposures of any one insured which are to be rated. Allied or subsidiary interests shall not be included unless the insured holds a majority financial interest therein.

**B. Eligible Motor Vehicles**

All applicants shall be eligible for coverage and pooled in the SRDP **EXCEPT** for the following types of risks:

1. Individually owned private passenger, nonfleet vehicles
2. Individually owned, nonfleet motorcycles and auto-cycles
3. Private passenger vehicles not owned by an individual whereby coverage is to be provided under an individual named nonowner policy

A fleet is defined as five or more motor vehicles of any type owned by an eligible applicant.

**C. Applicant with Multistate Operations**

Operating headquarters is defined as the chief or usual place of business. It is the head office, the place where the principal officers generally transact business, and the place to which reports are made and from which orders emanate. It is also the place where the corporate functions are performed. The company should be incorporated in Wisconsin.

The burden of proof with regard to the location of the operating headquarters, consistent with the definition as stated above, lies with the applicant who seeks to be insured through the Wisconsin Automobile Insurance Plan.

If an applicant with headquarters in Wisconsin has multistate operations, those owned, hired, and nonowned vehicles principally garaged in another state may, upon request to the servicing carrier, be covered under the Plan policy, provided that coverage is available under a Plan or similar facility of another state. In that case, the rates, additional charges, and rating rules in the state of principal garaging will apply to such vehicles (see [Section 51](#)).

**Secs. 19–20. RESERVED FOR FUTURE USE**

**Sec. 21. EXTENT OF COVERAGE**

- A. Coverage under the Plan will be equivalent to that afforded by the standard Business Auto Policy, except that no physical damage coverage of any kind is available for any vehicle insured through the Plan.
- B. Minimum coverage limits under the Plan are
  1. combined single limit of \$60,000 for bodily injury and property damage liability;
  2. protection against uninsured motorists in the amount of \$50,000 combined single limit;
  3. protection against underinsured motorists in the amount of \$100,000 bodily injury; and
  4. medical payments coverage of \$1,000 (unless rejected).

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- C. Available additional combined single limits of coverage for bodily injury and property damage liability are the following:

\$ 100,000  
200,000  
350,000  
500,000  
750,000  
1,000,000  
3,000,000\*  
5,000,000\*

\*Subject to additional reinsurance costs or (a) rates.  
Available only if required by law.

- D. Identical limits of coverage shall be provided under a single policy applying to all owned vehicles insured under the Plan.
- E. Hired auto and nonowned auto liability is required on all policies with Any Auto coverage symbol or a Federal Motor Carrier Safety Administration (FMCA), Public Utilities Commission (PUC), Public Services Commission (PSC), or MCS 90 or MCS 90B endorsement. Truckers cost of hire and nonowned auto liability is required anytime a Federal Motor Carrier Safety Administration (FMCA), Public Utilities Commission (PUC), Public Services Commission (PSC), or MCS 90 or MCS 90B endorsement is requested. In addition, the policy must be issued with the Any Auto coverage symbol.

**Sec. 22. PREMIUM DEPOSIT  
REQUIREMENTS AND PAYMENT  
OPTIONS**

The application for insurance under the Plan must be submitted to the Plan on a prescribed form accompanied by the full gross annual premium or a deposit on a gross basis as indicated below.

To determine the appropriate annual premium or deposit for which there is no applicable rate or classification shown in the Plan Manual for the risk or exposure, refer to the Plan or assigned servicing carrier.

**A. Advance Premium Payment Option**

The premium payment requirements for this option are as follows:

1. The full estimated annual premium, or
2. A deposit of 25% of the estimated annual premium, or a minimum of \$250 as a deposit, whichever is greater

The balance of the annual premium due as stipulated by the servicing carrier must be paid within 30 calendar days of the date of the premium notice. This payment option is available for new and renewal policies.

**B. Installment Premium Payment Options**

Any applicant may choose to pay their premium in installments if no portion of the premium is financed by a premium finance company.

**Note:** The installment plan is not available if any portion of the annual premium is financed by a premium finance company. If any portion is financed after the installment premium payment

option is elected, the company may bill the insured immediately for the unpaid balance of the annual premium.

**1. Deposit**

A deposit of 25% of the total annual premium, or a minimum of \$250 as a deposit, whichever is greater, must accompany a new application or be submitted to the servicing carrier as the initial payment on renewal policies. There is no installment charge on the deposit premium for either new applications or renewal policies.

**2. Option A—Five Installments**

The first installment bill will show the current annual premium plus the installment charge minus the deposit. Each installment bill should display the status of the account and is to be released to the insured with a copy to the producer.

Each installment will consist of one-fifth of the remainder of the premium, subject to a minimum amount due of \$20, (to which any outstanding balance of less than \$20 is to be added) plus an installment charge of \$4 on each installment, due as follows:

- a. 1st installment—2 months after the effective date of the policy.
- b. 2nd installment—3 months after the effective date of the policy.
- c. 3rd installment—4 months after the effective date of the policy.
- d. 4th installment—5 months after the effective date of the policy.
- e. 5th installment—6 months after the effective date of the policy.

At any point during the installment billing period, should the insured elect to pay the outstanding balance, only the installment charge for the current bill would apply.

**3. Option B—Nine Installments**

The first installment bill will show the current annual premium plus the installment charge minus the deposit. Each installment bill should display the status of the account and is to be released to the insured with a copy to the producer.

Each installment will consist of one-ninth of the remainder of the premium, subject to a minimum amount due of \$20, (to which any outstanding balance of less than \$20 is to be added) plus an installment charge of \$4 on each installment, due as follows:

- a. 1st installment—2 months after the effective date of the policy.
- b. 2nd installment—3 months after the effective date of the policy.
- c. 3rd installment—4 months after the effective date of the policy.
- d. 4th installment—5 months after the effective date of the policy.

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- e. 5th installment—6 months after the effective date of the policy.
- f. 6th installment—7 months after the effective date of the policy.
- g. 7th installment—8 months after the effective date of the policy.
- h. 8th installment—9 months after the effective date of the policy.
- i. 9th installment—10 months after the effective date of the policy.

At any point during the installment billing period, should the insured elect to pay the outstanding balance, only the installment charge for the current bill would apply.

**4. Additional Premium—Changes**

Except as noted below, additional premium resulting from changes to the policy may be spread over the remaining installments, if any, or may be billed immediately as a separate transaction. Compensation on the additional premium is payable by the company after the endorsement is issued.

For policies which develop an additional premium as a result of an inadequate deposit submitted with the application or policy change request, or shortage in premium resulting from a policy change request, preliminary premium audit, or other determination of a premium shortage, the total additional premium must be billed within 30 days from determination of the additional premium due, or the next premium installment billing date, whichever occurs first. The premium payment due date must not exceed 30 days from the premium billing date. Payment of additional premiums (not installments) postmarked the 30th day shall be deemed to be in time.

**Note:** The determination date is the processing or typing date of the policy or endorsement.

**5. Return Premium—Changes**

Return premium resulting from changes to the policy may be used to reduce the outstanding balance, or, if the outstanding balance is eliminated, any amount remaining will be returned immediately. If an outstanding balance remains, the number and amounts of the remaining installments will be adjusted accordingly. Producer compensation on return premiums will be payable to the servicing carrier in accordance with [Section 30.C](#). If the return amount is less than \$20, it may be treated as a separate transaction.

**C. Deposit, Installment, or Additional Premium Payments Applicable to Either A or B Above**

All deposit, installments, and additional premium payments shall be submitted gross. Compensation may be paid in accordance with [Section 30](#).

The deposit shall be either by certified check, producer/agency check, cashier check, bank draft or money order payable to the Wisconsin Automobile Insurance Plan. If the risk is ineligible for assignment, the deposit shall be returned.

Additional premium developed as a result of an inadequate deposit submitted with the application or policy change request, or shortage in premium resulting from a policy change request, preliminary premium audit, or other determination of a premium shortage, the additional premium due in accordance with the chosen payment option must be billed within 30 days from determination of the additional premium due, or the next premium installment billing date, whichever occurs first. The premium payment due date must not exceed 30 days from the premium billing date.

**D. Renewals**

If the applicant is unable to obtain coverage in the voluntary market, the renewal premium (or installment deposit) shall be submitted to the servicing carrier 15 calendar days prior to the renewal date. If not received by then, the servicing carrier shall begin the termination process. However, if the renewal (or deposit) premium is received prior to the actual renewal date, the termination will be rescinded and the renewal policy will be issued.

**E. Dishonored Checks**

Producers who have submitted dishonored checks issued by the agency or by an agent individually, on one or more occasions during a one-year period to the Plan or a servicing carrier, must submit future payments by certified check, bank check, or money order. This shall not negate any rights of the Plan to pursue action against a producer.

**Sec. 23. DESIGNATION OF SERVICING CARRIER AND EFFECTIVE DATE OF COVERAGE**

**A. Distribution of Applications**

Commercial risks shall be distributed to servicing carriers by the Plan Manager in accordance with guidelines adopted by the Governing Committee.

**B. Original Application**

1. Upon receipt of the original, prescribed, completed, eligible commercial application and the deposit specified in [Section 22](#), the Plan will process the application and notify the applicant and producer of record of the servicing carrier and effective date of coverage.

In no event shall coverage be effective

- a. unless the required deposit is submitted with the application;
- b. unless the last four years' loss experience on prior insurers' computer printout or letterheads are submitted with the application;
- c. unless a copy of the prior policy declarations and vehicle schedule pages for all drivers on fast food delivery are submitted with the application;
- d. unless a copy of all lease/premium finance agreements are submitted with the application.

**Note:** If any of the accidents appearing on the loss experience indicate the driver was not

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negligent or at fault, submit such proof (i.e., Accident Report, etc.)

2. Electronic Application Submission Interface (EASi)

The producer of record must use EASi to transmit the application electronically to the Plan under the procedures established and authorized by the Plan.

Prior to accessing EASi, each producer must be registered with the Plan in accordance with the procedure outlined in [Section 52](#).

a. Applications Not Requiring Limits in Excess of \$1,000,000 Combined Single Limit Coverage

The completed EASi application must be printed, signed, and submitted to the Plan in accordance with the following procedures:

(1) Effecting Coverage

Coverage shall become effective at 12:01 A.M. on the day following the date the application was transmitted to the Plan using EASi, provided all of the following requirements are met:

- (a) The producer of record and the applicant shall certify on the application prescribed by the Plan the date (day, month, and year) and time (hour, A.M. or P.M.) that the application information was transmitted. The date of receipt of the electronic EASi application by the Plan shall be established by the date and time the application is transmitted by the producer using EASi.
- (b) The paper application generated by EASi, deposit check or money order, and supporting documentation must be received by the Plan no later than 15 calendar days following the date of transmittal of the EASi application. An application received by the Plan on the 15<sup>th</sup> calendar day shall be considered a timely submission.
- (c) If the application, deposit, and supporting documentation are received more than 15 calendar days following the date of transmittal of the EASi application, coverage shall be effective in accordance with the following:

Coverage will become effective at 12:01 A.M. on the day following the date of mailing of the paper application, deposit check or money order, and supporting documentation to the Plan as shown by the postmark on the envelope accompanying the application or hand delivery (including delivery by means of overnight mail, courier, or other delivery service). If the postmark is illegible, the envelope does not contain a USPS postmark, or if the envelope is stamped by postage meter and does not contain a USPS

postmark, the coverage will be effective at 12:01 A.M. on the day following receipt by the Plan.

(2) Future Effective Date of Coverage

In the event a future effective date of coverage has been requested by the producer of record, coverage shall become effective as of 12:01 A.M. on the future date, provided all of the following requirements are met:

- (a) The requested effective date of coverage shall not exceed 45 days from the date of transmittal of the application.
- (b) The producer of record and applicant certify on the application the date (day, month, and year) and time (hour, A.M. or P.M.) of the future effective date of coverage.
- (c) The producer and applicant certify the date and time the application was transmitted on the paper application generated by EASi. The date of receipt of the electronic EASi application by the Plan shall be established by the date and time the application is transmitted by the producer using EASi.
- (d) The paper application generated by EASi, deposit check or money order, and supporting documentation must be received by the Plan no later than 15 calendar days following the date of transmittal of the EASi application. An application received by the Plan on the 15<sup>th</sup> calendar day shall be considered a timely submission.
- (e) If the application, deposit, and supporting documentation are received by the Plan more than 15 calendar days following the date of transmittal of the EASi application, coverage shall be effective in accordance with the following provisions:

If the applicant does not desire coverage until a later date, not to exceed 45 days from the date of application, the applicant shall indicate such date in the application and the Plan shall fix the date when coverage becomes effective at 12:01 A.M. on the desired date of coverage or at 12:01 A.M. on the day following receipt of the application by the Plan, whichever is later.

If there is an in-force policy terminating at a date later than the date which would be fixed per this Section, the applicant shall indicate such date in the application and the Plan shall fix the date when coverage becomes effective at 12:01 A.M. on the termination date of coverage of the in-force policy or at 12:01 A.M. on the day following receipt of the application by the Plan, whichever is later.

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b. Applications Requiring Limits in Excess of \$1,000,000 Combined Single Limit Coverage

The completed EASi application must be printed, signed, and submitted to the Plan in accordance with the following procedure:

For those applicants requiring a limit in excess of \$1,000,000 combined single limit, coverage is effective on a date specified by the applicant which date may not be earlier than five working days following the Plan assignment date shown on the Notice of Designation.

- (1) The producer and applicant shall certify the date and time the application was transmitted on the paper application generated by EASi.
- (2) The producer must forward the original paper application generated by EASi bearing the signatures of the applicant and producer, the deposit check or money order, and supporting documentation to the Plan in accordance with Plan rules after transmittal of the application.

If an applicant is found ineligible for coverage through the Plan prior to the assigned effective date as shown on the Notice of Designation, the servicing carrier shall forward written notice of ineligibility prior to the date upon which coverage was to become effective. Such notice shall state the reason(s) for ineligibility and shall be mailed to the insured with a copy to the producer of record.

If the applicant is found ineligible for coverage through the Plan after the policy effective date, as shown on the Notice of Designation, cancellation shall be in accordance with [Section 28](#).

For SRDP risks which were eligible under Section 23.B.2.a but following the assignment date request limits in excess of \$1,000,000 combined single limit, the requested endorsement may take effect no earlier than 5 working days following the receipt of the request for higher limits and/or filings.

- c. For the purposes of Section 23, the postmark to be recognized by the Plan shall be the postmark of the United States Postal Service. A metered mail stamp, electronic stamp, or other postage service or stamp shall not be considered a postmark of the United States Postal Service for the purpose of effecting coverage. Working day shall mean a day on which business is conducted, Monday through Friday, except for legal holidays when the United States Post Office is closed.
- d. The producer of record may not transmit the application using EASi until the application for coverage has been completed and the deposit has been received.
- e. Appropriate records for all risks transmitted using EASi must be maintained. The producer agrees to permit the inspection or photocopying of such office records by the Plan or by a servicing carrier representative. This inspection

and photocopying will be limited to situations where the date and hour of coverage is in question due to the occurrence of an accident or claim arising under the policy issued under this Section.

f. Commercial Application Retraction Procedure

(1) When to Retract an EASi Application

Following issuance of an EASi reference number and prior to the mailing or delivery of a completed, signed paper application to the Plan, the producer of record may retract an EASi commercial application for the reasons stated in Section 23.B.2.f.(2).

(2) Reasons for Retraction of an EASi Application

An EASi commercial application may be retracted for any of the following reasons:

- (a) The applicant has notified the producer of record that coverage through the Plan is no longer required.
- (b) The producer of record has made an error in the information provided.
- (c) The producer of record has, in error, requested more than one reference number for the same application.

(3) Electronic Retraction Process

The producer of record shall access EASi and use the online electronic retraction process to retract an EASi application. The retraction must be transmitted to the Plan no later than one working day after the application is submitted using EASi. The producer is not required to submit a copy of the retracted paper application to the Plan.

(4) Alternate Procedure for Submission of an EASi Retraction Request Form

If, for any reason, EASi is not available, a producer may request retraction of an EASi reference number by completing and submitting a paper EASi Retraction Request Form in accordance with the following procedure:

The producer of record shall complete a paper EASi Retraction Request Form and forward it to the Plan no later than two working days after the date the application is submitted using EASi.

If the reason for retraction is (1) the applicant's coverage has been placed in the voluntary market or (2) the applicant has elected not to pursue coverage through the Plan, the producer may mail, deliver, or electronically transmit the EASi Retraction Request Form to the Plan. The producer is not required to submit a copy of the retracted paper EASi application to the Plan.

When retraction is requested because the producer has made an error in the application information and a corrected application



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has been electronically transmitted using EASi, the producer must mail or deliver the corrected EASi application, deposit check, and any supporting documentation accompanied by a copy of the completed EASi Retraction Request Form to the Plan.

**(5) Plan Retraction of EASi Application**

If the producer fails to retract the EASi application in accordance with Sections 23.B.2.f.(3) or (4), the Plan shall retract the application 20 calendar days following the date of transmittal of the EASi application. The Plan shall notify the applicant and producer that the application has been retracted. The application shall be considered null and void and no coverage is in effect.

- g. If EASi is not available or if the producer does not have access to the internet, the producer of record must submit an original application form in accordance with the Alternate Application Submission Procedure in [Section 58](#). The effective date of coverage will be determined in accordance with [Section 58](#).
- h. Producer violations of the procedures of EASi as outlined in this subsection will be reviewed by the Plan Manager and may result in limitation, suspension, or termination of access to EASi.
- i. Access to EASi shall not be construed as constituting the producer as an agent of the Plan or the servicing carrier. In all transactions between the applicant and the Plan, the producer shall be deemed to be the agent of the applicant and not the agent of the Plan and/or servicing carrier.

**3. Producer Submission of Application to the Plan**

For commercial applications not requiring limits in excess of \$1,000,000 combined single limit, the original paper application generated by EASi bearing the signatures of the applicant and producer, the deposit, and supporting documentation shall be forwarded to the Plan and must be received by the Plan no later than 15 calendar days after transmittal of the EASi application. The producer shall supply the applicant with a copy of the application.

For commercial applications requiring limits in excess of \$1,000,000 combined single limit (subject to a 5-working day delay in effective date), the original application form generated by EASi bearing the signatures of the applicant and producer, the deposit, and supporting documentation shall be forwarded to the Plan after transmittal of the EASi application. The producer shall supply the applicant with a copy of the application.

A CAIP Inspected Units Form must be completed and submitted with the application if the applicant requires federal filings or endorsements.

**4. Plan Submission to Designated Servicing Carrier**

The Plan shall forward to the designated servicing carrier a copy of the application form, the notice of the effective date of coverage, and deposit with the

deposit to be credited by the servicing carrier against the policy premium.

**5. Financial Responsibility (SR-22) Certificates**

If the risk is eligible for coverage in the Plan and the applicant or spouse requires a Financial Responsibility Certificate (SR-22), the servicing carrier will issue the certificate and file with the proper authority. Such certificate shall become effective as of the effective date of coverage.

**6. Applicant Refusal to Accept Policy**

If, for any reason, the applicant refuses to accept the policy, the designated servicing carrier shall retain the pro rata earned premium for the period of coverage or the minimum policy premium as contained in the Automobile Insurance Plan Manual of Rules and Rates, whichever is greater, and return the balance to the applicant.

**C. Additional Vehicles or Coverages**

- 1. ★If additional coverages as described in [Section 21](#) of this Plan are desired during the policy period, or coverage for an additional or replacement vehicle is desired, a completed approved Policy Change Request form shall be submitted directly to the servicing carrier no later than the first working day after completion.



- 2. Premium requirements for additional vehicles or coverages include the following:

- a. The Policy Change Request form shall be accompanied by a check or money order payable to the insurer for an amount equal to 30% of the annual premium or the pro rata premium for the remainder of the policy period, whichever is less.

★If the Policy Change Request form is submitted electronically, any additional premium must be forwarded to the servicing carrier no later than the first working day after electronic transmittal of the Policy Change Request form.❖

- b. The balance of the additional premium shall be payable in accordance with the provisions of the payment plan selected.
- c. All such premium payments shall be submitted on a gross basis.

- 3. ★Except for SRDP risks requesting limits in excess of \$1,000,000, an endorsement or change to the policy will be effective at 12:01 A.M. on the day following receipt of a Policy Change Request form by the servicing carrier or at a later date requested by the applicant provided all of the following requirements are met:

- a. The producer of record and applicant certify the date and hour of completion of the Policy Change Request form.
- b. The producer of record forwards the completed Policy Change Request form to the servicing carrier in accordance with Section 23.C.1.

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- c. The United States Postal Service postmark date on the transmittal envelope complies with the mailing requirement shown in Section 23.C.1.
4. If a Policy Change Request form is transmitted to the servicing carrier via facsimile ("fax") or e-mail, coverage will be effective 12:01 A.M. on the day following receipt of a Policy Change Request form, provided all the following requirements are met:
  - a. The producer of record and applicant certify the date and hour of completion of the Policy Change Request form.
  - b. The producer of record electronically transmits the completed Policy Change Request form to the servicing carrier no later than the first working day after the Policy Change Request form is completed.
  - c. The producer of record forwards additional premium payment, if required, to the servicing carrier in accordance with Section 23.C.2. above.

If the provisions of Sections 23.C.4. a and b are not met, coverage shall be made effective at 12:01 A.M. on the day following receipt of electronic transmission of the policy change request by the servicing carrier.
5. For SRDP risks requesting limits in excess of \$1,000,000 combined single limit coverage, the requested endorsement may take effect no earlier than 5 working days following the receipt of the request for higher limits.
6. If a Policy Change Request form is submitted for a CAIP risk who requires federal filings or endorsements, a CAIP Inspected Units Form must be completed. The completed, signed form must accompany the policy change request submitted to the servicing carrier.
7. In no event shall coverage be effective prior to the date and hour of completion of the Policy Change Request form except as provided for by the provisions of the policy contract.
8. If the application has been submitted to the Plan and the producer has not yet been notified of the servicing carrier, the Policy Change Request form and premium payment must be forwarded to the Plan no later than the first working day after completion.
9. The producer of record shall maintain appropriate records of all risks for which they have designated the date and hour of coverage and agrees to permit inspection or photocopying of such office records by the Plan or by a servicing carrier representative. This inspection or photocopying will be limited to situations where the date or hour of coverage is in question due to the occurrence of an accident or claim arising under the policy change completed in accordance with this Section. ❖

**D. Reduction or Elimination of Coverage**

In the event a reduction or elimination of coverage is desired during the policy period, a completed approved Policy Change Request form must be signed by the applicant or insured and submitted to the servicing carrier.

**E. Incomplete Applications**

Applications shall be accepted by the Plan and assignments shall be processed by the servicing carrier if the requirements shown in [Sections 22](#) and [23](#) are reasonably complied with, and it shall be the responsibility of the Plan and the servicing carrier to communicate clearly to the insured and producer of record in what respect an application is incomplete and requires correction.

**1. Applications Returned by the Plan**

The Plan shall give at least 15 calendar days to the applicant and producer to remedy any defects in the application. Written notice of the return of the application shall be provided to the producer and applicant. The corrected application and deposit premium will be processed and coverage will be effective as if the original application were complete, provided the applicant is otherwise eligible. If the application requires further correction, the Plan shall return the application to the producer to remedy any deficiencies.

If the completed application and deposit are not received by the Plan within 20 calendar days from the date of return of the application, the Plan shall notify the producer and applicant in writing that the completed application and deposit have not been received. The application shall be considered null and void and no coverage is in effect. The Plan shall retract an EASi application.

**2. Incomplete Applications Received by Servicing Carrier**

The servicing carrier shall give at least 15 calendar days to the insured and to the producer of record for remedying any defects in the application, and no part of the deposit premium shall be returned to the insured or to the producer of record except upon proper cancellation in accordance with the provisions of [Section 28](#) of this Plan, as applicable.

**3. Applications submitted without deposit premium shall be returned to the producer and no coverage will be afforded. To obtain coverage, producers must reapply by submitting the completed application and appropriate deposit premium. Coverage will be effective in accordance with Section 23.B above, provided the applicant is otherwise eligible.**

**Sec. 24. RESERVED FOR FUTURE USE**

**Sec. 25. CHANGE OF OWNERSHIP/  
TRANSFER OF LOSS EXPERIENCE**

All exposures of commonly owned entities (as determined in paragraph B of this Section) and insured in the Plan should be written on the same policy and combined for rating purposes. All entities of a risk will be combined when determining eligibility for experience rating. All previous experience of a risk will continue in the experience rating subject to the provisions of paragraphs A, B, and C below:

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**A. Ownership**

The experience for any entity undergoing a change in ownership shall be excluded from future experience ratings only if all of the following conditions are met:

1. The change must be a material change such that the entire ownership interest after the change had no ownership interest before the change. A transfer of ownership to a family member (whether natural or by law), a household resident, or a previous owner is not considered a change in ownership.
2. The change in ownership is accompanied by a change in company management. A change in company management is defined as including all of the following, but not limited to, the chairman of the board, president, partners, and other executive officers.

**B. Combination of Entities**

Entities with a majority (more than 50%) common ownership interest will be combined for rating.

1. Determination of majority ownership is based on the following:
  - a. majority of issued voting stock;
  - b. majority of the members if no voting stock is issued;
  - c. majority of the board of directors or comparable governing body if a or b above is not applicable;
  - d. participation of each general partner in the profits of a partnership. Limited partners are not considered in determining majority interest.
2. If the rules above provide for more than one possible combination of entities, the combination involving the most entities shall be made. However, the experience of any entity may be used in only one combination.

**C. Reapplication to the Plan**

Any change in ownership, including legal status and reincorporation, necessitates that a new application, with the appropriate deposit, be submitted to the Plan.

The insured must report any change to the insurer, in writing, within 30 calendar days of such change. The type, nature, and details of the change must be provided to the insurer for purposes of determining eligibility for such change as stated in paragraphs A, B, and C of this Section. The appropriate information must be provided on the Name and/or Ownership Change Form, approved for use in the Plan, fully completed and signed by the insured. The Name and/or Ownership Change Form is available from the Plan or insurer upon request. Failure of the insured or producer to provide complete information on the approved form may delay a return premium due the insured pending receipt of the completed form. Upon the request of the insurer, a Name and/or Ownership Change Form must be fully completed and signed by the insured within 10 calendar days of the date of the request. Failure of the insured or producer to return the fully completed and signed form following two written requests by the insurer, could result in loss of coverage.

**Sec. 26. COMBINATION OF INTEREST**

More than one interest may be named on a policy and rated as a single risk if one interest owns more than 50% of another. All the interests that are combined must be named on the policy.

**Sec. 27. RESERVED FOR FUTURE USE**

**Sec. 28. CANCELLATIONS**

The premium calculation (other than facultative reinsurance) for the cancellation of commercial risks shall be on a pro rata basis and in accordance with applicable Wisconsin Law. Cancellation at the insured's request is also subject to the policy writing minimum premium shown in [Rule 4](#) regardless of the term.

**Sec. 29. MIDTERM PRODUCER CHANGE**

For commercial applicants and insureds, a substitute producer may be designated by the commercial applicant or insured at any time and, upon designation, shall be the producer of record subject to the following provisions:

1. All commissions will go to the original producer for the remainder of the policy period.
2. All requests for a substitute producer must be accompanied by a broker of record letter on the named insured's letterhead including the following signed statements:
  - a. By the New Producer of Record

"I hereby certify that I am a licensed agent/broker of the state of Wisconsin and have read the Automobile Insurance Plan and have explained the provisions to the applicant/insured. I acknowledge that I am acting on behalf of the applicant/insured and have no authority to establish or reverse the terms or conditions of coverage. I agree to return any unearned premium to the insured (net of any minimum premium due the carrier)."

In addition to the above signed statement, the producer's license, IRS, and social security numbers must be submitted.

- b. By the Applicant or Insured

"I understand that any designated producer cannot act as an agent of the Automobile Insurance Plan and any carrier for the purpose of this insurance and that the producer has no authority to establish, alter, or amend terms or conditions of coverage."

**Sec. 30. PRODUCER COMMISSIONS**

- A. 3% of the policy premium for commission to a licensed producer designated by the insured.
- B. Return compensation shall be paid within 45 calendar days from the date of notice to the producer.
- C. Compensation may be paid by the servicing carrier either (1) on the full annual premium, or (2) on the basis of premium received by the servicing carrier.



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- D. A producer accounting system may be utilized by a servicing carrier in its payment of producer compensation.
- E. Commissions will not be paid on installment charges.
- F. On any risk rated and domiciled outside of this state, the licensed producer may be paid only that portion of the producer's compensation specified above which is permissible under the laws of the state in which the risk is rated and domiciled.
- G. In the event of cancellation, a policy change, a final audit, or a termination resulting in a reduction of premium, compensation will be payable on the annual premium received by the servicing carrier.
- H. Final compensation adjustment will be in accordance with this Section.
- I. Should the producer fail to provide their tax identification number, the servicing carrier may defer payment of compensation until the proper tax identification number is provided.

Such payment would be payable on the total policy premium subject to the limitations stated above. The deposit premium and all subsequent premiums shall be submitted gross. The payment of such commissions shall not be construed as the establishment of any kind of agency relationship between the servicing carrier and the producer. The producer does not represent the servicing carrier nor the Plan, in any way, and has no authority to bind, change, alter, or terminate coverage.

**Sec. 31. PERFORMANCE STANDARDS FOR  
SERVICING CARRIERS WRITING  
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RISKS**

In addition to complying with all terms in the signed Servicing Carrier Agreement, the servicing carrier is expected to meet the following performance standards:

**A. Issuance of Policy or Endorsement**

The servicing carrier shall issue a policy, binder, or endorsement within 45 calendar days of the receipt of the assignment provided with the application. In the event all the necessary underwriting information is not provided with the application, the servicing carrier shall issue a policy, binder, or endorsement within 45 calendar days of the receipt of all the necessary underwriting information.

Within 45 calendar days after receipt of an assignment, the servicing carrier shall submit an annual premium statement (subject to audit adjustment, if applicable) to the applicant, with a copy to the producer.

**B. Filings and Certificates**

All necessary certificates (including SR-22s) and regulatory filings will be issued by the servicing carrier, filed with the proper authority, and shall become effective on the inception date of the policy.

**C. Renewals**

If the applicant is unable to obtain coverage in the voluntary market, the renewal premium (or installment deposit) shall be submitted to the servicing carrier prior to the renewal date.

1. At least 75 calendar days prior to the inception date of renewals the servicing carrier shall notify the insured that
  - a. a renewal will be issued provided the premium set by the servicing carrier is received on or before the inception date, or
  - b. if the renewal is to be written on the advance premium payment option, such renewal will be written provided either the full annual premium or the deposit premium (40% of the total annual premium, subject to a minimum of \$250) stipulated by the servicing carrier is received on or before the inception date of such renewal, or
  - c. if the renewal is to be written on the installment premium payment option, such renewal will be written provided the deposit premium (40% of the total annual premium subject to a minimum of \$250, whichever is greater) stipulated by the servicing carrier is received on or before the inception date of such renewal, or
  - d. a renewal will not be issued for the reason that the insured is not entitled to insurance under the Plan.

Renewal premium quotations will be made as stipulated in the present Plan rules. A copy of such notice shall be filed with the producer of record. In the event the servicing carrier will not issue a renewal, the reason supporting such action together with a copy of said notice shall be filed with the Insurance Commissioner and the Plan.

Renewal policies or certificates will be issued and mailed within 30 days of the servicing carrier's receipt of the renewal premium.

**2. Renewal Cancellation Notice for Nonpayment of Renewal Premium**

No cancellation of a policy for nonpayment of renewal premium shall be effective unless a cancellation notice is mailed to the named insured. If the renewal deposit has not been received by the servicing carrier 15 days prior to the inception date of the renewal, a cancellation notice will be issued by the servicing carrier and mailed to the named insured to the address last on record with the servicing carrier. The cancellation notice shall include the reason for cancellation. A copy of the cancellation notice shall be forwarded to the producer of record. The cancellation notice shall be effective as of the expiration date of the current policy.

If the renewal (or deposit) premium is received prior to the actual renewal date, the termination will be rescinded and the renewal policy will be issued.

**D. Policy Term**

The original policy and all renewal policies will be issued for a specific term of one year.

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**E. Surveys**

If appropriate, the servicing carrier shall have an auditor or engineer conduct a survey within a reasonable time.

**F. Loss Experience**

The servicing carrier shall obtain and verify with the previous carrier(s) the loss experience necessary for the development of the proper premium, if such information is not furnished with the application.

**G. Commission**

Compensation shall be paid no less frequently than monthly and shall be paid within 15 days after the close of the month in which the commission was credited to the producer's account. The servicing carrier must issue a statement and, if applicable, the proper compensation check unless the producer fails to provide their proper tax identification number.

The servicing carrier should take steps to collect unearned producer compensation from the producer.

**H. Underwriting/Rating**

The servicing carrier, in addition to issuing the policy, etc. will provide all necessary services to the insured consistent with the services it provides to policyholders it insures in the voluntary market. These services include, but are not limited to the following:

1. properly price all policies in accordance with the approved rating plans contained in the Manual.
2. Servicing carriers have the right or option to perform a preliminary audit on every applicant assigned in the following classes:
  - a. All policies with Any Auto coverage symbol
  - b. All FMCSA, PUC, and PSC regulated carriers
  - c. All policies with MCS 90 or MCS 90B endorsement
  - d. All policies with a Form E filing
  - e. Any other class or classes of commercial business designated by the Governing Committee

At the discretion of the servicing carrier, if a policy has been cancelled or has expired, a preliminary audit is not required if a successful audit of the same risk has occurred within the past 12 months.

Within 60 days from the effective date of coverage, two documented good faith attempts to make contact with the applicant for purposes of scheduling or conducting a preliminary premium audit must be made.

It is expected that the audit will be completed and distributed no later than 120 days following the effective date of coverage. Audits completed or distributed after 120 days due to circumstances beyond the control of the servicing carrier must be documented.

3. The servicing carrier shall advise the Plan that an audit of the terminated policy is required prior to writing and issuing another policy. An applicant is considered ineligible for reapplication to the Plan if a

policy was cancelled by the servicing carrier for failure to respond to a request to schedule an audit or failure to comply with two documented requests to conduct an audit.

4. Conduct final premium audits following account expiration or cancellation when appropriate;

Within 60 days from the expiration date of coverage, two documented good faith attempts to make contact with the insured for purposes of scheduling or conducting a final premium audit must be made.

It is expected that the audit will be completed and distributed no later than 120 days following the expiration or cancellation date of coverage. Audits completed or distributed after 120 days due to circumstances beyond the control of the servicing carrier must be documented.

**I. Claim Handling**

1. A servicing carrier shall provide policyholders and producers with information on how and where to report claims.
2. The servicing carrier is responsible for handling all claims properly and promptly in accordance with the terms of the contracts of insurance subject to the limits of coverage provided. Where unfair claim practices laws and regulations exist, the servicing carriers must comply with such laws and regulations.
3. A servicing carrier must have the ability to service insurance claims in every state, the District of Columbia, and Canada.
4. Contact (First and Third Party Claimants)

Upon receipt of notification of claim containing sufficient information to identify the insured, claimant, and policy number, the servicing carrier must acknowledge the receipt of such notice within the applicable state's regulations including unfair claims practices laws and regulations. If the state has not established time guidelines, the servicing carrier must acknowledge receipt of such notice to first party claimants within 2 working days and third party claimants within 15 working days and have the date of the acknowledgment documented in the carrier's claim file.

The servicing carrier will provide first party claimants with the necessary forms and instructions to permit compliance with all policy conditions.

5. Appraisal

Within the applicable state's regulations including unfair claim practices laws and regulations an appraisal must be completed for the purpose of determining the cost of repair. If the state has not established time guidelines, an appraisal, or documented attempts, must be completed within 10 working days from the date of receipt of a specific claim, including damages and location of vehicle, by the servicing carrier. If a second inspection is required, the servicing carrier will document attempts for scheduling a second appraisal within two working days of notice for the need of the second appraisal.

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6. Coverage

The servicing carrier must verify that the proper coverage was in effect at the time of loss which covers the damages claimed by the first or third party claimant.

7. Investigation

The servicing carrier must begin an investigation of any claim within 15 working days of receipt of notification of the claim.

The servicing carrier must substantially complete an investigation of each claim 30 working days after notification of the claim.

If after 30 working days from notification of the claim the completed investigation is insufficient to properly adjust the claim or the parties cannot agree to settlement, the servicing carrier must notify the policyholder, claimant, or authorized representative in accordance with the state's applicable regulations, including unfair claims practices laws and regulations, until the claim is settled or until both parties agree updates are no longer needed. If a state has not established any guidelines on this topic, the servicing carrier will advise the claimant within 30 working days from receipt of proof of loss or settlement material, what outstanding information is required to adjust the claim. The servicing carrier will continue to provide this update every 45 working days or until both parties agree updates are no longer needed.

8. Reserving

Reserving practices must be consistent and must comply with the requirements outlined in the SRDP Accounting and Statistical Requirements Manual.

9. Documentation/File Reporting

A file for each claim must be compiled by the servicing carrier's claims staff, and should address coverage, liability, damage investigation, reserves, subrogation potential, and recommendations for future handling.

As claim handling continues, the file should be updated to address reserve adequacy, strategies, plans for future handling, and resolution.

10. Payment

Payment on all claims must be made within the applicable state regulations, including unfair claims

practices laws and regulations. All payments not defined within state regulations or unfair claims practices laws and regulations will be paid within 30 days after receipt of proof of loss, agreed appraisal amount or written settlement agreement (unless the servicing carrier has not completed the investigation necessary to make a decision or the parties cannot agree on settlement). Receipt of these documents does not waive the servicing carrier's right to conduct an investigation prior to settlement and/or offer a reasonable settlement based upon the facts.

11. Expenses

All reported allocated loss adjustment expenses must comply with the eligibility requirements outlined in the SRDP Accounting and Statistical Requirements Manual.

12. Fraud Prevention/Detection

All claims personnel shall receive training in and be aware of potential fraud indicators. The claims professional shall refer a claim for specialized fraud investigation within two working days of a determination of potential fraud. An outline of disputed issues and activities of the investigation will be prepared.

The servicing carrier must ensure that its special investigative handling complies with applicable statutes, regulations, and directives.

J. Statistical Reporting

Servicing carriers will report to their statistical agencies in the normal manner. Data will be identified as Special Risk Distribution Program experience. This data will be reported to AIPSO by each statistical agency. Each Plan Annual Report will show by type (public auto, truck men and all other) the total number of special risks written during the year.

K. Reporting

The servicing carrier shall meet all of the claim, expense, and reporting requirements as contained in the SRDP Accounting and Statistical Requirements Manual.

**Secs. 32–37. RESERVED FOR FUTURE USE**



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## NOTES

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**Sec. 38. PLAN MEMBERSHIP**

The Plan has been in effect since October 1, 1949.

- A. Every insurer authorized to write automobile insurance in this state shall be a member of the Plan and shall subscribe to and be bound by the rules and regulation adopted hereto.
- B. A company may terminate membership in the Plan as of the close of a fiscal year upon ceasing to be authorized to write automobile insurance within the state. Termination of membership shall not discharge or otherwise affect liabilities incurred prior to termination of a member's responsibility to properly share in the results of the PAIP and SRDP.

**Sec. 39. ADMINISTRATION**

**A. Governing Committee Composition**

The Plan shall be administered by a Governing Committee and a Manager. The Governing Committee (hereinafter referred to as "the Committee") shall consist of not fewer than four Plan subscriber companies.

The Plan subscribers of this Committee shall consist of an equal number of stock insurers and of nonstock insurers.

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Each company serving on the Committee shall designate a representative to act on its behalf.

Not more than one company in a group under the same management shall serve on the Committee at the same time. A company leaving its class of companies shall resign its seat at the next meeting of the Governing Committee.

**B. ★Biennial Plan Meeting**

At each biennial meeting, the Committee shall elect its representatives to serve for a period of two years or until a successor is elected. Forty-five calendar days' notice of such meeting shall be given in writing to all companies which are subscribers to the Plan.

Prior to the biennial meeting, the Manager shall solicit proxies from all subscriber companies in order to provide a quorum at the meeting. Subscriber company voting by proxy shall be permitted. A company may not appoint more than one company in its class of companies to exercise its proxy. The subscriber companies present and proxies submitted shall constitute a quorum at the biennial meeting.

The notice of each biennial meeting shall be accompanied by an agenda for such meeting. At the biennial meeting, a company must cast one vote for each vacant seat on the Governing Committee.

**C. Vacant Seats**

A vacancy on the Committee shall be filled by a Plan subscriber selected by the remaining members of the Committee which have been chosen from the same class of membership (stock or nonstock) to serve until the next biennial meeting.❖

**D. AIPSO as a PAIP Service Provider**

In the event AIPSO is approved to serve as a PAIP service provider with a licensed insurance company, then all duties and obligations of the Plan of Operation shall apply, absent exceptions approved by the Governing Committee and made a part of the Servicing Agreement.

**Sec. 40. COST OF ADMINISTRATION**

**A. Subscriber Fee**

Each company subscribing to the Plan shall pay a separate minimum annual subscriber fee of \$10.

**B. Plan Assessment**

**1. Private Passenger Assessment**

The basis of apportionment of all Plan expenses incurred in excess of the minimum fees for each company shall be assessed in the same proportion that its respective Voluntary Private Passenger Nonfleet Liability Net Direct Written Car Years bears to the statewide total Voluntary Private Passenger Nonfleet Liability Net Direct Written Car Years of all companies in the state.

$$\text{Market Share} = \frac{\text{Company Voluntary PPNF Liability Net Direct Written Car Years}}{\text{Statewide Voluntary PPNF Liability Net Direct Written Car Years}}$$

For the purpose of such distribution as described above, Voluntary Private Passenger Nonfleet Liability Net Direct Written Car Years shall be as defined below:

- a. "Voluntary Private Passenger Nonfleet Liability Net Direct Written Car Years" shall be the number of private passenger nonfleet automobile bodily injury liability car years written by the company in the state for the calendar year ending December 31 of the second prior year under a personal auto policy of any type, excluding Private Passenger Automobile Insurance Plan Car Years. Voluntary Private Passenger Nonfleet Liability Net Direct Written Car Years shall include calculated car years for miscellaneous nonfleet and named nonowners for the following classes:
  - (1) Miscellaneous nonfleet personal vehicles including the following types that are registered:
    - (a) Motor homes, auto homes (self-propelled)
    - (b) Campers and travel trailers
    - (c) Dune buggies
    - (d) All-terrain vehicles
    - (e) Antique autos
    - (f) Amphibious autos
    - (g) Snowmobiles
    - (h) Golf carts

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- (i) Motorcycles, motorscooters, motorbikes, trail bikes, mopeds, and autocycles
- (j) Low speed vehicles
- (2) Named nonowner applicants

Low speed vehicle bodily injury liability calculated car years shall be excluded from the Voluntary Private Passenger Nonfleet Net Direct Written Car Years for assessment purposes.

- b. Each statistical agent will report voluntary data for all ten classes of miscellaneous nonfleet personal vehicles shown in Section 40.B.1 above. AIPSO will make the appropriate adjustments to miscellaneous nonfleet personal vehicle data to comply with Section 40.B.1.

AIPSO will convert each company's reported voluntary liability premium for the calendar year ending December 31 of the second prior year for all nine classes of miscellaneous nonfleet personal vehicles and named nonowner as shown in Section 40.B.1 above to car years using the statewide average voluntary private passenger nonfleet liability premium per car year for the calendar year ending December 31 of the third prior year. Each company's reported Voluntary Private Passenger Nonfleet Liability Car Year data for the calendar year ending December 31 of the second prior year will be adjusted to include calculated car years for miscellaneous nonfleet personal vehicles and named nonowner applicants to comply with Section 40.B.1.

\* "Nonfleet" is defined as four or less motor vehicles of any type.

"Fleet" is defined as five or more motor vehicles of any type.

2. Commercial Plan Assessment

Each subscriber company's ratio of Voluntary All Other Automobile Liability Net Direct Written premiums (as defined in [Section 48.A](#)) to the statewide industry total written premiums shall be used as the basis of apportionment of all Plan expenses in excess of the minimum fee.

- 3. If at the time of the initial assessment for any calendar year, data for the second prior year is not available, the assessment shall be based upon the latest available year's data. In such event the assessment shall be adjusted subsequently using the date for the second prior year.

**Note:** For information regarding assessments for PAIP and SRDP refer to [Sec. 45.A](#) and [Sec. 48.A](#).

## **Sec. 41. DUTIES OF THE GOVERNING COMMITTEE**

The Committee shall meet as often as may be required to perform the general duties of administration of the Plan. A

majority of the members currently serving on the Committee shall constitute a quorum.

The Committee shall be empowered to appoint a Manager, budget expenses, levy assessments, disburse funds, and perform all duties essential to the proper administration of the Plan.

Annually, the Manager shall prepare an operating budget in the prescribed manner for submission to the Committee. Such budget shall be approved by the Committee and furnished to the companies which are Plan subscribers on request. Any expenditure in excess of or not included in the annual budget shall be approved by the Committee.

The Committee shall furnish to all companies which are subscribers to the Plan a written report of operations, annually, in such form and detail as the Committee may determine.

## **Sec. 42. AMENDMENT OF PLAN**

Amendment of the Plan is subject to the provisions of Wisconsin Administrative Code, Sec. INS 3.49, which interprets Sec. 619.01(6), Wis. Stats., and any proposed amendments to any section of the Plan Manual must first be approved by both the Governing Committee of the Plan and the Commissioner of Insurance.

## **Sec. 43. PRODUCER RESPONSIBILITY**

The actions of a producer under this and all other sections of this Plan are deemed to be the actions of the applicant and are not the actions of the Plan. In so far as the producer is acting as an agent of any party in connection with actions under this or any other section of the Plan, the producer shall be deemed to be the agent of the applicant and not the agent of the Plan and/or company.

## **Sec. 44. PERSONAL AUTOMOBILE INSURANCE PROCEDURE (PAIP)**

### **A. Administration**

The Committee shall utilize appropriate resources to audit the records of any servicing carrier relating to the subject matter of the Plan of Operation. They may specify what policies, records, books of account, documents, and related material it deems necessary to carry out its audit functions. Such material shall be provided by the servicing carrier in the form and with the frequency reasonably required by the Committee.

### **B. Servicing Carriers**

The Committee may appoint one or more servicing carriers based on Plan need. Servicing carrier appointment will be for a specified term not to exceed five years. When there is more than one servicing carrier, private passenger assignments will be allocated to servicing carriers based on percentages mutually agreed upon by the Committee and the servicing carriers.

### **C. Eligibility Requirements**

Servicing carriers are appointed by the Committee and must meet and continuously maintain all of the following eligibility requirements. If at any time, the servicing



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carrier does not meet one or more eligibility requirements, the servicing carrier must immediately notify the Plan. The servicing carrier must

1. be a company whose market share of the Wisconsin Private Passenger Automobile Liability Written premiums as defined in [Section 45.A](#), is 1% or more. If the individual company does not meet the 1% market share requirement and is part of a group of companies under common ownership, control, and management, the Private Passenger Automobile Liability Written Premium all companies in the group may be used to fulfill this requirement.
2. have a statutory capital and surplus of at least \$25,000,000,
3. have and maintain a net premium to surplus ratio that does not exceed 3 to 1,
4. have and maintain an A.M. Best's financial rating of A- or better for a continuous three-year period from the most current publication date of the servicing carrier's rating. A financial rating from an alternative rating service cannot be used to fulfill this eligibility requirement,
5. have been licensed to write automobile liability insurance and physical damage insurance without restriction for a minimum of five years in the state of Wisconsin,
6. have a service facility affording policy issuance and all other policyholder services,
7. have the ability to service insurance claims in every state, the District of Columbia, and Canada, and
8. execute the Servicing Carrier Agreement and comply with the provisions of that agreement.

**Exception:**

- a. The Committee has the option to consider an application from a company that does not meet all of the following eligibility criteria:
  - (1) The 1% market share requirement
  - (2) The five-year period of licensing for the writing of automobile liability and physical damage insurance in the state
  - (3) The service facility requirement to provide policy issuance and policyholder services
  - (4) The ability to service claims in every state, the District of Columbia, and Canada
- b. The following eligibility requirements shall not be subject to exception in the evaluation of a company to service as a servicing carrier:
  - (1) The statutory capital and surplus requirement of \$25,000,000
  - (2) The net premium to surplus ratio of the company which cannot exceed 3 to 1
  - (3) A company rating from A.M Best of A- or better for a continuous three-year period

from the most current publication date of the company's rating

**Note:** The Committee may appoint a service provider who has contracted with a fronting company, in accordance with [Section 39.D](#), to act as a servicing carrier.

**D. Servicing Carrier Fee**

Servicing carriers will be paid a service fee prescribed by the Committee.

**E. Service Requirement**

Servicing carriers must provide full service for all policies written, including claims and statistical reporting in accordance with the PAIP Accounting and Statistical Requirements Manual.

**Sec. 45. PERSONAL AUTOMOBILE  
INSURANCE PROCEDURE  
PARTICIPATION PROVISIONS  
(PAIP)**

**A. Participation Ratios**

The operating results of the PAIP will be apportioned to member companies based on participation ratios. Each member company shall be liable for their share of the fiscal year assessment based on their proportion of Automobile Liability Written premiums for the first prior calendar year to the statewide total of Private Passenger Automobile Liability Written premiums of all companies in the state. If applicable, participation ratios will be adjusted to reflect youthful male operator credits reported in accordance with [Section 46](#).

"Private Passenger Automobile Liability Written premiums" means the automobile premiums shown on the Exhibit of Premiums and Losses (Statutory Page 14 Data) of each insurer's Annual Statement for Private Passenger No-Fault and Other Private Passenger Auto Liability, Lines 19.1 and 19.2, excluding business written on a non-admitted surplus lines basis.

The first prior-year data used to determine assessment shares shall be acquired from the NAIC as of June of the given assessment year. For example, 2020 PAIP participation ratios will be based on 2019 Annual Statement premium acquired from the NAIC as of June 2020.

The statewide total of Private Passenger Automobile Liability Written Premiums of all companies in the state shall be adjusted to exclude Automobile Insurance Plan liability premiums written by a servicing carrier or a fronting company, acting on behalf of a service provider.

**B. Distribution**

The Plan shall distribute applications to servicing carriers.

**C. PAIP Assessments**

**1. Initial Assessment**

Prior to the implementation of PAIP, an assessment will be made to fund the procedure for an

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amount to be determined by the Governing Committee. Each member company's share will be based on their participation ratio calculated in accordance with Section 45.A above.

2. Annual Assessment

The Plan may periodically, but not less than annually, assess member companies, if necessary, to settle the operating results and fund the procedure. Each member company's share will be based on their participation ratio calculated in accordance with Section 45.A above

3. Contingency Reserve

Excess funds shall be held in a contingency reserve established by the Governing Committee to fund PAIP operation.

4. Data Availability

If at the time of the initial assessment for any given calendar year, data for the first prior year is not available, the assessment shall be based upon the latest available year's data. In this event, the assessment shall be adjusted subsequently using the data for the first prior year.

D. **Responsibilities of Participating Member Companies**

1. Recording of Results

All participating member companies must record their share of the Wisconsin PAIP operating results on their book of business as Boards and Bureaus expense. Participating member companies should not book their share of Wisconsin PAIP operating results as direct business.

2. Overdue Payment of Assessment

The criterion for determining overdue payments of assessments will be the postmark or wire transfer date of the payment. All payments with postmark or wire transfer dates within 30 calendar days of the assessment invoice date will be considered to be on time. Participating member companies submitting payments with a postmark date or wire transfer date later than the 30<sup>th</sup> calendar day following the assessment invoice date will be subject to a late payment fee. That fee will be computed at the rate of 1.5% per month (0.5% per day) on the unpaid balance from the due date to the postmark or wire transfer date of the payment under a specific assessment, subject to a \$50 minimum. Late payment fees are payable within 30 calendar days of the late fee invoice date. If payment has not been received by the 55<sup>th</sup> calendar day from the assessment invoice date, a report may be submitted to the Commissioner of the Department of Insurance for appropriate action.

E. **Responsibilities of Central Processor**

AIPSO, as Central Processor, will balance, review, and distribute to the member companies, at least annually, an assessment invoice of the Wisconsin PAIP operating results that displays each member company's share. The assessment invoice will be issued to participating member companies with fiscal year results ending December 31<sup>st</sup>. Any assessment due and payable

to the Wisconsin PAIP will be due within 30 calendar days of the assessment invoice date. Distribution checks shall be mailed within 30 calendar days after the date of the assessment.

F. **Transition Provision for Nonrenewal of In-Force Plan Personal Auto Policies**

The following nonrenewal procedure is applicable to Plan policies with effective dates of December 31, 2019 and prior.

At least 60 days (or as prescribed by law) prior to the expiration date of each in-force Plan policy, the company shall notify the insured and producer that the Plan policy will not be renewed. The notice shall advise the insured to contact their producer to determine whether they may be eligible for coverage in the voluntary market. If the insured is unable to obtain coverage in the voluntary market, the insured may re-apply to the Plan for coverage provided they are eligible.

**Sec. 46. YOUTHFUL MALE OPERATOR CREDIT PROGRAM**

Credits will be used to determine company participation ratios for the sharing of PAIP operating results. Participation ratios used to determine company shares of the Plan private passenger and commercial assessments will not be adjusted to reflect credits.

The formula for determining participation ratios using credits is:

$$\left[ \frac{\text{Company Market Share}}{\text{Statewide Plan Premium}} \times \left( \frac{\text{Statewide Plan Premium}}{\text{Statewide Plan Premium}} + \frac{\text{Statewide Credit Premium}}{\text{Statewide Plan Premium}} \right) \right] - \frac{\text{Company Credit Premium}}{\text{Statewide Plan Premium}}$$

A company's participation ratio will be brought to zero if the application of credits results in a negative value. The participation ratios of the remaining companies will then be adjusted accordingly so they sum to unity (1.0).

Each company shall receive credit against its respective participation ratio for private passenger automobiles rated as youthful male operator under 25 years of age, insured voluntarily in the state for the calendar year ending December 31 of the second prior year.

**Note:** If at the time of the initial assessment for any calendar year data for the second prior year is not yet available, the assessment shall be based on the latest available year's data. In such event, the assessment shall be adjusted subsequently using data of the second prior year.

A. **Eligibility**

Credit shall be given for each private passenger automobile rated as youthful male operator under 25 years of age where the youthful male operator is the principal or secondary operator.

For the purposes of this credit program, the term "private passenger automobile" means any private passenger automobile or miscellaneous nonfleet personal vehicle, owned by an individual, or jointly by relatives resident in the same household, or jointly by resident individuals.

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**B. Credit**

The amount of the credit shall be the total automobile bodily injury and property damage liability premium developed for the vehicle, including premiums for medical payments coverage, uninsured motorist coverage, and underinsured motorist coverage. Premiums for death and disability coverage and physical damage coverage are excluded. The credit cannot exceed the total liability premium for the vehicle rated with the youthful male operator. Only one youthful male operator credit per vehicle is allowed.

**C. Suspension of Program**

The Youthful Male Operator Credit Program shall be automatically suspended effective January 1 of the next applicable participation year when

- the final Plan Private Passenger Nonfleet AIP premium written through PAIP for the immediately prior two consecutive fiscal years is less than \$100,000; and
- the estimated Plan Private Passenger Nonfleet AIP premium written by the servicing carrier for the current fiscal year is less than \$100,000 as of November 1<sup>st</sup>.

Once suspended the Youthful Male Operator Credit Program shall be reinstated only by Governing Committee action. Reinstatement is effective at the earliest on January 1 of the next applicable fiscal year following Governing Committee action.

Youthful male operator credit data shall be reported to AIPSO by each company subscribing to this Plan or by the statistical agencies designated by such companies in accordance with the AIPSO Statistical Program.

The Plan shall provide subscriber companies with written notice that the Youthful Male Operator Credit Program has been automatically suspended in accordance with this procedure. If the Youthful Male Operator Credit Program is reinstated by action of the Governing Committee, the Plan will provide subscriber companies with written notice of reinstatement and the effective date of such action.

**Sec. 47. SPECIAL RISK DISTRIBUTION  
PROCEDURE ADMINISTRATION**

**A. Administration**

The Committee shall utilize appropriate resources to audit the records of any servicing carrier relating to the subject matter of the Plan of Operation and may specify what policies, records, books of account, documents, and related material it deems necessary to carry out its audit functions. Such material shall be provided by the servicing carriers in the form and with the frequency reasonably required by the Committee.

**B. SRDP Service Provider**

**1. Service Provider Selection**

The Governing Committee will appoint an SRDP service provider when such appointment is deemed necessary for the benefit of the SRDP.

AIPSO may be approved to serve as an SRDP service provider with a licensed insurance company (fronting company) or AIPSO may be appointed as a service provider to the Plan under the authority granted by the state to issue policies with the Plan as the named insurer.

**2. Appointment of AIPSO as SRDP Service Provider**

AIPSO, with an agreement with a licensed national insurance company (fronting company), is appointed service provider. AIPSO will issue commercial automobile insurance policies in the name of the fronting company on behalf of the SRDP. AIPSO will also contract with a national claims service company to process claims. As the service provider, AIPSO will handle all policy processing services, such as underwriting, accounting, billing, etc. through their AIPSO Insurance Operations (AIO) unit.

As the approved SRDP service provider, then all duties and obligations of the Plan of Operation and SRDP Accounting and Statistical Requirements Manual shall apply, absent exceptions approved by the Governing Committee and made a part of the Servicing Agreement.

The service provider appointment will be for a specified term not to exceed five years.

**3. Eligibility Requirements**

The service provider, with an agreement with a licensed national insurance company (fronting company), must meet and continually maintain the following eligibility requirements:

- a. be a multiline automobile insurer that is a subscriber to the Plan, and
- b. have a statutory capital and surplus of not less than \$25,000,000, and
- c. be licensed to write automobile liability and physical damage insurance for all classes of all other business without restriction. Additionally, the company and/or group of companies must have been writing all other automobile business in the United States of America for a minimum period of five years in the voluntary market and for a minimum period of three years in the voluntary market of this state. If the individual company does not meet this requirement and is part of a group of companies under common ownership, control, and management, the group combined may be used to meet this requirement, and
- d. have maintained an A.M. Best's financial rating not less than A- for a continuous three-year period from the most current publication date of an applicant's rating. An applicant not rated by A.M. Best within the period necessary to comply with this eligibility requirement may demonstrate financial strength through alternative financial rating services at the discretion and satisfaction of the Governing Committee, and
- e. be willing and able to execute a Servicing Agreement with each state Plan and comply with its provisions.

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4. Service Provider Fee

The service provider is subject to the service carrier allowances shown in paragraph C.

5. Service Requirement

The service provider must provide full service for all policies written, including claims and statistical reporting in accordance with the SRDP Accounting and Statistical Requirements Manual.

6. Performance Standards

The service provider must comply with the performance standards in Section 30 and the SRDP Accounting and Statistical Requirements Manual, unless otherwise specified in the Servicing Agreement.

**C. Servicing Carrier Allowance**

The servicing carrier will receive an expense allowance which equals

1. administrative expense allowance—16% of written premium;
2. unallocated loss adjustment expenses—6.1% of earned premium;
3. direct reimbursement of
  - allocated loss adjustment expenses;
  - premium taxes;
  - collection fees.

**D. Account Information**

All member companies shall provide account history, including loss experience, to a Plan servicing carrier or a producer of record upon request.

**E. Risks Which Become Eligible for SRDP Midterm**

Any company insuring a risk, which during the term of the policy becomes eligible for coverage under SRDP, shall continue to provide the necessary coverage to the expiration date of the policy.

At least 45 days prior to the expiration date of the policy, the company shall give notice of nonrenewal to the insured and producer of record.

**F. Servicing Carrier Withdrawal or Termination**

1. If a servicing carrier exercises its option to withdraw in accordance with the provisions of the Servicing Agreement, the servicing carrier shall submit a claims handling plan with its notice of withdrawal.

If a servicing carrier is terminated in accordance with the provisions of the Servicing Agreement, the terminated servicing carrier shall submit a claims handling plan 45 days prior to the date of termination or as directed by the Governing Committee. The claims handling plan must include detailed explanations of each of the following:

- a. Current general claims handling methods and procedures

- b. Any management or organizational changes planned or anticipated that will impact the handling of SRDP claims

- c. Plans for relocating claims servicing offices

- d. Planned or anticipated changes to methods and standards for handling claims

- e. Goals/objectives/timetables for reducing number of open claims

- f. Planned or anticipated change to the method of handling litigation, e.g., utilizing outside counsel versus house counsel or utilizing outside claims personnel in place of inside referral

2. The withdrawing or terminated servicing carrier shall issue notice of nonrenewal 60 days prior to policy expiration to the insured and the producer of record.

3. The Plan Governing Committee must approve the claims handling plan and any subsequent changes thereto. The servicing carrier must immediately advise the Governing Committee in writing and in advance of any change to its claims handling plan specifically relating to items 1.b, c, d, e, and f above and all other substantive changes to their operation and claims handling plan as submitted to the Governing Committee.

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4. The servicing carrier shall provide AIPSO with outstanding loss data with its submission of the SRDP Quarterly Summary Control reports. The submitted data will be evaluated by AIPSO for trends that may require further review or explanation. If questionable or adverse trends are found in the outstanding loss detail provided, AIPSO will notify the appropriate Plan Manager. The Plan Manager will request additional information from the servicing carrier regarding the identified trend. The response will be provided to the Governing Committee and they may consider the following options:❖

- a. Request a full claims audit.

- b. Request reimbursement of improper claims payments (See Section 30.1.4 in the Commercial Automobile Part), if the servicing carrier has written policies with effective dates of August 31, 2022 and prior.

- c. Require servicing carrier to pay for subsequent special audits.

- d. Reassign open claims at the servicing carrier's expense, but not to exceed the loss adjustment expense (LAE) allowance paid for all open policy years combined.

- e. ★Take any additional action deemed appropriate.❖

5. Claim Reassignment Procedure

The servicing carrier has received a claim service fee which contemplated its bringing the claims to proper conclusion, therefore

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- a. if the servicing carrier is meeting and is expected to continue to meet reasonable claims handling standards, it should continue the handling of its files to a conclusion;
- b. if the servicing carrier has not met reasonable claims standards, or refuses or is unable to further handle the claims, the Plan Governing Committee should consider the following:
  - (1) Allow the servicing carrier to handle to a conclusion all outstanding claims reported to the servicing carrier prior to its withdrawal or termination. All subsequently reported claims will be reassigned by the Plan Governing Committee.
  - (2) Allow the servicing carrier to retain only suit files where competent counsel is handling and the servicing carrier is meeting reasonable standards. All other claims will be reassigned by the Plan Governing Committee.
  - (3) Place settlement authority limitations on all claims until reassignment by the Plan Governing Committee. Final settlement authority, until reassignment, is to be vested with the Plan Governing Committee.
  - (4) Unless contrary to or prohibited by law, return all the claim files and notices to the Plan Governing Committee for reassignment as the Plan Governing Committee directs.

Unless otherwise directed, the servicing carrier shall service to a conclusion all claims (including pending, late reported, and reopened) that occurred prior to the renewal, transfer, or termination of the particular policy involved, subsequent to the effective date of the withdrawal or termination.

The servicing carrier will be subject to all Plan provisions, contractual obligations, and Plan directives until

- a. all claims are closed by payment, closed without payment, or otherwise; or
- b. a date to discontinue service is determined.

Reassignment of claims should be made to one entity, if practical, or to as limited a number of entities as possible.

If more than one entity is required, the distribution will be under the direction of the Plan Governing Committee or its designate.

6. Statistical and Accounting Consideration

The records of all reassigned claims indemnity payments and expenses incurred must, among other required information, be kept statistically separated. The statistical and any other agency must be notified of the withdrawals and reassignments.

G. **Servicing Carrier Insolvency**

Upon receipt of notice of insolvency, or if the Plan Governing Committee finds it necessary to terminate a servicing carrier for financial reasons, the Plan Governing Committee may request a claim review of open claims files.

1. The claim review will enable the Plan Governing Committee to
  - a. select the appropriate option for further handling of claims,
  - b. determine the level of work completed on the files,
  - c. estimate future adjustment expense needed for completion of claim file work.
2. The files will be subject to periodic review by the Plan Governing Committee or its designate. If a review indicates the servicing carrier fails to meet reasonable claims handling standards, the Plan Governing Committee may then consider other options included but not limited to those in Section 47.F Servicing Carrier Withdrawal or Termination.

H. **Servicing Carrier Performance Audit**

The Governing Committee shall have the right to audit and inspect the books and records of the servicing carrier in accordance with the terms in the signed Servicing Agreement.

**Sec. 48. SPECIAL RISK DISTRIBUTION  
PROCEDURE PARTICIPATION  
PROVISIONS**

A. **All Other Liability Writers**

For the purpose of participation in the premiums, losses, and expenses for all special risks for which coverage is effective in a specific policy year and related Plan administrative expenses shall be shared by all Plan members in proportion to the insurer's voluntary commercial (all other) liability net direct premiums written for the second prior year as defined below.

"Voluntary All Other Automobile Liability Net Direct Written premiums" shall be defined as the automobile liability premium included on the Exhibit of Premiums and Losses of the company's Annual Statement for the calendar year ending December 31 of the second prior year minus premium for the following classes:

1. Private passenger nonfleet automobile bodily injury and property damage liability, medical payments, and uninsured motorists voluntary premium
2. Miscellaneous nonfleet personal vehicle and named nonowner applicant liability premiums as defined in [Section 40.B.1.a](#) and [b](#)
3. Automobile Insurance Plan premium (including SRDP net direct written premiums of a servicing carrier or a fronting company who is acting on behalf of a service provider) written
4. Premiums for death and disability coverage

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5. Reinsurance premium assumed

Such premium shall be gross direct premiums, including policy and membership fees less return premium and premiums on policies not taken, without deducting reinsurance ceded, but including premiums for other than private passenger excess of loss policies except in the case of a company which writes no basic limits automobile liability insurance.

**B. Member Company Participation**

The premiums, losses, and expenses for all special risks for which coverage is effective in a specific policy year and related Plan administrative expenses shall be shared by all Plan members in proportion to the insurer's voluntary commercial (all other) liability net direct premiums written as defined in paragraph A, for the second prior year.

**Sec. 49. RESERVED FOR FUTURE USE**

**Sec. 50. GENERAL PROVISIONS**

**A. Reporting of Statistical Data**

1. Distribution Data

All of the data necessary to comply with the distribution procedures shall be reported to AIPSO by each member company or by the statistical agencies designated by such companies. Each company agrees to permit its statistical agent to release such data to AIPSO and agrees that its statistical agent shall be permitted to furnish AIPSO with statements of its experience and voluntary private passenger and other than private passenger net direct automobile data in accordance with the annual AIPSO Statistical Program. Each company agrees to allow AIPSO to use its NAIC Annual Statement Automobile Written premium to estimate unreported or inaccurate voluntary data in accordance with Section 50.A.1.c.

It is the responsibility of each member company to ensure that the above statistical reporting requirements are met if they furnish the data directly to AIPSO or if they utilize a designated statistical agency and to provide AIPSO and/or their statistical agent with corrected or appropriate data within the timeframes specified in Section 50.A.2 below.

If a member company fails to report its data in accordance with the annual AIPSO Statistical Program requirements, or if in the reasonable judgment of the statistical agent and AIPSO, the data the member company reports is inaccurate, the following procedures shall apply:

- a. If the member company is affiliated with a statistical agent, the statistical agent shall estimate the data. In such instances, the statistical agent is authorized to estimate the data and release it to AIPSO. It is the responsibility of the member company to provide the statistical agent with corrected or appropriate data. Upon receipt of the corrected or appropriate data from the member company, the statistical agent will resubmit the data to AIPSO in

accordance with Plan rules. If the statistical agent is unable to estimate the data for any reason, then AIPSO may estimate the voluntary data in accordance with Section 50.A.1.c.

- b. If a member company with unreported or inaccurate data has no affiliation with a statistical agent, it is their responsibility to provide the appropriate data and data corrections. Failure to do so will result in AIPSO estimating the member company's voluntary data in accordance with Section 50.A.1.c.
- c. AIPSO shall use the company's NAIC Annual Statement Automobile Written premium to estimate the company's private passenger and commercial statistical data.

If applicable, private passenger liability car years shall be estimated by dividing the company's Private Passenger Automobile Liability Written premium from Annual Statement lines 19.1 and 19.2 by the statewide average liability premium per car year from the prior year.

2. Data Corrections

Corrections and adjustments to a given calendar year's Voluntary Private Passenger Nonfleet Liability Car Year data reported to statistical agents will be accepted for a period of 2 1/2 years from the close of the calendar year.

**Note:** For example, companies may submit corrections to calendar year 2018 voluntary base data until June 30, 2021.

For PAIP participation, prior-year Annual Statement premium acquired from the NAIC as of June of the given assessment year is not subject to further adjustment or correction, except as specified in [Section 45.A](#) or as otherwise authorized by the Plan.

For SRDP, corrections and adjustments to a given calendar year's Voluntary All Other premium data reported by statistical agents will be accepted for a period of 2 1/2 years from the close of the calendar year.

**Note:** For example, companies may submit corrections to calendar year 2018 voluntary base data until June 30, 2021.

3. NAIC Data

Each company agrees to allow the use of its Annual Statement Automobile Written premium data, acquired by the Plan from the NAIC, to develop participation ratios for Plan use.

NAIC Annual Statement Automobile Written Premium data reported by a servicing carrier or a fronting company shall be adjusted to exclude Automobile Insurance Plan automobile liability written premiums for participation and assessment purposes.

4. Voluntary All Other Distribution Data

Voluntary All Other Automobile Net Direct Written Liability premium as reported to AIPSO by each member company or by their statistical agent, shall be used to calculate SRDP participation and



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assessments. However, this data shall be adjusted to exclude Automobile Insurance Plan liability written premiums of an SRDP servicing carrier or a fronting company, acting on behalf of a service provider.

**B. Mergers and Consolidation of Companies**

In the event a company is merged with another company or there is a consolidation of companies, the continuing company shall receive the assessments and participation of the company merged or consolidated until the obligation of such merged or consolidated company, as established by its writings prior to such merger or consolidation has been filled. However, the continuing company may be relieved from such obligations if another company has agreed, in a manner satisfactory to the Committee, to assume such obligations.

**C. Company Groups**

Company groups under the same ownership may elect to be treated as one company to receive assessments and SRDP and PAIP participation.

**D. Companies Discontinuing Writing or No Longer Licensed**

**1. Personal Automobile Insurance Writers**

A company that is discontinuing writing or is no longer licensed to write automobile liability insurance in the state shall participate in assessments and operating results of the PAIP for those calendar years for which the company reported data.

If the automobile insurance of such company has been purchased by, transferred to, or reinsured by another company, the latter shall receive the assessments and participation of the former until the obligation(s) of the former, as established by its writings prior to such transfer, has been filled, unless another company has agreed, in a manner satisfactory to the Committee, to assume such obligation(s).

**2. Commercial Automobile Insurance Writers**

A company that is discontinuing writing or that is no longer licensed to write automobile insurance in this state will participate in the operating results of SRDP for those policy years for which the company reported two years prior voluntary base data. Such companies will participate for each policy year of SRDP experience to a maximum of 11 years.

When all companies in a group are under the same ownership and management or a group elects to be treated as a single company, and a company in the group discontinues writing or is no longer licensed, the remaining licensed companies shall not adjust voluntary base data to exclude Voluntary All Other premium of the company no longer licensed. Any SRDP participation statements for the company that has discontinued writing or is no longer licensed shall be the responsibility of the remaining companies in the group. When a company is no longer licensed during a calendar year, it shall be considered a member of the group for the year.

**E. Insolvent Companies**

In the event proceedings have been initiated in a court of competent jurisdiction to have a company declared insolvent, and a receiver or liquidator has been approved by such court, that company's share of the Plan assessment shall become the shared obligation of all companies licensed to write automobile insurance in the state. Each member company will be assessed proportionately for the insolvent company's share of the Plan assessment. In the event the company is subsequently found by the court not to be insolvent, the proceedings are dismissed and the liquidator or receiver has been discharged, the company shall be assessed for the total amount expended to reimburse all companies licensed to write automobile insurance in the state.

**F. Negotiation of Settlement of Balances with Companies in Rehabilitation**

On behalf of the Plan, AIPSO shall negotiate the best offer or settlement of balances due for AIPSO and Plan assessments and SRDP and PAIP participation and shall protect the financial interest of the Plan.

**Sec. 51. RATE DETERMINATION**

**A. General Provisions**

All risks provided coverage under the Plan shall be subject to the rules, rates, minimum premiums, and classifications adopted by the subscribers to the Plan in accordance with Sec. 619.01 of the Wisconsin Statutes, and approved by the Commissioner of Insurance as part of the Plan, and filed on behalf of all companies subscribing to the Wisconsin Plan by AIPSO.

1. All risks placed through the Plan shall be subject to the rules, rates, surcharges, minimum premiums, and classifications filed on behalf of all companies subscribing to this Plan by AIPSO.
2. For the purposes of such filings, each company subscribing to this Plan is a subscriber to AIPSO and authorizes the Commissioner to accept such filing in its behalf.

All of the statistical data required to develop appropriate rates shall be reported to AIPSO by each company subscribing to this Plan or by the statistical agencies designated by such companies in accordance with [Section 50.A](#).

**B. Resident and Nonresident Rate Determination**

**1. Bodily Injury, Property Damage, and Medical Payments Applicants**

A vehicle principally garaged in another state shall be subject to the rates, additional charges, rating rules, and policy forms applicable under the Plan of the state of principal garaging, and such applicants shall be provided coverage by servicing carriers licensed to write and writing automobile liability insurance in that state.

**2. Physical Damage Applicants**

A motor vehicle registered in Wisconsin and principally garaged in another state shall be subject to

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the rates, additional charges, rating rules, and policy forms applicable under the Automobile Insurance Plan of the state of principal garaging if such Plan provides for physical damage coverage. When a vehicle registered in Wisconsin is principally garaged in another state whose Automobile Insurance Plan does not provide for physical damage coverage such risk shall be subject to whichever of the following will produce the higher dollar amount:

- a. the rates applicable to the Wisconsin territory determined by the address shown on the registration, and otherwise subject to all of the provisions of this Plan, or
- b. the rules, rates, minimum premiums, classifications in force, and rating plans applicable in the state and territory where the vehicle is principally garaged, and otherwise subject to all of the provisions of this Plan. This rule is not applicable to a PAIP or SRDP service provider that does not write automobile insurance in the voluntary market.

**C. Surcharge for Extra Hazardous Risks**

If the hazard for any risk is greater than that contemplated by the rate normally applicable under the Plan, the premium for such risk shall be "a" rated and filed with both the Office of the Commissioner of Insurance and the Plan for approval. Supporting information shall be included with the submission. The "a" rate filing will be effective upon approval by the Office of the Commissioner of Insurance.

**Sec. 52. PRODUCER REGISTRATION TO ACCESS THE ELECTRONIC APPLICATION SUBMISSION INTERFACE (EASi)**

Producers licensed to transact automobile insurance in Wisconsin must be registered to access EASi. A producer cannot submit private passenger and commercial applications electronically unless registered with the Plan.

A registration identification code must be obtained by completing an application for authorization to submit applications electronically. The online registration application must be completed by accessing the Plan website at [www.aipso.com/PlanSites/Wisconsin](http://www.aipso.com/PlanSites/Wisconsin). A copy of a valid producer's license must also be submitted to the Plan at the time application is made. License copies should be electronically transmitted to the Plan in accordance with the instructions provided on the Plan website.

Only producers registered with the Plan may submit applications electronically. It is the responsibility of each producer to review and comply with the rules and procedures for electronic application submission in the Plan of Operation.

Within five working days following Plan receipt of the application, the Manager shall approve any application that meets all requirements. However, a producer whose privilege to electronically submit applications has been previously revoked or suspended shall be subject to the following exceptions:

- A. A producer whose access to electronic application submission has been revoked shall not be eligible to reapply for registration until 60 days following the effective date of revocation. All outstanding violations must be resolved prior to reapplication for registration.
- B. If a producer's access to electronic application submission has been suspended, the producer's privilege to submit applications electronically shall automatically be reinstated effective the day following the termination date of the suspension provided all outstanding violations have been resolved.

To maintain access to electronic application submission, a copy of all producer licenses shall be submitted to the Manager within 60 days of the renewal date.

**Sec. 53. RIGHT OF APPEAL**

Any applicant, insured, producer, insurer, or other party has the right to appeal any action or decision of the Plan to the Governing Committee. The Plan will promptly notify the appellant of the Committee's decision, and that action may be further appealed to the Commissioner of Insurance, if necessary.

Requests for appeal must be submitted, in writing, to

Wisconsin Automobile Insurance Plan  
20700 Swenson Drive  
Waukesha, WI 53186  
Fax: (262) 796-4400  
E-mail: [waipcontact@wcrb.org](mailto:waipcontact@wcrb.org)

An applicant denied insurance or an insured given Notice of Cancellation of insurance under the Plan may appeal such action to the Committee. Each Notice of Cancellation or denial of insurance shall contain or be accompanied by a statement that the insured or applicant has a right of appeal to the Committee. A company subscribing to the Plan shall also have the right of appeal to the Committee. The action of the Committee may be appealed to the Commissioner of Insurance.

The Plan shall promptly notify the insurer, the insured or applicant, and the producer of record of the disposition of the appeal, which notification in the case of refusal to sustain a cancellation shall include notice that upon payment of the deposit premium to the company a policy or binder will be issued.

An appeal shall not operate as a stay of cancellation provided, however, that if either the Committee or the Commissioner of Insurance refuses to sustain the cancellation, the insurer which issued the policy or binder shall within two working days after receipt of the deposit premium, provided such deposit premium is received within 30 calendar days after determination of the appeal, issue a new policy or binder effective for a period of one year from the date of issuance of such new policy or binder. The balance of the premium shall be payable as provided in Personal Automobile Part—[Section 6](#) and Commercial Automobile Part—[Section 22](#).

**Sec. 54. INDEMNIFICATION**

The Plan shall indemnify each individual or insurer against any and all losses, damages, judgments, interest, settlements, fines, court costs, and other reasonable costs and



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expenses, including attorney's fees and any other liabilities (hereafter liability) incurred by, imposed upon, or suffered by such individual or insurer in connection with or resulting from any claim, action, suit or proceeding, actual or threatened (hereafter "claim") arising out of and in connection with the performance of duties on any committee or on the Governing Committee of the Plan or predecessor organization or arising out of and in connection with the performance of duties as an officer or employee of the Plan or predecessor organization, provided such individual or insurer

- A. acted in good faith;
- B. reasonably believed the performance of duties was in accordance with the objectives of the Plan;
- C. had no reasonable cause to believe the performance of duties was improper or illegal; and
- D. shall have promptly notified the Plan of any claim in writing at its main office.

Indemnification as described in this Section shall be provided whether or not the individual or the insurer is still serving on the Governing Committee or on any committee of the Plan or is still an officer or employee of the Plan at the time of the commencement of any claim, and whether or not any possible liability is incurred through the performance of duties prior to the adoption of this Section.

Any settlement of any claim must be made with the prior approval of the Governing Committee, in order for indemnification under this Section to be available.

Whenever an individual or insurer seeks indemnification under this Section, entitlement to indemnification shall be determined by the Governing Committee which shall also determine the time and manner of indemnification including reimbursement with interest.

The Plan may elect to defend, pay, or otherwise dispose of any claim, at its own cost, and will promptly advise the individual or insurer seeking indemnification whether it so elects.

The cost of fulfilling the Plan's obligations under this Section shall be a cost of administration as provided in [Section 40](#).

**Sec. 55. PRODUCER ACCESS TO  
ALTERNATE APPLICATION  
SUBMISSION PROCEDURES**

Producers who are licensed to transact automobile insurance in Wisconsin who are registered to access EASI in accordance with [Section 52](#) may utilize the Alternate Application Submission Procedures in accordance with the procedures developed and authorized by the Plan.

Access to the Alternate Application Submission Procedures shall not be construed as constituting the producer as an agent of the Plan or any servicing carrier to which an applicant is assigned. In all transactions between the applicant and the Plan, the producer shall be deemed to be the agent of the applicant and not the agent of the Plan.

**Sec. 56. AVAILABILITY OF APPLICATIONS**

In addition to the Plan manuals and forms currently available on the Wisconsin Plan website at

<https://www.aipso.com/Plan-Sites/Wisconsin>, the following application packages are available for downloading:

- Private Passenger Alternate Application Package
- Commercial Alternate Application Package

The Private Passenger and Commercial Alternate Application Packages include an Alternate Application Report Form that must be completed and attached to the application mailed or delivered to the Plan.

If a producer does not have access to the Plan website for any reason or cannot print from the Plan website, the above application packages are available at no charge by contacting the Wisconsin Automobile Insurance Plan by e-mail at [wiaip@aipso.com](mailto:wiaip@aipso.com) or by calling (800) 827-5964.

**Sec. 57. ALTERNATE PROCEDURE FOR  
PRIVATE PASSENGER  
APPLICATION SUBMISSION**

**A. Original Application**

1. Upon receipt of the original, prescribed, properly completed, eligible, paper private passenger application and the deposit specified in [Section 6](#), the Plan will process the application and will advise the applicant and the producer of record of the designated company and effective date of coverage.
2. In no event shall coverage be effective
  - a. prior to the time shown on the application;
  - b. unless the application includes
    - (1) the name and address of the applicant,
    - (2) complete vehicle information including VIN,
    - (3) a completed Coverage section,
    - (4) the signatures of the applicant and the producer, and
    - (5) current (within 90 calendar days) motor vehicle records for all drivers.
  - c. unless the required deposit is submitted with the application.
3. Effective Date of Coverage

For the purposes of Section 57, the postmark date which is to be recognized by the Plan shall be the postmark of the United States Postal Service. A metered mail stamp, electronic stamp, or other postage service or stamp shall not be considered a postmark of the United States Postal Service for the purpose of effecting coverage. Working day shall mean a day on which business is conducted, Monday through Friday, except for legal holidays when the United States Post Office is closed.

The completed paper application must be signed and submitted in accordance with the procedures in Section 57.

- a. Applications Submitted Via the United States Postal Service

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- (1) Coverage will become effective at 12:01 A.M. on the day following the date of mailing of the paper application, deposit check or money order, and supporting documentation to the Plan as shown by the postmark on the envelope accompanying the application. If the postmark is not legible, the envelope does not contain a USPS postmark, or if the envelope is stamped by postage meter and does not contain a USPS postmark, the coverage will be effective at 12:01 A.M. on the day following receipt by the Plan.
- (2) If the application, deposit check or money order, and supporting documentation are not mailed within two working days after the application is completed and executed, the effective date of coverage under the Plan shall be 12:01 A.M. on the day following receipt by the Plan.
- (3) If the applicant does not desire coverage until a later date not to exceed 45 days from the date of application, or in the event there is in force a policy terminating at a date later than the date which would be fixed per this Section, the applicant shall indicate such date in his application and the Plan shall fix the date when coverage becomes effective at 12:01 A.M. on the desired date of coverage or at 12:01 A.M. on the day following the date of mailing as shown by the postmark on the envelope accompanying the application, whichever is later.

b. Applications Hand Delivered to the Plan

If the application is hand delivered to the Plan (including delivery by means of overnight mail, courier, or other delivery service), the effective date of coverage under the Plan shall be determined as follows:

- (1) at 12:01 A.M. on the day following receipt of the application, deposit check or money order, and supporting documentation by the Plan, or
- (2) if the applicant does not desire coverage until a later date, not to exceed 45 days from the date of application, the applicant shall indicate such date in the application and the Plan shall fix the date when coverage becomes effective at 12:01 A.M. on the desired date of coverage.
- (3) in the event there is an in-force policy terminating at a date later than the date that would be fixed per this Section, the applicant shall indicate such date in the application and the Plan shall fix the date when the coverage becomes effective at 12:01 A.M. on the termination date of the in-force policy.

c. The producer of record shall maintain appropriate records of all risks for which he has designated the date and time of coverage and agrees to permit inspection or photocopying

of such office records by the Plan or by a company representative. This inspection and photocopying will be limited to situations where the date and hour of coverage is in question due to the occurrence of an accident or claim arising under the policy issued under this Section.

4. Producer Submission of Application to the Plan

The producer of record shall forward the original paper application bearing the signatures of the applicant and producer, the deposit, and any supporting documentation to the Plan no later than two working days after completion of the application as evidenced by the postmark on the envelope accompanying the application or hand delivery (including delivery by means of overnight mail, courier, or other delivery service). Timeliness of submission of the application shall be determined by the United States Postal Service on the transmittal envelope. The producer shall supply the applicant with a copy of the application.

B. Plan Procedures and Performance Standards

Except as otherwise indicated in this Appendix, applications completed in accordance with this Section are subject to the Plan procedures and company performance standards contained in the Personal Automobile Part of the Plan of Operation.

**Sec. 58. ALTERNATE PROCEDURE FOR  
COMMERCIAL APPLICATION  
SUBMISSION**

A. Original Application

1. Upon receipt of the original, prescribed, properly completed, eligible, paper commercial application and the deposit specified in [Section 22](#), the Plan will process the application and notify the applicant and the producer of record of the servicing carrier and effective date of coverage only if the application contains the following:
  - a. Producer's name, complete address, telephone number
  - b. Producer's tax identification number or social security number and license number
  - c. Applicant's name, complete address, home and business telephone numbers
  - d. Applicant's tax identification number or social security number
  - e. Headquarters of applicant's operation
  - f. Legal status
  - g. Description of the applicant's business operation
  - h. ★Motor carrier or other filing number❖
  - i. Complete operator information
  - j. Complete vehicle description and VIN, including use

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- k. Coverage section properly completed in accordance with the limits, coverages, and deductibles provided by the Plan
- l. Latest carrier, policy number, termination date and reason, and if the coverage was through Plan
- m. Effective date and time of coverage
- n. Applicant's and producer's signatures
- o. Answer the following question as it appears on the application: "Are any other vehicles owned by the applicant?"

Any application information not listed above but subsequently requested by the SRDP servicing carrier is specifically defined as pertinent underwriting information.

- 2. In no event shall coverage be effective
  - a. unless the required deposit is submitted with the application;
  - b. unless the last four years' loss experience on prior insurers' computer printout or letterhead is submitted with the application;
  - c. unless current MVRs for all drivers are submitted with the application if required limits of liability exceed \$1,000,000;
  - d. unless a copy of the prior policy declarations and vehicle schedule pages for all drivers on fast food delivery are submitted with the application;
  - e. unless copies of all lease/premium finance agreements are submitted with the application.

**Note:** If any of the accidents appearing on the loss experience indicate the driver was not negligent or at fault, submit proof (i.e., Accident Report, etc.)

3. Effective Date of Coverage

For the purposes of Section 58, the postmark date which is to be recognized by the Plan shall be the postmark of the United States Postal Service. A metered mail stamp, electronic stamp, or other postage service or stamp shall not be considered a postmark of the United States Postal Service for the purposes of effecting coverage. Working day shall mean a day on which business is conducted, Monday through Friday, except for legal holidays when the United States Post Office is closed.

The completed paper application must be signed and submitted in accordance with the following procedures:

- a. Applications Not Requiring Limits in Excess of \$1,000,000 Combined Single Limit Coverage

(1) Applications Submitted Via the United States Postal Service

- (a) Coverage will become effective at 12:01 A.M. on the day following the date of mailing the paper application, deposit check or money order, and

supporting documentation to the Plan as shown by the postmark on the envelope accompanying the application. If the postmark is not legible, the envelope does not contain a USPS postmark, or if the envelope is stamped by postage meter and does not contain a USPS postmark, the coverage will be effective at 12:01 A.M. on the day following receipt by the Plan.

- (b) If the application, deposit check or money order, and supporting documentation are not mailed within two working days after the application is completed and executed, the effective date of coverage under the Plan shall be 12:01 A.M. on the day following receipt of the application by the Plan.
- (c) If the applicant does not desire coverage until a later date, not to exceed 45 days from the date of application, or in the event there is in force a policy terminating at a date later than the date which would be fixed per this Section.

The producer of record shall maintain appropriate records of all risks for which he has designated the date and time of coverage and agrees to permit inspection or photocopying of such office records by the Plan or by a servicing carrier representative. This inspection or photocopying will be limited to situations where the date and hour of coverage is in question due to the occurrence of an accident or claim arising under the policy issued under this Section.

(2) Applications Hand Delivered to the Plan

If the application is hand delivered to the Plan (including delivery by means of overnight mail, courier, or other delivery service), the effective date of coverage under the Plan shall be determined as follows:

- (a) at 12:01 A.M. on the day following receipt of the application, deposit check or money order, and supporting documentation by the Plan, or
- (b) if the applicant does not desire coverage until a later date, not to exceed 45 days from the date of application, the applicant shall indicate such date in the application and the Plan shall fix the date when coverage becomes effective at 12:01 A.M. on the desired date of coverage;
- (c) in the event there is an in-force policy terminating at a date later than the date that would be fixed per this Section, the applicant shall indicate such date when the coverage becomes effective at 12:01 A.M. on the

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termination date of the in-force policy.

The producer of record shall maintain appropriate records of all risks for which he has designated the date and time of coverage and agrees to permit inspection or photocopying of such office records by the Plan or by a servicing carrier representative. This inspection and photocopying will be limited to situations where the date and hour of coverage is in question due to the occurrence of an accident or claim arising under the policy issued under this Section.

b. Applications Requiring Limits in Excess of \$1,000,000 Combined Single Limit Coverage

The completed paper application must be signed and submitted in accordance with the following procedures:

For those applicants requiring a limit in excess of \$1,000,000 combined single limit, coverage is effective on a date specified by the applicant which date may not be earlier than 5 working days following the Plan assignment date shown on the Notice of Designation.

If an applicant is found ineligible for coverage through the Plan prior to the assigned effective date as shown on the Notice of Designation, the servicing carrier shall forward written notice of ineligibility prior to the date upon which coverage was to become effective. Such notice shall state the reason(s) for ineligibility and shall be mailed to the insured with a copy to the producer of record.

If the applicant is found ineligible for coverage through the Plan after the policy effective date, as shown on the Notice of Designation, cancellation shall be in accordance with [Section 28](#).

For SRDP risks which were assigned under Section 58.A.3.a but following the assignment date request limits in excess of \$1,000,000 combined single limit, the requested endorse-

ment may take effect no earlier than five working days following the receipt of the request for higher limits and/or filings.

The producer of record shall maintain appropriate records of all risks for which he has designated the date and time of coverage and agrees to permit inspection or photocopying of such office records by the Plan or by a servicing carrier representative. This inspection and photocopying will be limited to situations where the date and hour of coverage is in question due to the occurrence of an accident or claim arising under the policy issued under this Section.

4. Producer Submission of Application to the Plan

For commercial applications not requiring limits in excess of \$1,000,000 combined single limit, the producer of record shall forward the original paper application bearing the signatures of the applicant and producer, the deposit, and any supporting documentation to the Plan no later than two working days after completion of the application, as evidenced by the postmark on the envelope accompanying the application or hand delivery (including delivery by means of overnight mail, courier, or other delivery service). Timeliness of submission of the application shall be determined by the United States Postal Service on the transmittal envelope. The producer shall supply the applicant with a copy of the application.

For commercial applications requiring limits in excess of \$1,000,000 combined single limit (subject to 5-working day delay in effective date), the original paper application bearing the signatures of the applicant and producer, the deposit, and supporting documentation must be submitted to the Plan in accordance with Section 58.A.3.b. The producer shall supply the applicant with a copy of the application.

B. Plan Procedures and Performance Standards

Except as otherwise indicated in this Appendix, applications completed in accordance with this Section are subject to the Plan procedures and servicing carrier performance standards contained in the Commercial Automobile Part.

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## NOTES

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**THE FOLLOWING SECTIONS ARE APPLICABLE TO APPLICATIONS ASSIGNED UP TO AND INCLUDING  
DECEMBER 31, 2019 AND ARE PROVIDED FOR REFERENCE PURPOSES ONLY**

**Sec. 6. PREMIUM DEPOSIT  
REQUIREMENTS AND PAYMENT  
OPTIONS**

The application for insurance under the Plan must be submitted to the Plan on a prescribed form, accompanied by a current (within 90 calendar days) motor vehicle department record for all drivers. A deposit of 40% of the total annual premium is required with the application.

A. **Advance Premium Payment Option**—where total annual premium is to be paid within 30 calendar days of the date of the premium notice.

B. **Installment Premium Payment Option (Liability and Physical Damage Coverages)**

**Note:** The installment premium payment option is not available if any portion of the annual premium is financed by a premium finance company. If any portion is financed after the installment premium payment option is elected, the company may bill the insured immediately for the unpaid balance of the annual premium.

1. **Deposit**

40% of the annual premium as a deposit on new assignments to accompany the application.

No installment charge on the deposit premium.

2. **Installments**

a. **First Installment**—one-half of the remainder of the premium, subject to a minimum premium of \$20 (to which any outstanding balance of less than \$20 is to be added) plus an installment charge of \$4 is due three months after the effective date of the policy; and

b. **Second Installment**—all remaining premium plus an installment charge of \$4 is due six months after the effective date of the policy.

3. **Additional Premium Changes**

Additional premium resulting from changes to the policy may be spread over the remaining installments, if any, or may be billed immediately as a separate transaction.

4. **Return Premium Changes**

Return premium resulting from changes to the policy may be used to reduce the outstanding balance, or, if the outstanding balance is eliminated, any amount

remaining from the return premium will be returned immediately. If an outstanding balance remains, the number and amounts of the remaining installments will be adjusted accordingly, except when the return amount is less than \$20 it may be treated as a separate transaction.

5. **Billing Output and Scheduling**

Each installment bill should display the status of the account. At any point during the installment billing period, should the policyholder elect to pay

the outstanding balance, the service charge for the current bill would apply.

C. **Deposit Applicable to Either A or B Above**

The deposit premium shall be submitted gross either in cashier's check, money order, bank draft, certified check, or producer/agency check only payable to the Wisconsin Automobile Insurance Plan. If the risk is ineligible for assignment, the deposit shall be returned.

**Sec. 40. COST OF ADMINISTRATION**

A. **Subscriber Fee**

Each insurer licensed to write automobile insurance in Wisconsin is a member of the Wisconsin Automobile Insurance Plan and shall pay a separate minimum annual fee of \$10 in addition to any other charges levied.

B. **Assessment**

The basis of apportionment of all Plan expenses incurred in excess of the minimum fees shall be each subscriber's ratio of

1. Voluntary Private Passenger Nonfleet Liability Net Direct Written Car Years (defined in Section 44) to the corresponding statewide industry total, and

2. Voluntary All Other Automobile Liability Net Direct Written Premiums (defined in Section 48) to the corresponding statewide industry total.

If at the time of the initial assessment for any given calendar year, data for the second prior year is not available, the assessment shall be based upon the latest available year's data. In such event the assessment shall be adjusted subsequently using the data for the second prior year.

C. **Companies Not Writing**

No assessments other than the minimum annual fee shall be levied against a company which has written no automobile liability insurance other than for Automobile Insurance Plan insureds during the period for which the quotas are based.

**Sec. 44. DETERMINATION AND  
FULFILLMENT OF QUOTAS**

A. **Distribution of Applicants**

The Plan shall distribute those risks which are eligible for coverage so that each company will receive the same proportion of Private Passenger Nonfleet Automobile Insurance Plan premiums that its respective Voluntary Private Passenger Nonfleet Net Direct Written Car Years bear to the statewide total of the Voluntary Private Passenger Nonfleet Net Direct Written Car Years of all companies in the state.

For the purposes of such distribution as described above (1) Voluntary Private Passenger Nonfleet Net Direct Written Car Years and (2) Private Passenger Nonfleet Automobile Insurance Plan premiums shall be as defined below:

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1. "Voluntary Private Passenger Nonfleet Liability Net Direct Written Car Years" shall be the number of private passenger nonfleet automobile bodily injury liability car years written by the company in the state for the calendar year ending December 31 of the second prior year under a personal auto policy of any type, excluding private passenger Automobile Insurance Plan Car Years. Voluntary Private Passenger Nonfleet Liability Net Direct Written Car Years shall include calculated car years for the following classes:
    - a. Miscellaneous nonfleet personal vehicles including the following types that are registered and written under a personal auto policy of any type:
      - (1) Motor homes, auto homes (self-propelled)
      - (2) Campers and travel trailers
      - (3) Dune buggies
      - (4) All-terrain vehicles
      - (5) Antique autos
      - (6) Amphibious autos
      - (7) Snowmobiles
      - (8) Golf carts
      - (9) Motorcycles, motorscooters, motorbikes, trail bikes, and mopeds
      - (10) Low speed vehicles
    - b. Named nonowner risks

Low speed vehicle bodily injury liability calculated car years shall be excluded from the Voluntary Private Passenger Nonfleet Net Direct Written Car Years for the purpose of distribution of applicants.

Each statistical agent will report voluntary data for all ten classes of miscellaneous nonfleet personal vehicles shown in Section 44.A.1.a above. AIPSO will make the appropriate adjustments to miscellaneous nonfleet personal vehicle data to comply with Section 44.A.4.
  2. "Private Passenger Nonfleet Automobile Insurance Plan premiums" shall mean the total of (a) automobile bodily injury and property damage liability, medical payments, uninsured motorists, and private passenger nonfleet physical damage premiums, but excluding premiums for death and disability coverage, for private passenger nonfleet Automobile Insurance Plan insureds, and (b) the premium credits allowed under this Section.
  3. Private Passenger Nonfleet Automobile Insurance Plan premiums shall include the total Automobile Insurance Plan premiums written in the state for the following assignable classes:
    - a. Miscellaneous nonfleet personal vehicles including the following types that are registered:
      - (1) Motor homes, auto homes (self-propelled)
      - (2) Campers and travel trailers
      - (3) Dune buggies
      - (4) All-terrain vehicles
      - (5) Antique autos
      - (6) Amphibious autos
      - (7) Snowmobiles
      - (8) Golf carts
      - (9) Motorcycles, motorscooters, motorbikes, trail bikes, and mopeds
    - b. Named nonowner applicants
  4. AIPSO will convert each company's reported voluntary liability premium for the calendar year ending December 31 of the second prior year for all nine classes of miscellaneous nonfleet personal vehicles and named nonowner applicants as shown in Section 44.A.3 above to car years using the statewide average Voluntary Private Passenger Nonfleet Liability premium per car year for the calendar year ending December 31 of the third prior year. Each company's reported Voluntary Private Passenger Nonfleet Liability Car Year data for the calendar year ending December 31 of the second prior year will be adjusted to include calculated car years for miscellaneous nonfleet personal vehicles and named nonowner applicants to comply with Section 44.A.1.
- "Nonfleet" is defined as four or less motor vehicles of any type.
- "Fleet" is defined as five or more motor vehicles of any type.
- B. Limited Assignment Distribution Procedure**
- The provisions of this subsection shall apply to all private passenger nonfleet risks submitted to the Plan on or after February 1, 2002. Companies which agree to participate will enter into a written agreement with the Wisconsin Automobile Insurance Plan.
1. Any subscriber company may apply to serve as a LAD servicing company and receive additional assignments by subscribing to a LAD Agreement with Servicing Companies. LAD assignments shall be allocated to servicing companies based on percentages that are mutually agreed upon by the Governing Committee and the servicing companies. Annually, the Governing Committee shall review the allocations with current and prospective servicing companies prior to September 1. The Governing Committee may adjust allocations as deemed necessary to meet the needs of the LAD. When a servicing company is the only servicing company, they must agree to accept an allocation of 100% of the LAD assignments. All allocations shall be approved by the Governing Committee and shall be effective January 1 of the new assignment year. The appointment of a new servicing company shall be effective January 1.
  2. A servicing company must
    - a. have a service facility affording policy issuance and all other policyholder services, and
    - b. have the ability to service insurance claims in every state, the District of Columbia, and Canada, and



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- c. have been licensed to write automobile liability and physical damage insurance without restriction for a minimum period of five years in the state of Wisconsin, and
  - d. have a statutory capital and surplus of not less than \$2,000,000, and
  - e. execute the Limited Assignment Distribution Agreement Among Companies, and comply with the provisions of that agreement.
3. Subscriber companies which agree to assume additional assignments (servicing companies) will be paid in advance a prescribed fee established by the Committee on the basis of the additional quota accepted.
4. Annual Review of Estimated Plan Premium Volume

Annually, the Plan will review the estimated private passenger premium volume when the first quarter (February 1 through April 30) quota reports are distributed. The Plan will advise the Governing Committee whether the estimated Plan private passenger premium volume is less than, meets, or exceeds \$1 million. The Governing Committee shall be guided by the following:

- a. If the Plan estimated private passenger premium volume is \$1 million or less, all companies with private passenger nonfleet quotas have the option to buy out.
  - b. If the Plan estimated private passenger premium volume exceeds \$1 million, the Governing Committee may, at their discretion,
    - (1) reinstate the buy-out eligibility requirement shown in Section 44.B.5 in accordance with the procedure in Section 44.B.6;
    - (2) solicit for another LAD servicing company;
    - (3) continue to offer all companies with quotas the option to buy out until such time as the Governing Committee feels further action is deemed necessary;
    - (4) implement a combination of (2) and (3) above; or
    - (5) take any other action deemed appropriate by the Governing Committee.
5. Buy-Out Eligibility Requirement

Subscriber companies with a private passenger nonfleet quota whose share of the Voluntary Private Passenger Nonfleet Liability Net Direct Written Car Years is less than 5% may elect to be excused from all private passenger nonfleet assignments (excused companies) by subscribing to a LAD Agreement with Servicing Companies. Excused companies shall be allowed to buy out commencing on February 1, May 1, August 1, and November 1 of the year. An excused company shall pay a prescribed fee on the basis of its applicable private passenger nonfleet quota.

A subscriber company with a private passenger nonfleet quota whose market share of the Wisconsin Voluntary Private Passenger Nonfleet Liability Net Direct Written Car Years is 5% or greater may apply to the Governing Committee for an exception. The Governing Committee may approve or deny a new exception or revoke an existing exception for any circumstances warranted for the benefit of the Plan.

Annually, all company exceptions will be reviewed by the Governing Committee based upon each company's first quarter (February 1 through April 30) quota distribution reports. Any company whose market share equals or exceeds 5% may have its market share exception revoked. If a company's market share exception is revoked by the Governing Committee, the Plan shall notify the excused company and servicing companies by June 30<sup>th</sup> that the LAD Agreement with Excused Companies will terminate as of December 31 of that calendar year.

**Exception:** The above buy-out eligibility requirement and exception procedure are not in effect when the estimated Plan private passenger premium volume is \$1 million or less. Any company with a quota has the option to buy out in LAD. If the estimated Plan private passenger premium volume exceeds \$1 million, the Governing Committee shall be guided by the procedure in Section 44.B.4.

### 6. Reinstatement of Buy-Out Eligibility Requirement

If the buy-out eligibility requirement is reinstated by the Governing Committee in accordance with Section 44.B.4, the Plan shall be guided by the following:

- a. All servicing companies and excused companies shall be notified by June 30<sup>th</sup> that the buy-out eligibility requirement will be reinstated as of January 1 of the new year.
  - b. Former excused companies and new excused companies with private passenger quotas who meet the buy-out eligibility requirement in Section 44.B.5 may buy out from their quotas as of January 1 of the new calendar year.
  - c. Current excused companies whose market shares of the Private Passenger Liability Net Direct Written Car Years are equal to or greater than 5% shall be notified in writing by June 30<sup>th</sup> that their LAD arrangements are terminated as of December 31 and that they should prepare to receive their own private passenger assignments as of December 31 of that calendar year.
  - d. Current excused companies and new excused companies with market shares of 5% or greater may apply to the Governing Committee for an exception in accordance with the procedure in Section 44.B.5.
7. The fee to be paid by the excused companies shall be distributed among the servicing companies.

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Such fee percentage shall be calculated annually in accordance with the following formula:

$$\text{Buy-Out Fee Percentage} = \frac{\left[ \left( 1.0 + \left( \frac{\text{Service Fee Percentage}}{\text{Statewide Indicated Average Premium Per Car}} \right) \times \text{Statewide Current Average Premium Per Car} \right) - \text{Statewide Current Average Premium Per Car} \right]}{\text{Statewide Current Average Premium Per Car}}$$

$$\text{Buy-Out Fee} = (\text{Buy-Out Fee Percentage}) \times (\text{Excused Company Quota Premium})$$

- a. The buy-out fee percentage shall be evaluated annually as of January 1 of each year utilizing the same formula for both liability and physical damage. The two percentages are weighted to provide the combined final buy-out fee percentage.
- b. The components of the formula shall be defined as follows:
  - (1) **Statewide Indicated Average Premium Per Car:** This is the indicated average premium per car that should be adequate to cover losses and expenses expected on the policies written during the 12 months beginning with January 1 of each year. This indicated average premium per car is based on the most recent rate indication available.
  - (2) **Statewide Current Average Premium Per Car:** This is the premium per car that is paid by the average insured as of January 1 of each year to purchase liability coverage and, where available, physical damage coverage.
- c. The rating methodology used to determine the adequacy/inadequacy of rates in the calculation of the LAD fee will be consistent with the rating methodology used to determine Plan rates.
- d. The service fee percentage factor in the above equation is set at 15% and may be adjusted annually at the start of the new assignment year. The buy-out fee percentage shall never be lower than the service fee percentage. The value of the other components of the formula will be adjusted annually on the basis of the most current rate indication available.

The minimum buy-out fee is 30% or \$500, whichever is greater, and is paid annually. In no event shall the buy-out fee be less than 30%. If the buy-out formula results in a buy-out percentage of less than 30%, the buy-out percentage shall be set at 30%, subject to periodic review by the Governing Committee. However, if the buy-out percentage formula results in a buy-out percentage greater than 30%, the buy-out fee shall be set at the greater amount as determined by the formula.

- e. When the buy-out fee percentage is announced, the excused company may, within 30 days of such announcement, elect to terminate this agreement by providing written notice to the Plan. The effective date of such termination shall coincide with the August quota distribution. The excused company

shall be billed at the new annual buy-out rate prorated for the six months coinciding with the February and May quota periods. Without such notice of termination, the agreement shall be deemed renewed for successive terms of one year.

The excused company may terminate this agreement for any successive term (calendar year) by giving written notice to the Plan no later than December 31 prior to the year it elects not to participate in the Limited Assignment Distribution Procedure.

8. Each calendar year, AIPSO, on behalf of the Wisconsin Automobile Insurance Plan, shall calculate, collect, and distribute the estimated fees in accordance with the provisions of this Section. Subsequent to each calendar year, AIPSO shall review and adjust each company's market share and premium quota to reflect changes in premium assigned and in the voluntary data used to calculate each company's quota. This final calculation of market share and premium quota shall not reflect any change in the components of the buy-out formula for that year.
9. Servicing companies will provide full service for the entire quota of excused companies including that for claims and statistical reporting.
10. Whenever there is a termination of an excused company, a servicing company shall continue each policy in force under this rule for the remainder of its four-year assignment. The Governing Committee may direct that quota adjustments be accelerated upon termination of a subscriber if it is deemed equitable.
11. In the event a Plan subscriber who is an excused company in accordance with this Section is declared insolvent and owes buy-out fee monies to the servicing companies, the Plan shall pay the servicing companies for such outstanding balance. The amount expended by the Plan for such payment shall be deemed a cost of administration of the Plan and shall be apportioned to subscriber companies as provided in Section 40. The Plan shall be subrogated in the liquidation proceedings to the rights of the servicing companies so paid.

Excused companies shall nonrenew all policies covering private passenger nonfleet automobiles assigned to it by the Plan, which expire on or after February 1, 2002.

**Note:** Potential servicing companies may petition the WAIP Governing Committee to replace current Option A with a proposed Option B. Option B enables the servicing company to negotiate the buy-out percentage or amount.

## C. Credits Programs

### 1. Class 2 Credit

This credit program is applicable to calendar year 2005 and prior years' voluntary premium credits used in the calculation of assignment year 2007 and prior Private Passenger Nonfleet Quotas.

Each company shall receive credit against its respective proportion of Private Passenger Nonfleet Automobile Insurance Plan premiums for Class 2

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private passenger automobiles, as defined below, insured voluntarily in the state for the calendar year ending December 31 of the second prior year. However, any voluntary Class 2 premium in excess of 100% of the overall quota may not be credited against the current estimated assignment quota. This credit shall be given in the amount of the total automobile bodily injury and property damage liability premium, for such Class 2 private passenger automobiles including premiums for medical payments coverage, uninsured motorists coverage, and underinsured motorists coverage, and excluding premiums for death and disability coverage. For Class 2 private passenger automobiles which are written under an indivisible premium type of private passenger automobile policy, credit shall be given in the amount of the total policy premium, except that premium for physical damage coverage afforded under such a policy shall not be credited.

A "Class 2" private passenger automobile is any private passenger automobile owned by any individual, or jointly by relatives resident in the same household, where an owner is a male operator under 25 years of age or where there are one or more male operators under 25 years of age resident in the same household as the applicant, or a male operator under 25 years of age who customarily operates the automobile.

### 2. Youthful Male Operator Credit

This credit program is applicable to calendar year 2006 and subsequent years' voluntary premium credits used in the calculation of assignment year 2008 and subsequent Private Passenger Nonfleet Quotas.

Each company shall receive credit against its respective proportion of Private Passenger Nonfleet Automobile Insurance Plan premiums for private passenger automobiles rated as youthful male operator under 25 years of age, insured voluntarily in the state for the calendar year ending December 31 of the second prior year. However, any voluntary youthful male operator premium in excess of 100% of the overall quota may not be credited against the current estimated assignment quota.

#### a. Eligibility

Credit shall be given for each private passenger automobile rated as youthful male operator under 25 years of age where the youthful male operator is the principal or secondary operator.

For the purposes of this credit program, the term "private passenger automobile" means any private passenger automobile owned by an individual, or jointly by relatives resident in the same household, or jointly by resident individuals.

#### b. Credit

The amount of the credit shall be the total automobile bodily injury and property damage liability premium developed for the vehicle, including premiums for medical payments coverage, uninsured motorist coverage, and underinsured motorist coverage. Premiums for

death and disability coverage and physical damage coverage are excluded. The credit cannot exceed the total liability premium for the vehicle rated with the youthful male operator. Only one youthful male operator credit per vehicle is allowed.

#### c. Suspension of Program

The Youthful Male Operator Credit program shall be automatically suspended effective January 1 of the next applicable quota year when

- the final Plan Private Passenger Nonfleet AIP premium written based upon the annual quota distribution report for the immediately prior two consecutive years is less than \$100,000; and
- the estimated Plan Private Passenger Nonfleet AIP premium written for the current quota year is less than \$100,000 as of the November 1 quota quarter.

Once suspended, the Youthful Male Operator Credit program shall be reinstated only by Governing Committee action. Reinstatement is effective at the earliest on January 1 of the next applicable quota year following Governing Committee action.

Youthful male operator credit data shall be reported to AIPSO by each company subscribing to this Plan or by the statistical agencies designated by such companies in accordance with the AIPSO statistical program.

The Plan shall provide subscriber companies with written notice that the Youthful Male Operator Credit program has been automatically suspended in accordance with this procedure. If the Youthful Male Operator program is reinstated by action of the Governing Committee, the Plan will provide subscriber companies with written notice of reinstatement and the effective date of such action.

### 3. Offers to Remove Private Passenger Nonfleet Automobile Insureds from the Automobile Insurance Plan

Credit shall be allowed in accordance with the provisions of Personal Automobile Part— Section 10.

### D. Distribution Restrictions

Distribution shall be made on the basis that any applicant within the foregoing definitions who is eligible for assignment shall be assigned or reassigned to any company with a quota, subject to the following restrictions:

1. An applicant with one or more motor vehicles subject to commercial rules of the Plan shall have all of its vehicle exposures assigned through the SRDP.
2. No risk shall be assigned to more than one company.
3. No applicant shall be assigned to a carrier not writing personal automobile insurance in the Wisconsin standard market.

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### 4. Company Surplus Provisions

No company whose surplus to policyholders is less than \$2,000,000 shall be assigned a risk requesting or required by law to carry limits of liability in excess of 100/300/50 split limits.

### 5. Companies Without Voluntary Writings

No assignments shall be made to a company which has written no automobile liability insurance other than for Automobile Insurance Plan insureds during the period for which the quotas are based.

### E. Quota Adjustment

AIPSO shall adjust the current assignment quota of each company periodically, but not less than quarterly, to reflect the amount of Automobile Insurance Plan premium which was less than or in excess of its proportionate share of the total Automobile Insurance Plan premium. AIPSO shall periodically, but not less than quarterly, notify the Plan of each company's adjustment.

- F. Any company receiving assignments contrary to the provisions of the determination and fulfillment of quotas as outlined above, shall notify the Plan immediately and retain the assignment until the dispute is adjudicated.

## **Sec. 45 TAKE-OUT**

### A. Mandatory Offer to Write Nonsurcharged Private Passenger Nonfleet Risks

Refer to Personal Automobile Part—Section 10.A for provisions pertaining to risk eligibility, offer to write, notification, and company obligations to the insured and producer of record.

### B. Voluntary Offer to Write or the Writing of Any Private Passenger Nonfleet Plan Risk

Refer to Personal Automobile Part—Sections 10.B.1 and 10.B.2 for provisions applicable to voluntary offer to write by the assigned company or a company other than the assigned company.

### C. Take-Out Credits

The amount of credit provided for risks written under the terms of Section 10 shall be 200% of the premium which would have been charged had the Automobile Insurance Plan policy been renewed. Only one such credit per risk shall be allowed and it shall be applied against the companies' respective proportion of Private Passenger Nonfleet Automobile Liability Insurance Plan premiums and/or its Physical Damage Automobile Insurance Plan premiums. To qualify for credit, the policy must be in effect for a period of at least 60 calendar days and the insurer shall be required to submit an approved reporting form to AIPSO monthly for all policies qualifying during the month and upon request agree to submit supporting data to AIPSO. The insurer shall, if requested by AIPSO, agree to a physical audit of its records to substantiate the credits and exposures stated in the monthly report. The executed request for credit form must be submitted to AIPSO by the last day of the third month following the effective month of the policy.

Such credits as are allowed under this Section shall be combined with all other credits provided under Section 10 and shall be credited promptly.

If a company or group of companies use both standard and nonstandard rates, the use of such nonstandard rates or consent to rate procedure shall not qualify for credit under this Section.

## **Sec. 50 GENERAL PROVISIONS**

### A. Reporting of Statistical Data

#### 1. Distribution Data

All of the data necessary to comply with the distribution procedures shall be reported to AIPSO by each company subscribing to this Plan or by the statistical agencies designated by such companies. Each company agrees to permit its statistical agent to release such data to AIPSO and agrees that its statistical agent shall be permitted to furnish AIPSO with statements of its Automobile Insurance Plan experience and Voluntary Private Passenger Nonfleet and Other than Private Passenger net direct automobile data in accordance with the annual AIPSO statistical program.

It is the responsibility of each subscriber company to ensure that the above statistical reporting requirements are met if they furnish the data directly or if they utilize a designated statistical agency. Any subscriber company or statistical agent that does not materially comply with the above requirements shall be referred to the Governing Committee for remedial action and, if deemed necessary, the Office of the Commissioner of Insurance.

If a subscriber company fails to report its data in accordance with the annual AIPSO statistical program requirements, or if in the reasonable judgment of the statistical agent and AIPSO, the data the subscriber company reports is inaccurate, the WAIP office shall be notified. WAIP will contact the carrier to obtain the data. Failure to comply with the WAIP request will result in a fine of \$50 per business day with the maximum fine not to exceed \$5,000. Until such time as the data is received, the statistical agent designated by the subscriber company shall estimate the data. In such instances, the statistical agent is authorized to estimate the data and release it to AIPSO. It is the responsibility of the subscriber company to provide the statistical agent with corrected or appropriate data. Upon receipt of the corrected or appropriate data from the subscriber company, the statistical agent will resubmit the data to AIPSO in accordance with Plan rules.

#### 2. Corrections to Quota/Participation Data

Failure to materially comply with data correction procedures shall be referred to the Governing Committee for remedial action and, if deemed necessary, the Office of the Commissioner of Insurance.

### B. Mergers and Consolidation of Companies

In the event a company is merged with another company or there is a consolidation of companies, the continuing company shall receive the assignments and assessments of the company merged or consolidated until the quota of such merged or consolidated company as established by its writings prior to such merger or consolidation has been filled; provided, however, the

## WISCONSIN AUTOMOBILE INSURANCE PLAN SUPPLEMENT

continuing company may be relieved from such obligations if another company has agreed, in a manner satisfactory to the Committee, to assume such obligations.

### C. Company Groups

Company groups under the same ownership may elect to be treated as one company to receive assignments, assessments, and SRDP participation.

### D. Companies Discontinuing Writing or No Longer Licensed

#### 1. Companies Discontinuing Writing Automobile Insurance in the State

In the event a company discontinues writing automobile liability insurance in this state but retains its license to write such business, it shall continue to pay assessments and receive assignments until its quota(s) established by its writings prior to discontinuance of business has been filled; provided, however that if the automobile liability business of a company discontinuing the writing of automobile liability insurance in this state has been purchased by, transferred to, or reinsured by another company, the latter shall receive the assignments and assessments of the former until the quota(s) of the former as established by its writings prior to such transfer has been filled, unless another company has agreed, in a manner satisfactory to the Committee, to assume such obligations.

In the event the discontinuing writer is unable to fulfill its outstanding quota obligation as provided above, the company shall settle its cumulative unfulfilled quota obligation with the Plan in accordance with subsection 50.D.2.b.

#### 2. Assignments to Companies No Longer Licensed in the State

- a. A company that is no longer licensed to write automobile insurance in this state should have its Automobile Insurance Plan business treated in the same manner as its voluntary business and should not receive any new assignments.

The run-off of existing business should be conducted in an orderly manner with policies nonrenewed upon the next policy anniversary date.

A company that elects to surrender its license or has its license to do business in the state revoked must comply with the following requirements:

##### (1) Surrender of License

If a company elects to leave this state by surrender of its license to write automobile insurance, it must submit to the Committee, as a condition precedent to license surrender, an acceptable plan that meets both of the following requirements:

- (a) Disposes of the company's quota of assignments as established by its voluntary writings, including settle-

ment of any outstanding quota obligation as provided in subsection 50.D.2.b.

- (b) Provides for the handling of its outstanding assigned risk policies, including payment of claims, by appropriate reinsurance agreements and/or financial arrangements.

**Note:** The Office of the Commissioner of Insurance may direct a company to settle its assignment quota obligation in accordance with subsection 50.D.2.b as a precondition of license surrender.

#### (2) Revocation of License

In the event a company's license to do business in this state is revoked by the Commissioner of Insurance pursuant to the insurance law, the company shall have an obligation to submit to the Committee an acceptable plan that meets both of the following requirements:

- (a) Disposes of the company's quota of assignments as established by its voluntary writings, including settlement of any outstanding quota obligation as provided in subsection 50.D.2.b.
- (b) Provides for the handling of its outstanding assigned risk policies, including payment of claims, by appropriate reinsurance agreements and/or financial arrangements.

**Note:** The Office of the Commissioner of Insurance may direct a company to settle their assignment quota obligation in accordance with subsection 50.D.2.b as a precondition of license revocation.

When all companies in a group are under the same ownership and management or a group elects to be treated as a single company and a company in the group is no longer licensed, the company no longer licensed shall make provision for its quota of assignments as outlined in subsection 50.D.2.

#### b. Buy-Out Procedure

Companies unable to fulfill their cumulative assignment quota obligation through a LAD arrangement or by grouping with an affiliated company shall request a buy-out of their outstanding quota obligation with the Plan. Such buy-out provision applies to the following:

- Companies that have discontinued writing automobile insurance liability in the state but remain licensed, including LAD servicing companies
- Companies who are surrendering or have surrendered their license to write automobile insurance in this state

# WISCONSIN AUTOMOBILE INSURANCE PLAN SUPPLEMENT

- Companies whose license to write automobile insurance in the state has been or is being revoked by the Commissioner of Insurance

The company must submit a written request to the Committee asking for approval to buy-out or complete the Company Withdrawal Buy-Out Form provided by the Plan. The request must include the company's voluntary private passenger nonfleet (PPNF) liability net direct written car years by calendar year, beginning with the second calendar year preceding the date of the written request and continuing forward as necessary for each successive year until all vehicles have been run-off. AIPSO shall calculate the settlement amount for review by the Committee. The Committee may grant or deny a request to buy-out for any circumstances warranted for the benefit of the Plan.

Once approved by the Committee, the company shall pay a cash settlement of its obligation. This is a one-time cash settlement and shall include the current quota's year's obligation as well as the projected future quota years of obligation, based upon the private passenger nonfleet vehicles provided by the company. The formula for establishing the cash settlement is:

Cash  
Settlement =  
(\$)

$$\left[ \left( \frac{\text{Company's Current Year Basic Quota Ratio}}{\text{Company's Future Year Adjustment Factor}} \times \frac{\text{Statewide Estimated AIP Premium}}{\text{Company's Over/Under Assignment As of Last Finalized Year}} - \frac{\text{Company's AIP Fulfillment Premium for All Years Subsequent to Last Finalized Year}}{\text{Company's AIP Fulfillment Premium for All Years Subsequent to Last Finalized Year}} \right) \times \text{Buy-Out Fee Percentage} \right]$$

In no event shall the total cash settlement for all years of obligation be less than the minimum settlement fee due the Plan as approved by the Committee.

Any over assigned position remaining after fulfillment of the current and future years of obligation shall be brought to zero.

The cash settlement is final and is not subject to true-up based on changes to company data, statewide data, or the buy-out fee percentage, unless so authorized by the Committee.

For purposes of the cash settlement calculation, the company's future year adjustment factor is determined as follows:

$$1 + \left( \frac{\text{Company's Combined PPNF Liability Net Direct Written Car Years for All Years Subsequent to the Current Quota Year**}}{\text{Company's PPNF Liability Net Direct Written Car Years for the Current Quota Year}} \right)$$

For purposes of the cash settlement calculation, the buy-out fee percentage shall be calculated when requested in accordance with the following formula:

$$\text{Buy-Out Fee Percentage} = \frac{\left[ \left( 1.0 + \frac{\text{Administrative Fee***}}{\text{Statewide Current Average Premium Per Car}} \right) \times \frac{\text{Statewide Estimated Loss and Expense Per Car (Statewide Indicated Average Premium)}}{\text{Statewide Current Average Premium Per Car}} - \frac{\text{Statewide Estimated Loss and Expense Per Car (Statewide Indicated Average Premium)}}{\text{Statewide Current Average Premium Per Car}} \right]}{\text{Statewide Current Average Premium Per Car}}$$

\* Includes the net of actual AIP fulfillment premium written since the last finalized quota year plus any projected AIP fulfillment premium, including negative run-off premium

\*\* Includes actual car years, projected car years, or a combination of both

\*\*\* Administrative fee is 0.15

In no event will application of the formula result in a buy-out fee percentage that is less than the administrative fee.

AIPSO shall collect the settlement on behalf of the Plan. Any company that agrees to the cash settlement but fails to remit payment shall be referred to the Committee for remedial action and, if deemed necessary, the Commissioner of Insurance.

## 3. SRDP Participation of Companies Discontinuing Writing or No Longer Licensed in the State

A company that is discontinuing writing or that is no longer licensed to write automobile insurance in this state will participate in the operating results of the SRDP for those policy years for which the company reported two years prior voluntary base data. Such companies will participate for each policy year of SRDP experience to a maximum of 11 years.

When all companies in a group are under the same ownership and management or a group elects to be treated as a single company, and a company in the group discontinues writing or is no longer licensed, the remaining licensed companies shall not adjust voluntary base data to exclude Voluntary All Other premium of the company no longer licensed. Any SRDP participation statements for the company that has discontinued writing or is no longer licensed shall be the responsibility of the remaining companies in the group. When a company is no longer licensed during a calendar year, it shall be considered a member of the group for the year.

## E. Insolvent Companies

In the event proceedings have been initiated in a court of competent jurisdiction to have a company declared insolvent, and a receiver or liquidator has been appointed by such court, the Plan shall, upon submission of satisfactory evidence by the insured showing that he was at the time of the declaration of insolvency insured by such company as an Automobile Insurance Plan insured and that the premium has been paid, reimburse the insured for the earned premium. The amount expended by the Plan for such reimbursement shall be deemed a cost of administration of the Plan and shall be apportioned as provided in Section 40. The Plan shall be subrogated in the liquidation proceedings to the rights of the insured so reimbursed. In the event the company is subsequently found by the court not to be

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insolvent, the proceedings are dismissed and the liquidator or receiver has been discharged, the company shall be assessed by the Plan for the total amount of the unearned premium expended by the Plan for reimbursement of premiums.





# **WISCONSIN AUTOMOBILE INSURANCE PLAN MANUAL**

The rules, classifications, territories, rates, and additional charges applicable to automobile risks insured in accordance with the provisions of the Wisconsin Automobile Insurance Plan are contained herein.

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**WISCONSIN AUTOMOBILE INSURANCE PLAN MANUAL**  
**GENERAL RULES CHAPTER**

## NOTES



## GENERAL RULES CHAPTER

**Rule 1. PREMIUM DEVELOPMENT**

- A. Determine the applicable premium from the Premium Development Rule in the appropriate chapter of this Manual.
- B. Determine the appropriate chapter of the Manual in accordance with the following:
- C. All personal auto exposures are rated under the Private Passenger Chapter of the Manual.

**Exception:** Private passenger autos that are part of a fleet are rated under the Commercial Auto Chapters.

- D. All other exposures are rated under the Commercial Auto Chapters of the Manual.

**EXCEPTIONS:**

1. Business use private passenger autos owned by natural persons are rated under the Private Passenger Chapter.
2. All named nonowner policies are rated under the Private Passenger Chapter.

- E. If the rating procedure for an exposure is not provided in the Manual, refer to [Rule 2](#).

**Rule 2. CLASSIFICATION OF RISKS NOT SPECIFICALLY INCLUDED IN THIS MANUAL**

The Plan Introduction states that the Wisconsin Automobile Insurance Plan is to provide auto insurance coverage to eligible risks who are unable to obtain such coverage through the voluntary market. If rules and rates for eligible autos are not specifically included in this Manual, refer to the Plan or to the servicing carrier for rating.

**Note:** If the hazard for any risk is greater than that contemplated by the rate normally applicable under the Plan, the premium for such risk shall be "a" rated and filed with both the Office of the Commissioner of Insurance and the Plan Office for approval. Supporting information shall be included with the submission. The "a" rate filing will be effective upon approval by the Office of the Commissioner of Insurance.

**Rule 3. WHOLE DOLLAR PREMIUM**

- A. ★The premium for each exposure shall be rounded to the nearest whole dollar, separately for each coverage provided by the policy unless noted otherwise.
- B. A premium involving \$.50 or over shall be rounded to the higher whole dollar.
- C. This procedure shall apply to all interim premium adjustments, including endorsements or cancellations at the request of the insured. In the case of cancellation by the insurer, the return premium may be carried to the next higher whole dollar.
- D. Charge a premium of at least \$1 for each instance where a separate premium is calculated.✧

**Rule 4. MINIMUM POLICY PREMIUM****A. Personal Auto Policies**

The minimum policy premium charge is \$25 per policy. The minimum premium shall be inclusive of additional charges imposed for any additional hazards.

**B. Commercial Auto Coverage Forms****Prepaid Policies, Annual Premium Payment Plan Policies, and Continuous Policies**

The minimum policy premium charge is \$150 per policy.

**Rule 5. POLICY PERIOD**

All policies are to be written for a one-year period with the premium charged to be the annual premium except when a statutory policy is required by a federal, state, or municipal authority to expire on a fixed date and the policy is written to expire on such a date.

The premium charged for the above-mentioned short term policies shall be computed pro rata of the annual premium.

**Rule 6. CHANGES****A. Personal Risks**

1. ★Compute all changes during the term of a policy requiring adjustment of premium pro rata on the basis of the rates in effect at the time of the change.

**Note:** If a policy, auto, or coverage is cancelled, refer to the Cancellations Rule ([Rule 7](#)) for calculation of returned premium.✧

2. If an auto or a form of coverage is cancelled from a policy at the request of the insured and reinstated within 30 calendar days, it shall be reinstated at the amount of premium returned at the time of cancellation.
3. Premium Adjustments
  - a. A minimum premium of \$5 shall apply if an additional premium results because a coverage is added or the limits of liability are increased at the request of the insured during the policy period.
  - b. If a return premium of less than \$5 results because a coverage is cancelled at the request of the insured, no refund need be made except at the request of the insured, in which case the actual return premium shall be allowed.
  - c. If the limits of liability are reduced at the request of the insured, no refund of premium shall be made unless the difference in premium amounts to \$5 or more. Any difference in premium under \$5 will be refunded only at the request of the insured.

**B. Commercial Risks**

1. All changes during the term of a policy requiring additional premium shall be computed pro rata on the basis of the premium in effect at the time of the change even if the policy inception premium was less than the policy writing minimum premium.

## GENERAL RULES

2. All changes during the term of a policy requiring return premium shall be computed pro rata on the basis of the rates used to calculate the policy premium. Round to the next higher whole dollar when any coverage or exposure is deleted or an amount of coverage is reduced. Retain the policy writing minimum premium.
3. Waive additional or return premium of \$15 or less. Grant any return premium due if requested by the insured. This waiver applies only to that portion of the premium due on the effective date of the policy change.

### **Rule 7. CANCELLATIONS**

If a policy or form of coverage is cancelled within the provisions of the Plan, the return premium shall be computed pro rata and in accordance with applicable Wisconsin law.

**Note:** Facultative reinsurance is fully earned and not subject to any pro rata or short rate adjustment.

Instructions for Use of Pro Rata Table

- A. Express the date of cancellation by year and decimal part of a year by combining the calendar year with decimal appearing opposite the month and day in the Pro Rata Table.  
e.g., June 15, 2007 is designated as 2007.455.
- B. In like manner, express the effective date of the policy by year and decimal part of a year.
- C. Subtract the numerical designation for the effective date from the numerical designation for the cancellation date, A minus B. The difference represents the percentage of the annual premium to be retained by the company.

Example:

Cancellation Date, June 15, 2007	2007.455
Effective Date, March 2, 2007	2007.167
	<hr/>
	.288

Earned premium in the above example will be .288 times the annual premium.

**Note:** Pro Rata Table is shown as follows:

## PRO RATA TABLE

January			February			March			April			May			June		
Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio
1	1	0.003	1	32	0.088	1	60	0.164	1	91	0.249	1	121	0.332	1	152	0.416
2	2	0.005	2	33	0.090	2	61	0.167	2	92	0.252	2	122	0.334	2	153	0.419
3	3	0.008	3	34	0.093	3	62	0.170	3	93	0.255	3	123	0.337	3	154	0.422
4	4	0.011	4	35	0.096	4	63	0.173	4	94	0.258	4	124	0.340	4	155	0.425
5	5	0.014	5	36	0.099	5	64	0.175	5	95	0.260	5	125	0.342	5	156	0.427
6	6	0.016	6	37	0.101	6	65	0.178	6	96	0.263	6	126	0.345	6	157	0.430
7	7	0.019	7	38	0.104	7	66	0.181	7	97	0.266	7	127	0.348	7	158	0.433
8	8	0.022	8	39	0.107	8	67	0.184	8	98	0.268	8	128	0.351	8	159	0.436
9	9	0.025	9	40	0.110	9	68	0.186	9	99	0.271	9	129	0.353	9	160	0.438
10	10	0.027	10	41	0.112	10	69	0.189	10	100	0.274	10	130	0.356	10	161	0.441
11	11	0.030	11	42	0.115	11	70	0.192	11	101	0.277	11	131	0.359	11	162	0.444
12	12	0.033	12	43	0.118	12	71	0.195	12	102	0.279	12	132	0.362	12	163	0.447
13	13	0.036	13	44	0.121	13	72	0.197	13	103	0.282	13	133	0.364	13	164	0.449
14	14	0.038	14	45	0.123	14	73	0.200	14	104	0.285	14	134	0.367	14	165	0.452
15	15	0.041	15	46	0.126	15	74	0.203	15	105	0.288	15	135	0.370	15	166	0.455
16	16	0.044	16	47	0.129	16	75	0.205	16	106	0.290	16	136	0.373	16	167	0.458
17	17	0.047	17	48	0.132	17	76	0.208	17	107	0.293	17	137	0.375	17	168	0.460
18	18	0.049	18	49	0.134	18	77	0.211	18	108	0.296	18	138	0.378	18	169	0.463
19	19	0.052	19	50	0.137	19	78	0.214	19	109	0.299	19	139	0.381	19	170	0.466
20	20	0.055	20	51	0.140	20	79	0.216	20	110	0.301	20	140	0.384	20	171	0.468
21	21	0.058	21	52	0.142	21	80	0.219	21	111	0.304	21	141	0.386	21	172	0.471
22	22	0.060	22	53	0.145	22	81	0.222	22	112	0.307	22	142	0.389	22	173	0.474
23	23	0.063	23	54	0.148	23	82	0.225	23	113	0.310	23	143	0.392	23	174	0.477
24	24	0.066	24	55	0.151	24	83	0.227	24	114	0.312	24	144	0.395	24	175	0.479
25	25	0.068	25	56	0.153	25	84	0.230	25	115	0.315	25	145	0.397	25	176	0.482
26	26	0.071	26	57	0.156	26	85	0.233	26	116	0.318	26	146	0.400	26	177	0.485
27	27	0.074	27	58	0.159	27	86	0.236	27	117	0.321	27	147	0.403	27	178	0.488
28	28	0.077	28	59	0.162	28	87	0.238	28	118	0.323	28	148	0.405	28	179	0.490
29	29	0.079				29	88	0.241	29	119	0.326	29	149	0.408	29	180	0.493
30	30	0.082				30	89	0.244	30	120	0.329	30	150	0.411	30	181	0.496
31	31	0.085				31	90	0.247				31	151	0.414			
July			August			September			October			November			December		
Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio
1	182	0.499	1	213	0.584	1	244	0.668	1	274	0.751	1	305	0.836	1	335	0.918
2	183	0.501	2	214	0.586	2	245	0.671	2	275	0.753	2	306	0.838	2	336	0.921
3	184	0.504	3	215	0.589	3	246	0.674	3	276	0.756	3	307	0.841	3	337	0.923
4	185	0.507	4	216	0.592	4	247	0.677	4	277	0.759	4	308	0.844	4	338	0.926
5	186	0.510	5	217	0.595	5	248	0.679	5	278	0.762	5	309	0.847	5	339	0.929
6	187	0.512	6	218	0.597	6	249	0.682	6	279	0.764	6	310	0.849	6	340	0.932
7	188	0.515	7	219	0.600	7	250	0.685	7	280	0.767	7	311	0.852	7	341	0.934
8	189	0.518	8	220	0.603	8	251	0.688	8	281	0.770	8	312	0.855	8	342	0.937
9	190	0.521	9	221	0.605	9	252	0.690	9	282	0.773	9	313	0.858	9	343	0.940
10	191	0.523	10	222	0.608	10	253	0.693	10	283	0.775	10	314	0.860	10	344	0.942
11	192	0.526	11	223	0.611	11	254	0.696	11	284	0.778	11	315	0.863	11	345	0.945
12	193	0.529	12	224	0.614	12	255	0.699	12	285	0.781	12	316	0.866	12	346	0.948
13	194	0.532	13	225	0.616	13	256	0.701	13	286	0.784	13	317	0.868	13	347	0.951
14	195	0.534	14	226	0.619	14	257	0.704	14	287	0.786	14	318	0.871	14	348	0.953
15	196	0.537	15	227	0.622	15	258	0.707	15	288	0.789	15	319	0.874	15	349	0.956
16	197	0.540	16	228	0.625	16	259	0.710	16	289	0.792	16	320	0.877	16	350	0.959
17	198	0.542	17	229	0.627	17	260	0.712	17	290	0.795	17	321	0.879	17	351	0.962
18	199	0.545	18	230	0.630	18	261	0.715	18	291	0.797	18	322	0.882	18	352	0.964
19	200	0.548	19	231	0.633	19	262	0.718	19	292	0.800	19	323	0.885	19	353	0.967
20	201	0.551	20	232	0.636	20	263	0.721	20	293	0.803	20	324	0.888	20	354	0.970
21	202	0.553	21	233	0.638	21	264	0.723	21	294	0.805	21	325	0.890	21	355	0.973
22	203	0.556	22	234	0.641	22	265	0.726	22	295	0.808	22	326	0.893	22	356	0.975
23	204	0.559	23	235	0.644	23	266	0.729	23	296	0.811	23	327	0.896	23	357	0.978
24	205	0.562	24	236	0.647	24	267	0.732	24	297	0.814	24	328	0.899	24	358	0.981
25	206	0.564	25	237	0.649	25	268	0.734	25	298	0.816	25	329	0.901	25	359	0.984
26	207	0.567	26	238	0.652	26	269	0.737	26	299	0.819	26	330	0.904	26	360	0.986
27	208	0.570	27	239	0.655	27	270	0.740	27	300	0.822	27	331	0.907	27	361	0.989
28	209	0.573	28	240	0.658	28	271	0.742	28	301	0.825	28	332	0.910	28	362	0.992
29	210	0.575	29	241	0.660	29	272	0.745	29	302	0.827	29	333	0.912	29	363	0.995
30	211	0.578	30	242	0.663	30	273	0.748	30	303	0.830	30	334	0.915	30	364	0.997
31	212	0.581	31	243	0.666				31	304	0.833				31	365	1.000

**Note:** The indicated Pro Rata Table is also used for leap years as it is not customary to charge for the extra day (Feb. 29) which occurs once every four years.

**GENERAL RULES****Rules 8–18. RESERVED FOR FUTURE USE****Rule 19. TERRITORIES**

This Rule contains the territorial definitions and the corresponding territory codes.

	<b>Territory</b>	
<b>ADAMS COUNTY</b> —(entire County) .....	17	
<b>APPLETON</b> territory comprises the entire city of Appleton and all territory and places lying within the area enclosed by the outside boundaries of the following villages and towns of Outagamie County .....		
Buchanan	Grand Chute	Little Chute
Combined Locks	Kimberly	Vanderbroek
and all territory and places lying within the area enclosed by the outside boundaries of the following cities and towns in Winnebago County		
Menasha (city and town)	Neenah (city and town)	
<b>ASHLAND COUNTY</b> —(entire County) .....	09	
<b>BARRON COUNTY</b> —(entire County) .....	16	
<b>BAYFIELD COUNTY</b> —(entire County) .....	09	
<b>BELOIT</b> —see Janesville-Beloit.		
<b>BROWN COUNTY (BALANCE)</b> —That portion of Brown County not included in Green Bay territory .....		
10		
<b>BUFFALO COUNTY</b> —(entire County) .....	17	
<b>BURNETT COUNTY</b> —(entire County) .....	16	
<b>CALUMET COUNTY</b> —(entire County) .....	10	
<b>CHIPPEWA COUNTY (BALANCE)</b> —That portion of Chippewa County not included in Chippewa Falls-Eau Claire territory .....		
16		
<b>CHIPPEWA FALLS—EAU CLAIRE</b> territory comprises the entire cities of Chippewa Falls and Eau Claire and all territory and places lying within the area enclosed by the outside boundaries of the following town in Chippewa County .....		
11		
Hallie		
and all territory and places lying within the area enclosed by the outside boundaries of the following city and town in Eau Clair County		
Altoona	Washington	
<b>CLARK COUNTY</b> —(entire County) .....	17	
<b>COLUMBIA COUNTY</b> —(entire County) .....	10	
<b>CRAWFORD COUNTY</b> —(entire County) .....	17	
<b>DANE COUNTY (BALANCE)</b> —That portion of Dane County not included in Madison territory .....		
10		
<b>DODGE COUNTY</b> —(entire County) .....	10	

**Note:** Refer to an atlas or map for places not listed.

	Territory	
<b>DOOR COUNTY</b> —(entire County) .....	10	
<b>DOUGLAS COUNTY (BALANCE)</b> —That portion of Douglas County not included in Superior territory .....	09	
<b>DUNN COUNTY</b> —(entire County).....	16	
<b>EAU CLAIRE COUNTY (BALANCE)</b> —That portion of Eau Claire County not included in Chippewa Falls-Eau Claire territory .....	16	
<b>FLORENCE COUNTY</b> —(entire County) .....	09	
<b>FOND DU LAC COUNTY (BALANCE)</b> —That portion of Fond du Lac County not included in Fond du Lac territory.....	10	
<b>FOND DU LAC</b> territory comprises the entire city of Fond du Lac and all territory and places lying within the area enclosed by the outside boundaries of the following villages and towns in Fond du Lac County .....		
Fond du Lac	Friendship	North Fond du Lac
<b>FOREST COUNTY</b> —(entire County) .....	09	
<b>GRANT COUNTY</b> —(entire County) .....	17	
<b>GREEN BAY</b> territory comprises the entire city of Green Bay and all territory and places lying within the area enclosed by the outside boundaries of the following towns and village in Brown County .....		
Allouez	Howard	Preble
Ashwaubenon		
and that portion of the town of DePere west of the East River.		
<b>GREEN COUNTY</b> —(entire County) .....	17	
<b>GREEN LAKE COUNTY</b> —(entire County).....	17	
<b>IOWA COUNTY</b> —(entire County) .....	17	
<b>IRON COUNTY</b> —(entire County) .....	09	
<b>JACKSON COUNTY</b> —(entire County).....	17	
<b>JANESVILLE—BELOIT</b> territory comprises the entire cities of Janesville and Beloit and all territory and places lying within the area enclosed by the outside boundaries of the following towns in Rock County .....		
Beloit	Rock	Turtle
<b>JEFFERSON COUNTY</b> —(entire County) .....	10	
<b>JUNEAU COUNTY</b> —(entire County) .....	17	
<b>KENOSHA COUNTY (BALANCE)</b> —That portion of Kenosha County not included in Kenosha territory .....	10	
<b>KENOSHA</b> territory comprises the entire city of Kenosha and those portions of the following towns in Kenosha County which lie east of Wisconsin Highway 31 .....		
Pleasant Prairie	Somers	

## GENERAL RULES

	Territory
<b>KEWAUNEE COUNTY</b> —(entire County) .....	10
<b>LA CROSSE COUNTY (BALANCE)</b> —That portion of La Crosse County not included in La Crosse Territory .....	17
<b>LA CROSSE</b> territory comprises the entire city of La Crosse and all territory and places lying within the area enclosed by the outside boundaries of the following city, village, and towns in La Crosse County.....06	
Campbell Hamilton	Medary Onalaska (city and town)
Shelby West Salem	
<b>LAFAYETTE COUNTY</b> —(entire County) .....	17
<b>LANGLADE COUNTY</b> —(entire County) .....	10
<b>LINCOLN COUNTY</b> —(entire County) .....	16
<b>MADISON</b> territory comprises the entire city of Madison and all territory and places lying within the area enclosed by the outside boundaries of the following villages and towns in Dane county .....05	
Blooming Grove Burke Dunn Fitchburg McFarland	Madison Maple Bluff Middleton (town and village) Monona
Shorewood Hills Verona (town and village) Waukelee Westport	
and that portion of the town of Sun Prairie west of County Road N, including the city (formerly a village) of Sun Prairie.	
<b>MANITOWOC COUNTY</b> —(entire County) .....	10
<b>MARATHON COUNTY (BALANCE)</b> —that portion of Marathon County not included in Wausau territory .....	16
<b>MARINETTE COUNTY</b> —(entire County) .....	09
<b>MARQUETTE COUNTY</b> —(entire County).....	17
<b>MENOMONIE COUNTY</b> —(entire County).....	16
<b>MILWAUKEE COUNTY</b> —see Milwaukee Metropolitan and Milwaukee Semisuburban.	
<b>MILWAUKEE METROPOLITAN</b> territory comprises the entire city of Milwaukee and all territory and places lying within the area enclosed by the outside boundaries of the following cities and villages in Milwaukee County ..... 14	
Cudahy Glendale St. Francis	Shorewood South Milwaukee Wauwatosa
West Allis West Milwaukee Whitefish Bay	
<b>MILWAUKEE SEMISUBURBAN</b> territory comprises that portion of Milwaukee County not included in Milwaukee Metropolitan territory..... 15	
<b>MILWAUKEE SUBURBAN</b> territory comprises the entire city of Waukesha and all territory and places lying within the area enclosed by the outside boundaries of the following villages and towns in Waukesha County..... 13	

	Territory
Brookfield Butler Elm Grove Lannon	Menomonie Menomonee Falls Muskego
New Berlin Pewaukee (town and village) Waukesha	
and all territory and places lying within the area enclosed by the outside boundaries of the village and town of Germantown in Washington County and all territory and places lying with the area enclosed by the outside boundaries of the following city, town, and village in Ozaukee County.	
Mequon City (formerly a town)	Thiensville
<b>MONROE COUNTY</b> —(entire County).....	17
<b>OCONTO COUNTY</b> —(entire County) .....	10
<b>ONEIDA COUNTY</b> —(entire County) .....	10
<b>OSHKOSH</b> territory comprises the entire city of Oshkosh and all territory and places lying within the area enclosed by the outside boundaries of the following city and towns in Winnebago County..... 08	
Algoma Black Wolf	Omro (city only) Oshkosh
and that portion of the town of Vinland east of US 41.	
<b>OUTAGAMIE COUNTY (BALANCE)</b> —That portion of Outagamie County not included in Appleton territory.....	10
<b>OZAUKEE COUNTY (BALANCE)</b> —That portion of Ozaukee County not included in Milwaukee Suburban territory .....	10
<b>PEPIN COUNTY</b> —(entire County) .....	17
<b>PIERCE COUNTY</b> —(entire County).....	16
<b>POLK COUNTY</b> —(entire County) .....	16
<b>PORTAGE COUNTY</b> —(entire County) .....	17
<b>PRICE COUNTY</b> —(entire County) .....	16
<b>RACINE COUNTY (BALANCE)</b> —That portion of Racine County not included in Racine territory ..... 10	
<b>RACINE</b> territory comprises the entire city of Racine and all territory and places lying within the area enclosed by the outside boundaries of the following village and towns in Racine county ..... 02	
Caledonia Mount Pleasant	Sturtevant
<b>RICHLAND COUNTY</b> —(entire County) .....	17
<b>ROCK COUNTY (BALANCE)</b> —That portion of Rock County not included in Janesville-Beloit territory .....	10
<b>RUSK COUNTY</b> —(entire County).....	16
<b>ST. CROIX COUNTY</b> —(entire County) .....	16
<b>SAUK COUNTY</b> —(entire County).....	17

**Note:** Refer to an atlas or map for places not listed.

## GENERAL RULES

	Territory		Territory
<b>SAWYER COUNTY</b> —(entire County).....	16	<b>WALWORTH COUNTY</b> —(entire County) .....	10
<b>SHAWANO COUNTY</b> —(entire County) .....	16	<b>WASHBURN COUNTY</b> —(entire County).....	16
<b>SHEBOYGAN COUNTY (BALANCE)</b> —That portion of Sheboygan County not included in Sheboygan territory... 10		<b>WASHINGTON COUNTY (BALANCE)</b> —That portion of Washington County not included in Milwaukee Suburban territory .....	10
<b>SHEBOYGAN</b> territory comprises the entire city of Sheboygan and all territory and places lying within the area enclosed by the outside boundaries of the following city, village, and towns in Sheboygan County.....	08	<b>WAUKESHA COUNTY (BALANCE)</b> —That portion of Waukesha County not included in Milwaukee Suburban territory .....	10
Herman	Sheboygan	<b>WAUPACA COUNTY</b> —(entire County).....	16
Kohler	Sheboygan Falls	<b>WAUSAU</b> territory comprises the entire city of Wausau and all territory and places lying within the area enclosed by the outside boundaries of the following city, village, and towns in Marathon County.....	11
Lima	(city and town)	Rib Mountain	Schofield
Mosel	Wilson	Rothschild	Wausau
		Weston	
<b>SUPERIOR</b> territory comprises the entire city of Superior and all territory and places lying within the area enclosed by the outside boundaries of the following villages and towns in Douglas County.....	04	and that portion of the town of Stettin east of the Little Rib River.	
Amnicon	Parkland	<b>WAUSHARA COUNTY</b> —(entire County).....	16
Lakeside	Poplar	<b>WINNEBAGO COUNTY (BALANCE)</b> —That portion of Winnebago County not included in Appleton or Oshkosh territories .....	10
Oliver	Superior (town and village)	<b>WOOD COUNTY</b> —(entire County) .....	17
<b>TAYLOR COUNTY</b> —(entire County).....	16		
<b>TREMPEALEAU COUNTY</b> —(entire County) .....	17		
<b>VERNON COUNTY</b> —(entire County).....	17		
<b>VILAS COUNTY</b> —(entire County).....	09		

## LIST OF IMPORTANT CITIES AND TOWNS

The following list contains all the more important cities, towns, boroughs, and villages in the state, together with their counties and territory and code assignments:

City and County	Territory	City and County	Territory	City and County	Territory
<b>A</b>					
Abbotsford, Clark and Marathon.....	17	Bayside, Milwaukee and Ozaukee .....	15	Chippewa Falls, Chippewa .....	11
Adams, Adams.....	17	Beaver Dam, Dodge .....	10	Clinton, Rock .....	10
Algoma, Kewaunee .....	10	Beloit, Rock .....	11	Clintonville, Waupaca .....	16
Alma, Buffalo.....	17	Beloit West, Rock .....	11	Colby, Clark and Marathon.....	17
Altoona, Eau Claire .....	11	Berlin, Green Lake and Waushara .....	17	Colfax, Dunn.....	16
Amery, Polk.....	16	Black River Falls, Jackson.....	17	Columbus, Columbia.....	10
Antigo, Langlade .....	10	Bloomer, Chippewa .....	16	Combined Locks, Outagamie.....	11
Appleton, Calumet and Outagamie .....	11	Boscobel, Grant.....	17	Cornell, Chippewa .....	16
Arcadia, Trempealeau.....	17	Brillion, Calumet .....	10	Cottage Grove, Dane .....	10
Ashland, Ashland .....	09	Brodhead, Green .....	17	Crandon, Forest .....	09
Athens, Marathon.....	16	Brookfield, Waukesha .....	13	Cross Plains, Dane .....	10
Augusta, Eau Claire .....	16	Brown Deer, Milwaukee .....	15	Cuba City, Grant.....	17
<b>B</b>		Burlington, Racine .....	10	Cudahy, Milwaukee .....	14
Baldwin, St. Croix.....	16	Butler, Waukesha .....	13	Cumberland, Barron.....	16
Baraboo, Sauk .....	17	<b>C</b>			
Barron, Barron .....	16	Campbellsport, Fond du Lac .....	10	Darlington, Lafayette .....	17
Barton, Washington .....	10	Cassville, Grant .....	17	DeForest, Dane .....	10
Bayfield, Bayfield.....	09	Cedar Grove, Sheboygan .....	10	Delafield, Waukesha .....	10
		Chetek, Barron.....	16	Delavan, Walworth .....	10
		Chilton, Calumet.....	10	Delavan Lake, Walworth .....	10
				Denmark, Brown.....	10
				Dodgeville, Iowa .....	17
				<b>D</b>	

**Note:** Refer to an atlas or map for places not listed.

## GENERAL RULES

City and County	Territory	City and County	Territory	City and County	Territory
Durand, Pepin .....	17	Kimberly, Outagamie .....	11	New London, Outagamie and	
<b>E</b>		Kohler, Sheboygan .....	08	Waupaca .....	16
Eagle River, Vilas .....	09	<b>L</b>		New Richmond, St. Croix .....	16
East Troy, Walworth .....	10	La Crosse, La Crosse .....	06	Niagara, Marinette .....	09
Eau Claire, Chippewa and		Ladysmith, Rusk .....	16	North Fond du Lac,	
Eau Claire .....	11	Lake Geneva, Walworth .....	10	Fond du Lac .....	08
Edgerton, Rock .....	10	Lake Mills, Jefferson .....	10	North Hudson, St. Croix .....	16
Elkhorn, Walworth .....	10	Lancaster, Grant .....	17	<b>O</b>	
Elroy, Juneau .....	17	Lannon, Waukesha .....	13	Oak Creek, Milwaukee .....	15
Evansville, Rock .....	10	Little Chute, Outagamie .....	11	Oconomowoc, Waukesha .....	10
<b>F</b>		Lodi, Columbia .....	10	Oconto, Oconto .....	10
Fennimore, Grant .....	17	Loyal, Clark .....	17	Oconto Falls, Oconto .....	10
Fond du Lac, Fond du Lac .....	08	<b>M</b>		Okauchee, Waukesha .....	10
Fontana on Geneva Lake,		McFarland, Dane .....	05	Omro, Winnebago .....	08
Walworth .....	10	Madison, Dane .....	05	Onalaska, La Crosse .....	06
Fort Atkinson, Jefferson .....	10	Manawa, Waupaca .....	16	Oregon, Dane .....	10
Fox Lake, Dodge .....	10	Manitowoc, Manitowoc .....	10	Oshkosh, Winnebago .....	08
Franklin, Milwaukee .....	15	Maple Bluff, Dane .....	05	Osseo, Trempealeau .....	17
<b>G</b>		Marathon, Marathon .....	16	Owen, Clark .....	17
Galesville, Trempealeau .....	17	Marinette, Marinette .....	09	<b>P</b>	
Genoa City, Walworth .....	10	Marion, Waupaca .....	16	Palmyra, Jefferson .....	10
Gillett, Oconto .....	10	Markesan, Green Lake .....	17	Pardeeville, Columbia .....	10
Glendale, Milwaukee .....	14	Marshfield, Marathon and		Park Falls, Price .....	16
Grafton, Ozaukee .....	10	Wood .....	17	Peshtigo, Marinette .....	09
Grand Avenue Park, Rock .....	11	Mauston, Juneau .....	17	Pewaukee, Waukesha .....	13
Green Bay, Brown .....	07	Mayville, Dodge .....	10	Phillips, Price .....	16
Greendale, Milwaukee .....	15	Mazomanie, Dane .....	10	Platteville, Grant .....	17
Greenfield, Milwaukee .....	15	Medford, Taylor .....	16	Plymouth, Sheboygan .....	10
Greenwood, Clark .....	17	Mellen, Ashland .....	09	Portage, Columbia .....	10
<b>H</b>		Menasha, Winnebago .....	11	Port Edwards, Wood .....	17
Hales Corners, Milwaukee .....	15	Menomonee Falls, Waukesha .....	13	Port Washington, Ozaukee .....	10
Hartford, Washington .....	10	Menomonie, Dunn .....	16	Poynette, Columbia .....	10
Hartland, Waukesha .....	10	Mequon, Ozaukee .....	13	Prairie du Chien, Crawford .....	17
Hayward, Sawyer .....	16	Merrill, Lincoln .....	16	Prairie du Sac, Sauk .....	17
Herrington, La Crosse .....	06	Middleton, Dane .....	05	Prescott, Pierce .....	16
Highland, Iowa .....	17	Milton, Rock .....	10	Princeton, Green Lake .....	17
Hillsboro, Vernon .....	17	Milton Junction, Rock .....	10	Pulaski, Brown .....	10
Holman, La Crosse .....	17	Milwaukee, Milwaukee .....	14	<b>R</b>	
Horicon, Dodge .....	10	Mineral Point, Iowa .....	17	Racine, Racine .....	02
Hortonville, Outagamie .....	10	Mondovi, Buffalo .....	17	Randolph, Columbia and	
Howard, Brown .....	07	Monona, Dane .....	05	Dodge .....	10
Hudson, St. Croix .....	16	Monroe, Green .....	17	Redgranite, Waushara .....	16
Hurley, Iron .....	09	Montello, Marquette .....	17	Reedsburg, Sauk .....	17
<b>I</b>		Montreal, Iron .....	09	Rhineland, Oneida .....	10
Independence, Trempealeau .....	17	Mosinee, Marathon .....	16	Rib Lake, Taylor .....	16
<b>J</b>		Mount Horeb, Dane .....	10	Rice Lake, Barron .....	16
Janesville, Rock .....	11	Mukwonago, Waukesha .....	10	Richland Center, Richland .....	17
Jefferson, Jefferson .....	10	Muscoda, Grant .....	17	Ripon, Fond du Lac .....	10
Juneau, Dodge .....	10	<b>N</b>		River Falls, Pierce and	
<b>K</b>		Neenah, Winnebago .....	11	St. Croix .....	16
Kaukauna, Outagamie .....	10	Neillsville, Clark .....	17	River Hills, Milwaukee .....	15
Kenosha, Kenosha .....	03	Nekoosa, Wood .....	17	Rothschild, Marathon .....	11
Kewaskum, Washington .....	10	Neopit, Shawano .....	16	<b>S</b>	
Kewaunee, Kewaunee .....	10	New Berlin, Waukesha .....	13	St. Croix Falls, Polk .....	16
Kiel, Calumet and Manitowoc .....	10	New Glarus, Green .....	17	St. Francis, Milwaukee .....	14
		New Holstein, Calumet .....	10	Sauk City, Sauk .....	17
		New Lisbon, Juneau .....	17		

**Note:** Refer to an atlas or map for places not listed.

# WISCONSIN AUTOMOBILE INSURANCE PLAN MANUAL

## GENERAL RULES

City and County	Territory	City and County	Territory	City and County	Territory
Saukville, Ozaukee .....	10	Sturgeon Bay, Door .....	10	Watertown, Dodge and	
Schofield, Marathon .....	11	Sturtevant, Racine .....	02	Jefferson .....	10
Seymour, Outagamie .....	10	Sun Prairie City, Dane .....	05	Waukesha, Waukesha .....	13
Sharon, Walworth .....	10	Superior, Douglas .....	04	Waunakee, Dane .....	05
Shawano, Shawano .....	16	Sussex, Waukesha .....	10	Waupaca, Waupaca .....	16
Sheboygan, Sheboygan .....	08	<b>T</b>		Waupun, Dodge and	
Sheboygan Falls, Sheboygan .....	08	Thiensville, Ozaukee .....	13	Fond du Lac .....	10
Shell Lake, Washburn .....	16	Thorp, Clark .....	17	Wausau, Marathon .....	11
Shorewood, Milwaukee .....	14	Tomah, Monroe .....	17	Wautoma, Waushara .....	16
Shorewood Hills, Dane .....	05	Tomahawk, Lincoln .....	16	Wauwatosa, Milwaukee .....	14
Shullsburg, Lafayette .....	17	Twin Lakes, Kenosha .....	10	West Allis, Milwaukee .....	14
Silver Lake, Kenosha .....	10	Two Rivers, Manitowoc .....	10	West Bend, Washington .....	10
Slinger, Washington .....	10	<b>U</b>		Westby, Vernon .....	17
Smiths Garden-Fairview,		Union Grove, Racine .....	10	West La Crosse, La Crosse .....	06
Sheboygan .....	08	<b>V</b>		West Milwaukee, Milwaukee .....	14
So. Milwaukee, Milwaukee .....	14	Verona, Dane .....	05	West Salem, La Crosse .....	06
South Wisconsin Rapids,		Viroqua, Vernon .....	17	Weyauwega, Waupaca .....	16
Wood .....	17	<b>W</b>		Whitefish Bay, Milwaukee .....	14
Sparta, Monroe .....	17	Walworth, Walworth .....	10	Whitehall, Trempealeau .....	17
Spooner, Washburn .....	16	Washburn, Bayfield .....	09	Whitewater, Walworth .....	10
Spring Green, Sauk .....	17	Waterford, Racine .....	10	Whiting, Portage .....	17
Stanley, Chippewa .....	16	Waterloo, Jefferson .....	10	Williams Bay, Walworth .....	10
Stevens Point, Portage .....	17			Winneconne, Winnebago .....	10
Stoughton, Dane .....	10			Wisconsin Dells, Columbia .....	10
Stratford, Marathon .....	16			Wisconsin Rapids, Wood .....	17

**Note:** Refer to an atlas or map for places not listed.



**WISCONSIN AUTOMOBILE INSURANCE PLAN MANUAL**  
**PRIVATE PASSENGER CHAPTER**

## NOTES

## PRIVATE PASSENGER CHAPTER

**Rule 20. DEFINITIONS****A. Private Passenger Auto**

1. A private passenger auto is a nonfleet auto of the private passenger, station wagon, or jeep type that meets all of the following requirements:
  - a. Owned or leased for a continuous period of six months or more
  - b. Not used as a public or livery conveyance for passengers
  - c. Not rented to others without a driver

This term excludes motorcycles, motorized bicycles, powercycles, motorized scooters, golfmobiles, snowmobiles, and other similar two-wheeled motorized autos.

2. A nonfleet auto with a pickup body or a van owned or leased for a continuous period of six months or more by an individual or a married couple who are residents of the same household, and not customarily used in the occupation, profession, or business of the insured other than in the course of driving to or from work, shall be classified and rated as a private passenger auto.

**Note:** All pickups and vans used for business purposes other than farming or ranching are to be rated in accordance with the Commercial Auto Chapters.

3. A nonfleet farm truck owned or leased for a continuous period of six months or more by one or more natural persons with a load capacity of 2,000 pounds or less shall be classified and rated as a private passenger auto.
4. Classify as fleet the autos of any risk that has five or more self-propelled autos of any type that are under one ownership.

**Note:** Private passenger auto fleets are to be rated in accordance with the Private Passenger Types Chapter.

5. ★This term includes the autos mentioned above that are used for both private passenger purposes and for
  - a. ride-sharing; and/or
  - b. vehicle-sharing; and/or
  - c. prearranged delivery services, including courier services.

However, the ride-sharing, vehicle-sharing, and prearranged delivery services, including courier services, will be excluded. ❖

**B. Named Nonowner**

Individuals who do not own an auto.

**C. Trailers**

A movable structure not self-propelled and designed to be towable by a private passenger auto or pickup as defined above provided the owner maintains a separate and permanent residence other than the trailer and it is used for purposes of travel, recreation, and vacation.

**D. Camper Bodies**

A portable camper body equipped as mobile living quarters.

**E. Motor Homes**

A motor home is a self-propelled auto with a living area that is an integral part of the auto chassis or a pickup with a permanently attached camper body. The living area or camper body must include permanent installation of any two of the following facilities: cooking, dining, plumbing, or refrigeration.

**F. Motorcycles**

Motorcycles, mopeds, motorscooters, motorbikes, and any other similar motorized two-wheeled autos used for private passenger purposes.

**G. Antique Autos**

An antique auto is an auto of the private passenger type that is 25 or more years old that is maintained solely for use in exhibitions, club activities, parades, and other functions of public interest, and occasionally used for other purposes.

**Note:** For other private passenger type autos not referred to above, refer to the Private Passenger Types Chapter of this Manual.

**Rule 21. PREMIUM DEVELOPMENT****A. Private Passenger Autos**

1. Determine the rating territory to be used ([Rule 19](#)). The territory in which the auto is principally garaged is the applicable territory.

**Exception:** For autos used by salesmen or solicitors or others with similar duties requiring the operation of an auto in more than one rating territory, use the territory determined by the place of principal garaging, if there is such a place; otherwise, use the residential address of the operator. If the residential address of the operator cannot be determined, use the business address of the operator.

2. Determine the applicable classification ([Rule 22](#)).
3. Bodily Injury and Property Damage Liability Coverage
  - a. Determine the appropriate [base rates](#) from the Private Passenger Auto Rate Chapter.
  - b. Determine the appropriate [class factors](#) from the Private Passenger Auto Rate Chapter.
  - c. Multiply the base rates determined in paragraph a by the class factors determined in paragraph b and round to the nearest whole dollar.
  - d. If increased limits ([Rule 23](#)) apply, multiply the rates determined above by the appropriate factor.
  - e. If additional charges ([Rule 24](#)) for accidents and convictions apply, multiply the rates determined above by the appropriate factor.

**PRIVATE PASSENGER**

- f. If a certified risk—financial responsibility filing ([Rule 25](#)) is required, multiply the rates determined above by the appropriate factor.
4. Medical Payments Coverage  
Refer to [Rule 26](#) for development of premium.
5. Uninsured and Underinsured Motorists Coverages  
Refer to [Rule 27](#) for development of premium.
6. Physical Damage Coverage
  - a. Determine the appropriate [model year factor](#) from the Private Passenger Auto Rate Chapter as follows:
    - (1) The model year of the auto is the year assigned by the auto manufacturer.
    - (2) Rebuilt or Structurally Altered Autos—The model year of the chassis determines the model year of the auto.

**Note:** If the factor for a model year is not displayed in the Private Passenger Auto Rate Chapter, determine the factor by multiplying the factor shown for the latest model year by 1.05.
  - b. Determine the appropriate [symbol factor](#) from the Private Passenger Auto Rate Chapter as follows:  
Refer to ISO's Symbol and Identification (S&I) Manual to determine the rating symbol.  
If no rating symbol is shown in the S&I Manual, use the following procedure:
    - (1) If the S&I Manual displays a rating symbol for the prior model year version of the same auto, use that rating symbol.  
Refer to the Transition Rule in the S&I Manual for 2011 model year autos.
    - (2) If the S&I Manual does NOT display a rating symbol for the prior model year version of the same auto, assign a symbol based on the Original Cost New of the auto, using the Price/Symbol Chart located in the reference pages of the S&I Manual.
  - c. Multiply the model year factor by the symbol factor determined above and round to two decimal places.
  - d. Determine the [base rates](#) from the Private Passenger Auto Rate Chapter based on the territory determined in paragraph A.1 above.
  - e. Multiply the base rates by the factor developed in paragraph c and round to the nearest whole dollar.
  - f. Determine the appropriate [class factor](#) from the Private Passenger Auto Rate Chapter.
  - g. Multiply the class factor by the rates developed in paragraph e and round to the nearest whole dollar.
  - h. If different deductibles ([Rule 29](#)) apply, multiply the rates determined above by the appropriate factor.
  - i. If additional charges ([Rule 24](#)) for accidents and convictions apply, multiply the physical damage rates determined above by the appropriate factor and round to the nearest whole dollar.
  - j. Refer to [Rule 31](#) for custom equipment coverage.
- B. **Named Nonowner Coverage—Bodily Injury and Property Damage Liability, Medical Payments, and Uninsured and Underinsured Motorists Coverages**  
Refer to [Rule 32](#).
- C. **Trailers and Camper Bodies—Physical Damage Coverage Only**  
Refer to [Rule 33](#).
- D. **Motor Homes—Bodily Injury and Property Damage Liability, Medical Payments, and Uninsured and Underinsured Motorists Coverages**  
Refer to [Rule 34](#).
- E. **Motorcycles—Bodily Injury and Property Damage Liability, Medical Payments, and Uninsured and Underinsured Motorists Coverages**  
Refer to [Rule 35](#).
- F. **Antique Autos—Bodily Injury and Property Damage Liability, Medical Payments, and Uninsured and Underinsured Motorists Coverages**  
Refer to [Rule 36](#).

**Rule 22. PRIVATE PASSENGER AUTO CLASSIFICATIONS**

- A. Private passenger autos owned or leased for a continuous period of six months or more by an individual or by a married couple resident in the same household shall be classified as shown in this chart except that private passenger autos owned by a family copartnership or corporation, principally garaged on a farm or ranch and neither used in any occupation other than farming or ranching nor customarily used in going to or from work other than farming or ranching, shall be classified and rated as Class 1AF, 2AF, 2BF, 2CF, 2EF, 4AF, or 4BF.  
Refer to paragraph B of this Rule for the definitions of terms used in this Rule.

IF MORE THAN ONE CLASSIFICATION IS APPLICABLE, THE CLASS DEVELOPING THE HIGHER PREMIUM SHOULD BE USED									
Description of Operator					Description of Use of Auto				
					Other than Business Use		Business Use	Farm Autos	
					Not Driven to or from Work	Driven to or from Work Less than 10 Miles One Way			Driven to or from Work 10 or More Miles One Way
No Youthful Operators					1A	1B	1C	3	1AF
Youthful Operators	Females	Unmarried	Owner or Principal Operator	Under Age 25	4B			4BF	
			Not Owner or Principal Operator	Under Age 25	4A			4AF	
	Males	Unmarried	Owner or Principal Operator	Under Age 25	2C			2CF	
				Under Age 30 but Age 25 or Older	2E			2EF	
			Not Owner or Principal Operator	Under Age 25	2A			2AF	
				Married	Under Age 25		2B		

B. The terms used in the classification descriptions in this Rule shall mean the following:

1. "Age" means the age attained on the last birthday.
2. "Driven to or from work" means that the auto is customarily used in the course of driving to or from work.
  - a. The term "customarily" shall include the use of autos in a car-pool or other share-the-ride arrangements.
  - b. An auto driven part way to or from work, such as to a railroad or bus depot, shall be considered in the course of driving to or from work whether or not the auto is parked at the depot during the day.
  - c. An auto that is used for driving to or from school shall be considered as driving to or from work.
3. "Farm auto" means an auto principally garaged on a farm or ranch that is not customarily used in going to or from work other than farming or ranching and is not used in any occupation other than farming or ranching.
4. "Married" means a married person living with his or her spouse and does not include a person widowed, divorced, or legally separated unless such person has custody of a child resident in his or her household.
5. "Resident in the same household" shall include an individual absent from the household while attending a school; however, it shall not include an individual in active military service with the armed forces of the United States of America unless such individual customarily operates the auto.

6. "Used for business" means that the use of the auto is required by or customarily involved in the duties of the applicant or any other person customarily operating the auto, in his or her occupation, profession, or business, other than in going to or from his or her principal place of occupation, profession, or business.

7. "Youthful operator" means an applicant or any other operator of the auto resident in the same household, or who customarily operates the auto who is

- a. an unmarried female under 25 years of age;
- b. a male under 25 years of age;
- c. an unmarried male 25 or more years of age but under 30 years of age who is an owner or principal operator.

**Note:** If there are two or more private passenger autos in the same household as the applicant, the classification shall be determined as follows:

- (1) Assign all principal single male operators to the highest rated autos.
- (2) Assign all occasional male operators to the remaining highest rated autos.
- (3) Assign all single female operators to the remaining highest rated autos.
- (4) Assign all remaining autos disregarding the age of the operators.

**PRIVATE PASSENGER****Rule 23. INCREASED LIMITS****A. Bodily Injury and Property Damage Liability Coverage**

The increased limits tables below show the factors to be applied to the \$25,000/50,000 bodily injury and \$10,000 property damage rates shown in this Manual to determine the premium for other limits.

**Table 1**

BI Limits	Private Passenger
\$50/100	1.20
100/300	1.43

**Table 1A**

PD Limits	Private Passenger
\$25,000	1.03
50,000	1.08

**B. Medical Payments Coverage**

The increased limits table below shows the factors to be applied to the \$1,000 medical payments rate shown in the Private Passenger Rate Chapter to determine the premium for other limits:

Limit	Factor
\$2,000	1.11
5,000	2.28

**Rule 24. ADDITIONAL CHARGES****A. Additional charges are applicable to all risks.****B. Apply additional charges on the basis of penalty points accumulated during the experience period to the premiums for**

1. bodily injury and property damage liability coverage;
2. comprehensive and collision coverage.

**C. Experience Period**

The experience period is the 36 months immediately preceding the date of application for assignment and, in the case of renewal, during the 36 months preceding the effective date of the renewal policy.

**D. Assign penalty points for**

1. each accident involving the applicant, owner, or any other person who usually operates the auto(s);
2. each conviction involving the applicant, owner, or any other person who usually operates the auto(s);
3. inexperienced operators (see paragraph G.3).

**E. For the purpose of this Rule, the term "usually operates" and "usually drives" includes a driver who is contemplated, planned, or expected.****F. Rules of Application**

1. Assign all penalty points for all operators on a cumulative basis.

2. Penalty points are assigned to both accident and conviction, if any, when occurring at the same time.
3. ★Adjust penalty points midterm to reflect the addition or deletion of operators.✧
4. All points shall be assigned to the auto developing the highest rate prior to the application of the surcharge. Do not apply surcharges to the remaining vehicles.

**G. Penalty Points Assignable for Accidents and Convictions****1. Accidents**

Two penalty points shall be assigned for each auto accident resulting in bodily injury or death, or in damage to property including his or her own.

**EXCEPTIONS:** Penalty points shall not be assigned against the applicant

- a. for involvement in an accident that occurred while the auto owned or operated by the applicant or other person who usually drives the applicant's auto was lawfully parked; nor
- b. for involvement in an accident in which the auto was struck by a hit-and-run driver, if such accident was reported to the proper authority within 24 hours; nor
- c. for involvement in an accident in which the owner, applicant, insured, or operator was reimbursed by, or on behalf of, the person responsible for the accident or has judgment against such person; nor
- d. for involvement in an accident in connection with which neither the applicant nor other person who usually drives the applicant's auto was convicted of a moving traffic violation, and the owner or operator of another auto involved was so convicted; nor
- e. for involvement in an accident that occurred while the insured was operating an auto in the course of the insured's business or employment unless the policy covers the insured for the liability arising in the course of the insured's business or employment.

**2. Convictions**

The term "conviction" wherever used in this Plan shall be deemed to include a forfeiture of bail or a determination by any juvenile court authority, formally or informally, that an offense has been committed.

The WI Driver Licensing Abbreviation Codes With Charges and Points as published by the Wisconsin Department of Transportation ([wisconsin-dot.gov/Documents/dmv/shared/bds109.pdf](http://wisconsin-dot.gov/Documents/dmv/shared/bds109.pdf)) shall be used to assess penalty points. A minimum of one penalty point per conviction shall be assessed.

**PRIVATE PASSENGER****EXCEPTIONS:**

Convictions for the following shall not be regarded as moving traffic violations:

- a. Any auto equipment requirement of the motor vehicle and traffic laws, except brakes
  - b. Failure to display proper number plates, provided such plates are in existence
  - c. Failure to have in possession operator's or chauffeur's license, provided there is one in existence
  - d. Physical or mental condition
  - e. Any convictions that are criminal nontraffic violations. Insureds must demonstrate proof of such.
3. Inexperienced Operator

Assign one penalty point if the principal operator of the auto has not been licensed for three years.

**H. Penalty Point Values**

Additional charges for penalty points shall be as follows:

	<b>Point Value</b>	
	<b>Additional Charges</b>	<b>Factor</b>
1	Penalty Point	1.05
2	Penalty Points	1.10
3	Penalty Points	1.15
4	Penalty Points	1.50
5	Penalty Points	1.75
6	Penalty Points	2.00
7	Penalty Points	2.50
8	Penalty Points	2.90
9	Penalty Points	3.30
10	Penalty Points	3.70
11	Penalty Points	4.10
12	Penalty Points	4.50
13-18	Penalty Points	4.90
19-24	Penalty Points	5.30
25-30	Penalty Points	5.70
31-36	Penalty Points	6.10
37 or more	Penalty Points	6.50

**Rule 25. CERTIFIED RISKS—FINANCIAL RESPONSIBILITY LAWS**

Apply the following factor to the bodily injury and property damage liability premium for the highest rated auto, for a driver for whom a certificate of insurance is filed to comply with the requirements of an auto financial responsibility law:

<b>Factor</b>
1.10

**Rule 26. MEDICAL PAYMENTS****A. Coverage**

1. In accordance with Section 632.32 of the Wisconsin Statutes, auto medical payments (including chiropractic payments) coverage in the amount of \$1,000 per person will be afforded on all autos designed for travel on public roads and registered or principally

garaged in the state of Wisconsin, except where such coverage is rejected by the insured.

2. A named insured has the right to reject this coverage. Unless a named insured requests such coverage in writing, the insurer does not have to provide medical payments on a renewal policy when one named insured has rejected the coverage on the policy previously issued by the insurer.
  3. With respect to private passenger autos, optional increased limits of \$2,000 or \$5,000 are also available. For increased limits factors, refer to [Rule 23](#).
- B. Rates**
1. Determine the appropriate [base rates](#) from the Private Passenger Auto Rate Chapter.
  2. Determine the appropriate [class factors](#) from the Private Passenger Auto Rate Chapter.
  3. Multiply the base rates determined in paragraph 1 by the class factors determined in paragraph 2 and round to the nearest whole dollar.
- C.** The premium shall not be subject to modification under the provisions of any rating plan or other Manual rules.

**Rule 27. UNINSURED AND UNDERINSURED MOTORISTS INSURANCE****A. Uninsured Motorists Insurance**

1. Coverage
  - a. This form of auto insurance will be afforded on every auto bodily injury liability policy insuring any auto registered or principally garaged in Wisconsin at limits not less than \$25,000/50,000 split limits uninsured motorists insurance.
  - b. Uninsured motorists insurance will apply to all autos on the policy.
2. Rates
 

Refer to the Private Passenger Auto Rate Chapter for applicable rates.
3. Named Nonowners
 

Apply the single auto [rate](#) specified in the Private Passenger Auto Rate Chapter.

**B. Underinsured Motorists Insurance**

1. Coverage
  - a. This form of auto insurance will be offered in writing to one named insured only one time and must include a brief description of the coverage at limits of \$50,000/100,000 split limits on the bodily injury liability policy insuring any auto registered or principally garaged in Wisconsin.

**EXCEPTIONS:**

- (1) A named insured has the right to reject this coverage. Acceptance or rejection of such insurance need not be in writing.



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- (2) Subsequent renewals issued by the same insurer need not provide the rejected insurance unless a named insured under the policy requests such insurance in writing.
- b. If underinsured motorists coverage is provided, the coverage will apply to all autos insured under the policy.
- 2. Rates  
Refer to the Private Passenger Auto Rate Chapter for applicable [rates](#).
- 3. Named Nonowners  
Apply the single auto [rate](#) specified in the Private Passenger Auto Rate Chapter.
- C. The premium shall not be subject to modification under the provisions of any rating plan or other Manual rules.

**Rule 28. RESERVED FOR FUTURE USE****Rule 29. DEDUCTIBLE INSURANCE****Physical Damage Coverage Only**

Apply the following factors to the rates developed in the applicable rules:

Deductible	Comprehensive	Collision
\$ 100	1.00	1.00
250	.85	.75
500	.70	.55

**Note:** Different deductibles may apply to the vehicles on the policy, but the same deductible must apply to comprehensive and collision coverages.

**Rule 30. RESERVED FOR FUTURE USE****Rule 31. CUSTOM EQUIPMENT COVERAGE**

This Rule applies to all vehicles that are rated under the provisions of the Private Passenger Chapter, except motor homes, motorcycles, and antique autos.

- A. "Custom equipment" is defined as equipment, furnishings, and parts in or upon any auto, other than
  - 1. original manufacturer equipment, furnishings, or parts; or
  - 2. any replacement of original manufacturer equipment, furnishings, or parts with other equipment, furnishings, or parts of like kind and quality.

Custom equipment includes, but is not limited to, the following:

- 1. Special carpeting or insulation
- 2. Furniture or bars
- 3. Height-extending roofs
- 4. Body, engine, exhaust, or suspension enhancers
- 5. Winches or anti-roll or anti-sway bars

- 6. Custom grilles, louvers, side pipes, hood scoops, or spoilers
- 7. Custom wheels, tires, or spinners
- 8. Custom chrome, murals, paintwork, decals, or other graphics
- 9. Caps, covers, or bedliners

Custom equipment does not include electronic equipment that reproduces, receives, or transmits audio, visual, or data signals.

**B. Coverage**

Coverage for custom equipment is automatically provided for any auto, including trailers and camper bodies, up to \$1,500, without additional premium charge, when comprehensive and/or collision coverage is afforded. This limit may be increased.

**C. Excess Coverage**

The \$1,500 limit for custom equipment may be increased to any of the following limits:

Maximum Limit of Liability for Excess Custom Equipment	★ Rate per Auto
\$2,000	\$ 22
3,000	66
4,000	110
5,000	153
6,000	197
7,000	241
8,000	284
9,000	328
10,000	372

For limits in excess of \$10,000, charge an additional \$44 per \$1,000 of coverage.✦

For limits not shown, use the rate for the next higher limit.

Attach the Excess Custom Equipment Coverage endorsement.

- D. Refer to [Rule 33](#) for rating of trailers and camper bodies designed for use with private passenger autos and pickups.
- E. The premium shall not be subject to modification under the provisions of any rating plan or other Manual Rule.

**Rule 32. NAMED NONOWNER COVERAGE**

- A. This Rule applies to natural persons who do not own an auto.
- B. Coverage may be afforded to a named individual. Coverage is extended to include the spouse and resident relatives of the named individual, subject to the following provisions:
  - 1. Rate auto dealer or service operation employees the same as other individuals when their duties do not involve the operation of autos in a garage business. Apply the N7, N7-FR, N8, or N8-FR classification when the exposure involves the operation of autos in a garage business.



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2. An individual who is not subject to the requirements of a financial responsibility law may be afforded coverage for the operation of an auto owned by a member of the household provided there is no auto bodily injury and property damage liability insurance afforded such individual on a direct primary basis. For individuals eligible for this extension of coverage, the rates shall be the same as those applying to an individual for whom a financial responsibility filing is required.
  3. Individuals subject to the requirement of a financial responsibility law must secure the filing on behalf of the applicant under an owned auto policy whenever an owned auto exists in the household.
- C. The bodily injury and property damage liability rates for named nonowner policies shall be determined on the basis of the following classification chart:

Description of Driver and Usage			Class
Business Use	Public or Livery Conveyance Autos		N1 or N1-FR
	Commercial Autos		N2 or N2-FR
	Private Passenger Type Autos	Male Operator Under 25 Years of Age	N3 or N3-FR
		No Male Operator Under 25 Years of Age	N4 or N4-FR
Pleasure Use	Male Operator Under 25 Years of Age		N5 or N5-FR
	No Male Operator Under 25 Years of Age		N6 or N6-FR
Auto Dealer or Service Operation Employee	Covered Under an Auto Dealer Policy		N7 or N7-FR
	Not Covered Under an Auto Dealer Policy		N8 or N8-FR

1. Classifications N1–FR through N8–FR apply to risks required to file evidence of financial responsibility.
2. Definitions
  - a. "Male operator under 25 years of age" means a male under 25 years of age who is either
    - (1) the applicant, or
    - (2) the spouse of the applicant if a resident in the same household.
  - b. "Business Use" means that the use of an auto is required by or customarily involved in the duties of the applicant or spouse, if a resident in the same household, in his or her occupation, profession, or business other than going to or from his or her principal place of occupation, profession, or business.
  - c. "Garage business" means the use of an auto in the business of an auto sales agency, repair

shop, service station, storage garage, or public parking place.

D. **Premium Development—Bodily Injury and Property Damage Liability and Medical Payments Coverage**

1. Apply the factor shown in the tables below for the applicable class as determined in paragraph C above to the Class 3 Private Passenger Bodily Injury and Property Damage Liability and Medical Payments rates for the territory in which the named insured resides.

Class	Exclusion for Autos Furnished or Available for Regular Use Does Not Apply	Exclusion for Autos Furnished or Available for Regular Use Does Apply
N1	Refer to <a href="#">Rule 2</a>	Refer to <a href="#">Rule 2</a>
N2	1.00	.67
N3	.75	.50
N4	.65	.44
N5	.60	.40
N6	.60	.40
N7	1.00	.67
N8	2.00	1.34

Class	Exclusion for Autos Furnished or Available for Regular Use Does Not Apply	Exclusion for Autos Furnished or Available for Regular Use Does Apply
N1–FR	Refer to <a href="#">Rule 2</a>	Refer to <a href="#">Rule 2</a>
N2–FR	1.25	.84
N3–FR	1.10	.74
N4–FR	.95	.64
N5–FR	1.10	.74
N6–FR	.75	.50
N7–FR	2.25	1.51
N8–FR	2.25	1.51

2. Minimum Premium
    - a. If the exposure includes any other auto without primary liability insurance for the named individual, the minimum premium is 50% of the specified auto rate for such auto.
    - b. For all other exposures, the minimum premium is \$6 bodily injury and \$4 property damage for basic limits.
- E. If additional charges ([Rule 24](#)) for accidents and convictions apply, multiply the rates determined above by the appropriate factor.
- F. **Uninsured and Underinsured Motorists Coverage**  
Refer to [Rule 27](#) for applicable rates.
- G. Attach the Named Nonowner Coverage endorsement to the policy.

**PRIVATE PASSENGER****Rule 33. TRAILERS AND CAMPER BODIES****Physical Damage**

- A. Coverage will be written on an Actual Cash Value basis including the value of any custom equipment as defined in [Rule 31](#).

If the Actual Cash Value of the custom equipment is

- \$1,500 or less, do not include the Actual Cash Value of the custom equipment;
- greater than \$1,500, only include the Actual Cash Value of the custom equipment that is in excess of \$1,500.

- B. Assign a symbol based on the Actual Cash Value from the Price/Symbol Chart in the S&I Manual corresponding to the model year of the trailer or camper body.

**C. Travel Trailers, Camper Trailers, and Camper Bodies**

Multiply the Private Passenger Auto Physical Damage rates based on the model year of the trailer or camper body and the symbol determined above by the following factor:

Pleasure Use	Business Use or Driven to or from Work or School
0.35	1.00

**D. All Other Trailers**

Charge the following rate for each \$100 of Actual Cash Value or fraction thereof:

	Deductible	Rate per \$100
<b>Comprehensive</b>	\$100	\$1.20
<b>Collision</b>	\$100	\$2.50

- E. If deductibles ([Rule 29](#)) different from those shown on the [rate tables](#) apply, multiply the rates determined above by the appropriate factor.

- F. If additional charges ([Rule 24](#)) for accidents and convictions apply, multiply the physical damage rates determined above by the appropriate factor.

**G. Endorsements**

- Attach the Trailer/Camper Body Coverage (Maximum Limit of Liability) endorsement to the policy.
- Attach the Excess Custom Equipment Coverage endorsement to the policy, if applicable.

**Rule 34. MOTOR HOMES**

- A. Determine the territory based on the principal place of garaging ([Rule 19](#)).

**B. Bodily Injury and Property Damage Liability Coverage**

- Pleasure Use Only

Multiply the [Private Passenger Auto base rates](#) by the following factor:

Factor
.50

- All Others

Classify and rate as a private passenger auto.

**C. Medical Payments Coverage**

Refer to [Rule 26](#) for applicable rates.

**D. Uninsured and Underinsured Motorists Coverage**

Charge the private passenger rate.

- E. If increased limits ([Rule 23](#)) apply, multiply the rates determined above by the appropriate factor.

- F. If additional charges ([Rule 24](#)) for accidents and convictions apply, multiply the rates determined above by the appropriate factor.

- G. If a certified risk—financial responsibility filing ([Rule 25](#)) is required, multiply the rates determined above by the appropriate factor.

**Rule 35. MOTORCYCLES**

- A. Determine the territory based on the principal place of garaging ([Rule 19](#)).

**B. Motorcycles Used for Commercial Purposes**

Refer to the Commercial General Rules Chapter.

**C. Motorcycles Used for Private Passenger Purposes**

- Bodily Injury and Property Damage Liability Coverage

- Apply the appropriate factor from the table below to the Private Passenger [base rate](#) in the Private Passenger Auto Rate Chapter for the appropriate territory.

Engine Size	Operator under Age 25	All Other Operators
0– 50 cc	.60	.40
51– 100	.80	.50
101– 200	1.00	.60
200– 360	1.20	.75
361– 500	1.40	.90
501– 800	1.60	1.05
801–1,000	1.80	1.20
Over 1,000 cc	2.00	1.35

The above rates contemplate the passenger hazard.

- If increased limits ([Rule 23](#)) apply, multiply the rates determined above by the appropriate factor.

- If additional charges ([Rule 24](#)) for accidents and convictions apply, multiply the rates determined above by the appropriate factor.

- If a certified risk—financial responsibility filing ([Rule 25](#)) is required, multiply the rates determined above by the appropriate factor.

- Medical Payments Coverage

**\$1,000 per person**

- Determine the [base rate](#) and [class factor](#) from the Private Passenger Auto Rate Chapter. Multiply the base rate by the class factor.

- b. Multiply the rate determined above by the appropriate factor from the following table:

\$100 Deductible Per Person	No Deductible Per Person
2.00	4.00

3. Uninsured and Underinsured Motorists Coverage  
Refer to [Rule 27](#).

### **Rule 36. ANTIQUE AUTOS**

- A. Determine the rating territory based on the principal place of garaging ([Rule 19](#)).
- B. **Bodily Injury and Property Damage Liability Coverage**
- ★Multiply the Class 3 Private Passenger rate by .25 subject to a minimum of \$16 bodily injury, \$25,000/50,000 limits, and \$8 property damage, \$10,000 limit, per policy. ❖
  - If increased limits ([Rule 23](#)) apply, multiply the rates determined above by the appropriate factor.
  - If additional charges ([Rule 24](#)) for accidents and convictions apply, multiply the rates determined above by the appropriate factor.
  - If a certified risk—financial responsibility filing ([Rule 25](#)) is required, multiply the rates determined above by the appropriate factor.
- C. **Medical Payments Coverage**  
Refer to [Rule 26](#).
- D. **Uninsured and Underinsured Motorists Coverage**  
Charge the private passenger rate.

### **Rule 37. CHILD RESTRAINT SYSTEM COVERAGE**

- A. **Coverage**
- This coverage is available only if comprehensive and collision coverages are afforded to at least one auto insured under the policy.
- Child Restraint System Coverage provides for the cost to replace a child restraint system as a result of direct or accidental loss to an insured auto.

### **B. Requirements**

The child restraint system must be

- inside an insured auto at the time of loss; and
- owned by a named insured, spouse, or resident relative.

- C. The available limits and rates are:

Limits	★ Rate per Single Auto	Rate per Multiauto
\$400	\$ 46	\$ 58
800	92	115
	❖	

- D. Attach the Child Restraint System Coverage endorsement.

### **Rule 38. TRUSTS**

#### **A. Coverage**

Coverage is provided for vehicles described in [Rule 20](#) if the title of the vehicle has been transferred to a trust or if the vehicle is otherwise held in a trust.

#### **B. Ineligible Trustees**

A trustee of the trust cannot be

- a partnership or joint venture;
- a corporation;
- a limited liability company;
- an organization other than a partnership or joint venture, a corporation, or a limited liability company; or
- a licensed professional who provides ongoing professional services with respect to the profession for which that individual is licensed, in connection with the administration of the trust. However, this paragraph does not apply to any named insured or any individual who is a relative of the grantor/settlor of the trust.

- C. Attach the Trust Endorsement.

### **Rules 39–50. RESERVED FOR FUTURE USE**

## NOTES

**WISCONSIN AUTOMOBILE INSURANCE PLAN MANUAL**  
**PRIVATE PASSENGER AUTO RATING WORKSHEETS**

## NOTES

### PRIVATE PASSENGER LIABILITY COVERAGE RATING WORKSHEET

#### Bodily Injury and Property Damage Liability, Uninsured/Underinsured Motorists, and Medical Payments Coverage

Refer to Rule 21 for premium development procedures.

**Multiply the base rates by the applicable factors down each column unless indicated otherwise.**

	BI Liability	PD Liability	UM	UIM	Medical Payments
Base Rates					
Class Factor					
<i>Round to the nearest whole dollar</i>					
Increased Limits (Rule 23)					
Additional Charges (Rule 24)					
Certified Risks Financial Responsibility (Rule 25)					
Premium ( <i>Round to the nearest whole dollar</i> )					

### PRIVATE PASSENGER PHYSICAL DAMAGE COVERAGE RATING WORKSHEET

**Multiply down each column unless indicated otherwise, and round where applicable.**

	Comprehensive	Collision
Model Year Factor		
Symbol Factor		
<i>Round to two decimal places</i>		
Base Rates		
<i>Round to the nearest whole dollar</i>		
Class Factor		
<i>Round to the nearest whole dollar</i>		
Deductible Factor (Rule 29)		
Additional Charges (Rule 24)		
Premium ( <i>Round to the nearest whole dollar</i> )		

Refer to Rule 31. Custom Equipment Coverage.





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## NOTES

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PRIVATE PASSENGER AUTO RATE CHAPTER

LIABILITY AND MEDICAL PAYMENTS BASE RATES

Territory	\$25,000/50,000 BI Liability	\$10,000 PD Liability	\$1,000 Medical Payments
02	\$376	\$456	\$27
03	395	471	28
04	142	252	14
05	193	425	15
06	194	385	17
07	210	371	20
08	218	354	18
09	166	285	16
10	221	355	18
11	197	338	18
13	299	434	20
14	475	523	29
15	340	440	21
16	179	302	16
17	187	314	16

UNINSURED AND UNDERINSURED MOTORISTS INSURANCE

[\(RULE 27\)](#)

Uninsured Motorists  
\$25,000/50,000  
Split Limits

Territory	Single Auto	Multiauto Per Auto
02	\$ 40	\$32
03	42	33
04	17	14
05	17	14
06	17	14
07	17	14
08	17	14
09	21	17
10	19	15
11	25	20
13	19	15
14	119	95
15	42	34
16	19	15
17	19	16

NOTE 1: For motorcycles, multiply the applicable uninsured motorists rate by 2.00.

NOTE 2: For named nonowners, apply the single auto rates specified above.

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**Underinsured Motorists**

**\$50,000/100,000**

**Split Limits**

<b>Territory</b>	<b>Single Auto</b>	<b>Multiauto Per Auto</b>
02	\$3	\$3
03	3	3
04	2	2
05	2	2
06	2	2
07	2	2
08	2	2
09	2	2
10	2	2
11	3	2
13	2	2
14	4	3
15	3	3
16	2	2
17	2	2

NOTE 1: For motorcycles, multiply the applicable underinsured motorists rate by 2.00.

NOTE 2: For named nonowners, apply the single auto rates specified above.

**PHYSICAL DAMAGE BASE RATES**

<b>Territory</b>	<b>\$100 Deductible Comprehensive</b>	<b>\$100 Deductible Collision</b>
02	\$144	\$1,012
03	110	1,033
04	657	822
05	207	882
06	294	841
07	220	755
08	278	761
09	537	822
10	317	796
11	326	792
13	185	893
14	190	1,314
15	136	932
16	495	800
17	455	780

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CLASS FACTORS

Class	Bodily Injury, Property Damage, and Medical Payments	Comprehensive	Collision
1A	1.00	1.00	1.00
1B	1.05	1.00	1.00
1C	1.25	1.00	1.00
2A	1.80	1.50	1.95
2B	1.50	1.75	1.76
2C	3.00	2.09	2.88
2E	1.60	1.75	1.85
3	1.25	1.25	1.15
4A	1.35	1.00	1.25
4B	1.50	1.00	1.35
1AF	0.75	Farm Autos: For Class 1 and Class 2 exposures, multiply the applicable class factor above by .90.	
2AF	1.35		
2BF	1.13		
2CF	2.25		
2EF	1.20		
4AF	1.01		
4BF	1.13		

MODEL YEAR FACTORS

Model Year	Comprehensive	Collision
2024	1.10	1.10
2023	1.05	1.05
2022	1.00	1.00
2021	0.95	0.94
2020	0.90	0.88
2019	0.86	0.83
2018	0.81	0.76
2017	0.77	0.70
2016	0.74	0.66
2015	0.70	0.62
2014	0.66	0.58
2013	0.63	0.55
2012	0.60	0.51
1990-2011	0.57	0.48

1989 and Prior Model Years—Refer to [Rule 2](#).

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SYMBOL FACTORS

Model Years 1990 thru 2010

Symbol	Comprehensive	Collision
1	0.78	0.88
2	1.00	1.00
3	1.21	1.09
4	1.37	1.16
5	1.54	1.22
6	1.71	1.28
7	1.87	1.35
8	2.04	1.42
10	2.23	1.49
11	2.44	1.56
12	2.68	1.64
13	2.91	1.72
14	3.18	1.82
15	3.51	1.94
16	3.82	2.05
17	4.12	2.16
18	4.41	2.27
19	4.77	2.39
20	5.18	2.50
21	5.65	2.61
22	6.25	2.75
23	6.88	2.91
24	7.82	3.14
25	9.15	3.50
26	10.55	3.85

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PRIVATE PASSENGER AUTO RATE CHAPTER

SYMBOL FACTORS

Model Years 2011 and Subsequent

Symbol	Comprehensive	Collision	Symbol	Comprehensive	Collision
01	0.66	0.66	41	5.49	2.64
02	0.81	0.82	42	5.64	2.69
03	1.00	1.00	43	5.77	2.72
04	1.23	1.15	44	5.91	2.75
05	1.40	1.22	45	6.04	2.78
06	1.55	1.27	46	6.19	2.82
07	1.72	1.31	47	6.36	2.87
08	1.85	1.37	48	6.53	2.90
10	2.00	1.43	49	6.70	2.94
11	2.13	1.49	50	6.85	2.99
12	2.26	1.54	51	7.02	3.03
13	2.36	1.58	52	7.19	3.06
14	2.47	1.61	53	7.34	3.10
15	2.60	1.66	54	7.60	3.16
16	2.70	1.69	55	7.91	3.24
17	2.83	1.73	56	8.26	3.33
18	2.96	1.78	57	8.60	3.42
19	3.06	1.82	58	9.13	3.57
20	3.17	1.85	59	9.83	3.75
21	3.28	1.90	60	10.55	3.93
22	3.38	1.94	61	11.30	4.15
23	3.49	1.99	62	12.06	4.42
24	3.60	2.01	63	12.85	4.67
25	3.70	2.06	64	13.64	4.94
26	3.79	2.09	65	14.40	5.19
27	3.89	2.12	66	15.57	5.58
28	4.00	2.16	67	17.15	6.10
29	4.09	2.19	68	18.70	6.63
30	4.19	2.24	69	20.26	7.15
31	4.30	2.27	70	21.83	7.66
32	4.38	2.30	71	23.40	8.18
33	4.47	2.34	72	24.98	8.70
34	4.57	2.37	73	26.55	9.22
35	4.66	2.40	74	28.13	9.75
36	4.79	2.45	75	29.70	10.27
37	4.94	2.49			
38	5.09	2.54			
39	5.21	2.57			
40	5.36	2.61			





**WISCONSIN AUTOMOBILE INSURANCE PLAN MANUAL**  
**COMMERCIAL AUTO CHAPTERS**

## NOTES

## COMMERCIAL GENERAL RULES CHAPTER

**Rule 51. PREMIUM DEVELOPMENT**

- A. Determine the applicable base rate from the Premium Development Rule in the appropriate chapter of this Manual.
- B. Determine the appropriate chapter of the Manual in accordance with the following:

1. All eligible trucks, tractors, and trailers are rated under the Trucks, Tractors, and Trailers Chapter.

**EXCEPTIONS:**

- a. Nonfleet trucks with load capacities of 2,000 pounds or less owned by an individual or a married couple who are residents of the same household, and not customarily used in the occupation, profession, or business of the insured other than in the course of driving to or from work, are rated under the Private Passenger Chapter.
- b. All other personal use trucks are under the Private Passenger Types Chapter.
2. Private passenger autos that are part of a fleet are rated under the Private Passenger Types Chapter.
3. All eligible public transportation autos are rated under the Public Transportation Chapter.
4. All eligible commercial nonowned exposures are rated under the Nonowned Auto Chapter.

**Exception:** All named nonowner policies are rated under the Private Passenger Chapter.

5. All other eligible commercial autos are rated under the Special Types and Operations Chapter.

**C. Bodily Injury and Property Damage Liability Coverage**

1. If increased limits ([Rule 52](#)) apply, multiply the rate determined above by the appropriate factor.
2. Refer to experience rating plan ([Rule 54](#)) and merit rating plan ([Rule 55](#)) for applicability.

**D. Uninsured and Underinsured Motorists Coverage**

Refer to [Rule 57](#) for determination of the appropriate premium.

**E. Medical Payments Coverage**

Refer to [Rule 58](#) for determination of the appropriate premium.

**Rule 52. INCREASED LIMITS**

**Note:** For factors for limits required by law that are not shown, refer to [Rule 2](#).

**Optional Single Limits**

The increased limits table below shows the factors to be applied to the \$60,000 single limit liability rates to determine the premium for other limits written in accordance with the Extent of Coverage Section ([Section 21](#)) of the Plan.

★

Single Limits	Limit Codes	Light and Medium Trucks	Heavy Trucks and Truck-Tractors	Extra Heavy Trucks and Truck-Tractors	Zone Rated Risks	All Other Risks
\$ 100,000	10	1.18	1.16	1.19	1.19	1.16
200,000	12	1.42	1.41	1.50	1.51	1.40
350,000	15	1.66	1.65	1.80	1.82	1.62
500,000	16	1.84	1.84	2.04	2.06	1.77
750,000	17	2.05	2.06	2.33	2.38	1.95
1,000,000	18	2.20	2.22	2.56	2.64	2.10
1,500,000*	19	2.44	2.45	2.90	3.02	2.34
2,000,000*	20	2.61	2.63	3.17	3.31	2.52
2,500,000*	21	2.75	2.78	3.38	3.54	2.67
3,000,000*	22	2.87	2.91	3.56	3.74	2.80
3,500,000*	—	2.96	3.01	3.70	3.89	2.90
4,000,000*	—	3.04	3.09	3.83	4.01	2.98
4,500,000*	—	3.10	3.17	3.94	4.12	3.06
5,000,000*	23	3.24	3.30	4.13	4.33	3.20

✦

\*Available only if required by law and only if reinsurance is not available.

**Rule 53. EXCESS LIMITS—FACULTATIVE REINSURANCE (A) RATES**

- A. Insurance in excess of \$1,000,000 combined limit of liability will be provided to any applicant subject to a mandatory limit of liability requirement of any governmental body (federal, state or other political subdivision). Such coverage shall be provided in a single policy applying to all owned autos and at the highest limit of liability required.

- B. When insurance in excess of \$1,000,000 combined limit of liability is requested by an applicant, the servicing carrier shall attempt to obtain facultative reinsurance for such excess limits, and the charge shall be passed on to the insured, in addition to the premium for the \$1,000,000 CSL developed in accordance with the rules of this Manual. The additional charge is determined by dividing the net facultative reinsurance premium by .70 to develop the gross reinsurance charge to be added. Reinsurance premiums as calculated in this paragraph are due and

**COMMERCIAL GENERAL RULES**

payable when billed and are not subject to installment payments nor to pro rata or short rate cancellation.

- C. If the Plan is required to afford limits in excess of \$1,000,000 combined single limits without benefit of re-insurance, the premium for such limits shall be "a" rated and filed with the Office of the Commissioner of Insurance for prior approval.

**Rule 54. EXPERIENCE RATING PLAN****Bodily Injury and Property Damage Liability Coverage Only**

This Rule develops a premium credit (reduction) or a premium debit (increase) based on the loss experience of the insured during the experience period specified in paragraph B.

**A. Eligibility**

1. Experience rating is limited to insureds that meet all of the following criteria:
  - a. The loss experience for the experience period can be obtained from the company that issued the policy(ies) for that period.
  - b. The insured has liability coverage at limits of \$100,000 combined single limit (CSL) or higher.
  - c. The insured develops a credibility factor of at least 0.07 from the tables contained in this Rule.

Determine the credibility factor as follows:

- (1) Determine the detrended premium according to paragraph C.1.
- (2) Refer to the Credibility and Maximum Single Loss Table to determine the credibility factor corresponding to the detrended premium for the experience period.

2. An insured is **not** eligible for experience rating if any of the following apply:
  - a. The insured was self-insured during the experience period.
  - b. All policies included in the experience period were written at liability limits of less than \$100,000 CSL.
  - c. All policies included in the experience period were written with a deductible, self-insured retention, or similar type plan, applicable to the liability coverage.

**B. Experience Period**

1. The experience period includes all of the following, if available:
  - a. The policy ending 12 months prior to the current policy (latest full policy year)
  - b. The policy ending 24 months prior to the current policy (second latest full policy year)
  - c. The policy ending 36 months prior to the current policy (third latest full policy year)

2. If three years of loss experience is not available or is excluded by paragraph 5, use at least one full year of losses.
3. Use no more than three years of loss experience.
4. Use only full policy years.
5. Do not use policy years during which the insured had liability coverage at limits less than \$100,000 CSL or were written with a deductible, self-insured retention, or similar type plan, applicable to the liability coverage.

**C. Determination of Experience Modification****1. Premium**

Determine the detrended premium as follows for the policy years included in the experience period:

- a. Determine the current annual manual \$100,000 CSL liability premium by multiplying the \$60,000 CSL specified auto, hired auto, and nonowned auto liability premiums by the appropriate \$100,000 CSL increased limit factor in [Rule 52](#). Use the headquarters location of the insured to determine the premium for hired and nonowned auto liability exposures.
- b. Multiply the premium determined in paragraph a above by the following detrend factors to determine the detrended premium for each policy in the experience period:

<b>Latest Full Policy Year</b>	<b>Second Latest Full Policy Year</b>	<b>Third Latest Full Policy Year</b>
.952	.929	.906

- c. If the actual exposures of the insured have been subject to a dramatic change during or since the experience period due to known factors other than inflation, apply the following procedure to determine the premium.
  - (1) Determine the current annual manual \$100,000 CSL liability premium for the actual historical exposures for each policy of the experience period.
  - (2) Multiply the premium determined in paragraph c.(1) above by the detrend factors in paragraph b to determine the detrended premium for each policy in the experience period.
- d. Add the detrended premium for all policy years included in the experience period to determine the total detrended premium.

**2. Losses**

- a. Determine the Adjusted Expected Loss Ratio from the Credibility and Maximum Single Loss Table for the total of the detrended premium developed above.
- b. Multiply the detrended premium for each year by the Adjusted Expected Loss Ratio determined in paragraph a to determine the expected losses.

**COMMERCIAL GENERAL RULES**

- c. Multiply the expected losses determined in paragraph b by the following loss development factors:

	<b>Latest Full Policy Year</b>	<b>Second Latest Full Policy Year</b>	<b>Third Latest Full Policy Year</b>
<b>\$100,000 CSL</b>			
Zone Rated	.288	.126	.048
All Others	.196	.095	.029

- d. Determine the paid and outstanding losses (including allocated claim expense) for the policy years included in the experience period.

- (1) Limit the indemnity amount to \$100,000 CSL for any one occurrence.
- (2) Limit the sum of the indemnity and allocated claim expense resulting from any single occurrence to the maximum single loss specified in the Credibility and Maximum Single Loss Table for the total of the detrended premium developed above.

- e. Determine the total adjusted losses by adding the results of paragraphs c and d.

3. **Actual Loss Ratio**

Determine the Actual Loss Ratio by dividing the total adjusted losses determined in paragraph C.2 by the detrended premium determined in paragraph C.1.

4. **Experience Modification**

- a. If the Actual Loss Ratio is less than the Adjusted Expected Loss Ratio, the experience modification is a credit. Determine as follows:

$$\left( \frac{\text{Adjusted Expected Loss Ratio} - \text{Actual Loss Ratio}}{\text{Adjusted Expected Loss Ratio}} \right) \times \text{Credibility} = \text{Experience Modification}$$

Determine the experience rating factor by subtracting the credit from 1.00.

- b. If the Actual Loss Ratio is greater than the Adjusted Expected Loss Ratio, the experience modification is a debit. Determine as follows:

$$\left( \frac{\text{Actual Loss Ratio} - \text{Adjusted Expected Loss Ratio}}{\text{Adjusted Expected Loss Ratio}} \right) \times \text{Credibility} = \text{Experience Modification}$$

Determine the experience rating factor by adding the debit to 1.00.

**D. Application**

1. Apply the experience rating factor to the liability premium.
2. Apply the experience modification at policy inception or renewal.
3. Do not apply the experience modification midterm.

- E. Refer to the rating example and worksheet at the end of this Chapter

## COMMERCIAL GENERAL RULES

**AUTO LIABILITY EXPERIENCE RATING  
CREDIBILITY AND MAXIMUM SINGLE LOSS TABLE**

Premium	Credibility	Adjusted Expected Loss Ratio		Maximum Single Loss	
		Zone Rated	All Others	Zone Rated	All Others
\$ 11,144– 15,762	0.03	0.498	0.525	\$55,500	\$58,550
15,763– 20,477	0.04	0.511	0.537	60,450	63,550
20,478– 25,293	0.05	0.520	0.546	63,900	67,000
25,294– 30,211	0.06	0.527	0.551	66,550	69,700
30,212– 35,236	0.07	0.531	0.556	68,800	71,950
35,237– 40,371	0.08	0.535	0.560	70,750	73,950
40,372– 45,618	0.09	0.539	0.563	72,550	75,750
45,619– 50,984	0.10	0.543	0.566	74,250	77,450
50,985– 56,471	0.11	0.546	0.569	75,850	79,050
56,472– 62,083	0.12	0.549	0.571	77,450	80,650
62,084– 67,825	0.13	0.551	0.574	79,000	82,200
67,826– 73,701	0.14	0.554	0.576	80,550	83,700
73,702– 79,717	0.15	0.557	0.578	82,050	85,250
79,718– 85,875	0.16	0.559	0.580	83,600	86,750
85,876– 92,185	0.17	0.562	0.583	85,100	88,300
92,186– 98,648	0.18	0.564	0.585	86,650	89,850
98,649– 105,271	0.19	0.566	0.587	88,200	91,400
105,272– 112,063	0.20	0.569	0.589	89,800	92,950
112,064– 119,025	0.21	0.571	0.590	91,400	94,550
119,026– 126,169	0.22	0.573	0.592	93,000	96,150
126,170– 133,499	0.23	0.575	0.594	94,650	97,800
133,500– 141,023	0.24	0.577	0.596	96,300	99,450
141,024– 148,750	0.25	0.580	0.597	98,050	101,150
148,751– 156,687	0.26	0.581	0.599	99,750	102,850
156,688– 164,842	0.27	0.583	0.601	101,550	104,600
164,843– 173,225	0.28	0.585	0.603	103,350	106,400
173,226– 181,847	0.29	0.587	0.604	105,250	108,250
181,848– 190,717	0.30	0.589	0.606	107,100	110,150
190,718– 199,845	0.31	0.591	0.607	109,050	112,050
199,846– 209,244	0.32	0.593	0.608	111,050	114,000
209,245– 218,925	0.33	0.594	0.610	113,100	116,000
218,926– 228,903	0.34	0.596	0.612	115,200	118,100
228,904– 239,189	0.35	0.598	0.613	117,350	120,200
239,190– 249,800	0.36	0.599	0.614	119,550	122,350
249,801– 260,751	0.37	0.601	0.615	121,800	124,600
260,752– 272,056	0.38	0.603	0.617	124,100	126,900
272,057– 283,737	0.39	0.604	0.617	126,500	129,250
283,738– 295,809	0.40	0.606	0.619	128,950	131,650
295,810– 308,294	0.41	0.608	0.620	131,500	134,150
308,295– 321,214	0.42	0.609	0.621	134,100	136,700
321,215– 334,592	0.43	0.610	0.622	136,800	139,350
334,593– 348,451	0.44	0.612	0.623	139,550	142,100
348,452– 362,818	0.45	0.613	0.624	142,400	144,900
362,819– 377,723	0.46	0.614	0.625	145,350	147,800
377,724– 393,196	0.47	0.615	0.626	148,450	150,800
393,197– 409,269	0.48	0.617	0.626	151,600	153,900
409,270– 425,978	0.49	0.618	0.627	154,850	157,150
425,979– 443,365	0.50	0.619	0.628	158,250	160,500
443,366– 461,466	0.51	0.620	0.629	161,750	163,950
461,467– 480,330	0.52	0.621	0.629	165,400	167,550

**AUTO LIABILITY EXPERIENCE RATING  
CREDIBILITY AND MAXIMUM SINGLE LOSS TABLE**

Premium	Credibility	Adjusted Expected Loss Ratio		Maximum Single Loss	
		Zone Rated	All Others	Zone Rated	All Others
\$ 480,331– 500,006	0.53	0.622	0.630	\$169,200	\$171,300
500,007– 520,546	0.54	0.624	0.631	173,150	175,200
520,547– 542,009	0.55	0.624	0.631	177,250	179,250
542,010– 564,460	0.56	0.625	0.632	181,550	183,450
564,461– 587,967	0.57	0.626	0.633	186,000	187,850
587,968– 612,607	0.58	0.627	0.633	190,650	192,450
612,608– 638,465	0.59	0.627	0.633	195,550	197,300
638,466– 665,629	0.60	0.629	0.634	200,650	202,350
665,630– 694,207	0.61	0.629	0.635	206,000	207,650
694,208– 724,308	0.62	0.630	0.635	211,600	213,200
724,309– 756,058	0.63	0.631	0.635	217,500	219,050
756,059– 789,598	0.64	0.631	0.635	223,750	225,200
789,599– 825,081	0.65	0.632	0.636	230,300	231,700
825,082– 862,684	0.66	0.633	0.636	237,200	238,550
862,685– 902,599	0.67	0.633	0.636	244,500	245,800
902,600– 945,050	0.68	0.633	0.636	252,300	253,500
945,051– 990,283	0.69	0.634	0.637	260,500	261,700
990,284– 1,038,584	0.70	0.635	0.637	269,300	270,400
1,038,585– 1,090,274	0.71	0.635	0.637	278,600	279,650
1,090,275– 1,145,725	0.72	0.635	0.638	288,600	289,600
1,145,726– 1,205,358	0.73	0.636	0.638	299,300	300,250
1,205,359– 1,269,670	0.74	0.636	0.638	310,800	311,700
1,269,671– 1,339,232	0.75	0.636	0.638	323,200	324,000
1,339,233– 1,414,714	0.76	0.636	0.638	336,550	337,350
1,414,715– 1,496,905	0.77	0.637	0.638	351,050	351,800
1,496,906– 1,586,740	0.78	0.637	0.638	366,850	367,500
1,586,741– 1,685,343	0.79	0.638	0.638	384,100	384,700
1,685,344– 1,794,056	0.80	0.638	0.638	403,000	403,550
1,794,057– 1,914,524	0.81	0.638	0.638	423,800	424,350
1,914,525– 2,048,759	0.82	0.638	0.638	446,850	447,350
2,048,760– 2,199,264	0.83	0.638	0.639	472,550	473,000
2,199,265– 2,369,189	0.84	0.638	0.639	501,350	501,750
2,369,190– 2,562,554	0.85	0.638	0.639	533,800	534,150
2,562,555– 2,784,565	0.86	0.638	0.639	570,750	571,100
2,784,566– 3,042,097	0.87	0.638	0.639	613,200	613,450
3,042,098– 3,344,416	0.88	0.639	0.639	662,350	662,600
3,344,417– 3,704,321	0.89	0.639	0.639	720,100	720,300
3,704,322– 4,139,995	0.90	0.639	0.639	788,800	788,950
4,139,996– 4,678,182	0.91	0.639	0.639	871,950	872,100
4,678,183– 5,359,884	0.92	0.639	0.639	974,650	974,750
5,359,885– 6,251,341	0.93	0.639	0.639	1,104,700	1,104,800
6,251,342– 7,466,964	0.94	0.639	0.639	1,274,800	1,274,850
7,466,965– 9,222,865	0.95	0.639	0.639	1,506,700	1,506,750
9,222,866– 11,982,136	0.96	0.639	0.639	1,841,650	1,841,700
11,982,137– 16,948,826	0.97	0.639	0.639	2,368,000	2,368,000
16,948,827– 28,537,767	0.98	0.639	0.639	3,315,400	3,315,400
28,537,768– 86,482,473	0.99	0.639	0.639	5,525,950	5,525,950
86,482,474 and over	1.00	0.639	0.639	16,578,700	16,578,700

**COMMERCIAL GENERAL RULES****Rule 55. MERIT RATING PLAN****A. Eligibility**

The merit rating plan must be applied to all owned commercial auto risks except those who are eligible for experience rating under [Rule 54](#) of the Manual or risks which have been in business less than nine months preceding the date the policy is being rated.

**B. Experience Period**

The experience period is 3 years immediately preceding the date of the application for assignment and, in the case of renewal, during the 3 years ending 90 calendar days prior to the renewal date.

**C. Merit Points**

1. Merit points shall be determined using the application and/or other factual loss information obtained from the prior insurer or any reliable source.
2. One merit point shall be assigned to each at fault loss involving an owned auto during the experience period which results in any bodily injury, or damage to property, including the risk's in excess of \$500.
3. Merit points are to be assigned whether or not the driver responsible for the point is still employed or driving.
4. Merit points assigned should come exclusively from the loss report(s).

**D. Rating**

1. Determine the number of autos to be rated under this Plan. Trailers shall receive rating modification but shall not be counted for purposes of determining the number of autos to be rated under this Plan.
2. Determine the total merit points accumulated by all eligible owned autos during the experience period.
3. Use the Rate Modification Table below to determine the rating factor to be applied to the premium for all coverages for each eligible auto, except for uninsured motorists, underinsured motorists, and medical payments coverages.

**RATE MODIFICATION TABLE**

No. of Autos	Merit Points	Rating Factor
1-2	1-2	1.15
	3 or more	1.30
3-4	2-3	1.10
	4 or more	1.25

4. The rating factor applied at policy inception shall not be adjusted to reflect any change in the number of autos during the policy year.

**Rule 56. RESERVED FOR FUTURE USE****Rule 57. UNINSURED AND UNDERINSURED MOTORISTS INSURANCE****A. Uninsured Motorists Insurance****1. Coverage**

- a. This form of auto insurance must be provided at \$50,000 single bodily injury liability limits on every auto bodily injury liability policy insuring any auto designed for use on public highways and either required to be registered or principally garaged in Wisconsin.

Uninsured motorists insurance will apply to all autos on the policy.

If liability coverage also applies to hired or nonowned autos, uninsured motorists insurance must be provided for those autos.

- b. Higher limits are not available.

**2. Rates**

All Territories	★ Rate Per Auto
Private Passenger Types	\$41
Hired and Nonowned Autos	Refer to Rules <a href="#">103</a> and <a href="#">104</a> .
All Other Risks	26 ❖

**B. Underinsured Motorists Insurance****1. Coverage**

- a. This form of auto insurance will be offered in writing and include a brief description of the coverage to one named insured on the bodily injury liability policy insuring any auto designed for use on public highways and either required to be registered or principally garaged in Wisconsin at \$100,000 single bodily injury liability limits. Underinsured motorists insurance is also available for hired or nonowned autos.

If underinsured motorists coverage is provided, the coverage will apply to all autos insured under the policy.

- b. A named insured has the right to reject underinsured motorists coverage. The rejection of such coverage will apply to all persons insured under the policy. Rejection need not be in writing. The absence of a premium payment for underinsured motorists coverage is conclusive proof that the person has rejected such coverage.

Unless a named insured requests such coverage in writing, the insurer does not have to provide underinsured motorists coverage on renewal policies when one named insured has rejected the coverage on the policy previously issued by the insurer.

- c. Higher limits are not available.



**COMMERCIAL GENERAL RULES**

2. Rates

★	
All Territories	Rate Per Auto
Private Passenger Types	\$17
Hired and Nonowned Autos	Refer to Rules <a href="#">103</a> and <a href="#">104</a> .
All Other Risks	12 ❖

C. Trailers

Do not charge an uninsured motorists premium for trailers when power units designed to tow such trailers are already insured for uninsured motorists insurance on the same coverage form.

- D. The premium shall not be subject to modification under the provisions of any rating plan or other Manual rules.

**Rule 58. MEDICAL PAYMENTS**

A. Coverage

- In accordance with Section 632.32 of the Wisconsin Statutes, auto medical payments (including chiropractic payments) coverage in the amount of \$1,000 per person will be afforded on all autos designed for travel on public roads and registered or principally garaged in the state of Wisconsin, except where such coverage is rejected by the insured.

- A named insured has the right to reject this coverage. Unless a named insured requests such coverage in writing, the insurer does not have to provide medical payments on a renewal policy when one named insured has rejected the coverage on the policy previously issued by the insurer.
- If provided, auto medical payments coverage will apply to all vehicles on the policy, including hired and nonowned autos.
- Higher limits are not available.

B. Rates

Refer to the [rate tables](#) for applicable rates.

**Rule 59. WAIVER OF SUBROGATION/  
PRIMARY AND  
NONCONTRIBUTORY—OTHER  
INSURANCE CONDITION**

**Applicable to Bodily Injury and Property Damage Liability Coverages Only**

If the insured requests, in writing, either a waiver(s) of subrogation or a primary and noncontributory—other insurance condition or both to comply with contractual requirements, increase the bodily injury and property damage total policy premium by 3%.

Attach the applicable endorsement(s).

**Rules 60–70. RESERVED FOR FUTURE USE**

## NOTES

**TRUCKS, TRACTORS, AND TRAILERS CHAPTER**

For the purposes of this Chapter, the words “regular” and “regularly” mean that the operations are contemplated, planned, or expected.

**Rule 71. ELIGIBILITY**

This Chapter applies to trucks, truck-tractors, trailers, and semitrailers including pickups and vans (other than those rated under the provisions of the Private Passenger or Private Passenger Type Chapters of this Manual) and not specifically treated in the Public or Special Types and Operations Chapters of this Manual.

**Rule 72. TRUCKS, TRACTORS, AND TRAILERS CLASSIFICATIONS**

Classify trucks, tractors, and trailers as follows:

**A. Fleet—Nonfleet Classifications**

1. Classify as fleet the autos of any risk that has five or more self-propelled autos of any type that are under one ownership.
2. Do not include mobile equipment insured on a general liability policy in determining if the risk is a fleet.
3. Do not include trailers in determining if the risk is a fleet, but apply the fleet classification to the trailers if the risk otherwise is classified as a fleet.
4. Classify the autos of any other risk as nonfleet.
5. Do not change the fleet or nonfleet classification because of midterm changes in the number of owned autos except at the request of the insured. The policy must be cancelled and rewritten in accordance with the Cancellations Rule ([Rule 7](#)).

**B. Primary Classifications**

1. Gross vehicle weight rating (GVWR) and gross combination weight (GCW) mean the following:
  - a. GVWR—The maximum loaded weight for which a single auto is designed as specified by the manufacturer;
  - b. GCW—The maximum loaded weight for a combination truck-tractor and semitrailer or trailer for which the truck-tractor is designed, as specified by the manufacturer.
2. Size Class
  - a. Light Trucks—Trucks that have a gross vehicle weight (GVWR) of 10,000 pounds or less.
  - b. Medium Trucks—Trucks that have a gross vehicle weight (GVWR) of 10,001–20,000 pounds.
  - c. Heavy Trucks—Trucks that have a gross vehicle weight (GVWR) of 20,001–45,000 pounds.
  - d. Extra Heavy Trucks—Trucks that have a gross vehicle weight (GVWR) over 45,000 pounds.
  - e. Truck-Tractors—A truck-tractor is a motorized auto with or without body for carrying commodities or materials, equipped with a fifth-wheel coupling device for semitrailers.

(1) Heavy Truck-Tractors—Truck-tractors that have a gross combination weight (GCW) of 45,000 pounds or less.

(2) Extra Heavy Truck-Tractors—Truck-tractors that have a gross combination weight (GCW) over 45,000 pounds.

- f. Semitrailers—A semitrailer is a trailer equipped with a fifth-wheel coupling device for use with a truck-tractor with a GVWR over 3,000 pounds. This includes bogies used to convert containers into semitrailers.
- g. Trailers—Any unregistered trailer or any trailer with a GVWR over 3,000 pounds, other than semitrailer.
- h. Service or Utility Trailer—Any trailer or semitrailer with a registered GVWR of 3,000 pounds or less.

**3. Business Use Class**

If a truck, tractor, or trailer has more than one use, use the highest rated classification unless 80% of the use is in a lower rated activity. In that case, use the lower rated classification.

a. Service Use—For transporting the insured's personnel, tools, equipment, and incidental supplies to or from a job location.

This classification is confined to autos principally parked at job locations for the majority of the working day or used to transport supervisory personnel between job locations. This classification applies to autos that have reduced exposure because their use is closely associated with the installation or service of appliances, fixtures, equipment, and other products. It includes autos used by artisan-type risks, such as carpenters, plumbers, and contractors. The delivery of a product to be installed or that has been repaired does not disqualify the auto from this classification.

b. Retail Use—Autos used to pick up property from or deliver property to individual households. Deliveries of heating fuel, milk, groceries, drugs, and laundry are examples of the exposures in this classification. This class also includes parcel post and mail delivery where deliveries are primarily to private households.

c. Commercial Use—Autos used for transporting property other than those autos defined as service or retail and all truckers.

**4. Radius Class**

Determine radius on a straight line from the street address of principal garaging.

a. Local—Up to 50 Miles—The auto is not regularly operated beyond a radius of 50 miles from the street address where such auto is principally garaged.

b. Intermediate—51 to 200 Miles—The auto is operated beyond a radius of 50 miles but not regularly beyond a radius of 200 miles from the

**TRUCKS, TRACTORS, AND TRAILERS**

- street address where such auto is principally garaged.
- c. Long Distance—Over 200 Miles—The auto is operated regularly beyond a 200-mile radius from the street address where such auto is principally garaged. Apply zone rates for other than light trucks and trailers used with light trucks.
5. See the Primary Classifications—Rating Factors and Classification Designators tables.

## TRUCKS, TRACTORS, AND TRAILERS

## NONFLEET—PRIMARY CLASSIFICATIONS—RATING FACTORS AND CLASSIFICATION DESIGNATORS

Size Class	Business Use Class		Radius Class		
			Local Up to 50 Miles BI and PD	Intermediate 51 to 200 Miles BI and PD	Long Distance Over 200 Miles BI and PD
Light Trucks (0–10,000 lbs. GVWR)	Service	Factor CD	1.00 011– –	1.25 012– –	1.30 013– –
	Retail	Factor CD	1.45 021– –	1.80 022– –	1.80 023– –
	Commercial	Factor CD	1.30 031– –	1.60 032– –	1.65 033– –
ZONE RATED					
Medium Trucks (10,001–20,000 lbs. GVWR)	Service	Factor CD	1.05 211– –	1.30 212– –	.90 213– –
	Retail	Factor CD	1.55 221– –	1.90 222– –	.90 223– –
	Commercial	Factor CD	1.40 231– –	1.70 232– –	.90 233– –
Heavy Trucks (20,001–45,000 lbs. GVWR)	Service	Factor CD	1.10 311– –	1.40 312– –	1.00 313– –
	Retail	Factor CD	1.60 321– –	2.05 322– –	1.00 323– –
	Commercial	Factor CD	1.45 331– –	1.80 332– –	1.00 333– –
Extra Heavy Trucks (Over 45,000 lbs. GVWR)		Factor CD	2.15 401—	2.80 402– –	1.45 403– –
Heavy Truck- Tractors (0–45,000 lbs. GCW)	Service	Factor CD	1.40 341– –	1.75 342– –	1.00 343– –
	Retail	Factor CD	2.00 351– –	2.55 352– –	1.00 353– –
	Commercial	Factor CD	1.80 361– –	2.25 362– –	1.00 363– –
Extra Heavy Truck-Tractors (Over 45,000 lbs. GCW)		Factor CD	2.35 501—	3.05 502– –	1.45 503– –
Trailer Types					
Semitrailers		Factor CD	.10 671—	.15 672– –	.15 673– –
Trailers		Factor CD	.10 681—	.15 682– –	.15 683– –
Service or Utility Trailer (Registered GVWR of 3,000 lbs. or less)		Factor CD	.00 691—	.00 692– –	.00 693– –

**Note:** For statistical coding information, refer to statistical plan in use by company.

## TRUCKS, TRACTORS, AND TRAILERS

## FLEET—PRIMARY CLASSIFICATIONS—RATING FACTORS AND CLASSIFICATION DESIGNATORS

Size Class	Business Use Class		Radius Class		
			Local Up to 50 Miles BI and PD	Intermediate 51 to 200 Miles BI and PD	Long Distance Over 200 Miles BI and PD
Light Trucks (0–10,000 lbs. GVWR)	Service	Factor CD	1.00 014– –	1.25 015– –	1.30 016– –
	Retail	Factor CD	1.45 024– –	1.80 025– –	1.80 026– –
	Commercial	Factor CD	1.30 034– –	1.60 035– –	1.65 036– –
ZONE RATED					
Medium Trucks (10,001–20,000 lbs. GVWR)	Service	Factor CD	1.05 214– –	1.30 215– –	.90 216– –
	Retail	Factor CD	1.55 224– –	1.90 225– –	.90 226– –
	Commercial	Factor CD	1.40 234– –	1.70 235– –	.90 236– –
Heavy Trucks (20,001–45,000 lbs. GVWR)	Service	Factor CD	1.10 314– –	1.40 315– –	1.00 316– –
	Retail	Factor CD	1.60 324– –	2.05 325– –	1.00 326– –
	Commercial	Factor CD	1.45 334– –	1.80 335– –	1.00 336– –
Extra Heavy Trucks (Over 45,000 lbs. GVWR)		Factor CD	2.15 404—	2.80 405– –	1.45 406– –
Heavy Truck- Tractors (0–45,000 lbs. GCW)	Service	Factor CD	1.40 344– –	1.75 345– –	1.00 346– –
	Retail	Factor CD	2.00 354– –	2.55 355– –	1.00 356– –
	Commercial	Factor CD	1.80 364– –	2.25 365– –	1.00 366– –
Extra Heavy Truck-Tractors (Over 45,000 lbs. GCW)		Factor CD	2.35 504—	3.05 505– –	1.45 506– –
Trailer Types					
Semitrailers		Factor CD	.10 674—	.15 675– –	.15 676– –
Trailers		Factor CD	.10 684—	.15 685– –	.15 686– –
Service or Utility Trailer (Registered GVWR of 3,000 lbs. or less)		Factor CD	.00 694—	.00 695– –	.00 696– –

**Note:** For statistical coding information, refer to statistical plan in use by company.

## TRUCKS, TRACTORS, AND TRAILERS

## C. Secondary Classification—Special Industry Class

1. These rating factors do not apply to trailer types and zone rated autos.
2. Where more than one secondary rating factor applies, use the highest rated classification unless 80% of the use is in a lower rated activity. In that case, use the lower rated classification.

Classification	Secondary Factor to Be Combined with Primary Factor	Code to Be Inserted in 4th and 5th Digit of Classification Code	Classification	Secondary Factor to Be Combined with Primary Factor	Code to Be Inserted in 4th and 5th Digit of Classification Code
Truckers—Autos used to haul or transport goods, materials, or commodities for another, other than autos used in moving operations			Specialized Delivery—Autos used in deliveries subject to time and similar constraints		
a. Common carriers .....	+0.75	21	a. Armored cars .....	+0.65	41
b. Contract carriers (other than chemical or iron and steel haulers) .....	+0.75	22	b. Film delivery .....	+0.65	42
c. Contract carriers hauling chemicals .....	+0.75	23	c. Magazines or newspapers .....	+0.65	43
d. Contract carriers hauling iron and steel .....	+0.75	24	d. Mail and parcel post .....	+0.65	44
e. Exempt carriers (other than livestock haulers) ...	+0.75	25	e. All other .....	+0.65	49
f. Exempt carriers hauling livestock .....	+0.75	26	Waste Disposal—Autos transporting salvage and waste material for disposal or resale		
g. Carriers engaged in both private carriage and transporting goods, materials, or commodities for others if at least 20% of their total operation is transporting goods, materials, or commodities for others .....	+0.75	02	a. Auto dismantlers .....	+0.30	51
h. Tow trucks for hire .....	+0.75	03	b. Building wrecking operators .....	+0.30	52
i. All other .....	+0.75	29	c. Garbage .....	+0.30	53
Food Delivery—Autos used by food manufacturers to transport raw and finished products or used in wholesale distribution of food			d. Junk dealers .....	+0.30	54
a. Canneries and packing plants .....	+0.45	31	e. All other .....	+0.30	59
b. Fish and seafood .....	+0.45	32	Farmers—Autos owned by a farmer, used in connection with the operation of his or her own farm, and occasionally used to haul commodities for other farmers		
c. Frozen food .....	+0.45	33	a. Individually owned or family corp. (other than livestock hauling) .....	−0.50	61
d. Fruit and vegetable .....	+0.45	34	b. Livestock hauling .....	−0.50	62
e. Meat or poultry .....	+0.45	35	c. All other .....	−0.50	69
f. All other .....	+0.45	39	Dump and Transit Mix Trucks—(Use these factors and codes only when no other secondary classification applies.)		
			a. Excavating .....	−0.10	71
			b. Sand and gravel (other than quarrying) .....	−0.10	72
			c. Mining .....	−0.10	73
			d. Quarrying .....	−0.10	74
			e. All other .....	−0.10	79
			Contractors (other than dump trucks)		
			a. Building—commercial ....	−0.05	81
			b. Building—private dwellings .....	−0.05	82

**TRUCKS, TRACTORS, AND TRAILERS**

<b>Classification</b>	<b>Secondary Factor to Be Combined with Primary Factor</b>	<b>Code to Be Inserted in 4th and 5th Digit of Classification Code</b>
c. Electrical, plumbing, masonry, plastering, and other repair or service ...	-0.05	83
d. Excavating .....	-0.05	84
e. Street and road .....	-0.05	85
f. All other.....	-0.05	89
Not otherwise specified		
a. Logging and lumbering..	+0.35	91
b. All other.....	0.00	99

**D. Special Provisions for Certain Risks**

1. Truckers—If the business of the insured involves transporting materials or commodities for another, the Truckers Rule ([Rule 75](#)) also applies.
2. Transporters of Liquid Products—A policy that covers an auto used for the bulk transportation of liquid products must exclude accidents resulting from the erroneous delivery of one liquid product for another, or the delivery of any liquid product into the wrong receptacle if the accident occurs after the operations have been completed. Attach the applicable Wrong Delivery of Liquid Products endorsement.
3. Transporters of Explosives—A policy that covers an auto used for transporting explosives must exclude coverage for the explosion hazard. Attach the applicable Explosives endorsement.  
  
For coverages including the explosion hazard, refer to [Rule 2](#).
4. Rolling Stores—A policy that covers autos equipped as a rolling store must exclude product liability. Attach the applicable Rolling Stores endorsement.
5. Trucks, Trailers, and Semitrailers Used in Dumping Operations. The normal rating classification applies to hopper-type transporters of dry commodities, which unload through the bottom by gravity.

**Rule 73. PREMIUM DEVELOPMENT—OTHER THAN ZONE RATED AUTOS****A. This Rule applies to**

1. all light trucks and trailers used with light trucks; and
2. all other trucks, tractors, and trailers that regularly operate within a 200-mile radius from the street address of principal garaging. For those autos regularly operating beyond a 200-mile radius, refer to [Rule 74](#). Premium Development—Zone Rated Autos.

**B. Premium Development—Bodily Injury and Property Damage Liability Coverage**

1. Determine the rating territory from the territory definitions based on the street address of principal garaging.
2. Determine the classification rating factor as follows:
  - a. Determine whether the risk is classified as fleet or nonfleet according to the Trucks, Tractors, and Trailers Classifications Rule ([Rule 72](#)).
  - b. Determine the primary rating factor from the Trucks, Tractors, and Trailers Classifications Rule ([Rule 72](#)) based on size class, business use class, and radius class.
  - c. Determine the secondary rating factor, if any, from the Trucks, Tractors, and Trailers Classifications Rule ([Rule 72](#)) based on the special industry classifications.
  - d. Determine the combined rating factor by adding the secondary rating factor to or subtracting it from the primary rating factor.
  - e. For trailers used with light trucks that regularly operate beyond a 200-mile radius, use the rating factor for the intermediate rating class.
3. Determine the [base rate](#) from the Commercial Auto Rate Chapter.
4. For fleets, multiply the base rate by 1.10.
5. Multiply the rate determined above by the combined rating factor.
6. Refer to the special provisions in [Rule 72.D](#) for applicability.
7. If increased limits ([Rule 52](#)) apply, multiply the rate determined above by the appropriate factor.
8. ★Refer to experience rating plan ([Rule 54](#)) and merit rating plan ([Rule 55](#)) for applicability.✧

**C. Uninsured and Underinsured Motorists Coverage**

1. Refer to [Rule 57](#) for applicable rates.
2. Primary and secondary rating factors do not apply.

**D. Medical Payments**

1. Trucks and Tractors
  - a. Determine the [base rate](#) from the Commercial Auto Rate Chapter.
  - b. Primary and secondary rating factors do not apply.
2. Trailers
  - a. Determine the [base rate](#) from the Commercial Auto Rate Chapter.
  - b. Multiply the rate determined above by the primary rating factor.
  - c. Secondary rating factors do not apply.



**TRUCKS, TRACTORS, AND TRAILERS****Rule 74. PREMIUM DEVELOPMENT—ZONE RATED AUTOS**

- A. Except for light trucks and trailers used with light trucks, this Rule applies to trucks, tractors, and trailers regularly operated beyond a 200-mile radius from the street address of principal garaging.
- B. Determine the zone combination for each auto as follows:
  1. When an auto is principally garaged in a regional zone and operates from terminals in that zone and in one or more metropolitan zones, the zone combination is the regional zone and the metropolitan zone farthest away.
  2. In all other situations, the zone combination is the zone of principal garaging and the zone of the terminal (included in the auto's operations) farthest from that point.
  3. A terminal is any point at which an auto regularly loads or unloads. It is not limited to a terminal facility that the insured owns and operates.
- C. **Premium Development—Bodily Injury and Property Damage Liability Coverage**
  1. Determine whether the auto is classified as fleet or nonfleet according to the Trucks, Tractors, and Trailers Classifications Rule ([Rule 72](#)).
  2. Determine the primary rating factor from the Trucks, Tractors, and Trailers Classifications Rule ([Rule 72](#)).
  3. Determine the bodily injury and property damage liability base rate for the zone combination from the [Zone Rating Table](#).
  4. For fleets, multiply the base rate by .70.
  5. Multiply the rate determined above by the primary rating factor.
  6. Refer to the special provisions in [Rule 72.D](#) for applicability.
  7. If increased limits ([Rule 52](#)) apply, multiply the rate determined above by the appropriate factor.
  8. ★Refer to experience rating plan ([Rule 54](#)) and merit rating plan ([Rule 55](#)) for applicability.✧
- D. **Uninsured and Underinsured Motorists Coverage**
  1. Refer to [Rule 57](#) for applicable rates.
  2. Primary and secondary rating factors do not apply.
- E. **Medical Payments Coverage**
  1. Trucks and Tractors
    - a. Determine the \$1,000 medical payments base rate of the zone combination from the zone [rate tables](#).
    - b. Primary and secondary rating factors do not apply.

## 2. Trailers

- a. Determine the \$1,000 medical payments base rate of the zone combination from the zone [rate tables](#).
- b. Multiply the medical payments base rate by the primary rating factor.
- c. Secondary rating factors do not apply.

**F. Minimum Premium**

The premium developed is subject to a minimum premium developed by the applicable intermediate radius class.

**G. Long Distance Zone Definitions**

## 1. Metropolitan Zones

## a. ATLANTA Zone—01

Includes Clayton and Cobb Counties and Atlanta, Georgia territories.

## b. BALTIMORE/WASHINGTON Zone—02

Includes Baltimore, Baltimore Suburban, and Outer Suburban, Montgomery County Suburban and Outer Suburban, and Prince Georges County Suburban and Outer Suburban, Maryland territories; the entire District of Columbia; and Alexandria City, Arlington, Falls Church City, and Arlington—Alexandria Suburban, Virginia territories.

## c. BOSTON Zone—03

Includes all of Essex, Middlesex, Norfolk, and Suffolk, Massachusetts Counties.

## d. BUFFALO Zone—04

Includes Erie County (Balance), Buffalo, Buffalo Semisuburban, Buffalo Suburban, Niagara Falls, and Niagara Falls Suburban, New York territories.

## e. CHARLOTTE Zone—05

Includes Charlotte and all of Mecklenburg County, North Carolina territories.

## f. CHICAGO Zone—06

Includes all of Cook and Du Page County territories, Lake County (Balance), Waukegan—North Chicago and all Chicago, Illinois territories; and East Chicago, Indiana territory.

## g. CINCINNATI Zone—07

Includes Cincinnati, Dayton, and Hamilton—Middletown, Ohio; and Covington—Newport, Kentucky territories.

## h. CLEVELAND Zone—08

Includes all of Geauga, Lorain, and Medina County territories, Portage County (excluding the village of Mogadore), all Cleveland and Painesville, Ohio territories.

## i. DALLAS/FORT WORTH Zone—09

Includes all of Dallas and Tarrant, Texas Counties.

# TRUCKS, TRACTORS, AND TRAILERS

- j. DENVER Zone—10  
Includes Denver and North Central, Colorado territories.
- k. DETROIT Zone—11  
Includes all Detroit, Dearborn, and Pontiac, Michigan territories.
- l. HARTFORD Zone—12  
Includes all of Hartford and New Haven Counties and Bridgeport and Fairfield—Stratford, Connecticut territories.
- m. HOUSTON Zone—13  
Includes all of Chambers, Galveston, and Harris, Texas Counties.
- n. INDIANAPOLIS Zone—14  
Includes all of Marion County, Indiana territory.
- o. JACKSONVILLE Zone—15  
Includes all of Jacksonville, Florida territory.
- p. KANSAS CITY Zone—16  
Includes all of Kansas City, Kansas; and Independence and all Kansas City, Missouri territories.
- q. LITTLE ROCK Zone—17  
Includes all of Pulaski County, Arkansas territory.
- r. LOS ANGELES Zone—18  
Includes all of Los Angeles and Orange Counties and also Riverside and San Bernardino, California territories.
- s. LOUISVILLE Zone—19  
Includes all of Jefferson County, Kentucky; and New Albany and Jeffersonville, Indiana territories.
- t. MEMPHIS Zone—20  
Includes all of Shelby County, Tennessee territory.
- u. MIAMI Zone—21  
Includes Miami and Miami Beach, Florida territories.
- v. MILWAUKEE Zone—22  
Includes Kenosha, Milwaukee Metropolitan, Semisuburban and Suburban, and Racine, Wisconsin territories.
- w. MINNEAPOLIS/ST. PAUL Zone—23  
Includes Minneapolis Metropolitan and Suburban; and St. Paul Metropolitan and Suburban, Minnesota territories.
- x. NASHVILLE Zone—24  
Includes all of Davidson County, Tennessee territory.
- y. NEW ORLEANS Zone—25  
Includes all of New Orleans, Louisiana territory.
- z. NEW YORK CITY Zone—26  
Includes all of New York City, Nassau and Westchester, New York Counties; all of Bergen, Essex and Hudson Counties, Elizabeth, New Brunswick, Perth Amboy, and Plainfield, New Jersey territories; and Darien—Greenwich and Stamford, Connecticut territories.
- aa. OKLAHOMA CITY Zone—27  
Includes all of Oklahoma County, Oklahoma territory.
- bb. OMAHA Zone—28  
Includes all of Douglas and Sarpy, Nebraska Counties; and Council Bluffs, Iowa territory.
- cc. PHOENIX Zone—29  
Includes Mesa—Tempe and Phoenix, Arizona territories.
- dd. PHILADELPHIA Zone—30  
Includes Bucks County (Balance), Chester County (Balance), Delaware County (Balance), Montgomery County (Balance), Allentown—Bethlehem and all Philadelphia, Pennsylvania territories; Wilmington, Delaware; and Camden, Camden Suburban, and Trenton, New Jersey territories.
- ee. PITTSBURGH Zone—31  
Includes all of Allegheny and Beaver Counties, Pennsylvania territories.
- ff. PORTLAND Zone—32  
Includes all of Portland, Portland Semisuburban, and Portland Suburban, Oregon; and Vancouver, Washington territories.
- gg. RICHMOND Zone—33  
Includes all of Richmond, Virginia territory.
- hh. ST. LOUIS Zone—34  
Includes all of St. Louis County Missouri; and East St. Louis, Illinois territories.
- ii. SALT LAKE CITY Zone—35  
Includes all of Salt Lake City County, Utah territory.
- jj. SAN FRANCISCO Zone—36  
Includes all of Alameda, Contra Costa, Marin, San Francisco, San Mateo, and Santa Clara, California Counties.
- kk. TULSA Zone—37  
Includes all of Tulsa, Oklahoma territory.

**TRUCKS, TRACTORS, AND TRAILERS**

2. Regional Zones

a. PACIFIC COAST Zone—40

Includes the states of California (excluding Los Angeles and San Francisco Zones), Oregon (excluding Portland Zone), and Washington (excluding Portland Zone).

b. MOUNTAIN Zone—41

Includes the states of Arizona (excluding Phoenix Zone), Colorado (excluding Denver Zone), Idaho, Montana, Nevada, New Mexico, Utah (excluding Salt Lake City Zone), and Wyoming.

c. MIDWEST Zone—42

Includes the states of Iowa (excluding Omaha Zone), Kansas (excluding Kansas City Zone), Missouri (excluding Kansas City and St. Louis Zones), Minnesota (excluding Minneapolis/St. Paul Zone), Nebraska (excluding Omaha Zone), North Dakota, South Dakota, and Wisconsin (excluding Milwaukee Zone).

d. SOUTHWEST Zone—43

Includes the states of Arkansas (excluding Little Rock Zone), Oklahoma (excluding Oklahoma City and Tulsa Zones), and Texas (excluding Dallas/Fort Worth and Houston Zones).

e. NORTH CENTRAL Zone—44

Includes the states of Illinois (excluding Chicago and St. Louis Zones), Indiana (excluding Chicago, Indianapolis, and Louisville Zones), Ohio (excluding Cincinnati and Cleveland Zones), and Michigan (excluding Detroit Zone).

f. MIDEAST Zone—45

Includes the states of Kentucky (excluding Cincinnati and Louisville Zones), Tennessee (excluding Memphis and Nashville Zones), and West Virginia.

g. GULF Zone—46

Includes the states of Alabama, Louisiana (excluding New Orleans Zone), and Mississippi.

h. SOUTHEAST Zone—47

Includes the states of Florida (excluding Jacksonville and Miami Zones), Georgia (excluding Atlanta Zone), North Carolina (excluding Charlotte Zone), South Carolina, and Virginia (excluding Baltimore/Washington and Richmond Zones).

i. EASTERN Zone—48

Includes the states of Delaware (excluding Philadelphia Zone), Maryland (excluding Baltimore/Washington Zone), New York (excluding Buffalo and New York City Zones), New Jersey (excluding New York City and Philadelphia Zones), and Pennsylvania (excluding Philadelphia and Pittsburgh Zones).

j. NEW ENGLAND Zone—49

Includes the states of Connecticut (excluding Hartford and New York City Zones), Maine, Massachusetts (excluding Boston Zone), New Hampshire, Rhode Island, and Vermont.

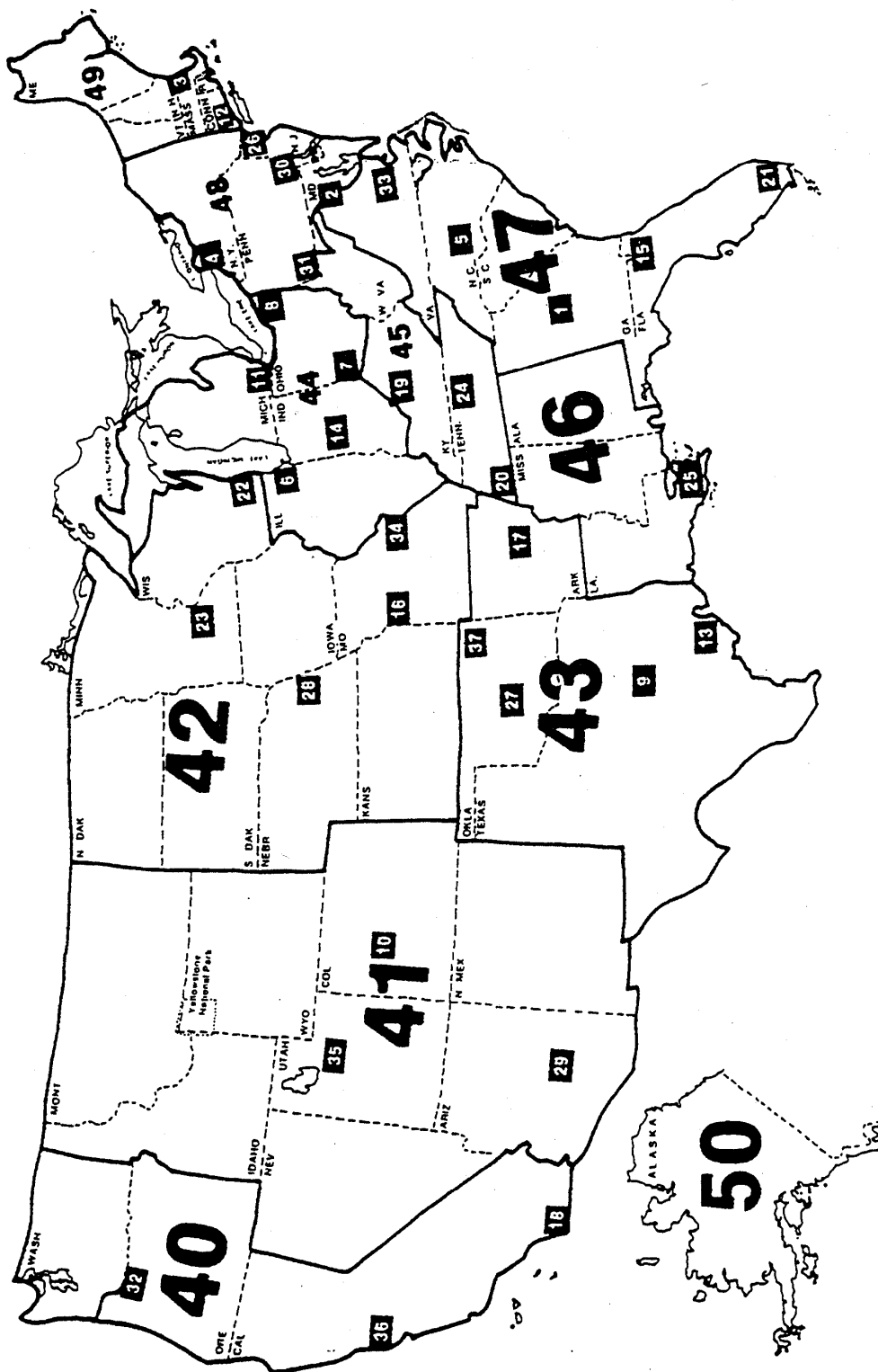
k. ALASKA Zone—50

Includes all of the state of Alaska.

See the Trucks, Tractors, and Trailers Zone Rating tables and Zone Rated Map.

WISCONSIN AUTOMOBILE INSURANCE PLAN MANUAL  
TRUCKS, TRACTORS, AND TRAILERS

LONG DISTANCE ZONE MAP



## TRUCKS, TRACTORS, AND TRAILERS

**\$60,000 SINGLE LIMIT—ZONE RATING TABLE**  
**ZONE 22 (MILWAUKEE) COMBINATIONS**

★

<b>Zone</b>	<b>Description</b>	<b>Code</b>	<b>\$60,000 Bodily Injury and Property Damage</b>	<b>\$1,000 Medical Payments</b>
01	Atlanta	201	\$15,095	\$791
02	Baltimore/Washington	202	13,855	730
03	Boston	203	15,614	824
04	Buffalo	204	13,855	730
05	Charlotte	205	15,095	791
06	Chicago	206	11,187	590
07	Cincinnati	207	11,187	590
08	Cleveland	208	11,187	590
09	Dallas/Ft. Worth	209	10,068	529
10	Denver	210	12,535	657
11	Detroit	211	11,187	590
12	Hartford	212	15,614	824
13	Houston	213	10,068	529
14	Indianapolis	214	11,187	590
15	Jacksonville	215	15,095	791
16	Kansas City	216	8,628	456
17	Little Rock	217	10,068	529
18	Los Angeles	218	11,481	603
19	Louisville	219	11,863	623
20	Memphis	220	11,863	623
21	Miami	221	15,095	791
22	Milwaukee	222	8,628	456
23	Minneapolis/St. Paul	223	8,628	456
24	Nashville	224	11,863	623
25	New Orleans	225	14,302	750
26	New York City	226	13,855	730
27	Oklahoma City	227	10,068	529
28	Omaha	228	8,628	456
29	Phoenix	229	12,535	657
30	Philadelphia	230	13,855	730
31	Pittsburgh	231	13,855	730
32	Portland	232	11,481	603
33	Richmond	233	15,095	791
34	St. Louis	234	8,628	456
35	Salt Lake City	235	12,535	657
36	San Francisco	236	11,481	603
37	Tulsa	237	10,068	529
40	Pacific	240	11,714	616
41	Mountain	241	12,789	670
42	Midwest	242	8,805	462
43	Southwest	243	10,274	543
44	North Central	244	11,413	603
45	Mideast	245	12,101	637
46	Gulf	246	14,592	771
47	Southeast	247	15,400	811
48	Eastern	248	14,137	744
49	New England	249	15,928	838

## TRUCKS, TRACTORS, AND TRAILERS

**\$60,000 SINGLE LIMIT—ZONE RATING TABLE  
ZONE 42 (MID WEST) COMBINATIONS**

<b>Zone</b>	<b>Description</b>	<b>Code</b>	<b>\$60,000 Bodily Injury and Property Damage</b>	<b>\$1,000 Medical Payments</b>
01	Atlanta	901	\$15,400	\$811
02	Baltimore/Washington	902	14,137	744
03	Boston	903	15,928	838
04	Buffalo	904	14,137	744
05	Charlotte	905	15,400	811
06	Chicago	906	11,413	603
07	Cincinnati	907	11,413	603
08	Cleveland	908	11,413	603
09	Dallas/Ft. Worth	909	10,274	543
10	Denver	910	12,789	670
11	Detroit	911	11,413	603
12	Hartford	912	15,928	838
13	Houston	913	10,274	543
14	Indianapolis	914	11,413	603
15	Jacksonville	915	15,400	811
16	Kansas City	916	8,805	462
17	Little Rock	917	10,274	543
18	Los Angeles	918	11,714	616
19	Louisville	919	12,101	637
20	Memphis	920	12,101	637
21	Miami	921	15,400	811
22	Milwaukee	922	8,805	462
23	Minneapolis/St. Paul	923	8,805	462
24	Nashville	924	12,101	637
25	New Orleans	925	14,592	771
26	New York City	926	14,137	744
27	Oklahoma City	927	10,274	543
28	Omaha	928	8,805	462
29	Phoenix	929	12,789	670
30	Philadelphia	930	14,137	744
31	Pittsburgh	931	14,137	744
32	Portland	932	11,714	616
33	Richmond	933	15,400	811
34	St. Louis	934	8,805	462
35	Salt Lake City	935	12,789	670
36	San Francisco	936	11,714	616
37	Tulsa	937	10,274	543
40	Pacific	940	12,254	643
41	Mountain	941	13,380	704
42	Midwest	942	9,207	482
43	Southwest	943	10,749	563
44	North Central	944	11,940	630
45	Mideast	945	12,660	663
46	Gulf	946	15,264	804
47	Southeast	947	16,109	844
48	Eastern	948	14,789	777
49	New England	949	16,664	878



**TRUCKS, TRACTORS, AND TRAILERS****Rule 75. TRUCKERS****A. Eligibility**

1. A trucker is a person, firm, or corporation in the business of transporting goods, materials, or commodities for another.
2. Such a risk is still in the truckers classification even if it calls itself or advertises as a contractor, building contractor, building material dealer, sand and gravel hauler, or some other similar name.
3. Autos used in moving operations are also truckers, even though they are not subject to the truckers secondary rating factors.

**B. Premium Development—Bodily Injury and Property Damage Liability Coverage**

1. Nontrucking Use—Bobtail or Deadhead Operations (Class Code 7489)

For any person, firm, or corporation where coverage is limited to nontrucking use (bobtail) and the autos are not rented nor used for business purposes used to carry property or to haul someone else's trailers

- a. Determine the Trucks, Tractors, and Trailers base rate from the Commercial Auto Rate Chapter.
- b. Multiply the rate determined above by the following factor per auto or per combined tractor-trailer unit:

**Factor**

1.50

- c. Secondary rating factors do not apply.
- d. Do not charge a premium for trailers.
- e. Attach the applicable Motor Carriers—Insurance For Nontrucking Use endorsement.

2. Other than Zone Rating

For any person, firm, or corporation transporting property exclusively for one concern, classify and rate the autos as though the autos are owned by such concern.

- a. Specified Auto Basis. Truckers may be written on a specified auto basis according to the Trucks, Tractors, and Trailers Classifications Rule ([Rule 72](#)).
- b. Cost of Hire Basis (Class Code 6626, For Truckers Without Hold-Harmless Agreements and Class Code 6628, For Truckers With Hold-Harmless Agreements, Minimum Premium Class Code 6619). Truckers may be written on the cost of hire basis to cover their liability because of a contract involving the hire of trucks, tractors, and trailers.

**(1) Premium Determination Without Hold-Harmless Agreement**

- (a) Determine the total cost of hiring the autos. If autos are hired without operators, include the actual wages of the operators of such autos.

- (b) Determine the average specified auto rate by

- (i) computing the premium of all autos owned and leased by the insured that are used in trucking operations;
- (ii) dividing this by the number of trucks and truck-tractors owned and leased by the insured.

- (c) The cost of hire rate is determined by multiplying the average specified auto rate by .0020.

- (d) Compute the advance premium by multiplying each \$100 of the total amount estimated for the cost of hire during the policy period by cost of hire rate.

- (e) Unless there is a substantial change in exposure during the policy period, the advance premium computed at the beginning of the policy term is the earned premium.

- (f) Compute the earned premium at the rates in force at the inception of the policy in the same manner as the advance premium.

- (g) Minimum Premium

The minimum premium shall be \$19 for bodily injury and property damage liability at a \$60,000 limit, provided coverage for the hired autos of the risk is afforded by the same company that is insuring the owned autos of the risk; otherwise the minimum premium shall be the average applicable specified auto rate.

**(2) Premium Determination With Hold-Harmless Agreement**

When an insured lessee's hired auto premium is rated on a cost of hire basis, and the lessor has agreed to hold the insured lessee harmless in a written lease agreement, calculate the premium according to paragraph B.2.b.(1) above. Reduce the premium by multiplying the rate by a factor of .85.

The insured must keep and maintain, subject to audit, the following records:

- (a) A copy of the written lease;
- (b) Written hold-harmless agreement to the benefit of the insured;
- (c) A Certificate of Insurance from the other party to the lease or a copy of the other parties' Declarations page which verified liability coverage with limits at least equal to those of the insured; and
- (d) A copy of either Motor Carriers—Excess Coverage For The Named Insured and Named Lessors For Leased

## TRUCKS, TRACTORS, AND TRAILERS

Autos Endorsement CA 23 08 or Motor Carriers—Named Lessee As Insured Endorsement CA 23 12 listing the insured.

3. If increased limits ([Rule 52](#)) apply, multiply the rate determined above by the appropriate factor.
4. ★Refer to experience rating plan ([Rule 54](#)) and merit rating plan ([Rule 55](#)) for applicability.✧

### C. Definition of Cost of Hire

1. Cost of hire means
  - a. the total dollar amount of costs incurred for the hire of autos (including trailers and semitrailers) and if not included therein;
  - b. the total remuneration of all operators' and drivers' helpers of hired autos whether hired with a driver or lessor or an employee of the lessee, or any other third party; and
  - c. the total dollar amount of any other costs (i.e., repair, maintenance, fuel, etc.) directly associated with operating the hired autos whether such costs are absorbed by the insured, paid to the lessor or owner, or paid to others including amounts paid to independents via 1099.
2. Cost of hire does not include the total dollar amount of costs incurred by the insured for hire or lease of autos specifically described in the policy as owned autos for which the premium has been established on a specified auto basis.

$$\begin{array}{l} \text{Minimum} \\ \text{Cost of Hire} \\ \text{Per Hired Auto} \end{array} = \frac{\$60,000}{365} \times \left( \frac{\text{Number of Days}}{\text{Auto is Hired}} \right)$$

## **Rules 76–80. RESERVED FOR FUTURE USE**



## PRIVATE PASSENGER TYPES CHAPTER

**Rule 81. ELIGIBILITY**

- A. A private passenger type auto is a
- four-wheel auto of the private passenger or station wagon type;
  - pickup or van not used for business
  - owned by corporations, partnerships, unincorporated associations, or government agencies or rated as part of a fleet.
- B. **Classifications and Codes**

Nonfleet			
Description of Operator	Not Driven to Work or School	To or from Work or School	
		Less than 15 Miles	15 or More Miles
No operator licensed less than five years	7381	7382	7383
Operator licensed less than five years not owner or principal operator	7386	7387	7388
Owner or principal operator licensed less than five years	7392	7393	7394
All Other Nonfleet			
Liability—Use code 7391.			
Fleet			
Liability—Use code 7398.			

**Rule 82. PREMIUM DEVELOPMENT**

- A. Determine the rating territory from the territory definitions based on the street address of principal garaging.
- B. **Bodily Injury and Property Damage Liability and Medical Payments Coverages**
- Fleets  
Refer to the Commercial Auto Rate Chapter for bodily injury and property damage liability and medical payments [base rates](#).
  - Nonfleets
    - Apply the factors listed below only to those private passenger type autos that are
      - furnished to individuals by corporations, partnerships, and unincorporated associations owning less than five autos and not used for business purposes; or
      - owned by family partnerships or family corporations and that are
        - garaged on a farm or ranch; and
        - not rated as part of a fleet; and
        - not used in any occupation other than farming or ranching.

Category	Description	Factor
Operator Experience	No operator license less than five years	0.75
	Operator licensed less than five years not owner or principal operator	1.40
	Owner or principal operator licensed less than five years	2.00
Use	Not driven to work or school	0.00
	To or from work less than 15 miles	0.15
	To or from work 15 or more miles	0.25

- Determine the combined rating factor by adding the factors developed from the categories above.
- Refer to the Commercial Auto Rate Chapter for bodily injury and property damage liability and medical payments [base rates](#).
- Multiply the base rates by the combined rating factor.

**Note:** For applications submitted without a Motor Vehicle Record (MVR) attached, use the highest rated factor.

- If increased limits ([Rule 52](#)) apply, multiply the rate determined above by the appropriate factor.
- ★Refer to experience rating plan ([Rule 54](#)) and merit rating plan ([Rule 55](#)) for applicability.✦

**C. Uninsured and Underinsured Motorists Coverage**

Refer to [Rule 57](#) for rates.

**Rule 83. FARMERS AUTOS  
(Class Code 7399)****A. Eligibility**

This Rule applies to private passenger autos, pickups, and vans rated as part of a fleet which meet all the following qualifications:

- Principally garaged on a farm or ranch
- Owned by an individual or a married couple resident in the same household, or by a farm family partnership or corporation
- Not used in any occupation other than farming or ranching
- Not used in going to and from work other than farming or ranching

**B. Premium Development**

- Determine the Private Passenger Types [base rate](#) from the Commercial Auto Rate Chapter.

Multiply the rate determined above by the following factor:

Factor
.80

**PRIVATE PASSENGER TYPES**

2. If increased limits ([Rule 52](#)) apply, multiply the rate determined above by the appropriate factor.
3. ★Refer to experience rating plan ([Rule 54](#)) and merit rating plan ([Rule 55](#)) for applicability.❖

**Rules 84–90. RESERVED FOR FUTURE USE**

**PUBLIC TRANSPORTATION CHAPTER**

For the purposes of this Chapter, the words “regular” and “regularly” mean that operations are contemplated, planned, or expected.

**Rule 91. ELIGIBILITY**

This Chapter applies to autos registered or used for the transportation of members of the public. Attach CA 24 02 Public Transportation Autos endorsement.

**Rule 92. PUBLIC AUTO CLASSIFICATIONS**

Classify public autos as follows:

- A. If an auto has more than one use, use the highest rated classification unless 80% of the use is in a lower rated activity. In such cases, use the lower rated classification. This does not apply to autos hired under contract by social service agencies as defined in paragraph C.2.m.(2)(c) below.
- B. **Fleet—Nonfleet Classification**
  1. Classify as fleet the autos of any risk that has five or more self-propelled autos of any type that are under one ownership. This includes long-term and short-term leased autos.
  2. Do not include mobile equipment insured on a general liability policy in determining if the risk is a fleet.
  3. Do not include trailers in determining if the risk is a fleet, but apply the fleet classification to the trailers if the risk otherwise is classified as a fleet.
  4. Classify the autos of any other risk as nonfleet.
  5. Do not change the fleet or nonfleet classification because of midterm changes in the number of owned autos except at the request of the insured. The policy must be cancelled and rewritten in accordance with the Cancellations Rule (Rule 7).
- C. **Primary Classifications**
  1. **Radius Class**—Determine radius on a straight line from the street address of principal garaging.
    - a. **Local**—Up to 50 Miles—The auto is not regularly operated beyond a radius of 50 miles from the street address where such auto is principally garaged.
    - b. **Intermediate**—51 to 200 miles—The auto is operated beyond a radius of 50 miles but not regularly beyond a radius of 200 miles from the street address where such auto is principally garaged.
    - c. **Long Distance**—Over 200 Miles—The auto is operated regularly beyond a 200-mile radius from the street address where such auto is principally garaged. Apply zone rates for all autos other than taxis, limousines, school, church, and urban buses, and van pools.
  2. **Use Class**
    - a. **Taxicab or Similar Passenger Carrying Service**—A metered or unmetered auto with a seating capacity of eight or less that is operated for hire by the named insured or an employee, but does not pick up, transport, or discharge passengers along a route.
    - b. **★Limousine**—An unmarked auto that meets all of the following criteria:
      - (1) Is hired for an average of three hours on a prearranged basis for special or business functions, weddings, funerals, or similar purposes.
      - (2) Is operated by the named insured or an employee of the named insured in attendance as a chauffeur at the beginning and ending of the function.
      - (3) Is licensed by the appropriate licensing authority, if any.❖
    - c. **School Bus**—An auto that carries students or other persons to and from school, or in any school activity, including games, outings, and similar school trips.
      - (1) Separate codes and rating factors apply to
        - (a) school buses owned by political subdivisions or school districts;
        - (b) all others including independent contractors, private schools, and church owned buses.
      - (2) A policy covering a school bus may be written on an annual term for liability coverages with premium prorated to reflect the actual school term if the auto is inactive during the summer. However, do not give credit for Saturdays, Sundays, or holidays or for any other periods of lay-up during the school term.
    - d. **Church Bus**—An auto used by a church to transport persons to or from services and other church related activities. This classification does not apply to public autos used primarily for daily school activities.
    - e. **Intercity Bus**—An auto that picks up and transports passengers on a published table of stops between stations located in two or more towns or cities.
    - f. **Urban Bus**—An auto that picks up, transports, and discharges passengers at frequent local stops along a prescribed route. This classification applies only to autos operated principally within the limits of a city or town and communities contiguous to such city or town, and includes tabled express service between points on that route.
    - g. **Airport Bus or Airport Limousine**—An auto for hire that transports passengers between airports and other passenger stations or motels.
    - h. **Charter Bus**—An auto chartered for special trips, touring, picnics, outings, games, and similar uses.
    - i. **Sightseeing Bus**—An auto accepting individual passengers for a fare for sightseeing or guided tours, making occasional stops at certain points

## PUBLIC TRANSPORTATION

of interest and returning the passengers to the point of origin.

- j. Transportation of Athletes and Entertainers—An auto owned by a group, firm, or organization that transports its own professional athletes, musicians, or other entertainers.

## EXCEPTIONS:

- (1) If it is used to transport other professional athletes or entertainers, rate as a charter bus.
- (2) If it is used to transport its own nonprofessional athletes, musicians, or entertainers, rate as a public auto not otherwise classified.
- k. Van Pools—An auto of the station wagon, van, truck, or bus type used to provide prearranged commuter transportation for employees to and from work and not otherwise used to transport passengers for a charge.
  - (1) Employer Furnished Transportation—Transportation is held out by the employer as an inducement to employment, a condition of employment, or is incident to employment.
    - (a) Employer Owned Autos—Autos owned or leased for one year or more by an employer and used to provide transportation only for his or her employees.
    - (b) Employee Owned Autos—Autos owned or leased for one year or more by an individual employee and used to provide transportation only for fellow employees of his or her employer.
  - (2) All Other—Autos that do not meet the eligibility requirements of paragraph (1) above.
- l. Transportation of Employees—Other than Van Pools—Autos of any type used to transport employees other than in van pools.
  - (1) Autos owned, or leased for one year or more, by an employer and used to transport only his or her own employees.
    - (a) Private Passenger Autos
 

Charge the Private Passenger Types rates shown in the Commercial Auto Rate Chapter (Class Code 5851).
    - (b) All Other Autos
 

Rate as a van pool—all other (Class Code 5851).
  - (2) Autos owned or leased for one year or more by a person or organization who is in the business of transporting employees of one or more employers. Rate as public auto not otherwise classified.
- m. Social Service Agency Auto
 

An auto used by a government entity, civic, charitable, or social service organization to pro-

vide transportation to clients incident to the social services sponsored by the organization, including special trips and outings.

- (1) This classification includes, for example, autos used to transport
  - (a) senior citizens or other clients to congregate meal centers, medical facilities, social functions, shopping centers;
  - (b) handicapped persons to work or rehabilitative programs;
  - (c) children to day care centers and Head Start programs;
  - (d) Boy Scout or Girl Scout groups to planned activities.
- (2) The following autos are eligible for this classification:
  - (a) Autos owned or leased for one year or more by the social service agency
  - (b) Autos donated to the social service agency, without a driver
  - (c) Autos hired under contract and used 100% for social service agencies
- (3) If an auto has more than one use, use the highest rated classification unless 80% of the use is in a lower rated activity. In that case, use the lower rated classification. This does not apply to autos hired under contract by social service agencies.
- (4) Separate codes and rating factors apply to the following:
  - (a) Employee-Operated Autos—Autos operated by employees of the social service agency. If a social service auto is also operated by volunteer drivers or other nonagency employees, use the all other classification unless 80% of the use is by agency employees.
  - (b) All Other—Autos that do not meet the requirements of paragraph (a).
- (5) Excess liability coverage may be provided to cover autos not owned or licensed by the agency while being used in its social service transportation activities. This coverage may be extended to cover the agency's liability only or the liability of both the agency and, on a blanket basis, the individual liability of agency employees or volunteer donors or owners of the autos. For autos hired, loaned, leased, or furnished, refer to the Hired Autos Rule (Rule 103). For all other nonowned autos, refer to the Nonowned Auto Liability Rule (Rule 104).
- n. Elderly and Handicap Transport
 

An auto owned or leased by a for-profit organization or individual that

- (1) provides medical and other incidental nonemergency transportation for clients of social service agencies and is reimbursed by those agencies;
  - (2) is permanently equipped with mechanical (either automatic or manual) means of access for the transportation of handicapped persons of social service agencies and is reimbursed by those agencies.
- o. Day Care Transportation  
An auto owned or leased by a for-profit organization or individual, who is under contract for the transportation of children to or from day care centers, Head Start programs, or similar purposes.
- p. Public Auto Not Otherwise Classified—This classification includes, but is not limited to, autos such as country club buses, cemetery buses, real estate development buses, and courtesy buses run by hotels.
- q. See the Primary Classifications—Rating Factors and Classification Designators tables.

## PUBLIC TRANSPORTATION

## NONFLEET—PRIMARY CLASSIFICATIONS—RATING FACTORS AND CLASSIFICATION DESIGNATORS

Taxicabs and Limousines		Radius			
		Local Up to 50 Miles	Intermediate 51 to 200 Miles	Long Distance Over 200 Miles	
		BI and PD	BI and PD	BI and PD	
Taxicab or Similar Passenger Carrying Service	Factor CD	1.00 4159	1.15 4169	1.25 4179	
Limousine	Factor CD	.40 4259	.45 4269	.50 4279	
School Buses and Church Buses					
School Bus Owned by Political Subdivision or School District	Factor CD	1.20 615	1.40 616	1.50 617	
Other School Bus	Factor CD	1.50 625	1.75 626	1.90 627	
Church Bus	Factor CD	1.00 635	1.15 636	1.25 637	
Other Buses					
Urban Bus	Factor CD	.80 515	.90 516		
ZONE RATED					
Airport Bus or Airport Limousine	Factor CD	.70 525	.80 526	1.10 5279	
Intercity Bus	Factor CD	1.05 535	1.20 536	1.85 5379	
Charter Bus	Factor CD	1.00 545	1.15 546	1.85 5479	
Sightseeing Bus	Factor CD	.75 555	.85 556	1.65 5579	
Trans. of Athletes and Entertainers	Factor CD	.45 565	.50 566	1.00 5679	
Social Service Auto Employee Operated	Factor CD	.55 645	.65 646	.95 6479	
Social Service Auto All Other	Factor CD	.50 655	.60 656	.95 6579	
Elderly and Handicap Transportation	Factor CD	1.05 521	1.26 522	2.00 5239	
Day Care Transportation	Factor CD	.50 631	.60 632	.95 6339	
Public Auto NOC	Factor CD	.55 585	.65 586	.95 5879	
Van Pools		Seating Capacity			
		1 to 8	9 to 20	21 to 60	Over 60
		BI and PD	BI and PD	BI and PD	BI and PD
Employer Furnished	Factor CD	1.00 4111	1.05 4112	1.10 4113	1.50 4114
All Other	Factor CD	1.10 4121	1.15 4122	1.35 4123	1.75 4124

**Note:** For statistical coding information, refer to statistical plan in use by company.

## PUBLIC TRANSPORTATION

## FLEET—PRIMARY CLASSIFICATIONS—RATING FACTORS AND CLASSIFICATION DESIGNATORS

Taxicabs and Limousines		Radius			
		Local Up to 50 Miles	Intermediate 51 to 200 Miles	Long Distance Over 200 Miles	
		BI and PD	BI and PD	BI and PD	
Taxicab or Similar Passenger Carrying Service	<b>Factor CD</b>	1.00 4189	1.15 4199	1.25 4109	
Limousine	<b>Factor CD</b>	.40 4289	.45 4299	.50 4209	
School Buses and Church Buses					
School Bus Owned by Political Subdivision or School District	<b>Factor CD</b>	1.20 618	1.40 619	1.50 610	
Other School Bus	<b>Factor CD</b>	1.50 628	1.75 629	1.90 620	
Church Bus	<b>Factor CD</b>	1.00 638	1.15 639	1.25 630	
Other Buses					
Urban Bus	<b>Factor CD</b>	.80 518	.90 519		
ZONE RATED					
Airport Bus or Airport Limousine	<b>Factor CD</b>	.70 528	.80 529	1.10 5209	
Intercity Bus	<b>Factor CD</b>	1.05 538	1.20 539	1.85 5309	
Charter Bus	<b>Factor CD</b>	1.00 548	1.15 549	1.85 5409	
Sightseeing Bus	<b>Factor CD</b>	.75 558	.85 559	1.65 5509	
Trans. of Athletes and Entertainers	<b>Factor CD</b>	.45 568	.50 569	1.00 5609	
Social Service Auto Employee Operated	<b>Factor CD</b>	.55 648	.65 649	.95 6409	
Social Service Auto All Other	<b>Factor CD</b>	.50 658	.60 659	.95 6509	
Elderly and Handicap Transportation	<b>Factor CD</b>	1.05 581	1.26 582	2.00 5839	
Day Care Transportation	<b>Factor CD</b>	.50 641	.60 642	.95 6439	
Public Auto NOC	<b>Factor CD</b>	.55 588	.65 589	.95 5809	
Van Pools		Seating Capacity			
		1 to 8	9 to 20	21 to 60	Over 60
		BI and PD	BI and PD	BI and PD	BI and PD
Employer Furnished	<b>Factor CD</b>	1.00 4111	1.05 4112	1.10 4113	1.50 4114
All Other	<b>Factor CD</b>	1.10 4121	1.15 4122	1.35 4123	1.75 4124

**Note:** For statistical coding information, refer to statistical plan in use by company.

**PUBLIC TRANSPORTATION****D. Secondary Classifications—Seating Capacity**

1. Use the seating capacity specified by the manufacturer of the auto unless a public authority rules otherwise.
2. Do not include the driver's seat when determining seating capacity.

These classifications do not apply to taxicabs, limousines (except airport limousines), van pools, and zone rated autos.

Class Designator	Seating Capacity	Secondary Factor to Be Combined with Primary Factor	
		Liability Factor	School Buses and Church Buses
1	1 to 8	.00	-.20
2	9 to 20	+.10	-.15
3	21 to 60	+.25	+.15
4	Over 60	+.50	+.40
9	All Other—Not Secondary Rated		

### **Rule 93. PREMIUM DEVELOPMENT—OTHER THAN ZONE RATED AUTOS**

**A. This Rule applies to**

1. all taxis, limousines, school, church, and urban buses, and van pools;
2. all other public autos that regularly operate within a 200-mile radius from the street address of principal garaging. For those autos regularly operated beyond a 200-mile radius, refer to the Premium Development—Zone Rated Autos Rule ([Rule 94](#)).

**B. Premium Development—Bodily Injury and Property Damage Liability Coverage**

1. Determine the territory from the territory definitions based on the highest rated territory in the U.S.A. where the public auto is operated.
2. Determine the classification rating factor and class code as follows:
  - a. Determine whether the risk is classified as fleet or nonfleet according to the Public Auto Classifications Rule ([Rule 92](#)).
  - b. Determine the primary rating factor from the Public Auto Classifications Rule ([Rule 92](#)) based on use class and radius class. For van pools, the rating factor is based on seating capacity.
  - c. Determine the secondary rating factor, if any, from the Public Auto Classifications Rule ([Rule 92](#)) based on the seating capacity.
  - d. Determine the combined rating factor by adding the secondary rating factor to, or subtracting it from, the primary rating factor.

3. Determine the [base rate](#) from the Commercial Auto Rate Chapter.

4. For fleets, multiply the base rate by the following factors:

Vehicle Type	Factor
Taxis and Limousines	1.10
School and Church Buses	1.20

5. Multiply the rate determined above by the combined rating factor.
6. If increased limits ([Rule 52](#)) apply, multiply the rate determined above by the appropriate factor.
7. ★Refer to experience rating plan ([Rule 54](#)) and merit rating plan ([Rule 55](#)) for applicability. ✦

**C. Uninsured, Underinsured, and Medical Payments Coverages**

1. Determine the [base rates](#) from [Rule 57](#) and the Commercial Auto Rate Chapter.
2. Primary and secondary rating factors do not apply.

**D. Special Provisions**

1. If a truck, tractor, or trailer is rated as a public auto, refer to [Rule 2](#) to determine the seating capacity used for rating.
2. If a bus is rated at truck, tractor, or trailer rates, refer to [Rule 2](#) to determine the size class used for rating.
3. For a unit that combines a motorized auto with one or more trailers or semitrailers, refer to [Rule 2](#) to determine the liability premium.

### **Rule 94. PREMIUM DEVELOPMENT—ZONE RATED AUTOS**

- A. This Rule applies to all public autos, other than taxis, limousines, school, church, and urban buses, or van pools that regularly operate beyond a 200-mile radius from the street address of principal garaging.

- B. Determine the zone or zone combination for each auto as follows:

1. Use the long distance zone definitions in the Trucks, Tractors, and Trailers Chapter.
2. When an auto is principally garaged in a regional zone and operates from terminals in that zone and in one or more metropolitan zones, the zone combination is the regional zone and the highest rated zone in which it travels.
3. In all other situations, the zone combination is the zone of principal garaging and the highest rated zone included in the auto's operations.

**C. Premium Development—Bodily Injury and Property Damage Liability and Medical Payments Coverages**

1. Determine the classification rating factor as follows:
  - a. Determine whether the auto is classified as fleet or nonfleet according to the Public Auto Classifications Rule ([Rule 92](#)).



**PUBLIC TRANSPORTATION**

- b. Determine the primary rating factor from the Public Auto Classifications Rule ([Rule 92](#)).
  - c. Secondary rating factors do not apply.
2. Determine the base rate for the zone combination from the [Zone Rating Table](#) in the Trucks, Tractors, and Trailers Chapter.
  3. Multiply the rate determined above by the primary rating factor.
  4. If increased limits ([Rule 52](#)) apply, multiply the rate determined above by the appropriate factor.
  5. ★Refer to experience rating plan ([Rule 54](#)) and merit rating plan ([Rule 55](#)) for applicability.❖

**Note:** The premium developed is subject to a minimum premium developed by the applicable intermediate radius class.

**D. Uninsured and Underinsured Motorists Coverage**

1. Determine the rate from [Rule 57](#).
2. Primary and secondary rating factors do not apply.

**Rule 95. TRANSPORTATION OF SEASONAL OR MIGRANT FARM WORKERS****A. Eligibility**

This Rule applies only to liability coverage for autos used to transport seasonal or migrant agricultural workers in

accordance with the Migrant and Seasonal Agricultural Worker Protection Act.

**B. Premium Development**

1. Multiply the inter-city bus rate for the highest rated territory in which or through which the auto will be customarily operated by the following factor:

All Autos	.50
-----------	-----

These rates contemplate the passenger hazard. The passenger hazard may not be excluded.

2. Limits exceeding \$1,000,000 are subject to reinsurance costs.
  3. No secondary factors apply.
  4. Refer to [Rule 57](#) for uninsured and underinsured motorists coverage.
  5. If increased limits ([Rule 52](#)) apply, multiply the rate determined above by the appropriate factor.
  6. ★Refer to experience rating plan ([Rule 54](#)) and merit rating plan ([Rule 55](#)) for applicability.❖
- C. Attach the Transportation of Seasonal or Migrant Agricultural Workers endorsement.

**Rules 96–100. RESERVED FOR FUTURE USE**

## NOTES

## NONOWNED AUTO CHAPTER

**Rule 101. PREMIUM DEVELOPMENT**

The bodily injury and property damage liability premiums for commercial nonowned auto exposures shall be determined as follows:

- A. Follow the rating instructions from the applicable rule.
- B. If increased limits ([Rule 52](#)) apply, multiply the rate determined above by the appropriate factor.
- C. Refer to experience rating plan ([Rule 54](#)) and merit rating plan ([Rule 55](#)) for applicability.

**Rule 102. DRIVE OTHER CAR COVERAGE  
(CLASS CODE 9020)**

- A. Drive other car coverage is provided at no additional charge for an individual named insured who owns a private passenger auto. Refer to the Individual as the Named Insured Rule ([Rule 106](#)).
- B. Any other insured may request drive other car coverage for named individuals. Multiply the Private Passenger Types base rate by the following factors:

Coverage	Limits	Factor
Bodily Injury and Property Damage	\$ 60,000	.10
Medical Payments	1,000	.10
Uninsured Motorist	50,000	.10
Underinsured Motorist	100,000	.10

- C. In all cases, drive other car coverage includes coverage for the spouse for no additional charge.
- D. Attach the appropriate Drive Other Car Coverage endorsement.

**Rule 103. HIRED AUTOS**

- A. This Rule applies to the following:

1. Autos the insured leases, hires, rents, or borrows  
This does not include any auto the insured leases, hires, rents, or borrows from any of its employees, partners, members, or members of their households. For such autos, refer to [Rule 104](#).
2. Risks other than truckers hiring autos for use in their trucking operations and public transportation autos
  - a. For truckers hiring autos for use in their trucking operations, refer to [Rule 75](#). Truckers.
  - b. For public transportation autos, refer to [Rule 2](#) for rating.

**Note:** For multistate operations, refer to [Section 18](#).

- B. **Premium Development—Bodily Injury and Property Damage Liability, Medical Payments, and Uninsured and Underinsured Motorists Insurance**

1. Specified Auto Basis
  - a. Provide coverage for hired autos on a specified auto basis if

- (1) an insured lessee or renter is providing primary liability coverage on the auto; and
- (2) the term of the lease or agreement is for six months or more.

- b. Rate and classify each auto as though owned by the insured lessee or renter according to the applicable rules in this Manual.
- c. If the policy is extended to cover the owner of the auto as an additional insured, multiply the otherwise applicable liability premium for each auto leased or rented by the additional insured by the following factor:

**Factor**

1.04

- d. Attach the appropriate Lessor—Additional Insured and Loss Payee endorsement.

## 2. Cost of Hire Basis

- a. Provide coverage for hired autos on a cost of hire basis if the term of the lease or agreement is

- (1) less than six months; or
- (2) six months or more, when the owner of the auto is providing primary liability coverage.

- b. Cost of hire is the total amount incurred by the insured for the leasing and hiring of autos the insured does not own. Cost of hire does not include charges for autos that are leased, hired, rented or borrowed from any of the insured's employees, partners, members (if the insured is a limited liability company) or members of their households.

- c. For each state where the insured is expected to hire autos, separately estimate the annual cost of hire for each of the following, if applicable:

- (1) Autos for which primary liability coverage is provided by the insured
- (2) Autos for which excess liability coverage is provided by the insured

- d. Determine the advance premium as follows:

- (1) For each state where the insured is expected to hire autos, divide the estimated annual cost of hire by 100 for each category of risk described in B.2.c.
- (2) Multiply the result by the Hired Auto [rate](#) in the Commercial Auto Rate Chapter.
- (3) Multiply the result by the appropriate factor in the following table based on whether the insured provides primary or excess liability coverage:

Primary Liability Coverage	Excess Liability Coverage
Refer to <a href="#">Rule 2</a> .	1.00

- (4) Add the total cost of hire premium for all states.

**NONOWNED**

- e. Unless there is substantial change in exposures during the policy period, the advance premium is the earned premium.
- f. Minimum Premiums

Coverage	Limits	★ Minimum Premium
Bodily Injury and Property Damage	\$ 60,000	\$118
Medical Payments	1,000	7
Uninsured Motorists	50,000	3
Underinsured Motorists	100,000	1
❖		

- 3. Attach the appropriate Hired Autos Specified as Covered Autos You Own endorsement.

**C. Contractual Liability**

The insured is covered on a primary basis for liability assumed by contract for the rental or lease of any auto by the insured or by any of his or her employees except for either of the following:

- 1. Any auto rented with a driver
- 2. Any truckers' hold harmless agreements

If an employee rents or hires an auto in his or her own name for the purpose of performing duties related to the insured's business, use the applicable Employee Hired Autos endorsement.

Such coverage does not provide physical damage coverage for any auto rented or leased by the insured.

**Rule 104. NONOWNED AUTO LIABILITY COVERAGE**

- A. This Rule applies to autos the insured does not own, lease, hire, rent, or borrow that are used in connection with the insured's business. This includes autos owned by the insured's employees, volunteers, partners, members, or members of their households but only while used in the insured's business operations or personal affairs.

**B. Premium Development—Bodily Injury and Property Damage Liability, Medical Payments, and Uninsured and Underinsured Motorists Insurance**

The following rating procedures are applied as appropriate:

- 1. Fast Food Delivery Services
  - a. Determine the average number of employees.
    - (1) Determine the total number of full and part time employees who operate their own autos in the insured's delivery business separately by those who
      - (a) provide evidence of primary liability insurance; and
      - (b) do not provide evidence of primary insurance.

Evidence of primary coverage consists of a copy of the Declarations page and the schedule of covered vehicles. This evidence must be provided to the servicing carrier on an annual basis.

- (2) Divide the total number of employees determined above by seven.

**b. Liability Coverage**

Multiply the average number of employees determined in paragraph a by the Private Passenger Types [base rates](#) for the territory in which the risk is located by the following factors:

Employees With Evidence of Primary Liability Insurance	Employees Without Evidence of Primary Liability Insurance
.50	1.00

**c. Medical Payments Coverage**

Multiply the average number of employees determined in paragraph a by the Private Passenger Types [base rate](#) for the territory in which the risk is located.

**d. Uninsured and Underinsured Motorists Insurance**

Multiply the average number of employees determined in paragraph a by the Private Passenger Types rate in the Uninsured and Underinsured Motorists Insurance Rule ([Rule 57](#)).

- e. Refer to rating examples and worksheet.

**2. Social Service Agency Risks****a. Employees**

Determine the advance premium based on the number of employees in accordance with paragraph 4.a.

**b. Volunteers**

Charge the following rates per volunteer:

Coverage	Limits	★ Rate per Volunteer	★ Minimum Premium per Policy
Bodily Injury and Property Damage	\$ 60,000	\$38.33	\$174
Medical Payments	1,000	0.43	4
Uninsured Motorists	50,000	0.39	3
Underinsured Motorists	100,000	0.95	5
❖			

**3. Partnerships or Limited Liability Companies (LLC)****a. Active or Inactive Partner or LLC Member**

- (1) Determine the rating territory in which the partnership or LLC is located based on street address.

- (2) For each active or inactive partner or LLC member, multiply the Private Passenger Types [rate](#) by the following factor:

**Factor**

.10

Apply this rating base regardless of the type of auto being used.

## b. Employees

Determine the advance premium based on the number of employees in accordance with paragraph 4.a below.

## c. Volunteers

Determine the advance premium based on the number of volunteers in accordance with paragraph 4.b below.

## 4. All Other Risks

## a. Employees

## (1) Multistate Operations

Determine the number of employees separately for each state where the employees operate their autos in the insured's business. Use the applicable rates and rating rules of the states of principal garaging of the autos.

## (2) In-State Operations

Determine the total number of employees of the insured at all locations and select the advance premium from the following table:

Total Number of Employees	★	
	Bodily Injury and Property Damage \$60,000 Limit	Medical Payments \$1,000 Limit
0-25	\$ 279	\$ 5.45
26-100	1,079	12.46
101-500	2,822	27.32
501-1,000	6,489	43.03
Over 1,000	13,676	96.31

Total Number of Employees	★	
	Uninsured Motorists Insurance \$50,000 Limit	Underinsured Motorists Insurance \$100,000 Limit
0-25	\$ 4.35	\$ 10.54
26-100	10.03	24.20
101-500	21.96	53.08
501-1,000	34.59	83.60
Over 1,000	49.01	146.66

(3) Except for fast food delivery services rated in accordance with paragraph B.1 of this Rule, if more than 50% of the insured's employees regularly operate their autos in the insured's business, refer to [Rule 2](#) for rating.

## b. Volunteers

Charge an additional premium determined as follows:

Determine the total number of volunteers at all locations who regularly use their own autos to

transport social service clients in connection with the agency's programs and multiply this number by the following;

Coverage	Limits	★	
		Rate per Volunteer	Minimum Premium per Policy
Bodily Injury and Property Damage	\$ 60,000	\$30.65	\$139
Medical Payments	1,000	0.40	4
Uninsured Motorists	50,000	0.41	3
Underinsured Motorists	100,000	1.04	5

✦

5. To extend nonowned auto liability coverage to cover individual liability of employees, volunteers, or partners and LLC members, apply the following rating procedure:

## a. Employees

To extend nonowned auto liability coverage to cover the individual liability of employees while using their autos in the employer's business, compute the additional premium by multiplying the premium determined in 4.a above by the following factor:

**Factor**

.25

## b. Volunteers

To extend coverage to cover the individual liability of volunteers who use their own autos and other covered non-owned autos, in the insured's business, charge an additional premium determined as follows:

Determine the number volunteers, in all locations who regularly use their autos in connection with the insureds business and charge the following rates:

Coverage	Limits	★	
		Rate per Volunteer	Minimum Premium per Policy
Bodily Injury and Property Damage	\$ 60,000	\$7.53	\$50
Medical Payments	1,000	0.67	1
Uninsured Motorists	50,000	0.08	1
Underinsured Motorists	100,000	0.18	1

✦

Use Non-Ownership Liability Coverage For Volunteers Endorsement.

## c. Partners or Members

To extend nonowned auto liability coverage to cover the individual liability of partners or members as insureds while using their autos in the employer's business, charge an additional premium determined as follows:

**NONOWNED**

Determine the number of partners or LLC members in all locations and charge the following rates:

Coverage	Limits	★	
		Rate per Partner or LLC Member	Minimum Premium per Policy
Bodily Injury and Property Damage	\$ 60,000	\$6.03	\$40
Medical Payments	1,000	0.62	1
Uninsured Motorists	50,000	0.09	1
Underinsured Motorists	100,000	0.19	1



Use Partners Or Members As Insureds Endorsement.

- Unless there is substantial change in exposures during the policy period, the advance premium is the earned premium.

**Rule 105. RESERVED FOR FUTURE USE**

**Rule 106. INDIVIDUAL AS THE NAMED INSURED**

Endorse a policy covering an individually owned auto with the appropriate individual named insured endorsement.

Personal auto drive other car coverage is provided at no additional charge if the policy covers

- a private passenger auto not used for public transportation or rented to others without a driver;
- a pickup or van that is not customarily used in the business of the insured other than for farming or ranching.

If A or B above do not apply, refer to [Rule 102](#). Drive Other Car Coverage (Class Code 9020).

**Rules 107–110. RESERVED FOR FUTURE USE**

## SPECIAL TYPES AND OPERATIONS CHAPTER

**Rule 111. ELIGIBILITY**

This Chapter applies to all autos that are not classified and rated in other chapters.

**Rule 112. PREMIUM DEVELOPMENT**

The bodily injury and property damage liability premiums for autos and equipment shall be determined as follows:

- A. Refer to the territory definitions to determine the rating territory in which the auto will be principally garaged.
- B. Follow the rating instructions from the applicable rule.
- C. If increased limits ([Rule 52](#)) apply, multiply the rate determined above by the appropriate factor.
- D. ★Refer to experience rating plan ([Rule 54](#)) and merit rating plan ([Rule 55](#)) for applicability.✚

**Note:** Autos rated under this Chapter are subject to the all other risks increased limits factors in [Rule 52](#) irrespective of the base rate used in developing the premium.

**Rule 113. AMBULANCE SERVICES  
(CLASS CODE 7919)****A. Eligibility**

This Rule applies to autos used for rescue squad or ambulance corps operations.

- B. The policy must exclude coverage for bodily injury to any volunteer workers of the insured and bodily injury to any fellow volunteer workers of the insured while such volunteers are engaged in volunteer firefighting, rescue squad, or ambulance corps operations. Attach the appropriate Emergency Services—Volunteer Firefighters' and Workers' Injuries Excluded endorsement.
- C. The policy must exclude coverage for bodily injury or property damage that results from providing or failing to provide any professional service. Attach the appropriate Professional Services Not Covered endorsement.

**D. Premium Development**

1. Bodily Injury and Property Damage Liability and Medical Payments Coverages
  - a. Determine the Trucks, Tractors, and Trailers [base rate](#) from the Commercial Auto Rate Chapter. Refer to [Rule 73](#) for the fleet rating factor, if applicable.
  - b. Multiply the rate determined above by the appropriate factor in paragraph 3.
2. Uninsured and Underinsured Motorists Coverage
  - a. Determine the Private Passenger Types rate from [Rule 57](#).
  - b. Multiply the rate determined above by the appropriate factor in paragraph 3.

**3. Factors**

Coverage	Factor
Bodily Injury and Property Damage Liability Coverage	1.75
Medical Payments Coverage	1.00
Uninsured and Underinsured Motorists Coverage	1.00

**Rule 114. DRIVER TRAINING PROGRAMS—  
EDUCATIONAL INSTITUTIONS AND  
COMMERCIAL DRIVING SCHOOLS  
AND AUTO REPAIR TRAINING****A. Educational Institutions (Class Code 7926)****1. Eligibility**

This section applies to owned private passenger types used for driver training as part of a school curriculum.

**2. Premium Development**

- a. Bodily Injury and Property Damage Liability and Medical Payments Coverages

Multiply the Private Passenger Types base [rates](#) from the Commercial Auto Rate Chapter by the appropriate factor in paragraph C. There must be dual brakes to qualify as dual controls.

- b. Uninsured and Underinsured Motorists Coverage

Multiply the Private Passenger Types rates from [Rule 57](#) by the appropriate factor in paragraph C. There must be dual brakes to qualify as dual controls.

3. A policy covering autos used by schools in driver training programs may be written on an annual term for liability coverage with premium prorated to reflect the actual school term. However, do not give credit for Saturdays, Sundays, or holidays or for any other periods of lay-up during the school term.

**B. Commercial Driving Schools (Class Code 7927)****1. Eligibility**

This section applies to owned autos used by driving schools to give driving instruction.

**2. Premium Development—Private Passenger Types, Trucks, and All Other Types of Autos**

- a. Bodily Injury and Property Damage Liability and Medical Payments Coverages

Multiply the Private Passenger Types base [rates](#) from the Commercial Auto Rate Chapter by the appropriate factor in paragraph C. There must be dual brakes to qualify as dual control.



**SPECIAL TYPES**

- b. Uninsured and Underinsured Motorists Coverage

Multiply the Private Passenger Types base rates from [Rule 57](#) by the appropriate factor in paragraph C. There must be dual brakes to qualify as dual control.

corresponding to the total number of driving instructors.

- (b) Medical Payments Coverage

Multiply the rate determined in (a) above by the following factor:

**Factor**

.036

**C. Owned Autos Factors—Private Passenger Types**

## 1. Educational Institutions

Coverage	Equipped with Dual Controls	Not Equipped with Dual Controls
Bodily Injury and Property Damage Liability Coverage	.45	.90
Medical Payments Coverage	1.00	1.00
Uninsured and Underinsured Motorists Coverage	1.00	1.00

## 2. Commercial Driving Schools

Coverage	Equipped with Dual Controls	Not Equipped with Dual Controls
Bodily Injury and Property Damage Liability Coverage	1.00	2.00
Medical Payments Coverage	1.00	1.00
Uninsured and Underinsured Motorists Coverage	1.00	1.00

**D. Nonowned Autos**

1. The policy may provide excess liability or medical payments coverage for driving instructors and their students while using nonowned autos for driver training.

## 2. Premium Development

- a. Bodily Injury and Property Damage Liability and Medical Payments Coverages

- (1) Determine the number of driving instructors and the number of owned autos used in driver training.
- (2) Use the address of the named insured to determine the rating territory.
- (3) If the number of driving instructors exceeds the number of owned autos used in driver training, multiply the Private Passenger Types [base rate](#) from the Commercial Auto Rate Chapter for the desired coverage by the appropriate factor in paragraph d for each driving instructor in excess of the number of owned autos used in driver training.
- (4) If the number of driving instructors does not exceed the number of owned autos used in driver training, determine the premium as follows:

- (a) Bodily Injury and Property Damage Liability Coverage

Refer to paragraph B.3.b in the Nonowned Auto Liability Coverage Rule ([Rule 104](#)) and charge the rate

- b. Uninsured and Underinsured Motorists Coverage

- (1) Determine the Private Passenger Types rate from [Rule 57](#).

- (2) Multiply the rate determined above by the appropriate factor in paragraph d for each instructor in excess of the number of owned autos.

- c. When nonowned liability coverage is provided under this Rule and the Nonowned Auto Liability Rule ([Rule 104](#)), do not include driving instructors in the total number of employees when determining the liability premium under [Rule 104](#).

- d. Nonowned Autos Factors

Coverage	Commercial Driving Schools	Educational Institutions
Bodily Injury and Property Damage Liability Coverage	.20	Refer to <a href="#">Rule 2</a>
Medical Payments Coverage	.20	Refer to <a href="#">Rule 2</a>
Uninsured and Underinsured Motorists Coverage	1.00	1.00

3. Attach the Driving Schools—Nonowned Autos endorsement.

**Rule 115. FIRE DEPARTMENTS****A. Eligibility**

1. This Rule applies to autos used for firefighting purposes.
2. The policy must exclude coverage for bodily injury to any volunteer workers of the insured and bodily injury to any fellow volunteer workers of the insured while such volunteers are engaged in volunteer firefighting, rescue squad, or ambulance corps operations. Attach the appropriate Emergency Services—Volunteer Firefighters' and Workers' Injuries Excluded endorsement.
3. The policy must exclude coverage for bodily injury or property damage that results from providing or failing to provide any professional service. Attach the appropriate Professional Services Not Covered endorsement.



**B. Premium Development**

## 1. Private Passenger Types (Class Code 7908)

## a. Bodily Injury and Property Damage Liability and Medical Payments Coverages

(1) Determine the Private Passenger Types base rate from the Commercial Auto Rate Chapter.

(2) Multiply the rate determined above by the appropriate factor in paragraph c.

## b. Uninsured and Underinsured Motorists Coverage

(1) Determine the Private Passenger Types rate from Rule 57.

(2) Multiply the rate determined above by the appropriate factor in paragraph c.

## c. Private Passenger Types Factors

Coverage	Factor
Bodily Injury and Property Damage Liability Coverage	.80
Medical Payments Coverage	1.00
Uninsured and Underinsured Motorists Coverage	1.00

## 2. Trailer Types

Classify and rate according to the trucks, tractors, and trailers rules.

## 3. All Other Types (Class Code 7909)

## a. Bodily Injury and Property Damage Liability and Medical Payments Coverages

(1) Determine the Trucks, Tractors, and Trailers base rate from the Commercial Auto Rate Chapter. Refer to Rule 73 for the fleet rating factor, if applicable.

(2) Multiply the rate determined above by the appropriate factor in paragraph c.

## b. Uninsured and Underinsured Motorists Coverage

(1) Determine the Private Passenger Types rate from Rule 57.

(2) Multiply the rate determined above by the appropriate factor in paragraph c.

## c. All Other Types Factors

Coverage	Factor
Bodily Injury and Property Damage Liability Coverage	.90
Medical Payments Coverage	1.00
Uninsured and Underinsured Motorists Coverage	1.00

**Rule 116. FUNERAL DIRECTORS****A. Eligibility**

1. This Rule applies to autos owned or used by a funeral director.
2. The policy must exclude coverage for bodily injury or property damage that results from providing or failing to provide any professional service. Attach the appropriate Professional Services Not Covered endorsement.

**B. Premium Development**

## 1. Limousines (Class Code 7915)

## a. Bodily Injury and Property Damage Liability and Medical Payments Coverages

(1) Determine the Private Passenger Types base rates from the Commercial Auto Rate Chapter.

(2) Multiply the rate determined above by the appropriate factor in paragraph c.

## b. Uninsured and Underinsured Motorists Coverage

(1) Determine the Private Passenger Types rate from Rule 57.

(2) Multiply the rate determined above by the appropriate factor in paragraph c.

## c. Limousines Factors

Coverage	Factor
Bodily Injury and Property Damage Liability and Medical Payments Coverage	.70
Uninsured and Underinsured Motorists Coverage	1.00

## 2. Hearses and Flower Cars (Class Code 7922)

## a. Bodily Injury and Property Damage Liability and Medical Payments Coverages

(1) Determine the Trucks, Tractors, and Trailers base rates from the Commercial Auto Rate Chapter. Refer to Rule 73 for the fleet rating factor, if applicable.

(2) Multiply the rate determined above by the appropriate factor in paragraph c.

## b. Uninsured and Underinsured Motorists Coverage

(1) Determine the Private Passenger Types rate from Rule 57.

(2) Multiply the rate determined above by the appropriate factor in paragraph c.

**SPECIAL TYPES**

- |                                    |   |               |   |
|------------------------------------|---|---------------|---|
| c. Hearses and Flower Cars Factors |   |               |   |
|                                    | <b>Coverage</b>   | <b>Factor</b> | <b>Coverage</b>                               |
|                                    | Bodily Injury and Property Damage Liability and Medical Payments Coverage | .55           | Uninsured and Underinsured Motorists Coverage |
|                                    | Uninsured and Underinsured Motorists Coverage                             | 1.00          | 1.00  |
3. Combination Hearses and Ambulances  
Classify and rate the auto according to the Ambulance Services Rule (Rule 113).
  4. Autos Used for Other Purposes  
Classify and rate the auto according to its regular use.

**Rule 117. LAW ENFORCEMENT AGENCIES****A. Eligibility**

1. This Rule applies to autos used by government agencies, or by public or private police or security services.
2. The policy must exclude coverage for bodily injury to any volunteer workers of the insured and bodily injury to any fellow volunteer workers of the insured while such volunteers are engaged in rescue squad or ambulance corps operations. Attach the appropriate Emergency Services—Volunteer Firefighters' and Workers' Injuries Excluded endorsement.
3. The policy must exclude coverage for bodily injury or property damage that results from providing or failing to provide any professional service. Attach the appropriate Professional Services Not Covered endorsement.

**B. Premium Development**

1. Private Passenger Types (Class Code 7911)
  - a. Bodily Injury and Property Damage Liability and Medical Payments Coverages
    - (1) Determine the Private Passenger Types base rate from the Commercial Auto Rate Chapter.
    - (2) Multiply the rate determined above by the appropriate factor in paragraph c.
  - b. Uninsured and Underinsured Motorists Coverage
    - (1) Determine the Private Passenger Types rate from Rule 57.
    - (2) Multiply the rate determined above by the appropriate factor in paragraph c.
  - c. Private Passenger Types Factors

Coverage	Factor
Bodily Injury and Property Damage Liability Coverage	1.15
Medical Payments Coverage	1.00

2. Motorcycles (Class Code 7942)  
Rate according to the Motorcycles Rule (Rule 121) in the Special Types Chapter.
3. Trailer Types  
Classify and rate according to the trucks, tractors, and trailers rules.
4. All Other Types (Class Code 7912)
  - a. Bodily Injury and Property Damage Liability and Medical Payments Coverages
    - (1) Determine the Trucks, Tractors, and Trailers base rate from the Commercial Auto Rate Chapter. Refer to Rule 73 for the fleet rating factor, if applicable.
    - (2) Multiply the rate determined above by the appropriate factor in paragraph c.
  - b. Uninsured and Underinsured Motorists Coverage
    - (1) Determine the Private Passenger Types rate from Rule 57.
    - (2) Multiply the rate determined above by the appropriate factor in paragraph c.
  - c. All Other Types Factors

Coverage	Factor
Bodily Injury and Property Damage Liability Coverage	1.40
Medical Payments Coverage	1.00
Uninsured and Underinsured Motorists Coverage	1.00

**Rule 118. LEASING OR RENTAL CONCERNS****A. Eligibility**

1. Autos Leased or Rented to Others with Drivers  
Classify and rate trucks, tractors, and trailers under the Truckers Rule (Rule 75). Classify and rate all other autos according to the Public Auto Chapter.
2. Autos Leased or Rented to Others Without Drivers  
Classify autos leased by the insured that are to be rented to others as owned and rate under the provisions of this Rule.
3. For public autos leased or rented to bus or other public transportation operations, refer to Rule 2.
4. ★ This Rule does not apply to personal vehicle-sharing program facilitators.❖

**B. Premium Development**

1. Determine the territory based on the street address of principal garaging.

**SPECIAL TYPES****2. Autos Leased for Six Months or More—Coverage for Owner and Lessee**

- a. Rate autos and trailers as though owned by the lessee.
- b. Autos and Trailers for Which Lessees are Required to Provide Primary Insurance for the Leasing or Rental Concern

Refer to Rule 2.

Attach the applicable Leasing or Rental Concerns—Exclusion of Certain Leased Autos endorsement if any lessees or rentees are required to provide primary insurance for the leasing or rental concern.

**3. Autos Rented by the Hour, Day, or Week—Coverage for Owner and Rentee**

Rate each auto as follows:

**a. Private Passenger (Class Code 7214)****(1) Bodily Injury and Property Damage Liability and Medical Payments Coverages**

- (a) Determine the Private Passenger Types base rate from the Commercial Auto Rate Chapter.
- (b) Multiply the rate determined above by the appropriate factor in paragraph (3).

**(2) Uninsured and Underinsured Motorists Coverage**

- (a) Determine the Private Passenger Types rate from Rule 57.
- (b) Multiply the rate determined above by the appropriate factor in paragraph (3).

**(3) Private Passenger Factors**

<b>Coverage</b>	<b>Factor</b>
Bodily Injury and Property Damage Liability Coverage	1.75
Medical Payments Coverage	1.00
Uninsured and Underinsured Motorists Coverage	1.00

**b. Trucks, Tractors, and Trailers****(1) Bodily Injury and Property Damage Liability and Medical Payments Coverages**

- (a) Determine the Trucks, Tractors, and Trailers base rate from the Commercial Auto Rate Chapter. Refer to Rule 73 for the fleet rating factor, if applicable.
- (b) Multiply the rate determined above by the appropriate factors in paragraph (3).

**(2) Uninsured and Underinsured Motorists Coverage**

- (a) Determine the Private Passenger Types rate from Rule 57.

- (b) Multiply the rate determined above by the appropriate factor in paragraph (3).

**(3) Trucks, Tractors, and Trailers Factors**

<b>Coverage</b>	<b>Factor</b>	<b>Class Code</b>
Bodily Injury and Property Damage Liability Coverage		
Trucks	1.25	7211
Tractors	1.75	7212
Trailers	.10	7213
Semitrailers	.10	7213
Service Trailers	.10	7213
Medical Payments Coverage	1.00	
Uninsured and Underinsured Motorists Coverage	1.00	

**c. Motor Homes (Class Code 7215)****(1) Bodily Injury and Property Damage Liability Coverage**

- (a) Determine the Trucks, Tractors, and Trailers base rate from the Commercial Auto Rate Chapter. Refer to Rule 73 for the fleet rating factor, if applicable.
- (b) Multiply the rate determined above by the appropriate factor in paragraph (4).

**(2) Medical Payments Coverage**

- (a) Determine the Private Passenger Types base rate from the Commercial Auto Rate Chapter.
- (b) Multiply the rate determined above by the appropriate factor in paragraph (4).

**(3) Uninsured and Underinsured Motorists Coverage**

- (a) Determine the Private Passenger Types rate from Rule 57.
- (b) Multiply the rate determined above by the appropriate factor in paragraph (4).

**(4) Motor Homes Factors**

<b>Coverage</b>	<b>Overall Length In Feet</b>	
	<b>Up to 22 Feet</b>	<b>More than 22 Feet</b>
Bodily Injury and Property Damage Liability Coverage	1.20	1.50
Medical Payments Coverage	1.00	1.00
Uninsured and Underinsured Motorists Coverage	1.00	1.00

**SPECIAL TYPES**

## d. Motorcycles

## (1) Bodily Injury and Property Damage Liability Coverage

Multiply the rate developed in the Motorcycle Rule (Rule 121) by the appropriate factor in paragraph (4).

## (2) Medical Payments Coverage

(a) Determine the Private Passenger Types base rate from the Commercial Auto Rate Chapter.

(b) Multiply the rate determined above by the appropriate factor in paragraph (4).

## (3) Uninsured and Underinsured Motorists Coverage

(a) Determine the Private Passenger Types rate from Rule 57.

(b) Multiply the rate determined above by the appropriate factor in paragraph (4).

## (4) Motorcycles Factors

Coverage	Factor
Bodily Injury and Property Damage Liability Coverage	3.00
Medical Payments Coverage	4.00
Uninsured and Underinsured Motorists Coverage	1.00

**Rule 119. REGISTRATION PLATES NOT ISSUED FOR A SPECIFIC AUTO (CLASS CODE 7929)**

**A. Eligibility**

1. This Rule applies to risks other than auto dealers and drive-away contractors that possess registration plates not issued for attachment to a specific auto. Attach the appropriate Registration Plates Not Issued For A Specific Auto endorsement.
2. A set of plates is the number of plates required to legally operate an auto on public roads.

**B. Premium Development**

1. Determine the territory from the territory definitions (Rule 19) based on the street address of the named insured.
2. Bodily Injury and Property Damage Liability and Medical Payments Coverages
  - a. Determine the Private Passenger Types base rate from the Commercial Auto Rate Chapter.
  - b. For each set of plates not assigned by the insured for exclusive use with a specific auto, multiply the rate determined above by the appropriate factor in paragraph 4.

## 3. Uninsured and Underinsured Motorists Coverage

- a. Determine the Private Passenger Types rate from Rule 57.
- b. For each set of plates not assigned by the insured for exclusive use with a specific auto, multiply the rate determined above by the appropriate factor in paragraph 4.

## 4. Factors

Coverage	Factor
Bodily Injury and Property Damage Liability Coverage	1.00
Medical Payments Coverage	1.00
Uninsured and Underinsured Motorists Coverage	1.00

5. Rate each set of plates assigned by the insured for exclusive use with a specific auto according to the regular use of the auto.

**Rule 120. MOBILE OR FARM EQUIPMENT**

**A. Eligibility**

1. Coverage is only provided for mobile equipment and farm equipment that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where the auto is licensed or principally garaged.
2. Operations coverage is not provided for any equipment except equipment described in B.1.f(1) below.

**B. Definitions**

## 1. Mobile Equipment

Mobile equipment includes the following vehicles:

- a. Bulldozers, forklifts, and other vehicles designed for use principally off public roads
- b. Vehicles maintained for use solely on or next to premises the insured owns or rents
- c. Vehicles that travel on crawler treads
- d. Vehicles maintained primarily to provide mobility to permanently mounted
  - (1) power cranes, shovels, loaders, diggers, or drills; or
  - (2) road construction or resurfacing equipment such as graders, scrapers, or rollers.
- e. Vehicles that are not self-propelled and are maintained primarily to provide mobility to permanently mounted
  - (1) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment; or
  - (2) cherry pickers and similar devices used to raise or lower workers

- f. Self-propelled vehicles not described above with the following types of permanently attached equipment:

- (1) Equipment designed primarily for
  - (a) snow removal;
  - (b) road maintenance, but not construction or resurfacing;
  - (c) street cleaning.
- (2) Cherry pickers and similar devices mounted on auto or truck chassis and used to raise or lower workers
- (3) Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment

- g. Other commercial vehicles maintained primarily for purposes other than the transportation of persons or cargo

2. Farm Equipment

Farm equipment includes farm tractors, harvesting combines, power driven lawn mowers, and other self-propelled farm equipment used for farming purposes.

C. Premium Development

1. Bodily Injury and Property Damage Liability and Medical Payments Coverages
  - a. Equipment Owned and Leased for Six Months or Longer
    - (1) Determine the Trucks, Tractors, and Trailers [base rates](#) from the Commercial Auto Rate Chapter. Refer to [Rule 73](#) for the fleet rating factor, if applicable.
    - (2) Multiply the rate determined above by the appropriate factor in paragraph 3.
  - b. Equipment Leased for Less than Six Months  
Refer to [Rule 2](#).
2. Uninsured and Underinsured Motorists Coverage
  - a. Determine the Private Passenger Types rate from [Rule 57](#).
  - b. Multiply the rate determined above by the appropriate factor in paragraph 3.

**Exception:** No endorsement is necessary for mobile equipment described in paragraph B.1.f above.

3. Factors

Coverage	Mobile Equipment	Farm Equipment
Bodily Injury and Property Damage Liability Coverage	1.00	0.15
Medical Payments Coverage	1.00	0.15
Uninsured and Underinsured Motorists Coverage	1.00	1.00

**Rule 121. MOTORCYCLES**  
**(CLASS CODE 7942)**

A. Eligibility

For the purposes of this Rule, motorcycles refers to motorcycles, mopeds, motorscooters, motorbikes, and other similar two wheeled autos used for commercial purposes.

B. Premium Development

1. Bodily Injury and Property Damage Liability and Medical Payments Coverages
  - a. Determine the Private Passenger Types [base rate](#) from the Commercial Auto Rate Chapter.
  - b. Multiply the rate determined above by the appropriate factor in paragraph 3.
2. Uninsured and Underinsured Motorists Coverage
  - a. Determine the Private Passenger Types rate from [Rule 57](#).
  - b. Multiply the rate determined above by the appropriate factor in paragraph 3.
3. Factors

Coverage	Engine Size	Factor
Bodily Injury and Property Damage Liability Coverage	0–100	.29
	101–200	.38
	201–360	.59
	361–500	.65
	501–800	.76
	Over 800	.85
Medical Payments Coverage		4.00
Uninsured and Underinsured Motorists Coverage		2.00

**Rule 122. SNOWMOBILES**  
**(CLASS CODE 7964)**

A. Eligibility

This Rule applies to snowmobiles and similar autos used specifically for commercial purposes designed for travel over ice and snow and used principally off public roads.

B. Premium Development

1. Bodily Injury and Property Damage Liability Coverage
  - a. ★Excluding the Passenger Hazard  
Charge \$290 for \$60,000 limit.
  - b. Including the Passenger Hazard  
Charge \$680 for \$60,000 limit.
2. Medical Payments Coverage  
Charge \$19 for \$1,000 per person.
3. Uninsured Motorists Coverage  
Charge \$23 for \$50,000 limit.

**SPECIAL TYPES**

4. Underinsured Motorists Coverage  
Charge \$18 for \$100,000 limit. ⚡
5. For autos of this type which are used as a public or livery conveyance for passengers and propeller-driven equipment, refer to [Rule 2](#) for rating.
6. All premiums apply for the period of coverage. If the insured cancels, do not return premium.

**Rule 123. MOTOR HOMES****A. Eligibility**

For purposes of this Rule, motor homes refer to self-propelled autos with a living area that is an integral part of the auto chassis or a pickup with a permanently attached camper body. The living area or camper body must include permanent installation of any two of the following facilities: cooking, dining, plumbing, or refrigeration.

**B. Premium Development**

1. Bodily Injury and Property Damage Liability and Medical Payments Coverages
  - a. Determine the Trucks, Tractors, and Trailers [base rate](#) from the Commercial Auto Rate Chapter. Refer to [Rule 73](#) for the fleet rating factor, if applicable.
  - b. Multiply the rate determined above by the appropriate factor in paragraph 3.
2. Uninsured and Underinsured Motorists Coverage
  - a. Determine the Private Passenger Types rate from [Rule 57](#).
  - b. Multiply the rate determined above by the appropriate factor in paragraph 3.
3. Factors

Coverage	Up to 22 Feet	More than 22 feet
Bodily Injury and Property Damage Liability Coverage	.60	.75
Medical Payments Coverage	1.00	1.00
Uninsured and Underinsured Motorists Coverage	1.00	1.00

**Rule 124. ANTIQUE AUTOS****A. Eligibility**

This Rule applies to autos that are

1. 25 years old or more; and
2. maintained primarily for use in exhibitions, club activities, parades, and other functions of public interest; and
3. occasionally used for other purposes.

**B. Premium Development**

1. Bodily Injury and Property Damage Liability and Medical Payments Coverages
  - a. Determine the Private Passenger Types [base rate](#) from the Commercial Auto Rate Chapter.
  - b. Regardless of the type of auto, multiply the rate determined above by the appropriate factor in paragraph 3.
2. Uninsured and Underinsured Motorists Coverage
  - a. Determine the Private Passenger Types rate from [Rule 57](#).
  - b. Multiply the rate determined above by the appropriate factor in paragraph 3.
3. Factors

Coverage	Factor
Bodily Injury and Property Damage Liability Coverage	.14
Medical Payments Coverage	1.00
Uninsured and Underinsured Motorists Coverage	1.00

**Rule 125. AMPHIBIOUS AUTOS****A. Eligibility**

This Rule applies to autos designed to operate on both land and water. Coverage is only afforded while the auto is used on land.

**B. Premium Development**

Rate as land autos according to their use.

**Rule 126. REPOSSESSED AUTOS  
(CLASS CODE 7925)****A. Eligibility**

1. This Rule does not apply to autos that finance companies and banks own or operate for their own business or pleasure purposes. Insure such autos according to the regular use of the auto.
2. Auto finance companies and banks may be insured for the repossession and use in connection with reselling financed autos.

**B. Premium Development**

1. Bodily Injury and Property Damage Liability Coverage
  - a. The rate per repossessed auto is \$16 bodily injury and property damage \$60,000 limit.
  - b. To determine the advance premium, multiply the estimated number of autos repossessed annually by the rate per auto.
  - c. To determine the earned premium, multiply the total number of autos repossessed during the policy period by the rates in force at the policy inception.

2. Medical Payments Coverage  
The rate per repossessed auto is \$1.
3. Uninsured Motorists Coverage  
The rate per repossessed auto is \$3.
4. Underinsured Motorists Coverage  
The rate per repossessed auto is \$1.
5. ★Minimum Premium. The minimum premium for all coverages is \$69.✧

**Rule 127. DRIVE-AWAY CONTRACTORS****A. Eligibility**

A person, firm, or corporation that drives away autos under their own power for factories or auto dealers may be insured for the operation of such autos.

**B. Premium Development**

Multiply the applicable base rate for the class and type of vehicle by the following factor for each set of transporter plates:

**Factor**  
1.50

Private passenger types and trucks may get an additional hazard charge.

**Rules 128–130. RESERVED FOR FUTURE  
USE**

## NOTES



**WISCONSIN AUTOMOBILE INSURANCE PLAN MANUAL**  
**COMMERCIAL RATING WORKSHEETS**

## NOTES

**EXPERIENCE RATING EXAMPLE****EXPERIENCE USED**

	Latest Full Policy Year	Second Latest Full Policy Year	Third Latest Full Policy Year
	BI and PD	BI and PD	BI and PD
a. Current annual Manual \$100,000 CSL premium	\$98,250	\$98,250	\$98,250
b. Detrend factors	.952	.929	.906
c. Detrended premium (a x b)	\$93,534	\$91,274	\$89,015
d. Adjusted expected loss ratio†	.617	.617	.617
e. Expected losses (c x d)	\$57,710	\$56,316	\$54,922
f. Loss development factor	.196	.095	.029
g. Expected ultimate losses (e x f)	\$11,311	\$5,350	\$1,593
h. Losses (paid, outstanding, and allocated claim expense)*	\$85,694	\$58,530	\$49,960
i. Total adjusted losses (g + h)	\$97,005	\$63,880	\$51,553

\* For any one occurrence, limit the indemnity amount to \$100,000 CSL; and limit the sum of the indemnity and allocated claim expense to the maximum single loss†.

**DETERMINATION OF EXPERIENCE MODIFICATION**

	Latest Full Policy Year	Second Latest Full Policy Year	Third Latest Full Policy Year	Total
(1) Detrended premium BI and PD (from c)	\$93,534	\$91,274	\$89,015	\$273,823
(2) Total adjusted losses BI and PD (from i)	\$97,005	\$63,880	\$51,553	\$212,438
(3) Actual loss ratio (2) ÷ (1)				0.776
(4) Adjusted expected loss ratio†				0.617
USE SIGNS – FOR CREDIT AND + FOR DEBIT				
(5) Credit [(4) – (3)] ÷ (4) OR Debit [(3) – (4)] ÷ (4)				+0.258
(6) Credibility factor†				0.390
(7) Experience modification (5) x (6) stated as a percentage				+10%
<b>(8) Experience Modification Factor ((7) + 1.00)</b>				<b>1.10</b>

† Refer to the Credibility and Maximum Single Loss Table to determine the applicable adjusted expected loss ratio, maximum single loss, and credibility factor corresponding to the detrended premium determined in (1).

## EXPERIENCE RATING WORKSHEET

## EXPERIENCE USED

	Latest Full Policy Year	Second Latest Full Policy Year	Third Latest Full Policy Year
	BI and PD	BI and PD	BI and PD
a. Current annual Manual \$100,000 CSL premium			
b. Detrend factors			
c. Detrended premium (a x b)			
d. Adjusted expected loss ratio†			
e. Expected losses (c x d)			
f. Loss development factor			
g. Expected ultimate losses (e x f)			
h. Losses (paid, outstanding, and allocated claim expense)*			
i. Total adjusted losses (g + h)			

\* For any one occurrence, limit the indemnity amount to \$100,000 CSL; and limit the sum of the indemnity and allocated claim expense to the maximum single loss †.

## DETERMINATION OF EXPERIENCE MODIFICATION

	Latest Full Policy Year	Second Latest Full Policy Year	Third Latest Full Policy Year	Total
(1) Detrended premium BI and PD (from c)				
(2) Total adjusted losses BI and PD (from i)				
(3) Actual loss ratio (2) ÷ (1)				
(4) Adjusted expected loss ratio†				
USE SIGNS – FOR CREDIT AND + FOR DEBIT				
(5) Credit [(4) – (3)] ÷ (4) OR Debit [(3) – (4)] ÷ (4)				
(6) Credibility factor†				
(7) Experience modification (5) x (6) stated as a percentage				%
<b>(8) Experience Modification Factor ((7) + 1.00)</b>				

† Refer to the Credibility and Maximum Single Loss Table to determine the applicable adjusted expected loss ratio, maximum single loss, and credibility factor corresponding to the detrended premium determined in (1).

TRUCKS, TRACTORS, AND TRAILERS OTHER THAN ZONE RATED WORKSHEET

Coverage	Base Rate (Commercial Auto Rate <a href="#">Chapter</a> and <a href="#">Rule 57</a> )		Fleet Factor ( <a href="#">Rule 73</a> )		Primary Rating Factor ( <a href="#">Rule 72</a> )		Secondary Rating Factor ( <a href="#">Rule 72</a> )		Increased Limits Factor ( <a href="#">Rule 52</a> )		Experience Rating or Merit Rating Modification ( <a href="#">Rule 54</a> or <a href="#">Rule 55</a> )	Whole Dollar Premium	
Liability		X		X (		+/-		) X		X		=	
UM			NA		NA		NA		NA		NA		
UIM*			NA		NA		NA		NA		NA		
Medical Payments*			NA		Trailers only		NA		NA		NA		
TOTAL													

ZONE RATED TRUCKS, TRACTORS, AND TRAILERS WORKSHEET

Coverage	Base Rate (Zone Rating <a href="#">Tables</a> and <a href="#">Rule 57</a> )		Fleet Factor ( <a href="#">Rule 73</a> )		Primary Rating Factor ( <a href="#">Rule 72</a> )		Increased Factor Limits ( <a href="#">Rule 52</a> )		Experience Rating or Merit Rating Modification ( <a href="#">Rule 54</a> or <a href="#">Rule 55</a> )	Whole Dollar Premium	
Liability		X		X		X		X		=	
UM			NA		NA		NA		NA		
UIM*			NA		NA		NA		NA		
Medical Payments*			NA		Trailers only		NA		NA		
TOTAL											

\*Optional coverage

Refer to Rule [72.D](#). Special Provisions for Certain Risks.

PRIVATE PASSENGER TYPES RATING WORKSHEET

Coverage	Base Rate (Commercial Auto Rate <a href="#">Chapter</a> )		Nonfleet Combined Rating Factor ( <a href="#">Rule 82</a> )		Increased Limits Factor ( <a href="#">Rule 52</a> )		Experience Rating or Merit Rating Modification ( <a href="#">Rule 54</a> or <a href="#">Rule 55</a> )		Whole Dollar Premium
Liability	<input type="text"/>	X		X	<input type="text"/>	X		=	<input type="text"/>
UM	<input type="text"/>		NA		NA		NA		<input type="text"/>
UIM*	<input type="text"/>		NA		NA		NA		<input type="text"/>
Medical Payments*	<input type="text"/>		NA		NA		NA		<input type="text"/>
TOTAL									<input type="text"/>

\*Optional coverage

# WISCONSIN AUTOMOBILE INSURANCE PLAN MANUAL

## PUBLIC TRANSPORTATION AUTOS OTHER THAN ZONE RATED WORKSHEET

Coverage	Base Rate (Commercial Auto Rate <a href="#">Chapter</a> <a href="#">Rule 57</a> )		Fleet Factor ( <a href="#">Rule 93</a> )		Primary Rating Factor ( <a href="#">Rule 92</a> )		Secondary Rating Factor ( <a href="#">Rule 92</a> )		Increased Limits Factor ( <a href="#">Rule 52</a> )		Experience Rating or Merit Rating Modification ( <a href="#">Rule 54</a> or <a href="#">Rule 55</a> )		Whole Dollar Premium
Liability	_____	X		X (		+		) X		X		=	_____
UM	_____		NA		NA		NA		NA		NA		_____
UIM*	_____		NA		NA		NA		NA		NA		_____
Medical Payments*	_____		NA		NA		NA		NA		NA		_____
TOTAL													<div></div>

## ZONE RATED PUBLIC TRANSPORTATION AUTOS WORKSHEET

Coverage	Base Rate (Zone Rating <a href="#">Tables</a> and <a href="#">Rule 57</a> )		Primary Rating Factor ( <a href="#">Rule 92</a> )		Increased Limits Factor ( <a href="#">Rule 52</a> )		Experience Rating or Merit Rating Modification ( <a href="#">Rule 54</a> or <a href="#">Rule 55</a> )		Whole Dollar Premium
Liability	_____	X		X		X		=	_____
UM	_____		NA		NA		NA		_____
UIM*	_____		NA		NA		NA		_____
Medical Payments*	_____				NA		NA		_____
TOTAL									<div></div>

\*Optional coverage

## NONOWNED AUTO LIABILITY RATING EXAMPLE

## Fast Food Delivery Services

Insured employs 21 drivers; Average of 3 Drivers Per Day  
Territory 14; Basic Limits

## Example 1. All Drivers without Primary Liability Insurance

Coverage	Number of Drivers without Primary Liability Insurance		Total Number of Drivers		Average Number of Drivers Per Day*		Private Passenger Types Base Rate (Commercial Auto Rate <a href="#">Chapter</a> and <a href="#">Rule 57</a> )		Whole Dollar Premium
Liability	21	÷	21	X	3	X	1,073	=	3,219
Medical Payments	21	÷	21	X	3	X	21	=	63
Uninsured Motorists	21	÷	21	X	3	X	41	=	123
Underinsured Motorists	21	÷	21	X	3	X	17	=	51
<b>TOTAL</b>								=	<b>\$3,456</b>

## Example 2. All Drivers with Primary Liability Insurance

Coverage	Number of Drivers with Primary Liability Insurance		Total Number of Drivers		Average Number of Drivers Per Day*		Private Passenger Types Base Rate (Commercial Auto Rate <a href="#">Chapter</a> and <a href="#">Rule 57</a> )		Primary Liability Insurance Factor		Whole Dollar Premium
Liability	21	÷	21	X	3	X	1,073	X	.50	=	1,610
Medical Payments	21	÷	21	X	3	X	21		NA	=	63
Uninsured Motorists	21	÷	21	X	3	X	41		NA	=	123
Underinsured Motorists	21	÷	21	X	3	X	17		NA	=	51
<b>TOTAL</b>											<b>\$1,847</b>

## \*Determination of Average Number of Drivers Per Day

Total Part-Time Drivers Per Day for 7-Day Period		Total Full-Time Drivers Per Day for 7-Day Period				Average Number of Drivers Per Day
7	+	14	÷	7	=	3



## NONOWNED AUTO LIABILITY RATING EXAMPLE

## Fast Food Delivery Services

Insured employs 21 drivers; Average of 3 Drivers Per Day  
Territory 14; Basic Limits

Example 3. 18 Drivers Without Primary Liability Insurance  
3 Drivers With Primary Liability Insurance

## 1. Drivers without Primary Liability Insurance

Coverage	Number of Drivers without Primary Liability Insurance		Total Number of Drivers		Average Number of Drivers Per Day*		Private Passenger Types Base Rate (Commercial Auto Rate <a href="#">Chapter</a> and <a href="#">Rule 57</a> )		Whole Dollar Premium
Liability	18	÷	21	X	3	X	1,073	=	2,759
Medical Payments	18	÷	21	X	3	X	21	=	54
Uninsured Motorists	18	÷	21	X	3	X	41	=	105
Underinsured Motorists	18	÷	21	X	3	X	17	=	44
<b>TOTAL</b>								=	<b>\$2,962</b>

## 2. Drivers with Primary Liability Insurance

Coverage	Number of Drivers with Primary Liability Insurance		Total Number of Drivers		Average Number of Drivers Per Day*		Private Passenger Types Base Rate (Commercial Auto Rate <a href="#">Chapter</a> and <a href="#">Rule 57</a> )		Primary Liability Insurance Factor		Whole Dollar Premium
Liability	3	÷	21	X	3	X	1,073	X	.50	=	230
Medical Payments	3	÷	21	X	3	X	21		NA	=	9
Uninsured Motorists	3	÷	21	X	3	X	41		NA	=	18
Underinsured Motorists	3	÷	21	X	3	X	17		NA	=	7
<b>TOTAL</b>											<b>\$264</b>

## 3. Drivers with a Combination of 1 and 2 above

Whole Dollar Premium of Drivers without Primary Liability Insurance		Whole Dollar Premium of Drivers with Primary Liability Insurance		Total Premium
1		2		
\$2,962	+	\$264	=	\$3,226

## \*Determination of Average Number of Drivers Per Day

Total Part-Time Drivers Per Day for 7-Day Period		Total Full-Time Drivers Per Day for 7-Day Period		Average Number of Drivers Per Day
7	+	14	÷	3

**NONOWNED AUTO LIABILITY WORKSHEET****Fast Food Delivery Services****1. Drivers without Primary Liability Insurance**

Coverage	Number of Drivers without Primary Liability Insurance		Total Number of Drivers		Average Number of Drivers Per Day*		Private Passenger Types Base Rate (Commercial Auto Rate <a href="#">Chapter</a> <a href="#">Rule 57</a> ) and		Whole Dollar Premium
Liability	_____	÷	_____	X	_____	X	_____	=	_____
Medical Payments	_____	÷	_____	X	_____	X	_____	=	_____
Uninsured Motorists	_____	÷	_____	X	_____	X	_____	=	_____
Underinsured Motorists	_____	÷	_____	X	_____	X	_____	=	_____
<b>TOTAL</b>								=	_____

**2. Drivers with Primary Liability Insurance**

Coverage	Number of Drivers with Primary Liability Insurance		Total Number of Drivers		Average Number of Drivers Per Day*		Private Passenger Types Base Rate (Commercial Auto Rate <a href="#">Chapter</a> <a href="#">Rule 57</a> ) and		Primary Liability Insurance Factor		Whole Dollar Premium
Liability	_____	÷	_____	X	_____	X	_____	X	.50	=	_____
Medical Payments	_____	÷	_____	X	_____	X	_____		NA	=	_____
Uninsured Motorists	_____	÷	_____	X	_____	X	_____		NA	=	_____
Underinsured Motorists	_____	÷	_____	X	_____	X	_____		NA	=	_____
<b>TOTAL</b>											_____

**3. Drivers with a Combination of 1 and 2 above**

Whole Dollar Premium of Drivers without Primary Liability Insurance		Whole Dollar Premium of Drivers with Primary Liability Insurance		Total Premium
1		2		
_____	+	_____	=	_____

**\*Determination of Average Number of Drivers Per Day**

Total Part-Time Drivers Per Day for 7-Day Period		Total Full-Time Drivers Per Day for 7-Day Period		Average Number of Drivers Per Day
_____	+	_____	÷	7
			=	_____

**WISCONSIN AUTOMOBILE INSURANCE PLAN MANUAL**  
**COMMERCIAL AUTO RATE CHAPTER**

## NOTES

WISCONSIN AUTOMOBILE INSURANCE PLAN MANUAL

**COMMERCIAL AUTO LIABILITY RATES**

**\$60,000 Single Limit Bodily Injury and Property Damage,  
\$1,000 Medical Payments**

**TRUCKS, TRACTORS, AND TRAILERS**

<b>Territory</b>	<b>Bodily Injury and Property Damage</b>	<b>Medical Payments</b>
02	\$1,952	\$22
03	1,478	22
04	1,178	11
05	1,303	17
06	1,096	17
07	1,125	12
08	1,007	17
09	601	11
10	1,125	17
11	1,088	17
13	1,591	17
14	1,860	17
15	1,691	22
16	859	17
17	791	11

**PRIVATE PASSENGER TYPES**

<b>Territory</b>	<b>Bodily Injury and Property Damage</b>	<b>Medical Payments</b>
02	\$ 946	\$21
03	929	16
04	649	11
05	725	16
06	472	11
07	712	16
08	816	16
09	568	11
10	777	16
11	720	16
13	822	16
14	1,073	21
15	929	17
16	606	11
17	542	11

WISCONSIN AUTOMOBILE INSURANCE PLAN MANUAL

**COMMERCIAL AUTO LIABILITY RATES**

**\$60,000 Single Limit Bodily Injury and Property Damage,  
\$1,000 Medical Payments**

**TAXICABS AND LIMOUSINES**

<b>Territory</b>	<b>Bodily Injury and Property Damage</b>	<b>Medical Payments</b>
02	\$10,277	\$211
03	7,781	160
04	6,198	129
05	6,859	136
06	5,772	116
07	5,924	122
08	5,300	109
09	3,166	68
10	5,924	117
11	5,731	116
13	8,376	169
14	9,792	195
15	8,899	177
16	4,524	95
17	4,164	88

**SCHOOL AND CHURCH BUSES**

<b>Territory</b>	<b>Bodily Injury and Property Damage</b>	<b>Medical Payments</b>
02	\$1,195	\$32
03	905	39
04	724	31
05	798	31
06	672	31
07	690	31
08	619	31
09	366	24
10	689	32
11	667	31
13	974	37
14	1,142	31
15	1,036	32
16	529	24
17	483	31

WISCONSIN AUTOMOBILE INSURANCE PLAN MANUAL

**COMMERCIAL AUTO LIABILITY RATES**

**\$60,000 Single Limit Bodily Injury and Property Damage,  
\$1,000 Medical Payments**

**OTHER BUSES**

<b>Territory</b>	<b>Bodily Injury and Property Damage</b>	<b>Medical Payments</b>
02	\$9,882	\$198
03	7,479	184
04	5,964	175
05	6,597	183
06	5,550	160
07	5,695	169
08	5,096	168
09	3,045	130
10	5,695	176
11	5,511	176
13	8,058	201
14	9,420	191
15	8,560	172
16	4,350	160
17	4,008	160

**VAN POOLS**

<b>Territory</b>	<b>Bodily Injury and Property Damage</b>	<b>Medical Payments</b>
02	\$2,438	\$61
03	1,847	42
04	1,470	41
05	1,629	41
06	1,368	31
07	1,407	31
08	1,257	31
09	751	22
10	1,403	32
11	1,359	31
13	1,989	48
14	2,322	63
15	2,112	54
16	1,072	31
17	986	21

WISCONSIN AUTOMOBILE INSURANCE PLAN MANUAL

**COMMERCIAL AUTO LIABILITY RATES**

**\$60,000 Single Limit Bodily Injury and Property Damage,  
\$1,000 Medical Payments, \$50,000 Uninsured Motorists, and  
\$100,000 Underinsured Motorists**

**HIRED AUTO**

	<b>Bodily Injury and Property Damage</b>	<b>Medical Payments</b>	<b>Uninsured Motorists Insurance</b>	<b>Underinsured Motorists Insurance</b>
<b>All Territories</b>	\$2.76	\$0.08	\$0.033	\$0.01



# WISCONSIN AUTOMOBILE INSURANCE PLAN MANUAL

## EFFECTIVE DATES

### INTRODUCTION

How, When, and Where—An Explanation of Procedures for Wisconsin Producers	January 1, 2020
How to Apply to the Wisconsin Automobile Insurance Plan	February 1, 2021
How to Apply for Additional Coverages or Changes in the Policy	February 1, 2025
Availability of Forms and Manuals	January 1, 2019
Effective Date of Coverage	January 1, 2019
Other Money Matters	January 1, 2020
Claims	January 1, 2020

### PLAN OF OPERATION

#### PERSONAL AUTOMOBILE PART

Sec. 1.	January 1, 2020
Sec. 2.	February 1, 2025
Sec. 3.	January 1, 2020
Sec. 4.	Reserved for Future Use
Sec. 5.	February 1, 2025
Sec. 6.	January 1, 2020
Sec. 7.	February 1, 2025
Sec. 8.	Reserved for Future Use
Sec. 9.	January 1, 2020
Sec. 10.	Reserved for Future Use
Sec. 11.	Reserved for Future Use
Sec. 12.	February 1, 2021
Sec. 13.	September 1, 2022
Sec. 14.	September 1, 2022
Sec. 15.	Reserved for Future Use
Sec. 16.	Reserved for Future Use

#### COMMERCIAL AUTOMOBILE PART

Sec. 17.	September 1, 2022
Sec. 18.	September 1, 2023
Sec. 19.	Reserved for Future Use
Sec. 20.	Reserved for Future Use
Sec. 21.	September 1, 2023
Sec. 22.	September 1, 2023
Sec. 23.	February 1, 2025
Sec. 24.	Reserved for Future Use
Sec. 25.	September 1, 2022
Sec. 26.	May 1, 2009
Sec. 27.	Reserved for Future Use
Sec. 28.	May 1, 2009
Sec. 29.	May 1, 2009
Sec. 30.	September 1, 2022
Sec. 31.	September 1, 2023

Sec. 32.	Reserved for Future Use
Sec. 33.	Reserved for Future Use
Sec. 34.	Reserved for Future Use
Sec. 35.	Reserved for Future Use
Sec. 36.	Reserved for Future Use
Sec. 37.	Reserved for Future Use

#### APPENDIX

Sec. 38.	January 1, 2020
Sec. 39.	January 1, 2024
Sec. 40.	November 1, 2022
Sec. 41.	October 1, 2013
Sec. 42.	May 1, 2009
Sec. 43.	January 1, 2020
Sec. 44.	January 1, 2020
Sec. 45.	January 1, 2020
Sec. 46.	January 1, 2020
Sec. 47.	January 1, 2023
Sec. 48.	September 1, 2022
Sec. 49.	Reserved for Future Use
Sec. 50.	September 1, 2022
Sec. 51.	September 1, 2022
Sec. 52.	January 1, 2019
Sec. 53.	January 1, 2020
Sec. 54.	May 1, 2009
Sec. 55.	January 1, 2020
Sec. 56.	January 1, 2019
Sec. 57.	January 1, 2020
Sec. 58.	September 1, 2023

#### SUPPLEMENT

January 1, 2020
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## MANUAL OF RULES AND RATES

### GENERAL RULES CHAPTER

Rule 1.	May 1, 2009
Rule 2.	May 1, 2009
Rule 3.	January 1, 2022
Rule 4.	May 1, 2009
Rule 5.	May 1, 2009
Rule 6.	January 1, 2022
Rule 7.	May 1, 2009
Rule 8.	Reserved for Future Use
Rule 9.	Reserved for Future Use
Rule 10.	Reserved for Future Use
Rule 11.	Reserved for Future Use
Rule 12.	Reserved for Future Use
Rule 13.	Reserved for Future Use
Rule 14.	Reserved for Future Use
Rule 15.	Reserved for Future Use
Rule 16.	Reserved for Future Use
Rule 17.	Reserved for Future Use
Rule 18.	Reserved for Future Use
Rule 19.	May 1, 2009

### PRIVATE PASSENGER CHAPTER

Rule 20.	February 1, 2025
Rule 21.	December 1, 2011
Rule 22.	November 18, 2015
Rule 23.	November 1, 2011
Rule 24.	January 1, 2022
Rule 25.	November 1, 2010
Rule 26.	October 1, 2013
Rule 27.	October 1, 2013
Rule 28.	Reserved for Future Use
Rule 29.	January 1, 2010
Rule 30.	Reserved for Future Use
Rule 31.	January 1, 2022
Rule 32.	April 1, 2017
Rule 33.	December 1, 2011
Rule 34.	November 1, 2010
Rule 35.	November 1, 2011
Rule 36.	January 1, 2022
Rule 37.	January 1, 2022
Rule 38.	February 1, 2021
Rule 39.	Reserved for Future Use
Rule 40.	Reserved for Future Use
Rule 41.	Reserved for Future Use
Rule 42.	Reserved for Future Use
Rule 43.	Reserved for Future Use
Rule 44.	Reserved for Future Use
Rule 45.	Reserved for Future Use
Rule 46.	Reserved for Future Use
Rule 47.	Reserved for Future Use
Rule 48.	Reserved for Future Use
Rule 49.	Reserved for Future Use
Rule 50.	Reserved for Future Use

### COMMERCIAL GENERAL RULES CHAPTER

Rule 51.	February 1, 2025
Rule 52.	February 1, 2026
Rule 53.	May 1, 2009
Rule 54.	January 1, 2019
Rule 55.	October 1, 2013
Rule 56.	Reserved for Future Use
Rule 57.	February 1, 2026

Rule 58.	October 1, 2013
Rule 59.	July 9, 2019
Rule 60.	Reserved for Future Use
Rule 61.	Reserved for Future Use
Rule 62.	Reserved for Future Use
Rule 63.	Reserved for Future Use
Rule 64.	Reserved for Future Use
Rule 65.	Reserved for Future Use
Rule 66.	Reserved for Future Use
Rule 67.	Reserved for Future Use
Rule 68.	Reserved for Future Use
Rule 69.	Reserved for Future Use
Rule 70.	Reserved for Future Use

### TRUCKS, TRACTORS, AND TRAILERS CHAPTER

Rule 71.	May 1, 2009
Rule 72.	September 1, 2022
Rule 73.	February 1, 2025
Rule 74.	February 1, 2025
Rule 75.	February 1, 2025
Rule 76.	Reserved for Future Use
Rule 77.	Reserved for Future Use
Rule 78.	Reserved for Future Use
Rule 79.	Reserved for Future Use
Rule 80.	Reserved for Future Use

### PRIVATE PASSENGER TYPES CHAPTER

Rule 81.	May 1, 2012
Rule 82.	February 1, 2025
Rule 83.	February 1, 2025
Rule 84.	Reserved for Future Use
Rule 85.	Reserved for Future Use
Rule 86.	Reserved for Future Use
Rule 87.	Reserved for Future Use
Rule 88.	Reserved for Future Use
Rule 89.	Reserved for Future Use
Rule 90.	Reserved for Future Use

### PUBLIC TRANSPORTATION CHAPTER

Rule 91.	May 1, 2009
Rule 92.	September 7, 2017
Rule 93.	February 1, 2025
Rule 94.	February 1, 2025
Rule 95.	February 1, 2025
Rule 96.	Reserved for Future Use
Rule 97.	Reserved for Future Use
Rule 98.	Reserved for Future Use
Rule 99.	Reserved for Future Use
Rule 100.	Reserved for Future Use

### NONOWNED AUTO CHAPTER

Rule 101.	February 1, 2025
Rule 102.	November 1, 2011
Rule 103.	February 1, 2026
Rule 104.	February 1, 2026
Rule 105.	Reserved for Future Use
Rule 106.	Reserved for Future Use
Rule 107.	Reserved for Future Use
Rule 108.	Reserved for Future Use
Rule 109.	Reserved for Future Use
Rule 110.	Reserved for Future Use

## WISCONSIN AUTOMOBILE INSURANCE PLAN MANUAL

### SPECIAL TYPES AND OPERATIONS CHAPTER

Rule 111. May 1, 2009  
Rule 112. February 1, 2025  
Rule 113. January 1, 2015  
Rule 114. January 1, 2015  
Rule 115. January 1, 2015  
Rule 116. January 1, 2015  
Rule 117. January 1, 2015  
Rule 118. September 7, 2017  
Rule 119. January 1, 2015  
Rule 120. January 1, 2015  
Rule 121. January 1, 2015

Rule 122. February 1, 2026  
Rule 123. January 1, 2015  
Rule 124. January 1, 2015  
Rule 125. May 1, 2009  
Rule 126. February 1, 2026  
Rule 127. January 1, 2015  
Rule 128. Reserved for Future Use  
Rule 129. Reserved for Future Use  
Rule 130. Reserved for Future Use

### WORKSHEETS

Private Passenger Liability Coverage Rating Worksheet	November 1, 2010
Private Passenger Physical Damage Coverage Rating Worksheet	January 1, 2010
Experience Rating Worksheet	January 1, 2019
Trucks, Tractors, and Trailers Other than Zone Rated Worksheet	May 1, 2012
Zone Rated Trucks, Tractors, and Trailers Worksheet	May 1, 2012
Private Passenger Types Rating Worksheet	May 1, 2012
Public Transportation Autos Other than Zone Rated Worksheet	May 1, 2012
Zone Rated Public Transportation Autos Worksheet	May 1, 2012
Nonowned Auto Liability Worksheet	February 1, 2026

### PRIVATE PASSENGER AUTO RATE CHAPTER

Liability, Medical Payments, Uninsured, and Underinsured Base Rates	January 1, 2022
Physical Damage Base Rates	January 1, 2022
Model Year Factors	January 1, 2022
Symbol Factors	July 9, 2019
Class Factors	November 1, 2010

### RATES

Commercial Auto Liability Rates	February 1, 2026
Zone Rates	February 1, 2026