

**WISCONSIN
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PLAN**

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PLAN LETTER 697—DECEMBER 15, 2006

TO: Members of the Plan

Minutes of the Wisconsin Automobile Insurance Plan Governing Committee meeting held in the premises of the Wisconsin Automobile Insurance Plan, 20700 Swenson Drive, Waukesha, WI 53186 on Tuesday, December 12, 2006. The meeting was called to order at 10:00 A.M. with the following members present:

ORGANIZATION

Sentry Insurance A Mutual Company, Chair
Employers Insurance of Wausau
Employers Mutual Casualty Company
General Casualty Company
Granite State Insurance Company
St. Paul Mutual Insurance Company
Wisconsin Automobile Insurance Plan

REPRESENTATIVE

Bob Lindstedt
Greg Loman
Fred Olson
John Hagen
Joe Capobianco
Vicki Danahey
Tad Cleveland
Cheryl Korth
Donna Knepper

Also Present by Teleconference:

Liberty Mutual Insurance Company

Charlie Echols

Members Absent or Excused:

American Family Insurance Company
Federated Insurance
State Farm Insurance Company

The Chairperson read the following opening statement before convening the meeting:

“This Committee meeting has been called to discuss the items of mutual interest and concern to the members of the Wisconsin Automobile Insurance Plan. In accordance with both Federal and Wisconsin State Anti-trust Laws, this Committee is prohibited from any discussion or action which constitutes any form of boycott, coercion or intimidation.”

ITEM NUMBER 619 PROPOSED LAD PROGRAM

The Committee discussed the LAD buy-out charges levied against participating carriers. Buy-out charges are adjusted to include over/under assignment provisions. WAIP, AIPSO and LAD carrier State Farm Mutual Insurance Company will meet to negotiate acceptable buy-out provisions.

ITEM NUMBER 693 AIPSO PROPOSAL - ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL - RULE CHANGE

With all business complete, this item is removed from the agenda.

ITEM NUMBER 694 AIPSO PROPOSAL - REFORMAT OF WAIP MANUALS

The Committee was provided with a sample portion of a new manual combining the Wisconsin Automobile Personal Manual and the Wisconsin Automobile Commercial Manual. Upon completion of the draft of the new manual, WAIP and AIPSO staff will meet to review and edit.

ITEM NUMBER 695 PROPOSED REVISION TO WAIP COMMERCIAL MANUAL – PUBLIC AUTO

AIPSO is in the process of gathering data related to the exposure for elderly handicap and daycare transportation entities to determine if a separate rate should be established. A new statistical code for these exposures will be created.

ITEM NUMBER 696 AIPSO PROPOSAL - SRDP PREMIUM CHARGE-OFF PROCEDURE

The Committee reaffirmed the approval to accept the amendments to the charge-off provisions in the Accounting and Statistical Requirements Manual, including the Governing Committee approval threshold increase from \$10,000 to \$20,000. It was noted that AIPSO proposed language included language on physical damage, which is not available from the Plan. AIPSO will be requested to prepare an amended filing.

This item is removed from the agenda.

ITEM NUMBER 697 SERVICING CARRIER AUDIT—GRANITE STATE INSURANCE

The Committee discussed the servicing carrier audit report for Granite State and the outstanding issue with regard to an expense reported as ALAE. The Committee concurred that the action taken by Granite State was reasonable, however, it was contrary to the reporting rules in the Accounting and Statistical Plan Manual. Granite State will be requested to reverse the reported ALAE.

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Granite State Insurance Company and Liberty Mutual Insurance Company were not present for the discussion and vote.

ITEM NUMBER 698 2005 WISCONSIN SRDP FINANCIAL STATEMENTS

The Committee was provided with clarification of some figures found in the Statutory Financial Statements August 31, 2005 and 2004 and Statements of Cash Receipts and Disbursements Accounted for by the Central Processor Years Ended August 31, 2005 and 2004.

With all business complete, this item is removed from the agenda.

ITEM NUMBER 700 AIPSO PROPOSAL PRIVATE PASSENGER PHYSICAL DAMAGE
MODEL YEAR RATE REVISION

With all business complete, this item is removed from the agenda.

ITEM NUMBER 701 AIPSO PROPOSAL COMMERCIAL AUTO RATE REVISION

The commercial auto rate revision information was originally included with the private passenger physical damage model year rate revision. The rate revisions were subsequently separated and the commercial auto rate revision was assigned to Item Number 701.

The Office of the Commissioner of Insurance approved an overall rate level decrease of 13.9% effective February 1, 2007 for new business and April 1, 2007 for renewal.

With all business complete, this item was removed from the agenda.

NEW BUSINESS

ITEM NUMBER 702 WAIP 2007 BUDGET

This item was renumbered from 701 to 702.

The Governing Committee adopted the proposed budget for 2007.

Donna Knepper
Executive Secretary