

IMPORTANT NOTICE TO WISCONSIN POLICYHOLDERS REGARDING CHANGES TO WISCONSIN LAW AND RESULTING IMPACT TO AUTOMOBILE AND PERSONAL UMBRELLA INSURANCE COVERAGES

With the passing of the Wisconsin 2009 budget this year, Governor Doyle implemented several insurance law changes that directly impact all policyholders that have Personal Auto or Umbrella Coverage. New minimum policy limits and/or coverage mandates now apply to Liability, Medical Payments, Uninsured Motorists, and Underinsured Motorists Coverages.

State-Mandated Changes Effective November 1, 2009

Automobile Coverages

Required minimum limits mandated by the state are as follows:

- Medical Payments Coverage of \$10,000. This coverage can be rejected.
- Uninsured Motorists (UM) and Underinsured Motorists (UIM) Coverage of \$100,000 for each person/\$300,000 for each occurrence or a Combined Single Limit of \$300,000. Both coverages are now mandatory and cannot be rejected.
- Bodily Injury Liability of \$50,000 for each person/\$100,000 for each occurrence and Property Damage of \$15,000 for each occurrence or a Combined Single Limit of \$115,000. These compulsory limits are not effective until 6/1/10 (or 1/1/10 for policies with SR22 filings).

Personal Umbrella Coverage

Excess Uninsured (UM) and Excess Underinsured Motorists (UIM) Coverage at a minimum of \$100,000 for each person/\$300,000 for each occurrence or a Combined Single Limit of \$300,000 must now be offered. Either or both of these coverages can be declined with a signed rejection.

Additional Coverage Mandates

- UM, UIM and Medical Payments can be stacked to a maximum of three vehicles. However, stacking for Medical Payments only applies if the insured is not an occupant of a motor vehicle, i.e., is a pedestrian.
- Reducing clauses, which reduce the limit of liability based upon other payments made, are now prohibited for UM and UIM coverages.
- The new law specifies that a third party must be present to witness a claim for the "hit-and-run" for uninsured motorists coverage without a collision.

An "underinsured motor vehicle" is now defined as one that does not have sufficient limits to cover the insured's damages.

On June 1, 2010, state law will require that:

All drivers in Wisconsin carry vehicle insurance.