



Clear & Simple Insurance Updater

Proposed Auto Insurance Changes Likely to Hurt Low & Moderate Income Families

Provisions in Governor Doyle's biennial budget proposal include major changes to private passenger auto insurance that are likely to have a significant impact on the household budgets of Wisconsin families.

Higher Coverage Mandates

The proposed changes include increasing the minimum limits of liability from 25/50/10 to 100/300/25, making Underinsured Motorist coverage mandatory and increasing mandated Medical Expense coverage from \$1,000 to \$10,000.

Increased Litigation

Other mandates that will likely lead to higher insurance premiums include allowing for "stacking" of coverages for each insured vehicle in a household after an accident involving only one household car, expanding the definition of "Underinsured Motorist" and other changes that would increase litigation and claims costs.

Effects on Insurance Rates

Currently, Wisconsin is the third lowest state in the nation in terms of cost and affordability of auto insurance. Even so, the cost of maintaining car insurance is a financial challenge for many people, especially during the current economic crisis. The insurance industry projects that these changes could force families to pay as much as 33% more for additional, unnecessary coverage.

No Effect on State Budget

These proposed changes to auto insurance have no effect on revenues collected by the state, and no impact on the state's budget.

Learn More

Read what both sides have to say, learn more about the budget provisions and the insurance industry's position, and read a Milwaukee Journal Sentinel editorial on the topic.

Inserting these provisions into the budget allows the changes to go into effect without adequate debate and study.

Let your legislators know how these changes will affect the families and individuals you counsel on financial issues. There is still time.

Property Insurance Workshop May 14 - Madison Location

Location: Courtyard by Marriott - Madison East
2502 Crossroads Drive, Madison, WI

Time: 8 a.m. - 4 p.m.

Registration Fee: None. Advance registration requested. Register Today

Parking: Free

We provide extensive handouts, experienced speakers, a continental breakfast and a buffet lunch. Scholarships available for transportation and lodging. Apply before May 5th. View the full agenda and speaker bios.



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Insurance Commissioner Provides Tips for Severe Weather

Governor Doyle has declared the week of April 20 - 24 as Tornado and Severe Weather Awareness Week. Wisconsin Insurance Commissioner Sean Dilweg issued a reminder to state residents to check their insurance policies to make certain they are adequately insured against claims arising from severe weather.

Spring and early summer often bring severe storms to Wisconsin. The risk of damage to property from lightning, wind, hail, tornadoes and flooding increases dramatically at this time each year.

Property owners should check their insurance policies for adequate coverage, and should keep in mind that damage from flooding is never covered under homeowners insurance.

Flood insurance must be purchased as a separate policy through the National Flood Insurance Program. Property owners should contact their homeowners insurance agent for help in obtaining a flood insurance policy.

More News From the Commissioner's Office

The Office of the Commissioner of Insurance provides an extensive offering of consumer publications.

Two publications that have recently been updated include:

- Condominium Insurance
- Fact Sheet on Credit Insurance

A complete list of publications is available at the Commissioner's website.

Saving Money on Insurance During Tough Economic Times

Many families today are facing tough decisions about spending and are looking for ways to save money. It's wise to take a close look at what you're spending on insurance, but some cost-cutting insurance decisions could be disastrous. The Insurance Information Institute advises against making the following mistakes when it comes to your personal insurance policies:

- 1. Insuring your home for its real estate value instead of its replacement cost.** With the value of real estate going down, some home buyers may think that they can reduce the amount of insurance on their home. Insurance, however, is designed to cover the cost of rebuilding a home. It is not linked to the sale price of the home.
A Better Way to Save Money: Take a higher deductible. Consider a deductible of at least \$500. If you can raise the deductible to as much as \$1,000, you may save up to 25 percent on many home insurance policies.
- 2. Surrendering a Whole-Life Insurance Policy for its Cash Value.** Life insurance policyholders who need to raise money quickly often make the mistake of surrendering a whole life insurance policy for its cash value.
A Better Way to Save Money: Speak with your life insurance agent about borrowing against the cash-value of your whole life policy.
- 3. Neglecting to Purchase Renters Insurance**
Buying a renters insurance policy can provide a very important financial safety net. With the average policy costing only about \$200 per year, it is also affordable. Unfortunately, a 2006 Insurance Research Council poll found that only 43 percent of renters had insurance compared with 96 percent of homeowners.
A Better Way to Save Money: Look into multi-policy discounts. Purchasing several policies with the same insurer will generally provide some savings. Check the cost of getting your renters policy with the same company that provides your auto policy.