

The Consumer's Guide to Auto Insurance provides crucial information for Wisconsin drivers regarding mandatory motor vehicle liability insurance, requiring all drivers to maintain a valid automobile insurance policy or alternative security, such as a surety bond or self-insurance, as mandated by the Department of Transportation. The minimum liability coverage required includes \$25,000 for injury or death of one person, \$50,000 for two or more people, and \$10,000 for property damage. Additionally, uninsured motorist coverage of at least \$25,000/\$50,000 for bodily injury is also mandated. The guide elaborates on various components of auto insurance, including liability insurance, uninsured and underinsured motorist coverage, medical payments coverage, and physical damage coverage, which includes collision and comprehensive insurance. Liability insurance protects against claims for bodily injury and property damage to others, while uninsured motorist coverage provides financial protection if injured by an uninsured driver. Underinsured motorist coverage is optional but offers additional protection if the at-fault party's insurance is inadequate. Medical payments coverage covers medical expenses for the policyholder and passengers, regardless of fault, and physical damage coverage is often required by lenders for financed vehicles.

The guide emphasizes understanding underwriting and rating factors that influence insurance premiums, such as age, location, vehicle type, and driving habits. It classifies drivers into preferred, standard, and nonstandard categories based on risk factors, affecting premium rates. Insurers may use consumer credit information to assess risk but must avoid unfair discrimination. To lower premiums, maintaining a clean driving record is advised, as insurers typically impose higher rates for recent accidents or violations. The document lists various discounts available, such as package discounts for bundling home and auto insurance, multiple vehicle discounts, and good student discounts, encouraging policyholders to discuss these with their agents. Increasing deductibles can also reduce premiums, provided the policyholder can manage out-of-pocket expenses for smaller claims. The document notes that youthful drivers, particularly unmarried males under 25, often face higher premiums, which may decrease with age. It warns that underage drinking and driving

violations can significantly impact insurance rates and may lead to policy nonrenewal.

In the event of an accident, the document advises calling the police, gathering information, and promptly filing an insurance claim with necessary documentation, emphasizing cooperation with the insurer during the claims process and maintaining detailed records of all communications. For vehicle repairs, coverage is based on the actual cash value (ACV) rather than replacement cost, and the insurer may request repair estimates. If a vehicle is deemed a total loss, the insurer will assess its value using various guides, and the policyholder has the right to negotiate this value. If a vehicle is financed, comprehensive and collision insurance is required, and the lender may impose forced coverage if the policy lapses. Forced coverage primarily protects the lender's interest and does not provide liability insurance for the policyholder, often resulting in higher costs added to the loan amount.

The document also discusses the Safety Responsibility Law in Wisconsin, which mandates reporting accidents involving injuries or significant property damage, and explains the comparative negligence law affecting damage recovery based on shared responsibility. It outlines the process for obtaining insurance through the Wisconsin Automobile Insurance Plan (WAIP) for those unable to find coverage in the standard market. Additionally, it details the use of credit information in underwriting personal lines insurance, emphasizing that insurers should not solely rely on credit data to refuse applications or cancel policies within the first 60 days. Consumers are encouraged to verify the licensing of agents and companies before purchasing coverage and to contact their insurance company or agent for complaints, escalating to the Office of the Commissioner of Insurance if unresolved.

Termination and cancellation policies indicate that insurers can cancel new policies within the first 59 days with proper notice, while nonrenewal requires a 60-day notice before expiration. Midterm cancellations are allowed under specific conditions, and anti-discrimination laws protect consumers

from unfair treatment based on various characteristics. The document concludes with essential details regarding auto insurance coverage and premium quotes, requiring policyholders to provide annual mileage, records of accidents or moving violations, and information about the vehicles insured. It lists semiannual premiums from different companies, detailing liability limits, uninsured motorist coverage, and physical damage coverage, culminating in a total semiannual premium amount summarizing the overall cost of the selected insurance coverage.