

# New Wisconsin Auto Laws

## A consumer's general guide to new auto insurance coverage requirements

On June 29, 2009, Governor Jim Doyle signed the budget bill into law. This bill included several changes to auto insurance laws in Wisconsin. The general information below will help you understand the changes to policy requirements and what you may need to do to comply with the new laws.

### Financial responsibility limits

*Financial responsibility limits are the dollar amounts you must prove you are able to pay (such as by purchasing insurance) if you are at fault in an accident.*

Effective Jan. 1, 2010, the minimum financial responsibility amounts required of drivers increases to \$50,000/\$100,000/\$15,000, where \$50,000 is the coverage limit for bodily injury or death of one person, \$100,000 the coverage limit for bodily injury or death of two or more persons, and \$15,000 the coverage limit for property damage of others. These limits will by law be adjusted for inflation every five years beginning in 2016.

The previous minimum limits were \$25,000/\$50,000/\$10,000.

### Liability coverage

*Liability coverage pays when you are responsible for bodily injury or damage to other people and their property.*

Effective June 1, 2010, minimum liability coverage as mentioned above of \$50,000/\$100,000/\$15,000 is mandatory. Drivers will need to have proof of this insurance with them when driving.

Previously, auto insurance was optional in Wisconsin.

### Uninsured/underinsured motor vehicle coverage

*Uninsured motor vehicle coverage pays when you are injured by another car or driver that is not insured.*

Effective Nov. 1, 2009, minimum required uninsured and underinsured motor vehicle coverage limits increase to \$100,000 per person and \$300,000 per accident.

Previous minimum limits for uninsured motor vehicle coverage were \$25,000/\$50,000. Previous minimum limits for underinsured motor vehicle coverage were \$50,000/\$100,000, but the coverage was optional.

*Underinsured motor vehicle coverage pays when you are injured by another car or driver that is insufficiently insured as defined by Wisconsin law.*

Effective Nov. 1, 2009, underinsured motor vehicle coverage is mandatory.

Previously, underinsured motor vehicle coverage was optional.

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## Medical payments coverage

*Medical payments coverage pays medical expenses for you and other insured occupants of your car who sustain injuries in a car accident.*

Effective Nov. 1, 2009, the minimum medical payments coverage increases to \$10,000. Individuals may still reject purchasing this coverage.

Previously, the medical payments coverage minimum was \$1,000.

## Umbrella policy coverage

*An umbrella policy provides broad coverage for liability above and beyond the liability limits covered by an underlying auto insurance policy.*

Effective Nov. 1, 2009, for umbrella and excess liability policies, insurers are required to provide customers with auto medical payments coverage. For umbrella policies already in effect that do not include auto medical payments coverage, insurers must provide the coverage as of Nov. 1, 2009.

Also effective Nov. 1, 2009, for umbrella and excess liability policies, insurers are required to provide customers with written offers of uninsured and/or underinsured coverage during the application process. For umbrella policies already in effect with or without uninsured and/or underinsured motor vehicle coverage, insurers must provide the written offer of the two separate coverages at the time of first renewal on or after Nov. 1, 2009.

Previously, auto medical payments coverage was not required to be provided, and no written offer was necessary for uninsured or underinsured motor vehicle coverage.

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Disclaimer: This guide provides a general description of the required coverages and the required minimum limits for each coverage in motor vehicle insurance policies, as required by a new Wisconsin law. This is not legal advice. This guide also contains a general description of coverages and is not a statement of contract. All coverages are subject to all policy provisions and applicable endorsements. For further information, see your State Farm agent.

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