



When your future
is at stake.

*Is auto insurance
mandatory and what type
of coverage is required?*

Since 2009, Wisconsin insurance laws have fluctuated. In 2009, the “Truth in Automobile Insurance” law was passed, instituting sweeping changes to Wisconsin insurance laws. However, almost all of the “Truth in Auto” changes were repealed in 2010. Below is a chart that may help consumers understand Wisconsin’s current insurance laws as compared to what the laws used to be.

Issue	<u>Pre-2009 Law</u>	<u>“Truth in Auto” Law</u> (policies issued or renewed after Nov. 1, 2009, unless otherwise noted)	<u>New Law</u> (policies issued or renewed after Nov. 1, 2011)
Mandatory Insurance	One of the two states in the U.S. that does not require all drivers to carry insurance	All drivers required to carry auto insurance (effective June 1, 2010)	Auto insurance is still mandatory
Minimum Liability Limits	Set in 1982, minimum liability limits were \$25,000 (one person)/ \$50,000 (per occurrence)/ \$10,000 (property)	Minimum limits were increased to \$50,000/\$100,000/\$15,000	\$25,000/\$50,000/\$10,000
Uninsured Motorist (UM)	Mandatory coverage, with minimum limits of \$25,000/\$50,000	Mandatory coverage, with minimum limits of \$100,000/\$300,000	Still mandatory, but minimum limits were reduced to \$25,000/\$50,000
Underinsured Motorist (UIM)	Coverage was optional, and if chosen required limits of at least \$50,000/\$100,000	Mandatory coverage, with minimum limits of \$100,000/\$300,000	Coverage is now optional, but if coverage is included limits must be at least \$50,000/\$100,000
Definition of UIM coverage	Each company can create its own definition of what is considered an underinsured motor vehicle.	Underinsured motor vehicle was defined by statute and compared the negligent driver’s liability limit with the amount of damages actually sustained by a victim	Revert to the Pre-2009 law allowing companies to define UIM however they want, often comparing the negligent driver’s liability limit to the victim’s UIM coverage with no respect for actual damages sustained
UM/UIM Umbrella Coverage	Companies were obligated to offer UM/UIM coverage on an umbrella policy but were not required to document consumer responses to the offer	Companies must still offer UM/UIM coverage on an umbrella policy, but consumers refusing the coverages must do so in writing	Companies no longer need to offer UM/UIM coverage on an umbrella policy
Med Pay	Optional, \$1,000 minimum	Optional, \$10,000 minimum	Optional, \$1,000 minimum

Stacking	Consumers who own more than one policy were not allowed to access coverages from the additional policies	Consumers were able to access additional coverages from up to 3 UM/UIM policies	Stacking is no longer mandated by statute- refer to your individual policy to see if stacking is allowed
Reducing Clauses	Companies are allowed to reduce your UM/UIM coverages to reflect the insurance carried by the other driver	Reducing clauses were prohibited. Consumers could access all of the UM/UIM coverage they paid for.	Revert to the Pre-2009 law, reducing clauses are permitted.
Hit and Run Coverage	Companies could deny claims where no physical contact occurred, even if there were witnesses to the accident	UM coverage was required to cover hit and run accidents even if no physical contact occurred if there was evidence by an independent third party to the accident	<p>If you are run off the road or an accident is caused by a vehicle that does not make physical contact with you, the new “Phantom Motor Vehicle” law requires several things for coverage to be considered:</p> <ol style="list-style-type: none"> 1) You must have a witness who can corroborate what happened and the witness cannot have a claim as a result of the accident 2) Within 72 hours of the accident, an accident report must be made to law enforcement 3) Within 30 days, you must file a report with your insurance company <i>under oath</i> setting forth the facts of the case