

Date: September 22, 2006
To: All Property and Casualty Insurers
From: Jorge Gomez, Commissioner of Insurance
Subject: Emergency Rule Exempting Commercial Liability Policies from Offering or Providing Underinsured Motorists Coverages

This office has found it necessary to promulgate an emergency rule to revise s. Ins 6.77, Wis. Adm. Code, in order to address coverage problems that arose due to two recent Wisconsin Supreme Court decisions: Rebernick v. American Family Mutual Insurance Company, 2006 WI 27, and Rocker v. USAA Casualty Insurance Company, 2006 WI 26.

The rule revisions implement the following changes:

1. The scope of the rule is expanded to include all insurers authorized to write commercial liability policies in Wisconsin.
2. Adds a definition for a commercial liability policy as any form of commercial insurance contract providing coverage for the insured's liability arising out of the ownership, maintenance or use of an automobile or other motor vehicle. For purposes of this section, commercial liability policy includes policies written on farms and agricultural operations, but excludes worker's compensation policies.
3. The exemption under subsection (4) is expanded to apply to commercial liability policies as well as umbrella and excess liability policies.
4. The exemption under subsection (4) (a) is also expanded to exempt the policies mentioned in 3. above from ss. 632.32 (4) and 632.32 (4m), Wis. Stat., which require the offering and/or providing of uninsured motorists, underinsured motorists, and medical payments coverages.

The emergency rule changes will take effect on September 22, 2006.

If you have any questions regarding the rule, you may contact Rhonda Peterson, Property and Casualty Section Chief, at (608) 267-7186 or rhonda.peterson@oci.state.wi.us.

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