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AUTO INSURANCE REPORT

The Authority on Insuring Personal and Commercial Vehicles

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Lower prices for EVs drive down repair costs. **Pages 3**

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Two New Faces Join State Insurance Commissioners

Voters elected **Washington** state Sen. **Patty Kuderer**, a Democrat, to lead the **Office of the Insurance Commissioner**, and Republican **Jim Brown** will be **Montana's** next state auditor and commissioner of insurance and securities. Kuderer will succeed Commissioner **Mike Kreidler**, who served six terms. Brown will succeed **Troy Downing**, who won election to Congress.

Voters in three other states returned insurance commissioner to office: **Trinidad Navarro** in **Delaware**, **Mike Causey** in **North Carolina** and **Jon Godfread** in **North Dakota**.

Justin Zimmerman was confirmed last month as commissioner of the **New Jersey Department of Banking and Insurance**, 16 months after his appointment. AIR

EV Repair Costs Inch Closer To Gas-Powered Cars and Hybrids

Electric vehicles are still more expensive to repair than gas-powered cars and hybrids, but the gap is narrowing as automakers introduce lower-priced EVs.

Even as repair costs become more similar, EV claim severity is likely to be higher than that of gas-powered cars for the foreseeable future, according to **Ryan Mandell**, director of claims performance at estimating software provider **Mitchell**. (AIR 2/12/24) And as more EVs gradually enter the fleet, they will raise the floor of overall industry losses, he said.

"There is some increased risk of additional cost because of things that are bespoke to EV design and the propulsion system," Mandell said. "It can be difficult to be profitable on the underwriting of these vehicles today, but I think over time you'll see some of those trends – I don't want to say erase – but I think they'll diminish."

Please see EV REPAIR on Page 2

History Could Repeat With Effort To Boost Wisconsin Auto Limits

Just as auto insurance costs in **Wisconsin** are beginning to stabilize, there is talk about a renewed effort to increase minimum liability requirements.

Lawmakers around the country have considered or taken action to increase auto insurance requirements in recent years, driven by higher costs for auto repairs and medical bills. (AIR 1/15/24) But those with long memories will recall the chaos that occurred the last time Wisconsin attempted to do so.

Two-term Democratic Gov. **Jim Doyle's** 2009 state budget legislation made auto insurance mandatory in Wisconsin for the first time beginning Jan. 1, 2010. The prior law required proof of financial responsibility or insurance at minimum limits of $25,000 per person and $50,000 per accident for bodily injury (BI) and $10,000 for property dam-

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EV REPAIR *Continued from Page 1*

Today, insuring an electric vehicle costs about 20% more than a gas-powered car, according to a report from **Mercury Insurance**.

Tesla cars, overall, also remain more expensive to repair than EVs from other automakers, but that gap too has narrowed as Tesla has lowered prices.

"There [are] a lot more models for sale today, and there's going to be significantly more a year from now," Mandell said. "Where we've seen more adoption from the general public is in some of those lower-cost EVs."

EV market share is increasing more slowly than initial projections. Nevertheless, the vehicles account for a growing share of cars on the road and of claims for insurance companies.

It is unclear how the administration of President-elect **Donald Trump** will impact the growth of electric vehicles. While Tesla CEO **Elon Musk** made large contributions and had a high-profile role in the winning campaign, Trump promised to reverse the higher fuel efficiency standards and EV buying incentives put in place by the Biden administration. Musk and Tesla could benefit if Trump ends incentives for EV purchases as Tesla relies less on subsidies than competitors. The elimination of subsidies and Trump's promised tariffs on foreign automakers could strengthen Tesla's position in the market.

> ***Even amid slower growth, EVs account for an increasing share of cars on the road and auto insurance claims.***

J.D. Power lowered its market share forecast in August, projecting that EVs would account for 9% of vehicle sales in 2024, a change from its initial projection of 12%. Still, EV sales have grown considerably from 2% of sales in 2020.

Though less enthusiastic than in the past, J.D. Power still projects EVs will account for 36% of new sales in 2030 and 58% in 2035.

Competition from plug-in hybrid cars and consumer concerns about too few charging stations have dented EV growth, according to J.D. Power.

The price for an electric vehicle has become less of a barrier to adoption, as large incentives and new lower-cost EVs have made them less expensive than gas-powered cars in some cases, according to J.D. Power.

The average price for new EVs fell by 13% from 2022 to 2023 and then held steady from 2023 to 2024, according to **Cox** automotive data.

Insurance carriers have grappled with predicting exactly how new complexity from electric vehicle technology will impact claims costs and repair procedures, and how the heavier, faster vehicles will impact driver behavior and collisions. But as more EVs hit the road, the biggest driver of claim severity appears to be simple price-per-unit economics.

"I think so many people, when they look at EVs, they want to kind of extrapolate these very complex trends," Mandell said. "But I think a lot of it really can be simplified down to [the car price]."

The average severity for repairable EVs was $5,560 in the third quarter of 2024, 17% higher than the average for a gas-powered vehicle, according to a new report from Mitchell. The gap has narrowed considerably from the 33% difference in severity between EV and gas-powered vehicles in the third quarter of 2023, 41% difference in the same quarter in 2022, 49% in 2021 and 54% in 2020.

Repair costs for both plug-in hybrids, which use electric power with a gas-engine backup, and "mild" hybrids like the original Toyota Prius, which primarily use gas engines with battery assistance at low speeds, are more similar to traditional vehicles.

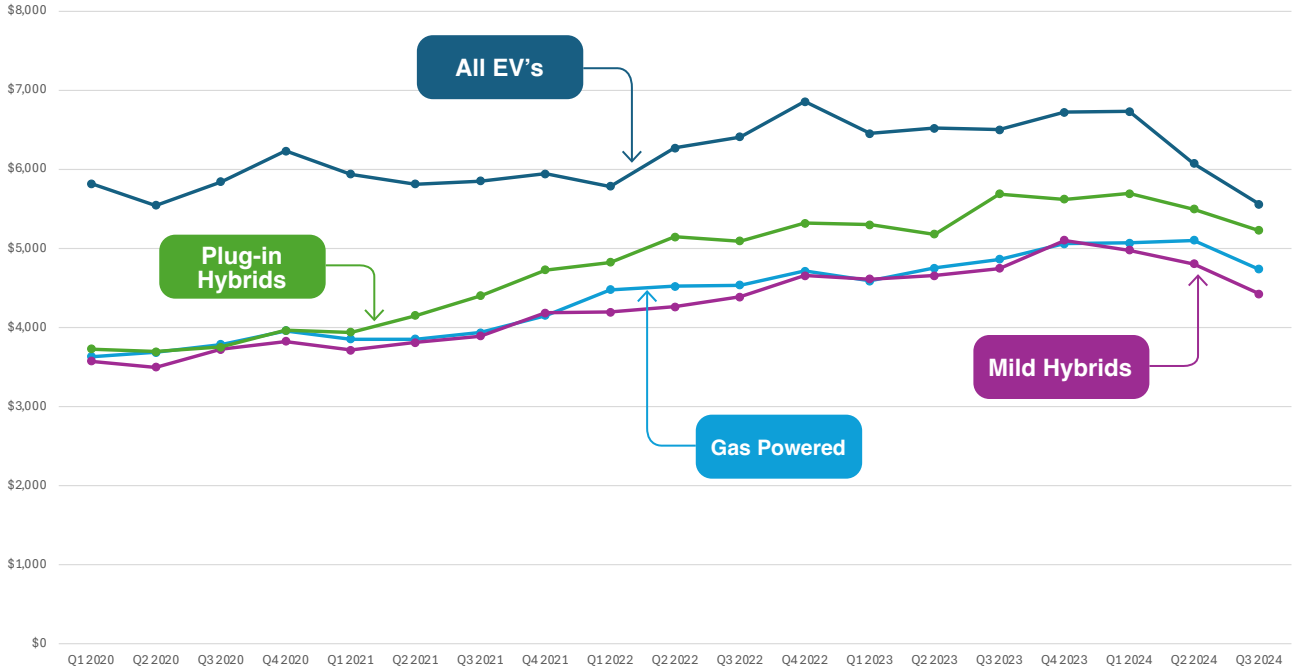
Average claim severity for all vehicle types declined in the third quarter of this year after

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EV and Other Vehicle Repair Costs Have Become More Similar



Source: Mitchell

EV REPAIR *Continued from Page 2*

several consecutive increases following pandemic supply chain disruptions and labor shortages.

While more affordable EVs have hit the market, automakers continue to add more advanced driving technology to gas-powered cars that in the past were unique to luxury brands or EVs like Tesla.

"The additional semi-autonomous features that are being added to the entire car park will continue to drive more similarity," Mandell said.

Factors other than sticker price have also contributed to the shrinking gap in repair costs between EVs and gas-powered cars.

Technicians have become more experienced at repairing EVs, shortening cycle times and lowering costs. EVs still take longer to fix than gas-powered cars, largely due to requirements for powering-down the electric system before a repair.

But the overall cycle-time gap has narrowed. Average repair cycle times for EVs fell from a peak of 26 days in the second quarter of 2023 to 17.7 days in the third quarter of 2024. Repair cycle times for gas-powered cars fell from 19.5 days to 15.9 days during the same period, according to Mitchell.

While more aftermarket parts are now available for EVs, their repairs still use a higher percentage of expensive parts from automakers than gas-powered vehicles.

The biggest driver of the narrowing gap is the price of the cars: Tesla and other automakers have introduced more affordable EVs, which require relatively more affordable repairs.

While electric vehicles today are less synonymous with Tesla than they once were, the automaker still dominates the EV market in the U.S., and its introduction of the lower cost Model 3 in 2017 has played a large role in moderating the difference in repair costs. Tesla also reduced the

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EV REPAIR *Continued from Page 3*

price of its Model X and Y vehicles this year, contributing to the lower repair costs.

"When Tesla reduced their prices, that had a big impact on the overall industry," Mandell said. "All other manufacturers, they kind of have to follow Tesla's lead in that regard, because they are the market leader. And so they kind of reduced their prices in line with that."

The Model 3 is the most popular Tesla, accounting for about 32% of all EV repairable claims in the U.S. in the third quarter. It was followed by the slightly more expensive Model Y at 27%, the comparably priced **Ford** Mustang Mach-E at 7%, and the much more expensive Tesla Model S at 6% and Tesla Model X at 5%.

A lower priced EV is obviously less expensive for an insurer in a total loss. But it also has a lower ceiling for repairable claims costs. With an $80,000 EV, an insurer may need to pay for repairs up to $50,000 or $60,000 before it is totaled. A $30,000 EV is totaled after just $15,000 or $16,000 in repairs, Mandell said.

> ***Rear-impact collisions are more common for EVs than for gas-powered cars, accounting for 36% of repairable claims.***

More expensive EVs also have more costly options that could be damaged in a collision, resulting in higher costs.

The types of collisions more common to EVs are different from those for gas-powered cars.

The most common repairable claim for a gas-powered car is for a front-impact collision, at about 32%, but EVs are most often in rear-impact collisions, at 36% of repairable claims.

EVs are in fewer front-impact collisions, which are relatively more expensive for each vehicle type than rear-impact collisions. They have fewer front-impacts because they are on average newer and have more front-impact prevention features like automatic emergency braking. They are in more rear-impact collisions likely because the single-pedal, regenerative braking used by EVs might cause "more rapid deceleration than expected by the driver," according to Mitchell.



Ryan Mandell Mitchell

Other parts and vehicle design differences specific to EVs also can result in higher claims costs. A Mitchell case study comparing the cost of repairing a gas-powered Ford F-150 XLT to its electric counterpart, the 2022 Ford F-150 Lightning, found that additional parts on the Lightning contributed to a more expensive repair.

Both vehicles suffered moderate front-end impacts requiring new bumper assemblies, grilles, headlights, hood panels and other parts. But because the Lightning has an empty "frunk" – or front trunk – under the hood, rather than a gas engine, it requires extra parts closer to the bumper.

"You need something else to help absorb crash energy," Mandell said. "So these manufacturers put more stuff closer to the point of impact that's essentially sacrificial."

In this collision, the sacrifice was an additional $1,501.25 grille reinforcement part and a $412.58 bumper isolator part. Additional repair costs also resulted from the 3.5 labor hours required to remove the EV battery during the repair. Overall, the Lightning repair cost $3,508 more – or about 30% more – than the XLT repair.

"We've seen a lot of increases in cost of repair the last few years, inflation being a big driver of it," Mandell said. "And I think increased EV adoption over the next several years is going to reduce the chance that we will see more of a flattening of that severity curve." AIR

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State Market Focus: WISCONSIN

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age (PD) liability.

Mandatory insurance itself was not a problem. But the 2009 law doubled the minimum limits to $50,000/$100,000 for BI and $15,000 for PD until Dec. 31, 2016, with increases indexed to the CPI every five years thereafter. The law also made uninsured/underinsured motorists (UM/UIM) coverage mandatory at the nation's highest minimum limits of $100,000/$300,000 with the ability to stack coverage for at least three vehicles. Under the prior law, insurers were required to offer UM/UIM, but drivers could reject it.

Doyle did not run for a third term, and a year after the new limits took effect, the new governor, Republican **Scott Walker**, signed legislation repealing the law, rolling back auto insurance limits to the original $25,000/$50,000/$10,000, making UM/UIM optional and allowing insurers to include anti-stacking language in their policies. Drivers who were required to double their BI limits and buy large amounts of UM/UIM one year could downsize their policies the next.

> ***Trial lawyers are expected to push legislation in 2025 for higher auto insurance coverage requirements.***

In 2010, Wisconsin liability premiums increased 9.9% compared with the countrywide increase of 1.9%. After the repeal, Wisconsin liability premiums decreased 2.7% in 2012 as liability premiums nationwide increased 2.3%.

The plaintiff's bar has prepared draft legislation to increase limits in the past two years, but no bill was introduced. That is expected to change in 2025.

"I would not be surprised if a limits play was made by the plaintiff's bar," said **Andrew Franken**, president of the **Wisconsin Insurance Alliance**. Given higher auto insurance costs and the history of ping-ponging limits, Franken said that he "would expect a challenging legislative environment for that effort" to increase coverage requirements.



Andrew Franken
Wisconsin
Insurance Alliance

Auto insurance rates were up big in Wisconsin last year, according to RateWatch data from **S&P Global Market Intelligence**, but rate increases have slowed thus far in 2024, as profitability has returned for underwriters.

In 2023, the top 10 insurance groups increased rates an average 15.3% last year, but an average of just 4.6% this year, based on filings approved through Oct. 22, according to RateWatch.

The largest increases in the last two years have come from No. 6 **Erie Insurance**, which raised rates an average 26.4% this year on top of 15.0% in 2023, with No. 8 **West Bend Mutual** close behind with an average 20.8% in 2023 followed by 18.8% in 2024. No. 10 **Auto-Owners Group** took the single largest rate hike among the largest groups with an average 30% increase in 2023.

By contrast, **Progressive**, the state's No. 1 insurer, lowered rates an average 3.6% this year after raising rates an average 12.2% last year.

Wisconsin may be starting to see some light at the end of the current hard market, according to **Matt Banaszynski**, CEO of **Independent Insurance Agents of Wisconsin**.

"We're seeing an improvement, but we'll have to see what the rest of 2024 looks like when all the claims data comes in," Banaszynski said. "For Wisconsin specifically, things are looking

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State Market Focus: WISCONSIN

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really good. Usually, we track a little bit ahead of what's happened nationally."

Even as rates were rising, Wisconsin drivers paid some of the lowest premiums in the country. The average auto insurance expenditure in 2022 was $810, ranked 46th in the country, according to the most recent data available from the **National Association of Insurance Commissioners**. On our PAIN Index, which compares premium to income, only 10 states were more affordable.

"It's a very competitive market and the consumer certainly benefits from having a very healthy and competitive auto insurance marketplace," Banaszynski said.

Wisconsin suffered a few severe weather events this year that produced auto and homeowners claims. For example, the state experienced its first-ever report of a February tornado. The **National Oceanic and Atmospheric Administration** also reported multiple hail and windstorms that affected Wisconsin.

Banaszynski also expects to see a 2025 bill to increase mandatory minimum limits in Wisconsin from the current $25,000/$50,000/$10,000.



Nathan Houdek
Wisconsin
Insurance Commissioner

"There could be a number of groups arguing – we wouldn't be one of them – that state mandatory minimum auto insurance limits need to be increased," he said. "It's been something that's been talked about for a number of years since the limits were lowered about a decade ago."

What may largely dictate this and other changes in coming years is Wisconsin's newly drawn legislative maps. After the Wisconsin Supreme Court last year threw out the old maps, which were heavily gerrymandered to favor Republicans, Democratic Gov. **Tony Evers** and the GOP-dominated Legislature drew new districts.

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Wisconsin
Auto Insurance Profit Margins
Ten-Year Summary, Percent of Direct Premiums Earned

Line of Business	2022 Total Profit	2021 Total Profit	2020 Total Profit	2019 Total Profit	2018 Total Profit	2017 Total Profit	2016 Total Profit	2015 Total Profit	2014 Total Profit	2013 Total Profit	Avg Total Profit
Personal Auto Liab	9.5	15.5	18.2	13.2	15.7	10.9	8.0	8.2	4.7	6.0	11.0
Personal Auto Phys	-13.1	-0.7	10.6	6.8	4.9	5.7	5.3	6.4	5.1	4.1	3.5
Personal Auto Total	-1.6	7.8	14.7	10.2	11.0	8.7	6.8	7.4	4.9	5.2	7.5
Comm. Auto Liab	23.8	24.1	25.0	13.4	19.8	16.9	10.9	14.2	15.2	16.7	18.0
Comm. Auto Phys	1.8	12.1	16.0	6.5	6.3	3.0	8.2	8.9	3.6	2.5	6.9
Comm. Auto Total	16.2	20.1	22.0	11.1	15.5	12.4	10.0	12.6	11.6	12.6	14.4
Total All Lines*	6.9	16.9	18.4	13.6	14.2	14.5	13.6	16.8	11.1	9.8	13.6

*Auto; Home, Farm & Commercial Multiperil; Fire; Allied; Inland Marine; Med Malpractice; Other Liability; Workers Comp; All Other

Note: Profit calculations are by *Auto Insurance Report* using data from the National Association of Insurance Commissioners. Calculations are estimates, some based on national averages.

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Wisconsin
Personal Auto Insurers

Groups Ranked by Total 2023 Direct Premium Written (000)

Group Name	2023 Premium	Mkt share 2023	Loss Ratio 2023	2022 Premium	Mkt share 2022	Loss Ratio 2022	2021 Premium	Mkt share 2021	Loss Ratio 2021
Progressive Corp.	$898,461	21.7%	66.6%	$789,297	21.8%	73.5%	$724,009	21.4%	71.2%
American Family Insurance Group	$691,114	16.7%	63.6%	$610,703	16.8%	71.2%	$587,607	17.4%	58.2%
State Farm Mutual	$650,446	15.7%	73.9%	$529,740	14.6%	89.9%	$469,105	13.9%	68.0%
Berkshire Hathaway/Geico	$201,283	4.9%	72.6%	$185,143	5.1%	92.0%	$176,757	5.2%	72.6%
Allstate Corp.	$197,306	4.8%	62.9%	$174,397	4.8%	80.6%	$159,518	4.7%	56.4%
Erie Insurance Group	$153,204	3.7%	95.1%	$132,810	3.7%	97.4%	$125,382	3.7%	75.7%
Acuity Mutual Insurance	$127,808	3.1%	74.2%	$107,320	3.0%	76.6%	$100,518	3.0%	61.8%
West Bend Mutual Holding Co.	$118,394	2.9%	67.7%	$104,794	2.9%	82.6%	$102,277	3.0%	58.1%
USAA Insurance Group	$116,433	2.8%	79.9%	$99,272	2.7%	85.3%	$94,204	2.8%	69.2%
Auto-Owners Insurance	$104,045	2.5%	74.3%	$81,362	2.2%	77.9%	$72,397	2.1%	61.0%
Farmers Insurance Group	$92,470	2.2%	58.2%	$94,056	2.6%	61.2%	$94,084	2.8%	60.4%
Liberty Mutual	$90,004	2.2%	62.5%	$91,689	2.5%	65.8%	$87,107	2.6%	52.7%
Grange Insurance	$57,615	1.4%	64.6%	$55,079	1.5%	86.2%	$51,552	1.5%	67.3%
Wisconsin Mutual Insurance Co.	$53,575	1.3%	83.1%	$46,198	1.3%	84.7%	$43,786	1.3%	67.4%
Rural Mutual Insurance Co.	$51,743	1.3%	76.4%	$44,800	1.2%	74.4%	$43,081	1.3%	60.9%
Secura Insurance Companies	$51,395	1.2%	76.2%	$48,301	1.3%	83.1%	$46,336	1.4%	58.8%
Auto Club Insurance Assn. (Michigan)	$49,742	1.2%	76.2%	$46,062	1.3%	68.5%	$47,581	1.4%	59.0%
Hanover Insurance Group	$36,983	0.9%	73.2%	$32,417	0.9%	74.7%	$27,029	0.8%	61.1%
Travelers Companies Inc.	$31,646	0.8%	60.4%	$28,544	0.8%	85.9%	$26,287	0.8%	60.2%
Badger Mutual Insurance Co.	$27,733	0.7%	76.4%	$26,334	0.7%	81.0%	$25,495	0.8%	67.4%
Penn National Insurance	$25,472	0.6%	75.6%	$22,680	0.6%	66.0%	$20,163	0.6%	69.2%
Country Financial	$24,380	0.6%	85.7%	$21,588	0.6%	77.6%	$20,828	0.6%	66.9%
Sentry Insurance Mutual	$22,685	0.6%	56.5%	$21,065	0.6%	53.1%	$20,252	0.6%	52.6%
Hartford Financial Services	$20,413	0.5%	83.3%	$19,381	0.5%	61.7%	$19,396	0.6%	43.9%
Pekin Insurance	$17,902	0.4%	99.3%	$16,159	0.5%	87.1%	$18,214	0.5%	65.1%
Nationwide Mutual Group	$17,089	0.4%	77.9%	$16,424	0.5%	87.2%	$15,414	0.5%	61.8%
Germantown Mutual Insurance Co	$16,788	0.4%	81.8%	$14,195	0.4%	85.3%	$13,542	0.4%	63.2%
IMT Group	$16,128	0.4%	64.6%	$14,994	0.4%	65.4%	$15,154	0.5%	45.8%
Hastings Mutual Insurance Co.	$14,629	0.4%	97.2%	$13,299	0.4%	69.8%	$13,746	0.4%	47.6%
Cincinnati Financial Corp.	$13,390	0.3%	46.6%	$10,736	0.3%	62.1%	$10,405	0.3%	54.5%
Markel Corp.	$12,684	0.3%	54.5%	$10,781	0.3%	41.2%	$6,638	0.2%	28.8%
WEA P&C Insurance Co.	$10,846	0.3%	61.0%	$10,278	0.3%	88.4%	$10,417	0.3%	79.9%
Encova Insurance	$10,150	0.3%	77.5%	$7,709	0.2%	63.8%	$9,008	0.3%	64.9%
Mt. Morris Mutual Insurance Co	$8,539	0.2%	66.8%	$7,971	0.2%	115.1%	$6,975	0.2%	90.1%
Selective Insurance Group Inc.	$8,398	0.2%	100.1%	$6,153	0.2%	69.5%	$5,040	0.2%	71.7%
Utica National Insurance Group	$7,730	0.2%	74.3%	$6,862	0.2%	82.5%	$3,614	0.1%	79.9%
Grinnell Mutual	$7,704	0.2%	95.4%	$5,170	0.1%	59.7%	$3,683	0.1%	59.6%
Western National Insurance	$7,407	0.2%	70.7%	$6,833	0.2%	73.8%	$7,567	0.2%	57.7%
Rockford Mutual Insurance Co.	$6,637	0.2%	85.7%	$4,960	0.1%	82.5%	$4,702	0.1%	74.9%
Statewide Totals	$4,132,974		70.2%	$3,627,047		78.4%	$3,386,176		64.5%

Source: S&P Global Market Intelligence and the *Auto Insurance Report* database.
Loss ratio = incurred losses/direct premium earned and does not include dividends or loss adjustment expense.

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State Market Focus: WISCONSIN

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While Republicans retained majorities in both chambers after the Nov. 5 election, the margin will be much slimmer than in the past after Democrats flipped 14 seats.

Newly drawn districts meant that many incumbents ran against each other, bringing many first-time elected officials. "You'll have a lot of people that need to be brought up to speed and educated on the on the process and the issues," Banaszynski said.

Democrats have the potential to take over the Senate or Assembly in 2026, when the governor will also be up for election.

"The political dynamics in Wisconsin right now are quite intense," said **Joe Roth**, assistant vice president of state government relations with the **American Property Casualty Insurance Association** (APCIA).

The 2023-24 session in Wisconsin was relatively quiet, but some important bills passed.

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Wisconsin Commercial Auto Insurers

Groups Ranked by Total 2023 Direct Premium Written (000)

Group Name	2023 Premium	Mkt share 2023	Loss Ratio 2023	2022 Premium	Mkt share 2022	Loss Ratio 2022	2021 Premium	Mkt share 2021	Loss Ratio 2021
Acuity Mutual Insurance	$77,811	7.7%	59.0%	$76,580	8.7%	63.1%	$70,969	8.9%	48.6%
West Bend Mutual Insurance Co.	$71,128	7.0%	58.6%	$65,674	7.5%	55.7%	$59,571	7.5%	49.4%
Progressive Corp.	$68,458	6.8%	67.3%	$72,628	8.3%	54.6%	$64,185	8.0%	46.0%
Old Republic International Corp.	$57,574	5.7%	72.6%	$49,671	5.6%	50.8%	$45,212	5.7%	51.9%
Secura Insurance Companies	$47,341	4.7%	62.4%	$43,516	4.9%	57.7%	$39,601	5.0%	48.2%
Travelers Companies Inc.	$46,228	4.6%	71.2%	$44,510	5.1%	55.5%	$42,658	5.3%	54.0%
Sentry Insurance Mutual	$29,382	2.9%	50.7%	$29,071	3.3%	58.3%	$29,715	3.7%	54.1%
Auto-Owners Insurance	$26,843	2.7%	58.3%	$23,460	2.7%	68.7%	$21,671	2.7%	57.2%
Tiptree Inc.	$26,841	2.7%	92.4%	$235	na	42.4%	na	na	na
Rural Mutual Insurance Co.	$24,015	2.4%	61.2%	$21,176	2.4%	49.7%	$20,042	2.5%	43.0%
Grange Insurance	$23,437	2.3%	64.5%	$24,534	2.8%	56.2%	$25,083	3.1%	68.5%
Chubb Ltd.	$22,791	2.3%	41.8%	$16,857	1.9%	47.6%	$16,602	2.1%	24.8%
Zurich Insurance Group	$21,867	2.2%	41.8%	$18,078	2.1%	49.3%	$18,769	2.4%	26.5%
EMC Insurance Companies	$21,240	2.1%	62.7%	$20,277	2.3%	63.2%	$19,845	2.5%	66.4%
Western National Insurance Group	$19,868	2.0%	59.8%	$18,308	2.1%	65.5%	$18,026	2.3%	53.2%
Fairfax Financial	$19,670	2.0%	91.0%	$10,664	1.2%	42.6%	$4,230	0.5%	36.9%
ACP Insurance Mgmt LLC	$18,964	1.9%	107.5%	$3,115	0.4%	39.8%	na	na	na
Great American Insurance	$17,133	1.7%	62.8%	$18,097	2.1%	40.8%	$13,125	1.6%	-7.7%
Federated Mutual Group	$16,486	1.6%	56.4%	$14,142	1.6%	45.1%	$11,927	1.5%	44.2%
Cincinnati Financial Corp.	$15,905	1.6%	50.2%	$15,500	1.8%	37.9%	$14,880	1.9%	63.2%
Berkshire Hathaway Inc.	$14,810	1.5%	36.4%	$12,999	1.5%	51.7%	$9,783	1.2%	45.5%
Society Insurance Mutual	$13,864	1.4%	57.5%	$13,154	1.5%	50.4%	$12,768	1.6%	30.0%
Erie Insurance Group	$13,319	1.3%	84.8%	$13,872	1.6%	74.3%	$13,528	1.7%	56.9%
Statewide Totals	$1,010,210		61.6%	$880,152		56.7%	$799,835		51.1%

Source: S&P Global Market Intelligence and the *Auto Insurance Report* database.
Loss ratio = incurred losses/direct premium earned and does not include dividends or loss adjustment expense.

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State Market Focus: WISCONSIN

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Senate Bill 92 allows police officers to impound vehicles used in reckless driving offenses if the person cited is the vehicle's owner and has prior reckless driving convictions with fines that have not been fully paid.

Tony Cotto, director of auto and underwriting policy for **National Association of Mutual Insurance Companies**, said that this has been a problem nationally. "You have license suspension, then if they keep on driving, then they're driving around with a suspended license," Cotto said. "You have to have mechanisms for dealing with that."



Tony Cotto
NAMIC

Wisconsin legislators also passed Assembly Bill 637, which makes it a Class 1 felony to remove a catalytic converter from a vehicle without an owner's consent. This means that people caught stealing catalytic converters can be fined up to $10,000 or put in prison for up to 3½ years.

Legislation cracking down on catalytic converter theft has contributed to the decline nationally. (AIR 10/28/24) "This is one of those where the [federal government] did nothing for so long that the states started taking action," Cotto said.

The Legislature also passed SB 613, which would have created a $1 million cap on noneconomic damages in lawsuits against commercial motor carriers, but the governor vetoed it.

"I am vetoing this bill because I object to arbitrarily capping the noneconomic damages that a person may recover in tort actions involving a motor vehicle carrier," Evers wrote in his veto message. "A fundamental principle of our legal system is that everyone is entitled to remedies

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Wisconsin Snapshot

Regulator: Insurance Commissioner Nathan Houdek
Rate regulation: use and file
Average rate approval time (2023): 3 days
U.S. average: 64 days

Size of personal auto market: $4.13 billion (2023 DPW) Rank: 25th
Average policy expenditure: $810 (2022)
Rank: 46th
Auto Insurance Report PAIN Index rank: 41st (2022)
Property Insurance Report HURT Index rank: 48th (2021)

Auto registrations: 1.7 million (2022)
Truck registrations: 3.7 million (2022)
Vehicle miles traveled (VMT): 66.17 billion (2022)
Traffic fatalities: 0.9 per 100 million VMT; U.S.: 1.33 (2022)

Vehicle thefts: 250.3 per 100,000 residents; Region: 250.9 (2022)

Liability defense: modified comparative fault - 51% bar
Minimum Insurance Requirements:
BI: $25,000/$50,000 • **PD:** $10,000

Safety Laws
Texting ban, cellphone ban for novice drivers
Primary seat belt law
Motorcycle helmets required for riders under 18
Speed cameras prohibited

Demographics
Population: 5.9 million (2023)
Change 2010-2020: 3.6%, U.S.: +7.4%
Median household income (avg. 2018-2022): $72,458; U.S.: $75,149
Population density: 108.8 per square mile; U.S.: 93.8 per square mile (2020)

Sources: S&P Global Market Intelligence; NAIC; Milliman; U.S. Dept. of Transportation; NAMIC; U.S. Census; Insurance Institute for Highway Safety; FBI; Matthiesen, Wickert & Lehrer

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Focus: WISCONSIN

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in the law for all injuries, and when it comes to remedy, the law should redress a party's injury, not repress an injured party."

In the coming two-year session, Roth expects to see a revised version of SB 613 to return.

APCIA's legislative priority is a third-party litigation financing bill to strengthen Wisconsin's current law.



Joe Roth
APCIA

Evers also vetoed legislation to regulate peer-to-peer car sharing (AB 395) that was based on the model act adopted by the **National Conference of Insurance Legislators**. In his veto message, Evers said the insurance requirements – equal to the minimum limits for drivers – were too low.

He also objected to the fact that vehicles engaged in peer-to-peer car rentals were exempt from taxes and fees imposed on traditional rental cars.

Cotto said that a version of the bill may be reintroduced in 2025.

In 2023, the first year of this session, legislators passed SB 76, which makes carjacking a felony and increases the penalty for those arrested for that crime. "We would continue to support anything that will help bring down the car theft number," Cotto said. "Vehicle theft remains a huge problem."

Everyone interviewed spoke highly of working with **Office of the Commissioner of Insurance** and Commissioner **Nathan Houdek**.

"They're a strong department that understands what they're there for. They're very open to hearing feedback, very committed to consumer protection," Roth said. "It's just a very well-run department." AIR

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