

Topic for the Month

**Automobile
Insurance**

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Politics and Automobile Insurance Coverage

Effective November 1, 2011 the new law will go into effect that will reduce the minimum amounts of liability coverage, the minimum amount of property damage coverage and the minimum amount of medical payments coverage. The law also allows insurance companies to reduce Uninsured Motorist (UM) and Under Insured Motorist (UIM) coverage. They also have a choice as to whether or not they even provide UIM coverage. You may not be aware of the potential weakening of your insurance policy and as a result, may suffer financially if you are seriously injured in an automobile accident or if you seriously injure someone else in an automobile accident.

A Perfect Example - Kris Kringle was severely injured in an accident during the summer of 2010. His medical expenses were in excess of \$1,000,000. The "at fault" driver who hit Kringle had a \$250,000 liability insurance policy. Kringle had purchased UIM coverage of \$300,000 for each of his two vehicles. Under the law established in 2009, Kringle could receive the "at fault" driver's \$250,000 and both of his \$300,000 underinsured motorist policies for a total of \$850,000.



He would be able to pay his bills and save his home.

The 2011 law allows insurance companies to add "anti-stacking clauses" and "reducing clauses" to policies that could limit an insured person's monetary recovery. Example: In Kringle's situation one of his UIM policies (\$300,000) could be eliminated by an "anti-stacking clause" and one of his UIM policies (\$300,000) could be reduced to \$50,000 by the subtracting the other driver's liability policy (\$250,000). Kringle's total recovery would be only \$300,000 (\$250,000 other drivers liability + \$50,000 of his UIM) as opposed to recovery of \$850,000 (\$250,000 liability + \$300,000 UIM + \$300,000 UIM.) Go to www.stellpfluglaw.com legal resources page and view this LawClips to see a detailed chart which shows that most of the positive changes to our automobile insurance laws that were in effect for policies issued after November 1, 2009 will now be reverted back to the types of policies and policy language that were in effect in 2005. On our website you can also view the chart showing the comparison of

the 2005 law, the 2009 law and the 2011 law. Please note that the 2009 law required that automobile insurance in Wisconsin is mandatory. The 2011 law did not change that requirement.

What You Should Do - If you drive an automobile you are at risk of serious injury as a result of an automobile accident. You should maintain adequate automobile liability insurance so that you can properly protect your assets and compensate the person that was injured. You should maintain adequate UM and UIM coverage to protect yourself if you are injured in a serious accident. And, REMEMBER under the new law if you purchased \$100,000.00 of UIM coverage you will NEVER receive that total coverage as it will be REDUCED by other payments! You should maintain adequate Medical Payments coverage to protect yourself if you are injured in a serious accident. Insurance companies now have the ability to re-write policies back to the provisions that were allowed in the 1995 law that were inadequate in most situations. Along with allowing reducing clauses, the new law allows for reducing liability limits down to \$25,000.00 per person, \$50,000 per occurrence. The 2009 law required limits of \$100,000 per person, \$300,000 per occurrence. Medical payments coverage limits have been reduced from \$10,000.00 to \$1,000.00.

With the new low levels of liability coverage now allowed in Wisconsin, there is a much higher risk you will be involved with a driver who may not have adequate insurance. Allowing lower liability limits transfers the burden to safe drivers by requiring that they have higher underinsured coverage. We anticipate that underinsured claims will increase 60% or more due to the change in the law allowing for lower liability limits. We recommend that our clients take immediate action and increase their underinsured coverage to at least \$250,000 per person and \$500,000 per occurrence. At an added cost of about \$10.00 per year we are urging our clients to contact their insurance agent and request UNDERINSURED COVERAGE with limits of at least \$250,000/\$500,000. You may also want to inquire about UMBRELLA COVERAGE. If your policy is about to expire, you should make sure that you review your coverages and make sure that they are adequate for your situation. You may no longer have the coverages that you thought you had based on

the changes of the limits of insurance and the new definitions in your insurance policy. Most clients do not discuss their automobile insurance with their lawyer until after an accident and by then it is typically too late. Please make sure that you discuss your insurance policy with your insurance agent so that you thoroughly understand what you are purchasing and that you and your assets will be protected.

Do you have questions about the coverage in your auto policy? Have you been injured due to someone failing to

use reasonable care? Contact Stelloflug Law at 920.336.5766 and ask for Attorney Tim Hawley or Attorney Bob Janssen. They can provide you with the knowledge and expertise to support your claim.



Timothy A. Hawley



Robert J. Janssen

Our New Website Is Here

“It’s all about improving communications with our clients, colleagues and the community.” , Attorney Mark Bartels, President/Shareholder. After several months of work, our website has been completely renewed. It is packed with useful information, improved functionality and a clearer, more understandable format. Please take time to explore the site and you will see the difference. Let us know your thoughts by using the contact us page.

Visit www.stellofluglaw.com!