



REPRESENTATIVE THOMAS NELSON
ASSEMBLY MAJORITY LEADER

October 7, 2009

Thank you for contacting me in regard to your increased automobile insurance rates. I always appreciate hearing from constituents and helping when I can.

Like you, I believe that I already pay enough for auto insurance. Ensuring that Wisconsin's consumers have affordable and effective auto insurance is a priority.

Recently, some members of the insurance industry are trying to pass the buck for increasing rates on their customers, blaming rate increases on the state budget passed by the Legislature and signed into law by Governor Doyle. These claims are misleading.

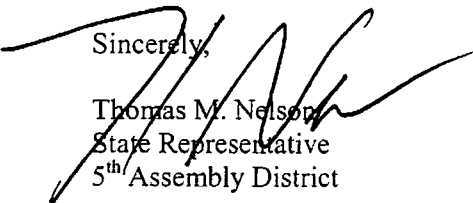
It is a well-documented fact that rates fluctuate with the ebb and flow of the economy. As we are all aware, our nation is currently experiencing the most significant economic downturn in sixty years. Insurance companies make a significant portion of their profits by investing the premiums they collect from policyholders into stocks and bonds. When stocks and bonds perform poorly – as they have for the last year – companies lose money and often try to recoup that money through increased premiums. **Quite simply, any premium increases are due to the business decisions of insurance providers rather than any action taken by the Legislature.**

The budget did contain several important consumer protections that will ensure that policyholders receive the level of coverage for which they have paid. In addition, the state budget actually contained an important measure that required all drivers in Wisconsin to carry auto insurance, which ensures policyholders will receive significantly more coverage for their money, as the costs of uninsured motorists will not be passed on to those who were responsible and purchased insurance.

I remain committed to ensuring Wisconsin's consumers get full protection for the insurance premiums they pay without placing unnecessary regulations on our state's insurance industry.

Once again, thank you for contacting me. If I can be of assistance on this or any other state issue, please do not hesitate to contact me toll-free at 888-534-0005.

Sincerely,



Thomas M. Nelson
State Representative
5th Assembly District