

The background of the cover is a solid blue color. It is decorated with abstract, flowing, wavy lines in shades of red, orange, yellow, and green. These lines are positioned at the top and bottom edges of the page, creating a sense of movement and energy.

2014 ANNUAL REPORT

WISCONSIN COMPENSATION RATING BUREAU

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REPORT OF THE PRESIDENT
CALENDAR YEAR ENDING DECEMBER 31, 2014

I hereby submit the Wisconsin Compensation Rating Bureau's annual report for the year 2014.

The rate filing submitted and subsequently approved by the Office of the Commissioner of Insurance represented a proposed overall premium level increase of 3.19%. From an industry group perspective, the changes were as follows: Manufacturing 2.80%, Contracting 3.70%, Office and Clerical 1.40%, Goods and Services 4.5% and Miscellaneous 2.10%.

The estimated total number of Wisconsin Worker's Compensation risks at the end of 2014 is 141,544, up slightly from last year's 139,835 with a total written premium of approximately \$1,760,000,000 (up slightly from 2013's \$1,754,700,000).

From a pool perspective, new pool risks in 2014 are estimated at 5,371 vs. 2013's 5,397. Total pool risks at the end of 2014, however, are estimated at 23,839 against 2013's 21,707. While fewer risks entered the pool, more were retained.

From a premium perspective, the pool carried approximately \$111,013,992 at year end against a prior year's \$102,004,808, which comes to a gross premium increase of 8.8%. The percentage of pool premiums relative to TOTAL Wisconsin Worker's Compensation premiums went from 5.8% in 2013 to 6.3% at the end of 2014. Sixteen and a half percent of Wisconsin's employers are insured through the pool. The pool fund balance is sufficient with a 2013 year end surplus of \$10,558,444. We do not expect a major swing for 2014. Our two investment advisors, in combination with our investment committee, have established returns within the guidelines.

In terms of field inspections, we conducted 14% fewer inspections when measured against prior year. Our focus is moving away from using the number of visits as a benchmark toward targeting more complex risks instead. To this end, depending on the results from auditing more of the middle market, we may wish to place an extra representative in the field in the future. This is something we will evaluate throughout 2015 and 2016.

This year we established the WCRB Audit Committee comprised of three member carrier representative CPAs. An introductory meeting, two follow-up meetings, and then a meeting between the Audit Committee, an independent auditor, and WCRB's financial auditors took place. Our organizational chart reflects that the new Audit Committee reports directly to the WCRB Governing Board.

At midyear, our management team developed a system for employees to report waste (defined as things that are being done that don't add value to our membership or other stakeholders). At first the reporting was sparse. I am happy to report, however, that our requesting employees to ask 'why' when performing tasks (some of which have been taking place for decades) is resulting in very positive change. Of the 25 improvement/reduction submissions received, 13 have been closed with 12 having had action and results occur. Ten submissions remain open of which four are currently being worked on. In the future, a report on the changes and their impact will be made available. Our management team is impressing their respective staffs with follow-through on each and every submission.

Change was also in the air in Madison during 2014. The Advisory Council proposed a fee schedule in exchange for an increase in PTD benefits. The proposal did not carry through the legislature. I have offered our services with the support of our actuaries to provide estimates on system impact should a similar proposal be presented in the future.

We expect change to be inevitable throughout the remainder of 2015 and 2016 and are prepared to support doing the right thing for the Worker's Compensation system in the State of Wisconsin.

Regards,

Bernard L. Rosauer
President, WCRB

VISION AND MISSION

- Ensure the continued recognition of the Wisconsin Worker's Compensation System as a "model system" through cooperative and proactive administration in partnership with the Worker's Compensation Division of the Department of Workforce Development and the Wisconsin Office of the Commissioner of Insurance, to the benefit of Wisconsin employers and employees and the entire workers compensation insurance industry.
- Enjoy national recognition as a leading worker's compensation rating and statistical organization, noted for its professionalism and service to customers.
- Ensure that the cost of worker's compensation insurance be fair and equitable to all existing Wisconsin businesses, and competitively attractive to prospective new business.

"The mission of the WCRB is to administer and enhance Wisconsin's system of worker's compensation classifications, rates, rating plans, and forms.

The WCRB will perform its duties in an equitable, professional, and responsive manner when dealing with all participants in the system."

BUREAU ORGANIZATION

Operations—The Operations area consists of three separate teams—Policy Processing, Unit Statistical/Experience Rating, and Industry Support.

- *The Policy Processing Team* performs all activities associated with policy review. This includes the processing of all policy and related filings, quality review, proof of coverage, notice of termination, etc. The issuance of Notice to Carriers (NTCs) is the primary method for notifying carriers when there are issues that are related to the quality review.
- *The Unit Statistical/Experience Rating Team* processes all unit statistical reports and promulgates all intrastate experience modifications. The team works closely with carriers to ensure timely and accurate reporting of data.
- *The Industry Support Team* works closely with carriers and data collection organizations on data reporting issues. In addition, the team is responsible for collection of the Financial Call data used in the annual ratemaking process. They also assist in maintaining, testing, and enhancing our internal processing system.

Technical Services—Technical Services is comprised of several functional areas, including inspection/audit, WWCIP administration, ownership changes, and the processing and administration of the Wisconsin Contractor's Premium Adjustment Program. In addition, these team members act as technical resources for Bureau staff, member companies, agencies, as well as worker's compensation policyholders throughout Wisconsin.

Administrative Services—The primary responsibilities of this area include finance, human resources, imaging, and general office administration. Finance oversees the Bureau budget process, payroll, and also handles all financial reporting required for administration of WWCIP, and the Wisconsin Automobile Insurance Plan (WAIP).

Information Technology—The Information Technology area consists of the Systems Support Team and the Application Support Team.

- *The Systems Support Team* is responsible for management of Bureau hardware and software for all automated systems. These systems include policy and experience rating (Spectrum), Web site, accounting, imaging, phone, and any other automated systems. This team is also responsible for providing system connectivity to various partners, including the Department of Workforce Development and the Office of the Commissioner of Insurance. Systems Support Team is required to ensure systems are secure and to maintain disaster recovery processes as defined by WCRB business staff.
- *The Application Support Team* is responsible for providing Bureau support for automated applications. Application support includes maintaining existing applications, developing new applications, identifying new automated applications, and training. The Application Support Team also provides application support to various partners, including the Department of Workforce Development and the Office of the Commissioner of Insurance. Application Support Team is required to maintain disaster recovery processes as defined by WCRB business staff.

BUREAU SYSTEMS AND TECHNOLOGY DEVELOPMENT

ACCCT (American Cooperative Council on Compensation Technology)

ACCCT is an entity responsible for developing products for electronic data reporting. It is a joint venture founded as a venue for Data Collection Organizations (DCOs) to develop common technological products. This joint development results in cost savings, development efficiencies, and intellectual sharing; thereby providing significant benefits to the insurance industry. ACCCT members include the California, Delaware, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Carolina, Pennsylvania and Wisconsin bureaus. The following are products that were developed by ACCCT and are supported by CDX, LLC.

- **BEEP (Bureau Entry and Edit Package)**
ACCCT developed BEEP to assist insurance companies in the reporting of unit statistical information. BEEP allows data providers to enter, import, and edit unit statistical data.
- **PEEP (Policy Entry and Edit Package)**
ACCCT developed PEEP to assist insurance companies in the reporting of all policy transactions. PEEP allows data providers to enter, import, and edit policy data.

CDX, LLC (Compensation Data Exchange, LLC)

CDX, LLC is an entity responsible for the electronic data interchange for the transfer of data between data providers and DCOs. The CDX site is a secure Internet application, and offers an alternative for exchanging data electronically. It is used for the purpose of sending, receiving, and managing transactions utilizing WCIO standards as found in the Workers' Compensation Data Specifications Manual.

The CDX system functions as a clearinghouse for data transmission to and from DCOs in the states of California, Delaware, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Carolina, Pennsylvania, and Wisconsin. Simply stated, the CDX system offers DCO members one easy-to-use system for sending and receiving authorized electronic data to all of these DCOs.

Also included with the CDX site is the Experience Rating Worksheet Lookup (EXR). Wisconsin sends experience rating files to the CDX site on a daily basis. The "carrier of record," through the security package, can look up their employers to view and print the data.

Spectrum Partners, LLC

Spectrum Partners is the entity responsible for developing, enhancing, and maintaining Spectrum, which is WCRB's internal operating system. WCRB staff utilize Spectrum software to process and track policy data and unit statistical reports, promulgate experience ratings, and ensure compliance with data quality standards. Spectrum Partners, LLC includes Wisconsin, Minnesota, North Carolina, Massachusetts, New York, and New Jersey.

WCRB Web Site
www.wcrb.org

WCRB contracted with a third party application security firm to audit the wcrb.org Web site. Extensive application and network security testing was completed to assure the wcrb.org Web site would qualify for a security certification. The audit is designed to certify that the Web site meets stringent security criteria and best practices. After subjecting the wcrb.org Web site to logical and technical application and network security attacks, it was found to be resilient, and the certification was granted.

In 2014, WCRB replaced the Policy View product with the Manage Policy product. Manage Policy significantly enhances the capabilities of Policy View by providing carriers with more options for managing their coverage data. The Manage Policy application affords carriers the ability to search for and view policy data, submission status, submission data, and error reports. Carriers can create, edit, and submit policy transactions and link to other WCRB member products such as, Manage USR, NTC Lookup, and the Experience Rating Worksheet. The Manage Policy product is updated daily.

WCRB also implemented the following enhancements to the wcrb.org Web site or existing Web products throughout 2014:

- Servicing Carrier Information product was enhanced to allow carriers access to reporting requirements.
- NTC Lookup product was enhanced with additional search criteria to allow the carrier the option to combine or segregate NTCs, not only by status, but also by Mandatory, Advisory, and combined Mandatory and Advisory NTC types.
- The Electronic Submission Tracking product relative to production submissions was decommissioned. The new Manage Policy product provides enhanced production submission search options, improving the customer experience by having all Policy related searches in one place.
- Other miscellaneous updates to increase consistency, optimize search engines, improve printing, and improve page views.

Each year, we closely examine our business model and evaluate how to best meet the needs of our customers through the development of new Web site products. As part of WCRB's commitment to providing a high quality user-friendly Web experience, we are again planning several enhancements for 2015. We will continue to evaluate and research new products based on feedback from our customers.

WCRB COMMITTEES

WCRB GOVERNING BOARD

The WCRB Governing Board is given complete charge and management of the affairs of the Bureau under the authority of Article VII of the Bureau By-Laws. The Governing Board consists of four stock and four non-stock insurer representatives elected by members of the Bureau, and two employer representatives appointed by the Governor.

RATING COMMITTEE

The Rating Committee is empowered on behalf of the Bureau to interpret and apply the rules governing the classification and rating of all Workers Compensation and Employers' Liability risks in Wisconsin. It recommends appropriate rules, regulations, classifications, rates and rating plans to the Governing Board. The Rating Committee consists of four stock and four non-stock insurer representatives elected by members of the Bureau, and two employer representatives appointed by the Governor.

WISCONSIN WORKER'S COMPENSATION INSURANCE POOL COMMITTEE (WWCIP)

The Pool Committee primarily exists to bring about a maximum degree of uniformity in the Pool by allowing a regular meeting format to discuss operations, problems, and solutions. The Pool Committee consists of the servicing carriers for the Wisconsin Workers Compensation Insurance Pool, and one or more additional carriers added to meet the requirement that the Committee be comprised of an equal number of stock and non-stock insurers.

INVESTMENT COMMITTEE

The Investment Committee provides general oversight and direction on matters pertaining to Investment Advisor performance and appropriateness of investment guidelines to ensure stability of the WWCIP Pool Fund Surplus. The Investment Committee consists of two stock and two non-stock insurers selected by the Governing Board.

ACTUARIAL COMMITTEE

The Actuarial Committee ensures the selected Wisconsin ratemaking methodology, trends, expense provisions, etc., result in rate accuracy and integrity. The Actuarial Committee consists of four stock and four non-stock insurers selected by the Rating Committee.

AUDIT COMMITTEE

The Audit Committee determines the scope of annual WCRB and WWCIP financial and operational audits, and reviews the audit reports with WCRB management and the external auditors. The results are reported directly to the Governing Board annually in Executive Session. The Audit Committee is comprised of CPAs from three member companies.

BOARD/COMMITTEE REPRESENTATION

AS OF DECEMBER 31, 2014

GOVERNING BOARD

American Home Assurance Co
Employers Insurance of Wausau
General Casualty Insurance Co
Secura Insurance A Mutual Co
Sentry Insurance A Mutual Co
Society Insurance A Mutual Co
Travelers Indemnity Co
United Wisconsin Insurance Co
Dan Burazin (Employer Representative)
Chris Reader (Employer Representative)

RATING COMMITTEE

American Home Assurance Co
Employers Insurance of Wausau
Employers Mutual Casualty Co
General Casualty Insurance Co
Sentry Insurance A Mutual Co
Society Insurance A Mutual Co
Travelers Indemnity Co
United Wisconsin Insurance Co
Dan Burazin (Employer Representative)
Chris Reader (Employer Representative)

WWCIP COMMITTEE

Employers Mutual Casualty Co
General Casualty Insurance Co
Liberty Mutual Insurance Co
Middlesex Insurance Co
Society Insurance A Mutual Co
Travelers Indemnity Co
Tri-State Insurance Co of MN
West Bend Mutual Insurance Co

INVESTMENT COMMITTEE

American Family Mutual Insurance Co
Sentry Insurance A Mutual Co
Vacancy—Stock
Vacancy—Stock

ACTUARIAL COMMITTEE

Acuity Insurance Co
American Home Assurance Co
Employers Insurance of Wausau
General Casualty Co
Sentry Insurance A Mutual Co
Travelers Indemnity Co
United Wisconsin Insurance Co
West Bend Mutual Insurance Co

AUDIT COMMITTEE

Secura Insurance Co
Society Insurance Co
United Wisconsin Insurance Co

BOARD/COMMITTEE—ACTIVITIES

The Governing Board, Rating Committee, and WWCIP Committee met four times in regular session. The Governing Board met on May 15, 2014 for the WCRB Annual Meeting. The Rating Committee met in a special session on May 15, 2014 to discuss the October 1, 2014 rate revision. The Actuarial Committee met three times.

The following are key issues discussed and/or acted upon by the Governing Board in 2014:

- WCRB staffing;
- WCRB independent financial audit;
- Investment Subcommittee vacancies;
- Disaster Recovery Program independent review;
- Rescinded sunset of PEEP;
- Accepted the 2011 OCI Market Conduct Exam;
- Denied data sharing proposal with WI Occupational Health Program;
- Ratemaking methodology;
- An overall increase in rate level of 3.19%;
- Waiver of Subrogation extension to third-party beneficiaries;
- Wisconsin Class Code exceptions;
- WCRB Web Enhancement—Coverage Lookup;
- WCRB Data Requests—Web enhancement;
- Excess Insurance policy filings;
- Discussed changes to the Supplemental Benefit Reimbursement Payments to Employers and Insurers—s. 102.44(1)(c), Wis. Stats.;
- OCI appeal of hearing decision denying the request to reclassify indoor soccer teams from Class Code 9178—Athletic Team or Park: Non-Contact Sports to Class Code 9179—Athletic Team or Park: Contact Sports;
- Request for Unit Statistical Plan Data by County—Schedule Z Enhancement;
- NCCI Proposals:
 - B-1427 Revisions to Basic Manual Classifications and Appendix E—Classification by Hazard Group
 - U-1399A—Revision to Statistical Plan for Workers Compensation and Employers Liability Insurance—Amended Pension Table Value Tables
- NTC/USR activity;
- ACCCT activity;
- Pool activity;
- WWCIP Handbook revisions;
- WWCIP Analysis;
- WWCIP Reinsurance;
- WWCIP Surplus Report;
- WWCIP Commissions;

- Out-of State WWCIP Application processing;
- Quarterly Servicing Carrier reports;
- Actuarial Subcommittee review:
 - Volunteer Fire Firefighters—Class Code 7709
 - Wisconsin Worker’s Compensation Insurance Pool
 - Profit and Contingency Provision
 - Change in rate filing procedures
- WCRB’s quarterly financial statements and budget requests, quarterly assessments to fund Bureau operations, annual audit reports of the Bureau’s books and records, as well as the records of the WWCIP.

RATE REVISION

The WCRB had one rate filing effective in 2014. It included adjustments for increased benefits that were effective January 1, 2014, but the impact on rates was not significant enough to justify a separate law amendment rate filing.

The October 1, 2014 filing proposed an overall premium level increase of 3.19%, which, by industry group, was comprised of increases of 2.80% for manufacturing; 3.70% for contracting; 1.40% for office and clerical; 4.50% for goods and services; and 2.10% for miscellaneous. The filing also included an overall decrease of 5.50% for "F" classifications. The Office of the Commissioner of Insurance approved these changes.

Other proposed changes incorporated into the rate filing were:

- no change in the maximum minimum premium of \$900;
- no change in the minimum premium multiplier of 180;
- no change in the expense constant of \$220;
- an increase in the premium threshold for experience rating eligibility from \$6,500 to \$6,750;
- an increase in the annual remuneration used to calculate premiums for sole proprietors and partners from \$45,708 to \$46,384;
- an increase in the value of lodging received by employees as part of their pay to \$123.91 per week or \$17.70 per day, the value of meals increased to \$111.57 per week or \$5.31 per meal;
- an increase in the maximum remuneration for executive officers to \$1,338 per week;
- an increase in the minimum remuneration for executive officers to \$268 per week;
- an increase in the Retrospective Rating Tax Multiplier from 1.083 to 1.085 for "F" classes;
- no change in the Retrospective Rating Tax Multiplier of 1.035 for state classes;
- no change in the USLH&W percentage of 66%;
- no change in the rate option of \$0.00, \$0.01, or \$0.02 per \$100 of payroll for terrorism coverage (TRIPRA); assigned risk policies are charged \$0.02 per \$100 of payroll;
- no change in the rate option of \$0.00 or \$0.01 per \$100 of payroll for Catastrophe (other than Certified Acts of Terrorism); assigned risk policies are charged \$0.01 per \$100 of payroll.

The Bureau contracted with Milliman, Inc. to assist in the collection of statistical data, the pricing of legislation, and the actuarial development of the filing submitted. Milliman, Inc. staff also provided expert analysis and advice to the Actuarial Subcommittee of the Bureau, which met with the representatives of the Office of the Commissioner of Insurance in 2014, both on rate filings submitted and on methodology to be used in rate filings. The Office of the Commissioner of Insurance representatives provided valuable input in the format followed in preparing the filing.

LAW AMENDMENTS

Historically, worker's compensation legislation has been very limited in Wisconsin. There is a Worker's Compensation Advisory Council, which is comprised of representatives of both labor and management and is chaired by the Administrator of the Worker's Compensation Division of the State of Wisconsin, Department of Workforce Development. The Advisory Council also includes insurance industry representation, but only in an advisory capacity.

The Advisory Council, through a series of meetings, presentations, negotiations, and hearings, develops a legislative proposal which is ultimately the only worker's compensation legislation that is introduced, passed, and enacted into law in Wisconsin.

The "Agreed Bill" is generally enacted to be effective on January 1 of all even-numbered years. The latest proposed changes, Senate Bill 409, were signed into law effective April 2, 2012. The Agreed Bill for 2014 was introduced but not passed. Automatic changes in benefits in 2014 were: the maximum benefit for temporary total disability and permanent total disability increased from \$879 to \$892 weekly; the maximum death benefit increased from \$263,700 to \$267,600; no change in burial expense of \$10,000. There was no automatic change to the weekly benefit for permanent partial disability of \$322.

INSPECTIONS

Total inspections completed during 2014 decreased 14% over 2013. This amount includes both physical on-site inspections, as well as those completed via the Business Operations Report (BOR), a Web-based self-inspection tool. In total, 766 inspections were completed during 2014.

The WCRB maintains inspectors throughout the state. This format allows us to be very responsive to the inspection needs of the industry, providing classification determinations upon request. On average, inspection requests received from employers, producers, and carriers were completed within a 60-90 day time frame.

WORK PROCESSED

In 2014, the number of Notice to Carriers created decreased 2.2%, and the number of fines levied decreased 32.6%. The policies reviewed for failure to provide proof of coverage within 60 days increased 15%, with the number of fines levied increasing 15.3%. The number of unit statistical reports received increased 4.4%, and the fines levied increased 79.8%. The number of financial call fines increased 11%.

2014 COMPLIANCE DETAIL

Policy Processing Yearly Aggregate Report

	2013	2014
Policy & Binders	146,092	147,892
Endorsements	77,434	45,259
Terminations	80,232	77,819
Reinstatements	35,056	33,655
TOTAL	338,814	304,625

Experience Rating Yearly Aggregate Report

	2013	2014
Intrastate Ratings Released	24,084	24,523
DNQ	556	690
Withdrawn	312	317
Contingent Ratings	325	583

60 Day Fining Yearly Aggregate Report

	2013	2014
Total Policies Reviewed	2,077	2,389
Total Fines Levied	2,035	2,346
Total Amount Levied	\$305,250	\$351,900
Total Withdrawn	153	58
Total Amount Withdrawn	\$22,950	\$8,700
Net Fines	1,882	2,288
Net Amount Levied	\$282,300	\$343,200

Financial Call Fining Yearly Aggregate Report

	2013	2014
Total Fines Levied	27	30
Total Amount Levied	\$5,650	\$16,850
Total Withdrawn	0	0

NTC Processing and Fining Yearly Aggregate Report

	2013	2014
NTCs Created	39,080	38,237
NTCs Issued	36,315	36,226
NTCs Disapproved	5,051	4,197
Total NTC Fines	2,100	1,416
Total Fined Amount	\$444,450	\$300,100
Total NTC Fines Withdrawn	69	40
Total Withdrawn Amount	\$14,300	\$10,100
Net Fines	2,031	1,376
Net Fined Amount	\$430,150	\$290,000

USR Processing and Fining Yearly Aggregate Report

	2013	2014
USRs Received	204,145	213,212
USRs Failed	34,814	41,602
USRs Rejected	4,911	5,613
USRs Unmatched	419	364
USRs Accepted	163,987	165,276
Total USR Fines	963	1,731
Total Fined Amount	\$245,450	\$415,350
Total USR Withdrawn	19	90
Total Withdrawn/Credit Amount	\$3,450	\$24,600
Net Fines	944	1,641
Net Fined Amount	\$242,000	\$390,750

WISCONSIN WORKER'S COMPENSATION INSURANCE POOL

The Wisconsin Worker's Compensation Insurance Pool is continued under the provisions of Section 619.01(6), Wis. Stats, to provide workers compensation insurance to those employers who are in "good faith" entitled to coverage, but are unable to obtain it in the voluntary market.

In 2014, new assignments decreased from 5,397 to 5,371 risks. The number of employers retaining coverage in the Pool increased 7.7% from 21,707 to 23,389.

Pool gross premiums written increased from \$102,004,808 to \$111,013,992, an increase of 8.8%.

Under established procedures, preliminary Pool results are subjected to an independent actuarial analysis each year, based on calendar/accident year data reported by the servicing carriers in a special call. This analysis essentially involves the review of past losses, year by year, for developmental accuracy, which is then used to adjust the outstanding losses, before the formula for proper fund balance is applied. The Pool maintains a fund that is adjusted periodically to a "target fund value" which is equal to the actuarial best estimate of the total outstanding losses (reported plus Incurred But Not Reported) of all servicing carriers.

The final determination of the Pool Fund Balance as of December 31, 2013 resulted in a surplus of \$10,558,444. As the Fund year-end balance of \$291,229,061 was 104% of the target fund value, the surplus of \$10,558,444 was declared but not levied pursuant to Pool rules. The Pool rules, however, require an actual assessment or disbursement not less than every five years. Since 2013 was the fifth year since the last actual distribution, the Pool was required to pay or collect the net balance accumulated in the members' accounts in 2014.

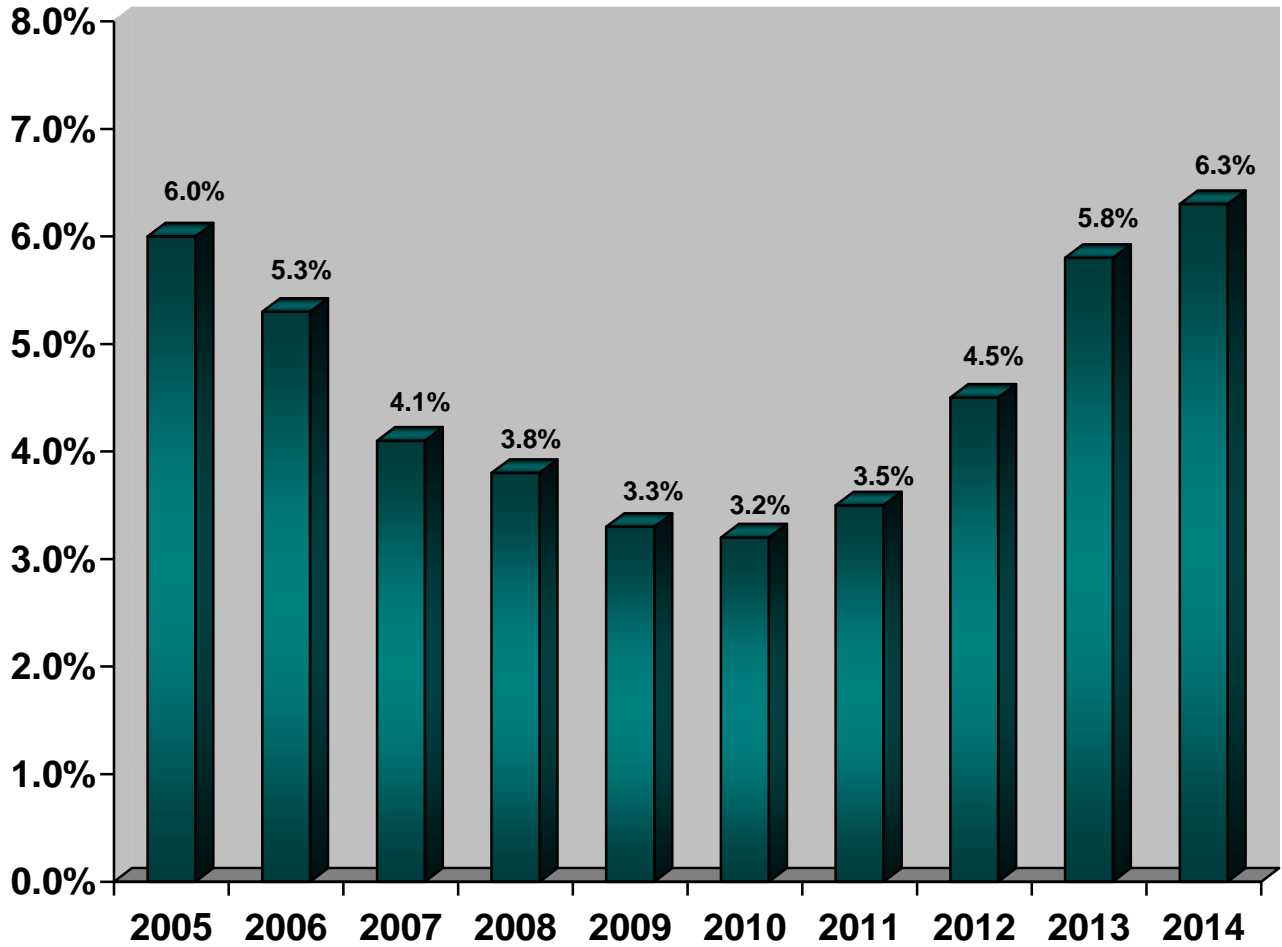
The following exhibits provide a ten-year summary of Pool activity, 2014 preliminary Pool detail, and more detailed final 2013 results:

YEAR	NEW POOL RISKS	TOTAL POOL RISKS	TOTAL WI RISKS	POOL WRITTEN PREMIUM	TOTAL WI WRITTEN PREMIUM	AVG SIZE OF POOL RISK
2005	4,847	23,319	137,682	\$96,052,886	\$1,589,223,554	\$4,119
2006	3,974	22,544	139,790	\$88,364,010	\$1,665,988,607	\$3,919
2007	3,562	21,403	140,295	\$73,765,223	\$1,758,592,457	\$3,446
2008	3,174	19,756	140,882	\$63,269,696	\$1,622,874,532	\$3,202
2009	2,966	18,297	136,407	\$52,139,391	\$1,554,908,841	\$2,849
2010	3,237	18,133	139,672	\$47,903,585	\$1,482,925,017	\$2,642
2011	3,744	18,540	137,672	\$60,708,541	\$1,692,320,320	\$3,274
2012	4,328	19,545	138,835	\$78,317,806	\$1,732,508,488	\$4,007
2013	5,397	21,707	139,835	\$102,004,808	\$1,754,698,816	\$4,699
2014	5,371	23,389	141,544	\$111,013,992	\$1,760,000,000*	\$4,746

*Estimated

WISCONSIN WORKER'S COMPENSATION INSURANCE POOL

PERCENTAGE OF POOL PREMIUMS RELATIVE TO TOTAL WI PREMIUMS

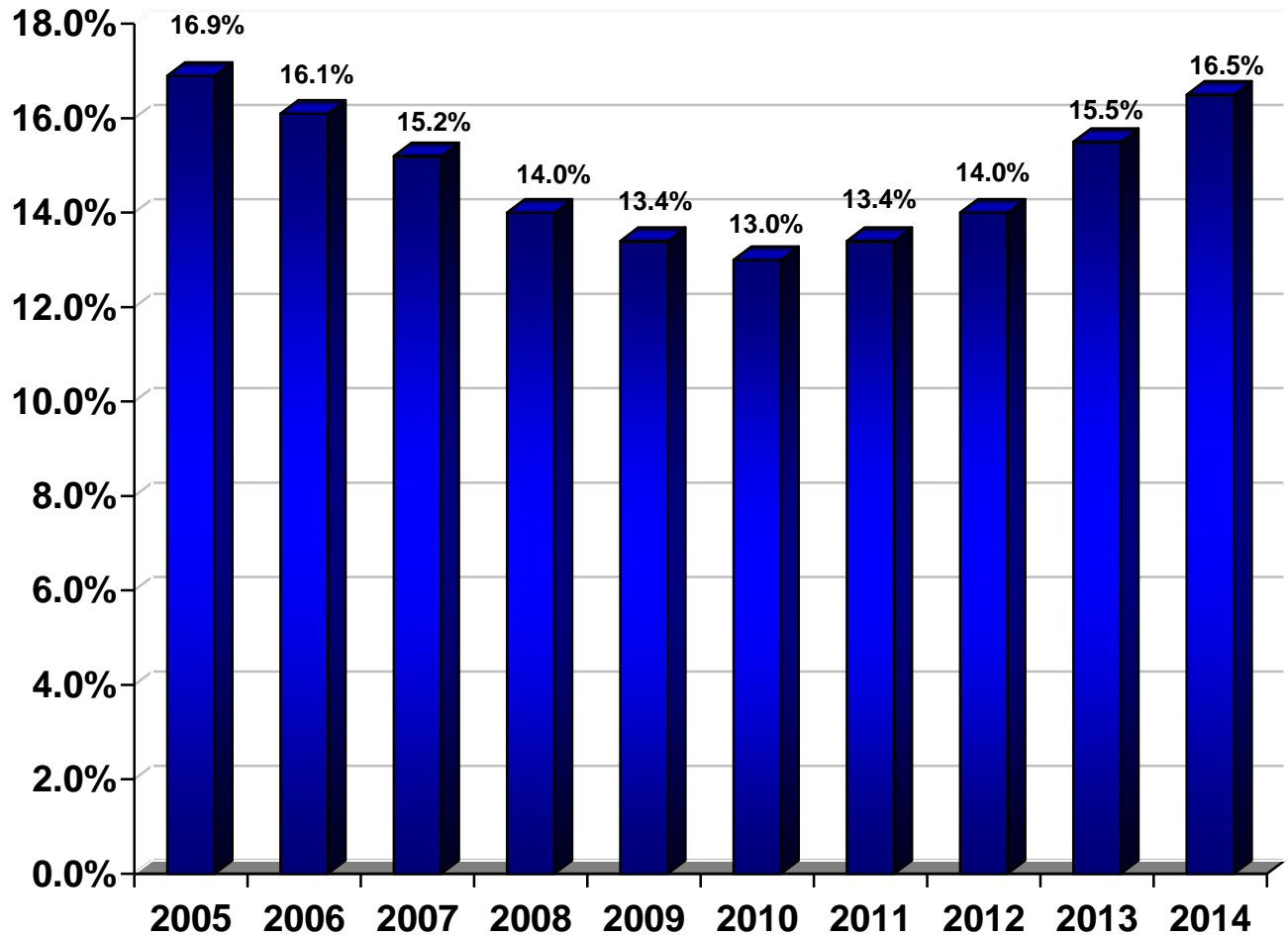


(2014 Estimated)

WISCONSIN WORKER'S COMPENSATION INSURANCE POOL

PERCENTAGE OF POOL RISKS VS. TOTAL INSURED EMPLOYERS

PERCENTAGE OF POOL RISKS VS. TOTAL INSURED EMPLOYERS



2014 PRELIMINARY POOL RESULTS

1. Total Pool Gross Premiums Written	\$111,013,992
2. Net Pool Premiums After Servicing Carrier Allowance, Commissions, Charge-Offs, Transfers of Debt and Deferred Premium Credit	\$77,758,520
3. Total Paid Losses	\$66,577,453
4. Total Incurred Losses	\$77,730,153
(Outstanding Losses – Unadjusted 2014 -	\$157,335,313)
(Outstanding Losses – Unadjusted 2013 -	\$146,182,613)

Ratios:

5. Paid/Written	59.9%
6. Incurred/Written	70.0%
7. Paid/Net	85.6%
8. Incurred/Net	99.9%

FINAL REDETERMINATION OF THE POOL FUND BALANCE AS OF 12-31-13

Net Assets	\$341,467,939
Less - Net Amortization Loss on Securities	\$3,859,162
Less - Unearned Premium Reserve at 12-31-13	<u>\$46,379,716</u>
Adjusted Value of Net Assets 12-31-13	\$291,229,061

Outstanding Losses Reported by Servicing Carriers at 12-31-13	\$146,182,613
Actuarial Adjustment	<u>\$134,488,004</u>

Target Fund Value \$280,670,617

Net Assets Surplus, 12-31-13 \$10,558,444

BUREAU FINANCES

Total expenditures in 2014 were \$7,141,219, which represents a 4% decrease over the 2013 expenditures of \$7,443,319.

Assessments again constituted the largest source of Bureau income. Overall fine income increased by approximately 8.4% in 2014. Fines are levied for failure to respond to Bureau inquiries, failure to file unit statistical information in a timely manner, failure to file policy information within sixty days of the policy effective date, and untimely submission of aggregate financial call data. In 2014, fines generated \$1,040,800 in Bureau income, which is an increase of \$80,550 from 2013 fines. Net operating expenses in 2014 were \$5,914,168, which was 79.4% of the 2014 approved budget. This was a decrease of \$359,073 over 2013 net operating expenditures. Total income generated from hard copy fees amounted to \$12,125 in 2014, a 61.4% decrease over 2013.

A detailed financial summary can be found in the Appendix, Exhibit 3A of this Report. Appendix Exhibit 3B shows the net Bureau operating expenses, and Appendix Exhibit 3C relates these expenses to estimated total 2014 Wisconsin premiums written, which develops a ratio of 0.33%.

APPENDIX

Exhibit 1—2014 Bureau Membership

Exhibit 2—2014 Membership Activity

Exhibit 3—Financial Reports

3A—Statements of Income & Disbursements for the Years
Ending December 31, 2013 and December 31, 2014

3B—Net Bureau Operating Expense Comparison

3C—Net Bureau Operating Expense Ratio to Wisconsin
Premiums Written

Exhibit 1—2014 Bureau Membership

37931	1ST AUTO & CASUALTY INS CO	15873	AMERICAN FAMILY MUTUAL INS CO	36544	BADGER MUTUAL INSURANCE CO
33391	ACADIA INSURANCE CO	11266	AMERICAN FIRE & CASUALTY CO	12599	BALBOA INSURANCE CO
36994	ACCEPTANCE CASUALTY INS CO	11452	AMERICAN GUARANTEE & LIABILITY	20206	BANKERS STANDARD INS CO
32344	ACCEPTANCE INSURANCE CO	38369	AMERICAN HEALTHCARE INDEMNITY CO	32352	BENCHMARK INSURANCE CO
90468	ACCIDENT FUND GENERAL INS CO	13781	AMERICAN HOME ASSURANCE CO	29408	BERKLEY INSURANCE CO
19968	ACCIDENT FUND INS CO OF AMERICA	12289	AMERICAN INSURANCE CO	17191	BERKLEY NATIONAL INS CO
16729	ACCIDENT FUND NATIONAL INS CO	24759	AMERICAN INTERSTATE INSURANCE CO	36447	BERKLEY REGIONAL INS CO
12165	ACE AMERICA INSURANCE CO	26727	AMERICAN MINING INS CO	12211	BERKSHIRE HATHAWAY HOMESTATE INS
15431	ACE FIRE UNDERWRITERS INS CO	26492	AMERICAN MODERN HOME INS CO	10138	BITCO GENERAL INS
12254	ACE PROPERTY & CASUALTY INS CO	28150	AMERICAN NATIONAL PROP & CAS CO	12602	BITCO NATIONAL INS
27154	ACIG INSURANCE CO	29645	AMERICAN PHYSICIANS ASSURANCE CO	17833	BLUE RIDGE INDEMNITY CO
17469	ACUITY A MUTUAL INSURANCE CO	31674	AMERICAN SAFETY CASUALTY INS CO	17396	BROTHERHOOD MUTUAL INS CO
16365	ADDISON INSURANCE CO	35939	AMERICAN SELECT INSURANCE CO	16829	BUCKEYE STATE MUTUAL INS CO
22381	ADVANTAGE WORKERS COMP INS CO	48529	AMERICAN SENTINEL INSURANCE CO	37354	BUILDERS MUTUAL INSURANCE CO
15326	AFFILIATED FM INSURANCE CO	11495	AMERICAN STATES INSURANCE CO	22358	CALIFORNIA INSURANCE CO
21377	AIOI NISSAY DOWA INS CO OF AMERICA	17965	AMERICAN ZURICH INSURANCE CO	11665	CAPITOL INDEMNITY CORP
18139	AIG ASSURANCE CO	11525	AMERISURE INSURANCE CO	10367	CAPSON PHYSICIANS INS CO
13978	AIG PROPERTY & CASUALTY CO	15660	AMERISURE MUTUAL INSURANCE CO	11746	CAROLINA CASUALTY INSURANCE CO
14354	AIU INSURANCE CO	29843	AMERISURE PARTNERS INS CO	33514	CASTLEPOINT NATIONAL INS CO
41068	ALEA NORTH AMERICA INS CO	34762	AMERITRUST INSURANCE CORP	55364	CATLIN INDEMNITY CO
10871	ALLIANZ GLOBAL RISKS US INS CO	20834	AMEX ASSURANCE CO	16993	CENTRAL MUTUAL INSURANCE CO
41851	ALLIED EASTERN INDEMNITY CO	21873	AMGUARD INSURANCE CO	38199	CENTRE INSURANCE CO
76811	ALLIED INSURANCE CO OF AMERICA	38857	ANSUR AMERICA INSURANCE CO	11290	CENTURY INDEMNITY CO
43432	ALLIED WORLD INSURANCE CO	79475	ARCH INDEMNITY INSURANCE CO	15318	CHARTER OAK FIRE INSURANCE CO
29661	ALLMERICA FINANCIAL BENEFIT INS CO	28355	ARCH INSURANCE CO	36099	CHEROKEE INSURANCE CO
13552	ALLSTATE INDEMNITY CO	14370	ARGONAUT GREAT CENTRAL INS CO	31720	CHUBB INDEMNITY INSURANCE CO
15067	ALLSTATE INSURANCE CO	14095	ARGONAUT INSURANCE CO	35173	CHUBB NATIONAL INSURANCE CO
20699	ALLSTATE NORTHBROOK INDEMNITY CO	12742	ARGONAUT MIDWEST INSURANCE CO	16853	CHURCH MUTUAL INSURANCE CO
68405	AM TRUST INSURANCE CO OF KANSAS	10723	ARROWOOD INDEMNITY CO	22241	CINCINNATI CASUALTY CO
11444	AMCO INSURANCE CO	29718	ASHMERE INSURANCE CO	27197	CINCINNATI INDEMNITY CO
19399	AMERICAN ALTERNATIVE INS CORP	10103	ASSOCIATED INDEMNITY CO	15385	CINCINNATI INSURANCE CO
10022	AMERICAN AUTOMOBILE INSURANCE CO	12173	ASSURANCE COMPANY OF AMERICA	37915	CITIES & VILLAGES INSURANCE CO
21334	AMERICAN BUSINESS MERCANTILE INS MUT	15156	ATLANTA INTERNATIONAL INS CO	11002	CITIZENS INSURANCE CO OF AMERICA
10030	AMERICAN CAS CO OF READING	61417	ATLANTIC SPECIALTY INSURANCE CO	25461	CLARENDON NATIONAL INS CO
11754	AMERICAN CENTENNIAL INS CO	18981	AUSTIN MUTUAL INSURANCE CO	31755	CLEARWATER SELECT INS CO
29734	AMERICAN COMPENSATION INS CO	16144	AUTO OWNERS INSURANCE CO	21601	CLERMONT INSURANCE CO
17051	AMERICAN COUNTRY INS CO	12793	AUTOMOBILE INS CO OF HARTFORD	24252	COLONIAL AMERICAN CAS & SURETY
10561	AMERICAN ECONOMY INS CO	19224	AXA INSURANCE CO	15172	COMMERCE & INDUSTRY INS CO
24120	AMERICAN FAMILY HOME INS CO	61996	AXIS INSURANCE CO	27871	COMMERICAL CASUALTY INS CO
64687	AMERICAN FAMILY INS	32873	AXIS REINSURANCE CO	55299	COMMUNITY INSURANCE CORP

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36188	COMPANION COMMERCIAL INS CO	11304	ESURANCE INSURANCE CO OF NJ	11436	GENERAL REINSURANCE CORP
22713	COMPANION PROPERTY & CASUALTY INS	28312	EVEREST NATIONAL INSURANCE CO	27308	GENESIS INSURANCE CO
11487	COMPASS INSURANCE CO	30104	EXCALIBUR REINSURANCE CO	38547	GERMANTOWN MUTUAL INS CO
14052	CONSOLIDATED INSURANCE CO	33499	EXECUTIVE RISK INDEMNITY INC	17493	GRANGE MUTUAL CASUALTY CO
19542	CONSTITUTION INSURANCE CO	19313	FAIR AMERICAN INSURANCE CO	13102	GRANITE STATE INSURANCE CO
10243	CONTINENTAL CASUALTY CO	19518	FAIRMONT INSURANCE CO	24694	GRAY INSURANCE CO
28282	CONTINENTAL INDEMNITY CO	14559	FAIRMONT PREMIER INSURANCE CO	14028	GREAT AMERICAN ALLIANCE INS CO
15113	CONTINENTAL INSURANCE CO	14710	FAIRMONT SPECIALTY INS CO	13307	GREAT AMERICAN ASSURANCE CO
11053	CONTINENTAL WESTERN INS CO	15415	FALLS LAKE NATIONAL INSURANCE CO	13897	GREAT AMERICAN INS CO OF NY
16284	COUNTRY MUTUAL INSURANCE CO	17779	FARMERS AUTOMOBILE INS ASSOC.	14176	GREAT AMERICAN INSURANCE CO
19437	CRESTBROOK INSURANCE CO	17744	FARMERS INSURANCE EXCHANGE	30643	GREAT AMERICAN SECURITY INS CO
33766	CRUM & FORSTER INDEMNITY CO	22640	FARMINGTON CASUALTY CO	26387	GREAT AMERICAN SPIRIT INS CO
14680	CUMIS INSURANCE SOCIETY	16713	FARMLAND MUTUAL INSURANCE CO	34681	GREAT DIVIDE INSURANCE CO
20265	DAIRYLAND INSURANCE CO	12890	FEDERAL INSURANCE CO	24600	GREAT MIDWEST INSURANCE CO
27669	DAKOTA TRUCK UNDERWRITERS	16446	FEDERATED MUTUAL INSURANCE CO	14567	GREAT NORTHERN INSURANCE CO
72836	DARWIN NATIONAL ASSURANCE CO	14702	FEDERATED RURAL ELECTRIC INS EXCHANGE	11037	GREAT WEST CASUALTY CO
36595	DEERFIELD INSURANCE CO	13129	FEDERATED SERVICE INSURANCE CO	16772	GREATER NEW YORK MUTUAL INS CO
24589	DEPOSITORS INSURANCE CO	10510	FIDELITY & DEPOSIT CO OF MD	14591	GREENWICH INSURANCE CO
35203	DIAMOND INSURANCE CO	10227	FIDELITY & GUARANTY INS CO	16985	GRINNELL MUTUAL REINSURANCE CO
22764	DIAMOND STATE INSURANCE CO	10324	FIDELITY & GUARANTY INS UNDERWRITERS	32476	GRINNELL SELECT INS CO
20702	DISCOVER PROPERTY & CAS INS CO	12416	FIREMANS FUND INSURANCE CO	20850	GUARANTEE INS CO
18411	DISTRICTS MUTUAL INSURANCE CO	27723	FIREMEN'S INS CO WASHINGTON DC	23965	GUIDEONE AMERICA MUTUAL INS CO
15636	DONEGAL INSURANCE COMPANIES	16039	FIRST CHICAGO INSURANCE CO	24368	GUIDEONE ELITE INSURANCE CO
42997	EASTERN ALLIANCE INSURANCE CO	35866	FIRST DAKOTA INDEMNITY CO	17299	GUIDEONE MUTUAL INSURANCE CO
25678	ESTERN ADVANTAGE ASSURANCE CO	11894	FIRST FINANCIAL INSURANCE CO	15271	HDI GERLING AMERICA INS CO
33936	EASTGUARD INSURANCE CO	27359	FIRST LIBERTY INSURANCE CORP	17647	HAMILTON MUTUAL INS CO
12858	ECONOMY FIRE & CASUALTY CO	13390	FIRST NATIONAL INS CO OF AMERICA	30937	HANOVER AMERICAN INS CO
12629	ELECTRIC INSURANCE CO	32743	FIRST NONPROFIT INSURANCE CO	13633	HANOVER INSURANCE CO
12882	EMCASCO INSURANCE CO	35947	FLAGSHIP CITY INSURANCE CO	11614	HARCO NATIONAL INSURANCE CO
41394	EMPLOYERS COMPENSATION INS CO	17507	FLORISTS MUTUAL CO	15857	HARLEYSVILLE INSURANCE CO
36870	EMPLOYERS ASSURANCE CO	14087	FOREMOST INSURANCE CO	24805	HARLEYSVILLE LAKE STATES INS CO
12300	EMPLOYERS FIRE INSURANCE CO	24090	FOREMOST PROPERTY & CASUALTY INS CO	20575	HARLEYSVILLE PREFERRED INS CO
15555	EMPLOYERS INS OF WAUSAU	24082	FOREMOST SIGNATURE INSURANCE CO	21644	HARLEYSVILLE WORCESTER INS CO
15539	EMPLOYERS MUTUAL CASUALTY CO	66676	FORTUITY INSURANCE CO	10448	HARTFORD ACCIDENT & INDEMNITY CO
31283	EMPLOYERS PREFERRED INSURANCE CO	17388	FRANKENMUTH MUTUAL INS CO	14397	HARTFORD CASUALTY INSURANCE CO
50879	ENDURANCE REINSURANCE CORP OF AMERICA	18708	FREMONT INS CO	13269	HARTFORD FIRE INSURANCE CO
14664	ERIE INSURANCE CO	30743	GATEWAY INSURANCE CO	20605	HARTFORD INS CO OF MIDWEST
31003	ERIE INSURANCE CO OF NEW YORK	12440	GENERAL CASUALTY CO OF WI	10456	HARTFORD UNDERWRITERS INS CO
18457	ERIE INSURANCE EXCHANGE	12378	GENERAL CASUALTY INSURANCE CO	17272	HASTINGS MUTUAL INSURANCE CO
31127	ERIE INSURANCE PROP & CAS CO	13404	GENERAL INS CO OF AMERICA	10170	HAWKEYE SECURITY INS CO

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14109	HIGHLANDS INSURANCE CO	38660	MHA INSURANCE CO	37257	NLC MUTUAL INSURANCE CO
41343	HOMESITE INSURANCE CO	20141	MIC PROPERTY & CASUALTY INS CO	25844	NORGUARD INSURANCE CO
50892	ILLINOIS CASUALTY CO	38466	MICHIGAN COMMERCIAL INS MUTUAL	29386	NORTH AMERICAN ELITE INS CO
26182	ILLINOIS INSURANCE CO	16969	MICHIGAN MILLERS MUTUAL INS CO	24147	NORTH AMERICAN SPECIALTY INS CO
12491	ILLINOIS NATIONAL INSURANCE CO	12998	MID CENTURY INSURANCE CO	35750	NORTH POINTE INS CO
30732	IMPERUIM INS CO	10960	MIDDLESEX INSURANCE CO	14508	NORTH RIVER INSURANCE CO
17140	IMT INSURANCE CO	23145	MIDVALE INS CO	13765	NORTHERN INS CO OF NEW YORK
25437	INDEMNITY INS CO OF NORTH AMER.	25992	MIDWEST EMPLOYERS CAS CO	15016	NORTHWESTERN NATIONAL INS CO
13315	INDIANA INSURANCE CO	33928	MIDWEST FAMILY MUTUAL INS	14191	NOVA CASUALTY CO
17175	INDIANA LUMBERMENS MUTUAL INS CO	37079	MIDWEST INSURANCE CO	21261	NUTMEG INSURANCE CO
13889	INS CO OF STATE OF PENNSYLVANIA	10782	MIDWESTERN INDEMNITY CO	10459	OBI NATIONAL INS CO
14486	INSURANCE CO OF NORTH AMERICA	31143	MILBANK INSURANCE CO	15458	OAK RIVER INSURANCE CO
19593	INSURANCE CO OF THE WEST	16950	MILLERS FIRST INSURANCE CO	25577	OAKWOOD INSURANCE CO
17035	INTEGRITY MUTUAL INSURANCE CO	69103	MILWAUKEE CASUALTY INS CO	13943	OCCIDENTAL FIRE & CASUALTY INS
91097	INTEGRITY PROPERTY & CASUALTY INS CO	19089	MITSUI SUMITOMO INS CO OF AMER	25313	ODYSSEY REINSURANCE CO
16330	IOWA MUTUAL INSURANCE COMPANY	10308	MITSUI SUMITOMO INS USA INC	22411	OHIC INSURANCE CO
48667	IRONSHORE INDEMNITY INC	14893	MONROE GUARANTY INSURANCE CO	11363	OHIO CASUALTY INSURANCE CO
26603	JEWELERS MUTUAL INSURANCE COMPANY	16519	MOTORISTS COMMERCIAL MUTUAL INS CO	14389	OHIO FARMERS INSURANCE CO
37044	KEY RISK INS CO	11398	MUNICH REINSURANCE AMERICA	19291	OHIO SECURITY INSURANCE CO
23876	L M GENERAL INSURANCE CO	18570	NATIONAL AMERICAN INSURANCE CO	10405	OLD REPUBLIC GENERAL INS CORP
27243	L M INSURANCE CORP	18805	NATIONAL CASUALTY CO	11509	OLD REPUBLIC INSURANCE CO
13870	L M PROPERTY & CASUALTY INS CO	64039	NATIONAL FARMERS UNION PROP & CAS CO	18880	OMAHA INDEMNITY CO
25038	LANCER INSURANCE CO	12238	NATIONAL FIRE INS CO OF HARTFORD	14540	ONEBEACON AMERICA INSURANCE CO
95062	LEAGUE OF WI MUNICIPALITIES MUT INS	12343	NATIONAL INDEMNITY CO	10359	ONEBEACON INSURANCE CO
19046	LIBERTY INS UNDERWRITERS	31607	NATIONAL INTERSTATE INS CO	18147	OWNERS INSURANCE CO
21814	LIBERTY INSURANCE CORP	19054	NATIONAL LIABILITY & FIRE INS CO	25399	PRXE INSURANCE CO
16586	LIBERTY MUTUAL FIRE INS CO	16447	NATIONAL SPECIALTY INS CO	10677	PACIFIC EMPLOYERS INSURANCE CO
15628	LIBERTY MUTUAL INSURANCE CO	12866	NATIONAL SURETY CORP	10685	PACIFIC INDEMNITY CO
30694	LINCOLN GENERAL INSURANCE CO	13072	NATIONAL UNION FIRE INS CO PENN	27618	PARTNERRE INSURANCE CO OF NY
18376	LUMBERMENS UNDERWRITING ALLIANCE	10928	NATIONWIDE AFFINITY INS CO AMERICA	17418	PARTNERS MUTUAL INSURANCE CO
27908	MAIDEN REINSURANCE COMPANY	11568	NATIONWIDE AGRIBUSINESS INS CO	11770	PATRIOT GENERAL INSURANCE CO
20737	MANUFACTURERS ALLIANCE INS CO	31658	NATIONWIDE ASSURANCE CO	13226	PEERLESS INDEMNITY INSURANCE CO
22616	MARKEL INSURANCE CO	38342	NATIONWIDE INSURANCE CO OF AMERICA	11355	PEERLESS INSURANCE CO
10545	MARYLAND CASUALTY CO	15997	NATIONWIDE MUTUAL FIRE INS CO	14850	PEKIN INSURANCE CO
10006	MASSACHUSETTS BAY INS CO	16195	NATIONWIDE MUTUAL INSURANCE CO	30929	PENINSULA INDEMNITY CO
28584	MEDICAL PROTECTIVE CO	22438	NATIONWIDE PROPERTY & CASUALTY	20923	PENINSULA INSURANCE CO
37788	MEDMARC CASUALTY INS CO	14184	NETHERLANDS INSURANCE CO	38261	PENN AMERICA INSURANCE CO
66674	MEEMIC INSURANCE CO	13080	NEW HAMPSHIRE INSURANCE CO	17027	PENN MILLERS INSURANCE CO
38563	MEMIC INDEMNITY CO	28746	NEW YORK MARINE AND GENERAL INS CO	15407	PENNSYLVANIA INSURANCE CO
30902	MERIDIAN SECURITY INS CO	16322	NGM INSURANCE CO	16411	PENNSYLVANIA LUMBERMENS MUT INS

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11916	PENNSYLVANIA MANUFACTURERS ASSOC	58557	SEABRIGHT INSURANCE CO	39071	TECHNOLOGY INS CO
21288	PENNSYLVANIA MANUFACTURERS IND	17205	SEATON INSURANCE CO	13854	TIG INSURANCE CO
15849	PENNSYLVANIA NATIONAL MUTUAL CAS	17426	SECURA INSURANCE A MUTUAL CO	19275	TNUS INSURANCE CO
11126	PETROLEUM CASUALTY CO	34649	SECURA SUPREME INSURANCE CO	39063	TOKIO MARINE AMERICA INS CO
17604	PHARMACISTS MUTUAL INS CO	40533	SECURITY NATIONAL INSURANCE CO	33480	TOWER INSURANCE CO OF NEW YORK
12610	PHOENIX INSURANCE CO	10251	SELECT INSURANCE CO	17013	TOWER NATIONAL INSURANCE CO
39137	PIONEER SPECIALTY INSURANCE CO	23957	SELECTIVE INS OF SC	28061	TOYOTA MOTOR INSURANCE CO
36056	PLATINUM UNDERWRITERS REINS	20583	SELECTIVE INS OF THE SOUTHEAST	20052	TRANS PACIFIC INSURANCE CO
21172	PRAETORIAN INSURANCE CO	13420	SENECA INSURANCE CO	31097	TRANSGUARD INS CO OF AMERICA INC
32239	PREFERRED PROFESSIONAL INS CO	13161	SENTINEL INSURANCE CO LTD	12718	TRANSPORT INSURANCE CO
31682	PRESERVER INS CO	37877	SENTRY CASUALTY CO	12408	TRANSPORTATION INSURANCE CO
11819	PREVISOR INSURANCE CO	15571	SENTRY INSURANCE A MUTUAL CO	22012	TRAVELERS CAS CO
34703	PROASSURANCE INDEMINTY CO INC	13668	SENTRY SELECT INSURANCE CO	11223	TRAVELERS CAS. & SURETY CO
30147	PROPERTY & CAS. INS. HARTFORD	19755	SEQUOIA INSURANCE CO	19151	TRAVELERS CAS. & SURETY OF AMER
14788	PROTECTIVE INSURANCE CO	22799	SFM MUTUAL INSURANCE CO	27405	TRAVELERS CASUALTY CO OF CT
16152	PUBLIC SERVICE MUTUAL INS C.	16438	SHEBOYGAN FALLS INSURANCE CO	12432	TRAVELERS CASUALTY INS CO AMERICA
29114	QBE INS CORP	16594	SOCIETY INSURANCE A MUTUAL CO	29815	TRAVELERS COMMERCIAL CASUALTY CO
75049	QUANTA INDEMNITY CO	19321	SOMPO JAPAN INS CO OF AMERICA	27391	TRAVELERS COMMERCIAL INS CO
25569	R L I INS CO	11479	SOUTHERN FIRE & CASUALTY CO	22047	TRAVELERS CONSTITUTION STATE INS CO
24015	RAMPART INSURANCE CO	10499	SOUTHERN GUARANTY INS CO	11347	TRAVELERS INDEMNITY CO
24430	RED ROCK INSURANCE CO	28916	SOUTHERN INSURANCE CO	13439	TRAVELERS INDEMNITY CO OF AMER.
20486	REDWOOD FIRE & CASUALTY INSURANCE CO	10553	SOUTHERN PILOT INSURANCE CO	12637	TRAVELERS INDEMNITY CO OF CT
11061	REGENT INSURANCE COMPANY	74941	SPARTA INSURANCE CO	13579	TRAVELERS PROP CAS CO OF AMERICA
33561	REPUBLIC CREDIT INDEMNITY CO	21342	ST. PAUL FIRE & CASUALTY CO	20788	TRENWICK AMERICA REINSURANCE CORP
10111	REPUBLIC FRANKLIN INSURANCE CO	13706	ST. PAUL FIRE & MARINE INS CO	41408	TRIANGLE INSURANCE CO INC
19739	REPUBLIC INDEMNITY CO AMERICA	14230	ST. PAUL GUARDIAN INSURANCE CO	11460	TRINITY UNIVERSAL INSURANCE CO
27561	REPUBLIC INDEMNITY CO OF CALIF.	13692	ST. PAUL MERCURY INSURANCE CO	14516	TRI-STATE INS CO OF MINNESOTA
17698	REPWEST INS CO	12904	ST. PAUL PROTECTIVE INS CO	12236	TRIUMPH CASUALTY CO
31690	RESPONSE WORLDWIDE INS CO	15245	STANDARD FIRE INS CO	18244	TRUCK INSURANCE EXCHANGE
27995	RIVERPORT INSURANCE CO	24562	STAR INSURANCE CO	19666	TRUMBULL INSCO
18910	ROCHDALE INSURANCE CO	37834	STARNET INSURANCE CO	22071	TRUSTGARD INS CO
15989	ROCKFORD MUTUAL INSURANCE CO	11193	STARR INDEMNITY & LIABILITY CO	30627	21 ST CENTURY ASSURANCE CO
17280	RURAL MUTUAL INSURANCE CO	12807	STATE AUTO PROPERTY & CAS INS CO	18198	21 ST CENTURY CENTENNIAL INS CO
36471	RURAL TRUST INSURANCE CO	16683	STATE AUTOMOBILE MUTUAL INS CO	20095	21 ST CENTURY NATIONAL INS CO
13595	SAFECO INSURANCE CO OF AMERICA	14842	STATE FARM FIRE & CASUALTY CO	19208	21 ST CENTURY NORTH AMERICA INS CO
40991	SAFETY FIRST INSURANCE CO	12041	STATE FARM GENERAL INSURANCE CO	15148	21 ST CENTURY PREMIER INS CO
16349	SAFETY NATIONAL CASUALTY CORP	30406	STATE NATIONAL INSURANCE CO	12661	21 ST CENTURY SECURITY INS CO
32255	SAGAMORE INSURANCE CO	25631	STONINGTON INSURANCE CO	14974	TWIN CITY FIRE INS CO
36412	SAMSUNG FIRE & MARINE INS CO	40851	T. H. E. INSURANCE CO	28320	U S SPECIALTY INS CO
22276	SCOR REINSURANCE CO	13641	TEACHERS INSURANCE CO	10766	UNIGARD INDEMNITY CO

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13064	UNIGARD INS CO	10618	X L REINSURANCE AMERICA INC
14311	UNION INSURANCE CO	27944	X L SPECIALTY INSURANCE CO
17612	UNION INSURANCE CO OF PROVIDENCE	13145	ZENITH INSURANCE CO
12122	UNITED FIRE & CASUALTY CO	11673	ZURICH AMERICAN INS CO OF IL
37680	UNITED NATIONAL SPECIALTY INS CO	10863	ZURICH AMERICAN INSURANCE CO
10847	UNITED STATES FIDELITY & GUAR		
12777	UNITED STATES FIRE INS CO		
29076	UNITED STATES LIABILITY INS CO		
24244	UNITED WISCONSIN INSURANCE CO		
55188	UNITRIN AUTO & HOME INS CO		
16895	UNITRIN PREFERRED INS CO		
23353	UNITRIN SAFEGUARD INS CO		
12297	UNIVERSAL UNDERWRITERS INS		
15717	UTICA MUTUAL INSURANCE CO		
15032	VALLEY FORGE INSURANCE CO		
24023	VANLINER INSURANCE CO		
52567	VANTAPRO SPECIALTY INSURANCE CO		
10693	VIGILANT INSURANCE CO		
22624	VIKING INS CO OF WISCONSIN		
19879	VIRGINIA SURETY CO		
55922	WADENA INSURANCE CO		
42907	WASHINGTON INTERNATIONAL INS CO		
27332	WAUSAU BUSINESS INSURANCE CO		
12246	WAUSAU GENERAL INSURANCE CO		
18996	WAUSAU UNDERWRITERS INS CO		
26135	WESCO INSURANCE COMPANY		
11576	WEST AMERICAN INS CO		
17124	WEST BEND MUTUAL INSURANCE CO		
10642	WESTCHESTER FIRE INSURANCE CO		
13005	WESTERN NATIONAL ASSURANCE CO		
15865	WESTERN NATIONAL MUTUAL INS CO		
14451	WESTFIELD INS CO		
13536	WESTFIELD NATIONAL INS CO		
10316	WESTPORT INSURANCE CORP		
27189	WILLIAMSBURG NATIONAL INS CO		
28002	WILSON MUTUAL INS CO		
35629	WISCONSIN COUNTY MUTUAL INS		
38539	WISCONSIN MUNICIPAL MUTUAL INS CO		
73514	WORK FIRST CASUALTY CO		
10480	X L INSURANCE AMERICA INC		

Exhibit 2—2014 Membership Activity

NAME CHANGES

<u>Old Name</u>	<u>New Name</u>	<u>Effective</u>
Maiden Reinsurance Company	Maiden Reinsurance North America Inc	5-14-14
Northbrook Indemnity Co	Allstate Northbrook Indemnity Co	6-06-14
Stonewood National Ins Co	Falls Lake National Insurance Co	8-01-14
United National Casualty Ins Co	CGB Insurance Company	8-05-14
United Security Insurance Company	Previsor Insurance Company	8-20-14
Bituminous Casualty Corporation	BITCO General Insurance Corporation	9-01-14
Bituminous Fire & Marine Ins Co	BITCO National Insurance Company	9-01-14

MERGERS

<u>Merged Company</u>	<u>Surviving Company</u>	<u>Effective</u>
Meridian Citizens Mutual Ins Co	State Automobile Mutual Ins Co	7-02-14
NIPPONKOA Insurance Co LTD	Sompo Japan Ins Co of America	9-01-14

<u>New Members</u>	<u>Effective</u>	<u>Placed In Rehabilitation</u>	<u>Effective</u>
PXRE Insurance Company	2-04-14	Freestone Insurance Co	4-28-14
Southern Insurance Co	6-24-14		
Allied Ins Co of America	6-27-14		
Rural Trust Insurance Co	11-07-14		
American Family Insurance Co	11-12-14		
Vantapro Specialty Insurance Co	11-24-14		

<u>Voluntary Withdrawal</u>	<u>Effective</u>	<u>Placed in Liquidation</u>	<u>Effective</u>
CGB Insurance Company	9-15-14	Professional Liab. Ins Co of America	2-10-14
Maple Valley Mutual Ins Co	11-06-14	Freestone Insurance Company	8-15-14
		Red Rock Insurance Company	8-21-14

Exhibit 3—Financial Reports**3A—Statements of Income & Disbursements for the Years Ending
December 31, 2013 and December 31, 2014**

<u>INCOME:</u>	<u>2013</u>	<u>2014</u>
Assessments	\$7,384,705	\$7,445,565
Dues	\$2,500	\$3,000
Minimum Assessment	\$139,547	\$137,760
Dividend Reinvestment	\$55,041	\$52,698
Realized Loss - SRF	(\$13,388)	(\$30,698)
Unit Statistical Fines	\$242,000	\$390,750
Notice to Carrier Fines	\$430,150	\$290,000
60 Day Fines	\$282,450	\$343,200
Financial Call Fines	\$5,650	\$16,850
Hard Copy Fees	\$31,475	\$12,125
OAR Bank Fees	\$7,238	\$7,194
Limited liability company investments	\$102,761	\$171,000
Miscellaneous	\$13,752	\$9,881
Wisconsin Automobile Ins. Plan	<u>\$157,363</u>	<u>\$157,051</u>
TOTAL INCOME	\$8,841,244	\$9,006,376

DISBURSEMENTS:**Compensation & Related Expenses:**

Compensation	\$2,908,927	\$2,918,058
Insurance Organization		
Pension Trust	\$411,036	\$411,664
Annual Periodic Pension Cost Adj.	\$19,745	(\$184,672) *
Group Insurance	\$786,890	\$793,937
Accrued Post Retirement Benefits Adj.	\$155,951	\$57,050 **
Payroll Taxes	\$213,714	\$212,367
ESP Program & Administration	\$169,414	\$173,638
Employee Education & Relations	\$30,679	\$30,498
Sub-Total	\$4,696,356	\$4,412,540

General Operating Expenses:

Facilities & Operating Expenses	\$492,393	\$493,479
Travel/Auto/Meeting Expense	\$176,598	\$122,038
Outside Services Expense	\$195,334	\$204,827
WCPAP	\$9,912	\$11,157
WCRI	\$195,000	\$195,000
Actuarial Services	\$411,532	\$415,207
Systems and Technology		
Development	\$112,993	\$107,366
IT Purchases, Maintenance		
and Support	\$1,072,677	\$1,102,581
Miscellaneous	<u>\$80,524</u>	<u>\$77,024</u>
TOTAL DISBURSEMENTS	\$7,443,319	\$7,141,219

* Annual Periodic Pension Cost Adjustment as of 12-31-14.

** Adjustment in accumulated postretirement benefit obligation from 12-31-13 to 12-31-14.

SURPLUS:

Total Income	\$9,006,376
Less: Total Disbursements	<u>\$7,141,219</u>
Sub-Total	\$1,865,157

Effect of applying the recognition provisions of generally accepted accounting principles - Pension/Postretirement	<u>(\$1,817,748)</u>
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Surplus	\$47,409
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Adjustment to Surplus

(Decrease) Increase in Post Retirement Liability	\$477,222
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(Increase) Decrease in Limited Liability Company Investments	(\$171,000)
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Earnings from Strategic Reserve Fund	<u>(\$19,994)</u>
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Adjusted Surplus returned to Members	\$333,637
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APPENDIX EXHIBIT 3B AND 3C
3B—Net Bureau Operating Expense Comparison

	<u>2013</u>	<u>2014</u>
Total Disbursements	\$7,443,319	\$7,141,219
Less: Income from Special Bureau Services	<u>\$1,170,078</u>	<u>\$1,227,051</u>
Net Operating Costs	\$6,273,241	\$5,914,168

3C—Net Bureau Operating Expense Ratio to Wisconsin Premiums Written

<u>YEAR</u>	<u>TOTAL WRITTEN WI PREMIUM</u>	<u>NET BUREAU OPERATING EXPENSE</u>	<u>RATIO</u>
2013	\$1,754,698,816	\$6,273,241	0.35
2014*	\$1,760,000,000	\$5,914,168	0.33

*Estimated