

WCRB

ANNUAL REPORT

Wisconsin Compensation
Rating Bureau

2016

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REPORT OF THE PRESIDENT
CALENDAR YEAR ENDING DECEMBER 31, 2016

In this centennial year of our existence, I am pleased to submit this 99th annual report of the Wisconsin Compensation Rating Bureau with a commentary on 2016 results.

Our 2016 worker's compensation rate change proposed and accepted by the Commissioner of Insurance of the State of Wisconsin was -3.19% (-5.00% for manufacturing; -5.10% for contracting; -0.60% for goods and services; -1.90% for office and clerical; and -3.70% for 'miscellaneous').

The total number of Wisconsin worker's compensation risks at the end of 2016 decreased to 144,303 from 2015's 144,638. During the same period, the total Wisconsin worker's compensation written premium increased to \$1,990,000,000 from 2015's \$1,950,264,251.

New pool applications in 2016 decreased to 5,000 from 2015's 5,982, breaking a seven year trend of increased pool applications. Total Wisconsin pool risks at the end of 2016 numbered 24,658 against 2015's 25,778. In terms of premium, Wisconsin's pool makes up approximately 5.1% of the state's total written premium for worker's compensation.

The ratio of the state's net written premium to bureau operating expense is 0.32%.

Looking ahead to July of this year, the WCRB will unveil a modernized website with improved navigation and portability. We will also begin providing useful worker's compensation information to its stakeholders inexpensively. Beginning in June, we will be publishing an electronic 'State of the State' report to take the place of this annual hard copy report. Included will be a number of meaningful exhibits to help clarify for our stakeholders the state of worker's compensation in our state and, in some cases, nationally. The publication will be complete with data comparisons between Wisconsin's own prior year results along with comparisons between Wisconsin and national figures.

As we celebrate our 100th year of service I would like to extend a message of gratitude to all stakeholders in Wisconsin's worker's compensation system. Your open communication and support is what I believe is part of what makes the worker's compensation system here in Wisconsin stand out.

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."

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 submissions, 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 available 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 continues to closely examine our business model and utilize customer feedback to evaluate how to best meet the needs of our customers through the development of new and enhanced Web site products.

WCRB implemented the following enhancements to the wcrb.org Web site in 2016:

- ✓ Manage Policy was enhanced to include a new file import feature. This new option allows WCPOLS files to be uploaded into Manage Policy. Once transactions are imported, the transactions are stored in Manage Policy and can be viewed, edited, validated, deleted, and subsequently submitted to the WCRB.
- ✓ Online Assigned Risk product was enhanced with user friendly error messages and email notifications. Both provide clear step by step instructions on how to resolve errors or complete key actions to expedite application submissions and payments.
- ✓ The Group Administrator application was enhanced to allow for electronic signatures, built in prompts for missing or invalid information and a click to submit for processing. The new electronic form eliminates common errors that delay applications, the need for faxing or mailing applications and has improved application turnaround time by an average of four days.
- ✓ The FAQ section of the Web site was improved with a more modern look and user friendly search features. The user can search by key words or phrases included in all FAQ categories or pick and choose which categories to search.
- ✓ Other miscellaneous updates to increase consistency, optimize search engines, improve printing, and improve page views.

As part of WCRB's commitment to providing a high quality user-friendly Web experience, we are planning several enhancements for 2017. We will continue to evaluate and research new products and opportunities for enhancements to existing products and services

WCRB COMMITTEES

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.

WI WC 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.

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.

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.

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 annually directly to the Governing Board in Executive Session. The Audit Committee is comprised of CPAs from three member companies.

BOARD/COMMITTEE REPRESENTATION

AS OF DECEMBER 31, 2016

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
Employers Mutual Casualty Insurance Co
Secura Insurance Co
Sentry Insurance A Mutual Co

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

Accident Fund Insurance Co
Secura Insurance Co
Society 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 19, 2016 for the WCRB Annual Meeting. The Rating Committee met in a special session on May 19, 2016 to discuss the October 1, 2016 rate revision. The Actuarial Committee met three times.

The following are key issues discussed and/or acted upon by the Governing Board in 2016:

- ✓ WCRB staffing;
- ✓ WCRB occupancy;
- ✓ WCRB Audit Committee report;
- ✓ Ratemaking methodology;
- ✓ An overall decrease in rate level of 3.19%;
- ✓ Wisconsin Class Code exceptions;
- ✓ Formal hearing regarding classification of ground-level window washing– adopted changes to class code 9170 Window Cleaning & Drivers to all window cleaning performed at ground level to be separately rated as Code 9014 Buildings – Operations by Contractors & Drivers;
- ✓ Formal hearing regarding the establishment of a mechanized sawmill classification- request denied;
- ✓ Formal hearing regarding the reconsideration of the experience rating calculation using the mod- request denied;
- ✓ Informal hearing regarding a request for detailed policy data reported to WCRB by member carriers- request denied;
- ✓ Agreed Bill process;
- ✓ NCCI Proposals:
 - E-1404 Establishment of a Methodology to Calculate Experience Rating Premium Eligibility Amounts- not adopted by the Board
 - B-1431 Revisions to Basic Manual Classifications and Appendix E-adopted
 - B-1430 Elimination of Anniversary Rating Date-refiled ARD for approval
 - B-1433 Revisions to Basic Manual Rules – Classifications Assignment and Premium Basis and Payroll Allocation;
- ✓ Endorsements Adopted:
- ✓ Wisconsin Employee Leasing Company Client Mailing Address Endorsement
 - (WC 48 03 18)
 - Wisconsin Real Estate Salespersons Endorsement (WC 48 03 04)
- ✓ NTC/USR activity;
- ✓ Pool activity;
- ✓ WWCIP Handbook revisions;
- ✓ WWCIP Servicing Carrier RFP

- ✓ Charge-off requests submitted by WWCIP Servicing Carriers;
- ✓ Quarterly Servicing Carrier reports;
- ✓ Actuarial Subcommittee review;
- ✓ 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 2016. It included adjustments for increased benefits that were effective January 1, 2016, but the impact on rates was not significant enough to justify a separate law amendment rate filing.

The October 1, 2016 filing proposed an overall premium level decrease of 3.19%, which, by industry group, was comprised of decreases of 5.00% for manufacturing; 5.10% for contracting; 0.60% for goods and services; 1.90% for office and clerical; and 3.70% for miscellaneous. The filing also included an overall decrease of 7.30% 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;
- ✓ increase in the premium threshold for experience rating eligibility from \$7,000 to \$7,250;
- ✓ increase in split-point from \$15,500 to \$16,000;
- ✓ an overall decrease in premium level of 7.30% in "F" classifications;
- ✓ an increase in the annual remuneration used to calculate premiums for sole proprietors and partners from \$47,372 to \$48,672;
- ✓ an increase in the value of lodging received by employees as part of their pay to \$130.02 per week or \$18.57 per day, the value of meals increased to \$117.08 per week or \$5.58 per meal;
- ✓ an increase in the maximum remuneration for executive officers to \$1,404 per week;
- ✓ an increase in the minimum remuneration for executive officers to \$281 per week;
- ✓ decrease in the Retrospective Rating Tax Multiplier from 1.077 to 1.071 for "F" classes;
- ✓ increase in the Retrospective Rating Tax Multiplier from 1.034 to 1.039 for state classes;
- ✓ decrease in the USLH&W percentage from 65% to 61%;

- ✓ 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 2016, 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, Assembly Bill 724, were signed into law effective March 2, 2016. The changes in benefits in 2016 were: the maximum benefit for temporary total disability and permanent total disability increased from \$911 to \$936 weekly; the maximum death benefit increased from \$272,300 to \$280,800; no change in burial expense of \$10,000; increase in the weekly benefit for permanent partial disability from \$322 to \$342.

INSPECTIONS

Total inspections completed during 2016 increased 12% over 2015. 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, 881 inspections were completed during 2016.

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 30-60 day time frame.

WORK PROCESSED

In 2016 the number of Notice to Carriers created increased 24.8%, and the number of fines levied decreased 3.6%. The policies reviewed for failure to provide proof of coverage within 60 days decreased 2.1%, with the number of fines levied decreasing 4.5%. The number of unit statistical reports received decreased 2.7%, and the fines levied decreased 46.6%. The number of financial call fines decreased 52.7%.

2016 COMPLIANCE DETAIL

Policy Processing Yearly Aggregate Report	2015	2016
Policy & Binders	151,581	150,900
Endorsements	77,754	52,854
Terminations	76,973	81,943
Reinstatements	33,787	33,710
TOTAL	340,095	319,407

Experience Rating Yearly Aggregate Report	2015	2016
Intrastate Ratings Released	25,815	25,125
DNQ	767	728
Withdrawn	382	379
Contingent Ratings	584	443

60 Day Fining Yearly Aggregate Report	2015	2016
Total Policies Reviewed	2,447	2,394
Total Fines Levied	2,369	2,311
Total Amount Levied	\$355,350	\$346,650
Total Withdrawn	55	101
Total Amount Withdrawn	\$8,250	\$15,150
Net Fines	2,314	2,210
Net Amount Levied	\$347,100	\$331,500

Financial Call Fining Yearly Aggregate Report	2015	2016
Total Fines Levied	36	17
Total Amount Levied	\$18,000	\$7,150
Total Withdrawn	2	0

NTC Processing and Fining Yearly Aggregate Report	2015	2016
NTCs Created	42,854	53,515
NTCs Issued	40,351	50,324
NTCs Disapproved	5,487	6,966
Total NTC Fines	1,743	1,675
Total Fined Amount	\$367,600	\$349,350
Total NTC Fines Withdrawn	38	32
Total Withdrawn Amount	\$7,150	\$6,150
Net Fines	1,705	1,643
Net Fined Amount	\$360,450	\$343,200

USR Processing and Fining Yearly Aggregate Report	2015	2016
USRs Received	221,896	215,711
USRs Failed	43,661	42,290
USRs Rejected	5,957	5,636
USRs Unmatched	326	360
USRs Accepted	171,790	167,411
Total USR Fines	1,614	794
Total Fined Amount	\$404,650	\$181,700
Total USR Withdrawn	181	26
Total Withdrawn/Credit Amount	\$62,950	\$6,550
Net Fines	1,433	768
Net Fined Amount	\$341,700	\$175,150

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 2016, new assignments decreased from 5,982 to 5,000 risks. The number of employers retaining coverage in the Pool decreased 4.1% from 25,718 to 24,658.

Pool gross premiums written decreased from \$117,377,944 to \$101,829,144, a decrease of 13.2%.

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, 2015 resulted in a surplus of \$13,148,948. As the Fund year-end balance of \$321,955,802 was 104% of the target fund value, the surplus of \$13,148,948 was declared but not levied pursuant to Pool rules.

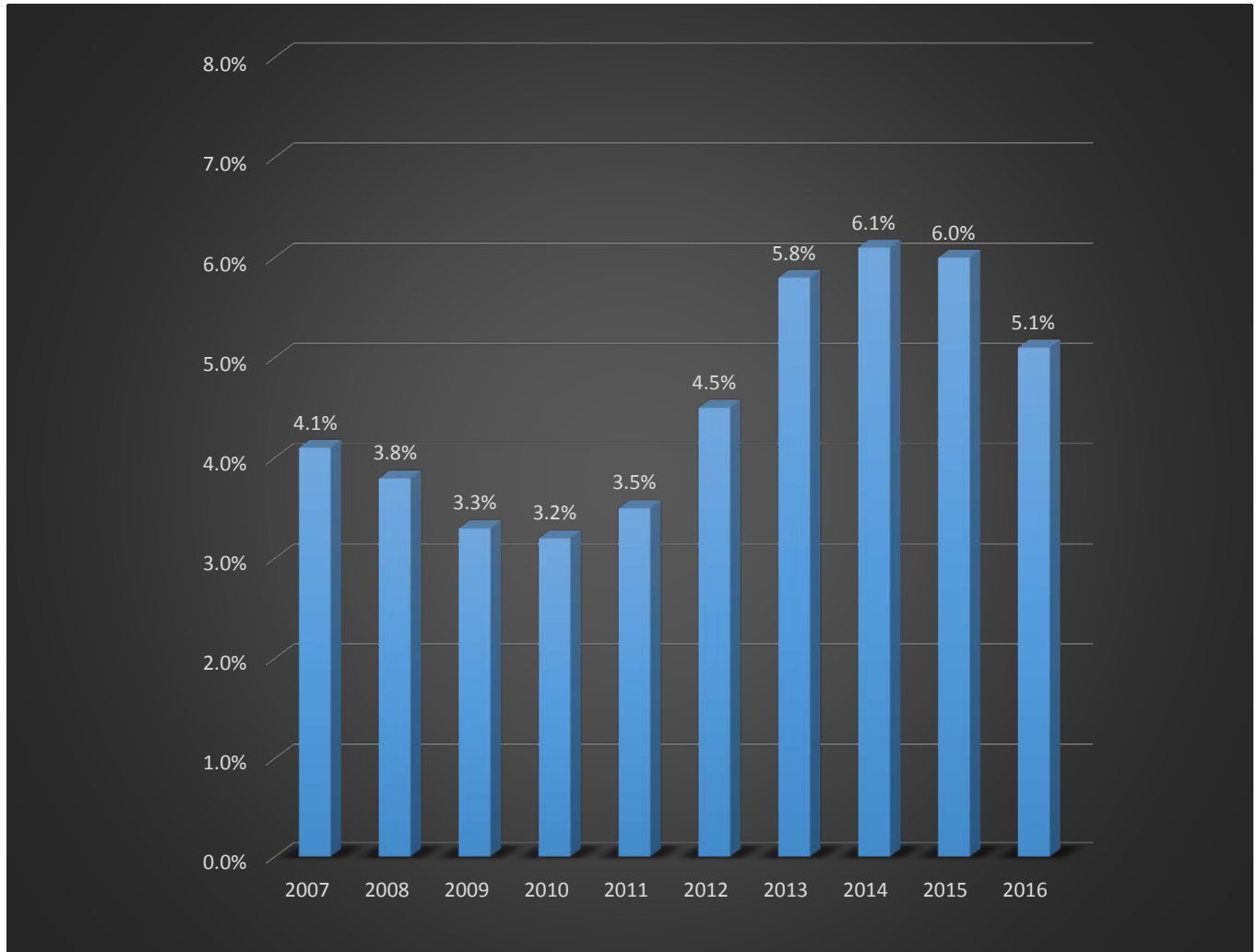
The following exhibits provide a ten-year summary of Pool activity, 2016 preliminary Pool detail, and more detailed final 2015 results:

YEAR	NEW POOL RISKS	TOTAL POOL RISKS	TOTAL WI RISKS	POOL WRITTEN PREMIUM	TOTAL WI WRITTEN PREMIUM	AVG SIZE OF POOL RISK
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	\$1,812,772,013	\$4,746
2015	5,982	25,718	144,638	\$117,377,944	\$1,950,264,251	\$4,564
2016	5,000	24,658	144,303	\$101,829,144	\$1,990,000,000	\$4,129

*Estimated

WISCONSIN WORKER'S COMPENSATION INSURANCE POOL

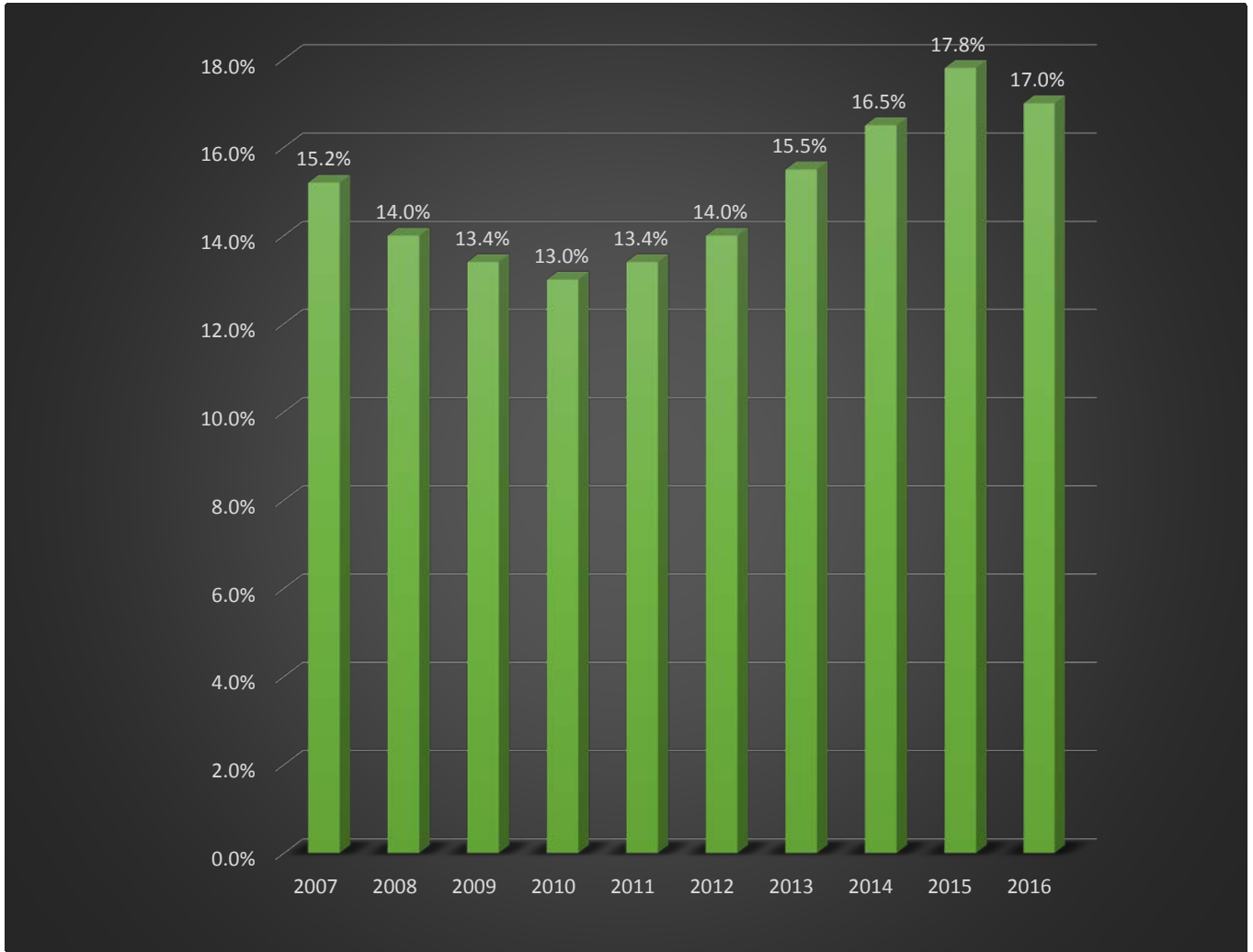
PERCENTAGE OF POOL PREMIUMS RELATIVE TO TOTAL WI PREMIUMS



(2016 Estimated)

WISCONSIN WORKER'S COMPENSATION INSURANCE POOL

PERCENTAGE OF POOL RISKS VS. TOTAL INSURED EMPLOYERS



2016 PRELIMINARY POOL RESULTS

1. Total Pool Gross Premiums Written	\$101,829,144
2. Net Pool Premiums After Servicing Carrier Allowance, Commissions, Charge-Offs, Transfers of Debt and Deferred Premium Credit	\$72,121,443
3. Total Paid Losses	\$63,975,844
4. Total Incurred Losses	\$78,753,513
(Outstanding Losses – Unadjusted 2016 -	\$171,532,417)
(Outstanding Losses – Unadjusted 2015 -	\$156,754,748)

Ratios:

5. Paid/Written	62.8%
6. Incurred/Written	77.3%
7. Paid/Net	88.7%
8. Incurred/Net	109%

FINAL REDETERMINATION OF THE POOL FUND BALANCE AS OF 12-31-15

Net Assets	\$371,098,503
Less Amortization Adjustment	\$7,170
Less Unearned Premium Reserve at 12-31-15	<u>\$49,135,531</u>
Adjusted Value of Net Assets 12-31-15	\$321,955,802
Outstanding Losses Reported by	
Servicing Carriers at 12-31-15	\$156,754,748
Actuarial Adjustment	<u>\$152,052,106</u>
Target Fund Value	<u>\$308,806,854</u>
Net Assets Surplus, 12-31-15	<u><u>\$13,148,948</u></u>

BUREAU FINANCES

Total expenditures in 2016 were \$7,988,703, which represents a 7% increase over the 2015 expenditures of \$7,461,222.

Assessments again constituted the largest source of Bureau income. Overall fine income decreased by approximately 19.6% in 2016. 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 2016, fines generated \$857,000 in Bureau income, which is a decrease of \$209,700 from 2015 fines. Net operating expenses in 2016 were \$6,867,153 which was 84% of the 2016 approved budget. This was an increase of \$715,478 over 2015 net operating expenditures. Total income generated from hard copy fees amounted to \$4,050 in 2016, a 60.6% decrease over 2015.

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 2016 Wisconsin premiums written, which develops a ratio of 0.35%.

APPENDIX

Exhibit 1—2016 Bureau Membership

Exhibit 2—2016 Membership Activity

Exhibit 3—Financial Reports

3A—Statements of Income & Disbursements for the Years
Ending December 31, 2015 and December 31, 2016

3B—Net Bureau Operating Expense Comparison

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

ANNUAL REPORT

37931	1ST AUTO & CASUALTY INS CO	29734	AMERICAN COMPENSATION INS CO	15156	ATLANTA INTERNATIONAL INS CO
33391	ACADIA INSURANCE CO	17051	AMERICAN COUNTRY INS CO	61417	ATLANTIC SPECIALTY INSURANCE CO
36994	ACCEPTANCE CASUALTY INS CO	10561	AMERICAN ECONOMY INS CO	18981	AUSTIN MUTUAL INSURANCE CO
32344	ACCEPTANCE INSURANCE CO	24120	AMERICAN FAMILY HOME INS CO	16144	AUTO OWNERS INSURANCE CO
90468	ACCIDENT FUND GENERAL INS CO	64687	AMERICAN FAMILY INS	12793	AUTOMOBILE INS CO OF HARTFORD
19968	ACCIDENT FUND INS CO OF AMERICA	15873	AMERICAN FAMILY MUTUAL INS CO	19224	AXA INSURANCE CO
16729	ACCIDENT FUND NATIONAL INS CO	11266	AMERICAN FIRE & CASUALTY CO	61996	AXIS INSURANCE CO
12165	ACE AMERICA INSURANCE CO	11452	AMERICAN GUARANTEE & LIABILITY	32873	AXIS REINSURANCE CO
15431	ACE FIRE UNDERWRITERS INS CO	38369	AMERICAN HEALTHCARE INDEMNITY CO	36544	BADGER MUTUAL INSURANCE CO
12254	ACE PROPERTY & CASUALTY INS CO	13781	AMERICAN HOME ASSURANCE CO	12599	BALBOA INSURANCE CO
27154	ACIG INSURANCE CO	12289	AMERICAN INSURANCE CO	20206	BANKERS STANDARD INS CO
17469	ACUITY A MUTUAL INSURANCE CO	24759	AMERICAN INTERSTATE INSURANCE CO	10359	BEDIVERE INS CO
16365	ADDISON INSURANCE CO	26727	AMERICAN MINING INS CO	32352	BENCHMARK INSURANCE CO
22381	ADVANTAGE WORKERS COMP INS CO	26492	AMERICAN MODERN HOME INS CO	29408	BERKLEY INSURANCE CO
15326	AFFILIATED FM INSURANCE CO	28150	AMERICAN NATIONAL PROP & CAS CO	17191	BERKLEY NATIONAL INS CO
21377	AIOI NISSAY DOWA INS CO OF AMERICA	29645	AMERICAN PHYSICIANS ASSURANCE CO	36447	BERKLEY REGIONAL INS CO
18139	AIG ASSURANCE CO	35939	AMERICAN SELECT INSURANCE CO	11754	BERKSHIRE HATHAWAY DIRECT INS CO
13978	AIG PROPERTY & CASUALTY CO	48529	AMERICAN SENTINEL INSURANCE CO	12211	BERKSHIRE HATHAWAY HOMESTATE INS
14354	AIU INSURANCE CO	11495	AMERICAN STATES INSURANCE CO	13455	BERKSHIRE HATHAWAY SPECIALTY INS
41068	ALEA NORTH AMERICA INS CO	17965	AMERICAN ZURICH INSURANCE CO	10138	BITCO GENERAL INS
10871	ALLIANZ GLOBAL RISKS US INS CO	28384	AMERIHEALTH CASUALTY INS CO	12602	BITCO NATIONAL INS
41851	ALLIED EASTERN INDEMNITY CO	11525	AMERISURE INSURANCE CO	17833	BLUE RIDGE INDEMNITY CO
76811	ALLIED INSURANCE CO OF AMERICA	15660	AMERISURE MUTUAL INSURANCE CO	17396	BROTHERHOOD MUTUAL INS CO
43432	ALLIED WORLD INSURANCE CO	29843	AMERISURE PARTNERS INS CO	16829	BUGKEYE STATE MUTUAL INS CO
72836	ALLIED WORLD SPECIALTY INS CO	34762	AMERITRUST INSURANCE CORP	37354	BUILDERS MUTUAL INSURANCE CO
34738	ALLMERICA FINANCIAL ALLIANCE	20834	AMEX ASSURANCE CO	22358	CALIFORNIA INSURANCE CO
29661	ALLMERICA FINANCIAL BENEFIT INS CO	21873	AMGUARD INSURANCE CO	11665	CAPITOL INDEMNITY CORP
13552	ALLSTATE INDEMNITY CO	38857	ANSUR AMERICA INSURANCE CO	10367	CAPSON PHYSICIANS INS CO
15067	ALLSTATE INSURANCE CO	79475	ARCH INDEMNITY INSURANCE CO	11746	CAROLINA CASUALTY INSURANCE CO
20699	ALLSTATE NORTHBROOK INDEMNITY CO	28355	ARCH INSURANCE CO	33514	CASTLEPOINT NATIONAL INS CO
68405	AM TRUST INSURANCE CO OF KANSAS	14370	ARGONAUT GREAT CENTRAL INS CO	55364	CATLIN INDEMNITY CO
11444	AMCO INSURANCE CO	14095	ARGONAUT INSURANCE CO	16993	CENTRAL MUTUAL INSURANCE CO
19399	AMERICAN ALTERNATIVE INS CORP	12742	ARGONAUT MIDWEST INSURANCE CO	38199	CENTRE INSURANCE CO
10022	AMERICAN AUTOMOBILE INSURANCE CO	10723	ARROWOOD INDEMNITY CO	11290	CENTURY INDEMNITY CO
21334	AMERICAN BUSINESS MERCANTILE INS MUT	29718	ASHMERE INSURANCE CO	15318	CHARTER OAK FIRE INSURANCE CO
10030	AMERICAN CAS CO OF READING	10103	ASSOCIATED INDEMNITY CO	36099	CHEROKEE INSURANCE CO

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31720	CHUBB INDEMNITY INSURANCE CO	25678	ESTERN ADVANTAGE ASSURANCE CO	12416	FIREMANS FUND INSURANCE CO
35173	CHUBB NATIONAL INSURANCE CO	33936	EASTGUARD INSURANCE CO	27723	FIREMEN'S INS CO WASHINGTON DC
16853	CHURCH MUTUAL INSURANCE CO	12858	ECONOMY FIRE & CASUALTY CO	16039	FIRST CHICAGO INSURANCE CO
22241	CINCINNATI CASUALTY CO	12629	ELECTRIC INSURANCE CO	35866	FIRST DAKOTA INDEMNITY CO
27197	CINCINNATI INDEMNITY CO	12882	EMCASCO INSURANCE CO	11894	FIRST FINANCIAL INSURANCE CO
15385	CINCINNATI INSURANCE CO	41394	EMPLOYERS COMPENSATION INS CO	27359	FIRST LIBERTY INSURANCE CORP
37915	CITIES & VILLAGES INSURANCE CO	36870	EMPLOYERS ASSURANCE CO	13390	FIRST NATIONAL INS CO OF AMERICA
50165	CITY NATIONAL INSURANCE CO	12300	EMPLOYERS FIRE INSURANCE CO	32743	FIRST NONPROFIT INSURANCE CO
11002	CITIZENS INSURANCE CO OF AMERICA	15555	EMPLOYERS INS OF WAUSAU	35947	FLAGSHIP CITY INSURANCE CO
25461	CLARENDON NATIONAL INS CO	15539	EMPLOYERS MUTUAL CASUALTY CO	17507	FLORISTS MUTUAL CO
31755	CLEARWATER SELECT INS CO	31283	EMPLOYERS PREFERRED INSURANCE CO	14087	FOREMOST INSURANCE CO
21601	CLERMONT INSURANCE CO	50879	ENDURANCE REINSURANCE CORP OF AMERICA	24090	FOREMOST PROPERTY & CASUALTY INS CO
24252	COLONIAL AMERICAN CAS & SURETY	14664	ERIE INSURANCE CO	24082	FOREMOST SIGNATURE INSURANCE CO
15172	COMMERCE & INDUSTRY INS CO	31003	ERIE INSURANCE CO OF NEW YORK	66676	FORTUITY INSURANCE CO
27871	COMMERICAL CASUALTY INS CO	18457	ERIE INSURANCE EXCHANGE	17388	FRANKENMUTH MUTUAL INS CO
55299	COMMUNITY INSURANCE CORP	31127	ERIE INSURANCE PROP & CAS CO	18708	FREMONT INS CO
11487	COMPASS INSURANCE CO	11304	ESURANCE INSURANCE CO OF NJ	30743	GATEWAY INSURANCE CO
14052	CONSOLIDATED INSURANCE CO	58705	ESURANCE PROPERTY & CASUALTY INS	12440	GENERAL CASUALTY CO OF WI
19542	CONSTITUTION INSURANCE CO	28312	EVEREST NATIONAL INSURANCE CO	12378	GENERAL CASUALTY INSURANCE CO
10243	CONTINENTAL CASUALTY CO	30104	EXCALIBUR REINSURANCE CO	13404	GENERAL INS CO OF AMERICA
28282	CONTINENTAL INDEMNITY CO	33499	EXECUTIVE RISK INDEMNITY INC	11436	GENERAL REINSURANCE CORP
15113	CONTINENTAL INSURANCE CO	19313	FAIR AMERICAN INSURANCE CO	27308	GENESIS INSURANCE CO
11053	CONTINENTAL WESTERN INS CO	15415	FALLS LAKE NATIONAL INSURANCE CO	38547	GERMANTOWN MUTUAL INS CO
16284	COUNTRY MUTUAL INSURANCE CO	17779	FARMERS AUTOMOBILE INS ASSOC.	17493	GRANGE MUTUAL CASUALTY CO
19437	CRESTBROOK INSURANCE CO	17744	FARMERS INSURANCE EXCHANGE	13102	GRANITE STATE INSURANCE CO
33766	CRUM & FORSTER INDEMNITY CO	22640	FARMINGTON CASUALTY CO	24694	GRAY INSURANCE CO
14680	CUMIS INSURANCE SOCIETY	16713	FARMLAND MUTUAL INSURANCE CO	14028	GREAT AMERICAN ALLIANCE INS CO
20265	DAIRYLAND INSURANCE CO	12890	FEDERAL INSURANCE CO	13307	GREAT AMERICAN ASSURANCE CO
27669	DAKOTA TRUCK UNDERWRITERS	16446	FEDERATED MUTUAL INSURANCE CO	13897	GREAT AMERICAN INS CO OF NY
24589	DEPOSITORS INSURANCE CO	56965	FEDERATED RESERVE INSURANCE CO	14176	GREAT AMERICAN INSURANCE CO
35203	DIAMOND INSURANCE CO	14702	FEDERATED RURAL ELECTRIC INS EXCHANGE	30643	GREAT AMERICAN SECURITY INS CO
22764	DIAMOND STATE INSURANCE CO	13129	FEDERATED SERVICE INSURANCE CO	26387	GREAT AMERICAN SPIRIT INS CO
20702	DISCOVER PROPERTY & CAS INS CO	10510	FIDELITY & DEPOSIT CO OF MD	34681	GREAT DIVIDE INSURANCE CO
18411	DISTRICTS MUTUAL INS & RISK MGMT SERV	10227	FIDELITY & GUARANTY INS CO	24600	GREAT MIDWEST INSURANCE CO
15636	DONEGAL INSURANCE COMPANIES	10324	FIDELITY & GUARANTY INS UNDERWRITERS	14567	GREAT NORTHERN INSURANCE CO
42997	EASTERN ALLIANCE INSURANCE CO	17752	FIRE INSURANCE EXCHANGE	11037	GREAT WEST CASUALTY CO

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16772	GREATER NEW YORK MUTUAL INS CO	13889	INS CO OF STATE OF PENNSYLVANIA	23145	MIDVALE INS CO
14591	GREENWICH INSURANCE CO	14486	INSURANCE CO OF NORTH AMERICA	32131	MIDWEST BUILDERS CASUALTY MUTUACO
16985	GRINNELL MUTUAL REINSURANCE CO	19593	INSURANCE CO OF THE WEST	25992	MIDWEST EMPLOYERS CAS CO
32476	GRINNELL SELECT INS CO	17035	INTEGRITY MUTUAL INSURANCE CO	33928	MIDWEST FAMILY MUTUAL INS
20850	GUARANTEE INS CO	91097	INTEGRITY PROPERTY & CASUALTY INS CO	37079	MIDWEST INSURANCE CO
23965	GUIDEONE AMERICA MUTUAL INS CO	16330	IOWA MUTUAL INSURANCE COMPANY	10782	MIDWESTERN INDEMNITY CO
24368	GUIDEONE ELITE INSURANCE CO	48667	IRONSHORE INDEMNITY INC	31143	MILBANK INSURANCE CO
17299	GUIDEONE MUTUAL INSURANCE CO	26603	JEWELERS MUTUAL INSURANCE COMPANY	16950	MILLERS FIRST INSURANCE CO
15271	HDI GLOBAL INSURANCE CO	37044	KEY RISK INS CO	69103	MILWAUKEE CASUALTY INS CO
17647	HAMILTON MUTUAL INS CO	23876	L M GENERAL INSURANCE CO	19089	MITSUI SUMITOMO INS CO OF AMER
30937	HANOVER AMERICAN INS CO	27243	L M INSURANCE CORP	10308	MITSUI SUMITOMO INS USA INC
13633	HANOVER INSURANCE CO	13870	L M PROPERTY & CASUALTY INS CO	14893	MONROE GUARANTY INSURANCE CO
11614	HARCO NATIONAL INSURANCE CO	14540	LAMORAK INS CO	16519	MOTORISTS COMMERCIAL MUTUAL INS CO
15857	HARLEYSVILLE INSURANCE CO	25038	LANCER INSURANCE CO	11398	MUNICH REINSURANCE AMERICA
24805	HARLEYSVILLE LAKE STATES INS CO	15830	LE MARS INSURANCE CO	18570	NATIONAL AMERICAN INSURANCE CO
20575	HARLEYSVILLE PREFERRED INS CO	95062	LEAGUE OF WI MUNICIPALITIES MUT INS	18805	NATIONAL CASUALTY CO
21644	HARLEYSVILLE WORCESTER INS CO	19046	LIBERTY INS UNDERWRITERS	64039	NATIONAL FARMERS UNION PROP & CAS CO
10448	HARTFORD ACCIDENT & INDEMNITY CO	21814	LIBERTY INSURANCE CORP	12238	NATIONAL FIRE INS CO OF HARTFORD
14397	HARTFORD CASUALTY INSURANCE CO	16586	LIBERTY MUTUAL FIRE INS CO	12343	NATIONAL INDEMNITY CO
13269	HARTFORD FIRE INSURANCE CO	15628	LIBERTY MUTUAL INSURANCE CO	31607	NATIONAL INTERSTATE INS CO
20605	HARTFORD INS CO OF MIDWEST	18376	LUMBERMENS UNDERWRITING ALLIANCE	19054	NATIONAL LIABILITY & FIRE INS CO
10456	HARTFORD UNDERWRITERS INS CO	27908	MAIDEN REINSURANCE COMPANY	16447	NATIONAL SPECIALTY INS CO
17272	HASTINGS MUTUAL INSURANCE CO	20737	MANUFACTURERS ALLIANCE INS CO	12866	NATIONAL SURETY CORP
10170	HAWKEYE SECURITY INS CO	22616	MARKEL INSURANCE CO	13072	NATIONAL UNION FIRE INS CO PENN
14109	HIGHLANDS INSURANCE CO	10006	MASSACHUSETTS BAY INS CO	10928	NATIONWIDE AFFINITY INS CO AME
11282	HOMESITE INDEMNITY CO	28584	MEDICAL PROTECTIVE CO	11568	NATIONWIDE AGRIBUSINESS INS CO
41343	HOMESITE INSURANCE CO	37788	MEDMARC CASUALTY INS CO	31658	NATIONWIDE ASSURANCE CO
93749	HOMESITE INSURANCE CO OF THE MIDWEST	166674	MEEMIC INSURANCE CO	38342	NATIONWIDE INS CO OF AMERICA
50892	ILLINOIS CASUALTY CO	38563	MEMIC INDEMNITY CO	15997	NATIONWIDE MUTUAL FIRE INS CO
26182	ILLINOIS INSURANCE CO	30902	MERIDIAN SECURITY INS CO	16195	NATIONWIDE MUTUAL INSURANCE CO
12491	ILLINOIS NATIONAL INSURANCE CO	38660	MHA INSURANCE CO	14184	NETHERLANDS INSURANCE CO
30732	IMPERUIM INS CO	20141	MIC PROPERTY & CASUALTY INS CO	13080	NEW HAMPSHIRE INSURANCE CO
17140	IMT INSURANCE CO	38466	MICHIGAN COMMERCIAL INS MUTUAL	28746	NEW YORK MARINE AND GENERAL INS
25437	INDEMNITY INS CO OF NORTH AMER.	16969	MICHIGAN MILLERS MUTUAL INS CO	16322	NGM INSURANCE CO
13315	INDIANA INSURANCE CO	12998	MID CENTURY INSURANCE CO	37257	NLC MUTUAL INSURANCE CO
17175	INDIANA LUMBERMENS MUTUAL INS CO	10960	MIDDLESEX INSURANCE CO	25844	NORGUARD INSURANCE CO

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29386	NORTH AMERICAN ELITE INS CO	21288	PENNSYLVANIA MANUFACTURERS IND	29300	SAFECO NATIONAL INSURANCE CO
24147	NORTH AMERICAN SPECIALTY INS CO	15849	PENNSYLVANIA NATIONAL MUTUAL CAS	40991	SAFETY FIRST INSURANCE CO
35750	NORTH POINTE INS CO	11126	PETROLEUM CASUALTY CO	16349	SAFETY NATIONAL CASUALTY CORP
14508	NORTH RIVER INSURANCE CO	17604	PHARMACISTS MUTUAL INS CO	32255	SAGAMORE INSURANCE CO
15016	NORTHWESTERN NATIONAL INS CO	12610	PHOENIX INSURANCE CO	36412	SAMSUNG FIRE & MARINE INS CO
14191	NOVA CASUALTY CO	39137	PIONEER SPECIALTY INSURANCE CO	11886	SAN FRANCISCO REINSURANCE CO
21261	NUTMEG INSURANCE CO	36056	PLATINUM UNDERWRITERS REINS	22276	SCOR REINSURANCE CO
34642	OBI AMERICA INSURANCE CO	21172	PRAETORIAN INSURANCE CO	58557	SEABRIGHT INSURANCE CO
10459	OBI NATIONAL INS CO	32239	PREFERRED PROFESSIONAL INS CO	17426	SECURA INSURANCE A MUTUAL CO
15458	OAK RIVER INSURANCE CO	31682	PRESERVER INS CO	34649	SECURA SUPREME INSURANCE CO
25577	OAKWOOD INSURANCE CO	11819	PREVISOR INSURANCE CO	40533	SECURITY NATIONAL INSURANCE CO
13943	OCCIDENTAL FIRE & CASUALTY INS	51884	PRIVILEGE UNDERWRITERS RECIP EXC	10251	SELECT INSURANCE CO
25313	ODYSSEY REINSURANCE CO	34703	PROASSURANCE INDEMINTY CO INC	23957	SELECTIVE INS OF SC
22411	OHIC INSURANCE CO	30147	PROPERTY & CAS. INS. HARTFORD	20583	SELECTIVE INS OF THE SOUTHEAST
11363	OHIO CASUALTY INSURANCE CO	14788	PROTECTIVE INSURANCE CO	13420	SENECA INSURANCE CO
14389	OHIO FARMERS INSURANCE CO	12939	PROVIDENCE WASHINGTON INS CO	13161	SENTINEL INSURANCE CO LTD
19291	OHIO SECURITY INSURANCE CO	16152	PUBLIC SERVICE MUTUAL INS C.	37877	SENTRY CASUALTY CO
10405	OLD REPUBLIC GENERAL INS CORP	29114	QBE INS CORP	15571	SENTRY INSURANCE A MUTUAL CO
11509	OLD REPUBLIC INSURANCE CO	75049	QUANTA INDEMNITY CO	13668	SENTRY SELECT INSURANCE CO
18880	OMAHA INDEMNITY CO	25569	R L I INS CO	19755	SEQUOIA INSURANCE CO
18147	OWNERS INSURANCE CO	24015	RAMPART INSURANCE CO	22799	SFM MUTUAL INSURANCE CO
10677	PACIFIC EMPLOYERS INSURANCE CO	20486	REDWOOD FIRE & CASUALTY INSURANCE CO	16438	SHEBOYGAN FALLS INSURANCE CO
10685	PACIFIC INDEMNITY CO	11061	REGENT INSURANCE COMPANY	16594	SOCIETY INSURANCE A MUTUAL CO
27618	PARTNERRE INSURANCE CO OF NY	33561	REPUBLIC CREDIT INDEMNITY CO	60519	SOMPO AMERICA FIRE & MARINE INS CO
17418	PARTNERS MUTUAL INSURANCE CO	10111	REPUBLIC FRANKLIN INSURANCE CO	19321	SOMPO JAPAN INS CO OF AMERICA
11770	PATRIOT GENERAL INSURANCE CO	19739	REPUBLIC INDEMNITY CO AMERICA	11479	SOUTHERN FIRE & CASUALTY CO
13226	PEERLESS INDEMNITY INSURANCE CO	27561	REPUBLIC INDEMNITY CO OF CALIF.	10499	SOUTHERN GUARANTY INS CO
11355	PEERLESS INSURANCE CO	17698	REPWEST INS CO	28916	SOUTHERN INSURANCE CO
14850	PEKIN INSURANCE CO	31690	RESPONSE WORLDWIDE INS CO	10553	SOUTHERN PILOT INSURANCE CO
30929	PENINSULA INDEMNITY CO	27995	RIVERPORT INSURANCE CO	74941	SPARTA INSURANCE CO
20923	PENINSULA INSURANCE CO	18910	ROCHDALE INSURANCE CO	13706	ST. PAUL FIRE & MARINE INS CO
38261	PENN AMERICA INSURANCE CO	15989	ROCKFORD MUTUAL INSURANCE CO	14230	ST. PAUL GUARDIAN INSURANCE CO
17027	PENN MILLERS INSURANCE CO	21210	ROCKWOOD CASUALTY INS CO	13692	ST. PAUL MERCURY INSURANCE CO
15407	PENNSYLVANIA INSURANCE CO	17280	RURAL MUTUAL INSURANCE CO	12904	ST. PAUL PROTECTIVE INS CO
16411	PENNSYLVANIA LUMBERMENS MUT INS	36471	RURAL TRUST INSURANCE CO	15245	STANDARD FIRE INS CO
11916	PENNSYLVANIA MANUFACTUERS ASSOC	13595	SAFECO INSURANCE CO OF AMERICA	24562	STAR INSURANCE CO

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37834	STARNET INSURANCE CO	41408	TRIANGLE INSURANCE CO INC	42907	WASHINGTON INTERNATIONAL INS CO
11193	STARR INDEMNITY & LIABILITY CO	11460	TRINITY UNIVERSAL INSURANCE CO	66690	WATFORD INSURANCE CO
38073	STARSTONE NATIONAL INS CO	14516	TRI-STATE INS CO OF MINNESOTA	27332	WAUSAU BUSINESS INSURANCE CO
12807	STATE AUTO PROPERTY & CAS INS CO	12236	TRIUMPHE CASUALTY CO	12246	WAUSAU GENERAL INSURANCE CO
16683	STATE AUTOMOBILE MUTUAL INS CO	18244	TRUCK INSURANCE EXCHANGE	18996	WAUSAU UNDERWRITERS INS CO
14842	STATE FARM FIRE & CASUALTY CO	19666	TRUMBULL INSCO	26135	WESCO INSURANCE COMPANY
12041	STATE FARM GENERAL INSURANCE CO	22071	TRUSTGARD INS CO	11576	WEST AMERICAN INS CO
30406	STATE NATIONAL INSURANCE CO	30627	21 ST CENTURY ASSURANCE CO	17124	WEST BEND MUTUAL INSURANCE CO
25631	STONINGTON INSURANCE CO	18198	21 ST CENTURY CENTENNIAL INS CO	10642	WESTCHESTER FIRE INSURANCE CO
22713	SUSSEX INS CO	20095	21 ST CENTURY NATIONAL INS CO	13005	WESTERN NATIONAL ASSURANCE CO
66998	SYNERGY INSURANCE CO	19208	21 ST CENTURY NORTH AMERICA INS CO	15865	WESTERN NATIONAL MUTUAL INS CO
40851	T. H. E. INSURANCE CO	15148	21 ST CENTURY PREMIER INS CO	14451	WESTFIELD INS CO
13641	TEACHERS INSURANCE CO	12661	21 ST CENTURY SECURITY INS CO	13536	WESTFIELD NATIONAL INS CO
39071	TECHNOLOGY INS CO	14974	TWIN CITY FIRE INS CO	10316	WESTPORT INSURANCE CORP
35289	THIRD COAST INSURANCE CO	28320	U S SPECIALTY INS CO	27189	WILLIAMSBURG NATIONAL INS CO
13854	TIG INSURANCE CO	10766	UNIGARD INDEMNITY CO	28002	WILSON MUTUAL INS CO
19275	TNUS INSURANCE CO	13064	UNIGARD INS CO	35629	WISCONSIN COUNTY MUTUAL INS
39063	TOKIO MARINE AMERICA INS CO	14311	UNION INSURANCE CO	38539	WISCONSIN MUNICIPAL MUTUAL INS CO
28061	TOYOTA MOTOR INSURANCE CO	17612	UNION INSURANCE CO OF PROVIDENCE	73514	WORK FIRST CASUALTY CO
20052	TRANS PACIFIC INSURANCE CO	12122	UNITED FIRE & CASUALTY CO	10480	X L INSURANCE AMERICA INC
31097	TRANSGUARD INS CO OF AMERICA INC	10847	UNITED STATES FIDELITY & GUAR	10618	X L REINSURANCE AMERICA INC
12718	TRANSPORT INSURANCE CO	12777	UNITED STATES FIRE INS CO	27944	X L SPECIALTY INSURANCE CO
12408	TRANSPORTATION INSURANCE CO	29076	UNITED STATES LIABILITY INS CO	13145	ZENITH INSURANCE CO
22012	TRAVELERS CAS CO	24244	UNITED WISCONSIN INSURANCE CO	11673	ZURICH AMERICAN INS CO OF IL
11223	TRAVELERS CAS. & SURETY CO	55188	UNITRIN AUTO & HOME INS CO	10863	ZURICH AMERICAN INSURANCE CO
19151	TRAVELERS CAS. & SURETY OF AMER	16895	UNITRIN PREFERRED INS CO		
27405	TRAVELERS CASUALTY CO OF CT	23353	UNITRIN SAFEGUARD INS CO		
12432	TRAVELERS CASUALTY INS CO AMERICA	12297	UNIVERSAL UNDERWRITERS INS		
29815	TRAVELERS COMMERCIAL CASUALTY CO	15717	UTICA MUTUAL INSURANCE CO		
27391	TRAVELERS COMMERCIAL INS CO	15032	VALLEY FORGE INSURANCE CO		
22047	TRAVELERS CONSTITUTION STATE INS CO	24023	VANLINER INSURANCE CO		
11347	TRAVELERS INDEMNITY CO	52567	VANTAPRO SPECIALTY INSURANCE CO		
13439	TRAVELERS INDEMNITY CO OF AMER.	10693	VIGILANT INSURANCE CO		
12637	TRAVELERS INDEMNITY CO OF CT	22624	VIKING INS CO OF WISCONSIN		
13579	TRAVELERS PROP CAS CO OF AMERICA	19879	VIRGINIA SURETY CO		
20788	TRENWICK AMERICA REINSURANCE CORP	55922	WADENA INSURANCE CO		

Exhibit 2—2016 Membership Activity

NAME CHANGES

<u>Old Name</u>	<u>New Name</u>	<u>Effective</u>
HDI-Gerling America Ins Co	HDI Global Insurance Co	01-01-16
Districts Mutual Insurance Co	Districts Mutual Ins & Risk Mgmt Service	11-03-16
United National Specialty Ins Co	City National Insurance Company	12-06-16

MERGERS

<u>Merged Company</u>	<u>Surviving Company</u>	<u>Effective</u>
PRXE Reinsurance Co	Sparta Insurance Company	11-20-15
Assurance Co of America	Maryland Casualty Company	12-31-15
Northern Ins Co of New York	Maryland Casualty Company	12-31-15
Maryland Casualty Co	Zurich American Insurance Co	12-31-15
Deerfield Insurance Co	Markel Insurance Co	12-31-15
St Paul Fire & Casualty Ins Co	St Paul Fire & Marine Ins Co	01-01-16
American Safety Cas Ins Co	TIG Insurance Company	06-30-16
Preserver Insurance Co	CastlePoint National Ins Co	07-19-16
Tower Insurance Co of New York	CastlePoint National Ins Co	07-19-16
Tower National Insurance Co	CastlePoint National Ins Co	07-19-16

<u>New Members</u>	<u>Effective</u>
Le Mars Insurance Co	05-06-16
Fire Insurance Exchange	08-17-16
Third Coast Insurance Co	09-12-16
OBI America Insurance Co	10-14-16
Synergy Insurance Co	10-04-16
Safeco National Ins Company	10-11-16
Homesite Insurance Co of the Midwest	11-17-16
Homesite Indemnity Co	11-17-16
Sompo America Fire & Marine Ins Co	11-14-16
Midwest Builders Casualty Mutual Co	11-07-16
Watford Insurance Company	11-17-16
Federated Reserve Ins	12-22-16

<u>Placed in Liquidation</u>	<u>Effective</u>
Lumbermen's Underwriting Alliance	05-23-16
Excalibur Reinsurance Corp	07-18-16

<u>Placed In Rehabilitation</u>	<u>Effective</u>
CastlePoint National Ins Co	07-28-16

Exhibit 3 – Financial Reports

3A - Statements of Income & Disbursements for the Years Ending December 31, 2015 and December 31, 2016

<u>INCOME:</u>	<u>2015</u>	<u>2016</u>
Assessments	\$7,750,778	\$8,169,803
Dues	\$4,000	\$6,000
Minimum Assessment	\$138,927	\$135,066
Dividend Reinvestment	\$53,946	\$60,200
Realized Loss - SRF	(\$38,056)	(\$26,399)
Unit Statistical Fines	\$341,700	\$175,150
Notice to Carrier Fines	\$360,450	\$343,200
60 Day Fines	\$347,100	\$331,500
Financial Call Fines	\$17,450	\$7,150
Hard Copy Fees	\$10,300	\$4,050
OAR Bank Fees	\$7,441	\$7,002
LLC investments	(\$95,463)	(\$109,328)
Leasehold improvements allowance	\$0	\$11,849
Miscellaneous	\$1,216	\$11,647
Wisconsin Automobile Ins. Plan	\$160,536	\$164,463
TOTAL INCOME	\$9,060,325	\$9,291,353
<u>DISBURSEMENTS:</u>	<u>2015</u>	<u>2016</u>
<u>Compensation & Related Expenses:</u>		
Compensation	\$3,059,219	\$3,184,771
Insurance Org Pension Trust	\$394,417	\$400,382
Annual Periodic Pension Cost Adj.	(\$65,879)	\$141,505 *
Group Insurance	\$701,394	\$740,450
Accrued Post Retirement Bfts Adj.	\$136,499	\$150,217 **
Payroll Taxes	\$221,037	\$224,263
ESP Program & Administration	\$177,151	\$176,796
Employee Education & Relations	\$37,435	\$51,223
Sub-Total	\$4,661,273	\$5,069,607
<u>General Operating Expenses:</u>		
Facilities & Operating Expenses	\$508,300	\$503,839
Travel/Auto/Meeting Expense	\$97,181	\$122,486
Outside Services Expense	\$306,762	\$160,927
WCPAP	\$10,005	\$11,284
WCRI	\$195,000	\$195,000
Actuarial Services	\$375,756	\$400,711
Systems and Technology Dvlpmt	\$124,649	\$127,471
IT Purchases, Maintenance and Support	\$1,058,218	\$1,310,562
Miscellaneous	\$80,095	\$86,816
Write-Off Expense	\$43,983	\$0
TOTAL DISBURSEMENTS	\$7,461,222	\$7,988,703

*Annual Periodic Pension Cost Adjustment as of 12-31-16.

**Adjustment in accumulated postretirement benefit obligation from 12-31-15 to 12-31-16.

SURPLUS:	
Total Income	\$9,291,353
Less: Total Disbursements	<u>\$7,988,703</u>
Sub-Total	\$1,302,650
Effect of applying the recognition provisions of generally accepted accounting principles - Pension/Postretirement	<u>\$1,056,826</u>
Surplus	\$2,359,476
<u>Adjustment to Surplus</u>	
(Decrease) Increase in Post Retirement Liability	(\$842,209)
(Increase) Decrease in Limited Liability Company Investments	\$109,328
Earnings from Strategic Reserve Fund	<u>(\$31,801)</u>
Adjusted Surplus returned to Members	\$1,594,794

APPENDIX EXHIBIT 3B AND 3C

3B—Net Bureau Operating Expense Comparison

	<u>2015</u>	<u>2016</u>
Total Disbursements	\$7,461,222	\$7,988,703
Less All Income Excluding	<u>\$1,309,547</u>	<u>\$1,121,550</u>
Assessment Income		
Net Operating Costs	\$6,151,675	\$6,867,153

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>
2015	\$1,950,264,251	\$6,151,675	0.32
2016*	\$1,990,000,000	\$6,867,153	0.35

*Estimated