



Wisconsin Compensation Rating Bureau

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Located at 2200 North Mayfair Road, Wauwatosa, WI 53226

CIRCULAR LETTER 1016 – SEPTEMBER 19, 2000

PROCEEDINGS OF THE WISCONSIN GOVERNING COMMITTEE

TO: MEMBERS OF THE BUREAU

Minutes of the Wisconsin Governing Committee meeting held in the premises of the Sentry Insurance A Mutual Company, 1800 North Point Drive, Stevens Point, WI 54481 on Wednesday, September 13, 2000. The meeting was called to order at 8:30 A.M. with the following members present:

ORGANIZATION

Society Insurance A Mutual Company, Chair
Fire & Casualty Insurance Company of CT
Fireman’s Fund Insurance Company
Employers Insurance of Wausau A Mutual Company
Secura Insurance Company
Sentry Insurance A Mutual Company
Travelers Insurance Company
Wisconsin Compensation Rating Bureau

REPRESENTATIVE

Rick Levin
Mike Smith
Jim Vandenberg
Steve Ginsburg
Tim Riedl
Janet Fagan
Todd Owen
Ralph Herrmann
Richard Colvin
Christine Siekierski
Nancy Kierzek
Donna Knepper

Member Absent or Excused:

General Casualty Insurance Company of WI

Present for Part of the Meeting:

Sentry Insurance A Mutual Company
Also Present:

Bill Swarthout

Employers Mutual Casualty Company
Michael Best & Friedrich
West Bend Mutual Insurance Company

Jim Pousha
Paul Riegel
Tammy Matter
Pam Allison

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The Chairperson read the following opening statement before convening the meeting:

“This Committee meeting has been called to discuss the items of mutual interest and concern to the members of the Wisconsin Compensation Rating Bureau. In accordance with both Federal and Wisconsin State Anti-trust Laws, this Committee is prohibited from any discussion or action which constitutes any form of boycott, coercion or intimidation.”

1. Vice President Kierzek presented information on the Bureau expenses through August of 2000, and a preliminary budget report for 2001. Following discussion, the Committee voted to levy an assessment of \$1,431,750 to cover the Bureau expenses for the fourth quarter of 2000.

NOTE: Since the direct premium writings of the current calendar year do not become available until the following calendar year, the net direct premium writings of the preceding calendar year shall be used as a temporary basis for the apportionment of this assessment.

2. The usual discussion centering around administrative affairs, occupancy, general expenses, salaries, personnel, etc.

President Herrmann outlined several issues such as:

- Replacement of a job position.
- Current lease: The WCRB's lease has been continued on a month-to-month basis through December, 2001.
- WCRB functional review process: The first operating unit being reviewed is the Unit Report Processing. This portion of the review is approximately 80% complete.
- Notice to Carrier: The WCRB is in the process of developing a Circular Letter to explain the current Notice to Carrier Procedures.
- Website: President Herrmann outlined current and future website enhancements.

The Committee also discussed:

- a. Home Insurance Company's request for distribution of surplus funds. Legal counsel, Paul Riegel reported that the last distribution is in the process of being calculated. The Wisconsin Automobile Insurance Plan will be reimbursed money owed by Home Insurance prior to the final distribution.
 - b. WWCIIP servicing carrier fee. President Herrmann reported that, after considerable discussion, the WCRB has recommended that the current servicing carrier fee remain unchanged at this time. The Office of the Commissioner of Insurance has been notified in writing of this outcome. This item is removed from the agenda.
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- c. Hartford Underwriters Insurance Company's resignation as a Pool servicing carrier. The Bureau identified some delays in the transferring of accounts to the remaining servicing carriers. The Bureau will communicate expectations with Hartford and continue to monitor the transition.
 - d. Workers Compensation Research Institute update. A multi-state analysis is scheduled to be released by the end of the year. No additional funding has been incorporated into the Bureau 2001 budget. President Herrmann also advised that he and Steve Ginsburg, representative from Employers Insurance of Wausau, will be serving on the CompScope Advisory Committee which is scheduled to meet September 28, 2000.
 - e. Alternative Voting Methods. President Herrmann reported that he had received a copy of New York's Constitution; which is equivalent to the Bureau By-laws. Information on the voting methods used by other Bureaus and the NCCI will continue to be gathered. The Operations Subcommittee will review the information and make a recommendation to the Committee.
 - f. Bureau legal counsel, Paul Riegel, reported that Superior National Insurance Company has filed bankruptcy. The Bureau will determine if any money is owed by Superior.
3. With no further action required at this time, the following items are removed from the agenda:
- a. WCRB/NCCI data collection procedures.
 - b. Alternative budget method.
 - c. Assessment procedures.
 - d. Limits of Liability Threshold – WWCIP Accounts.
 - e. Finance Subcommittee.
 - f. Financial Reports.
4. Vice President Siekierski provided the Committee with an A.C.C.C.T. status report. The report included:
- Update on WCRB computer program – Spectrum.
 - Proposed enhancement of WCPAP data base
 - A.C.C.C.T. website
 - BEEP & PEEP updates
5. Wohlt Trucking, LLC

The Committee approved a recommendation from Bureau staff to charge-off an amount of \$40,854 as owed to Employers Mutual Casualty Company.

Donna Knepper
Executive Secretary