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CIRCULAR LETTER 2868 - MARCH 21, 2001

PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE

TO: MEMBERS OF THE BUREAU

Minutes of the Wisconsin Rating Committee teleconference held on Tuesday, March 13, 2001. The meeting was called to order at 9:30 A.M. with the following members present:

ORGANIZATION

Fireman's Fund Insurance Company, Chair Continental Casualty Insurance Company Employers Insurance of Wausau A Mutual Company Employers Mutual Casualty Company Sentry Insurance A Mutual Company Society Insurance A Mutual Company United Wisconsin Insurance Company Wisconsin Manufacturers & Commerce Wisconsin Compensation Rating Bureau

REPRESENTATIVE

Tom Vanderbusch
Pat Williams
Steve Ginsburg
Jim Pousha
Bill Swarthout
Rick Levin
Emil Pfenninger
John Metcalf
Ralph Herrmann
Richard Colvin
Nancy Kierzek
Donna Knepper

Member Absent or Excused:

Travelers Insurance Company

Also Present:

Liberty Mutual Insurance Company Michael Best & Friedrich Office of the Commissioner of Insurance Dave Young Paul Riegel Laura Andreasson Jo LeDuc

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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."

The Committee met to review the following items for filing with the Office of the Commissioner of Insurance

UNFINISHED BUSINESS

ITEM NUMBER 3808 WISCONSIN LAW ENDORSEMENT

Each member of the Committee was furnished with a copy of a proposed Wisconsin Cancellation and Nonrenewal Endorsement and a proposed Wisconsin Law Endorsement. The Wisconsin Cancellation and Nonrenewal Endorsement allows a carrier to extend the cancellation and nonrenewal notification requirements. The Wisconsin Law Endorsement which eliminates subrogation language no longer in s. 102.29 of the Worker's Compensation Act.

The Committee voted to file these endorsements with the Office of the Commissioner of Insurance for approval.

ITEM NUMBER 3822 AMENDMENT TO s. DWD 80.67, WIS. ADM. CODE

Each member of the Committee was furnished with a copy of a proposed "Change of Insurance Carrier Name Endorsement". This endorsement will allow an insurance carrier to amend their policies by endorsement when a name change occurs.

The Committee voted to file this endorsement with the Office of the Commissioner of Insurance for approval. Once approved, the WCRB will release a circular explaining the use of this endorsement.

ITEM NUMBER 3819 FARMERS INSURANCE GROUP – MONTHLY PAYMENT AGREEMENT

The Committee reviewed Farmers Insurance Group's request to file their proposed endorsement with the Office of the Commissioner of Insurance. There was still some question as to the intent of this endorsement and the item was referred back to the Operations Subcommittee for further review.

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The Operations Subcommittee will extend an invitation to Farmers to participate in their April 10th teleconference.

By unanimous consent, the following items were added to the agenda.

NEW BUSINESS

ITEM NUMBER 3823 HONTHANERS V LIRC

A member company raised concern on the recent Court of Appeals decision in <u>Honthaners v. LIRC</u> and the effect this decision may have on the rates. The members of the Committee were requested to discuss this with their Claim Departments. A written opinion should be submitted to the WCRB by April 9th. The Committee will discuss this on a teleconference at 1:00 PM on April 10th.

ITEM NUMBER 3824 RULE X.D. – PREMIUM DETERMINATION – CANCELLATION BY THE INSURED, EXCEPT WHEN RETIRING FROM BUSINESS

Each member of the Committee was furnished with a request submitted by the OCI suggesting that Rule X.D. – Premium Determination – Cancellation by the Insured, Except When Retiring From Business be amended to allow an insurer to pro rate a cancellation rather than apply the short rate penalty. This option should be available especially when an insurer is financially impaired.

This item was referred to the WCRB Operations Subcommittee.

Donna Knepper Executive Secretary