



Wisconsin Compensation Rating Bureau

414-476-6440 ▲ Fax 414-476-0024 ▲ www.wcrb.org

P.O. Box 3080 ▲ Milwaukee, WI 53201-3080

CIRCULAR LETTER 2881 – SEPTEMBER 24, 2001

PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE

TO: MEMBERS OF THE BUREAU

Minutes of the Wisconsin Rating Committee meeting called to convene in the premises of Sentry Insurance A Mutual Company, 1800 North Point Drive, Stevens Point, WI 54481 on Tuesday, September 11, 2001. The meeting was called to order at 8:30 A.M., with the following members present:

ORGANIZATION

REPRESENTATIVE

Employers Mutual Casualty, Chair
Allied Construction Employers Association
Continental Casualty Insurance Company
Employers Insurance of Wausau A Mutual Company
Fireman’s Fund Insurance Company
Sentry Insurance A Mutual Company

Jim Pousha
Ed Hayden
Pat Williams
Steve Ginsburg
Tom Vanderbusch
Bill Swarthout
Tom Timm

Society Insurance A Mutual Company
United Wisconsin Insurance Company
Travelers Insurance Company

Rick Levin
Emil Pfenninger
Alan Carpenter
Todd Owen
John Metcalf
Ralph Herrmann
Richard Colvin
Nancy Kierzek
Christine Siekierski
Donna Knepper

Wisconsin Manufacturers & Commerce
Wisconsin Compensation Rating Bureau

CIRCULAR LETTER 2881 – SEPTEMBER 24, 2001 – PAGE 2

Also Present:

Liberty Mutual Insurance Company

Michael Best & Friedrich
National Council on Compensation Insurance
Office of the Commissioner of Insurance

Secura Insurance Company
Tri-State Insurance of MN
West Bend Mutual Insurance

Dave Young
Charlie Echols
Paul Riegel
Peter Strauss
Laura Andreasson
Jo LeDuc
Tim Riedl
Gregg Murray
Pam Allison

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.”

UNFINISHED BUSINESS

ITEM NUMBER 3748 CONTRACTOR PREMIUM ADJUSTMENT PROGRAM

Each member of the Committee was furnished with an updated report on the activity under the Contractor Premium Adjustment Program. This item is continued.

ITEM NUMBER 3783 NCCI PROPOSAL ITEM B-1351 WORKERS
COMPENSATION PREMIUM ALGORITHM

The Committee was furnished with a copy of the revised Premium Algorithm. This change repositions the Waiver of Subrogation factor so that it is not subject to modification. The change will be filed with the Office of the Commissioner of Insurance to be effective upon approval.

ITEM NUMBER 3819 FARMERS INSURANCE GROUP – MONTHLY
PAYMENT AGREEMENT

The Operations Subcommittee discussed the request from Farmers Insurance Group to reconsider submitting a Monthly Payment Agreement with the Office of the Commissioner of Insurance for approval. Farmers Group has been asked to clarify the need for this endorsement. This item is continued.

CIRCULAR LETTER 2881 – SEPTEMBER 24, 2001 – PAGE 3

ITEM NUMBER 3823 HONTHANERS V LIRC

This item is continued to monitor the impact Honthaner v LIRC decision may ultimately have on the rates. The impact will be re-analyzed next quarter. Any carrier having information regarding this matter is asked to submit it to the WCRB.

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

The Committee voted to file the following Wisconsin Exception with the Office of the Commissioner of Insurance for approval. This item will be submitted in conjunction with Item 3827.

RULE 3

3. Cancellation Provisions

Cancellation Provisions Table 5

If...	Then...
An insurance carrier ceases writing worker's compensation insurance in Wisconsin, has been placed into liquidation, rehabilitation, or under a cease and desist order issued by the Wisconsin Office of the Commissioner of Insurance or any other insurance regulatory authority.	<ol style="list-style-type: none">1. Apply authorized rates to the payroll developed during the period the policy was in effect.2. Apply an experience modification in accordance with rules of Experience Rating Plan Manual for Worker's Compensation Liability Insurance.3. Add the pro rata portion of the expense constant, but not less than \$15.4. The total premium for the cancelled policy shall not be less than the pro rata portion of the minimum premium.

This will be an additional provision table listed in the Wisconsin Exceptions.

ITEM NUMBER 3826 HARTFORD FORM FILING

With all business complete, this item is removed from the agenda.

ITEM NUMBER 3827 NCCI PROPOSAL ITEM B-1369 2001 BASIC MANUAL FOR
WORKERS COMPENSATION AND EMPLOYERS
LIABILITY INSURANCE

Upon completion of the final review from WCRB staff, this item will be filed with the Office of the Commissioner of Insurance for approval.

CIRCULAR LETTER 2881 – SEPTEMBER 24, 2001 – PAGE 4

ITEM NUMBER 3828 NCCI PROPOSAL ITEM R-1371 – 2001 UPDATE TO
RETROSPECTIVE RATING PLAN PARAMETERS

With all business complete, this item is removed from the agenda.

NEW BUSINESS

ITEM NUMBER 3830 ANNUAL RATE CHANGE EFFECTIVE DATE

President Herrmann reported that he had received a request from a member company to review the possibility of changing the effective date of the annual rate revision to a later date. WCRB will collect additional information for Committee review.

ITEM NUMBER 3808 WISCONSIN LAW ENDORSEMENT

By the unanimous consent of all members present, this item was reintroduced.

The current Wisconsin Law Endorsement states:

- “1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.”

Carriers must give the WCRB a 30-day notice of termination. However, there is no language in the policy requiring the insured to give a specific amount of days advance notice. Bureau Legal Counsel was asked to redraft the Wisconsin Law Endorsement.

The next regular Rating Committee meeting is scheduled for December 4, 2001 at 9:00 A.M.

Donna Knepper
Executive Secretary