



Wisconsin Compensation Rating Bureau

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Located at 20700 Swenson Drive, Suite 100, Waukesha, WI 53186

CIRCULAR LETTER 1030 – DECEMBER 7, 2001

PROCEEDINGS OF THE WISCONSIN GOVERNING COMMITTEE

TO: MEMBERS OF THE BUREAU

Minutes of the Wisconsin Governing Committee meeting held in the premises of the Wisconsin Compensation Rating Bureau, 20700 Swenson Drive, Waukesha, WI 53186 on Wednesday, December 5, 2001. The meeting was called to order at 9:00 A.M. with the following members present:

ORGANIZATION

Fire & Casualty Insurance Company of CT, Chair
Employers Insurance of Wausau A Mutual Company
Secura Insurance Company
Sentry Insurance A Mutual Company
Society Insurance A Mutual Company
Travelers Insurance Company

Wisconsin Compensation Rating Bureau

REPRESENTATIVE

Mike Smith
Steve Ginsburg
Tim Riedl
Bill Swarhout
Rick Levin
Alan Carpenter
Jonathan Scharnberg
Ralph Herrmann
Richard Colvin
Christine Siekierski
Nancy Kierzek
Donna Knepper

Member Absent or Excused:

Fireman’s Fund Insurance Company
General Casualty Insurance Company of WI

Also Present:

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

Terry Falls
Paul Riegel
Peter Strauss
Jo LeDuc

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 the following information:

- 2001 budget estimated year-end totals. It is expected that WCRB will come in under the 2001 approved budget by approximately 4%.
- The proposed 2002 budget was increased 6.5%. The majority of the increase was due to the funding for WCRI and estimated expenses associated with the OCI Market Conduct Exam conducted in 2001. The Committee adopted the proposed 2002 WCRB Budget.
- The Committee voted to levy an assessment for the first quarter of 2002 of \$1,582,166. This includes 100% of the aforementioned expenses for WCRB funding and the OCI Market Conduct Exam.

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 provided updates on the following issues:

- WCRB relocation.
- Milliman USA has been contracted to provide ratemaking services for the three year period commencing in 2002. WCRB is working with Millman and the NCCI to determine the best methods of transferring the data from NCCI and collecting future aggregate financial call data. This item is continued.
- OCI Market Conduct Exam. The Committee was provided with a preliminary overview of what may be expected on the final report. The final report is not expected until early 2002.

3. Outstanding Issues

- a. Workers Compensation Research Institute update. President Herrmann reported that the \$185,000 additional funding for the third round CompScope study has been incorporated into the 2002 budget.
- b. Carriers placed in rehabilitation/liquidation. There are currently three companies in liquidation.

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- c. The Committee was updated on the Unit Statistical Report direct data reporting option. Highlights included:
- Thirty carriers are currently reporting directly to the WCRB. Fifteen additional carriers have indicated that they will begin reporting directly in January, 2002.
 - Planning a USR filing training session in 2002.
 - Created ad hoc team to address the WCRB reporting option, edit processing, etc. The team consists of the NCCI, WCRB, NCRB, and four carriers.
 - No fines have been levied to those carriers that have been reporting USRs directly to WCRB.
4. Vice President Siekierski provided the Committee with the following ACCCT status report:
- ACCCT Membership
 - Spectrum
 - ACCCT Web Site Activity
 - Bureau Entry and Edit Package (BEEP)
 - Policy Entry and Edit Package (PEEP)
 - EDI Project
5. F G P & Sons, Inc.

The Committee accepted the Transfer of Debt request in the amount of \$22,195 submitted by Middlesex Insurance Company.

The next regular Governing Committee meeting is scheduled for March 13, 2002.

Donna Knepper
Executive Secretary