



Wisconsin Compensation Rating Bureau

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

CIRCULAR LETTER 1032 – MARCH 20, 2002

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, March 13, 2002. The meeting was called to order at 9:30 A.M. with the following members present:

ORGANIZATION

Employers Insurance of Wausau A Mutual Company
Fireman’s Fund Insurance Company
General Casualty Insurance Company of WI
Sentry Insurance A Mutual Company
Society Insurance A Mutual Company
Travelers Insurance Company
Wisconsin Compensation Rating Bureau

REPRESENTATIVE

Steve Ginsburg
Chris Ingram
Jim Vandenberg
Bill Swarthout
Rick Levin
Alan Carpenter
Ralph Herrmann
Richard Colvin
Christine Siekierski
Nancy Kierzek
Kay Higgins
Donna Knepper

Members Absent or Excused:

Fire & Casualty Insurance Company of CT
Secura Insurance Company

Also Present:

Badger Mutual Insurance Company
Michael Best & Friedrich
Office of the Commissioner of Insurance

Terry Falls
Paul Riegel
Laura Andreasson

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President Herrmann 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:

- The 2001 Estimated Year-End Report.
- The Committee voted to levy an assessment for the second quarter of 2002 of \$1,394,000.

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.

The assessment methodology/fining procedures were discussed. The WCRB was directed to continue their review of the current fining procedures including: current fining considerations, OCI involvement, carrier ranking and increased education.

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

President Herrmann provided updates on the following issues:

- WCRB web site enhancements. The Committee was updated on the recent enhancements to the web site. Upcoming enhancements include:
 - Member invoice information
 - WI Class Code Exceptions Manual
 - WWCIP Handbook
 - Inspection Reports
- Each member of the Committee was furnished with a copy of the Wisconsin Ratemaking Schedule prepared by Milliman USA.
- OCI Market Conduct Exam. The final Report of Examination is not yet available.

3. Outstanding Issues

a. Workers Compensation Research Institute update. Each member of the Committee was furnished with a copy of a letter from WCRI requesting an additional \$200,000 for funding of the 4th Edition of CompScope™. This item is continued.

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b. Carriers placed in rehabilitation/liquidation.

The Committee was advised that there were no new carriers placed into rehabilitation or liquidation. The Security Fund is currently using Third Party Administrators to process claims. This may result in increased assessments to the Security Fund.

c. The Committee was updated on the Unit Statistical Report direct data reporting option. Highlights included:

- Fifty-five member carriers are reporting data directly.
- 1/3 of Wisconsin Unit Cards are filed directly.
- No fines have been levied to those carriers that have been reporting USR's directly to WCRB.

d. Servicing Carrier Audits. The Governing Committee concurred with the recommendation of the Pool Committee to review the current servicing carrier audit program. The review should include: vendors, audit procedures, timing of audits and pricing of the current audit program.

e. WCRB Ratemaking – Financial Calls. The Committee was updated on the recent financial call. The WCRB will formalize Financial Call procedures, including guidelines to follow when a member carrier does not comply.

4. Vice President Siekierski provided the Committee with the following ACCCT status report:

- ACCCT Membership
- Spectrum
- Bureau Entry and Edit Package (BEEP)
- Policy Entry and Edit Package (PEEP)
- EDI Project

Donna Knepper
Administrative Assistant