



Wisconsin Compensation Rating Bureau

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**CIRCULAR LETTER 1038 – SEPTEMBER 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 Sentry Insurance A Mutual Company, 1800 North Point Drive, Stevens Point, WI 54481 on Wednesday, September 11, 2001. The meeting was called to order at 8:30 A.M. with the following members present:

ORGANIZATION

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

Phil Biwan  
Steve Ginsburg  
Bob Schneider  
Chris Ingram  
Mike Schimke  
Janet Fagen  
Rick Levin  
Alan Carpenter  
Ralph Herrmann  
Richard Colvin  
Christine Siekierski  
Nancy Kierzek  
Donna Knepper

Also Present:

Michael Best & Friedrich

Paul Riegel

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.”

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1. Vice President Kierzek presented information on the Bureau expenses through August 2002, and a preliminary report for 2003. Following discussion, the Committee voted to levy an assessment of \$1,531,500 to cover the Bureau expenses for the fourth quarter of 2002.

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:

- OCI Market Conduct Exam. The final Report of Examination is not yet available.
- Web Site Update. WCRB will provide a complete overview of the web site at the December meeting including a proposed Financial Call Package, Schedule Z information, and predelinquent USR reports. WCRB is also in the process of converting membership security to the user.
- Review of the Administration/HR/Finance Department.

3. Outstanding Issues

- a. Workers Compensation Research Institute update. The draft of the next report is expected by October 1, 2002. WCRI is also hosting a seminar in October sharing research on rising medical costs.
- b. Carriers placed in rehabilitation/liquidation.

Legion Insurance and Villanova Insurance have been placed into liquidation.

- c. The Committee was updated on the Unit Statistical Report direct data reporting option. Highlights included:
  - 118 member companies are reporting data directly, which represents approximately 35% to 40% of the total unit cards processed.
  - Carriers failing USR edits are being encouraged to file directly with the WCRB.
- d. Servicing Carrier Audits

The WCRB will continue to explore alternatives to the current Servicing Carrier Audit procedure. NCCI has also been requested to restructure their billing process.

e. WCRB Ratemaking – Financial Calls

The Committee adopted the Financial Calls fining procedures submitted by the WCRB with the understanding that adjustments will be made as necessary. A Circular Letter will be sent outlining the fining program, which will take effect in 2003.

f. NTC Procedures

The Committee adopted revised NTC procedures submitted by the WCRB to be effective January 1, 2003. Changes to the current procedure include:

- Carrier education – seminars
- OCI involvement
- Graduated fining schedule

Upon approval from the OCI, the WCRB will further explain the revised procedure by separate Circular Letter.

g. Milliman WWCIP Report

This item is removed from the agenda.

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

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

Donna Knepper  
Executive Secretary