



Wisconsin Compensation Rating Bureau

**CIRCULAR LETTER 1041– DECEMBER 11, 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 on Wednesday, December 4, 2002. The meeting was called to order at 9:00 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  
Rob Fronk  
Tom Schreiner  
Tom Vanderbusch  
Bill Swarthout  
Rick Levin  
Alan Carpenter  
Ralph Herrmann  
Richard Colvin  
Nancy Kierzek  
Donna Knepper

Also Present:

Badger Mutual Insurance Company  
Liberty Mutual Insurance Company  
Michael Best & Friedrich

Terry Falls  
Val Schmelzer  
Paul Riegel

Also Present for Part of Meeting

Wisconsin Compensation Rating Bureau

Michael Mann  
Beth Nickel

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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.”

1. Vice President Kierzek presented the following information:

- The 2002 estimated year-end budget figures. It is expected that the WCRB will come in slightly under the 2002 approved budget.
- The 2003 proposed budget of \$6,470,500 reflects an increase of approximately 9% over the 2002 approved budget and approximately 11% over 2002 estimated year-end figures. The majority of the increase is due to salary and benefit related expenses, WCRI funding and IT related expenses. The Committee approved the 2003 proposed WCRB budget of \$6,470,500.
- The Committee voted to levy an assessment for the first quarter of 2003 in the amount of \$1,778,000.

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.

2. Michael Mann and Beth Nickel from the WCRB provided an overview of the WCRB web site. The overview included:

- Site overview - new menu titles
- New members area - self-administered vs WCRB administered.
- Future Products
  - ◇ Unit Statistical Tracking System
  - ◇ Financial Data Reporting
  - ◇ Schedule Z Information
  - ◇ Invoice Information
  - ◇ Intranet
  - ◇ WCPAP Lookup
  - ◇ WCPAP Worksheets
  - ◇ Downloadable Rates
  - ◇ Inspection Reports
- Product Identification
- Product Development

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3. Outstanding Issues

- a. Workers Compensation Research Institute update. The final third round is expected to be released around April, 2003.
- b. Carriers placed in rehabilitation/liquidation. There was no new activity.
- c. Unit Statistical direct reporting option.  
156 carriers are reporting data directly, which represents approximately 55% to 60% of the total unit cards processed.
- d. Servicing carrier audit update.
  - Preliminary results of NCCI on-site audit of West Bend Mutual Insurance Company were favorable.
  - Quarterly billing from NCCI rather than monthly.
  - Recommended that NCCI be retained for future audits.

This item is removed from the agenda

- e. WCRB Ratemaking - Financial Calls - The fining procedure has been approved by the Office of the Commissioner of Insurance.
- f. NTC Procedures. The graduated fining procedure has been approved by the Office of the Commissioner of Insurance.
- g. OCI Market Conduct Examination - The WCRB has objected to some of the recommendations in the Market Conduct Examination, and has requested a hearing. A teleconference to discuss the objections has been scheduled for December 18, 2002.  
The Committee reviewed and adopted the responses to the examination report.
- h. Other - The Committee voted to schedule future Governing Committee meetings held at the WCRB the afternoon following the Rating Committee meeting, subject to agenda length.

4. The Committee was provided 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