



Wisconsin Compensation Rating Bureau

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

CIRCULAR LETTER 2891 – MARCH 20, 2002

PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE

TO: MEMBERS OF THE BUREAU

Minutes of the Wisconsin Rating Committee held in the premises of the Wisconsin Compensation Rating Bureau, 20700 Swenson Drive, Waukesha, WI 53186 on Tuesday, March 12, 2002. The meeting was called to order at 9:00 A.M., with the following members present:

ORGANIZATION

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
Society Insurance A Mutual Company
United Wisconsin Insurance Company
Travelers Insurance Company
Wisconsin Manufacturers & Commerce
Wisconsin Compensation Rating Bureau

REPRESENTATIVE

Jim Pousha
Ed Hayden
Pat Williams
Steve Ginsburg
Tom Schreiner
Bill Swarthout
Rick Levin
Emil Pfenninger
Alan Carpenter
John Metcalf
Ralph Herrmann
Richard Colvin
Nancy Kierzek
Christine Siekierski
Donna Knepper

Also Present:

General Casualty Company
Michael Best & Friedrich
Muirfield Underwriters
Office of the Commissioner of Insurance
St. Paul Fire & Marine
Secura Insurance
Tri-State Insurance of MN
West Bend Mutual Insurance

Tom Vanderbusch
Paul Riegel
Nancy McMurry
Laura Andreasson
Debbie Towler
Phil Biwan
Gregg Murray
Pam Allison
Lorrie Wendegatz

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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.”

UNFINISHED BUSINESS

ITEM NUMBER 3748 CONTRACTOR PREMIUM ADJUSTMENT PROGRAM

The Committee was furnished with an updated report on the activity under the Contractor Premium Adjustment Program.

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

The Waiver of Subrogation charge is currently applied after the total standard premium is calculated. The Committee concurred with the recommendation to correct the placement of the charge to be included in the calculation of the total standard premium. This correction is proposed to be effective October 26, 2001.

ITEM NUMBER 3819 FARMERS INSURANCE GROUP – MONTHLY
PAYMENT AGREEMENT

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

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

The revision adding the Wisconsin Worker's Compensation Insurance Pool to the cancellation provisions table has been approved by Office of the Commissioner of Insurance. 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

President Herrmann reported that there are some outstanding issues with the on-line vs. the hard-copy version of the Manual. This item is continued.

ITEM NUMBER 3808 WISCONSIN LAW ENDORSEMENT

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

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ITEM NUMBER 3832 WI BENEFIT CHANGE EFFECTIVE 1-1-02

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

ITEM NUMBER 3832 CODES 3113 AND 3400 – DIVISION OF PAYROLL

The Committee concurred with the recommendation to allow a division of payroll between class code 3113 – Tool Mfg. Not Drop or Machine Forged and class code 3400 – Metal Goods NOC. A separate Circular Letter will be issued explaining the elimination of the previous interpretation by the WCRB. This item is removed from the agenda.

ITEM NUMBER 3833 NCCI PROPOSAL ITEM B-1373 BASIC MANUAL
ENHANCEMENTS

This item was referred to the Operations/Administration Subcommittee for review.

ITEM NUMBER 3834 TERRORISM EXCLUSION ENDORSEMENTS

The Committee reviewed proposed Terrorism Exclusion Endorsements submitted by two member companies. The Committee voted not to file these endorsements with the Office of the Commissioner of Insurance, as they appear to be in conflict with Wisconsin Statutes.

ITEM NUMBER 3835 SPECIAL CATASTROPHE NUMBER 48 CALL

The Committee voted to file an amendment to the Unit Statistical Plan Manual to add code 48 to report claims attributable to the 9/11 attacks with accident dates of September 11 through September 14, 2001. It is proposed that these claims be excluded from the calculation in experience rating.

ITEM NUMBER 3836 ITEM R-1378 – 2002 UPDATE TO RETROSPECTIVE
RATING PLAN PARAMETERS

The Committee voted to adopt the proposed 2002 Update to Retrospective Rating Plan Parameters. This item is proposed to be effective July 1, 2002, applicable to new and renewal business only.

ITEM NUMBER 3837 ACTUARIAL SUBCOMMITTEE REPRESENTATION

The Committee appointed General Casualty Insurance Company and West Bend Mutual Insurance Company to the Actuarial Subcommittee.

The next Rating Committee meeting is scheduled for Friday, May 17, 2002. This will be a special meeting to discuss the July 1, 2002 rate revision.

Donna Knepper
Executive Secretary