



Wisconsin Compensation Rating Bureau

262-796-4540 • Fax 262-796-4400 • www.wcrb.org

P.O. Box 3080 • Milwaukee, WI 53201-3080

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

CIRCULAR LETTER 2923 – SEPTEMBER 23, 2003

PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE

TO: Members of the Bureau:

Minutes of the Wisconsin Rating Committee meeting held in the premises of Sentry Insurance A Mutual Company, 1800 North Point Drive, Stevens Point, WI 54481 on Tuesday, September 9, 2003. The meeting was called to order at 8:30 A.M. with the following members present:

ORGANIZATION

Society Insurance A Mutual Company, Chair

Allied Construction Employers Association
Employers Mutual Casualty Company
Employers Insurance of Wausau
General Casualty Company
Sentry Insurance A Mutual Company

Travelers Insurance Company
United Wisconsin Insurance Company
Wisconsin Manufacturers & Commerce
Wisconsin Compensation Rating Bureau

REPRESENTATIVE

Rick Levin
Chad Thurn
Ed Hayden
Jim Pousha
Steve Ginsburg
Tom Vanderbusch
Bill Swarthout
Ellen Altenburg-Wadel
Alan Carpenter
Emil Pfenninger
John Metcalf
Ralph Herrmann
Richard Colvin
Nancy Kierzek
Christine Siekierski
Donna Knepper

Also Present:

Liberty Mutual Insurance Company
Michael Best & Friedrich
Middlesex Insurance Company
Milliman USA
NCCI
West Bend Mutual Insurance Company

Bill Mech
Paul Riegel
Marianne Grace-McKay
Dennis Lange
Joe Volman
Pam Allison

CIRCULAR LETTER 2923 – SEPTEMBER 23, 2003 – PAGE 2

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 provided with the usual update on WCPAP activity.

The Committee also was advised that the program sunsets on July 1, 2004. The Committee discussed possible options available and a preliminary review conducted by Milliman USA. The WCRB will form a work group to address the issues.

ITEM NUMBER 3839 TERRORISM/CATASTROPHE ISSUES

The Committee discussed the study facilitated by the AIA exploring the possibility of a voluntary pooling arrangement with carriers. No consensus has been reached.

The WCRB was directed to determine the filing requirements for continuing the current TRIA filing.

ITEM NUMBER 3842 LARGE DEDUCTIBLE PROGRAM

Each member of the Committee was furnished with a copy of a proposed Loss Reimbursement Program submitted by Liberty/Wausau. Discussion centered on several outstanding issues that have not been addressed such as the impact on the Guarantee Fund, side agreements, law changes, and changes to cancellation provisions. This item is continued.

ITEM NUMBER 3843 OCI MARKET CONDUCT EXAMINATION

The Committee was advised that the premium discount issue is still outstanding and the WCRB is waiting for a response to a letter from legal counsel. The Committee requested an actuarial analysis of the performance of the assigned risk business versus the voluntary business. This item is continued.

ITEM NUMBER 3845 OCTOBER 1, 2003 RATE REVISION

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

ITEM NUMBER 3846 WAIVER OF RIGHT TO RECOVER FROM OTHERS
(SUBROGATION)

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

ITEM NUMBER 3847 NCCI PROPOSAL ITEM R-1385 – 2003 UPDATE TO
RETROSPECTIVE RATING PLAN PARAMETERS

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

NEW BUSINESS

ITEM NUMBER 3849 NCCI PROPOSAL ITEM U-1396 – URE WCSP PENSION TABLE
REVISIONS (1999 MORTALITY)

The Committee adopted the update to the current URE WCSP Pension Tables. This filing will be proposed to be effective with losses valued as of July 1, 2004.

ITEM NUMBER 3850 NCCI PROPOSAL ITEM E-1379 – 2003 EXPERIENCE RATING
PLAN MANUAL FOR WORKERS COMPENSATION AND
EMPLOYERS LIABILITY

The Committee was advised that several WI exceptions would have to be created if the proposed revised manual were to be filed. The Committee concurred with the recommendation of the WCRB not to adopt this proposal and proceed with the development of a WI Experience Rating Manual.

President Herrmann expressed his appreciation for Sentry's hospitality and for hosting this meeting.

Donna Knepper
Executive Secretary