



Wisconsin Compensation Rating Bureau

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**CIRCULAR LETTER 2929 – MARCH 24, 2004**

**PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE**

To: Members of the Bureau:

Minutes of the Wisconsin Rating Committee meeting held in the premises of the Wisconsin Compensation Rating Bureau on Tuesday, March 9, 2004. The meeting was called to order at 9:00 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  
Ed Hayden  
Jim Pousha  
Steve Ginsburg  
Tom Vanderbusch  
Ellen Altenburg-Wadel  
Alan Carpenter  
Emil Pfenninger  
John Metcalf  
Ralph Herrmann  
Richard Colvin  
Nancy Kierzek  
Christine Siekierski  
Melanie Lindseth  
Donna Knepper

Member Absent or Excused:

Continental Casualty Insurance Company

Also Present:

AmComp  
Fireman's Fund Insurance Company  
Michael Best & Friedrich  
NCCI  
Office of the Commissioner of Insurance  
R & R Insurance  
Secura Insurance A Mutual Company  
West Bend Mutual Insurance Company

Debbie Towler  
Ken Blake  
Paul Riegel  
Joe Volman  
Laura Andreasson  
Nancy McMurray  
Phil Biwan  
Pam Allison

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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 provided with the usual update on WCPAP activity.

The WCRB will update Advisory Council on the history and status of WCPAP at their next meeting.

ITEM NUMBER 3839 TERRORISM/CATASTROPHE ISSUES

The Office of the Commissioner of Insurance approved the filing submitted by the WCRB allowing a range of TRIA charges of \$0.00, \$0.01, \$0.02, and \$0.03 per \$100 of payroll. This range will be reviewed in conjunction with the annual rate revision and be added to the Miscellaneous Values Page.

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

Each member of the Committee was furnished with a copy of a draft Wisconsin Experience Rating Plan Manual for their review and comment. The goal of the WCRB is to have the draft finalized by the next Rating Committee meeting.

ITEM NUMBER 3852 WWCIP SURPLUS REPORT

This item is continued as a reminder to provide an update in December.

ITEM NUMBER 3853 WISCONSIN BASIC MANUAL

The ad hoc committee met on February 3 and March 2, 2004 to review and edit the rule section of the proposed Wisconsin Basic Manual. The classification portion of the proposed Manual is being edited and will be available for review at a later date.

The ad hoc committee will meet on May 13, 2004 at 1:00 P.M. at the WCRB.

NEW BUSINESS

ITEM NUMBER 3854 NCCI PROPOSAL ITEM R-1388 – 2004 UPDATE TO  
RETROSPECTIVE RATING PLAN PARAMETERS

Each member of the Committee was provided with a summary of the program submitted by Employers Insurance of Wausau. The Committee voted to adopt the proposed update to the Retrospective Rating Plan Parameters for filing with the Office of the Commissioner of Insurance, to be effective October 1, 2004.

ITEM NUMBER 3855 NCCI PROPOSAL ITEM U-1386A – URE WCSP PENSION  
TABLE REVISIONS (1999 MORTALITY)

The Committee voted to adopt the correction the WCSP Pension Tables for filing with the Office of the Commissioner of Insurance. These corrections are proposed to be effective with losses valued as of July 1, 2004.

ITEM NUMBER 3856 OCTOBER 1, 2004 RATE REVISION

Ralph Herrmann reported on the February 11, 2004 Actuarial Subcommittee. The same ratemaking methodology used in prior years will be used to develop the 10-1-04 rate revision. Several items such as increases to the expense constant, the maximum minimum premium, and ULAE issues are being discussed.

ITEM NUMBER 3857 EXCESS INSURANCE ENDORSEMENT FORMS

WCRB has received several form filings for Excess coverage. Currently, all Excess rates are deemed approved and it seemed appropriate that form filings be treated the same. The OCI agreed that the Excess forms can be deemed approved provided that the Certificate of Compliance is submitted with the form filing.

ITEM NUMBER 3858 SHORT-RATE CANCELLATION PROVISIONS

The Committee discussed expanding the short-rate cancellation provisions to allow carriers greater flexibility in the application of the rule. The Committee was asked to provide input to the WCRB so that new language can be drafted for consideration at the next Rating Committee meeting.

ITEM NUMBER 3859 H. FROEBEL & SON INC. – HEARING

Mr. Froebel of H. Froebel & Son, Inc. appeared before the Committee and requested that the WCRB accept a late application submitted for the Wisconsin Contractors Premium Adjustment Program (WCPAP) credit.

The Committee determined that there was sufficient notice given to H. Froebel & Son, Inc. outlining the need to submit the WCPAP application by the due date given. The petition was denied.

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ITEM NUMBER 3860 FREDMAN BAG CO. – HEARING

Mr. Brian Van Horn, Controller of Fredman Bag, appeared before the Committee and requested that the Bureau reclassify their operations from class code 4273 – Bag Mfg. to class code 4299 – Printing.

After lengthy deliberation and consideration, the Committee determined, by majority vote, that the operations of Fredman Bag Company were best classified as bag manufacturer under class code 4273. The petition was denied.

The next meeting of the Rating Committee is tentatively scheduled for Wednesday, May 13, 2004.

Donna Knepper  
Executive Secretary