



Wisconsin Compensation Rating Bureau

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CIRCULAR LETTER 2971 – OCTOBER 11, 2005

PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE

TO: Members of the Bureau

FROM: Donna Knepper

RE: Proceedings of the Wisconsin Rating Committee
Circular Letter 2967 – September 20, 2005
Item Number 3882 Increased Employers Liability Limits – Minimum
Premium

Pursuant to ch 626, Wis. Stats., the State of the Wisconsin, Office of the Commissioner of Insurance has advised that the action taken by the Rating Committee has been approved.

The following amendments have been made to the Wisconsin Basic Manual and the Wisconsin Unit Statistical Plan Manual to clarify that the charge for increased limits is not included in the policy minimum premium and is a separate charge. This filing is approved effective September 22, 2005.

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2. No change.

3. Employers Liability (E/L) Increased Limits Factor is a factor that is applied to the manual premium if the employer chooses to increase its standard limits under Part Two—Employers Liability.

If the limits of liability under Part Two are increased:

- a. The limits of liability shall be the same for all states specified in Item 3A of the Information Page of the policy.
- b. The additional premium for increased limits shall be determined by multiplying the total premium by the percentage in the Table for Increased Limits.
- c. The additional premium shall not be less than the minimum premium shown in the Table for Increased Limits.

TABLE FOR INCREASED LIMITS

Limits of Liability (000 Omitted)	Percentage	Minimum Premium for Increased Limits
\$500/500/500	1.7%	\$100.00
1,000/1,000/1,000	2.8%	150.00
2,000/2,000/2,000	4.3%	175.00
3,000/3,000/3,000	5.3%	200.00
4,000/4,000/4,000	6.1%	225.00
5,000/5,000/5,000	6.8%	250.00
6,000/6,000/6,000	7.4%	260.00
7,000/7,000/7,000	7.9%	270.00
8,000/8,000/8,000	8.3%	280.00
9,000/9,000/9,000	8.7%	290.00
10,000/10,000/10,000	9.0%	300.00

4. The minimum premiums applicable to increased limits are in addition to the regular policy minimum premium and subject to the premium developed under this policy. The full annual minimum premium applies even though coverage for increased limits may have been added during the policy term. If no classification develops premium, or the final premium is below the minimum policy premium, the charge for increased limits still applies.

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Effective Date: January 1, 1996

Section II

Original Printing

September 1, 2001

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- (4) Line C-Total Modified Premium. The product of the premium as shown on the line A-Total Subject Premium, and the experience modification as shown on line B-Experience Modification shall be entered on line C-Total Modified Premium.
- (5) Line G-Total Standard Exposure. Report the sum of all dollar value exposures to be included in standard exposure.
- (6) Line G-Total Standard Premium. Report the sum of all premium dollars, both subject and not subject to modification, which are to be included in standard premium.
- (7) In those cases where the experience is reported on a split basis due to a change in experience modification, and in other cases where more than one unit report card is required for filing the experience under a given policy, the Total Standard Exposure and the Total Standard Premium shall be shown on the last card of the series.

9. Miscellaneous Premium and Credits

- a. Premium for Increased Limits under Part II of the policy to be reported in the aggregate in the Premium Amount column, assigned to the appropriate code. Refer to Section III, Item B.3. for limits ~~and percentages~~.

- (1) The Bureau Manual rules provide that the premium for limits shall be determined by applying the appropriate factors to the total premium, before any applicable experience modification.

These codes should not be used in connection with the reporting of excess premium developed for higher limits on voluntary compensation policies. For such cases, the Bureau Manual rules contemplate that the premium for coverage in excess of standard limits is provided by an appropriate increase in the rate.

In those cases where the additional premium resulting from the application of the appropriate limit factor to total premium is less than the corresponding minimum premium established by the data provider for such increased limits, the corresponding minimum premium shall be shown opposite the appropriate Code 9848.

- (2) Additional Premium Resulting From Flat Increase on Outstanding Policies - Code 0998

For policies where the effect of a law amendment has been applied during the term of the policy as a flat increase on total premium for the unexpired portion, the additional aggregate premium resulting from the flat increase shall be reported on a manual rate basis and shall be assigned to Code 0998 and entered in the Premium Amount column. The Exposure Amount and Manual Rate columns shall be left blank.

- (3) Premium Credit Resulting From Flat Decrease on Outstanding Policies - Code 0994

For policies where the effect of a law amendment has been applied during the term of the policy as a flat decrease on total premium for the unexpired portion, the premium credit resulting from the flat decrease shall be reported on a Manual rate basis and shall be assigned to Code 0994 and entered in the Premium Amount column. The Exposure Amount and Manual Rate columns shall be left blank.

- (4) Additional premium for Admiralty or FELA coverage – refer to Section III, Page 3 for limits and codes.

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Section III
Page 3

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3. Premium Codes

a. Premium Subject to Experience Modification (Reported Above Line "A")

- (1) Premium for Increased Limits
Table for Increased Limits Effective 01/01/88

<u>Limits of Liability (000's omitted)</u>	<u>Percentage</u>	<u>Codes</u>
100/100/1,000	7.0%	9803
100/100/2,500	1.20%	9804
100/100/5,000	1.70%	9805
100/100/10,000	2.40%	9806
500/500/500	1.90%	9807
500/500/1,000	2.20%	9808
500/500/2,500	2.70%	9809
500/500/5,000	3.20%	9810
500/500/10,000	3.90%	9811
1,000/1,000/1,000	3.30%	9812
1,000/1,000/2,500	3.80%	9813
1,000/1,000/5,000	4.40%	9814
1,000/1,000/10,000	5.00%	9815
Over 1,000/1,000/10,000	⊖	9816
All other increased limits		9837

- (2) Premium for Increased Limits - Admiralty or FELA

<u>Limits of Liability</u>	<u>Codes</u>
\$50,000	9817
\$100,000	9818
\$200,000	9819
\$300,000	9820
\$400,000	9821
\$500,000	9822
Over \$500,000	9840

- (3) Amount Required to Balance Increased Limits Minimum Premium - Code 9848
- (4) Additional Premium From Flat Increase on Outstanding Policies - Code 0998
- (5) Premium Credit Resulting From Flat Decrease on Outstanding Policies - Code 0994
- (6) Short rate penalty premium - Code 0931

* (7) Waiver of Subrogation - Code 0930 for policies with an effective date prior to October 26, 2001.

b. Premium Not Subject to Experience Modification (Reported on lines "D", "E" or "F")

- (1) Aircraft Seat Surcharge Code 9108
- (2) Risk Minimum Premium Code 0990
See Basic Manual for instructions when applying code 0990.
- (3) Contractors Premium Credit Code 9046
- (4) Optional Supplemental Loadings
For Radiation Experience Code 9985