



Wisconsin Compensation Rating Bureau

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

CIRCULAR LETTER 1073– MARCH 24, 2006

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, 20700 Swenson Drive, Waukesha, WI 53186 on Tuesday, March 14, 2006. The meeting was called to order immediately upon adjournment of the Wisconsin Worker’s Compensation Insurance Pool meeting with the following members present:

ORGANIZATION

Sentry Insurance A Mutual Co., Acting Chair
American Home Assurance Company
Employers Insurance of Wausau A Mutual Co.
Fireman’s Fund Insurance Company

Secura Insurance Co.
Society Insurance A Mutual Co.
Travelers Insurance Co.
Wisconsin Compensation Rating Bureau

REPRESENTATIVE

Ellen Altenburg-Wadel
Jerry Korbel
Steve Ginsburg
Ken Blake
Kurtis Patterson
Phil Biwan
Rick Levin
Bruce Kaufenberg
Ralph Herrmann
Richard Colvin
Nancy Kierzek
Tad Cleveland
Donna Knepper

Members Absent or Excused:

General Casualty Insurance Co. of WI, Chair

Also Present:

AmComp
Middlesex Insurance Company
Riegel Law, S.C.

Debbie Towler
Sandy Knoll
Paul Riegel

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West Bend Mutual Insurance Company

Pam Allison
Scott Carmack

The Acting 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. The Committee was presented the following information:

- The 2005 Estimated Year-End/2006 Approved Budget Report.
- An Income Report that included years 2002 through 2-28-06.
- An Approved Quarterly Budget Reference Chart outlining the approved quarterly assessments for the past year.
- A report comparing the number of fines issued and the total income for NTCs and USRs for 2002 through 2005. The report summarized that the Unit Statistical fine income increased by 324% from 2002 to 2005, and the number of fines increased by 37.5%. For the same time period, Notice to Carrier fine income decreased by 41.4%, while the number of fines decreased by approximately 60.6%.
- The Committee voted to levy an assessment for the second quarter of 2006 in the amount of \$1,699,702.

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. The usual discussion centering on administrative affairs, occupancy, general expenses, personnel, etc.

The Committee was provided the following update:

- The Web-based inspection, “Business Operations Report”, is currently in operation. Seventy three forms have been sent to employers with twenty seven responses received. NCCI has expressed possible interest in this application.
- The WCRB has outsourced additional inspection requests.

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- WCRB is evaluating an on-line pool application submittal process. The electronic transfer of funds is being further evaluated. An in-house study committee has been formed.
- The Committee authorized the rental of additional office space. This space will be used for a larger conference room.

3. Outstanding Issues:

- a. Workers Compensation Research Institute update.

Each member of the Committee was furnished with a copy of the CompScope™ Benchmarks For Wisconsin, 6th Edition. WCRB will release a Circular Letter advising the membership that the report has been released. WCRB will provide a hard copy to members upon written request.

- b. Carriers placed in rehabilitation/liquidation.

WCRB reported that no new carriers were placed in liquidation.

- c. Unit Statistical direct reporting option.

The number of carriers filing unit statistical reports directly with the WCRB, continues to increase with a total of 290 carriers reporting directly.

- d. WCRB Ratemaking – Financial Calls

The Committee was provided a summary of the February 8, 2006 Actuarial Subcommittee meeting. The next Subcommittee meeting is scheduled for May 17, 2006 at which time the ratemaking methodology will be finalized and overall rate revision indications will be provided.

- e. Pool Surplus Report

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

WCRB will continue to monitor Pool activity and may provide additional information prior to the December meeting.

- f. Other

Information Release Authorization Form

The Committee was provided with a copy of an Information Release Authorization Form. This form will be required to be completed by the employer prior to the release of any information to a third party.

Servicing Carrier Audits

The Committee approved an amendment of \$14,700 to the 2006 WCRB budget for NCCI to conduct a claim audit on the run-off Pool business for Employers Insurance of Wausau and Hartford Insurance.

4. The Committee was provided an Executive Summary on ACCCT activities.

The next Governing Committee meeting is tentatively scheduled for Thursday, May 18, 2006, 9:00 A.M., at the offices of the Wisconsin Compensation Rating Bureau.

Donna Knepper
Executive Secretary