



Wisconsin Compensation Rating Bureau

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**CIRCULAR LETTER 2988—AUGUST 17, 2006**

**PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE**

TO: Members of the Bureau

FROM: Donna Knepper

RE: Proceedings of the Wisconsin Rating Committee  
Item Number 3885 October 1, 2006 Rate Revision

The Office of the Commissioner of Insurance has acknowledged receipt of the State Special Rating Values page. The excess loss factors were not included in the original rate revision proposal as the information needed to calculate the factors was not available. This will complete Exhibit 4 of the 10-1-06 rate revision.

Attached is the State Special Rating Values page.

Effective October 1, 2006

<p>1. <b>Hazard Group Differentials</b></p> <table border="1"> <thead> <tr> <th>I</th> <th>II</th> <th>III</th> <th>IV</th> </tr> </thead> <tbody> <tr> <td>1.83</td> <td>1.68</td> <td>1.11</td> <td>0.75</td> </tr> </tbody> </table>	I	II	III	IV	1.83	1.68	1.11	0.75	<p>2. <b>Tax Multipliers</b></p> <p>a. State (non-F Classes) 1.035</p> <p>b. Federal Classes, or non-F classes where rate is increased by the USL&amp;HW Act Percentage 1.122</p>
I	II	III	IV						
1.83	1.68	1.11	0.75						

<p>3. <b>Expected Loss Ratio</b> 0.636</p>	<p><b>Expected Loss and Allocated Expense Ratio</b> 0.697</p>	<p>4. <b>Expense Ratio</b> Type A: XXVI-E Type B: XXVI-F</p>	<p><b>Expense Ratio Loaded for ALAE Option</b> Type A: XXVI-G Type B: XXVI-H</p>
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5. **2005 Table of Expected Loss Ranges**  
Effective October 1, 2005

<p>6. <b>Excess Loss Factors</b> (Applicable to New and Renewal Policies)</p>	<p><b>Excess Loss and Allocated Expense Factors</b> (Applicable to New and Renewal Policies)</p>
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Per Accident Limitation	Hazard Groups				Hazard Groups			
	I	II	III	IV	I	II	III	IV
\$10,000 †	0.426	0.436	0.491	0.521	0.475	0.485	0.542	0.572
\$15,000 †	0.388	0.401	0.463	0.499	0.436	0.450	0.514	0.551
\$20,000 †	0.358	0.373	0.440	0.481	0.406	0.422	0.491	0.533
\$25,000	0.334	0.350	0.420	0.465	0.380	0.398	0.471	0.517
\$30,000	0.314	0.331	0.403	0.451	0.359	0.377	0.453	0.502
\$35,000	0.296	0.314	0.387	0.438	0.340	0.359	0.437	0.489
\$40,000	0.280	0.298	0.373	0.426	0.323	0.344	0.422	0.477
\$50,000	0.254	0.273	0.348	0.404	0.295	0.316	0.397	0.455
\$75,000	0.208	0.228	0.302	0.362	0.245	0.267	0.348	0.411
\$100,000	0.177	0.196	0.269	0.329	0.210	0.232	0.312	0.377
\$125,000	0.154	0.173	0.243	0.304	0.185	0.206	0.284	0.349
\$150,000	0.136	0.156	0.223	0.283	0.165	0.187	0.262	0.327
\$175,000	0.122	0.141	0.206	0.265	0.149	0.170	0.243	0.308
\$200,000	0.110	0.128	0.191	0.250	0.135	0.156	0.227	0.291
\$225,000	0.100	0.118	0.179	0.237	0.123	0.144	0.213	0.276
\$250,000	0.092	0.109	0.168	0.225	0.114	0.134	0.201	0.263
\$275,000	0.085	0.102	0.158	0.214	0.105	0.125	0.190	0.252
\$300,000	0.079	0.095	0.150	0.204	0.098	0.117	0.180	0.241
\$325,000	0.073	0.089	0.142	0.195	0.091	0.110	0.170	0.231
\$350,000	0.069	0.084	0.135	0.187	0.086	0.103	0.162	0.222
\$375,000	0.064	0.079	0.128	0.180	0.080	0.098	0.155	0.213
\$400,000	0.061	0.075	0.122	0.173	0.076	0.093	0.148	0.205
\$425,000	0.057	0.071	0.117	0.166	0.072	0.088	0.142	0.198
\$450,000	0.054	0.068	0.112	0.160	0.068	0.084	0.136	0.191
\$475,000	0.052	0.065	0.107	0.154	0.065	0.080	0.131	0.184
\$500,000	0.049	0.062	0.103	0.149	0.061	0.077	0.126	0.178
\$600,000	0.041	0.053	0.090	0.131	0.052	0.066	0.109	0.158
\$700,000	0.036	0.046	0.079	0.117	0.044	0.057	0.097	0.141
\$800,000	0.032	0.042	0.072	0.107	0.040	0.052	0.087	0.129
\$900,000	0.029	0.038	0.065	0.098	0.036	0.047	0.079	0.118
\$1,000,000	0.026	0.035	0.060	0.090	0.032	0.043	0.073	0.109
\$2,000,000	0.015	0.021	0.036	0.053	0.018	0.025	0.043	0.064
\$3,000,000	0.011	0.016	0.028	0.040	0.013	0.020	0.033	0.048
\$4,000,000	0.009	0.014	0.023	0.034	0.011	0.017	0.028	0.040
\$5,000,000	0.008	0.013	0.021	0.030	0.010	0.015	0.024	0.035
\$6,000,000	0.007	0.011	0.018	0.026	0.008	0.013	0.022	0.031
\$7,000,000	0.007	0.010	0.017	0.024	0.008	0.012	0.020	0.028
\$8,000,000	0.006	0.010	0.016	0.022	0.007	0.012	0.019	0.026
\$9,000,000	0.006	0.009	0.015	0.021	0.007	0.011	0.018	0.024
\$10,000,000	0.006	0.009	0.014	0.020	0.007	0.010	0.017	0.023

† This loss limit is not applicable for retrospective rating in this state.

7. **Retrospective Development Factors**

With Loss Limit			Without Loss Limit			4th & Subsequent Adjustment
1st Adj.	2nd Adj.	3rd Adj.	1st Adj.	2nd Adj.	3rd Adj.	
0.08	0.06	0.05	0.18	0.14	0.11	0.00

8. **State Special Classifications by Hazard Group**

Code No.	HG	Code No.	HG	Code No.	HG	Code No.	HG
0006	II	4054	II	6002	III	8842	II
0108	III	4417	II	6326	III	9054	II
1752	III	4712	III	7371	II	9056	II
1807	IV	5000	IV	7709	IV	9170	IV
1808	IV	5086	III	7710	IV	9412	II
2101	II	5184	III	8090	II	9413	II
2709	III	5211	III	8387	III	9414	II
3086	III	5469	IV	8391	III	9529	IV
3565	I	5545	III	8828	II	9894	II