



Wisconsin Compensation Rating Bureau

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

**CIRCULAR LETTER 1085—MAY 18, 2007**

**PROCEEDINGS OF THE WISCONSIN GOVERNING COMMITTEE**

TO: MEMBERS OF THE BUREAU

Minutes of the Annual Meeting held in the premises of the Wisconsin Compensation Rating Bureau, 20700 Swenson Drive, Waukesha, WI 53186 on Thursday, May 17, 2007. The meeting was called to order at 10:00 A.M. with the following members present:

ORGANIZATION

REPRESENTATIVE

ACCIDENT FUND GROUP

- Accident Fund National Insurance Company
- Accident Fund Insurance Company of America
- Accident Fund General Insurance Company
- United Wisconsin Insurance Company

- Emil Pfenninger
- Paul Hingtgen

Badger Mutual Insurance Company

Terry Falls

CONTINENTAL WESTERN GROUP

- Clermont Insurance Company
- Continental Western Insurance Company
- Tri State Insurance Company of MN
- Union Insurance Company

Al Utzig

EMC COMPANIES

- EMCASCO Insurance Company
- Employers Mutual Casualty Company

Mike Lester

FIREMANS FUND INSURANCE COMPANIES

- American Automobile Insurance Company
- American Insurance Company
- Associated Indemnity Corporation
- Fireman's Fund Insurance Company
- Fireman's Fund Insurance Company of WI
- National Surety Corporation

Tom Becker

GENERAL CASUALTY COMPANIES

Blue Ridge Indemnity Company  
Blue Ridge Insurance Company  
General Casualty Company of WI  
General Casualty Company of IL  
MassWest Insurance Company  
Regent Insurance Company  
Southern Fire & Casualty Company  
Southern Guaranty Insurance Company  
Southern Pilot Insurance Company

Jim Vandenberg  
Mike Schimke

League of Wisconsin Municipalities

Dennis Tweedale

LIBERTY INSURANCE GROUP

Consolidated Insurance Company  
Employers Insurance Company of Wausau  
First Liberty Insurance Company  
Hawkeye Security Insurance Company  
Indiana Insurance Company  
LM Insurance Corporation  
Liberty Insurance Corp  
Liberty Insurance Underwriters Company  
Liberty Mutual Fire Insurance Company  
Liberty Mutual Insurance Company  
The Midwestern Indemnity Company  
Peerless Indemnity Company  
Peerless Insurance Company  
The Netherlands Insurance Company  
Wausau Business Insurance Company  
Wausau General Insurance Company  
Wausau Underwriters Insurance Company

Steve Ginsburg

Michigan Construction Industry Mutual

Bob Schneider  
Erin Kelly

SFM Mutual Insurance Company

Brian Bent

ST. PAUL TRAVELERS INSURANCE COMPANIES

Athena Assurance Company  
Automobile Insurance Company of Hartford  
Charter Oak Fire Insurance Company  
Discover Property & Casualty Insurance Company  
Economy Fire & Casualty Company  
Economy Preferred Insurance Company  
Farmington Casualty Company  
Fidelity & Guaranty Insurance Company  
Fidelity & Guaranty Insurance Underwriters  
Nipponkoa Insurance Company, Ltd  
Phoenix Insurance Company

Bruce Kaufenberg

St. Paul Fire & Casualty Insurance Company  
St. Paul Fire & Marine Insurance Company  
St. Paul Guardian Insurance Company  
St. Paul Medical Liability Insurance Company  
St. Paul Mercury Insurance Company  
St. Paul Protective Insurance Company  
Seaboard Surety Company  
Select Insurance Company  
Standard Fire Insurance Company  
Travelers Casualty Company of CT  
Travelers Casualty & Surety Company  
Travelers Casualty & Surety of America  
Travelers Casualty Insurance Company of America  
Travelers Commercial Casualty Company  
Travelers Commercial Insurance Company  
Travelers Indemnity Company  
Travelers Indemnity Company of America  
Travelers Indemnity Company of CT  
Travelers Insurance Company  
Travelers Property Casualty Company of America  
United States Fidelity & Guaranty

SENTRY COMPANIES

Dairyland Insurance Company  
Middlesex Insurance Company  
Patriot General Insurance Company  
Sentry Casualty Company  
Sentry Insurance, A Mutual Company  
Sentry Select Insurance Company  
Viking Insurance Company of WI

Bill Swarthout  
Ellen Altenburg-Wadel  
Christine Kienbaum

Society Insurance A Mutual Company

Rick Levin  
Chad Thurn

West Bend Mutual Insurance Company

Pam Allison  
Joel Christ

Wisconsin Compensation Rating Bureau

Ralph Herrmann  
Christine Siekierski  
Nancy Kierzek  
Tad Cleveland  
Donna Knepper

(To obtain a complete listing of Bureau members, please see the Wisconsin Compensation Rating Bureau 2006 Annual Report.)

Also Present:

Milliman USA  
Office of the Commissioner of Insurance

Gary Josephson  
Ronnie Demergian  
Walter Fellows  
Nancy McMurry

R & R Insurance Services

Also Present for Part of Meeting:

AIG COMPANIES

Ira Feuerlicht

AIG National Insurance Co Inc  
AIU Insurance Co  
American Home Assurance Co  
American International South  
American International Insurance Co  
Birmingham Fire Insurance Co  
Commerce & Industry Insurance Co  
Granite State Insurance Co  
Illinois National Insurance Co  
Insurance Co of the State of PA  
National Union Fire Insurance - Pittsburgh  
New Hampshire Indemnity Co  
New Hampshire Insurance Co

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.”

1. Mr. Ralph Herrmann, President of the Wisconsin Compensation Rating Bureau, was advised that a quorum was established, and the meeting was declared open for business.
2. The reading of the minutes for the last Annual Meeting was waived, and the minutes were approved as published.
3. The next order of business was the submission of the President's report for the 2006 business year. Each member present was furnished with a copy of the 2006 Annual Report. Mr. Herrmann commented on portions of the Annual Report.

Mr. Herrmann's summary included:

- Web site enhancements
- Implementation of processing charges for hard-copy submission of policy information
- Status of a lawsuit brought against the WCRB and OCI
- 2006 rate revision

- 132% increase in the number of policy related transactions processed over the past seven years while realizing reduction in staff of over 10%
- Decrease in the number of unit statistical reporting (USR), Notice To Carrier (NTC) and financial call fines; no significant change in 60 day policy filing fines
- Increase in the total number of inspections performed due to increased staffing and the utilization of the Business Operations Report process for on-line inspections
- Continued decrease in the number of new applications received in the WWCIP; 3.3% decline in premium
- Review of the WCRB income and expenditures
- Increase in the overall operating expense ratio due to the significant decline in overall fines levied to member companies

Mr. Herrmann expressed his appreciation to the entire membership for their continued support, and specifically thanked all members of the Governing Committee, Rating Committee, Pool Committee, and the several subcommittees for their commitment and hard work during 2006. He also acknowledged the assistance and cooperation of the Office of the Commissioner of Insurance, the Department of Workforce Development, and the members of his staff for their dedication efforts.

4. The next order of business was the election of companies to fill the vacancies of retiring committee members on both the Governing Committee and the Rating Committee. Governing Committee chairperson directed that the representatives of the stock and non-stock companies caucus separately for this purpose. Upon adjournment of the caucuses, the spokesperson for the stock and non-stock companies advised that the following companies had been elected to the Governing Committee and Rating Committee:

GOVERNING COMMITTEE

Society Insurance A Mutual Company  
United Wisconsin Insurance Company

RATING COMMITTEE

Employers Insurance of Wausau  
General Casualty Insurance Company

The Wisconsin Committees are now comprised of the following companies:

GOVERNING COMMITTEE

American Home Assurance Company  
Employers Insurance of Wausau  
General Casualty Insurance Company  
Secura Insurance A Mutual Company  
Sentry Insurance A Mutual Company  
Society Insurance, A Mutual Company  
Travelers Insurance Company  
United Wisconsin Insurance Company

RATING COMMITTEE

American Home Assurance Company  
Employers Insurance of Wausau A Mutual Company  
Employers Mutual Casualty Company  
General Casualty Insurance Company  
Ed Hayden (Employer Representative)  
John Metcalf (Employer Representative)  
Sentry Insurance, A Mutual Company  
Society Insurance, A Mutual Company  
Travelers Insurance Company  
United Wisconsin Insurance Company

5. The stock companies elected Travelers Insurance Company to Chair the Governing Committee; the non-stock companies elected Sentry Insurance, A Mutual Company to Chair the Rating Committee. Society Insurance, A Mutual Company was elected Vice-Chair of the Governing Committee.
6. There being no further business to transact, the meeting was adjourned.

Donna Knepper  
Executive Secretary