



Wisconsin Compensation Rating Bureau

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

**CIRCULAR LETTER 1096—MAY 28, 2008**

**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 15, 2008. The meeting was called to order at 10:00 A.M. with the following members present:

ORGANIZATION

REPRESENTATIVE

**AIG COMPANIES**

Ira Feuerlicht

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

**ACCIDENT FUND GROUP**

Emil Pfenninger  
Paul Hingtgen

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

**AMCOMP COMPANIES**

Debbie Towler

- Amcomp Assurance Corporation
- Amcomp Preferred Insurance Company

**EMC COMPANIES**

Mike Lester

- EMCASCO Insurance Company

Employers Mutual Casualty Company

**GENERAL CASUALTY COMPANIES**

Blue Ridge Indemnity Company  
Blue Ridge Insurance Company  
General Casualty Company of WI  
General Casualty Company Insurance Company  
National Farmers Union  
Praetorian Insurance Company  
Redland Insurance Company  
Regent Insurance Company  
Southern Fire & Casualty Company  
Southern Guaranty Insurance Company  
Southern Pilot Insurance Company

Jim Vandenberg  
Mike Schimke

Integrity Mutual Insurance Company

Paul Enterline

**LIBERTY INSURANCE GROUP**

American Fire & Casualty Company  
Consolidated Insurance Company  
Donegal Mutual Insurance Company  
Employers Insurance Company of Wausau  
First Liberty Insurance Company  
Hawkeye Security Insurance Company  
Indiana Insurance Company  
LM General Insurance Company  
LM Insurance Corporation  
LM Personal Insurance Company  
LM Property & Casualty Insurance Company  
Liberty Insurance Corp  
Liberty Insurance Underwriters Company  
Liberty Mutual Fire Insurance Company  
Liberty Mutual Insurance Company  
The Midwestern Indemnity Company  
Ohio Casualty Insurance Company  
Ohio Security Insurance Company  
Peerless Indemnity Company  
Peerless Insurance Company  
The Netherlands Insurance Company  
Wausau Business Insurance Company  
Wausau General Insurance Company  
Wausau Underwriters Insurance Company  
West American Insurance Company

Steve Ginsburg

SFM Mutual Insurance Company

Nick Marino

**SECURA COMPANIES**

Secura Insurance Company

Phil Biwan

Secura Supreme Insurance Company

**SENTRY COMPANIES**

Christine Kienbaum

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

Society Insurance A Mutual Company

Rick Levin

**TRAVELERS INSURANCE COMPANIES**

Bruce Kaufenberg

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  
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

West Bend Mutual Insurance Company

Joel Christ

Wisconsin Compensation Rating Bureau

Ralph Herrmann  
Tad Cleveland  
Christine Siekierski  
Nancy Kierzek  
Michael Mann  
Donna Knepper

(To obtain a complete listing of Bureau members, please see the Wisconsin Compensation Rating Bureau 2007 Annual Report.)

Also Present:

Associated General Contractors of Greater Milwaukee  
Milliman USA  
Office of the Commissioner of Insurance  
Riegel Law, S.C.  
Wisconsin Manufacturers and Commerce

Dan Burazin  
Gary Josephson  
Ronnie Demergian  
Paul Riegel  
John Metcalf

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 2007 business year. Each member present was furnished with a copy of the 2007 Annual Report. Mr. Herrmann commented on portions of the Annual Report.

Mr. Herrmann’s summary included:

- Conducted a survey on the overall Web product. 90% of users surveyed rated WCRB Web site as “excellent” or “good”. 40% overall increase in active members utilizing the Web site.
- Web product exchange with other independent bureaus.
- Proposed revisions to the WCRB By-Laws.
- Revisions to the Wisconsin Workers Compensation Insurance Pool (WWCIP) Handbook.

- 2007 Compliance Detail
  - 14.2% decrease in policy processing
  - 4.0% decrease in experience ratings released
  - 9.3% decrease in 60 day fining
  - 16.2% decrease in Financial Call fines
  - 17.1% increase in NTC fines. Bulk of the increase in third fines.
  - 3.7% increase in USRs received
  - 23.2% increase in USR fines
- 2007 WWCIP Activity
  - 10.4% decrease in new pool risks
  - 5.1% decrease in estimated number of total pool risks
  - 16.5% decrease in pool premium written
  - 7.2% increase in total estimated WI written premium
  - 12.1% decrease in the average size of pool risk
- Changes in paid/written and incurred/written ratios indicating negative reserve amount in later years.
- Net asset surplus of \$9,195,101 compared to a slight deficit of approximately \$72,000 in 2006.
- 20 new WCRB members, 4 member companies placed in liquidation or rehabilitation.
- Review of the WCRB income and expenditures.
- Decrease in the overall operating expense ratio.

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 2007. 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.

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

General Casualty Insurance Company  
Secura Insurance A Mutual Company

RATING COMMITTEE

Employers Mutual Casualty Company  
United Wisconsin 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  
Dan Burazin (Employer Representative)  
John Metcalf (Employer Representative)

RATING COMMITTEE

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

5. The non-stock companies elected Society Insurance, A Mutual Company to Chair the Governing Committee; the stock companies elected American Home Assurance Company to Chair the Rating Committee and Vice-Chair the Governing Committee.
6. Revision to the WCRB By-Laws. By majority vote of all member companies present, the proposed revisions to the WCRB By-Laws were adopted. The Governor's office will be notified that the employer representative positions have been moved to the Governing Board. The Rating Committee will no longer be a voting committee. Recommendations by the Rating Committee will be voted upon by the Governing Board.
7. There being no further business to transact, the meeting was adjourned.

Donna Knepper  
Executive Secretary