



Wisconsin Compensation Rating Bureau

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

CIRCULAR LETTER 1121—MAY 27, 2010

ANNUAL MEETING MINUTES

PROCEEDINGS OF THE WISCONSIN GOVERNING BOARD

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 13, 2010. The meeting was called to order at 10:30 A.M. with the following members present:

ORGANIZATION

REPRESENTATIVE

AIG COMPANIES

Ira Feuerlicht

- AIU Insurance Company
- American Home Assurance Company
- Chartis Casualty Company
- Chartis Property & Casualty 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 Insurance Company

ACCIDENT FUND GROUP

Tom Vanderbusch
Pat Williams

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

Badger Mutual Insurance Company

Terry Falls

EMPLOYERS COMPANIES

Debbie Towler

- Employers Assurance Corporation
- Employers Preferred Insurance Company

EMC COMPANIES

Jim Pousha

- 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
Regent Insurance Company
Southern Fire & Casualty Company
Southern Guaranty Insurance Company
Southern Pilot Insurance Company

Jim Vandenberg
Scott Lange

LIBERTY INSURANCE GROUP

American Economy Insurance Company
American Fire & Casualty Company
American States Insurance Company
Consolidated Insurance Company
Employers Insurance Company of Wausau
First Liberty Insurance Company
First National Insurance Company of America
General Insurance Company of America
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
Safeco Insurance Company of America
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

Brian Bent
Nick Marino

SECURA COMPANIES

Secura Insurance A Mutual Company
Secura Supreme Insurance Company

Steve Miller

SENTRY COMPANIES

Mike Williams

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
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 Property Casualty Company of America
United States Fidelity & Guaranty

West Bend Mutual Insurance Company

Joel Christ

Wisconsin Compensation Rating Bureau

Paul Riegel
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 2009 Annual Report.)

Also Present:

Associated General Contractors of Greater Milwaukee
Milliman USA
Office of the Commissioner of Insurance
Wisconsin Manufacturers & Commerce

Dan Burazin
Gary Josephson
Ronnie Demergian
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.”

Mr. Ira Feuerlicht, Governing Board Chair, paid a heartfelt tribute to Ralph Herrmann. Special acknowledgement was given to Ralph’s ten years of service as President of the WCRB, the recognition he brought to the Bureau as a leader in workers compensation and the respect he garnered from colleagues and co-workers alike. Ralph will truly be missed by all the people he touched.

1. Mr. Paul Riegel, Interim 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 2009 business year. Each member present was furnished with a copy of the 2009 Annual Report. Mr. Riegel commented on portions of the Annual Report.

Mr. Riegel's summary included:

- 10-1-09 rate revision
- 2009 WWCIP Activity
 - 17% decrease in pool premium written
 - Less than 13.5% of total WI premium written in the Pool
 - Lowest Pool volume since 2000
 - Conversion to electronic application submission—Online Assigned Risk (OAR)
 - Net asset surplus of \$25.7 million returned to carriers in compliance with the five year true-up requirement

 - Completed RFP for custodial services
 - 10% reduction in costs on securities lending program
 - Annual savings of \$58,000
- Electronic reporting and enhancement to the WCRB Web site
 - Online Assigned Risk (OAR) application completed
 - Online WCPAP application completed
 - Unit Statistical reporting went fully electronic effective 7-1-09
 - Policy submission went fully electronic 1-1-10
 - Manage USR enhancements
 - WWCIP quarterly reporting forms now available on-line
 - Web site security certification obtained
- 2009 Compliance Detail
 - 17.5% decrease in policy processing
 - 16% decrease in 60-day fines
 - 12% decrease in NTC fines
 - 12% increase in USR fines
 - 8.8% increase in physical inspections
 - Slight increase in intrastate ratings
- NCCI classification proposal review (Special thanks to Tad Cleveland and the Classification Collaboration Group for their research and input on the proposals)
- Net WCRB operating expense ratio to written WI premiums at .27%.
- Review of the WCRB income and expenditures
- \$200,000 decrease in fine income
- \$100,000 savings in group health insurance
- 4.2% decrease in total WI written premium
- Returned budget surplus of \$3.6 million

Mr. Riegel expressed his gratitude to the Governing Board, particularly to the Chair, for stepping up at the time of Ralph's loss and directing the transition in leadership during such a difficult time. He also expressed appreciation to the entire membership for their continued support, and specifically thanked all members of the Governing Board, Rating Committee, Pool Committee, and the several subcommittees for their commitment and hard work during 2009. He also acknowledged the assistance and cooperation of the Office of the Commissioner of Insurance, the Department of Workforce Development, the WCRB Vice Presidents and 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 Board and the Rating Committee. Governing Board chairperson directed that the representatives of the stock and non-stock companies caucus separately for this purpose. Upon adjournment of the caucuses, the spokespersons for the stock and non-stock companies advised that the following companies had been elected to the Governing Board and Rating Committee:

GOVERNING BOARD

Sentry Insurance A Mutual Company
Travelers Insurance Company

RATING COMMITTEE

American Home Assurance Company
Society Insurance Company

The Wisconsin Committees are now comprised of the following companies:

GOVERNING BOARD

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
Dan Burazin (Employer Representative)
John Metcalf (Employer Representative)

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

Donna Knepper
Executive Secretary