



Wisconsin Compensation Rating Bureau

**CIRCULAR LETTER 1128—DECEMBER 21, 2010**

**WISCONSIN GOVERNING BOARD MEETING**

Minutes of the Wisconsin Governing Board held in the premises of Wisconsin Compensation Rating Bureau, 20700 Swenson Drive, Waukesha, WI 53186 on Tuesday, December 7, 2010. The meeting was called to order immediately upon adjournment of the Wisconsin Workers Compensation Insurance Pool meeting.

A list of attendees at the December 2010 Rating Committee, WWCIP and Governing Board meetings follows. The Chair of the Rating and acting Chair of the WWCIP Committees was Bruce Kaufenberg from Travelers Insurance Company. The Chair of the Governing Board was Steve Miller from Secura Insurance Company.

ORGANIZATION	REPRESENTATIVE	GOVERNING BOARD	RATING COMMITTEE	WWCIP
American Home Assurance	Ira Feuerlicht	X	X	O
Associated General Contractors of Greater Milwaukee	Dan Burazin	X	X	O
Employers Insurance of Wausau	Steve Ginsburg	X	X	O
Employers Mutual Casualty Co.	Jim Pousha		X	O
	Mike Lester	O	X	X
General Casualty Insurance Co.	George Busche	X	X	X
Liberty Mutual Insurance Co.	Val Schmelzer	O	O	X
Middlesex Insurance Co	Bev Beigel	O	O	X
Secura Insurance Co.	Steve Miller	X	O	O
Sentry Insurance A Mutual Co.	Dan Revai	X	X	O
	Ellen Altenburg-Wadel	X	X	O
Society Insurance Co.	Rick Levin	X	X	X
Travelers Insurance Co.	Bruce Kaufenberg	X	X	X
Tri State Insurance Co. of MN	Todd Johnson	O	O	X
United Wisconsin Insurance Co.	Steve Cooper	X	X	O
	JoAnne Kline	X	X	O
	Tom Vanderbusch	X	X	O
West Bend Mutual Insurance Co.	Pam Allison	O	O	X
	Joel Christ		O	X
	Paul Hingtgen	O	O	X
Wisconsin Compensation Rating Bureau	Bernie Rosauer	O	O	O
	Tad Cleveland	O	O	O
	Nancy Kierzek	O	O	O
	Christine Siekierski	O	O	O
	Michael Mann	O		
	Donna Knepper	O	O	O

X = Committee member

O= Present (non-committee member)

Member Absent or Excused:

John Metcalf, Wisconsin Manufacturers & Commerce

Also Present:

<b>ORGANIZATION</b>	<b>REPRESENTATIVE</b>	<b>GOVERNING BOARD</b>	<b>RATING COMMITTEE</b>	<b>WWCIP</b>
Badger Mutual Insurance Co.	Terry Falls	O	O	O
Office of the Commissioner of Insurance	Ronnie Demergian	O	O	O
Riegel Law	Paul Riegel	O	O	O
SFM	Brian Bent	O	O	O

X = Committee member

O = Present (non-committee member)

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. Approval of Minutes for the September 9, 2010 meeting.
2. Bureau Operations – Industry Issues
  - Budget Update. The Board was provided the following reports:
    - 2010 Estimated Year-End/2011 Proposed Budget.
    - 2010 Approved IT Budget/2010 IT Estimated Year-end Summary.
    - An Income Report that included years 2008 through estimated year-end 2010.
    - Notice To Carrier Fine Comparison.
    - Unit Stat Fine Comparison.
    - Hard Copy Fee Comparison.

The Committee voted to levy an assessment in the amount of \$1,805,836 for the general operating expenses for the WCRB for the first quarter of 2011.

- Administrative affairs, occupancy, general expenses, personnel, etc.
  - WCRB signed a five year extension on the current lease. The Landlord included several improvements to the WCRB space.
  - Medical Data Call – Reporting procedures for those carriers meeting the 1% premium requirement for WI but not in the NCCI states will be implemented June 2011. This item is removed from the agenda.
  - Governing Board ratified a one year extension to the contract with Milliman for actuarial services.
  - Funding for WCRI was approved for 2011. WCRB will survey member carriers to see if funding should continue in 2012. Member carriers interested in receiving copies of published WCRI reports should contact the WCRB.
  - WWCIP Charge-offs
    - Serwatt Group, Inc - \$51,884 – Liberty Mutual Insurance. The Governing Board approved the recommendation to charge-off the uncollectible balance.

3. The following Committees reported to the Board:

**RATING COMMITTEE**

- NCCI Proposal Item P-1407(A) – Revised Retrospective Rating Plan Endorsements - WCRB has released a Circular Letter providing LRARO endorsement requirements and carrier filing guidelines. No formal filings have been received. This item is continued on the agenda.
- Excess Insurance Policies – The Self Insurers Council is reviewing policy forms currently approved for use in WI. This item is continued on the agenda.
- WI Basic Manual Appendix – WCPAP Rule - The Board adopted proposed editorial changes to the WPAP Rule in the Wisconsin Basic Manual for filing with the Office of the Commissioner of Insurance. This item is continued on the agenda.
- Unit Statistical Elimination of Group Claim Reporting Option – Carriers currently have the option to report grouped claims. WI had only one grouped claim reported over a one-year period. The Governing Board adopted the elimination of this option with policies effective 1-1-12.

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WCRB will file the necessary amendments to the WI Unit Statistical Plan with the Office of the Commissioner of Insurance. This item is continued on the agenda.

- NCCI Proposal Item E-1401 – Revision to Experience Rating Plan Manual Rule 1-D-4 Related to Worksheet Distribution – This proposal amends NCCI's Experience Rating Plan Manual to provide experience rating worksheets to employers electronically. WI maintains its own Experience Rating Plan manual and WCRB is in the process of developing a separate WI only program. The Governing Board accepted the recommendation not to adopt this proposal for filing with the Office of the Commissioner of Insurance. This item is removed from the agenda.

By unanimous consent, this item was added to the agenda.

- USL&HW Reporting –The Workers Compensation Insurance Organizations (WCIO) has been investigating submitting USL&HW data to the Department of Labor on behalf of carriers. NCCI would be the conduit for the submission. The Governing Board directed the WCRB to continue with the project and to have WCRB legal review all contracts.

### Pending Filings/Actions

- WI Basic Manual Rule VI.E.2. Amount of Expense Constant - With all business complete, this item is removed from the agenda.
- Code 7605 - Burglar Alarm Installation or Repair – Industry Group Assignment - With all business complete, this item is removed from the agenda.

### ACTUARIAL COMMITTEE

An Actuarial Subcommittee meeting has been scheduled for 9:30 A.M. on February 17, 2011 at the Office of the Commissioner of Insurance.

### WWCIP COMMITTEE

- Pool Structure—The Governing Board was provided with WWCIP Request for Proposal (RFP) package. The RFP puts the servicing carrier assignment process out for bid. The Circular Letter notification to WCRB membership is scheduled to be released the beginning of January. Governing Board members were asked to provide input/feedback prior to the release of the Circular.

4. The following reports were provided:

- WCPAP—Contractor Premium Adjustment Program
- WWCIP Activity

Donna Knepper  
Executive Secretary