



Wisconsin Compensation Rating Bureau

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## GENERAL CIRCULAR LETTER 566—NOVEMBER 22, 2010

TO: Members of the Bureau

RE: Wisconsin Worker's Compensation Insurance Pool Fund

Enclosed is an eleven-year summary for the Wisconsin Worker's Compensation Insurance Pool Fund on a calendar/accident year basis. This exhibit reflects an actuarial evaluation of Pool losses including IBNR. This review is intended to present a more complete picture of the Wisconsin Pool, so that member carriers can better understand their obligations.

The last report to member companies showed a surplus of \$9,927,274 at year-end 2008. Since 2008 was the fifth year since the last actual distribution, the net credit balance of \$25,758,383, (which takes into consideration the charges, credits and write-offs previously recorded), was distributed by the Pool.

Year-end 2009 shows a deficit of \$1,767,227. The adjusted value of the fund of \$269,897,089 was 99% of the target fund value of \$271,664,316. If the adjusted value of net assets is greater than 90% and less than 110%, the Pool rules require that an assessment be declared but not levied in an amount sufficient to bring the fund to the target fund value.

Each member carrier will be receiving a Pool statement showing its share of the 2009 deficit, allocated to the prior 10 accident years, and based on the carrier's market share of written premiums in each respective year.

As of December 31, 2009, the total assets of the Pool Fund were \$323,637,549 with liabilities of \$26,858,023, resulting in a Fund Balance of \$296,779,526.

Sincerely,  
Bernard Rosauer  
President

WISCONSIN WORKERS COMPENSATION INSURANCE POOL

UNDERWRITING RESULTS & COMPUTATION OF CALENDAR YEAR ASSESSMENTS

As of 12-31-09

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
1. Gross Invoiced Premium Written	53,457,773	65,821,732	75,686,750	100,225,119	92,822,355	99,690,298	91,292,416	71,242,192	44,642,731	31,729,124	26,585,620
2. Gross Invoiced Premium Earned*	56,338,653	70,533,603	80,854,408	102,837,270	99,333,505	98,007,256	77,204,401	59,150,260	38,534,332	29,390,828	27,034,460
3. Gross Earned Premium	54,685,936	67,346,927	78,075,089	90,027,856	101,966,359	100,503,382	87,955,353	64,620,148	42,471,372	28,885,104	27,657,379
4. Accid. Year Losses Incurred**	44,054,206	53,457,606	65,378,388	68,470,182	66,772,531	69,649,126	88,355,916	45,230,605	27,419,201	22,792,062	21,241,443
5. Accident Year Loss Ratio =[(4) / (3)]	81%	79%	84%	76%	65%	69%	100%	70%	65%	79%	77%
6. Cal. Year Losses Incurred	58,009,268	53,304,121	58,040,748	73,889,376	80,954,543	82,284,145	85,266,309	53,647,505	28,887,457	12,947,776	16,298,042
7. Servicing Carrier Expense	16,037,332	19,746,519	22,706,026	30,067,536	27,846,708	29,907,089	27,387,730	21,372,654	13,504,539	9,518,739	7,975,687
8. Agents' Commissions	1,486,998	1,702,828	1,993,652	2,239,362	2,379,590	2,450,582	2,343,044	1,843,100	1,277,125	888,896	827,008
9. Amounts Charged Off	149,418	634,267	363,751	205,443	391,997	513,815	546,472	398,813	945,349	650,742	1,012,806
10. Other Income and Expenses	(72,916)	(325,656)	(224)	2,801	(17,338)	(52,205)	(60,115)	(25,129)	(26,931)	(87,407)	(216,295)
11. Calendar Year Und. Results***	(19,417,279)	(5,179,789)	(2,249,993)	(3,561,647)	(12,256,671)	(17,200,580)	(38,399,269)	(18,136,941)	(6,107,069)	5,297,068	704,621
12. Net Investment Income	16,981,103	15,534,802	15,962,431	11,639,801	11,832,638	12,505,425	14,366,108	12,471,172	14,324,824	9,576,604	10,947,629
13. Change in Net Amort. on Inv.	668,948	(427,740)	(577,140)	1,116,947	351,264	(1,029,403)	(421,672)	(2,569,583)	1,656,366	(5,601)	1,700,715
14. Calendar Year Assess. (Refund)# Based on Calculation	1,767,228	(9,927,273)	(13,135,298)	(9,195,101)	72,769	5,724,558	24,454,833	8,235,352	(9,874,121)	(14,868,071)	(13,352,965)
Based on Examination Report	1,767,227	(9,927,274)	(13,135,298)	(9,195,101)	72,769	5,724,557	24,454,838	8,235,349	(9,874,121)	(14,869,848)	(13,354,330)
15. Cumulative Assess.(Refund)	1,767,228	(26,460,345)	(16,533,072)	(3,397,774)	5,797,327	5,724,558	(5,404,972)	(29,859,805)	(38,095,157)	(28,221,036)	(13,352,965)

\* Invoiced Premium Earned is based on the Pool's Invoiced Premium and the Pool's Unearned Premium Reserves which differ from the Financial Call premium data.

\*\* Accident Year Losses Incurred evaluated at 12/31/09 and include IBNR reserves.

\*\*\* Calendar Year Und. Results = (2 - 6 - 7 - 8 - 9 + 10)

# Cal. Year Assessment = (11+12+13)\*(-1)