



Wisconsin Compensation Rating Bureau

CIRCULAR LETTER 1130 – MARCH 21, 2011

WISCONSIN GOVERNING BOARD MEETING

Minutes of the Wisconsin Governing Board meeting held in the premises of Wisconsin Compensation Rating Bureau, 20700 Swenson Drive, Waukesha, WI 53186 on Tuesday, March 1, 2011. The meeting was called to order immediately upon adjournment of the Wisconsin Workers Compensation Insurance Pool meeting.

A list of attendees at the March 2011 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
	Randy Seiner	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	O	X	O
General Casualty Insurance Co.	Jim Vandenberg	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.	JoAnne Kline	X	X	O
	Tom Vanderbusch	X	X	O
West Bend Mutual Insurance Co.	Pam Allison	O	O	X
	Joel Christ	O	O	X
Wisconsin Manufacturers & Commerce	John Metcalf	X	X	O
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)

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Also Present:

ORGANIZATION	REPRESENTATIVE	GOVERNING BOARD	RATING COMMITTEE	WWCIP
Argent Insurance Co.	John Murphy	O	O	O
Milliman	Gary Josephson	O	O	O
Office of the Commissioner of Insurance	Ronnie Demergian	O	O	O
	Jo LeDuc	O	O	O
Riegel Law	Paul Riegel	O	O	O
SFM	Brian Bent	O	O	O
	Mike Happe	O	O	O

X = Committee member

O= Present (non-committee member)

Also Present For Part of Meeting:

ORGANIZATION	REPRESENTATIVE
ACE Insurance.	Andrew Boron
	William Miller
The Hartford	Vanessa Ramirez
Willis	Steve Zajc
Department of Workforce Development	Jim O'Malley
	Brian Krueger
	John Conway

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 December 7, 2010 meeting.
2. Bureau Operations – Industry Issues
 - Budget Update. The Board was provided the following reports:
 - 2010 Estimated Year-End/2011 Approved Budget.
 - 2010 Approved IT Budget/2010 IT Estimated Year-end Summary.
 - An Income Report that included years 2009 through 2-24-11.

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- 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 second quarter of 2011.

- Administrative affairs, occupancy, general expenses, personnel, etc.
 - The Actuarial Subcommittee was asked to provide input on an extension of the current contract for actuarial services with Milliman versus starting the RFP process. This item is continued.
 - WCRI – Dr. Rick Victor from WCRI provided an update on the impact of medical costs on the current workers compensation system to the Wisconsin CompScope Advisory Committee.
 - WC 2011 Centennial Events - Planning continues for the celebration of the 100th anniversary of the WC Act of WI. The celebration will be held at the International Association of Industrial Accident Boards and Commissions (IAIABC) Annual Convention in August.
- WWCIP Charge-offs

Antonio Sandoval DBA Sandoval Drywall - \$38,093 – Liberty Mutual Insurance. The Governing Board approved the recommendation to charge-off the uncollectible balance.

3. The following Committees will report to the Board:

RATING COMMITTEE

- NCCI Proposal Item P-1407(A) – Revised Retrospective Rating Plan Endorsements – Two LRARO filings have been submitted to the OCI for approval. A total of four endorsement numbers have been provided to member carriers.
- Excess Insurance Policies – Policy and form issues are still being discussed with DWD and OCI. WCRB is looking at possible amendments to WI Basic Manual rules.
- Experience Rating Worksheet Distribution – Mailing experience rating worksheets to carriers stopped effective January 1, 2011 with no major issues. WCRB is exploring options to eliminate mailing worksheets to employers.

- USL&HW Reporting – WCRB is waiting to finalize programming to provide NCCI with USL&HW policy data for reporting to the Department of Labor.

New attorneys at the Department of Labor have indicated that individual carriers must continue to report cancellation notices directly.

- Large Deductibles – *NEW* - A couple of member carriers presented the Committee with a proposal to develop a Loss Reimbursement/Loss Reimbursement Plan in WI. After discussion, the Committee created a workgroup to review further.

Pending Filings/Actions

- WI Basic Manual Appendix – WCPAP Rule – With all business completed, this item is removed from the agenda.
- Unit Statistical Elimination of Group Claim Reporting Option - With all business completed, this item is removed from the agenda.

ACTUARIAL COMMITTEE

- The Actuarial Subcommittee met on February 17, 2011. Gary Josephson from Milliman provided a summary of the meeting to the Committee. Of particular interest was the discussion on an increase in the maximum minimum premium and the current WI minimum minimum premium rule. Proposed amendments will be discussed at the May 12, 2011 Actuarial Subcommittee meeting.

WWCIP COMMITTEE

- Pool Structure – Subsequent to the December 7, 2010 Governing Board meeting, WCRB staff met with the OCI to finalize the RFP for servicing carrier positions.
 1. Circular Letter 568 dated January 12, 2011 was released announcing the RFP process.
 2. Nine carriers have submitted a letter of intent.
 3. WCRB established a question & answer procedure. Three Q & A cycles have been completed.
 4. RFPs are due April 15, 2011.

4. The following reports were provided:

- WCPAP – Contractor Premium Adjustment Program
- WWCIP Activity

Donna Knepper
Executive Secretary