



Wisconsin Compensation Rating Bureau

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CIRCULAR LETTER 3080—AUGUST 8, 2011

PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE

TO: Members of the Bureau

FROM: Donna Knepper

RE: Proceedings of the Wisconsin Rating Committee
October 1, 2011 Rate Revision

The Office of the Commissioner of Insurance has approved the State Special Rating Values pages. The excess loss factors were not included in the original rate revision proposal, as the information needed to calculate the factors was not available. This will complete Exhibit 4 of the 10-1-11 rate revision.

Attached are the State Special Rating Values pages.

RETROSPECTIVE RATING PLAN MANUAL
STATE SPECIAL RATING VALUES

WISCONSIN
RR 1
Original printing

Effective October 1, 2011

The values shown below for Hazard Groups 1 through 4 are for the reference of those carriers that have filed for the use of these hazard groups in accordance with item B-1403

- | <p>1. Hazard Group Differentials</p> <table border="1"> <thead> <tr> <th>A</th> <th>B</th> <th>C</th> <th>D</th> <th>E</th> <th>F</th> <th>G</th> </tr> </thead> <tbody> <tr> <td>2.17</td> <td>1.62</td> <td>1.45</td> <td>1.31</td> <td>1.13</td> <td>0.93</td> <td>0.72</td> </tr> </tbody> </table> | A | B | C | D | E | F | G | 2.17 | 1.62 | 1.45 | 1.31 | 1.13 | 0.93 | 0.72 | <p>2. Tax Multipliers</p> <table border="0"> <tr> <td>a. State (Non-F Classes)</td> <td style="text-align: right;">1.035</td> </tr> <tr> <td>b. Federal Classes, or non-F Classes where rate is increased by the USLA&HW Act Percentage</td> <td style="text-align: right;">1.101</td> </tr> </table> | a. State (Non-F Classes) | 1.035 | b. Federal Classes, or non-F Classes where rate is increased by the USLA&HW Act Percentage | 1.101 |
|---|-----------------|---|-----------------|---|-------|-----------------|-----------------|---|------|------|------|------|------|------|--|--------------------------|-------|--|-------|
| A | B | C | D | E | F | G | | | | | | | | | | | | | |
| 2.17 | 1.62 | 1.45 | 1.31 | 1.13 | 0.93 | 0.72 | | | | | | | | | | | | | |
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| b. Federal Classes, or non-F Classes where rate is increased by the USLA&HW Act Percentage | 1.101 | | | | | | | | | | | | | | | | | | |
| <p>Expected Loss and Allocated Expense Ratio</p> <table border="0"> <tr> <td style="text-align: center;">3. <u>Expected Loss Ratio</u></td> <td style="text-align: center;">0.600</td> <td style="text-align: center;">4. <u>Expected Loss and Allocated Expense Ratio</u></td> <td style="text-align: center;">0.676</td> </tr> </table> | | 3. <u>Expected Loss Ratio</u> | 0.600 | 4. <u>Expected Loss and Allocated Expense Ratio</u> | 0.676 | | | | | | | | | | | | | | |
| 3. <u>Expected Loss Ratio</u> | 0.600 | 4. <u>Expected Loss and Allocated Expense Ratio</u> | 0.676 | | | | | | | | | | | | | | | | |
| <p>Expense Ratio Loaded for ALAE Option</p> <table border="0"> <tr> <td style="text-align: center;">4. <u>Expense Ratio</u></td> <td style="text-align: center;">Type A: 2010-01</td> <td style="text-align: center;">Type A: 2010-01</td> </tr> <tr> <td></td> <td style="text-align: center;">Type B: 2010-01</td> <td style="text-align: center;">Type B: 2010-01</td> </tr> </table> | | 4. <u>Expense Ratio</u> | Type A: 2010-01 | Type A: 2010-01 | | Type B: 2010-01 | Type B: 2010-01 | <p>5. 2008 Table of Expected Loss Ranges
Effective October 1, 2008</p> | | | | | | | | | | | |
| 4. <u>Expense Ratio</u> | Type A: 2010-01 | Type A: 2010-01 | | | | | | | | | | | | | | | | | |
| | Type B: 2010-01 | Type B: 2010-01 | | | | | | | | | | | | | | | | | |
| <p>6. Excess Loss Factors
(Applicable to New and Renewal Policies)</p> | | | | | | | | | | | | | | | | | | | |

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$10,000 †	0.403	0.437	0.455	0.474	0.491	0.518	0.535
\$15,000 †	0.366	0.404	0.423	0.444	0.464	0.495	0.516
\$20,000 †	0.337	0.376	0.397	0.419	0.442	0.475	0.499
\$25,000	0.314	0.354	0.375	0.398	0.422	0.457	0.484
\$30,000	0.294	0.334	0.356	0.379	0.405	0.441	0.470
\$35,000	0.277	0.317	0.339	0.363	0.389	0.427	0.457
\$40,000	0.263	0.302	0.325	0.348	0.375	0.413	0.445
\$50,000	0.238	0.277	0.299	0.323	0.350	0.390	0.424
\$75,000	0.194	0.230	0.252	0.275	0.303	0.344	0.381
\$100,000	0.165	0.198	0.219	0.241	0.268	0.309	0.349
\$125,000	0.143	0.174	0.194	0.215	0.242	0.282	0.323
\$150,000	0.126	0.155	0.175	0.195	0.221	0.261	0.302
\$175,000	0.113	0.139	0.158	0.178	0.203	0.242	0.283
\$200,000	0.101	0.126	0.145	0.163	0.188	0.226	0.268
\$225,000	0.092	0.115	0.133	0.151	0.175	0.212	0.254
\$250,000	0.085	0.107	0.124	0.141	0.164	0.200	0.242
\$275,000	0.078	0.099	0.115	0.131	0.154	0.189	0.231
\$300,000	0.073	0.092	0.107	0.123	0.145	0.179	0.221
\$325,000	0.068	0.086	0.101	0.115	0.137	0.170	0.211
\$350,000	0.063	0.080	0.095	0.109	0.129	0.162	0.203
\$375,000	0.059	0.075	0.090	0.103	0.123	0.155	0.195
\$400,000	0.056	0.071	0.085	0.098	0.117	0.148	0.188
\$425,000	0.053	0.067	0.081	0.093	0.111	0.142	0.181
\$450,000	0.050	0.064	0.077	0.088	0.106	0.136	0.175
\$475,000	0.048	0.061	0.073	0.084	0.102	0.131	0.169
\$500,000	0.045	0.058	0.070	0.081	0.098	0.126	0.164
\$600,000	0.038	0.049	0.060	0.069	0.084	0.109	0.145
\$700,000	0.033	0.042	0.052	0.060	0.074	0.097	0.131
\$800,000	0.030	0.038	0.047	0.054	0.066	0.087	0.120
\$900,000	0.028	0.034	0.042	0.049	0.060	0.079	0.111
\$1,000,000	0.025	0.031	0.039	0.045	0.055	0.073	0.103
\$2,000,000	0.014	0.017	0.023	0.026	0.031	0.042	0.065
\$3,000,000	0.011	0.013	0.017	0.019	0.024	0.032	0.051
\$4,000,000	0.009	0.011	0.015	0.016	0.019	0.027	0.044
\$5,000,000	0.008	0.009	0.013	0.014	0.017	0.023	0.038
\$6,000,000	0.007	0.008	0.011	0.012	0.015	0.020	0.034
\$7,000,000	0.006	0.007	0.010	0.011	0.013	0.018	0.031
\$8,000,000	0.006	0.007	0.009	0.010	0.012	0.017	0.029
\$9,000,000	0.006	0.007	0.009	0.010	0.012	0.016	0.027
\$10,000,000	0.005	0.006	0.008	0.009	0.011	0.015	0.026

† This loss limit is not applicable for retrospective rating in this state

Effective October 1, 2011

The values shown below for Hazard Groups 1 through 4 are for the reference of those carriers that have filed for the use of these hazard groups in accordance with item B-1403

**Excess Loss and
Allocated Expense Factors**
(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$10,000 †	0.449	0.484	0.503	0.522	0.540	0.567	0.585
\$15,000 †	0.411	0.450	0.471	0.492	0.513	0.544	0.565
\$20,000 †	0.381	0.422	0.444	0.467	0.490	0.524	0.548
\$25,000	0.357	0.399	0.421	0.445	0.470	0.506	0.533
\$30,000	0.336	0.378	0.401	0.426	0.452	0.490	0.519
\$35,000	0.318	0.360	0.384	0.409	0.436	0.475	0.506
\$40,000	0.302	0.345	0.368	0.393	0.421	0.462	0.494
\$50,000	0.275	0.317	0.341	0.366	0.395	0.437	0.472
\$75,000	0.227	0.266	0.290	0.315	0.345	0.389	0.428
\$100,000	0.194	0.231	0.254	0.278	0.308	0.352	0.394
\$125,000	0.170	0.204	0.227	0.250	0.279	0.322	0.366
\$150,000	0.151	0.184	0.205	0.228	0.257	0.299	0.343
\$175,000	0.135	0.166	0.187	0.209	0.237	0.279	0.323
\$200,000	0.122	0.151	0.172	0.193	0.220	0.261	0.306
\$225,000	0.112	0.139	0.158	0.179	0.206	0.246	0.291
\$250,000	0.103	0.129	0.148	0.167	0.193	0.233	0.278
\$275,000	0.095	0.119	0.138	0.156	0.182	0.221	0.266
\$300,000	0.088	0.111	0.129	0.147	0.172	0.210	0.255
\$325,000	0.082	0.104	0.121	0.138	0.162	0.200	0.244
\$350,000	0.077	0.097	0.114	0.130	0.154	0.191	0.235
\$375,000	0.073	0.092	0.108	0.124	0.146	0.182	0.226
\$400,000	0.068	0.087	0.102	0.117	0.140	0.175	0.218
\$425,000	0.065	0.082	0.097	0.112	0.133	0.167	0.211
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\$475,000	0.058	0.074	0.089	0.102	0.122	0.155	0.197
\$500,000	0.056	0.071	0.085	0.098	0.117	0.149	0.191
\$600,000	0.047	0.059	0.072	0.083	0.101	0.130	0.170
\$700,000	0.041	0.051	0.063	0.073	0.089	0.115	0.154
\$800,000	0.037	0.046	0.057	0.065	0.080	0.104	0.141
\$900,000	0.033	0.041	0.051	0.059	0.072	0.095	0.131
\$1,000,000	0.030	0.037	0.047	0.054	0.066	0.087	0.122
\$2,000,000	0.017	0.021	0.027	0.030	0.037	0.050	0.076
\$3,000,000	0.013	0.015	0.020	0.023	0.028	0.038	0.059
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\$7,000,000	0.007	0.009	0.012	0.013	0.016	0.022	0.036
\$8,000,000	0.007	0.008	0.011	0.012	0.015	0.020	0.034
\$9,000,000	0.007	0.008	0.010	0.011	0.014	0.019	0.032
\$10,000,000	0.006	0.007	0.010	0.011	0.013	0.017	0.030

† This loss limit is not applicable for retrospective rating in this state

7.

Retrospective Development Factors

With Loss Limit			Without Loss Limit			4th & Subsequent Adjustment
1st Adj.	2nd Adj.	3rd Adj.	1st Adj.	2nd Adj.	3rd Adj.	
0.06	0.05	0.05	0.16	0.14	0.12	0.00