



Wisconsin Compensation Rating Bureau

262-796-4540 ▲ Fax 262-796-4400 ▲ www.wcrb.org

P.O. Box 3080 ▲ Milwaukee, WI 53201-3080

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

CIRCULAR LETTER 3085—FEBRUARY 17, 2012

TO: Members of the Bureau

FROM: Donna Knepper

RE: NCCI Proposal Item B-1425—Revisions to Employers Liability and Admiralty or FELA Coverage Increased Limits Percentages and Factors

The Office of the Commissioner of Insurance approved a decrease in the increased limits percentages and factors for employers liability for both standard and Admiralty or FELA coverage. This filing amends WI Basic Manual Pages R-39, R-40, R-62, and R-63. The WI Basic Manual language is also amended to clarify that FELA coverage is not available in the Wisconsin Worker's Compensation Insurance Pool.

Attached are copies of the revised pages. This filing is effective January 1, 2013, applicable to new and renewal business only.

RULE VIII - LIMITS OF LIABILITY

Item 3.B. of the Information Page

A. STANDARD LIMITS OF LIABILITY

1. Standard limits of liability apply to Employers Liability Insurance:
 - a. With Worker's Compensation Insurance
 - b. For employees subject to Voluntary Compensation Insurance
 - c. For operations subject to USL&HW Act
 - d. For damages under admiralty law or FELA

NOTE: All references to FELA in this rule or other rules in this manual do not apply to assigned risk policies because FELA is not available coverage in the residual market.

2. **Bodily Injury by Accident**
Bodily Injury by Accident (each accident limit) applies to all bodily injury resulting from a single accident.
3. **Bodily Injury by Disease**
Bodily Injury by Disease is represented by two limits:
 - a. **Each Employee Limit**
Each Employee Limit is the maximum amount of damages that an insurer will pay for a single employee during the policy year. It applies as a separate limit to bodily injury by disease to any one employee.
 - b. **Policy Limit**
Policy Limit is an aggregate limit that applies to all bodily injury occurring from disease during the term of the policy, regardless of the number of employees who are injured by disease. An aggregate limit is the maximum amount of damages that an insurer will pay during the policy year.

Table for Standard Limits		
	Employers Liability, Voluntary Compensation, USL&HW Act and Extensions	Admiralty Law and FELA
Bodily Injury by Accident	\$100,000 – each accident	\$100,000
Bodily Injury by Disease	\$100,000 – each employee	Not applicable
Bodily Injury by Disease	\$500,000 – policy limit	\$100,000

B. INCREASED LIMITS OF

1. Increased Limits of Liability are available under Part Two – Employers Liability. Accordingly, the standard limits may be increased.
2. Any additional premium for increased limits must be calculated before the application of:
 - a. Expense constants
 - b. Experience rating modification
 - c. Premium discount
 - d. Retrospective rating adjustment

3. Employers Liability (E/L) Increased Limits Factor is a factor that is applied to the manual premium if the employer chooses to increase its standard limits under Part Two—Employers Liability.

If the limits of liability under Part Two are increased:

- a. The limits of liability shall be the same for all states specified in Item 3A of the Information Page of the policy.
- b. The additional premium for increased limits shall be determined by multiplying the total premium by the percentage in the Table for Increased Limits.
- c. The additional premium shall not be less than the minimum premium shown in the Table for Increased Limits.

TABLE FOR INCREASED LIMITS

Limits of Liability (000 Omitted)	Percentage	Minimum Premium for Increased Limits
\$500/500/500	0.8%	\$ 75.00
1,000/1,000/1,000	1.1%	120.00
2,000/2,000/2,000	1.4%	140.00
3,000/3,000/3,000	1.6%	160.00
4,000/4,000/4,000	1.8%	180.00
5,000/5,000/5,000	2.0%	200.00
6,000/6,000/6,000	2.2%	210.00
7,000/7,000/7,000	2.4%	220.00
8,000/8,000/8,000	2.6%	230.00
9,000/9,000/9,000	2.8%	240.00
10,000/10,000/10,000	3.0%	250.00

4. The minimum premium applicable to increased limits is in addition to the regular policy minimum premium and subject to the premium developed under this policy. The full annual minimum premium applies even though coverage for increased limits may have been added during the policy term. If no classification develops premium, or the final premium is below the minimum policy premium the charge for increased limits still applies.

**TABLE 1
WORKER'S COMPENSATION AND EMPLOYERS LIABILITY
INCREASED LIMITS PERCENTAGES
Bodily Injury by Disease: Policy Limit (\$000 Omitted)**

Loss Limit	Minimum Premium	500	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	9,000	10,000
100	-	0.0%	0.1%	0.2%	0.3%	0.4%	0.5%	0.6%	0.7%	0.8%	0.9%	1.0%
200	\$ 75	0.2%	0.3%	0.4%	0.5%	0.6%	0.7%	0.8%	0.9%	1.0%	1.1%	1.2%
300	\$ 75	0.4%	0.5%	0.6%	0.7%	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%	1.4%
400	\$ 75	0.6%	0.7%	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%	1.4%	1.5%	1.6%
500	\$ 75	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%	1.4%	1.5%	1.6%	1.7%	1.8%
1,000	\$120		1.1%	1.2%	1.3%	1.4%	1.5%	1.6%	1.7%	1.8%	1.9%	2.0%
2,000	\$140			1.4%	1.5%	1.6%	1.7%	1.8%	1.9%	2.0%	2.1%	2.2%
3,000	\$160				1.6%	1.7%	1.8%	1.9%	2.0%	2.1%	2.2%	2.3%
4,000	\$180					1.8%	1.9%	2.0%	2.1%	2.2%	2.3%	2.4%
5,000	\$200						2.0%	2.1%	2.2%	2.3%	2.4%	2.5%
6,000	\$210							2.2%	2.3%	2.4%	2.5%	2.6%
7,000	\$220								2.4%	2.5%	2.6%	2.7%
8,000	\$230									2.6%	2.7%	2.8%
9,000	\$240										2.8%	2.9%
10,000	\$250											3.0%

The same minimum premium applies for all the Bodily Injury by Disease policy limits within the same row. For increased limits not displayed in the table, apply the minimum premium shown for the next highest limit published in the table.

Includes material of the National Council on Compensation Insurance, Inc. © 2000 used with its permission.
basicManual-2-2-05.doc

TABLE 2 EMPLOYERS LIABILITY INSURANCE FOR ADMIRALTY OR FELA TABLE FOR INCREASED LIMITS				
Limit Per Accident	Factor		Minimum Premium	
	Program I	Program II	Program I	Program II
100,000	1.00	1.00	0	0
200,000	1.31	1.26	75	100
300,000	1.47	1.41	75	100
400,000	1.56	1.50	75	100
500,000	1.60	1.54	75	100
1,000,000	1.77	1.70	120	150
2,000,000	1.96	1.88	140	175
3,000,000	2.05	1.97	160	200
4,000,000	2.10	2.02	180	225
5,000,000	2.13	2.04	200	250
6,000,000	2.15	2.06	210	260
7,000,000	2.17	2.08	220	270
8,000,000	2.18	2.09	230	280
9,000,000	2.19	2.10	240	290
10,000,000	2.20	2.11	250	300

3. Minimum Premium

The separate minimum premium shown in the Table for Increased Limits applies to a policy that includes classifications for operations subject to admiralty law or the FELA. Such minimum premium is the lowest premium for insuring admiralty or FELA operations and it shall apply in addition to the minimum premium or premium for other operations on such a policy. It is not subject to an experience rating modification

Includes material of the National Council on Compensation Insurance, Inc. © 2000 used with its permission.
basicManual-2-2-05.doc