



Wisconsin Compensation Rating Bureau

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CIRCULAR LETTER 3095—SEPTEMBER 13, 2012

PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE

TO: Members of the Bureau

FROM: Donna Knepper

RE: Proceedings of the Wisconsin Rating Committee
October 1, 2012 Rate Revision

The Office of the Commissioner of Insurance has acknowledged receipt of 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 10-1-12 rate revision.

Attached are the State Special Rating Values pages.

- | <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>1.65</td> <td>1.24</td> <td>1.11</td> <td>1.00</td> <td>0.86</td> <td>0.71</td> <td>0.55</td> </tr> </tbody> </table> | A | B | C | D | E | F | G | 1.65 | 1.24 | 1.11 | 1.00 | 0.86 | 0.71 | 0.55 | <p>2. Tax Multipliers</p> <p>a. State (Non-F Classes) 1.036</p> <p>b. Federal Classes, or non-F Classes where rate is increased by the USLA&HW Act Percentage 1.074</p> |
|---|-----------------|---|-----------------|---|-------|-----------------|-----------------|------|------|------|------|------|------|------|--|
| A | B | C | D | E | F | G | | | | | | | | | |
| 1.65 | 1.24 | 1.11 | 1.00 | 0.86 | 0.71 | 0.55 | | | | | | | | | |
| <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 | | | | | | | | |
| 4. <u>Expense Ratio</u> | Type A: 2010-01 | Type A: 2010-01 | | | | | | | | | | | | | |
| | Type B: 2010-01 | Type B: 2010-01 | | | | | | | | | | | | | |
| <p>5. Table of Expected Loss Ranges</p> <p>Effective October 1, 2008 prior to 1/1/2013</p> <p>Effective January 1, 2013 after 1/1/2013</p> | | | | | | | | | | | | | | | |
| <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 †	0.407	0.441	0.458	0.476	0.493	0.519	0.535
\$15,000 †	0.371	0.408	0.427	0.447	0.467	0.496	0.516
\$20,000 †	0.343	0.381	0.401	0.423	0.444	0.476	0.499
\$25,000	0.319	0.359	0.379	0.402	0.425	0.459	0.484
\$30,000	0.300	0.339	0.360	0.383	0.408	0.443	0.471
\$35,000	0.283	0.322	0.343	0.367	0.392	0.429	0.458
\$40,000	0.268	0.307	0.328	0.352	0.378	0.415	0.446
\$50,000	0.243	0.282	0.303	0.326	0.353	0.392	0.425
\$75,000	0.198	0.234	0.255	0.278	0.305	0.345	0.382
\$100,000	0.168	0.202	0.221	0.243	0.270	0.310	0.349
\$125,000	0.145	0.177	0.196	0.217	0.243	0.282	0.322
\$150,000	0.128	0.158	0.176	0.197	0.222	0.260	0.300
\$175,000	0.114	0.142	0.160	0.179	0.204	0.242	0.281
\$200,000	0.103	0.128	0.145	0.164	0.189	0.225	0.265
\$225,000	0.093	0.117	0.133	0.151	0.175	0.211	0.251
\$250,000	0.086	0.108	0.124	0.141	0.164	0.199	0.239
\$275,000	0.079	0.100	0.115	0.131	0.153	0.188	0.227
\$300,000	0.073	0.092	0.107	0.122	0.144	0.177	0.217
\$325,000	0.067	0.086	0.100	0.115	0.136	0.168	0.207
\$350,000	0.063	0.081	0.094	0.108	0.128	0.160	0.198
\$375,000	0.059	0.076	0.088	0.102	0.121	0.152	0.190
\$400,000	0.055	0.071	0.084	0.096	0.115	0.145	0.183
\$425,000	0.052	0.067	0.079	0.091	0.110	0.139	0.176
\$450,000	0.049	0.063	0.075	0.087	0.104	0.133	0.169
\$475,000	0.047	0.060	0.071	0.083	0.100	0.127	0.163
\$500,000	0.044	0.057	0.068	0.079	0.095	0.122	0.158
\$600,000	0.037	0.048	0.057	0.067	0.081	0.105	0.139
\$700,000	0.032	0.041	0.049	0.058	0.070	0.092	0.124
\$800,000	0.029	0.036	0.044	0.051	0.063	0.083	0.113
\$900,000	0.026	0.032	0.040	0.046	0.056	0.075	0.103
\$1,000,000	0.023	0.029	0.036	0.042	0.051	0.068	0.095
\$2,000,000	0.013	0.015	0.020	0.022	0.027	0.037	0.056
\$3,000,000	0.009	0.011	0.015	0.016	0.020	0.027	0.043
\$4,000,000	0.008	0.009	0.012	0.013	0.016	0.022	0.036
\$5,000,000	0.007	0.008	0.011	0.012	0.014	0.019	0.031
\$6,000,000	0.006	0.007	0.009	0.010	0.012	0.016	0.028
\$7,000,000	0.005	0.006	0.008	0.009	0.011	0.015	0.025
\$8,000,000	0.005	0.006	0.008	0.008	0.010	0.014	0.023
\$9,000,000	0.005	0.005	0.007	0.008	0.009	0.013	0.022
\$10,000,000	0.005	0.005	0.007	0.008	0.009	0.012	0.020

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

**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 †	0.453	0.488	0.505	0.524	0.541	0.567	0.584
\$15,000 †	0.415	0.454	0.474	0.494	0.515	0.544	0.565
\$20,000 †	0.386	0.427	0.447	0.470	0.492	0.525	0.548
\$25,000	0.361	0.403	0.425	0.448	0.473	0.507	0.533
\$30,000	0.341	0.383	0.405	0.429	0.455	0.491	0.519
\$35,000	0.323	0.365	0.387	0.412	0.439	0.477	0.507
\$40,000	0.307	0.349	0.372	0.397	0.424	0.463	0.495
\$50,000	0.280	0.322	0.345	0.370	0.398	0.438	0.473
\$75,000	0.231	0.271	0.293	0.318	0.347	0.390	0.428
\$100,000	0.197	0.235	0.256	0.280	0.310	0.352	0.393
\$125,000	0.172	0.207	0.228	0.252	0.280	0.322	0.364
\$150,000	0.153	0.186	0.207	0.229	0.257	0.299	0.341
\$175,000	0.137	0.168	0.188	0.210	0.237	0.278	0.321
\$200,000	0.124	0.153	0.172	0.193	0.220	0.260	0.303
\$225,000	0.113	0.140	0.159	0.179	0.205	0.245	0.287
\$250,000	0.104	0.130	0.148	0.167	0.193	0.231	0.274
\$275,000	0.096	0.120	0.137	0.156	0.181	0.219	0.262
\$300,000	0.089	0.112	0.128	0.146	0.171	0.208	0.250
\$325,000	0.082	0.104	0.120	0.137	0.161	0.197	0.240
\$350,000	0.077	0.098	0.113	0.130	0.153	0.188	0.230
\$375,000	0.072	0.092	0.107	0.122	0.145	0.179	0.221
\$400,000	0.068	0.087	0.101	0.116	0.138	0.171	0.213
\$425,000	0.064	0.082	0.096	0.110	0.131	0.164	0.205
\$450,000	0.060	0.077	0.091	0.105	0.125	0.157	0.198
\$475,000	0.057	0.074	0.087	0.100	0.120	0.151	0.191
\$500,000	0.054	0.070	0.083	0.096	0.115	0.145	0.185
\$600,000	0.045	0.058	0.070	0.081	0.098	0.126	0.163
\$700,000	0.039	0.050	0.060	0.070	0.085	0.111	0.146
\$800,000	0.035	0.044	0.054	0.062	0.076	0.099	0.133
\$900,000	0.031	0.039	0.048	0.055	0.068	0.089	0.122
\$1,000,000	0.028	0.035	0.043	0.050	0.062	0.081	0.113
\$2,000,000	0.015	0.018	0.024	0.027	0.033	0.044	0.066
\$3,000,000	0.011	0.013	0.017	0.019	0.024	0.032	0.050
\$4,000,000	0.009	0.011	0.014	0.016	0.019	0.026	0.042
\$5,000,000	0.008	0.009	0.012	0.014	0.016	0.022	0.036
\$6,000,000	0.007	0.008	0.010	0.012	0.014	0.019	0.032
\$7,000,000	0.006	0.007	0.010	0.011	0.013	0.017	0.029
\$8,000,000	0.006	0.007	0.009	0.010	0.012	0.016	0.027
\$9,000,000	0.006	0.006	0.008	0.009	0.011	0.015	0.025
\$10,000,000	0.005	0.006	0.008	0.009	0.010	0.014	0.024

† 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