



Wisconsin Compensation Rating Bureau

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CIRCULAR LETTER 1173—SEPTEMBER 18, 2014

WISCONSIN GOVERNING BOARD MEETING

Minutes of the Wisconsin Governing Board held in the premises of Sentry Insurance A Mutual Company, 1800 North Point Drive, Stevens Point, WI 54481 on Thursday, September 4, 2014. The meeting was called to order at 8:30 AM.

A list of attendees at the September 2014 Rating Committee, WWCIP and Governing Board meetings follows. The Chair of the Rating and acting Chair of the WWCIP Committees was George Busche from General Casualty Company. The Chair of the Governing Board was Nick Saeger from Sentry Insurance A Mutual Company.

ORGANIZATION	REPRESENTATIVE	GOVERNING BOARD	RATING COMMITTEE	WWCIP
American Home Assurance	Ira Feuerlicht	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.	Mark Neubauer		X	X
General Casualty Company	George Busche	X	X	X
Liberty Mutual Insurance Co	Val Hankes		O	X
Middlesex Insurance Co	Bev Beigel	O	O	X
	Gail Brown	O	O	X
Secura Insurance Company	Steve Miller	X	O	O
Sentry Insurance A Mutual Co.	Nick Saeger	X	X	O
	Ron Clementi	X	X	O
	Donna Timm	X	X	O
	Lisa Cory	X	X	O
Society Insurance Co.	Rick Levin	X	X	X
	Dom Weber		X	X
Travelers Indemnity Co.	Jessica Mayer	X	X	X
Tri State of MN	Tammy Rosati	O	O	X
United Wisconsin Insurance Co.	Tom Vanderbusch	X	X	O
West Bend Mutual Insurance Co.	Steve Mueller		O	X
Wisconsin Manufacturers & Commerce	Chris Reader	X	X	O
Wisconsin Compensation Rating Bureau	Bernie Rosauer	O	O	O
	Tad Cleveland	O	O	O
	Nancy Kierzek	O	O	O
	Michael Mann	O	O	O
	Beth Nickel	O	O	O
	Donna Knepper	O	O	O
	Kay Higgins	O	O	O

X = Committee member
O = Present (non-committee member)

Also Present:

ORGANIZATION	REPRESENTATIVE	GOVERNING BOARD	RATING COMMITTEE	WWCIP
Office of the Commissioner of Insurance (OCI)	Ellen Vigil	O		
	Jaclyn de Medicci (via teleconference)		O	O
Riegel Law	Paul Riegel	O	O	O
SFM	Brian Bent	O	O	O

X = Committee member
 O= Present (non-committee member)

The Chairperson read the following opening statement before convening the meeting:

“This Board 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.”

- Approved Minutes for the June 19, 2014 meeting
- Bureau Operations—Industry Issues
 - Budget Update
 - 2014 Estimated Year-End/2015 Preliminary Budget
 - 2014 Approved IT Budget/2014 IT Estimated Year-End Summary
 - Income Report that included years 2012 through 7-31-14
 - Notice to Carrier Fine Comparison
 - Unit Stat Fine Comparison
 - Hard Copy Fee Comparison
 - Information Technology 2015 Proposed Budget
 - 2014 Budget History

The Board voted to levy an assessment in the amount of \$1,851,392 for the general operating expenses for the WCRB for the fourth quarter of 2014.

- Administrative affairs, occupancy, general expenses, personnel, etc.
 - WCRB is in the process of hiring a new employee for the IT department.

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- WCRB will draft proposed amendments to the WCRB Bylaws to outline data management and data privacy.
- The Board discussed additional items in Executive Session.
- WWCIP Analysis—Rate level adequacy in comparison to voluntary market – This item continues to be on the agenda for the Actuarial Subcommittee. The Subcommittee's next meeting will be in November.
- Wisconsin Compensation Rating Bureau Audited Financial Statements Years Ended December 31, 2012 and 2013 - The Board accepted the statements for filing with the OCI for information only.
- OCI Market Conduct Exam –The WCRB response to the exam, along with the draft proposals to both the WI Basic Manual and the WWCIP Handbook will be sent to the OCI. This item is removed from the agenda.
- Wisconsin Occupational Health Program Data Request – The WCRB has denied the request for data sharing due to statutory restrictions on redistribution of filed data. This item is removed from the agenda.

The following Committees will report to the Board:

RATING COMMITTEE

UNFINISHED BUSINESS

- Excess Insurance Policies – Two Excess insurance policies have been filed and approved by the OCI and are available on the WCRB web site. WCRB will continue to review carrier excess policy filings and will file acceptable filings with the OCI for approval. This item is removed from the agenda.
- Supplemental Benefit Reimbursement Program – This issue was included in the Agreed Bill that did not pass the legislature. This item is continued pending further action from the Department of Workforce Development.
- Milwaukee Wave, LLC—Hearing – WCRB is waiting for the formal decision on the appeal of the decision of the Rating Committee at the December 5, 2013 hearing. This item is continued on the agenda.
- Code 7709 – Fire Department – Volunteer –WCRB is in the process of addressing additional questions raised by the OCI regarding premium determination. The Rating Committee and the Actuarial Subcommittee will continue to monitor the underwriting results.

NEW BUSINESS

- Proposed Revisions to WI Basic Manual. – The Board accepted the recommendation of the Rating Committee to file the proposed changes to the WI Basic Manual. The proposed changes are the result of the OCI Market Conduct Exam and are editorial in nature.

By unanimous consent of all members present, the following item was added to the agenda:

- Wisconsin Exceptions. The Committee requested that the WCRB identify the current WI exceptions to the NCCI classifications.

Pending Filings/Actions

- NCCI Proposal Item U-1399A – Revisions to Statistical Plan for Workers Compensation and Employers Liability Insurance – Amended Pension Table Value Tables – With all business complete, this item is removed from the agenda.

ACTUARIAL SUBCOMMITTEE

October 1, 2014 Rate Revision – WCRB is exploring ways to expedite the annual rate filing and approval process. WCRB will develop new filing procedures for the 2015 rate revision. This item is removed from the agenda.

WWCIP COMMITTEE

- Revised WWCIP Handbook – The Committee was furnished with a draft of the proposed revised Handbook at the September meeting. Two of the members have changes to propose. WCRB will set up a teleconference with the Committee and the Pool Technical group to discuss the changes.
- Reinsurance –WCRB has contacted a vendor to provide a quote for reinsurance for the Pool. WCRB is targeting receiving a quote by the December meeting.
- Wisconsin Worker's Compensation Insurance Pool Audited Financial Statements Years Ended December 31, 2012 and 2013 - The Committee and Governing Board accepted the statements for filing with the OCI for information only.
- WWCIP Commissions – WCRB has received a request from the PIA to review the current commission schedule for WWCIP. WCRB will prepare a report on other states' commission levels for the December meeting.

REPORTS

WWCIP Activity