



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 1175—DECEMBER 22, 2014

WISCONSIN GOVERNING BOARD MEETING

Minutes of the Wisconsin Governing Board held in the premises of Wisconsin Compensation Rating Bureau, 20700 Swenson Drive, Waukesha, WI 53186 on Thursday, December 4, 2014. The meeting was called to order immediately upon adjournment of the WWCIP Committee meeting.

A list of attendees at the December 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.	Mike Lester		X	X
General Casualty Company	George Busche	X	X	X
Middlesex Insurance Co	Bev Beigel	O	O	X
Secura Insurance Company	Steve Miller	X	O	O
Sentry Insurance A Mutual Co.	Nick Saeger	X	X	O
Society Insurance Co.	Rick Levin	X	X	X
	Mike Rosenau	X	X	X
	Mike Wood	X	X	X
Travelers Indemnity Co.	Jessica Mayer	X	X	X
Tri State of MN	Scott Dahlager	O	O	X
United Wisconsin Insurance Co.	Scott Beaver	X	X	O
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)

CIRCULAR LETTER 1175—DECEMBER 22, 2014—PAGE 2

Members Absent or Excused:

Liberty Mutual Insurance Company
West Bend Mutual Insurance Company

Also Present:

ORGANIZATION	REPRESENTATIVE	GOVERNING BOARD	RATING COMMITTEE	WWCIP
Office of the Commissioner of Insurance (OCI)	Jaclyn de Medicci	○	○	○
	Ellen Vigil	○	○	○
Riegel Law	Paul Riegel	○	○	○

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 September 4, 2014 meeting
- Bureau Operations—Industry Issues
 - Budget Update – The Board members were presented with the following budget reports and were given the opportunity to ask questions on any of the reports.
 - 2014 Estimated Year-End/2015 Proposed Budget
 - 2014 Approved IT Budget/2014 IT Estimated Year-End Summary
 - Income Report that included years 2012 through 2014 estimated year end
 - Notice to Carrier Fine Comparison
 - Unit Stat Fine Comparison
 - Hard Copy Fee Comparison
 - Information Technology 2015 Proposed Budget
 - 2015 Budget History

The Board accepted the WCRB 2015 Annual Proposed Budget of \$7,750,765.

The Board voted to levy an assessment in the amount of \$1,937,691 for the general

CIRCULAR LETTER 1175—DECEMBER 22, 2014—PAGE 3

operating expenses for the WCRB for the first quarter of 2015.

- Administrative affairs, occupancy, general expenses, personnel, etc.
 - WCRB has hired a new employee for the IT department.
 - WCRB management has an initiative to focus on 2020 staffing needs. WCRB staff may be increased to train replacements for positions that will need to be filled due to future retirements.
 - The Board approved a ten-year lease extension through December 31, 2026, on the current office space.
 - The Board discussed additional items in Executive Session.
- WWCIP Analysis—Rate level adequacy in comparison to voluntary market – The history of Pool Fund disbursements do not support any changes at this time. This item is removed from the agenda.
- WCRB Web Enhancement – Coverage Lookup – The Board was advised that the Coverage Lookup product on the WCRB Web site was changed to require that the user affirm acceptance of the disclaimer that the coverage information provided is not a guarantee that a specific employer had bound coverage. Only a certified copy of the policy could provide the guarantee of coverage. This item is removed from the agenda.

By the unanimous consent of all members present, the following items were added to the agenda.

- Hard Copy Fee Procedure – In 2007, WCRB began charging carriers a fee to submit policy data hard-copy and in 2010 discontinued accepting hard-copy. The exception to this was when the hard-copy submission was attached to a response to an NTC. The Governing Board concurred with the WCRB recommendation to discontinue waiving the hard-copy fee when responding to an NTC. WCRB will issue a separate Circular Letter explaining the change in procedure and will provide carriers ample time to make programming changes that may be required.
- WCRB Data Requests – WCRB has received additional requests for enhanced data reports. WCRB staff will look at data search products available from the NCCI and other Independent Bureaus. WCRB will propose web site enhancements to the current data search products at the March meeting.

The following Committees will report to the Board:

RATING COMMITTEE

UNFINISHED BUSINESS

- Supplemental Benefit Reimbursement Program – This issue was included in the Agreed Bill that did not pass the legislature. This item is continued pending

CIRCULAR LETTER 1175—DECEMBER 22, 2014—PAGE 4

further action from the Department of Workforce Development.

- Milwaukee Wave, LLC—Hearing – WCRB continues to wait 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 – OCI has submitted additional questions and requests for information regarding premium determination for volunteer firefighters on a national basis.
- Wisconsin Exceptions. WCRB identified current WI exceptions to the NCCI classifications. The Committee requested that additional information be provided such as premium volume and NCCI code assignment.

Pending Filings/Actions

- Proposed Revisions to WI Basic Manual - This item was approved by the Office of the Commissioner of Insurance. This item was approved October 23, 2014. With all business complete, this item is removed from the agenda.

ACTUARIAL SUBCOMMITTEE

November 20, 2014 Meeting Update – The Actuarial Subcommittee met on November 20 and discussed the following items:

- Volunteer Fire Fighters – Class 7709
- Wisconsin Workers' Compensation Insurance Pool
- Change Split-Point
- Timing of Rate Filings
- Rate Making Methodology - Profit and Contingency

No formal recommendations were made. The next Actuarial Subcommittee meeting will be held sometime in February at the OCI.

WWCIP COMMITTEE

- Revised WWCIP Handbook – The final draft of the revised Handbook was discussed. After a couple of additional changes, the revisions to the Handbook were accepted for filing with the OCI.
- Reinsurance –WCRB provided the reinsurance quote to the Governing Board for review and discussion at the March 2015 meeting.
- WWCIP Commissions –WCRB provided a report on other states' commission levels. The PIA will be invited to the March meeting if they wish to discuss the current commission schedule.

- Out-of-State Application Processing – WWCIP is asking additional questions when an application is received from an employer with out of state exposure. If coverage is available in the voluntary market, coverage is not available in the Pool and coverage will be denied.

REPORTS

WWCIP Activity