



Wisconsin Compensation Rating Bureau

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GENERAL CIRCULAR LETTER 623—DECEMBER 23, 2014

TO: Members of the Bureau

RE: Wisconsin Worker's Compensation Insurance Pool Fund

Enclosed is an eleven-year summary for the Wisconsin Worker's Compensation Insurance Pool Fund on a calendar/accident year basis. This exhibit reflects an actuarial evaluation of Pool losses including IBNR. This review is intended to present a more complete picture of the Wisconsin Pool, so that member carriers can better understand their obligations.

The last report to member companies showed a deficit of \$3,728,552.

Year-end 2013 shows a surplus of \$10,558,443. The adjusted value of the fund of \$291,229,061 was 104% of the target fund value of \$280,670,617. If the adjusted value of net assets is greater than 90% and less than 110%, the Pool rules require that a disbursement be declared but not paid in an amount sufficient to bring the value of the net assets down to the aggregate estimated values of such claims, however, the Pool rules also require that an actual assessment or disbursement be made a minimum of every five years. Since 2013 is the fifth year since the last actual distribution, the net credit balance of \$3,861,808, (which takes into consideration the charges, credits and write-offs previously recorded), will therefore be distributed by the Pool.

Each member carrier will be receiving a Pool statement showing its share of the 2013 surplus, allocated to the prior 10 accident years, based on the carrier's market share of written premiums in each respective year.

As of December 31, 2013, the total assets of the Pool Fund were \$341,584,179 with liabilities of \$116,240, resulting in a Fund Balance of \$341,467,939.

Sincerely,
Bernard Rosauer
President

WISCONSIN WORKERS COMPENSATION POOL
CALCULATION OF ASSESSMENT BY ACCIDENT YEAR
AS OF 12/31/13

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Accident Year	5-Year Estimated Assessment @12/31/13	Estimated Assessment Calendar Year 2009	Estimated Assessment Calendar Year 2010	Estimated Assessment Calendar Year 2011	Estimated Assessment Calendar Year 2012	Estimated Assessment Calendar Year 2013
Prior	(26,674,024)	383,796	(3,943,223)	(4,727,196)	(4,453,401)	(13,934,001)
1999	(302,635)	(24,280)	(211,168)	(247,244)	(273,996)	454,052
2000	(1,168,387)	(351,361)	(395,326)	(17,783)	(197,475)	(206,442)
2001	(624,476)	(439,475)	1,748,294	(1,238,835)	(379,227)	(315,234)
2002	(1,822,439)	(10,334)	(405,882)	(391,871)	(480,890)	(533,461)
2003	(7,334,041)	(581,195)	(1,895,620)	(1,335,456)	(2,395,482)	(1,126,289)
2004	(3,528,454)	(277,260)	(1,088,870)	(249,868)	(506,496)	(1,405,960)
2005	(5,454,826)	(1,847,789)	(968,096)	(855,917)	(1,074,657)	(708,367)
2006	(5,110,146)	373,053	(549,569)	(2,484,218)	(1,418,081)	(1,031,331)
2007	(414,614)	2,686,735	(79,846)	(552,502)	(1,440,942)	(1,028,059)
2008	(749,320)	(691,924)	(435,961)	1,722,448	(935,748)	(408,136)
2009	1,331,190	2,547,260	(1,162,714)	(307,191)	(139,278)	393,113
2010	2,299,995	0	7,164,541	(1,304,222)	(2,362,927)	(1,197,396)
2011	17,381,999	0	0	15,414,153	4,673,591	(2,705,745)
2012	14,626,020	0	0	0	15,113,559	(487,540)
2013	<u>13,682,350</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,682,350</u>
Total	(3,861,808)	1,767,227	(2,223,441)	3,424,298	3,728,552	(10,558,443)

WISCONSIN WORKERS COMPENSATION INSURANCE POOL

UNDERWRITING RESULTS & COMPUTATION OF CALENDAR YEAR ASSESSMENTS

As of 12-31-13

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
1. Gross Invoiced Premium Written	98,277,038	72,902,198	58,075,413	49,026,408	53,457,773	65,821,732	75,686,750	100,225,119	92,822,355	99,690,298	91,292,416
2. Gross Invoiced Premium Earned*	88,889,053	63,585,371	53,871,474	50,446,321	56,338,653	70,533,603	80,854,408	102,837,270	99,333,505	98,007,256	77,204,401
3. Accid. Year Losses Incurred**	74,055,059	57,203,888	53,921,905	39,677,654	45,592,300	56,263,212	64,666,679	65,710,435	65,609,705	68,556,196	86,417,459
4. Accident Year Loss Ratio	83%	90%	100%	79%	81%	80%	80%	64%	66%	70%	112%
5. Cal. Year Losses Incurred = [(3) / (2)]	58,516,467	58,134,389	50,246,747	47,269,940	58,009,268	53,304,121	58,040,748	73,889,376	80,954,543	82,284,145	85,266,309
6. Servicing Carrier Expense	27,141,723	20,350,527	17,422,624	14,707,923	16,037,332	19,746,519	22,706,026	30,067,536	27,846,708	29,907,089	27,387,730
7. Agents' Commissions	2,193,475	1,790,658	1,588,766	1,374,367	1,486,998	1,702,828	1,993,652	2,239,362	2,379,590	2,450,582	2,343,044
8. Amounts Charged Off	165,709	869,336	645,287	378,888	149,418	634,267	363,751	205,443	391,997	513,815	546,472
9. Other Income and Expenses	(29,152)	(99,990)	(644)	(8,410)	(72,916)	(325,656)	(224)	2,801	(17,338)	(52,205)	(60,115)
10. Calendar Year Und. Results***	842,527	(17,659,529)	(16,032,594)	(13,293,206)	(19,417,279)	(5,179,789)	(2,249,993)	(3,561,647)	(12,256,671)	(17,200,580)	(38,399,269)
11. Net Investment Income	10,859,944	14,547,747	12,707,265	15,524,482	16,981,103	15,534,802	15,962,431	11,639,801	11,832,638	12,505,425	14,366,108
12. Change in Net Amort. on Inv.	(1,144,028)	(616,770)	(98,971)	(7,834)	668,948	(427,740)	(577,140)	1,116,947	351,264	(1,029,403)	(421,672)
13. Calendar Year Assess. (Refund)#											
Based on Calculation	(10,558,443)	3,728,552	3,424,300	(2,223,442)	1,767,228	(9,927,273)	(13,135,298)	(9,195,101)	72,769	5,724,558	24,454,833
Based on Examination Report	(10,558,444)	3,728,553	3,424,299	(2,223,442)	1,767,227	(9,927,274)	(13,135,298)	(9,195,101)	72,769	5,724,557	24,454,838
14. Cumulative Assess.(Refund)	(3,861,805)	6,696,638	2,968,086	(456,214)	1,767,228	(26,460,345)	(16,533,072)	(3,397,774)	5,797,327	5,724,558	(5,404,972)

* Invoiced Premium Earned is based on the Pool's Invoiced Premium and the Pool's Unearned Premium Reserves which differ from the Financial Call premium data.

** Accident Year Losses Incurred evaluated at 12/31/13 and include IBNR reserves.

*** Calendar Year Und. Results = (2 - 5 - 6 - 7 - 8 + 9)

Cal. Year Assessment = (10+11+12)*(-1)