



Wisconsin Compensation Rating Bureau

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**CIRCULAR LETTER 1186—SEPTEMBER 24, 2015**

**WISCONSIN GOVERNING BOARD MEETING**

Minutes of the Wisconsin Governing Board held in the premises of the Wisconsin Compensation Rating Bureau, 20700 Swenson Drive, Waukesha, WI 53186 on Wednesday, September 9, 2015. The meeting was called to order immediately following the WWCIP meeting.

A list of attendees at the September 9, 2015 Rating Committee, WWCIP and Governing Board meetings follows. The Chair of the Rating and acting Chair of the WWCIP Committees was Nick Saeger from Sentry Insurance A Mutual Company. The Chair of the Governing Board was Jessica Mayer from Travelers Indemnity Company.

<b>ORGANIZATION</b>	<b>REPRESENTATIVE</b>	<b>GOVERNING BOARD</b>	<b>RATING COMMITTEE</b>	<b>WWCIP</b>
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.	Dave Young	O	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.	Holly Lifke	X	X	X
Travelers Indemnity Co.	Jessica Mayer	X	X	X
Tri State of MN	Scott Dahlager		O	X
United Wisconsin Insurance Co.	Pat Williams	X	X	O
	Scott Beaver	X	X	O
West Bend Mutual Insurance Co.	Tom Vanderbusch	O	O	X
	Brian McEvoy	O	O	X
	Chad Peterson	O	O	X
Wisconsin Compensation Rating Bureau	Bernie Rosauer	O	O	O
	Tad Cleveland	O	O	O
	Nancy Kierzek	O	O	O
	Michael Mann	O	O	O
	Kay Higgins	O	O	O
	Donna Knepper	O	O	O

X = Committee member  
O= Non-committee member

Also Present:

<b>ORGANIZATION</b>	<b>REPRESENTATIVE</b>	<b>GOVERNING BOARD</b>	<b>RATING COMMITTEE</b>	<b>WWCIP</b>
Office of the Commissioner of Insurance (OCI)	Jaclyn de Medicci	O	O	O
Riegel Law	Paul Riegel	O	O	O
SFM Mutual Insurance Company	Brian Bent	O	O	
	Nick Marino		O	O
	Mike Happe	O	O	O
Zurich Insurance Company	Ken Blake		O	

Also Present Via Teleconference:

<b>ORGANIZATION</b>	<b>REPRESENTATIVE</b>	<b>GOVERNING BOARD</b>	<b>RATING COMMITTEE</b>	<b>WWCIP</b>
Office of the Commissioner of Insurance (OCI)	Ellen Vigil		O	O
	Andrew Stoughton		O	O

Member Absent or Excused:

Liberty Mutual Insurance Co	Val Hanks	O	O	X
Wisconsin Manufacturers & Commerce	Chris Reader	X	X	O

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 the Minutes for the June 18, 2015 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 the information presented.
    - 2015 Estimated Year-End/2016 Preliminary Budget
    - 2015 Approved IT Budget/2015 IT Estimated Year-End Summary
    - Income Report that included years 2013 through 7-31-15
    - Notice to Carrier Fine Comparison
    - Unit Stat Fine Comparison
    - Hard Copy Fee Comparison

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- Information Technology 2016 Proposed Budget

The Board voted to levy an assessment in the amount of \$1,937,692 for the general operating expenses for the WCRB for the fourth quarter of 2015.

- Administrative affairs, occupancy, general expenses, personnel, etc.
  - Eliminated hard-copy distribution of Bureau inspections and WCPAP Worksheets. Both are available through the WCRB Web site.
  - Enhanced the experience modification change notification to specify the change.
  - Participated in a Human Resource Survey with the other independent Bureaus. A succession plan will be presented to the Governing Board in December.
- Legislative Issues –
  - There has been no indication on an Agreed Bill for 2016.
  - Paul Riegel updated the Board on the transfer of the Administrative Law Judges.
- Charge-off Request – Quirinos Construction LLC- \$102,778 – Travelers Property Casualty Company of America was approved. Travelers Property Casualty Company of America abstained from voting.
- Transfer of Debt – Allen Kitchen & Bath Center, Inc. - \$75,474.74 – West Bend Mutual Insurance was approved. West Bend Mutual Insurance Company is not a voting member of the Governing Board.

The following Committees will report to the Board:

**RATING COMMITTEE**

- Code 7709—Fire Department—Volunteer – This item is continued with no action taken.
- Wisconsin Class Code Exceptions Review – The changes proposed in the first phase of the review have been approved by the OCI. The WCRB provided the subgroup formed to review the class code exceptions with additional information requested on codes for which no changes were recommended. The subgroup will discuss any additional changes needed to phase 1 before moving on to the next phase.
- Porchlight, Inc.—Hearing – In a closed session of the Rating Committee, Paul Riegel discussed the appeal of the March 3, 2015 Rating Committee Hearing decision.

After considerable discussion, the Rating Committee determined that Wisconsin should adopt a class code specifically for medical and social case workers. The Rating Committee recommended following the classification set up in the State

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of New York under Class Code 8857, Health Care Services – Medical and Social Case Workers – Traveling. The definition for this class code states as follows:

“Applies to an establishment providing health care services for individuals or families in their residences, nursing homes, hospital or schools. Applies when any portion of an employee’s time is spent in the field performing duties of a case worker, counselor, advocate for medical or social-related services or other similar functions whether performed by social service agencies or similar organizations. No medical, rehabilitation or other related services provided.”

The Governing Committee concurred with the Rating Committee’s recommendation to prepare and file this proposed change to Wisconsin’s classifications for use effective October 1, 2016.

- Sartori Company—Hearing – WCRB re-inspected the operations of Sartori Company. The inspection supported Sartori’s request to allow the assignment of class code 8018 – Store – Wholesale NOC to their converting operations.
- Modern Crane Service, Inc. – No further appeal of the Rating Committee’s denial of Modern Crane Service, Inc’s request to allow the late application of Wisconsin Contractor’s Premium Adjustment Program Credit. With all business complete, this item is removed from the agenda.

**NEW BUSINESS**

- NCCI Proposal Item B-1430 – Elimination of Anniversary Rating Date (ARD) – WCRB explained the impact of eliminating the ARD without additional changes to the Rating Effective Date (RED). The Board accepted the recommendation of the Rating Committee to file Item B-1430 with the Office of the Commissioner of Insurance.

**Pending Filings/Actions**

NCCI Item B-1429—Establishment of Audit Noncompliance Charge – Disapproved – An adhoc committee was created to prepare a response to the OCI’s concerns and reason for the disapproval.

**ACTUARIAL SUBCOMMITTEE**

October 1, 2015 Rate Revision Filing Update – The new rate filing procedure enabled the WCRB to release the October 1 rates earlier than in past years. WCRB and OCI have discussed the process and anticipate quicker review and approval for the 2016 rate filing.

**WWCIP COMMITTEE**

- Reinsurance – Guy Carpenter presented information on reinsurance for the Pool. The Committee requested additional exposure analysis from Guy Carpenter and requested WCRB to do some research on programs utilized in other states.
- WWCIP Commissions- WCRB provided the Committee with additional information on various commission levels. After discussion, the Committee voted to retain the current commission schedule. This item is removed from the agenda.
- Pool Handbook – The previously approved amendments to the Pool Handbook have been suspended pending additional changes.

**REPORTS**

WWCIP Activity