



Wisconsin Compensation Rating Bureau

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CIRCULAR LETTER 3129—AUGUST 20, 2015

TO: Members of the Bureau

FROM: Donna Knepper

RE: Proceedings of the WCRB Governing Board-Wisconsin Class Code Review

Pursuant to ch. 626, Wis. Stat., the Office of the Commissioner of Insurance has approved the following changes adopted by the Governing Board.

WCRB is reviewing current WI exceptions to the NCCI's classification manual. WCRB identified three types of exceptions which will be reviewed in three phases.

Phase 1 - WI only codes the NCCI does not utilize. The WI codes were mapped to the NCCI code that would be a likely reassignment.

Phase 2 - NCCI only codes WCRB does not utilize.

Phase 3 - Codes used by both WCRB and NCCI but WI has an exception to the application of the code or the phraseology.

Phase 1 review resulted in the adoption of the recommendation of the Rating Committee. The following changes were filed with and approved by the Office of the Commissioner of Insurance.

Nine class codes with low payroll credibility were reviewed. The 2014 WI rate was compared to the NCCI potential reassigned class and current rate. If the change in classification would have resulted in a lower rate for the employer, the recommendation to eliminate the WI exception will be made with an effective date of 10-1-16. If the change in classification will result in an increase in premium, a transition program will be proposed. The exception code will be retained and the rate will be increased up to the swing limit of 25% with each rate revision until the exception class rate matches with the reassigned classification code. Then the exception class will be eliminated.

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EXAMPLE: (Assumes no additional change in rate for 2101 or 2095)

Code 2101 Fish Curing will be reassigned to code 2095 Meat Product Mfg. The rate for code 2095 effective 10-1-14 is \$6.51.

Rate effective	Rate	2101 with swing applied
10-1-15	3.91	Transition not applied
10-1-16	3.91	4.89
10-1-17	4.89	6.11
10-1-18	6.11	6.51

In the above example, code 2101 would be eliminated effective 10-1-18 and the employers would be reassigned to code 2095.

The following codes will be eliminated, subject to the transition program described above, beginning with the 10-1-16 rate revision.

CURRENT CODE	REASSIGNED CODE
2101 Fish Curing	2095 Meat Products Mfg
3086 Foundry – Malleable Iron	3081 Foundry Ferrous-NOC
4417 Boot or Shore Mfg – Rubber	4410 Rubber Goods Mfg NOC

The following codes be eliminated and reassigned effective 10-1-16 and would not be subject to the transition program.

CURRENT CODE	REASSIGNED CODE
5000 Chimney Construction – Not Metal	5222 - Concrete Construction In Connection With Bridges Or Culverts
5211 Bridge Construction – All Operations & Drivers	Appropriate contracting code
5469 Cleaning or Renovating Building Exteriors & Drivers	5213 – Concrete Construction NOC

Class Code 3565 Typewriter Mfg is also eliminated effective 10-1-16 as no payroll has been reported under 3565 for several years.