

**Wisconsin Compensation Rating Bureau****CIRCULAR LETTER 1200—DECEMBER 23, 2016****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 8, 2016. The meeting was called to order immediately following the WWCIP meeting.

A list of attendees at the December 8 Rating Committee, WWCIP and Governing Board meetings follows. The Chair of the Rating and Acting Chair of the WWCIP Committees was Ira Feuerlicht from American Home Assurance. The Chair of the Governing Board was Holly Lifke from Society Insurance 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.	Dave Young	O	X	X
	Mike Lester	O	X	X
	Patty Wisniewski	O	X	X
General Casualty Company	George Busche	X	X	X
Secura Insurance Company	Steve Miller	X	O	O
Sentry Insurance A Mutual Co.	Mike Schimke	X	X	O
	Steve Bandy	X	X	O
Society Insurance Co.	Holly Lifke	X	X	X
Travelers Indemnity Co.(teleconference)	Kathy Muedder	X	X	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
	Pam Allison	O	O	X
	Brian McEvoy	O	O	O
	Jennifer Michalak	O	O	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
	Jaclyn de Medici	O	O	O
	Donna Knepper	O	O	O
	Kay Higgins	O	O	O

X = Committee member
O = Non-committee member

Also Present:

ORGANIZATION	REPRESENTATIVE	GOVERNING BOARD	RATING COMMITTEE	WWCIP
Arthur Gallagher	Kelly Drescher	O	O	O
Department of Workforce Development (DWD)	BJ Dernbach	O	O	O
Office of the Commissioner of Insurance (OCI)	Christina Keeley	O	O	O
	Andrew Stoughton	O	O	O
Riegel Law	Paul Riegel	O	O	O
The Hartford	Wendy Bernard	O	O	O
Wisconsin Insurance Alliance	James Buchen	O	O	O

Member Absent or Excused:

Middlesex Insurance Company

Also Present for Part of Meeting:

Robert W. Baird & Co.

Sentry Insurance A Mutual Co.
United Wisconsin Insurance Co.

Warren Pierson
Sharon deGuzman
Jim McDonald
Mike Sekoni

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 September 7, 2016 meeting.
- Bureau Operations – Industry Issues
 - Audit Committee Update – Mike Sekoni, Chair of the Audit Committee, updated the Board on the activities of the Audit Committee. Three items were presented:
 1. Recognize the Audit Committee as a formal Committee of the Governing Board.
 2. Presentation of an Audit Committee Charter. After discussion, the Board accepted the Charter as presented.
 3. Announced vacancy on the Audit Committee.
 - Budget Update - The Board members were presented with the following budget reports and were given the opportunity to ask questions on the information presented.

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- 2016 Estimated Year-End/2017 Preliminary Budget
- 2016 Approved IT Budget/2016 Estimated Year-End Summary
- 2017 Preliminary to Proposed Budget Changes
- Income Report that included years 2014 through 12-2-16
- Notice to Carrier Fine Comparison
- Unit Stat Fine Comparison
- Hard Copy Fee Comparison
- Information Technology 2017 Proposed Budget

The Board voted to levy an assessment in the amount of \$2,015,204 for the general operating expenses for the WCRB for the first quarter of 2017.

- Administrative affairs, occupancy, general expenses, personnel, etc. – The Board was updated on the following:
 - Personnel changes/Open position.
 - Robert W. Baird & Co. presented a report on the WWCIP investment strategy along with proposed changes. The investment changes were adopted by the Board.
 - Overview of NTC activity. WCRB continues to work with carriers generating above average numbers of NTCs.
 - Data Protection System – WCRB has been receiving a number of requests from member carriers requesting information on how WCRB secures data submitted by members. WCRB will create a document to provide as much information as possible without compromising the data base.
- 2017 Meeting Schedule – The Board finalized the 2017 meeting schedule as follows:
 - March 7 – 8:30 – WCRB
 - May 11 – 10:30 – WCRB (Annual)
 - June 13-15 – Lake Lawn
 - September 6 – 8:30 – WCRB
 - December 7 – 8:30 - WCRB

The following Committees will report to the Board:

RATING COMMITTEE

UNFINISHED BUSINESS

- Wisconsin Class Code Exceptions Review – The third and final phase of the WI Class Code review has been approved by the OCI and Circular Letter 3150 announcing the changes has been released.

This item is removed from the agenda.

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- NCCI Proposal Item B-1433 Revisions to Basic Manual Rules – Classification Assignment and Premium Basis and Payroll Allocation. – WCRB work group recommended several rule changes in NCCI's Item B-1433. Many of the changes are editorial in nature and have no significant impact, such as replacing “insured” with “employer”. The major changes are in Rule V. Basis of Premium.
- Audit Noncompliance Charge (ANC) – WCRB has been receiving several questions regarding the application of the ANC. WCRB will prepare an FAQ for the WCRB Web site.

Pending Filings/Actions

- NCCI Proposal Item B-1430 – Elimination of Anniversary Rating Date (ARD) – This item was approved by the Office of the Commissioner of Insurance effective 5-1-17.

This item is removed from the agenda.

ACTUARIAL SUBCOMMITTEE

The next meeting of the Actuarial Subcommittee is schedule for February 14, 2017 at the Office of the Commissioner of Insurance. The ratemaking methodology for the October 1, 2017 rate revision will be discussed.

WWCIP COMMITTEE

- WWCIP Activity Report