



Wisconsin Compensation Rating Bureau

CIRCULAR LETTER 1198—SEPTEMBER 19, 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 Wednesday, September 7, 2016. The meeting was called to order immediately following the WWCIP meeting.

A list of attendees at the September 7 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 D’Ana Williams from Society Insurance Company.

Table with 5 columns: ORGANIZATION, REPRESENTATIVE, GOVERNING BOARD, RATING COMMITTEE, WWCIP. Rows list various insurance and rating organizations and their representatives, with 'X' or 'O' indicating participation in each meeting type.

X = Committee member
O= Non-committee member

Also Present:

ORGANIZATION	REPRESENTATIVE	GOVERNING BOARD	RATING COMMITTEE	WWCIP
Arthur Gallagher	Sherry Rowin	O	O	O
Department of Workforce Development (DWD)	BJ Dernbach	O	O	O
Office of the Commissioner of Insurance (OCI)	Andrew Stoughton	O	O	O
Riegel Law	Paul Riegel	O	O	O
SFM Mutual Insurance Company	Brian Bent	O	O	O
	Nick Marino		O	O

Members Absent or Excused:

Liberty Mutual Insurance Company
Tri State of MN

Also Present for Part of Meeting:

LexisNexis Risk Solutions

Ernie Feirer
Russell Shuster
Luke Rollins

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 16, 2016 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.
 - 2016 Estimated Year-End/2017 Preliminary Budget
 - 2016 Approved IT Budget/2016 Estimated Year-End Summary
 - Income Report that included years 2014 through 07-31-16
 - 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 \$2,042,453 for the general operating expenses for the WCRB for the fourth quarter of 2016.

- Administrative affairs, occupancy, general expenses, personnel, etc. – The Board was updated on the following:
 - Personnel changes/Open position.
 - Proposed change in WWCIP investment strategy. Baird will be invited to the December meeting to present changes to the Board.
 - Internal staff training.
 - WCRB Rating Committee and Governing Board structure. Proposal to expand both by one stock and one non-stock member company.
- LexisNexis Risk Solutions appeared before the Governing Board and requested detailed policy data reported to WCRB by member carriers. Ch. 626.32, Wis. Stat., restricts the release of data submitted by member carriers. The request for data was denied.

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 is complete. The workgroup recommended the following changes for filing with the OCI effective 10-1-17 for new and renewal business:
 - Code 2710 – Sawmill & Drivers – Adopted national interpretation and eliminatd the inclusion of drivers.
 - Code 4150 – Optical Goods Mfg – NOC – Retain WI analogies but change the class code number to 4149 to track with national classifications.
 - Code 6235 includes rock blasting by specialist contractors. Blasting operations are more in line with excavation and will be reassigned to code 6217 – Excavation & Drivers.
 - Code 8010 includes package consolidators. The repackaging of small products is more likely associated with a wholesale operation rather than a retail operation. Package consolidators will be reassigned to code 8018 – Store – Wholesale – NOC.
 - Code 8601 is assigned for “paper” contractors in WI. Exposure for expeditors is more in line with the project managers assigned to code 5606 - Contractor - Project Manager, Construction Executive, Construction Manager Or Construction Superintendent. National interpretation will be adopted.

CIRCULAR LETTER 1198—SEPTEMBER 19, 2016—PAGE 4

- Code 8380 is assigned to forklift dealers in WI. Exposure for forklift dealers is more in line with the exposure for machinery dealers and will be reassigned to code 8107 Machinery Dealer NOC-Store Or Yard & Drivers
- Apex Enterprises, Inc.- No appeal of the committee's decision has been received. This item is removed from the agenda.

Pending Filings/Actions

- NCCI Proposal Item B-1430 – Elimination of Anniversary Rating Date (ARD) – Disapproval of this item was received from OCI. Bernie Rosauer met with the Deputy Commissioner and discussed the disapproval of this filing. The WCRB was directed to refile this item with the OCI and include Committee and Board voting detail.

NEW BUSINESS

- NCCI Proposal item B-1433 Revisions to Basic Manual Rules – Classification Assignment and Premium Basis and Payroll Allocation. – WCRB provided the Committee with a preliminary review of the changes and the impact on the WI Basic Manual. This item is referred to the work group for further review.

ACTUARIAL SUBCOMMITTEE

The 2016 rate filing is complete.

WWCIP COMMITTEE

- The Office of the Commissioner of Insurance has appointed the four carriers to service the Pool from 2017 through 2021. They are:

Employers Mutual Casualty Company
Middlesex Insurance Company
Society Insurance, A Mutual Company
West Bend Mutual Insurance Company

WCRB will monitor with transition of accounts from Travelers Property Casualty Company to Employers Mutual Casualty Company.

- WWCIP Activity Report