



CIRCULAR LETTER 3241—April 14, 2022

TO: Members of the Bureau

FROM: Jaclyn Medicci-Bruneau

RE: Proceedings of the Wisconsin Rating Committee
Wisconsin Contractor's Premium Adjustment Program (WCPAP)

Pursuant to ch. 626, Wis. Stat., the Office of the Commissioner of Insurance has approved the following revisions to the Wisconsin Contractor's Premium Adjustment Program (WCPAP), as described in the Wisconsin Basic Manual, effective 10/1/22:

Wisconsin Contractor's Premium Adjustment Program (WCPAP)

The Wisconsin Contractor's Premium Adjustment Program provides a premium credit for a qualifying policy.

General Eligibility Requirements and Program Rules:

- Must contain one or more contracting classifications to apply for and qualify for WCPAP.
- Must have at least 50% of payroll or premium allocated to contracting classification(s).
- Credit will be determined based on total 3rd quarter (July-September) gross wages paid and hours worked of the calendar year preceding the policy inception date as reported to taxing authorities. Overtime premium is not included.
- In the absence of specific records for salaried employees, it will be assumed that each employee worked forty (40) hours per week.
- May be combined with other policies with common ownership and contracting classifications to calculate a single credit for all policies. An application must be submitted for each policy, and 50% of the payroll or premium must remain allocated to contracting classes.
- Premium credit will be whole number credits between 1% and 10%.
- May not be cancelled and rewritten to take advantage of the provisions of this Program.
- The Rating effective date rule applies and is defined as the effective month and day of the policy.
- The policy credit factor shall not reduce the policy premium below the applicable minimum premium.

Carrier responsibilities

- Verify the base wages paid and regular hours worked used in the promulgation of the policy credit factor. If discrepancies are found, a completed WCPAP Carrier Audit Form shall be forwarded to the employer with instructions to review, sign and return within 30 days. The carrier will defer its audit for no more than thirty (30) days, giving the insured an opportunity to comply. The carrier will forward the signed WCPAP Carrier Audit form to the WCRB for processing. The WCRB will recalculate and release a revised credit. **The revision to the credit may deem the insured ineligible for a credit.**
- If the carrier has not received a revised Carrier Audit Form from the employer or policy credit worksheet from the WCRB within thirty days; then a written request to withdraw the policy credit must be sent to the WCRB. Once the policy credit is withdrawn the carrier may complete the audit to exclude the policy credit.
- **If no contracting codes apply at audit, the credit is withdrawn.**
- The credit, authorized by the WCRB, shall appear in Item 4 of the Information Page of the policy under code 9046.

For questions or clarification, please call Alyce Archie-Jordan at (262) 796-4556.