



CIRCULAR LETTER 1258—SEPTEMBER 21, 2022

WISCONSIN GOVERNING BOARD MEETING

Minutes of the Wisconsin Governing Board meeting held virtually and in-person from the premises of the Wisconsin Compensation Rating Bureau, 20700 Swenson Drive, Waukesha, WI 53186 on Thursday, September 1, 2022. The meeting was called to order at 8:30 AM.

A list of attendees at the June Rating Committee and Governing Board meetings follows. The Chair of the Rating Committee was Diana Trent from Employers Insurance of Wausau. Chair of the Governing Board was Brian Bent from SFM Mutual Insurance Co.

| ORGANIZATION | REPRESENTATIVE | GOVERNING BOARD | RATING COMMITTEE |
|---|-------------------|-----------------|------------------|
| American Home Assurance | Ira Feuerlicht* | X | X |
| Associated General Contractors of Greater Milwaukee | Dan Burazin | X | X |
| Employers Insurance Co of Wausau | Diana Trent* | X | X |
| Employers Mutual Casualty Co. | Jim Slaski | O | X |
| | Joe Hanssen | O | X |
| General Casualty Insurance Co | George Busche* | X | X |
| Lindgren, Lester & Associates, LLP | Mike Lester | X | X |
| SFM Mutual Insurance Co. | Brian Bent | X | X |
| Secura Insurance, A Mutual Co. | Chad Friese | X | O |
| Sentry Insurance Co. | Matt Simonson | X | X |
| Travelers Indemnity Co. | Eric Belk | X | X |
| United Wisconsin Insurance Co | Janelle Krainz | X | X |
| West Bend Mutual Insurance Co. | Scott Beaver | X | X |
| | Brian McEvoy | X | X |
| Wisconsin Compensation Rating Bureau | Bernie Rosauer | O | O |
| | Tad Cleveland | O | O |
| | Nancy Kierzek | O | O |
| | Michael Mann | O | O |
| | Laura Vande Hey | O | O |
| | Donna Knepper | O | O |
| | Andrew Stoughton | O | O |
| | Michelle Swessel | O | O |
| | Stephanie Staring | O | O |

X = Committee member
O = Non-committee member

*Virtual

Also Present:

| ORGANIZATION | REPRESENTATIVE | GOVERNING BOARD | RATING COMMITTEE |
|---|-----------------------|------------------------|-------------------------|
| Badger Mutual Insurance | Tyler Protz | | O |
| Erie Insurance | Fred Johnson | O | O |
| Department of Workforce Development | Joe Moreth* | O | O |
| | Aaron Galarowicz* | O | O |
| Office of the Commissioner of Insurance (OCI) | David Haushalter | O | O |
| | Rebecca Rebholz* | O | O |
| | Tim Cornelius* | O | O |
| | Shasta Hoffhein | O | O |
| Riegel Law | Paul Riegel | O | O |
| Rural Mutual Insurance Company | Sara Grade* | O | O |

* Virtual

Member Absent or Excused:
 Society Insurance, A Mutual Co.

Also Present for Part of Meeting:

Larry Krueger – Krueger Lumber Company, Inc.
 Schott Shaver – R & R Insurance Services, Inc.

WCRB Rating Committee Meeting

Antitrust Statement - “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.”

NEW BUSINESS

- Krueger Lumber Company, Inc. – A Hearing was held before the Rating Committee. Krueger Lumber Company, Inc. requested that their timber cruisers be assigned to Class Code 8602. Krueger Lumber Company, Inc. is a sawmill with no additional named insureds. The description for Class Code 8602 requires that the timber cruisers can not be separately rated unless they were part of a separate and distinct business. A recent WCRB inspection assigned class codes 709, 2710, 8232, 8742 and 8810.

The Rating Committee determined the WCRB’s survey report identifying the appropriate classifications for the employees of Krueger Lumber Company, Inc. should be adopted, and that the use of Class Code 8602 on the policy would not be in compliance with the classification system used in the State of Wisconsin. Accordingly, the Rating Committee denied the request of Krueger Lumber Company, Inc., but directed the WCRB to confirm and assure that no competitive advantage existed on the policies allowing both Class Code 2710 and Class Code 8602.

- Additional Named Insured Process – WCRB discussed issues with cancelling coverage for additional named insureds that may be reported on a single policy. WI law requires that a 30 day notice of cancellation of the worker’s compensation insurance coverage be provided to the insured. Currently, WCRB does not have an adequate system in place to allow the carrier to report the cancellation.

This item was referred to the Operations Subcommittee for further research.

ACTUARIAL SUBCOMMITTEE

The last part of the 2022 rate revision, the retrospective excess loss factors, has been approved by the OCI and will be released under Circular Letter.

The next Actuarial Subcommittee meeting is scheduled for November 10 at 9:30.

WCRB Governing Board Meeting

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- Approval of the Minutes for the June 14-15, 2022 meetings.
- 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.
 - 2022 Estimated Year-End/2023 Preliminary Budget
 - 2022 Approved IT Budget vs 2022 Estimated Year-end Summary
 - 2023 IT Preliminary Budget
 - Income Report that included years 2020 through August 2022
 - Notice to Carrier Fine Comparison
 - Unit Stat Fine Comparison

The Board voted to levy an assessment in the amount of \$2,216,494 for the general operating expenses for the WCRB for the fourth quarter of 2022.

Accounting Process Update – The current accounting processing system will be upgraded to a new system. WCRB staff is working closely with our accountants and vendors to migrate to the new system in January 2023.

Website Update – The Board was given a demonstration of the new, modernized WCRB Website.

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- Administrative affairs, occupancy, general expenses, personnel, etc. The Board was updated on several items:
 - The Board discussed whether to continue to offer a virtual option to the quarterly meetings. After discussion, the Board voted to have in-house meetings. If a Board member cannot attend in person, Bernie Rosauer should be contacted and alternate arrangements can be made.
- Legislative Update - general discussion among the Board over pending and potential upcoming legislative issues.
 - WC Hearings/OWCH- general discussion on conflicting direction being provided between DWD and OWCH.
 - WC Hearings are back to being conducted statewide.
 - The Agreed Bill was passed in April. Work on the 2024 Agreed Bill will begin in November.
- WWCIP Activity
 - The Board was presented with proposed changes to the Pool Handbook with regard to allowing virtual/electronic audits. After discussion, the changes were adopted for filing with the OCI.
 - WCRB staff and legal counsel and OCI have been working on enhancements to the current RFP process.
 - The usual Pool activity reports were provided.

Following adjournment, the Board met in Executive Session.

All votes taken at the Rating Committee and Governing Board meetings were unanimous unless otherwise noted.