

**CIRCULAR LETTER 1262—MARCH 15, 2023****WISCONSIN GOVERNING BOARD MEETING**

Minutes of the Wisconsin Governing Board meeting held in the premises of the Wisconsin Compensation Rating Bureau, 20700 Swenson Drive, Waukesha, WI 53186 on Tuesday, February 28, 2023. The meeting was called to order at 8:30 AM.

A list of attendees at the Rating Committee and Governing Board meetings follow. 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.

<b>ORGANIZATION</b>	<b>REPRESENTATIVE</b>	<b>GOVERNING BOARD</b>	<b>RATING COMMITTEE</b>
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.	Joe Hanssen	O	X
	Jim Slaski	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
	Nick Marino	X	X
	Rhonda Wills	X	X
	Jen Wolf	X	X
Secura Insurance, A Mutual Co.	Joe Schmidt	X	O
Sentry Insurance Co.	Scott Lange	X	X
	Gail Brown	X	X
Society A Mutual Company	Dave Johnson	X	X
Travelers Indemnity Co.	Eric Belk	X	X
	Brett Mortimer	X	X
United Wisconsin Insurance Co	Janelle Krainz	X	X
West Bend Mutual Insurance Co.	Brian McEvoy	X	X
	Scott Beaver	X	X
Wisconsin Compensation Rating Bureau	Bernie Rosauer	O	O
	Tad Cleveland	O	O
	Beth Nickel	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

Also Present:

<b>ORGANIZATION</b>	<b>REPRESENTATIVE</b>	<b>GOVERNING BOARD</b>	<b>RATING COMMITTEE</b>
Acuity A Mutual Co	Jeff Brey	O	O
	Paul Emerick	O	O
Badger Mutual Insurance Co	Tyler Protz	O	O
Office of the Commissioner of Insurance (OCI)	David Haushalter	O	O
Rural Mutual Insurance Co	Sara Grade	O	O
Riegel Law	Paul Riegel	O	O

X = Committee member  
O = Non-committee member

\*Virtual

### **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

- NCCI Item B-1447 – Revisions to NCCI Manual Rules Related to the COVID-19 (Coronavirus) Pandemic – Paid Furloughed Employees and Final Premium Reporting. This proposal eliminates manual changes proposed in NCCI item proposals B-1441 and B-1443. WCRB did not adopt those changes. No action is needed on this proposal and this item is removed from the agenda.
- NCCI Item E-1410 – Revisions to NCCI Manual Rules Related to the Inclusion of COVID-19 (Coronavirus) Claims in Experience Rating and Merit Rating. The Governing Board adopted the proposal to expire the Extraordinary Loss Event (ELE) Catastrophe Number 12 for the reporting of COVID-19 claims as of June 30, 2023.
- WCPAP Analysis - The biennial review of the Wisconsin Contractors Premium Adjustment Plan (WCPAP) analysis was presented. The Rating Committee recommended that this biennial review continue. This item is removed from the agenda.

#### UNFINISHED BUSINESS

- NCCI Item E-1409 – Enhancement to NCCI’s Experience Rating Plan Methodology – The proposed enhancements to the experience rating plan have been referred to the Actuarial Subcommittee. Any changes that may be recommended would not be effective until the October 1, 2024 rate revision.

- Named Insured Process - In order to provide the opportunity for the industry to begin making necessary programming changes for WC 48 03 23 Wisconsin Designated Named Insured Cancellation Endorsement prior its 10-1-23 effective date, WCRB is working to release the record layout via circular.

## ACTUARIAL SUBCOMMITTEE

### **WCRB Governing Board 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."

- Approval of the Minutes for the December 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 Approved Budget
    - 2022 Approved IT Budget vs 2022 Estimated Year-end Summary
    - 2023 IT Proposed Budget
    - Income Report that included years 2020 through estimated year-end 2022
    - Notice to Carrier Fine Comparison
    - Unit Stat Fine Comparison

WCRB presented a change to the approved 2023 budget due to changes to the IT Budget. The Board approved the adjustment and voted to levy an assessment in the amount of \$2,379,820 for the general operating expenses for the WCRB for the second quarter of 2023.

- Accounting Process Update – WCRB transition to the new accounting processing system was successful. Enhancements and efficiencies of the new system continue to be implemented.
- Administrative affairs, occupancy, general expenses, personnel, etc. The Board was updated on:
  - WCRB Spectrum system
  - April retirement of Nancy Kierzek, VP of Finance. Governing Board expressed their appreciation of the many, many years of service.
  - July retirement of Michael Mann
  - Promotion of Laura Vande Hey to VP of Accounting and HR
  - Position opening for a Project Manager

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- 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 Hearing volume has decreased. WI has an 11% litigation rate.
  - The 2024 Agreed Bill process has begun.
  
- WWCIP Activity
  - RFP Process – Enhancements – The Board was advised that RFP enhancements continue to be discussed with the OCI.
  
  - Charge-off Request- JJ Pipo Roofing LLC – \$106,905 - Society Insurance A Mutual Company – The Governing Board approved the recommendation to charge-off the uncollectible balance. Society Insurance abstained from voting.
  
  - Charge-off Request- Junior’s Roofing, Inc – \$117,607 - Society Insurance A Mutual Company - The Governing Board approved the recommendation to charge-off the uncollectible balance. Society Insurance abstained from voting.
  
  - The usual Pool activity reports were provided.

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