



Wisconsin Compensation Rating Bureau

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## GENERAL CIRCULAR LETTER 677 - NOVEMBER 1, 2024

To: Members of the Bureau

From: Laura Vande Hey

Re: Wisconsin Workers' Compensation Fund

Attached is the eleven-year summary for the Wisconsin Workers' Compensation Insurance Pool Fund on a calendar/accident year basis as of 12/31/23. This exhibit reflects an actuarial evaluation of Pool losses including IBNR. This review is intended to present a more complete picture of the Pool so that member carriers can better understand their obligations. Exhibits five, six, and nine are also attached for your reference.

The last report to member companies showed a surplus of \$28,220,904 at the end of 2022.

Year-end 2023 shows a surplus of \$26,994,467. The adjusted value of the fund of \$234,332,391 was 113% of the target fund value of \$207,337,925. If the adjusted value of net assets is less than 90% or greater than 110% of the aggregate amount of the estimated values of outstanding loss claims, the Pool rules require that an assessment be levied and collected or a distribution be declared and distributed, respectively, in an amount sufficient to bring the net assets down to the aggregate estimated values of such claims. The amount declared and to be distributed for 2023 to bring the net assets down to the aggregate estimated values of such claims \$26,994,466. The Pool distributes or assesses excesses and deficits on the basis of insurance activities of current member companies reported over the prior ten years. Each member carrier will be receiving a Pool statement showing its share of the 2023 surplus, allocated to the prior 10 accident years, based on the carrier's market share of written premiums in each respective year. Statements are tentatively scheduled to be processed November 4th, with distributions scheduled shortly thereafter.

As of December 31, 2023, the total assets of the Pool Fund were \$265,944,800 with liabilities of \$140,288, resulting in a balance of \$265,804,512.

**Wisconsin Workers' Compensation Insurance Pool**  
**Redetermination of the Pool Net Assets**  
**As of December 31, 2023**  
Exhibit 5

(1) Net Assets at December 31, 2023 <sup>1</sup>		\$265,804,512
(2) Unearned Premium Reserve at December 31, 2023 <sup>1</sup>		<u>31,472,121</u>
(3) Adjusted Value of Net Assets at December 31, 2023; [(1) - (2)]		\$234,332,391
(4) Outstanding Losses Reported by Servicing Carriers at December 31, 2023 <sup>1</sup>	\$134,635,016	
(5) Actuarial Adjustment; [54.0% x (4)] <sup>2</sup>	<u>72,702,909</u>	
(6) Actuarially Adjusted Outstanding Losses	\$207,337,925	
(7) Net Assets Surplus at December 31, 2023; [(3) - (6)]		<u>\$26,994,466</u>

<sup>1</sup> Provided by Reilly, Penner & Benton.

<sup>2</sup> 54.0% based on selection from Exhibit 1

**Wisconsin Workers' Compensation Insurance Pool**  
**Calculation of Assessment by Accident Year**  
**As of December 31, 2023**

Exhibit 6

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			[(2)+(2)-(3)] / 2	0.0059 x (4)		(2)-(3)+(5)+(6)		(8) - (7)
Accident Year	Estimated Assets @12/31/22	CY 2023 Payments	Average Assets 2023	Estimated Investment Income	Cumulative Assessment Levied in 2023	Estimated Assets 12/31/23	Balanced Reserves 12/31/23	1-Year Estimated Assessment
Prior	76,101,701	1,955,503	75,123,950	443,231	(2,009,995)	72,579,434	64,006,866	(8,572,568)
2009	2,373,278	106,848	2,319,854	13,687	(198,340)	2,081,777	1,848,450	(233,327)
2010	2,373,523	573,041	2,087,002	12,313	91,798	1,904,593	2,048,696	144,103
2011	7,966,787	423,157	7,755,209	45,756	(778,057)	6,811,329	11,486,644	4,675,316
2012	7,600,014	143,308	7,528,360	44,417	(360,505)	7,140,618	6,458,313	(682,305)
2013	8,289,793	285,679	8,146,954	48,067	(150,548)	7,901,633	7,318,163	(583,470)
2014	5,828,075	234,948	5,710,601	33,693	(286,207)	5,340,612	4,702,748	(637,864)
2015	5,153,574	338,343	4,984,403	29,408	(240,309)	4,604,330	3,685,870	(918,460)
2016	30,824,135	532,618	30,557,826	180,291	(3,850,748)	26,621,060	24,626,711	(1,994,349)
2017	5,346,969	640,409	5,026,764	29,658	(300,927)	4,435,291	3,951,713	(483,578)
2018	8,267,494	1,162,606	7,686,191	45,349	(1,366,242)	5,783,994	5,524,615	(259,379)
2019	18,808,655	798,458	18,409,426	108,616	(11,642,592)	6,476,221	5,562,372	(913,849)
2020	11,724,959	1,775,303	10,837,307	63,940	(828,477)	9,185,119	7,038,976	(2,146,142)
2021	16,294,921	2,072,180	15,258,831	90,027	(1,053,402)	13,259,366	10,091,465	(3,167,902)
2022	35,938,938	10,595,178	<u>30,641,349</u>	180,784	(5,246,352)	20,278,192	17,910,512	(2,367,680)
2023		<u>16,343,751</u>		<u>313,344</u> <sup>1</sup>		<u>39,928,822</u>	<u>31,075,811</u>	<u>(8,853,011)</u> <sup>1</sup>
Total <sup>2</sup>	242,892,815	37,981,330	232,074,026	1,682,581 <sup>3</sup>	(28,220,904)	234,332,391	207,337,925	(26,994,466) <sup>4</sup>

0.59% = Estimated Portfolio Yield Rate

<sup>1</sup> Calculated by subtracting Prior Years from Total.

<sup>2</sup> Differences due to rounding.

<sup>3</sup> Total 2023 Investment Income from the Annual Report Net Investment Income.

<sup>4</sup> Indicated Total Assessment using a 54.0% IBNR factor.

**Wisconsin Workers' Compensation Insurance Pool**  
**Underwriting Results & Computation of Calendar Year Assessments**  
**As of December 31, 2023**  
**Exhibit 9**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
1. Gross Invoiced Premium Written	77,819,124	79,679,594	74,888,563	71,329,668	83,152,158	90,088,639	95,017,581	103,428,981	117,989,040	111,420,997	98,277,038
2. Gross Invoiced Premium Earned <sup>1)</sup>	79,850,160	77,990,896	74,575,661	72,666,428	87,086,276	94,063,847	99,298,614	107,535,836	117,036,563	109,617,659	88,889,053
3. Accident Year Losses Incurred <sup>2)</sup>	47,419,562	45,812,096	37,644,922	35,069,270	43,664,828	50,084,578	48,539,592	82,203,389	57,244,303	74,875,539	60,897,562
4. Accident Year Loss Ratio = [(3) / (2)]	59%	59%	50%	48%	50%	53%	49%	76%	49%	68%	69%
5. Calendar Year Losses Incurred	30,647,343	24,713,448	21,569,337	8,238,267	28,821,581	41,664,862	69,428,809	70,788,637	76,590,525	86,417,283	58,516,467
6. Servicing Carrier Expense	21,321,224	22,046,986	20,512,094	19,548,481	22,737,106	24,653,808	25,993,574	28,616,329	32,632,297	30,805,420	27,141,723
7. Agents' Commissions	1,968,071	2,006,588	1,971,040	1,906,215	2,106,132	2,285,590	2,366,143	2,579,938	2,468,035	2,551,977	2,193,475
8. Amounts Charged Off	599,932	637,412	243,209	402,697	334,968	105,158	286,123	111,270	524,811	305,080	165,709
9. Other Income and Expenses	(1,704)	(2,438)	(3,165)	(2,290)	(5,528)	(569,850)	(23,225)	(446,617)	(26,452)	(422,498)	(29,152)
10. Calendar Year U/W Results <sup>3)</sup>	25,311,886	28,584,024	30,276,816	42,568,478	33,080,961	24,784,579	1,200,739	4,993,044	4,794,443	(10,884,599)	842,527
11. Net Investment Income	1,682,581	(363,120)	9,917,654	14,252,551	13,144,294	8,032,865	8,552,490	9,883,103	8,447,437	8,292,742	10,859,944
12. Miscellaneous Adjustments	0	0	0	0	15,268	0	1,908	7,170	(92,932)	(255,730)	(1,144,028)
13. Calendar Year Assess. (Refund) <sup>4)</sup>											
Based on Calculation	(26,994,467)	(28,220,904)	(40,194,470)	(56,821,029)	(46,240,523)	(32,817,444)	(9,755,137)	(14,883,317)	(13,148,948)	2,847,587	(10,558,443)
Based on Examination Report	(26,994,466)	(28,220,904)	(40,194,470)	(56,821,029)	(46,240,523)	(32,817,443)	(9,755,136)	(14,883,318)	(13,148,948)	2,847,590	(10,558,444)
14. Cumulative Assess.(Refund)	(26,994,467)	<b>(28,220,904)</b>	<b>(40,194,470)</b>	<b>(56,821,029)</b>	<b>(46,240,523)</b>	<b>(67,757,259)</b>	(34,939,816)	(25,184,678)	(10,301,361)	2,847,587	<b>(3,861,805)</b>

<sup>1)</sup> Invoiced Premium Earned is based on the Pool's Invoiced Premium and the Pool's Unearned Premium Reserves which differ from the Financial Call premium data.

<sup>2)</sup> Discounted Accident year losses incurred evaluated at 12/31/23 including IBNR reserves.

<sup>3)</sup> Calendar year U/W results = (2) - (5) - (6) - (7) - (8) + (9)

<sup>4)</sup> Calendar Year Assessment = [(10) + (11) + (12)] x -1

Box indicates when disbursements were made