



Wisconsin Compensation Rating Bureau

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Located at 20700 Swenson Drive, Suite 100, Waukesha, WI 53186

DECEMBER 31, 2001

CIRCULAR LETTER 370

MEMORANDUM TO HOME OFFICES ONLY

RE: Wisconsin Worker's Compensation Insurance Pool Fund

To Whom It May Concern:

Attached is a ten-year summary for the Wisconsin Worker's Compensation Insurance Pool Fund on a calendar/accident year basis. This exhibit reflects an actuarial evaluation of Pool losses including IBNR. This review is intended to present a more complete picture of the Wisconsin Pool, so that member carriers can better understand their obligations.

The last report to member companies showed a surplus of \$13,354,330 at year-end 1999, which was declared but not distributed in 2000.

Year-end 2000 shows a surplus of \$14,869,847. The adjusted value of the fund of \$168,126,226 was 137% of the actuarially adjusted outstanding losses of \$122,605,103. If the actuarially adjusted value of net assets is less than 140% and greater than 125% of the aggregate amount of the estimated values of outstanding loss claims, the Pool rules require that a disbursement be declared, but not distributed, in an amount sufficient to bring the value of the net assets down to 125% of the aggregate estimated values of such claims. Therefore, a disbursement of \$14,869,847 was declared but not distributed in 2001. 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 2000 surplus, allocated to the prior 10 accident years, and based on the carrier's market share of written premiums in each respective year.

As of December 31, 2000, the total assets of the Pool fund were \$195,973,735 with liabilities of \$14,284,763, resulting in a Fund balance of \$181,688,972.

Sincerely,
Ralph Herrmann
President

WISCONSIN WORKERS COMPENSATION INSURANCE POOL

UNDERWRITING RESULTS & COMPUTATION OF CALENDAR YEAR ASSESSMENTS

As of 12-31-00

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>
1. Gross Premium Written	31,729,124	26,585,620	29,498,819	35,873,943	45,094,102	65,709,265	92,289,746	112,092,314	107,956,208	106,874,171
2. Gross Premium Earned	29,390,628	27,034,460	31,840,497	39,168,900	45,947,589	73,440,203	97,135,647	113,981,249	105,243,902	107,122,057
3. Accid. Year Losses Incurred*	22,339,161	19,675,772	18,773,954	24,732,565	34,582,469	51,524,832	53,001,845	67,384,277	75,423,208	74,980,937
4. Cal. Year Losses Incurred *	12,947,776	16,298,042	13,547,722	27,095,871	35,897,377	50,611,931	60,969,738	87,049,855	94,134,845	86,138,978
5. Servicing Carrier Expense	9,518,739	7,975,687	8,849,645	10,762,183	13,528,231	19,712,779	27,689,395	33,663,072	32,386,863	32,062,251
6. Agents' Commissions	888,896	827,008	989,678	1,182,729	1,491,406	1,855,493	2,404,116	2,691,438	2,554,718	2,456,878
7. Amounts Charged Off	650,742	1,012,806	615,936	1,079,689	957,614	1,832,107	1,086,888	773,139	1,244,956	2,122,588
8. Other Income and Expenses	(87,407)	(216,295)	(52,709)	(48,258)	(71,349)	(66,810)	(174,114)	3,745	(982)	0
9. Calendar Year Und. Results	5,297,068	704,621	7,784,807	(999,830)	(5,998,388)	(638,916)	4,811,396	(10,192,510)	(25,078,462)	(15,658,638)
10. Net Investment Income	9,576,604	10,947,629	17,543,873	16,693,343	15,848,485	17,087,972	7,668,692	22,562,178	20,467,447	17,324,381
11. Change in Net Amort. on Inv.	(5,601)	1,700,715	1,050,994	(212,847)	(486,944)	(572)	122,011	(1,877,654)	115,886	(597,747)
12. Calendar Year Assess. (Refund)#										
Based on Calculation	(14,868,071)	(13,352,965)	(26,379,674)	(15,480,666)	(9,363,153)	(16,448,484)	(12,602,099)	(10,492,014)	4,495,129	(1,067,996)
Based on Examination Report	(14,869,848)	(13,354,330)	(26,379,682)	(15,480,671)	(9,363,155)	(16,448,377)	(12,602,101)	(10,492,022)	4,495,132	(1,067,996)

* Accident Year Losses Incurred evaluated at 12/31/00 and include IBNR reserves.

Cal. Year Assessment = (9+10+11)*(-1)