



Wisconsin Compensation Rating Bureau

414-476-6440 ▲ Fax 414-476-0024 ▲ www.wcrb.org

P.O. Box 3080 ▲ Milwaukee, WI 53201-3080

Located at 2200 North Mayfair Road, Wauwatosa, WI 53226

CIRCULAR LETTER 1026 – JUNE 27, 2001

PROCEEDINGS OF THE WISCONSIN GOVERNING COMMITTEE

TO: MEMBERS OF THE BUREAU

Minutes of the Wisconsin Governing Committee meeting held in the premises of Cherry Hills Resort, 5909 Dunn Road, Sturgeon Bay, WI 54235 on Friday, June 15, 2001. The meeting was called to order at 9:00 A.M. with the following members present:

ORGANIZATION

REPRESENTATIVE

Fire & Casualty Insurance Company of CT, Chair
Fireman’s Fund Insurance Company
Employers Insurance of Wausau A Mutual Company
General Casualty Insurance Company of WI
Secura Insurance Company
Society Insurance A Mutual Company
Travelers Insurance Company
Wisconsin Compensation Rating Bureau

Mike Smith
Jim Vandenberg
Steve Ginsburg
Pete McPartland
Tim Riedl
Rick Levin
Todd Owen
Ralph Herrmann
Richard Colvin
Christine Siekierski
Nancy Kierzek
Donna Knepper

Member Absent or Excused:

Sentry Insurance A Mutual Company

Also Present:

Michael Best & Freidrich
United Wisconsin Insurance Company
West Bend Mutual Insurance Company

Paul Riegel
Byron Jacque
Pam Allison

The Chairperson read the following opening statement before convening the meeting:

“This Committee 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.”

CIRCULAR LETTER 1026 – JUNE 27, 2001 – PAGE 2

1. Each member of the Committee was furnished with a copy of the following reports:

- Wisconsin Compensation Rating Bureau - Audited Financial Statements – Years Ended December 31, 2000 and 1999 as prepared by the Accounting firm of Reilly Penner & Benton.
- Wisconsin Worker’s Compensation Insurance Pool- Audited Financial Statements – Years Ended December 31, 2000 and 1999 as prepared by the Accounting firm of Reilly Penner & Benton.

The balance of the Pool Fund equaled 137% of outstanding losses. Therefore, in accordance with the Pool Rules, a disbursement of \$14,869,847 will be declared but not distributed in 2001.

- Actuarial Analysis of Wisconsin Workers Compensation Insurance Pool as prepared by Milliman & Robertson, Inc.

The Committee voted to accept these reports. These reports will be filed with the Office of the Commissioner of Insurance for their information.

Vice President Kierzek presented information on the Bureau expenses through May of 2001. The Committee voted to levy an assessment of \$1,374,142.

NOTE: Since the direct premium writings of the current calendar year do not become available until the following calendar year, the net direct premium writings of the preceding calendar year shall be used as a temporary basis for the apportionment of this assessment.

2. The usual discussion centering around administrative affairs, occupancy, general expenses, salaries, personnel, etc.

President Herrmann outlined several issues such as:

- A market conduct examination of the WCRB has been scheduled by the Office of the Commissioner of Insurance to begin on July 16, 2001.
- An update on the review of WCRB lease options. WCRB staff will continue their review and provide the Committee with a final proposal.
- Proposed a change to the current WCRB quarterly assessment. The Committee was asked to refer this item to their accounting departments for input.
- Accepting RFPs on the ratemaking process.
- Web site enhancements.
 - Experience modification calculator.
 - “Members” area to be available by September 1.

CIRCULAR LETTER 1026 – JUNE 27, 2001 – PAGE 3

3. Outstanding Issues

- a. Workers Compensation Research Institute update. President Herrmann provided the Committee with a request for additional funding. The Committee voted to take no action at this time pending the finalization of the Multi-State Analysis.
- b. The Committee was advised that Reliance Insurance Group has filed Chapter 11 Bankruptcy and was furnished with information on fines and assessments owed the WCRB.

This item will be continued on the agenda to provide updates on financially impaired carriers.

- c. The Committee was updated on the Unit Statistical Report direct data option. The WCRB is in the process of developing a transition plan for carriers electing to file data directly with the WCRB.

4. Vice President Siekierski provided the Committee with the following ACCCT. status report:

- Spectrum
- ACCCT Web Site Activity
- Bureau Entry and Edit Package (BEEP)
- Policy Entry and Edit Package (PEEP)
- EDI Project

5. CSI Trucking

The Committee reviewed the charge-off request submitted by Employers Insurance of Wausau. The Committee voted to approve the charge-off subject to the receipt of the actual order of the Chapter 7 discharge.

6. City Veterans Taxicab Corp

Travelers Insurance Company withdrew their charge-off request. This item is removed from the agenda.

Donna Knepper
Executive Secretary