



Wisconsin Compensation Rating Bureau

262-796-4540 ▲ Fax 262-796-4400 ▲ www.wcrb.org

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

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

CIRCULAR LETTER 1036 – JUNE 26, 2002

PROCEEDINGS OF THE WISCONSIN GOVERNING COMMITTEE

TO: MEMBERS OF THE BUREAU

Minutes of the Wisconsin Governing Committee meeting held in the premises of Cherry Hill Lodge, 5905 Dunn Road, Sturgeon Bay, WI 54325 on Friday, June 14, 2002. The meeting was called to order at 9:30 A.M. with the following members present:

ORGANIZATION

Secura Insurance Company, Chair
Employers Insurance of Wausau A Mutual Company
General Casualty Insurance Company of WI
Sentry Insurance A Mutual Company
Society Insurance A Mutual Company
Travelers Insurance Company

Wisconsin Compensation Rating Bureau

REPRESENTATIVE

Phil Biwan
Steve Ginsburg
Jim Vandenberg
Bill Swarthout
Rick Levin
Alan Carpenter
Jonathan Scharnberg
Ralph Herrmann
Richard Colvin
Christine Siekierski
Nancy Kierzek

Members Absent or Excused:

Fire & Casualty Insurance Company of CT
Fireman’s Fund Insurance Company

Also Present:

Michael Best & Friedrich
West Bend Mutual Insurance Company

Paul Riegel
Pam Allison

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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.”

1. Following the presentation by Vice President Kierzek, the Committee voted to:

- Approve a revision to the 2002 budget of \$165,000. The revised 2002 WCRB budget is \$5,919,500.
- Levy an assessment for the third quarter of 2002 of \$1,412,000.
- Accept the WCRB audited financial reports for the year ending 12-31-01, prepared by Reilly, Penner & Benton.
- Accept the WWCIP audited financial reports for the year ending 12-31-01, prepared by Reilly, Penner & Benton.

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 provided updates on the following issues:

- WCRB Ratemaking process. Milliman’s hard work and responsiveness to issues was greatly appreciated.
- Recent and future website enhancements. WCRB will explore providing the IIAW with an article outlining the products and services currently available.
- OCI Market Conduct Exam. The final Report of Examination is not yet available.

3. Outstanding Issues

- a. Workers Compensation Research Institute update. The Committee voted, 4 in favor, 2 opposed, to fund the 4th Edition of CompScope™, not to exceed \$200,000. This funding will be incorporated into the 2003 WCRB budget.
- b. Carriers placed in rehabilitation/liquidation.

The Committee was provided with copies of the procedure the WCRB follows regarding the handling of USR data when a carrier is placed in liquidation.

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c. The Committee was updated on the Unit Statistical Report direct data reporting option. Highlights included:

- 104 member companies are reporting data directly.
- 36% of Wisconsin Unit Cards are filed directly.
- No fines have been levied to those carriers that have been reporting USR's directly to WCRB.

d. Servicing Carrier Audits

The WCRB has initiated a search for alternative methods for performing the servicing carrier audits. The Committee has been asked for input on possible replacement of the current program.

e. WCRB Ratemaking – Financial Calls

Each member of the Committee was furnished with a proposed WCRB Financial Call Fining Program. The carriers were asked to review the program and to provide input within the next 30 days.

f. NTC Procedures

WCRB is developing procedures to deal with increasing NTC fining in conjunction with the OCI. WCRB will provide update at the September meeting.

g. Milliman WWCIP Report

The Committee accepted the WWCIP Report prepared by Milliman USA.

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

- ACCCT Membership
- Spectrum Partners Ltd.
- Bureau Entry and Edit Package (BEEP)
- Policy Entry and Edit Package (PEEP)
- EDI Project

Donna Knepper
Executive Secretary