



Wisconsin Compensation Rating Bureau

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CIRCULAR LETTER 2903 - JUNE 26, 2002

PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE

TO: MEMBERS OF THE BUREAU

Minutes of the Wisconsin Rating Committee held in the premises of Cherry Hills Lodge, 5905 Dunn Road, Sturgeon Bay, WI 54325 on Thursday, June 13, 2002. The meeting was called to order at 8:30 AM, with the following members present:

ORGANIZATION

United Wisconsin Insurance Company, Chair
Allied Construction Employers Association
Continental Casualty Insurance Company
Employers Insurance of Wausau
Employers Mutual Casualty Company
Sentry Insurance A Mutual Company
Society Insurance A Mutual Company
Travelers Insurance Company

Wisconsin Compensation Rating Bureau

REPRESENTATIVE

Emil Pfenninger
Ed Hayden
Dave Wulff
Steve Ginsburg
Jim Pousha
Bill Swarouth
Rick Levin
Alan Carpenter
Jonathan Scharnberg
Ralph Herrmann
Richard Colvin
Nancy Kierzek
Christine Siekierski

Members Absent or Excused:

Fireman’s Fund Insurance Company
Wisconsin Manufacturers & Commerce

Also Present:

General Casualty Company
Liberty Mutual Insurance Company

Michael Best & Friedrich
Milliman USA
Secura Insurance A Mutual Company
Tri-State Insurance of MN
West Bend Mutual Insurance

Tom Vanderbusch
Dave Young
Bill Mech
Paul Riegel
Dennis Lange
Phil Biwan
Gregg Murray
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.”

UNFINISHED BUSINESS

ITEM NUMBER 3748 CONTRACTOR PREMIUM ADJUSTMENT PROGRAM

The Committee was furnished with an updated report on the activity under the Contractor Premium Adjustment Program.

ITEM NUMBER 3783 NCCI PROPOSAL ITEM B-1351 WORKERS COMPENSATION PREMIUM ALGORITHM

With all business complete, this item is removed from the agenda.

ITEM NUMBER 3827 NCCI PROPOSAL ITEM B-1369 2001 BASIC MANUAL FOR WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

With all business complete, this item is removed from the agenda.

ITEM NUMBER 3833 NCCI PROPOSAL ITEM B-1373 BASIC MANUAL ENHANCEMENTS

Vice President Colvin reported on the proposed Basic Manual Enhancements. This item was deferred pending further review by the Committee.

This item is continued on the agenda.

ITEM NUMBER 3834 TERRORISM EXCLUSION ENDORSEMENTS

The Committee was furnished with a copy of the letter denying three member companies' request to file Terrorism Exclusion Endorsements. Since no appeal of this decision has been received, this item is removed from the agenda.

ITEM NUMBER 3835 SPECIAL CATASTROPHE NUMBER 48 CALL

With all business complete, this item is removed from the agenda.

ITEM NUMBER 3836 ITEM R-1378 – 2002 UPDATE TO RETROSPECTIVE RATING PLAN PARAMETERS

With all business complete, this item is removed from the agenda.

ITEM NUMBER 3837 ACTUARIAL SUBCOMMITTEE REPRESENTATION

The Committee declined a request submitted by a member company to be appointed to the Actuarial Subcommittee. The carrier will be invited to attend all meetings, receive all mailings, and will be considered the next time there is a vacancy on the subcommittee.

NEW BUSINESS

ITEM NUMBER 3838 JULY 1, 2002 RATE REVISION

President Herrmann reported that the first portion of the rate filing has been furnished to the Office of the Commissioner of Insurance. There was also some general discussion regarding the impact of the revision to the industry groups.

There was also discussion with regard to the Expense Constant and the possibility of re-evaluating the current charge from a national perspective.

This item is continued.

ITEM NUMBER 3839 TERRORISM/CATASTROPHE ISSUES

There was a general discussion involving the possible direction the industry may consider with respect to terrorism/catastrophe loading contemplated in the ratemaking process.

This item is continued on the agenda.

ITEM NUMBER 3840 MISCELLANEOUS POLICY CHARGES

The Committee reviewed proposed charges submitted by two member companies. The WCRB was directed to research the issue and report back to the Committee at the September meeting.

This item is continued on the agenda.

ITEM NUMBER 3841 AGGREGATE FINANCIAL CALLS – RATEMAKING

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.

This item is continued on the agenda.

ITEM NUMBER 3842 LARGE DEDUCTIBLE PROGRAM

Liberty Mutual Insurance Company provided an overview of a proposal for a Large Deductible Program. The Committee agreed with Liberty's request to discuss the program with the Office of the Commissioner of Insurance and to request feedback from the Wisconsin Insurance Alliance (WIA).

This item is continued on the agenda.

Donna Knepper
Executive Secretary