



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 1051– DECEMBER 9, 2003

PROCEEDINGS OF THE WISCONSIN GOVERNING COMMITTEE

TO: MEMBERS OF THE BUREAU

Minutes of the Wisconsin Governing Committee meeting held in the premises of the Wisconsin Compensation Rating Bureau on Tuesday, December 2, 2003. The meeting was called to order at 1:00 P.M. with the following members present:

ORGANIZATION

REPRESENTATIVE

Employers Insurance of Wausau A Mutual Company, Acting Chair
Fire & Casualty Insurance Company of CT
Fireman’s Fund Insurance Company
General Casualty Insurance Company of WI
Secura Insurance Company
Sentry Insurance A Mutual Company
Society Insurance A Mutual Company

Steve Ginsburg
Vicki Vesely
Tom Schreiner
Jim Vandenberg
Phil Biwan
Bill Swarouth
Rick Levin
Chad Thurn
Ralph Herrmann
Richard Colvin
Nancy Kierzek
Donna Knepper

Wisconsin Compensation Rating Bureau

Present for Part of Meeting:

Wisconsin Compensation Rating Bureau

Michael Mann
Kay Higgins
Beth Nickel

Member Absent or Excused:

Travelers Insurance Company

Also Present:

Michael Best & Friedrich
Office of the Commissioner of Insurance

Paul Riegel
Laura Andreasson

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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. The Committee was presented the following information:

- A 2003 IT Estimated Year-End Budget Report.
- The 2003 Estimated Year-End/2004 Preliminary Budget Report.
- An Income Report that included years 2000 through Estimated Year-End 2003.
- A report comparing the number of fines issued and the total income for NTCs and USRs for 2003 year to date, and 2002 through the same period. The report summarized that for the first ten months in 2003 that Unit Statistical fine income increased 12.1% and the number of fines decreased by 38.2%. For the same time period, Notice to Carrier fine income increased by 20.2%, while the number of fines decreased by approximately 34.5%.
- The Committee voted to levy an assessment for the first quarter of 2004 in the amount of \$1,652,375.

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 on administrative affairs, occupancy, general expenses, salaries, personnel, etc.

President Herrmann provided the following update:

- Financial Calls – WCRB staff provided a demonstration on the new Web-based application for 2004 Financial Calls.
- Web site enhancements – WCRB staff provided a demonstration on the new Web-based NTC Look-Up.
- The Committee was provided information on a proposed Emergency Preparedness/Disaster Recovery Plan. The Plan is scheduled to be finalized by 12-31-03.

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- The Committee was advised that the WCRB is preparing to revise the current record imaging system. The actual imaging process will be done at the WCRB rather than being outsourced. The new system will be run in conjunction with the current system for a 30 day trial period.
- Weekly/Monthly WCRB management report summaries.

3. Outstanding Issues

- a. Funding to the WCRI of \$195,000 for the 5th Edition CompScope has been incorporated into the 2004 budget. WCRI will be asked to provide a Wisconsin specific overview of their studies at the March meeting.

- b. Carriers placed in rehabilitation/liquidation

Paul Riegel updated the Committee on the status of Legion Insurance, Villanova Insurance, and Superior National Insurance Company.

The WCRB will hold distribution of any surplus WWCIP funds that may develop to liquidated carriers pending review of outstanding invoices.

- c. Unit Statistical direct reporting option

Approximately 63% of the total unit cards processed continue to be filed directly with the WCRB.

- d. WCRB Ratemaking - Financial Calls

This topic was addressed under agenda item #2.

- e. NTC Procedures

This topic was addressed under agenda item #2.

- f. OCI Market Conduct Examination - The Committee was advised that the premium discount issue has been settled. The Market Conduct Examination was amended to suggest that the rule prohibiting a premium discount be reconsidered rather than recommending that the Pool select a single premium discount schedule. A final draft of the examination has not been received.

This item is removed from the agenda.

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- g. The following two items were added by the unanimous consent of all members present.
- The Committee was advised that a draft copy of the rule section of the proposed Wisconsin Basic Manual is available for review. A review group consisting of AmComp Insurance, Employers Insurance of Wausau, General Casualty Company of WI, Secura Insurance A Mutual Company, and United Wisconsin Insurance Company was formed to assist in finalizing the draft.
 - Each member of the Committee was furnished with a copy of a report generated by Milliman, USA projecting the potential impact on the Pool's surplus if adverse trends develop. The report will be provided annually with potential recommendations to adjust the assessment/disbursement procedures of the WWCIP Fund.

4. The Committee was provided with the ACCCT status report.

5. Badger Die Casting Corporation

By the unanimous consent of all members present, this item was added to the agenda.

The Committee approved the charge-off an uncollectible amount of \$31,063 as owed to Middlesex Insurance Company.

The next Governing Committee meeting is tentatively scheduled for Tuesday, March 9, 2004.

Donna Knepper
Executive Secretary