



**Wisconsin Compensation Rating Bureau**

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**GENERAL CIRCULAR LETTER 451 - DECEMBER 31, 2003**

TO: Members of the Bureau  
FROM: Nancy Kierzek  
RE: Wisconsin Worker's Compensation Insurance Pool Fund

Enclosed is an eleven-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 \$9,874,121 at year-end 2001, which was declared but not distributed in 2002.

Year-end 2002 shows a deficit of \$8,235,352. The adjusted value of the fund of \$170,700,744 was 119% of the actuarially adjusted outstanding losses of \$143,148,876. If the actuarially adjusted value of net assets is less than 125% and greater than 110% of the aggregate amount of the estimated values of outstanding loss claims, the Pool rules require that an assessment be declared but not levied in an amount sufficient to bring the value of the net assets up to 125% of the aggregate estimated values of such claims. Therefore, an assessment of \$8,235,352 will be assessed but not levied in 2003. 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 2002 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, 2002, the total assets of the Pool fund were \$241,034,298 with liabilities of \$37,657,260, resulting in a Fund balance of \$203,377,038.

Sincerely,  
Ralph Herrmann  
President

**WISCONSIN WORKERS COMPENSATION INSURANCE POOL**

UNDERWRITING RESULTS & COMPUTATION OF CALENDAR YEAR ASSESSMENTS

As of 12-31-02

	<u>2002</u>	<u>2001</u>	<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>
1. Gross Premium Written	71,242,192	44,642,731	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
2. Gross Premium Earned	59,150,260	38,534,332	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
3. Accid. Year Losses Incurred*	40,812,806	25,233,772	21,733,864	19,750,776	17,840,610	25,027,911	35,195,383	52,068,868	52,566,706	67,564,720	76,819,077
4. Cal. Year Losses Incurred	53,647,505	28,887,457	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
5. Servicing Carrier Expense	21,372,654	13,504,539	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
6. Agents' Commissions	1,843,100	1,277,125	888,896	827,008	989,678	1,182,729	1,491,406	1,855,493	2,404,116	2,691,438	2,554,718
7. Amounts Charged Off	398,813	945,349	650,742	1,012,806	615,936	1,079,689	957,614	1,832,107	1,086,888	773,139	1,244,956
8. Other Income and Expenses	(25,129)	(26,931)	(87,407)	(216,295)	(52,709)	(48,258)	(71,349)	(66,810)	(174,114)	3,745	(982)
9. Calendar Year Und. Results	(18,136,941)	(6,107,069)	5,297,068	704,621	7,784,807	(999,830)	(5,998,388)	(638,916)	4,811,396	(10,192,510)	(25,078,462)
10. Net Investment Income	12,471,172	14,324,824	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
11. Change in Net Amort. on Inv.	(2,569,583)	1,656,366	(5,601)	1,700,715	1,050,994	(212,847)	(486,944)	(572)	122,011	(1,877,654)	115,886
12. Calendar Year Assess. (Refund)#											
Based on Calculation	8,235,352	(9,874,121)	(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
Based on Examination Report	8,235,352	(9,874,121)	(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

\* Accident Year Losses Incurred evaluated at 12/31/02 and include IBNR reserves.

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