



Wisconsin Compensation Rating Bureau

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## **CIRCULAR LETTER 2944 – SEPTEMBER 7, 2004**

### PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE

TO: Members of the Bureau

FROM: Donna Knepper

RE: Proceedings of the Wisconsin Rating Committee  
Item Number 3856 October 1, 2004 Rate Revision

The Office of the Commissioner of Insurance has acknowledged receipt of the State Special Rating Values page. The excess loss factors were not included in the original rate revision proposal as the information needed to calculate the factors was not available. This will complete Exhibit 4 of the 10-1-04 rate revision.

Attached is the State Special Rating Values page.

Effective October 1, 2004

1. **Hazard Group Differentials**

I	II	III	IV
1.69	1.56	1.02	0.73

2. **Tax Multipliers**

a. State (non-F Classes)	1.038
b. Federal Classes, or non-F classes where rate is increased by the USL&HW Act Percentage	1.125

3. **Expected Loss Ratio**

0.621

**Expected Loss and Allocated Expense Ratio**  
0.680

4. **Tables of Expense Ratios**

Type A: XXIV-E  
Type B: XXIV-F

**Tables of Expense Ratios Loaded for ALAE Option**

Type A: XXIV-G  
Type B: XXIV-H

5. **2004 Table of Expected Loss Ranges**

Effective July 1, 2004

6. **Excess Loss Factors**

(Applicable to New and Renewal Policies)

**Excess Loss and Allocated Expense Factors**

(Applicable to New and Renewal Policies)

**Per Accident Limitation**

	Hazard Groups			
	I	II	III	IV
\$25,000	0.301	0.316	0.395	0.444
\$30,000	0.280	0.295	0.377	0.432
\$35,000	0.262	0.278	0.362	0.418
\$40,000	0.247	0.264	0.351	0.407
\$50,000	0.224	0.242	0.330	0.389
\$75,000	0.188	0.210	0.295	0.354
\$100,000	0.168	0.188	0.272	0.332
\$125,000	0.154	0.176	0.255	0.313
\$150,000	0.145	0.164	0.241	0.299
\$175,000	0.136	0.156	0.230	0.285
\$200,000	0.130	0.147	0.221	0.274
\$250,000	0.116	0.134	0.202	0.250
\$300,000	0.107	0.123	0.186	0.232
\$500,000	0.081	0.094	0.143	0.181
\$1,000,000	0.055	0.064	0.097	0.120
\$2,000,000	0.036	0.042	0.064	0.080
\$5,000,000	0.022	0.025	0.038	0.046

**Hazard Groups**

	Hazard Groups			
	I	II	III	IV
	0.357	0.372	0.463	0.515
	0.335	0.354	0.445	0.504
	0.318	0.337	0.433	0.490
	0.303	0.321	0.419	0.478
	0.278	0.301	0.400	0.460
	0.242	0.266	0.366	0.427
	0.221	0.247	0.342	0.408
	0.207	0.231	0.325	0.390
	0.195	0.219	0.311	0.374
	0.187	0.211	0.300	0.360
	0.178	0.201	0.290	0.348
	0.164	0.186	0.270	0.327
	0.151	0.172	0.250	0.306
	0.117	0.135	0.199	0.244
	0.079	0.092	0.134	0.165
	0.053	0.060	0.090	0.109
	0.032	0.036	0.052	0.062

7. **Retrospective Development Factors**

**With Loss Limit**

1st Adj.	2nd Adj.	3rd Adj.
0.08	0.07	0.06

**Without Loss Limit**

1st Adj.	2nd Adj.	3rd Adj.
0.16	0.14	0.12

4th & Subsequent Adjustment  
0.00

8. **State Special Classifications by Hazard Group**

Code No.	HG	Code No.	HG	Code No.	HG	Code No.	HG
0006	II	4417	II	6002	III	8837	II
0108	III	4712	III	6326	III	9054	II
1752	III	5000	IV	7371	II	9056	II
1807	IV	5086	III	7709	IV	9170	IV
1808	IV	5184	III	7710	IV	9412	II
2101	II	5194	III	8090	II	9413	II