



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 2963 – AUGUST 4, 2005

PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE

TO: Members of the Bureau

FROM: Donna Knepper

RE: Proceedings of the Wisconsin Rating Committee
Circular Letter 2961 – June 23, 2005
Item Number 3863 NCCI Proposal Item B-1387 – Revision to Basic Manual
Classification

Pursuant to ch 626, Wis. Stats., the State of the Wisconsin, Office of the Commissioner of Insurance has advised that the action taken by the Rating Committee has been approved effective October 1, 2005, applicable to new and renewal business only. This filing eliminates Classification Code 8837 Charitable Welfare Organizations and establishes the following new Classification Codes:

8842 GROUP HOMES – ALL EMPLOYEES & SALESPERSONS, DRIVERS

Includes group homes, group foster homes, halfway houses that provide rehabilitation services, shelters, and independent supportive living homes for mentally, physically, or emotionally challenged individuals. Juvenile detention centers, “boot camps”, and halfway houses for convicts are to be separately rated to Code 7720. Detoxification, treatment, and rehabilitation of alcoholics or narcotic addicts are separately rated to the appropriate hospital classification codes. Refer to Code 8864 for social service organizations.

Rate to equal code 9052 until code 8842 develops its own credible data.

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**8864 SOCIAL SERVICE ORGANIZATION – ALL EMPLOYEES & SALESPERSON,
DRIVERS**

Applicable to institutions that provide social services to mentally, physically, or emotionally challenged persons. Social service organizations may offer these individuals sleeping accommodations, meals, on-site counseling, or client assessments, education, training, and employment and offer limited medical services such as first aid. Includes employees who may, among other services, counsel, advise, guide, direct, or instruct clients. Refer to code 8842 for group homes, group foster homes, halfway houses that provide rehabilitation services, shelters, and independent supportive living homes for mentally, physically, or emotionally challenged individuals. Juvenile detention centers, “boot camps”, and halfway houses for convicts are to be separately rated to Code 7720. Detoxification, treatment, and rehabilitation of alcoholics or narcotic addicts are separately rated to the appropriate hospital classification codes. Separately rate business ventures operated by social service organizations. These ventures include, but are not limited to: stores, homemaking services, placement services, contracting and municipal operations.

Transition Program For Risks Subject to Previously A-Rated Code 8837:

This transition program applies to insureds subject to the previously “a” rated and experience rated code 8837. It does not apply to risks newly qualified for experience rating.

For an individual risk, the Expected Loss Rate (ELR) and D-Ratio to apply for the first year after discontinuance of the “a”-rated code will be equal to a 2:1 weighting between the ELR used prior to the discontinuance of the “a”-rated code and the approved manual ELR.

For the second year, a 1:2 weighting scheme will be used between the ELR used prior to the discontinuance of the “a” rated code and the most recently approved manual ELR.

From the third year on, this transition program no longer applies, and the published ELR and D-Ratio for the appropriate class will be used.

The description under Classification Code 7720 – Police Officers & Drivers is being expanded to include:

**7720 JUVENILE DETENTION CENTER – ALL EMPLOYEES & SALESPERSONS,
DRIVERS**

Includes halfway houses, juvenile detention centers, “boot camps”, or homes for convicts. Refer to Code 8842 for group homes, group foster homes, halfway houses that provide rehabilitation services, shelters, and independent supportive living homes for mentally, physically, or emotionally challenged individuals.