



Wisconsin Compensation Rating Bureau

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P.O. Box 3080 • Milwaukee, WI 53201-3080

Located at 20700 Swenson Drive, Suite 100, Waukesha, WI 53186

## CIRCULAR LETTER 2987—AUGUST 4, 2006

### PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE

TO: MEMBERS OF THE BUREAU

The State of Wisconsin, Office of the Commissioner of Insurance has approved an overall decrease in rate level of 0.82%. Attached is a copy of the revised rates and rating values effective October 1, 2006, applicable to new and renewal business only. In addition to the premium level adjustment, the following changes were approved:

- no change in the maximum minimum premium of \$900;
- no change in the minimum premium multiplier of 180;
- no change in the expense constant of \$220;
- a decrease in the premium threshold for experience rating eligibility from \$6,250 to \$6,000 annually;
- an overall decrease in premium level of 15.63% in "F" classifications;
- an increase in the annual remuneration used to calculate premiums for sole proprietors and partners from \$36,972 to \$38,688;
- an increase in the value of lodging received by employees as part of their pay to \$103.36 per week or \$14.77 per day, the value of meals increased to \$93.04 per week or \$4.43 per meal;
- an increase in the maximum remuneration for executive officers to \$1,116.00 per week;
- an increase in the minimum remuneration for executive officers to \$223.00 per week;
- an increase in the Retrospective Rating Tax Multiplier from 1.142 to 1.122 for "F" classes;
- a decrease in the Retrospective Rating Tax Multiplier from 1.037 to 1.035 for state classes;
- an increase in the USLH&W percentage from 50% to 82%;
- no change in the rate option of \$0.00, \$0.01, \$0.02, or \$0.03 per \$100 of payroll for terrorism coverage (TRIA); assigned risk policies are charged \$0.03 per \$100 of payroll;
- no change in the rate option of \$0.00 or \$0.01 per \$100 of payroll for domestic terrorism, earthquakes and catastrophic industrial accidents coverage (DTEC); assigned risk policies are charged \$0.01 per \$100 of payroll.

Donna Knepper  
Executive Secretary

# SUMMARY

## WISCONSIN

Effective Date

October 1, 2006

### I. Industrial Classifications

Overall Proposed Change in Premium Level

- New and Renewal Policies -0.81%

	Premium Level Change
A. <u>By Component</u>	
Experience, Trend & Benefits	-0.98%
Change in Production & General Expenses	-0.20%
<u>Change in Loss Based Expenses</u>	+0.40%
Overall Premium Level Change	-0.81%
Offset for Change in Expense Constant	+0.00%
Offset for Change in USL&HW Factor	-0.01%
Overall Rate Level Change	-0.82%

	Rate Level Change
B. <u>Rate Level Change By Industry Group</u>	
Manufacturing	-3.70%
Contracting	1.30%
Office & Clerical	-0.40%
Goods & Services	-1.30%
<u>Miscellaneous</u>	2.60%
Overall	-0.82%

### II. "F" Classifications

Overall Proposed Change in Premium Level

- New and Renewal Policies -15.63%

	Premium Level Change
A. <u>By Component</u>	
Experience, Trend & Benefit	-16.60%
Change in Production & General Expenses	-0.20%
<u>Change in Loss Based Expenses</u>	+1.40%
Overall	-15.63%

### III. Summary of Miscellaneous Changes

	Current	Proposed
Expense Constant	\$220	\$220
Minimum Premium Multiplier	180	180
Maximum Minimum Premium	\$900	\$900
Tax Multipliers:		
State	1.037	1.035
Federal	1.142	1.122
USL&HW %		
Difference in Benefits	29.3%	62.5%
<u>Difference in Loss Based Expenses</u>	15.9%	12.1%
Combined USL&HW %	50.0%	82.0%

**EXHIBIT 4**

**WISCONSIN**

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

*Effective October 1, 2006*

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CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO
0005	5.00	900	1.97	0.24	2021	4.17	900	1.88	0.27	2702X	32.48	900	10.74	0.20
0006X	5.46	900	2.16	0.24	2039	4.83	900	2.14	0.27	2709X	32.48	900	10.74	0.20
0008X	6.41	900	2.62	0.25	2041	2.55	679	1.10	0.27	2710X	14.50	900	5.46	0.24
0016	6.57	900	3.00	0.28	2065	10.82	900	4.28	0.24	2714	5.05	900	2.01	0.24
0034	5.51	900	2.45	0.27	2070	3.66	879	1.60	0.27	2731	8.24	900	3.46	0.26
0035	2.57	683	1.15	0.28	2081	20.99	900	9.31	0.28	2735	13.58	900	4.83	0.21
0042X	9.82	900	3.78	0.24	2089	4.45	900	1.87	0.27	2759	8.43	900	3.44	0.25
0050	4.90	900	1.96	0.24	2095	6.10	900	2.56	0.26	2790	2.78	720	1.12	0.24
0079X	4.57	900	1.71	0.23	2101X	4.13	900	1.75	0.26	2802X	5.87	900	2.42	0.25
0106	20.22	900	6.83	0.21	2105	4.33	900	1.90	0.26	2812X	5.97	900	2.49	0.26
0108X	3.69	884	1.26	0.20	2110X	4.90	900	2.26	0.29	2835	9.29	900	4.14	0.27
0113	4.57	900	1.88	0.25	2111X	3.62	872	1.53	0.27	2836	2.90	742	1.35	0.29
0170	3.80	900	1.39	0.21	2112	4.63	900	1.97	0.27	2841X	5.28	900	2.32	0.28
0251	6.53	900	2.63	0.24	2114#	--	--	3.29	0.27	2881	3.29	812	1.53	0.29
0400#	--	--	3.44	0.21	2121	4.55	900	1.95	0.27	2883	5.99	900	2.57	0.27
0401#	--	--	5.69	0.22	2130#	--	--	2.43	0.25	2913	6.97	900	3.40	0.31
0771N	0.45	--	--	--	2131	2.24	623	0.86	0.22	2915	10.54	900	4.12	0.23
0908P	323.00	543	137.56	0.27	2143X	2.93	747	1.17	0.24	2916	3.19	794	1.41	0.28
0909P	201.00	421	79.96	0.24	2150#	--	--	3.78	0.27	2923	3.15	787	1.21	0.23
0912P	579.00	799	220.11	0.23	2156	4.12	900	1.79	0.27	2942	4.65	900	2.20	0.29
0913P	523.00	743	228.30	0.26	2157	4.12	900	1.79	0.27	2960	4.84	900	1.91	0.24
0917	9.05	900	3.96	0.27	2172#	--	--	0.75	0.24	3004	2.22	620	0.83	0.23
1164	19.64	900	7.06	0.22	2174	3.73	891	1.42	0.21	3018	3.21	798	1.13	0.20
1165	6.30	900	2.91	0.27	2211	20.24	900	9.09	0.29	3022	12.67	900	5.40	0.27
1320	5.05	900	1.70	0.20	2220	3.16	789	1.32	0.25	3027	5.23	900	2.22	0.27
1322#	--	--	7.18	0.20	2286	2.62	692	1.14	0.27	3028	3.38	828	1.51	0.28
1430	6.67	900	2.42	0.22	2288	7.46	900	3.53	0.29	3030	10.35	900	3.76	0.23
1438	9.43	900	3.54	0.25	2300	2.52	674	0.97	0.21	3040	10.86	900	3.87	0.22
1452	4.27	900	1.67	0.26	2302	2.69	704	1.11	0.26	3041	5.21	900	2.12	0.24
1463	22.16	900	7.40	0.20	2305	4.84	900	2.17	0.28	3042	3.10	778	1.30	0.25
1472#	--	--	2.13	0.24	2361	1.77	539	0.79	0.28	3064	5.39	900	2.26	0.26
1624	7.15	900	2.54	0.22	2362	2.72	710	1.21	0.28	3066X	7.08	900	2.87	0.25
1642X	3.34	821	1.37	0.26	2380X	3.60	868	1.70	0.29	3076X	3.94	900	1.70	0.27
1654X	5.11	900	1.87	0.23	2386#	--	--	1.17	0.24	3081	5.91	900	2.36	0.25
1655X	6.82	900	2.59	0.23	2388	6.51	900	2.86	0.28	3082	10.37	900	3.94	0.26
1699	3.04	767	1.25	0.26	2402	4.41	900	1.72	0.25	3085	7.61	900	2.91	0.24
1701	14.87	900	5.89	0.26	2413	2.61	690	1.14	0.27	3086X	6.02	900	2.33	0.24
1710X	19.98	900	7.76	0.27	2416#	--	--	1.44	0.27	3110	10.70	900	4.68	0.27
1741#	--	--	1.00	0.24	2417	3.07	773	1.35	0.27	3111	7.93	900	3.26	0.26
1747	2.68	702	1.06	0.25	2501	4.27	900	1.87	0.27	3113	2.65	697	1.02	0.23
1748	2.71	708	1.12	0.27	2503	2.52	674	1.18	0.30	3114	1.58	504	0.59	0.22
1752X	0.97	395	0.32	0.19	2534	1.96	573	0.81	0.25	3118	2.21	618	0.96	0.26
1803X	6.63	900	2.63	0.27	2570	3.73	891	1.55	0.25	3119	1.73	531	0.79	0.28
1807X	15.89	900	5.68	0.23	2576#	--	--	1.87	0.27	3122	3.45	841	1.35	0.25
1808X	15.79	900	5.47	0.21	2578#	--	--	1.87	0.27	3126	3.97	900	1.69	0.26
1852	3.12	782	1.15	0.23	2585	4.02	900	1.79	0.28	3131	3.31	816	1.37	0.25
1853#	--	--	3.38	0.24	2586	4.33	900	1.74	0.25	3132	3.03	765	1.19	0.25
1860	2.21	618	0.79	0.20	2587	1.73	531	0.68	0.24	3145	4.19	900	1.65	0.24
1924	4.60	900	2.08	0.28	2600	4.35	900	1.95	0.27	3146X	2.53	675	1.13	0.28
1925	8.02	900	3.31	0.25	2623	6.88	900	2.70	0.24	3169	2.31	636	1.02	0.27
2001	4.45	900	2.10	0.30	2651	12.74	900	5.19	0.26	3175	2.74	713	1.22	0.28
2002	9.56	900	3.67	0.23	2660	3.25	805	1.55	0.30	3179	4.45	900	1.79	0.24
2003	4.05	900	1.64	0.26	2670	3.16	789	1.50	0.29	3180	3.48	846	1.60	0.29
2014	8.53	900	3.24	0.24	2683	6.66	900	2.86	0.27	3188	6.69	900	2.96	0.27
2016	2.24	623	0.93	0.25	2688	7.32	900	2.86	0.24	3220	2.49	668	1.06	0.26

Refer to the Footnotes Page for additional information on class codes ending in C, F, L, M, N, P, X, or # or for rates labeled a.

**EXHIBIT 4**

**WISCONSIN**

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

*Effective October 1, 2006*

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CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO
3223	3.59	866	1.53	0.26	4000	14.61	900	4.95	0.21	4561	5.44	900	1.49	0.13
3224X	7.00	900	3.09	0.27	4021	3.69	884	1.46	0.24	4568	1.96	573	0.69	0.22
3227X	2.96	753	1.30	0.28	4024	4.36	900	1.81	0.27	4581#	--	--	0.50	0.22
3240	2.62	692	1.10	0.25	4034X	9.47	900	3.69	0.25	4583X	6.07	900	2.26	0.23
3241	5.93	900	2.39	0.26	4036	4.00	900	1.40	0.25	4611	2.82	728	1.15	0.24
3255	3.38	828	1.61	0.29	4038	4.60	900	1.82	0.23	4635	3.42	836	1.23	0.23
3257	3.94	900	1.80	0.29	4053	7.61	900	3.44	0.29	4653	3.43	837	1.22	0.22
3270	2.63	693	1.23	0.29	4054X	3.35	823	1.43	0.26	4665	15.16	900	5.17	0.22
3300	5.11	900	2.28	0.27	4061	4.27	900	1.76	0.25	4670#	--	--	4.27	0.22
3303	4.64	900	1.91	0.25	4062	2.88	738	1.22	0.26	4683	4.30	900	2.15	0.30
3307	6.82	900	2.78	0.25	4101	2.63	693	1.06	0.25	4686	4.05	900	1.57	0.26
3315	7.68	900	2.97	0.24	4111	4.71	900	2.22	0.29	4692	1.20	436	0.53	0.28
3334	4.43	900	1.72	0.23	4112	1.58	504	0.66	0.26	4693	0.75	355	0.30	0.24
3336	4.74	900	1.94	0.25	4113	3.42	836	1.49	0.27	4703	3.17	791	1.26	0.24
3365	14.11	900	5.12	0.23	4114	5.55	900	2.30	0.25	4712X	1.80	544	0.69	0.24
3372	7.00	900	2.72	0.25	4130X	3.85	900	1.72	0.28	4717#	--	--	1.81	0.25
3373	15.93	900	6.68	0.26	4131	4.04	900	1.73	0.26	4720	3.48	846	1.48	0.26
3383	3.18	792	1.40	0.28	4133	1.80	544	0.62	0.19	4740	3.37	827	1.24	0.23
3385	2.43	657	1.10	0.28	4150	1.67	521	0.70	0.25	4741	2.93	747	1.13	0.22
3400X	7.26	900	3.17	0.27	4206	7.60	900	3.15	0.25	4751	7.33	900	3.36	0.29
3507	5.96	900	2.41	0.25	4207	1.95	571	0.91	0.29	4771N	2.58	684	0.83	0.20
3515	4.35	900	1.80	0.25	4239	2.91	744	1.19	0.26	4777X	8.24	900	3.33	0.26
3548	2.69	704	1.11	0.25	4240	5.42	900	2.39	0.27	4825	3.06	771	1.16	0.27
3559	3.04	767	1.34	0.27	4243	3.07	773	1.26	0.25	4828C	2.69	704	1.04	0.25
3565X	2.30	634	1.07	0.29	4244	3.29	812	1.29	0.23	4829C	1.98	576	0.83	0.28
3574	2.68	702	1.15	0.27	4250X	2.96	753	1.22	0.25	4902	3.04	767	1.34	0.27
3581	1.07	413	0.46	0.26	4251	5.59	900	2.33	0.26	4923	1.77	539	0.73	0.25
3612	3.44	839	1.49	0.27	4263X	6.70	900	2.57	0.24	5000X	39.16	900	7.85	0.08
3620	9.78	900	3.59	0.23	4273	3.12	782	1.28	0.25	5020	17.12	900	6.25	0.24
3629	3.57	863	1.47	0.25	4279X	5.11	900	2.10	0.25	5022X	16.00	900	5.51	0.21
3632X	3.64	875	1.57	0.27	4282	2.36	645	1.04	0.26	5037	58.55	900	17.77	0.19
3634	3.67	881	1.58	0.27	4283	3.63	873	1.38	0.22	5040	31.67	900	9.07	0.17
3635	4.68	900	1.87	0.25	4299	2.84	731	1.20	0.26	5057	36.80	900	11.65	0.22
3638	4.07	900	1.78	0.28	4304X	6.18	900	2.56	0.25	5059	50.62	900	17.84	0.23
3642	2.56	681	1.14	0.27	4307	2.84	731	1.28	0.28	5069	28.03	900	8.40	0.18
3643	4.42	900	1.90	0.27	4308#	--	--	1.20	0.26	5086X	16.44	900	5.76	0.22
3647	2.80	724	1.25	0.28	4351	2.12	602	0.86	0.26	5102X	9.27	900	3.05	0.20
3648X	2.97	755	1.33	0.28	4352X	2.41	654	1.00	0.25	5146	10.86	900	3.94	0.24
3681	2.82	728	1.11	0.24	4360	0.98	396	0.40	0.24	5160	8.37	900	2.95	0.23
3685	2.15	607	0.98	0.29	4361	1.63	513	0.64	0.24	5183X	6.77	900	2.50	0.23
3719	2.53	675	0.88	0.21	4362	2.07	593	0.92	0.29	5184X	13.37	900	4.20	0.19
3724X	8.92	900	3.19	0.23	4410	6.21	900	2.55	0.25	5188	6.14	900	2.06	0.20
3726	7.93	900	2.69	0.22	4417X	5.12	900	2.38	0.29	5190	5.46	900	2.02	0.24
3803	3.50	850	1.31	0.21	4420	5.87	900	1.57	0.13	5191	2.19	614	0.79	0.23
3807	2.72	710	1.13	0.25	4431	3.25	805	1.37	0.25	5192	5.02	900	2.06	0.25
3808	4.54	900	2.05	0.28	4432	2.34	641	1.02	0.27	5194X#	--	--	2.77	0.26
3821X	9.58	900	3.67	0.25	4439	13.54	900	4.85	0.24	5211X	36.52	900	12.63	0.21
3822	6.40	900	2.92	0.29	4452X	4.29	900	1.74	0.25	5213X	12.73	900	4.56	0.22
3824X	4.32	900	1.83	0.26	4459	3.59	866	1.49	0.25	5215	15.82	900	6.02	0.24
3826	1.48	486	0.65	0.26	4470	2.22	620	0.84	0.25	5221	8.80	900	3.04	0.21
3827X	3.47	845	1.45	0.26	4484	3.78	900	1.57	0.26	5222X	6.64	900	2.10	0.19
3830a	a	a	a	a	4493	4.36	900	1.71	0.23	5223X	11.19	900	3.91	0.23
3851	2.78	720	1.26	0.27	4511	0.61	330	0.25	0.24	5348	14.65	900	5.07	0.21
3865	3.35	823	1.50	0.28	4557	2.49	668	1.05	0.26	5402	10.40	900	4.20	0.24
3881	5.97	900	2.42	0.24	4558	7.39	900	2.91	0.25	5403X	14.88	900	5.67	0.24

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11/22/2006

**EXHIBIT 4**

**WISCONSIN**

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

*Effective October 1, 2006*

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CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO
5437	12.78	900	4.65	0.24	6843F	15.85	900	5.61	0.27	7600	3.83	900	1.41	0.23
5443	7.05	900	2.76	0.23	6845F	44.86	900	12.33	0.16	7601	10.31	900	3.23	0.19
5445	10.84	900	3.92	0.22	6854	11.45	900	3.69	0.20	7605	4.49	900	1.85	0.26
5462	11.03	900	4.44	0.26	6872F	12.60	900	4.32	0.22	7610	0.61	330	0.23	0.24
5469X	13.33	900	3.02	0.11	6874F	22.93	900	7.12	0.19	7704X	4.10	900	1.69	0.26
5474	12.96	900	4.50	0.22	6882#	--	--	2.85	0.15	7709X	--	--	29.83	0.29
5478X	14.01	900	5.21	0.23	6884	13.90	900	3.17	0.10	7710X	7.47	900	2.84	0.28
5479X	14.06	900	5.20	0.24	7016M	12.02	900	4.32	0.25	7720	3.08	774	1.26	0.27
5480	10.72	900	3.87	0.22	7024M	13.36	900	4.80	0.25	7855	13.97	900	4.32	0.18
5491	3.81	900	1.42	0.23	7038M	7.98	900	2.63	0.20	8001	2.26	627	0.97	0.26
5507X	8.86	900	3.34	0.24	7046#	--	--	7.90	0.27	8002	2.46	663	1.11	0.28
5508	7.12	900	2.14	0.17	7090M	8.87	900	2.92	0.20	8006X	3.53	855	1.52	0.27
5537	6.91	900	2.77	0.26	7098#	--	--	9.13	0.27	8008	1.47	485	0.63	0.27
5538X	7.44	900	2.84	0.25	7133	8.28	900	3.21	0.24	8010X	2.72	710	1.14	0.26
5545X	17.84	900	7.21	0.26	7152M	10.27	900	4.08	0.25	8013	0.76	357	0.30	0.24
5551	43.79	900	14.93	0.22	7153M	6.20	900	2.24	0.27	8015	1.72	530	0.69	0.27
5606	2.96	753	1.02	0.22	7222	13.01	900	4.29	0.19	8017X	1.82	548	0.79	0.27
5610	8.37	900	3.51	0.27	7228X	12.02	900	4.36	0.22	8018X	4.21	900	1.81	0.27
5645X	15.49	900	5.74	0.24	7229X	11.17	900	3.90	0.21	8021	3.35	823	1.55	0.29
5651	10.98	900	4.02	0.23	7230	11.49	900	4.33	0.23	8031	3.65	877	1.59	0.27
5703	25.67	900	9.16	0.21	7231	16.56	900	5.80	0.22	8032	2.59	686	1.20	0.29
5705a	a	a	a	a	7232	7.34	900	2.55	0.20	8033	2.74	713	1.18	0.27
5951X	1.86	555	0.78	0.25	7309FX	71.03	900	19.73	0.17	8039	1.70	526	0.75	0.28
6002aX	a	a	a	a	7313FX	6.57	900	1.94	0.19	8044X	4.42	900	1.77	0.24
6003	18.78	900	8.03	0.27	7317FX	15.80	900	4.08	0.15	8045	0.37	287	0.14	0.22
6005	13.10	900	5.08	0.23	7327F	41.97	900	11.15	0.16	8046	3.92	900	1.68	0.28
6045	7.76	900	2.22	0.16	7333M	14.63	900	3.45	0.12	8047	3.99	900	1.56	0.25
6204	16.94	900	5.93	0.22	7335M	16.26	900	3.83	0.12	8050#	--	--	0.79	0.27
6206	6.24	900	2.23	0.23	7350F	17.37	900	5.77	0.27	8058	3.81	900	1.63	0.27
6213	7.73	900	2.44	0.19	7360X	10.53	900	4.07	0.24	8072	1.42	476	0.64	0.28
6214#	--	--	1.90	0.20	7370X	8.11	900	2.60	0.17	8090X	1.18	432	0.41	0.18
6216	9.73	900	3.81	0.25	7371X#	--	--	3.75	0.24	8102	1.91	564	0.75	0.24
6217X	7.75	900	2.77	0.23	7380X	6.05	900	2.29	0.24	8103	2.60	688	1.08	0.26
6229	5.65	900	2.12	0.23	7382	4.86	900	1.93	0.25	8105X	5.42	900	1.80	0.18
6233	16.67	900	5.19	0.19	7390	5.51	900	2.05	0.23	8106X	6.41	900	2.54	0.25
6235X	14.09	900	3.60	0.13	7394M	19.47	900	6.62	0.20	8107	4.74	900	1.73	0.23
6236#	--	--	15.95	0.20	7395M	21.63	900	7.35	0.20	8111X	4.22	900	1.80	0.27
6237	3.83	900	1.36	0.22	7403	5.67	900	2.40	0.26	8116	3.01	762	1.25	0.26
6251	31.52	900	11.11	0.24	7405N	1.49	488	0.59	0.26	8203	8.60	900	3.78	0.27
6252	14.53	900	4.12	0.18	7420X	12.03	900	2.52	0.10	8204	7.65	900	2.78	0.22
6260	26.32	900	6.16	0.12	7421	4.19	900	1.12	0.14	8209	3.53	855	1.52	0.27
6306	9.51	900	3.13	0.20	7422	2.55	679	0.67	0.14	8215	3.99	900	1.46	0.23
6319X	7.39	900	2.45	0.20	7423X	4.27	900	1.44	0.21	8227	7.93	900	2.59	0.20
6325	10.69	900	3.72	0.22	7425aX	a	a	a	a	8232X	5.66	900	2.21	0.25
6326X	6.47	900	2.56	0.25	7431N	4.09	900	1.01	0.13	8233	9.80	900	2.90	0.16
6400	10.31	900	3.94	0.23	7445N	0.50	--	--	--	8235	5.53	900	2.33	0.26
6504	4.22	900	1.69	0.24	7453N	1.35	--	--	--	8263	22.16	900	8.72	0.24
6703M*	35.23	900	10.48	0.25	7502	4.30	900	1.78	0.27	8264X	3.74	893	1.53	0.24
6704M*	25.06	900	8.50	0.25	7515	2.56	681	0.69	0.15	8265	7.69	900	2.99	0.25
6801F	8.00	900	2.28	0.17	7520	6.91	900	2.59	0.24	8279X	12.87	900	5.44	0.26
6811	5.67	900	1.82	0.18	7538	11.56	900	3.41	0.18	8288	7.04	900	2.96	0.26
6824F	8.91	900	3.68	0.29	7539	3.69	884	1.25	0.21	8291	4.48	900	1.89	0.26
6826F	15.09	900	4.19	0.16	7540	4.86	900	1.59	0.21	8292	5.88	900	2.50	0.26
6834	5.40	900	2.15	0.26	7580	2.77	719	1.00	0.22	8293	10.10	900	4.32	0.26
6836	9.15	900	3.55	0.26	7590	16.63	900	7.01	0.28	8304	5.73	900	2.28	0.25

Refer to the Footnotes Page for additional information on class codes ending in C, F, L, M, N, P, X, or # or for rates labeled a.

11/22/2006

**EXHIBIT 4**

**WISCONSIN**

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

*Effective October 1, 2006*

Page S4

CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO
8350X	6.38	900	2.42	0.24	9063	1.47	485	0.61	0.26					
8381X	1.85	553	0.78	0.26	9077F	3.16	789	1.08	0.19					
8385X	3.44	839	1.48	0.28	9082	2.16	609	0.93	0.27					
8387X	4.57	900	1.68	0.23	9083	2.06	591	0.80	0.26					
8391X	3.92	900	1.54	0.25	9084	1.99	578	0.86	0.27					
8392	1.91	564	0.81	0.26	9088a	a	a	a	a					
8393X	3.47	845	1.39	0.25	9089	1.65	517	0.64	0.24					
8500X	8.06	900	3.28	0.26	9093	1.96	573	0.75	0.27					
8601	1.10	418	0.36	0.20	9101	5.08	900	2.14	0.26					
8606	7.42	900	2.98	0.26	9102	2.96	753	1.22	0.24					
8709F	6.35	900	1.80	0.17	9154	2.94	749	1.14	0.24					
8719	3.85	900	1.40	0.22	9156	2.17	611	0.94	0.27					
8720	2.35	643	0.86	0.24	9170X	24.37	900	8.98	0.23					
8721	0.23	261	0.08	0.21	9178X	53.25	900	23.26	0.28					
8726F	12.91	900	4.64	0.24	9179X	4.13	900	1.49	0.24					
8734M	0.72	350	0.27	0.26	9180X	13.29	900	5.24	0.24					
8738M	1.01	402	0.31	0.26	9182	6.67	900	3.14	0.30					
8742	0.61	330	0.23	0.24	9186X	30.28	900	11.03	0.21					
8745	2.31	636	0.92	0.23	9220L	3.77	899	1.54	0.24					
8748	0.80	364	0.30	0.23	9402L	8.40	900	3.03	0.22					
8755	0.20	256	0.08	0.24	9403L	11.11	900	4.49	0.25					
8800	2.19	614	0.90	0.24	9410L	6.85	900	2.35	0.22					
8803	0.13	243	0.05	0.26	9412X	3.95	900	1.63	0.27					
8805M	0.33	279	0.13	0.28	9413X	3.98	900	1.65	0.25					
8810	0.29	272	0.12	0.26	9414X	4.06	900	1.74	0.26					
8815M	0.48	306	0.17	0.28	9428X*	--	--	--	--					
8820	0.21	258	0.08	0.22	9501	6.56	900	2.71	0.26					
8824	4.46	900	1.98	0.27	9505	3.45	841	1.51	0.27					
8825	2.73	711	1.15	0.27	9519X	4.90	900	2.04	0.26					
8826	2.86	735	1.20	0.26	9521X	7.58	900	2.79	0.21					
8828X	2.68	702	1.05	0.24	9522	6.07	900	2.42	0.26					
8829	3.17	791	1.36	0.27	9529a	a	a	a	a					
8831	2.56	681	1.08	0.27	9534X	25.56	900	9.52	0.24					
8832	0.33	279	0.14	0.27	9554	15.60	900	5.34	0.22					
8833	1.17	431	0.49	0.26	9586	0.93	387	0.42	0.29					
8835	2.75	715	1.17	0.26	9600	1.87	557	0.60	0.19					
8837aX#	--	--	--	--	9620	1.55	499	0.57	0.21					
8842	2.49	668	1.06	0.26	9894X	0.72	350	0.21	0.14					
8868X	0.40	292	0.18	0.28										
8869	0.74	353	0.33	0.29										
8871	0.49	308	0.22	0.29										
8901	0.20	256	0.08	0.26										
9012	1.79	542	0.70	0.26										
9014X	5.76	900	2.31	0.25										
9015	4.74	900	1.79	0.24										
9016X	3.42	836	1.43	0.26										
9019	2.70	706	1.07	0.25										
9033	2.40	652	0.97	0.24										
9040	4.42	900	1.90	0.27										
9044X	2.72	710	1.17	0.27										
9052X	2.49	668	1.06	0.26										
9058	2.30	634	0.94	0.26										
9059	2.16	609	0.88	0.24										
9060	1.92	566	0.77	0.24										
9061	1.78	540	0.82	0.28										

Refer to the Footnotes Page for additional information on class codes ending in C, F, L, M, N, P, X, or # or for rates labeled a.

## **EXHIBIT 4**

### **WISCONSIN**

#### **WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

*Effective October 1, 2006*

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#### **FOOTNOTES**

- a Rate for each individual risk must be obtained by Home Office from Rating Organization having jurisdiction.
- C Classification is a chemical code.
- F Rate provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Rate contains a provision for federal assessment.
- L Not applicable where Code Nos. 9412-13-14 Municipal Operations are indicated, for reference to which see exception page.
- M Rate provides for coverage under Admiralty Law and Federal Employers' Liability Act (FELA).
- N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding rate are applied in addition to the basic classification when determining premium.

<u>Class Code</u>	<u>Non-Ratable Element Code</u>
4771	0771
7405	7445
7431	7453

- P Classification is computed on a per capita basis.
- X Refer to special classification phraseology in these pages which is applicable in this state.
- # This class code has been discontinued.
- \* Class codes with special footnotes:
- 9428 Work Study Coverage - In accordance with the instructions for this code, the rate charged per student, per week is \$0.50.
- 6703 Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate x 1.936 and ELR x 1.696.
- 6704 Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate and ELR each x 1.35.

# **EXHIBIT 4**

## **WISCONSIN**

### **WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

*Effective October 1, 2006*

#### **MISCELLANEOUS VALUES**

Basis of premium applicable in accordance with the footnote instructions for Code 7370 -- "Taxicab Co.":

Employee operated vehicle	\$50,778.00
Leased or rented vehicle	\$33,852.00

Expense Constant applicable in accordance with Basic Manual Rule VI-E-2 \$220.00

In accordance with state special Basic Manual Rule V-B-2, the value of lodging received by employees as a part of their pay shall be \$103.36 per week or \$14.77 per day. The value of meals received by employees as a part of their pay shall be \$93.04 per week or \$4.43 per meal.

Maximum Remuneration applicable in accordance with Basic Manual Rule IX-A-4-b -- "Executive Officers"	\$58,032.00	Annually
	\$1,116.00	Weekly

Minimum Remuneration applicable in accordance with Basic Manual Rule IX-A-4-a -- "Executive Officers"	\$11,596.00	Annually
	\$223.00	Weekly

Per Passenger Seat Surcharge - In accordance with the footnote instructions for classification Code 7421, the surcharge is:

maximum surcharge per aircraft	\$1,000.00
per passenger seat	\$100.00

Premium Determination for Partners and Sole Proprietors in accordance with Basic Manual Rule IX-B-5 \$38,688.00

Work Study Coverage - In accordance with the instructions for Classification Code 9428, the rate charged per student, per week is: \$0.50

Companies have the option of charging \$0.00, \$0.01, \$0.02 or \$0.03 per \$100 of payroll for terrorism coverage (TRIA). Assigned risk policies are charged \$0.03 per \$100 of payroll.

Companies have the option of charging \$0.00 or \$0.01 per \$100 of payroll for domestic terrorism, earthquakes and catastrophic industrial accidents coverage (DTEC). Assigned risk policies are charged \$0.01 per \$100 of payroll.

Premium Discount Percentages (See Basic Manual Rule VII-D). The following premium discounts are applicable to Standard Premiums:

			Type	Type	
			<u>A</u>	<u>B</u>	
First	\$10,000	.....	-	0.0%	0.0%
Next	\$190,000	.....	a	9.1%	5.1%
Next	\$1,550,000	.....	b	11.3%	6.5%
Over	\$1,750,000	.....	c	12.3%	7.5%

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with Rule XII-D-3 "U.S. Longshore and Harbor Workers' Compensation Act" of the Basic Manual.

Difference in Benefits	62.5%
<u>Difference in Loss Based Expenses</u>	<u>12.1%</u>
Combined USL&HW%	82.0%

(Multiply a Non-'F' classification rate by a factor of 1.82. This factor adjusts for differences in state and federal benefits and loss based expenses. The factor to adjust for differences in benefits only is 1.63. The factor to adjust for differences in loss based expenses only is 1.121.)

#### **Experience Rating Eligibility**

A risk is eligible for intrastate experience rating when the payrolls or other exposures developed in the last year or last two years of the experience period produced a premium of at least \$12,000. If more than two years, an average annual premium of at least \$6,000 is required. Page A-1 of the Experience Rating Plan Manual should be referenced for the latest approved eligibility amounts by state.



**EXHIBIT 4**

**WISCONSIN**

**SPECIAL CLASSES**

*Effective October 1, 2006*

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Civil Defense Workers and Volunteer Rescue Squads - including members serving as auxiliary police officers at emergencies .....7710

Actual remuneration shall be taken, but in no event less than \$1,560.00 per individual per annum in computing premium.

FIREFIGHTERS & DRIVERS - NON VOLUNTEER .....7704

FIRE DEPARTMENT - VOLUNTEER .....7709

**SCHEDULE OF ANNUAL PREMIUMS**

<u>Population of Area Served *</u>			<u>Annual Premium</u>
0	-	300	\$ 924
301	-	500	1,043
501	-	700	1,153
701	-	1,000	1,273
1,001	-	1,500	1,493
1,501	-	2,000	1,733
2,001	-	2,500	1,974
2,501	-	3,000	2,215
3,001	-	3,500	2,458
3,501	-	4,000	2,700
4,001	-	4,500	2,941
4,501	-	5,000	3,181
5,001	-	6,000	3,604
6,001	-	7,000	4,089
7,001	-	8,000	4,574
8,001	-	9,000	5,056
9,001	-	10,000	5,539
10,001	-	15,000	7,452
15,001	-	20,000	9,875
20,001	-	25,000	12,294

For each additional 5,000 population (or portion thereof) add - \$2,419

Minimum Premium - \$900

\* Population of area served is based on the latest available census data, and includes not only the population of the city, town, township, etc. where the department is located, but also the population of any area serviced under a fire protection contract or similar agreement.

The premiums on the fire department shall be charged in addition to the premium charged for all other operations insured under the policy.

**EXHIBIT 4**

**WISCONSIN**

**EXPERIENCE RATING PLAN MANUAL**

**PART FIVE**

*Effective October 1, 2006*

**TABLE OF WEIGHTING VALUES**

**APPLICABLE TO ALL POLICIES**

Expected Losses		Weighting Values	Expected Losses		Weighting Values		
0	-	973	0.04	549,114	-	579,402	0.44
974	-	3,936	0.05	579,403	-	611,445	0.45
3,937	-	6,962	0.06	611,446	-	645,398	0.46
6,963	-	10,054	0.07	645,399	-	681,439	0.47
10,055	-	13,213	0.08	681,440	-	719,766	0.48
13,214	-	22,100	0.09	719,767	-	760,604	0.49
22,101	-	32,896	0.10	760,605	-	804,209	0.50
32,897	-	42,500	0.11	804,210	-	850,872	0.51
42,501	-	51,850	0.12	850,873	-	900,927	0.52
51,851	-	61,203	0.13	900,928	-	954,758	0.53
61,204	-	70,670	0.14	954,759	-	1,012,810	0.54
70,671	-	80,316	0.15	1,012,811	-	1,075,598	0.55
80,317	-	90,185	0.16	1,075,599	-	1,143,729	0.56
90,186	-	100,310	0.17	1,143,730	-	1,217,914	0.57
100,311	-	110,718	0.18	1,217,915	-	1,298,999	0.58
110,719	-	121,433	0.19	1,299,000	-	1,387,992	0.59
121,434	-	132,480	0.20	1,387,993	-	1,486,112	0.60
132,481	-	143,879	0.21	1,486,113	-	1,594,837	0.61
143,880	-	155,655	0.22	1,594,838	-	1,715,987	0.62
155,656	-	167,831	0.23	1,715,988	-	1,851,820	0.63
167,832	-	180,430	0.24	1,851,821	-	2,005,178	0.64
180,431	-	193,480	0.25	2,005,179	-	2,179,688	0.65
193,481	-	207,006	0.26	2,179,689	-	2,380,049	0.66
207,007	-	221,038	0.27	2,380,050	-	2,612,466	0.67
221,039	-	235,606	0.28	2,612,467	-	2,885,302	0.68
235,607	-	250,744	0.29	2,885,303	-	3,210,104	0.69
250,745	-	266,486	0.30	3,210,105	-	3,603,285	0.70
266,487	-	282,871	0.31	3,603,286	-	4,088,976	0.71
282,872	-	299,940	0.32	4,088,977	-	4,704,182	0.72
299,941	-	317,739	0.33	4,704,183	-	5,508,681	0.73
317,740	-	336,315	0.34	5,508,682	-	6,605,721	0.74
336,316	-	355,721	0.35	6,605,722	-	8,190,332	0.75
355,722	-	376,016	0.36	8,190,333	-	10,680,430	0.76
376,017	-	397,262	0.37	10,680,431	-	15,162,601	0.77
397,263	-	419,528	0.38	15,162,602	-	25,620,993	0.78
419,529	-	442,891	0.39	25,620,994	-	77,912,926	0.79
442,892	-	467,434	0.40	77,912,927	AND OVER	0.80	
467,435	-	493,248	0.41				
493,249	-	520,437	0.42				
520,438	-	549,113	0.43				

(a) State Per Claim Accident Limitation . . . . .	\$116,000
(b) State Multiple Claim Accident Limitation . . . . .	\$232,000
(c) USL&HW Per Claim Accident Limitation . . . . .	\$348,000
(d) USL&HW Multiple Claim Accident Limitation . . . . .	\$696,000
(e) Employers Liability Accident Limitation . . . . .	\$60,000
(f) USL&HW Act -- Expected Loss Factor -- Non-F Classes . . . . .	63%

Cap on Modifications = 1 + (0.00005){(Expected Losses) + (2)(Expected Losses) / (4.65)}

**EXHIBIT 4**

**WISCONSIN**

**EXPERIENCE RATING PLAN MANUAL  
PART FIVE**

*Effective October 1, 2006*

**TABLE OF BALLAST VALUES  
APPLICABLE TO ALL POLICIES**

Expected Losses		Ballast Values	Expected Losses		Ballast Values	Expected Losses		Ballast Values			
0	-	25,011	11,625	802,595	-	825,831	93,000	1,616,109	-	1,639,355	174,375
25,012	-	43,047	13,950	825,832	-	849,068	95,325	1,639,356	-	1,662,602	176,700
43,048	-	63,770	16,275	849,069	-	872,307	97,650	1,662,603	-	1,685,849	179,025
63,771	-	85,632	18,600	872,308	-	895,546	99,975	1,685,850	-	1,709,095	181,350
85,633	-	108,025	20,925	895,547	-	918,785	102,300	1,709,096	-	1,732,343	183,675
108,026	-	130,699	23,250	918,786	-	942,025	104,625	1,732,344	-	1,755,590	186,000
130,700	-	153,538	25,575	942,026	-	965,265	106,950	1,755,591	-	1,778,837	188,325
153,539	-	176,480	27,900	965,266	-	988,506	109,275	1,778,838	-	1,802,084	190,650
176,481	-	199,491	30,225	988,507	-	1,011,747	111,600	1,802,085	-	1,825,331	192,975
199,492	-	222,550	32,550	1,011,748	-	1,034,989	113,925	1,825,332	-	1,848,579	195,300
222,551	-	245,645	34,875	1,034,990	-	1,058,231	116,250	1,848,580	-	1,871,826	197,625
245,646	-	268,766	37,200	1,058,232	-	1,081,473	118,575	1,871,827	-	1,895,074	199,950
268,767	-	291,906	39,525	1,081,474	-	1,104,716	120,900	1,895,075	-	1,918,321	202,275
291,907	-	315,063	41,850	1,104,717	-	1,127,959	123,225	1,918,322	-	1,941,569	204,600
315,064	-	338,233	44,175	1,127,960	-	1,151,202	125,550	1,941,570	-	1,964,817	206,925
338,234	-	361,412	46,500	1,151,203	-	1,174,446	127,875	1,964,818	-	1,988,065	209,250
361,413	-	384,600	48,825	1,174,447	-	1,197,690	130,200	1,988,066	-	2,011,312	211,575
384,601	-	407,795	51,150	1,197,691	-	1,220,934	132,525	2,011,313	-	2,034,560	213,900
407,796	-	430,996	53,475	1,220,935	-	1,244,178	134,850	2,034,561	-	2,057,808	216,225
430,997	-	454,202	55,800	1,244,179	-	1,267,422	137,175	2,057,809	-	2,081,056	218,550
454,203	-	477,412	58,125	1,267,423	-	1,290,667	139,500	2,081,057	-	2,104,304	220,875
477,413	-	500,625	60,450	1,290,668	-	1,313,912	141,825	2,104,305	-	2,127,552	223,200
500,626	-	523,842	62,775	1,313,913	-	1,337,157	144,150	2,127,553	-	2,150,800	225,525
523,843	-	547,062	65,100	1,337,158	-	1,360,402	146,475	2,150,801	-	2,174,048	227,850
547,063	-	570,284	67,425	1,360,403	-	1,383,647	148,800	2,174,049	-	2,197,296	230,175
570,285	-	593,509	69,750	1,383,648	-	1,406,893	151,125	2,197,297	-	2,220,545	232,500
593,510	-	616,735	72,075	1,406,894	-	1,430,138	153,450				
616,736	-	639,963	74,400	1,430,139	-	1,453,384	155,775				
639,964	-	663,192	76,725	1,453,385	-	1,476,630	158,100				
663,193	-	686,423	79,050	1,476,631	-	1,499,876	160,425				
686,424	-	709,655	81,375	1,499,877	-	1,523,122	162,750				
709,656	-	732,889	83,700	1,523,123	-	1,546,369	165,075				
732,890	-	756,123	86,025	1,546,370	-	1,569,615	167,400				
756,124	-	779,358	88,350	1,569,616	-	1,592,862	169,725				
779,359	-	802,594	90,675	1,592,863	-	1,616,108	172,050				

For Expected Losses greater than 2,220,545, the Ballast Value can be calculated using the following formula (rounded to the nearest 1):

$$\text{Ballast} = (0.10)(\text{Expected Losses}) + 2500(\text{Expected Losses})(4.65) / (\text{Expected Losses} + (700)(4.65))$$

$$\text{Cap on Modifications} = 1 + (0.00005)\{(\text{Expected Losses}) + (2)(\text{Expected Losses}) / (4.65)\}$$

## EXHIBIT 4

### WISCONSIN

#### RETROSPECTIVE RATING VALUES CALCULATION OF STATE AND FEDERAL TAX MULTIPLIERS

*Effective October 1, 2006*

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A.	State loss assessments		
	Workers Compensation Administration Assessment		0.0145
B.	State premium taxes and assessments		
1.	Premium Tax	0.020	
2.	<u>Miscellaneous Tax</u>	<u>0.003</u>	
3.	Total		0.023
C.	Residual Market Subsidy		0.000
D.	Total of Taxes and Residual Market Subsidy = (B) + (C)		0.023
E.	Target Cost Ratio (excludes subsidy)		0.742
F.	Loss Adjustment expense		1.195
G.	Permissible Loss Ratio = (E) / ((F) + (A))		0.613
H.	State Tax Multiplier = ((.2 + ((G) x [1+(A)])) / (.2 + (G))) x (1 / (1 - (D)))		1.035
I.	Federal Assessment		1.162
J.	State Weight		0.210
K.	Federal Weight		0.790
L.	Weighted Federal Assessment = ((J) x [1+(A)]) + ((K) x (I))		1.131
M.	Federal Permissible Loss Ratio = (E) / ((F) + (L) - 1)		0.560
N.	Federal Tax Multiplier = ((.2 + ((M) x (L))) / (.2 + (M))) x (1 / (1 - (D)))		1.122