



Wisconsin Compensation Rating Bureau

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Located at 2200 North Mayfair Road, Wauwatosa, WI 53226

**CIRCULAR LETTER 2860 – DECEMBER 20, 2000**

**PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE**

**TO: MEMBERS OF THE BUREAU**

Minutes of the Wisconsin Rating Committee meeting held in the premises of the Wisconsin Compensation Rating Bureau, 2200 North Mayfair Road, Wauwatosa, WI 53226 on Tuesday, December 5, 2000. The meeting was called to order at 8:30 A.M. with the following members present:

ORGANIZATION

Fireman’s Fund Insurance Company, Chair  
Continental Casualty Insurance Company  
Employers Insurance of Wausau A Mutual Company  
Employers Mutual Casualty Company  
Sentry Insurance A Mutual Company  
Society Insurance A Mutual Company  
Travelers Insurance Company

United Wisconsin Insurance Company

Wisconsin Compensation Rating Bureau

REPRESENTATIVE

Tom Vanderbusch  
Pat Williams  
Steve Ginsburg  
Jim Pousha  
Bill Swarthout  
Rick Levin  
Alan Carpenter  
Todd Owen  
Emil Pfenninger  
Byron Jacque  
Ralph Herrmann  
Richard Colvin  
Nancy Kierzek  
Donna Knepper

Member Absent or Excused:

Wisconsin Manufacturers & Commerce

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Also Present:

Fremont Casualty Company  
General Casualty Company of WI  
HIH Insurance  
Michael Best & Friedrich  
Office of the Commissioner of Insurance  
National Council on Compensation Insurance  
Secura Insurance Company  
Tri-State Insurance of Company of MN  
West Bend Mutual Insurance Company

Debbie Towler  
Rich Kalina  
Steve Zajc  
Paul Riegel  
Jo LeDuc  
Peter Strauss  
Gary Gudex  
Al Utzig  
Pam Allison

Also Present for Part of the Meeting:

Norstar Aluminum Molds, Inc.  
Marsh USA, Inc.  
Wisconsin Compensation Rating Bureau

Tom Wachs  
Tony Peterson  
Melanie Lindseth

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.”

**UNFINISHED BUSINESS**

**ITEM NUMBER 3748 CONTRACTOR PREMIUM ADJUSTMENT PROGRAM**

Vice President Colvin provided an updated report on the activity under the Contractor Premium Adjustment Program.

Since the Program expires on July 1, 2001, the Committee approved the following recommendations to the current Contractor Premium Adjustment Program:

- Extend the Program an additional three years to 7-1-04.
- Increase the average eligibility wage 3.5%, at each wage range threshold.
- Amend the current rules to allow for annual review of the wage threshold.

This item is continued.

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**ITEM NUMBER 3783 NCCI PROPOSAL ITEM B-1351 WORKERS  
COMPENSATION PREMIUM ALGORITHM**

Each member of the Committee was furnished with a copy of a revised Worker's Compensation Premium Algorithm. The Committee adopted the changes and also recommended that class code 1005 – Coal Mining – Surface & Drivers be eliminated for Wisconsin. This item will be effective upon approval and is removed from the agenda.

**ITEM NUMBER 3798 NCCI PROPOSAL ITEM B-1361 BASIC MANUAL UPDATES**

This item is continued with no action taken.

**ITEM NUMBER 3799 CORPORATE OFFICER NON-ELECTION OF COVERAGE  
AND ITS EFFECT ON PREMIUM COLLECTION FOR  
CLAIMS ARISING UNDER THE JONES ACT AND  
LONGSHORE AND HARBOR ACT**

Bureau Legal Counsel, Paul Riegel, advised that this item is on the agenda for the January, 2001 Advisory Council meeting.

**ITEM NUMBER 3770 INSTALLMENT FEES**

The Committee concurred with the recommendation to adopt the following language to the Wisconsin Exception Rule VI.F.:

“The insurance carrier may, within its discretion, charge a reasonable fee for installment plans for payment of premium on worker's compensation policies. The fee must be itemized separately on any billing sent to the insured. Written notice of the proposed installment fee must be given to the insured at the same time as the issuance of the initial quote, or renewal notice.”

The installment fees will be considered premium for tax assessments but will not be included for WCRB assessments or contemplated in the ratemaking process.

If approved by the Office of the Commissioner of Insurance, all member companies will be required to file a copy of their installment fees and any subsequent changes with the Bureau. Carriers will be notified of reporting requirements by a separate Circular Letter.

The Chairperson recognized the various companies, the OCI and WCRB for their involvement in working through the issues for resolution of this matter.

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**ITEM NUMBER 3808 WISCONSIN LAW ENDORSEMENT**

The Committee was advised that this item was discussed at a recent quarterly meeting with the OCI, DWD and WCRB. A suggestion was presented to amend the Wisconsin Law Endorsement to eliminate cancellation and renewal information and develop separate forms for cancellation and non-renewal. This item is continued pending further Committee review.

**ITEM NUMBER 3812 HARTFORD INSURANCE COMPANY – FORM FILING**

The Committee continued their review of this proposed form filing. The Committee concurred that this form appeared unnecessary and voted not to adopt it for filing with the Office of the Commissioner of Insurance. This item is removed from the agenda.

**ITEM NUMBER 3813 PER DIEM EXPENSE REIMBURSEMENT**

With all business complete, this item is removed from the agenda.

**NEW BUSINESS**

**ITEM NUMBER 3815 NORSTAR ALUMINUM MOLDS – HEARING**

The Committee reviewed the information provided by Norstar Aluminum Molds and concluded that the two claims in question could not be removed from the experience rating modification calculation without violating the Experience Rating Plan filed with and approved by the Office of the Commissioner of Insurance. The petition was denied.

**ITEM NUMBER 3816 RUCKER & SILL LTD. DBA TILE SHOP – HEARING**

Prior to the meeting, the Request For Hearing was withdrawn. This item is removed from the agenda.

**ITEM NUMBER 3817 IMPLIED EMPLOYMENT RULE**

Bureau Legal Counsel, Paul Riegel, advised that this item is on the agenda for the January, 2001 Advisory Council meeting.

**ITEM NUMBER 3818 NAIC STATUTORY ACCOUNTING RULE CHANGE**

The Committee reviewed the NAIC Statutory Accounting Rule Change and a Premium Due Endorsement submitted by the NCCI. This endorsement satisfies the new rule change and was approved for filing with the Office of the Commissioner of Insurance, to be effective January 1, 2001.

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**ITEM NUMBER 3819 FARMERS INSURANCE GROUP – MONTHLY  
PAYMENT AGREEMENT**

The Committee reviewed the form filing submitted by Farmers Insurance Group. The Committee was unclear as to the intent of the endorsement and requested that the WCRB contact the carrier. This item is continued.

**ITEM NUMBER 3820 ST. PAUL INSURANCE COMPANY – WI CANCELTION  
ENDORSEMENT**

The discussion of this item was in conjunction with Item 3808 Wisconsin Law Endorsement. Mr. Riegel will meet with St. Paul Insurance Company to develop language for revised WI Cancellation Endorsements.

St. Paul Insurance Company had submitted a proposed cancellation endorsement to allow the policy to be endorsed to provide greater cancellation notice than is statutorily required. Bureau legal counsel will work with St. Paul Insurance Company to develop the endorsements. This item is continued.

By the unanimous consent of all members present, the following items were added to the agenda.

**ITEM NUMBER 3821 – 2001 WISCONSIN BENEFIT CHANGE**

Each member of the Committee was furnished with a copy of the actuarial evaluation of the proposed legislative changes indicating a benefit level change of 0.27%. The Committee affirmed that no January rate revision will be filed. The benefit increase will be incorporated in the July 1, 2001 rate revision. This item is removed from the agenda.

**ITEM NUMBER 3822 AMENDMENT TO s. DWD 80.67, WIS. ADM. CODE**

Each member of the Committee was furnished with a copy of a proposed amendment to s. DWD.80.67 Name or reorganizational change by insurer. The amendment changes the reporting of a name or reorganizational change to DWD and WCRB from 90 days to 30 days prior to the effective date of change. It also allows an insurer to notify the WCRB and the employer of the change by endorsement rather than reissuing a policy. The Committee concurred with the recommended changes. This item is continued.

**ITEM NUMBER 3550 FOREIGN COVERAGE ENDORSEMENT**

This item was reintroduced.

The Office of the Commissioner of Insurance has requested that the Committee review the Wisconsin Foreign Coverage Endorsement as it was approved in error. After

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discussion, the Committee voted to file the following change to the endorsement for approval effective January 1, 2001:

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY WC 48 06 03 B**

*Effective January 1, 2001*

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**FOREIGN COVERAGE ENDORSEMENT**

This endorsement supersedes any other Foreign Coverage Endorsement attached to this policy as respects Wisconsin employees. Foreign Coverage for Wisconsin employees is provided under Part One of the policy, at no additional charge.

The next meeting of the Rating Committee is scheduled for March 13, 2001.

Donna Knepper  
Executive Secretary