



Wisconsin Compensation Rating Bureau

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CIRCULAR LETTER 2875 – JUNE 27, 2001

PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE

Minutes of the Wisconsin Rating Committee meeting held in the premises of Cherry Hills Lodge, 5905 Dunn Road, Sturgeon Bay, WI 54325 on Thursday, June 14, 2001. The meeting was called to order at 8:30 AM, with the following members present:

ORGANIZATION

Employers Mutual Casualty Company, Chair
Continental Casualty Insurance Company
Employers Insurance of Wausau A Mutual Company
Fireman’s Fund Insurance Company
Sentry Insurance A Mutual Company
Society Insurance A Mutual Company
United Wisconsin Insurance Company
Travelers Insurance Company
Wisconsin Compensation Rating Bureau

REPRESENTATIVE

Jim Pousha
Dave Wulff
Steve Ginsburg
Tom Vanderbusch
Bill Swarthout
Rick Levin
Byron Jacque
Todd Owen
Ralph Herrmann
Richard Colvin
Nancy Kierzek
Christine Siekierski
Donna Knepper

Member Absent or Excused:

Wisconsin Manufacturers & Commerce

Also Present:

Michael Best & Friedrich
Secura Insurance Company
Tri-State Insurance of MN
West Bend Mutual Insurance

Paul Riegel
Tim Riedl
Gregg Murray
Pam Allison

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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

With all business complete, the following items were removed from the agenda.

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

ITEM NUMBER 3770 INSTALLMENT FEES

ITEM NUMBER 3808 WISCONSIN LAW ENDORSEMENT

ITEM NUMBER 3815 NORSTAR ALUMINUM MOLDS – HEARING

ITEM NUMBER 3818 NAIC STATUTORY ACCOUNTING RULE CHANGE

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

ITEM NUMBER 3550 FOREIGN COVERAGE ENDORSEMENT

ITEM NUMBER 3748 CONTRACTOR PREMIUM ADJUSTMENT PROGRAM

Each member of the Committee was furnished with an updated report on the activity under the Contractor Premium Adjustment Program. This item is continued to provide further updates.

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

The Committee was advised that the amendment to DWD 80.67, Wis. Adm. Code will be effective August 1, 2001. The amendment allows a carrier to notify the WCRB and the employer of a carrier name change by endorsement. This item is removed from the agenda.

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

The current premium algorithm has the application of the Wavier of Subrogation factor being applied prior to the application of the experience modification. Since the Wavier of Subrogation factor is a flat charge, the Committee concurred with the recommendation to reposition the application.

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 the WC Advisory Council is not taking action on this item at this time. This item is removed from the agenda.

ITEM NUMBER 3817 IMPLIED EMPLOYMENT RULE

Bureau Legal Counsel, Paul Riegel, advised that the WC Advisory Council is not taking action on this item at this time. The Committee concurred that the audit departments of member carriers should make the determination on the application of Implied Employment Rule. This item is removed from the agenda.

ITEM NUMBER 3819 FARMERS INSURANCE GROUP – MONTHLY
PAYMENT AGREEMENT

There has been no further activity on this item and it is removed from the agenda.

ITEM NUMBER 3823 HONTHANERS V LIRC

The Committee was advised that the impact the Honthaner v LIRC decision will have on the rates is not known at this time. The potential impact will continue to be assessed.

ITEM NUMBER 3824 RULE X.D. PREMIUM DETERMINATION - CANCELLATION
BY THE INSURED, EXCEPT WHEN RETIRING FROM
BUSINESS

This item was referred to the Operations/Administration subcommittee for review.

ITEM NUMBER 3825 JULY 1, 2001 RATE REVISION

This item has been filed with the Office of the Commissioner of Insurance for approval.

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ITEM NUMBER 3826 HARTFORD FORM FILING

After discussion, the Committee voted to adopt the proposed Insured's Name and Address Linking Endorsement as submitted by Hartford Insurance Group for filing with the Office of the Commissioner of Insurance for approval.

ITEM NUMBER 3827 NCCI PROPOSAL ITEM B-1369 2001 BASIC MANUAL FOR
WORKERS COMPENSATION AND EMPLOYERS
LIABILITY INSURANCE

The Committee voted to file the proposed revised Basic Manual with the Office of the Commissioner of Insurance.

The proposed amendments to the Wisconsin Exception Pages to the Basic Manual contained revisions to the current cancellation provisions. The cancellation provisions will be removed from the proposed pages and the remaining Exceptions will be filed with the Office of the Commissioner of Insurance for approval.

ITEM NUMBER 3828 NCCI PROPOSAL ITEM R-1371 – 2001 UPDATE TO
RETROSPECTIVE RATING PLAN PARAMETERS

The Committee voted to adopt the proposed 2001 Update to Retrospective Rating Plan Parameters. This item is proposed to be effective July 1, 2001, applicable to new and renewal business only.

ITEM NUMBER 3829 REGAL LIMOUSINE SERVICE – HEARING

By the unanimous consent, this item was added to the agenda.

On May 18, the Rating Committee denied a petition submitted by Regal Limousine Service to reclassify their operations from code 7370 Non-Schedule Limousine Company to 7382 Limousine Company – Scheduled. The WCRB was directed to investigate whether code 7370 was a suitable code for limousine services. The Committee agreed with the recommendation of the WCRB to assign limousine companies to class code 7380 rather than 7370. This change in interpretation is effective July 1, 2001, applicable to new and renewal business only.

Donna Knepper
Executive Secretary