



Wisconsin Compensation Rating Bureau

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**CIRCULAR LETTER 1053– MARCH 24, 2004**

PROCEEDINGS OF THE WISCONSIN GOVERNING COMMITTEE

TO: MEMBERS OF THE BUREAU

Minutes of the Wisconsin Governing Committee meeting held in the premises of the Wisconsin Compensation Rating Bureau on Tuesday, March 9, 2004. The meeting was called to order at 1:00 P.M. with the following members present:

ORGANIZATION

REPRESENTATIVE

Travelers Insurance Company, Chair  
Employers Insurance of Wausau A Mutual Company  
Fire & Casualty Insurance Company of CT  
Fireman’s Fund Insurance Company  
General Casualty Insurance Company of WI  
Secura Insurance Company  
Sentry Insurance A Mutual Company  
Society Insurance A Mutual Company  
Wisconsin Compensation Rating Bureau

Alan Carpenter  
Steve Ginsburg  
Vicki Vesely  
Ken Blake  
Jim Vandenberg  
Phil Biwan  
Bill Swarthout  
Rick Levin  
Ralph Herrmann  
Richard Colvin  
Nancy Kierzek  
Christine Siekierski  
Donna Knepper

Also Present:

Michael Best & Friedrich  
Office of the Commissioner of Insurance  
West Bend Mutual Insurance Company

Paul Riegel  
Laura Andreasson  
Pam Allison

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.”

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1. The Committee was presented the following information:

- The 2003 Estimated Year-End Budget Report.
- The 2004 Approved Budget Report.
- An Approved Quarterly Budget Reference Chart outlining the approved quarterly assessment for the past year.
- An Income Report that included years 2000 through 2-28-04.
- A report comparing the number of fines issued and the total income for NTCs and USRs for 2002 through 2003. The report summarized that that Unit Statistical fine income increased 34.0% and the number of fines decreased by 33.2%. For the same time period, Notice to Carrier fine income increased by 16.4%, while the number of fines decreased by 35.7%.
- The Committee voted to levy an assessment for the second quarter of 2004 in the amount of \$1,652,375.

NOTE: Since the direct premium writings of the current calendar year do not become available until the following calendar year, the net direct premium writings of the preceding calendar year shall be used as a temporary basis for the apportionment of this assessment.

2. The usual discussion centering on administrative affairs, occupancy, general expenses, salaries, personnel, etc.

President Herrmann provided the following update:

- The WCRB Emergency Preparedness/Disaster Recovery Plan has been finalized.
- Financial Calls – The Web-based application for 2004 Financial Calls is operational. The acknowledgement forms have been received by most of the carriers. The following is a schedule of future calls and their due date:
  - WWCIP due 3-15
  - Calls 3 & 5 due 4-1
  - Call 8 due 4-5
  - Calls 10W, 19 and 31 due 4-15
- The WCRB is in the process of recruiting an IT programmer to fill a vacancy created due to a retirement. Additional staffing needs are being reviewed.
- WCRB Web site will go live at a new co-location facility with the MA Bureau on March 10, 2004.

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- The Committee was updated on the new monthly invoicing system for WCRB fines and assessments. Carriers are now provided with a single invoice outlining all WCRB charges. An Invoice Look-Up program will be available on the WCRB Web site in the near future.
- The Committee was advised that the WCRB has the Proof of Concept system in place to test a new imaging system.
- Weekly/Monthly WCRB management report summaries.

### 3. Outstanding Issues

- a. The 4<sup>th</sup> Edition CompScope is available on WCRI's Web site. Dr. Richard Victor will be invited to attend the December Governing Committee meeting to provide input on the benefits continuing participation has for WI.

- b. Carriers placed in rehabilitation/liquidation

Paul Riegel updated the Committee on the status of TIG Group and Kemper Group. Neither carrier is currently writing worker's compensation in WI.

- c. Unit Statistical direct reporting option

Approximately 65% of the total unit cards processed continue to be filed directly with the WCRB.

- d. WCRB Ratemaking - Financial Calls

This topic was addressed under agenda item #2.

- e. NTC Procedures

WCRB is working with carriers receiving a high instance of NTCs and fines to try and reduce the volume.

- f. Wisconsin Basic Manual

The ad hoc committee met on February 3 and March 2, 2004 to review and edit the rule section of the proposed Wisconsin Basic Manual. The classification portion of the proposed Manual is being edited and will be available for review at a later date.

- g. Pool Surplus Report

This item is continued as a reminder to provide an update in December.

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h. The Committee approved a revised Bureau Request Form. The form was updated to eliminate several charges, as the information is available on the WCRB Web site.

4. Society Insurance – Reimbursement Request

Society Insurance submitted a request for reimbursement of \$60,604.80 for unusual legal expenses. Society Insurance denied a claim for coverage for an out-of-state employee of Firestone Kennels. Since the defense protected the Pool assets and the court decision can be used to defend similar cases, the reimbursement was approved.

Society Insurance abstained from voting.

5. The Committee was provided with the ACCCT status report.

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

6. Stanley Lang dba Lang Remodeling & Roofing

The Committee reviewed a transfer of debt request submitted by Society Insurance. The request was denied pending the receipt of additional information.

7. ER Construction Inc.

The Committee reviewed a charge-off request submitted by Society Insurance. Since Society Insurance has a judgment filed against the insured, the request was denied. Future requests for coverage in the Pool will be denied.

The next Governing Committee meeting is tentatively scheduled for May 13, 2004, which is the Annual Meeting.

Donna Knepper  
Executive Secretary