



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 1220—September 21, 2018

WISCONSIN GOVERNING BOARD MEETING

Minutes of the Wisconsin Governing Board meeting held in the premises of the Wisconsin Compensation Rating Bureau, 20700 Swenson Drive, Waukesha, WI 53186 on Wednesday, September 5, 2018. The meeting was called to order at 8:30 AM.

A list of attendees at the September Rating Committee and Governing Board meetings follows. The Chair of the Rating Committee was Matt Massaro from Travelers Indemnity Company. Chair of the Governing Board was Steve Miller from Secura Insurance Company.

ORGANIZATION	REPRESENTATIVE	GOVERNING BOARD	RATING COMMITTEE
American Home Assurance (Teleconference)	Ira Feuerlicht	X	X
Associated General Contractors of Greater Milwaukee	Dan Burazin	X	X
Employers Insurance of Wausau	Steve Ginsburg	X	X
Employers Mutual Casualty Co.	Dave Young	O	X
	Mike Lester	O	X
General Casualty Co	George Busche	X	X
Middlesex Insurance Co.	Bev Beigel	O	O
SFM Mutual Insurance Co.	Brian Bent	X	X
	Nick Marino	X	X
Secura Insurance Co.	Colleen Martenson	X	O
	Steve Miller	X	O
Sentry Insurance A Mutual Co.	Mike Schimke	X	X
	Bev Beigel	X	X
	Matt Simonson	X	X
Travelers Indemnity Co.	Matt Massaro	X	X
United Wisconsin Insurance Co.	Scott Beaver	X	X
	Pat Williams	X	X
West Bend Mutual Insurance Co.	Tom Vanderbusch	X	X
	Brian McEvoy	O	O
	Pam Allison	O	O
	Brenda Rodriguez	O	O
	Laurie LaDuke	O	O
Wisconsin Compensation Rating Bureau	Bernie Rosauer	O	O
	Tad Cleveland	O	O
	Nancy Kierzek	O	O
	Michael Mann	O	O
	Jaclyn de Medicci	O	O
	Donna Knepper	O	O
	Stephanie Staring	O	O

CIRCULAR LETTER 1220—September 21, 2018—PAGE 2

X = Committee member
 O= Non-committee member

Also Present:

ORGANIZATION	REPRESENTATIVE	GOVERNING BOARD	RATING COMMITTEE
	Beth Nickel	O	O
Office of the Commissioner of Insurance (OCI)	Andrew Stoughton	O	O
Riegel Law	Paul Riegel	O	O
The Hartford	Wendy Bernard	O	O
Department of Workforce Development (DWD)	Frank LaSee	O	O
	Joe Moreth	O	O
	Laurie Conley	O	O
Rural Mutual Insurance Company	Sara Grade	O	O
	Sara Leach	O	O

Member Absent or Excused:

Society Insurance Company
 Wisconsin Manufacturers & Commerce

Also Present for Part of the Meeting:

Badger State, Inc. David Turiciano

The Chairperson read the following opening statement before convening the meeting:

“This Board 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.”

- Approved the Minutes for the June 14, 2018 meeting.
- Bureau Operations – Industry Issues
 - Budget Update - The Board members were presented with the following budget reports and were given the opportunity to ask questions on the information presented.
 - 2018 Estimated Year-End/2019 Preliminary Budget
 - 2018 Approved IT Budget/2018 Estimated Year-End Summary
 - Income Report that included years 2016 through July 2018
 - Notice to Carrier Fine Comparison

CIRCULAR LETTER 1220—September 21, 2018—PAGE 3

- Unit Stat Fine Comparison
- Hard Copy Fee Comparison
- Information Technology 2019 Proposed Budget

The Board voted to levy an assessment in the amount of \$1,827,581 for the general operating expenses for the WCRB for the fourth quarter of 2018.

- Administrative affairs, occupancy, general expenses, personnel, etc. – The Board was updated on the following:
 - Investment Subcommittee results to date
 - Proposal meeting for ALJ reassignment
 - Problem Waste Identification initiative
- Committee meeting expense reimbursement- The Committee was asked to consider Committee member reimbursement for travel expenses. After considerable discussion, the Committee decided to not adopt this proposal. This item is removed from the agenda.
- WWCIP Reports – WCRB provided the quarterly WWCIP summary reports.
- WWCIP Actuarial Analysis- Milliman provided their annual actuarial analysis of the WWCIP.

The following Committees will report to the Board:

RATING COMMITTEE

UNFINISHED BUSINESS

- WCRB Carrier Election Form and Reporting Process- The Committee was updated by the WCRB on the progress of electronic reporting changes being made to the carrier election process. This item is continued.
- October 1, 2018 Rate Revision- The 2018 rate filing was approved by the Office of the Commissioner of Insurance. This item is removed from the agenda.
- Wisconsin Limited Other States Insurance Endorsement WC 48 03 01 C-The Committee and member carriers discussed the purpose and usage of the endorsement. The Committee voted to eliminate the endorsement effective 10-1-19. This item is continued.
- Waiver of Subrogation-The committee voted to approve a change in waiver of subrogation options. Carriers will now be able to choose between two options: 1. Charge 2% of total premium for a blanket waiver, subject to experience rating; or \$50 per signed contract per policy year for a specific waiver, not subject to experience rating. Premium not to be less than \$50.

2. Charge 2% of total premium for a blanket waiver, or 5% of the total premium applicable for each person or organization requesting a specific waiver, subject to experience rating. Premium not to be less than \$50. This item will be filed with the Office of the Commissioner of Insurance.

NEW BUSINESS

- Audit Noncompliance (ANC) Issues- The Committee discussed reporting issues and premium algorithm calculation questions. This item was referred to the Operations Subcommittee for further review.
- Nicholas Antony, LLC dba Devils Lake Climbing Guides – Hearing- The employer failed to appear and the request for a hearing was dismissed. This item is removed from the agenda.
- Badger State, Inc. – Hearing- The employer, Badger State, Inc. requested the Rating Committee of the Wisconsin Compensation Rating Bureau (“WCRB”) grant relief for the employer’s failure to timely file the application for the Wisconsin Contractors Premium Adjustment Program (hereinafter “WCPAP”). In particular, Badger State, Inc. requested the Rating Committee accept the late filing of the application for the WCPAP.

The Rating Committee noted that many such requests had been received since 2003 when the WCPAP converted to standard enforcement of the date on which all applications must be received. The request to accept a late filing was denied.

- NCCI Item R-1414-A Revisions to Retrospective Rating Plan Manual Appendix B and All Related Rules and Endorsements- this proposal changes the retro rating plan manual and table M. The Committee voted to adopt. This item will be filed with the Office of the Commissioner of Insurance.
- Loss Reimbursement- A member carrier provided a list of talking points for a loss reimbursement program for Wisconsin. The Committee discussed prior filings and previous loss reimbursement issues that were not resolved. The Committee voted not to take action at this time. This item is removed from the agenda.
- NCCI Item P-1414- Establishment of Notification Endorsement of Pending Law Change to Terrorism Risk Insurance Program Reauthorization Act of 2015- this proposal creates an endorsement notifying policyholders of the impending expiration of TRIPRA and possible upcoming changes in the Act and premium charges. The Committee voted to adopt. This item will be filed with the Office of the Commissioner of Insurance.

Pending Filings/Actions

- Classification for Fireplace Installers Code 5535 vs Code 5537- This item was filed with and approved by the Office of the Commissioner of Insurance. This item is removed from the agenda.

- Class Code Cleanup – 9083 Restaurant: Fast Food- This item was filed with and approved by the Office of the Commissioner of Insurance. This item is removed from the agenda.

ACTUARIAL SUBCOMMITTEE

There were no issues identified with the 10-1-18 rate filing. The 2018 rate filing is removed from the agenda.

All votes taken at the Rating Committee and Governing Board meetings were unanimous unless otherwise stated.