



Wisconsin Compensation Rating Bureau

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

### CIRCULAR LETTER 1225—MARCH 20, 2019

### 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 Tuesday, March 5, 2019. The meeting was called to order at 8:30 AM.

A list of attendees at the March Rating Committee and Governing Board meetings follows. The Chair of the Rating was Eric Belk 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	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.	Mike Lester	O	X
	Dave Young	O	X
General Casualty Co	George Busche	X	X
Secura Insurance Co	Steve Miller	X	O
Sentry Insurance A Mutual Co	Scott Lange	X	X
SFM Mutual Insurance Co.	Brian Bent	X	X
Society Insurance Company	Tim Riedl	X	X
Travelers Indemnity Co.	Eric Belk	X	X
United Wisconsin Insurance Co.	Pat Williams	X	X
	Jackie Molle	X	X
	Emily Brooks	X	X
West Bend Mutual Insurance Co.	Tom Vanderbusch	X	X
	Brian McEvoy	X	X
	Scott Beaver	X	X
	Amy Uhlig	X	X
Wisconsin Manufacturers & Commerce	Chris Reader	X	X
Wisconsin Compensation Rating Bureau	Bernie Rosauer	O	O
	Tad Cleveland	O	O
	Nancy Kierzek	O	O
	Beth Nickel	O	O
	Jaclyn de Medici	O	O
	Donna Knepper	O	O
	Stephanie Staring	O	O

X = Committee member  
O = Non-committee member

Also Present:

<b>ORGANIZATION</b>	<b>REPRESENTATIVE</b>	<b>GOVERNING BOARD</b>	<b>RATING COMMITTEE</b>
Acuity A Mutual Insurance Co	Craig Snyder	O	O
The Hartford	Wendy Bernard	O	O
Office of the Commissioner of Insurance (OCI)	Andrew Stoughton	O	O
Riegel Law	Paul Riegel	O	O
Rural Mutual Insurance Co	Sara Grade	O	O

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 December 6, 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 Approved Budget
    - 2018 Approved IT Budget/2018 Estimated Year-End Summary
    - Income Report that included years 2016 through 2018
    - Notice to Carrier Fine Comparison
    - Unit Stat Fine Comparison
    - Hard Copy Fee Comparison
    - Information Technology 2019 Approved Budget
    - 2019 Budget Changes Preliminary to Proposed
  - The Board voted to levy an assessment in the amount of \$2,138,612 for the general operating expenses for the WCRB for the second quarter of 2019.
  - Administrative affairs, occupancy, general expenses, personnel, etc. – The Board was updated on the following:
    - WCRB Waste Management/Lean Initiative continues to encourage staff to identify problems and propose solutions. Management continues to work to make the process open and transparent with staff.

- A member company proposed considering adding additional inspectors to the WCRB in order to conduct inspections on a greater number of Wisconsin insureds. The WCRB will conduct a cost-benefit analysis for the Committee.
  
- WWCIP Reports – WCRB provided the quarterly WWCIP summary reports.

The following Committees will report to the Board:

#### RATING COMMITTEE

##### UNFINISHED BUSINESS

- Wisconsin Limited Other States Insurance Endorsement WC 48 03 01C- All discussion was previously concluded at the December 6, 2018 Quarterly Meeting of the Rating Committee. This item is removed from the agenda.
  
- Audit Noncompliance (ANC) Issues- The Committee voted to refile the ANC as a carrier election with the ability to opt out of the ANC with 9 votes in favor of the motion and 3 votes opposed. WWCIP participation is pending discussion. The Committee voted to file to change the ANC charge from 2 times the estimated annual premium to 1 time the estimated annual premium with 8 votes in favor and 4 opposed. A later email vote on a 10-1-19 effective date for the changes was unanimously approved. These changes will be filed with the Office of the Commissioner of Insurance for approval. This item continues on the agenda.
  
- Badger State, Inc.- Hearing- The employer appealed the decision of the Rating Committee to the Office of the Commissioner of Insurance. The Administrative Law Judge upheld the decision of the Rating Committee. This item is continued pending further appeals processes.
  
- Breakout Green Bay LLC-Hearing- The employer has not appealed the decision of the Rating Committee. This item is removed from the agenda.

##### NEW BUSINESS

The following items were added to the agenda by unanimous consent:

- Waiver of subrogation premium algorithm update- the premium algorithm and manual rules for premium calculation were updated to reflect the changes to the waiver of subrogation charge options. The Committee voted to approve the changes. This item will be filed with the Office of the Commissioner of Insurance.
  
- Lichtfeld Plumbing- Hearing—The employer, Lichtfeld Plumbing, Inc., requested the Rating Committee of the Wisconsin Compensation Rating

Bureau (“WCRB”) grant relief in the nature of the establishment of a classification specific to small contractor employers for plumbers and yard workers. After considerable discussion and debate, the Rating Committee determined it was inadvisable to vary from the national classification system or establish a classification system for smaller contractors. The request made by the employer could not be granted.

Pending Filings/Actions

- NCCI Item B-1437 - Revisions to Basic Manual Classifications and Appendix E-Classifications by Hazard Group -This item was filed with and approved by the Office of the Commissioner of Insurance. This item is removed from the agenda.
- NCCI Item R-1414 Revisions to Retrospective Rating Plan Manual Appendix B and All Related Rules and Endorsements- This item was filed with and approved by the Office of the Commissioner of Insurance. This item is removed from the agenda.

ACTUARIAL SUBCOMMITTEE

The Actuarial Subcommittee met on February 12<sup>th</sup> and discussed the 2019 rate filing. No changes in methodology were proposed.

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