



CIRCULAR LETTER 1231—September 30, 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 Wednesday, September 4, 2019. The meeting was called to order at 8:30 AM.

A list of attendees at the September Rating Committee, WWCIP and Governing Board meetings follows. The Chair of the Rating Committee was Tim Riedl from Society Insurance A Mutual Company. Chair of the Governing Board was Pat Williams from United Wisconsin 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
SFM Mutual Insurance Co.	Brian Bent	X	X
	Nick Marino	X	X
Secura Insurance Co.	Colleen Martenson	X	O
Sentry Insurance A Mutual Co.	Scott Lange	X	X
	Matt Simonson	X	X
Society Insurance Co.	Tim Riedl	X	X
Travelers Indemnity Co.	Peter Gunn	X	X
United Wisconsin Insurance Co.	Pat Williams	X	X
	Emily Brooks	X	X
	Peter Bartlett	X	X
West Bend Mutual Insurance Co.	Scott Beaver	X	X
	Brian McEvoy	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
	Michael Mann	O	O
	Beth Nickel	O	O
	Jaclyn de Medicci	O	O
	Donna Knepper	O	O
	Stephanie Staring	O	O

X = Committee member
O = Non-committee member

Also Present:

ORGANIZATION	REPRESENTATIVE	GOVERNING BOARD	RATING COMMITTEE
Acuity, A Mutual Insurance Company	Jeff Brey	O	O
Badger Mutual Insurance Co.	Tyler Protz	O	O
Hartford Casualty Ins Co	Wendy Bernard	O	O
Independent Insurance Agents of Wisconsin (IIAW)	Jeff Thiel		O
Office of the Commissioner of Insurance (OCI)	David Haushalter	O	O
Riegel Law	Paul Riegel	O	O
Rural Mutual Insurance Company	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 June 13, 2019 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.
 - 2019 Estimated Year-End/2020 Preliminary Budget
 - 2019 Approved IT Budget/2019 Estimated Year-End Summary
 - 2020 IT Preliminary Budget
 - Income Report that included years 2017 through July 2019
 - Notice to Carrier Fine Comparison
 - Unit Stat Fine Comparison
 - Hard Copy Fee Comparison

The Board voted to levy an assessment in the amount of \$2,138,612 for the general operating expenses for the WCRB for the fourth quarter of 2019.

- Administrative affairs, occupancy, general expenses, personnel, etc. – The Board was updated on the following:
 - The WCRB is hosting a Wisconsin Worker’s Compensation Symposium October 15, 2019. Agenda and registration information provided.

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- WCRB's Lean initiatives continue to improve processes internally and benefit all stakeholders.
 - WCRB will be hosting WCIO in Milwaukee later this month.
 - Mega Loss Study- this item will be added to the agenda in December. Discussion of participation. Further information will be gathered and presented to the Board.
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- Nominating Committee-further research and discussion will be conducted. This item is continued on the agenda.
 - Mega Loss Study- this item will be added to the agenda in December. Discussion of participation. Further information will be gathered and presented to the Board.
 - WWCIP Activity Reports

The following Committees will report to the Board:

RATING COMMITTEE

UNFINISHED BUSINESS

- October 1, 2019 Rate Revision- The rate filing was filed and approved by the Office of the Commissioner of Insurance. This item is removed from the agenda.
- Schedule rating-the working group presented additional research. Further research and draft proposals will be presented at the December meeting. This item is continued on the agenda.

NEW BUSINESS

- K'nG Mechanical, Inc - Hearing- Erika Alix of K'nG Mechanical, Inc. and agent Bill Barnes from Business Insurance Group, appearing on behalf of the aggrieved party requesting the Wisconsin Compensation Rating Bureau ("WCRB") grant relief for its failure to timely file the Application for participation in the Wisconsin Contractors Premium Credit Program ("WCPAP"). In particular, K'nG Mechanical, Inc. requested the Rating Committee accept the late filing of the Application for WCPAP.

The employer and its agent explained that they did not receive the postcard from the WCRB in March or April of 2019 reminding them to apply for the WCPAP credit. Through their agent, they discovered upon receipt of the renewal notice that the WCPAP credit had not been included. They then applied for the credit, but the Application was received at the WCRB after the deadline.

While the Rating Committee was sympathetic to the potential hardship on the employer for not receiving the credit in a given year, the Rating Committee could not verify the account provided by the employer as to why they did not apply for the credit by the deadline. The mailing was verified. The Rating Committee determined the WCRB was providing the courtesy of the reminder to the employer and that it was the employer's responsibility to file the application timely. The Rating Committee denied the request of K'nG Mechanical, Inc. to accept its late application for the 2019 WCPAP credit.

- Karthaus & Sons, Inc - Hearing- Linda Palmer of Karthaus & Sons, Inc. and their agent, Matthew Cruise of Robertson, Ryan & Associates, appeared on behalf of the aggrieved party requesting the Wisconsin Compensation Rating Bureau ("WCRB") grant relief for the assignment of Class Code 0035. In particular, Ms. Palmer requested that both Class Code 0035 and 8001 be allowed on the workers compensation insurance policy for use of both greenhouse operations and cut flower / wholesale florist operations at Karthaus & Sons, Inc.

The Rating Committee determined the WCRB's survey report identifying the appropriate classifications for the employees of Karthaus & Sons, Inc. should be adopted, and that the use of Class Code 8001 on the policy would not be in compliance with the classification system used in the State of Wisconsin. Accordingly, the Rating Committee denied the request of Karthaus & Sons, Inc., with Society abstaining, and Travelers opposed. The Committee further directed the WCRB to confirm and assure that no competitive advantage existed on the policies allowing both Class Code 0035 and Class Code 8001. This item is continued on the agenda.

- NCCI Item R-1414-LRARO Endorsements- the Committee approved the filing of a revised endorsement previously filed and approved. WCRB will assign a new endorsement number and file with the Insurance Commissioner. This item is continued on the agenda.
- WCRB Basic Manual rewrite- this item was added to the agenda. The Rating Committee voted to submit the filing with the Office of the Commissioner of Insurance for approval.

Pending Filings/Actions

- WWCIP ANC Rule Manual update- the WWCIP Manual update was filed with and approved by the Office of the Commissioner of Insurance. This item is removed from the agenda.

ACTUARIAL SUBCOMMITTEE

The next meeting of the Actuarial Subcommittee will be held in November.

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