



### CIRCULAR LETTER 1242—SEPTEMBER 18, 2020

#### WISCONSIN GOVERNING BOARD MEETING

Minutes of the Wisconsin Governing Board meeting held virtually from the premises of the Wisconsin Compensation Rating Bureau, 20700 Swenson Drive, Waukesha, WI 53186 on Wednesday, September 2, 2020. 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 Committee was Pat Williams from United Wisconsin Insurance Company. Chair of the Governing Board was Brian McEvoy from West Bend Mutual 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
	Diana Trent	X	X
Employers Mutual Casualty Co.	Mike Lester	O	X
	Gail Ostaszewski	O	X
	Mark Neubauer	O	X
General Casualty Co	George Busche	X	X
SFM Mutual Insurance Co.	Brian Bent	X	X
	Nick Marino	X	
Secura Insurance Co.	Steve Miller	X	O
Sentry Insurance A Mutual Co.	Scott Lange	X	X
	Bev Beigel	X	X
	Julie Lassa	X	X
Society Insurance Co.	Tim Riedl	X	X
Travelers Indemnity Co.	Eric Belk	X	X
United Wisconsin Insurance Co.	Pat Williams	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 Medici	O	O
	Donna Knepper	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 Company	Jeff Brey	O	O
	Paul Emmerick	O	O
Aegis	Terry Falls	O	O
Badger Mutual Insurance Co	Tyler Protz	O	O
Department of Workforce Development Workers Comp Division	Aaron Galarowicz	O	O
Independent Insurance Agents of Wisconsin (IIAW)	Jeff Thiel	O	O
Independent Insurance Agents of Wisconsin (IIAW)	Matt Banaszynski	O	O
Office of the Commissioner of Insurance (OCI)	David Haushalter	O	O
	Rebecca Rebholz		O
Riegel Law	Paul Riegel	O	O
Rural Mutual Insurance Company	Sara Grade	O	O
	Sara Leach	O	O
Western National Insurance Co	Kevin Christy	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 17, 2020 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.
    - 2020 Estimated Year-End/20201 Preliminary Budget
    - 2020 Approved IT Budget/2020 Estimated Year-End Summary
    - 2021 IT Preliminary Budget
    - Income Report that included years 2018 through 2020
    - Notice to Carrier Fine Comparison
    - Unit Stat Fine Comparison

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The Board voted to levy an assessment in the amount of \$1,650,141 for the general operating expenses for the WCRB for the fourth quarter of 2020.

- Administrative affairs, occupancy, general expenses, personnel, etc. – The Board was updated on the following:
  - The WCRB shift to working from home due to COVID-19 was instituted quickly and successfully with no interruption to business. The WCRB is researching further into developing a flexible voluntary work from home program.
  - Lean initiatives internally have proven successful and are ongoing.
- Legislative Update- general discussion among the Board over pending and potential upcoming legislative issues. This item continues on the agenda.
- WWCIP Activity Reports

The following Committees will report to the Board:

### RATING COMMITTEE

#### UNFINISHED BUSINESS

- Schedule Rating - discussion to continue researching and developing a schedule rating plan. Motion made: Proceed with perfecting 'Workers' Compensation Schedule Rating Proposal', devise a methodology for gauging support from industry stakeholders including insurance members, insurance agents, trade associations and employer associations and implement the methodology for feedback in 2021." Committee vote 6 for and 6 against with OCI abstaining. Pursuant to the Bylaws, Article XI, Paragraph 2, because a majority of members of the Rating Committee did not assent to the motion and the OCI abstained, the motion did not pass.
- COVID-19 Amendments- discussion among the Committee to continue the use of stat code 0012 while the pandemic remains ongoing. WCRB will continue to monitor the situation. This item is continued on the agenda.

#### NEW BUSINESS

- Standard Exception Classification- 7380 Drivers, Chauffeurs, Messengers, and Their Helpers NOC- Committee discussion to allow for the division of payroll for class code 7380. The Committee voted to continue with no changes. This item is removed from the agenda.
- NCCI Item B-1440 class code cleanup- Item B-1440, previously filed and approved with a 10-1-2020 effective date, included added language under 6824 and 6834 of "fiberglass and plastic yachts." Discussion as to the applicability under Wisconsin class codes as it would move canoe and kayak manufacturing. The Committee

voted to amend the filing striking this language addition from codes 6824 and 6834 before the 10/1/2020 effective date of the original filing. Building of fiberglass or plastic yachts will continue to be assigned class code 4452. This item will be filed for approval with the Office of the Commissioner of Insurance.

- NCCI Item R-1418 2020 Update to the Retrospective Rating Plan Parameters—ELPPFS, ELAEPFFS, and Average Cost Per Case Values-This item proposes revisions to the following values in NCCI's Retrospective Rating Plan Manual for Workers Compensation and Employers Liability Insurance (Retrospective Rating Plan Manual, including Excess Loss Pure Premium Factors (ELPPFs) and Excess Loss and Allocated Expense Pure Premium Factors (ELAEPFFs) and State average cost per case values by hazard group underlying the proposed ELPPFs and ELAEPFFs. The Committee voted to approve this filing with a 10/1/2020 effective date. This item will be filed for approval with the Office of the Commissioner of Insurance.
- NCCI Item B-1438 Revisions to Basic Manual Classifications for Oil and Gas Field Operations in Alaska-This item changes a few Basic Manual rules to clarify that oil and gas operations are treated the same as construction or erection operations. This item also addresses the proper classification treatment for flowback services. The Committee voted to approve this filing with a 10/1/2020 effective date. This item will be filed for approval with the Office of the Commissioner of Insurance.

#### Pending Filings/Actions

- NCCI Item P-1417—Terrorism Risk Insurance Program Reauthorization Act of 2019 Endorsements - This item was 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 noted.***