



Wisconsin Compensation Rating Bureau

Presented by:

Bernard L Rosauer  
President



## Disclaimer

This report is furnished 'as is' and includes information available at the time of publication only. WCRB makes no representations or warranties relating to this report of any kind and expressly disclaims any and all express, statutory, or implied warranties including the implied warranty of merchantability, fitness for a particular purpose, completeness, accuracy or currentness.



## Wisconsin Compensation Rating Bureau

- The WCRB is a licensed rate service organization created by Wisconsin Statute (1917)
- Not a State Agency
- WCRB is an unincorporated association of insurers who must, by law, be members of the WCRB.
- WCRB is regulated by the State of Wisconsin Commissioner of Insurance (OCI) and works very closely with the Worker's Compensation Division of the Wisconsin DWD.
- 49 FTE location Waukesha, WI



## Wisconsin Compensation Rating Bureau

Responsible for:

- Classification of employers (currently 562 active)
- Securing and analyzing statistical data
- All policy forms and endorsements
- Promulgate rates
- Calculate and distribute experience modifiers
  
- Manage involuntary market (the 'Pool')



Wisconsin Compensation Rating Bureau

# RATES



Wisconsin Compensation Rating Bureau

Manual Premium = (Payroll / 100) x Class Rate



## WISCONSIN WORKERS COMPENSATION PREMIUM ALGORITHM

The following algorithm provides the framework for premium charges and credits. Where not specified, the premium base would be the result from the prior line.

PREMIUM ELEMENTS EXPLANATORY NOTES

### MANUAL PREMIUM $[(\text{PAYROLL} / 100) * \text{RATE}]^1$

+ USL&H Exposure for non-F classification codes  $[(\text{SUBJECT PAYROLL} / 100) * (\text{RATE} * \text{USL\&H FACTOR})]$

TOTAL MANUAL PREMIUM

+ Employers Liability (E/L) increased limits factor [% applied to Total Manual Premium]

+ Employers Liability increased limits charge [Balance to E/L increased limits minimum premium]

+ Employers Liability increased limits factor (Admiralty, FELA)

[Factor applied to the portion of Manual Premium where Admiralty/FELA coverage is applicable]

+ Waiver of Subrogation (Option 2) 2% of total premium for a blanket waiver, 5% of the total premium applicable for each person or organization requesting a specific waiver

**TOTAL SUBJECT PREMIUM**

x Experience Modification (Exp Mod)

**TOTAL MODIFIED PREMIUM**

x Contractors Premium Adj Program factor  $(1 - \text{CPAP credit \%})^2$

+ Atomic Energy Radiation Exposure NOC<sup>†</sup>

+ Charge for nonratable catastrophe loading<sup>†</sup>

+ Aircraft Seat Surcharge

+ Waiver of Subrogation (Option 1) [\$50.00 flat charge per signed contract]

+ Work Study Program – EFFECTIVE 10/01/2013 \$350 flat charge for secondary schools

\$1,000 flat charge for post-secondary schools

+ Balance to Minimum Premium (State Act)<sup>3</sup>

[Balance to minimum premium at Standard Limits]

+ Balance to Minimum Premium (Admiralty, FELA)<sup>3</sup>

**TOTAL STANDARD PREMIUM<sup>‡</sup>**

– Premium Discount  $\S$  [% applied to Standard Premium]

+ Expense Constant<sup>\*</sup>

+ Foreign Terrorism  $[(\text{PAYROLL} / 100) * \text{FOREIGN TERRORISM RATE}]$

+ Domestic Terrorism, Earthquakes and Catastrophic

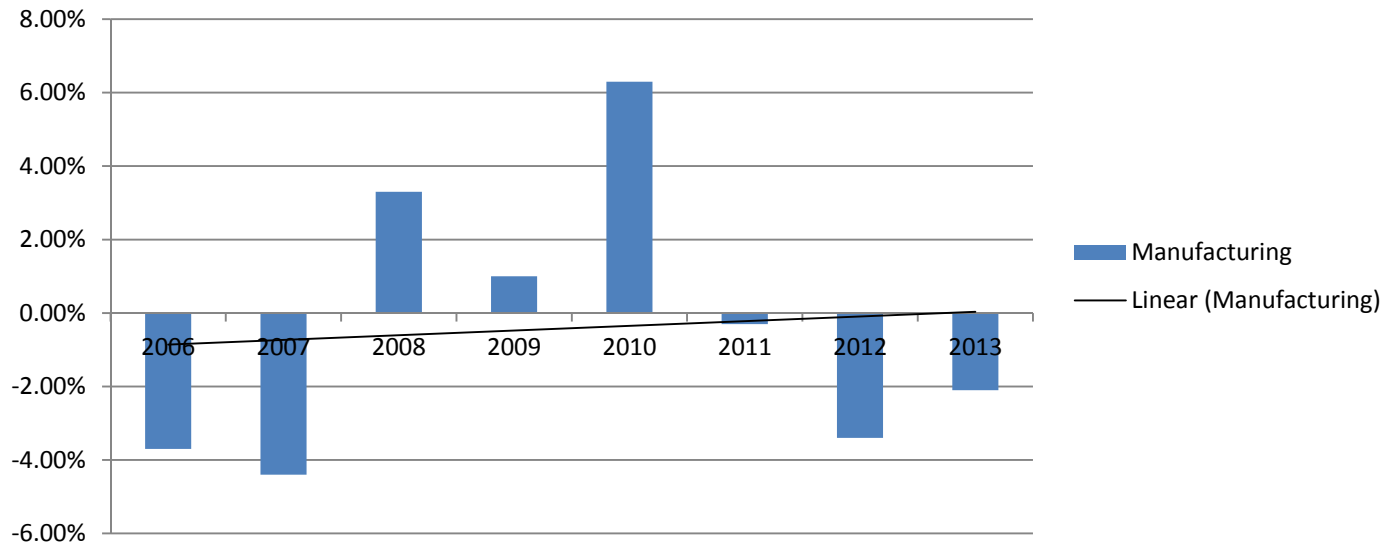
Industrial Accident (DTEC)

$[(\text{PAYROLL} / 100) * \text{DTEC RATE}]$

**ESTIMATED ANNUAL PREMIUM**



### Manufacturing Rate Change 2006-2013

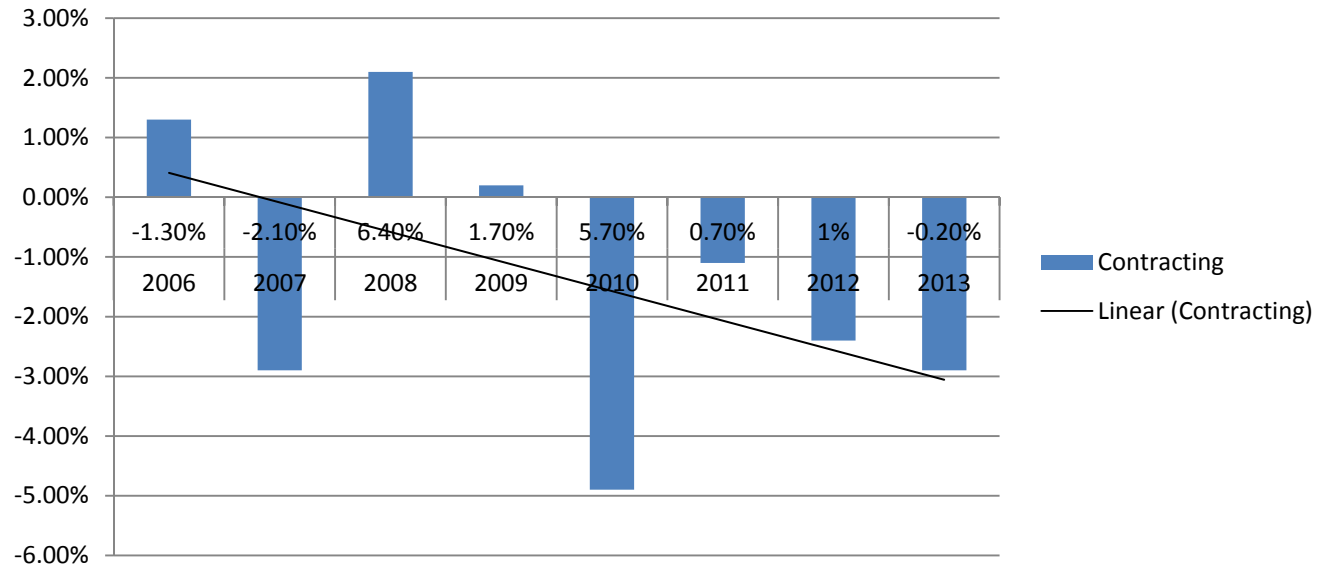


Source: WCRB





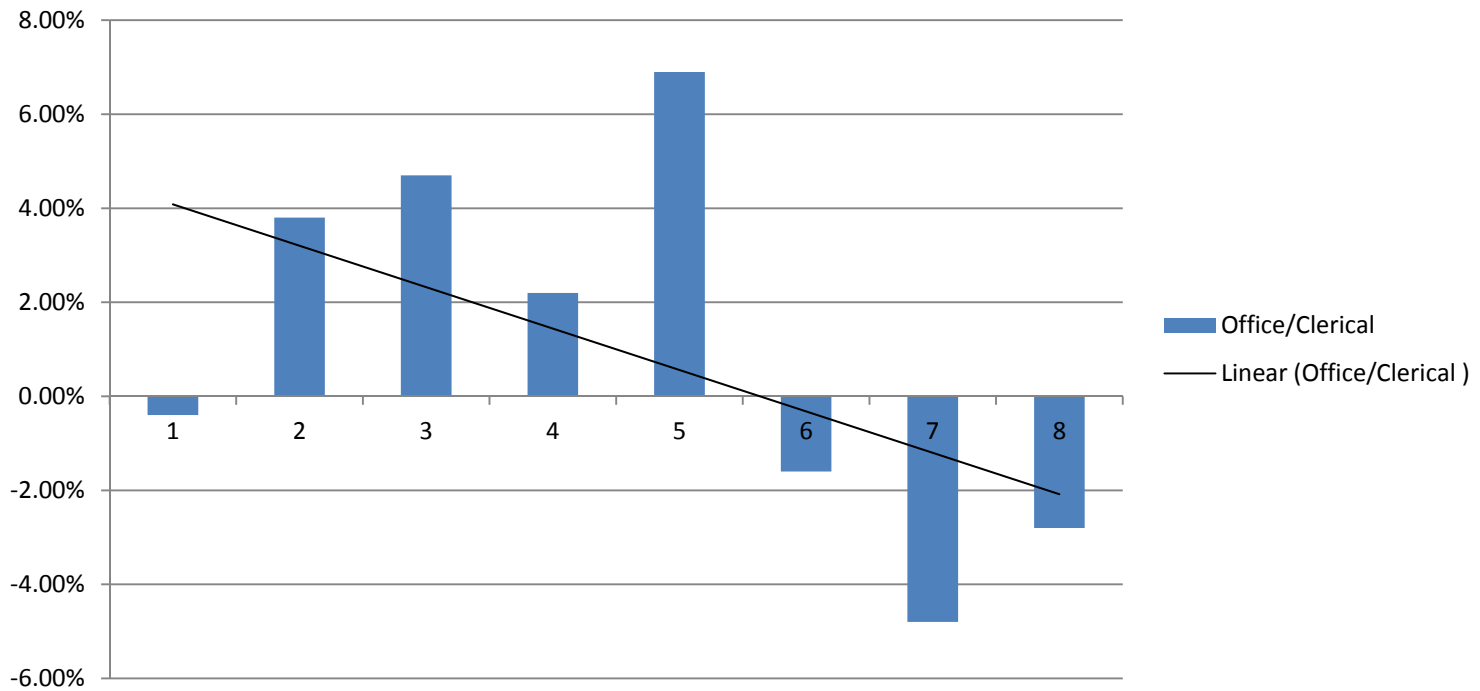
### Contracting Rate Change 2006-2013



Source: WCRB

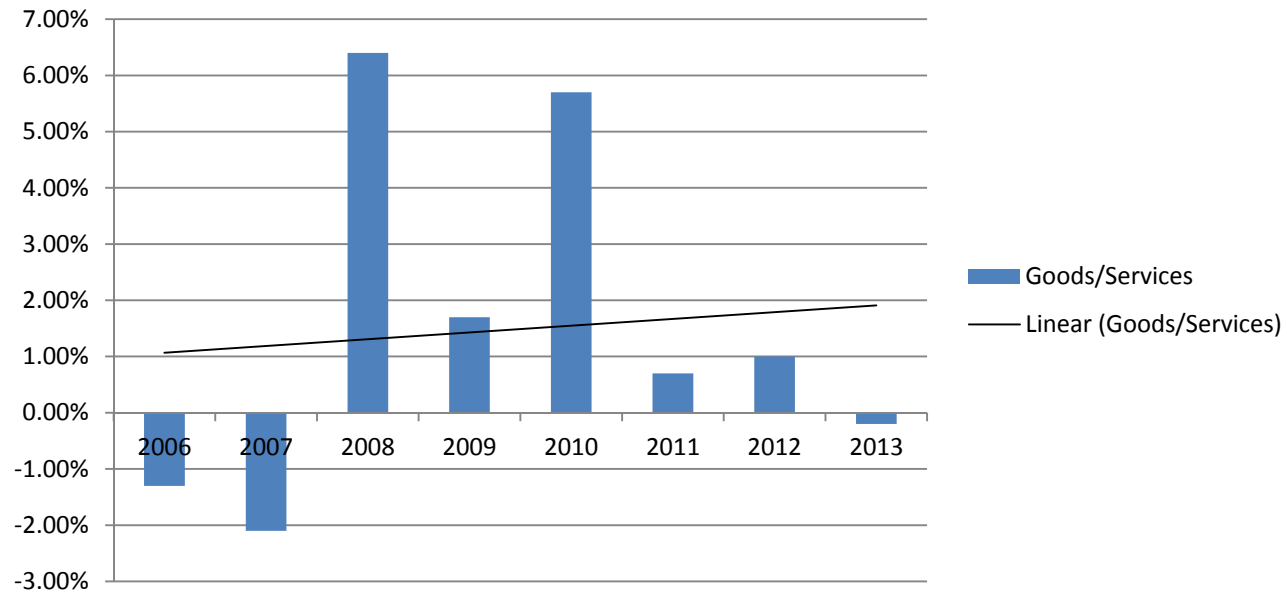


**Office/Clerical Rate Change 2006-2013**





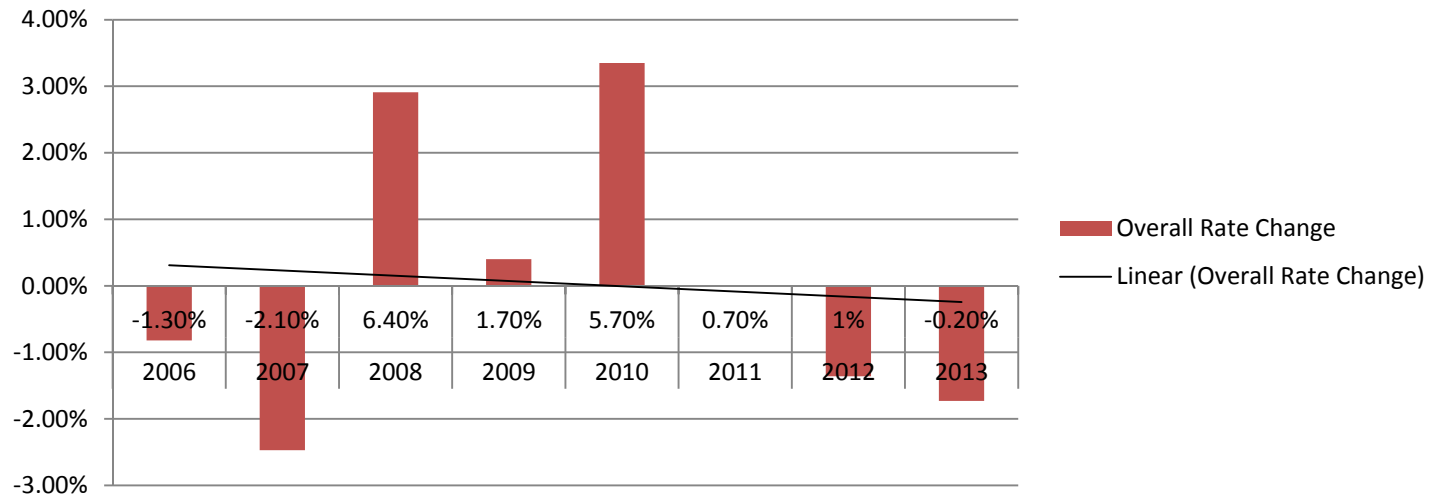
**Goods/Services 2006-2013**



Source: WCRB



## Overall Rate Change 2006-2013



Source: WCRB



Wisconsin Compensation Rating Bureau

# Involuntary Market (Pool)

# Involuntary Market

April 2013

<b>Premium Band</b>	<b># of Policies</b>	<b>Premium</b>
\$0-\$900	13,051	\$2,390,042
\$901-\$2,000	2063	\$2,838,649
\$2,001-\$5,000	2302	\$7,469,110
\$5,001-\$10,000	1168	\$8,120,640
>\$10,000	1487	\$60,024,825
<b>TOTALS</b>	<b>20,071</b>	<b>\$80,843,266</b>
<b>Last Year</b>	<b>18,528</b>	<b>\$60,726,057</b>

# Involuntary Market Makeup

April 2013

	<b>Policies</b>	<b>Premium</b>
Manufacturing	741	\$ 16,206,147.00
Contracting	3,650	\$ 12,296,018.00
Office and Clerical	3,898	\$ 7,842,750.00
Goods and Services	8,074	\$ 29,022,605.00
Miscellaneous	3,704	\$ 15,475,746.00
<b>TOTALS</b>	<b>20,067</b>	<b>\$ 80,843,266.00</b>



Wisconsin Compensation Rating Bureau

# Facts and Figures



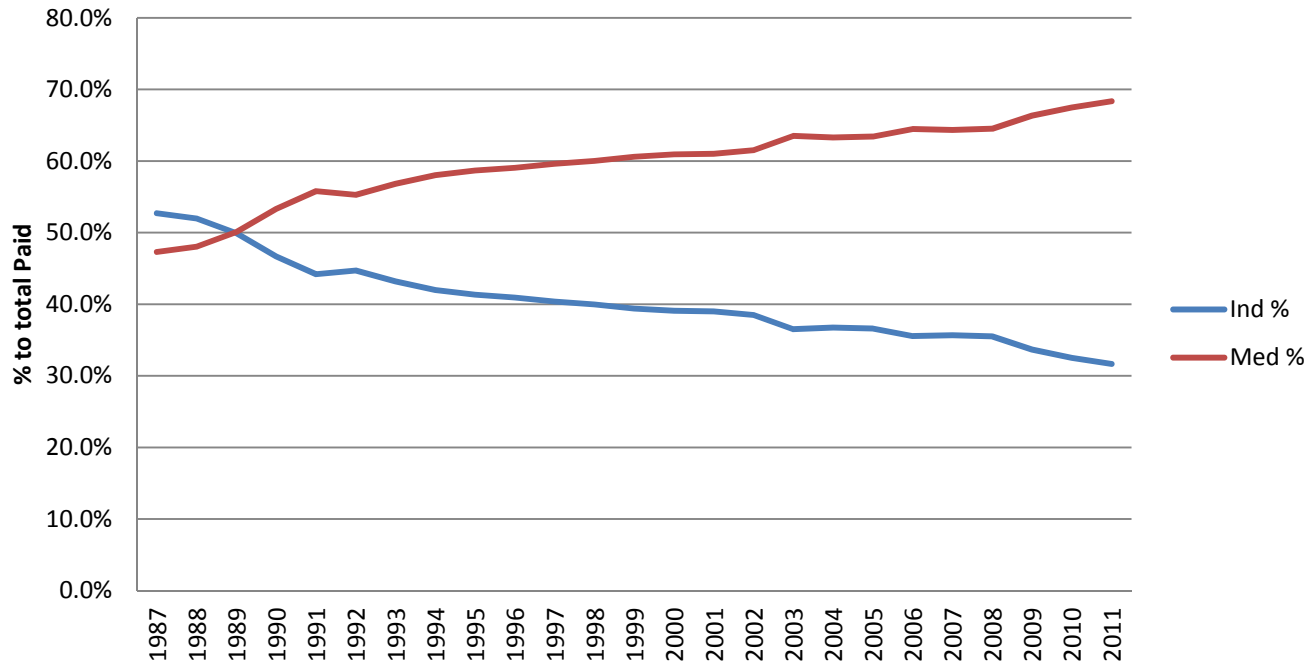
# Premium and Claims 2011

- Total WC Premium in the State of WI in 2011 was \$1,692,320,320
- Total WC Policy Count in State in 2011: 137,672
- Total Indemnity claims reported in 2011: 221,162
- Total Medical-Only Claims reported in 2011: 74,057



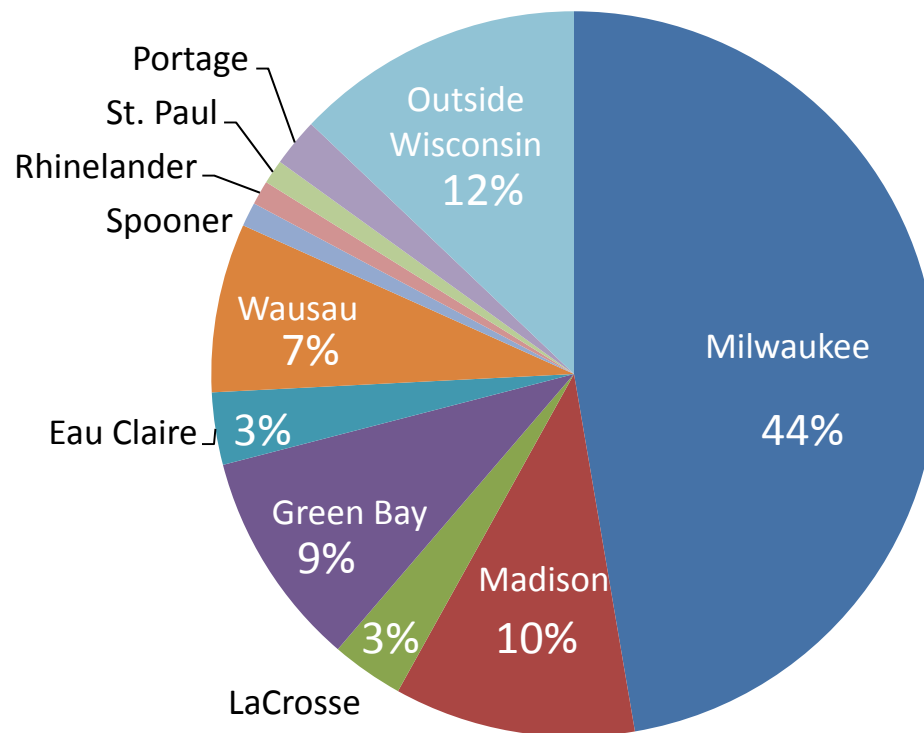
# Indemnity and Medical Trends

Wisconsin Indemnity and Medical Trends  
as a % of total paid



Source: Milliman and WCRB

# Worker's Compensation Medical Charges 2011 \*



\* Preliminary Findings Source: Medical Data Call, WCRB



WISCONSIN COMPENSATION RATING BUREAU HIGH END LOSS CLAIMS PERCENT OF TOTAL 2007 - 2011			
% OF LARGEST CLAIMS PAID	YEAR*	% OF TOTAL INDEM DOLLARS PAID	% OF TOTAL MEDICAL DOLLARS PAID
5%	2011	42%	57%
	2010	46%	59%
	2009	49%	62%
	2008	50%	63%
	2007	52%	63%
10%	2011	57%	74%
	2010	61%	75%
	2009	64%	76%
	2008	66%	77%
	2007	67%	77%
15%	2011	67%	82%
	2010	71%	83%
	2009	73%	84%
	2008	75%	84%
	2007	76%	84%
20%	2011	75%	87%
	2010	78%	87%
	2009	80%	88%
	2008	81%	88%
	2007	82%	88%

**WCRB**

End