

Council on Worker's Compensation  
Meeting Minutes  
201 E. Washington Avenue  
GEF-1 Building, Room F305  
Madison, Wisconsin 53703  
August 15, 2019

The Department of Workforce Development (DWD) provided public notice of the meeting under Wis. Stat. § 19.84.

**Members present:** Ms. Bloomingdale, Mr. Buchen, Ms. Frank, Mr. Fugina, Ms. Johnson, Mr. Kent, Mr. Nettum, Mr. Peters (Chair), Mr. Reader, Mr. Redman, Mr. Schwanda, Mr. Tindall and Ms. Thomas

**Excused:** Mr. Streff

**Staff Present:** Ms. Brown, Ms. Lake, Ms. McCormick, Mr. Moreth, Mr. O'Malley and Ms. Richard

- 1. Call to Order/Introductions:** Mr. Peters convened the Worker's Compensation Advisory Council (WCAC) meeting at approximately 10:00 a.m. in accordance with Wisconsin's open meetings law. Members of the WCAC, the audience, and Worker's Compensation Division (WCD) staff introduced themselves.
- 2. Approval of the Minutes:** A motion was made by Ms. Bloomingdale to approve the minutes of the July 9, 2019 meeting. Mr. Reader seconded the motion. The minutes were unanimously approved without correction.
- 3. Correspondence:** Mr. O'Malley reviewed the correspondence received since the last meeting.

A letter dated July 30, 2019 that was sent by e-mail was received from Attorney John B. Edmondson, Edmondson Law Office. Attorney Edmondson proposed a statute or rule be developed to allow the admission of certified Division of Vocational Rehabilitation (DVR) records as prima facie evidence at a hearing without the need for in-person authentication of the file by a DVR counselor. Attorney Edmondson provided suggested language to amend s. 102.17 (1) (d) 1, Wis. Stats., to include certified records from the Division of Vocational Rehabilitation.

- 4. Wisconsin Compensation Rating Bureau (WCRB) Overview:** Mr. Bernard L. Rosauer, President of the Wisconsin Compensation Rating Bureau, presented an overview of the WCRB and the Wisconsin Rate Filing process. The WCRB is an unincorporated association of insurers who, by law, must be members of the WCRB. It is a licensed rate service organization created by Ch. 626, Wis. Stats. While not a state agency, the WCRB is regulated by the State of Wisconsin Office of the Commissioner of Insurance (OCI) and works very closely with the Worker's Compensation Division. Wisconsin is an administered pricing state; thus, rates are not to be deviated from, unlike some of Wisconsin's neighboring states. In states without an advisory council, political issues often negatively impact worker's compensation rates. The WCRB's Actuarial Committee discusses and decides on trends affecting premium rates. After rate changes are calculated the rate filing is submitted to the OCI for approval.

Mr. Rosauer explained that premium rates are based on loss results from recent years factoring paid indemnity, medical and case reserves. Insurance company expenses are

considered including defense and cost containment expenses, adjusting and other expenses, production and general expenses, taxes, profit and contingencies. Near past results and econometric trend analysis are also considered in establishing premium rates. Mr. Rosauer discussed changes for rates to an individual classification using an example of a bakery business. An employer's premium rate is dictated by its classification (class code) subject to that employer's experience modification and insurer's dividend plan.

Mr. Rosauer discussed various reasons for decreases in premium rates. These include but are not limited to frequency of claims, quality of medical treatment for injured employees, worker attitudes, economics, and workers' desire to return to work. Premium rate decreases are beneficial to employers but are not windfalls. The amount of an employer's insurance premium may increase with higher payrolls.

Mr. Rosauer reiterated the importance of the WCAC's role in keeping Wisconsin a secure, model state where the system runs smoothly in comparison to other states. The WCRB reviews rates every year and makes adjustments when necessary.

5. **Motion to Caucus:** Ms. Bloomingdale moved that the Labor and Management members go into closed caucus. Mr. Reader seconded the motion. By unanimous vote, the members approved the motion and went into closed caucus at about 11:00 a.m.
6. **Adjournment:** The WCAC members remained in closed caucus and the meeting was adjourned at approximately 4:00 p.m.

The next Worker's Compensation Advisory Council meeting is scheduled for Tuesday, September 10, 2019.