



Worker's Compensation Insurance Letter

INS #	465
Date	December 29, 2006
Program	Assessment
Type	Annual
Replaces	457

To: Worker's Compensation Insurance Carriers Insuring Wisconsin Employers & Wisconsin Self-Insured Employers
From: Frances Huntley-Cooper, Division Administrator
Subject: FY2007 Worker's Compensation Administrative Assessment

Purpose: To communicate to insurance carriers and self-insured employers the new rate and assessment information for FY2007, along with the assessment invoice, and to notify same that 2005 Wisconsin Act 172 now authorizes the department to charge 1% interest per month on amounts not paid within 90 days after the date prescribed by the department.

Background: Wisconsin Statute 102.75 authorizes the department to assess and collect the administration costs for the Wisconsin Worker's Compensation Act from worker's compensation insurance carriers and self-insured employers. Each company's indemnity amount is determined by summing the amounts paid for each "first closed" claim. Indemnity includes payments for temporary total and partial disability, permanent total and partial disability, compromises, death benefits and funeral expenses, paid holidays, supplemental benefits, disfigurement, and vocational rehabilitation.

The department's worker's compensation administration assessment rate is then computed by dividing the current fiscal year's net operating cost by the total indemnity payments from carriers and self-insurers for claims closed in the previous calendar year. The indemnity paid for 2005 first-closed claims was \$235,225,930. The Worker's Compensation Division's net operating revenue to be collected for FY 2007 is \$12,117,000. Based on this calculation (**\$12,117,000** ÷ **\$235,225,930**), the general assessment rate is **5.15%**.

Self-insured employers are paying an additional **.76%** to cover the administrative cost of operating the self-insured employers program. Each self-insured employer invoice also includes the \$200 self-insured renewal fee for July 1, 2006 through June 30, 2007.

Each company's assessment amount was determined by multiplying its 2005 "first closed" claims' total indemnity payments by the rate indicated. Each company's claim detail listing is available on the division's web site (*address at bottom of this page*) under "Assessment Reports".

Action Requested: Your company's assessment invoice for FY 2007 is enclosed. Payment is due by January 31, 2007. Make your check payable to DWD-Worker's Compensation and mail to the address on the invoice.

Inquiries: For questions on the assessment, contact Jean Culbert at 608-266-6898.

Enclosures: INVOICE

References: See Worker's Compensation Division Web Site for claim detail.