

The OCI and Worker's Compensation Insurance

Joint Enforcement
Task Force on
Payroll Fraud and
Worker
Misclassification

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What/Who does the OCI regulate and license?

- Wisconsin Compensation Rating Bureau (WCRB)
- Insurance companies
- Insurance agents

Chapter 626

- Applies to all worker's compensation insurance written on risks or operations in Wisconsin.
- Insurance companies that write worker's compensation insurance in Wisconsin are members of the WCRB.

Chapter 626

Insurance companies selling worker's compensation insurance in Wisconsin must use the following that have been approved by the OCI.

- rates,
- rating plans, and
- classifications

Chapter 626

- WCRB documents filed with the OCI:
 - Rules
 - Rates
 - Rating Plans
 - Classifications

OCI reviews filings →
Approved/Disapproved

Chapter 626

- Insurance companies selling worker's compensation insurance in Wisconsin must use rates, rating plans, and classifications that have been approved by OCI.

Insurance Complaint Process

OCI receives insurance complaints.

Complaints prompt an investigation.

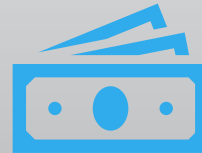
- OCI will seek a written response from the insurance company and/or agent.

OCI is focused on compliance with Wisconsin insurance law.

Administration of Workers Compensation Policies



Overall goal: ensuring coverage




Estimated vs. Final Earned Premium



Carrier Audits:

Both a right and a responsibility
Primary mechanism to ensure accuracy
of information



Mechanisms to Ensure Accuracy of Information

- Audit Noncompliance Charge:
 - allows carriers to charge two times the estimated premium if employers do not cooperate with the audit
- WCRB Inspection:
 - a comprehensive review of an employer's business operation
- OCI Complaints

Uninsured Subcontractors



Rules set up to ensure coverage for
uninsured subcontractors



Evidence of insurance



Fraudulent Certificates of Insurance

- Section 628.34 (14), Wis. Stat., prohibits any person from preparing, issuing or providing false, misleading or deceptive certificates of insurance.
- Provides OCI with specific authority to pursue enforcement actions against any person or entity that engages in the misconduct.
- Application of the law regarding contractors/subcontractors.

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