

Worker's Compensation
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State of Wisconsin
Department of Workforce Development

Worker's Compensation Insurance Letter

INS #	513
Date	November 3, 2016
Program	Supplemental Benefit Assessment
Type	Annual
Replaces	None

To: Insurance Carriers
From: B J Dernbach, Division Administrator
Subject: 2016 WORKER'S COMPENSATION SUPPLEMENTAL BENEFIT REIMBURSEMENT ASSESSMENT FOR INSURERS UNDER SS. 102.44 (1) (c) & 102.75 (1g), WIS. STATS.

Purpose: To communicate to insurance carriers about the new supplemental benefit reimbursement assessment. This includes information about deadlines and to remind insurance carriers that interest will accrue on all unpaid balances after 30 days. The annual Worker's Compensation Supplemental Benefit Reimbursement Assessment will be issued each year in November.

Background: Under s. 102.44 (1) (c), Wis. Stats., as amended by 2015 Wis. Act 55, the Work Injury Supplemental Benefit Fund (WISBF) will no longer make reimbursement payments to insurance carriers and self-insured employers.

Section 102.75 (1g), Wis. Stats., authorizes the Department to assess and collect costs for the reimbursement of supplemental benefits payments made on claims for injuries occurring on and before December 31, 2015.

The revenue to fund supplemental benefit reimbursements will be from annual assessments on each insurance carrier based on a similar calculation that is used for that insurer in the annual general assessment for the Department's operations fund. The calculation will be made using the proportion of an insurer's total indemnity paid for cases initially closed in the previous calendar year compared to the total indemnity paid by all insurers in cases closed in the preceding calendar year.

The maximum amount the Department will assess and collect in a calendar year is \$5,000,000. If the total amount reimbursable in a calendar year exceeds \$5,000,000, the Department will collect \$5,000,000 that year and collect the excess in the next calendar year (subject to a \$5,000,000 maximum) or in subsequent calendar years until the total outstanding amount is zero.

The Department will approve and pay a claim for supplemental benefit reimbursement no later than 16 months after the end of the year in which the supplemental benefit reimbursement claim was received by the Department subject to the \$5,000,000 yearly maximum. Insurance carriers are required to file a claim for reimbursement with the Department no later than 12 months after the end of the year in which the supplemental benefits were paid using the Supplemental Benefit Reimbursement Request, WKC-140-E. This form can be found at https://dwd.wisconsin.gov/dwd/forms/wkc/wkc_140_e.htm

All supplemental benefit reimbursement claims pending at the time of the reduction of reimbursement payments effective May 14, 2013 and reimbursement claims received by the Department following that date will be paid in chronological order subject to the \$5,000,000 yearly maximum until all are paid. Insurers may expect to begin receiving supplemental benefit reimbursements in the first quarter of 2017.

Action Requested: Payment of your company's 2016 supplemental benefit assessment invoice. Make your check payable to DWD-Worker's Compensation & mail to invoice address.
Inquiries: For questions or issues contact Pati Brown at 608-266-8764 or email wcbassessment@dwd.wisconsin.gov.

Enclosure: Invoice

Reference: WC Division website for claim detail.