

Department of Workforce Development
Division of Worker's Compensation
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Scott Walker, Governor
Raymond Allen, Secretary

**Worker's Compensation
Insurance Letter**

INS #	515
Date	October 31, 2017
Program	Assessment
Type	Annual
Replaces	512

To: Insurance Carriers and Self Insured Employers
From: BJ Dernbach, Division Administrator
Subject: FY2018 WORKER'S COMPENSATION ADMINISTRATIVE ASSESSMENT

Purpose: To communicate to insurance carriers and self-insured employers the new assessment rate and issue date information, and also to remind insurance carriers and self-insured employers that interest will accrue on all unpaid balances after 30 days. The annual Worker's Compensation Administrative Assessment is issued each year in October.

Background: Wisconsin Statute s.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 claim "first closed" the previous calendar year. 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 Worker's Compensation Administrative Assessment rate is calculated by dividing the current fiscal year's operating costs by the total indemnity payments from carriers and self-insured employers for claims "first closed" in the previous calendar year. The total indemnity paid for 2016 "first closed" claims was \$239,273,092. The Worker's Compensation Division's net operating revenue to be collected for FY 2018 is \$11,537,260. Based on the calculation (\$11,537,260 divided by \$239,273,092), the general assessment rate is 4.82%.

Self-insured employers pay the 4.82% general assessment rate plus an additional 1.22% to cover administrative costs of operating the self-insured employers program for a total of 6.04%. The self-insured employer invoice also includes the \$200 self-insured renewal fee for the period of July 1, 2017 through June 30, 2018.

Each company's assessment amount is determined by multiplying its 2016 "first closed" claims total indemnity payments by the rate indicated. Each company's claim detail listing is available at http://dwd.wisconsin.gov/wc/insurance/assess_program.htm; click on Assessment Reports using WAMS Security. You will need your DWD/WISCONSIN Logon Account ID and password.

Action Requested: Payment of your company's FY18 assessment invoice

Check payable to: DWD-Worker's Compensation (remit to invoice address)

Contact: Pati Brown at (608) 266-8764 or email: WCASSESSMENT@dwd.wisconsin.gov

Enclosure: INVOICE

Reference: WC Division website for claim detail listing