Worker's Compensation Insurance Letter

To: Insurance Carriers
From: Steve Peters, Division Administrator
Subject: 2019 Worker's Compensation Work Injury Supplemental Benefit Fund (WISBF) Reimbursement Assessment for Insurers

Purpose: To communicate to insurance carriers about the 2019 supplemental benefit reimbursement assessment rate. This includes information regarding deadlines and to remind insurance carriers that interest will accrue on all unpaid balances after 30 days. The Worker’s Compensation Supplemental Benefit Reimbursement Assessment is issued annually.

Background: Under s. 102.44 (1) (c), Wis. Stats., as amended by 2015 Wis. Act 55, the Work Injury Supplemental Benefit Fund (WISBF) no longer makes reimbursement payments to insurance carriers and self-insured employers for an injury that occurs on or after January 1, 2016.

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 or before December 31, 2015.

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 up to $5,000,000 maximum 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, using the Supplemental Benefit Reimbursement Request Form, WKC-140-E, no later than 12 months after the end of the year in which the supplemental benefits were paid. This form can be found at https://dwd.wisconsin.gov/dwd/forms/wkc/wkc-140-e.htm.

All supplement benefit reimbursement claims that were pending as of May 14, 2013, the effective date of the reduction of reimbursement payments, and reimbursement claims received by the Department following that date are being paid in chronological order, subject to the $5,000,000 yearly maximum, until the balance is zero.

The revenue funding supplemental benefit reimbursements is from annual assessments on each insurance carrier based on the same indemnity amount that is used for that insurer in the annual general assessment for the Department's operations fund. Each company's indemnity amount is determined by summing the amounts paid for each claim "first closed" in 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.

Each company's assessment amount is determined by multiplying its 2018 "first closed" claims total indemnity payments by the rate indicated. Each company's claim detail listing is available at https://dwd.wisconsin.gov/wc/insurance/assess-program.htm; click on Assessment Reports. You will need your DWD/WISCONSIN Logon Account ID and password.
The Worker's Compensation Supplemental Benefit Reimbursement Assessment rate is calculated by dividing the current total amount reimbursable (up to a maximum of $5,000,000) by the total indemnity payments from insurance carriers for claims "first closed" in the previous calendar year. For 2019, the maximum $5,000,000 reimbursement divided by the total insurance carrier indemnity paid for 2018 "first closed" claims total of $243,098,499 generates a 2019 Supplemental Benefit Reimbursement Assessment rate of 2.056%.

Action Requested: Payment of your company’s 2019 Supplemental Benefit Assessment invoice  
Check payable to: DWD-Bureau of Finance  (See invoice for remittance address)  
Contact: Pati Brown at (608) 266-8764 or email: WCASSESSMENT@dwd.wisconsin.gov  
Enclosure: INVOICE  
Reference: WC Division website for claim detail listing