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State of Wisconsin  
Department of Workforce Development

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INS Letter 385

Worker's Compensation Insurance Carriers Insuring Wisconsin Employers &  
Wisconsin Self-Insured Employers

FROM: Gregory Krohm  
Administrator

Worker's Compensation Administrative Assessments -- FY98

The Department of Workforce Development is authorized per Section 102.75, Wis. Stats., and Wis. Adm. Code, DWD 80.60, 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 assessment is based on the indemnity amount the company paid in the previous calendar year.

Your company's indemnity amount is determined by summing the amounts paid or payable 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 computed by dividing the current fiscal year's net operating cost by the total indemnity payments by carriers and self-insurers for claims closed in the previous calendar year. The indemnity paid in 1996 was \$219,654,689. The Worker's Compensation Division net operating revenue to be collected for fiscal year 1998 is \$9,386,939. Based on this calculation ( $\$9,386,939 \div \$219,654,689$ ), the assessment rate is 0.0427, or 4.27%. Self-insured employers are paying an additional 0.47 percent to cover the administrative cost of operating the self-insured employers program. The self-insured employers' invoice also includes the \$200 self-insured renewal fee for July 1, 1997 through June 30, 1998.

Each company's assessment amount was determined by multiplying your 1996 "first closed" claims' total indemnity payments by the rate indicated. Each insurance company's claim detail listing is available on the division's internet web site (see letterhead for address) under "Promptness/Assessment Reports." Each self-insured company will receive a paper claim detail listing until Internet access can be arranged.

**The invoice for your company for fiscal year 1998 is enclosed. Payment is due by April 15, 1998. Please make your check or money order payable to DWD-Worker's Compensation and mail it to the address indicated on the invoice.**

If you have questions about your company's assessment, please contact Jean Culbert at (608) 266-6898.