

Worker's Compensation Insurance Letter

INS #	414
Date	February 7, 2000
Program	Claims Management
Type	Procedural Change
Replaces	



Department of Workforce Development

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<http://www.dwd.state.wi.us/wc/>

To: Worker's Compensation Insurance Carriers and Self-Insured Employers
From: Judy Norman Nunnery, Division Administrator
Subject: Revised Forfeiture Procedures

Purpose: To explain revisions to the procedures used for enforcing forfeitures for information and reports that are overdue.

Background: The Division recently implemented procedures for enforcing forfeitures for overdue claims-related reports. While the implementation of the forfeiture procedures is consistent with the direction that the Division has been taking for many years, the overall communications associated with the implementation was lacking.

I regret any inconvenience and confusion that the lack of clear communications may have created. In order to address concerns that have surfaced regarding the forfeiture procedures and maintain the Division's statutory responsibilities, we have developed new formats for identifying forfeitures and obtaining information.

Action Requested: *The new forfeiture letters.* Forfeiture letters assess fines of \$100 for failures to submit reports or other information as required by DWD s. 80.02 Wis. Admin. Code. The new letters will identify the specific information that is past due according to the Division's records and will indicate that the forfeiture has been assessed. The letters will provide options that can be checked-off to explain the correctness or incorrectness of the Division's records. The timeframe for responding to the forfeiture letter is 60 days.

Sample forfeiture letters follows.

Rescission of forfeitures. The Division will rescind any forfeiture issued in error. Forfeitures can be challenged under the following circumstances:

- information was sent but was lost or inadvertently not recorded
- forfeitures was assessed against wrong insurer
- information not required under circumstances of the claim

Forfeitures may be challenged in writing or by phone. If by phone, request the individual who signed the letter. Any challenge should be made as close to the time of the forfeiture as possible in order to correct any error and provide a document for future invoices. If a rescission is denied, an application for hearing may be filed using form WKC-7.

A sample rescission letter follows.

Payment of forfeitures. Forfeitures are not to be paid immediately. Annually, an invoice will be sent to the insurer/self-insurer employer with an accumulated total of the amount of forfeitures due for the calendar year. The invoice will be preceded by a notification letter stating that there will be a 30-day time period to resolve any challenges for the calendar year that is covered by the invoice. The pre-invoice letter and the invoice will be sent to the claims handling address for the insurer. Invoices will be sent from the Department of Workforce Development accounts receivable system to the same address as the annual assessment. Payments of forfeitures will be enforced.

Effective date. The forfeiture procedures will be effective as of February 15, 2000. All forfeitures that occur on or after that date will be subject to the procedures that are contained in this insurance letter.

SAMPLE FORFEITURE LETTER – SUPPLEMENTARY REPORT

February 15, 2000

WC CLAIM NO: 9999-999999 INJURY DATE: 01/02/97
EMPLOYEE: SIMPLE, SAMPLES EMPLOYER: EMPLOYER UNKNOWN

This is a request for a Supplementary Report, WKC-13. It is overdue according to our records.

The Department preliminarily assesses you a \$100 forfeiture pursuant to s.102.35(1), Wis. Stats., for failing to file this required report. ***Please do not pay now.*** The Department will record all forfeitures you incur during the year and invoice you annually for the total amount due.

We received a First Report of Injury, WKC-12, for this claim. You are required under Wisconsin Administrative Code, DWD 80.02, to submit a Supplementary Report, WKC-13, to the Department before the 30th day following the date of injury shown above. Please send us a WKC-13 showing all dates of disability and all amounts paid to date.

If this claim is a “no-lost-time” claim or otherwise a non-compensable claim or a denial, please check the appropriate box below, sign and return this form to us immediately and the preliminary forfeiture will be rescinded upon receipt of this information. We will also rescind the preliminary forfeiture when you send us documentation that the report was filed on time.

NO LOST TIME CLAIM NON-COMPENSABLE CLAIM DENIAL, Copy of denial letter to claimant enclosed

 Request Forfeiture Rescind Dated copy of previously sent WKC-13 or other documentation enclosed.

 Forfeiture Accepted, WKC-13 Enclosed

Name: _____ Phone (_____) _____
(please print)

Signature: _____ Date _____

If you do not respond to this request within 60 days, further sanctions may be imposed by the Worker's Compensation Division under ss. 102.28(2)(c) or 102.31(3), Wis. Stats., or by the Office of the Commissioner of insurance, under s. 601.64 Wis. Stats., or both.

To find out what other reports are overdue and avoid forfeitures in the future, go to the Worker's Compensation web site's Insurer's Pending Reports at:

<http://www.dwd.state.wi.us/wc/pendreports.htm>

INSURANCE CARRIER
FWC86G
(R. 1/3/00)

SAMPLE FORFEITURE LETTER – MEDICAL REPORT

February 15, 2000

WC CLAIM NO: 9999-999999 INJURY DATE: 01/02/97
EMPLOYEE: SIMPLE, SAMPLES EMPLOYER: EMPLOYER UNKNOWN

We have not received the treating practitioner's final medical report for the above referenced claim that is overdue. If you do not have the final medical report yet, please explain the delay and estimate when you will submit it.

When there are more than 3 weeks of temporary disability or any permanent disability, section DWD 80.02(2)(e)4 of the Wisconsin Administrative Code requires that within 30 days after the final payment of compensation, the insurer shall submit a final treating practitioner's report together with a final WKC-13 or shall estimate when the report will be submitted. Our records indicate that final compensation was paid.

For failing to submit a timely report or a timely estimated date of submission, the Department is assessing a \$100 forfeiture, pursuant to s.102.35(1), Wis. Stats. **Please do not pay now.** The Department will record the forfeiture and will invoice you annually for the total amount due.

The Department will immediately rescind the forfeiture if our records are wrong. Please mark the appropriate boxes in sections 1 or 2 and return this letter to the Department.

1. The insurer requests that the Department rescind the forfeiture because:
The insurer submitted a timely final report or estimated date [Please enclose a copy]
Final Compensation has not been paid (Explain): _____

Other (Explain): _____

2. The insurer accepts the forfeiture and is now submitting the final medical report or estimating the date when the report will be submitted (Note: there is no penalty for making an error in the estimated submission date.)

Name: _____ Phone(_____) _____
(please print)

Signature: _____ Date _____

It is important that you respond. Failure to respond to this request within 60 days may result in further sanctions by the Worker's Compensation Division under ss. 102.28(2)(c) or 102.31(3), Wis. Stats., or by the Office of the Commissioner of Insurance, under s. 601.64 Wis. Stats., or both.

To review a complete list of reports that are due or overdue on all your claims go to "Insurer's Pending Reports" on the Department's internet web site at:

<http://www.dwd.state.wi.us/wc/pendreports.htm>

SAMPLE RESCISSION LETTER

February 21, 2000

Addressee

Re: WC Claim # 00000000

Employee

Employer

Dear Mrs. XXXX:

Thank you for your letter dated February 16, 2000 regarding the assessment of a \$100 forfeiture.

After reviewing the 00000000 file and reviewing the additional information received from you, I am rescinding the forfeiture.

I hope that this is a satisfactory response and regret any inconvenience. If you have questions, please feel free to contact me.

Sincerely,

WC Staff Name

WC Staff Title

WC Staff Phone Number

Inquiries: If you have questions about the above change, please contact Lee Shorey at phone# and e-mail address.

Enclosures: None

References: Worker's Compensation Division Internet Site (insert address)