

Worker's Compensation
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Worker's Compensation Insurance Letter

INS #	497
Date	August 20, 2013
Program	Assessment
Type	Annual
Replaces	493

To: Insurance Carriers and Self Insured Employers
From: John Metcalf, Division Administrator
Subject: FY2014 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 will be issued each year in August.

Background: Wisconsin Statute 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-insurers for claims closed in the previous calendar year. The total indemnity paid for 2012 first-closed claims was \$238,237,577. The Worker's Compensation Division's net operating revenue to be collected for FY 2014 is \$11,808,900. Based on the calculation (\$11,808,900 divided by \$238,237,577), the general assessment rate is **4.96%**.

Self-insured employers are paying the **4.96%** general assessment rate plus an additional **1.12%** to cover the administrative cost of operating the self-insured employers program for a total of **6.08%**. The self-insured employer invoice also includes the \$200 self-insured renewal fee for the period of July 1, 2013 through June 30, 2014.

Each company's assessment amount is determined by multiplying its 2012 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 using WAMS Security. You will need your company's ID and password. Call 608/266-0317 for ID or password problems.

Action Requested: **Payment of your company's FY14 assessment invoice.**
Make your check payable to DWD-Worker's Compensation and mail to the address on the invoice.

Inquiries: For questions on the assessment, **contact Jean Culbert at 608-266-6898.**

Enclosures: INVOICE

References: WC Division website for claim detail.