

Tommy G. Thompson  
Governor

Linda Stewart  
Secretary

Gregory Krohm  
Division Administrator



State of Wisconsin

WORKER'S COMPENSATION  
201 East Washington Avenue  
P.O. Box 7901  
Madison, WI 53707-7901  
Telephone: (608) 266-1340  
Fax: (608) 267-0394  
<http://www.dwd.state.wi.us/wc/>

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Department of Workforce Development

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Date: April 16, 1998 INS 390

To: All Insurance Carriers and Self Insured Employers

From: Gregory Krohm, Administrator 

Re: Forfeiture Procedures

As part of the Division's goal to improve its written communications on claims handling matters, procedures are now in place to ensure that enforcement actions through the use of forfeitures are accurate and clearly understood. While we anticipate that forfeiture actions will continue to be a low volume activity, the procedures for using them and how you are to respond to them have changed.

**Identification and use of forfeiture letters.** Forfeiture letters assess fines of \$100 for failures to submit reports or information as required by DWD s. 80.02 Wis. Admin. Code. Although the Division sends "courtesy" warning letters in advance of forfeitures, it is strongly recommended that insurers familiarize themselves with the rules for required reports and establish internal systems for compliance rather than relying on warning letters.

**Rescission of forfeitures.** The Division will rescind forfeitures issued in error. You may challenge forfeitures. Here are some circumstances under which a challenge would prevail:

- a) You sent the information but it was lost or inadvertently not recorded.
- b) We assessed the forfeiture against the wrong insurer.
- c) The information is not required under the circumstances for the claim.

Insurers may challenge forfeitures by phone or in writing. If you call, ask for the individual whose initials or name is on the letter. The Division will always respond in writing. A sample letter allowing a rescission is enclosed. It is important to make any challenges close to the time of the incident in order to correct any error and document a record for future invoices. If rescission is denied, you may file an application for hearing on form WKC-7.

**Payment of forfeitures.** Forfeitures are not to be paid immediately. Once a year, an invoice will be sent to the insurer with the accumulated total of the amount of forfeitures due for the calendar year. The invoice will be preceded by a letter notifying you of a 30-day period to resolve any challenges for the calendar year that the invoice covers. The pre-invoice letter and invoice will be sent to the claims handling address for the insurer. Invoices will be communicated from the Department's accounts receivable system and payments of forfeitures will be enforced.



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April 21, 1998

Addressee Deleted

Re: WC Claim #000000000  
Employee  
Employer

Dear Mr. XXXXX:

Thank you for your letter dated April 21, 1998, regarding the assessment of a \$100 forfeiture.

After reviewing the XXXXXXXX file and reviewing the additional information received from you, I have rescinded any further forfeiture action.

I hope that this will be a satisfactory solution. If you have any questions, feel free to contact me.

Sincerely

Mary Bothun  
Claims Information Manager  
(608) 267-4407

or

Avis Mueller  
Claims Services Manager  
(608) 267-4418

