

**Worker's Compensation
Insurance Letter**

INS #	419
Date	December 15, 2000
Program	Assessment
Type	Annual
Replaces	408



**State of Wisconsin
Department of Workforce Development**

201 East Washington Avenue
P.O. Box 7901
Madison, WI 53707-7901
Telephone: (608) 266-1340
e-mail: DWDDWC@dwd.state.wi.us
<http://www.dwd.state.wi.us/>

To: Worker's Compensation Insurance Carriers Insuring Wisconsin Employers & Wisconsin Self-Insured Employers
From: Judy Norman Nunnery, Division Administrator
Subject: FY2001 Worker's Compensation Administrative Assessment

Purpose: To communicate to insurance carriers and self-insured employers the new rate and assessment information for FY2001, along with the assessment invoice.

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 assessment is based on the indemnity amount the company paid on claims closed 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 for 1999 first-closed claims was \$231,593,871. The worker's compensation division's net operating revenue to be collected for fiscal year 2001 is \$11,558,454. Based on this calculation (**\$11,558,454 ÷ \$231,593,871**), the assessment rate is **5.00%**.

Self-insured employers are paying an additional **0.46%** 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, 2000 through June 30, 2001.

Each company's assessment amount was determined by multiplying its 1999 "first closed" claims' total indemnity payments by the rate indicated. Each company's claim detail listing is available on the division's web site (*see letterhead for address*) under "Assessment Reports".

Action Requested: ***The invoice for your company's worker's compensation assessment for fiscal year 2001 is enclosed. Payment is due by January 31, 2001. Please make your check or money order payable to DWD-Worker's Compensation and mail it to the address indicated on the invoice.***

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

Enclosures: INVOICE

References: Web site for claim detail (see letterhead for address).