

Worker's Compensation
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State of Wisconsin
Department of Workforce Development

Worker's Compensation Insurance Letter

INS #	480
Date	December 17, 2009
Program	Assessment
Type	Annual
Replaces	477

To: Corporate Offices for Insurance Carriers and Self Insured Employers
From: Frances Huntley-Cooper, Division Administrator
Subject: FY2010 Worker's Compensation Administrative Assessment

Purpose: To communicate to insurance carriers and self-insured employers the new rate and assessment timing adjustment information for FY2010 through FY2014, along with the assessment invoice. The assessment had traditionally been issued each year at the end of December. To coordinate the annual assessment with the state fiscal year, the administrative assessment is being issued one month earlier each year to bring the issuance of the assessment in line with the beginning of the state fiscal year – July 1st. The FY2010 assessment was delayed due to extensive review of program budgets, and is just now being issued in December 2009. However, next year we will resume backing up the assessment and schedule the assessment for October 2010.

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 "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 then computed by dividing the current fiscal year's net operating cost by the total indemnity payments from carriers and self-insurers for claims closed in the previous calendar year. The indemnity paid for 2008 first-closed claims was \$264,144,306. The Worker's Compensation Division's net operating revenue to be collected for FY 2010 is \$13,044,700. Based on this calculation (**\$13,044,700** :- **\$264,144,306**), the general assessment rate is **4.94%**.

Self-insured employers are paying an additional **0.87%** to cover the administrative cost of operating the self-insured employers program. Each self-insured employer invoice also includes the \$200 self-insured renewal fee for July 1, 2009 through June 30, 2010.

Each company's assessment amount was determined by multiplying its 2008 first-closed claims total indemnity payments by the rate indicated. Each company's claim detail listing is available on the division's web site (<http://dwd.wisconsin.gov/wc>) under "**Assessment Reports**".

Action Requested: Your company's assessment invoice for FY 2010 is enclosed. 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: See Worker's Compensation Division Web Site for claim detail.