

Brad Harrell, [REDACTED]

June 24, 2024

Governor Tony Evers  
P.O. Box 7863  
Madison, WI 53707

Re: Permanently and Totally Disable Workers of Wisconsin

Dear Governor Evers:

Thank you for declaring 2024 the *Year of the Worker in Wisconsin*.

We are a group of Wisconsin workers who were injured in industrial accidents who became permanently and totally disabled (PTD) because of our injuries. We seek your kind help in our quest to ensure that supplemental benefits for permanently and totally disabled workers are increased on a regular periodic basis, as well as regularly bringing in additional PTD workers into the Supplemental Benefit program. Supplemental benefits act similarly to standard cost of living increases. (Supplemental benefits are currently not available to someone who is PTD, unless their date of injury occurred prior to 2003.)

We understand that the Workers Compensation Advisory Council is the body that is primarily responsible for this type of legislation. In 2017, the Advisory Council produced an Agreed Upon Bill that created an increase for supplemental benefits and brought two more years' worth of PTD injured workers into the program. However, that bill never made it out of the legislature. Since that time, three additional Agreed Upon Bills have come out of the Advisory Council and none of them contained any increase for supplemental benefits that the Advisory Council had endorsed in 2017.

Why would that be? We conclude the issue must be money/the perceived cost to employers and their insurance carriers.

Thanks to your leadership, not only has the State of Wisconsin never been in a better fiscal position than in 2024, but the same can be said of Wisconsin employers regarding the premiums they pay for their workers compensation coverage. During the past eight years, Wisconsin workers compensation premiums have decreased, in an unprecedented fashion, for 8 consecutive years. During that time, the cumulative decrease has amounted to over a 40% reduction in premiums that employers pay for their workers compensation insurance coverage! Their savings, in Wisconsin's almost 2 billion dollar a year worker's compensation insurance industry, must have amounted to many hundreds of millions of dollars, if not a sum in excess of one billion dollars!

We have also just learned that according to the May 9th minutes of the Wisconsin Rating Committee meeting of the Wisconsin Compensation Rating Bureau, the rate recommendation for October 2024 will be for another reduction, but this one will be for the largest ever...at 10.5% decrease! That will bring a cumulative rate reduction of almost 47% over a nine year period. (See attached Circular Letter 3260, and chart.)

Governor Evers, what we beg of you is this: Would you please appoint an economist to calculate how much money Wisconsin employers have saved over the past 8 years/upcoming nine years in their workers compensation premiums due to the unprecedented decreases during those time periods (as compared to rates remaining static)?

That information will hopefully allow us to convince the management side of the Advisory Council that a regularly scheduled increase of supplemental benefits for permanently and totally disabled workers is certainly affordable by Wisconsin employers (and that apparently is only costing insurance carriers for 2023 just over 1.04 million dollars for the prior year. (See attached WC Insurance letter 542).

An economist's analysis should also produce information that your office can utilize to educate the citizens of Wisconsin, including Wisconsin employers (and the WMC), of another substantial benefit your office's leadership has provided to our state.

Thank you for your kind consideration of our request. We are sorry to burden you with our problem, but we cannot think of anyone else better who would likely care enough to help us. We know you are a strong supporter of the Advisory Council and would not wish to circumvent that process, but if there is anything else that you might be able to do to aid our cause, we would be forever and deeply grateful.

God bless you and thank you again for whatever you can do. We greatly look forward to hearing from you.

Kindest regards,



Brad Harrell



*And on behalf of:*

Bob Hurley



John Eiden



Tim Moore



Enclosures (see below):

Circular Letter 3260  
Referenced rate reduction chart  
WC Insurance Letter 542

**1. Circular Letter 3260**

[https://www.wcrb.org/circulars/CircularLetters2024/CIRCULAR\\_LETTER\\_3260\\_2024\\_Rate\\_Change\\_Indication..pdf](https://www.wcrb.org/circulars/CircularLetters2024/CIRCULAR_LETTER_3260_2024_Rate_Change_Indication..pdf)

CIRCULAR LETTER 3260—May 9, 2024  
PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE  
TO: MEMBERS OF THE BUREAU

Minutes of the Wisconsin Rating Committee meeting held via teleconference from the premises of the Wisconsin Compensation Rating Bureau, 20700 Swenson Drive, Waukesha, WI 53186 on Thursday, May 9, 2024.

A Special Rating Committee meeting was called to discuss the October 1, 2024 rate filing. The following items were discussed:

- Trend factors recommended by the Actuarial Subcommittee.
- An overall decrease in rate level of 10.50%.
- No change to the current Expense Constant of \$220.
- No change to the current Maximum Minimum Premium of \$900.

The Governing Board and Rating Committee accepted the recommendation for filing with the Office of the Commissioner of Insurance

**2. Referenced rate reduction chart**

If the work comp premium a Wisconsin employer paid in 2015 was \$100.00, the following shows how the aggregate rate decreases experienced over the following 9 years by businesses in Wisconsin would decrease that base premium amount. Over 9 years (including the now proposed rate for October of 2024 of a 10.5% decrease), rates will have decreased in aggregate by almost 47%!

<u>YEAR</u>	<u>DECREASE</u>	<u>Premium Dollars Charged</u>
2015	-(base)-	\$100.00
2016	3.19%	\$ 96.81
2017	8.46%	\$ 88.62
2018	6.03%	\$ 83.28
2019	8.84%	\$ 75.92
2020	0.93%	\$ 75.21
2021	5.44%	\$ 71.12
2022	8.47%	\$ 65.10
2023	8.39%	\$ 59.63
2024	10.50%	\$ 53.37

**3. WC Insurance Letter 542**

<https://dwd.wisconsin.gov/wc/letters/insurance/ins-letter-542.htm>

Insurance Letter 542  
Purpose

To communicate to insurance carriers regarding the 2023 supplemental benefit reimbursement assessment rate. This includes information regarding deadlines and to remind insurance carriers that interest will accrue on all unpaid balances after 30 days. The Worker's Compensation Supplemental Benefit Reimbursement Assessment is issued annually.

The current supplemental benefit assessment is for reimbursement requests submitted to the Department in calendar year 2023 for payment on claims made in 2022. Insurance carriers were provided time to submit reimbursement requests through December 31, 2023, resulting in assessments being issued the following calendar year. This earlier, winter schedule is expected to continue going forward. For your planning purposes, the next annual WISBF assessment, covering 2023 reimbursement requests submitted through the end of calendar year 2024, will be issued by February of 2025.

### Background

Under s. 102.44 (1) (c), Wis. Stats., as amended by 2015 Wis. Act 55, the Work Injury Supplemental Benefit Fund (WISBF) no longer makes reimbursement payments to insurance carriers and self-insured employers for injuries that occur on or after January 1, 2016.

Section 102.75 (1g), Wis. Stats., authorizes the Department to assess and collect costs for the reimbursement of supplemental benefits payments made on claims for injuries occurring on or before December 31, 2015.

The maximum amount the Department will assess and collect in a calendar year is \$5,000,000. If the total amount reimbursable in a calendar year exceeds \$5,000,000, the Department will collect the maximum payable of \$5,000,000 that year and collect the excess in the next calendar year, (subject to the \$5,000,000 maximum), or in subsequent calendar years until the total outstanding amount is zero.

The Department will approve and pay a claim for supplemental benefit reimbursement no later than 16 months after the end of the year in which the supplemental benefit reimbursement claim was received by the Department, subject to the \$5,000,000 yearly maximum. Insurance carriers are required to file a claim for reimbursement with the Department, using the Supplemental Payments Reimbursement Request Form, WKC- 140-E, no later than 12 months after the end of the year in which the supplemental benefits were paid. This form can be found on our [website](#).

All supplemental benefit reimbursement claims that were pending as of May 14, 2013, the effective date of the reduction of reimbursement payments, and reimbursement claims received by the Department following that date are being paid in chronological order of receipt by the department, subject to the \$5,000,000 yearly maximum, until the outstanding amount is zero.

The revenue funding supplemental benefit reimbursements is from annual assessments on each insurance carrier based on the same indemnity amount that is used for that insurer in the annual general assessment for the Department's operations fund. Each company's indemnity amount is determined by summing the amounts paid for each claim "first closed" in 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.

Each company's assessment amount is determined by multiplying its 2022 "first closed" claims total indemnity payments by the rate indicated. Each company's claim detail listing is available

by clicking "Assessment Reports" on the Administrative Assessments page. A DWD/WISCONSIN Logon Account ID and password is required to access the report.

The Worker's Compensation Supplemental Benefit Reimbursement Assessment rate is calculated by dividing the current total amount reimbursable (up to a maximum of \$5,000,000) by the total indemnity payments from insurance carriers for claims "first closed" in the previous calendar year. **For 2023, the current total amount collectible is \$1,043,819.98** divided by the total insurance carrier indemnity paid for 2022 "first closed" claims total of \$242,704,622.00 generates a Supplemental Benefit Reimbursement Assessment rate of 0.00431, rounded up to avoid a shortfall

Action Requested

Payment of your organization's 2023 Supplemental Benefit Assessment invoice

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