

Finance

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

Referred
FEB 23 2012

County Board
Chairman

DATE: February 10, 2012

TO: Lee Holloway, Chairman, County Board of Supervisors
Lynne DeBruin, Vice Chairman, Finance and Audit Committee

FROM: Cynthia VanPelt, Director, Risk Management

SUBJECT: Permissible Self-Insurance for Workers Compensation under Wisconsin §§102.28(2)(b)

REQUEST

The Risk Management Section of the Department of Administrative Services requests that the Milwaukee County Board of Supervisors approve a reauthorization resolution to comply with requirements of the Department of Workforce Development (DWD) Wisconsin Administrative Code DWD 80.60(3).

BACKGROUND/ANALYSIS

Milwaukee County has administered its workers compensation claims through a program of permissible self-insurance. Wisconsin Statute §§102.28(2)(b) permits employers, who show financial ability, to pay an exemption from the purchase of commercial insurance for workers compensation claims, provided the employer agrees to faithfully report all compensable injuries and agrees to comply with section §§102 of the Wisconsin Statutes and the rules found in chapter DWD 80 of the Wisconsin Administrative Code.

Milwaukee County has historically been permissibly self-insured under section §§102.28(2)(b). In 1990, the administration of workers compensation claims was transferred from Corporate Counsel to Risk Management. Milwaukee County was permissibly self-insured under section §§102.28(2)(b) at that time. There is no evidence of Milwaukee County ever purchasing primary insurance coverage for workers compensation exposures.

The criteria for an exemption to the purchase of workers compensation insurance includes financial responsibility and faithful reporting of injuries. Since 1991, Risk Management has been in compliance with GASB Rule 10, as identified contingencies arising out of casualty claims are funded in the claim reserve fund. An annual audit is conducted by our actuaries to determine our required funding to meet the contingencies. The claim reserve fund has adequate funds to comply with the recommended actuarial conclusions. Milwaukee County is in good standing with the Wisconsin Department of Workforce Development requirements for administering Milwaukee County workers compensation claims.

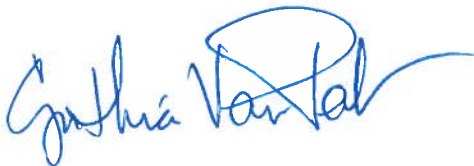
Wisconsin Administrative Coded DWD 80.60(3) requires a resolution be passed every three years by the governing body that states its intent and agreement to self-insure. The last such resolution was adopted by the Milwaukee County Board of Supervisors April 23, 2009 as File No. 09-169.

RECOMMENDATION

The Department of Administration – Risk Management requests that the Milwaukee County Board of Supervisors approves the attached resolution expressing its intent and agreement to self-insure for workers compensation as contained in Wisconsin Administrative Code DWD 80.60(3).

FISCAL NOTE

Approval of this request will have no fiscal effect as funding is contained in the Risk Management claim reserve fund.



Cynthia VanPelt
Director, Risk Management

cc: Chris Abele, County Executive
Patrick Farley, Director, Department of Administrative Services
Pamela Bryant, Interim Fiscal and Budget Administrator
Amber Moreen, Chief of Staff, County Board.