

MILWAUKEE COUNTY
INTEROFFICE COMMUNICATION

DATE: 11-12-2018

TO: Supervisor Theodore Lipscomb, Chairman, County Board of Supervisors

FROM: Chris Luttrell, Director of Risk Management

SUBJECT: Request for Approval of Resolution to Reauthorize Self-insurance of Workers' Compensation Benefits

REQUEST

The Director of the Risk Management Division of the Department of Administrative Services requests approval of the attached resolution as required by Chapter 102.28(2)(b) of the Wisconsin Statutes and under the Department of Workforce Development Administrative Code 80.60(3), for Milwaukee County to remain self-insured for workers' compensation benefits.

BACKGROUND

Risk Management is responsible for managing the property and casualty insurance program that protects the County against unexpected losses, damages, claims, and lawsuits. Included in this program is workers' compensation coverage to provide wage and medical benefits to employees injured in the course and scope of their employment.

The Wisconsin Workers' Compensation Act (Act) provides that employers covered by the Act either insure their liability for workplace injuries with insurance carriers authorized to do business in the state of Wisconsin, or to be exempted (self-insurance) from insuring liabilities with a carrier and thereby assume the responsibility for its own workers' compensation risks and payments. The State and its political subdivisions may self-fund workers' compensation without a special order from the Department of Workforce Development (DWD) if they agree to faithfully report all compensable injuries and agree to comply with the Act and rules of the DWD. The DWD also requires that every three years each self-insured political subdivision must provide the DWD with a resolution stating the County's intent and agreement to self-insure. The last resolution was passed by the County Board of Supervisors at its December 23, 2015 meeting.

RECOMMENDATION

The Director of Risk Management recommends approval of the attached resolution reauthorizing the self-insurance of Milwaukee County's workers' compensation benefits.

FISCAL NOTE

There is no projected fiscal impact associated with this resolution. Risk Management's 2019 budget currently contains approximately \$5.55 million in operating expenditures to adjust on-going workers' compensation claims. In addition, Risk Management retains an actuary annually to project the funding needed to set reserves for outstanding liabilities. As of 2017, the actuarial report determined that Milwaukee County has \$8.0 million in total projected outstanding workers' compensation liabilities. This information was forwarded to the Comptroller's Office to establish the appropriate reserves in line with the Government Accounting Standards Board.



Chris Luttrell, Director, Risk Management

- cc: Chris Abele, County Executive
Finance, Personnel and Audit Committee Members
Raisa Koltun, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Teig Whaley-Smith, Director of Administrative Services
Stephen Cady, Research & Policy Director, Office of the Comptroller
Janelle Jensen, Committee Coordinator, Finance, Personnel and Audit
Amy Pechacek, Deputy Director of Administrative Services