

MILWAUKEE COUNTY
INTEROFFICE COMMUNICATION

DATE: 3-12-2021

TO: Supervisor Marcelia Nicholson, Chairwoman, County Board of Supervisors

FROM: Megan Rogers, 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 to remain self-insured for workers' compensation benefits, as required by Chapter 102.28(2)(bm) of the Wisconsin Statutes and under the Department of Workforce Development Administrative Code 80.60(3).

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 13, 2018 meeting (Resolution No. 18-910).

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 2021 budget currently contains approximately \$3.65 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 12/31/2020, an actuary report determined that Milwaukee County has \$8.8 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.

Megan Rogers

Megan Roger, Director of Risk Management

- cc. Marcelia Nicholson, Chairwoman, County Board of Supervisors
 David Crowley, County Executive
 Mary Jo Meyers, Chief of Staff, County Executive
 Sherri Jordan, Interim Director, Dept. of Administrative Services
 Joseph Lamers, Director, DAS Performance, Strategy, and Budget
 Members of the Committee on Finance
 Members of the Committee on Personnel