

Wisconsin Worker's Compensation Rates Decline For Seventh Consecutive Year

By Misha Lee, MHA Wisconsin Lobbyist

There is some welcome news coming to Wisconsin employers next month: Effective October 1, 2022, businesses in Wisconsin will see an overall rate decrease of 8.47 percent in worker's compensation rates for new and renewal policies. The joint announcement by the Department of Workforce Development (DWD) and Office of the Commissioner of Insurance (OCI) marks the seventh consecutive year that worker's compensation insurance premiums have declined in the state. The lower rates this year will save employers an estimated \$146 million, although the overall impact will vary among employers and specific circumstances.

<u>Rate Level Change By Industry Group</u>	<u>Rate Level Change</u>
Manufacturing	-8.10%
Contracting	-8.01%
Office & Clerical	-7.46%
Goods & Services	-10.03%
<u>Miscellaneous</u>	-7.19%
Overall	-8.47%

As the first state in the nation to institute worker's compensation, Wisconsin continues to have one of the strongest and more competitive state sponsored worker's compensation programs in the nation. Much of the strength of that system is attributed to the Worker's Compensation Advisory Council (WCAC) process where representatives of Labor (workers) and Management (employers) spend several months every two years negotiating any public policy changes to the system and provide recommendations to members of the Legislature.

The latest rate decrease also reflects continued worker safety improvements by Wisconsin employers which have a record number of people working and a July unemployment rate of 3.0 percent. The 2022 rate decrease was recommended by the Worker's Compensation Rating Bureau (WCRB) and approved by the Wisconsin Office of the Commissioner of Insurance (OCI). Worker's compensation insurance rates are adjusted annually by a committee of actuaries from members of the WCRB. This independent body examines and selects the methodology and trends that produce the proposed rate adjustment, which is then reviewed and ultimately approved by the Wisconsin Commissioner of Insurance. The WCRB is a licensed rate service organization created in state statute. The WCRB is responsible for the classification of employers, the rates and rating plans used, all policy forms and endorsements, and the collection and analysis of all statistical and other data including the calculation and distribution of experience modifiers of employers. While not a state agency, WCRB is regulated by the OCI and works closely with the Worker's Compensation Division of the DWD.

The workers' compensation program covers medical expenses and lost wages for employees injured on the job. Data from the independent, nonprofit Workers Compensation Research Institute (WCRI) ranks Wisconsin among the lowest of 18 states with similar worker's compensation systems in the time employees spend away from work after an injury, strong health care networks and return-to-work programs that support a smooth transition back into the workplace.

DWD's Worker's Compensation Division administers the state's worker's compensation program in conjunction with the WCRB, OCI, Self-Insurers Council, and the Worker's Compensation Advisory Council (WCAC). Most employers in Wisconsin are legally required to have Worker's Compensation insurance policies.

See the WCRB rate revision announcement and information [here](#).