

*Wisconsin Department of Workforce Development
Workers' Compensation Division*

P.O. Box 7901
Madison, WI 53707-7946
608-266-1340

What is Workers' Compensation?

The basic purpose of the Workers' Compensation is to provide wage replacement benefits and medical treatment for employees who have been injured or become ill due to a work-related injury or illness. It prevents the employer from bearing the costs of injuries that occur during normal business operations. Workers' compensation, also known as workers comp is insurance coverage required by state laws. It is designed to provide compensation for workers who are injured on the job in the course of their employment. Work Comp insurance is always paid for by the employer.

Workers Compensation is based on a system by which no-fault statutory benefits prescribed in state law are provided by an employer to an employee (or the employee's family) due to a job-related injury (including death) resulting from an accident or occupational disease

The true benefit for carrying workers compensation insurance is that the laws strictly prohibit employees from suing their employers for any tort negligence when the employer purchases coverage. The system is known as the compensation bargain because it protects and limits both parties in terms of legal recourse from injuries.

While plans do vary between states, work comp insurance generally covers the following:

1. Medical treatment for injured employees (i.e. broken arm)
2. Occupational hazards such as disease exposure (i.e. emphysema)
3. Employers Liability (damages to a 3rd party where employer is liable for an injury)
4. Temporary disability (up to 2/3 of average weekly wage)
5. Permanent impairment (i.e. loss of finger)
6. Total disability (usually paid in a lump sum)
7. Death benefit (paid to survivor dependents)

Wisconsin Compensation Rating Bureau

The Wisconsin Compensation Rating Bureau (WCRB) acts as administrator and trustee of the assigned risk plan. The WCRB mission is to administer and enhance Wisconsin's system of worker's compensation classifications, rates, rating plans, and forms.

How does workers comp help my business?

Your business benefits by not being liable for injuries that occur as a part of normal business operations. This applies whether the injury was the fault of the business or was caused by negligent actions of the employee.

Wisconsin's Open Market

Workers comp coverage in the state of Wisconsin is administered on an open market. There are about 300 insurance companies licensed to write workers' compensation insurance in Wisconsin. This large number of carriers keeps rates low through competition. It also makes it extremely important to shop your policy with many carriers. Not all carriers offer the same rates, discounts, credits or dividends. Premiums can differ widely amongst carriers.

How does workers comp help my employee?

Employees benefit from workers comp coverage by having lost wages covered while they are hurt or sick and not able to work. It also pays for medical costs they might incur as a result of the sickness or injury.