



---

---

## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

---

---

**2005 Assembly Bill 686**

**Assembly Substitute  
Amendment 1**

*Memo published:* February 17, 2006

*Contact:* Rachel Letzing, Senior Staff Attorney (266-3370)

Current law requires every employer subject to the worker's compensation law to carry worker's compensation insurance from an insurer that is authorized to do business in this state. This requirement is often referred to as the "duty to insure." The Department of Workforce Development (DWD) may exempt an employer from the duty to insure if the employer agrees to report all compensable injuries and to comply with the worker's compensation law and DWD rules.

The substitute amendment allows two or more employers engaged in the forest industry that have combined assets of at least \$1,000,000 to enter into an agreement to pool their worker's compensation liabilities in order to obtain an exemption from the duty to insure if those employers agree to assume joint and several liability for payment of those liabilities. "Forest industry" is defined as the business of growing, harvesting, processing, or selling Christmas trees, firewood, maple syrup, or any other product derived from wood or wood fiber that is manufactured with woodworking equipment.

The substitute amendment provides that DWD may exempt a group of employers engaged in the forest industry from the duty to insure if the group demonstrates that it is able to self-insure its worker's compensation liability and if the group agrees to report all compensable injuries and to comply with the worker's compensation law and DWD rules.

The substitute amendment creates a self-insured group liability fund that consists of assessments paid into the fund by self-insured groups of employers engaged in the forest industry. The fund will be used to pay the worker's compensation liabilities of the self-insured groups that are unable to pay their worker's compensation liabilities.

### **Legislative History**

Assembly Substitute Amendment 1 was offered by Representative Mursau. The Assembly Committee on Forestry recommended adoption of the substitute amendment on a vote of Ayes, 4; Noes, 0, and recommended passage of the bill, as amended, by the same vote.

REL:ksm