CHAPTER 626

RATE REGULATION IN WORKER’S COMPENSATION INSURANCE

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626.02 Definitions. In this chapter, unless the context indicates otherwise:

1. “Bureau” means the Wisconsin compensation rating bureau provided for in s. 626.06.
2. “Rate service organization” has the meaning designated for the term under s. 625.02 (2).


626.03 Scope of application. This chapter applies to all worker’s compensation insurance written on risks or operations in this state; employers’ liability insurance when written in connection with worker’s compensation insurance or insurance covering any part of the liability of an employer exempted from insuring the employer’s liability for compensation under s. 102.28.

History: 1975 c. 148, 199.

626.06 Rating bureau. The Wisconsin compensation rating bureau is continued and every insurer writing any insurance specified under s. 626.03 is a member of it.

History: 1975 c. 148.

626.09 General provisions concerning the bureau.

1. PURPOSES. The bureau has the following purposes:
   a. To establish, maintain and administer rules, regulations, classifications, rates and rating plans to govern the transaction of insurance included in s. 625.03, and every modification of any of them proposed for use in this state.
   b. To cooperate with other rate service organizations and with insurers in the development of rules, rates and rating plans and insurance policies and forms;
   c. To secure and analyze statistical and other data required to accomplish these purposes;
   d. To inspect and classify risks;
   e. To file with the commissioner on behalf of its members every manual of classifications, rules and rates, every rating plan and every modification of any of them proposed for use in this state;
   f. To assist the commissioner and insurers in the promotion of safety in industry; and
   g. To assist in any matter necessary for the accomplishment of these purposes.

2. LICENSING. The bureau’s license which it holds under s. 205.03 (2), 1973 stats., immediately prior to January 17, 1976 shall continue as its license under s. 625.32, and thereafter the bureau shall be treated as if it had applied for and had received a license under s. 625.32.

3. EXAMINATIONS. Sections 601.43 to 601.45 apply to the bureau.

4. FEES. Section 601.31 (1) (c) 2. applies to the bureau.

History: 1975 c. 148; 1979 a. 27 ss. 7037, 9130 (4); 1997 a. 3.

626.11 Rate standards. (1) GENERAL. Rates determined under this chapter shall not be excessive, inadequate or unfairly discriminatory.

2. EXCESSIVENESS. Rates determined under this chapter are not excessive merely because a reasonable margin is allowed for a profit.

3. ADEQUACY. The commissioner shall approve a minimum adequate pure premium for each classification under which worker’s compensation insurance is written. No insurer writing any insurance specified under s. 626.03 may use a pure premium less than that approved by the commissioner.

History: 1975 c. 148, 199.

626.12 Rating methods. In determining whether rates comply with the standards under s. 626.11, the following criteria shall be applied:

1. BASIC FACTORS IN RATES. Due consideration shall be given to past and prospective loss and expense experience within this state, to catastrophe hazards and contingencies, to a reasonable margin for profit, to dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers, and to all other relevant factors.

2. CLASSIFICATION. Risks may be classified in any reasonable way for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any differences among risks that can be demonstrated to have a probable effect upon losses or expenses.

3. PHYSICAL IMPAIRMENT. Rates or rating plans may not take into account the physical impairment of employees. Any employer who applies or promotes any oppressive plan of physical examination and rejection of employees or applicants for employment shall forfeit the right to experience rating. If the department of workforce development determines that grounds exist for such forfeiture it shall file with the commissioner a certified copy of its findings, which shall automatically suspend any experience rating credit for the employer. The department shall make the determination as prescribed in ss. 103.005 (5) (b) to (f), (6) to (11), (13) (b) to (d) and (16), so far as such subsections are applicable, subject to review under ch. 227. Restoration of an employer to the advantages of experience rating shall be by the same procedure.

History: 1975 c. 148; 1995 a. 27 ss. 7037, 9130 (4); 1997 a. 3.

626.13 Approval of rates and rating plans. The bureau shall file with the commissioner on behalf of its members every manual of classifications, rules and rates, every rating plan and every modification of any of them proposed for use in this state. Every such filing shall state its proposed effective date. The bureau shall also file the information upon which it supports the filings. All filings must comply with the law and shall not be effective nor used until approved by the commissioner. A filing...
that has been on file for 30 days is deemed to meet the require-
ments of ss. 626.11 and 626.12 unless the commissioner earlier
approve, furnishing information and from the insured affected
by it or to an authorized representative.

(3) Review by bureau. (a) Cases where required. The fol-
lowing persons or their authorized representatives shall be heard
by the bureau upon written request:

1. Any insurer or employer on any matter affecting the risk
in connection with a survey under sub. (2) (a);
2. Any person aggrieved by the application of the bureau’s
rating system to the person;
3. Any member alleging discrimination as to services or
charges of the bureau; and
4. Any municipality, as defined under s. 345.05 (1) (c), or any
state department or agency.

(b) Procedure for review. 1. The bureau shall provide within
this state a specified procedure for review of the matters under par.

(a).

2. The commissioner may disapprove the procedure specified
under subd. 1. If the commissioner finds that it does not provide
adequate notice and fair hearing to the person asking for review.

3. The person asking for review may appeal to the commis-
sioner under sub. (4) from a decision of the bureau or from its fail-
ure to provide a review and decision within 30 days after a written
request therefor.

(4) Appeals from the bureau. (a) Cases where appeal is
allowed. The following persons or their authorized repre-
atives may petition the commissioner in writing for review of a
bureau action or decision:

1. Any member aggrieved by an appointment of costs made
by the bureau under sub. (1) (c), or by the bureau’s failure to make
an appointment;
2. Any member aggrieved by discrimination in the supplying
of services by the bureau;
3. Any member aggrieved by the bureau’s rejection of pro-
posed changes in or additions to its filings that would affect the
member;
4. Any insurer or employer aggrieved by findings made in a
survey under sub. (2) (a);
5. Any insurer, municipality, as defined under s. 345.05 (1)
(c), any state department or agency or employer aggrieved by the
application of the bureau’s rating system to that person or agency.

(b) Procedure for appeal. 1. An appeal is initiated by a written
petition to the commissioner, which must be filed within 30 days
after the adverse decision of the bureau on review or, if the bureau
has not announced a decision within the specified 30 days, within
60 days after the written request for review. If the bureau
announces a decision after the specified 30 days but before filing
of the petition, the petitioner has 30 days after announcement
of the decision to petition the commissioner.
2. The commissioner shall give not less than 10 days’ notice
hearing to the appellant and the bureau, and in cases under par.

(a) 1. to all other members of the bureau.
3. Procedure in the hearing shall be as provided for other hear-
ings before the commissioner.
4. The commissioner shall mail a copy of the commissioner’s
decision to the appellant and the bureau.

(c) Relief authorized. The commissioner’s decision shall be
by order, with findings of fact and conclusions of law, which order may:
1. Approve the action or decision of the bureau;
2. Direct the bureau within a reasonable time the commis-
sioner designates to give further consideration to the matter and
reach a conclusion consistent with the commissioner’s order; or
3. Direct the bureau within a reasonable time the commis-
sioner designates to take specified action consistent with the
commissioner’s findings.


2017–18 Wisconsin Statutes updated through 2019 Wis. Act 185 and through all Supreme Court and Controlled Substances
Board Orders filed before and in effect on April 17, 2020. Published and certified under s. 35.18. Changes effective after April
20, 2020, are designated by NOTES. (Published 4–20–20)
626.32 Development of rates by bureau. (1) Acquisition of information. (a) General. Every insurer writing any insurance specified under s. 626.03 shall report its insurance in this state to the bureau at least annually, on forms and under rules prescribed by the bureau. The bureau shall file, under rules promulgated by the department of workforce development, a record of such reports with that department. No such information may be made public by the bureau or any of its employees except as required by law and in accordance with its rules. No such information may be made public by the department of workforce development or any of its employees except as authorized by the bureau.

(b) Payroll audits. Payroll audits by insurers shall show information classified under the statistical plan and shall be correct as to amount in each classification. The commissioner or the bureau may check any payroll audit and upon written complaint alleging facts that if true would create serious doubt about the accuracy of the payroll audit shall check it.

(2) Classifications and plans. The commissioner shall promulgate a statistical plan, which shall give due consideration to the rating system on file with the commissioner and seek to make the plan as uniform among the several states as is practicable. The statistical plan may be modified from time to time. It shall be used thereafter by each insurer in the recording and reporting under sub. (1) of its Wisconsin loss and country-wide expense experience. The rules and statistical plan may also provide for the recording and reporting of expense experience items which are specially applicable to this state. The bureau shall assign each compensation risk to its proper class, and its classification shall be used by all insurers writing any insurance specified under s. 626.03. On behalf of all members the bureau shall inspect and make a written survey of compensation risks to determine their proper classifications, shall maintain a record of its classification of risks and the written surveys of all risks inspected by it showing such facts as are material in the writing of insurance thereon.

(3) Aids in rate-making. The commissioner and every insurer and rate service organization may exchange information and experience data with insurance supervisory officials, insurers and rate service organizations in other states and may consult with them with respect to rate-making and the application of rates. The commissioner may designate one or more rate service organizations to assist the commissioner in gathering experience and making compilations thereof, and the compilations shall be made available to insurers and rating organizations.

History: 1975 c. 148, ss. 199, 9130 (4); 1997 a. 3; 2001 a. 37.

626.35 Worker’s compensation insurance contracts. (1) Filing. An insurer who provides a contract under s. 102.31 (1) (a) or 102.315 (3), (4), or (5) (a) shall file with the bureau a copy of the contract, or other evidence of the contract as designated by the bureau, not more than 60 days after the effective date of the contract.

(2) Penalty. The bureau may assess a penalty, in accordance with a schedule adopted by the bureau, against an insurer who fails to comply with sub. (1).

History: 1989 a. 64 ss. 45, 46; 1989 a. 332 ss. 1, 14; Stats. 1989 s. 626.35; 2007 a. 185.

626.51 Other rate service organizations. Any group, association or other organization which assists the bureau in rate-making by the collection and furnishing of loss and expense statistics or by the submission of recommendations is a rate service organization and shall be governed by ss. 625.31 and 625.32.

History: 1975 c. 148.