

Illinois Department of Insurance

JB PRITZKER
Governor

ANN GILLESPIE
Acting Director

TO: All Companies Writing Workers' Compensation Coverage in Illinois

FROM: Ann Gillespie, Acting Director

DATE: July 15, 2024

RE: Company Bulletin 2024-14 – IWCC Operations Fund Surcharge

The Illinois Workers' Compensation Commission Operations Fund Surcharge has increased to 1.092% of direct written premium for the surcharge due in 2024 and thereafter. *See Public Act* 103-0590.

The Illinois Department of Insurance ("Department") has issued statements for payment of the 2024 assessment calculated at the new required percentage to each company that insured employers' liabilities under the Workers' Compensation Act or Workers' Occupational Diseases Act in Illinois in 2023.

The Industrial Commission Operations Fund Surcharge pays for the administrative costs of the Illinois Workers' Compensation Commission. The Department collects the surcharge and remits all collected amounts to the Illinois Workers' Compensation Fund.

The amounts reflected on the statements are due no later than 30 days from the date of the invoice issued by the Department. Invoices can be paid via the Department's website under "Company Tax Forms, Deposits, Fees and Online ePay for Taxes and Invoices" located here. Please contact the Department's Tax & Fiscal Unit at DOI.TaxAudit@Illinois.gov if you have not received a statement or have questions about how the amount was calculated.

Section 416(b) of the Workers' Compensation Act authorizes companies to collect the surcharge from insured employers. Companies therefore are permitted to collect the increase in the surcharge in a consistent and non-discriminatory manner from insured employers whose policies remain in-force and are part of the calculation for the surcharge due in 2024. The Department, however, appreciates that the surcharge at the lower rate already was collected from employers and there may be undue administrative burdens in calculating, billing and collecting the additional amount of the surcharge generated by the increase in the percentage. If a carrier elects not to collect from insured employers the increased surcharge owed in 2024 due to the change in the percentage, the Department does not intend to require the carrier to do so. The carrier, however, will be responsible for the payment to the Department of the full assessment, calculated at the new rate, regardless of whether it is collected from the insured employer.

Any questions on how this will apply to the carrier's statistical reporting should be directed to the National Council on Compensation Insurance ("NCCI"). Contact information from NCCI can be found here: https://www.ncci.com/Pages/ContactUs.aspx. For all other questions, please contact the Department at DOI.INFODesk@Illinois.gov.