

Marking worker's comp

By Gregory Krohm

Aug. 22, 2011 | [\(1\) Comments](#)

One hundred years ago, Wisconsin made history by enacting the first constitutionally valid worker's compensation law. Worker's comp was one of many innovative laws pioneered for the country by Wisconsin's Progressive movement.

Faculty at the University of Wisconsin along with state managers and legislators gushed forth with many progressive legislative ideas, including factory safety laws, child labor laws, utility regulation and unemployment insurance. Teddy Roosevelt, the country's Progressive in Chief, was a big fan of "The Wisconsin Idea" for public policy-making.

What makes this centennial so remarkable is the fact that worker's compensation in Wisconsin and for the rest of the country gets little notice. Like your air conditioner or television, it works when you need it. That makes it very useful but pretty boring to the general public.

Each year in Wisconsin, roughly a quarter of a million medical bills are paid and income maintenance checks are sent to over 30,000 workers with newly covered injuries; 145,000 insurance policies are taken by Wisconsin employers. Claims are made, benefits paid and employers pay for it all. The system is solvent and does not cost taxpayers anything, even for the state agency that regulates the system.

The system runs smoothly with comparatively little dispute or litigation cost. Worker's compensation was the first form of "no fault" insurance. The automatic nature of worker's comp was its selling point in 1911 and remains its attraction today.

Along with the new worker's compensation law came new Wisconsin insurance companies that existed to pay statutory benefits, not to defend against claims in court. The same reform spirit that inspired worker's compensation also brought new factory inspection laws and insurance rate incentives to motivate employers to improve their safety practices. The accident rate in Wisconsin has been trending downward for decades and is about as low as it has ever been.

Worker's compensation was developed in an era when organized labor and employers were at each other's throats. Labor was pushing for higher wages and better working conditions. Management wanted to rid itself of never-ending lawsuits from work accidents. Both sides, despite their heated arguments, came together to compromise and build something that was better for both sides.

This pragmatic spirit of cooperation in worker's compensation is especially ironic given the supercharged political climate in Wisconsin of late.

Worker's compensation is one of many innovations developed in Wisconsin of which we can justly be proud. Let's hope that Wisconsin ideas continue to lead the nation in constructive ways.

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