

Dept. of Workforce Development, Dept. of Justice: Announce \$200,000 agreement in Briggs & Stratton bankruptcy case

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MADISON – The Wisconsin Department of Workforce Development (DWD) and the state Department of Justice (DOJ) today announced a \$200,000 agreement in DWD’s federal court claim filed in the Briggs & Stratton Corp. bankruptcy case.

These funds, along with a \$5 million surety bond, are available to pay Worker’s Compensation claims of the formerly self-insured employer. Additionally, a Self-Insured Employers Liability Fund (SIELF) is available to make up any shortfall and protect payments to injured employees should these funds and the surety bond be exhausted. The SIELF is funded by assessments on other self-insured employers when needed. All Worker’s Compensation claims are paid directly or indirectly by employers; no taxpayer funds are used to support this safety net for injured employees.

“In 1911, Wisconsin became the first state in the nation to have a constitutionally valid Worker’s Compensation law,” DWD Secretary-designee Amy Pechacek said. “Whether an employer is commercially insured, self-insured, or illegally uninsured, our robust protection system for injured workers here in Wisconsin provides backstops to ensure injured employees continue to receive their worker’s compensation benefits, even if their primary payer defaults.”

The state’s self-insurance program, which includes employers covered by the state Worker’s Compensation law who assume responsibility for their worker’s compensation risk and payments rather than insure through an authorized

insurance carrier, will benefit significantly from the Briggs & Stratton agreement.

In the case of Briggs & Stratton's bankruptcy, the \$5 million surety bond and agreement proceeds will be used to pay unsatisfied claims by former Briggs & Stratton workers. Without these sources, payments would come out of the SIELF, for which other self-insured employers would be assessed.

"Wisconsin's worker's compensation system provides critical security for Wisconsinites who are injured at work," said Attorney General Kaul. "This outcome will help protect the Self-Insured Employers Liability Fund and, in turn, save money for self-insured employers in Wisconsin."

Under the Wisconsin's Worker's Compensation law, both employees and employers receive a benefit in exchange for a stable system. Employers receive tort protection from workplace injury lawsuits and employees receive no fault workplace coverage with a defined schedule of benefits if an injury results in lost time from work. Wisconsin's worker's compensation program has served as a national model for innovation and stability for more than a century.

The requirements of 2017 Wisconsin Act 369 do not apply because this proposed resolution is part of a bankruptcy proceeding and is not a "compromise or discontinuance of a civil action."

Information on the Wisconsin Worker's Compensation program, including information for self-insured employers, can be found on the DWD [Worker's Compensation Employer Resources](#) page.