

# 2009 Indemnity Benefits table updates

<b>Indemnity and medical benefits paid, 1995-2008</b>			
Year paid	Total paid (\$ millions)	Indemnity percent of total	Medical percent of total
1995	\$459.5	56.2%	43.8%
1996	437.8	54.9%	45.1%
1997	431.5	53.0%	47.0%
1998	427.8	51.7%	48.3%
1999	428.6	51.5%	48.5%
2000	446.3	50.3%	49.7%
2001	471.3	50.2%	49.8%
2002	487.2	50.1%	49.9%
2003	477.3	49.6%	50.4%
2004	499.8	48.5%	51.5%
2005	532.0	46.4%	53.6%
2006	554.1	46.7%	53.3%
2007	574.9	46.9%	53.1%
2008	565.1	48.3%	51.7%

Indemnity benefits are temporary disability, permanent partial disability, permanent total disability, vocational assistance, and death benefits and settlements. The share of indemnity benefits has been increasing following a steady decrease from 1995 to 2005.

The data include paid amounts for all claims, not just accepted disabling claims. The total paid does not include payments for temporary disability in the interim before compensability denial or after a department or court order. Total costs exclude payments from the Workers' Benefit Fund, such as the Employer-at-Injury Program, the Preferred Worker Program, and cost-of-living adjustments for death and permanent total disability benefits. Some data are estimated, medical data for the latest year have been adjusted for expected development, and historical data are subject to small changes.

<b>Indemnity benefits paid for accepted disabling claims, 1995-2008</b>		
Year	Benefits paid (\$ millions)	Average benefits
1995	\$244.6	\$7,380
1996	228.6	7,526
1997	216.2	7,430
1998	208.9	7,371
1999	208.9	7,764
2000	210.4	8,130
2001	222.5	8,653
2002	230.3	9,491
2003	222.2	9,711
2004	229.7	10,003
2005	233.0	10,386
2006	243.5	10,340
2007	255.3	10,540
2008	257.9	11,158

Total indemnity benefits were increasing at a 4.6 percent average rate from 2005 to 2007. In the most recent year, the growth slowed, possibly due to economic recession. Similarly, in 2008 the number of disabling claims resolved fell by 4.6 percent following 3.8 percent average growth from 2005 to 2007. Average benefits were stable from 2005-2007, and in 2008 they went up by nearly 6 percent, possibly due to the recession.

Benefits paid for accepted disabling claims do not include payments for temporary disability in the interim before compensability denial or after a department or court order. Some data are estimated, and historical data are subject to small changes.

**Indemnity benefits for accepted disabling claims by type, 1995-2008**

Year	Time loss (\$ millions)	PPD (\$ millions)	PTD (\$ millions)	Fatal (\$ millions)	Claim disposition agreements (\$ millions)	Disputed claim settlements (\$ millions)	Vocational assistance (\$ millions)
1995	\$95.64	\$60.95	\$13.65	\$8.98	\$47.62	\$9.53	\$8.28
1996	85.32	60.16	13.12	9.61	43.97	8.37	8.09
1997	80.28	55.99	12.61	10.28	42.68	7.94	6.43
1998	80.57	55.78	11.97	10.85	36.30	7.90	5.50
1999	80.95	54.06	11.45	11.07	38.44	8.09	4.83
2000	78.73	55.46	11.03	11.81	38.55	9.92	4.90
2001	88.97	59.24	10.51	12.01	37.72	9.37	4.72
2002	90.02	58.40	9.98	12.30	43.21	11.57	4.80
2003	87.15	58.03	9.54	13.14	39.40	10.34	4.59
2004	88.86	60.91	9.11	13.05	42.00	10.75	5.08
2005	88.36	64.44	8.95	13.62	42.06	10.35	5.22
2006	92.44	63.45	8.54	13.68	50.04	9.90	5.48
2007	99.83	65.10	8.38	14.11	50.58	11.66	5.62
2008	93.68	64.11	7.86	14.10	59.98	12.92	5.23

In 2008, 36 percent of indemnity benefits for accepted disabling claims were temporary disability payments, 25 percent were permanent partial disability (PPD) awards, 28 percent were agreements and settlements, and the remaining 11 percent were paid for permanent total disability (PTD), death, and vocational assistance benefits.

Data are reported by the year of the award, except for vocational assistance purchases and professional services, which are by the year vocational assistance is completed. Temporary disability includes reports by insurers at claim closure and following a vocational assistance training plan, and estimates of unreported data such as for initial claims resolved by claim disposition agreement.

Temporary disability excludes temporary disability in the interim before compensability denial or after a department or court order. Death and PTD benefits shown do not include cost-of-living adjustment paid from the Workers' Benefit Fund. Benefits paid on PTD claims after the worker has died are included in death benefits. Historical data are subject to small changes.

**Temporary disability days paid per accepted disabling claim, 1995-2008**

Claim closure year	Average days	Average time loss paid	Median days	
1995	60	\$3,065	15	<p>In 2008, the average number of temporary disability days per accepted disabling claim was 63 days, and the average payment was \$4,280.</p> <p>The data are reported by the year of the latest claim resolution including reports by insurers at claim closure and following a training plan, and estimates of unreported data such as for initial claims resolved by claim disposition agreement. Data exclude temporary disability paid before compensability denial or after a department or court order. Data for the latest year have been adjusted for expected development, and historical data will show small changes as claims are reopened and closed.</p>
1996	56	2,946	14	
1997	54	2,891	14	
1998	54	2,982	15	
1999	54	3,117	15	
2000	52	3,134	15	
2001	57	3,549	17	
2002	59	3,813	17	
2003	59	3,971	17	
2004	61	4,006	17	
2005	64	4,133	19	
2006	63	4,067	19	
2007	65	4,370	19	
2008	63	4,280	16	

**Average temporary disability days, by type of claim resolution, 1995-2008**

Year	Initial claim, CDA	Initial claim, closure	Aggravation and medical condition, closure	Vocational training closure	Any resolution
1995	183	47	94	221	55
1996	180	45	106	195	54
1997	173	42	94	214	50
1998	166	43	86	224	51
1999	173	43	85	208	51
2000	176	42	83	216	50
2001	171	46	97	219	55
2002	193	48	90	241	57
2003	186	47	82	223	56
2004	197	49	83	234	58
2005	201	52	90	223	62
2006	191	51	78	215	60
2007	196	51	101	214	62
2008	209	47	106	214	60

Accepted disabling claims may be resolved multiple times. In 2008, 89 percent of resolutions were initial claim closures, at an average 47 days paid. Five percent were closures of aggravation and medical-condition claims, and average duration was 106 days. One percent were closures after the completion of vocational training, averaging 214 days. Finally, 5 percent were initial claims that ended with a claim disposition agreement rather than closure, at an estimated average of 209 days.

The data are reported for each claim resolution by the year of claim closure or claim disposition agreement. The average days here are calculated per closure rather than per claim as in the previous table.

**Permanent partial disability cases and average dollars, 1995-2008**

Year	PPD claims	Percentage of closed claims	Average PPD award
1995	9,479	30.8%	\$6,433
1996	8,901	31.6%	6,670
1997	8,047	29.9%	7,064
1998	7,754	29.6%	7,187
1999	7,336	29.7%	7,395
2000	6,937	29.1%	7,777
2001	7,012	29.7%	8,361
2002	6,719	30.3%	8,590
2003	6,238	29.9%	9,099
2004	6,318	30.1%	9,665
2005	6,324	30.8%	10,057
2006	6,387	29.5%	9,720
2007	6,498	29.0%	10,121
2008	6,403	29.7%	11,428

In general, about 30 percent of closed claims receive permanent partial disability awards. The average PPD award has increased at a rate of about 4.2 percent per year since 1995.

These data are reported by the year of the last claim closure; data will change as claims are opened and closed. The average awards include the initial awards made by insurers and the net amounts that were awarded during the appeal process. About 95 percent of claim resolutions are claim closures.

**Permanent total disability awards, 1987-2008**

Year	Grant	Rescind	Net awards
1987	204	27	177
1988	209	14	195
1989	139	15	124
1990	81	36	45
1991	68	22	46
1992	47	5	42
1993	26	13	13
1994	36	9	27
1995	32	17	15
1996	17	6	11
1997	20	5	15
1998	16	6	10
1999	25	11	14
2000	14	6	8
2001	13	14	-1
2002	23	3	20
2003	14	6	8
2004	20	7	13
2005	20	4	16
2006	18	1	17
2007	15	1	14
2008	10	1	9

The number of permanent total disability awards declined dramatically between 1988 and 1990, when disability rating standards were adopted systemwide. The creation of CDAs in 1990 led to further decline.

PTD grants can be made by insurers or by the department through the appeal process. These counts include the reinstatement of awards that were rescinded by insurers or during earlier appeals. Of the 10 grants in 2008, eight were by insurer closure and the other two grants were by department reconsideration.

**Maximum PPD benefits, since July 1986**

Dates of injury	Maximum scheduled PPD	Maximum unscheduled PPD	Maximum PPD	
July 1986 - June 1987	\$24,000	\$32,000	-	<p>In 2003, SB 757 revised the PPD award structure, effective January 2005. It eliminated the distinction between scheduled and unscheduled PPD. The new structure reallocates benefits to better reflect earnings loss, providing less-generous benefits to some workers who can return to regular work, and more-generous benefits to those who cannot. The maximum PPD award was increased, but there was no initial increased cost to the entire workers' compensation system.</p> <p>The increase in PPD maximum amounts since 2005 is due to benefit levels now being escalated by the change in the AWW under the new law.</p>
July 1987 - June 1990	27,840	32,000	-	
July 1990 - June 1991	58,560	32,000	-	
July 1991 - June 1992	58,577	60,503	-	
July 1992 - June 1993	60,601	62,592	-	
July 1993 - June 1994	63,631	65,723	-	
July 1994 - June 1995	66,722	68,915	-	
July 1995 - Dec. 1995	67,402	69,617	-	
Jan. 1996 - Dec. 1997	80,640	130,400	-	
Jan. 1998 - Dec. 1999	87,168	138,224	-	
Jan. 2000 - Dec. 2001	98,168	149,033	-	
Jan. 2002 - Dec. 2004	107,328	162,272	-	
-----> Series break				
Jan. 2005 - June 2005		-	\$263,917	
July 2005 - June 2006		-	273,271	
July 2006 - June 2007		-	276,517	
July 2007 - June 2008		-	290,073	
July 2008 - June 2009		-	302,946	
July 2009 - June 2010		-	306,862	