

2011 Indemnity Benefits table updates

Indemnity and medical benefits paid, CY 1995-2010			
Year	Total paid (\$ millions)	Indemnity percent	Medical percent
1995	\$455.0	56.3%	43.7%
1996	\$435.1	54.7%	45.3%
1997	\$426.9	53.0%	47.0%
1998	\$429.0	51.3%	48.7%
1999	\$428.9	51.1%	48.9%
2000	\$446.4	49.9%	50.1%
2001	\$468.0	50.2%	49.8%
2002	\$487.2	50.2%	49.8%
2003	\$483.9	48.9%	51.1%
2004	\$506.8	47.8%	52.2%
2005	\$538.3	45.8%	54.2%
2006	\$564.9	45.9%	54.1%
2007	\$574.6	46.8%	53.2%
2008	\$577.9	49.2%	50.8%
2009	\$605.9	48.3%	51.7%
2010	\$596.6	47.4%	52.6%

Total paid went down in 2010, the first decrease since 2003. Also since 2003, indemnity benefits paid have been around 46 percent to 49 percent of total paid.

Total paid is indemnity plus medical benefits for accepted and denied, disabling and nondisabling claims. Most of this is paid by insurers from premium. A small amount is reimbursement from the Workers' Benefit Fund. Total paid does not include most payments under the Re-employment Assistance Program, nor cost-of-living adjustments from the Retroactive Program.

Indemnity benefits are temporary disability, permanent partial disability, permanent total disability, vocational assistance, and death benefits, plus agreements and settlements. Temporary disability excludes most payments before compensability denial or after a department or court order; this applies to all the tables.

Some data are estimated. Historical data are subject to small changes.

Indemnity benefits paid for accepted disabling claims, CY 1995-2010		
Year	Benefits paid (\$ millions)	Average benefits
1995	\$243.9	\$7,340
1996	\$227.4	7,473
1997	\$214.5	7,360
1998	\$208.4	7,343
1999	\$208.1	7,724
2000	\$209.8	8,094
2001	\$221.8	8,613
2002	\$231.4	9,522
2003	\$223.3	9,736
2004	\$230.3	10,013
2005	\$233.1	10,380
2006	\$244.7	10,375
2007	\$254.5	10,483
2008	\$269.7	11,650
2009	\$275.7	13,208
2010	\$266.1	13,908

Indemnity benefits paid for accepted disabling claims decreased in 2010. The last time that happened was 2003.

Average indemnity paid went up in 2010, but the rate of increase was more in line with past trends compared to the unusual rise in 2009. This average is indemnity paid divided by the number of claim resolutions in the year. The remaining tables provide details about indemnity benefit types and claim resolutions for accepted disabling claims.

Some payment data are estimated. Historical data are subject to small changes.

Indemnity paid for accepted disabling claims by benefit type, CY 1995-2010

Year	Temporary disability (\$ millions)	PPD (\$ millions)	PTD (\$ millions)	Death (\$ millions)	Claim disposition agreements (\$ millions)	Disputed claim settlements (\$ millions)	Vocational assistance (\$ millions)
1995	\$95.09	\$59.64	\$13.64	\$9.00	\$47.67	\$10.60	\$8.28
1996	83.65	59.66	13.12	9.61	44.14	9.12	8.09
1997	78.71	55.03	12.61	10.28	42.93	8.55	6.40
1998	79.85	55.15	11.97	10.85	36.33	8.72	5.50
1999	80.24	53.29	11.45	11.07	38.50	8.74	4.83
2000	78.05	54.69	11.03	11.81	38.58	10.73	4.90
2001	87.94	58.87	10.51	12.01	37.79	9.99	4.72
2002	90.94	57.82	9.98	12.30	43.23	12.36	4.80
2003	87.83	57.52	9.54	13.14	39.64	11.02	4.59
2004	89.73	60.12	9.11	13.05	42.03	11.19	5.08
2005	88.41	63.36	8.95	13.62	42.13	11.43	5.22
2006	93.24	63.06	8.54	13.68	50.08	10.65	5.48
2007	99.47	63.67	8.38	14.23	50.79	12.16	5.84
2008	105.57	61.32	7.86	14.10	61.04	13.88	5.94
2009	108.97	60.21	7.37	14.35	61.65	16.89	6.26
2010	102.89	54.33	6.94	14.01	63.47	18.76	5.66

In 2010, 39 percent of indemnity benefits for accepted disabling claims were temporary disability payments, 20 percent were permanent partial disability (PPD) awards, 31 percent were agreements and settlements, and the remaining 10 percent were paid for permanent total disability (PTD), death, and vocational assistance benefits. The percentage of agreements and settlements was the highest since at least 1995, and the percentage of PPD was the lowest.

Data are reported by the year of the insurer closure or order by the department or court. 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 data is partial for benefit changes after a department or court order. Some death and PTD benefits are estimated and neither includes cost-of-living adjustments 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.

Workers' Benefit Fund payments by benefit type, CY 1995-2010

Year	PTD (\$ millions)	Death (\$ millions)	EAIP disabling claims (\$ millions)	EAIP nondisabling claims (\$ millions)	PWP worker initiated (\$ millions)	PWP employer initiated (\$ millions)	PWP claim costs reimbursed (\$ millions)
1995	\$29.39	\$31.96	\$4.95	\$0.01	\$6.19		\$3.13
1996	28.30	32.95	6.29	1.29	7.91		3.03
1997	28.19	34.72	6.63	3.21	8.87		3.01
1998	27.99	35.88	7.62	4.04	8.46		3.45
1999	27.61	36.79	6.78	3.82	7.23		3.71
2000	27.60	38.42	5.82	3.68	5.86		3.01
2001	26.28	38.82	7.02	4.00	5.77		3.19
2002	24.97	39.21	5.74	3.24	4.99		2.56
2003	23.35	38.22	5.78	2.99	4.41		2.27
2004	21.94	37.53	6.37	3.33	5.71		2.31
2005	21.49	36.95	6.75	3.29	5.03	\$0.01	2.19
2006	20.57	36.92	7.92	3.95	4.58	1.05	2.04
2007	19.85	35.66	9.49	4.35	4.13	1.61	2.28
2008	19.42	35.80	12.48	5.70	4.58	1.85	2.34
2009	18.83	36.26	12.81	5.79	3.72	1.86	2.67
2010	17.70	35.48	10.79	5.11	2.82	1.51	2.68

The Workers' Benefit Fund provides funds for several programs that assist employers and injured workers. Assessment revenues, not insurance premiums, fund these programs. Employers and workers each pay half the assessment. The two major programs are the Retroactive Program and the Re-employment Assistance Program.

The Retroactive Program pays cost-of-living increases to workers or their beneficiaries based on changes in average wages. The two major benefits paid are for permanent total disability and death. In 2010, the Retroactive Program provided an estimated \$53 million for PTD and death benefits. Since at least 1995, the majority of PTD and death benefits have been paid from this program.

The Re-employment Assistance Program provides incentives for injured workers to return to work, through the Employer-at-Injury Program (EAIP) and the Preferred Worker Program (PWP). Benefits common to both are wage subsidies, worksite modifications, and employment purchases. Total payments for EAIP first exceeded PWP in 2000 and, since 2008, have been at least double total payments for PWP.

Workers who have not been released to regular work but can return to transitional jobs are eligible for the EAIP. Use of this program allows many claims to remain nondisabling even though the workers have medical restrictions. For more details, see the return-to-work tables. Generally, EAIP payments for nondisabling claims have been about half that for disabling claims.

Workers who have a permanent disability and are unable to return to regular work are eligible for the PWP benefits, which may be initiated by either the worker or the employer. In addition, claim cost reimbursement is paid for preferred workers who suffer new injuries. PWP claim cost reimbursements are included in all tables that have statistics about indemnity or medical benefits paid.

Historical data are subject to small changes.

Claim resolutions, CY 1995-2010

Year	Initial claim, CDA	Initial claim, closure	Aggravation and medical condition, closure	Vocational training closure	Total claim resolutions
1995	736	30,432	1,822	240	33,230
1996	801	27,975	1,379	274	30,429
1997	865	26,737	1,254	289	29,145
1998	834	26,042	1,260	242	28,378
1999	951	24,557	1,227	209	26,944
2000	898	23,755	1,068	198	25,919
2001	960	23,482	1,109	203	25,754
2002	928	22,162	1,025	188	24,303
2003	946	20,797	984	205	22,932
2004	912	20,877	1,023	189	23,001
2005	955	20,361	943	199	22,458
2006	1,055	21,419	919	194	23,587
2007	1,165	22,022	875	219	24,281
2008	1,242	20,815	897	196	23,150
2009	1,380	18,454	839	201	20,874
2010	1,207	16,956	782	185	19,130

Accepted disabling claims may resolve multiple times. The trend for total claim resolutions has been down, from roughly 33,000 in 1995 to 19,000 currently.

Claim types are initial claims, aggravation, new or omitted medical condition, and vocational training. Resolutions are by claim closure or claim disposition agreement. Most claim resolutions are closures on initial claims.

For each of the past five years, there have been more than 1,000 initial claims that have a CDA rather than claim closure. These counts exclude CDAs for nondisabling claims and for closed disabling claims.

The trend for aggravation and medical condition closures has been a decline in their numbers. The count for 2010 is less than half of that for 1995.

Vocational training closures have been relatively stable since 1999. Some vocational training claims resolve by CDA. They aren't counted in this table.

Historical data are subject to small changes.

Average temporary disability days paid by type of claim resolution, 1995-2010

Year	Initial claim, CDA	Initial claim, closure	Aggravation and medical condition, closure	Vocational training closure	All claim resolutions	
1996	205	46	106	203	54	
1997	186	43	98	221	52	
1998	180	44	86	234	52	
1999	177	44	85	219	52	
2000	176	43	82	220	51	
2001	173	46	94	223	54	
2002	199	48	92	258	58	
2003	189	48	78	224	57	
2004	192	49	86	237	58	
2005	198	51	85	231	60	
2006	186	49	72	216	58	
2007	170	50	97	236	59	
2008	199	52	85	220	63	
2009	195	60	78	261	71	
2010	209	59	106	234	72	

Treatment and recovery duration indicators, accepted disabling initial claims, CY 1995-2010

Year	Claim closures				Claim disposition agreements			
	0-60 days	61-180 days	181 days - two years	More than two years	0-60 days	61-180 days	181 days - two years	More than two years
1995	11,160	11,191	7,584	497	6	55	537	138
1996	11,809	9,097	6,629	440	8	81	555	157
1997	11,610	8,865	5,875	387	16	118	592	139
1998	10,810	8,875	6,033	324	11	88	614	121
1999	9,925	8,537	5,758	337	12	92	712	135
2000	9,501	8,429	5,524	300	7	112	643	136
2001	9,170	8,088	5,855	369	12	111	705	132
2002	8,683	7,649	5,497	333	6	95	647	180
2003	8,131	7,191	5,152	323	8	98	672	168
2004	7,536	7,687	5,269	384	15	89	630	178
2005	7,565	7,211	5,241	344	8	93	644	210
2006	7,924	7,810	5,335	350	10	114	727	204
2007	8,380	7,730	5,530	382	9	92	836	228
2008	7,396	7,486	5,541	392	13	118	844	267
2009	6,079	6,481	5,487	407	13	141	987	239
2010	6,082	5,883	4,630	361	21	136	812	238

As a measurement of treatment and recovery duration, this table shows the time elapsed from the first date covered by temporary disability benefits to the medically stationary date. Unlike statistics about days of temporary disability paid, this measure also includes time when the injured worker would not have been scheduled to work, and when the injured worker did some work before becoming medically stationary. However, it does not include time when the worker was in a transitional job, if that work started before temporary disability payments began. Claims may have duration of zero days when no temporary disability was paid.

There may be a correlation between duration of more than 181 days and the incidence of Permanent Partial Disability awards. An initial claim resolved by CDA releases rights to PPD; no PPD benefits are awarded. There has been an increasing trend for initial claims that have estimated duration at higher levels to be resolved by CDA. This may be related to the decrease in counts of claims with PPD (see PPD table on following page).

Temporary disability for resolved accepted disabling claims, CY 1995-2010

Year	Resolved claims	Average days	Average dollars	Median days
1995	31,544	62	\$3,099	17
1996	28,990	59	2,955	15
1997	27,795	56	2,893	15
1998	27,047	55	2,986	16
1999	25,589	55	3,127	17
2000	24,681	53	3,134	16
2001	24,555	57	3,554	17
2002	23,040	60	3,887	18
2003	21,772	59	3,993	18
2004	21,846	61	4,060	18
2005	21,367	63	4,151	19
2006	22,535	60	4,083	19
2007	23,262	61	4,255	19
2008	22,199	65	4,698	20
2009	20,073	75	5,461	25
2010	18,673	75	5,539	23

Since at least 1995, the trend for the annual number of resolved accepted disabling claims has been declining counts. The figure of 18,668 in 2010 is a historical low.

In 2010, the average number of temporary disability days paid per accepted disabling claim, counting all resolutions for a claim, was 75 days. This is the same as the previous year, though the trend has been up since 2000, escalating in 2008.

The average temporary disability payment was \$5,424 for claims resolved in 2010. Average benefits are a function of the benefit maximum, the average wages of injured workers, and the average days paid across all resolutions for a claim. Benefit maximums are adjusted annually with changes in average wages. Average days and dollars paid for the latest year have been adjusted for expected development.

The data are reported by the year of the latest claim resolution. Historical data will show small changes as claims are reopened and closed.

Permanent partial disability, CY 1995-2010

Year	Claims resolved by closure, with PPD	Percentage of closed claims, with PPD	Average PPD award
1995	9,458	30.7%	\$6,365
1996	8,892	31.5%	6,590
1997	8,022	29.8%	7,005
1998	7,727	29.5%	7,093
1999	7,288	29.6%	7,320
2000	6,904	29.0%	7,737
2001	6,970	29.5%	8,286
2002	6,684	30.2%	8,545
2003	6,197	29.8%	9,059
2004	6,270	30.0%	9,533
2005	6,249	30.6%	9,917
2006	6,318	29.4%	9,478
2007	6,324	28.6%	9,644
2008	6,015	28.7%	10,033
2009	5,781	30.9%	10,429
2010	5,205	29.8%	11,123

In general, about 30 percent of claims that resolve by closure receive permanent partial disability awards. Annual counts of closed claims with PPD have declined from almost 9,500 in 1995 to about 5,200 in 2010.

In 2010, the average award for those claims was \$11,123. Much of the increase in average PPD benefits since 1995 is due to statutory increases. The effects of a 2003 law change that instituted a formula for increased benefit levels began to account for most PPD awards in 2006.

Closed claims do not include initial claims resolved by CDA, none of which receive a PPD award but all of which release future PPD liability. The trend for claims resolved by initial-claim CDA has been up, which may account for some of the decline in PPD claims. Although the number of CDA resolutions decreased in 2010, they were still more than 6 percent of all claims resolved, as in the previous year.

These data are reported by the year of the last claim closure. The average awards include the initial awards made by insurers and the net amounts that were awarded during the appeal process, summed over all claim closures. Data will change as claims are opened and closed.

Permanent total disability awards, 1987-2010

Year	Grant	Rescind	Net awards	
1987	204	27	177	<p>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.</p> <p>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 23 grants in 2010, 22 were by insurer closure.</p>
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	
2009	13	0	13	
2010	23	0	23	

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 has been no increased cost to the 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	
July 2010 - June 2011	-	-	314,061	
July 2011 - June 2012	-	-	322,929	