

# 2012 Indemnity Benefits table updates

Indemnity and medical benefits paid, CY 1995-2012			
Year paid	Total paid (\$ millions)	Indemnity percent of total	Medical percent of total
1995	\$460.19	56.9%	43.1%
1996	441.94	55.5%	44.5%
1997	431.91	53.9%	46.1%
1998	434.86	52.2%	47.8%
1999	435.40	51.9%	48.1%
2000	452.60	50.8%	49.2%
2001	474.04	50.9%	49.1%
2002	490.72	50.6%	49.4%
2003	483.35	48.8%	51.2%
2004	511.35	48.1%	51.9%
2005	544.45	46.3%	53.7%
2006	571.78	46.7%	53.3%
2007	582.03	47.7%	52.3%
2008	585.27	49.9%	50.1%
2009	611.33	48.9%	51.1%
2010	595.04	48.2%	51.8%
2011	595.04	46.7%	53.3%
2012	577.38	44.5%	55.5%

Total paid peaked in 2009. Since 2003, indemnity benefits paid have been less than 50 percent of total paid, declining to about 45 percent in 2012, a historic low.

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 or 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. Medical benefits paid are extrapolated from reported paid bills.

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

Indemnity benefits paid for accepted disabling claims, CY 1995-2012		
Year	Benefits paid (\$ millions)	Average benefits
1995	\$247.78	\$7,450
1996	232.66	7,618
1997	219.40	7,518
1998	212.85	7,491
1999	213.28	7,905
2000	215.17	8,263
2001	226.96	8,795
2002	234.60	9,629
2003	221.35	9,639
2004	233.17	10,120
2005	237.89	10,576
2006	251.63	10,647
2007	262.68	10,800
2008	276.16	11,894
2009	280.99	13,446
2010	269.14	14,026
2011	261.77	13,650
2012	240.71	12,509

Total indemnity benefits paid by insurers for accepted disabling claims also peaked in 2009, and the \$241 million paid in 2012 is the lowest since 2005.

After peaking in 2010, average indemnity paid declined by almost 9 percent to \$12,509 between 2011 and 2012. This average is indemnity paid divided by the number of claim resolutions in the year. The remaining tables provide details about benefits paid, claim resolutions, and resolved accepted disabling claims.

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

### Workers' Benefit Fund payments by benefit type, CY 1995-2012

Year	PTD (\$ millions)	Death (\$ millions)	EAIP disabling claims (\$ millions)	EAIP non-dis- abling claims (\$ millions)	PWP worker initiated (\$ millions)	PWP employer initiated (\$ millions)	PWP claim costs reimbursed (\$ millions)	Total (\$ millions)
1995	\$29.39	\$31.96	\$4.95	\$0.01	\$6.19		\$3.13	\$75.63
1996	28.30	32.95	6.28	1.29	7.91		3.03	79.76
1997	28.19	34.72	6.62	3.21	8.87		3.01	84.63
1998	27.99	35.88	7.61	4.05	8.46		3.45	87.44
1999	27.61	36.79	6.78	3.82	7.23		3.71	85.94
2000	27.60	38.42	5.82	3.69	5.86		3.01	84.39
2001	26.28	38.82	7.04	4.02	5.77		3.19	85.13
2002	24.97	39.21	5.72	3.26	4.99		2.56	80.71
2003	23.35	38.22	5.76	3.01	4.41		2.27	77.03
2004	21.94	37.53	6.36	3.34	5.72		2.31	77.21
2005	21.49	36.95	6.74	3.29	5.03	\$0.01	2.19	75.70
2006	20.57	36.92	7.92	3.96	4.57	1.05	2.04	77.02
2007	19.85	35.66	9.50	4.35	4.13	1.61	2.28	77.40
2008	19.42	35.80	12.66	5.53	4.56	1.88	2.34	82.17
2009	18.83	36.14	13.01	5.63	3.73	1.85	2.67	81.87
2010	17.70	35.24	11.69	4.81	3.04	1.68	2.68	76.84
2011	16.26	34.30	13.12	6.02	2.78	1.30	2.73	76.50
2012	14.85	32.62	13.71	6.42	2.76	1.59	2.18	74.12

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 2012, the Retroactive Program provided an estimated \$47.47 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, in 2012, total EAIP became triple total PWP payments.

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 1995-2012

Year	Initial claim, CDA	Initial claim, closure	Aggravation and medical condition, closure	Vocational training closure	Total claim resolutions	
1995	714	30,482	1,822	242	33,260	<p>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.</p> <p>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.</p> <p>For each of the past seven 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.</p> <p>Historical data are subject to small changes.</p>
1996	785	28,108	1,375	273	30,541	
1997	854	26,789	1,252	288	29,183	
1998	829	26,100	1,242	242	28,413	
1999	947	24,615	1,212	207	26,981	
2000	892	23,895	1,058	197	26,042	
2001	954	23,543	1,104	203	25,804	
2002	925	22,240	1,010	188	24,363	
2003	927	20,869	962	205	22,963	
2004	906	20,937	1,009	189	23,041	
2005	953	20,404	938	199	22,494	
2006	1,045	21,481	914	194	23,634	
2007	1,159	22,083	860	220	24,322	
2008	1,238	20,903	882	195	23,218	
2009	1,389	18,484	825	199	20,897	
2010	1,247	16,988	768	186	19,189	
2011	1,262	16,978	757	181	19,178	
2012	1,207	17,209	699	128	19,243	

### Indemnity paid for accepted disabling claims by benefit type, CY 1995-2012

Year	Temporary disability (\$ millions)	PPD (\$ millions)	PTD (\$ millions)	Death (\$ millions)	Claim disposition agreements (\$ millions)	Disputed claim settlements (\$ millions)	"Vocational assistance (\$ millions) "	Vocational assistance (\$ millions)
1995	\$98.52	\$59.80	\$13.64	\$9.00	\$47.58	\$9.94	\$9.31	\$247.78
1996	88.13	59.69	13.12	9.61	43.98	8.72	9.41	232.66
1997	82.36	55.22	12.61	10.33	42.89	8.18	7.81	219.40
1998	82.63	55.18	11.97	10.85	36.28	8.89	7.05	212.85
1999	83.70	53.40	11.45	11.09	38.59	8.66	6.39	213.28
2000	82.47	54.94	11.03	11.81	38.50	10.31	6.11	215.17
2001	92.07	58.96	10.51	12.04	37.75	9.53	6.10	226.96
2002	92.84	57.73	9.98	12.30	43.14	12.05	6.55	234.60
2003	84.64	57.99	9.54	13.12	39.45	10.56	6.04	221.35
2004	91.42	60.20	9.11	13.05	41.98	10.88	6.53	233.17
2005	92.02	63.65	8.95	13.66	42.11	11.03	6.49	237.89
2006	98.15	64.05	8.54	13.68	49.91	10.31	6.99	251.63
2007	104.93	65.00	8.38	14.38	50.75	11.94	7.30	262.68
2008	110.43	62.29	7.86	14.10	60.91	13.65	6.92	276.16
2009	111.74	61.03	7.37	14.55	61.92	16.96	7.42	280.99
2010	104.62	54.25	6.94	14.01	63.77	18.88	6.68	269.14
2011	100.65	50.27	6.54	14.70	64.27	18.74	6.60	261.77
2012	95.33	47.03	6.13	14.30	56.15	15.97	5.80	240.71

In 2012, 40 percent of indemnity benefits for accepted disabling claims were temporary disability payments, 20 percent were permanent partial disability (PPD) awards, 30 percent were agreements and settlements, and the remainder were paid for permanent total disability (PTD), death, and vocational assistance benefits. Agreements and settlements have accounted for at least 30 percent of indemnity since 2010.

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.

### Average temporary disability days paid by type of claim resolution, CY 1995-2012

Year	Initial claim, CDA	Initial claim, closure	Aggravation and medical condition, closure	Vocational training closure	All claim resolutions	
1995	261	50	117	205	60	The average days of temporary disability paid for initial claim closures was 53 in 2012, down from the recent peak of 60 in 2009.
1996	246	48	107	208	57	
1997	221	45	97	222	54	Temporary disability payments are not reported for initial claims that resolve by CDA, but a data call completed in March 2012 provided sample results that helped to improve our estimated averages. For 2012, the estimated average was 213 days, near the historic low.
1998	210	46	86	221	54	
1999	211	46	84	208	55	Since 2008, the average for all claim resolutions has been 65 or more days paid. As new claims were decreasing, older and longer-duration claims increased in proportion, but that trend has now moderated. Generally, the trend is largely driven by days paid for initial claim closures, which are the majority of claim resolutions.
2000	211	45	80	214	53	
2001	222	48	92	213	57	The data are reported for each claim resolution by the year of claim closure or claim disposition agreement. The average days are calculated per resolution rather than per claim. Historical data are subject to small changes.
2002	253	49	86	243	60	
2003	229	49	73	221	58	
2004	243	50	79	230	60	
2005	259	51	86	209	63	
2006	255	50	70	218	61	
2007	246	50	96	215	63	
2008	264	52	84	213	66	
2009	236	60	69	237	74	
2010	245	58	91	219	73	
2011	237	54	88	257	70	
2012	213	53	65	246	65	

### Temporary disability for resolved accepted disabling claims, CY 1995-2012

Year	Resolved claims	Average days	Average dollars	Median days	<p>Since at least 1995, the trend for resolved accepted disabling claims has been declining counts. An accepted disabling claim is resolved if it has had a claim closure or a CDA on the initial opening and if it is not currently in open or reopen status.</p> <p>For claims resolved in 2012, the average number of temporary disability days paid per accepted disabling claim, counting all resolutions for a claim is 70 days, down from the past two years, but still historically high. The average temporary disability payment is \$5,391, continuing the recent decline.</p> <p>The data are reported by the year of the latest claim resolution. Historical data will show small changes as claims are reopened and closed.</p>
1995	31,540	65	3,215	19	
1996	29,070	62	3,101	17	
1997	27,820	58	3,027	17	
1998	27,069	58	3,088	18	
1999	25,608	58	3,261	19	
2000	24,781	56	3,290	18	
2001	24,583	60	3,721	18	
2002	23,081	63	3,962	18	
2003	21,785	62	3,849	19	
2004	21,875	63	4,124	19	
2005	21,388	66	4,311	20	
2006	22,559	64	4,287	19	
2007	23,248	65	4,475	19	
2008	22,190	69	4,914	20	
2009	19,992	77	5,565	24	
2010	18,442	77	5,714	23	
2011	18,392	74	5,578	23	
2012	18,773	70	5,391	23	

### Permanent partial disability, CY 1995-2012

Year	Claims resolved by closure, with PPD	Percentage of closed claims with PPD	Average PPD award	<p>In general, about 30 percent of claims that resolve by closure have received permanent partial disability awards, and the 27 percent in 2012 is a recent historical low. Annual counts of closed claims with PPD have declined from almost 9,500 in 1995 to less than 5,000 currently.</p> <p>In 2012, the average award for those claims was \$10,556, the first decline since 2006. However, the trend since 1995 has been upward, due to statutory increases. The effects of a 2003 law change that instituted a formula for benefit level changes began to account for most PPD awards in 2006.</p> <p>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 the number of PPD claims. CDA resolutions have been more than 6 percent of all claims resolved since 2009.</p> <p>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.</p>
1995	9,470	30.7%	\$6,362	
1996	8,908	31.5%	\$6,600	
1997	8,041	29.8%	\$7,015	
1998	7,730	29.5%	\$7,110	
1999	7,290	29.6%	\$7,336	
2000	6,932	29.0%	\$7,761	
2001	6,995	29.6%	\$8,280	
2002	6,704	30.3%	\$8,542	
2003	6,221	29.8%	\$9,080	
2004	6,281	30.0%	\$9,565	
2005	6,270	30.7%	\$9,973	
2006	6,347	29.5%	\$9,558	
2007	6,336	28.7%	\$9,774	
2008	6,022	28.7%	\$10,154	
2009	5,737	30.8%	\$10,517	
2010	5,022	29.2%	\$10,761	
2011	4,801	28.0%	\$10,942	
2012	4,782	27.2%	\$10,556	

### Permanent total disability awards, CY 1987-2012

Year	Grant	Rescind	Net awards	<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.</p>
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	
2009	13	0	13	
2010	23	0	23	
2011	10	1	9	
2012	9	0	9	

### Maximum PPD benefits, since July 1986

Dates of injury	Maximum scheduled PPD	Maximum unscheduled PPD	Maximum PPD	<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 reallocated 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. The small decline in benefits beginning July 2012 reflects a recession-related decline in AWW. Maximum PPD benefit levels in the most recent year are more than double the pre-2005 unscheduled maximum.</p>
July 1986 - June 1987	\$24,000	\$32,000	-	
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	
July 2012 - June 2013			322,447	
July 2013 - June 2014			330,500	