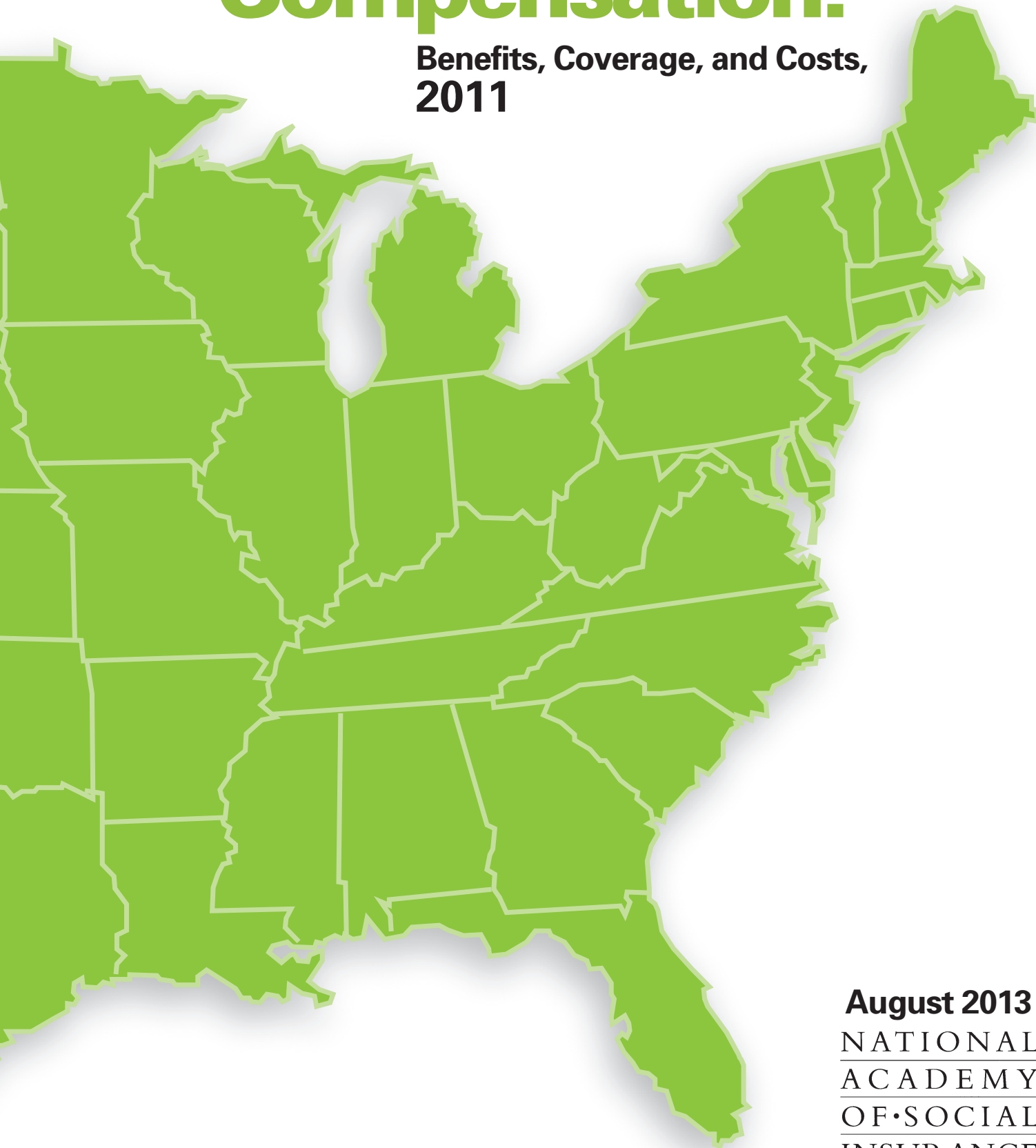


Workers' Compensation:

Benefits, Coverage, and Costs,
2011



August 2013
NATIONAL
ACADEMY
OF SOCIAL
INSURANCE
Washington, DC

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The National Academy of Social Insurance is a nonprofit, nonpartisan organization made up of the nation’s leading experts on social insurance. Its mission is to advance solutions to challenges facing the nation by increasing public understanding of how social insurance contributes to economic security. Social insurance encompasses broad-based systems for insuring workers and their families against economic insecurity caused by loss of income from work and the cost of health care. NASI’s scope covers social insurance, such as Social Security, Medicare, workers’ compensation, and unemployment insurance, related public assistance, and private employee benefits. The Academy convenes study panels that are charged with conducting research, issuing findings, and, in some cases, reaching recommendations based on their analysis. Members of these groups are selected for their recognized expertise and with due consideration for the balance of disciplines and perspectives appropriate to the project.

This research report presents new data and does not make recommendations. It was prepared with the guidance of the Study Panel on Workers’ Compensation Data. In accordance with procedures of the Academy, the report has been reviewed by a committee to ensure it meets the Board standards for completeness, accuracy, clarity, and objectivity. The Social Security Administration provides funding to collect, process, and validate the data that is used in the preparation of tables for their *Annual Statistical Supplement to the Social Security Bulletin*. The Centers for Medicare & Medicaid Services also provides funding to produce selected tables from this report for use in their own estimates. This project also received financial support from the Office of Workers’ Compensation Programs of the U.S. Department of Labor and received in-kind support from the National Council on Compensation Insurance and the National Association of Insurance Commissioners.

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Workers' Compensation:

**Benefits, Coverage, and Costs,
2011**

by

Ishita Sengupta, Marjorie Baldwin, and Virginia Reno

with advice of the

Study Panel on Workers' Compensation Data

August 2013

**NATIONAL
ACADEMY
OF SOCIAL
INSURANCE
Washington, DC**

Preface

This is the 16th annual report the National Academy of Social Insurance has issued on workers' compensation benefits, coverage, and costs. This report presents new data on workers' compensation programs for 2011 and updates estimates for 2007–2010 with newly available data. The revised estimates in this report replace estimates in the Academy's prior reports.

Workers' compensation provides medical care, rehabilitation, and cash benefits for workers who are injured on the job or who contract work-related illnesses. The program also pays benefits to families of workers who die of work-related injuries or illnesses. Unlike other U.S. social insurance programs, workers' compensation programs are regulated by the states, with no federal financing or administration. No federal laws set standards for "tax-qualified" workers' compensation plans or require comprehensive reporting of workers' compensation coverage and costs.¹

The lack of uniform reporting of states' experiences with workers' compensation makes it difficult to provide national summary statistics on the program. It is necessary to piece together data from various sources to develop national estimates of benefits paid, costs to employers, and numbers of workers covered.

Until 1995 the U.S. Social Security Administration (SSA) produced the only comprehensive national data on workers' compensation benefits and costs with annual estimates dating back to 1946. SSA discontinued the series in 1995 after publishing data for 1992–93. The National Academy of Social Insurance (the Academy) assumed the task of reporting national data on workers' compensation in 1997 with start-up funding from the Robert Wood Johnson Foundation. The Academy published its first report in 1997, extending the data series from 1993 through 1995.

The Academy and its expert advisors are continually seeking ways to improve the report and to adapt estimation methods to track new developments in workers' compensation programs. This year's report, for example, incorporates revised criteria for identifying *competitive* state funds, as distinguished from private workers' compensation carriers and exclusive state funds. The criteria were adopted upon recommendation of a subcommittee of the Academy's Data Panel, which conducted extensive research on the current status of state funds. The subcommittee on state funds was chaired by John F. Burton, Jr.

The audience for the Academy's reports on workers' compensation includes insurers, journalists, business and labor leaders, employee benefit specialists, federal and state policymakers, and researchers working in universities, government, and private consulting firms. The data are published in *Injury Facts* (National Safety Council), *Employee Benefit News*, *Fundamentals of Employee Benefit Programs* (Employee Benefit Research Institute) and the *Annual Statistical Supplement to the Social Security Bulletin* (U.S. Social Security Administration).

The Academy's estimates inform state and federal policymakers in numerous ways. The federal Centers for Medicare and Medicaid Services, for example, use the data in their estimates and projections of health care spending in the United States. The National Institute for Occupational Safety and Health uses the data to track the costs of workplace injuries in the United States. The International Association of Industrial Accident Boards and Commissions (the organization of state and provincial agencies that administer workers' compensation in the United States and Canada) uses the information to track and compare the performance of workers' compensation programs in the United States with similar systems in Canada.

¹ A reporting requirement enacted in 2007 (now Public Law No. 110-173), requires workers' compensation claims administrators to report to the CMS (Centers for Medicare and Medicaid Services) information about workers' compensation recipients who are entitled to Medicare.

Acknowledgements

The Academy expresses its deep appreciation to staff members in 50 state and District of Columbia workers' compensation offices, who provide data on their jurisdictions each year. Without support from these sources, constructing this annual data series would not be possible. The Academy also acknowledges the U.S. Social Security Administration, Centers for Medicare & Medicaid Services and the Office of Workers' Compensation Programs of the U.S. Department of Labor for their support.

Members of the Academy's Study Panel on Workers' Compensation Data give generously of their time and knowledge in advising on data sources and presentation, interpreting results, and reviewing the draft report. Members of the Panel are listed on page iii, but I would like especially to acknowledge John Burton, Rutgers University, Jeff Eddinger, National Council on Compensation Insurance, Eric Nordman, National Association of Insurance Commissioners, and John Ruser and William Wiatrowski from Bureau of Labor Statistics, all of whom provided the Academy with data and expert advice on particularly thorny data issues.

Additionally, I greatly appreciate the important suggestions made by Keith Bateman, Property and Casualty Insurers Association of America, Jim Ellenberger, formerly Deputy Commissioner of the Virginia Employment Commission, Shelby Hallmark, former Director of Workers' Compensation Programs at DOL, Doug Holmes, UWC (Strategic Services on Unemployment and Workers' Compensation), Mike Manley, Oregon Department of Business and Consumer Services, Emily Spieler, Northeastern University, and Bob Steggert, former Vice President, Casualty Claims for Marriott International. Finally, this report benefited from helpful comments during Board review by Fred Kilbourne, the Kilbourne Company, Monica Galizzi, University of Massachusetts, Lowell, and Glenn Shor, Department of Industrial Relations, California. We appreciate the time and effort all these individuals devoted to reviewing the report.

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Highlights

This report provides a benchmark of benefits, costs, and coverage of workers' compensation programs in 2011. Its purpose is to facilitate policymaking and comparisons with other social insurance and employee benefit programs. The report has been produced annually by the National Academy of Social Insurance since 1997. Key estimates from this year's report are summarized below.

National Trends

- In 2011 workers' compensation programs managed by the 50 states, the District of Columbia, and the federal government paid \$60.2 billion in benefits, an increase of 3.5 percent from the \$58.2 billion in benefits paid in 2010 (Table 1).
- In 2011 medical payments to providers increased by 4.5 percent, to \$29.9 billion, and cash benefits to injured workers increased by 2.6 percent, to \$30.3 billion.
- Costs to employers rose by 7.1 percent in 2011, to \$77.1 billion.
- Measured as a share of covered wages, employers' costs increased in 2011 to \$1.27 per \$100 of covered wages but benefits paid to workers remained unchanged at \$1.00 per \$100 of covered wages.
- In 2011 workers' compensation covered an estimated 125.8 million workers, an increase of 1.1 percent from the previous year. Aggregate wages of covered workers increased by 3.9 percent.

State Trends

- All states showed increases in both numbers of covered workers and dollars of covered wages in 2011 (Table 3).
- In 2011, the total amount of benefits paid to injured workers increased in 29 jurisdictions and decreased in 22 (Table 7).
 - The largest percentage increases in benefits occurred in Virginia (12.5%), Iowa (12.2%) and New York (10.7%).
 - The largest percentage decreases in benefits occurred in Nevada (-11.3%), Oregon (-10.1%) and New Hampshire (-9.6%).

- In 2011, the share of benefits paid for medical care for injured workers (as opposed to cash benefits to compensate for wage losses) exceeded 50 percent (of total benefits) in 33 states.
 - The share of benefits paid for medical care ranged from a high of 73.2 percent in Indiana to a low of 32.4 percent in Washington (Table 8).
- In 2011 the share of state workers' compensation benefits paid from state funds declined, continuing a trend since 2005 (Table 6).
- Between 2010 and 2011, employers' costs of workers' compensation per \$100 of covered payroll increased in 35 jurisdictions, and declined in sixteen (Table 12).
 - The largest increases were in Wisconsin (14 cents), Wyoming (14 cents), Iowa and Washington (13 cents). Some of the largest decreases were in West Virginia, Montana, and Ohio.

Trends in Workers' Compensation Benefits and Costs

The Academy's measures of benefits and costs are designed to reflect the aggregate experience of two stakeholder groups: workers who rely on compensation for workplace injuries and employers who pay the bills.

"Workers' compensation benefits and costs increased in 2011."

Total cash benefits to injured workers and medical payments for their health care were \$60.2 billion in 2011, a 3.5 percent increase from \$58.2 billion in 2010. Medical payments increased by 4.5 percent to \$29.9 billion, and cash benefits to injured workers increased by 2.6 percent to \$30.3 billion (Table 1).

Table 1**Summary of Workers' Compensation Benefits, Coverage, and Costs 2010-2011**

Aggregate Amounts	2010	2011	Percent Change
Covered workers (in thousands)	124,454	125,833	1.1
Covered wages (in billions)	\$5,820	\$6,049	3.9
Workers' compensation benefits paid (in billions)	58.2	60.2	3.5
Medical benefits	28.6	29.9	4.5
Cash benefits	29.6	30.3	2.6
Employer costs for workers' compensation (in billions)	71.9	77.1	7.1
			Dollar Change
Amount per \$100 of covered wages			
Benefits paid	\$1.00	\$1.00	\$0.00
Medical payments	0.49	0.49	0.00
Cash payments to workers	0.51	0.50	-0.01
Employer costs	1.24	1.27	0.03

Notes: Benefits are payments in the calendar year to injured workers and to providers of their medical care.

Costs are employer expenditures in the calendar year for workers' compensation benefits. Costs for self-insuring employers are benefits paid in the calendar year plus the administrative costs associated with providing those benefits. Costs for employers who purchase insurance include the insurance premiums paid during the calendar year plus the payments of benefits under large deductible plans during the year.

Source: National Academy of Social Insurance estimates.

Workers' compensation costs to employers were \$77.1 billion in 2011, an increase of 7.1 percent from 2010. This is the first increase in costs since 2005. The number of workers covered by workers' compensation in 2011 was 1.1 percent higher than in 2010 and total covered wages were 3.9 percent higher.

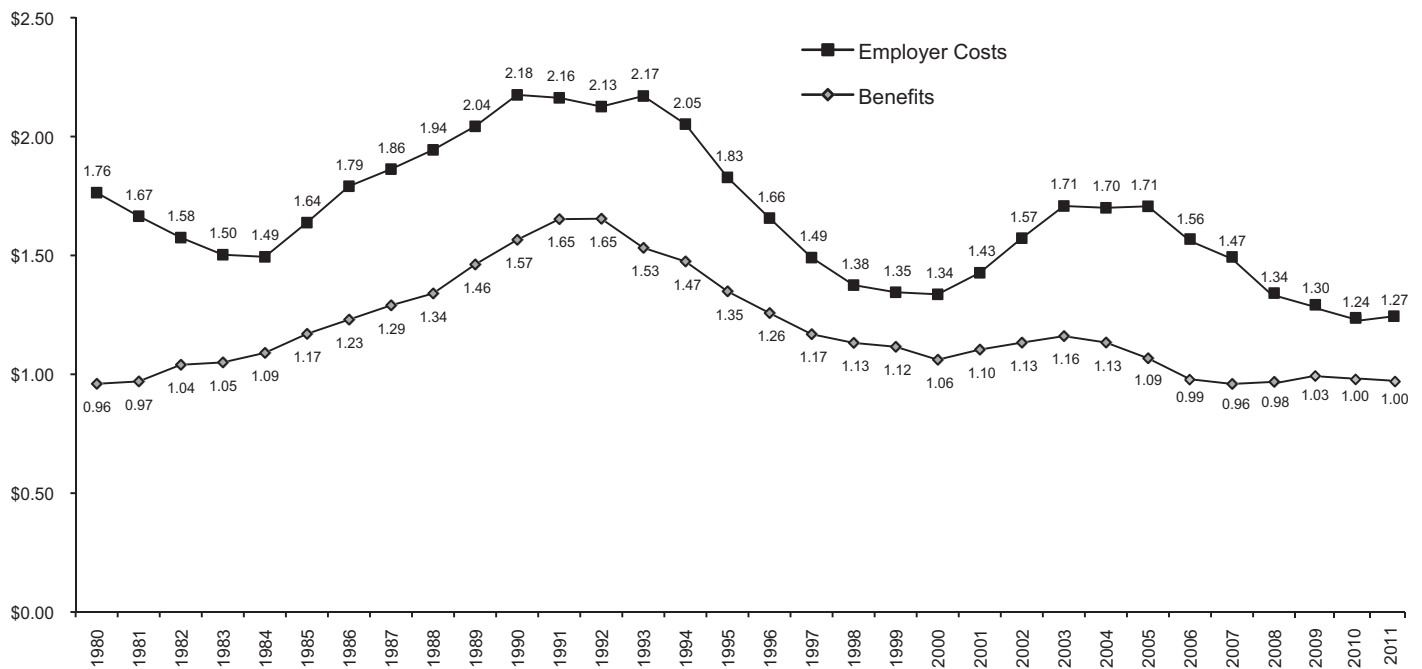
The increase in workers' compensation costs and coverage reflects, at least in part, the U.S. economy on its way to recovery with slow but positive employment and wage growth. To extrapolate changes in workers' compensation from these macroeconomic trends, it is useful to consider workers' compensation benefits and costs relative to aggregate wages of covered workers.

"When measured relative to the wages of covered workers, total workers' compensation benefits remain unchanged in 2011 but employer costs increased."

When measured relative to \$100 of covered wages, workers' compensation benefits remained unchanged in 2011 but employer costs increased. Total benefits remained unchanged at \$1.00 per \$100 of covered wages. Medical payments remained unchanged at \$0.49 per \$100 of covered wages, while cash benefits decreased from \$0.51 to \$0.50 per \$100 of covered wages. Employer costs increased from \$1.24 to \$1.27 per \$100 of covered wages in 2011 (Table 1).

Figure 1

Workers' Compensation Benefits and Costs Per \$100 of Covered Wages, 1980–2011



Notes: Benefits are payments in the calendar year to injured workers and to providers of their medical care.

Costs are employer expenditures in the calendar year for workers' compensation benefits, administrative costs, and/or insurance premiums. Costs for self-insuring employers are benefits paid in the calendar year plus the administrative costs associated with providing those benefits. Costs for employers who purchase insurance include the insurance premiums paid during the calendar year plus the payments of benefits under large deductible plans during the year. The insurance premiums must pay for all of the compensable consequences of the injuries that occur during the year, including the benefits paid in the current as well as future years.

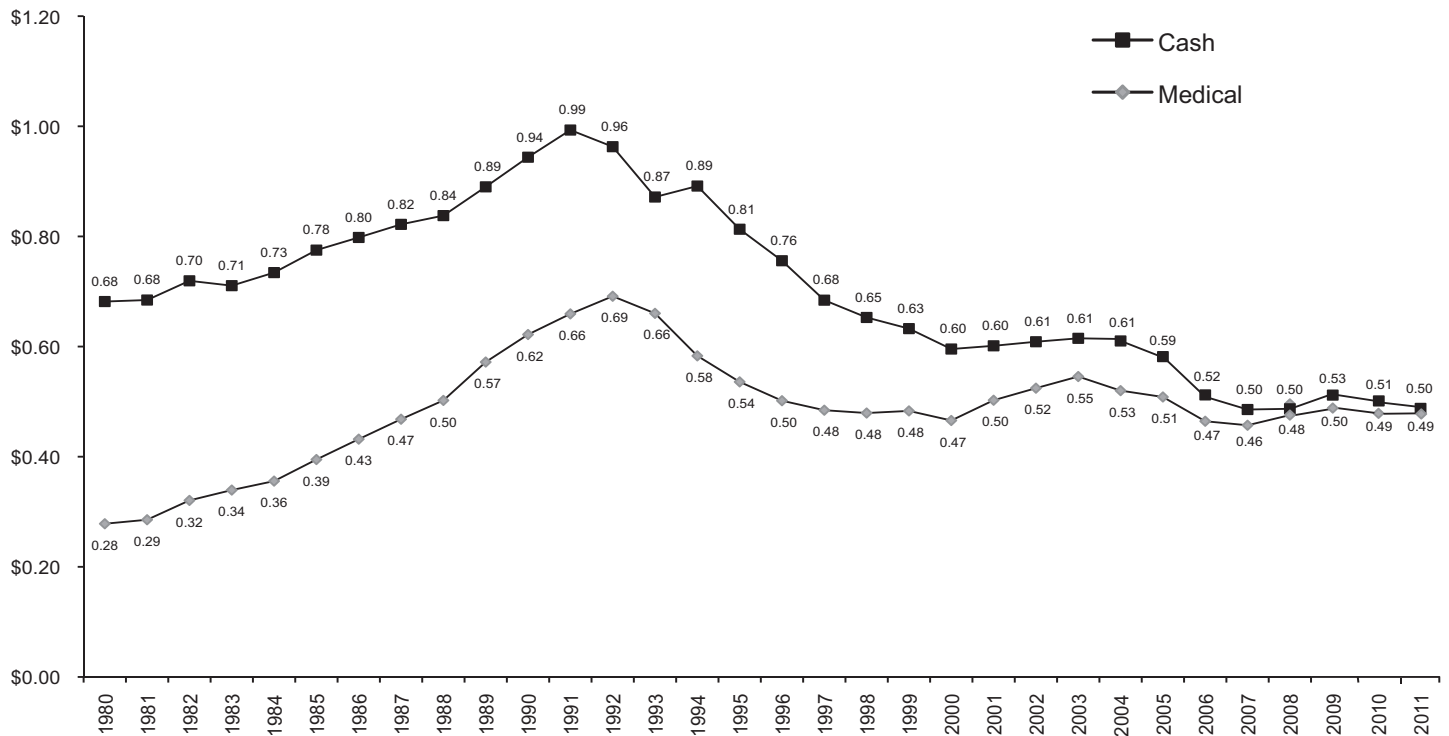
Source: National Academy of Social Insurance estimates.

Despite the uptick in 2011, employers' costs for workers' compensation expressed as a share of covered wages were lower in the last three years than at any time over the last three decades (Figure 1). Employer costs peaked in the early 1990s (at \$2.18 per \$100 covered wages), declined sharply to a low (of \$1.34 per \$100 covered wages) in 2000, increased between 2000 and 2005, and then declined in recent years (to a low of \$1.24 per \$100 covered wages in 2010). Worker benefits have followed similar, but less pronounced time trends since 1980 (Figure 1). As a share of covered wages, worker benefits peaked in 1990-91, but have hovered around \$1.00 per \$100 covered wages over the last six years.

Historically, as a share of covered wages, cash benefits to injured workers have exceeded medical payments to providers by ratios as high as 1.4 to 1, but over the last 20 years the trend lines have converged (Figure 2). As a share of covered wages medical payments and cash benefits have been almost identical over the last four years (2008-2011). In 2011, cash benefits (\$0.50 per \$100 of covered wages) had fallen almost 50 percent from their 1991 peak (\$0.99 per \$100 of wages) while medical benefits (\$0.49 per \$100 of covered wages) were 29 percent lower than their 1992 peak (\$0.69 per \$100 of wages).

Figure 2

Workers' Compensation Medical and Cash Benefits Per \$100 of Covered Wages, 1980–2011



Source: National Academy of Social Insurance estimates.

Background on Workers' Compensation

This section of the report, covering background material that is repeated annually, describes the history of workers' compensation insurance in the United States; the current structure of state workers' compensation programs; types of benefits paid; and how workers' compensation is financed. Reporting of detailed program data for 2011 begins on page 10.

History of Workers' Compensation

Historically workers' compensation was the first social insurance program adopted in developed countries. Germany enacted the first modern workers' compensation laws, known as Sickness and Accident Laws, in 1884 under Chancellor Otto von

Bismarck (Clayton 2004). The next such laws were adopted by England in 1897.

The first workers' compensation law in the United States was enacted in 1908 to cover certain federal civilian workers. Most states adopted workers' compensation laws in a relatively short period between 1910 and 1920. The first state laws that survived constitutional challenges were passed in 1911 by New Jersey and Wisconsin.² The last state to pass a workers' compensation law was Mississippi, in 1948.

"All U.S. states adopted workers' compensation laws independently in the first half of the 20th century."

2 The New Jersey law was enacted on April 3, 1911, signed by Governor Woodrow Wilson on April 4, and took effect on July 4, 1911 (Calderone 2011:169). The Wisconsin law was enacted and took effect on May 3, 1911 (Krohm 2011:187).

Before workers' compensation laws were enacted, an injured worker's primary legal remedy for a work-related injury was to file a tort suit against the employer and prove the employer's negligence caused the injury.³ Employers could use three common-law defenses to avoid liability: assumption of risk (showing the injury resulted from an ordinary hazard of employment of which the worker should have been aware);⁴ the fellow worker rule (showing the injury was caused by a fellow worker's negligence); or contributory negligence (showing the worker's own negligence contributed to the injury, regardless of any fault of the employer). Given the available defenses it was not surprising that employers generally prevailed in court. Employers were, however, at risk for substantial and unpredictable losses if a worker's lawsuit was successful. Litigation also created friction between employers and workers so that both sides became increasingly dissatisfied with the status quo, setting the stage for reform.

Initial reforms took the form of employer liability acts, which eliminated some of the employer's common-law defenses. Nonetheless, employees still had the burden of proving negligence on the part of the employer, which remained a significant obstacle to recovery of damages (Burton and Mitchell 2003).⁵ Ultimately, both employers and employees favored workers' compensation legislation to ensure that workers who sustained occupational injuries or contracted occupational diseases received predictable and timely compensation. As a quid pro quo, workers' compensation became the 'exclusive remedy' for occupational injuries and diseases, and an employer's liability was limited to the statutory benefits specified in the state workers' compensation act.⁶

The adoption of state workers' compensation programs has been called a significant event in the

nation's economic, legal, and political history. Passage of the laws required prodigious efforts on the part of business and labor leaders in each state to reach agreements on the specifics of the laws. Essentially, business and labor reached a grand compromise in which injured workers gave up the right to sue their employers in return for guaranteed benefits, and employers gave up their common law defenses in return for statutory limits on coverage.

"The adoption of workers' compensation laws represented a grand compromise between business and labor leaders in each state."

Today, each of the 50 states, the District of Columbia, and U.S. territories has its own workers compensation program. Separate U.S. government programs cover federal civilian employees and specific high-risk workers (energy employees, workers' exposed to radiation, veterans of military service etc.). State workers' compensation programs vary in terms of who is allowed to provide insurance, which injuries or illnesses are compensable, and the level of benefits provided. However, there is consistency across states in central features of the programs:

- With the exception of Texas (and now Oklahoma), workers' compensation insurance coverage is effectively mandatory for employers in all states⁷ with limited exceptions that typically exempt employers with a small number of employees or workers in specific classifications, such as agricultural or domestic employees.

3 Some injured workers received voluntary compensation from their employers or medical benefits paid through the employer's liability insurance, but many workers received no compensation at all.

4 A more complete definition is provided by Willborn et al. (2012, 863): "The assumption of risk doctrine barred recovery for the ordinary risks of employment; the extraordinary risks of employment, if the worker knew of them or might reasonably have been expected to know of them; and the risks arising from the carelessness, ignorance, or incompetency of fellow servants."

5 As a result, the employers' liability approach was abandoned in all jurisdictions and industries except the railroads, where it still exists.

6 Under the exclusive remedy concept, the worker accepts workers' compensation as payment in full and gives up the right to sue. There are limited exceptions to the exclusive remedy concept in some states, such as when there is an intentional injury of the employee or when an employer violates a safety regulation.

7 Recently the state legislature passed a bill signed by the governor in Oklahoma making it the second state after Texas to allow employers the choice to opt out of the state workers' compensation system. The opt-out provision of the bill would allow employers to offer injured workers alternative benefit systems based on the Federal Employee Retirement Income Security Act (Postal, 2013).

- Workers' compensation pays 100 percent of medical costs for injured workers beginning with the day of injury and cash benefits for lost work time after a three-to-seven-day waiting period. When cash benefits are paid, the benefits vary according to duration and severity of injury.
- Workers' compensation is financed exclusively by employers in most states. Employers purchase workers' compensation insurance from private insurers or a state insurance fund, or some large employers may self-insure.⁸

See Appendix I for details on the workers' compensation laws in each state.

Workers' Compensation Benefits

Medical only benefits. Most workers' compensation cases do not involve lost work time in excess of the waiting period for cash benefits so only medical costs

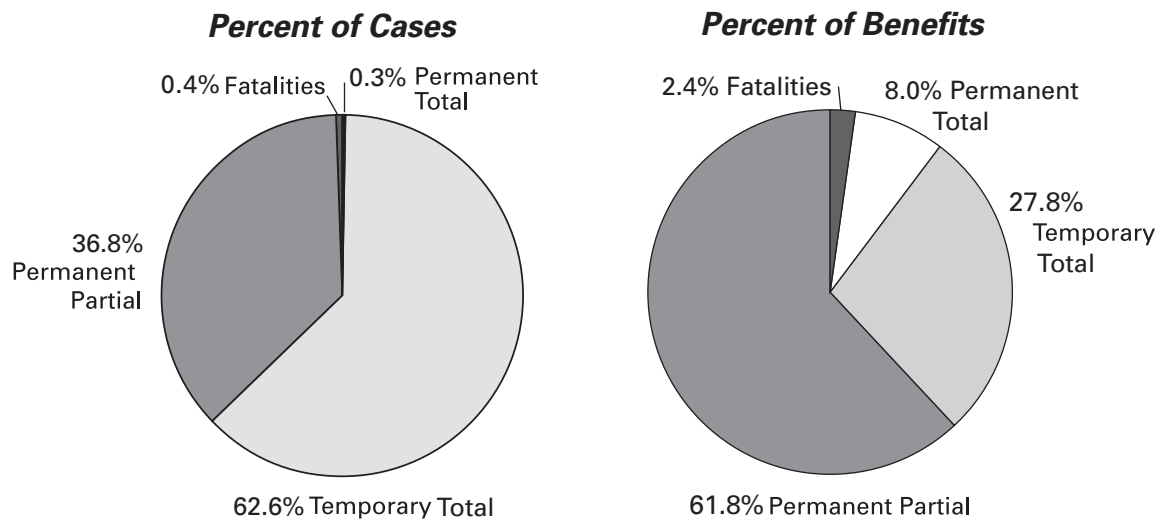
are paid. "Medical only" cases are the most common type of workers' compensation claim, but they represent only small share of overall payments. According to the National Council on Compensation Insurance (NCCI), medical-only cases accounted for 76 percent of workers' compensation cases, but only 7 percent of total benefit payments, in the 37 NCCI-member states for policy years spanning 1998–2008 (NCCI 2012b).

Temporary disability. Temporary total disability (TTD) benefits are paid when a work-related injury or illness temporarily prevents a worker from returning to their pre-injury job or another job for the same employer. Temporary disability benefits are the most common type of cash benefits, accounting for 63 percent of all cases involving cash benefits and 28 percent of total payments for those cases (Figure 3).

Most workers who receive TTD benefits fully recover and return to work, at which time benefits end. In

Figure 3

Types of Disabilities in Workers' Compensation Cases with Cash Benefits, 2008



Cases classified as permanent partial include cases that are closed with lump sum settlements. Benefits paid in cases classified as permanent partial, permanent total and fatalities can include any temporary total disability benefits also paid in such cases. The data are from the first report from the NCCI *Annual Statistical Bulletin*.
 Source: NCCI 2012,b, *Annual Statistical Bulletin*, Exhibits X and XII.

8 Some economists argue that workers pay a substantial portion of program costs indirectly in the form of lower wages (Leigh et al. 2000).

some cases, however, injured workers return to work before they are physically able to resume their former job duties. In these cases a worker may be assigned to restricted duties or shorter hours at lower wages or differential pay. When injured workers return to work at less than their pre-injury wage, they may be eligible for temporary partial disability (TPD) benefits.

Most states pay tax-exempt weekly benefits for temporary total disability that replace two-thirds of the worker's pre-injury wage, subject to a maximum that varies from state to state. As of January 2012 (the latest data available) the maximum weekly TTD benefit ranged from a low of \$437 in Mississippi to a high of \$1,457 in Iowa. Eleven jurisdictions had a maximum TTD benefit of \$1,000 or more, while six states had a maximum TTD benefit of \$600 or less.⁹

Permanent disability. Some injured workers experience job-related injuries or illnesses that result in permanent impairments. Eligibility for permanent disability benefits is determined after the injured worker reaches maximum medical improvement (the point at which further medical intervention is no longer expected to improve functional capacity). Permanent total disability (PTD) benefits are paid to workers who are unable to work at all because of a job-related injury or illness. Permanent partial disability (PPD) benefits are paid to workers who have permanent impairments that do not completely preclude their ability to work.

The bulk of payments for workers' compensation go to permanent disability claims, of which permanent partial disability cases are more common. PPD cases account for 37 percent of cases involving cash payments but 62 percent of total payments for those cases. Permanent total disability cases are relatively rare, accounting for less than 1 percent of cases involving cash benefits, and 8 percent of total payments for those cases (Figure 3).¹⁰

States differ in their methods for determining whether a worker is entitled to permanent partial disability benefits, the extent of permanent disability, and the amount of benefits to be paid (Barth and Niss 1999; Burton 2005). In some states, permanent partial disability benefits begin when maximum medical improvement is achieved. In others, permanent disability benefits are simply an extension of temporary disability benefits until the injured worker returns to employment. Many states impose limits on the maximum duration or dollar amount of permanent disability benefits.

Methods for compensating permanent impairments fall into several broad categories (Barth 2004). About 44 jurisdictions use a schedule for at least some injury types—a list of body parts covered and benefits to be paid for specific losses (e.g. the loss of a finger). Permanent impairment benefit schedules typically include the upper and lower extremities and may also include hearing or vision losses. Permanent injuries to the spine or internal organs are typically not scheduled, nor are head injuries or occupational diseases.

For unscheduled conditions, states use one of four approaches to calculate permanent disability benefits. Nineteen states use an *impairment-based* approach in which the amount of permanent partial disability benefits is based on the loss of functional capacity. Twelve states use a *loss-of-earning-capacity* approach in which permanent disability benefits are based on a prediction of the economic impact of a permanent impairment on an injured worker's future earnings. Ten states use a *wage-loss* approach in which permanent disability benefits are determined by the actual or ongoing wage losses an injured worker incurs. Nine states and the District of Columbia use a *bifurcated* approach, in which benefits are impairment-based if the worker has returned to employment with earnings at or near the pre-injury level at the time their medical condition has stabi-

9 Details on benefit and coverage provisions of state laws are compiled in *Workers' Compensation Laws as of January 2012*, issued jointly by the IAIABC (International Association of Industrial Accident Boards and Commissions) and the WCRI (Workers Compensation Research Institute) and are summarized in Appendix I. The IAIABC and WCRI did not publish a similar compilation for 2011. Information on workers' compensation laws as of January 1, 2012 is included in Appendix I.

10 Note that when WC claims are classified into discrete types, this is typically done by labeling the claim classification by the most severe type of disability benefit received. For example, a permanent partial disability beneficiary has typically also received temporary disability benefits, but the entire cost of cash benefits in the claim is ascribed to its permanent partial disability claim type.

lized. Otherwise, the permanent disability benefit is based on the degree of lost earning capacity.¹¹

Sources of Workers' Compensation Insurance

"Employers pay for workers' compensation by purchasing insurance or self-insuring."

Private insurance with deductibles. Workers' compensation policies written by private insurers operate much like automobile or homeowners' insurance. Employers purchase insurance for a premium that varies according to expected risk and the amount of a deductible, if any. The insurer pays all workers' compensation benefits, but the employer is responsible for reimbursing the insurer for those benefits up to the specified deductible amount. In return for accepting a policy with a deductible, the employer pays a lower premium. Deductibles may be written into an insurance policy on a per-injury basis, an aggregate basis, or a combination of a per-injury basis with an aggregate cap. States vary in the maximum deductibles they allow in workers' compensation insurance.

State funds. In 23 states workers' compensation insurance is provided to some (or all) employers by a state agency. In general, these 'state funds' are established by an act of the state legislature. An *exclusive* state fund is, by statute, the sole provider of workers' compensation insurance in a state. A *competitive* state fund competes with other insurers in the state.

For this report we use two criteria to identify states with *competitive* state funds: 1) The fund sells workers' compensation policies to private sector employers in the voluntary insurance market; and 2) The fund is exempt from federal taxes. According to these criteria, in 2011, 18 states had competitive state funds:

Arizona, California, Colorado, Hawaii, Idaho, Kentucky, Louisiana, Maryland, Missouri, Montana, New Mexico, New York, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, and Utah. Four states, North Dakota, Ohio, Washington, and Wyoming, had exclusive state funds.¹² South Carolina had a non-exclusive state fund which provided workers' compensation insurance for state and local government employees but did not write policies for private employers.

Self-insurance. Many large employers choose to self-insure for workers' compensation. Employers are allowed to self-insure in all states except North Dakota and Wyoming, which require all employers to obtain insurance from their exclusive state funds. Ohio and Washington have exclusive state funds but employers also have the option to self-insure. Where self-insurance is permitted, employers must apply for permission from the regulatory authority, and demonstrate they have the financial resources to cover their expected losses. Some states permit groups of employers in the same industry or trade association to self-insure through group self-insurance.

Special funds. Many states have special workers' compensation funds to cover special circumstances. *Guaranty funds* ensure payment of benefits to injured workers in cases where private carriers or self-insured employers become insolvent. (See Appendix J for further details on guaranty funds). *Second injury funds* reimburse employers or insurance carriers in cases where an employee with a pre-existing work-related impairment experiences another work-related injury or illness. The second injury fund pays costs associated with the prior condition and so the current employer is responsible only for workers' compensation benefits associated with the second injury or illness. The purpose of second injury funds is to ensure that a new employer does not bear the cost burden of a worker's prior injury. Second injury funds are financed through assessments on employ-

11 In Massachusetts, Montana, Rhode Island, and Oregon (since 2005), injured workers can qualify for two tracks of permanent partial disability benefits paid concurrently. One is designed to compensate for work disability and the other is designed to compensate for noneconomic loss (Burton 2008). The noneconomic loss benefits are known as impairment benefits in Oregon and as specific injuries in Massachusetts.

12 The West Virginia exclusive state fund was no longer selling policies in 2011 but was still paying benefits in 2011 for policies sold in previous years.

ers, and, in limited jurisdictions, with general fund monies.

Federal programs. The Federal government covers workers' compensation benefits for federal civilian employees under the Federal Employees Compensation Act (FECA). Federal programs also cover private sector workers in certain high-risk jobs (coal miners with black lung disease, longshoremen and harbor workers, employees of overseas contractors with the U.S. government, energy employees exposed to certain hazardous materials, workers engaged in the manufacturing of atomic bombs, and veterans injured while on active duty in the armed forces. (More details about these federal programs are provided in Appendix H.)

"NASI measures of benefits and costs are designed to reflect the aggregate experience of two stakeholder groups – workers who rely on compensation for workplace injuries and employers who pay the bills."

The workers' compensation system involves numerous stakeholder groups (employers, insurers, workers, medical providers, state and federal governments) but the estimates presented in this report reflect the aggregate experience of only two: workers who rely on compensation for workplace injuries and employers who pay the bills. The NASI measures are not designed to assess the performance of the insurance industry or insurance markets. Other organizations analyze insurance trends.¹³ Neither are the estimates designed to measure the adequacy of benefits paid to injured workers.

Covered Employment and Wages

Methods for Estimating Covered Employment and Wages

Because there is no national system for counting workers covered by workers' compensation, the number of covered workers and their covered wages must be estimated. The Academy uses the number of workers and total wages covered by unemployment insurance (UI) in each state as the starting point for its estimates. From these bases we subtract the number of workers and associated wages that are not required to be covered by workers' compensation according to each state's statute (e.g. workers in small firms, agricultural workers). In Texas, where coverage is optional for employers, we apply the proportion of workers employed in firms that opt in to workers' compensation to the UI base.

NASI's methodology (for all states except Texas) is designed to count the number of workers who are legally required to be covered by workers' compensation under state laws. The methodology may undercount the actual number of workers (and wages) covered because some employers who are not required to carry workers' compensation do so anyway. For example, self-employed persons are not typically required to carry unemployment or workers' compensation insurance but in some states self-employed persons may voluntarily elect to be covered. In states with exemptions for small firms, some small firms may also voluntarily purchase workers' compensation insurance.

On the other hand, the NASI methodology may overestimate the number of workers and amounts of wages actually covered by workers' compensation. Although most firms are legally required to purchase workers' compensation insurance or self-insure, actual coverage may vary because of noncompliance (Greenhouse 2008; FPI 2007). Every state has a program to detect and penalize employers who violate the workers' compensation statutes, but no definitive national study has documented the extent of non-compliance. (For more details on the Academy's methods for estimating coverage refer to Appendix A.)

13 The National Council on Compensation Insurance (NCCI) and state rating bureaus, for example, assess insurance developments in the states and advise regulators and insurers on proposed insurance rates.

Estimates of Covered Wages and Workers

Approximately 96% of U.S. wage and salary workers are covered by unemployment insurance (UI) (NASI 2002). In 2011, 97.2 percent of all UI-covered workers and wages were covered by workers' compensation.¹⁴ Workers' compensation covered an estimated 125.8 million workers, an increase of 1.1 percent from the 124.4 million workers covered in

2010 (Table 2). Total wages of covered workers were \$6.0 trillion in 2011, an increase of 3.9 percent from 2010.

"In 2011, nearly 126 million U.S. workers were covered by workers' compensation."

Table 2

Workers' Compensation Covered Workers and Covered Wages, 1992–2011

Year	Total Workers		Total Wages	
	(in thousands)	Percent Change	(in billions)	Percent Change
1992	104,300	0.6	2,700	5.7
1993	106,200	1.8	2,802	3.8
1994	109,400	3.0	2,949	5.2
1995	112,800	3.1	3,123	5.9
1996	114,773	1.7	3,337	6.9
1997	118,145	2.9	3,591	7.6
1998	121,485	2.8	3,885	8.2
1999	124,349	2.4	4,151	6.8
2000	127,141	2.2	4,495	8.3
2001	126,972	-0.1	4,604	2.4
2002	125,603	-1.1	4,615	0.2
2003	124,685	-0.7	4,717	2.2
2004	125,878	1.0	4,953	5.0
2005	128,158	1.8	5,213	5.3
2006	130,339	1.7	5,544	6.3
2007	131,734	1.1	5,857	5.6
2008	130,643	-0.8	5,954	1.7
2009	124,856	-4.4	5,675	-4.7
2010	124,454	-0.3	5,820	2.6
2011	125,833	1.1	6,049	3.9

Source: National Academy of Social Insurance estimates. See Appendix A.

14 According to unpublished estimates provided by the Bureau of Labor Statistics, only 3 percent of all employees who worked for employers who participated in the BLS National Compensation Survey (NCS) were employed in establishments that reported zero workers' compensation costs. The 3 percent figure was for all employees covered by the survey, as well as for employees in the private sector and employees in the state and local government sector. The NASI estimate of legally required coverage has a national average (97.2 percent of all UI covered workers in 2011) that is virtually identical to the workers' compensation coverage shown by the NCS.

All individual states followed the national trends of increasing numbers of workers covered by workers' compensation and increasing amounts of covered wages between 2010 and 2011 (Table 3). North Dakota experienced the largest growth in covered workers (a 6.1% increase) and covered wages (a 16.5% increase). Alabama experienced the smallest growth in covered workers (a 0.1% increase) while New Mexico experienced the smallest growth in covered wages (a 1.8% increase). Workers' compensation coverage rules did not change significantly between 2010 and 2011, so differences in growth rates of covered employment and wages across states primarily reflect differences in the states' growth rates of employment and wages.

"All individual states followed the national trends of increases in covered workers and covered wages between 2010 and 2011."

Workers' Compensation Benefits Paid

Methods for Estimating Benefits Paid

The Academy's estimates of workers' compensation benefits paid are based on three main data sources: responses to the annual questionnaire the Academy sends out to state agencies; data purchased from A.M. Best, a private company that specializes in collecting insurance data and rating insurance companies; and data from the National Council on Compensation Insurance (NCCI). Estimating benefits is complicated by the difficulty in obtaining accurate data on benefits paid by self-insured employers and employers with deductible policies, and by the multiplicity of insurance arrangements covering workers' compensation across the states.

The primary source of data on benefits paid is the response of states to the Academy's questionnaire on workers' compensation benefits and costs. The questionnaire is distributed annually to state agencies overseeing the workers' compensation programs. This year responses were received from 45 jurisdictions, for a response rate of 90 percent. (Appendix B

shows the survey questionnaire and Appendix C summarizes the kinds of data each state reported.)

States vary in their ability to provide complete program data, but the most common problems are in reporting amounts of benefits paid by employers under deductible policies and by self-insured employers. If states were unable to report benefits paid by self-insured employers, these amounts were imputed based on estimates of self-insured payrolls in the state. Benefits provided under group self-insurance are included with self-insured benefits in this report.

The A.M. Best data supplement the state survey data in cases where the survey data are incomplete, missing, or determined to be incorrect. The A.M. Best data used for this report show benefits paid in each state for 2007 through 2011. The data include information for all private carriers in every state and for 18 of the 23 state funds but do not include information about benefits paid by the other five state funds, by self-insured employers, by employers under deductible policies, or by special funds.

Together, the data from state agencies and A.M. Best allow us to piece together estimates of workers' compensation benefits paid under policies with private carriers or state funds, or by self-insured employers. The U.S. Department of Labor provides data on benefits paid through federal programs. (Details on the Academy's methods for producing these estimates are provided in Appendices C for private carriers and state funds, E for self-insured, G for deductibles, and H for federal programs).

Medical benefits were estimated based on information from the National Council on Compensation Insurance for most states. Where NCCI data were not available, medical benefits were based on reports from the states. (Detailed methods for estimating medical benefits are described in Appendix F.)

Benefits paid through special funds, second injury funds and guarantee funds were estimated from the state survey data. For the last six years NASI has reported data on these funds and have included these funds in the national estimates of total benefits in Table 4 since 2006. (The data on benefits paid by second injury funds, special funds and guarantee

Table 3**Workers' Compensation Covered Workers and Covered Wages, By State, 2007- 2011**

	Covered Workers (in thousands)					Covered Wages (in millions)					Ranking (largest to smallest % change)		
	2007	2008	2009	2010	2011	2010-2011 % Change	2007	2008	2009	2010		2011	2010-2011 % Change
Alabama	1,823	1,808	1,702	1,679	1,680	0.1	\$66,881	\$68,530	\$65,522	\$65,951	\$67,349	2.1	48
Alaska	294	298	297	299	305	2.0	12,576	13,344	13,664	14,062	14,677	4.4	16
Arizona	2,595	2,529	2,340	2,295	2,326	1.4	106,805	106,477	99,095	98,288	102,162	3.9	24
Arkansas	1,119	1,117	1,078	1,075	1,083	0.7	37,684	38,472	37,932	38,156	39,889	4.5	12
California	15,395	15,248	14,377	14,171	14,310	1.0	774,856	781,948	737,852	749,264	783,390	4.6	10
Colorado	2,241	2,247	2,137	2,110	2,147	1.8	99,900	103,687	99,015	99,804	104,124	4.3	17
Connecticut	1,666	1,668	1,596	1,576	1,594	1.1	96,705	97,322	92,085	93,616	97,281	3.9	27
Delaware	418	416	395	392	396	1.1	19,727	19,720	18,811	19,023	19,913	4.7	9
District of Columbia	487	491	482	483	494	2.4	33,345	34,822	34,195	35,214	36,805	4.5	13
Florida	7,504	7,177	6,689	6,612	6,688	1.1	295,537	288,339	271,057	271,812	279,786	2.9	40
Georgia	3,891	3,831	3,592	3,543	3,584	1.2	162,094	161,107	151,782	153,215	159,127	3.9	28
Hawaii	594	587	559	551	558	1.2	22,751	23,213	22,355	22,130	22,753	2.8	41
Idaho	648	640	600	592	595	0.5	21,433	21,398	20,173	20,335	20,868	2.6	44
Illinois	5,782	5,741	5,452	5,397	5,467	1.3	274,339	278,314	262,097	265,517	276,331	4.1	22
Indiana	2,858	2,823	2,655	2,655	2,705	1.9	106,460	107,620	100,758	103,299	107,900	4.5	14
Iowa	1,467	1,460	1,415	1,402	1,419	1.2	52,115	53,625	52,217	53,097	55,306	4.2	20
Kansas	1,324	1,342	1,283	1,261	1,268	0.6	48,589	50,775	48,760	48,552	50,106	3.2	36
Kentucky	1,760	1,748	1,667	1,665	1,689	1.4	63,553	64,742	62,585	63,736	66,097	3.7	32
Louisiana	1,837	1,853	1,813	1,796	1,811	0.8	69,554	74,131	72,822	73,643	76,078	3.3	35
Maine	588	585	564	559	562	0.5	20,272	20,854	20,270	20,502	20,959	2.2	46
Maryland	2,422	2,407	2,326	2,310	2,330	0.9	112,688	114,895	112,865	114,291	117,735	3.0	39
Massachusetts	3,185	3,197	3,087	3,098	3,136	1.2	175,410	180,867	172,995	178,233	186,326	4.5	11
Michigan	4,031	3,904	3,608	3,596	3,678	2.3	173,932	171,902	156,539	158,816	167,420	5.4	3
Minnesota	2,655	2,631	2,521	2,506	2,553	1.9	117,268	120,038	113,658	116,787	121,674	4.2	18

Mississippi	1,057	1,053	1,004	996	998	0.2	49	33,524	34,653	33,309	33,545	34,254	2.1	49
Missouri	2,555	2,541	2,435	2,400	2,409	0.4	45	97,736	101,623	96,414	96,499	98,713	2.3	45
Montana	423	424	407	405	406	0.3	47	13,303	13,792	13,415	13,658	14,169	3.7	31
Nebraska	901	898	876	870	874	0.5	42	31,420	32,219	31,755	32,089	33,085	3.1	37
Nevada	1,265	1,234	1,118	1,088	1,095	0.7	40	53,018	52,688	47,442	45,883	46,824	2.1	50
New Hampshire	622	621	597	593	598	0.9	36	27,104	27,714	26,659	27,065	28,106	3.8	29
New Jersey	3,900	3,875	3,712	3,680	3,687	0.2	48	209,120	213,418	203,895	206,476	211,059	2.2	47
New Mexico	763	766	734	720	721	0.1	50	26,986	28,284	27,486	27,447	27,952	1.8	51
New York	8,427	8,462	8,198	8,195	8,308	1.4	16	500,392	509,954	472,646	492,983	512,323	3.9	25
North Carolina	3,909	3,866	3,645	3,602	3,652	1.4	15	150,910	152,519	143,984	146,891	152,474	3.8	30
North Dakota	330	338	337	345	366	6.1	1	10,720	11,686	11,952	13,004	15,152	16.5	1
Ohio	5,230	5,159	4,866	4,822	4,888	1.4	17	206,919	208,573	197,125	199,447	207,775	4.2	19
Oklahoma	1,489	1,499	1,379	1,359	1,375	1.2	27	51,750	54,861	52,617	50,858	54,146	6.5	2
Oregon	1,699	1,684	1,578	1,567	1,587	1.2	24	66,588	67,559	63,646	64,639	67,704	4.7	8
Pennsylvania	5,549	5,535	5,344	5,343	5,409	1.2	26	237,990	243,716	237,464	242,270	252,338	4.2	21
Rhode Island	470	459	438	436	437	0.3	46	19,304	19,480	18,725	19,139	19,674	2.8	43
South Carolina	1,795	1,780	1,670	1,657	1,681	1.4	14	62,910	63,862	60,680	61,584	63,863	3.7	33
South Dakota	381	383	374	374	378	1.3	22	11,828	12,331	12,247	12,575	13,135	4.4	15
Tennessee	2,598	2,575	2,422	2,410	2,454	1.8	9	100,434	101,910	96,327	98,917	102,792	3.9	26
Texas	7,636	7,651	7,818	8,234	8,334	1.2	28	338,828	349,132	336,402	383,235	402,835	5.1	5
Utah	1,184	1,182	1,118	1,109	1,137	2.5	3	43,139	44,198	42,389	42,894	44,928	4.7	7
Vermont	297	294	284	284	287	1.0	34	10,864	11,152	10,870	11,055	11,391	3.0	38
Virginia	3,437	3,418	3,290	3,273	3,316	1.3	20	153,522	156,661	153,518	156,856	162,056	3.3	34
Washington	2,857	2,817	2,697	2,667	2,707	1.5	12	127,500	130,084	126,855	128,028	134,609	5.1	4
West Virginia	684	669	650	638	660	3.5	2	22,714	23,418	23,325	24,470	25,159	2.8	42
Wisconsin	2,694	2,668	2,539	2,523	2,557	1.3	19	102,040	103,920	98,859	100,360	104,321	3.9	23
Wyoming	270	279	267	263	267	1.5	11	10,499	11,461	10,746	10,924	11,465	5.0	6
Total non-federal	129,007	127,881	122,029	121,474	122,969	1.2		\$5,680,035	\$5,771,232	\$5,483,956	\$5,613,049	\$5,839,457	4.0	
Federal employees	2,726	2,762	2,827	2,981	2,864	-3.9		176,858	183,095	191,510	207,162	209,059	0.9	
TOTAL	131,734	130,643	124,856	124,454	125,833	1.1		\$5,856,893	\$5,954,327	\$5,675,466	\$5,820,211	\$6,048,516	3.9	

Source: National Academy of Social Insurance estimates. See Appendix A.

Table 4**Workers' Compensation Benefits by Type of Insurer and Share for Medical Benefits, 1962–2011 (in millions)**

Year	Private Carriers		State Funds		Federal		Self-Insured		All Insurers			
	Total (million)	% Share	Total (million)	% Share	Total (million)	% Share	Total (million)	% Share	Total Benefits (million)	% Change from Prior Year	Total Medical (million)	% Medical
1962	\$924	62.1	\$305	20.5	\$66	4.4	\$194	13.0	\$1,489	8.4	\$495	33.2
1963	988	62.4	318	20.1	70	4.4	207	13.1	1,583	6.3	525	33.2
1964	1,070	62.6	339	19.8	73	4.3	226	13.2	1,708	7.9	565	33.1
1965	1,124	62.0	371	20.5	74	4.1	244	13.5	1,813	6.1	600	33.1
1966	1,239	62.0	404	20.2	82	4.1	275	13.8	2,000	10.3	680	34.0
1967	1,363	62.2	430	19.6	94	4.3	303	13.8	2,190	9.5	750	34.2
1968	1,482	62.4	451	19.0	105	4.4	338	14.2	2,376	8.5	830	34.9
1969	1,641	62.3	486	18.5	121	4.6	386	14.7	2,634	10.9	920	34.9
1970	1,843	60.8	497	16.4	258	8.5	432	14.3	3,030	15.0	1,050	34.7
1971	2,005	56.3	549	15.4	549	15.4	460	12.9	3,563	17.6	1,130	31.7
1972	2,179	53.6	633	15.6	746	18.4	504	12.4	4,062	14.0	1,250	30.8
1973	2,514	49.3	720	14.1	1,278	25.0	592	11.6	5,104	25.7	1,480	29.0
1974	2,971	51.4	823	14.2	1,263	21.8	724	12.5	5,781	13.3	1,760	30.4
1975	3,422	51.9	957	14.5	1,367	20.7	852	12.9	6,598	14.1	2,030	30.8
1976	3,976	52.4	1,088	14.3	1,482	19.5	1,039	13.7	7,585	15.0	2,380	31.4
1977	4,629	53.6	1,209	14.0	1,541	17.9	1,250	14.5	8,629	13.8	2,680	31.1
1978	5,256	53.7	1,221	12.5	1,822	18.6	1,497	15.3	9,796	13.5	2,980	30.4
1979	6,157	51.2	1,709	14.2	2,313	19.2	1,848	15.4	12,027	22.8	3,520	29.3
1980	7,029	51.6	1,797	13.2	2,533	18.6	2,259	16.6	13,618	13.2	3,947	29.0
1981	7,876	52.3	2,017	13.4	2,578	17.1	2,583	17.2	15,054	10.5	4,431	29.4
1982	8,647	52.7	2,191	13.4	2,577	15.7	2,993	18.2	16,408	9.0	5,058	30.8
1983	9,265	52.7	2,443	13.9	2,618	14.9	3,249	18.5	17,575	7.1	5,681	32.3
1984	10,610	53.9	2,754	14.0	2,651	13.5	3,671	18.6	19,686	12.0	6,424	32.6
1985	12,341	55.5	3,059	13.8	2,685	12.1	4,132	18.6	22,217	12.9	7,498	33.7
1986	13,827	56.2	3,554	14.4	2,694	10.9	4,538	18.4	24,613	10.8	8,642	35.1
1987	15,453	56.6	4,084	15.0	2,698	9.9	5,082	18.6	27,317	11.0	9,912	36.3
1988	17,512	57.0	4,687	15.3	2,760	9.0	5,744	18.7	30,703	12.4	11,507	37.5
1989	19,918	58.0	5,205	15.2	2,760	8.0	6,433	18.7	34,316	11.8	13,424	39.1
1990	22,222	58.1	5,873	15.4	2,893	7.6	7,249	19.0	38,237	11.4	15,187	39.7
1991	24,515	58.1	6,713	15.9	2,998	7.1	7,962	18.9	42,187	10.3	16,832	39.9
1992	24,030	53.8	7,829	17.5	3,158	7.1	9,643	21.6	44,660	5.9	18,664	41.8
1993	21,773	50.7	8,105	18.9	3,189	7.4	9,857	23.0	42,925	-3.9	18,503	43.1
1994	21,391	49.2	7,398	17.0	3,166	7.3	11,527	26.5	43,482	1.3	17,194	39.5
1995	20,106	47.7	7,681	18.2	3,103	7.4	11,232	26.7	42,122	-3.1	16,733	39.7
1996	21,024	50.1	8,042	19.2	3,066	7.3	9,828	23.4	41,960	-0.4	16,739	39.9
1997	21,676	51.6	7,157	17.1	2,780	6.6	10,357	24.7	41,971	0.0	17,397	41.5
1998	23,579	53.6	7,187	16.3	2,868	6.5	10,354	23.5	43,987	4.8	18,622	42.3
1999	26,383	57.0	7,083	15.3	2,862	6.2	9,985	21.6	46,313	5.3	20,055	43.3
2000	26,874	56.3	7,388	15.5	2,957	6.2	10,481	22.0	47,699	3.0	20,933	43.9
2001	27,905	54.9	8,013	15.8	3,069	6.0	11,839	23.3	50,827	6.6	23,137	45.5
2002	28,085	53.7	9,139	17.5	3,154	6.0	11,920	22.8	52,297	2.9	24,203	46.3
2003	28,395	51.9	10,442	19.1	3,185	5.8	12,717	23.2	54,739	4.7	25,733	47.0
2004	28,632	51.0	11,146	19.9	3,256	5.8	13,115	23.4	56,149	2.6	26,079	46.4
2005	29,039	50.9	11,060	19.4	3,258	5.7	13,710	24.0	57,067	1.6	26,361	46.2
2006	27,946	50.9	10,555	19.2	3,270	6.0	13,125	23.9	54,896	-3.8	26,206	47.7
2007	29,410	52.2	10,153	18.0	3,340	5.9	13,482	23.9	56,385	2.7	27,105	48.1
2008	30,796	52.8	10,276	17.6	3,424	5.9	13,855	23.7	58,350	3.5	28,685	49.2
2009	31,061	53.1	9,936	17.0	3,543	6.1	13,950	23.9	58,490	0.2	28,154	48.1
2010	31,161	53.6	9,779	16.8	3,672	6.3	13,557	23.3	58,168	-0.6	28,587	49.1
2011	32,235	53.5	9,783	16.2	3,777	6.3	14,415	23.9	60,210	3.5	29,863	49.6

Notes: Benefits are payments in the calendar year to injured workers and to providers of their medical care. Beginning in 1992 benefits paid by employers under deductible provisions are included.

Table 4 continued

Federal benefits include benefits paid under the Federal Employees' Compensation Act, and employer-financed benefits paid through the Federal Black Lung Disability Trust fund. In years before 1997, Federal benefits also include the part of the Black Lung program financed by Federal funds. In 1997–2011 federal benefits include a portion of employer-financed benefits under the Longshore and Harbor Workers' Compensation Act. See Appendix H for more information about federal programs. *Source:* National Academy of Social Insurance estimates, SSA 2012a and U.S. DOL 2013.

funds from 2007 to 2011 are shown separately by state in Appendix J1, J2 and J3).

A detailed, state-by-state explanation of how the benefit estimates in this report are produced is provided in *Sources and Methods: A Companion to Workers' Compensation: Benefits, Coverage, and Costs, 2011* on the Academy's website (www.nasi.org).

Estimates of Benefits Paid by Type of Insurer

Table 4 shows benefits paid by type of insurer (private insurers, state funds, federal programs, and self-insured employers) since 1962. Private insurance carriers remained the largest source of workers' compensation benefits in 2011, accounting for slightly more than half (53.5%) of all benefits paid. The share of benefits paid by private carriers has fluctuated relatively little since the 1970s.

"Private insurance carriers remained the largest source of workers' compensation benefits in 2011, accounting for 54% of benefits paid. Other sources of benefits were self-insured employers (24%), state funds (16%) and federal funds (6%)."

Self-insured employers were the second largest source of workers' compensation benefits, accounting for approximately one-fourth (23.9%) of all benefits paid in 2011. The share of benefits paid by self-insured employers increased steadily from 1962 to 1995, but has been relatively stable since 1996.

State funds accounted for 16.2 percent of workers' compensation benefits in 2011, a decrease of 0.6 percentage points from 2010. The share of benefits paid by state funds has fluctuated between 12.5 and 20.5 percent since 1962.

Federal funds accounted for 6.3 percent of all workers' compensation payments in 2011, exactly the same percentage as in 2010. The proportion of workers' compensation benefits paid by federal funds has remained stable at 6-7% for the last 20 years. The spike in federal benefits in the 1970s is entirely accounted for by the black lung program.¹⁵

Table 5 shows the estimated dollar amount of benefits employers paid under deductible provisions with private carriers or state funds since 1992. Deductibles as a share of total benefits have remained fairly constant (13-14%) since 2000. In 2011, employer payments under deductibles totaled \$8.6 billion, or 14.3 percent of total benefits paid.

Employers who have policies with deductibles are, in effect, self-insuring up to the amount of the deductible. Adding benefits paid under deductibles to benefits paid by self-insured employers shows the share of the total workers' compensation market for which employers are assuming primary financial risk.

¹⁵ Prior to 1970 the federal data included only payments for federal civilian employees under the Federal Employees Compensation Act (FECA). The federal program for workers with black lung disease began paying benefits in 1970 and by 1973 nearly doubled its payments to approximately \$1 billion. The start-up of this program was the sole explanation for the large increase in federal share of benefits in the early 1970s. The federal share has since declined as payments under the black lung program have diminished, due

Table 5**Workers' Compensation Employer-Paid Benefits under Deductible Provisions, 1992–2011**

Year	Deductibles (in millions)			Deductibles as a % of Total Benefits
	Total	Private Carriers	State Funds	
1992	\$1,250	\$1,250	*	2.8
1993	2,027	2,008	\$ 19	4.7
1994	2,834	2,645	189	6.5
1995	3,384	3,060	324	8.0
1996	3,716	3,470	246	8.9
1997	3,994	3,760	234	9.5
1998	4,644	4,399	245	10.6
1999	5,684	5,452	232	12.3
2000	6,201	5,931	270	13.0
2001	6,388	6,085	303	12.6
2002	6,922	6,511	411	13.2
2003	8,020	7,547	474	14.7
2004	7,645	7,134	510	13.6
2005	7,798	7,290	508	13.7
2006	7,575	7,052	524	13.8
2007	8,217	7,684	533	14.6
2008	8,250	7,741	509	14.1
2009	8,301	7,826	474	14.2
2010	8,513	8,069	444	14.6
2011	8,627	7,991	636	14.3

* Negligible

Notes: Benefits paid under deductible provisions were either provided directly or could be calculated from data provided by 18 states. Four states do not allow workers' compensation policies with deductibles. For the other 29 states and the District of Columbia, deductible benefits were imputed using a ratio of the manual equivalent premiums.

Source: National Academy of Social Insurance estimates.

Table 6 (column 9) shows the share of benefits paid directly by employers increasing from 24.4 percent in 1992 to 38.3 percent in 2011. The increase in employers' share of workers' compensation benefit payments over the last two decades has been accompanied by decreases in the share of payments, net of deductibles, made by private carriers (from 51% to 40.3%) and state funds (from 17.5% to 15.2%). (Refer to columns 3 and 6 of Table 6.)

"In 2011, employer payments under deductibles totaled \$8.6 billion, or 14.3% of total benefits paid. The share of benefits paid through deductibles has remained relatively stable since 2000."

largely to the aging and death of the claimant population, and the change to the responsible operator system that increased the level of defense on claims. Also, the presumptions included in the 1970s legislation were largely eliminated by changes in 1981, leading to a very real drop in approved claims.

Table 6**Percentage Distribution of Workers' Compensation Benefit Payments by Type of Insurer:
With and Without Deductibles, 1992–2011**

Year	Total Benefits (in millions)	Percent of Total Benefits								
		Private Carriers			State Funds			Federal	Self-Insured	Total Employer-Paid
		Total	Employer-Paid Deductibles	Insurer-Paid after Deductibles	Total	Employer-Paid Deductibles	Insurer-Paid after Deductibles			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)= (2) + (5) + (8)		
1992	44,660	53.8	2.8	51.0	17.5	*	17.5	7.1	21.6	24.4
1993	42,925	50.7	4.7	46.0	18.9	*	18.9	7.4	23.0	27.6
1994	43,482	49.2	6.1	43.1	17.0	0.4	16.6	7.3	26.5	33.0
1995	42,122	47.7	7.3	40.5	18.2	0.8	17.5	7.4	26.7	34.7
1996	41,960	50.1	8.3	41.8	19.2	0.6	18.6	7.3	23.4	32.3
1997	41,971	51.6	9.0	42.7	17.1	0.6	16.5	6.6	24.7	34.2
1998	43,987	53.6	10.0	43.6	16.3	0.6	15.8	6.5	23.5	34.1
1999	46,313	57.0	11.8	45.2	15.3	0.5	14.8	6.2	21.6	33.8
2000	47,699	56.3	12.4	43.9	15.5	0.6	14.9	6.2	22.0	35.0
2001	50,827	54.9	12.0	42.9	15.8	0.6	15.2	6.0	23.3	35.9
2002	52,297	53.7	12.4	41.3	17.5	0.8	16.7	6.0	22.8	36.0
2003	54,739	51.9	13.8	38.1	19.1	0.9	18.2	5.8	23.2	37.9
2004	56,149	51.0	12.7	38.3	19.9	0.9	18.9	5.8	23.4	37.0
2005	57,067	50.9	12.8	38.1	19.4	0.9	18.5	5.7	24.0	37.7
2006	54,896	50.9	12.8	38.1	19.2	1.0	18.3	6.0	23.9	37.7
2007	56,385	52.2	13.6	38.5	18.0	0.9	17.1	5.9	23.9	38.5
2008	58,350	52.8	13.3	39.5	17.6	0.9	16.7	5.9	23.7	37.9
2009	58,490	53.1	13.4	39.7	17.0	0.8	16.2	6.1	23.9	38.0
2010	58,168	53.6	13.9	39.7	16.8	0.8	16.0	6.3	23.3	37.9
2011	60,210	53.5	13.3	40.3	16.2	1.1	15.2	6.3	23.9	38.3

* Negligible

Notes: Shaded columns sum to 100%. Total employer-paid benefits include employer-paid deductibles under private carriers and state funds, as well as benefits paid by self-insured employers.

Source: National Academy of Social Insurance estimates based on Tables 4 and 6.

State Benefit Trends. Table 7 shows annual changes in benefit payments by state between 2007 and 2011. In 2011 total benefit payments increased in 29 jurisdictions and declined in 22. The largest increases in benefit payments occurred in Virginia (12.5%), Iowa (12.2%) and New York (10.7%). The largest

decreases occurred in Nevada (-11.3%), Oregon (-10.1%), and New Hampshire (-9.6%). A number of factors contribute to variations in the amount of benefits paid within a state from year to year, including changes in the number and severity of work-related injuries and illnesses, the state's legal

Table 7**Workers' Compensation Benefits Paid and Annual Percent Change, by State, 2007–2011**

State	Total Benefits (in thousands)					Annual Percent Change					Ranking for largest to smallest % change (2010–11)
	2007	2008	2009	2010	2011	2007-08	2008-09	2009-10	2010-11		
Alabama	\$635,315	\$656,607	\$625,755	\$629,069	\$616,022	3.4	-4.7	0.5	-2.1	41	
Alaska	201,477	219,163	221,021	221,327	238,789	8.8	0.8	0.1	7.9	7	
Arizona	697,027	691,422	657,148	701,747	711,801	-0.8	-5.0	6.8	1.4	26	
Arkansas	213,074	227,371	214,864	203,242	189,123	6.7	-5.5	-5.4	-6.9	47	
California	9,903,767	9,795,130	9,651,429	9,663,897	10,477,086	-1.1	-1.5	0.1	8.4	6	
Colorado	836,853	874,819	836,565	803,134	760,599	4.5	-4.4	-4.0	-5.3	45	
Connecticut	739,565	784,819	842,632	794,850	865,920	6.1	7.4	-5.7	8.9	5	
Delaware	233,032	218,665	206,145	211,921	219,971	-6.2	-5.7	2.8	3.8	19	
District of Columbia	97,508	95,091	104,683	105,492	111,141	-2.5	10.1	0.8	5.4	13	
Florida	2,943,090	2,829,806	2,898,803	2,544,980	2,711,148	-3.8	2.4	-12.2	6.5	10	
Georgia	1,518,539	1,598,399	1,526,510	1,451,687	1,389,746	5.3	-4.5	-4.9	-4.3	43	
Hawaii	247,294	245,763	244,375	242,400	246,780	-0.6	-0.6	-0.8	1.8	25	
Idaho	235,289	249,443	242,893	236,965	245,429	6.0	-2.6	-2.4	3.6	20	
Illinois	2,798,346	2,956,278	3,055,727	2,990,302	3,074,406	5.6	3.4	-2.1	2.8	21	
Indiana	600,017	626,661	597,175	598,678	625,111	4.4	-4.7	0.3	4.4	18	
Iowa	499,426	554,391	551,888	558,490	626,720	11.0	-0.5	1.2	12.2	2	
Kansas	396,811	416,634	416,431	405,257	435,641	5.0	0.0	-2.7	7.5	8	
Kentucky	651,943	697,350	684,345	662,014	656,441	7.0	-1.9	-3.3	-0.8	37	
Louisiana	732,704	854,487	831,002	832,098	869,762	16.6	-2.7	0.1	4.5	17	
Maine	276,818	339,957	260,521	251,479	252,017	22.8	-23.4	-3.5	0.2	29	
Maryland	829,914	935,948	895,905	953,533	1,006,998	12.8	-4.3	6.4	5.6	11	
Massachusetts	830,286	848,699	951,058	1,013,285	962,596	2.2	12.1	6.5	-5.0	44	
Michigan	1,511,282	1,407,282	1,509,881	1,271,892	1,301,061	-6.9	7.3	-15.8	2.3	24	
Minnesota	959,168	1,025,607	1,072,459	1,034,661	1,011,017	6.9	4.6	-3.5	-2.3	42	
Mississippi	328,234	346,640	321,771	337,633	334,430	5.6	-7.2	4.9	-0.9	38	

Missouri	869,806	907,615	850,089	805,920	813,686	4.3	-6.3	-5.2	1.0	27
Montana	254,661	260,835	261,105	266,821	252,550	2.4	0.1	2.2	-5.3	46
Nebraska	286,405	325,064	299,859	313,965	321,306	13.5	-7.8	4.7	2.3	23
Nevada	414,912	421,805	430,813	429,686	381,176	1.7	2.1	-0.3	-11.3	51
New Hampshire	218,644	250,178	246,831	251,629	227,488	14.4	-1.3	1.9	-9.6	49
New Jersey	1,862,167	1,994,792	1,990,888	2,058,351	2,168,517	7.1	-0.2	3.4	5.4	14
New Mexico	240,855	240,409	246,272	276,126	275,783	-0.2	2.4	12.1	-0.1	31
New York	3,597,478	3,899,911	4,136,960	4,606,295	5,097,055	8.4	6.1	11.3	10.7	3
North Carolina	1,374,267	1,476,013	1,414,268	1,351,078	1,420,429	7.4	-4.2	-4.5	5.1	16
North Dakota	91,735	105,835	110,526	114,981	125,960	15.4	4.4	4.0	9.5	4
Ohio	2,478,080	2,490,080	2,353,384	2,268,515	2,232,596	0.5	-5.5	-3.6	-1.6	39
Oklahoma	674,327	744,862	785,825	844,020	839,308	10.5	5.5	7.4	-0.6	35
Oregon	594,297	607,091	618,091	632,400	568,516	2.2	1.8	2.3	-10.1	50
Pennsylvania	2,806,195	2,902,243	2,901,339	2,909,341	2,894,165	3.4	0.0	0.3	-0.5	34
Rhode Island	154,224	159,535	160,697	160,016	168,291	3.4	0.7	-0.4	5.2	15
South Carolina	895,488	917,419	891,830	891,283	874,227	2.4	-2.8	-0.1	-1.9	40
South Dakota	119,567	111,184	93,578	100,348	90,844	-7.0	-15.8	7.2	-9.5	48
Tennessee	752,693	784,635	781,417	784,402	783,729	4.2	-0.4	0.4	-0.1	30
Texas	1,462,489	1,518,430	1,591,818	1,499,969	1,604,137	3.8	4.8	-5.8	6.9	9
Utah	270,585	287,690	274,072	243,354	256,742	6.3	-4.7	-11.2	5.5	12
Vermont	120,081	128,032	144,174	137,066	136,795	6.6	12.6	-4.9	-0.2	32
Virginia	896,509	934,995	858,884	778,179	875,090	4.3	-8.1	-9.4	12.5	1
Washington	1,995,799	2,192,885	2,312,186	2,308,748	2,316,713	9.9	5.4	-0.1	0.3	28
West Virginia	473,465	473,074	519,033	508,536	505,924	-0.1	9.7	-2.0	-0.5	33
Wisconsin	1,096,249	1,158,458	1,116,312	1,071,877	1,099,950	5.7	-3.6	-4.0	2.6	22
Wyoming	126,996	137,133	136,516	163,497	162,388	8.0	-0.4	19.8	-0.7	36
All Non-federal	\$53,044,751	\$54,926,636	\$54,947,752	\$54,496,434	\$56,433,120	3.5	0.0	-0.8	3.6	
All Federal ^a	3,339,892	3,423,825	3,542,605	3,672,058	3,776,993	2.5	3.5	3.7	2.9	
Federal employees ^b	2,586,700	2,676,370	2,763,885	2,889,321	2,994,122	3.5	3.3	4.5	3.6	
TOTAL	\$56,384,643	\$58,350,462	\$58,490,357	\$58,168,492	\$60,210,113	3.5	0.2	-0.6	3.5	

a. Includes federal benefits as included in Table 8.

b. Included in the Federal benefits total.

Notes: Benefits are payments in the calendar year to injured workers and to providers of their medical care. Data source for each state is described in details in Appendix C.

Source: National Academy of Social Insurance estimates based on data from state agencies, A.M. Best, National Association of Insurance Commissioners (NAIC), the U.S. Department of Labor and the Social Security Administration.

system for processing claims (e.g. changes in statutory rules, court rulings, administrative processes, reporting requirements); the state labor market (e.g. changes in employment, wage rates, mix of occupations/industries); the costs of medical care; and the ways in which stakeholders interact within the system.

State Benefits by Type of Insurer. Table 8 shows the shares of workers' compensation benefits paid by each type of insurer in each state in 2011. The shares vary considerably across states because of differences in the legal status of state funds (exclusive, competitive, other, or none). The share of workers' compensation benefits paid by *private carriers* ranges from more than 85 percent in some states with no state fund (Indiana, South Dakota, Vermont and Wisconsin) to 1 percent or less in the four states with exclusive state funds (North Dakota, Ohio, Washington, Wyoming).¹⁶

In the states with exclusive state funds the share of benefit payments accounted for by the *state fund* varies from nearly 99 percent in North Dakota and Wyoming (states that do not allow self-insurance) to approximately 80 percent in Ohio and Washington (states that allow qualifying employers to self-insure). In the 18 states with competitive state funds in 2011, the percentage of benefits accounted for by the state fund varies from nearly 56 percent in Idaho to less than 8 percent in Pennsylvania.

In states that allow employers to self-insure the share of workers' compensation benefits paid by *self-insured* employers varies widely. The share apportioned to self-insurance in 2011 ranges from a high of 52.0 percent in Alabama to a low of 3.0 percent in Idaho.

Table 8 also shows the share of workers' compensation benefits going to medical care in each state. Nationally, about half of all workers' compensation benefits go to medical care, but across states the share of benefits for medical care varies from less than 40 percent in six jurisdictions to greater than 60 percent in 14. Indiana has the largest share of

benefits going to medical care (73.2%) while Washington state has the smallest share (32.4%).

"In 2011, the share of benefits paid for medical care exceeded 50% in 33 states."

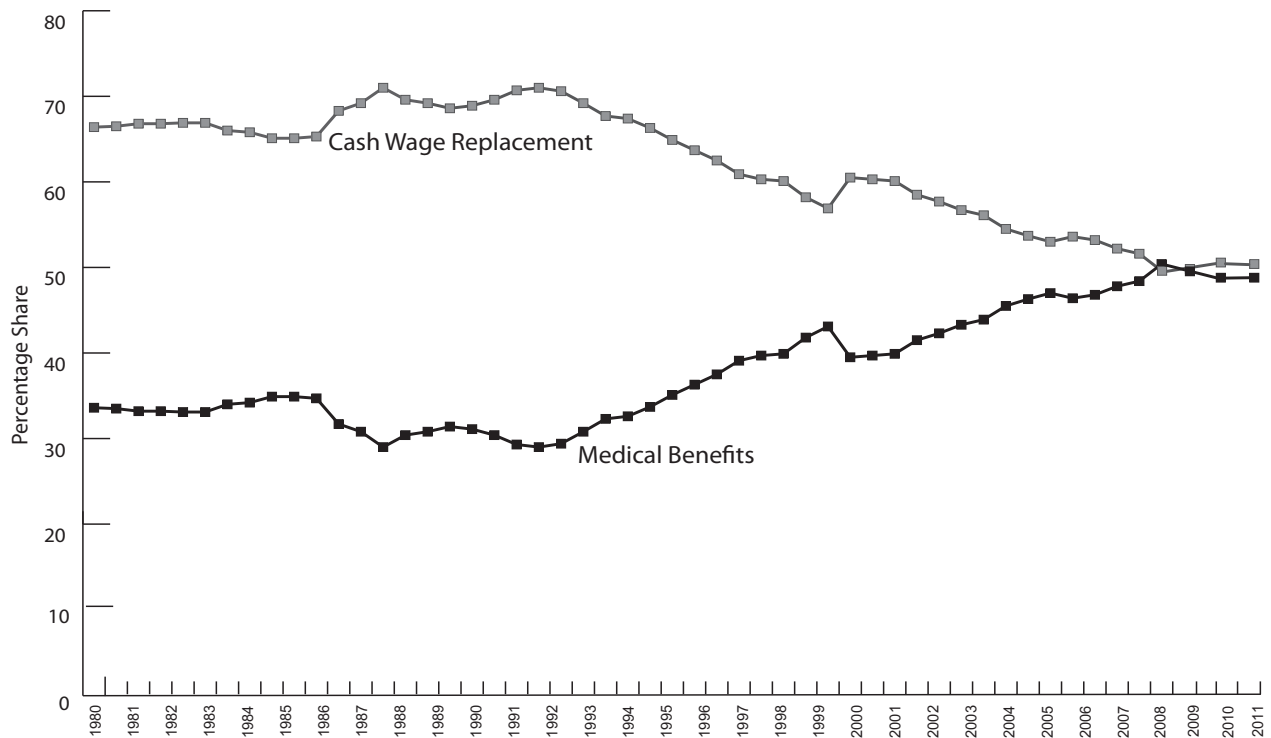
Table 9 shows changes between 2010 and 2011 in medical, cash, and total benefits for each state and the District of Columbia. While the long-term national trend has been for medical benefits to grow more rapidly than cash benefits (as shown in Figure 4), experience varies widely across states and from year to year. Among the 10 states with the largest percentage *increases* in total benefits in 2011, for example, five states experienced greater increases in cash benefits (Alaska, Florida, Iowa, New York, North Dakota), four states experienced greater increases in medical benefits (California, Connecticut, Kansas, Texas), and one state (Virginia) experienced identical increases in both. Among the 10 states with the largest percentage *decreases* in total benefits in 2011, nine states experienced greater decreases in cash benefits (Colorado, Georgia, Massachusetts, Montana, Minnesota, New Hampshire, Nevada, Oregon and South Dakota) while only Arkansas experienced greater decreases in medical benefits.

Despite the variation across states, the most common trends are for medical benefits to be increasing in importance while cash benefits are decreasing. Between 2010 and 2011 five states experienced double-digit percentage *increases* in medical benefits, with the largest in Virginia (12.5%) and Connecticut (12.1%). No state experienced a double-digit *decrease* in medical benefits. The largest percentage decrease was in Arkansas (-7.4%). Four states experienced double-digit *increases* in cash benefits in 2011: Iowa (14.4%), New York (13.0%), Virginia (12.5%) and North Dakota (10.9%). But six states experienced double-digit percentage *decreases* in cash benefits, with the largest

16 The payment of workers' compensation benefits by private carriers in states with exclusive state funds may be due to policies sold to employers in those states providing multi-state coverage and also because some exclusive state funds may be restricted to providing workers' compensation benefits for the state in which the exclusive state fund issues the policy and might not be permitted to offer employers liability coverage, federal Longshore and Harbor Workers' Compensation Act coverage, or excess coverage for authorized self-insurers.

Figure 4

Share of Medical and Cash Benefits, 1960–2011



Source: National Academy of Social Insurance estimates.

in New Hampshire (-21.7%) and South Dakota (-19.9%).

State benefit payments can be standardized to control for changes in employment and wage rates by dividing each state's total benefits by the total wages of covered workers in the state. The measure of benefits as a percentage of covered wages helps explain whether increases in one state's benefits payments can be attributed to growth in the state's population of covered workers and covered payroll or to other factors. The data do not, however, provide meaningful comparisons across states.¹⁷ Benefits per \$100 payroll should not be interpreted as either a measure of adequacy of benefits for workers or as a measure of costs to employers.

Table 10 shows benefits paid per \$100 of covered payroll by state from 2007 through 2011. Trends in standardized benefits over time are somewhat different from trends in dollar measures of benefits. In 12 states total benefits *increased* in 2011 but benefits per \$100 covered wages *decreased*. In Arizona, for example, there was a 1.4 percent increase in total benefits but benefits per \$100 of covered wages decreased by \$0.02. The trends in these 12 states generally reflect more rapid growth in wages than in benefit payments.

In 2011, the largest increase in benefits per \$100 covered payroll occurred in Iowa (\$0.08) which also experienced the second largest increase in overall benefits paid. The largest decrease in benefits paid

17 As discussed in the Academy's study panel report *Adequacy of Earnings Replacement in Workers' Compensation Programs* (Hunt 2004), a rigorous study of the adequacy of benefits would compare the benefits injured workers actually receive with the wages they lose because of their occupational injuries or diseases. Such data are not available for most states. The standardized measure of benefits relative to covered wages could be high or low in a given state for a number of reasons completely unrelated to the adequacy of benefits injured workers receive.

Table 8**Workers' Compensation Benefits by Type of Insurer and Share of Medical Benefits, by State, 2011**

State	Private Carriers		State Funds		Self-Insured ^b		Total (thousands) ^h	Medical (thousands)	Percent Medical ^c	Ranking of states from largest to smallest % Medical
	Benefits (thousands)	Percent Share	Benefits (thousands)	Percent Share	Benefits (thousands)	Percent Share				
Alabama	\$295,654	48.0			\$320,368	52.0	\$616,022	\$417,047	67.7	4
Alaska	168,535	70.6			70,254	29.4	238,789	155,929	65.3	8
Arizona	330,100	46.4	\$241,522	33.9	140,180	19.7	711,801	451,994	63.5	11
Arkansas	149,920	79.3			39,202	20.7	189,123	121,228	64.1	10
California	5,726,868	54.7	1,464,753	14.0	3,285,464	31.4	10,477,086	5,906,195	56.4	22
Colorado	238,542	31.4	395,936	52.1	126,121	16.6	760,599	426,696	56.1	25
Connecticut	639,800	73.9			226,120	26.1	865,920	403,519	46.6	38
Delaware	186,344	84.7			33,628	15.3	219,971	130,223	59.2	20
District of Columbia	78,368	70.5			32,773	29.5	111,141	38,010	34.2	48
Florida	1,962,337	72.4			748,810	27.6	2,711,148	1,773,091	65.4	7
Georgia	1,016,834	73.2			372,912	26.8	1,389,746	700,432	50.4	32
Hawaii	131,535	53.3			86,425	35.0	246,780	110,804	44.9	42
Idaho	100,346	40.9	137,825	56.2	7,257	3.0	245,429	157,320	64.1	9
Illinois	2,278,440	74.1			795,966	25.9	3,074,406	1,466,492	47.7	35
Indiana	547,074	87.5			78,037	12.5	625,111	457,581	73.2	1
Iowa	489,958	78.2			136,762	21.8	626,720	335,295	53.5	27
Kansas	310,763	71.3			124,878	28.7	435,641	244,394	56.1	24
Kentucky	367,500	56.0	83,726	12.8	205,215	31.3	656,441	369,576	56.3	23
Louisiana	479,534	55.1	102,336	11.8	287,892	33.1	869,762	461,843	53.1	28
Maine	171,566	68.1			80,452	31.9	252,017	123,237	48.9	34
Maryland	544,174	54.0	172,928	17.2	289,896	28.8	1,006,998	465,233	46.2	39
Massachusetts	723,024	75.1			239,572	24.9	962,596	329,112	34.2	49
Michigan	794,135	61.0			506,926	39.0	1,301,061	503,694	38.7	46
Minnesota	767,128	75.9			243,890	24.1	1,011,017	523,945	51.8	29
Mississippi	215,732	64.5			118,698	35.5	334,430	199,989	59.8	15

Missouri	530,367	65.2	85,559	10.5	197,760	24.3	813,686	481,702	59.2	19
Montana	83,726	33.2	125,456	49.7	43,368	17.2	252,550	158,096	62.6	12
Nebraska	254,981	79.4			66,325	20.6	321,306	198,246	61.7	14
Nevada	260,783	68.4			120,393	31.6	381,176	179,915	47.2	37
New Hampshire	170,587	75.0			56,901	25.0	227,488	151,052	66.4	5
New Jersey	1,704,263	78.6			464,254	21.4	2,168,517	1,088,519	50.2	33
New Mexico	158,994	57.7	25,564	9.3	91,225	33.1	275,783	159,403	57.8	21
New York	2,190,515	43.0	1,357,643	26.6	1,548,897	30.4	5,097,055	1,830,356	35.9	47
North Carolina	1,066,443	75.1			353,986	24.9	1,420,429	640,614	45.1	41
North Dakota ^a	559	0.4	125,401	99.6			125,960	74,691	59.3	18
Ohio	17,470	0.8	1,824,527	81.7	390,598	17.5	2,232,596	945,799	42.4	45
Oklahoma	420,373	50.1	255,770	30.5	163,165	19.4	839,308	372,653	44.4	43
Oregon	193,428	34.0	261,773	46.0	113,315	19.9	568,516	305,293	53.7	26
Pennsylvania	2,065,411	71.4	218,184	7.5	610,571	21.1	2,894,165	1,319,582	45.6	40
Rhode Island	60,241	35.8	83,068	49.4	24,982	14.8	168,291	56,377	33.5	50
South Carolina ^e	660,565	75.6	48,907	5.6	164,755	18.8	874,227	382,037	43.7	44
South Dakota	86,934	95.7			3,910	4.3	90,844	60,048	66.1	6
Tennessee	636,874	81.3			146,855	18.7	783,729	467,886	59.7	17
Texas	897,283	55.9	388,270	24.2	318,584	19.9	1,604,137	991,357	61.8	13
Utah	94,766	36.9	117,788	45.9	44,188	17.2	256,742	181,773	70.8	2
Vermont	119,009	87.0			17,786	13.0	136,795	70,449	51.5	30
Virginia	678,225	77.5			196,865	22.5	875,090	523,304	59.8	15
Washington ^a	23,858	1.0	1,818,520	78.5	474,335	20.5	2,316,713	750,282	32.4	51
West Virginia ^d	189,075	37.4	257,755	50.9	59,095	11.7	505,924	239,808	47.4	36
Wisconsin	955,151	86.8			144,799	13.2	1,099,950	770,936	70.1	3
Wyoming ^a	1,392	0.9	160,996	99.1			162,388	82,746	51.0	31
Non-federal total	\$32,235,482	57.1	\$9,783,027	17.3	\$14,414,610	25.5	\$56,433,120	28,755,801	51.0	
All Federal ^f							3,776,993	1,106,723	29.3	
Federal employees ^g							2,994,122	917,095	30.6	
TOTAL							\$60,210,113	\$29,862,524	49.6	

Notes: Benefits are payments in the calendar year to injured workers and to providers of their medical care.

- States with exclusive funds (Ohio, North Dakota, Washington, and Wyoming) may have small amounts of benefits paid in the private carrier category. This results from the fact that some employers doing business in states with exclusive state funds may need to obtain coverage from private carriers under the USL&HW act or employers liability coverage which the state fund is not authorized to provide. In addition, private carriers may provide excess compensation coverage in some of these states.
- Self-insurance includes individual self-insurers and group self-insurance.
- For further details see Appendix C.
- West Virginia completed the transition from monopolistic state fund to competitive insurance status on July 1, 2008.
- South Carolina's State Accident Fund is not a competitive state fund.
- Federal benefits include: those paid under the Federal Employees' Compensation Act for civilian employees; the portion of the Black Lung benefit program that is financed by employers; and a portion of benefits under the Longshore and Harbor Workers' Compensation Act that are not reflected in state data, namely, benefits paid by self-insured employers and by special funds under the LHWCA. See Appendix H for more information about federal programs.
- Included in the Federal benefits total.
- These data may not include second injury fund for all states and may be an understatement of total payments data.

Source: National Academy of Social Insurance estimates based on data received from state agencies, the U.S. Department of Labor, A.M. Best, and the National Council on Compensation Insurance.

Table 9**Changes in Workers' Compensation Medical, Cash and Total Benefits, by State, 2010-2011
(in thousands)**

State	Medical Benefits (thousands)			Cash Benefits (thousands)			Total Benefits (thousands)			Ranking (largest to smallest increase in total benefits)
	2010	2011	% Change	2010	2011	% Change	2010	2011	% Change	
Alabama	\$434,057	\$417,047	-3.9	\$195,011	\$198,975	2.0	\$629,069	\$616,022	-2.1	41
Alaska	145,190	155,929	7.4	76,136	82,860	8.8	221,327	238,789	7.9	7
Arizona	439,294	451,994	2.9	262,453	259,807	-1.0	701,747	711,801	1.4	26
Arkansas	130,888	121,228	-7.4	72,354	67,895	-6.2	203,242	189,123	-6.9	47
California	5,373,141	5,906,195	9.9	4,290,756	4,570,891	6.5	9,663,897	10,477,086	8.4	6
Colorado	405,583	426,696	5.2	397,551	333,903	-16.0	803,134	760,599	-5.3	45
Connecticut	360,067	403,519	12.1	434,783	462,401	6.4	794,850	865,920	8.9	5
Delaware	122,914	130,223	5.9	89,007	89,748	0.8	211,921	219,971	3.8	19
District of Columbia	35,867	38,010	6.0	69,625	73,131	5.0	105,492	111,141	5.4	13
Florida	1,672,052	1,773,091	6.0	872,928	938,057	7.5	2,544,980	2,711,148	6.5	10
Georgia	728,747	700,432	-3.9	722,940	689,314	-4.7	1,451,687	1,389,746	-4.3	43
Hawaii	105,444	110,804	5.1	136,956	135,976	-0.7	242,400	246,780	1.8	25
Idaho	149,051	157,320	5.5	87,914	88,109	0.2	236,965	245,429	3.6	20
Illinois	1,420,393	1,466,492	3.2	1,569,909	1,607,914	2.4	2,990,302	3,074,406	2.8	21
Indiana	428,654	457,581	6.7	170,025	167,530	-1.5	598,678	625,111	4.4	18
Iowa	303,818	335,295	10.4	254,671	291,425	14.4	558,490	626,720	12.2	2
Kansas	222,081	244,394	10.0	183,176	191,246	4.4	405,257	435,641	7.5	8
Kentucky	376,686	369,576	-1.9	285,328	286,865	0.5	662,014	656,441	-0.8	37
Louisiana	442,450	461,843	4.4	389,647	407,918	4.7	832,098	869,762	4.5	17
Maine	122,973	123,237	0.2	128,506	128,781	0.2	251,479	252,017	0.2	29
Maryland	435,765	465,233	6.8	517,769	541,765	4.6	953,533	1,006,998	5.6	11
Massachusetts	345,470	329,112	-4.7	667,815	633,484	-5.1	1,013,285	962,596	-5.0	44
Michigan	508,456	503,694	-0.9	763,435	797,368	4.4	1,271,892	1,301,061	2.3	24

Minnesota	529,585	523,945	-1.1	505,076	487,073	-3.6	1,034,661	1,011,017	-2.3	42
Mississippi	211,021	199,989	-5.2	126,613	134,441	6.2	337,633	334,430	-0.9	38
Missouri	448,092	481,702	7.5	357,829	331,984	-7.2	805,920	813,686	1.0	27
Montana	160,359	158,096	-1.4	106,462	94,454	-11.3	266,821	252,550	-5.3	46
Nebraska	191,833	198,246	3.3	122,132	123,060	0.8	313,965	321,306	2.3	23
Nevada	187,773	179,915	-4.2	241,913	201,261	-16.8	429,686	381,176	-11.3	51
New Hampshire	153,997	151,052	-1.9	97,632	76,436	-21.7	251,629	227,488	-9.6	49
New Jersey	1,022,915	1,088,519	6.4	1,035,436	1,079,998	4.3	2,058,351	2,168,517	5.4	14
New Mexico	161,257	159,403	-1.2	114,868	116,380	1.3	276,126	275,783	-0.1	31
New York	1,714,649	1,830,356	6.7	2,891,645	3,266,699	13.0	4,606,295	5,097,055	10.7	3
North Carolina	597,176	640,614	7.3	753,901	779,816	3.4	1,351,078	1,420,429	5.1	16
North Dakota	68,734	74,691	8.7	46,247	51,269	10.9	114,981	125,960	9.5	4
Ohio	963,557	945,799	-1.8	1,304,958	1,286,797	-1.4	2,268,515	2,232,596	-1.6	39
Oklahoma	373,057	372,653	-0.1	470,963	466,655	-0.9	844,020	839,308	-0.6	35
Oregon	320,627	305,293	-4.8	311,773	263,223	-15.6	632,400	568,516	-10.1	50
Pennsylvania	1,290,603	1,319,582	2.2	1,618,738	1,574,584	-2.7	2,909,341	2,894,165	-0.5	34
Rhode Island	53,125	56,377	6.1	106,891	111,913	4.7	160,016	168,291	5.2	15
South Carolina	385,034	382,037	-0.8	506,249	492,190	-2.8	891,283	874,227	-1.9	40
South Dakota	61,915	60,048	-3.0	38,433	30,796	-19.9	100,348	90,844	-9.5	48
Tennessee	445,540	467,886	5.0	338,861	315,843	-6.8	784,402	783,729	-0.1	30
Texas	890,981	991,357	11.3	608,987	612,780	0.6	1,499,969	1,604,137	6.9	9
Utah	166,941	181,773	8.9	76,413	74,969	-1.9	243,354	256,742	5.5	12
Vermont	71,137	70,449	-1.0	65,929	66,345	0.6	137,066	136,795	-0.2	32
Virginia	465,351	523,304	12.5	312,828	351,786	12.5	778,179	875,090	12.5	1
Washington	760,998	750,282	-1.4	1,547,750	1,566,431	1.2	2,308,748	2,316,713	0.3	28
West Virginia	256,561	239,808	-6.5	251,975	266,116	5.6	508,536	505,924	-0.5	33
Wisconsin	749,586	770,936	2.8	322,291	329,015	2.1	1,071,877	1,099,950	2.6	22
Wyoming	82,486	82,746	0.3	81,011	79,642	-1.7	163,497	162,388	-0.7	36
Non-federal total	\$27,493,933	\$28,755,801	4.6	\$27,002,501	\$27,677,319	2.5	\$54,496,434	\$56,433,120	3.6	

Note: For details on state by state calculations, see *Sources and Methods: A Companion to Workers' Compensation: Benefits, Coverage, and Costs*, 2011 section of the Academy's website at www.nasi.org.

Source: National Academy of Social Insurance estimates based on data from state agencies and A.M. Best.

Table 10**Workers' Compensation Benefits Per \$100 of Covered Wages, by State, 2007–2011**

State	2007	2008	2009	2010	2011	Dollar Amount Change	
						2010-2011	Ranking (largest to to smallest increase)
Alabama	\$0.95	\$0.96	\$0.96	\$0.95	\$0.91	-\$0.04	32
Alaska	1.60	1.64	1.62	1.57	1.63	0.05	3
Arizona	0.65	0.65	0.66	0.71	0.70	-0.02	25
Arkansas	0.57	0.59	0.57	0.53	0.47	-0.06	38
California	1.28	1.25	1.31	1.29	1.34	0.05	4
Colorado	0.84	0.84	0.84	0.80	0.73	-0.07	42
Connecticut	0.76	0.81	0.92	0.85	0.89	0.04	6
Delaware	1.18	1.11	1.10	1.11	1.10	-0.01	20
District of Columbia	0.29	0.27	0.31	0.30	0.30	0.00	17
Florida	1.00	0.98	1.07	0.94	0.97	0.03	8
Georgia	0.94	0.99	1.01	0.95	0.87	-0.07	41
Hawaii	1.09	1.06	1.09	1.10	1.08	-0.01	21
Idaho	1.10	1.17	1.20	1.17	1.18	0.01	14
Illinois	1.02	1.06	1.17	1.13	1.11	-0.01	23
Indiana	0.56	0.58	0.59	0.58	0.58	0.00	18
Iowa	0.96	1.03	1.06	1.05	1.13	0.08	1
Kansas	0.82	0.82	0.85	0.83	0.87	0.03	7
Kentucky	1.03	1.08	1.09	1.04	0.99	-0.05	33
Louisiana	1.05	1.15	1.14	1.13	1.14	0.01	12
Maine	1.37	1.63	1.29	1.23	1.20	-0.02	28
Maryland	0.74	0.81	0.79	0.83	0.86	0.02	10
Massachusetts	0.47	0.47	0.55	0.57	0.52	-0.05	34
Michigan	0.87	0.82	0.96	0.80	0.78	-0.02	27
Minnesota	0.82	0.85	0.94	0.89	0.83	-0.06	37
Mississippi	0.98	1.00	0.97	1.01	0.98	-0.03	29
Missouri	0.89	0.89	0.88	0.84	0.82	-0.01	22
Montana	1.91	1.89	1.95	1.95	1.78	-0.17	51
Nebraska	0.91	1.01	0.94	0.98	0.97	-0.01	19
Nevada	0.78	0.80	0.91	0.94	0.81	-0.12	49
New Hampshire	0.81	0.90	0.93	0.93	0.81	-0.12	48
New Jersey	0.89	0.93	0.98	1.00	1.03	0.03	9
New Mexico	0.89	0.85	0.90	1.01	0.99	-0.02	26
New York	0.72	0.76	0.88	0.93	0.99	0.06	2
North Carolina	0.91	0.97	0.98	0.92	0.93	0.01	13
North Dakota	0.86	0.91	0.92	0.88	0.83	-0.05	35
Ohio	1.20	1.19	1.19	1.14	1.07	-0.06	39
Oklahoma	1.30	1.36	1.49	1.66	1.55	-0.11	47

continued on p. 27

Table 10 continued**Workers' Compensation Benefits Per \$100 of Covered Wages, by State, 2007–2011**

State	2007	2008	2009	2010	2011	Dollar Amount Change	
						2010-2011	Ranking (largest to to smallest increase)
Oregon	0.89	0.90	0.97	0.98	0.84	-0.14	50
Pennsylvania	1.18	1.19	1.22	1.20	1.15	-0.05	36
Rhode Island	0.80	0.82	0.86	0.84	0.86	0.02	11
South Carolina	1.42	1.44	1.47	1.45	1.37	-0.08	43
South Dakota	1.01	0.90	0.76	0.80	0.69	-0.11	46
Tennessee	0.75	0.77	0.81	0.79	0.76	-0.03	30
Texas	0.43	0.43	0.47	0.39	0.40	0.01	15
Utah	0.63	0.65	0.65	0.57	0.57	0.00	16
Vermont	1.11	1.15	1.33	1.24	1.20	-0.04	31
Virginia	0.58	0.60	0.56	0.50	0.54	0.04	5
Washington	1.57	1.69	1.82	1.80	1.72	-0.08	45
West Virginia	2.08	2.02	2.23	2.08	2.01	-0.07	40
Wisconsin	1.07	1.11	1.13	1.07	1.05	-0.01	24
Wyoming	1.21	1.20	1.27	1.50	1.42	-0.08	44
Total Non-Federal	0.93	0.95	1.00	0.97	0.97	0.00	
Federal Employees	1.46	1.46	1.44	1.39	1.43	0.04	
Total	0.96	0.98	1.03	1.00	1.00	0.01	

Note: Federal total includes only workers covered under FECA.

Source: National Academy of Social Insurance estimates based on Tables 3, 8, D1, D2, D3 and D4.

per \$100 covered payroll occurred in Montana (-\$0.17), which was also among the 10 states experiencing the greatest decrease in benefits overall.

“Between 2010 and 2011, five states experienced double-digit increases in medical benefits, whereas no state experienced a double-digit decrease in medical benefits. Four states experienced double-digit increases in cash benefits but six states experienced double-digit decreases in cash benefits.”

Employer Costs for Workers' Compensation

Methods for Estimating Employer Costs

For employers who purchase insurance from private carriers or state funds, the cost of workers' compensation in any year equals the sum of premiums paid in the year plus benefit payments made under deductible provisions. The growing use of large deductible policies complicates the measurement of employer costs because our insurance industry data sources (A.M. Best) do not provide information on deductibles and many states are unable to provide data on deductibles for the Academy's survey. Consequently, costs associated with deductibles had to be estimated for most states. (Refer to Appendix G for details).

For self-insured employers, workers' compensation costs include benefit payments made during the calendar year and administrative costs associated with providing those benefits. Administrative costs include the direct costs of managing claims as well as expenses for litigation and cost containment, taxes, licenses, and fees. Self-insured employers generally do not record administrative costs for workers' compensation separately from the costs of administering other employee benefit programs, so administrative costs for self-insured employers must be estimated. We assume administrative costs for self-insured employers are the same proportion of benefits paid as administrative costs reported by private insurers to the National Association of Insurance Commissioners. (For more information on estimating costs for self-insured employers, refer to Appendix C).

For the federal employee workers' compensation program, employer costs are benefits paid plus administrative costs as reported by the Department of Labor (U.S. DOL 2013).

Estimates of Employer Costs

National estimates. Table 11 shows employer costs for workers' compensation by type of insurer for 1992 through 2011. In 2011 employer costs were \$77.1 billion, an increase of 7.1 percent from \$71.9 billion in 2010. Costs for employers insured through private

carriers were \$45.6 billion; costs for employers insured through state funds were \$10.1 billion; costs for self-insured employers were \$16.9 billion; and costs to the federal government were \$4.4 billion.

In recent years the share of total costs paid by privately insured employers has been stable at around 60 percent (59.2% in 2011), and the share paid by the federal government around 5 percent (5.7% in 2011). The share of total costs paid by employers insured through state funds has declined (to 13.1% in 2011, a 20-year low), with a corresponding increase in the share of costs paid by self-insured employers (to 21.9% in 2011).

"Employer costs for workers' compensation in 2011 were \$77.1 billion, an increase of 7.1% from 2010."

Relative to total wages of covered workers, employer costs nationally increased from \$1.24 per \$100 of covered wages in 2010 to \$1.27 per \$100 of covered wages in 2011 (Table 14).

State estimates. Table 12 reports estimates of employer costs for workers' compensation per \$100 of covered payroll for each state for the five-year period from 2007 to 2011. Costs are aggregated across all types of insurance arrangements (excluding costs to the federal government). Between 2010 and 2011 employer costs per \$100 of covered payroll increased in 35 states, and declined in 16 (Table 12). Six states (Connecticut, Iowa, New York, Washington, Wisconsin and Wyoming) experienced cost increases greater than \$0.10 per \$100 of covered payroll, with the largest increase in Wisconsin and Wyoming (\$0.14). Three states (Montana, Ohio, West Virginia) experienced decreases in costs greater than \$0.10 per \$100 payroll.

This is only the second year NASI has published estimates of employer costs for workers' compensation by state, and readers are cautioned against using the estimates to make inter-state comparisons. A meaningful comparison of employer costs across

Table 11**Workers' Compensation Employer Costs by Type of Insurer, 1992-2011**

Year	Total	%	Private Carriers		State Funds		Self-Insurance		Federal	
	(in millions)	Change	(in millions)	% of total	(in millions)	% of total	(in millions)	% of total	(in millions)	% of total
1992	\$57,395	3.9	\$34,539	60.2	\$9,608	16.7	\$10,794	18.8	\$2,454	4.3
1993	60,819	6.0	35,596	58.5	10,902	17.9	11,791	19.4	2,530	4.2
1994	60,517	-0.5	33,997	56.2	11,235	18.6	12,795	21.1	2,490	4.1
1995	57,089	-5.7	31,554	55.3	10,512	18.4	12,467	21.8	2,556	4.5
1996	55,293	-3.1	30,453	55.1	10,190	18.4	12,049	21.8	2,601	4.7
1997	53,544	-3.2	29,862	55.8	8,021	15.0	12,303	23.0	3,358	6.3
1998	53,431	-0.2	30,377	56.9	7,926	14.8	11,657	21.8	3,471	6.5
1999	55,835	4.5	33,422	59.9	7,484	13.4	11,433	20.5	3,496	6.3
2000	60,065	7.6	35,673	59.4	8,823	14.7	11,949	19.9	3,620	6.0
2001	65,752	9.5	37,768	57.4	10,644	16.2	13,561	20.6	3,778	5.7
2002	72,574	10.4	41,295	56.9	13,695	18.9	13,686	18.9	3,898	5.4
2003	80,544	11.0	45,276	56.2	16,402	20.4	14,897	18.5	3,970	4.9
2004	84,232	4.6	47,411	56.3	17,510	20.8	15,237	18.1	4,073	4.8
2005	89,272	6.0	50,668	56.8	18,157	20.3	16,351	18.3	4,096	4.6
2006	86,733	-2.8	51,297	59.1	15,555	17.9	15,743	18.2	4,138	4.8
2007	86,233	-0.6	52,106	60.4	13,878	16.1	16,013	18.6	4,236	4.9
2008	79,940	-7.3	47,252	59.1	12,240	15.3	16,107	20.1	4,341	5.4
2009	73,838	-7.6	42,983	58.2	10,646	14.4	16,145	21.9	4,065	5.5
2010	71,939	-2.6	42,249	58.7	9,779	13.6	15,684	21.8	4,228	5.9
2011	77,067	7.1	45,657	59.2	10,092	13.1	16,891	21.9	4,427	5.7

Notes: Federal costs include costs to the Federal government under the Federal Employees' Compensation Act, and employer costs associated with the Federal Black Lung Disability Trust fund. In years before 1997, Federal costs also include the part of the Black Lung program financed by Federal funds. In 1997–2011 Federal costs include employer costs associated with the Longshore and Harbor Workers' Compensation Act. See Appendix H for more information about federal programs.

Source: National Academy of Social Insurance estimates of costs for private carriers and state funds are based on information from A.M. Best and direct contact with state agencies. Costs for federal programs are from the Department of Labor and the Social Security Administration. Self-insured administrative costs are based on information from the National Association of Insurance Commissioners.

states requires that insurance rates be compared for employers within the same insurance classifications, which is beyond the scope of this report. Thus the state estimates of employer costs reported here are not informative for making plant-location decisions, for determining adequacy of workers' compensation benefits, or for formulating legislative reforms.

In addition, the cost data reported here do not capture recent changes in laws that may have changed

the workers' compensation market within a state. Cost data for 2011 include a substantial proportion of benefits paid for injuries that occurred in the past when legal regimes and economic conditions may have been different. Thus, the data reported here may not fully reflect the current reality of the workers' compensation market in a state.

NASI estimates compared to BLS estimates. The Bureau of Labor Statistics (BLS) also publishes annu-

Table 12**Workers' Compensation Employer Costs per \$100 of Covered Payroll, by State, 2007–2011**

State	2007	2008	2009	2010	2011	Dollar Amount Change	
						2010-2011	Ranking (largest to smallest increase)
Alabama	\$1.41	\$1.29	\$1.25	\$1.21	\$1.18	-\$0.03	40
Alaska	3.40	2.90	2.60	2.37	2.45	0.08	11
Arizona	1.08	0.97	0.87	0.83	0.82	-0.01	37
Arkansas	1.06	0.96	0.87	0.82	0.78	-0.04	44
California	1.87	1.63	1.62	1.62	1.71	0.08	9
Colorado	1.33	1.19	1.05	0.94	0.86	-0.08	46
Connecticut	1.10	1.08	1.04	0.99	1.10	0.11	6
Delaware	2.09	1.57	1.26	1.16	1.17	0.01	30
District of Columbia	0.61	0.52	0.51	0.50	0.49	-0.01	36
Florida	1.61	1.35	1.27	1.09	1.18	0.09	8
Georgia	1.34	1.29	1.19	1.10	1.09	-0.01	37
Hawaii	2.11	1.65	1.44	1.41	1.45	0.04	17
Idaho	1.87	1.70	1.57	1.49	1.55	0.06	13
Illinois	1.50	1.43	1.43	1.36	1.39	0.03	20
Indiana	0.93	0.84	0.79	0.77	0.83	0.06	14
Iowa	1.50	1.49	1.46	1.43	1.56	0.13	3
Kansas	1.33	1.29	1.25	1.22	1.24	0.03	25
Kentucky	1.53	1.44	1.38	1.23	1.24	0.01	29
Louisiana	2.00	1.77	1.61	1.53	1.53	0.00	32
Maine	1.86	1.68	1.57	1.48	1.55	0.08	10
Maryland	1.16	1.15	0.97	1.04	1.05	0.02	27
Massachusetts	0.80	0.64	0.69	0.73	0.73	0.00	35
Michigan	1.16	1.04	1.16	0.98	1.04	0.07	12
Minnesota	1.23	1.11	1.11	1.03	1.04	0.01	28
Mississippi	1.73	1.53	1.43	1.31	1.34	0.03	23
Missouri	1.47	1.28	1.18	1.08	1.08	0.00	33
Montana	3.50	3.22	3.06	2.76	2.54	-0.22	50
Nebraska	1.52	1.48	1.39	1.31	1.34	0.03	22
Nevada	1.43	1.24	1.11	1.06	1.00	-0.06	45
New Hampshire	1.36	1.29	1.23	1.22	1.13	-0.09	47
New Jersey	1.33	1.34	1.30	1.24	1.27	0.04	19
New Mexico	1.60	1.40	1.34	1.36	1.36	0.00	34
New York	1.19	1.03	1.12	1.17	1.28	0.11	5
North Carolina	1.47	1.38	1.25	1.14	1.19	0.05	16
North Dakota	1.39	1.44	1.53	1.52	1.48	-0.04	42
Ohio	1.33	1.37	1.50	1.33	1.17	-0.16	49
Oklahoma	1.96	1.90	1.95	2.08	2.05	-0.03	41
Oregon	1.66	1.28	1.15	1.11	1.10	-0.01	39
Pennsylvania	1.63	1.57	1.50	1.47	1.57	0.10	7
Rhode Island	1.27	1.16	1.07	1.01	1.07	0.06	15
South Carolina	2.13	2.03	1.79	1.75	1.66	-0.09	48
South Dakota	1.65	1.42	1.24	1.30	1.26	-0.04	43
Tennessee	1.30	1.24	1.14	1.07	1.09	0.03	24
Texas	1.00	0.91	0.85	0.67	0.71	0.04	18
Utah	1.40	1.21	1.02	0.83	0.84	0.01	31
Vermont	2.08	1.89	1.73	1.63	1.67	0.03	21
Virginia	0.90	0.82	0.77	0.71	0.73	0.02	26
Washington*	1.29	1.39	1.32	1.34	1.46	0.13	4
West Virginia	6.46	4.07	3.35	2.79	1.96	-0.82	51
Wisconsin	1.91	1.76	1.75	1.63	1.78	0.14	1
Wyoming	1.95	2.37	2.27	1.60	1.74	0.14	2
Total non-federal	\$1.44	\$1.31	\$1.27	\$1.21	\$1.24	\$0.03	

Table 12 continued

*Note: In Washington state both employers and employees contribute to workers' compensation premiums. The data reported include only the employer portion. If employee contributions were also included then workers' compensation costs per \$100 of covered wages would have been \$1.52 in 2007, \$1.78 in 2008, \$1.68 in 2009, \$1.75 in 2010 and \$1.85 in 2011. The increase in employer costs between 2010 and 2011 (\$0.10) would have ranked 6th highest among states.

Source: National Academy of Social Insurance estimates.

“Employer costs for workers’ compensation increased in 35 states and declined in 17 states between 2010 and 2011.”

al estimates of employer costs for workers’ compensation in *Employer Costs for Employee Compensation*. The publication contains information on the amounts employers pay for wages and salaries, and employee benefits, including workers’ compensation.¹⁸ Table 13 and Figure 5 compare the NASI and BLS estimates for non-Federal employees for 1996-2011. Over the 16-year period the BLS estimates of employer costs have been consistently higher than NASI estimates. In 2011 the BLS estimates (\$1.84 per \$100 of covered payroll) exceeded the NASI estimates (\$1.24 per \$100 covered payroll) by 48 percent.

Figure 5 shows the trend lines for BLS and NASI estimates of employer costs for 1996-2011. Although the BLS estimates are always greater than the NASI estimates, the data series show similar trends in employer costs over the last 15 years. Employer costs declined between 1996 and 2000, then increased

from 2000 to 2005, then declined again between 2005 and 2010. Between 2010 and 2011 the NASI estimates indicate an increase in employer costs where the BLS trend is still declining. This is the only significant deviation in the two trends since 2001, when the NASI estimate of costs also suggested an increase in costs while the BLS estimate continued to trend downwards.

Benefits paid relative to employer costs. The difference between benefits paid to injured workers and employer costs indicates the extent to which employers’ payments for workers’ compensation go to injured workers as opposed to administrative costs and insurer profits, as well as the time lag between premiums collected vs. benefits paid. (For employers covered by private insurers or state funds, some proportion of benefits in any given year are for injuries occurring, and paid for, in prior years).¹⁹

Table 14 reports the ratio of benefits paid to employer costs since 1992. Over this period the ratio has varied between 0.63 (2006) and 0.83 (1999). Benefits paid in 2011 were \$0.78 per \$1 of employer cost, a decrease of \$0.03 since 2010. Still the ratio in 2011 represents an increase of \$0.15 from the low of \$0.63 in 2006.

18 The BLS data are available on a quarterly basis. The most recent data used for Table 13 are based on a sample of 12,900 establishments in private industry and 1,800 establishments in state and local governments (U.S. Department of Labor 2012a). The BLS data on employer costs in the private sector are available by industry, occupational group, establishment size, bargaining status, and for four census regions and nine census divisions, but are not available for individual states. The BLS methodology and the procedure used to calculate workers’ compensation benefits per \$100 of payroll are discussed in Burton (2012: Appendix A).

19 For employers insured through the private market or state funds, employer costs are largely determined by premiums paid in the year. Premiums paid by employers do not necessarily match benefits received by workers in a given year because premiums in a given calendar year must pay for all compensable consequences of injuries that occur during the year, including benefits paid in future years. Premiums can also be influenced by insurers’ past and anticipated investment returns on reserves they set aside to cover future liabilities.

Table 13

**Workers' Compensation Employer Costs
per \$100 Covered Payroll:
NASI vs. BLS Estimates, 1996-2011**

Year	Costs per \$100 of Wages	
	NASI	BLS
1996	1.58	2.52
1997	1.46	2.44
1998	1.36	2.17
1999	1.30	2.11
2000	1.29	1.90
2001	1.39	1.87
2002	1.54	1.93
2003	1.68	1.93
2004	1.67	2.26
2005	1.69	2.31
2006	1.54	2.21
2007	1.44	2.15
2008	1.31	2.03
2009	1.27	1.92
2010	1.21	1.87
2011	1.24	1.84

Notes: Costs are for non-Federal employees.

Source: National Academy of Social Insurance estimates and Burton 2012.

Incidence of Work-Related Injuries and Illnesses

Information on the incidence of work-related injuries and illnesses in any given year come from two sources: 1) The Bureau of Labor Statistics (BLS) collects information on work-related fatalities from the Census of Fatal Occupational Injuries, and information on nonfatal work-related injuries or illnesses from a sample survey of employers. 2) The National Council on Compensation Insurance (NCCI) has information on the number of workers' compensation claims paid by private carriers and competitive state funds in 37 states (NCCI 2012b).

Estimates from BLS Data

Fatalities. According to the BLS data, a total of 4,693 fatal work-related injuries occurred in 2011, about the same number as reported in 2010 (4,690) (Table 15). Fatalities among private industry employers declined from 4,206 in 2010 to 4,188 in 2011. Since 2007 the annual number of work-related fatalities has been substantially lower than in prior years, likely reflecting, in part, reductions in employment in hazardous jobs during the most recent recession. Between 2007 and 2011 the number of workers covered by workers' compensation declined by 4.5 percent, while work-related fatalities declined by 17 percent. The leading cause of work-related fatalities in 2011 was transportation incidents, accounting for 41 percent of the total. Other leading causes of fatalities were homicides and self-inflicted injuries (17% of the total), contact with objects and/or equipment (15%), and falls (14%) (U.S. DOL 2012c).

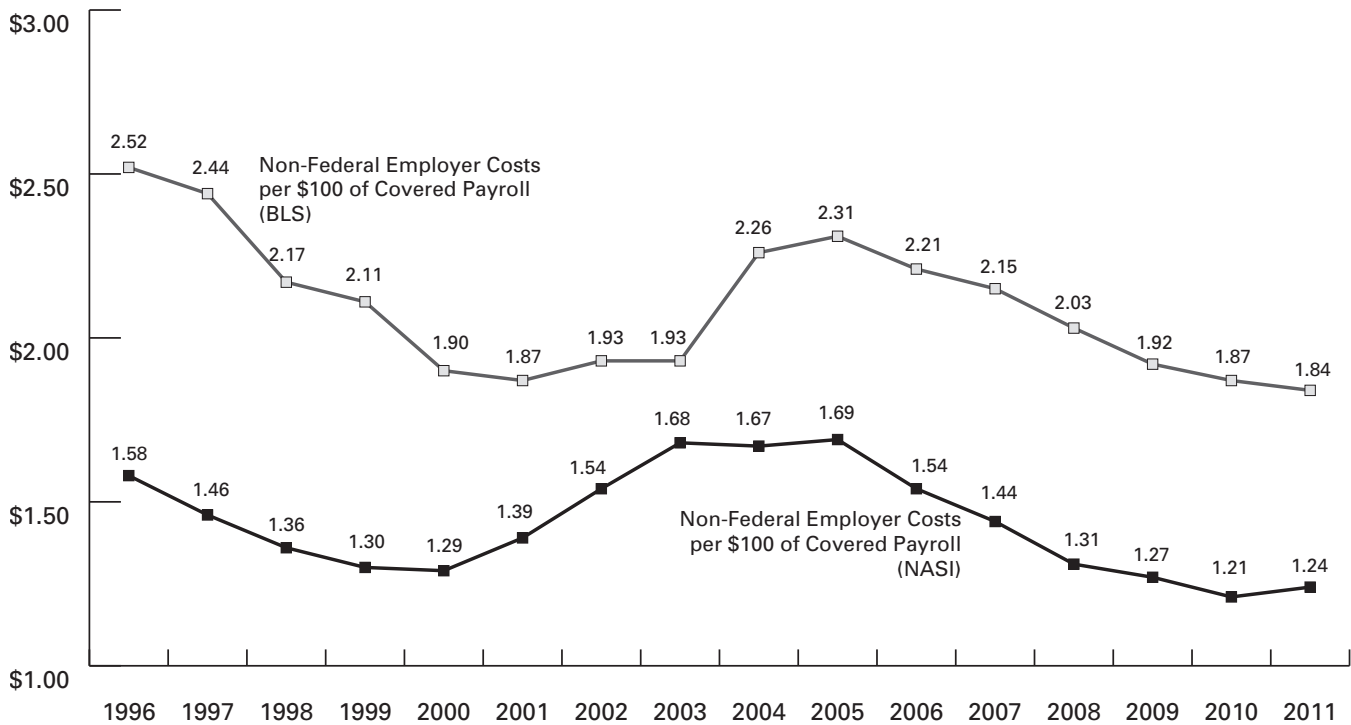
"The incidence of reported nonfatal occupational injuries and illnesses has declined in every year since 1992."

Nonfatal Injuries and Illnesses. The BLS reports a total of 3.0 million nonfatal workplace injuries and illnesses in private industry workplaces in 2011, a decrease of 0.1 million from 2010 (Table 16) (U.S. DOL, 2012e). The incidence of reported nonfatal occupational injuries and illnesses has declined in every year since 1992. More than two-thirds of reported workplace injuries or illnesses involved relatively minor cases that did not result in lost workdays. A total of 0.9 million work-related injuries/illnesses involved more than one day's work absence. The rate of work-related injuries or illnesses involving lost work time declined from 3.0 per 100 full-time workers in 1992 to 1.1 per 100 workers in 2011 (Table 16).

Some of the most common workplace injuries and illnesses reported in 2011 were: sprains and strains (44.4% of all cases); soreness or pain, including back pain (14.5%); bruises and contusions (10.2%); cuts and lacerations (9.6%); and fractures (9.1%). Together these injuries accounted for nearly 90 per-

Figure 5

**Workers' Compensation Costs per \$100 of Payroll 1996-2011
Comparison of NASI and BLS Estimates**



Source: National Academy of Social Insurance and Burton 2012.

cent of all reported non-fatal work-related injuries in 2011 (U.S. DOL 2012d).

“The rate of work-loss injuries or illnesses declined from 3.0 per 100 full-time workers in 1992 to 1.1 in 2011.”

Incidence of Claims among Employers with Private Insurance

Figure 6 shows trends in the incidence rates of work-related injuries and illnesses among private industry employers, for cases involving work absences or job transfers/restrictions (U.S. DOL 2012e). The data show rates per 100 FTEs from 1987 to 2011. (The

break in the trend lines in 2002 represents a change in OSHA record-keeping requirements in that year, indicating that the data before and after 2002 may not be strictly comparable). The incidence of injuries or illnesses involving days away from work has declined steadily since 1990, while the incidence of cases resulting in job transfers or work restrictions increased from 1990 to 2002 and then decreased slowly. The share of occupational injuries and illnesses resulting in days away from work or job transfer or restriction represent close to four cases per 100 full time workers in 2011, down considerably from nine cases in 1992.

NCCI reports the frequency of workers’ compensation claims for privately insured employers and state funds in 37 jurisdictions (Table 17). The data, replicated in Table 17 for years 1992-2008 (the most recent year reported), show declining trends in the incidence of claims similar to the declining trends in

Table 14**Workers' Compensation Benefit/Cost Ratios, 1992–2011**

Year	Employer Costs per \$100 Covered Wages	Total Benefits per \$100 Covered Wages	Medical Benefits per \$100 Covered Wages	Cash Benefits per \$100 Covered Wages	Benefits per \$1 Employer Cost
1992	\$2.13	\$1.65	\$0.69	\$0.96	\$0.78
1993	2.17	1.53	0.66	0.87	0.71
1994	2.05	1.47	0.58	0.89	0.72
1995	1.83	1.35	0.54	0.81	0.74
1996	1.66	1.26	0.50	0.76	0.76
1997	1.49	1.17	0.48	0.68	0.78
1998	1.38	1.13	0.48	0.65	0.82
1999	1.35	1.12	0.48	0.63	0.83
2000	1.34	1.06	0.47	0.60	0.79
2001	1.43	1.10	0.50	0.60	0.77
2002	1.57	1.13	0.52	0.61	0.72
2003	1.71	1.16	0.55	0.61	0.68
2004	1.70	1.13	0.53	0.61	0.67
2005	1.71	1.09	0.51	0.59	0.64
2006	1.56	0.99	0.47	0.52	0.63
2007	1.47	0.96	0.46	0.50	0.65
2008	1.34	0.98	0.48	0.50	0.73
2009	1.30	1.03	0.50	0.53	0.79
2010	1.24	1.00	0.49	0.51	0.81
2011	1.27	1.00	0.49	0.50	0.78

Notes: Benefits are payments in the calendar year to injured workers and to providers of their medical care. Costs are employer expenditures in the calendar year for workers' compensation benefits (including deductibles), insurance premiums, and administrative costs.

Source: National Academy of Social Insurance estimates.

incidence of work-related injuries reported by the BLS.

Both the NCCI and BLS data indicate substantial declines in the incidence of reported non-fatal work-related injuries between 1992 and 2008. According to NCCI data, the incidence of all workers' compensation claims declined by 57.3 percent which is

comparable to the 52.8 percent decline in the incidence rate for all injuries reported by the BLS (from 8.9 in 1992 to 4.2 in 2008). The NCCI data indicate the incidence of temporary total disability claims declined by 59.5 percent, almost exactly the same as the 60 percent decline in injuries involving days away from work reported by BLS (Table 16).²⁰

20 The similarity between the national rates of decline in the BLS injury rates and the NCCI claims rates may be misleading. Guo and Burton (2010) examined the determinants of the amounts of incurred cash benefits per 100,000 workers in 45 states plus the

Table 15**Fatal Occupational Injuries – All and Private Industry, 1992–2011**

Year	Number of Fatalities	
	Total	Private Industry
1992	6,217	5,497
1993	6,331	5,643
1994	6,632	5,959
1995	6,275	5,495
1996	6,202	5,597
1997	6,238	5,616
1998	6,055	5,457
1999	6,054	5,488
2000	5,920	5,347
2001	8,786	
<i>September 11 events</i>	2,886	
<i>Other</i>	5,900	5,281
2002	5,534	4,978
2003	5,575	5,043
2004	5,764	5,229
2005	5,734	5,214
2006	5,840	5,320
2007	5,657	5,112
2008	5,214	4,670
2009	4,551	4,090
2010	4,690	4,206
2011	4,693	4,188

Source: U.S. Department of Labor 2012c.

Some caution is warranted with regard to these data. There is considerable research suggesting that under-reporting of occupational injuries and illnesses is common in workers' compensation data. See Azaroff et al. (2002) and Spieler and Burton (2012) for review of these studies. There are many reasons for underreporting involving workers, employers, and medical providers. Workers may not report injuries because they do not know an injury is covered by workers' compensation, or they believe filing for benefits is too time-consuming, difficult or stressful (Strunin and Boden 2004; Fricker 1997), or they feel that injury is something to be expected as part of their job (Galizzi et al. 2010), or they fear employer retaliation (Pransky et al. 1999). Employers may not report injuries because they are unaware an injury is covered by workers' compensation, or the claim is in dispute, or because of faulty record-keeping. Employers may also discourage filing claims to maintain a superior safety record.

For injuries and illnesses that take time to develop, such as carpal tunnel syndrome, noise induced hearing loss and lung diseases like silicosis, the worker and physician may be unaware of the workplace connection, and therefore will not report the injury/illness as work-related. Studies have typically shown much less reporting of such conditions as work-related than is suggested by their prevalence in medical data (Stanbury et al. 1995; Biddle et al. 1998; Morse et al. 1998; Milton et al. 1998, U.S. DOL 2008).

In addition to under-reporting issues, the data on incidence rates may be flawed by misclassification of workers' compensation claims. A worker may, for example, receive indemnity benefits to compensate for lost wages, thus appearing in a workers' compensation database, but not have sufficient days away from work to be classified as a temporary disability case in the OSHA log (Minnesota Department of Labor and Industry 2005).²¹

District of Columbia, which is a variable constructed from NCCI data. Between 1990 and 1999, the national average of incurred benefits per 100,000 workers declined by 41.6 percent in constant dollars. However, there were substantial variations among these 46 jurisdictions in the changes in incurred benefits during this period. The authors found that 21 percent of the drop in benefits during the 1990s could be explained by declines in the BLS injury rates in these jurisdictions, but that over 30 percent of the decline in benefits was due to the changes in many states in workers' compensation compensability rules and administrative practices.

21 Workers' compensation classifies cases which receive indemnity benefits as "work absence," whereas OSHA classifies cases with any

Table 16**Non-Fatal Occupational Injuries and Illnesses Among Private Industry Employers, 1992-2011**

Year	Number of Cases (in millions)			Incidence Rate (per 100 full-time workers)		
	All Cases	Cases with Any Days Away from Work	Cases with Job Transfer or Restriction	All Cases	Cases with Any Days Away from Work	Cases with Job Transfer or Restriction
1992	6.8	2.3	0.6	8.9	3.0	0.9
1993	6.7	2.3	0.7	8.5	2.9	0.9
1994	6.8	2.2	0.8	8.4	2.8	1.0
1995	6.6	2.0	0.9	8.1	2.5	1.1
1996	6.2	1.9	1.0	7.4	2.2	1.1
1997	6.1	1.8	1.0	7.1	2.1	1.2
1998	5.9	1.7	1.1	6.7	2.0	1.1
1999	5.7	1.7	1.0	6.3	1.9	1.1
2000	5.7	1.7	1.1	6.1	1.8	1.2
2001	5.2	1.5	1.0	5.7	1.7	1.1
2002	4.7	1.4	1.0	5.3	1.6	1.2
2003	4.4	1.3	1.0	5.0	1.5	1.1
2004	4.3	1.3	1.0	4.8	1.4	1.1
2005	4.2	1.2	1.0	4.6	1.4	1.0
2006	4.1	1.2	0.9	4.4	1.3	1.0
2007	4.0	1.2	0.9	4.2	1.2	0.9
2008	4.0	1.2	0.9	4.2	1.2	0.9
2009	3.3	1.0	0.7	3.6	1.1	0.8
2010	3.1	0.9	0.8	3.5	1.1	0.8
2011	3.0	0.9	0.6	3.5	1.1	0.7

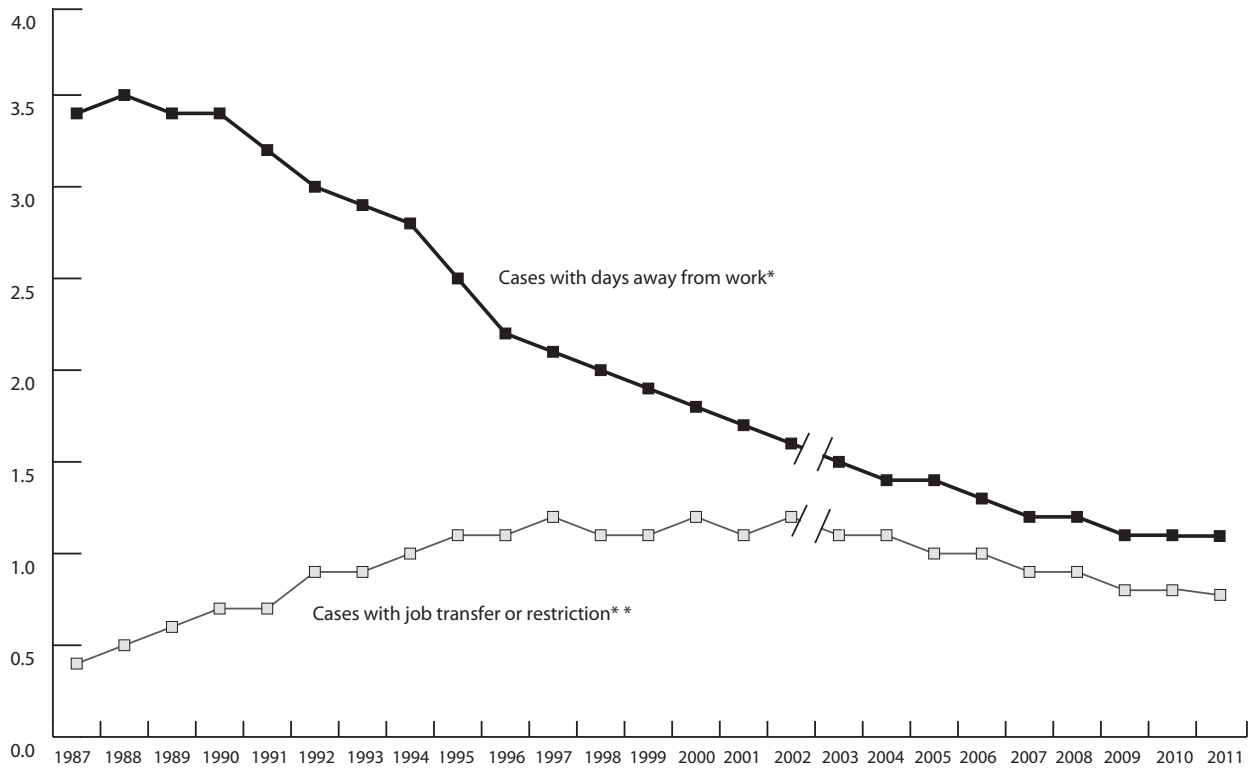
Note: Data for 2002 and beyond are not strictly comparable to data from prior years because of changes in OSHA record-keeping requirements.

Source: U.S. DOL 2012e.

days away from work as a “days away from work” case. Generally a workers’ compensation claim involves a waiting period of three or more days away from work before an injured worker receives indemnity benefits, hence appears in a workers’ compensation claims database. However, if an employee has *any* days away from work following an injury, it is recorded as a “days away from work” case in the OSHA log. At the same time, some workers’ compensation claims involve only a day of partial disability when the incident occurs, after which the injured worker receives work restrictions with lower pay. The worker may receive indemnity benefits to compensate for lost wages, thus appearing in a workers’ compensation database, but there are not enough days away from work to be classified as a “days away from work” case in the OSHA log (Minnesota Department of Labor and Industry 2005).

Figure 6

Private Industry Occupational Injuries and Illnesses: Incidence Rates, 1987–2011



Note: The break in the graph indicates that the data for 2002 and beyond are not strictly comparable to prior year data due to changes in OSHA recordkeeping requirements.

* Cases involving days away from work are cases requiring at least one day away from work with or without days of job transfer or restriction.

** Job transfer or restriction cases occur when, as a result of a work-related injury or illness, an employer or health care professional keeps, or recommends keeping an employee from doing the routine functions of his or her job or from working the full workday that the employee would have been scheduled to work before the injury or illness occurred.

Source: U.S. DOL 2012e.

There are also reasons to suspect some over-reporting of injuries/illnesses as work-related. The 100% coverage of medical costs under workers' compensation creates incentives for workers to report injuries/illnesses as work-related when the etiology may be uncertain. OSHA's own audits of employers' injury and illness logs found instances of both under-reporting and over-reporting, and indicated that under-reporting was not nearly as large as suggested by some research (e.g. Rosenman et al 2006).

Addendum

The primary purpose of this report is to describe trends in workers' compensation benefits, costs, and coverage with respect to two main stakeholder groups: the injured workers who receive benefits and the employers who pay for them. However, workers' compensation benefits can be supplemented by other sources of income for injured workers, and insurers are another key stakeholder group. In two post-scripts to this report we describe the major disability support programs that interact with workers' compensation, and the differences between 'benefits paid'

Table 17

**Number of Workers' Compensation Claims per 100,000 Insured Workers:
Private Carriers in 37 Jurisdictions, 1992-2008**

Policy Period	Temporary Total	Permanent Partial	Total (including medical only)
1992	1,358	694	8,504
1993	1,331	644	8,279
1994	1,300	565	7,875
1995	1,217	459	7,377
1996	1,124	419	6,837
1997	1,070	414	6,725
1998	977	452	6,474
1999	927	461	6,446
2000	870	437	6,003
2001	799	423	5,510
2002	770	422	5,239
2003	725	423	4,901
2004	702	385	4,728
2005	675	377	4,576
2006	651	369	4,386
2007	608	357	4,104
2008	550	323	3,633
Percent decline, 1992–2008	-59.5	-53.5	-57.3

Source: NCCI 1996-2012, Exhibit XII, Annual Statistical Bulletin.

vs. 'benefits incurred,' the latter being the benefit measure of primary interest to insurers.

Other Disability Benefit Programs

Other sources of support for workers with disabilities include temporary sick leave; short and long-term disability benefits; retirement benefits; Social Security Disability Insurance; and Medicare.

Sick leave. Sick leave is a common form of wage replacement for short-term absences from work due to illness or injury (not necessarily related to work). About 61 percent of all private sector employees have

some type of paid sick leave provided through their employer or a private insurance plan (U.S. DOL 2012b). Sick leave typically pays 100 percent of wages for a number of weeks depending on the worker's job tenure and hours worked.

Short-term disability benefits. About 38 percent of private sector employees were covered by short-term disability insurance in 2011 (U.S. DOL 2012b). There are typically other state and local short-term disability benefit programs for public employees, particularly police and firefighters.

State laws require employers to provide short to medium-term disability insurance in five states: California, Hawaii, New Jersey, New York, and Rhode Island. Typically workers must have a specified amount of past employment or earnings to qualify for benefits, and benefits replace about half of the worker's prior earnings. Most programs pay benefits for 26 weeks except California, which is an outlier and pays benefits up to 52 weeks. The methods used to finance coverage vary depending on the state. In California and Rhode Island, benefits are financed solely by employee contributions. In Hawaii, New Jersey, and New York, employers also contribute.

Some private employers offer short-term disability insurance to their workers even in states where such insurance is not required. Both employers and employees may be required to contribute to the cost of the short-term disability insurance (EBRI 2009). In general, workers receiving workers' compensation benefits are not eligible for these other types of short-term disability benefits. However there are also other state and municipal disability benefit programs for public employees and particularly for uniformed employees that coordinate with workers' compensation programs or in some cases are an alternative to workers' compensation.

Long-term disability benefits. Long-term disability insurance financed, at least in part, by employers covers about 32 percent of private sector employees. Such coverage is most common among relatively high-paying management, professional, and related occupations. About 57 percent of workers in management and professional-related occupations were covered by long-term disability plans as of March 2012, compared to 31 percent of workers in clerical and sales occupations, and 9 percent of workers in service occupations (U.S. DOL 2012b). Long-term disability insurance is also sold in individual policies, typically to high-earning professionals. Such individual policies are not included in these coverage statistics.

Long-term disability benefits are usually paid after a waiting period of three to six months, or after short-term disability benefits end. Long-term disability insurance is generally designed to replace 60 percent of earnings, although replacement rates of 50 or 66 percent are also common. Almost all long-term disability insurance is coordinated with Social Security

disability insurance benefits and workers' compensation benefits. That is, private long-term disability benefits are reduced dollar for dollar by the amount of social insurance benefits. If Social Security benefits replace 40 percent of a worker's prior earnings, for example, the long-term disability benefit would pay the balance to achieve a 60 percent wage replacement.

Retirement benefits. Retirement benefits may also be available to workers who become disabled because of a work-related injury or illness. Most defined benefit pension plans have some disability provision; benefits may be available at the time of disability or may continue to accrue until retirement age. Defined contribution pension plans will often make funds in an employee's account available without penalty if the worker becomes disabled, but these plans do not have the insurance features of defined benefit pensions or disability insurance.

Social Security Disability Insurance and Medicare. Workers' compensation as a source of disability benefits is surpassed in size only by the federal Social Security Disability Insurance (SSDI) program and Medicare. These programs provide cash and medical benefits respectively to workers with disabilities who become unable to work prior to normal retirement age. SSDI benefits are available to workers with disabilities whether or not the disability results from a work-related injury, but the eligibility rules for SSDI differ from the rules for workers' compensation. Workers are eligible for workers' compensation benefits from their first day of employment, while eligibility for SSDI requires workers to have substantial history of contributions to the Social Security system. Workers' compensation provides benefits for both short- and long-term disabilities, and for partial as well as total disabilities (permanent total disabilities are less than one percent of cases). SSDI benefits are paid only to workers who have long-term impairments that preclude any gainful employment. Workers' compensation cash benefits begin after a few days' work absence, whereas SSDI benefits begin only after a five-month waiting period.

Medicare coverage begins for persons who receive SSDI after an additional 24-month waiting period, or 29 months after the onset of disability. Medicare covers all medical conditions, including conditions related to work-related injuries or illnesses. According to the Medicare Secondary Payer Act,

however, if a worker receiving workers' compensation is a Medicare beneficiary, workers' compensation is the primary payer and Medicare is the secondary payer for all medical treatment related to the work-related injury.

In 2011 workers' compensation paid \$30.3 billion in cash benefits and \$29.9 billion for medical care. In that year, SSDI paid \$128.9 billion in wage replacement benefits to disabled workers and their dependents and Medicare paid \$78.5 billion for medical care for disabled workers under age 65 (SSA 2012b; CMS 2012). Thus, aggregate workers' compensation cash benefits were about a quarter of the total amount of SSDI benefits, and workers' compensation medical benefits were less than half of the total medical benefits paid by Medicare for persons under age 65.

If a worker becomes eligible for both workers' compensation and SSDI benefits, one or both programs will reduce benefits to avoid making excessive payments relative to the worker's past earnings. The Social Security amendments of 1965 require that SSDI benefits be reduced²² (or "offset") such that the combined total of workers' compensation and SSDI benefits does not exceed 80 percent of the workers' prior earnings.²³ Some states, however, had established reverse offset laws prior to the 1965 legislation, whereby workers' compensation payments are reduced if the worker receives SSDI. Legislation in 1981 eliminated the states' option to adopt reverse offset laws, but the 15 states that already had such reverse offset laws in place received exemptions.²⁴

As of December 2011, about 8.6 million workers with disabilities and 2.0 million dependents received SSDI benefits (Table 18). About 1.4 million of these individuals (13.3%) were dual beneficiaries of work-

ers' compensation or other public disability benefits either in 2011 or previous years. Of these, 125,000 persons (1.2% percent of total beneficiaries) were currently receiving reduced SSDI benefits because of the offset provision.

Benefits Incurred vs. Benefits Paid

The Academy's estimates of workers' compensation benefits in this report reflect amounts paid to workers in a calendar year regardless of whether their injuries occurred in that calendar year or a previous year. This measure, calendar year paid benefits, is commonly used in reporting data on social insurance programs, private employee benefits, and other income security programs. A different measure, accident year incurred losses (or accident year incurred benefits) is commonly used by private workers' compensation insurers and some state funds. This statistic measures benefit liabilities incurred by the insurer for injuries that occur in a particular year, regardless of whether the benefits are paid in that year or future years. (The terms "losses" and "benefits" are used interchangeably because benefits to the worker are losses to the insurer.) Both measures, calendar year paid benefits and accident year incurred benefits, reveal important but different information.²⁵

For the purpose of setting insurance premiums, it is vital to estimate the incurred benefits the premiums are required to cover. When an employer purchases workers' compensation insurance for a particular period, the premiums must cover current and future liabilities for all injuries that occur during the period. State rating bureaus and the National Council on Compensation Insurance (which provides advisory rate-setting and statistical services in 37 jurisdictions) focus on accident year (or policy year) incurred benefits in determining their rates.

22 The portion of workers' compensation benefits that offset (reduce) SSDI benefits are subject to federal income tax (IRC section 86(d)(3)).

23 The cap remains at 80 percent of the worker's average earnings before disability, except that, in the relatively few cases when Social Security disability benefits for the worker and dependents exceed 80 percent of prior earnings, the benefits are not reduced below the Social Security amount. This cap also applies to coordination between SSDI and other public disability benefits (PDB) derived from jobs not covered by Social Security, such as state or local government jobs where the governmental employer has chosen not to cover its employees under Social Security.

24 States with reverse offset laws are: Colorado, Florida, Hawaii, Illinois, Louisiana, Minnesota, Montana, Nevada, New Jersey, New York, North Dakota, Ohio, Oregon, Washington, and Wisconsin.

25 A fuller discussion of these measures is included in the Glossary and in Thomason, Schmidle, and Burton, 2001.

Table 18**Dual Eligibles: Social Security Disability Insurance Beneficiaries with Workers' Compensation or Public Disability Benefits, 2011**

Type of case	Total		Workers		Dependents	
	Number	Percent	Number	Percent	Number	Percent
All SSDI beneficiaries	10,613,334	100.0	8,575,544	100.0	2,037,790	100.0
Dual eligibles	1,414,691	13.3	1,114,985	13.0	299,706	14.7
Current dual eligible	727,045	6.9	573,681	6.7	153,364	7.5
SSDI benefits reduced	124,993	1.2	90,328	1.1	34,665	1.7
SSDI benefits not reduced	386,186	3.6	313,360	3.7	72,826	3.6
SSDI is first payer (by state law)	56,909	0.5	45,069	0.5	11,840	0.6
Pending decision	158,957	1.5	124,924	1.5	34,033	1.7
Previous dual eligible	687,646	6.5	541,304	6.3	146,342	7.2

Notes: Social Security disability benefits are offset against workers' compensation and certain other public disability benefits (PDB) in most states. In general, the PDB offset applies to disability benefits earned in state, local, or federal government employment that is not covered by Social Security.

Source: Social Security Administration, Master Beneficiary Record, 100 percent data and Social Security Administration Workers' Compensation and Public Disability Benefit file, 100 percent data, SSA 2011.

Accident year incurred benefits are more appropriate than calendar year paid benefits in estimating the ultimate amount of benefits that will be owed to newly injured workers in response to policy changes. For example, if a state lowers benefits or tightens compensability rules for new injuries as of a given date, benefits would be expected to decline in the future. Similarly, if a state raises benefits or expands the range of compensable injuries, benefits would be expected to increase in the future. The policy change would show up immediately in estimates of accident year incurred benefits, but would be observed more slowly in measures of calendar year paid benefits because the latter measure is affected by payments for injuries occurring in prior years and not affected by the policy change.

A disadvantage of relying solely on accident year incurred benefits is that it takes many years before

the losses from a particular year are actually known; in the meantime, estimates of the losses for that accident year are updated annually. The NCCI updates accident year incurred benefits for 16 years before the data for a particular year are considered final (or "developed to ultimate"). In contrast, calendar year paid benefits are final at the end of the calendar year.

An additional disadvantage of accident year incurred data is that the data are generally less complete than calendar year paid data. Accident year incurred benefits are estimated for insurance policies purchased from private carriers and some state funds, but this information is not routinely available for other state funds and for self-insured employers. In addition, accident year incurred data exclude benefits that are the responsibility of employers under large deductible policies and all benefits of certain categories of insured employers.

Glossary

General Terms for Workers' Compensation and Related Programs

AASCIF: The American Association of State Compensation Insurance Funds (AASCIF) is an association of workers' compensation insurance entities – referred to as state funds – that specialize in writing workers' compensation insurance in a U.S. state or Canadian province. For more information, visit www.aascif.org.

BLS: The Bureau of Labor Statistics (BLS) in the U.S. Department of Labor is a statistical agency that collects, processes, analyzes, and disseminates statistical data about the labor market. For more information, visit www.bls.gov.

Black Lung Benefits: See: Coal Mine Health and Safety Act.

Coal Mine Health and Safety Act: The Coal Mine Health and Safety Act (Public Law 91-173) was enacted in 1969 and provides black lung benefits to coal miners disabled as a result of exposure to coal dust and to their survivors.

Compromise and Release Agreement: An agreement to settle a case that usually involves three elements: a compromise between the worker's claim and the employer's offer concerning the amount of cash and/or medical benefits to be paid; the payment of the compromised amount in a fixed amount (commonly called a "lump sum" but which may or may not be paid to the claimant at once); and the release of the employer from further liability.

Covered Employment: The NASI coverage data includes employees of those employers required to be covered by workers' compensation programs. A more inclusive measure of covered employment also includes employees of those employers that voluntarily elect coverage.

Defense Base Act: The Defense Base Act (DBA-42 U.S.C. §§ 1651-54) is a federal law extending the Longshore and Harbor Workers' Compensation Act (33 U.S.C. §§ 901-50) to persons (1) employed by private employers at United States defense bases

overseas, or (2) employed under a public work contract with the United States performed outside the United States, or (3) employed under a contract with the United States performed outside United States under the Foreign Assistance Act, or (4) employed by an American contractor providing welfare or similar services outside the United States for the benefit of the Armed Services.

Disability: Loss of potential earning capacity as a consequence of an injury or disease (although there may not be an actual loss of earnings).

DI: Disability insurance from the Social Security program. See: SSDI.

FECA: The Federal Employees' Compensation Act (FECA-Public Law 103-3 or 5 U.S.C. §§ 8101-52) provides workers' compensation coverage to U.S. federal civilian and postal workers around the world for work-related injuries and occupational diseases.

FELA: The Federal Employers' Liability Act (FELA 45 U.S.C. § 51 et seq.) gives railroad workers engaged in interstate commerce an action in negligence against their employer in the event of work-related injuries or occupational diseases.

Guaranty Fund: A guaranty fund is a special state based fund that assumes all or part of the liability for workers' compensation benefits provided to a worker because the employer or insurance carrier legally responsible for the benefits is unable to make payments. Guaranty funds for private insurance carriers (all states with private carriers have these) and for self-insuring employers (less than half the states have these) are always separate funds.

Group Self Insurance: A special form of self insurance that is available to groups of employers; only available in a little over half the states.

IAIABC: The International Association of Industrial Accident Boards and Commissions (IAIABC) is the organization representing workers' compensation agencies in the United States, Canada, and other nations and territories. For more information, visit www.iaiabc.org.

Jones Act: The Jones Act is Section 27 of the Merchant Marine Act (P.L. 66-261) that extends the

provision of the Federal Employers' Liability Act to seamen.

LHWCA: The Longshore and Harbor Workers' Compensation Act (LHWCA 33 U.S.C. §§ 901-50) requires employers to provide workers' compensation protection for longshore, harbor, and other maritime workers. See: Defense Base Act (DBA)

NAIC: The National Association of Insurance Commissioners (NAIC) is the national organization of the chief insurance regulators in each state, the District of Columbia, and five U.S. territories. It assists state insurance regulators, individually and collectively, to achieve insurance regulatory goals. For more information, visit www.naic.org.

NCCI: The National Council on Compensation Insurance, Inc. (NCCI) is a national organization that assists private carriers and insurance commissioners in collecting statistical information for pricing workers' compensation coverage in thirty eight states. For more information, visit www.ncci.com.

OSHA: The OSHA Act created the Occupational Safety and Health Administration (OSHA) within the United States Department of Labor. OSHA is responsible for promulgating standards, inspecting workplaces for compliance, and prosecuting violations.

OSH Act: The Occupational Safety and Health Act (OSH Act Public Law 91-596) is a federal law enacted in 1970 that establishes and enforces workplace safety and health rules for nearly all private sector employers.

Permanent Partial Disability (PPD): A disability that, although permanent, does not completely limit a person's ability to work. A statutory benefit award is paid for qualifying injuries.

Permanent Total Disability (PTD): A permanent disability that is deemed by law to preclude material levels of employment.

Second Injury Fund: A second injury fund is a special fund that assumes all or part of the liability for workers' compensation benefits provided to a worker because of the combined effects of a work-related

injury or disease with a preexisting medical condition.

Self-Insurance: Self insurance is an arrangement in which the employer assumes responsibility for the payment of workers' compensation benefits to the firm's employees with workplace injuries or diseases. Most employers do not self-insure but instead purchase workers' compensation insurance from a private carrier or state fund.

SSA: The U.S. Social Security Administration (SSA) administers the Social Security program, which pays retirement, disability, and survivors' benefits to workers and their families, and the federal Supplemental Security Income program that provides income support benefits to low-income aged, and disabled individuals. For more information, visit www.ssa.gov.

SSDI: Social Security Disability Insurance (SSDI) pays benefits to insured workers who sustain severe, long-term work disabilities due to any cause. See: DI.

Temporary Partial Disability (TPD): A temporary disability that does not completely limit a person's ability to work.

Temporary Total Disability (TTD): A disability that temporarily precludes a person from performing the pre-injury job or another job at the employer that the worker could have performed prior to the injury.

Unemployment Insurance (UI): Federal/state program that provides cash benefits to workers who become unemployed through no fault of their own and who meet certain eligibility criteria set by the states.

USDOL: The U.S. Department of Labor administers a variety of federal labor laws including those that guarantee workers' rights to safe and healthy working conditions, a minimum hourly wage and overtime pay, freedom from employment discrimination, unemployment insurance, and other income support. For more information, visit www.dol.gov.

WC: Workers' compensation. A form of government insurance mandated for most employers that pro-

vides statutory benefits for covered work related injuries.

Work-Related Injury/Illness: An injury or illness caused by activities related to the workplace. The usual legal test for “work-related” is “arising out of and in the course of employment.” However, the definition of a work-related injury or disease that is compensable under a state’s workers’ compensation program can be quite complex and varies across states.

WCRI: The Workers Compensation Research Institute (WCRI) is a research organization providing information about public policy issues involving workers’ compensation systems. For more information, visit www.wcrinet.org

Terms for Workers’ Compensation Insurance

Accident Year: The year in which an injury occurred or the year of onset or manifestation of an illness.

Accident Year Incurred Benefits: Benefits associated with all injuries and illnesses occurring in the accident year, regardless of the years in which the benefits are paid. (Also known as calendar-accident year incurred benefits.)

Calendar Year Paid Benefits: Benefits paid during a calendar year regardless of when the injury or illness occurred.

Combined Ratio After Dividends: $[(1) \text{ Losses} + (2) \text{ Loss Adjustment Expenses} + (3) \text{ Underwriting Expenses} + (4) \text{ Dividends to Policyholders}] / \text{Net Premium}$. The Combined Ratio After Dividends is expressed as a percentage of net premiums. (See: Overall Operating Ratio.)

Deductibles: Under deductible policies written by private carriers or state funds, the insurer is responsible for paying all of the workers’ compensation benefits, but employers are responsible for reimbursing the insurer for those benefits up to a specified deductible amount. Deductibles may be written into an insurance policy on a per injury basis, or an aggregate basis, or a combination of a per injury basis with an aggregate cap.

Dividends to Policyholders: Both mutual and some stock insurance companies offer policies that pay dividends to policyholders after the policy period. Dividends are based on favorable loss experience by the insurer or the policyholder.

Incurred Losses (or Incurred Benefits): Benefits paid to the valuation date plus liabilities for future benefits for injuries that occurred in a specified period, such as an accident year.

Loss Adjustment Expenses: Salaries and fees paid to insurance adjusters, as well as other expenses incurred from adjusting claims.

Losses: A flexible term that can be applied in several ways: Paid benefits, incurred benefits, fully developed, and possibly including incurred but not reported.

Overall Operating Ratio: The combined ratio after dividends minus net investment gain/loss and other income as a percent of net premium. (See: Combined Ratio after Dividends.)

Paid Losses (or Paid Benefits): Benefits paid during a specified period, such as a calendar year, regardless of when the injury or disease occurred.

Residual Market: The mechanism used to provide insurance for employers who are unable to purchase insurance in the voluntary private market. In some jurisdictions the state fund is the “insurer of last resort” and serves the function of the residual market. In others, there is a separate pool financed by assessments of private insurers, which is also known as an assigned risk pool.

Underwriting Expenses: Commissions, brokerage expenses, general expenses, taxes, licenses, and fees.

Underwriting Results: The underwriting experience of private insurance carriers. (See: Combined Ratio After Dividends and Overall Operating Ratio.)

Valuation Date: A specific time at which data are evaluated in order to determine the losses (or benefits) paid to that date plus reserves as of that date.

Appendix A: Coverage Estimates

The National Academy of Social Insurance's estimates of workers' compensation coverage start with the number of workers in each state who are covered by Unemployment Insurance (UI) (U.S. DOL 2012f). Those who are not required to be covered include: some farm and domestic workers who earn less than a threshold amount from one employer; some state and local employees, such as elected officials; employees of some non-profit entities, such as religious organizations, for whom coverage is optional in some states; unpaid family workers; and railroad employees who are covered under a separate unemployment insurance program. Railroad workers are also not covered by state workers' compensation because they have other arrangements (NASI 2002).

One category of workers who are not covered under either unemployment insurance or workers' compensation is self-employed individuals. All U.S. employers who are required to pay unemployment taxes must report quarterly to their state employment security agencies information about their employees and payroll covered by unemployment insurance. These employer reports are the basis for statistical reports prepared by the U.S. Bureau of Labor Statistics, known as the ES-202 data. These data are a census of the universe of U.S. workers who are covered by unemployment insurance. (U.S. DOL 2012f).

Key assumptions underlying the NASI estimates of workers' compensation coverage, shown in Table A1, are:

- (1) Workers whose employers do not report that they are covered by UI are not covered by workers' compensation.
- (2) Workers that are reported to be covered by UI are generally covered by workers' compensation as well, except in the following cases:
 - (a) Workers in small firms (which are required to provide UI coverage in every state) are not covered by workers' compensation if the state law exempts small firms from mandatory workers' compensation coverage.
 - (b) Employees in agricultural industries (who may be covered by UI) are not covered by workers' compensation if the state law

exempts agricultural employers from mandatory workers' compensation coverage.

- (c) In Texas, where workers' compensation coverage is elective for almost all employers, estimates are based on periodic surveys conducted by the Texas Research and Oversight Council. (TDI et al 2012).

All federal employees are covered by workers' compensation, regardless of the state in which they work.

Small Firm Exemptions. NASI assumes that workers are not covered by workers' compensation if they work for small firms in the fifteen states that exempt small employers from mandatory coverage. Private firms with fewer than three employees are exempt from mandatory coverage in eight states: Arkansas, Georgia, Michigan, New Mexico, North Carolina, Virginia, West Virginia and Wisconsin. Those with fewer than four employees are exempt in two states: Florida, and South Carolina. Finally, firms with fewer than five employees are exempt from mandatory coverage in Alabama, Mississippi, Missouri, Oklahoma, and Tennessee (IAIABC-WCRI 2012).

The number of employees in small firms is estimated using data from the U.S. Small Business Administration for each state, which show the proportion of employees in all private firms who worked for firms with fewer than five employees in 2010, the latest year for which data are available. Those percentages for the fifteen states with numerical exemptions are: Alabama, 4.9 percent; Arkansas, 5.2 percent; Florida, 6.5 percent; Georgia, 5.1 percent; Michigan, 5.2 percent; Mississippi, 5.3 percent; Missouri, 5.1 percent; New Mexico, 5.8 percent; North Carolina, 5.2 percent; Oklahoma, 5.9 percent; South Carolina, 5.2 percent; Tennessee, 4.3 percent; Virginia, 5.0 percent; West Virginia, 5.3 percent and Wisconsin, 4.4 percent (U.S. SBA 2012).

To estimate the proportion of workers in firms with fewer than three or four employees, we used national data on small firms from the U.S. Census Bureau (U.S. Census Bureau 2005).

Table A1**Documenting Workers' Compensation Coverage Estimates, 2011 Annual Averages**

State	UI Covered Jobs ^a		Workers' Compensation Exemptions				WC as a % of UI (8)
	Total (1)	Private, non-farm firms (2)	Small Firm ^b (3)	Agriculture (4)	Texas (6)	WC Covered Jobs (7)	
Alabama	1,756,500	1,444,220	71,181	4,892	-	1,680,427	95.7
Alaska	304,971	242,525	-	-	-	304,971	100.0
Arizona	2,326,477	1,980,326	-	-	-	2,326,477	100.0
Arkansas	1,117,527	928,289	28,052	6,848	-	1,082,627	96.9
California	14,310,313	12,053,423	-	-	-	14,310,313	100.0
Colorado	2,157,975	1,828,450	-	11,292	-	2,146,683	99.5
Connecticut	1,594,409	1,370,298	-	-	-	1,594,409	100.0
Delaware	397,043	341,373	-	1,170	-	395,873	99.7
District of Columbia	494,122	460,206	-	-	-	494,122	100.0
Florida	7,060,484	6,095,156	317,389	54,850	-	6,688,245	94.7
Georgia	3,690,343	3,124,238	91,935	13,928	-	3,584,480	97.1
Hawaii	557,651	465,702	-	-	-	557,651	100.0
Idaho	595,041	480,074	-	-	-	595,041	100.0
Illinois	5,480,302	4,751,885	-	13,200	-	5,467,102	99.8
Indiana	2,717,272	2,346,617	-	12,165	-	2,705,107	99.6
Iowa	1,432,193	1,202,758	-	13,093	-	1,419,100	99.1
Kansas	1,277,561	1,050,046	-	9,272	-	1,268,289	99.3
Kentucky	1,692,845	1,422,438	-	4,066	-	1,688,779	99.8
Louisiana	1,815,070	1,503,199	-	4,474	-	1,810,596	99.8
Maine	564,983	479,521	-	2,755	-	562,228	99.5
Maryland	2,333,710	1,986,397	-	3,898	-	2,329,812	99.8
Massachusetts	3,136,236	2,767,939	-	-	-	3,136,236	100.0
Michigan	3,797,823	3,256,844	97,045	22,408	-	3,678,370	96.9
Minnesota	2,568,773	2,218,592	-	16,057	-	2,552,716	99.4
Mississippi	1,049,911	829,108	44,252	7,669	-	997,990	95.1
Missouri	2,527,868	2,153,666	110,344	8,522	-	2,409,002	95.3

Montana	409,020	336,422	3,267	-	405,753	99.2
Nebraska	884,438	732,942	10,034	-	874,404	98.9
Nevada	1,097,066	967,476	2,034	-	1,095,032	99.8
New Hampshire	598,194	518,856	-	-	598,194	100.0
New Jersey	3,687,300	3,154,808	-	-	3,687,300	100.0
New Mexico	748,489	588,458	19,687	8,061	720,741	96.3
New York	8,328,062	7,034,603	19,816	19,816	8,308,246	99.8
North Carolina	3,767,904	3,136,154	94,205	21,255	3,652,444	96.9
North Dakota	369,550	309,222	3,068	-	366,482	99.2
Ohio	4,887,897	4,234,975	-	-	4,887,897	100.0
Oklahoma	1,453,518	1,176,277	69,136	8,993	1,375,389	94.6
Oregon	1,586,912	1,312,727	-	-	1,586,912	100.0
Pennsylvania	5,427,919	4,801,471	18,984	-	5,408,935	99.7
Rhode Island	438,122	388,297	727	-	437,395	99.8
South Carolina	1,747,428	1,444,449	60,806	-	1,680,939	96.2
South Dakota	382,204	318,106	3,768	-	378,436	99.0
Tennessee	2,552,876	2,180,902	93,731	5,589	2,453,556	96.1
Texas	10,216,087	8,584,582	43,306	1,838,896	8,333,885	81.6
Utah	1,140,700	965,470	3,953	-	1,136,747	99.7
Vermont	288,582	240,707	2,055	-	286,527	99.3
Virginia	3,407,251	2,883,816	82,437	8,452	3,316,362	97.3
Washington	2,773,166	2,261,891	66,018	-	2,707,148	97.6
West Virginia	678,255	558,689	16,971	804	660,480	97.4
Wisconsin	2,634,447	2,262,780	58,344	19,525	2,556,578	97.0
Wyoming	266,876	206,492	-	-	266,876	100.0
U.S. non-federal	126,529,666	107,383,862	1,255,515	1,838,896	122,969,304	97.2
Federal	2,863,598	-	-	-	2,863,598	100.0
U.S. TOTAL	129,393,264	107,383,862	1,255,515	1,838,896	125,832,902	97.2

Notes:

a UI-covered employment reported in the ES-202 data produced by the United States Bureau of Labor Statistics (U.S. DOL, 2012f)

b Data not available for 2011, used the 2010 data.

Source: National Academy of Social Insurance estimates.

Table A2**Documenting Workers' Compensation Coverage Estimates, 2010 Annual Averages**

State	UI Covered Jobs ^a		Workers' Compensation Exemptions				WC as a % of UI (8)
	Total (1)	Private, non-farm firms (2)	Small Firm ^b (3)	Agriculture (4)	Texas (6)	WC Covered Jobs (7)	
Alabama	1,754,385	1,438,655	70,357	5,014	-	1,679,014	95.7
Alaska	298,987	236,888	-	-	-	298,987	100.0
Arizona	2,295,300	1,944,960	-	-	-	2,295,300	100.0
Arkansas	1,110,489	920,566	28,312	7,262	-	1,074,915	96.8
California	14,170,558	11,856,593	-	-	-	14,170,558	100.0
Colorado	2,120,620	1,790,969	-	11,025	-	2,109,595	99.5
Connecticut	1,576,322	1,349,529	-	-	-	1,576,322	100.0
Delaware	392,839	337,284	-	1,210	-	391,629	99.7
District of Columbia	482,675	447,939	-	-	-	482,675	100.0
Florida	6,971,020	5,994,436	305,339	53,430	-	6,612,251	94.9
Georgia	3,647,795	3,071,793	90,195	14,344	-	3,543,256	97.1
Hawaii	550,773	458,310	-	-	-	550,773	100.0
Idaho	591,883	476,491	-	-	-	591,883	100.0
Illinois	5,410,359	4,672,813	-	13,514	-	5,396,845	99.8
Indiana	2,666,721	2,292,145	-	11,626	-	2,655,095	99.6
Iowa	1,414,806	1,186,076	-	12,605	-	1,402,201	99.1
Kansas	1,269,781	1,039,055	-	8,895	-	1,260,886	99.3
Kentucky	1,668,946	1,398,973	-	4,090	-	1,664,856	99.8
Louisiana	1,800,069	1,477,473	-	4,524	-	1,795,545	99.7
Maine	562,042	475,952	-	2,634	-	559,408	99.5
Maryland	2,313,552	1,965,411	-	3,677	-	2,309,875	99.8
Massachusetts	3,097,615	2,728,606	-	-	-	3,097,615	100.0
Michigan	3,712,041	3,156,338	93,565	22,337	-	3,596,139	96.9
Minnesota	2,521,542	2,166,814	-	15,455	-	2,506,087	99.4
Mississippi	1,046,672	824,719	42,771	7,690	-	996,211	95.2
Missouri	2,515,142	2,135,668	106,363	8,454	-	2,400,325	95.4
Montana	404,600	331,935	-	-	-	404,600	100.0

Nebraska	879,334	726,929	9,624	-	869,710	98.9
Nevada	1,089,523	956,025	1,993	-	1,087,530	99.8
New Hampshire	592,592	512,248	-	-	592,592	100.0
New Jersey	3,679,706	3,131,210	-	-	3,679,706	100.0
New Mexico	747,831	584,371	19,562	8,224	720,045	96.3
New York	8,214,158	6,891,771	19,396	-	8,194,762	99.8
North Carolina	3,715,251	3,079,165	91,277	21,707	3,602,267	97.0
North Dakota	348,395	288,256	2,899	-	345,496	99.2
Ohio	4,822,239	4,156,171	-	-	4,822,239	100.0
Oklahoma	1,432,941	1,150,653	65,273	8,999	1,358,669	94.8
Oregon	1,567,364	1,289,149	-	-	1,567,364	100.0
Pennsylvania	5,361,430	4,722,380	18,887	-	5,342,543	99.6
Rhode Island	436,634	386,200	714	-	435,920	99.8
South Carolina	1,723,157	1,416,836	59,873	6,095	1,657,189	96.2
South Dakota	377,225	313,150	3,543	-	373,682	99.1
Tennessee	2,506,466	2,133,202	90,859	5,534	2,410,073	96.2
Texas	9,972,510	8,317,660	43,507	1,695,327	8,233,676	82.6
Utah	1,112,961	942,449	3,791	-	1,109,170	99.7
Vermont	285,532	237,598	1,942	-	283,590	99.3
Virginia	3,363,143	2,842,481	81,581	8,255	3,273,307	97.3
Washington	2,732,897	2,217,624	65,451	-	2,667,446	97.6
West Virginia	667,794	548,719	837	-	638,072	95.5
Wisconsin	2,600,207	2,225,691	58,354	18,893	2,522,960	97.0
Wyoming	262,857	202,826	-	-	262,857	100.0
U.S. non-federal	124,859,681	105,449,155	1,232,566	458,077	121,473,711	97.3
Federal	2,980,674	-	-	-	2,980,674	100.0
U.S. TOTAL	127,840,355	105,449,155	1,232,566	458,077	124,454,385	97.4

Notes:

- a UI-covered employment reported in the ES-202 data produced by the United States Bureau of Labor Statistics (U.S. DOL, 2011).
b Data not available for 2009, used the 2007 data.

Source: National Academy of Social Insurance estimates.

Of workers in firms with fewer than five employees, 80.3 percent worked in firms with fewer than four employees and 57.7 percent worked in firms with fewer than three employees. These ratios were applied to the percentage of workers in firms with fewer than five employees in the respective states. For example, the proportion of Arkansas private sector workers in firms with fewer than three employees is: (5.2 percent) x (57.7 percent) = 3.0 percent. These ratios are applied to the number of UI-covered workers in private, non-farm firms in each state. In the fifteen states together, we estimate that 1.3 million workers were excluded from workers' compensation coverage in 2011 because of the small employer exclusion from mandatory coverage.

Agricultural Exemptions. We estimate agricultural workers to be excluded from workers' compensation coverage if they work in any state where agricultural employers are exempt from mandatory coverage. The

following thirteen states have no exemptions for agricultural workers: Alaska, Arizona, California, Connecticut, District of Columbia, Hawaii, Idaho, Massachusetts, New Hampshire, New Jersey, Ohio, Oregon, and Wyoming. In all the other jurisdictions we subtract from UI coverage those workers employed in agricultural industries.

Texas. In Texas, where workers' compensation coverage is elective for almost all employers, the NASI estimate of coverage is based on periodic surveys conducted by the Texas Department of Insurance and the Workers' Compensation Research and Evaluation Group, which found 82 percent of Texas employees were covered in 2011 (TDI et al. 2012). This ratio was applied to all UI-covered Texas employees other than federal government workers (who were not included in the Texas surveys).

Table A2 updates 2010 data.

Appendix B: 2011 Survey Questionnaire

Table B
2011 Survey Questionnaire

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Your Name: _____ State: _____ Agency/Organization: _____ Fax: _____
E-mail: _____ Phone: _____

Calendar Year Paid Data -- Please provide the information requested below for calendar years 2006-2010. *Calendar year paid data refer to all payments made that year, regardless of accident year and regardless of whether the case was closed or remains open.* If you are unable to report calendar year data, please indicate the 12-month period of the data you are reporting. Please be sure to list benefits paid, not incurred. If your agency does not have the data to fill out this questionnaire, please send NASI the contact information for the entity or person in your state that may have the information.

	CY 2011 Payments	CY 2010 Payments	CY 2009 Payments	CY 2008 Payments	CY 2007 Payments
1) INDIVIDUAL SELF-INSURERS					
Medical Payments					
Cash Payments					
Compromise lump sum settlements (if not included above)					
TOTAL					
Is Group Self-Insurance allowed in your state?	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Does the total above include Group Self Insured?	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
If not, fill in 2)					
2) GROUP SELF-INSURERS					
Medical Payments					
Cash Payments					
Compromise lump sum settlements (if not included above)					
TOTAL					
3) PRIVATE CARRIERS					
Medical Payments					
Cash Payments					
Compromise lump sum settlements (if not included above)					
TOTAL					
Are deductibles allowed for private carriers?	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Does the amount above include deductible payments by employers?	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
How much was paid under the deductible amounts?					
4) STATE FUNDS (if state has competitive or exclusive fund)*					
Medical Payments					
Cash Payments					
Compromise lump sum settlements (if not included above)					
TOTAL					
Are deductibles allowed for the state fund?	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Does the amount above include deductible payments by employers?	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>

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	CY 2011 Payments	CY 2010 Payments	CY 2009 Payments	CY 2008 Payments	CY 2007 Payments
5) SPECIAL FUNDS (including second injury, and other)					
Medical Payments					
Cash Payments					
Compromise lump sum settlements (if not included above)					
TOTAL					
Is this amount included in items 3 and/or 4? Is so, which and how much?	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
6) INSURANCE GUARANTY FUNDS					
Medical Payments					
Cash Payments					
Compromise "lump sum settlements" (if not included above)					
TOTAL					
7) SELF-INSURED GUARANTY FUNDS					
Medical Payments					
Cash Payments					
Compromise "lump sum settlements" (if not included above)					
TOTAL					
8) CALENDAR YEAR TOTAL BENEFITS PAID (should equal the sum of items #1-7)					
Medical Payments					
Cash Payments					
Compromise lump sum settlements (if not included above)					
TOTAL					

Please see the next worksheet for information on Premiums and Covered Wages

Please attach additional information if needed.

Please e-mail your response to NASI at isengupta@nasi.org or fax to 202-452-8111 by November 30, 2012
For more information contact Ishita Sengupta by e-mail at isengupta@nasi.org or by phone at 202-452-8097 ext. 1305

Appendix C: Data Availability

Estimates of paid benefits and employer costs for workers' compensation by the National Academy of Social Insurance (NASI) rely on two main sources: responses to the NASI survey questionnaire from state agencies and data purchased from A.M. Best, a private company that specializes in collecting insurance data and rating insurance companies.

The A.M. Best data show the experience of private carriers and competitive state funds in every state, but do not include any information about self-insured employers or about benefits paid under deductible arrangements. The A.M. Best data show total "direct losses" (i.e. benefits) paid in each state in 2007–2011, by private carriers and by eighteen entities that we classify as competitive state funds, based on the criteria that:

- a) They are exempt from federal taxes; and
- b) They must sell workers' compensation policies to private sector employers in the voluntary insurance market.

A.M. Best did not provide information on the exclusive state funds in Ohio, North Dakota, Washington, and Wyoming or for the non-exclusive state fund of South Carolina. The 2011 NASI survey questionnaire for state agencies asked states to report data for five years, from 2007 through 2011. The historical data were used to revise and update estimates for these past years. Table C1 describes the sources of data available for each state used in the data report.

Private Carrier Benefits

Of the 51 jurisdictions, 47 allow private carriers to write workers' compensation policies. Of these, we used the agency data for 12 jurisdictions and rating bureau data for 4 states (details in Table C1) that were able to provide data on the amount of benefits paid by private carriers. In the other states, A.M. Best data were used to estimate private carrier benefits. An estimate of benefits paid under deductible policies was added to benefits paid reported by A.M. Best to estimate total private carrier benefits in these states. Methods for estimating deductible amounts are described in Appendix G.

State Fund Benefits

Eighteen states had a competitive state fund that paid workers' compensation benefits in 2011. Of

these, 5 were able to provide benefit data. A.M. Best data and NAIC (National Association of Insurance Commissioners) data were used to estimate state fund benefits in states unable to provide the data. An estimate of benefits paid under deductible policies was added to benefits reported by A.M. Best to estimate total state fund benefits in these states. The data for South Carolina non-exclusive state fund were provided by the state agency. State agencies provided data for 3 of the exclusive state funds of North Dakota, Ohio and Washington. NAIC data were used to estimate the data for Wyoming.

Self-Insured Benefits

All jurisdictions except North Dakota and Wyoming allow employers to self-insure. Thirty-five of these jurisdictions were able to provide data on benefits paid by self-insurers. Prior years' self-insured benefit ratios to total benefits were used to estimate the self-insurance data for five states. Self-insurance benefits were imputed for the nine states that were unable to provide data. The self-insurance imputation methods are described in Appendix E.

Second Injury and Special Funds

Forty states have provided us with second injury fund and special fund data. There were 11 states for which data were not available. For states where the data were available for reporting purposes, they were distributed across private carriers, state funds and self-insured benefits according to their share in the total. Second-injury funds are financed through general state revenues or assessments on workers' compensation insurers and self-insuring employers. Second injury fund and special fund data are given in Table J1.

Insurance Guaranty Funds and Self-Insurance Guaranty Funds

Guaranty funds cover the outstanding claims of insolvent insurance companies, the property and casualty guaranty fund system. Self-insurance guaranty funds ensure the payment of outstanding workers' compensation liabilities of self-insured employers that went insolvent. For states where data were available, the insurance guaranty fund data were included in the private carriers' benefits data and the self-insurance guaranty funds data were included in

the self-insurance benefits data for that state. 33 states provided data for insurance guaranty fund and 12 states provided the data for self-insured guaranty fund.

Benefits under Deductible Policies

Forty-seven jurisdictions allow carriers to write deductible policies for workers compensation. Of these jurisdictions, four were able to provide the amount of benefits paid under deductible policies. Benefits under deductible arrangements were estimated for another 13 states by subtracting A.M. Best data on benefits paid (which do not include deductible benefits) from data reported by the state agency (which, in these cases, included deductible benefits). Deductible benefits in the remaining states were estimated using a ratio of Manual Equivalent Premiums, as described in Appendix G.

Medical Benefits

The state workers' compensation agency data and rating bureau data for medical share were used in twelve states. The National Council on Compensation Insurance estimates of the medical share of the benefits were used in 38 jurisdictions. Other methods were used for two states for which no information was available from the state or NCCI. More details on methods to estimate medical benefits are in Appendix F.

Employer Costs

NASI estimates of employer costs for benefits paid under private insurance and state funds are the sum of "direct premiums written" as reported by A.M. Best and the NAIC, plus our estimate of benefits paid under deductible arrangements (which are not reflected in premiums). In some cases, data provided by state agencies are used instead of A.M. Best data. State fund premium data for North Dakota, Ohio and Washington were provided by the state agencies. For self-insured employers, the costs include benefit payments and administrative costs. Because self-insured employers often do not separately record administrative costs for workers' compensation, their administrative costs must be estimated. The self-insured administrative costs are assumed to be the same share of benefits as administrative costs reported by private insurers to the National Association of Insurance Commissioners (NAIC 1998-2011). These administrative costs include direct defense and cost containment expenses paid and expenses for taxes, licenses, and fees.

The ratios of these administrative costs to direct losses paid by private insurers were:

2007: 19.1 percent

2008: 16.6 percent

2009: 16.1 percent

2010: 16.1 percent

2011: 17.2 percent

Table C1
Data Sources for 2011

State	Private Carrier	State Fund	Self-Insured	Second Injury Fund/Special Funds	Guaranty Fund	Self-Insurance Guaranty Funds	PC Deductible	SF Deductible	Medical
Alabama	Dept. of Industrial Relations	-	Dept. of Industrial Relations	n.a	n.a	n.a	Subtraction	-	NCCI
Alaska	Dept of Labor & Workforce Development	-	Dept of Labor & Workforce Development	Dept of Labor & Workforce Development	Dept of Labor & Workforce Development	n.a	Subtraction	-	NCCI
Arizona	A.M. Best	A.M. Best	Industrial Commission of AZ	Industrial Commission of AZ	n.a	n.a	Manual Premium Method	Manual Premium Method	NCCI
Arkansas	A.M. Best	-	AR Workers' Comp. Commission	AR Workers' Comp. Commission	AR Property and Insurance GF	n.a	Manual Premium Method	-	NCCI
California	WCIRB	A.M. Best	Dept. of Industrial Relations Office of Self-Insurance Plans	Commission on Health and Safety and Workers' Comp.	CA Insurance Guaranty Assoc.	Dept. of Industrial Relations Office of Self-Insurance Plans	Subtraction	Not Allowed	Commission on Health and Safety and Workers' Comp.
Colorado	A.M. Best	A.M. Best	CO Dept. of Labor & Employment, Div. of Workers' Comp.	CO Dept. of Labor & Employment, Div. of Workers' Comp.	Western GF Services	Colorado Dept. of Labor & Employment, Div. of Workers' Comp.	Manual Premium Method	Manual Premium Method	NCCI
Connecticut	A.M. Best	-	Workers' Comp. Commission	Workers' Comp. Commission	CT Insurance Guaranty Assoc.	n.a	Manual Premium Method	-	NCCI
Delaware	A.M. Best	-	Dept. of Labor, Div. of Industrial Affairs	Dept. of Labor, Div. of Industrial Affairs	DE Insurance Guaranty Assoc.	n.a	DE/PA Comp. Rating Bureau	-	DE/PA Comp. Rating Bureau
D.C.	A.M. Best	-	Dept. of Employment Services/ Office of Workers' Comp.	Dept. of Employment Services/ Office of Workers' Comp.	DC Insurance Guaranty Assoc.	n.a	Manual Premium Method	-	NCCI
Florida	A.M. Best	-	Imputed from previous years data	FL Div. of Workers' Comp.	n.a	n.a	Manual Premium Method	-	NCCI
Georgia	A.M. Best	-	Imputation	Subsequent Injury Trust Fund	GA Insurers Insolvency Pool	n.a	Manual Premium Method	-	NCCI
Hawaii	Dept. of Labor & Industrial Relations	Dept. of Labor & Industrial Relations	Dept. of Labor & Industrial Relations	Dept. of Labor & Industrial Relations	n.a	n.a	Subtraction	Subtraction	NCCI
Idaho	A.M. Best	A.M. Best	ID Industrial Commission	ID Industrial Commission	Western Guaranty Fund Services	n.a	Manual Premium Method	Manual Premium Method	NCCI
Illinois	A.M. Best	-	Imputation	IL Workers' Comp. Commission	-	n.a	Manual Premium Method	-	NCCI
Indiana	A.M. Best	-	Workers Comp. Board of IN	Workers Comp. Board of IN	IN Insurance Guaranty Assoc.	n.a	Manual Premium Method	-	NCCI
Iowa	A.M. Best	-	Imputation	Div. of Workers' Comp.	n.a	n.a	Manual Premium Method	-	NCCI
Kansas	A.M. Best	-	Dept. of Labor, Div. of Workers' Comp.	Dept. of Labor, Div. of Workers' Comp.	Western Guaranty Fund Services	n.a	Manual Premium Method	-	NCCI
Kentucky	A.M. Best	A.M. Best	Imputation	KY Labor Cabinet, Div. of Workers' Comp. Funds	KY Insurance Guaranty Association	n.a	Manual Premium Method	Manual Premium Method	NCCI

Table C1 continued

Data Sources for 2011

State	Private Carrier	State Fund	Self-Insured	Second Injury Fund/Special Funds	Guaranty Fund	Self-Insurance Guaranty Funds	PC Deductible	SF Deductible	Medical
Louisiana	A.M. Best	A.M. Best	Imputed from previous years data	LA Workforce Commission	n.a	n.a	Manual Premium Method	Manual Premium Method	NCCI
Maine	A.M. Best	-	ME Bureau of Insurance	n.a	ME Insurance Guaranty Assoc.	n.a	Manual Premium Method	Manual Premium Method	NCCI
Maryland	MD Workers' Comp. Commission	MD Workers' Comp. Commission	MD Workers' Comp. Commission	Subsequent Injury Fund	n.a	n.a	Subtraction	Subtraction	NCCI
Massachusetts	WCRIBMA	-	Office of Labor and Workforce Development, Workers' Comp. Div.	Office of Labor and Workforce Development, Workers' Comp. Div.	MA Insurers Insolvency Fund	n.a	Subtraction	-	WCRIBMA
Michigan	Workers' Comp. Agency	-	Workers' Comp. Agency	Workers' Comp. Comp.	MI Property & Casualty Guaranty Assn.	Workers' Comp. Agency	Subtraction	-	Workers' Comp. Agency
Minnesota	Dept. of Labor and Industry	-	Dept. of Labor and Industry	Dept. of Labor and Industry	Dept. of Labor and Industry	Dept. of Labor and Industry	Dept. of Labor and Industry	Not Allowed	Dept. of Labor and Industry
Mississippi	MS Workers' Comp. Commission	-	MS Workers' Comp. Commission	MS Workers' Comp. Commission	n.a	n.a	Subtraction	-	NCCI
Missouri	A.M. Best	A.M. Best	MO Div. of Workers' Comp.	MO Div. of Workers' Comp.	n.a	MO Div. of Workers' Comp.	Manual Premium Method	Manual Premium Method	NCCI
Montana	Dept. of Labor and Industry, Employment Relations Div.	A.M. Best	Dept. of Labor and Industry, Employment Relations Div.	Dept. of Labor and Industry, Employment Relations Div.	Western GF Services	n.a	Subtraction	Manual Premium Method	NCCI
Nebraska	A.M. Best	-	Imputation	Workers' Comp. Court	n.a	n.a	Manual Premium Method	-	NCCI
Nevada	A.M. Best	-	Imputed from previous years data	n.a	n.a	n.a	Manual Premium Method	-	NCCI
New Hampshire	A.M. Best	-	NH Dept. of Labor	NH Dept. of Labor	NH Insurance Guaranty Assoc.	n.a	Manual Premium Method	-	NCCI
New Jersey	NJCIRB	-	Imputation	NJ Dept. of Labor and Workforce Development	NJ Property and Life Insurance Guaranty Assoc.	NJ Dept. of Labor and Workforce Development	Subtraction	-	NJCIRB
New Mexico	Workers' Comp. Administration	Workers' Comp. Administration	Workers' Comp. Administration	Workers' Comp. Administration	NM Insurance Guaranty Assoc.	n.a	Subtraction	Subtraction	NCCI
New York	NYCIRB	A.M. Best	Workers' Comp. Board	n.a	n.a	n.a	Subtraction	Not Allowed	NYCIRB
North Carolina	A.M. Best	-	Imputation	n.a	n.a	n.a	Manual Premium Method	-	NCCI
North Dakota	A.M. Best	ND Workforce Safety and Insurance	-	n.a	n.a	n.a	Not Allowed	Imputation	ND Workforce Safety and Insurance
Ohio	A.M. Best	OH Bureau of Workers' Comp.	OH Bureau of Workers' Comp.	n.a	n.a	n.a	Not Allowed	Not Allowed	OH Bureau of Workers' Comp.

Table C1 continued

Data Sources for 2011

State	Private Carrier	State Fund	Self-Insured	Second Injury Fund/Special Funds	Guaranty Fund	Self-Insurance Guaranty Funds	PC Deductible	SF Deductible	Medical
Oklahoma	A.M. Best	A.M. Best	OK Workers' Comp. Court	Multiple Injury Trust Fund	n.a	n.a	Manual Premium Method	Manual Premium Method	NCCI
Oregon	A.M. Best	Dept. of Consumer and Business Services, Information Mgmt. Div.	Dept. of Consumer and Business Services, Information Mgmt. Div.	Dept. of Consumer and Business Services, Information Mgmt. Div.	Dept. of Consumer and Business Services, Information Mgmt. Div.	Dept. of Consumer and Business Services, Information Mgmt. Div.	Manual Premium Method	Not Allowed	NCCI
Pennsylvania	PA Dept. of Labor & Industry	PA Dept. of Labor & Industry	PA Dept. of Labor & Industry	PA Dept. of Labor & Industry	PA Dept. of Labor & Industry	PA Dept. of Labor & Industry	DE-PA CRB	Not allowed	PA Dept. of Labor & Industry
Rhode Island	A.M. Best	A.M. Best	RI Dept. of Labor and Training, Div. of Workers' Comp.	Workers' Comp. Administrative Fund	RI Property and Casualty Insurance Guaranty Assoc.	n.a	Manual Premium Method	Manual Premium Method	NCCI
South Carolina	S.C. Workers' Comp. Commission and SC Second Injury Fund	S.C. Workers' Comp. Commission and SC Second Injury Fund	S.C. Workers' Comp. Commission and SC Second Injury Fund	SC Second Injury Fund	S.C. Property and Casualty Insurance Guaranty Assoc.	n.a	S.C. Workers' Comp. Commission and SC Second Injury Fund	Not Allowed	NCCI
South Dakota	Dept. of Labor and Regulation, Div. of Labor and Mgmt.	-	Dept. of Labor and Regulation, Div. of Labor and Mgmt.	n.a	n.a	n.a	Subtraction	-	NCCI
Tennessee	A.M. Best	-	TN Dept. of Labor and Workforce Development, Div. of Workers' Comp.	TN Dept. of Labor and Workforce Development, Div. of Workers' Comp.	n.a	n.a	Manual Premium Method	-	NCCI
Texas	A.M. Best	A.M. Best	Imputed from previous years data	n.a	TX Guaranty Fund	n.a	Manual Premium Method	Manual Premium Method	NCCI
Utah	A.M. Best	A.M. Best	Imputation	UT Labor Commission	UT Property and Casualty Insurance Guaranty Assoc.	n.a	Manual Premium Method	Manual Premium Method	NCCI
Vermont	A.M. Best	-	Imputed from previous years data	n.a	VT Property & Casualty Insurance Guaranty Assoc.	n.a	Manual Premium Method	-	NCCI
Virginia	A.M. Best	-	Imputation	n.a	VA Property & Casualty Insurance Guaranty Assoc.	n.a	Manual Premium Method	-	NCCI
Washington	A.M. Best	Dept. of Labor and Industries	Dept. of Labor and Industries	Dept. of Labor and Industries	n.a	Dept. of Labor and Industries	Not Allowed	Not Allowed	Dept. of Labor and Industries
West Virginia	A.M. Best	WV Offices of the Insurance Commissioner	WV Offices of the Insurance Commissioner	WV Offices of the Insurance Commissioner	n.a	WV Offices of the Insurance Commissioner	Manual Premium Method	-	NCCI
Wisconsin	A.M. Best	-	Dept. of Workforce Development, Div. of Workers' Comp.	Dept. of Workforce Development, Div. of Workers' Comp.	n.a	n.a	Not Allowed	-	Dept. of Workforce Development, Div. of Workers' Comp.
Wyoming	A.M. Best	NAIC data	-	n.a	Western GF Services	n.a	Not Allowed	Not Allowed	National Average

Notes: n.a. not available.

Source: National Academy of Social Insurance estimates.

Appendix D: Revised Data for 2007–2010

In preparing the 2011 estimates for workers' compensation benefits, the National Academy of Social Insurance reviewed and revised all data for calendar years 2007–2010. These revised data are shown in Tables D1 to D4. The revision process began by requesting historical data from state workers' compensation agencies and from A.M. Best. The revised benefit estimates are reported in the following tables.

Revisions to the historical data increase consistency in historical methodology and enhance comparability between years. The following are key revisions made to the historical data:

1. Revised data consistently use the same medical benefit estimation methodology described in Appendix F.
2. Revised data consistently use the same deductible estimation methodology described in Appendix G.
3. Self-insurance benefit imputations were revised using historical data as reported in Appendix E.
4. Changes in data reported by state agencies were captured by the revised data questionnaire and are reflected in the revised estimates.
5. Administrative costs for self-insurance were re-estimated based on updated information from the National Association of Insurance Commissioners as described in Appendix C.
6. The Maine entries in Tables 8 and D1 to D5 have been revised to show that Maine did not have a competitive state workers' compensation fund during those years.

The revised data in this appendix should be used in place of previously published data. Historical data displayed in the body of this report incorporate these revisions. In the last several years, we have also made significant changes in the procedures used to estimate benefit payments for some states. In California, for example, we have revised our estimates for 2001–2010 to exclude medical cost containment expenses from medical benefits paid, consistent with our estimates for other states. Beginning in 2011, however, medical cost containment expenses are no longer included in the medical benefits data.

Table D5 is the corrected version of table 9.B1 of the *Annual Statistical Supplement to the Social Security Bulletin, 2012*.

Table D1**Workers' Compensation Benefits* by Type of Insurer and Medical Benefits, by State, 2010 (in thousands)**

State	Private Carriers ^a	State Funds	Self-Insured ^b	Total	Percent Medical	Medical ^c
Alabama	\$306,069	\$	\$323,000	\$629,069	69.0	\$434,057
Alaska	157,954		63,373	221,327	65.6	145,190
Arizona	272,597	290,773	138,377	701,747	62.6	439,294
Arkansas	143,706		59,536	203,242	64.4	130,888
California	5,258,704	1,551,243	2,853,951	9,663,897	55.6	5,373,141
Colorado	228,368	375,318	199,447	803,134	50.5	405,583
Connecticut	620,314		174,537	794,850	45.3	360,067
Delaware	176,335		35,586	211,921	58.0	122,914
District of Columbia	77,939		27,552	105,492	34.0	35,867
Florida	1,871,787		673,193	2,544,980	65.7	1,672,052
Georgia	1,077,832		373,855	1,451,687	50.2	728,747
Hawaii	128,738	30,678	82,983	242,400	43.5	105,444
Idaho	84,948	145,549	6,468	236,965	62.9	149,051
Illinois	2,250,293		740,009	2,990,302	47.5	1,420,393
Indiana	536,601		62,078	598,678	71.6	428,654
Iowa	445,226		113,264	558,490	54.4	303,818
Kansas	283,650		121,607	405,257	54.8	222,081
Kentucky	376,584	83,284	202,145	662,014	56.9	376,686
Louisiana	438,815	121,006	272,277	832,098	53.2	442,450
Maine	175,964	0	75,515	251,479	48.9	122,973
Maryland	518,960	174,238	260,335	953,533	45.7	435,765
Massachusetts	742,430		270,855	1,013,285	34.1	345,470
Michigan	857,877		414,014	1,271,892	40.0	508,456
Minnesota	784,046		250,615	1,034,661	51.2	529,585
Mississippi	211,942		125,691	337,633	62.5	211,021
Missouri	515,752	82,424	207,745	805,920	55.6	448,092
Montana	82,520	141,072	43,229	266,821	60.1	160,359
Nebraska	252,327		61,638	313,965	61.1	191,833
Nevada	296,096		133,589	429,686	43.7	187,773
New Hampshire	187,781		63,848	251,629	61.2	153,997

New Jersey	1,607,135	451,216	2,058,351	49.7	1,022,915
New Mexico	162,919	84,736	276,126	58.4	161,257
New York	2,008,174	1,411,767	4,606,295	37.2	1,714,649
North Carolina	1,028,675	322,403	1,351,078	44.2	597,176
North Dakota ^a	94	114,887	114,981	59.8	68,734
Ohio ^a	12,674	396,336	2,268,515	42.5	963,557
Oklahoma	436,392	156,757	844,020	44.2	373,057
Oregon	228,090	107,364	632,400	50.7	320,627
Pennsylvania	2,047,166	604,664	2,909,341	44.4	1,290,603
Rhode Island	59,567	24,155	160,016	33.2	53,125
South Carolina	664,303	174,052	891,283	43.2	385,034
South Dakota	96,450	3,898	100,348	61.7	61,915
Tennessee	621,448	162,953	784,402	56.8	445,540
Texas	857,311	291,021	1,499,969	59.4	890,981
Utah	89,812	36,438	243,354	68.6	166,941
Vermont	119,664	17,403	137,066	51.9	71,137
Virginia	610,624	167,555	778,179	59.8	465,351
Washington ^a	20,607	1,756,476	2,308,748	33.0	760,998
West Virginia ^a	196,028	40,388	508,536	50.5	256,561
Wisconsin	930,166	141,711	1,071,877	69.9	749,586
Wyoming ^a	1,364	162,133	163,497	50.5	82,486
Non-federal total	\$31,160,818	\$13,556,795	\$54,496,434	50.5	\$27,493,933
Federal ^d			3,672,058		1,092,904
Federal employees ^e			2,889,321		912,882
Total			\$58,168,492	49.1	\$28,586,837

Notes: *Benefits are payments in the calendar year to injured workers and to providers of their medical care.

- States with exclusive funds (Ohio, North Dakota, Washington, and Wyoming) may have small amounts of benefits paid in the private carrier category. This results from the fact that some employers doing business in states with exclusive state funds may need to obtain coverage from private carriers under the USL&HW act or employers liability coverage which the state fund is not authorized to provide. In addition, private carriers may provide excess compensation coverage in some of these states.
- Self-insurance includes individual self-insurers and group self-insurance.
- For further details see Appendix C1.
- Federal benefits include: those paid under the Federal Employees' Compensation Act for civilian employees; the portion of the Black Lung benefit program that is financed by employers; and a portion of benefits under the Longshore and Harbor Workers' Compensation Act that are not reflected in state data, namely, benefits paid by self-insured employers and by special funds under the LHWCA. See Appendix H for more information about federal programs.
- Included in the Federal benefits total.

Source: National Academy of Social Insurance estimates based on data received from state agencies, the U.S. Department of Labor, A.M. Best, and the National Council on Compensation Insurance.

Table D2**Workers' Compensation Benefits* by Type of Insurer and Medical Benefits, by State, 2009 (in thousands)**

State	Private Carriers ^a	State Funds	Self-Insured ^b	Total	Percent Medical	Medical ^c
Alabama	\$297,824	\$	\$327,930	\$625,755	67.6	\$423,010
Alaska	162,002		59,020	221,021	66.4	146,758
Arizona	229,351	318,363	109,434	657,148	62.1	408,089
Arkansas	150,060		64,803	214,864	65.8	141,380
California	5,145,371	1,603,583	2,902,475	9,651,429	54.8	5,288,043
Colorado	245,143	383,723	207,700	836,565	50.2	419,956
Connecticut	629,386		213,246	842,632	43.5	366,545
Delaware	161,479		44,666	206,145	55.1	113,586
District of Columbia	80,084		24,599	104,683	37.5	39,256
Florida	2,026,268		872,535	2,898,803	64.4	1,866,829
Georgia	1,116,840		409,669	1,526,510	49.4	754,096
Hawaii	131,796	30,557	82,022	244,375	43.0	105,081
Idaho	87,640	147,861	7,393	242,893	61.4	149,137
Illinois	2,284,219		771,508	3,055,727	47.9	1,463,693
Indiana	537,599		59,576	597,175	71.1	424,591
Iowa	433,347		118,542	551,888	54.0	298,020
Kansas	304,200		112,231	416,431	59.2	246,527
Kentucky	382,938	87,567	213,840	684,345	57.1	390,761
Louisiana	428,009	132,926	270,067	831,002	54.2	450,403
Maine	183,759		76,762	260,521	46.2	120,361
Maryland	463,562	210,190	222,153	895,905	44.6	399,574
Massachusetts	746,307		204,751	951,058	34.3	325,912
Michigan	958,184		551,697	1,509,881	35.1	530,182
Minnesota	814,986		257,473	1,072,459	51.6	553,480
Mississippi	187,661		134,109	321,771	59.3	190,810
Missouri	538,935	83,865	227,288	850,089	54.7	464,998
Montana	80,086	139,667	41,352	261,105	56.8	148,307
Nebraska	235,134		64,725	299,859	60.5	181,415
Nevada	291,256		139,557	430,813	46.1	198,605

New Hampshire	186,202	60,629	246,831	61.3	151,307
New Jersey	1,555,161	435,727	1,990,888	48.5	965,112
New Mexico	130,178	87,555	246,272	59.9	147,517
New York	1,787,667	1,252,838	4,136,960	25.4	1,049,374
North Carolina	1,073,604	340,664	1,414,268	44.7	632,178
North Dakota ^a		110,526	110,526	60.5	66,866
Ohio ^a	20,968	407,086	2,353,384	42.4	998,833
Oklahoma	368,843	157,739	785,825	43.2	339,477
Oregon	237,627	101,829	618,091	52.0	321,407
Pennsylvania	1,975,878	615,246	2,901,339	45.5	1,321,460
Rhode Island	58,002	22,139	160,697	33.4	53,673
South Carolina	662,139	175,673	891,830	41.3	368,326
South Dakota	90,019	3,558	93,578	65.4	61,200
Tennessee	603,094	178,323	781,417	53.9	421,184
Texas	920,464	319,727	1,591,818	59.6	948,723
Utah	101,630	45,644	274,072	69.1	189,384
Vermont	125,224	18,950	144,174	49.4	71,222
Virginia	652,759	206,126	858,884	57.9	497,294
Washington ^a	19,006	537,117	2,312,186	35.0	808,271
West Virginia ^a	198,298	35,683	519,033	49.3	256,121
Wisconsin	959,371	156,941	1,116,312	68.9	768,661
Wyoming ^a	1,752	134,764	136,516	49.3	67,365
Non-federal total	\$31,061,310	\$9,936,123	\$54,947,752	49.3	\$27,114,359
Federal ^d			3,542,605	29.3	1,039,167
Federal employees ^e			2,763,885	31.3	863,729
TOTAL			\$58,490,357	48.1	\$28,153,526

Notes: * Benefits are payments in the calendar year to injured workers and to providers of their medical care.

- States with exclusive funds (Ohio, North Dakota, Washington, West Virginia, and Wyoming) may have small amounts of benefits paid in the private carrier category. This results from the fact that some employers doing business in states with exclusive state funds may need to obtain coverage from private carriers under the USL&HW act or employers liability coverage which the state fund is not authorized to provide. In addition, private carriers may provide excess compensation coverage in some of these states.
- Self-insurance includes individual self-insurers and group self-insurance.
- For further details see Appendix C1.
- Federal benefits include: those paid under the Federal Employees' Compensation Act for civilian employees; the portion of the Black Lung benefit program that is financed by employers; and a portion of benefits under the Longshore and Harbor Workers' Compensation Act that are not reflected in state data, namely, benefits paid by self-insured employers and by special funds under the LHWCA. See Appendix H for more information about federal programs.
- Included in the Federal benefits total.

Source: National Academy of Social Insurance estimates based on data received from state agencies, the U.S. Department of Labor, A.M. Best, and the National Council on Compensation Insurance.

Table D3**Workers' Compensation Benefits* by Type of Insurer and Medical Benefits, by State, 2008 (in thousands)**

State	Private Carriers ^a	State Funds	Self-Insured ^b	Total	Percent Medical	Medical ^c
Alabama	\$313,543	\$	\$343,065	\$656,607	68.8	\$451,746
Alaska	162,402		56,761	219,163	64.1	140,484
Arizona	220,383	356,412	114,627	691,422	68.1	470,858
Arkansas	162,426		64,945	227,371	65.1	148,019
California	5,025,169	1,838,457	2,931,503	9,795,130	53.3	5,223,786
Colorado	278,546	388,901	207,372	874,819	49.9	436,535
Connecticut	568,457		216,363	784,819	44.4	348,460
Delaware	158,303		60,362	218,665	60.0	131,199
District of Columbia	70,168		24,922	95,091	35.5	33,757
Florida	2,104,550		725,256	2,829,806	64.3	1,819,565
Georgia	1,149,372		449,027	1,598,399	48.4	773,625
Hawaii	131,404	28,577	85,782	245,763	43.2	106,170
Idaho	85,226	157,438	6,779	249,443	61.5	153,408
Illinois	2,181,603		774,675	2,956,278	48.4	1,430,839
Indiana	559,903		66,757	626,661	71.0	444,929
Iowa	430,027		124,364	554,391	54.1	299,925
Kansas	299,403		117,231	416,634	60.0	249,981
Kentucky	385,722	88,556	223,072	697,350	57.5	400,976
Louisiana	412,847	154,427	287,213	854,487	50.5	431,516
Maine	256,357		83,600	339,957	47.2	160,459
Maryland	507,856	228,217	199,875	935,948	44.9	420,241
Massachusetts	730,002		118,697	848,699	35.7	302,913
Michigan	853,905		553,377	1,407,282	35.9	505,331
Minnesota	768,173		257,433	1,025,607	51.1	524,034
Mississippi	202,272		144,368	346,640	59.3	205,558
Missouri	581,150	89,623	236,842	907,615	55.9	507,357
Montana	72,948	142,996	44,891	260,835	59.3	154,675
Nebraska	253,967		71,097	325,064	62.2	202,190
Nevada	290,180		131,625	421,805	46.3	195,296

New Hampshire	190,220		59,958	250,178	61.5	153,860
New Jersey	1,525,015		469,777	1,994,792	48.3	963,752
New Mexico	125,280	25,405	89,725	240,409	59.5	143,044
New York	1,711,623	1,032,617	1,155,671	3,899,911	36.0	1,403,968
North Carolina	1,084,670		391,343	1,476,013	45.6	673,062
North Dakota ^a	55	105,780	0	105,835	58.5	61,935
Ohio ^a	23,746	2,055,456	410,878	2,490,080	43.9	1,093,161
Oklahoma	323,756	275,866	145,240	744,862	43.8	326,250
Oregon	238,165	281,808	87,119	607,091	51.9	315,080
Pennsylvania	1,929,826	348,716	623,700	2,902,243	44.6	1,295,845
Rhode Island	48,231	90,510	20,795	159,535	32.1	51,211
South Carolina	671,781	55,853	189,785	917,419	41.0	376,142
South Dakota	106,068		5,116	111,184	67.0	74,493
Tennessee	619,404		165,231	784,635	52.9	415,072
Texas	884,998	336,106	297,326	1,518,430	61.2	929,279
Utah	102,205	135,604	49,881	287,690	71.6	205,986
Vermont	111,627		16,405	128,032	53.1	67,985
Virginia	705,993		229,002	934,995	58.0	542,297
Washington ^a	21,339	1,665,092	506,454	2,192,885	36.4	798,994
West Virginia ^a	177,763	258,437	36,875	473,074	50.5	238,820
Wisconsin	975,229		183,229	1,158,458	73.8	855,073
Wyoming ^a	2,369	134,764		137,133	50.5	69,228
Non-federal total	\$30,795,628	\$10,275,618	\$13,855,391	\$54,926,636	50.5	\$27,728,368
Federal ^d				3,423,825		956,148
Federal employees ^e				2,676,370		798,039
TOTAL				\$58,350,462	49.2	\$28,684,517

Notes: *Benefits are payments in the calendar year to injured workers and to providers of their medical care.

a. States with exclusive funds (Ohio, North Dakota, Washington, West Virginia, and Wyoming) may have small amounts of benefits paid in the private carrier category. This results from the fact that some employers doing business in states with exclusive state funds may need to obtain coverage from private carriers under the USL&HW act or employers liability coverage which the state fund is not authorized to provide. In addition, private carriers may provide excess compensation coverage in some of these states.

b. Self-insurance includes individual self-insurers and group self-insurance.

c. For further details see Appendix C1.

d. Federal benefits include: those paid under the Federal Employees' Compensation Act for civilian employees; the portion of the Black Lung benefit program that is financed by employers; and a portion of benefits under the Longshore and Harbor Workers' Compensation Act that are not reflected in state data, namely, benefits paid by self-insured employers and by special funds under the LHWCA. See Appendix H for more information about federal programs.

e. Included in the Federal benefits total.

Source: National Academy of Social Insurance estimates based on data received from state agencies, the U.S. Department of Labor, A.M. Best, and the National Council on Compensation Insurance.

Table D4**Workers' Compensation Benefits* by Type of Insurer and Medical Benefits, by State, 2007 (in thousands)**

State	Private Carriers ^a	State Funds	Self-Insured ^b	Total	Percent Medical	Medical ^c
Alabama	\$310,809	\$	\$324,506	\$635,315	68.5	\$435,345
Alaska	147,189		54,289	201,477	62.5	126,004
Arizona	190,388	398,340	108,299	697,027	68.9	480,420
Arkansas	148,105		64,969	213,074	63.6	135,410
California	4,880,617	1,988,739	3,034,412	9,903,767	49.9	4,942,052
Colorado	235,457	409,660	191,736	836,853	47.5	397,402
Connecticut	552,116		187,448	739,565	43.7	323,263
Delaware	147,001		86,030	233,032	57.1	133,061
District of Columbia	74,752		22,756	97,508	36.6	35,709
Florida	2,218,822		724,268	2,943,090	62.3	1,832,380
Georgia	1,075,707		442,831	1,518,539	48.5	736,427
Hawaii	129,410	32,998	84,885	247,294	42.3	104,568
Idaho	79,475	149,275	6,539	235,289	60.9	143,316
Illinois	2,039,066		759,280	2,798,346	47.2	1,321,726
Indiana	537,950		62,066	600,017	70.2	421,342
Iowa	387,566		111,860	499,426	51.6	257,552
Kansas	276,463		120,348	396,811	61.3	243,058
Kentucky	357,161	85,402	209,380	651,943	58.0	378,329
Louisiana	309,840	156,925	265,939	732,704	52.6	385,642
Maine	191,282		85,537	276,818	43.3	119,937
Maryland	420,498	240,535	168,882	829,914	43.1	357,545
Massachusetts	709,550		120,736	830,286	34.7	288,277
Michigan	915,946		595,335	1,511,282	35.3	533,355
Minnesota	704,873		254,295	959,168	50.1	480,483
Mississippi	181,189		147,045	328,234	57.9	190,144
Missouri	526,712	83,971	259,124	869,806	54.6	474,536
Montana	74,903	135,728	44,029	254,661	56.7	144,513
Nebraska	220,017		66,388	286,405	62.8	179,835
Nevada	292,527		122,385	414,912	45.6	189,346

New Hampshire	167,668	50,976	218,644	61.4	134,319
New Jersey	1,508,088	354,079	1,862,167	47.9	892,309
New Mexico	125,518	30,752	240,855	58.6	141,215
New York	1,684,442	959,117	3,597,478	36.0	1,295,092
North Carolina	970,489	403,778	1,374,267	45.7	628,506
North Dakota ^a	123	91,612	91,735	56.1	51,482
Ohio ^a	19,335	2,017,613	2,478,080	41.6	1,029,725
Oklahoma	274,764	265,738	674,327	43.0	289,736
Oregon	229,897	276,401	594,297	53.5	317,848
Pennsylvania	1,845,064	342,480	2,806,195	43.4	1,216,921
Rhode Island	44,213	90,610	154,224	34.6	53,432
South Carolina	638,850	47,729	895,488	41.9	375,249
South Dakota	115,235	4,332	119,567	66.6	79,616
Tennessee	618,015	134,677	752,693	54.0	406,508
Texas	852,720	322,051	1,462,489	61.0	892,339
Utah	89,568	134,766	270,585	70.5	190,834
Vermont	104,621	15,460	120,081	50.4	60,520
Virginia	661,398	235,110	896,509	57.4	514,435
Washington ^a	21,949	1,501,961	1,995,799	36.3	723,608
West Virginia ^a	167,132	267,371	473,465	49.4	233,809
Wisconsin	931,855	164,394	1,096,249	74.2	813,672
Wyoming ^a	4,038	122,959	126,996	49.4	62,714
Non-federal total	\$29,410,376	\$10,152,732	\$53,044,751	49.4	\$26,194,865
Federal ^d			3,339,892		909,808
Federal employees ^e			2,586,700		752,742
TOTAL			\$56,384,643	48.1	\$27,104,673

Notes: *Benefits are payments in the calendar year to injured workers and to providers of their medical care.

a. States with exclusive funds (Ohio, North Dakota, Washington, West Virginia, and Wyoming) may have small amounts of benefits paid in the private carrier category. This results from the fact that some employers doing business in states with exclusive state funds may need to obtain coverage from private carriers under the USL&HW act or employers liability coverage which the state fund is not authorized to provide. In addition, private carriers may provide excess compensation coverage in some of these states.

b. Self-insurance includes individual self-insurers and group self-insurance.

c. For further details see Appendix C1.

d. Federal benefits include: those paid under the Federal Employees' Compensation Act for civilian employees; the portion of the Black Lung benefit program that is financed by employers; and a portion of benefits under the Longshore and Harbor Workers' Compensation Act that are not reflected in state data, namely, benefits paid by self-insured employers and by special funds under the LHWCA. See Appendix H for more information about federal programs.

e. Included in the Federal benefits total.

Source: National Academy of Social Insurance estimates based on data received from state agencies, the U.S. Department of Labor, A.M. Best, and the National Council on Compensation Insurance.

Table D5

Corrected Version of Table 9.B1 of the Annual Statistical Supplement to the Social Security Bulletin
Benefits, Coverage and Costs, selected years 1980-2011

Year	Estimated number of Workers covered per month (millions)	Type of Insurance			Type of Benefits		Cost of program as a percentage of covered payroll	Benefits as a percentage of covered payroll	
		Private Carriers	State Funds	Federal Funds	Employers' Self-Insurance	Medical and Hospitalization			Compensation payments
1980	87.6	\$7,029	\$1,797	\$2,533	\$2,259	\$3,947	\$9,671	1.76	0.96
1981	87.0	7,876	2,017	2,578	2,583	4,431	10,623	1.67	0.97
1982	85.6	8,647	2,191	2,577	2,993	5,058	11,350	1.58	1.04
1983	86.7	9,265	2,443	2,618	3,249	5,681	11,894	1.50	1.05
1984	91.0	10,610	2,754	2,651	3,671	6,424	13,262	1.49	1.09
1985	93.7	12,341	3,059	2,685	4,132	7,498	14,719	1.64	1.17
1986	95.6	13,827	3,554	2,694	4,538	8,642	15,971	1.79	1.23
1987	98.2	15,453	4,084	2,698	5,082	9,912	17,405	1.86	1.29
1988	101.4	17,512	4,687	2,760	5,744	11,507	19,196	1.94	1.34
1989	103.9	19,918	5,205	2,760	6,433	13,424	20,892	2.04	1.46
1990	105.5	22,222	5,873	2,893	7,249	15,187	23,050	2.18	1.57
1991	103.7	24,515	6,713	2,998	7,962	16,832	25,355	2.16	1.65
1992	104.3	24,030	7,829	3,158	9,643	18,664	25,996	2.13	1.65

1993	106.2	42,925	21,773	8,105	3,189	9,857	18,503	24,422	2.17	1.53
1994	109.4	43,482	21,391	7,398	3,166	11,527	17,194	26,288	2.05	1.47
1995	112.8	42,122	20,106	7,681	3,103	11,232	16,733	25,389	1.83	1.35
1996	114.8	41,960	21,024	8,042	3,066	9,828	16,739	25,221	1.66	1.26
1997	118.1	41,971	21,676	7,157	2,780	10,357	17,397	24,574	1.49	1.17
1998	121.5	43,987	23,579	7,187	2,868	10,354	18,622	25,365	1.38	1.13
1999	124.3	46,313	26,383	7,083	2,862	9,985	20,055	26,258	1.35	1.12
2000	127.1	47,699	26,874	7,388	2,957	10,481	20,933	26,766	1.34	1.06
2001	127.0	50,827	27,905	8,013	3,069	11,839	23,137	27,690	1.43	1.10
2002	125.6	52,297	28,085	9,139	3,154	11,920	24,203	28,094	1.57	1.13
2003	124.7	54,739	28,395	10,442	3,185	12,717	25,733	29,006	1.71	1.16
2004	125.9	56,149	28,632	11,146	3,256	13,115	26,079	30,070	1.70	1.13
2005	128.2	57,067	29,039	11,060	3,258	13,710	26,361	30,706	1.71	1.09
2006	130.3	54,896	27,946	10,555	3,270	13,125	26,206	28,690	1.56	0.99
2007	131.7	56,385	29,410	10,153	3,340	13,482	27,105	29,280	1.47	0.96
2008	130.6	58,350	30,796	10,276	3,424	13,855	28,685	29,666	1.34	0.98
2009	124.9	58,490	31,061	9,936	3,543	13,950	28,154	30,337	1.30	1.03
2010	124.5	58,168	31,161	9,779	3,672	13,557	28,587	29,582	1.24	1.00
2011	125.8	60,210	32,235	9,783	3,777	14,415	29,863	30,348	1.27	1.00

Source: National Academy of Social Insurance estimates and SSA 2012a.

Appendix E: Self-Insured Benefit Estimates

This report uses a methodology that incorporates historical data to estimate self-insurance benefits in states that were not able to provide recent information.

That methodology is as follows:

Step A: Calculate the share of payroll that is self-insured (in states where we can).

- 1) Use NASI estimates of total covered payroll for calendar year 2011. This procedure is outlined in Appendix A.
- 2) Obtain total payroll for workers insured by private carriers and competitive state funds for policy years from NCCI. This information is available for a subset of states (about 38 states), which we call “NCCI states.”
- 3) For each of the NCCI states, use [1] and [2] to estimate the payroll covered by self-insurers. This is given by [1]-[2].
- 4) For the NCCI states, use [1] and [2] to estimate the percent of payroll covered by self-insurers. The percentage of payroll covered by self-insurers is [3] / [1].

(A similar procedure is used for another nine states - California, Delaware, Massachusetts, Michigan, Minnesota, New Jersey, New York, Pennsylvania, and Washington - using payroll data from the Rating Bureaus and Agencies.)

Step B: Calculate the share of benefits that is self-insured (in states where we can); and

- 5) Compile state-reported data on self-insured benefits where we can.
- 6) Estimate total benefits in states that report self-insured benefits.
- 7) Calculate the share of total benefits that is self-insured in states where we can by dividing self-insured benefits by total benefits. [5] / [6].

Step C: In states where we have both shares described above, calculate the average relationship between the two shares.

- 8) For each state where we have a self-insured share of payroll [4] and a self-insured share of benefits [7], calculate the ratio between the two shares. This ratio is [7] / [4].

- 9) Determine the number of states where we have both shares. There were 35 such states in 2011.
- 10) Calculate the average ratio between the two shares for the 35 states. The average ratio in 2011 is 75.1 percent (Table E1). That is, on average, the share of benefits that is self-insured is about 75.1 percent of the share of payroll that is self-insured in states where we have both pieces of information.

Step D: For those states where we have prior years’ data on self-insured benefits, use the latest available year’s self-insured benefits to self-insured payroll ratio to estimate the self-insured benefits for 2011.

- 11) The self-insurance data has been imputed using previous years’ data in five states where they were available. Use the ratio of self-insured benefit ratio of the state to the total self-insured benefit ratio

$$\left[\frac{\text{State Self-Insured Benefits}}{\text{State Total Benefits}} \right] = \left[\frac{\text{Total available Self-Insured Benefits}}{\text{Total Benefits}} \right]$$

(in available years) to impute the ratio in the later years when data were not available (5 states).

Step E: Use the average relationship between the two shares to estimate the share of benefits that is self-insured in states where we lack that information but have an estimate of the share of payroll that is self-insured.

- 12) For each of the 9 states and rating bureau states where we lack self-insured benefit data, multiply the percentage of payroll covered by self-insurers [4] by the average ratio in [10].
- 13) The ratio in [12] is used to estimate self-insured benefits in those states. We get the self-insured benefits by multiplying benefit ratio

$$(\text{Private Carrier} + \text{State Fund Benefits}) * \left[\frac{\text{Ratio in [12]}}{(1 - \text{Ratio in [12]})} \right]$$

Table E1

Self-Insurer Estimation Results, 2007–2011

Average Ratio of the percent of total benefits paid by self-insurers to the percent of payroll covered by self-insurers, (7)/(4).

Year	Ratio
2007	68.3%
2008	75.3%
2009	76.5%
2010	77.9%
2011	75.1%

Source: National Academy of Social Insurance estimates.

Step F: For states where we lack both ratios described in A and B (above), use the average share of total benefits that is self-insured in the rest of the states.

For 2011, 35 states reported self-insured benefits. For 9 other states, we imputed self-insured benefits using payroll data. For five states we used prior year's data to estimate self-insured benefit payments in 2011. Two exclusive state fund states – North Dakota and Wyoming – do not allow self insurance.

Appendix F: Medical Benefit Estimates

Estimates by the National Academy of Social Insurance (NASI) of the share of total benefits paid for medical care are based on reports from state agencies and from estimates provided by the National Council on Compensation Insurance (NCCI 2012a). For 2011, we used the NCCI data for the medical share for 38 states.

The National Council on Compensation Insurance (NCCI) is a private organization that assists private carriers, competitive state funds, and insurance commissioners in setting workers' compensation rates in selected states. NCCI provided NASI estimates of

the percent of private carrier benefits paid that were for medical care in 38 states. For seven states we used the state agency information on medical share as provided in the survey response by the state. For California, Delaware, New Jersey, New York, and Pennsylvania, we used data on calendar year paid medical benefits data provided by rating bureaus. For Wyoming, neither state reports nor NCCI estimates of medical benefits were available. For this state, the weighted average of the share of total benefits that were for medical care in the other 50 jurisdictions was used.

Appendix G: Deductible Benefit Estimates

NASI has five methods for estimating deductible benefits and total benefits, depending on what is reported by the state.

Method A:

State reports deductible amounts.

Method: Use deductible amount reported by state agencies or rating bureaus.

Four states: Delaware, Minnesota, Pennsylvania, and South Carolina.

Method B:

States say deductibles are included in their totals, but do not report amounts of deductibles.

Method: Estimate deductibles by subtracting Net Losses Paid as reported by A.M. Best from state report.

Thirteen states: Alabama, Alaska, California, Hawaii, Maryland, Massachusetts, Michigan, Mississippi, Montana, New Jersey, New Mexico, New York, and South Dakota.

Method C:

Deductibles are not allowed in the state.

Method: Use state reports as totals. Deductibles equal zero.

Five states: North Dakota, Ohio, Washington, Wisconsin, and Wyoming.

Method D:

State does not report benefit amounts. Deductibles are allowed.

Method: Use Net Losses Paid as reported by A.M. Best and add estimated deductibles, based on the ratio of Manual Equivalent Premiums (definition in Glossary).

Twenty-nine jurisdictions: Arizona, Arkansas, Colorado, Connecticut, the District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Missouri, Nebraska, Nevada, New Hampshire, North Carolina, Oklahoma, Oregon, Rhode Island, Tennessee, Texas, Utah, Vermont, Virginia and West Virginia.

Method E:

State does not report benefit amounts. Deductibles are allowed. Manual Equivalent Premiums are not available.

Method: Estimate the average ratio of Manual Equivalent Premiums from those states where it is available. Use this average with the Net Losses paid as reported by A.M. Best to impute deductibles.

No state.

Appendix H: Federal Programs

Various federal programs compensate certain categories of workers for disabilities caused on the job and provide benefits to dependents of workers who die of work-related causes. Each program is described briefly below along with an explanation of whether and how it is included in our national totals of workers' compensation benefits. Our aim in this report is to include in the national totals for workers' compensation those federally administered programs that are financed by employers and that are not otherwise included in workers' compensation benefits reported by states, such as the benefits paid under the Federal Employees' Compensation Act. Programs that cover private sector workers and are financed by federal general revenues, such as the Radiation Exposure Compensation Act, are not included in our national totals for workers' compensation benefits and employer costs. More detail on these programs is given below.

Federal Employees

The Federal Employees' Compensation Act of 1916 (FECA), which superseded previous workers' compensation laws for federal employees, provided the first comprehensive workers' compensation program for federal civilian employees. In 2011, total benefits were \$2,994 million, of which 31 percent were for medical care. The share of benefits for medical care is lower than in most state programs because federal cash benefits, particularly for higher-wage workers, replace a larger share of pre-injury wages than is the case in most state programs. Administrative costs of the program were \$155 million in calendar year 2011, or 5.2 percent of total benefits (U.S. DOL 2013). Table H1 reports benefits and administrative costs for federal civilian employees under the Federal Employees' Compensation Act from 2001-2011. These benefits to workers and costs to the federal government as employer are included in national totals in this report, and are classified with federal programs.

Longshore and Harbor Workers

The Longshore and Harbor Workers' Compensation Act (LHWCA) requires employers to provide workers' compensation protection for longshore, harbor, and other maritime workers. The original program, enacted in 1927, covered maritime employees injured while working over navigable waters because

the Supreme Court held that the Constitution prohibits states from extending coverage to such individuals. The Longshore and Harbor Workers' Compensation Act (LHWCA) is a federal workers' compensation program for maritime employees injured while working over navigable waters, excluding the master or crew of a vessel. It also covers other workers who fall outside the jurisdiction of state programs, such as employees on overseas military bases, those working overseas for private contractors of the United States, and private employees engaged in offshore drilling enterprises. Private employers cover longshore and harbor workers by purchasing private insurance or self-insuring. In fiscal year 2011, about 600 self-insured employers and insurance companies reported a total of 29,169 lost-time injuries to the federal Office of Workers' Compensation Programs. Total benefits paid under the Act in 2011 were \$1,270 million, which included \$710 million paid by private insurance carriers, \$426 million paid by self-insured employers, \$125 million paid from the federally administered special fund for second injuries and other purposes, and \$9.3 million for the District of Columbia Workers' Compensation Act (DCCA) Fund. Federal direct administrative costs were \$13.5 million or about 1.1 percent of benefits paid (Table H2).

The Academy's data series on benefits and costs of workers' compensation includes at least part of the benefits paid by private carriers under the LHWCA in the states where the companies operate. The benefits are not identified separately in the information provided by A.M. Best and state agencies. Benefits paid by private employers who self-insure under the Longshore and Harbor Workers' Compensation Act are not reported by states or A.M. Best. Consequently, these benefits and employer costs are included with federal programs in this report. Table H2 shows benefits reported to the U.S. Department of Labor by insurers and self-insured employers under the Longshore and Harbor Workers' Compensation Act from 2001-2011. Ideally, benefits and employer costs under the LHWCA would be counted in the states where the employee is located, because our estimates of covered employment and covered workers count these workers and wages in the states where they work. We believe that at least part of LHWCA benefits paid

Table H1**Federal Employees' Compensation Act, Benefits and Costs, 2001–2011 (in thousands)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Benefits	\$2,223,088	\$2,317,325	\$2,367,757	\$2,445,077	\$2,462,059	\$2,454,861	\$2,586,700	\$2,676,370	\$2,763,885	2,889,321	2,994,122
Compensation Benefits	1,600,031	1,651,947	1,698,273	1,749,397	1,791,003	1,767,926	1,833,958	1,878,331	1,900,156	1,976,439	2,077,027
Medical Benefits	623,057	665,378	669,484	695,680	671,056	686,935	752,742	798,039	863,729	912,882	917,095
% Medical	28	29	28	28	27	28	29	30	31	32	31
Direct Administrative Costs	109,326	115,226	130,672	131,920	128,536	137,386	143,768	142,532	146,015	156,539	155,225
Total Costs	2,332,414	2,432,551	2,498,429	2,576,997	2,590,595	2,592,247	2,730,468	2,818,902	2,909,900	3,045,860	3,149,347
Indirect Administrative Costs ^a	5,056	4,596	4,806	4,587	5,494	7,619	6,773	7,756	7,739	7,765	8,161

a Includes legal and investigative support from the Office of the Solicitor and the Office of the Inspector General.

Source: U.S. Department of Labor 2013.

Table H2**Longshore and Harbor Workers' Compensation Act, Benefits, Costs, and Number of DBA Death Claims, 2001–2011 (in thousands)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Benefits	\$689,149	\$700,563	\$716,218	\$747,321	\$795,466	\$879,508	\$923,045	\$983,050	\$1,081,266	\$1,134,759	\$1,269,904
Insurance Carriers ^a	236,726	246,603	262,753	278,887	325,027	367,625	456,773	504,348	551,716	589,387	710,330
Self-Insurance Employer	307,708	310,940	309,843	322,520	325,694	368,744	325,544	340,336	388,088	408,534	425,581
LHWCA Special Fund	133,374	131,684	132,504	135,073	134,230	132,933	130,673	128,372	131,544	127,415	124,664
DCCA Special Fund	11,341	11,336	11,118	10,841	10,515	10,206	10,055	9,994	9,918	9,423	9,328
DBA benefits	9,411	7,582	11,338	30,079	59,797	115,758	170,231	199,837	242,530	311,643	415,274
Number of DBA Death Claims ^b	5	7	56	231	284	338	426	289	341	585	405
Total Annual Assessments	145,000	136,000	135,800	148,500	146,500	135,500	135,000	132,500	136,500	131,500	131,000
LHWCA	133,000	125,000	125,000	137,000	135,000	125,000	125,000	124,000	125,000	124,000	123,000
DCCA	12,000	11,000	10,800	11,500	11,500	10,500	10,000	8,500	11,500	7,500	8,000
Administrative Expenses	11,713	11,945	12,270	12,510	12,568	12,715	12,725	12,667	12,922	13,403	13,499
General Revenue	9,807	9,988	10,297	10,495	10,553	10,691	10,699	10,633	10,855	11,362	11,381
Trust Fund	1,906	1,957	1,973	2,015	2,015	2,024	2,026	2,034	2,067	2,041	2,118
Indirect Administrative Costs ^c	2,207	2,514	2,347	2,396	2,019	2,115	2,437	1,856	2,155	2,766	1,922

^a Includes benefit costs for cases under the Defense Base Act and all other extensions to the Longshore and Harbor Workers' Compensation Act.

^b Number of civilian overseas deaths.

^c Includes legal and investigative support from the Office of the Solicitor and the Office of the Inspector General. These are not employer costs, but are provided for through general revenue appropriations.

Source: U.S. Department of Labor 2013.

through private insurance carriers are included in state data that are reported to us by A.M. Best or the states. At the same time, self-insured employers under the LHWCA are not included in A.M. Best data and are unlikely to be included in state reports; benefits paid from the LHWCA special funds are not included in state data. Thus, for 2001–2011 data, our estimates of total federal benefits include benefits paid by self-insured employers and the special funds under the LHWCA. Unless otherwise specified, we assume that privately insured benefits under the program are included in state reports. Whether and how LHWCA benefits can be reflected in state reports is a subject for analysis.

Total benefits under the Longshore and Harbor Workers' Compensation Act include benefits paid under the Defense Base Act (DBA). Under the DBA, benefits are paid for injuries or deaths of employees (of any nationality) working overseas for companies under contract with the United States government. These benefits are also shown separately in Table H2. Total payments rose from about \$7.6 million in 2002 to \$415 million in 2011. The number of DBA death claims per year rose from single digits prior to 2003, to 585 in 2010. The increase reflects, in large part, claims and deaths of employees of companies working under contract for the U.S. government in the war zones in Iraq and Afghanistan. However, the number of DBA death claims fell in 2011 to 405.

Coal Miners with Black Lung Disease

The Black Lung Benefits Act, enacted in 1969, provides compensation for coal miners with pneumoconiosis, or black lung disease, and their survivors. The program has two parts. Part B is financed by federal general revenues, and was administered by the Social Security Administration until 1997 when administration shifted to the U.S. Department of Labor. Part C is paid through the Black Lung Disability Trust Fund, which is financed by coal-mine operators through a federal excise tax on coal that is mined and sold in the United States. In this report, only the Part C benefits that are financed by employers are included in national totals of workers' compensation benefits and employer costs in 2001–2011. Total benefits in 2011 were \$406 million, of which \$183 million was paid under Part B and \$223 million was paid under Part C. Part C benefits include \$34 million for medical care. Medical bene-

fits are a small share of black lung benefits because many of the recipients of benefits are deceased coal miners' dependents, whose medical care is not covered by the program. Federal direct administrative costs were \$37.0 million or about 9.1 percent of benefit payments.

Table H3 shows benefits under the Black Lung Benefit program in 2001 through 2011 for both parts of the program. Its benefits are paid directly by the responsible mine operator or insurer, from the federal Black Lung Disability Trust Fund, or from federal general revenue funds. No data are available on the experience of employers who self-insure under the Black Lung program. Any such benefits and costs are not reflected in Table H3 and are not included in national estimates.

Energy Employees

The Energy Employees Occupational Illness Compensation Program Act (EEOICPA) provides lump-sum payments up to \$150,000 to civilian workers (and/or their survivors) who became ill as a result of exposure to radiation, beryllium, or silica in the production or testing of nuclear weapons and other materials. This is Part B of the program, which went into effect in July 2001. It provides smaller lump-sum payments to individuals previously found eligible for an award under the Radiation Exposure Compensation Act. Medical benefits are awarded for the treatment of covered conditions. Total benefits in 2011 were \$784 million, of which \$474 million were paid as compensation benefits (U.S. DOL 2013). The EEOICPA originally included a Part D program that required the Department of Energy (DOE) to establish a system for contractor employees and eligible survivors to seek DOE assistance in obtaining state workers' compensation benefits for work-related exposure to toxic substances at a DOE facility. In October 2004 Congress abolished Part D, creating a new Part E program to be administered by the Department of Labor. Part E provides benefit payments up to \$250,000 for DOE contractor employees, eligible survivors of such employees, and uranium miners, millers, and ore transporters. Wage loss, medical, and survivor benefits are also provided under certain conditions. Total Part E benefits in 2011 were \$338 million. Benefits under both Part B and Part E are financed by general revenues and are not included in our national totals. Table H4 pro-

Table H3**Black Lung Benefits Act, Benefits and Costs, 2001–2011**
(in thousands)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Benefits	\$866,069	\$821,678	\$775,098	\$719,065	\$665,844	\$616,039	\$569,300	\$524,645	\$481,172	\$445,488	\$406,514
Part C Compensation	332,620	316,585	303,724	289,699	276,413	262,026	248,375	231,261	217,685	204,873	189,363
Part C Medical Benefits	61,136	65,756	59,739	52,992	49,244	41,552	38,545	37,492	31,485	32,492	33,935
Part B Compensation	472,313	439,337	411,635	376,374	340,187	312,461	282,380	255,892	232,002	208,123	183,216
Total Direct Administrative Costs	34,657	36,123	37,393	38,057	37,917	38,453	38,749	38,009	37,502	37,317	36,898
Part C (DOL)	29,897	31,488	31,991	32,157	32,724	33,182	33,374	32,648	32,411	32,363	31,695
Part B (SSA)	4,760	4,635	5,402	5,900	5,193	5,271	5,375	5,361	5,091	4,954	5,203
Trust Fund Advances from U.S. Treasury ^a	505,000	465,000	525,000	497,000	446,000	445,000	426,000	426,000	0	60,000	107,749
Bond Payments ^b	*	*	*	*	*	*	*	*	341,939	364,757	400,905
Interest Payments on Past Advances ^c	567,814	595,589	620,582	650,579	674,894	694,964	717,214	739,469	0	0	60,160
Coal Tax Revenues Received by the Black Lung Trust Fund	511,520	588,000	480,080	577,575	620,420	598,520	650,432	646,800	652,935	588,743	631,002
Indirect Administrative Costs ^d	22,207	23,050	23,459	23,914	24,424	25,242	26,020	25,473	25,528	25,979	26,191

* information not available

a Advance of funds required when Trust Fund expenses exceed tax revenues received in a given year. Under the Emergency Economic Stabilization Act of 2008 (EESA), total Trust Fund debt (cumulative advances) at the end of 2008 was converted to zero coupon bonds that are repayable to the U.S. Treasury on an annual basis.

b Repayment of bond principal and interest on principal debt as required by the Trust Fund debt restructuring portion of the EESA.

c 1997-2008 are interest payments on cumulative debt from past Trust Fund borrowing from the U.S. Treasury. Beginning in 2011, the amount shown is the repayment of one-year obligations of the Trust Fund, which include the previous year's advances from the U.S. Treasury and applicable interest due on those advances, as required under the EESA.

d Includes legal and investigative support from the Office of the Solicitor and the Office of the Inspector General, services provided by the Department of the Treasury, and costs for the Office of Administrative Law Judges (OALJ) and the Benefits Review (BRB). (NOTE: OALJ and BRB costs are not included for any other program, but cannot be separately identified for Coal Mine Workers' Compensation.)

Source: U.S. Department of Labor 2013.

vides information on both Part B and Part E of the EEOICPA, as amended.

Workers Exposed to Radiation

The Radiation Exposure Compensation Act of 1990 provides lump-sum compensation payments to individuals who contracted certain cancers and other serious diseases as a result of exposure to radiation released during above ground nuclear weapons tests or during employment in underground uranium mines. The lump-sum payments are specified in law and range from \$50,000 to \$100,000. From the beginning of the program through May 2011, 23,931 claims were paid for a total of \$1,587 million, or roughly \$66,336 a claim (U.S. DOJ 2011). The program is financed with federal general revenues and is not included in national totals in this report. Table H5 shows cumulative payments under

the Radiation Exposure Compensation Act since its enactment in 1990.

Veterans of Military Service

U.S. military personnel are covered by the federal veterans' compensation program of the Department of Veterans Affairs, which provides cash benefits to veterans who sustained total or partial disabilities while on active duty. In the fiscal year 2011, 3.3 million veterans were receiving monthly compensation payments for service-connected disabilities. Of these, 48 percent of the veterans had a disability rating of 30 percent or less, while the others had higher-rated disabilities. Total monthly payments for the disabled veterans and their dependents were \$3.3 billion in 2011, or about \$39.4 billion on an annual basis (U.S. Department of Veterans Affairs 2013). Veterans' compensation is not included in our

Table H4

Energy Employees Occupational Illness Compensation Program Act, Part B and Part E Benefits and Costs, 2001-2011 (in thousands)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Benefits Part B	\$67,341	\$369,173	\$303,981	\$275,727	\$392,503	\$502,636	\$561,824	\$605,338	\$471,639	\$803,456	\$784,278
Compensation Benefits	67,330	363,671	288,274	250,123	358,751	460,494	490,089	517,383	337,642	576,364	474,213
Medical Benefits ^a	11	5,502	15,707	25,604	33,752	42,142	71,735	87,955	133,997	227,092	310,065
Direct Administrative Costs ^b	30,189	69,020	65,941	94,158	106,818	104,872	107,417	92,075	51,377	53,102	51,228
Total Benefits Part E ^c	n/a	n/a	n/a	n/a	268,635	270,598	409,100	468,982	395,680	383,760	338,045
Compensation Benefits	n/a	n/a	n/a	n/a	268,586	269,558	407,277	465,742	390,077	370,351	319,373
Medical Benefits ^d	n/a	n/a	n/a	n/a	49	1,040	1,823	3,240	5,603	13,409	18,672
Direct Administrative Costs ^b	n/a	n/a	n/a	n/a	39,295	55,088	61,671	59,152	68,146	74,622	74,189

a Medical payments made for claimants eligible under Part B only and claimants eligible under both Part B and Part E.

b Part B costs for 2002-08 include funding for the Department of Health and Human Services/National Institute for Occupational Safety and Health's (DHHS/NIOSH) conduct of dose reconstructions and Special Exposure Cohort determinations. For 2002, these costs were \$32.7 million; 2003, \$26.8 million; 2004, \$51.7 million; 2005, \$50.5 million; 2006, \$58.6 million; 2007, \$55.0 million, and 2008, \$41.5 million. Beginning in 2009, these costs are a direct appropriation to DHHS/NIOSH. Part B costs for 2009-11 include funding for an Ombudsman position. For 2009, these costs were \$0.1 million; and 2010, \$0.4 million. Part E costs for 2005-10 also include funding for an Ombudsman position. For 2005, these costs were \$0.3 million; 2006, \$0.6 million; 2007, \$0.8 million; 2008, \$0.8 million; 2009, \$0.7 million; 2010, \$0.6 million; and 2011, \$0.8 million.

c The Energy Part E benefit program was established in October 2004.

d Medical payments made for claimants eligible under Part E only.

Source: U.S. Department of Labor 2013.

Table H5

Radiation Exposure Compensation Act, Benefits Paid as of May 12, 2011 (benefits in thousands)

Claim Type	Claims	Benefits
Downwinder	15,206	\$760,270
Onsite Participant	1,576	113,035
Uranium Miner	5,471	546,375
Uranium Miller	1,393	139,300
Ore Transporter	285	28,500
TOTAL	23,931	\$1,587,480

Source: U.S. Department of Justice 2011.

national estimates of workers' compensation. Table H6 provides information on the Veterans' Compensation program. This program is somewhat similar to workers' compensation in that it is financed by the employer (the federal government) and compensates for injuries or illness caused on the job (the armed forces). It is different from other workers' compensation programs in many respects.

With cash benefits of about \$39.4 billion in 2011, veterans' compensation is about 130 percent of the

size of total cash benefits in other workers' compensation programs, which were \$30.3 billion in 2011. Because it is large and qualitatively different from other programs, veterans' compensation benefits are not included in national totals to measure trends in regular workers' compensation programs.

Railroad Employees and Merchant Seamen

Finally, federal laws specify employee benefits for railroad workers involved in interstate commerce and merchant seamen. The benefits are not workers' compensation benefits and are not included in our national totals. Instead, these programs provide health insurance and short-term and long-term cash benefits for ill or injured workers whether or not their conditions are work-related. Under federal laws, these workers also retain the right to bring tort suits against their employers for negligence in the case of work-related injuries or illness (Williams and Barth 1973).

This report includes in national totals for workers' compensation those federal programs that are financed by employers and that are not otherwise included in workers' compensation benefits reported by states in 2001 through 2011. The accompanying tables provide detailed information on federally administered programs, including some that are not included in national totals in this report. Data earlier than 2001 can be found in earlier reports.

Table H6

Federal Veterans' Compensation Program, Compensation Paid in Fiscal Year 2011 (benefits in thousands)

Class of Dependent	Number	Monthly Value (in thousands)
Veteran Recipients - total	3,354,741	\$3,281,129
Veterans less than 30 percent disabled (no dependency benefit)	1,624,868	366,798
Veterans 30 percent or more disabled	1,729,873	2,914,332

Source: U.S. Department of Veterans Affairs 2012.

Appendix I: Workers' Compensation under State Laws

Table I illustrates the benefit parameters which form the basis for the data estimated in this report. The table is taken from the IAIABC (International Association of Industrial Accident Boards and Commissions) and WCRI (Workers Compensation Research Institute) joint publication of *Workers' Compensation Laws* (IAIABC-WCRI 2012). The state laws are as of January 2012.

The benefit parameters defined in this table portray the workers' compensation differences across states. The difference may lie in (a) when the first day of disability begins; (b) compensation that is included in determining the "wage"; (c) periods over which the average wage is calculated; (d) caps on wages earned by the injured worker; or (e) differences in

calculation of compensation rate, etc. For each state the table describes:

- The waiting period before a worker receives benefits.
- The maximum benefit payments and length of benefit payments for Temporary Total Disability.
- The weekly payments and benefit limitations for Permanent Total Disability.
- The maximum weekly benefit and benefit limitations for Permanent Partial Disability.
- The maximum weekly benefit and benefit limitations for Death Benefits.

Table I

Workers' Compensation State Laws as of January 2012

State	Waiting Period, Jan 12		Temporary Total Disability, Jan 12		Permanent Total Disability, Jan 12			Permanent Partial Disability, Jan 12		Death Benefits, Jan 12		
	Waiting Period Before a Worker Can Receive Indemnity Benefits	Retroactive period	Maximum Weekly TTD Benefits	Maximum Length of TTD Benefits (in weeks)	Basis of PTD Calculation	Maximum Weekly PTD Benefits	Maximum Length of PTD Benefits	Limit to Monetary PTD Benefits	Maximum Weekly PPD Disability Benefits	Maximum PPD Benefits for "Unscheduled Injuries" (weeks)	Maximum Weekly Dependency Benefits	Statutory Limit for Dependency Benefits
Alabama	3 days	21 days	\$755.00	Duration of TTD disability	66 2/3% PIWW	\$755.00	No	No	\$220.00	300	\$755.00	500 weeks
Alaska	3 days	More than 28 days	\$1,085.00	Continue until employee is medically stable or released to work	80% of the workers' spendable after-tax or NWW	Depends upon year of injury. Maximum PTD benefit would be the maximum TTD benefit in the year of injury	If found to no longer be permanently and totally disabled	Up to the maximum TTD weekly rate. Benefits continue until no longer PTD or death	\$950.00	No unscheduled PPD	\$1,085.00	12 years
Arizona	7 days	14 days	\$623.28	Duration of TTD disability	66 2/3% AMW	\$625.05	No	No	\$703.14 for scheduled injuries; for unscheduled injuries, N/A	Payable for life unless rearranged by Industrial Commission	\$625.05	None
Arkansas	7 days	14 days	\$584.00	450	66 2/3% PIWW	\$584.00	Benefits are for the length of disability and may be paid for life ⁸	There is a limitation of the weekly amount but not the total amount	\$438.00	450 maximum for all disability ^P	\$584.00	Remarriage of spouse, attainment of age 18 of dependent child or 25 if full-time student; 450-week limit for partial dependents
California	3 days	21 days	\$1,010.50	104 ^a	2/3 of AWW, subject to minimum /maximum rates	\$1,010.50	Lifetime	No	\$230/ \$270	not applicable	\$1,010.50	When paid in full or up to age 18, for life to dependent minors
Colorado	3 scheduled days	14 calendar days	\$828.03	Duration of TTD disability	66 2/3% PIWW	\$828.03	Benefits are for the length of disability and may be paid for life	None	\$260.59 is set weekly rate for all scheduled injuries; \$828.03 weekly is maximum for calculating unscheduled injuries	400 ⁱ	\$828.03	18-21 if dependent is in school, remarriage of a spouse, or death of a dependent

Connecticut	3 days	7 days	\$1,168.00	Duration of TTD disability	75% of spendable earnings	\$1,168.00	None	None	\$996.00	520	\$1,168.00	None	
Delaware	3 days	7 calendar days	\$622.05	Unlimited	66 2/3% AWW up to the maximum at the date permanent impairment becomes fixed	\$622.05	No	No	\$622.05	300	\$622.05	When spouse remarries or if minor dependents reach 18 years of age or 25 if attending accredited higher learning institution	
District of Columbia	3 days	14 days	\$1,288.00	500 weeks for all disability benefits with ability to petition for an additional 167 weeks	66 2/3% PIWW	\$1,288.00	500 weeks for all disability benefits with ability to petition for an additional 167 weeks	The first \$75,000 in benefits for death or PTD shall be paid by the employer/insurer. Amounts over \$75,000 are paid from death and PTD Trust Fund	\$1,288.00	500 week limit for all disability and worker may petition for an additional 167 weeks		\$1,288.00	
Florida	7 days	22 days	\$803.00	104	66 2/3% PIWW	\$803.00	Benefits are payable to age 75. If the injury occurred after age 70, benefits are payable during continuance of PTD not to exceed 5 years following determination of PTD	No	\$803.00	2 weeks for each % of impairment from 1-10%; 3 weeks from 11-15%; 4 weeks from 16-20%; and 6 weeks for each rating over 21%		\$803.00	Maximum payable is \$150,000
Georgia	7 days	21 days	\$500.00	400 weeks unless catastrophic injury	Not applicable	Not applicable	Not applicable	Not applicable	\$500.00	300	\$500.00	\$150,000 for surviving spouse with no dependents	
Hawaii	3 days	None	\$747.00	Duration of TTD disability	66 2/3% PIWW	\$747.00	No	No	\$747.00	312	\$747.00	312 weeks	
Idaho	5 days	TTD exceeds 2 weeks	\$594.90	None. TTD continues while in the period of recovery.	67% of AWW	\$594.90	No	Weekly rate may change after the first 52 weeks of TTD and each year thereafter on January 1 based on the increase in the ASWW	55% of the ASWW at the time of injury	500	60% of current average state wage or \$396.60 weekly -2012	500 weeks for spouse	

Table I continued

Workers' Compensation State Laws as of January 2010

State	Waiting Period, Jan 10		Temporary Total Disability, Jan 10		Permanent Total Disability, Jan 10				Permanent Partial Disability, Jan 10		Death Benefits, Jan 10	
	Waiting Period Before a Worker can Receive Indemnity Benefits	Retroactive period	Maximum Weekly TTD Benefits	Maximum Length of TTD Benefits (in weeks)	Basis of PTD Calculation	Maximum Weekly PTD Benefits	Maximum Length of PTD Benefits	Limit to Monetary PTD Benefits	Maximum PPD Weekly Disability Benefits	Maximum PPD Benefits for "Unscheduled Injuries" (weeks)	Maximum Weekly Dependency Benefits	Statutory Limit for Dependency Benefits
Illinois	3 days	14 calendar days	\$1,261.41	Duration of TTD disability	66 2/3% AWW	\$1,261.41	No	No	\$695.78	500	\$1,261.41	\$500,000 or 25 years
Indiana	7 days	21 days	\$650.00	500	66 2/3% PIWW	\$650.00	500 weeks	Yes	Not applicable	100% or 500	\$650.00	500 weeks
Iowa	3 days	14 days	\$1,457.00	Benefits are for length of disability and maybe paid for life	80% of the worker's spendable after tax or NWW	\$1,457.00	No	No	\$1,340.00	500	\$1,457.00	None
Kansas	7 days	21 days	\$555.00	225 to 415 weeks depending on type of injury-also maybe a limitation of \$130,000 or \$155,000 for all indemnity benefits depending on types of benefit paid.	66 2/3% AWW	\$555.00	Benefits are for the length of disability and may be paid for life or until maximum of \$155,000 is reached.	Yes	\$555.00	415 weeks but the first 15 weeks does not count toward this maximum	\$555.00	\$300,000
Kentucky	7 days	14 calendar days	\$736.19	Duration of disability or until receipt of Social Security old age and survivor benefits	66 2/3% PIWW	\$736.19	No	100% SAWW for injury year	\$552.13	425 weeks if rating is 50% or less; 520 weeks if rating is over 50%	\$368.11 for spouses; 552.13 for spouse and child	Age 18 (22 if in school)
Louisiana	7 days	6 weeks	\$577.00	Duration of TTD disability	66 2/3% PIWW	\$577.00	Benefits are for the length of disability and may be paid for life	None	\$577.00	520	\$577.00	Spouse plus 2 children or 3 children
Maine	7 days	14 calendar days	\$634.13	520	80% of the worker's spendable after tax or NWW	\$634.13	Benefits are for the length of disability and may be paid for life	No	\$634.13	520 weeks for the duration of disability if PI rating is greater than a threshold of approximately 13.4%	\$634.13	500 weeks or until age 18 for children

Maryland	3 days	14 days	\$965.00	Duration of TTD disability	66 2/3% PIW/W	\$965.00	No	\$45,000 except that benefit shall be paid for the period that the covered employee is permanently totally disabled	\$724.00	None	\$965.00	144 months or on the date of what would have been the 70th birthday of the deceased employee, provided that a minimum of 5 years of death benefits has been paid
Massachusetts	5 days	21 days	\$1,135.82	156	66 2/3% PIW/W	\$1,135.82	No	No	\$1,135.82	Not applicable	\$1,000.00	None
Michigan	7 days	14 calendar days	\$742.00	Duration of TTD disability	80% of the worker's spendable after tax or NW/W	\$746.00	800 weeks conclusive payment with factual determination thereafter	None	Not applicable	Not applicable	\$746.00	500 weeks
Minnesota	3 days	10 days	\$850.00	130	66 2/3% PIW/W	\$850.00	No	No	\$850.00	No	\$850.00	Benefit ends after 10 years or 10 years after the last child is no longer dependent, minimum payable is \$60,000
Mississippi	5 days	14 days	\$436.68	450	66 2/3% PIW/W	\$436.68	450 weeks or until total compensation paid equals \$196,506	\$196,506.00	\$436.68 until total compensation paid equals \$196,506	450	\$436.68	450 weeks; remarriage for spouse; age 18-23 for child
Missouri	3 days	14 days	\$811.73	400	66 2/3% PIW/W	\$811.73	No	None	\$425.19	400	\$811.73	m
Montana	32 hours or 4 days, whichever is less	If disability is 21 days or longer	\$649.00	Duration of TTD disability	66 2/3% PIW/W	\$649.00	Payable until retirement	None	\$324.50	400	\$649.00	Depends on extent of dependency at time of injury/death
Nebraska	7 days	6 weeks	\$710.00	Duration of TTD disability	66 2/3% PIW/W	\$710.00	Payable for the length of disability and may be for life	None	\$710.00	300	\$710.00	None
Nevada	5 days	5 consecutive days or 5 cumulative days within a 20 day period	\$789.74	Duration of TTD disability	66 2/3% pre-injury AMW	\$789.74	No	Per maximum compensation limit and formula	\$789.74	PPD benefits paid for 5 years or to age 70, whichever is later	\$789.74	For a child at 18 or 22 if a full-time student

Table I continued

Workers' Compensation State Laws as of January 2010

State	Waiting Period, Jan 10		Temporary Total Disability, Jan 10		Permanent Total Disability, Jan 10			Permanent Partial Disability, Jan 10		Death Benefits, Jan 10		
	Waiting Period Before a Worker can Receive Indemnity Benefits	Retroactive Period	Maximum Weekly TTD Benefits	Maximum Length of TTD Benefits (in weeks)	Basis of PTD Calculation	Maximum Weekly PTD Benefits	Maximum Length of PTD Benefits	Limit to Monetary PTD Benefits	Maximum Weekly PPD Disability Benefits	Maximum PPD Benefits for "Unscheduled Injuries" (weeks)	Maximum Weekly Dependency Benefits	Statutory Limit for Dependency Benefits
New Hampshire	3 days	14 days	\$1,317.00	Duration of Total disability	60 % PIWW	\$1,317.00	Payable for the length of disability and may be for life	None	\$1,317.00	350 weeks for a whole person award	\$1,317.00	18 or 25 if a full-time student
New Jersey	7 days	7 calendar days	\$810.00	400	70% of actual wage at the time of injury	\$810.00	Payable for the length of disability and may be for life	None	\$810.00	600	\$810.00	
New Mexico	7 days	4 weeks	\$733.16	700	66 2/3% PIWW length of disability	\$733.16	Payable for the length of disability and may be for life	None	\$733.16	500 weeks if the rating is less than 80%, 700 weeks if rating is greater	\$733.16	100% of the SAWW for 700 weeks
New York	7 days	More than 14 days	\$772.96	Duration of TTD disability	66 2/3% PIWW	\$772.96	No. Benefits are payable for the length of disability which is almost always for life of the claimant	The maximum the injured worker can receive is 2/3 of the worker's AWW at the time of the injury up to the weekly maximum benefit in place at the time of injury	\$772.96	Not if date of accident or disability is before March 13, 2007; 525 weeks if date of accident or disability is on or after March 13, 2007	\$772.96	n
North Carolina	7 days	21 days	\$862.00	Benefit limits have been changed to 500 weeks and can be extended by Commission if employee has sustained a total loss of wage-earning capacity	66 2/3% PIWW	\$864.00	Benefit limits have been changed to 500 weeks and can be extended by Commission if employee has sustained a total loss of wage-earning capacity	Benefit limits have been changed to 500 weeks and can be extended by Commission if employee has sustained a total loss of wage-earning capacity	\$862 for scheduled injuries	300	\$862.00	500 weeks ^o
North Dakota	5 days	5 days	\$905.00	104	66 2/3% PIWW	\$905.00	Payable until retirement at which time benefits may switch to ABPf.	No	PPI rate multiplied by the maximum body impairment of 100%. Paid as lump sum	100%	\$905.00 impairment based on lump sum payment	\$300,000 or death

Ohio	7 days	14 calendar days	\$809.00	As long as disability lasts	72% PIWW ^e	\$809.00	No	No	\$269.97	200	\$809.00	None
Oklahoma	3 days	Waiting period is not paid	\$735.00	156	70% PIWW	\$735.00	Payable for the length of disability and may be for life	No	\$323.00	500	\$735.00	When dependency ends
Oregon	3 days	14 days	\$1,120.55	Not applicable	66 2/3% PIWW	\$842.52	Lifetime plus benefits to surviving spouse and children	Maximum weekly \$842.52	not applicable	\$322,929.15	\$1,123.33	None
Pennsylvania	7 days	14 calendar days	\$848.00	Duration of TTD disability subject to conversion to partial benefits at 104 weeks ^b	Not applicable ^q	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	\$858.00	Not applicable
Rhode Island	3 days	None	\$972 max as of 9/1/11	Duration of TTD disability	75% of worker's spendable or after tax or NW ^w	\$972 as of 9/1/11	Payable for the length of disability and may be for life	None	\$180.00	500	\$972, as of 9/1/11	None
South Carolina	7 days	More than 14 days	\$704.92	Duration of TTD disability with a maximum of 500 weeks	66 2/3% PIWW	100% of SAW ^w	500 weeks	500 weeks	Depends on scheduled body part	340	\$689.71	500 weeks
South Dakota	7 days	7 calendar days	\$648.00	Duration of TTD disability	66 2/3% PIWW ^f	\$648.00	For length of disability and can be for life	None	\$648.00	312	\$648.00	None
Tennessee	7 days	14 days	\$867.90	Duration of TTD for physical injuries; 104 weeks for psychological injuries; 104 weeks after the commencement of pain management	66 2/3% PIWW	\$789.00	Until Social Security eligibility age or 260 weeks where the date of injury is on or after age 60	No	\$789.00	400	\$789.00	None
Texas	7 days	2 weeks	\$787.00	105 ^c	75% AWW	\$787.00	No	No	\$551.00	300	\$787.00	Minimum of 364 weeks
Utah	3 days	14 calendar days	\$747.00	312	66 2/3% PIWW	\$635.00	PTD benefits are awarded for life, but PTD status may be reexamined by submitting employee to reasonable medical evaluations; rehabilitation and retraining efforts; disclosure of Federal Income Tax returns	No	\$498.00	312	\$635.00	312 weeks of combined benefits excluding PTD

Table I continued

Workers' Compensation State Laws as of January 2010

State	Waiting Period, Jan 10		Temporary Total Disability, Jan 10		Permanent Total Disability, Jan 10				Permanent Partial Disability, Jan 10		Death Benefits, Jan 10	
	Waiting Period Before a Worker can Receive Indemnity Benefits	Retroactive Period	Maximum Weekly TTD Benefits	Maximum Length of TTD Benefits (in weeks)	Basis of PTD Calculation	Maximum Weekly PTD Benefits	Maximum Length of PTD Benefits	Limit to Monetary PTD Benefits	Maximum Weekly PPD Disability Benefits	Maximum PPD Benefits for "Unscheduled Injuries" (weeks)	Maximum Weekly Dependency Benefits	Statutory Limit for Dependency Benefits
Vermont	3 days	10 days	\$1,122.00	Duration of TTD disability; insurer must review after 2 years	66 2/3% PIWW	\$1,122.00	For duration of total disability- can be for life	No	\$1,122.00	405 weeks for non-spinal; 550 weeks spinal	\$1,122.00	Varies with dependent
Virginia	7 days	3 weeks	\$905.00	500	66 2/3% PIWW	\$905.00	Can be lifetime	Applicable comp. rate	\$905.00	None	\$905.00	500 weeks
Washington	3 days	14 calendar days	\$1,100.26 for DOI prior to 7/1/11; \$1,123.78 for DOI 7/1/11 - 6/30/12	Duration of TTD disability	Depends on the option chosen by employee	\$1,100.26 for DOI prior to 7/1/11; \$1,123.78 for DOI 7/1/11 - 6/30/12	For length of disability and can be for life	There is a maximum payment for lump sums only, up to \$8,500	\$1100.26 for DOI prior to 7/1/11; \$1123.78 for DOI 7/1/11 - 6/30/12	\$183,900.42	\$1,123.78	18th birthday or 23rd birthday when enrolled in school, or disabled
West Virginia	3 days	7 consecutive days	For FY 2012, it is \$711.38 on a weekly basis	104	66 2/3% PIWW not to exceed 100% of the AWW in West Virginia	\$676.61	Payable until age 70	No	As of FY 2012, it is \$497.97 on a weekly basis	None	As of FY 2012, the maximum weekly benefit is \$711.38	Death or remarriage of widow, majority of children
Wisconsin	3 days	7 non-consecutive days	\$854.00	Duration of TTD disability	66 2/3% PIWW	\$854.00	For length of disability and can be for life	No	\$302.00	\$1,000	\$854.00	\$256,200
Wyoming	3 days	8 days	\$815.00	24 months	66 2/3% actual monthly wage unless they earn less than 73% of the SWAMW and then it is 92% of their actual monthly wages	\$543.33	No	No	None	None	Benefits paid monthly	None

- a There are some limited exceptions where benefits can be paid for 240 weeks.
- b Disability under PA laws means loss of earning power. PA law allows employer/insurer to request "Impairment Rating Examination" after employee has received 104 weeks of full benefit payments. If IRE shows less than 50% impairment based on AMA Guides then benefits are reclassified as partial disability compensation and are subject to a 500-week cap.
- c An exception to this amount could be made when an extension of MMI based on spinal surgery is approved by the Division.
- d For purposes of this table, "catastrophic injury" means any injury which is one of the following: (1) Spinal cord injury involving severe paralysis of an arm, a leg, or the trunk; (2) Amputation of an arm, a hand, a foot, or a leg involving the effective loss of use of that appendage; (3) Severe brain or closed head injury as evidenced by: (A) Severe sensory or motor disturbance; (B) Severe communication disturbance; (C) Severe complex integrated disturbances of cerebral function; (D) Severe disturbances of consciousness; (E) Severe episodic neurological disorders; or (F) Other conditions at least as severe in nature as any condition provided in subparagraphs (A) through (E) of this paragraph; (4) Second or third degree burns over 25 percent of the body as a whole or third degree burns to 5 percent or more of the face and hands; (5) Total or industrial blindness; (6) Any other injury of a nature and severity that prevents an employee from being able to perform his or her prior work and any work available in substantial numbers within the national economy for which such employee is otherwise qualified, provided, however, that the injury has not already been accepted as a catastrophic injury by the employer and the authorized treating physician has released the employee to return.
- e 72% of the workers' pre-injury weekly wage for the first 12 weeks and then 66.67% thereafter.
- f If the weekly wage is below 50% of the SAWW the calculation is wages, less income tax and social security.
- g TTD ceases during the time period an employee refuses a suitable job offer.
- h All earned income of the injured worker and all employment based retirement income is considered in the calculation of extended benefits.
- i KS has a cap of \$125,000 for Permanent Total and that cap includes any TTD paid.
- j Total TTD and PPD for scheduled and unscheduled cannot be greater than \$75,000 if the impairment rating is less than 25% and \$150,000 if more than 25%.
- k Workers' Compensation benefit provisions apply to injury dates on and after July 1, 2008 to distinguish them from the benefit levels applicable to most of the calendar year payments shown through the report.
- l If total amount of weekly compensation is less than \$7.00 per week.
- m Dependency benefits end at various times depending on level of dependency. Spouse-lifetime or until remarriage. Children-until they meet the age threshold. For cases that fall in the Schoemehl window (Jan 9, 2007- Jun 26, 2008), surviving dependents can claim benefits from SIF instead of deceased employee.
- n Benefits end for spouse on remarriage or upon death and end for children upon turning 18, or if still in school, 23, if not blind or physically disabled. If blind or physically disabled then the benefits end when the blindness or physical disability ends, after age 18 or 23 as appropriate. If benefits paid to dependent parents or grandparents, they end upon death. For brothers, sisters or grandchildren at age 18, or, if in school, 23.
- o Widow/Widower may receive lifetime payments if he or she is totally disabled at the date of decedent's death and child will receive weekly payments for 400 weeks or until age 18, whichever is longer.
- p Except for PTD which is payable for life.
- q Wage Loss benefits may continue for life, however.
- r ABP benefits are additional benefits payable. ABP are payable for the length of the disability or until death. Benefit is based on the duration of disability prior to retirement.

AMW	Average monthly wage
ASWW	Average state weekly wage
AWW	Average weekly wage
DOI	Date of manifestation
NWW	Net weekly wage
PIWW	Pre-injury weekly wage
SAWW	State-wide average weekly wage
SWAMW	State-wide average monthly wage

Source: IAIABC-WCRI (2012).

Appendix J: Second Injury Funds, Special Funds and Guaranty Funds

Second injury funds help reduce the financial impact of a workers' compensation claim in the event a worker with a disability is injured on the job, aggravating pre-existing impairment. Forty states provided the details of their second injury and special funds. Details are given in Table J1.

As stated by the annual report of the National Conference of Insurance Guaranty Funds, "The purpose of state guaranty associations is to provide a mechanism for the prompt payment of covered claims of an insolvent insurer, as those terms are defined and limited by guaranty association statutes, so that catastrophic financial loss to certain claimants and policyholders may be avoided." Guaranty Funds

cover the outstanding claims of insolvent insurance companies of the property and casualty guaranty fund system. It is a measure of protection to policyholders, beneficiaries and their families who otherwise would experience lengthy delays getting resolution of their claim, usually receiving only a fraction of the amount due from the insurer (NCIGF 2010). The self-insurance guaranty funds help pay the covered workers' compensation claims of insolvent self-insurers.

There were 33 insurance guaranty funds and 12 self-insurance guaranty funds who responded to NASI's Annual Survey 2011. Table J2 and J3 show the totals of these guaranty funds.

Table J1**Second Injury and Special Funds Paid Benefits for the Calendar Years 2007-2011**

States	2007	2008	2009	2010	2011
Alabama	n.a.	n.a.	n.a.	n.a.	n.a.
Alaska	\$2,816,244	\$4,105,087	\$2,895,447	\$3,347,669	\$3,586,038
Arizona	14,767,509	16,471,784	14,722,208	12,232,074	13,163,465
Arkansas	6,633,942	5,645,690	6,426,588	4,602,907	4,499,230
California	24,164,740	21,183,835	30,591,936	19,370,132	17,359,314
Colorado	8,504,329	8,227,347	7,243,689	7,062,617	7,244,316
Connecticut	35,037,646	39,707,328	39,406,068	36,404,167	29,553,226
Delaware	5,886,482	5,789,453	6,586,590	5,860,424	6,339,781
D.C.	3,571,619	3,241,597	3,618,810	3,996,024	2,456,930
Florida	217,750,000	105,100,000	53,750,000	38,785,107	55,250,000
Georgia	143,262,532	146,270,683	151,837,908	124,769,883	118,823,034
Hawaii	18,243,489	15,820,705	14,429,936	11,280,234	16,536,009
Idaho	1,050,092	2,031,396	546,578	2,119,131	920,298
Illinois	1,155,116	1,127,565	1,544,570	1,795,112	14,137,621
Indiana	4,078,372	3,853,042	4,724,248	4,788,361	4,680,142
Iowa	3,049,366	2,464,791	2,781,612	3,776,132	5,066,516
Kansas	4,262,638	4,262,638	3,761,176	3,857,921	4,209,609
Kentucky	68,935,253	68,204,008	66,299,310	65,313,617	65,280,834
Louisiana	41,549,518	42,181,211	38,419,534	43,690,296	49,605,570
Maine	n.a.	n.a.	n.a.	n.a.	n.a.
Maryland	18,171,918	17,921,321	14,515,454	21,620,290	19,245,939
Massachusetts	20,725,671	24,078,327	26,575,359	22,588,821	23,249,202
Michigan	16,253,722	14,472,512	12,890,804	13,470,410	11,873,030
Minnesota	58,621,823	60,759,405	59,459,582	54,036,363	52,853,735
Mississippi	119,113	104,549	139,608	121,911	138,862
Missouri	63,806,940	69,641,680	53,096,437	36,090,717	37,310,927
Montana	1,300,698	2,027,188	1,687,730	971,366	1,068,025
Nebraska	1,668,203	1,608,600	1,587,537	1,562,695	1,539,571
Nevada	2,658,723		975,412	979,802	n.a.
New Hampshire	7,429,544	15,297,755	12,939,306	13,767,394	n.a.
New Jersey	163,700,000	164,300,000	170,800,000	176,300,000	180,500,000
New Mexico	1,917,052	1,673,734	1,436,868	2,070,187	2,239,261
New York	n.a.	n.a.	n.a.	n.a.	n.a.
North Carolina	n.a.	n.a.	n.a.	n.a.	n.a.
North Dakota	n.a.	n.a.	n.a.	n.a.	n.a.
Ohio	n.a.	n.a.	n.a.	n.a.	n.a.
Oklahoma	18,171,918	17,921,321	14,515,454	16,451,245	20,552,787
Oregon	677,858	366,617	1,280,332	608,345	578,138
Pennsylvania	2,640,001	686,663	3,331,704	3,624,316	3,425,022
Rhode Island	2,617,824	2,673,172	2,529,501	1,952,465	2,213,004
South Carolina*	113,231,699	113,715,933	103,088,646	102,544,424	100,891,673
	41,618,818	48,911,909	47,757,513	46,816,369	43,245,965
South Dakota	n.a.	n.a.	n.a.	n.a.	n.a.
Tennessee	10,465,012	9,073,098	7,280,862	6,087,834	5,688,127
Texas	508,015	687,863	671,557	600,304	0
Utah	1,525,500	1,825,143	1,817,493	1,832,974	2,066,448
Vermont	n.a.	n.a.	n.a.	n.a.	n.a.
Virginia	n.a.	n.a.	n.a.	n.a.	n.a.
Washington	68,000	129,000	148,000	69,000	22,000
West Virginia	12,010,243	12,049,375	10,555,939	11,640,028	11,684,688
Wisconsin	16,072,569	15,923,949	13,020,746	3,521,796	10,699,726
Wyoming	n.a.	n.a.	n.a.	n.a.	n.a.

* The second row for South Carolina refers to the South Carolina State fund.

'n.a.' - Data not available.

Source: National Academy of Social Insurance estimates.

Table J2**Guaranty Funds Paid Benefits for the Calendar Years 2007-2011**

States	2007	2008	2009	2010	2011
Alabama	\$8,270,504	\$8,513,545	\$8,706,158	\$7,699,972	n.a.
Alaska	4,507,514	4,246,369	4,093,339	3,932,553	4,816,197
Arizona	n.a.	n.a.	n.a.	n.a.	n.a.
Arkansas	652,295	1,097,658	454,130	1,187,585	687,949
California	256,250,525	219,909,626	224,895,828	187,732,446	213,978,162
Colorado	4,289,512	3,655,690	3,835,119	3,474,067	3,186,576
Connecticut	5,538,972	3,603,128	2,625,067	2,392,177	3,352,257
Delaware	1,332,112	1,274,199	1,068,010	859,456	761,707
D.C.	1,819,706	1,532,145	1,084,108	n.a.	500,098
Florida	n.a.	n.a.	n.a.	n.a.	n.a.
Georgia	13,782,366	11,226,202	13,900,950	15,919,839	14,543,115
Hawaii	n.a.	n.a.	n.a.	n.a.	n.a.
Idaho	1,023,995	864,897	637,735	654,810	666,177
Illinois	n.a.	n.a.	n.a.	n.a.	n.a.
Indiana	482,427	165,210	168,307	367,762	331,927
Iowa	1,194,142	267,083	486,656	n.a.	n.a.
Kansas	2,909,332	1,799,003	2,628,770	1,860,436	1,635,045
Kentucky	5,445,483	5,303,338	4,429,557	4,256,739	4,004,924
Louisiana	7,555,638	8,227,881	8,198,745	8,041,616	n.a.
Maine	4,191,887	1,666,328	1,503,977	1,090,117	838,993
Maryland	n.a.	n.a.	n.a.	n.a.	n.a.
Massachusetts	17,975,951	12,703,619	6,544,432	5,456,650	8,166,043
Michigan	3,313,650	2,305,280	1,866,002	3,105,869	1,866,002
Minnesota	11,631,274	10,883,162	11,021,858	10,369,569	9,325,639
Mississippi	5,359,294	3,427,316	3,328,384	3,664,532	n.a.
Missouri	n.a.	n.a.	n.a.	n.a.	n.a.
Montana	2,088,921	2,011,940	2,210,287	3,147,745	2,622,072
Nebraska	n.a.	n.a.	n.a.	n.a.	n.a.
Nevada	486,432	n.a.	n.a.	416,719	n.a.
New Hampshire	3,401,269	1,582,303	2,058,087	1,360,025	1,803,542
New Jersey	19,599,965	19,228,173	15,376,575	15,410,764	18,100,000
New Mexico	1,973,900	1,760,691	1,516,112	2,106,641	2,252,394
New York	n.a.	n.a.	n.a.	n.a.	n.a.
North Carolina	n.a.	n.a.	n.a.	n.a.	n.a.
North Dakota	n.a.	n.a.	n.a.	n.a.	n.a.
Ohio	n.a.	n.a.	n.a.	n.a.	n.a.
Oklahoma	n.a.	n.a.	n.a.	n.a.	n.a.
Oregon	1,488,741	1,212,721	1,888,961	1,827,724	1,491,981
Pennsylvania	49,748,320	43,321,285	30,175,472	25,224,208	25,947,926
Rhode Island	1,722,705	841,512	701,545	839,068	678,460
South Carolina	1,487,946	2,405,431	2,212,245	3,176,635	2,568,022
South Dakota	n.a.	n.a.	n.a.	n.a.	n.a.
Tennessee	n.a.	n.a.	n.a.	n.a.	n.a.
Texas	12,583,095	16,418,737	15,834,263	15,462,356	14,407,728
Utah	2,177,198	2,967,681	2,461,916	2,136,298	n.a.
Vermont	1,455,444	860,893	1,672,416	1,023,143	948,896
Virginia	7,385,538	7,800,597	6,208,041	4,033,094	5,055,096
Washington	n.a.	n.a.	n.a.	n.a.	n.a.
West Virginia	n.a.	n.a.	n.a.	n.a.	n.a.
Wisconsin	n.a.	n.a.	n.a.	n.a.	n.a.
Wyoming	13,862	143,795	70,956	17,301	9,314

'n.a.' Data not available.

Source: National Academy of Social Insurance estimates.

Table J3**Self-Insurance Guaranty Funds Paid Benefits for the Calendar Years 2007-2011**

States	2007	2008	2009	2010	2011
Alabama	n.a.	n.a.	n.a.	n.a.	n.a.
Alaska	n.a.	n.a.	n.a.	n.a.	n.a.
Arizona	n.a.	n.a.	n.a.	n.a.	n.a.
Arkansas	\$21,908,430	\$23,652,461	\$23,030,910	\$23,986,413	n.a.
California	28,597,519	28,628,646	24,379,283	20,487,448	\$18,898,110
Colorado	n.a.	n.a.	n.a.	n.a.	n.a.
Connecticut	n.a.	n.a.	n.a.	n.a.	n.a.
Delaware	n.a.	n.a.	n.a.	n.a.	n.a.
D.C.	n.a.	n.a.	n.a.	n.a.	n.a.
Florida	4,889,869	4,683,973	2,015,747	989,074	n.a.
Georgia	273,285	186,321	1,278,953	708,265	n.a.
Hawaii	n.a.	n.a.	n.a.	n.a.	n.a.
Idaho	n.a.	n.a.	n.a.	n.a.	n.a.
Illinois	437,150	655,065	1,780,848	2,429,290	n.a.
Indiana	n.a.	n.a.	n.a.	n.a.	n.a.
Iowa	n.a.	n.a.	n.a.	n.a.	n.a.
Kansas	n.a.	n.a.	n.a.	n.a.	n.a.
Kentucky	n.a.	n.a.	n.a.	n.a.	n.a.
Louisiana	n.a.	n.a.	n.a.	n.a.	n.a.
Maine	n.a.	n.a.	n.a.	n.a.	n.a.
Maryland	n.a.	n.a.	n.a.	n.a.	n.a.
Massachusetts	n.a.	n.a.	n.a.	n.a.	n.a.
Michigan	6,429,764	4,994,060	5,110,379	10,064,914	5,743,634
Minnesota	4,132,056	3,927,142	3,860,600	3,421,098	2,874,396
Mississippi	n.a.	n.a.	n.a.	n.a.	n.a.
Missouri	1,460,504	815,097	453,234	1,030,749	367,358
Montana	n.a.	n.a.	n.a.	n.a.	n.a.
Nebraska	n.a.	n.a.	n.a.	n.a.	n.a.
Nevada	163,816	478,442	n.a.	n.a.	n.a.
New Hampshire	n.a.	n.a.	n.a.	n.a.	n.a.
New Jersey	900,000	3,400,000	1,000,000	1,900,000	n.a.
New Mexico	n.a.	n.a.	n.a.	n.a.	n.a.
New York	n.a.	n.a.	n.a.	n.a.	n.a.
North Carolina	n.a.	n.a.	n.a.	n.a.	n.a.
North Dakota	—	—	—	—	—
Ohio	n.a.	n.a.	n.a.	n.a.	n.a.
Oklahoma	n.a.	n.a.	n.a.	n.a.	n.a.
Oregon	364,630	371,074	352,926	951,224	1,219,238
Pennsylvania	6,223,622	4,497,895	1,449,583	1,393,381	1,047,952
Rhode Island	n.a.	n.a.	n.a.	n.a.	n.a.
South Carolina	n.a.	n.a.	n.a.	n.a.	n.a.
South Dakota	n.a.	n.a.	n.a.	n.a.	n.a.
Tennessee	n.a.	n.a.	n.a.	n.a.	n.a.
Texas	n.a.	n.a.	n.a.	n.a.	n.a.
Utah	n.a.	n.a.	n.a.	n.a.	n.a.
Vermont	n.a.	n.a.	n.a.	n.a.	n.a.
Virginia	n.a.	n.a.	n.a.	n.a.	n.a.
Washington	1,078,000	977,000	1,675,000	1,336,000	897,000
West Virginia	64,769	44,376	104,820	28,707	28,897
Wisconsin	n.a.	n.a.	n.a.	n.a.	n.a.
Wyoming	—	—	—	—	—

'n.a.' - Data not Available. North Dakota and Wyoming do not allow self-insurance in their state.

Source: National Academy of Social Insurance estimates.

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