

**Sources and Methods:
A Companion To:
Workers' Compensation: Benefits, Coverage, and Costs, 2002
August 2004**



Introduction

The report, *Workers' Compensation: Benefits, Coverage, and Costs, 2002*, provides estimates of total workers' compensation benefits paid in the United States and in each state. The report reviews trends in workers' compensation costs and benefits and the relationship of workers' compensation to other disability benefit programs. This document, *Sources and Methods*, describes the sources of data and methods used to produce the state-level estimates of workers' compensation benefits in calendar year 2002.

The purpose of this document is to state our sources of information and the exact methods we used to estimate benefits in each state. It allows comparisons across states in data availability and record keeping activities. We hope that publishing this companion to the report will lead to discussions about improving and refining state record and information systems, which will ultimately improve the quality of data for understanding trends in state and national workers' compensation benefits and costs.

State-Level Estimates

The state-level estimates show separately benefits paid through: (a) private insurance carriers, (b) self-insured employers, and (c) a state fund, if there is one. They also show

the share of benefits that are for medical care as distinct from cash indemnity benefits. Finally, they show separately the amount of benefits paid under deductible arrangements.

Sources of Data

State agencies were the main source of the foundation for the estimates. In some cases, state agencies provided all the needed information. In other cases they provided partial information. In still others, they did not have exactly the data requested, but provided related data, which we used to make estimates. For example, a state might have information on benefits paid only on cases closed in a particular year, not on all benefits paid in that calendar year.

Appendix A estimates workers' compensation coverage.

Appendix B describes the sample copy of the questionnaire given to the state agencies.

Table C1 in Appendix C of the full report summarizes the kinds of information we received from each state. The shaded areas indicate data that were provided directly by the state. "NA" indicates that the particular insurance arrangement was not used in that state. The blank areas indicate where estimates and imputations were made.

Appendix D gives the revised data estimates of the previous years from 1998-2001.

Appendix E provides the methods of estimation or self-insurer benefits in states that did not provide latest information.

Appendix F gives an explanation of the medical benefits estimation.

Appendix G provides five methods of deductible estimation.

Appendix H provides totals for federal programs of workers' compensation that are financed by employers.

Please note that the *Sources and Methods* documents provide rounded numbers. In the case of ratios and percentages, this rounding may affect the result a reader will obtain by manually replicating our methodology.

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Alabama - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$565,264	\$290,009	N/A	\$275,255	57.9%

Private Carrier Payments

Source. The Workers' Compensation Division provided total calendar year benefits paid by private carriers. The amount was \$290,009 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Workers' Compensation Division provided total calendar year benefits paid by self-insured employers. The amount was \$275,255 thousand. No additional calculations were needed.

Medical Benefits

Source. The Workers' Compensation Division provided total medical benefits. They amounted to 57.9 percent of total benefits. No additional calculations were needed.

Deductibles

Source. A.M. Best provided private carrier total benefits paid, excluding benefits reimbursed to insurance companies by employers as part of deductible policies. The amount was \$186,973 thousand. Private carrier total benefits, obtained from the Worker's Compensation Division, which included deductible benefits, were \$290,009 thousand.

Methods. Benefits paid by employers under deductible policies equal the difference, \$103,036 thousand.

Alaska - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$187,578	\$145,324	N/A	\$42,254	56.8%

Private Carrier Payments

Source. The Division of Workers' Compensation provided calendar year benefits paid by private carriers. The amount was \$145,324 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Division of Workers' Compensation provided calendar year benefits paid by self-insurers. The amount was \$42,254 thousand. No additional calculations were needed.

Medical Benefits

Source. The Division of Workers' Compensation provided total medical benefits. They amounted to 56.8 percent of total benefits.

Deductibles

Source. A.M. Best provided private carrier total benefits paid, excluding benefits reimbursed to insurance companies by employers as part of deductible policies. The amount was \$129,392 thousand. Private carrier total benefits, obtained from the Division of Workers' Compensation, which included deductible benefits, were \$145,324 thousand.

Methods. Benefits paid by employers under deductible policies equal the difference, \$15,932 thousand.

Arizona - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$528,484	\$198,725	\$251,694	\$78,065	60.1%

Private Carrier Payments

Source. The Industrial Commission provided calendar year benefits excluding second injury fund. The amount was \$144,188 thousand. This agency also provided total fiscal year second injury fund benefits for FY 02-03 and FY 01-02. The amounts were \$15,357 thousand and \$14,447 thousand respectively.

Methods.

- The two fiscal year second injury fund benefit amounts were averaged to obtain an estimate of calendar year benefits paid, $15,357 + 14,447/2 = \$14,902$.
- The amount of private carrier benefits from a second injury fund were determined by multiplying the total second injury fund benefits by the ratio of private carrier benefits excluding second injury fund benefits to total benefits excluding second injury fund benefits, $14,902 * (144,188/402,084) = \$5,344$ thousand.
- The total amount of benefits paid under deductible policies was added to these figures were added to obtain the total private carrier benefits of \$198,725 thousand.

State Fund Payments

Source. The Industrial Commission provided calendar year benefits excluding second injury fund benefits. The amount was \$182,621 thousand. This agency also provided total fiscal year second injury fund benefits for FY 02-03 and FY 01-02. The amounts were \$15,357 thousand and \$14,447 thousand respectively.

Methods.

- The two fiscal year second injury fund benefit amounts were averaged to obtain an estimate of calendar year benefits paid, $15,357 + 14,447/2 = \$14,902$.
- The amount of state fund benefits from a second injury fund were determined by multiplying the total second injury fund benefits by the ratio of state fund benefits excluding second injury fund benefits to total benefits excluding second injury fund benefits, $14,902 * (182,621/402,084) = \$6,768$ thousand.
- The total amount of benefits paid under deductible policies was added to these figures were added to obtain the total private carrier benefits of \$251,694 thousand.

Self-Insurance Payments

Source. The Industrial Commission provided calendar year benefits excluding second injury fund benefits. The amount was \$75,275 thousand. This agency also provided total fiscal year second injury fund benefits for FY 02-03 and FY 01-02. The amounts were \$15,357 thousand and \$14,447 thousand respectively.

Methods.

- The two fiscal year second injury fund benefit amounts were averaged to obtain an estimate of calendar year benefits paid, $15,357 + 14,447/2 = \$14,902$.
- The amount of self-insurance benefits from a second injury fund were determined by multiplying the total second injury fund benefits by the ratio of self-insurance benefits excluding second injury fund benefits to total benefits excluding second injury fund benefits, $14,902 * (75,275/402,084) = \$2,790$ thousand.
- These figures were added to obtain the total self-insurance benefits.

Medical Benefits

Source. The percent of medical benefits is based on data received from the National Council on Compensation Insurance.

Methods. The procedure used is described in Appendix F.

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Method. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (144,188 \text{ thousand}) = \$49,193$ thousand for employers using private carriers and $.3412 (182,621 \text{ thousand}) = \$62,305$ thousand for employers using the state fund.

Arkansas - 2002

Workers' Compensation Benefits Paid – 2002(thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$222,192	\$145,163	N/A	\$77,029	62.4%

Private Carriers Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$108,234 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best, to obtain the total of \$145,163 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Benefits

Source. The Workers' Compensation Commission provided fiscal year benefits paid by private carriers and self-insurers for compensable cases in FY 02. The amounts were \$102,545 thousand and \$54,415 thousand, respectively. Using these data the ratio of private carrier benefits paid to self-insurer benefits paid was estimated. The amount was .531. The ratio of total calendar year benefits paid by self-insurers was assumed to be the same.

Methods. Total private carrier benefits paid were multiplied by this ratio. Therefore, $145,163 * .531 = 77,029$ thousand.

Medical Benefits

Source. The percent of medical benefits is based on data received from the National Council on Compensation Insurance.

Methods. The procedure used is described in [Appendix F](#).

Deductibles

Sources. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Method. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (108,234 \text{ thousand}) = 36,929$ thousand for employers using private carriers.

California - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$11,282,610	\$5,947,614	\$2,191,962	\$3,143,034	50.0%

Private Carrier Payments

Source. The Workers' Compensation Insurance Rating Bureau provided total calendar year benefits paid by private carriers and the state fund, including benefits paid under deductible policies. The amount was \$8,139,576 thousand. A.M. Best provided total calendar year benefits paid by the state fund. The amount was \$2,191,962.

Methods. Private carrier benefits were determined by subtracting total calendar year benefits paid by the state fund as provided by A.M. Best from total calendar year benefits paid by private carriers. The amount was, $8,139,576 - 2,191,962 = \$5,947,614$ thousand.

State Fund Payments

Source. A.M. Best provided total calendar year benefits paid by the state fund, including benefits paid under deductible policies. The amount was \$2,191,962. No additional calculations were needed.

Self-Insurance Payments

Source. The Office of Self-Insurance Plans provided total calendar year benefits paid by private and public self-insured employers. The amounts were \$1,673,476 and \$1,469,558 respectively.

Methods. These figures were added to obtain the total of \$3,143,034 thousand in self-insurance benefits.

Medical Benefits

Source. The Workers' Compensation Insurance Rating Bureau provided total medical benefits for private carriers and the state fund and the Office of Self-Insurance Plans provided total medical benefits paid by self-insurers. They amounted to \$4,122,246 thousand and \$1,522,785 thousand, respectively.

Methods. These figures were added together to obtain total medical benefits of \$5,645,031 thousand. This number equals 50.0 percent of total benefits.

Deductibles

Source. A.M. Best provided private carrier and state fund total benefits paid, excluding benefits reimbursed to insurance companies by employers as part of deductible policies. The amounts were \$3,880,754 thousand and \$2,191,962 thousand, respectively. The California State Fund did not write deductible policies in 2002. Private carrier and state fund total benefits, obtained from the Worker's Compensation Insurance Rating Bureau, which included deductible benefits for private carriers, were \$8,139,576 thousand.

Methods. Benefits paid by employers under deductible policies through private carriers were calculated by subtracting state fund and private carrier benefits as provided by A.M. Best from total benefits as provided by the Workers' Compensation Insurance Rating Bureau. The amount was $8,139,576 - (3,880,754 + 2,191,962) = 2,066,860$ thousand in benefits paid under deductible policies by employers insuring through private carriers.

Colorado - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$806,991	\$309,432	\$332,720	\$164,840	44.3%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits excluding benefits reimbursed by the employer as part of a deductible policy. The amount was \$230,717 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$309,432 thousand (see below for estimate of deductible benefits).

State Fund

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed by the employer as part of a deductible policy. The amount was \$248,081 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$332,720 thousand (see below for estimate of deductible benefits).

Self-Insurance Payments

Source. The Division of Workers' Compensation provided calendar year benefits paid by self-insurers. The amount was \$164,840 thousand. No additional calculations were needed.

Medical Benefits

Source. The percent of medical benefits is based on data received from the National Council on Compensation Insurance.

Methods. The procedure used is described in [Appendix F](#).

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies

was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (230,717) = \$78,715$ thousand for private carriers. For state funds the total was $.3412 (248,081) = \$84,639$ thousand.

Connecticut - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$747,959	\$543,266	N/A	\$204,693	41.5%

Private Carrier Payments

Source. The Workers' Compensation Commission provided calendar year benefits paid by private carriers. The amount was \$512,635 thousand. Second injury fund benefits were also provided by this agency. The amount was \$42,172 thousand.

Method. The amount of private carrier benefits from the second injury fund was determined by multiplying the total second injury fund benefits by the ratio of private carrier benefits excluding second injury fund benefits to total benefits excluding second injury fund benefits, $42,172 * (512,635/705,787) = \$30,631$ thousand. This amount was added to private carrier benefits as provided by the Workers' Compensation Commission to obtain the total of \$543,266 thousand.

Self-Insurance Payments

Source. The Workers' Compensation Commission provided total calendar year benefits for private self-insurers (\$126,279 thousand) and the state (\$66,873 thousand). Second injury fund benefits were also provided by this agency. The amount was \$42,172 thousand.

Method. The amount of self-insurance benefits from the second injury fund was determined by multiplying the total second injury fund benefits by the ratio of self-insurance benefits excluding second injury fund benefits to total benefits excluding second injury fund benefits, $42,172 * [(126,279+66,873)/705,787] = \$11,541$ thousand. This amount was added to self-insurance benefits as provided by the Workers' Compensation Commission to obtain the total of \$204,693 thousand.

Medical Benefits

Source. The percent of medical benefits is based on data received from the National Council on Compensation Insurance.

Methods. The procedure used is described in [Appendix F](#).

Deductibles

Source. Deductible benefits were included in private carrier benefits provided by the Workers' Compensation Commission. The total was \$512,635 thousand. Private carrier

benefits provided by A.M. Best did not include deductible benefits. This amount was \$341,985 thousand.

Methods. Figures for private carrier totals from A.M. Best were subtracted from agency figures to obtain an estimate of benefits paid under deductible provisions by private carriers. Thus, deductible benefits were calculated to be $512,635 - 341,985 = \$170,650$ thousand.

Delaware - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$168,818	\$114,346	N/A	\$54,472	49.9%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$81,043 thousand. The Delaware Department of Labor provided calendar year benefits paid under the Workers' Compensation Fund. The amount was \$5,654 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best and the total amount of Workers' Compensation Fund benefits to obtain the total of \$114,346 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. The Delaware Department of Labor provided total self-insured and private carrier premiums written. The ratio was 47.64 percent. This ratio was assumed to be the same for benefits paid.

Methods. The ratio was applied to total private carrier benefits to obtain total self-insurance benefits. Therefore, $114,346 * .4764 = \$54,472$ thousand.

Medical Benefits

Source. The percent of medical benefits is based on data received from the National Council on Compensation Insurance.

Methods. The procedure used is described in [Appendix F](#).

Deductible

Sources. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits was calculated using states where information on deductible benefits was available. That average was 34.12 percent. Deductible benefits were thus considered to be $.3412 (81,043 \text{ thousand}) = \$27,650$ thousand for employers using private carriers.

District of Columbia - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$101,834	\$79,780	N/A	\$22,055	32.9%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$59,485 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$79,780 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. The Office of Workers' Compensation provided total benefits paid by private carriers and self-insurers, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$81,540 thousand.

Methods. Private carrier benefits as provided by A.M. Best, excluding benefits paid under deductible policies, were subtracted from the total of private carrier and self-insurance benefits as provided by the Office of Workers' Compensation to obtain total self-insurance benefits. Therefore, $81,540 - 59,485 = \$22,055$ thousand.

Medical Benefits

Source. The Office of Workers' Compensation provided the amount of total medical benefits. They amounted to 32.9 percent.

Methods. This percentage was assumed to be the same for both private carriers and self-insured employers.

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits was calculated using states where information on deductible benefits was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (59,485 \text{ thousand}) = \$20,295$ thousand for employers using private carriers.

Florida - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$2,305,792	\$1,817,700	N/A	\$488,091	56.9%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$1,355,306 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$1,817,700 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. The Division of Workers' Compensation provided an estimate of total self-insurance benefits paid, \$321,398 thousand, and total private carrier benefits, \$1,196,919 thousand. These figures were used to determine the ratio of self-insurance to private carrier benefits. The amount was 26.85 percent.

Methods. This ratio was applied to total private carrier benefits to obtain the total of, $1,817,700 * .2685 = \$488,091$ thousand.

Medical Benefits

Source. No information was available from the state.

Methods. The imputation procedure used is described in [Appendix F](#).

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits was calculated using states where information on deductible benefits was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (1,355,306 \text{ thousand}) = \$462,394$ thousand for employers using private carriers.

Georgia - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$1,087,776	\$769,586	N/A	\$318,190	47.7%

Private Carrier Payments

Source. The State of Georgia Subsequent Injury Trust Fund provided calendar year benefits paid by private carriers. The amount was \$769,586 thousand. No additional calculations were needed.

Self-Insurance

Source. The State of Georgia Subsequent Injury Trust Fund provided calendar year benefits paid by self-insurers. The amount was \$318,190 thousand. No additional calculations were needed.

Medical Benefits

Source. The percent of medical benefits based on data received from the National Council on Compensation Insurance.

Methods. The imputation procedure used is described in [Appendix F](#).

Deductibles

Source. A.M. Best provided private carrier total benefits paid, excluding benefits reimbursed to insurance companies by employers as part of deductible policies. The amount was \$472,400 thousand. Private carrier total benefits, obtained from the State of Georgia Subsequent Injury Trust Fund, which included deductible benefits, were \$769,586 thousand.

Methods. Benefits paid by employers under deductible policies equal the difference, \$297,186 thousand.

Hawaii - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$267,827	\$175,029	\$11,754	\$81,044	39.6%

Private Carrier Payments

Source. The Department of Labor and Industrial Relations (DLIR) provided total calendar year benefits paid by private carriers and the state fund, including benefits paid under deductible policies. The amount was \$175,294 thousand. The DLIR also provided medical and indemnity benefits paid by private carriers and the state fund. The amounts were, \$75,127 thousand and \$100,167 thousand, respectively. The DLIR provided benefits paid by the Special Compensation Fund, \$16,686 thousand (\$373 thousand medical and \$16,312 thousand indemnity) and Self-Insureds, \$75,848 thousand (\$30,427 thousand medical and \$45,421 thousand indemnity). A.M. Best provided calendar year benefits paid by the state fund, excluding benefits paid under deductible policies. The amount was \$11,031 thousand.

Method. The amounts of state fund benefits and state fund deductible benefits were subtracted from the total of private carrier and state fund benefits to obtain private carrier benefits excluding Special Compensation Fund (SCF) benefits paid by private carriers (see note below for deductible estimation methodology). The amount was $\$175,294 - \$11,031 - \$5,372 = \$158,891$ thousand. The total was multiplied by the reported medical benefit ratio for private carriers to obtain an estimate of pre-SCPF private carrier medical and indemnity benefits. The amounts were \$70,399 thousand for medical and \$93,864 thousand for indemnity.

Special Compensation Fund (SCF) benefits paid by private carriers were determined by the following procedure:

- Medical SCF benefits were multiplied by the ratio of private carrier medical benefits to total medical benefits (excluding the SCF): $373 * 70,399 / (75,127 + 30,427) = \249 thousand;
- This amount was then added to private carrier medical benefits to obtain \$70,648 thousand;
- Indemnity SCF benefits were multiplied by the ratio of private carrier indemnity benefits to total indemnity benefits (excluding the SCF): $16,312 * 93,864 / (100,167 + 45,421) = \$10,517$ thousand;
- This amount was then added to private carrier indemnity benefits to obtain \$104,381 thousand;
- Private Carrier medical and indemnity benefits were then added to obtain total private carrier benefits. The amount was $\$70,648 + \$104,381 = \$175,029$ thousand.

State Fund Payments

Source. A.M. Best provided total benefits paid, excluding benefits paid under deductible policies. The amount was \$11,031 thousand. The Department of Labor and Industrial Relations (DLIR) provided total calendar year benefits paid by private carriers and the state fund, including benefits paid under deductible policies. The amount was \$175,294 thousand. The DLIR also provided medical and indemnity benefits paid by private carriers and the state fund. The amounts were, \$75,127 thousand and \$100,167 thousand, respectively. The DLIR provided benefits paid by the Special Compensation Fund, \$16,686 thousand (\$373 thousand medical and \$16,312 thousand indemnity) and Self-Insureds, \$75,848 thousand (\$30,427 thousand medical and \$45,421 thousand indemnity).

Method. Medical benefits paid by the state fund (prior to SCF allocation) were determined by using the private carrier medical percentage as reported by the DLIR. The resulting amounts were $.429 * 11,031 = \$4,725$ thousand in medical benefits and $(1 - .429) * 11,031 = \$6,303$ thousand in indemnity benefits.

Special Compensation Fund (SCF) benefits paid by the state fund were determined by the following procedure:

- Medical SCF benefits were multiplied by the ratio of state fund medical benefits to total medical benefits (excluding the SCF): $373 * 4,728 / (75,127 + 30,427) = \16 thousand;
- This amount was then added to state medical benefits to obtain \$4,744 thousand;
- Indemnity SF benefits were multiplied by the ratio of state fund indemnity benefits to total indemnity benefits (excluding the SCF): $16,312 * 6,303 / (100,167 + 45,421) = \707 thousand;
- This amount was then added to state fund indemnity benefits to obtain \$7,010 thousand;
- Benefits paid under deductible policies were then added to these amounts and the totals were added together to obtain total state fund benefits of $\$4,744 + \$7,010 = \$11,754$ thousand. For an explanation of the deductible estimation procedure please see below.

Self-Insurance Payments

Source. The Department of Labor and Industrial Relations (DLIR) provided total calendar year benefits paid by self-insurers. The amount was \$75,848 thousand (\$30,427 thousand medical and \$45,421 thousand indemnity). DLIR also provided total calendar year benefits paid by private carriers and the state fund, including benefits paid under deductible policies. The amount was \$175,294 thousand. DLIR provided medical and indemnity benefits paid by private carriers and the state fund. The amounts were, \$75,127 thousand and \$100,167 thousand, respectively. DLIR also provided benefits

paid by the Special Compensation Fund, \$16,686 thousand (\$373 thousand medical and \$16,312 thousand indemnity).

Method.

Special Compensation Fund (SCF) benefits paid by self-insurers were determined by the following procedure:

- Medical SCF benefits were multiplied by the ratio of self-insurer medical benefits to total medical benefits (excluding the SCF): $373 * 30,427 / (75,127 + 30,427) = \107 thousand;
- This amount was then added to self-insurer medical benefits to obtain \$30,534 thousand;
- Indemnity SCF benefits were multiplied by the ratio of self-insurer indemnity benefits to total indemnity benefits (excluding the SCF): $16,312 * 45,421 / (100,167 + 45,421) = \$5,089$ thousand;
- This amount was then added to self-insurer indemnity benefits to obtain \$50,510 thousand;
- Self-insurer medical and indemnity benefits were then added to obtain total self-insurer benefits. The amount was $\$30,534 + \$50,510 = \$81,044$ thousand.

Medical Benefits

Source. The Department of Labor and Industrial Relations provided total medical benefits. The figure was 39.6% of total benefits. No additional calculations were needed.

Deductibles

Source. Deductible benefits were included in total private carrier and state fund benefits provided by the Department of Labor and Industry. The total was \$175,294 thousand. Total private carrier and state fund benefits provided by A.M. Best did not include deductible benefits. This amount was \$117,884 thousand. Deductible benefits were not included in the state fund total reported by the A.M. Best. That amount (net of deductible) was \$11,031 thousand.

Methods. The figure for total private carrier and state fund benefits from A.M. Best was subtracted from the agency figure to obtain an estimate of benefits paid under deductible provisions by private carriers and the state fund. Total deductible benefits were calculated to be $175,294 - 117,884 = \$57,410$ thousand. To obtain an estimate of deductible benefits paid by the state fund and private carriers the following procedure was used:

- The total state fund benefit amount was subtracted from private carrier benefit amount as reported by A.M. Best to obtain total net private carrier benefits, $\$117,884 - \$11,031 = \$106,853$ thousand.

- The total deductible amount as estimated above was multiplied by the ratio of state fund benefits to total private carrier and state fund benefits as reported by A.M. Best to obtain total state fund deductibles, $\$57,410 * (11,031/117,884) = \$5,372$ thousand.
- State fund deductibles were subtracted from private carrier deductibles to obtain total deductibles, $\$57,410 - \$5,372 = \$52,038$ thousand.

Idaho - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$233,065	\$89,547	\$127,835	\$15,683	56.7%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits paid by private carriers, excluding benefits reimbursed to the insurance company by the employer a part of a deductible policy. The amount was \$66,768 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$89,547 thousand (see below for estimate of deductible benefits).

State Fund Payments

Source. A.M. Best provided calendar year benefits paid by the state fund, excluding benefits reimbursed to the insurance company by the employer a part of a deductible policy. The amount was \$95,316 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$127,835 thousand (see below for estimate of deductible benefits).

Self-Insurance Payments

Source. The Industrial Commission provided the ratio of self-insurance benefits to private carrier and state fund benefits. The ratio was 7.21 percent.

Methods. This ratio was applied to the total of private carrier and state fund benefits to obtain total self-insurance benefits, $(89,547+127,835) \cdot .0721 = \$15,683$ thousand.

Medical Benefits

Source. No information was available from the state.

Methods. The imputation procedure used is described in [Appendix F](#).

Deductibles

Source. No information was available on benefits paid by employers under the provision of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (66,768) = \$22,779$ thousand for employers using private carriers and $.3412 (95,316) = \$32,519$ thousand for employers using state funds.

Illinois - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$2,232,269	\$1,748,120	N/A	\$484,149	44.4%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$1,303,426 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best, to obtain the total of \$1,748,120 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix E](#).

Medical Benefits

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix F](#).

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (1,303,426) = \$444,694$ thousand for employers using private carriers.

Indiana - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$574,401	\$488,130	N/A	\$89,271	65.3%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits excluding second injury fund benefits and benefits reimbursed by the employer as part of a deductible policy. The amount was \$361,853 thousand. The Workers' Compensation Board of Indiana provided total benefits paid by the second injury fund. The amount was \$2,822 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to these figures to obtain the total private carrier benefits. The amount was \$488,130 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. The Workers' Compensation Board of Indiana provided the ratio of self-insurance benefits to private carrier benefits. The ratio was 18.29 percent.

Methods. This ratio was applied to the total of private carrier benefits to obtain total self-insurance benefits, $(488,130) * .1829 = \$89,271$ thousand.

Medical Benefits

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix F](#).

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (361,853) = \$123,455$ thousand for employers using private carriers.

Iowa - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$427,507	\$348,434	N/A	\$79,072	50.6%

Private Carrier Payments

Source. The Insurance Division provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as a part of a deductible policy. The amount was \$258,889 thousand. They also provided calendar year benefits paid by second injury funds. The amount was \$1,213 thousand.

Methods.

The estimated amount of benefits paid by employers under deductible policies and the estimated amount of benefits paid as part of the second injury fund (\$1,213 thousand) were added to the figure from the Insurance Division to obtain the total of \$348,434 thousand (see below for estimate of deductible benefits).

Self-Insurance Payments

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix E](#).

Medical Benefits

Source. The percent of medical benefits is based on data received from the National Council on Compensation Insurance.

Methods. The procedure used is described in [Appendix F](#).

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (258,889) = \$88,332$ thousand for employers using private carriers.

Kansas - 2002

Workers' Compensation Benefits Paid – 2002(thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$405,091	\$298,992	N/A	\$106,099	54.2%

Private Carrier Payments

Source. The Division of Workers' Compensation provided calendar year benefits paid by private carriers (\$295,853 thousand), by self-insurers (\$104,985 thousand) and second injury funds (\$4,252 thousand).

Methods. Total benefits paid as part of the second injury fund were multiplied by the ratio of private carrier benefits to private carrier and self-insurance benefits as provided by the Division of Workers' Compensation. That ratio was $295,853 / (295,853 + 104,985)$ or 73.81 percent. This provided the private carrier benefits paid as part of the second injury fund, $.7381 * 4,252 = \$3,139$ thousand. This figure was added to private carrier benefits paid to obtain total private carrier benefits paid, \$298,992 thousand.

Self-Insurance Payments

Source. The Division of Workers' Compensation provided calendar year benefits paid by private carriers (\$295,853 thousand), by self-insurers (\$104,985 thousand) and second injury funds (\$4,252 thousand).

Methods. Total benefits paid as part of the second injury fund were multiplied by the ratio of private carrier benefits to private carrier and self-insurance benefits as provided by the Division of Workers' Compensation. That ratio was $104,985 / (295,853 + 104,985)$ or 26.19 percent. This provided the private carrier benefits paid as part of the second injury fund, $.2619 * 4,252 = \$1,114$ thousand. This figure was added to private carrier benefits paid to obtain total private carrier benefits paid, \$106,099 thousand.

Medical Benefits

Source. The percent of medical benefits is based on data received from the National Council on Compensation Insurance.

Methods. The procedure used is described in [Appendix F](#).

Deductibles

Source. Private carrier benefits provided by the Division of Workers' Compensation include deductibles. That amount is \$295,853 thousand. Figures provided by A.M. Best do not include deductibles. That amount is \$183,582 thousand.

Methods. The total amount of deductibles is the difference between these two figures, \$112,271 thousand.

Kentucky - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$527,183	\$334,455	\$47,856	\$144,862	53.4%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits paid by private carriers and the state fund, excluding benefits reimbursed to the insurance company by employers as part of a deductible policy. The amount was \$285,057 thousand. The Kentucky Employer's Mutual Insurance Company (KEMI) provided total calendar year benefits paid by the state fund, excluding benefits reimbursed to the insurance company by employers as part of a deductible policy. The amount was \$35,682 thousand.

Methods. The figure from KEMI was subtracted from the figure from A.M. Best to obtain total private carrier benefits, excluding benefits reimbursed to the insurance company by employers as part of a deductible policy. The amount was \$288,057 - \$35,682 = \$252,375 thousand. An estimated amount of benefits paid by employers under deductible policies was added to this figure, to obtain the total of \$334,455 thousand. (See below for estimate of deductible benefits.)

State Fund

Source. The Kentucky Employer's Mutual Insurance Company provided total calendar year benefits paid by the state fund, excluding benefits paid by employers under deductible provisions. The amount was \$35,682 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure to obtain \$47,856. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix E](#).

Medical Benefits

Source. The Kentucky Employers' Mutual Insurance Company provided the percent of benefits paid for medical expenses by the State Fund. The figure was 53.4 percent.

Methods. This percent was assumed to be the same for total benefits.

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (285,057 - 35,682) = \$85,080$ thousand for employers using private carriers. For the state fund the amount was $.3412 (35,682) = \$12,174$ thousand.

Louisiana - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$499,136	\$224,795	\$130,484	\$143,857	52.7%

Private Carrier Payments

Source. The Louisiana Department of Labor provided calendar year medical benefits paid by private carriers and the state fund, including benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$187,232 thousand. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy paid by private carriers and the total paid by private carriers and the state fund. The amounts were \$200,550 thousand and \$316,961 thousand, respectively.

Methods. The figure from the Department of Labor was divided by the percent of total benefits paid for medical to obtain total benefits paid by private carriers and the state fund. The amount was $\$187,232 / .527 = \$355,279$ thousand. This number was then multiplied by the ratio of total benefits to private carrier benefits as provided by A.M. Best to obtain total private carrier benefits paid. The amount was $\$355,279 * (200,550 / 316,961) = \$224,795$ thousand.

State Fund

Source. The Louisiana Department of Labor provided calendar year medical benefits paid by private carriers and the state fund, including benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$187,232 thousand. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy paid by the state fund and the total paid by private carriers and the state fund. The amounts were \$116,411 thousand and \$316,961 thousand, respectively.

Methods. The figure from the Department of Labor was divided by the percent of total benefits paid for medical to obtain total benefits paid by private carriers and the state fund. The amount was $\$187,232 / .527 = \$355,279$ thousand. This number was then multiplied by the ratio of total benefits to private carrier benefits as provided by A.M. Best to obtain total private carrier benefits paid. The amount was $\$355,279 * (116,411 / 316,961) = \$145,192$ thousand.

Self-Insurance Payments

Source. The Louisiana Department of Labor provided calendar year medical benefits paid by self-insuring employers. The amount was \$75,813 thousand.

Methods. The figure from the Department of Labor was divided by the percent of total benefits paid for medical to obtain total benefits paid by self-insuring employers. The amount was $\$75,813 / .527 = \$143,857$ thousand.

Medical Benefits

Source. The percent of medical benefits is based on data received from the National Council on Compensation Insurance.

Methods. The procedure used is described in Appendix F.

Deductibles

Source. A.M. Best provided private carrier and state fund total benefits paid, excluding benefits reimbursed to insurance companies by employers as part of deductible policies. The amounts were \$200,550 thousand and \$116,411, respectively. Private carrier and state fund total benefits (as estimated above), which included deductible benefits, were \$224,795 thousand and \$130,484 thousand, respectively.

Methods. Benefits paid by employers under deductible policies equal the difference, $224,795 - 200,550 = \$24,245$ thousand for private carriers and $130,484 - 116,411 = \$14,073$ thousand for the state fund.

Maine - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$292,675	\$116,673	\$88,951	\$87,051	40.6%

Private Carrier Payments

Source. The Bureau of Insurance provided calendar year benefits paid by private carriers and the state fund, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$153,683 thousand. A.M. Best provided calendar year benefits paid by the state fund, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$66,323 thousand.

Methods. Private carrier benefits were determined by subtracting the A.M. Best state fund figure from the Bureau of Insurance figure, $153,683 - 66,323 = \$87,360$ thousand. The estimated amount of benefits paid by employers under deductible policies was added to this figure to obtain the total of \$116,673 thousand. (See below for estimate of deductible benefits.)

State Fund Payments

Source. A.M. Best provided calendar year benefits paid by state funds, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$66,323 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from the Bureau of Insurance to obtain the total of \$88,951 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. The Bureau of Insurance provided calendar year benefits paid by self-insurers. The amount was \$87,051 thousand. No additional calculations were needed.

Medical Benefits

Source. The Bureau of Insurance provided the percent of medical benefits. The amount was 40.6. No additional calculations were needed.

Deductibles

Source. No information was available on benefits paid by employers under the provision of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (87,360) = \$29,313$ thousand for private carriers and $.3412 (66,323) = \$22,628$ thousand for state funds.

Maryland - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$783,792	\$400,186	\$192,543	\$191,063	39.3%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits paid by private carriers, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$298,385 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$400,186 thousand. (See below for estimate of deductible benefits.)

State Fund Payments

Source. The Workers' Compensation Commission provided calendar year benefits paid by the state fund, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$143,563 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from the Workers' Compensation Commission to obtain the total of \$192,543 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix E](#).

Medical Benefits

Source. The percent of medical benefits is based on data received from the National Council on Compensation Insurance.

Methods. The procedure used is described in [Appendix F](#).

Deductibles

Source. No information was available on benefits paid by employers under the provision of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information was available. That average was 34.12 percent. Deductible benefits were thus calculated to be .3412 (298,385) = \$101,801 thousand for employers using private carriers and .3412 (143,563) = \$48,980 thousand for employers using state funds.

Massachusetts - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$807,423	\$689,424	N/A	\$117,999	32.1%

Private Carrier Payments

Source. The Workers' Compensation Rating and Inspection Bureau provided total calendar year benefits paid by private carriers, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$514,045 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from the Workers' Compensation Rating and Inspection Bureau to obtain the total of \$689,424 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. The Workers' Compensation Rating and Inspection Bureau provided total calendar year benefits paid by self-insurers. The amount was \$117,999 thousand. No additional calculations were needed.

Medical Benefits

Source. The Workers' Compensation Rating and Inspection Bureau provided the percent of benefits for medical care paid by private carriers. The figure was 32.1 percent of total private carrier benefits.

Methods. This percentage was assumed to be the same for total benefits as it was for private carriers.

Deductibles

Source. No information was available on benefits paid by employers under the provision of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412(514,045) = \$175,379$ thousand for employers using private carriers.

Michigan - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$1,512,457	\$846,823	N/A	\$665,634	34.6%

Private Carrier Payments

Source. The Bureau of Workers' Disability Compensation provided calendar year benefits paid by private carriers, broken out by medical and indemnity benefits. The total amount was \$831,524 thousand, \$300,290 thousand for medical and \$531,234 thousand for indemnity. The agency also provided benefits paid by the Second Injury Fund, broken out by medical and indemnity benefits. The total amount was \$27,666 thousand, \$1,703 thousand for medical and \$25,963 thousand for indemnity. The agency also provided benefits paid by self-insurers, broken out by medical and indemnity benefits. The total amount was \$653,267 thousand, \$221,267 thousand for medical and \$432,000 thousand for indemnity.

Method. Second Injury Fund (SIF) benefits paid by private carriers were determined by the following procedure:

- Medical SIF benefits were multiplied by the ratio of private carrier medical benefits to total medical benefits (excluding the SIF): $1,703 * 300,290 / (300,290 + 221,267) = \980 thousand;
- This amount was then added to private carrier medical benefits to obtain \$301,270 thousand;
- Indemnity SIF benefits were multiplied by the ratio of private carrier indemnity benefits to total indemnity benefits (excluding the SIF): $25,963 * 531,234 / (531,234 + 432,000) = \$14,319$ thousand;
- This amount was then added to private carrier indemnity benefits to obtain \$545,553 thousand;
- Private Carrier medical and indemnity benefits were then added to obtain total private carrier benefits. The amount was $\$301,270 + \$545,553 = \$846,823$ thousand.

Self-Insurance Payments

Source. The Bureau of Workers' Disability Compensation provided calendar year benefits paid by self-insurers, broken out by medical and indemnity benefits. The total amount was \$653,267 thousand, \$221,267 thousand for medical and \$432,000 thousand for indemnity. The agency also provided benefits paid by the Second Injury Fund, broken out by medical and indemnity benefits. The total amount was \$27,666 thousand, \$1,703 thousand for medical and \$25,963 thousand for indemnity. The agency also provided benefits paid by private carriers, broken out by medical and indemnity benefits.

The total amount was \$831,524 thousand, \$300,290 thousand for medical and \$531,234 thousand for indemnity.

Method. Second Injury Fund (SIF) benefits paid by self-insurers were determined by the following procedure:

- Medical SIF benefits were multiplied by the ratio of self-insurer medical benefits to total medical benefits (excluding the SIF): $1,703 * 221,267 / (300,290 + 221,267) = \723 thousand;
- This amount was then added to self-insurer medical benefits to obtain \$221,990 thousand;
- Indemnity SIF benefits were multiplied by the ratio of self-insurer indemnity benefits to total indemnity benefits (excluding the SIF): $25,963 * 432,000 / (531,234 + 432,000) = \$11,644$ thousand;
- This amount was then added to private carrier indemnity benefits to obtain \$443,644 thousand;
- Private Carrier medical and indemnity benefits were then added to obtain total private carrier benefits. The amount was $\$221,990 + \$443,644 = \$665,634$ thousand.

Medical Benefits

Source. The Bureau of Workers' Disability Compensation provided the percent of medical benefits. The amount was 34.6 percent. No additional calculations were necessary.

Deductibles

Source. Deductible benefits were included in private carrier benefits provided by the Bureau of Workers' Disability Compensation. The total was \$831,524 thousand. Private carrier benefits provided by A.M. Best did not include deductible benefits. This amount was \$721,288 thousand.

Methods. Figures for private carrier totals from A.M. Best were subtracted from agency figures to obtain an estimate of benefits paid under deductible provisions by private carriers. Thus, deductible benefits were calculated to be $831,524 - 721,288 = \$110,236$ thousand.

Minnesota - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$921,000	\$612,600	\$98,100	\$210,300	47.5%

Private Carrier Payments

Source. The Department of Labor and Industry provided calendar year benefits paid by private carriers. The amount was \$612,600 thousand. No additional calculations were needed.

State Fund

Source. The Department of Labor and Industry provided calendar year benefits paid by state funds. The amount was \$98,100 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Department of Labor and Industry provided calendar year benefits paid by self-insurers. The amount was \$210,300 thousand. No additional calculations were needed.

Medical Benefits

Source. The Department of Labor and Industry provided the percent of medical benefits. The amount was 47.5 percent. No additional calculations were needed.

Deductibles

Source. The Department of Labor and Industry provided benefits paid under a deductible policy. The amount for private carriers was \$138,500 thousand. The amount for the state fund was \$2,900 thousand. No additional calculations were needed.

Mississippi - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$286,538	\$168,832	N/A	\$117,706	57.1%

Private Carrier Payments

Source. The Workers' Compensation Commission provided calendar year benefits paid by private carriers. The amount was \$168,832 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Workers' Compensation Commission provided calendar year benefits paid by self-insurers. The amount was \$117,706 thousand. No additional calculations were needed.

Medical Benefits

Source. The Workers' Compensation Commission provided the percentage of benefits paid for medical care. The figure was 57.1 percent. No additional calculations were needed.

Deductibles

Source. Private carrier total benefits paid obtained from A.M. Best were \$129,943 thousand. This amount did not include benefits reimbursed to the insurance company by the employer as part of a deductibles policy. Private carrier total benefits obtained from the Workers' Compensation Commission, which included those benefits, were \$168,832 thousand.

Methods. Benefits paid by employers under deductible policies were estimated to be the difference, \$38,806 thousand.

Missouri - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$1,226,241	\$870,112	\$82,685	\$273,443	48.4%

Private Carrier Payments

Source. The Division of Workers' Compensation (DWC) provided total calendar year benefits paid by private carriers and the state fund, including benefits paid under deductible policies. The amount was \$704,553 thousand. The DWC also provided medical and indemnity benefits paid by private carriers and the state fund. The amounts were, \$354,031 thousand and \$350,523 thousand, respectively. The DWC provided benefits paid by the Second Injury Fund, \$47,611 thousand (\$629 thousand medical and \$46,982 thousand indemnity) and Self-Insurers, \$260,588 thousand (\$130,943 thousand medical and \$129,645 thousand indemnity). The Missouri Employers Mutual Insurance Company (MEMIC) provided calendar year benefits paid by the state fund. The amount was \$78,845 thousand (\$40,130 thousand medical and \$38,715 thousand indemnity). MEMIC does not write deductible policies.

Method. The amount of state fund benefits was subtracted from the total of private carrier and state fund benefits to obtain private carrier benefits excluding the Second Injury Fund (SIF) benefits paid by private. The amount was $\$704,553 - \$78,845 = \$625,708$ thousand. The total was multiplied by the reported medical benefit ratio for private carriers to obtain an estimate of pre-SIF private carrier medical and indemnity benefits. The amounts were \$313,901 thousand for medical and \$311,808 thousand for indemnity.

Second Injury Fund (SIF) benefits paid by private carriers were determined by the following procedure:

- Medical SIF benefits were multiplied by the ratio of private carrier medical benefits to total medical benefits (excluding the SIF): $629 * 313,901 / (354,031 + 130,943) = \407 thousand;
- This amount was then added to private carrier medical benefits to obtain \$314,307 thousand;
- Indemnity SIF benefits were multiplied by the ratio of private carrier indemnity benefits to total indemnity benefits (excluding the SIF): $46,982 * 311,808 / (350,523 + 129,645) = \$ 30,508$ thousand;
- This amount was then added to private carrier indemnity benefits to obtain \$342,316 thousand;
- Private Carrier medical and indemnity benefits were then added to obtain total private carrier benefits, excluding benefits paid under deductible policies. The amount was $\$314,308 + \$342,316 = \$656,624$ thousand. An estimate of

benefits paid under deductible policies was then added to this amount to obtain total private carrier benefits (see below for deductible methodology), \$870,099 thousand.

State Fund Payments

Source. The Missouri Employers Mutual Insurance Company (MEMIC) provided calendar year benefits paid by the state fund. The amount was \$78,845 thousand (\$40,130 thousand medical and \$38,715 thousand indemnity). MEMIC does not write deductible policies. The Division of Workers' Compensation (DWC) provided total calendar year benefits paid by private carriers and the state fund, including benefits paid under deductible policies. The amount was \$704,553 thousand. The DWC also provided medical and indemnity benefits paid by private carriers and the state fund. The amounts were, \$354,031 thousand and \$350,523 thousand, respectively. The DWC provided benefits paid by the Second Injury Fund, \$47,611 thousand (\$629 thousand medical and \$46,982 thousand indemnity) and Self-Insurers, \$260,588 thousand (\$130,943 thousand medical and \$129,645 thousand indemnity).

Method. Second Injury Fund (SIF) benefits paid by the state fund were determined by the following procedure:

- Medical SIF benefits were multiplied by the ratio of state fund medical benefits to total medical benefits (excluding the SIF): $629 * 40,130 / (354,031 + 130,943) = \52 thousand;
- This amount was then added to state fund medical benefits to obtain \$40,182 thousand;
- Indemnity SIF benefits were multiplied by the ratio of state fund indemnity benefits to total indemnity benefits (excluding the SIF): $46,982 * 38,715 / (350,523 + 129,645) = \$3,788$ thousand;
- This amount was then added to state fund indemnity benefits to obtain \$42,503 thousand;
- State fund medical and indemnity benefits were then added to obtain total state fund benefits. The amount was $\$40,182 + \$42,503 = \$82,685$ thousand.

Self-Insurance Payments

Source. The Division of Workers' Compensation (DWC) provided total calendar year benefits paid by private carriers and the state fund, including benefits paid under deductible policies. The amount was \$704,553 thousand. The DWC also provided medical and indemnity benefits paid by private carriers and the state fund. The amounts were, \$354,031 thousand and \$350,523 thousand, respectively. The DWC provided benefits paid by the Second Injury Fund, \$47,611 thousand (\$629 thousand medical and \$46,982 thousand indemnity) and Self-Insurers, \$260,588 thousand (\$130,943 thousand medical and \$129,645 thousand indemnity).

Method. Second Injury Fund (SIF) benefits paid by self-insurers were determined by the following procedure:

- Medical SIF benefits were multiplied by the ratio of self-insurance medical benefits to total medical benefits (excluding the SIF): $629 * 130,943 / (354,031 + 130,943) = \170 thousand;
- This amount was then added to state fund medical benefits to obtain \$131,113 thousand;
- Indemnity SIF benefits were multiplied by the ratio of self-insurance indemnity benefits to total indemnity benefits (excluding the SIF): $46,982 * 129,645 / (350,523 + 129,645) = \$12,685$ thousand;
- This amount was then added to self-insurance indemnity benefits to obtain \$142,330 thousand;
- Self-insurance medical and indemnity benefits were then added to obtain total self-insurance benefits. The amount was $\$131,113 + \$142,330 = \$273,443$ thousand.

Medical Benefits

Source. Both the Division of Workers' Compensation and the Missouri Employers Mutual Insurance Company provided medical data. The total figure amounted to 48.4 percent. No additional calculations were needed.

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (625,708) = \$213,488$ thousand for employers using private carriers.

Montana - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$190,850	\$72,764	\$83,070	\$35,016	53.5%

Private Carrier Payments

Source. The Montana Department of Labor and Industry provided calendar year benefits paid by private carriers (\$72,483 thousand), by the state fund (\$82,749 thousand), by self-insurers (\$34,880 thousand) and second injury funds (\$739 thousand).

Methods. Total benefits paid as part of the second injury fund were multiplied by the ratio of private carrier benefits to private carrier, state fund, and self-insurance. That amount was $739 * [72,483 / (72,483 + 82,749 + 34,880)] = \281 thousand. This figure was added to private carrier benefits paid to obtain total private carrier benefits paid, \$71,065 thousand.

State Fund

Source. The Montana Department of Labor and Industry provided calendar year benefits paid by private carriers (\$72,483 thousand), by the state fund (\$82,749 thousand), by self-insurers (\$34,880 thousand) and second injury funds (\$739 thousand).

Methods. Total benefits paid as part of the second injury fund were multiplied by the ratio of state fund benefits to private carrier, state fund, and self-insurance. That amount was $739 * [82,749 / (72,483 + 82,749 + 34,880)] = \321 thousand. This figure was added to private carrier benefits paid to obtain total state fund benefits paid, \$83,070 thousand.

Self-Insurance Payments

Source. The Montana Department of Labor and Industry provided calendar year benefits paid by private carriers (\$72,483 thousand), by the state fund (\$82,749 thousand), by self-insurers (\$34,880 thousand) and second injury funds (\$739 thousand).

Methods. Total benefits paid as part of the second injury fund were multiplied by the ratio of self-insurance carrier benefits to private carrier, state fund, and self-insurance benefits. That amount was $739 * [34,880 / (72,483 + 82,749 + 34,880)] = \136 thousand. This figure was added to self-insurance benefits paid to obtain total private carrier benefits paid, \$35,016 thousand.

Medical Benefits

Source. Montana Department of Labor and Industry provided the percent of benefits paid for medical care. The amount was 53.5 percent. No additional calculations were needed.

Deductibles

Source. Private carrier benefits paid obtained from A.M. Best were \$67,988 thousand. State fund benefits paid obtained from A.M. Best were \$63,454 thousand. These amounts did not include benefits reimbursed to the insurance company by the employer as part of a deductibles policy. Private carrier and state fund total benefits obtained from the Montana Department of Labor and Industry, which included those benefits, were \$72,483 thousand and \$82,749 thousand, respectively.

Methods. Benefits paid by employers under deductible policies were estimated to be the difference, \$9,029 thousand for private carriers and \$14,761 thousand for the state fund.

Nebraska - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$293,089	\$214,438	N/A	\$78,650	57.1%

Private Carrier Payments

Source. A.M. Best provided total calendar year benefits paid by private carriers, excluding benefits paid under deductible policies. The amount was \$159,886 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$214,438 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix E](#).

Medical Benefits

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix F](#).

Deductibles

Source. No information was available on benefits paid by employers under the provision of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (159,886) = \$54,552$ thousand for employers using private carriers.

Nevada - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$352,615	\$230,551	N/A	\$122,064	36.6%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy and excluding benefits paid by the Employers Insurance Company of Nevada. The amount was \$88,277 thousand. The Employers Insurance Company of Nevada provided total calendar year benefits paid. The amount was \$112,157 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figures from A.M. Best and the Employers Insurance Company of Nevada to obtain the total of \$230,551 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix E](#).

Medical Benefits

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix F](#).

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (88,277) = \$30,118$ thousand for employers using private carriers.

New Hampshire - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$216,917	\$180,054	N/A	\$36,863	55.6%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$134,251 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$180,054 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix E](#).

Medical Benefits

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix F](#).

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (134,251) = \$45,803$ thousand for employers using private carriers.

New Jersey - 2002

Workers' Compensation Benefits Paid – 2002(thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$1,470,839	\$1,356,231	N/A	\$114,608	51.6%

Private Carrier Payment

Source. The Compensation and Rating Bureau provided calendar year benefits. The amount was \$1,105,445 thousand. The Department of Labor provided calendar year benefits paid under the Second Injury Fund and by self-insurers. The amounts were \$271,979 thousand and \$93,415 thousand, respectively.

Methods. Total benefits paid as part of the second injury fund were multiplied by the ratio of private carrier benefits to private carrier and state fund. That amount was $271,979 * [1,105,445 / (1,105,445 + 93,415)] = \$250,786$ thousand. This figure was added to private carrier benefits paid to obtain total private carrier benefits paid, \$1,356,231 thousand

Self-Insurance Payments

Source. The Department of Labor provided calendar year benefits. The amount was \$93,415 thousand. The Department of Labor provided calendar year benefits paid under the Second Injury Fund. The amount was \$271,979 thousand.

Methods. Total benefits paid as part of the second injury fund were multiplied by the ratio of private carrier benefits to private carrier and state fund. That amount was $271,979 * [93,415 / (1,105,445 + 93,415)] = \$21,193$ thousand. This figure was added to private carrier benefits paid to obtain total private carrier benefits paid, \$114,608 thousand

Medical Benefits

Source. The percent of medical benefits is based on data received from the National Council on Compensation Insurance.

Methods. The procedure used is described in [Appendix F](#).

Deductibles

Source. Private carrier total benefits obtained from A.M Best were \$881,586 thousand. This amount did not include benefits reimbursed to the insurance company by the employer as part of a deductible policy. Private carrier total benefits obtained from the

Compensation Rating and Inspection Bureau, which included deductible benefits, were \$1,105,445 thousand.

Methods. Benefits paid by employers under deductible policies are the difference, \$223,859 thousand

New Mexico - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$191,189	\$102,508	\$33,461	\$55,221	56.4%

Private Carrier Payments

Source. The Workers' Compensation Administration provided total calendar year benefits paid by private carriers and the state fund, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$101,379 thousand. The New Mexico Mutual Casualty Company provided total benefits paid by the state fund, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$24,948 thousand.

Methods. The amount provided by the New Mexico Mutual Casualty Company was subtracted from the figure provided by the Workers' Compensation Administration. The amount was $101,379 - 24,948 = \$76,431$ thousand. The estimated amount of benefits paid by employers under deductible policies was added to this figure to obtain the total of \$102,508 thousand. (See below for estimate of deductible benefits.)

State fund Payments

Source. The New Mexico Mutual Casualty Company provided total benefits paid by the state fund, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$24,948 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to this figure to obtain the total of \$33,461 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. The Workers' Compensation Administration provided calendar year benefits paid by self-insurers. The amount was \$55,221 thousand. No additional calculations were needed.

Medical Benefits

Source. The Workers' Compensation Administration provided the percentage of benefits paid for medical care. The figure was 56.4 percent. No additional calculations were needed.

Deductibles

Source. No information was available on benefits paid by employers under the provision of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (76,430) = \$26,078$ thousand for employers using private carriers and $.3412 (24,948) = \$8,512$ thousand for employers using the state fund.

New York - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$3,142,392	\$1,586,743	\$780,636	\$781,013	30.8%

Private Carrier Payments

Source. The New York Compensation Insurance Rating Board provided calendar year benefits paid by private carriers. The amount was \$1,586,743 thousand. No additional calculations were needed.

State Fund

Source. The New York Compensation Insurance Rating Board provided calendar year benefits paid by the state fund. The amount was \$780,636 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Workers' Compensation Board provided data used to estimate self-insurance benefits paid for calendar year. The amount was \$740,211 thousand. The New York Compensation Insurance Rating Board provided calendar year benefits paid by private carriers and the state fund for calendar years 2001 and 2002. They were \$1,440,904 thousand and \$1,586,743 thousand for private carriers and \$797,109 thousand and \$780,636 thousand for the state fund.

Methods. The private carrier and state fund benefits for CY 2001 and 2002 were compared to determine the percent growth between these years. The amount was $(1,586,743 + 780,636) / (1,440,904 + 797,109) = 6$ percent. Self-insurance benefits paid in CY 2000 were then multiplied by this growth rate to obtain the estimate of total self-insurance benefits paid in calendar year 2002. The amount was $1.06 * 740,211 = 780,636$ thousand.

Medical Benefits

Source. The Workers' Compensation Insurance Rating Board provided the percent of medical benefits for private carriers and the state fund. The percentage was 30.8.

Methods. This percentage was assumed to be the same for self-insurers.

Deductibles

Source. A.M. Best provided private carrier total benefits paid, excluding benefits reimbursed to insurance companies by employers as part of deductible policies. The amount was \$1,251,115 thousand. Private carrier total benefits, obtained from the New York Compensation Insurance Rating Bureau, which included deductible benefits, were \$1,586,743 thousand.

Methods. Benefits paid by employers under deductible policies equal the difference, \$329,628 thousand.

North Carolina - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$1,014,267	\$774,584	N/A	\$239,683	42.9%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$577,542 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$774,584 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix E](#).

Medical Benefits

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix F](#).

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (577,542) = \$197,042$ thousand for employers using private carriers.

North Dakota - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$74,456	\$206	\$74,250	N/A	55.2%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits paid by private carriers. The amount was \$206 thousand. No additional calculations were needed. It should be noted that private carriers are not allowed in North Dakota. The small amount of benefits attributed to private carriers in this state by A.M. Best probably results from two sources: 1) companies with group policies that overlap states, and 2) companies that offer supplemental workers' compensation coverage and report it as workers' compensation benefits to A.M. Best.

State Fund

Source. The Workers' Compensation Research and Development provided total fiscal year benefits paid by the state fund. The amounts were \$76,520 thousand for FY 01 and \$74,994 thousand for FY 02.

Method. Because fiscal year 03 data was not yet available, the percent change between FY 01 and FY 02 was applied to NASI estimates for calendar year benefits paid in 2001. The amount was $\$75,754 * (74,994/76,520) = \$74,250$ thousand. This estimate will be revised when FY 02 becomes available.

Medical Benefits

Source. The Workers' Compensation Research and Development provided the percent of medical benefits. The amount was 55.2 percent. No additional calculations were needed.

Deductibles

Sources. Policies with deductibles are not allowed in the state of North Dakota.

Ohio - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$2,388,184	\$37,652	\$1,878,255	\$472,277	46.3%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits. The amount was \$37,652 thousand. It should be noted that private carriers are not allowed in Ohio. The small amount of benefits attributed to private carriers in this state by A.M. Best probably results from two sources: (1) companies with group policies that overlap states, and (2) companies that offer supplemental workers' compensation coverage and report it as workers' compensation benefits to A.M. Best.

State Fund

Source. The Bureau of Workers' Compensation provided calendar year benefits paid by the state fund. The amount was \$1,878,254 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Bureau of Workers' Compensation provided calendar year benefits paid by self-insurers. The amount was \$472,277 thousand. No additional calculations were needed.

Medical Benefits

Source. The Bureau of Workers' Compensation provided the percent of medical benefits. The amount was 46.3 percent. No additional calculations were needed.

Deductibles

Source. Policies with deductibles are not allowed in the state of Ohio.

Oklahoma - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$489,860	\$262,575	\$108,980	\$118,305	46.1%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$195,780 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$262,575 thousand. (See below for estimate of deductible benefits.)

State Fund

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$81,257 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$108,980 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. The Workers' Compensation Court provided total benefits paid by self-insurers. The amount was \$118,305 thousand. No additional calculations were needed.

Medical Benefits

Source. The percent of medical benefits is based on data received from the National Council on Compensation Insurance.

Methods. The procedure used is described in [Appendix F](#).

Deductibles

Sources. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (195,780) = \$66,795$ thousand for employers using private carriers and $.3412 (81,257) = \$27,723$ thousand for employers using a state fund.

Oregon - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$447,548	\$213,144	\$192,157	\$42,247	50.8%

Private Carrier Payments

Source. The Department of Consumer and Business Services provided calendar year benefits paid by private carriers. The amount was \$213,144 thousand. No additional calculations were needed.

State Fund

Source. The Department of Consumer and Business Services provided calendar year benefits paid by a state fund. The amount was \$192,157 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Department of Consumer and Business Services provided calendar year benefits paid by self-insurers. The amount was \$42,247 thousand. No additional calculations were needed.

Medical Benefits

Source. The Department of Consumer and Business Services provided the percent of medical benefits. The amount was 50.8 percent. No additional calculations were needed.

Deductibles

Source. The Department of Consumer and Business Services supplied benefits paid on deductible policies. The amount was \$24,846 thousand. No additional calculations were needed.

Pennsylvania - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$2,531,957	\$1,798,988	\$160,795	\$572,174	39.7%

Private Carrier Payments

Source. The Bureau of Workers' Compensation provided total calendar year benefits paid by private carriers. The amount was \$1,798,988 thousand. No additional calculations were needed.

State Fund

Source. The Bureau of Workers' Compensation provided total calendar year benefits paid by a state fund. The amount was \$160,795 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Bureau of Workers' Compensation provided total calendar year benefits paid by self-insurers. The amount was \$572,174 thousand. No additional calculations were needed.

Medical Benefits

Source. The Bureau of Workers' Compensation provided the percent of medical benefits. The amount was 39.7 percent. No additional calculations were needed.

Deductibles

Source. The Bureau of Workers' Compensation provided deductible benefits paid. The amount was \$469,766 thousand. No additional calculations were needed.

Rhode Island - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$131,230	\$50,076	\$65,054	\$16,100	23.0%

Private Carriers Payments

Source. The Rhode Island Department of Labor provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as a part of a deductible policy. The amount was \$34,907 thousand. They also provided calendar year benefits paid by second injury funds. The amount was \$2,828 thousand.

Methods.

- Total benefits paid as part of the second injury fund were multiplied by the ratio of private carrier benefits to private carrier, state fund, and self-insurance benefits as provided by the Department of Labor. That ratio was $34,907 / (34,907 + 41,053 + 15,618)$ or 38.12 percent. This provided the private carrier benefits paid as part of the second injury fund, $.3812 * 2,828 = \$1,078$ thousand.
- The estimated amount of benefits paid by employers under deductible policies and the estimated amount of benefits paid as part of the second injury fund (\$1,078 thousand) were added to the figure from the Department of Labor to obtain the total of \$50,076 thousand (see below for estimate of deductible benefits).

State Fund

Source. The Rhode Island Department of Labor provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as a part of a deductible policy. The amount was \$41,053 thousand. They also provided calendar year benefits paid by second injury funds. The amount was \$2,828 thousand.

Methods.

- Total benefits paid as part of the second injury fund were multiplied by the ratio of state fund benefits to private carrier, state fund, and self-insurance benefits as provided by the Department of Labor. That ratio was $41,053 / (34,907 + 41,053 + 15,618)$ or 44.83 percent. This provided the state fund benefits paid as part of the second injury fund, $.4483 * 2,828 = \$1,268$ thousand.
- The estimated amount of benefits paid by employers under deductible policies and the estimated amount of benefits paid as part of the second injury fund (\$1,268 thousand) were added to the figure from the Department of Labor to obtain the total of \$65,054 thousand (see below for estimate of deductible benefits).

Self-Insurance Payments

Source. The Rhode Island Department of Labor provided calendar year benefits. The amount was \$15,618 thousand. They also provided calendar year benefits paid by second injury funds. The amount was \$2,828 thousand.

Methods.

- Total benefits paid as part of the second injury fund were multiplied by the ratio of self-insurance benefits to private carrier, state fund, and self-insurance benefits as provided by the Department of Labor. That ratio was $15,618 / (34,907 + 41,053 + 15,618)$ or 17.05 percent. This provided the state fund benefits paid as part of the second injury fund, $.1705 * 2,828 = \$482$ thousand.
- The estimated amount of benefits paid by employers under deductible policies and the estimated amount of benefits paid as part of the second injury fund (\$482 thousand) were added to the figure from the Department of Labor to obtain the total of \$16,100 thousand (see below for estimate of deductible benefits).

Medical Benefits

Source. The percent of medical benefits was provided by the Department of Insurance. The amount was 23.0 percent. No additional calculations were needed.

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (34,907) = \$14,091$ thousand for employers using private carriers and $.3412 (41,053) = \$22,734$ thousand for employers using the state fund.

South Carolina - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$690,451	\$463,888	\$51,004	\$175,560	29.6%

Private Carrier Payments

Source. The Second Injury Fund provided private carrier calendar year benefits, excluding second injury fund benefits. The amount was \$398,098 thousand. The same agency provided total second injury fund benefits. The amount was \$97,921 thousand.

Methods.

- Total benefits paid as part of the second injury fund were multiplied by the ratio of private carrier benefits to private carrier, state fund, and self-insurance benefits. That ratio was $398,098 / 592,530$. This provided the private carrier benefits paid as part of the second injury fund, $(398,098 / 592,530) * 97,921 = \$65,790$ thousand.
- The estimated amount of benefits paid as part of the second injury fund (\$65,790 thousand) were added to the figure from the Second Injury Fund to obtain the total of \$463,888 thousand.

State Fund Payments

Source. The Second Injury Fund provided state fund calendar year benefits, excluding second injury fund benefits. The amount was \$43,770 thousand. The same agency provided total second injury fund benefits. The amount was \$97,921 thousand.

Methods.

- Total benefits paid as part of the second injury fund were multiplied by the ratio of state fund benefits to private carrier, state fund, and self-insurance benefits. That ratio was $43,770 / 592,530$. This provided the state fund benefits paid as part of the second injury fund, $(43,770 / 592,530) * 97,921 = \$7,234$ thousand.
- The estimated amount of benefits paid as part of the second injury fund (\$7,234 thousand) were added to the figure from the Second Injury Fund to obtain the total of \$51,004 thousand.

Self-Insurance Payments

Source. The Second Injury Fund provided self-insurance calendar year benefits, excluding second injury fund benefits. The amount was \$150,662 thousand. The same agency provided total second injury fund benefits. The amount was \$97,921 thousand.

Methods.

- Total benefits paid as part of the second injury fund were multiplied by the ratio of self-insurance benefits to private carrier, state fund, and self-insurance benefits. That ratio was $150,662 / 592,530$. This provided the self-insurance benefits paid as part of the second injury fund, $(150,662 / 592,530) * 97,921 = \$24,898$ thousand.
- The estimated amount of benefits paid as part of the second injury fund (\$24,898 thousand) were added to the figure from the Second Injury Fund to obtain the total of \$175,560 thousand.

Medical Benefits

Source. The South Carolina Second Injury Fund provided the percent of medical benefits paid by the Second Injury Fund. The amount was 29.6 percent.

Methods. This percentage was assumed to be standard for total benefits.

Deductibles

Source. The South Carolina Second Injury Fund provided calendar year deductibles paid. The amount was \$155,689 thousand. No additional calculations were needed.

South Dakota - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$79,256	\$72,726	N/A	\$6,530	55.5%

Private Carrier Payments

Source. The Department of Labor provided total calendar year benefits paid by private carriers. The amount was \$72,726 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Department of Labor provided calendar year benefits paid by self-insurers. The amount was \$6,530 thousand. No additional calculations were needed.

Medical Benefits

Source. The Department of Labor provided the percent of medical benefits. The amount was 55.5 percent. No additional calculations were needed.

Deductibles

Source. Private carrier total benefits obtained from A.M. Best were \$59,957 thousand. This amount did not include benefits reimbursed to the insurance company by the employer as part of a deductible policy. Private carrier total benefits obtained from the Workers' Compensation Administration, which included deductible benefits, were \$72,726 thousand.

Methods. Benefits paid by employers under deductibles policies equals the difference, \$16,769 thousand.

Tennessee - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$679,292	\$526,594	N/A	\$152,698	51.3%

Private Carrier Payments

Source. A.M Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$392,637 thousand.

Methods The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best, to obtain the total of \$526,594 thousand.

Self-Insurance Payments

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix E](#).

Medical Benefits

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix F](#).

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (392,637) = \$133,957$ thousand for employers using private carriers.

Texas - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$2,278,338	\$1,762,267	\$258,460	\$254,612	62.1%

Private Carrier Payments

Source. A.M Best provided calendar year benefits paid by private carriers, excluding benefits reimbursed by employers as part of a deductible policy. The amount was \$1,313,953 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$1,762,267 thousand. (See below for estimate of deductible benefits.)

State Fund

Source. A.M Best provided calendar year benefits paid by the state fund, excluding benefits reimbursed by employers as part of a deductible policy. The amount was \$192,709 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$258,460 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. The Research and Oversight Council on Workers' Compensation provided the percent of direct written premium volume represented by self-insurance premiums. The amount was 12.6 percent.

Methods. This percentage was applied to the total of private carrier and state fund benefits excluding benefits reimbursed to the employer as part of a deductible policy. The total self-insured benefits were $.126 * \$2,020,727 = \$254,612$ thousand.

Medical Benefits

Source. The percent of medical benefits is based on data received from the National Council on Compensation Insurance.

Methods. The procedure used is described in [Appendix F](#).

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (1,313,953) = \$448,314$ thousand for employers using private carriers and $.3412 (192,709) = \$65,751$ thousand for employers using state funds.

Utah - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$240,193	\$85,332	\$121,745	\$33,116	66.6%

Private Carrier Payments

Source. A.M Best provided calendar year benefits paid by private carriers, excluding benefits reimbursed by employers as part of a deductible policy. The amount was \$63,625 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$85,332 thousand. (See below for estimate of deductible benefits.)

State Fund

Source. A.M Best provided calendar year benefits paid by the state fund, excluding benefits reimbursed by employers as part of a deductible policy. The amount was \$90,775 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$121,745 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. No information was available.

Methods. The estimation procedure used is described in [Appendix E](#).

Medical Benefits

Source. No information was available.

Methods. The estimation procedure used is described in [Appendix F](#).

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (63,625) = \$21,707$ thousand for employers using private carriers and $.3412 (90,775) = \$30,970$ thousand for employers using state funds.

Vermont - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$147,802	\$122,328	N/A	\$25,473	52.7%

Private Carriers Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$91,210 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from the Workers' Compensation Division, to obtain the total of \$122,328 thousand. (See below from estimate of deductible benefits.)

Self-Insurance Payments

Source. No information was available.

Methods. The estimation procedure used is described in [Appendix E](#).

Medical Benefits

Source. No information was available.

Methods. The estimation procedure used is described in [Appendix F](#).

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (91,210) = \$31,118$ thousand for employers using private carriers.

Virginia - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$700,340	\$555,890	N/A	\$144,450	54.1%

Private Carrier Payments

Source. A.M Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$414,480 thousand.

Methods The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best, to obtain the total of \$555,890 thousand.

Self-Insurance Payments

Source. No information was available.

Methods. The estimation procedure used is described in [Appendix E](#).

Medical Benefits

Source. The percent of medical benefits is based on data received from the National Council on Compensation Insurance.

Methods. The procedure used is described in [Appendix F](#).

Deductibles

Source. No information was available on benefits paid by employers under the provisions of policies with deductibles.

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 34.12 percent. Deductible benefits were thus calculated to be $.3412 (414,480) = \$141,410$ thousand for employers using private carriers.

Washington - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$1,714,497	\$28,768	\$1,225,007	\$460,722	34.4%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits. The amount was \$28,768 thousand. It should be noted that private carriers are not allowed in Washington. The small amount of benefits attributed to private carriers in this state by A.M. Best probably results from two sources: 1) companies with group policies that overlap states, and 2) companies that offer supplemental workers' compensation coverage and report it as workers' compensation benefits to A.M. Best.

State Fund

Source. The Department of Labor and Industries provided calendar year benefits paid by state funds. The amount was \$1,225,007 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Department of Labor and Industries provided calendar year benefits paid by self-insurers. The amount was \$460,722 thousand. No additional calculations were required.

Medical Benefits

Source. The Department of Labor and Industries provided the percent of medical benefits. The amount was 34.4 percent. No additional calculations were needed.

Deductibles

Policies with deductibles are not allowed in the state of Washington.

West Virginia - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$829,020	NA	\$697,271	\$131,749	29.6%

State Fund

Source. The Workers' Compensation Division provided fiscal year benefits paid. The amount was \$697,271 thousand for FY 2002.*

Self-Insurance Payments

Source. The Workers' Compensation Division provided fiscal year benefits paid. The amount was \$131,749 thousand for FY 2002.*

Medical Benefits

Source. The percent of medical benefits is based on data received from the National Council on Compensation Insurance.

Methods. The procedure used is described in Appendix F.

Deductibles

Source. Policies with deductibles are not allowed in the state of West Virginia.

*These estimates will be updated when data for fiscal year 2003 are available. In addition, West Virginia is undergoing a system change and these data are currently under review by the state.

Wisconsin - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$894,009	\$756,599	N/A	\$137,410	51.6%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits paid by private carriers. The amount was \$756,599 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix E](#).

Medical Benefits

Source. No information was available.

Methods. The imputation procedure used is described in [Appendix F](#).

Deductibles

Source. Policies with deductibles are not allowed in the state of Wisconsin.

Wyoming - 2002

Workers' Compensation Benefits Paid – 2002 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$104,187	\$5,913	\$98,274	N/A	63.8%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits paid by private carriers. The amount was \$5,913 thousand. No additional calculations were needed. It should be noted that private carriers are not allowed in Washington. The small amount of benefits attributed to private carriers in this state by A.M. Best probably results from two sources: 1) companies with group policies that overlap states, and 2) companies that offer supplemental workers' compensation coverage and report it as workers' compensation benefits to A.M. Best.

State Fund

Source. The Division of Workers' Safety and Compensation provided total fiscal year benefits paid by the state fund. The amounts were \$96,053 thousand for FY 02 and \$100,494 thousand for FY 03.

Method. These figures were averaged to estimate benefits paid in calendar year 2002. The amount was $(96,053 + 100,494) / 2 = \$98,274$ thousand.

Medical Benefits

Source. The Division of Workers' Safety and Compensation provided the percent of medical benefits. The amount was 63.8 percent. No additional calculations were needed.

Deductibles

Sources. Policies with deductibles are not allowed in the state of Wyoming.