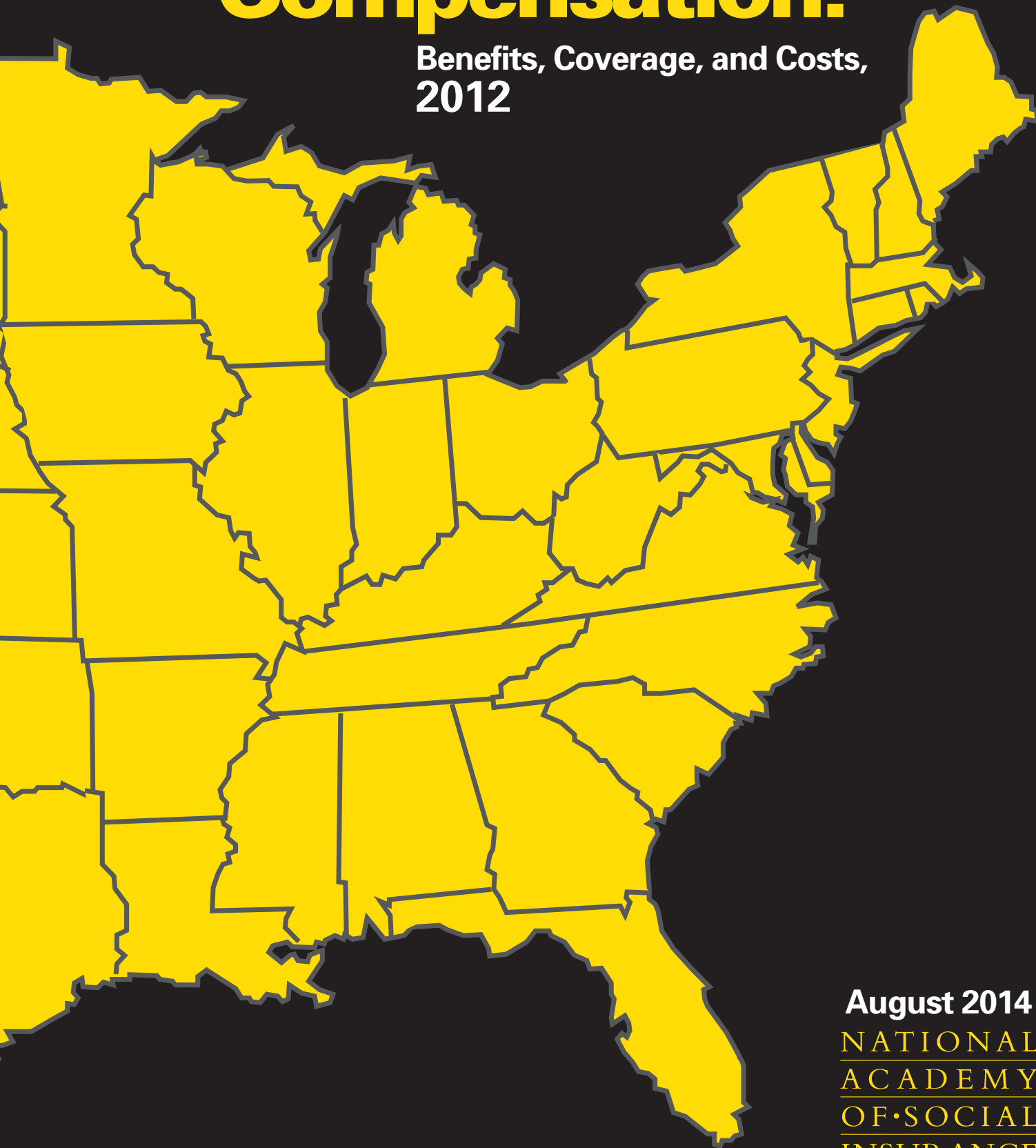


Workers' Compensation:

Benefits, Coverage, and Costs,
2012



August 2014

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

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

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Workers' Compensation:

**Benefits, Coverage, and Costs,
2012**

by

Ishita Sengupta, Marjorie L. Baldwin, and Virginia Reno

with advice of the

Study Panel on Workers' Compensation Data

August 2014

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

Preface

This is the 17th annual report of the National Academy of Social Insurance on workers' compensation benefits, coverage, and costs. This report presents new data on workers' compensation programs for 2012 and updates estimates for 2008–2011 with newly available data. The revised estimates in this report replace estimates in the Academy's prior reports.

Workers' compensation provides medical care, rehabilitation, and cash benefits for workers who are injured on the job or who contract work related illnesses. The program also pays benefits to families of workers who die of work related injuries or illnesses. Unlike other U.S. social insurance programs, workers' compensation programs are regulated by the states, with no federal financing or administration. No federal laws set standards for "tax qualified" workers' compensation plans or require comprehensive reporting of workers' compensation coverage and costs, except to report to the CMS (Centers for Medicare and Medicaid Services) information about payments and obligations for ongoing medical expenses pursuant to workers' compensation laws to individuals who are also eligible for Medicare.

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

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

The Academy and its expert advisors are continually seeking ways to improve the report and to adapt estimation methods to track new developments in

workers' compensation programs. This year's report, has been revised in response to recommendations from a subcommittee of the Data Panel, which was charged with reviewing the report format to ensure it meets user needs. The committee, chaired by Les Boden, surveyed a sample of users to elicit their comments on how the report could be improved. In response to their suggestions we have: 1) added columns to several tables showing two and five year trends in benefits and costs; 2) re-ordered and re-numbered tables; and 3) deleted some appendices that described methods and background information. These appendices are still available on-line at www.nasi.org.

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

Despite the Academy's continued efforts to improve the quality of its estimates, some limitations should be acknowledged: First, there may be some workers' compensation costs not captured in our estimates of employer costs. We may, for example, miss some unreported expenditures for legal services or assessments for special funds. Second, we do not capture all the costs of claim litigation in states where the appeals structure is subsidized by tax revenues. We do capture litigation costs in states where the appeals structure is fully funded by the workers' compensation premium, so there is a systematic variation in the cost estimates for the two types of states. Finally, our estimates of monetary costs cannot capture the full human costs of work-related injuries, illnesses and fatalities. These costs, borne by workers, families and communities, are significant but are beyond the scope of the report.

The Academy's estimates inform state and federal policymakers in numerous ways. The federal Centers for Medicare and Medicaid Services, for example,

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

Acknowledgements

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

Members of the Academy's Study Panel on Workers' Compensation Data give generously of their time and knowledge in advising on data sources and presentation, interpreting results, and reviewing the draft report. Members of the Panel are listed on page iii, but I would like especially to acknowledge Les Boden (Boston University), his committee members,

Christine Baker (California Department of Industrial Relations), Keith Bateman (Property and Casualty Insurers Association of America), and Jim Ellenberger (formerly Deputy Commissioner of the Virginia Employment Commission) and all the users who responded to their survey. Special thanks are also due to John Burton (Rutgers and Cornell University), Jeff Eddinger, (National Council on Compensation Insurance), Frank Neuhauser (University of California, Berkeley) Eric Nordman (National Association of Insurance Commissioners), Hilery Simpson (Bureau of Labor Statistics), and Gary Steinberg (Department of Labor) all of whom provided the Academy with data and expert advice on particularly difficult data issues.

Additionally, I greatly appreciate the important suggestions made by Terry Bogyo, independent workers' comp researcher, Canada, Doug Holmes, UWC (Strategic Services on Unemployment and Workers' Compensation), Mike Manley, Oregon Department of Business and Consumer Services, and Bob Steggert, former Vice President, Casualty Claims for Marriott International. Finally, this report benefited from helpful comments during Board review by Shelby Hallmark, Fred Kilbourne and Roselyn Bonanti. We appreciate the time and effort all these individuals devoted to reviewing the report.

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Highlights

This report provides data on benefits, costs, and coverage for state and federal workers' compensation programs in 2012. Its purpose is to facilitate policy-making and comparisons with other social insurance and employee benefit programs. The report has been produced annually by the National Academy of Social Insurance since 1997. Key trends observed in this year's data are summarized below:

National Trends

- In 2012 workers' compensation covered an estimated 127.9 million workers, an increase of 1.6 percent from the previous year, but still less than the number of workers covered in 2008. (Tables 1 and 3)
- In 2012, workers' compensation total benefits paid increased by 1.3 percent, from \$61.0 billion in 2011 to \$61.9 billion. Over the five year period 2008 to 2012, benefits increased by 5.3 percent. (Table 9)
- In 2012, medical payments to providers increased by 0.9 percent (to \$30.8 billion); and cash benefits to injured workers increased by 1.8 percent (to \$31.0 billion) from their levels in 2011. Over the five year period 2008 to 2012 medical benefits increased by 6.1 percent and cash benefits increased by 3.9 percent. (Table 10 and 11)
- Employers' costs for workers' compensation insurance and benefits paid, increased by 6.9 percent in 2012, to \$83.2 billion. Over the five year period 2008 to 2012, however, costs increased by only 3.2 percent. (Table 13)
- Employers' costs as a share of covered wages increased by \$0.03 in 2012, to \$1.32 per \$100 of covered wages; benefits paid to injured workers decreased by \$0.03, to \$0.98 per \$100 of covered wages. (Table 1 and Figure 1)

State Trends

- Between 2010 and 2012, covered employment increased in every state. But, in 2012, 45 states still had fewer covered workers than in 2008. (Table 3).

- Between 2010 and 2012, every state also experienced an increase in covered wages. Over the five year period 2008 to 2012 covered wages increased in every state except one. (Table 4)
- Between 2010 and 2012, the total amount of workers' compensation benefits paid (medical + cash benefits) increased in 35 jurisdictions. Over the five year period 2008 to 2012 however, benefits increased in only 25 jurisdictions. (Table 9)
- In 2012, the share of total benefits (medical + cash benefits) paid for medical care exceeded 50 percent in 33 states. (Table 8)
- Between 2008 and 2012, employers' costs for workers' compensation, per \$100 of covered payroll, decreased in 41 jurisdictions. (Table 14)
- In 2012, state funds have continued to decline in importance as a source of workers' compensation insurance. (Table 5)

Trends in Workers' Compensation Benefits and Costs

The Academy's measures of benefits and costs are designed to reflect the aggregate experience of two stakeholder groups: workers who rely on compensation for workplace injuries and employers who pay the bills. In 2012, workers' compensation benefits and costs increased, as did the number of workers covered (Table 1).

Total workers' compensation benefits (cash benefits paid to injured workers and medical payments for their health care) were \$61.9 billion in 2012, a 1.3 percent increase from 2011. Medical payments increased by 0.9 percent, to \$30.8 billion, and cash benefits increased by 1.8 percent, to \$31.0 billion. When measured relative to \$100 of covered wages, total benefits decreased by three cents (to \$0.98 per \$100 of covered wages); medical payments decreased by two cents (to \$0.49 per \$100 of covered wages), and cash benefits decreased by one cent (to \$0.49 per \$100 of covered wages).

Historically, workers' compensation benefits as a share of covered wages have been unequally divided between medical payments and cash benefits, with cash benefits accounting for more than two-thirds of

Table 1**Summary of Workers' Compensation Benefits, Coverage, and Costs 2011-2012**

Aggregate Amounts	2011	2012	Percent Change
Covered workers (in thousands)	125,833	127,904	1.6
Covered wages (in billions)	\$6,049	\$6,309	4.3
Workers' compensation benefits paid (in billions)	61.0	61.9	1.3
Medical benefits	30.6	30.8	0.9
Cash benefits	30.5	31.0	1.8
Employer costs for workers' compensation (in billions)	77.8	83.2	6.9
			Dollar Change
Amount per \$100 of covered wages			
Benefits paid	\$1.01	\$0.98	-0.03
Medical payments	0.51	0.49	-0.02
Cash payments to workers	0.50	0.49	-0.01
Employer costs	1.29	1.32	0.03

Notes: Benefits are payments in the calendar year to injured workers and to providers of their medical care. Costs are employer expenditures in the calendar year for workers' compensation benefits. Costs for self-insuring employers are benefits paid in the calendar year plus the administrative costs associated with providing those benefits. Costs for employers who purchase insurance include the insurance premiums paid during the calendar year plus the payments of benefits under large deductible plans during the year.

Source: National Academy of Social Insurance estimates.

benefits in some years. Since 1995, however, cash benefits per \$100 of covered wages have declined, while medical payments have increased or remained constant (Figure 2). As a result, workers' compensation benefits have been almost equally divided between medical payments and cash benefits since 2006. In 2012, cash benefits accounted for 50.1 percent of total benefits paid (Figure 3).

Workers' compensation costs to employers were \$83.2 billion in 2012, an increase of 6.9 percent from 2011. The number of workers covered by workers' compensation increased by 1.6 percent, and covered wages increased by 4.3 percent. When measured relative to \$100 of covered wages, employer costs increased by three cents (to \$1.32 per \$100 of covered wages).

The increases in workers' compensation costs and coverage reflect, at least in part, the U.S. economy on its way to recovery in 2012 with slow but positive

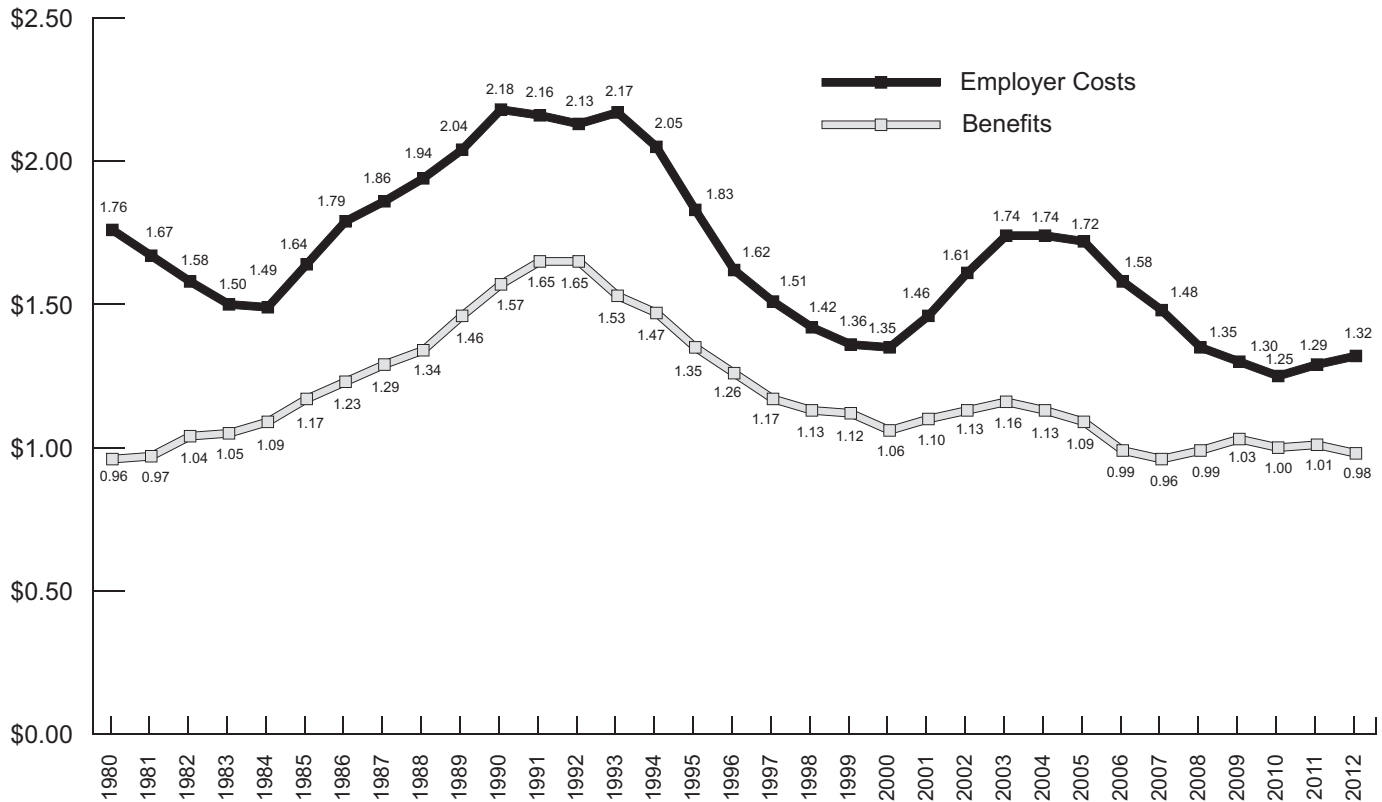
Workers' compensation benefits, coverage and costs increased in 2012.

employment and wage growth. As employment increases, the number of workers covered by workers' compensation increases, along with the number of work-related injuries, and workers' compensation benefits and costs. In comparing trends over time, therefore, it is useful to consider workers' compensation benefits and costs, controlling for the growth in covered wages.

Despite the uptick in employers' costs in 2012, costs per \$100 of covered wages were lower in the years 2008 to 2012 than at any time over the last three decades (Figure 1). Benefits per \$100 of covered wages were lower in the years 2006 to 2012 than at any time since 1980-81. (Figure 1)

Figure 1

Workers' Compensation Benefits* and Costs Per \$100 of Covered Wages, 1980–2012**



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

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

Source: National Academy of Social Insurance estimates.

Background on Workers' Compensation

This section of the report, covering background material that is repeated annually, describes the history of workers' compensation insurance in the United States; the current structure of state workers' compensation programs; types of benefits paid; and how workers' compensation is financed. Reporting of detailed program data for 2012 begins on page 9.

History of Workers' Compensation

Workers' compensation was the first social insurance program adopted in developed countries. Germany

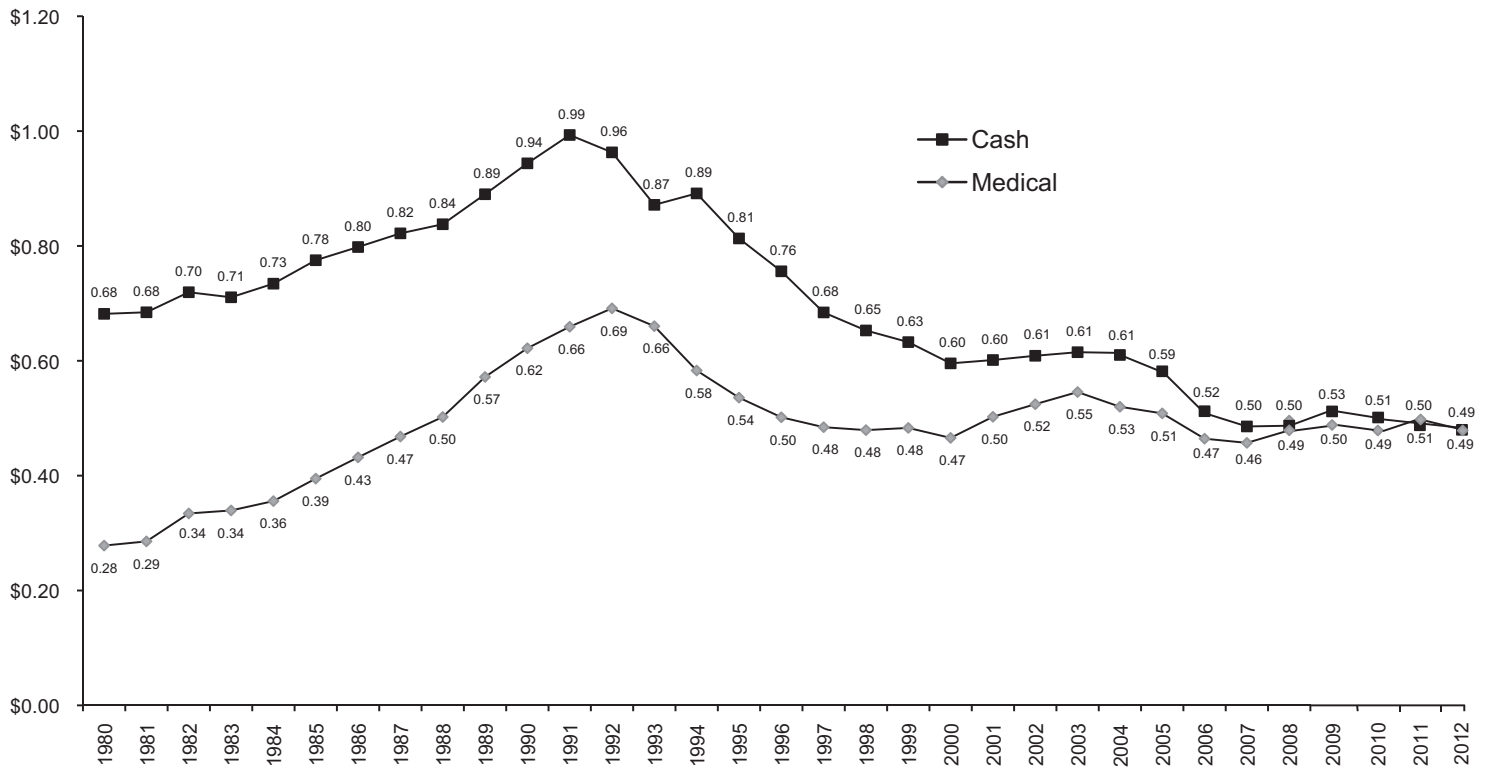
enacted the first modern workers' compensation laws, known as Sickness and Accident Laws, in 1884 under Chancellor Otto von Bismarck (Clayton 2004). The next such laws were enacted in England in 1897.

The first workers' compensation law in the United States was enacted in 1908 to cover certain federal civilian workers. Most states adopted workers' compensation laws in a relatively short period between 1910 and 1920. The first state laws that survived constitutional challenges were passed in 1911 by New Jersey and Wisconsin.¹ The last state to pass a workers' compensation law was Mississippi, in 1948. By 2012, workers' compensation coverage was 100 years old in 15 states (Fishback and Kantor 1996).

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

Figure 2

Workers' Compensation Medical and Cash Benefits Per \$100 of Covered Wages, 1980–2012



Source: National Academy of Social Insurance estimates.

Before workers' compensation laws were enacted, an injured worker's primary legal remedy for a work related injury was to file a tort suit claiming negli-

By 2012, workers' compensation coverage was 100 years old in 15 states.

gence on the part of their employer.² Employers could use three common law defenses to avoid liability: assumption of risk (showing the injury resulted from an ordinary hazard of employment of which the worker should have been aware);³ fellow worker

rule (showing the injury was caused by a fellow worker's negligence); or contributory negligence (showing the worker's own negligence contributed to the injury, regardless of any fault of the employer). Given the available defenses, it was not surprising that employers generally prevailed in court. Employers were, however, at risk for substantial and unpredictable losses if a worker's lawsuit was successful. Litigation also created friction between employers and workers so that both sides became increasingly dissatisfied with the status quo, setting the stage for reform.

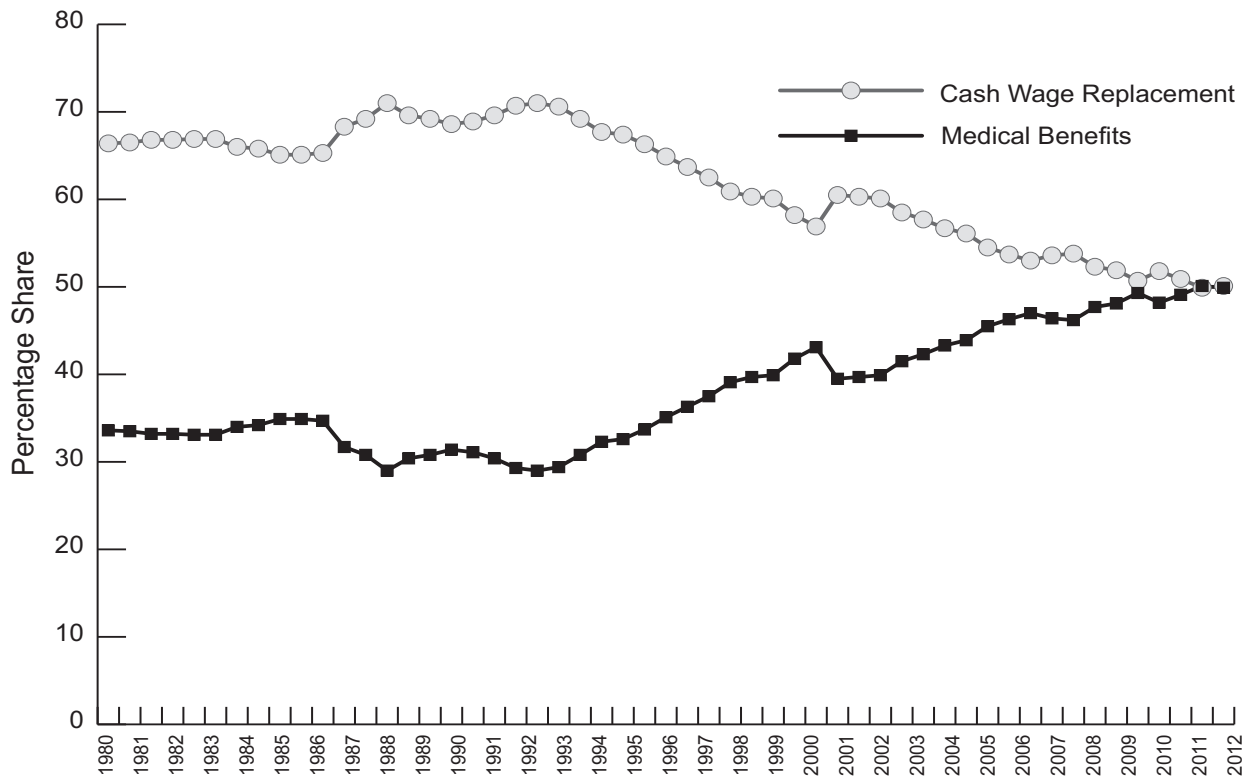
Initial reforms took the form of employer liability acts, which eliminated some of the employer's common law defenses. Nonetheless, employees still had

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

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

Figure 3

Percentage Share of Medical and Cash Benefits, 1960-2012



Source: National Academy of Social Insurance estimates.

the burden of proving negligence on the part of the employer, which remained a significant obstacle to recovery of damages (Burton and Mitchell 2003).⁴ Ultimately, both employers and employees favored workers' compensation legislation to ensure that workers who sustained occupational injuries, or contracted occupational diseases, received predictable and timely compensation. As a quid pro quo, workers' compensation became the 'exclusive remedy' for occupational injuries and diseases, and an employer's liability was limited to the statutory benefits specified in the state workers' compensation act.⁵

The adoption of state workers' compensation programs has been called a significant event in the nation's economic, legal, and political history. Passage of the laws required prodigious efforts on the part of business and labor leaders in each state to reach

agreements on the specifics of the laws. Essentially, business and labor reached a grand compromise in which injured workers gave up the right to sue their employers in return for guaranteed benefits, and employers gave up their common law defenses in return for statutory limits on coverage.

Workers' compensation is a no-fault insurance plan. Workers are guaranteed coverage, regardless of responsibility; employers' losses are limited, regardless of negligence.

4 As a result, the employers' liability approach was abandoned in all jurisdictions and industries except the railroads, where it still exists.
5 Under the exclusive remedy concept, the worker accepts workers' compensation as payment in full and gives up the right to sue. There are limited exceptions to the exclusive remedy concept in some states, such as when there is an intentional injury of the employee or when an employer violates a safety regulation.

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

- With the exception of Texas (and now Oklahoma), workers' compensation insurance coverage is mandatory for employers in all states,⁶ with limited exemptions for employers with a small number of employees, or workers in specific classifications, such as agricultural or domestic employees.
- Workers' compensation pays 100 percent of medical costs for injured workers from the day of injury, and cash benefits for lost work time after a three to seven day waiting period.
- With the exception of Washington state,⁷ workers' compensation is financed exclusively by employers in all states. Employers purchase workers' compensation insurance from private insurers or a state insurance fund, or some large employers may self-insure.⁸

Workers' Compensation Benefits

Medical only cases. Most workers' compensation cases do not involve lost work time in excess of the waiting period for cash benefits, so the only costs are medical payments to providers. "Medical only" cases are the most common type of workers' compensation claim, but they represent only a small share of overall payments. According to the National Council on Compensation Insurance (NCCI), medical only

cases accounted for 75 percent of workers' compensation cases, but only 6 percent of total benefit payments, in the 38 NCCI member states for policy years spanning 1998–2009 (NCCI 2013b).

Temporary disability cases. Temporary total disability (TTD) benefits are paid when a work related injury or illness temporarily prevents a worker from returning to their pre-injury job, or another job for the same employer, for a period of time. Temporary total disability cases are the most common type of claim involving cash benefits, accounting for more than 61 percent of all cases involving cash benefits, but less than 29 percent of cash benefits paid (Figures 4).

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

Most states pay tax exempt weekly benefits for temporary total disability that replace approximately two-thirds of the worker's pre-injury wage, subject to maximum and minimum benefit levels that vary from state to state. As of January 2012, the maximum weekly TTD benefit ranged from a high of \$1,457 in Iowa, to a low of \$437 in Mississippi. The minimum weekly benefit ranged from a low of \$20 in Florida, to a high of \$435 in North Dakota.⁹

Permanent disability cases. Some injured workers experience work related injuries or illnesses that result in permanent impairments. Eligibility for permanent disability benefits is determined after the injured worker reaches maximum medical improvement (the point at which further medical

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

7 In Washington state, workers pay part of workers' compensation costs through payroll deductions. See footnote in Table 14.

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

9 Details on benefit and coverage provisions of state laws are compiled in *Workers' Compensation Laws as of January 2012*, issued jointly by the IAIABC (International Association of Industrial Accident Boards and Commissions) and the WCRI (Workers Compensation Research Institute) and are summarized in Appendix C.

intervention is no longer expected to improve functional capacity). Permanent total disability (PTD) benefits are paid to workers who are unable to work at all because of a job related injury or illness. Permanent partial disability (PPD) benefits are paid to workers who have permanent impairments that reduce their earnings capacity but do not completely preclude their ability to work.

The bulk of cash benefits for workers' compensation go to permanent disability claims, of which permanent partial disability cases are more common. PPD cases account for less than 38 percent of cases involving cash benefits but more than 62 percent of cash benefits paid. Permanent total disability cases are relatively rare, accounting for less than 1 percent of cases involving cash benefits, and 7 percent of total payments for those cases (Figures 4).¹⁰

States differ in their methods for determining whether a worker is entitled to permanent partial disability benefits, the extent of permanent disability,

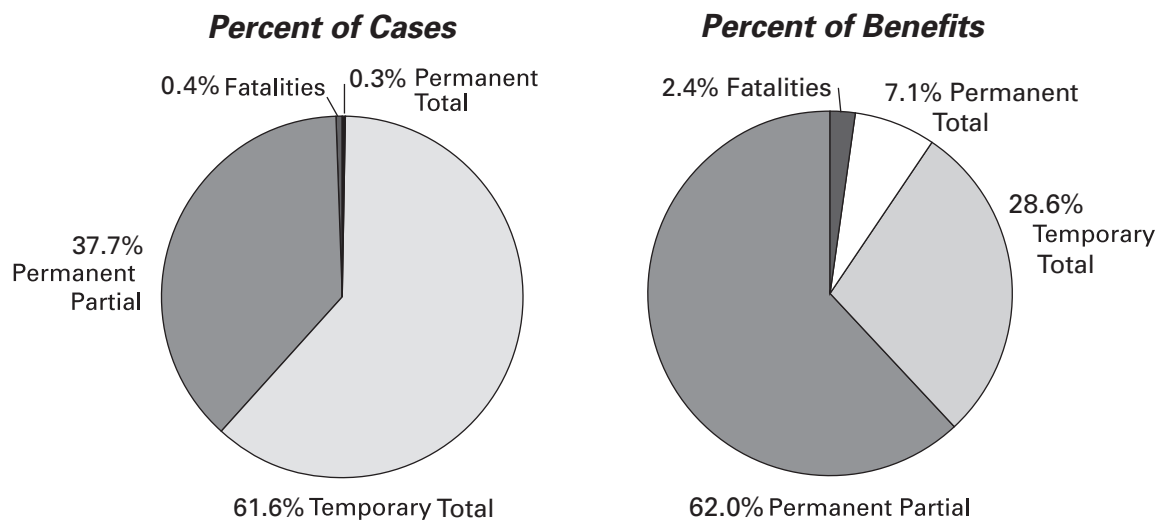
and the amount of benefits to be paid (Barth and Niss 1999; Burton 2008). In some states, permanent partial disability benefits begin when maximum medical improvement is achieved. In others, permanent disability benefits are simply an extension of temporary disability benefits until the injured worker returns to employment. Many states impose limits on the maximum duration or dollar amount of permanent disability benefits.

Sources of Workers' Compensation Insurance

Non-federal employers pay for workers' compensation by purchasing insurance from a private insurance carrier or from a state workers' compensation insurance plan (called a state fund), or by self-insuring. Many states also have special workers' compensation funds to cover exceptional circumstances. Federal workers' compensation insurance covers Federal civilian employees, and some private sector workers in high-risk jobs.

Figure 4

Types of Disabilities in Workers' Compensation Cases with Cash Benefits, 2009



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

Source: NCCI 2013, *Annual Statistical Bulletin*, Exhibits X and XII.

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

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

State funds. In 23 states workers' compensation insurance is provided to some (or all) employers by a state agency. In general, these 'state funds' are established by an act of the state legislature, and are designated as *exclusive* or *competitive*. An *exclusive* state fund is, by statute, the sole provider of workers' compensation insurance in a state. In 2012, four states had exclusive state funds. A *competitive* state fund competes with other insurers in the state, so these state funds are sometimes difficult to identify. For this report, we define an insurer as a *competitive* state fund if: 1) The insurer sells workers' compensation policies to private sector employers in the voluntary insurance market; and 2) The insurer is exempt from federal taxes. According to these criteria, in 2012, 18 states had competitive state funds.¹¹ One state fund fit neither of these categories. In 2012, South Carolina had a non-exclusive state fund which provided workers' compensation insurance for state and local government employees but did not write policies for private employers.

Self-insurance. Many large employers choose to self-insure for workers' compensation. Employers are allowed to self-insure in all but two states.¹² Where self-insurance is permitted, employers must apply for permission from the regulatory authority, and demonstrate they have the financial resources to cover their expected losses. Some states permit

groups of employers in the same industry or trade association to self-insure through group self-insurance.

Special funds. State *guaranty funds* ensure payment of benefits to injured workers in cases where private insurance carriers or self-insured employers become insolvent. *Second injury funds* reimburse employers or insurance carriers in cases where an employee with a pre-existing impairment experiences another work related injury or illness. The second injury fund pays costs associated with the prior condition, to encourage employers to hire injured workers who want to return to work. The current employer is responsible only for workers' compensation benefits associated with the second injury or illness. Second injury funds are financed through assessments on employers, and, in limited jurisdictions, with general fund monies¹³.

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

The workers' compensation system involves numerous stakeholder groups (employers, insurers, workers,

NASI estimates of benefits and costs are not designed to assess the performance of the insurance industry, or the adequacy of benefits paid to injured workers.

11 In 2012, North Dakota, Ohio, Washington, and Wyoming had exclusive state funds, Competitive state funds operated in: Arizona, California, Colorado, Hawaii, Idaho, Kentucky, Louisiana, Maryland, Missouri, Montana, New Mexico, New York, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, and Utah.

12 North Dakota and Wyoming require all employers to obtain workers' compensation insurance from their exclusive state funds. Ohio and Washington have exclusive state funds but employers also have the option to self-insure.

13 See *Sources and Methods 2012* on the NASI website for further details on special funds, second injury funds and guaranty funds.

medical providers, state and federal governments) but the estimates presented in this report reflect the aggregate experience of only two: workers who rely on compensation for workplace injuries and employers who pay the bills. NASI measures are *not designed* to assess the performance of the insurance industry or insurance markets; other organizations analyze insurance trends.¹⁴ The estimates are also *not designed* to measure the adequacy of benefits paid to injured workers.

Covered Employment and Wages

Methods for Estimating Covered Employment and Wages

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

NASI methodology may undercount the actual number of workers (and wages) covered because some employers who are not required to carry workers' compensation do so anyway. For example, self-employed persons are not typically required to carry unemployment or workers' compensation

insurance, but in some states self-employed persons may voluntarily elect to be covered. In states with exemptions for small firms, some small firms may also voluntarily purchase workers' compensation insurance.

On the other hand, NASI methodology may overestimate the number of workers (and wages) because some employers are not in compliance with their state's workers' compensation or unemployment compensation laws. Every state has a program to detect and penalize employers who fail to report or cover employees under state workers' compensation or unemployment compensation statutes, but no definitive national study has documented the extent of noncompliance. (For more details on the Academy's methods for estimating coverage refer to Appendix A.)

Estimates of Covered Wages and Workers

In 2012, 97.2 percent of all UI-covered workers and wages were covered by workers' compensation.¹⁵ Workers' compensation covered an estimated 127.9 million workers, (90 percent of the employed workforce¹⁶) an increase of 1.6 percent from the number of workers covered in 2011 (125.8 million). Total wages of covered workers were \$6.3 trillion in 2012, an increase of 4.3 percent from 2011 (Table 2).

Between 2010 and 2012, all states experienced an increase in both covered wages and covered workers. In the five year period from 2008 to 2012, all states

In 2012, nearly 128 million workers, or approximately 90 percent of the U.S. workforce, were covered by workers' compensation.

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

15 According to unpublished estimates provided by the Bureau of Labor Statistics, only 3 percent of all employees who worked for employers who participated in the BLS National Compensation Survey (NCS) were employed in establishments that reported zero workers' compensation costs. The 3 percent figure was for all employees covered by the survey, as well as for employees in the private sector and employees in the state and local government sector. NASI estimate of legally required coverage has a national average (97.2 percent of all UI covered workers in 2012) that is virtually identical to the workers' compensation coverage shown by the NCS.

16 According to BLS, Total Employed Workforce in the United States was 143 million in December 2012.

Table 2**Workers' Compensation Covered Workers and Covered Wages, 1992–2012**

Year	Total Workers		Total Wages	
	(in thousands)	Percent Change	(in billions)	Percent Change
1992	104,300	0.6	\$ 2,700	5.7
1993	106,200	1.8	2,802	3.8
1994	109,400	3.0	2,949	5.2
1995	112,800	3.1	3,123	5.9
1996	114,773	1.7	3,337	6.9
1997	118,145	2.9	3,591	7.6
1998	121,485	2.8	3,885	8.2
1999	124,349	2.4	4,151	6.8
2000	127,141	2.2	4,495	8.3
2001	126,972	-0.1	4,604	2.4
2002	125,603	-1.1	4,615	0.2
2003	124,685	-0.7	4,717	2.2
2004	125,878	1.0	4,953	5.0
2005	128,158	1.8	5,213	5.3
2006	130,339	1.7	5,544	6.3
2007	131,734	1.1	5,857	5.6
2008	130,643	-0.8	5,954	1.7
2009	124,856	-4.4	5,675	-4.7
2010	124,454	-0.3	5,820	2.6
2011	125,833	1.1	6,049	3.9
2012	127,904	1.6	6,309	4.3

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

except Nevada experienced an increase in covered wages, but only five states and the District of Columbia experienced an increase in the number of covered workers (Tables 3 and 4). Between 2008 and 2012, North Dakota experienced the largest growth in covered workers (17.9% increase) and covered wages (55.6% increase). Nevada experienced the largest decreases in covered wages (-9.9%) and covered workers (-8.6%). Workers' compensation coverage rules did not change significantly between 2008 and 2012, so differences in growth rates of covered employment and wages across states

primarily reflect differences in the states' growth rates of employment and wages.

All individual states experienced increases in the number of covered workers and the amount of covered wages between 2010 and 2012.

Workers' Compensation Benefits Paid

Methods for Estimating Benefits Paid

The Academy's estimates of workers' compensation benefits paid are based on three main data sources: 1) responses to the annual questionnaire the Academy distributes to state agencies; 2) data purchased from A.M. Best, a private company that specializes in collecting insurance data and rating insurance companies; and 3) data from the National Council on Compensation Insurance (NCCI). Together, the data from state agencies and A.M. Best allow us to piece together estimates of workers' compensation benefits paid under policies with private carriers or state funds, or by self-insured employers. The U.S. Department of Labor provides data on benefits paid through federal programs. The NCCI data are the main data source for estimating medical payments to providers.

The primary sources of data on benefits paid are the responses of state agencies to the Academy's questionnaire on workers' compensation benefits and costs. The questionnaire is distributed annually to state agencies overseeing the workers' compensation programs. This year responses were received from 45 jurisdictions, for a response rate of 90 percent. States vary in their ability to provide complete program data. The most common problems are in reporting amounts of benefits paid by employers under deductible policies, and by self-insured employers. If states were unable to report benefits paid by self-insured employers, these amounts were imputed based on estimates of self-insured payrolls in the state. Benefits provided under group self-insurance are included with self-insured benefits in this report.

The A.M. Best data supplement the state survey data in cases where the survey data are incomplete, missing, or determined to be incorrect. The A.M. Best data used for this report show benefits paid in each state for 2008 through 2012. The data include information for all private carriers in every state and for 18 of the 23 state funds, but do not include information about benefits paid by the other five state

funds, by self-insured employers, by employers under deductible policies, or by special funds.¹⁷

Medical benefits were estimated based on information from the National Council on Compensation Insurance for most states. Where NCCI data were not available, medical benefits were based on reports from the states. Benefits paid through special funds, second injury funds and guarantee funds were estimated from the state survey data, and from the website of the state agency's workers' compensation division. For the last seven years, NASI has reported data on these funds and has included their benefits payments in the national estimates of total benefits in Table 5 and in the state estimates of total benefits in Table 8.

A detailed, state by state explanation of how the benefit estimates in this report are produced, and description of special funds, second injury fund and guaranty funds are provided in *Sources and Methods: A Companion to Workers' Compensation: Benefits, Coverage, and Costs, 2012* on the Academy's website (www.nasi.org).

National Estimates of Benefits Paid

Benefits by type of insurer. Table 5 shows benefits paid by type of insurer (private insurers, state funds, federal programs, and self-insured employers) since 1962. Private insurance carriers have been the single largest payer of workers' compensation benefits throughout the 50 year period. In 2012, private carriers accounted for slightly more than half (54.0%) of all benefits paid.

Private insurance carriers are the largest single payer of workers' compensation benefits, accounting for 54% of benefits paid in 2012.

Self-insured employers were the second largest payer of workers' compensation benefits, accounting for approximately one fourth (23.9%) of all benefits

17 A.M. Best does not provide data on the four exclusive state funds (Ohio, North Dakota, Washington, and Wyoming), or the state fund in South Carolina that only provides benefits to government workers.

Table 3**Workers' Compensation Covered Workers, By State, 2008-2012**
(in thousands)

State	2008	2009	2010	2011	2012	Two-Year Percent Change 2008-2010	2010-2012	Five-Year Percent Change 2008-2012	Ranking 2008-2012 (largest to smallest increase)
Alabama	1,808	1,702	1,679	1,680	1,697	-7.1	1.1	-6.1	48
Alaska	298	297	299	305	311	0.2	4.0	4.2	3
Arizona	2,529	2,340	2,295	2,326	2,374	-9.2	3.4	-6.1	49
Arkansas	1,117	1,078	1,075	1,083	1,092	-3.8	1.6	-2.2	21
California	15,248	14,377	14,171	14,310	14,674	-7.1	3.6	-3.8	35
Colorado	2,247	2,137	2,110	2,147	2,200	-6.1	4.3	-2.1	19
Connecticut	1,668	1,596	1,576	1,594	1,611	-5.5	2.2	-3.5	30
Delaware	416	395	392	396	398	-5.8	1.7	-4.2	39
District of Columbia	491	482	483	494	506	-1.8	4.9	3.0	4
Florida	7,177	6,689	6,612	6,688	6,832	-7.9	3.3	-4.8	44
Georgia	3,831	3,592	3,543	3,584	3,637	-7.5	2.6	-5.1	45
Hawaii	587	559	551	558	569	-6.2	3.3	-3.2	28
Idaho	640	600	592	595	602	-7.5	1.8	-5.9	47
Illinois	5,741	5,452	5,397	5,467	5,537	-6.0	2.6	-3.6	31
Indiana	2,823	2,655	2,655	2,705	2,762	-6.0	4.0	-2.2	20
Iowa	1,460	1,415	1,402	1,419	1,443	-4.0	2.9	-1.2	12
Kansas	1,342	1,283	1,261	1,268	1,285	-6.0	1.9	-4.2	41
Kentucky	1,748	1,667	1,665	1,689	1,718	-4.8	3.2	-1.8	16
Louisiana	1,853	1,813	1,796	1,811	1,833	-3.1	2.1	-1.1	11
Maine	585	564	559	562	565	-4.4	1.1	-3.4	29
Maryland	2,407	2,326	2,310	2,330	2,363	-4.0	2.3	-1.8	17
Massachusetts	3,197	3,087	3,098	3,136	3,190	-3.1	3.0	-0.2	7
Michigan	3,904	3,608	3,596	3,678	3,764	-7.9	4.7	-3.6	32
Minnesota	2,631	2,521	2,506	2,553	2,597	-4.8	3.6	-1.3	13

Mississippi	1,053	1,004	996	998	1,008	-5.4	1.1	-4.3	43
Missouri	2,541	2,435	2,400	2,409	2,435	-5.5	1.4	-4.2	40
Montana	424	407	405	406	414	-4.6	2.2	-2.4	23
Nebraska	898	876	870	874	892	-3.1	2.6	-0.6	10
Nevada	1,234	1,118	1,088	1,095	1,112	-11.8	2.2	-9.9	51
New Hampshire	621	597	593	598	605	-4.6	2.1	-2.6	24
New Jersey	3,875	3,712	3,680	3,687	3,725	-5.0	1.2	-3.9	36
New Mexico	766	734	720	721	725	-6.0	0.7	-5.4	46
New York	8,462	8,198	8,195	8,308	8,428	-3.2	2.8	-0.4	8
North Carolina	3,866	3,645	3,602	3,652	3,722	-6.8	3.3	-3.7	34
North Dakota	338	337	345	366	399	2.1	15.4	17.9	1
Ohio	5,159	4,866	4,822	4,888	4,967	-6.5	3.0	-3.7	33
Oklahoma	1,499	1,379	1,359	1,375	1,404	-9.4	3.3	-6.3	50
Oregon	1,684	1,578	1,567	1,587	1,612	-6.9	2.9	-4.3	42
Pennsylvania	5,535	5,344	5,343	5,409	5,458	-3.5	2.2	-1.4	14
Rhode Island	459	438	436	437	441	-5.0	1.2	-3.9	38
South Carolina	1,780	1,670	1,657	1,681	1,711	-6.9	3.2	-3.9	37
South Dakota	383	374	374	378	385	-2.4	3.0	0.6	5
Tennessee	2,575	2,422	2,410	2,454	2,503	-6.4	3.9	-2.8	25
Texas	7,651	7,818	8,234	8,334	8,477	7.6	3.0	10.8	2
Utah	1,182	1,118	1,109	1,137	1,177	-6.1	6.1	-0.4	9
Vermont	294	284	284	287	290	-3.7	2.3	-1.5	15
Virginia	3,418	3,290	3,273	3,316	3,355	-4.2	2.5	-1.9	18
Washington	2,817	2,697	2,667	2,707	2,751	-5.3	3.2	-2.3	22
West Virginia	669	650	638	660	670	-4.6	5.0	0.2	6
Wisconsin	2,668	2,539	2,523	2,557	2,587	-5.4	2.5	-3.0	27
Wyoming	279	267	263	267	271	-5.8	3.0	-2.9	26
Total non-federal	127,881	122,029	121,474	122,969	125,083	-5.0	3.0	-2.2	
Federal employees	2,762	2,827	2,981	2,864	2,820	7.9	-5.4	2.1	
TOTAL	130,643	124,856	124,454	125,833	127,904	-4.7	2.8	-2.1	

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

Table 4**Workers' Compensation Covered Wages, By State, 2008-2012**
(in millions)

State	2008	2009	2010	2011	2012	Two-Year Percent Change 2008-2010	2010-2012	Five-Year Percent Change 2008-2012	Ranking 2008-2012 (largest to smallest increase)
Alabama	\$ 68,530	\$ 65,522	\$ 65,951	\$ 67,349	\$ 69,494	-3.8	5.4	1.4	45
Alaska	13,344	13,664	14,062	14,677	15,367	5.4	9.3	15.2	3
Arizona	106,477	99,095	98,288	102,162	106,986	-7.7	8.9	0.5	49
Arkansas	38,472	37,932	38,156	39,889	41,240	-0.8	8.1	7.2	13
California	781,948	737,852	749,264	783,390	831,610	-4.2	11.0	6.4	17
Colorado	103,687	99,015	99,804	104,124	110,073	-3.7	10.3	6.2	21
Connecticut	97,322	92,085	93,616	97,281	99,935	-3.8	6.7	2.7	40
Delaware	19,720	18,811	19,023	19,913	20,553	-3.5	8.0	4.2	31
District of Columbia	34,822	34,195	35,214	36,805	38,542	1.1	9.4	10.7	6
Florida	288,339	271,057	271,812	279,786	291,892	-5.7	7.4	1.2	48
Georgia	161,107	151,782	153,215	159,127	166,046	-4.9	8.4	3.1	37
Hawaii	23,213	22,355	22,130	22,753	23,760	-4.7	7.4	2.4	42
Idaho	21,398	20,173	20,335	20,868	21,463	-5.0	5.5	0.3	50
Illinois	278,314	262,097	265,517	276,331	287,520	-4.6	8.3	3.3	36
Indiana	107,620	100,758	103,299	107,900	113,017	-4.0	9.4	5.0	24
Iowa	53,625	52,217	53,097	55,306	57,861	-1.0	9.0	7.9	10
Kansas	50,775	48,760	48,552	50,106	52,268	-4.4	7.7	2.9	38
Kentucky	64,742	62,585	63,736	66,097	68,692	-1.6	7.8	6.1	22
Louisiana	74,131	72,822	73,643	76,078	78,716	-0.7	6.9	6.2	20
Maine	20,854	20,270	20,502	20,959	21,426	-1.7	4.5	2.7	39
Maryland	114,895	112,865	114,291	117,735	122,148	-0.5	6.9	6.3	18
Massachusetts	180,867	172,995	178,233	186,326	193,733	-1.5	8.7	7.1	14
Michigan	171,902	156,539	158,816	167,420	174,717	-7.6	10.0	1.6	44
Minnesota	120,038	113,658	116,787	121,674	127,560	-2.7	9.2	6.3	19

Mississippi	34,653	33,309	33,545	34,254	35,487	-3.2	5.8	2.4	41
Missouri	101,623	96,414	96,499	98,713	102,878	-5.0	6.6	1.2	47
Montana	13,792	13,415	13,658	14,169	15,008	-1.0	9.9	8.8	8
Nebraska	32,219	31,755	32,089	33,085	34,687	-0.4	8.1	7.7	11
Nevada	52,688	47,442	45,883	46,824	48,160	-12.9	5.0	-8.6	51
New Hampshire	27,714	26,659	27,065	28,106	29,005	-2.3	7.2	4.7	25
New Jersey	213,418	203,895	206,476	211,059	217,495	-3.3	5.3	1.9	43
New Mexico	28,284	27,486	27,447	27,952	28,648	-3.0	4.4	1.3	46
New York	509,954	472,646	492,983	512,323	527,111	-3.3	6.9	3.4	35
North Carolina	152,519	143,984	146,891	152,474	159,113	-3.7	8.3	4.3	30
North Dakota	11,686	11,952	13,004	15,152	18,187	11.3	39.9	55.6	1
Ohio	208,573	197,125	199,447	207,775	217,773	-4.4	9.2	4.4	28
Oklahoma	54,861	52,617	50,858	54,146	57,387	-7.3	12.8	4.6	27
Oregon	67,559	63,646	64,639	67,704	70,707	-4.3	9.4	4.7	26
Pennsylvania	243,716	237,464	242,270	252,338	262,207	-0.6	8.2	7.6	12
Rhode Island	19,480	18,725	19,139	19,674	20,254	-1.7	5.8	4.0	34
South Carolina	63,862	60,680	61,584	63,863	66,471	-3.6	7.9	4.1	32
South Dakota	12,331	12,247	12,575	13,135	13,820	2.0	9.9	12.1	4
Tennessee	101,910	96,327	98,917	102,792	108,730	-2.9	9.9	6.7	16
Texas	349,132	336,402	383,235	402,835	425,760	9.8	11.1	21.9	2
Utah	44,198	42,389	42,894	44,928	47,795	-3.0	11.4	8.1	9
Vermont	11,152	10,870	11,055	11,391	11,739	-0.9	6.2	5.3	23
Virginia	156,661	153,518	156,856	162,056	167,707	0.1	6.9	7.1	15
Washington	130,084	126,855	128,028	134,609	141,613	-1.6	10.6	8.9	7
West Virginia	23,418	23,325	24,470	25,159	25,952	4.5	6.1	10.8	5
Wisconsin	103,920	98,859	100,360	104,321	108,100	-3.4	7.7	4.0	33
Wyoming	11,461	10,746	10,924	11,465	11,964	-4.7	9.5	4.4	29
Total non-federal	\$5,771,232	\$5,483,956	\$5,613,049	\$5,839,457	\$6,102,455	-2.7	8.7	5.7	
Federal employees	183,095	191,510	207,162	209,059	206,823	13.1	-0.2	13.0	
TOTAL	\$5,954,327	\$5,675,466	\$5,820,211	\$6,048,516	\$6,309,278	-2.3	8.4	6.0	

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

Table 5**Workers' Compensation Benefits by Type of Insurer and Share of Medical Benefits, 1962–2012**

Year	Private Carriers		State Funds		Federal		Self-Insured		All Insurers			
	Total (million)	% Share	Total (million)	% Share	Total (million)	% Share	Total (million)	% Share	Total Benefits (million)	% Change from Prior Year	Total Medical (million)	% Medical
1962	\$924	62.1	\$305	20.5	\$66	4.4	\$194	13.0	\$1,489	8.4	\$495	33.2
1963	988	62.4	318	20.1	70	4.4	207	13.1	1,583	6.3	525	33.2
1964	1,070	62.6	339	19.8	73	4.3	226	13.2	1,708	7.9	565	33.1
1965	1,124	62.0	371	20.5	74	4.1	244	13.5	1,813	6.1	600	33.1
1966	1,239	62.0	404	20.2	82	4.1	275	13.8	2,000	10.3	680	34.0
1967	1,363	62.2	430	19.6	94	4.3	303	13.8	2,190	9.5	750	34.2
1968	1,482	62.4	451	19.0	105	4.4	338	14.2	2,376	8.5	830	34.9
1969	1,641	62.3	486	18.5	121	4.6	386	14.7	2,634	10.9	920	34.9
1970	1,843	60.8	497	16.4	258	8.5	432	14.3	3,030	15.0	1,050	34.7
1971	2,005	56.3	549	15.4	549	15.4	460	12.9	3,563	17.6	1,130	31.7
1972	2,179	53.6	633	15.6	746	18.4	504	12.4	4,062	14.0	1,250	30.8
1973	2,514	49.3	720	14.1	1,278	25.0	592	11.6	5,104	25.7	1,480	29.0
1974	2,971	51.4	823	14.2	1,263	21.8	724	12.5	5,781	13.3	1,760	30.4
1975	3,422	51.9	957	14.5	1,367	20.7	852	12.9	6,598	14.1	2,030	30.8
1976	3,976	52.4	1,088	14.3	1,482	19.5	1,039	13.7	7,585	15.0	2,380	31.4
1977	4,629	53.6	1,209	14.0	1,541	17.9	1,250	14.5	8,629	13.8	2,680	31.1
1978	5,256	53.7	1,221	12.5	1,822	18.6	1,497	15.3	9,796	13.5	2,980	30.4
1979	6,157	51.2	1,709	14.2	2,313	19.2	1,848	15.4	12,027	22.8	3,520	29.3
1980	7,029	51.6	1,797	13.2	2,533	18.6	2,259	16.6	13,618	13.2	3,947	29.0
1981	7,876	52.3	2,017	13.4	2,578	17.1	2,583	17.2	15,054	10.5	4,431	29.4
1982	8,647	52.7	2,191	13.4	2,577	15.7	2,993	18.2	16,408	9.0	5,058	30.8
1983	9,265	52.7	2,443	13.9	2,618	14.9	3,249	18.5	17,575	7.1	5,681	32.3
1984	10,610	53.9	2,754	14.0	2,651	13.5	3,671	18.6	19,686	12.0	6,424	32.6
1985	12,341	55.5	3,059	13.8	2,685	12.1	4,132	18.6	22,217	12.9	7,498	33.7
1986	13,827	56.2	3,554	14.4	2,694	10.9	4,538	18.4	24,613	10.8	8,642	35.1
1987	15,453	56.6	4,084	15.0	2,698	9.9	5,082	18.6	27,317	11.0	9,912	36.3
1988	17,512	57.0	4,687	15.3	2,760	9.0	5,744	18.7	30,703	12.4	11,507	37.5
1989	19,918	58.0	5,205	15.2	2,760	8.0	6,433	18.7	34,316	11.8	13,424	39.1
1990	22,222	58.1	5,873	15.4	2,893	7.6	7,249	19.0	38,237	11.4	15,187	39.7
1991	24,515	58.1	6,713	15.9	2,998	7.1	7,962	18.9	42,187	10.3	16,832	39.9
1992	24,030	53.8	7,829	17.5	3,158	7.1	9,643	21.6	44,660	5.9	18,664	41.8
1993	21,773	50.7	8,105	18.9	3,189	7.4	9,857	23.0	42,925	-3.9	18,503	43.1
1994	21,391	49.2	7,398	17.0	3,166	7.3	11,527	26.5	43,482	1.3	17,194	39.5
1995	20,106	47.7	7,681	18.2	3,103	7.4	11,232	26.7	42,122	-3.1	16,733	39.7
1996	21,024	50.1	8,042	19.2	3,066	7.3	9,828	23.4	41,960	-0.4	16,739	39.9
1997	21,676	51.6	7,157	17.1	2,780	6.6	10,357	24.7	41,971	0.0	17,397	41.5
1998	23,579	53.6	7,187	16.3	2,868	6.5	10,354	23.5	43,987	4.8	18,622	42.3
1999	26,383	57.0	7,083	15.3	2,862	6.2	9,985	21.6	46,313	5.3	20,055	43.3
2000	26,874	56.3	7,388	15.5	2,957	6.2	10,481	22.0	47,699	3.0	20,933	43.9
2001	27,905	54.9	8,013	15.8	3,069	6.0	11,839	23.3	50,827	6.6	23,137	45.5
2002	28,085	53.7	9,139	17.5	3,154	6.0	11,920	22.8	52,297	2.9	24,203	46.3
2003	28,395	51.9	10,442	19.1	3,185	5.8	12,717	23.2	54,739	4.7	25,733	47.0
2004	28,632	51.0	11,146	19.9	3,256	5.8	13,115	23.4	56,149	2.6	26,079	46.4
2005	29,039	50.9	11,060	19.4	3,258	5.7	13,710	24.0	57,067	1.6	26,361	46.2
2006	27,946	50.9	10,555	19.2	3,270	6.0	13,125	23.9	54,896	-3.8	26,206	47.7
2007	29,410	52.2	10,153	18.0	3,340	5.9	13,482	23.9	56,385	2.7	27,105	48.1
2008	30,725	52.3	10,347	17.6	3,424	5.8	14,255	24.3	58,750	4.2	28,987	49.3
2009	30,909	52.9	9,997	17.1	3,543	6.1	13,987	23.9	58,435	-0.5	28,157	48.2
2010	31,090	53.2	9,809	16.8	3,672	6.3	13,894	23.8	58,465	0.1	28,715	49.1
2011	32,734	53.6	9,857	16.1	3,777	6.2	14,673	24.0	61,041	4.4	30,557	50.1
2012	33,429	54.0	9,887	16.0	3,776	6.1	14,765	23.9	61,857	1.3	30,838	49.9

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

Table 5 continued

Federal benefits include benefits paid under the Federal Employees' Compensation Act, and employer-financed benefits paid through the Federal Black Lung Disability Trust fund. In years before 1997, Federal benefits also include the part of the Black Lung program financed by Federal funds. In 1997–2012 federal benefits include a portion of employer-financed benefits under the Longshore and Harbor Workers' Compensation Act. See Appendix B for more information about federal programs.
Source: National Academy of Social Insurance estimates, SSA 2012 and DOL 2014.

paid in 2012. The share of benefits paid by self-insured employers has been relatively stable since 1996.

State funds and the federal government accounted for the remaining one-fourth of benefits paid in 2012. State funds accounted for 16.0 percent of workers' compensation benefits paid, a decrease of 0.1 percentage points from 2011. The decrease was driven by a drop in the share of benefits paid by state funds in eight states (Arizona, California, Colorado, New York, Oklahoma, Pennsylvania, Rhode Island, and Utah). In the other 15 states with state funds, the share of benefits paid by the fund either increased or remained constant. Federal funds accounted for 6.1 percent of all workers compensation payments in 2012, a drop of 0.1 percentage points from 2011. The proportion of workers' compensation benefits paid by federal funds has remained stable at 6 to 7 percent for the last 20 years.¹⁸

Deductibles. Table 6 shows the estimated dollar amount of benefits employers paid under deductible provisions with private carriers or state funds since 1992. In 2012, employer payments under deductibles totaled \$9.4 billion, or 15.2 percent of total benefits paid. Deductibles as a share of total benefits have remained fairly constant (13–15%) since 2000.

Employers who have policies with deductibles are, in effect, self-insured up to the amount of the deductible. Adding benefits paid under deductibles to benefits paid by self-insured employers shows the share of the total workers' compensation market for which employers are assuming primary financial risk. In 2012, 39.1 percent of benefits were directly paid by employers (Table 7, column 9). Over the last two decades, employers' share of workers' compensation benefit payments has increased from about 25 percent to almost 40 percent. The increase has been accompanied by decreases in the share of payments, net of deductibles, made by private carriers (from 51% to 39.6%) and state funds (from 17.5% to 15.2%). (Refer to columns 3 and 6 of Table 7.)

Estimates of Benefits Paid by State

Benefits by Type of Insurer. Table 8 shows the shares of workers' compensation benefits paid by each type of insurer in each state in 2012. The shares vary considerably across states because of differences in the legal status of state funds (exclusive, competitive, other, or none). The share of benefits paid by *private carriers*, for example, ranges from more than 85 percent in some states with no state fund (District of Columbia, Indiana, South Dakota, Vermont and Wisconsin) to less than one percent in the four states with exclusive state funds (North Dakota, Ohio, Washington, Wyoming).¹⁹

18 The spike in federal benefits in the 1970s is entirely accounted for by the black lung program. Prior to 1970 the federal data included only payments for federal civilian employees under the Federal Employees Compensation Act (FECA). The federal program for workers with black lung disease began paying benefits in 1970 and by 1973 nearly doubled its payments to approximately \$1 billion. The startup of this program was the sole explanation for the large increase in federal share of benefits in the early 1970s. The federal share has since declined as payments under the black lung program have diminished, due largely to the aging and death of the claimant population, and the change to the responsible operator system that increased the level of defense on claims. Also, the presumptions included in the 1970s legislation were largely eliminated by changes in 1981, leading to a very real drop in the number of approved claims.

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

Table 6**Workers' Compensation Employer Paid Benefits under Deductible Provisions, 1992–2012**

Year	Deductibles (in millions)			Deductibles as a % of Total Benefits
	Total	Private Carriers	State Funds	
1992	\$1,250	\$1,250	*	2.8
1993	2,027	2,008	\$ 19	4.7
1994	2,834	2,645	189	6.5
1995	3,384	3,060	324	8.0
1996	3,716	3,470	246	8.9
1997	3,994	3,760	234	9.5
1998	4,644	4,399	245	10.6
1999	5,684	5,452	232	12.3
2000	6,201	5,931	270	13.0
2001	6,388	6,085	303	12.6
2002	6,922	6,511	411	13.2
2003	8,020	7,547	474	14.7
2004	7,645	7,134	510	13.6
2005	7,798	7,290	508	13.7
2006	7,575	7,052	524	13.8
2007	8,217	7,684	533	14.6
2008	8,603	8,095	508	14.6
2009	8,624	8,150	474	14.8
2010	8,924	8,481	443	15.3
2011	8,848	8,419	429	14.5
2012	9,407	8,953	455	15.2

* Negligible

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

Source: National Academy of Social Insurance estimates.

In the states with exclusive state funds the share of benefit payments accounted for by the *state fund* varies from more than 99 percent in North Dakota and Wyoming (states that do not allow self-insurance) to approximately 80 percent in Ohio and Washington (states that allow qualifying employers to self-insure). In the 18 states with competitive state funds in 2012, the percentage of benefits accounted for by the state fund varies from a high of 58 percent in Idaho to less than 10 percent in New Mexico, Pennsylvania, and South Carolina.

In states that allow employers to self-insure the share of workers' compensation benefits paid by *self-insured* employers varies widely. In 2012, the share accounted for self-insurance ranges from a high of 51.1 percent in Alabama to a low of 3.6 percent in Idaho.

There are several possible explanations for the tremendous variation in take-up rates for self-insurance across states: 1) Large employers are more likely to self-insure, and some states (e.g. Michigan) have a greater proportion of large employers than other

Table 7**Percentage Distribution of Workers' Compensation Benefit Payments by Type of Insurer:
With and Without Deductibles, 1992–2012**

Year	Total Benefits (millions)	Percent of Total Benefits								
		Private Carriers			State Funds			Federal	Self-Insured	Total Employer Paid
		Total	Employer Paid Deductibles	Insurer-Paid after Deductibles	Total	Employer Paid Deductibles	Insurer-Paid after Deductibles			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)= (2) + (5) + (8)		
1992	\$44,660	53.8	2.8	51.0	17.5	*	17.5	7.1	21.6	24.4
1993	42,925	50.7	4.7	46.0	18.9	*	18.9	7.4	23.0	27.6
1994	43,482	49.2	6.1	43.1	17.0	0.4	16.6	7.3	26.5	33.0
1995	42,122	47.7	7.3	40.5	18.2	0.8	17.5	7.4	26.7	34.7
1996	41,960	50.1	8.3	41.8	19.2	0.6	18.6	7.3	23.4	32.3
1997	41,971	51.6	9.0	42.7	17.1	0.6	16.5	6.6	24.7	34.2
1998	43,987	53.6	10.0	43.6	16.3	0.6	15.8	6.5	23.5	34.1
1999	46,313	57.0	11.8	45.2	15.3	0.5	14.8	6.2	21.6	33.8
2000	47,699	56.3	12.4	43.9	15.5	0.6	14.9	6.2	22.0	35.0
2001	50,827	54.9	12.0	42.9	15.8	0.6	15.2	6.0	23.3	35.9
2002	52,297	53.7	12.4	41.3	17.5	0.8	16.7	6.0	22.8	36.0
2003	54,739	51.9	13.8	38.1	19.1	0.9	18.2	5.8	23.2	37.9
2004	56,149	51.0	12.7	38.3	19.9	0.9	18.9	5.8	23.4	37.0
2005	57,067	50.9	12.8	38.1	19.4	0.9	18.5	5.7	24.0	37.7
2006	54,896	50.9	12.8	38.1	19.2	1.0	18.3	6.0	23.9	37.7
2007	56,385	52.2	13.6	38.5	18.0	0.9	17.1	5.9	23.9	38.5
2008	58,750	52.3	13.8	38.5	17.6	0.9	16.7	5.8	24.3	38.9
2009	58,435	52.9	13.9	38.9	17.1	0.8	16.3	6.1	23.9	38.7
2010	58,465	53.2	14.5	38.7	16.8	0.8	16.0	6.3	23.8	39.0
2011	61,041	53.6	13.8	39.8	16.1	0.7	15.4	6.2	24.0	38.5
2012	61,857	54.0	14.5	39.6	16.0	0.7	15.2	6.1	23.9	39.1

* Negligible

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

Source: National Academy of Social Insurance estimates based on Tables 5 and 6.

states. 2) Financial incentives to self-insure vary across states because of differences in state workers' compensation statutes. Some states, for example, do

not collect special fund assessments from self-insured employers, thereby increasing the incentive to self-insure. 3) The self-insured market share is also

Table 8**Workers' Compensation Benefits by Type of Insurer and Share of Medical Benefits, by State, 2012**

	Private Carriers		State Funds		Self-Insured ^b		Total (thousands) ^h	Medical (thousands) ^c	Percent Medical	Ranking of from largest to smallest % medical
	Benefits (thousands)	Percent Share	Benefits (thousands)	Percent Share	Benefits (thousands)	Percent Share				
Alabama	\$317,646	48.9			\$332,036	51.1	\$649,682	\$438,535	67.5	7
Alaska	176,196	71.0			71,842	29.0	248,038	167,921	67.7	6
Arizona	367,367	51.6	\$217,218	30.5	127,739	17.9	712,324	467,997	65.7	10
Arkansas	163,837	76.6			50,134	23.4	213,971	140,365	65.6	11
California	6,602,542	57.4	1,535,318	13.3	3,365,794	29.3	11,503,654	6,637,556	57.7	22
Colorado	251,983	29.8	428,536	50.7	164,618	19.5	845,136	480,883	56.9	24
Connecticut	644,541	72.6			242,685	27.4	887,226	411,673	46.4	37
Delaware	177,725	82.5			37,793	17.5	215,518	129,526	60.1	18
District of Columbia	85,053	85.9			13,932	14.1	98,984	34,249	34.6	48
Florida	1,952,927	68.9			882,823	31.1	2,835,750	1,877,267	66.2	9
Georgia	1,067,496	73.5			384,315	26.5	1,451,811	734,616	50.6	32
Hawaii	131,783	53.0	30,825	12.4	85,825	34.5	248,433	108,069	43.5	44
Idaho	91,998	38.5	138,146	57.9	8,578	3.6	238,723	154,931	64.9	12
Illinois	2,021,103	74.8			681,369	25.2	2,702,471	1,186,385	43.9	42
Indiana	562,404	90.2			61,338	9.8	623,742	457,827	73.4	1
Iowa	503,022	78.3			139,125	21.7	642,147	362,171	56.4	26
Kansas	305,543	72.0			118,579	28.0	424,122	248,111	58.5	20
Kentucky	363,387	55.1	89,496	13.6	206,309	31.3	659,192	366,511	55.6	27
Louisiana	475,721	55.3	103,533	12.0	281,076	32.7	860,330	453,394	52.7	30
Maine	226,562	74.0			79,531	26.0	306,093	142,640	46.6	36
Maryland	531,858	54.8	169,528	17.5	269,348	27.7	970,734	440,713	45.4	40
Massachusetts	736,866	75.3			241,960	24.7	978,825	347,496	35.5	47
Michigan	738,694	62.1			450,789	37.9	1,189,483	422,455	35.5	46
Minnesota	790,958	75.8			252,736	24.2	1,043,694	568,959	54.5	29
Mississippi	220,926	65.7			115,283	34.3	336,208	189,958	56.5	25
Missouri	536,075	63.9	92,035	11.0	210,803	25.1	838,913	480,697	57.3	23
Montana	84,941	33.9	125,498	50.1	40,104	16.0	250,542	157,341	62.8	13
Nebraska	247,219	79.1			65,229	20.9	312,448	192,155	61.5	15
Nevada	255,778	68.4			118,307	31.6	374,085	183,302	49.0	35

New Hampshire	168,190	73.4			60,835	26.6	229,024	152,072	66.4	8
New Jersey	1,747,771	78.9			467,681	21.1	2,215,453	1,136,784	51.3	31
New Mexico	181,093	59.1	28,227	9.2	96,984	31.7	306,304	179,188	58.5	20
New York	2,355,837	43.7	1,388,221	25.7	1,650,452	30.6	5,394,509	1,847,811	34.3	49
North Carolina	1,079,176	75.7			346,420	24.3	1,425,596	652,923	45.8	39
North Dakota ^a	898	0.6	150,135	99.4			151,033	90,894	60.2	17
Ohio ^a	17,085	0.8	1,739,062	81.6	373,916	17.6	2,130,063	836,197	39.3	45
Oklahoma	453,387	51.9	243,383	27.9	176,637	20.2	873,407	385,173	44.1	41
Oregon	225,878	34.2	307,125	46.5	127,551	19.3	660,553	363,965	55.1	28
Pennsylvania	2,076,761	71.4	194,795	6.7	638,707	21.9	2,910,262	1,347,676	46.3	38
Rhode Island	66,547	37.5	85,933	48.4	25,185	14.2	177,664	56,142	31.6	51
South Carolina ^e	631,040	69.7	64,019	7.1	210,347	23.2	905,405	395,662	43.7	43
South Dakota	89,349	95.7			4,056	4.3	93,404	64,356	68.9	4
Tennessee	627,233	78.1			175,870	21.9	803,103	473,028	58.9	19
Texas	957,326	55.6	422,432	24.5	342,483	19.9	1,722,241	1,059,178	61.5	14
Utah	112,520	38.5	127,031	43.4	53,068	18.1	292,619	206,297	70.5	2
Vermont	127,380	87.0			19,065	13.0	146,445	73,223	50.0	34
Virginia	712,866	78.0			200,889	22.0	913,755	551,908	60.4	16
Washington ^a	13,780	0.6	1,813,835	78.5	484,082	20.9	2,311,697	742,797	32.1	50
West Virginia ^d	176,309	37.5	230,907	49.1	63,035	13.4	470,251	237,006	50.4	33
Wisconsin	975,985	86.8			147,875	13.2	1,123,861	781,897	69.6	3
Wyoming ^a	802	0.5	161,502	99.5			162,304	110,008	67.8	5
Non-federal total	\$33,429,362	57.6	\$9,886,742	17.0	\$14,765,132	25.4	\$58,081,235	\$29,727,885	51.2	
All Federal ^f							3,775,519	1,110,074	29.4	
Federal employees ^g							3,006,009	924,622	30.8	
TOTAL							\$61,856,754	\$30,837,959	49.9	

Notes: Benefits are payments in the calendar year to injured workers and to providers of their medical care. Benefits paid under Special Funds, Second Injury Funds and Guaranty Funds are prorated across private carriers, state funds and self-insured benefits payments.

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

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

c. For further details see *Sources and Methods 2012* available at www.nasi.org.

d. West Virginia completed the transition from monopolistic state fund to competitive insurance status on July 1, 2008.

e. South Carolina's State Accident Fund is not a competitive state fund.

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

g. Included in the Federal benefits total.

h. These data may not include second injury fund for all states and may be an understatement of total payments data.

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

sensitive to the premium level in the private insurance market. When premiums in individual states are rising, employers move to self-insurance, when they are declining, employers move to insurance. Finally, 3) The NASI methods for estimating benefits paid by self-insured employers (discussed in detail in the *Sources and Methods* section on the NASI website www.nasi.org) vary across states, depending on responses to the NASI survey and availability of A.M. Best data. Hence, measurement errors may account for some of the observed variation in the share of benefits paid by self-insured employers.

The share of benefits paid for medical care varies tremendously across states. The variation not only reflects between-state differences in amounts paid for medical care, but also differences in the relative generosity of cash benefits across states.

Share of Medical Benefits. Table 8 also shows the share of workers' compensation benefits going to medical care in each state. Nationally, about half of all workers' compensation benefits go to medical care, but across states the share of benefits for medical care varies from one-third to three-fourths of total benefits paid. In 2012, Indiana had the largest share of benefits paid for medical care (73.4%) while Rhode Island had the smallest (31.6%). The variation in medical shares across states reflects between-state differences in the quantity and prices of medical services provided to injured workers, *and* the relative generosity of cash benefits paid in each state. States with more generous provisions for cash benefits will have smaller shares of medical benefits, all else equal. Conversely, a state may have a high share of medical benefits even though the state's medical benefits per \$100 of payroll are below the national average because the state's cash benefits per \$100 of payroll are even further below the national average.

State Benefit Trends. Table 9 shows total workers' compensation benefits paid in each state in the years 2008 to 2012. Across the five year period, total ben-

efits paid increased in about half of jurisdictions, and decreased in the other half. The largest percentage increases occurred in North Dakota (42.7%), New York (38.8%) and New Mexico (27.4%). The largest percentage decreases occurred in Kentucky (16.6%), South Dakota (16.0%), and Michigan (15.5%).

There is considerable variation in benefit trends within, as well as across, the five-year period. Maine and Massachusetts, for example, had about the same percentage increase in benefits between 2008 and 2012 (16% and 15.3% respectively), but the timing was quite different. Massachusetts experienced a large increase in benefits paid in the first half of the period (+19.4% between 2008 and 2010), followed by a small decrease in the second half (-3.4% between 2010 and 2012). Maine experienced a small decrease in the first half (-4.6% between 2008 and 2010), followed by a sharp increase (+21.7% between 2010 and 2012).

A number of factors contribute to variations in the amount of benefits paid within a state from year to year, including changes in the number of work related injuries and illnesses, modifications in the state's legal system for processing claims (e.g. changes in statutory rules, court rulings, administrative processes, reporting requirements); fluctuations in the state labor market (e.g. changes in employment, wage rates, mix of occupations/industries); changes in the costs of medical care; and differences in the ways stakeholders interact within the system.

Table 10 shows trends in medical benefits in each state for the period 2008-2012. In about half the jurisdictions, increases in medical benefits are associated with increases in the number of covered workers and vice versa. North Dakota, for example, had the largest percentage increase in medical benefits between 2008 and 2012 (46.8%), corresponding to a large increase in covered workers in the state (17.9%). Ohio had the largest percentage decrease in medical benefits (-23.5%), and also experienced a decrease in covered workers (3.7%). In most states where benefits and coverage move in opposite directions, the changes are small (e.g. in Indiana, coverage decreased by 2.2% while medical benefits increased by 2.8%). Five states (California, Connecticut, New Jersey, New Mexico, Oklahoma), however, experienced double-digit percentage increases in medical benefits between 2008 and

2012, while the number of covered workers in the state *decreased* by 3.5 percent or more.

Table 11 shows trends in cash benefits in each state for the period 2008-2012. The greatest percentage increase in cash benefits occurred in New York (42.6%); the greatest percentage decrease occurred in South Dakota (-20.8%). In both states, the number of covered workers was fairly constant over the five year period. Six states (Arizona, Maine, New Mexico, Oklahoma, Rhode Island, and Wisconsin) experienced double-digit percentage increases in cash benefits between 2008 and 2012, while the number of covered workers in the state *decreased* by 3.0 percent or more. The case of New Mexico stands out: coverage declined by 5.4 percent in the state, while medical benefits increased by 25.3 percent and cash benefits by 30.6 percent²⁰.

While the long-term national trend has been for medical benefits to grow more rapidly than cash benefits (as shown in Figure 3), experience varies widely across states and from year to year. Fourteen states where total benefits increased between 2008 and 2012 had medical benefits *increasing* faster than cash benefits in the period. In contrast, ten states where total benefits decreased had medical benefits *decreasing* faster than cash benefits.

State benefit payments can be standardized to control for changes in employment and wage rates by dividing each state's total benefits by the total wages of covered workers in the state. The measure of benefits as a percentage of covered wages helps explain whether increases in one state's benefits payments can be attributed to growth in the state's covered payroll or to other factors.

Table 12 shows benefits paid per \$100 of covered payroll by state from 2008 through 2012. Trends in standardized benefits over time are somewhat different from trends in dollar measures of benefits. In 13 states total benefits *increased* between 2008 and 2012 but benefits per \$100 of covered wages *decreased*. The trends in these 13 states generally reflect more

rapid growth in wages than in benefit payments. In Alaska, for example, there was a 12.8 percent increase in total benefits paid, but benefits per \$100 of covered wages decreased by \$0.03.

Between 2008 and 2012, the largest increase in benefits per \$100 covered payroll occurred in New York (\$0.26) which also experienced the second largest increase in overall benefits paid. The largest decrease in benefits paid per \$100 covered payroll occurred in West-Virginia (-\$0.30).

The reader is cautioned that the data on benefits paid per \$100 covered payroll do not provide meaningful comparisons of the adequacy of benefits across states.²¹ The data may show higher benefits in some states, not because benefits are more generous, but because payrolls are relatively low, and/or there is a relatively high concentration of risky occupations (e.g. mining). A study of benefit adequacy should compare the benefits injured workers actually receive to the wages they lose because of their occupational injuries or diseases. Such wage-loss studies have been conducted in several states (e.g. California, New Mexico, Oregon, Washington, Wisconsin) but the data for estimating wage losses are not available for most states (Boden, Reville, and Biddle 2005).

20 At the NCCI 2013 Forum, a presentation on New Mexico workers' compensation benefits paid in 2012 showed \$27 million as an "Amount from Excess Claims." In 2011, the excess claims category did not exist.

21 As discussed in the Academy's study panel report *Adequacy of Earnings Replacement in Workers' Compensation Programs* (Hunt 2004), The standardized measure of benefits relative to covered wages could be high or low in a given state for a number of reasons completely unrelated to the adequacy of benefits injured workers receive.

Table 9**Workers' Compensation Total Benefits Paid and Five-Year Percent Change, by State
2008–2012**

State	Total Benefits (thousands)				Two-Year Percent Change		Five-Year Percent Change		Ranking 2008-2012 (largest to smallest increase)
	2008	2009	2010	2011	2010-2011	2010-2012	2008-2012		
Alabama	\$656,607	\$625,755	\$629,069	\$616,022	\$649,682	-4.2	3.3	-1.1	27
Alaska	219,978	222,005	221,955	239,635	248,038	0.9	11.8	12.8	13
Arizona	691,482	657,184	701,621	719,611	712,324	1.5	1.5	3.0	19
Arkansas	236,801	223,973	213,956	199,408	213,971	-9.6	0.0	-9.6	45
California	9,770,733	9,531,461	9,577,762	10,858,138	11,503,654	-2.0	20.1	17.7	4
Colorado	873,718	835,024	802,436	765,242	845,136	-8.2	5.3	-3.3	33
Connecticut	784,852	842,669	795,123	868,103	887,226	1.3	11.6	13.0	11
Delaware	218,665	206,145	211,921	220,830	215,518	-3.1	1.7	-1.4	29
District of Columbia	95,089	104,719	105,632	111,136	98,984	11.1	-6.3	4.1	17
Florida	3,030,037	2,931,305	2,730,035	2,837,365	2,835,750	-9.9	3.9	-6.4	40
Georgia	1,611,221	1,344,524	1,458,576	1,397,850	1,451,811	-9.5	-0.5	-9.9	46
Hawaii	245,763	244,375	242,400	246,780	248,433	-1.4	2.5	1.1	23
Idaho	249,350	242,868	239,775	249,473	238,723	-3.8	-0.4	-4.3	37
Illinois	2,978,130	3,062,890	3,006,823	3,047,300	2,702,471	1.0	-10.1	-9.3	44
Indiana	626,994	597,176	598,753	628,075	623,742	-4.5	4.2	-0.5	26
Iowa	560,253	553,342	563,599	622,236	642,147	0.6	13.9	14.6	9
Kansas	417,860	416,026	405,436	436,144	424,122	-3.0	4.6	1.5	22
Kentucky	790,400	769,484	665,610	681,902	659,192	-15.8	-1.0	-16.6	51
Louisiana	854,647	831,035	840,035	882,226	860,330	-1.7	2.4	0.7	24
Maine	263,793	260,547	251,593	253,127	306,093	-4.6	21.7	16.0	7
Maryland	935,948	895,905	953,533	1,006,998	970,734	1.9	1.8	3.7	18
Massachusetts	848,724	951,062	1,013,459	1,001,213	978,825	19.4	-3.4	15.3	8
Michigan	1,407,282	1,509,881	1,271,892	1,301,061	1,189,483	-9.6	-6.5	-15.5	49
Minnesota	1,025,607	1,072,918	1,034,661	1,011,635	1,043,694	0.9	0.9	1.8	21
Mississippi	346,640	321,771	337,633	334,430	336,208	-2.6	-0.4	-3.0	32
Missouri	907,622	850,106	806,222	814,592	838,913	-11.2	4.1	-7.6	41

Montana	260,861	261,005	266,524	251,708	250,542	2.2	-6.0	-4.0	35
Nebraska	326,942	299,870	315,079	320,786	312,448	-3.6	-0.8	-4.4	38
Nevada	425,673	430,768	429,686	395,891	374,085	0.9	-12.9	-12.1	47
New Hampshire	250,226	246,755	251,667	231,800	229,024	0.6	-9.0	-8.5	43
New Jersey	2,005,247	1,995,407	2,067,568	2,220,175	2,215,453	3.1	7.2	10.5	15
New Mexico	240,409	246,272	276,126	275,783	306,304	14.9	10.9	27.4	3
New York	3,887,556	4,148,353	4,617,084	5,103,151	5,394,509	18.8	16.8	38.8	2
North Carolina	1,486,953	1,416,881	1,357,710	1,427,759	1,425,596	-8.7	5.0	-4.1	36
North Dakota	105,835	110,526	114,981	125,960	151,033	8.6	31.4	42.7	1
Ohio	2,490,080	2,353,384	2,268,515	2,232,596	2,130,063	-8.9	-6.1	-14.5	48
Oklahoma	744,996	784,749	842,581	840,570	873,407	13.1	3.7	17.2	5
Oregon	672,563	699,116	679,104	679,233	660,553	1.0	-2.7	-1.8	30
Pennsylvania	2,902,107	2,902,311	2,909,863	2,895,406	2,910,262	0.3	0.0	0.3	25
Rhode Island	159,540	160,780	159,979	169,773	177,664	0.3	11.1	11.4	14
South Carolina	917,419	891,830	891,283	874,227	905,405	-2.8	1.6	-1.3	28
South Dakota	111,184	93,578	100,348	90,844	93,404	-9.7	-6.9	-16.0	50
Tennessee	788,508	743,927	783,687	776,943	803,103	-0.6	2.5	1.9	20
Texas	1,526,140	1,600,977	1,511,277	1,599,449	1,722,241	-1.0	14.0	12.8	12
Utah	317,079	301,159	274,624	272,207	292,619	-13.4	6.6	-7.7	42
Vermont	128,424	144,315	137,648	138,678	146,445	7.2	6.4	14.0	10
Virginia	945,845	860,622	786,402	891,311	913,755	-16.9	16.2	-3.4	34
Washington	2,192,885	2,312,186	2,308,679	2,316,713	2,311,697	5.3	0.1	5.4	16
West Virginia	494,810	527,231	537,135	519,409	470,251	8.6	-12.5	-5.0	39
Wisconsin	1,158,458	1,116,312	1,071,877	1,099,950	1,123,861	-7.5	4.8	-3.0	31
Wyoming	138,619	140,297	154,077	162,960	162,304	11.2	5.3	17.1	6
Non-federal total	\$55,326,554	\$54,892,762	\$54,793,011	\$57,263,814	\$58,081,235	-1.0	6.0	5.0	
All Federal^a	3,423,825	3,542,605	3,672,058	3,776,993	3,775,519	7.3	2.8	10.3	
Federal employees ^b	2,676,370	2,763,885	2,889,321	2,994,122	3,006,009	8.0	4.0	12.3	
TOTAL	\$58,750,379	\$58,435,367	\$58,465,069	\$61,040,807	\$61,856,754	-0.5	5.8	5.3	

a. Includes federal benefits as included in Table 8.

b. Included in the Federal benefits total.

Notes: Benefits are payments in the calendar year to injured workers and to providers of their medical care. Data source for each state is described in details in *Sources and Methods 2012* available at www.nasi.org.

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

Table 10**Workers' Compensation Medical Benefits Paid and Five-Year Percent Change, by State
2008–2012**

State	Medical Benefits (thousands)			Two-Year Percent Change		Five-Year Percent Change		Ranking 2008-2012 (largest to smallest increase)	
	2008	2009	2010	2008-2010	2010-2012	2008-2012	2008-2012		
Alabama	\$451,746	\$423,010	\$434,057	\$417,047	\$438,535	-3.9	1.0	-2.9	34
Alaska	141,006	147,411	145,603	156,482	167,921	3.3	15.3	19.1	6
Arizona	470,899	408,111	439,215	456,953	467,997	-6.7	6.6	-0.6	30
Arkansas	154,158	147,374	137,788	127,820	140,365	-10.6	1.9	-8.9	45
California	5,209,779	5,187,027	5,221,826	6,301,829	6,637,556	0.2	27.1	27.4	3
Colorado	435,985	419,182	405,230	429,301	480,883	-7.1	18.7	10.3	15
Connecticut	348,474	366,561	360,191	404,536	411,673	3.4	14.3	18.1	7
Delaware	131,199	113,586	122,914	130,731	129,526	-6.3	5.4	-1.3	33
District of Columbia	33,757	39,270	35,915	38,008	34,249	6.4	-4.6	1.5	27
Florida	1,948,314	1,887,760	1,793,633	1,855,637	1,877,267	-7.9	4.7	-3.6	35
Georgia	779,831	664,195	732,205	704,517	734,616	-6.1	0.3	-5.8	39
Hawaii	106,170	105,081	105,444	110,804	108,069	-0.7	2.5	1.8	25
Idaho	153,351	149,121	150,819	159,912	154,931	-1.7	2.7	1.0	28
Illinois	1,441,415	1,467,124	1,428,241	1,453,562	1,186,385	-0.9	-16.9	-17.7	49
Indiana	445,166	424,592	428,707	459,751	457,827	-3.7	6.8	2.8	24
Iowa	303,097	298,805	306,598	332,896	362,171	1.2	18.1	19.5	5
Kansas	250,716	246,288	222,179	244,677	248,111	-11.4	11.7	-1.0	31
Kentucky	454,480	439,375	378,732	383,911	366,511	-16.7	-3.2	-19.4	50
Louisiana	431,597	450,421	446,731	468,462	453,394	3.5	1.5	5.1	19
Maine	124,510	120,373	123,029	123,779	142,640	-1.2	15.9	14.6	12
Maryland	420,241	399,574	435,765	465,233	440,713	3.7	1.1	4.9	20
Massachusetts	302,924	325,906	345,542	342,416	347,496	14.1	0.6	14.7	11
Michigan	505,331	530,182	508,456	503,694	422,455	0.6	-16.9	-16.4	48
Minnesota	550,452	578,533	551,912	546,687	568,959	0.3	3.1	3.4	23
Mississippi	205,558	190,810	211,021	199,989	189,958	2.7	-10.0	-7.6	43

Missouri	507,361	465,008	448,259	482,239	480,697	-11.6	7.2	-5.3	37
Montana	154,690	148,251	160,181	157,569	157,341	3.5	-1.8	1.7	26
Nebraska	203,358	181,421	192,513	197,925	192,155	-5.3	-0.2	-5.5	38
Nevada	197,086	198,584	187,773	186,860	183,302	-4.7	-2.4	-7.0	41
New Hampshire	153,889	151,261	154,020	153,915	152,072	0.1	-1.3	-1.2	32
New Jersey	968,781	967,281	1,027,496	1,114,434	1,136,784	6.1	10.6	17.3	9
New Mexico	143,044	147,517	161,257	159,403	179,188	12.7	11.1	25.3	4
New York	1,399,520	1,053,711	1,718,807	1,831,009	1,847,811	22.8	7.5	32.0	2
North Carolina	678,051	633,346	600,108	643,919	652,923	-11.5	8.8	-3.7	36
North Dakota	61,935	66,866	68,734	74,691	90,894	11.0	32.2	46.8	1
Ohio	1,093,161	998,833	963,557	945,799	836,197	-11.9	-13.2	-23.5	51
Oklahoma	326,308	339,012	372,421	373,213	385,173	14.1	3.4	18.0	8
Oregon	349,060	363,540	344,306	364,748	363,965	-1.4	5.7	4.3	21
Pennsylvania	1,295,993	1,323,249	1,292,306	1,321,538	1,347,676	-0.3	4.3	4.0	22
Rhode Island	51,212	53,701	53,113	56,874	56,142	3.7	5.7	9.6	16
South Carolina	376,142	368,326	385,034	382,037	395,662	2.4	2.8	5.2	18
South Dakota	74,493	61,200	61,915	60,048	64,356	-16.9	3.9	-13.6	47
Tennessee	417,121	400,977	445,134	463,835	473,028	6.7	6.3	13.4	13
Texas	933,997	954,182	897,698	988,459	1,059,178	-3.9	18.0	13.4	14
Utah	227,028	208,101	188,392	192,722	206,297	-17.0	9.5	-9.1	46
Vermont	68,193	71,291	71,439	71,419	73,223	4.8	2.5	7.4	17
Virginia	548,590	498,300	470,269	533,004	551,908	-14.3	17.4	0.6	29
Washington	798,994	808,271	760,982	750,282	742,797	-4.8	-2.4	-7.0	42
West Virginia	252,643	262,926	273,410	246,200	237,006	8.2	-13.3	-6.2	40
Wisconsin	855,073	768,661	749,586	770,936	781,897	-12.3	4.3	-8.6	44
Wyoming	95,206	94,694	102,095	108,707	110,008	7.2	7.8	15.5	10
Total Non-federal	\$28,031,086	\$27,118,181	\$27,622,557	\$29,450,419	\$29,727,885	-1.5	7.6	6.1	

a. Includes federal benefits as included in Table 8.

b. Included in the Federal benefits total.

Notes: Benefits are payments in the calendar year to injured workers and to providers of their medical care. Data source for each state is described in details in *Sources and Methods 2012* available at www.nas1.org.

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

Table 11**Workers' Compensation Cash Benefits Paid and Five-Year Percent Change, by State
2008–2012**

State	Cash Benefits (in thousands)				Two-Year Percent Change		Five-Year Percent Change		Ranking 2008-2012 (largest to smallest increase)
	2008	2009	2010	2011	2012	2008-2010	2010-2012	2008-2012	
Alabama	\$204,862	\$202,744	\$195,011	\$198,975	\$211,147	-4.8	8.3	3.1	21
Alaska	78,972	74,594	76,353	83,153	80,116	-3.3	4.9	1.4	23
Arizona	220,583	249,073	262,406	262,658	244,327	19.0	-6.9	10.8	13
Arkansas	82,644	76,599	76,168	71,587	73,606	-7.8	-3.4	-10.9	40
California	4,560,954	4,344,435	4,355,936	4,556,309	4,866,098	-4.5	11.7	6.7	16
Colorado	437,733	415,842	397,206	335,941	364,254	-9.3	-8.3	-16.8	49
Connecticut	436,378	476,108	434,932	463,567	475,553	-0.3	9.3	9.0	14
Delaware	87,466	92,559	89,007	90,099	85,992	1.8	-3.4	-1.7	27
District of Columbia	61,332	65,449	69,717	73,127	64,736	13.7	-7.1	5.5	17
Florida	1,081,723	1,043,544	936,402	981,728	958,484	-13.4	2.4	-11.4	42
Georgia	831,390	680,329	726,371	693,334	717,194	-12.6	-1.3	-13.7	46
Hawaii	139,593	139,294	136,956	135,976	140,365	-1.9	2.5	0.6	24
Idaho	96,000	93,747	88,957	89,561	83,792	-7.3	-5.8	-12.7	44
Illinois	1,536,715	1,595,766	1,578,582	1,593,738	1,516,086	2.7	-4.0	-1.3	26
Indiana	181,828	172,584	170,046	168,324	165,915	-6.5	-2.4	-8.8	37
Iowa	257,156	254,537	257,001	289,340	279,976	-0.1	8.9	8.9	15
Kansas	167,144	169,739	183,257	191,467	176,011	9.6	-4.0	5.3	18
Kentucky	335,920	330,108	286,878	297,991	292,681	-14.6	2.0	-12.9	45
Louisiana	423,050	380,614	393,304	413,764	406,936	-7.0	3.5	-3.8	31
Maine	139,283	140,175	128,564	129,348	163,454	-7.7	27.1	17.4	6
Maryland	515,707	496,332	517,769	541,765	530,021	0.4	2.4	2.8	22
Massachusetts	545,800	625,156	667,917	658,797	631,329	22.4	-5.5	15.7	8
Michigan	901,950	979,700	763,435	797,368	767,028	-15.4	0.5	-15.0	47
Minnesota	475,154	494,385	482,749	464,948	474,734	1.6	-1.7	-0.1	25
Mississippi	141,083	130,961	126,613	134,441	146,251	-10.3	15.5	3.7	20

Missouri	400,261	385,098	357,962	332,354	358,216	-10.6	0.1	-10.5	39
Montana	106,170	112,754	106,343	94,139	93,202	0.2	-12.4	-12.2	43
Nebraska	123,584	118,449	122,566	122,861	120,292	-0.8	-1.9	-2.7	28
Nevada	228,586	232,184	241,913	209,030	190,783	5.8	-21.1	-16.5	48
New Hampshire	96,337	95,494	97,647	77,885	76,952	1.4	-21.2	-20.1	50
New Jersey	1,036,466	1,028,125	1,040,073	1,105,741	1,078,669	0.3	3.7	4.1	19
New Mexico	97,366	98,755	114,868	116,380	127,116	18.0	10.7	30.6	3
New York	2,488,036	3,094,642	2,898,277	3,272,142	3,546,698	16.5	22.4	42.6	1
North Carolina	808,902	783,535	757,602	783,840	772,673	-6.3	2.0	-4.5	33
North Dakota	43,900	43,660	46,247	51,269	60,139	5.3	30.0	37.0	2
Ohio	1,396,918	1,354,550	1,304,958	1,286,797	1,293,866	-6.6	-0.8	-7.4	35
Oklahoma	418,688	445,737	470,160	467,357	488,235	12.3	3.8	16.6	7
Oregon	323,503	335,576	334,798	314,485	296,589	3.5	-11.4	-8.3	36
Pennsylvania	1,606,114	1,579,062	1,617,557	1,573,869	1,562,586	0.7	-3.4	-2.7	29
Rhode Island	108,327	107,080	106,866	112,899	121,522	-1.3	13.7	12.2	11
South Carolina	541,277	523,504	506,249	492,190	509,743	-6.5	0.7	-5.8	34
South Dakota	36,691	32,378	38,433	30,796	29,049	4.7	-24.4	-20.8	51
Tennessee	371,387	342,950	338,553	313,108	330,075	-8.8	-2.5	-11.1	41
Texas	592,142	646,795	613,578	610,989	663,063	3.6	8.1	12.0	12
Utah	90,050	93,058	86,232	79,484	86,323	-4.2	0.1	-4.1	32
Vermont	60,231	73,023	66,209	67,259	73,223	9.9	10.6	21.6	4
Virginia	397,255	362,322	316,134	358,307	361,847	-20.4	14.5	-8.9	38
Washington	1,393,891	1,503,915	1,547,697	1,566,431	1,568,900	11.0	1.4	12.6	10
West Virginia	242,167	264,305	263,724	273,209	233,244	8.9	-11.6	-3.7	30
Wisconsin	303,385	347,651	322,291	329,015	341,964	6.2	6.1	12.7	9
Wyoming	43,413	45,604	51,982	54,253	52,296	19.7	0.6	20.5	5
Total Non-federal									
Cash benefits	\$27,295,468	\$27,774,581	\$27,170,454	\$27,813,395	\$28,353,350	-0.5	4.4	3.9	

Notes: Benefits are payments in the calendar year to injured workers and to providers of their medical care. Data source for each state is described in *Sources and Methods 2012* available at www.nasi.org.

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

Table 12**Workers' Compensation Total Benefits Paid Per \$100 of Covered Wages, by State
2008–2012**

State	2008	2009	2010	2011	2012	Dollar Amount Change		Ranking 2008–2012 (largest to smallest increase)
						Two-Year 2008–2010	Five-Year 2008–2012	
Alabama	\$0.96	\$0.96	\$0.95	\$0.91	\$0.93	\$0.00	-\$0.02	18
Alaska	1.65	1.62	1.58	1.63	1.61	-0.07	0.04	22
Arizona	0.65	0.66	0.71	0.70	0.67	0.06	-0.05	13
Arkansas	0.62	0.59	0.56	0.50	0.52	-0.05	-0.04	40
California	1.25	1.29	1.28	1.39	1.38	0.03	0.11	6
Colorado	0.84	0.84	0.80	0.73	0.77	-0.04	-0.04	33
Connecticut	0.81	0.92	0.85	0.89	0.89	0.04	0.04	8
Delaware	1.11	1.10	1.11	1.11	1.05	0.01	-0.07	30
District of Columbia	0.27	0.31	0.30	0.30	0.26	0.03	-0.04	16
Florida	1.05	1.08	1.00	1.01	0.97	-0.05	-0.03	38
Georgia	1.00	0.89	0.95	0.88	0.87	-0.05	-0.08	44
Hawaii	1.06	1.09	1.10	1.08	1.05	0.04	-0.05	15
Idaho	1.17	1.20	1.18	1.20	1.11	0.01	-0.07	26
Illinois	1.07	1.17	1.13	1.10	0.94	0.06	-0.19	45
Indiana	0.58	0.59	0.58	0.58	0.55	0.00	-0.03	19
Iowa	1.04	1.06	1.06	1.13	1.11	0.02	0.05	10
Kansas	0.82	0.85	0.84	0.87	0.81	0.01	-0.02	14
Kentucky	1.22	1.23	1.04	1.03	0.96	-0.18	-0.08	50
Louisiana	1.15	1.14	1.14	1.16	1.09	-0.01	-0.05	29
Maine	1.26	1.29	1.23	1.21	1.43	-0.04	0.20	4
Maryland	0.81	0.79	0.83	0.86	0.79	0.02	-0.04	17
Massachusetts	0.47	0.55	0.57	0.54	0.51	0.10	-0.06	12
Michigan	0.82	0.96	0.80	0.78	0.68	-0.02	-0.12	46
Minnesota	0.85	0.94	0.89	0.83	0.82	0.03	-0.07	24

Mississippi	1.00	0.97	1.01	0.98	0.95	0.01	-0.06	-0.05	25
Missouri	0.89	0.88	0.84	0.83	0.82	-0.06	-0.02	-0.08	36
Montana	1.89	1.95	1.95	1.78	1.67	0.06	-0.28	-0.22	48
Nebraska	1.01	0.94	0.98	0.97	0.90	-0.03	-0.08	-0.11	43
Nevada	0.81	0.91	0.94	0.85	0.78	0.13	-0.16	-0.03	20
New Hampshire	0.90	0.93	0.93	0.82	0.79	0.03	-0.14	-0.11	42
New Jersey	0.94	0.98	1.00	1.05	1.02	0.06	0.02	0.08	9
New Mexico	0.85	0.90	1.01	0.99	1.07	0.16	0.06	0.22	2
New York	0.76	0.88	0.94	1.00	1.02	0.17	0.09	0.26	1
North Carolina	0.97	0.98	0.92	0.94	0.90	-0.05	-0.03	-0.08	37
North Dakota	0.91	0.92	0.88	0.83	0.83	-0.02	-0.05	-0.08	35
Ohio	1.19	1.19	1.14	1.07	0.98	-0.06	-0.16	-0.22	47
Oklahoma	1.36	1.49	1.66	1.55	1.52	0.30	-0.13	0.16	3
Oregon	1.00	1.10	1.05	1.00	0.93	0.06	-0.12	-0.06	31
Pennsylvania	1.19	1.22	1.20	1.15	1.11	0.01	-0.09	-0.08	39
Rhode Island	0.82	0.86	0.84	0.86	0.88	0.02	0.04	0.06	11
South Carolina	1.44	1.47	1.45	1.37	1.36	0.01	-0.09	-0.07	32
South Dakota	0.90	0.76	0.80	0.69	0.68	-0.10	-0.12	-0.23	49
Tennessee	0.77	0.77	0.79	0.76	0.74	0.02	-0.05	-0.04	23
Texas	0.44	0.48	0.39	0.40	0.40	-0.04	0.01	-0.03	21
Utah	0.72	0.71	0.64	0.61	0.61	-0.08	-0.03	-0.11	41
Vermont	1.15	1.33	1.25	1.22	1.25	0.09	0.00	0.10	7
Virginia	0.60	0.56	0.50	0.55	0.54	-0.10	0.04	-0.06	28
Washington	1.69	1.82	1.80	1.72	1.63	0.12	-0.17	-0.05	27
West Virginia	2.11	2.26	2.20	2.06	1.81	0.08	-0.38	-0.30	51
Wisconsin	1.11	1.13	1.07	1.05	1.04	-0.05	-0.03	-0.08	34
Wyoming	1.21	1.31	1.41	1.42	1.36	0.20	-0.05	0.15	5
Total Non-Federal	\$0.96	\$1.00	\$0.98	\$0.98	\$0.95	0.02	-0.02	-0.01	
Federal Employees	1.46	1.44	1.39	1.43	1.45	-0.07	0.06	-0.01	
Total	\$0.99	\$1.03	\$1.00	\$1.01	\$0.98	\$0.02	\$-0.02	\$-0.01	

Notes: Federal total includes only workers covered under Federal Employees' Compensation Act.

Source: National Academy of Social Insurance estimates.

Employer Costs for Workers' Compensation

Methods for Estimating Employer Costs

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

For self-insured employers, workers' compensation costs include benefit payments made during the calendar year, and administrative costs with providing those benefits. Administrative costs include the direct costs of managing claims, as well as expenses for litigation and cost containment, taxes, licenses, and fees. Self-insured employers generally do not record administrative costs for workers' compensation separately from the costs of administering other employee benefit programs, so these costs must be estimated. We assume administrative costs for self-insured employers are the same proportion of benefits paid as administrative costs reported by private insurers to the National Association of Insurance Commissioners (NAIC 2012). (For more information on estimating costs for self-insured employers, refer to Appendix C online at the Academy website www.NASI.org).

For the federal employee workers' compensation program, employer costs are benefits paid plus administrative costs, as reported by the Department of Labor (U.S. DOL 2014).

This year, for the first time, we have included estimates of assessments for special funds, second injury funds, and guarantee funds in the national estimates of employer costs in Table 13 and the estimates of employer costs of workers' compensation in each

state in Table 14. The estimated costs of assessments are based on assessment rates applied to premiums or losses (benefits paid). Tables reporting employer costs have been updated to include special/second injury/guarantee fund costs from 1996 onward. This methodological refinement increased our estimate of total employer costs by 0.4 percent in 2012 and by less than one percent almost every year since 1996.

National Estimates of Employer Costs

Trends in Employer Costs. Table 13 shows employer costs for workers' compensation by type of insurer for 1992 through 2012. In 2012, employer costs were \$83.2 billion, an increase of 6.9 percent from \$77.8 billion in 2011. Costs for employers insured through private carriers were \$50.7 billion (60.9% of total costs); costs for employers insured through state funds were \$10.5 billion (12.6%); costs for self-insured employers were \$17.5 billion (21.0%); and costs to the federal government were \$4.5 billion (5.4%).²²

In recent years, the share of total workers' compensation costs paid by different sources has remained fairly stable at around 60 percent from privately insured employers, 20 percent from self-insured employers, slightly less than 15 percent from state funds, and 5 percent from the federal government.

Employer costs for workers' compensation in 2012 were \$83.2 billion, an increase of 6.9% from 2011.

Benefits paid relative to employer costs. The ratio of total medical and cash benefits for injured workers relative to total employer costs reflects three factors: 1) the extent to which employers' payments to the workers' compensation system go to injured workers as opposed to administrative costs and insurer profits; 2) the time lag between premiums collected vs.

22 The share of employer costs allocated to special funds, second injury funds, and guarantee funds is less than one-half percent. The costs for special funds are included in the private carrier, self-insured and state fund costs, according to the payee.

Table 13**Workers' Compensation Employer Costs by Type of Insurer, 1992-2012**

Year	Total (millions)	% Change	Private Carriers ^a		State Funds ^a		Self-Insurance ^a		Federal ^b	
			(millions)	% of total	(millions)	% of total	(millions)	% of total	(millions)	% of total
1992	\$57,395	3.9	\$34,539	60.2	\$9,608	16.7	\$10,794	18.8	\$2,454	4.3
1993	60,819	6.0	35,596	58.5	10,902	17.9	11,791	19.4	2,530	4.2
1994	60,517	-0.5	33,997	56.2	11,235	18.6	12,795	21.1	2,490	4.1
1995	57,089	-5.7	31,554	55.3	10,512	18.4	12,467	21.8	2,556	4.5
1996	53,898	-5.6	31,081	57.7	8,480	15.7	11,736	21.8	2,601	4.8
1997	54,365	0.9	30,594	56.3	8,268	15.2	12,145	22.3	3,358	6.2
1998	55,028	1.2	31,446	57.1	8,130	14.8	11,981	21.8	3,471	6.3
1999	56,392	2.5	33,740	59.8	7,577	13.4	11,580	20.5	3,496	6.2
2000	60,681	7.6	36,038	59.4	8,934	14.7	12,089	19.9	3,620	6.0
2001	67,387	11.1	38,110	56.6	11,778	17.5	13,721	20.4	3,778	5.6
2002	74,114	10.0	41,600	56.1	14,794	20.0	13,822	18.6	3,898	5.3
2003	82,294	11.0	45,493	55.3	17,820	21.7	15,011	18.2	3,970	4.8
2004	86,114	4.6	47,601	55.3	19,103	22.2	15,337	17.8	4,073	4.7
2005	89,838	4.3	50,972	56.7	18,225	20.3	16,545	18.4	4,096	4.6
2006	87,493	-2.6	51,648	59.0	15,729	18.0	15,979	18.3	4,138	4.7
2007	86,537	-1.1	52,291	60.4	13,898	16.1	16,112	18.6	4,236	4.9
2008	80,602	-6.9	47,338	58.7	12,244	15.2	16,680	20.7	4,341	5.4
2009	73,921	-8.3	42,965	58.1	10,640	14.4	16,252	22.0	4,065	5.5
2010	72,493	-1.9	42,289	58.3	9,797	13.5	16,178	22.3	4,228	5.8
2011	77,822	7.4	46,205	59.4	9,900	12.7	17,289	22.2	4,427	5.7
2012	83,177	6.9	50,692	60.9	10,510	12.6	17,468	21.0	4,507	5.4

Notes:

- a. The Second Injury and Special Funds costs included this year, uses assessment rates based on premiums and losses to estimate special fund costs. These costs are included in the private carrier, state fund and self-insured costs. These costs are available from 1996 onwards.
- b. Federal costs include costs to the Federal government under the Federal Employees' Compensation Act, and employer costs associated with the Federal Black Lung Disability Trust fund. In years before 1997, Federal costs also include the part of the Black Lung program financed by Federal funds. In 1997–2012 Federal costs include employer costs associated with the Longshore and Harbor Workers' Compensation Act. See Appendix B for more information about federal programs.

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

Table 14**Workers' Compensation Employer Costs Per \$100 of Covered Wages by State
2008–2012**

State	2008	2009	2010	2011	2012	Two-Year Change 2008–2010	Dollar Amount Change 2010–2012	Five-Year Change 2008–2012	Ranking 2008–2012 (largest to smallest increase in dollars)
Alabama	\$1.30	\$1.25	\$1.21	\$1.18	\$1.19	-0.09	-0.02	-\$0.11	25
Alaska	2.90	2.60	2.38	2.45	2.74	-0.52	0.36	-0.16	32
Arizona	0.98	0.87	0.84	0.84	0.89	-0.14	0.06	-0.09	24
Arkansas	0.96	0.88	0.83	0.80	0.80	-0.13	-0.03	-0.16	31
California	1.62	1.60	1.61	1.76	1.85	-0.01	0.24	0.23	3
Colorado	1.19	1.05	0.94	0.87	0.95	-0.25	0.01	-0.24	43
Connecticut	1.08	1.04	0.99	1.10	1.15	-0.09	0.16	0.07	8
Delaware	1.59	1.29	1.17	1.20	1.24	-0.42	0.07	-0.35	46
District of Columbia	0.55	0.57	0.53	0.52	0.48	-0.02	-0.05	-0.08	21
Florida	1.47	1.29	1.21	1.24	1.27	-0.26	0.07	-0.19	38
Georgia	1.32	1.16	1.13	1.13	1.16	-0.19	0.03	-0.16	33
Hawaii	1.65	1.44	1.41	1.45	1.43	-0.24	0.02	-0.22	42
Idaho	1.71	1.59	1.51	1.58	1.63	-0.21	0.12	-0.08	23
Illinois	1.44	1.44	1.37	1.39	1.34	-0.07	-0.03	-0.11	26
Indiana	0.84	0.79	0.77	0.83	0.86	-0.08	0.09	0.01	10
Iowa	1.50	1.47	1.44	1.55	1.64	-0.06	0.20	0.14	5
Kansas	1.30	1.26	1.22	1.25	1.25	-0.08	0.03	-0.04	14
Kentucky	1.53	1.46	1.24	1.29	1.16	-0.29	-0.08	-0.37	48
Louisiana	1.80	1.65	1.57	1.58	1.61	-0.23	0.04	-0.19	37
Maine	1.68	1.57	1.48	1.56	1.48	-0.21	0.00	-0.21	40
Maryland	1.15	0.97	1.04	1.05	1.07	-0.11	0.03	-0.08	22
Massachusetts	0.64	0.69	0.73	0.75	0.76	0.10	0.03	0.12	6
Michigan	1.05	1.16	0.98	1.05	0.99	-0.07	0.00	-0.06	18
Minnesota	1.10	1.09	1.02	1.04	1.07	-0.08	0.05	-0.03	13

Mississippi	1.54	1.44	1.32	1.34	1.36	-0.23	0.04	-0.18	36
Missouri	1.28	1.18	1.08	1.08	1.11	-0.20	0.03	-0.17	35
Montana	3.22	3.06	2.76	2.54	2.49	-0.47	-0.27	-0.73	50
Nebraska	1.49	1.39	1.32	1.34	1.37	-0.17	0.05	-0.13	28
Nevada	1.25	1.11	1.06	1.03	0.98	-0.18	-0.08	-0.27	44
New Hampshire	1.32	1.27	1.25	1.18	1.28	-0.07	0.02	-0.05	15
New Jersey	1.35	1.30	1.25	1.31	1.36	-0.10	0.12	0.01	9
New Mexico	1.40	1.34	1.36	1.36	1.50	-0.04	0.14	0.10	7
New York	1.02	1.12	1.17	1.28	1.41	0.15	0.23	0.38	1
North Carolina	1.39	1.25	1.14	1.19	1.19	-0.24	0.05	-0.19	39
North Dakota	1.44	1.53	1.52	1.48	1.57	0.08	0.06	0.14	4
Ohio	1.37	1.50	1.33	1.17	1.01	-0.04	-0.32	-0.36	47
Oklahoma	1.90	1.95	2.08	2.05	2.22	0.18	0.15	0.33	2
Oregon	1.30	1.17	1.13	1.16	1.16	-0.17	0.03	-0.14	29
Pennsylvania	1.57	1.50	1.47	1.48	1.51	-0.10	0.04	-0.07	19
Rhode Island	1.16	1.07	1.01	1.08	1.10	-0.15	0.08	-0.07	20
South Carolina	2.03	1.82	1.78	1.68	1.82	-0.26	0.04	-0.21	41
South Dakota	1.49	1.29	1.33	1.28	1.35	-0.17	0.02	-0.15	30
Tennessee	1.24	1.09	1.07	1.08	1.13	-0.17	0.06	-0.11	27
Texas	0.92	0.85	0.67	0.71	0.75	-0.24	0.08	-0.17	34
Utah	1.24	1.04	0.86	0.84	0.94	-0.38	0.08	-0.30	45
Vermont	1.89	1.74	1.64	1.68	1.83	-0.25	0.19	-0.06	17
Virginia	0.83	0.77	0.72	0.74	0.77	-0.11	0.05	-0.06	16
Washington*	1.39	1.32	1.34	1.46	1.39	-0.06	0.05	0.00	11
West Virginia	4.18	3.46	2.89	2.00	1.85	-1.29	-1.04	-2.33	51
Wisconsin	1.78	1.77	1.65	1.78	1.77	-0.13	0.12	-0.01	12
Wyoming	2.30	2.12	1.64	1.73	1.85	-0.66	0.21	-0.45	49
Total non-federal	\$1.32	\$1.27	\$1.22	\$1.26	\$1.29	\$-0.11	\$0.07	-\$0.03	

* Note: In Washington state both employers and employees contribute to workers' compensation premiums. The data reported include only the employer portion. Generally states with exclusive state funds operate special funds (or their equivalents) and their experience is included in the benefit and costs entries for those exclusive state funds.

Source: National Academy of Social Insurance estimates.

Table 15

Workers' Compensation Non-federal Employer Costs Per \$100 Covered Wages: NASI vs. Burton (based on BLS data) Estimates, 1996-2012

Year	Costs per \$100 of Wages	
	NASI	Burton (based on BLS data)
1996	\$ 1.58	\$ 2.52
1997	1.47	2.44
1998	1.37	2.17
1999	1.31	2.11
2000	1.31	1.90
2001	1.42	1.87
2002	1.57	1.93
2003	1.72	1.93
2004	1.71	2.26
2005	1.70	2.31
2006	1.55	2.21
2007	1.45	2.15
2008	1.32	2.03
2009	1.27	1.92
2010	1.22	1.87
2011	1.26	1.84
2012	1.29	1.79

Notes: Costs are for non-federal employees. The numbers used above are not published by the Bureau of Labor Statistics (BLS) directly but the BLS data are used by Burton (2013) to estimate employer cost data which are comparable to NASI estimates of employer cost.

Source: National Academy of Social Insurance estimates and Burton 2013.

benefits paid; and to some extent 3) the impact of insurers' returns on investments. (For employers covered by private insurers or state funds, the majority of benefits paid in any given year is for injuries occurring, and paid for, in prior years).²³

Table 16 reports the ratio of benefits paid to employer costs since 1992. Relative to the total wages of covered workers, employer costs nationally increased from \$1.29 to \$1.32 per \$100 of covered wages between 2011 and 2012. The ratio of benefits paid to employer costs was 0.74 in 2012, down from 0.78 in 2011. Over the last two decades the ratio of benefits paid to employer costs has varied between 0.63 (2006) and 0.82 (1999) (Table 16).

Estimates of Employer Costs by State

Table 14 reports estimates of employer costs for workers' compensation per \$100 of covered payroll for each state, for the years from 2008 to 2012. Costs are aggregated across all types of insurance arrangements (excluding federal programs). Between 2008 and 2012, employer costs per \$100 of covered payroll increased in 10 jurisdictions and *decreased* in 41. In the more recent period from 2010 to 2012, however, costs per \$100 of covered payroll *increased* in 42 jurisdictions and decreased in only 9.

Over the five year period from 2008 to 2012, the greatest increases in costs occurred in New York (\$0.38) and Oklahoma (\$0.33). The greatest decreases in costs occurred in West-Virginia (-\$2.33) and Montana (-\$0.73). The dramatic decrease in employer costs in West Virginia coincides with the conversion from an exclusive state fund in 2008 to a private carrier system after 2009.

Readers are cautioned against using the estimates of employer costs by state to make interstate comparisons. A meaningful comparison of employer costs across states requires controls for differences in the proportions of employers in different insurance classifications in each state, which is beyond the scope of this report. Thus, the state estimates of employer

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

Table 16**Workers' Compensation Benefit/Cost Ratios, 1992–2012**

Year	Employer Costs per \$100 Covered Wages	Total Benefits per \$100 Covered Wages	Medical Benefits per \$100 Covered Wages	Cash Benefits per \$100 Covered Wages	Benefits per \$1 Employer Cost
1992	\$ 2.13	\$ 1.65	\$ 0.69	\$ 0.96	\$ 0.78
1993	2.17	1.53	0.66	0.87	0.71
1994	2.05	1.47	0.58	0.89	0.72
1995	1.83	1.35	0.54	0.81	0.74
1996	1.62	1.26	0.50	0.76	0.78
1997	1.51	1.17	0.48	0.68	0.77
1998	1.42	1.13	0.48	0.65	0.80
1999	1.36	1.12	0.48	0.63	0.82
2000	1.35	1.06	0.47	0.60	0.79
2001	1.46	1.10	0.50	0.60	0.75
2002	1.61	1.13	0.52	0.61	0.71
2003	1.74	1.16	0.55	0.61	0.67
2004	1.74	1.13	0.53	0.61	0.65
2005	1.72	1.09	0.51	0.59	0.64
2006	1.58	0.99	0.47	0.52	0.63
2007	1.48	0.96	0.46	0.50	0.65
2008	1.35	0.99	0.49	0.50	0.73
2009	1.30	1.03	0.50	0.53	0.79
2010	1.25	1.00	0.49	0.51	0.81
2011	1.29	1.01	0.51	0.50	0.78
2012	1.32	0.98	0.49	0.49	0.74

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

Source: National Academy of Social Insurance estimates.

costs reported here are *not informative* for making plant location decisions, for determining adequacy of workers' compensation benefits, or for formulating legislative reforms.

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

the workers' compensation market within a state. Cost data for 2012 include a substantial proportion of benefits paid for injuries that occurred in prior years, when legal regimes and economic conditions may have been different. Thus, the data reported here may not fully reflect the *current reality* of the workers' compensation costs in a state.

Comparison of NASI Estimates of Employer Costs to Other Sources

NASI estimates compared to BLS estimates. The Bureau of Labor Statistics (BLS) publishes quarterly estimates of employer costs for workers' compensation (and other employee benefits) in *Employer Costs for Employee Compensation* (U.S.DOL 2013a).²⁴

BLS does not publish an estimate of employer costs relative to payroll. Burton (2013) uses the BLS data to calculate employer costs for workers' compensation per \$100 of payroll, and compares it with NASI's estimates.

Table 15 and Figure 5 compare NASI and Burton (2013) estimates for employer costs for workers' compensation per \$100 of covered payroll for non-federal employees over the period 1996-2012. In 2012, the Burton estimate of employer costs is \$1.79 per \$100 of covered payroll, compared to NASI estimate of \$1.29. Over the 17-year period, Burton's estimates using BLS data have been consistently higher than NASI estimates, although the time trends generally move in the same direction.

Methodological differences between the Burton and NASI studies may well account for the differences in estimates of employer costs. Burton uses BLS data that are based on a representative survey of establishments, while NASI estimates are based on national aggregate data. The BLS estimates are designed to compare, *for its representative sample of establishments*, the average costs of wages, salaries, and benefits, per employee hour worked. Estimates are provided for total compensation and various types of benefits including workers' compensation. This is the unique purpose and value of the BLS study.

The purpose of NASI's study is quite different. NASI seeks to estimate national aggregates of workers' compensation benefits paid to workers and costs borne by employers. Our estimates of \$61.9 billion

in benefits paid to workers and \$83.2 billion in workers' compensation costs borne by employers in 2012 are the only data that answer questions about aggregate benefits and spending. BLS does not use its survey data to estimate aggregate employer costs for the nation.

There are potential limitations in both the Burton and NASI methods of estimating employer costs as a share of payroll. Burton may over-estimate costs because: 1) The sample of employers BLS surveys may not be representative of all U.S. employers, and 2) BLS applies premium rates to 100 percent of covered payrolls in calculating a weighted average of employer costs, but insurers exclude some payroll (e.g. overtime pay) when calculating employer premiums.

NASI may *under-estimate* employer costs per \$100 of covered payroll because its methods may (1) overestimate covered payrolls and (2) under-estimate the administrative costs of workers' compensation for self-insured employers, and employers managing high deductible policies.²⁵ Burton and NASI use very different methods to arrive at estimates of employer costs per \$100 of covered payroll, so we would not expect the two measures to produce identical results.

NASI estimates compared to Oregon Rate Ranking estimates. The Oregon Workers' Compensation Rate Ranking study also produces estimates of employer costs. The study (Oregon Department of Consumer and Business Services 2013), conducted on a biennial basis by the State of Oregon, Department of Consumer & Business Services, is designed to address the question: How would an employer's workers' compensation rate be affected by moving to another state?

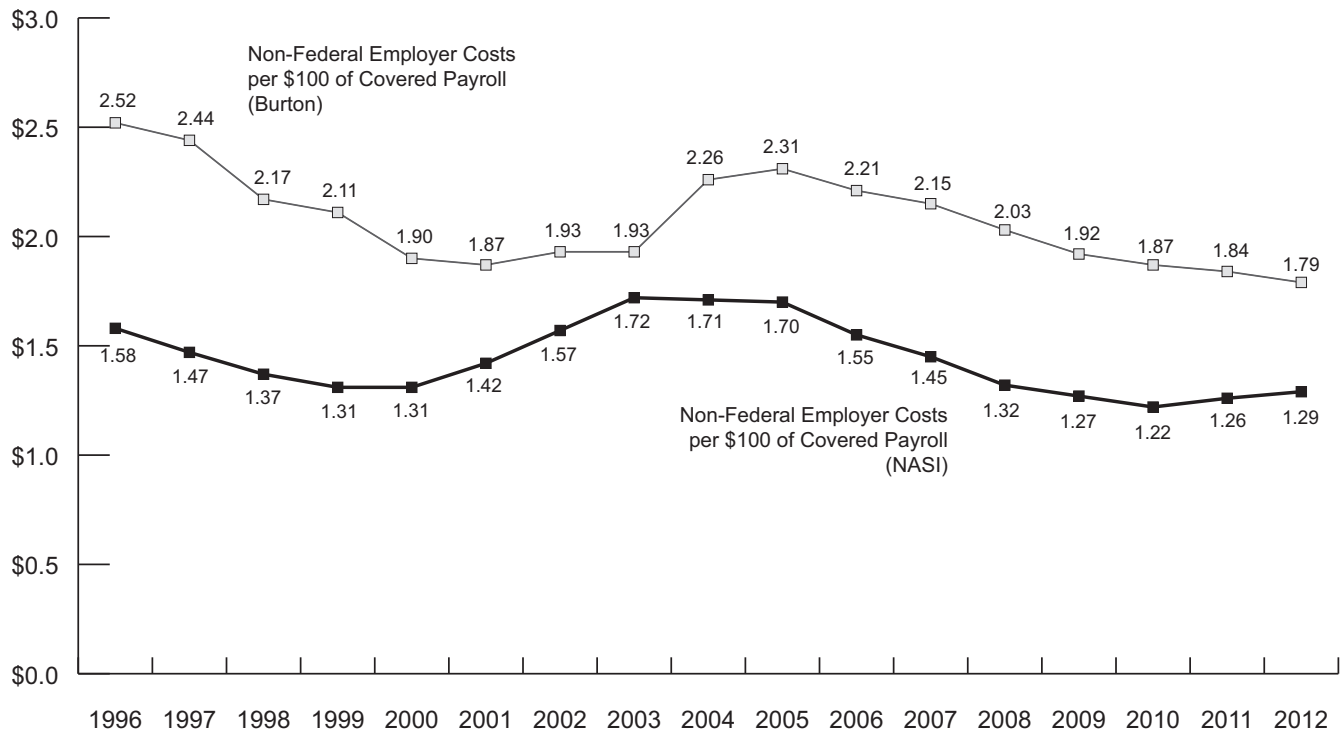
The Oregon estimates are comparisons of workers' compensation premium rates for a standardized set

24 The BLS publication contains information on the amounts employers pay for wages and salaries, and employee benefits, including workers' compensation. The most recent BLS data used for Table 15 are based on a sample of 9,300 establishments in private industry and 1,400 establishments in state and local governments (U.S. DOL 2013a). The BLS data on employer costs in the private sector are available by industry, occupational group, establishment size, bargaining status, and for four census regions and nine census divisions, but are not available for individual states. The BLS methodology and the procedure used to calculate workers' compensation benefits per \$100 of payroll are discussed in Burton (2013).

25 NASI assumes that administrative costs for self-insured employers and employers managing high-deductible policies are the same proportion of total costs as the administrative costs of private insurers. In fact, the administrative costs for employers may be relatively larger as a proportion of benefits paid because insurers benefit from economies of scale.

Figure 5

**Non-federal Workers' Compensation Costs Per \$100 of Payroll 1996-2012
Comparison of NASI and Burton (based on BLS data) Estimates**



Note: The numbers used above are not published by the Bureau of Labor Statistics (BLS) directly but the BLS data are used by Burton (2013) to estimate employer cost data which are comparable to NASI estimates of employer cost.

Source: National Academy of Social Insurance estimates and Burton 2013.

of insurance classifications. The standardization factors out differences in hazard mix (riskiness of industries) across states to provide a measure of interstate differences in costs for employers with comparable risk distributions. The Oregon study bases its estimates on premium rates, which are available at the start of an applicable period, rather than costs, which may not be fully reported until several years after. Some elements that apply only to individual employers, but affect employer costs in aggregate reporting, are not included in the Oregon study.

A more complete accounting of cost data is reflected in NASI data, which also includes estimates of self-insurer costs. Average employer costs derived from NASI data are influenced in part by the different risk

profile presented by each state's economy, as well as variations in self-insurance across states. Unlike NASI data series, the Oregon study reports rates for a constant set of risk classifications across states.

Results of the Oregon study should not be compared to the estimates of employer costs reported here. The Oregon approach is based on premiums employers would currently pay for insurance coverage in different states; NASI data reflect the current costs of workers' compensation for all employers in a state, including those who self-insure. It should not be surprising that the results of these disparate approaches do not agree, because the estimates are designed to measure different concepts for different purposes.²⁶

26 Burton (2013) and Manley (2013) provide more extended discussions of the differences between NASI and Oregon measures of employers' costs.

Incidence of Work Related Injuries and Illnesses

Information on the incidence of work related injuries and illnesses in any given year come from two sources: 1) The Bureau of Labor Statistics (BLS) collects information on work related fatal injuries from the Census of Fatal Occupational Injuries, and information on nonfatal work related injuries or illnesses from a sample survey of employers (Survey of Occupational Injuries and Illnesses). 2) The National Council on Compensation Insurance (NCCI) has information on the number of workers' compensation claims paid by private carriers and competitive state funds in 37 states (NCCI 2013b).

Estimates from BLS Data

Fatalities. According to the BLS, a total of 4,628 fatal work related injuries occurred in 2012, about one percent fewer than the number reported in 2011 (4,693) (Table 17). Among private industry employers, there were 4,175 fatalities, down from 4,188 in 2011. Over the last two decades the annual number of work related fatalities has declined by more than 25 percent.

The leading cause of work related fatalities in 2012 was transportation incidents, accounting for 42 percent of the total. Other leading causes of fatalities were homicides and suicides (16% of the total), contact with objects and equipment (16%), and falls, slips and trips (15%) (U.S. DOL 2013c).

Over the last two decades the annual number of fatal work-related injuries has declined by more than 25 percent, and the annual number of nonfatal work related injuries has declined by more than 55 percent.

Nonfatal Injuries and Illnesses. The BLS reports a total of 3.0 million nonfatal workplace injuries and illnesses in private industry workplaces in 2012, unchanged from 2011 (Table 18) (U.S. DOL,

Table 17
Fatal Occupational Injuries – All and Private Industry, 1992–2012

Year	Number of Fatalities	
	All Industry	Private Industry
1992	6,217	5,497
1993	6,331	5,643
1994	6,632	5,959
1995	6,275	5,495
1996	6,202	5,597
1997	6,238	5,616
1998	6,055	5,457
1999	6,054	5,488
2000	5,920	5,347
2001	8,801	7,545
<i>September 11 events</i>	2,264	
<i>Other</i>	5,915	
2002	5,534	4,978
2003	5,575	5,043
2004	5,764	5,229
2005	5,734	5,214
2006	5,840	5,320
2007	5,657	5,112
2008	5,214	4,670
2009	4,551	4,090
2010	4,690	4,206
2011	4,693	4,188
2012	4,628	4,175

Source: U.S. Department of Labor 2013c.

2013e). A total of 0.9 million work related injuries/illnesses involved more than one day's work absence. The incidence of all reported nonfatal occupational injuries and illnesses declined steadily after

1992, down to 3.4 cases per 100 full-time workers (or 3.4 percent) in 2012. The incidence of work related injuries or illnesses involving lost work time declined about 0.1 percentage points per year from 1992 to 2007. After 2007 it has declined more slowly, down to 1.0 percent in 2012 (Table 18 and Figure 6).

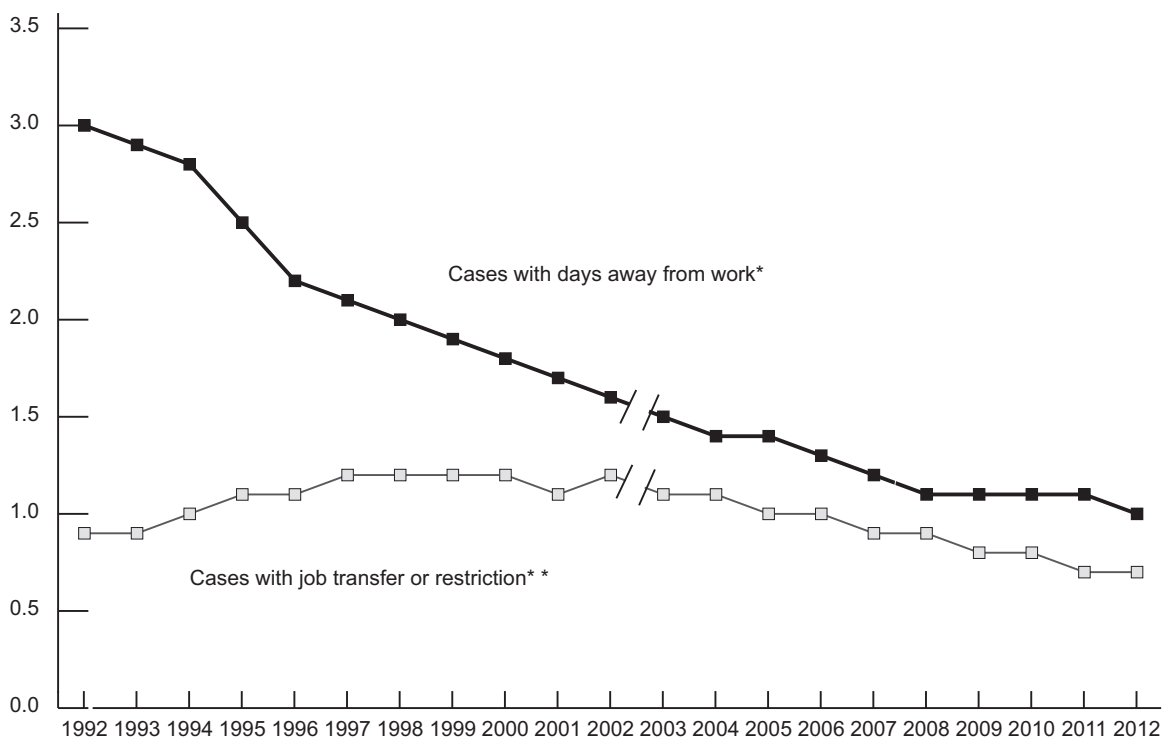
Some of the most common nonfatal workplace injuries and illnesses that resulted in days away from work reported in 2012 were: sprains and strains (37.6% of all cases); soreness or pain, including back pain (14.5%); cuts, lacerations and punctures (9.4%); bruises and contusions (8.2%); and fractures

(7.9%). Together these injuries accounted for nearly 78 percent of all reported nonfatal work related injuries in 2012 (U.S. DOL 2013d).

Injuries Involving Lost Work Time or Work Restrictions
Figure 6 (and Table 18) also show trends in the incidence rates of work related injuries and illnesses among private industry employers, for cases involving work absences or job transfers/restrictions (U.S. DOL 2013e). The data show rates per 100 full-time equivalent employment from 1992 to 2012. (The break in the trend lines in 2002 represents a change in OSHA recordkeeping requirements in that year,

Figure 6

Private Industry Occupational Injuries and Illnesses: Incidence Rates, 1992–2012



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

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

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

Source: U.S. DOL 2013e.

Table 18**Non-Fatal Occupational Injuries and Illnesses Among Private Industry Employers, 1992-2012**

Year	Number of Cases (millions)			Incidence Rate (per 100 full-time workers)		
	All Cases	Cases with Any Days Away from Work	Cases with Job Transfer or Restriction	All Cases	Cases with Any Days Away from Work	Cases with Job Transfer or Restriction
1992	6.8	2.3	0.6	8.9	3.0	0.9
1993	6.7	2.3	0.7	8.5	2.9	0.9
1994	6.8	2.2	0.8	8.4	2.8	1.0
1995	6.6	2.0	0.9	8.1	2.5	1.1
1996	6.2	1.9	1.0	7.4	2.2	1.1
1997	6.1	1.8	1.0	7.1	2.1	1.2
1998	5.9	1.7	1.1	6.7	2.0	1.2
1999	5.7	1.7	1.0	6.3	1.9	1.2
2000	5.7	1.7	1.1	6.1	1.8	1.2
2001	5.2	1.5	1.0	5.7	1.7	1.1
2002	4.7	1.4	1.1	5.3	1.6	1.2
2003	4.4	1.3	1.0	5.0	1.5	1.1
2004	4.3	1.3	1.0	4.8	1.4	1.1
2005	4.2	1.2	1.0	4.6	1.4	1.0
2006	4.1	1.2	0.9	4.4	1.3	1.0
2007	4.0	1.2	0.9	4.2	1.2	0.9
2008	3.7	1.1	0.8	3.9	1.1	0.9
2009	3.3	1.0	0.7	3.6	1.1	0.8
2010	3.1	0.9	0.7	3.5	1.1	0.8
2011	3.0	0.9	0.6	3.5	1.1	0.7
2012	3.0	0.9	0.6	3.4	1.0	0.7

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

Source: U.S. DOL 2013e.

indicating that the data before and after 2002 may not be strictly comparable).

The incidence of injuries or illnesses involving days away from work declined steadily from 1992 (when the rate was 3.0 percent) to 2012 (when the rate was 1.0 percent). The incidence of cases resulting in job

transfers or work restrictions increased from 1992 (0.9%) to 1996 (1.1%), leveled off until 2002 (1.2%), and then decreased slowly through 2012 (0.7%). Some of the changes in the 1990's, when the incidence of injuries involving work absence was decreasing while the incidence of transfers/ work restrictions was increasing, may reflect an increasing

focus on returning injured workers to work, even if they were not yet able to perform all the required functions of their pre-injury jobs.

Estimates from NCCI

NCCI reports the frequency of workers' compensation claims for insured employers and state funds in 37 jurisdictions (Table 19). The data, replicated in Table 19 for years 1992-2009 (the most recent year reported), show declining trends in the incidence of *claims* similar to the declining trends in incidence of work related *injuries* reported by the BLS.

According to NCCI data, the number of workers' compensation *claims from insured employers* declined by 58.2 percent between 1992 and 2009; (compared to the BLS estimate of a 51.5 percent decrease in *injuries for all employers*). The NCCI data indicate the number of temporary total disability *claims from private industry* declined by 60.2 percent (compared to the BLS estimate of a 56.0 percent decline in *injuries involving days away from work for all employers*) (Table 18).

Table 19

**Number of Workers' Compensation Claims Per 100,000 Insured Workers:
Private Carriers in 37 Jurisdictions, 1992-2009**

Policy Period	Temporary Total	Permanent Partial	Total (including medical only)
1992	1,358	694	8,504
1993	1,331	644	8,279
1994	1,300	565	7,875
1995	1,217	459	7,377
1996	1,124	419	6,837
1997	1,070	414	6,725
1998	977	452	6,474
1999	927	461	6,446
2000	870	437	6,003
2001	799	423	5,510
2002	770	422	5,239
2003	725	423	4,901
2004	702	385	4,728
2005	675	377	4,576
2006	651	369	4,386
2007	608	357	4,104
2008	550	323	3,633
2009	541	331	3,555
Percent decline, 1992–2009	-60.2	-52.3	-58.2

Source: NCCI 1996-2013, Exhibit XII, *Annual Statistical Bulletin*.

Some caution is warranted with regard to these data. There is research suggesting that underreporting of occupational injuries and illnesses is common in workers' compensation data (see Azaroff et al. (2002) and Spieler and Burton (2012) for review of these studies). There are many reasons for underreporting and overreporting on the part of workers, employers, and/or medical providers.

Workers may not report injuries because: they do not know an injury is covered by workers' compensation; they believe filing for benefits is too time consuming, difficult or stressful (Strunin and Boden 2004; Fricker 1997); they feel the injury is something to be expected as part of their job (Galizzi et al. 2010); or they fear employer retaliation (Pransky et al. 1999). Employers may not report injuries because: the claim is in dispute; their recordkeeping is faulty; they want to maintain a superior safety record, or they are unaware an injury is covered by workers' compensation. Medical providers may fail to report injuries and illnesses that take time to develop, such as carpal tunnel syndrome, noise induced hearing loss and lung diseases like silicosis, because the worker and provider are unaware of the workplace connection.²⁷

There are also reasons to suspect some over reporting of injuries/illnesses as work related. The 100% coverage of medical costs and indemnity costs under workers' compensation creates incentives for workers to report injuries/ illnesses as work related when the etiology may be uncertain. Workers may also over report injuries in anticipation of job loss or to benefit from higher disability benefits.

In addition to reporting issues, the data on incidence rates for the BLS and workers' compensation data may differ because of different definitions of what constitutes a case. A worker may, for example, receive cash benefits to compensate for lost wages, thus appearing in a workers' compensation database, but not have sufficient days away from work to be classified as a temporary disability case in the OSHA log (Minnesota Department of Labor and Industry 2005).

Addendum

Other Disability Benefit Programs

The primary purpose of this report is to describe trends in workers' compensation benefits, costs, and coverage with respect to two main stakeholder groups: the injured workers who receive benefits and the employers who pay for them. However, workers' compensation benefits can be supplemented by other sources of income for injured workers. This addendum describes the major disability support programs that interact with workers' compensation, namely: temporary sick leave; short and long-term disability benefits; retirement benefits; Social Security Disability Insurance; and Medicare.

Sick leave. Sick leave is a common form of wage replacement for short-term absences from work due to illnesses or injuries not related to work. About 61 percent of all private sector employees had access to some type of paid sick leave in 2012, provided through their employer or a private insurance plan (U.S. DOL 2013b). Sick leave typically pays 100 percent of wages for a number of days depending on the worker's job tenure and hours worked. Sick leave can be used to cover wage losses for the first three to seven days of a workers' compensation disability claim, when these days are not covered by statute.

Paid sick leave is far more common than workers' compensation temporary disability benefits; it is administratively easier for the worker to access and the employer to administer. For employers, the workers' compensation option has reporting requirements and negative impacts on premium rates that are not present in paid sick leave. For workers, the decision to report and pursue a workers' compensation claim carries a minimum three-day wage penalty, and a lower wage replacement rate (67% vs. 100%). All these factors influence worker and employer decisions regarding whether to cover short duration work-related time-losses via sick leave or workers' compensation.

Short-term disability benefits. Five states (California, Hawaii, New Jersey, New York, and Rhode Island) have mandatory state administered insurance that

27 Studies have typically shown much less reporting of these types of conditions as work related than is suggested by their prevalence in medical data (Stanbury et al. 1995; Biddle et al. 1998; Morse et al. 1998; Milton et al. 1998, U.S. DOL 2008).

provide short to medium term disability insurance. Some private employers offer short-term disability insurance to their workers even in states where such insurance is not required. About 40 percent of private sector employees were covered by short-term disability insurance in 2012 (U.S. DOL 2013b). Typically, workers must have a specified amount of past employment or earnings to qualify for benefits and benefits replace about half of the worker's prior earnings. In general, workers receiving workers' compensation benefits are not eligible for these types of short-term disability benefits.

There are also short term disability plans that cover periods that are longer than the sick leave provided as a function of payroll but shorter than required to qualify for long-term disability benefits. There are also state and municipal short-term disability benefit programs for public employees (particularly for police and firefighters) that coordinate with workers' compensation programs or in some cases are an alternative to workers' compensation.

Long-term disability benefits. Long-term disability insurance financed, at least in part, by employers covers about 33 percent of private sector employees. Such coverage is most common among relatively high paying management, professional, and related occupations. About 59 percent of workers in management and professional related occupations were covered by long-term disability plans as of March 2013, compared to 33 percent of workers in sales and office occupations, and 10 percent of workers in service occupations (U.S. DOL 2013b). Long-term disability insurance is also sold in individual policies, typically to high earning professionals. Such individual policies are not included in these coverage statistics.

Long-term disability benefits are usually paid after a waiting period of three to six months, or after short-term disability benefits end. Long-term disability insurance is generally designed to replace 60 percent of earnings, although replacement rates of 50 or 66 percent are also common. Almost all long-term disability insurance is coordinated with Social Security disability insurance and workers' compensation. That is, private long-term disability benefits are reduced dollar for dollar by the amount of social security or workers' compensation benefits received. If Social Security benefits replace 40 percent of a worker's

prior earnings, for example, the long-term disability benefit would pay the balance to achieve a 60 percent wage replacement.

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

Federal Disability Programs. Social Security Disability Insurance (SSDI) and Medicare provide cash and medical benefits respectively to workers who become disabled and unable to work prior to normal retirement age. SSDI benefits are available to workers with disabilities whether or not the disability results from a work related injury, but the eligibility rules for SSDI differ from the rules for workers' compensation.

Workers are eligible for workers' compensation benefits from their first day of employment, while eligibility for SSDI requires workers to have substantial history of contributions to the Social Security system. Workers' compensation provides benefits for both short and long-term disabilities, and for partial as well as total disabilities. Workers' compensation cash benefits begin after a few days' work absence, whereas SSDI benefits begin only after a five month waiting period. SSDI benefits are paid only to workers who have long-term impairments that preclude gainful employment in the labor market for which the worker is suited by virtue of training or experience.

Medicare pays health care costs for persons who receive SSDI, after an additional 24 month waiting period (or 29 months after the onset of disability). Medicare covers all medical conditions, including work related injuries or illnesses. According to the Medicare Secondary Payer Act, however, if a worker has both workers' compensation and Medicare coverage, workers' compensation is the primary payer for illnesses and injuries covered under the workers' compensation law. Medicare is the secondary payer

for medical costs after the primary workers' compensation obligation is met.

In 2012, workers' compensation benefits paid (cash benefits plus medical payments) totaled \$61.8 billion. SSDI paid \$136.9 billion in wage replacement benefits to disabled persons and their dependents and Medicare paid \$83.6 billion for medical care for disabled persons under age 65, for a total of \$220.5 billion. (SSA 2013b; CMS 2013). Thus, aggregate workers' compensation benefits were about 28 percent of the total amount of Federal benefits (SSDI + Medicare) paid to persons with disabilities.

If a worker becomes eligible for both SSDI and workers' compensation cash benefits, one or both programs will reduce benefits to avoid making excessive payments relative to the worker's past earnings. The Social Security amendments of 1965 require that SSDI benefits be reduced²⁸ (or "offset") such that the combined total of workers' compensation and SSDI benefits does not exceed 80 percent of the workers' prior earnings.²⁹ Some states, however, had established reverse offset laws prior to the 1965 legislation, *whereby workers' compensation payments are reduced* if the worker receives SSDI. Legislation in 1981 eliminated the states' option to adopt reverse offset laws, but the 15 states that already had such laws in place received exemptions.³⁰

As of December 2012, about 8.8 million disabled-worker beneficiaries and 2.1 million dependents received SSDI benefits (Table 20). About 1.4 million of these individuals (12.8%) were dual beneficiaries of workers' compensation or other public disability programs in 2012 or previous years. Of these, 121,503 persons (1.1% percent of total beneficiaries) were currently receiving reduced SSDI benefits because of the offset provision.

Benefits Incurred vs. Benefits Paid

The Academy's estimates of workers' compensation benefits in this report reflect amounts paid for work-related injuries and illnesses in a calendar year regardless of when those injuries occurred. This measure of benefits is commonly used in reporting data on social insurance programs, private employee benefits, and other income security programs.

A different measure, accident year incurred losses (or accident year incurred benefits) is the common reporting measure for private workers' compensation insurers and some state funds. Incurred benefits measures the benefits associated with injuries that occur in a particular year, regardless of whether the benefits are paid in that year or future years. The two measures, calendar year *benefits paid* and accident year *benefits incurred*, reveal important, but different, information.³¹

For the purpose of setting insurance premiums, it is vital to estimate the incurred benefits the premiums are required to cover. When an employer purchases workers' compensation insurance for a particular period, the premiums must cover current and future liabilities for all injuries that occur during the period. NCCI and state rating bureaus use accident year (or policy year) incurred benefits in determining their rates.

Benefits incurred are also more appropriate for policy purposes than benefits paid. For example, if a state lowers benefits or tightens compensability rules for new injuries as of a given date, benefits would be expected to decline in the future. Similarly, if a state raises benefits or expands the range of compensable injuries, benefits would be expected to increase in the future. The policy change will show up immediately in estimates of incurred benefits, but will be

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

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

30 States with reverse offset laws are: Alaska, California, Colorado, Florida, Louisiana, Minnesota, Montana, Nevada, New Jersey, New York, North Dakota, Ohio, Oregon, Washington, and Wisconsin. In addition there are reverse offset rules for other types of Public Disability benefits in Hawaii, Illinois, New Jersey and New York (SSA Program Operations Manual System DI 52105-001).

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

Table 20**Dual Eligibles: Social Security Disability Insurance Beneficiaries with Workers' Compensation or Public Disability Benefits, 2012**

Type of case	Total		Workers		Dependents	
	Number	Percent	Number	Percent	Number	Percent
All disability insurance beneficiaries	10,889,193	100.0	8,826,591	100.0	2,062,602	100.0
Total with some connection to WC or PDB	1,393,706	12.8	1,102,742	12.5	290,964	14.1
Current connection to WC or PDB	698,529	6.4	553,027	6.3	145,502	7.1
DI reduced by cap	121,503	1.1	86,723	1.0	34,780	1.7
DI not reduced by cap	391,321	3.6	318,618	3.6	72,703	3.5
Reverse jurisdiction	56,194	0.5	44,820	0.5	11,374	0.6
Pending decision on WC or PDB	129,511	1.2	102,866	1.2	26,645	1.3
DI previously offset of WC or PDB	695,177	6.4	549,715	6.2	145,462	7.1

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

Source: Social Security Administration, Master Beneficiary Record, 100 percent data and Social Security Administration Workers' Compensation and Public Disability Benefit file, 100 percent data, SSA 2012.

observed more slowly in measures of paid benefits because the latter measure is also influenced by payments for injuries occurring in years prior to the policy change.

However, a disadvantage of relying on the measure of incurred benefits is that it takes many years before the losses associated with injuries occurring in a given year are known. NCCI updates accident year incurred benefits for 16 years before the data for a particular year are considered final (or "developed to ultimate"). Estimates of benefits paid are final at the end of a calendar year.

Another disadvantage of using accident year incurred data for reports such as this is that the data on incurred benefits are even more difficult to obtain than data on benefits paid. Information on incurred benefits is not routinely available for self-insured employers and for many state funds or for federal workers' compensation programs. In addition, data on incurred benefits do not include benefits paid by employers under large deductible policies, benefits paid by employers insured under monopolistic state funds, or benefits paid in states with a rating bureau.

Glossary

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

Accident Year: The year in which an injury occurred or the year of onset or manifestation of an illness. **Accident Year Incurred Benefits:** Benefits associated with all injuries and illnesses occurring in the accident year, regardless of the years in which the benefits are paid. (Also known as calendar accident year incurred benefits.)

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

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

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

Coal Mine Health and Safety Act: The Coal Mine Health and Safety Act (Public Law 91173) was enacted in 1969 and provides black lung benefits to coal miners disabled as a result of exposure to coal dust and to their survivors.

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

Compromise and Release Agreement: An agreement to settle a case that usually involves three elements: a compromise between the worker's claim and the employer's offer concerning the amount of

cash and/or medical benefits to be paid; the payment of the compromised amount in a fixed amount (commonly called a "lump sum" but which may or may not be paid to the claimant at once); and the release of the employer from further liability.

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

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

Defense Base Act: The Defense Base Act (DBA-42 U.S.C. §§ 1651-54) is a federal law extending the Longshore and Harbor Workers' Compensation Act (33 U.S.C. §§ 901-50) to persons (1) employed by private employers at United States defense bases overseas, or (2) employed under a public work contract with the United States performed outside the United States, or (3) employed under a contract with the United States performed outside United States under the Foreign Assistance Act, or (4) employed by an American contractor providing welfare or similar services outside the United States for the benefit of the Armed Services.

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

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

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

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

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

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

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

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

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

Jones Act: The Jones Act is Section 27 of the Merchant Marine Act (P.L. 66-261) that extends the provision of the Federal Employers' Liability Act to seamen.

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

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

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

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

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

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

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

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

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

Permanent Partial Disability (PPD): A disability that, although permanent, does not completely limit

a person's ability to work. A statutory benefit award is paid for qualifying injuries.

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

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

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

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

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

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

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

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

Underwriting Expenses: Commissions, brokerage expenses, general expenses, taxes, licenses, and fees. **Underwriting Results:** The underwriting experience of private insurance carriers. (See: Combined Ratio After Dividends and Overall Operating Ratio.)

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

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

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

WC: Workers' compensation. A form of government insurance mandated for most employers that provides statutory benefits for covered work related injuries.

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

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

Appendix A: Coverage Estimates

The National Academy of Social Insurance's estimates of workers' compensation coverage start with the number of workers in each state who are covered by Unemployment Insurance (UI) (U.S. DOL 2013f). Those who are not required to be covered include: some farm and domestic workers who earn less than a threshold amount from one employer; some state and local employees, such as elected officials; employees of some nonprofit entities, such as religious organizations, for whom coverage is optional in some states; unpaid family workers; and railroad employees who are covered under a separate unemployment insurance program. Railroad workers are also not covered by state workers' compensation because they have other arrangements (NASI 2002).

One category of workers who are not covered under either unemployment insurance or workers' compensation is self-employed individuals. All U.S. employers who are required to pay unemployment taxes must report quarterly to their state employment security agencies information about their employees and payroll covered by unemployment insurance. These employer reports are the basis for statistical reports prepared by the U.S. Bureau of Labor Statistics, known as the ES-202 data. These data are a census of the universe of U.S. workers who are covered by unemployment insurance (U.S. DOL 2013f).

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

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

exempts agricultural employers from mandatory workers' compensation coverage.

- (c) In Texas, where workers' compensation coverage is elective for almost all employers, estimates are based on periodic surveys conducted by the Texas Research and Oversight Council. (TDI et al 2013).

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

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

The number of employees in small firms is estimated using data from the U.S. Small Business Administration for each state, which show the proportion of employees in all private firms who worked for firms with fewer than five employees in 2011, the latest year for which data are available. Those percentages for the fifteen states with numerical exemptions are: Alabama, 4.8 percent; Arkansas, 5.0 percent; Florida, 6.4 percent; Georgia, 5.0 percent; Michigan, 4.9 percent; Mississippi, 5.2 percent; Missouri, 4.9 percent; New Mexico, 5.7 percent; North Carolina, 5.0 percent; Oklahoma, 5.7 percent; South Carolina, 5.1 percent; Tennessee, 4.2 percent; Virginia, 4.8 percent; West Virginia, 5.0 percent and Wisconsin, 4.3 percent (U.S. SBA 2013).

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

Of workers in firms with fewer than five employees, 79.9 percent worked in firms with fewer than four employees and 57.4 percent worked in firms with fewer than three employees. These ratios were applied to the percentage of workers in firms with fewer than five employees in the respective states. For example, the proportion of Arkansas private sector workers in firms with fewer than three employees is: (5.0 percent) x (57.4 percent) = 2.9 percent. These ratios are applied to the number of UI covered workers in private, nonfarm firms in each state. In the fifteen states together, we estimate that 1.3 million workers were excluded from workers' compensation coverage in 2012 because of the small employer exclusion from mandatory coverage.

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

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

Texas. In Texas, where workers' compensation coverage is elective for almost all employers, NASI estimate of coverage is based on periodic surveys conducted by the Texas Department of Insurance and the Workers' Compensation Research and Evaluation Group, which found 81 percent of Texas employees were covered in 2012 (TDI et al. 2013). This ratio was applied to all UI covered Texas employees other than federal government workers (who were not included in the Texas surveys).

Table A**Documenting Workers' Compensation Coverage Estimates, 2012 Annual Averages**

State	UI Covered Jobs ^a		Workers' Compensation Exemptions				WC as a % of UI (8)
	Total (1)	Private, non-farm firms (2)	Small Firm ^b (3)	Agriculture (4)	Texas (6)	WC Covered Jobs (7)	
Alabama	1,772,273	1,475,785	70,346	5,022	-	1,696,905	95.7
Alaska	310,961	256,735	-	-	-	310,961	100.0
Arizona	2,373,931	2,057,098	-	-	-	2,373,931	100.0
Arkansas	1,126,651	954,091	27,453	7,232	-	1,091,966	96.9
California	14,674,223	12,515,746	-	-	-	14,674,223	100.0
Colorado	2,211,810	1,924,185	-	11,587	-	2,200,223	99.5
Connecticut	1,610,658	1,398,277	-	-	-	1,610,658	100.0
Delaware	399,492	345,925	-	1,123	-	398,369	99.7
District of Columbia	506,349	473,464	-	-	-	506,349	100.0
Florida	7,206,223	6,257,547	318,122	55,692	-	6,832,409	94.8
Georgia	3,742,785	3,204,076	91,912	14,153	-	3,636,720	97.2
Hawaii	568,816	476,805	-	-	-	568,816	100.0
Idaho	602,293	491,297	-	-	-	602,293	100.0
Illinois	5,550,440	4,906,376	-	13,563	-	5,536,877	99.8
Indiana	2,774,742	2,420,920	-	12,525	-	2,762,217	99.5
Iowa	1,456,480	1,240,072	-	13,656	-	1,442,824	99.1
Kansas	1,294,691	1,237,102	-	9,628	-	1,285,063	99.3
Kentucky	1,721,940	1,460,524	-	4,218	-	1,717,722	99.8
Louisiana	1,837,775	1,543,854	-	4,702	-	1,833,073	99.7
Maine	568,331	486,435	-	2,917	-	565,414	99.5
Maryland	2,367,194	2,031,277	-	4,231	-	2,362,963	99.8
Massachusetts	3,189,866	2,943,936	-	-	-	3,189,866	100.0
Michigan	3,880,711	3,363,579	95,281	21,881	-	3,763,549	97.0
Minnesota	2,614,176	2,265,918	44,287	16,900	-	2,597,276	99.4
Mississippi	1,059,549	859,265	108,729	7,733	-	1,007,529	95.1
Missouri	2,552,246	2,206,051	-	9,009	-	2,434,508	95.4

Montana	416,951	388,616	3,262	-	413,689	99.2
Nebraska	902,666	758,147	10,334	-	892,332	98.9
Nevada	1,113,821	989,082	2,025	-	1,111,796	99.8
New Hampshire	605,005	526,234	-	-	605,005	100.0
New Jersey	3,724,815	3,248,358	-	-	3,724,815	100.0
New Mexico	753,642	610,832	19,876	8,481	725,285	96.2
New York	8,448,172	7,183,195	20,091	-	8,428,081	99.8
North Carolina	3,835,447	3,209,945	92,267	21,552	3,721,628	97.0
North Dakota	402,159	347,885	3,295	-	398,864	99.2
Ohio	4,967,072	4,329,010	-	-	4,967,072	100.0
Oklahoma	1,486,683	1,290,791	73,315	9,226	1,404,142	94.4
Oregon	1,612,498	1,352,287	-	-	1,612,498	100.0
Pennsylvania	5,476,193	4,877,122	18,476	-	5,457,717	99.7
Rhode Island	441,637	393,282	594	-	441,043	99.9
South Carolina	1,776,349	1,483,145	59,863	5,895	1,710,591	96.3
South Dakota	388,981	335,979	3,949	-	385,032	99.0
Tennessee	2,604,320	2,281,903	95,237	5,596	2,503,487	96.1
Texas	10,520,683	8,999,273	44,457	1,998,930	8,477,296	80.6
Utah	1,180,786	1,007,101	4,216	-	1,176,570	99.6
Vermont	292,229	245,103	2,216	-	290,013	99.2
Virginia	3,445,834	2,962,259	82,180	8,617	3,355,037	97.4
Washington	2,822,075	2,328,276	70,584	-	2,751,491	97.5
West Virginia	687,136	574,440	16,545	826	669,765	97.5
Wisconsin	2,664,285	2,305,066	57,194	20,452	2,586,639	97.1
Wyoming	270,835	214,062	-	-	270,835	100.0
U.S. non-federal	128,814,880	111,037,733	1,252,605	479,916	125,083,429	97.1
Federal	2,820,223	-	-	-	2,820,223	100.0
U.S. TOTAL	131,635,103	111,037,733	1,252,605	479,916	127,903,652	97.2

Notes:

a. UI-covered employment reported in the ETA-202 data produced by the United States Bureau of Labor Statistics (U.S. DOL, 2013)

b. Data not available for 2012, used the 2011 data.

Source: National Academy of Social Insurance estimates.

Appendix B: Federal Programs

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

Federal Employees

The Federal Employees' Compensation Act of 1916 (FECA), which superseded previous workers' compensation laws for federal employees, provided the first comprehensive workers' compensation program for federal civilian employees. In 2012, total benefits were \$3,006 million, of which 31 percent were for medical care. The share of benefits for medical care is lower than in most state programs because federal cash benefits, particularly for higher wage workers, replace a larger share of pre-injury wages than is the case in most state programs. Administrative costs of the program were \$158 million in calendar year 2012, or 5.2 percent of total benefits (U.S. DOL 2014). Table B1 reports benefits and administrative costs for federal civilian employees under the Federal Employees' Compensation Act from 2002-2012. These benefits to workers and costs to the federal government as employer are included in national totals in this report, and are classified with federal programs.

Longshore and Harbor Workers

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

the Supreme Court held that the Constitution prohibits states from extending coverage to such individuals. The Longshore and Harbor Workers' Compensation Act (LHWCA) is a federal workers' compensation program for maritime employees injured while working over navigable waters, excluding the master or crew of a vessel. It also covers other workers who fall outside the jurisdiction of state programs, such as employees on overseas military bases, those working overseas for private contractors of the United States, and private employees engaged in offshore drilling enterprises. Private employers cover longshore and harbor workers by purchasing private insurance or self insuring. In fiscal year 2012, about 600 self-insured employers and insurance companies reported a total of 29,287 lost time injuries to the federal Office of Workers' Compensation Programs. Total benefits paid under the Act in 2012 were \$1,364 million, which included \$802 million paid by private insurance carriers, \$431 million paid by self-insured employers, \$122 million paid from the federally administered special fund for second injuries and other purposes, and \$8.7 million for the District of Columbia Workers' Compensation Act (DCCA) Fund. Federal direct administrative costs were \$13.3 million or about 1.0 percent of benefits paid (Table B2).

The Academy's data series on benefits and costs of workers' compensation includes at least part of the benefits paid by private carriers under the LHWCA in the states where the companies operate. The benefits are not identified separately in the information provided by A.M. Best and state agencies. Benefits paid by private employers who self-insure under the Longshore and Harbor Workers' Compensation Act are not reported by states or A.M. Best.

Consequently, these benefits and employer costs are included with federal programs in this report. Table B2 shows benefits reported to the U.S. Department of Labor by insurers and self-insured employers under the Longshore and Harbor Workers' Compensation Act from 2002-2012. Ideally, benefits and employer costs under the LHWCA would be counted in the states where the employee is located, because our estimates of covered employment and covered workers count these workers and wages in the states where they work. We believe that at least

Table B1**Federal Employees' Compensation Act, Benefits and Costs, 2002–2012 (in thousands)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Benefits	\$2,317,325	\$2,367,757	\$2,445,077	\$2,462,059	\$2,454,861	\$2,586,700	\$2,676,370	\$2,763,885	2,889,321	2,994,122	3,006,009
Compensation Benefits	1,651,947	1,698,273	1,749,397	1,791,003	1,767,926	1,833,958	1,878,331	1,900,156	1,976,439	2,077,027	2,081,387
Medical Benefits	665,378	669,484	695,680	671,056	686,935	752,742	798,039	863,729	912,882	917,095	924,622
% Medical	29	28	28	27	28	29	30	31	32	31	31
Direct Administrative Costs	115,226	130,672	131,920	128,536	137,386	143,768	142,532	146,015	156,522	155,027	157,660
Total Costs	2,432,551	2,498,429	2,576,997	2,590,595	2,592,247	2,730,468	2,818,902	2,909,900	3,045,843	3,149,149	3,163,669
Indirect Administrative Costs ^a	4,596	4,806	4,587	5,494	7,619	6,773	7,756	7,739	7,765	8,161	7,721

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

Source: U.S. Department of Labor 2014.

Table B2**Longshore and Harbor Workers' Compensation Act, Benefits, Costs, and Number of DBA^a Death Claims, 2002–2012 (in thousands)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Benefits	\$700,563	\$716,218	\$747,321	\$795,466	\$879,508	\$923,045	\$983,050	\$1,081,266	\$1,134,759	\$1,269,904	\$1,363,544
Insurance Carriers ^a	246,603	262,753	278,887	325,027	367,625	456,773	504,348	551,716	589,387	710,330	801,902
Self-Insurance Employer	310,940	309,843	322,520	325,694	368,744	325,544	340,336	388,088	408,534	425,581	430,853
LHWCA Special Fund	131,684	132,504	135,073	134,230	132,933	130,673	128,372	131,544	127,415	124,664	122,133
DCCA Special Fund	11,336	11,118	10,841	10,515	10,206	10,055	9,994	9,918	9,423	9,328	8,656
DBA ^a benefits	7,582	11,338	30,079	59,797	115,758	170,231	199,837	242,530	311,643	415,274	540,283
Number of DBA Death Claims ^b	7	56	231	284	338	426	289	341	585	405	280
Total Annual Assessments	136,000	135,800	148,500	146,500	135,500	135,000	132,500	136,500	131,500	131,000	132,000
LHWCA	125,000	125,000	137,000	135,000	125,000	125,000	124,000	125,000	124,000	123,000	124,000
DCCA	11,000	10,800	11,500	11,500	10,500	10,000	8,500	11,500	7,500	8,000	8,000
Administrative Expenses	11,945	12,270	12,510	12,568	12,715	12,725	12,667	12,922	13,394	13,461	13,329
General Revenue	9,988	10,297	10,495	10,553	10,691	10,699	10,633	10,855	11,356	11,354	11,229
Trust Fund	1,957	1,973	2,015	2,015	2,024	2,026	2,034	2,067	2,038	2,107	2,100
Indirect Administrative Costs ^c	2,514	2,347	2,396	2,019	2,115	2,437	1,856	2,155	2,766	1,922	1,750

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

b. Number of civilian overseas deaths.

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

Source: U.S. Department of Labor 2014.

part of LHWCA benefits paid through private insurance carriers are included in state data that are reported to us by A.M. Best or the states. At the same time, self-insured employers under the LHWCA are not included in A.M. Best data and are unlikely to be included in state reports; benefits paid from the LHWCA special funds are not included in state data. Thus, for 2002–2012 data, our estimates of total federal benefits include benefits paid by self-insured employers and the special funds under the LHWCA. Unless otherwise specified, we assume that privately insured benefits under the program are included in state reports. Whether and how LHWCA benefits can be reflected in state reports is a subject for analysis.

Total benefits under the Longshore and Harbor Workers' Compensation Act include benefits paid under the Defense Base Act (DBA). Under the DBA, benefits are paid for injuries or deaths of employees (of any nationality) working overseas for companies under contract with the United States government. These benefits are also shown separately in Table B2. Total payments rose from about \$7.6 million in 2002 to \$540 million in 2012. The number of DBA death claims per year rose from single digits prior to 2003, to 585 in 2010. The increase reflects, in large part, claims and deaths of employees of companies working under contract for the U.S. government in the war zones in Iraq and Afghanistan. However, the number of DBA death claims fell since 2011 and was 280 in 2012.

Coal Miners with Black Lung Disease

The Black Lung Benefits Act, enacted in 1969, provides compensation for coal miners with pneumoconiosis, or black lung disease, and their survivors. The program has two parts. Part B is financed by federal general revenues, and was administered by the Social Security Administration until 1997 when administration shifted to the U.S. Department of Labor. Part C is paid through the Black Lung Disability Trust Fund, which is financed by coalmine operators through a federal excise tax on coal that is mined and sold in the United States. In this report, only the Part C benefits that are financed by employers are included in national totals of workers' compensation benefits and employer costs in 2002–2012. Total benefits in 2012 were \$369 million, of which \$161 million was paid under Part B and \$208

million was paid under Part C. Part C benefits include \$31 million for medical care. Medical benefits are a small share of black lung benefits because many of the recipients of benefits are deceased coal miners' dependents, whose medical care is not covered by the program. Federal direct administrative costs were \$37.9 million or about 10.3 percent of benefit payments.

Table B3 shows benefits under the Black Lung Benefit program in 2002 through 2012 for both parts of the program. Its benefits are paid directly by the responsible mine operator or insurer, from the federal Black Lung Disability Trust Fund, or from federal general revenue funds. No data are available on the experience of employers who self-insure under the Black Lung program. Any such benefits and costs are not reflected in Table B3 and are not included in national estimates.

Energy Employees

The Energy Employees Occupational Illness Compensation Program Act (EEOICPA) provides lump sum payments up to \$150,000 to civilian workers (and/or their survivors) who became ill as a result of exposure to radiation, beryllium, or silica in the production or testing of nuclear weapons and other materials. This is Part B of the program, which went into effect in July 2001. It provides smaller lump sum payments to individuals previously found eligible for an award under the Radiation Exposure Compensation Act. Medical benefits are awarded for the treatment of covered conditions. Total benefits in 2012 were \$868 million, of which \$539 million were paid as compensation benefits (U.S. DOL 2014). The EEOICPA originally included a Part D program that required the Department of Energy (DOE) to establish a system for contractor employees and eligible survivors to seek DOE assistance in obtaining state workers' compensation benefits for work related exposure to toxic substances at a DOE facility. In October 2004 Congress abolished Part D, creating a new Part E program to be administered by the Department of Labor. Part E provides benefit payments up to \$250,000 for DOE contractor employees, eligible survivors of such employees, and uranium miners, millers, and ore transporters. Wage loss, medical, and survivor benefits are also provided under certain conditions. Total Part E benefits in 2012 were \$319 million. Benefits under both Part B and Part E are financed by general revenues and are

Table B3**Black Lung Benefits Act, Benefits and Costs, 2002–2012**
(in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Benefits	\$821,678	\$775,098	\$719,065	\$665,844	\$616,039	\$569,300	\$524,645	\$481,172	\$445,488	\$406,514	\$368,661
Part C Compensation	316,585	303,724	289,699	276,413	262,026	248,375	231,261	217,685	204,873	189,363	176,886
Part C Medical Benefits	65,756	59,739	52,992	49,244	41,552	38,545	37,492	31,485	32,492	33,935	30,982
Part B Compensation	439,337	411,635	376,374	340,187	312,461	282,380	255,892	232,002	208,123	183,216	160,793
Total Direct Administrative Costs	36,123	37,393	38,057	37,917	38,453	38,749	38,009	37,502	37,292	36,818	37,899
Part C (DOL)	31,488	31,991	32,157	32,724	33,182	33,374	32,648	32,411	32,363	31,695	32,486
Part B (SSA)	4,635	5,402	5,900	5,193	5,271	5,375	5,361	5,091	4,929	5,123	5,413
Trust Fund Advances											
from U.S. Treasury ^a	465,000	525,000	497,000	446,000	445,000	426,000	426,000	0	60,000	107,749	214,000
Bond Payments ^b	*	*	*	*	*	*	*	341,939	364,757	400,905	431,486
Interest Payments on Past Advances ^c	595,589	620,582	650,579	674,894	694,964	717,214	739,469	0	0	60,160	107,864
Coal Tax Revenues Received											
by the Black Lung Trust Fund	588,000	480,080	577,575	620,420	598,520	650,432	646,800	652,935	588,743	631,002	512,866
Indirect Administrative Costs ^d	23,050	23,459	23,914	24,424	25,242	26,020	25,473	25,528	25,979	26,191	25,767

* information not available

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

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

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

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

Source: U.S. Department of Labor 2014.

not included in our national totals. Table B4 provides information on both Part B and Part E of the EEOICPA, as amended.

Workers Exposed to Radiation

The Radiation Exposure Compensation Act of 1990 provides lump sum compensation payments to individuals who contracted certain cancers and other serious diseases as a result of exposure to radiation released during above ground nuclear weapons tests or during employment in underground uranium mines. The lump sum payments are specified in law and range from \$50,000 to \$100,000. From the beginning of the program through March 2012, 25,283 claims were paid for a total of \$1.7 billion, or roughly \$66,198 a claim (U.S. DOJ 2012). The program is financed with federal general revenues and is not included in national totals in this report.

Table B5 shows cumulative payments under the Radiation Exposure Compensation Act since its enactment in 1990.

Veterans of Military Service

U.S. military personnel are covered by the federal veterans' compensation program of the Department of Veterans Affairs, which provides cash benefits to veterans who sustained total or partial disabilities while on active duty. In the fiscal year 2012, 3.5 million veterans were receiving monthly compensation payments for service connected disabilities. Of these, 47 percent of the veterans had a disability rating of 30 percent or less, while the others had higher rated disabilities. Total monthly payments for the disabled veterans and their dependents were \$3.7 billion in 2012, or about \$44.3 billion on an annual basis

Table B4

Energy Employees Occupational Illness Compensation Program Act, Part B and Part E Benefits and Costs, 2002-2012 (in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Benefits Part B	\$369,173	\$303,981	\$275,727	\$392,503	\$502,636	\$561,824	\$605,338	\$471,639	\$803,456	\$784,278	\$868,248
Compensation Benefits	363,671	288,274	250,123	358,751	460,494	490,089	517,383	337,642	576,364	474,213	538,517
Medical Benefits ^a	5,502	15,707	25,604	33,752	42,142	71,735	87,955	133,997	227,092	310,065	329,731
Direct Administrative Costs ^b	69,020	65,941	94,158	106,818	104,872	107,417	92,075	51,377	53,102	51,228	49,577
Total Benefits Part E ^c	n/a	n/a	n/a	268,635	270,598	409,100	468,982	395,680	383,760	338,045	318,876
Compensation Benefits	n/a	n/a	n/a	268,586	269,558	407,277	465,742	390,077	370,351	319,373	297,404
Medical Benefits ^d	n/a	n/a	n/a	49	1,040	1,823	3,240	5,603	13,409	18,672	21,472
Direct Administrative Costs ^b	n/a	n/a	n/a	39,295	55,088	61,671	59,152	68,146	74,622	74,189	72,259

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

b. Part B costs for 2002-08 include funding for the Department of Health and Human Services/National Institute for Occupational Safety and Health's (DHHS/NIOSH) conduct of dose reconstructions and Special Exposure Cohort determinations. For 2002, these costs were \$32.7 million; 2003, \$26.8 million; 2004, \$51.7 million; 2005, \$50.5 million; 2006, \$58.6 million; 2007, \$55.0 million; and 2008, \$41.5 million. Beginning in 2009, these costs are a direct appropriation to DHHS/NIOSH. Part B costs for 2009-12 include funding for an Ombudsman position. For 2009, these costs were \$0.1 million; 2010, \$0.4 million; 2011, \$0.2 million; and 2012, \$0.3 million. Part E costs for 2005-12 also include funding for an Ombudsman position. For 2005 these costs were \$0.3 million; 2006, \$0.6 million; 2007, \$0.8 million; 2008, \$0.8 million; 2009, \$0.7 million; 2010, \$0.6 million; 2011, \$0.8 million; and 2012, \$0.8 million.

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

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

Source: U.S. Department of Labor 2014.

Table B5**Radiation Exposure Compensation Act, Benefits Paid as of March 29, 2012 (benefits in thousands)**

Claim Type	# Claims	Benefits
Downwinder	16,062	\$803,070
Onsite Participant	1,816	130,836
Uranium Miner	5,649	564,175
Uranium Miller	1,460	146,000
Ore Transporter	296	29,600
TOTAL	25,283	\$1,673,681

Source: U.S. Department of Justice 2012.

(U.S. Department of Veterans Affairs 2013). Veterans' compensation is not included in our national estimates of workers' compensation. Table B6 provides information on the Veterans' Compensation program. This program is somewhat similar to workers' compensation in that it is financed by the employer (the federal government) and compensates for injuries or illness caused on the job (the armed forces). It is different from other workers' compensation programs in many respects.

With cash benefits of about \$44.3 billion in 2012, veterans' compensation is about 128 percent of the size of total cash benefits in other workers' compensation programs, which were \$31.0 billion in 2012. Because it is large and qualitatively different from other programs, veterans' compensation benefits are not included in national totals to measure trends in regular workers' compensation programs.

Railroad Employees and Merchant Seamen

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

This report includes in national totals for workers' compensation those federal programs that are financed by employers and that are not otherwise included in workers' compensation benefits reported by states in 2002 through 2012. The accompanying tables provide detailed information on federally administered programs, including some that are not included in national totals in this report. Data earlier than 2002 can be found in earlier reports.

Table B6**Federal Veterans' Compensation Program, Compensation Paid in Fiscal Year 2012 (benefits in thousands)**

Class of Dependent	Number	Monthly Value (in thousands)
Veteran Recipients - total	3,536,802	\$3,696,561
Veterans less than 30 percent disabled (no dependency benefit)	1,654,109	386,094.18
Veterans 30 percent or more disabled	1,882,693	3,310,467

Source: U.S. Department of Veterans Affairs 2013.

Appendix C: Workers' Compensation under State Laws

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

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

- The waiting period before a worker receives benefits.

- The minimum and maximum benefit payments and length of benefit payments for Temporary Total Disability.
- The weekly payments and benefit limitations for Permanent Total Disability.
- The maximum weekly benefit and benefit limitations for Permanent Partial Disability.
- The maximum weekly benefit and benefit limitations for Death Benefits.

A point to be noted is that most states have provisions to waive the waiting period in certain cases, mostly related to the eventual duration of the disability. The value of lost wages not recompensed by a retroactive period are a significant cost to workers and a cost of workers' compensation borne by one of the key identified stakeholders.

Table C

Workers' Compensation State Laws as of January 2012

State	Waiting Period, Jan 12		Temporary Total Disability, Jan 12			Permanent Total Disability, Jan 12				Permanent Partial Disability, Jan 12		Death Benefits, Jan 12	
	Waiting Period Before a Worker Can Receive Indemnity Benefits	Retro-active period	Minimum Weekly TTD Benefits	Maximum Weekly TTD Benefits	Maximum Length of TTD Benefits (in weeks)	Basis of PTD Calculation	Maximum Weekly PTD Benefits	Maximum Length of PTD Benefits	Limit to Monetary PTD Benefits	Maximum Weekly Disability Benefits	Maximum PPD Benefits for "Unscheduled Injuries"	Maximum Weekly Dependency Benefits	Statutory Limit for Dependency Benefits
Alabama	3 days	21 days	\$208.00	\$755.00	Duration of TTD disability	66 2/3% PIWW	\$755.00	No	No	\$220.00	300	\$755.00	500 weeks
Alaska	3 days	More than 28 days	\$239.00	\$1,085.00	Continue until employee is medically stable or released to work	80% of the workers' spendable after-tax or NWW	Depends upon year of injury. Maximum PTD benefit would be the maximum TTD benefit in the year of injury	If found to no longer be permanently and totally disabled	Up to the maximum TTD weekly rate. Benefits continue until no longer PTD or death	\$950.00	No unscheduled PPD	\$1,085.00	12 years
Arizona	7 days	14 days	n/a	\$623.28 disability	Duration of TTD	66 2/3% AMW	\$625.05	No	No	\$703.14 for scheduled injuries; for unscheduled injuries, N/A	Payable for life unless rearranged by Industrial Commission	\$625.05	None
Arkansas	7 days	14 days	\$20.00	\$584.00	450	66 2/3% PIWW	\$584.00	Benefits are for the length of disability and may be paid for life ⁹	There is a limitation of the weekly amount but not the total amount	\$438.00	450 maximum for all disability ^P	\$584.00	Remarriage of spouse, attainment of age 18 of dependent child or 25 if full-time student; 450-week limit for partial dependents
California	3 days	21 days	\$151.57	\$1,010.50	104 ^a	2/3 of AWW, subject to minimum /maximum rates	\$1,010.50	Lifetime	No	\$230/\$270	not applicable	\$1,010.50	When paid in full or up to age 18, for life to dependent minors
Colorado	3 scheduled days	14 calendar days	none	\$828.03	Duration of TTD disability	66 2/3% PIWW	\$828.03	Benefits are for the length of disability and may be paid for life	None	\$260.59 is set weekly rate for all scheduled injuries; \$828.03 weekly is maximum for calculating unscheduled injuries	400 ^l	\$828.03	18-21 if dependent is in school, remarriage of a spouse, or death of a dependent

Connecticut	3 days	7 days	\$233.60	\$1,168.00	Duration of TTD disability	75% of spendable earnings	\$1,168.00	None	None	\$996.00	520	\$1,168.00	None
Delaware	3 days	7 calendar days	\$207.35	\$622.05	Unlimited	66 2/3% AWW up to the maximum at the date permanent impairment becomes fixed	\$622.05	No	No	\$622.05	300	\$622.05	When spouse remarries or if minor dependents reach 18 years of age or 25 if attending accredited higher learning institution
District of Columbia	3 days	14 days	\$322.00	\$1,288.00	500 weeks for all disability benefits with ability to petition for an additional 167 weeks	66 2/3% PIWW	\$1,288.00	500 weeks for all disability benefits with ability to petition for an additional 167 weeks	The first \$75,000 in benefits for death or PTD shall be paid by the employer/insurer. Amounts over \$75,000 are paid from death and PTD Trust Fund	\$1,288.00	500 week limit for all disability and worker may petition for an additional 167 weeks	\$1,288.00	\$1,288.00
Florida	7 days	22 days	\$20 unless wages are less than \$20, then full wages	\$803.00	104	66 2/3% PIWW	\$803.00	Benefits are payable to age 75. If the injury occurred after age 70, benefits are payable during continuance of PTD not to exceed 5 years following determination of PTD	No	\$803.00	2 weeks for each % of impairment from 1-10%; 3 weeks from 11-15%; 4 weeks from 16-20%; and 6 weeks for each rating over 21%	\$803.00	Maximum payable is \$150,000
Georgia	7 days	21 days	\$50.00	\$500.00	400 weeks unless catastrophic injury	Not applicable	Not applicable	Not applicable	Not applicable	\$500.00	300	\$500.00	\$150,000 for surviving spouse with no dependents
Hawaii	3 days	None	\$187.00	\$747.00	Duration of TTD disability	66 2/3% PIWW	\$747.00	No	No	\$747.00	312	\$747.00	312 weeks
Idaho	5 days	TTD exceeds 2 weeks	\$99.15	\$594.90	None. TTD continues while in the period of recovery.	67% of AWW	\$594.90	No	Weekly rate may change after the first 52 weeks of TTD and each year thereafter on January 1 based on the increase in the ASWW	55% of the AWW at the time of injury	500	60% of current average state wage or \$396.60 weekly -2012	500 weeks for spouse

Table C continued

Workers' Compensation State Laws as of January 2012

State	Waiting Period, Jan 12		Temporary Total Disability, Jan 12			Permanent Total Disability, Jan 12				Permanent Partial Disability, Jan 12		Death Benefits, Jan 12	
	Waiting Period Before a Worker Can Receive Indemnity Benefits	Retroactive period	Minimum Weekly TTD Benefits	Maximum Weekly TTD Benefits	Maximum Length of TTD Benefits (in weeks)	Basis of PTD Calculation	Maximum Weekly PTD Benefits	Maximum Length of PTD Benefits	Limit to Monetary PTD Benefits	Maximum Weekly PPD Disability Benefits	Maximum PPD Benefits for "Unscheduled Injuries" (weeks)	Maximum Weekly Dependency Benefits	Statutory Limit for Dependency Benefits
Illinois	3 days	14 calendar days	\$220.00	\$1,261.41	Duration of TTD disability	66 2/3% AWW	\$1,261.41	No	No	\$695.78	500	\$1,261.41	\$500,000 or 25 years
Indiana	7 days	21 days	\$75.00	\$650.00	500	66 2/3% PIWW	\$650.00	500 weeks	Yes	Not applicable	100% or 500	\$650.00	500 weeks
Iowa	3 days	14 days	none	\$1,457.00	Benefits are for length of disability and maybe paid for life	80% of the worker's spendable after tax or NWW	\$1,457.00	No	No	\$1,340.00	500	\$1,457.00	None
Kansas	7 days	21 days	\$25.00	\$555.00	225 to 415 weeks depending on type of injury-also maybe a limitation of \$130,000 or \$155,000 for all indemnity benefits depending on types of benefit paid.	66 2/3% AWW	\$555.00	Benefits are for the length of disability and may be paid for life or until maximum of \$155,000 is reached.	Yes	\$555.00	415 weeks but the first 15 weeks does not count toward this maximum	\$555.00	\$300,000
Kentucky	7 days	14 calendar days	\$147.24	\$736.19	Duration of disability or until receipt of Social Security old age and survivor benefits	66 2/3% PIWW	\$736.19	No	100% SANWW for injury year	\$552.13	425 weeks if rating is 50% or less; 520 weeks if rating is over 50%	\$368.11 for spouses; 552.13 for spouse and child	Age 18 (22 if in school)
Louisiana	7 days	6 weeks	\$154 or actual wage whichever is less	\$577.00	Duration of TTD disability	66 2/3% PIWW	\$577.00	Benefits are for the length of disability and may be paid for life	None	\$577.00	520	\$577.00	Spouse plus 2 children or 3 children
Maine	7 days	14 calendar days	none	\$634.13	520	80% of the worker's spendable after tax or NWW	\$634.13	Benefits are for the length of disability and may be paid for life	No	\$634.13	520 weeks for the duration of disability if PI rating is greater than a threshold of approximately 13.4%	\$634.13	500 weeks or until age 18 for children

Maryland	3 days	14 days	\$50 or employee's AMW	\$965.00	Duration of TTD disability	66 2/3% PIWW	\$965.00	No	\$45,000 except that benefit shall be paid for the period that the covered employee is permanently totally disabled	\$724.00	None	\$965.00	144 months or on the date of what would have been the 70th birthday of the deceased employee, provided that a minimum of 5 years of death benefits has been paid
Massachusetts	5 days	21 days	\$227.16	\$1,135.82	156	66 2/3% PIWW	\$1,135.82	No	No	\$1,135.82	Not applicable	\$1,000.00	None
Michigan	7 days	14 calendar days	\$205.84	\$742.00	Duration of TTD disability	80% of the worker's spendable after tax or NWW	\$746.00	800 weeks conclusive payment with factual determination thereafter	None	Not applicable	Not applicable	\$746.00	500 weeks
Minnesota	3 days	10 days	\$130 or the worker's actual wage, whichever is less	\$850.00	130	66 2/3% PIWW	\$850.00	No	No	\$850.00	No	\$850.00	Benefit ends after 10 years or 10 years after the last child is no longer dependent, minimum payable is \$60,000
Mississippi	5 days	14 days	\$25.00	\$436.68	450	66 2/3% PIWW	\$436.68	450 weeks or until total compensation paid equals \$196,506	\$196,506.00	\$436.68	450	\$436.68	450 weeks; remarriage for spouse; age 18-23 for child
Missouri	3 days	14 days	\$40.00	\$811.73	400	66 2/3% PIWW	\$811.73	No	None	\$425.19	400	\$811.73	m
Montana	32 hours or 4 days, whichever is less	If disability is 21 days or longer	none	\$649.00	Duration of TTD disability	66 2/3% PIWW	\$649.00	Payable until retirement	None	\$324.50	400	\$649.00	Depends on extent of dependency at time of injury/death
Nebraska	7 days	6 weeks	\$49 or actual wage, if less	\$710.00	Duration of TTD disability	66 2/3% PIWW	\$710.00	Payable for the length of disability and may be for life	None	\$710.00	300	\$710.00	None
Nevada	5 days	5 consecutive days or 5 cumulative days within a 20 day period	no minimum	\$789.74	Duration of TTD disability	66 2/3% pre-injury AMW	\$789.74	No	Per maximum compensation limit and formula	\$789.74	PPD benefits paid for 5 years or to age 70, whichever is later	\$789.74	For a child at 18 or 22 if a full-time student
New Hampshire	3 days	14 days	\$263.40	\$1,317.00	Duration of Total disability	60% PIWW	\$1,317.00	Payable for the length of disability and may be for life	None	\$1,317.00	350 weeks for a whole person award	\$1,317.00	18 or 25 if a full-time student

Table C continued

Workers' Compensation State Laws as of January 2012

State	Waiting Period, Jan 12		Temporary Total Disability, Jan 12			Permanent Total Disability, Jan 12			Permanent Partial Disability, Jan 12		Death Benefits, Jan 12		
	Waiting Period Before a Worker Can Receive Indemnity Benefits	Retroactive period	Minimum Weekly TTD Benefits	Maximum Weekly TTD Benefits	Maximum Length of TTD Benefits (in weeks)	Basis of PTD Calculation	Maximum Weekly PTD Benefits	Maximum Length of PTD Benefits	Limit to Monetary PTD Benefits	Maximum Weekly PPD Disability Benefits	Maximum PPD Benefits for "Unscheduled Injuries" (weeks)	Maximum Weekly Dependency Benefits	Statutory Limit for Dependency Benefits
New Jersey	7 days	7 calendar days	\$216.00	\$810.00	400	70% of actual wage at the time of injury	\$810.00	Payable for the length of disability and may be for life	None	\$810.00	600	\$810.00	\$300,000
New Mexico	7 days	4 weeks	\$36.00	\$733.16	700	66 2/3% PIWW length of disability	\$733.16	Payable for the length of disability and may be for life	None	\$733.16	500 weeks if the rating is less than 80%, 700 weeks if rating is greater	\$733.16	100% of the SAWW for 700 weeks
New York	7 days	More than 14 days	\$100, unless claimant's wages less than \$100, then claimant receives full wages	\$772.96	Duration of TTD disability	66 2/3% PIWW	\$772.96	No. Benefits are payable for the length of disability which is almost always for life of the claimant	The maximum the injured worker can receive is 2/3 of the worker's AWW at the time of the injury up to the weekly maximum benefit in place at the time of injury	\$772.96	Not if date of accident or disability is before March 13, 2007; 525 weeks if date of accident or disability is on or after March 13, 2007	\$772.96	n
North Carolina	7 days	21 days	\$30.00	\$862.00	Benefit limits have been changed to 500 weeks and can be extended by Commission if employee has sustained a total loss of wage earning capacity	66 2/3% PIWW	\$864.00	Benefit limits have been changed to 500 weeks and can be extended by Commission if employee has sustained a total loss of wage earning capacity	Benefit limits have been changed to 500 weeks and can be extended by Commission if employee has sustained a total loss of wage earning capacity	\$862 for scheduled injuries	300	\$862.00	500 weeks ^o
North Dakota	5 days	5 days	\$435.00	\$905.00	104	66 2/3% PIWW	\$905.00	Payable until retirement at which time benefits may switch to ABPT.	No	PPI rate multiplied by the maximum body impairment percentage of 100%. Paid as lump sum	100% impairment based on lump sum payment	\$905.00 or death	\$300,000

Ohio	7 days	14 calendar days	269.67. How-ever if AWW is below mini-mum, the TDD is 100% of the AWW	\$809.00	As long as disability lasts	72% PIWW ^e	\$809.00	No	No	\$269.97	200	\$809.00	None
Oklahoma	3 days	Waiting period is not paid	\$30 or actual wage if less	\$735.00	156	70% PIWW	\$735.00	Payable for the length of disability and may be for life	No	\$323.00	500	\$735.00	When dependency ends
Oregon	3 days	14 days	Not less than \$50 or 90% of the work-er's AWW; whichever is less	\$1,120.55	Not applicable	66 2/3% PIWW	\$842.52	Lifetime plus benefits to surviving spouse and children	Maximum weekly \$842.52	not applicable	\$322,929.15	\$1,123.33	None
Pennsylvania	7 days	14 calendar days	50% of statewide AWW or 90% of worker's AWW, whichever is lower.	\$848.00	Duration of TTD disability subject to conversion to partial benefits at 104 weeks ^b	Not applicable ^d	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	\$858.00	Not applicable
Rhode Island	3 days	None	none	\$972 max as of 9/1/11	Duration of TTD disability	75% of worker's spendable or after tax or NWW	\$972 as of 9/1/11	Payable for the length of disability and may be for life	None	\$180.00	500	\$972, as of 9/1/11	None
South Carolina	7 days	More than 14 days	\$75 if wages are >\$75; otherwise, comp rate is equal to wages	\$704.92	Duration of TTD disability with a maximum of 500 weeks	66 2/3% PIWW	100% of SAWW	500 weeks	500 weeks	Depends on scheduled body part	340	\$689.71	500 weeks
South Dakota	7 days	7 calendar days	\$324.00	\$648.00	Duration of TTD disability	66 2/3% PIWW ^f	\$648.00 for life	For length of disability and can be	None	\$648.00	312	\$648.00	None
Tennessee	7 days	14 days	\$118.35	\$867.90	Duration of TTD for physical injuries; 104 weeks for psychological injuries; 104 weeks after the commencement of pain management	66 2/3% PIWW	\$789.00	Until Social Security eligibility age or 260 weeks where the date of injury is on or after age 60	No	\$789.00	400	\$789.00	None
Texas	7 days	2 weeks	\$118.00	\$787.00	105 ^c	75% AWW	\$787.00	No	No	\$551.00	300	\$787.00	Minimum of 364 weeks

Table C continued

Workers' Compensation State Laws as of January 2012

State	Waiting Period, Jan 12		Temporary Total Disability, Jan 12			Permanent Total Disability, Jan 12				Permanent Partial Disability, Jan 12		Death Benefits, Jan 12	
	Waiting Period Before a Worker Can Receive Indemnity Benefits	Retroactive period	Minimum Weekly TTD Benefits	Maximum Weekly TTD Benefits	Maximum Length of TTD Benefits (in weeks)	Basis of PTD Calculation	Maximum Weekly PTD Benefits	Maximum Length of PTD Benefits	Limit to Monetary PTD Benefits	Maximum Weekly Disability Benefits	Maximum PPD Benefits for "Unscheduled Injuries" (weeks)	Maximum Weekly Dependency Benefits	Statutory Limit for Dependency Benefits
Utah	3 days	14 calendar days	\$45.00	\$747.00	312	66 2/3% PIWW	\$635.00	PTD benefits are awarded for life, but PTD status may be reexamined by submitting employee to reasonable medical evaluations; rehabilitation and retraining efforts; disclosure of Federal Income Tax returns	No	\$498.00	312	\$635.00	312 weeks of combined benefits excluding PTD
Vermont	3 days	10 days	\$374.00	\$1,122.00	Duration of TTD disability; insurer must review after 2 years	66 2/3% PIWW	\$1,122.00	For duration of total disability can be for life	No	\$1,122.00	405 weeks for non-spinal; 550 weeks spinal	\$1,122.00	Varies with dependent
Virginia	7 days	3 weeks	\$226.25	\$905.00	500	66 2/3% PIWW	\$905.00	Can be lifetime	Applicable comp. rate	\$905.00	None	\$905.00	500 weeks
Washington	3 days	14 calendar days	15% of the statewide AMW; 100% of the workers' gross monthly wage; minimum time loss rate effective prior to July 2, 2008	\$1,100.26 for DOI prior to 7/1/11; \$1,123.78 for DOI 7/1/11 - 6/30/12	Duration of TTD disability	Depends on the option chosen by employee	\$1,100.26 for DOI prior to 7/1/11; \$1,123.78 for DOI 7/1/11 - 6/30/12	For length of disability and can be for life	There is a maximum payment for lump sums only, up to \$8,500	\$1100.26 for DOI prior to 7/1/11; \$1123.78 for DOI 7/1/11 - 6/30/12	\$183,900.42	\$1,123.78	18th birthday or 23rd birthday when enrolled in school, or disabled
West Virginia	3 days	7 consecutive days	Federal minimum wage	For FY 2012, it is \$711.38 on a weekly basis	104	66 2/3% PIWW not to exceed 100% of the AMW in West Virginia	\$676.61	Payable until age 70	No	As of FY 2012, it is \$497.97 on a weekly basis	None	As of FY 2012, the maximum weekly benefit is \$711.38	Death or remarriage of widow, majority of children
Wisconsin	3 days	7 non-consecutive days	TTD rate may be set as restricted part-time at 100% of actual earnings.	\$854.00	Duration of TTD disability	66 2/3% PIWW	\$854.00	For length of disability and can be for life	No	\$302.00	\$1,000	\$854.00	\$256,200

Wyoming	3 days	8 days	none	\$815.00	24 months	66 2/3% actual monthly wage unless they earn less than 73% of the SWAMW and then it is 92% of their actual monthly wages	\$543.33	No	No	None	None	Benefits paid monthly	None
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- a There are some limited exceptions where benefits can be paid for 240 weeks.
- b Disability under PA laws means loss of earning power. PA law allows employer/insurer to request "Impairment Rating Examination" after employee has received 104 weeks of full benefit payments. IFIRE shows less than 50% impairment based on AMA Guides then benefits are reclassified as partial disability compensation and are subject to a 500-week cap.
- c An exception to this amount could be made when an extension of MMI based on spinal surgery is approved by the Division.
- d For purposes of this table, "catastrophic injury" means any injury which is one of the following: (1) Spinal cord injury involving severe paralysis of an arm, a leg, or the trunk; (2) Amputation of an arm, a hand, a foot, or a leg involving the effective loss of use of that appendage; (3) Severe brain or closed head injury as evidenced by: (A) Severe sensory or motor disturbance; (B) Severe communication disturbance; (C) Severe complex integrated disturbances of cerebral function; (D) Severe disturbances of consciousness; (E) Severe episodic neurological disorders; or (F) Other conditions at least as severe in nature as any condition provided in subparagraphs (A) through (E) of this paragraph; (4) Second or third degree burns over 25 percent of the body as a whole or third degree burns to 5 percent or more of the face and hands; (5) Total or industrial blindness; (6) Any other injury of a nature and severity that prevents an employee from being able to perform his or her prior work and any work available in substantial numbers within the national economy for which such employee is otherwise qualified, provided, however, that the injury has not already been accepted as a catastrophic injury by the employer and the authorized treating physician has released the employee to return.
- e 72% of the workers' pre-injury weekly wage for the first 12 weeks and then 66.67% thereafter.
- f If the weekly wage is below 50% of the SAWW the calculation is wages, less income tax and social security.
- g TTD ceases during the time period an employee refuses a suitable job offer.
- h All earned income of the injured worker and all employment based retirement income is considered in the calculation of extended benefits.
- i KS has a cap of \$125,000 for Permanent Total and that cap includes any TTD paid.
- j Total TTD and PPD for scheduled and unscheduled cannot be greater than \$75,000 if the impairment rating is less than 25% and \$150,000 if more than 25%.
- k Workers' Compensation benefit provisions apply to injury dates on and after July 1, 2008 to distinguish them from the benefit levels applicable to most of the calendar year payments shown through the report.
- l If total amount of weekly compensation is less than \$7.00 per week.
- m Dependency benefits end at various times depending on level of dependency. Spouse-lifetime or until remarriage. Children-until they meet the age threshold. For cases that fall in the Schoemehl window (Jan 9, 2007 - Jun 26, 2008), surviving dependents can claim benefits from SIF instead of deceased employee.
- n Benefits end for spouse on remarriage or upon death and end for children upon turning 18, or if still in school, 23, if not blind or physically disabled. If blind or physically disabled then the benefits end when the blindness or physical disability ends, after age 18 or 23 as appropriate. If benefits paid to dependent parents or grandparents, they end upon death. For brothers, sisters or grandchildren at age 18, or, if in school, 23.
- o Widow/Widower may receive lifetime payments if he or she is totally disabled at the date of decedent's death and child will receive weekly payments for 400 weeks or until age 18, whichever is longer.
- p Except for PTD which is payable for life.
- q Wage Loss benefits may continue for life, however.
- r ABP benefits are additional benefits payable. ABP are payable for the length of the disability or until death. Benefit is based on the duration of disability prior to retirement.

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

Source: IALABC-WCRI (2012).

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