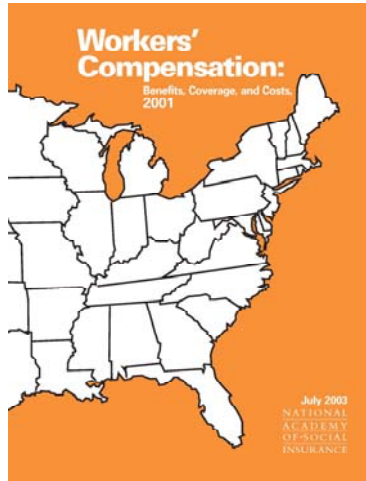


Sources and Methods:
A Companion To:
Workers' Compensation: Benefits, Coverage, and Costs, 2001
July 2003



Introduction

The report, [*Workers' Compensation: Benefits, Coverage, and Costs, 2001*](#), provides estimates of total workers' compensation benefits paid in the United States and in each state. The report reviews trends in workers' compensation costs and benefits and the relationship of workers' compensation to other disability benefit programs. This document, *Sources and Methods*, describes the sources of data and methods used to produce the state-level estimates of workers' compensation benefits in calendar year 2001.

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

State-Level Estimates

The state-level estimates show separately benefits paid through: (a) private insurance carriers, (b) self-insured employers, and (c) a state fund, if there is one. They also show the share of benefits that are for medical care as distinct from cash indemnity benefits. Finally, they show separately the amount of benefits paid under deductible arrangements.

Sources of Data

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

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

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

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Alabama - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$562,773	\$304,347	N/A	\$258,425	58.5%

Private Carrier Payments

Source. The Workers' Compensation Division provided total calendar year benefits paid by private carriers. The amount was \$304,347 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Workers' Compensation Division provided total calendar year benefits paid by self-insured employers. The amount was \$258,425 thousand. No additional calculations were needed.

Medical Benefits

Source. The Workers' Compensation Division provided total medical benefits. They amounted to 58.5 percent of total benefits. No additional calculations were needed.

Deductibles

Source. A.M. Best provided private carrier total benefits paid, excluding benefits reimbursed to insurance companies by employers as part of deductible policies. The amount was \$201,969 thousand. Private carrier total benefits, obtained from the Worker's Compensation Division, which included deductible benefits, were \$304,348 thousand.

Methods. Benefits paid by employers under deductible policies equal the difference, \$102,379 thousand.

Alaska - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$171,248	\$133,209	N/A	\$38,038	55.8%

Private Carrier Payments

Source. The Division of Workers' Compensation provided calendar year benefits paid by private carriers. The amount was \$133,209 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Division of Workers' Compensation provided calendar year benefits paid by self-insurers. The amount was \$38,038 thousand. No additional calculations were needed.

Medical Benefits

Source. The Division of Workers' Compensation provided total medical benefits. They amounted to 55.8 percent of total benefits.

Deductibles

Source. A.M. Best provided private carrier total benefits paid, excluding benefits reimbursed to insurance companies by employers as part of deductible policies. The amount was \$117,297 thousand. Private carrier total benefits, obtained from the Division of Workers' Compensation, which included deductible benefits, were \$133,209 thousand.

Methods. Benefits paid by employers under deductible policies equal the difference, \$15,912 thousand.

Arizona - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$392,861	\$171,438	\$141,660	\$79,762	61.4%

Private Carrier Payments

Source. The Industrial Commission provided calendar year benefits excluding second injury fund. The amount was \$165,861 thousand. This agency also provided total fiscal year second injury fund benefits for FY 01-02 and FY 00-01. The amounts were \$14,447 thousand and \$11,114 thousand respectively.

Methods.

- The two fiscal year second injury fund benefit amounts were averaged to obtain an estimate of calendar year benefits paid, $14,447 + 11,114/2 = \$12,780$.
- The amount of private carrier benefits from a second injury fund were determined by multiplying the total second injury fund benefits by the ratio of private carrier benefits excluding second injury fund benefits to total benefits excluding second injury fund benefits, $12,780 * (165,861/380,080) = \$5,577$ thousand.
- These figures were added to obtain the total private carrier benefits.

State Fund Payments

Source. The Industrial Commission provided calendar year benefits excluding second injury fund benefits. The amount was \$137,052 thousand. This agency also provided total fiscal year second injury fund benefits for FY 01-02 and FY 00-01. The amounts were \$14,447 thousand and \$11,114 thousand respectively.

Methods.

- The two fiscal year second injury fund benefit amounts were averaged to obtain an estimate of calendar year benefits paid, $14,447 + 11,114/2 = \$12,780$.
- The amount of state fund benefits from a second injury fund were determined by multiplying the total second injury fund benefits by the ratio of state fund benefits excluding second injury fund benefits to total benefits excluding second injury fund benefits, $12,780 * (137,052/380,080) = \$4,608$ thousand.
- These figures were added to obtain the total state fund benefits.

Self-Insurance Payments

Source. The Industrial Commission provided calendar year benefits excluding second injury fund benefits. The amount was \$77,167 thousand. This agency also provided total

fiscal year second injury fund benefits for FY 01-02 and FY 00-01. The amounts were \$14,447 thousand and \$11,114 thousand respectively.

Methods.

- The two fiscal year second injury fund benefit amounts were averaged to obtain an estimate of calendar year benefits paid, $14,447 + 11,114/2 = \$12,780$.
- The amount of self-insurance benefits from a second injury fund were determined by multiplying the total second injury fund benefits by the ratio of self-insurance benefits excluding second injury fund benefits to total benefits excluding second injury fund benefits, $12,780 * (77,167/380,080) = \$2,595$ thousand.
- These figures were added to obtain the total self-insurance benefits.

Medical Benefits

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

Methods. The procedure used is described in Appendix F.

Deductibles

Source. A.M. Best provided private carrier and state fund total benefits paid, excluding benefits reimbursed to insurance companies by employers as part of deductible policies. The amounts were \$161,229 thousand and \$116,102 thousand, respectively. Private carrier and state fund total benefits, obtained from the Worker's Compensation Division, which included deductible benefits, were \$165,861 thousand and \$137,052 thousand, respectively.

Methods. Benefits paid by employers under deductible policies equal the difference, \$4,632 thousand for private carriers and \$20,950 thousand for the state fund.

Arkansas - 2001

Workers' Compensation Benefits Paid – 2001(thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$201,136	\$138,650	N/A	\$62,485	61.2%

Private Carriers Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$110,693 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best, to obtain the total of \$138,650 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Benefits

Source. The Workers' Compensation Commission provided fiscal year benefits paid by private carriers for compensable cases in FY 01 and FY 02. The amounts were \$96,266 thousand and \$102,088 thousand, respectively. These amounts were averaged to estimate calendar year benefits paid for compensable cases. The amount was \$99,177 thousand. The Workers' Compensation Commission also provided fiscal year benefits paid by self-insurers for compensable cases in FY 01 and FY 02. The amounts were \$41,713 thousand and \$47,678 thousand, respectively. These amounts were averaged to estimate calendar year benefits paid for compensable cases. The amount was \$44,696 thousand. Using these data the ratio of private carrier benefits paid to self-insurer benefits paid was estimated. The amount was .451. The ratio of total calendar year benefits paid by self-insurers was assumed to be the same.

Methods. Total private carrier benefits paid were multiplied by this ratio. Therefore, \$138,650*.451 = \$62,485 thousand.

Medical Benefits

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

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

Deductibles

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

Method. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 25.26 percent. Deductible benefits were thus calculated to be .2526 (110,693 thousand) = \$27,957 thousand for employers using private carriers.

California - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$9,604,446	\$5,309,044	\$1,471,260	\$2,824,142	46.5%

Private Carrier Payments

Source. The Workers' Compensation Insurance Rating Bureau provided total calendar year benefits paid by private carriers and the state fund, including benefits paid under deductible policies. The amount was \$6,780,304 thousand. A.M. Best provided total calendar year benefits paid by the state fund. The amount was \$1,471,260.

Methods. Private carrier benefits were determined by subtracting total calendar year benefits paid by the state fund as provided by A.M. Best from total calendar year benefits paid by private carriers. The amount was, $6,780,304 - 1,471,260 = \$5,309,044$ thousand.

State Fund Payments

Source. A.M. Best provided total calendar year benefits paid by the state fund, including benefits paid under deductible policies. The amount was \$1,471,260. No additional calculations were needed.

Self-Insurance Payments

Source. The Office of Self-Insurance Plans provided total calendar year benefits paid by private and public self-insured employers. The amounts were \$1,509,369 and \$1,314,773 respectively.

Methods. These figures were added to obtain the total of \$2,824,142 thousand in self-insurance benefits.

Medical Benefits

Source. The Workers' Compensation Insurance Rating Bureau provided total medical benefits for private carriers and the state fund and the Office of Self-Insurance Plans provided total medical benefits paid by self-insurers. They amounted to \$3,211,057 thousand and \$1,256,709 thousand, respectively.

Methods. These figures were added together to obtain total medical benefits of \$4,467,766 thousand. This number equals 46.5 percent of total benefits.

Deductibles

Source. A.M. Best provided private carrier and state fund total benefits paid, excluding benefits reimbursed to insurance companies by employers as part of deductible policies. The amounts were \$3,982,985 thousand and \$1,471,260 thousand, respectively. The California State Fund did not write deductible policies in 2001. Private carrier and state fund total benefits, obtained from the Worker's Compensation Insurance Rating Bureau, which included deductible benefits for private carriers, were \$6,780,304 thousand.

Methods. Benefits paid by employers under deductible policies through private carriers were calculated by subtracting state fund and private carrier benefits as provided by A.M. Best from total benefits as provided by the Workers' Compensation Insurance Rating Bureau. The amount was $6,780,304 - (3,982,985 + 1,471,260) = \$1,326,059$ thousand in benefits paid under deductible policies by employers insuring through private carriers.

Colorado - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$581,266	\$303,608	\$116,312	\$161,346	44.9%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits excluding benefits reimbursed by the employer as part of a deductible policy. The amount was \$242,389 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$303,608 thousand (see below for estimate of deductible benefits).

State Fund

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed by the employer as part of a deductible policy. The amount was \$92,859 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$116,312 thousand (see below for estimate of deductible benefits).

Self-Insurance Payments

Source. The Division of Workers' Compensation provided calendar year benefits paid by self-insurers. The amount was \$161,346 thousand. No additional calculations were needed.

Medical Benefits

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

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

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (242,389) = \$61,219$ thousand for private carriers. For state funds the total was $.2526 (92,859) = \$23,453$ thousand.

Connecticut - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$661,471	\$473,669	N/A	\$187,803	41.8%

Private Carrier Payments

Source. The Workers' Compensation Commission provided calendar year benefits paid by private carriers. The amount was \$443,623 thousand. Second injury fund benefits were also provided by this agency. The amount was \$41,958 thousand.

Method. The amount of private carrier benefits from the second injury fund was determined by multiplying the total second injury fund benefits by the ratio of private carrier benefits excluding second injury fund benefits to total benefits excluding second injury fund benefits, $41,958 * (443,623/619,514) = \$30,046$ thousand. This amount was added to private carrier benefits as provided by the Workers' Compensation Commission to obtain the total of \$473,669 thousand.

Self-Insurance Payments

Source. The Workers' Compensation Commission provided total calendar year benefits for private self-insurers (\$112,732 thousand) and the state (\$63,158 thousand). Second injury fund benefits were also provided by this agency. The amount was \$41,958 thousand.

Method. The amount of self-insurance benefits from the second injury fund was determined by multiplying the total second injury fund benefits by the ratio of self-insurance benefits excluding second injury fund benefits to total benefits excluding second injury fund benefits, $41,958 * [(112,732+63,158)/619,514] = \$11,913$ thousand. This amount was added to self-insurance benefits as provided by the Workers' Compensation Commission to obtain the total of \$187,803 thousand.

Medical Benefits

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

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

Deductibles

Source. Deductible benefits were included in private carrier benefits provided by the Workers' Compensation Commission. The total was \$443,624 thousand. Private carrier

benefits provided by A.M. Best did not include deductible benefits. This amount was \$330,935 thousand.

Methods. Figures for private carrier totals from A.M. Best were subtracted from agency figures to obtain an estimate of benefits paid under deductible provisions by private carriers. Thus, deductible benefits were calculated to be $443,624 - 330,935 = \$112,689$ thousand.

Delaware - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$144,588	\$97,935	N/A	\$46,654	46.7%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$74,507 thousand. The Delaware Department of Labor provided calendar year benefits paid under the Workers' Compensation Fund. The amount was \$4,610 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best and the total amount of Workers' Compensation Fund benefits to obtain the total of \$97,935 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

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

Methods. The ratio was applied to total private carrier benefits to obtain total self-insurance benefits. Therefore, $97,935 * .4764 = \$46,654$ thousand.

Medical Benefits

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

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

Deductibles

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

Methods. The weighted average of deductible benefits was calculated using states where information on deductible benefits was available. That average was 25.26 percent. Deductible benefits were thus considered to be $.2526 (74,507 \text{ thousand}) = \$18,818$ thousand for employers using private carriers.

District of Columbia - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$92,463	\$75,842	N/A	\$16,622	35.8%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$60,549 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$75,842 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. The Office of Workers' Compensation provided total benefits paid by private carriers and self-insurers, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$77,171 thousand.

Methods. Private carrier benefits as provided by A.M. Best, excluding benefits paid under deductible policies, were subtracted from the total of private carrier and self-insurance benefits as provided by the Office of Workers' Compensation to obtain total self-insurance benefits. Therefore, $77,171 - 60,549 = \$16,622$ thousand.

Medical Benefits

Source. The Office of Workers' Compensation provided the amount of total medical benefits. They amounted to 35.8 percent.

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

Deductibles

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

Methods. The weighted average of deductible benefits was calculated using states where information on deductible benefits was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (60,549 \text{ thousand}) = \$15,293$ thousand for employers using private carriers.

Florida - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$2,639,132	\$1,887,602	N/A	\$751,530	56.7%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$1,506,988 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$1,887,602 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. The Division of Workers' Compensation provided total self-insurance benefits paid, \$601,327 thousand, and total private carrier benefits, \$1,510,34 thousand. These figures were used to determine the ratio of self-insurance to private carrier benefits. The amount was 39.81 percent.

Methods. This ratio was applied to total private carrier benefits to obtain the total of, $1,887,602 * .3981 = \$751,530$ thousand.

Medical Benefits

Source. No information was available from the state.

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

Deductibles

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

Methods. The weighted average of deductible benefits was calculated using states where information on deductible benefits was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (1,506,988 \text{ thousand}) = \$380,614$ thousand for employers using private carriers.

Georgia - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$1,067,327	\$753,118	N/A	\$314,209	48.3%

Private Carrier Payments

Source. The State of Georgia Subsequent Injury Trust Fund provided calendar year benefits paid by private carriers. The amount was \$753,118 thousand. No additional calculations were needed.

Self-Insurance

Source. The State of Georgia Subsequent Injury Trust Fund provided calendar year benefits paid by self-insurers. The amount was \$314,209 thousand. No additional calculations were needed.

Medical Benefits

Source. No information was available from the state.

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

Deductibles

Source. A.M. Best provided private carrier total benefits paid, excluding benefits reimbursed to insurance companies by employers as part of deductible policies. The amount was \$509,790 thousand. Private carrier total benefits, obtained from the State of Georgia Subsequent Injury Trust Fund, which included deductible benefits, were \$753,118 thousand.

Methods. Benefits paid by employers under deductible policies equal the difference, \$243,328 thousand.

Hawaii - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$252,041	\$164,739	\$12,688	\$74,614	41.0%

Private Carrier Payments

Source. The Department of Labor and Industrial Relations (DOLIR) provided total calendar year benefits paid by private carriers and the state fund, including benefits paid under deductible policies. The amount was \$167,272 thousand. The DOLIR also provided medical and indemnity benefits paid by private carriers and the state fund. The amounts were, \$73,886 thousand and \$93,386 thousand, respectively. The DOLIR provided benefits paid by the Special Compensation Fund, \$14,616 thousand (\$397 thousand medical and \$14,219 thousand indemnity) and Self-Insureds, \$70,154 thousand (\$29,021 thousand medical and \$41,133 thousand indemnity). The Hawaii Employers Mutual Insurance Company provided calendar year benefits paid by the state fund, excluding benefits paid under deductible policies. The amount was \$8,517 thousand.

Method. The amounts of state fund benefits and state fund deductible benefits were subtracted from the total of private carrier and state fund benefits to obtain private carrier benefits excluding Special Compensation Fund (SPF) benefits paid by private carriers (see note below for deductible estimation methodology). The amount was \$167,272 - \$8,517 - \$3,655 = \$155,101 thousand. The total was multiplied by the reported medical benefit ratio for private carriers to obtain an estimate of pre-SPF private carrier medical and indemnity benefits. The amounts were \$68,510 thousand for medical and \$86,591 thousand for indemnity.

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

- Medical SPF benefits were multiplied by the ratio of private carrier medical benefits to total medical benefits (excluding the SPF): $397 * 68,510 / (73,886 + 29,021) = \270 thousand;
- This amount was then added to private carrier medical benefits to obtain \$68,780 thousand;
- Indemnity SPF benefits were multiplied by the ratio of private carrier indemnity benefits to total indemnity benefits (excluding the SPF): $14,216 * 86,591 / (93,386 + 41,133) = \$9,368$ thousand;
- This amount was then added to private carrier indemnity benefits to obtain \$95,959 thousand;
- Private Carrier medical and indemnity benefits were then added to obtain total private carrier benefits. The amount was $\$68,780 + \$95,959 = \$164,739$ thousand.

State Fund Payments

Source. The Hawaii Employers Mutual Insurance Company provided total benefits paid, excluding benefits paid under deductible policies. The amount was \$8,517 thousand. The Department of Labor and Industrial Relations (DOLIR) provided total calendar year benefits paid by private carriers and the state fund, including benefits paid under deductible policies. The amount was \$167,272 thousand. The DOLIR also provided medical and indemnity benefits paid by private carriers and the state fund. The amounts were, \$73,886 thousand and \$93,386 thousand, respectively. The DOLIR provided benefits paid by the Special Compensation Fund, \$14,616 thousand (\$397 thousand medical and \$14,219 thousand indemnity) and Self-Insureds, \$70,154 thousand (\$29,021 thousand medical and \$41,133 thousand indemnity).

Method. Medical benefits paid by the state fund (prior to SPF allocation) were determined by using the private carrier medical percentage as reported by the DOLIR. The resulting amounts were $.442 * 8,517 = \$3,762$ thousand in medical benefits and $(1 - .442) * 8,517 = \$4,755$ thousand in indemnity benefits.

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

- Medical SPF benefits were multiplied by the ratio of state fund medical benefits to total medical benefits (excluding the SPF): $397 * 3,762 / (73,886 + 29,021) = \15 thousand;
- This amount was then added to state medical benefits to obtain \$3,992 thousand;
- Indemnity SPF benefits were multiplied by the ratio of state fund indemnity benefits to total indemnity benefits (excluding the SPF): $14,219 * 4,755 / (93,386 + 41,133) = \503 thousand;
- This amount was then added to state fund indemnity benefits to obtain \$5,257 thousand;
- Benefits paid under deductible policies were then added to these amounts and the totals were added together to obtain total state fund benefits of $\$5,391 + \$7,298 = \$12,688$ thousand. For an explanation of the deductible estimation procedure please see below.

Self-Insurance Payments

Source. The Department of Labor and Industrial Relations (DOLIR) provided total calendar year benefits paid by self-insurers. The amount was \$70,154 thousand (\$29,021 thousand medical and \$41,133 thousand indemnity). DOLIR also provided total calendar year benefits paid by private carriers and the state fund, including benefits paid under deductible policies. The amount was \$167,272 thousand. DOLIR provided medical and indemnity benefits paid by private carriers and the state fund. The amounts were, \$73,886 thousand and \$93,386 thousand, respectively. DOLIR also provided benefits

paid by the Special Compensation Fund, \$14,616 thousand (\$397 thousand medical and \$14,219 thousand indemnity).

Method.

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

- Medical SPF benefits were multiplied by the ratio of self-insurer medical benefits to total medical benefits (excluding the SPF): $397 * 29,021 / (73,886 + 29,021) = \112 thousand;
- This amount was then added to self-insurer medical benefits to obtain \$29,133 thousand;
- Indemnity SPF benefits were multiplied by the ratio of self-insurer indemnity benefits to total indemnity benefits (excluding the SPF): $14,219 * 41,133 / (93,386 + 41,133) = \$4,348$ thousand;
- This amount was then added to self-insurer indemnity benefits to obtain \$45,481 thousand;
- Self-insurer medical and indemnity benefits were then added to obtain total self-insurer benefits. The amount was $\$29,133 + \$45,481 = \$74,614$ thousand.

Medical Benefits

Source. The Department of Labor and Industrial Relations provided total medical benefits. The figure was 41.0% of total benefits. No additional calculations were needed.

Deductibles

Source. Deductible benefits were included in total private carrier and state fund benefits provided by the Department of Labor and Industry. The total was \$167,272 thousand. Total private carrier and state fund benefits provided by A.M. Best did not include deductible benefits. This amount was \$117,046 thousand. Deductible benefits were not included in the state fund total reported by the Hawaii Employers Mutual Insurance Company. That amount (net of deductible) was \$8,517 thousand.

Methods. The figure for total private carrier and state fund benefits from A.M. Best was subtracted from the agency figure to obtain an estimate of benefits paid under deductible provisions by private carriers and the state fund. Total deductible benefits were calculated to be $167,272 - 117,046 = \$50,226$ thousand. To obtain an estimate of deductible benefits paid by the state fund and private carriers the following procedure was used:

- The total state fund benefit amount was subtracted from private carrier benefit amount as reported by A.M. Best to obtain total net private carrier benefits, $\$117,046 - \$8,517 = \$108,529$ thousand.

- The total deductible amount as estimated above was multiplied by the ratio of state fund benefits to total private carrier and state fund benefits as reported by A.M. Best to obtain total state fund deductibles, $\$50,226 * (8,517/117,046) = \$3,655$ thousand.
- State fund deductibles were subtracted from private carrier deductibles to obtain total deductibles, $\$50,226 - \$3,655 = \$46,571$ thousand.

Idaho - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$197,151	\$90,255	\$96,256	\$10,640	56.2%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits paid by private carriers, excluding benefits reimbursed to the insurance company by the employer a part of a deductible policy. The amount was \$72,056 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$90,255 thousand (see below for estimate of deductible benefits).

State Fund Payments

Source. A.M. Best provided calendar year benefits paid by the state fund, excluding benefits reimbursed to the insurance company by the employer a part of a deductible policy. The amount was \$76,847 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$96,256 thousand (see below for estimate of deductible benefits).

Self-Insurance Payments

Source. The Industrial Commission provided the ratio of self-insurance benefits to private carrier and state fund benefits. The ratio was 5.71 percent.

Methods. This ratio was applied to the total of private carrier and state fund benefits to obtain total self-insurance benefits, $(90,255+96,256) \cdot .0571 = \$10,640$ thousand.

Medical Benefits

Source. No information was available from the state.

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

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (72,056) = \$18,199$ thousand for employers using private carriers and $.2526 (76,847) = \$19,409$ thousand for employers using state funds.

Illinois - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$2,115,569	\$1,617,229	N/A	\$498,340	44.9%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$1,291,133 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best, to obtain the total of \$1,617,229 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. No information was available.

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

Medical Benefits

Source. No information was available.

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

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (1,291,133) = \$326,096$ thousand for employers using private carriers.

Indiana - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$528,005	\$446,371	N/A	\$81,634	65.1%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits excluding second injury fund benefits and benefits reimbursed by the employer as part of a deductible policy. The amount was \$354,252 thousand. The Workers' Compensation Board of Indiana provided total benefits paid by the second injury fund. The amount was \$2,647 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to these figures to obtain the total private carrier benefits. The amount was \$446,371 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

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

Methods. This ratio was applied to the total of private carrier benefits to obtain total self-insurance benefits, $(446,371) * .1829 = \$81,634$ thousand.

Medical Benefits

Source. No information was available.

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

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (354,252) = \$89,472$ thousand for employers using private carriers.

Iowa - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$395,981	\$324,016	N/A	\$71,965	46.2%

Private Carrier Payments

Source. The Insurance Division provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as a part of a deductible policy. The amount was \$257,947 thousand. They also provided calendar year benefits paid by second injury funds. The amount was \$1,177 thousand.

Methods.

- Total benefits paid as part of the second injury fund were multiplied by the ratio of private carrier benefits to private carrier and self-insurance benefits as provided by the Insurance Division. That ratio was $257,947 / (257,947 + 71,709)$ or 78.25 percent. This provided the private carrier benefits paid as part of the second injury fund, $.7825 * 1,177 = \$921$ thousand.
- The estimated amount of benefits paid by employers under deductible policies and the estimated amount of benefits paid as part of the second injury fund (\$921 thousand) were added to the figure from the Insurance Division to obtain the total of \$324,016 thousand (see below for estimate of deductible benefits).

Self-Insurance Payments

Source. The Insurance Division provided calendar year benefits paid by self-insurers. The amount was \$71,709 thousand. They also provided calendar year benefits paid by second injury funds. The amount was \$1,177 thousand.

Methods.

- Total benefits paid as part of the second injury fund were multiplied by the ratio of self-insurance benefits to private carrier and self-insurance benefits as provided by the Insurance Division. That ratio was $71,709 / (257,947 + 71,709)$ or 21.75 percent. This provided the private carrier benefits paid as part of the second injury fund, $.2175 * 1,177 = \$256$ thousand.
- The estimated amount of benefits paid as part of the second injury fund (\$256 thousand) was added to the figure from the Insurance Division (\$71,709) to obtain the total of \$71,965 thousand (see below for estimate of deductible benefits).

Medical Benefits

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

Methods. The procedure used is described in Appendix F.

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (257,947) = \$65,149$ thousand for employers using private carriers.

Kansas - 2001

Workers' Compensation Benefits Paid – 2001(thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$340,343	\$240,567	N/A	\$99,776	57.1%

Private Carrier Payments

Source. The Division of Workers' Compensation provided calendar year benefits paid by private carriers (\$237,336 thousand), by self-insurers (\$98,435 thousand) and second injury funds (\$4,572 thousand).

Methods. Total benefits paid as part of the second injury fund were multiplied by the ratio of private carrier benefits to private carrier and self-insurance benefits as provided by the Division of Workers' Compensation. That ratio was $237,336 / (237,336 + 98,435)$ or 70.68 percent. This provided the private carrier benefits paid as part of the second injury fund, $.7068 * 4,572 = \$3,231$ thousand. This figure was added to private carrier benefits paid to obtain total private carrier benefits paid, \$240,567 thousand.

Self-Insurance Payments

Source. The Division of Workers' Compensation provided calendar year benefits paid by private carriers (\$237,336 thousand), by self-insurers (\$98,435 thousand) and second injury funds (\$4,572 thousand).

Methods. Total benefits paid as part of the second injury fund were multiplied by the ratio of private carrier benefits to private carrier and self-insurance benefits as provided by the Division of Workers' Compensation. That ratio was $98,435 / (237,336 + 98,435)$ or 29.32 percent. This provided the private carrier benefits paid as part of the second injury fund, $.2932 * 4,572 = \$1,341$ thousand. This figure was added to private carrier benefits paid to obtain total private carrier benefits paid, \$99,776 thousand.

Medical Benefits

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

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

Deductibles

Source. Private carrier benefits provided by the Division of Workers' Compensation include deductibles. That amount is \$237,336 thousand. Figures provided by A.M. Best do not include deductibles. That amount is \$190,738 thousand.

Methods. The total amount of deductibles is the difference between these two figures, \$46,598 thousand.

Kentucky - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$524,566	\$338,591	\$34,799	\$151,176	55.1%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits paid by private carriers and the state fund, excluding benefits reimbursed to the insurance company by employers as part of a deductible policy. The amount was \$298,100 thousand. The Kentucky Employer's Mutual Insurance Company (KEMI) provided total calendar year benefits paid by the state fund, excluding benefits reimbursed to the insurance company by employers as part of a deductible policy. The amount was \$27,782 thousand.

Methods. The figure from KEMI was subtracted from the figure from A.M. Best to obtain total private carrier benefits, excluding benefits reimbursed to the insurance company by employers as part of a deductible policy. The amount was \$298,100 - \$27,782 = \$270,318 thousand. An estimated amount of benefits paid by employers under deductible policies was added to this figure, to obtain the total of \$338,591 thousand. (See below for estimate of deductible benefits.)

State Fund

Source. The Kentucky Employer's Mutual Insurance Company provided total calendar year benefits paid by the state fund, excluding benefits paid by employers under deductible provisions. The amount was \$27,782 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure to obtain \$34,799. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. No information was available.

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

Medical Benefits

Source. The Kentucky Employers' Mutual Insurance Company provided the percent of benefits paid for medical expenses by the State Fund. The figure was 55.1 percent.

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

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (298,100 - 27,782) = \$68,273$ thousand for employers using private carriers. For the state fund the amount was $.2526 (27,782) = \$7,017$ thousand.

Louisiana - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$501,662	\$248,848	\$108,171	\$144,643	52.9%

Private Carrier Payments

Source. The Louisiana Department of Labor provided calendar year cash benefits paid by private carriers and the state fund, including benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$188,863 thousand. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy paid by private carriers and the total paid by private carriers and the state fund. The amounts were \$235,170 thousand and \$337,395 thousand, respectively.

Methods. The figure from the Department of Labor was divided by the percent of total benefits paid for medical to obtain total benefits paid by private carriers and the state fund. The amount was $\$188,863 / .529 = \$357,019$ thousand. This number was then multiplied by the ratio of total benefits to private carrier benefits as provided by A.M. Best to obtain total private carrier benefits paid. The amount was $\$357,019 * (235,170 / 337,395) = \$248,848$ thousand.

State Fund

Source. The Louisiana Department of Labor provided calendar year cash benefits paid by private carriers and the state fund, including benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$188,863 thousand. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy paid by the state fund and the total paid by private carriers and the state fund. The amounts were \$102,225 thousand and \$337,395 thousand, respectively.

Methods. The figure from the Department of Labor was divided by the percent of total benefits paid for medical to obtain total benefits paid by private carriers and the state fund. The amount was $\$188,863 / .529 = \$357,019$ thousand. This number was then multiplied by the ratio of total benefits to private carrier benefits as provided by A.M. Best to obtain total private carrier benefits paid. The amount was $\$357,019 * (102,225 / 337,395) = \$108,171$ thousand.

Self-Insurance Payments

Source. The Louisiana Department of Labor provided calendar year cash benefits paid by self-insuring employers. The amount was \$76,516 thousand.

Methods. The figure from the Department of Labor was divided by the percent of total benefits paid for medical to obtain total benefits paid by self-insuring employers. The amount was $\$76,516 / .529 = \$144,643$ thousand.

Medical Benefits

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

Methods. The procedure used is described in Appendix F.

Deductibles

Source. A.M. Best provided private carrier and state fund total benefits paid, excluding benefits reimbursed to insurance companies by employers as part of deductible policies. The amounts were \$235,170 thousand and \$102,225, respectively. Private carrier and state fund total benefits (as estimated above), which included deductible benefits, were \$248,848 thousand and \$108,171 thousand, respectively.

Methods. Benefits paid by employers under deductible policies equal the difference, $248,848 - 235,170 = \$13,678$ thousand for private carriers and $108,171 - 102,225 = \$5,946$ thousand for the state fund.

Maine - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$263,852	\$108,726	\$68,126	\$87,000	43.7%

Private Carrier Payments

Source. The Bureau of Insurance provided calendar year benefits paid by private carriers and the state fund, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$141,156 thousand. A.M. Best provided calendar year benefits paid by the state fund, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$54,389 thousand.

Methods. Private carrier benefits were determined by subtracting the A.M. Best state fund figure from the Bureau of Insurance figure, $141,156 - 54,389 = \$86,767$ thousand. The estimated amount of benefits paid by employers under deductible policies was added to this figure to obtain the total of \$108,726 thousand. (See below for estimate of deductible benefits.)

State Fund Payments

Source. A.M. Best provided calendar year benefits paid by state funds, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$54,389 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from the Bureau of Insurance to obtain the total of \$68,126 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. The Bureau of Insurance provided calendar year benefits paid by self-insurers. The amount was \$87,000 thousand. No additional calculations were needed

Medical Benefits

Source. The Bureau of Insurance provided the percent of medical benefits. The amount was 43.7. No additional calculations were needed.

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (86,947) = \$21,960$ thousand for private carriers and $.2526 (54,389) = \$13,737$ thousand for state funds.

Maryland - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$787,442	\$391,391	\$211,926	\$184,125	39.5%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits paid by private carriers, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$312,471 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$391,391 thousand. (See below for estimate of deductible benefits.)

State Fund Payments

Source. The Workers' Compensation Commission provided calendar year benefits paid by the state fund, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$169,193 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from the Workers' Compensation Commission to obtain the total of \$211,926 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. No information was available.

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

Medical Benefits

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

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

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (312,471) = \$78,920$ thousand for employers using private carriers and $.2526 (169,193) = \$42,733$ thousand for employers using state funds.

Massachusetts - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$763,795	\$650,701	N/A	\$113,095	35.3%

Private Carrier Payments

Source. The Workers' Compensation Rating and Inspection Bureau provided total calendar year benefits paid by private carriers, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$519,494 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from the Workers' Compensation Rating and Inspection Bureau to obtain the total of \$650,701 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. The Workers' Compensation Rating and Inspection Bureau provided total calendar year benefits paid by self-insurers. The amount was \$113,095 thousand. No additional calculations were needed.

Medical Benefits

Source. The Workers' Compensation Rating and Inspection Bureau provided the percent of benefits for medical care paid by private carriers. The figure was 35.3 percent of total private carrier benefits.

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

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (519,494) = \$131,207$ thousand for employers using private carriers.

Michigan - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$1,477,986	\$809,463	N/A	\$668,523	32.7%

Private Carrier Payments

Source. The Bureau of Workers' Disability Compensation provided calendar year benefits paid by private carriers, broken out by medical and indemnity benefits. The total amount was \$796,901 thousand, \$288,481 thousand for medical and \$508,420 thousand for indemnity. The agency also provided benefits paid by the Second Injury Fund, broken out by medical and indemnity benefits. The total amount was \$23,863 thousand, \$1,175 thousand for medical and \$22,688 thousand for indemnity. The agency also provided benefits paid by self-insurers, broken out by medical and indemnity benefits. The total amount was \$657,223 thousand, \$192,948 thousand for medical and \$464,276 thousand for indemnity.

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

- Medical SIF benefits were multiplied by the ratio of private carrier medical benefits to total medical benefits (excluding the SIF): $1,175 * 288,481 / (288,481 + 192,948) = \703 thousand;
- This amount was then added to private carrier medical benefits to obtain \$289,184 thousand;
- Indemnity SIF benefits were multiplied by the ratio of private carrier indemnity benefits to total indemnity benefits (excluding the SIF): $22,688 * 508,420 / (508,420 + 464,276) = \$11,859$ thousand;
- This amount was then added to private carrier indemnity benefits to obtain \$520,279 thousand;
- Private Carrier medical and indemnity benefits were then added to obtain total private carrier benefits. The amount was $\$289,184 + \$520,279 = \$809,463$ thousand.

Self-Insurance Payments

Source. The Bureau of Workers' Disability Compensation provided calendar year benefits paid by self-insurers, broken out by medical and indemnity benefits. The total amount was \$657,223 thousand, \$192,948 thousand for medical and \$464,276 thousand for indemnity. The agency also provided benefits paid by the Second Injury Fund, broken out by medical and indemnity benefits. The total amount was \$23,863 thousand, \$1,175 thousand for medical and \$22,688 thousand for indemnity. The agency also provided benefits paid by private carriers, broken out by medical and indemnity benefits.

The total amount was \$796,901 thousand, \$288,481 thousand for medical and \$508,420 thousand for indemnity.

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

- Medical SIF benefits were multiplied by the ratio of self-insurer medical benefits to total medical benefits (excluding the SIF): $1,175 * 192,948 / (288,481 + 192,948) = \470 thousand;
- This amount was then added to self-insurer medical benefits to obtain \$193,418 thousand;
- Indemnity SIF benefits were multiplied by the ratio of self-insurer indemnity benefits to total indemnity benefits (excluding the SIF): $22,688 * 464,276 / (508,420 + 464,276) = \$10,829$ thousand;
- This amount was then added to private carrier indemnity benefits to obtain \$475,105 thousand;
- Private Carrier medical and indemnity benefits were then added to obtain total private carrier benefits. The amount was $\$193,418 + \$475,105 = \$668,523$ thousand.

Medical Benefits

Source. The Bureau of Workers' Disability Compensation provided the percent of medical benefits. The amount was 32.7 percent. No additional calculations were necessary.

Deductibles

Source. Deductible benefits were included in private carrier benefits provided by the Bureau of Workers' Disability Compensation. The total was \$796,901 thousand. Private carrier benefits provided by A.M. Best did not include deductible benefits. This amount was \$742,219 thousand.

Methods. Figures for private carrier totals from A.M. Best were subtracted from agency figures to obtain an estimate of benefits paid under deductible provisions by private carriers. Thus, deductible benefits were calculated to be $796,901 - 742,219 = \$54,682$ thousand.

Minnesota - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$908,100	\$613,200	\$91,600	\$203,200	47.6%

Private Carrier Payments

Source. The Department of Labor and Industry provided calendar year benefits paid by private carriers. The amount was \$613,200 thousand. No additional calculations were needed.

State Fund

Source. The Department of Labor and Industry provided calendar year benefits paid by state funds. The amount was \$91,600 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Department of Labor and Industry provided calendar year benefits paid by self-insurers. The amount was \$203,200 thousand. No additional calculations were needed.

Medical Benefits

Source. The Department of Labor and Industry provided the percent of medical benefits. The amount was 47.6 percent. No additional calculations were needed.

Deductibles

Source. The Department of Labor and Industry provided benefits paid under a deductible policy. The amount for private carriers was \$113,100 thousand. The amount for the state fund was \$1,800 thousand. No additional calculations were needed.

Mississippi - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$271,163	\$169,687	N/A	\$101,477	54.7%

Private Carrier Payments

Source. The Workers' Compensation Commission provided calendar year benefits paid by private carriers. The amount was \$169,687 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Workers' Compensation Commission provided calendar year benefits paid by self-insurers. The amount was \$101,477 thousand. No additional calculations were needed.

Medical Benefits

Source. The Workers' Compensation Commission provided the percentage of benefits paid for medical care. The figure was 54.7 percent. No additional calculations were needed.

Deductibles

Source. Private carrier total benefits paid obtained from A.M. Best were \$135,941 thousand. This amount did not include benefits reimbursed to the insurance company by the employer as part of a deductibles policy. Private carrier total benefits obtained from the Workers' Compensation Commission, which included those benefits, were \$169,537 thousand.

Methods. Benefits paid by employers under deductible policies were estimated to be the difference, \$33,596 thousand.

Missouri - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$1,108,464	\$859,909	\$72,305	\$176,251	40.8%

Private Carrier Payments

Source. The Division of Workers' Compensation (DWC) provided total calendar year benefits paid by private carriers and the state fund, including benefits paid under deductible policies. The amount was \$729,330 thousand. The DWC also provided medical and indemnity benefits paid by private carriers and the state fund. The amounts were, \$311,836 thousand and \$417,493 thousand, respectively. The DWC provided benefits paid by the Second Injury Fund, \$44,853 thousand (\$955 thousand medical and \$43,897 thousand indemnity) and Self-Insurers, \$167,669 thousand (\$68,470 thousand medical and \$98,928 thousand indemnity). The Missouri Employers Mutual Insurance Company (MEMIC) provided calendar year benefits paid by the state fund. The amount was \$69,649 thousand (\$39,573 thousand medical and \$30,075 thousand indemnity). MEMIC does not write deductible policies.

Method. The amount of state fund benefits was subtracted from the total of private carrier and state fund benefits to obtain private carrier benefits excluding the Second Injury Fund (SIF) benefits paid by private. The amount was $\$729,330 - \$69,649 = \$659,681$ thousand. The total was multiplied by the reported medical benefit ratio for private carriers to obtain an estimate of pre-SIF private carrier medical and indemnity benefits. The amounts were \$272,263 thousand for medical and \$387,418 thousand for indemnity.

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

- Medical SIF benefits were multiplied by the ratio of private carrier medical benefits to total medical benefits (excluding the SIF): $955 * 272,263 / (311,836 + 68,470) = \684 thousand;
- This amount was then added to private carrier medical benefits to obtain \$272,947 thousand;
- Indemnity SIF benefits were multiplied by the ratio of private carrier indemnity benefits to total indemnity benefits (excluding the SIF): $43,897 * 387,418 / (417,493 + 98,928) = \$ 32,931$ thousand;
- This amount was then added to private carrier indemnity benefits to obtain \$420,349 thousand;
- Private Carrier medical and indemnity benefits were then added to obtain total private carrier benefits, excluding benefits paid under deductible policies. The amount was $\$72,642 + \$91,691 = \$164,333$ thousand. An estimate of benefits

paid under deductible policies was then added to this amount to obtain total private carrier benefits (see below for deductible methodology), \$859,909 thousand.

State Fund Payments

Source. The Missouri Employers Mutual Insurance Company (MEMIC) provided calendar year benefits paid by the state fund. The amount was \$69,649 thousand (\$39,573 thousand medical and \$30,075 thousand indemnity). MEMIC does not write deductible policies. The Division of Workers' Compensation (DWC) provided total calendar year benefits paid by private carriers and the state fund, including benefits paid under deductible policies. The amount was \$729,330 thousand. The DWC also provided medical and indemnity benefits paid by private carriers and the state fund. The amounts were, \$311,836 thousand and \$417,493 thousand, respectively. The DWC provided benefits paid by the Second Injury Fund, \$44,853 thousand (\$955 thousand medical and \$43,897 thousand indemnity) and Self-Insurers, \$167,669 thousand (\$68,470 thousand medical and \$98,928 thousand indemnity).

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

- Medical SIF benefits were multiplied by the ratio of state fund medical benefits to total medical benefits (excluding the SIF): $955 * 39,573 / (311,836 + 68,470) = \99 thousand;
- This amount was then added to state fund medical benefits to obtain \$39,673 thousand;
- Indemnity SIF benefits were multiplied by the ratio of state fund indemnity benefits to total indemnity benefits (excluding the SIF): $43,897 * 30,075 / (417,493 + 98,928) = \$2,557$ thousand;
- This amount was then added to state fund indemnity benefits to obtain \$32,632 thousand;
- State fund medical and indemnity benefits were then added to obtain total state fund benefits. The amount was $\$39,673 + \$32,632 = \$72,305$ thousand.

Self-Insurance Payments

Source. The Division of Workers' Compensation (DWC) provided total calendar year benefits paid by private carriers and the state fund, including benefits paid under deductible policies. The amount was \$729,330 thousand. The DWC also provided medical and indemnity benefits paid by private carriers and the state fund. The amounts were, \$311,836 thousand and \$417,493 thousand, respectively. The DWC provided benefits paid by the Second Injury Fund, \$44,853 thousand (\$955 thousand medical and \$43,897 thousand indemnity) and Self-Insurers, \$167,669 thousand (\$68,470 thousand medical and \$98,928 thousand indemnity).

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

- Medical SIF benefits were multiplied by the ratio of self-insurance medical benefits to total medical benefits (excluding the SIF): $955 * 68,470 / (311,836 + 68,470) = \173 thousand;
- This amount was then added to state fund medical benefits to obtain \$68,913 thousand;
- Indemnity SIF benefits were multiplied by the ratio of self-insurance indemnity benefits to total indemnity benefits (excluding the SIF): $43,897 * 98,928 / (417,493 + 98,928) = \$8,409$ thousand;
- This amount was then added to self-insurance indemnity benefits to obtain \$107,337 thousand;
- Self-insurance medical and indemnity benefits were then added to obtain total self-insurance benefits. The amount was $\$68,913 + \$107,337 = \$176,251$ thousand.

Medical Benefits

Source. Both the Division of Workers' Compensation and the Missouri Employers Mutual Insurance Company provided medical data. The total figure amounted to 40.8 percent. No additional calculations were needed.

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (659,681) = \$166,613$ thousand for employers using private carriers.

Montana - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$172,725	\$71,065	\$70,858	\$30,802	52.6%

Private Carrier Payments

Source. The Montana Department of Labor and Industry provided calendar year benefits paid by private carriers (\$70,833 thousand), by the state fund (\$70,627 thousand), by self-insurers (\$30,702 thousand) and second injury funds (\$563 thousand).

Methods. Total benefits paid as part of the second injury fund were multiplied by the ratio of private carrier benefits to private carrier, state fund, and self-insurance. That amount was $563 * [70,833 / (70,833 + 70,627 + 30,702)] = \232 thousand. This figure was added to private carrier benefits paid to obtain total private carrier benefits paid, \$71,065 thousand.

State Fund

Source. The Montana Department of Labor and Industry provided calendar year benefits paid by private carriers (\$70,833 thousand), by the state fund (\$70,627 thousand), by self-insurers (\$30,702 thousand) and second injury funds (\$563 thousand).

Methods. Total benefits paid as part of the second injury fund were multiplied by the ratio of state fund benefits to private carrier, state fund, and self-insurance. That amount was $563 * [70,627 / (70,833 + 70,627 + 30,702)] = \231 thousand. This figure was added to private carrier benefits paid to obtain total state fund benefits paid, \$70,858 thousand.

Self-Insurance Payments

Source. The Montana Department of Labor and Industry provided calendar year benefits paid by private carriers (\$70,833 thousand), by the state fund (\$70,627 thousand), by self-insurers (\$30,702 thousand) and second injury funds (\$563 thousand).

Methods. Total benefits paid as part of the second injury fund were multiplied by the ratio of self-insurance carrier benefits to private carrier, state fund, and self-insurance benefits. That amount was $563 * [30,702 / (70,833 + 70,627 + 30,702)] = \100 thousand. This figure was added to self-insurance benefits paid to obtain total private carrier benefits paid, \$30,802 thousand.

Medical Benefits

Source. Montana Department of Labor and Industry provided the percent of benefits paid for medical care. The amount was 52.6 percent. No additional calculations were needed.

Deductibles

Source. Private carrier benefits paid obtained from A.M. Best were \$63,425 thousand. State fund benefits paid obtained from A.M. Best were \$61,703 thousand. These amounts did not include benefits reimbursed to the insurance company by the employer as part of a deductibles policy. Private carrier and state fund total benefits obtained from the Montana Department of Labor and Industry, which included those benefits, were \$70,833 thousand and \$70,627 thousand, respectively.

Methods. Benefits paid by employers under deductible policies were estimated to be the difference, \$7,408 thousand for private carriers and \$8,927 thousand for the state fund.

Nebraska - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$237,045	\$173,097	N/A	\$63,948	50.7%

Private Carrier Payments

Source. The Workers' Compensation Court provided total calendar year benefits paid by private carriers, excluding benefits paid under deductible policies. The amount was \$136,671 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from Workers' Compensation Court to obtain the total of \$173,097 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. The Workers' Compensation Court provided total calendar year benefits paid by self-insurers. The amount was \$63,948 thousand. No additional calculations were needed.

Medical Benefits

Source. The Workers' Compensation Court provided the percent of total benefits paid for medical care. The figure was 50.7 percent. No additional calculations were needed.

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (136,671) = \$36,426$ thousand for employers using private carriers.

Nevada - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$380,756	\$235,531	N/A	\$145,226	38.9%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy and excluding benefits paid by the Employers Insurance Company of Nevada. The amount was \$69,717 thousand. The Employers Insurance Company of Nevada provided total calendar year benefits paid. The amount was \$148,206 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figures from A.M. Best and the Employers Insurance Company of Nevada to obtain the total of \$235,531 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. No information was available.

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

Medical Benefits

Source. No information was available.

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

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (69,717) = \$17,608$ thousand for employers using private carriers.

New Hampshire - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$214,755	\$167,420	N/A	\$47,335	56.8%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$133,662 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$167,420 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. No information was available.

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

Medical Benefits

Source. No information was available.

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

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (133,662) = \$33,759$ thousand for employers using private carriers.

New Jersey - 2001

Workers' Compensation Benefits Paid – 2001(thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$1,198,095	\$1,082,604	N/A	\$115,492	48.2%

Private Carrier Payment

Source. The Compensation and Rating Bureau provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$74,507 thousand. The Delaware Department of Labor provided calendar year benefits paid under the Workers' Compensation Fund. The amount was \$4,609 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best and the total amount of Workers' Compensation Fund benefits to obtain the total of \$97,835 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. The Department of Labor provided an estimate of the percent of benefits paid by self-insurers. That amount was 8.3 percent.

Methods. Total benefits not attributed to self-insurers were multiplied by the ratio of total benefits excluding self-insurers to self-insurer benefits $[\frac{.083}{1-.083}]$, to obtain the estimate of \$88,310 thousand.

Medical Benefits

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

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

Deductibles

Source. Private carrier total benefits obtained from A.M Best were \$776,078 thousand. This amount did not include benefits reimbursed to the insurance company by the employer as part of a deductible policy. Private carrier total benefits obtained from the Compensation Rating and Inspection Bureau, which included deductible benefits, were \$978,232 thousand.

Methods. Benefits paid by employers under deductible policies are the difference,
\$202,154 thousand

New Mexico - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$162,022	\$96,854	\$16,660	\$48,508	56.6%

Private Carrier Payments

Source. The Workers' Compensation Administration provided total calendar year benefits paid by private carriers and the state fund, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$90,625 thousand. The New Mexico Mutual Casualty Company provided total benefits paid by the state fund, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$13,301 thousand.

Methods. The amount provided by the New Mexico Mutual Casualty Company was subtracted from the figure provided by the Workers' Compensation Administration. The amount was $90,625 - 13,301 = 77,324$ thousand. The estimated amount of benefits paid by employers under deductible policies was added to this figure to obtain the total of \$96,854 thousand. (See below for estimate of deductible benefits.)

State Fund Payments

Source. The New Mexico Mutual Casualty Company provided total benefits paid by the state fund, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$13,301 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to this figure to obtain the total of \$16,660 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. The Workers' Compensation Administration provided calendar year benefits paid by self-insurers. The amount was \$48,508 thousand. No additional calculations were needed.

Medical Benefits

Source. The Workers' Compensation Administration provided the percentage of benefits paid for medical care. The figure was 56.6 percent. No additional calculations were needed.

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (77,324) = \$19,529$ thousand for employers using private carriers and $.2526 (13,301) = \$3,359$ thousand for employers using the state fund.

New York - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$2,978,224	\$1,440,904	\$797,109	\$740,211	30.7%

Private Carrier Payments

Source. The New York Compensation Insurance Rating Board provided calendar year benefits paid by private carriers. The amount was \$1,440,904 thousand. No additional calculations were needed.

State Fund

Source. The New York Compensation Insurance Rating Board provided calendar year benefits paid by the state fund. The amount was \$797,109 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Workers' Compensation Board provided data used to estimate self-insurance benefits paid for calendar year 2000 (for details see *Sources and Methods, New York, 2000*). The amount was \$723,034 thousand. The New York Compensation Insurance Rating Board provided calendar year benefits paid by private carriers and the state fund for calendar years 2000 and 2001. They were \$1,346,945 thousand and \$1,440,904 thousand for private carriers and \$839,136 thousand and \$797,109 thousand for the state fund.

Methods. The private carrier and state fund benefits for CY 2000 and 2001 were compared to determine the percent growth between these years. The amount was $(1,440,904 + 797,109) / (1,346,945 + 839,136) = 102$ percent. Self-insurance benefits paid in CY 2000 were then multiplied by this growth rate to obtain the estimate of total self-insurance benefits paid in calendar year 2001. The amount was $1.02 * 723,034 =$ \$740,211 thousand.

Medical Benefits

Source. The Workers' Compensation Insurance Rating Board provided the percent of medical benefits for private carriers and the state fund. The percentage was 30.7.

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

Deductibles

Source. A.M. Best provided private carrier total benefits paid, excluding benefits reimbursed to insurance companies by employers as part of deductible policies. The amount was \$1,178,372 thousand. Private carrier total benefits, obtained from the New York Compensation Insurance Rating Bureau, which included deductible benefits, were \$1,440,904 thousand.

Methods. Benefits paid by employers under deductible policies equal the difference, \$262,532 thousand.

North Carolina - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$867,965	\$678,689	N/A	\$189,276	44.8%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$541,839 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$678,689 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. No information was available.

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

Medical Benefits

Source. No information was available.

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

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (541,839) = \$136,850$ thousand for employers using private carriers.

North Dakota - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$79,633	\$404	\$79,229	N/A	55.4%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits paid by private carriers. The amount was \$404 thousand. No additional calculations were needed. It should be noted that private carriers are not allowed in North Dakota. The small amount of benefits attributed to private carriers in this state by A.M. Best probably results from two sources: 1) companies with group policies that overlap states, and 2) companies that offer supplemental workers' compensation coverage and report it as workers' compensation benefits to A.M. Best.

State Fund

Source. The Workers' Compensation Research and Development provided total fiscal year benefits paid by the state fund. The amounts were \$71,460 thousand for FY 00 and \$76,520 thousand for FY 01.

Method. Because fiscal year 02 data was not yet available, the percent change between FY 00 and FY 01 was applied to NASI estimates for calendar year benefits paid in 2000. The amount was $\$73,990 * (76,520/71,460) = \$79,229$ thousand. This estimate will be revised when FY 02 becomes available.

Medical Benefits

Source. The Workers' Compensation Research and Development provided the percent of medical benefits. The amount was 55.4 percent. No additional calculations were needed.

Deductibles

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

Ohio - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$2,249,200	\$34,210	\$1,762,619	\$452,371	44.5%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits. The amount was \$34,210 thousand. It should be noted that private carriers are not allowed in Ohio. The small amount of benefits attributed to private carriers in this state by A.M. Best probably results from two sources: (1) companies with group policies that overlap states, and (2) companies that offer supplemental workers' compensation coverage and report it as workers' compensation benefits to A.M. Best.

State Fund

Source. The Bureau of Workers' Compensation provided calendar year benefits paid by the state fund. The amount was \$1,762,619 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Bureau of Workers' Compensation provided calendar year benefits paid by self-insurers. The amount was \$452,371 thousand. No additional calculations were needed.

Medical Benefits

Source. The Bureau of Workers' Compensation provided the percent of medical benefits. The amount was 44.5 percent. No additional calculations were needed.

Deductibles

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

Oklahoma - 2001

Workers' Compensation Benefits Paid – 2000 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$497,008	\$286,686	\$118,987	\$91,334	47.7%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$228,879 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$286,686 thousand. (See below for estimate of deductible benefits.)

State Fund

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$94,995 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$118,987 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. The Workers' Compensation Court provided total benefits paid by self-insurers. The amount was \$91,334 thousand. No additional calculations were needed.

Medical Benefits

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

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

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (228,879) = \$57,807$ thousand for employers using private carriers and $.2526 (94,995) = \$23,992$ thousand for employers using a state fund.

Oregon - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$455,625	\$223,980	\$191,825	\$39,820	47.6%

Private Carrier Payments

Source. The Department of Consumer and Business Services provided calendar year benefits paid by private carriers. The amount was \$223,980 thousand. No additional calculations were needed.

State Fund

Source. The Department of Consumer and Business Services provided calendar year benefits paid by a state fund. The amount was \$191,825 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Department of Consumer and Business Services provided calendar year benefits paid by self-insurers. The amount was \$39,820 thousand. No additional calculations were needed.

Medical Benefits

Source. The Department of Consumer and Business Services provided the percent of medical benefits. The amount was 47.6 percent. No additional calculations were needed.

Deductibles

Source. The Department of Consumer and Business Services supplied benefits paid on deductible policies. The amount was \$7,345 thousand. No additional calculations were needed.

Pennsylvania - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$2,440,407	\$1,724,421	\$146,715	\$569,271	39.1%

Private Carrier Payments

Source. The Bureau of Workers' Compensation provided total calendar year benefits paid by private carriers. The amount was \$1,724,421 thousand. No additional calculations were needed.

State Fund

Source. The Bureau of Workers' Compensation provided total calendar year benefits paid by a state fund. The amount was \$146,715 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Bureau of Workers' Compensation provided total calendar year benefits paid by self-insurers. The amount was \$569,271 thousand. No additional calculations were needed.

Medical Benefits

Source. The Bureau of Workers' Compensation provided the percent of medical benefits. The amount was 39.1 percent. No additional calculations were needed.

Deductibles

Source. The Bureau of Workers' Compensation provided deductible benefits paid. The amount was \$409,182 thousand. No additional calculations were needed.

Rhode Island - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$114,599	\$47,644	\$50,457	\$16,498	23.3%

Private Carriers Payments

Source. The Rhode Island Department of Labor provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as a part of a deductible policy. The amount was \$35,446 thousand. They also provided calendar year benefits paid by second injury funds. The amount was \$1,751 thousand.

Methods.

- Total benefits paid as part of the second injury fund were multiplied by the ratio of private carrier benefits to private carrier, state fund, and self-insurance benefits as provided by the Department of Labor. That ratio was $35,446 / (35,446 + 35,620 + 16,173)$ or 40.63 percent. This provided the private carrier benefits paid as part of the second injury fund, $.4063 * 1,751 = \$711$ thousand.
- The estimated amount of benefits paid by employers under deductible policies and the estimated amount of benefits paid as part of the second injury fund (\$711 thousand) were added to the figure from the Department of Labor to obtain the total of \$47,644 thousand (see below for estimate of deductible benefits).

State Fund

Source. The Rhode Island Department of Labor provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as a part of a deductible policy. The amount was \$35,620 thousand. They also provided calendar year benefits paid by second injury funds. The amount was \$1,751 thousand.

Methods.

- Total benefits paid as part of the second injury fund were multiplied by the ratio of state fund benefits to private carrier, state fund, and self-insurance benefits as provided by the Department of Labor. That ratio was $35,620 / (35,446 + 35,620 + 16,173)$ or 40.83 percent. This provided the state fund benefits paid as part of the second injury fund, $.4083 * 1,751 = \$715$ thousand.
- The estimated amount of benefits paid by employers under deductible policies and the estimated amount of benefits paid as part of the second injury fund (\$715 thousand) were added to the figure from the Department of Labor to obtain the total of \$50,457 thousand (see below for estimate of deductible benefits).

Self-Insurance Payments

Source. The Rhode Island Department of Labor provided calendar year benefits. The amount was \$16,173 thousand. They also provided calendar year benefits paid by second injury funds. The amount was \$1,751 thousand.

Methods.

- Total benefits paid as part of the second injury fund were multiplied by the ratio of self-insurance benefits to private carrier, state fund, and self-insurance benefits as provided by the Department of Labor. That ratio was $16,173 / (35,446 + 35,620 + 16,173)$ or 18.54 percent. This provided the state fund benefits paid as part of the second injury fund, $.1854 * 1,751 = \$325$ thousand.
- The estimated amount of benefits paid by employers under deductible policies and the estimated amount of benefits paid as part of the second injury fund (\$325 thousand) were added to the figure from the Department of Labor to obtain the total of \$16,498 thousand (see below for estimate of deductible benefits).

Medical Benefits

Source. The percent of medical benefits was provided by the Department of Insurance. The amount was 23.3 percent. No additional calculations were needed.

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (35,446) = \$11,486$ thousand for employers using private carriers and $.2526 (35,620) = \$14,122$ thousand for employers using the state fund.

South Carolina - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$622,985	\$429,771	\$46,157	\$147,057	26.5%

Private Carrier Payments

Source. The Second Injury Fund provided private carrier calendar year benefits, excluding second injury fund benefits. The amount was \$367,262 thousand. The same agency provided total second injury fund benefits. The amount was \$90,611 thousand.

Methods.

- Total benefits paid as part of the second injury fund were multiplied by the ratio of private carrier benefits to private carrier, state fund, and self-insurance benefits. That ratio was $367,262 / 532,374$. This provided the private carrier benefits paid as part of the second injury fund, $(367,262 / 532,374) * 90,611 = \$62,509$ thousand.
- The estimated amount of benefits paid as part of the second injury fund (\$62,509 thousand) were added to the figure from the Second Injury Fund to obtain the total of \$429,771 thousand.

State Fund Payments

Source. The Second Injury Fund provided state fund calendar year benefits, excluding second injury fund benefits. The amount was \$39,444 thousand. The same agency provided total second injury fund benefits. The amount was \$90,611 thousand.

Methods.

- Total benefits paid as part of the second injury fund were multiplied by the ratio of state fund benefits to private carrier, state fund, and self-insurance benefits. That ratio was $39,444 / 532,374$. This provided the state fund benefits paid as part of the second injury fund, $(39,444 / 532,374) * 90,611 = \$6,713$ thousand.
- The estimated amount of benefits paid as part of the second injury fund (\$6,713 thousand) were added to the figure from the Second Injury Fund to obtain the total of \$46,157 thousand.

Self-Insurance Payments

Source. The Second Injury Fund provided self-insurance calendar year benefits, excluding second injury fund benefits. The amount was \$125,668 thousand. The same agency provided total second injury fund benefits. The amount was \$90,611 thousand.

Methods.

- Total benefits paid as part of the second injury fund were multiplied by the ratio of self-insurance benefits to private carrier, state fund, and self-insurance benefits. That ratio was $125,668 / 532,374$. This provided the self-insurance benefits paid as part of the second injury fund, $(125,668 / 532,374) * 90,611 = \$21,389$ thousand.
- The estimated amount of benefits paid as part of the second injury fund (\$21,389 thousand) were added to the figure from the Second Injury Fund to obtain the total of \$147,057 thousand.

Medical Benefits

Source. The South Carolina Second Injury Fund provided the percent of medical benefits paid by the Second Injury Fund. The amount was 26.5 percent.

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

Deductibles

Source. The South Carolina Second Injury Fund provided calendar year deductibles paid. The amount was \$127,185 thousand. No additional calculations were needed.

South Dakota - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$74,950	\$69,399	N/A	\$5,551	55.6%

Private Carrier Payments

Source. The Department of Labor provided total calendar year benefits paid by private carriers. The amount was \$69,399 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Department of Labor provided calendar year benefits paid by self-insurers. The amount was \$5,551 thousand. No additional calculations were needed.

Medical Benefits

Source. The Department of Labor provided the percent of medical benefits. The amount was 55.6 percent. No additional calculations were needed.

Deductibles

Source. Private carrier total benefits obtained from A.M. Best were \$56,743 thousand. This amount did not include benefits reimbursed to the insurance company by the employer as part of a deductible policy. Private carrier total benefits obtained from the Workers' Compensation Administration, which included deductible benefits, were \$69,399 thousand.

Methods. Benefits paid by employers under deductibles policies equals the difference, \$12,656 thousand.

Tennessee - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$682,927	\$525,158	N/A	\$157,769	51.7%

Private Carrier Payments

Source. A.M Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$419,266 thousand.

Methods The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best, to obtain the total of \$525,158 thousand.

Self-Insurance Payments

Source. No information was available.

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

Medical Benefits

Source. No information was available.

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

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (419,266) = \$105,892$ thousand for employers using private carriers.

Texas - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$2,043,451	\$1,611,537	\$245,144	\$186,770	60.3%

Private Carrier Payments

Source. The Research and Oversight Council on Workers' Compensation provided the total of private carrier and state fund calendar year benefits, excluding benefits reimbursed by the employer as part of a deductible policy. This amount was \$1,482,302 thousand. The agency also provided total state fund calendar year benefits. The amount was \$195,714 thousand.

Methods. The amount of benefits paid by the state fund was subtracted from the total of private carrier and state fund benefits to obtain the total private carrier benefits excluding benefits reimbursed by the employer as part of a deductible policy. The amount was $\$1,482,302 - \$195,714 = \$1,286,589$ thousand. The estimated amount of benefits paid by employers under deductibles policies was added to this figure to obtain the total of \$1,611,537 thousand. (See below for estimate of deductible benefits.)

State Fund

Source. The Research and Oversight Council on Workers' Compensation provided calendar year benefits, excluding benefits reimbursed by the employer as part of a deductible policy. This amount was \$195,714 thousand.

Methods. The estimated amount of benefits paid by employers under deductibles policies was added to the figure from the Council to obtain the total of \$245,144 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

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

Methods. This percentage was applied to the total of private carrier and state fund benefits excluding benefits reimbursed to the employer as part of a deductible policy. The total self-insured benefits were $.126 * \$1,482,302 = \$186,770$ thousand.

Medical Benefits

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

Methods. The procedure used is described in Appendix F.

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (1,286,589) = \$324,948$ thousand for employers using private carriers and $.2526 (195,714) = \$49,431$ thousand for employers using state funds.

Utah - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$209,192	\$78,161	\$92,935	\$38,095	66.6%

Private Carrier Payments

Source. A.M Best provided calendar year benefits paid by private carriers, excluding benefits reimbursed by employers as part of a deductible policy. The amount was \$62,401 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$78,161 thousand. (See below for estimate of deductible benefits.)

State Fund

Source. A.M Best provided calendar year benefits paid by the state fund, excluding benefits reimbursed by employers as part of a deductible policy. The amount was \$74,196 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best to obtain the total of \$92,935 thousand. (See below for estimate of deductible benefits.)

Self-Insurance Payments

Source. No information was available.

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

Medical Benefits

Source. No information was available.

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

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (62,401) = \$15,760$ thousand for employers using private carriers and $.2526 (74,196) = \$18,739$ thousand for employers using state funds.

Vermont - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$105,017	\$87,606	N/A	\$17,412	45.1%

Private Carriers Payments

Source. A.M. Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$69,941 thousand.

Methods. The estimated amount of benefits paid by employers under deductible policies was added to the figure from the Workers' Compensation Division, to obtain the total of \$87,606 thousand. (See below from estimate of deductible benefits.)

Self-Insurance Payments

Source. No information was available.

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

Medical Benefits

Source. No information was available.

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

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (69,941) = \$17,665$ thousand for employers using private carriers.

Virginia - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$664,632	\$517,285	N/A	\$147,347	56.4%

Private Carrier Payments

Source. A.M Best provided calendar year benefits, excluding benefits reimbursed to the insurance company by the employer as part of a deductible policy. The amount was \$412,980 thousand.

Methods The estimated amount of benefits paid by employers under deductible policies was added to the figure from A.M. Best, to obtain the total of \$517,285 thousand.

Self-Insurance Payments

Source. No information was available.

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

Medical Benefits

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

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

Deductibles

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

Methods. The weighted average of deductible benefits as a percent of total (non-deductible) benefits was calculated using states where information on deductible policies was available. That average was 25.26 percent. Deductible benefits were thus calculated to be $.2526 (412,980) = \$104,305$ thousand for employers using private carriers.

Washington - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$1,637,714	\$27,538	\$1,187,235	\$422,941	34.4%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits. The amount was \$27,538 thousand. It should be noted that private carriers are not allowed in Washington. The small amount of benefits attributed to private carriers in this state by A.M. Best probably results from two sources: 1) companies with group policies that overlap states, and 2) companies that offer supplemental workers' compensation coverage and report it as workers' compensation benefits to A.M. Best.

State Fund

Source. The Department of Labor and Industries provided calendar year benefits paid by state funds. The amount was \$1,187,235 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. The Department of Labor and Industries provided calendar year benefits paid by self-insurers. The amount was \$422,941 thousand. No additional calculations were required.

Medical Benefits

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

Deductibles

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

West Virginia - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$712,495	NA	\$615,581	\$96,916	27.0%

State Fund

Source. The Workers' Compensation Division provided fiscal year benefits paid. The amount was \$615,581 thousand for FY 2001.*

Self-Insurance Payments

Source. The Workers' Compensation Division provided fiscal year benefits paid. The amount was \$122,788 thousand for FY 2001.*

Medical Benefits

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

Methods. The procedure used is described in Appendix F.

Deductibles

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

*These estimates will be updated when data for fiscal year 2002 are available. In addition, West Virginia is undergoing a system change and these data are currently under review by the state.

Wisconsin - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$921,857	\$787,518	N/A	\$134,339	58.1%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits paid by private carriers. The amount was \$787,518 thousand. No additional calculations were needed.

Self-Insurance Payments

Source. No information was available.

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

Medical Benefits

Source. No information was available.

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

Deductibles

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

Wyoming - 2001

Workers' Compensation Benefits Paid – 2001 (thousands of dollars)				
Total	Private Carrier	State Fund	Self Insurance	Percent Medical
\$97,706	\$3,017	\$94,689	N/A	67.5%

Private Carrier Payments

Source. A.M. Best provided calendar year benefits paid by private carriers. The amount was \$3,015 thousand. No additional calculations were needed. It should be noted that private carriers are not allowed in Washington. The small amount of benefits attributed to private carriers in this state by A.M. Best probably results from two sources: 1) companies with group policies that overlap states, and 2) companies that offer supplemental workers' compensation coverage and report it as workers' compensation benefits to A.M. Best.

State Fund

Source. The Division of Workers' Safety and Compensation provided total fiscal year benefits paid by the state fund. The amounts were \$76,074 thousand for FY 00 and \$87,909 thousand for FY 01.

Method. Because fiscal year 02 data was not yet available, the percent change between FY 00 and FY 01 was applied to NASI estimates for calendar year benefits paid in 2000. The amount was $\$82,875 * (87,909/76,074) = \$97,706$ thousand. This estimate will be revised when FY 02 becomes available.

Medical Benefits

Source. The Division of Workers' Safety and Compensation provided the percent of medical benefits. The amount was 67.5 percent. No additional calculations were needed.

Deductibles

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

Appendix C

Data Availability

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

The A.M. Best data show the experience of private carriers in every state, but do not include any information about self-insured employers or about benefits paid under deductible arrangements. The A.M. Best data show total "direct losses" (that is, benefits) paid in each state in 1997–2001, by private carriers and by nineteen entities that we classify as state funds, based on their membership in the American Association of State Compensation Insurance Funds. A.M. Best did not provide information on state funds in Hawaii, Kentucky, Missouri, New Mexico, and South Carolina, or on exclusive state funds in Ohio, North Dakota, Washington, West Virginia, and Wyoming.

The 2001 NASI survey questionnaire for state agencies was expanded and improved in several key ways. First, it asked states to report data for five years, from 1997 through 2001. These historical data were used to revise and update estimates for these past years. Second, it asked for more information about benefits paid under deductible arrangements—in particular, whether deductible arrangements are allowed in the state and, if they are, whether or not benefits paid under deductible arrangements are included in the benefit data reported on its questionnaire. Third, the 2001 questionnaire asked for more information about special funds—such as second injury funds. Information on special funds help ensure that all workers' compensation benefits are counted. Benefits paid from special funds are pro-rated to private carriers, state funds, and self-insurers according to either their respective shares of assessments for the special fund or their respective shares of other benefit payments.

In response to the 2001 survey, we received replies from forty-five states, up from thirty-eight last year. In many cases, follow-up contacts were made with states to clarify specific questions. In Table C-1, the

shaded areas indicate the information provided by each state in response to the survey.

Private Carrier Benefits

Of the fifty-one jurisdictions, forty-six allow private carriers to write workers' compensation policies. Of these, thirty-three were able to provide data on the amount of benefits paid by private carriers. In the eleven other states, A.M. Best data were used to estimate private carrier benefits. An estimate of benefits paid under deductible policies was added to benefits paid reported by A.M. Best to estimate total private carrier benefits in these states. Methods for estimating deductible amounts are described in Appendix G.

State Fund Benefits

Twenty-six states have a state fund for writing workers' compensation policies. Of these, nineteen states were able to provide benefit data. One state was able to provide data that could be used to estimate the amount of benefits paid by the state fund by subtracting various components from total benefit figures provided. A.M. Best data were used to estimate state fund benefits in states unable to provide the data. An estimate of benefits paid under deductible policies was added to benefit reported by A.M. Best to estimate total state fund benefits in these states.

Self-Insured Benefits

All jurisdictions except North Dakota and Wyoming allow employers to self-insure. Thirty-six of these were able to provide data on benefits paid by self-insurers. Another three states provided other data that was used to estimate the amount of benefits paid by self-insurers. Self-insurance benefits were imputed for the ten states that were unable to provide data. The self-insurance imputation methods are described in Appendix E.

Benefits under Deductible Policies

Forty-five states allow carriers to write deductible policies for workers compensation. Of these, four were able to provide the amount of benefits paid under deductible policies. Benefits under deductible arrangements were estimated for another twelve states by subtracting A.M. Best data on benefits paid

(which do not include deductible benefits) from data reported by the state agency (which, in these cases, included deductible benefits). Deductible benefits in the remaining states were estimated using the weighted average of the percent of benefits under deductible arrangements in states where data were available, as described in Appendix G.

Medical Benefits

Twenty-nine states were able to provide information on the share of their total benefits that were for medical care. The National Council on Compensation Insurance provided estimates of the percent of benefits that were for medical care in thirty-seven jurisdictions. These estimates were used for twenty states that were unable to provide any information on medical benefits. Other methods were used for two states for which no information was available from the state or NCCI. More detail on methods to estimate medical benefits is in Appendix F.

Employer Costs

NASI estimates of employer costs for benefits paid under private insurance and state funds are the sum of “direct premiums written” as reported by A.M. Best, plus our estimate of benefits paid under deductible arrangements (which are not reflected in premiums). In some cases, data provided by state agencies are used instead of A.M. Best data. Private carrier premium data for Delaware and Texas were provided by the state agencies. State fund premium data for North Dakota, Texas, and Utah were provided by the state agencies. In addition, for the eight

state funds for which A.M. Best did not provide premium data, information on premiums was sought from the state fund. These data were available from Kentucky, Washington, and West Virginia. Estimates for Hawaii, Missouri, New Mexico, South Carolina, and Wyoming are based on the ratio of private carrier to state fund benefits. This ratio was then applied to private carrier costs to estimate the employer costs of insuring through state funds.

For self-insured employers, the costs include benefit payments and administrative costs. Because self-insured employers often do not separately record administrative costs for workers’ compensation, their administrative costs must be estimated. They are assumed to be the same share of benefits as administrative costs for other insurers. This percentage is based on the ratio of administrative costs to total benefits as reported by private insurers to the National Association of Insurance Commissioners (NAIC 1998; 1999; 2000; 2001; 2002). This ratio is based on direct loss adjustment expenses and their expense for taxes, licenses, and fees. The ratios were:

1997: 15.7 percent

1998: 14.5 percent

1999: 15.8 percent

2000: 14.0 percent

2001: 14.6 percent

Table C1**Workers' Compensation Data Provided by States for 2001^a** ■ Shaded areas correspond with provided data

State	Calendar Year Paid				
	Private Carriers	State Funds	Self-Insureds	Deductibles	Medical
Alabama	■	N/A	■	Note 1	■
Alaska	■	N/A	■	Note 1	■
Arizona	■	■	■	Note 1	Note 4
Arkansas	■	N/A	■	■	Note 4
California	■	■	■	Note 1	■
Colorado	■	■	■	■	■
Connecticut	■	■	■	Note 1	Note 4
Delaware	Note 2	N/A	Note 2	■	Note 5
D.C.	■	N/A	■	■	■
Florida	■	N/A	■	■	Note 4
Georgia	■	N/A	■	Note 1	Note 4
Hawaii	■	■	■	Note 1	■
Idaho	■	■	■	■	Note 4
Illinois	■	N/A	■	■	Note 4
Indiana	■	N/A	■	■	Note 4
Iowa	■	N/A	■	■	Note 4
Kansas	■	N/A	■	Note 1	Note 4
Kentucky	■	■	■	■	■
Louisiana	■	■	■	Note 1	Note 4
Maine	■	Note 1	■	■	■
Maryland	■	■	■	■	■
Massachusetts	■	N/A	■	■	■
Michigan	■	N/A	■	Note 1	■
Minnesota	■	■	■	■	■
Mississippi	■	N/A	■	Note 1	■
Missouri	■	■	■	■	■
Montana	■	■	■	Note 1	■
Nebraska	■	N/A	■	■	■
Nevada	■	■	■	■	■
New Hampshire	■	N/A	■	■	Note 4
New Jersey	■	N/A	■	Note 1	Note 5
New Mexico	■	■	■	■	■
New York	■	■	Note 3	Note 1	■
North Carolina	■	N/A	■	■	Note 4
North Dakota	N/A	■	N/A	N/A	■
Ohio	N/A	■	■	N/A	■
Oklahoma	■	■	■	■	Note 4
Oregon	■	■	■	■	■
Pennsylvania	■	■	■	■	■
Rhode Island	■	■	■	■	■
South Carolina	■	■	■	■	■
South Dakota	■	N/A	■	Note 1	■
Tennessee	■	N/A	■	■	Note 4
Texas	■	■	Note 3	■	Note 4
Utah	■	■	■	■	Note 4
Vermont	■	N/A	■	■	Note 4
Virginia	■	N/A	■	■	Note 4
Washington	N/A	■	■	N/A	■
West Virginia	N/A	■	■	N/A	■
Wisconsin	■	N/A	■	N/A	Note 4
Wyoming	N/A	■	N/A	N/A	■

a Data were provided by state workers' compensation agencies, insurance rating boards, departments of labor, and industrial commissions.

N/A: Not applicable.

Note 1: Data were not directly available but could be computed by subtracting various components from total benefit figures provided.

Note 2: Computed from information provided on premiums.

Note 3: Based on data on the percent of claims filed by self-insurers.

Note 4: Medical data provided by NCCI.

Appendix E

Self-Insurer Benefits Estimation

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

- 1) Estimate total covered payroll for all states for calendar years 1997–2001. This procedure is outlined in Appendix A.
- 2) Collect total payroll of workers insured by private carriers and competitive state funds for calendar years 1997–2001. This information is available for the majority of states from the NCCI.
- 3) Using (1) and (2), generate an estimate of the percent of payroll covered by self-insurers for all states where these data are available. The percentage of payroll covered by self-insurers is $[(1)-(2)]/(1)$.
- 4) Estimate the percent of total benefits paid by self-insurers in states where these data are available by dividing self-insurance benefits by total benefits.
- 5) Determine the ratio of the percent of total benefits paid by self-insurers (4) to the percent of payroll covered by self-insurers (3) in each state. This ratio is $(4)/(3)$.
- 6) Estimate the average ratio of the percent of total benefits paid by self-insurers (4) to the percent of payroll covered by self-insurers (3) for all states where these data are available.

- 7) Apply this ratio to the percent of payroll covered by self-insurers in states where self-insurance benefits need to be estimated, to obtain an estimate of self-insurance benefits in these states $[(6) \cdot (3) = (4)]$.

For one state, Nevada, neither an estimate of the percent of payroll covered by self-insurers nor an estimate of self-insurer benefits are available for calendar years 1997 and 1998. The percent of self-insurer benefits was available from the state agencies for 1996 and 1999–2001. Simple extrapolation was used to estimate the percent of self-insurance in 1997 and 1998.

Table E1

**Self-Insurer Estimation Results,
1997–2001**

(6) Average Ratio of the percent of total benefits covered by self-insurers to the percent of payroll paid by self-insurers, $(4)/(3)$

Year	Ratio
1997	54.2
1998	48.7
1999	52.7
2000	58.2
2001	52.7

Appendix F

Medical Benefit Estimation

Estimates by the National Academy of Social Insurance (NASI) of the percent of total benefits paid that were for medical care are based on reports from state agencies and from estimates provided by the National Council on Compensation Insurance (NCCI).

For 2001, twenty-nine states provided information on the share of total benefits paid in their states that were for medical care. NASI estimates are based on these state reports for: Alabama, Alaska, California, Colorado, the District of Columbia, Hawaii, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, New York, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Washington, West Virginia, and Wyoming.

The National Council on Compensation Insurance (NCCI) is a national organization that assists private carriers and insurance commissioners in setting

workers' compensation rates in selected states. NCCI provided NASI estimates of the percent of private carrier benefits paid that were for medical care in thirty-seven states. For 2001, we used this percentage to estimate the share of total benefits (including self-insured benefits) that were for medical care in twenty states for which state reports of medical benefits were not available. Those states are: Arizona, Arkansas, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, New Hampshire, North Carolina, Oklahoma, Tennessee, Texas, Utah, Vermont, Virginia, and Wisconsin.

For two states, New Jersey and Delaware, neither state reports nor NCCI estimates of medical benefits were available. For these states, the weighted average of the share total benefits that were for medical care in the other forty-nine jurisdictions was used. In Delaware, the final percentage is different from this weighed average because it takes account of the medical benefits reported for the Second Injury Fund in Delaware.