

# SUBSEQUENT INJURY FUND (SIF)

Response to LMAC Questions  
LMAC – June 11, 2020



Montana Department of  
**LABOR & INDUSTRY**

# Q1: Multiple Claims

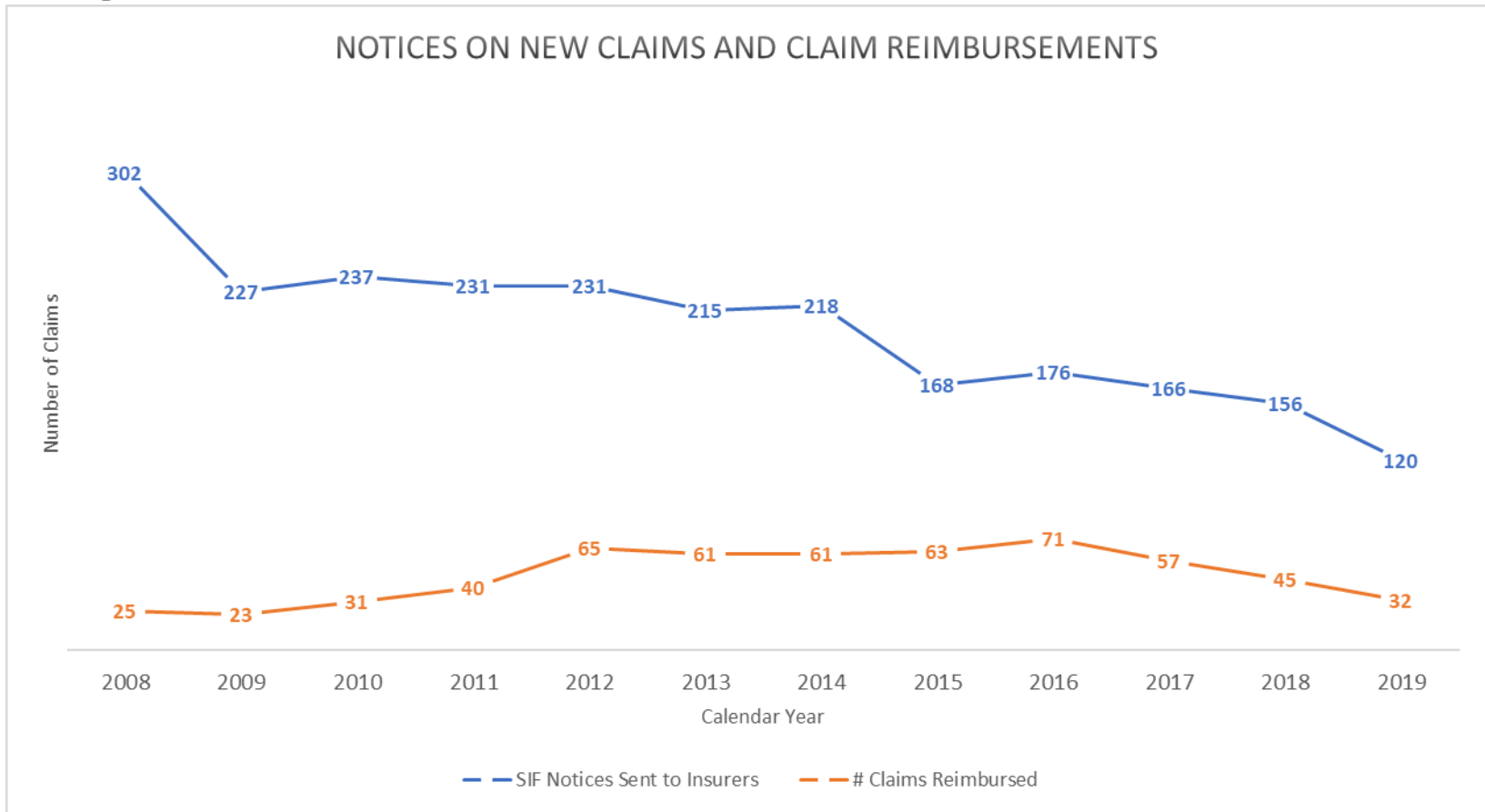
**Q1:** How many injured workers had multiple SIF reimbursed claims during FY 2008 – FY 2019 reported at LMAC on February 18, 2019?

**Response:** Of the 173 claims reimbursed to insurers from FY 2009 – FY 2019, nine workers had two claims each. Of those nine workers, six of the individuals had two claims with the same employer and same insurer and three of the individuals had two claims but with a different employer and insurer.

Note: Cindy Z sent this to LMAC members on February 20<sup>th</sup> as well.

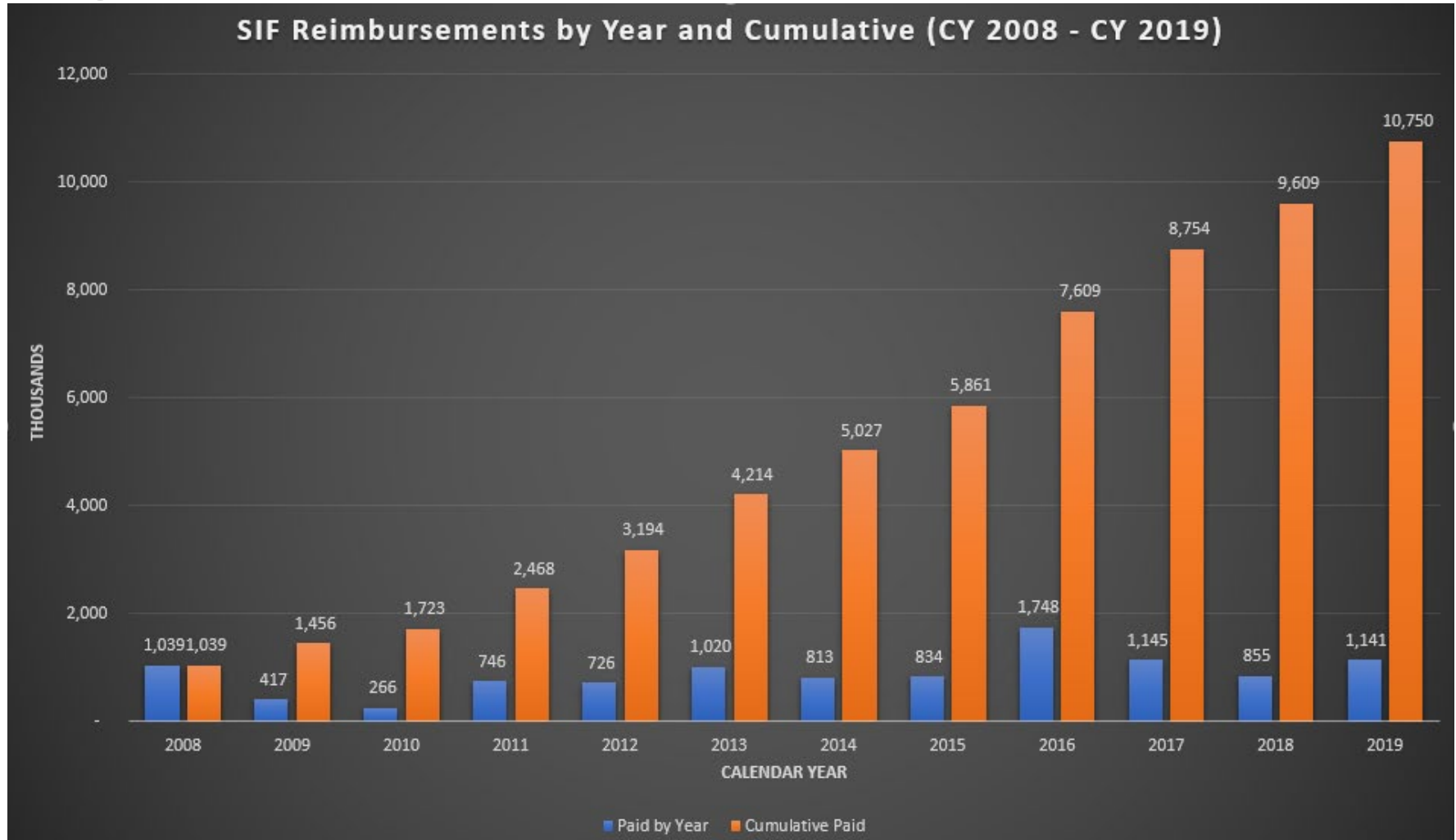
# Q2: What is the SIF liability?

Things We Know: Number of Notices Sent & Claim Reimbursements



# Q2: What is the SIF liability (cont.)?

Things We Know: Amount Paid over Time



# Q2: What is the SIF liability (cont.)?

## Things We Know: Insurer Reserves

### *Criteria –*

- *Reimbursement for FY 2019 or FY 2020*
- *Reimbursement was not for a claim fully settled*
- *IW not deceased*
- *Note: Reviewed 2 years (FY 2019 and FY 2020) as insurers are required by statute to request reimbursement every 6 months after first 104 weeks. In application, that does not always happen.*

### *Results –*

- *37 total claims*
  - *27 in 2019*
  - *25 in 2020*
  - *15 in both 2019 & 2020*
- *Insurer response rate was 100%*
- *Total reserves reported was \$4.7M*

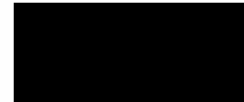
# What a small employer's bill looks like

EMPLOYERS PREFERRED INS. CO.  
2550 PASEO VERDE PARKWAY, SUITE 100  
HENDERSON, NV 89074-7117

Insured:



Agent:



*OK  
TAM*

Policy Number:



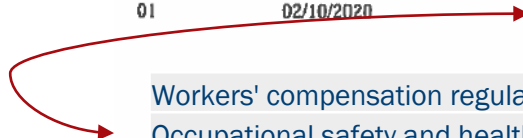
Effective Dates: 02/10/2020 - 02/10/2021

Cancellation Date:

For billing questions please call 1-800-677-3252

<u>Inst</u>	<u>Due Date</u>	<u>Transaction</u>	<u>Amount</u>
01	02/10/2020	RENEWAL BUSINESS DEPOSIT	\$1,947.00
01	02/10/2020	ASSESSMENTS	\$49.00

Should be



Workers' compensation regulatory assessment surcharge	29.44
Occupational safety and health regulatory assessment surcharge	16.41
Workers' compensation subsequent injury fund surcharge	4.20
Workers' compensation stay-at-work/return-to-work assistance fund surcharge	0.00

*1-14-20*

Total: \$1,996.00

# Reference for Calculation

Referenced on the Bill from Insurance Carrier as:	2020 Rate	Amount	Reference
Workers' compensation regulatory assessment surcharge	0.015121	29.44	39-71-201(7)(a)
Occupational safety and health regulatory assessment surcharge	0.008429	16.41	50-71-128(6)(a)
Workers' compensation subsequent injury fund surcharge	0.002155	4.20	39-71-915(7)
Workers' compensation stay-at-work/return-to-work assistance fund surcharge	0.000000	0.00	39-71-1050(7)(a)
Total		50.05	

# What SIF cost is based on premium

<i>FY</i>	<i>Rate</i>	<i>Premium</i>						
		<i>\$500</i>	<i>\$2,500</i>	<i>\$3,500</i>	<i>\$5,000</i>	<i>\$10,000</i>	<i>\$20,000</i>	<i>\$30,000</i>
2008	0.002259	\$1.13	\$5.65	\$7.91	\$11.30	\$22.59	\$45.18	\$67.77
2009	0.002542	\$1.27	\$6.36	\$8.90	\$12.71	\$25.42	\$50.84	\$76.26
2010	0.002874	\$1.44	\$7.19	\$10.06	\$14.37	\$28.74	\$57.48	\$86.22
2011	0.004359	\$2.18	\$10.90	\$15.26	\$21.80	\$43.59	\$87.18	\$130.77
2012	0.001481	\$0.74	\$3.70	\$5.18	\$7.41	\$14.81	\$29.62	\$44.43
2013	0.002029	\$1.01	\$5.07	\$7.10	\$10.15	\$20.29	\$40.58	\$60.87
2014	0.003431	\$1.72	\$8.58	\$12.01	\$17.16	\$34.31	\$68.62	\$102.93
2015	0.006061	\$3.03	\$15.15	\$21.21	\$30.30	\$60.61	\$121.22	\$181.82
2016	0.003485	\$1.74	\$8.71	\$12.20	\$17.43	\$34.85	\$69.70	\$104.55
2017	0.009895	\$4.95	\$24.74	\$34.63	\$49.48	\$98.95	\$197.91	\$296.86
2018	0.005705	\$2.85	\$14.26	\$19.97	\$28.53	\$57.05	\$114.10	\$171.15
2019	0.006685	\$3.34	\$16.71	\$23.40	\$33.42	\$66.85	\$133.69	\$200.54
2020	0.005626	\$2.81	\$14.07	\$19.69	\$28.13	\$56.26	\$112.52	\$168.78
Totals		\$28.22	\$141.08	\$197.51	\$282.16	\$564.32	\$1,128.64	\$1,692.96



# Questions?

Employment Relations Division  
Eric Strauss, Administrator