



Montana's Workers' Compensation Key Indicators

*LMAC Meeting
June 27, 2013*



Outline

- MT Premium
- NCCI 2013 Loss Cost Filing
 - https://www.ncci.com/documents/SAF_MT.pdf
- Injury and Claim Frequency
- Benefits
 - Indemnity and Medical
- Duration
- Settlement for Future Medical
- Stay at Work/Return to Work

Oregon Workers' Compensation Premium Rate Study, Montana Premium Index Rates Compared to National Median

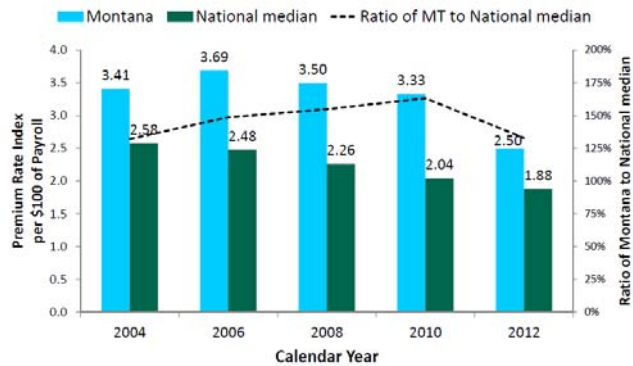
	2004	2006	2008	2010	2012
National Rank	8	5	2	1	8
Index Rate	\$3.41	\$3.69	\$3.50	\$3.33	\$2.50
Percent of National Median		149%	155%	163%	133%

Premium rate indices are calculated based on data from 51 jurisdictions, for rates in effect as of Jan. 1, 2012

- Rates range from a low of \$1.01 in North Dakota to a high of \$3.01 in Alaska
- The 2012 median value was \$1.88, which was a drop of 8% from the \$2.04 median in the 2010 study
- Premiums continue to decline in MT (*NCCI State Advisory Forum 2013*)
- Loss Costs in MT have decreased by more than 40% in 7 years
 - July 1, 2013 Loss Cost Filing -5.4%

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Workers Compensation Premium Rate Comparison



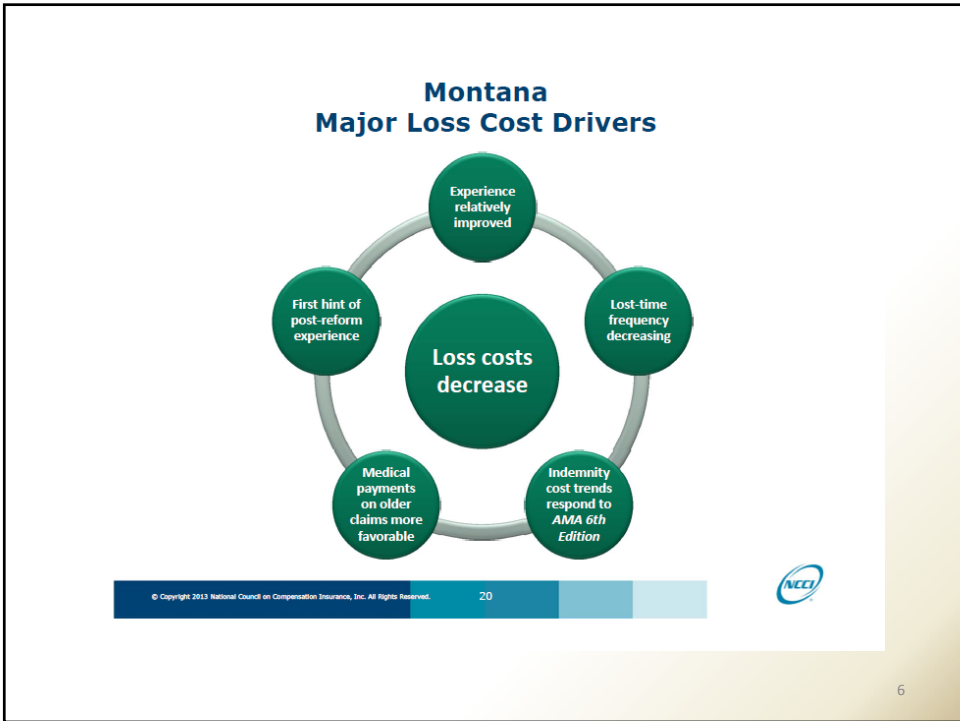
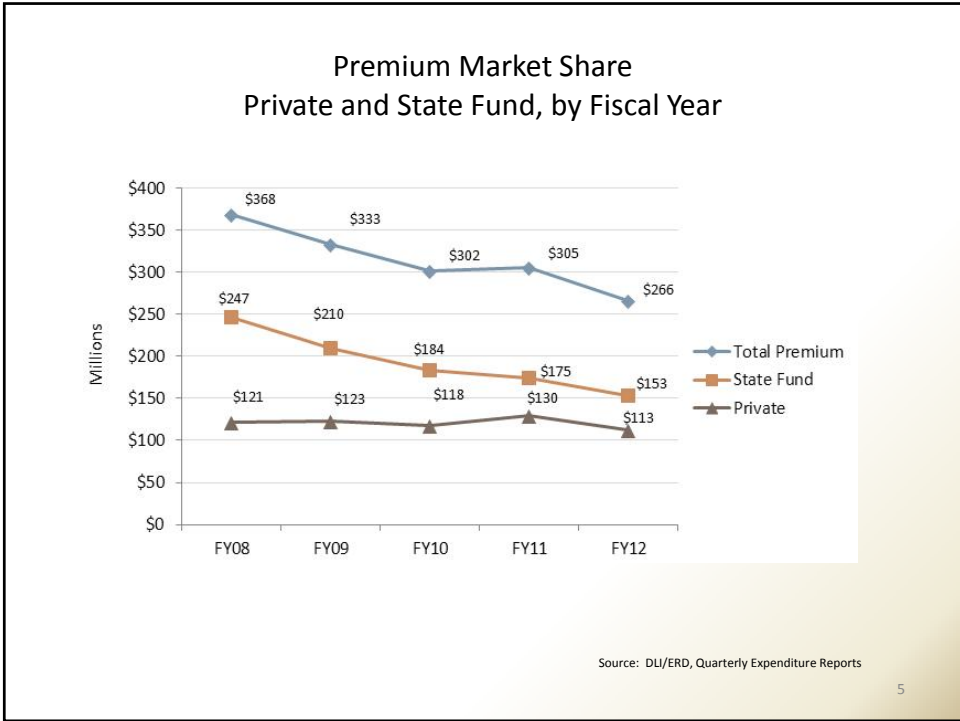
Source: Adapted from 2004 through 2012 Oregon Workers' Compensation Premium Rate Ranking Summary
Indices based on rates in effect as of January 1 of each calendar year listed above

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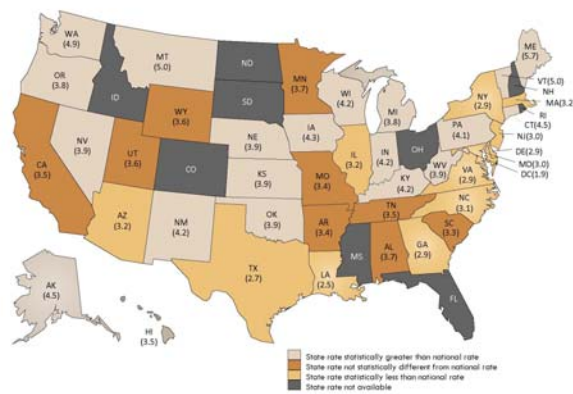
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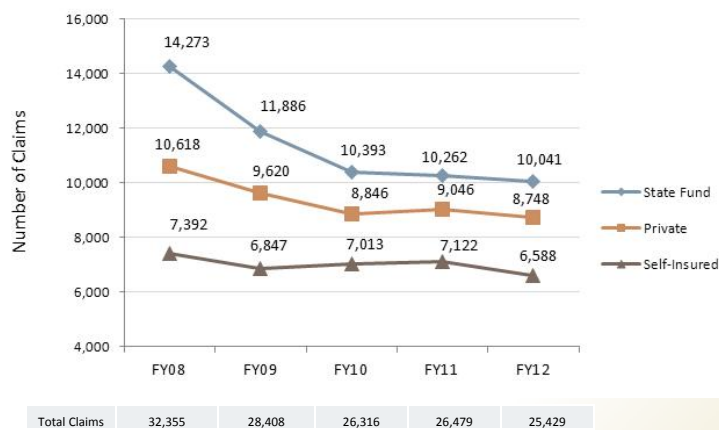
Nonfatal Occupational Injury and Illness Incidence Rates per 100 FTE, Private Industry, Calendar Year 2011



- MT tied with Vermont for the second highest incident rate in 2011 (5.0 per 100 FTE)
- Maine had the highest (5.7 per 100 FTE)

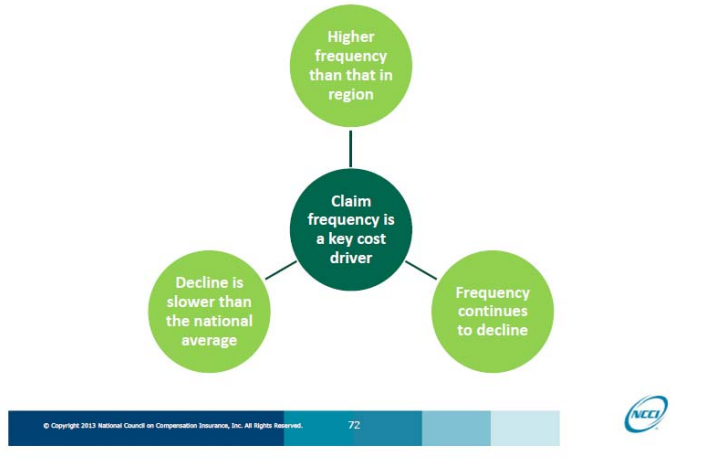
Source: Bureau of Labor Statistics

Reported Claims by Plan Type and Fiscal Year of Injury



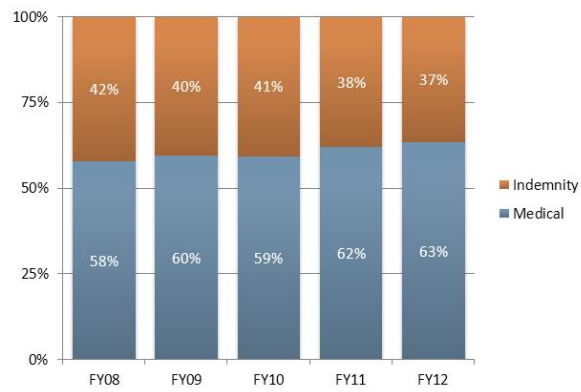
Source: DLI/ERD, First Reports of Injury

Key Takeaways—Claim Frequency



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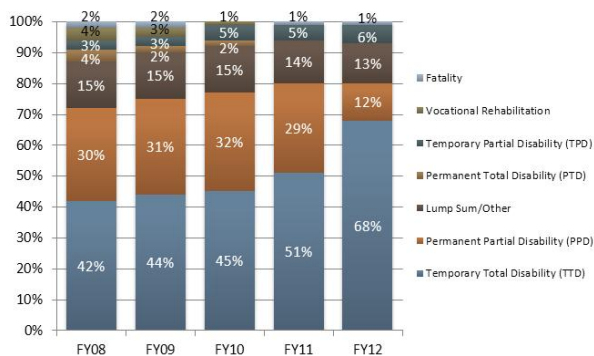
Total Medical and Indemnity Benefits Paid



Source: DLI/ERD, Quarterly Expenditure Reports (Does not include Reserves)

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Indemnity Benefits Paid by Benefit Type and Fiscal Year of Injury



- PPD benefits decreased in FY12 (may not be fully realized until future date)
 - NCCI calculated that HB334 would eliminate 19% of PPD awards (*NCCI State Advisory Forum 2011*)

Source: DLI/ERD, Subsequent Reports of Injury

Key Takeaways—Indemnity Benefit Costs

Indemnity costs are trending down in Montana

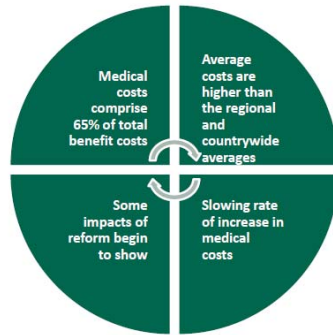
The average indemnity cost is on par with the region and lower than countrywide

PPD average costs are no longer higher than countrywide

PPD claim frequency, at double the Countrywide average rate, is a cost driver



Key Takeaways—Medical Benefit Costs

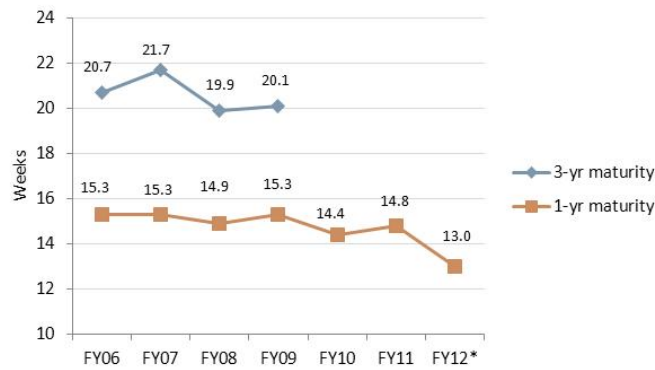


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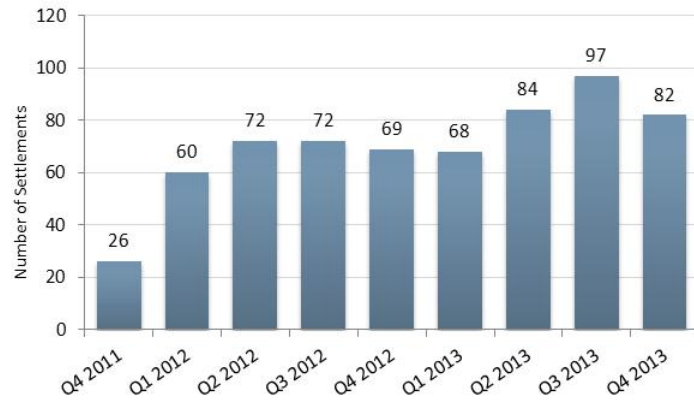
Temporary Disability Paid Duration, 1-Year and 3-Year Maturity by Fiscal Year of Injury



- Preliminary duration for FY12

Source: DLJ/ERD, Subsequent Reports of Injury

Settlements for Closure of Future Medical Benefits April 2011 to June 2013



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Source: DLJ/ERD/Claims Assistance Unit

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Stay at Work/Return to Work Assistance Requests July 2012 through May 2013

- Post cards were sent out to each injured worker
- Assistance gaining recognition through Claims Stakeholder Meetings, ABC Clinics, and Meetings with Medical Providers around the state
- 92 workers made requests for assistance to return to work
 - 19 workers returned to work via the assistance
 - 1 worker decided not to go back to work
 - 9 employers determined that they could not provide transitional employment for their injured workers
- Further research is being done to determine the status of the remaining requests

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Further Information:

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