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STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : HB 657
 Title : "An Act relating to
 Workers' Compensation, and
 providing for an effective date.
 Sponsor : KODONEN
 Requestor : Labor & Commerce
 Date of Request : 2/17/86

FISCAL DETAIL

Agency Affected : Labor
 BRU : Workers' Compensation
 Components : Workers' Compensation

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		10,750.0	10,750.0	10,750.0	10,750.0	10,750.0
TRAVEL		450.0	468.0	437.0	506.0	526.0
CONTRACTUAL		5,505.0	5,725.2	5,954.2	6,192.4	6,440.0
SUPPLIES		530.0	551.2	573.2	596.1	619.9
EQUIPMENT		2,525.0	-	-	-	-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		19,760.0	17,494.4	17,764.4	18,044.5	18,335.9

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER		19,760.0	17,494.4	17,764.4	18,044.5	18,335.9
TOTAL		19,760.0	17,494.4	17,764.4	18,044.5	18,335.9

POSITIONS :

FULL-TIME		250	250	250	250	250
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

See Attached

Prepared by Jacquie McClintock, Director
 Division : 185 Workers' Compensation
 Approved by Commissioner : 110 Jim Robison
 Agency : Labor

Phone : 465-2790
 Date : 4/1/86
 Date : 4/1/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 657

In order to administer the provisions of this bill the Department of Labor would require approximately 250 additional positions. These positions would adjust workers' compensation claims, classify occupations and industries and underwrite insurance. Funding for the positions would come from the newly established State Workers' Compensation Insurance Fund.

Our estimated costs are based on a review of a similar program in the State of Nevada. Their administrative costs were 15.2% of the paid premiums of \$138,000,000 in 1985. Alaska estimates \$130,000,000 paid premiums for 1985. Because of the similarity in size of premiums, we used the 15.2% figure in estimating our expenses.

Non-personal services costs would include the following:

Travel	\$ 450.0
Contractual	
Space Rent	880.0
Data Processing	1,000.0
Indirect	830.0
Misc.	2,795.0
Subtotal	<u>5,505.0</u>
Commodities	
Forms	150.0
Library Materials	150.0
Miscellaneous	230.0
Sub total	<u>530.0</u>
Equipment (One time)	
Furniture	625.0
Misc. Bldg. Furnishings	400.0
Mainframe computer	1,500.0
Sub total	<u>2,525.0</u>
Total NPS	\$9,010.0

Not included in the fiscal note are the costs associated with the in-house administration of vocational rehabilitation of injured workers. If included this would add approximately \$4,400,000 to the costs of the bill.


Assumptions:

1. Alaska's cost experience would be similar to the State of Nevada's.
2. Inflation of 4% on NPS items.

Bill No. HB No. 657

Date April 1, 1986

Title "An Act relating to workers' compensation;
and providing for an effective date."

Contact  Jacquie McClintock
465-2790

The Department is not opposed to the concept of a state workers' compensation insurance fund; however, we have serious philosophical and practical concerns that we feel should be addressed.

Assuming the primary purpose behind this legislation is to reduce the high cost of workers' compensation insurance coverage, there has been no showing that substantial savings would, in fact, result from the establishment of a state fund. In the Summary and Conclusions section of the February 1977 Workers' Compensation Study, The Feasibility of Establishing a State Fund (State of Alaska, Legislative Affairs Agency), it states at page 87:

Under a competitive state fund system, employers would retain the option of insuring with a private company, but substantial savings for the system as a whole would not be realized, especially in the first few years of operation. If an exclusive fund were established, greater economies could be achieved at the expense of flexibility and the benefits of competition; companies now operating would be disfranchised and the burden of providing all coverage would immediately fall on the state with the attendant risks of failure. It is not clear whether the savings provided would be "substantial" in the minds of 65 percent of the employer survey respondents who indicated they would favor a state fund if it would "result in substantial savings." It is clear that an exclusive state fund would remove the advantage of the present system which survey respondents felt was second in importance: minimal governmental involvement.

Prior to considering legislation establishing a state fund, we recommend that an in-depth study be made to determine if substantial cost savings would result for Alaska employers. This was also the consensus of the Labor/Management Workers' Compensation Ad Hoc Committee during discussions on this topic last year.

Concerning the practical aspects, we oppose placing the administration of a state workers' compensation insurance fund under the Department of Labor. Under current law, the Commissioner of Labor acts as chairman and executive officer of the Alaska Workers' Compensation Board. The board, a quasi-judicial body, hears and decides disputed claims between injured workers and employers/insurers. Under this legislation, the board would decide disputes between the injured worker and a Department of Labor representative acting on behalf of an employer. Not only is there the appearance of conflict in a program being administered by the same department that ultimately adjudicates disputes between the parties, we question that an

POSITION PAPER/Department of Labor

employer would place much trust in representation of their interests by the Department of Labor, given the other enforcement functions of the department.

Of further concern is the broadening of the board's duties and powers over areas in which they have no experience or expertise and, again, charging the same entity responsible for the adjudication of claims with the administration of workers' compensation claims, underwriting and classification. An entirely separate Board of Directors would need to be established, with a general manager appointed by the board members, and the program administered by an entity other than the Department of Labor.

Without further study, it is impossible to project operating costs of a state workers' compensation insurance fund with any degree of accuracy. We have based our estimates on a review of the February 1977 Feasibility Study and of other state's insurance funds, in particular the State of Nevada. Because of the variation in services rendered by different state funds and in overhead costs, fund expenses appear to range from a low of 10 percent of premium to 17 percent. As far as initial capital, recommended estimates in the 1977 Feasibility Study range from 10 percent to 25 percent of premium which, for Alaska, would equal \$13,000,000 to \$32,500,000.

Finally, an effective date of January 1, 1987 to establish a state workers' compensation insurance fund would not be possible. At best, we estimate that it would take one year from enactment of the bill to establish a workable fund.

APPROVED:

A handwritten signature in cursive script, appearing to read "Jim Robison", written over a horizontal line.

Jim Robison
Commissioner

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 2, 1986

SUBJECT: Workers' Compensation Fund
(HB 657)

TO: Representative Niilo Koponen

FROM: Michael F. Ford *M.F.*
Legislative Counsel

The following is a sectional analysis of HB 657:

Section 1 - Requires the Department of Labor to administer the fund and to represent employers before the Workers' Compensation Board.

Section 2 - Allows the Department of Labor to adopt regulations to implement the insurance fund.

Section 3 - Establishes the state workers' compensation insurance fund. Requires that each employer be classified for payment of premiums. Requires employers to pay premiums into the fund.

Section 4 - Allows employers to self-insure if approved by the board.

Section 5 - Requires the board to establish a rating system for employers, establishes a penalty for failure to pay a premium.

Section 6 - Establishes certain required benefits for employees.

Section 7 - Requires employers to participate in the state insurance fund or qualify for self-insurance.

Section 8 - Provides that a contract may not be awarded by the state or a political subdivision of the state unless the contractor has state workers' compensation insurance or is self-insured.

Section 9 - Establishes that a self-insured employer is presumed to have elected to pay compensation directly to the employee.

Section 10 - Requires that notice of participation in the state insurance fund be posted at the work place.

Section 11 - Requires participation in the state workers' compensation insurance fund or qualification as a self-insurer, for each employer. Establishes a penalty for failure to participate or to self-insure.

Section 12 - Provides enforcement powers to the board for failure to insure.

Section 13 - Allows workers' compensation benefits for certain volunteer workers.

Section 14 - Requires that certain medical benefits be provided by either a self-insured employer, or the state workers' compensation insurance fund.

Section 15 - Establishes a claims procedure.

Section 16 - Establishes a procedure for controverting a claim for compensation.

Section 17 - Establishes when compensation first becomes due the employee.

Section 18 - Requires notification be given the board of a change in the payment of compensation benefits. Establishes a penalty for failure to provide notification.

Section 19 - Establishes a procedure to provide notice of controversion of a claim to compensation benefits.

Section 20 - Provides a penalty for failure to pay compensation within seven days after it becomes due.

Section 21 - Allows the board to investigate a change in compensation benefits.

Section 22 - Allows the board to require a self-insured employer to provide security for payment of compensation benefits.

Representative Niilo Koponen
Page 3
April 2, 1986

Section 23 - Establishes a procedure for handling overpayment of compensation benefits.

Section 24 - Requires self-insured employers to file a report concerning compensation benefits paid.

Section 25 - Establishes a default procedure for self-insured employers who fail to pay compensation.

Section 26 - Applicability section.

Section 27 - Repealer.

Section 28 - Effective date.

MFF:mkr
m4/061

Alaska State Legislature

Representative Nillo Koponen

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POSITION PAPER--HB657

HB 657 is an effort to bring increased efficiency to the Workers' Compensation Act. By providing a mechanism that allows a single pool state fund or employer self-insurance option, cost savings and greater control of risk management would be achieved.

By harnessing the collective buying power of Alaskan employers or allowing businesses with demonstrated reserves to self-insure one aspect of the current insurance issue would be brought under rational formulation.

Further advantages:

Income generated by the fund could be invested to produce dividends.

Private sector is not excluded.

Administrative costs within Workers' Comp. would decline.

Worker security would be enhanced.

States which allow group self-insurance: Alabama, Arkansas, Delaware, Florida, Georgia, Illinois, Iowa, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Missouri, New Hampshire, New York, North Carolina, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Virginia, & Rhode Island.

Ohio operates an exclusive state fund for Workers' Comp.

February 1977

The Feasibility of Establishing A State Fund

WORKERS' COMPENSATION

Legislative Affairs Agency

STATE OF ALASKA



FINAL COPY

Legislative Affairs Agency
Pouch & State Capitol
Juneau, Alaska 99801

WORKERS' COMPENSATION

THE FEASIBILITY OF ESTABLISHING A STATE FUND

PREPARED BY

LEGISLATIVE AFFAIRS AGENCY
DIVISION OF RESEARCH

FEBRUARY, 1977

FOREWORD

The purpose of this report is to investigate the feasibility of establishing a state fund to provide workers' compensation coverage in Alaska. The Alaska Legislative Council, pursuant to House Concurrent Resolution No. 92 (1976), directed the Research Division of the Legislative Affairs Agency to conduct this study.

The project was begun in June, 1976, by J. K. Humphreys. The literature was reviewed and interviews were conducted with representatives of state funds, private carriers, and federal agencies. Questionnaires were prepared and distributed to private carriers and employers in Alaska.

The first chapter consists of background information. The following chapters compare the operations of state funds, private carriers nationwide and private carriers in Alaska, estimate the costs of establishing a state fund in Alaska, and explore other pertinent considerations.

The federal Interdepartmental Task Force on Workers' Compensation has generously provided preliminary results of a massive study in advance of their final report. Woodward and Pondiller, nationally known actuarial consultants, under contract to the Legislative Council, have prepared Chapter IV of this report dealing with costs of a state fund.

We hope this report will prove useful to the Legislative Council and the Legislature in addressing the question of whether to establish a state fund in Alaska.

Gregg K. Erickson
Director of Research
Legislative Affairs Agency

Juneau, Alaska
February, 1977

ACKNOWLEDGEMENTS

I would like to express my gratitude to the people, too numerous to name, who have generously contributed indispensable materials as well as their time and advice during the course of this study. The list includes representatives of the federal Interdepartmental Task Force, state funds, the American Association of State Compensation Insurance Funds, Alaskan private insurance carriers, the National Council on Compensation Insurance, the Alaska Division of Insurance, the Alaska Division of Workmen's Compensation, many Alaskan employers, and others who do not fall into any of these categories.

The responsibility for errors and omissions is mine.

J. K. Humphreys

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I. HISTORY AND BACKGROUND

Workmen's compensation is a system for providing benefits in the form of wage replacement and medical care to victims of work related injury. The system is supported by employers' payments in the form of insurance premiums which are included in the price of the product and passed on to the consumer. It was designed to replace employers' liability statutes and common law remedies and represents the first application in the United States of the economic and legal principle of liability without fault.

In the late nineteenth century, the high industrial death rate coupled with the difficulty of recovery under the existing common law system brought public sentiment for some form of statutory relief to a head. The first efforts came in the form of employers' liability statutes which removed or weakened the three defenses which were available to employers under the common law: (1) contributory negligence--an employee could not recover if his own negligence had been even partly responsible for the injury; (2) the fellow-servant doctrine--there could be no recovery if a fellow worker's negligence was a contributing cause of injury; and (3) assumption of risk--no award was allowed if the injury resulted from an inherent hazard of that employment which the worker was, or should have been, aware.¹

¹ Herman Somers and Anne Somers, Workmen's Compensation (New York, N.Y.: John Wiley and Sons, Inc., 1954), pp. 17-37.

Awards increased under the influence of employers' liability statutes, but the system proved satisfactory in only a few instances such as the case of the railroad workers. Public opinion and the almost unanimous recommendations of some 40 federal and state investigatory commissions called for systems of workmen's compensation to replace the employers' liability laws. A worker would give up his prerogative to sue his employer in return for certain benefits. The objectives of the new compensation laws, generally reversals of the perceived shortcomings of the existing system, were:

(1) to eliminate wasteful litigation and legal fees by removing the fault principle of liability and reducing the range of court discretion;

(2) to provide predetermined, adequate and prompt benefits through the use of fixed scales which, when applied to objective features of the case would yield income replacement instead of lump-sum damages;

(3) to increase the certainty of payment by guarding against such contingencies as bankrupt employers;

(4) to promote safety and health activities through the use of merit rating plans and other built-in incentives;

(5) to lower overhead costs by broadening the base of coverage and passing on savings associated with a reduction in litigation; and

(6) to increase the availability and use of medical and rehabilitation services.²

² Ibid.

Maryland enacted the first legislation to significantly embody the compensation principle in this country in 1902 (Germany had pioneered the first modern compensation system in 1884). The Maryland act, like many other early state efforts, was declared unconstitutional. In 1908 Congress passed a compensation act to cover federal employees. Three years later New York's compensation law (the first state act of general application) was held unconstitutional in the Ives³ decision on the grounds of deprivation of property without due process of law. The Ives decision attracted fierce criticism from all quarters, and subsequent court decisions tended toward a more liberal view of compensation; however, the fear of unconstitutionality had been planted with the result that most state legislatures avoided the ideal, comprehensive, compulsory coverage in favor of fragmentary, elective plans which have fallen short of realizing the stated objectives.⁴

Some 40 states had been covered by workmen's compensation by 1920 but it was not until 1948 that the last state (Mississippi) followed the trend. Generally, the actions of courts and legislatures have extended coverage to include a greater percentage of workers, included provisions for occupational disease and vocational rehabilitation, increased the level of benefits, instituted second-injury funds, strengthened industrial safety laws and, on the whole, liberalized workmen's compensation

³ Ives v. South Buffalo Railway Company, 201 N.Y. 271, 94 N.E. 431 (1911).

⁴ Marcus Rosenblum, ed., Compendium on Workmen's Compensation (Washington, D.C.: National Commission on State Workmen's Compensation Laws, 1973), pp. 17-18.

in the United States.⁵

In this country, 18 states, Puerto Rico and the Virgin Islands provide coverage through state funds which are organizations owned and operated by the state (see Table I-1). Twelve of the state funds compete (in some cases inactively) for business with private carriers; self-insurance is allowed under certain conditions. Three states have state funds and allow self-insurance. The five remaining state funds are "exclusive". All of the Canadian provinces have systems similar to exclusive state funds.

The first state fund was established in Washington in 1917, the last in Oklahoma in 1933. The reasons for establishing the funds have been the subject of some debate. Availability of coverage was one source of concern. Workmen's compensation was a new line of insurance with which private carriers had little or no experience. There were often no provisions for an assigned risk pool which would assure coverage for hazardous lines of employment such as coal mining. There was little experience on which to rely in the coverage of disease. Individual private carriers could, and still can, refuse to provide coverage for risks which in their opinion were "bad"; most state funds accept all risks. The poor performance of private carriers under the employers' liability statutes increased the dissatisfaction with the old laws. A New York commission discovered that only \$37 of every \$100 paid in by employers was paid to workmen; in Iowa benefits amounted to \$28 for every

⁵ Abner Brodie, "The Adequacy of Workmen's Compensation as Social Insurance: A Review of Developments and Proposals," 1963 Wisconsin Law Review, 57, January 1963, pp. 62-80.

TABLE I-1

TYPES OF WORKERS' COMPENSATION SYSTEMS IN THE UNITED STATES AND ITS TERRITORIES

A. Exclusively by Private Insurance:

GUAM

TEXAS

B. By Private Insurance or by Authorized Self-Insurance:

ALABAMA
ALASKA
ARKANSAS
CONNECTICUT
DELAWARE
DISTRICT OF COLUMBIA
FLORIDA
GEORGIA
HAWAII
ILLINOIS
INDIANA
IOWA
KANSAS
KENTUCKY
LOUISIANA
MAINE

MASSACHUSETTS
MINNESOTA
MISSISSIPPI
MISSOURI
NEBRASKA
NEW HAMPSHIRE
NEW JERSEY
NEW MEXICO
NORTH CAROLINA
RHODE ISLAND
SOUTH CAROLINA
SOUTH DAKOTA
TENNESSEE
VERMONT
VIRGINIA
WISCONSIN

C. Exclusively by State Fund:

NEVADA
NORTH DAKOTA
PUERTO RICO

VIRGIN ISLANDS
WYOMING

D. By either State Fund or Authorized Self-Insurance:

OHIO
WASHINGTON

WEST VIRGINIA

E. By any one of three means: Private Insurance, State Fund, or Authorized Self-Insurance:

ARIZONA
CALIFORNIA
COLORADO
IDAHO
MARYLAND
MICHIGAN

MONTANA
NEW YORK
OKLAHOMA
OREGON
PENNSYLVANIA
UTAH

Source: The American Association of State Compensation Insurance Funds, State Funds, Their Purpose and Impact (Phoenix: AASCIF Reports, 1975), p. 4.

\$100 in premiums.⁶

No new state funds for workmen's compensation insurance have been created since 1933 and the status of the existing funds has remained constant with the exception of a change from an exclusive to a competitive fund in Oregon in 1965. The development of modern workers' compensation laws has proceeded along similar lines in almost all states.

State legislation in recent years has been strongly influenced by the work of the 1971-72 National Commission on State Workmen's Compensation Laws. The commission, as dictated by Congress in the Occupational Safety and Health Act of 1970, undertook "a comprehensive study and evaluation of State Workmen's Compensation Laws in order to determine if such laws provide an adequate, prompt, and equitable system of compensation." The commission found that "The inescapable conclusion is that State workmen's compensation laws in general are inadequate and inequitable." Neither Federal administration nor control of the programs was recommended (except by a minority) but more than 80 recommendations were made with some 19 of them considered "essential" for every state act and "particularly suitable for Federal support." The 19 essential recommendations called for complete, compulsory coverage of all workers, full coverage of work-related diseases, unlimited medical care and physical rehabilitation services, employee selection of the state in which he would file a claim under certain conditions, and the establishment (in cases of death or total disability) of benefits not less than 66 2/3 percent of the wage of the injured worker, subject to a maximum no less

⁶ Somers and Somers, p. 24.

than 100 percent of the state's average weekly wage, with no time limits.⁷

Payrolls covered by workers' compensation insurance hit an all-time high of 86 percent in 1974, up from 84 to 85 percent for all years back to 1959. The upgrading of state programs in recent years and the persistent growth in medical and hospitalization costs have resulted in increased costs to employers. Table I-2 gives these costs in dollar terms and as a percent of payroll in covered employment. Benefit payments have exhibited a similar rate of growth.^{8,9}

On May 13, 1974, an interdepartmental group which had been working in the area of workers' compensation made its report to the President.¹⁰ The White Paper on Workers' Compensation generally supported the recommendations of the National Commission, and recognized that these recommendations had already had considerable impact. It outlined a program of immediate reforms with a series of minimum objectives to be accomplished by the states by the end of 1975. The objectives generally

⁷ The Report of the National Commission on State Workmen's Compensation Laws, Washington, D.C., July 1972. (See Appendix I for a list of the 19 essential recommendations and a table showing state compliance.)

⁸ Ibid.

⁹ Daniel N. Price, "Workmen's Compensation Payments and Costs," Social Security Bulletin (January 1975, January 1976).

¹⁰ Department of Labor, Department of Commerce, Department of Health, Education, and Welfare and Department of Housing and Urban Development, White Paper on Workers' Compensation--A Report on the Need for Reform of State Workers' Compensation, May 13, 1974.

followed the National Commission's recommendations in the areas of coverage and benefit levels, but federal technical assistance was suggested in the development of guidelines for occupational disease coverage, benefit policy research, and the development and implementation of a model data system which would aid researchers in their efforts to assess the strengths and weaknesses of the various systems. Finally, they proposed "a major program of research to analyze the fundamental issues and to develop options for further improvements."

The President established an Interdepartmental Workers' Compensation Task Force in 1974 to accomplish the broad research and assistance objectives set out in the White Paper and to document the states' progress in achieving the recommended improvements. The work of the task force represents a primary source of comprehensive, current information on the subject of workers' compensation.

The question of federal legislation in the field of workers' compensation remains open and will undoubtedly depend on reactions to the report of the task force which cannot be anticipated at this time. "Substantial progress" by the states along lines that have been indicated by various reports will be a considerable factor. At the present time it is clear that virtually no one has ruled out the possibility of some form of federal control. The National Conference of State Legislatures is conducting a study to determine what progress the states have made toward conformance with the recommendations of the National Commission and the possible future role of the federal government in workers' compensation; their report should be available early in 1977.

The Policy Group of the Interdepartmental Workers' Compensation Task Force reported officially to the President on January 19, 1977. On the subject of federal control they concluded that:

Secondly, a program so affected by local employment conditions and local services, and requiring so much interaction with claimants probably is more effectively managed at the State level. On balance, the Group recommends giving the States a while longer to strengthen their workers' compensation systems. Legislation to Federalize the system is not warranted at this time.

However, the Policy Group feels that State progress must be both assisted and monitored by the Federal Government. In making its recommendations, the Group has tried to give special attention to the problems which have slowed the pace of reform so far. Our attention is directed as much to effective implementation of reforms as to the principles which should guide them.¹¹

Development In Alaska

The development of workmen's compensation in Alaska has generally conformed to the trend which has prevailed in other states. The first act in Alaska was passed in 1915, covered the mining industry only, and was "permissive" in that it allowed both an employer and an employee to decide whether they wished to be covered. This original act was replaced in 1923 by another which was considerably broader in scope, and, from there, Alaska has moved into substantial compliance with all but three of the essential recommendations of the National Commission.

¹¹ Workers' Compensation: Is There a Better Way, A Report on the Need for Reform of State Workers' Compensation by the Policy Group of the Interdepartmental Workers' Compensation Task Force, Washington, D. C., January 1977.

The costs and benefits associated with workmen's compensation in Alaska have been a subject of perennial concern to the legislature. At the direction of the Territorial Legislature, Twenty-third Session, the Legislative Council conducted a study to assess the potential impact of a bill which would have increased benefits but was vetoed by the governor. The council also concerned itself with a general review of rates and benefits, including a comparison with those in other jurisdictions, and discussed the theory and the pros and cons of a state industrial fund.

The National Council on Compensation Insurance, a "...seasoned, nationally-known rate making organization..." supported by insurance companies, has operated in Alaska since 1947. Advisory rates were filed by the National Council on behalf of almost all carriers and approved or disapproved by the commissioner (now director) of insurance. (In February, 1976, the National Council was declared by the director to be a licensed rating bureau.) There had, however, been no "...effective insurance regulatory agency prior to 1956..." and this had contributed to excessive rates being charged.¹²

The 1958 report contained testimony from the National Council on Compensation Insurance, the American Association of Compensation Insurance Funds and representatives of labor and the insurance industry. The Legislative Council concluded that rates had been higher than necessary and that improved benefits were in order. In view of recently instituted

¹² Alaska Legislative Council, A FINAL Report on the Workmen's Compensation Study, Publication No. 23-4 (Final).

regulatory apparatus for the insurance industry and impending reorganization of the executive branch associated with the achievement of statehood, it was recommended that the establishment of a state fund be deferred and a reappraisal conducted following reorganization in the light of new experience.¹³

In 1961, at the direction of the Second Legislature, the Legislative Council, in cooperation in the Departments of Labor and Commerce, held public hearings on the subject of a non-profit exclusive state fund and the workmen's compensation insurance rates which were then in effect. Again, testimony was taken from representatives of all concerned factions.¹⁴ At the time of the hearings, the overall rate level had risen by only 4 1/2 percent since the 1958 final report. A liberalization in benefits which tended to increase rates by 24.1 percent had become effective in the interim, but the effects were almost totally offset by favorable "experience" (see Table I-4).

The legislature again failed to enact legislation which would have established a state fund. A bill to establish an exclusive state fund was introduced in 1965 and, until the present concern, represented the last official interest in the area.

Workmen's compensation coverage in Alaska is furnished almost exclusively by private insurance companies. Currently, 33 employers are self-insured in accordance with AS 23.30.090. The vast majority

¹³ Ibid.

¹⁴ Transcript of Proceedings, Public Hearings on Workmen's Compensation, Hearings conducted by the Alaska Legislative Council, Department of Commerce and Department of Labor, Juneau, Alaska, August 24, 25, and 26, 1961.

of workers' compensation in Alaska (78 percent of earned premiums in 1975) is accounted for by the business of non-participating stock companies which are organized as profit-making ventures in the field of insurance and return almost no premiums to the insured in the form of dividends. Almost all the the remaining 22 percent of the market is divided between participating stock companies which are organized for profit but do pay dividends and mutual companies which are organized as non-profit corporations owned by policyholders. Reciprocals (similar to mutuals) and miscellaneous companies account for an insignificant share. Table I-3 gives 1975 shares of the Alaskan market by type of company.

Prior to statehood, most of the workmen's compensation insurance was written by Lloyd's of London. Even though some American companies began to make inroads into the market, particularly in special program areas, there were no domestic carriers organized under Alaskan law until 1967 when a charter was granted to Alaska Pacific Assurance Company. Since that time three other carriers have been chartered in Alaska-- Industrial Indemnity of Alaska, Providence-Washington of Alaska, and the Alaska Insurance Company. Alaska Pacific dominates the market, writing 40 percent of the 1975 premiums; the other three domestics together accounted for 24 percent of the total.

The present concern with the workmen's compensation system in Alaska stems primarily from spectacular increases in premium costs borne by employers. Rates remained below their 1957 level until June of 1972; they did not rise more than 4 1/2 percent above that level until June of 1974. Liberalized benefit provisions enacted during that period which

TABLE I-3
 1975 SHARES OF THE ALASKAN MARKET
 BY TYPE OF COMPANY
 (Direct Business)

Type of Company	Earned Premiums in 1975	Percent of Total
Non-participating stock	27,478,699	78.22
Participating stock	5,144,487	14.64
Mutual	2,476,479	7.05
Reciprocal	2,665	0.01
Miscellaneous	28,233	0.08
All companies	35,130,563	100.00

Source: National Council on Compensation Insurance, Insurance Expense Exhibit (countrywide) compiled in 1976.

would have increased rates in the absence of other influences were almost exactly offset by improving experience (losses were consistently less than had been projected). Rates have more than doubled since 1973 as a result of two factors: changes in the law which would have increased rates by 67 percent compounded with poor experience which would have produced a 23 percent increase.

Table I-4 gives rate level history for Alaska. These changes in rate level are aggregate or average changes in manual rates; one of the more than 500 classifications into which insureds are divided for rating purposes have experienced larger increases and some smaller increases than the average. This report will not go into detail concerning the rates and rating practices in Alaska which are being treated in a separate report to the council by the actuarial consulting firm of Woodward and Fondiller.

The rates which went into effect on June 1, 1975, were considerably higher than had been predicted or anticipated. Adverse experience and a delayed increase related to legislation from May 1974 (SB 400) brought the average increase to about 50 percent. Complaints to the Division of Insurance coupled with other concerns on the part of the director resulted in the first rate hearings to be held by a director of the Division of Insurance in Alaska. The hearings were held in November of 1975 in Ketchikan, Fairbanks and Anchorage.¹⁵

¹⁵ For a more complete description of the circumstances surrounding the hearings of November, 1975, and the director's finds, see Division of Insurance Order 76-1. Two volumes of testimony were taken at the hearings and have been transcribed by the division.

TABLE 1-4

ALASKA WORKMEN'S COMPENSATION RATE LEVEL HISTORY

Date of Rate Change	Total Change in W.C. Rate Level	Cumulative % of Sept. 1957 Level	Portion Due to Experience	Cumulative % of Sept. 1957 Level	Portion Due to Law Change	Cumulative % of Sept. 1957 Level
10- 1-57	-11.5%	.865	-11.5%	.885	0%	1.000
10- 1-58	- 8.8%	.807	- 8.8%	.807	0%	1.000
8- 1-59	+ 6.0%	.855	-14.6%	.689	+24.1%	1.241
12- 1-60	- 1.3%	.844	- 1.4%	.679	+ 0.1%	1.242
12-31-61	+ 6.2%	.897	+ 6.2%	.721	0%	1.246
12-31-63	- 0.4%	.893	- 0.7%	.716	+ 0.3%	1.246
12-31-63	- 5.4%	.845	- 5.4%	.677	0%	1.246
10- 1-64	+15.1%*	.972	+ 9.6%	.742	+ 5.0%	1.308
9- 1-55	- 0.3%	.969	- 0.3%	.740	0%	1.308
10- 1-66	-11.8%	.855	-13.0%	.644	+ 1.4%	1.327
11- 1-67	- 3.1%	.829	- 3.1%	.624	0%	1.327
1- 1-69	+ 7.2%	.888	+ 4.9%	.655	+ 2.2%	1.356
11- 1-69	+ 1.6%**	.902	+ 6.1%	.695	0%	1.356
10- 1-70	+ 5.4%	.951	- 1.2%	.686	+ 6.7%	1.447
4- 1-72	- 5.2%	.902	- 5.2%	.650	0%	1.447
6-15-72	+15.8%	1.044	0%	.650	+15.8%	1.675
3- 1-73	- 3.1%	1.012	- 3.1%	.630	0%	1.675
6- 1-74	+34.2%	1.357	+20.7%	.761	+11.2%	1.862
6- 1-75	+49.9%	2.035	+11.3%	.847	+35.2%***	2.518
11- 1-76	+ 3.7%	2.110	- 8.2%	.777	+11.0%****	2.796

Source: Division of Insurance; NCCI Rate Filings.

* Difference due to compounding.

** Difference is accounted for by change of premium basis from a \$300 per week payroll limitation to a \$400 per week payroll limitation. This also causes a 5-6% disagreement in the cumulative columns from that point on.

*** 26.4% from SB 146 (Ch. 83, SLA 1975) and 7%, applicable only for policies in force from June 1, 1975, through December 31, 1976, as a result of the retroactive benefit provisions of SB 400 (Ch. 51, SLA 1974).

**** The 10% decrease which would have resulted from SB 569 (Ch. 252, SLA 1976) was more than offset by two 11% increases: one from a reevaluation of SB 146 and the other from the automatic increase in the limit on benefits from 80% to 100% of the increased weekly wage.

The Alaska Legislative Council Subcommittee on Workmen's Compensation also held hearings in Anchorage and Fairbanks in December of 1975. Public testimony reflected concern with rates, and the bill which the committee had drafted with a view to providing relief became Chapter 252, S.L.A. 1976. It restricted benefits to be provided to beneficiaries who moved out of Alaska into areas with a lower cost of living and, had other things been equal, would have reduced rates by 10 percent.

The rates which went into effect on June 1, 1975 were approved by the director in Order 76-1. In addition, the National Council was designated as a licensed rating bureau, and practices not in accord with their rules were invalidated. The National Council was also ordered to refile new rates to more accurately reflect Alaskan conditions. This latest filing resulted in the rate increase of 3.7 percent which became effective November 1, 1976. The downward influence of Chapter 252 and good experience would have produced a decrease of 17.4 percent. Those tendencies were more than offset by a reevaluation of the May 22, 1975, legislation and an automatic change in benefit limit to 100 percent of the state average weekly wage which had gone up to \$358.

It is too early to assess the effects of some of the recent procedural changes on the market. The effects of pipeline construction have moderated. Large increases in benefit levels in the near future seem unlikely. In general, the market is beginning to stabilize.

II. COSTS

This chapter will compare the costs of delivering benefits through private insurance carriers as opposed to state funds. Direct comparisons are impossible because of differences among states in areas such as wage rates, benefit levels, agency administration, court interpretation and economic character. It is possible to use some accepted standards of comparison and draw valid conclusions but they must be interpreted with care. Services rendered to employers as well as benefits paid must be taken into account. Effective loss control may appear as an expense and, at the same time, be reducing total cost. The extent to which injured workers are receiving the medical care, rehabilitation and compensation to which they are entitled under the law in a timely manner is a paramount consideration when one is weighing cost factors. Account must be taken of subsidies which some state funds receive in the form of tax exemptions or services provided without charge. Consideration of the factors bearing on the overhead of benefit administration will occupy much of the remainder of this report.

Apparent Overhead

Loss ratios are a widely available and generally accepted source of information on the proportion of the premium dollar which reaches the injured worker. A ratio that will be used extensively is that of incurred losses to net earned premiums.

"Incurred losses" for a given period refers to the losses that are paid during that period plus the outstanding reserves at the end of the period minus the reserves at the beginning of the period. Reserves are the amounts set aside to make continuing payments in future years. Typically, allowances for losses that have been incurred but not yet reported, cases which will be reopened and specific contingencies are also included. This measure of losses is widely and increasingly favored over the simpler "paid losses". Incurred losses will tend to exceed paid losses in a period in which losses and the volume of outstanding reserves are increasing.^{16,17}

"Earned premiums" refers to that portion of premiums which should be allocated to the year in question on a pro rata basis according to the portion of the policy period that falls in that year. For example, \$50 in earned premium would be generated in calendar year 1975 by a policy selling for \$100 and running from July 1, 1975, through June 30, 1976. In a period of expanding business activity, earned premiums tend to be smaller than written premiums (the amount actually paid in without regard to policy period).¹⁸ Net earned premium is earned premium minus returns to policyholders in the form of premium discounts and through experience and retrospective rating plans.

These loss ratios will be more meaningful if they are viewed in conjunction with dividends paid to policyholders to arrive at a figure for the amount which is retained by the carriers to cover expenses and profit. A high loss ratio might be a reflection of relatively

¹⁶ Somers and Somers, pp. 119-120

¹⁷ Final Report 1958, p. 25.

¹⁸ Ibid., Somers and Somers, and Final Report 1958.

adequate reserving, poor risks insured, a low rate level or inefficient management. Retention figures for a period of years should give a good indication of relative overhead costs, at least from an employer's point of view, which may then be adjusted to account for existing subsidies and, finally, weighted in the light of differences in the quantity and quality of services delivered.

Table II-1 gives totals for earned premiums, incurred losses and loss ratios, dividends and retention for private carriers and state funds in the most recent five year period for which figures are available. Private companies retained 21.8 percent of earned premiums; state funds 6.6 percent. The substantially larger portion of earned premium retained by the private carriers (15 percent more for the entire period) varied from 25.4 percent more in 1971 to 5.1 percent more in 1972. It should be pointed out that the amounts retained represent overhead only from the point of view of the employer; these sums are used not only for expenses but also for taxes, additions to reserves and surplus and profits.

Before making adjustments in the retention figures or attempting an evaluation of services, some further discussion and comparisons are in order.

The higher retention ratio of the exclusive funds is surprising in view of their historically lower expense ratios. "Over the years competitive funds have devoted, on the average, about 14 percent of premiums to expenses, exclusives about 6 percent."¹⁹ In 1975, competitive

¹⁹. Somers and Somers, p. 125.

TABLE II-1

LOSSES AND RETENTION AS A
PERCENTAGE OF NET EARNED PREMIUMS:
FIVE YEAR COMPARISON 1971 - 1975
(in millions of dollars)

PRIVATE CARRIERS

Type of Carrier	Net Premiums Earned	Losses Incurred	Losses %	Dividends to Policy Holders	Divi- dends %	Retention	Retention %
Non-participating Stock	11,785.9	8,497.5	72.1	376.0	3.2	2,912.4	24.7
Participating Stock	4,615.3	3,309.4	71.7	457.8	9.9	846.1	18.4
Mutual Companies	5,355.7	3,986.4	68.0	777.3	13.3	1,102.0	18.8
All private (including reciprocals and mis- cellaneous companies)	22,850.0	16,206.0	70.9	1,653.2	7.2	4,990.8	21.8

STATE FUNDS

Type of Fund	Net Premiums Earned	Losses Incurred	Losses %	Dividends to Policy Holders	Divi- dends %	Retention	Retention %
Exclusive*	2,251.1	2,057.1	91.4	2.0	0.1	192.0	8.5
Competitive	2,722.5	2,257.4	82.9	330.1	12.1	135.0	5.0
All State Funds	4,973.6	4,314.5	86.7	332.1	6.7	327.0	6.6

* Refers to states not allowing private carriers to compete, includes those that allow self-insurance.

Source: Data on private carriers and the state funds of Arizona, California, Michigan, New York and Pennsylvania are from the National Council on Compensation Insurance, Country-wide Expense Exhibits 1971-1975. Data on the other state funds are from the American Association of State Compensation Insurance Funds, 1976 Statistics Committee Report (does not include 1971 and 1972 data for West Virginia and does not include 1975 data for Utah and Wyoming).

fund expenses averaged more than 20 percent of premium, exclusives around 8 percent. This difference in retention is accounted for, in part, by an apparent move to increase reserves by some of the exclusive funds. The large Ohio fund, for example, had substantial negative retention in 1970 and 1971; their retention ratio for 1970 through 1975 was 4 percent.

A study by Stefan A. Riesenfeld²⁰ compared the retention ratios of the State Compensation Fund and the private carriers in California for the years 1957-1961. The retention ratios (called "Apparent Expense Ratios" in the study) for that five year period were 29.28 percent for the private carriers and 6.96 percent for the state fund; a difference of 22.32 percent of earned premium. The state fund enjoyed few competitive advantages over the private carriers, and this comparison does not suffer the difficulties of comparisons which cross state lines. Riesenfeld also concluded that in the period between 1948 and 1961 good agreement between premiums written and losses incurred indicated no substantial bias in risk selection.

Another similar but more recent study by the state fund in Oregon gave retention figures for the ten year period 1966-1975.²¹ The private carriers retained 22.2 percent of earned premiums, 16.93 percent more than the 5.27 percent retained by the State Accident Insurance Fund.

²⁰ Stefan A. Riesenfeld, "Efficacy and Costs of Workmen's Compensation," Occupational Disability and Public Policy, eds. Earl F. Cheit and Margaret S. Gordon, (New York: John Wiley & Sons, Inc., 1963).

²¹ "Options for Lowering Workmen's Compensation Costs in Oregon," prepared by the State Accident Insurance Fund of Oregon at the request of the Interim Committee on Trade and Economic Development and included in the staff report to the committee, November 1976.

The Oregon experience will receive more attention later in this report; at this point it is sufficient to observe that after careful consideration the state fund personnel had no effective subsidies to report except exemption from federal income tax.

Table II-2 shows Alaskan experience for 1971-1975. The 23.7 percent of earned premiums which Alaskan carriers retained is somewhat higher than the 21.8 percent average for private carriers but is lower than the 24.7 percent for non-participating stock carriers which, as a group, dominate the Alaskan market. Information on the experience in most states, including Alaska, is displayed in Appendix I.

Retention figures presented, as the foregoing have been, as a percentage of premiums earned are affected by the extent to which the rate level allows for the payment of dividends. For example, if we hypothesize incurred losses amounting to \$1,000, retention of \$200 and dividends of \$300 which imply an earned premium of \$1,500, retention is 13.3 percent of earned premium. If the earned premium is reduced to \$1,200 by premium discounts or a lower rate level and no dividends are paid, retention amounts to 16.7 percent of earned premium even though the same losses are incurred and the same amount retained. This effect is particularly significant in the case of exclusive funds which operate on a low initial rate level and pay practically no dividends. Since the market is captive, they experience little difficulty in recapturing losses from previous years. To remove the influence of premium level, retention may be expressed as a percentage of losses rather than premiums.

Table II-3 displays the loss and retention figures from Tables II-1 and II-2 and gives retention as a percent of losses instead of premiums.

TABLE 11-2
FIVE YEAR ALASKA EXPERIENCE

	1971		1972		1973		1974		1975		5-Year Total	
	Dollar Amount*	%**	Dollar Amount*	%**	Dollar Amount*	%**	Dollar Amount*	%**	Dollar Amount*	%**	Dollar Amount*	%**
1) Net earned premium	13,712	100.0	13,288	100.0	16,073	100.0	16,706	100.0	35,131	100.0	94,908	100.0
2) Incurred losses	9,746	71.1	11,123	83.7	10,371	64.5	15,343	91.8	23,745	67.6	70,329	74.1
3) Dividends to policyholders	1,083	7.9	359	2.7	193	1.2	200	1.2	211	0.6	2,046	2.2
4) Retention (1)-(2)-(e)	2,883	21.0	1,806	13.6	5,509	34.3	1,163	7.0	11,174	31.8	22,533	23.7

* Dollar amounts are in thousands

** Percent of net earned premium.

Source: National Council on Compensation Insurance.

TABLE II-3

FIVE YEAR COMPARISON 1971 - 1975
 RETENTION AS A PERCENT OF LOSSES
 (in millions of dollars)

Private Carriers*	Losses Incurred	Retention	Retention as a % of Losses Incurred
Non-participating stock	8,497.5	2,912.4	34.2
Participating stock	3,309.4	848.1	25.6
Mutual Companies	3,986.4	1,102.0	27.6
All Private (including reciprocals and miscellaneous companies)	16,206.0	4,990.8	30.8
Alaskan Carriers	70.3	22.5	32.0
State Funds*			
Exclusive	2,057.1	192.0	9.3
Competitive	2,257.4	135.0	6.0
All State Funds	4,314.5	327.0	7.6

* Refers to states not allowing private carriers to compete, includes those that allow self-insurance.

Source: See Tables II-1 and II-2.

Compared in this way, private carriers' retention is about four times as great as that of state funds instead of the approximate factor of three which results from the percentage of earned premium comparison. Again, we find Alaskan carriers retaining more than private carriers as a whole but less than the non-participating stock carriers.

On the basis of these "raw" figures it seems reasonable to conclude that, on the average, even though there is considerable variation from state to state, state funds retain about 15 or 16 percent less of net earned premiums than private carriers do for providing their services. State funds retain 15.2 percent less if the percentages of net earned premiums are accepted at face value. If we assume that state funds retain 28 percent as much as private carriers (as indicated by considering retention in terms of losses) and translate this into a percentage of premiums $[(1-.28) \times 21.8\% = 16.0\%]$, it indicates that they retain 16.0 percent less of earned premiums than private carriers. This last operation is equivalent to building up the premiums of state funds until losses plus dividends equal the ratio for private carriers, increasing dividends by the same amount, and then comparing retention ratios. Before analyzing the differences which exist in expenses and services, it is of interest to note a difference in income which exists.

Investment Earnings

In addition to premiums which are collected by insurers, they receive income in the form of investment earnings. Tables II-4 and II-5 summarize the financial experience of private carriers and state funds respectively for the years 1972-1974. The recent "Draft Report to

TABLE II-4

SUMMARY TABLE OF FINANCIAL EXPERIENCE,
 STATE FUNDS, 1972-1974
 (ratio to earned premium)

<u>State Fund</u>	<u>Underwriting Profit Rate</u>	<u>Net Invest- ment Rate</u>	<u>Dividend Rate</u>
North Dakota	-.60	.20	
Nevada	.08	.04	.02
Washington	-.10	.17	
Ohio			
Maryland	.16	.18	
Idaho	.06	.20	.17
Oklahoma	-.01	.09	.09
Utah	-.38	.12	
Montana	.22	.16	.14
Michigan	-.07	.27	.09
Pennsylvania	-.30	.24	
Colorado	.06	.05	
Arizona	-.07	.30	.13
Oregon	.07	.13	.18
New York	-.16	.19	.05
California	.07	.10	.16

Source: Workers' Compensation Insurers: An Operational Analysis,
 A Draft Report to the Interdepartmental Task Force by Teknekron, Inc.,
 October 25, 1976, Washington, D. C.

TABLE II-5

SUMMARY TABLE OF FINANCIAL EXPERIENCE,
PRIVATE CARRIERS, 1972 - 1974
(ratio to earned premium)

Carrier Category**	Underwriting Profit Rate	Net Investment Rate	Dividend Rate
<u>Group</u>			
1	.32 (.63)*	.04 (.01)	.08 (.05)
2	-.01 (.14)	.04 (.01)	.06 (.06)
3	.01 (.09)	.05 (.02)	.06 (.05)
4	-.02 (.05)	.06 (.02)	.06 (.04)
Total	.03 (.25)	.05 (.02)	.06 (.05)
<u>Individual</u>			
1	.06 (.24)	.11 (.28)	.15 (.17)
2	.01 (.27)	.06 (.05)	.10 (.08)
3	.05 (.12)	.05 (.02)	.08 (.05)
4	.11 (.11)	.06 (.02)	.15 (.08)
Total	.04 (.22)	.05 (.02)	.09 (.08)

* The numbers in parentheses are standard deviations.

** The eight categories are based on earned premium in 1975. They were: Group (1) \$5 million, (2) \$5 million to \$24.99 million, (3) \$25 million to \$99.99 million, (4) \$100 million +; Individual (1) \$1 million, (2) \$1 million to \$4.99 million, (3) \$5 million to \$24.99 million, (4) \$25 million +.

Source: Workers' Compensation Insurers: An Operational Analysis, A Draft Report to the Interdepartmental Task Force by Teknekron, Inc., October 25, 1976, Washington, D. C.

the Interdepartmental Workers' Compensation Task Force," by Teknekron, Inc. contained the following preliminary analysis.

We have portrayed the financial experience of private carriers and state funds over the three year period from 1972 through 1974. In general, the picture is one of an industry with large variability in the experience of carriers grouped by size, by the extent dividends are paid to policy holders, and whether public or private. However, there is also great variation within these categories. The private carriers in the aggregate paid out about 70% of earned premium over the three year period as incurred losses. State funds had much higher loss ratios. However, while the private carrier received net investment income which came to about 6% of earned premium on the average, the state funds received much larger amounts of funds from that source. When losses incurred were related to earned premium plus net investment, the ratios for 5 state funds were .65 or less, and the ratios for California, New York, and Washington were .71, .74, and .76, respectively. Thus, the ability of the state funds to pay out such large amounts in loss payments, and in dividends, is supported to a great extent by that source of income. The basis of the high rate of investment income is their highly capitalized financial structure. Seven of the 16 state funds had ratios of earned assets to earned premium greater than 3 to 1, and two funds, Arizona and Ohio, had more than 4 times their earned premium in earning assets. That compared, for example, to aggregate earning assets to earned premium rates of 1.33, 1.85, 1.95, and 2.35 for Aetna Life and Casualty, Liberty Mutual, Employers Mutual Liability, and Argonaut Insurance, respectively.²²

These higher investment earnings, none of which is retained in the form of profits, coupled, as we shall see later, with lower expenses in some areas account for the ability of state funds to retain relatively

²² "Workers' Compensation Insurers: An Operational Analysis, A Draft Report to the Interdepartmental Task Force," Teknekron, Inc., Washington, D. C., October 25, 1976.

small percentages of premiums for the services they provide. Total expenses for the 15 state funds whose net investment rate is given in Table II-4 averaged 15.5 percent of earned premium--about the same as the 16.3 percent average net investment rate.

Subsidies

The question of subsidies, hidden and otherwise, invariably plays a part in any discussion of the costs of state fund operation. While it is impossible to exactly quantify these influences, some estimate of their impact is in order.

Four of the state funds contacted enjoy very little in the way of subsidies and have made estimates of the magnitude of those which exist. Both Oregon and California claim to operate on an approximately equal footing with private carriers; they enjoy a monopoly on governmental business, but accept all risks. The Oregon fund is exempt from premium taxes but board assessments are allowed as an offset, and, in effect, the private carriers are also exempt. California pays higher fees to support state administration. We have made no adjustments in these two cases. The Arizona fund is exempt from real property taxes and probably benefits from state purchasing; they felt that if one percent of premium were allowed for all such subsidies, it would be in excess of the actual. The Pennsylvania fund has indicated that one percent of premium would cover any hidden subsidies. They are exempt from certain taxes and fees but point out that they would not necessarily have incurred any

expenses in those areas because they do not own any real estate or automobiles.²³

Adjusted total expenses for these funds for 1972-1974 as a percentage of earned premium are as follows: Arizona - 26%, California - 16%, Oregon - 13%, and Pennsylvania - 28%. The figures for Arizona and Pennsylvania have been increased by one percent in accordance with their estimates. Average expenses for these four funds is 20.75 percent of earned premium--about four percent higher than the average for all funds.²⁴

A four percent allowance for subsidies seems more than adequate. A typical allowance for taxes, licenses and fees in a rate structure is between three and four percent and only about half of the funds are exempt from these. Also, many expenses incurred by a competitive fund (such as the four mentioned above) are not required of an exclusive fund. Little or no advertising and some economies in the collection of data and supervision of the industry serve to offset to some degree the subsidies which are more common to exclusive funds. This estimate is designed to serve only in the comparison of costs without regard to differences which exist in services. As the State Accident Insurance Fund of Oregon said of their cost comparison, "It does not speculate as to the improvements in service which competition may have brought, or to

²³ From correspondence and conversations with officials of these four funds.

²⁴ Workers' Compensation Insurers: An Operational Analysis, A Draft Report to the Interdepartmental Task Force by Teknekron, Inc., preliminary results.

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²³ From correspondence and conversations with officials of these four funds.

²⁴ Workers' Compensation Insurers: An Operational Analysis, A Draft Report to the Interdepartmental Task Force by Teleskron, Inc., preliminary result.

Woodward and Fondiller contemplated: An exemption from the premium tax of 1.5 percent on domestic carriers (even private carriers enjoy a five year exemption after being chartered in Alaska). Making allowance for the premium tax exemption still leaves the retention of the hypothetical fund 14.1 percent below that of private carriers.

Two other points should be considered. First, the 30.2 percent retention estimated in this way from National Council allowances is higher than the observed 23.7 percent retention for the Alaskan carriers for 1971-1975. Those five years were very poor years for the insurance industry and we may expect that retention will move in the direction suggested by the National Council allowances; still, actual retention was 6.5 percent less than hypothetical. The other point to be considered tends to affect the estimate in the opposite direction. Investment income is not considered in the estimate for the first few years of state fund operation. Income from this source should amount to a considerable percentage of earned premium after a few years and, if the fund experienced "average" results, would amount to much more than 6.5 percent. The Idaho fund which is used as a model in Chapter V deviates 20 percent initially and, in addition, has been able to pay dividends of about 17 percent.

Expenses

Before comparing services delivered by private carriers with those provided by state funds, we will examine some differences in expense profiles. Besides greater investment earnings, state funds have lower expenses in some areas which helps to explain their lower retention ratios.

Table II-6 gives expense percentages for stock companies generally, for Alaskan carriers, and as they appeared in the July, 1975, Alaskan rate filing. The figures are in close agreement with the exception of the profit and contingencies component. Carriers lost five percent on their Alaskan writings over the five year period 1971-1975 compared to the standard 2.5 percent allowed for profit in the filing and experienced by carriers countrywide in 1974. Over a long period of time, these figures should come close to agreement in every respect; the rate making mechanisms used by the National Council tend to assure that result.

The survey results for 1972-1974 reported to the Interdepartmental Task Force tend to confirm these percentages. Average total expenses were 30.8 percent of earned premium; acquisition costs were higher at 12 percent.²⁶

It is difficult to compare expense percentages because state funds reporting and accounting practices are not standardized to the degree that they are with private carriers. Total expenses for the 15 state funds in Table II-4 averaged 15.5 percent of earned premium for 1972-1974. Loss adjustment expense for the 14 who reported in that category averaged 8.3 percent of premium--about the same as for private carriers. Striking differences exist in acquisition expenses. Only seven of the 15 funds allocated any premium to acquisition expense and only the Michigan fund reported more than three percent of premium devoted to acquisition (the Michigan fund is the only one that pays commissions). Most of the 17 percent difference in expense ratios is accounted for by

²⁶ Draft Report, Teknekron, Inc.

the approximately 10 percent difference in acquisition costs and the 3.5 percent profit reported by private carriers (see Table II-5). If we include the four percent allowance for subsidies, a fairly clear picture emerges. The analysis in Chapter III tends to confirm the hypothesis that the major differences in expenses do lie in these areas.

Other authors have arrived at substantially the same conclusion in the past. Ashley St. Clair concluded that:

The savings from state insurance are more apparent than real. The fact that competing state compensation funds, except for acquisition costs (emphasis added), have approximately the same expense ratios as private insurers indicates that, for the same protection and the same services, state insurance costs as much or almost as much as private insurance.²⁷

C. Arthur Williams, in his landmark study, found that:

The Achilles' heel of private workmen's compensation insurers is their expense ratio relative to that charged by the best State funds. Although this expense ratio is lower than that incurred in any other line of insurance except group disability income insurance, it is still higher than most observers, including many private insurance representatives, believe is desirable. Private insurers should, with a sense of urgency, investigate more efficient ways of marketing their product, particularly to smaller employers.²⁸

The following chapter will consider services which are delivered by the two types of insurers.

²⁷ Ashley St. Clair, "Occupational Disability--Privately Insured," Occupational Disability and Public Policy, edited by Earl F. Chitt and Margaret S. Gordon, John Wiley & Sons, New York, 1963.

²⁸ C. Arthur Williams, Jr., Insurance Arrangements Under Workmen's Compensation, U. S. Department of Labor, Bureau of Labor Standards, Bulletin No. 317, 1969, p. 207.

III. SERVICE

In the preceding chapters we have reviewed the history of workers' compensation and compared the overhead costs of operation of state funds with those of private carriers. In this chapter we will evaluate the services rendered by the two types of carriers. The services provided by workers' compensation insurers may be divided into three categories which overlap to some degree. loss control activities, claims management, and other activities including agency or brokerage services not provided directly by the carrier.

Loss Control Activities

Loss control refers to efforts to reduce the likelihood, severity and any unwarranted cost of on-the-job injury. These activities range from safety inspections or consultations by the insurer or other agency to incentives to the employer in the form of experience or merit rating systems which provide premium reductions for safe operations. Some form of merit rating is practiced by all state funds and by private carriers and, whichever system prevails, the state may dictate the terms under which it is practiced. Merit rating does not depend on the type of carrier but rather the rating system and is dealt with in the report of Woodward and Fondiller. This analysis will be confined to other aspects of loss control.

The degree to which safety services are provided by insurers vary from none at all to comprehensive treatment by a large and specialized staff. In general, insurers provide fewer services in areas where the

volume of business is low, the premium size is predominantly small or workers' compensation is not a primary line of insurance sold by the carrier.

Table III-1 gives an indication of the types of safety activities which are provided by private carriers nationwide, by state funds and by carriers in the Alaskan market. High percentages of all three groups indicate that they provide most types of safety services. The greatest differences appear to be the greater emphasis that state funds place on direct training and the relative importance of program development in the eyes of Alaskan carriers.

Total expenditures on safety by either private carriers or state funds are not very large. C. Arthur Williams estimated that insurers collect about 1.3 percent of standard earned premium for their safety work.²⁹ In 1971, the last year that the figure was reported by the National Council, reported expenditures on inspections amounted to 1.1 percent of net earned premium for private carriers and 1.3 percent for five state funds.³⁰ Ten state funds averaged 1.0 percent of earned premium for direct expenditures on safety personnel in 1974.³¹

Expenditures for safety and loss control are difficult to isolate. Many carriers do not allocate expenses on that basis. About 40 percent

²⁹ C. Arthur Williams, Jr., Insurance Arrangements Under Workmen's Compensation, U. S. Department of Labor, Bureau of Labor Standards, Bulletin No. 317, 1969, p. 121.

³⁰ National Council on Compensation Insurance, Insurance Expense Exhibit (Countrywide), for the year ending December 31, 1971. "Inspection" is not subject to the instructions for Uniform Classifications of Expenses and reflect only data of those carriers allocating these items.

³¹ American Association of State Compensation Insurance Funds (AASCIF) Statistics Report for 1974.

TABLE III-1

RELATIVE IMPORTANCE OF SAFETY ACTIVITIES
AS INDICATED BY INSURERS

Type of Activity	Percent of Insurers Indicating They Provide the Service			Percent of Insurers Indicating that Activity is One of Three Most Important		
	All	State	Alaska	All	State	Alaska
	Private	Fund		Private	Fund	
1. Survey of Hazards	85%	88%	88%	63%	69%	75%
2. Distribution of Brochures	81	75	88	22	0	13
3. Inspections Regarding:						
a. Lighting and Machine Guarding	84	81	75	31	6	50
b. Electrical Equipment	81	81	63	11	6	25
c. Noise Pollution	62	81	63	0	0	0
d. Air Pollution	54	75	63	0	0	0
e. Radiation	35	50	50	0	0	0
f. Safety Equipment	81	88	75	21	6	0
4. Instruction in Safe Work Procedures	78	81	88	29	19	38
5. Direct Training in Safe Work Procedures	38	63	25	2	25	0
6. Program Development	81	81	88	33	38	75
7. First Aid Training	59	81	88	1	0	0
8. Alcoholism & Drug Abuse	17	13	50	0	0	0
9. None	9	0	0	0	0	0

Source: For all private carriers and state funds: Draft Report to the Federal Interdepartmental Task Force by Teknekron, Inc.; Alaska data are from Carriers Survey.

of the private respondents to the national survey of carriers conducted for the Interdepartmental Task Force indicated that claims and underwriting personnel assisted in loss control activities; more than one-fourth received services from sales personnel, management, and independent agents. Most use independent loss control consultants to some extent. About 88 percent of the respondents to the Alaskan carrier survey indicated that they utilized either claims or underwriting personnel in providing loss control services to employers; 63 percent reported receiving assistance from other staff or independent agents.

Some measurement of the activity of carriers in conducting safety inspections or consultations is provided in Table III-2. These figures must be interpreted with care to allow for differences in policy size: \$2,208 for the private carriers (nationwide) in 1974; \$1,571 for all state funds in 1974; and \$6,179 for the four Alaskan carriers in 1975. Adjusting for these differences still leaves private carriers, as a whole, ahead of both the state funds and the Alaskan carriers. Alaskan carriers appear to lag behind the rest of the private sector in providing these services. After allowance for premium size, Alaskan carriers appear to provide fewer inspections per policy but have less earned premium per inspection than the sample of state funds.

The draft report to the Interdepartmental Workers' Compensation Task Force in the (preliminary) outcome evaluation found:

By any statistics, job related injury can be considered a frequent occurrence. While almost all private insurance carriers and state funds offer safety services, the survey of employers and the survey of self-insurers both suggest that these services are not perceived to be total services and are either supplemented by or (in the case of self-insurers) replaced by the employer.

TABLE III-2

PERSPECTIVE ON SAFETY INSPECTIONS*

Type of Carrier	Inspections Per Policy**	Earned Premium Per Inspection***
Private Carriers (nationwide) 1974	1.91	\$ 3,700
State Funds 1974	0.34	\$ 7,373
Alaskan Carriers 1975	0.46	\$ 22,645

* Data for private carriers (nationwide) and state funds are from the Teknekron Draft Report to the Interdepartmental Task Force; Data for Alaskan carriers are from survey results. Average premium generated per policy: private carriers (nationwide) - \$2,203, all state funds - \$1,571, and Alaska carriers - \$6,179.

** Private Carriers - average of 83 responses
State Funds - average of 10 funds
Alaskan Carriers - average of four responses representing more than 60% of 1975 earned premium.

*** Private Carriers - average of 73 responses
State Funds - average of nine funds
Alaskan Carriers - average for same four carriers representing more than 60% of 1975 earned premium.

Table III-3 provides some insight into the services employers indicated that they received in their survey responses.

The draft report concluded that:

Employers and self-insurers apparently perceive that private carriers and state funds generally provide minimal or no safety services, particularly for smaller establishments. There is no present evidence to indicate that one type of carrier is perceived as more effective than any other type in the provision of safety services.³²

Claims Management

Claims management concerns all of the activities of the insurer in claims from the time of injury until a case is closed. These activities include medical management, medical-legal responsibilities, both physical and vocational rehabilitation, activities to insure fiscal stability, and performance evaluation.

One index of the amount of resources devoted to the claims adjustment effort is the amount allocated to loss adjustment expense. Private workers' compensation carriers allocate about nine percent of earned premium in this way and state funds average a little over eight percent. This index is not totally reliable because of differences in accounting practices, but it gives an indication. The approximate market range for contract claims adjusters is from 6 to 12 percent of premium which suggests that the nine percent above is a reasonable approximation of the costs.³³

³² Draft Report to the Interdepartmental Workmen's Compensation Task Force by Teknekron, Inc., October 1976, preliminary results.

³³ Ibid.

TABLE III-3
OCCUPATIONAL SAFETY AND HEALTH SERVICES

<u>Employer Survey</u>		<u>Percent of All Firms</u>	
<u>Provides OSH Services</u>		<u>Nationally</u>	<u>Alaska</u>
Own Staff		38.8	28
Both Own Staff and Other		28.0	10
None		25.1	54
<u>Carrier Provides OSH Services</u>			
Yes		58.9	7
No, all Firms		41.1	88
No, 100 employees		81.7	*

* Only five of the Alaskan employers had 100 or more employees.

Source: National data is from the Teknekron Draft Report to the Interdepartmental Task Force; Alaskan data is from the Alaska employer survey.

Unless contract adjusters are employed, the nature of the claims adjustment service is affected by the number and location of offices. It is possible to adjust workers' compensation claims from a great distance with primary contact made by the physician and the employer but communication is obviously more difficult. Property and casualty insurers maintain approximately one office which adjusts workers' compensation claims for every \$1.5 million in premiums. State funds maintain 65 claims offices throughout the country--approximately one for every \$17 million in premiums in 1974.³⁴ Alaskan carriers surveyed maintain eight offices in the state--a conservatively estimated one for every \$1.7 million in earned premium in 1974. Approximately nine percent of claims are handled by independent adjusters in Alaska as opposed to about five percent for the nation as a whole.

Medical management may include an evaluation of treatment with respect to adequacy, appropriateness, fees charged, and the prospects for rehabilitation. Adjusters tend to judge medical care in terms of its effectiveness in getting injured workers back on the job. Table III-4 sets out some types of activities to monitor medical care which are undertaken by private carriers as a whole, state funds, and Alaskan carriers. The three activities most often pursued and considered most important by all three types of carriers were to get frequent evaluation of progress from the treating physician, get consultation by independent physicians to evaluate the adequacy of medical care and, in serious cases, to get consultation to evaluate the need for transfer of the

³⁴ Ibid.

TABLE III-4

ACTIVITIES OF CARRIERS IN MONITORING MEDICAL CARE

Type of Activity	Percentage of Respondents that Indicate Undertaking the Activity			Percentage of Respondents Indicating that the Activity is One of the Three Most Important		
	Private Carriers (nationally)	State Fund	Alaskan Carriers	Private Carriers (nationally)	State Fund	Alaskan Carriers
(1) We do not monitor medical care.	8	0	13	-	-	-
(2) Get frequent evaluation of progress from treating physician	92	100	88	84	88	75
(3) Have physicians and/or nurses in-house on retainer to review claims	21	63	38	8	38	25
(4) Get consultation by independent physicians to evaluate adequacy of medical care provided	75	88	63	57	69	50
(5) Interviews conducted with claimants to determine their satisfaction with medical care	66	50	50	28	19	0
(6) Maintain data on outcome of specific medical procedures.	10	25	13	0	0	0
(7) Medical reports are reviewed for completeness	83	81	75	16	31	25
(8) Maintain data on health care outcome by type of injury.	2	25	13	1	0	0
(9) In serious cases, get consultation to evaluate need for transfer of patient to a specialized treatment center.	85	94	88	62	44	63

Source of data for private carriers nationally and state fund is the Draft Report to the Interdepartmental Task Force by Teknekron, Inc. (preliminary); data on Alaskan carriers are from the carrier survey.

patient to a specialized treatment center. Practically none of the insurers attached much importance to the maintenance of data on health care outcome by type of injury.

In discharging his medical-legal responsibilities, an adjuster must assure that the injured worker receives the benefits to which he is entitled and no more. There is considerable evidence to suggest that adjusters, whichever type of carrier they represent, are tending away from the adversary posture that was common in the past. This trend is partially explained by changes in judicial interpretation which favor the injured worker and research which documents the higher average cost of contested claims. Table III-5 gives controverted cases for a sample of states. In every case but one where both a state fund and private carriers are represented, the state fund has the lower number of controverted cases. Jurisdictional differences seem to be at least as important as the type of carrier but, whether or not it is in the best interests of the system, private carriers as a whole appear to be more prone to controversy. The six year average for Alaskan carriers compares very favorably with the national figures for stock and non-stock insurers and is only slightly higher than the national average for state funds.

Promptness of first disability payment is a measure of claims management performance that suffers from many defects but is perhaps the most frequently used. About three-fourths of the private carriers nationally, the Alaskan carriers and state funds, like indicated in carrier surveys that it was a criterion of performance that was formally measured; more than half of all types of respondents felt

TABLE III-5
 CONTROVERTED CASES BY INSURER FOR A SAMPLE OF STATES
 (Percentages)

Insurer	National	State					New York	
		California	Colorado	Maryland	Michigan			
STOCK	22	41 ^d	7	26 ^c	29 ^d	8 ^d		
NON STOCK	19	32 ^d	15 ^a	30 ^b	14 ^c	8 ^d		
STATE FUND	10	25 ^d	10 ^d	6		4 ^d		
SELF-INS.	28	29 ^c		21 ^b	59 ^d	7 ^c		
(37,900)								
		<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>6-Year Average</u>
All Alaskan Carriers (all time loss injuries)	1.8	7.2	9.5	27.7	20.0	1.8	11.3	

- a - < 50 observations
- b - 50-99 observations
- c - 100-249 observations
- d - 250-499 observations
- d - 500+ observations

Source: Cooper & Co., Closed Case Survey in the Draft Report to the Interdepartmental Task Force by Teknekron, Inc.. Alaska figures are from the Division of Workmen's Compensation.

that it was one of the three most important criteria. Table III-6 displays data on the promptness of first payment from a sample of states for different classes of injury and type of insurer. The Alaskan figures are for all cases and, therefore, are not comparable. There does not appear to be any significant difference in payment lag by type of carrier; once again, jurisdictional differences seem more important.

Success of rehabilitation is formally measured by about half of the private carriers nationwide, state funds and Alaskan carriers. It is considered to be one of the three most important criteria for measuring claims management performance by only five percent of the private carriers, 38 percent of the state funds and 13 percent of the Alaskan carriers (see Table III-9). Table III-7 presents the limited data available on the delivery of physical rehabilitation services for a sample of states; Table III-8 gives an indication of the range of vocational rehabilitation activities carried out by the three classes of carriers as reported in the surveys. The three activities most frequently reported were consultation with the physician, consultation with the employer and referral to the state rehabilitation office. Again, there appears to be general agreement in the frequency with which the different classes of carriers conduct the various activities.

In assessing the vocational rehabilitation efforts of the different types of insurers the draft report concluded:

As with the frequency of controversion, the frequency of job displacement following injury appears to be largely a phenomenon of jurisdiction with strong differences noted among those states analyzed. Among types of insurers, only analysis within selected jurisdictions could provide any indication of differences. All types

TABLE III-6

TIME BETWEEN NOTICE AND FIRST CHECK
BY MAXIMUM DISABILITY AND TYPE OF INSURER
(Days)

(a) Temporary Total

<u>State</u>	<u>Stock and Non-Stock Carriers</u>	<u>State Funds</u>		
ARIZONA	54	27		
CALIFORNIA	18 ^d	16 ^d		
MICHIGAN	33 ^d			
NEW JERSEY	32 ^c			
NEW YORK	75 ^d	83 ^c		
COLORADO	18	41 ^c		
MARYLAND	36			
GEORGIA	29 ^c			
ILLINOIS	24 ^d			
FLORIDA	24 ^d			
OKLAHOMA	22			
 (b) Permanent Partial				
CALIFORNIA	107 ^c	134 ^c		
NEW JERSEY	212 ^d			
NEW YORK	167 ^d	149 ^d		
MARYLAND	99			
ILLINOIS	111 ^d			
FLORIDA	61			
OKLAHOMA	66			
	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>3-Year Average</u>
ALASKA (all time loss injuries)	16	18	25	20

- a - < 50 observations
- b - 50-99 observations
- 100-249 observations
- c - 250-499 observations
- d - 500+ observations

Source: Alaskan figures are approximate averages based on figures from the Division of Workmen's compensation; other states are from the Draft Report to the Interdepartmental Task Force by Teknekron, Inc.

TABLE III-7
 PHYSICAL REHABILITATION SERVICES BY INSURER
 FOR A SAMPLE OF STATES
 (Percentages)

<u>State</u>	<u>Type of Insurer</u>		
	<u>Private</u>	<u>State Fund</u>	<u>Self-Insured</u>
(a) Temporary Total			
ARIZONA	8	29 ^c	
CALIFORNIA	7 ^d	1	10 ^c
MICHIGAN	4 ^d		5
NEW YORK	5 ^d	7 ^c	19
COLORADO	0	4 ^c	
(b) Permanent Partial			
CALIFORNIA	10 ^d	.6 ^c	21
NEW YORK	8 ^d	28 ^d	16
ILLINOIS	10 ^d		4

- a - < 50 observations
- b - 50-99 observations
- 100-249 observations
- c - 250-499 observations
- d - 500+ observations

Source: Cooper & Co., Closed Case Survey in the Draft Report to the Interdepartmental Task Force.

TABLE III-8

ACTIVITIES CARRIED OUT BY STAFF* TO ASSIST CLAIMANTS WITH
 VOCATIONAL REHABILITATION AND REEMPLOYMENT
 PRIVATE CARRIERS AND STATE FUNDS
 (Percentages)

Activity	Private Carriers (nationwide)	State Fund	Alaskan Carriers
1	95	94	98
2	41	69	50
3	90	88	88
4	13	13	25
5	57	50	63
6	76	100	88
7	82	56	88
8	74	56	88
9	50	50	50

KEY TO ACTIVITY NUMBERS:

1. Consultation with Physician
2. Refer to State Employment Service
3. Consult with Employer
4. Maintain resource file of private employment agencies
5. Assist employee in selecting appropriate agency
6. Refer to State rehabilitation office
7. Assist employee in obtaining appropriate training
8. Monitor employee's progress in retraining program
9. Assist in placement in new job

* Includes consulting staff.

Source: Data for Private Carriers (nationwide) and State Funds from the Draft Report to the Interdepartmental Task Force by Teknekron, Inc.; data for Alaskan Carriers are from the carrier survey.

of insurers appeared to provide low levels of vocational rehabilitation. If higher levels could be discerned, they tended to be present among private carriers and self-insurers rather than state funds.³⁵

The major responsibilities of the adjuster to insure fiscal stability are to avoid excess costs brought on by litigation or other factors and to accurately estimate the future costs of the claim. There is little training available in the art of claims adjustment except on the job (some of the larger carriers and independent adjusting firms have training programs). The task of estimating future costs is more difficult in times of rapid change. Large changes in the benefit structure, inflation such as has been experienced in recent years, and changing economic conditions all contribute to instability. All of these factors have been present in Alaska. More carriers measure the accuracy of reserve practices than any other criterion of claims management performance.

Table III-9 indicates which criteria are used by the different types of insurers in measuring their claims management performance. Once again, there is general agreement among the carriers on which criteria they measure and which are most important. Reserve accuracy was followed by promptness of first disability payment and loss ratio in frequency of measurement. Promptness of first payment was rated important by the most carriers in every class. Private carriers rated promptness of first contact and adequacy of follow-up much higher than state funds did; the reverse was true with regard to number of medical bills paid, percent of claims receiving permanent disability awards and percent of claims in litigation.

³⁵ Ibid.

TABLE III-9

CRITERIA USED IN MEASURING CLAIMS MANAGEMENT PERFORMANCE
(Percentage)

	Indicate Criterion is Specifically and Formally Measured			Indicate Criterion is One of the Three Most Important		
	Private Carriers	State Funds	Alaskan Carriers	Private Carriers	State Funds	Alaskan Carriers
(1) None	11	13	13	0	0	0
(2) Promptness of contact with injured person	63	25	63	47	13	23
(3) Number of medical bills paid	14	50	0	0	13	0
(4) Promptness of first disability payment	76	75	75	65	56	23
(5) Caseload per adjuster	59	56	75	9	0	13
(6) Average cost of closed claims	48	50	50	8	6	25
(7) Ratio of field investigations to claims	19	19	38	0	0	38
(8) Percent of claimants returned to work on a timely basis	11	38	25	2	19	0
(9) Adequacy of follow-up with injured person, employer, doctor, and others involved in the case	57	19	50	38	6	25
(10) Percent of indemnity claims denied	10	31	13	1	0	13
(11) Adequacy of medical management of the injury	41	31	38	23	25	13
(12) Loss ratio	74	75	63	17	31	0
(13) Successful application of rehabilitation, if needed	52	50	50	5	38	13
(14) Accuracy of reserve practices	84	69	88	35	25	38
(15) Percent of claims receiving permanent disability awards	7	56	25	0	0	0
(16) Percent of claims settled on a release basis	9	13	13	2	0	0
(17) Percent of persons with permanent total disabilities who achieve maximum independence in controlling of bodily functions	12	6	13	1	0	0
(18) Percent of claims in litigation	36	50	13	3	6	0

Source of data on Private Carriers(nationwide) and State Funds is the Draft Report to the Interdepartmental Worker's Compensation Task Force by Teknekron, Inc.; data on Alaskan Carriers are from the carriers survey.

There is no clear trend to indicate which type of carrier system provides the best claims management services. Private carriers are perceived to have some advantage in vocational rehabilitation, but they also seem more prone to controversy. The draft report concluded that, "Present data cannot support any opinion that one type of insurer is more effective than any other in the management of the injured." Until accounting and reporting standards become more uniform, it is unlikely that convincing evidence will be presented on behalf of either system.

In the delivery of other types of services, private carriers enjoy a clear but very difficult to quantify advantage. These other services include the services provided, not by the carriers themselves, but rather, by agents and brokers (only the Michigan fund uses the agency system and pays for these services in the form of commissions). Private carriers (either directly or through agents) are usually in a position to provide a wider variety of coverage; they can provide a small employer with "package" coverage and have greater flexibility in tailoring coverage to fit any given business. Almost all state funds provide employers' liability coverage but none offers a complete range of lines.

IV. PROJECTED COSTS OF ESTABLISHING A STATE FUND IN ALASKA

Cost of establishing a competitive State Fund in Alaska

There are two categories of costs in establishing a State Fund — operating expenses and capital fund expenses. We will first consider the amount of money necessary for the capital fund, hereinafter sometimes referred to synonymously as "net worth" or "capital."

Part A: Capital Fund

The capital fund is money set aside to pay for unexpected events. The most common possible events are unusually large losses, inadequate estimation of liability for unpaid losses, inadequate rates and unexpectedly poor investment results.

The premium and investment income collected by the Fund in the long run should pay for expected losses and expenses. In any year, however, it is possible that losses will be greater than expected. A capital fund is needed to pay for the short term deficit.

In addition to the possibility that losses may be higher than expected, there is the possibility that the Fund will inadequately estimate the amounts owed on old losses. This can occur because, particularly in workers' compensation insurance, losses are not paid immediately, but are paid over long periods of time. When a loss occurs, the State Fund must set aside money to pay the amount that will ultimately be owed to that worker. This ultimate amount is not known at the time of loss, and so it must be estimated.

The money set aside by the company to make these future payments to injured workers is called the loss reserve. The loss reserve represents the company's estimates of how much it will owe to injured workers. Because this reserve is only an estimate, it is possible that too little money will be set aside. When enough additional information becomes available to determine that there is a deficiency in the loss reserve, the capital must provide the money to make up the deficit. The danger of inadequate rates is heightened by requirement that a State Fund accept every risk submitted for insurance, thus in effect becoming an Assigned Risk Pool through adverse selection. Rates are promulgated for the average risk. Risks poorer than average have to be subsidized and this constitutes an additional burden on capital funds.

Finally, capital is needed if investments made by the Fund deteriorate. Generally, an insurance company will set aside a capital fund equal to one fourth or more of the premium it expects to write. The Alaska statute requires a minimum capital fund of \$1,000,000 for any insurance company planning to write one line of casualty insurance (for example workers' compensation insurance) in Alaska. Of this amount, \$300,000 must be deposited in trust through the insurance director.

Workmen's Compensation insurance losses are paid at a slow rate, which means that initially the Fund will be collecting more in premiums than it will be paying out in losses. The Fund could finance its capital and the expense costs (discussed in the next section) from

money it does not yet need to pay losses. Under these conditions, however, the Fund would be legally insolvent (its current assets would not be sufficient to pay for all of its anticipated liabilities). Such minimum financing would impair the Fund's ability to compete with other, more financially secure companies and would provide dubious security for the ultimate payment of just claims.

In 1975 the capital fund sizes of various State Funds ranged from a low in Pennsylvania, whose Fund was reported to be insolvent as of December 31, 1975, to highs in several states where net worth was larger than one year's premium.

Let us briefly consider the possibility of having to go to the Legislature for further financing under three different assumptions concerning an initial capital funding.

The first approach - conservative, is to set up an initial capital equal to 50% of the first year's anticipated written premium.* The likelihood of a need to go back to Legislature is very remote.

The second approach - moderately conservative, is to establish an initial capital equal to 25% of the first year's anticipated written premium. In this case the likelihood of need for additional capital is still small.

The third approach - least conservative, initial capital equals 10% of the first year's anticipated written premium. On this basis, insolvency during the first few years should occasion no great surprise, but the Fund might be able to recoup its losses before actually running out of cash.

*Written premium is the price paid by insureds for the coverage provided.

We recommend that the Alaska competitive Compensation Insurance Fund aim for an initial capital fund equal to about 25% of the first year's anticipated written premium, which we shall assume for the moment is \$2,000,000. This would require an initial capital fund of \$500,000 and assumes that the \$1,000,000 minimum requirement for private insurers would be waived in the case of a State Fund having at least the moral backing of the Legislature. Later contributions to capital would be obtained from the net operating results of the Fund.

Part B: Operating Costs

For an insurance company operating on a fixed volume of business, premiums collected will pay for its operating expenses. An insurance operation which is growing rapidly or just starting requires an additional amount of money to finance initial growth if a satisfactory capital/premium ratio is to be maintained.

In Exhibit 1, we project that the 1978 Alaska workers' compensation premiums will be \$80,000,000. A five percent share of that market (\$4,000,000) is not unreasonable for a two year old workers' compensation Fund not too severely inhibited in seeking business. With operation on a smaller scale, it would be difficult to provide adequate service. Exhibit 2 shows the market shares of most non-exclusive state funds. These range from a low of less than 5% in Michigan to a high of over 60% in Oregon. An ultimate market share of over 25% should be obtainable. On 1978 premium volume this would be \$20,000,000.

It is assumed that the State Fund will provide a level of service which is typical of that provided by existing state funds in the United States. The Alaska underwriting and claims expenses shown in Exhibit 3 have been estimated by a comparison with operating state funds. Exhibit 4 shows the ratios of expenses to premiums for ten non-exclusive state funds.

Exhibit 3 projects the Alaska Fund expenses of \$632,000, close to our nominal standard for state funds of 15%.* Obviously, actual cost can vary somewhat downward and quite a bit upward depending upon management.

Exhibit 5 shows the ratios of expenses to premium for all mutual companies in the United States. In 1975 the ratio of operating expenses to premium was 22.1%.

Any projection of capital needs obviously depends upon assumptions as to the rate of growth. What marketing approach will be permitted we shall not try to guess here, but it is reasonable to assume that the Fund will write at a downward deviation from National Council rates. This is because savings due to the Fund's lower expenses (at least in the area of commissions) should be passed on to employers and because, unless it either pays commissions or advertises heavily, it will need a price advantage in order to win any desirable part of the market. We have assumed for purposes of illustration that the Fund will write at a nominal 20% deviation. By "nominal 20%" we mean at 20% off manual rates. Further assuming a safety factor of 5% of premium (as against the National Council's 2.5% for "profit and contingencies"), this allows 75.875% of premium for losses and 19.125% for expenses.

We believe a 5% provision for profit and contingencies, better characterized as a "safety factor" in the case of a state fund, is necessary because of the greater risk associated with operating in a single state with only one line of business.

* As an Appendix we include our report "A Review of Budgetary Requirements for the Colorado State Compensation Insurance Fund" as of December 23, 1976.

(1) National Council allowance for losses and loss adjustment	67.9%*
(2) Ratio of loss adjustment expenses to losses and loss adjustment	.106
(3) Estimated allowance for losses alone $(1) \times [1.0 - (2)]$	60.7%
(4) Allowance for losses assuming 20% deviation $(3) / .8$	75.875%
(5) Allowance for expenses 10% - (4) - 5%	19.125%

A larger provision for expenses is needed than the 15% assumed to be actually necessary because rapidly growing insurance company will incur expenses faster than it earns the premium it collects.

Exhibit 6 shows estimated Fund expenses compared to assumed expenses for two models of growth. The high growth model assumes that premiums will increase at first by \$2,000,000 a year and then by \$3,000,000 a year. The earned premiums in column 2 represent the portion of the premiums paid by employers for coverage already provided. The difference between premium earned and written premium for a given policy is called unearned premium. The unearned premium would be returnable to employers if a policy were cancelled. Total earned premiums on all policies issued by the Fund are estimated here as the average of written premium for a current year and written premium for the prior year. Thus, \$3,000,000 is the average of \$4,000,000 and \$2,000,000 for Model 1. The expense income earned in column 3 is 19.125% of earned premium.

* Including 1.8% loading for "serious loss contingency factor". (National Council filing effective November 1, 1977)

Actual expenses of the Fund are calculated as explained in the footnote of Exhibit 6. The higher percentage for the first year represents startup expenses. We have estimated expenses in each year by applying the assumed expense ratio to the mean of written premiums for the given year and written premiums for the following year. This assumption is conservative in providing for six months' anticipation of needs for staff and facilities. With tight management a three month lead might suffice.

The additional 50% (20% instead of 15%) assumed expenses of the first year is necessarily a judgmental figure. A recent example of the cost of setting up a state fund is provided by the Puerto Rico Automobile Accident Compensation Administration, which began operations January 1, 1970:

<u>Item</u>	<u>Period</u>		
	<u>1/1/70 6/30/70</u>	<u>6/30/71-6/30/71</u>	<u>6/30/71-6/30/72</u>
(1) Administrative Expenses	1,192,289	2,085,847	3,431,690
(2) Premium Collected	8,837,667	18,431,788	20,075,661
(3) (1) + (2)	13.49%	11.32%	17.09%

Expenses during the first year were higher by only 2.17% than during the second year, as a ratio to premium. On this experience, the additional 5% we have assumed for the first year may well be conservative. The increase in the third year of 5.77% over the second year is not typical of most growing organizations.

The difference between expense income earned and actual expenses produces a surplus or deficit. Rapid growth of the Fund causes a larger deficit. Model 1 anticipates an annual volume of \$15,000,000 in the sixth year. The estimated cumulative expense deficit at the end of the fifth

year is \$997,000. Model 2 assumes \$7,000,000 premium in the sixth year, producing an estimated cumulative expense deficit after five years of \$249,000. In Model 1, a small deficit is still produced in the fifth year. The sixth year, not calculated in the exhibit, would show a slight surplus. Model 2 shows a surplus beginning with the fourth year. Without the excess allowance for expenses provided by the 19.124% discussed above, as compared with the 15% assumed necessary with stable volume, the deficits would continue indefinitely with increasing volume.

The calculations of Exhibit 6 make no provision for taxes. If the Fund is taxed, as some if not all competitive state funds are, the cost would have to be met in one of three ways:

1. Reduced safety factor.
2. Longer period of deficit operation.
3. Higher rates.

In both models it is assumed that the Fund would start with \$2,000,000 premium in the first year. The actual figure might well be lower but a nucleus of business could be provided by requiring all governmental and quasi-governmental agencies to insure with the Fund.

Exhibit 7 develops estimates for the number of employees that would be required by the Fund. The numbers in Exhibit 8 were obtained from various state funds' ratios of the number of employees per thousand dollars of premium.

Based on the median and the average ratios of employees per thousand dollars of premium, we estimate that for a state fund with \$4,000,000 annual premium, about 20 employees would be needed. For a \$20,000,000 Fund the number of employees would be approximately 100.

Exhibit 9 shows a distribution of the number of employees by function for the various state funds. The breakdown of twenty employees by category is displayed in Exhibit 10. The largest single category of employees is in claims.

Cost of establishing an exclusive State Fund in Alaska

We do not favor a lower standard for operating an exclusive State Fund than for a competitive one. Our assumption is that operating costs would be the same except for possible economies of scale in the range of at most a few percent of premium.

There is, however, a lower risk environment for an exclusive Fund. An exclusive Fund has more control over its rate level. A competitive Fund can go bankrupt if rates are not adequate, whereas an exclusive fund can set rates at whatever level is needed. This ability is not, however, without the constraints of economic and political reality and, where permitted, the competition afforded by the option of self-insurance. It is possible to cut costs in areas like accident prevention, auditing, maintenance of statistics, rate making and even financial management including actuarial valuation of liabilities, if a sub-standard mode of operation is desired. Actually, initial capital funding can be arbitrarily low if premiums are collected in advance.

Let us consider possible approaches regarding the size of the initial capital.

- First - conservative, is to establish an initial capital equal to 25% of the first year's written premium. This is half of the percentage specified above for a competitive fund. For the State of Alaska in 1978 this is estimated in the area of \$70,000,000. The 25% amounts to \$17,500,000
- Second - moderately conservative, 17.5% of \$70,000,000 which is \$12,250,000.

Third - the least conservative, 10% of \$70,000,000 which equals \$7,000,000
While least conservative of the options dated above, 10%
capitalization is clearly more conservative for an exclusive
fund than for a competitive one.

We would not recommend the third approach. There is always a risk
of unforeseen adverse development of experience, therefore to protect a
financial stability we suggest an initial capital of \$12,250,000
a future target of 25% ratio of net worth to annual written premium.

It is necessary to rely on judgment in analyzing estimates in the
area of operating cost because of the variation in service rendered by
different state funds and in overhead costs. State funds usually
occupy State-owned office buildings, which makes interpretation of
their rental costs uncertain. A practical minimum expense ratio
would be provided by the example of West Virginia, for which the
ratio of operating expenses including loss adjustment expenses to
premium was reported at 4.0% for fiscal year 1974-75.

We would consider expenses in the range of 6 to 7 percent of
premium as a minimum target that probably could not be obtained
without at least partial omission of some functions.

In time, operating expenses may be covered by investment
income. As in the case of a competitive fund, start-up expenses
should run somewhat higher than normal operating expenses and we
would allow 3% to 5% additional for the first year of operation.

Conclusions

A state fund can be started with arbitrarily small capital if premiums are collected in advance. Moderately conservative financing, however, would indicate capitalization at 25% of first year's anticipated written premium for a competitive fund and 17.5% for an exclusive fund. Maintenance of such a ratio for a growing fund will require some over-provision for expenses and a safety factor of at least 5% in premium rates.

For an assumed first year premium of \$2,000,000, a competitive fund would thus need \$500,000 capitalization. On the basis of \$70,000,000 assumed premium volume, an exclusive fund would need a capitalization of \$12,250,000.

In either case, necessary capital could be supplied by a special issue of State bonds which would be turned over to the Fund. If, and as the Fund prospered, it conceivably could return the bonds to the State and replace them with other securities purchased out of operating income. In event the Fund were forced to sell the bonds, however, the State would obviously suffer accordingly, which points up the need for conservative management and adequate rates.

PROJECTED 1978 ALASKA PREMIUM
(Amounts in 000's)

Part I. Data

<u>Policy Year</u>	<u>Policy Year Net Earned Premium</u>	<u>Policy Year Net Earned Premium at 6/75 Rates</u>	<u>Exposure Index</u>
1967	8,501	19,458	1.000
1968	9,061	21,050	1.082
1969	11,209	24,268	1.247
1970	12,315	24,334	1.251
1971	12,744	24,431	1.256
1972	14,177	25,362	1.303
1973	15,863	28,570	1.468
1974	25,732	37,145	1.909
1975		45,536	2.340
1976		57,046+	2.932
1977			3.5*
1978			4.0*

Part II. Calculation

$$\begin{aligned}
 \text{1978 Premium} &= (\text{1978 exposure index}) \times (\$19,458) \times \\
 &\quad (\text{1976 rate change}) \times (\text{projected rate} \\
 &\quad \text{changes for 1977}) \\
 &= (4.0) (\$19,458) \times (1.037) \times (1.0) \\
 &= \$80,712
 \end{aligned}$$

* Estimated by projecting a linear growth rate lower than observed for 1973-1975.

+ Fiscal year 7/1/75 - 6/30/76.

Workers' Compensation
State Fund Market Penetration

<u>State Fund</u>	<u>Fund Premium</u> (000's)	<u>Private Carrier Premium ('73)</u> (000's)	<u>Market Share</u>
Arizona	37,913	63,150	37.5%
California	200,649	701,579	22.2
Colorado	26,492 ('74)	28,001	48.6
Idaho	5,630 ('74)	20,644	21.4
Maryland	5,504 ('74)	91,289	5.7
Michigan	15,752	328,828	4.6
Montana	9,504	11,236	45.8
New York	N/A	398,407	23.0*
North Dakota	7,070	152	97.9
Oklahoma	6,494	54,774	10.6
Oregon	111,778 ('74)	55,991	66.6
Pennsylvania	15,256 ('74)	223,600	6.4
Utah	9,434 ('74)	5,731	62.2

N/A = Not available

('74) = 1974 premium

* 23.0% is the A.A.S.C.I.F. Fact Book estimation

Calculation of Possible
Alaska Competitive Fund Expenses

	<u>By End of Year 2</u>
(1) Assumed Market Share (% of 1978 Market)	5%+
(1a) 1978 Alaska Earned Premium	\$80,000,000++
(2) Fund Earned Premium (1) x (1a)	\$ 4,000,000
(3) Underwriting Expenses	
Median** Value of 8.8%* x 4,000,000	352,000
(4) Claims Expenses (Loss Adjustment Expenses)	
Median Value of 7.0% x 4,000,000	280,000
(5) Total Expenses	
(3) + (4)	632,000
Median of column (7) Exhibit 4; 14.2% x 4,000,000	568,000

* From Exhibit 4, columns (4), (6), and (7).

** For a set of measurements arranged in order of magnitude, the median is defined as the middle measurement, if there is one, otherwise as the interpolated middle value.

+ Assumes aggressive marketing and continued growth of Alaska economy.

++ From Exhibit 1

**STATE WORKERS' COMPENSATION
OPERATING EXPENSES**

CALENDAR YEAR 1975

(Amounts in 000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>State Fund</u>	<u>Earned Premium</u>	<u>Other Underwriting Expenses Incurred</u>	<u>Ratio to Premium (3) ÷ (2) x 100%</u>	<u>Loss Adjustment Expense Inc'd</u>	<u>Ratio to Premium (5) ÷ (2) x 100%</u>	<u>Total Ratio (4) ÷ (6)</u>
Ariz.	39,540	6,855	17.3%	2,910	7.4%	24.7%
Calif.	275,663	22,521	8.2	20,725	7.5	15.7
Colo.	28,402	1,424	5.1*	1,876	6.6	11.7
Idaho	6,542	511	7.4*	408	6.2	13.6
Mt.	5,328	785	14.7.	N/A	N/A	14.7
Mich.	17,921	2,289	12.8	2,309	12.9	25.7
Mont.#	15,696	N/A	N/A	N/A	N/A	12.2
Okla.	8,734	1,130	12.9	715	8.2	21.1
Ore.	122,553	11,036	8.8*	5,468	4.5	13.3
Utah**	9,784	765	7.8*	390	4.0	11.8
Median			8.8		7.0	14.2

* These ratios are taken to Written Premium. (Colorado WP - 28,105, Idaho WP - 6,927, Oregon WP - 125,822 Utah WP - 10,667).

** Utah data represents 1975-76 fiscal year.

The distribution of expenses is not available. Total expenses equal to 1,912.

WORKERS' COMPENSATION EXPENSE RATIOS - MUTUAL COMPANIES

<u>Cal. Yr.</u>	<u>Ratios to Premium Written</u>			<u>Ratio to Earned Premium</u>	
	<u>Other Acquisition Expense</u>	<u>General Expenses</u>	<u>Taxes</u>	<u>Loss Adjustment Expense</u>	<u>Total</u>
1971	4.5%	6.3%	3.9%	8.8%	23.5%
1972	4.5	6.2	4.2	8.9	23.8
1973	.	5.9	4.1	8.6	23.1
1974	.	5.8	3.7	8.8	22.7
1975	4.3	5.6	3.9	8.3	22.1

Source: Best's Aggregates and Averages, A.M. Best and Company.

<u>Projected Income</u>					
<u>Model 1 - High Growth Model</u>					
	(1)	(2)	(3)	(4)	(5) = (3)-(4)
	Annual Premium Writings (Rate at Year End) (000's)	Earned Premium (000's)	Expense Income Earned + (000's)	Actual Expenses * (000's)	Surplus/ Deficit (000's)
Year					
1	2,000	1,000	191	600	-409
2	4,000	3,000	574	750	-176
3	6,000	5,000	956	1,200	-244
4	9,000	7,500	1,434	1,580	-146
5	12,000	10,500	<u>2,008</u>	<u>2,030</u>	<u>-22</u>
6	15,000				
Total			5,163	6,160	-997

<u>Model 2 - Low Growth Model</u>					
	(1)	(2)	(3)	(4)	(5) = (3)-(4)
	Annual Premium Writings (Rate at Year End) (000's)	Earned Premium (000's)	Expense Income Earned + (000's)	Actual Expenses * (000's)	Surplus/ Deficit (000's)
Year					
1	2,000	1,000	191	500	-309
2	3,000	2,500	478	525	-47
3	4,000	3,500	661	675	-6
4	5,000	4,500	861	825	36
5	6,000	5,500	<u>1,052</u>	<u>975</u>	<u>-77</u>
6	8,000				
Total			3,251	3,500	-249

+ 19.125% of premium is assumed to be available for expenses

* Year 1: 20% of mean of premium writings for year 1 and year 2.
Other years: 15% of mean of premium writings for given year and following year.

Exhibit 7

CALCULATION OF POSSIBLE ALASKA
COMPETITIVE FUND PERSONNEL REQUIREMENTS

	<u>Year 2</u>	<u>Year 8+</u>
(1) Assumed premium volume	4,000,000	20,000,000
(2) Total Personnel		
(1) + (Median Value of 189.5 x 1,000)*	21	106
(1) + (Average Value of 205 x 1,000)*	20	98

* From Exhibit 8. Premium per Employee.

+ Assuming high growth model.

STATE WORKERS' COMPENSATION FUNDS
NUMBER OF PERSONNEL

<u>State</u>	<u># of Fund Employees</u>	<u># of Accidents Processed</u>	<u>\$ Premium (000's)</u>	<u>Accidents Processed per Employee</u>	<u>Premium \$ per Employee (000's)</u>
Ariz.	486	29,707	39,540	61	81
Calif.	1,376	193,213	275,663	140	200
Colorado	168	52,856	28,402	315	169
Idaho	39	6,032	6,542	154	168
Maryland	53	12,366	5,328	233	101
Michigan	100	10,913	17,921	109	179
Montana	36	9,999	15,696	278	436
Oklahoma	42	6,801	8,734	162	208
Oregon	598	70,612	122,553	118	205
Utah	32	34,469	9,784	1,077	306
Average*	293	42,697	53,016	265	205
Median					189.5

* Sum of column divided by 10.

There is no apparent correlation between premium volume and either the number of accidents processed per employee or the dollars of premium per employee.

STATE FUND	COMPARISON OF PERSONNEL OF STATE FUNDS (Costs are in \$000's)															
	(1) LOSS ADJUSTMENT			(2) ACQUISITIONS AND UNDERWRITING			(3) INVESTMENT MANAGEMENT			(4) OTHER			(5) TOTALS			(6)
	(a) # OF EMPLOYEES	(b) % OF TOTAL EMPLOYEES*	(c) COST	(a) # OF EMPLOYEES	(b) % OF TOTAL EMPLOYEES*	(c) COST	(a) # OF EMPLOYEES	(b) % OF TOTAL EMPLOYEES*	(c) COST	(a) # OF EMPLOYEES	(b) % OF TOTAL EMPLOYEES*	(c) COST	(a) # OF EMPLOYEES (1a)+(2a)+(3a)+(4a)	(b) % OF TOTAL EMPLOYEES	(c) COST	(6) AVERAGE COST (5c)÷(5a)
ARIZONA	163	34.8	2,910	317	63.2	6,855	1	.2	168	—	—	—	486	100.0	9,933	20.44
CALIFORNIA	382	27.8	20,725	561	40.8	7,589	2	.1	1,384	431	31.3	14,931	1,376	100.0	44,629	32.43
COLORADO	97.18	37.8	1,876	70.82	42.2	1,424	—	—	—	—	—	—	168	100.0	3,300	19.64
IDAHO	20	51.3	408	18.5	47.4	911	.5	1.3	27	—	—	—	39	100.0	946	24.26
MARYLAND	26	49.1	337	14	26.4	174	—	—	—	13	24.5	542	73	100.0	1,033	19.87
MICHIGAN	47.5	47.5	756	48.5	48.5	737	—	—	—	4	4.0	111	100	100.0	1,604	16.04
MONTANA	27	75.0	769	9	25.0	132	—	—	—	—	—	—	36	100.0	901	25.03
OKLAHOMA	20	47.6	—	20	47.5	—	2	4.8	—	—	—	—	42	100.0	—	—
OREGON	231	38.8	9,468	261	43.8	3,770	3	.5	988	101	16.9	7,265	596	100.0	17,091	28.68
Average		47.7			42.9			1.4			19.2					23.30
Median		47.6			43.8			.5			20.7					22.33

* (b) = (a) ÷ (5a)X100

ESTIMATED DISTRIBUTION OF EMPLOYEES BY FUNCTION

- 1) Estimated Total Number of Employees needed by the end of year 1 to service year 2 business (Exhibit 7) 20
- 2) Number of Employees by Function

	(a) <u>Average*%</u>	(b) <u>Number of Employees 20 x (a)/100</u>
Loss Adjustment (Claims)	42.9	9
Acquisition and Underwriting	38.6	8
Investment Management	1.3	0
Other	<u>17.2</u>	<u>3</u>
Total	100.0	20

* From Exhibit 9 (Average X .8993 in order to normalize)

V. GENERAL CONSIDERATIONS

This chapter will examine some other factors which bear on the establishment of a state fund. We will consider some developments in other states, solvency, some market factors and economic policy.

Other States

The status with regard to state funds in other states has been remarkably stable. Oklahoma was the last state to establish a workers' compensation fund in 1933. Oregon became the only state to have changed the basic nature of an operating fund in 1965 when the law was changed to permit self-insurance and competition from private carriers and, at the same time, to make coverage compulsory. A bill which would have permitted self-insurance was amended to permit private coverage and was defeated. An initiative sponsored by labor representatives which would have kept the fund exclusive but made coverage compulsory was defeated by a three to one margin at the polls. The legislation which passed was a compromise.³⁶

The State Accident Insurance Fund in Oregon, at the request of the Interim Committee on Trade and Economic Development, prepared a paper which reviewed the ten years of cost experience since the change to a

³⁶ C. Arthur Williams, Jr., Insurance Arrangements Under Workmen's Compensation, U. S. Department of Labor, Bureau of Labor Standards, Bulletin No. 317, 1969, pp. 152-154.

competitive system. The report concludes that retention of earned premiums by private carriers has been about four times as great as that of the state fund (22.20% compared to 5.27%). They avoided speculation on the quality of service and other policy issues.³⁷

The committee staff admitted "that competition may improve service" but found a "layering of inefficiencies within the system" and recommended a return to an exclusive fund. The committee did not adopt their recommendation. Legislation which would return the fund's exclusive status is now pending in Oregon.

There have been several moves to alter the status of funds in other states. Repeated attempts to gain entry for private carriers in other states with exclusive funds, notably in Washington and Ohio, have failed but the pressures still exist. A previous concerted effort on the part of private carriers in Ohio was thwarted, partly by the opposition of the manufacturers, but a current move may be successful in the wake of a continuing scandal which involves the operations of the fund.

Market Considerations

Exhibit 2 of Chapter IV gives market shares for the 12 competitive state funds. These ratios have proved stable over many years; the average market share is about 30 percent, with the high of 67 percent in Oregon and the low of 5 percent in Michigan (the only fund which uses the agency system). This stability apparently reflects the fact that,

³⁷ "Options for Lowering Workmen's Compensation Costs in Oregon," by the State Accident Insurance Fund, appearing in Oregon Legislative Assembly Workers' Compensation: Staff Recommendations, Legislative Committee on Trade and Economic Development, November 1976.

within the context of the pricing, underwriting and advertising policies, the market has found equilibrium. The great differences in market shares reflect the differences in policies.

Large firms are usually eligible for considerable premium discounts and a variety of rating plans. Their economic power and the real economies that accrue with size make the private market relatively attractive. As a rule, it is the smaller employer or the poor risk who is attracted to a state fund. It is possible, especially under an exclusive fund system, to make rates which do not reflect the cost or exposure involved in writing a policy. Private carriers can reject any risk and may be expected to if they do not believe the rate is adequate. If it is accepted that the rate should reflect the exposure and the cost of writing the policy, then employers who benefit from "artificially" low rates are, in effect, subsidized by the other insureds. This type of subsidy in a private system puts a severe strain on the availability of insurance for some classes.

Assigned risk plans or pools provide coverage where a state fund that accepts all risks is not present. Surcharges are usually associated with risk pools and sometimes with state funds for some risks. To the extent that a risk pool is a net loser, as the one in Alaska has been in recent years, the surcharge is not adequate or the rating system is defective (see the Woodward and Fondiller report).

Acquisition costs have been discussed but the role of the broker or agent in the market is difficult to assess. Acquisition costs have

been referred to as "the price of competition"³⁸ and, in the sense that the related services have succeeded in attracting and holding business in the face of competition, the price is not exorbitant. It is certain that numerous independent sellers in an otherwise concentrated market increase the possibilities for competition. This influence will be increasingly important if Alaska moves in the direction of an open competition rating system.

Solvency is an issue which is dealt with to some extent in Chapter IV but deserves mention here. A monopolistic fund is always in a position to maintain solvency by virtue of its captive market. Policies which lead to insufficient reserves can be offset by higher rates in the future. Greater care must be taken to insure the solvency of a competitive fund but, even if the state does not guarantee the solvency of the fund, it is possible to manage the fund in a fiscally sound manner. Even though many funds have found themselves to be technically insolvent (as the Pennsylvania fund is now), they have always been able to recover; no fund has ever defaulted or gone bankrupt.

Private insurers are usually regulated financially by the state division of insurance. In addition to regulation, there is usually a provision in state law which provides for making good the obligations of carriers which are forced into receivership. In Alaska, carriers are liable for up to two percent of their premiums in any given year to cover the liabilities of other insurers who may have defaulted on their

³⁸ Ashley St. Clair, "Occupational Disability Privately Insured," in Occupational Disability and Public Policy, edited by Earl F. Cheit and Margaret S. Gordon, John Wiley & Sons, Inc., 1963.

obligations. If the assessment is not sufficient, another will be made the following year. This provision has been applied in a recent case involving a carrier writing auto insurance. An assessment arrangement in conjunction with regulation seems adequate to protect workers.

In short, solvency does not seem to be an issue of importance. Either system can provide reasonable assurance of meeting its obligations. It should be noted, however, that the procedure for authorizing self-insurance in Alaska provides almost no security and deserves re-examination.

The issue of profitability in workers' compensation insurance arises as a policy consideration since employers are legally obligated to provide coverage for their employees. Some writers have maintained that any profit from such social insurance is morally unacceptable. In spite of that argument, an allowance for underwriting profit by private carriers (usually 2.5 percent of premium) has been generally accepted and is built into most rating systems.

Underwriting is not the only source of profit for workers' compensation carriers; they also receive income in the form of investment earnings. The Woodward and Fondiller report analyzes the treatment of investment earnings; here, it is sufficient to note that profits from workers' compensation insurance have not been significantly higher than in other lines of insurance. For the years 1961-1970, before-tax profits from all sources of income in workers' compensation averaged about nine percent of earned premium compared to about eight percent for all other lines. After-tax profits differed by only three-tenths of one percent. The massive study by the Center for Insurance Research at Georgia State

University found no evidence to indicate that rates of return in the insurance industry were excessive when compared to other industries. If anything, they appeared less adequate.³⁹ Alaskan carriers have experienced less favorable results than the industry as a whole over the past five years.

The retention of capital in the state is another policy consideration. Within the bounds of prudent financial management, the capital generated by the operation of a state fund could be used to achieve economic goals. As pointed out in the report of Woodward and Fondiller, the Colorado fund invests heavily in mortgages. Following Woodward and Fondiller's projections from Chapter IV, the capital that would be set aside against the entire \$80,000,000 in premiums in 1978 by an exclusive fund in Alaska would be about \$14,000,000.

Finally, the legislature must question the desirability of government entering an area where private enterprise is already operating. We have tried to present data on which such a decision may, in part, be based.

³⁹ "The Profitability of Workmen's Compensation Insurance," A Report to the National Commission on State Workmen's Compensation Laws," prepared by the Center for Insurance Research, Georgia State University, 1972, in the Supplemental Studies for the National Commission on State Workmen's Compensation Laws, Washington, D. C., 1973.

SUMMARY AND CONCLUSIONS

The current concern with workers' compensation in Alaska is centered around the high cost of coverage. Employers have overwhelmingly cited cost as the main problem with the current system. Premium rates as a percentage of payroll have doubled since 1972. The main tasks of this report have been to estimate the savings in overhead costs which would result from the establishment of a state fund, to evaluate the savings in light of concomitant differences in services rendered, and to provide an estimate of the cost of beginning a state fund operation.

From 1971 through 1975, private carriers nationwide retained 21.8 percent of net earned premiums, about 15 percent more than the 6.6 percent retained by state funds. After making a four percent allowance for governmental subsidies received by some state funds and considering differences in rating systems, state funds still retained an estimated 11 or 12 percent less earned premium for their services. The Alaska carriers' retention rate was 23.7 percent for that same five year period; higher than for private carriers as a whole but lower than for the non-participating stock carriers which dominate the Alaskan market.

This estimate of the savings that could be achieved with a state fund seems conservative. We believe that the allowance for subsidies is generous and that it reflects the costs of operating a "full service," self-supporting fund. It is also reasonable to expect that the reten-

tion ratio of private carriers, particularly those in Alaska, will increase more than the state fund ratio as underwriting results improve. Private carriers had very poor underwriting results in the five year period under consideration and did not realize the 2.5 percent profit which is anticipated in most rate structures (Alaskan carriers showed a five percent underwriting loss). The estimate of Woodward and Fondiller in Chapter IV, converted to a net earned premium basis and adjusted for premium tax exemption, anticipates a saving of 14.1 percent in the first few years of state fund operation.

It is important to realize that the smaller percentages of premium retained by state funds would apply only to the state fund's premium volume. In other words, if a competitive state fund were established, wrote 25 percent of the premiums in the state (as projected), and retained 12 percent less of net earned premiums on their volume of business than private carriers would have, the savings, in terms of total state premium, would be three percent.

In evaluating the services rendered by the two types of insurers, we have found that, outside the area of product distribution, neither type enjoys any clear advantage. There are exceptions which may be cited on both sides of the question but, on the whole, state funds and private carriers spend about the same amount on loss adjustment; both groups devote a relatively small portion of resources to rehabilitation and safety. Generally, this means that the employers who are insured by a state fund forgo the services of agents or brokers unless they provide for them at extra cost.

A large firm with interstate operations would probably not find any significant cost advantage with a state fund and would be unable to insure its entire operation with one company. Small firms that would benefit from lower premiums would not have the convenience of package insurance (rated as an advantage by 44 percent of the survey respondents). Good service was rated highest as an advantage of the present system by the respondents to the employer survey; in many cases this may be interpreted to mean the services rendered by agents or brokers. These services would not be available if large savings in acquisition costs were achieved under a typical state fund system.

Under either a competitive or an exclusive state fund system, the investment and management policies and the personnel of the fund are subject to political influences. These influences may be interpreted to be justifiable responses to public need or unnecessary interference with the market mechanism.

Under a competitive state fund system, employers would retain the option of insuring with a private company, but substantial savings for the system as a whole would not be realized, especially in the first few years of operation. If an exclusive fund were established, greater economies could be achieved at the expense of flexibility and the benefits of competition; companies now operating would be disfranchised and the burden of providing all coverage would immediately fall on the state with the attendant risks of failure. It is not clear whether the savings provided would be "substantial" in the minds of 65 percent of the employer survey respondents who indicated they would favor a state fund if it

would "result in substantial savings." It is clear that an exclusive state fund would remove the advantage of the present system which survey respondents felt was second in importance: minimal governmental involvement.

APPENDIXES

APPENDIX I

5 YEAR COMPARISON (000 omitted)
1971-1975

PRIVATE CARRIERS

State	Net Earned Premium	Incurred Losses	Loss Ratio	Dividends to Policyholders	%	Retention	%
Alabama	228,518.9	153,493.4	67.2	11,734.1	5.1	63,291.4	27.7
Alaska	94,908.8	70,328.7	74.1	2,046.1	2.2	22,534.0	23.7
Arizona	436,092.4	338,608.1	77.6	30,103.0	6.9	67,381.3	15.5
Arkansas	225,293.6	154,654.8	68.6	2,046.1	0.9	68,592.7	30.4
Connecticut	409,821.0	287,164.4	70.1	25,911.0	6.3	96,745.6	23.6
Colorado	123,694.3	78,474.1	63.4	8,492.8	6.9	36,727.4	29.7
Washington, D.C.	141,820.6	122,547.3	86.4	5,052.1	3.6	14,221.2	10.0
Florida	1,179,925.1	1,000,141.2	84.8	53,924.2	4.8	125,859.7	10.7
Georgia	405,383.3	284,255.3	70.1	21,932.4	5.4	99,195.6	24.5
Hawaii	128,968.0	94,758.5	73.5	6,414.3	5.0	27,795.2	21.6
Idaho	99,686.9	65,065.5	65.1	5,588.3	5.6	29,033.1	29.1
Illinois	1,262,539.0	958,599.9	75.9	56,154.5	4.4	247,784.6	19.6
Iowa	2,6414.5	149,554.2	69.1	10,025.5	4.6	56,834.8	26.3
Kansas	201,432.2	136,202.6	67.6	9,649.0	4.8	55,580.6	27.6
Louisiana	572,875.1	447,601.1	78.1	21,799.9	3.8	103,474.1	18.1
Maine	121,581.8	89,594.5	73.7	6,212.2	5.1	25,775.1	21.2
Maryland	444,950.0	287,237.0	64.6	27,744.5	6.2	129,968.5	29.2

(Appendix I)

Michigan	1,512,610.1	1,129,032.5	74.6	121,498.0	8.0	262,079.6	17.3
Minnesota	592,349.0	379,760.1	64.1	49,212.4	8.3	163,376.5	27.6
Mississippi	197,788.1	117,470.6	59.4	10,706.7	5.4	69,610.8	35.2
Missouri	383,661.5	270,262.9	70.5	22,501.7	5.9	90,696.9	23.6
Montana	61,232.5	38,406.4	62.7	2,659.2	4.3	20,166.9	32.9
Nebraska	132,816.3	88,172.6	66.4	5,726.2	4.3	38,917.5	29.3
New Hampshire	90,046.6	76,686.0	85.2	5,088.2	5.7	8,272.4	9.2
New Mexico	125,420.4	82,124.3	65.5	5,582.4	4.5	37,713.7	30.1
North Carolina	339,193.4	213,709.8	63.0	24,801.9	7.3	100,681.7	29.7
Oklahoma	260,983.9	197,177.1	75.6	12,504.9	4.8	51,301.9	19.7
Oregon	237,842.8	173,947.3	73.1	20,308.9	8.5	43,586.6	18.3
Rhode Island	107,136.1	85,795.1	80.1	5,384.9	5.0	15,956.1	14.9
South Carolina	191,717.3	119,623.3	62.4	14,143.5	7.4	57,950.5	30.2
South Dakota	40,778.0	24,769.0	60.7	1,864.9	4.6	14,144.1	34.7
Tennessee	409,093.7	257,052.9	62.8	23,312.5	5.7	128,720.3	31.5
Utah	28,727.4	20,129.6	70.1	1,661.1	5.0	6,936.7	24.1
Vermont	43,641.4	28,396.5	65.1	2,627.4	6.0	12,617.5	28.9
Virginia	367,481.0	260,093.2	70.8	19,456.9	5.3	87,930.9	23.9
Wisconsin	431,325.5	283,862.9	65.8	38,690.2	9.0	108,772.4	25.2

(Appendix I)

COMPETITIVE STATE FUNDS

State	Net Earned Premium	Incurred Losses	Loss Ratio	Dividends to Policyholders	%	Retention	%
Arizona	181,554	155,294	85.5	19,211	10.6	7,049	3.9
California	1,030,760	825,561	80.0	160,528	15.6	44,674	4.3
Colorado	129,719	93,680	72.2	17,335	13.4	18,704	14.4
Idaho	23,762	17,872	75.2	4,000	16.8	1,890	8.0
Maryland	28,042	19,380	69.1	-0-	-0-	8,562	30.9
Michigan	79,990	66,362	83.0	7,156	8.9	6,472	8.1
Montana	57,428	46,619	81.2	5,353	9.3	5,456	9.5
New York	585,728	518,883	88.6	31,623	5.4	35,222	6.0
Oklahoma	31,528	27,309	86.6	2,248	7.1	1,971	6.3
Oregon	471,119	380,715	80.8	79,562	16.9	10,842	2.3
Pennsylvania	71,643	76,332	106.5	-0-	-0-	(4,689)	(6.5)
Utah (1971-1974)	31,232	29,409	94.2	3,096	9.9	(1,273)	(4.1)

(Appendix I)

EXCLUSIVE STATE FUNDS

State	Net Earned Premium	Incurred Losses	Loss Ratio	Dividends to Policyholders	%	Retention	%
Nevada	161,859	143,660	88.8	2,000	1.2	16,199	10.0
North Dakota	38,166	32,292	84.6	-0-	-0-	5,874	15.4
Ohio	1,304,569	1,144,297	87.7	-0-	-0-	160,272	12.3
Washington	546,157	516,670	94.6	-0-	-0-	29,487	5.4
West Virginia (1973-1975)	186,609	209,673	112.4	-0-	-0-	(23,064)	(12.4)
Wyoming (1971-1973)	13,787	10,543	76.5	-0-	-0-	3,244	23.5

Source: For private carriers is the National Council on Compensation Insurance, for state funds the AASCIF Statistics Committee Report, 1976; some data on the New York and Pennsylvania funds are directly from the funds.

APPENDIX II

THE SURVEY OF WORKERS' COMPENSATION CARRIERS IN ALASKA: A PROFILE

INTRODUCTION

Representatives of 14 carriers were asked to complete a survey. The list of 14 carriers included those which ranked in the top ten in written premium volume in Alaska in 1974 or 1975. Eight completed surveys characterizing the operations of 11 of these 14 carriers were returned. The 11 carriers represented accounted for over 82 percent of total earned premium in 1975. Three of the responses covered activities of more than one carrier; for purposes of this analysis they will be treated as single carriers in the total of eight.

The workers' compensation market in Alaska, to an even greater extent than the market in the nation as a whole, is highly concentrated. (See ACQUISITION PRACTICES). Table S1 gives market share data for the top 30 writers in calendar year 1975. The largest four writers account for 68.6 percent of written premium, the largest eight wrote 81.6 percent.

Experience in the Alaskan market varied from four to 30 years. The mean was a little more than twelve years; the median was eight years.

MARKET SERVED

Five carriers indicated that they served the general market, three serve primarily large employers, one serves primarily a particular industry and two were primarily captive carriers. Four participate in the assigned risk pool as servicing carriers. Only one respondent indicated that they serve primarily small employers.

ACQUISITION PRACTICES

Four carriers actively solicit business and pay sales commissions or brokerage fees to acquire it. Three of the others do not actively solicit business in Alaska but primarily write incidental to business outside; they also pay commissions or brokerage fees. These seven carriers' policies are sold exclusively through agents or brokers. One writer does not ordinarily pay commissions and is in a maintenance posture; new business is accepted but not solicited.

The interface through the agency system (used exclusively for 94 percent of the premiums collected by the respondents and at least 80 percent of the volume in the state) represents an important opportunity for competition in an otherwise highly concentrated market. Nationally, about 73 percent of the carriers rely primarily on this system and, on that level too, it is a mitigating factor in a concentrated market.*

* Throughout this appendix "*" refers to material in the Draft Report to the Interdepartmental Workers' Compensation Task Force" by Teknekron, Inc. Washington, D.C., October 25, 1976.

TABLE S1

State of Alaska
Workmen's Compensation Experience - Top 30 Writers
Calendar Year 1975

1975 Rank	1974 Rank	% of Market	Insurance Company	Written Premium	Earned Premium	Incurred Losses	Loss Ratio
1	1	40.3	Alaska Pacific Assurance Co.	17,382,629	16,225,733	9,504,360	58.6
2	2	12.4	Providence Washington of AK	5,355,994	4,699,660	1,752,682	37.3
3	4	10.1	Industrial Indemnity Co. of AK	4,341,022	3,838,012	3,430,006	89.4
4	3	5.8	Fireman's Fund Insurance Co.	2,490,237	2,289,543	1,371,499	59.9
5	5	4.3	Employers Mutual Liability Ins.Co.	1,841,395	1,854,829	1,149,316	61.9
6	6	4.2	Home Indemnity Co.	1,803,580	1,730,142	443,153	25.6
7	10	2.9	Travelers Insurance Co.	1,236,993	1,192,568	678,538	56.9
8	12	1.6	Pacific Insurance Co.	684,760	642,989	408,993	63.6
9	15	1.5	Commercial Union Insurance Co.	657,026	662,877	359,290	54.2
10	19	1.4	Highlands Insurance Co.	620,753	621,533	470,086	75.6
11	-	1.4	Continental Insurance Co.	615,408	586,922	465,526	79.3
12	9	1.2	Providence Washington Insurance Co.	508,497	487,316	289,190	59.3
13	18	1.2	Hartford Accident & Indemnity Co.	498,895	494,579	(24,132)	0.0
14	14	1.0	Alaska Insurance Co.	451,743	438,394	436,928	99.7
15	21	1.0	Insurance Co. of North America	416,547	358,164	22,020	61.5
16	16	0.8	Home Insurance Co.	342,888	318,242	235,666	74.0
17	11	0.7	Natl Automobile & Casualty Ins.Co.	322,722	376,283	446,865	118.7
18	8	0.7	Argonaut Insurance Co.	308,701	398,445	217,647	54.6
19	20	0.7	Liberty Mutual Insurance Co.	303,766	305,237	314,605	103.1
20	7	0.6	Industrial Indemnity Co.	254,316	191,007	754,463	394.9
21	-	0.5	American Mutual Liability Ins.Co.	213,648	227,396	100,222	44.1
22	26	0.4	State Farm Fire & Casualty Co.	205,022	152,928	38,412	25.1
23	17	0.4	Standard Fire Insurance Co.	191,841	191,921	8,534	4.4
24	22	0.4	Great American Insurance Co.	190,951	194,326	64,148	33.0
25	30	0.4	American Motorists Insurance Co.	185,966	186,855	143,047	76.5
26	-	0.4	American Insurance Co.	175,583	56,982	(4,912)	0.0
27	24	0.3	Twin City Fire Insurance Co.	150,525	149,222	33,363	22.3
28	23	0.3	Fidelity and Casualty of N.Y.	153,086	143,748	37,450	276.5
29	13	0.3	Zurich Insurance Co.	132,315	147,395	137,549	93.3
30	28	0.2	St.Paul Fire and Marine	98,756	88,919	135,059	151.9
-	-	97.4	Total - Top 30 Writers	42,134,660	39,252,167	23,779,573	60.6
-	-	100.0	Total - All Writers	43,124,202	40,174,035	24,551,937	61.1

Source: Alaska Division of Insurance; Annual Statements.

SERVICE OFFICES

Four carriers maintain offices in Alaska and four do not. The four without offices in the state conduct their business primarily through representatives from offices in the lower 48 states or through the use of independent firms. Only the largest carrier with five offices in Alaska had more than one office in the state. All of the offices have claims adjustment staff.

All carriers insure under the Longshore and Harbor Workers Act. Four of the eight insure under the Federal Black Lung Program.

EMPLOYMENT PATTERNS

Table S2 gives the distribution of non-clerical employees for the four carriers that maintain offices in Alaska. Including clerical workers, these four carriers have about 139 employees to service business in Alaska. Lack of sales personnel is explained by their exclusive use of the agency system to acquire business.

DEGREE OF SPECIALIZATION IN WORKERS' COMPENSATION; POLICY SIZE

The degree of specialization in workers' compensation is indicated by the percentage of all property and casualty premium in 1975 that it represented. For the eight carriers, these percentages were: 80, 68, 64, 54, 44, 36, 32 and 26. The mean percentage was 50.5 and the median 49. This is much higher than the 14 percent average for the nation.*

Average policy size for private carriers in the nation in 1974 was \$2,208*. Figures for five of the Alaskan carriers for 1975 were \$13,522, \$5,595, \$4,529, \$4,031, and \$3,217. The mean for these five was \$6,179 and the median \$4,529. Even allowing for some increase in policy size from 1974 to 1975, this reflects the relatively high cost of workers' compensation in Alaska. Only the carrier with the \$13,522 average policy premium indicated specialization in large policies.

MEASUREMENTS OF CLAIMS MANAGEMENT PERFORMANCE

Table S3 indicates which criteria of claims management performance are used by the respondents in measuring claims management performance and which they consider to be the most important. The criteria which were rated highest were promptness of first disability payment, promptness of contact with the injured person and accuracy of reserve practices. The only carrier that does not formally and specifically measure any of the criteria indicated that claims are handled mainly by independent adjusters who are supervised by the home office.

TABLE 3
Personnel Patterns in the Alaskan Market
 (number of full-time equivalent employees to service Alaskan operation)

Type of Personnel	Number of Employees of that Type									
	All Property & Casualty Ins.					Workers' Compensation ^a				
	C1	C2	C3	C4	1-Carrier Total	C1	C2	C3	C4	4-Carrier Total
Sales Personnel	0	0	0	0	0	0	0	0	0	0
Advertising and Marketing	0	0	1	0	1	0	0	.4	0	.4
Claims Attorneys	0	8	0	0	8	0	3	0	0	3.0
Claims Management Personnel	30	10	10	3	70	20.1	4	15.4	.9	40.7
Underwriting Personnel	5	2	3	0	15	3.4	2	3.5	0	9.9
Loss Control Engineers	5	0	0	0	5	3.4	0	0	0	3.4
Industrial Hygienists	0	0	0	0	0	0	0	0	0	0
Other Safety Specialists	0	0	0	0	0	0	0	0	0	0
Physicians	0	0	0	0	0	0	0	0	0	0
Nurses and Other Medical Specialists	4	0	0	0	0	2.7	0	0	0	2.7
Actuarial Staff	0	0	0	0	0	0	0	0	0	0
Payroll Auditors	2	1	2	0	5	1.4	1	.9	0	3.3
Corporate Attorneys	0	0	0	0	0	0	0	0	0	0
Data Processing Personnel	15	0	4	0	19	10.2	0	1.0	0	12.0
Researchers and Analysts	0	0	1	0	1	0	0	.4	0	.4
Other Professionals and Management Personnel	5	0	6	0	11	3.4	0	2.6	0	6.0
Total Number of FTE's (excluding clericals)	66	21	27	3	117	44.9	10	11.9	.9	67.7
Total Number of FTE's	121	42	65	6	234	82.3	20	35.0	1.6	138.9

* The numbers of workers' compensation personnel were estimated by multiplying the total for all property and casualty by the ratio of the 1975 workers' compensation premium to the 1975 property and casualty premium.
 ** Carrier's estimate.
 *** Adjusted to remove estimated number of clericals that were included.
 **** Estimated.

TABLE S3

Criteria Used in Measuring Claims Management Performance

Criteria	Carriers Indicating that Criterion is:		
	Specifically and Formally Measured	One of Three Most Important	Taken into Account Informally
(1) None	H		C
(2) Promptness of contact with injured person .	BCDEF	BCDEF	AG
(3) Number of medical bills paid			G
(4) Promptness of first disability payment . .	BCDEFG	BCDEG	A
(5) Caseload per adjuster	ABCEFG	A	D
(6) Average cost of closed claims	ABCD	AB	GH
(7) Ratio of field investigations to claims . .	BDF		G
(8) Percent of claimants returned to work on a timely basis	BF		EH
(9) Adequacy of follow-up with injured person, employer, doctor, and others involved in the case	BCDF	CF	AEG
(10) Percent of indemnity claims denied	G	G	F
(11) Adequacy of medical management of the injury	CDF	D	ABEG
(12) Loss ratio	ABCDE		FH
(13) Successful application of rehabilitation, if needed	CDEF	E	ABG
(14) Accuracy of reserve practices	ABCDEFG	AFG	H
(15) Percent of claims receiving permanent disability awards	BF		
(16) Percent of claims settled on a release basis	F		G
(17) Percent of persons with permanent total disabilities who achieve maximum independence in controlling of bodily functions	F		BDE
(18) Percent of claims in litigation	F		DH
(19) Other:			

The letters A-H are used to represent the eight carriers that responded. This designation was used to preserve confidentiality.

intensive supervision from or handling directly by a central office as opposed to a field claims office was indicated for the following types of cases (letters A-N represent the respondents as in Table S3): permanent total cases (D), unusual or serious cases (AEG), cases with reserves in excess of \$100,000 (BE) or \$25,000 (A), Longshore or similar (E), death with dependents (E), annuity files (F) and certain claims handled by specialized rehabilitation centers outside (B).

MEDICAL CARE IN CLAIMS MANAGEMENT

Table S4 shows the practices used by the respondents for monitoring medical care. The most important were getting frequent evaluations of progress from the treating physician, getting consultation to evaluate the need for moving seriously injured patients to a specialized treatment center and getting consultation to evaluate the adequacy of medical treatment provided.

All but one of the respondents audit medical bills. The most prevalent reasons for this practice were excessive fees and over-utilization of services.

VOCATIONAL REHABILITATION AND REEMPLOYMENT IN CLAIMS MANAGEMENT

Table S5 shows the types of activities carried out by the respondents in assisting Alaskan claimants with vocational rehabilitation and reemployment. Most of the carriers indicate that they provide a wide variety of services in these areas. Carriers A, D, E, F and G indicated that a staff person was specifically responsible for these activities while all carriers except F indicated that claims adjusters or examiners have responsibilities in the area.

Six carriers reported increases in staff responsible for rehabilitation since 1972. Increases ranged from 20 percent to a change from zero to five responsible persons. Two carriers reported 1,000 percent increases.

USE OF INDEPENDENT REHABILITATION SERVICES IN ALASKAN CLAIMS

All carriers indicated that they use independent rehabilitation services to some extent in Alaska. Two carriers did not provide information on the use of independent rehabilitation services. Two used independents exclusively and the percentages for the other four ranged from 5 to 25 percent of total rehabilitation services provided. Four reported that the use of independents had increased and three indicated it had remained the same since 1972.

USE OF INDEPENDENT ADJUSTING FIRMS IN ALASKAN CLAIMS

The respondents were equally and clearly divided in their use of independent adjusters; four reported almost all of their disability claims handled in that way and four reported very few. Geographical location

TABLE S4
Monitoring Medical Care

Type of Management Practice	Carriers Indicating that the Practice is:	
	Used For monitoring	One of the Three Most Important
(1) We do not monitor medical care . . .	H	
(2) Get frequent evaluation of progress from treating physician	ABCDEFGG	ABCDEF
(3) Have physicians and/or nurses in-house on retainer to review claims	DFG	FG
(4) Get consultation by independent physicians to evaluate adequacy of medical care provided	CDEFG	CDEG
(5) Interviews conducted with claimants to determine their satisfaction with medical care	CEFG	
(6) Maintain data on outcome of specific medical procedures	F	
(7) Medical reports are reviewed for completeness	ABCEFG	AB
(8) Maintain data on health care outcome by type of injury	F	
(9) In serious cases, get consultation to evaluate need for transfer of patient to a specialized treatment center . .	ABCDEFGG	ADEFG
(10) Independent medical exams on patients treated by a chiropractor	B	B

Letters A-H represent the respondents as in Table S4.

TABLE S5

Vocational Rehabilitation and Reemployment Activities

Type of Activity	Carriers or Consulting Staff that Carry Out Activity
(1) Consult with treating or examining physician to evaluate employee's ability to return to previous job	ABCDEFG
(2) Refer to State Employment Service Office	BEFG
(3) Consult with employer to determine whether the job can be modified so the employee can perform it, or if alternative work is available	ABCDEFG
(4) Maintain resource file of private employment agencies	EF
(5) If further evaluation is needed, assist employee in selecting appropriate agency for evaluation of work capability	ABDEF
(6) Refer to state rehabilitation office	ABCDEFG
(7) If retraining is necessary, assist employee in obtaining appropriate training	ABCDEFG
(8) Monitor employee's progress in retraining program .	ABCDEFG
(9) If employee is unable to return to former employer, assist him or her in finding suitable employment .	ACEF
(10) None	H

Letters A-H represent the eight respondents.

was overwhelmingly cited as the reason for using independent adjusters. Other reasons involved the extent or nature of the disability, the subrogation potential or the case load on the in-house staff.

"MEDICAL ONLY" CLAIMS

Information regarding the composition of claims from seven of the respondents indicated a lower percentage of "medical only" claims than the national average of 75 percent.* The average for the seven carriers in 1975 was 66 percent; even disregarding one unusually low 45 percent figure, the average was about 69 percent. This reflects the higher degree of hazard in Alaska which is a contributing factor in high costs. Nationally, the "medical only" claims account for only 8 percent of total cost even though they constitute the vast majority of cases.

LOSS CONTROL SERVICES

Table S6 indicates the nature of loss control services which are provided by carriers in Alaska. The responses indicate very comprehensive programs in loss control; "walk-through" surveys and assistance in developing loss control programs are provided most frequently.

INDUSTRIAL HYGIENE SERVICES

Six carriers provide industrial hygiene services and have done so for periods ranging from two to 25 years. Four provide these services at the request of the employer, on account of high loss frequency or severity, because of the hazardous nature of the industry or work operation, or on the recommendation of the loss control department or sales agent. Two provide services on the basis of a regular schedule and one at the request of the underwriting or sales department.

SAFETY INSPECTIONS OR CONSULTATIONS IN LOSS CONTROL

Safety inspections or consultations were provided to some extent, either directly or through independent consultants, by all of the respondents. Table S7 permits some conclusions concerning the number and relative frequency of inspections or consultations. The numbers of inspections per policy and the earned premium per inspection do not compare favorably with national averages for private carriers. The group category on the national level averaged 1.37 and the individual category 2.24 inspections per policy in 1974; both categories averaged about \$3,700 in earned premium per inspection.* The larger average premium size in Alaska does not adequately explain these differences.

Almost all of the Alaskan respondents indicated that all of the following factors helped to determine the frequency of safety inspections or consultations for a given employer: number of employees, poor loss experience, hazardous industry or work operation, request by employer,

TABLE S6
Loss Control Services

Type of Service	Carriers Indicating that They Provided the Service	Carriers Indicating that Service is One of Three Most Frequently Provided
(1) "Walk-through" survey of employer's work site for job hazards	ABCDEFG	ACDEFG
(2) Distribution of brochures and safety bulletins	ABCDEFG	C
(3) Inspection for hazardous conditions due to poor lighting and/or machine guarding	ABCDFG	ABD
(4) Inspection and recommendations regarding electrical safety of equipment	ABDFG	AD
(5) Inspection and recommendations regarding noise pollution	ABDFG	
(6) Inspection and recommendations regarding air pollution or other contaminants	ABDFG	
(7) Inspection and recommendations regarding radiation hazards	ABDG	
(8) Inspection and recommendations regarding use of safety equipment or apparel	ABCDFG	
(9) Instruction in or advice concerning safe work procedures	ABCDEFG	EFG
(10) Direct training for employees in safe work procedures	AB	
(11) Instruction in or advice concerning safe work in reference to vehicles or moving equipment.	ABCDEFG	B
(12) Assistance in developing loss control programs	ABCDEFG	ABCEG
(13) Advice concerning first aid training or facilities.	ABCDEFG	
(14) Advice concerning alcoholism and drug abuse in workers	BDEG	
(15) Foremanship training in safety	D	
(16) Consult with and assist top management in developing, implementing and monitoring programs	F	F
(17) Safety personnel from home office make recommendations and advise		
(18) Perform accident/injury analyses, problem area investigations, reviews of operations and procedures, process flow and hazard analysis, make safe driver and industrial awards and provide accident investigation and safety meeting forms	A	

Letters A-H represent the eight respondents as in previous tables

TABLE S7
 Safety Inspections or Consultations

Carrier	1972			1975		
	Number of Inspections*	Inspections Per Policy	Premium Dollars per Inspection	Number of Inspections	Inspections Per Policy	Premium Dollars per Inspection
A	56	.16	\$17,500	47	.14	\$32,085
B	NA	NA	NA	830	.90	6,249
C	NA	NA	NA	NA	NA	NA
D	200	.18	5,495	360	.48	6,666
E	NA	NA	NA	95	NA	19,526
F	200	NA	13,280	356	.30	45,578
G	38	1.20	6,894	30	NA	39,752
H	NA	NA	NA	NA	.NA	NA

Letters A-H represent respondents.

The term "inspections" includes "consultations".

prior report of unsafe conditions, new facilities or operation, requests by underwriting and premium volume in conjunction with risk involved. One indicated, in addition to the above, that inspections were carried out in accordance with a predetermined frequency. By a wide margin, the factors which trigger inspections most frequently are a hazardous industry or work operation and request by underwriting.

RESPONSE TO UNSAFE CONDITIONS

All of the carriers respond to the discovery of unsafe conditions in three ways:

- 1) verbal report to employer or supervisor in charge;
- 2) written report of finding sent to employer; and
- 3) written report is forwarded to the underwriting department.

Seven of the carriers report to the agent, broker or sales representative. One reports to the claims department and one to corporate headquarters outside of Alaska.

Employers were reported to take corrective action in 75 percent or more of the cases by three carriers and in 51 percent to 74 percent of the cases by three carriers. One carrier reported corrective action in 21 percent to 50 percent and one in 6 percent to 20 percent of cases. Seven carriers refer the case to management for consultation with the agent or sales representative when action is not taken. Six carriers refer uncorrected cases to management for underwriting action and four for further consultation with the employer.

STAFFING OF AND INCREASES IN LOSS CONTROL EFFORT

Most of the carriers indicated that personnel from other departments assisted in providing loss control inspections or recommendations to employers. Five said that claims adjusters and examiners helped and five utilized underwriters. Four of the eight reported help from independent agents. Payroll auditors contributed in three cases, regional or home office management in two cases and one carrier reported no activity outside the loss control department per se.

Six carriers reported increases in loss control staff, one a decrease and one said it had remained the same. The increases varied from 5 to 500 percent with a mean increase of 147 percent. The carrier reporting a decrease had one resident in loss control in Alaska but now relies on staff who work out of Seattle.

Five of the carriers reported that they make use of the services of independent loss control consultants in providing safety inspections in Alaska. Three of these five were able to estimate the percent of total

inspections which were so provided: 5, 85 and 90 percent. Two of the three estimated that inspections by independents had increased and one (with 5 percent) said they had decreased by 95 percent. The two with increases estimated them at around 90 percent.

MARKET CONDITIONS

Five of the eight respondents indicated that there had been categories of "risks" which they had refused to insure in the last three years on some basis other than the management of the individual company, size, industry code, etc. One reason for such refusal was that the class rate was inadequate for the exposure. This may, to some extent, have been corrected by recent adjustments in class rates which have been suggested by the recently organized Alaskan Classification and Rating Committee. The individual merits of a risk will, of course, enter the picture and, as several carriers pointed out, no matter what the reason for an employer being refused coverage by one or more carriers, he is assured of finding coverage in the assigned risk pool at a surcharge of 15 percent. Some carriers listed classifications that they had refused to write; one cited employers with less than five employees. Another reason not dependent on the adequacy of the rate was that exposure was too great; the possibility of a very large loss coupled with difficulty acquiring reinsurance suggested the risk pool where aggregate losses are prorated among all carriers.

Six carriers felt that there is effective competition in the workers' compensation market and one felt that there is not. The carrier with five offices throughout the state with their own staff felt that this feature was a singular competitive advantage. Another felt that their recent improvements in service associated with gaining a well-established office in the state had benefited them competitively. Two felt that price was a key factor; one of them indicated that creative underwriting in the form of retrospective rating plans, negotiation of commissions on large accounts and modifications of approach were the way in which these differences might manifest themselves.

APPENDIX III

THE SURVEY OF EMPLOYERS' WORKERS COMPENSATION PRACTICES

INTRODUCTION

Surveys concerning workers' compensation experience were mailed to approximately 1,700 Alaskan employers (about 20 percent of the firms). Usable responses were received from 188 (a little over 10 percent) of the employers contacted. The following appendix gives a brief profile of the workers' compensation practices of respondents to this survey.

GENERAL CHARACTERISTICS: SIZE, PREMIUMS, COVERAGE AND CLAIMS

The average respondent had 16 employees on December 31, 1975. Total payroll averaged \$265,000 (\$16,562 per employee) with an average of 2.25 percent of payroll devoted to workers' compensation premiums. The mean reported premium was \$7,334; somewhat higher than the \$6,179 reported in the carrier survey.

Seven percent of the respondents said that their insurance carrier paid dividends, 41 percent didn't know and 50 percent indicated that dividends were not paid. Thirty-three percent had their premiums experience rated and 11 percent were under a retrospective rating system; about 40 percent didn't know if they were under a merit rating system. The mean number of claims filed by employees of survey respondents in 1974 was 2.1 (standard deviation = 8.1) and in 1975, 2.3 (standard deviation = 7.6).

DISABILITY AND RE-EMPLOYMENT

There were about 3 total injury and illness cases per establishment in 1975 with an average of about 4 lost work days per case. Two out of these three cases kept the same job and two out of the three involved no lost time. Out of 195 reported lost time cases, 18 were reported transferred to jobs at the same or higher rate of pay; 3 were still recuperating and were expected to return. Only one firm reported that past hiring practices had been influenced by the existence of a second injury fund in Alaska; the fund applied in three cases in 1975.

OCCUPATIONAL SAFETY AND HEALTH PROGRAMS

Occupational safety and health services were provided by the staff of 28 percent of the respondents, by the staff and outside consultants of 10 percent of the firms, and 54 percent reported that none were provided from either source. No formal or on-the-job safety training was provided to the employees of 88 percent of the respondents. A total of 157 employees (5.4 percent of the total employment of the respondents) received safety training in 1975.

Seven percent of the respondents reported receiving occupational safety and health services from their insurance carrier during 1975. The services most frequently rendered were advice on OSHA regulations and inspections and recommendations on electrical grounding of equipment with about 6 percent reporting that they received these services. Fourteen percent said they received periodic reports from their insurer concerning their loss experience; 13 percent said they did not and the rest either did not respond or did not know.

Nine percent of the respondents reported that they maintained an on-site health unit or clinic; the average time to a hospital was about 15 minutes with the mode and the median time about 5 minutes. Safety personnel were provided by the state OSHA agency in 6 percent of the cases and by the Department of Labor in 8 percent of the cases.

OPINIONS

Overwhelmingly, employers indicated that expense was the main problem with the current workers' compensation system; 82 percent of the respondent rated it one of the main problems and 69 percent gave it the highest priority. The uncertainty of future premiums was considered a problem by 71 percent of the respondents; 19 percent gave this the highest priority rating. Third among the problems cited by employers was the lack of an effective merit rating system followed by lack of competition or unavailability of coverage, poor service, and all other.

The most frequently cited advantage of the present system was good service; 45 percent felt that this was an advantage and 14 percent gave it the highest priority rating. Minimal governmental involvement was cited as an advantage by 44 percent of the respondents and 17 percent gave this top priority. Other advantages which were listed in order of frequency were the availability of "package" insurance (more than one line through the same agent or carrier), competition among carriers, and an effective merit rating system (41 percent listed this as an advantage but only 4 percent gave it top priority).

In response to the question, "Do you favor the establishment of a state fund in the field of workers' compensation?", 12 percent answered "yes", 30 percent "no", and 68 percent either did not respond or did not know. If a state fund would "result in a substantial cost savings to employers", 65 percent said they would favor it and 46 percent would favor it if it would "compete with private carriers and provide sure alternative coverage".

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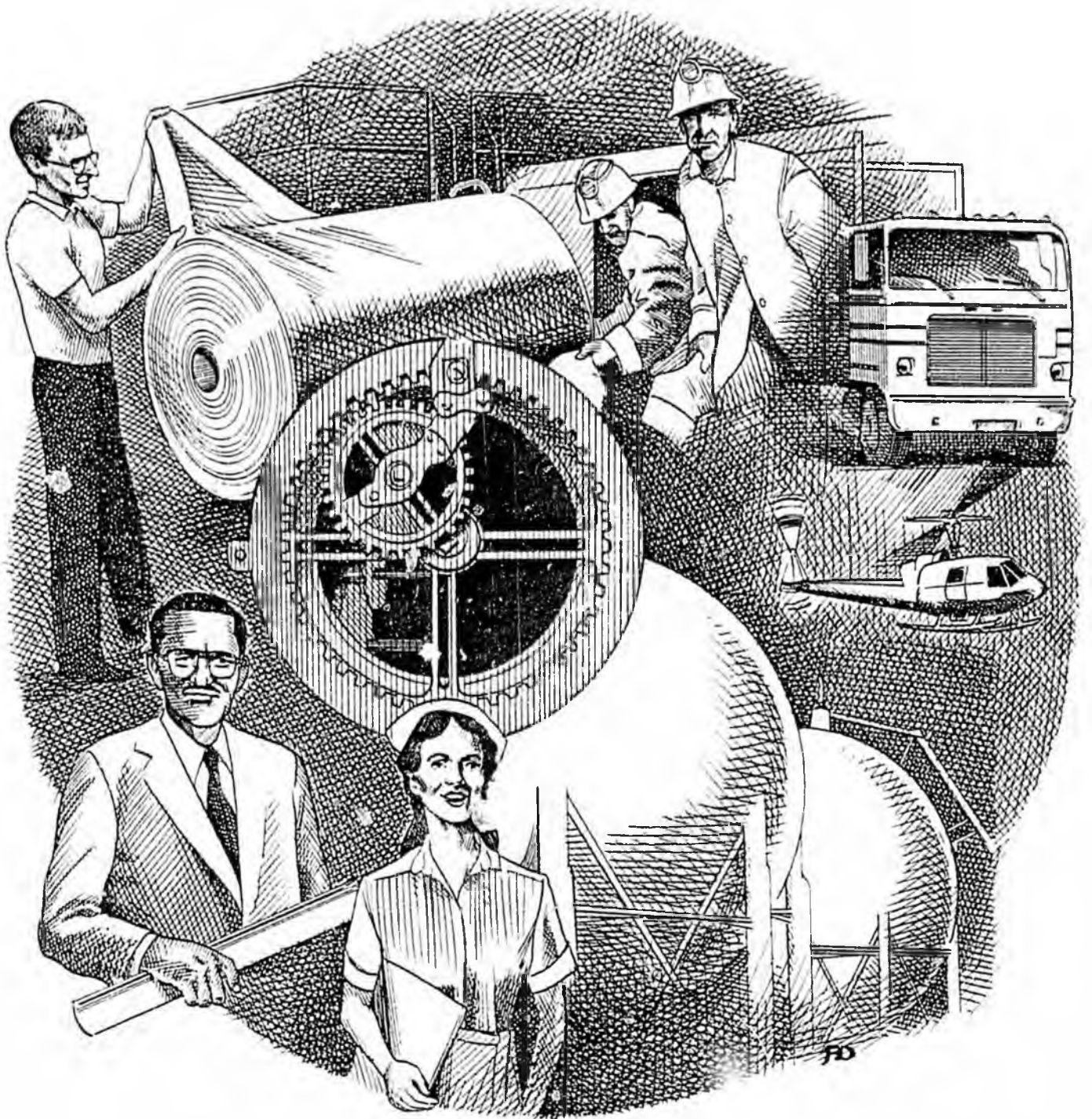
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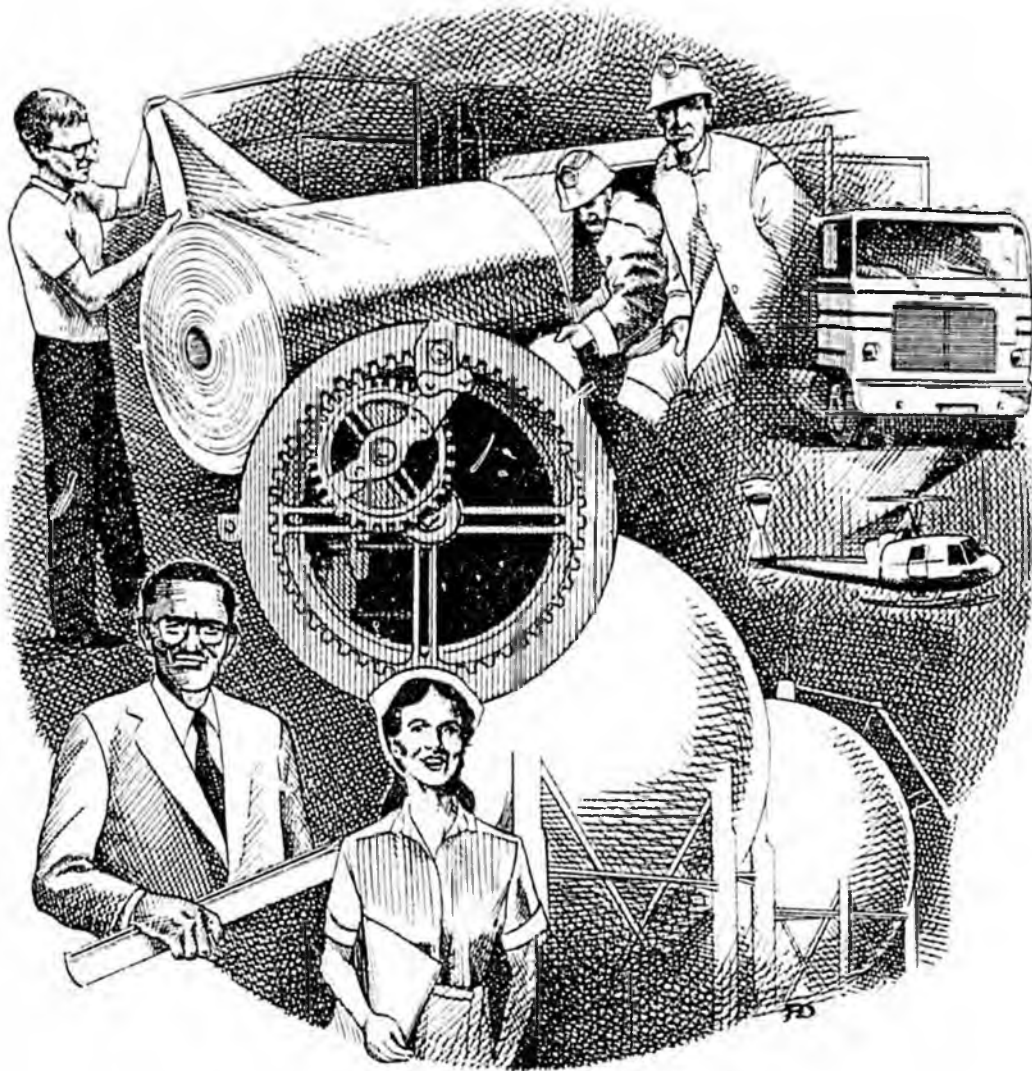
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FOREWORD

The 1985 edition of *Analysis of Workers' Compensation Laws* offers a bird's-eye view of the important provisions of workers' compensation statutes and is intended to provide both a comparison and an improved understanding of the various laws. Sixteen detailed charts are presented to aid employers, employees, insurance firms, agents, brokers, attorneys, physicians, and others in locating specific provisions of workers' compensation laws.

The *Analysis* tracks the statutory provisions of American Samoa and the U.S. Virgin Islands, as well as the laws of the 50 states, the District of Columbia, Guam, and Puerto Rico. Full treatment is also provided for the federal, provincial, and territorial laws of Canada.

Although the *Analysis* provides essential information needed daily in many business offices, it should not be considered as supplanting exact provisions to be found in statutory texts.

The underlying data required to bring together this publication were supplied by legislative reporting services, insurance companies, and government officials in the several state and jurisdictions. Additional assistance came from the Social Security Administration, U.S. Department of Health and Human Services.

The legal research, analysis, and editing of the charts and text was furnished by Samuel A. Roth, Associate Manager, Employer Relations in the Business-Government Policy Department of the Chamber of Commerce of the United States. For further information, you can write to him at 1615 H Street, N.W., Washington, D.C. 20062 or phone (202) 463-5514.

All contributions to this publication are gratefully acknowledged.

Richard L. Leshner
President
Chamber of Commerce
of the United States

INTRODUCTION

HISTORY OF WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY

Workers' compensation laws are designed to provide satisfactory means of handling occupational disabilities. A 20th century development in North America, the laws have evolved as the economy became more industrial and less agricultural.

Before these laws were enacted, a well-established common-law principle held that a master or employer was responsible for injury or death of employees *resulting from a negligent act by him*. Thus, disabled workers who sued employers for damages had to prove their injuries were due to employer negligence—a slow, costly, uncertain legal process. As business enterprise and machine production expanded, the number of industrial accidents and personal-injury suits increased. At the close of the 19th century it was apparent that the accepted common-law defenses—contributory negligence, assumption of risk, negligent acts of fellow servants—operated too harshly on claims of disabled workers. The situation led to demands for new legal provisions.

As a result, between 1900 and 1910 so-called employer's liability laws were adopted by many states. Although they tended to modify common-law defenses, they did not prove completely satisfactory; employees still had to prove employer responsibility and negligence. Other legal remedies were urged.

A new answer was forthcoming: In 1911 the first workers' compensation laws were enacted in the United States on an enduring basis. The first comprehensive Canadian laws were enacted in 1915.

Today, each of the 50 states has a workers' compensation law. The compensation laws of American Samoa, Guam, Puerto Rico, and the U.S. Virgin Islands are also outlined in this *Analysis*. Federal workers' compensations laws have been enacted; for example, the District of Columbia Workmen's Compensation Act, the Federal Employees' Compensation Act, and the Longshoremen's and Harbor Workers' Compensation Act—the latter providing for private or public employees in nationwide maritime work. Each of the Canadian provinces and territories has a compensation act or ordinance.

In essence, workers' compensation laws hold that industrial employers should assume costs of occupational disabilities without regard to any fault involved. Resulting economic losses are considered costs of production—chargeable, to the extent possible, as a price factor. The laws serve to relieve employers of liability from common-law suits involving negligence.

Six basic objectives underlie workers' compensation laws:

- 1—Provide sure, prompt, and reasonable income and medical benefits to work-accident victims, or income benefits to their dependents, regardless of fault;
- 2—Provide a single remedy and reduce court delays, costs, and workloads arising out of personal-injury litigation;
- 3—Relieve public and private charities of financial drains—incident to uncompensated industrial accidents;
- 4—Eliminate payment of fees to lawyers and witnesses as well as time-consuming trials and appeals;
- 5—Encourage maximum employer interest in safety and rehabilitation through an appropriate experience-rating mechanism; and
- 6—Promote frank study of causes of accidents (rather than concealment of fault)—reducing preventable accidents and human suffering.

To what extent have the laws achieved desired objectives? Answers to this vary from state to state and depend on many factors including the viewpoint of the appraiser.

However, a 1972 evaluation by the National Commission on State Workmen's Compensation Laws concluded that state laws were not living up to their potential, and the Commission made 84 recommendations for the improvement of the system. Nineteen of these were labeled "essential." Despite this negative assessment, the Commission was convinced that workers' com-

ensation is a fundamentally sound system and a valued institution in our industrial economy.

In January 1976, the policy group of the Inter-Agency Workers' Compensation Task Force, with members from several U.S. government departments and agencies, reported its findings on the need for reform of state workers' compensation programs. Essentially, the Task Force found that existing programs must be reformed to bring about more effective management at the state level, with the federal government monitoring progress and providing technical assistance. The group felt that, without a reordering of priorities and a new mode of operation, workers' compensation would become more expensive, less equitable, and less effective. After completing its mission, the Task Force was merged with the Division of State Workers' Compensation Standards in the Office of Workers' Compensation Programs, Department of Labor.

The constructive criticism rendered by the Commission and the Task Force gave new impetus to the development and growth of workers' compensation laws, and these laws now enjoy a more prominent role within the social insurance system of the United States.

The National Commission and the Task Force both rejected proposals to replace the various state programs with one federal program. Nevertheless, legislation has been introduced in the U.S. Congress for the past several years to give the federal government a direct role in the state systems by setting federally mandated "minimum standards." There has never been sufficient support for these bills to move them beyond the committee level, however.

INTRODUCTION

GENERAL INFORMATION

This analysis of workers' compensation laws attempts to provide a ready reference to the statutory provisions found in the federal, state, and territorial laws of the United States and the federal, provincial, and territorial laws of Canada, American Samoa, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands are included.

In the following pages, 16 charts will be found grouped under three categories:

- **Coverage of Laws**, listing the various requirements pertaining to employments, injuries, and diseases (Part I);
- **Benefits Provided**, detailing the required income replacement benefits and medical benefits (Part II);
- **Administration of Laws**, grouping the many administrative requirements and safeguards (Part III).

COMMENTS ON CHARTS

Complete to December 31, 1984, the charts on the following pages present the statutory provisions of the workers' compensation laws as amended. The effects of many decisions—by courts and administrative agencies—have been taken into account in interpreting these laws.

All provisions presented by the charts in this booklet have required study and interpretation to reduce them to the brief statements found in the charts. In some cases space does not permit sufficient explanation to clarify all points. In such cases it is suggested that the text of the law should be examined.

For an explanation of the abbreviations used in the charts and a note on benefit computations, see page 46.

FEDERAL AND DISTRICT OF COLUMBIA LAWS

Two federal workers' compensation laws are charted. The Federal Employees' Compensation Act (F.E.C.A.) governs compensation of all employees of the United States government. The Longshoremen's and Harbor Workers' Compensation Act provides job disability benefits for all U.S. maritime employment and certain others. Courts have held that the Longshore Act does not apply to maritime employment in Puerto Rico, however.

Entries for the District of Columbia are derived from the District of Columbia Workers' Compensation Act, a D.C. enactment replacing the Longshore Act, effective July 26, 1982. D.C. government employees are covered by a separate D.C. enactment that replaces the F.E.C.A. The law for D.C. government workers is not charted except where it differs materially from the F.E.C.A.

The charts do not cover the federal Black Lung Act, the disability provisions of the Social Security program, the Federal Employer's Liability Act (Jones Act), or veterans' benefits.

CANADIAN LAWS

This booklet includes an analysis of the Canadian federal and provincial workers' compensation acts. Each province and territory administers its own act or ordinance. The federal Merchant Seamen's Compensation Act is charted, also.

Employees of the Canadian federal government are compensated under the Government Employees' Compensation Act, administered by Labour Canada. Compensation is paid by the Canadian government, but the amount is determined by the workers' compensation board for the province where the worker is usually employed. Government employees residing in the Northwest Territories or the Yukon Territory may receive compensation in accordance with the Alberta Act. In view of this arrangement, the charts do not include the Government Employees' Compensation Act except where it differs materially from the provincial acts.

ANNUAL COST

Reporting in *Social Security Bulletin*, the U.S. Department of Health and Human Services estimated that employers spent just over \$22.5 billion in 1982 to insure or self-insure their work-injury risks.

This was almost \$4 billion, or 1.9 percent, lower than the 1981 cost of workers' compensation. This is the first decrease since 1949. The prior year, the increase in cost was 2.9 percent. The average cost per \$100 of payroll was \$1.72 for 1982, compared with \$1.84 for 1981.

The 1982 decrease can largely be attributed to lower inflation, since there has been a continued rise in statutory benefit amounts, amounts payable for medical care, and indemnity awards. Medical costs totaled \$4.8 billion in 1982 while compensation payments amounted to \$11.3 billion—about 70 percent of all workers' compensation payments, which totaled \$16.1 billion. Figures for 1983 were not available at the time of publication.

HIGHLIGHTS OF 1984

The United States Congress and legislatures in forty-nine states convened in general session in 1984. In all, more than 160 laws were enacted covering almost every aspect of workers' compensation.

Benefits: Indemnity benefit maximums increased in 44 states as well as under the Longshore Act and the F.E.C.A. Forty-one states and the District of Columbia now provide for the automatic adjustment of maximums annually, based upon the state average weekly wage. Alabama raised the percentage of average wages used to compute the maximum and eliminated the time limit for temporary total disability benefits.

Illinois, after a legal challenge, resolved to limit permanent partial disability benefits through June 1987. Thereafter, the maximum will be increased by the percentage increase in the state average weekly wage.

Funeral allowances were raised in five states and five Canadian jurisdictions.

Occupational Disease: Two states extended statutes of limitations or expanded coverage for claims based on occupational disease resulting from exposure to asbestos, or for other long latency illnesses. The U.S. Congress again took no action following hearings on legislation that would remove occupational disease from state workers' compensation and established a federal disease compensation system.

Federal Legislation: Legislation to establish a uniform federal product liability law cleared a Senate committee but was not put to a vote. The bill would have abolished the employer's right to recover workers' compensation costs in case of a product-related injury.

Congress enacted the first comprehensive amendments since 1972 of the Longshoremen's and Harbor Workers' Compensation Act, including a death benefit maximum, broad coverage changes (to extent not covered by state law), and a cap on cost-of-living adjustments for claimants receiving benefits.

Superfund legislation eroding employer tort immunity in case of injury caused by toxic exposure cleared House subcommittee, but was rectified by full committee before entire injury compensation title was deleted on House floor.

Finally, the Department of Treasury tax simplification proposal called for taxation of workers' compensation benefits.

NEXT EDITION OF THE ANALYSIS OF WORKERS' COMPENSATION LAWS

Forty-nine state legislatures and Congress convene in 1985. Undoubtedly, there will be numerous changes in many workers' compensation laws. A complete revision of this volume is printed annually. The 1986 edition will be available in March 1986. It will reflect changes made in workers' compensation laws up to January 1, 1986.

PART I

COVERAGE OF LAWS

A basic and oft-repeated objective of workers' compensation on which there is broad agreement is that coverage under the acts should be virtually, if not completely, universal. For various historical, political, economic, or administrative reasons no state law covers all forms of employment.

In 1982 the proportion of all wage and salary employees covered by job-injury laws was 87.5 percent representing 77.8 million workers. Covered payrolls amounted to approximately \$1.31 trillion, or 86 percent of total civilian wage and salary disbursements. Charts I through III delineate the statutory employment coverage requirements.

Another basic objective for workers' compensation is to provide compensation for all work-related injuries and diseases. Note that workers' compensation does not seek to cover all worker health problems. To make this distinction, fairly uniform statutory definitions and tests have been adopted in each state. Typically the statute limits compensation benefits to "personal injury caused by accidents arising out of and in the course of employment."

Although the test is fairly uniform, its interpretation has not resulted in completely uniform coverage of injuries and diseases. Initially, this problem was remedied by providing coverage for specific occupational diseases. With advances in medical technology and increased exposures to a growing number of substances with a variety of physical stresses, it became impractical to define work-related diseases by specific enumeration. The states have therefore amended their statutes to provide coverage of all occupational diseases. Chart IV portrays the status of the laws on this point.

TYPE OF LAW: CHART I

Compensation laws are compulsory or elective. Under an elective law, the employer may accept or reject the act, but if he rejects it he loses the three common-law defenses—assumption of risk, negligence of fellow employees, and contributory negligence. Practically, this means that all the laws, in effect, are "compulsory." A compulsory law requires each employer within its scope to accept its provisions and provide for benefits specified. Coverage is still elective in only three states: South Carolina, New Jersey, and Texas.

Suits for Damages—Under workers' compensation acts employers generally are exempted from damage suits. Where an employee rejects the act, and sues an employer who has accepted it, the employer usually retains the three common-law defenses. Conditions for rejection of the act often are so severe as to make the privilege virtually inoperative. In a few states, however, courts have created exceptions to the exclusive remedy rule under certain circumstances.

INSURANCE REQUIREMENTS: CHART I

Security for Payment of Benefits—Most jurisdictions require employers to obtain insurance or prove financial ability to carry their own risk.

Chart I notes provisions relating to (1) insurance requirements, (2) penalties for failure to insure, and (3) whether self-insurance or group self-insurance is permitted.

Six states and most provinces require employers to insure in a monopolistic state or provincial fund; in some instances, employers may qualify as self-insurers. Twelve states permit employers to purchase insurance either from a competitive state fund or private insurance company. Five of the six monopolistic state funds were created between 1913 and 1915, when the principles of workers' compensation were still new. In 1982 state funds collected \$3.2 billion in premiums.

The Chamber of Commerce of the United States advocates that employers be permitted to buy private insurance if they so desire

and that employers who can qualify be allowed to be self-insurers. Chamber policy states:

"Insurance is an integral part of private enterprise. Insurance should not be regarded as a function to be carried on by the government, and insurance monopolies carried on by governmentally created entities should not be permitted."

Self-Insurers—Some large corporations prefer to assume liability for workers' compensation and avoid administrative costs associated with insurance policies. Twenty-two states and the Longshore Act authorize group self-insurance for smaller employers who pool their risks and liabilities. Employers spent just under \$3.0 billion in 1982 on self-insurance.

Self-insurance operates best when an employer has a spread of risks so large that he may benefit from the law of large numbers. It is necessary and desirable that the self-insurer establish his own protective services—similar to those insurance companies would furnish for safety engineering and claims adjustment. Also, the self-insurer may have to retain attorneys and doctors to handle problems incident to claims and medical and legal services.

Self-insurance is permitted in 47 states—as shown in Chart I. Chart I also reflects those states that specifically authorize group self-insurance.

Employers may set up a reserve fund for self-insurance to pay compensation and other benefits under the workers' compensation acts of the states. Contrary to the treatment accorded insurance premiums, amounts paid into this reserve fund are not always deductible from gross income as a business expense for income tax purposes. However, amounts paid out—as cash or medical benefits—are deductible. In many cases insurance is purchased because such purchase can dispose of the item of expense and future cost in the current year.

PRIVATE AND PUBLIC EMPLOYMENTS: CHART II

Virtually all industrial employment is covered by workers' compensation. Chart II shows this in detail; also it indicates the extent of coverage for public employment.

Some jurisdictions cover all private employment; others exempt those with less than a stipulated number of employees. Most jurisdictions specifically exclude certain employments. Due to the nature of the work, farm labor, domestic servants, and casual employees usually are exempted. Most jurisdictions permit employees in an exempted class to be brought in voluntarily by the employer or by administrative agency order.

Many jurisdictions provide workers' compensation for all or certain classes of public employees.

Merchant marine and railroad workers in interstate commerce generally are not covered by workers' compensation acts and may seek damages under the Federal Employer's Liability Act.

MINORS: CHART III

Minors are covered by workers' compensation. Some jurisdictions provide double compensation or added penalties—as shown in Chart III. In many states minors also enjoy special legal protections. These are specifically noted for each state.

OCCUPATIONAL DISEASES: CHART IV

Although workers' compensation laws initially had no specific provisions for occupational diseases, now all states recognize responsibility for them. Coverage extends to all diseases arising out of and in the course of employment. Most states do not provide compensation for a disease that is an "ordinary disease of life" or which is not "peculiar to or characteristic of" the employee's occupation.

Chart IV outlines provisions governing occupational disease in each jurisdiction. Generally, compensation is the same as for trauma

maric injuries (see Part III). Medical care is unlimited. A few states that do not provide permanent partial disability benefits for certain diseases are charted under the heading "Compensation."

Occupational diseases usually become evident during employment or soon after exposure. However, as with radiation disabilities, certain diseases may be latent for considerable time. As Chart IV notes, most states have extended periods in which claims may be filed concerning latent, slowly developing occupational diseases.

Some states impose special restrictions regarding disability resulting from exposure to coal dust, asbestos, silica, or radiation. A number of states have established presumptions for police and firefighters who have heart attacks or respiratory conditions, but no attempt is made to chart them.

OCCUPATIONAL HEARING LOSS: CHART V

The difficulty of distinguishing between work-related permanent hearing loss and loss of hearing caused by nonoccupational factors has resulted in enactment of special provisions in certain states, as shown in Chart V. Entries include the threshold for compensable loss of hearing, minimum exposure requirements, and deductions for loss caused by aging (presbycusis).

OTHER CONSIDERATIONS

A. Accident Prevention—The encouragement of safety is another basic objective of workers' compensation. The effort to reduce the frequency and severity of work-related injuries is accomplished in at least two ways.

First, the workers' compensation program provides employers with preventive services, including safety engineering. This role is assumed by casualty insurance carriers, state funds and safety agencies, and employers. A second general role is to provide a monetary incentive to employers to improve their safety records. Here the insurance premium structure is a primary force.

Costs of accident-prevention services are included in workers' compensation insurance premiums. Casualty insurance engineers help in setting up accident-prevention programs of continuing benefit. Benefits are found in lower insurance rates, increased production efficiency, and better use of manpower. Of course, the greatest beneficiaries are those kept from industrial accidents through application of effective loss-prevention engineering methods.

B. National Council on Compensation Insurance—Premium rates for workers' compensation insurance are compiled scientifically. Accident experience throughout American business is collected by an agency recognized by all insurance carriers and state fund administrators in the U.S. This agency—the National Council on Compensation Insurance—operates in most states. It grew out of a 1915 conference which agreed that rate making for compensation insurance could not be handled by each state separately. The states that maintain independent agencies cooperate with the Council in making rates. The Council's manual rates generally are a basis for compensation rates charged by stock and mutual companies.

Member companies of the Council report experience incurred under workers' compensation policies. This experience serves as a basis for workers' compensation rate determinations in accord with a standard nationwide rate-making procedure approved by the National Association of Insurance Commissioners.

The National Council's basic manual is standard with all insurance companies. It sets forth Council rules, procedures, and rates applicable to workers' compensation insurance. Where statutes provide for rate regulation by a state supervising authority, revised compensation rates and supporting data are filed annually with it; often, public hearings are held before rates are revised. The supervising authority must approve the rates carriers charge. All states now provide for rate regulation by state authority. In Canada

rates are in the form of an assessment—established by each provincial compensation board annually by class of risk.

As set forth in the Council's manual, compensation rates are based on payroll. Usually only an estimated premium is collected when the policy is written. After the policy expires, a payroll audit is required. The actual premium is then figured and adjustments made.

C. Injuries Outside the Jurisdiction—Frequently, when a worker's occupation takes him into another jurisdiction, questions arise as to which law determines compensation payable. In effect, most compensation laws are extraterritorial—either by specific provisions or court decision. Answers depend on provisions of the particular laws involved and require consideration of circumstances—such as place and nature of employment, place where contract was made, employee's residence, and employer's place of business.

D. Civil Defense and Other Volunteers—Many states have laws to compensate civil defense and other volunteer workers (such as firemen) injured in line of duty. Attention is called to these laws, but no attempt is made to chart their provisions.

E. Black Lung Act—The federal Black Lung Act (Title IV of the federal Coal Mine Health and Safety Act of 1969, as amended in 1972, 1978, and 1981) provides benefits for total disability or death caused by respiratory illness attributable to coal mining (black lung disease). The Act is administered by the Division of Coal Mine Workers in the U.S. Department of Labor's Office of Workmen's Compensation Programs and by the Social Security Administration.

Effective January 1, 1985, monthly benefits range from \$317.10 to \$634.20, computed at 137½ percent of the minimum monthly pay for federal employees, plus an allowance for dependents equal to 50%, 75%, or 100% of the basic benefit, for 1, 2, or 3 or more dependents, respectively. Beneficiaries also receive an annual cost-of-living increase.

A total of \$10 billion in black lung payments have been made to 500,000 claimants from 1969 through 1980.

A Black Lung Disability Trust Fund, financed by an excise tax on coal production, was set up by the 1978 amendments to pay claims where the last employment was prior to 1970 or where no responsible coal mine operator has been identified. The fund was in deficit by \$2.5 billion as of December 31, 1984, despite 1981 amendments that doubled the coal tax and revised eligibility criteria in an effort to make the fund solvent.

F. Social Security Disability—The federal Social Security Disability program pays benefits on behalf of disabled workers under age 65 whose disability is expected to last 12 months or result in death. A worker becomes eligible after a minimum period of employment covered by Social Security, measured in calendar quarters. There is a 5-month waiting period.

Cash benefits are payable monthly based on wages in covered employment, plus allowances for spouse and children. Effective January 1, 1985, the maximum is \$909.00 for an individual, family maximum \$1,363.65. Cost-of-living increases are payable effective each June.

Benefits are paid out of the Disability Trust Fund, financed from the federal Social Security tax.

Combined Social Security Disability and workers' compensation benefits may not exceed 80 percent of "average current earnings" prior to disability. The Omnibus Budget Reconciliation Act of 1981 requires that Social Security disability benefits supplement workers' compensation unless state law provided for a reverse offset on or before February 18, 1981.

CHART I

TYPE OF LAW AND INSURANCE REQUIREMENTS

January 1, 1985

JURISDICTION	TYPE OF LAW	INSURANCE	SELF-INSURANCE	PENALTIES ON FAILURE TO INSURE
ALABAMA	Compulsory	Required	Individual and group	Fine of not less than \$25 nor more than \$1,000. Employer may be enjoined from doing business and liable to suit with defenses abrogated and double amount of compensation.
ALASKA	Compulsory	Required	Permitted	Class B or C felony (up to 10 years imprisonment, \$50,000 fine, or both). Board may enjoin use of labor. Employer liable to suit with defenses abrogated and employer negligence presumed proximate cause of injury. Individuals in charge of corporation personally liable for compensation.
AMERICAN SAMOA	Compulsory	Required	Permitted	Misdemeanor—fine up to \$1,000 or imprisonment up to 1 year, or both. Employer liable to suit with defenses abrogated.
ARIZONA	Compulsory	Required	Permitted	Employer liable to suit with defenses abrogated. 10% penalty of award, expenses and attorney's fees. Award paid from Social Fund. Injunction against doing business in state.
ARKANSAS	Compulsory	Required	Individual and group	\$500 fine or 1 year imprisonment, or both. Employer liable to suit with defenses abrogated.
CALIFORNIA	Compulsory	Required	Permitted	Employer may be enjoined from doing business. Mandatory penalty upon issuance of stop order is \$100 per employee raised to \$500 per employee if case of compensable (maximum \$10,000). Failure to obey stop order a misdemeanor, penalty is fine up to \$1,000, imprisonment up to 90 days, or both. \$50 penalty for failure to respond to Director's inquiry. Penalties are paid into Uninsured Employers Fund and constitute lien on employer's assets. Employer may sue for damages with employer's defenses abrogated and fee for compensation. Intentional failure to insure is misdemeanor.
COLORADO	Compulsory	Required	Permitted	Compensation increased 50% or employer liable to suit with defenses abrogated (at option of employee). Employer may also be enjoined from doing business.
CONNECTICUT	Compulsory	Required	Permitted	Willful failure to insure—fine up to \$1,000, payable into Second Injury Fund.
DELAWARE	Compulsory	Required	Individual and group	Fine of 10 cents per day per employee (maximum \$50, minimum \$1 per day) if default continues for 30 days employer may be enjoined from doing business. Employer liable to suit with defenses abrogated.
DISTRICT OF COLUMBIA	Compulsory	Required	Permitted	Fine of not more than \$1,000 or 1 year imprisonment or both.
FLORIDA	Compulsory	Required	Individual and group	Fine of not more than \$500 or not more than 1 year imprisonment, or both; employer liable to suit with defenses abrogated and may be enjoined from doing business.
GEORGIA	Compulsory	Required	Individual and group	Misdemeanor. Compensation may be increased 10% plus attorney's fees. Penalty up to \$50 per day.
GUAM	Compulsory	Required	Not permitted	Misdemeanor—fine up to \$1,000, imprisonment up to 1 year, or both. Employer liable to suit with defenses abrogated and must reimburse fund for compensation payable. Corporate officers are personally liable for compensation.
HAWAII	Compulsory	Required	Permitted	\$25 or \$1 per employee per day during default, whichever is greater. Injunction against business in the state.
IDAHO	Compulsory	Required	Permitted	Misdemeanor. Employer also liable to penalty of \$1 per day per employee, and may be enjoined from doing business after 30 days default. For default in premiums to state fund, penalty is \$1 per day per employee, and policy may be canceled after 30 days default.
ILLINOIS	Compulsory	Required	Individual and group	Fine of \$100 to \$500 for each day a default.
INDIANA	Compulsory	Required	Permitted	Class A infraction—maximum fine \$10,000. Uninsured employer may be liable for medical and legal expenses plus double compensation and may be enjoined from doing business.
IOWA	Compulsory	Required	Individual and group	Employer liable to suit with defenses abrogated and presumption of negligence of employer. In coal mining, employer is liable to penalty of \$10 to \$100 per day and may be enjoined from further noncompliance.
KANSAS	Compulsory	Required	Individual and group	Employer liable to suit with defenses abrogated.
KENTUCKY	Compulsory	Required	Individual and group	Failure to secure payment of compensation—claimant may claim compensation and bring action at law or in admiralty with employer's common law defenses abrogated. Employer may be enjoined from doing business.
LOUISIANA	Compulsory	Required	Individual and group	12% penalty and reasonable attorney's fees for collection of claim.
MAINE	Compulsory	Required	Individual and group	Class D crime. Employer liable to suit with defenses abrogated.
MARYLAND	Compulsory	Required	Permitted	Fine of \$500 to \$5,000 and/or imprisonment for not more than 1 year. Additional penalty for failure to comply with Commission's orders amounting to 6 months' insurance premiums. Employer also liable to suit with defenses abrogated. Other insurers assessed to pay unpaid claims of insolvent insurer. Fine of \$150 and 15% penalty on award payable to Uninsured Employers Fund.
MASSACHUSETTS	Compulsory	Required	Permitted	Fine of not more than \$500 or imprisonment for not more than 1 year, or both; employer liable to suit with defenses abrogated.
MICHIGAN	Compulsory	Required	Individual and group	Fine of \$10 to \$100 or imprisonment for 30 days to 6 months, or both.
MINNESOTA	Compulsory	Required	Individual and group	Penalty \$100 if under 5 employees, otherwise \$400. Additional penalty 5 times lawful premiums for continued noncompliance. Employer may be enjoined from further employment. Employer must reimburse compensation paid plus 50% penalty. Intentional noncompliance is gross misdemeanor. Employer liable to suit with some defenses abrogated.
MISSISSIPPI	Compulsory	Required	Permitted	Fine up to \$1,000 or one year imprisonment or both. Employer also liable to suit with defenses abrogated.
MISSOURI	Compulsory	Required	Individual and group	Employer liable to suit with defenses abrogated. Worker may receive compensation out of Second Injury Fund and employer is liable for amounts paid plus fine of \$100 per day of noncompliance after date of injury (up to \$5,000).
MONTANA	Compulsory	Required	Permitted	Division must enjoin employer from doing business. Double amount of unpaid premiums assessed as penalty (minimum \$200). Employer liable for compensation payable, up to \$30,000. Penalties payable into Uninsured Employers Fund.
NEBRASKA	Compulsory	Required	Permitted	Employer liable to suit with defenses abrogated. \$1,000 fine maximum, 1 year imprisonment, or both, may be enjoined from doing business.
NEVADA	Compulsory	Required in state fund	Individual	Employer liable to suit with defenses abrogated and may be enjoined from doing business. Misdemeanor punishable by a fine up to \$500 per offense.
NEW HAMPSHIRE	Compulsory	Required	Individual and group	Penalty of \$500 plus \$100 per employee per day. Employer may be enjoined from doing business and injured worker may sue for damages.
NEW JERSEY	Elective	Required	Permitted**	Employer liable to suit with defenses abrogated. Misdemeanor, punishable by a fine of not more than \$1,000 or not more than 60 days imprisonment or both, plus \$25 for each 10-day period but not more than \$100 at any one time. Also assessment of \$150 plus 15% of award up to \$1,500 payable to Uninsured Employers Fund.
NEW MEXICO	Compulsory	Required	Permitted	Fine of not more than \$1,000. Employer may be enjoined from doing business.
NEW YORK	Compulsory	Required	Individual and group	Fine of \$100 to \$500 or imprisonment for not more than 1 year, or both, with graduated fines to \$2,500 for repeated failures. Employer liable to suit with certain special defenses abrogated. Additional fine of \$200 if uninsured for less than 10 days.
NORTH CAROLINA	Compulsory	Required	Individual and group	Misdemeanor, punishable by fine of 10c per day per employee (maximum \$50.00, minimum \$1 per day), imprisonment, or both. Employer liable to suit with common law defenses abrogated.

INC *Except as to state and political subdivisions, banks, trust companies, and savings and loan associations.

MI *Eligibility for group self-insurance is limited to counties and municipalities.

MO **\$500 and \$2,000 respectively, for deliberate failure to insure.

NC *Employer engaged in mining must insure only to the extent of maximum liability for 10 deaths in any one accident.

N.J. *Unless employer rejects. Employer of farm worker not required to insure.

**Group self-insurance authorized for hospitals and local government units.

N.Y. *Corporate officer who failed to obtain insurance ineligible for benefits out of Uninsured Employers Fund (for himself, surviving spouse, or dependents).

CHART I TYPE OF LAW AND INSURANCE REQUIREMENTS January 1, 1985 (continued)

JURISDICTION	TYPE OF LAW	INSURANCE	SELF-INSURANCE	PENALTIES ON FAILURE TO INSURE
NORTH DAKOTA	Compulsory	Required in state fund	Not permitted	Madame and/or punishment by \$500 fine, 1 year imprisonment, or both. Uninsured employer liable for damage or injury or death and cannot avail himself of common law defense. Employer may be enjoined from employing uninsured workers.
OHIO	Compulsory	Required in state fund	Permitted	Minor misdemeanor—fine up to \$100. If willful, second degree misdemeanor—fine up to \$750, imprisonment up to 90 days or both. Employer may be enjoined from doing business. Employer is also liable to suit with defenses abrogated.
OKLAHOMA	Compulsory	Required	Individual and group	Penalty of \$1 per day per employee. Employer liable to suit with defenses abrogated.
OREGON	Compulsory	Required	Individual and group	Employer is liable to suit with defenses abrogated. Enjoined from doing business. Fine up to \$1,000 plus up to \$25 per day administrative costs and legal fees, and fines up to \$5,000 based on type of injury.
PENNSYLVANIA	Compulsory	Required	Permitted	Fine of \$500 to \$2,000 per day or not more than 1 year imprisonment, or both. Employer liable to suit with defenses abrogated.
PUERTO RICO	Compulsory	Required in territorial fund	Not permitted	Misdemeanor, fine of \$25 to \$1,000, or imprisonment for not more than 6 months or both. Employer liable to suit with defenses abrogated. Penalty 30% of compensation (minimum \$10.00).
RHODE ISLAND	Compulsory	Required	Individual and group	Fine of not more than \$100; employer liable to suit with defenses abrogated.
SOUTH CAROLINA	Elective	Required	Individual and group	If employer does not reject and fails to insure, fine of 10 cents per day per employee (maximum \$50, minimum \$1 per day) if default continues for 30 days employer may be enjoined from doing business. Employer liable to suit with defenses abrogated. Willful failure to insure is misdemeanor punishable by fine of \$100 to \$1,000 or imprisonment of 30 days to 6 months or both.
SOUTH DAKOTA	Compulsory	Required	Individual and group	Employer liable to suit for damages or double compensation and medical care as benefits.
TENNESSEE	Compulsory	Required	Individual and group	Fine of \$10 to \$100 and after conviction, fine of \$1 for each day of noncompliance. Employer also liable to suit with defenses abrogated.
TEXAS	Elective	Required	Not permitted	Employer liable to suit with defenses abrogated. Motor bus certificate may be revoked on failure to insure.
UTAH	Compulsory	Required	Permitted	Fine of \$10 to \$100 or imprisonment of 1 to 30 days to 6 months or both. Employer also liable to suit with defenses abrogated. Also costs and attorney's fees in civil suit.
VERMONT	Compulsory	Required	Permitted	Failure to provide security within 30 days after notice by Commissioner—fine up to \$100 per day.
VIRGIN ISLANDS	Compulsory	Required in territorial fund	Not permitted	Employer liable for compensation and expenses but penalty equal to 30% of compensation and expenses. Employer liable to suit with defenses abrogated. Fine up to \$600 or imprisonment up to 6 months, or both. Interest on premiums in default. Employer may be enjoined from doing business.
VIRGINIA	Compulsory	Required	Individual and group	Fine \$50 per day per employee (maximum \$1,000, minimum \$50 per day). Employer liable to suit with defenses abrogated and may be enjoined from doing business. Intentionally uninsured employer commits class 2 misdemeanor.
WASHINGTON	Compulsory	Required in state fund	Permitted	Employer may be enjoined from doing business. Willful failure is misdemeanor—fine of \$25 to \$100 daily, 50% to 100% of claim cost, plus \$200 or twice the unpaid premium, whichever is greater. 25% of premiums in default; employer may have to furnish double bond.
WEST VIRGINIA	Compulsory	Required in state fund	Permitted	Employer liable to suit with defenses abrogated, all past premiums plus interest; reimbursement to state fund for claims paid on his behalf for failure to subscribe may be enjoined from doing business in state.
WISCONSIN	Compulsory	Required	Permitted	Fine of \$10 to \$100 or imprisonment from 30 days to 6 months, or both. Each day is a separate offense. Employer may be restrained from employing any person pending compliance.
WYOMING	Compulsory	Required in state fund	Not permitted	Fine of not more than \$500, plus 10% of premiums due. Employer may also be enjoined from doing business. Employer liable to suit with defenses abrogated.
F.E.C.A.	Compulsory	Federal appropriation		
LONGSHORE ACT	Compulsory	Required	Individual and group	Fine of not more than \$1,000 or 1 year in prison or both for failure to secure payment of compensation.
ALBERTA	Compulsory	Required in provincial fund	Not permitted	Failure to furnish required security—Board may order employer to cease employment; violation—fine up to \$200 daily. Failure to submit statement of wages—up to 15% assessment plus penalty up to half of compensation payable, maximum \$500. Violation of judgment—injunction against operating. Failure to pay assessment—up to 8% penalty; employer's goods may be seized.
BRITISH COLUMBIA	Compulsory	Required in provincial fund	Not permitted	Failure to submit statement of wages—compensation payable plus percentage of assessment set by Board. Failure to pay assessment—unpaid amount plus costs of collection and percentage penalty, compensation payable, and employer may be enjoined from operating.
MANITOBA	Compulsory	Required in provincial fund	Not permitted	Failure to submit statement of wages—maximum fine \$500. Failure to submit payroll return statement—employer liable for half of compensation payable (minimum \$50). Failure to pay assessment—penalty of 5% of amount in default for first month and 1% for each succeeding month.
NEW BRUNSWICK	Compulsory	Required in provincial fund	Not permitted	Failure to submit statement of wages—maximum penalty \$500 plus percentage (set by Board). Failure to pay assessment—employer liable for compensation payable plus percentage penalty and costs of collector.
NEWFOUNDLAND	Compulsory	Required in provincial fund	Not permitted	Failure to submit statement of wages—maximum penalty \$1,000. Failure to pay assessment—assessment plus costs of collection, percentage penalty. Employer may be enjoined from operating.
NORTHWEST TERRITORIES	Compulsory	Required in territorial fund	Not permitted	Failure to submit statement of wages or to pay assessment—employer liable for compensation payable and assessment, plus percentage of assessment as penalty established by Board or regulations.
NOVA SCOTIA	Compulsory	Required in provincial fund	Not permitted	Employer liable for compensation payable. Failure to submit statement of wages—employer liable for unpaid amount and costs of collection plus 5% penalty, 1% penalty for each month in default, \$50 if annual statement. Failure to pay assessment—2% penalty plus 1% for each month in default and employer may be enjoined from operating.
ONTARIO	Compulsory	Required in provincial fund	Not permitted	Failure to submit statement of wages upon commencing operations and at other required times—penalty plus liability for additional percentage of assessment and costs of claim at discretion of Board.
PRINCE EDWARD ISLAND	Compulsory	Required in provincial fund	Not permitted	Failure to report payroll or pay assessment—penalty of \$100 per week of default plus 2% of amount unpaid after 1 month, up to 1% for each additional month. Failure to pay assessment—employer may be enjoined from operating.
QUEBEC	Compulsory	Required in provincial fund	Not permitted	Failure to submit statement of wages upon commencing operations or at other required times—maximum fine \$500. Failure to pay assessment, employer liable for percentage penalty to be established by Board and also a fine of not over \$100 per day.
SASKATCHEWAN	Compulsory	Required in provincial fund	Not permitted	Failure to submit statements of wages upon commencing operations or at other required times—maximum fine \$500. Failure to pay assessment, employer liable for percentage penalty to be established by Board and may be enjoined from operating.
YUKON TERRITORY	Compulsory	Required in territorial fund	Not permitted	Failure to submit statement of wages—maximum fine \$500 plus percentage of assessment. Failure to pay assessment—percentage penalty, and employer may be enjoined from operating.
CANADIAN MERCHANT SEAMEN'S ACT	Compulsory	Required	At discretion of board	Failure to insure or cover by other means satisfactory to the Board may cause ship to be detained by Customs.

Ona: *Attorney General has ruled statutory provision for group self-insurance is unconstitutional.

S.C. *Unless employer rejects.

Texas: *If employer accepts.

**Except for state and political subdivisions.

Wash: *Group self-insurance permitted for school districts and hospitals.

Wyo: *Nonhazardous employments may also be insured with private carriers.

Ill. C: *Employer directly liable for compensation if injury was caused by employer's gross negligence or lack of an accident prevention program, maximum \$24,417.80.

N.B.: *Subject to approval of the Board of Compensation.

CHART II

COVERAGE OF LAWS

January 1, 1985

JURISDICTION	EMPLOYMENTS COVERED ¹		EXCEPTIONS ²	SPECIAL COVERAGE PROVISIONS ³
	PRIVATE	PUBLIC		
ALABAMA	Compulsory as to employers of 3 or more. Elective as to partners or sole proprietors. Corporate officers may reject.	Compulsory as to all public employments except municipalities of less than 2,000 population. Certain school systems and institutions covered. ⁴	Domestic servants and casual employees.	Voluntary for employers of less than 3 including farmers. ⁵
ALASKA	Compulsory as to all employments including elected or appointed corporate executive officers.	Compulsory as to state and political subdivisions, members of state boards and commissions. Includes regular firemen if not prohibited by local law. Voluntary as to executive officers of municipal corporations.	Part-time duty status, cleaning persons, harvest help, etc.	Voluntary as to executive officers of a charitable, religious, educational, or other nonprofit corporation.
AMERICAN SAMOA	Compulsory as to employers of 3 or more. Coverage may be required for all hazardous employments.	Compulsory as to all public employments.		Voluntary as to exempt employers.
ARIZONA	Compulsory as to employments. Employer may reject.	Compulsory as to state, counties, cities, towns, municipal corporations, school districts, and volunteers enumerated by statute.	Domestic servants, casual employees, and real estate contacts.	Voluntary as to employers of domestic servants. Motion picture business employees and employees may be exempt from law provided equal benefits are provided by insurance in domestic state.
ARKANSAS	Compulsory as to employers of 3 or more. Elective as to partners or sole proprietors.	Compulsory as to state agencies, departments, and institutions, and counties. Excludes separate corporations and unincorporated cities and towns.	Farm labor, domestic servants, casual workers, public charities, vendors, or distributors of newspapers and other publications.	Voluntary as to excluded employments. Compulsory for building repair work if contractor employs 2 or more employees at any one time. Compulsory for contractor who employs 1 or more and who subcontracts.
CALIFORNIA	Compulsory as to all employments. Includes working member of partnership.	Compulsory as to all public employments except clerks and deputies serving without remuneration and to regional occupational centers, programs or school districts offering training to pupils outside attendance area as to enrolled pupils.	Charity workers and volunteer member workers at camps etc. operated by nonprofit organizations. Employers sponsoring bowling teams. Domestic who work less than 52 hours during preceding 90 days or earn less than \$100. Students in sport events (excludes amateur athletic participants who are not employees).	Voluntary as to excluded employments and sponsoring agencies of Economic Opportunity Programs. Employer not liable for injury due to off-duty recreational, social, or athletic activity not part of work-related duties.
COLORADO	Compulsory as to all employments. Corporate officer who is 10% shareholder may reject. Elective as to active employer or partner.	Compulsory as to all salaried public employments. Job trainees deemed employees of training institution.	Employees of religious or charitable organizations, domestic servants and casual employees who earn less than \$2,000 per year, volunteer air lift operators.	All farm labor covered in 1977. Officers of farm corporation may reject coverage.
CONNECTICUT	Compulsory as to all employments. Corporate officer may reject. Elective as to sole proprietors or partners.	Compulsory as to all state, public corporations, and members of General Assembly. Municipalities may reject coverage of elected and appointed officials, police, and firemen.	Casual employees, outworkers, ⁶ domestics employed less than 26 hours weekly, officers of fraternal organizations paid less than \$100 per year.	Voluntary as to excluded employments.
DELAWARE	Compulsory as to all employments. Up to 4 corporate officer-stockholders may reject. Elective as to sole proprietors or partners.	Elective as to state and certain counties, cities, and towns.	Domestic servants, casual employees earning less than \$300 in 3 months, home household, farm labor.	
DISTRICT OF COLUMBIA	Compulsory as to all employments.	Separate act is compulsory for all public employments, except officers or employees of the United States, state, or foreign government, and uniformed D.C. police or firemen.	Farm labor, casual employees, master or crew of any vessel, and employees of common carrier by railroad in interstate commerce.	Act applies to employees principally located in Washington, D.C. Domestic workers covered if employer employs 1 or more for 240 hours or more per quarter.
FLORIDA	Compulsory as to employers of 3 or more. Elective as to corporate officers, partners, and sole proprietors.	Compulsory as to state and political subdivisions (includes volunteers), except elected officials.	Domestic servants, casual employees, 12 or fewer casual or 5 or fewer regular farm labor, professional athletes, employees of common carriers, and volunteers (except for government entities).	Voluntary as to excluded employments. Excludes real estate salesman, salesperson, commission. Numerical exemption inapplicable to employees of subcontractors.
GEORGIA	Compulsory as to all employers of 3 or more. Elective as to active partners or sole proprietors.	Compulsory as to state, county, municipal corporations, and political subdivisions including school districts. Voluntary as to planning commissions.	Farm labor, domestic servants, employees of common carriers by railroad, casual labor and licensed real estate salesmen and brokers.	Voluntary as to excluded employments.
GUAM	Compulsory as to all industrial employments. ⁷	Compulsory as to paid and voluntary work done for Government of Guam or any political subdivision except federal employees covered by P.L. 77-208 and elected officials.	Workers in interstate or foreign commerce covered by federal law, casual labor, and members of Board of Education.	All contracts of hire are presumed to include an agreement to cover injuries received outside the territory by accident arising out of and in the course of employment.
HAWAII	Compulsory as to all industrial employments. ⁸	Compulsory as to all public officials, elective or appointed. Covers public board members.	Employees of religious, charitable, or nonprofit organizations. Domestics who earn less than \$225 during each quarter in the preceding year. Unpaid 25% shareholders of corporation with no employees.	Voluntary as to employments not defined as industrial.
IDAHO	Compulsory as to all employments. Elective as to corporate officers. Includes 10% shareholders, sole proprietors, and working members of partnership.	Compulsory as to all public employments except officials at secondary school athletic contests.	Agricultural pursuits, domestic servants, casual labor, including members of employer's family, outworkers, ⁹ employees, not for money, armen, and commission real estate salesmen and brokers.	Employees within state who work for employers domiciled in another state are covered. Credit is provided for benefits paid to employees under the law of other states.
ILLINOIS	Compulsory as to enumerated, extra hazardous employments (including occupational diseases). Elective as to partners and sole proprietors.	Compulsory as to all public employments except members of fire and police departments in cities over 200,000 population (such firemen covered to extent of burn-related disfigurement).	Certain farm labor, domestics, and persons not in usual course of employer's business, real estate brokers and salesmen paid by commission only.	Voluntary as to excluded employments. Corporate officers of small business may reject.
INDIANA	Compulsory as to all employments including corporate officers. Elective as to sole proprietors or partners.	Compulsory as to state, municipal corporations, and political subdivisions, includes state legislators, and elected and appointed officials.	Farm labor, domestic servants, casual workers, and railroad workers. ¹⁰	Compulsory as to coal mining and for students in cooperative education.
IOWA	Compulsory as to all employments but up to 4 corporate officers may reject.	Compulsory as to all public employments, except firemen and policemen entitled to pension fund. Covers highway safety patrol officers, conservation officers, and agricultural workers at state universities.	Domestic and casual workers earning under \$200 per quarter, farm labor, if employer payroll under \$2,500 per year, or any regular employee for less than 40 hours weekly during 13 weeks.	Voluntary as to excluded employments.
KANSAS	Compulsory as to all employments including corporate executive officers. Elective as to partners, individuals, or self-employed.	Compulsory as to all public employments. Members of firemen's relief associations may elect to accept or reject coverage.	Farm labor or any employer whose gross annual payroll is not more than \$10,000.	Compulsory as to eleemosynary institutions. Voluntary as to excluded employments. Labor unions and associations may elect coverage for their members who perform services and are not full-time employees.

NOTE: State courts vary in decisions whether minimum of persons must be in state.

¹Compensation laws are classified as compulsory or elective. A compulsory law requires every employer to accept the act and pay the compensation specified. An elective act is one in which the employer has the option of either accepting or rejecting the act, but if he rejects it he loses the customary common law defenses (such as assumed by employee, negligence of fellow servants, and contributory negligence). In most states workers in accepted or excluded employments may be brought under coverage of the act through voluntary action of the employer. In other states, such action of the employer must be occurred in by the employees.

²Applying to private employments only. The exceptions for public employments are given under "Employments Covered—Public."

³Outworker is person to whom services are given for cleaning, repair, etc., at home.

⁴ Ala. "Employees of all county and city boards of education. Ala. Inst. for Deaf and Blind, and 2-yr. colleges under state board of education control. Special act covers employees of U.S.S. Alabama Battleship Comm. and authorizes excess medical care benefits not to exceed \$10,000 per employee, also, for employees of Department of Agriculture and Industries. Special act covers employees of Tannehill Furnace and Foundry Commission.

⁵ Guam "Employment in trade, occupation, or profession, earned on by employee for pecuniary gain.

⁶ Hawaii "Employment in trade, occupation, or profession, earned on by employer for pecuniary gain.

⁷ "The law is 'elective' as to private employments of a nonhazardous nature, but it does not abrogate the employer's defenses if he does not accept the act, and this is considered to be voluntary.

⁸ "Elective for officer of a charitable, religious, educational, or nonprofit corporation.

CHART II — COVERAGE OF LAWS — January 1, 1985 (continued)

JURISDICTION	EMPLOYMENTS COVERED ¹		EXCEPTIONS ²	SPECIAL COVERAGE PROVISIONS ³
	PRIVATE	PUBLIC		
KENTUCKY	Compulsory as to all employments including corporate executives. Elective as to owners of business or partner. Worker may reject voluntary profit plan.	Compulsory as to state and political subdivisions including elected and appointed state officials and members of the General Assembly.	Domestic servants if employer employs fewer than 2 each regularly employed 40 hours a week; casual workers employed less than 20 consecutive days; agricultural laborer for charitable or religious organization in return for food or sustenance; and participant in carpool to and from work.	Specifically covers news, arts and operators of coal mines. Voluntary as to excluded employments.
LOUISIANA	Compulsory as to all employments including corporate executives. Corporate officers who are 10% shareholders and sole proprietors may reject.	Compulsory as to all public employments except sheriff, deputies and officials. Subvoters may cover elective and appointive officials.	Group of crop spraying aircraft when acting as contractors or employees of persons principally engaged in agriculture; real estate brokers and salesmen; domestic workers.	Excludes officers of nonprofit charitable, fraternal, cultural or religious corporations or associations.
MAINE	Compulsory as to all employments including corporate executives. Corporate officers who are 20% shareholders may reject. Elective as to self-employed persons or partners.	Compulsory as to state, counties, cities, towns and quasi-municipal corporations including fire and police and volunteer firemen and emergency medical services personnel.	Maritime employee in interstate or foreign commerce, or seaman; independent contractor; Employee harvesting 150 cords of wood from farm wood lot; voluntary participant in employee-sponsored athletic event.	Voluntary as to excluded employments. Parents, spouse, or child of sole proprietor or partner may reject coverage. Common law defenses retained by certain employers with employee's liability insurance.
MARYLAND	Compulsory as to all employments including corporate officers. Elective as to partners or sole proprietors. Corporate farm officers who are 20% shareholders may reject.	Compulsory as to state, counties, cities and their agencies, paid firemen in certain counties, prisoners working for county roads board, forest wardens, firemen and fire fighters for Department of Forests and Parks, jurors for non-federal courts.	Domestic workers who earn less than \$250 in a quarter from a single household; certain maintenance workers not employed for 30 consecutive days around a private home; seasonal, migratory farm labor within 25 miles of residence who work no more than 13 weeks a year; and community-paid real estate salesmen or broker.	Voluntary as to excluded employments. Officers of close corporation may reject. Small employers of farm labor may be insured under a group policy.
MASSACHUSETTS	Compulsory as to all employments.	Compulsory as to state, elective as to counties, cities and districts having power of taxation. Municipalities required to indemnify police and firemen. Cities and towns may cover certain elected or appointed officials.	Seasonal and casual labor; domestic servants employed less than 16 hours a week; masters and seamen in interstate commerce covered by federal law; strikes unless contracts provide wages during job disability; and community-paid real estate salesmen.	Voluntary as to domestic servants hired periodically or on a seasonal basis.
MICHIGAN	Compulsory as to all employers of 3 or more, or less than 3 if 1 is employed for 35 hours per week for 13 weeks by same employer.	Compulsory as to all public employments including Michigan Conservation Corps members. Trainers in federally funded training program deemed employees of sponsoring public entity.	Professional athletes whose average weekly wage is more than 200% of statewide average weekly wage; domestic servants who work less than 35 hours a week for 13 weeks a year.	Voluntary as to employer of 2 or less, and domestic service. Family members may be excluded by endorsement.
MINNESOTA	Compulsory as to all employments. Elective as to owners of business or farm and officers of certain farms, farms or close corporations and their families.	Compulsory as to all public employments including elected and appointed state officers and members of the board and certain faculty at University of Minnesota. Elective for elected or appointed officers of political subdivisions.	Certain casual labor; household workers who earn under \$500 per 3 months from one private household; family farms with annual farm labor payroll under \$6,000; railroad workers covered by federal law; and nonprofit corporation with annual payroll under \$500; commercial freight carrier for family farm.	Exclusion must be in writing. Elective coverage for independent contractors.
MISSISSIPPI	Compulsory as to all employers of 2 or more. Corporate officers may reject.	Voluntary as to public employments. Specifically excludes handicapped in state sheltered workshop program.	Domestic servants; farmers; farm labor; newspaper distributors; officers of nonprofit charitable, fraternal, cultural or religious corporations or associations.	Voluntary as to exempt employers.
MISSOURI	Compulsory as to all employers of 2 or more. Elective for partners and sole proprietors.	Compulsory as to all public employments including elected and appointed state officials, contractors of a public corporation, state marshal and sheriffs and deputy sheriffs. Compulsory for workers on state welfare projects under federal Economic Community Act.	Farm labor; domestic servants; occasional labor for private household and qualified real estate agents.	Voluntary as to exempt employments; employers of less than 5 employees; and salaried officers of Missouri farm corporations.
MONTANA	Compulsory as to all employments. Corporate officers may reject. Elective as to partners and sole proprietors.	Compulsory as to all public employments including public contractors.	Domestic and casual employment; family members; employers covered by federal law; and person performing services for food and sustenance only.	Coverage is mandatory for partner or sole proprietor who is independent contractor (except real estate or farm services), but may apply for personal exemption. Voluntary as to exempt employments.
NEBRASKA	Compulsory as to all employments. Corporate officers who are 25% shareholders may reject. Elective as to proprietors, partners or self-employed.	Compulsory as to all employments including officials elected or appointed for fixed terms.	Farm labor and domestic servants.	Voluntary as to farm labor and domestic service.
NEVADA	Compulsory as to all employments. Elective as to sole proprietors.	Compulsory as to all employments including public contractors. Also includes unpaid members of state departments, boards, commissions, agencies or bureaus approved by a statutory authority, members of local bands and orchestras.	Farm labor; domestic servants; casual employees; employees engaged without pay in employer's social or athletic events; and voluntary sub-contractor.	Voluntary as to exempt employments. Employer may elect compensation if mandated; employer is uninsured.
NEW HAMPSHIRE	Compulsory as to all employments. First 3 corporate officers not counted as employees. Elective as to partners and sole proprietors.	Compulsory as to all public employments.	Railroad workers covered under F.E.A. (Jones Act).	
NEW JERSEY	Elective as to all employments.	Compulsory as to all public employments.	Casual workers; maritime workers; and railroad workers engaged in interstate commerce.	
NEW MEXICO	Compulsory as to employers of 3 or more. Corporate officers who are 10% shareholders may reject. Elective as to partner or self-employed.	Compulsory as to state, counties, cities, towns, schools, drainage, irrigation or conservancy districts, public instruction or administrative boards includes elected or appointed officials.	Farm or ranch labor; domestic servants; and casual employees.	Voluntary as to farm labor; domestic service; and where less than 3 are employed.
NEW YORK	Compulsory as to all employments. Corporate officer who is sole shareholder may reject.	Compulsory as to state and subdivisions when worker is engaged in hazardous occupations enumerated. Covers school aides and public school teachers in districts outside New York City. Voluntary as to municipal corporations in nonhazardous employments.	Farm labor if payroll during prior year was less than \$1,200; volunteer workers; domestic worker not employed by same employer at least 40 hours per week; teacher or nonmanual laborer for religious, charitable, or educational institution; and corporate officer who is sole shareholder and has no other employees.	Voluntary as to exempt employments and for certain employment in fulfillment of probationary sentence.
NORTH CAROLINA	Compulsory as to all employers of 4 or more and all employments with exposure to radiation. Corporate officers count toward total number of employees but may reject. Elective as to partner or sole proprietor.	Compulsory as to public employments; public and quasi-public corporations; and elective officials.	Farm labor; domestic servants; casual workers; railroad workers; voluntary law patrolmen; individual seaman; logging operators with fewer than 10 employees who operate less than 60 days over a 6-month period.	Voluntary as to casual employees; domestic servants; and employers of fewer than 4 employees. Compulsory as to agricultural employer with 10 or more full-time nonseasonal workers.

NOTE: State courts vary in decider's whether minimum number of persons must be in state.

¹Compulsory laws are classified as compulsory or elective. A compulsory law requires every employer to accept the act and pay the compensation specified. An elective act is one in which the employer has the option of either accepting or rejecting the act, but if he rejects it he loses the customary common law defenses (namely assumed by employee, negligence of fellow servants, and contributory negligence). In most states workers in excluded or excluded employments may be brought under coverage of the act through voluntary action of the employer. In other states such action of the employer must be concurred in by all employees.

²Applying to private employments only. The exceptions for public employments are given under "Employments Covered—Public."

Mc: Employers of domestic servants or seasonal or casual farm or aquacultural labor.

Me: Corporate officer who is 10% shareholder of corporation with up to 10 shareholders may reject.

Mt: Act does not apply to persons covered by Domestic Volunteer Service Act of 1973 as amended.

Mc: Employers who do not elect coverage are liable to suit with defenses abrogated.

CHART II □ COVERAGE OF LAWS □ January 1, 1985 (continued)

Jurisdiction	EMPLOYMENTS COVERED ¹		EXCEPTIONS ²	SPECIAL COVERAGE PROVISIONS ³
	PRIVATE	PUBLIC		
NORTH DAKOTA	Compulsory as to all hazardous employments. Elective as to corporate officers, partners or sole proprietors.	Compulsory as to all public employments.	Family labor, domestic servants, casual workers, illegal enterprises or occupations, and clergy.	Voluntary as to nonhazardous and excluded employments.
OHIO	Compulsory as to all employments. Elective as to partners and sole proprietors.	Compulsory as to state, counties, cities, townships, incorporated villages, and school districts.	Casual and domestic workers paid less than \$160 by one employer in any 3-month period.	Elective as to officers of family farm corporations.
OKLAHOMA	Compulsory as to all employments. Elective as to 10% shareholders, partners, and sole proprietors.	Compulsory as to the state, counties, cities, or municipalities employing workers in hazardous employments, except where reimbursement schemes are in force.	Domestic and casual employees of homeowner whose annual payroll is under \$10,000; worker covered by federal law; agricultural/horticultural employer whose annual payroll is under \$100,000; real estate salesmen and brokers.	Includes certain persons sentenced to public service, assigned to work release or private prison industry programs.
OREGON	Compulsory as to all employments. Elective as to sole proprietors, partners, and corporate officers who are also directors with a substantial ownership interest.	Compulsory as to state departments, cities, or towns and other political subdivisions. Covers volunteer firemen in state schools for deaf and blind.	Domestic, casual labor, interstate transportation, certain charitable or relief work, and commission-paid real estate agents.	Voluntary as to exempted employments. Covers clients in Vocational Rehabilitation Division. Owner-operator of equipment for hire of tax may elect coverage.
PENNSYLVANIA	Compulsory as to all employments.	Compulsory as to all public employments except elected officials. Students in vocational work program covered as employees of employer.	Domestic or casual labor, outworker ⁴ farmer with 1 employee who works less than 20 days a year or earns less than \$150 a year.	Voluntary as to casual and domestic service.
Puerto Rico	Compulsory as to all employment.	Compulsory as to all salaried public employments.	Casual and domiciliary workers.	Voluntary for sole proprietors and their families when supervising or engaging in manual labor in their business or farm.
RHODE ISLAND	Compulsory as to all employers of 4 or more and employers in hazardous occupations.	Compulsory as to the state and city of Providence. Elective as to cities or towns.	Agriculture, domestic service.	Voluntary as to agriculture, domestic service, and employers of less than 4 employees, except those in hazardous occupations. Excludes employer-sponsored social athletic activity.
SOUTH CAROLINA	Elective as to all employers of 4 or more, including active partners and sole proprietors whose employees are eligible for benefits.	Compulsory as to all public employments except elective and appointive officials.	Casual employees, persons engaged in selling agricultural products, farm labor, railroads, express companies, state authority fair associations, employer with annual payroll under \$3,000.	Voluntary as to excluded employments.
SOUTH DAKOTA	Compulsory as to all employments. Elective as to employer performing labor incidental to job.	Compulsory as to all public employments, except elected or appointive officials. Firemen covered. Subdivisions of state may elect to cover elected and appointive officials. Students in vocational work program covered as employees of employer.	Farm labor, domestic servants if employed more than 20 hours in any week and more than 6 weeks in any 13-week period, and workate participants.	Voluntary as to farm labor and domestic service. Compulsory as to operators of farm machinery, e.g., investors, combines, shears, cornhuskers.
TENNESSEE	Compulsory as to all employers of 8 or more. Corporate officers may reject. Elective as to partners and sole proprietors.	Voluntary as to state and political subdivisions.	Farm labor, domestic servants, casual employees, employees of interstate common carriers, and volunteer patrolmen.	Voluntary as to employers of less than 8.
TEXAS	Elective as to all employments. Elective as to corporate officers, partners and sole proprietors. Farm ranch operator may elect to cover self, partner, corporate officer or family member.	State provides self-insurance coverage for Highway Dept., University of Texas, and Texas A&M University. Counties and municipalities may provide compensation for their employees (by separate act).	Domestic servants, railroads used as common carriers, and employees not in usual course of employer's business; seasonal farm ranch labor for employer with payroll under \$25,000 ⁵ ; and other farm ranch labor for employer with payroll under \$75,000 ⁶ .	Specifically covers motorbus companies. Elective as to exempted workers. Real estate salesmen by commission only may elect coverage.
UTAH	Compulsory as to all employments. Elective as to partners and sole proprietors.	Compulsory as to all public employments, including volunteers.	Casual employees, farm employer whose payroll is less than \$2,500 per year, who do not employ 4 persons for 40 hours per week for 13 weeks during year, or employer-owner's family. Domestic who work less than 40 hours per week for a single employer.	Voluntary as to farm labor and domestic service.
VERMONT	Compulsory as to all employments. Corporate officers may reject.	Compulsory as to all public employees, including legislators while in session, teachers, police, firemen, town and school employees, other municipal employees entitled to pensions, and road commissioners or sectionmen engaged in highway maintenance or construction.	Casual or domestic employees, amateur athletes, farm labor where employer's payroll is under \$2,000 per year.	Specifically covers priests and parishes. Exempted farmers and employers of domestics may elect coverage.
VIRGIN ISLANDS	Compulsory as to all employments. Elective as to partners and sole proprietors.	Compulsory as to all public employments.	Casual and domestic employees, and volunteers for charitable organizations.	Voluntary as to exempted employers and employees.
VIRGINIA	Compulsory as to employers of 3 or more and farm employer with more than 2 full-time employees. Elective for corporate officers, partners, and sole proprietors.	Compulsory as to all public employments, except administrative officials and employees elected or appointed for definite terms. Includes judges of Supreme Court and Circuit Court and judges and clerks of juvenile, domestic relations, and district courts.	Casual employees, horticultural and farm laborers, domestic servants, employees of steam railroads, employments not in usual course of employer's trade, business, or occupation, and real estate salesmen associated brokers on commission, under independent contract, or who are not treated as employees for federal income tax purposes.	Voluntary as to employers of less than 3 farm labor and domestics.
WASHINGTON	Compulsory as to all employments. Elective as to partners, sole proprietors, joint venturers, and corporate officers who are shareholders or directors.	Compulsory as to all public employments.	Home repair and gardening workers, railroad workers, unpaid workers in eleemosynary institutions, children under 18 on a family farm, jockeys, farm labor earning less than \$150 from one employer in calendar quarter, and employments not in usual course of employer's business.	Covers apprentices registered with Apprenticeship Council. Excludes purchaser of contract musical or entertainment performance.
WEST VIRGINIA	Compulsory as to all employments. Elective as to partners, sole proprietors, and officers or shareholders in Subchapter S corporation.	Compulsory as to all public employments, including elected officials. Elective for churches.	Domestic workers, farm labor of 5 or fewer, casual employees, and employees working out of state (except temporarily).	Compulsory for officers of corporations and executive associations. Elective as to employees in organized professional sports, including thoroughbred horse racing.
WISCONSIN	Compulsory as to all employments (except farm labor) if paid \$500 or more in any calendar quarter for services in the state. Compulsory as to farmers with 6 or more employees.	Compulsory as to all employees, including state legislators (except vocational education students).	Domestic servants and casual employees.	Voluntary as to excluded employments. Elective as to working partners. Includes participant in community work experience program.

NOTE: State courts vary in decisions whether minimum number of persons must be met.

¹Compensation laws are classified as compulsory or elective. A compulsory law requires every employer to accept the act and pay the compensation specified. An elective act is one in which the employer has the option to either accept or reject the act, but if he rejects it he loses the customary common law defenses (that assumed by employee, negligence of fellow servants, and contributory negligence). In most states workers in exempted or excluded employments may be brought under coverage of the act through voluntary action of the employer. In other states such action of the employer must be concurred in by the employees.

²Applying to private employments only. The exceptions for public employments are given under "Employments Covered—Public."

³Outworker is person to whom articles are given for cleaning, repair, etc., at home.

⁴Ownership interest not required for certain family farms.

⁵Pa: Elective for members of certain State Treasurer and State religious sects whose tenets prohibit benefits from insurance, provided the sect makes provision for its members.

⁶Texas: Subdivisions may elect to cover officer, deemed volunteer firemen, police, and emergency medical personnel.

⁷To be adjusted for inflation.

⁸\$500 of 1988-90; \$25,000 or 3 more employees for 1991 (dollar amounts to be adjusted for inflation).

⁹VI: Municipalities may reject coverage of other employees. Excludes other elected officials, certain judges, sheriffs, and county treasurers and clerks.

¹⁰Va: Governing body of county, city, or town may elect coverage of its members.

¹¹Wash: Farm labor provision held unconstitutional by state Supreme Court (*Mallory vs. Dept. of Labor and Industries*) on 9/8/83.

CHART II - COVERAGE OF LAWS - January 1, 1985 (continued)

Jurisdiction	EMPLOYMENTS COVERED ¹		Exclusions ²	SPECIAL COVERAGE (seaman ³)
	PRIVATE	PUBLIC		
WYOMING	Compulsory as to unenumerated and hazardous occupations included for act. Elective as to corporate officers.	Compulsory as to state, counties and municipal corporations when engaged in intrastate work.	Domestic servants and casual employees (piece workers, sales clerks, farm and ranch workers).	Elective as to farm and ranch workers (not include ranches).
F.L.C.A.		All civil employees of the U.S. government, including wholly owned instrumentalities and persons performing activities of civil employees without pay.		
LONGSHORE ACT	Compulsory as to all maritime employment nationwide including longshoring, harborworking, shipworking, or ship repair.	Officers and employees of the U.S. or any state or foreign governments are not covered.	Master or crew of any vessel and persons unloading or re-packing vessels of less than 18 tons. Not applicable to maritime employment in Puerto Rico. ⁴	Act also applies to workers at military bases and public works abroad; seafarers and marine service workers (by military, seafarers and workers for nonappropriated funds (NFI) services) (P.R. etc.) in U.S. and abroad.
ALBERTA	Compulsory as to all nonfarm-related employments. Corporate officers (by coverage for act). Elective as to partners and sole proprietors.	Compulsory as to provincial employees, most school teachers are exempt.	Employments listed in General Regulations includes farm labor; domestic outworkers ² ; financial institutions; religious and charitable institutions; legal services; medical and dental services; athletes and employees of labor unions.	Voluntary as to exempted employments and corporate directors. Board may include any individual or class by regulation.
BRITISH COLUMBIA	Compulsory as to all employments listed in Part I. Employer may elect coverage for act.	Compulsory as to all provincial and municipal employments including members of fire brigade, ambulance staff and mine rescue or inspection workers.	Outworkers ² ; casual labor; performers.	Voluntary as to unenumerated employments. Board may include any industry by regulation. Lt. Gov-in-Council may require coverage of commercial fishing industry.
MANITOBA	Compulsory as to all employments listed in Schedule I. Elective as to corporate officer, employer, or sole proprietor.	Compulsory as to all provincial and municipal employments, except employees of school boards including teachers.	Farm labor; outworkers ² ; casual labor.	Voluntary as to unenumerated and exempted employments. Lt. Gov-in-Council may include any industry by regulation.
NEW BRUNSWICK	Compulsory as to all regular employees of 3 or more. Compulsory as to salaried corporate officer or director. Employer may elect coverage for act.	Elective as to public employments.	Outworkers ² ; domestic servants and persons whose employment is of a casual nature and otherwise than for the purpose of business. ⁵	Voluntary as to exempted employment. Lt. Gov. in Council may regulate exclusion of industry in which not more than stated number of workers (as by regulation) are usually employed.
NEWFOUNDLAND	Compulsory as to all employments except as excluded by regulation.	All provincial and federal employees are covered.	Artists, entertainers, circus and trade shows, newspapers and clergy; employment by a person in respect of a function in private residence of that person; seafarers employed out of province; sports professionals; instructors; players and coaches; volunteers and outworkers. ²	Commissioner may accept excluded employment or work.
NORTHWEST TERRITORIES	Compulsory as to all employments. Elective as to corporate officers.	Compulsory as to territory government.	Partners in professional firms.	Commissioner may exempt industry, employer or worker. Voluntary as to exempted employment.
NOVA SCOTIA	Compulsory as to employments listed in Part I. Board has exempted employees of 2 or fewer. Includes corporate executives. Employer may elect coverage for act.	Elective as to public employments. Farmers and police are excluded. Board may exclude public officers.	Casual labor; outworkers ² ; farm labor; domestic servants. By regulation Board has excluded specific industries including educational institutions, persons in medical work and dental surgery; veterinarians; athletes; barber, tailors; forists; horticultural employment; entertainers and aviation industry.	Voluntary as to exempted employments. Board may include or exclude any industry, or set numerical exemption by regulation.
ONTARIO	Compulsory as to all employments listed in Schedules I and II. Corporate officer may elect coverage.	Compulsory as to all provincial and municipal employments.	Domestic servants; outworkers ² .	Voluntary as to unenumerated and exempted employments.
PRINCE EDWARD ISLAND	Compulsory as to employments listed in Part I. Board has exempted employees with 1 employee. Elective as to corporate officer.	Compulsory except for municipal officers. Municipal firemen and police may be covered on application.	Casual labor; outworkers ² ; farm labor; domestic servants; tax industry; non-industry employers of 5 or fewer; aviation industry employers of 99 or fewer.	Voluntary as to unenumerated and exempted employments.
QUEBEC	Compulsory as to all employments.	Compulsory as to all provincial and municipal employments.	Domestic servants and outworkers ² .	Voluntary as to unenumerated and exempted employments.
SASKATCHEWAN	Compulsory as to all employments. Compulsory for corporate officers and salaried employees.	Compulsory as to all provincial and municipal employments. Municipalities and corporations may elect coverage of mayor and members of governing body.	Farm and ranch labor; domestic servants; outworkers ² and school teachers.	Voluntary as to exempted employments. Lt. Gov-in-Council may exclude any industry, employer or worker.
YUKON TERRITORY	Compulsory as to all employments.	Compulsory as to territory government.	Casual employees, domestics, outworkers ² .	Voluntary as to exempted employments.
CANADIAN GOVERNMENT EMPLOYEES ACT		Compulsory as to employees of government departments, Crown corporations, boards, commissions, etc. in Canada and abroad.		Claims are determined by provincial boards. Benefits same as for private employees in same province where in territory is deemed employed in Alberta.
CANADIAN MERCHANT SEAMEN'S ACT	Compulsory as to all employees of Canadian registered ships as defined.		Pilots, apprentice pilots, and fishermen.	No compensation payable if employed under Government Employees Compensation Act or any provincial act.

¹Compensation laws are classified as compulsory or elective. A compulsory law requires every employer to accept the act and pay the compensation specified. An elective act is one in which the employer has the option of either accepting or rejecting the act, but if he rejects it he loses the customary common-law benefits (not assumed by individuals) (piece workers, and non-industry negligence). In most instances, unenumerated employments may be brought under coverage of the act through voluntary action of the employer; in other instances, such action of the employer must be concurred in by the employees.

²Applying to private employments only. The exceptions for public employments are given under: Employment Code—Public.

³Outworker is person to whom articles are given for cleaning, repair, etc. at home.

⁴Wt. Salary of corporate officer is \$2,400 minimum, \$4,800 maximum.

Longshore: Also excluded to extent covered by state law are office clerks, secretarial, security or data processing employees; club, camp, recreational, recreation, restaurant, museum or retail outlet employees; marine employees not engaged in construction, replacement or expansion; persons temporarily on premises not doing work normally performed by employee; aquaculture workers; purgers, repairers or dismantlers of recreational vessels under 65 feet in length and master or crew member of any vessel.

⁵By occasional law: Garcia v. Fresco, 597 F.2d 284 (9th Cir. 1980); 444 U.S. 940 (1979).

Alta: Corporate director may elect coverage.

N.B.: By regulation also excludes fishing industry, employers of less than 10 workers in hand laundry and air or water transport, employers of less than 500 workers on vessel in intraprovincial waters.

CHART III

COVERAGE OF MINORS

January 1, 1985

JURISDICTION	COVERED	FUTURE EARNING CAPACITY	ILLEGAL EMPLOYMENT	SPECIAL BENEFIT PROVISIONS
ALABAMA	Yes		Double compensation	Settlement valid
ALASKA	Yes	Considered		
AMERICAN SAMOA	Yes	Considered		Guardian may be required
ARIZONA	Yes	Considered		Lump sum payable to guardian
ARKANSAS	Yes		Double compensation*	
CALIFORNIA	Yes	Considered	50% additional compensation*	Settlement valid unless claimed by parent or guardian
COLORADO	Yes		(+)	
CONNECTICUT	Yes	Considered		If under 18 50% additional compensation for scheduled injury. If under 16 100% added. Guardian may be required
DELAWARE	Yes			
DISTRICT OF COLUMBIA	Yes	Considered		
FLORIDA	Yes			Guardian may be required
GEORGIA	Yes			Board may appoint special guardian where no general guardian has been appointed
GUAM	Yes	Considered		Guardian may be required
HAWAII	Yes	Considered*		
IDAHO	Yes	Considered*		Lump sum under probate jurisdiction
ILLINOIS	Yes		If under 16 50% additional compensation	Minor may elect suit for damages
INDIANA	Yes		If under 16 double compensation**	If over \$100 payable to guardian
IOWA	Yes	Considered if apprentice or trainee		Settlement valid
KANSAS	Yes			Payments to minor, guardian or conservator
KENTUCKY	Yes	Considered		Lump sum payable to guardian
LOUISIANA	Yes*			
MAINE	Yes			
MARYLAND	Yes	Considered	Double compensation discretionary*	
MASSACHUSETTS	Yes	Considered	Double compensation*	If guardian required insurer must pay expenses
MICHIGAN	Yes		If under 16 double compensation*	
MINNESOTA	Yes			Entitled to maximum benefits if permanent partial disability. Guardian may be required
MISSISSIPPI	Yes		Double compensation*	Guardian may be required
MISSOURI	Yes	Considered	50% additional compensation	
MONTANA	Yes	Considered		
NEBRASKA	Yes		Same as adults	
NEVADA	Yes		Up to \$500 L.M. offense	
NEW HAMPSHIRE	Yes	Considered	Negatively employed double compensation	
NEW JERSEY	Yes*		Under 14, or between 14-18 without permit, double compensation** Minor may elect suit for damages	Guardian required
NEW MEXICO	Yes			

JURISDICTION	COVERED	FUTURE EARNING CAPACITY	ILLEGAL EMPLOYMENT	SPECIAL BENEFIT PROVISIONS
NEW YORK	Yes	Considered	If under 18 double compensation†	Applies to second injuries rehabilitation and reopened cases
NORTH CAROLINA	Yes	Considered		Permanent disability payments over \$500 payable to guardian
NORTH DAKOTA	Yes	Considered		Lump sum payable to guardian
OHIO	Yes	Considered	Double compensation	Lump sum payable to guardian
OKLAHOMA	Yes	Considered	Excluded	
OREGON	Yes		25% (maximum \$500 to state fund)	Lump sum payable to guardian
PENNSYLVANIA	Yes		Violation of child labor law—50% additional compensation†	
PUERTO RICO	Yes		If under 18 double compensation	
RHODE ISLAND	Yes		Triple compensation	
SOUTH CAROLINA	Yes			If over \$250 payable to guardian
SOUTH DAKOTA	Yes			
TENNESSEE	Yes			If over \$250 payable to guardian
TEXAS	Yes	Considered		Payable to guardian
UTAH	Yes	Considered		Lump sum payable to guardian
VERMONT	Yes			
VIRGIN ISLANDS	Yes		30% additional compensation†	
VIRGINIA	Yes			If over \$300 payable to guardian
WASHINGTON	Yes		50% to state fund*	If over \$750 lump sum payable under probate jurisdiction
WEST VIRGINIA	Yes		Same as adults	
WISCONSIN	Yes	Considered	Doubled or tripled*	Guardian may be required
WYOMING	Yes			Lump sum payable under probate jurisdiction
F.E.C.A.	Yes	Considered		
LONGSHORE ACT	Yes	Considered		
ALBERTA	Yes	Considered		Paid as Board deems best
BRITISH COLUMBIA	Yes	Considered		Paid as Board deems best
MANITOBA	Yes	Considered		Paid as Board deems best
NEW BRUNSWICK	Yes	Considered		Paid as Board deems best
NEWFOUNDLAND	Yes	Considered	Death benefit to parent may be withheld	Paid as Commission deems best
NORTHWEST TERRITORIES	Yes	Considered		Paid as Board deems best
NOVA SCOTIA	Yes	Considered	If under 14 death benefit to parent may be withheld	Paid as Board deems best
ONTARIO	Yes	Considered	(+)	Paid as Board deems best
PRINCE EDWARD ISLAND	Yes	Considered	(+)	Paid as Board deems best
QUEBEC	Yes	Considered		Paid as Commission deems best
SASKATCHEWAN	Yes	Considered		Paid as Board deems best
YUKON TERRITORY	Yes	Considered		Paid as Commission deems best
CANADIAN MERCHANT SEAMEN'S ACT	Yes			Paid as Board deems best

* Employer may not insure additional amount of compensation.

Ala. *Unless minor misrepresents age in writing to employer.

Colo. *Permanent disability and death benefits paid at maximum rate payable at time of death or determination of permanent disability.

Hawaii. *Permanent total disability and death benefits based on AWW employee would have received at age 25.

Idaho. *Adult wages for all scheduled injuries.

Ind. *Student in vocational education program treated as worker age 17 and not entitled to double compensation.

La. *Compulsory coverage for minors between 12 and 18 engaged in street trade.

Mich. *Except in case of fraudulent use of permits or age certificates.

Miss. *Employer may not insure additional amount of compensation. Students 14 and over employed between

semesters or on on-the-job training, and junior auxiliary firemen, are excepted.

N.J. *Does not apply if working under certificate.

**Employer may not insure additional amount of compensation. Students age 14 and over employed between semesters or on on-the-job training, and junior auxiliary firemen, are excepted.

N.C. *Compensation for permanent disability or death with surviving dependents is based on AWW paid an adult employee in a position to which a minor employee would likely be promoted, if no position exists then the minor is entitled to the maximum benefit. In temporary disability and no-dependency death cases, compensation may be increased in proportion to expected earnings where total disability extends over 52 weeks.

Wash. *Imposed only if minor is below minimum age for employment or working without permit.

Wis. *Doubles for minor of permit age employed without a permit. Maximum \$7,500, tripled where such minor was employed in prohibited work, or in the case of minor under permit age and illegally employed. Maximum \$15,000.

Additional compensation payable by employer. Minors given contractual power under the Act. Employer misled by fraudulent written evidence of age by minor, extra compensation paid into special children's death benefit.

Ont. *Employer may be held individually liable.

P.E.I. *Employer may be held individually liable.

CHART IV

COVERAGE OF OCCUPATIONAL DISEASES

January 1, 1985

JURISDICTION	NATURE OF COVERAGE	MEDICAL BOARDS	ONSET OF DISABILITY OR DEATH	TIME LIMIT ON CLAIM FILING	EXCLUSIONS FROM DEATH AWARDS	MEDICAL CARE	COMPENSATION ²
ALABAMA	All diseases		Death—within 3 years after last exposure or last payment. Radiation or occupational pneumoconiosis—exposure must occur in at least 12 months over 5 years prior to last exposure	Disability—within 2 years after last exposure or last payment (radiation—within 2 years and claimant knows should know relation to employment. Death—within 2 years after death or last payment. Coal miner's pneumoconiosis—within 3 years after total disability or death and claimant knows should know relation to employment.		Unlimited	Same as for accidents. Coal miner's pneumoconiosis—total disability or death compensated same as Federal Black Lung Act
ALASKA	All diseases			2 years after knowledge of relation to employment. Within 1 year after death		Unlimited	Same as for accidents
AMERICAN SAMOA	All diseases	Claimant examined by physician selected by Commissioner		Within 1 year after claimant knows should know relation to employment		Unlimited	Same as for accidents
ARIZONA	All diseases	Board of 3 medical consultants may be appointed by Commissioner. Report is prima facie evidence of facts	Silicosis or asbestosis—employer liable only if exposure during 2 years	Within 1 year after disability or actual of right, excludable *	Disability payments	Unlimited	Same as for accidents
ARKANSAS	All diseases		Disability or death—within 1 year after last exposure (3 years for silicosis or asbestosis), or 7 years for death following continuous disability. Does not apply to radiation. Silicosis or asbestosis presumed nonoccupational absent exposure in 5 years over 10 years prior to disability (2 or 5 years in-state unless same employer)	Disability—within 2 years after last exposure (silicosis or asbestosis—within 1 year from disability; radiation—within 2 years from diagnosis. Death—within 2 years		Unlimited	Same as for accidents. Silicosis and asbestosis—partial disability—less than 33-1/3% non-compensable *
CALIFORNIA	All diseases. Special account for asbestosis-related disease			Disability—within 1 year from injury or last payment. Death—within 1 year after death (or death within 1 year after injury), 1 year after last medical payment, or 1 year after death if compensation paid, no proceedings more than 240 weeks after injury except for claims based on asbestos exposure *		Unlimited	Same as for accidents
COLORADO	All diseases		Disability—within 5 years after injury, no limit for radiation, asbestosis, silicosis or amyloidosis. Silicosis or asbestosis—employer liable only if exposure lasts 60 days	Within 3 years after disability or death (5 years in case of ionizing radiation, asbestosis, silicosis, or amyloidosis or if reasonable excludable)		Unlimited	Same as for accidents
CONNECTICUT	All diseases	Panel of 3 physicians may be appointed by Commissioner to resolve medical issues involving lung disease		Within 3 years after first manifestation of disease (within 2 years if death occurs within 2 years after first manifestation of disease, or 1 year after death, whichever is later)		Unlimited	Same as for accidents
DELAWARE	All diseases			Disability or death—within 1 year after claimant knows relation to employment		Unlimited	Same as for accidents
DISTRICT OF COLUMBIA	All diseases			Within 1 year after injury, death, last payment, or knowledge of relation to employment		Unlimited	Same as for accidents
FLORIDA	All diseases		Death—following continuous disability and within 350 weeks after last exposure. Employer liable for dust disease only if exposure lasts 60 days	Within 2 years after establishment of death or last payment		Unlimited	Same as for accidents
GEORGIA	All diseases	Medical board of 5 finding conclusive	Within 1 year after last exposure (3 years for byssinosis, silicosis, or asbestosis, 7 years for death following continuous disability). Employer liable for silicosis or asbestosis only if exposure lasts 60 days (presumed nonoccupational absent exposure in 5 years over 10 years prior to disability (2 years in-state unless same employer)**	Within 1 year after establishment of death or medical care, or 2 years after last payment. Radiation—within 1 year after onset of disability and claimant knows should know relation to employment.	Disability payments	Unlimited	Same as for accidents***
GUAM	All diseases			Within 1 year after injury, death or last payment		Unlimited	Same as for accidents
HAWAII	All diseases			Within 2 years after claimant knows relation to employment		Unlimited	Same as for accidents

¹ Employer and insurance carrier at time of last exposure are liable in Arkansas, Colorado, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Maine, Maryland, Minnesota, New Hampshire, North Carolina, Oklahoma, Tennessee, Vermont, and Virginia. The employer at time of last exposure is liable in Alabama, Arizona, Iowa, Michigan, Missouri, Montana, New Mexico, Pennsylvania, South Dakota, Texas, and Utah. Liability is apportioned among responsible employers in New York and Rhode Island. California limits liability to employer during last year of exposure.

² Benefits determined as of the date of last exposure or last injury/exposure in Arkansas, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Michigan, Minnesota, Missouri, New Jersey, South Dakota, Texas, Washington, Wisconsin, and Wyoming. Benefits determined as of the date of disability, knowledge, or manifestation in Alabama, Alaska, Arizona, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Idaho, Iowa, Maryland, Massachusetts, Mississippi, Montana, Nebraska, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Vermont, and West Virginia.

Aa. Radiation illness caused by gradual exposure

Ab. "Limit on lung runs from when injury is manifest or when claimant knows should know relation to employment, to be during incapacity"

Ax. "Silicosis or asbestosis—worker who is affected but not disabled may leave work and receive up to 26 weeks of benefits plus up to \$400 for retraining"

Ca. "Date of injury is date of disability and claimant knows should know relation to employment"

Ga. "Byssinosis claims diagnosed before Jan. 1, 1980, must be filed before July 1, 1987"

**Year's 200 days exposure over 12 months

***Silicosis or asbestosis—worker who is affected but not disabled may waive full compensation and if later disabled receive benefits up to 100 weeks \$2,000

CHART IV □ COVERAGE OF OCCUPATIONAL DISEASES □ January 1, 1985 (continued)

JURISDICTION	NATURE OF COVERAGE ¹	MEDICAL BOARDS	ONSET OF DISABILITY OR DEATH	TIME LIMIT ON CLAIM FILING	DEDUCTIONS FROM DEATH AWARDS	MEDICAL CARE	COMPENSATION ²
IDAHO	All diseases		Within 1 year after last exposure (4 years for silicosis, 7 years for death following continuous disability. Employer liable for nonacute disease only if exposure lasts 60 days. Silicosis—exposure must occur in 5 years during 10 years prior to disablement (last 2 in-state unless same employer).	Within 1 year after manifestation or death. Silicosis—within 4 years after last exposure. Radiation or unusual disease—within 1 year after incapacity, disability, or death and claimant knows should know relation to employment.	Disability payments	Unlimited	Same as for accidents. Silicosis—partial disability noncompensable ³
ILLINOIS	All diseases		Disability—within 2 years after last exposure (3 years for beriliosis or silicosis, 25 years for asbestosis or radiation).	Disability—within 3 years after disablement or 2 years after last payment. Death—within 3 years after death or last payment. Coalminer's pneumoconiosis—within 5 years after last exposure or last payment. Radiation or asbestosis—within 25 years after last exposure.	Disability payments but with minimum compensation	Unlimited	Same as for accidents
INDIANA	All diseases		Disablement—within 2 years after last exposure (3 years if caused by asbestos, coal, or silica dust); radiation—within 2 years after claimant knows should know relation to employment. Death—within 2 years after disablement or during pendency of disability claim filed within that period, within 2 years after filed disability expires but no later than 300 weeks after disablement. Employer liable for silicosis or asbestosis only if exposure lasts 60 days.	Within 2 years after disablement or death.	Disability payments	Unlimited	Same as for accidents
IOWA	All diseases	Medical Board may decide controverted medical questions or provide medical examinations for certain employees.	Disability or death—within 1 year after last exposure (3 years for pneumoconiosis, 5 years for death following continuous disability). Pneumoconiosis presumed nonoccupational absent exposure in 5 years over 10 years prior to disability (2 of 5 years in-state); employer liable only if exposure lasts 60 days.	Within 2 years after death or disablement or 3 years after last payment. Radiation—within 90 days after disablement or death and claimant knows should know relation to employment.	Same as for accidents	Unlimited	Same as for accidents. Pneumoconiosis—partial disability less than 33-1/3% is noncompensable ⁴
KANSAS	All diseases		Disability or death—within 1 year after last exposure (3 years for death from silicosis, 5 years for death following continuous disability). Does not apply to radiation. Silicosis presumed nonoccupational absent exposure in 5 years over 10 years prior to disability (2 of 5 years in-state unless same employer); employer liable only if exposure lasts 60 days.	Within 1 year after disablement, death or last payment (2 years after last payment in case of silicosis). Radiation—within 1 year after claimant knows should know relation to employment.		Unlimited	Same as for accidents ⁵
KENTUCKY	All diseases ⁶			Disability—within 3 years after last exposure or last manifestation. Death—within 3 years if it occurs within 3 years after last exposure or first manifestation. Limit waived where voluntary payment or employer knows of disease and cause. No claim more than 5 years after last exposure (20 years in case of radiation), except for death within 20 years after continuous disability begins in cases where there is award or timely claim for disability. ⁷		Unlimited	Same as for accidents. Where disablement occurs after 5 years exposure or results from silicosis or pneumoconiosis apportioned between employer and Special Fund. Fund pays 75% of cost if not conclusively proven to result from last exposure otherwise pays 40%. Employer pays balance.
LOUISIANA	All diseases		Diseases contracted in less than 1 year presumed to be nonoccupational. Presumption is rebuttable by overwhelming preponderance of evidence.	Disability—within 6 months after manifestation, occurrence of disability or worker knows should know relation to employment. Death—within 6 months or within 6 months after worker knows should know relation to employment.	Same as for accidents	Unlimited	Same as for accidents
MAINE	All diseases		Incapacity—within 3 years after last exposure (does not apply to asbestos-related disease). Employer liable only if exposure lasts 60 days (except for radiation and asbestos-related disease). Silicosis presumed nonoccupational absent in-state exposure in 2 years during 15 years preceding disability (part of exposure may be out of state if same employer).	Within 2 years after incapacity or 1 year after death or last payment (40 years after last payment for asbestos-related disease). ⁸ If mistake of fact with reasonable time but no later than 10 years after last payment. Radiation—limit runs from date of incapacity and claimant knows should know relation to employment.	Disability payments	Unlimited	Same as for accidents
MARYLAND	All diseases ⁹			Within 2 years after disablement, death or actual knowledge of relation to employment, excusable (3 years for pulmonary dust disease).		Unlimited	Same as for accidents
MASSACHUSETTS	All diseases			Within 1 year after injury, or death, excusable.	Disability payments	Unlimited	Same as for accidents
MICHIGAN	All diseases			Within 2 years after claimant knows should know relation to employment.		Unlimited	Same as for accidents ¹⁰

Idaho ¹Silicosis—worker who is affected but not disabled may waive full compensation and if later disabled receive benefits up to \$5,000.

Iowa ²Death from respiratory disease of coalminer employed 10 years presumed due to pneumoconiosis.

³Effective 7/1/84, 33% threshold requirement repealed; benefits now payable are prospective only.

Kan. ⁴Worker who is affected but not disabled may waive full compensation and if later disabled receive benefits up to 100 weeks.

Ky. ⁵Back lung claimant must file under state and federal law.

Me. ⁶Claim for asbestos-related disease contracted between 11/30/67 and 10/1/83 must be filed by 1/1/85.

Md. ⁷Disease or injury compensable under federal law (other than Social Security Disability Insurance) is not compensable.

Mich. ⁸Silicosis, dust disease, and logging industry fund reimburses compensation over \$25,000 or 104 weeks whichever is greater for injury after 6/30/85; also reimburses benefits in cases of exposure to brominated biphenyls before 7/24/79 and where disability or death occurs becomes known after 7/24/79.

CHAPTER IV — COVERAGE OF OCCUPATIONAL DISEASES — January 1, 1985 (continued)

JURISDICTION	NATURE OF COVERAGE*	MEDICAL BOARDS	ONSET OF DISABILITY OR DEATH	TIME LIMIT ON CLAIM FILING	DEDUCTIONS FROM DEATH AWARDS	MEDICAL CARE	COMPENSATION**
MINNESOTA	All diseases†			Within 3 years after employer's knowledge or cause of injury or disability		Unlimited	Same as for accidents. Non-disabled claimants eligible for medical benefits. Supplemental benefits may be payable after 4 years from last exposure.
MISSISSIPPI	All diseases			Within 2 years after injury or death	Same as for accidents	Unlimited	Same as for accidents
MISSOURI	All diseases		Last employer liable for success, asbestos and radiation if exposure lasts 90 days.	Within 2 years after injury, death or last payment; 13 years if no injury report filed; limitation runs from date injury is reasonably apparent.	Disability payments	Unlimited	Same as for accidents
MONTANA	All diseases	Examinations made by 1 or more members of the occupational disease panel.	Death—within 3 years after last employment unless continuous total disability (does not apply to radiation). Sarcoid—total disability or death must occur within 3 years after last employment (except for death following continuous total disability); and employer liable only if exposure lasts 90 workdays.	Within 1 year after disability and claimant knows should know relation to employment; may be extended 2 more years. No claim more than 3 years after last employment (except for radiation or death after continuous total disability).	Disability payments	Unlimited	Same as for accidents excluding partial disability. Worker who is injured but not disabled may leave job and receive compensation up to \$10,000. Pneumoconiosis benefits reduced or amount payable under federal law. Benefits for silicosis are supplemented so that combined compensation is \$200 monthly; supplement is general revenue financed.
NEBRASKA	All diseases†			Within 2 years after claimant should have known of injury and relation to employment.		Unlimited	Same as for accidents
NEVADA	All diseases	Medical review board selected by director; findings conclusive.	Sarcoid or respiratory dust disease is noncompensable absent in-state exposure in 3 years during 10 years preceding disability or death.	Within 90 days after knowledge of disability and relation to employment; or 1 year after death. Sarcoid or respiratory dust disease—within 1 year after termination of total disability or death.		Unlimited	Same as for accidents
NEW HAMPSHIRE	All diseases			Within 2 years after injury or death and claimant knows should know of injury and relation to employment.	Disability payments	Unlimited	Same as for accidents
NEW JERSEY	All diseases			Within 2 years after claimant knows relation to employment or last payment.		Unlimited	Same as for accidents
NEW MEXICO	All diseases		Death—within 1 year after last employment (3 years for death following continuous disability); and death must follow disability within 2 years. Sarcoid or asbestosis—disability or death within 2 years after last employment; (5 years for death following continuous disability); employer liable only if exposure lasts 60 days. Noncompensable absent in-state exposure in 1250 workdays during 10 years preceding disability. Radiation—disability or death within 10 years after last employment.	Within 1 year after disability or death or 1 year 31 days after last voluntary payment. Radiation—within 1 year after disability begins or death and claimant knows should know relation to employment.	Disability payments	Unlimited	Same as for accidents
NEW YORK	All diseases			Within 2 years after disablement or death or two years after claimant knows should know relation to employment.		Unlimited	Same as for accidents
NORTH CAROLINA	All diseases	Commission appoints 3-member advisory board for sarcoid or asbestosis cases.	Death within 2 years after injury if totally disabled 6 years after injury or 2 years after final determination. Asbestosis—disability or death within 10 years after last exposure; for death following continuous disability, disability must occur within 10 years after last exposure. Lead poisoning—disability or death within 2 years after last exposure; for death following continuous disability, disability must occur within 2 years after last exposure.	Within 2 years after disablement or death or last payment, or within 2 years of notification by competent medical authority, whichever last occurs. Radiation—within 2 years after incapacity and claimant knows should know relation to employment.		Unlimited	Same as for accidents
NORTH DAKOTA	All diseases		Death—within 1 year after injury if no disability or 1 year after cessation of disability; or 6 years after injury if disability is continuous.	Within 1 year after injury; within 2 years after death (2 years after injury if no claim prior to death).		Unlimited	Same as for accidents
OHIO	All diseases	Medical specialist in specific cases; findings advisory.		Within 2 years after disability or death or within 6 months after diagnosis (whichever is later).		Unlimited	Same as for accidents. No partial disability for respiratory dust disease.

Md. *For radiation, date of disablement is date of injury.

Mt. **By court decision. Does not apply to injury: *Bohman v. Certain-Teed Products Corp.*, 651 S.W.2d 613 (IC), App. 1984.

Mon. †Sarcoid is noncompensable absent in-state exposure in 1,000 workdays during 10 years preceding total disability. Claimant who is discharged to avoid liability may receive compensation when totally disabled if employed 700 workdays.

N.H. †Date of injury is last date of exposure or last date worker knows should know relation to employment.

N.Y. †Disability or death due to sarcoid or dust disease reimbursed from special fund for all payments over 104 weeks.

N.C. †Asbestosis or sarcoid is noncompensable absent in-state exposure in 2 years during 10 years preceding last exposure if exposure is less than 30 working days. ‡Consecutive months.

**Worker who is injured but not disabled by asbestos or who is removed from exposure receives benefits up to \$60 weekly for 104 weeks. If later totally disabled, full compensation is paid. If death results within 2 years after last exposure (350 weeks) if caused by secondary infection, full compensation is paid. If partially disabled, 66-2/3% of wage loss is paid for another 196 weeks. If unrelated death, balance of 104 weeks is paid plus 300 weeks (total disability) or percentage of 196 weeks (partial disability). Worker may waive full compensation and receive 104 weeks of compensation plus 100 more weeks if later disabled or dies.

N.C. †Date of injury is date on which a reasonable person knows should know relation to employment.

Ohio †Includes asbestosis, silicosis, and coalminer's pneumoconiosis. Worker who is injured but not disabled by respiratory dust disease and leaves employment may receive \$46 weekly for 30 weeks, then 66-2/3% of wage loss (not to exceed \$40.25 weekly).

CHART IV □ COVERAGE OF OCCUPATIONAL DISEASES □ January 1, 1985 (continued)

JURISDICTION	NATURE OF COVERAGE	MEDICAL BOARDS	ONSET OF DISABILITY OR DEATH	TIME LIMIT ON CLAIM FILING	DEDUCTIONS FROM DEATH AWARDS	MEDICAL CARE	COMPENSATION
OKLAHOMA	All diseases		Employer liable for silicosis or asbestosis only if exposure lasts 60 days	Within 18 months after last exposure or manifestation and diagnosis by a physician or within 3 months after disablement		Unlimited	Same as for accidents*
OREGON	All diseases			Within 5 years after last exposure and within 180 days after disablement or physician informs claimant of disablement; 10 years after last exposure for radon disease		Unlimited	Same as for accidents
PENNSYLVANIA	All diseases	Examination by medical physician may be ordered	Within 300 weeks after last exposure (except death following disability that occurs within 300 weeks after last exposure); Silicosis, anthracosis, or coalminer's pneumoconiosis—noncompensable absent in-state exposure in 2 years during 10 years preceding disability	Within 3 years after disablement, death, or last payment; Radiation—within 3 years after the employee knows, should know relation to employment		Unlimited	Same as for accidents*
PUERTO RICO	Diseases as provided by law		Disability—within 1 year after last exposure, except diseases with longer latency periods	Within 3 years from time employee learns nature of disability		Unlimited	Same as for accidents
RHODE ISLAND	All diseases	Director of Labor appoints impartial physician		Within 3 years after disability or death; Radiation—within 1 year after claimant knows should know relation to employment	Disability payments	Unlimited	Same as for accidents
SOUTH CAROLINA	All diseases	Medical board determines controverted medical questions; pulmonary cases may be referred to pulmonary specialist of state medical universities	Disease must be contracted within 1 year after last exposure (2 years for pulmonary dust disease); except radiation; Bystander's noncompensable absent exposure for 7 years	Within 2 years after definitive diagnosis or 1 year after death; Radiation—limitation runs from date of disability and claimant knows should know relation to employment	Disability payments	Unlimited	Same as for accidents; Worker who is affected but not disabled may waive compensation (except radiation)
SOUTH DAKOTA	All diseases	Division may contract with physicians for reports	Silicosis—noncompensable absent in-state exposure in 2 years (in-state requirement waived if at the employer); employer liable only if exposure lasts 60 days	Within 2 years after disability or death; Radiation—within 1 year after disability and claimant knows relation to employment	Disability payments	Unlimited	Same as for accidents; No permanent partial disability for silicosis
TENNESSEE	All diseases			Within 1 year after incapacity or death	Same as for accidents	Unlimited	Same as for accidents; Coalminer's pneumoconiosis—same as Federal Black Lung Act
TEXAS	All diseases	Provides for medical committee to pass on controverted questions and with power to order examinations		Within 1 year after injury or first distinct manifestation; 1 year after death; May be extended	Same as for accidents		Same as for accidents
UTAH	All diseases	Commission appoints medical panel of 1 or more to report on extent of disability	Partial disability—within 2 years after last exposure; Total disability—within 1 year after last employment; for silicosis 3 years (uncomplicated) or 5 years (complicated); Death—within 3 years after last employment (5 years for complicated silicosis or death following continuous total disability); Not applicable to radiation; Silicosis—noncompensable absent 5 years in-state exposure in 15 years preceding disability; employer liable only if exposure lasts 30 days	Within 1 year after incapacity or death and claimant knows should know relation to employment, but no later than 3 years after death; Permanent partial disability—within 2 years	Disability payments	Unlimited	Same as for accidents*
VERMONT	All diseases		Disablement—within 5 years after last exposure; Death—during employment or after continuous disability beginning within 5 years after last exposure, but no later than 12 years after last exposure; Does not apply to radiation	Within 1 year after discovery, death, or last payment; Radiation—within 1 year after first incapacity and worker knows should have known relation to employment		Unlimited	Same as for accidents; Affected, but non-disabled worker may waive full compensation and later receive limited compensation
VIRGIN ISLANDS	All diseases			Within 60 days after disability		Same as for accidents	Same as for accidents
VIRGINIA	All diseases		Exposure in 90 workshifts conclusively presumed injurious exposure	Within 2 years after diagnosis is first communicated to worker, or within 5 years after last exposure, whichever is first; Within 3 years after death occurring within periods for disability	Disability payments	Unlimited	Same as for accidents; Worker who is affected but not disabled may waive compensation
WASHINGTON	All diseases			Within 2 years after physician's written notice to claimant		Unlimited	Same as for accidents

Oa. *Worker who is affected but not disabled by silicosis or asbestosis may waive compensation if later disabled, receive benefits for 100 weeks up to \$2,000

Or. *Asbestos-related disease—within 40 years after last exposure and 180 days after disability; knowledge of disability

Pa. *Under Occupational Disease Act, state pays \$125 monthly for total disability or death caused by silicosis, anthracosis, coalminer's pneumoconiosis, or asbestosis, provided there has been 2 years of in-state exposure, in cases where the claim is barred by the statute of limitations and the last exposure occurred before 1965 or where exposure occurred under several employers

S.D. *Worker who is affected by silicosis but not disabled may waive full compensation and if later disabled or dies receive benefits up to 52 times the maximum weekly benefit; if leaves employment, may receive compensation up to \$1,000

Utah *Worker with permanent partial disability who must change occupation may receive up to \$1,000 for vocational rehabilitation and retraining, plus compensation of 66-2/3% of average weekly wages up to 66-2/3% of SAWW for up to 20 weeks, then additional compensation (cumulative total may not exceed \$2,080)

Va. *5-year limitation does not apply to cataract of the eyes, skin cancer, radium disability, ulceration, undulant fever, angiosarcoma of the liver due to vinyl chloride exposure, or mesothelioma; byssinosis—within 7 years after last exposure; coalminer's pneumoconiosis—within 3 years after diagnosis; asbestosis—within 2 years after diagnosis (if based on changed condition within 2 years after diagnosis of advanced stage)

*Compensation for advanced asbestosis based on wages at a time of diagnosis if employed in same employment where injurious exposure occurred; otherwise based on average weekly wage of worker in similar employment

CHART IV □ COVERAGE OF OCCUPATIONAL DISEASES □ January 1, 1985 (continued)

	NATURE OF COVERAGE*	MEDICAL BOARDS	ONSET OF DISABILITY OR DEATH	TIME LIMIT ON CLAIM FILING	DEDUCTIONS FROM DEATH AWARDS	MEDICAL	HOW COMPENSATION IS DETERMINED
WEST VIRGINIA	All diseases	Occupational Pneumoconiosis Board appointed by Commission; determines medical questions	Occupational pneumoconiosis is non-compensable absent: 2 years continuous in-state exposure or 10 years before last exposure or 5 years cumulative in state exposure within 15 years before date of last exposure	Within 3 years after knowledge of last exposure; Within 2 years after death		Unimsec	Same as for accidents
WISCONSIN	All diseases	May appoint independent medical expert in doubtful cases		Unimsec; After 12 years claim may be filed with state fund		Unimsec	Same as for accidents
WYOMING	All diseases	Yes		Within 1 year after diagnosis or 3 years after exposure, whichever is last; Radiation—within 1 year after diagnosis or death	Deathly payments	Unimsec	Same as for accidents
F.E.C.A.	All diseases			Within 3 years after injury, death or disability and claimant knows should know relation to employment; excusable		Unimsec	Same as for accidents
LONGSHORE ACT	All diseases			Within 1 year after injury, death; last payment or knowledge of relation to employment		Unimsec	Same as for accidents
ALBERTA	All diseases	Independent medical board may be appointed to report on medical questions and extent of disability		Within 1 year after injury or death; excusable; Success—disability or death following significant exposure		Unimsec	Same as for accidents
BRITISH COLUMBIA	All diseases	Medical review panel appointed by Lt-Gov. in Council; Decision final to medical evidence		Within 1 year after disability or death; excusable within 3 years*		Unimsec	Same as for accidents
MANITOBA	All diseases	Medical or nursing review panel reports on medical questions; Special panel for silicosis		Within 1 year after injury or death; Success—1 year after last exposure; if continuously exposed; within 2 years after exam free of disease		Unimsec	Same as for accidents
NEW BRUNSWICK	All defined industrial diseases			Within 1 year after injury or 6 months after death		Unimsec	Same as for accidents
NEWFOUNDLAND	All diseases	Committee of medical referees appointed by Commission		Within 6 months after injury, death, or death		Unimsec	Same as for accidents
NORTHWEST TERRITORIES	All diseases	Board may require examination by imperial physician		Disability—within 1 year after injury; excusable; Death—within 3 years after last employment and within 3 years after death		Unimsec	Same as for accidents
NOVA SCOTIA	All diseases	Board may appoint medical board to advise on silicosis and coal miner's pneumoconiosis cases	Disability or death within 1 year after last employment (no limit for radiation)	Within 6 months after injury or death; Success or coal miner's pneumoconiosis—within 5 years after last employment and within 1 year after discovery of relation to employment; excusable but paid only from lump sum		Unimsec	Same as for accidents
ONTARIO	All diseases			Within 6 months after injury or death; excusable		Unimsec	Same as for accidents
PRINCE EDWARD ISLAND	All industrial diseases		Disability within 1 year after last exposure	Within 6 months after injury or death		Unimsec	Same as for accidents
QUEBEC	All diseases in schedule		Disability within 1 year after last exposure	Within 6 months after injury or death		Unimsec	Same as for accidents except for silicosis or coal miner's pneumoconiosis
SASKATCHEWAN		Medical panel issues final decision on disputed medical questions	Disability within 1 year after last exposure	Within 6 months after injury or death		Unimsec	Same as for accidents
YUKON TERRITORY	All diseases	Disputes may be referred to 1 practitioner for decision	Death—3 years after last exposure	Disability—1 year after last exposure		Unimsec	Same as for accidents
CANADIAN MERCHANT SEAMEN'S ACT	All diseases		Disability in the course of employment; otherwise than as a result of an accident; is compensated as for an accident				

Longshore: In permanent partial disability claims due to occupational disease where time of injury occurs after retirement, compensation is 66 2/3 of average weekly wage times percentage of permanent impairment (according to AMA guidelines) payable while impairment continues.

B.C.: After 3 years, compensation is payable only from date of filing.

Quebec: Certain illnesses are presumed caused by work exposure, as provided in schedule.

Yukon: Within 3 years after accident in just case if proof is filed with Commission.

CHART V

OCCUPATIONAL HEARING LOSS

January 1, 1985

JURISDICTION	SEPARATION FROM NOISE BEFORE FILING	MINIMUM EXPOSURE IN LAST EMPLOYMENT	LIABILITY FOR PRIOR LOSS	BENEFITS		DEDUCTION FOR PRESBYOUCS	FAILURE TO USE PROTECTIVE DEVICE	COMPENSABLE LOSS OF HEARING (% DB)	LOSS OF HEARING CONSIDERED TOTAL (dB)	CYCLES AT WHICH LOSS IS MEASURED
				Total weeks	One Ear					
DISTRICT OF COLUMBIA	6 months			200 weeks	52 weeks					
GEORGIA	6 months	90 days	No	150 weeks	proportionate		No compensation	over 15 (26 ANSI/ISO)	82 (93 ANSI/ISO)	500-1,000-2,000
ILLINOIS				200 weeks	100 weeks			over 30	85	1,000-2,000-3,000
IOWA	6 months	90 days	No	175 weeks	proportionate		No compensation	over 25 ANSI/ISO	92 ANSI/ISO	500-1,000-2,000-3,000
MAINE	30 days	90 days		200 weeks	50 weeks	Yes		over 15 ASA (25 ANSI)	82 ASA (92 ANSI)	500-1,000-2,000
MARYLAND		90 days	Implied prior employers			Yes		over 15	82	500-1,000-2,000
MISSOURI	6 months	90 days	No	148 weeks	40 weeks	Yes		over 15	82	500-1,000-2,000
MONTANA	6 months	90 days, 8 hours daily	No	200 weeks	40 weeks	Yes		over 25 ISO 64	92 ISO 64	500-1,000-2,000
NEW JERSEY	4 weeks	1 year, 3 days weekly during 40 weeks	No	200 weeks	proportionate	Yes	No compensation	over 20 ASA 51 (30 ANSI/ 69)		1,000-2,000-3,000
NEW YORK	3 months	Under 90 days presumed non-compensable	Implied prior employers	150 weeks	60 weeks	No		over 25 (ANSI/ 69)	92 (ANSI/ 69)	500-1,000-2,000-3,000
NORTH CAROLINA	6 months	90 days	No	150 weeks	proportionate		No compensation	over 15 (26 ANSI/ISO)	82 (93 ANSI/ISO)	500-1,000-2,000
NORTH DAKOTA				200 weeks	50 weeks	Yes		over 25 (ANSI)	92 (ANSI)	500-1,000-2,000-3,000
UTAH	6 months		No	100 weeks	proportionate	Yes		over 25 ANSI/ 69	92 ANSI/ 69	500-1,000-2,000-3,000
VIRGIN ISLANDS	6 months			180 weeks	120 weeks					
VIRGINIA								17 ASA	80 ASA	500-1,000-2,000
WEST VIRGINIA	NR	NR	Yes unless prior loss has been reduced to award	260 weeks	100 weeks	No	No consequence	over 25 (ANSI/ 69)	92 (ANSI/ 69)	500-1,000-2,000-3,000
WISCONSIN	14 days	90 days	No	216 weeks	36 weeks					
LONGSHORE ACT			Last covered employer	200 weeks	52 weeks			over 25 (ANSI)	92 (ANSI)	500-1,000-2,000-3,000

BENEFITS PROVIDED

Because workers' compensation imposes an absolute (but limited) liability upon the employer for employee disabilities caused by the employment, the benefits payable to the injured employee attempt to cover most of the worker's economic loss. This loss includes both loss of earnings and extra expenses associated with the injury.

Specifically, the benefits provided are:

- **Cash benefits**, which include both impairment benefits and disability benefits. The former are paid for certain specific physical impairments, while the latter are available whenever there is an impairment and a wage loss.
- **Medical benefits**, which are usually provided without dollar or time limits. In the case of most workplace injuries, only medical benefits are provided since substantial impairment or wage loss is not involved.
- **Rehabilitation benefits**, which include both medical rehabilitation and vocational rehabilitation for those cases involving severe disabilities.

CASH BENEFITS

In considering workers' compensation income or cash benefits—which replace employee loss of income or earning capacity due to occupational injury or disease—four classifications of disability are used: (1) temporary total, (2) permanent total, (3) temporary partial, and (4) permanent partial. Permanent partial is divided into "nonscheduled" and "scheduled" disabilities.

Most cases involve *temporary total disability*. That is, the employee—although totally disabled during the period when benefits are payable—is expected to recover and return to employment. *Permanent total disability* generally indicates that the employee is regarded as totally and permanently unable to perform gainful employment.

INCOME BENEFITS FOR PERMANENT AND TEMPORARY TOTAL DISABILITY: CHART VI

Income or cash benefits payable under either temporary total or permanent total disability are shown in Chart VI. For computing weekly benefit payments, a formula—expressed as a percentage of wage—is used. In most states limitations are placed on maximum and minimum benefits payable weekly; some states also limit the total number of weeks and total dollar amount of benefit eligibility. Where there is permanent total disability most states provide payments extending through the employee's lifetime.

For either temporary total or permanent total disability the wage-replacement percentage in each jurisdiction is the same. However, in permanent total disability cases the time limits tend to be longer and the total dollar amounts higher than in cases of temporary total disability. Some states provide additional amounts for dependents and other benefits. Allowances for dependents are charted as a range in the Maximum Weekly Payment and Notations columns.

PARTIAL DISABILITY

Most awards and the preponderance of dollars paid out as income benefits are either for temporary total or permanent partial disability. As partial disabilities involve current earnings or wage-earning ability, in many states weekly benefit payments for temporary or permanent *partial disabilities* of the "non-scheduled" type are based on a wage-loss replacement percentage. The percentage applies to the difference between wages earned before and after injury. In some states "non-scheduled" permanent partial disabilities are compensated as a percentage of the total disability cases.

INCOME BENEFITS FOR SCHEDULED INJURIES: CHART VII

Chart VII indicates maximum amounts payable in cases of "scheduled" injuries. Listed by law, these injuries involve loss—or loss of

use of—specific body members, where wage loss based on nature of impairment is presumed. In most jurisdictions the actual amount payable is a specific number of weeks of benefits (based on the member involved) multiplied by the weekly benefit amount (based on earnings at time of injury).

The chart also indicates whether the "scheduled" award is in addition to any payment otherwise payable to the employee while he may be temporarily totally disabled (healing period). Some states limit the amount payable for such periods of temporary total disability.

The Canadian statutes do not provide schedules of specific injuries. Cases are decided individually using medical impairment ratings as guidelines.

SURVIVOR BENEFITS FOR FATAL INJURIES: CHART VIII

Benefits payable in the event of fatal injuries—comprising more than 14 percent of all total income benefits—are shown in Chart VIII. The benefits provided include a burial allowance as well as a proportion of the worker's former weekly wages.

Although death is the ultimate work-related tragedy, the economic loss associated with death cases is often less than that of a permanent total disability. Because of these considerations, death benefits are generally paid to the spouse until remarriage and to the children until a specified age. In addition, some laws provide a maximum benefit total expressed as a maximum period for the payment of benefits. Figures for one child only reflect compensation if sole survivor.

MEDICAL BENEFITS, WAITING PERIOD: CHART IX

Medical Benefits—amounting to about 30 percent of all workers' compensation benefits paid—are shown in Chart IX. In most instances unlimited medical benefits are provided either specifically by statute or by administrative discretion.

Choice of Physician—Practices vary with respect to choice of attending physician. States are divided nearly evenly between those that give this decision to the employer or the employee. In some states selection must be made from an approved list. The employer normally has the right to have his own physician conduct an examination.

Waiting Periods—Statutes provide that a waiting period must elapse during which income benefits are not payable. This waiting period affects only compensation; medical and hospital care are provided immediately. If disability continues for a certain number of days or weeks, most laws provide for payment of income benefits retroactive to the date of injury. Statutory provisions for waiting periods are summarized in Chart IX.

REHABILITATION BENEFITS: CHART X

Mutual interests of disabled employees and employers generally favor starting rehabilitation as soon as possible. Although rehabilitation is considered an integral part of complete medical treatment, its uses may extend beyond this (for example, where it includes vocational rehabilitation and retraining).

Specific rehabilitation provisions now in workers' compensation laws are outlined in Chart X. However, rehabilitation is provided in all states even if unspecified in the law. Maintenance allowance amounts and special fund sources to finance rehabilitation also are indicated.

Insurance carriers and many employers having medical departments are leaders in carrying on rehabilitation for the industrially injured. Likewise, many major industries have comprehensive programs for employment of the physically handicapped. Smaller industries maintain modified programs for placement of disabled individuals in congenial tasks. All of these private programs help employees and employers alike.

The Federal Vocational Rehabilitation Act is now effective in all states; it includes federal funds to aid states in vocational rehabilitation of the industrially disabled.

CHART VI

INCOME BENEFITS FOR TOTAL DISABILITY

January 1, 1985

JURISDICTION	PERCENT OF WAGES	MAXIMUM WEEKLY PAYMENT		MINIMUM WEEKLY PAYMENT		TIME LIMIT	AMOUNT LIMIT ²	AUTOMATIC COST OF LIVING INCREASE	OFFSETS ³	NOTATIONS
		AMOUNT	RATE	AMOUNT	RATE					
ALABAMA	66-2-3	\$ 290.00	100% SAWW ⁴	\$80.00 ¹	27.5% SAWW ¹	Disability				Annual increase in maximum effective July 1 ⁵
ALASKA	80% of spendable earnings	1,114.00	200% SAWW	110.00 ¹		Disability			Social Security, unemployment compensation	Annual increase in maximum effective January 1
AMERICAN SAMOA	66-2-3	205.00		40.00		Disability				Compensation increased 10% if reinstatement without award unpaid after 14 days; 20% if reinstatement following award unpaid after 10 days
ARIZONA	66-2-3	203.86				TT—Disability PT—Life				Benefits payable monthly. Additional \$10 monthly if 1 or more total dependent are, not subject to maximum
ARKANSAS	66-2-3	154.00 ¹		15.00 ¹		TT—450 weeks PT—Disability	TT—\$3,300 ¹		Unemployment compensation Social Security	15% penalty for employer's violation of safety laws, payable to Second Injury Fund ⁶
CALIFORNIA	66-2-3	224.00		112.00		TT—Disability PT—Life		TT—after 2 years	Unemployment compensation Social Security	50% increased compensation if injury due to employer's serious, willful misconduct
COLORADO	66-2-3	315.96	80% SAWW			TT—Disability PT—Life			Social Security	Annual increase in maximum effective July 1. Compensation increased 50% if employer failed to comply with insurance provisions. Compensation decreased 50% if injury results from worker's failure to obey safety regulations or from intoxication
CONNECTICUT	66-2-3	381.00 to 570.50	100% SAWW	76.20 ¹	20% SAWW	Disability		October 1		Annual increase in maximum effective October 1. Additional \$10 weekly per dependent child under 18, maximum 50% of basic benefit or 75% of wage whichever is less. Compensation increased to 75% of wages if employer violated OSHA regulation ⁷
DELAWARE	66-2-3	231.63	66-2-3% SAWW	77.20 ¹	22.29% SAWW ¹	Disability				Annual increase in maximum effective June 15
DISTRICT OF COLUMBIA	66-2-3 up to 80% of spendable earnings ⁸	413.26 ¹	100% SAWW ⁸	(i)	(ii)	Disability		PT—October 1 maximum 5% ⁹	Social Security, employer-funded pension	Annual increase in maximum effective January 1 ¹⁰
FLORIDA	66-2-3	307.00	100% SAWW	20.00		TT—150 weeks PT—Disability	TT—\$107,450		Unemployment compensation Social Security	Annual increase in maximum effective January 1. Compensation increased 10% if reinstatement unpaid after 14 days ¹¹
GEORGIA	66-2-3	135.00		25.00 ¹		Disability				Board may assess \$500 penalty for refusal, unreasonable delay, or willful neglect to make payment ¹²
GUAM	66-2-3	140.00	66-2-3% SAWW	50.00 ¹		Disability	40,000			Compensation increased 10% for late payment without award, 20% if award
HAWAII	66-2-3	291.00	100% SAWW	TT—72.75 ¹ PT—72.75	TT—25% SAWW ¹ PT—25% SAWW	Disability		PT—effective prior to June 18, 1980		Annual increase in maximum effective January 1. Compensation may be increased 10% for failure to pay within 31 days after decision or award, or within 10 business days for uncontested temporary total disability case
IDAHO	66	281.10 to 362.25	90% SAWW	130.05	45% SAWW	Disability		After 52 weeks		Annual increase in maximum effective January 1. For first 52 weeks benefit is 60% of worker's wages if there are no dependent children under 18; after 52 weeks benefit is 60% of SAWW. Benefit is increased 7% of SAWW per dependent child (up to 5), but may not exceed 90% of wages. 8% interest on late payments
ILLINOIS	66-2-3	491.65	133-13% SAWW	TT—105.50 ¹ PT—164.37	PT—50% SAWW	TT—Disability PT—Life		PT—July 15 of 2nd year		Semiannual increases in maximum effective January 15 and July 15 ¹³
INDIANA	66-2-3	166.00 ¹		50.00 ¹		500 weeks	83,000 ¹			After 500 weeks, additional benefits are payable from second injury fund in 150-week increments ¹⁴
IOWA	80% of spendable earnings	580.00	200% SAWW			Disability				Annual increase in maximum effective July 1. Benefits increased 50% if late or stopped without good cause
KANSAS	66-2-3	227.00	75% SAWW	25.00		Disability	TT—75,000 PT—100,000 (includes TT)			Annual increase in maximum effective July 1. Compensation may be increased up to \$100 per week past due (plus up to \$25 per week past due for failure to pay medical bill)
KENTUCKY	66-2-3 ¹⁵	304.80	100% SAWW	60.96 ¹	20% SAWW ¹	Disability				Annual increase in maximum effective January 1. Compensation increased or decreased 15% if injury caused by safety violation. 12% interest on late payments
LOUISIANA	66-2-3	248.00	75% SAWW ¹⁶	66.00 ¹	20% SAWW ¹	Disability			Social Security, unemployment compensation, employer-funded disability, federal workers compensation	Annual increase in maximum effective September 1. 12% interest on late payments

¹Actual weekly wage if less

²Amounts shown in italics have been calculated

³Social Security offsets generally apply by formula up to 50% of basic benefit

⁴As of Effective 2-1-85

⁵Compensation may be increased up to 10% for failure to pay within 30 days after due

⁶Alaska: Spendable weekly earnings if less

⁷Ar: Amounts over \$75,000 are payable from Death and Permanent Total Disability Bank Fund

⁸10% interest on late installments

⁹Conn: 80% of average weekly wages, if less
¹⁰12% interest; benefits added if undue delay in payment, 6% interest added if undue delay in adjustment (4 weeks presumed undue delay)

¹¹D.C.: Maximum is no less than \$413.26; minimum is 25% SAWW or 80% of actual earnings if less. Benefits for D.C. government employees are similar to F.E.C.A. (effective 10-1-83; maximum—\$654.58 to \$736.41; minimum—

¹²Fla: Compensation increased 20% if unpaid 30 days after award

¹³Ga: Income payable without award increased 15% if not paid within 14 days unless claim is controverted or Board excuses. Awarded benefits increased 20% if not paid within 20 days unless Board grants review

¹⁴Hawaii: Actual wages if less, but no less than \$38

¹⁵Ill: Minimum TT benefit is \$105.50 if unmarried and ranges up to \$124.30 if 4 or more dependents. In all cases claimant receives actual weekly wage if less

¹⁶TT benefits may be increased \$10 per day up to \$2,500, for unreasonable delay in payment, 14 days is presumed unreasonable. Compensation may be increased 50% for unreasonable or vexatious delay in payment. Compensation may be increased 25% for employer's willful violation of safety standard

¹⁷Ind: Effective 7-1-84

¹⁸As of 9-1 is increased 5% if employer loses on court appeal; court may increase to 10%

¹⁹Ky: 80% of AWW during rehabilitation

CHART VI — INCOME BENEFITS FOR TOTAL DISABILITY — January 1, 1985 (continued)

JURISDICTION	PERCENT OF WAGES	MAXIMUM WEEKLY PAYMENT		MINIMUM WEEKLY PAYMENT		TIME LIMIT	AMOUNT LIMIT ²	AUTOMATIC INCREASE ³ OF LUMP-SUM BENEFIT	OFFSETS ⁴	NOTATIONS
		AMOUNT	RATE	AMOUNT	RATE					
ALABAMA	66-23	\$447.92	166-23% SAWW	\$25.00		Disability		Anniversary (July 1 if maximum benefit)	Employer funded benefits	Annual increase in maximum effective July 1. Compensation may be increased 10% for failure to pay uncovered claim within 10 days.
MARYLAND	66-23	\$27.00	100% SAWW	TT—50.00 ¹ PT—25.00 ¹		Disability		(*)		Annual increase in maximum effective January 1. If permanent disability exceeds 50% of whole body, worker receives additional compensation from Subsequent Injury Fund after completion of payments by employer.
MASSACHUSETTS	66-23	\$41.00	100% SAWW	40.00 ¹		Disability	TT—71.25 ¹			Annual increase in maximum effective October 1. Additional \$6 weekly per dependent if total benefit does not exceed \$150 or 100% of wages. ¹
MICHIGAN	80% of dependent earnings	\$58.00	80% SAWW	PT—98.00	PT—25% SAWW	Disability		PT (injury prior to 1/1/82)	Disability, unemployment compensation, pension, Social Security, retirement ¹	Annual increase in maximum effective January 1. Additional \$50 per day for award unpaid after 30 days, maximum \$1,500.
MINNESOTA	66-23	\$29.00	100% SAWW	164.50 ¹	50% SAWW ¹	Disability		Anniversary of injury	Social Security, other \$25,000 paid ¹	Annual increase in maximum effective October 1. LAF payments may be increased 10% if exclusively delayed, but none ¹ .
MISSISSIPPI	66-23	128.00 ¹		25.00		450 weeks	\$6,700 ¹			Additional rehabilitation allowance up to \$10 weekly for 52 weeks.
MISSOURI	66-23	\$22.73 ¹	70% SAWW	40.00		TT—400 weeks PT—Life	TT—99.00 ¹			Annual increase in maximum effective June 1. 8% interest for late payments. ¹
MONTANA	66-23	\$66.00	100% SAWW			Disability			Social Security	Annual increase in maximum effective June 1. Compensation may be increased 20% if payments unreasonably delayed or refused.
NEBRASKA	66-23	\$20.00		48.00 ¹		Disability				
NEVADA	66-23	\$74.86	100% SAWW			TT—Disability PT—Life			Local Security	Benefits payable monthly. Annual increase in maximum effective July 1.
NEW HAMPSHIRE	66-23	\$44.00	150% SAWW ¹	118.00 ¹	40% SAWW ¹	Disability		July 1—after 3 years		Annual increase in maximum effective July 1. Double compensation if employer violated prior record safety standard.
NEW JERSEY	70	\$29.00	75% SAWW	72.00	20% SAWW	TT—400 weeks PT—Life	TT—107,800 ¹		Social Security	Annual increase in maximum effective January 1. After 450 weeks at reduced rate if employed; at full rate if not able to be re-employed.
NEW MEXICO	66-23	\$29.63	100% SAWW	36.00 ¹		600 weeks	173,320 ¹			Annual increase in maximum effective January 1. 10% additional compensation payable by employer for failure to provide safety devices.
NEW YORK	66-23	\$75.00 ¹		TT—20.00 ¹ PT—30.00 ¹		Disability			Social Security	Persons receiving PT benefits may collect compensation and wages, but not in excess of pre-injury wage base. ¹
NORTH CAROLINA	66-23	\$30.00	100% SAWW	30.00		TT—Disability PT—Life				Annual increase in maximum effective January 1.
NORTH DAKOTA	66-23	\$25.00 (plus dependents)	100% SAWW	171.00 ¹	80% SAWW ¹	Disability			Social Security	Annual increase in maximum effective July 1. Additional \$3 weekly per dependent child under 18; total benefits may not exceed claimant's net take-home pay.
OHIO	77—first 12 weeks 66-23—after 12 weeks	\$54.00	100% SAWW	TT—118.00 ¹ PT—177.00 ¹	TT—33-1/3% SAWW ¹ PT—60% SAWW ¹	TT—Disability PT—Life			Employer funded benefits	Annual increase in maximum effective January 1. If PT benefit plus Social Security is less than \$161.82 weekly, Disability Workers' Relief Fund pays difference amount increased annually by increase in Consumer Price Index.
OKLAHOMA	66-23	\$21.00	66-23% SAWW	30.00 ¹		TT—300 weeks PT—Disability	TT—65,100			Annual increase in maximum effective November 1. TT may be extended to 500 weeks.
OREGON	66-23	\$24.23 to \$48.23	100% SAWW	50.00 ¹		Disability			PT—Social Security	Annual increase in maximum effective July 1. Additional \$5 weekly per dependent (up to 5). ¹
PENNSYLVANIA	66-23	\$36.00	100% SAWW	168.00 ¹	50% SAWW ¹	Disability				Annual increase in maximum effective January 1.
PUERTO RICO	66-23	TT—45.00 PT—28.86		TT—10.00 PT—11.54		TT—312 weeks PT—Life	TT—14,040 PT—\$16,800 ¹			Compensation doubled if due to employer's violation of safety or health law or regulation.
RHODE ISLAND	66-23	\$29.00 (plus dependents)	100% SAWW	30.00		Disability				Annual increase in maximum effective September 1. Additional \$9 per dependent; child under 18; total benefit may not exceed 80% of pre-injury wages. ¹
SOUTH CAROLINA	66-23	\$27.00	100% SAWW	25.00		500 weeks ¹	143,510 ¹			Annual increase in maximum effective January 1.
SOUTH DAKOTA	66-23	\$47.00	100% SAWW	124.00 ¹	50% SAWW ¹	TT—Disability PT—Life				Annual increase in maximum effective July 1.
TENNESSEE	66-23	\$36.00		15.00		TT—Disability PT—550 weeks ¹	\$4,400			After 400 weeks PT benefit is reduced to \$15.

Memo: "Claimant may be assessed up to \$25 per day for failure to pay award within 10 days. Added benefits during rehabilitation—\$35 weekly.

M: "Benefits increased October 1 for persons injured any time during July 1, 1965 through June 30, 1978, and receiving PT benefits in July, 1973.

Max: "Actual wages if less, but no less than \$20 if working at least 15 hours a week.

¹\$250 times SAWW; includes permanent partial disability.

²Double compensation if injury due to employer's serious and willful misconduct; if no benefits are paid prior to final decision of claim, award is based on benefits in effect at time of decision instead of date of injury.

Min: "Conclusive presumption of PT disability does not extend beyond 800 weeks from injury; thereafter determined in accordance with facts.

³Benefits reduced 5% a year after age 65 unless claimant is receiving Social Security or employer-funded pension or disability insurance.

Min: "Actual wages if less, but no less than 20% of SAWW; \$65.80 through \$30.85. After 208 weeks' total disability, supplementary benefits bring compensation to 85% of SAWW; \$214.00 through \$30.85.

Miss: "Effective 7/1/84, increased to \$133 as of 7/1/85 and \$140 as of 7/1/86.

Mo: "Effective 9/28/83, increased to 75% of SAWW, effective 9/28/86.

¹Compensation increased 15% if injury caused by failure to comply with statute or order; decreased 15% if caused by worker's failure to use safety device.

Mont: "Compensation terminates upon receipt of Social Security retirement benefits.

Nevada: "Maximum monthly wages on which benefits are computed are \$2,117.31, effective 7/1/84.

N.H.: "Effective 6/22/83.

N.Y.: "Effective of 7/1/84, increased to \$300 as of 7/1/85.

¹Wage base at time of earning 1150% of maximum payable.

Ohio: "After 200 weeks claimant examined to determine if disability is permanent.

Ore: "90% of actual wages if less.

¹Employer may be sued for damages for failure to comply with posted notice of violation of safety code.

Pa: "90% of wages if less, but no less than 33-1/3% of SAWW (\$112.00, effective 1/1/84).

CHART VI □ INCOME BENEFITS FOR TOTAL DISABILITY □ January 1, 1985 (continued)

JURISDICTION	PERCENT OF WAGES	MAXIMUM WEEKLY PAYMENT		MINIMUM WEEKLY PAYMENT		TIME LIMIT	AMOUNT LIMIT ⁴	AUTOMATIC COST OF LIVING INCREASE	OFFSETS ⁵	NOTATIONS
		AMOUNT	RATE	AMOUNT	RATE					
TEXAS	66-2/3	\$ 203.00	(**)	\$35.00	(**)	401 weeks ⁶	\$81,403			Annual increase in maximum effective September 1 ¹
UTAH	66-2/3	TT—310.00 PT—264.00	TT—100% SAWW PT—85% SAWW	45.00 ⁷		Disability ⁸			Social Security	Annual increase in maximum effective July 1. Additional \$5 if spouse, plus \$5 per dependent child under 18 (up to 4). Total benefit may not exceed maximum. ⁹
VERMONT	66-2/3	278.00 plus dependents	100% SAWW	139.00 ¹	50% SAWW ¹	Disability ⁸		July 1		Annual increase in maximum effective July 1. Additional \$10 per dependent child under 21. Total benefits may not exceed pre-injury wages. ¹⁰
VIRGIN ISLANDS	TT—66-2/3 ¹¹ PT—75	183.00 ¹	66-2/3% SAWW ¹²	60.00 ¹		Disability ⁸		After 2 years on January 1		Annual increase in maximum effective January 1. Total disability benefits begin after medical and vocational rehabilitation end. Compensation increased 15% for injury caused by employer's failure to obey safety order. ¹³
VIRGINIA	66-2/3	295.00	100% SAWW	73.75 ¹	25% SAWW ¹	TT—500 weeks PT—Disability ⁸	TT—147,500	October 1 ¹⁴		Annual increase in maximum effective July 1. Compensation increased 20% for failure to pay within 2 weeks after due.
WASHINGTON	60 to 75, depending on conjugal status	256.38	75% SAWW	42.89 ¹		Disability ⁸		July 1	Social Security under age 65	Benefits payable monthly. Annual increase in maximum effective July 1. 80% of wage, additional 5% of wages for spouse, plus 2% of wages per dependent child (up to 5), up to maximum.
WEST VIRGINIA	70	321.30	100% SAWW	107.10	33-1/3% SAWW	TT—208 weeks PT—Life	TT—66,830			As but TT benefits payable monthly. Annual adjustment in maximum effective July 1.
WISCONSIN	66-2/3	321.00	100% SAWW	30.00		TT—Disability PT—Life			Social Security	Annual increase in maximum effective January 1 ¹⁵
WYOMING	TT—66-2/3 ¹⁶	TT—347.27 PT—231.51 plus dependents	TT—100% SAWW PT—66-2/3% SAWW	TT—180.00 PT—231.51	PT—66-2/3% SAWW	TT—Disability PT—Life	(*)			Benefits payable monthly. Quarterly increases in maximum effective January 1, April 1, July 1, and October 1. PT benefit fixed at 66-2/3% of SAWW plus \$100 per child monthly.
F.E.C.A.	66-1/3 or 75	979.6 ¹	66-2/3% or 75% of highest rate for GS-15	150.48 ¹	66-2/3% or 75% of lowest rate for GS-2 ¹	TT—Disability PT—Life		October 1	(*)	Benefits payable monthly. Increase effective 1-6-85. Higher percentage payable if 1 or more dependents.
LONGSHORE ACT	66-2/3	579.65 ¹	200% NAWW ¹⁷	144.92 ^{1,18}	50% NAWW ^{1,18}	Disability		PT—October 1	Jones Act, other workers compensation benefits	Annual increase in maximum effective October 1.
ALBERTA	90% of weighted net income	509.01 ¹		155.34 ¹		TT—Disability PT—Life				PT payable monthly. Maximum annual earnings is \$40,000.
BRITISH COLUMBIA	75	466.02	(*)	189.26 ¹		TT—Disability PT—Life		January 1 and July 1		PT payable monthly. Maximum annual earnings \$32,400. Annual increase in maximum effective January 1 ¹⁹ .
MANITOBA	75	418.27	(*)	TT—138.16 ¹ PT—121.16		TT—Disability PT—Life				PT payable monthly. Maximum annual earnings \$29,000. Annual increase in maximum effective January 1 ²⁰ .
NEW BRUNSWICK	90% of weighted net income	371.10 to 403.06 ¹	150% of provincial average wage		Can. Pension Disability Benefits	TT—Disability PT—Life			Can. Benefits Disability	PT payable monthly. Maximum annual earnings is \$29,400. Annual increase in maximum effective January 1.
NEWFOUNDLAND	90% of weighted net income	587.82	250% of provincial average wage	200.00 ¹		to age 65 ²¹				PT payable monthly. Maximum annual earnings \$45,500, effective 1/1/82. Board may raise compensation as it deems equitable.
NORTHWEST TERRITORIES	75	380.77		167.54 ¹		TT—Disability PT—Life				Benefits payable monthly. Maximum annual earnings \$26,400.
NOVA SCOTIA	75	340.15 plus dependents		125.50 ¹		TT—Disability PT—Life		January 1		PT payable monthly. Maximum annual earnings \$24,000, effective 1/1/82. Additional \$33.00 weekly per child. Total benefit may exceed maximum.
ONTARIO	75	388.54		188.00 ¹		TT—Disability PT—Life		TT—after 12 months		PT payable monthly. Maximum annual earnings \$26,800, effective July 1, 1984.
PRINCE EDWARD ISLAND	75	245.19		60.00 ¹		TT—Disability PT—Life				PT payable monthly. Maximum annual earnings \$17,000, effective January 1, 1983.
QUEBEC	90% of weighted net income	381.16 to 421.78	150% of provincial average wage	35.00 ¹		TT—Disability PT—Life		January 1		PT payable monthly. Maximum annual earnings \$33,000. Annual increase in maximum effective January 1.
SASKATCHEWAN	75	475.96	(**)	194.72 ¹		TT—Disability PT—Life			Canada Pension after 1 year	PT payable monthly. Maximum annual earnings \$33,000, effective 1/1/84. After 2 years disability, an amount equal to 10% of compensation is set aside to purchase annuity for benefits after age 65. ²²
YUKON TERRITORY	75	409.92	(*)	127.00 ¹		TT—Disability PT—Life		January 1		Maximum annual earnings \$28,500. Annual increase in maximum effective January 1 ²³ .
CANADIAN METAL/CHAMPT SEWING'S ACT	75	393.04		124.00		TT—Disability PT—Life				Benefits payable monthly. Maximum annual earnings \$29,250. Gov-in-Council may raise benefits to level paid in maritime provinces.

Texas ¹For life in case of amputation or paralysis of two limbs, loss of vision in both eyes, or permanent insanity.
²Maximum increased \$7 and minimum increased \$1 per \$10 increase in SAWW.

Utah ³Disability beyond 312 weeks is payable from Second Injury Fund, minimum \$110 weekly.

Vt ⁴PT benefits payable at least 330 weeks, after temporary disability benefits cease. After 330 weeks, PT benefits continue while there is lost earning capacity.

⁵Benefits may be disallowed if injury results from worker's failure to use safety device.

Vt ⁶During vocational rehabilitation, income benefits are 75% of AWW, maximum SAWW, minimum \$75 or actual wages if less.

Va ⁷50th week limit for certain PT cases.

⁸Component of Social Security eligible for cost of living increases.

Wash ⁹Plus \$8.53 for first child, \$7.15 for second child, \$5.30 each for third through fifth children, and \$6.92 for spouse.

Wash ¹⁰Compensation may be adjusted up or down by 15% (up to \$15,000) for failure to use safety device or obey code of order. 10% interest payable on late payments. Employer, insurer, or both may be assessed penalty up to double the amount of compensation (not to exceed \$15,000) for bad faith failure to make payments.

Wyo ¹¹Court must approve PT payments after \$59,498.07 (257 times 66-2/3% SAWW).

F.E.C.A. ¹²Civil Service Retirement and Disability Fund (CSRA) overpayments.

Longshore ¹³Effective 9/29/84, Nonappropriated Fund Instrumentalities Act employees subject to same maximum/minimum weekly rates as employees covered under Longshore Act.

Ata ¹⁴Employer must pay half of "costs of the claim" to Accident Fund if injury caused by safety violation.

B.C. ¹⁵On application for review, Board may award benefits based on current levels.

Man ¹⁶Maximum earning ceiling increased by \$1,000 if 10% of workers injured in preceding year earn in excess of maximum.

N.S. ¹⁷Annual review of maximum. Lower figure for single, higher figure for married claimant with 2 children.

¹⁸If 63 or older at time of loss, maximum is 2 years.

Nfld ¹⁹100% of weighted net earnings if less.

N.S. ²⁰Minimum for temporary total disability is 75% of minimum wage.

Ont ²¹No less than award if worker had been fatally injured.

P.E.I. ²²Actual wages if less, but Board may set minimum at \$15.

Sask ²³Actual wages if less for first 2 years disability.

²⁴Maximum earning ceiling increased by \$1,000 if 10% of workers injured in preceding year earn in excess of maximum.

Yukon ²⁵Benefits increased annually based on Consumer Price Index, and based on 90% of territory's average wage, effective January 1. Minimum for 1984 unavailable at time of publication.

CHART VII

INCOME BENEFITS FOR SCHEDULED INJURIES

January 1, 1985

JURISDICTION	ARM AT SHOULDER	HAND	THUMB	FIRST FINGER	SECOND FINGER	THIRD FINGER	FOURTH FINGER	LEG AT HIP	FOOT	GREY TOE	OTHER TOES	ONE EYE	HEARING ONE EAR	HEARING BOTH EARS
IN THIS GROUP OF STATES, COMPENSATION FOR TEMPORARY DISABILITY IS ALLOWED IN ADDITION TO ALLOWANCE FOR SCHEDULED INJURY														
ALABAMA*	\$48.84C	\$37.40C	\$13.84C	\$ 9.46C	\$ 6.82C	\$ 4.84C	\$ 3.52C	\$44.00C	\$30.58C	\$ 7.04C	\$ 2.42C	\$27.28C	\$11.88C	\$35.98C
ALASKA*	\$9.00C	\$5.40C	\$4.00C	\$ 7.00C	\$ 5.70C	\$ 4.70C	\$ 2.80C	\$4.40C	\$9.70C	\$ 7.20C	\$ 3.00C	\$5.20C	\$ 8.80C	\$7.80C
AMERICAN SAMOA PPD benefits paid at 66-2/3% of wages for specified number of weeks; no maximum**														
ARIZONA*	43.72*	35.43*	10.93*	8.55*	5.10*	3.64*	2.91*	36.43*	29.15C	5.10*	1.82*	21.86*	14.57*	43.72*
ARKANSAS*	30.80C	23.10C	9.24C	5.39C	4.62C	3.08C	2.31C	26.95C	19.25C	4.62C	1.54C	15.40C	8.18C	23.10C
CALIFORNIA*	\$0.971**	\$3.54*	7.59*	3.36*	3.36*	2.52*	2.52*	\$4.571**	\$3.74*	4.23*	84C	27.10**	6.33*	43.54*
COLORADO*	17.47*	8.73*	4.20*	2.18*	1.51*	92*	1.09*	17.47*	8.73*	2.18*	82*	11.67*	2.94*	11.67*
CONNECTICUT*	18.87*	9.43*	3.61*	20.87*	16.76*	11.81*	9.90*	90.77*	75.43*	18.02*	4.95*	89.53*	19.81*	89.43*
DELAWARE*	57.90*	50.95*	17.37*	11.55*	8.28*	8.94*	4.63*	57.90*	37.00*	9.78*	3.47*	48.32*	17.37*	48.32*
DISTRICT OF COLUMBIA*	128.93*	100.83*	30.99*	19.01*	12.39*	10.33*	6.19*	118.01*	84.71*	12.39*	6.81*	66.12*	21.40*	82.62*
FLORIDA No schedule; benefits paid according to degree of impairment and loss of earnings**														
GEORGIA*	30.37*	21.60*	8.10*	6.40*	4.72*	4.05*	3.37*	30.37*	18.22*	4.05*	2.70*	18.87*	9.10*	20.23*
GUAM*	39.20*	29.88*	7.14*	3.92*	2.52*	2.38*	98*	34.72*	24.22*	3.84*	1.12*	19.80*	7.28*	28.00*
HAWAII*	92.78*	71.00*	21.82*	13.36*	8.73*	7.27*	4.36*	83.80*	59.65*	11.05*	4.69*	46.52*	15.13*	58.20*
IDAHO*	47.88*	42.91*	17.42*	11.12*	8.74*	3.97*	2.34*	31.79*	22.25*	6.87*	1.11*	27.81*	—	27.81*
ILLINOIS*	115.53*	93.41*	34.41*	19.66*	17.20*	12.29*	9.83*	98.33*	76.20*	17.20*	5.90*	78.64*	14.68*	58.72*
IOWA*	133.25*	101.77*	31.98*	18.65*	15.99*	13.25*	10.66*	117.26*	79.85*	21.32*	7.95*	74.82*	28.66*	93.27*
MAINE*	89.58*	73.87*	22.38*	14.33*	12.54*	8.95*	7.61*	89.58*	73.92*	11.19*	4.47*	44.79*	20.99*	69.58*
MARYLAND*	87.20*	72.59*	10.90*	4.36*	3.81*	3.27*	2.72*	87.20*	72.54*	4.36*	1.00*	72.54*	13.62*	72.54*
MASSACHUSETTS*	11.14*	8.67*	—	—	—	—	—	9.90*	7.42*	—	—	9.90*	7.42*	16.60*
MICHIGAN*	96.20*	76.97*	23.27*	13.60*	11.81*	7.87*	5.72*	76.97*	57.99*	11.81*	3.83*	57.99*	—	—
MINNESOTA No schedule; benefits paid according to degree of impairment and loss of earnings**														
MISSISSIPPI*	25.20*	18.90*	7.56*	4.41*	3.78*	2.52*	1.99*	22.05*	15.75*	3.78*	1.26*	12.60*	5.04*	18.90*
MISSOURI*	33.22*	25.05*	8.59*	4.44*	5.01*	5.01*	3.15*	29.64*	21.47*	5.72*	2.00*	20.64*	6.30**	24.65**
MONTANA*	40.04*	28.60*	10.72*	5.77*	3.29*	3.57*	2.14*	42.00*	23.74*	5.29*	2.22*	23.59*	6.72*	28.80*
NEBRASKA*	45.00*	35.00*	12.00*	7.00*	6.00*	4.00*	3.00*	43.00*	30.00*	6.00*	2.00*	25.00*	10.00*	—
NEVADA No schedule; degree of disability determined in relation to whole man**														
NEW HAMPSHIRE*	93.24*	83.91*	33.74*	20.86*	16.87*	8.43*	3.99*	62.16*	43.51*	7.99*	1.33*	37.29*	13.32*	54.61*
NEW JERSEY*	65.01*	39.44*	5.40*	3.80*	2.88*	2.18*	1.44*	63.05*	32.89*	2.88*	1.08*	25.00*	4.32*	25.00*
NEW MEXICO*	88.72*	37.32*	16.42*	8.36*	8.57*	6.07*	4.18*	55.72*	34.34*	10.45*	4.18*	38.62*	11.94*	44.79*
NORTH CAROLINA*	87.20*	56.00*	21.00*	12.60*	11.20*	7.00*	5.80*	56.00*	40.32*	8.80*	2.80*	33.60*	19.60*	42.00*
NORTH DAKOTA*	18.75*	15.00*	4.87*	3.00*	2.25*	1.50*	1.20*	14.04*	9.00*	1.80*	72*	9.00*	3.00*	12.00*
OHIO*	39.82*	30.97*	10.62*	6.19*	5.31*	3.54*	2.85*	35.40*	26.65*	5.31*	1.77*	22.12*	4.42*	22.12*
OREGON*	18.20*	15.00*	4.80*	2.40*	2.20*	1.00*	80*	15.00*	13.80*	1.80*	40*	10.00*	6.00*	19.20*
PUERTO RICO*	10.60*	9.00*	3.75*	1.60*	1.50*	1.12*	67*	10.00*	7.87*	1.35*	67*	—	2.25*	9.00*
RHODE ISLAND*	26.08*	21.96*	6.75*	4.15*	2.70*	2.25*	1.80*	26.08*	18.45*	3.42*	90*	14.40*	5.40*	16.00*
SOUTH CAROLINA*	63.14*	53.09*	18.65*	11.49*	10.04*	7.17*	5.74*	65.98*	40.18*	10.04*	2.87*	31.57*	22.96*	47.35*
SOUTH DAKOTA*	49.40*	37.05*	12.35*	8.64*	7.41*	4.84*	3.70*	39.52*	30.87*	7.41*	2.47*	37.05*	11.35*	37.05*
TENNESSEE*	27.20*	20.40*	8.16*	4.76*	4.08*	2.72*	2.04*	27.20*	17.00*	4.08*	1.36*	13.60*	10.20*	20.40*
UTAH*	38.52*	34.60*	13.82*	8.65*	7.04*	3.50*	1.84*	25.75*	18.12*	5.35*	—	24.72*	3.43**	27.60*
VERMONT*	59.77*	48.85*	13.90*	8.89*	8.95*	5.56*	3.33*	59.77*	48.85*	8.95*	2.78*	34.75*	14.48*	59.77*
VIRGINIA*	59.00*	44.25*	17.70*	10.32*	8.85*	5.90*	4.42*	51.62*	36.87*	8.85*	2.95*	29.50*	14.75*	29.50*
VIRGIN ISLANDS*	40.26*	32.94*	14.64*	14.64*	14.64*	14.64*	13.72*	32.94*	21.95*	14.64*	13.72**	35.68*	21.96*	32.94*
WASHINGTON*	36.00*	32.40*	12.96*	8.10*	8.49*	3.24*	1.62*	36.00*	23.20*	7.56*	2.78*	14.40*	4.80*	28.80*
WEST VIRGINIA*	51.40*	42.84*	17.13*	8.56*	5.99*	4.24*	4.24*	51.40*	29.98*	8.56*	3.42*	28.27*	21.42*	55.88*
WISCONSIN*	54.00*	43.20*	17.28*	6.48*	4.86*	2.88*	3.02*	54.00*	27.00*	9.00*	2.70**	28.70*	8.94**	35.64**
WYOMING*	34.72*	28.24*	10.18*	6.74*	3.47*	3.47*	3.47*	34.72*	23.12*	4.63*	1.62*	21.78*	9.26*	—
F.E.C.A.*	305.72*	239.09*	73.49*	45.07*	29.39*	24.49*	14.69*	282.21*	200.88*	37.23*	15.67*	156.78*	60.95*	185.98*
LONGSHORE ACT	160.85*	141.43*	43.47*	26.64*	17.39*	14.49*	8.69*	166.94*	118.83*	17.39*	9.27*	92.74*	30.14*	115.93*
IN THIS GROUP OF STATES, COMPENSATION FOR TEMPORARY DISABILITY IS ALLOWED IN ADDITION TO SCHEDULED INJURY WITH CERTAIN LIMITATIONS AS TO PERIOD														
INDIANA*	18.75*	15.00*	4.50*	3.00*	2.62*	2.25*	1.50*	16.87*	13.12*	4.50*	2.25**	13.12*	5.62*	15.00*
KANSAS*	47.67*	34.05*	13.62*	8.39*	8.81*	4.54*	3.45*	45.40*	28.37*	8.81*	2.27*	27.24*	8.81*	24.97*
NEW YORK*	42.12*	32.84*	10.12*	6.21*	4.65*	3.37*	2.02*	38.88*	27.67*	5.13*	2.18*	21.60*	8.10*	20.75*
PENNSYLVANIA*	137.76*	112.56*	33.60*	18.80*	13.44*	10.08*	9.40*	137.76*	84.00*	13.44*	5.37*	92.40*	20.16*	87.36*
IN THIS GROUP OF STATES, COMPENSATION FOR TEMPORARY DISABILITY IS DEDUCTED FROM THE ALLOWANCE FOR SCHEDULED INJURY														
KENTUCKY No schedule; PP benefits paid at 36-2/3% of wages up to 425 weeks according to degree of disability**														
LOUISIANA*	49.60*	37.20*	12.40*	7.44*	4.96*	4.96*	4.96*	43.40*	31.00*	4.96*	2.48*	24.80*	—	—
OKLAHOMA*	42.75*	32.60*	9.78*	5.70*	4.89*	3.26*	2.44*	40.75*	32.60*	4.89*	1.63*	32.60*	16.30*	48.90*
TEXAS*	42.60*	30.45*	12.18*	9.13*	8.09*	4.26*	3.04*	40.60*	25.37*	6.09*	2.03*	20.30*	—	30.45*

NOTE—Amounts in chart reflect maximum potential entitlement. In Canada, permanent physical impairments generally are compensated by degree of disability using medical rating schedules as guidelines. Numbers in cases are computations for loss of major member, loss of leg precluding use of artificial limb or loss of eye by enucleation.

CHART VII INCOME BENEFITS FOR SCHEDULED INJURIES January 1, 1985 (continued)

Ala. *Maximum weekly PP benefit is 70% of SAWW (effective 7-1-84) or 80% of SAWW (effective 1-1-85) for loss of use. Additional 10% compensation.
Alaska *Maximum dollar amount fixed by statute.
Ar. *Semia *Arm—312; hand—244; thumb—78; first finger—46; second finger—32; third finger—25; fourth finger—15; leg—288; foot—205; ear—30; other toes—16; one eye—180; one ear—52; both ears—200.
Ark. *PP benefit is 65% of monthly compensation up to \$1,325 (=\$168.01 weekly).
Ariz. *Maximum amount for PP is \$63,000.
Calif. *Maximum PP benefit is \$140.00 effective 1-1-84. Duration varies according to percentage of permanent disability adjusted for age and occupation. Chart reflects standard rating for individual age 39 and loss of major arm.
 **Chart reflects benefits for loss of eye if unable to wear artificial eye. Life pension up to \$64.21 weekly also payable for loss of arm or leg.
Conn. *Maximum weekly benefit is \$84.
Del. *Commission may award additional benefits based on loss of earnings.
D.C. *Effective 7-28-82.
Fla. *Permanent impairment caused by amputation: loss of 80% of vision in either eye after corrective; or serious facial disfigurement—\$250 per 1% of disability up to 10%; and \$500 per 1% of disability over 10%. Wage-loss benefits also payable in all permanent impairment cases—95% of difference between 85% of pre-injury wages and earnings at maximum medical improvement, up to 100% of SAWW weekly. Social Security retirement benefits are deducted from wage-loss benefits.
Ill. *In cases in which the disability is determined as a percentage of total loss or impairment of physical or mental function of the whole man, the maximum compensation is the corresponding percentage of 312 times SAWW (=\$92,782 effective 1-1-84).
Iowa *Maximum weekly PP benefit is 55% of SAWW (=\$158.95 for 1985).
Ka. *Effective January 15, figures reflect benefits for amputation of member—maximum 133-1/3% of SAWW. For other PP benefits, wage replacement rate is 60%, and maximum is \$293.61 from 7-1-84 to 6-30-87, and thereafter increased by percentage increase in SAWW. Increase effective 7-1-85 not available at date of publication.
Kan. *Payable for 52 weeks; maximum weekly PP benefit is \$78.
 **Second toe—\$2,250; third toe—\$1,500; fourth toe—\$1,125; fifth toe—\$750.
Kent. *Maximum weekly PP benefit is 194% of SAWW (=\$533.00).
Ky. *Additional hearing period up to 15 weeks may be allowed. Maximum weekly PP benefit is 75% of SAWW.
La. *Maximum weekly PP benefit is 75% of SAWW (=\$228.60). Degree of disability is determined by American Medical Association Guide or decrease in earning capacity, whichever is greater.
 **Since 1980, an employee sustaining work-related hearing loss is entitled to other functional loss to the body, as a whole or occupational disability, whichever is greater. Hearing loss claims receive same treatment as occupational diseases and injuries with a final determination by the Board as to degree of disability.
La. *Schedule applies to an amputation or at least 50% loss of use. Supplemental earnings benefits are 74% of the difference between 80% of pre-injury wages and post-injury earnings; minimum 104 and maximum 520 weeks; cease 2 years after termination of temporary total disability (unless paid for 13 consecutive weeks during that time) or upon retirement or receipt of Social Security retirement benefits.
Mo. *Maximum weekly PP benefit is 33-1/3% of SAWW (=\$109.00); where benefits are payable for 250 weeks or more, the number of weeks are increased by 1/3, and maximum is 86-2/3% of SAWW (=\$218.00).
Mass. *Benefits fixed at amount reflected in chart. Proportional benefits for functional loss of use of arm, hand, leg, or foot.
Mich. *Wage-loss benefits payable for life.
 **Hearing loss compensable based on lost earnings.
Miss. *For permanent partial disability, impairment compensation (IC) is paid in lump sum at time job; if no job offered, made economic recovery compensation (ER) is paid weekly. IC equals scheduled dollar amount (\$75,000 to \$400,000) times percent whole body disability. ER equals percent disability times scheduled number of weeks (600 to 1200 weeks) times weekly TT rate.

Mo. *Maximum weekly PP benefit is 50% of SAWW (=\$143.00 effective 7-1-84). Claimant may elect schedule for wage-loss indemnity.
Nebr. *Terms run consecutively for loss of, or loss of use of, more than 1 member but less than total disability.
 **Permanent total loss of hearing is compensated as permanent total disability.
Nev. *Each 1% of impairment is compensated by .6% of worker's monthly wage up to maximum payable for 5 years or until age 66 (using 1 year annually until age 70 beginning 7-1-86), whichever is later. Maximum monthly wages are \$2,117.31 as of 7-1-84.
N.H. *Computations include allowance for emolument of member (30% additional compensation). Compensation is payable weekly at 70% of pre-injury weekly wages up to a maximum of 55% of SAWW for arm or leg, 45% of SAWW for hand, 40% of SAWW for foot or one eye, 35% of SAWW for hearing—both ears, 20% of SAWW for other scheduled injuries in chart.
N.J. *Additional weeks for TT in excess of statutory hearing period: maximum \$135 weekly. Maximum increased to \$150 as of 7-1-85. Compensation for wage loss in addition to schedule for impairment due to loss of 50% or more of member.
N.D. *PP benefit is \$61 weekly for scheduled number of weeks.
Ohio *Maximum weekly PP benefit is 50% of SAWW (=\$177.00 for 1985). Compensation payable for 200 weeks if percentage of disability is 90% or greater.
Ola. *Maximum PP benefit is 50% of SAWW (=\$163.00 effective 1-1-84).
Ore. *Calculated at \$100 per degree of injury.
Pa. *Hearing period is 25 weeks for leg or foot, 20 weeks for an arm or hand, 12 weeks for great toe, 10 weeks for thumb, eye, or hearing, 6 weeks for finger or toe.
P.R. *Maximum PP benefit is \$45 weekly.
 **Permanent visual disability is compensated according to percentage of total disability, in addition, loss of eye by enucleation is compensated at 10% of permanent total disability.
R.I. *Maximum scheduled PP benefit is \$90.00 weekly. (Maximum is 100% of SAWW for unscheduled injury).
Utah *Maximum per week, including allowance for dependents is 66-2/3% of SAWW (=\$206 effective 7-1-84).
 **Entry presumes total loss of hearing in one ear and no loss of hearing in the other (16-2/3 weeks). Benefits are based on the percentage of bilateral hearing loss, adjusted for claimant's age.
Vt. *In addition to TT except for loss of hearing in 1 ear.
Va. *Benefits for scheduled injuries are payable in addition to compensation for temporary disability. County of Scott (Virginia), Nat. 218 Va. 565, 238 S.E.2d 613 (1977). After expiration of scheduled award, claimant may file for further benefits within 1 year if still incapacitated.
Vt. *PP benefit is 66-2/3% of SAWW weekly (=\$183.00 effective 1-1-85).
 **For loss of two or more digits or one or more phalanges of two or more digits on a hand or foot, benefits may be proportioned to the loss of use of the hand or foot.
Wash. *Benefits fixed at amount reflected in chart, 25% less for disability not involving amputation.
W.Va. *PP benefit is 70% of wages, payable in 4 week periods per 1% of disability, up to 85%, which is considered P1. Maximum is 66-2/3% of SAWW (=\$142.20 effective 7-1-84).
Wis. *Maximum weekly PP benefit is \$10. (Effective 1-1-85).
 **Second toe—\$2,700; other toe—\$2,160.
 ***Under occupational hearing loss law, maximum is \$3,600/36 weeks for one ear and \$21,600/216 weeks for both ears as of 1-1-83.
Wyo. *PP benefit is 66-2/3% of SAWW.
F.E.C.A. *Include allowance for dependents.

CHART VIII FATALITIES—INCOME BENEFITS FOR SPOUSE AND CHILDREN January 1, 1985

JURISDICTION	PERCENT OF WAGES			MAXIMUM WEEKLY PAYMENT		MINIMUM PER WEEK SPOUSE ONLY	TIME LIMIT	AMOUNT LIMIT ¹		MAXIMUM BURIAL ALLOWANCE
	SPOUSE PLUS CHILDREN	SPOUSE ONLY	ONE CHILD ONLY	SPOUSE PLUS CHILDREN	SPOUSE ONLY			SPOUSE PLUS CHILDREN	SPOUSE ONLY	
ALABAMA	66-2/3	50	50	\$ 290.00*	\$ 290.00*	\$60.00*	500 weeks ^{2,3}	\$145.00*	\$145.00*	\$1,000
ALASKA	80% of spendable earnings	80% of spendable earnings	80% of spendable earnings	1,114.00**	1,114.00**	75.00**	(*)			2,500
AMERICAN SAMOA	66-2/3	30	30	70.00	36.75	5.26†	(*)			1,000
ARIZONA	66-2/3	30	30	203.00	107.00		(*)			1,000
ARKANSAS	66-2/3	30	50	154.00	154.00	15.00	(*)			750
CALIFORNIA	66-2/3	66-2/3	66-2/3	224.00	224.00	112.00	(*)	\$5.00	70.00	1,500
COLORADO	66-2/3	66-2/3	66-2/3	315.98*	315.98*	79.00*	(*)			1,000
CONNECTICUT	66-2/3	66-2/3	66-2/3	381.00*	381.00*	76.20*	(*)			3,000
DELAWARE	80	66-2/3	66-2/3	177.90*	231.20*	77.20*	(*)			700**
DISTRICT OF COLUMBIA	66-2/3	50	50	413.26*	413.26*		(*)			1,000
FLORIDA	66-2/3	50	33-1/3	307.00*	307.00*	20.00*	(*)	100.00*	100.00*	2,500
GEORGIA	66-2/3	66-2/3	66-2/3	135.00*	135.00*	25.00*	600 weeks ^{2,3}	54.00*	32.50*	1,300
GUAM	66-2/3	30	30	140.00	73.50	31.50*	(*)	40.00	40.00	1,200
HAWAII	66-2/3	50	40	251.00*	218.25*	72.75*	(*)			4,365***
IDaho				173.40*	130.00*	130.00*	500 weeks ^{2,3}	\$6.700	\$5.000	1,500
ILLINOIS	66-2/3	66-2/3	66-2/3	491.81*	491.81*	184.37*	20 years ^{2,4}			1,750
INDIANA	66-2/3	66-2/3	66-2/3	166.00*	166.00*	50.00*	500 weeks ^{2,4}	\$3.000	\$3.000	2,000*
IOWA	80% of spendable earnings	80% of spendable earnings	80% of spendable earnings	680.00*	680.00*		(*)			1,000
KANSAS	66-2/3	66-2/3	66-2/3	227.00*	227.00*	25.00	(*)	100.00	100.00	3,200
KENTUCKY	75	50	50	278.60*	162.80*	60.90*	(*)			2,500*
LOUISIANA	65	32-1/3	32-1/3	18.00*	248.00*	86.00*	(*)			1,000
MAINE	66-2/3	66-2/3	66-2/3	47.90*	44.70*	26.00*	(*)			1,000
MARYLAND	66-2/3	66-2/3	66-2/3	327.00*	327.00*	25.00*	(*)			1,200**
MASSACHUSETTS	66-2/3†	66-2/3†	66-2/3†	341.00*	341.00*	150.00*	(*)			2,000
MICHIGAN	80% of spendable earnings	80% of spendable earnings	80% of spendable earnings	58.00*	358.00*	199.00*	600 weeks ^{2,3,4}		170.00*	1,500
MINNESOTA	66-2/3	50	60	329.00*	329.00*		(*)			2,500
MISSISSIPPI	66-2/3	30	25	126.00*	126.00*	25.00	450 weeks ^{2,3}	\$6.700**	\$6.700**	2,000
MISSOURI	66-2/3	66-2/3	66-2/3	222.70*	222.70*		(*)			2,000
MONTANA	66-2/3	66-2/3	66-2/3	286.00*	286.00*	143.00*	(*)			1,400
NEBRASKA	75	66-2/3	66-2/3	200.00	200.00	49.00*	(*)			2,000
NEVADA	66-2/3	66-2/3	66-2/3	324.60*	324.60*		(*)			2,500*
NEW HAMPSHIRE	66-2/3	66-2/3	66-2/3	444.00*	444.00*	118.00*	(*)			1,000
NEW JERSEY	70	50	50	269.00*	269.00*	72.00*	(*)			2,000
NEW MEXICO	66-2/3	66-2/3	66-2/3	298.60*	298.60*	38.00	600 weeks ^{2,4}	170.17†	170.17†	1,500
NEW YORK	66-2/3	66-2/3	66-2/3	275.00**	275.00**	30.00	(*)			1,500

¹Amount limits have been computed where not established by law and are shown in italics. Disability payments deducted in all laws except those of Arizona, Arkansas, California, Delaware, District of Columbia, Florida, Michigan, Mississippi, Missouri, Nevada, New York, North Dakota, Oregon, Washington, West Virginia, Wisconsin, Wyoming, F.E.C.A., and Longshore Act.

²To child until age 18 (16 in Manitoba, Newfoundland, Northwest Territories, Ontario, Saskatchewan, and Yukon; 16 in Alaska and Wyoming; 21 in Michigan and 4 in school—New Brunswick); if invalid, for duration of invalidity (for 15 years in Wisconsin, for period decedent would have supported child in Alberta, Newfoundland, Prince Edward Island and Yukon); if student, to age 21 in Colorado, British Columbia, New Brunswick, Nova Scotia, Newfoundland, Prince Edward Island, Saskatchewan, and C.M.S.C.A.; 22 in Connecticut, Florida, Kentucky, Missouri, Nevada, South Dakota, Tennessee, and Virgin Islands; 23 in D.C., Kansas, Louisiana, Maine, Maryland, Massachusetts, New Mexico, New York, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Virginia, Washington, F.E.C.A., and Longshore Act; 25 in America Samoa, Arkansas, Delaware, Hawaii, Idaho, Iowa, Minnesota, Montana, Nebraska, New Hampshire, Ohio, Puerto Rico, Texas, West Virginia, and Alberta; no age limit in Alaska (4 years only), Massachusetts, Vermont, Manitoba, Newfoundland, Ontario, and Quebec.

³To spouse for life; compensation ceases on remarriage.

⁴To spouse for life; 2 years lump sum upon remarriage (but only if no children in Colorado, Idaho, Indiana, and Iowa) or balance of compensation if less (Indiana, New Mexico, South Carolina, and Saskatchewan); in Illinois, lump sum is paid upon remarriage only if there were no children at time of death.

⁵To spouse for life; 1 year's lump sum upon remarriage.

⁶To spouse for life; cash lump sum on remarriage: Kansas—100 weeks or, if less, 1 year; Michigan—\$500 or balance if less; Oregon—\$5,000; Washington—\$7,500 or 50% of remaining annuity value if less; Manitoba—\$3,600; New Brunswick—1 year's spouse's income; Northwest Territories—\$8,710; Nova Scotia—\$2,800; Prince Edward Island—\$4,200; Yukon—\$6,749.

⁷Additional allowance for transportation of body; no maximum except Virginia—\$500; Alberta—\$450; British Columbia—\$504.72 and \$504.74 for incidental death expenses; Nova Scotia—\$300; Quebec—\$300; Prince Edward Island—\$100; Yukon—\$272; C.M.S.C.A.—\$125.

⁸Actual wage if less.

⁹Spouse receives cash lump sum in addition to other benefits: Maine—\$1,000; Massachusetts—\$250; North Dakota—\$300 plus \$100 per child; Oklahoma—\$10,000 plus \$2,500 per dependent (maximum \$15,000); Washington—\$800; Alberta—\$1,100; British Columbia—\$1,261.91; Manitoba—\$1,305; Northwest Territories—\$1,056; Nova Scotia—\$1,000; Ohio—\$1,500; Prince Edward Island—\$500; Quebec—\$500; Saskatchewan—\$1,000; Yukon—\$1,348; C.M.S.C.A.—\$75.

¹⁰No dependents.

¹¹Maximum is 100% of SAWW; minimum is 27-1/2% of SAWW; actual wage if less; effective 2/1/85.

¹²Maximum is 200% of SAWW.

¹³Spouse's benefits reduced by 1/3 as of 5 years after worker's death, by 1/2 as of 6 years, and ceases after 10 years; reductions do not apply if spouse is over 52 or permanently and totally disabled; limited Social Security offset.

¹⁴Benefits in excess of \$75,000 payable from Death and Permanent Disability Bank Fund.

¹⁵Maximum is 80% of SAWW; minimum is 25% of maximum.

¹⁶Social Security offset.

¹⁷Maximum is 100% of SAWW and minimum is 20% of SAWW (60% of average weekly wages if less); Employer-funded cost of living increase payable each October.

¹⁸Maximum is 80% of SAWW for spouse and children; 66-2/3% of SAWW for spouse only; Minimum for spouse only is 1/3 of maximum for spouse only.

¹⁹Additional burial allowance payable on Board approval.

²⁰Maximum is 100% of SAWW (but no less than \$413.26); minimum is 25% of SAWW or 80% of actual earnings if less; Social Security offset.

²¹Maximum is 100% of SAWW.

²²Guam: Actual wages if less.

²³Hawaii: Maximum is 100% of SAWW for spouse and children; 75% of SAWW for spouse only; Minimum is 25% of SAWW.

²⁴Maximum amount for persons other than spouse and children is the maximum benefit times 3.12.

²⁵Federal expense is 10 times SAWW, plus burial allowance equal to 5 times SAWW.

²⁶Idaho: Death benefit is paid at 45% of SAWW for spouse plus 5% of SAWW per dependent child up to 3; 30% of SAWW for one child if no dependent spouse.

²⁷Maximum is 133-1/3% of SAWW; minimum is 50% of SAWW.

²⁸Benefits are \$250,000 or 20 years at TT rate, whichever is greater; Child under 18 is eligible to at least 6 years benefits.

²⁹Effective 7/1/84.

³⁰Iowa: Maximum is 200% of SAWW.

³¹Kan: Maximum is 75% of SAWW.

³²Ky: Maximum is 75% of SAWW for spouse and children; 50% of SAWW for spouse only; Minimum is 20% of SAWW.

³³La: Maximum is 75% of SAWW; Minimum is 20% of SAWW; actual wage if less.

³⁴Maine: Maximum is 166-2/3% of SAWW.

³⁵Mc: Maximum is 100% of SAWW.

³⁶Additional burial allowance payable on Commission approval.

³⁷Mass: Maximum is 100% of SAWW; effective 4/5/83; Annual cost of living increase payable up to 5% for deaths after that date.

³⁸After receiving an amount equal to 250 times SAWW, spouse must prove actual dependency; time and amount limits do not apply to children's benefits.

³⁹Nc: Maximum is 80% of SAWW; minimum is 50% of SAWW.

⁴⁰500-week limit does not apply to children.

⁴¹Nm: Maximum is 100% of SAWW.

⁴²Government survivors' benefits offset; During dependency of children, then 10 years, benefits.

⁴³For unrelated death while decedent was receiving impairment compensation or economic recovery benefits, benefits continue to surviving spouse and children until 10 years after dependency of last child, not affected by remarriage.

⁴⁴Effective 7/1/84; increased to \$133 as of 7/1/85 and \$140 as of 7/1/86.

⁴⁵Effective 7/1/84; increased to \$59,850 as of 7/1/85 and \$63,000 as of 7/1/86.

⁴⁶Maximum is 70% of SAWW effective 6/28/83; increased to 75% of SAWW; effective 9/28/86.

⁴⁷4 years' benefits payable to child on active duty in armed forces at age 18 who enrolls in school prior to age 23.

⁴⁸Maximum is 100% of SAWW; minimum is 50% of SAWW; actual wage if less.

⁴⁹Maximum is 100% of SAWW.

⁵⁰Maximum is 150% of SAWW; minimum is 40% of SAWW or actual wages if less.

⁵¹On remarriage the unpaid balance otherwise due is payable to parent or guardian for the children's benefit.

⁵²Maximum is 5% of SAWW; minimum is 20% of SAWW.

⁵³After 450 weeks, spouse's earnings are deducted.

⁵⁴Maximum is 16 2/3% of SAWW.

⁵⁵Social Security offset.

⁵⁶Effective 7/1/84; increased to \$300 as of 7/1/85.

CHART VIII □ FATALITIES—INCOME BENEFITS FOR SPOUSE AND CHILDREN □ January 1, 1985 (continued)

JURISDICTION	PERCENT OF WAGES			MAXIMUM WEEKLY PAYMENT ¹		MINIMUM PER WEEK SPOUSE ONLY	TIME LIMIT	AMOUNT LIMIT ¹		MAXIMUM BURIAL ALLOWANCE
	SPOUSE PLUS CHILDREN	SPOUSE ONLY	ONE CHILD ONLY	SPOUSE PLUS CHILDREN	SPOUSE ONLY			SPOUSE PLUS CHILDREN	SPOUSE ONLY	
NORTH CAROLINA	66-2/3	66-2/3	66-2/3	\$ 280.00*	\$ 250.00*	\$30.00	(2,3)			\$1,000
NORTH DAKOTA ²	66	66-2/3	66-2/3	(+)	210.00	10.00	(4)	(+)	\$175,000*	2,500*
OHIO	66-2/3	66-2/3	66-2/3	354.00*	354.00*	177.00*	(2,4)			1,200*
OKLAHOMA ³	75	50	35	217.00*	217.00*	30.00 ²	(2,4)			1,000 ¹⁰
OREGON				324.23*	162.12*	162.12*	(2,8)			3,000*
PENNSYLVANIA	66-2/3	51	31	336.00*	336.00*	168.00*	(2,4)			1,600*
PUERTO RICO	85	60	60	28.85*	23.08*	11.54*	(2,4)			300 ¹²
RHODE ISLAND	60	66-2/3	66-2/3	(+)	282.00*	32.00*	(2,3)			3,000*
SOUTH CAROLINA	66-2/3	66-2/3	66-2/3	287.00*	287.00*	25.00	500 weeks ¹⁴	43,510	143,510	4,000*
SOUTH DAKOTA	66-2/3	66-2/3	66-2/3	(+)	247.00*	124.00*	(2,4)			2,500*
TENNESSEE	66-2/3	50	50	136.00	136.00	15.00	(2,3)	50,400	50,400	2,000*
TEXAS	66-2/3	66-2/3	66-2/3	203.00	203.00	35.00	(2,4)			2,500*
UTAH	66-2/3	66-2/3	66-2/3	264.00*	264.00*	45.00 ²	(2,4)			1,800*
VERMONT	76-2/3	66-2/3	71-2/3	278.00*	278.00*	139.00*	(2,4)			1,000*
VIRGIN ISLANDS				(+)	(+)	(+)	(+)	18,500*	18,500*	800 ¹⁰
VIRGINIA	66-2/3	66-2/3	66-2/3	395.00*	395.00*	79.75*	500 weeks ¹⁵	147,500	147,500	3,000*
WASHINGTON ⁶	70	60	35	256.38*	256.38*	42.69*	(2,6)			2,000*
WEST VIRGINIA	70	70	70	321.30*	321.30*	160.10*	(2,3)			2,500*
WISCONSIN	66-2/3	66-2/3	66-2/3	321.00*	321.00*	30.00	(+)	60,000 ¹⁶	96,300 ¹⁶	1,000*
WYOMING				(+)	231.51*	231.51*	(+)	(+)	(+)	1,500 ¹⁷
F.E.C.A.	75*	50	40	579.80	579.80	100.8*	(2,4)			600 ¹⁸
LONGSHORE ACT	66-2/3	50	50	579.86*	579.86*	194.20*	(2,4)			3,000*
ALBERTA ¹⁹	80% of weighted net income	80% of weighted net income		(+)	(+)	(+)	5 years ²			1,350*
BRITISH COLUMBIA ²⁰			40	(+)	(+)	(+)	(2,6)			1,514.20*
MANITOBA ²¹	75	75		416.15*	416.15*	136.18*	(2,6)			1,500*
NEW BRUNSWICK	80% of weighted net income	80% of weighted net income		(+)	(+)	(+)	Age 65 ^{2,6}			980*
NEWFOUNDLAND	(+)	(+)	67-1/2% of weighted net income	(+)	440.86*	111.24*	(2)			1,120*
NORTHWEST TERRITORIES ²²				(+)	167.54*	167.54*	(2,5)			1,050*
NOVA SCOTIA ²³	(+)	(+)		(+)	126.23*	126.23*	(2,6)			750*
ONTARIO ²⁴				(+)	138.86*	138.86*	(2,4)			1,500*
PRINCE EDWARD ISLAND ²⁵	(+)	(+)		(+)	69.23*	69.23*	(2,6)			500*
QUÉBEC ²⁶	72*	49-1/2 (weighted net income)	49-1/2	324.50*	(+)	91.24*	(2,3)			600*
SASKATCHEWAN	75	75		475.96	475.96	194.72	5 years ^{2,4}			1,000*
YUKON TERRITORY ²⁷				(+)	165.69*	165.9*	(2,6)			1,545*
CANADIAN MERCHANT SEAMEN'S ACT ²⁸					393.04*	393.04*	102.00 ²	(2,4)		740*

N.C. *Maximum is 100% of SAWW.
 **Payable for life if spouse dependent or disabled at time of decedent's death.
 N.D. *Maximum \$210 plus \$7 per dependent child under 18. Payments on behalf of children are not subject to amount limit.
 Ohio *Maximum is 100% of SAWW; minimum is 50% of SAWW.
 Okla. *Maximum is 66-2/3% of SAWW.
 Ore. *Monthly spousal benefit is fixed at 50% of SAWW times 4.35 (= \$705.20 for 1984-85); an additional \$156 each is payable monthly for the first and second children, plus \$50 monthly per additional child, up to monthly maximum. Maximum is 100% of SAWW times 4.25 (= \$1,410.40 for 1984-85).
 **Child's benefit payable to age 10 if in high school.
 Pa. *Maximum is 100% of SAWW; minimum is 50% of SAWW.
 P.R. *Maximum for spouse and children is \$125 monthly; for spouse only, \$100 monthly. Minimum is \$50 monthly. Maximum advance payment is \$500 to widow plus \$50 per child, up to \$1,100 total.
 **540-week limit inapplicable to spouse and children.
 R.I. *Maximum is 100% of SAWW plus \$9 per dependent child, up to 80% of pre-injury wages.
 S.C. *Maximum is 100% of SAWW.
 S.D. *Maximum is 100% of SAWW; minimum is 50% of SAWW; actual wage if less. Additional \$50 monthly is payable for each dependent child through age 18.
 Tenn. *Employer must pay \$10 (U.S.) lump sum into estate if worker had no dependents.
 Utah *Additional allowance for dependents is \$5 for spouse plus \$5 for dependent child (up to 4). Maximum (including dependents allowance) is 85% of SAWW.
 **After 312 weeks payments are continued only after annual review. Receives same payment minus 50% Social Security payment. Balance of 312 weeks or 53 weeks is payable to spouse upon remarriage, whichever less.
 Vt. *Maximum is 100% of SAWW; minimum is 50% of SAWW; actual wage if less.
 **To spouse until age 62 or when added to Social Security; balance of 330 weeks, if any, is payable on remarriage. Maximum 130 weeks payable to or for any child.
 Vt. *Death benefit is \$12,500 to \$13,500, payable in installments or lump sum; 60% is payable to children, if any. Amount limit includes amounts paid for disability.
 Va. *Maximum is 100% of SAWW; minimum is 25% of SAWW; actual wage if less.
 Wash. *Maximum monthly benefit is 75% of state average monthly wage.
 W. Va. *Maximum is 100% of SAWW; minimum is 33-1/3% of SAWW.
 Wis. *Maximum is 100% of SAWW. Benefits are payable on monthly basis.
 **If death follows disability, total time limit for disability plus death is 1,000 weeks.
 ***Amount limit is 300 times SAWW. When primary benefit expires, a supplementary monthly benefit continues for children at 10% of the spouse's monthly benefit, payable from the Children's Fund, to age 18 or for 15 years if invalid.
 Wyo. *Monthly benefit is fixed at 66-2/3% of state average monthly wage plus \$100 monthly per child until age 19 (21 if invalid or emancipated). After 231 weeks court may continue payments at 33-1/3% of state average monthly wage. PP benefits in excess of \$4,000 are deducted.
 **Employer may make other arrangements.
 F.E.C.A. *2 or more children.
 **Spouse who remarries after age 60 continues to receive monthly benefits.
 ***Amount of \$200 lump sum payable for cost of terminating status as U.S. employee.
 Longshore *Effective 10-1-84 (200% NAWW). Benefits shall not exceed lesser of employee's weekly wage or \$579.86. Minimum is 66-2/3% of NAWW; actual wages if less. Death benefits not payable if employee receiving PP benefits due from causes other than compensable injury.
 Alta. *5 years declining payment, effective 1-1-82.
 B.C. *After deduction of Canada pension, maximum monthly benefit for spouse with 2 children is \$1,599.04, plus \$164 for each additional child. (Childless widow under 40 receives capital sum of \$25,237.19. Benefits for childless widow age 40 or older vary by age.
 Man. *Maximum is \$1,812 monthly; minimum is \$590 monthly. Allowance for 1 dependent is additional \$133 monthly if under 16 or \$148 monthly if over 16 and in school; allowance for 2 or more dependents is amount payable for 2 oldest children; total monthly benefit may not exceed maximum.
 N.B. *Spouse receives monthly benefit based on 80% of family income, less Canada pension.
 Nfld. *Spouse receives lump sum. Additional monthly benefits vary as to age and of youngest child reaching 16. For all dependent spouses, marriage results in payment of lesser of \$5,000 or aggregate of one year's payments. Effective 1-1-85, dependency benefits before 1-1-84 receive a 3 1/2% increase.
 N.W.T. *Fixed monthly benefit is \$728 plus \$165 monthly per child.
 N.S. *Fixed monthly benefit is \$547 plus \$143 monthly per child.
 Ont. *Fixed monthly benefit is \$593 plus \$165 monthly per child.
 P.E.I. *Effective 4-1-82, fixed monthly benefit is \$350 plus \$75 monthly per child.
 Quebec *Benefits for surviving spouse or child only are increased by 9% of weighted net income for first child, then 4-1/2% for each additional child.
 **Benefits stop after 5 years if spouse was under 35. Five years benefits are payable to any spouse regardless of marital status.
 Yukon *Fixed monthly benefit is \$718 plus \$17* monthly per child.
 C.M.S.C.A. *Fixed monthly benefit is \$* or spouse only, actual weekly wage if less. Monthly benefit for spouse and children is \$393.04 plus \$85 per child, up to \$1,703.17 monthly.

CHART IX WAITING PERIOD FOR INCOME BENEFITS; MEDICAL BENEFITS January 1, 1985

JURISDICTION	WAITING PERIOD	RETRO-ACTIVE PERIOD	MEDICAL BENEFITS				
			UNLIMITE ^d	CHOICE OF PHYSICIAN ²		ARTIFICIAL APPLIANCES FURNISHED	SPECIAL PROVISIONS
				EMPLOYER	EMPLOYEE		
ALABAMA	3 days ¹	3 weeks	Yes	Initial choice		Yes	Employer must replace appliances damaged in work-related accident and provide physical and vocational rehabilitation
ALASKA	3 days	4 weeks	Yes		Yes	Yes	Injury includes damages to eyeglasses, dentures, hearing aids, or any prosthetic devices
AMERICAN SAMOA	3 days	2 weeks	Yes			Yes	
ARIZONA	7 days	2 weeks	Yes		Yes	Yes	Prayer or spiritual treatment by agreement
ARKANSAS	7 days	2 weeks	Yes	Agency may change		Yes	Spiritual treatment by agreement
CALIFORNIA	3 days ¹	3 weeks ¹	Yes		If prior notification given to employee	Yes	Includes 3-day rehab, medical reports, and testimony and laboratory fees reasonably required to prove a claim ³
COLORADO	3 days	2 weeks	Yes	Agency may change		Yes	Dental Service—maximum \$500
CONNECTICUT	3 days	1 week	Yes		From state list	Yes ⁴	Worker compensated for time lost due to medical attention. Employer must repair or replace appliances damaged in employment; must also repair or replace eyeglasses, contact lenses, hearing aids, or dentures when injury is fact or near. Prayer or spiritual treatment with Commissioner's approval
DELAWARE	3 days ¹	7 days ¹	Yes		Yes	Yes	Employer must replace prostheses as needed
DISTRICT OF COLUMBIA	3 days	2 weeks	Yes		From state list	Yes	Spiritual treatment by agreement
FLORIDA	7 days	2 weeks	Yes	Yes		Yes	Injury includes damage to dentures, eyeglasses, and prosthetic devices in conjunction with accident. Employer must provide custodial care
GEORGIA	7 days	4 weeks	Yes	Agency may change		Yes ⁵	
HAWAII	7 days ¹	21 days	Yes			Yes	
HAWAII	2 days	5 days	Yes		Yes	Yes	Maximum monthly attendant allowance—4 times SAAW
IDAHO	5 days ¹	2 weeks ¹	Yes	Yes		Yes	Christian Science treatment permitted
ILLINOIS	3 days ¹	2 weeks	Yes		Yes	Yes	Spiritual treatment by agreement. Employer must repair/replace appliances damaged in compensable accident
INDIANA	7 days	3 weeks	Yes	Yes		Yes	Employer pays reasonable expenses, including travel, food, and lodging, for treatment outside county. Spiritual treatment by agreement
IOWA	3 days ¹	2 weeks	Yes	Yes		Yes	Employer must repair or replace appliances
KANSAS	7 days	3 weeks	Yes	Yes		Yes	Prayer or spiritual treatment by agreement
KENTUCKY	7 days	2 weeks	Yes		Yes	Yes	
LOUISIANA	7 days	6 weeks	Yes		Yes	Yes	Employer must repair/replace appliances
MAINE	3 days ¹	2 weeks	Yes		Yes	Yes	Chiropractic services authorized
MARYLAND	3 days	2 weeks	Yes		Yes	Yes	Employer must repair/replace appliances
MASSACHUSETTS	5 days	6 days	Yes		Yes	Yes	
MICHIGAN	7 days	1 week	Yes	Initial choice		Yes	
MINNESOTA	3 days	10 days	Yes		Yes	Yes	Christian Science treatment by agreement. Chiropractic and podiatric treatment authorized
MISSISSIPPI	5 days	2 weeks	Yes		Yes	Yes	
MISSOURI	3 days	2 weeks	Yes	Agency may change		Yes	Prayer or spiritual treatment by agreement
MONTANA	5 days ¹	5 days ¹	Yes		Initial choice	Yes	Employer must repair/replace appliances damaged as a result of injury
NEBRASKA	7 days	6 weeks	Yes		Yes	Yes	Employer must replace appliances damaged due to compensable injury. Employer must provide plastic surgery for disfigurement
NEVADA	5 days	5 days	Yes		Yes	Yes	Spiritual treatment permitted
NEW HAMPSHIRE	3 days	1 week	Yes		Yes	Yes	
NEW JERSEY	7 days	8 days	Yes	Yes		Yes	Hospital care must be semi-private if available
NEW MEXICO	7 days	4 weeks	Yes	Yes		Yes	Claimant may not refuse treatment reasonably essential to provide recovery
NEW YORK	7 days	2 weeks	Yes		From state list	Yes	Employer liable for X-rays, special diagnostic tests, consultations
NORTH CAROLINA	7 days	4 weeks	Yes	Yes	Agency may change	Yes	Employer must repair/replace appliances damaged in compensable accident. Medical care includes rehabilitation services
NORTH DAKOTA	5 days	5 days	Yes		Yes	Yes	
OHIO	7 days	2 weeks	Yes		Yes	Yes	Includes hospitalization and damage to eyeglasses, dentures, hearing aids, or prostheses
OKLAHOMA	3 days	7 days	Yes		Yes	Yes	Employer must repair/replace appliances. Special provisions for hernias
OREGON	3 days	2 weeks	Yes		Yes ⁶	Yes	Spiritual treatment by agreement

¹ If disability continues for longer than stated periods, compensation is paid for the waiting period. Waiting periods do not apply to medical care which is furnished from the first day of injury.

² Information for 1984 furnished by Division of State Standards, U.S. Department of Labor.

A: Temporary disability only.

C&M: Waiting period also terminated by hospitalization.

³ Psychologists included within definition of physician and treatment permitted.

Conn: By court decision. *O'Malley v. Lamore*, 63 Conn. 20, 104 A. 485 (1918).

Del: No waiting period if incapacity results in hospitalization or is caused by amputation of member.

GA: Included in total amount allowed for medical care.

Idaho: Waiting period also terminated by hospitalization.

IL: Temporary total disability only.

Iowa: No waiting period for permanent partial disability.

Maine: Firemen are exempt from waiting period and receive compensation from date of disability.

Mont: Waiting period refers to number of days on which worker has a loss of wages.

N.M.: By court decision. *Brooks v. Employers National Insurance Co.*, 668 P.2d 25 (1984).

Ore: May choose physician within state. Allowed 4 changes; changes thereafter require Director's approval.

CHART IX □ WAITING PERIOD FOR INCOME BENEFITS; MEDICAL BENEFITS □ January 1, 1985 (continued)

JURISDICTION	WAITING PERIOD ¹	RETRO-ACTIVE PERIOD	MEDICAL BENEFITS				
			UNLIMITED	CHOICE OF PHYSICIAN ²		ARTIFICIAL APPLIANCES FURNISHED	SPECIAL PROVISIONS
				EMPLOYER	EMPLOYEE		
PENNSYLVANIA	7 days	2 weeks	Yes	Initial choice ³		Yes	
PUERTO RICO	3 days	10 days	Yes	State agency			
RHODE ISLAND	3 days	2 weeks	Yes		Yes	Yes	
SOUTH CAROLINA	7 days	2 weeks	Yes	Yes		Yes	
SOUTH DAKOTA	7 days ⁴	8 days	Yes	Yes		Yes	Employer must repair/replace appliances damaged in compensable accident.
TENNESSEE	7 days	2 weeks	Yes		From employer list	Yes	Provides continuing services; treatment by chiropractors.
TEXAS	7 days	4 weeks	Yes		Yes	Yes	Repair or replacement of appliances when determined by physician.
UTAH	3 days	2 weeks	Yes	Agency may change		Yes	\$1,800 limit for each artificial appliance, except unusual cases.
VERMONT	3 days ⁵	4 days	Yes		Initial choice	Yes	Injury includes damage to and cost of replacement of eyeglasses, hearing aids, and prosthetic devices.
VIRGIN ISLANDS	1 day	1 day	\$10,000		Yes; agency may change	Yes	\$30,000 amount limit if treatment outside Virgin Islands.
VIRGINIA	7 days	3 weeks	Yes		From employer list	Yes	Employer must repair/replace appliances damaged in compensable accident. Employer may be ordered to furnish wheelchair and make alterations at home; maximum \$10,000.
WASHINGTON	3 days	2 weeks	Yes		Yes	Yes	Employees pay half of medical aid premiums. Department will repair/replace appliances damaged in compensable accident.
WEST VIRGINIA	3 days	1 week	Yes		Yes	Yes	Employer must repair/replace appliances regardless of personal injury.
WISCONSIN	3 days	1 week	Yes		Yes	Yes	Repair or replacement of appliances is limited to normal wear and tear.
WYOMING	3 days	8 days	Yes		Yes	Yes	Maximum amount for prosthesis or hearing aid—\$1,500 plus \$350 for travel for fitting; amount in excess may be granted upon application.
F.I.C.A.	3 days ⁶	14 days	Yes			Yes	Additional \$500 monthly for medical attendant.
LONGSHORE ACT	3 days	2 weeks	Yes		Labor Secretary may change	Yes	Consent for specialist if needed. Spiritual treatment permitted.
ALBERTA	1 day	1 day	Yes		Yes	Yes	Appliances repaired or replaced by Board. Board may repair or replace garment damaged in compensable accident. Clothing allowance for wear due to prosthesis—\$200. Attendance allowance—\$178 to \$1,329 per month, plus personal care allowance of \$125 per month.
BRITISH COLUMBIA	1 day	Yes			Yes	Yes	Appliances repaired or replaced at Board's discretion, regardless of personal injury (includes eyeglasses, dentures, and hearing aids unless worker is at fault). Board may provide eyeglasses for serious visual impairment caused by work injury. Personal care allowance—maximum \$1,050.21 monthly. Annual clothing allowance for wear due to: prosthesis—\$160.64 for upper limb; \$321.30 for lower limb; \$481.94 for both.
MANITOBA	1 day	1 day	Yes		Yes	Yes	Appliances repaired or replaced at Board's discretion, regardless of personal injury. Clothing allowance for wear due to prosthetic device—\$120 upper limb; \$240 lower limb. Attendance allowance \$102 to \$714 monthly.
NEW BRUNSWICK	1 day	1 day	Yes		Yes	Yes	Medical aid includes repair or replacement of appliances. Clothing allowance for wear due to prosthesis—\$157. Attendance allowance \$90 to \$300 monthly.
NEWFOUNDLAND	1 day	(-)	Yes		Initially yes, should consult Commission before changing	Yes	Commission may repair or replace appliances and may pay daily allowance for treatment away from home. Clothing allowance for wear due to prosthetic device—\$150 to \$300. Attendant's allowance—\$100 to \$400 monthly. Home care allowance payable at Commission's discretion.
NORTHWEST TERRITORIES	1 day	1 day	Yes		Yes, subject to Board approval	Yes	Clothing allowance for wear due to prosthetic device—\$100. Board may repair/replace appliances damaged in a compensable accident.
NOVA SCOTIA	3 days ⁷	3 days	Yes		Yes	Yes	Attendant's allowance—\$300 monthly. Clothing allowance for wear due to prosthetic device—\$350 per year. Board may repair or replace appliances and renew eyeglasses (replace if damaged in any accident).
ONTARIO	1 day	(-)	Yes		Initial choice	Yes	Maximum attendance allowance—\$1,029 monthly. Clothing allowance for wear due to prosthetic device—\$175 for upper limb and \$350 for lower limb.
PRINCE EDWARD ISLAND	1 day	1 day	Yes		Initial choice	Yes	Appliances repaired or replaced at Board's discretion.
QUEBEC	1 day	(-)	Yes		Yes	Yes	Commission may repair/replace prosthesis damaged in course of employment. Additional clothing allowance for wear due to prosthetic device—\$300. Attendance allowance—\$200 to \$800 monthly.
BASKATCHEWAN	(-)	(-)	Yes		Yes	Yes	Clothing allowance for wear due to prosthetic device—\$137 for arm, \$305 for leg. Employer must repair/replace appliances damaged in compensable accident. Personal care allowance—\$206 to \$1,038.
YUKON TERRITORY	1 day	1 day	Yes		Yes	Yes	Clothing allowance—\$127 for upper limb and \$259 for lower limb. Personal care allowance—\$212.90 to \$730 monthly.
CANADIAN MERCHANT SEAMEN'S ACT	3 days	3 days	Yes		Yes	Yes	Employer must keep appliances in repair or replace, at Board's discretion.

Pa. ¹Only if 5 physicians posted and for first 14 days of treatment.

S.D. ²Consecutive days.

Vt. ³Total disability only.

F.I.C.A. ⁴Waiting period begins running after 45 days' continuation of pay.

Md. ⁵Employer payment for day on which accident occurs.

N.S. ⁶No waiting period for permanent partial disability.

Ont. ⁷Compensation not paid for the day on which the accident occurs.

⁸Compensation payable during disability caused by damage to prosthetic device.

Quebec ⁹Compensation not paid for day on which injury occurs.

Sask. ¹⁰Compensation not paid for the day on which the accident occurs.

CHART X

REHABILITATION OF DISABLED WORKERS

January 1, 1985

JURISDICTION	SOURCE OF FUND	MAINTENANCE ALLOWANCE	SPECIAL PROVISIONS
ALABAMA	No fund established	Board, lodging, and travel, if away from home	Physical and vocational rehabilitation to restore employee to previous employment furnished at employer's expense. Employee's refusal results in loss of compensation.
ALASKA	No fund established	Board, lodging, travel, and temporary disability benefit. Additional \$200 monthly if extreme financial hardship	Employer pays full cost. Services available 37 weeks, extendable to 74 weeks. Compensation suspended for unreasonable refusal of evaluation or failure to participate in approved or agreed plan.
AMERICAN SAMOA	Second Injury Fund	\$10 weekly paid by employer plus maintenance from Social Fund	Commission arranges for vocational rehabilitation of permanently disabled workers.
ARIZONA	\$1,150 in no-dependency death cases. Appropriations annually from general fund up to 2% of annual premium.	Commission may authorize additional necessary awards to persons undergoing vocational rehabilitation.	Vocational rehabilitation trainees considered an employee at \$200 monthly wage rate for compensation benefits.
ARKANSAS	No fund established	Reasonable expenses for maintenance, travel, and other necessary costs for 60 weeks maximum.	Must apply to Commission within 90 days. Commission may authorize vocational rehabilitation if reasonable relation to disability, but worker may refuse.
CALIFORNIA	No fund established	All additional necessary living expenses during rehabilitation.	Rehabilitation unit in Division of Industrial Accidents. Rehabilitation program is compulsory on part of employer or carrier. Rehabilitation trainee is considered employee of training employer for insurance purposes.
COLORADO	No fund established for vocational rehabilitation	Maintenance, tuition, and transportation during 26 weeks.	Period of time may be extended another 26 weeks if necessary. Employee cannot receive disability benefits and maintenance simultaneously.
CONNECTICUT	2% tax upon compensation paid by insurers and self-insurers	Weekly subsistence allowance during vocational rehabilitation.	Employer pays full cost of medical rehabilitation, which continues until employee reaches maximum improvement. Vocational rehabilitation is furnished by Division of Workers' Rehabilitation.
DELAWARE	No fund established	Reasonable board, lodging, and travel	Physical and vocational rehabilitation furnished at employer's expense. Employee's refusal results in loss of compensation.
DISTRICT OF COLUMBIA	No fund established	Not exceeding \$50 per week.	Employer must provide vocational rehabilitation. Benefits forfeited if worker fails to cooperate.
FLORIDA	Payments from Special Fund and assessments upon insurers and self-insurers	Reasonable board, lodging, and travel	Injured worker is entitled to prompt rehabilitation including retraining, provided by or at the expense of the employer. Rehabilitation may be up to 26 weeks extendable for an additional 26 weeks. Refusal to accept rehabilitation deemed necessary by deputy commissioner results in automatic 50% reduction in compensation for each week of refusal.
GEORGIA	No fund established	Board, lodging, and travel, if away from home	Vocational rehabilitation furnished for 52 weeks but may be extended if necessary. Employee's unreasonable refusal may result in suspension of compensation.
GUAM	State fund (appropriation)	\$10 per week during retraining	Commission directs the vocational rehabilitation of permanently disabled employees and arranges with the appropriate public or private agencies for such education.
HAWAII	Payments from Second Injury Fund	Director of Labor to issue rules	Rehabilitation unit within Department of Labor makes recommendation for physical or vocational rehabilitation.
IDAHO	.7% tax on insurers and self-insurers	Reasonable expenses for maintenance and travel	Rehabilitation Division administers. Temporary disability benefits payable up to 104 weeks where retraining required.
ILLINOIS	No fund established	Maintenance costs and incidental expenses	Physical, mental, and vocational rehabilitation as may be necessary, institutional care, if required.
INDIANA	No fund established	No specific statutory provision*	
IOWA	No fund established	\$20 weekly in addition to other compensation for 13 weeks.	May be extended additional 13 weeks. Medical care includes physical rehabilitation.
KANSAS	No fund established	If employer provides vocational rehabilitation, must pay reasonable board, lodging, and travel up to \$2,000 for a 26-week period (may be increased to \$3,000).	If vocational rehabilitation unavailable through public facility, employer must provide up to 26 weeks extendable additional 26 weeks. Compensation suspended for worker's unreasonable refusal of physical or vocational rehabilitation; compensation canceled after 90 days' refusal. Rehabilitation Section of Division administers. Compensation paid during vocational rehabilitation is deducted from benefits for permanent partial disability.
KENTUCKY	No fund established	Board, lodging, and travel, if away from home	Unlimited medical rehabilitation; vocational rehabilitation up to 52 weeks (may be extended). Employee's refusal results in loss of 50% of compensation.
LOUISIANA	No fund established	Board, lodging, and travel paid by employer or carrier.	Employer or carrier provides up to 26 weeks of vocational rehabilitation, extendable another 26 weeks. Benefits reduced 50% for refusal of necessary rehabilitation.
MAINE	No fund established	\$35 per week for 52 weeks.	Commission member may extend vocational or educational rehabilitation benefits for additional 52 weeks or for a 3rd period of 52 weeks.
MARYLAND	No fund established	Up to \$40 weekly paid by employer.	Workers' Compensation Commission investigates all claims and reports of injury or disability for referral to Division of Vocational Rehabilitation. Employee entitled to 24 months of vocational rehabilitation. Employee's unreasonable refusal results in loss of compensation. Employer pays compensation for temporary total disability plus expenses of vocational rehabilitation.
MASSACHUSETTS	No fund established. Paid the same as compensation.	Rehabilitation Commission may approve room, board, and travel expenses.	Necessary cost of rehabilitation subject to approval of Rehabilitation Commission.
MICHIGAN	No fund established	Transportation and other necessary expenses during 52 weeks training.	Medical and vocational rehabilitation services under Workers' Compensation Bureau. Bureau may extend training period additional 52 weeks maximum total 104 weeks.
MINNESOTA	No fund established	Necessary expenses, including tuition, books, travel, board, lodging, and custodial daycare.	Qualified injured worker entitled to rehab, provided by at expense of employer. Employer must provide rehab for up to 156 weeks through approved plan. Participant may request 25% benefit increase and is eligible for one-time relocation allowance. Employer may seek termination or suspension of benefits if worker fails to cooperate. Appeals of refusal decisions are heard by Rehab. Review Panel.
MISSISSIPPI	No fund established	Up to \$10 per week up to 52 weeks.	Commission cooperates with federal and state agencies.
MISSOURI	Second Injury Fund	\$40 weekly for physical rehabilitation (by order of Division after 20 weeks).	Administered by Director of Workers' Compensation Division. Division may order employer to provide transportation.
MONTANA	Rehabilitation Fund by 1% tax upon compensation paid by insurers, self-insured, and state fund.	Additional \$50 weekly for living expenses while in training plus transportation, tuition, books, and equipment.	Administered by Workers' Compensation Division in conjunction with Department of Social and Rehabilitation Services. Employee's refusal may result in loss of compensation.
NEBRASKA	Vocational Rehabilitation Fund by 1% premium tax on insurers and self-insurers (minimum \$25) payable to Court.	Board, lodging, and travel paid by fund. Temporary total indemnity paid by self-insurer or carrier.	Insurer must furnish medical, physical, and vocational rehabilitation services voluntarily (if not, may be ordered to do so). Costs may be apportioned between the employer and the Vocational Rehabilitation Fund. Payments into fund suspended when fund reaches \$400,000 (see Chart XII).
NEVADA	State insurance Fund and self-insurance	Insurer may allow maintenance as needed.	Insurer is authorized to provide all necessary rehabilitation services. Employee's refusal results in loss of all benefits.
NEW HAMPSHIRE	No fund established	Board, lodging, travel, books, and basic materials in addition to compensation.	Insurer must furnish rehabilitation services voluntarily, or may be ordered to do so, for one year and further treatment if needed. Vocational and physical rehabilitation staff assist in program.
NEW JERSEY	No fund established		Permanent total disability benefits may be stopped after 450 weeks unless the worker has submitted to physical or educational retraining.

Inc. *State Rehabilitation Services Board administers vocational rehabilitation programs. Compensation suspended for refusal of suitable employment by partially disabled claimant.

Maine *Parties may agree to 3-month trial work period during which compensation is suspended. Compensation resumed if unsuccessful.

Maine *Surviving spouse may request rehabilitation.

CHART X REHABILITATION OF DISABLED WORKERS January 1, 1985 (continued)

JURISDICTION	SOURCE OF FUND	MAINTENANCE ALLOWANCE	SPECIAL PROVISIONS
NEW MEXICO	No fund established	Board, lodging, travel, and maintenance for family, \$3,000 maximum in addition to other compensation	Employer must furnish vocational rehabilitation services to render worker fit to engage in remunerative employment
NEW YORK	\$2,000 in no-dependency death cases	Up to \$30 per week for rehabilitation maintenance	Department of Labor cooperates with Department of Education
NORTH CAROLINA	No fund established		Insurer must furnish rehabilitation services required to lessen disability. Employee's unreasonable refusal of services ordered by Commission results in loss of compensation
NORTH DAKOTA	Benefits Fund	Rehabilitation allowance in lieu of and equal to compensation plus 25%	Bureau through its Director of Rehabilitation provides retraining. Employee's unreasonable refusal to cooperate shall forfeit compensation. Additional allowance of \$5,000 maximum during lifetime for remodeling living or business facilities, if required
OHIO	State Insurance Fund	Same as for temporary total disability, minimum 50% of SAWW for 6 months (renewable)	Rehabilitation Division within Commission administers. Division may make all necessary expenditures, medically including treatment of non-occupational conditions inhibiting return to work
OKLAHOMA	No fund established	Board, lodging, travel, tuition, and books	Court may order necessary rehabilitation up to 52 weeks
OREGON	Rehabilitation reserve out of Administrative Fund	Worker receives temporary total disability compensation during rehabilitation	Rehabilitation Reserve pays cost of physical rehabilitation. Need determined within 120 days after temporary total disability; benefits may be suspended for failure to participate. Vocational assistance may be provided by employer or insurer. Department reimburses employer for temporary disability benefits paid after injury is medically stationary and for authorized costs of rehabilitation
PENNSYLVANIA	No fund established	Rehabilitation Board may provide cash payments for living expenses	State Board of Rehabilitation may provide vocational rehabilitation, training, and services
PUERTO RICO	No fund established	Administrator may grant \$45 weekly for up to 26 weeks	Rehabilitation center provides physical, medical, and rehabilitation services
RHODE ISLAND	\$750 in no-dependency death cases; 1% of insurance premium	Board, lodging, and travel	Rehabilitation clinic financed by the Curative Centre Fund. Compensation suspended for willful refusal of rehabilitation
SOUTH CAROLINA	No fund established		No specific statutory provision
SOUTH DAKOTA			TT during period of approved vocational rehabilitation
TENNESSEE	No fund established		Division of Workers' Compensation refers least-bad cases to Department of Education pursuant to plan providing full or partial recovery of expenses from employer or insurer
TEXAS	No fund established		Insurer furnishes necessary medical care and services for physical rehabilitation. Board may refer employee to Texas Rehabilitation Commission for vocational services
UTAH	\$18,720 in no-dependency death cases	\$1,000 maximum during rehabilitation of permanently and totally disabled person	If cannot be rehabilitated, worker receives benefits for life from Second Injury Fund; minimum \$85 per week
VERMONT	No fund established	Board, lodging, travel, books, and tools	Commissioner may order vocational rehabilitation services if employee refuses; compensation may be suspended
VIRGIN ISLANDS	Government Insurance Fund	Board, lodging, and travel	Income benefits during rehabilitation suspended for employee's refusal to accept vocational rehabilitation. See Chart V—Total Disability Benefits
VIRGINIA	Second Injury Fund		Commission may award compensation, medical care, and vocational rehabilitation. Employee's unreasonable refusal may suspend compensation
WASHINGTON	No fund established	Compensation, board, lodging, travel, books, equipment, and child care allowance, up to 52 weeks (maximum \$3,000)	Supervisor may extend period for another 52 weeks. Dept. operates a Rehabilitation Center and pays maintenance and employer's cost of job modification. Compensation may be halted for refusing rehabilitation without good cause. Evaluation mandatory in 120-day time-loss cases
WEST VIRGINIA	State Fund used; no special account	Up to \$10,000 (includes tuition, books, supplies, travel, lodging, and tools). No limit on physical rehabilitation costs. Temporary total disability payments if totally disabled	Fund-employed Rehabilitation Counselors provide referrals and direct services. Direct job placement preferred, but short-term training is provided when necessary. Medical services and devices are authorized for physical rehabilitation
WISCONSIN	No fund established	Board, lodging, and travel up to 40 weeks. Temporary total disability paid during training	Course of instructions must be undertaken within 60 days from date sufficiently recovered or as soon thereafter as State Board provides opportunity. 40-week period may be extended if necessary. Department employs rehabilitation specialists (physical, medical, and vocational) to evaluate and refer injured employees for treatment
WYOMING	No fund established	Up to \$10 per week (may be increased to \$15 per week if insufficient) up to 72 weeks	District judge grants maintenance allowance on recommendations of Board of Education
F.E.C.A.	Employees' Compensation Fund	Up to \$200 per month	If person fails to undergo rehabilitation, administrator may reduce benefit if rehabilitation would have increased earnings
LONGSHORE ACT	50% of Special Fund*	Up to \$25 per week	Surplus in Fund in any one year may be carried over. Appropriations authorized
ALBERTA	Accident Fund	Discretion of Board	Board operates physical rehabilitation center. Board may make necessary expenditures to aid rehabilitation and may provide vocational rehabilitation to a dependent spouse
BRITISH COLUMBIA	Accident Fund	Discretion of Board	Rehabilitation Clinic established. Board may make necessary expenditures to aid rehabilitation and may provide vocational rehabilitation to a dependent spouse
MANITOBA	Accident Fund	Discretion of Board	Board may make necessary expenditures to aid rehabilitation
NEW BRUNSWICK	Accident Fund	Discretion of Board	Board operates physical rehabilitation center. Board may make necessary expenditures to aid rehabilitation
NEWFOUNDLAND	Accident Fund	Discretion of Commission	Commission may make necessary expenditures to aid rehabilitation
NORTHWEST TERRITORIES	Accident Fund	\$60 daily for first 7 days, \$50 daily thereafter. Employer pays transportation cost	Board may order rehabilitation and retraining
NOVA SCOTIA	Accident Fund	Discretion of Board	Board may make necessary expenditures to aid rehabilitation
ONTARIO	Schedule 1 cases—Accident Fund Schedule 2 cases—employers individually	Discretion of Board Discretion of Board	No limit on amount in any one case or in any year for rehabilitation
PRINCE EDWARD ISLAND	Accident Fund	Discretion of Board	Board may make necessary expenditures to aid rehabilitation
QUEBEC	Accident Fund Annex B—employers individually	Discretion of Board	Board may make necessary expenditures to aid rehabilitation
SASKATCHEWAN	Injury Fund	Discretion of Board	Board provides on-the-job training, employer assistance, and physical and occupational therapy. Vocational training is also available for spouse
YUKON TERRITORY	Compensation Fund	Subsistence in Commissioner's discretion	Commissioner may make necessary expenditures to aid rehabilitation
CANADIAN MERCHANT SEAMEN'S ACT	No fund established		No specific statutory provision

Longshore *See Chart XII—Second-Injury Funds—Special Provisions

PART 3

ADMINISTRATION

Because workers' compensation grew out of a public dissatisfaction with the manner in which job-related disabilities were handled, it is not surprising that the system was designed with an eye toward prompt and effective disposition of disability cases. Without an effective delivery system, many of the problems associated with the common law and employer liability statutes would remain.

This requirement for an effective delivery system remains valid today. Indeed the National Commission on State Workmen's Compensation Laws, in listing this as a major objective for a modern workers' compensation system, made special note that the achievement of the system's objectives for protecting against workplace disabilities was dependent upon an effective system for delivery of the benefits and services. This observation was reaffirmed by a second federal report on workers' compensation delivery in 1977 (see *Special Report in 1977 edition*) which emphasized the importance of efficient program administration.

As originally envisioned, the system would be self-administering. Over time, the complexities of the system proved too much for a laissez-faire approach, and states moved to take a more affirmative role in the administration of their laws.

Generally, the states have moved either to administer their laws through their court system, a special commission or board, or a combination of both. In Canada, administrative activities are carried out by a board. The principal areas of administration include—

- Supervision of compliance with statutory requirements for employers, employees, carriers, and medical and legal personnel.
- Investigation and decision on disputed claims and the supervision of medical and vocational rehabilitation
- Management of second injury funds, special assessment requirements.
- Collection of data and evaluation of program performance.

ADMINISTRATION—NOTICE TO EMPLOYER—CLAIMS: CHART XI

Workers' compensation laws generally are administered by commissions or boards created by law. A few states provide for court administration.

Chart XI shows statutory provisions relating to administration. These include (1) time limits in which employers must be advised of injury, (2) time in which claims must be filed, (3) claims settlement conditions, and (4) regulation of attorney fees.

EMPLOYER'S REPORT OF ACCIDENTS: CHART XII

All employers are interested in requirements legally imposed on them to report injuries, and the penalty—if any—imposed for failure to report. In many jurisdictions, except for preliminary reports, the insured's company relieves an employer of this burden. Provisions for employers' reports of accidents are summarized in Chart XII.

SECOND-INJURY FUNDS: CHART XIII

Second-injury funds (or like arrangements) were developed to meet problems arising when a pre-existing injury combines with a second to produce disability greater than that caused by the latter alone. The funds (1) encourage hiring of the physically handicapped and (2) more equitably allocate costs of providing benefits to such employees. Second-injury employers pay compensation related primarily to the disability caused by the second injury alone—even though the employee receives a benefit relating to his combined disability; the difference is made up from a second-injury fund.

Where no special second-injury fund is provided by law, an employer in whose employ a second injury is sustained usually is liable for compensation due for the total resulting disability. Because of the potential increased cost of compensation benefits, an employer thus may be influenced to refuse employment to

handicapped persons. It is for this reason that second-injury funds are advocated.

Most compensation laws now limit employer liability in second-injury cases to payment for the disability resulting from the second injury considered by itself—as shown in Chart XIII. The chart indicates the nature of the injury covered, portion payable by the employer and by the fund, and the sources of the fund.

ADMINISTRATION EXPENSES: CHART XIV

Chart XIV refers to (1) how costs of administration are met; (2) nature of assessments, if any; and (3) type of insurance provided for—whether private or state or both.

APEAL PROVISIONS: CHART XV

Appeal provisions—including designation of the court of appeal and nature of the procedures—are summarized in Chart XV. Most Canadian jurisdictions use the inquiry system and do not provide for judicial appeals.

DIRECTORY: CHART XVI

The names and addresses of the administrators, boards, and commissioners for all jurisdictions reported upon by the *Analysis* are furnished.

CHART XI

ADMINISTRATION—NOTICE TO EMPLOYER—CLAIMS

January 1, 1985

JURISDICTION	ADMINISTRATION	NOTICE TO EMPLOYER	CLAIM FILING	HOW CLAIMS ARE SETTLED	AWARD EFFECT	REVIEW BY AGENCY	MODIFICATIONS	ATTORNEY'S FEES
ALABAMA	Courts	In writing within 5 days, excusable up to 90 days	Within 2 years after accident, last payment or removal of incapacity	By agreement, which must conform substantially to terms of act unless court approves lesser sum; Disputed cases settled by courts	Lien when registered with probate judge		Award for more than 6 months at any time by agreement of parties with court approval	Filed by Circuit Court, judge up to 15% of award
ALASKA	Workers' Compensation Board	In writing to Board and employer within 30 days, excusable	Within 2 years after knowledge of disability; Within 1 year after death or 2 years after last payment	By Board	Lien recording required in 1 year; Interest and penalties accrue	By Board	Within 1 year after last payment of compensation or after rejection of claim	Filed by Board
AMERICAN SAMOA	Workers' Compensation Commission	In writing within 30 days, excusable	Disability—within 1 year after injury or last payment; Death—within 1 year after death or payment should know relation to employment	Compensation without award except in disputed cases; Disputed cases settled by Commission	Award is effective upon filing enforceable by High Court		By Commission on application or own motion within 1 year after last payment or rejection of claim; At any time in case of fraud	Subject to approval of Commissioner or High Court; Court may assess costs against party that proceeds without reasonable grounds
ARIZONA	Industrial Commission	Forthwith, excusable	Within 1 year after injury or accrual of right, excusable; Claim not barred if compensation has commenced	By Commission	Lien upon filing	By administrative law judge within 30 days	By administrative law judge on application	Commission may regulate maximum 25% of award
ARKANSAS	Workers' Compensation Commission	Within 60 days, excusable	Within 2 years after injury or death	Compensation without award except in contested claims; Disputed claims heard by Commission member or administrative law judge upon application	Preference rights of unpaid wage claims	By Commission from decision of member of administrative law judge within 30 days	By Commission with 6 months of end of compensation period except in court settlements	Sliding scale subject to approval by Commission; fees awarded in addition to compensation; Maximum \$100 on appeal to full Commission, \$250 on appeal to Court
CALIFORNIA	Division of Industrial Accidents handles administration; Appeals Board handles judicial functions	In writing within 30 days, excusable	Disability—within 1 year from date of injury or last payment; Death—within 1 year after death to 240 weeks later injury	By agreement on approval of Appeals Board which may order hearing; Disputed cases settled by Appeals Board on application	Judgment on filing in Superior Court	By Appeals Board from referee's findings	reconsideration within 20 days; no modification after 5 years	Reasonable fee filed by Appeals Board; If Court finds no reasonable basis for appeal, Appeals Board may award fees as supplementary award
COLORADO	Director, Division of Labor and Employment	Within 2 days, excusable (claimant loses one day of compensation for each day's delay)	Within 3 years after injury or death; Does not apply if compensation paid or if reasonable excuse in 5 years	By agreement approved by Director or hearing officer; Disputed claims settled by hearing officer after hearing	Judgment on filing; copy of award against uninsured employer in District Court	By Director or hearing officer within 15 days then by Industrial Commission within 15 days	By Division within 6 years from date of accident or 2 years after last payment (whichever is later)	
CONNECTICUT	Workers' Compensation Commissioners (one for each of 7 districts plus chairman and one at large)	Forthwith, excusable	Within 1 year after accident; If death results within 2 years after accident, or disease—within 2 years from accident or disease or within 1 year from death (whichever is later)	By agreement, on approval of Commission; Disputed cases settled by Commission	Judgment on filing in Superior Court; Award by preference rights of unpaid wages	By Compensation Review Division within 10 days	By Commissioner during compensation period	Subject to approval of Board
DELAWARE	Industrial Accident Board	If notice not given in 90 days no compensation due until notice of knowledge of injury	Within 2 years after injury, death, or 5 years from last payment	By agreement, on approval of Board; Disputed cases settled by Board after hearing	Preference rights of unpaid claims		By Board at any time, but no more often than once each 6 months	30% of award or \$250 (whichever is less); Reasonable fee on appeals
DISTRICT OF COLUMBIA	D.C. Office of Workers' Compensation	In writing within 30 days, excusable	Within 1 year after accident or last payment	By Mayor	Award is effective upon filing	By Mayor on application or own motion	By Mayor within 1 year after last payment or denial of claim	Approval by Mayor
DISTRICT OF COLUMBIA GOVERNMENT WORKERS	D.C. Office of Workers' Compensation	48 hours, extended for cause	Within 60 days after injury or 1 year after death, extended for cause	By Office of Workers' Compensation	Fund days award	By administrator upon own motion or application at any time	By administrator	Subject to approval by administrator
FLORIDA	Division of Workers' Compensation	In writing within 30 days, excusable	Within 2 years after injury, death, or last payment	By agreement; If Division may investigate; Upon application Division must order hearing conducted by deputy commissioner	May be filed in proper court, execution or other process in Circuit Court		By deputy commissioner on application or own motion within 2 years after last payment or claim rejection	Subject to approval of Division; deputy commissioner or court; claimant pays own fee
HAWAII	Board of Workers' Compensation	Within 30 days, excusable	Within 1 year after injury, death or medical care, or within 2 years after last payment	Compensation without award except in contested claims; Disputed claims settled by Board, Director, or administrative law judge	Judgment in Superior Court on certified copy of award	By Board on application within 30 days	By Board on application or own motion within 2 years after final payment; Final settlement may not be modified	Fees in excess of \$100 subject to Board approval; Board may assess attorney's fees against any party who proceeds without reasonable grounds or fails to provide income benefits as required
GUAM	Workers' Compensation Commission	In writing within 30 days, excusable	Within 1 year after injury, death, or last payment	Compensation without award within 14 days after knowledge of injury or death; Controversial claims are settled by the Commission	Lien against assets of carrier or employer; Enforcement of final order by Superior Court		By Commissioner within 1 year after last payment or rejection of claim, on own motion or application	Subject to approval of Commissioner or Court on review; Costs assessed against party who proceeds without reasonable grounds
HAWAII	Director of Labor and Industrial Relations	Forthwith, excusable	2 years after date on which effects of injury become manifest, but within 5 years after date of accident causing injury	Agreements must be prepared by Director in accord with law; If not agreed, Director makes award	Judgment on filing in Circuit Court	By Appellate Board within 20 days	By Director on own motion or on application of any party within 20 days but no later than 10 years after decision	Subject to approval of Director
IDAHO	Industrial Commission	In writing within 60 days after accident, excusable	Within 1 year after accident or death	By agreement, subject to approval of Commission; Disputed cases settled by Commission or member after hearing	Judgment in District Court on filing certified copy of award	By Commission within 20 days	By Commission within 5 years of accident, but no more often than once in 6 months	Subject to approval of Commission

Alaska *Burden of proof shifted to claimant if late notice excused

Ariz. *Limit on filing runs from when injury is manifest or when claimant knows should know relation to employment, tolled during incapacity

Ariz. **A lump settlement is authorized where all parties petition an immediate final settlement by the Commission; in such cases an order of the Commission is final except as to appeals to the courts, but an order of the Commission allowing or denying such petition is not appealable

Conn. *Lack of notice excused if voluntary agreement, or medical treatment within 1 year after accident

**Within 3 years after first manifestation of disease (see Chart IV)

***The 9 Commissioners comprise the Review Division (appointed in 3-member panels)

Fla. *Approved lump sum settlement final if claim initially controverted; Expires 7 1/2 yrs

Guam *7% interest on all accrued amounts of awards; Interest runs on Superior Court judgment in event of appeal

CHART XI ADMINISTRATION—NOTICE TO EMPLOYER—CLAIMS January 1, 1985 (continued)

JURISDICTION	ADMINISTRATION	NOTICE TO EMPLOYER	CLAIM FILING	HOW CLAIMS ARE SETTLED	AWARD EFFECT	REVIEW BY AGENCY	MODIFICATIONS	ATTORNEY'S FEES
ILLINOIS	Industrial Commission	Within 45 days. For radiological injury, within 90 days after employee knows or suspects that he has received an excessive dose of radiation.	Barred after 3 years from injury or death, or 2 years after last payment, whichever is later. Radiation and asbestos—within 25 years after last exposure for injury, within 1 year after death.	By agreement, subject to approval of Commission after 7 days from injury. Disputed cases settled by arbitration.	Judgment in Circuit Court on filing certified copy of award.	By Commission from decision of arbitrator within 15 days.	By Commission within 30 months of agreement or award.	Maximum 20% of compensation paid; up to 364 weeks of permanent total disability. Unreasonable or willful delay by employer or failure in payment of compensation may be penalized by payment of attorney's fees.
INDIANA	Industrial Board	In writing as soon as practicable, excusable. Compensation accrues from date of notice if given after 30 days.	Within 2 years after injury or death. Radiation—2 years after worker knows should know relation to employment.	By agreement, after 7 days from injury or at any time after death, subject to approval of Board. Disputed cases settled by Board or member on application.	Judgment in Circuit or Superior Court on certified copy of agreement or award. Preference rights of unpaid wages.	By full Board within 20 days after award.	By Board on application of own motion, within 2 years after last day for which compensation is paid.	Subject to approval of Board. Paid out of award unless paid by employer or lack of diligence in which case minimum fee is \$150.
IOWA	Industrial Commission	Within 90 days after injury unless employer has actual knowledge.	Within 2 years after injury or 3 years after last payment.	Compensation without award except in contested cases. Disputed cases settled by agreement, subject to approval of Industrial Commission.	Judgment in District Court on filing certified copy of agreement or decision.	By Commission from decision of Deputy Commissioner within 20 days.	By Commission within 3 years of award or noncommunication of settlement.	Subject to Commissioner's approval.
KANSAS	Division of Workers Compensation	Within 10 days, excusable.	Claim must be served on employer within 200 days after accident or last payment, or within 1 year after death for death within 5 years after accident. Application for hearing must be filed with Division within 3 years after accident or within 5 years after last payment, whichever is later.	By agreement, subject to approval of Director. Disputed cases settled by administrative law judge after hearing, subject to an appeal to the Director.	Judgment in District Court on filing certified copy of award.	By Director at any time before final payment, on application.	By Director, before final payment and within 1 year of prior approval, on application.	Maximum 25% of recovery of matters before Director or District Court, subject to approval of Director pursuant to written contract which must be filed.
KENTUCKY	Workers Compensation Board	In writing as soon as practicable, excusable.	Within 2 years after accident or death. If paid voluntarily, within 2 years after suspension of accident, whichever is later. Limits barred during minority or incapacity.	By agreement, subject to approval of Board. Disputed cases settled by full Board.	Judgment in Circuit Court on filing certified copy of award or approved agreement.	By Board.	By Board at any time, on application or own motion.	Subject to Board's approval. Maximum \$8,500, a \$750 maximum in uncontested occupational disease cases. Court costs and attorney's fees may be assessed against party who proceeds without reasonable grounds.
LOUISIANA	Office of Workers Compensation and Courts	Within 30 days (12 months if employer fails to post requirements), excusable.	Within 1 year after accident, death, or last payment; 2 years for delayed development of injury; 3 years from last payment in cases of partial disability.	By agreement, subject to approval of Director. Disputed cases settled by the Director.	Approved settlement entered as judgment.		By Director or court after 6 months or any time by agreement.	Subject to Director's approval, maximum 20% of award on first \$10,000 and 10 percent of any additional amount.
MAINE	Workers Compensation Commissioner	Within 30 days after injury, within 3 months after death, excusable.	Within 2 years after accident or last payment, or within 1 year after death, if mistake of fact, within a reasonable time, but no more than 10 years after last payment in any case.	Compensation without award except in contested cases. Disputed cases settled by Commission.	Decision enforceable in Superior Court by suitable process.	By a tripe commissioner, then by Appellate Division.	On application, approved lump sum is final.	Commission may assess against employer if services were necessary.
MARYLAND	Workers Compensation Commissioner	Within 10 days after injury (30 days for hernia), within 30 days after death, excusable.	Within 60 days after disability begins, excusable to 2 years; within 18 months after death. Not barred for 3 years if initiated by physician acting for employer.	By agreement, subject to approval of Commission. Disputed cases settled by Commission or arbitration committee; hearing required on application.		By Commission with arbitrator committee on application.	From final award, on application or own motion, within 5 years.	Subject to approval of Commission.
MASSACHUSETTS	Division of Industrial Accidents, under supervision of Industrial Accidents Board	In writing as soon as practicable, excusable.	Within one year after injury or death, excusable.	By agreement, subject to approval of Division. Disputed cases settled by member of Division after preliminary conference prior to hearing.	Decree in Superior Court on certified copy of agreement or decision.	By reviewing Board from decision of member.	On application at any time, limited in death cases.	Subject to approval of Division.
MICHIGAN	Bureau of Workers Disability Compensation	Within 90 days after injury, excusable.	Within 2 years after injury or death, recovery from incapacity, or after worker knows should know, relation of disease to employment.	Compensation without award except in contested cases. Disputed cases settled by administrative law judge (by Bureau if small dispute).	Judgment in Circuit Court on filing certified copy of award.	By Appeal Board within 15 days from decision of administrative law judge.		Subject to approval of Bureau based on administrative rules and schedules.
MINNESOTA	Commissioner, Department of Labor and Industry as head of Workers Compensation Division	In writing within 14 days unless employer has actual knowledge, excusable up to 180 days after mental or physical incapacity.	Within 3 years after employer's report, no more than 6 years from date of injury. Radiation—within 3 years after employee knows cause of disability.	By agreement prior to hearing. Disputed cases settled by compensation judge after hearing, subject to appeal.	Judgment in District Court on filing certified copy of award.	Appeals must be filed with Workers Compensation Court of Appeals within 30 days from decision of compensation judge.	By petition to Court of Appeals to vacate.	Approval by Division, compensation judge, or court judge not greater than 25% of \$4,000 compensation and 20% thereafter, up to a maximum fee of \$6,500.
MISSISSIPPI	Workers Compensation Commissioner	Within 30 days, excusable.	Within 2 years after injury or death.	Compensation without award except in contested cases. Disputed claims heard by Commission member or referee on application.	Lien against assets and has preference rights of unpaid wages.	By Commission within 20 days from decision of administrative judge.	By Commission on application or own motion, after payment or claim rejection.	Subject to approval of Commission or court.
MISSOURI	Industrial Commission through Division of Workers Compensation	In writing within 30 days unless employer has actual knowledge. Division notifies worker of rights.	Within 2 years after injury or death, or last payment (3 years if no report filed).	By agreement, after 7 days from injury or death, subject to approval of administrative law judge or Commission. Disputed cases settled by administrative law judge.	Judgment in Circuit Court on certified copy of memorandum of agreement or award of Division or Commission.	By Industrial Commission within 20 days.	By Commission on application or own motion, after notice and hearing.	Commission or Division may allow reasonable fee.

I: "Death from radiation must occur within 3 years from last exposure if not compensation or Bureau will in 2 years after injury, death, paid."
 J: "If employer fails to report accident within 28 days, claim must be served on employer within 1 year after accident, and application must be filed with Division within 3 years after employer reports accident; *Chadwick v. Chrysler-Plymouth Co.*, 597 P.2d 637 (Kansas S. Ct. 1975)."
 K: "Overpayments are made pending review and may be recovered in lawsuit by employer if employee resumes work. Any award or agreement may be recovered within 30 days on grounds of newly discovered evidence."
 L: "Two year period does not run until employer who has actual knowledge of injury is reported."

M: "Employer or insurer who receives completed claim form must send it to Commission immediately and may not advise claimant that claim is denied."
 N: "No claim valid unless made within 2 years after injury, manifestation of disability, or last employment, whichever is later. Deadline suspended if worker receives any disability benefits."
 O: "Employee who threatens to discharge claimant for filing claim is subject to civil suit for triple damages, costs and attorney fees."

CHART XI □ ADMINISTRATION—NOTICE TO EMPLOYER—CLAIMS □ January 1, 1985 (continued)

JURISDICTION	ADMINISTRATION	NOTICE TO EMPLOYER	CLAIM FILING	HOW CLAIMS ARE SETTLED	AWARD EFFECT	REVIEW BY AGENCY	MODIFICATIONS	ATTORNEY'S FEES
MONTANA	Division of Workers Compensation	For injuries not resulting in death within 60 days unless employer has actual knowledge	Verified claim within 12 months after accident; Division may grant additional 24 months	By agreement subject to approval of Division. Disputed cases settled by Workers' Compensation Judge	Lien on deposit of employer or insurer	By W.C. Judge 10 days to disapprove final compromise settlement	By W.C. Judge within 4 years after final award. Final compromise settlement not renewable	May be taxed by Division or W.C. Judge. Added to successful claimant's award on appeal
NEBRASKA	Workers' Compensation Court	In writing as soon as practicable, excusable	Within 2 years after injury or death, removal of incapacity or last payment. For minors within 2 years after becoming 19	By agreement with consent of insurer, but must be in accordance with Act. Disputed claims submitted to Compensation Court for hearing. Lump sums approved by Compensation Court and district court.	Judgment in District Court on filing certified copy of order of award	By Compensation Court within 14 days after order of award of Judge	By agreement, subject to approval of Compensation Court or on application after 6 months by Compensation Court.	Subject to approval of Judge of Compensation Court or Supreme Court (for lien purposes)
NEVADA	Department of Industrial Relations	Formal	Within 90 days after accident; 1 year after death	By agreement, in conformity with Act, subject to approval of insurer		By Department of Administration	Medical investigation may be conducted at any time based on changed circumstances	District Court may assess costs and attorney's fees if appeal is frivolous
NEW HAMPSHIRE	Department of Labor	As soon as practicable but no later than 2 years after date of injury	Within 2 years after injury or death and claimant knows should know of injury and relation to employment	Compensation without award except in contested cases		By Commission; Special review board for state employees	Commissioner of Labor may modify no later than 4 years after last monthly payment	Subject to approval of Labor Commissioner or court. Attorney's fees and interest to successful claimant on appeal
NEW JERSEY	Division of Workers Compensation	Within 14 days excusable up to 90 days. Separate provisions for occupational diseases	Within 2 years after accident, death, last payment, or default. Separate provisions for occupational diseases	By agreement, subject to approval of Division. Disputed cases settled by Division	On filing with county clerk has effect of County Court judgment. May be docketed in Superior Court		By agreement or on application for review within 2 years of last payment. Settlement approved by compensation judge is final and conclusive	Not over 20 percent before Division. Court may fix reasonable fee on appeal.
NEW MEXICO	Courts	In writing within 30 days excusable up to 60 days and for knowledge	Within 1 year after notice, death, or failure to pay. Time limit tolled while in same employment	By agreement, subject to approval of District Court. Disputed cases settled by court	Award is judgment		Provision only for decrease or termination	10 percent except on successful contest. Court may allow additional fee payable by employer
NEW YORK	Workers' Compensation Board	In writing within 30 days excusable	Within 2 years after accident or death. When advance payment is made claim is not barred	Compensation without award within 18 days after disability, except in contested claims. Disputed claims settled by referee or Board. Hearing is mandatory upon application	Payment within 10 days after decision except in event of appeal. Judgment on filing certified copy of award in default	Full Board review on application within 30 days after split decision	By Board at any time. Subject to special conditions	As a lien on award if approved by Board
NORTH CAROLINA	Industrial Commission	In writing within 30 days excusable	Within 24 months after accident	By agreement, after 7 days from injury or at any time in case of death, subject to approval of Commission. Disputed cases settled by Commission or member	Judgment in Superior Court on filing certified copy of agreement or decision	By Commission upon application within 15 days after award	By Commission on application or own motion within 2 years	Subject to approval of Commission. Commission may assess attorney's fees and court costs against party who proceeds without reasonable ground
NORTH DAKOTA	Workers' Compensation Bureau	None required	Within 1 year after injury or 2 years after death	By Bureau	Fund pays award and has liquidated claim against defaulting uninsured employer		By Bureau at any time on application or own motion	Determined by schedule adopted by Bureau. Trial judge fixes on appeal but must give consideration to amount allowed by Bureau
OHIO	Bureau of Workers Compensation and Industrial Commission	None required except to self-insurers	Within 2 years after accident, injury, or death	By Industrial Commission after hearing	Fund or self-insurer pays award after judgment	By regional review board, then Commission within 20 days from receipt of decision	By Commission or Bureau within 6 years after injury (no lost time) or 10 years from last payment or death (lost time)	Court fixes on appeal and in disputes. Maximum 20% of award up to \$3,000, plus 10% of balance, maximum \$1,500*
OKLAHOMA	Workers' Compensation Court and an Administrator	In writing within 30 days excusable**	Within 1 year after injury or last payment. Death claims—within 1 year after death or last payment.**	By agreement after 3-day disability, subject to approval of Workers' Compensation Court. Disputed cases settled by Court	Judgment in District Court on certified copy after 10-day default	By Workers' Compensation Court within 10 days	By W.C. Court on application or own motion at any time. May reopen case within maximum number of weeks for which award is possible	W.C. Court must approve and direct payment; 10% maximum for temporary disability; 20% maximum for permanent disability or death
OREGON	Workers' Compensation Department	In writing within 30 days excusable	Within 1 year after accident, last payment or last date of medical services	Compensation due within 14 days after knowledge of injury or death. Insurer has 60 days to accept or deny claim but must pay up to date of denial if denied after 14 days. Department makes permanent disability award	Payment on award within 30 days after order	By referee on application within 60 days; further appeal to Board within 30 days	By Board on own motion or on application of employee within 5 years	Subject to approval of hearing officer, Board or Court. Board establishes fee schedule
PENNSYLVANIA	Bureau of Workers Compensation*	Within 21 days excusable to 120 days. No compensation due until notice is given	Within 3 years after injury, death or last payment	By agreement after 7 days from injury, subject to Department approval. Disputed cases heard by Referee with appeals to Board	Judgment in court on filing award or agreement	By Appeal Board from referee's decision within 20 days	By Department on application within statutory time limits	Subject to approval of referee, Appeal Board, or court
PURTO RICO	Manager of the State Insurance Fund and Industrial Commission	None required	As soon as possible within 5 days from accident		Fund pays award		By Commission within 30 days after copy of Manager's decision is served on the employee. Reconsideration on own motion or upon petition of interested party within 10 days	No attorneys required in hearings, but if requested by employee, they are paid a percentage of the award fixed by the Commission, court, or Fund
RHODE ISLAND	Workers' Compensation Commission	In writing within 30 days excusable	Within 3 years after injury, manifestation, knowledge of injury, death, or removal of incapacity	By agreement. By Commission with appeal to full Commission	Agreement enforceable by Commission and Superior Court	By Commission within 48 hours	By Commission during compensation period or within 10 years after compensation period has ceased on own motion or on petition of either party	Subject to approval of Commission. Max. sum 15% of lump sum or structured settlements

Ne. *For occupational disease, within 90 days after knowledge of disability and relation to employment or within 1 year after death

N.J. *Based on excess over amount of award tendered in good faith a reasonable time before a hearing

Ohio *Commission must fix attorney's fees in controversies, approve method of payment, and allow a reasonable fee upon application for review. In other cases, fees are negotiated between client and attorney.

Ola. **If employer has actual notice of injury, statute of limitations is tolled until employer informs worker of right to file a claim

**Employer that discriminates against claimant is liable for damages

Pa. *Workers' Compensation Advisory Council recommends changes in administration of law

CHART XI: ADMINISTRATION—NOTICE TO EMPLOYER—CLAIMS — January 1, 1965 (continued)

JURISDICTION	ADMINISTRATION	NOTICE TO EMPLOYER	CLAIM FILING	HOW CLAIMS ARE SETTLED	AWARD EFFECT	REVIEW BY AGENCY	MODIFICATIONS	ATTORNEY'S FEES
SOUTH CAROLINA	Industrial Commission—2 divisions: judicial, Division and Administration Department	In writing as soon as practicable or within 90 days if excusable	Within 2 years after accident or 1 year after death	By agreement after 7 days from date of injury or any time in case of death, subject to approval of Commission or member after hearing upon application	Judgment in Common Pleas Court on certified copy of agreement or award	By 3-member panel within 14 days after award	To Commission on application or own motion within 12 months from last payment	Subject to approval of Commission
SOUTH DAKOTA	Division of Labor and Management	In writing as soon as practicable within 30 days if excusable	Within 2 years after notice of intention to deny coverage	By agreement, if not disapproved by Director within 20 days. Disputed cases settled by Commissioner after hearing upon application	Judgment in Circuit Court on certified copy of agreement or decision	By Labor Secretary within 10 days	By Secretary on application	Subject to approval of Director of Division of Labor and Management
TENNESSEE	Courts and Workers Compensation Division	In writing within 30 days, excusable up to 1 year	Within 1 year after accident. Dependents—within 1 year after employer's notice attending laborer	By agreement, subject to approval of Courts. Court. Disputed cases determined by Circuit Court	Judgment in Circuit Court on approved agreement		By court on application after 6 months. Award payable for more than 6 months may be modified by agreement approved by court	Subject to approval of court (maximum 20% of recovery or award)
TEXAS	Industrial Accident Board	Within 30 days if excusable	Within 1 year after injury, death, or removal of incapacity, if excusable	By agreement, in conformity to Act, subject to approval of board (compromise agreements may be approved). Disputed cases settled by Board	Collectible by suit		By board at any time during completion period on application or own motion	Subject to approval of Board (court but not to exceed 25% of recovery)
UTAH	Industrial Commission	Within 48 hours if excusable up to 1 year	Within 1 year after death or last payment. Payment of benefits after filing injury report less limitation on claiming until denial of liability	By Industrial Commission	Went from time of occurring in District Court	By Commissioner within 15 days	By Commission at any time. Award may be reviewed upon showing change within 2 years for success—if complicated 5 years	Fixed by Commissioner
VERMONT	Commissioner of Labor and Industry	In writing as soon as practicable if excusable	Within 6 months after injury, death, loss of damage, or removal of incapacity, if excusable	By agreement, in conformity to Act, subject to approval of Commissioner (compromise agreements may be approved). Disputed cases settled by Commissioner	Judgment in court, court on certified copy of agreement or award	By Commissioner on application within 6 months	By Commissioner on own motion or application at any time	Commissioner may award to successful claimant and on appeal 12% interest on certified part of award
VIRGIN ISLANDS	Commissioner of Labor	In writing within 48 hours, extendable up to 30 days. Occupational disease—within 30 days from first manifestation, extendable to 1 year	Within 60 days after injury	By Commissioner; disputed cases settled after hearing (subject to appeal to any Court of Competent Jurisdiction)	First priority lien on employer's assets	By Deputy Commissioner	By Deputy Commissioner	Subject to approval of Commissioner
VIRGINIA	Industrial Commission	In writing within 30 days	Within 2 years after accident or 2 years after death. Payment of benefits after filing injury report less limitation on claim filing	By agreement, after 10 days from injury, or at any time after death, subject to approval of Commission. Disputed cases settled by Commissioner or member after hearing upon application	Judgment in Circuit Court on certified copy of agreement or award	By full Commission within 20 days after rendition	By Commission on petition or application within 2 years of last payment, or 3 years if accrued injuries	Subject to approval of Commission
WASHINGTON	Department of Labor and Industries	Immediate	Within 2 years after physician's written notice to claimant	By Department of Labor and Industries		By Board of Industrial Insurance Appeals within 60 days on application	By Department within 7 years on application or own motion; 10 years for loss of vision claim	By Appeals Board upon application, reviewable by Superior Court
WEST VIRGINIA	Workers Compensation Commission	Immediate	Within 2 years after injury or death, disease claim—within 3 years after exposure or knowledge, whichever is later, or death extended for cause	By Commissioner; hearing upon application		By Appeals Board within 30 days or 60 days without notice	By Commissioner within set time limits on written application, subject to review by Appeals Board	Maximum fees established (up to 25% of award up to 200 weeks of benefits)
WISCONSIN	Workers Compensation Division	Within 30 days if excusable	Within 2 years after injury or death. Excusable if employer aware of disability. All rights barred after 12 years from injury, death, or last payment	By payment of amount due. Compromise subject to review by Department within 1 year. Disputed cases settled by Department	Judgment in Circuit Court on certified copy of award	By Commissioner within 21 days from examiner	By Commission on its own motion within 21 days. Compromises may be modified within 1 year. If occupational disease, subject to review within 6 years	Limited to 20% of amount in dispute. If admitted liability, not to exceed 10% or \$100
WYOMING	Courts and Division of Workers Compensation	Within 24 hours (also within 21 days to the court) if excusable	Within 1 year after injury or discovery of injury not readily apparent	By District Court with right of jury trial in certain cases			By court within 2 years of piling time payments are made on application	Reasonable fee as allowed by court
F.E.C.A.	Division of Federal Employees Compensation, D.W.C.P., U.S. Department of Labor	48 hours, extended for cause	Within 60 days after injury or 1 year after death, extended for cause	By Division	Fund pays award	By Secretary of Labor on own motion or application at any time	By Secretary of Labor or Employees Compensation Appeals Board on review	Subject to approval by Division or Appeals Board
LONGSHORE ACT	Division of Longshore and Harbor Workers Compensation, L.W.C.P., U.S. Department of Labor	Within 30 days	Within 1 year after injury or death	By Deputy Commissioner (by agreement) or administrative law judge (formal hearing)	Award is effective on filing	By Deputy Commissioner upon own motion or application and by Benefits Review Board on Appeal	By Deputy Commissioner or court on review	Approval by Deputy Commissioner, court, or Review Board where service given

* Modification of award due to aggravation or recurrence of injury may be based on earnings and benefits in effect at that time.
 Tenn. *Tennessee Claims Commission administers claims by State employers.
 Texas *Employer who discriminates against claimant is liable for damages.
 Utah *Claim must be filed within 6 years after injury.
 Wash. *Provision is made for recoupment of benefits paid through mistake or fraud.
 W. Va. *Within 2 years for fatal or non-fatal cases; 5 years for temporary total disability or in cases of no awards.

CHART XI □ ADMINISTRATION—NOTICE TO EMPLOYER—CLAIMS □ January 1, 1985 (continued)

JURISDICTION	ADMINISTRATION	NOTICE TO EMPLOYER	CLAIM FILING	HOW CLAIMS ARE SETTLED	AWARD EFFECT	REVIEW BY AGENCY	MODIFICATIONS	ATTORNEY'S FEES
ALBERTA	Workers Compensation Board	As soon as practicable	Within 1 year after injury or death, excusable	By Claims Adjudicator	Fund pays award	By review committee on request; then by full Board at any time	By Board at any time or application of own motion	
BRITISH COLUMBIA	Workers Compensation Board	As soon as practicable	Within 1 year after injury, death, or disablement by disease, excusable ¹	By Board	Fund pays award	By Board of Review within 90 days. From Board of Review to commissioners of the Board within 60 days	By Board at any time	Board may award expenses of proceeding to successful party ²
MANITOBA	Workers Compensation Board	In writing as soon as practicable but no later than 30 days, excusable	Within 12 months after accident or death, excusable	By Claims Adjudicator	Fund pays award	At any time	By Board	(+)
NEW BRUNSWICK	Workers Compensation Board	As soon as practicable	Within 1 year after injury or 6 months after death, excusable	By Board	Fund pays award	At any time	By Board ¹	
NEWFOUNDLAND	Workers Compensation Commission	As soon as practicable	Within 6 months after injury or death	By Commission	Fund pays award	At any time	By Commission	
NORTHWEST TERRITORIES	Workers Compensation Board	As soon as practicable	Within 1 year after injury or death, excusable if as soon as practicable, maximum 3 years after death	By Board	Fund pays award	At any time	By Board	
NOVA SCOTIA	Workers Compensation Board	As soon as practicable	Within 6 months after injury or death, excusable	By Board	Fund pays award	At any time	By Board at any time or Workers Compensation Appeal Board within 1 year	(+)
ONTARIO	Workers Compensation Board	As soon as practicable	Within 6 months after injury or death	By Board	Fund pays award	At any time	By Board	
PRINCE EDWARD ISLAND	Workers Compensation Board	As soon as practicable	Within 6 months after injury or death	By Board	Fund pays award	At any time	By Board ¹	
QUEBEC	Commission de la Santé et de la Sécurité du Travail	As soon as practicable	Within 6 months after injury or death	By Commission	Fund pays award	At any time	By Commission	
SASKATCHEWAN	Workers Compensation Board	As soon as practicable, excusable	Within 6 months after injury or death, excusable	By Board	Fund pays award	At any time	By Board	(+)
YUKON TERRITORY	Workers Compensation Board	As soon as practicable	Within 1 year after injury or death, excusable if proof of disability or death is furnished within 3 years after accident and claim is a just one	By Board	Fund pays award	By Board at any time	By Board	
CANADIAN MERCHANT SEAMEN'S ACT	Merchant Seamen Compensation Board	As soon as practicable	Within 6 months after injury or death, excusable	By Board	Judgment in county district or Quebec Superior Court or certified copy of award	At any time	By Board	Board may award expenses of proceeding to successful party

¹Modification of award due to aggravation or recurrence of injury may be based on earnings and benefits in effect at that time.

B.C. ²After 3 years, compensation is payable only from date of filing.
³Government-appointed advisors handle workers' and employers' claims.

Man. ¹Government-appointed adviser handles workers' claims.
 N.S. ¹Gov.-in-Council may appoint counselor to assist claimants.
 Sask. ¹Government-appointed adviser handles workers' claims.

CHART XII

EMPLOYER'S REPORT OF ACCIDENTS

January 1, 1985

JURISDICTION	KEEPING OF ACCIDENT RECORDS BY EMPLOYER ¹	REPORTING REQUIREMENTS ²		PENALTIES FOR FAILURE TO REPORT		
		INJURIES COVERED	TIME LIMIT	FINES		IMPRISONMENT
				MAXIMUM	MINIMUM	
ALABAMA	Required	Death or disability exceeding 3 days	Within 15 days			
ALASKA	Required	Death or injury or disease or infection	Within 10 days			
AMERICAN SAMOA	Required	Injury or death	Within 10 days	\$500		
ARIZONA	Not required	All injuries	Immediately and as required			Petty offense
ARKANSAS	Required	Injury or death	Within 10 days and as required	100		
CALIFORNIA	Required	Death cases or serious injuries	Immediately	100	25	
		1 day or more than first aid	As prescribed			
		Occupational diseases or periodic poisoning	Within 5 days			
COLORADO	Required	Death cases	Immediately	100 per day		
		All injuries causing lost time of 3 days or more ³	Within 10 days			
CONNECTICUT	Required	Disability of 1 day or more	7 days or as ordered	250		
DELAWARE	Required	Death cases or injuries requiring hospitalization	Within 48 hours ⁴	100	25	Up to 20 days
		Other injuries	Within 10 days ⁵			
DISTRICT OF COLUMBIA	Required	All injuries	Within 10 days	1,000		
FLORIDA	Required	Death cases	Within 24 hours ⁶	100		
		All injuries	Within 10 days and as required ⁷			
GEORGIA	Required	All injuries requiring medical or surgical treatment or causing over 7 days absence	Within 10 days ⁸	100 ⁹		
GUAM	Required	Injury or death	Within 10 days ¹⁰	500 ¹¹		
HAWAII	Required	Death cases	Within 48 hours	100		Up to 90 days
		1 day of absence	Within 7 days			
IDAHO	Required	All injuries requiring medical treatment or causing 7 days absence	As soon as practicable but not later than 10 days after the accident ¹²	300		Up to 6 months
ILLINOIS	Required	Death cases or serious injuries	Within 2 working days	200	100	Misdemeanor
		Disability of over 1 day	Between 15th and 25th of month			
		Permanent disability	Soon as determinable			
INDIANA	Required	Disability of 1 day or more	Within 7 days ¹³	500		
IOWA	Required	Disability of more than 3 days	Within 4 days	100	100	
KANSAS	Not required	Death cases	Within 28 days	0		
		Disability of 1 day or more	Within 28 days			
KENTUCKY	Required	Disability of more than 1 day	Within 7 days ¹⁴	25		
LOUISIANA	Required	Lost time over 1 week or death	Within 10 days			
MAINE	Not required	All injuries	Within 7 days	100		
MARYLAND	Not required	Disability of more than 3 days	Within 10 days	50		
MASSACHUSETTS	Required	All injuries	Within 48 hours ¹⁵	100		
MICHIGAN	Required	Death cases, disabilities of 7 days or more, and specific losses	Immediately			
MINNESOTA	Required	Death or serious injury	Within 48 hours	200		
		Disability of 3 days or more	Within 14 days			
MISSISSIPPI	Required	Disability of one day or working shift	Within 10 days	100 ¹⁶		
MISSOURI	Not required	Death or injury	Within 10 days ¹⁷	500	50	1 week to 1 year
MONTANA	Required	All injuries	Within 6 days ¹⁸			
NEBRASKA	Required	Death cases ¹⁹	Within 48 hours	1,000 ²⁰		Up to 6 months
		All injuries ²¹	Within 7 days ²²			
NEVADA	Required	All injuries	Within 6 working days	250 each failure		
NEW HAMPSHIRE	Required	All injuries	Within 5 days	100	25	
NEW JERSEY	Required	All injuries ²³	Immediately	50	10	

¹Federal Occupational Safety and Health Act of 1970 established uniform requirements and forms to meet its criteria for all businesses affecting interstate commerce to be used for statistical purposes and compliance with the Act. 12 U.S.C. §65.

²Supplemental report required after 60 days or upon termination of or upon termination of disability.

³Attending physician also required to make periodic reports to Board.

⁴Supplemental report within 24 hours after returning to work or knowledge that worker is able to return.

⁵Alaska 70% of unpaid amounts due. Supplemental report due within 1 year after injury, then annually or after final payment.

⁶Am. Samoa: Employer must also notify Commissioner upon first payment and suspension of payment, and within 16 days after final payment.

⁷Calif.: To Safety Division in form required by federal Occupational Safety and Health Act.

⁸Colo.: Failure to report loses time limit for claims. Disability of less than 3 days must be reported to insurer.

⁹Del.: Supplemental report due on termination of disability.

¹⁰Fla.: Report to carrier within 7 days; to Division within 10 days if injury caused employee to lose 7 or more days. Supplemental report within 30 days after final payment.

¹¹Guam: Failure to report loses time limit for claims. Failure to report loses time limit for claims. Failure to report loses time limit for claims.

¹²Idaho: Supplemental report on first payment and suspension of payment, and within 30 days after final payment. For each refusal or willful neglect to report.

¹³Iowa: Failure to report loses time limit for claims. Failure to report loses time limit for claims.

¹⁴Kentucky: Supplemental report within 10 days after termination of compensation period.

¹⁵Mass.: Failure to report loses time limit for claims. *Chidress v. Chidress Printing Co. 1979*.

¹⁶La.: Employers with more than 10 employees must also report within 90 days after death, illness or injury causing loss of consciousness, restriction of work or motion, job transfer, or medical treatment other than first aid. Violation is misdemeanor subject to fine up to \$500.

¹⁷Miss.: Added to compensation.

¹⁸Mont.: Supplemental report within 1 month after original notice to Division.

¹⁹Nebr.: Insurance carrier also required to report (by rule).

²⁰Neb.: Report may be made by insurance carrier or employer. Failure to report loses time limit.

²¹N.J.: Uninsured employers are required to report compensable injuries only. If insured, carrier is also required to make report.

CHART XII **EMPLOYER'S REPORT OF ACCIDENTS** **January 1, 1984** (continued)

JURISDICTION	KEEPING OF ACCIDENT RECORDS BY EMPLOYER	REPORTING REQUIREMENTS ¹		PENALTIES FOR FAILURE TO REPORT		
		INJURIES COVERED	TIME LIMIT	FINES		IMPRISONMENT
				MAXIMUM	MINIMUM	
NEW MEXICO	Required	Compensable injuries ²	Within 10 days	\$100	\$ 25	
		All injuries ³	Within 30 days			
NEW YORK	Required	Disability of 1 day or more or requiring medical care beyond two first aid treatments	Within 10 days	500		
		All injuries	As required			
NORTH CAROLINA	Required	Disability of more than 1 day	Within 5 days ²	25	5	
NORTH DAKOTA	Not required	No statutory provision				
OHIO	Required	Injuries causing 7 days total disability or more	Within 1 week	250		Up to 30 days
OKLAHOMA	Required	All injuries causing lost time or requiring treatment away from worksite	Within 10 days or a reasonable time	500		
OREGON	Required	All serious injuries	Within 5 days	(-)		
PENNSYLVANIA	Required	Death cases	Within 48 hours	100		Up to 30 days
		Disability of 1 day or more	After 7 days but not later than 10 days			
PUERTO RICO	Required	All injuries	Within 5 days	100		
RHODE ISLAND	Not required	Death cases	Within 48 hours	50		
		Disability of 3 days or more	Within 10 days ²			
SOUTH CAROLINA	Required	All injuries requiring medical attention	Within 10 days ²	50	10	
SOUTH DAKOTA	Required	(-)	Within 10 days	100		Or 30 days
TENNESSEE	Not required	Disability of 7 days or more	Within 14 days	100	50	
TEXAS	Required	Disability of more than 1 day	Within 8 days ²	500		
UTAH	Required	All injuries	Within 1 week	500		
VERMONT	Required	Disability of 1 day or more or requiring medical care	Within 72 hours ²	25		
VIRGIN ISLANDS	Required	Injury or disease	Within 8 days	500		Up to 6 months
VIRGINIA	Required	All injuries	Within 10 days ²	250		
WASHINGTON	Not required	All injuries requiring medical attention	Immediately	\$100 per offense		
WEST VIRGINIA	Not required	All injuries	Within 5 days			
WISCONSIN	Required	Disability beyond 3-day waiting period	Within 4 days	100	10	
WYOMING	Required	All injuries	Within 10 days	100		Up to 6 months
F.E.C.A.	No provision	Death or probable disability	Immediately			
LONGSHORE ACT	Required	All accidents	10 days	500		
ALBERTA	Required	Disability of 1 day or more or requiring medical aid not covered by Alberta Health Care Insurance	72 hours ^{3,4}	100	100 per day	
BRITISH COLUMBIA	No provision	Death cases	Immediately	(-)		
		All injuries	3 days ²			
MANITOBA	No provision	All injuries	3 days ^{2,4}	500 ¹	50	
NEW BRUNSWICK	No provision	All injuries that disable or require medical aid	3 days ^{2,4}	50		
NEWFOUNDLAND	No provision	All accidents that disable or require medical aid	3 days	500 ¹		Or up to 3 months or both
NORTHWEST TERRITORIES	No provision	All accidents and deaths	3 days ^{2,1}	250		
NOVA SCOTIA	No provision	All accidents that disable or require medical aid	3 days ²	50		
ONTARIO	Required	All accidents that disable or require medical aid	3 days ^{2,4}	250 ¹	25 ¹	
PRINCE EDWARD ISLAND	No provision	All accidents that disable or require medical aid	3 days	100	10 per day	
QUEBEC	Required for minor injuries	All accidents that disable or require medical aid	2 working days		300 plus fees	
SASKATCHEWAN	No provision	All accidents	3 days ²	500 ¹		
YUKON TERRITORY	First aid cases	All accidents in which workman is injured	3 days ¹	1,000		Failure to pay penalty, imprisonment of 6 months to 1 year in aggregate
CANADIAN MERCHANT SEAMEN'S ACT	No provision	All accidents that disable or require medical aid	60 days	500		Up to 12 months

N.M. ¹To the State Labor Commission;

²To the Insurance Department of the State Corporation Commission.

N.Y. ¹Also required to provide written statement of right under Act to injured employee or dependent, if deceased.

Or: ²25% additional compensation plus attorney's fees.

R.I. ¹Supplemental report upon termination of disability.

S.D. ¹Any injury requiring treatment other than first aid or which incapacitates employee for at least 7 calendar days.

B.C. ¹Employer may be liable for full cost of claim.

Man. ¹Plus 50% of compensation payable.

Nfld. ¹Claim may be charged against employer's experience for failure to notify.

N.W.T. ¹Supplemental report within 7 days after return to work or knowledge that worker is able to return.

Ont. ¹Employer may also be liable for additional fine up to \$200 payable to court.

Sask. ¹Plus percentage of assessment.

CHART XIII

SECOND-INJURY FUNDS

January 1, 1985

JURISDICTION	INJURIES COVERED	PAYABLE BY EMPLOYER	PAYABLE BY FUND	SOURCE OF FUND	SPECIAL PROVISIONS
ALABAMA	Second injury which combined with prior permanent partial disability results in permanent total disability.	Disability caused by second injury.	Diff. and excess between compensation payable for second injury and permanent total disability.	Survivor death cases.	Employer must have knowledge of prior disability affecting employment.
ALASKA	Second injury which added to pre-existing permanent physical impairment results in substantially greater disability than from second injury alone.	Disability caused by second injury up to 104 weeks.	Compensation in excess of 104 weeks.	Up to 6% of compensation payable to fund \$10,000 in no-dependency death cases; over 6% thereafter.	Vocational rehabilitation expense payable from fund. Physical impairment at onset of wound support an award of 200 weeks or more.
AMERICAN SAMOA	Second injury which combined with prior permanent impairment results in death or compensable disability greater than from second injury alone.	Benefits for first 104 weeks.	Benefits beyond first 104 weeks.	\$1,000 in no-dependency death cases; but fines and penalties.	Employer must have prior knowledge of disability.
ARIZONA	Second injury involving loss of use of member or eye which added to pre-existing loss of use of member or eye results in permanent total disability. Also application of a pre-existing disease or condition whether or not work related.	Disability caused by second injury.	Difference between compensation payable for second injury and compensation for combined disability. If earning capacity is reduced by more than 50% fund pays half of award for reduced capacity in excess of 50%.	\$1,150 in no-dependency death cases. Commission may accrue up to 1-1/2% of yearly premiums in special fund to keep fund actuarially sound.	For application of pre-existing condition combined disability must be greater than 40%. Payments are also made from fund for vocational rehabilitation.
ARKANSAS	Second injury which added to pre-existing permanent partial disability or impairment results in additional disability or impairment greater than from second injury alone.	Disability caused by second injury.	Difference between compensation payable for second injury and permanent disability.	\$1,000 in no-dependency death cases; \$500 to second injury fund and \$500 to Permanent Total Disability and Death Fund; added penalty of 15% of benefits if due to employer's violation of health or safety regulations. Portion of premium tax.	Employer liable for combined disability of both injuries in same employment.
CALIFORNIA	Second permanent partial injury which added to pre-existing permanent partial disability results in 75 percent or more permanent disability. Second injury must account for 31 percent.	Disability caused by second injury.	Difference between compensation payable for second injury and permanent disability.	Legislative appropriations and \$50,000 in each no-dependency death case or unpaid balance.	Payments are made by State Compensation Insurance Fund.
COLORADO	Second injury which added to pre-existing permanent partial disability results in permanent total disability.	Disability caused by second injury.	Difference between compensation payable for second injury and permanent total disability.	\$15,000 in no-dependency or partial-dependency cases.	Amount payable by fund is limited to 1/2 of average wage loss in case employee obtains employment while securing benefits.
CONNECTICUT	Second injury or disease which added to pre-existing injury, disease or congenital causes results in permanent disability greater than from second injury alone.	Benefits for first 104 weeks; less compensation payable for prior disability.	Benefits beyond first 104 weeks; less compensation payable for prior disability.	Tax equal to 3-1/2% of compensation paid by carriers and self-insurers during preceding calendar year plus fines.	Tax imposed each time fund balance is reduced to \$500,000.
DELAWARE	Second injury or disease which added to existing permanent injury from any cause results in permanent total disability.	Disability caused by second injury.	Difference between compensation payable for second injury and permanent disability.	Tax of 2% of premiums received on insurance carriers and equivalent charge on self-insurers.	Payments suspended when fund reaches \$750,000 and resumed when below \$250,000.
DISTRICT OF COLUMBIA	Second injury or disease which added to pre-existing injury, disease or congenital causes results in permanent disability greater than from second injury alone.	Disability caused by second injury for first 104 weeks and first \$1,000 medical expenses.	Difference between compensation payable for second injury and permanent disability.	\$5,000 in no-dependency death cases or unpaid award. Pro-rata assessments upon carriers and self-insurers based on paid losses. Fines and penalties.	
FLORIDA	Second injury or disease which merges with previous permanent physical impairment and results in substantially greater disability than from the second injury alone.		Fund reimburses employer for 80% of impairment benefits; 80% of wage-loss benefits during first 5 years after maximum medical improvement and 75% thereafter. 80% benefits after 175 weeks; 75% of death benefits and funeral expenses; and 50% of first \$10,000 in temporary disability and medical benefits and 100% beyond \$10,000.	Pro-rata annual assessment upon net premiums of insurers and self-insurers.	Assessment must equal sum of immediate past 3 years' disbursements.
GEORGIA	Second injury or disease which merges with prior permanent physical impairment and results in greater disability than from second injury alone.	Disability caused by second injury for first 104 weeks.	Employer reimbursed for 50% of medical expenses in excess of \$5,000 up to \$10,000 and 100% of medical expenses in excess of \$10,000; but income benefits beyond 104 weeks.	Assessments on carriers and self-insurers proportionate to 175% of disbursements from fund to annual compensation benefits paid; in no-dependency death cases, 1/2 of benefits payable or \$10,000 whichever is less.	Employer must have prior knowledge of impairment. Assessments may be reduced or suspended when no funds are available.
GUAM	Second injury which combined with a previous disability causes permanent disability.	Disability caused by second injury.	Difference between compensation payable for second injury and permanent total disability.	State fund (appropriation).	
HAWAII	Second injury which added to pre-existing disabilities results in greater permanent disability, permanent total disability, or death.	Disability benefits for first 104 weeks.	Benefits beyond first 104 weeks.	\$2,775 in no-dependency death cases; and unpaid balance of compensation due in permanent total and permanent partial disability cases; in no-dependency death cases, 1/4 premium tax on insurers and self-insurers.	Premium tax suspended when balance exceeds \$200,000; resumed when below \$100,000.
IDAHO	Second injury which combined with prior permanent physical impairment results in permanent total disability.	Disability caused by second injury.	Difference between compensation payable for second injury and permanent disability.	Amount equal to 4% of award for scheduled or unscheduled injuries and \$5,000 in no-dependency death cases.	When fund exceeds \$500,000 excise may be suspended or reduced.
ILLINOIS	Second injury involving loss of loss of use of hand, arm, foot, leg, or eye which added to pre-existing loss of member results in permanent total disability.	Disability caused by second injury.	Difference between compensation payable for second injury and permanent total disability.	Semi-annual employer payment of 125% of compensation payments.	When fund reaches \$500,000 amount payable into fund reduced by 1/2. When fund reaches \$600,000 payments cease. When fund reduced to \$400,000 payment resumed.
INDIANA	Second injury involving loss of loss of use of hand, arm, foot, leg, or eye which added to pre-existing loss of loss of use of member results in permanent total disability.	Disability caused by second injury.	Difference between compensation payable for second injury and permanent total disability.	1% of compensation paid by insurers and self-insurers during preceding calendar year.	Payments suspended when fund reaches \$400,000.

Alaska: *Pre-existing disability must support 25% earnings loss or 90 weeks of benefits.

†Employer is liable in full if second injury is permanent and total without relation to prior injury.

California: *Second injury must account for 35% unless prior disability involved a major member and second injury was to opposite and corresponding member and accounts for at least 5%. No benefits payable for subsequent unrelated noncompensable injury.

CHART XIII □ SECOND-INJURY FUNDS □ January 1, 1985 (continued)

JURISDICTION	INJURIES COVERED	PAYABLE BY EMPLOYER	PAYABLE BY FUND	SOURCE OF FUND	SPECIAL PROVISIONS
IOWA	Second injury involving loss of or loss of use of member or eye which added to pre-existing loss or use of member results in permanent disability.	Disability caused by second injury.	Difference between compensation payable for second injury and permanent disability less value of previous loss of member or organ.	\$2,000 in dependent death cases; \$5,000 in no-dependency death cases; any contributions by the United States; payments due but not paid to non-resident alien dependents; and sums recovered from third parties.	Payments suspended when fund reaches \$500,000; resumed when below \$300,000.
KANSAS	Second injury related to 17 types of handicap as listed in statute—any physical or mental impairment.	Difference between fund payment and maximum award.	Compensation to the extent pre-existing handicap contributed to second injury.	\$18,500 from employer; in no-dependency death cases; and pro-rata annual assessments upon carriers and self-insurers based on losses.	Laboratory oversees adequacy of workers' compensation fund; administered by Insurance Commissioner; Employer must prove knowledge of prior disability.
KENTUCKY	Second injury or disease which added to prior disability or condition results in permanent disability greater than from second injury alone.	Disability caused by second injury or permanent condition.	Difference between compensation payable for second injury and greater disability less amount paid for prior injury.	3.4% premium tax on carriers and self-insurers for administration and actuarial assessment based on need.	
LOUISIANA	Second injury which combined with prior permanent partial disability results in disability greater than from second injury alone or in death.	Total disability benefits for first 104 weeks; in death cases first 175 weeks; 40% of partial disability benefits; 50% of first \$10,000 medical benefits.	Employer reimbursed for balance of benefits.	1% premium tax on carriers and self-insurers; minimum \$10.	Tax reduced when fund reaches \$1,000,000; suspended when fund exceeds 200% of disbursements; resumed when below 125% of disbursements.
MAINE	Second injury caused by accident, disease or congenital condition which added to pre-existing impairment results in permanent total disability.	Disability caused by second injury.	Fund reimburses employer for difference between compensation payable for second injury and permanent total disability.	In no-dependency death cases: 100% SAWW.	
MARYLAND	Second injury which combined with a pre-existing permanent impairment due to accident, disease or congenital condition results in a greater combined disability constituting a hindrance to employment.	Disability caused by second injury.	If permanent disability exceeds 50% of the body as a whole, employer is entitled to additional compensation for the full disability from the Suspendent Injury Fund. Prior injury and second injury must each be compensable for at least 125 weeks.	5% of compensation paid for disability, death or settlements.	Payments suspended when fund reaches \$1,000,000; resumed when below \$500,000.
MASSACHUSETTS	Second injury which added to pre-existing physical impairment results in substantially greater disability or death. Pre-existing disability must support 25% earnings loss or 90 weeks of benefits.	Benefits for first 104 weeks.	Employer reimbursed for part of benefits after first 104 weeks.	\$500 in no-dependency death cases and additional \$500 in every death case; unpaid balance of scheduled award.	Pro-rata assessment based on losses paid during preceding year by carriers and self-insurers.
MICHIGAN	Second injury involving loss of member or eye which added to pre-existing loss of member results in permanent total disability.	Disability caused by second injury.	Difference between compensation payable for second injury and permanent total disability.	Assessments on carriers and self-insurers proportional to 175% of disbursements from fund to annual compensation benefits paid.	Fund is credited with any balance in excess of \$200,000.
MINNESOTA	Second injury that results in substantially greater disability than would have resulted from second injury alone.	Disability caused by second injury.	Employer reimbursed for disability after 52 weeks; medical after \$2,000; if second injury results in permanent partial disability, fund pays difference between compensation payable for second injury and greater disability.	\$25,000 in no-dependency death cases; 20% of compensation for injuries; 6.71 through 12.31% percentage of indemnity benefits for earlier injuries; assessment based on various factors for injuries occurring 11.84 contain penalties.	Commissioner determines assessment base and rate dependent on fund's financial position and increasing up to 12% annually.
MISSISSIPPI	Second injury involving loss of or loss of use of member or eye which added to pre-existing loss or loss of use of member or eye results in permanent total disability.	Disability caused by second injury.	Difference between compensation payable for second injury and permanent disability.	\$500 in no-dependency death cases; \$300 in dependency cases; Commission may transfer up to \$100,000 from Administrative Expense Fund.	150 payments suspended when fund reaches \$250,000 and until reduced to \$50,000.
MISSOURI	Second injury resulting in permanent partial disability which compounds either a greater permanent partial or a permanent total disability.	Disability caused by second injury.	Difference between compensation payable for second injury and compounded disability.	20% of 3% premium tax; Payment by carriers or self-insurers of 1.2 percent of total compensation paid.	
MONTANA	Second injury which combined with prior permanent physical impairment results in death or disability.	Benefits for first 104 weeks.	Employer reimbursed after first 104 weeks.	\$1,000 paid by employer; insurers or accident fund in every death case; Carriers and self-insurers assessed 5% of losses paid in preceding year.	Division must certify unemployed worker as vocationally handicapped.
NEBRASKA	Second injury which combined with pre-existing disability causes substantially greater disability. Pre-existing disability must support 25% earnings loss or 90 weeks of benefits.	Disability caused by second injury.	Difference between compensation payable for second injury and previous disability.	1% premium tax on carriers or self-insurers (\$25 minimum) payable to Workers' Compensation Court.	Payments suspended when fund reaches \$400,000; Assessment (1%) when fund reduced to \$200,000.
NEVADA	Second injury which combined with any previous permanent physical disability causes substantially greater disability.	Compensation allocated between insurer and fund.	Compensation allocated between insurer and fund.	Subsequent Injury Fund in state treasury.	Compensable claim considered excess loss in calculation of employer's experience rating; Employer must prove knowledge of prior impairment.
NEW HAMPSHIRE	Second injury which combined with any pre-existing disability results in substantially greater disability.	Benefits for first 104 weeks.	Employer reimbursed after first 104 weeks.	Assessment against carriers and self-insurers proportional to total benefits paid by all carriers.	
NEW JERSEY	Second injury resulting in permanent partial disability which added to pre-existing partial disability, compensable or not, results in permanent total disability.	Disability caused by compensable injury.	Difference between compensation payable for second injury and permanent total disability.	Carriers and self-insurers assessed pro-rata for 15% of payments made from fund as it bears to total compensation paid during preceding year; Annual assessments paid quarterly.	When fund balance exceeds \$1,250,000 up to \$50,000 per year may be applied toward administration costs of Division.
NEW MEXICO	Second injury which added to pre-existing disability results in permanent disability greater than from second injury alone or second injury resulting in death.	Liability apportioned by judicial determination.	Liability apportioned by judicial determination.	\$1,000 in no-dependency death cases; Employer or insurer pays quarterly assessment up to 1% of compensation paid during quarter; exclusive of medical benefits and attorney's fees.	

¹In death cases it must be established that either the injury or the death would not have occurred except for such pre-existing permanent physical impairment. Permanent physical impairment means any permanent condition due to previous accident, disease or congenital condition which is likely to be a hindrance to employment.

²Can: Employer may file description of prior impairment to create presumption of prior knowledge.

³La: Permanent partial disability means any permanent condition due to injury, disease or congenital causes which is likely to be a hindrance to employment. Certain scheduled conditions are presumed to be permanent partial disability if employer had prior knowledge.

⁴Mich: Compensation to certified vocationally handicapped persons payable from fund after 104 weeks.

⁵Minn: If injury, disability or death would not have occurred but for the preexisting impairment, the fund pays all benefits (except for a cardiac condition impairment of at least 10% of the whole man, or as prescribed by law).

⁶Nev: Pre-existing disability must support a rating of 12% or more of the whole man based on A.M.A. guides which is likely to be a hindrance to employment.

⁷Fund is composed of assessments, penalties, bonds, securities, and all other property collected by administrative Division of Industrial Insurance Regulation.

CHART XIII — SECOND-INJURY FUNDS — January 1, 1985 (continued)

JURISDICTION	INJURIES COVERED	PAYABLE BY EMPLOYER	PAYABLE BY FUND	SOURCE OF FUND	SPECIAL PROVISIONS
NEW YORK	Second injury involving loss of loss of use of member or eye which added to pre-existing injury results in permanent total disability; second injury which added to pre-existing loss of partial loss of member or eye or other permanent physical impairment (all resulting from a dust disease) results in disability greater than from second injury alone or second injury of disease resulting in death which is caused by pre-existing disability.	Benefits for first 104 weeks.	Employer reimbursed after first 104 weeks.	Assessments against carriers and self-insurers proportional to compensation payments made by employers.	Employer or insurer pays awards and medical expenses, but is reimbursed from special disability fund for benefits after first 104 weeks.
NORTH CAROLINA	Second injury involving loss of member or eye which added to pre-existing injury results in permanent total disability, provided the original and increased disability were 20% or more of the entire member.	Disability caused by second injury.	Difference between compensation payable for second injury and permanent total disability.	Assessments against employer or insurers for each permanent partial disability, up to \$50 for a minor member and \$200 for a major member (currently \$25 and \$100, respectively).	
NORTH DAKOTA	Second injury or aggravation of any previous injury or condition which results in further disability.	Disability caused by second injury.	Percent attributable to aggravation of second injury.	Benefit Fund.	Compensation in excess of amount chargeable to second injury is charged to general fund.
OHIO	Second injury which aggravates pre-existing disease or condition (24 types of handicaps as listed by statute), resulting in death, temporary or permanent total disability, and disability compensable under a special schedule.	Disability attributable to injury or occupational disease sustained in employment.	Amount of disability or proportion of cost of death award determined by Industrial Commission to be attributable to employee's pre-existing disability.	Reserve set aside out of statutory surplus funds.	In the case of a self-insuring employer, excess payments are made from the surplus fund. In case of Commission in the case of State Fund employer, compensation in excess of amount chargeable to second injury is charged to surplus fund.
OKLAHOMA	Second injury to "physically impaired person" which results in additional permanent disability greater than from second injury alone.	Disability caused by second injury.	Difference between compensation payable for second injury and compensation for combined injuries.	2% of permanent disability losses by carriers, state fund, and self-insurers; and 2% of awards for permanent disability by employers.	Permanent total awards are payable by the fund for 5 years or until age 65, whichever is longer.
OREGON	Injury caused by pre-existing condition (may be congenital) or which combined with pre-existing condition results in greater permanent disability.	First \$1,000 claims cost and portion of claim for which rate not granted are charged to employer's loss experience.	Claims cost above \$1,000 and percentage of balance for which Department grants rate.	Employer and worker each pay 3¢ per worker per day.	Reimbursement from fund subject to fund available. Amount of reimbursement not recoverable. Settlement of claim requires Department approval if involves reimbursement.
PENNSYLVANIA	Second injury involving loss of loss of use which added to pre-existing loss of loss of use of member results in permanent total disability.	Scheduled benefits as a result of second injury.	Nothing compensation due for total disability.	Assessments against carriers and self-insurers proportional to compensation payments.	Payments are made directly by the Department.
PUERTO RICO	Second injury which aggravates or supplements any former disability.		Job injury not caused by work accident is compensated in addition to second injury. Compensation for prior job injury is deducted from compensation payable for total disability, except where combined injury results in permanent total disability which is compensated as such.	Insurance premiums.	The difference between expenditures by the Industrial Commission and the Manager of the State Insurance Fund and the maximum budget allotment are placed in the Reserve Fund for catastrophes except for medical expense surpluses, maximum \$1 million.
RHODE ISLAND	Second injury which merges with pre-existing work-related disability resulting in greater disability or death.	Benefits for first 104 weeks.	Employer reimbursed after first 104 weeks.	2-3.4% tax on gross premiums collected by insurers and comparable tax on self-insurers, plus \$750 in no-dependency death cases, and certain penalties.	Employer must prove knowledge of prior injury unless employee failed to disclose. Tax may be reduced when fund reaches \$2 million.
SOUTH CAROLINA	Second injury which added to any previous permanent physical impairment results in substantially greater disability or death.	Disability caused by second injury for first 78 weeks; compensation and medical care.	Employer reimbursed for all benefits after 78 weeks, plus 50% of medical payments over \$3000 during first 78 weeks.	Pro-rata assessments on carriers and self-insurers based on losses paid in no-dependency death; unpaid benefits to fund.	Employer must prove knowledge of impairment or that worker was unaware of impairment.
SOUTH DAKOTA	Second injury which combined with any pre-existing disability results in additional permanent partial or total disability or death.	Disability caused by second injury.	Difference between compensation payable for second injury and compensation for combined injuries.	Carriers and self-insurers assessed 1% of losses paid during preceding year and \$500 in no-dependency death cases.	Payments suspended at \$200,000, and resumed at \$100,000.
TENNESSEE	Second injury involving loss of loss of use of member or eye which added to pre-existing loss of loss of use of member results in permanent total disability.	Disability caused by second injury.	Difference between compensation payable for second injury and permanent total disability.	\$150 in death cases and \$1* in each case of permanent partial disability.	
TEXAS	Second injury which added to pre-existing injury results in permanent total disability.	Disability caused by second injury.	Difference between compensation payable for second injury and permanent total disability.	Maximum \$73,000* payable into fund in each no-dependency death case.	
UTAH	Second injury which combined with a previous permanent incapacity due to accident, disease, or congenital condition results in a substantially greater disability.	Disability caused by second injury.	Difference between compensation payable for second injury and compensation for combined injuries. Fund liability calculated by computing second injury as percentage impairment to whole person on uncombined basis, deducted from total combined rating.	\$30,000 in no-dependency death cases less compensation paid when Default Indemnity Fund reaches limit; 3% premium tax on insurers and self-insurers. Fines from uninsured employers.	Medical panel determines percentage of disability attributable to prior disability and second injury. Fund is also used to extend the period of compensation above regular award for certain claimants who are permanently and totally disabled and who cannot be rehabilitated.
VERMONT	Second injury involving loss of use of member or eye which added to previous disability results in permanent total disability.	Disability caused by second injury.	Difference between compensation payable for second injury and permanent total disability.	\$500 in no-dependency death cases.	
VIRGIN ISLANDS	Second injury which combined with prior impairment results in death or compensable disability greater than from second injury alone.	None. Employer's experience rating affected by disability payments after 104 weeks.	All benefits.	Assessments by employer on classification and experience, plus fines, penalties, and interest.	Employer must have prior knowledge of disability.

N.C. *Epilepsy is considered a prior permanent disability.

Okla. *Does not apply to compensation for temporary partial or percentage of permanent partial disability.

Okla. *Payable quarterly, not later than the 15th day of the month following; total tax is 4% (2% of awards for permanent disability, total or partial). Tax is based on award and is payable regardless of whether award is paid. State political subdivisions pay 2% of permanent disability compensation paid in preceding year.

S.C. *Permanent physical impairment: means any permanent condition due to injury, disease, or congenital causes which is likely to be a hindrance to employment. Certain scheduled conditions are presumed to be permanent physical impairment if employer had prior knowledge.

Texas *360 times maximum weekly benefit.

CHART XIII **SECOND-INJURY FUNDS** **January 1, 1985 (continued)**

JURISDICTION	INJURIES COVERED	PAYABLE BY EMPLOYER	PAYABLE BY FUND	SOURCE OF FUND	SPECIAL PROVISIONS
VIRGINIA	Second injury involving 20% loss or loss of use of member or eye which added to pre-existing disability of 20% or more results in total or partial disability	Disability caused by second injury	Employer reimbursed for compensation after all other compensation, less exp. plus up to \$7,500 each for medical and vocational rehabilitation expenses	1-4% premium tax on carriers and self-insurers	Payments suspended at \$250,000 and resumed at \$125,000
WASHINGTON	Second injury or disease which added to pre-existing injury or disease results in permanent total disability or death	Disability caused by second injury	Difference between charge assessed against employer at time of second injury and total pension reserve	Transfer of not more than cost from accident fund to second injury account. Self-insurers pay proportional to claims against self-insurers	Preferred workers* have all benefits for claims arising within 3 years of full employment paid. Second Injury Fund
WEST VIRGINIA	Second injury which combined with pre-existing impairment results in permanent total disability	Disability caused by second injury			Compensation in excess of amount chargeable to second injury is paid out of second injury fund at the Commissioner's disposal
WISCONSIN	Second injury with permanent disability for 200 weeks or more with a pre-existing disability of an equal degree or greater	Disability caused by second injury	Disability caused by lesser of 2 injuries. If the combined disabilities result in permanent total disability, fund pays the difference between compensation payable for second injury and permanent total disability	\$4,000 for loss of a hand, arm, foot, leg, or eye. In no wholly dependent or partially dependent cases, 80% of death benefit otherwise available	
WYOMING	Second injury in extra-hazardous employment which added to pre-existing loss or loss of use of member or eye results in permanent total disability	Disability caused by second injury	Difference between compensation payable for second injury and permanent disability	\$500 in no-dependency death cases	Any payments for previous partial disability or payments which would have been made if the previous injury had occurred in an extra-hazardous employment are deducted from the award
LONGSHORE ACT	Second injury resulting in permanent partial disability which added to pre-existing injury results in permanent total disability	Disability caused by second injury for first 104 weeks	Difference between compensation payable for second injury and permanent total disability	\$3,000 in no-dependency death cases or unpaid awards. Pro-rata assessments based on losses paid. Fines and penalties	50% of fund is for second injuries and 50% for rehabilitation. Supplementary benefits for total disability or death payable by fund
ALBERTA	No specific statutory provision ¹				
BRITISH COLUMBIA	Injury or disease superimposed on existing disability	No	Proportion of disability attributable to second injury	Accident Fund	
MANITOBA	All enhanced disabilities because of similar or other disabilities	No	Yes	Accident Fund	Compensation must be at least half the benefit payable if the entire disability were caused by the pre-existing condition. Condition includes nervous or psychoneurosis
NEW BRUNSWICK	Second injury coupled with other prior injuries or disabilities	No	Yes	Reserve Fund	
NEWFOUNDLAND	All enhanced disabilities because of similar or other disabilities	No	Difference between compensation payable for second injury and final result of disablement	Reserve Fund	
NOVA SCOTIA	Injury that aggravates, activates, or accelerates pre-existing disease or disability, or injury that results in injury or disease caused partly by employment and partly by other causes	No	Disability attributable to second injury	Accident Fund	Board has authority to establish second injury fund
NORTHWEST TERRITORIES	All disabilities due to pre-existing disease, condition or disability	No	Difference between second injury and total cost	Contingency reserve	
ONTARIO	All enhanced disabilities due to pre-existing diseases, condition, or disability	No	Difference between second injury and total cost	Accident Fund	Not restricted to permanent disability cases
PRINCE EDWARD ISLAND	No specific statutory provision				
QUEBEC	Enhanced disability because of previous infirmity				Commission has authority to establish second injury fund
SASKATCHEWAN	All enhanced disabilities due to pre-existing disease, condition, or disability	No	Difference between second injury and total cost	Injury Fund	
YUKON TERRITORY	All enhanced disabilities because of similar or other disabilities	No	Yes	Compensation Reserve Fund. Assessment on employers' annual payroll	
CANADIAN MERCHANT SEAMEN'S ACT	No specific statutory provision				

Wash. *Defined as workers who must change jobs due to effect of an industrial injury or illness

Alta. *Board has established reserve funds to cover enhanced disability or aggravation of previous condition

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CHART XIV

ADMINISTRATION EXPENSES.
WORKERS' COMPENSATION DEPARTMENTS

January 1, 1985

JURISDICTION	SYSTEM PROVIDED FOR	FUND OR APPROPRIATION	ASSESSMENT PROVISIONS		OTHER INCOME
			AGAINST WHOM	AMOUNT	
ALABAMA	Private insurance	General appropriation, court administration			
ALASKA	Private insurance	General appropriation			
AMERICAN SAMOA	Private insurance	Special fund			
ARIZONA	Competitive fund	Administrative fund	Carriers, self-insurers and state fund	3% of premiums, minimum \$250	
ARKANSAS	Private insurance	Special fund	Carriers and self-insurers	3% of manual premiums maximum	\$500 first year for carriers; \$100 first year for self-insurance
CALIFORNIA	Competitive fund	General appropriation			
COLORADO	Competitive fund	General appropriation			
CONNECTICUT	Private insurance	General appropriation	Carriers and self-insurers	Pro rata assessments necessary to cover expenses	
DISTRICT OF COLUMBIA	Private insurance	Special fund	Carriers and self-insurers	Prorated on basis of total compensation paid	Fines and penalties and \$5,000 in no-occupancy claim cases
DELAWARE	Private insurance	General appropriation	Carriers and self-insurers	Prorated	
FLORIDA	Private insurance	Special fund	Carriers and self-insurers	Maximum 4% of net earned premiums	
GEORGIA	Private insurance	General appropriation	Carriers and self-insurers	Prorated	
GUAM	Private insurance	General appropriation			
HAWAII	Private insurance	General appropriation			
IDAHO	Competitive fund	Industrial Administration Fund	Carriers, self-insurers and state fund	1.3% of premiums	Fees for records
ILLINOIS	Private insurance	General appropriation			
INDIANA	Private insurance	General appropriation			
IOWA	Private insurance	General appropriation			
KANSAS	Private insurance	Special fund		(1)	
KENTUCKY	Private insurance	Maintenance Fund	Carriers and self-insurers	2% of premiums plus additional prorata assessment necessary to cover expenses	
LOUISIANA	Private insurance	Administrative Fund	Carriers and self-insurers	Prorated on basis of total compensation paid	20% monthly penalty for unpaid assessments
MAINE	Private insurance	General appropriation			
MARYLAND	Competitive fund	General appropriation	Carriers, self-insurers and state fund	Prorated	Commission may assess up to \$500 annually against self-insurers and self-insured groups for actuarial studies and audits
MASSACHUSETTS	Private insurance	General appropriation			
MICHIGAN	Competitive fund	General appropriation		(1)	
MINNESOTA	Competitive fund	General appropriation			
MISSISSIPPI	Private insurance	Special fund	Carriers and self-insurers	Prorated on basis of total compensation paid	Civil penalties
MISSOURI	Private insurance	General appropriation	Carriers and self-insurers	3% of premiums	Fees for records, etc.
MONTANA	Competitive fund	Industrial Administration Fund, appropriation and fees	Carriers, self-insurers and state fund	Prorated on prior year's cost \$200 minimum	Graduated inspection fee, fees for records, etc. and fines
NEBRASKA	Private insurance	General appropriation	Carriers and self-insurers	2% for foreign, 8% for domestic; 2% for self-insurers	Fees for codes and publications, etc.
NEVADA	Exclusive fund and self-insurance	State Insurance Fund	Employers and self-insurers	As needed	
NEW HAMPSHIRE	Private insurance	Administration Fund—appropriation	Carriers and self-insurers	Prorated on basis of total compensation paid; \$100 minimum	Civil penalties
NEW JERSEY	Private insurance	General appropriation	Carriers	1-4% of premiums	Maximum of \$50,000 excess from 2nd fund; Fund may be paid over to W. C. administration
NEW MEXICO	Private insurance	General appropriation, court administration			
NEW YORK	Competitive fund	Assessment	Carriers, self-insurers and state fund	Total amount prorated on basis of compensation payments	Fines and penalties
NORTH CAROLINA	Private insurance	General appropriation	Carriers and self-insurers	On gross premiums at rate in revenue act	
NORTH DAKOTA	Exclusive fund	Appropriation	State fund	Budget submitted biennially to legislature	Interest

An: May be increased or reduced by Commission.

D.C.: Exclusive fund for D.C. government workers, financed from D.C. and/or federal appropriation.

Kan.: System of assessments similar to Massachusetts.

La.: Court administration financed by general appropriation.

Me.: Annual assessment of 3.4% of compensation levied on insurers and self-insurers of compensation paid to be used for the safety education and training fund.

Nec.: Not specialty for workers' compensation administration.

N.H.: Total assessment may not exceed 1% of total benefits paid by all carriers and self-insurers.

N.J.: To administer insurance provisions.

CHART XIV ADMINISTRATION EXPENSES, WORKERS' COMPENSATION DEPARTMENTS Jan. 1, 1985 (cont.)

JURISDICTION	SYSTEM PROVIDED FOR	FUND OR APPROPRIATION	ASSESSMENT PROVISIONS		OTHER INCOME
			AGAINST WHOM	AMOUNT	
OHIO	Exclusive fund and self-insurance	State fund	All employers, including self-insurers, counties and taxing districts and state instrumentalities	12.6% of payroll for State Fund employers and 5.7% for self-insurers	
OKLAHOMA	Competitive fund	Administrative Fund, State Insurance Fund, and general appropriations	Carriers and self-insurers	1% premium tax and 2% tax on self-insurers based on compensation paid for permanent disability or death	
OREGON	Competitive fund	Administrative fund	Employers	Apportioned—overcharge of premium needed to pay administrative expenses	Fines, penalties, and interest
PENNSYLVANIA	Competitive fund	Administration Fund	Carriers, self-insurers, and state fund	Prorated on basis of total compensation paid	
PUERTO RICO	Exclusive fund	State fund and appropriations	Employer	Maximum 20% of total premium receipts	
RHODE ISLAND	Private insurance	General appropriation			
SOUTH CAROLINA	Private insurance	General appropriation	Carriers and self-insurers	4-12% of premiums	
SOUTH DAKOTA	Private insurance	General appropriation			
TENNESSEE	Private insurance	General appropriation, court administration	Carriers and self-insurers	4% of premiums	
TEXAS	Private insurance	General appropriation	Carriers and self-insurers	3.3 of 1% * Additional 45/100 of 1% gross W. C. premiums paid to General Revenue Fund for administration of Board	
UTAH	Competitive fund	General appropriation	Carriers and state fund	1.4% of gross premiums	3-1.4% of premium tax; 3% to Second Injury Fund; 1.4% for administration
VERMONT	Private insurance	General appropriation			
VIRGIN ISLANDS	Exclusive fund	Territorial fund	Territorial fund		Fines, penalties, and interest
VIRGINIA	Private insurance	Special fund	Carriers and self-insurers	2.5% of premiums	
WASHINGTON	Exclusive fund and self-insurance	State fund	State fund and self-insurers	Determined by Director	
WEST VIRGINIA	Exclusive fund and self-insurance	Workers' Compensation Fund	All-insureds	Prorate shares recovered from regular subscribers and self-insurers	
WISCONSIN	Private insurance	Special fund	Carriers and self-insurers	Prorate on indemnity paid on closed cases during prior year	
WYOMING	Exclusive fund	Industrial Accident Fund	State fund		
F.E.C.A.	Exclusive fund	Appropriation authorized from U.S. Treasury			
LONGSHORE ACT	Private insurance	Appropriation authorized from U.S. Treasury			
ALBERTA	Exclusive fund	Accident Fund	All employers under the act	Determined by Board	Penalties for violations
BRITISH COLUMBIA	Exclusive fund	Accident Fund	All enumerated employers	Determined by Board	
MANITOBA	Exclusive fund	Accident Fund	All enumerated employers	Determined by Board	Such sum out of consolidated fund as Lt. Gov. in-Council may direct
NEW BRUNSWICK	Exclusive fund	Accident Fund	All enumerated employers	Determined by Board	Penalties for violations
NEWFOUNDLAND	Exclusive fund	Injury Fund	All enumerated employers	Determined by Commission	Interest and penalties
NORTHWEST TERRITORIES	Exclusive fund	Workers' Compensation Fund	All employers	Determined by Board	
NOVA SCOTIA	Exclusive fund	Accident Fund	All enumerated employers	Determined by Board	
ONTARIO	Exclusive fund for Schedule I employers; individual liability for Schedule II employers	Accident Fund for Schedule I employers; Deposit with Board for Schedule II employers	All employers in Schedule I; Administrative costs only for Schedule II employers	Determined by Board	
PRINCE EDWARD ISLAND	Exclusive fund for Part I; individual liability, Part II	Accident Fund	All enumerated employers	Determined by Board	
QUEBEC	Exclusive fund; individual liability for Annex B employers	Accident Fund	All employers; Administrative costs only for Annex B employers	Determined by Board	
SASKATCHEWAN	Exclusive fund	Injury Fund	All employers	Determined by Board	Penalties for violations
YUKON TERRITORY	Exclusive fund	Accident Fund	All employers	Percent of payroll determined by Commissioner	
CANADIAN MERCHANT SEAMEN'S ACT	Private insurance	Cost of administration apportioned among employers	All employers of merchant seamen	Determined by Board	

Texas *To administer insurance provisions.

CHART XV

APPEAL PROVISIONS

January 1, 1985

JURISDICTION	ADMINISTRATION	TIME FOR APPEAL	TO WHAT COURT	PROCESS AND PROCEDURE	QUESTIONS REVIEWED		BASIS FOR REVIEW ¹	JURY TRIAL
					LAW ONLY	LAW AND FACT		
ALABAMA	Courts	30 days	Supreme Court	Common	Yes		Record	No
ALASKA	Workers' Compensation Board	30 days	Superior Court	Injunction	Yes		Record	No
AMERICAN SAMOA	Workers' Compensation Commission	30 days	High Court	As in civil actions	Yes		Record	No
ARIZONA	Industrial Commission	30 days	Court of Appeals-Supreme Court	Common		Yes	Record	No
ARKANSAS	Workers' Compensation Commission	30 days	Court of Appeals	As in civil actions, with precedence over all other civil cases	Yes		Record	No
		No provision	Supreme Court	As in civil actions	Yes		Record	No
CALIFORNIA	Appeals Board	45 days	Supreme Court, or District Court of Appeals	Writ of review	Yes		Record	No
COLORADO	Industrial Commission	20 days	Court of Appeals	Action to modify or vacate	Yes		Record	No
		No provision	Supreme Court	Writ of error	Yes		Record	No
CONNECTICUT	3 commissioners	20 days	Appellate session of Superior Court ² Supreme Court	Writ of appeal ³	Yes		Record	No
DELAWARE	Industrial Accident Board	20 days	Superior Court	As prescribed by the court		Yes	Record	No
DISTRICT OF COLUMBIA	D.C. Office of Workers' Compensation	15 days	D.C. Court of Appeals	Petition	Yes		Record	No
DISTRICT OF COLUMBIA GOVT. WORKERS	Office of Workers' Compensation	90 days to a year	Superior Court	Application for review		Yes	Record	No
FLORIDA	Division of Workers' Compensation	20 days	District Court of Appeals, First District	Notice of appeal	Yes		Record	No
GEORGIA	State Board of Workers' Compensation	30 days	Superior Court	Notice of appeal	Yes		Record	No
			Court of Appeals	Discretionary authority				
GUAM	Worker's Compensation Commission	30 days	Superior Court	Injunction proceedings	Yes		Record	No
HAWAII	Disability Compensation Division	30 days	Supreme Court	Notice of appeal ⁴	Yes		Record	Yes, if claimed within 10 days from the date case is docketed
IDAHO	Industrial Commission	42 days	Supreme Court	Notice of appeal	Yes		Record and transcript of evidence	No
ILLINOIS	Industrial Commission	20 days	Circuit Court, or City Court in cases over 25,000 ⁵	Proceeding for review		Yes	Record; no additional evidence	No
		30 days	Supreme Court ⁶	As prescribed by the court	Yes			
INDIANA	Industrial Board	30 days	Court of Appeals	As in civil action ⁷	Yes		Assignment of errors	No
IOWA	Industrial Commissioner	30 days	District Court	Petition for judicial review	Yes		Certified transcript of documents and evidence	No
		20 days	Supreme Court	As in civil cases	Yes			
KANSAS	Division of Workers' Compensation	20 days	District Court ⁸	Notice of appeal		Yes	Transcript of evidence and proceedings	No
		30 days	Court of Appeals	Notice of appeal	Yes			
KENTUCKY	Workers' Compensation Board	20 days	Circuit Court	Petition, summons, answer	Yes		Certified record	No
		No provision	Court of Appeals Supreme Court	As in civil actions			Certified record or scheduled options	
LOUISIANA	Office of Workers' Compensation	60 days	District court	Petition		Yes	Trial de novo	No
		30 days ⁹	Appellate Court	As in civil actions	Yes		Transcript of proceedings ¹⁰	No
			Supreme Court	As in civil actions	Yes		Certified record	No
MAINE	Workers' Compensation Commission	20 days	Law Court	As in equity procedure ¹¹	Yes		Record	No
MARYLAND	Workers' Compensation Commission	30 days	County Circuit Courts or Baltimore Common Law Courts	Notice, followed by informal and summary trial	Yes, in occupational disease cases	Yes, except in occupational disease cases	Trial de novo	Yes, on demand
		No provision	Court of Special Appeals Court of Appeals	As in civil cases				
MASSACHUSETTS	Industrial Accidents Board	10 days	Superior Court	As in civil cases	Yes		Agreed statement of facts and findings and decision	No
		No provision	Supreme Judicial Court	As in civil cases	Yes			
MICHIGAN	Workers' Compensation Appeal Board	30 days	Court of Appeals	Common, in rem, or other permissible method	Yes			No
		30 days	Supreme Court					
MINNESOTA	Workers' Compensation Division	30 days	Workers' Compensation Court of Appeals Supreme Court	Notice of Appeal Common		Yes	Certified record. Oral arguments on issues of law	No
MISSISSIPPI	Workers' Compensation Commission	30 days	Circuit Court Supreme Court	Notice of appeal As in civil cases	Yes Yes		Record Record	No
MISSOURI	Division of Workers' Compensation ¹²	30 days	Appellate Court	Notice of appeal	Yes		Certified record	No
MONTANA	Division of Workers' Compensation	30 days	Supreme Court	Notice of appeal		Yes	Certified record	No
NEBRASKA	Workers' Compensation Court ¹³	1 month	Supreme Court	Notice of appeal and bill of exceptions (under general law)	Yes		Certified record	No
NEVADA	Department of Administration Appeals Officer	30 days	District Court	Petition for judicial review	Yes		Record	No
NEW HAMPSHIRE	Commissioner of Labor	30 days	Superior Court Supreme Court	Petition for a hearing		Yes	Trial de novo	No

NOTE—Other Canadian jurisdictions do not provide for judicial appeals.
¹ Generalist courts may set aside an award on one of the following grounds: (1) that the Commission acted in excess of its powers, (2) that the award was procured by fraud, (3) that the facts found by the Commission did not support the award, and (4) that there was not sufficient competent evidence in the record to warrant the finding.
² Board may request opinion on question of law or jurisdiction on its own motion.
³ Court has power to pass on question of law or jurisdiction of the Board.
⁴ Court. "Claimant may appeal commissioner's decision to Compensation Review Division (panel of 3 commissioners), then to appellate session of Superior Court.
⁵ Division may certify question of law on its own motion.
⁶ Hawaii: Appellate Board may certify questions of law to Supreme Court.
⁷ If defendants cannot be found in state, then in Circuit Court of county where accident occurred.
⁸ Workers' compensation appeals panel of court may decide case or refer to full court.

ind. Board may also certify questions of law on its own motion.
⁹ Kan. If court fails to appeal within 60 days, Director must request decision; if no decision is issued within 30 days after request, Director must advise Supreme Court.
¹⁰ La. 90 days for de novo appeal.
¹¹ Maine: First level of appeal is Appellate Division. Denial of review by Law Court is final. No appeal from decree based on memorandum of agreement. Appeal does not stay payment of compensation.
¹² Mo. Administrative Law Judge's award may be appealed to Industrial Commission.
¹³ Neb. The Court is constituted the same as the boards and commissions in other states.

CHART XV APPEAL PROVISIONS January 1, 1985 (continued)

JURISDICTION	ADMINISTRATION	TIME FOR APPEAL	TO WHAT COURT	PROCESS AND PROCEDURE	QUESTIONS REVIEWED		BASIS FOR REVIEW ¹	JULY 1, 1981
					LAW ONLY	LAW AND FACT		
NEW JERSEY	Division of Workers Compensation	No provision	Appellate Division of Superior Court	Notice of appeal		Yes	Trial de novo on the record	No
NEW MEXICO	Courts	No provision	Court of Appeals Supreme Court	Writ of error or appeal, or certiorari	Yes		Certified record	No
NEW YORK	Workers' Compensation Board	30 days after decision on review ² No provision	Appellate Division, Supreme Court, Third Department Court of Appeals	As in civil actions, with precedence over all other civil cases Regular appeal	Yes		Record	No
NORTH CAROLINA	Industrial Commission	30 days	Court of Appeals	As in civil actions ³	Yes		Record	No
NORTH DAKOTA	Workmen's Compensation Bureau	30 days No provision	District Court Supreme Court	Appeal Appeal		Yes	Record	No
OHIO	Industrial Commission	60 days No provision	Court of Common Pleas Supreme Court	Notice of appeal and petition by claimant or employer		Yes	Trial de novo	Yes, on demand
OKLAHOMA	Workers' Compensation Court	20 days ⁴	Supreme Court ⁵	Petition	Yes		Certified record and specifications of error	No
OREGON	Workers' Compensation Board	30 days	Court of Appeals Supreme Court	Notice of appeal Notice of appeal		Yes	Record ⁶	No
PENNSYLVANIA	Workers' Compensation Bureau ⁷	20 days 30 days	Commonwealth Court Supreme Court	Notice of appeal As in civil actions	Yes		Certified record	No
PUERTO RICO	Industrial Commission	30 days 15 days	Industrial Commission Supreme Court	Appeal Petition for review	Yes	Yes	Record Certified record	No
RHODE ISLAND	Director of Labor and Commission	5 days 10 days	3 members of appellate commission Supreme Court	Claim of appeal Writ of certiorari		Yes	Certified documents and testimony	No
SOUTH CAROLINA	Industrial Commission—Judicial Division	30 days	Court of Common Pleas	As in civil actions	Yes		Record	No
SOUTH DAKOTA	Division of Labor and Management	33 days ⁸ 120 days	Circuit Court Supreme Court	Notice of appeal As in civil actions	Yes		Certified record	No
TENNESSEE	Courts	10 days No provision	Circuit Courts Supreme Court	As in civil actions Writ of error		Yes	Trial de novo	No
TEXAS	Industrial Accident Board	20 days	Court of county of injury or worker's residence	Suit to set aside decision of Board		Yes	Trial de novo	Yes
UTAH	Industrial Commission	30 days	Supreme Court	Certiorari		Yes	Certified record	No
VERMONT	Commissioner of Labor and Industry	30 days After 30 days	County Court ⁹ Supreme Court	As prescribed by Court As prescribed by Court	Yes	Yes	Certified record	Yes, on demand
VIRGIN ISLANDS	Commissioner of Labor	30 days	Court of competent jurisdiction	As in civil actions	Yes		Record	No
VIRGINIA	Industrial Commission	60 days	Supreme Court	As in equity	Yes		Certified record	No
WASHINGTON	Board of Industrial Insurance Appeals	60 days 30 days	Superior Court Further appeal	Notice of Appeal As in civil actions		Yes	Trial de novo, but on testimony before the Board	Yes, on demand
WEST VIRGINIA	Compensation Commissioner	30 days ¹⁰	Supreme Court of Appeals	Petition		Yes	Record of proceedings	No
WISCONSIN	Labor and Industry Review Commission	30 days	Circuit Court Supreme Court	Action against Commission As from orders	Yes		Record	No
WYOMING	Courts	71 days	Supreme Court	Petition and bill of exceptions		Yes	Record	No
F.E.C.A.	Division of Federal Employees Compensation, O.W.C.P.	90 days to a year	Federal Employees' Compensation Board ¹¹	Application for review		Yes	Record	No
LONGSHORE ACT	Division of Longshore and Harbor Workers' Compensation, O.W.C.P.	30 days 60 days	Benefits Review Board ¹² U.S. Court of Appeals	Petition Petition		Yes	Record Record	No No
ALBERTA	Workers' Compensation Board	No limitation	Board	In writing		Yes	Record and written or oral testimony	No
BRITISH COLUMBIA	Ministry of Labour	90 days 90 days	Board of Review Medical Review Panel	Appeal Appeal (medical facts only)		Yes	Record and written or oral testimony Diagnosis from file and examination	No No
NEW BRUNSWICK	Workers' Compensation Board	10 days	Appeal Division, Supreme Court	Under Judicature Act ¹³	Yes ¹⁴		Record	No
NEWFOUNDLAND	Workers' Compensation Commission	No limitation	Supreme Court	Petition ¹⁵	Yes		Record and written or oral testimony	No
NOVA SCOTIA	Workers' Compensation Board	1 year 30 days	Workers' Compensation Appeal Board Appeal Division, Supreme Court	Appeal Petition to judge for permission ¹⁶	Yes ¹⁷	Yes	De novo Record	No No
NORTHWEST TERRITORIES	Workers' Compensation Board	No limitation	Board ¹⁸	Board of review		Yes	New evidence	No
ONTARIO	Workers' Compensation Board	No limitation	Appeals Adjudicator Appeal Board	Request to Registrar of Appeals		Yes	De novo	No
PRINCE EDWARD ISLAND	Workers' Compensation Board	15 days	Supreme Court in banc	Petition to judge for permission	Yes ¹⁹		Record	No
QUEBEC	Commission	30 to 90 days	Board of Review ²⁰	Notice of appeal		Yes	Trial de novo	No
SASKATCHEWAN	Workers' Compensation Board	No limitation	Board	In writing		Yes	Record and written or oral testimony	No

11.V. *Compensation is paid pending appeal; if reversed, claimer is reimbursed from Administration Fund.

N.C. *Commission may certify questions of law to Court of Appeals. Commission may order payment of portion of award not in dispute.

Ola. *Appeal to Workers' Compensation Court en banc within 10 days, may be bypassed in favor of appeal to Supreme Court.

Or. *Court may take additional evidence on disability not available at hearing.

Pa. *Decisions of referees are subject to appeal to the Workers' Compensation Appeal Board.

P.R. *On weight of expert testimony.

Q. Dak. *Commission may order payment of portion of award not in dispute.

Vt. *Then to Supreme Court on exception.

W.Va. *May be extended for cause.

F.E.C.A. *There is no court appeal; Board has authority to make final decision on appeal.

Longshore *First level of appeal is to Benefits Review Board within the U.S. Department of Labor. Board may sit in 3-man panels. Panel decision may be reviewed, upon petition, by full Board.

N.S. *Board may request opinion on question of law on its own motion.

N.W.T. *Further appeal to Board of Commissioners.

Quebec *Further appeal to Social Affairs Commission.

CHART XVI DIRECTORY OF WORKERS' COMPENSATION ADMINISTRATORS January 1, 1985

ALABAMA

Workers' Compensation Division
Department of Industrial Relations
Industrial Relations Building
Montgomery, Alabama 36130
(205) 261-2868
Mr. Marcus A. Davis, Acting Chief

A'ASKA

Workers' Compensation Division
Department of Labor
P.O. Box 1148
Juneau, Alaska 99802
(907) 465-2790
Ms. Jacquelyn McClintock, Director

Workers' Compensation Board

Same address as Division
Mr. Jim Robison, Chairman
Mr. Thomas Chandler, Member
Mrs. Ann Pfitinger, Member
Mr. David Richards, Member
Mr. Joe J. Thomas II, Member
Ms. Debra Pruns, Member
Ms. Jacqueline Russell, Member
Mr. Elmer Elter, Member
Mr. Joe Butler, Member

AMERICAN SAMOA

Workers' Compensation Commission
Office of the Governor
American Samoa Government
Pago, Pago, American Samoa 96799
Mr. Momi Scanlan, Chairman

ARIZONA

Industrial Commission
1601 West Washington
P.O. Box 19070
Phoenix, Arizona 85005
(602) 255-4661

Mr. Daniel Ortega, Jr., Chairman
Mrs. Ann Day Alexander, Vice Chairman
Mr. Duane Peil, Member
Mr. Charles W. Pine, Member
Mr. G. Vernon McCracken, Member
Mr. Harry G. Kelley, Director
Mrs. Marjorie L. Dight, Claims Manager

State Compensation Fund

1816 West Adam
Phoenix, Arizona 85007
Mr. William L. Finley, Manager

ARKANSAS

Workers' Compensation Commission
Justice Building
State Capitol Grounds
Little Rock, Arkansas 72201
(501) 372-3930

Mr. Burt C. Rotenberg, Chairman
Mr. J. Melvin Farrar, Commissioner
Mr. Allyn C. Tatum, Commissioner

CALIFORNIA

Division of Industrial Accidents
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(415) 557-2542

Mr. Robert J. Benjamin, Administrative Director

Workers' Compensation Appeals Board

455 Golden Gate Avenue
San Francisco, California 94102
Mr. C. Gordon Taylor, Chairman
Mr. Jack H. Fenton, Commissioner
Mr. Gordon R. Gaines, Commissioner
Ms. Marilyn C. Lazar, Commissioner
Mr. Charles L. Swezey, Commissioner
Mr. Franklin O. Gray, Commissioner

State Compensation Insurance Fund

1275 Market Street
San Francisco, California 94103
Mr. E. A. Sandberg, President

COLORADO

Division of Labor
1313 Sherman Street, Room 314
Denver, Colorado 80203
Mr. Charles J. McGrath, Director

Industrial Commission

State Services Building, 5th Floor
1525 Sherman Street
Denver, Colorado 80203
(303) 690-2446

Mr. John J. McDonald, Chairman
Mr. Gary B. Rose, Commissioner
Mr. Miguel Baca, Commissioner

State Compensation Insurance Fund

950 Broadway
Denver, Colorado 80203
Mr. Glenn Adams, Manager

CONNECTICUT

Workers' Compensation Commission
1680 Crown Avenue
Hamden, Connecticut 06514
(203) 789-7783

Mr. John A. Arcudi, Chairman
Mr. A. Paul Berle, Commissioner
Mr. Robin W. Waller, Commissioner
Mrs. Rhoda L. Loeb, Commissioner
Mr. Frank J. Vermili, Commissioner
Mr. Edward F. Bradley, Commissioner
Mr. Andrew P. Denuzze, Commissioner
Mr. Gerald Kolinsky, Commissioner
Mr. Darius J. Spain, Commissioner

DELAWARE

Industrial Accident Board
State Office Building, 6th Floor
820 North French Street
Wilmington, Delaware 19801
(302) 571-2885

Mr. Warren T. Foraker, Chairman
Mr. Robert S. Powell, Member
Mrs. Joyce L. Wright, Member
Mr. James P. Robinson III, Member
Mr. Filsforth Jackson, Member
Mr. Calvin Boggs, Member
Mr. Wm. E. Matthews, Member
Mrs. Kathryn D. Ribynski, Administrator

DISTRICT OF COLUMBIA

Department of Employment Services
Office of Workers' Compensation
P.O. Box 56098
Washington, D.C. 20011
(202) 576-6265

Mr. Bruce M. Eanet, Associate Director

FLORIDA

Division of Workers' Compensation
Department of Labor and Employment Security
1321 Executive Center Drive-East
Tallahassee, Florida 32301
(904) 488-2548

Mr. Ray Neff, Director

GEORGIA

Board of Workers' Compensation
1000 South Omni International
10th Floor
Atlanta, Georgia 30335
(404) 856-3875

Mr. Herbert T. Greenotz, Jr., Chairman
Mr. Don L. Knowles, Member
Mr. James C. Pullen, Secretary-Treasurer
Mr. James W. Pans, Director

GUAM

Workers' Compensation Commission
Department of Labor
Government of Guam
P.O. Box 23548
Guam Main Facility 96921-0316

Mr. Lloyd L. Umagat, Commissioner
Mr. Christian L. Dellin, Administrator

HAWAII

Disability Compensation Division
Department of Labor and Industrial Relations
830 Punchbowl Street
Honolulu, Hawaii 96813
(808) 548-4131

Dr. Joshua C. Ansalud, Director
Mr. Orlando K. Watanabe, Administrator

Labor and Industrial Relations Appeals Board

888 Milligan Street
Room 400
Honolulu, Hawaii 96813
Mr. E. John McConnel, Chairman
Mr. James H. Takushi, Member
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Des Moines, Iowa 50319
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Division of Workers' Compensation
Department of Human Resources
First Floor
217 S.E. Fourth Street
Topeka, Kansas 66603-3599
(913) 296-3441

Mr. John B. Rathmel, Director

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127 Building
U.S. 127 South
Frankfort, Kentucky 40601
(502) 554-5550

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Department of Labor
Office of Workers' Compensation
910 No. Bon Marche Street
Baton Rouge, Louisiana 70806
(504) 925-4563

Mr. Jack Leary, Assistant Secretary

MAINE

Workers' Compensation Commission
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State House Station 27
Augusta, Maine 04333
(207) 281-3751

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Baltimore, Maryland 21201
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Towson, Maryland 21204
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Boston, Massachusetts 02202
(817) 727-3400

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Bureau of Workers' Disability Compensation
Department of Labor
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309 North Washington Square
Lansing, Michigan 48909
(517) 373-3480

Mr. Rudy Redmond, Director
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Lansing, Michigan 48909

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Lansing, Michigan 48904
Mr. Floyd Luginbill, Manager

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444 Lavallette Road
St. Paul, Minnesota 55101
(612) 296-2432

Mr. Steve Keale, Commissioner
Mr. Jay Benavay, Deputy Commissioner

Workers' Compensation Court of Appeals

Second Floor
MEA Building
55 Sherburne Avenue
St. Paul, Minnesota 55103
Hon. John Waltraff, Chief Judge
Hon. Paul V. Rieke, Administrative Judge
Hon. Mahlon F. Hanson, Judge
Hon. Leigh Gard, Judge
Hon. Raymond O. Adel, Judge

State Workers' Compensation Mutual Insurance Co.

Suite 562, Southdale Office Centre
600 France Avenue South
Minneapolis, Minnesota 55435
Mr. Andrew C. Meunissen, President/CEO

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Workers' Compensation Commission
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P.O. Box 5300
Jackson, Mississippi 39216
(601) 387-4200

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Division of Workers' Compensation
Department of Labor and Industrial Relations
P.O. Box 58
Jefferson City, Missouri 65102
(314) 751-4231

Mr. Richard R. Rousselet, Director

Labor and Industrial Relations Commission

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Jefferson City, Missouri 65102
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CHART XVI □ DIRECTORY OF WORKERS' COMPENSATION ADMINISTRATORS □ January 1, 1985 (continued)

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Helena, Montana 59604
(406) 444-6518
Mr. Gary L. Blewett, Administrator

Workers' Compensation Court
5 South Last Chance Gulch
P.O. Box 537
Helena, Montana 59624
Judge Timothy W. Reardon

State Compensation Insurance Fund
Same address as Division
Ms. Janice F. Van Riter, Bureau Chief

NEBRASKA

Workers' Compensation Court
State House, 12th Floor
Lincoln, Nebraska 68509
(402) 471-2568

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Hon. Paul E. LeClair, Judge
Hon. Mark A. Buchholz, Judge
Hon. James P. Monen, Judge
Hon. Theodore W. Vrana, Judge
Hon. Michael P. Cavel, Judge
Mrs. Yvonne Leung, Administrator

NEVADA

State Industrial Insurance System
515 East Musser Street
Carson City, Nevada 89714
(702) 885-5284
Mr. Laury M. Lewis, General Manager

Department of Industrial Relations
1330 South Curry Street
Carson City, Nevada 89710
(702) 885-3032
Mr. James Barnes, Director

NEW HAMPSHIRE

Department of Labor
19 Pillsbury Street
Concord, New Hampshire 03301
(603) 271-3171
Vance R. Kelly, Commissioner

NEW JERSEY

Division of Workers' Compensation
Department of Labor
Call Number 381
Trenton, New Jersey 08625
(609) 292-2414
Hon. A. J. Naber, Chief Judge
Mr. Glenn Paulsen, Director

NEW MEXICO

Labor and Industrial Commission
1598 Pacheco Street
Santa Fe, New Mexico 87501
(505) 827-9870
Mr. Frank B. Smith, Labor Commissioner

Workers' Compensation Division
Same address as Commission
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New York, New York 10047
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Bismarck, North Dakota 58505
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Workers' Compensation Fund
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State Insurance Fund
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Oklahoma City, Oklahoma 73105
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Hon. J. R. Saagie, Judge
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Hon. Patricia Reel Damps, Judge
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Oklahoma City, Oklahoma 73105
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Labor and Industries Building
Salem, Oregon 97310
(503) 378-3304

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Salem, Oregon 97310

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Salem, Oregon 97312
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Bureau of Workers' Compensation
Department of Labor and Industry
3607 Derry Street
Harrisburg, Pennsylvania 17111
(717) 783-5421

Mr. Jan C. Smith, Director

Workers' Compensation Appeal Board
3607 Derry Street
4th Floor
Harrisburg, Pennsylvania 17111

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State Workers' Insurance Fund
100 Lackawanna Avenue
Scranton, Pennsylvania 18503
Mr. William Westington, Acting Manager

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Industrial Commissioner's Office
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San Juan, Puerto Rico 00931
(809) 783-3808

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G.P.O. Box 5028
San Juan, Puerto Rico 00936
Mr. Jose Ramón Gonzalez, Manager

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Division of Workers' Compensation
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220 Elmwood Avenue
Providence, Rhode Island 02907
(401) 277-2722

Mr. Michael J. Hanrahan, Administrator

Workers' Compensation Commission

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Providence, Rhode Island 02903
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Pierre, South Dakota 57501
(605) 773-3681

Mr. Peter de Hueck, Director

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Workers' Compensation Division
Department of Labor
501 Union Building
Second Floor
Nashville, Tennessee 37219
(615) 741-2395

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Austin, Texas 78704
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Salt Lake City, Utah 84111
(801) 530-6800

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Salt Lake City, Utah 84111
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Montpelier, Vermont 05602
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Department of Labor
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Olympia, Washington 98504
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(304) 348-2580

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Workers' Compensation Appeal Board
112 Caliform Avenue
Room 118
Charleston, West Virginia 25305

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Mr. Louis J. John, Member
Mrs. R. Sue Core, Member

Workers' Compensation Fund
Same address as Commissioner's Office

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Workers' Compensation Division
Department of Industry, Labor, and Human Relations
P.O. Box 7901
Room 181
201 East Washington Avenue
Madison, Wisconsin 53707
(608) 266-1340

Ms. Carol Lobes, Administrator

Labor and Industry Review Commission
P.O. Box 8126
Madison, Wisconsin 53708

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WYOMING

Workers' Compensation Division
State Treasurer's Office
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Cheyenne, Wyoming 82002
(307) 777-7441

Mrs. Ann E. Woodward, Director

Industrial Accident Fund
Same address as Division

UNITED STATES

Department of Labor
Employment Standards Administration
Washington, D.C. 20210
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Office of Workers' Compensation Programs
(202) 523-6579

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Division of Coal Mine Workers' Compensation
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Mr. James DeMarce, Associate Director

Division of Federal Employees' Compensation
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Division of Longshore and Harbor Workers' Compensation
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Mr. Neil A. Montone, Associate Director

Office of State Liaison and Legislative Analysis
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Division of State Workers' Compensation Programs
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Washington, D.C. 20036
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7th & D Streets, S.W.
Room 300
Washington, D.C. 20210
(202) 472-5600

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Richmond, British Columbia V7C 1C6
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Mr. Michael Parr, Commissioner
Mr. Glenn Hall, Commissioner

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Mr. M.P. Fisher, Commissioner
Mr. Brian Baxter, Executive Director

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Workers' Compensation Board
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St. John's, Newfoundland A1A 3B5
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Mr. Andrew G. Rose, Commissioner
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Mr. Bruce Peckford, Executive Director-Finance and Administration

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Halifax, Nova Scotia B3J 2Y2
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Mr. Greg Hicks, Commissioner
Mr. J.H. Coffenden, Executive Director
Workers' Compensation Appeal Board
3rd Floor, Lord Nelson Arcade
Spring Garden Road
P.O. Box 3311
Halifax, Nova Scotia B3J 3J1
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Toronto, Ontario M4W 3G3
(416) 965-8884
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Mr. T.D. Warrington, Vice Chairman-Appeals
Dr. W.F. Jacobs, Commissioner-Appeals
Mr. Thomas A. McFwan, Commissioner-Appeals
Mr. R. D. Reilly, Asst. General Manager
Mr. Alex Joma, Secretary
Mr. D. Can, Associate Secretary
Mr. P.J. Walker, Register of Appeals

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Workers' Compensation Board
60 Beverdere Avenue
P.O. Box 757
Charlottetown, Prince Edward Island C1A 7L7
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Mr. Arthur Brown, Member
Mr. Raymond Livingstone, Member
Mr. C.E. Ready, Executive Secretary

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Commission de la Sante et de la Securite du Travail
524 Bourdages Street
Quebec, Quebec G1K 7E2
(418) 643-5973
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Mr. Jean-Louis Bertrand, Vice President
Mr. Lionel Bernier, Vice President
Mr. Paul Emile Boucher, Vice President
Mr. Pierre LaFrance, Secretary

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Workers' Compensation Board
1840 Lorne Street
Regina, Saskatchewan S4P 2L8
(206) 585-4370
Mr. Peter E. Grady, Chairman and CEO
Mr. Philip J. Leduc, Member
Mr. Robert G. McWilliam, Member
Mr. Ernest R. Moody, Member
Mrs. K.L. Brown, General Manager

YUKON

Workers' Compensation Board
4110 4th Avenue
Suite 300
Whitehorse, Yukon Y1A 4N7
(403) 667-5645
Mr. Brian Booth, Chairman
Mr. Gerry Dobson, Member
Mr. Tom Mickey, Member
Mrs. Dorothy Wasyszynchuk, Executive Director

CANADA

Labour Canada
Occupational Safety and Health Branch
Injury Compensation Division
Ottawa, Ontario K1A 0J3
(613) 997-2281
Mr. J.F. Ellsworth, Chief
Merchant Seamen Compensation Board
Labour Canada
Ottawa, Ontario K1A 0J2
Mrs. W. Porteous, Chairman
Capt. J.G. Daniels, Vice Chairman
Mr. J.F. Ellsworth, Secretary

ABBREVIATIONS AND COMPUTATIONS IN CHARTS

ABBREVIATIONS

- AWW — Worker's average weekly wage
- C.M.S.C.A. — Canadian Merchants Seamen's Compensation Act
- F.E.C.A. — Federal Employees' Compensation Act
- O.W.C.P. — Office of Workers' Compensation Programs, U.S. Department of Labor
- NAWW — National average weekly wage
- PP — Permanent partial disability
- PT — Permanent total disability
- SAMW — Statewide average monthly wage
- SAWW — Statewide average weekly wage
- TP — Temporary partial disability
- TT — Temporary total disability

COMPUTATIONS—MONTHLY TO WEEKLY

All benefits payable other than on a weekly basis have been converted to an equivalent weekly rate. There are several methods of conversion in use, which may cause slight differences in result. This *Analysis* attempts to follow the practice of the jurisdiction wherever possible.

1. A method widely used in Canada is to multiply the monthly benefit by 12, divide by 365, and multiply the result by 7. Example for a monthly benefit of \$750:

$$\frac{750 \times 12 \times 7}{365} = \$172.60$$

2. A second method is to multiply the monthly benefit by 12 and divide by 52. Example:

$$\frac{750 \times 12}{52} = \$173.08$$

3. The third method is to divide the monthly benefit by 4.3 or a similar figure because the average month contains 4.33 weeks. Example:

$$\frac{750}{4.3} = \$174.42$$

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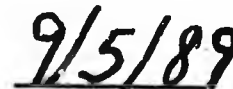


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