

Key Workers' Compensation Income Benefit Trends

Injury Rates

- The injury rate in Texas has been consistently below the national average.
- Between 2004 and 2008, the nonfatal occupational injury and illness rate in Texas decreased 16% from 3.7 to 3.1 injuries per 100 full-time employees.

Non-Fatal Occupational Injury and Illness Rate per 100 Full-Time Employees	2004	2005	2006	2007	2008
Texas	3.7	3.6	3.7	3.4	3.1
U.S.	4.8	4.6	4.4	4.2	3.9

Source: Texas Department of Insurance, Division of Workers' Compensation and U.S. Department of Labor, Bureau of Labor Statistics, Annual Survey of Occupational Injuries and Illnesses, 2009.

Workers' Compensation Claim Statistics

- The number of workers' compensation claims reported to the Texas Department of Insurance, Division of Workers' Compensation has also decreased in recent years.
- Approximately half of the claims reported to the Division of Workers' Compensation receive income benefits.
- Approximately \$500 million in income benefits are paid out each year by insurance carriers.
- Less than 10% of all claims reported to the Division of Workers' Compensation result in a benefit dispute.
- An even smaller percentage of claims (approximately 3-5%) result in a dispute regarding the compensability of the claim (i.e., whether an injury or illness is work-related or covered under the WC Act).

	Injury Year 2006	Injury Year 2007	Injury Year 2008	Injury Year 2009 *prelim
#of WC Claims Reported to the Division of Workers' Compensation	116,735	111,907	107,241	95,005
% of Reported Claims with Income Benefits	50%	53%	55%	54%
% of All Reported Claims without a Benefit Dispute	90%	90%	90%	93%
% of All Reported Claims without a Compensability Dispute	95%	95%	96%	97%

Source: Texas Department of Insurance, Division of Workers' Compensation, 2010.

Workers' Compensation Income Benefit Statistics

- With the exception of Lifetime Income Benefits (LIBs) and Death Benefits (DBs), the income benefit structure in the Texas workers' compensation system is tiered, meaning an injured employee must exhaust the first tier of benefits before receiving the second tier of benefits. Only claims with permanent impairments or severe injuries qualify for IIBs, SIBs and LIBs.
- As a result, the majority (more than half) of claims receiving income benefits only receive TIBs, which compensate employees for lost wages resulting from a work-related injury until they are able to return-to-work or reach maximum medical improvement.

#of WC Claims Receiving Each Type of Income Benefit	Injury Year 2006	Injury Year 2007	Injury Year 2008	Injury Year 2009 *prelim
Temporary Income Benefits (TIBs)	52,134	52,588	53,304	46,958
Impairment Income Benefits (IIBs)	26,200	25,699	25,024	15,764*
Supplemental Income Benefits (SIBs)	187*	N/A*	N/A*	N/A*
Lifetime Income Benefits (LIBs)	149	128	109	68*
Death Benefits (DBs)	177	198	221	140*

Source: Texas Department of Insurance, Division of Workers' Compensation, 2010.

Note: Numbers labeled with a * should be viewed with caution since they are preliminary and subject to change as data matures. Injury years are calculated on a fiscal year basis.

- Improvements in return-to-work rates in recent years have resulted in a reduction in the duration of Temporary Income Benefits (TIBs) paid per claim.
- Additionally, lower impairment ratings per claim in recent years have resulted in reduced durations for Impairment Income Benefits (IIBs) as well as fewer injured employees qualifying for Supplemental Income Benefits (SIBs).
- Approximately 8-10% of Supplemental Income Benefit (SIBs) recipients will reach the 401 week maximum income benefit duration set by statute.

Return-to-Work Indicators	Injury Year 2003	Injury Year 2004	Injury Year 2005	Injury Year 2006	Injury Year 2007	Injury Year 2008
% of TIBs Recipients Back to Work Within 6 Months	72%	74%	75%	75%	76%	80%*prelim

Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2009.

Average Duration of Income Benefits per Claim (in weeks)	Injury Year 2006	Injury Year 2007	Injury Year 2008	Injury Year 2009 *prelim
Temporary Income Benefits (TIBs)	36	31	24	14*
Impairment Income Benefits (IIBs)	16	15	13	10*
Supplemental Income Benefits (SIBs)	22*	N/A*	N/A*	N/A*
Lifetime Income Benefits (LIBs)	125*	81*	44*	14*
Death Benefits (DBs)	48	59	50	N/A*

Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2010.

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- Statutory changes made by HB 7 in 2005 resulted in fewer injured employees having their income benefits capped at the statutory maximum compensation rate.
- Injured employees receiving Temporary Income Benefits (TIBs) and Lifetime Income Benefits (LIBs) are less likely to have their benefits capped by the statutory maximum compensation rate than the other types of income benefits.

Average Weekly Income Benefit	Injury Year 2006	Injury Year 2007	Injury Year 2008	Injury Year 2009
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Payment per Claim	Injury Year 2006		Injury Year 2007		Injury Year 2008		*prelim	
	Max	Avg. Benefit Amount	Max	Avg. Benefit Amount	Max	Avg. Benefit Amount	Max	Avg. Benefit Amount
Temporary Income Benefits (TIBs)	\$540	\$459	\$674	\$429	\$712	\$547	\$750	\$590*
Impairment Income Benefits (IIBs)	\$378	\$371	\$472	\$394	\$498	\$453	\$525	\$425*
Supplemental Income Benefits (SIBs)	\$378	\$311	\$472	N/A*	\$498	N/A*	\$525	N/A*
Lifetime Income Benefits (LIBs)	\$540	\$514	\$674	\$483	\$712	\$440	\$750	\$616*
Death Benefits (DBs)	\$540	\$433	\$674	\$492	\$712	\$529	\$750	\$536*

Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2010.

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% of Claims Capped by Maximum Weekly Benefit Payment	Injury Year 2005	Injury Year 2006	Injury Year 2007	Injury Year 2008
Temporary Income Benefits (TIBs)	20%	23%	16%	14%
Impairment Income Benefits (IIBs)	43%	46%	39%	38%
Supplemental Income Benefits (SIBs)	30%	39%	N/A*	N/A*
Lifetime Income Benefits (LIBs)	15%	16%	14%	10%
Death Benefits (DBs)	37%	49%	36%	35%

Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2010.

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