



Washington State Department of  
**Labor & Industries**

*Workers' Compensation Services*



# Your Premium Dollars at Work

*Washington's Workers'  
Compensation System*



## December 2021

We all know how important it is to save for a rainy day. That old saying is truer than ever today, and it's reassuring that we have our contingency reserve to help minimize the changes in workers' compensation rates for 2022.

The contingency has built up over the years in part through your premiums, and through our partnership with employers like you. Together, we have prevented workplace injuries and improved outcomes for workers who become ill or injured on the job.

With your support, we have made great strides in a number of areas, even as we were challenged by working remotely. Workers are benefiting from vocational recovery services earlier and in new ways. As a result, more workers are getting back to work as soon as it's safe and medically feasible, which is also good for their speedy recovery. When injuries happen, employers are aware of services they can use much earlier. And medical treatment guidelines have been updated to help ensure workers receive appropriate quality medical services.

All of this is good for workers, employers, and our workers' compensation system.

L&I's challenge for 2022 was to come up with a premium rate plan that would allow us to cover claims and costs, and not place us in a precarious financial position, while recognizing the struggles and hardships that many employers are facing due to the pandemic.

I wish I could say that the problems brought on by the pandemic would soon be in our rear view mirror. As we have learned, the pandemic runs on its own schedule, with many unknowns and uncertainties. That said, I remain confident that the improvements

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we've put in place in recent years will continue to pay huge benefits in better outcomes for workers and reduced costs for our system.

What we know for certain is that our strong relationships have kept us in good stead in the past, and, with our continued partnership, I am confident we can continue to make improvements in worker outcomes and system costs in the future.



A handwritten signature in black ink that reads "Vickie Kennedy".

**Vickie Kennedy**

Asst. Director for Insurance Services

## **What is Workers' Compensation?**

It is a no-fault insurance for work-related injuries and illnesses that protects both employers and workers. No-fault means workers give up their right to sue their employer for a work-related injury or illness. The insurance also protects employers from the cost of extended claims and tort liability.

## **Who is covered?**

Workers' compensation insurance through the Department of Labor & Industries (L&I) covers more than 180,000 employers and about 2.6 million workers. Premiums and investment earnings finance the program. Workers pay on average about 26% of the premium, while employers pay the remaining 74%. Washington is the only state where workers pay a significant portion of the premium.

*Upon request, foreign language support and formats for persons with disabilities are available. Call 1-800-547-8367. TDD users, call 711. L&I is an equal opportunity employer.*

# Workers' Compensation Statistics at a Glance

Operating Environment	FY 2021	FY 2020
Employers Insured	187,000	182,000
Workers Covered	2,550,000	2,580,000
Hours Reported	3,887,000,000	3,942,000,000
Premiums Assessed (employers' portion) <sup>1</sup>	\$1,624,150,000	\$1,651,735,000
Premiums Assessed (workers' portion) <sup>2</sup>	\$362,062,000	\$381,829,000
Benefits Incurred	\$2,336,333,000	\$2,399,615,000

Claim Statistics	FY 2021	FY 2020
Number of Claims Filed	95,668	99,984
Number of Claims Accepted	79,814	86,316
Number of Claims Denied	14,099	15,678
Number of Fatal Pensions Awarded	43	44
Number of Total Permanent Disability Pensions Awarded	854	832
Number of Claims Closed with Permanent Partial Disability Awards	6,897	8,151
Number of New Time-loss (Wage Replacement) Claims	17,528	16,790
Number of Medical-only Claims Accepted	64,488	72,000
Number of Injured Workers Completing Training Plans <sup>3</sup>	196	248
Total Number of Days Lost from Work	5,550,175	5,505,732

Demographics of Accepted Claims	FY 2021	FY 2020
Percent of Injured Workers Male	66%	65%
Percent of Injured Workers Female	34%	35%
Average Worker Age at Injury	38	38
Percent of Workers Under Age 30	32%	30%
Percent of Workers Age 30–50	44%	44%
Percent of Workers Age 51 and Over	24%	24%

Most Frequent Injuries	FY 2021 # of Claims
Finger(s): Open wounds of finger(s), fingernail(s)	8,671
Back: Traumatic injuries to muscles, tendons, ligaments, joints, etc. of back, including spine and spinal cord	8,552
Shoulder: Traumatic injuries to muscles, tendons, ligaments, joints, etc. including clavicle and scapula	3,920
Leg(s): Traumatic injuries to muscles, tendons, ligaments, joints, etc.	3,746
Multiple body parts: Multiple traumatic injuries and disorders	3,637

**Notes:** The data are a snapshot of FY 2021 (year ending June 30, 2021) as of fall 2021.

Because of rounding, some columns may not add up to 100%.

Counts of accepted and denied claims reflect actions in that year regardless of when claim was filed.

Counts of new time-loss (wage replacement) claims reflect claims with first time-loss payments, regardless of year claim was accepted.

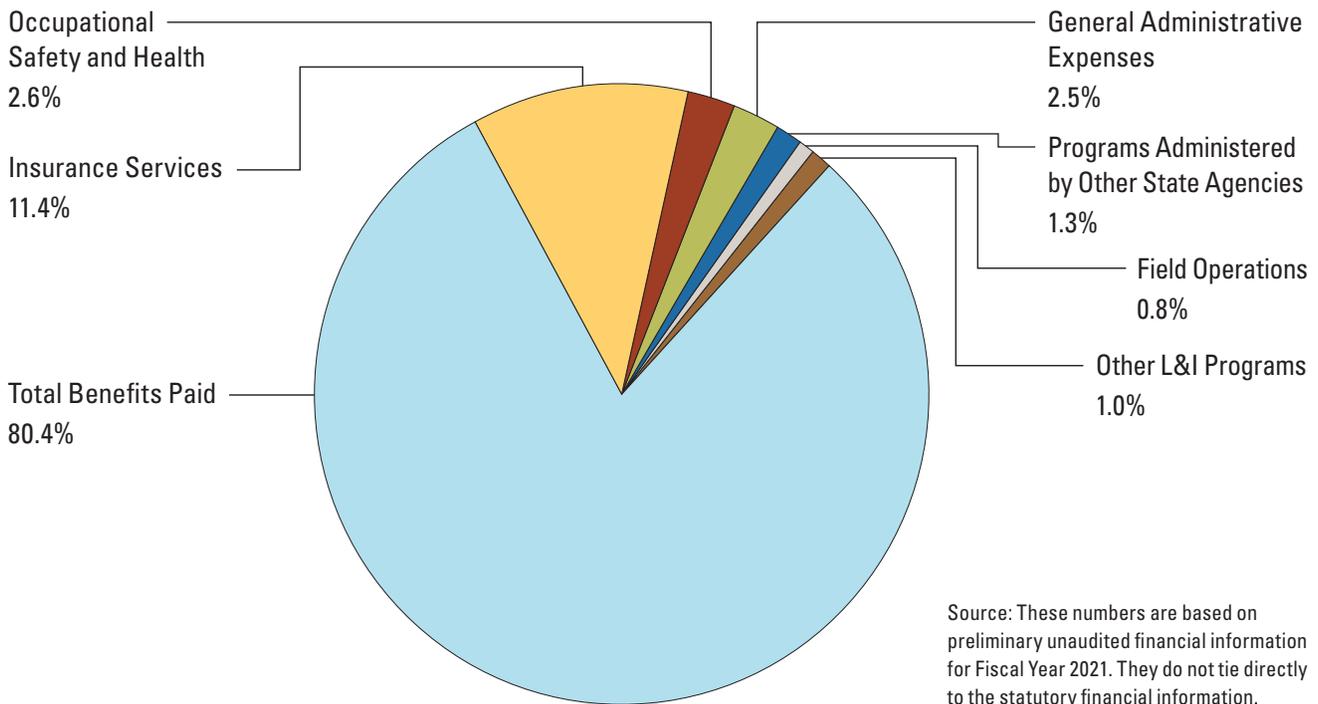
1. Includes Accident, Medical Aid, and Stay at Work premiums.

2. Includes Accident, Medical Aid, and Stay at Work premiums.

3. Includes only training plans successfully completed during the year.

# Your State Fund Premium Dollars at Work

An accounting of programs and services paid for with your insurance dollars  
July 1, 2020, through June 30, 2021



EXPENSE CATEGORY	AMOUNT PAID	PERCENTAGE
<b>Total Benefits Paid</b>	<b>\$1,545,621,472</b>	<b>80.4%</b>
Injured workers' medical treatment, partial wage replacement, disability and pension benefits (excludes cost-of-living adjustments); employer reimbursements under the Stay at Work Program, structured settlement payments		
<b>Insurance Services</b>	<b>\$218,491,492</b>	<b>11.4%</b>
Claims Management: Manage claims, medical treatment and vocational services, pay benefits	\$84,883,022	4.4%
Insurance Services Division Expenses	\$33,033,331	1.7%
Information Services: Technology development, and maintain data and voice systems	\$32,094,295	1.7%
Health Services Analysis and Office of the Medical Director: Control medical/drug costs, manage medical providers, develop treatment guidelines, pay medical treatment bills	\$30,660,637	1.6%
Fraud, Collection and Audit: Investigate worker, employer and provider fraud; conduct audits; collect overpayments and delinquent premiums	15,738,640	0.8%
Legal Services: Manage appeal cases, recover claim costs from third parties	12,426,025	0.6%
Employer Services: Manage employer accounts, assess and collect premiums	9,655,542	0.5%
<b>Occupational Safety and Health</b>	<b>\$50,406,039</b>	<b>2.6%</b>
Division of Occupational Safety and Health: Provide safety and health compliance, consultation and education	\$47,466,804	2.5%
Safety and Health Assessment and Research for Prevention (L&I's safety/health research program)	\$2,939,235	0.2%
<b>General Administrative Expenses</b>	<b>\$48,086,927</b>	<b>2.5%</b>
Human resources, budget and accounting, facilities maintenance, director's office support of workers' compensation		
<b>Programs Administered by Other State Agencies</b>	<b>\$24,791,363</b>	<b>1.3%</b>
Board of Industrial Insurance Appeals: Independent board, hears appeals in workers' compensation cases and safety and health citations	\$18,171,765	0.9%
University of Washington Dept. of Environmental & Occupational Health Sciences: Promote safer workplaces and prevent occupational injuries and diseases through teaching, research and service	\$6,174,198	0.3%
Health Care Authority: Consolidation of prescription drug purchasing by L&I and other agencies, manage preferred drug list	\$267,785	0.0%
Department of Health: Consolidation of L&I and Dept. of Health responsibilities for inspection of farm worker housing	\$177,614	0.0%
<b>Field Operations: L&amp;I Offices and Staff Costs Statewide</b>	<b>\$15,641,212</b>	<b>0.8%</b>
<b>Other L&amp;I Programs</b>	<b>\$20,060,625</b>	<b>1.0%</b>
Employment Standards/Workplace Rights: Enforce laws regulating child labor, minimum wage, overtime and working conditions	\$16,137,258	0.8%
Apprenticeship: Oversee registered apprenticeship to build a skilled workforce	\$3,923,367	0.2%
<b>TOTAL EXPENSES</b>	<b>\$1,923,099,129</b>	<b>100.0%</b>

Note: Because of rounding, some columns may not add up to 100%.