Washington State Department of Labor & Industries

Workers' Compensation Advisory Committee (WCAC)

Wednesday, September 30, 2020

AGENDA

Workers' Compensation Advisory Committee (WCAC)
Quarterly Meeting

Wednesday, September 30, 2020
Zoom meeting
1:00 PM – 3:00

Meeting ID: 949 4091 0592
Password: wcac0930!

Time	Topic	Presenter(s)
1 – 1:10	**Welcome** • Introductions • Safety Message	Joel Sacks Vickie Kennedy Dave Bonauto
1:10 – 1:30	**General Updates** • Finance Committee • COVID-19 • 21-23 Budget proposals • Legislation • WCSM	Joel Sacks Vickie Kennedy Randi Warick
1:30 – 2:00	**Rates** • New classification considerations	Joel Sacks Mike Ratko
2:00 – 2:10	**Break**	
2:10 – 2:20	**Industrial Insurance State Fund Financial Overview**	Rob Cotton
2:20 – 2:30	**L&I New Opioid Performance Metric**	Jaymie Mai
2:30 – 2:45	**Insurance Services Dashboard**	Vickie Kennedy
2:45 – 2:55	**Board of Industrial Insurance (BIIA) Update**	Linda Williams
2:55 – 3:00	**Closing Comments & Adjourn**	Vickie Kennedy Joel Sacks

Next WCAC Meeting
Wednesday, December 16, 2020
Zoom

For more information regarding the WCAC and to view meeting schedules and finalized meeting minutes, please visit the Washington State Department of Labor & Industries Workers' Compensation Advisory Committee Webpage:
www.lni.wa.gov/claimsIns/insurance/learn/wcac

F414-167-000.pdf

Washington State Department of
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Safety Message

Dave Bonauto

Promoting Flu Vaccination

- CDC: ‘The combination of flu and COVID-19 could overwhelm healthcare setting.’**

- Benefits of flu vaccination – home, work, school.

- Guidance workplace flu vaccination and guidance on flu vaccination during COVID.

https://www.cdc.gov/flu/business/promoting-vaccines-workplace.htm

https://www.cdc.gov/vaccines/pandemic-guidance/index.html

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General Updates

Finance Subcommittee

- 8/18/2020
  - COVID-19 trends update
  - Non-Pension Discount Rate
  - Supplemental Pension Fund refresher & rate scenarios
- 9/15/2020
  - COVID-19 trends update
  - Preliminary rate decision & deep dive on break-even rate
  - Contingency Reserve update
  - New Rating classes

COVID-19 claims by fund

Type	State Fund	Self-Insured	Total
Allowed	2,012	1,071	**3,083**
Rejected	77	45	**122**
Pending	436	152	**588**
Total received	**2,525**	**1,268**	**3,793**

As of Sept. 16, 2020

COVID-19 claims by industry

Industry	Claims	Share
Healthcare-related	2,237	59%
Miscellaneous Services	417	11%
Misc. Professional & Clerical	357	9.4%
First responders	300	7.9%
Government	120	3.2%
Transportation and Warehousing	74	2%
ALL OTHER	288	7.5%
Total	**3,793**	**100%**

As of Sept. 16, 2020

What is WCSM?

Business Transformation
WORKERS' COMP
SYSTEMS MODERNIZATION

- L&I's effort toward replacing and modernizing the 1980s-era computer systems that support Washington's workers' compensation program.
- We hope to:
  - Simplify the workers' compensation technology architecture.
  - Replace manual and paperwork processes with electronic features.
  - Enhance and add self-service features for customers.
  - Free up staff to directly serve the needs of injured workers and employers.
- In 2018, L&I produced a business case describing the agency's extensive research, technical plans, and procurement implementation strategies for replacing the existing systems.
- L&I proposed this modernization will have an overall estimated cost of $309M; legislature approved the agency's request of $81.9M for the first biennium.

What is WCSM?

Business Transformation
WORKERS' COMP
SYSTEMS MODERNIZATION

Work started in July 2019 after years of planning and research. Here's just some of what we've accomplished:

- Hired a systems integrator to help the infrastructure for existing systems and the new solution(s) to work together.
- Acquiring internal and external change management expertise.
- Hired a quality assurance vendor for independent assessment and advice.
- Creating a high-quality procurement strategy and plan for acquiring a commercial off-the-shelf (COTS) software product and implementer.
- Organized six project teams (COTS Procurement, Systems Integration, Customer Access, Change Readiness, Business Readiness and Program Foundations) and created a governance structure.

An independent look at WCSM

Business Transformation
WORKERS' COMP SYSTEMS MODERNIZATION

L&I is hiring an outside firm to conduct an independent review of the WCSM program. The review will assess L&I's:

- Strategy to procure and implement a new worker's compensation commercial off-the-shelf solution.
- Plan to move data from existing systems to the new solution.
- Overall WCSM budget.

Timeline of WCSM's independent review

All dates listed are tentative and subject to change

Business Transformation
WORKERS' COMP SYSTEMS MODERNIZATION

September 2020

RFP for independent auditor
L&I publishes the request for proposal for an outside firm to conduct an independent review of the WCSM program

December 2020

Vendor selected
L&I selects vendor to assess WCSM's overall plans, strategy and budget.

January 2021

Independent review begins
Assessment begins; auditing firm starts working with L&I subject matter experts. L&I will review interim recommendations during the assessment.

May 2021

Independent review wraps-up
The independent auditing firm closes out assessment; delivers final report and recommendations to L&I.

July 2021

Revised strategy
L&I subject matter experts finalize changes to the procurement strategy and approach based on recommendations from the independent review.

March 2022

Publish RFP for off-the-shelf solution and vendor partner
L&I publishes RFP after making changes to the procurement process based on the independent review.

May 2023

Select solution and vendor partner
L&I selects off-the-shelf solution and vendor partner after a thorough and rigorous procurement process.

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Rates

Joel Sacks

Mike Ratko

L&I's Rate-Setting Philosophy:

- Steady and predictable rates.
- Benchmark against wage inflation.
- Maintain adequate reserves.
- Focus on better outcomes for injured workers to reduce costs.

Proposed Overall Rate Change of 0%

Funds	2020 Average Hrly Rate	2021 Proposed Hrly Rate	2021 Proposed % Change
Accident	$0.324	**$0.324**	**0.0%**
Medical Aid	$0.189	**$0.175**	**(7.8)%**
Supplemental Pension	$0.122	**$0.137**	**12.0%**
Stay-at-Work	$0.005	**$0.005**	**0.0%**
Overall*	$0.640	**$0.640**	**0.0%**
Net per $100 of payroll**	$1.75	**$1.72**	**(2.1)%**

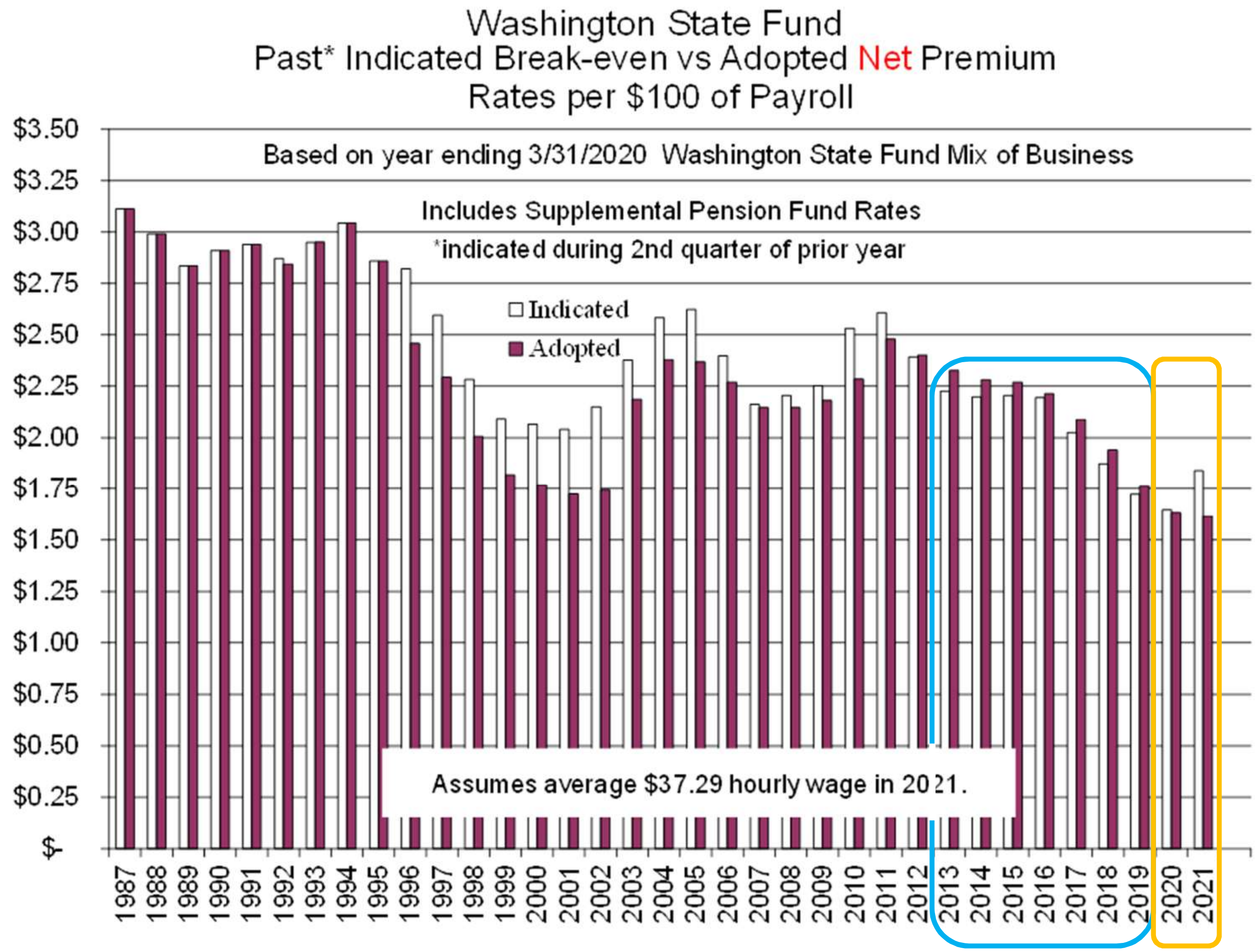
2021 Break-even Hrly Rate	2021 Break-even Indication
$0.340	5.2%
$0.210	11.2%
$0.163	33.4%
$0.005	3.8%
$0.719	12.4%
$1.93	10.0%

**Before retrospective premium refunds*

***Based on year ending March 31, 2020 mix of business and current wage inflation assumptions*

Steady and Predictable Rates

- Supplemental Pension Fund shortfall and recent COLAs required a 12% rate increase to avoid loans.
- Sufficient Medical Aid Fund reserves allow us to offset the SPF increase for a net-zero overall rate increase.
- Fourth consecutive year of no overall hourly rate increase.
  - Tenth consecutive year of no overall rate increase per payroll dollar.


Washington State Fund
Past* Indicated Break-even vs Adopted Net Premium
Rates per $100 of Payroll
Based on year ending 3/31/2020 Washington State Fund Mix of Business
Includes Supplemental Pension Fund Rates
*indicated during 2nd quarter of prior year
Indicated
Adopted
Assumes average $37.29 hourly wage in 2021.
$3.50
$3.25
$3.00
$2.75
$2.50
$2.25
$2.00
$1.75
$1.50
$1.25
$1.00
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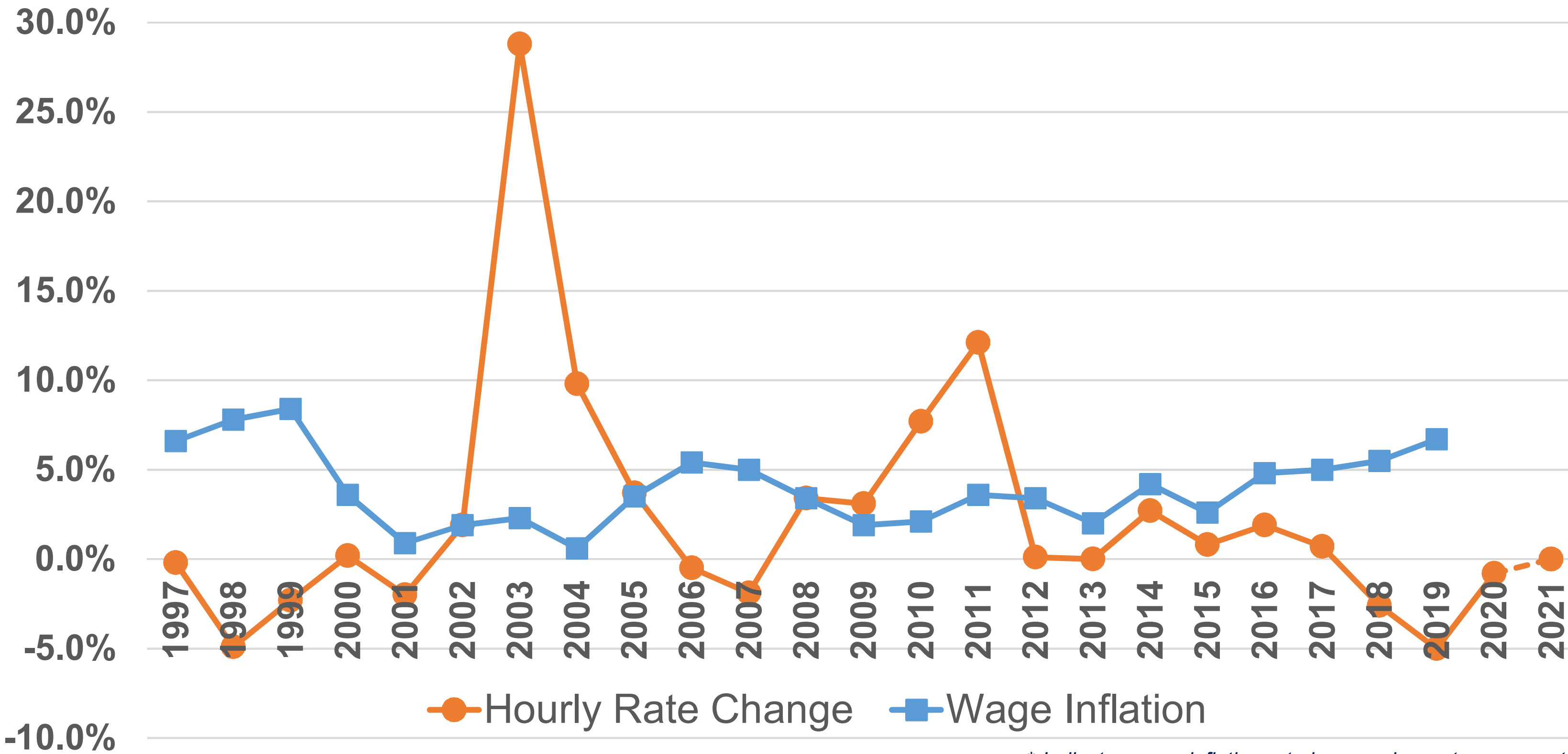
1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021

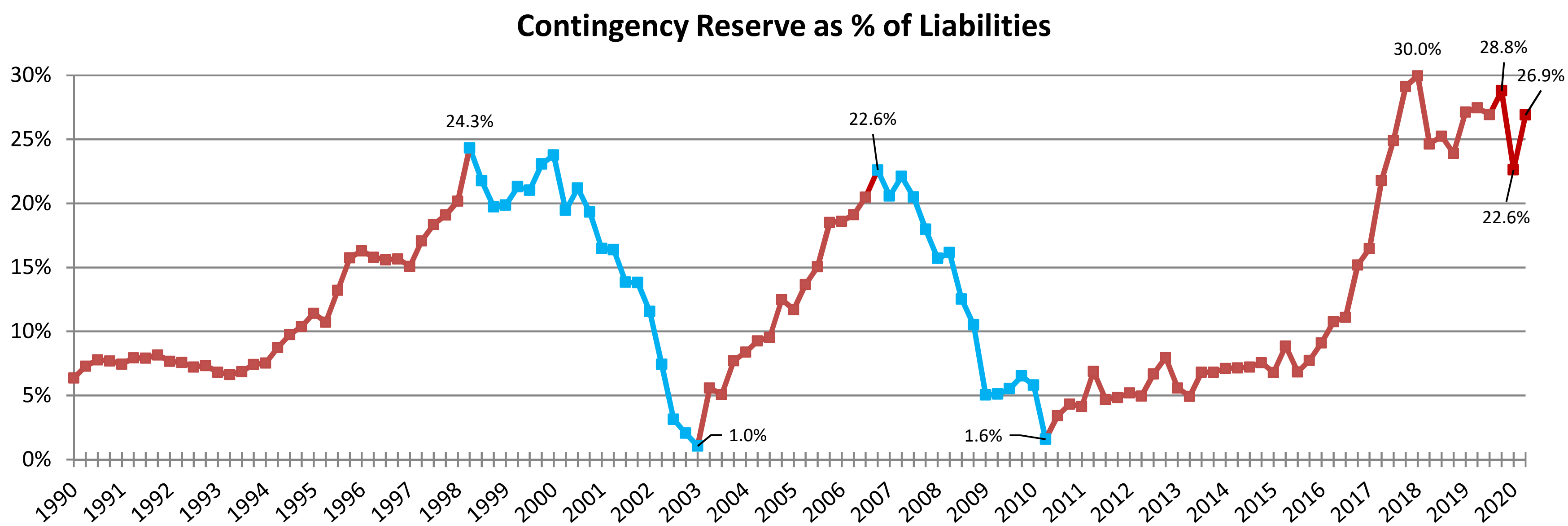
Benchmark Against Wage Inflation



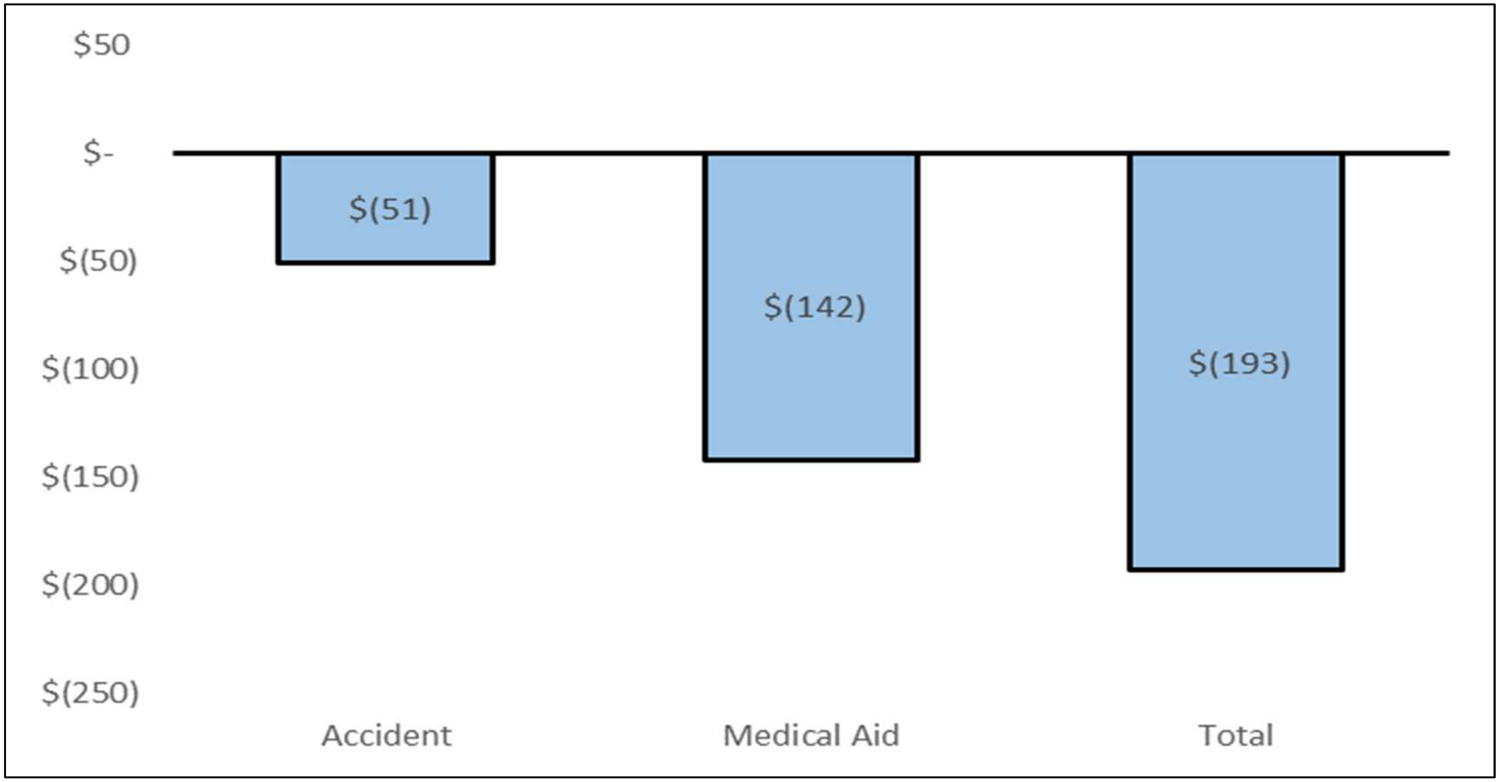
** Indicates wage inflation rate known when rates were set*

Maintain Adequate Reserves

- **1998 – 2003**: $1.15B decrease
- 24.3% → 1.0% of liabilities
- **2007 – 2010**: $1.91B decrease
- 22.6% → 1.6% of liabilities



Anticipated Impact of the 2021 Rate Proposal on the Contingency Reserve (in millions)



Focus on Better Outcomes for Workers To Reduce Costs

- The rate of long-term disability has been reduced through vocational recovery and occupational health best practices, helping drive down costs and keep rates stable.

- Identifying workers at risk of long-term disability and proactively providing appropriate interventions and services may ultimately reduce the financial impact of the current recession.

Key Next Steps in Adopting Rates

1. Two public hearings statewide via Zoom (10/27/2020 – 10/29/2020).
2. Adopt final 2021 rates (11/30/2020).
3. Begin mailing rates to employers (12/7/2020).
4. New rates are effective (1/1/2021).

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Supplemental Pension Fund

Supplemental Pension Fund (SPF) (RCW 51.32.073)

- SPF premiums cover the annual Cost of Living Adjustments (COLAs) in pension and time-loss benefits.
- SPF is allowed to collect only enough premium to make the **current** COLA payments for new and past claims ("pay as you go").
- Minimal cash in the bank (three months of payments) to absorb a revenue shortfall.
- This differs from the Accident Fund (AF), Medical Aid Fund (MAF), and Stay at Work program (SAW) that aim to collect sufficient premiums to pay for **current *and future*** benefit payments.
- Premiums are shared equally between employer and employee.

SPF Challenges Due to COVID-19

- **Substantial reduction in revenue** due to a reduction in reported hours and collected premiums.
- **COLA outlays continue to increase** with the state average wage (6.7% for benefits effective July 1).
- If the asset balance is below $50M at the beginning of a quarter, it would likely require a loan from the Pension Fund.
- Pension Fund loans must be paid back with interest, increasing future SPF rates.

Factors that Influence SPF Rate Changes

- Changes in number of hours worked.

- Changes in wages.
  - COLA based on changes in the State Average Annual Wage.
  - Indicated SPF rate increase: **2 * COLA – 2%.**

- SPF asset level.
  - Goal is to maintain at least three months' worth of benefit payments in the fund.

More on the 2021 SPF Rate Proposal

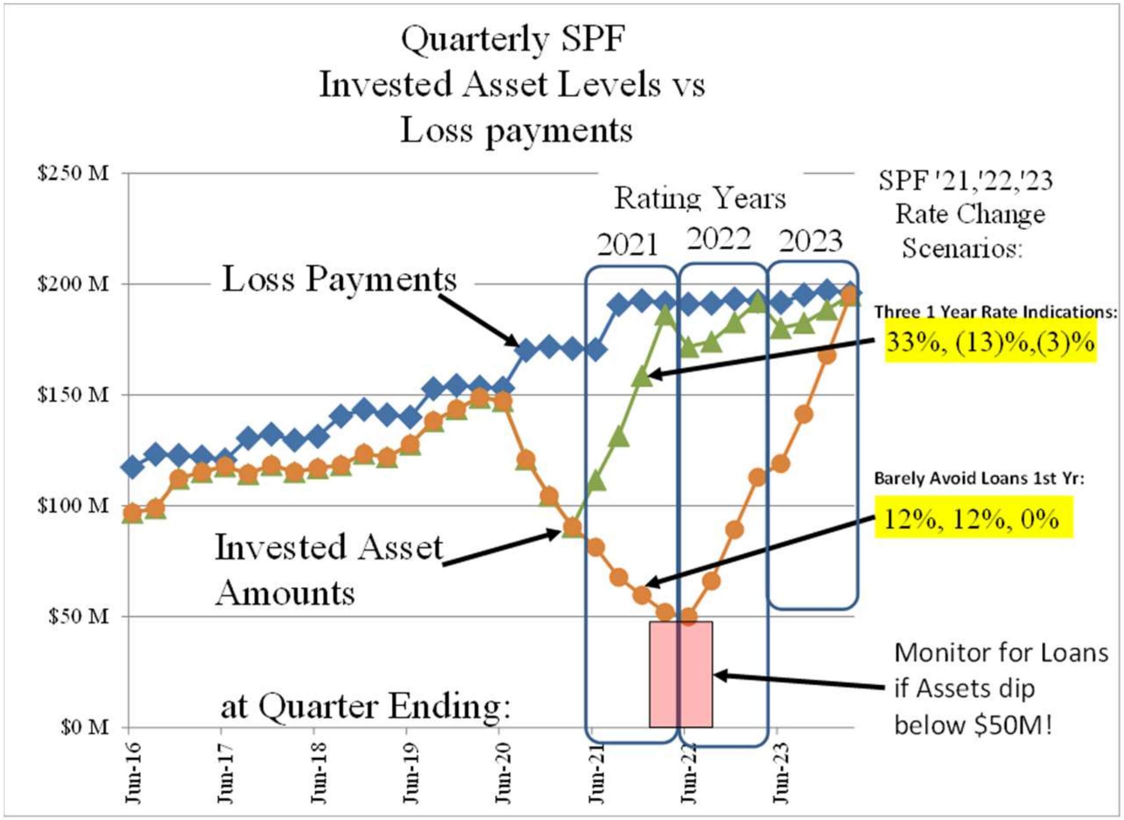
- 33.4% indicated rate increase.
- 12% proposed rate increase to cover benefit inflation & decrease in hours.
- Larger increases to bring SPF assets back to three months worth of payments deferred to future rating years.

SPF Break-Even Rate Indication

Factor	% Rate Increase Relative to 2020
Benefit inflation (wages)	11.0%
SPF asset level	15.4%
SF & SI hours	7.0%
Total indicated change	**33.4%**

Invested Asset Projections

Indicated vs. proposed rates



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New Rating Classes

Mike Ratko

Fulfillment Centers Risk Classification

- Concerns from businesses in the warehouse classification prompt actuarial and industry analysis.
- Fulfillment Centers determined to be higher hazard operations compared to rest of industry class.
- Developed a separate classification for Fulfillment Centers with a 2021 rate of $2.17 (a 15% increase).
- Warehouse rate is a proposed $1.51/hour (a 20% decrease).

Department of Energy (DOE) Hanford Site Classification System

- Workers of DOE contractors currently covered under special insuring agreement (RCW 51.04.130).
- DOE operates like a self-insurer paying all claim costs and L&I administrative assessments, and utilizing a TPA to manage claims.
- At the request of DOE, effective January 1, 2021, all DOE contractors will report hours and premiums to the state fund.
- Actuaries developed a 10 classification system and rates for DOE contractors.
- DOE contractors rates will not be experience rated and Hanford premium and losses will not be used in retrospective rating.
- There will be intermittent premium evaluations that result in premium being owed or refunded.

Industrial Insurance (State) Fund Financial Overview

Statutory Financial Information
Fiscal Year 2020 through Fourth Quarter (July 2019 – June 2020)

Rob Cotton, Chief Accounting Officer

Significant Financial Highlights

The contingency reserve increased $25 million, from $3,954 million on July 1, 2019 to $3,979 million on June 30, 2020.

- Net Unfavorable development on prior year liabilities
  - ↓ Medical Aid: mainly due to an increase in number and cost of new and replacement hearing aids
  - ↓ Accident: increase in duration due to the pandemic and changes in the economy
  - ↓ Structured Settlements: increase in the number of settlements
  - ↑ Partial Permanent Disability: fewer awards
  - ↑ Total Permanent Disability: a reduction in claim frequency
- ↓ Decrease in the non-pension discount rate from 1.5 to 1%
- Gains on investments
- Premiums and investment income are adequate to pay for actual costs

Change in contingency reserve by quarter for fiscal year 2020.

- July 1st to September 30, 2019 – a decrease of $16 million
- October 1st to December 31, 2019 – an increase of $289 million
- January 1st to March 31, 2020 – a decrease of $832 million
- April 1st to June 30, 2020 – an increase of $584 million

State Fund Results

“Net Income”

July 2019 through June 2020

Insurance Operations	+	Investment Income	+	Other Revenues and Expenses	=	Net Income (Loss) ($74 M)

Insurance Operations

July through June 2020
(in millions)

		Twelve Months Ended	
		June 30, 2020	June 30, 2019
We took in (Premiums Earned)	+	**$ 1,892**	**$ 1,927**
We spent (Expenses Incurred)			
Benefits Incurred		2,384	1,707
Claim Administrative Expenses		251	312
Other Insurance Expenses		96	101
Total Expenses Incurred	-	**2,731**	**2,120**
Net Income (Loss) from Insurance Operations	=	**$ (839)**	**$ (193)**

Net loss from insurance operations is normal for workers compensation insurers who routinely rely on investment income to cover a portion of benefit payments.

Insurance Operations + Investment Income + Other Revenues and Expenses = Net Income

Premiums Earned

July through June
(in millions)

	Twelve Months Ended		
	June 30, 2020	June 30, 2019	Difference
Standard Premiums Collected	$2,120	$2,216	
Less Retrospective Rating Adjustments	(210)	(253)	
Less Ceded Reinsurance Premiums	(12)	(5)	
Net Premiums Collected	1,898	1,958	
Changes in future Premium Amounts To Be Collected	(12)	(45)	
Changes in future Retrospective Rating Adjustment Refunds	6	14	
Net Premiums Earned	$ 1,892	$ 1,927	**$ (35)**

Insurance Operations + Investment Income + Other Revenues and Expenses = Net Income

Benefits Incurred

July through June
(in millions)

	Twelve Months Ended		
	June 30, 2020	June 30, 2019	Difference
Benefits Paid	$ 1,669	$ 1,635	**$ 34**
Change in Benefit Liabilities	*715	**72	**643**
Total Benefits Incurred	**$ 2,384**	**$ 1,707**	**$ 677**

Insurance Operations + Investment Income + Other Revenues and Expenses = Net Income

**Due to net unfavorable development (see Significant Financial Highlight slide)*
*** The $72 million change in benefit liabilities would have been $424 million without the positive claim trends.*

Investment Income

July through June
(in millions)

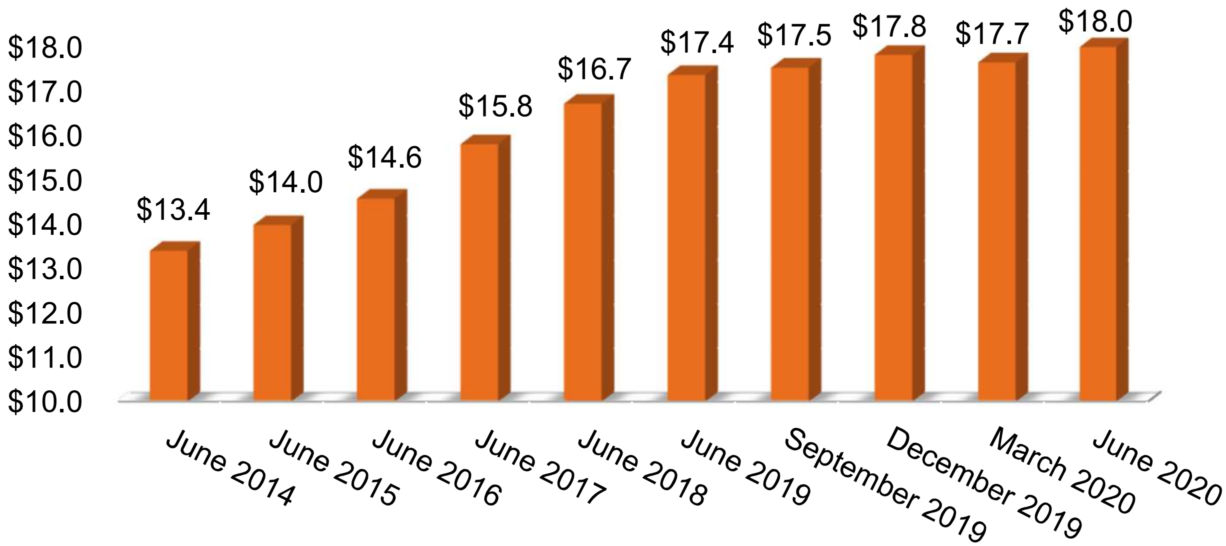
		Twelve Months Ended		
		June 30, 2020		June 30, 2019
Investment Income Earned from Interest on bonds	+	$ 497		$ 498
Realized Gain/(Loss) from Fixed Income Investments Sold	+	269	*	(26)
Realized Gains from Stocks (Equity Investments) Sold	+	3		3
Total Investment Income	=	$ 769		$ 475

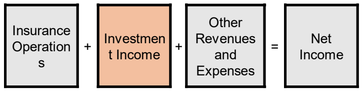
*Resulting from the sale of bonds in order to transfer assets from the accident account to the pension reserve account to cover the pension reserve deficit that existed at the end of FY19, rebalancing the investment portfolio in March 2020, and in June 2020, shorter term fixed income investments were sold and longer term purchased in order to align duration with the asset allocation policy.

Insurance Operations + Investment Income + Other Revenues and Expenses = Net Income

Total Investments

(rounded to billions)





Results of Operations

July 2019 through June 2020

Insurance Operations	+	Investment Income	+	Other Revenues and Expenses	=	Net Income (Loss)
($839) million	+	$769 million	+	($4) million	=	($74) million

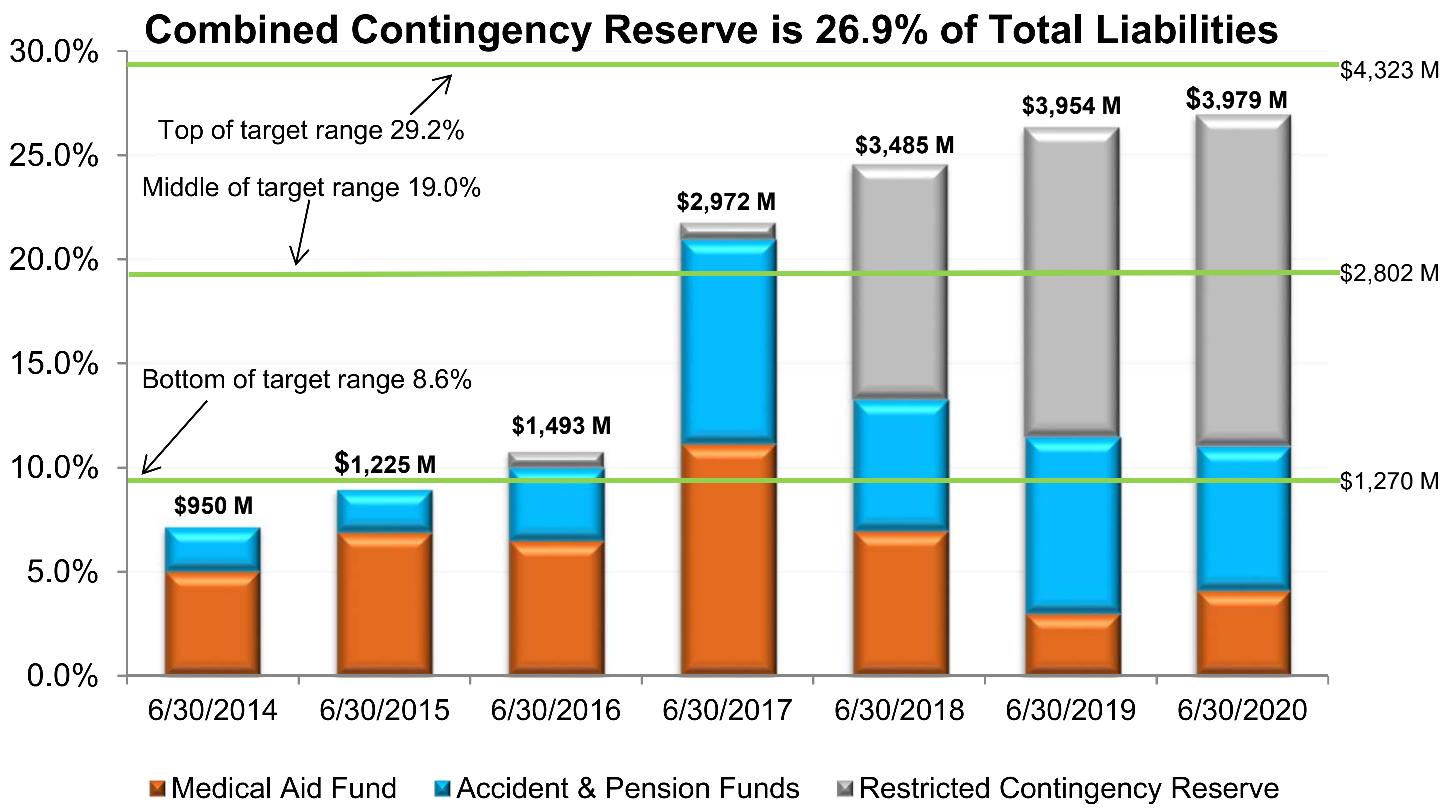
How did the contingency reserve perform?

July 2019 through June 2020

Change $25 million

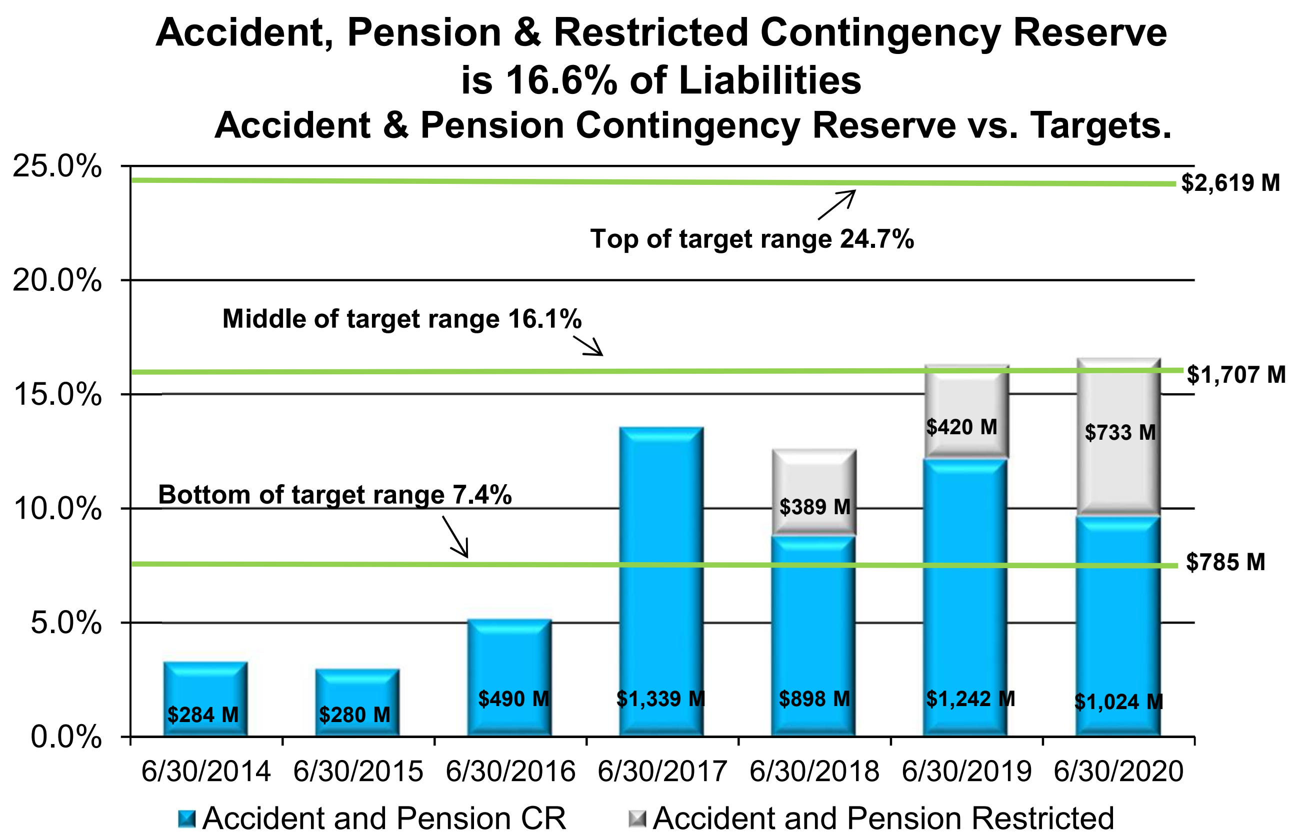
Beginning Contingency Reserve as of June 30, 2019	Net Income (Loss)	Unrealized Capital Gain/(Loss)	Non-Admitted Assets	New Contingency Reserve as of June 30, 2020
$3,954 million	($74) million	$161 million	($62) million	$3,979 million

Combined Contingency Reserve vs. Targets



Restricted is based on final June 30, 2020 financial information and the change in the value of investments through 6-30-20.

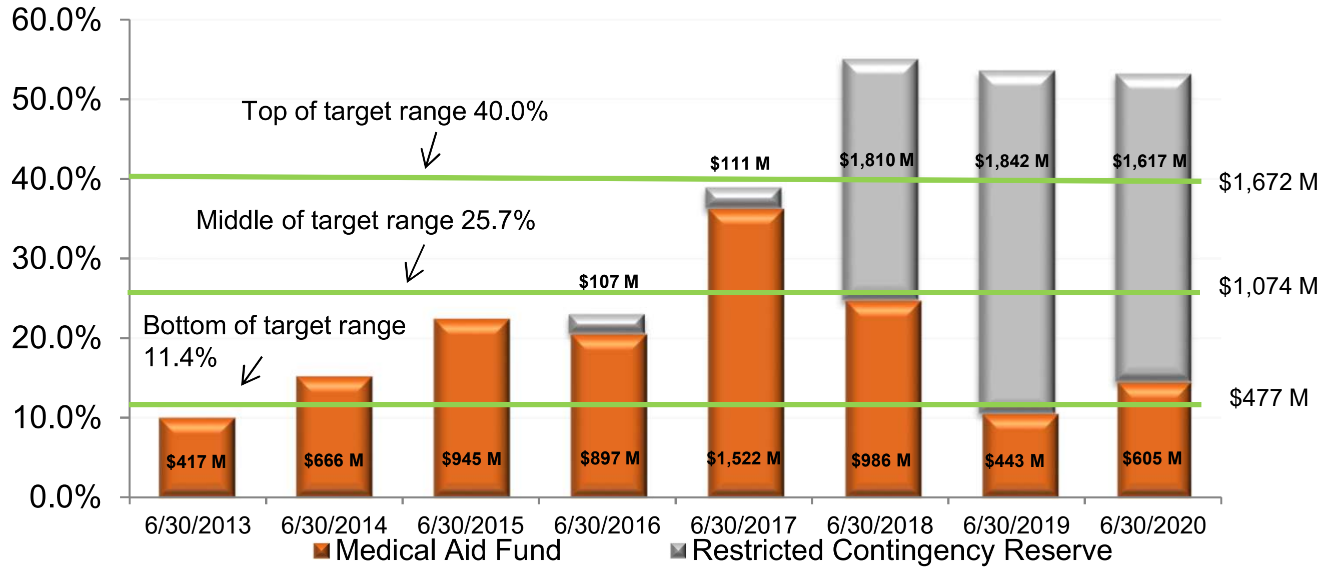
The WCAC Target has historically been the midpoint between the bottom and middle target.



The WCAC Target has historically been the midpoint between the bottom and middle target.

Medical Aid & Restricted Contingency Reserve is 53.2% of Liabilities.

Medical Aid & Restricted Contingency Reserve vs. Targets.



Restricted is based on final June 30, 2020 financial information and investment earnings through 6-30-20.

The WCAC Target has historically been the midpoint between the bottom and middle target.

* Effective June 1, 2020, $371M was transferred from the Medical Aid Account's restricted contingency reserve to unrestricted. This was done to ensure the unrestricted medical aid account has a positive balance at fiscal year-end 2020.

Key Financial Ratios

as a percentage of premium earned

Ratios	Quarter Ended June30, 2020 State Fund	Quarter Ended June30, 2020 Industry Forecast	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018
Current Year Benefit (Loss Ratio)	91.8%		83.7%	77.8%
Prior Year Benefit (Loss Ratio)	34.2%		4.9%	17.1%
Total Benefit (Loss Ratio)	**126.0%**	**43.9%**	**88.6%**	**94.9%**
Current Year CAE Ratio	11.5%		10.3%	9.0%
Prior Year CAE Ratio	1.8%		5.8%	2.3%
Total Claim Administration Expense (CAE) Ratio	**13.3%**	**14.1%**	**16.2%**	**11.3%**
Sub-Total: Benefit and Claim Administration Expense Ratios	139.3%	58.0%	104.8%	106.2%
Underwriting Expense Ratio includes all insurance administrative expenses except CAE	5.1%	28.4%	5.3%	4.6%
Combined Ratio (Industry omits dividends)	**144.4%**	**86.4%**	**110.2%**	**110.8%**
Investment Income Ratio	26.3%	19.9%	25.9%	22.9%
Operating Ratio	**118.1%**	**66.5%**	**84.3%**	**87.9%**

Questions & Comments

Rob Cotton

Chief Accounting Officer

- Phone: 360-902-5743
- Email: cotr235@lni.wa.gov.

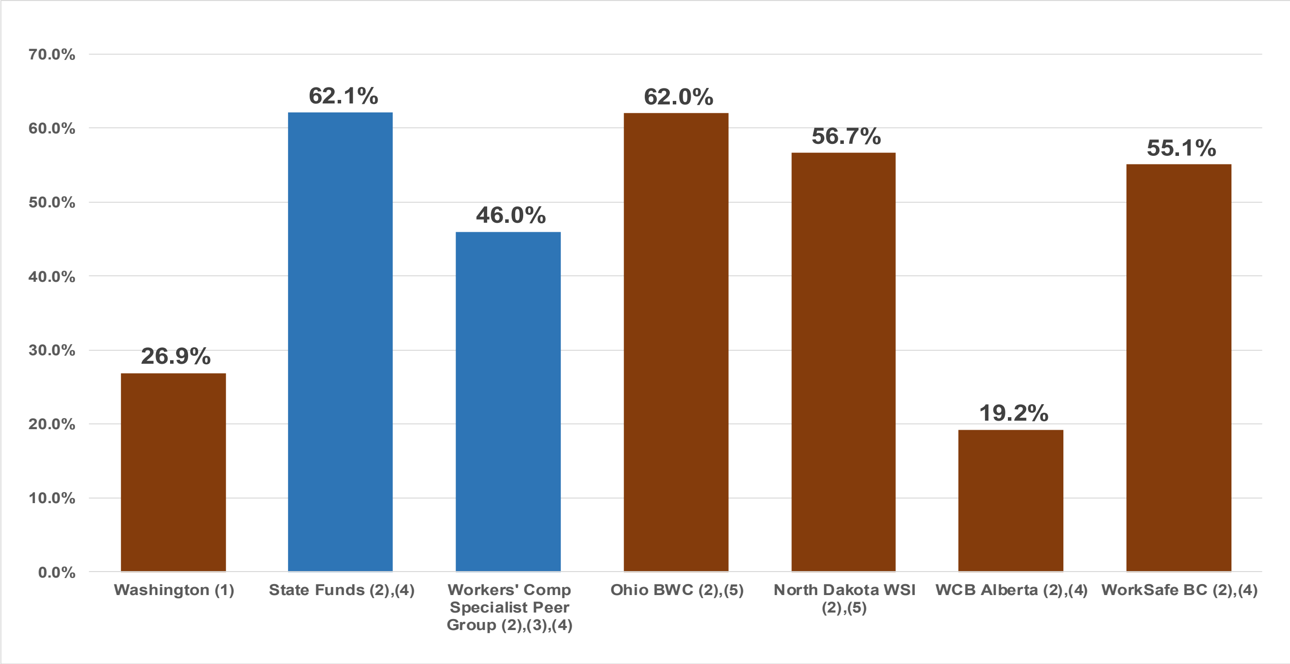
Thank You!

Reconciliation of Change in Benefit Liabilities

(In $1,000s)

July 1, 2019 Benefit Liability Beginning Balance	$13,163,053
Prior Year Benefit Payments	($1,386,960)
Prior Year Development and Model Change (Unfavorable)	$259,589
Self Insurance Prefunded Pension Transfers	$26,104
Regular reserve discount reduction	$362,027
Net Total Prior Year Benefit Liability as of June 30, 2020	$12,423,813
New Current Year Benefit Liabilities	$1,454,787
June 30, 2020 Benefit Liabilities Ending Balance	$13,878,600
Change Between Beginning and Ending Balance	**$715,547**

Washington's CR is below most other funds as a percent of liabilities



(1) Preliminary as of 6/30/2020
(2) Source: Conning Peer Analysis, August 19, 2020
(3) Worker's Comp Specialist Peer Group—workers' compensation specialist insurers including some state funds
(4) As of 12/31/2019
(5) As of 6/30/2019

Historic Results of Operations

July through June
(in millions)

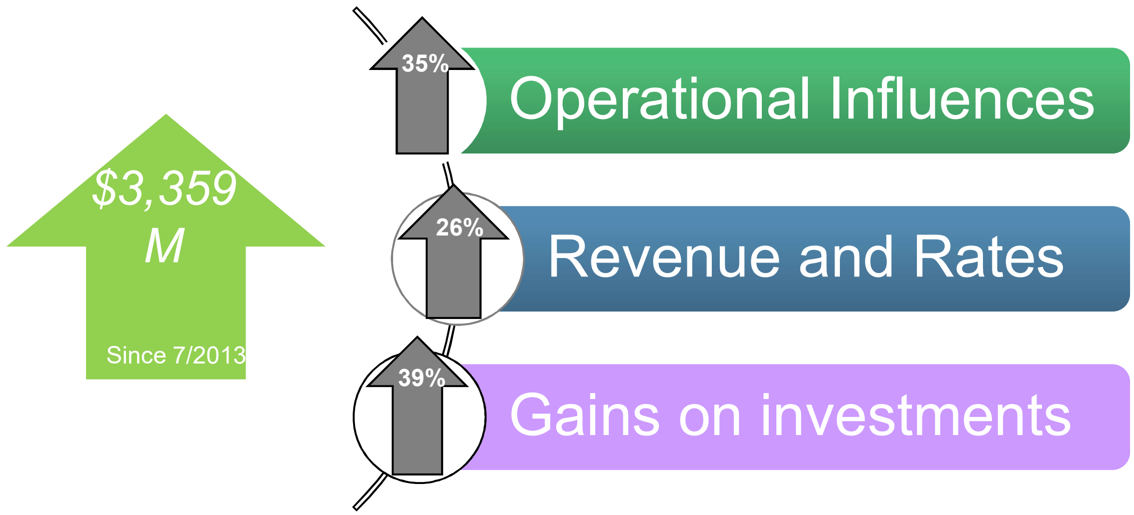
As of Quarter Ended June 30,	Insurance Operations	+	Investment Income	+	Other Revenues & Expenses	=	Net Income (Loss)
2020	(839)		769		(4)		(74)
2019	(14)		347		16		349
2018	440		491		36		967
2017	119		387		45		551
2016	(219)		462		43		286
2015	(475)		420		40		(15)
2014	(470)		597		43		170
2013	(579)		427		26		(126)
2012	(620)		394		52		(174)
2011	(540)		416		53		(71)

Historical Investment Performance

	Quarter Ended June 30, 2020	Fiscal Year Ended June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Investment Income	496,981,000	498,626,000	481,048,000	478,130,000	498,499,000	493,408,000
Realized Gain (Loss)	272,266,000	(23,498,000)	1,092,446,000	102,540,000	137,988,000	58,660,000
Unrealized Gain (Loss)	161,264,000	151,820,000	(812,942,000)*	380,183,000	(181,830,000)	23,691,000
Total Invested Assets	17,992,984,000	17,443,448,000	16,728,166,000	15,815,997,000	14,593,530,000	14,003,302,000

***Unrealized gains in prior years that increased the contingency reserve were removed from unrealized and included in realized gains when equities were sold in fiscal year 2018.**

Contingency Reserve Drivers



As of 6/30/2020 the CR is at $3,979 M.

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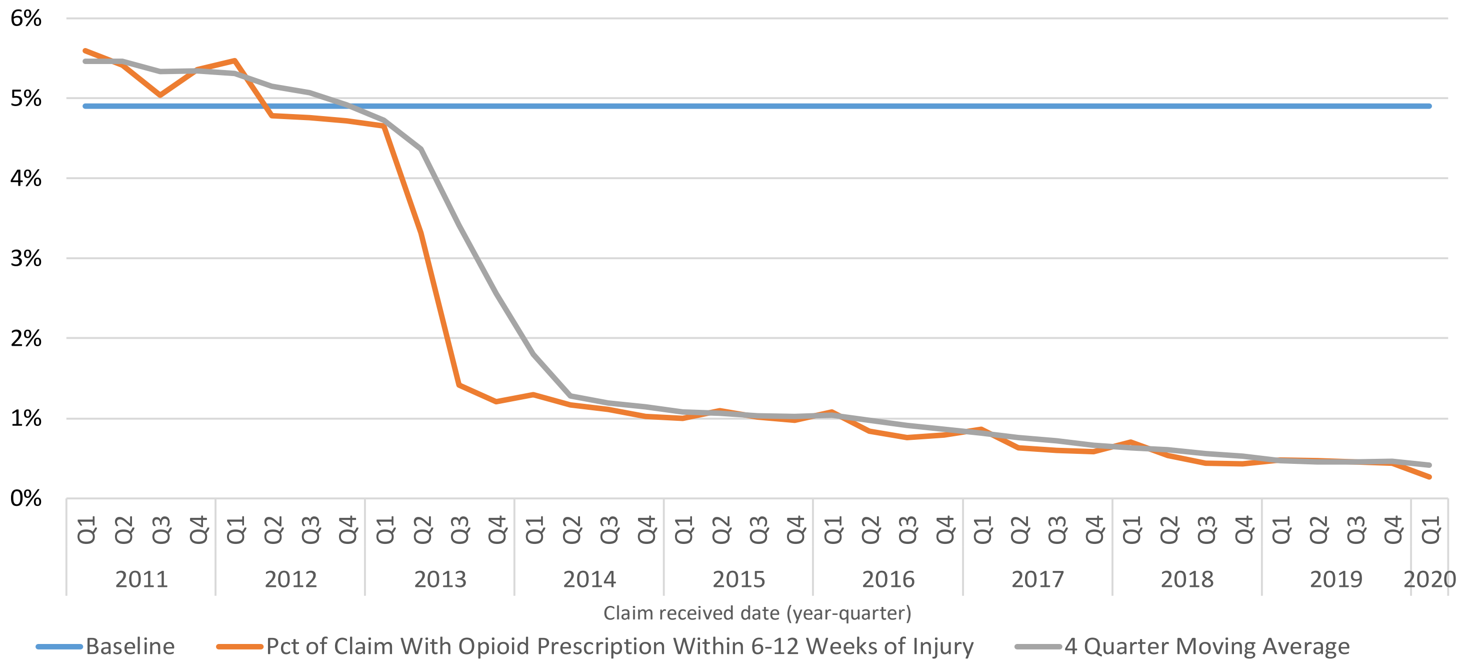
New Opioid Performance Metric

Jaymie Mai
Pharmacy Director

Background

- L&I's opioid guidelines were implemented July, 2013.
- Results from the workers' compensation billing system show a significant decline in opioid use.
- Data is limited to State Fund claims with opioid billings within 6 to 12 weeks of injury.



Background

Need to evolve our opioid measure to incorporate current opioid trend and the overall injured worker population, and to better coordinate with external efforts

- As a state agency, L&I is able to access the state's Prescription Monitoring Program (PMP) Database
  - About 4,500 workers with open claims, including medical only cases, are on chronic opioids
  - Some workers are on chronic opioid therapy at the time of injury
- Existing opioid measures, in addition to the prior chart
  - Performance and operational measures
  - Top Tier, COHE and Surgical Quality Care Program
  - Opioid prescribing reports

New performance measure on opioids

- New opioid measure
  - Workers transitioned to chronic opioid therapy. Threshold ≤ 1.5 per 1,000 claimants
- Includes all State Fund claims, not just compensable claims
- Includes all prescriptions, not just those billed on claim
- Focus on preventing disability and long-term adverse outcomes of chronic opioid therapy
- Tracked on a quarterly basis with one quarter lag to ensure data stability
- Consistent with external groups and potential for benchmark

Washington State Department of Labor & Industries

Dashboard – Help Injured Workers Heal and Return to Work

Vickie Kennedy

Assistant Director for Insurance Services

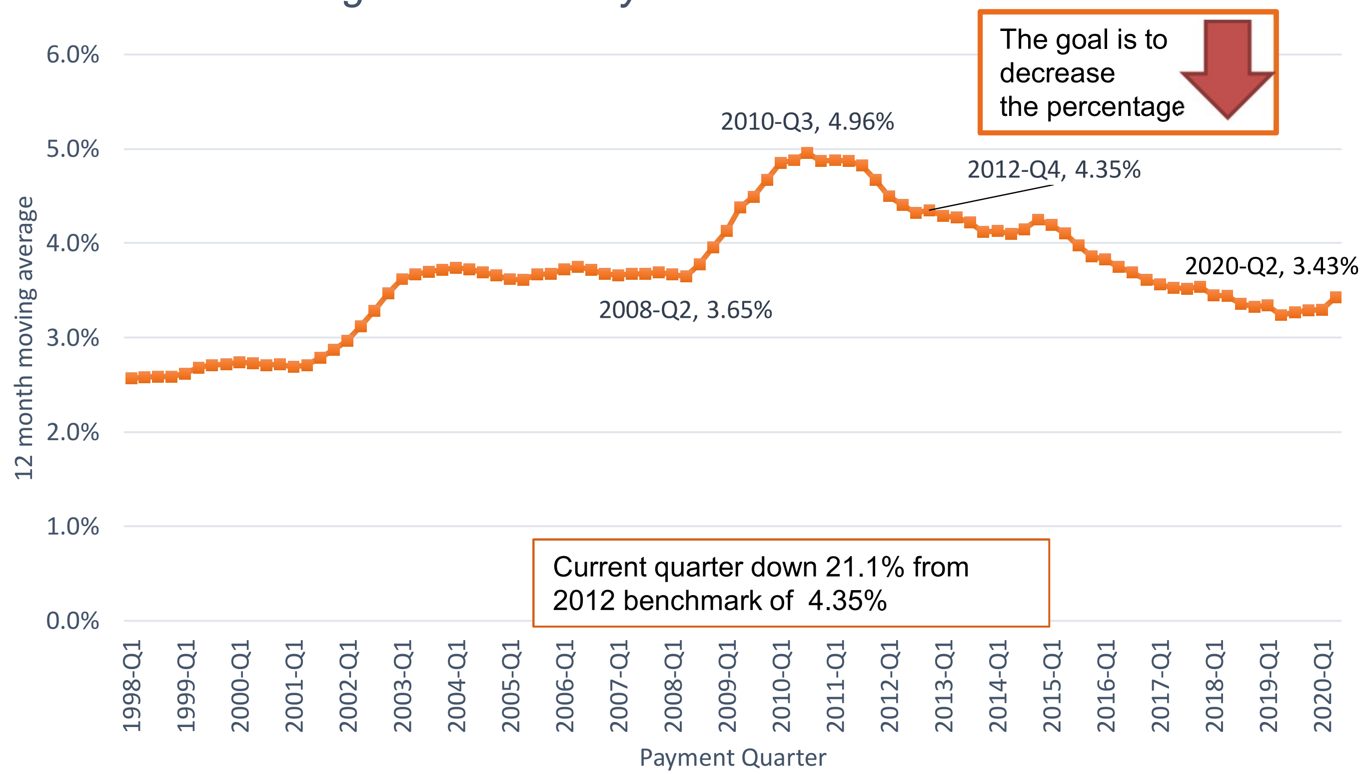
Dashboard Summary

Measure	Change from 2012 (unless otherwise noted)	Highlights
Long Term Disability – share that received a TL payment in the 12 month post injury	Down 21.1 %	
Estimated Ultimate Pensions 2004 - 2016	Down 18.8% (From 2012 Estimates)	
Resolution rate - time-loss claims at 6 months	Down .9%	
Auto adjudication of claims	Up 75.7% from 2014	
High risk claims – share return to work at 12 months	Up 6.2%	
Median time-loss days paid at first vocational service	Down 70.7%	
% RTW outcomes - all first vocational service referrals	Up 192%	
WSAW participation	Steady utilization	
COHE utilization	Up 89.8%	

* Earliest year for which measurement is available

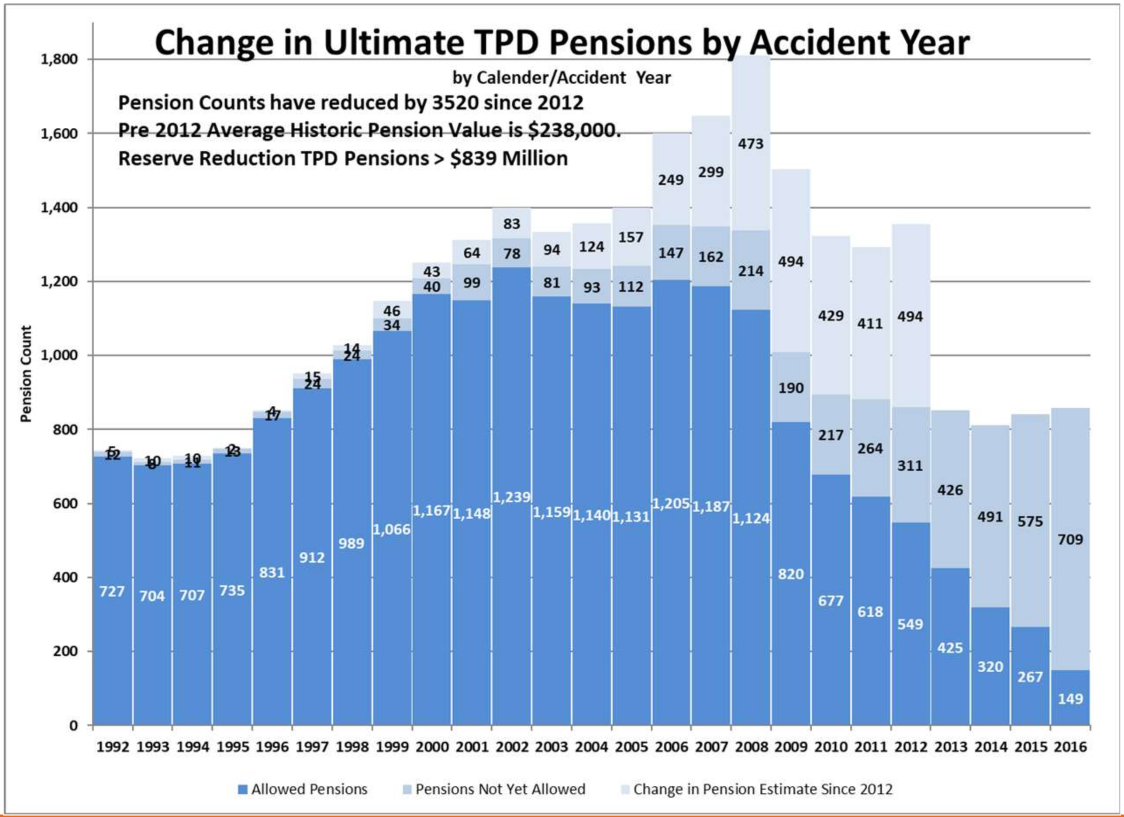
Long term disability percent

Share of injured workers with time-loss paid in the 12th month post injury: *smaller percentage indicates less long-term disability*

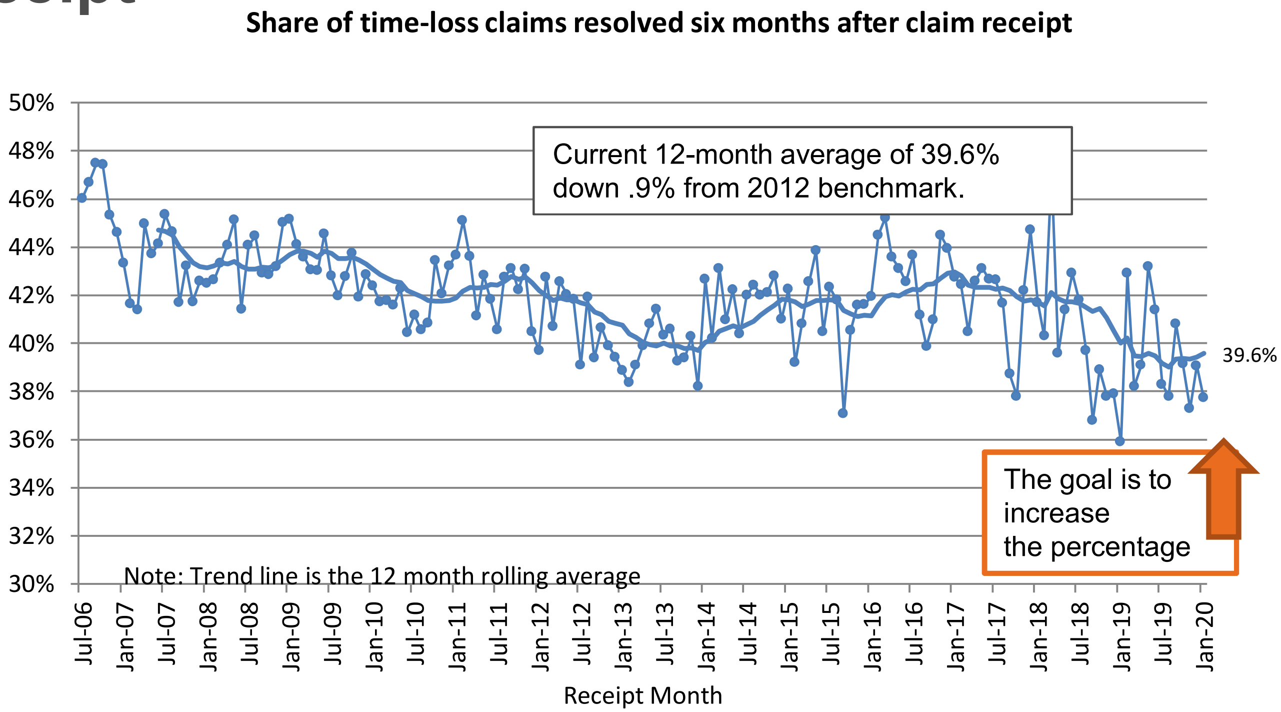


Pensions by accident year

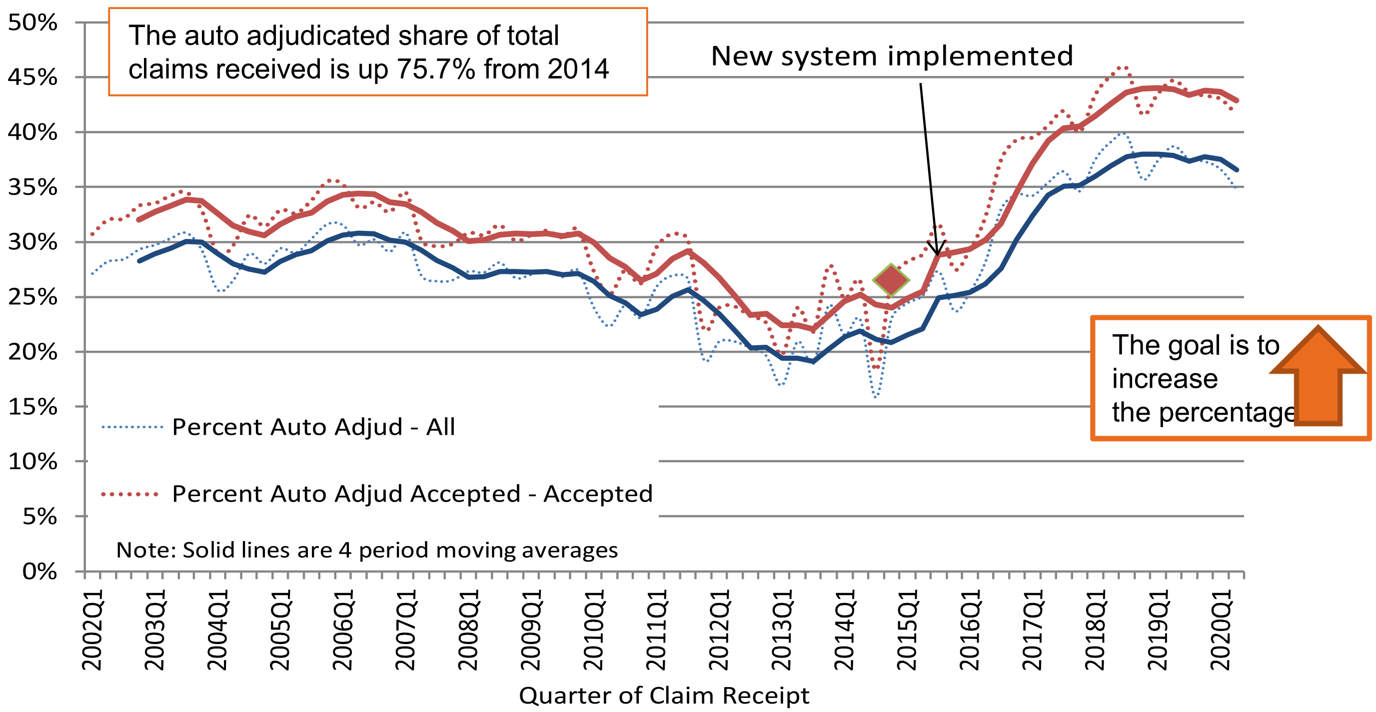
Latest estimates compared to prior estimates.



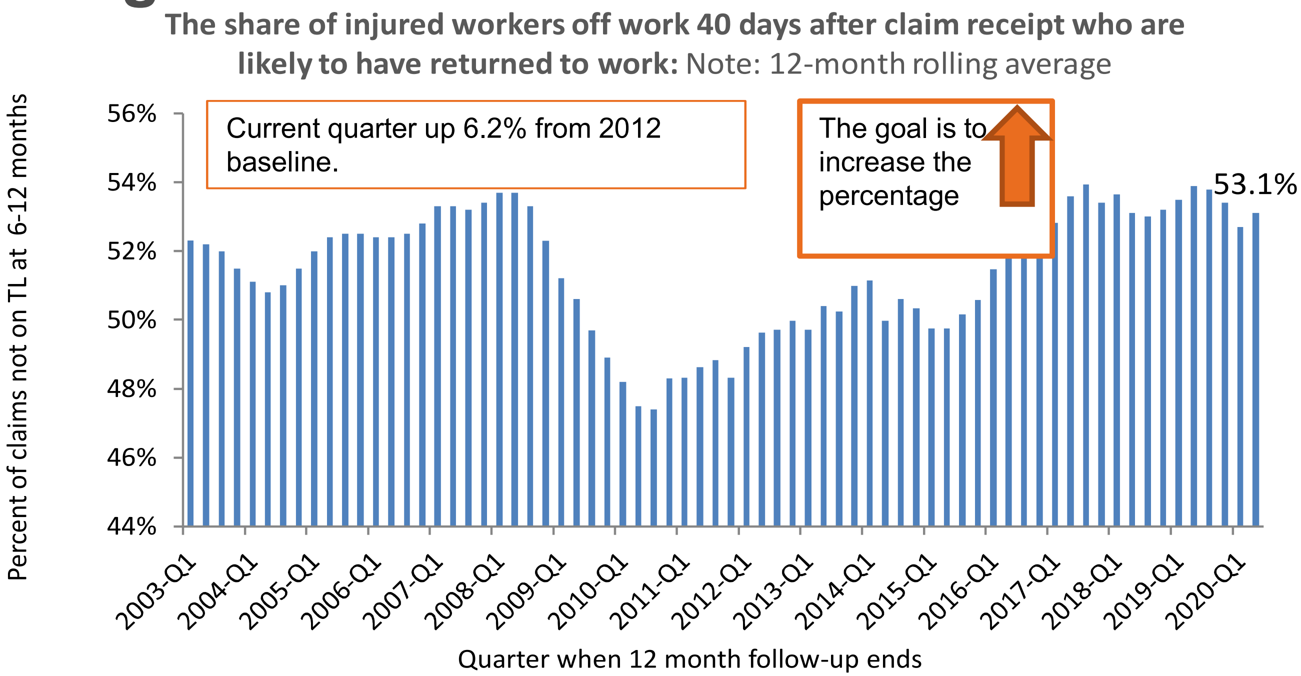
The share of time-loss claims resolves six months after claim receipt



A new auto-adjudication was implemented in 2015 and is showing results

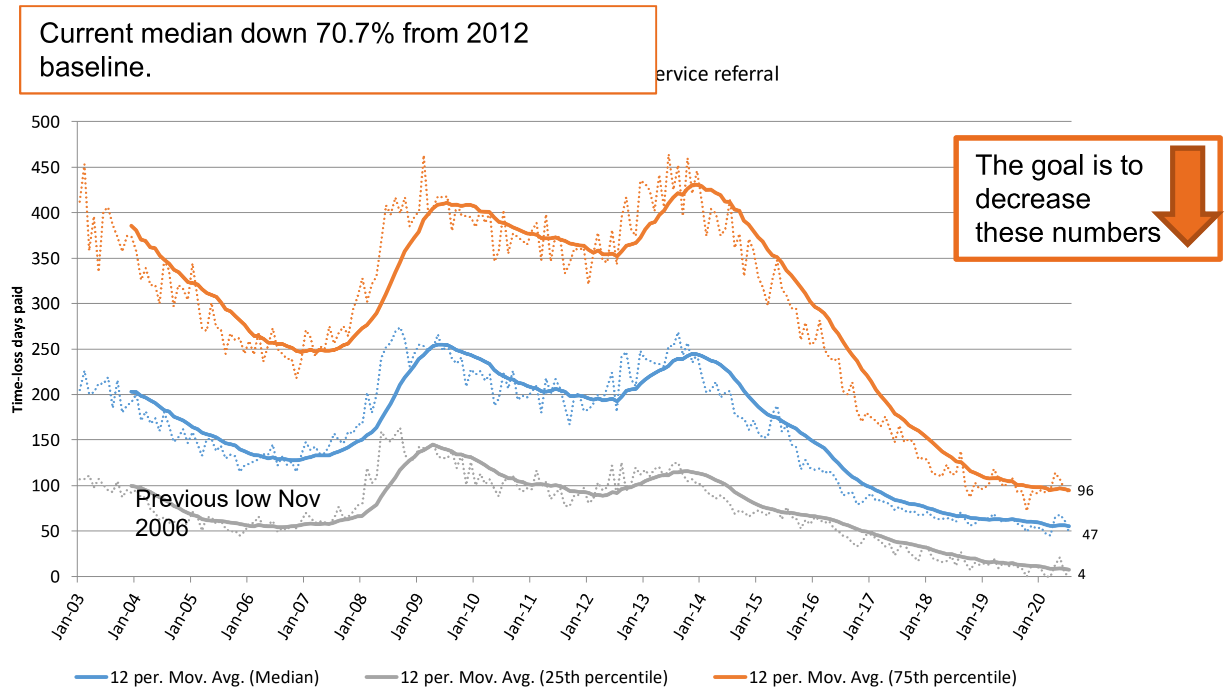


High Risk Claims (initiatives in the first year are improving return-to-work outcomes

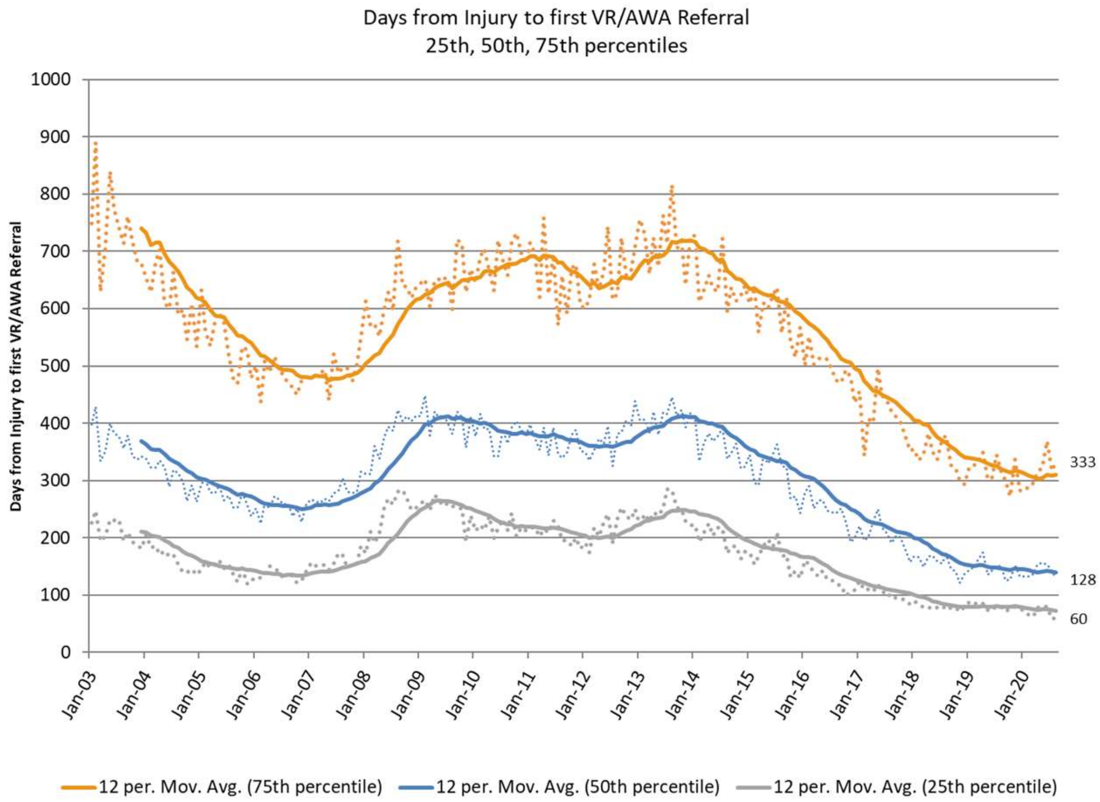


High risk workers are defined as those being disabled on the 40th day following claim receipt, about 1,540 claims per quarter. RTW is defined as the status of not receiving disability benefits between 7 and 12 months

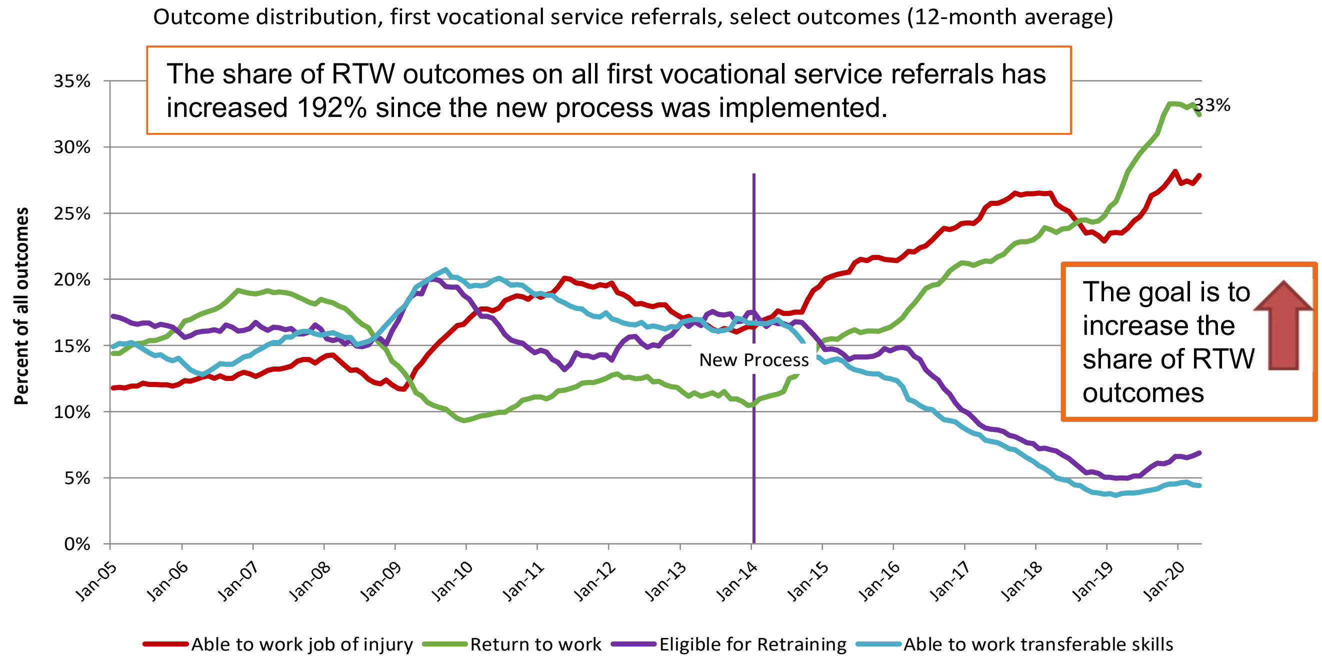
Referrals are now targeted to address the onset of disability

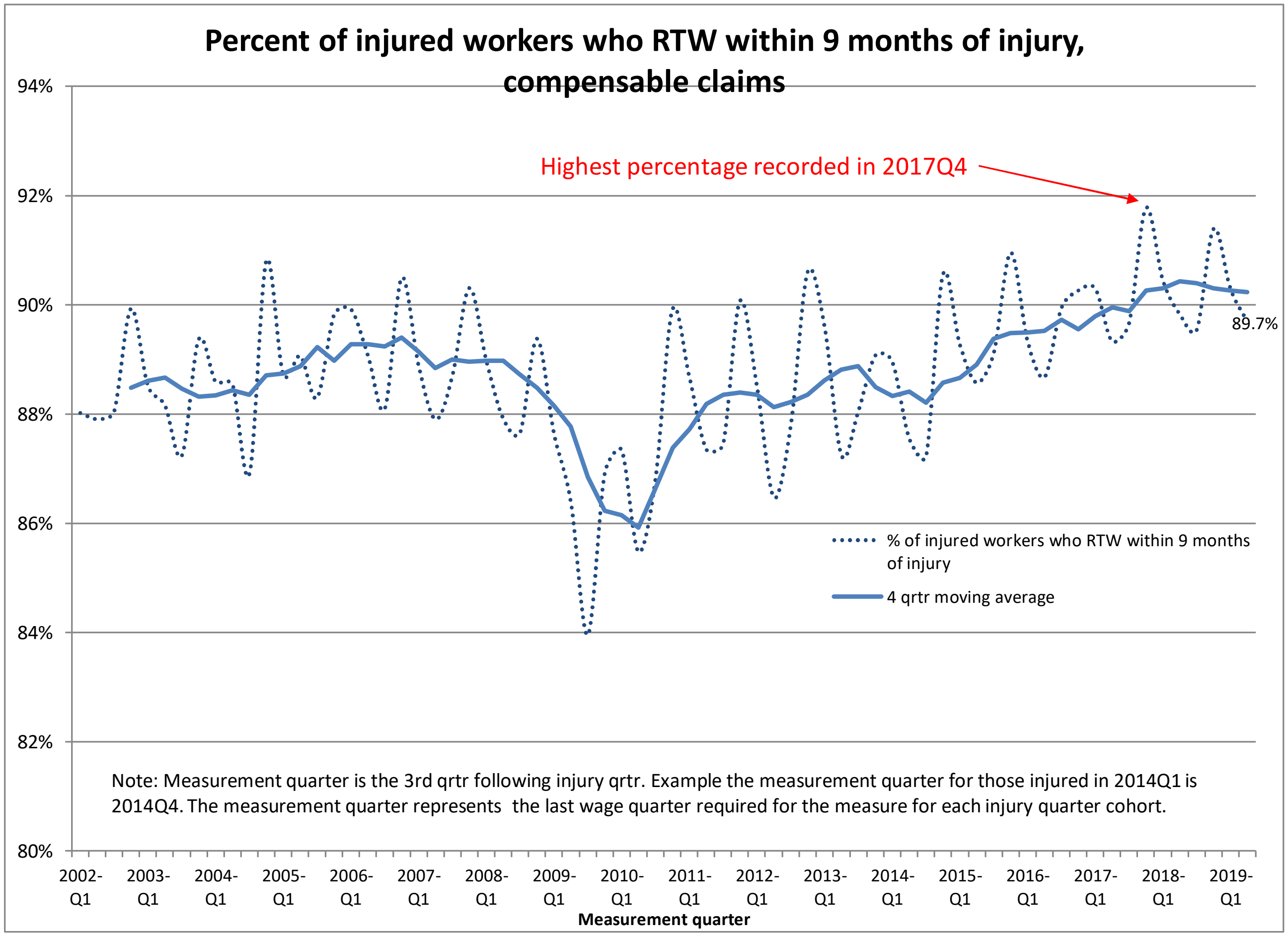


Referrals are now targeted to address the onset of disability

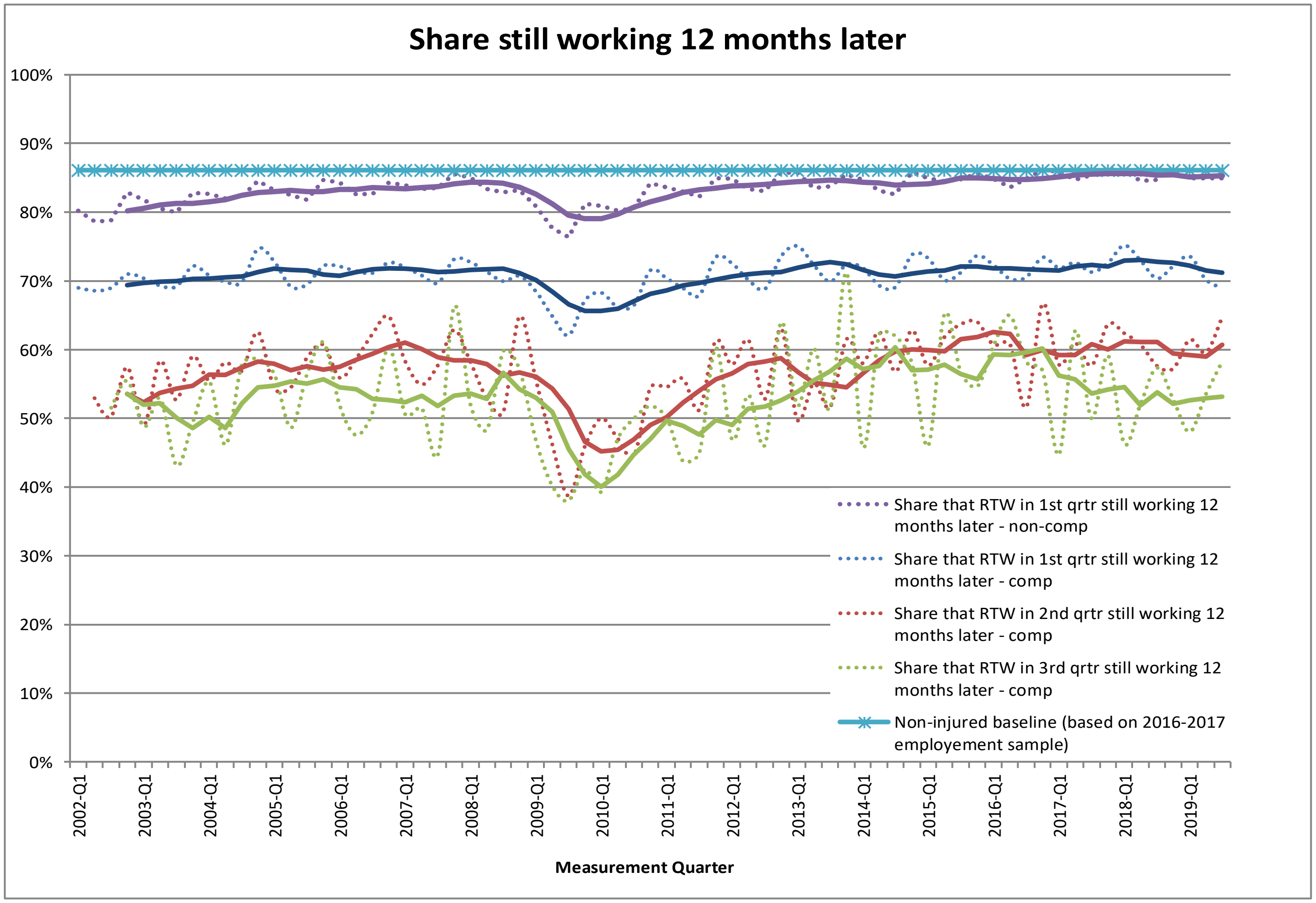


New focus on return to work has increased positive employable outcomes for all first vocational service referrals

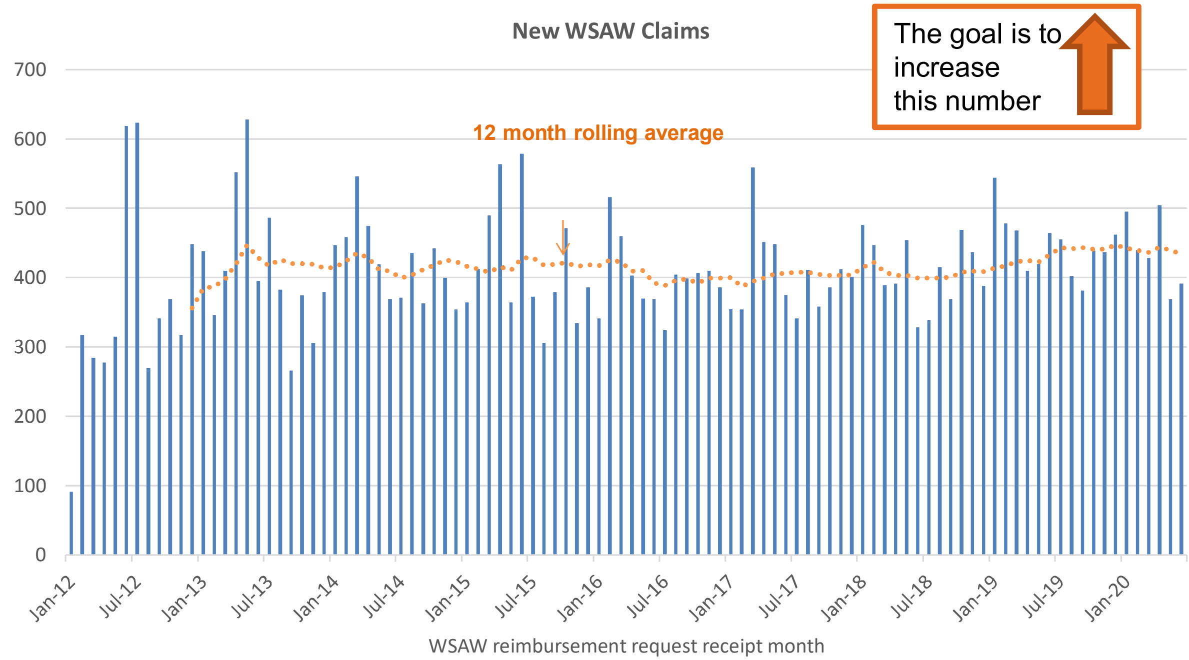




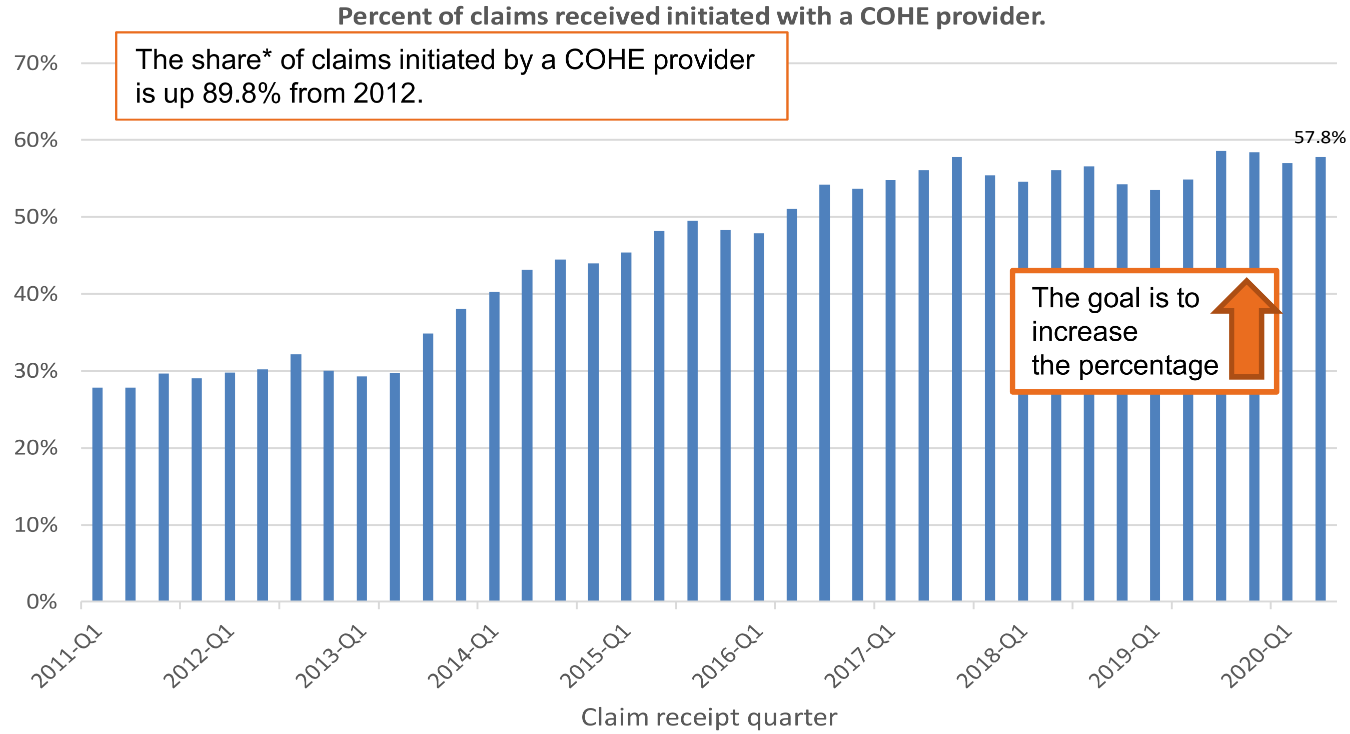
Percent of injured workers who RTW within 9 months of injury, compensable claims
Highest percentage recorded in 2017Q4
94%
92%
90%
88%
86%
84%
82%
80%
89.7%
% of injured workers who RTW within 9 months of injury
4 qrtr moving average
Note: Measurement quarter is the 3rd qrtr following injury qrtr. Example the measurement quarter for those injured in 2014Q1 is 2014Q4. The measurement quarter represents the last wage quarter required for the measure for each injury quarter cohort.
2002-Q1
2003-Q1
2004-Q1
2005-Q1
2006-Q1
2007-Q1
2008-Q1
2009-Q1
2010-Q1
2011-Q1
2012-Q1
2013-Q1
2014-Q1
2015-Q1
2016-Q1
2017-Q1
2018-Q1
2019-Q1
Measurement quarter


Share still working 12 months later
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2002-Q1
2003-Q1
2004-Q1
2005-Q1
2006-Q1
2007-Q1
2008-Q1
2009-Q1
2010-Q1
2011-Q1
2012-Q1
2013-Q1
2014-Q1
2015-Q1
2016-Q1
2017-Q1
2018-Q1
2019-Q1
Measurement Quarter
Share that RTW in 1st qrtr still working 12 months later - non-comp
Share that RTW in 1st qrtr still working 12 months later - comp
Share that RTW in 2nd qrtr still working 12 months later - comp
Share that RTW in 3rd qrtr still working 12 months later - comp
Non-injured baseline (based on 2016-2017 employement sample)

Participation in light duty job assignments helps maintain the employer/injured worker relationship



Percentage of claims for injured workers initiated with a COHE provider

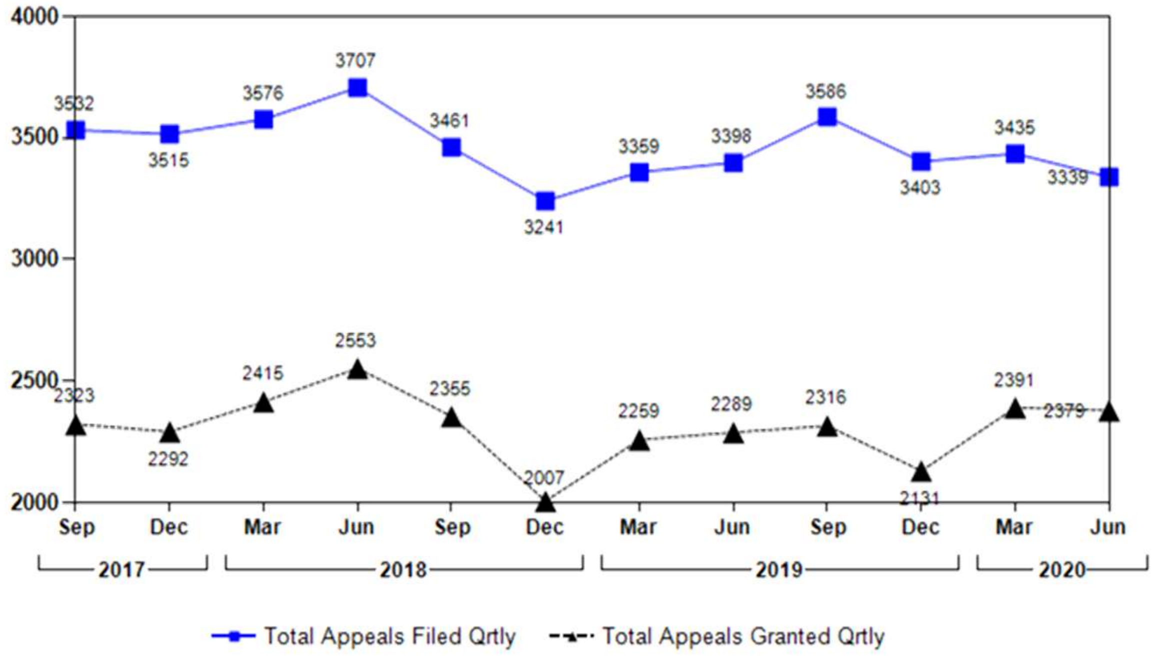


*Average share for most recent 4 quarters.

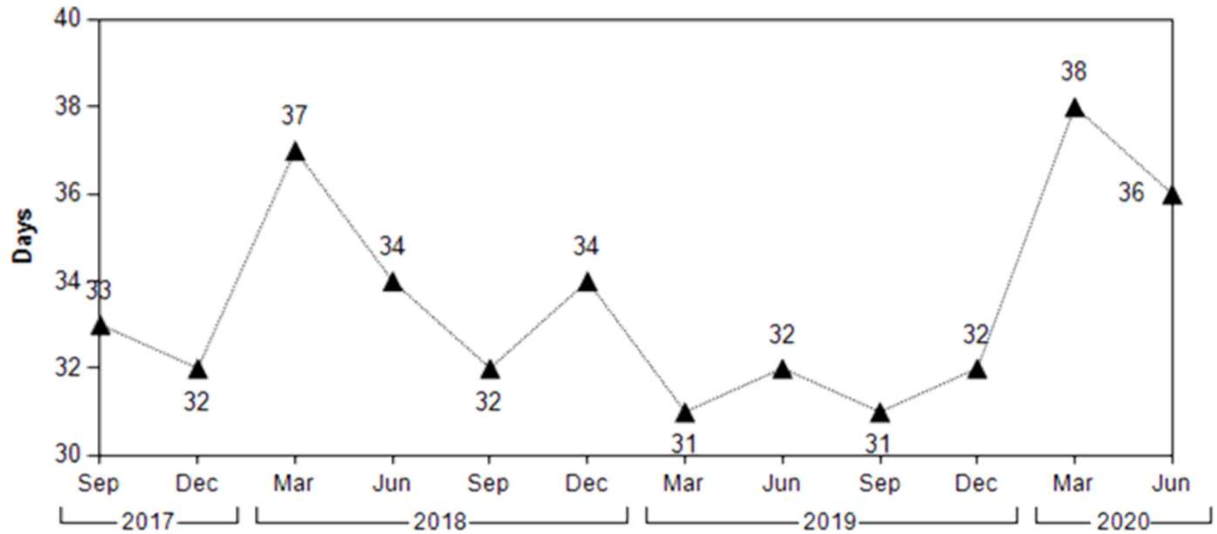
Board of Industrial Insurance Appeals (BIIA) Update

Linda Williams, Chair

Total Appeals Filed and Granted

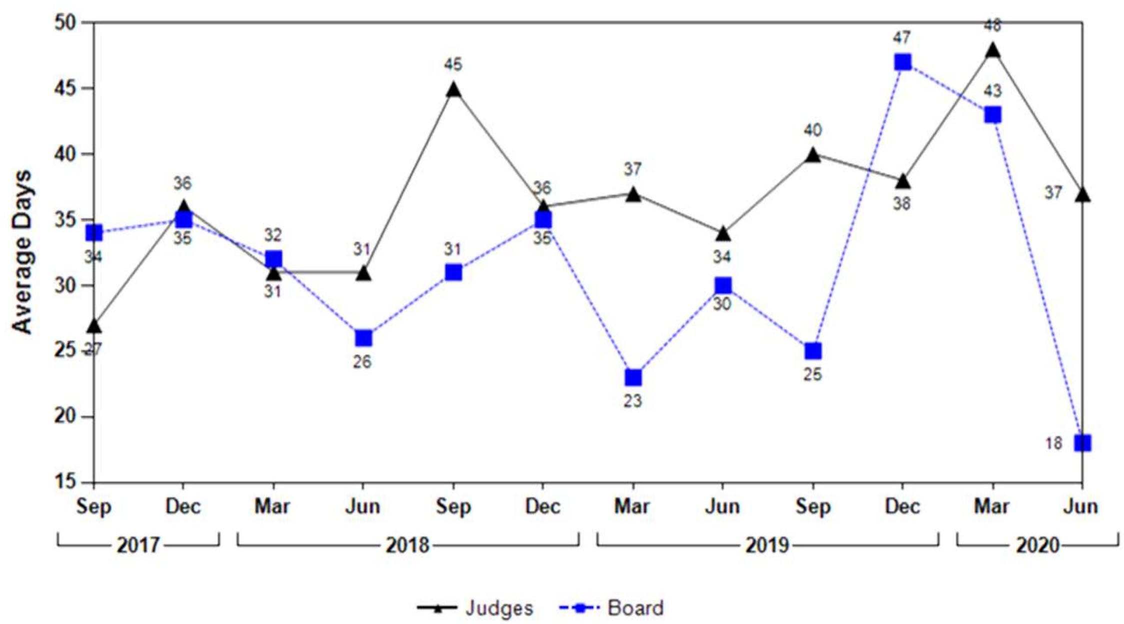


Average PD&O* Time-lag by Quarter for Hearing Judges



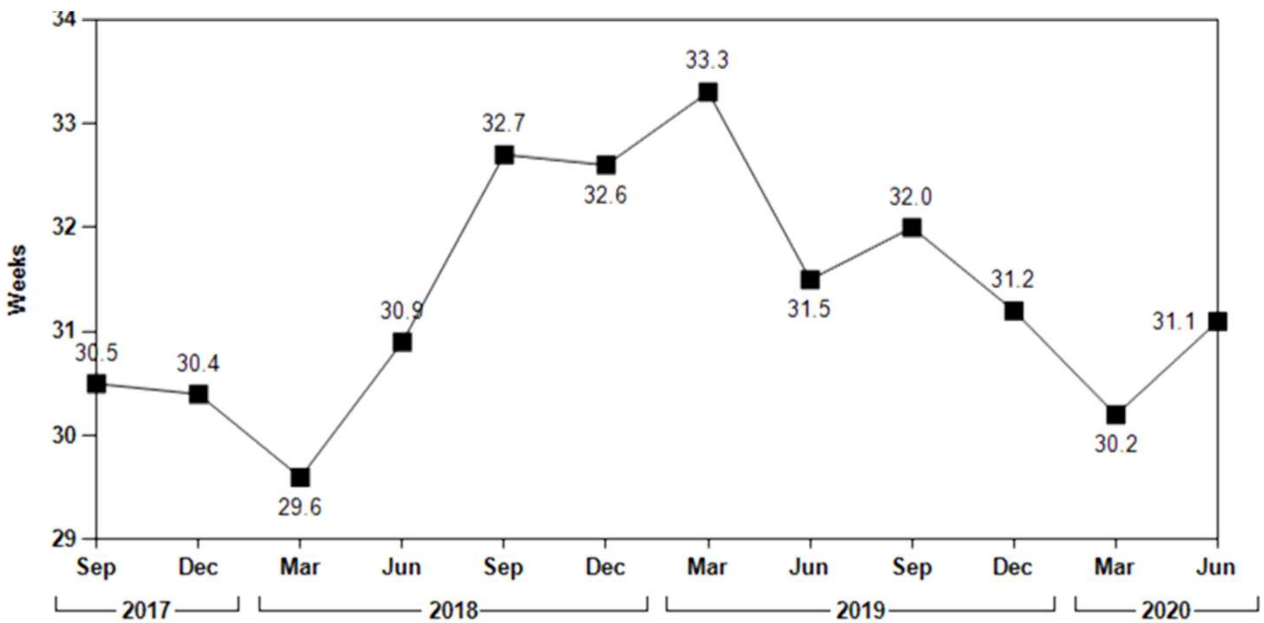
*Proposed Decision and Order

D&O* Time-lag by Quarter



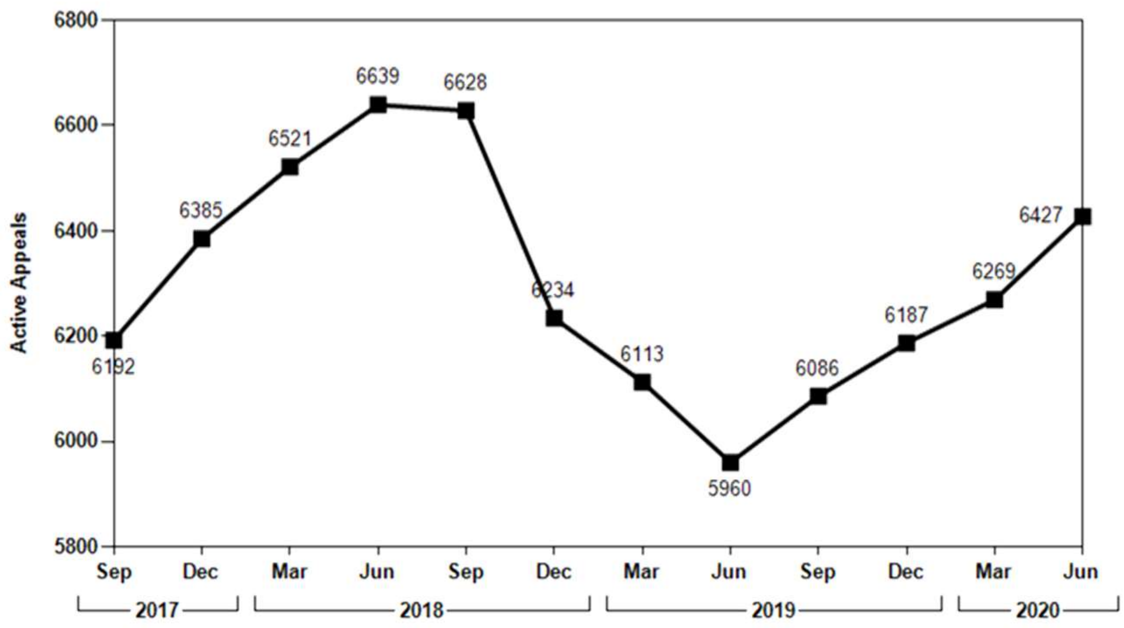
*Decision and Order

Quarterly Average Weeks to Completion

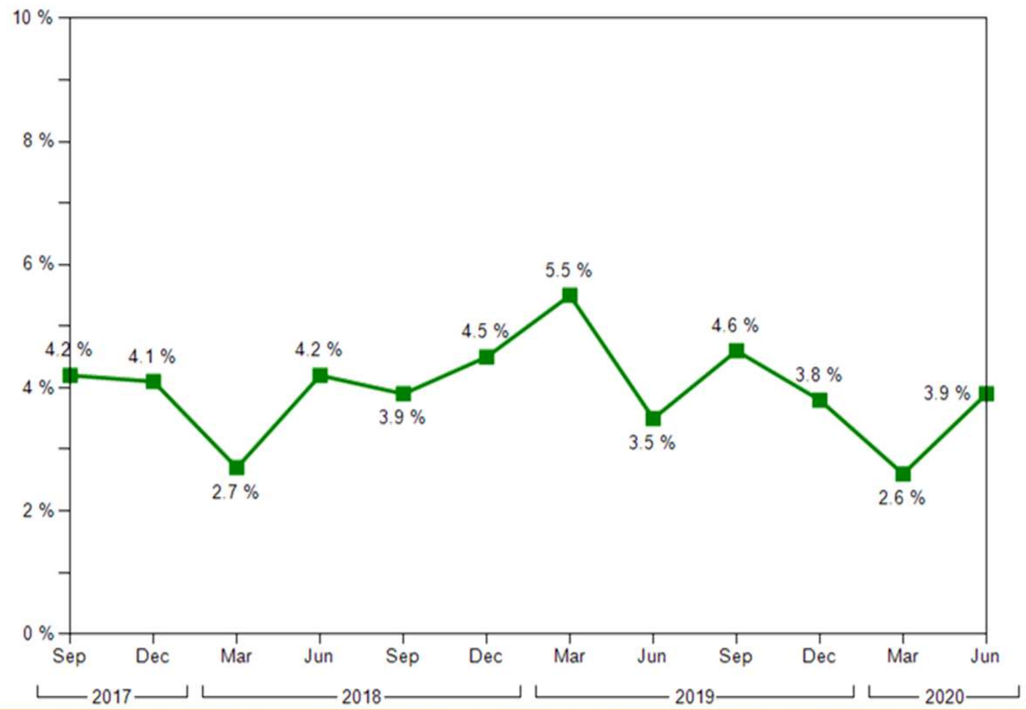


All orders issued by quarter from date filed to date of final order
(Excludes Reassumed and Denied Appeals)

Caseload at End of Quarter



Percentage of Final Orders Appealed to Superior Court - Quarterly



Washington State Department of Labor & Industries

Closing Comments & Adjourn

Vickie Kennedy, Assistant Director for Insurance Services

Joel Sacks, Agency Director