
Recent Trends in Workers' Compensation

by Ishita Sengupta and Virginia Reno

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Summary

Workers' compensation provides cash benefits and medical care to employees who are injured on the job and survivor benefits to the dependents of workers whose deaths result from work-related incidents. Workers' compensation programs in the 50 states and the District of Columbia and federal programs together paid \$56.0 billion in medical and cash benefits in 2004, an increase of 2.3 percent over 2003 payments. Of the total, \$26.1 billion was for medical care and \$29.9 billion was for cash benefits. Employers' costs for workers' compensation in 2004 were \$87.4 billion, an increase of 7.0 percent over 2003 spending. Workers' compensation programs and spending vary greatly from state to state.

As a source of support for disabled workers, workers' compensation is currently surpassed in size only by Social Security Disability Insurance (DI), which covers impairments of any cause that are significant, long-term impediments to work. Although most recipients of workers' compensation recover and return to work, those with lasting impairments may become eligible for DI benefits, subject to an offset to avoid excessive wage replacement from both programs.

Origins of Workers' Compensation

Workers' compensation was the first form of social insurance in the United States. The first U.S. workers' compensation law was enacted in 1908 to cover federal civilian employees engaged in hazardous work. The rest of the federal workforce was covered in 1916. Nine states enacted workers' compensation laws in 1911. By 1921, all but six states and the District of Columbia had workers' compensation laws. Today each of the 50 states has its own program, as do the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Federal laws provide benefits to coal miners with black lung disease and certain energy employees exposed to hazardous material. The laws also set rules for federal workers' compensation programs covering persons outside the jurisdiction of individual states, such as longshore and harbor workers and persons working overseas for companies under contract with the U.S. government.

Before workers' compensation laws were enacted, a worker's only legal remedy for a work-related injury was to bring a tort suit against the employer and prove that the employer's negligence caused the injury. Under the tort system, workers often did not

recover damages and experienced delays or high costs when they did. Although employers often prevailed in court, they were at risk for large and unpredictable losses when workers' suits were successful. Ultimately, both employers and workers favored legislation to ensure that a worker who sustained an occupational injury or disease arising out of or in the course of employment would receive predictable compensation without delay, irrespective of who was at fault. In return, the employers' liability was limited. Under the "exclusive remedy" concept in workers' compensation, the worker accepts program payments as compensation in full and gives up the right to sue for damages.

Workers' compensation programs vary across states in terms of who is allowed to provide insurance, which injuries or illnesses are compensable, and the level of benefits. Generally, state laws require employers to obtain workers' compensation insurance or prove that they have the financial ability to carry their own risk (self-insure).

Scope of Coverage

Every state except Texas requires employers to provide workers' compensation coverage. In Texas, employers can choose not to cover their employees, but if they make that choice they are not protected from tort suits filed by injured employees.

Some states exempt from mandatory coverage certain categories of workers, such as those in very small firms, certain agricultural workers, household workers, employees of charitable or religious organizations, or employees of some units of state and local government. Employers with fewer than three workers are exempt from mandatory workers' compensation coverage in Arkansas, Colorado, Georgia, Michigan, New Mexico, North Carolina, Virginia, and Wisconsin. Employers with fewer than four workers are exempt in Florida and South Carolina. Those with fewer than five employees are exempt in Alabama, Mississippi, Missouri, and Tennessee.

The rules for agricultural workers vary among states. In 16 states (in addition to Texas), farm employers are exempt from mandatory coverage altogether. In other states, coverage is compulsory for some or all farm employees.

Two groups outside the coverage of workers' compensation laws are railroad employees engaged in interstate commerce and seamen in the U.S. Merchant Marine. These workers have health insurance

and short- and long-term cash benefit plans that cover disabilities whether or not the conditions are work related. In addition, under federal laws these workers retain the right to bring tort suits against their employers for negligence in the case of work-related injuries or illnesses.

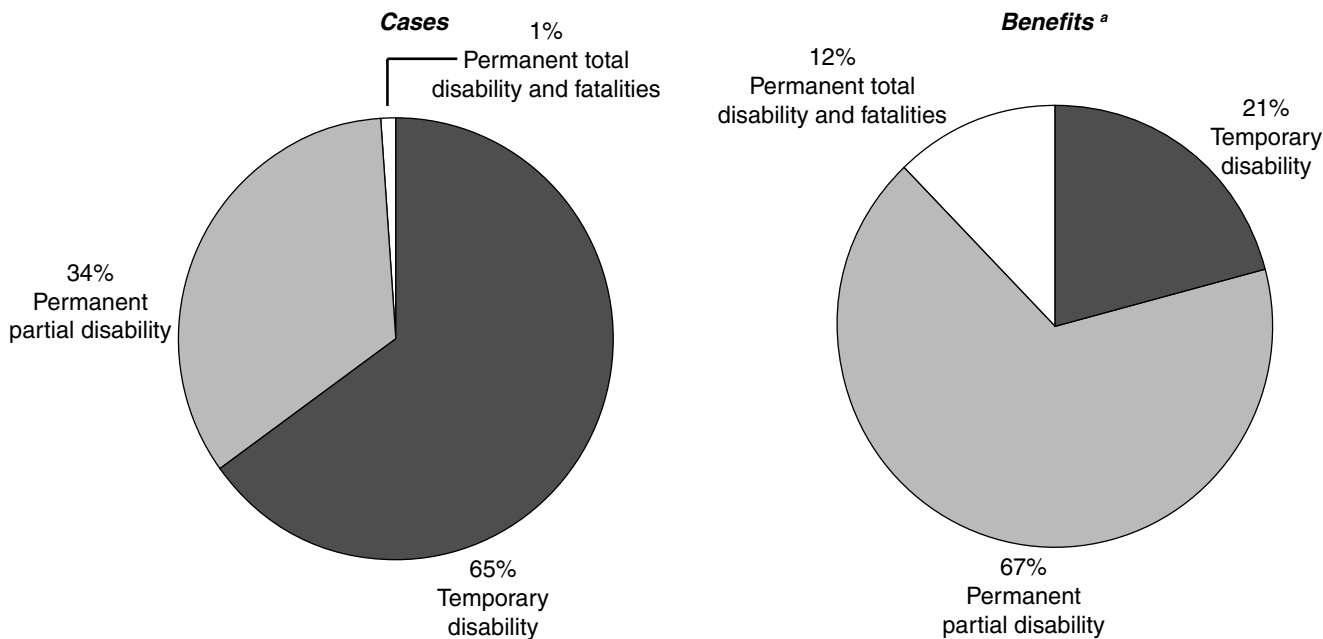
In 2004, state and federal workers' compensation laws covered an estimated 125.9 million employees, or 97.4 percent of all workers covered by unemployment insurance. In all, about 94 percent of all U.S. wage and salary workers are covered by workers' compensation laws. Self-employed persons are not covered by workers' compensation or unemployment insurance. Covered payroll—that is, total wages paid to workers covered by workers' compensation—was \$4,953 billion in 2004.

Types of Workers' Compensation Benefits

Workers' compensation pays for medical care immediately and pays cash benefits for lost work time after a 3- to 7-day waiting period. Most workers' compensation cases involve relatively minor injuries that do not result in lost work time greater than the waiting period for cash benefits. In these cases, only medical benefits are paid. Although medical-only cases are common, they account for a small share of benefits paid, according to information about insured employers in 39 states. Medical-only cases accounted for 78 percent of the workers' compensation cases but for only 6 percent of benefits paid in recent years. At the same time, the 22 percent of cases that involved cash benefits accounted for 94 percent of total benefits for medical care and cash benefits combined (NCCI 2004).

Cash benefits vary according to the duration and severity of the worker's disability. **Temporary total disability** benefits are paid when the worker is precluded from performing the preinjury job or another job with the employer that the worker could have performed before the injury. Most states pay weekly benefits for temporary total disability that replace two-thirds of the worker's preinjury wage, subject to a dollar maximum that varies from state to state. In most cases, workers fully recover, return to work, and their benefits end. In some cases, they return to work before reaching maximum medical improvement and have reduced responsibilities and lower pay. In those cases, they receive **temporary partial disability** benefits. Temporary disability benefits are the most common type of cash benefit. They account for 65 percent of cases involving cash benefits and 21 percent of benefit payments incurred (Chart 1).

Chart 1.
Types of disabilities as a share of workers' compensation cases with cash benefits and of benefit payments incurred, 2001



SOURCE: National Council on Compensation Insurance, *Annual Statistical Bulletin* (Boca Raton, FL: NCCI, 2004), Exhibits X and XII.

NOTE: The data include only privately insured employers in 39 states. Medical-only cases are excluded.

a. Benefits are incurred losses.

If a worker has very significant impairments that are judged to be permanent after he or she reaches maximum medical improvement, **permanent total disability** benefits might be paid. These cases are relatively rare. Permanent total disabilities, together with fatalities, account for 1 percent of all cases that involve cash benefits and 12 percent of total benefit liabilities.

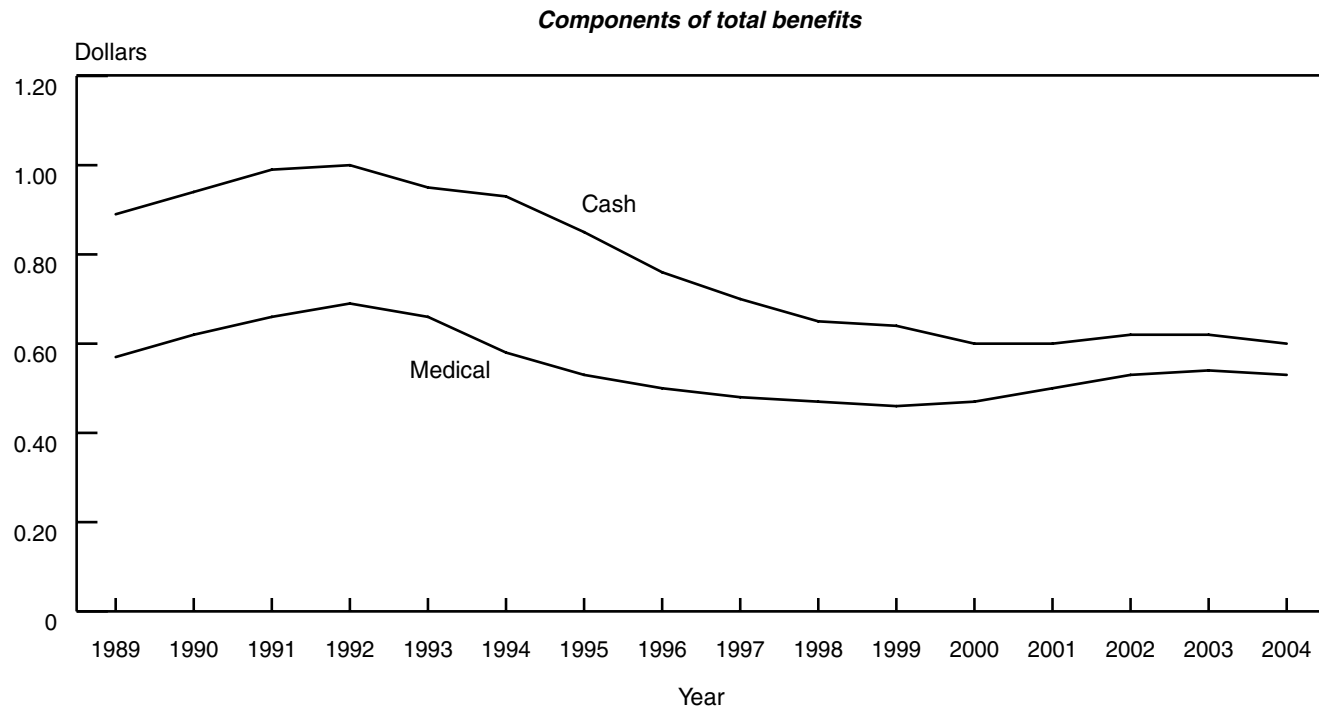
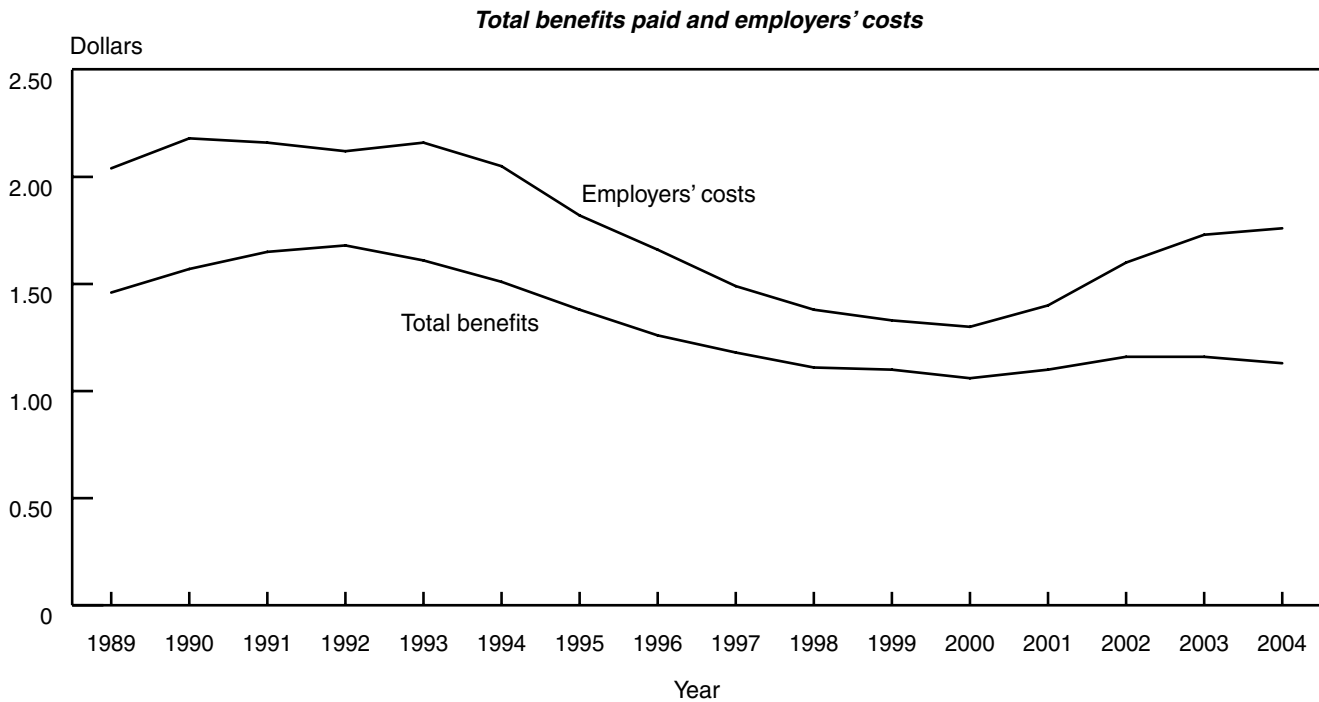
Permanent partial disability benefits are paid when the worker has impairments that, although permanent, do not completely limit his or her ability to work. States differ in their methods for determining whether a worker is entitled to permanent partial benefits, the degree of partial disability, and the amount of benefits to be paid (Barth and Niss 1999, Burton 2005). Cash benefits for permanent partial disability are frequently limited to a specified duration or an aggregate dollar limit. Permanent partial disabilities account for 34 percent of cases that involve any cash benefits and for 67 percent of benefit spending.

Benefits and Employer Costs in 2004

Workers' compensation programs in the 50 states and the District of Columbia and federal programs together paid \$56.0 billion in workers' compensation benefits in 2004—\$26.1 billion for medical care and \$29.9 billion for cash benefits (Table 1). Payments to medical providers and benefits paid directly to workers each rose by 2.3 percent between 2003 and 2004.

Employers' costs in 2004 were \$87.4 billion, an increase of 7.0 percent over 2003 costs. For employers who self-insure, costs are benefits paid plus administrative costs. For employers who buy insurance, costs are payments for premiums and for benefits paid in large deductibles under insurance policies that have this feature. Premiums paid in a given year do not necessarily correspond to benefits paid in that year because premiums reflect future liabilities for injuries that occur in that year.

Chart 2.
Workers' compensation benefits and employers' costs per \$100 of covered wages, 1989–2004 (in dollars)



SOURCE: National Academy of Social Insurance estimates. The data are shown in Table A–1 in the appendix.

NOTES: Benefits are payments in the calendar year to injured workers and to providers of their medical care.

Costs are employers' expenditures in the calendar year for workers' compensation benefits, administrative costs, and insurance premiums. Costs for self-insuring employers are benefits paid in the calendar year plus the administrative costs associated with providing those benefits. Costs for employers who purchase insurance include the insurance premiums paid during the calendar year plus the benefits paid under large deductible plans during the year. The insurance premiums must pay for all of the compensable consequences of the injuries that occur during the year, including the benefits paid in the current year as well as future years.

When measured relative to aggregate wages of covered workers, the costs to employers rose by \$0.03 per \$100 of wages, from \$1.73 in 2003 to \$1.76 in 2004 (Table 1). In contrast, total workers' compensation payments to workers fell by \$0.03 for every \$100 of wages, from \$1.16 in 2003 to \$1.13 in 2004. The drop occurred in payments for medical care, which fell from \$0.54 to \$0.53 per \$100 of wages in 2004, and in cash benefits paid to injured workers, which fell from \$0.62 to \$0.60 per \$100 of wages.

During the 16-year period 1989–2004, workers' compensation benefits paid and employers' costs relative to wages peaked in the early 1990s and declined to a low in 2000. As of 2004, employers' costs had increased by more than benefits, but both benefits and costs remained far below their peak levels relative to wages. Total benefits peaked in 1992 at \$1.68 per \$100 of covered wages, which is \$0.55 higher than the 2004 figure. Total costs to employers peaked in 1990 at \$2.18 per \$100 of covered wages, which is \$0.42 higher than in 2004 (Chart 2).

During this 16-year period, both components of benefits (cash and medical payments) relative to wages reached peaks in the early 1990s and lows in 1999–2000. They have grown somewhat since then but are still substantially below their peaks (Chart 2). Medical payments have risen to account for a larger share of total benefits in 2004 than they did in the mid- to late 1990s.

Insurance Arrangements

Workers' compensation programs differ in the methods used to ensure that benefits will be paid when due. Employers generally provide the required protection through one of three methods: purchasing private insurance; purchasing insurance from a state fund, where available; or self-insuring (a method used mainly by large employers who are able to prove to state regulatory agencies that they are financially able to carry their own risk).

Options are limited in North Dakota and Wyoming because those states require employers to buy insurance through an exclusive state fund. In three other states in 2004—Ohio, Washington, and West Virginia—employers had to either self-insure or buy insurance through an exclusive state fund. In other jurisdictions, employers can purchase private insurance. In 2004, private insurers paid \$28.3 billion (50.6 percent of benefits), state funds paid \$11.0 billion (19.7 percent), and self-insured employees paid

\$13.3 billion (23.8 percent) (Table 2). Federal benefits accounted for \$3.3 billion (5.8 percent).

State Variations

The great variations in the total benefits paid in each state reflect, among other things, the size of the labor force and prevailing wages in the state. California is the largest state, and its payments of \$12.5 billion accounted for about 22 percent of total workers' compensation benefits paid in 2004 (Table 2).

The share of benefits for medical care also varies among states. In 2004, that share ranged from lows of less than 40 percent (in Connecticut, the District of Columbia, Hawaii, Massachusetts, Michigan, New York, Rhode Island, and Washington) to highs of more than 60 percent (in Alabama, Arizona, Arkansas, Indiana, South Dakota, Texas, and Utah) (Table 2). Many factors in a state can influence the relative share of benefits for medical care as opposed to cash wage-replacement or survivor benefits, including

- different levels of earnings replacement provided by cash benefits, which mean that, all else being equal, states with more generous cash benefits have a lower share of benefits used for medical care;
- differences in medical costs, medical practices, and the role of workers' compensation programs in regulating allowable medical costs;
- differences in waiting periods for cash benefits and in statutes determining permanent disability awards; and
- the industry mix in each state, which influences the types of illnesses and injuries that occur and thus the level of medical costs.

For the nation as a whole, payments for medical care and cash benefits both rose by 2.3 percent between 2003 and 2004. But in most jurisdictions, one component of workers' compensation grew more rapidly than the other (Table 3). In California, cash benefits rose by 5.1 percent while payments to medical care providers fell by 4.1 percent. In other states, payments to medical care providers grew more rapidly than did cash benefits to workers. In Michigan, for example, payments to medical providers rose by 5.0 percent while payments to workers rose by just 1.4 percent. In New York, medical payments increased by 8.4 percent while payments to workers increased by only 1.3 percent. In most jurisdictions, medical payments rose more than did payments to workers:

Table 1.
Comparison of coverage, benefits, and employers' costs for workers' compensation, 2003–2004

Amount	2003	2004	Change, 2003–2004	
			Amount (dollars)	Percent
Aggregate				
Covered workers (thousands)	124,685	125,863	...	0.9
Covered wages (billions of dollars)	4,717	4,953	...	5.0
Benefits paid (billions of dollars)	54.7	56.0	...	2.3
Medical payments	25.5	26.1	...	2.3
Cash benefits	29.2	29.9	...	2.3
Employers' costs for workers' compensation (billions of dollars)	81.7	87.4	...	7.0
Per \$100 of covered wages (dollars)				
Benefits paid	1.16	1.13	-0.03	...
Medical payments	0.54	0.53	-0.01	...
Cash payments to workers	0.62	0.60	-0.02	...
Employers' costs	1.73	1.76	0.03	...

SOURCE: National Academy of Social Insurance estimates.

NOTES: Benefits are payments in the calendar year to injured workers and to providers of their medical care.

Costs are employers' expenditures in the calendar year for workers' compensation benefits, administrative costs, and insurance premiums. Costs for self-insuring employers are benefits paid in the calendar year plus the administrative costs associated with providing those benefits. Costs for employers who purchase insurance include the insurance premiums paid during the calendar year plus the benefits paid under large deductible plans during the year. The insurance premiums must pay for all of the compensable consequences of the injuries that occur during the year, including the benefits paid in the current year as well as future years.

... = not applicable.

in 27 jurisdictions, medical benefits either rose faster than cash benefits or rose while cash payments fell. In 16 jurisdictions, cash benefits to workers either grew faster than did medical payments or rose while medical payments fell.

These estimates of workers' compensation benefits and costs are reported in the *Annual Statistical Supplement to the Social Security Bulletin* and in the *Statistical Abstract of the United States*, which is published by the U.S. Census Bureau. More details about the estimates and methods for producing them are included in *Workers' Compensation: Benefits, Coverage and Costs, 2004*, available from the National Academy of Social Insurance at <http://www.nasi.org>.

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Table 2.
Nonfederal workers' compensation benefits, by type of insurer, and medical benefits as a share of all benefits, by state, 2004 (in thousands of dollars unless specified otherwise)

State	Total	Private insurers	State funds	Self-insured ^a	Medical benefits	
					Amount (dollars)	As a share of all benefits
Total, nonfederal	52,711,882	28,346,310	11,044,194	13,321,378	25,228,333	47.9
Alabama	575,697	277,585	...	298,112	357,739	62.1 ^b
Alaska	194,195	142,286	...	51,910	108,348	55.8 ^b
Arizona	584,750	185,882	295,598	103,270	375,591	64.2 ^b
Arkansas	225,689	160,642	...	65,047	136,946	60.7 ^b
California	12,459,638	5,562,020	3,202,628	3,694,990	6,072,398	48.7
Colorado	834,594	271,253	416,618	146,723	406,930	48.8 ^b
Connecticut	684,930	433,077	...	251,853	271,039	39.6 ^b
Delaware	158,190	113,948	...	44,242	75,711	47.9 ^c
District of Columbia	98,443	75,415	...	23,029	38,089	38.7 ^b
Florida	2,759,712	2,219,913	...	539,799	1,637,270	59.3 ^b
Georgia	1,127,654	768,478	...	359,176	538,764	47.8 ^b
Hawaii	271,290	150,840	34,015	86,436	103,900	38.3 ^b
Idaho	210,326	74,896	122,429	13,001	124,277	59.1 ^b
Illinois	2,213,372	1,646,713	...	566,659	1,073,614	48.5 ^b
Indiana	608,717	489,351	...	119,366	413,979	68.0 ^b
Iowa	445,832	337,824	...	108,008	230,117	51.6 ^b
Kansas	365,546	241,025	...	124,522	200,913	55.0 ^b
Kentucky	763,050	422,506	72,097	268,447	411,837	54.0 ^b
Louisiana	589,209	297,493	163,733	127,984	297,065	50.4 ^b
Maine	269,917	94,800	84,269	90,847	113,359	42.0 ^b
Maryland	767,576	448,756	196,097	122,723	317,621	41.4 ^b
Massachusetts	1,045,747	900,741	...	145,006	358,708	34.3
Michigan	1,517,386	827,277	...	690,109	569,855	37.6
Minnesota	933,975	576,232	120,488	237,255	455,248	48.7
Mississippi	305,516	172,433	...	133,083	170,668	55.9 ^b
Missouri	1,119,871	684,950	114,560	320,361	564,841	50.4 ^b
Montana	211,059	67,757	103,559	39,743	113,201	53.6 ^b
Nebraska	283,148	218,113	...	65,035	166,863	58.9 ^b
Nevada	357,937	239,619	...	118,317	175,796	49.1 ^b
New Hampshire	213,964	167,868	...	46,096	119,685	55.9 ^b
New Jersey	1,398,358	1,278,746	...	119,612	669,265	47.9 ^c
New Mexico	196,123	87,748	32,170	76,205	115,830	59.1 ^b
New York	3,337,490	1,732,841	775,146	829,503	1,127,178	33.8
North Carolina	1,159,117	844,199	...	314,919	512,146	44.2 ^b
North Dakota	83,237	260 ^d	82,977	...	46,870	56.3
Ohio	2,442,137	37,509 ^d	1,935,728	468,900	1,141,082	46.7
Oklahoma	572,001	241,921	212,864	117,216	263,451	46.1 ^b
Oregon	506,813	234,700	228,642	43,472	270,253	53.3 ^b
Pennsylvania	2,594,238	1,803,792	226,158	564,288	1,068,661	41.2
Rhode Island	142,268	40,504	85,096	16,669	49,990	35.1 ^b

(Continued)

Table 2.
Continued

State	Total	Private insurers	State funds	Self-insured ^a	Medical benefits	
					Amount (dollars)	As a share of all benefits
South Carolina	688,115	461,543	49,629	176,944	318,811	46.3 ^b
South Dakota	76,472	72,749	...	3,723	48,122	62.9 ^b
Tennessee	895,808	649,333	...	246,475	462,466	51.6 ^b
Texas	1,574,451	991,865	297,235	285,350	958,631	60.9 ^b
Utah	218,264	56,281	122,905	39,077	149,240	68.4 ^b
Vermont	128,076	106,192	...	21,884	58,611	45.8 ^b
Virginia	762,067	554,397	...	207,670	419,955	55.1 ^b
Washington	1,836,097	30,766 ^d	1,323,410	481,921	636,211	34.7
West Virginia	741,034	7,317 ^d	629,617	104,100	354,665	47.9 ^c
Wisconsin	1,042,725	840,423	...	202,302	499,057	47.9 ^c
Wyoming	120,062	3,534 ^d	116,528	...	57,463	47.9 ^c
Total nonfederal	52,711,882	28,346,310	11,044,194	13,321,378	25,228,333	47.9
Total federal ^e	3,256,239	f	f	f	870,872	26.7
Federal employees	2,445,077	f	f	f	701,110	28.7
Total benefits	55,968,121	f	f	f	26,099,205	46.6

SOURCE: National Academy of Social Insurance estimates based on data received from state agencies, the U.S. Department of Labor, A.M. Best, and the National Council on Compensation Insurance.

NOTE: ... = not applicable.

- a. Self-insurance includes individual self-insurers and group self-insurance.
- b. Medical percentage is based on data provided by the National Council on Compensation Insurance; see Sengupta, Reno, and Burton (2006), Appendix F.
- c. Medical percentage is based on the weighted average of states for which medical data were available; see Sengupta, Reno, and Burton (2006), Appendix F.
- d. States with exclusive funds (North Dakota, Ohio, Washington, West Virginia, and Wyoming) may have small amounts of benefits paid in the "Private insurers" category. Two factors account for these small amounts: some companies have group policies that overlap states, and some companies include excess workers' compensation coverage in their reports of workers' compensation benefits to A.M. Best.
- e. Federal benefits include those paid under the Federal Employees' Compensation Act for civilian employees, the portion of the Black Lung benefit program that is financed by employers, and a portion of benefits under the Longshore and Harbor Workers' Compensation Act (LHWCA) that are not reflected in state data, namely, benefits paid by self-insured employers and by special funds under the LHWCA. For more information about federal programs, see Sengupta, Reno, and Burton (2006), Appendix H.
- f. Data are not available by category.

Table 3.
Nonfederal medical, cash, and total benefits, by state, 2003–2004 (in thousands of dollars unless otherwise specified)

State	2003			2004			Percentage change, 2003–2004		
	Medical	Cash	Total	Medical	Cash	Total	Medical	Cash	Total
Total	24,667,151	26,862,694	51,529,845	25,228,333	27,483,548	52,711,882	2.3	2.3	2.3
Alabama	364,616	215,568	580,184	357,739	217,958	575,697	-1.9	1.1	-0.8
Alaska	101,417	82,962	184,379	108,348	85,848	194,195	6.8	3.5	5.3
Arizona	337,056	194,184	531,240	375,591	209,159	584,750	11.4	7.7	10.1
Arkansas	139,779	85,282	225,061	136,946	88,742	225,689	-2.0	4.1	0.3
California	6,329,029	6,074,701	12,403,729	6,072,398	6,387,240	12,459,638	-4.1	5.1	0.5
Colorado	332,713	424,327	757,041	406,930	427,663	834,594	22.3	0.8	10.2
Connecticut	288,356	386,392	674,747	271,039	413,891	684,930	-6.0	7.1	1.5
Delaware	76,703	83,561	160,264	75,711	82,479	158,190	-1.3	-1.3	-1.3
District of Columbia	32,973	56,135	89,108	38,089	60,354	98,443	15.5	7.5	10.5
Florida	1,631,140	1,180,162	2,811,302	1,637,270	1,122,442	2,759,712	0.4	-4.9	-1.8
Georgia	502,974	558,995	1,061,969	538,764	588,890	1,127,654	7.1	5.3	6.2
Hawaii	105,503	169,420	274,922	103,900	167,390	271,290	-1.5	-1.2	-1.3
Idaho	112,159	84,235	196,394	124,277	86,049	210,326	10.8	2.2	7.1
Illinois	975,428	1,128,229	2,103,658	1,073,614	1,139,757	2,213,372	10.1	1.0	5.2
Indiana	378,310	181,111	559,421	413,979	194,738	608,717	9.4	7.5	8.8
Iowa	205,463	218,734	424,198	230,117	215,715	445,832	12.0	-1.4	5.1
Kansas	160,283	133,190	293,473	200,913	164,633	365,546	25.3	23.6	24.6
Kentucky	392,111	332,180	724,291	411,837	351,213	763,050	5.0	5.7	5.4
Louisiana	297,357	288,122	585,480	297,065	292,144	589,209	-0.1	1.4	0.6
Maine	110,790	128,987	239,777	113,359	156,558	269,917	2.3	21.4	12.6
Maryland	292,542	408,755	701,297	317,621	449,955	767,576	8.6	10.1	9.5
Massachusetts	350,931	706,245	1,057,175	358,708	687,039	1,045,747	2.2	-2.7	-1.1
Michigan	542,574	934,276	1,476,850	569,855	947,531	1,517,386	5.0	1.4	2.7
Minnesota	413,726	471,280	885,006	455,248	478,726	933,975	10.0	1.6	5.5
Mississippi	162,553	128,461	291,014	170,668	134,848	305,516	5.0	5.0	5.0
Missouri	534,615	546,255	1,080,870	564,841	555,029	1,119,871	5.7	1.6	3.6
Montana	105,286	95,571	200,857	113,201	97,859	211,059	7.5	2.4	5.1
Nebraska	171,361	119,058	290,419	166,863	116,286	283,148	-2.6	-2.3	-2.5
Nevada	150,151	176,406	326,556	175,796	182,141	357,937	17.1	3.3	9.6
New Hampshire	123,981	95,648	219,629	119,685	94,278	213,964	-3.5	-1.4	-2.6
New Jersey	660,107	719,128	1,379,235	669,265	729,093	1,398,358	1.4	1.4	1.4
New Mexico	107,936	81,491	189,427	115,830	80,293	196,123	7.3	-1.5	3.5
New York	1,039,503	2,180,894	3,220,398	1,127,178	2,210,311	3,337,490	8.4	1.3	3.6
North Carolina	480,925	585,686	1,066,611	512,146	646,971	1,159,117	6.5	10.5	8.7
North Dakota ^a	43,102	35,352	78,453	46,870	36,367	83,237	8.7	2.9	6.1
Ohio ^a	1,140,541	1,301,646	2,442,187	1,141,082	1,301,055	2,442,137	0	0	0
Oklahoma	262,953	290,970	553,922	263,451	308,550	572,001	0.2	6.0	3.3
Oregon	245,975	225,332	471,307	270,253	236,559	506,813	9.9	5.0	7.5
Pennsylvania	1,040,169	1,525,175	2,565,344	1,068,661	1,525,577	2,594,238	2.7	0	1.1
Rhode Island	40,579	90,286	130,865	49,990	92,278	142,268	23.2	2.2	8.7

(Continued)

**Table 3.
Continued**

State	2003			2004			Percentage change, 2003–2004		
	Medical	Cash	Total	Medical	Cash	Total	Medical	Cash	Total
South Carolina	312,056	344,879	656,935	318,811	369,305	688,115	2.2	7.1	4.7
South Dakota	46,331	27,436	73,767	48,122	28,350	76,472	3.9	3.3	3.7
Tennessee	445,703	396,944	842,647	462,466	433,342	895,808	3.8	9.2	6.3
Texas	1,169,889	687,053	1,856,942	958,631	615,820	1,574,451	-18.1	-10.4	-15.2
Utah	121,849	64,495	186,344	149,240	69,023	218,264	22.5	7.0	17.1
Vermont	58,147	61,813	119,961	58,611	69,465	128,076	0.8	12.4	6.8
Virginia	393,992	307,601	701,593	419,955	342,112	762,067	6.6	11.2	8.6
Washington ^a	619,553	1,180,523	1,800,076	636,211	1,199,886	1,836,097	2.7	1.6	2.0
West Virginia ^a	241,676	587,237	828,913	354,665	386,369	741,034	46.8	-34.2	-10.6
Wisconsin	402,196	438,158	840,354	499,057	543,668	1,042,725	24.1	24.1	24.1
Wyoming ^a	72,090	42,161	114,252	57,463	62,599	120,062	-20.3	48.5	5.1

SOURCE: National Academy of Social Insurance estimates based on data from state agencies and A.M. Best.

a. Some of the percentage change in benefits for the 2 years being compared might be due to differences in methods used for at least one component of the estimates. For more detail on state-by-state methodologies, see *Sources and Methods: A Companion to Workers' Compensation: Benefits, Coverage, and Costs, 2004*, available at <http://www.nasi.org>.

Appendix

Table A–1 shows the data for Chart 2.

**Table A-1.
Total workers' compensation benefits, employer costs, and medical and cash benefits per \$100 of covered wages, 1989–2004 (in dollars)**

Year	Benefits	Employer costs	Benefits per \$100 of covered wages	
			Medical	Cash
1989	1.46	2.04	0.57	0.89
1990	1.57	2.18	0.62	0.94
1991	1.65	2.16	0.66	0.99
1992	1.68	2.12	0.69	1.00
1993	1.61	2.16	0.66	0.95
1994	1.51	2.05	0.58	0.93
1995	1.38	1.82	0.53	0.85
1996	1.26	1.66	0.50	0.76
1997	1.18	1.49	0.48	0.70
1998	1.11	1.38	0.47	0.65
1999	1.10	1.33	0.46	0.64
2000	1.06	1.30	0.47	0.60
2001	1.10	1.40	0.50	0.60
2002	1.16	1.60	0.53	0.62
2003	1.16	1.73	0.54	0.62
2004	1.13	1.76	0.53	0.60

SOURCE: National Academy of Social Insurance estimates.