

Workers' Compensation: Coverage, Benefits, and Costs, 1987

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Workers' compensation is one of the few State-administered income-maintenance programs operating throughout the United States. The national "system" that provides medical care and income-maintenance protection to workers disabled from work-related injuries or illnesses actually consists of 50 independent State operations and several special Federal programs. The Social Security Administration (SSA) developed and continues to improve basic statistics to measure trends and progress in workers' compensation and to evaluate the program, especially in relation to income-maintenance programs under the Social Security Act. A standardized set of State and national estimates of amounts expended for workers' compensation benefits—including national estimates on coverage, payroll, and costs to employers—has been compiled and analyzed each year by SSA since 1942. These annual data are gathered from government and nongovernment sources and are aggregated at the national level to provide a comprehensive picture of the scope of these programs.

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Payments to beneficiaries and costs to employers under workers' compensation programs in the United States rose 11-12 percent from 1986 to 1987, reflecting increases in average wages and medical costs and in the number of employed workers. This increase marked the fourth consecutive year in which benefit increases have exceeded 10 percent and the third such increase in employer costs. The proportion of workers protected remained about the same—87 percent—while the increase in the number of protected workers paralleled increases in total employment.

As the workers' compensation system grows, it continues to be of significant interest to administrators of the Social Security program because both programs provide payments to disabled workers and to the survivors of deceased workers. The 1965 Amendments to the Social Security Act provide for a reduction in Social Security payments so that total benefits under both programs do not exceed the higher of either 80 percent of a worker's former earnings or the total family benefit under Social Security. The gaps and overlaps in coverage and the benefits and costs incurred under both programs are vital

considerations in the effective implementation of the Social Security program.¹

An estimated \$27.4 billion in workers' compensation benefits was paid in 1987, approximately \$2.7 billion more than in 1986 and three times more than the \$8.6 billion paid in 1977. Over the past 10 years, benefit increases have averaged more than 12 percent. Payments for medical and hospital expenses were \$9.9 billion, or about 36 percent of the 1987 total, and cash compensation payments accounted for the remainder.

The workers' compensation program provides medical care, hospitalization benefits, and income-maintenance protection to workers whose disability is the result of a work-related injury or illness. The income-maintenance benefits are intended as partial replacement for lost wages. The program also provides survivor benefits to the dependents of deceased workers whose death results from a job-related accident and/or an occupational disease. Proof of employer negligence is not a prerequisite for benefit payment.

The Federal Act of 1908 was the first workers' compensation law in

the United States. That legislation provided limited benefits for certain Federal employees engaged in hazardous work. By 1911, workers' compensation legislation had been enacted in 9 States and, by 1921, all but 6 States had such programs. It was not until 1949 that all States had established programs to furnish income-maintenance protection. Today, workers' compensation consists of 50 independent State operations and 3 Federal programs—the latter covering workers in the District of Columbia, Federal Government employees, and longshore and harbor workers.

In addition, a Federal program also protects coal miners with pneumoconiosis ("black lung" disease). Under this Federal program, enacted into law in 1969, monthly cash benefits are payable to miners disabled by black lung disease and to their dependents or survivors. Medical benefits are also payable on the basis of a diagnosis of pneumoconiosis.

The State programs generally are administered by industrial commissions or special units within each State's department of labor, and the Federal programs are administered by the U.S. Department of Labor (except for the District of Columbia, which administers its own program). Although all programs are based on

¹As of December 1988, approximately 83,000 workers had Disability Insurance benefits reduced or withheld because of workers' compensation benefits.

the principle of compensation without regard to fault, the enactment of a different law in each jurisdiction and repeated subsequent amendments to these laws results in many variations among the State programs.

Premiums paid by employers (including premiums from those employers financially able to carry their own risk) exceeded \$38 billion in 1987, about \$4 billion more than in 1986. This increase was largely in response to similar benefit payment increases in recent years. The total includes approximately \$582 million paid by employers to help finance the Black Lung program.

Paralleling the growth in benefits and employer costs, the number of workers covered under the system also grew during 1987. The number of covered workers increased by 2 percent to 88.4 million in 1987, largely reflecting the expanding economy. Employer costs averaged \$430 for each employee covered under workers' compensation and paid benefits averaged \$300 per covered worker. In 1986, employer costs averaged \$395 and benefits averaged \$275 per protected worker.² National levels and trends in coverage, benefit payments, and costs are discussed below. Individual State benefit experience and legislative developments are included.

Coverage

Approximately 88.4 million workers were protected under workers' compensation programs in 1987. During the year, 15 States enacted legislation to extend workers'

² These benefit estimates exclude amounts paid from general revenues, which cover most Federal black lung benefits and, in a few States, supplemental pensions.

compensation coverage to specific groups not previously covered, most of which included volunteer workers in medical and public safety positions. In North Carolina, compulsory coverage is now required of employers with at least three full-time employees (excluding those involved in agriculture, domestic services, and sawmill and logging operations). In Washington State, all agricultural workers first were covered in 1987; previously, only those with agricultural wages of at least \$150 were protected. The impact of these changes on the total number of protected workers was negligible.

Many programs exempt from coverage those employees of nonprofit, charitable, or religious institutions and some limit coverage provided to workers in hazardous occupations. Among the most common exemptions are domestic service, agricultural employment, and casual labor. Coverage is also incomplete among workers in small firms (less than 5 employees) and among State and local government employees.

Coverage is compulsory for most private employment covered, except in New Jersey, South Carolina, and Texas. In these States, the programs are elective—that is, employers may accept or reject coverage under the law; but, if they reject such coverage, they lose the customary common-law defenses against suits filed by employees.

Wages and salaries of workers covered by workers' compensation (total covered payroll) totaled \$1,845 billion in 1987, about 84 percent of all civilian wage and salary disbursements in that year. Covered payroll was nearly 7 percent higher than in the previous year, reflecting increases in average weekly wages and in the number of new workers.

Benefits

Approximately \$27.4 billion was paid in workers' compensation benefits in 1987. This amount includes \$25.8 billion in payments under the regular programs (all programs except Black Lung) and \$1.5 billion under the Black Lung program (table 1). The rate of increase in total benefits paid in 1987 was 11.1 percent, a rate lower than the 12.2 percent average annual increase for the 1977-87 period (table 2). Regular program benefits increased 12.1 percent from 1986 to 1987, also slightly less than the 12.9 percent average annual increase since 1977. Black lung payments declined 2.3 percent, the fourth consecutive annual decrease.

Increases in benefit payments may result from a variety of causes. One of the most important causes in recent years has been the interaction of rising wage levels and increasing statutory benefit amounts. Because cash benefits are usually calculated as a percentage of weekly earnings at the time of injury or death—usually 66-2/3 percent—increases in benefits partially reflect wage increases that averaged 4 percent from 1986 to 1987.

Four out of five programs have adopted flexible provisions for setting the maximum weekly benefit amounts, basing the maximums on automatic adjustments in relation to the State's average weekly wage. All programs, however, place dollar maximums on the weekly amounts payable to a disabled worker or to survivors. As a result, some beneficiaries (generally higher-paid workers) receive less than the amount indicated by these percentages.

In addition to the statutory increases in maximum benefit amounts, a number of other changes in State laws affected the

1987 benefit levels. The changes include increases in benefits for burial expenses, scheduled injuries (those that are clearly measurable such as the loss of a part of the body) and the maximum length of payment period. Several States included cost-of-living provisions for permanent total disability cases.

Changes in the incidence and severity of occupational injuries and diseases are the other major factors influencing the level of benefits paid for workers' compensation. Survey data available from the Bureau of Labor Statistics indicate that the rate of on-the-job injuries and illnesses per 100 full-time equivalent workers (working 40 hours per week, 50 weeks per year) was 8.3 in 1987, up from 7.9 in 1986 and the highest level since 1981. In 1987, the number of workdays lost per lost-workday case was 18.2 (compared with 18.0 in 1986), the highest in more than 50 years.³

Finally, the increasing cost of medical care also contributes to the rising level of workers' compensation benefits. The Bureau of Labor Statistics reported that its medical care index for all urban consumers in 1987 rose 6.6 percent over the 1986 level to 40 percent more than the level in 1982.

prosthetic devices. The cost of this care accounted for 36 percent of the \$27.4 billion total. With the Black Lung program excluded, medical care benefits accounted for 38 percent of the total.

Cash compensation payments accounted for the remaining 64 percent of total expenditures in

1987. Of the \$17.5 billion in cash compensation, more than 90 percent (\$15.8 billion) was paid to disabled workers and the remainder was paid to the survivors of deceased workers. Among the regular cash compensation payments—those that exclude black

Table 1.—Estimated workers' compensation benefit payment amounts, by type of benefit, 1985-87

[Amounts in millions]

Type of benefit	1985	1986	1987
Total	\$22,224	\$24,647	\$27,390
Medical and hospitalization.....	7,501	8,654	9,940
Compensation.....	14,723	15,993	17,450
Disability.....	13,064	14,348	15,817
Survivor.....	1,659	1,645	1,633
Regular	20,621	23,065	25,845
Medical and hospitalization.....	7,423	8,534	9,821
Compensation.....	13,197	14,531	16,024
Disability.....	12,269	13,608	15,120
Survivor.....	928	923	905
Black Lung	1,603	1,582	1,545
Medical and hospitalization.....	77	120	118
Compensation.....	1,526	1,462	1,426
Disability.....	795	740	698
Survivor.....	731	722	729

Types of Payments

In 1987, covered workers received \$9.9 billion in medical and hospital care for work-related disabilities. This care includes first-aid treatment, physician services, surgical and hospital services, nursing, medical drugs and supplies, and appliances and

³Occupational Injuries and Illnesses in the United States by Industry, 1987, Bureau of Labor Statistics, U.S. Department of Labor, 1989.

Table 2.—Percentage change in workers' compensation benefit payment amounts, with and without black lung benefits, 1977-87

Period	Total, workers' compensation program	Black lung benefits	
		Only	Excluded
1977-78	13.5	5.7	14.5
1978-79	22.8	67.4	17.6
1979-80	13.2	1.6	15.2
1980-81	10.5	- .2	12.1
1981-82	9.0	- 3.9	10.7
1982-83	7.1	1.4	7.8
1983-84	12.0	- 3.0	13.6
1984-85	12.9	- 2.3	14.3
1985-86	10.9	- 1.3	11.9
1986-87	11.1	- 2.3	12.1
Average annual increase.....	12.2	4.8	12.9

lung compensation—\$15.1 billion (or 94 percent) of the \$16.0 billion total was paid to disabled workers.

Black lung benefit payments totaled \$1.5 billion in 1987, a decrease of 2.3 percent from the 1986 level. This decrease was the sixth annual decline in the past 7 years and is a result of the imbalance that occurs as older beneficiaries die and are only partially replaced by a smaller number of new claimants.

At the end of 1987, approximately 412,000 disabled workers, dependents, and survivors were receiving black lung cash benefit payments. The monthly amount payable to a disabled miner or surviving dependent was \$338. For a disabled worker with three or more dependents, the maximum monthly amount was \$676.

Types of Insurers

Workers' compensation programs vary according to the methods used to assure that compensation will be paid when due. Employers generally insure workers for the required protection by three different methods: Private insurance, publicly operated State funds, or self-insurance (used primarily by employers who have a large number of employees and who are able to provide proof of their financial ability to carry their own risk). However, because only 19 States have operating State funds, employers in most States either insure privately or self-insure.

Options are also limited for employers in North Dakota and Wyoming because employers must insure through an exclusive State fund. In four other States—Nevada, Ohio, Washington, and West Virginia—employers must either self-insure or provide protection

through an exclusive State insurance fund. Federal employees are provided protection through a system that is a federally financed and operated.

In 1987, about 59.8 percent of all regular benefits were paid by private insurers, 20.3 percent by State or Federal funds, and 19.9 percent by self-insurers (table 3). Although payments by self-insuring employers constitute the smallest proportion of total benefits, that proportion has increased gradually over the past decade while the proportion made by private insurers has remained level and that paid by State and Federal funds has decreased.

Self-insurance payments have increased at an annual rate of 15.3 percent since 1977, compared with increases of 12.8 percent in private insurance payments and 9.4 percent in State and Federal fund disbursements (table 4). Over that same period, total workers' compensation benefits increased at an annual average of 12.2 percent.

Geographical Variations

Each year, wide variation occurs both in the amount of benefits paid in each State and in the amount of benefits paid, by type of insurance. This range reflects a number of influences, such as variation in State benefit formulas and maximum benefit amounts, the differences in methods of administration, extent of litigation, occupational distributions and incidence of disability, and, most importantly, the overall size of the labor force.

Workers' compensation benefits paid in California exceeded \$4.25 billion. This amount was higher than the sum of benefits paid in 28 smaller States (table 5). Benefit levels exceeded \$1 billion in Florida (\$1.2 billion) and Illinois (\$1.1 billion) for the first time and in Texas (\$2.1 billion), Ohio (\$1.6 billion), Pennsylvania (\$1.3 billion), and New York (\$1.2 billion). These seven

Table 3.—Workers' compensation benefit payment amounts, by percentage paid and selected insurer, selected years, 1939-87

Year	Total		Percent of benefits paid by—		
	Amount (in billions) ¹	Percent	Private Insurance	State and Federal funds ¹	Self-insurance
1939.....	\$0.2	100.0	52.0	29.2	18.8
1949.....	.6	100.0	62.4	23.3	14.4
1959.....	1.2	100.0	62.2	26.1	11.7
1969.....	2.6	100.0	62.3	23.0	14.7
1979.....	10.3	100.0	59.7	22.4	17.9
1980.....	11.9	100.0	59.2	21.8	19.0
1981.....	13.3	100.0	59.1	21.5	19.4
1982.....	14.7	100.0	58.7	21.0	20.3
1983.....	15.9	100.0	58.3	21.2	20.5
1984.....	18.0	100.0	58.8	20.9	20.3
1985.....	20.6	100.0	59.8	20.1	20.1
1986.....	23.1	100.0	59.9	20.2	19.8
1987.....	25.8	100.0	59.8	20.3	19.9

¹ Excludes black lung benefits, 1979-87.

States provided protection to about 45 percent of all covered workers and accounted for \$12.6 billion in benefits, or more than one-half the amount paid out under all State programs.

In seven States, the amount of benefits paid increased by more than 20 percent from 1986 to 1987 and in two States—Florida and Nevada—1986-87 was the second consecutive year in which benefit increases exceeded 20 percent. Benefit payments decreased in New Mexico, Oklahoma, and Wyoming from 1986 to 1987, after increasing less than 10 percent the previous year.

Under 13 State programs and the program covering Federal civilian employees, the total amount of workers' compensation benefits from 1986 to 1987 either increased by less than 10 percent or decreased (table 6). These programs cover about 30 percent of all employees protected under workers' compensation laws. From 1985 to 1986, total benefits increased by less than 10 percent under 21 State

or Federal programs covering nearly 38 percent of all protected employees.

Costs

Employers spent more than \$38 billion in 1987 to provide workers' compensation protection to employees (table 7). This total was nearly 12 percent more than the \$34 billion paid in premium costs in 1986. The premium consists of the amount needed to pay benefits and to administer the insurance operation, including sales and operating costs, claims administration, rehabilitation costs, profits, taxes, and reserves for future benefits.

This premium, and therefore, the employer cost, varies with the risk involved and is influenced primarily by such factors as the employer's industrial classification and the hazards of that industry, sometimes modified by experience rating. Employer costs are also influenced by the method used to insure for compensation liability—through a

commercial carrier, State fund, or self-insurance—and the proportion of the employer premium assigned to costs for acquisitions and for services and general administration.

The \$38 billion expended by employers in 1987 included:

- (1) \$25.4 billion to private carriers (12 percent higher than in 1986);
- (2) \$7.0 billion to State funds and for Federal programs (the Federal employee program and that part of the Federal Black Lung program financed by employers); and
- (3) \$5.5 billion in the cost of self-insurance (benefits paid by self-insurers plus estimated administrative expenses).

Although premium costs have risen steadily, the relationship of costs to benefits has remained relatively stable. The national ratio of benefits paid per \$1 in cost in 1987 was 69 cents (table 8). This relationship—also called the loss ratio when expressed as a percent—permits an examination of the percent of the employer contribution that is being paid as benefits to disabled workers and their dependents. With a few exceptions in recent years, this ratio has fluctuated between 55 and 70 percent.

Costs may also be related to payroll covered under workers' compensation. This measure provides a perspective in relation to workers' compensation as a component of labor costs. In 1987, the premium cost per \$100 of covered payroll was \$2.06, the third consecutive annual increase since it dropped to \$1.66 in 1984. The 1987 level was the highest since premium costs reached \$1.96 per \$100 of covered payroll in 1980. This cost had been below \$1 until 1964.

Table 4.—Percentage change in workers' compensation benefit payment amounts, by type of insurer, 1977-87

Period	Percentage change in benefits		
	Private insurers	State and Federal funds ¹	Self-insurers
1977-78	13.6	13.3	19.6
1978-79	17.1	14.4	23.5
1979-80	14.2	12.2	22.2
1980-81	12.1	10.4	14.3
1981-82	9.8	8.4	15.8
1982-83	7.2	8.7	8.6
1983-84	14.5	11.7	13.0
1984-85	16.3	6.3	12.0
1985-86	12.0	8.8	10.4
1986-87	11.8	8.5	12.7
Average annual increase..	12.8	9.4	15.3

¹ Excludes black lung benefits.

Table 5.—Estimated workers' compensation benefit payment amounts, by State and type of insurance, 1986-87¹

[Amounts in thousands]

Jurisdiction	1987				1986				Percentage change in total payments
	Total	Insurance losses paid by private insurance ²	State and Federal fund disbursements ³	Self-insurance payments ⁴	Total	Insurance losses paid by private insurance ²	State and Federal fund disbursements ³	Self-insurance payments ⁴	
United States	\$27,389,988	\$15,453,355	\$6,782,360	\$5,154,273	\$24,647,453	\$13,827,237	\$6,247,874	\$4,572,342	11.1
Alabama	273,765	195,765	...	78,000	243,933	174,233	...	69,700	12.2
Alaska	139,367	114,367	...	25,000	129,417	105,917	...	23,500	7.7
Arizona	222,355	109,370	71,682	41,303	209,812	105,569	81,549	22,694	6.0
Arkansas	160,019	121,019	...	39,000	142,841	107,841	...	35,000	12.0
California	4,250,941	2,328,020	647,921	1,275,000	3,744,850	2,096,934	523,916	1,124,000	13.5
Colorado	402,390	163,474	177,916	61,000	354,825	146,188	155,037	53,600	13.4
Connecticut	433,535	343,654	...	89,881	347,334	285,954	...	61,380	24.8
Delaware	51,334	38,334	...	13,000	45,656	34,156	...	11,500	12.4
District of Columbia	86,677	69,677	...	17,000	75,518	60,418	...	15,100	14.8
Florida	1,178,113	738,113	...	440,000	978,996	638,996	...	340,000	20.3
Georgia	510,062	440,062	...	70,000	427,063	368,063	...	59,000	19.4
Hawaii	137,028	101,028	...	36,000	135,218	99,718	...	35,500	1.3
Idaho	70,343	46,159	17,384	6,800	66,521	44,629	14,892	7,000	5.7
Illinois	1,068,067	778,067	...	290,000	992,646	724,646	...	268,000	7.6
Indiana	201,532	178,532	...	23,000	171,351	151,851	...	19,500	17.6
Iowa	140,734	133,734	...	7,000	131,165	124,965	...	6,200	7.3
Kansas	174,953	147,953	...	27,000	156,586	133,586	...	23,000	11.7
Kentucky	274,434	205,434	...	69,000	244,661	183,661	...	61,000	12.2
Louisiana	544,012	434,012	...	110,000	485,222	388,222	...	97,000	12.1
Maine	276,518	228,518	...	48,000	245,008	191,008	...	54,000	12.9
Maryland	373,756	242,855	60,901	70,000	327,768	224,791	46,477	56,500	14.0
Massachusetts	734,088	674,088	...	60,000	638,420	586,920	...	51,500	15.0
Michigan	885,398	489,080	56,318	340,000	793,453	450,453	37,000	306,000	11.6
Minnesota	489,541	366,835	10,706	112,000	478,473	364,822	4,651	109,000	2.3
Mississippi	136,787	126,987	...	9,800	121,898	112,798	...	9,100	12.2
Missouri	320,379	264,379	...	56,000	270,434	223,134	...	47,300	18.5
Montana	138,346	45,513	⁵ 80,552	12,281	122,977	47,897	⁵ 65,394	9,686	12.5
Nebraska	87,537	74,537	...	13,000	76,199	65,099	...	11,100	14.9
Nevada	180,204	1,012	151,445	27,747	148,675	1,014	125,724	21,937	21.2
New Hampshire	128,392	111,992	...	16,400	109,561	95,461	...	14,100	17.2
New Jersey	626,536	528,036	...	98,500	547,035	461,035	...	86,000	14.5
New Mexico	145,788	136,288	...	9,500	147,880	139,380	...	8,500	-1.4
New York	1,206,565	625,671	356,894	224,000	1,102,946	585,877	310,069	207,000	9.4
North Carolina	271,990	216,990	...	55,000	244,505	196,505	...	48,000	11.2
North Dakota	43,983	117	43,866	...	37,536	180	37,356	...	17.2
Ohio	1,561,937	5,537	1,156,400	400,000	1,456,713	8,013	1,048,700	400,000	7.2
Oklahoma	288,693	165,292	56,401	67,000	294,289	188,243	41,046	65,000	-1.9
Oregon	509,584	201,584	230,000	78,000	451,637	185,637	196,000	70,000	12.8
Pennsylvania	1,271,742	938,094	⁵ 82,000	251,648	1,100,554	807,376	⁵ 66,000	227,178	15.6
Rhode Island	142,547	131,647	...	10,900	112,769	104,169	...	8,600	26.4
South Carolina	185,989	160,989	...	25,000	161,563	141,563	...	20,000	15.1
South Dakota	35,557	30,657	...	4,900	28,392	24,692	...	3,700	25.2
Tennessee	288,738	262,738	...	26,000	234,314	213,014	...	21,300	23.2
Texas	2,073,707	2,073,707	...	...	1,834,957	1,834,957	...	...	13.0
Utah	125,840	26,637	79,203	20,000	92,275	26,390	51,585	14,300	36.4

See footnotes at end of table.

Table 5.—Estimated workers' compensation benefit payment amounts, by State and type of insurance, 1986- 87¹—Continued

[Amounts in thousands]

Jurisdiction	1987				1986				Percentage change in total payments
	Total	Insurance losses paid by private insurance ²	State and Federal fund disbursements ³	Self-insurance payments ⁴	Total	Insurance losses paid by private insurance ²	State and Federal fund disbursements ³	Self-insurance payments ⁴	
Vermont.....	\$41,240	\$37,740	...	\$3,500	\$35,468	\$32,568	...	\$2,900	16.3
Virginia.....	354,154	290,154	...	64,000	312,661	256,661	...	56,000	13.3
Washington.....	678,458	13,458	\$525,000	140,000	629,058	19,058	\$475,000	135,000	7.9
West Virginia.....	354,655	1,172	236,370	117,113	322,114	1,489	211,658	108,967	10.1
Wisconsin.....	368,910	292,910	...	76,000	327,002	260,002	...	67,000	12.8
Wyoming.....	44,557	1,367	43,190	...	50,058	1,484	48,574	...	-11.0
Federal.....	2,698,211	...	2,698,211	...	2,707,246	...	2,707,246	...	-3
Civilian employee program ⁵	1,145,903	...	1,145,903	...	1,116,280	...	1,116,280	...	2.7
Black Lung program ⁷	1,544,522	...	1,544,522	...	1,582,237	...	1,582,237	...	-2.4
Other ⁸	7,786	...	7,786	...	8,729	...	8,729	...	-10.8

¹Data for 1987 preliminary; data for 1986 are revised figures. Calendar-year figures, except that data for Montana, Nevada, and West Virginia, for Federal civilian employees and "other" Federal workers' compensation, and for State fund disbursements in Maryland, North Dakota, and Wyoming, represent fiscal years ended in 1986 and 1987. Includes benefit payments under the Longshoremen's and Harbor Workers' Compensation Act and extensions for the States in which such payments are made.

²Net cash and medical payments paid during calendar year by private insurance carriers under standard workers' compensation policies. Data

primarily from A.M. Best Company, a national data-collecting agency for private insurance.

³Net cash and medical benefits paid by State funds compiled from State reports (published and unpublished); estimated for some States.

⁴Cash and medical benefits paid by self-insurers, plus the value of medical benefits paid by employers carrying workers' compensation policies that do not include standard medical coverage. Estimated from available State data.

⁵Includes payment of supplemental pensions from general funds.

⁶Payments to civilian Federal employees (including emergency relief workers) and their

dependents under the Federal Employees' Compensation Act.

⁷Includes \$610,237,000 in 1986 and \$604,522,000 in 1987 paid by the Department of Labor.

⁸Primarily payments made to dependents of reservists who died while on duty in the Armed Forces, to individuals under the War Hazards Act, War Claims Acts, and Civilian War Benefits Act, and to Civil Air Patrol and Reserve Officers Training Corps personnel, persons involved in maritime war risks, and law enforcement officers (P.L. 90-921).

Table 6.—State and percentage distribution of covered workers by percentage change in workers' compensation benefits, 1985-86 and 1986-87

Percentage change and State	Percentage distribution		Percentage change and State	Percentage distribution	
	1986-87	1985-86		1986-87	1985-86
Decrease					
Total	5.4	0	Kentucky	1.1	...
Federal civilian employees	3.6	...	Louisiana	1.3	...
New Mexico .....	.5	...	Maine .....	.5	...
Oklahoma	1.1	...	Maryland	1.7	...
Wyoming .....	.2	...	Michigan	3.5	...
			Mississippi .....	.7	...
Increase			Missouri .....	...	2.1
0-4.9:			Montana .....	.3	...
Total	2.3	15.3	Nebraska .....	.7	.7
District of Columbia .....	...	.5	New Jersey	3.6	...
Federal civilian employees .....	...	3.6	New York .....	...	7.8
Hawaii .....	.4	.4	North Carolina	2.8	...
Idaho .....	...	.3	North Dakota .....	...	.3
Louisiana .....	...	1.3	Oregon	1.1	1.1
Michigan .....	...	3.5	Pennsylvania .....	...	5.0
Minnesota	1.9	...	Tennessee .....	...	1.5
North Carolina .....	...	2.8	Texas	5.1	...
Oklahoma .....	...	1.1	Utah .....	...	.6
Washington .....	...	1.8	Virginia	2.5	2.5
			West Virginia .....	.6	.6
5.0-9.9:			Wisconsin	2.3	2.3
Total	21.9	22.3	15.0-19.9:		
Alaska .....	.2	...	Total	16.5	20.6
Arizona	1.2	22.3	Alaska .....	...	.2
Idaho .....	.3	...	California .....	...	12.3
Illinois	4.8	4.8	Georgia	2.3	2.3
Iowa	1.1	1.1	Indiana	2.0	...
Kentucky .....	...	1.1	Massachusetts	2.8	...
Maryland .....	...	1.7	Missouri	2.1	...
Minnesota .....	...	1.9	New Hampshire .....	.5	...
New Jersey .....	...	3.6	North Dakota .....	.3	...
New Mexico .....	...	.5	Pennsylvania	5.0	...
New York	7.8	...	Rhode Island .....	...	.4
Ohio	4.7	4.7	South Carolina	1.2	...
South Carolina .....	...	1.2	Texas .....	...	5.1
South Dakota .....	...	.3	Vermont .....	.3	.3
Washington	1.8	...	More than 20.0:		
Wyoming .....	...	.2	Total	8.9	11.8
10.0-14.9:			Alabama .....	...	1.2
Total	45.1	30.1	Colorado .....	...	1.3
Alabama	1.2	...	Connecticut	1.6	...
Arkansas .....	.8	.8	Florida	4.0	4.0
California	12.3	...	Maine .....	...	.5
Colorado	1.3	...	Massachusetts .....	...	2.8
Connecticut .....	...	1.6	Mississippi .....	...	.7
Delaware .....	.2	.2	Montana .....	...	.3
District of Columbia .....	.5	...	Nevada .....	.5	.5
Indiana .....	...	2.0	New Hampshire .....	...	.5
Kansas	1.0	1.0	Rhode Island .....	.4	...
			South Dakota .....	.3	...
			Tennessee	1.5	...
			Utah .....	.6	...

Table 7.—Workers' compensation costs, by type of insurer, selected years, 1952-87

[Amounts in millions]

Year	Total	Private carriers	State funds	Federal programs ¹	Self-insurers
1952.....	\$1,333	\$956	\$229	\$40	\$108
1957.....	1,734	1,234	301	59	140
1962.....	2,323	1,651	395	68	209
1967.....	3,654	2,640	592	97	325
1972.....	5,786	4,181	854	211	540
1977.....	14,088	9,920	2,297	525	1,346
1982.....	22,765	15,398	2,640	1,509	3,217
1983.....	23,030	15,384	2,695	1,458	3,493
1984.....	25,122	16,632	2,975	1,569	3,946
1985.....	29,185	19,500	3,513	1,721	4,451
1986.....	33,964	22,771	4,507	1,771	4,915
1987.....	38,036	25,448	5,319	1,728	5,541

¹ Includes the Federal employee compensation program and that portion of the Federal Black Lung program financed from employer contributions.

Table 8.—Workers' compensation cost ratios for selected years, 1952-87

Year	Cost per covered employee	Cost per \$100 of payroll	Benefits per \$1 in costs ¹
1952.....	\$33	\$0.94	\$0.59
1957.....	39	.91	.62
1962.....	49	.96	.65
1967.....	67	1.07	.59
1972.....	93	1.14	.60
1977.....	195	1.71	.54
1982.....	296	1.75	.67
1983.....	295	1.67	.70
1984.....	307	1.66	.73
1985.....	348	1.80	.72
1986.....	395	1.97	.70
1987.....	430	2.06	.69

¹ Excludes programs financed from general revenues—most Federal black lung benefits and, in a few States, supplemental pensions.