

Illinois Workers' Compensation Commission FY2009 Annual Report



"The Miner's Homecoming"
by Charles J. Mulligan

The sculpture commemorates the 1909 Cherry mine fire, one of the country's worst mining disasters. It killed 259 men and boys, left 465 children without fathers, and prompted the enactment of the first workers' compensation law in Illinois. The word "home" on the pedestal evokes the goal that every person will return home safe and whole after a day at work.

Pat Quinn
Governor

Mitch Weisz
Chairman

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Cover photo used with permission of the Chicago History Museum.

Note: On January 1, 2005, the Illinois Industrial Commission changed its name to the Illinois Workers' Compensation Commission.

This report was printed in June 2010 by the authority of the State of Illinois, 100 copies printed with soy ink on recycled paper, \$2.48 per copy. No printing order number was used. The printing volume has been reduced by 60% to save money and paper. This report is available online at <http://www.iwcc.il.gov/annualreport.htm/>.



Illinois Workers' Compensation Commission

100 W. Randolph St., Suite 8-200
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Pat Quinn, Governor

Mitch Weisz, Chairman

Dear Governor Quinn,
Members of the General Assembly,
and Citizens of Illinois:

We are pleased to submit the FY09 annual report. The Commission is in a dynamic process of change, more aware than ever of the need to operate efficiently, and more mindful of how our work affects both injured workers and the business climate in Illinois.

The Commission has never been so transparent and participative. We have more business, labor, medical, and legal representatives participating in more advisory groups and working committees than ever before. In these groups, we are coming to understand each other's views better and build common ground that will lead to an improved workers' compensation program.

Commissioners, arbitrators, managers, and staff have been speaking at a variety of programs on a volunteer basis. Our website shares information more widely and with more depth than could have been imagined years ago. In 2009, users made over 8 million hits on our website, and the usage is rapidly increasing. When we post news online, we also email the information to over 1,200 individuals who have signed up for our email news service. We are in frequent and close contact with our community.

We are seeing some of the 2005 law changes bear fruit. Since the law took effect, we have collected \$5 million from employers that fail to follow the law requiring them to purchase workers' compensation insurance, and we have used those fines to pay \$2.8 million to 67 injured workers whose uninsured employers failed to pay them. Everyone can agree that all employers should compete on a level playing field, and that legitimately injured workers should receive the benefits to which they are due. This initiative has been a great success.

The 2005 legislation also created the first workers' compensation medical fee schedule in Illinois, and it appears to be saving money by reducing the growth of Illinois' medical costs, without harming workers' access to care. All interested parties are continuing to work together to further improve this program.

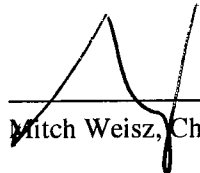
The addition of a third panel of commissioners authorized by the 2005 law has increased the number of Commission decisions by 50%. In addition, we have increased the number of downstate settings to more accurately reflect the demand, and we are scheduling them back-to-back in order to reduce travel expenses.

Internally, the Commission is aggressively redefining its procedures to tighten operations. We are updating job descriptions and eliminating unnecessary positions to make the operation more efficient. We will be updating our old court case management computer system, thanks to the Chamber of Commerce lawsuit pending settlement.


Finally, we are trying to establish a welcoming and service-oriented atmosphere at the Commission. We are holding regular open house programs. Because parties spend a considerable amount of time at the Chicago office, we are setting up Wi-Fi access to help our visitors maximize their efficiency while they are here.

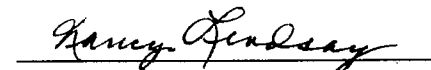
We are totally committed to working together to provide fair, efficient, timely, and respectful service to the employees and businesses of Illinois. We appreciate your support in helping us fulfill our mission.

Respectfully,

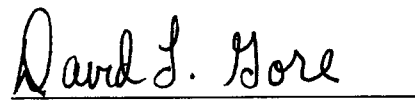


Mitch Weisz, Chairman

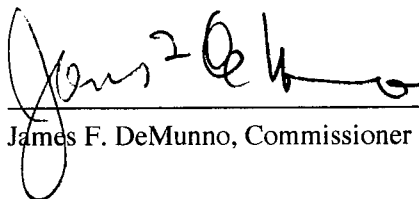
Mario Basurto, Commissioner

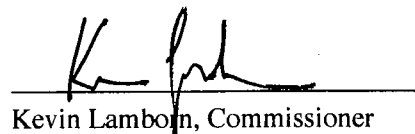
Daniel Donohoo, Commissioner


Nancy Lindsay, Commissioner

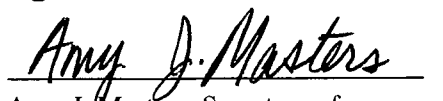
Yolaine Dauphin, Commissioner

David L. Gore, Commissioner

Molly Mason, Commissioner

James F. DeMunno, Commissioner

Kevin Lamborn, Commissioner

Barbara A. Sherman, Commissioner

Amy J. Masters, Secretary of
Commission and Operations Manager

Carolyn L. Parks, Executive Director
and Judicial Manager

Highlights

- In FY09, the Commission collected \$1.2 million in fines from 105 uninsured employers with 1,300 workers that were found to be operating without workers' compensation insurance. These fines were used to pay \$1.4 million in benefits to 38 injured workers whose uninsured employers failed to pay them. Without the Injured Workers' Benefit program, there would be no fund from which to pay these workers.
- As requested by the business community, new medical fee schedules were created for 1) ambulatory surgical treatment centers; 2) hospital outpatient radiology; pathology and laboratory; physical medicine and rehabilitation services; and surgical services; and 3) rehabilitation hospitals.
- The perception of Illinois workers' compensation costs is often different than the reality. Illinois is a high-wage state with a low injury rate.
- Using NCCI advisory rates, a 1990 workers' compensation insurance premium of \$100 would cost only \$116 in 2010; during the same time, the statewide average weekly wage doubled.
- Our workers' compensation insurance industry is healthy and highly competitive. More insurance companies sell w.c. policies in Illinois than in 48 other states. The residual market is smaller than average, meaning employers are able to purchase insurance with relative ease.
- The number of cases pending at the Commission has declined 20% from the peak of 119,000 cases at the end of FY95 to 96,000 cases at the end of FY09.
- Accident rates have fallen dramatically. Illinois' 2006 total injury rate was 63% *lower* than in 1991. Everyone wins when injuries are avoided.
- In FY09, our website received over 8 million hits, representing an 80% increase since FY07.

Mission Statement

The Illinois Workers' Compensation Commission resolves disputes that occur between injured workers and their employers regarding workers' compensation. The Commission strives to assure financial protection to injured workers and their dependents at a reasonable cost to employers.

The Commission performs four main functions:

- 1) *Resolve disputes.* The Commission strives to provide a fair, timely process by which disputed claims may be resolved.
- 2) *Ensure compliance with the law.* The Commission protects the rights of employees and employers under the Illinois Workers' Compensation and Occupational Diseases Acts.
- 3) *Administer self-insurance.* The Commission evaluates and approves eligible employers that wish to insure themselves for their workers' compensation liabilities.
- 4) *Collect statistics.* The Commission compiles information on work-related injuries and diseases in order to encourage sound risk management and work safety programs.

The Commission intends to accomplish these goals while looking constantly for ways to improve the quality of service and treating the public and co-workers with respect. The success of this organization depends on the commitment and full participation of every member.

Board Members

We are grateful to the individuals who serve on our boards. All serve without compensation. For the sake of clarity, we list the individual in a position at the time this report went to print.

COMMISSION REVIEW BOARD

The board investigates complaints made against arbitrators and commissioners. The governor appoints two public members, the senior labor and business commissioners serve by statute, and the arbitrators elect one Chicago and one Downstate arbitrator.

Robert Hanaford Attorney, Robert H. Hanaford Public member vacant	Mario Basurto Senior Business Commissioner Barbara A. Sherman Senior Labor Commissioner	Edward Lee Chicago Arbitrator Ruth White Downstate Arbitrator
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SELF-INSURERS ADVISORY BOARD

The board reviews applications from private companies for the self-insurance privilege and makes recommendations to the chairman. The board also ensures the continued payment of benefits to workers of bankrupt self-insurers.

Alex G. Alexandrou City of Aurora Brian C. Baer Dominicks	Curtis C. Beam Archer Daniels Midland Co. Gerald F. Cooper Scopelitis, Garvin, Light & Hanson	David Taylor Int'l. Truck & Engine Corp. Public member vacant
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WORKERS' COMPENSATION ADVISORY BOARD

The board assists the Commission in formulating policies, setting priorities, and developing administrative goals. The board also makes recommendations to the governor regarding Commission appointments.

EMPLOYEES

Aaron Anderson Painters Dist. Council #30 Michael Carrigan Illinois AFL-CIO Frank Cavarretta United Steel Workers	Philip Gruber Int'l. Assoc. of Machinists and Aerospace Workers David Menchetti Cullen, Haskins, Nicholson and Menchetti Kim Presbrey Presbrey & Assoc.
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EMPLOYERS

David Buckman CORE Construction Group Mark Flannery Caterpillar, Inc. Michael Holewinski Ace Industries	Kim Maisch Natl. Fed. of Ind. Business Gerald Roper Chgo. Chamber of Comm. David Vite IL Retail Merchants Assoc.
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WORKERS' COMPENSATION MEDICAL FEE ADVISORY BOARD

The board advises the IWCC on the establishment of medical fees and the accessibility of treatment.

EMPLOYEES

Eric Dean Int'l. Assoc. of Ironworkers Roger Poole Int'l. Assoc. of Machinists and Aerospace Workers Ronald Powell United Food & Commercial Workers

EMPLOYERS

Maddy Bowling Maddy Bowling & Associates Kim Moreland Rising Medical Solutions John Smolk United Airlines
--

MEDICAL PROVIDERS

Jesse Butler, MD Spine Consultants Edward Scramberg, MD One vacancy
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Overview of Workers' Compensation

Workers' compensation laws were the first acts of social legislation passed in the United States, and they have always been controversial. At the beginning of the 20th century, employers feared the assumption of liability for work-related injuries would destroy their businesses, while workers feared financial ruin from disabling injuries.

Before the laws took effect, an injured worker seeking compensation had to file a lawsuit against his or her employer in court. At the time, the common law held that the employer had a duty to provide a safe place to work and safe tools; to give warnings of dangers; and to provide a sufficient number of appropriate fellow servants to perform the tasks.

In court, the employee had to prove negligence. The employer could present a defense that blamed the injured worker's contributory negligence, or attributed the injury to the negligence of a fellow servant, or argued that the employee assumed certain risks in accepting the job. The process was prolonged and uncertain, with large risks to both employee and employer. The employer's liability was unlimited.

The high injury and death rates throughout the Industrial Revolution and growing dissatisfaction with the common law gradually led to the enactment of employer liability acts. Employers were held more responsible for negligence, but employees still had to file lawsuits for damages.

The first workers' compensation laws originated in Germany in 1884 with a compulsory system of accident insurance covering all employees in manufacturing, mining, and transportation. Similar laws passed in other European countries.

In the U.S., laws were passed on a state-by-state basis. Most of the early laws covered only hazardous occupations and were frequently challenged as unconstitutional. Maryland passed the first act in 1902, which was restricted to fatal cases. The first law of general application that withstood legal challenges was Wisconsin's act of 1911. Illinois passed its law in 1911, effective May 1, 1912. It took until 1948 for all states to establish a workers' compensation law.

Workers' compensation laws contain two tradeoffs:

1. Employees gave up their right to sue and potentially win large awards in court in exchange for more modest but prompt compensation;
2. Employers gave up their common law defenses in exchange for limits on their liabilities.

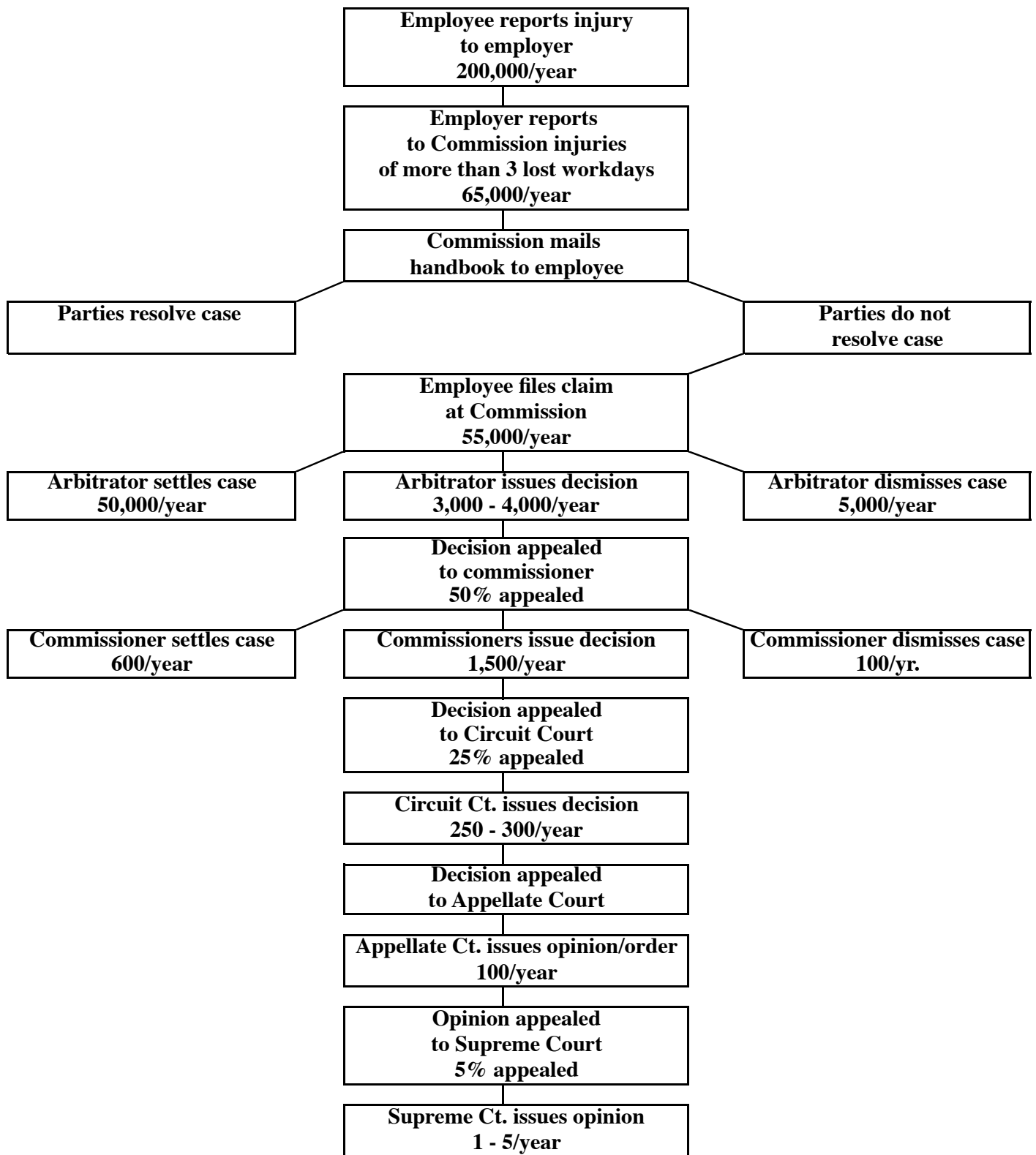
Workers' compensation was established as a no-fault system. The theory behind the law is that the cost of work-related injuries or illnesses should be part of the cost of the product or service.

Originally, the courts administered the Illinois act. The volume overwhelmed the courts, however, and on July 1, 1913, a three-member Industrial Board was created. In 1917, a five-member Industrial Commission was created within the Illinois Department of Labor. In 1957, the Commission separated from the Department of Labor and became a self-standing agency. On January 1, 2005, the agency officially became the Illinois Workers' Compensation Commission.

Almost every employee who is hired, injured, or whose employment is localized in Illinois is covered by workers' compensation. For the most part, benefits are paid for accidental injuries that are caused, in whole or in part, by the employee's work. This includes the aggravation of a pre-existing condition and injuries brought on by the repetitive use of a part of the body.

Illinois employers pay for workers' compensation benefits through insurance policies or by self-insurance. Benefits are based on the worker's earnings, subject to certain limits. Cases are first heard by arbitrators, whose decisions may be appealed to commissioners. Cases may proceed on to the circuit court, Illinois Appellate Court, and the Illinois Supreme Court. Most cases, however, are settled between the parties.

Flow Chart of Dispute Resolution Process



Note: Cases can go back and forth between levels. Figures are rough estimates.

Finances

The Commission operates eight funds that are independent of the General Revenue Fund.

	SPECIAL FUNDS				
	6/30/08 Balance	<i>plus</i> Income	<i>minus</i> Expenditures	<i>plus/minus</i> Adjustments	6/30/09 Balance
IWCC Operations Fund	\$25,570,170	\$16,900,739	\$19,309,681	(\$18,463)	\$23,144,765
Injured Workers' Benefit Fund	\$2,703,605	\$1,244,341	\$1,293,879	\$0	\$2,654,067
Rate Adjustment Fund	(\$6,039,745)	\$19,584,111	\$11,839,594	(\$157,216)	\$1,547,556
Second Injury Fund	\$442,159	\$1,476,719	\$1,122,565	\$0	\$796,313
Self-Insurers Administration Fund	\$384,579	\$329,501	\$568,021	\$49,000	\$195,059
Self-Insurers Security Fund	\$21,012,130	\$5,202,572	\$829,892	(\$791,132)	\$24,593,678
Transcript Deposit Fund	\$44,375	\$14,210	\$16,086	\$0	\$42,499
Workers' Compensation Benefit Trust Fund	\$1,538	\$36	\$0	\$0	\$1,574

ILLINOIS WORKERS' COMPENSATION COMMISSION OPERATIONS FUND

Illinois Compiled Statutes, Ch. 820, Para. 305, Sec. 4d; Ch. 215, Para. 5, Sec. 416

The IWCC Operations Fund was created in 2003 to pay for the administrative costs of the agency, making Illinois the 46th state in the country to pay for its workers' compensation agency through an independent source of funds. Each year, employers pay a 1.01% surcharge on workers' compensation insurance premiums, while self-insured employers pay an assessment of 0.0075% of payroll.

INJURED WORKERS' BENEFIT FUND

Illinois Compiled Statutes, Chapter 820, Section 4(d)

In 2005, the legislature created the IWBF to collect fines paid by uninsured employers and then pay w.c. benefits to the injured employees of uninsured employers whose employers fail to pay. To date, the IWBF has paid w.c. benefits to 30 injured workers whose uninsured employers failed to pay them and whose cases were closed. Without this fund, these workers would not have received the benefits they were due.

RATE ADJUSTMENT FUND

Illinois Compiled Statutes, Chapter 820, Paragraph 305, Sections 7-8

The RAF was created in 1975 to pay cost-of-living increases to individuals who are either permanently and totally disabled or the survivors of fatally-injured workers.

Payments are made each month, beginning on July 15 of the second year after the award is final. Recipients are given an amount equal to the percentage increase in the statewide average weekly wage, as calculated by the Department of Employment Security. If there is a decrease in the statewide average weekly wage, there is no change in the compensation rate.

Every six months, self-insured employers and insurance companies pay an assessment of 1.25% of all indemnity benefits paid in the preceding six-month period.

The RAF has run a deficit for years. Thanks to the increased assessments enacted in 2005, the fund ended the fiscal year with a positive number for the first time since 1994.

During FY09, the Commission took a number of steps to improve controls over the RAF program: an attorney and project manager were hired; a database to track cases was created; procedures were set in writing; forms were changed; outreach efforts were made to reach potential recipients, a RAF web page was created, etc.

SECOND INJURY FUND

Illinois Compiled Statutes, Chapter 820, Paragraph 305, Sections 7-8

The SIF provides an incentive to employers to hire disabled workers. Illinois' SIF is more narrowly constructed than most other states. If a worker who had previously incurred the complete loss of a member or the use of a member (one hand, arm, foot, leg, or eye) is injured on the job and suffers the complete loss of another member so that he or she is permanently and totally disabled (PTD), the employer is liable only for the injury due to the second accident. The fund pays the amount necessary to provide the worker with a PTD indemnity benefit.

Approximately 100 individuals receive SIF benefits. In January and July each year, insurers and self-insured employers pay assessments up to 1/8 of 1% of compensation payments made during the previous six months.

SELF-INSURERS ADMINISTRATION FUND

Illinois Compiled Statutes, Chapter 820, Paragraph 305, Section 4a-6.1

The SIAF was created in 1988 to pay the administrative costs of the Commission's self-insurance program. Private self-insured employers pay a fee of \$500 per entity when applying for or renewing the self-insurance privilege.

SELF-INSURERS SECURITY FUND

Illinois Compiled Statutes, Chapter 820, Paragraph 305, Sections 4a-5, 7

The SISF was created in 1986 to pay benefits to employees of private self-insurers that became insolvent after 1986. Self-insured employers pay assessments based on their indemnity payments, up to a maximum of 1.2% of indemnity benefits paid during the preceding year. The "income received" column also reflects the collection of bonds and escrows from self-insured employers during the year. The "adjustments" column reflects changes in the unpaid liability of the fund. This fund has always paid the benefits in full.

TRANSCRIPT DEPOSIT FUND

Illinois Compiled Statutes, Chapter 30, Paragraph 105

When a case is appealed to the circuit court, the appealing party pays a \$35 fee for the preparation of the file.

WORKERS' COMPENSATION BENEFIT TRUST FUND

Illinois Compiled Statutes, Chapter 30, Paragraph 105

The WCBTF pays benefits to employees of private self-insurers that became insolvent before 1986. Benefits are paid from securities posted by the self-insurers; any unused funds are then returned to the insolvent estate.

Insurance

Employers are responsible for the payment of benefits to injured workers; they must either purchase insurance or obtain permission to self-insure.

INSURANCE

The workers' compensation insurance business in Illinois is profitable and highly competitive. More insurance companies sell workers' compensation policies in Illinois than in 48 other states.¹

The National Council on Compensation Insurance, a private organization, issues advisory insurance rates. Illinois carriers use the advisory rate in their calculations but are free to set their own premium rates. A premium of \$100 in 1990 would cost \$116 in 2010; during the same time period, the statewide average weekly wage doubled.²

Employers are able to obtain workers' compensation insurance in Illinois with relative ease. Less than 5% of Illinois employers were unable to buy insurance in the open market, causing them to buy in the residual market; the national average is nearly 8%. These policies tend to be small, so that the residual market premium represents less than 3% of the total market.³

Additional information on workers' compensation insurance costs is available in the chapter on Interstate Comparisons.

INSURANCE COMPLIANCE PROGRAM

Illinois law requires employers to insure themselves for their workers' compensation liabilities, but some employers fail to comply. These employers enjoy an unfair competitive advantage over law-abiding companies, while leaving their employees vulnerable if accidents should occur.

If the Commission finds an employer knowingly and willfully failed to obtain insurance, it may be fined up to \$500 for every day of noncompliance, with a minimum fine of \$10,000. Corporate officers may be held personally liable if the company fails to pay the fine. Under legislation that took effect July 20, 2005, an employer may also face criminal charges and/or a work-stop order for failing to obtain workers' compensation insurance.

In FY09, for the first time, the Commission shut down an employer for its failure to obtain workers' compensation insurance. IWCC staff had personally delivered warnings to the employer, but it had ignored them. The employer later obtained insurance and reopened the business.

In FY09, the unit collected \$1.2 million in fines from 105 uninsured employers with 1,300 workers that were found to be operating without workers' compensation insurance. Total collections since FY06, the first full year with tougher laws, are nearly \$5 million.

These fines are deposited into the Injured Workers' Benefit Fund. In FY09, the IWBF paid \$1.4 million to 38 injured workers whose uninsured employers failed to pay them and whose cases were closed. To date, the IWBF has paid \$2.8 million in benefits to 67 injured workers. Without the Injured Workers' Benefit program, there would be no fund from which to pay these workers.

INSURANCE FRAUD

The Illinois Department of Insurance investigates workers' compensation fraud. The IWCC funds the unit, but the IDOI administers the fraud program.

It is illegal for anyone—a worker, employer, insurance carrier, medical provider, etc.—to intentionally make a false statement in order to obtain or deny w.c. benefits, obtain w.c. insurance at less than the proper rate,

obtain approval to self-insure, etc. A “statement” includes any writing, notice, proof of injury, or any medical bill, record, report, or test result.

Anyone found guilty of any of these actions is guilty of a Class 4 felony, punishable by 1-3 years imprisonment and a \$25,000 fine. The guilty party shall be required to pay complete restitution, and may be found civilly liable for up to three times the value of benefits or coverage that was wrongfully attained.

Since the fraud unit was created in 2006, 11 convictions have been attained. Details are available at <http://www.iwcc.il.gov/fraud.htm/>.

SELF-INSURANCE

Private employers may obtain approval to insure themselves for their workers' compensation liabilities, or they may join a pool of other employers. The Commission evaluates individual self-insurers, while the Illinois Department of Insurance evaluates pools. Public employers may self-insure without obtaining approval. Self-insured employers pay roughly 26% of benefits.⁴

As the cost of traditional insurance has decreased, many employers have stopped self-insuring and returned to conventional insurance arrangements.

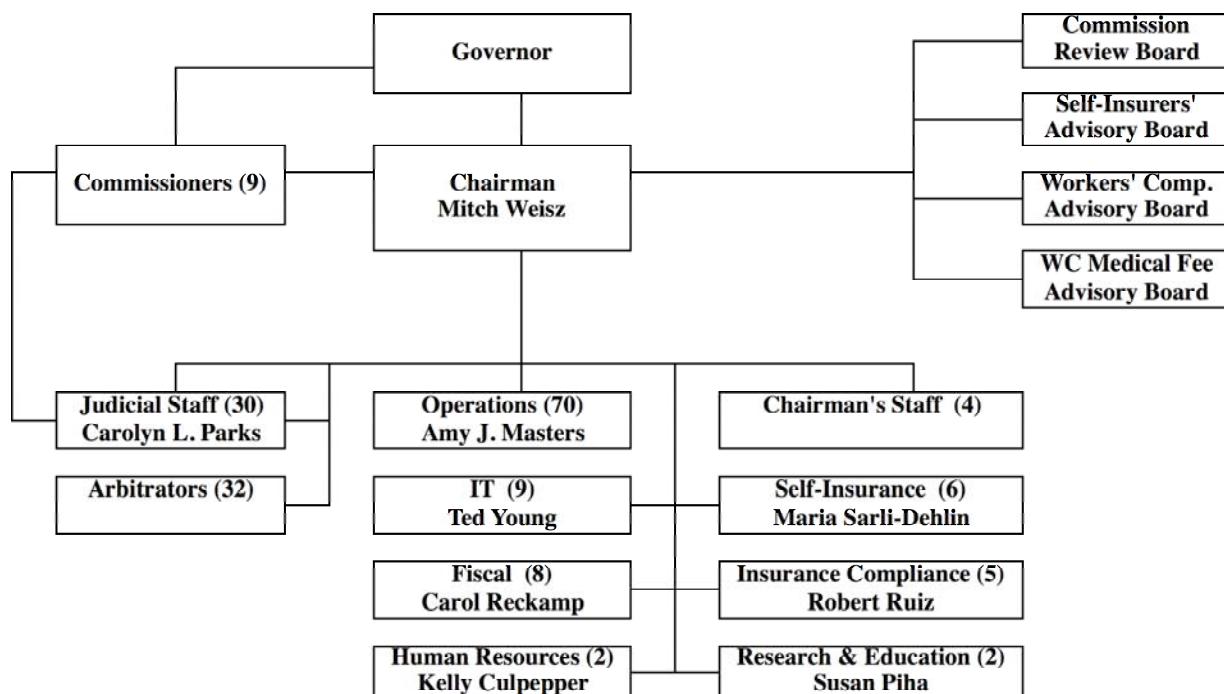
PARENT COMPANIES PARTICIPATING IN THE COMMISSION'S SELF-INSURANCE PROGRAM	
Date	# Parent Companies
6/30/00	361
6/30/05	319
6/30/06	311
6/30/07	297
6/30/08	290
6/30/09	275

Administration

ORGANIZATIONAL STRUCTURE

At the end of FY09, the Workers' Compensation Commission consisted of the chairman, nine commissioners, 162 employees, and six employees in the separately funded Self-Insurance Division, for a total of 178 people.⁵

ILLINOIS WORKERS' COMPENSATION COMMISSION
ORGANIZATIONAL CHART



For the sake of clarity, we list the individual in a position at the time this report went to print.

CHAIRMAN'S OFFICE

Headcount: 4

Mitch Weisz, Chairman

The Chairman's Office consists of Katherine Melford, chairman's confidential assistant/labor relations officer; Nick Velazquez, chairman's assistant; and Darrell Widen, assistant general counsel.

FISCAL OFFICE

Headcount: 8

Carol Reckamp, Manager

This unit pays the bills, handles payroll and purchasing, manages the appropriations process, and administers the Commission's special funds.

HUMAN RESOURCES

Headcount: 2

Kelly Culpepper, Manager

This office handles personnel transactions and benefit programs.

INFORMATION TECHNOLOGY

Headcount: 9

Ted Young, Manager

MIS maintains the computer systems, and produces notices, call sheets, and other documents.

INSURANCE COMPLIANCE

Headcount: 5

Robert Ruiz, Manager

This unit enforces the law that requires employers to have workers' compensation insurance.

JUDICIAL DIVISION

Headcount: 62

Carolyn L. Parks, Executive Director/Judicial Manager

Arbitration

Bertha Parker, Coordinator

Arbitrators conduct hearings, issue decisions, and approve settlements of cases. At the end of FY09, 15 arbitrators worked in the Chicago office and 18 arbitrators traveled to 31 downstate hearing sites. Two support staff set schedules and provide clerical support.

Commission

Dora Shabazz, Coordinator

Three panels of three commissioners conduct hearings, issue decisions, and approve settlements of cases that have been appealed from the arbitration level. On each panel, one member represents business, one represents labor, and one is a public member.

Each commissioner has two staff attorneys who analyze and summarize cases, and draft decisions and orders; each commissioner also has an administrative assistant who manages the caseload and provides clerical support.

OPERATIONS DIVISION

Headcount: 70

Amy J. Masters, Secretary of Commission/Operations Manager

Central Files

Employees maintain the case files, coordinate correspondence with the downstate arbitrators, and provide copies of case records to the public.

Court Reporting

Court reporters record hearings and produce typewritten transcripts of hearings. One staff person tracks transcripts throughout the hearing process.

Data Entry

This unit enters case information into the mainframe computer system.

Docket

Employees process all incoming claims, motions, and other case documents.

Information

Employees in four locations handle roughly 100,000 telephone calls each year. They explain procedures, distribute informational materials, and prepare summons for the circuit courts.

Mail Room

The Mail Room handles nearly one-half million pieces of mail each year.

Review and Emergency Hearings (19(b) and 19(b-1))

The unit maintains files for cases on review and schedules oral arguments. It also manages cases filed under Sections 19(b) and 19(b-1) of the Act, which outlines the process by which emergency cases are to be handled.

RESEARCH AND EDUCATION

Headcount: 2

Susan Piha, Manager

This unit conducts operations research, handles public relations, and manages training programs.

SELF-INSURANCE DIVISION

Headcount: 6

Maria Sarli-Dehlin, Manager

This division administers the self-insurance privilege and handles insolvencies of individual bankrupt self-insurers.

Statistics

Each year in Illinois, roughly 200,000 work-related accidents occur. In most of these cases, the worker does not lose time from work. Roughly 55,000 claims are filed with the Commission; the statistics in this section refer only to those cases that are filed with the Commission.

ACCIDENT

Location of accident. Cases are assigned to the hearing site nearest the site of the accident. If the accident occurred outside of Illinois, the case is assigned to the hearing site closest to the petitioner's home; if the petitioner lives outside of Illinois, the case is set at the site most convenient to the parties.

The following table groups the 1,200 cities and towns in Illinois by the 31 hearing sites to which the claims were assigned, and indicates where accidents occur.

		NEW CASES FILED BY HEARING SITE				
Hearing Site		FY09	FY08	FY07	FY06	FY05
1.	Belleville	1,374	1,270	1,291	1,277	1,365
2.	Bloomington	1,439	1,391	1,384	1,396	1,682
3.	Carlinville	306	476	404	319	309
5.	Chicago	21,705	22,818	22,634	22,575	23,096
6.	Clinton	193	194	189	211	175
7.	Collinsville	1,756	1,744	1,778	1,918	1,904
8.	Danville	402	446	447	504	541
9.	Decatur	919	861	799	816	853
10.	De Kalb	462	434	431	410	458
11.	Galesburg	580	481	532	570	710
12.	Geneva	2,502	2,651	2,541	2,464	2,558
13/14.	Herrin/Whittington	2,018	2,326	2,233	2,276	2,577
15.	Joliet	2,781	2,835	2,654	2,548	2,431
16.	Kankakee	598	591	646	615	686
17.	Lawrenceville	341	414	437	375	416
18.	Mattoon	871	802	806	910	1,114
19.	Mt. Vernon	913	530	567	561	527
20.	Ottawa	922	912	903	925	898
21.	Peoria	2,446	2,603	2,603	2,671	2,644
22.	Quincy	533	536	469	492	478
23.	Rock Falls	452	452	440	492	427
24.	Rock Island	729	769	639	747	814
25.	Rockford	2,384	2,515	2,482	2,320	2,314
26.	Springfield	1,436	1,409	1,385	1,424	1,298
27.	Urbana	911	877	767	820	892
28.	Waukegan	2,062	2,083	2,122	2,066	2,178
29.	Wheaton	3,130	3,055	3,127	3,107	3,135
30.	Winchester (formerly Jacksonville)	433	484	485	491	535
31.	Woodstock	899	881	859	946	944
Total new cases filed		55,497	57,515	56,685	56,911	58,715

ACCIDENT

Part of body injured. If a case involved more than one body part, each part was counted separately.

PART OF BODY INJURED BY FISCAL YEAR OF ACCIDENT					
	FY09	FY08	FY07	FY06	FY05
Head and neck					
Eyes	1%	1%	1%	<1%	<1%
Head--other parts	1%	2%	3%	2%	3%
Neck	3%	4%	4%	4%	4%
Trunk					
Back	16%	16%	16%	17%	18%
Shoulder	5%	7%	7%	7%	6%
Not specified	2%	3%	3%	2%	2%
Upper extremities					
Arm	9%	10%	10%	10%	10%
Hand	10%	11%	12%	13%	13%
Finger	4%	5%	5%	5%	5%
Not specified	3%	3%	3%	3%	3%
Lower extremities					
Foot	3%	5%	5%	5%	5%
Knee	6%	6%	6%	6%	6%
Leg	5%	7%	7%	7%	7%
Toe	1%	<1%	<1%	<1%	<1%
Not specified	2%	2%	2%	2%	2%
Multiple parts/Other	29%	18%	16%	15%	16%

For more information on accidents, see also the "Injury rates" section in this chapter.

AVERAGE WEEKLY WAGE

Claimants' wages generally lag behind the statewide average weekly wage. The wages of workers who experienced accidents in FY09 averaged 16% lower than the statewide average.

AVERAGE WEEKLY WAGE BY YEAR OF ACCIDENT					
	FY09	FY08	FY07	FY06	FY05
Claimants' Average Weekly Wage	771.31	\$754.15	\$739.89	\$716.48	\$690.49
Statewide Average Weekly Wage as of 6/30	\$923.56	\$883.86	\$861.38	\$822.20	\$788.99

CASES CLOSED

As in other court systems, most cases at the Commission are settled. Please note that these figures report only the final action on a case. If a case had more than one action (e.g., a case was decided at arbitration, then decided by the Commission, then settled), only the final action is reported here. An arbitration case is counted as closed if it was dismissed, settled, or if a decision was issued and no appeal was filed.

TOTAL CASES CLOSED

FINAL ACTION	FY09	%	FY08	%	FY07	%	FY06	%	FY05	%
Dismissals	5,271	9%	5,434	9%	5,747	9%	7,831	12%	7,173	11%
Settlements	51,230	87%	51,549	87%	52,521	87%	54,468	85%	56,327	86%
Decisions	<u>2,402</u>	4%	<u>2,550</u>	4%	<u>2,413</u>	4%	<u>2,160</u>	3%	<u>1,977</u>	3%
Total	58,903		59,533		60,681		64,459		65,477	

CASES CLOSED BY ARBITRATORS

FINAL ACTION	FY09	%	FY08	%	FY07	%	FY06	%	FY05	%
Voluntary dismissals	595		604		589		673		712	
DWP	<u>4,593</u>		<u>4,724</u>		<u>5,053</u>		<u>7,043</u>		<u>6,352</u>	
Total dismissals	5,188	9%	5,328	9%	5,642	10%	7,716	12%	7,064	11%
Original settlements	9,016		9,041		9,168		9,551		9,876	
SC before arb. dec.	40,750		41,005		41,958		43,605		45,223	
SC after arb. decision	<u>844</u>		<u>843</u>		<u>777</u>		<u>742</u>		<u>713</u>	
Total settlements	50,610	88%	50,889	88%	51,903	88%	53,898	85%	55,812	87%
Arbitration decisions	1,394	2%	1,355	2%	1,363	2%	1,466	2%	1,303	2%
Total closed	57,192		57,572		58,908		63,080		64,179	

DWP = Dismissed for Want of Prosecution

Original settlement = Settlement filed without an application

SC= Settlement Contract

CASES CLOSED BY COMMISSIONERS

FINAL ACTION	FY09	%	FY08	%	FY07	%	FY06	%	FY05	%
Dismissals at review	83	5%	106	5%	105	6%	115	8%	109	8%
SC before arb. decision	140		174		126		129		75	
SC before review decision	306		328		354		323		321	
SC after review decision	<u>174</u>		<u>158</u>		<u>138</u>		<u>118</u>		<u>119</u>	
Total settlements	620	36%	660	34%	618	35%	570	41%	515	40%
Review decisions	1,008	59%	1,195	61%	1,050	59%	694	50%	674	52%
Total cases closed	1,711		1,961		1,773		1,379		1,298	

Because of rounding, percentages do not always add up to 100%.

SC= Settlement Contract

CASES OPENED

Filings have been declining for years. They peaked in FY95, with 71,737 new filings; in FY00, 70,836 cases were filed; in FY05, 58,715 cases were filed.

CASES OPENED

	FY09	FY08	FY07	FY06	FY05
New claims filed	46,752	48,193	47,461	47,135	48,711
Original settlements filed	<u>8,745</u>	<u>9,322</u>	<u>9,231</u>	<u>9,796</u>	<u>10,004</u>
Total new cases filed	55,497	57,515	56,692	56,931	58,715
Returned for further action*	0	0	39	222	0
Reinstated	1,644	1,657	1,609	2,195	1,992
Remanded to arbitrator	49	49	54	53	52
Remanded to commissioner	<u>93</u>	<u>87</u>	<u>81</u>	<u>40</u>	<u>65</u>
Total cases returned to caseload	1,786	1,793	1,744	2,327	2,331
Total additions to the caseload	57,283	59,308	58,436	59,258	61,046

* This category was created to make the caseload numbers balance, accounting for those cases that were counted closed more than once (e.g., a case was decided in one fiscal year, and counted as closed, but then a settlement was approved in the next fiscal year).

A new claim is opened when a worker files an application with the Commission; in 83% of those cases, the worker has an attorney. When a settlement contract is filed without a prior application, it is referred to as an original settlement; in 95% of those cases, the worker *does not* have an attorney.⁶

CASES PENDING

Arbitration. At the end of FY09, there were roughly 93,500 cases pending at arbitration. In most cases, the parties to these pending cases are *not waiting* for the Commission to act. During much of this time, the worker is recovering from the injury. Roughly 99% of these cases are being automatically continued, waiting for the parties to act. The majority of cases at arbitration are settled, and parties are free to settle at any time.

Review. At the end of FY09, there were roughly 2,100 cases pending before commissioners.

DECISIONS ISSUED

Most of the cases filed with the IWCC are settled. When cases are decided, fewer and fewer cases proceed on to the next level, as shown below. Cases involving state employees cannot proceed beyond the Commission.

DECISIONS AND APPEALS⁷

	Arbitration Decisions Issued	% Appealed	Commission Decisions Issued	% Appealed	Circuit Ct. Decisions Issued	Appellate Ct. Opinions/Orders Issued	Supreme Ct. Opinions Issued
2000	2,606	49%	1,162	31%	250-300	138	1-5
2005	3,578	52%	1,054	28%	250-300	106	1-5
2006	3,899	50%	1,090	28%	250-300	108	1-5
2007	3,644	49%	1,613	25%	250-300	108	1-5
2008	3,594	48%	1,777	25%	250-300	120	1-5
2009	3,541	48%	1,470	25%	250-300	127	1-5

Note: Commission figures are for the fiscal year; court figures are for the calendar year.

Outcome of appeals. Parties have the right to appeal arbitrators' decisions, but they may wish to consider the fact that, most of the time, the commissioners do agree with the arbitrators. Cases appealed by petitioners do not result in higher benefits 76% of the time, while cases appealed by respondents do not result in lower benefits 73% of the time.⁸

Turnaround times. The times shown below should be considered together. A regular case that is decided at both the arbitration and Commission levels, for example, would take about 47 months, or about 4 years.

	NUMBER OF MONTHS TO ISSUE DECISIONS IN FY09	
	Regular Cases	19(b) and 19(b-1) Cases
Arbitration decisions*	34	8
Commission decisions**	13	9

* For regular arbitration cases, the turnaround time is calculated from the date a claim is filed until the date the decision is filed; for expedited cases (filed under Sections 19(b) or 19(b-1)), the time is calculated from the date a petition is filed until the decision is filed.

** For Commission decisions, the turnaround time is calculated from the date a *Petition for Review* is filed until the decision is filed.

Trends. Under Section 19(b-1), an injured worker who is not receiving temporary total disability or medical benefits may petition for an emergency hearing. Alternately, the worker may choose to file under 19(b) if he or she is not receiving TTD.

Over the years, there has been a clear shift from 19(b-1) petitions, which involve statutorily set deadlines, to 19(b) petitions. Each year, arbitrators issue less than a dozen 19(b-1) decisions and roughly 1,000 19(b) decisions.

GENDER

Women constitute 47% of the Illinois workforce,⁹ but they file a smaller share of claims. The most dangerous industries—construction, agriculture, transportation—are still male-dominated. Over the years, the proportion of female claimants has increased, however, from 22% of claimants in FY85 to 33% in FY09.

INJURY RATES

The statistics in this section come from the National Council on Compensation Insurance and the U.S. Bureau of Labor Statistics, which use different methods to derive their data. There are limitations to both methods—e.g., NCCI excludes self-insurers, the BLS nonfatal survey is prone to sampling error—but they produce the best data now available. Each section contains the most recent data available.

Both data sets indicate that roughly 4% of Illinois workers experience an injury each year; the overall injury rate in Illinois is lower than most other states (see “Interstate Comparisons”); and the injury rate has declined dramatically over the years: Illinois' 2006 total injury rate is 63% lower than in 1990.

PERCENTAGE OF WORKERS EXPERIENCING WORK-RELATED INJURIES IN ILLINOIS EACH YEAR BY INJURY TYPE¹⁰

NCCI DATA

Policy Year	Medical Only	Temporary Total	Permanent Partial	Permanent Total	Fatal	Total
1991	6.3%	1.49%	1.04%	.004%	.004%	8.9%
1995	4.9%	1.23%	0.68%	.004%	.004%	6.8%
2000	3.9%	0.84%	0.69%	.007%	.005%	5.4%
2005	2.6%	0.60%	0.54%	.013%	.002%	3.7%
2006	2.5%	0.57%	0.53%	.016%	.002%	3.6%

RATE OF **NONFATAL** WORK-RELATED INJURIES AND ILLNESSES IN ILLINOIS¹¹

BLS DATA

	Workers' Nonfatal Injury and Illness Rate by Industry		Distribution of Injuries In Private Sector by Event		
	2006	2007		2006	2007
Mining	7.4%	5.2%	Contact w. objects/equip.	29%	%
Manufacturing	6.0%	5.6%	Overexertion	29%	%
Government	5.8%	6.7%	Fall	16%	%
Construction	5.5%	4.0%	Exposure to harmful substances	4%	%
Agriculture	4.5%	4.4%	Repetitive motion	4%	%
Services	3.6%	3.4%	Slip or trip (no fall)	4%	%
			Transportation accident	4%	%
Incidence rate for all workers	4.3%	4.1%	Assault or violent act	1%	%
			Fire or explosion	<1%	%
			All other	9%	%

DISTRIBUTION OF THE **FATAL** WORK-RELATED INJURIES IN ILLINOIS¹²

BLS DATA

	Workers' Fatal Injury Rate by Industry		Distribution of Fatalities by Event		
	2006	2007		2006	2007
Transportation	18%	14%	Transportation accident	42%	31%
Construction	16%	26%	Assault or violent act	17%	16%
Manufacturing	10%	8%	Fall	16%	19%
Agriculture	9%	12%	Exposure to harmful substances	13%	18%
Trade, wholesale & retail	7%	9%	Contact with objects/equip.	12%	13%
Government	4%	4%	Fires and explosions		3%
Other	36%	27%			
Total number	207	182			

MEDICAL CARE

By law, the employer is required to pay for medical care that is reasonably required to cure or relieve the employee from the effects of a work-related injury or disease. The employer shall pay for all necessary first aid and emergency services, two treating physicians, surgeons, or hospitals of the employee's choice, and any additional medical care providers to whom the employee is referred by the two physicians, surgeons, or hospitals. The employer shall also pay for necessary physical, mental, and vocational rehabilitation. The employee must cooperate in reasonable programs to assist in his or her recovery and return to work.

Illinois' first medical fee schedule for workers' compensation took effect for services on or after February 1, 2006. Illinois was the first state in the country to publish its fee schedule online at no charge to users.

Each year, fees are adjusted by the percentage change in the general Consumer Price Index-U. Overall, since 2006, the fees have grown at a 5% slower rate than medical inflation. Fees actually decreased 1.48% in 2010.

The 2005 law created a Workers' Compensation Medical Fee Advisory Board (WCMFAB), composed of employee, employer, and medical provider representatives, which has been reviewing and commenting on the development and administration of the fee schedule.

At the request of the business and medical WCMFAB members, the Commission established new fee schedules on 2/1/09 for ambulatory surgical treatment centers, hospital outpatient services, and rehabilitation hospitals.

The 2005 law also directed the Commission to submit to the General Assembly an analysis of the fee schedule's implementation by January 1, 2010. WCMFAB members all contributed to the report, which is available at <http://www.iwcc.il.gov/GAFSR.pdf/>. The report found that the fee schedule is saving money by reducing the growth of Illinois' medical costs, without harming workers' access to medical care. Some excerpts from the report appear below.

The National Council on Compensation Insurance (NCCI), a private organization that issues advisory insurance rates for Illinois, reported a sharp decline in the growth of medical costs in the first year.¹³

AVERAGE MEDICAL COST PER CASE IN ILLINOIS

Policy Year	All Injuries	% Change
2000	\$3,538	16.4%
2001	\$3,942	11.4%
2002	\$4,839	22.8%
2003	\$5,779	19.4%
2004	\$6,695	15.9%
2005	\$7,735	15.5%
2006	\$8,234	6.5%

The Workers' Compensation Research Institute used a different method—it analyzed only those cases involving more than seven lost workdays—and it also found that the growth rate of Illinois w.c. medical payments per claim sharply declined in the first year of the fee schedule. Note that, before the fee schedule, cost growth in Illinois had been outpacing other study states, but post-fee schedule, it grew at a much slower rate than other states.¹⁴

GROWTH IN AVERAGE MEDICAL PAYMENT PER CLAIM
WITH MORE THAN 7 DAYS OF LOST WORK TIME

Policy Year	Illinois	14-State Median
2002 – 2003	13.3%	10.7%
2003 – 2004	11.5%	6.7%
2004 – 2005	7.6%	7.0%
2005 – 2006	16.5%	8.4%
2006 – 2007	1.3%	6.3%

In addition, the WCRI found that nonfacility fees had been increasing 4.5 – 8% per year from 2001 – 2005, but fell 2% in the first year after implementation. Taken together, this indicates nonfacility savings of 6.5% - 10% in the first year.¹⁵

The WCRI also found that the growth rate for the utilization of services leveled off. Utilization is defined as the composite of the number of visits per claim, number of services per visit, and the resource intensity of services provided. Again, Illinois had been outpacing other study states, but the rate sharply declined in the first year of the fee schedule.¹⁶

UTILIZATION OF NONHOSPITAL PROVIDERS
FOR CLAIMS WITH MORE THAN 7 DAYS OF LOST WORK TIME
ANNUAL PERCENTAGE CHANGE

Policy Year	Illinois	14-State Median
2002 – 2003	6.6%	5.7%
2003 – 2004	5.7%	3.2%
2004 – 2005	2.5%	2.6%
2005 – 2006	10.1%	2.9%
2006 – 2007	0.7%	1.7%

PENALTIES

Under Section 19(k), the Commission may award the petitioner additional compensation equal to 50% of the amount of compensation payable at the time of the award if there was an unreasonable or vexatious delay of payment, or an intentional underpayment of compensation. Based on case law, medical expenses are considered compensation under Section 19(k). When awarding 19(k) penalties, the Commission shall consider whether an arbitrator has determined that the claim is not compensable or whether the employer has made payments under a group health plan (§8(j)).

Under Section 19(l), the Commission may award the petitioner additional compensation of \$30 per day for every day that a cash or medical benefit has been withheld without good and just cause, up to \$10,000.

Under Section 16 of the Act, the Commission may order the respondent to pay the petitioner's attorneys' fees if the respondent or its agent has unreasonably delayed benefits to an employee, intentionally underpaid an employee, engaged in frivolous defenses, or has otherwise treated an employee unfairly.

The law also provides that, if the employee has made written demand for payment of benefits under Sections 8(a) or 8(b), the employer shall have 14 days after receipt of the demand to provide a written reason for the delay. If the demand is for medical benefits, the time for the employer to respond does not begin until the expiration of the 60-day period allotted the employer to pay medical bills under Section 8.2.

Over the last several years, arbitrators award penalties in roughly 10% of expedited decisions and 2% of regular decisions. Commissioners award penalties in roughly 5% of expedited decisions and 2% of regular decisions. This represents less than 1% of all cases closed.

POST-AWARD PETITIONS

Cases that were closed by decisions or some settlements may return to the Commission for additional hearings. Under Section 8(a) of the Act, an injured worker may petition the Commission to order payment for additional medical treatment. Under Section 19(h), either party may petition if the injured worker's physical condition changes significantly within 30-60 months of the decision or settlement. Each year, roughly 300 post-award petitions are filed.

REHABILITATION

Section 8(a) of the Act requires an employer to pay for treatment, instruction, and training necessary for the physical, mental, and vocational rehabilitation of an injured worker, including maintenance and incidental expenses. Section 6(d) requires an employer to notify an injured worker of the right to rehabilitation services and the location of public rehabilitation centers. Finally, Section 7110.70 of the Commission's rules requires an employer to prepare an assessment of an employee's rehabilitation needs, both medical and vocational, when it becomes apparent the work injuries will prevent his or her return to the pre-accident job, or when the employee is off work for more than 120 days.

As with other employer obligations, where there is a dispute between the parties, the injured worker has the burden of proving entitlement to vocational rehabilitation benefits. In resolving these disputes, the Commission looks to the guidelines established by the Illinois Supreme Court in National Tea Company v. Industrial Commission, 97 Ill.2d 424 (1983).

Interstate Comparisons

Illinois has consistently been in the top 10 states for highest wages paid to workers, and historically has not ranked as high as wages might indicate. In addition, the low injury rate argues against the idea that there is widespread abuse by workers of the program. However, in recent years, there are indications that Illinois is becoming a relatively more expensive state for workers' compensation.

Wages (CY2006) ¹⁷

Illinois	\$45,656
Median	\$37,804

Illinois' wages are 21% higher than the national median.

Indemnity costs per claim (PY2005) ¹⁸

Illinois	\$25,741
Median	\$19,411

Illinois' indemnity costs are 33% higher than the national median.

Insurance premium rates (2007-08 rate per \$100 of payroll) ¹⁹

Illinois	\$2.79
Median	\$2.26

Illinois' w.c. insurance rates are 24% higher than the national median.

Medical costs per claim (PY2005) ²⁰

Illinois	\$7,735
Median	\$6,627

Illinois' medical costs are 17% higher than the national median.

Growth of benefit payments (1998-2007) ²¹

Illinois	64.3%
National total	26.7%

Illinois' growth rate is more than twice the national total.

Benefit cost rates (2007 w.c. benefits paid/payroll) ²²

Illinois	0.99%
National total	0.92%

After decades of being lower than the national total, Illinois' benefit cost rate is now 8% higher.

Injury rate (percentage of workers injured in PY2005) ²³

Illinois	3.7%
Median	5.1%

Illinois' injury rate is 27% lower than the national median.

OTHER INTERSTATE COMPARISONS: BENEFIT PAYMENTS

TOTAL WORKERS' COMPENSATION BENEFIT PAYMENTS²⁴

In \$billions	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Illinois	\$2.7	\$2.5	\$2.4	\$2.3	\$2.2	\$2.2	\$2.1	\$1.9	\$1.7	\$1.7
% Change	10%	3%	6%	5%	(<1%)	3%	9%	12%	5%	(5%)
U.S.	\$52.1	\$51.1	\$51.9	\$52.6	\$51.6	\$49.1	\$47.8	\$44.7	\$43.5	\$41.1
National total	2%	(2%)	(1%)	2%	5%	3%	7%	3%	6%	5%

CHANGE IN TOTAL BENEFIT PAYMENTS, 1978 - 2006

	2006-2007	1998-2007	1987-1996	1978-1987
Illinois	10%	64%	65%	118%
Neighboring states average	6%	31%	80%	125%
Large industrial states average	1%	20%	56%	226%
National total	2%	27%	58%	203%

COMPLIANCE WITH 1972 RECOMMENDATIONS

In 1972, the National Commission on State Workmen's Compensation Laws, appointed by President Nixon, unanimously listed 19 items as essential to an adequate system. Over 35 years later, no state in the country meets all the requirements; Illinois meets more than most states.²⁵

NUMBER OF 19 ESSENTIAL RECOMMENDATIONS MET

NEIGHBORING STATES		National average	12.85	LARGE INDUSTRIAL STATES	
Iowa	15.50	Illinois	15.00	Ohio	15.50
Illinois	15.00			Illinois	15.00
Wisconsin	15.00			Pennsylvania	13.75
Kentucky	14.25			Texas	12.50
Missouri	13.75			California	12.00
Indiana	11.50			New York	10.75
Michigan	9.75			Florida	9.75

COVERAGE OF EMPLOYEES

Even though Illinois does not meet four of the National Commission's recommendations concerning the coverage of employees, more workers are covered in Illinois than in most other states.²⁶

PERCENTAGE OF EMPLOYEES COVERED

NEIGHBORING STATES		National average	88%	LARGE INDUSTRIAL STATES	
Illinois	91%	Illinois	91%	Illinois	91%
Indiana	90%			Ohio	91%
Michigan	89%			New York	90%
Kentucky	87%			Pennsylvania	90%
Iowa	86%			California	89%
Wisconsin	86%			Florida	88%
Missouri	85%			Texas	74%

DURATION OF DISABILITY

Figures on duration of disability are not available for all states with which Illinois is usually compared. The information that is available appears below.²⁷

TTD DURATION IN WEEKS			
		Median	18.7
		Illinois	20.3
NEIGHBORING STATES		LARGE INDUSTRIAL STATES	
Illinois	20.3	Pennsylvania	24.8
Michigan	18.7	California	22.0
Indiana	11.6	Illinois	20.3
Iowa	9.9	Texas	17.7
Wisconsin	9.7	Florida	16.2

PROMPTNESS OF FIRST TTD PAYMENT

Figures on the promptness of the first TTD payment are not available for all states with which Illinois is usually compared. The information that is available appears below.²⁸

PERCENTAGE OF CLAIMS WITH FIRST INDEMNITY PAYMENT WITHIN 21 DAYS OF INJURY			
		Median	44.2%
		Illinois	40.6%
NEIGHBORING STATES		LARGE INDUSTRIAL STATES	
Wisconsin	52.1%	Texas	50.1%
Iowa	43.7%	Florida	46.1%
Illinois	40.6%	California	44.5%
Michigan	40.3%	Pennsylvania	44.2%
Indiana	40.0%	Illinois	40.6%

¹ A.M. Best State/Line Database, “Best’s Market Share Reports—One Year Premiums and Loss, Workers’ Compensation, 2008.” For years, Illinois had more companies writing workers’ compensation insurance than any other state. A.M. Best now reports that more company groups are in Indiana than in Illinois.

² National Council on Compensation Insurance, *Annual Statistical Bulletin*, 1990-2009 editions, Exhibit XI. This analysis is based on Policy Year 2005, First Report data, the most recent information available. Information is not available for North Dakota, Ohio, Washington, West Virginia, and Wyoming because they have exclusive state funds.

³ National Council on Compensation Insurance, *Annual Statistical Bulletin*, 2009 edition, Exhibit XIII; and “Illinois State Advisory Forums ’09,” October 7, 2009, page 132.

⁴ National Foundation for Unemployment Compensation and Workers' Compensation, "Fiscal Data for State Workers' Compensation Systems, 1998-2007," *Research Bulletin*, September 2009, Table 24.

⁵ Temporary employees, student workers, and people on leave were not included. We report the headcount as of 6/30/09 but we list the person in a position as of the time this report went to print.

⁶ FY08 figures. Most recent data available.

⁷ Appeal rates are FY08 figures. Most recent data available.

⁸ FY08 figures. Most recent data available.

⁹ U.S. Bureau of Labor Statistics, “Employment status of the civilian noninstitutional population by sex, race...2009 annual averages,” Illinois table, (<http://www.bls.gov/lau>, found under Tables & Maps Created by BLS/Annual Averages, ptable14full2009.pdf).

¹⁰ National Council on Compensation Insurance, *Annual Statistical Bulletin*, 1994 – 2009 editions, Exhibit XII, First Report data. The figures for fatalities and PTDs come from a small number of cases and should be viewed with caution. This information refers only to the experience of employers with insurance, not self-insurers. Information is not available for the five states with exclusive state insurance funds (ND, OH, WA, WV, WY). The NCCI updated figures from those published in earlier reports.

¹¹ Illinois Department of Public Health, *Survey of Nonfatal Workplace Injuries and Illnesses: Illinois, 2007, 2006*, Tables 3, 14, September 2009, and March 2009, respectively. This is the most recent data available. Because of changes in methodology, data since 2002 are not comparable to prior years. Since 1998, IDPH has participated in the U.S. Bureau of Labor Statistics' federal/state Survey of Occupational Injuries and Illnesses. Each year, they survey a sample of employers in the private and nonfederal public sectors. Federal employees and farms with fewer than 11 employees are excluded from the survey. Reports are at <http://www.idph.state.il.us/about/epi/cfoirpt.htm>. For more information, contact the IDPH Division of Epidemiologic Studies at 217/785-1873.

¹² Illinois Department of Public Health, *Census of Fatal Occupational Injuries and Illnesses in Illinois, 2007, 2006*, Tables 3, 5, October 2009, and February 2008, respectively. The IWCC provides information on fatal workers' compensation claims to IDPH, which has participated in the U.S. Bureau of Labor Statistics Census of Fatal Occupational Injuries since 1992. The CFOI methodology does not correspond exactly to workers' compensation criteria, but the program provides a standard measure of fatal occupational injuries for the country.

¹³ National Council on Compensation Insurance, *Annual Statistical Bulletin*, 1996-2009 editions, Exhibit XI, “First Report” data.

¹⁴ Workers’ Compensation Research Institute, *Monitoring the Impact of 2005 Reforms in Illinois: CompScope Medical Benchmarks, 9th Edition*, June 2009, pages 3, 77.

¹⁵ Workers’ Compensation Research Institute, pages 3, 14.

¹⁶ Workers’ Compensation Research Institute, page 82.

¹⁷ US Bureau of Labor Statistics, “Total coverage (UI and UCFE) by State, 2006 annual averages,” BLS website (<http://www.bls.gov/cew/cewbultn06.htm>).

¹⁸ National Council on Compensation Insurance, *Annual Statistical Bulletin*, Exhibit XI, Policy Year 2005, First Report. Most recent data available.

¹⁹ Oregon Department of Consumer and Business Services, “2008 Oregon Workers’ Compensation Premium Rate Ranking Summary,” October 2008, Table 2. Available at <http://www4.cbs.state.or.us>. This report is produced every two years. Indices are based on rates in Policy Years 2007 or 2008; Illinois’ rates are as of 1/1/08. This report compares employers’ w.c. insurance costs in 50 different class codes.

A review of the results over the years is instructive. The estimated premiums are per \$100 of payroll.

Report year	Workers’ Compensation Premium Rate Rankings							
	1994	1996	1998	2000	2002	2004	2006	2008
IL est. premium	\$5.48	\$3.77	\$2.96	\$2.74	\$2.65	\$2.65	\$2.69	\$2.79
Median est. premium	\$4.35	\$3.54	\$2.69	\$2.26	\$2.42	\$2.58	\$2.48	\$2.26
IL as % over median	26%	7%	10%	21%	10%	3%	8%	23%
IL rank (50 states + DC)	9	19	18	15	20	23	20	11

²⁰ National Council on Compensation Insurance, *Annual Statistical Bulletin*, 2008-9 editions, Exhibit XI, Policy Year 2005, First Report. Most recent data available.

²¹ National Foundation for Unemployment Compensation and Workers' Compensation, "Fiscal Data for State Workers' Compensation Systems, 1998-2007," Table 17. Most recent data available.

²² National Foundation for Unemployment Compensation and Workers' Compensation, Table 2. In every year since 1982, Illinois’ benefit cost rate was lower than the national total.

²³ National Council on Compensation Insurance, *Annual Statistical Bulletin*, Exhibit XII. Policy Year 2005, First Report data, with one exception: South Carolina figure is for PY06.

²⁴ National Foundation for Unemployment Compensation and Workers' Compensation, "Fiscal Data for State Workers' Compensation Systems, 1998-2007," Tables 16-17; 1987 data came from August 1999 report, Table 1; 1978 data came from 1990 report, Table 1.

²⁵ John F. Burton, Jr. (former chair of the National Commission), "State Workers’ Compensation Laws in Effect January 1, 2004 Compared with the 19 Essential Recommendations of the National Commission on State Workmen’s Compensation Laws," www.workerscompresources.com, Table 1.

In 1972, the National Commission issued 84 recommendations concerning the coverage of employees and diseases, income protection, medical care, worker safety, and program administration, and identified 19 as essential to ensuring a minimum level of protection. As of January 1, 2004, compliance levels range from 7.25 in Mississippi to 17.00 in Nebraska. Illinois does not comply with recommendations 2.4 (Illinois exempts farm workers below a certain number of hours), 2.5 (Illinois exempts household workers and casual workers below a certain number of days), 2.6 (Illinois exempts some governmental employees (Chicago police and fire fighters)) and 2.7 (Illinois exempts certain classes of employees, such as those already noted). This is the most recent information available.

²⁶ National Academy of Social Insurance, “Workers’ Compensation Coverage by State,” *Workers’ Compensation Data Fact Sheet, No. 1*, October 2002, Table 1, column 5. This is the most recent year for which figures are available.

²⁷ Workers’ Compensation Research Institute, “Monitoring the Impact of the 2005 Reforms in Illinois: CompScope Benchmarks, 10th edition,” December 2009, Figure 8.

²⁸ Workers’ Compensation Research Institute, December 2009, Figure 14.