



Washington State Department of
Labor & Industries

Workers' Compensation Services



Your Premium Dollars at Work

*Washington's Workers'
Compensation System*



December 2022

Dear Employer:

As we enter 2023, many of us are facing the head winds of rising inflation and costs. But I'm confident that our growing partnership and collaboration will help us weather these challenges and come out strong.

L&I has made the decision to moderately raise the average workers' compensation rate next year to cover the increasing cost of providing insurance to more than 2.6 million workers in Washington.

We saw significant increases in wage inflation and medical costs as a result of the pandemic, which caused lower paying jobs to drop out of the economy and the state's average wage to grow. When wages go up, the cost of providing workers' compensation insurance goes up because benefits directly paid to workers are linked to their pay.

With a healthy contingency reserve and sustained efforts to reduce work disability, we are able to take a modest rate increase in 2023 that is far below actuarial recommendations.

The coming year is shaping up to be a year of change for L&I, as we seek to be flexible and nimbly adapt to the new realities of the workplace.

We'll continue transitioning to our hybrid work environment during 2023 as more folks return to the office to meet our business and customer needs. We'll move toward a workplace with a smaller footprint that includes a mix of traditional offices, workstations, and "touch-down" stations designed for staff who are in the office less than half time. We'll continue shifting to

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hybrid meetings with some staff in the office and some attending virtually.

Throughout the pandemic, our performance metrics for our workers' compensation system have remained strong. Meeting the needs of our customers — workers, employers, and providers around the state — will continue to be one of our top priorities as we head into the new year.



A stylized, handwritten signature in black ink, appearing to read 'Mike Ratko'.

Mike Ratko

Asst. Director of Insurance Services

What is Workers' Compensation?

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

Who is covered?

Workers' compensation insurance through the Department of Labor & Industries (L&I) covers more than 198,000 employers and about 2.7 million workers. Premiums and investment earnings finance the program. Workers pay on average about 25% of the premium, while employers pay the remaining 75%. Washington is the only state where workers pay a significant portion of the premium.

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

Workers' Compensation Statistics at a Glance

Operating Environment	FY 2022	FY 2021
Employers Insured	198,000	185,000
Workers Covered	2,660,000	2,510,000
Hours Reported	4,117,000,000	3,883,000,000
Premiums Assessed (employers' portion) ¹	\$1,668,067,000	\$1,620,979,000
Premiums Assessed (workers' portion) ²	\$361,791,000	\$361,629,000
Net Investment Interest and Gains	(\$77,788,000)	\$1,832,047,000
Benefits Incurred	\$1,820,267,000	\$2,336,333,000

Claim Statistics	FY 2022	FY 2021
Number of Claims Filed	102,878	95,668
Number of Claims Accepted	85,830	79,814
Number of Claims Denied	17,051	14,099
Number of Fatal Pensions Awarded	47	43
Number of Total Permanent Disability Pensions Awarded	708	854
Number of Claims Closed with Permanent Partial Disability Awards	5,761	6,897
Number of New Time-loss (Wage Replacement) Claims	19,660	17,528
Number of Medical-only Claims Accepted	67,891	64,488
Number of Injured Workers Completing Training Plans ³	148	196
Total Number of Days Lost from Work	5,551,193	5,550,175

Demographics of Accepted Claims	FY 2022	FY 2021
Percent of Injured Workers Male	64%	66%
Percent of Injured Workers Female	36%	34%
Average Worker Age at Injury	39	38
Percent of Workers Under Age 30	31%	32%
Percent of Workers Age 30-50	44%	44%
Percent of Workers Age 51 and Over	24%	24%
Percent of Workers Age Unknown	1%	

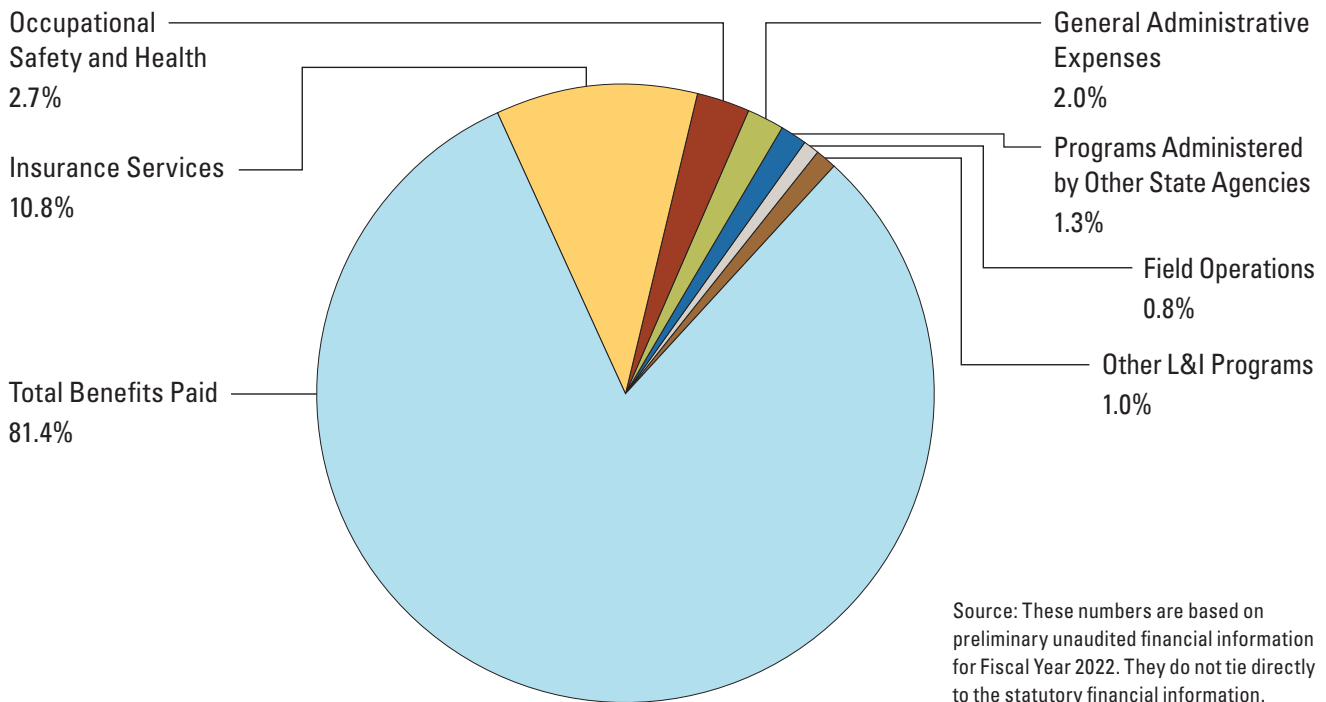
Most Frequent Injuries ⁴	FY 2022 # of Claims
Finger(s): Open wounds of finger(s), fingernail(s)	7,849
Back: Traumatic injuries to muscles, tendons, ligaments, joints, etc. of back, including spine and spinal cord	7,379
Leg(s): Traumatic injuries to muscles, tendons, ligaments, joints, etc.	3,406
Viral diseases of body systems	3,311
Shoulder: Traumatic injuries to muscles, tendons, ligaments, joints, etc. including clavicle and scapula	3,271

Notes: The data are a snapshot of FY 2022 (year ending June 30, 2022) as of fall 2022.
 Because of rounding, some columns may not add up to 100%.
 Counts of accepted and denied claims reflect actions in that year regardless of when claim was filed.
 Counts of new time-loss (wage replacement) claims reflect claims with first time-loss payments, regardless of year claim was accepted.

1. Includes Accident, Medical Aid, and Stay at Work premiums.
2. Includes Accident, Medical Aid, and Stay at Work premiums.
3. Includes only training plans successfully completed during the year.
4. Based on 87% of claims coded at time of report.

Your State Fund Premium Dollars at Work

An accounting of programs and services paid for with your insurance dollars
July 1, 2021, through June 30, 2022



EXPENSE CATEGORY	AMOUNT PAID	PERCENTAGE
Total Benefits Paid	\$1,569,624,856	81.4%
Injured workers' medical treatment, partial wage replacement, disability and pension benefits (excludes cost-of-living adjustments); employer reimbursements under the Stay at Work Program, structured settlement payments		
Insurance Services	\$208,909,237	10.8%
Claims Management: Manage claims, medical treatment and vocational services, pay benefits	\$84,929,622	4.4%
Insurance Services Division Expenses	\$32,492,670	1.7%
Information Services: Technology development, and maintain data and voice systems	\$30,434,194	1.6%
Health Services Analysis and Office of the Medical Director: Control medical/drug costs, manage medical providers, develop treatment guidelines, pay medical treatment bills	\$15,415,768	0.8%
Fraud, Collection and Audit: Investigate worker, employer and provider fraud; conduct audits; collect overpayments and delinquent premiums	23,807,945	1.2%
Legal Services: Manage appeal cases, recover claim costs from third parties	10,160,431	0.5%
Employer Services: Manage employer accounts, assess and collect premiums	11,668,607	0.6%
Occupational Safety and Health	\$52,873,503	2.7%
Division of Occupational Safety and Health: Provide safety and health compliance, consultation and education	\$50,041,911	2.6%
Safety and Health Assessment and Research for Prevention (L&I's safety/health research program)	\$2,831,592	0.1%
General Administrative Expenses	\$38,353,014	2.0%
Programs Administered by Other State Agencies	\$24,232,930	1.3%
Board of Industrial Insurance Appeals: Independent board, hears appeals in workers' compensation cases and safety and health citations	\$18,542,355	1.0%
University of Washington Dept. of Environmental & Occupational Health Sciences: Promote safer workplaces and prevent occupational injuries and diseases through teaching, research and service	\$5,220,430	0.3%
Health Care Authority: Consolidation of prescription drug purchasing by L&I and other agencies, manage preferred drug list	\$266,838	0.0%
Department of Health: Consolidation of L&I and Dept. of Health responsibilities for inspection of farm worker housing	\$203,307	0.0%
Field Operations: L&I Offices and Staff Costs Statewide	\$15,204,788	0.8%
Other L&I Programs	\$18,381,071	1.0%
Employment Standards/Workplace Rights: Enforce laws regulating child labor, minimum wage, overtime and working conditions	\$14,302,762	0.7%
Apprenticeship: Oversee registered apprenticeship to build a skilled workforce	\$4,078,308	0.2%
TOTAL EXPENSES	\$1,927,579,398	100.0%

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