



Washington State Department of  
**Labor & Industries**

*Workers' Compensation Services*



# Your Premium Dollars at Work

*Washington's Workers'  
Compensation System*



## December 2023

I hope this year has been successful and productive for you and your families, even with the lingering impacts of the COVID-19 pandemic. As you may know, the public emergency associated with the pandemic was lifted on July 1, and there are signs that things are slowly returning to normal.

One lesson the pandemic taught us is that things can change very quickly. That's why, even as we're cautiously optimistic for the future, it makes sense for us to remain careful and conservative in our approach to workers' compensation rate making.

In keeping with our principle of steady and predictable rates, employers will see an average increase in workers' compensation rates next year that's similar to last year.

The average wage for Washington's 2.8 million workers has been going up in recent years. While this is good news for many workers, it means the cost of providing insurance is also going up, since benefits are tied to how much workers get paid.

Thanks to our healthy contingency reserve, we're able to keep the rate increase to a minimum.

Your partners at L&I have been working hard to continue providing exceptional service to you. As we have transitioned to our new hybrid-work model, we have continued to meet our internal and external productivity targets.

And we're making strides in other areas. We've raised awareness about L&I programs that benefit employers, such as our recent ad campaign for the Stay at Work program. We've created ad campaigns and

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hosted job fairs to more quickly fill claim manager positions, which have had higher vacancy rates since the pandemic. We're working on finding ways to improve access to care for injured workers, especially for mental health services. And looking ahead, we're developing plans to modernize our workers' compensation systems to gain more efficiencies with better technology to better serve our customers.



A stylized, handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

**Mike Ratko**

Asst. Director for 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 203,000 employers and about 2.8 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 2023	FY 2022
Employers Insured	203,000	198,000
Workers Covered	2,780,000	2,660,000
Hours Reported	4,306,000,000	4,127,000,000
Premiums Assessed (employers' portion) <sup>1</sup>	\$1,785,328,000	\$1,670,839,000
Premiums Assessed (workers' portion) <sup>2</sup>	\$380,758,000	\$362,488,000
Net Investment Interest and Gains	\$995,599,000	(\$77,788,000)
Benefits Incurred	\$2,230,424,000	\$1,820,267,000

Claim Statistics	FY 2023	FY 2022
Number of Claims Filed	101,098	102,878
Number of Claims Accepted	84,448	85,830
Number of Claims Denied	16,999	17,051
Number of Fatal Pensions Awarded	44	47
Number of Total Permanent Disability Pensions Awarded	826	708
Number of Claims Closed with Permanent Partial Disability Awards	5,966	5,761
Number of New Time-loss (Wage Replacement) Claims	18,365	19,660
Number of Medical-only Claims Accepted	68,165	67,891
Number of Injured Workers Completing Training Plans <sup>3</sup>	153	148
Total Number of Days Lost from Work	5,599,108	5,551,193

Demographics of Accepted Claims	FY 2023	FY 2022
Percent of Injured Workers Male	64%	64%
Percent of Injured Workers Female	36%	36%
Average Worker Age at Injury	39	39
Percent of Workers Under Age 30	31%	31%
Percent of Workers Age 30–50	43%	44%
Percent of Workers Age 51 and Over	25%	24%
Percent of Workers Age Unknown	1%	1%

Most Frequent Injuries <sup>4</sup>	FY 2023 # of Claims
Finger(s): Open wounds of finger(s), fingernail(s)	4,013
Back: Traumatic injuries to muscles, tendons, ligaments, joints, etc. of back, including spine and spinal cord	3,875
Leg(s): Traumatic injuries to muscles, tendons, ligaments, joints, etc.	1,791
Shoulder: Traumatic injuries to muscles, tendons, ligaments, joints, etc. including clavicle and scapula	1,742
Multiple: Traumatic injuries and disorders	1,627

**Notes:** The data are a snapshot of FY 2023 (year ending June 30, 2023) as of fall 2023.

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.

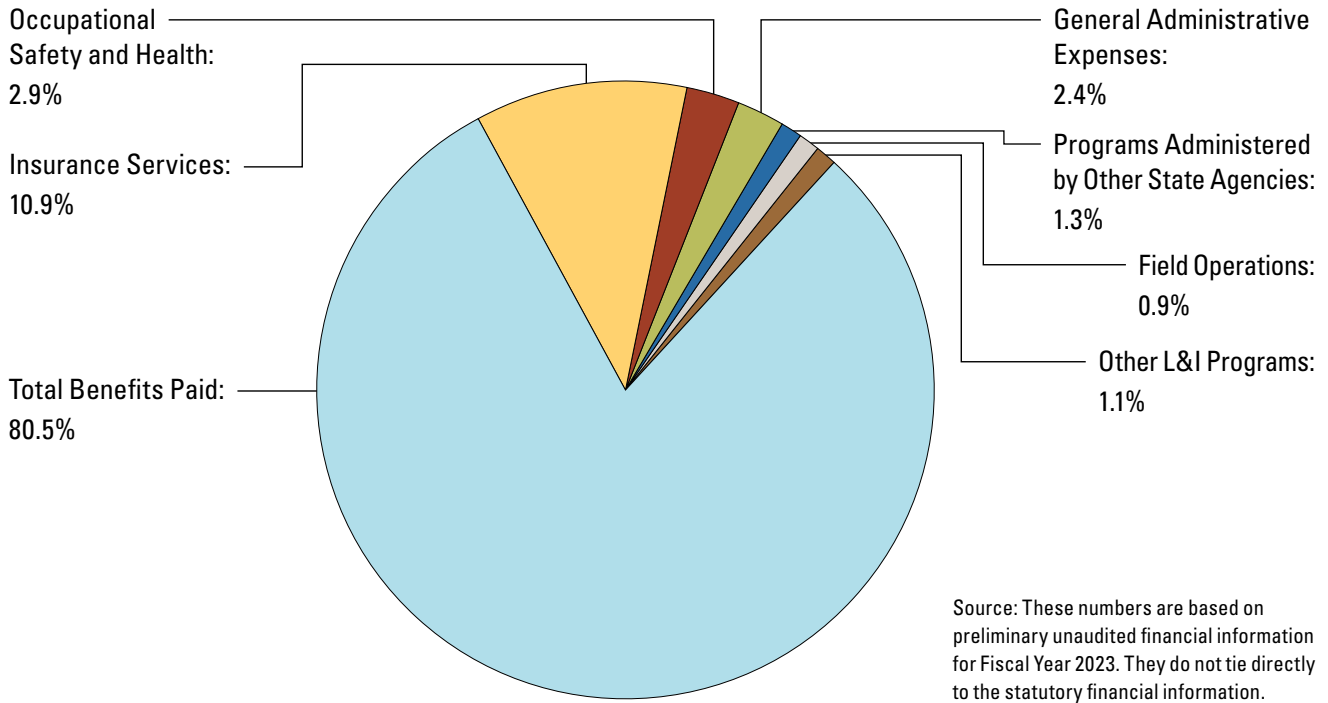
2. Includes Accident, Medical Aid, and Stay at Work premiums.

3. Includes only training plans successfully completed during the year.

4. Based on 47% of claims reported.

# Your State Fund Premium Dollars at Work

An accounting of programs and services paid for with your insurance dollars  
July 1, 2022, through June 30, 2023



EXPENSE CATEGORY	AMOUNT PAID	PERCENTAGE
<b>Total Benefits Paid</b>	<b>\$1,625,677,041</b>	<b>80.5%</b>
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		
<b>Insurance Services</b>	<b>\$219,922,446</b>	<b>10.9%</b>
Claims Management: Manage claims, medical treatment and vocational services, pay benefits	\$91,201,524	4.5%
Insurance Services Division Expenses	\$31,229,997	1.6%
Information Services: Technology development, and maintain data and voice systems	\$33,771,827	1.7%
Health Services Analysis and Office of the Medical Director: Control medical/drug costs, manage medical providers, develop treatment guidelines, pay medical treatment bills	\$16,114,054	0.8%
Fraud, Collection and Audit: Investigate worker, employer and provider fraud; conduct audits; collect overpayments and delinquent premiums	24,279,575	1.2%
Legal Services: Manage appeal cases, recover claim costs from third parties	10,326,648	0.5%
Employer Services: Manage employer accounts, assess and collect premiums	12,998,821	0.6%
<b>Occupational Safety and Health</b>	<b>\$59,381,519</b>	<b>2.9%</b>
Division of Occupational Safety and Health: Provide safety and health compliance, consultation and education	\$56,265,470	2.7%
Safety and Health Assessment and Research for Prevention (L&I's safety/health research program)	\$3,116,049	0.2%
<b>General Administrative Expenses</b>	<b>\$48,466,153</b>	<b>2.4%</b>
<b>Programs Administered by Other State Agencies</b>	<b>\$25,948,253</b>	<b>1.3%</b>
Board of Industrial Insurance Appeals: Independent board, hears appeals in workers' compensation cases and safety and health citations	\$19,390,966	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	\$6,092,760	0.3%
Health Care Authority: Consolidation of prescription drug purchasing by L&I and other agencies, manage preferred drug list	\$270,506	0.0%
Department of Health: Consolidation of L&I and Dept. of Health responsibilities for inspection of farm worker housing	\$194,021	0.0%
<b>Field Operations: L&amp;I Offices and Staff Costs Statewide</b>	<b>\$17,492,663</b>	<b>0.9%</b>
<b>Other L&amp;I Programs</b>	<b>\$22,572,717</b>	<b>1.1%</b>
Employment Standards/Workplace Rights: Enforce laws regulating child labor, minimum wage, overtime and working conditions	\$18,427,433	0.9%
Apprenticeship: Oversee registered apprenticeship to build a skilled workforce	\$4,145,284	0.2%
<b>TOTAL EXPENSES</b>	<b>\$2,019,460,792</b>	<b>100.0%</b>

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