

Indicator 19: Workers' Compensation Benefits

Significance

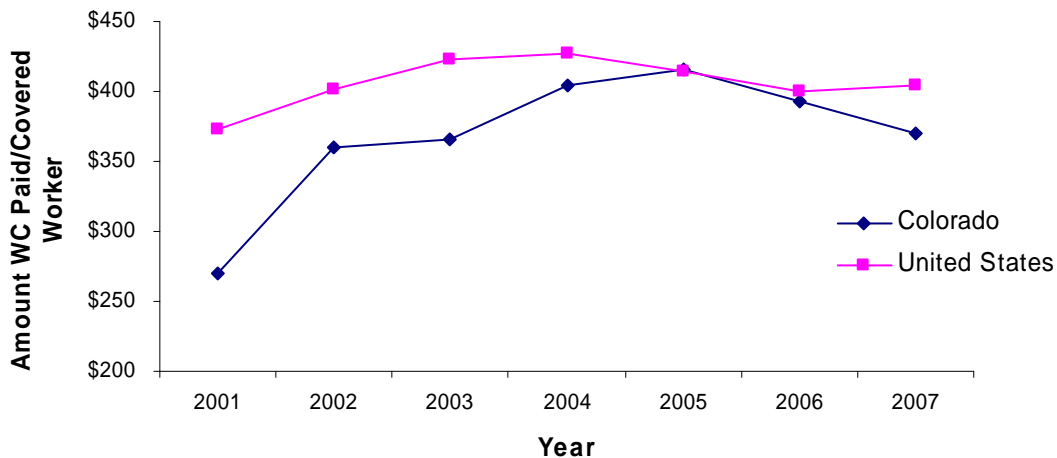
Workers' compensation is a state based social insurance program that covers work-related injuries and illnesses. Benefits include lost wages, related medical expenses and survivor benefits. Amounts of paid benefits represent the direct financial burden of work-related injuries and illnesses. A 'covered worker' is defined as a worker who is eligible for workers' compensation benefits in the event of a work-related injury or illness. Workers who may not be covered by state workers' compensation include those who are self employed, corporate executives, federal employees, small business owners, farmers and agricultural workers.

Methods

The National Academy of Social Insurance (NASI) collects and reports estimated annual benefits, coverage and costs associated with workers' compensation programs. The average benefit paid per covered worker in Colorado and the US is reported for 2001 to 2007 in Figure 19.1 and Table 19.1.

Results

Figure 19.1 Average workers compensation benefit paid per covered worker, Colorado and the United States, 2001-2007



Source: National Academy of Social Insurance (www.nasi.org) (numerator and denominator)

Table 19.1 Average Workers' Compensation Benefit Paid per Covered Worker, Colorado and United States, 2001-2007				
Year	Total Benefits Paid		Benefit Paid Per Covered Worker	
	Colorado	United States	Colorado	United States
2001	\$581,266,000	\$46,285,207,000	\$271	\$373
2002	\$756,658,000	\$49,143,768,000	\$360	\$401
2003	\$753,566,000	\$51,554,290,000	\$365	\$423
2004	\$844,615,000	\$52,648,566,000	\$404	\$428
2005	\$887,997,000	\$51,949,416,000	\$416	\$414
2006	\$860,748,000	\$51,059,066,000	\$393	\$400
2007	\$829,747,000	\$50,675,333,714	\$370	\$404
Average	\$787,799,571	\$50,473,663,816	\$368	\$406

Source: National Academy of Social Insurance (www.nasi.org) (numerator and denominator)

- The average benefit paid to Colorado workers between 2001-2007 ranged from \$271-\$416 per year compared to \$373-\$428 per year nationwide. (Table 19.1 and Figure 19.1)
- The estimated total amount of benefits paid in Colorado from 2001 through 2007 ranged from \$581.3 million to \$888 million, averaging over \$787 million paid out in workers compensation benefits each year. (Table 19.1)
- Nationwide, the estimated total amount of benefits paid ranged from \$46.3 billion to \$52.7 billion, averaging over \$50 billion in workers compensations benefits paid each year. (Table 19.1)

Data Sources

- National Academy of Social Insurance (www.nasi.org) (numerator and denominator)

Limitations

- Not all individuals with work-related injuries and illnesses file a workers' compensation claim.
- There may be a lag time in reporting claims. In Colorado, an average of 80% of claims are filed in the year the injury or illness occurs.
- Since payments are made over time, annual awards may not reflect the full cost of injuries and illnesses for that year.
- Data do not describe the indirect burden of work-related injuries or illnesses, such as such as retraining and replacement worker costs, lost wages, administrative costs etc.

Recommendations

- Report details of awards, including industry, occupation and cost to employer to target prevention efforts and further describe the economic burden of occupational injuries and illnesses.