

**Missouri Department of Labor and  
Industrial Relations**

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**Division of Workers'  
Compensation  
Annual Report**



**MISSION STATEMENT:**

*"To Promote and Protect Industry and Labor."*

**2010**

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## Introduction

The Missouri Workers' Compensation Law, chapter 287, of the Revised Statutes of Missouri<sup>1</sup>, is the exclusive remedy for the employers and employees to adjudicate and resolve disputes relating to injuries or illnesses that are sustained in the course and scope of employment. Any reference to employers includes the workers' compensation insurance carrier or group trust as the case may be. The workers' compensation law applies to all employers that have five or more employees. Construction industry employers who erect, demolish, alter or repair improvements are subject to the law if they employ one or more employees. Partners and sole proprietors may individually elect to obtain coverage. The law does exempt a very small and very specific group of employees, which includes farm laborers, domestic servants, certain real estate agents and direct sellers and commercial motor-carrier owner-operators. Please refer to §287.090, RSMo for additional information.

All employers subject to the law must insure their workers' compensation obligations or liabilities with an insurance carrier that is authorized to provide such services in the state of Missouri by the Missouri Department of Insurance Financial Institutions and Professional Registration or meet the requirements of the Division of Workers' Compensation (hereafter "Division") to be granted self-insurance authority.

The Division administers the workers' compensation law. The Division has eight adjudication offices that are equipped to render services to the employees and employers. The Division carries out its responsibilities through several programs and units located primarily in Jefferson City, Missouri that provide the services to all stakeholders. An administrative tax not to exceed two percent is imposed on employers to fund the administrative expenses of the Division associated with the administration of the Missouri Workers' Compensation law.

Under the Missouri workers' compensation law, an injured employee is entitled to medical benefits, temporary total disability benefits (TTD), permanent partial disability or permanent total disability benefits, respectively. The TTD benefits generally equal two-thirds of the injured employee's average weekly wage not to exceed a maximum rate set by the legislature. The average weekly wage is determined by examining various pay periods immediately preceding the date of injury.

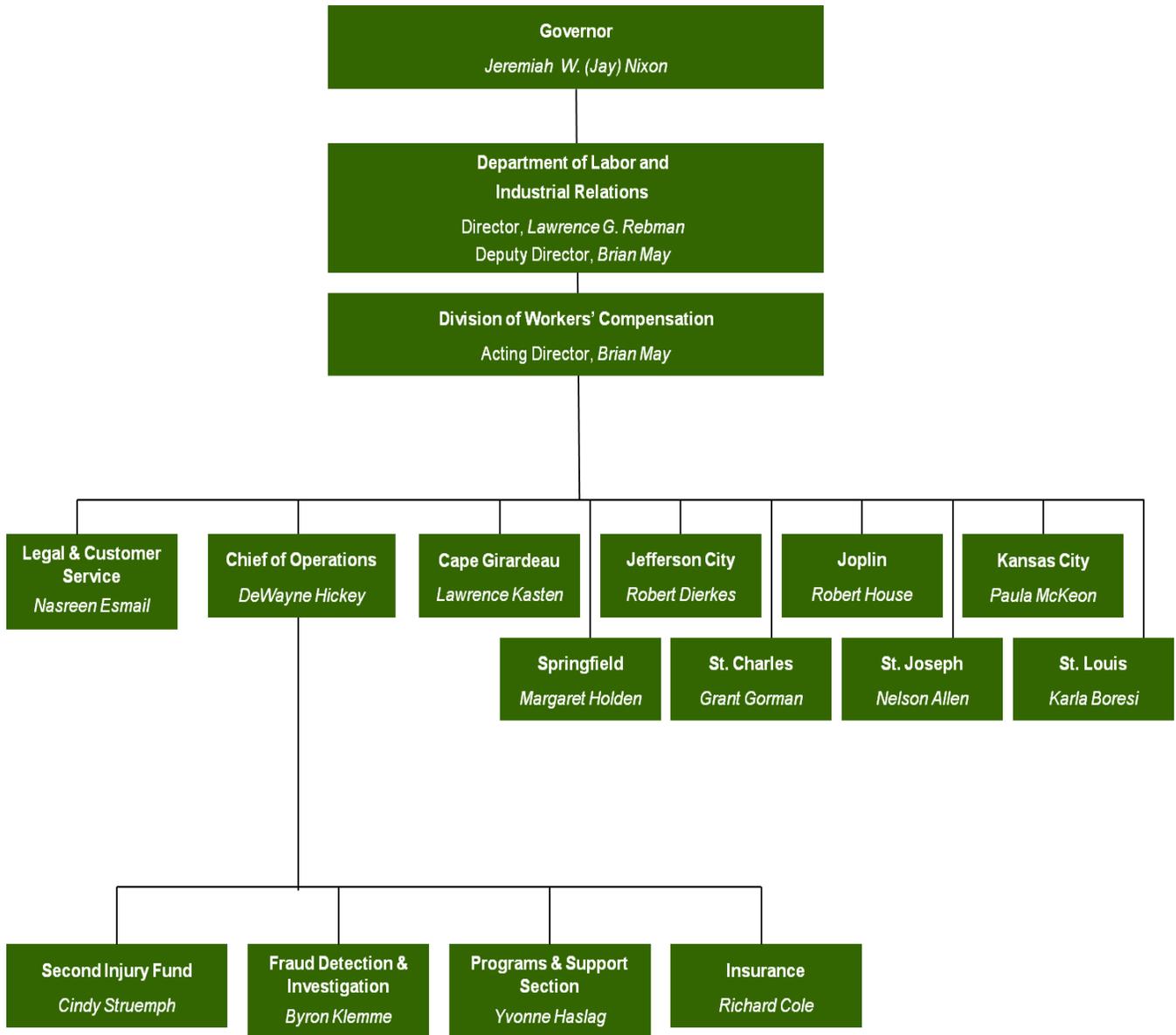
This report, as required by §287.680 RSMo, briefly describes each of the programs and units and summarizes<sup>2</sup> the transactions and proceedings undertaken for the year 2010.

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<sup>1</sup> For ease of reading, the Report refers to the Workers' Compensation Law and its components in informal format. All references, however, are to the Revised Statutes of Missouri, Cum. Supp. 2008 unless otherwise specified.

<sup>2</sup> All tables, figures and data in this report were derived from the Division of Workers' Compensation database unless otherwise noted.

# Organizational Chart



## Biographies



### **Lawrence G. Rebman**

*Director, Department of Labor*

Formerly of Kansas City, Mr. Rebman earned his bachelor's degree in economics from the University of Missouri-Columbia and his juris doctorate from the University of Missouri-Kansas City School of Law. Prior to joining the Department, he worked for the Attorney General's Office (AGO) as an Assistant Attorney General. After his tenure in the AGO, he entered into private practice.



### **Brian May**

*Deputy Director, Department of Labor*

*Acting Director, Division of Workers' Compensation*

Mr. May, a 1989 graduate of St. Louis University School of Law, served four terms in the Missouri General Assembly. During his tenure, he was the chairman of the House Judiciary Committee and was a member of the Workers' Compensation committee. Prior to joining the Division, Mr. May was an attorney in private practice, concentrating on litigation matters.

# Administration

## DIVISION OF WORKERS' COMPENSATION

DeWayne Hickey, *Chief of Operations*

The Chief of Operations reports to the Division Director and is responsible for the day-to-day operations of most units within the Division of Workers' Compensation. This position works closely with management staff to optimize daily operations and ensure the Division's mission and goals are achieved.

## PROGRAMS & SUPPORT

Yvonne Haslag, *WC Tech Supervisor*

The Programs and Support Unit is the recipient of all filings made by the parties with the Division. Examples of documents or reports received by the Division that comprise the workers' compensation official records in a particular case are claim for compensation, answer to claim for compensation, first report of injury, medical records, applications for medical fee disputes, etc. This unit's functions are divided into claims team, database management, case review team, imaging team and EDI team (electronic data interchange).

## INSURANCE

Richard Cole, *LIR Manager*

The Insurance Unit oversees a portion of the workers' compensation insurance market as many employers take advantage of the option to self-insure their obligations. Missouri has stringent requirements that need to be met prior to granting self-insurance authority to an employer, including requirements that relate to financial stability, loss history, safety and claims handling process. The unit's functions consist of reviewing applications, overseeing the existing self-insured entities and conducting claims audits.

For further information, call (573) 526-3692 or (800) 775-2667.

## LEGAL

Nasreen Esmail, *Chief Legal Counsel*

The Legal Unit provides legal advice and assistance to the Division Director and the various units and programs within the Division. The legal unit oversees the Religious Exception Program, Medical Fee Dispute Program, Dispute Management Unit and Customer Service Unit. The unit responds to subpoenas and requests for records. In addition to various other duties, the unit also drafts proposed rules and amendments to the existing regulations to be filed with the Joint Committee on Administrative Rules and Secretary of State's office upon approval by the Department and the Labor and Industrial Relations Commission.

**DISPUTE MANAGEMENT**Glenn Easley, *Mediator*

This unit is responsible for providing information and attempting to resolve disputes between employers and injured employees prior to a case escalating to formal litigation. Division information specialists receive approximately 2,500 telephone calls per month from stakeholders with questions about workers' compensation. These calls are made on a special 800 number for the Division. Referrals are made to the Dispute Management Unit when it appears that a dispute can be resolved at the early stages of a case by intervention from the Division. Written requests for mediation from injured workers also are received by the mediators to determine if any disputes can be resolved by telephone conferences, rather than a personal appearance at one of the adjudication offices.

For further information, call (573) 526-4951 or (800) 775-2667.

**SECOND INJURY FUND**Cindy Struempf, *LIR Manager*

The Second Injury Fund Unit is responsible for the billing and collection of the Second Injury Fund surcharge as well as processing Second Injury Fund benefits. When an employee is eligible for benefits and a compromise settlement has been approved or an award has been issued, the Division processes payments to the injured worker.

For further information, call (573) 526-3876 or (800) 775-2667.

**FRAUD & NONCOMPLIANCE**Byron Klemme, *Investigation Manager*

The Fraud Unit is responsible for investigating alleged fraud and noncompliance in workers' compensation. This unit investigates allegations of fraud by employees, employers, attorneys, insurers or physicians. Noncompliance is the failure by employers to carry workers' compensation insurance, or to post notice of workers' compensation at the workplace. Appropriate cases of fraud and noncompliance are referred to the Missouri Attorney General's Office for prosecution.

For further information, call (573) 526-6630 or (800) 592-6003.

**ADJUDICATION**

The Division's statutory responsibility to adjudicate and resolve disputes under the law is fulfilled by the eight adjudication offices throughout the state of Missouri. The Administrative Law Judges, court reporters, docket clerks and assistants provide the services to the parties to the case who appear at the scheduled docket settings in each respective office. The Division offers various docket settings to assist with the timely resolution of workers' compensation claims. The Division also schedules evidentiary hearings on medical fee disputes, crime victims' compensation cases and tort victims' compensation cases.

# Assessments & Expenditures

## Workers' Compensation Administration Fund Tax & Surcharge

As required by Sections 287.690 and 287.716 RSMo, the State of Missouri imposes a workers' compensation administrative tax on all workers' compensation insurance carriers and self-insured employers and an administrative surcharge on every workers' compensation deductible plan policy holder insured in Missouri. Section 287.690 RSMo authorizes the imposition of an administrative tax not to exceed two percent and Section 287.716 RSMo authorizes the imposition of an administrative surcharge at the same rate as the administrative tax. The revenue from the administrative tax and administrative surcharge is used to fund expenses associated with the administration of Missouri's Workers' Compensation Law. The Director of the Division determines the rates for the subsequent calendar year by October 31, using the formula set forth in Section 287.690 RSMo.

Year	Premium Base	WC Assessment Rate	Revenue Collected*
2001	\$1,192,584,974	0.0%	\$2,642,428
2002	\$1,394,657,695	1.0%	\$3,464,061
2003	\$1,858,069,744	2.0%	\$24,518,368
2004	\$2,025,220,834	1.0%	\$35,041,074
2005	\$2,038,285,101	0.0%	\$4,776,135
2006	\$2,011,936,403	0.0%	\$1,637,961
2007	\$1,955,665,153	1.0%	\$11,836,057
2008	\$1,712,209,707	1.0%	\$15,066,584
2009	\$1,514,085,982	0.5%	\$8,694,109
2010	Not yet available	1.0%	\$12,296,302

\* Although the Premium Tax Rate for some calendar years was set at 0.0%, insurance companies still remitted workers' compensation taxes, which may have represented delinquent taxes or adjustment amounts.

<b>BALANCE of fund on January 1, 2010</b>	<b>\$ 19,424,875</b>
<b>Revenue:</b>	
Tax & Surcharge Collections	12,296,302
Interest	204,935
Miscellaneous Receipts	822,333
Loans Repayment from SIF	0
<b>Total Revenue</b>	<b>\$ 13,323,570</b>
<b>Expenditures:</b>	
Administration Costs	18,606,484
Loans to SIF	0
<b>Total Expenditures</b>	<b>\$ 18,606,484</b>
<b>BALANCE of fund on December 31, 2010</b>	<b>\$ 14,141,961</b>

## Second Injury Fund Surcharge

Section 287.715 RSMo provides for the collection of an annual surcharge from every authorized self-insurer and every workers' compensation policyholder insured in Missouri. This revenue is used to pay benefit and expense liabilities of the Second Injury Fund. Like the workers' compensation administrative tax and surcharge, the surcharge rate is calculated by October 31 for the subsequent year by the Director of the Division using the formula set forth in Section 287.715.2 RSMo and shall not exceed three percent.

Year	Premium Base	SIF Assessment Rate	Revenue Collected
2001	\$1,192,584,974	2.5%	\$43,825,512
2002	\$1,394,657,695	2.5%	\$38,194,218
2003	\$1,858,069,744	4.0%	\$62,387,266
2004	\$2,025,220,834	4.0%	\$78,514,648
2005	\$2,038,285,101	3.5%	\$72,990,094
2006	\$2,011,936,403	3.0%	\$62,150,267
2007	\$1,955,665,153	3.0%	\$68,264,360
2008	\$1,712,209,707	3.0%	\$54,769,650
2009	\$1,514,085,982	3.0%	\$53,324,593
2010	Not yet available	3.0%	\$40,862,081

<b>BALANCE of fund on January 1, 2010</b>	<b>\$ 3,460,450</b>
<b>Revenue:</b>	
Surcharge Collections	40,862,081
Interest	65,045
Miscellaneous Receipts	178,905
Loans from WC Admin Fund	0
<b>Total Revenue</b>	<b>\$ 41,106,031</b>
<b>Expenditures:</b>	
Benefit Disbursements	35,684,164
Administration Costs	4,805,455
Loan Repayment	0
<b>Total Expenditures</b>	<b>\$ 40,489,609</b>
<b>BALANCE of fund on December 31, 2010</b>	<b>\$ 4,076,872</b>

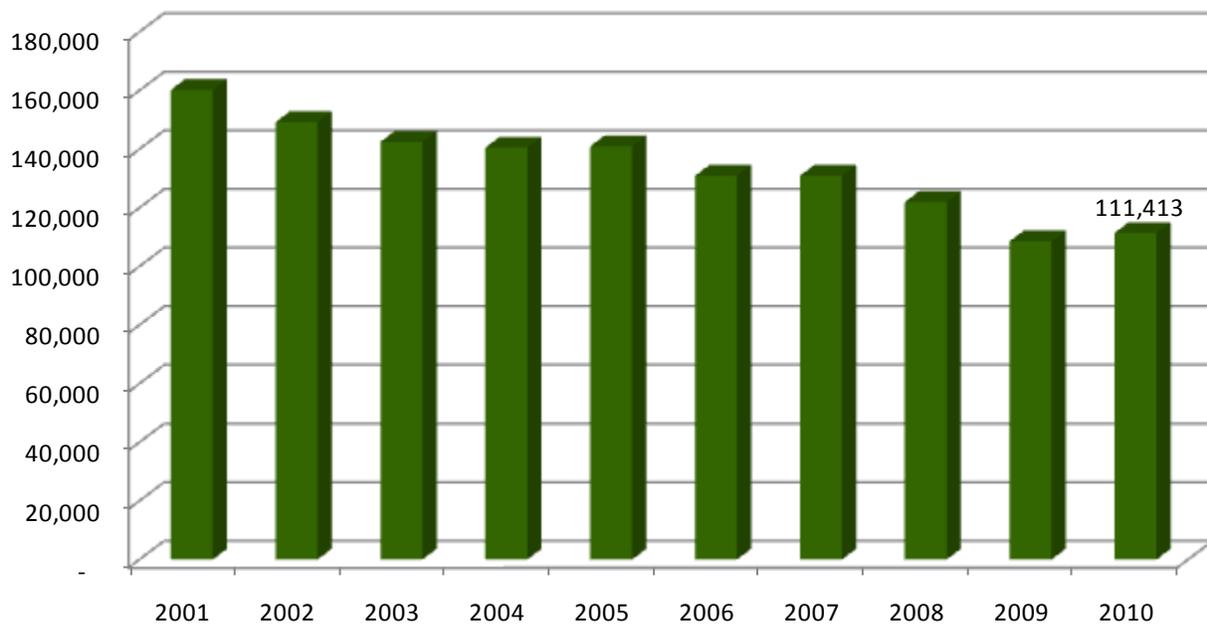
# Workers' Compensation

## First Reports of Injury (FROIs)

Every injury and occupational disease occurring in Missouri, except "first aid" cases not requiring medical treatment must be reported to the Division. The injury must be reported to the Division within 30 days of the date the employer has actual notice of the injury. The employer must report all injuries requiring medical treatment to its insurance carrier or third party administrator within five days of the date the employer has actual notice of the injury. Since July 1995, the Division has been receiving FROIs by electronic data interchange (EDI). This process minimizes errors, ensures timeliness in reporting, and reduces costs for the reporting entities and the Division. In 2010, 98% of FROIs were filed electronically (through EDI or the web). The increase in EDI filings has also significantly reduced the average time to process FROIs. In 2000, the average time to process was 14.5 days and in 2009, the average time to process decreased to 1.9 days. The time in 2010 fell even further to only 1.4 days.

Total FROI filings have decreased an average of just over 6% a year from 2005 to 2009 and then increased a slight 2.6% from 2009 to 2010.

**First Reports of Injury Filed 2001 - 2010**



### FROIs by County - 2010

<u>County</u>	<u>FROIs</u>	<u>County</u>	<u>FROIs</u>	<u>County</u>	<u>FROIs</u>
Adair	489	Grundy	110	Perry	624
Andrew	78	Harrison	118	Pettis	1,112
Atchison	84	Henry	359	Phelps	832
Audrain	673	Hickory	38	Pike	304
Barry	956	Holt	64	Platte	2,152
Barton	137	Howard	92	Polk	270
Bates	104	Howell	774	Pulaski	563
Benton	180	Iron	141	Putnam	36
Bollinger	60	Jackson	14,424	Ralls	43
Boone	3,574	Jasper	3,354	Randolph	523
Buchanan	2,533	Jefferson	1,773	Ray	187
Butler	868	Johnson	785	Reynolds	118
Caldwell	48	Knox	63	Ripley	97
Callaway	1,054	Laclede	685	Saline	583
Camden	695	Lafayette	490	Schuyler	17
Cape Girardeau	1,364	Lawrence	469	Scotland	43
Carroll	95	Lewis	175	Scott	923
Carter	31	Lincoln	500	Shannon	37
Cass	1,135	Linn	188	Shelby	116
Cedar	147	Livingston	293	St. Charles	5,159
Chariton	62	McDonald	382	St. Clair	66
Christian	645	Macon	205	St. Francois	1,208
Clark	74	Madison	122	St. Louis City	6,726
Clay	5,223	Maries	52	St. Louis County	22,748
Clinton	299	Marion	1,032	Ste. Genevieve	266
Cole	1,840	Mercer	89	Stoddard	425
Cooper	310	Miller	283	Stone	190
Crawford	261	Mississippi	210	Sullivan	78
Dade	73	Moniteau	358	Taney	1,396
Dallas	109	Monroe	106	Texas	310
Daviess	59	Montgomery	144	Vernon	372
DeKalb	48	Morgan	141	Warren	321
Dent	277	New Madrid	345	Washington	355
Douglas	73	Newton	535	Wayne	100
Dunklin	387	Nodaway	458	Webster	262
Franklin	1,743	Oregon	102	Worth	14
Gasconade	178	Osage	175	Wright	200
Gentry	99	Ozark	58	OUT OF STATE	362
Greene	6,220	Pemiscot	252	Missing	37

### FROIs by Industry - 2010

<u>Industry</u>	<u>FROIs</u>	<u>Percent</u>
Healthcare and Social Assistance	21,619	19.4
Manufacturing	15,410	13.8
Retail Trade	12,400	11.1
Public Administration	10,556	9.5
Educational Services	8,991	8.1
Accommodation and Food Services	6,834	6.1
Construction	6,208	5.6
Transportation and Warehousing	5,432	4.9
Wholesale Trade	4,664	4.2
Administrative and Waste Services	3,744	3.4
Professional, Scientific, and Technical Service	3,535	3.2
Other Services (Except Public Administration)	2,851	2.6
Finance and Insurance	2,059	1.8
Arts, Entertainment, and Recreation	1,958	1.7
Information	1,446	1.3
Utilities	1,372	1.2
Real Estate and Rental and Leasing	1,317	1.2
Agriculture, Forestry, Fishing and Hunting	645	0.6
Management of Companies and Enterprises	133	0.1
Mining	126	0.1
Missing	113	0.1
<b>Total</b>	<b>111,413</b>	<b>100.0</b>

## FROIs by Age and Gender

Just under 54% of injuries reported to the Division in 2010 were for males. As in 2009, the age group with the most reported injuries in 2010 was the 40-49 year olds, which accounted for nearly one quarter of all injuries reported.

<u>Gender</u>	<u>Age Group</u>	<u>FROIs</u>	<u>Percent</u>
Male	Unknown	648	0.6
Male	10-15	8	0.0
Male	16-19	1,525	1.4
Male	20-29	12,934	11.6
Male	30-39	13,291	11.9
Male	40-49	14,266	12.8
Male	50-59	12,350	11.1
Male	60-69	4,295	3.9
Male	70-79	517	0.5
Male	80-89	71	0.1
Female	Unknown	567	0.5
Female	10-15	13	0.0
Female	16-19	1,241	1.1
Female	20-29	10,499	9.4
Female	30-39	9,997	9.0
Female	40-49	12,009	10.8
Female	50-59	11,811	10.6
Female	60-69	4,232	3.8
Female	70-79	567	0.4
Female	80-89	82	0.1
Unknown	Unknown	7	0.0
Unknown	10-15	1	0.0
Unknown	16-19	9	0.0
Unknown	20-29	121	0.1
Unknown	30-39	134	0.1
Unknown	40-49	92	0.1
Unknown	50-59	97	0.1
Unknown	60-69	28	0.0
Unknown	70-79	3	0.0
Unknown	80-89	0	0.0
<b>Total</b>		<b>111,413</b>	<b>100.0</b>

## FROIs by Body Part

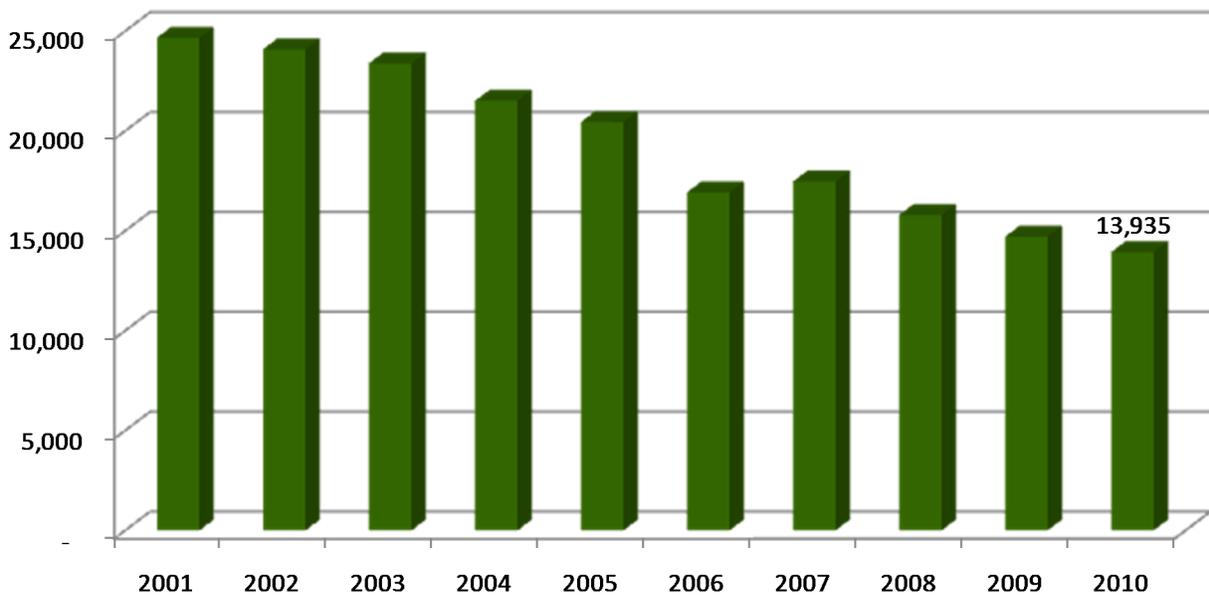
<u>Body Part</u>	<u>FROIs</u>	<u>Percent</u>
<b>HEAD</b>	<b>11,446</b>	<b>10.3</b>
Eyes	4,155	3.8
Soft Tissue	2,507	2.2
Mouth/Nose/Teeth	1,198	1.1
Face/Skull	989	0.9
Ears	404	0.4
Facial Bones	288	0.2
Brain	159	0.1
Multiple Head Injury	1,746	1.6
<b>NECK</b>	<b>1,790</b>	<b>1.6</b>
Soft Tissue	935	0.8
Vertebrae/Disc	198	0.5
Spinal Cord	92	0.2
Larynx/Trachea	30	0.1
Multiple Neck Injury	535	0.0
<b>UPPER EXTREMITIES</b>	<b>41,488</b>	<b>37.2</b>
Fingers/Thumbs	14,466	13.0
Wrists/Hands	12,062	10.8
Upper Arms/Shoulders	7,539	6.7
Elbows/Lower Arms	6,112	5.5
Multiple Upper Extremities	1,309	1.2
<b>TRUNK</b>	<b>18,042</b>	<b>16.2</b>
Back	12,777	11.5
Abdomen/Groin/Buttocks	1,801	1.6
Chest	1,600	1.4
Lungs/Internal Organs	781	0.7
Pelvis/Sacrum & Coccyx	266	0.3
Spinal Cord/Disc	131	0.1
Heart	108	0.1
Multiple Trunk	578	0.5
<b>LOWER EXTREMITIES</b>	<b>20,821</b>	<b>18.7</b>
Knees/Lower Legs	10,189	9.2
Ankles/Foot/Feet	7,158	6.4
Hips/Upper Legs	1,805	1.6
Toes/Great Toes	877	0.8
Multiple Lower Extremities	792	0.7
<b>BODY SYSTEMS</b>	<b>1,991</b>	<b>1.8</b>
<b>MULTIPLE BODY PARTS</b>	<b>14,191</b>	<b>12.7</b>
<b>WHOLE BODY</b>	<b>60</b>	<b>0.1</b>
<b>NO PHYSICAL INJURY</b>	<b>799</b>	<b>0.7</b>
<b>OTHER OR UNSPECIFIED</b>	<b>785</b>	<b>0.7</b>
<b>Total</b>	<b>111,413</b>	<b>100.0</b>

## Claims for Compensation

An employee may file a claim with the Division of Workers' Compensation if they feel they are not receiving benefits as they are entitled by Missouri Workers' Compensation law. The employee or employee's attorney may file a claim for compensation to request the Division's assistance in the collection of benefits.

In 2010, the Division received 13,935 claims for compensation against employers and insurers. This is a 5.7% decrease from the number of claims filed in 2009. Since 2001, claims have generally been decreasing an average of 5% annually.

**Claims for Compensation Filed 2001 - 2010**



### Claims by Industry

Industry	Claims	Percent
Manufacturing	2393	17.2
Health Care and Social Assistance	1664	11.9
Public Administration	1462	10.5
Retail Trade	1210	8.7
Transportation and Warehousing	1152	8.3
Construction	1090	7.8
Administrative and Waste Services	636	4.6
Accommodation and Food Services	621	4.5
Educational Services	603	4.3
Wholesale Trade	598	4.3
Professional, Scientific, and Technical Services	382	2.7
Other Services (Except Public Administration)	287	2.0
Information	200	1.4
Finance and Insurance	181	1.3
Utilities	175	1.3
Real Estate and Rental and Leasing	168	1.2
Arts, Entertainment, and Recreation	138	1.0
Agriculture, Forestry, Fishing and Hunting	79	0.6
Mining	28	0.2
Management of Companies and Enterprises	17	0.1
Missing	851	6.1
<b>Total</b>	<b>13935</b>	<b>100.0</b>

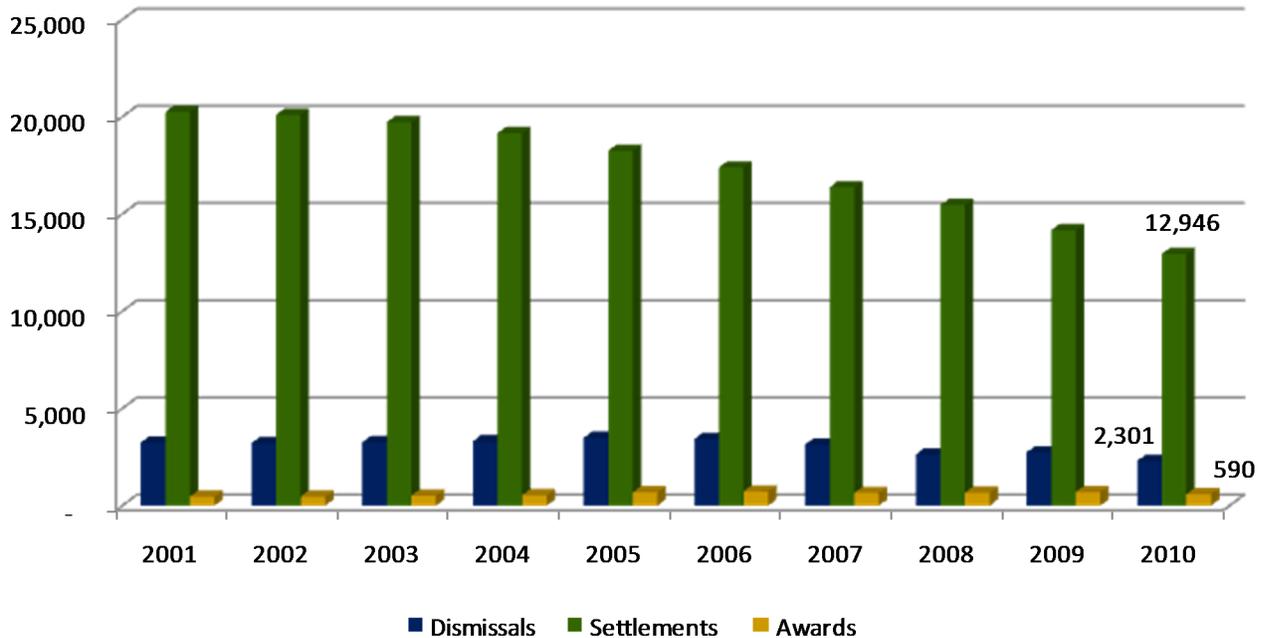
### Claims by Body Part

Body Part	Claims	Percent
<b>HEAD</b>	<b>74</b>	<b>0.5</b>
Ears	21	0.2
Soft Tissue	20	0.1
Eyes	17	0.1
Brain	6	0.0
Mouth/Nose/Teeth	2	0.0
Face/Skull	1	0.0
Facial Bones	0	0.0
Multiple Head Injury	7	0.1
<b>NECK</b>	<b>25</b>	<b>0.2</b>
Soft Tissue	17	0.2
Larynx/Trachea	1	0.0
Spinal Cord	1	0.0
Vertebrae/Disc	1	0.0
Multiple Neck Injury	5	0.0
<b>UPPER EXTREMITIES</b>	<b>388</b>	<b>2.8</b>
Upper Arms/Shoulders	145	1.0
Wrists/Hands	109	0.8
Fingers/Thumbs	47	0.3
Elbows/Lower Arms	34	0.3
Multiple Upper Extremities	53	0.4
<b>TRUNK</b>	<b>384</b>	<b>2.8</b>
Back	311	2.3
Abdomen/Groin/Buttocks	42	0.3
Chest	11	0.1
Heart	7	0.1
Lungs/Internal Organs	6	0.0
Spinal Cord/Disc	4	0.0
Pelvis/Sacrum and Coccyx	2	0.0
Multiple Trunk	1	0.0
<b>LOWER EXTREMITIES</b>	<b>224</b>	<b>1.6</b>
Knees/Lower Legs	140	1.0
Ankles/Foot/Feet	58	0.4
Hips/Upper Legs	13	0.1
Toes/Great Toes	1	0.0
Multiple Lower Extremities	12	0.1
<b>BODY SYSTEMS</b>	<b>12</b>	<b>0.1</b>
<b>MULTIPLE BODY PARTS</b>	<b>12784</b>	<b>91.7</b>
<b>WHOLE BODY</b>	<b>38</b>	<b>0.3</b>
<b>NO PHYSICAL INJURY</b>	<b>4</b>	<b>0.0</b>
<b>OTHER OR UNSPECIFIED</b>	<b>2</b>	<b>0.0</b>
<b>Total</b>	<b>13935</b>	<b>100.0</b>

In 2010, 15,763 formal claims for compensation were resolved by administrative law judges. This is a 9.3% decrease in the number of formal claims resolved in 2009. As of December 31, 2010, over 27,000 formal claims for compensation were unresolved.

Case resolution time frames vary considerably for each resolution type with award cases taking significantly longer to resolve than settlements and dismissals. For cases resolved with an award in 2010, it took an average of 45 months from the date the claim was filed to reach a resolution, this is 4 months longer than awards issued in 2009. For settlements, the average time was 22 months and for dismissals, 27 months. In 2010, dismissal cases were the only group that saw a decrease in the resolution time from 2009, when dismissal cases took an average of 30 months.

### Claims for Compensation Resolutions 2001 - 2010



Note: Numbers on graph may not total number in text as there can be multiple resolutions on a single case if multiple employers or insurers are involved. The number in text is an unduplicated count of cases resolved.

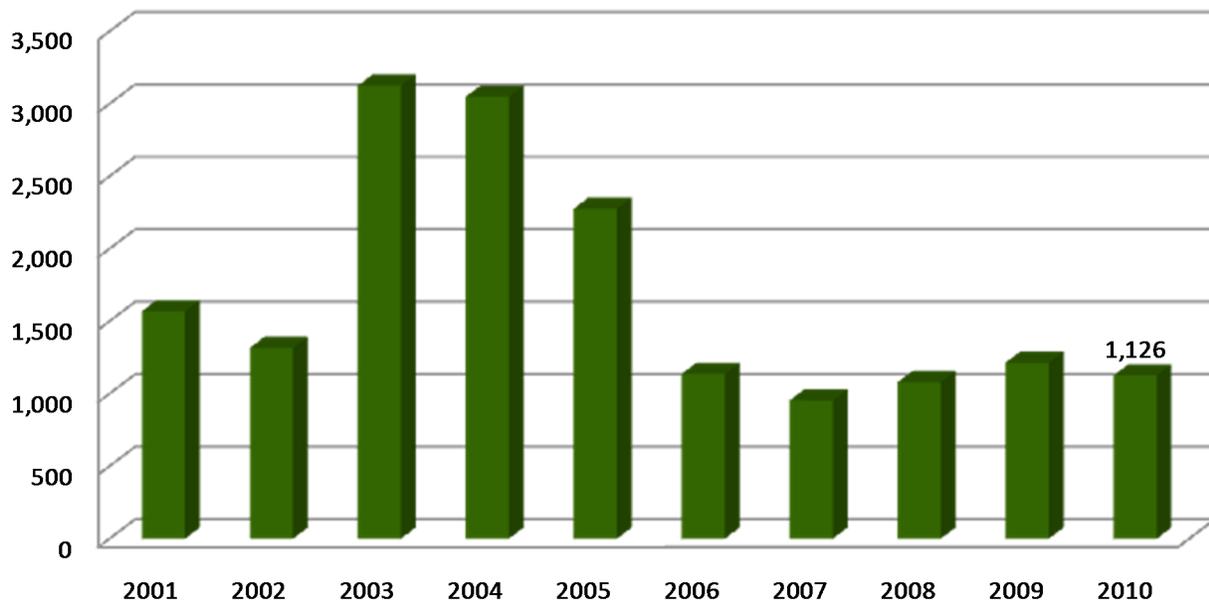


## Occupational Diseases

Missouri Workers' Compensation Law defines an occupational disease as an identifiable disease arising with or without human fault out of and in the course of employment. To be compensable under Chapter 287, the occupational exposure must be the prevailing factor in causing both the resulting medical condition and disability. Several changes were made to the law regarding occupational diseases in 2005. Some of these changes were in regard to employer liability (RSMo 287.063.2), statute of limitations (RSMo 287.063.3), and repetitive motion injuries (RSMo 287.067.3).

In 2010, there were 1,126 claims filed for occupational diseases. This is a slight decrease from the 1,214 claims filed in 2009. As you can see in the graph below, occupational disease claims have decreased significantly since the law changes in 2005.

**Occupational Disease Claims 2001 - 2010**



### Occupational Disease Claims by Injury

<u>Occupational Disease</u>	<u>Claims</u>	<u>Percent</u>
All Other Occupational Disease NOC	701	62.3
Carpal Tunnel Syndrome	256	22.7
Mental Stress	55	4.9
Respiratory Disorders	43	3.8
Poisoning—Chemical	28	2.5
Dermatitis	15	1.3
Loss of Hearing	12	1.1
Asbestosis	4	0.3
Contagious Disease	4	0.3
Cancer	2	0.2
Dust Disease NOC	2	0.2
Mental Disorder	2	0.2
Silicosis	2	0.2
<b>Total</b>	<b>1,126</b>	<b>100.0</b>

### Occupation Disease Claims by Industry

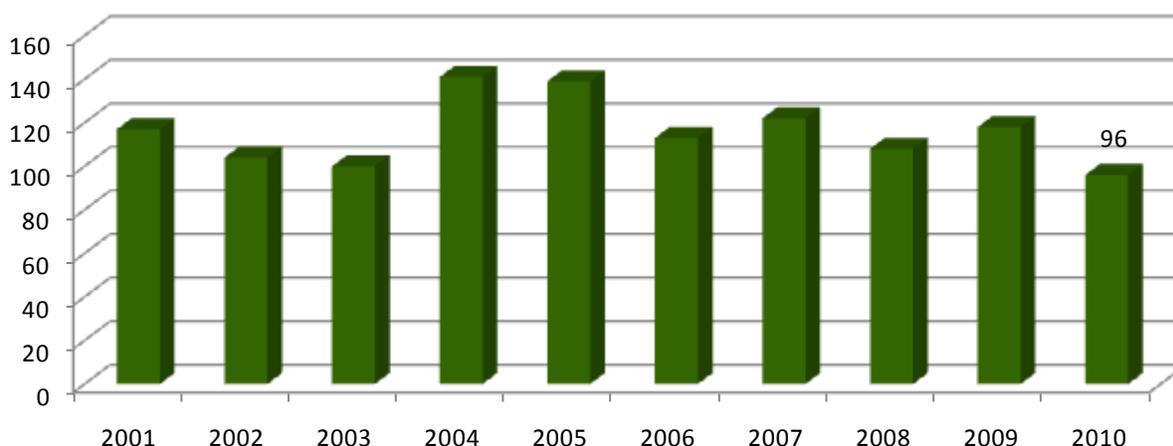
As in the previous two years, significantly more occupational disease claims were reported from employees working in the manufacturing industry. In 2010, over a quarter of all occupational disease claims were from manufacturing. In 2009, nearly one-third of the occupational disease claims were from the manufacturing industry and in 2008, they accounted for 25% of all occupational disease claims.

<u>Industry</u>	<u>Claims</u>	<u>Percent</u>
Manufacturing	320	28.4
Public Administration	92	8.2
Retail Trade	84	7.5
Construction	81	7.2
Health Care and Social Assistance	78	6.9
Transportation and Warehousing	64	5.7
Wholesale Trade	51	4.5
Accommodation and Food Services	33	2.9
Administrative and Waste Management	33	2.9
Other Services (Except Public Administration)	30	2.7
Educational Services	27	2.4
Professional, Scientific, and Technical Service	27	2.4
Information	26	2.3
Finance and Insurance	22	1.9
Utilities	17	1.5
Real Estate and Rental and Leasing	12	1.1
Agriculture, Forestry, Fishing and Hunting	7	0.6
Arts, Entertainment, and Recreation	3	0.3
Management of Companies and Enterprises	2	0.2
Missing	117	10.4
<b>Total</b>	<b>1,126</b>	<b>100.0</b>

## Fatalities

In 2010, there were 96 potentially work-related fatalities reported to the Division. These may have been reported through a first report of injury or through a formal claim for compensation and may or may not later be found to be a compensable work-related death. This is a significant decrease from the 118 deaths reported in 2009. The most frequently reported specific cause of injury for the fatalities in 2010 was motor vehicle accidents (37.5%) followed by falls (10.4%).

### Fatalities 2001 - 2010



### Fatalities by Age & Gender

Age Group	Male	Female	Total
16-19	1	0	1
20-29	7	0	7
30-39	13	0	13
40-49	26	3	29
50-59	21	2	23
60-69	7	1	8
70-79	7	2	9
80-89	0	0	0
Unknown	6	0	6
<b>Total</b>	<b>88</b>	<b>8</b>	<b>96</b>

### Fatalities by Industry

Industry	Cases	Percent
Manufacturing	20	20.8
Construction	12	12.5
Administrative and Waste Services	10	10.4
Public Administration	10	10.4
Retail Trade	6	6.3
Transportation and Warehousing	5	5.2
Wholesale Trade	5	5.2
Agriculture, Forestry, Fishing and Hunting	4	4.2
Professional, Scientific, and Technical Services	4	4.2
Accommodation and Food Services	3	3.1
Health Care and Social Assistance	3	3.1
Other Services (Except Public Administration)	2	2.1
Utilities	2	2.1
Finance and Insurance	1	1.0
Real Estate and Rental and Leasing	1	1.0
Missing	8	8.4
<b>Total</b>	<b>96</b>	<b>100.0</b>

# Second Injury Fund

## Second Injury Fund Claims

In 1943, the Missouri Workers' Compensation Law was amended to benefit the physically handicapped and individuals with a previous disability. The amendment helped employers by limiting liability to only the current injury that results in permanent total disability. The Second Injury Fund encourages employment by permitting persons to be employed without exposing employers to any liability for previous disabilities.

When an employee sustains a compensable work injury and the combined effect of the work-related injury and prior disability results in permanent total disability, or increased permanent partial disability, the employer at the time of the last injury, is liable only for compensation due from the most recent injury. The remaining compensation owed to the employee is paid from the Second Injury Fund.

There are five (5) benefit categories available from the Second Injury Fund.

### **1. Disability Benefits.**

**a. Permanent Partial Disability (PPD).** An employee must have a permanent pre-existing disability combining with the work injury to create greater disability to trigger Second Injury Fund liability. In order for an employee to recover from the Fund, minimum threshold limits regarding both the pre-existing and work related disability must be met. The employee must have disability that exceeds fifty (50) weeks of the body as a whole, or fifteen percent (15%) of the major extremity.

**b. Permanent Total Disability (PTD).** If the last work-related injury makes the injured worker permanently and totally disabled, then the Second Injury Fund has no liability. However, the Second Injury Fund is liable for permanent total disability when the combined effect of the work injury and the prior disability render the employee unemployable in the open labor market. The employer is liable only for the compensation for the most recent injury and the Second Injury Fund pays the remaining lifetime benefits.

**2. Death Benefits.** Payments are only made for cases involving the death of an employee while working for an uninsured employer. Burial expenses and death benefits in the form of weekly payments to the surviving spouse or dependents of the deceased are paid from the Second Injury Fund. Benefits may be administered by a lump sum settlement or ongoing weekly payments to dependents.

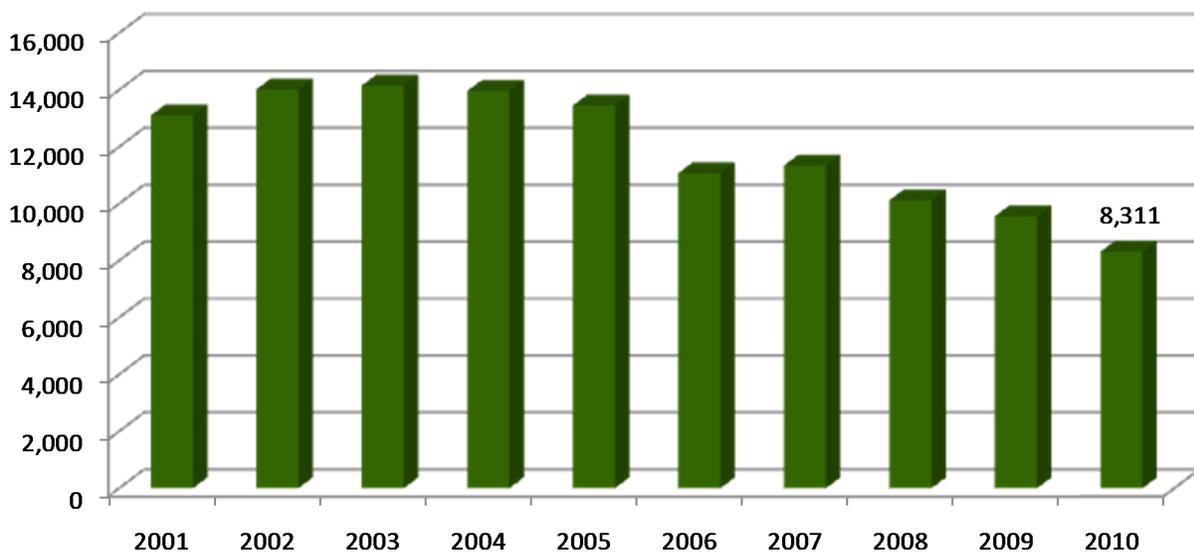
**3. Rehabilitation Benefits.** These benefits are to restore the seriously injured to a condition of self-support and self-maintenance through rehabilitation. Serious injuries that may qualify for rehabilitation include: quadriplegia, paraplegia, amputation of the hand, arm, foot or leg, atrophy due to nerve injury or non-use, and back injuries not amenable alone to recognized medical and surgical procedures.

**4. Indemnity (for lost wages from a second job).** This benefit applies to injuries after August 28, 1998. The employee must be injured on the job with his first employer. If the employee is unable to work at a second job as a result of the injury, these benefits for the loss of wages from the second job may be claimed from the Second Injury Fund.

**5. Medical Expenses (for injured employees of uninsured employers).** The Second Injury Fund is also responsible for payment of medical bills of injured employees' when the employer fails to insure its workers' compensation liability as required by law. Generally, the uninsured employer and the Second Injury Fund are liable for the medical care and expenses. The Second Injury Fund is entitled to reimbursement against the employer as required by law. The Missouri Attorney General's Office would institute the appropriate action against the employer to recover the monies paid from the Second Injury Fund as set forth in §287.220 (5) RSMo.

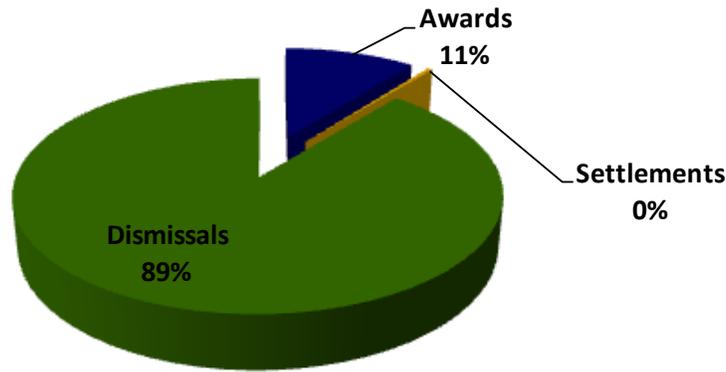
The Missouri State Treasurer's Office is the custodian of the Second Injury Fund. The Missouri Attorney General's Office defends the claims made against the Second Injury Fund. The Division of Workers' Compensation is responsible for the billing and collection of the Second Injury Fund surcharge and for processing Second Injury Fund benefits. In 2010, there were 8,311 claims filed against the Second Injury Fund. This was just over a 13% decrease in claim filings from 2009. On average, claims against the Second Injury fund have been decreasing approximately 7% a year since 2003.

**Second Injury Fund Claims 2001 - 2010**



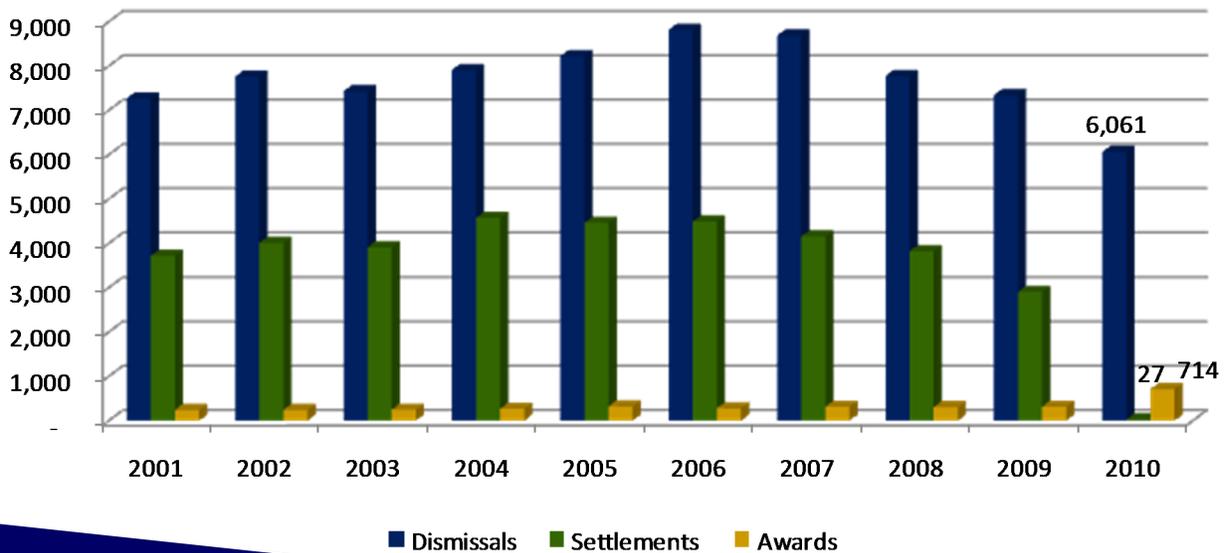
### Second Injury Fund Claim Resolutions - 2010

In 2010, 6,802 Second Injury Fund claims were resolved. This is a 35.6% decrease in Second Injury Fund claim resolutions from 2009. This decrease can largely be attributed to the September 2009, decision to no longer voluntarily settle SIF claims. In 2010, approximately 89% of claims were the result of dismissals and approximately 11% of the resolutions were the result of hearings before administrative law judges (ALJs), resulting in awards. All awards issued by ALJs after a hearing many not necessarily award benefits from the Fund. A judge may also determine the SIF owes no compensation. Less than 1% of cases resolved in 2010 were settled. As of January 1, 2011, there were 27,666 open Second Injury Fund claims awaiting resolution.



### Second Injury Fund Claim Resolutions 2001 - 2010

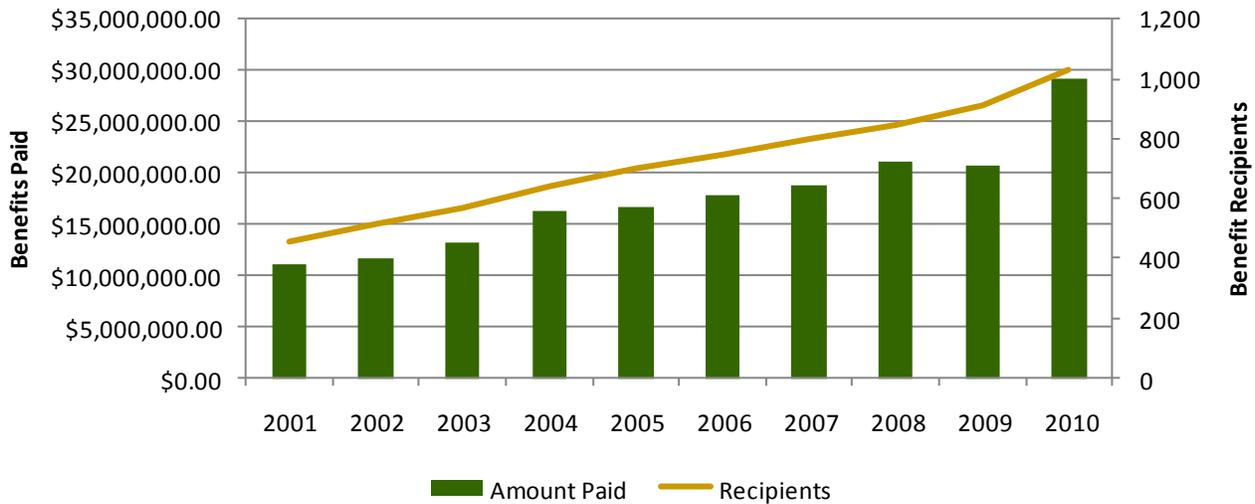
From 2001-2009, approximately 65.2% of all Second Injury Fund claims resolved each calendar year were dismissed, 32.5% reached a voluntary settlement and the remaining 2.3% were resolved by an award issued by an ALJ. In 2010, with the elimination of voluntary settlements, there were significantly more awards issued.



## Second Injury Fund Benefit Payments

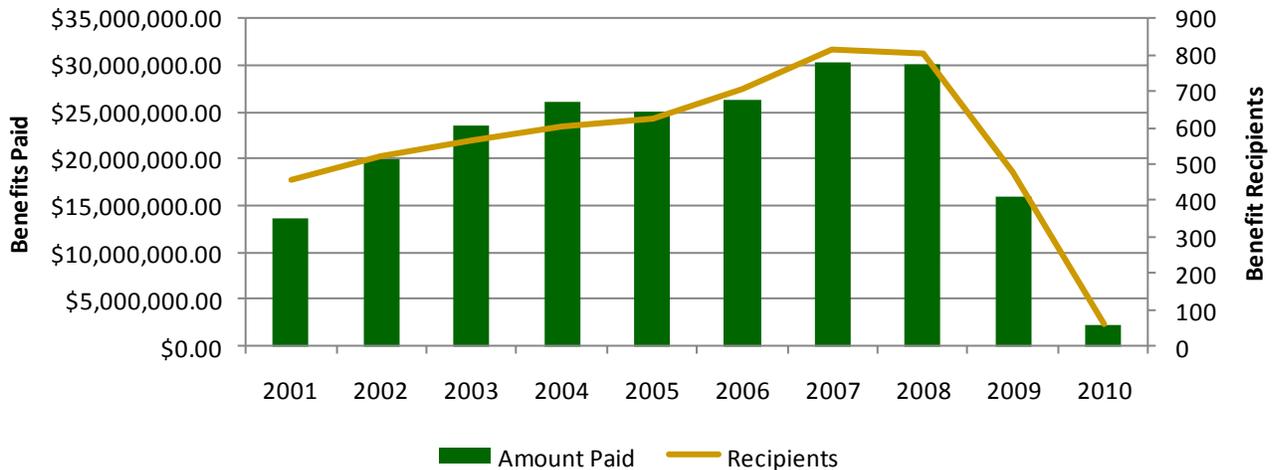
### Permanent Total Disability Benefits (Lifetime Payments)

In 2010, \$29,213,591.86 in permanent total lifetime benefits was paid to 1,030 recipients. This is a 40.6% increase from the benefits paid in 2009 (\$20.7 million). From 2001 to 2009, an average of 70 new injured employees annually have received awarded lifetime PTD benefits from the Second Injury Fund; however, in 2010, 146 new injured employees received lifetime PTD benefits from the Fund.



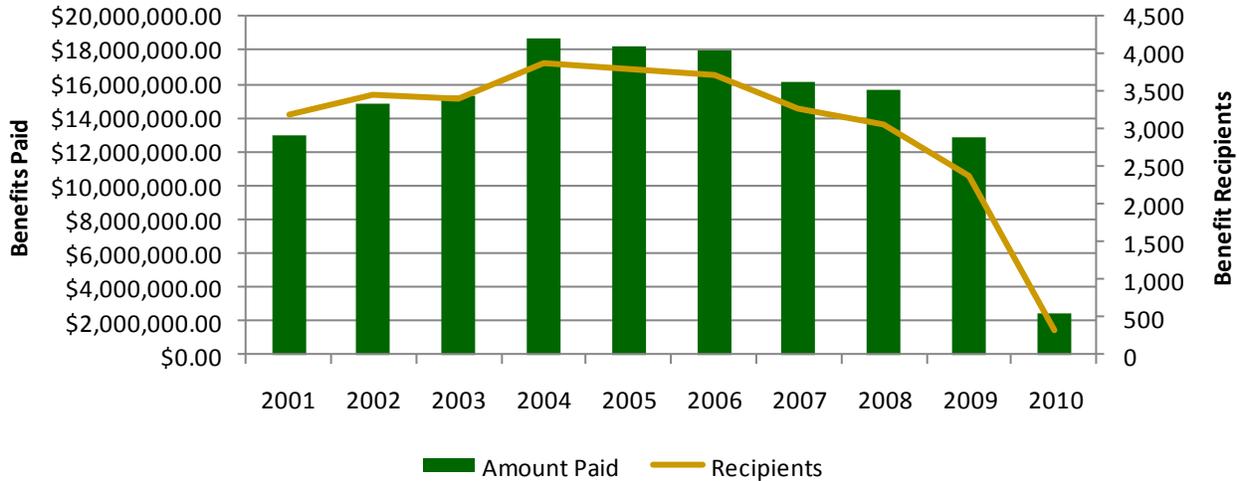
### Permanent Total Disability Benefits (Lump Sum Payments)

Lump sum payments for total permanent disability totaled \$2,218,323.50 in 2010. This 86.1% decrease in lump sum benefits paid in 2009 is due to the Fund no longer settling claims. Those few claims that were paid with a lump sum settlement in 2010 averaged \$36,366 per claim.



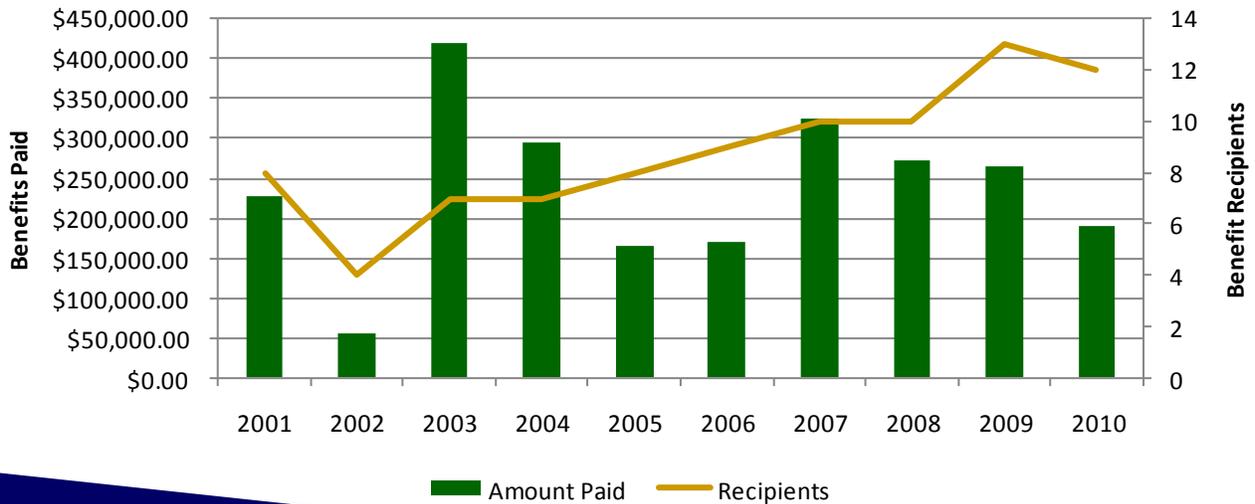
### Permanent Partial Disability Benefits

Only 327 injured workers received permanent partial disability benefits from the Second Injury Fund in 2010. This represents an 86.4% decrease from 2009. The total amount of PPD benefits paid was \$2,464,556.10, at an average of \$7,537 per recipient. The significant decrease in PPD recipients and benefits paid is due to the decision to discontinue voluntary settlements with the Fund. Resolving PPD claims by awards has resulted in a 40.8% increase in the average benefit per recipient from 2009, when the majority of PPD claims were resolved by voluntary settlement.



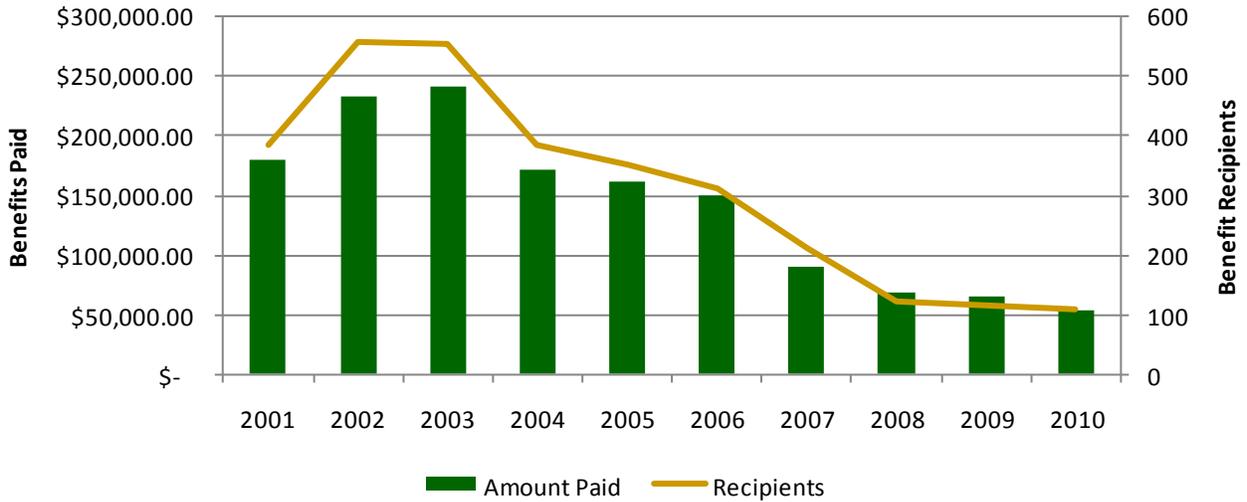
### Death Benefits

Twelve survivors received death benefits from the Second Injury Fund in 2010, down just one from 2009. All of these recipients were receiving lifetime benefit payments due to a work-related death. All recipients were receiving the benefits prior to the start of calendar year 2010. Since 2000, 27 lump sum death payments have been paid from the Second Injury Fund, the remainder of the payments have been in the form of lifetime benefit payments.



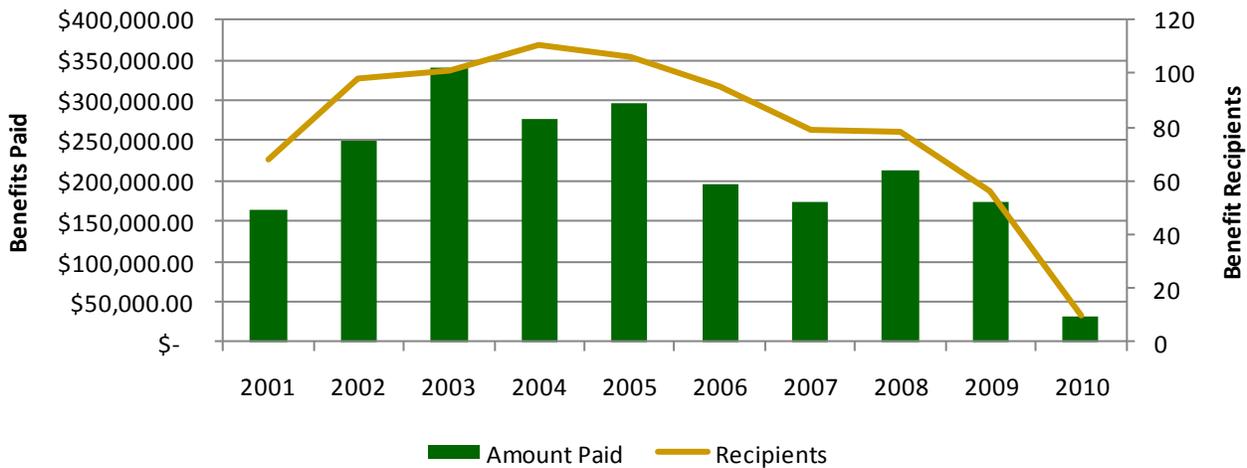
### Rehabilitation Benefits

Just over \$53,000 was paid from the Second Injury Fund in 2010 for rehabilitation benefits. This amount covered weekly benefits for 110 injured workers. Rehabilitation benefits were down 17.5% from 2009.



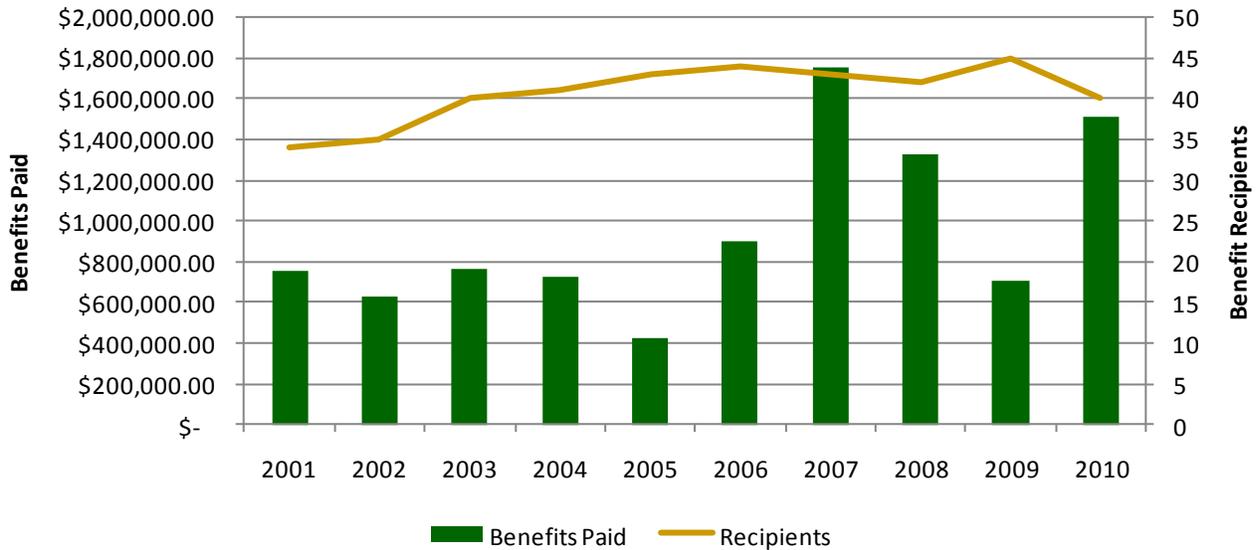
### Indemnity Benefits

Indemnity benefits were paid to 10 recipients in 2010 for second job wage loss. This is an 82.0% decrease from 2009. This decrease is at least partially attributable to the 2009 decision regarding voluntary settlements. The average lump sum indemnity payment in 2010 was \$2,558.66, a 9.1% decrease from the \$2,813.42 average lump sum indemnity payment in 2009.



### Medical Benefits

Approximately \$1.5 million in medical benefits were paid from the SIF in 2010. This is over twice the amount paid for medical benefits in 2009, though, the number of recipients actually dropped slightly from 2009 to 2010. The average lump sum medical benefit in 2010 was \$40,228.25.



### Second Injury Fund Recovery Payments

RSMo 287.220 provides for the recovery of monies paid from the Second Injury Fund for medical expenses when the employer fails to carry the required workers' compensation insurance. In 2010, payments were received from 41 employers in the amount of \$141,478.70. An additional \$32,913.63 was recovered from employees and attorneys who were overpaid from the Fund.



## Fraud & Noncompliance

The Fraud and Noncompliance Unit investigates allegations of workers' compensation fraud and noncompliance perpetrated by a person or entity. Section 287.128 prohibits certain conduct in connection with the workers' compensation process. Such prohibited conduct includes (but is not limited to):

- failure of an employer to insure its workers' compensation liability;
- knowingly filing multiple claims for the same occurrence with intent to defraud;
- knowingly making a false claim for the payment of health care benefits; and
- knowingly making a false or fraudulent material statement for obtaining or denying a benefit.

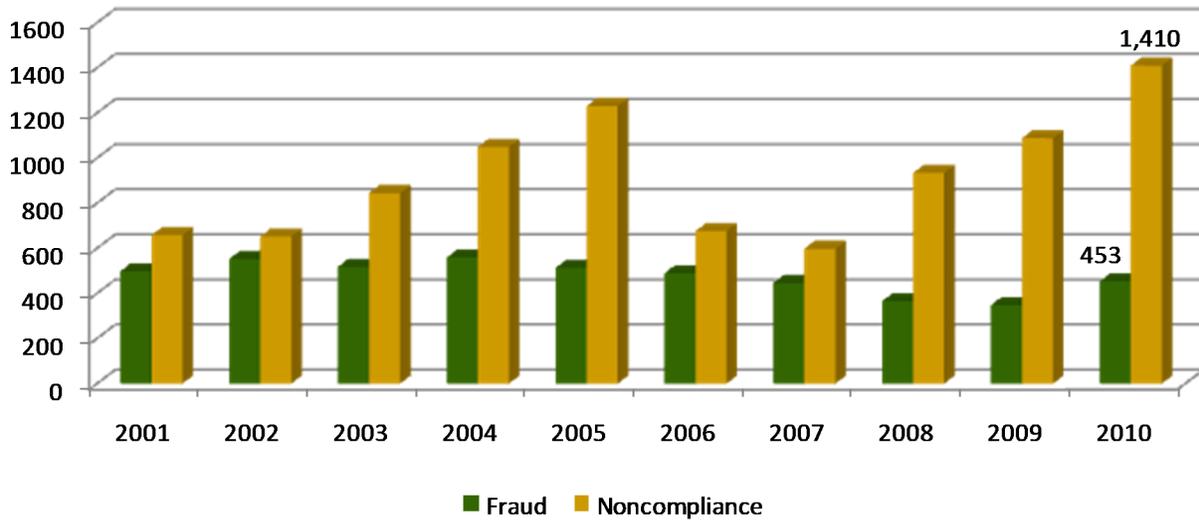
At the conclusion of the investigation by the Fraud and Noncompliance Unit, the findings are presented to the Division Director who may refer the file to the Missouri Attorney General's Office for possible prosecution.

The records, reports, recordings, photographs, and documentation submitted by any person to the unit are confidential and not subject to Missouri's open records laws, although an exception exists to allow the release of records to a local, state, or federal law enforcement authority.

Any person convicted of knowingly filing a false or fraudulent workers' compensation claim for payment of benefits or any insurance company or self-insurer who knowingly and intentionally refuses to comply with known and legally indisputable obligations with intent to defraud or any person who prepares or provides a false/forged certificate of insurance as proof of coverage, is guilty of a class D felony and may be fined up to \$10,000 or double the value of the fraud, whichever is greater. A person who commits any other violation included in section 287.128 is guilty of a class A misdemeanor and may be fined up to \$10,000 or double the value of the fraud, whichever is greater. Any employer failing to insure its liability is guilty of a class A misdemeanor and may be fined up to three times the annual premium the employer would have paid had such employer been insured or up to \$50,000, whichever is greater. A subsequent instance of noncompliance is a class D felony.

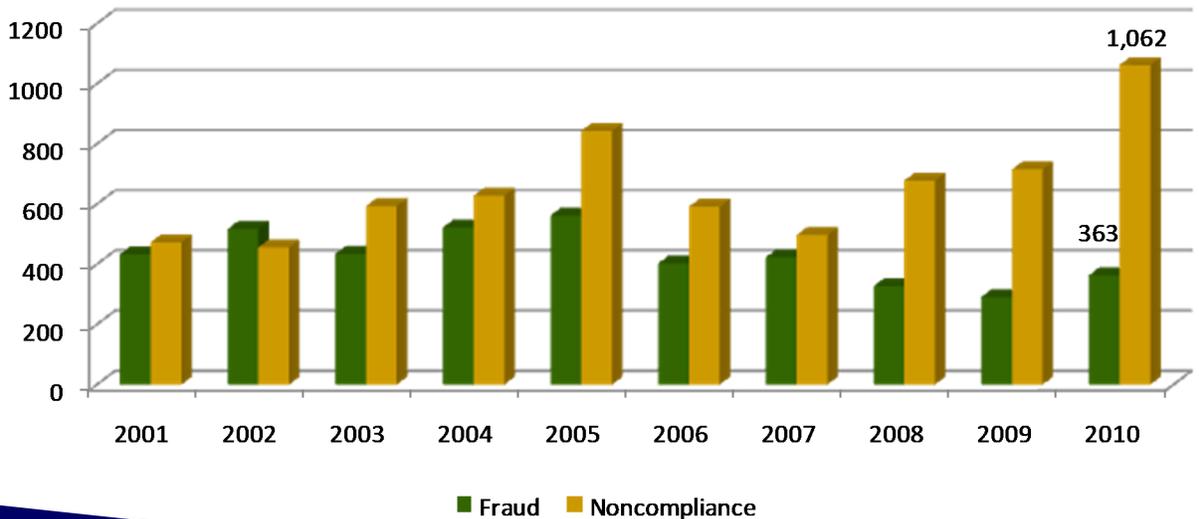
### Fraud & Noncompliance Cases Received 2001 - 2010

In 2010, the Fraud and Noncompliance Unit received a total of 1,863 new cases of alleged workers' compensation fraud or noncompliance. This is a 29.7% increase over the number of case received in 2009. Referrals have been increasing just over 20% annually since 2007.



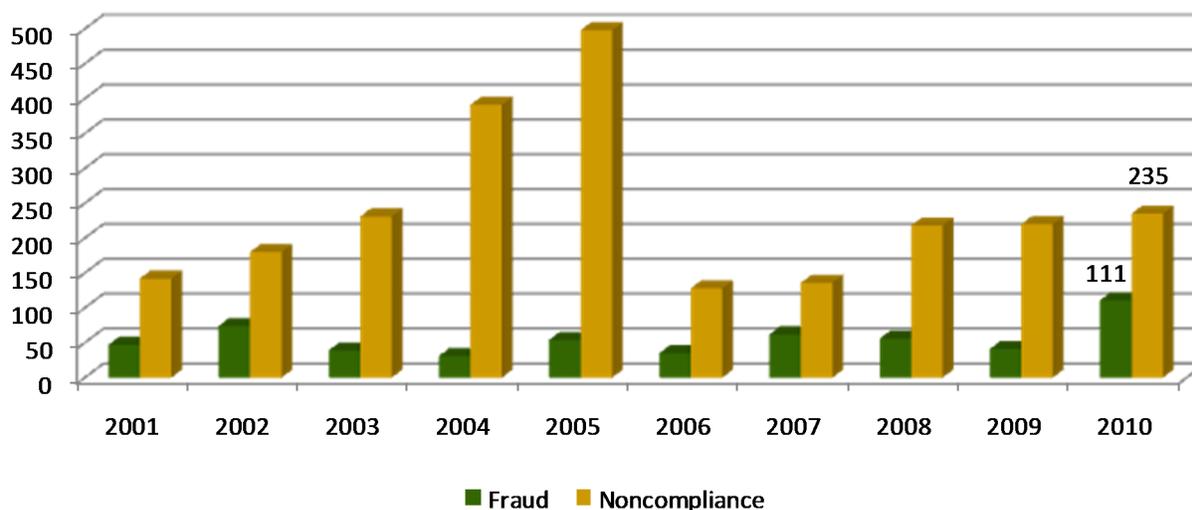
### Fraud & Noncompliance Cases Administratively Closed 2001 - 2010

Often times after an investigation, a case is administratively closed by the Unit. These types of closures are typically the result of inaccurate complaints or lack of evidence. In 2010, just over 1,400 cases were administratively closed. This is a 41.7% increase from the number of cases administratively closed in 2009.



## Fraud & Noncompliance Cases Referred to the Attorney General's Office 2001 - 2010

Since 2000, approximately 21% of cases closed annually are referred to the Missouri Attorney General's Office (AGO) for prosecution. In 2010, 346 cases were referred to the AGO. This is a 32.6% in referrals from 2009.

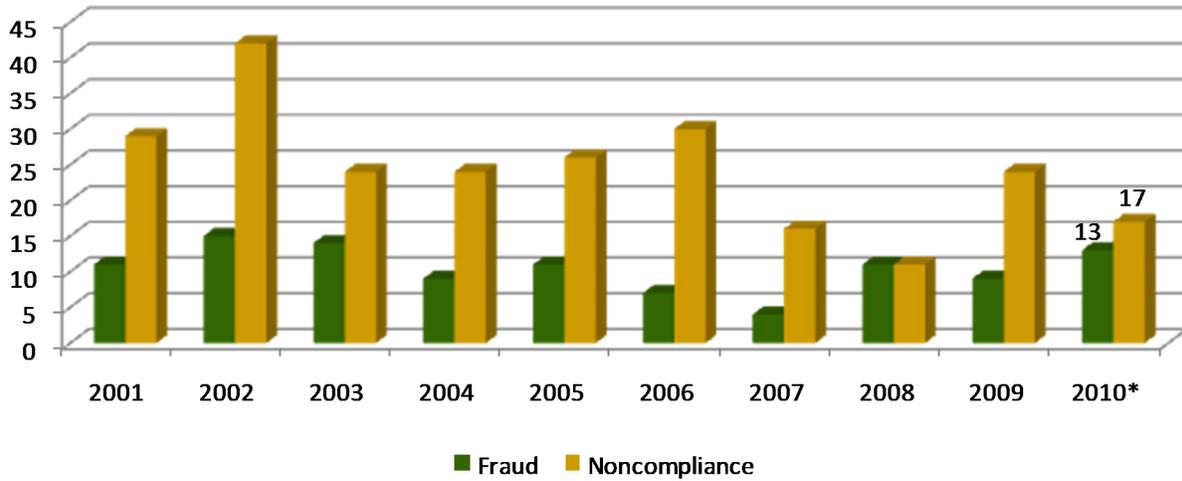


## Fraud & Noncompliance Referrals to AGO by Party or Industry

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
<b>Fraud</b>											
Attorney	0	1	0	0	0	1	2	0	0	0	4
Employee	36	60	30	21	31	22	24	18	16	13	271
Employer	8	11	8	8	21	12	37	36	24	48	213
Insurance Carrier/ Agent	3	2	1	2	2	0	0	2	1	50	63
Other	0	0	0	0	0	0	1	0	0	0	1
<b>Noncompliance</b>											
Construction	32	56	69	106	162	48	45	74	38	56	686
Government	0	1	0	0	3	0	0	1	1	0	6
Healthcare	0	2	5	43	39	1	7	4	17	6	124
Manufacturing	8	8	13	17	12	5	1	3	6	17	90
Retail	99	102	116	184	228	57	63	116	133	141	1,239
Trucking/ Transportation	0	7	16	27	31	10	7	6	7	14	125
Other	3	4	12	14	23	7	13	14	18	1	109
<b>Total</b>	<b>189</b>	<b>254</b>	<b>270</b>	<b>422</b>	<b>552</b>	<b>163</b>	<b>200</b>	<b>274</b>	<b>261</b>	<b>346</b>	<b>2,931</b>

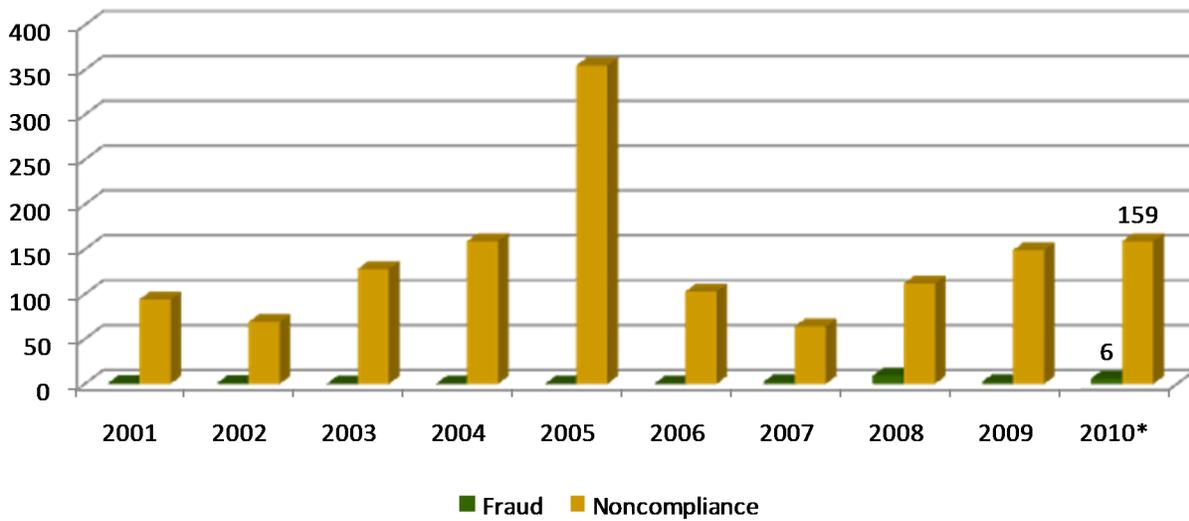
### Successful Fraud & Noncompliance Prosecutions 2001 - 2010

In 2010, the Attorney General's Office successfully prosecuted 13 fraud and 17 noncompliance cases. This is a nearly the same number of successful prosecutions as in 2009.



### Deferred Prosecution & Hold Harmless Agreements 2000 - 2010

In lieu of prosecution, the Attorney General's Office will enter into deferred prosecution agreements and/or hold harmless agreements with businesses or individuals accused of workers' compensation fraud or noncompliance. In 2010, there was a 9.3% increase in these types of resolutions compared to 2009.



\*Note: Numbers for 2010 have not been finalized with AGO's office as of the writing of this report. Actual counts may be higher.

### Penalties Received\*

Since 2000, the Division has collected nearly \$5.2 million in penalties from prosecuted employees, employers and insurance companies.

	<u>Fraud</u>	<u>Noncompliance</u>	<u>Total</u>
2000	\$3,500.00	\$115,960.12	\$119,460.12
2001	\$0.00	\$263,821.56	\$263,821.56
2002	\$102,500.00	\$335,646.07	\$438,146.07
2003	\$0.00	\$418,521.10	\$418,521.10
2004	\$4,100.00	\$578,159.47	\$578,159.47
2005	\$2,200.00	\$821,419.77	\$823,619.77
2006	\$1,827.98	\$632,740.39	\$634,568.37
2007	\$4,237.58	\$299,948.45	\$304,186.03
2008	\$4,483.50	\$412,823.85	\$417,307.35
2009	\$3,392.00	\$605,712.28	\$609,104.28
2010**	\$7,004.38	\$573,455.76	\$580,460.14

\* Penalties received include those imposed in previous years. Many penalties are paid in monthly installments over several years.

\*\* Amounts for 2010 have not been finalized with the MO AGO's office as of the writing of this report. Totals are likely to increase as penalties collected late in the year are reported to DWC.

## Insurance

Section 287.280, RSMo, allows employers to meet their workers' compensation liabilities through an alternative method known as self-insurance. When qualified to become self-insured, the employer becomes financially responsible for all workers' compensation liabilities incurred. Under the statute, employers can self-insure as an individual or as a group. The first authorities to self-insure workers' compensation liabilities were granted in 1936 and the first self-insured groups were authorized in 1982.

The Division's Insurance Unit is responsible for authorizing and regulating all self-insured entities in Missouri. The unit must ensure that all self-insured employers comply with Chapter 287 RSMo Statutes of Missouri and follow the regulations as established in 8 CSR 50-3.010, revised in January 2009. The unit's primary functions are approval of new self-insured entities, regulation and oversight of existing self-insured entities, including case management and financial and safety audits.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Individual Self-Insurers	333	331	312	299
Group Trusts	28	28	26	25
Individual Member Employers in Group Trusts	3,601	3,480	3,022	2,900
Covered SI Employees	749,304	748,643	715,999	780,416
Covered SI Payroll	\$26,041,387,991	\$26,772,067,441	\$26,214,620,026	\$26,032,693,392
SI Payroll as Percent of All Covered Payroll	26.64%	26.34%	Data not available	Data not available

Source: Missouri Division of Workers' Compensation. National Academy of Social Insurance, Workers' Compensation: Benefits, Coverage, and Costs, 2007.  
Note: Numbers provided are based on counts as of January 1 of the indicated year.

### 2010 Individual Self-Insurers by Industry

<u>Industry</u>	<u>Companies</u>	<u>Percent</u>
Services	115	38.5
Manufacturing	75	25.1
Retail Trade	35	11.7
Transportation & Public Utilities	22	7.3
Public Administration	21	7.0
Finance, Insurance and Real Estate	12	4.0
Wholesale Trade	9	3.0
Construction	5	1.7
Mining	3	1.0
Agriculture, Forestry & Fish	2	0.7
<b>Total</b>	<b>299</b>	<b>100.0</b>

# Legal Unit

The Legal Unit provides legal advice and assistance to the Division Director and the various units and programs within the Division. The legal unit also oversees the Religious Exception Program and the Medical Fee Dispute Program. In addition to other general duties, the unit also drafts proposed rules and amendments to the existing regulations.

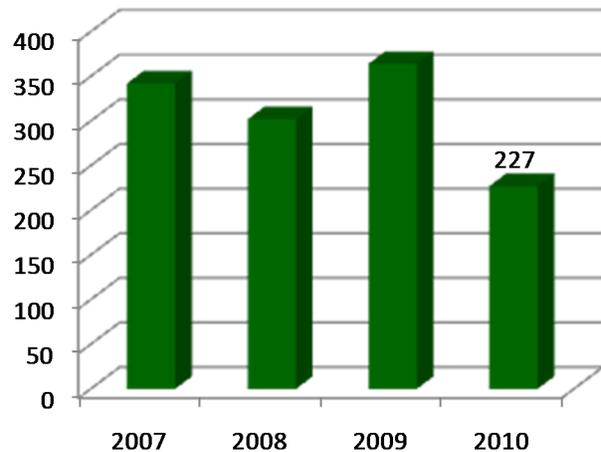
The Religious Exception Program receives, reviews and responds to all questions related to granting workers' compensation exceptions to employers and employees who are members of a recognized religious sect or division (as defined by federal law) who are conscientiously opposed to acceptance of benefits of any public or private insurance in various contexts.

The Medical Fee Dispute Program allows health care providers to assert claims for payment for treatment provided to injured employees. In 2010, the legal unit processed 376 applications for direct payment and 676 applications for additional reimbursement. This is a 30.8% decrease in the total number of applications processed in 2009. Since September 1, 2006 the Division has been responsible for reviewing "reasonableness" medical fee disputes of \$1,000 or less. These disputes arise when an employer or insurer disputes the reasonableness of a medical fee or charge and subsequently pays less than the amount charged.

## Religious Exception Program Statistics 2009

Applications Filed	40
Religious Exceptions Granted to Employers	12
Religious Exceptions Granted to Employees	40

## Reasonableness Medical Fee Disputes Filed 2007-2010 (Less than \$1000)



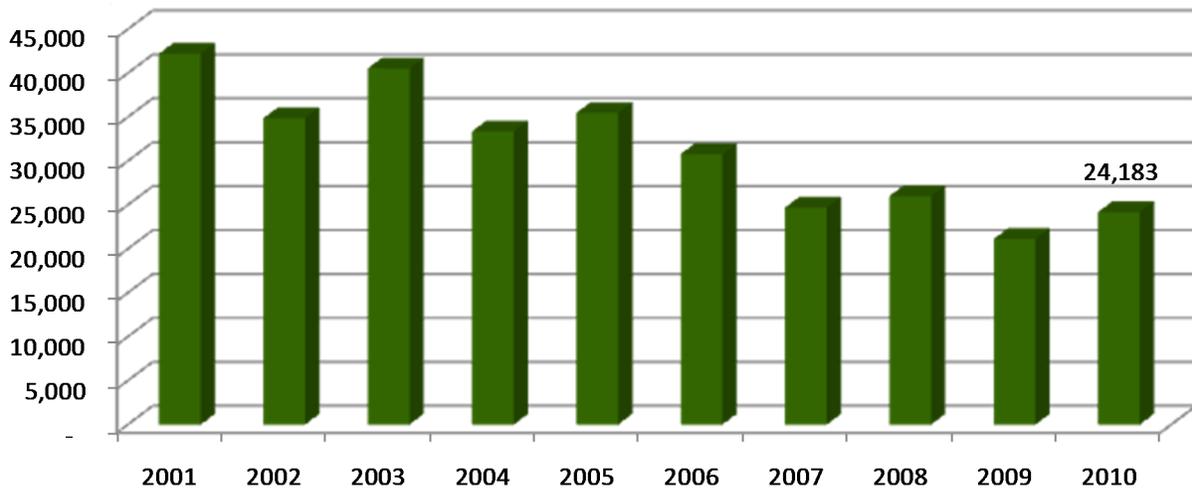
# Customer Service

## Employee/Employer Toll-Free Line

The Division is required to maintain a public information program that provides assistance to all parties governed by the Missouri Workers' Compensation Law. The Division maintains a toll-free number for employers and injured employees to call with questions relating to the Workers' Compensation Law. The Unit employs three information specialists to respond to calls received on the toll-free line.

Calls on the toll-free line have generally been decreasing since 2001. Calls did see a slight increase in 2010. Division information specialists handled a total of 24,183 calls in 2010, a 14.5% increase in the number of calls handled in 2009.

**Toll-Free Line Calls 2001 - 2010**



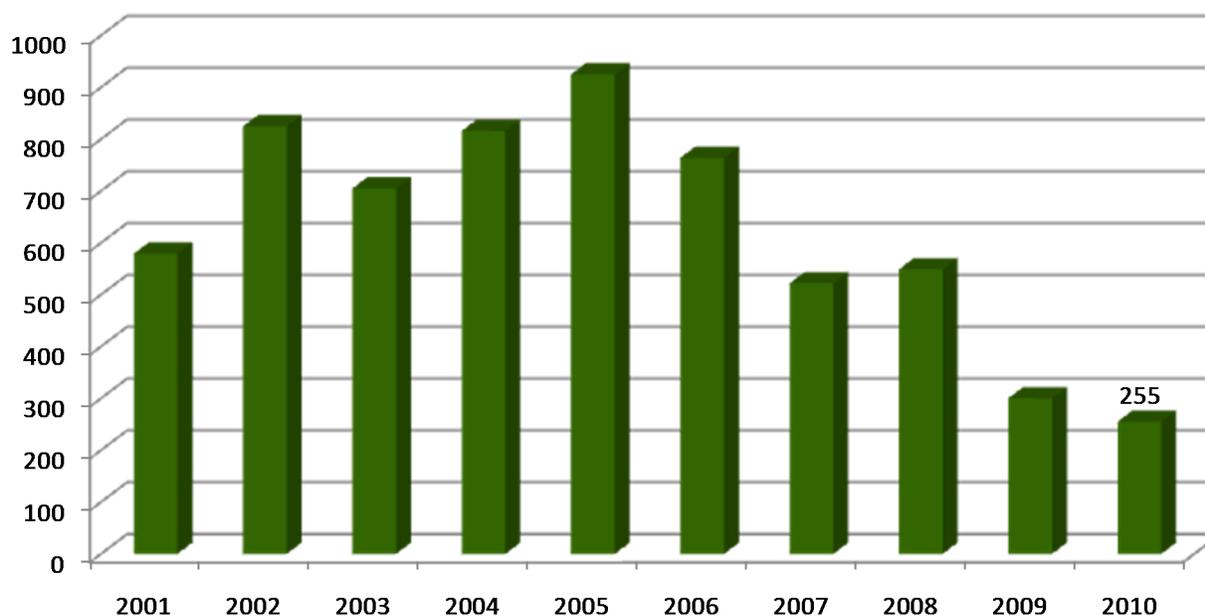
## Dispute Management

The Dispute Management Program offers to mediate disputes that arise soon after a workplace injury occurs. The Division has one mediator who assists parties in resolving medical treatment and lost wage disputes. This is a voluntary process. When one of the parties does not agree to mediate, the party originally requesting mediation services is advised that he or she may take further steps if the problem persists, including requesting a docket setting with an administrative law judge (ALJ). The Dispute Management Unit does not provide voluntary mediation services if a formal Claim for Compensation has been filed with the Division as the filing of a claim initiates a contested case proceeding.

### Voluntary Mediation

Referrals for voluntary dispute management have been decreasing annually at an average rate of approximately 20% since 2005, with only a small upsurge in 2008. In 2010, there were 255 referrals for voluntary mediation, a 15% decrease from 2009.

**Referrals for Voluntary Dispute Management Assistance 2001 - 2010**



### Source of Referrals

The most common source of dispute management referral in 2010 was Division Information Specialists. Over half of the new cases originated from calls to the 800 line for the Division.

Source of Referral	Count	Percent
DWC Information Specialist (800 Line)	140	54.9
Phone Call	56	22.0
Notification of Rights Letter	28	11.0
Dispute Management Conference Request	25	9.8
Other	4	1.5
Case Technician	1	0.4
Medical Fee Dispute	1	0.4
<b>Total</b>	<b>255</b>	<b>100.0</b>

### Cause of Referrals

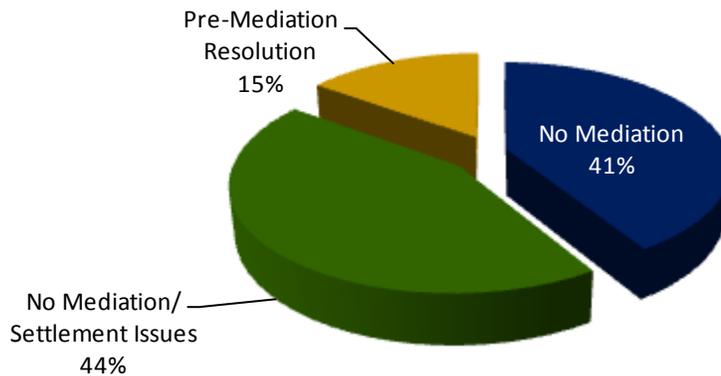
Cases will be referred to the dispute management unit when it appears a mediator may be able to resolve the issue without a formal proceeding. In 2010, the most common specific cause for a dispute referral had to do with an employee's request for medical treatment.

Cause	Count	Percent
Other	87	24.3
EE Request for Med Treatment	52	14.5
Eligibility for TTD	51	14.2
PPD Issues	44	12.3
Denial of Benefits	28	7.8
Unpaid Medical Bills	26	7.3
Need for Medical Treatment	24	6.7
Employer not Reporting Injury	20	5.6
Question Benefit Amounts	20	5.6
Mileage Reimbursement	3	0.8
Wage at Injury	2	0.6
Permanent Disability	1	0.3
<b>Total</b>	<b>358</b>	<b>100.0</b>

\* A case may have more than one cause for referral.

### Voluntary Dispute Referral Outcomes

In 2010, the dispute management unit closed 73 cases. Due to the voluntary nature of the dispute resolution process, the overwhelming majority of cases were closed without mediation.



## Adjudication

The Division's statutory responsibility to adjudicate and resolve disputes under the law is fulfilled by the eight adjudication offices throughout the state of Missouri. The administrative law judges (ALJs), court reporters, docket clerks, and assistants provide the services to the parties to the case who appear at the scheduled docket settings in each respective office. The Division has streamlined the rendition of services by standardizing several forms that the parties utilize to request a docket setting. The Division offers various docket settings, such as voluntary settlement conference; prehearing; mediation; section 287.203 hearing (to contest termination of compensation), hardship hearing; hearing upon final award; and notice to show cause or dismissal settings. The various docket settings are briefly summarized below. The Division also schedules evidentiary hearings on medical fee disputes, crime victims' compensation cases, and tort victims' compensation cases.

A case is set for a **voluntary settlement conference** before an administrative law judge (ALJ) after the employer/insurer has filed a First Report of Injury (FROI) with the Division, or after the employee has initiated a case through the Dispute Management Unit. A voluntary settlement conference may be set by written request of a party by completing a Division-approved form, or it may be set at the discretion of the Division.

A **pre-hearing** is a proceeding before an administrative law judge (ALJ) to discuss issues in a case in which a claim for compensation has been filed. A pre-hearing may be requested when:

- The parties want to present a settlement agreement for approval;
- Disputes or other issues arise that must be resolved in order for the case to proceed; or
- The parties have a good-faith belief that a brief meeting with an administrative law judge (ALJ) will help in moving the case more expeditiously to settlement or final hearing.

A **mediation** is a setting in which the parties and their attorneys, if they are represented, meet with an administrative law judge (ALJ) to discuss issues in a confidential manner, identify areas of agreement and facilitate a compromise settlement of a claim to avoid proceeding to a hearing. A mediation may be set upon the written request of a party, provided that an administrative law judge (ALJ) finds that the issues have been sufficiently developed to make the mediation meaningful. It is the intent of the Division to conduct a mediation before the parties incur the expense of any expert medical depositions.

A **hardship hearing** is an evidentiary hearing held before an administrative law judge (ALJ) when the employee alleges that he or she is not at maximum medical improvement, is in need of medical treatment, or entitled to temporary total disability (TTD) benefits, and the employer is not providing such treatment or benefits. The hearing may alternatively be based on the termination of benefits under section 287.203. A hardship hearing is a hearing in which the employee is requesting the issuance of a temporary or partial award. A temporary or partial award addresses issues of medical treatment and payment of temporary disability benefits. If a party requests the issuance of a final award and makes it an issue at the hearing, and the evidence presented so merits, a final award may be issued.

A **hearing requesting issuance of a final award** is an evidentiary hearing held before an administrative law judge (ALJ). Evidence is offered, testimony is presented, and a verbatim record is made for the reviewing tribunal. A final hearing may be requested when the employee has reached maximum medical improvement or the case is otherwise ready for final resolution.

All parties must appear at the hearing at the date, time, and place set and be ready to proceed with the presentation of evidence on all issues. An administrative law judge (ALJ) may grant a continuance of the final hearing only upon a showing of good cause or by consent of the parties. A continuance will generally not be granted for conflicts after the attorney has cleared the hearing date in advance.

In cases where section 287.203 applies, the administrative law judge (ALJ) shall issue an award, including findings of facts and rulings of law, within 90 days of the last day of the hearing. For all other hearings (except hearings on the medical fee disputes reasonableness cases) an administrative law judge (ALJ) shall issue the award within 90 days of the last day of the hearing. The hearing shall be concluded within 30 days of the commencement of the hearing, except in extraordinary circumstances.

If the administrative law judge (ALJ) determines that any proceedings have been brought, prosecuted or defended without reasonable grounds, the administrative law judge (ALJ) may assess the whole cost of the proceedings upon the party who brought, prosecuted, or defended them. The administrative law judge (ALJ) shall not issue a written award if the case is settled or dismissed after a hearing and before the award is issued.

**Compromise settlements** between the parties must be approved by an administrative law judge (ALJ) in order to be valid. An administrative law judge (ALJ) will approve a settlement agreement pursuant to section 287.390 as valid and enforceable as long as:

- The settlement is not the result of undue influence or fraud;
- The employee fully understands his or her rights and benefits;
- The employee voluntarily agrees to accept the terms of the agreement; and
- The settlement is in accordance with the rights of the parties.

All stipulations for compromise settlement submitted for approval must be accompanied by copies of all available medical rating reports, surgical notes, and radiological reports, or progress notes showing a diagnosis, or statement from the employer/insurer's attorney indicating that the injury is of such a minor nature that no medical report is necessary. Stipulations for compromise settlement in an acceptable format may be presented for approval by mail or in person.

An order of **default judgment or dismissal** may be issued in the following circumstances:

- **Default Hearings and Awards** – A case may be set for default judgment upon the request of the employee if the employer/insurer has failed to appear and/or defend the claim.
- **Dismissal for Failure to Prosecute** – Cases in which no party has requested a setting in one year will automatically be set on a dismissal docket. The claim for compensation may be dismissed for failure to prosecute if after notice to the parties, the claimant or the claimant's attorney fails to show good cause as to why the claim should not be dismissed.
- **Voluntary Dismissals** - A claim for compensation may be voluntarily dismissed by the employee as to any party, or the case as a whole.

## Docket Settings & Hearings

In 2010, there were just over 76,000 non-cancelled docket settings handled by administrative law judges in the eight adjudication offices across the state. Nearly 4% (2,800) of these settings were for evidentiary hearings. Non-hearing setting types decreased 5.6% in 2010, but settings for hearings, both final and hardship, increased just over 2%.

Office/Docket Location	Counties Covered	Setting Types				Hearing Types	
		Conference	Pre-Hearing	Mediation	Dismissal	Hardship	Final
<b>Cape Girardeau Office</b>							
Bloomfield	Stoddard	69	39	114	28	1	10
Cape Girardeau	Bollinger, Cape Girardeau, Perry	355	210	423	109	19	39
Caruthersville	Dunklin, Pemiscot	71	27	227	38	0	7
Farmington	St. Francois, St. Genevieve	173	96	310	78	5	11
Festus	Jefferson	216	84	417	173	6	28
Ironton	Iron, Madison, Reynolds, Washington	54	38	110	26	1	8
New Madrid	New Madrid	65	63	131	31	1	3
Popular Bluff	Butler, Carter, Ripley, Wayne	109	79	321	60	3	31
Sikeston	Mississippi, Scott	134	109	193	62	4	8
<b>Jefferson City Office</b>							
Boonville	Cooper, Howard	72	117	0	13	0	2
Camdenton JC	Camden, Hickory, Morgan	176	412	0	24	5	21
Columbia	Boone	411	1,062	0	24	6	48
Eldon (Held in J.C.)	Miller	55	207	0	21	1	13
Fulton (Held in J.C.)	Callaway	127	635	0	8	6	23
Hannibal	Clark, Lewis, Marion, Pike, Ralls	210	711	0	35	9	21
Hermann	Gasconade	42	124	0	5	0	1
Jefferson City	Cole, Maries, Moniteau, Osage	321	740	783	45	15	29
Kirksville	Adair, Knox, Putnam, Schuyler, Scotland, Sullivan	105	239	0	10	1	3
Macon	Linn, Macon, Shelby	89	123	0	6	0	6
Marshall	Saline	105	159	0	19	0	27
Mexico	Audrain, Montgomery	78	442	0	24	5	5
Moberly	Chariton, Monroe, Randolph	123	361	0	17	1	6
Rolla	Crawford, Dent, Phelps	175	661	0	25	5	24
Sedalia	Benton, Pettis	155	493	0	23	8	17

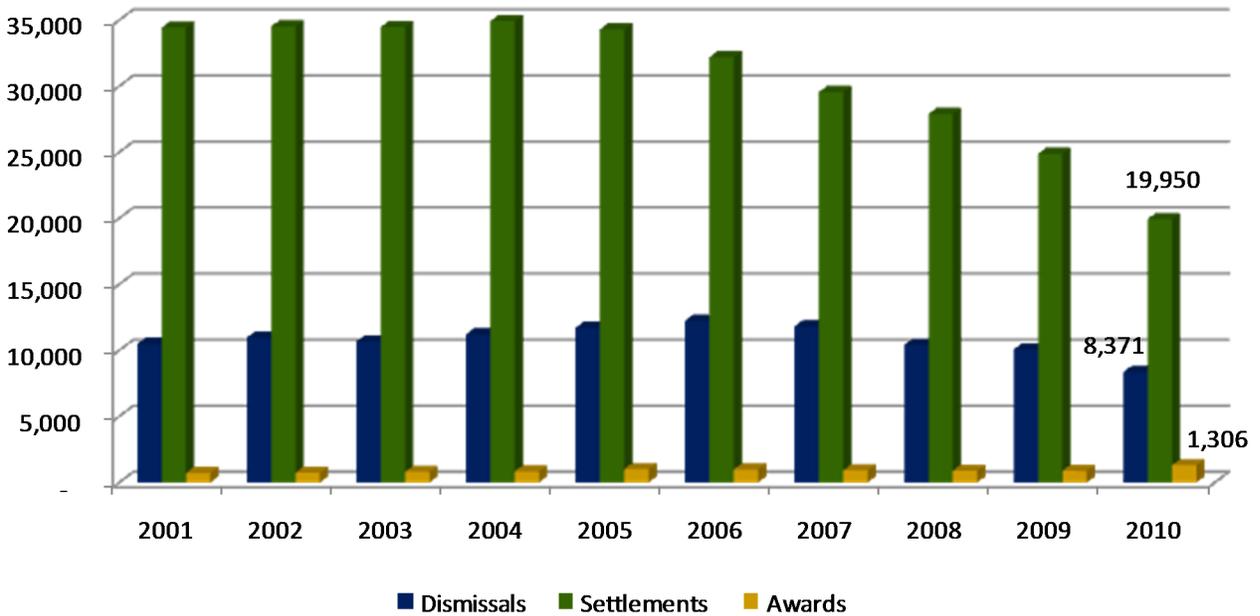
Office/Docket Location	Counties Covered	Setting Types				Hearing Types	
		Conference	Pre-Hearing	Mediation	Dismissal	Hardship	Final
<b>Joplin Office</b>							
Joplin	Jasper	403	1,605	313	57	4	48
Lamar	Barton, Cedar, Dade, Vernon	133	601	1	16	0	0
Monett	Barry, Lawrence	190	838	0	23	0	0
Neosho	McDonald, Newton	123	400	0	20	0	0
<b>Kansas City Office</b>							
Clinton	Bates, Henry, Johnson, St. Clair	144	42	0	75	2	21
Kansas City	Cass, Jackson, Southern Platte	1,132	283	2,014	1,569	170	569
Lexington	Lafayette, Ray	89	16	0	48	2	10
Liberty	Clay	391	330	53	336	18	72
<b>Springfield Office</b>							
Branson	Stone, Taney	164	264	69	34	1	5
Lebanon	Laclede, Pulaski, Wright	137	225	81	24	1	6
Springfield	Christian, Dallas, Greene, Polk, Webster	772	1,778	702	144	18	106
West Plains	Douglas, Howell, Oregon, Ozark, Shannon, Texas	145	183	29	20	1	8
<b>St. Charles Office</b>							
St. Charles	St. Charles	287	5,625	866	96	7	94
Union/Washington	Franklin	219	1,787	287	40	4	17
Warrenton	Lincoln, Warren	75	741	53	64	4	14
<b>St. Joseph Office</b>							
Bethany	Daviess, Harrison	18	26	0	2	0	0
Chillicothe	Caldwell, Carroll, Livingston	53	87	11	8	0	1
Maryville	Atchison, Gentry, Holt, Nodaway, Worth	64	77	3	6	0	6
Platte	Platte	243	429	140	70	11	18
St. Joseph	Andrew, Buchanan, Clinton, DeKalb	450	1,024	235	78	8	33
Trenton	Grundy, Mercer	33	58	5	6	0	0
<b>St. Louis Office</b>							
St. Louis	City of St. Louis, St. Louis County	2,209	16,379	10,327	689	86	937
<b>TOTALS</b>		<b>10,964</b>	<b>40,029</b>	<b>18,218</b>	<b>4,329</b>	<b>439*</b>	<b>2,361*</b>

\* Note: Last minute cancellations of scheduled hearings, due to settlement or requests for continuance, are not recorded in our database. Therefore, the number of hearings actually conducted is lower than shown here.

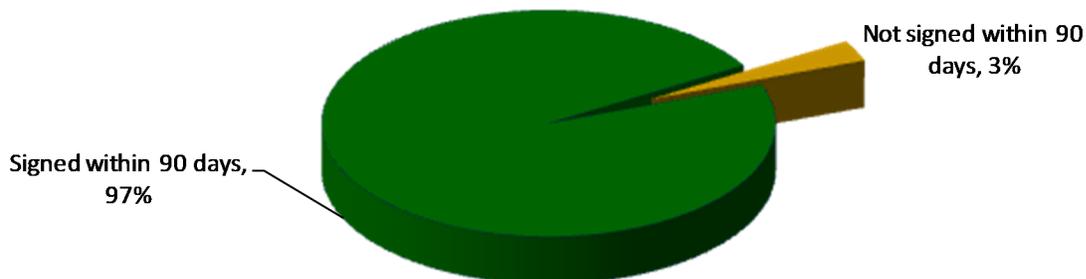
## Case Resolutions

In 2010, just under 25,000 workers' compensation cases were resolved. This is a 15.8% decrease from the number of cases resolved in 2009. Approximately 65% of the resolutions for the year were in the form of settlements and just under a third of the cases resolved were dismissed.

**Workers' Compensation Case Resolutions 2001 - 2010**



Section 287.460, RSMo, requires all awards to be signed by the administrative law judge within 90 days of the last hearing on the case, unless there are “extraordinary circumstances where a lengthy trial or complex issues necessitate a longer time than 90 days.” In 2010, 97% of all awards were signed within the statutory time frame. In 2008 and 2009, the ALJs also achieved a 97% success rate.



## **Tort Victims' Compensation Fund**

The Missouri Tort Victims' Compensation Fund (the Fund) was established by legislation passed in 1987. Revenue into the Fund is generated by a portion of money paid as punitive damages in civil lawsuits in Missouri. In 2001, the Missouri General Assembly enacted legislation authorizing claims to be made against the Fund, giving the Division of Workers' Compensation the duty to evaluate those claims, and set up criteria for the evaluation of those claims.

The purpose of the Fund is to help compensate people who have been injured due to the negligence or recklessness of another (such as in a motor vehicle collision or a hunting accident), and who have been unable to obtain full compensation because the party at fault (the "tortfeasor") had no insurance, or inadequate insurance, or has filed for bankruptcy, or for other reasons specified in the law.

There were 24 claims filed during the 2008 Annual Claims Period. On Dec. 29, 2008, the balance in the Fund was slightly more than \$53,000.00. On Dec. 30, 2008, the Fund received a check for \$3.13 million, raising the balance in the Fund to \$3.19 million. Twenty of the 2008 claims were successful; the value of individual claims ranged from \$25,000.00 to \$300,000.00, and the aggregated total was \$4,005,458.59.

On June 30, 2009, there was \$2,420,203.11 available to pay claims. A decision was made to utilize these funds to pay, on a pro rata basis, the successful claims filed during the 2006, 2007 and 2008 Annual Claims Periods combined. Each successful claimant received over 21.1 cents for each dollar awarded.

In 2009, there were 36 claims filed during the Annual Claims Period. The review process began in January 2010. The balance of the fund on December 31, 2009 was \$60,099.65. Thirty two claims were successful and on June 30, 2010, \$2,450,000.00 was available in the fund to pay claims. Each claimant received more than 34.2 cents for each dollar awarded. The balance of the fund on December 31, 2010 was \$533,589.18.

## **Crime Victims' Compensation Fund**

Effective Aug. 28, 2007, the Missouri Crime Victims' Compensation Fund was transferred from the Division of Workers' Compensation to the Missouri Department of Public Safety. However, the Division's administrative law judges (ALJs) have the statutory authority to hold hearings de novo upon a petition filed by a party aggrieved by the decision of the Department of Public Safety. The administrative law judge (ALJ) may affirm, reverse or set aside the decision of the Department. The administrative law judge's (ALJ) decision may be appealed to the Labor and Industrial Relations Commission. In 2010, there were 32 hearings and prehearings held for the Crime Victims' Compensation Fund. There were 9 such hearings held in 2009 and 42 in 2008.

# Interstate Comparison

## Workers' Compensation Premium Rate Rankings

Missouri employers pay, on average, the 19<sup>th</sup> lowest workers' compensation premium rates in the nation. Missouri's premium rate index is \$1.90 per \$100 of payroll or 93% of the national median, which was \$2.04 in 2010. This is a 9.7% decrease from the national median in 2008.

2010 Ranking	2008 Ranking	State	Index Rate	Percent of study median	Effective Date
1	2	Montana	3.33	163%	July 1, 2009
2	1	Alaska	3.10	152%	January 1, 2010
3	10	Illinois	3.05	149%	January 1, 2010
4	9	Oklahoma	2.87	141%	11/1/09 State Fund, 1/1/10 Private
5	13	California	2.68	131%	January 1, 2010
6	20	Connecticut	2.55	125%	January 1, 2010
7	16	New Jersey	2.53	124%	January 1, 2010
8	5	Maine	2.52	123%	January 1, 2010
10	14	New Hampshire	2.45	120%	January 1, 2010
10	8	Alabama	2.45	120%	March 1, 2009
12	17	Texas	2.38	117%	May 1, 2009
12	12	South Carolina	2.38	117%	July 1, 2009
13	19	New York	2.34	115%	October 1, 2009
14	15	Pennsylvania	2.32	114%	April 1, 2009
15	7	Kentucky	2.29	112%	October 1, 2009
16	24	Minnesota	2.27	111%	January 1, 2010
17	3	Ohio	2.24	110%	July 1, 2009
18	4	Vermont	2.22	109%	April 1, 2009
19	34	Wisconsin	2.21	108%	October 1, 2009
20	21	Tennessee	2.19	108%	November 4, 2009
21	18	Nevada	2.13	104%	March 2, 2009
23	32	Michigan	2.12	104%	January 1, 2009
23	22	North Carolina	2.12	104%	April 1, 2009
24	25	Georgia	2.08	102%	July 1, 2009
25	11	Louisiana	2.06	101%	October 1, 2009
26	38	Washington	2.04	100%	January 1, 2010
28	36	South Dakota	2.02	99%	July 1, 2009
28	26	Rhode Island	2.02	99%	January 1, 2010
29	34	Idaho	1.98	97%	January 1, 2010
30	32	Nebraska	1.97	97%	February 1, 2009
31	24	Mississippi	1.96	96%	March 1, 2009
32	32	New Mexico	1.91	94%	January 1, 2010
<b>33</b>	<b>28</b>	<b>Missouri</b>	<b>1.90</b>	<b>93%</b>	<b>January 1, 2010</b>
34	7	Delaware	1.85	91%	December 1, 2009
35	41	West Virginia	1.84	90%	November 1, 2009
36	41	Iowa	1.82	89%	January 1, 2010
37	37	Wyoming	1.79	88%	January 1, 2010
38	45	Arizona	1.71	84%	January 1, 2010
40	36	Hawaii	1.70	83%	January 1, 2010
40	28	Florida	1.70	83%	January 1, 2010
41	39	Oregon	1.69	83%	January 1, 2010
42	44	Maryland	1.63	80%	January 1, 2010
43	42	Kansas	1.55	76%	January 1, 2010
44	49	Massachusetts	1.54	75%	September 1, 2008
45	46	Utah	1.46	71%	December 1, 2009
47	43	Colorado	1.39	68%	January 1, 2010
47	48	Virginia	1.39	68%	April 1, 2009
48	29	District of Columbia	1.32	65%	November 1, 2009
49	47	Arkansas	1.18	58%	July 1, 2009
50	50	Indiana	1.16	57%	January 1, 2010
51	51	North Dakota	1.02	50%	July 1, 2009

Source: Oregon Department of Consumer & Business Services, 2010.

## MO DWC Contacts

Missouri Division of Workers' Compensation  
(Central Office)

P.O. Box 58

Jefferson City, MO 65102-0058

(573) 751-4231

Internet Home Page: [www.labor.mo.gov/wc](http://www.labor.mo.gov/wc)

Employee Toll Free Information Line:

(800) 775-2667

Employer Toll Free Information Line:

(888) 837-6069

Missouri Workers' Safety Program

P.O. Box 449

Jefferson City, MO 65102-0449

(573) 526-5757

Dispute Management Unit

P.O. Box 58

Jefferson City, MO 65102-0058

(573) 526-4951

Insurance Unit

P.O. Box 58

Jefferson City, MO 65102-0058

(573) 526-3692

Benefits Unit –

Rehabilitation and Second Injury Fund

P.O. Box 58

Jefferson City, MO 65102-0058

(573) 526-3505

Fraud and Noncompliance Unit

P.O. Box 1009

Jefferson City, MO 65102-1009

(800) 592-6003

Medical Fee Disputes and Religious Exceptions

P.O. Box 58

Jefferson City, MO 65102-0058

(573) 526-5610 or (573) 522-2546

### Local Office Directory

#### Cape Girardeau

Phone: (573) 290-5757 Fax: (573) 290-5760

3102 Blattner, Suite 101

Cape Girardeau, MO 63701

#### Jefferson City

Phone: (573) 751-4231 Fax: (573) 751-2012

3315 West Truman Blvd., P.O. Box 58

Jefferson City, MO 65102

#### Joplin

Phone: (417) 629-3032 Fax: (417) 629-3035

3311 Texas Ave.

Joplin, MO 64801

#### Kansas City

Phone: (816) 889-2481 Fax: (816) 889-2489

1410 Genessee St., Suite 210

Kansas City, MO 64102-1047

#### Springfield

Phone: (417) 888-4100 Fax: (417) 888-4105

1736 E. Sunshine, Suite 610

Springfield, MO 65804

#### St. Charles

Phone: (636) 940-3326 Fax: (636) 940-3331

3737 Harry S. Truman Blvd.

St. Charles, MO 63301

#### St. Joseph

Phone: (816) 387-2275 Fax: (816) 387-2279

525 Jules St.

St. Joseph, MO 64501

#### St. Louis

Phone: (314) 340-6865 Fax: (314) 340-6915

111 North 7<sup>th</sup> St., Room 250

St. Louis, MO 63101

## Additional Contacts

Missouri Department of Insurance  
Property and Casualty Section  
P.O. Box 690  
Jefferson City, MO 65102-0690  
(573) 751-3365 or (800) 726-7390  
Internet Home Page: [www.insurance.mo.gov](http://www.insurance.mo.gov)

National Council on Compensation Insurance  
11430 Gravois Road  
St. Louis, MO 63126  
(314) 843-4001  
Customer Service (800) 622-4123  
Internet Home Page: [www.ncci.com](http://www.ncci.com)

**Missouri Department of Labor  
and Industrial Relations**

Division of Workers' Compensation  
P.O. Box 58  
3315 West Truman Blvd.  
Jefferson City, MO 65102-0058

Phone: 800-775-2667  
E-mail: [workerscomp@dolir.mo.gov](mailto:workerscomp@dolir.mo.gov)  
Website: [www.dolir.mo.gov](http://www.dolir.mo.gov)

