



DEPARTMENT OF
LABOR
& INDUSTRIAL RELATIONS

Missouri
Division of Workers'
Compensation
Annual Report
2012

MISSION STATEMENT:

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



Table of Contents

- Table of Contents.....2
- Introduction.....3
- Organizational Chart4
- Biographies.....5
- Administration.....6
- Assessments & Expenditures8
 - WC Administration Fund8
 - Second Injury Fund9
- Workers' Compensation10
 - First Reports of Injury10
 - Claims for Compensation14
 - Occupational Disease Claims17
 - Fatalities19
- Second Injury Fund.....20
 - Claims20
 - Benefit Payments23
 - Recovery Payments26
- Fraud and Noncompliance27
- Insurance32
- Legal33
 - Line of Duty Compensation Fund.....34
- Customer Service35
 - Toll-Free Line35
- Dispute Management.....36
 - Voluntary Mediation.....36
- Adjudication.....38
 - Docket Settings & Hearings40
 - Case Resolutions.....42
- Tort Victims' Compensation Fund43
- Crime Victim's Compensation Fund43
- Accomplishments and Initiatives44
 - House Bill 1540.....45
- Interstate Comparison46
- MO DWC Contacts.....47

Tables & Figures

- Administration Fund Assessment Rate8
- Second Injury Fund Assessment Rate9
- First Reports of Injury.....10
- First Reports of Injury by County.....11
- First Reports of Injury by Industry.....12
- First Reports of Injury by Age & Gender13
- First Reports of Injury by Body Part.....13
- Claims for Compensation.....14
- Claims for Compensation by Industry.....15
- Claims for Compensation by Body Part.....15
- Claims for Compensation Outcomes.....16
- Occupational Disease Claims.....17
- Occupational Disease Claims by Injury18
- Occupational Disease Claims by Industry.....18
- Fatalities.....19
- Fatalities by Age & Gender19
- Fatalities by Industry.....19
- Second Injury Fund Claims.....21
- Second Injury Fund Claim Resolutions22
- Second Injury Fund PTD Payments23
- Second Injury Fund PPD Payments24
- Second Injury Fund Death Payments24
- Second Injury Fund Rehabilitation Payments.....25
- Second Injury Fund Indemnity Payments25
- Second Injury Fund Medical Payments26
- Fraud & Noncompliance Cases Received28
- F & N Cases Administratively Closed28
- F & N Cases Referred to Attorney General29
- F & N Referrals to AGO by Party or Industry.....29
- Successful F & N Prosecutions.....30
- Deferred Prosecutions & Hold Harmless Agreements30
- F & N Penalties Received31
- Self Insurance Program Statistics32
- Individual Self Insurers by Industry32
- Religious Exception Program Statistics33
- Reasonableness Medical Fee Disputes33
- Toll-Free Line Calls.....35
- Referrals for Voluntary Dispute Management Assistance 36
- Source of Referrals.....37
- Cause of Referrals.....37
- Voluntary Dispute Referral Outcomes.....37
- Docket Settings & Hearings by Location40
- WC Case Resolutions42
- WC Premium Rate Ranking.....46



Introduction

The Workers' Compensation Law is the exclusive remedy of an employee injured at work against his or her employer only for those injuries that come within the definition of the term 'accident' (See Sec. 287.020.2). However, injuries resulting from occupational diseases caused by work conditions (for example: repetitive motion injuries required by one's job; loss of hearing due to consistent high noise level at work; communicable diseases resulting from employment; and lung diseases caused by work conditions) are compensable under the Workers' Compensation Law and can also be remedied through the court system. Any reference to employers includes the workers' compensation insurance carrier or Division of Workers' Compensation (Division) approved individual self-insured employer 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 very small and very specific groups of employees, including 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 to be granted self-insurance authority.

The Division administers the Workers' Compensation Law with eight adjudication offices equipped to render services to employees and employers. The Division carries out its responsibilities through several programs and units located primarily in Jefferson City that provide 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.

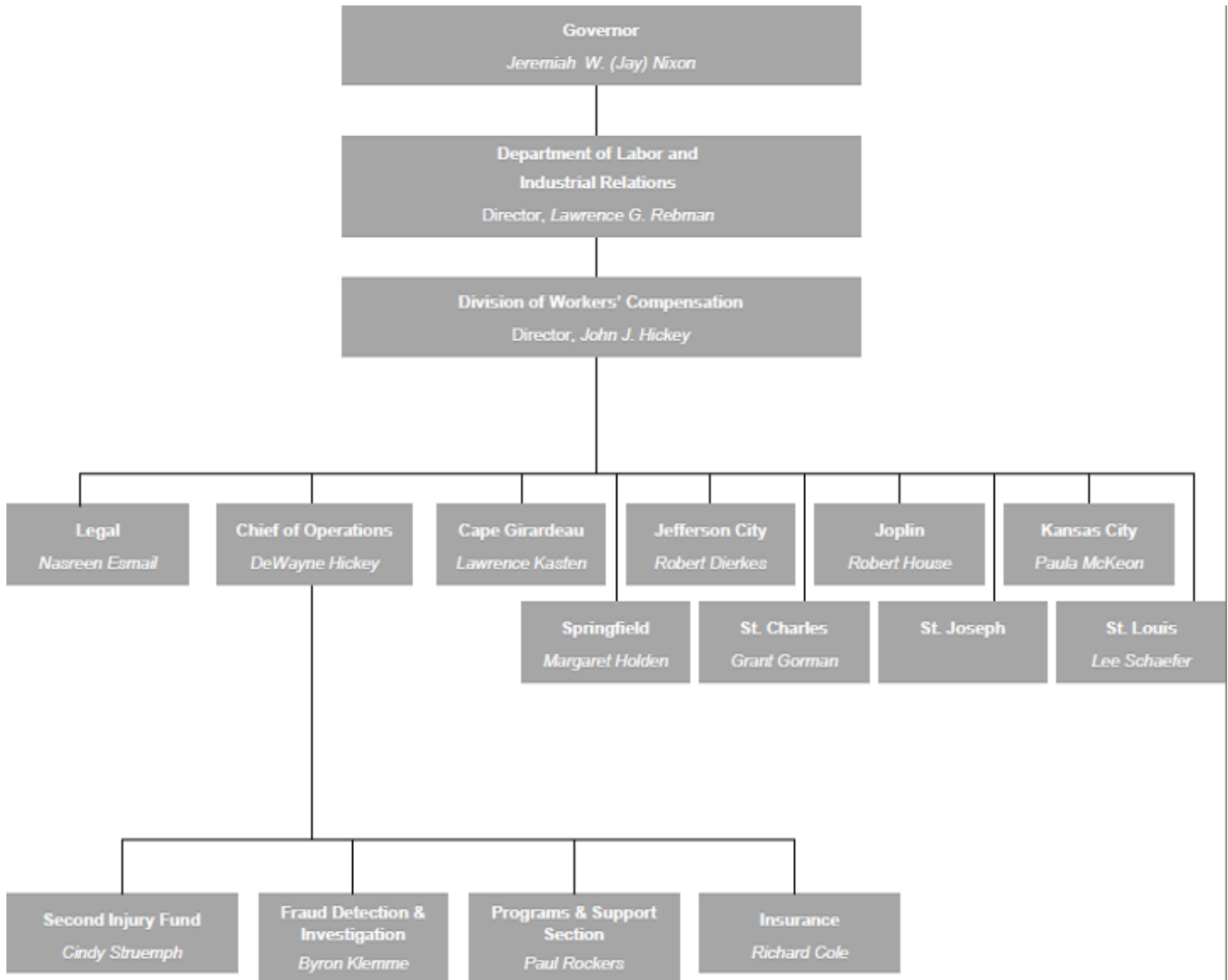
Under the Missouri Workers' Compensation Law, injured employees may receive medical benefits, temporary total disability benefits (TTD), and permanent partial disability or permanent total disability benefits. The TTD benefits generally equal two-thirds of the injured employee's average weekly wage not 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 summarizes² the transactions and proceedings undertaken for the year 2012.

¹ 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. 2012 unless otherwise specified.



Organizational Chart





Biographies



Lawrence G. Rebman

Director, Department of Labor

Gov. Jay Nixon appointed Larry Rebman to serve as the Director of the Department of Labor and Industrial Relations in 2009. 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.



John J. Hickey

Director, Division of Workers' Compensation

John J. Hickey was appointed to serve as the Division of Workers' Compensation Director of the Missouri Department of Labor in 2011. Prior to this appointment, Hickey served as the employee representative commissioner on the Labor and Industrial Relations Commission for nine years. Hickey also represented the 80th District in the Missouri House of Representatives from 1993 to 2002. Hickey served on both the Workers' Compensation Committee and Labor Committee for 10 years and was Chairman for seven years.



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. This position works closely with management staff to optimize daily operations and ensure the Division's mission and goals are achieved.

PROGRAMS & SUPPORT

Paul Rockers, *Manager*

The Programs and Support Unit receives all filings made by the parties with the Division. Examples of documents 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. This unit's functions include claims processing, database management, case review, imaging, electronic data interchange (EDI) monitoring, fulfilling copy work requests, and responding to inquiries by the Social Security Administration. This unit also oversees the Customer Service Unit, which handles all calls to the Division on the toll-free line.

INSURANCE

Richard Cole, *Manager*

The Insurance Unit oversees roughly 32 percent 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.

LEGAL

Nasreen Esmail, *Chief Legal Counsel*

The Legal Unit provides legal advice and assistance to the Division Director and various units and programs within the Division. The Legal Unit oversees the Religious Exception Program, Medical Fee Dispute Program, Line of Duty Compensation Fund, Proof of Coverage, and the Dispute Management Unit. The unit responds to subpoenas and requests for records, complaints referred by other agencies, constituent requests, and all email inquiries sent to the Division's website. 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 1,800 telephone calls per month from stakeholders with questions about workers' compensation law, procedural requirements, or status of a particular case. These calls are made on a special 800 number maintained by 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 mediator to determine if any disputes can be resolved by telephone conferences, rather than a personal appearance at one of the adjudication offices.

SECOND INJURY FUND

Cindy Struemph, *Manager*

The Second Injury Fund Unit is responsible for the billing and collection of the Second Injury Fund (SIF) surcharge as well as processing SIF benefits. When an employee is eligible for benefits and a compromise settlement has been approved or an award has been issued by the Administrative Law Judge, the Division processes payments to the injured worker. The SIF Unit also pursues recoveries of overpayments made on permanent total disability cases and certifies the rehabilitation facilities and vocational rehabilitation providers. The SIF Unit also oversees the records in the Division's file room which are transferred to the Secretary of State's Office.

FRAUD & NONCOMPLIANCE

Byron Klemme, *Investigation Manager*

The Fraud and Noncompliance 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 includes 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.

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 of 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 Administrative Fund Tax and Surcharge

As required by §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 policyholder insured in Missouri. Section 287.690, RSMo authorizes the imposition of an administrative tax not to exceed two percent and §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 §287.690, RSMo.

Year	Premium Base	WC Assessment Rate	Revenue Collected*
2003	\$1,858,069,744	2.0%	\$24,518,368
2004	\$2,025,220,834	1.0%	\$58,420,436
2005	\$2,038,285,101	0.0%	\$4,910,336
2006	\$2,011,936,403	0.0%	\$1,637,961
2007	\$1,935,620,269	1.0%	\$11,836,057
2008	\$1,694,928,423	1.0%	\$15,066,584
2009	\$1,514,085,982	0.5%	\$8,694,109
2010	\$1,323,493,497	1.0%	\$12,296,302
2011	\$1,351,278,216	1.0%	\$12,064,890
2012	Not yet available	1.0%	\$13,516,121

Source: Missouri Department of Insurance, Financial Institutions and Professional Registration and Missouri SAM II Financial System.

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

BALANCE of fund on January 1, 2012	\$ 12,126,005
Revenue:	
Tax & Surcharge Collections	13,516,121
Interest	75,013
Miscellaneous Receipts	756,280
Total Revenue	\$ 14,347,414
Expenditures:	
Administrative Costs	15,334,106
Total Expenditures	\$ 15,334,106
BALANCE of fund on December 31, 2012	\$ 11,139,313



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 §287.715.2, RSMo and shall not exceed three percent.

Year	Premium Base	SIF Assessment Rate	Revenue Collected
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	\$1,935,620,269	3.0%	\$68,264,360
2008	\$1,694,928,423	3.0%	\$54,769,650
2009	\$1,514,085,982	3.0%	\$53,324,593
2010	\$1,323,493,497	3.0%	\$40,862,081
2011	\$1,351,278,216	3.0%	\$40,938,834
2012	Not yet available	3.0%	\$42,574,366

Source: Missouri Department of Insurance, Financial Institutions and Professional Registration and Missouri SAM II Financial System.

BALANCE of fund on January 1, 2012	\$ 5,846,898
Revenue:	
Surcharge Collections	42,574,366
Interest	47,950
Miscellaneous Receipts	100,923
Total Revenue	\$42,723,239
Expenditures:	
Benefit Disbursements	41,504,501
Administrative Costs	3,824,308
Total Expenditures	\$45,328,809
BALANCE of fund on December 31, 2012	\$3,241,328*
<p>*does not include approximately \$28,134,585.16 in awards that have been issued that are currently being held for payment due to the financial condition of the fund.</p>	

Source: Missouri SAM II Financial System



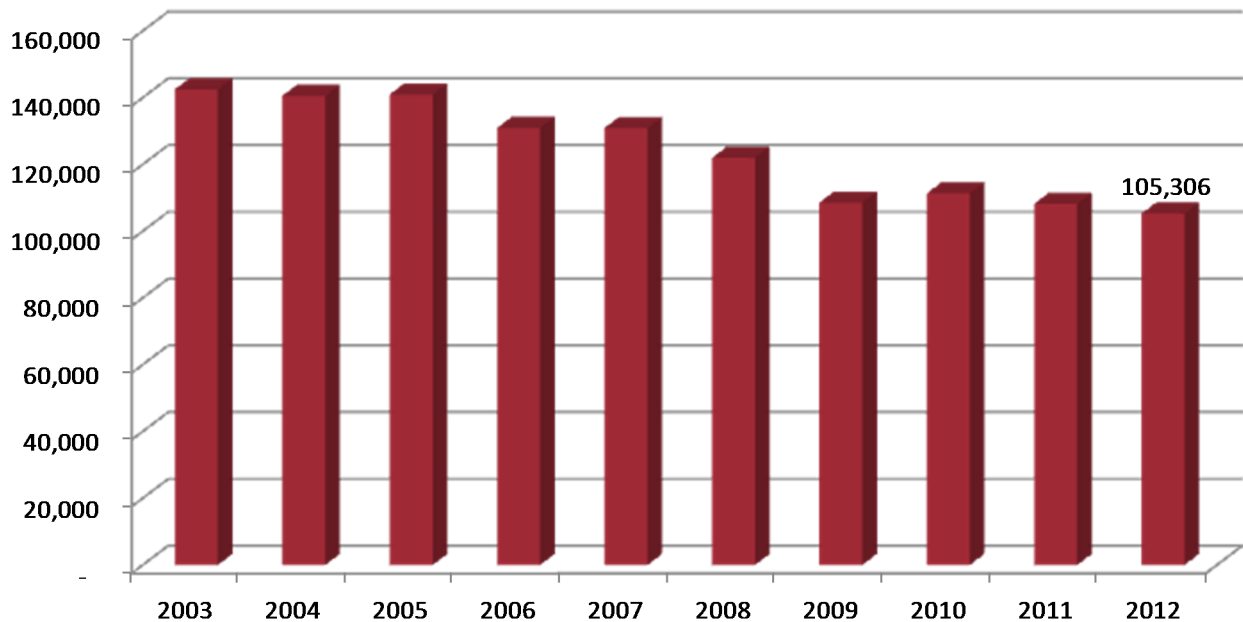
Workers' Compensation

First Reports of Injury (FROIs)

Every injury and occupational disease occurring in Missouri, except "first aid" cases not requiring medical treatment or lost time from work must be reported to the Division. The injury must be reported by the employer or his insurer within 30 days after having knowledge of the injury. The employer must report all injuries to its insurance carrier or third party administrator within five days of the date of the injury or within five days of the date on which the injury was reported to the employer by the employee, whichever is later. Since July 1995, the Division has received 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 2012, 98 percent 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 FROIs was 14.5 days and by 2010, the average time to process decreased to 1.4 days.

Total FROI filings have generally decreased an average of just under four percent a year from 2005 to 2012, though there was a slight increase in 2010.

First Reports of Injury Filed 2003 - 2012





FROIs by County - 2012

<u>County</u>	<u>FROI</u>	<u>County</u>	<u>FROIs</u>	<u>County</u>	<u>FROIs</u>
Adair	390	Grundy	143	Perry	451
Andrew	83	Harrison	98	Pettis	1,145
Atchison	70	Henry	345	Phelps	597
Audrain	611	Hickory	37	Pike	310
Barry	875	Holt	63	Platte	1,982
Barton	131	Howard	74	Polk	282
Bates	100	Howell	657	Pulaski	616
Benton	128	Iron	106	Putnam	36
Bollinger	54	Jackson	13,452	Ralls	29
Boone	3,685	Jasper	3,466	Randolph	503
Buchanan	2,507	Jefferson	1,741	Ray	182
Butler	738	Johnson	568	Reynolds	84
Caldwell	45	Knox	41	Ripley	86
Callaway	860	Laclede	647	Saline	598
Camden	673	Lafayette	414	Schuyler	22
Cape Girardeau	1,390	Lawrence	399	Scotland	44
Carroll	71	Lewis	211	Scott	966
Carter	47	Lincoln	455	Shannon	41
Cass	1,126	Linn	210	Shelby	87
Cedar	118	Livingston	295	St. Charles	4,935
Chariton	106	McDonald	380	St. Clair	71
Christian	614	Macon	234	St. Francois	1,182
Clark	79	Madison	113	St. Louis City	6,104
Clay	5,050	Maries	48	St. Louis	21,310
Clinton	279	Marion	757	Ste. Genevieve	266
Cole	1,524	Mercer	72	Stoddard	386
Cooper	214	Miller	324	Stone	231
Crawford	258	Mississippi	189	Sullivan	83
Dade	71	Moniteau	201	Taney	1,351
Dallas	104	Monroe	97	Texas	278
Daviess	48	Montgomery	131	Vernon	294
DeKalb	41	Morgan	117	Warren	356
Dent	204	New Madrid	285	Washington	344
Douglas	76	Newton	427	Wayne	103
Dunklin	393	Nodaway	356	Webster	266
Franklin	1,675	Oregon	95	Worth	9
Gasconade	173	Osage	139	Wright	164
Gentry	79	Ozark	64	OUT OF STATE	529
Greene	6,610	Pemiscot	207	Missing	25



FROIs by Industry - 2012

<u>Industry</u>	<u>FROIs</u>	<u>Percent</u>
Healthcare and Social Assistance	20,128	19.1
Manufacturing	14,749	14.0
Retail Trade	11,580	11.0
Public Administration	9,327	8.9
Educational Services	8,753	8.3
Accommodation and Food Services	6,844	6.5
Construction	6,207	5.9
Transportation and Warehousing	4,969	4.7
Wholesale Trade	4,510	4.3
Administrative and Waste Services	3,847	3.6
Professional, Scientific, and Technical Service	3,095	2.9
Other Services (Except Public Administration)	2,683	2.5
Finance and Insurance	1,844	1.8
Arts, Entertainment, and Recreation	1,561	1.5
Utilities	1,535	1.5
Real Estate and Rental and Leasing	1,239	1.2
Information	1,184	1.1
Agriculture, Forestry, Fishing and Hunting	821	0.8
Mining	149	0.1
Management of Companies and Enterprises	98	0.1
Missing	183	0.2
Total	105,306	100.0



FROIs by Age and Gender

As in previous years, approximately 55 percent of injuries reported to the Division in 2012 were for males. The age group with the most reported injuries was previously males between the ages of 40-49 year olds, however, in 2012, males between the ages of 20-29 had the most injuries reported.

<u>Gender</u>	<u>Age Group</u>	<u>FROIs</u>	<u>Percent</u>
Male	Unknown	604	0.6
Male	10-15	9	0.0
Male	16-19	1448	1.4
Male	20-29	13001	12.4
Male	30-39	12904	12.2
Male	40-49	12970	12.3
Male	50-59	12233	11.6
Male	60-69	4292	4.1
Male	70-79	535	0.5
Male	80-89	62	0.1
Female	Unknown	502	0.5
Female	10-15	6	0.0
Female	16-19	1184	1.1
Female	20-29	10198	9.7
Female	30-39	9206	8.7
Female	40-49	10212	9.7
Female	50-59	10950	10.4
Female	60-69	4357	4.1
Female	70-79	555	0.5
Female	80-89	76	0.1
Unknown	Unknown	0	0.0
Unknown	10-15	0	0.0
Unknown	16-19	0	0.0
Unknown	20-29	1	0.0
Unknown	30-39	1	0.0
Unknown	40-49	0	0.0
Unknown	50-59	0	0.0
Unknown	60-69	0	0.0
Unknown	70-79	0	0.0
Unknown	80-89	0	0.0
Total		105,306	100.0

FROIs by Body Part

<u>Body Part</u>	<u>FROIs</u>	<u>Percent</u>
HEAD	10,993	10.4
Eyes	3,906	3.7
Soft Tissue	2,337	2.2
Mouth/Nose/Teeth	1,235	1.2
Face/Skull	987	0.9
Ears	380	0.4
Facial Bones	317	0.3
Brain	193	0.2
Multiple Head Injury	1,638	1.5
NECK	1,731	1.6
Soft Tissue	845	0.8
Vertebrae/Disc	191	0.2
Spinal Cord	114	0.1
Larynx/Trachea	28	0.0
Multiple Neck Injury	553	0.5
UPPER EXTREMITIES	40,182	38.2
Fingers/Thumbs	14,010	13.3
Wrists/Hands	11,803	11.2
Upper Arms/Shoulders	7,445	7.1
Elbows/Lower Arms	5,816	5.5
Multiple Upper Extremities	1,108	1.1
TRUNK	16,682	15.8
Back	11,356	10.8
Abdomen/Groin/Buttocks	1,748	1.6
Chest	1,469	1.4
Lungs/Internal Organs	1,128	1.1
Pelvis/Sacrum & Coccyx	220	0.2
Spinal Cord/Disc	109	0.1
Heart	101	0.1
Multiple Trunk	551	0.5
LOWER EXTREMITIES	19,158	18.2
Knees/Lower Legs	9,151	8.7
Ankles/Foot/Feet	6,824	6.5
Hips/Upper Legs	1,551	1.5
Toes/Great Toes	963	0.9
Multiple Lower Extremities	669	0.6
BODY SYSTEMS	1,464	1.4
MULTIPLE BODY PARTS	13,169	12.5
WHOLE BODY	209	0.2
NO PHYSICAL INJURY	1,020	1.0
OTHER OR UNSPECIFIED	698	0.7
Total	105,306	100.0

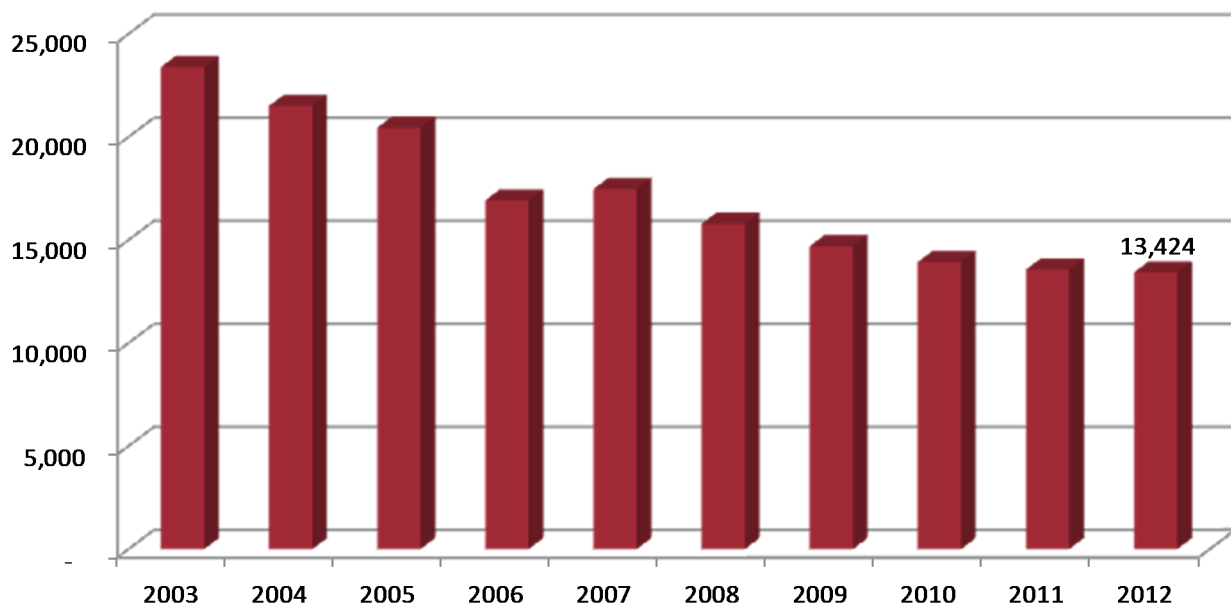


Claims for Compensation

Employees may file Claims for Compensation with the Division if they believe they are not receiving benefits they are entitled to under the 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 2012, the Division received 13,424 claims for compensation filed against employers and insurers. This is a 1.1 percent decrease from the number of claims filed in 2011. Since 2002, claims have generally been decreasing an average of 5 percent annually with only a slight increase in 2007.

Claims for Compensation Filed 2003 - 2012





Claims by Industry

<u>Industry</u>	<u>Claims</u>	<u>Percent</u>
Manufacturing	2,270	16.9
Health Care and Social Assistance	1,533	11.4
Public Administration	1,402	10.4
Retail Trade	1,215	9.0
Transportation and Warehousing	1,063	7.9
Construction	972	7.2
Educational Services	630	4.7
Wholesale Trade	604	4.5
Administrative and Waste Services	596	4.4
Accommodation and Food Services	573	4.3
Professional, Scientific, and Technical Services	398	3.0
Other Services (Except Public Administration)	358	2.7
Finance and Insurance	181	1.3
Utilities	170	1.3
Real Estate and Rental and Leasing	156	1.2
Information	148	1.1
Arts, Entertainment, and Recreation	134	1.0
Agriculture, Forestry, Fishing and Hunting	82	0.6
Mining	21	0.2
Management of Companies and Enterprises	7	0.1
Missing	911	6.8
Total	13,424	100.0

Claims by Body Part

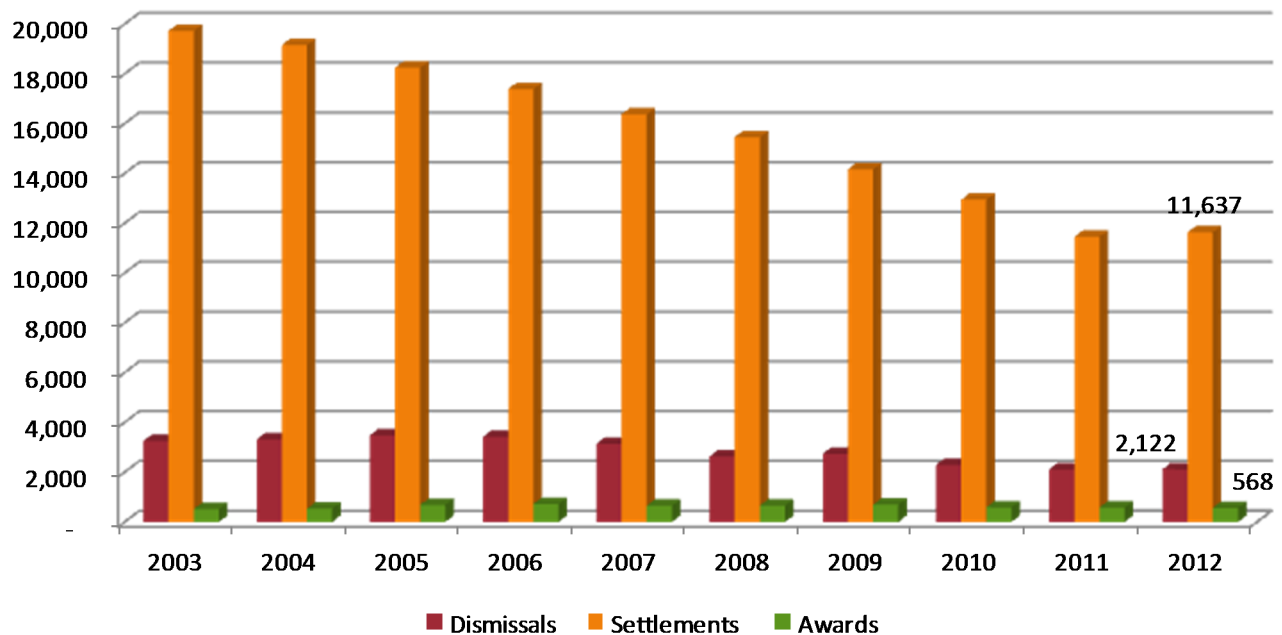
<u>Body Part</u>	<u>Claims</u>	<u>Percent</u>
HEAD	59	0.4
Eyes	16	0.1
Ears	15	0.1
Soft Tissue	13	0.1
Mouth/Nose/Teeth	4	0.0
Brain	3	0.0
Face/Skull	1	0.0
Multiple Head Injury	7	0.1
NECK	16	0.1
Soft Tissue	10	0.1
Spinal Cord	1	0.0
Multiple Neck Injury	5	0.0
UPPER EXTREMITIES	261	2.0
Upper Arms/Shoulders	105	0.8
Wrists/Hands	58	0.5
Elbows/Lower Arms	30	0.2
Fingers/Thumbs	25	0.2
Multiple Upper Extremities	43	0.3
TRUNK	228	1.7
Back	169	1.3
Abdomen/Groin/Buttocks	38	0.3
Lungs/Internal Organs	14	0.1
Chest	5	0.0
Pelvis/Sacrum/Coccyx	1	0.0
Spinal Cord/Disc	1	0.0
LOWER EXTREMITIES	141	1.1
Knees/Lower Legs	78	0.6
Ankles/Foot/Feet	35	0.3
Hips/Upper Legs	10	0.1
Toes/Great Toes	2	0.0
Multiple Lower Extremities	16	0.1
BODY SYSTEMS	1	0.0
MULTIPLE BODY PARTS	12,664	94.3
WHOLE BODY	50	0.4
NO PHYSICAL INJURY	1	0.0
OTHER OR UNSPECIFIED	3	0.0
Total	13,424	100.0



In 2012, 14,327 Claims for Compensation filed against employers and insurers were resolved by the Division's administrative law judges (ALJ). Claims may be resolved through the issuance of an award, a compromise settlement, or a dismissal. This is a 1.5 percent increase in the number of employer and insurer claims resolved compared to 2011. As of December 31, 2012, nearly 30,000 Claims for Compensation were pending before the Division.

Case resolution time frames vary considerably for each resolution type, with cases proceeding to an evidentiary hearing before an ALJ and the issuance of an award taking longer to resolve than settlements and dismissals. For cases resolved with the issuance of an award in 2012, it took an average of 45 months from the date the claim was filed to reach a resolution. For settlements, the average time was 22 months and for dismissals, 29 months.

Claims for Compensation Resolutions 2003 - 2012



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.

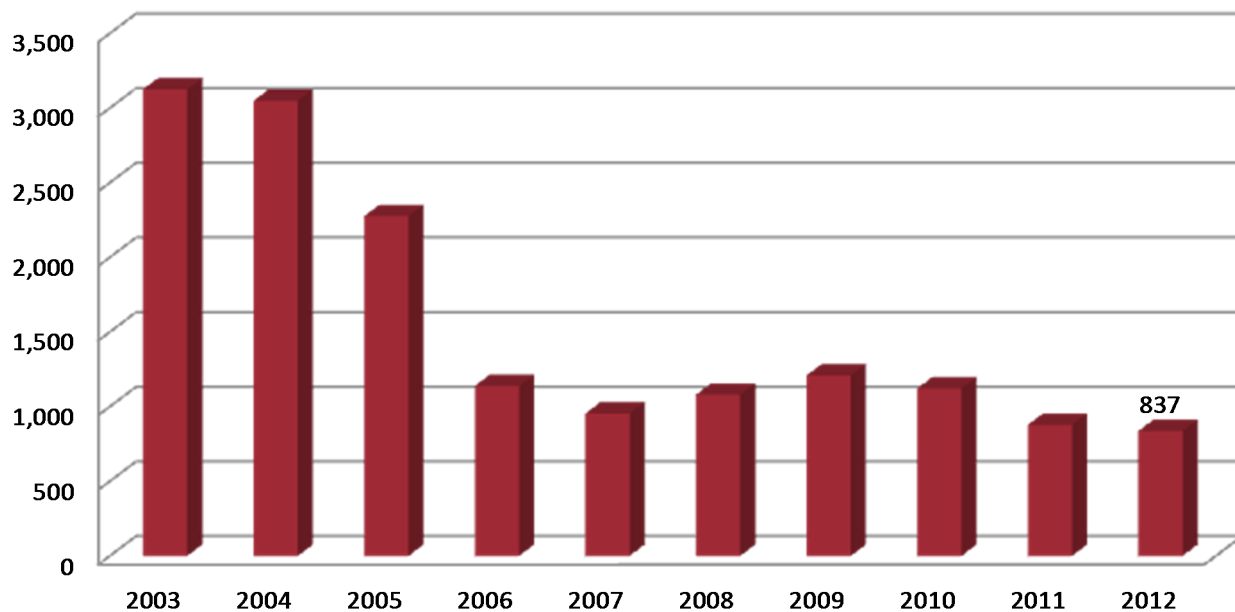


Occupational Diseases

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 (§287.063.2, RSMo), statute of limitations (§287.063.3, RSMo, and §287.420, RSMo), and repetitive motion injuries (§287.067.3, RSMo).

In 2012, 837 claims were filed for occupational diseases. This is nearly a 5.1 percent decrease from the 882 claims filed in 2011. Occupational disease claims in general have decreased significantly since the law changes in 2005.

Occupational Disease Claims 2003 - 2012





Occupational Disease Claims by Injury

<u>Occupational Disease</u>	<u>Claims</u>	<u>Percent</u>
All Other Occupational Disease NOC	481	57.5
Carpal Tunnel Syndrome	229	27.4
Mental Stress	47	5.6
Respiratory Disorders	26	3.1
Poisoning—Chemical	16	1.9
Loss of Hearing	10	1.2
Mental Disorder	7	0.9
Dermatitis	6	0.7
Contagious Disease	4	0.5
Radiation	4	0.5
Cancer	2	0.2
Poisoning—Metal	2	0.2
Asbestosis	1	0.1
Dust Disease NOC	1	0.1
Silicosis	1	0.1
Total	837	100.0

Occupational Disease Claims by Industry

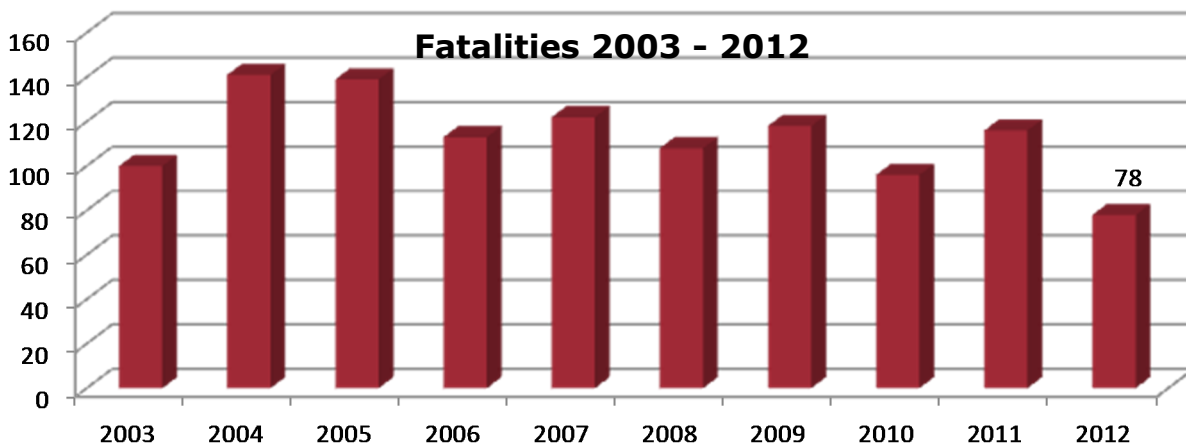
As in previous years, significantly more occupational disease claims were reported from employees working in the manufacturing industry. In 2012, over a quarter of all occupational disease claims were from manufacturing. This high proportion was also noted in 2008-2011.

<u>Industry</u>	<u>Claims</u>	<u>Percent</u>
Manufacturing	224	26.8
Public Administration	76	9.1
Health Care and Social Assistance	59	7.0
Retail Trade	52	6.2
Construction	40	4.8
Transportation and Warehousing	40	4.8
Educational Services	33	3.9
Accommodation and Food Services	31	3.7
Professional, Scientific and Technical Services	31	3.7
Wholesale Trade	29	3.5
Other Services (Except Public Administration)	23	2.7
Administrative and Waste Services	22	2.6
Finance and Insurance	22	2.6
Information	15	1.8
Utilities	14	1.7
Arts, Entertainment, and Recreation	9	1.1
Agriculture, Forestry, Fishing, and Hunting	8	1.0
Real Estate and Rental and Leasing	4	0.5
Mining	2	0.2
Missing	103	12.3
Total	837	100.0



Fatalities

In 2012, 78 fatalities were reported to the Division. These may have been reported through either a FROI or through the filing of a Claim for Compensation. The injury may or may not be determined to be a compensable injury that caused the death of the injured worker. This is over a 32.8 percent decrease in the number of deaths reported to the Division in 2011.



Fatalities by Industry

<u>Industry</u>	<u>Cases</u>	<u>Percent</u>
Manufacturing	17	21.7
Construction	10	12.8
Transportation and Warehousing	10	12.8
Wholesale Trade	10	12.8
Other Services	6	7.7
Retail Trade	6	7.7
Administrative and Waste Services	5	6.4
Agriculture	3	3.8
Accommodation and Food Services	2	2.6
Public Administration	2	2.6
Utilities	2	2.6
Educational Services	1	1.3
Health Care and Social Assistance	1	1.3
Information	1	1.3
Professional	1	1.3
Real Estate and Rental and Leasing	1	1.3
Total	78	100.0

Fatalities by Age & Gender

<u>Age Group</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
16-19	2	0	2
20-29	5	0	5
30-39	9	1	10
40-49	18	2	20
50-59	26	0	26
60-69	10	1	11
70-79	3	1	4
80-89	0	0	0
Total	73	5	78



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 SIF 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 SIF.

There are five benefit categories available from the SIF.

1. Disability Benefits.

a. Permanent Partial Disability (PPD). An employee must have a permanent preexisting disability combining with the work injury to create greater disability to trigger SIF 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 50 weeks of the body as a whole, or 15 percent 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 SIF has no liability. However, the SIF 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 SIF 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 SIF. 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.

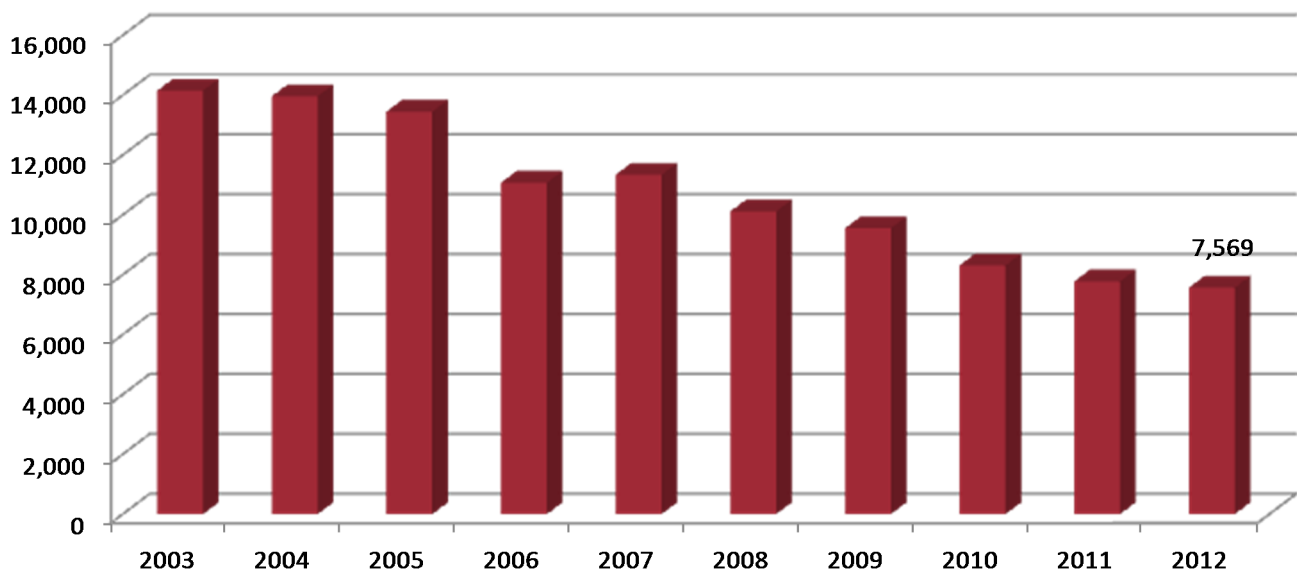


4. Second Job Wage Loss Benefits. This benefit applies to injuries after August 28, 1998. The employee must be injured on the job with his first employer. If the employee is unable to work at a second job as a result of the injury, these benefits for the loss of wages from the second job may be claimed from the SIF.

5. Medical Expenses (for injured employees of uninsured employers). The SIF 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 SIF are liable for the medical care and expenses. The SIF is entitled to reimbursement from the employer as required by law. The Missouri Attorney General's Office may institute the appropriate action against the employer to recover the monies paid from the SIF as set forth in §287.220.5, RSMo.

The Missouri State Treasurer's Office is the custodian of the SIF. The Missouri Attorney General's Office defends the claims made against the SIF. The Division is responsible for the billing and collection of the SIF surcharge. The Division requisitions warrants from the State Treasurer's Office for payment to be made to the employee or dependents who have been awarded SIF benefits pursuant to an award issued by or settlement approved by an ALJ. In 2012, there were 7,569 claims filed against the SIF. This is a 2.74 percent decrease in claim filings from 2011. On average, claims against the SIF have been decreasing by approximately 6.5 percent a year since 2003.

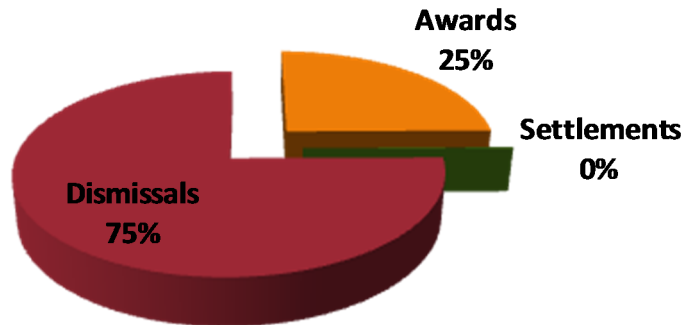
Second Injury Fund Claims 2003 - 2012





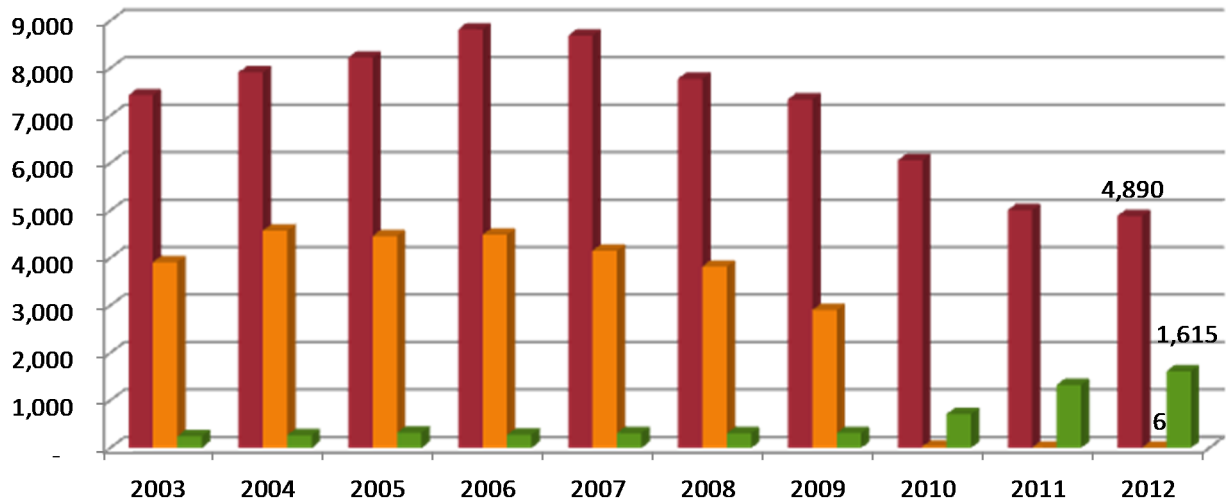
Second Injury Fund Claim Resolutions - 2012

In 2012, 6,511 Claims for Compensation filed against the SIF were resolved by dismissal, settlement, or issuance of an award. This represents a 2.7 percent increase in SIF claim resolutions from 2011. Approximately 24.8 percent of the resolutions were the result of hearings before ALJs, resulting in the issuance of awards. This was a significant increase from 2010, when only 11 percent of resolutions were based upon the issuance of awards. All awards issued by ALJs after a hearing may not necessarily result in SIF benefits being awarded to claimants. An ALJ may also determine the SIF owes no compensation benefits. In 2001, less than one percent of cases were resolved pursuant to a settlement. As of January 1, 2013, there were 29,918 open SIF claims pending before the Division.



Second Injury Fund Claim Resolutions 2003 - 2012

Prior to September 2009, approximately 65.2 percent of all Second Injury Fund claims resolved each calendar year were dismissed, 32.5 percent were settled by the parties and the remaining 2.3 percent proceeded to an evidentiary hearing before an ALJ resulting in the issuance of an award. Since 2009, the number of awards issued is 5 times greater.

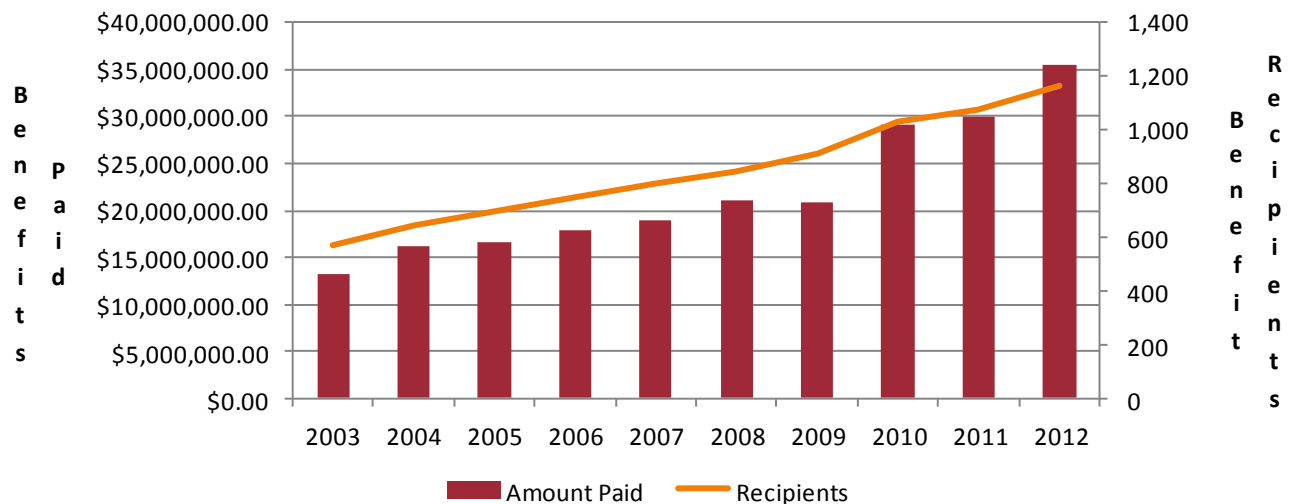




Second Injury Fund Benefit Payments*

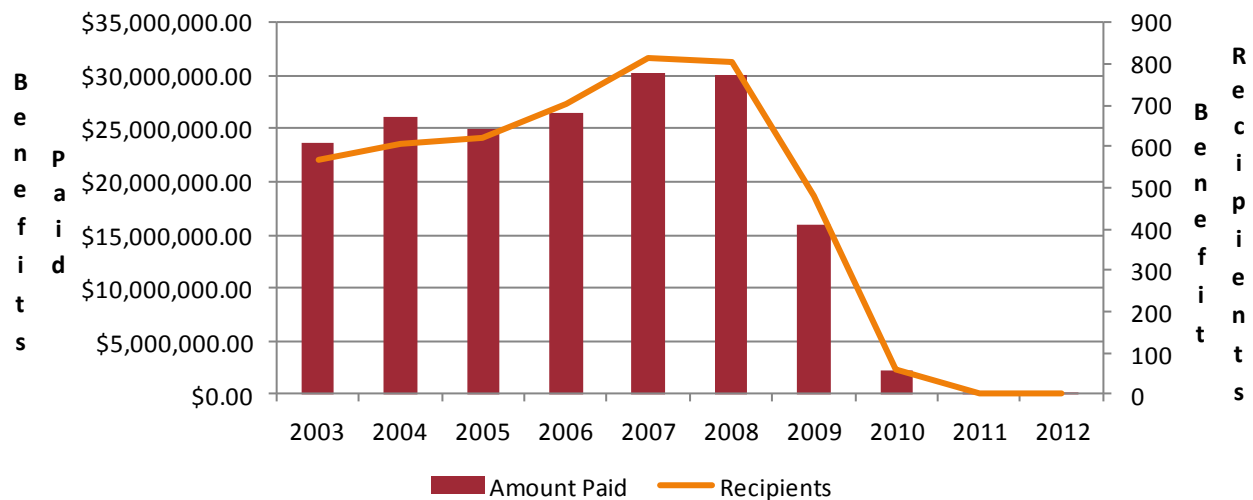
Permanent Total Disability Benefits (Lifetime Payments)

In 2012, \$35,473,348.76 in permanent total (PTD) benefits (lifetime benefits) was paid to 1,185 recipients. This is an 18.6 percent increase from the PTD benefits paid in 2011 (\$29.9 million). In 2012, there were 106 additional new injured employees receiving benefits from the Second Injury Fund annually, this is an increase of 43.2 percent from 2011.



Permanent Total Disability Benefits (Lump Sum Payments)

Only two PTD claims resolved as a lump sum settlements were paid in 2012 with an average of \$60,000.00 paid per claim.

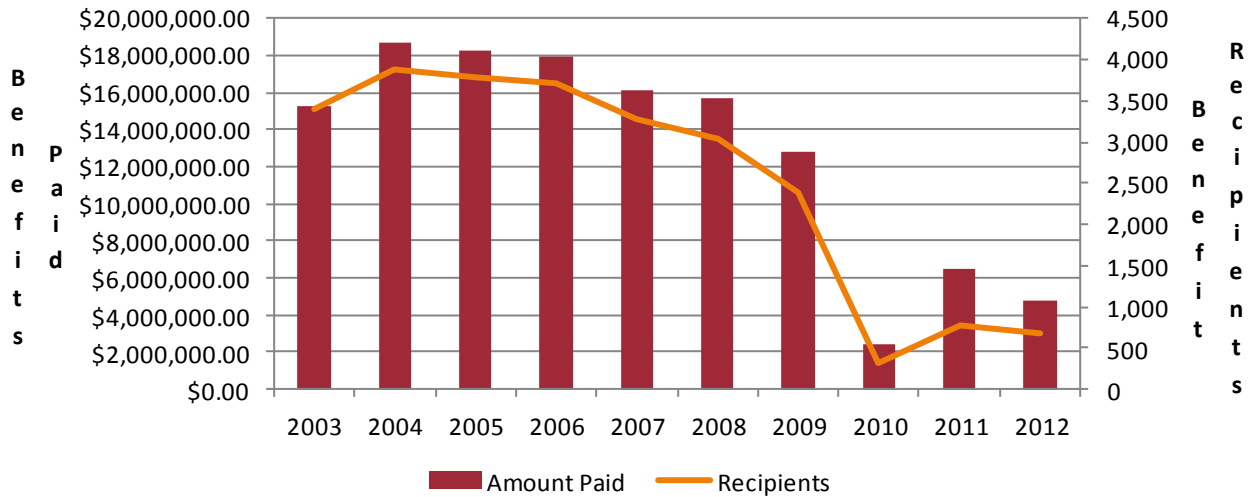


*Note: Benefit payments from DWC AICS system and may differ slightly from SAM II amounts.



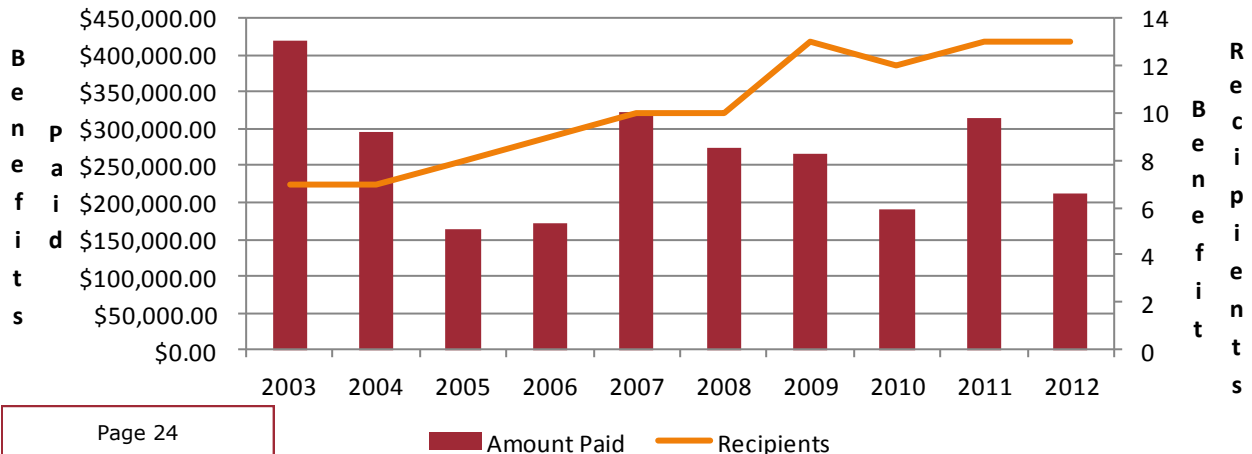
Permanent Partial Disability Benefits

In 2012, 669 injured workers received permanent partial disability (PPD) benefits from the SIF. This is a 13.6 percent decrease in the number of recipients paid from 2011. The total amount of PPD benefits paid in 2012 was \$4,744,959.39, at an average of \$7,091.28 per recipient.



Death Benefits

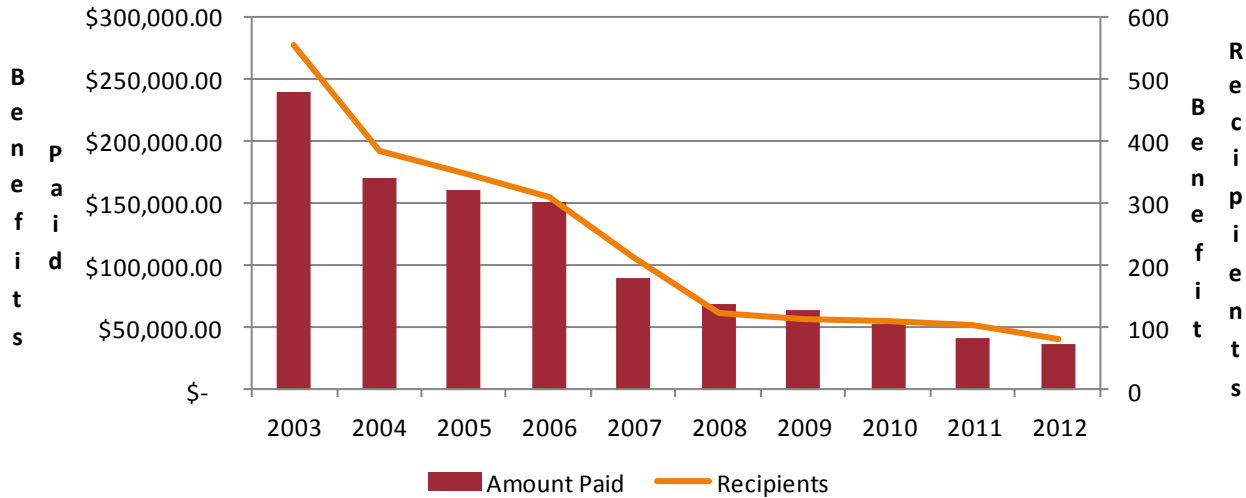
The survivors of 13 injured employees received death benefits totaling \$212,527.90 from the SIF in 2012. All recipients received lifetime benefit payments due to a work-related death while being employed by an uninsured employer and all but one recipient received the benefits prior to the start of calendar year 2012. Since 2002, 24 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.





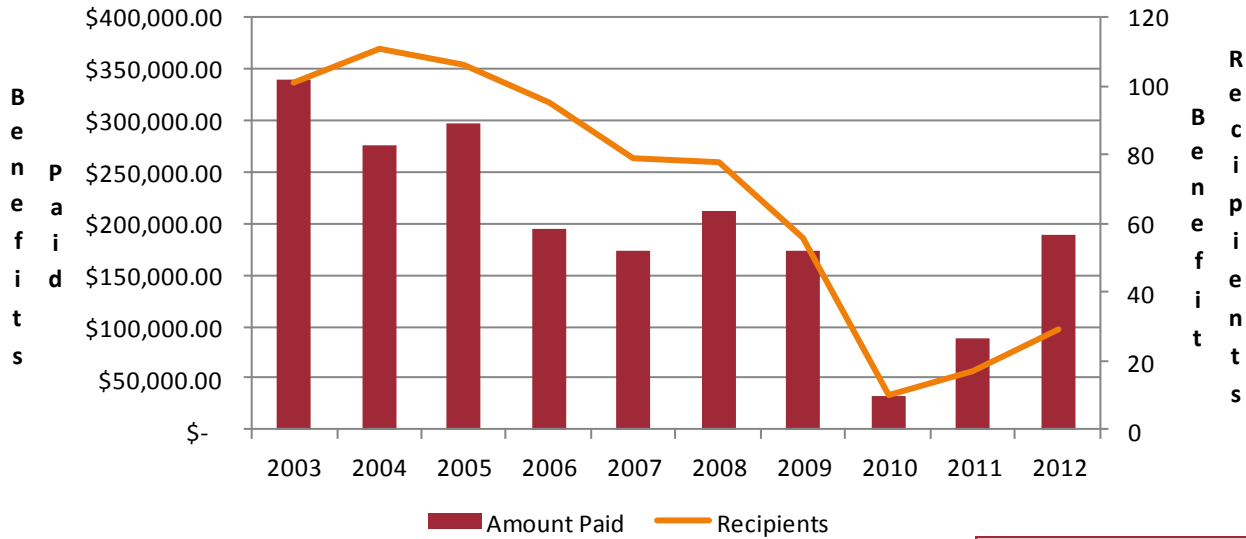
Rehabilitation Benefits

The SIF paid approximately \$36,319.98 to injured employees for rehabilitation benefits in 2012. This amount covered weekly benefits for 82 injured workers. Rehabilitation benefits were down 13.5 percent from 2011.



Second Job Wage Loss Benefits

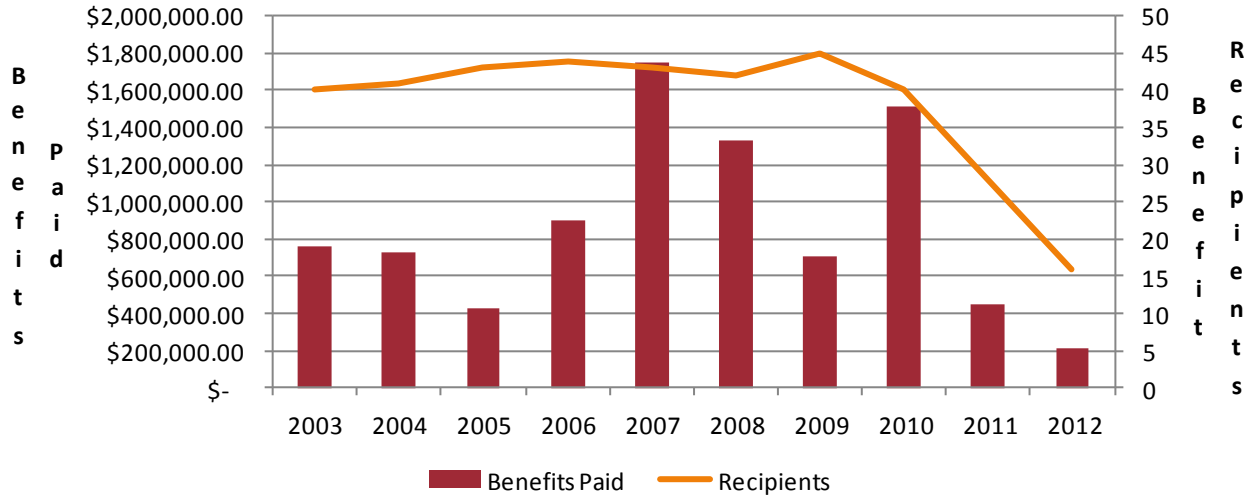
Twenty-nine injured employees received second job wage loss benefits from the SIF in 2012. The amount paid in 2012, \$188,834.25, was more than double what was paid in 2011. The average lump sum payment in 2012 was \$6,095.19, a 39.3 percent increase from the \$4,376.92 average lump sum payment in 2011.





Medical Benefits

Medical benefits paid from the SIF in 2012 totaled \$206,685.45. Sixteen recipients received benefits, down from 28 in 2011. There were no lump sum benefits paid in 2012.



Second Injury Fund Recovery Payments

Pursuant to §287.150, RSMo, the Second Injury Fund shall be subrogated to the rights of any recoveries received by an employee from a third party in any case in which the Second Injury Fund has paid benefits to the injured employee. In 2012, there were three cases in which the Fund recovered a total amount of \$22,346.22 as subrogation reimbursement.

Section 287.220, RSMo, provides for the recovery of monies paid from the Second Injury Fund for medical or death expenses when the employer fails to carry the required workers' compensation insurance coverage. In 2012, \$20,900.24 was collected from 22 employers.

In addition, an amount of \$47,680.99 was collected from employees and/or dependents and their attorneys respectively, who were paid Permanent Total Disability benefits pursuant to an award. This amount represents overpayments that were recovered either by the Division or by the Missouri Attorney General's Office after an employee's death.



Fraud & Noncompliance

The Fraud and Noncompliance Unit investigates allegations of workers' compensation fraud and noncompliance perpetrated by a person or entity. Section 287.128, RSMo, 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.

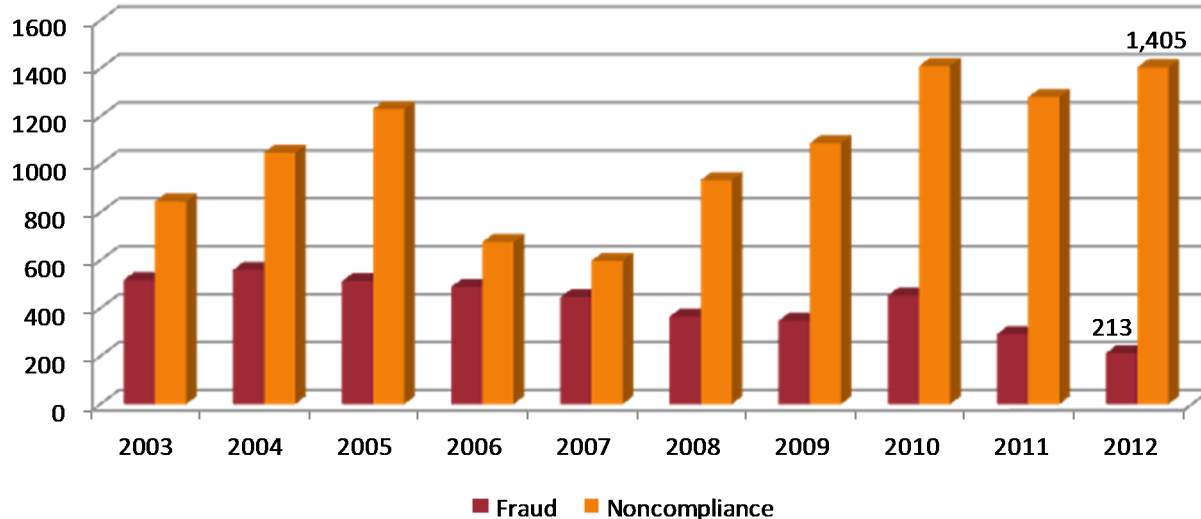
The records, reports, recordings, photographs, and documentation submitted by any person to the unit are confidential and not subject to Missouri's open records laws, although an exception exists to allow the release of records to a local, state, or federal law enforcement authority.

Any person who knowingly files a false or fraudulent workers' compensation claim for payment of benefits; 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 §287.128, RSMo, 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.



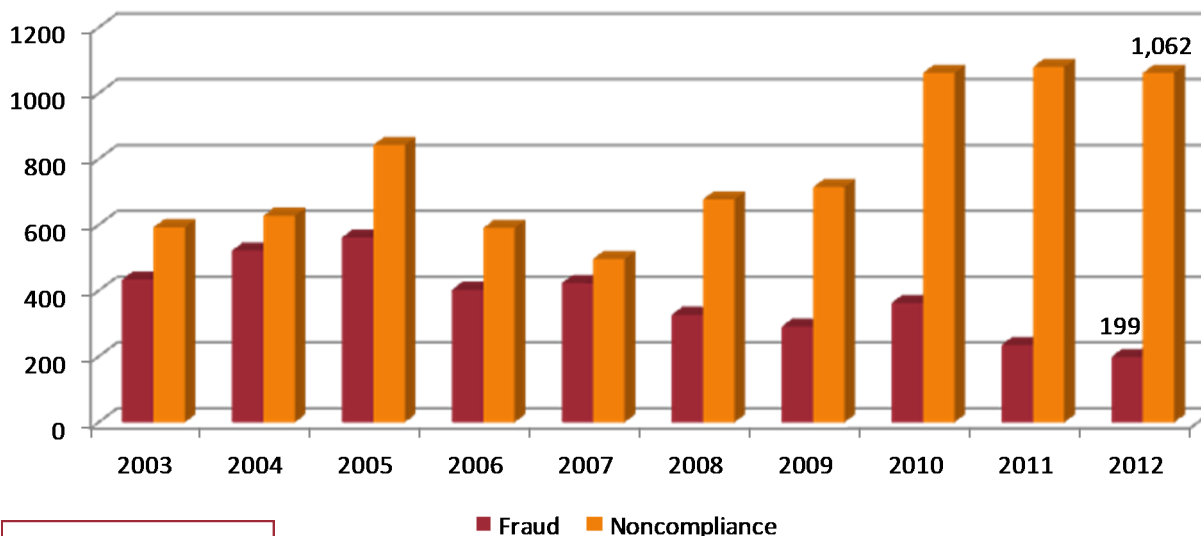
Fraud & Noncompliance Cases Received 2003 - 2012

In 2012, the Fraud and Noncompliance Unit received a total of 1,618 new cases of alleged workers' compensation fraud or noncompliance. This is a 2.9 percent increase over the number of case received in 2011. Until 2011, cases received for investigation had been increasing just over 20 percent annually since 2007.



Fraud & Noncompliance Cases Administratively Closed 2003 - 2012

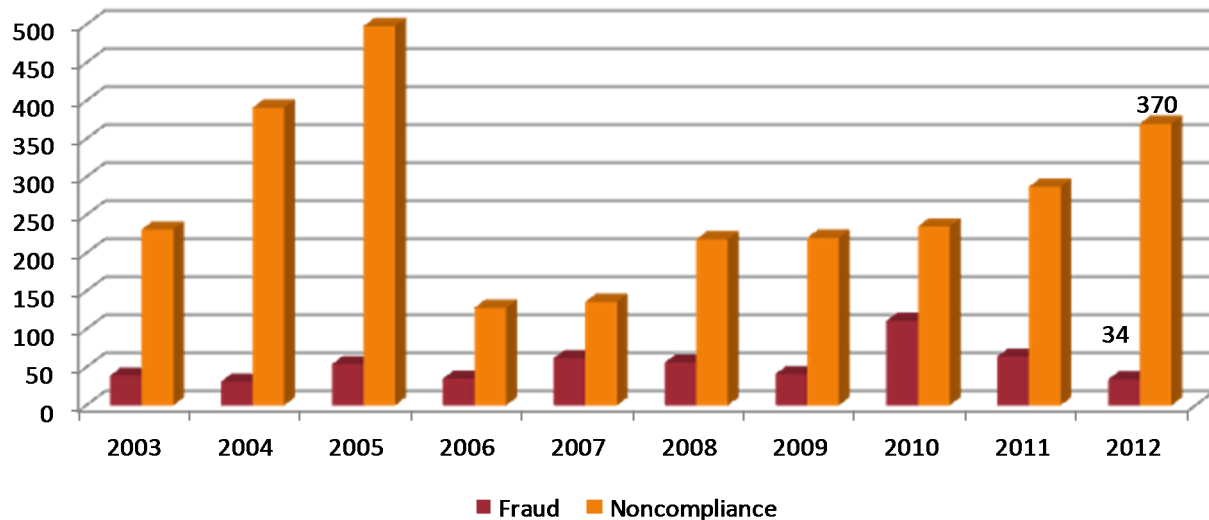
After an investigation, a case can be administratively closed due to inaccurate complaints or lack of evidence. In 2012, 1,261 cases were administratively closed. This is a 4.1 percent decrease from the number of cases administratively closed in 2011.





Fraud & Noncompliance Cases Referred to the Attorney General's Office 2003 - 2012

Since 2000, approximately 21 percent of cases closed annually are referred to the Missouri Attorney General's Office (AGO) for prosecution. In 2012, 404 cases were referred to the AGO. This is a 15.1 percent increase in referrals from 2011.



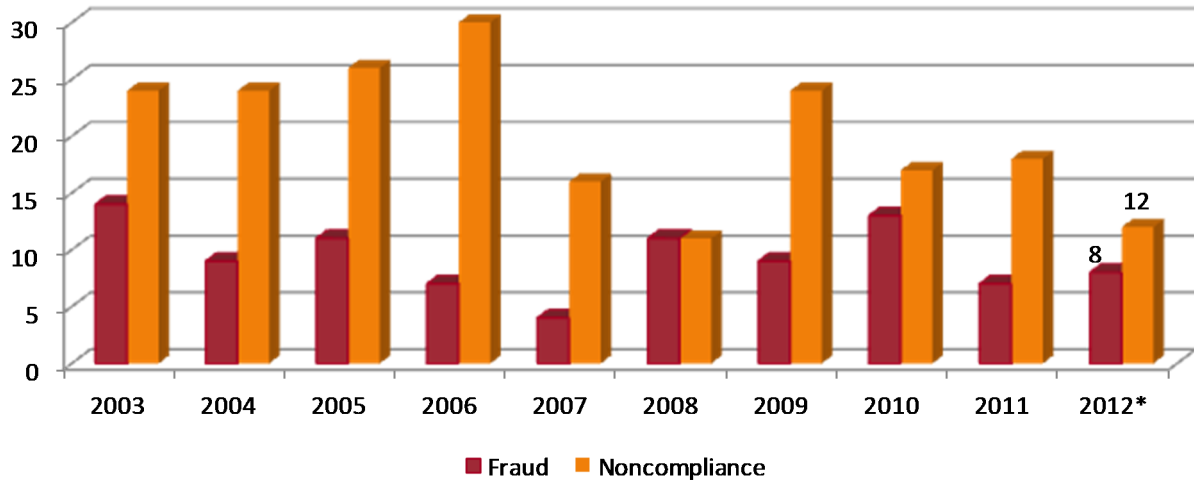
Fraud & Noncompliance Referrals to AGO by Party or Industry

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
Fraud											
Attorney	0	0	0	1	2	0	0	0	0	0	3
Employee	30	21	31	22	24	18	16	13	12	10	197
Employer	8	8	21	12	37	36	24	48	50	23	267
Insurance Carrier/ Agent	1	2	2	0	0	2	1	50	2	1	61
Other	0	0	0	0	1	0	0	0	0	0	1
Noncompliance											
Construction	69	106	162	48	45	74	38	56	37	59	694
Government	0	0	3	0	0	1	1	0	1	1	7
Healthcare	5	43	39	1	7	4	17	6	25	31	178
Manufacturing	13	17	12	5	1	3	6	17	14	9	97
Retail	116	184	228	57	63	116	133	141	183	251	1,472
Trucking/ Transportation	16	27	31	10	7	6	7	14	22	13	153
Other	12	14	23	7	13	14	18	1	5	6	113
Total	270	422	552	163	200	274	261	346	351	404	3,243



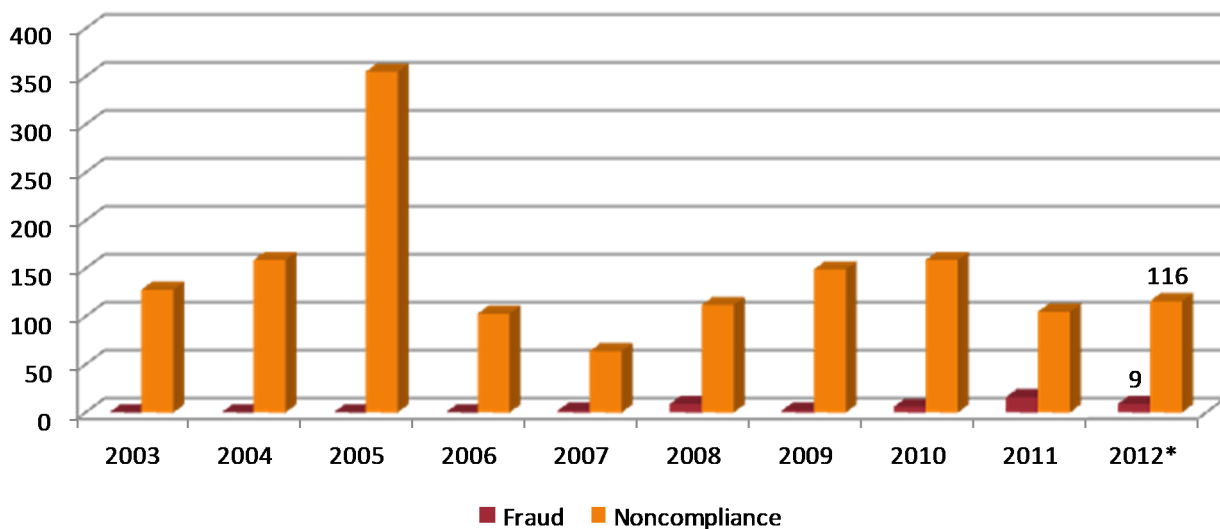
Successful Fraud & Noncompliance Prosecutions 2003 - 2012

In 2012, the Attorney General's Office successfully prosecuted eight fraud and 12 noncompliance cases. This is approximately 20 percent fewer successful prosecutions than in 2011.



Deferred Prosecution & Hold Harmless Agreements 2003 - 2012

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 2012, there was a 3.3 percent increase in these types of resolutions compared to 2011.



*Note: Numbers for 2012 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 more than \$6.2 million in penalties from prosecuted employees, employers, and insurance companies.

	Fraud	Noncompliance	Total
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
2011	\$123,397.78	\$470,256.83	\$593,654.61
2012**	\$13,822.16	\$451,869.36	\$465,591.52

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

** Amounts for 2012 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 individually 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, and follow the regulations as established in 8 CSR 50-3.010. 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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Individual Self-Insurers	312	299	295	293
Group Trusts	26	25	24	22
Individual Member Employers in Group Trusts	3,022	2,900	2,863	2,742
Covered SI Employees	715,999	780,416	773,143	663,607
Covered SI Payroll	\$26,214,620,026	\$26,032,693,392	\$26,218,147,749	\$25,785,265,617
SI Payroll as Percent of All Covered Payroll	27.19%	26.78%	Data available August 2013	Data not yet available

Source: Missouri Division of Workers' Compensation. National Academy of Social Insurance, Workers' Compensation: Benefits, Coverage, and Costs, 2010. Note: Numbers provided are based on counts as of January 1 of the indicated year.

2012 Individual Self-Insurers by Industry

<u>Industry</u>	<u>Companies</u>	<u>Percent</u>
Services	117	39.93
Manufacturing	69	23.55
Retail Trade	33	11.26
Transportation & Public Utilities	23	7.85
Public Administration	21	7.17
Wholesale Trade	10	3.41
Finance, Insurance and Real Estate	9	3.07
Agriculture, Forestry, Fishing & Hunting	4	1.37
Construction	4	1.37
Mining	3	1.02
Total	293	100



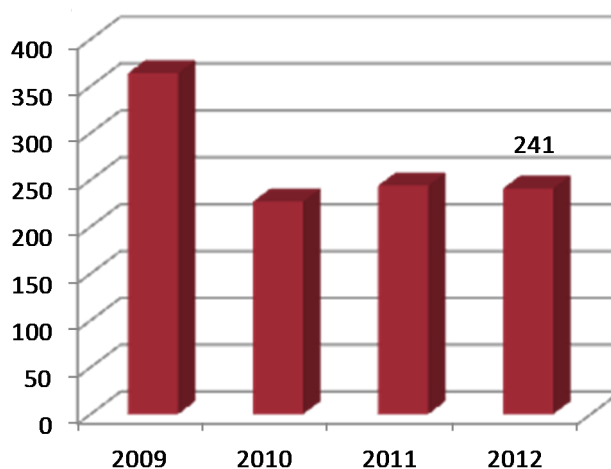
Legal Unit

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, Medical Fee Dispute Program, Dispute Management Unit, Line of Duty Compensation Fund, and Proof of Coverage. 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. In 2012, the unit received 101 applications for religious exception in which 101 employees working for 22 different employers qualified for a religious exception.

The Medical Fee Dispute Program allows health care providers to assert claims for payment for treatment provided to injured employees. In 2012, the unit processed 311 applications for direct payment and 1,097 applications for additional reimbursement. This is a 12.5 percent increase in the total number of applications processed in 2011. 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.

**Reasonableness Medical Fee Disputes
Filed 2008-2012**
(Less than \$1000)





Line of Duty Compensation Fund

The Line of Duty Compensation Fund provides benefits for firefighters, law enforcement officers, air ambulance pilots, air ambulance registered professional nurses, and emergency medical technicians who are killed in the line of duty. The Act defines "killed in the line of duty" to mean the loss of one's life as a result of an injury received in the act of performance of his or her duties within the ordinary scope of his or her respective profession while the individual is on duty and but for the individual's performance, death would not have occurred. It excludes death that results from willful misconduct or intoxication.

In order to receive benefits, the death must have occurred on or after June 19, 2009. The estate of the deceased must file a Claim for Compensation with the Division within one year from the date of death. A \$25,000 compensation benefit will be paid to the claimant subject to appropriation, if the Division finds that the claimant is entitled to compensation. The death benefit is in addition to any other pension rights, death benefits, or other compensation that claimant may otherwise be entitled to by law. The employers and insurers do not have subrogation rights against any benefits that are awarded.

The State Treasurer is custodian of the Line of Duty Compensation Fund and approves the disbursements from the fund.

To date, 25 Claims for Compensation for Line of Duty Compensation Benefits have been filed with the Division. The Division Director has issued an Administrative Determination awarding Line of Duty Compensation Benefits in 15 cases.



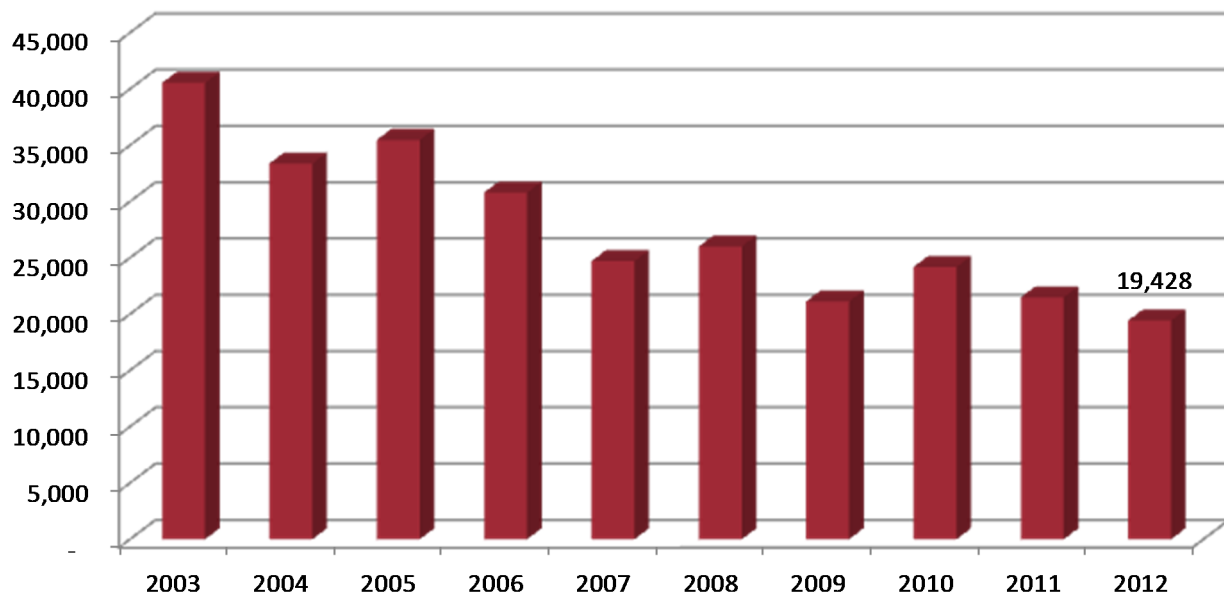
Customer Service

Division 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 including injured employees, employers, insurers, and lawyers. 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 2003. Division information specialists handled a total of 19,428 calls in 2012, a 9.6 percent decrease in the number of calls handled in 2011.

Toll-Free Line Calls 2003 - 2012





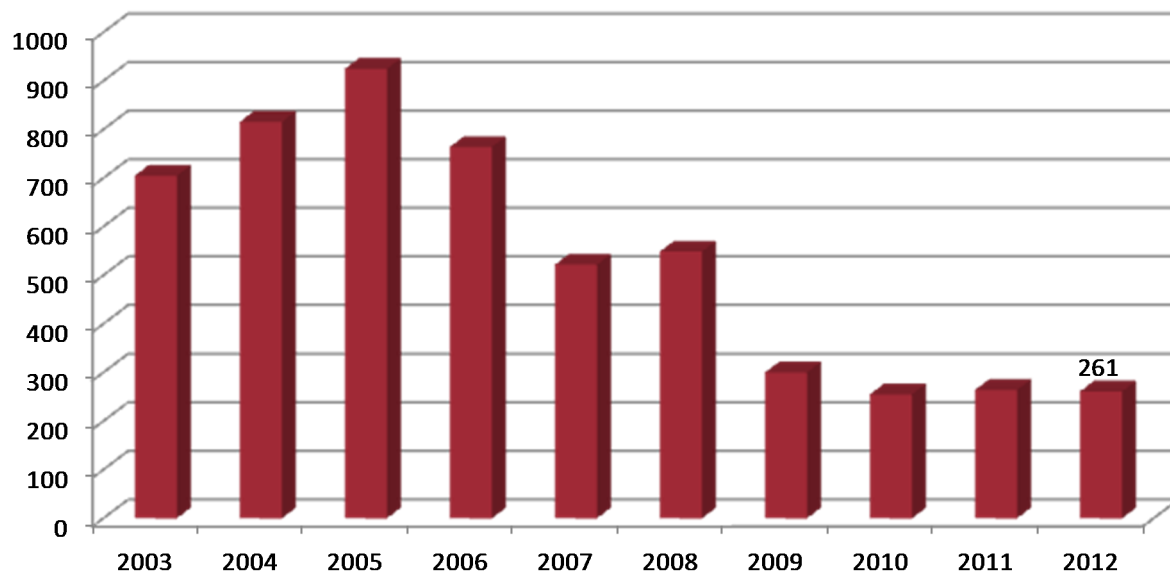
Dispute Management

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 since 2005, but have largely leveled off for the past three years. In 2012, there were 261 referrals for voluntary mediation, a 1.1 percent decrease from 2011.

Referrals for Voluntary Dispute Management Assistance 2003 - 2012





Source of Referrals

The most common source of dispute management referral in 2012 was by phone calls to the Division either through the Division's information hotline or by directly calling the mediator, accounting for just under 79 percent of all referrals.

<u>Source of Referral</u>	<u>Count</u>	<u>Percent</u>
Phone Call	117	44.8
DWC Information Specialist (800 Line)	88	33.7
Dispute Management Conference Request	31	11.9
Other	16	6.1
Notification of Rights	9	3.5
Total	261*	100.0

*This number does not include referrals from previous years that had not been closed as of January 1, 2012

Cause of Referrals

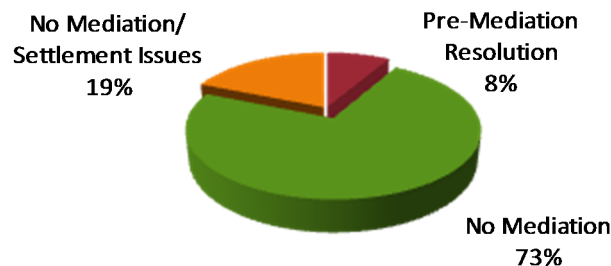
Cases will be referred to the dispute management unit when it appears a mediator may be able to resolve the issue without a formal proceeding. In 2012, the most common cause for a dispute referral had to do with issues relating to PPD benefits.

<u>Cause</u>	<u>Count</u>	<u>Percent</u>
PPD Issues	89	20.3
Other	79	18.0
Employee Request for	63	14.4
Eligibility for TTD	57	13.0
Denial of Benefits	42	9.6
Unpaid Medical Bills	37	8.4
Need for Medical Treatment	36	8.2
Employer Not Reporting	14	3.2
Question Benefit Amounts	13	3.0
Permanent Disability	3	.7
Wage at Injury	3	.7
Mileage Reimbursement	2	.5
Total	438	100.0

Note: A case may have more than one cause for referral.

Voluntary Dispute Referral Outcomes

In 2012, the dispute management unit closed a total of 465 referred cases, which includes cases that were still being worked on from prior years.





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; §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** with an 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 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;
- The parties have a good-faith belief that a brief meeting with an 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 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 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 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 §287.203, RSMo. 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 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 and be ready to proceed with the presentation of evidence on all issues. An 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 §287.203, RSMo, applies, the 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 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 ALJ determines that any proceedings have been brought, prosecuted, or defended without reasonable grounds, the ALJ may assess the whole cost of the proceedings upon the party who brought, prosecuted, or defended them. The 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 ALJ in order to be valid. An ALJ will approve a settlement agreement pursuant to §287.390, RSMo, 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.
- Voluntary Dismissals - A claim for compensation may be voluntarily dismissed by the employee as to any party, or the case as a whole.
- 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.



Docket Settings & Hearings

Office/Docket Location	Counties Covered	Setting Types				Hearing Types	
		Conference	Pre-Hearing	Mediation	Dismissal	Hardship	Final
Cape Girardeau Office							
Bloomfield	Stoddard	36	35	89	26	1	6
Cape Girardeau	Bollinger, Cape Girardeau, Perry	266	198	396	98	15	87
Caruthersville	Dunklin, Pemiscot	71	29	196	26	0	10
Farmington	St. Francois, St. Genevieve	162	93	257	70	12	55
Festus	Jefferson	190	84	335	205	6	45
Ironton	Iron, Madison, Reynolds, Washington	46	47	88	33	3	50
New Madrid	New Madrid	57	71	105	24	0	3
Popular Bluff	Butler, Carter, Ripley, Wayne	120	75	216	36	1	21
Sikeston	Mississippi, Scott	139	115	176	80	6	40
Jefferson City Office							
Boonville	Cooper, Howard	41	95	0	3	0	0
Camdenton JC	Camden, Hickory, Morgan	138	344	0	19	12	15
Columbia	Boone	440	639	2	28	6	42
Eldon (Held in J.C.)	Miller	71	119	1	5	4	4
Fulton (Held in J.C.)	Callaway	115	653	0	9	23	35
Hannibal	Clark, Lewis, Marion, Pike, Ralls	188	493	0	7	2	18
Hermann	Gasconade	41	80	0	2	0	7
Jefferson City	Cole, Maries, Moniteau, Osage	281	570	683	19	13	43
Kirkville	Adair, Knox, Putnam, Schuyler, Scotland, Sullivan	119	224	0	6	1	1
Macon	Linn, Macon, Shelby	74	87	0	7	0	4
Marshall	Saline	134	121	0	7	2	6
Mexico	Audrain, Montgomery	107	327	0	7	5	8
Moberly	Chariton, Monroe, Randolph	117	202	0	13	1	7
Rolla	Crawford, Dent, Phelps	161	450	0	11	7	12
Sedalia	Benton, Pettis	192	315	0	9	1	14



Office/Docket Location	Counties Covered	Setting Types				Hearing Types	
		Conference	Pre-Hearing	Mediation	Dismissal	Hardship	Final
Joplin Office							
Joplin	Jasper	436	18,09	278	47	8	108
Lamar	Barton, Cedar, Dade, Vernon	103	539	0	14	0	0
Monett	Barry, Lawrence	165	843	0	18	0	0
Neosho	McDonald, Newton	110	467	0	8	0	0
Kansas City Office							
Clinton	Bates, Henry, Johnson, St. Clair	136	55	1	101	4	19
Kansas City	Cass, Jackson, Southern Platte	890	209	1724	1,251	127	612
Lexington	Lafayette, Ray	73	10	0	25	1	7
Liberty	Clay	409	63	0	542	32	148
Springfield Office							
Branson	Stone, Taney	110	167	47	10	0	12
Lebanon	Laclede, Pulaski, Wright	167	147	50	11	2	4
Springfield	Christian, Dallas, Greene, Polk, Webster	552	1,308	416	42	16	160
West Plains	Douglas, Howell, Oregon, Ozark, Shannon, Texas	128	93	36	12	2	4
St. Charles Office							
St. Charles	St. Charles	285	5,227	656	129	9	170
Union/Washington	Franklin	161	1,652	225	23	2	36
Warrenton	Lincoln, Warren	68	931	140	38	4	24
St. Joseph Office							
Bethany	Daviess, Harrison	19	15	0	8	0	0
Chillicothe	Caldwell, Carroll, Livingston	49	42	7	7	1	2
Maryville	Atchison, Gentry, Holt, Nodaway, Worth	96	72	11	9	0	3
Platte	Platte	211	456	141	43	3	74
St. Joseph	Andrew, Buchanan, Clinton, DeKalb	380	826	176	65	6	32
Trenton	Grundy, Mercer	35	30	3	3	0	0
St. Louis Office							
St. Louis	City of St. Louis, St. Louis County	1,848	14,917	5,025	571	51	1,083
TOTALS		9,737	35,344	11,480	3,727	389	3,031

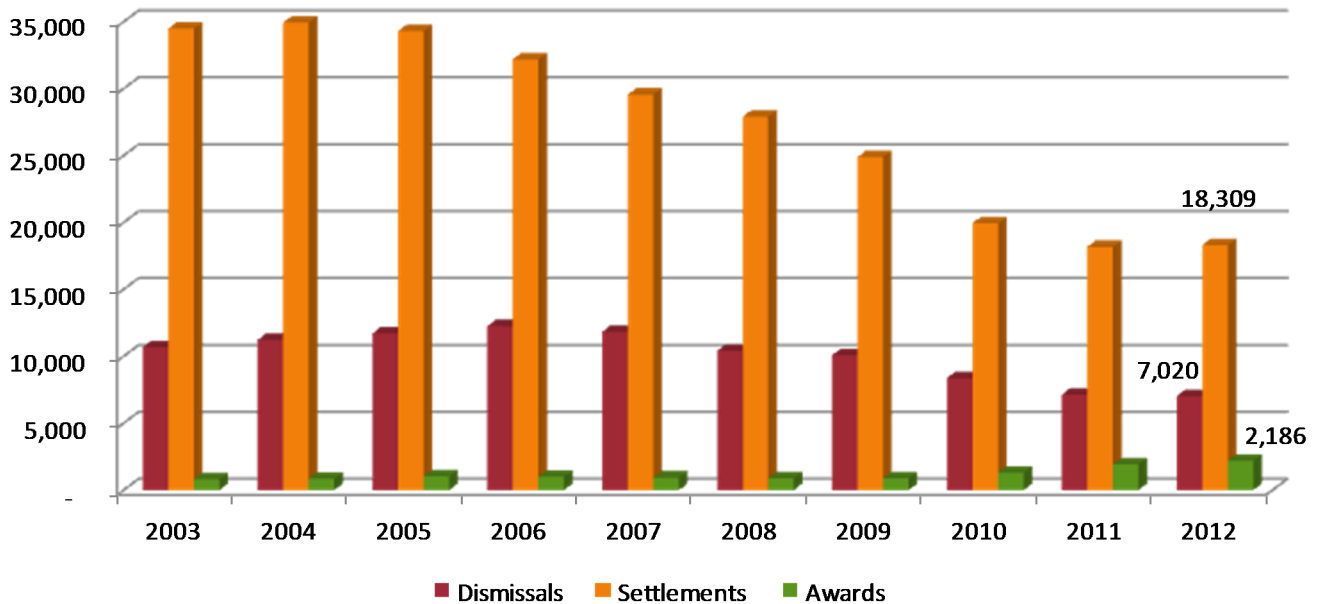
* Note: Last minute cancellations of scheduled hearings, due to settlement or requests for continuance, are not recorded in the DWC database. Therefore, the number of hearings actually conducted is less than shown here.



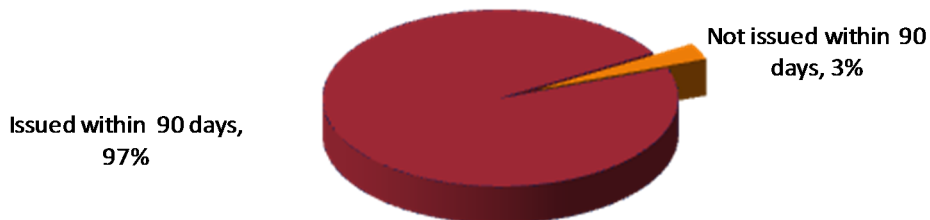
Case Resolutions

In 2012, more than 27,000 workers' compensation cases were resolved by an ALJ. This is a one percent increase from the number of cases resolved in 2011. The number of settlements reached increased almost one percent and awards issued increased more than 14 percent from 2011. Dismissals declined slightly in 2012.

Workers' Compensation Case Resolutions 2002 - 2012



Section 287.460, RSMo, requires all awards to be issued by the administrative law judge within 90 days of the last day of the hearing on the case. The hearing is generally concluded within 30 days of the commencement of the hearing, unless there are "extraordinary circumstances where a lengthy trial or complex issues necessitate a longer time than 90 days." In 2012, 97 percent of all awards were issued within the statutory time frame. Since 2008, the ALJs have maintained a 97 percent 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 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 had no insurance, or inadequate insurance, or has filed for bankruptcy, or for other reasons specified in the law.

In 2009, there were 36 claims filed during the Annual Claims Period. Thirty-two claims were successful. There was \$2,450,000.00 available to pay claims, thus each claimant received more than 34.2 cents for each dollar awarded.

One-hundred-one claims were filed during the 2010 Annual Claims Period. There were 85 successful claims. The value of individual successful claims ranged from \$20,000.00 to \$300,000.00, and the aggregated total was \$16,935,060.39. On June 30, 2011, there was \$345,275.00 available to pay claims. Therefore, each claimant received more than 2.04 cents for each dollar awarded.

During the 2011 Annual Claims Period, 88 claims were filed. The balance of the fund on December 31, 2011 was \$49,566.85. No claims were paid from the 2011 Claim Period due to the low fund balance.

During the 2012 Annual Claims Period, 81 claims were filed. The balance of the fund on December 31, 2012 was \$210,455.36.

Crime Victims' Compensation Fund

Effective Aug. 28, 2007, the Missouri Crime Victims' Compensation Fund was transferred from the Division to the Missouri Department of Public Safety. However, the Division's 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 ALJ may affirm, reverse or set aside the decision of the Department. The ALJ's decision may be appealed to the Labor and Industrial Relations Commission. In 2012, there were 35 hearings and prehearings held, which is an increase from the 25 hearings and prehearings that were held in 2011. In 2010, there were 32 hearings and prehearings held for the Crime Victims' Compensation Fund and there were nine such hearings held in 2009 and 42 in 2008.



Accomplishments & Initiatives

ELECTRONIC REPORTING OF SECOND INJURY FUND SURCHARGE QUARTERLY REPORTS AND DELIVERY OF SIF BENEFITS VIA DIRECT DEPOSIT

The Division successfully implemented the electronic reporting for the SIF surcharge beginning with the fourth quarter of 2008 and continue the delivery of SIF benefits via direct deposit to the recipients' bank account upon election to receive them via direct deposit.

REMOTE ELECTRONIC CLAIMS AUDIT

The Division's Insurance Unit established procedures in 2010 for its auditors to conduct remote electronic claims audits if a third-party administrator (TPA) maintains its case files electronically. This eliminates travel time and related expenses and maintains the integrity of the claims audit and audit reports. Since 2010, the Unit has conducted 12 remote audits, six of those were done in 2012 accounting for just under seven percent of their total audits for the year.

REMOTE FILING OF CLAIMS FOR COMPENSATION AND ANSWERS

The Division has implemented a process whereby a party may submit a Claim for Compensation and Answer to the Claim for Compensation in any of its adjudication offices throughout the state versus mailing these forms directly to the Division's Jefferson City office. This process has realized savings to the Division of approximately \$300 a week. It has also reduced processing time for the Division's staff.

TRANSCRIPTS

The Division has saved a significant amount by sending out transcripts on awards appealed to the Labor and Industrial Relations Commission from the Administrative Law Judges in all eight adjudication offices, by CD versus a paper copy.

ELECTRONIC DATA DISTRIBUTION

The Division continues to achieve success based upon the implementation of the electronic transmission of docket notices to parties who voluntarily sign up to receive notices electronically. In 2012, more than 200,000 docket notices were sent out resulting in a savings of nearly \$600,000 for the Division. The Division reached out to Trading Partners such as insurance companies and TPAs and offered them the ability to submit supplemental reports in the case electronically.



HOUSE BILL 1540

The case of *Robinson v. Hooker* held that, under “strict construction” as required by the 2005 revision to the Missouri Workers’ Compensation Law, the inquiry about “something more” was no longer necessary, since §287.120.1 only contains the word “employer” and no mention is made of employees or co-employees being released from civil liability. Therefore, civil suits against co-employees could proceed without pleading and proving “something more.” HB 1540 codifies the “something more” doctrine by extending the civil liability shield to both employers and co-employees, “except that an employee shall not be released from liability for injury or death if the employee engaged in an affirmative negligent act that purposefully and dangerously caused or increased the risk of injury.”

During the legislative process, HB 1540 was amended to allow the Division to utilize electronic processes. The Division has been sending a copy of the award to the parties to the workers’ compensation proceeding by electronic means, to the email addresses provided at the time of the evidentiary hearing, effective August 29, 2012. The goal in implementing the use of electronic processes is to realize savings in mailing costs.



Interstate Comparison

Workers' Compensation Premium Rate Rankings

Missouri employers pay, on average, the 16th lowest workers' compensation premium rates in the nation. Missouri's premium rate index is \$1.62 per \$100 of payroll or 86 percent of the national median, which was \$1.88 in 2012. This is a eight percent decrease from the national median in 2011.

2012 Ranking	2010 Ranking	State	Index Rate	Percent of study median	Effective Date
1	2	Alaska	3.01	160%	January 1, 2012
2	6	Connecticut	2.99	159%	January 1, 2012
3	5	California	2.92	155%	January 1, 2012
4	3	Illinois	2.83	151%	January 1, 2012
5	13	New York	2.82	150%	October 1, 2011
6	4	Oklahoma	2.77	147%	11/1/11 State Fund, 1/1/12 Private
7	7	New Jersey	2.74	146%	January 1, 2012
8	1	Montana	2.50	133%	July 1, 2011
9	10	New Hampshire	2.40	128%	January 1, 2012
10	8	Maine	2.24	119%	January 1, 2012
12	14	Pennsylvania	2.15	114%	April 1, 2011
12	19	Wisconsin	2.15	114%	October 1, 2011
13	26	Washington	2.11	112%	January 1, 2012
14	18	Vermont	2.07	110%	April 1, 2011
15	25	Louisiana	2.06	110%	October 1, 2011
16	12	South Carolina	2.04	109%	July 1, 2011
17	16	Minnesota	2.03	108%	January 1, 2012
19	20	Tennessee	2.02	107%	November 1, 2011
19	29	Idaho	2.02	107%	January 1, 2012
20	28	Rhode Island	1.99	106%	June 1, 2011
21	10	Alabama	1.97	105%	March 1, 2011
22	15	Kentucky	1.96	104%	October 1, 2011
23	28	South Dakota	1.91	102%	July 1, 2011
25	36	Iowa	1.90	101%	January 1, 2012
25	23	North Carolina	1.90	101%	April 1, 2011
27	24	Georgia	1.88	100%	March 1, 2011
27	32	New Mexico	1.88	100%	January 1, 2012
28	17	Ohio	1.84	98%	July 1, 2011
29	40	Florida	1.82	97%	January 1, 2012
30	34	Delaware	1.77	94%	December 1, 2011
31	37	Wyoming	1.74	92%	January 1, 2012
32	23	Michigan	1.73	92%	January 1, 2012
33	30	Nebraska	1.71	91%	February 1, 2011
34	42	Maryland	1.68	89%	January 1, 2012
35	40	Hawaii	1.66	88%	January 1, 2012
36	33	Missouri	1.62	86%	January 1, 2012
37	38	Arizona	1.61	86%	January 1, 2012
38	12	Texas	1.60	85%	June 1, 2011
39	41	Oregon	1.58	84%	January 1, 2012
40	35	West Virginia	1.55	82%	November 1, 2011
41	43	Kansas	1.54	82%	January 1, 2012
42	31	Mississippi	1.49	79%	March 1, 2012
43	47	Colorado	1.42	76%	January 1, 2012
44	44	Massachusetts	1.37	73%	September 1, 2011
45	45	Utah	1.35	72%	December 1, 2011
46	21	Nevada	1.33	71%	March 2, 2011
47	48	District of Columbia	1.28	68%	November 1, 2011
48	47	Virginia	1.20	64%	April 1, 2011
49	49	Arkansas	1.19	63%	July 1, 2011
50	50	Indiana	1.16	62%	January 1, 2012
51	51	North Dakota	1.01	53%	July 1, 2011

Source: Oregon Department of Consumer & Business Services, 2012.



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/DWC/

Toll Free Information Line:
(800) 775-2667

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

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 Dispute
P.O. Box 58
Jefferson City, MO 65102-0058
(573) 526-5610 or (573) 522-2546

Religious Exception and Proof of Coverage
P.O. Box 58
Jefferson City, MO 65102-0058
(573) 522-2546 or (573) 526-4941

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 7th 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

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



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@labor.mo.gov
Website: www.dolir.mo.gov/wc