



Division of Workers' Compensation
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2008 Annual Report to
The Governor's Workers' Compensation Advisory Council
On The Workers' Compensation System

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Introduction

The Division of Workers' Compensation is tasked with collection and analysis of information to gauge the health of the workers' compensation system in Rhode Island. The Division collects a variety of data in order to accomplish this task. A summary of the information collected is presented here. This information was selected to give a broad view of the workers' compensation system for the past ten years. Additional information is available in greater detail by contacting the Division directly. The Division's web site at <http://www.dlt.ri.gov/wc> also provides a variety of information. Detailed injury information is available by nature of injury, type of injury, injured body part, and the age and gender of worker on indemnity injuries from 1992 and for non-indemnity injuries from 1998.

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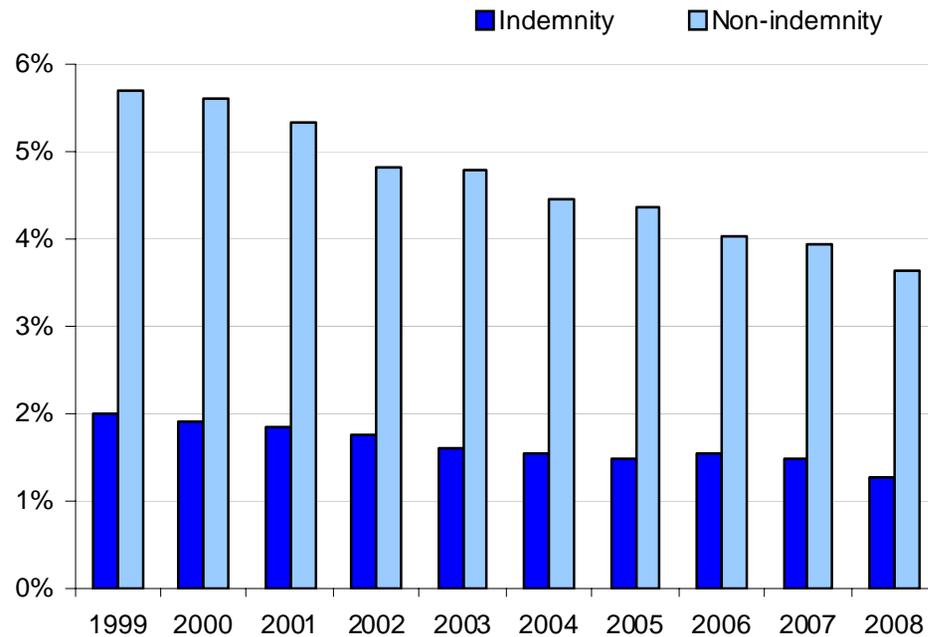
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Injuries from 1996 to 2008

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Indemnity Injuries | 8,025 | 8,189 | 8,334 | 8,886 | 8,691 | 8,443 | 8,115 | 7,379 | 7,224 | 6,967 | 7,215 | 6,933 | 5,853 |
| Non-Indemnity Injuries | 27,363 | 24,694 | 26,180 | 25,436 | 25,730 | 24,438 | 22,091 | 22,119 | 20,816 | 20,471 | 18,994 | 18,611 | 16,750 |
| Injuries | 35,388 | 32,883 | 34,514 | 34,322 | 34,421 | 32,881 | 30,206 | 29,498 | 28,040 | 27,438 | 26,209 | 25,544 | 22,603 |
| Covered Employment | 423,693 | 430,520 | 437,544 | 446,422 | 456,700 | 458,238 | 458,212 | 462,374 | 466,403 | 467,811 | 470,632 | 470,374 | 461,000 |
| Indemnity Rate | 1.89% | 1.90% | 1.90% | 1.99% | 1.90% | 1.84% | 1.77% | 1.60% | 1.55% | 1.49% | 1.53% | 1.47% | 1.27% |
| Non-Indemnity Rate | 6.46% | 5.74% | 5.98% | 5.70% | 5.63% | 5.33% | 4.82% | 4.78% | 4.46% | 4.38% | 4.04% | 3.96% | 3.63% |
| Injury Rate | 8.35% | 7.64% | 7.89% | 7.69% | 7.54% | 7.18% | 6.59% | 6.38% | 6.01% | 5.87% | 5.57% | 5.43% | 4.90% |

Injury Rate Per Employment



RI worker's compensation is a no-fault system that requires employers to maintain insurance coverage to protect their employees from a work-related loss of earnings and medical expenses. An indemnity injury is a work-related injury or illness for which workers' compensation disability benefits are paid. For a non-indemnity injury, medical benefits may be paid, but workers' compensation disability benefits are not.

The rate of indemnity injuries per employment remained close to 1.9% between 1996 and 2000. In 2001, the rate started to decline and has continued to decline through 2008. The rate of non-indemnity injuries has also declined since 1998.

Employers with one or more employee have been required to carry workers' compensation insurance since 1999. Before 1999, insurance was only required of employers with 4 or more employees. The rate of injuries per employment before 1999 is slightly understated because the population covered by workers' compensation for those years was smaller than the employment figures used here.

Employment information is provided by RI DLT LMI Unit.
2008 Average Covered Employment is estimated.

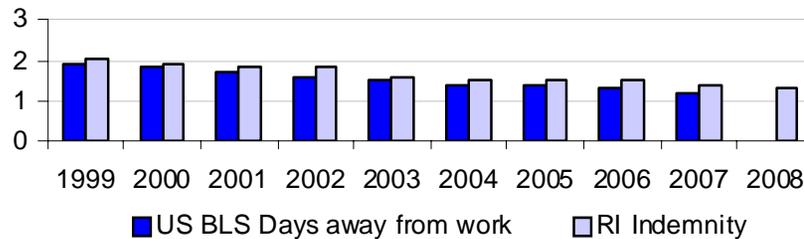
US and RI Injury Rate Comparison

US Bureau of Labor Statistics: Rate of injury & illness, cases per 100 full time workers

RI Division of Workers' Compensation: Rate of injury & illness, cases per 100 covered employees

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|------|------|------|------|------|------|------|------|------|------|
| US BLS: Cases involving days away from work | 1.9 | 1.8 | 1.7 | 1.6 | 1.5 | 1.4 | 1.4 | 1.3 | 1.2 | * |
| RI: Indemnity injuries & illnesses | 2.0 | 1.9 | 1.9 | 1.8 | 1.6 | 1.5 | 1.5 | 1.5 | 1.4 | 1.3 |
| US BLS: Total recordable cases | 6.3 | 6.1 | 5.7 | 5.3 | 5.0 | 4.8 | 4.8 | 4.4 | 4.0 | * |
| RI: Total injuries & illnesses | 7.7 | 7.5 | 7.2 | 6.6 | 6.4 | 6.0 | 5.9 | 5.6 | 5.4 | 4.9 |

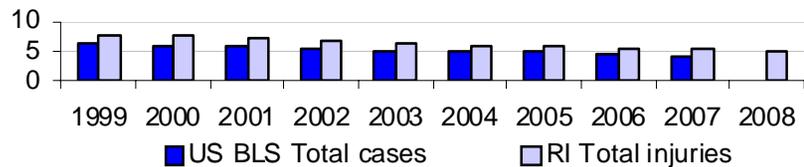
Work Days Lost and Indemnity



These figures compare rate of workers' compensation injuries to the rate of injuries and illnesses reported to US Bureau of Labor Statistics. It is important to note that the criteria used in reporting and developing the rates for BLS are not the same as for RI injuries. In RI, injuries are not due indemnity until more than three days are lost from work.

There is a similar trend in the rates of BLS cases involving days away from work and the rate of RI indemnity injuries. Both rates have declined since 1999.

Total Injuries



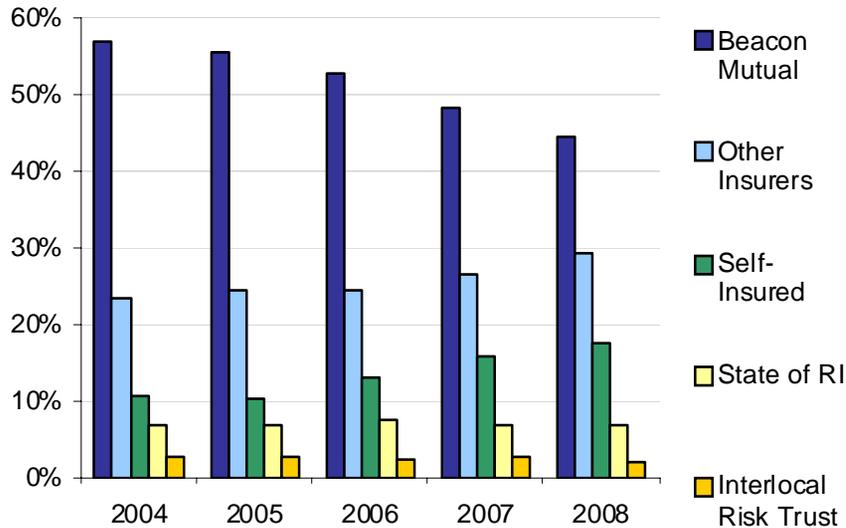
The total rate of injury for US BL and RI also show a decline from 1999 to 2007.

* BLS figures for 2008 were not yet available at the time of this report.

US BLS data was obtained from the www.bls.gov web site.

Indemnity Injuries by Insurer Type

| Indemnity Injuries | Beacon Mutual | | Self-Insured | | State of RI | | Interlocal Risk Trust | | Other Insurers | | Total |
|--------------------|---------------|-------|--------------|-------|-------------|------|-----------------------|------|----------------|-------|-------|
| 1999 | 3,342 | 37.0% | 1,355 | 15.0% | 509 | 5.6% | 212 | 2.3% | 3,611 | 40.0% | 9,029 |
| 2000 | 3,805 | 43.2% | 1,121 | 12.7% | 563 | 6.4% | 215 | 2.4% | 3,101 | 35.2% | 8,805 |
| 2001 | 4,255 | 49.5% | 977 | 11.4% | 581 | 6.8% | 219 | 2.5% | 2,567 | 29.9% | 8,599 |
| 2002 | 4,054 | 53.7% | 803 | 10.6% | 540 | 7.1% | 202 | 2.7% | 1,955 | 25.9% | 7,554 |
| 2003 | 4,096 | 55.5% | 748 | 10.1% | 539 | 7.3% | 203 | 2.8% | 1,793 | 24.3% | 7,379 |
| 2004 | 4,098 | 56.7% | 770 | 10.7% | 488 | 6.8% | 186 | 2.6% | 1,682 | 23.3% | 7,224 |
| 2005 | 3,880 | 55.7% | 721 | 10.3% | 464 | 6.7% | 189 | 2.7% | 1,713 | 24.6% | 6,967 |
| 2006 | 3,812 | 52.8% | 935 | 13.0% | 540 | 7.5% | 175 | 2.4% | 1,753 | 24.3% | 7,215 |
| 2007 | 3,355 | 48.4% | 1,100 | 15.9% | 465 | 6.7% | 174 | 2.5% | 1,839 | 26.5% | 6,933 |
| 2008 | 2,603 | 44.5% | 1,030 | 17.6% | 393 | 6.7% | 112 | 1.9% | 1,715 | 29.3% | 5,853 |



The distribution of indemnity injuries among the different types of insurers has changed dramatically since 1999. Beacon Mutual Insurance Company has increased its share of indemnity injuries from 37% in 1999 to a high of 56.7% in 2004. In 2008, Beacon Mutual's share dropped to 44.5%.

The percent of injuries to self-insured employers dropped from a high of 32% in 1992, leveling at about 10% from 2002 through 2005. It increased to 17.6% in 2008.

The RI state employees' share of injuries decreased from a high of 7.5% in 2006 to 6.7% in 2007 and 2008.

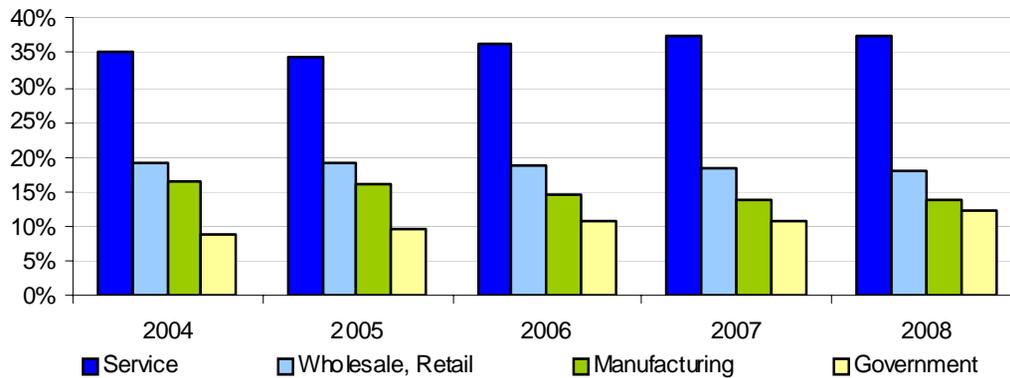
The Interlocal Risk Trust's percent of injuries averaged 2.6% between 1999 and 2007. In 2008 their share dropped to 1.9%.

Other insurers' (mostly private insurers) percent of injuries increased to 29.3% in 2009.

Distribution of Indemnity Injuries by Employer Sector

| Indemnity Injuries | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Agriculture, Fishing, Forestry | 85 | 118 | 124 | 124 | 87 | 109 | 107 | 118 | 94 | 79 |
| Mining | 11 | 9 | 3 | 7 | 8 | 11 | 5 | 3 | 8 | 3 |
| Construction | 709 | 626 | 708 | 598 | 602 | 602 | 552 | 574 | 513 | 397 |
| Manufacturing | 2,071 | 1,932 | 1,665 | 1,324 | 1,222 | 1,173 | 1,117 | 1,045 | 958 | 812 |
| Transportation & Public Utilities | 662 | 703 | 712 | 642 | 652 | 598 | 607 | 596 | 575 | 472 |
| Wholesale & Retail Trade | 1,733 | 1,691 | 1,632 | 1,419 | 1,348 | 1,398 | 1,348 | 1,343 | 1,278 | 1,048 |
| Finance, Insurance, Real Estate | 198 | 201 | 196 | 182 | 170 | 149 | 162 | 143 | 168 | 138 |
| Service Industry | 2,748 | 2,635 | 2,643 | 2,437 | 2,432 | 2,550 | 2,394 | 2,625 | 2,588 | 2,196 |
| Government & Other | 812 | 890 | 916 | 821 | 858 | 634 | 675 | 768 | 751 | 708 |
| Total | 9,029 | 8,805 | 8,599 | 7,554 | 7,379 | 7,224 | 6,967 | 7,215 | 6,933 | 5,853 |

| Distribution by Sector | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Service Industry | 30.4% | 29.9% | 30.7% | 32.3% | 33.0% | 35.3% | 34.4% | 36.4% | 37.3% | 37.5% |
| Wholesale & Retail Trade | 19.2% | 19.2% | 19.0% | 18.8% | 18.3% | 19.4% | 19.3% | 18.6% | 18.4% | 17.9% |
| Manufacturing | 22.9% | 21.9% | 19.4% | 17.5% | 16.6% | 16.2% | 16.0% | 14.5% | 13.8% | 13.9% |
| Government & Other | 9.0% | 10.1% | 10.7% | 10.9% | 11.6% | 8.8% | 9.7% | 10.6% | 10.8% | 12.1% |
| Transportation & Public Utilities | 7.3% | 8.0% | 8.3% | 8.5% | 8.8% | 8.3% | 8.7% | 8.3% | 8.3% | 8.1% |
| Construction | 7.9% | 7.1% | 8.2% | 7.9% | 8.2% | 8.3% | 7.9% | 8.0% | 7.4% | 6.8% |
| Finance, Insurance, Real Estate | 2.2% | 2.3% | 2.3% | 2.4% | 2.3% | 2.1% | 2.3% | 2.0% | 2.4% | 2.4% |
| Agriculture, Fishing, Forestry | 0.9% | 1.3% | 1.4% | 1.6% | 1.2% | 1.5% | 1.5% | 1.6% | 1.4% | 1.3% |
| Mining | 0.1% | 0.1% | 0.0% | 0.1% | 0.1% | 0.2% | 0.1% | 0.0% | 0.1% | 0.1% |

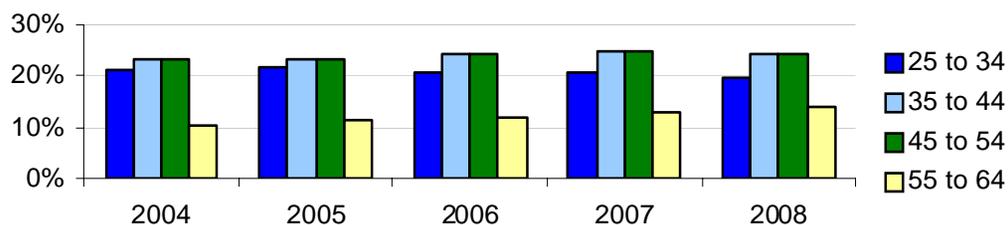


The percent of injuries occurring in the service sector has increased over the past 10 years from 30.4% in 1999 to 37.5% in 2008. The manufacturing sector shows a decrease in the percent of injuries from 22.9% in 1999 to 13.9% in 2008. The distribution of injuries reflects the loss of manufacturing jobs.

Indemnity Injuries by Age

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Under 16 | 19 | 15 | 7 | 4 | 6 | 4 | 5 | 2 | 3 | 3 |
| 16 to 18 | 219 | 187 | 183 | 143 | 113 | 127 | 105 | 130 | 89 | 72 |
| 19 to 24 | 968 | 961 | 960 | 791 | 769 | 814 | 782 | 788 | 799 | 619 |
| 25 to 34 | 2,160 | 2,075 | 1,933 | 1,704 | 1,576 | 1,557 | 1,507 | 1,483 | 1,434 | 1,165 |
| 35 to 44 | 2,598 | 2,502 | 2,529 | 2,087 | 1,961 | 1,926 | 1,816 | 1,824 | 1,650 | 1,402 |
| 45 to 54 | 1,652 | 1,687 | 1,734 | 1,566 | 1,630 | 1,696 | 1,625 | 1,760 | 1,731 | 1,439 |
| 55 to 64 | 747 | 763 | 706 | 730 | 827 | 744 | 807 | 842 | 881 | 821 |
| 65 and over | 131 | 124 | 148 | 114 | 124 | 154 | 147 | 183 | 159 | 176 |
| Not reported | 535 | 491 | 399 | 415 | 373 | 202 | 173 | 203 | 187 | 156 |
| Total | 9,029 | 8,805 | 8,599 | 7,554 | 7,379 | 7,224 | 6,967 | 7,215 | 6,933 | 5,853 |

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Under 16 | 0.2% | 0.2% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.0% | 0.0% | 0.1% |
| 16 to 18 | 2.4% | 2.1% | 2.1% | 1.9% | 1.5% | 1.8% | 1.5% | 1.8% | 1.3% | 1.2% |
| 19 to 24 | 10.7% | 10.9% | 11.2% | 10.5% | 10.4% | 11.3% | 11.2% | 10.9% | 11.5% | 10.6% |
| 25 to 34 | 23.9% | 23.6% | 22.5% | 22.6% | 21.4% | 21.6% | 21.6% | 20.6% | 20.7% | 19.9% |
| 35 to 44 | 28.8% | 28.4% | 29.4% | 27.6% | 26.6% | 26.7% | 26.1% | 25.3% | 23.8% | 24.0% |
| 45 to 54 | 18.3% | 19.2% | 20.2% | 20.7% | 22.1% | 23.5% | 23.3% | 24.4% | 25.0% | 24.6% |
| 55 to 64 | 8.3% | 8.7% | 8.2% | 9.7% | 11.2% | 10.3% | 11.6% | 11.7% | 12.7% | 14.0% |
| 65 and over | 1.5% | 1.4% | 1.7% | 1.5% | 1.7% | 2.1% | 2.1% | 2.5% | 2.3% | 3.0% |
| Not reported | 5.9% | 5.6% | 4.6% | 5.5% | 5.1% | 2.8% | 2.5% | 2.8% | 2.7% | 2.7% |

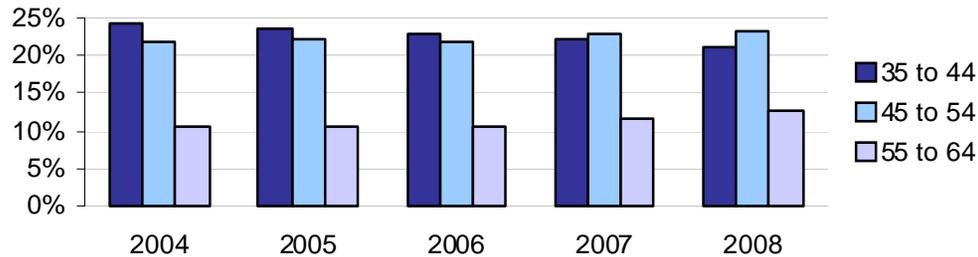


The frequency of indemnity injuries decreased from 23.9% for workers aged 25-34 in 1999 to 19.9% in 2008. Indemnity injuries for workers aged 45 to 54 increased from 18.3% in 1999 to 24.6% in 2008. In general, indemnity injuries have shifted from younger to older workers in most age ranges in the last 10 years. This trend is likely due to an aging of the RI workforce.

Non-Indemnity Injuries by Age

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Under 16 | 64 | 48 | 49 | 46 | 33 | 19 | 22 | 17 | 18 | 12 |
| 16 to 18 | 863 | 888 | 751 | 593 | 579 | 537 | 550 | 517 | 402 | 339 |
| 19 to 24 | 3,510 | 3,635 | 3,429 | 3,038 | 3,133 | 2,984 | 3,049 | 2,908 | 2,648 | 2,303 |
| 25 to 34 | 6,424 | 6,084 | 5,507 | 5,042 | 4,919 | 4,577 | 4,405 | 4,079 | 3,978 | 3,703 |
| 35 to 44 | 6,558 | 6,720 | 6,316 | 5,736 | 5,332 | 5,041 | 4,810 | 4,377 | 4,132 | 3,519 |
| 45 to 54 | 4,499 | 4,707 | 4,723 | 4,406 | 4,664 | 4,526 | 4,555 | 4,148 | 4,286 | 3,909 |
| 55 to 64 | 1,886 | 2,004 | 2,021 | 1,977 | 2,272 | 2,212 | 2,136 | 2,031 | 2,186 | 2,143 |
| 65 and over | 301 | 350 | 337 | 296 | 321 | 375 | 364 | 348 | 384 | 350 |
| Not reported | 1,180 | 1,158 | 1,056 | 936 | 866 | 545 | 580 | 569 | 577 | 472 |
| Total | 25,285 | 25,594 | 24,189 | 22,070 | 22,119 | 20,816 | 20,471 | 18,994 | 18,611 | 16,750 |

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Under 16 | 0.3% | 0.2% | 0.2% | 0.2% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% |
| 16 to 18 | 3.4% | 3.5% | 3.1% | 2.7% | 2.6% | 2.6% | 2.7% | 2.7% | 2.2% | 2.0% |
| 19 to 24 | 13.9% | 14.2% | 14.2% | 13.8% | 14.2% | 14.3% | 14.9% | 15.3% | 14.2% | 13.7% |
| 25 to 34 | 25.4% | 23.8% | 22.8% | 22.8% | 22.2% | 22.0% | 21.5% | 21.5% | 21.4% | 22.1% |
| 35 to 44 | 25.9% | 26.3% | 26.1% | 26.0% | 24.1% | 24.2% | 23.5% | 23.0% | 22.2% | 21.0% |
| 45 to 54 | 17.8% | 18.4% | 19.5% | 20.0% | 21.1% | 21.7% | 22.3% | 21.8% | 23.0% | 23.3% |
| 55 to 64 | 7.5% | 7.8% | 8.4% | 9.0% | 10.3% | 10.6% | 10.4% | 10.7% | 11.7% | 12.8% |
| 65 and over | 1.2% | 1.4% | 1.4% | 1.3% | 1.5% | 1.8% | 1.8% | 1.8% | 2.1% | 2.1% |
| Not reported | 4.7% | 4.5% | 4.4% | 4.2% | 3.9% | 2.6% | 2.8% | 3.0% | 3.1% | 2.8% |



Non-indemnity injuries to workers aged 25 to 34 and 35 to 44 decreased from 1999 to 2008. Non-indemnity injuries to workers aged 45 to 54, 55 to 64 and 65 and over increased in the same period. .

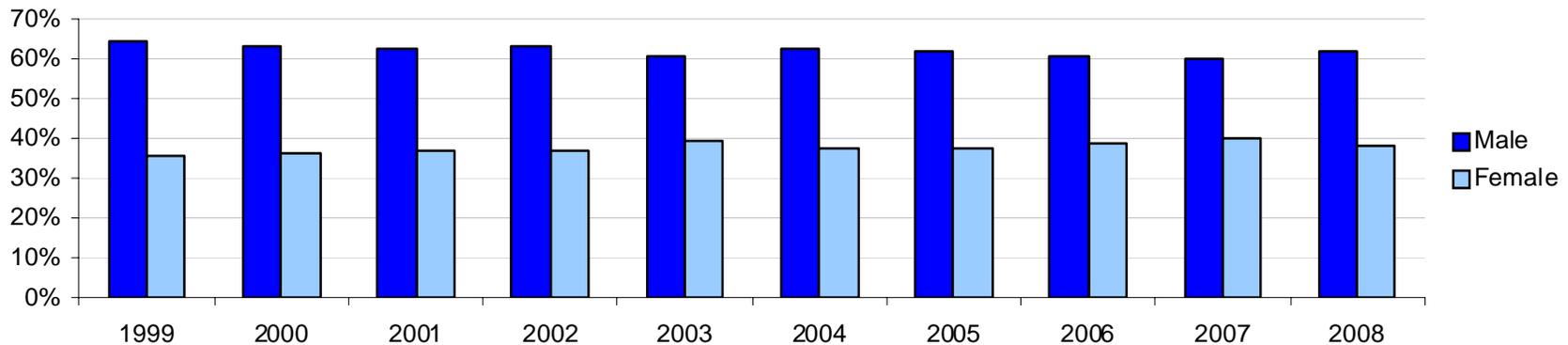
Indemnity Injuries by Gender

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Male | 5,413 | 5,336 | 5,318 | 4,691 | 4,242 | 4,389 | 4,214 | 4,244 | 4,032 | 3,498 |
| Female | 2,996 | 3,073 | 3,138 | 2,743 | 2,766 | 2,608 | 2,559 | 2,734 | 2,688 | 2,172 |
| Not reported | 620 | 396 | 143 | 120 | 371 | 227 | 194 | 237 | 212 | 183 |
| Total | 9,029 | 8,805 | 8,599 | 7,554 | 7,379 | 7,224 | 6,967 | 7,215 | 6,933 | 5,853 |

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Male (percent of reported) | 64.4% | 63.5% | 62.9% | 63.1% | 60.5% | 62.7% | 62.2% | 60.8% | 60.0% | 61.7% |
| Female (percent of reported) | 35.6% | 36.5% | 37.1% | 36.9% | 39.5% | 37.3% | 37.8% | 39.2% | 40.0% | 38.3% |

| | |
|---|--------------|
| | <u>2007</u> |
| US BLS Occupational Injuries & Illnesses with Days away from Work | Male 64.6% |
| | Female 35.4% |

Distribution of indemnity injuries by gender in the last 10 years shows a small decrease of injuries to males and increase of injuries to females. Average of injuries from 1999 to 2008 for males is 62.2% and for females is 37.8%.



Non-Indemnity Injuries by Gender

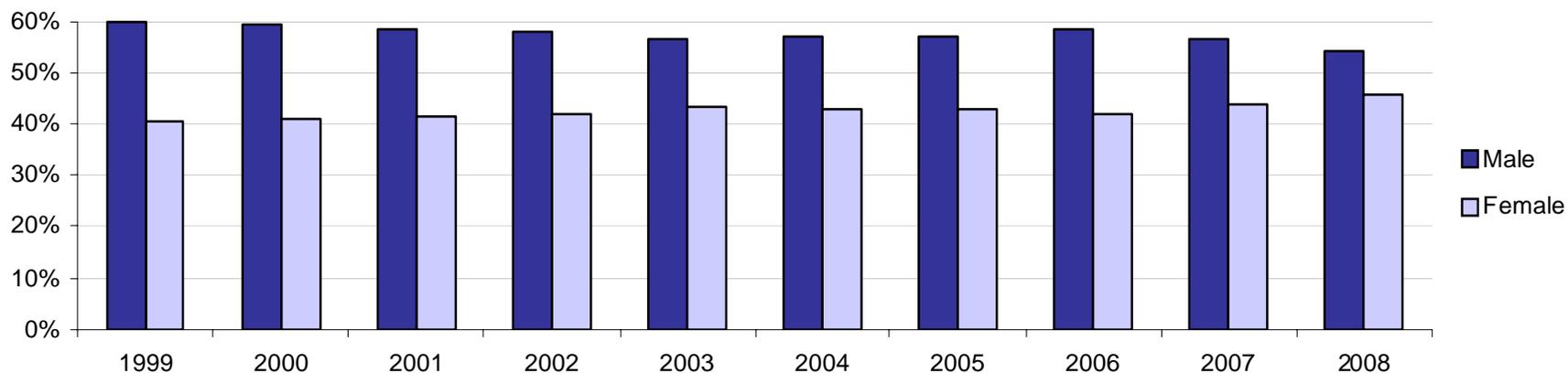
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Male | 14,333 | 14,621 | 13,909 | 12,675 | 12,027 | 11,564 | 11,311 | 10,663 | 10,139 | 8,819 |
| Female | 9,642 | 10,116 | 9,897 | 9,201 | 9,222 | 8,671 | 8,520 | 7,679 | 7,837 | 7,404 |
| Gender not reported | 1,310 | 857 | 383 | 194 | 870 | 581 | 640 | 652 | 635 | 527 |
| Total | 25,285 | 25,594 | 24,189 | 22,070 | 22,119 | 20,816 | 20,471 | 18,994 | 18,611 | 16,750 |

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Male (percent of reported) | 59.8% | 59.1% | 58.4% | 57.9% | 56.6% | 57.1% | 57.0% | 58.1% | 56.4% | 54.4% |
| Female (percent of reported) | 40.2% | 40.9% | 41.6% | 42.1% | 43.4% | 42.9% | 43.0% | 41.9% | 43.6% | 45.6% |

US Employment, age 16 years and over (BLS)

| December 2008 | |
|---------------|-------|
| Male | 52.9% |
| Female | 47.1% |

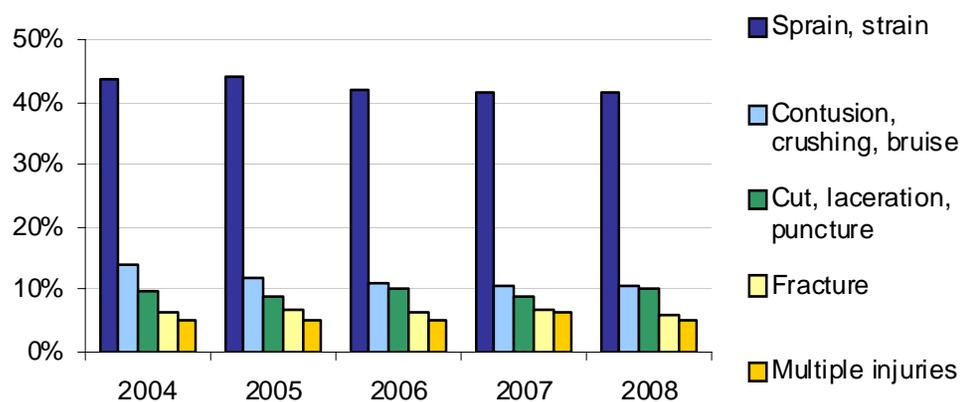
The percentage of non-indemnity injuries to males decreased from 59.8% in 1999 to 54.4% in 2008. The change in distribution between males and females brings the injury rate closer to the distribution of US employment by gender.



Indemnity Injuries by Nature of Injury

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sprain, strain | 3,376 | 3,364 | 3,663 | 3,056 | 3,132 | 3,154 | 3,084 | 3,030 | 2,868 | 2,432 |
| Contusion, crushing, bruise | 936 | 1,056 | 1,061 | 802 | 888 | 1,015 | 829 | 790 | 744 | 626 |
| Cut, laceration, puncture | 946 | 926 | 898 | 786 | 674 | 712 | 617 | 730 | 623 | 595 |
| Fracture | 512 | 582 | 522 | 444 | 445 | 447 | 474 | 460 | 451 | 345 |
| Multiple injuries | 344 | 247 | 458 | 475 | 455 | 355 | 344 | 370 | 437 | 306 |
| Burn from heat | 214 | 217 | 199 | 154 | 128 | 121 | 125 | 180 | 130 | 102 |
| Inflammation, irritation | 652 | 1,093 | 304 | 212 | 218 | 217 | 171 | 180 | 140 | 86 |
| Other | 2,049 | 1,320 | 1,494 | 1,625 | 1,439 | 1,203 | 1,323 | 1,475 | 1,540 | 1,361 |
| Total | 9,029 | 8,805 | 8,599 | 7,554 | 7,379 | 7,224 | 6,967 | 7,215 | 6,933 | 5,853 |

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Sprain, strain | 37.4% | 38.2% | 42.6% | 40.5% | 42.4% | 43.7% | 44.3% | 42.0% | 41.4% | 41.6% |
| Contusion, crushing, bruise | 10.4% | 12.0% | 12.3% | 10.6% | 12.0% | 14.1% | 11.9% | 10.9% | 10.7% | 10.7% |
| Cut, laceration, puncture | 10.5% | 10.5% | 10.4% | 10.4% | 9.1% | 9.9% | 8.9% | 10.1% | 9.0% | 10.2% |
| Fracture | 5.7% | 6.6% | 6.1% | 5.9% | 6.0% | 6.2% | 6.8% | 6.4% | 6.5% | 5.9% |
| Multiple injuries | 3.8% | 2.8% | 5.3% | 6.3% | 6.2% | 4.9% | 4.9% | 5.1% | 6.3% | 5.2% |
| Burn from heat | 2.4% | 2.5% | 2.3% | 2.0% | 1.7% | 1.7% | 1.8% | 2.5% | 1.9% | 1.7% |
| Inflammation, irritation | 7.2% | 12.4% | 3.5% | 2.8% | 3.0% | 3.0% | 2.5% | 2.5% | 2.0% | 1.5% |
| Other | 22.7% | 15.0% | 17.4% | 21.5% | 19.5% | 16.7% | 19.0% | 20.4% | 22.2% | 23.3% |

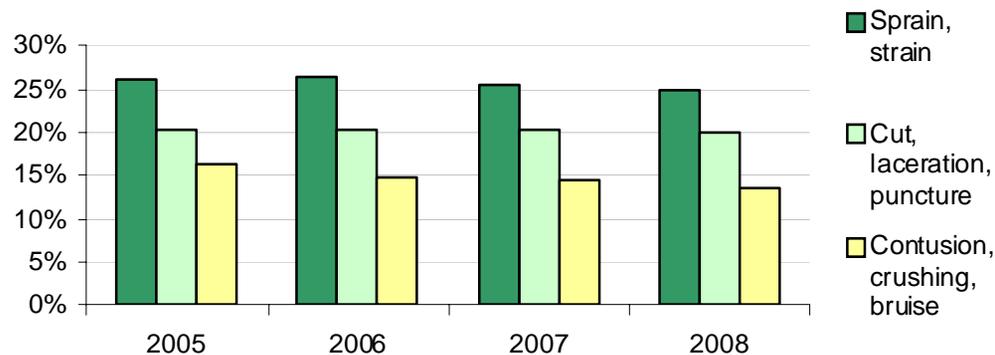


Sprains and strains are by far the most frequently occurring nature of injury for indemnity injuries averaging 41.4% in the last 10 years. The next most frequently occurring indemnity injuries are contusion, crushing and bruise injuries, with an average of 11.6% over the last 10 years. Cut, laceration and puncture injuries are the next most frequent with an average of 9.9%. Multiple nature of injuries averaged 6.4%. Fractures averaged 6.2%. Inflammation of irritation of joints and muscles has decreased in frequency, which may be attributable to the way these are reported.

Non-Indemnity Injuries by Nature of Injury

| Nature of Injury | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Sprain, strain | 6,590 | 6,628 | 7,169 | 5,883 | 5,844 | 5,645 | 5,365 | 4,979 | 4,768 | 4,163 |
| Cut, laceration, puncture | 4,668 | 4,761 | 4,586 | 4,355 | 4,386 | 4,299 | 4,159 | 3,826 | 3,792 | 3,346 |
| Contusion, crushing, bruise | 4,416 | 4,812 | 4,507 | 4,121 | 3,980 | 3,917 | 3,340 | 2,820 | 2,698 | 2,280 |
| Multiple injuries | 500 | 451 | 760 | 764 | 926 | 772 | 685 | 698 | 815 | 704 |
| Eye: disease, particle | 1,082 | 1,037 | 1,028 | 881 | 789 | 795 | 889 | 978 | 786 | 699 |
| Exposed to germs | 602 | 652 | 659 | 589 | 658 | 393 | 429 | 486 | 541 | 659 |
| Burn from heat | 642 | 674 | 616 | 551 | 561 | 535 | 547 | 465 | 448 | 426 |
| Other | 6,785 | 6,579 | 4,864 | 4,926 | 4,975 | 4,460 | 5,057 | 4,742 | 4,763 | 4,473 |
| Total | 25,285 | 25,594 | 24,189 | 22,070 | 22,119 | 20,816 | 20,471 | 18,994 | 18,611 | 16,750 |

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Sprain, strain | 26.1% | 25.9% | 29.6% | 26.7% | 26.4% | 27.1% | 26.2% | 26.2% | 25.6% | 24.9% |
| Cut, laceration, puncture | 18.5% | 18.6% | 19.0% | 19.7% | 19.8% | 20.7% | 20.3% | 20.1% | 20.4% | 20.0% |
| Contusion, crushing, bruise | 17.5% | 18.8% | 18.6% | 18.7% | 18.0% | 18.8% | 16.3% | 14.8% | 14.5% | 13.6% |
| Eye: disease, particle | 2.0% | 1.8% | 3.1% | 3.5% | 4.2% | 3.7% | 3.3% | 3.7% | 4.4% | 4.2% |
| Multiple injuries | 4.3% | 4.1% | 4.2% | 4.0% | 3.6% | 3.8% | 4.3% | 5.1% | 4.2% | 4.2% |
| Exposed to germs | 2.4% | 2.5% | 2.7% | 2.7% | 3.0% | 1.9% | 2.1% | 2.6% | 2.9% | 3.9% |
| Burn from heat | 2.5% | 2.6% | 2.5% | 2.5% | 2.5% | 2.6% | 2.7% | 2.4% | 2.4% | 2.5% |
| Other | 26.8% | 25.7% | 20.1% | 22.3% | 22.5% | 21.4% | 24.7% | 25.0% | 25.6% | 26.7% |

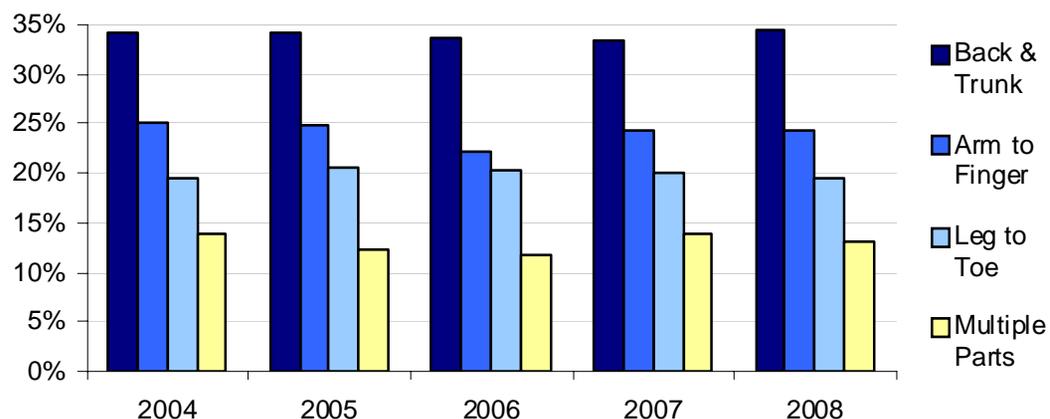


Sprains and strains are the most frequently occurring non-indemnity injury. An average of 26.5% of non-indemnity injuries from 1999 to 2008 are sprains or strains. The next most frequent non-indemnity injuries are cut, laceration and puncture injuries, followed very closely by contusion, crushing, and bruise injuries. An average of 19.7% of non-indemnity injuries for the last 10 years were cut, laceration or puncture. Contusion, crushing and bruise injuries averaged 17% for the same period.

Indemnity Injuries by Body Part

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Back & Trunk | 2,981 | 2,977 | 2,818 | 2,496 | 2,481 | 2,477 | 2,381 | 2,422 | 2,314 | 2,015 |
| Arm to Finger | 2,368 | 2,414 | 2,327 | 1,904 | 1,727 | 1,814 | 1,737 | 1,603 | 1,691 | 1,427 |
| Leg to Toe | 1,471 | 1,579 | 1,549 | 1,406 | 1,392 | 1,417 | 1,432 | 1,467 | 1,386 | 1,148 |
| Multiple Parts | 912 | 652 | 1,100 | 1,124 | 1,179 | 996 | 861 | 851 | 960 | 761 |
| Head, all parts | 318 | 374 | 324 | 259 | 286 | 248 | 282 | 321 | 262 | 223 |
| Neck | 227 | 296 | 218 | 126 | 116 | 112 | 91 | 95 | 113 | 76 |
| Other | 752 | 513 | 263 | 239 | 198 | 160 | 183 | 456 | 207 | 185 |
| Total | 9,029 | 8,805 | 8,599 | 7,554 | 7,379 | 7,224 | 6,967 | 7,215 | 6,933 | 5,853 |

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Back & Trunk | 33.0% | 33.8% | 32.8% | 33.0% | 33.6% | 34.3% | 34.2% | 33.6% | 33.4% | 34.4% |
| Arm to Finger | 26.2% | 27.4% | 27.1% | 25.2% | 23.4% | 25.1% | 24.9% | 22.2% | 24.4% | 24.4% |
| Leg to Toe | 16.3% | 17.9% | 18.0% | 18.6% | 18.9% | 19.6% | 20.6% | 20.3% | 20.0% | 19.6% |
| Multiple Parts | 10.1% | 7.4% | 12.8% | 14.9% | 16.0% | 13.8% | 12.4% | 11.8% | 13.8% | 13.0% |
| Head, all parts | 3.5% | 4.2% | 3.8% | 3.4% | 3.9% | 3.4% | 4.0% | 4.4% | 3.8% | 3.8% |
| Neck | 2.5% | 3.4% | 2.5% | 1.7% | 1.6% | 1.6% | 1.3% | 1.3% | 1.6% | 1.3% |
| Other | 8.3% | 5.8% | 3.1% | 3.2% | 2.7% | 2.2% | 2.6% | 6.3% | 3.0% | 3.2% |

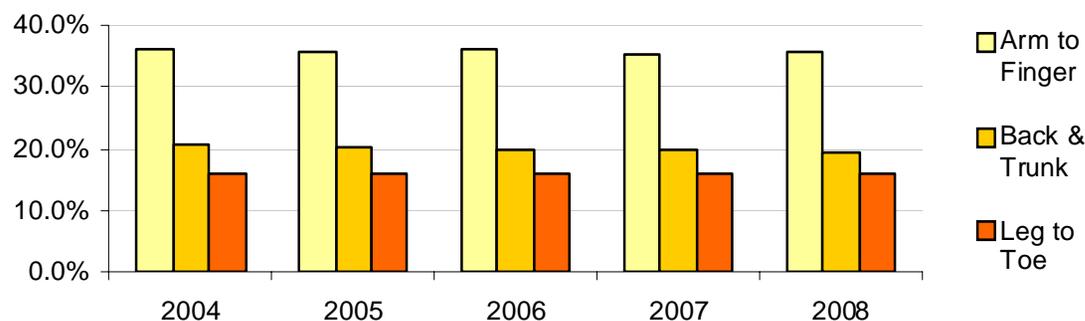


In the past 10 years, an average of 33.6% of indemnity injuries occurred to the back and trunk. An average of 25% of injuries occurred to the arm, including hand and wrist. Injuries to the leg, including the foot and toes made up an average of 19% of indemnity injuries for the same time frame. For the same time period, injuries to multiple body parts were 12.6% of injuries.

Non-Indemnity Injuries by Body Part

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Arm to Finger | 9,031 | 9,208 | 8,729 | 8,073 | 7,806 | 7,514 | 7,272 | 6,873 | 6,565 | 5,968 |
| Back & Trunk | 5,282 | 5,596 | 5,014 | 4,291 | 4,331 | 4,251 | 4,164 | 3,797 | 3,682 | 3,205 |
| Leg to Toe | 3,782 | 3,937 | 3,809 | 3,334 | 3,437 | 3,307 | 3,228 | 2,984 | 2,981 | 2,659 |
| Head, all parts | 3,241 | 3,309 | 3,112 | 2,945 | 2,786 | 2,736 | 2,818 | 2,589 | 2,387 | 1,984 |
| Multiple Parts | 1,459 | 1,412 | 2,040 | 2,272 | 2,607 | 2,015 | 1,852 | 1,599 | 1,842 | 1,682 |
| Neck | 517 | 655 | 471 | 343 | 311 | 261 | 250 | 208 | 218 | 214 |
| Other | 1,973 | 1,477 | 1,014 | 812 | 841 | 732 | 887 | 944 | 936 | 895 |
| Total | 25,285 | 25,594 | 24,189 | 22,070 | 22,119 | 20,816 | 20,471 | 18,994 | 18,611 | 16,750 |

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Arm to Finger | 35.7% | 36.0% | 36.1% | 36.6% | 35.3% | 36.1% | 35.5% | 36.2% | 35.3% | 35.6% |
| Back & Trunk | 20.9% | 21.9% | 20.7% | 19.4% | 19.6% | 20.4% | 20.3% | 20.0% | 19.8% | 19.1% |
| Leg to Toe | 15.0% | 15.4% | 15.7% | 15.1% | 15.5% | 15.9% | 15.8% | 15.7% | 16.0% | 15.9% |
| Head, all parts | 12.8% | 12.9% | 12.9% | 13.3% | 12.6% | 13.1% | 13.8% | 13.6% | 12.8% | 11.8% |
| Multiple Parts | 5.8% | 5.5% | 8.4% | 10.3% | 11.8% | 9.7% | 9.0% | 8.4% | 9.9% | 10.0% |
| Neck | 2.0% | 2.6% | 1.9% | 1.6% | 1.4% | 1.3% | 1.2% | 1.1% | 1.2% | 1.3% |
| Other | 7.8% | 5.8% | 4.2% | 3.7% | 3.8% | 3.5% | 4.3% | 5.0% | 5.0% | 5.3% |

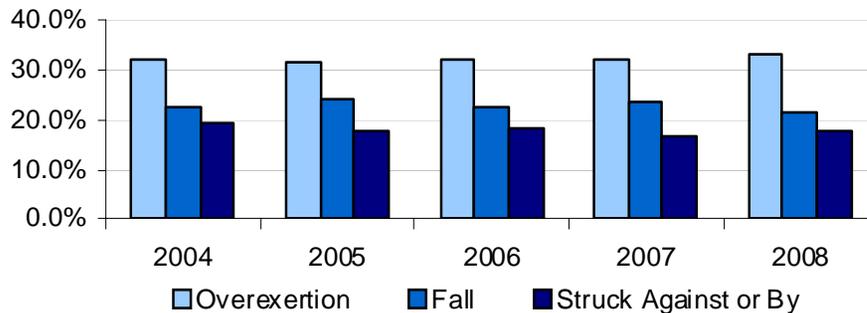


Non-indemnity injuries to the arm including hand and fingers occur most frequently, accounting for an average of 35.8% of non-indemnity injuries from 1999 to 2008. Injuries to the back and trunk area are the next most frequent, averaging 20.2% of non-indemnity injuries for that period. Injuries from leg to toe averaged 15.6% of non-indemnity injuries for the past 10 years.

Indemnity Injuries by Injury Type

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Average |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Overexertion | 2,713 | 2,633 | 2,435 | 2,133 | 2,183 | 2,320 | 2,220 | 2,316 | 2,222 | 1,942 | 2,312 |
| Fall | 1,778 | 1,965 | 2,014 | 1,796 | 1,717 | 1,640 | 1,685 | 1,625 | 1,648 | 1,257 | 1,713 |
| Struck Against or By | 1,715 | 1,665 | 1,696 | 1,599 | 1,322 | 1,395 | 1,237 | 1,327 | 1,171 | 1,043 | 1,417 |
| Bodily Reaction | 478 | 465 | 605 | 863 | 573 | 347 | 296 | 272 | 260 | 283 | 444 |
| Caught In, Under, Between | 502 | 484 | 433 | 425 | 301 | 307 | 302 | 332 | 294 | 226 | 361 |
| Motor Vehicle Accident | 272 | 273 | 304 | 287 | 263 | 224 | 254 | 207 | 253 | 199 | 254 |
| Contact with Temperature Extremes | 197 | 199 | 190 | 180 | 113 | 117 | 109 | 140 | 113 | 89 | 145 |
| Assault | 48 | 39 | 51 | 115 | 219 | 122 | 69 | 160 | 166 | 142 | 113 |
| Rubbed or Abraded | 78 | 100 | 95 | 105 | 50 | 33 | 46 | 55 | 55 | 42 | 66 |
| Contact with Caustics | 94 | 85 | 81 | 59 | 34 | 45 | 43 | 58 | 53 | 42 | 59 |
| Particle in Eye | 30 | 33 | 28 | 40 | 31 | 37 | 47 | 52 | 42 | 30 | 37 |
| Animal, Insect Bite | 24 | 17 | 28 | 23 | 16 | 20 | 21 | 19 | 21 | 19 | 21 |
| Exposed to Germs | 13 | 14 | 17 | 19 | 15 | 8 | 8 | 24 | 23 | 19 | 16 |
| Other | 944 | 719 | 466 | 471 | 542 | 609 | 630 | 628 | 612 | 520 | 614 |
| Total | 8,886 | 8,691 | 8,443 | 8,115 | 7,379 | 7,224 | 6,967 | 7,215 | 6,933 | 5,853 | 7,571 |

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Average |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|
| Overexertion | 30.5% | 30.3% | 28.8% | 26.3% | 29.6% | 32.1% | 31.9% | 32.1% | 32.0% | 33.2% | 30.5% |
| Fall | 20.0% | 22.6% | 23.9% | 22.1% | 23.3% | 22.7% | 24.2% | 22.5% | 23.8% | 21.5% | 22.6% |
| Struck Against or By | 19.3% | 19.2% | 20.1% | 19.7% | 17.9% | 19.3% | 17.8% | 18.4% | 16.9% | 17.8% | 18.7% |

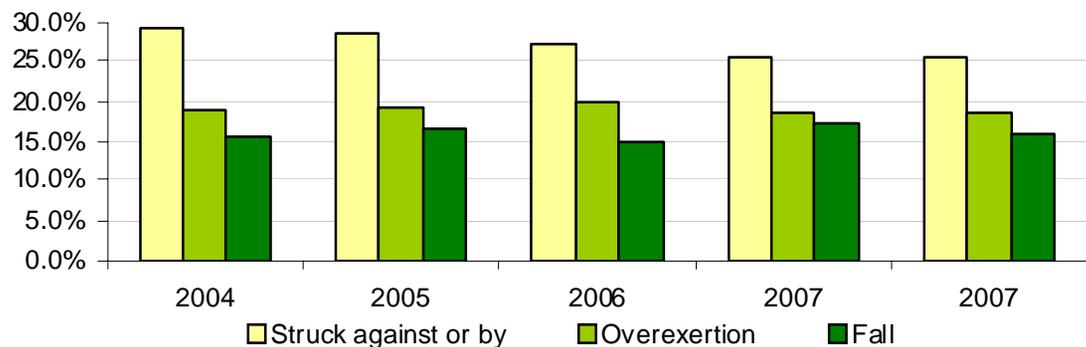


The most frequently occurring type of indemnity injury in the past 10 years is overexertion, followed by fall and struck against or by. Other types of indemnity injuries occur much less frequently.

Non-Indemnity Injuries by Injury Type

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Average |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Struck against or by | 7,693 | 7,622 | 7,286 | 6,464 | 6,080 | 6,078 | 5,848 | 5,155 | 4,742 | 4,247 | 6,122 |
| Overexertion | 4,637 | 4,836 | 4,272 | 3,794 | 3,841 | 3,944 | 3,892 | 3,759 | 3,423 | 3,107 | 3,951 |
| Fall | 3,772 | 4,298 | 4,210 | 3,465 | 3,813 | 3,242 | 3,343 | 2,848 | 3,208 | 2,661 | 3,486 |
| Caught In, Under, Between | 1,574 | 1,582 | 1,286 | 1,116 | 919 | 931 | 797 | 760 | 710 | 575 | 1,025 |
| Particle in Eye | 1,117 | 1,161 | 1,126 | 977 | 836 | 852 | 893 | 981 | 791 | 725 | 946 |
| Bodily Reaction | 1,010 | 804 | 1,369 | 1,433 | 1,173 | 651 | 562 | 432 | 457 | 506 | 840 |
| Exposed to Germs | 599 | 680 | 648 | 647 | 697 | 473 | 588 | 685 | 633 | 750 | 640 |
| Contact with Temperature Extremes | 649 | 669 | 677 | 622 | 550 | 551 | 483 | 427 | 406 | 395 | 543 |
| Contact with Caustics | 718 | 767 | 657 | 460 | 430 | 422 | 474 | 454 | 383 | 384 | 515 |
| Assault | 59 | 49 | 60 | 668 | 1,075 | 693 | 520 | 756 | 967 | 908 | 576 |
| Rubber or Abraded | 615 | 742 | 619 | 381 | 299 | 283 | 302 | 310 | 340 | 276 | 417 |
| Motor Vehicle Accident | 386 | 396 | 415 | 374 | 405 | 330 | 348 | 303 | 338 | 266 | 356 |
| Animal, Insect Bite | 313 | 325 | 411 | 344 | 380 | 343 | 320 | 303 | 371 | 312 | 342 |
| Other | 2,294 | 1,799 | 1,402 | 1,346 | 1,621 | 2,023 | 2,101 | 1,821 | 1,842 | 1,638 | 1,792 |
| Total | 25,436 | 25,730 | 24,438 | 22,091 | 22,119 | 20,816 | 20,471 | 18,994 | 18,611 | 16,750 | 21,546 |

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2007 | Average |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|
| Struck against or by | 30.2% | 29.6% | 29.8% | 29.3% | 27.5% | 29.2% | 28.6% | 27.1% | 25.5% | 25.4% | 28.4% |
| Overexertion | 18.2% | 18.8% | 17.5% | 17.2% | 17.4% | 18.9% | 19.0% | 19.8% | 18.4% | 18.5% | 18.3% |
| Fall | 14.8% | 16.7% | 17.2% | 15.7% | 17.2% | 15.6% | 16.3% | 15.0% | 17.2% | 15.9% | 16.2% |



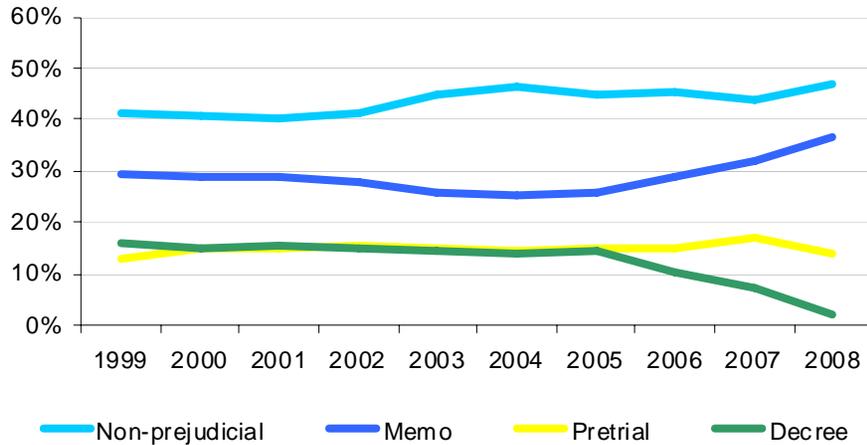
The most frequent type of non-indemnity injury is struck against or by something, followed by overexertion and falls. Those three types of injury make up an average of about 62.9% of all non-indemnity injuries for the past 10 years.

Fatalities

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Total |
|---------------------------------|------|------|------|------|------|------|------|------|------|------|-------|
| Compensable Fatalities | 7 | 3 | 6 | 5 | 12 | 2 | 4 | 6 | 2 | 3 | 50 |
| Gender | | | | | | | | | | | |
| Female | 0 | 0 | 1 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 5 |
| Male | 7 | 3 | 5 | 3 | 10 | 2 | 4 | 6 | 2 | 3 | 45 |
| County | | | | | | | | | | | |
| Kent | 0 | 0 | 3 | 0 | 6 | 1 | 0 | 3 | 0 | 0 | 13 |
| Newport | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Providence | 4 | 0 | 2 | 3 | 4 | 1 | 3 | 3 | 0 | 1 | 21 |
| Washington | 2 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 4 |
| Out of State | 1 | 2 | 1 | 2 | 2 | 0 | 0 | 0 | 1 | 2 | 11 |
| Accident Type | | | | | | | | | | | |
| Aircraft accident | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Asbestosis | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Assaulted or shot | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Crushed | 0 | 2 | 0 | 0 | 3 | 1 | 1 | 0 | 0 | 0 | 7 |
| Electrocuted | 2 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 4 |
| Fell from elevation | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 2 | 4 |
| Fire | 0 | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| Heart attack or stroke | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| Industrial vehicle accident | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 2 |
| Motor vehicle accident | 2 | 1 | 3 | 4 | 2 | 1 | 1 | 3 | 1 | 1 | 19 |
| Struck by falling/flying object | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| Type not reported | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Employer Type | | | | | | | | | | | |
| Construction | 2 | 3 | 1 | 0 | 3 | 1 | 1 | 1 | 1 | 0 | 13 |
| Manufacturing | 3 | 0 | 2 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 7 |
| Transport & Public Utilities | 2 | 0 | 1 | 1 | 0 | 0 | 0 | 1 | 0 | 1 | 6 |
| Wholesale & Retail | 0 | 0 | 1 | 1 | 7 | 1 | 1 | 1 | 0 | 1 | 13 |
| Finance, Insurance, Real Estate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Services | 0 | 0 | 1 | 1 | 1 | 0 | 1 | 2 | 1 | 1 | 8 |
| Government | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 3 |

Files Opened by Highest Level of Agreement or Order to Compensate

| Files Opened | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Number of injury files opened | 34,465 | 34,032 | 33,460 | 30,838 | 30,409 | 28,649 | 28,499 | 27,354 | 26,118 | 23,559 |
| With no agreement | 25,548 | 25,368 | 24,701 | 22,555 | 22,062 | 20,669 | 20,668 | 19,439 | 18,559 | 17,360 |
| Under nonprejudicial agreement | 3,663 | 3,548 | 3,506 | 3,427 | 3,731 | 3,693 | 3,512 | 3,592 | 3,309 | 2,923 |
| Under memorandum of agreement | 2,642 | 2,515 | 2,554 | 2,316 | 2,167 | 2,033 | 2,016 | 2,298 | 2,433 | 2,273 |
| Under pretrial order | 1,169 | 1,288 | 1,333 | 1,275 | 1,237 | 1,140 | 1,164 | 1,193 | 1,279 | 858 |
| Under decree | 1,443 | 1,313 | 1,366 | 1,265 | 1,212 | 1,114 | 1,139 | 832 | 538 | 145 |
| Under agreement or decree total | 8,917 | 8,664 | 8,759 | 8,283 | 8,347 | 7,980 | 7,831 | 7,915 | 7,559 | 6,199 |
| Non-prejudicial rate | 41.1% | 41.0% | 40.0% | 41.4% | 44.7% | 46.3% | 44.8% | 45.4% | 43.8% | 47.2% |
| Memorandum rate | 29.6% | 29.0% | 29.2% | 28.0% | 26.0% | 25.5% | 25.7% | 29.0% | 32.2% | 36.7% |
| Pretrial rate | 13.1% | 14.9% | 15.2% | 15.4% | 14.8% | 14.3% | 14.9% | 15.1% | 16.9% | 13.8% |
| Decree rate | 16.2% | 15.2% | 15.6% | 15.3% | 14.5% | 14.0% | 14.5% | 10.5% | 7.1% | 2.3% |

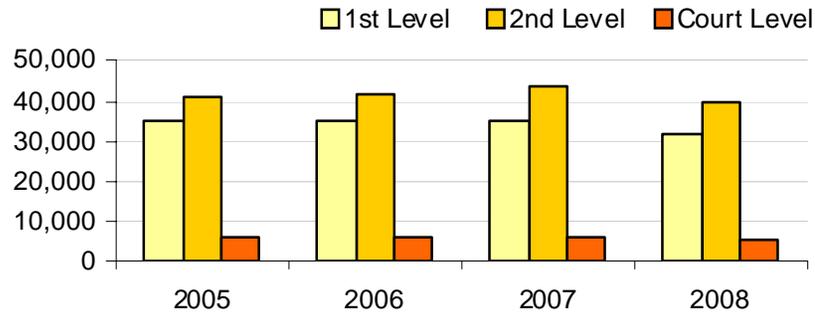


In 1999, 40.1% of all files with an agreement or decree were paid with a nonprejudicial agreement as the highest level of agreement or decree. Usage stays level through 2002, when it increased to between 43.8% in 2007 to 45.3% in 2004. Note that recent files may change to show payment under a higher level of agreement or decree over time. The memorandum is the next most common used with a 10 year average rate of 29.1%.

The rate of files under pretrial order averages 14.8% for the past 10 years. The rate of files under decree on recent years' files is expected to rise as open litigation cases are resolved.

Filings Received Per Calendar Year

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| First Report of Injury | 32,787 | 32,639 | 32,891 | 30,714 | 30,370 | 29,245 | 29,290 | 28,600 | 27,812 | 24,508 |
| Non-Payment of Indemnity | 19,529 | 19,491 | 18,783 | 16,643 | 1,935 | 666 | 0 | 0 | 0 | 0 |
| Non-Indemnity Itemized Statement | | | | | 107 | 4,161 | 5,891 | 6,383 | 7,235 | 7,510 |
| First Level Filings | 52,316 | 52,130 | 51,674 | 47,357 | 32,412 | 34,072 | 35,181 | 34,983 | 35,047 | 32,018 |
| Nonprejudicial Agreement | 7,983 | 7,606 | 7,692 | 7,208 | 7,549 | 7,795 | 7,495 | 7,297 | 7,301 | 6,007 |
| Wage Statement | 8,180 | 7,758 | 8,422 | 7,913 | 7,874 | 7,849 | 7,375 | 7,234 | 7,217 | 6,360 |
| Dependency | 5,948 | 5,494 | 5,985 | 5,483 | 5,432 | 5,125 | 4,824 | 4,851 | 4,940 | 4,440 |
| Termination of Benefits | 5,526 | 5,212 | 5,295 | 4,986 | 5,243 | 5,666 | 5,260 | 4,820 | 4,546 | 3,708 |
| Memorandum of Agreement | 3,780 | 3,609 | 3,962 | 3,588 | 3,375 | 3,383 | 3,074 | 3,205 | 3,342 | 3,416 |
| Mutual Agreement | 2,823 | 2,653 | 2,906 | 3,128 | 1,904 | 715 | 698 | 705 | 736 | 834 |
| Interim Payment Report | 3,333 | 2,853 | 3,020 | 3,056 | 2,570 | 2,918 | 2,387 | 2,462 | 2,877 | 2,450 |
| Specific Payment Report | 1,996 | 1,865 | 2,115 | 2,250 | 2,155 | 2,361 | 2,546 | 2,423 | 2,454 | 2,475 |
| Final Payment Report | 4,441 | 4,226 | 4,810 | 4,902 | 3,973 | 3,662 | 3,316 | 2,908 | 3,036 | 3,078 |
| Suspension Agreement | 2,811 | 2,640 | 2,886 | 2,652 | 2,386 | 2,355 | 2,206 | 2,304 | 2,441 | 2,472 |
| Wage Transcript | 16 | 12 | 28 | 23 | 22 | 28 | 7 | 12 | 7 | 8 |
| Itemized Statement for Indemnity | 0 | 0 | 1 | 0 | 334 | 1,775 | 2,119 | 3,763 | 4,524 | 4,267 |
| Second Level Filings | 46,837 | 43,928 | 47,122 | 45,189 | 42,817 | 43,632 | 41,307 | 41,984 | 43,421 | 39,515 |
| Pretrial Order | 4,014 | 4,488 | 4,976 | 4,918 | 4,699 | 4,719 | 4,576 | 4,491 | 4,085 | 3,985 |
| Decree | 1,810 | 1,993 | 1,907 | 2,147 | 1,836 | 1,565 | 1,843 | 1,807 | 1,781 | 1,459 |
| Court Level Filings | 5,824 | 6,481 | 6,883 | 7,065 | 6,535 | 6,284 | 6,419 | 6,298 | 5,866 | 5,444 |



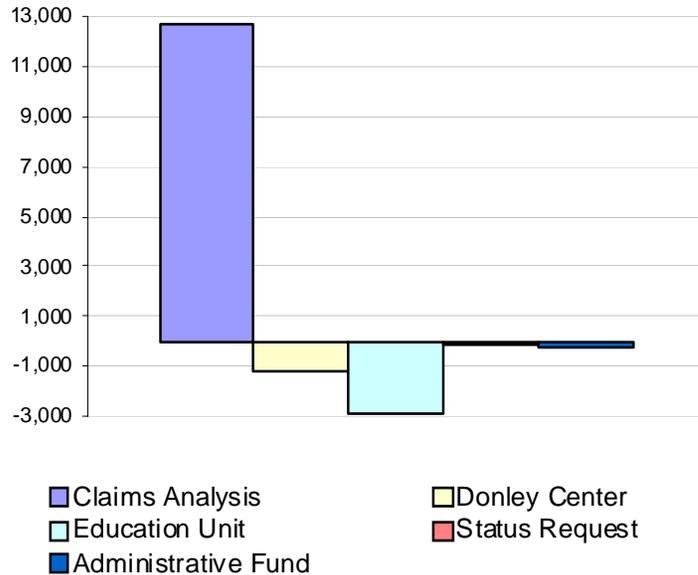
First Reports, Reports of Non-Payment of Indemnity Benefits and Non-Indemnity Itemized Statements are first level reports. In the second half of 2002, the Report of Non-Payment of Indemnity form was discontinued. The number of first reports received has declined since 2001 along with a decline in the number of injuries.

Second level reports include agreements to compensate, documents to end compensation, and reports of payments. The number of second level reports received in 2008 decreased due to the lower number of injuries.

Summary of Notices

| Notices Generated | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Change from 2007 to 2008 |
|-------------------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------------------|
| Claims Analysis | 17,426 | 18,471 | 16,836 | 15,914 | 16,880 | 10,489 | 3,598 | 6,938 | 19,695 | 12,757 |
| First Report Compliance | 5,472 | 6,128 | 4,461 | 1,649 | 2,039 | 1,972 | 1,979 | 1,580 | 1,468 | -112 |
| Donley Center | 18,249 | 19,988 | 19,020 | 11,954 | 11,272 | 11,322 | 12,245 | 12,793 | 11,547 | -1,246 |
| Education Unit | 33,971 | 33,267 | 30,635 | 30,686 | 28,923 | 28,316 | 27,825 | 26,683 | 23,756 | -2,927 |
| IME & Annual Review | 10,927 | 12,457 | 11,826 | 7,968 | 8,181 | 8,030 | 8,006 | 7,444 | 7,072 | -372 |
| Status Request | 8,435 | 9,738 | 9,528 | 6,018 | 5,944 | 5,888 | 6,658 | 5,798 | 5,660 | -138 |
| Administrative Fund | 1,798 | 1,833 | 1,326 | 1,076 | 1,031 | 995 | 883 | 420 | 210 | -210 |
| Total | 96,278 | 101,882 | 93,632 | 75,265 | 74,270 | 67,012 | 61,194 | 61,656 | 69,408 | 7,752 |

Change from 2007 to 2008



Claims analysis notices decreased to 3,598 in 2006. A process to streamline correspondence was implemented in 2004. In 2005, the business process was modified to shift notice to claims administrators of claim problems from individual claims to an aggregate basis. In 2007, additional notices were added to target specific problems. Notices requesting the Itemized Statement after claim closing were added in 2008, raising the number of notices to 19,695.

First Report Compliance notices dropped to a low of 1,649 in 2003 after successful implementation of a stricter compliance program. In 2004, additional notices were generated identifying sub-standard reports. Compliance notices dropped to 1,468 in 2008 due to an improvement in quality and timeliness of first reports submitted and a reduction in the number of injuries.

Notices for Donley Center, Education Unit, IME & Annual Review, and Status Request are generated on open claims. The number of these notices decreased with the lower number of injuries each year.

Workers Compensation Administrative Fund

Administrative Fund Information

The Workers' Compensation Administrative Fund, formerly the Second Injury Fund, collects income each year through assessments on insurance companies, self-insured employers, group self-insured employers and municipalities covered under the Workers' Compensation Act. The Fund supports these agencies:

Dr. John E. Donley Rehabilitation Center

Education Unit

Workers' Compensation Court System

Medical Advisory Board

Workers' Compensation Fraud and Compliance Unit

Department of Labor & Training's Workers' Compensation Unit

Workers' Compensation Advisory Council.

The Administrative Fund is also responsible to reimburse contributors to the fund for claims that fall within these sections of the Workers' Compensation Act:

Pre-1975 Injuries. RIGL § 28-37-9 provides for the reimbursement of compensation and medical payments for claims with injury dates before September, 1974. These claims were subject to a cap on benefits. If a totally disabled employee reached the cap, the insurer would be reimbursed for compensation benefits until the end of total disability or death.

Aggravation. RIGL § 28-27-4 provided for reimbursement of benefits for injured employees with a pre-existing work-related disability. This section was repealed on July 3, 1998. Injuries accepted prior to repeal are still eligible for reimbursement, but no new claims are accepted.

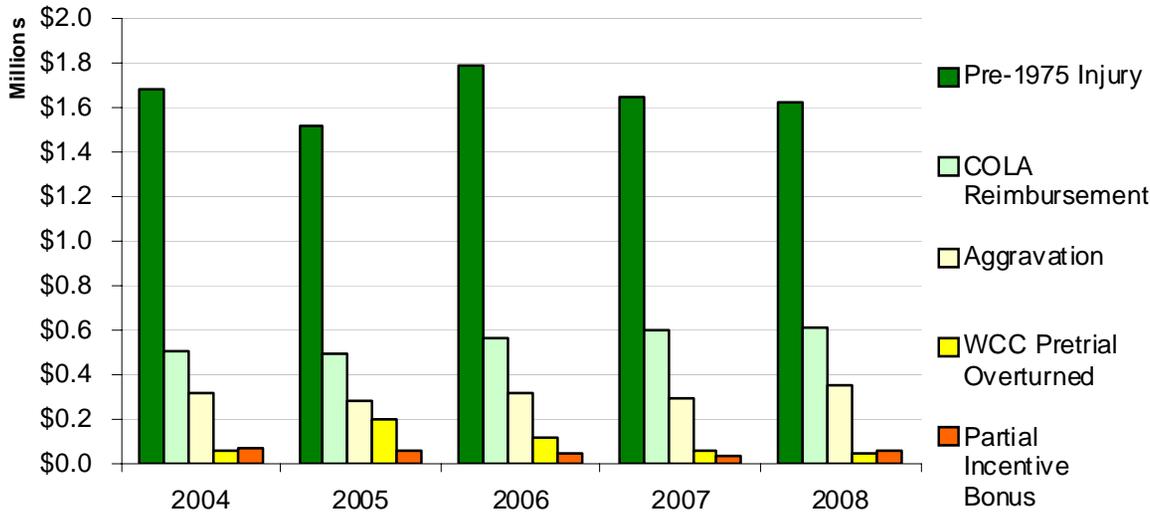
WCC Pretrial Overturned. RIGL § 28-35-20 (f) provides for reimbursement of payments made pursuant to an order of the Workers' Compensation Court that is later overturned or amended.

COLA Reimbursement. RIGL § 28-37-1 (b) (8) provides for reimbursement of insurer payment made for cost-of-living adjustments pursuant to RIGL § 28-33-17. The application period for this type of reimbursement has expired.

Partial Incentive Bonus. RIGL § 28-37-4 (i) provides for direct payment to injured workers who return to employment at wages less than those received before the work-related injury. Payment from the Fund makes up the difference between the pre-injury wages and the total of current wages plus compensation. This law was repealed in 1992, but by Supreme Court order the Fund is obligated to make payments to employees accepted prior to the repeal.

Workers' Compensation Administrative Fund Total Expenditures

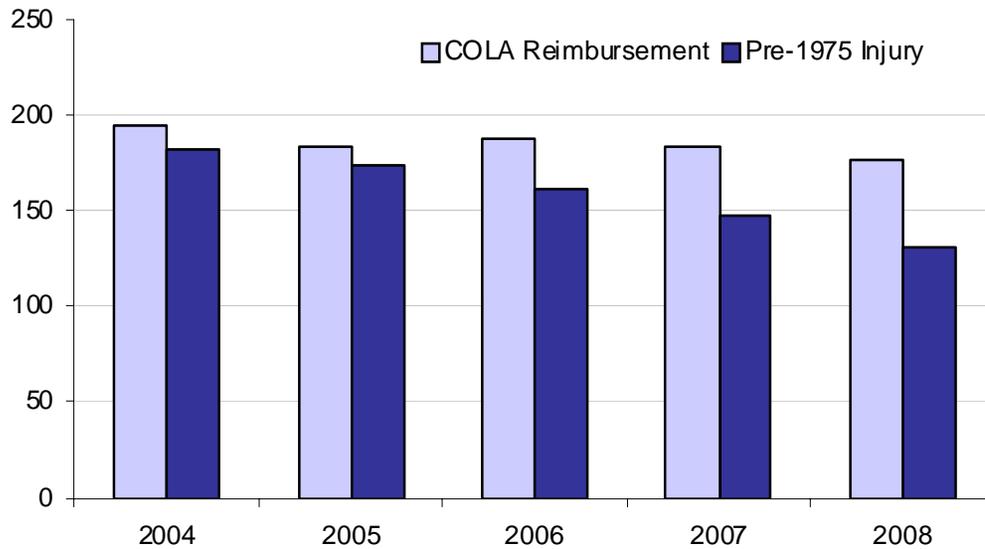
| Amount Paid | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Pre-1975 Injury | \$1,629,944 | \$1,631,669 | \$1,640,010 | \$1,841,880 | \$1,529,564 | \$1,686,002 | \$1,513,879 | \$1,789,737 | \$1,644,535 | \$1,624,688 |
| COLA Reimbursement | \$319,364 | \$452,229 | \$493,602 | \$458,963 | \$513,839 | \$502,285 | \$496,496 | \$562,029 | \$593,388 | \$606,715 |
| Aggravation | \$538,650 | \$415,393 | \$250,501 | \$296,247 | \$254,262 | \$318,951 | \$277,615 | \$310,117 | \$295,733 | \$346,137 |
| WCC Pretrial Overturned | \$207,297 | \$70,138 | \$62,587 | \$105,047 | \$174,314 | \$52,113 | \$193,699 | \$117,821 | \$54,151 | \$44,047 |
| Partial Incentive Bonus | \$89,924 | \$69,639 | \$80,713 | \$126,103 | \$63,038 | \$67,105 | \$58,969 | \$49,057 | \$30,017 | \$51,586 |
| Total | \$2,785,179 | \$2,639,067 | \$2,527,413 | \$2,828,241 | \$2,535,017 | \$2,626,457 | \$2,540,658 | \$2,828,762 | \$2,617,824 | \$2,673,172 |



The largest component of the fund expenditures is for pre-1975 injuries. Before 1975, there was a limit on the amount of compensation an injured worker could collect, even if permanently totally disabled. Legislation allowed these disabled workers to continue receiving payment beyond the cap, and the costs are reimbursed from the fund. Because no new injuries are eligible for this reimbursement, the amount of the expenditure on indemnity is expected to decrease as this population declines over time. The increasing medical care and costs offset the decrease in indemnity.

Number of Workers' Compensation Administrative Fund Claims Paid

| Number of Claims Paid | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| COLA Reimbursement | 234 | 259 | 251 | 211 | 233 | 195 | 184 | 188 | 184 | 176 |
| Pre-1975 Injury | 241 | 223 | 207 | 200 | 193 | 182 | 174 | 161 | 148 | 131 |
| Aggravation | 29 | 34 | 18 | 18 | 17 | 18 | 19 | 20 | 18 | 15 |
| WCC Pretrial Overturned | 15 | 11 | 7 | 9 | 8 | 4 | 7 | 6 | 3 | 2 |
| Partial Incentive Bonus | 4 | 4 | 4 | 4 | 3 | 3 | 3 | 2 | 3 | 2 |
| Total | 523 | 531 | 487 | 442 | 454 | 402 | 387 | 377 | 356 | 326 |

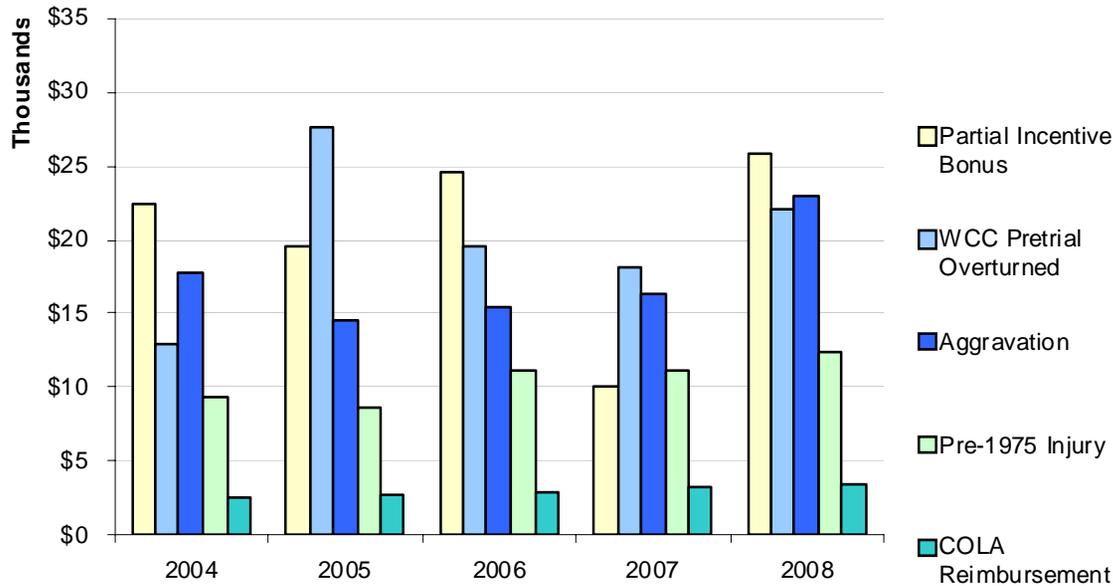


The pre-1975 injuries and claims for COLA Reimbursement account for the largest number of claims paid each year. As the pre-1975 injured workers age, the number of those claims paid is decreasing.

Cost of Living Adjustment (COLA) reimbursement is paid to workers injured before 1992. This population is expected to decline over time as well.

Average Amount Paid per Workers' Compensation Administrative Fund Claim

| Average Paid per Claim | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Partial Incentive Bonus | \$22,481 | \$17,410 | \$20,178 | \$31,526 | \$21,013 | \$22,368 | \$19,656 | \$24,529 | \$10,006 | \$25,793 |
| WCC Pretrial Overturned | \$13,820 | \$6,376 | \$8,941 | \$11,672 | \$21,789 | \$13,028 | \$27,671 | \$19,637 | \$18,050 | \$22,024 |
| Aggravation | \$18,574 | \$12,217 | \$13,917 | \$16,458 | \$14,957 | \$17,720 | \$14,611 | \$15,506 | \$16,430 | \$23,076 |
| Pre-1975 Injury | \$6,763 | \$7,317 | \$7,923 | \$9,209 | \$7,925 | \$9,264 | \$8,700 | \$11,116 | \$11,112 | \$12,402 |
| COLA Reimbursement | \$1,365 | \$1,746 | \$1,967 | \$2,175 | \$2,205 | \$2,576 | \$2,698 | \$2,990 | \$3,225 | \$3,447 |
| Total | \$5,325 | \$4,970 | \$5,190 | \$6,399 | \$5,584 | \$6,533 | \$6,656 | \$7,503 | \$7,353 | \$8,200 |

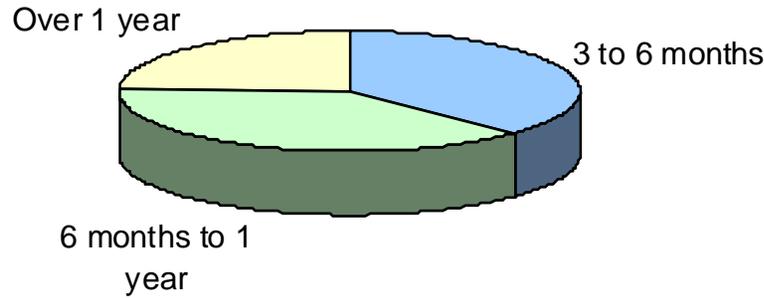


The average cost per claim gives a different perspective on the WCAF expenditures. While COLA and Pre-1975 Injuries make up a large part of the number of claims and total dollar expenditures, the average payment per claim is lower than the average cost for Partial Incentive Bonus, WCC Pretrial Overturned and Aggravation. The average paid per claim for Partial Incentive Bonus in 2007 is low because one of the three claims was paid a small amount before claim closing. In 2008, the number of Partial Incentive Bonus claims was reduced from 3 to 2, and the average cost per claim rose.

Dr. John E. Donley Rehabilitation Center Estimated Indemnity Savings

| Time Between Injury and Admission | Number of Injured Workers Returned to Work | Estimated Weeks of Indemnity Saved | Estimated Amount of Indemnity Saved |
|-----------------------------------|--|------------------------------------|-------------------------------------|
| 3 to 6 months | 57 | 16,151 | \$7,431,274 |
| 6 months to 1 year | 63 | 16,617 | \$7,645,747 |
| Over 1 year | 59 | 10,611 | \$4,882,194 |
| Total | 179 | 43,379 | \$19,959,215 |

Estimated Indemnity Saved

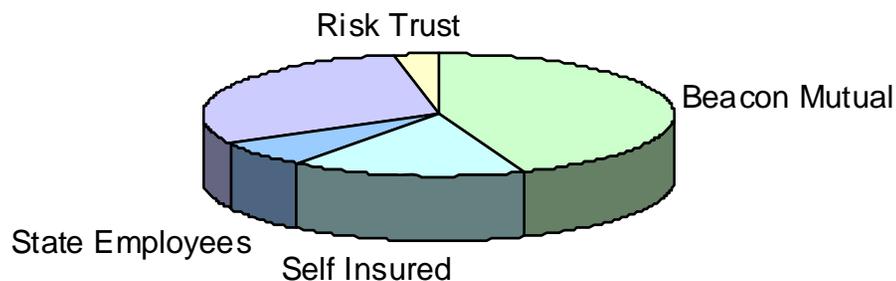


The significance of these savings is reflected by research that has demonstrated that the longer an injured worker remains out of work, the less like the return to work becomes.

Dr. John E. Donley Rehabilitation Center Estimated Indemnity Savings by Insurer Type

| Type of Insurer | Number of Injured Workers Returned to Work | Estimated Weeks of Indemnity Saved | Estimated Amount of Indemnity Saved |
|-----------------|--|------------------------------------|-------------------------------------|
| Beacon Mutual | 81 | 19,187 | \$8,828,089 |
| Self Insured | 27 | 6,968 | \$3,206,098 |
| State Employees | 12 | 3,030 | \$1,394,323 |
| Insurers | 54 | 12,905 | \$5,937,494 |
| Risk Trust | 5 | 1,289 | \$593,211 |
| Total | 179 | 43,379 | \$19,959,215 |

Estimated Indemnity Saved



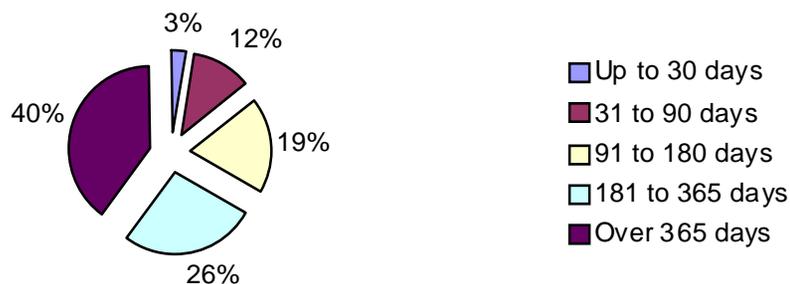
The Dr. John E. Donley Rehabilitation Center Admissions By Duration of Injury

The Dr. John E. Donley Rehabilitation Center is established under Section 28-38-19 of the Rhode Island Workers' Compensation law. It is a state of the art, multidisciplinary, outpatient facility dedicated to serving the injured worker's rehabilitation needs, especially the needs of the more complex cases, the cases with delayed recovery due to chronic pain, and the cases where vocational services are necessary to restore the injured worker to gainful employment. A referral is necessary to participate in rehabilitation and historically 80% of our referrals have been from the physicians treating the injured workers. Approximately 14% of referrals come from the Workers' Compensation Court under the employers petition to review an injured workers progress toward rehabilitation. The remaining 6% of referrals are initiated by the injured worker themselves for vocational services

The Dr. John E. Donley Rehabilitation Center Admissions By Duration of Injury

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------------|------|------|------|------|------|------|------|------|------|------|
| Injury to Admission | | | | | | | | | | |
| Up to 30 days | 34 | 31 | 31 | 21 | 23 | 18 | 31 | 24 | 18 | 29 |
| 31 to 90 days | 144 | 170 | 219 | 168 | 138 | 145 | 115 | 169 | 124 | 110 |
| 91 to 180 days | 201 | 198 | 215 | 209 | 185 | 192 | 159 | 192 | 198 | 177 |
| 181 to 365 days | 223 | 291 | 297 | 308 | 280 | 251 | 270 | 288 | 301 | 250 |
| Over 365 days | 475 | 467 | 496 | 518 | 452 | 432 | 475 | 485 | 483 | 383 |

Donley Center Admissions in 2008
Date of Injury to Date of Admission



From 1999 through 2008, 65% or more of cases admitted to the Donley Center each year have been injured for more than 6 months and 39% or more of the cases have been injured for over one year, making these the most costly and challenging cases to the system.

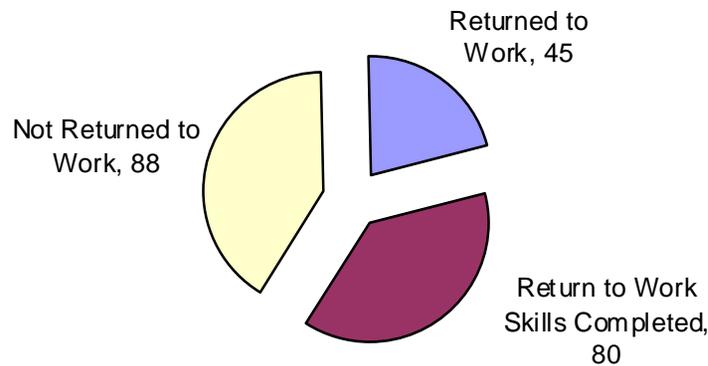
Prepared by Joanne Fowler, PhD, April 1, 2009

Dr. John E. Donley Rehabilitation Center Vocational Services

Vocational Services at the Donley Center are particularly important for the injured worker with a date of injury over one year since their right to reinstatement (Section 28-33-47 of the Rhode Island Workers' Compensation law) has expired. Injured workers participating in vocational services have been released to work by their treating physician, have reached MMI, and have not achieved a functional level consistent with the demands of their pre-injury job. Many injured workers find work before being discharged, but the goal is to provide the injured worker the requisite skills in a timely fashion to be successful and independent in their job search.

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Cases over 1 year | 101 | 90 | 107 | 130 | 113 | 109 | 134 | 153 | 138 | 114 |
| % of all cases admitted | 64% | 62% | 59% | 61% | 61% | 63% | 67% | 65% | 67% | 58% |
| Outcome All Cases | | | | | | | | | | |
| Returned to Work | 27 | 41 | 44 | 56 | 64 | 41 | 40 | 58 | 48 | 45 |
| Return to Work Skills Completed | 0 | 0 | 25 | 41 | 38 | 30 | 61 | 83 | 55 | 80 |
| Not Returned to Work | 123 | 126 | 85 | 129 | 86 | 99 | 81 | 119 | 93 | 88 |

Outcome of Vocational Services for 2008

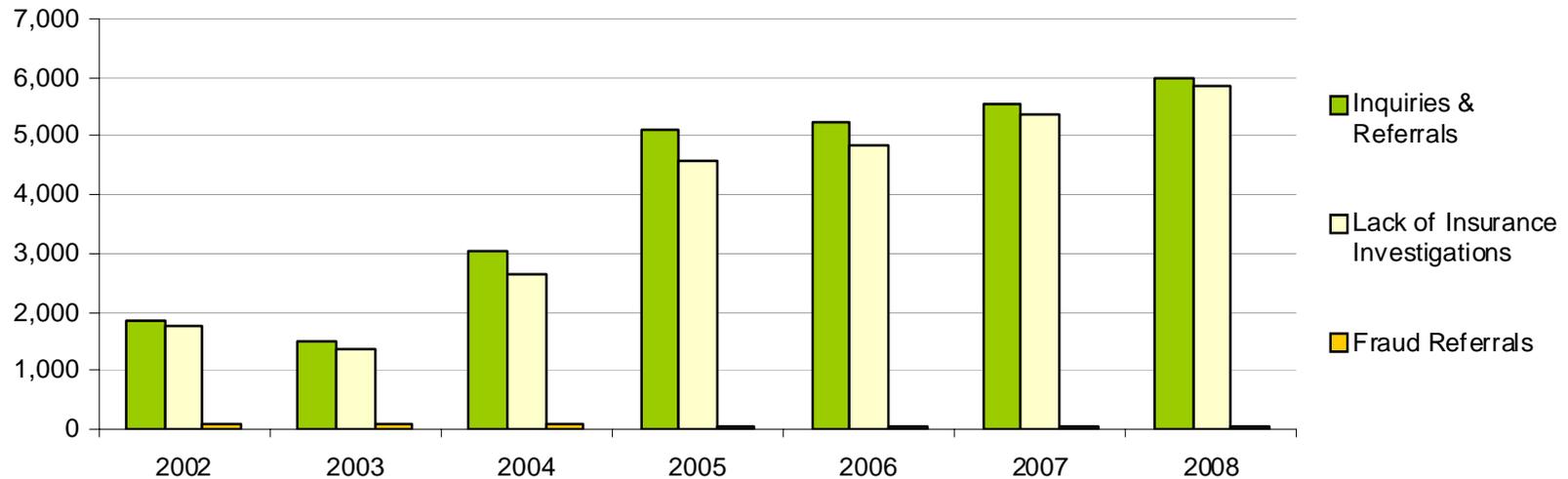


Prepared by Joanne Fowler, PhD, April 1, 2009

Fraud & Compliance Unit Referrals, Inquiries and Filings

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|------------------------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|
| Independent Contractor Forms Filed | NA | 7,754 | 6,756 | 6,334 | 7,346 | 7,936 | 7,702 | 7,055 | 6,551 |
| Inquiries/Referrals | 505 | 737 | 1,858 | 1,483 | 3,062 | 5,121 | 5,219 | 5,534 | 5,972 |
| Fraud Referrals | * | 210 | 101 | 97 | 73 | 44 | 45 | 36 | 31 |
| Opened for investigation | * | 140 | 46 | 29 | 31 | 15 | 21 | 8 | 14 |
| From Insurers | 17 | 31 | 30 | 19 | 13 | 10 | 11 | 6 | 10 |
| Referred to AG | 7 | 8 | 12 | 9 | 12 | 5 | 4 | 5 | 3 |
| Lack of Insurance Investigations | 532 | 527 | 1,757 | 1,386 | 2,634 | 4,581 | 4,841 | 5,395 | 5,874 |

Investigations and Referrals

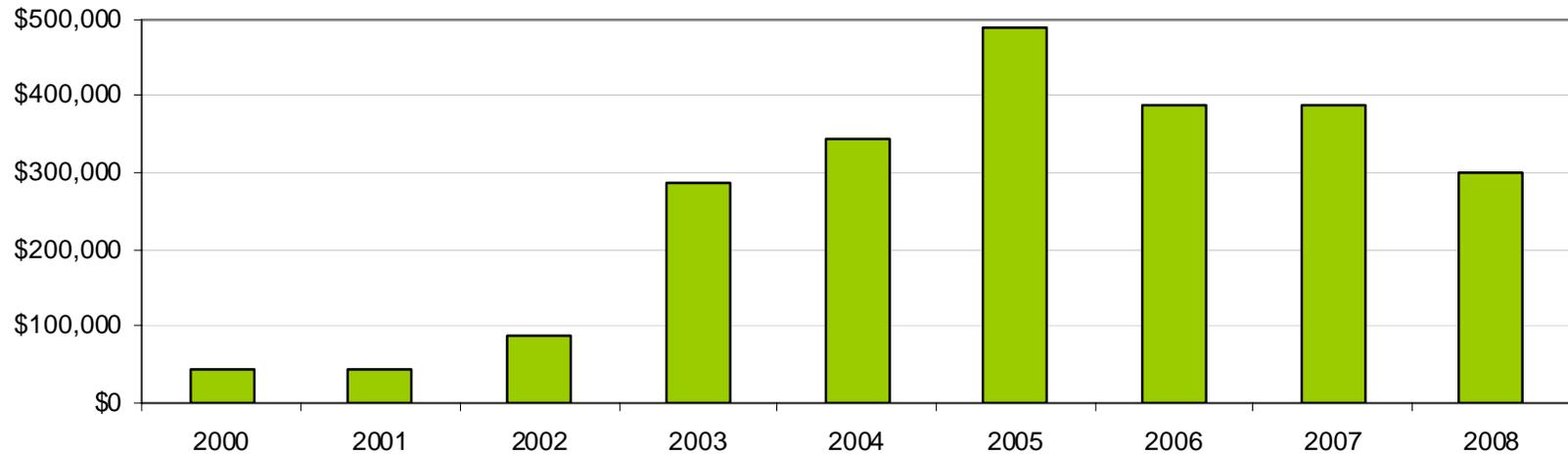


* Fraud and Compliance were not separated in 2000.

Fraud & Compliance Unit Lack of Insurance Coverage Penalties

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-------------------------------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Lack of insurance penalty | \$44,439 | \$43,955 | \$87,514 | \$286,872 | \$342,884 | \$488,246 | \$389,033 | \$387,316 | \$301,126 |
| Number of employers penalized | n/a | n/a | n/a | 140 | 123 | 270 | 342 | 291 | 252 |
| Average penalty | n/a | n/a | n/a | \$2,049 | \$2,788 | \$1,808 | \$1,138 | \$1,331 | \$1,195 |

Lack of Insurance Coverage

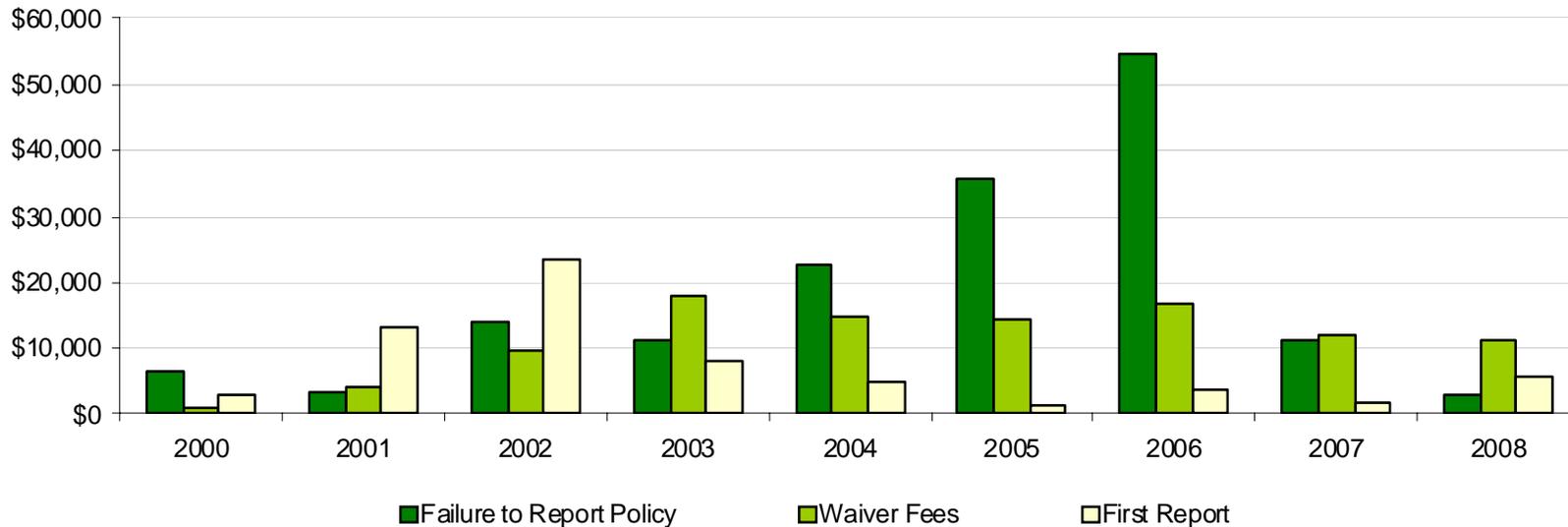


Penalties levied for lack of insurance coverage increased substantially from 2000 to 2005. The number of employers penalized for lack of insurance peaked in 2006 at 342 and has declined since. The average amount of each penalty has generally declined since 2004.

Fraud & Compliance Unit Penalties and Fees

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|---------|----------|----------|----------|----------|----------|----------|----------|----------|
| Failure to report policy information | \$6,250 | \$3,250 | \$13,800 | \$11,250 | \$22,750 | \$35,750 | \$54,750 | \$11,250 | \$2,750 |
| Waiver filing fees | \$745 | \$4,205 | \$9,515 | \$18,045 | \$14,895 | \$14,345 | \$16,720 | \$12,075 | \$11,325 |
| Failure to file first report of injury | \$3,000 | \$13,000 | \$23,250 | \$8,000 | \$5,000 | \$1,250 | \$3,500 | \$1,750 | \$5,500 |

Penalties and Fees



The reporting of policy information is a key to determining employer coverage and insuring all employers maintain workers' compensation insurance coverage. Penalties for failure to report policy information increased to a high of \$54,750 in 2006 and decreased to \$2,750 in 2008.

Fines for failure to file first reports of injury peaked at \$23,250 in 2002 and decreased to \$5,500 in 2008.