



Division of Workers' Compensation
1511 Pontiac Avenue, Cranston, RI 02920
401-462-8100

2012 Annual Report to

The Governor's Workers' Compensation Advisory Council

On The Workers' Compensation System

June 10, 2013

Charles J. Fogarty, Director

Matthew P. Carey III, Assistant Director

Prepared by Laura V. Evans

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.

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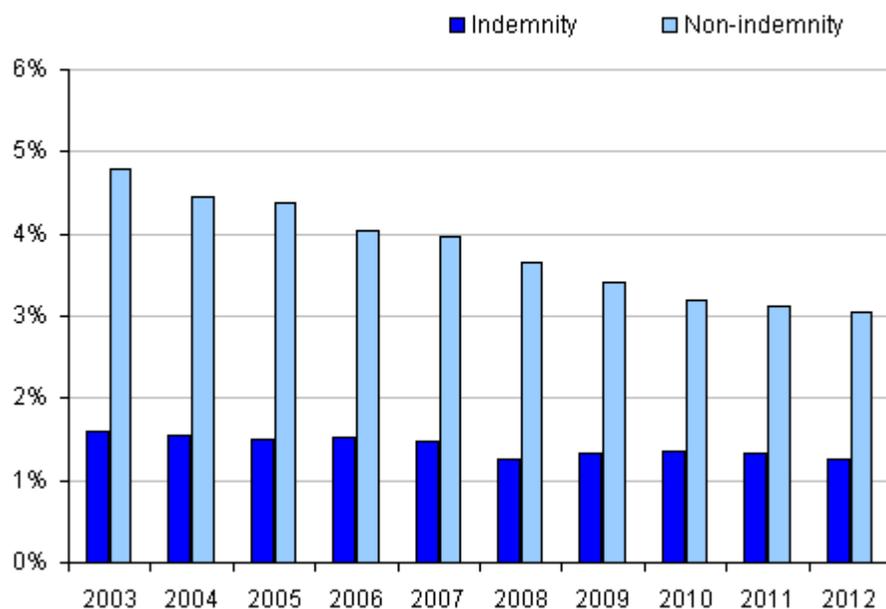
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RI Workers' Compensation Injuries from 2000 to 2012

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Indemnity Injuries	8,691	8,443	8,115	7,379	7,224	6,967	7,215	6,933	5,818	5,791	5,956	5,864	5,498
Non-Indemnity Injuries	25,730	24,438	22,091	22,119	20,816	20,471	18,994	18,611	16,765	14,932	13,963	13,675	13,437
Injuries	34,421	32,881	30,206	29,498	28,040	27,438	26,209	25,544	22,583	20,723	19,919	19,539	18,935
Covered Employment	456,700	458,238	458,212	462,374	466,403	467,811	470,632	470,374	460,046	438,213	438,213	438,309	441,000
Indemnity Rate	1.90%	1.84%	1.77%	1.60%	1.55%	1.49%	1.53%	1.47%	1.26%	1.32%	1.36%	1.34%	1.25%
Non-Indemnity Rate	5.63%	5.33%	4.82%	4.78%	4.46%	4.38%	4.04%	3.96%	3.64%	3.41%	3.19%	3.12%	3.05%
Injury Rate	7.54%	7.18%	6.59%	6.38%	6.01%	5.87%	5.57%	5.43%	4.91%	4.73%	4.55%	4.46%	4.29%

Injury Rate Per Employment



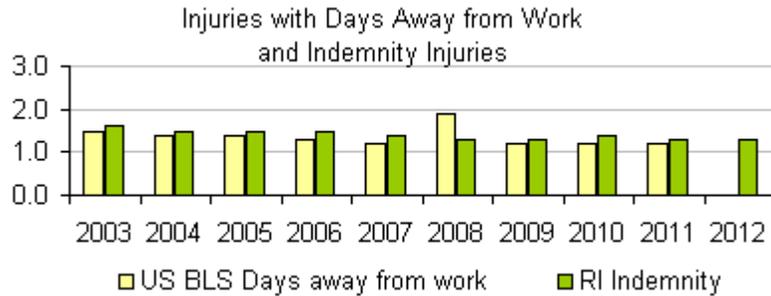
RI worker's compensation is a no-fault system that requires employers to maintain insurance coverage to protect their employees from a work-related loss of earnings and medical expenses. An indemnity injury is a work-related injury or illness for which workers' compensation disability benefits are paid.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

The overall rate of injuries to employment has dropped consistently from a 7.54% in 2000 to a low of 4.29% in 2012. The rate of indemnity injuries per employment dropped from 1.90% in 2000 to 1.25% in 2012, with a dip to 1.26% in 2008. The rate of non-indemnity injuries declined from 5.63% in 2000 to 3.05% in 2012.

Employment information is provided by RI DLT LMI Unit. 2012 Average Covered Employment is estimated.

US and RI Injury Rate Comparison

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
US BLS: Cases involving days away from work	1.5	1.4	1.4	1.3	1.2	1.9	1.2	1.2	1.2	*
RI: Indemnity injuries & illnesses	1.6	1.5	1.5	1.5	1.4	1.3	1.3	1.4	1.3	1.3
US BLS: Total recordable cases	5.0	4.8	4.8	4.4	4.0	4.2	3.9	3.8	3.6	*
RI: Total injuries & illnesses	6.4	6.0	5.9	5.6	5.4	4.9	4.7	4.6	4.5	4.3



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.

The rate of BLS cases involving days away from work declined through 2007 and has leveled at 1.2% except for a rise to 1.9% in 2008. The rate of RI Indemnity injuries declined from 1.6 in 2003 to 1.3 in 2012.



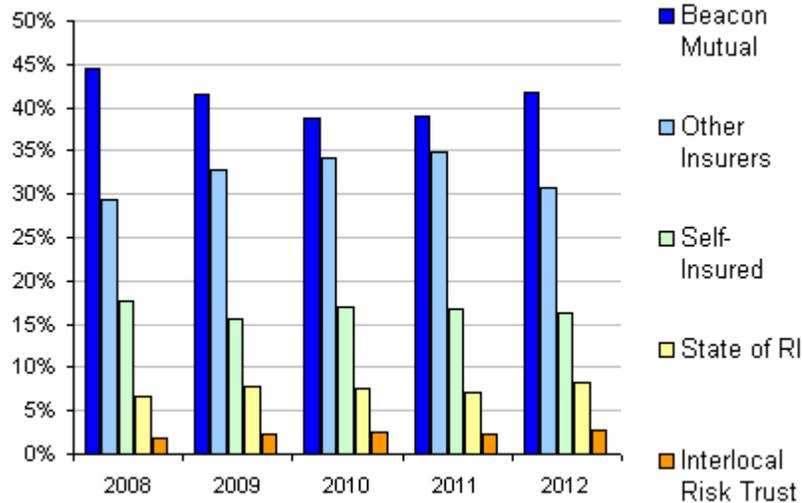
The US BLS total recordable cases declined through 2011 with a slight increase in 2008. The rate of RI injuries fell from 6.6% in 2002 to 4.3% in 2012.

* US BLS data for 2012 was not 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
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
2009	2,406	41.5%	904	15.6%	447	7.7%	138	2.4%	1,896	32.7%	5,791
2010	2,304	38.7%	1,016	17.1%	450	7.6%	150	2.5%	2,036	34.2%	5,956
2011	2,508	39.0%	1,078	16.8%	462	7.2%	144	2.2%	2,235	34.8%	6,427
2012	2,300	41.8%	890	16.2%	458	8.3%	156	2.8%	1,694	30.8%	5,498
Average		47.5%		14.3%		7.2%		2.5%		28.5%	



The distribution of indemnity injuries among the different types of insurers shows Beacon Mutual Insurance Company insured an average of 47.57% of indemnity injuries from 2003 to 2012. Their share of indemnity injuries declined from a high of 56.7% in 2004 to 39.0% in 2011.

Self-insured employers including municipalities other than RI state employees covered an average of 14.3% of the indemnity injuries from 2003 to 2012, rising to 17.1% in 2010 and subsequently declining to 16.2% in 2012.

The RI state employees' share of injuries averaged 7.2% for the last 10 years, showing a high of 8.3% in 2012.

The Interlocal Risk Trust's percent of indemnity injuries averaged 2.5% from 2003 to 2012.

Other insurers' percent of injuries dropped from a high of 34.8% in 2011 to 30.8% in 2012, with an average of 28.5% for the last 10 years.

Distribution of Indemnity Injuries by Employer Sector

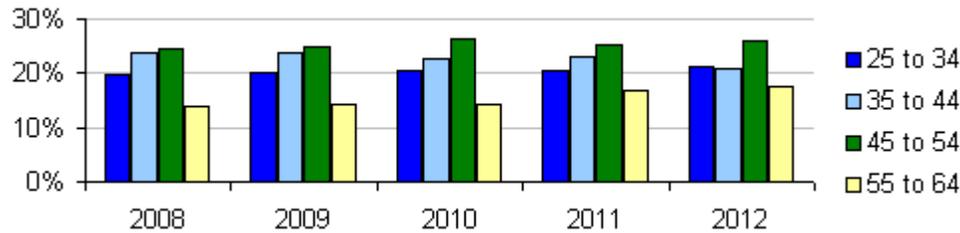
Indemnity Injuries by Employer Type	2011	2012
Accommodation and Food Services	283	286
Administrative and Support Services	285	245
Agriculture, Forestry, Fishing and Hunting	1	12
Arts, Entertainment, and Recreation	56	56
Construction	182	259
Educational Services	112	199
Finance and Insurance	28	35
Health Care and Social Assistance	1,001	944
Information	46	58
Management of Companies and Enterprises	79	63
Manufacturing	451	419
Mining, Quarrying, and Oil and Gas Extraction	1	3
Other Services (except Public Administration)	88	1,676
Professional, Scientific, and Technical Services	62	95
Public Administration	57	79
Real Estate and Rental and Leasing	114	173
Retail Trade	381	81
Transportation and Warehousing	241	354
Utilities	54	270
Waste Management and Remediation Services	40	38
Wholesale Trade	108	24
Unknown	2,757	129
Total	6,427	5,498

The NAICS code system is used to identify the type of employer for injuries starting in 2011. Previously the SIC code system was used. There are many 2011 injuries where the employer's NAICS code is not recorded on our database. Those injuries show as employer type unknown. For 2012, fewer employer NAICS codes were unknown.

Indemnity Injuries by Age

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Under 16	6	4	5	2	3	3	3	1	1	4
16 to 18	113	127	105	130	89	72	64	46	31	30
19 to 24	769	814	782	788	799	619	602	587	491	431
25 to 34	1,576	1,557	1,507	1,483	1,434	1,165	1,162	1,229	1,322	1,160
35 to 44	1,961	1,926	1,816	1,824	1,650	1,402	1,371	1,356	1,472	1,141
45 to 54	1,630	1,696	1,625	1,760	1,731	1,439	1,442	1,560	1,618	1,424
55 to 64	827	744	807	842	881	821	823	846	1,091	960
65 and over	124	154	147	183	159	176	155	163	209	206
Not reported	373	202	173	203	187	156	169	168	192	142
Total	7,379	7,224	6,967	7,215	6,933	5,853	5,791	5,956	6,427	5,498

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Under 16	0.1%	0.1%	0.1%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.1%
16 to 18	1.5%	1.8%	1.5%	1.8%	1.3%	1.2%	1.1%	0.8%	0.5%	0.5%
19 to 24	10.4%	11.3%	11.2%	10.9%	11.5%	10.6%	10.4%	9.9%	7.6%	7.8%
25 to 34	21.4%	21.6%	21.6%	20.6%	20.7%	19.9%	20.1%	20.6%	20.6%	21.1%
35 to 44	26.6%	26.7%	26.1%	25.3%	23.8%	24.0%	23.7%	22.8%	22.9%	20.8%
45 to 54	22.1%	23.5%	23.3%	24.4%	25.0%	24.6%	24.9%	26.2%	25.2%	25.9%
55 to 64	11.2%	10.3%	11.6%	11.7%	12.7%	14.0%	14.2%	14.2%	17.0%	17.5%
65 and over	1.7%	2.1%	2.1%	2.5%	2.3%	3.0%	2.7%	2.7%	3.3%	3.7%
Not reported	5.1%	2.8%	2.5%	2.8%	2.7%	2.7%	2.9%	2.8%	3.0%	2.6%

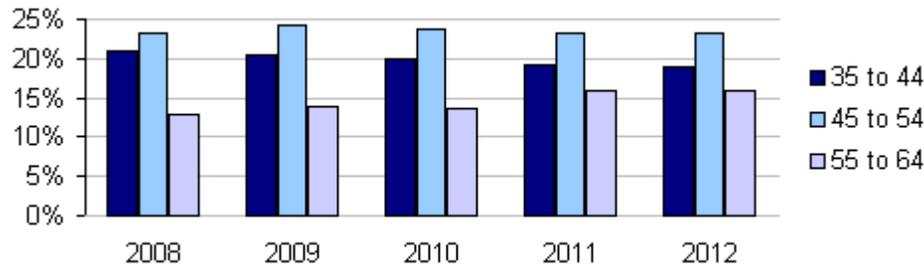


In general, indemnity injuries have shifted from younger to older workers in most age ranges in the last 10 years. This trend is likely due to an aging of the RI workforce.

Non-Indemnity Injuries by Age

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Under 16	33	19	22	17	18	12	7	6	3	15
16 to 18	579	537	550	517	402	339	250	235	120	139
19 to 24	3,133	2,984	3,049	2,908	2,648	2,303	1,942	1,885	1,721	1740
25 to 34	4,919	4,577	4,405	4,079	3,978	3,703	3,181	3,083	3,099	3009
35 to 44	5,332	5,041	4,810	4,377	4,132	3,519	3,039	2,774	2,591	2541
45 to 54	4,664	4,526	4,555	4,148	4,286	3,909	3,625	3,301	3,140	3111
55 to 64	2,272	2,212	2,136	2,031	2,186	2,143	2,084	1,918	2,159	2139
65 and over	321	375	364	348	384	350	367	383	407	451
Not reported	866	545	580	569	577	472	437	378	326	292
Total	22,119	20,816	20,471	18,994	18,611	16,750	14,932	13,963	13,566	13,437

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Under 16	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.1%
16 to 18	2.6%	2.6%	2.7%	2.7%	2.2%	2.0%	1.7%	1.7%	0.9%	1.0%
19 to 24	14.2%	14.3%	14.9%	15.3%	14.2%	13.7%	13.0%	13.5%	12.7%	12.9%
25 to 34	22.2%	22.0%	21.5%	21.5%	21.4%	22.1%	21.3%	22.1%	22.8%	22.4%
35 to 44	24.1%	24.2%	23.5%	23.0%	22.2%	21.0%	20.4%	19.9%	19.1%	18.9%
45 to 54	21.1%	21.7%	22.3%	21.8%	23.0%	23.3%	24.3%	23.6%	23.1%	23.2%
55 to 64	10.3%	10.6%	10.4%	10.7%	11.7%	12.8%	14.0%	13.7%	15.9%	15.9%
65 and over	1.5%	1.8%	1.8%	1.8%	2.1%	2.1%	2.5%	2.7%	3.0%	3.4%
Not reported	3.9%	2.6%	2.8%	3.0%	3.1%	2.8%	2.9%	2.7%	2.4%	2.2%



The percent of non-indemnity injuries to workers age 16 to 44 generally decreased from 2003 to 2012, though injuries to workers age 25-34 stayed steady. Injuries to workers 45 and over increased in the same period.

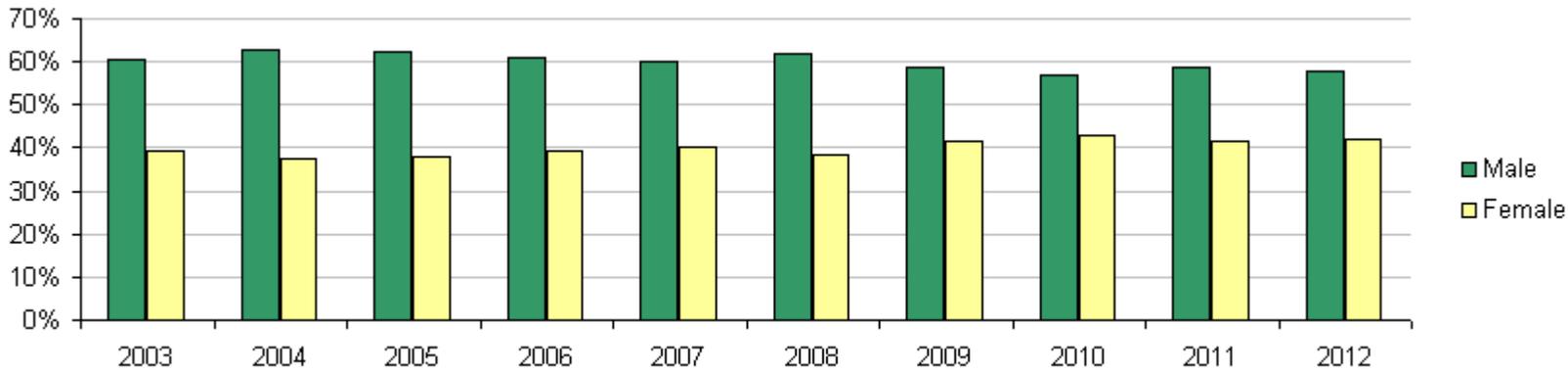
Indemnity Injuries by Gender

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Male	4,242	4,389	4,214	4,244	4,032	3,498	3,366	3,363	3,733	3,150
Female	2,766	2,608	2,559	2,734	2,688	2,172	2,386	2,535	2,639	2,288
Not reported	371	227	194	237	212	183	39	58	55	60
Total	7,379	7,224	6,967	7,215	6,933	5,853	5,791	5,956	6,427	5,498

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Male (percent of reported)	60.5%	62.7%	62.2%	60.8%	60.0%	61.7%	58.5%	57.0%	58.6%	57.9%
Female (percent of reported)	39.5%	37.3%	37.8%	39.2%	40.0%	38.3%	41.5%	43.0%	41.4%	42.1%

	2011
US BLS Occupational Injuries & Illnesses with Days away from Work	
Male	61.0%
Female	39.0%

Distribution of indemnity injuries by gender in the last 10 years shows a decrease in injuries to males and an increase in injuries to females. US BLS figures show a higher percentage of injuries to males compared to RI figures. BLS data for 2012 was not available at the time of this report.



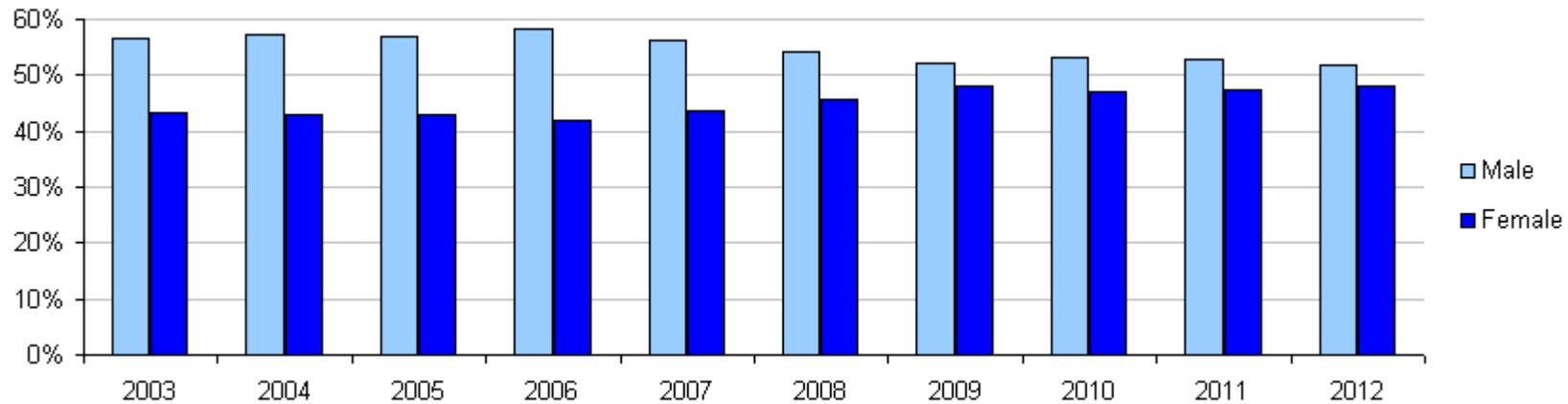
Non-Indemnity Injuries by Gender

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Male	12,027	11,564	11,311	10,663	10,139	8,819	7,724	7,367	7,104	6,917
Female	9,222	8,671	8,520	7,679	7,837	7,404	7,130	6,529	6,360	6,423
Gender not reported	870	581	640	652	635	527	78	67	102	97
Total	22,119	20,816	20,471	18,994	18,611	16,750	14,932	13,963	13,566	13,437

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Male (percent of reported)	56.6%	57.1%	57.0%	58.1%	56.4%	54.4%	52.0%	53.0%	52.8%	51.9%
Female (percent of reported)	43.4%	42.9%	43.0%	41.9%	43.6%	45.6%	48.0%	47.0%	47.2%	48.1%

	February, 2012
Civilian labor force, Employed, age 16 years and over (BLS)	
Male	52.6%
Female	47.3%

The percentage of non-indemnity injuries to males decreased from 56.6% in 2003 to 51.9% in 2012. The percent of non-indemnity injuries in 2011 and 2012 are close to the distribution of employed males and females age 16 and over in the civilian labor force.



Workers' Compensation Fatalities

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
Compensable Fatalities	12	2	4	6	2	3	4	5	3	2	43
Gender											
Female	2	0	0	0	0	0	0	0	0	0	2
Male	10	2	4	6	2	3	4	5	3	2	41
County											
Kent	6	1	0	3	0	0	2	1	0	0	13
Newport	0	0	0	0	0	0	0	0	0	0	0
Providence	4	1	3	3	0	1	0	3	0	1	16
Washington	0	0	1	0	1	0	2	0	2	0	6
Out of State	2	0	0	0	1	2	0	1	1	1	8
Accident Type											
Asbestosis	0	0	1	0	0	0	0	0	0	0	1
Assaulted or shot	0	0	0	0	0	0	0	1	0	0	1
Carbon monoxide poisoning	0	0	0	0	0	0	0	0	0	1	1
Crushed	3	1	1	0	0	0	0	1	0	0	6
Electrocuted	0	0	0	1	0	0	0	0	0	1	2
Fell from elevation	1	0	0	0	0	2	0	1	1	0	5
Fire	6	0	0	0	0	0	0	0	0	0	6
Heart attack or stroke	0	0	0	1	0	0	0	0	0	0	1
Industrial vehicle accident	0	0	1	0	1	0	0	1	0	0	3
Motor vehicle accident	2	1	1	3	1	1	1	1	0	0	11
Struck by falling or flying object	0	0	0	1	0	0	2	0	1	0	4
Type not reported	0	0	0	0	0	0	1	0	1	0	2
Employer Type											
Construction	3	1	1	1	1	0	0	0	1	1	9
Manufacturing	1	0	0	0	0	0	2	0	1	0	4
Transport & Public Utilities	0	0	0	1	0	1	0	1	1	0	4
Wholesale & Retail	7	1	1	1	0	1	0	0	0	0	11
Finance, Insurance, Real Estate	0	0	0	0	0	0	1	0	0	0	1
Services	1	0	1	2	1	1	1	2	0	1	10
Government	0	0	1	1	0	0	0	2	0	0	4

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.

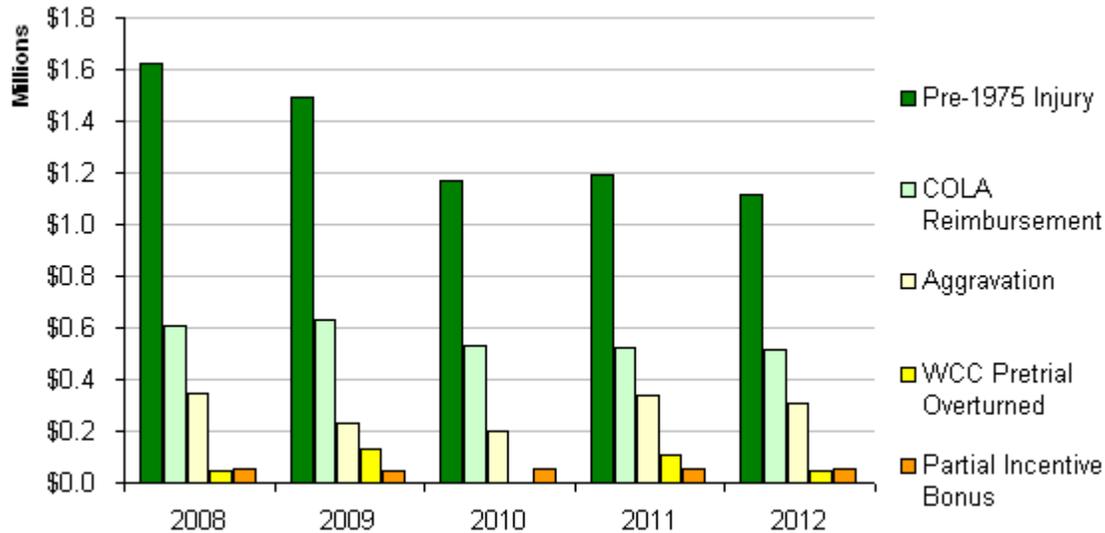
WCC Pretrial Overturned: RIGL § 28-35-20 (f) provides for reimbursement of payments made pursuant to an order of the Workers' Compensation Court that is later overturned or amended.

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

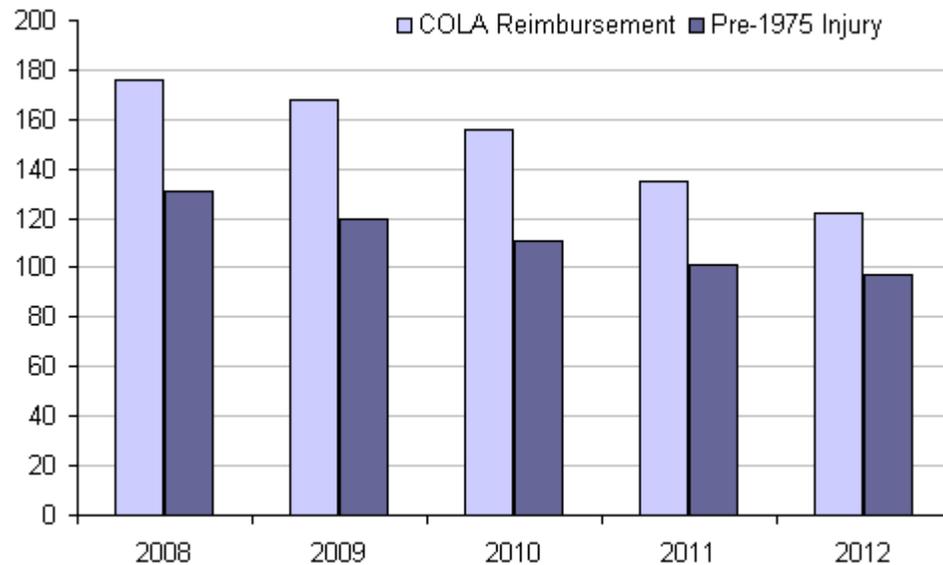
Amount Paid	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Pre-1975 Injury	\$1,529,564	\$1,686,002	\$1,513,879	\$1,789,737	\$1,644,535	\$1,624,688	\$1,490,426	\$1,170,308	\$1,192,407	\$1,114,209
COLA Reimbursement	\$513,839	\$502,285	\$496,496	\$562,029	\$593,388	\$606,715	\$630,524	\$527,258	\$525,320	\$512,999
Aggravation	\$254,262	\$318,951	\$277,615	\$310,117	\$295,733	\$346,137	\$229,972	\$202,254	\$336,052	\$304,984
WCC Pretrial Overturned	\$174,314	\$52,113	\$193,699	\$117,821	\$54,151	\$44,047	\$133,565	\$0	\$107,844	\$49,211
Partial Incentive Bonus	\$63,038	\$67,105	\$58,969	\$49,057	\$30,017	\$51,586	\$45,013	\$52,645	\$51,382	\$52,978
Total	\$2,535,017	\$2,626,457	\$2,540,658	\$2,828,762	\$2,617,824	\$2,673,172	\$2,529,501	\$1,952,465	\$2,213,004	\$2,034,380



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 the injured worker was permanently and 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. Medical care and costs increase on remaining open claims while total indemnity decreases as claims close.

Number of Workers' Compensation Administrative Fund Claims Paid

Number of Claims Paid	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
COLA Reimbursement	233	195	184	188	184	176	168	156	135	122
Pre-1975 Injury	193	182	174	161	148	131	120	111	101	97
Aggravation	17	18	19	20	18	15	12	11	13	11
WCC Pretrial Overturned	8	4	7	6	3	2	6	0	6	5
Partial Incentive Bonus	3	3	3	2	3	2	2	2	2	2
Total	454	402	387	377	356	326	308	280	257	237

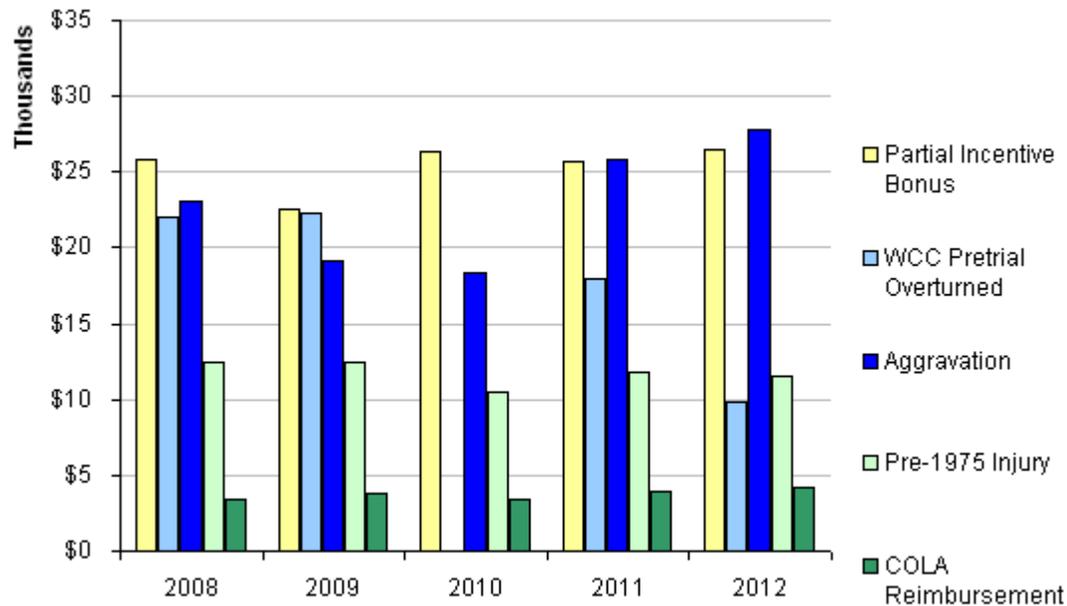


The pre-1975 injuries and claims for COLA Reimbursement account for the largest number of claims paid each year. As the pre-1975 injured workers age, the number of those claims paid is decreasing.

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

Average Amount Paid per Workers' Compensation Administrative Fund Claim

Average Paid per Claim	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Partial Incentive Bonus	\$21,013	\$22,368	\$19,656	\$24,529	\$10,006	\$25,793	\$22,507	\$26,323	\$25,691	\$26,489
WCC Pretrial Overturned	\$21,789	\$13,028	\$27,671	\$19,637	\$18,050	\$22,024	\$22,261	\$0	\$17,974	\$9,842
Aggravation	\$14,957	\$17,720	\$14,611	\$15,506	\$16,430	\$23,076	\$19,164	\$18,387	\$25,850	\$27,726
Pre-1975 Injury	\$7,925	\$9,264	\$8,700	\$11,116	\$11,112	\$12,402	\$12,420	\$10,543	\$11,806	\$11,487
COLA Reimbursement	\$2,205	\$2,576	\$2,698	\$2,990	\$3,225	\$3,447	\$3,753	\$3,380	\$3,891	\$4,205
Total	\$5,584	\$6,533	\$6,656	\$7,503	\$7,353	\$8,200	\$8,213	\$6,973	\$8,611	\$8,584



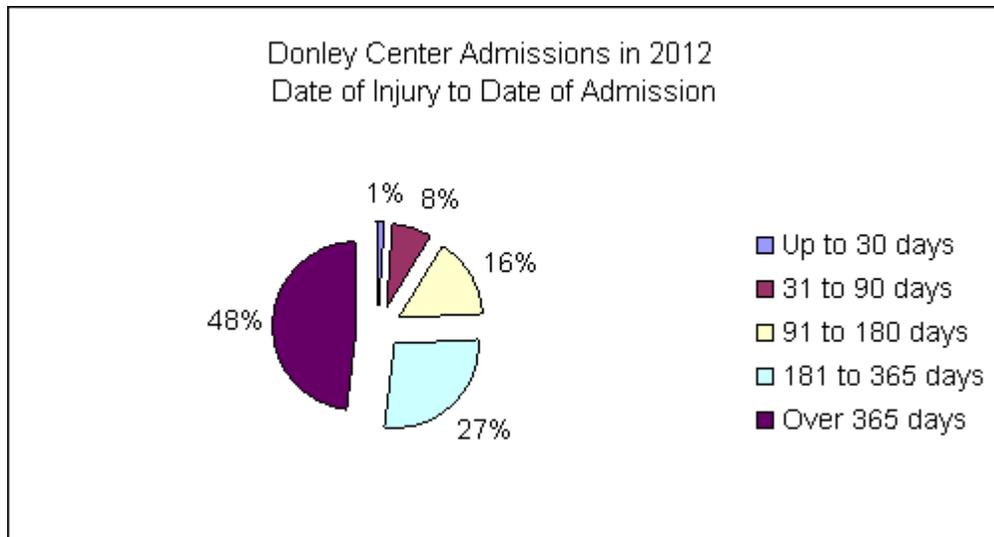
The average cost per claim gives a different perspective on the WCAF expenditures. While COLA and Pre-1975 Injuries make up a large part of the number of claims and total dollar expenditures, the average payment per claim is lower than the average cost for Partial Incentive Bonus or Aggravation. The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

The Dr. John E. Donley Rehabilitation 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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Injury to Admission										
Up to 30 days	23	18	31	24	18	29	14	15	9	16
31 to 90 days	138	145	115	169	124	110	107	94	111	92
91 to 180 days	185	192	159	192	198	177	173	155	164	184
181 to 365 days	280	251	270	288	301	250	271	269	246	319
Over 365 days	452	432	475	485	483	383	440	517	455	574



From 2003 through 2012, 70% or more of cases admitted to the Donley Center each year, on average, have been injured for more than 6 months and 44% or more of the cases have been injured for over one year, making these the most costly and challenging cases to the system.

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. The majority of cases discharged with status "not returned to work" were evaluation only, not interested in services, or injured workers who were non-compliant with recommendations.

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Cases with DOI over 1 year	113	109	134	153	138	114	111	123	114	166
% of all cases admitted	61%	63%	67%	65%	67%	58%	58%	72%	75%	79%
Outcome Discharged Cases										
Returned to Work	64	41	40	58	48	45	21	28	19	16
Return to Work Skills Completed	38	30	61	83	55	80	57	52	43	25
Not Returned to Work	86	99	81	119	93	88	99	101	71	74

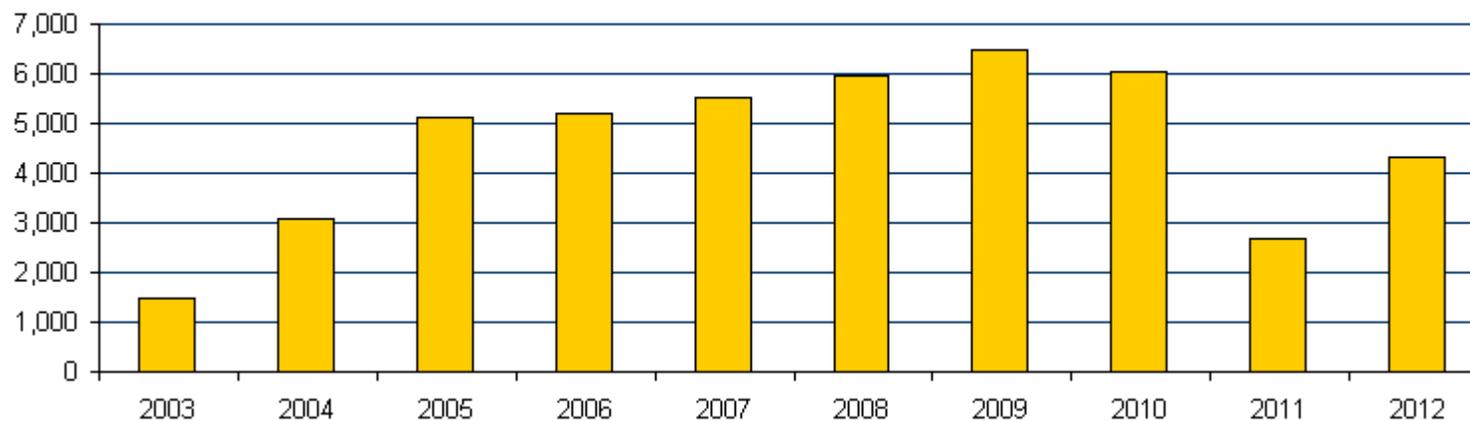
Outcome of Vocational Services for 2012



Fraud & Compliance Unit Referrals, Inquiries and Filings

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Independent Contractor Forms Filed	6,334	7,346	7,936	7,702	7,055	6,551	6,963	6,075	6,339	6,175
Inquiries and Referrals	1,483	3,062	5,121	5,219	5,534	5,972	6,466	6,022	2,684	4,326
Fraud Referrals	97	73	44	45	36	31	29	29	29	34
Opened for investigation	29	31	15	21	8	14	14	10	5	6
Referred to AG	9	12	5	4	5	3	3	3	4	4

Inquiries and Referrals

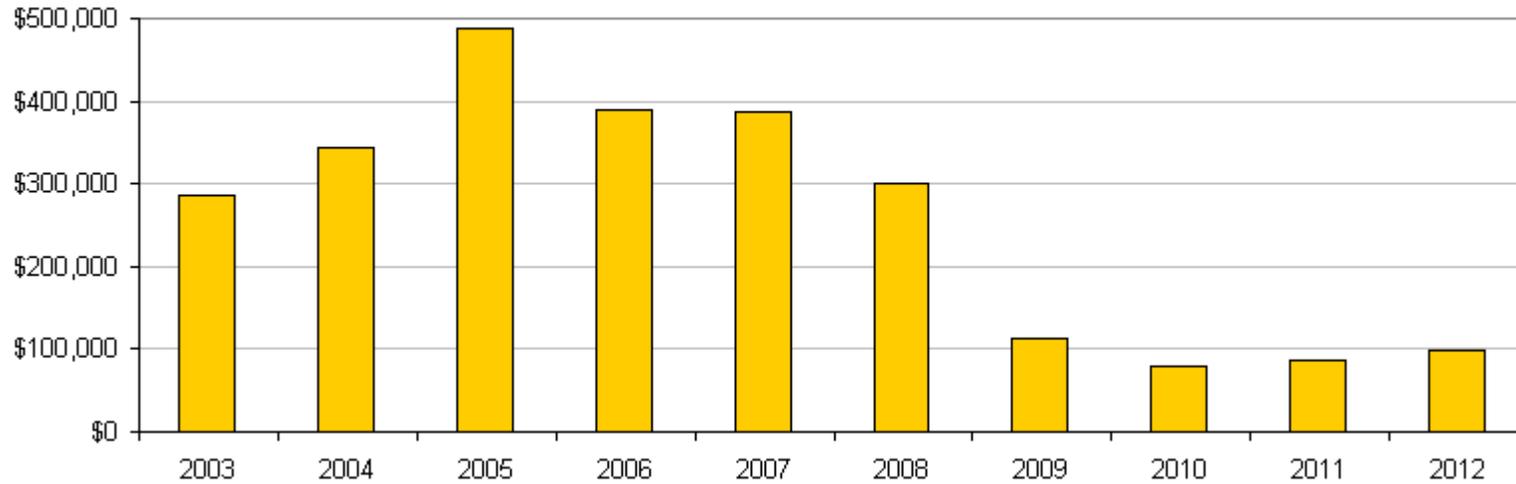


The number of Inquiries and Referrals increased in 2012 as the volume of transactions reported by insurance carriers requiring investigation increased. The improved computer system continued to screen out many transactions that in the past would have resulted in referrals.

Fraud & Compliance Unit Lack of Insurance Coverage Penalties

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Lack of insurance investigations	1,386	2,634	4,581	4,841	5,395	5,874	6,315	5,790	2,641	4,249
Lack of insurance penalty	\$286,872	\$342,884	\$488,246	\$389,033	\$387,316	\$301,126	\$112,777	\$78,160	\$87,475	\$98,654
Number of employers penalized	140	123	270	342	291	252	153	103	119	76
Average penalty	\$2,049	\$2,788	\$1,808	\$1,138	\$1,331	\$1,195	\$737	\$759	\$735	\$1,298
Stop Work Orders	n/a	n/a	n/a	n/a	37	45	59	73	84	63

Lack of Insurance Coverage

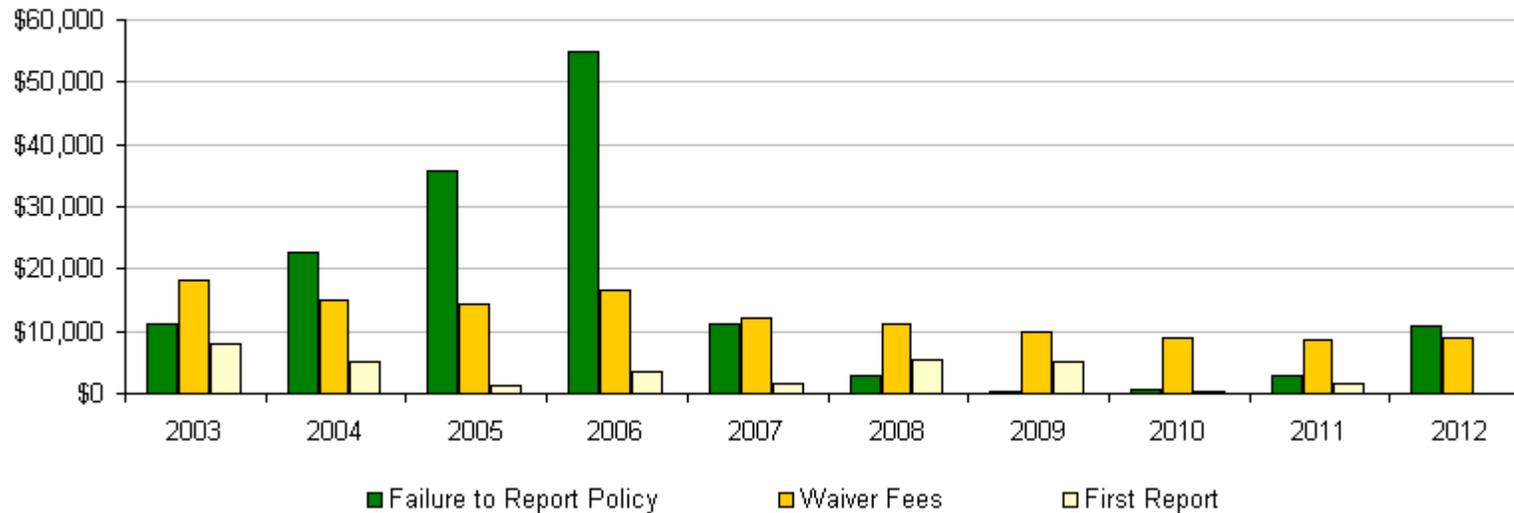


The number of employers penalized for lack of insurance peaked in 2006 at 342 and has declined since. This is believed to reflect the RI business environment which has seen many employers go out of business or lay off all employees. The review of cancelled policies can determine that an employer is not in violation and no longer requires workers' compensation insurance. Total penalties increased slightly in 2012 resulting from several larger penalties.

Fraud & Compliance Unit Penalties and Fees

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Failure to report policy information	\$11,250	\$22,750	\$35,750	\$54,750	\$11,250	\$2,750	\$250	\$750	\$2,750	\$10,750
Waiver filing fees	\$18,045	\$14,895	\$14,345	\$16,720	\$12,075	\$11,325	\$9,985	\$9,005	\$8,600	\$8,940
Failure to file first report of injury	\$8,000	\$5,000	\$1,250	\$3,500	\$1,750	\$5,500	\$5,000	\$250	\$1,500	n/a

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 in 2012. DLT's primary focus is to have carriers timely report the policy information. A carrier's failure to do so results in staff time investigating employers that actually have coverage but DLT has no record of the coverage. DLT hopes to have staff to assign to continue the increased enforcement effort started in 2012.

Fines for failure to file first reports of injury peaked at \$23,250 in 2002 and decreased to \$5,000 in 2009. Compliance efforts on first reports were largely suspended in 2010. A severe reduction of claims personnel slowed processing of first reports so severely that enforcement of timeliness of first reports was not feasible.