



Division of Workers' Compensation
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2004 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 eleven 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 since 1992 and for non-indemnity injuries from 1998.

Table of Contents

Injury Information

Injuries from 1992 to 2004	1
US and RI Injury Rate Comparison.....	2
Indemnity Injuries by Insurer Type.....	3
Distribution of Indemnity Injuries by Employer Sector	4
Indemnity Injuries by Age	5
Non-Indemnity Injuries by Age.....	6
Indemnity Injuries by Gender.....	7
Non-Indemnity Injuries by Gender	8
Indemnity Injuries by Nature of Injury	9
Non-Indemnity Injuries by Nature of Injury.....	10
Indemnity Injuries by Body Part	11
Non-Indemnity Injuries Body Part	12
Indemnity Injuries by Injury Type	13
Non-Indemnity Injuries by Injury Type	14
Fatalities	15

Files and Filings

Files Opened by Level of Agreement or Order to Compensate.....	16
First Reports and Filings Received Per Calendar Year	17

Workers' Compensation Administrative Fund

Administrative Fund Information 18
WCAF Total Expenditures 20
Number of Claims Paid 21
Average Paid per Claim 22

Dr. John E. Donley Rehabilitation Center

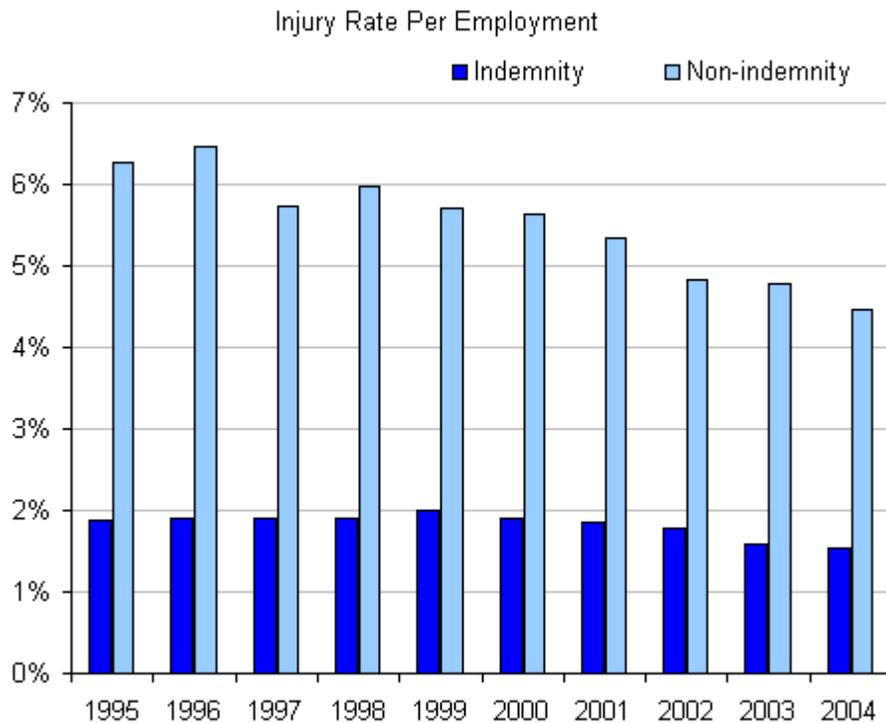
Admissions 23
Discharges Returned to Work 24
Discharges Not Returned to Work 25
Estimated Indemnity Savings Report..... 26

Fraud and Compliance Unit

Fraud & Compliance Unit Referrals, Inquiries and Filings 27
Fraud & Compliance Unit Penalties and Fees 28

RI Workers' Compensation Injuries 1992 – 2004

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Indemnity Injuries	9,169	8,644	8,335	7,990	8,025	8,189	8,334	8,886	8,691	8,443	8,115	7,379	7,224
Non-Indemnity Injuries	23,195	26,640	26,664	26,525	27,363	24,694	26,180	25,436	25,730	24,438	22,091	22,119	20,816
Injuries	32,364	35,284	34,999	34,515	35,388	32,883	34,514	34,322	34,421	32,881	30,206	29,498	28,040
Covered Employment	409,277	414,046	417,175	422,701	423,693	430,520	437,544	446,422	456,700	458,238	458,212	462,374	466,700
Indemnity Rate	2.24%	2.09%	2.00%	1.89%	1.89%	1.90%	1.90%	1.99%	1.90%	1.84%	1.77%	1.60%	1.55%
Non-Indemnity Rate	5.67%	6.43%	6.39%	6.28%	6.46%	5.74%	5.98%	5.70%	5.63%	5.33%	4.82%	4.78%	4.46%
Injury Rate	7.91%	8.52%	8.39%	8.17%	8.35%	7.64%	7.89%	7.69%	7.54%	7.18%	6.59%	6.38%	6.01%



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 2% between 1993 through 2000. In 2001, the rate started to decline. In 2004 the injury rate dropped to 1.55%, showing a steady decline in the rate of indemnity injuries in the last 4 years. 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.

US and RI Injury Rate Comparison

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

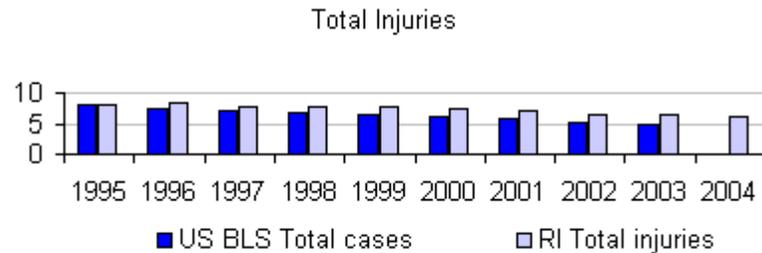
RI Division of Workers' Compensation: Rate of injury & illness, cases per 100 covered employees

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
US BLS: Cases involving days away from work	2.5	2.2	2.1	2	1.9	1.8	1.7	1.6	1.5	*
RI: Indemnity injuries & illnesses	1.9	1.9	1.9	1.9	2.0	1.9	1.9	1.8	1.6	1.5
US BLS: Total recordable cases	8.1	7.4	7.1	6.7	6.3	6.1	5.7	5.3	5.0	*
RI: Total injuries & illnesses	8.2	8.4	7.6	7.9	7.7	7.5	7.2	6.6	6.4	6.0



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. Overall, both rates have declined since 1995. The BLS rate has declined more sharply than the RI indemnity injury rate.

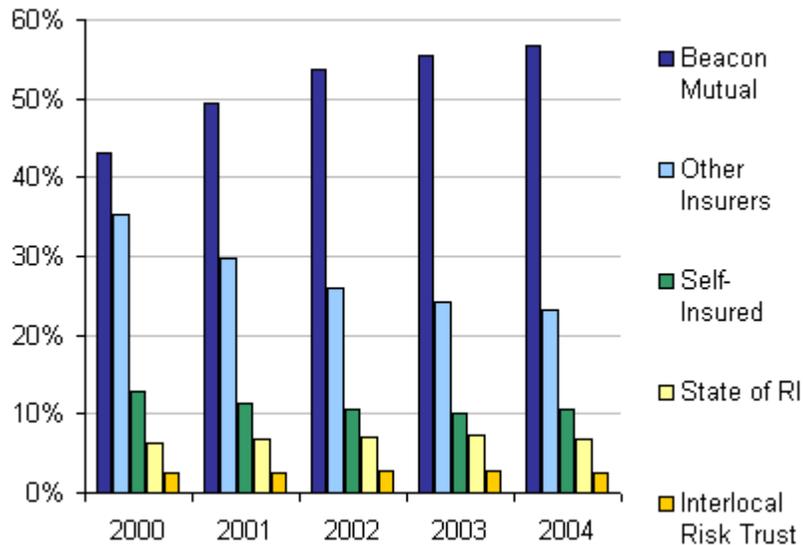


The total rate of injury for US BL and RI also show an overall decline from 1995 to 2003. Again, the decline in BLS injuries is steeper.

* BLS figures for 2004 were not yet available at the time of this report.

Indemnity Injuries by Insurer Type

Indemnity Injuries	Beacon Mutual (State Fund)		Self-Insured		State of RI		Interlocal Risk Trust		Other Insurers		Total
1995	3,256	39.90%	2,155	26.41%	516	6.32%	122	1.50%	2,111	25.87%	8,160
1996	2,808	34.38%	1,967	24.08%	500	6.12%	136	1.67%	2,757	33.75%	8,168
1997	2,491	29.85%	1,735	20.79%	484	5.80%	155	1.86%	3,481	41.71%	8,346
1998	2,675	31.53%	1,439	16.96%	499	5.88%	221	2.60%	3,651	43.03%	8,485
1999	3,342	37.01%	1,355	15.01%	509	5.64%	212	2.35%	3,611	39.99%	9,029
2000	3,805	43.21%	1,121	12.73%	563	6.39%	215	2.44%	3,101	35.22%	8,805
2001	4,255	49.48%	977	11.36%	581	6.76%	219	2.55%	2,567	29.85%	8,599
2002	4,054	53.67%	803	10.63%	540	7.15%	202	2.67%	1,955	25.88%	7,554
2003	4,096	55.51%	748	10.14%	539	7.30%	203	2.75%	1,793	24.30%	7,379
2004	4,098	56.73%	770	10.66%	488	6.76%	186	2.57%	1,682	23.28%	7,224



The distribution of indemnity injuries among the different types of insurers has changed dramatically since 1995. Beacon Mutual Insurance Company has increased its share of indemnity injuries from 31.5% in 1998 to 56.7% in 2004.

The percent of injuries to self-insured employers has been dropping steadily from a high of 32% in 1992, leveling at about 10% since 2002.

The RI state employees' share of injuries averaged 6.4% for the past 10 years.

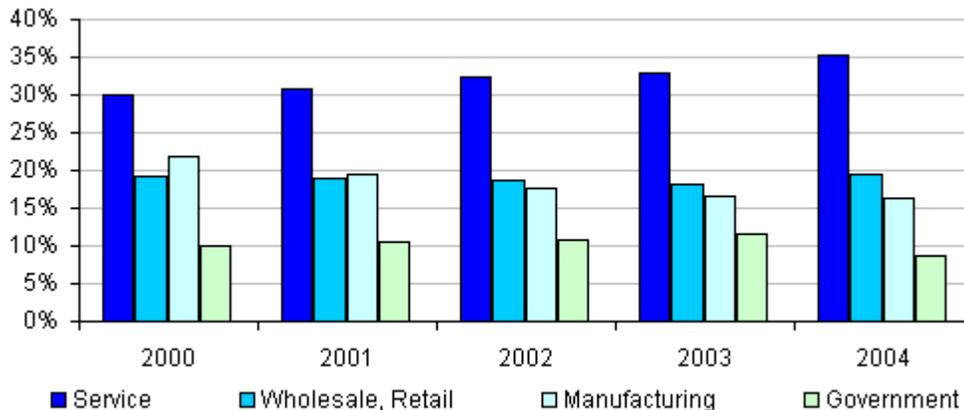
The Interlocal Risk Trust has seen an increase in the percent of injuries insured, climbing to 2.57% in 2004.

Other insurers' (mostly private insurers) percent of injuries averages 32.3% since 1995, with 23.3% in 2004.

Distribution of Indemnity Injuries by Employer Sector

Indemnity Injuries	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Agriculture, Fishing, Forestry	52	72	64	69	85	118	124	124	87	109
Mining	14	13	7	12	11	9	3	7	8	11
Construction	442	408	456	505	709	626	708	598	602	602
Manufacturing	2,144	2,003	2,031	2,210	2,071	1,932	1,665	1,324	1,222	1,173
Transportation & Public Utilities	545	614	674	564	662	703	712	642	652	598
Wholesale & Retail Trade	1,595	1,598	1,543	1,538	1,733	1,691	1,632	1,419	1,348	1,398
Finance, Insurance, Real Estate	139	184	211	189	198	201	196	182	170	149
Service Industry	2,518	2,562	2,636	2,608	2,748	2,635	2,643	2,437	2,432	2,550
Government & Other	711	714	724	790	812	890	916	821	858	634
Total	8,160	8,168	8,346	8,485	9,029	8,805	8,599	7,554	7,379	7,224

Distribution by Sector	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Service Industry	30.9%	31.4%	31.6%	30.7%	30.4%	29.9%	30.7%	32.3%	33.0%	35.3%
Wholesale & Retail Trade	19.5%	19.6%	18.5%	18.1%	19.2%	19.2%	19.0%	18.8%	18.3%	19.4%
Manufacturing	26.3%	24.5%	24.3%	26.0%	22.9%	21.9%	19.4%	17.5%	16.6%	16.2%
Government & Other	8.7%	8.7%	8.7%	9.3%	9.0%	10.1%	10.7%	10.9%	11.6%	8.8%
Construction	5.4%	5.0%	5.5%	6.0%	7.9%	7.1%	8.2%	7.9%	8.2%	8.3%
Transportation & Public Utilities	6.7%	7.5%	8.1%	6.6%	7.3%	8.0%	8.3%	8.5%	8.8%	8.3%
Finance, Insurance, Real Estate	1.7%	2.3%	2.5%	2.2%	2.2%	2.3%	2.3%	2.4%	2.3%	2.1%
Agriculture, Fishing, Forestry	0.6%	0.9%	0.8%	0.8%	0.9%	1.3%	1.4%	1.6%	1.2%	1.5%
Mining	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%	0.2%

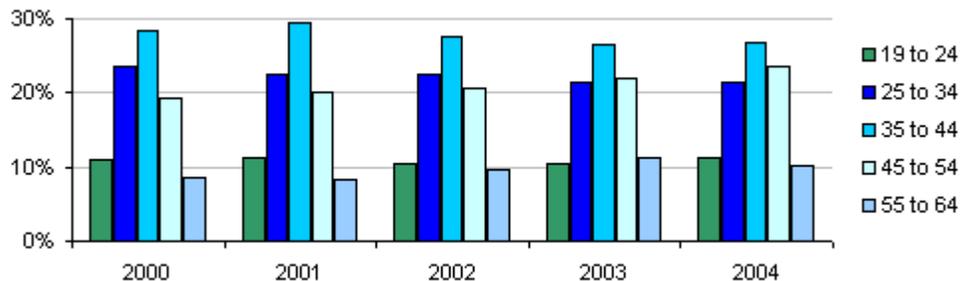


An average of 31.6% of indemnity injuries occurred in the service sector for the past 10 years. While 26.3% of indemnity injuries occurred in the manufacturing sector in 1995, that percent has declined to 16.2% in 2004, following the drop in manufacturing employment. Indemnity injuries in the wholesale & retail sector have remained stable. Transportation and public utilities sector shows a fluctuating percent of injuries, with a low of 6.6 % in 1998 and a high of 8.8 % in 2003. The construction sector shows a steady increase in the percent of indemnity from 5% in 1996 to 8.3% in 2004.

Indemnity Injuries by Age of Injured Worker

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Under 16	4	4	9	9	19	15	7	4	6	4
16 to 18	165	148	172	176	219	187	183	143	113	127
19 to 24	933	927	905	959	968	961	960	791	769	814
25 to 34	2,174	2,093	2,126	2,083	2,160	2,075	1,933	1,704	1,576	1,557
35 to 44	2,072	2,039	2,247	2,407	2,598	2,502	2,529	2,087	1,961	1,926
45 to 54	1,249	1,395	1,454	1,555	1,652	1,687	1,734	1,566	1,630	1,696
55 to 64	645	620	654	650	747	763	706	730	827	744
65 and over	117	118	142	121	131	124	148	114	124	154
Not reported	801	824	637	525	535	491	399	415	373	202
Total	8,160	8,168	8,346	8,485	9,029	8,805	8,599	7,554	7,379	7,224

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Under 16	0.05%	0.05%	0.11%	0.11%	0.21%	0.17%	0.08%	0.05%	0.08%	0.06%
16 to 18	2.02%	1.81%	2.06%	2.07%	2.43%	2.12%	2.13%	1.89%	1.53%	1.76%
19 to 24	11.43%	11.35%	10.84%	11.30%	10.72%	10.91%	11.16%	10.47%	10.42%	11.27%
25 to 34	26.64%	25.62%	25.47%	24.55%	23.92%	23.57%	22.48%	22.56%	21.36%	21.55%
35 to 44	25.39%	24.96%	26.92%	28.37%	28.77%	28.42%	29.41%	27.63%	26.58%	26.66%
45 to 54	15.31%	17.08%	17.42%	18.33%	18.30%	19.16%	20.17%	20.73%	22.09%	23.48%
55 to 64	7.90%	7.59%	7.84%	7.66%	8.27%	8.67%	8.21%	9.66%	11.21%	10.30%
65 and over	1.43%	1.44%	1.70%	1.43%	1.45%	1.41%	1.72%	1.51%	1.68%	2.13%
Not reported	9.82%	10.09%	7.63%	6.19%	5.93%	5.58%	4.64%	5.49%	5.05%	2.80%

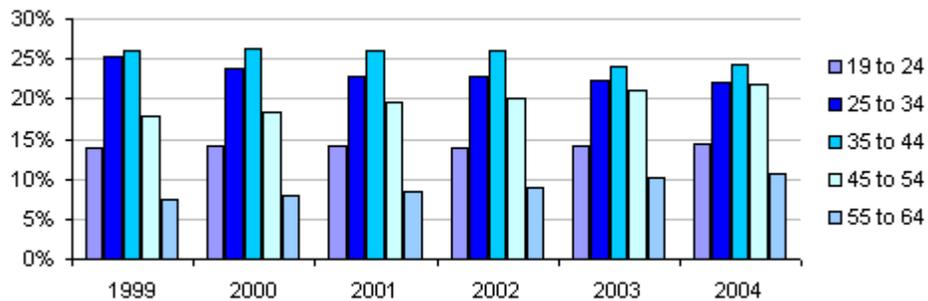


Indemnity injuries occur to workers in the age 35 to 44 year category most often, possibly because of the age distribution of the work force. Injuries to workers in the age 45 to 54 year category are the next most frequent, and they have increased steadily from 15% in 1994 to 23% in 2004. There was an increase in injuries to workers age 55 to 64 in 2003 and 2004. Injuries to workers 65 and over increased in 2004.

Non-Indemnity Injuries by Age of Injured Worker

	1998	1999	2000	2001	2002	2003	2004
Under 16	46	64	48	49	46	33	19
16 to 18	907	863	888	751	593	579	537
19 to 24	3,640	3,510	3,635	3,429	3,038	3,133	2,984
25 to 34	6,778	6,424	6,084	5,507	5,042	4,919	4,577
35 to 44	6,852	6,558	6,720	6,316	5,736	5,332	5,041
45 to 54	4,358	4,499	4,707	4,723	4,406	4,664	4,526
55 to 64	1,872	1,886	2,004	2,021	1,977	2,272	2,212
65 and over	266	301	350	337	296	321	375
Not reported	1,309	1,180	1,158	1,056	936	866	545
Total	26,028	25,285	25,594	24,189	22,070	22,119	20,816

	1998	1999	2000	2001	2002	2003	2004
Under 16	0.18%	0.25%	0.19%	0.20%	0.21%	0.15%	0.09%
16 to 18	3.48%	3.41%	3.47%	3.10%	2.69%	2.62%	2.58%
19 to 24	13.98%	13.88%	14.20%	14.18%	13.77%	14.16%	14.34%
25 to 34	26.04%	25.41%	23.77%	22.77%	22.85%	22.24%	21.99%
35 to 44	26.33%	25.94%	26.26%	26.11%	25.99%	24.11%	24.22%
45 to 54	16.74%	17.79%	18.39%	19.53%	19.96%	21.09%	21.74%
55 to 64	7.19%	7.46%	7.83%	8.36%	8.96%	10.27%	10.63%
65 and over	1.02%	1.19%	1.37%	1.39%	1.34%	1.45%	1.80%
Not reported	5.03%	4.67%	4.52%	4.37%	4.24%	3.92%	2.62%



Non-indemnity injuries occur to workers in the age 35 to 44 category most often, possibly because of the age distribution of the work force. Injuries to workers in both the age 25 to 34 years and 45 to 54 years categories are almost as frequent. Injuries to workers age 55 to 64 increased in 2003 and 2004.

Indemnity Injuries by Gender of Injured Worker

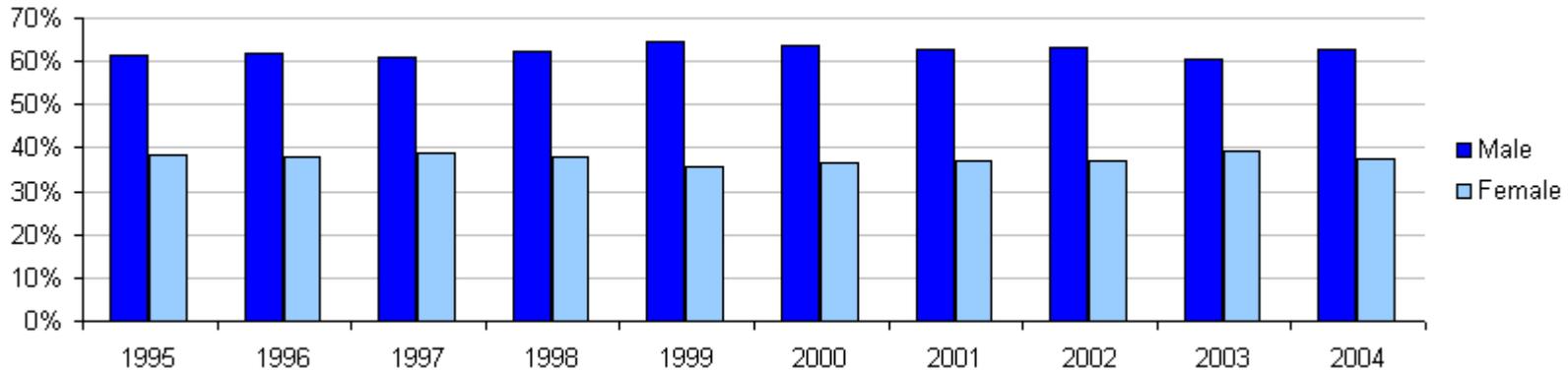
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Male	4,567	4,456	4,444	4,876	5,413	5,336	5,318	4,691	4,242	4,389
Female	2,843	2,743	2,826	2,976	2,996	3,073	3,138	2,743	2,766	2,608
Not reported	750	969	1,076	633	620	396	143	120	371	227
Total	8,160	8,168	8,346	8,485	9,029	8,805	8,599	7,554	7,379	7,224

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Male (percent of reported)	61.63%	61.90%	61.13%	62.10%	64.37%	63.46%	62.89%	63.10%	60.53%	62.73%
Female (percent of reported)	38.37%	38.10%	38.87%	37.90%	35.63%	36.54%	37.11%	36.90%	39.47%	37.27%

From 1994 to 2004, an average of 62.4% of indemnity injuries occurred to males and an average of 37.6% of indemnity injuries occurred to females where gender was reported. Distribution of injuries by gender has remained fairly stable, with a peak of injuries to males of 64.4% in 1999. Injuries to males dropped to 60.5% in 2003.

BLS Occupational Injuries & Illnesses with Days away from Work

	2002
Male	65.03%
Female	34.97%



Non-Indemnity Injuries by Gender of Injured Worker

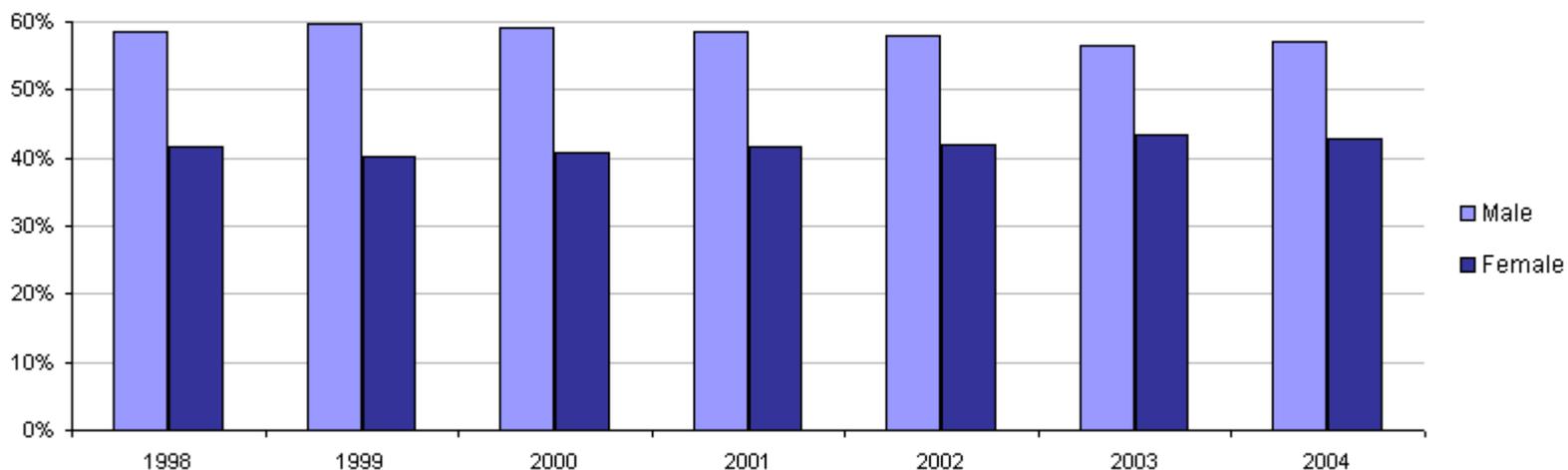
	1998	1999	2000	2001	2002	2003	2004
Male	14,272	14,333	14,621	13,909	12,675	12,027	11,564
Female	10,136	9,642	10,116	9,897	9,201	9,222	8,671
Gender not reported	1,620	1,310	857	383	194	870	581
Total	26,028	25,285	25,594	24,189	22,070	22,119	20,816

	1998	1999	2000	2001	2002	2003	2004
Male (percent of reported)	58.47%	59.78%	59.11%	58.43%	57.94%	56.60%	57.15%
Female (percent of reported)	41.53%	40.22%	40.89%	41.57%	42.06%	43.40%	42.85%

2003 Employment, age 16 years and over (BLS)

	US
Male	53.24%
Female	46.76%

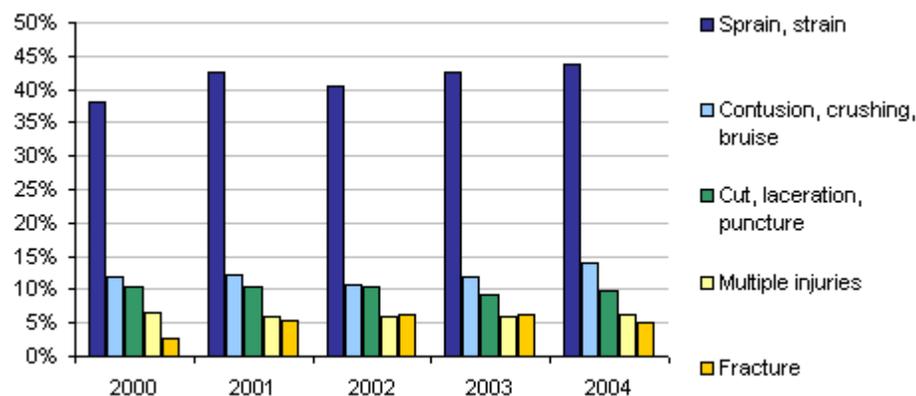
Over a 7 year span from 1998 to 2004, an average of 58.2% of non-indemnity injuries occurred to males. An average of 41.8% of non-indemnity injured occurred to females. The proportion of injuries to males was highest in 2000 with a distribution of 59.1% to males and 40.9% to females. The distribution for 2004 shows 42.9% of injuries to females and 57.1% to males. This differs somewhat from the 2003 distribution of employed persons over 16 years for the US according to BLS figures.



Indemnity Injuries by Nature of Injury

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Sprain, strain	2,776	2,992	2,977	3,543	3,376	3,364	3,663	3,056	3,132	3,154
Contusion, crushing, bruise	941	851	849	999	936	1,056	1,061	802	888	1,015
Cut, laceration, puncture	710	738	768	862	946	926	898	786	674	712
Fracture	503	458	479	500	512	582	522	444	445	447
Multiple injuries	437	372	388	365	344	247	458	475	455	355
Inflammation, irritation	1,228	1,015	923	618	652	1,093	304	212	218	217
Burn from heat	121	138	136	213	214	217	199	154	128	121
Other	1,444	1,604	1,826	1,385	2,049	1,320	1,494	1,625	1,439	1,203
Total	8,160	8,168	8,346	8,485	9,029	8,805	8,599	7,554	7,379	7,224

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Sprain, strain	34.0%	36.6%	35.7%	41.8%	37.4%	38.2%	42.6%	40.5%	42.4%	43.7%
Contusion, crushing, bruise	11.5%	10.4%	10.2%	11.8%	10.4%	12.0%	12.3%	10.6%	12.0%	14.1%
Cut, laceration, puncture	8.7%	9.0%	9.2%	10.2%	10.5%	10.5%	10.4%	10.4%	9.1%	9.9%
Multiple injuries	6.2%	5.6%	5.7%	5.9%	5.7%	6.6%	6.1%	5.9%	6.0%	6.2%
Fracture	5.4%	4.6%	4.6%	4.3%	3.8%	2.8%	5.3%	6.3%	6.2%	4.9%
Inflammation, irritation	15.0%	12.4%	11.1%	7.3%	7.2%	12.4%	3.5%	2.8%	3.0%	3.0%
Burn from heat	1.5%	1.7%	1.6%	2.5%	2.4%	2.5%	2.3%	2.0%	1.7%	1.7%
Other	17.7%	19.6%	21.9%	16.3%	22.7%	15.0%	17.4%	21.5%	19.5%	16.7%

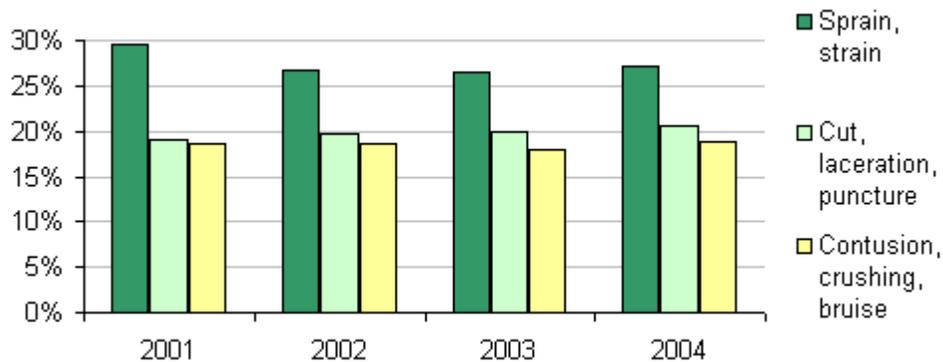


Sprains and strains are by far the most frequently occurring nature of injury for indemnity injuries. The percent of injuries with sprain or strain averages 41.5% for the last 5 years. The next most frequently occurring indemnity injuries are contusion, crushing and bruise injuries, with an average of 12.2% over the last 5 years. Cut, laceration and puncture injuries are the next most frequent with an average of 10.1%. Fractures average 5.9%, dropping to 4.9% for 2004. Multiple nature of injuries has a fluctuating frequency, as does inflammation of irritation of joints and muscles. This variation may be attributable to the way these are reported.

Non-Indemnity Injuries by Nature of Injury

Nature of Injury	1998	1999	2000	2001	2002	2003	2004
Sprain, strain	6,750	6,590	6,628	7,169	5,883	5,844	5,645
Cut, laceration, puncture	4,923	4,668	4,761	4,586	4,355	4,386	4,299
Contusion, crushing, bruise	4,678	4,416	4,812	4,507	4,121	3,980	3,917
Eye: disease, particle	1,132	1,082	1,037	1,028	881	789	795
Multiple injuries	606	500	451	760	764	926	772
Burn from heat	708	642	674	616	551	561	535
Exposed to germs	532	602	652	659	589	658	393
Other	6,699	6,785	6,579	4,864	4,926	4,975	4,460
Total	26,028	25,285	25,594	24,189	22,070	22,119	20,816

	1998	1999	2000	2001	2002	2003	2004
Sprain, strain	25.9%	26.1%	25.9%	29.6%	26.7%	26.4%	27.1%
Cut, laceration, puncture	18.9%	18.5%	18.6%	19.0%	19.7%	19.8%	20.7%
Contusion, crushing, bruise	18.0%	17.5%	18.8%	18.6%	18.7%	18.0%	18.8%
Eye: disease, particle	4.3%	4.3%	4.1%	4.2%	4.0%	3.6%	3.8%
Multiple injuries	2.3%	2.0%	1.8%	3.1%	3.5%	4.2%	3.7%
Burn from heat	2.7%	2.5%	2.6%	2.5%	2.5%	2.5%	2.6%
Exposed to germs	2.0%	2.4%	2.5%	2.7%	2.7%	3.0%	1.9%
Other	25.7%	26.8%	25.7%	20.1%	22.3%	22.5%	21.4%

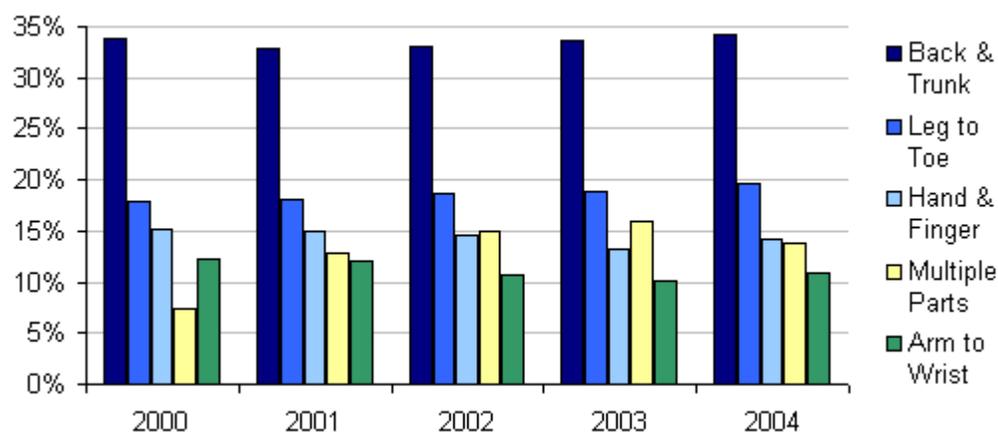


Sprains and strains are the most frequently occurring non-indemnity injury. An average of about 27% of non-indemnity injuries from 1998 to 2004 are sprains or strains. The next most frequent non-indemnity injuries are cut, laceration and puncture injuries, followed very closely by contusion, crushing, and bruise injuries. An average of 19% of non-indemnity injuries between 1998 and 2004 were cut, laceration or puncture. Contusion, crushing and bruise injuries averaged just over 18% for the same period.

Indemnity Injuries by Injured Body Part

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Back & Trunk	2,664	2,585	2,608	2,892	2,981	2,977	2,818	2,496	2,481	2,477
Leg to Toe	1,292	1,180	1,280	1,335	1,471	1,579	1,549	1,406	1,392	1,417
Hand & Finger	1,189	1,164	1,176	1,278	1,389	1,334	1,295	1,102	978	1,027
Multiple Parts	972	948	839	826	912	652	1,100	1,124	1,179	996
Arm to Wrist	792	833	868	972	979	1,080	1,032	802	749	787
Head, all parts	234	232	250	297	318	374	324	259	286	248
Neck	151	128	139	178	227	296	218	126	116	112
Other	866	1,098	1,186	707	752	513	263	239	198	160
Total	8,160	8,168	8,346	8,485	9,029	8,805	8,599	7,554	7,379	7,224

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Back & Trunk	32.6%	31.6%	31.2%	34.1%	33.0%	33.8%	32.8%	33.0%	33.6%	34.3%
Leg to Toe	15.8%	14.4%	15.3%	15.7%	16.3%	17.9%	18.0%	18.6%	18.9%	19.6%
Hand & Finger	14.6%	14.3%	14.1%	15.1%	15.4%	15.2%	15.1%	14.6%	13.3%	14.2%
Multiple Parts	11.9%	11.6%	10.1%	9.7%	10.1%	7.4%	12.8%	14.9%	16.0%	13.8%
Arm to Wrist	9.7%	10.2%	10.4%	11.5%	10.8%	12.3%	12.0%	10.6%	10.2%	10.9%
Head, all parts	2.9%	2.8%	3.0%	3.5%	3.5%	4.2%	3.8%	3.4%	3.9%	3.4%
Neck	1.9%	1.6%	1.7%	2.1%	2.5%	3.4%	2.5%	1.7%	1.6%	1.6%
Other	10.6%	13.4%	14.2%	8.3%	8.3%	5.8%	3.1%	3.2%	2.7%	2.2%

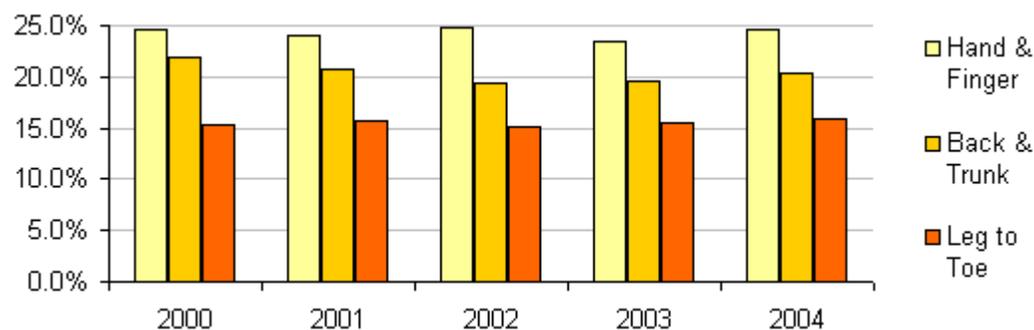


In the past 10 years, an average of 33% of indemnity injuries occurred to the back and trunk. Other body parts have a much lower frequency of injury. Injuries to the leg, including the foot and toes made up an average of 17% of indemnity injuries for the same time frame. Injuries to hand & fingers averaged about 15%. For the same time period, injuries to multiple body parts were about 12% of injuries, and from arm to wrist made up an average of 11% of indemnity injuries.

Non-Indemnity Injuries by Injured Body Part

	1998	1999	2000	2001	2002	2003	2004
Hand & Finger	6,593	6,220	6,285	5,806	5,482	5,179	5,136
Back & Trunk	5,203	5,282	5,596	5,014	4,291	4,331	4,251
Leg to Toe	3,667	3,782	3,937	3,809	3,334	3,437	3,307
Head, all parts	3,242	3,241	3,309	3,112	2,945	2,786	2,736
Arm to Wrist	2,828	2,811	2,923	2,923	2,591	2,627	2,378
Multiple Parts	1,829	1,459	1,412	2,040	2,272	2,607	2,015
Neck	449	517	655	471	343	311	261
Other	2,217	1,973	1,477	1,014	812	841	732
Total	26,028	25,285	25,594	24,189	22,070	22,119	20,816

	1998	1999	2000	2001	2002	2003	2004
Hand & Finger	25.3%	24.6%	24.6%	24.0%	24.8%	23.4%	24.7%
Back & Trunk	20.0%	20.9%	21.9%	20.7%	19.4%	19.6%	20.4%
Leg to Toe	14.1%	15.0%	15.4%	15.7%	15.1%	15.5%	15.9%
Head, all parts	12.5%	12.8%	12.9%	12.9%	13.3%	12.6%	13.1%
Arm to Wrist	10.9%	11.1%	11.4%	12.1%	11.7%	11.9%	11.4%
Multiple Parts	7.0%	5.8%	5.5%	8.4%	10.3%	11.8%	9.7%
Neck	1.7%	2.0%	2.6%	1.9%	1.6%	1.4%	1.3%
Other	8.5%	7.8%	5.8%	4.2%	3.7%	3.8%	3.5%

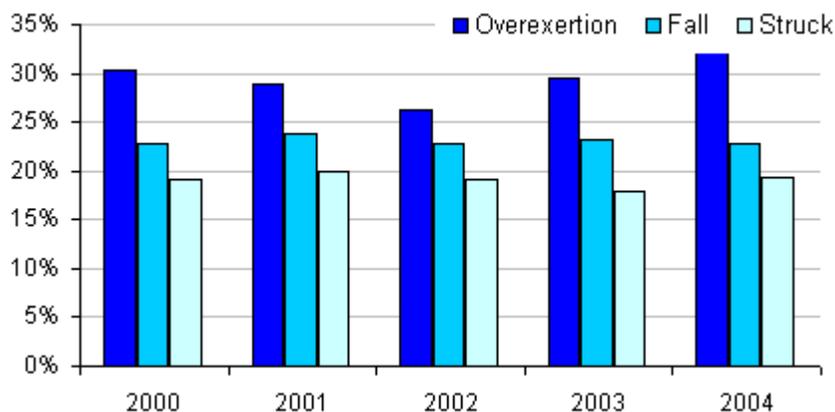


Injuries to the hand and fingers occur most frequently, accounting for an average of 24.5% of non-indemnity injuries from 1998 to 2004. Injuries to the back and trunk area are the next most frequent, averaging 20.4% of non-indemnity injuries for that period. Injuries from leg to toe averaged 15.2% of non-indemnity injuries.

Indemnity Injuries by Type of Injury

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Overexertion	2,506	2,390	2,474	2,536	2,749	2,666	2,486	1,982	2,183	2,320
Fall	1,511	1,488	1,487	1,609	1,812	1,998	2,049	1,716	1,717	1,640
Struck	1,392	1,369	1,405	1,535	1,739	1,681	1,708	1,446	1,322	1,395
Bodily reaction	561	509	411	580	488	470	619	829	573	347
Caught in, under, between	527	532	546	556	511	488	433	393	301	307
Motor vehicle accident	211	227	241	273	278	279	315	268	263	224
Other	1,452	1,653	1,782	1,396	1,452	1,223	989	920	1,020	991
Total	8,160	8,168	8,346	8,485	9,029	8,805	8,599	7,554	7,379	7,224

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Overexertion	30.7%	29.3%	29.6%	29.9%	30.4%	30.3%	28.9%	26.2%	29.6%	32.1%
Fall	18.5%	18.2%	17.8%	19.0%	20.1%	22.7%	23.8%	22.7%	23.3%	22.7%
Struck	17.1%	16.8%	16.8%	18.1%	19.3%	19.1%	19.9%	19.1%	17.9%	19.3%
Bodily reaction	6.9%	6.2%	4.9%	6.8%	5.4%	5.3%	7.2%	11.0%	7.8%	4.8%
Caught in, under, between	6.5%	6.5%	6.5%	6.6%	5.7%	5.5%	5.0%	5.2%	4.1%	4.2%
Motor vehicle accident	2.6%	2.8%	2.9%	3.2%	3.1%	3.2%	3.7%	3.5%	3.6%	3.1%
Other	17.8%	20.2%	21.4%	16.5%	16.1%	13.9%	11.5%	12.2%	13.8%	13.7%



Overexertion is the most frequently occurring type of injury. From 1995 to 2004, overexertion accounted for an average of 29.7% of indemnity injuries.

The second most frequent indemnity injury type is a fall. For the last 10 years, an average of 20.9% of indemnity injuries were falls.

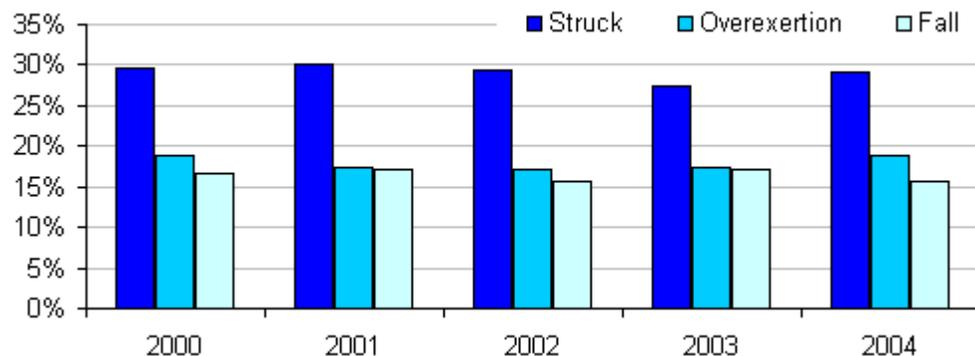
Injuries where the worker was struck against or by an object are the next most frequent, averaging 18.3% from 1995 to 2004.

The frequency of bodily reaction injuries increased sharply in 2002. This may be due to inconsistent coding. In 2004, the percent of bodily reaction injuries dropped to 4.8%.

Non-Indemnity Injuries by Type of Injury

	1998	1999	2000	2001	2002	2003	2004
Struck	8,003	7,669	7,606	7,254	6,495	6,080	6078
Overexertion	4,508	4,600	4,797	4,195	3,785	3,841	3944
Fall	3,571	3,738	4,263	4,164	3,473	3,813	3242
Caught in, under, between	1,670	1,565	1,578	1,282	1,132	919	931
Particle in eye	1,093	1,113	1,159	1,113	959	836	852
Bodily reaction	1,055	1,000	799	1,355	1,436	1,173	651
Other	6,128	5,600	5,392	4,826	4,790	5,457	5,118
Total	26,028	25,285	25,594	24,189	22,070	22,119	20816

	1998	1999	2000	2001	2002	2003	2004
Struck	30.75%	30.33%	29.72%	29.99%	29.43%	27.49%	29.20%
Overexertion	17.32%	18.19%	18.74%	17.34%	17.15%	17.37%	18.95%
Fall	13.72%	14.78%	16.66%	17.21%	15.74%	17.24%	15.57%
Caught in, under, between	6.42%	6.19%	6.17%	5.30%	5.13%	4.15%	4.47%
Particle in eye	4.20%	4.40%	4.53%	4.60%	4.35%	3.78%	4.09%
Bodily reaction	4.05%	3.95%	3.12%	5.60%	6.51%	5.30%	3.13%
Other	23.54%	22.15%	21.07%	19.95%	21.70%	24.67%	24.59%



Injuries where the worker was struck against or by an object are the most frequent, averaging 29.6% from 1995 to 2004.

Overexertion is the next most frequently occurring type of injury. In 2004, 17.9% of non-indemnity injuries were classified as overexertion.

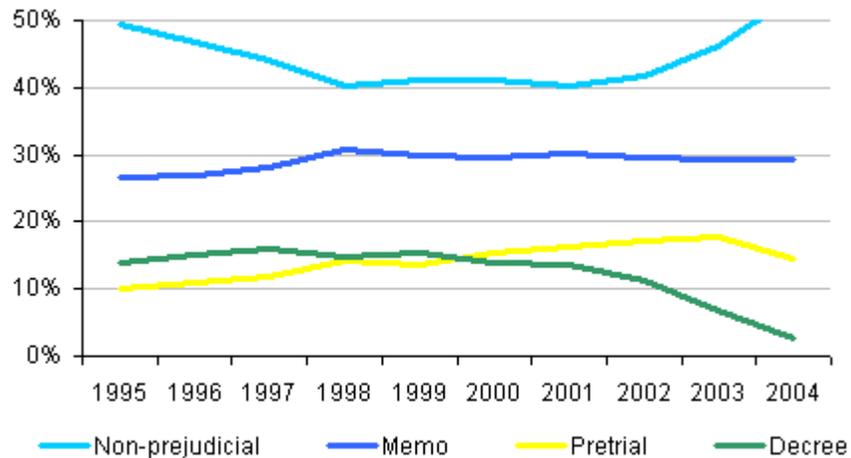
Falls are the third most frequent type of non-indemnity injury. Since 1998, an average of 15.9% of non-indemnity injuries was from falls.

Workers' Compensation Fatalities

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Compensable Fatalities	11	6	4	7	7	5	7	7	3	6	5	12	2
Gender													
Female	2	0	0	1	1	0	2	0	0	1	2	2	0
Male	9	6	4	6	6	5	5	7	3	5	3	10	2
County													
Kent	1	0	1	2	0	1	0	0	0	3	0	6	1
Newport	0	0	0	1	1	0	0	0	1	0	0	0	0
Providence	9	3	2	3	1	3	4	4	0	2	3	4	1
Washington	1	0	0	0	3	1	2	2	0	0	0	0	0
Out of State	0	3	1	1	2	0	1	1	2	1	2	2	0
Accident Type													
Aircraft accident	0	0	0	0	0	0	0	1	0	1	0	0	0
Assaulted or shot	2	0	0	2	0	0	1	0	0	1	1	0	0
Crushed	1	0	0	1	0	0	1	0	2	0	0	3	1
Drowned or asphyxiated	1	1	0	1	1	0	0	0	0	0	0	0	0
Electrocuted	2	0	1	0	0	0	0	2	0	1	0	0	0
Fell from elevation	1	1	0	1	0	0	0	1	0	0	0	1	0
Fire	0	0	0	0	0	0	0	0	0	0	0	6	0
Heart attack or stroke	0	0	1	2	2	0	1	0	0	0	0	0	0
Industrial vehicle accident	0	0	0	0	0	2	0	0	0	0	0	0	0
Motor vehicle accident	3	3	2	0	3	0	4	2	1	3	4	2	1
Struck by falling/flying object	0	0	0	0	1	2	0	0	0	0	0	0	0
Type not reported	1	1	0	0	0	1	0	1	0	0	0	0	0
Employer Type													
Construction	3	0	2	1	3	1	0	2	3	1	0	3	1
Manufacturing	2	0	0	0	0	2	1	3	0	2	1	1	0
Transport & Public Utilities	1	1	0	2	1	0	0	2	0	1	1	0	0
Wholesale & Retail	0	1	1	0	0	1	3	0	0	1	1	7	1
Finance, Insurance, Real Estate	0	0	0	0	0	0	1	0	0	0	0	0	0
Services	5	4	1	4	3	1	2	0	0	1	1	1	0
Government	0	0	0	0	0	0	0	0	0	0	1	0	0

Files Opened by Level of Agreement or Order to Compensate

Files Opened	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Number of injury files opened	11,716	11,312	12,120	33,914	34,470	34,036	33,467	30,977	30,522	28,669
With no agreement	3,383	3,045	3,678	25,125	25,554	25,387	24,718	22,708	22,234	21,056
Under nonprejudicial agreement	4,116	3,872	3,716	3,539	3,672	3,555	3,517	3,458	3,818	4,081
Under memorandum of agreement	2,207	2,234	2,378	2,703	2,670	2,556	2,633	2,457	2,435	2,221
Under pretrial order	847	917	1,004	1,237	1,205	1,333	1,417	1,422	1,464	1,114
Under decree	1,163	1,244	1,344	1,310	1,369	1,205	1,182	932	571	197
Under agreement or decree total	8,333	8,267	8,442	8,789	8,916	8,649	8,749	8,269	8,288	7,613
Non-prejudicial rate	49.4%	46.8%	44.0%	40.3%	41.2%	41.1%	40.2%	41.8%	46.1%	53.6%
Memorandum rate	26.5%	27.0%	28.2%	30.8%	29.9%	29.6%	30.1%	29.7%	29.4%	29.2%
Pretrial rate	10.2%	11.1%	11.9%	14.1%	13.5%	15.4%	16.2%	17.2%	17.7%	14.6%
Decree rate	14.0%	15.0%	15.9%	14.9%	15.4%	13.9%	13.5%	11.3%	6.9%	2.6%



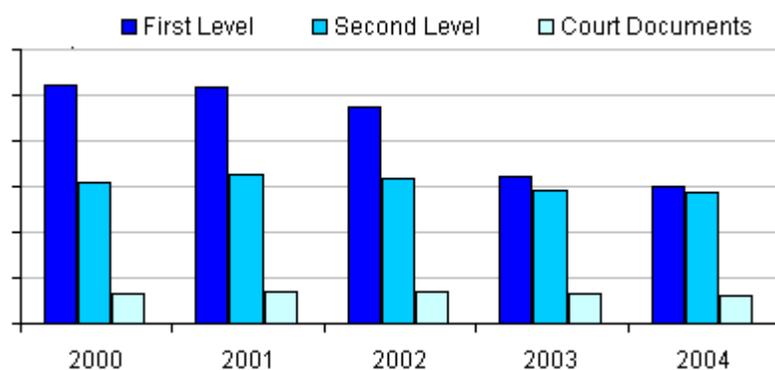
In 1998, The Division of Workers' Compensation began recording all injuries electronically, including non-indemnity. The dramatic increase in the number of files opened and files opened with no agreement between 1997 and 1998 reflects this change in policy.

In 1995, 49% of all files with an agreement or decree were paid under a nonprejudicial agreement. Usage decreased to about 40% between 1998 and 2003, with an increase to 53.6% in 2004. The memorandum is the next most frequently used at overall rate of about 30%.

The rate of files under pretrial order has increased steadily in the past 10 years with a decrease in 2004. The rate of files under a decree is expected to increase over time for 2003 and 2004 as pending litigation is resolved.

First Reports and Filings Received Per Calendar Year

Filings Received	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
First reports	10,809	10,142	10,697	31,317	32,787	32,640	32,893	30,811	30,448	29,247
Report of no indemnity benefit	3,465	3,010	2,922	18,094	19,532	19,492	18,783	16,675	1,935	666
First Level Report Total	14,274	13,152	13,619	49,411	52,319	52,132	51,676	47,486	32,383	29,913
Nonprejudicial agreements	8,058	8,096	8,144	7,676	7,983	7,605	7,693	7,211	7,552	7,801
Memorandums of agreement	3,297	3,274	3,503	3,915	3,780	3,609	3,962	3,591	3,359	3,382
Mutual agreements	2,365	2,699	2,756	2,998	2,823	2,652	2,905	3,130	1,905	715
Interim Payment Reports	2,545	3,034	2,435	2,322	3,333	2,853	3,016	3,056	2,571	2,915
Specific Injury Report	1,964	2,038	1,915	2,021	1,996	1,865	2,115	2,250	2,158	2,363
Final Payment Reports	4,277	4,573	4,545	4,708	4,440	4,226	4,809	4,905	3,976	3,665
Terminations of benefits	5,691	5,682	5,639	5,058	5,526	5,212	5,295	4,989	5,243	5,666
Suspension agreements	2,471	2,452	2,624	2,964	2,811	2,640	2,886	2,652	2,386	2,357
Wage transcripts	38	69	43	19	16	13	28	23	22	28
Second Level Report Total	30,706	31,917	31,604	31,681	32,708	30,675	32,709	31,807	29,172	28,892
Pretrial Orders	3,772	3,810	4,020	3,884	4,009	4,486	4,974	4,924	4,701	4,692
Decrees	1,991	2,108	2,152	2,217	1,809	1,992	1,906	2,150	1,833	1,560
Court Documents Total	5,763	5,918	6,172	6,101	5,818	6,478	6,880	7,074	6,534	6,252



First Reports and Reports of non-payment of indemnity benefits are first level reports. Before 1998, non-indemnity first reports were recorded manually and are not included in these figures. In the second half of 2002, the Report of Non-Payment of Indemnity form was discontinued.

Second level reports include agreements to compensate, documents to end compensation, and reports of payments. From 1995 through 2002, the number of second level reports has ranged between 30,000 and 33,000 per year. The number decreased in 2003 and again in 2004. The number of Mutual Agreements dropped substantially in 2003 and again in 2004.

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.

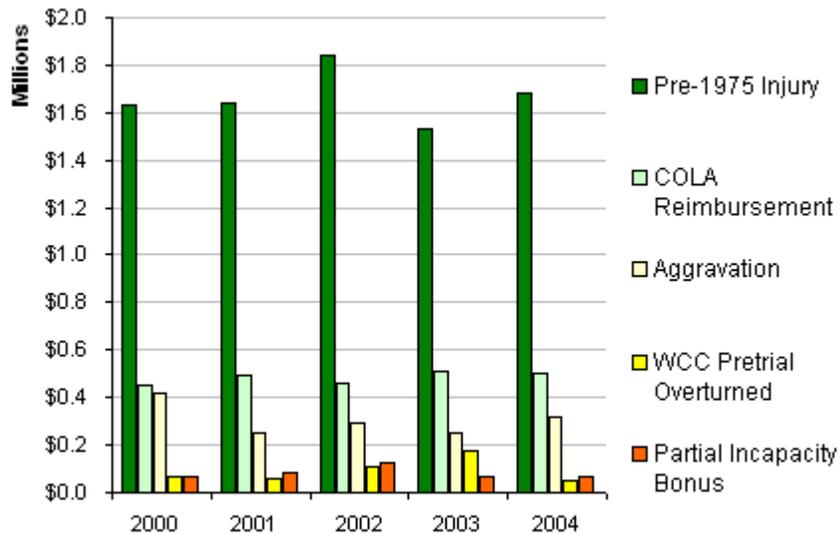
DWC Hearing Overturned. RIGL § 28-33-1.1 (i) (1) (B) provides for the reimbursement of payments made pursuant to a preliminary determination issued by the Workers' Compensation Hearing unit that was later overturned or amended. This section was repealed.

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 Incapacity 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	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Pre-1975 Injury	\$2,466,048	\$1,994,084	\$2,269,566	\$2,080,103	\$1,629,944	\$1,631,669	\$1,640,010	\$1,841,880	\$1,529,564	\$1,686,002
COLA Reimbursement	\$269,895	\$2,110,936	\$674,244	\$296,584	\$319,364	\$452,229	\$493,602	\$458,963	\$513,839	\$502,285
Aggravation	\$1,155,283	\$799,983	\$1,046,448	\$784,945	\$538,650	\$415,393	\$250,501	\$296,247	\$254,262	\$318,951
WCC Pretrial Overturned	\$128,616	\$246,230	\$82,828	\$284,415	\$207,297	\$70,138	\$62,587	\$105,047	\$174,314	\$52,113
Partial Incapacity Bonus	\$56,202	\$353,075	\$180,801	\$116,964	\$89,924	\$69,639	\$80,713	\$126,103	\$63,038	\$67,105
DWC Hearing Overturned	\$95,368	\$106,845	\$89,992	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$4,171,413	\$5,611,152	\$4,343,878	\$3,563,011	\$2,785,179	\$2,639,067	\$2,527,413	\$2,828,241	\$2,535,017	\$2,626,457

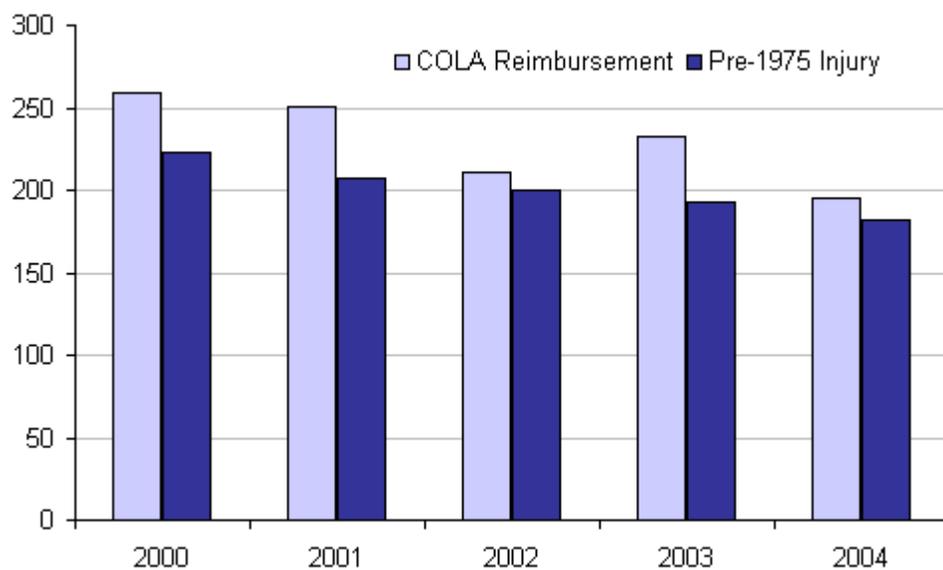


1996 stands out as the year with highest combined expenditures due to COLA reimbursement. Legal reform in September, 1990 granted COLA increases starting May 10, 1991 for all total incapacity injuries, regardless of injury date. Because the cost of COLA had not been anticipated in the premiums for older claims, insurers were allowed reimbursement of the COLA costs effective late in 1995. The high cost for COLA in 1996 is the combined cost of COLA from 1991 through 1996.

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 is expected to decrease as this population declines over time.

Workers' Compensation Administrative Fund Claims Paid

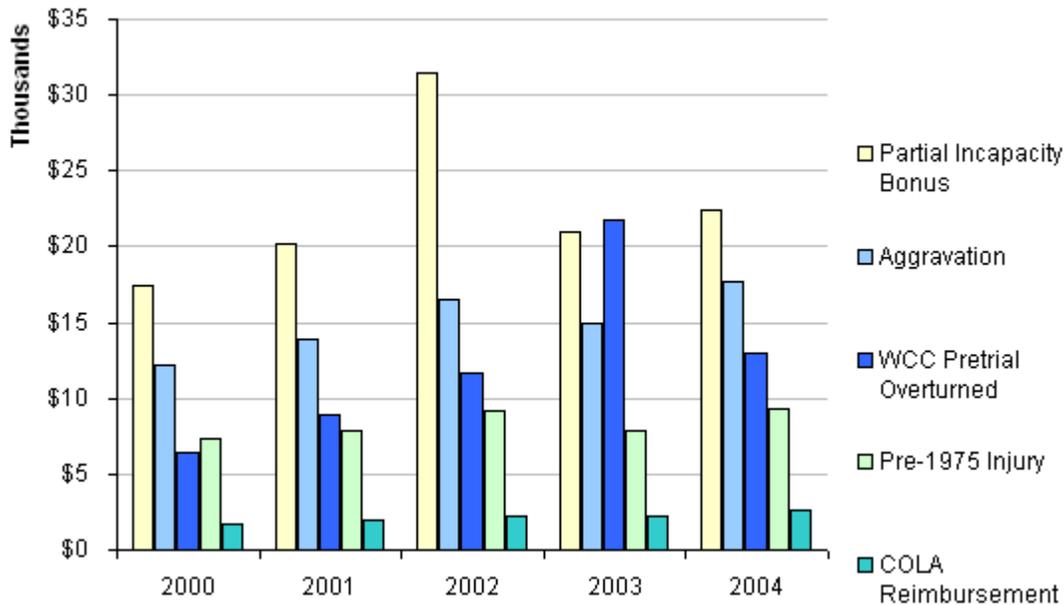
Number of Claims Paid	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
COLA Reimbursement	203	996	319	169	234	259	251	211	233	195
Pre-1975 Injury	326	285	291	271	241	223	207	200	193	182
Aggravation	36	36	40	38	29	34	18	18	17	18
WCC Pretrial Overturned	21	24	10	26	15	11	7	9	8	4
Partial Incapacity Bonus	13	11	9	7	4	4	4	4	3	3
DWC Hearing Overturned	6	5	2	0	0	0	0	0	0	0
Total	605	1357	671	511	523	531	487	442	454	402



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 and die, the number of those claims paid is decreasing.

Average Paid per Workers' Compensation Administrative Fund Claim

Average Paid per Claim	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Partial Incapacity Bonus	\$4,323	\$32,098	\$20,089	\$16,709	\$22,481	\$17,410	\$20,178	\$31,526	\$21,013	\$22,368
Aggravation	\$32,091	\$22,222	\$26,161	\$20,656	\$18,574	\$12,217	\$13,917	\$16,458	\$14,957	\$17,720
WCC Pretrial Overturned	\$6,125	\$10,260	\$8,283	\$10,939	\$13,820	\$6,376	\$8,941	\$11,672	\$21,789	\$13,028
Pre-1975 Injury	\$7,565	\$6,997	\$7,799	\$7,676	\$6,763	\$7,317	\$7,923	\$9,209	\$7,925	\$9,264
COLA Reimbursement	\$1,330	\$2,119	\$2,114	\$1,755	\$1,365	\$1,746	\$1,967	\$2,175	\$2,205	\$2,576
DWC Hearing Overturned	\$15,895	\$21,369	\$44,996	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$6,895	\$4,135	\$6,474	\$6,973	\$5,325	\$4,970	\$5,190	\$6,399	\$5,584	\$6,533

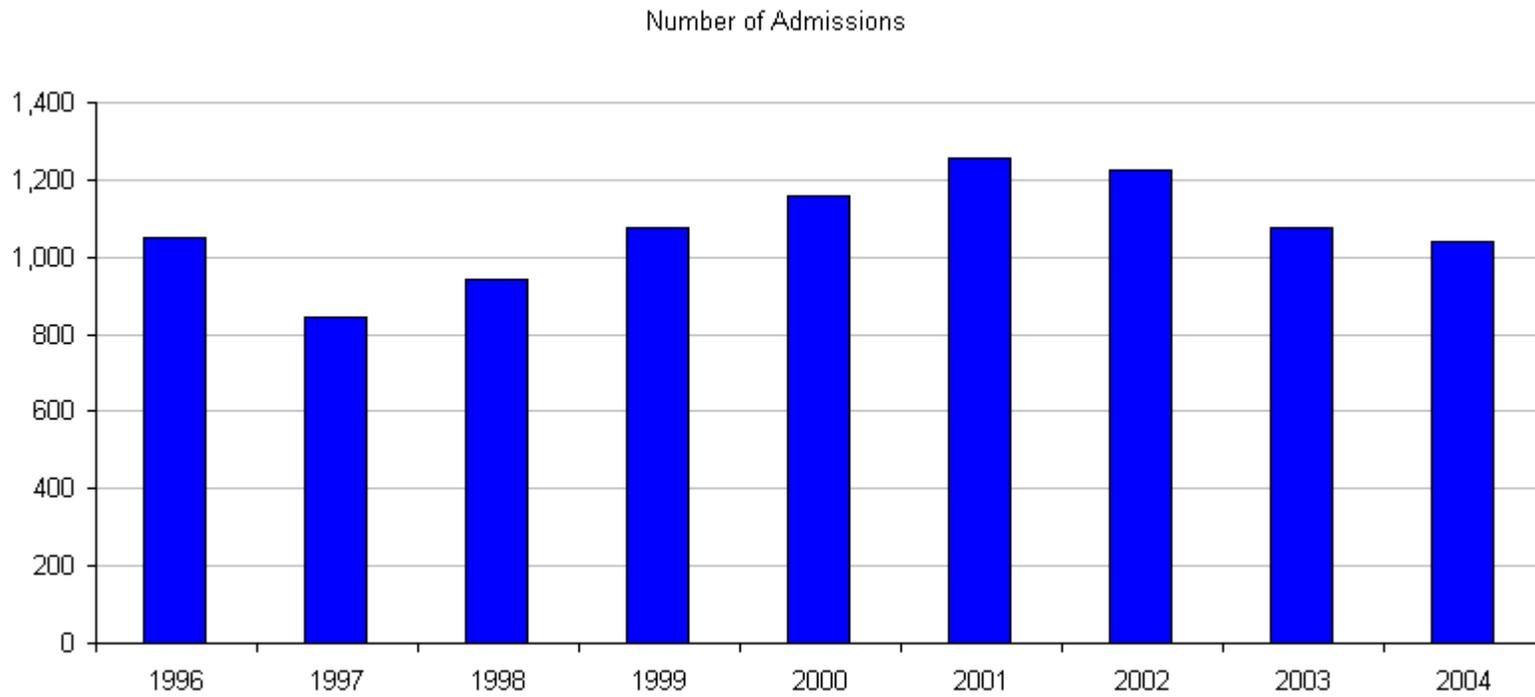


The average cost per claim gives a different perspective on the WCAF expenditures. While Pre-1975 Injuries makes up a large part of the number of claims and total dollar expenditures, the average payment per claim is relatively low in comparison. Similarly, the average payment per COLA injury is low.

There is a low number of claims with Aggravation, Workers' Compensation Court Pretrial Orders Overturned or Partial Incapacity Bonus, but the average payment per claim is high. The average amount paid per claim for Partial Incapacity Bonus jumped to \$22,41 in 2002. The average for WCC Pretrial Orders Overturned peaked at \$21,789 in 2003.

Dr. John E. Donley Rehabilitation Admissions

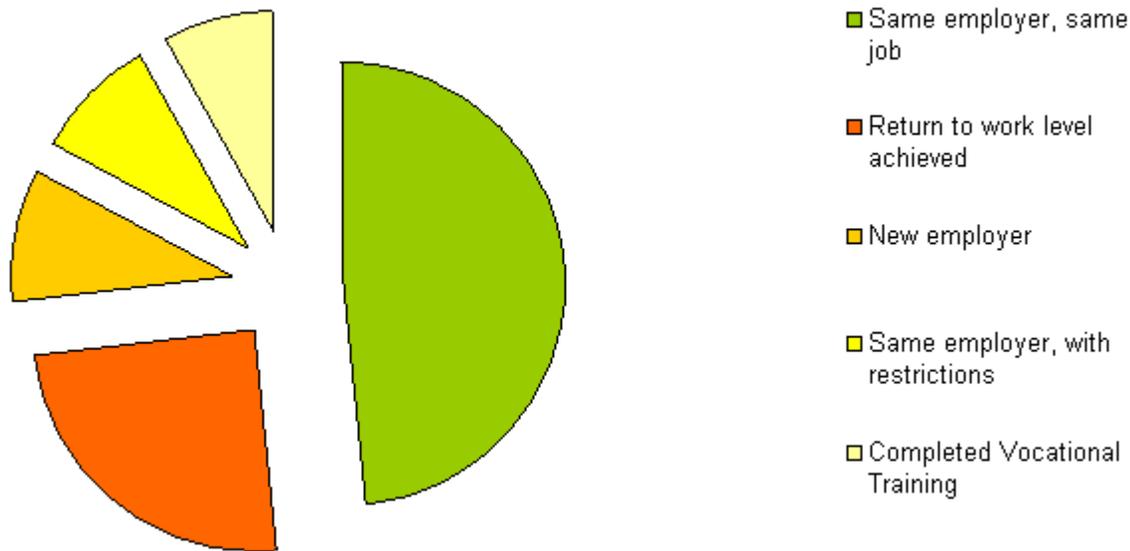
	1996	1997	1998	1999	2000	2001	2002	2003	2004
Number of Admissions	1,051	843	941	1,077	1,157	1,258	1,224	1,078	1,038



Dr. John E. Donley Rehabilitation Center Return to Work Discharges

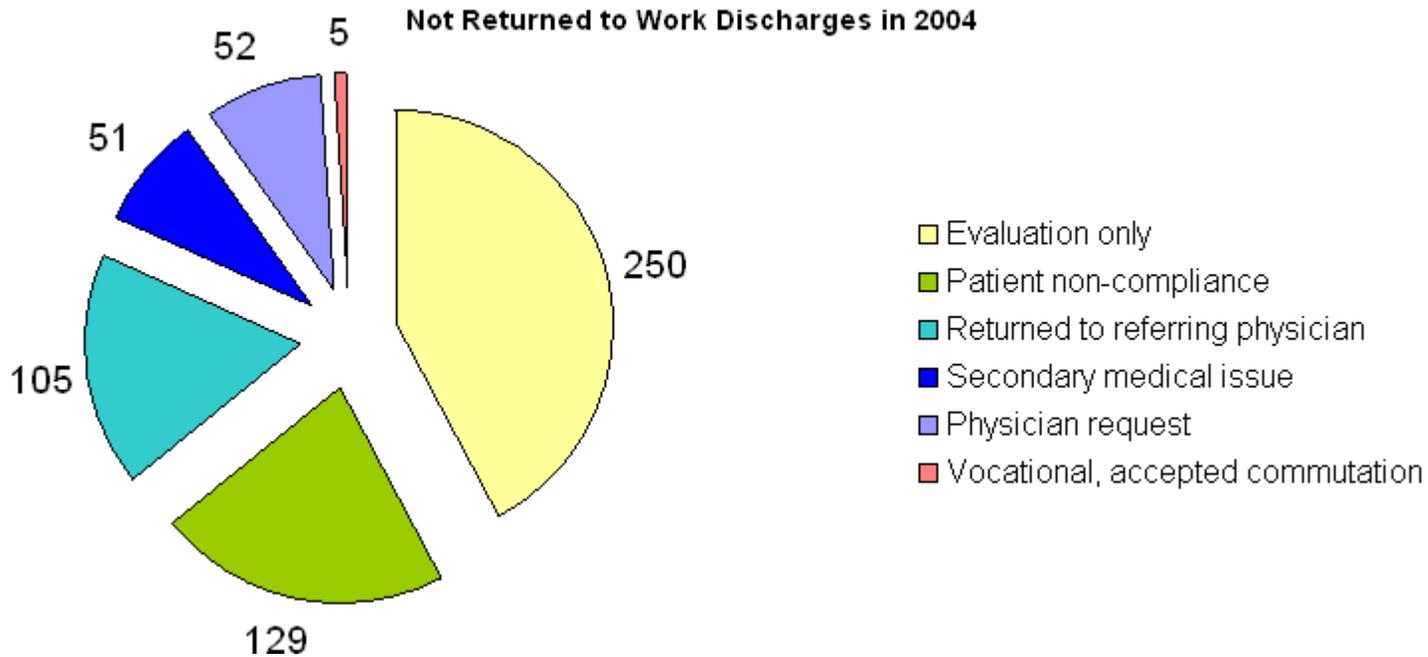
	1998	1999	2000	2001	2002	2003	2004
Return to work level was achieved	310	375	397	514	483	527	441
Same employer, same job	171	218	215	271	236	257	213
Return to work level achieved	72	76	84	131	148	119	109
New employer	40	47	55	66	61	65	43
Same employer, with restrictions	27	34	43	46	38	46	41
Completed Vocational Training						40	35

Return to Work Discharges in 2004



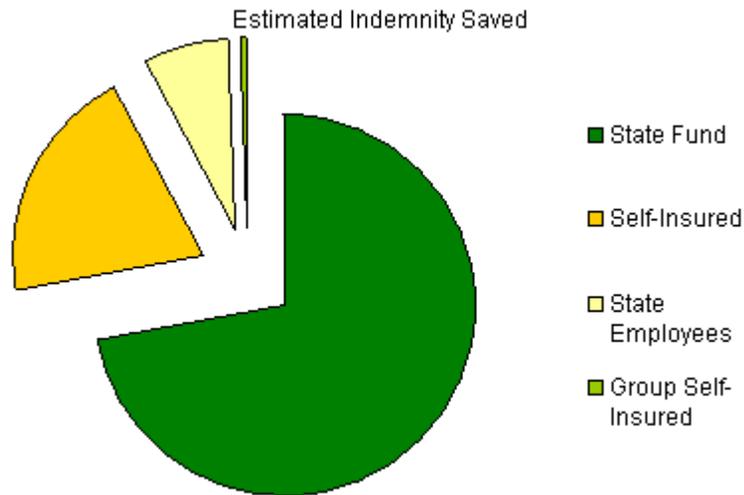
Dr. John E. Donley Rehabilitation Center Not Returned to Work Discharges

	1998	1999	2000	2001	2002	2003	2004
Not Returned to Work	580	657	734	771	771	556	593
Evaluation only	255	294	251	281	337	236	250
Patient non-compliance	110	115	133	188	131	131	129
Returned to referring physician	81	74	121	141	112	77	105
Secondary medical issue	36	49	65	70	57	46	51
Physician request	27	27	51	46	45	45	52
Vocational, accepted commutation	0	0	0	9	15	12	5
Other	71	98	113	36	74	9	1



Dr. John E. Donley Center Estimated Indemnity Savings Report

Type of Insurer	Number of Injured Workers Returned to Work	Estimated Weeks of Indemnity Saved	Estimated Amount of Indemnity Saved
State Fund	112	28,434	\$14,729,034
Self-Insured	32	8,014	\$4,151,400
State Employees	12	2,896	\$1,500,202
Group Self-Insured	1	185	\$95,756
Insurers	61	15,160	\$7,852,658

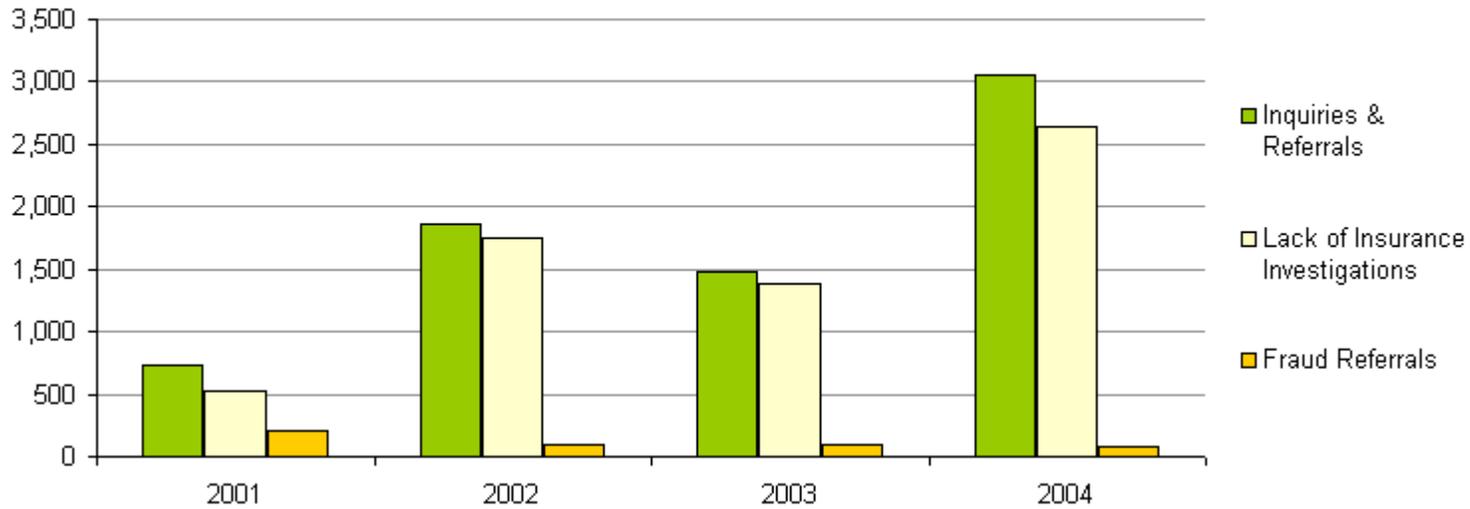


Indemnity savings is estimated for patients discharged to return to work from Donley Center in 2004 where the time between the injury and date of admission is over 3 months. The length of time between the date of discharge and the anticipated date of the 312 week gate is the estimated weeks of indemnity saved. The dollar amount of indemnity is calculated using a compensation rate of 75% of the average weekly wage for employers covered by unemployment insurance in calendar year 2003.

Fraud and Compliance Unit Referrals, Inquiries and Filings

	2000	2001	2002	2003	2004
Independent Contractor Forms Filed	NA	7,754	6,756	6,334	7,346
Inquiries/Referrals	505	737	1,858	1,483	3,062
Fraud Referrals	*	210	101	97	73
Opened for investigation	*	140	46	29	31
From Insurers	17	31	30	19	13
Referred to AG	7	8	12	9	12
Lack of Insurance Investigations	532	527	1,757	1,386	2,634

Investigations and Referrals



* Fraud and Compliance were not separated in 2000.

Fraud and Compliance Unit Penalties and Fees

	2000	2001	2002	2003	2004
Failure to file first report of injury	\$3,000	\$13,000	\$23,270	\$8,000	\$5,000
Failure to report policy information	\$6,250	\$3,250	\$13,800	\$11,250	\$22,750
Waiver Filing Fees	\$745	\$4,205	\$9,515	\$18,045	\$14,895
Lack of WC insurance coverage	\$44,439	\$43,955	\$87,514	\$286,872	\$342,884

Penalties levied for lack of insurance coverage increased substantially in 2003 and again in 2004. Penalties for failure to report policy information jumped to \$22,750 in 2004. Penalties for failure to file a first report of injury have dropped to \$5,000 as education and enforcement efforts succeed.

Penalties and Fees

