

WORKERS' COMPENSATION **ANNUAL REPORT**

FISCAL YEAR 2017



Montana Department of
LABOR & INDUSTRY

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Montana Department of
LABOR & INDUSTRY

LETTER FROM THE COMMISSIONER

Dear Colleagues and Fellow Montanans,

It is my pleasure to introduce the Workers' Compensation Annual Report for Fiscal Year 2017.

Inside this report, you will find detailed information about evolving trends and recent developments in Montana's workers' compensation system. The objective analysis and presentation of accurate data is critical to understanding the impacts on employers, workers, and system stakeholders.

One cost driver in the workers' compensation system is the frequency of claims. Over 25,000 claims for work-related injuries, illnesses, and fatalities are reported to the Montana Department of Labor & Industry (MTDLI) each year. Based on data from the Bureau of Labor Statistics, Montana has one of the highest incidence rates of non-fatal injuries and illnesses in the country, as well as one of the highest rates of work-related fatalities. While we are reducing rates of work-related injuries and claims, there is still a lot of work to be done to make sure our workforce goes home safely at the end of their shifts.

The Employment Relations Division (ERD) has taken an active role to reach stakeholders across the state with information about safe work environments and the workers' compensation system. During fiscal year 2017, the Safety & Health Bureau provided free safety education to 1,569 employers and workers at four SafetyFestMT events, and held free OSHA 10-Hour safety training courses for 1,203 students across the state. Last fall, 361 workers' compensation system stakeholders met for the annual Governor's Conference on Workers' Compensation, and businesses and employers learned valuable information about Stay-At-Work/Return-to-Work practices.

ERD research staff tackled projects to study specific aspects and impacts of the workers' compensation system. In addition to this annual report, research staff provided crucial information about opioids and the workers' compensation system to support the installation of a drug formulary to improve worker outcomes. They also presented information to the Economic Affairs Interim Committee (EAIC) regarding the Oregon Rate Ranking Premium study and Montana measurements since the implementation of HB 334 which was introduced during the 2011 legislative session. The Montana Occupational Health & Safety Surveillance program (www.mtworkerhealth.com) released a comprehensive report on worker deaths in Montana in recent years to provide information on how to prevent worker deaths in the future. ERD research staff also initiated a major survey of injured workers to collect key data about the experiences of injured workers in the workers' compensation system.

The Labor-Management Advisory Council on Workers' Compensation (LMAC) has been busy monitoring the effectiveness of recent reforms and developments in Montana's workers' compensation system, including the establishment of a workers' compensation drug formulary in Montana. They also discussed rulemaking for HB 449 introduced during the 2017 legislature to determine the value of employee housing that will now be included in the wage calculation in the case of a work-related injury resulting in wage loss. They heard presentations on an injured worker survey and an independent contractor survey that will help provide additional data for research. The Montana Safety Culture Act was discussed and how other agencies can be included in initial outreach to workers and other opportunities for safety partnerships.

I trust that you will find this report to be a valuable and illuminating resource on trends and activities taking place in Montana's workers' compensation system. We hope to continue to improve the system for all stakeholders in Montana through continued discussions and collaborations.



Sincerely,

A handwritten signature in black ink that reads "Galen Hollenbaugh". The signature is fluid and cursive, written in a professional style.

Galen Hollenbaugh, Commissioner

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WORKERS' COMPENSATION HIGHLIGHTS

In an effort to reduce costs to employers, provide appropriate benefits to injured workers, and reduce or eliminate work place injuries, the Employment Relations Division (ERD), monitors workers' compensation medical costs, costs associated with lost work time, claim rates, system and administrative costs, safety and education activities, and all other aspects of the Montana workers' compensation system.

This report will provide the reader with an overview of Montana's workers' compensation system, including system updates, claims and benefits characteristics, dispute resolution outcomes, and Department programs and their functions.

WORKERS' COMPENSATION CLAIM HIGHLIGHTS:

- Reported claims decreased 2% from 25,122 claims in FY16 to 24,723 in FY17;
- The most frequent causes of injury were strains (29%) and falls, slips, and trips (22%);
- The most frequent natures of injury were sprains and strains (39%) and cuts, punctures, and abrasions (20%);
- The most frequent body parts injured were hand and finger(s) (20%) and the back including the spine (17%);
- Total benefits decreased by 9% from FY16 to FY17. Medical benefits decreased by \$10 million and Indemnity benefits decreased by \$11 million;
- Medical benefits comprised 61% of payments and indemnity payments 39%;
- The share of Permanent Partial Disability (PPD) payments has been declining since HB334;
- Temporary disability paid duration (TTD and TPD) (1-year maturity) has continued to decline; and
- Approved settlements of future medical benefits for 'best interest' decreased in utilization from 886 in FY16 to 865 in FY17 and down again to 654 in FY18.

EMPLOYMENT RELATIONS DIVISION ACTIVITIES IN FY17:

- Organized and held the annual Governor's Conference on Workers' Compensation and Occupational Safety and Health at West Yellowstone (361 attendees including vendors, guests, and speakers);
- Made presentations on workers' compensation, safety, and stay at work/return to work at Assistance for Business Clinics across the state (average 15 clinics a year);
- Held SafetyFests in Missoula (630 attendees), Havre (145 attendees), Helena (403 attendees), and Billings (391 attendees);
- Provided staff support and research for the Labor-Management Advisory Council (LMAC);
- Published the FY16 Workers' Compensation Annual Report;
- Responded to many research requests from internal and external stakeholders;
- Presented at the Economic Affairs Interim Committee;
- Continued progress on the occupational health and injury surveillance grant from the National Institutes for Occupational Safety and Health (NIOSH);
- Participated in the International Association of Industrial Accident Boards and Commissions (IAIABC) committees, including: EDI Council, EDI Claims, Research & Standards, Medical Issues, Regulations, and Disability Management; and
- Participated in the National Institute for Occupational Safety and Health (NIOSH) and Council of State and Territorial Epidemiologists (CSTE) health surveillance committees.

The data in this annual report is as accurate as reported to the Employment Relations Division and does not include reserves. Payment data on individual medical-only claims is not reported to ERD. Counts and totals may change over time due to updated reports and data clean-up efforts. Federal workers' claims are also not represented in this report.

Section

1

MONTANA WORKERS' COMPENSATION SYSTEM

- Declaration of Public Policy
- Labor-Management Advisory Council
- Insurance Coverage Requirements
- Life of a Claim
- Workers' Compensation Market



DECLARATION OF PUBLIC POLICY

It is an objective of the Montana workers' compensation system to provide, without regard to fault, wage loss and medical benefits to a worker suffering from a work-related injury or disease. Wage loss benefits are not intended to make an injured worker whole, but are intended to assist a worker at a reasonable cost to the employer. Within that limitation, the wage loss benefit should bear a reasonable relationship to actual wages lost as a result of a work-related injury or disease.

It is the intent of the legislature to assert that a conclusive presumption exists which recognizes that a holder of a current, valid independent contractor exemption certificate issued by the Department is an independent contractor if the person is working under the independent contractor exemption certificate. The holder of an independent contractor exemption certificate waives the rights, benefits, and obligations of workers' compensation unless the person elects personal coverage under one of Montana's three options for workers' compensation insurance.

A worker's removal from the workforce because of a work-related injury or disease has a negative impact on the worker, the worker's family, and the employer. Therefore, an objective of the workers' compensation system is to return a worker to work as soon as possible after the worker has suffered a work-related injury or disease.

Montana's workers' compensation and occupational disease insurance system is intended to be primarily self-administering. Claimants should be able to speedily obtain benefits, and employers should be able to provide coverage at reasonably constant rates. To meet these objectives, the system must be designed to minimize reliance upon lawyers and the courts to obtain benefits and interpret liabilities.

Title 39, chapter 71, MCA must be construed according to its terms and not liberally in favor of any party.

The legislature's intent regarding stress claims, often referred to as mental-mental claims and mental-physical claims, is not to provide for compensation under Montana's workers' compensation and occupational disease laws. The legislature recognizes that these claims are difficult to objectively verify and that the claims have a potential to place an economic burden on the workers' compensation and occupational disease system. The legislature also recognizes that there are other states that do not provide compensation for various categories of stress claims and that stress claims have presented economic problems for certain other jurisdictions. In addition, not all injuries are compensable under the present system, and it is within the legislature's authority to define the limits of the workers' compensation and occupational disease system. (§39-71-105, MCA)

LABOR-MANAGEMENT ADVISORY COUNCIL

The Labor-Management Advisory Council (LMAC) was re-appointed by the Governor on July 5, 2017 for a term through December 31, 2018. LMAC is chaired by the Lieutenant Governor and is composed of five employer and five labor representatives. The LMAC committee makes recommendations, based on workers' compensation information presented to them, in order to improve the workers' compensation system in Montana.

Over the past year LMAC has had the opportunity to have ongoing discussions and hear presentations on various topics impacting workers' compensation and safety including:

- Rulemaking for HB449 and determining the value of employee housing
- An injured worker survey
- An independent contractor survey
- Oregon premium rate ranking study and Montana measurements
- Montana Safety Culture Act
- Opportunities for safety partnerships
- Updates on the development of a drug formulary
- Statutory proposals for the 2019 legislature

LMAC meetings are open to the public and public comment is encouraged. For more information on the council, visit: www.mtlmac.com.

INSURANCE COVERAGE REQUIREMENTS

If you are an employer or an employee, the Workers' Compensation and Occupational Disease Acts apply. An employer who has an employee in service under any appointment or contract of hire, expressed or implied, oral or written, must elect to be bound by the provisions of compensation Plan 1 (self-insured), Plan 2 (private insured), or Plan 3 (Montana State Fund).

This information is intended to be descriptive. It is not all inclusive, nor is it intended to be used for legal determination of the mandatory coverage requirements. Please contact The Employment Relations Division at 406-444-6543, or your workers' compensation insurer, concerning coverage requirements and/or excluded or exempted employments.

EXTRATERRITORIAL EXCLUSION

Employer option for extraterritorial coverage §39-71-442, MCA: (1) Notwithstanding §39-71-118(8)(a) an employee of an employer in this state who is employed by the employer to work solely in North Dakota, and who is required by the laws of that state to be covered for workers' compensation purposes while working in that state, is not considered to be an employee in this state covered under Title 39, chapter 71, during any time that the employer maintains workers' compensation coverage for the employee in North Dakota. For purposes of this section, "work solely in North Dakota" means the employee does not perform job duties in Montana and coverage is required by the state of North Dakota. Travel that is commuting to and from a job site in North Dakota from a location in Montana does not constitute performing job duties in Montana even if the employer pays for all or a portion of the costs of travel or if the worker is paid for the travel time. (Effective until June 30, 2019)

OTHER EXCLUSIONS

The Workers Compensation Act may exclude from the definition of employee the services listed below:

- Volunteers;
- Volunteers at recreational facilities receiving no compensation other than meals, lodging, or the use of the recreational facilities;
- Licensed foster parents providing care for no more than 6 foster children without wage compensation; and
- Farm-owner occasionally assisting his or her neighboring farmers.

(§39-71-118, MCA)

EMPLOYMENTS EXEMPTED

The Workers' Compensation Act may not apply to the employments listed below:

- Household or domestic employment;
- Casual employment;
- Dependent member of an employer's family for whom an exemption may be claimed by the employer under the Federal Internal Revenue Code;
- Sole proprietors, working members of a partnership, working members of a limited liability partnership, or working members of a member-managed limited liability company;
- Real estate, securities or insurance salesperson paid solely by commission without a guarantee of minimum earnings;
- A direct seller;
- Employment for which a rule of liability for injury, occupational disease, or death is provided under the laws of the United States;
- A person performing services in return for aid or sustenance only, except employment of search and rescue volunteers;
- Employment with a railroad engaged in interstate commerce, except railroad construction work;

INSURANCE COVERAGE REQUIREMENTS

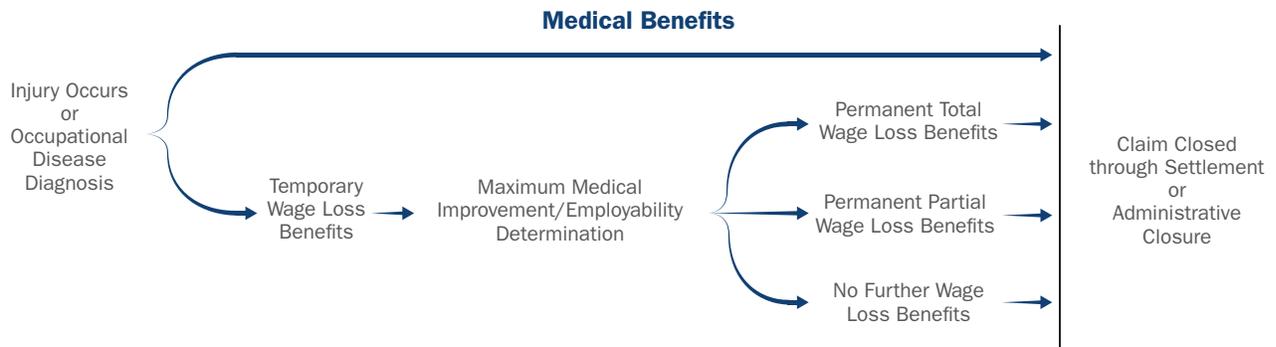
- An official, including a timer, referee, umpire or judge, at a school amateur athletic event;
- A person performing services as a newspaper carrier or freelance correspondent if acknowledged in writing that the services are not covered;
- Cosmetologist's services and barber's services;
- A person who is employed by an enrolled tribal member or an association, business, corporation, or other entity that is at least 51% owned by an enrolled tribal member or members, whose business is conducted solely within the reservation;
- A jockey who is performing under a license issued by the Board of Horse Racing, from the time the jockey reports to the scale room prior to a race, through the time weighed out, and has acknowledged in writing that the jockey is not covered while performing services as a jockey;
- Trainer, assistant trainer, exercise person or pony person who is providing services under the Board of Horse Racing while on the grounds of a licensed race meet;
- An employer's spouse;
- A petroleum land professional;
- An officer of a quasi-public or a private corporation or manager of a manager-managed limited liability company;
- A person who is an officer or a manager of a ditch company;
- Service performed by an ordained, commissioned or licensed minister of a church;
- Providers of companionship services or respite care, if a family member or legal guardian employs the person providing care;
- A person performing services of an intrastate or interstate common or contract motor carrier when hired by an individual or entity who meet the definition of a broker or freight forwarder;
- A person who is not an employee or worker in Montana;
- Independent contractors who are working under a current, valid, independent contractor exemption certificate from the Department;
- An athlete employed by or on a team or sports club engaged in a contact sport; and
- A musician performing under a written contract.

(§39-71-401, MCA)

LIFE OF A CLAIM

Exhibit 1.1

Highlights of a Compensable Wage Loss Claim



Workplace injuries and illnesses do happen and when a Montana employee files a workers' compensation claim, the process that is followed and the actions taken are directed by statute and administrative rule. Medical and indemnity (or wage loss) benefits due an injured worker are determined by the statutes in effect at the time of injury. The key requirements and benefits of a recent, typical Montana workers' compensation claim are generally described below. The benefits payable on a claim depend on the facts of each claim, and the statutes in effect on the date of injury.

REPORTING REQUIREMENTS

When an injury occurs, the injured worker (claimant) or their authorized representative has 30 days from the date of injury to notify the employer or the insurer (§39-71-603, MCA).

The employer then has 6 days from the date of notification of an accident, injury or occupational disease to report the injury to the insurer or the Department (§39-71-307, MCA).

The claimant or the claimant's representative has 12 months from the date of injury to file a claim, (§39-71-601(1), MCA), or 12 months from the date the claimant knew or should have known of an occupational disease (§39-71-601(3), MCA).

The claim filing time can be extended up to an additional 24 months if it can be proven that the worker was somehow prevented from filing the claim because of something the employer or the insurer said or did, or if the injury was latent or the worker lacked knowledge of disability (§39-71-601(2), MCA).

The signed claim form or First Report of Injury and Occupational Disease (FROI) (form ERD-991) can be submitted to the employer or sent directly to the insurer or the Department (§39-71-601(1), MCA).

The insurer shall accept or deny a claim within 30 days of receipt of a signed claim for compensation by the claimant or the claimant's representative (§39-71-606(1), MCA). If the claim is denied, the insurer shall provide a written statement of the reasons for denial, along with a written explanation of the appeal process (§39-71-107(6), MCA).

If the insurer needs more than 30 days to investigate the claim, the insurer may, with proper written notice, pay wage loss and/or medical benefits without such payment being an indication of admission of liability or waiver of any right of defense (§39-71-608 and §39-71-615, MCA).

Prompt claims handling practices are necessary to provide appropriate service to injured workers, employers, and providers. All workers' compensation claims must be examined by a claims examiner located in Montana. An insurer shall provide a claimant a written notice advising the claimant when a change is made to the claims examiner handling the claim, including the name and contact information of the new claims examiner (§39-71-107(6)(d), MCA). An insurer

LIFE OF A CLAIM

that uses a third party claim administrator to provide the insurer with claim examination services shall notify the department in writing of a change of the claim administrator at least 14 days in advance of the change. The department may assess a penalty for failure to comply (§39-71-107(1), (2), and (4), MCA).

MEDICAL BENEFITS

For dates of injury (dates of loss) prior to July 1, 2011, in addition to using an emergency room or urgent care center, the claimant has the right to select the first treating physician (within the treating physician definition). The insurer must then approve changes of treating physicians. The insurer has the right to deny payment for any unauthorized medical referrals and treatments (§39-71-1101, MCA, and ARM 24.29.1510).

For dates of loss July 1, 2011 and thereafter, the claimant may choose the treating physician for initial treatment. Any time after acceptance of liability the insurer may designate a different treating physician (within the treating physician definition) or approve claimant's choice of the treating physician. The designated treating physician agrees to be responsible for coordination of care, timely workability determinations, treatment under the Utilization and Treatment Guidelines (U&T Guidelines) or prior authorization from the insurer, and referral to other health care providers.

Medical providers bill the insurer directly. Payment is made according to a fee schedule (§39-71-704(2) and (3), MCA). The medical provider must accept the fee scheduled reimbursement as payment in full, and the claimant is not responsible for any balance.

The insurer is responsible for reasonable primary medical services, for conditions that are a direct result of the compensable injury or Occupational Disease (OD). An insurer is not responsible for treatment or services outside the U&T Guidelines, unless authorized by the insurer prior to the treatment or procedure (§39-71-704(1) and (3), MCA).

For dates of loss prior to July 1, 2011, the claimant is responsible for payment of: (1) unauthorized treatment, (2) medical care not related to the injury, (3) medical services if treatment is not received for 60 months, (4) secondary medical services and palliative or maintenance care unless specifically covered, and (5) medical procedures specifically excluded (§39-71-704, MCA and ARM 24.29.1401).

For dates of loss of July 1, 2011 and thereafter, the claimant is responsible for payment of: (1) medical care not related to the injury, (2) medical services provided 60 months or more after the date of injury or diagnosis of an OD unless; medical benefits are reopened, the claimant is deemed permanently totally disabled, the claimant received medical care for the repair or replacement of a prosthesis, or medical benefits were settled by agreement or by a court order, (3) secondary medical services and palliative or maintenance care unless specifically covered, and (4) medical procedures specifically excluded (§39-71-704, §39-71-717, MCA, and ARM 24.29.1401).

For dates of loss prior to July 1, 2011, medical benefits terminate when not used for a period of 60 consecutive months. The insurer may not be required to furnish palliative or maintenance care after the claimant has achieved Maximum Medical Improvement (MMI) (§39-71-704, MCA).

For dates of loss July 1, 2011 and thereafter, medical benefits terminate 60 months after the date of injury or the date of diagnosis of an OD, unless the claimant is deemed permanently totally disabled, or the medical benefits are reopened. A worker may request reopening of terminated benefits within 5 years of termination. The request can be made by contacting the Employment Relations Division at (406) 444-6543. The insurer may not be required to furnish palliative or maintenance care after the claimant has achieved MMI (§39-71-704 and §39-71-717, MCA).

INDEMNITY OR WAGE LOSS BENEFITS

The first 4 days or 32 hours (whichever is less) of total wage loss is not compensable. For dates of injury on or after July 1, 2011, if the worker is totally disabled and unable to work in any capacity for 21 days or longer, compensation must be paid retroactively to the first day of total wage loss. Temporary Total Disability (TTD) benefits are based on 66 2/3% of the claimant's average weekly gross wages, subject to a maximum of the state's average weekly wage, and are paid bi-weekly until the claimant returns to work or has reached MMI (§39-71-701 and §39-71-740, MCA).

A claimant cannot use sick leave and receive wage loss benefits at the same time except each day of sick leave may be counted as one day toward the 4-day waiting period. If the claimant becomes entitled to receive retroactive compensation benefits, the claimant may either repay the employer for the sick leave received, or waive the retroactive payment. Receiving vacation leave or paid time off, other than sick leave, may not affect the claimant's eligibility for TTD benefits. (§39-71-736, MCA).

If prior to attaining MMI and due to medical restrictions, the claimant returns to work at less than the wages received at the time of injury, they may be entitled to Temporary Partial Disability (TPD) benefits. TPD is paid until the claimant returns to work without a wage-loss or reaches MMI (§39-71-712, MCA).

If after reaching MMI, the claimant has a residual impairment greater than zero and a wage loss, the insurer is required to pay out the Permanent Partial Disability (PPD) liability bi-weekly, unless the claimant requests a lump sum payment (§39-71-703 and §39-71-741, MCA).

PPD benefits may be payable, based on extent of the impairment, the claimant's age, and education, wage-loss and work capacity restrictions. The benefit amount is determined by the specifics of each individual case, and the statutory language in effect on the date of injury (§39-71-703, MCA).

If the worker is precluded from returning to the job they held at the time of injury and suffers an actual wage loss or has an impairment of 15% or greater, the worker is eligible for vocational rehabilitation services.

In these situations, the insurer designates a vocational rehabilitation provider and vocational rehabilitation services are provided to the claimant as soon as possible. If a rehabilitation plan is established which indicates some type of retraining, the claimant may be eligible to receive monies for tuition, fees, books and other reasonable and necessary retraining expenses. The worker may also receive up to 104 weeks of bi-weekly benefit payments based on the TTD rate (§39-71-1006, MCA). Financial assistance may also be available for reasonable travel and relocation for training and job-related expenses, subject to a maximum amount of \$4,000 (§39-71-1025, MCA).

If the claimant is deemed to be Permanently Totally Disabled (PTD), benefits can continue until the claimant reaches retirement age (§39-71-710, MCA).

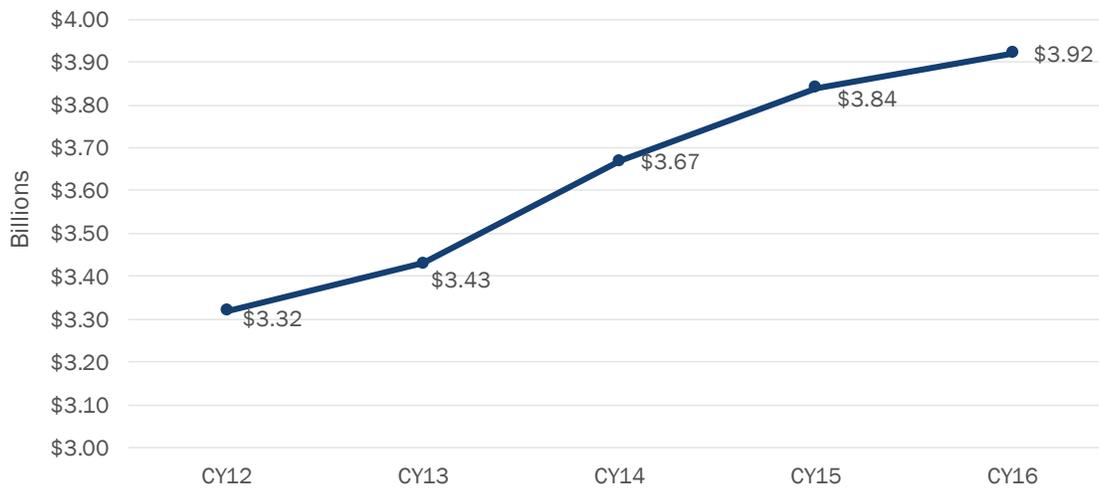
WORKERS' COMPENSATION MARKET

Montana employers have three options for securing workers' compensation coverage for their employees. Employers that meet the Department's financial requirements may opt to become self-insured (Plan 1), either individually or by joining with other employers in their industry to form a self-insured group. Employers may also obtain coverage with private insurance companies (Plan 2) in the voluntary market. Finally, employers can insure through Montana State Fund (Plan 3). Montana State Fund's role as the guaranteed market provides assurance that all Montana employers can provide workers' compensation insurance coverage for their employees.

Exhibit 1.2

Gross Annual Payroll - Self Insured

By Calendar Year



WORKERS' COMPENSATION MARKET

Exhibit 1.3

Premium Market Share – Private Insured and State Fund
By Calendar Year and Plan

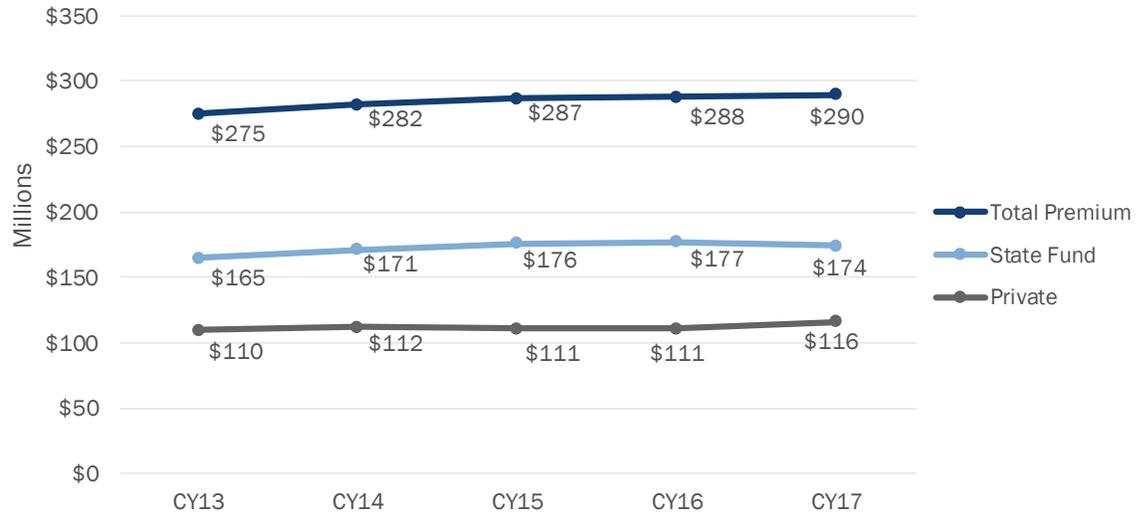


Exhibit 1.4

Premium Market Share – Private Insured and State Fund
By Calendar Year and Plan

	CY13		CY14		CY15		CY16		CY17	
	Amount	%								
Private	\$109,737,052	40%	\$111,583,813	40%	\$110,739,098	39%	\$111,254,621	39%	\$116,125,335	40%
State Fund	\$165,398,283	60%	\$170,881,461	60%	\$175,962,428	61%	\$177,245,314	61%	\$173,534,285	60%
Total	\$275,135,335	100%	\$282,465,274	100%	\$286,701,526	100%	\$288,499,935	100%	\$289,659,620	100%

Section

2

CLAIM CHARACTERISTICS

- Claim Rates
- Claims by Plan Type
- Claims by Age
- Claims by Industry
- Claims by Cause
- Claims by Top 5
- Claims by Nature
- Claims by Part of Body
- Insurer Denial of Claims



CLAIM RATES

The overall rate of claims per total workers in Montana for FY17 was 5.6 per 100 workers, which was a slight decrease from the previous claims rate of 5.7 per 100 workers in FY16. The claims rate has been decreasing since FY14.

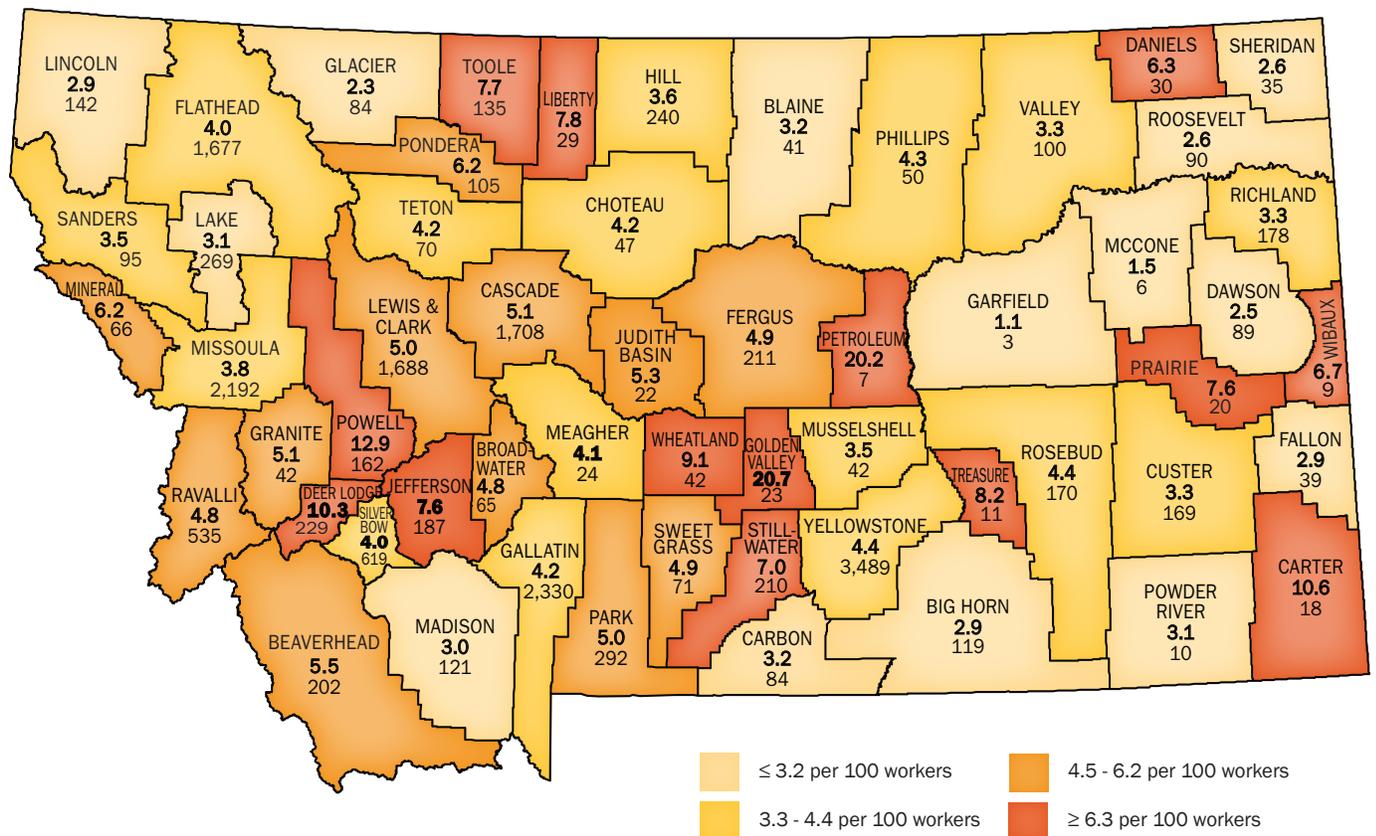
Golden Valley, Petroleum, and Powell counties had the highest rates of claims per total workers (Golden Valley, 20.7 claims per 100 workers; Petroleum, 20.2; Powell, 12.9) and Garfield, McCone, and Glacier had the lowest (Garfield, 1.1; McCone, 1.5; and Glacier, 2.3).

County-level claim rates are calculated by dividing the number of reported claims in each county by the number of employees in the county. Less than one-third of injury locations are unknown so the number of reported claims per county may be underestimated. The state-level rate is calculated using all reported claims in Montana. Employment data is from the Quarterly Census of Employment and Wages (QCEW) report from the Bureau of Labor Statistics. Some limitations of employment data are that it does not include federal employees, military, self-employed, or small farms (fewer than 11 employees).

Exhibit 2.1

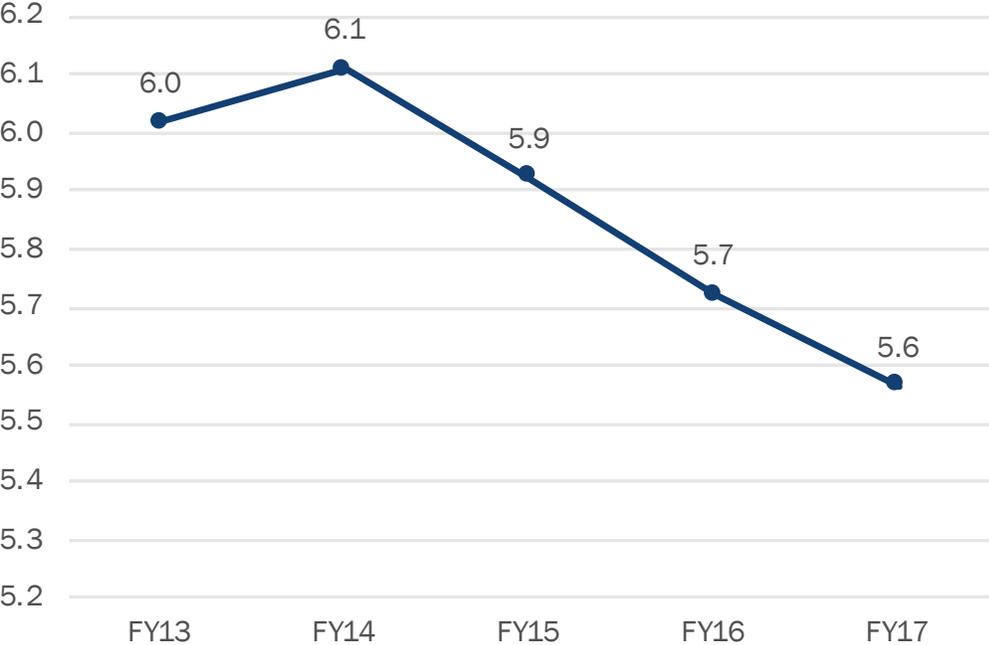
Claim Rates and Number of Claims – FY17

By County



CLAIM RATES

Exhibit 2.2
Claim Rates
By Fiscal Year of Injury



CLAIMS BY PLAN TYPE

Exhibit 2.3

Reported Claims

By Plan Type and Fiscal Year of Injury

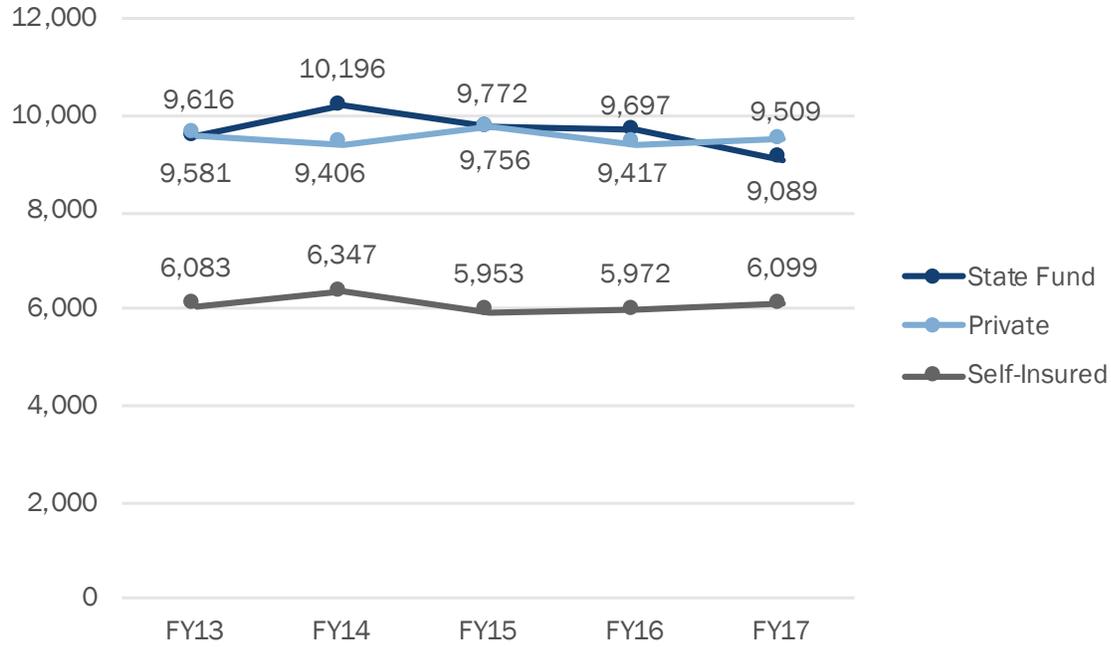


Exhibit 2.4

Reported Claims

By Plan Type and Fiscal Year of Injury

Plan Type	FY13		FY14		FY15		FY16		FY17	
	Count	%								
Self-Insured	6,083	24%	6,347	24%	5,953	23%	5,972	24%	6,099	25%
Private	9,616	38%	9,406	36%	9,772	38%	9,417	37%	9,509	38%
State Fund	9,581	38%	10,196	39%	9,756	38%	9,697	39%	9,089	37%
Uninsured Employers' Fund	34	0%	42	0%	46	0%	35	0%	25	0%
Not Otherwise Classified	11	0%	8	0%	0	0%	1	0%	1	0%
Total	25,325	100%	25,999	100%	25,527	100%	25,122	100%	24,723	100%

CLAIMS BY AGE

Exhibit 2.5

Reported Claims

By Claimant Age at Time of Injury and Fiscal Year of Injury

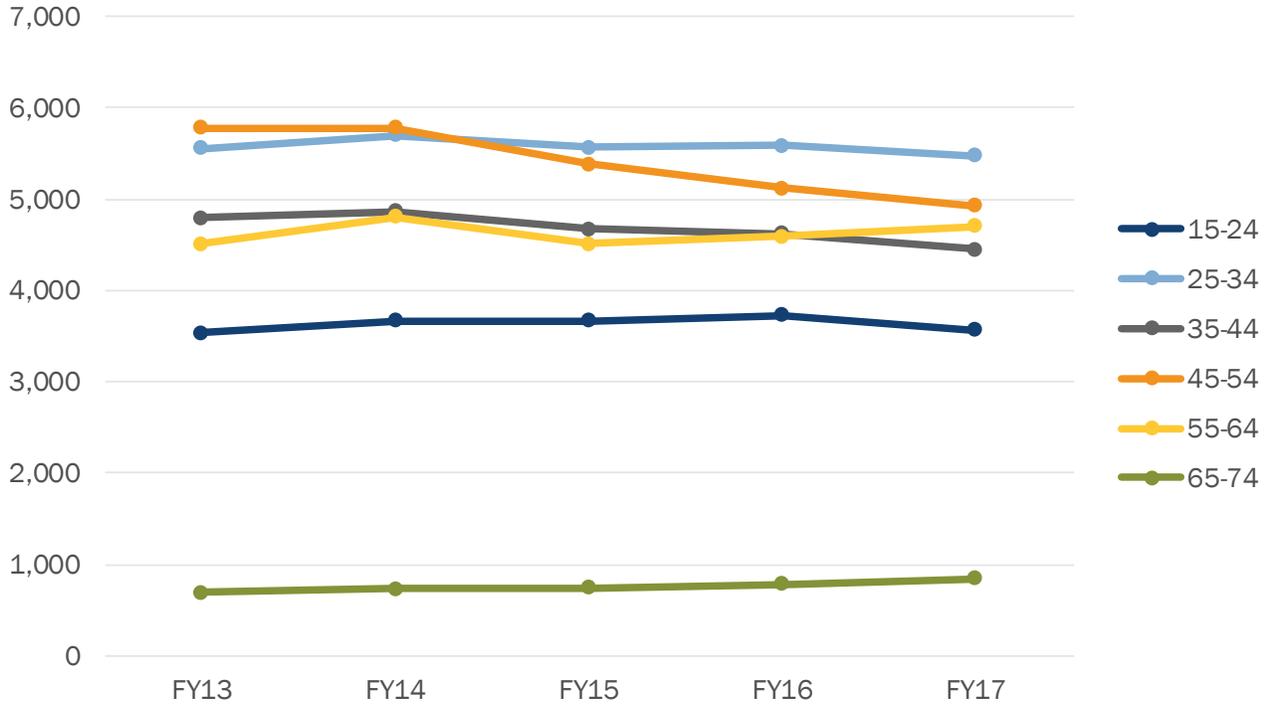


Exhibit 2.6

Reported Claims

By Claimant Age at Time of Injury and Fiscal Year of Injury

Age Group	FY13		FY14		FY15		FY16		FY17	
	Count	%								
15 to 24	3,529	14%	3,665	14%	3,668	14%	3,728	15%	3,565	14%
25 to 34	5,550	22%	5,697	22%	5,567	22%	5,581	22%	5,472	22%
35 to 44	4,792	19%	4,865	19%	4,672	18%	4,618	18%	4,451	18%
45 to 54	5,773	23%	5,774	22%	5,378	21%	5,118	20%	4,929	20%
55 to 64	4,504	18%	4,802	18%	4,512	18%	4,586	18%	4,699	19%
65 to 74	688	3%	732	3%	744	3%	782	3%	847	3%
Not Otherwise Classified	489	2%	464	2%	986	4%	709	3%	760	3%
Total	25,325	100%	25,999	100%	25,527	100%	25,122	100%	24,723	100%

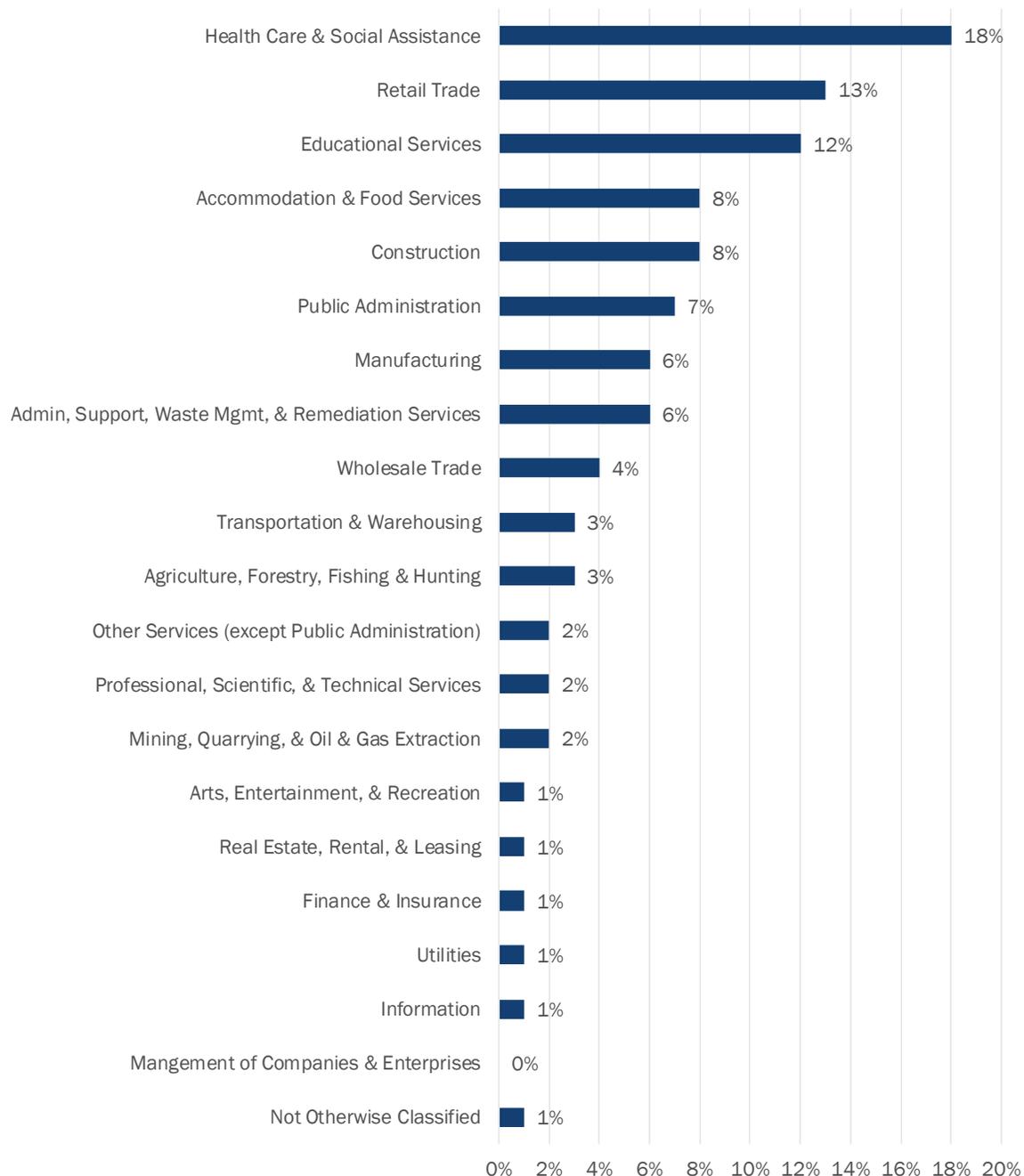
CLAIMS BY INDUSTRY

In FY17, 43% of all reported claims came from health care & social assistance, (18%), retail trade (13%), and educational services (12%) industries. Accommodation & food services (8%), public administration (7%), and construction (8%) industries comprised another 23%. This is consistent with reported claims by industry for the past five fiscal years, both in terms of ranking and percentages. However, a high number of reported claims for these industries is predominately due to these industries employing the greatest number of workers in Montana. Therefore, a higher percentage of reported claims does not imply that these industries have a higher claims rate.

Exhibit 2.7

Reported Claims – FY17

By Industry



CLAIMS BY INDUSTRY

Exhibit 2.8

Reported Claims

By Industry and Fiscal Year of Injury

Year of Injury	FY13		FY14		FY15		FY16		FY17	
	Count	%								
Health Care & Social Assistance	4,317	17%	4,593	18%	4,308	17%	4,464	18%	4,562	18%
Retail Trade	3,200	13%	3,136	12%	3,269	13%	3,312	13%	3,209	13%
Educational Services	2,660	11%	2,880	11%	2,658	10%	2,645	11%	2,883	12%
Accommodation & Food Services	1,907	8%	1,848	7%	2,101	8%	2,080	8%	2,063	8%
Construction	1,856	7%	1,964	8%	2,057	8%	2,047	8%	1,895	8%
Public Administration	1,948	8%	2,050	8%	1,947	8%	2,010	8%	1,787	7%
Manufacturing	1,718	7%	1,663	6%	1,720	7%	1,673	7%	1,533	6%
Admin, Support, Waste Mgmt, & Remediation Services	1,759	7%	1,733	7%	1,621	6%	1,428	6%	1,432	6%
Wholesale Trade	985	4%	1,008	4%	1,017	4%	1,000	4%	1,030	4%
Transportation & Warehousing	757	3%	946	4%	863	3%	868	3%	858	3%
Agriculture, Forestry, Fishing & Hunting	689	3%	732	3%	759	3%	684	3%	644	3%
Other Services (except Public Administration)	549	2%	529	2%	476	2%	476	2%	481	2%
Professional, Scientific, & Technical Services	536	2%	514	2%	530	2%	532	2%	451	2%
Mining, Quarrying, & Oil & Gas Extraction	689	3%	601	2%	522	2%	436	2%	385	2%
Arts, Entertainment, & Recreation	399	2%	396	2%	382	1%	400	2%	361	1%
Real Estate, Rental, & Leasing	409	2%	404	2%	365	1%	328	1%	329	1%
Finance & Insurance	192	1%	237	1%	229	1%	205	1%	227	1%
Utilities	220	1%	202	1%	172	1%	163	1%	163	1%
Information	213	1%	190	1%	154	1%	152	1%	146	1%
Management of Companies & Enterprises	39	0%	40	0%	39	0%	43	0%	39	0%
Not Otherwise Classified	283	1%	333	1%	338	1%	176	1%	245	1%
Total	25,325	100%	25,999	100%	25,527	100%	25,122	100%	24,723	100%

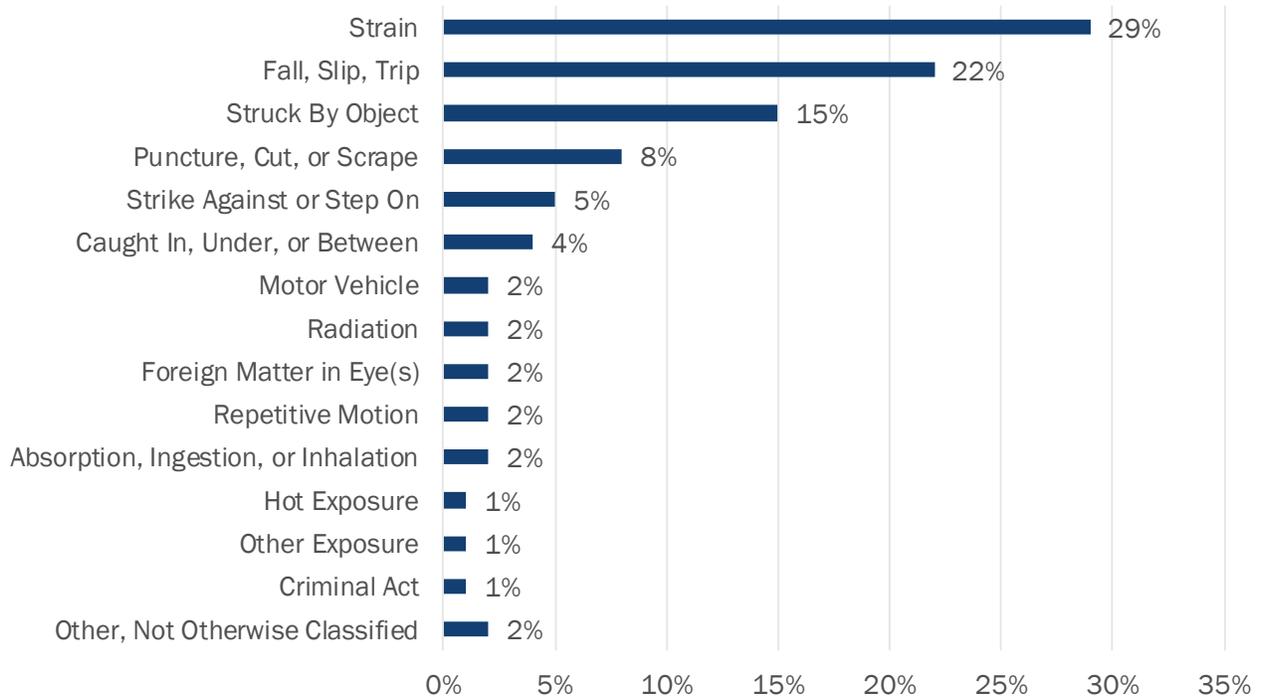
CLAIMS BY CAUSE

Reported claims by cause of injury, nature of injury, and by part of body have been expanded to a more detailed level, where in previous years the codes were grouped into more broad categories. The groups and the corresponding codes can be found in **Section 6 - Definitions**.

Exhibit 2.9

Reported Claims – FY17

By Cause of Injury



CLAIMS BY CAUSE

Exhibit 2.10

Reported Claims

By Cause of Injury and Fiscal Year of Injury

	FY13		FY14		FY15		FY16		FY17	
Cause of Injury	Count	%								
Strain	7,699	30%	7,522	29%	7,804	31%	7,644	30%	7,170	29%
Fall, Slip, Trip	5,371	21%	6,312	24%	5,395	21%	5,184	21%	5,535	22%
Struck By Object	3,687	15%	3,715	14%	3,833	15%	3,763	15%	3,786	15%
Puncture, Cut, or Scrape	1,885	7%	1,761	7%	1,943	8%	1,951	8%	1,916	8%
Strike Against or Step On	1,357	5%	1,364	5%	1,309	5%	1,356	5%	1,334	5%
Caught In, Under, or Between	942	4%	925	4%	993	4%	940	4%	911	4%
Motor Vehicle	565	2%	607	2%	578	2%	630	3%	557	2%
Radiation	513	2%	561	2%	408	2%	548	2%	541	2%
Foreign Matter in Eye(s)	640	3%	635	2%	633	2%	551	2%	488	2%
Repetitive Motion	518	2%	524	2%	469	2%	464	2%	406	2%
Absorption, Ingestion, or Inhalation	347	1%	518	2%	404	2%	399	2%	374	2%
Hot Exposure	370	1%	295	1%	311	1%	337	1%	324	1%
Other Exposure	197	1%	218	1%	285	1%	301	1%	273	1%
Criminal Act	97	0%	113	0%	132	1%	122	0%	132	1%
Chemical Exposure	101	0%	92	0%	80	0%	104	0%	123	0%
Mental	103	0%	84	0%	83	0%	93	0%	97	0%
Other Cumulative	147	1%	107	0%	103	0%	74	0%	92	0%
Electrocution	32	0%	37	0%	41	0%	39	0%	44	0%
Extreme Temperatures	40	0%	29	0%	30	0%	26	0%	33	0%
Burn	27	0%	37	0%	35	0%	13	0%	27	0%
Continual Noise	27	0%	15	0%	31	0%	36	0%	23	0%
Dust, Gas, or Fumes	42	0%	36	0%	33	0%	32	0%	20	0%
Abrasion	23	0%	20	0%	19	0%	22	0%	16	0%
Cold Exposure	7	0%	6	0%	13	0%	8	0%	15	0%
Other, Not Otherwise Classified	588	2%	466	2%	562	2%	485	2%	486	2%
Total	25,325	100%	25,999	100%	25,527	100%	25,122	100%	24,723	100%

CLAIMS BY TOP 5

Health care & social assistance, retail trade, educational services, accommodation & food services, and construction are some of the top industries represented in Montana, by their employment and also the top 5 industries by their reported number of claims in FY17. The top 5 causes of injury reported in FY17 were strain; fall, slip, trip; struck by object; puncture, cut or scrape; and strike against or step on. Exhibits 2.11 and especially 2.12 give a good visual of the most common types of claims that impact certain industries. For example, there are more strains in health care & social assistance due to the nature of the job such as lifting and moving as opposed to educational services which has more exposure to falls, slips, and trips and being struck by objects.

Exhibit 2.11

Reported Claims – FY17
By Top 5 Industries and Top 5 Causes of Injury

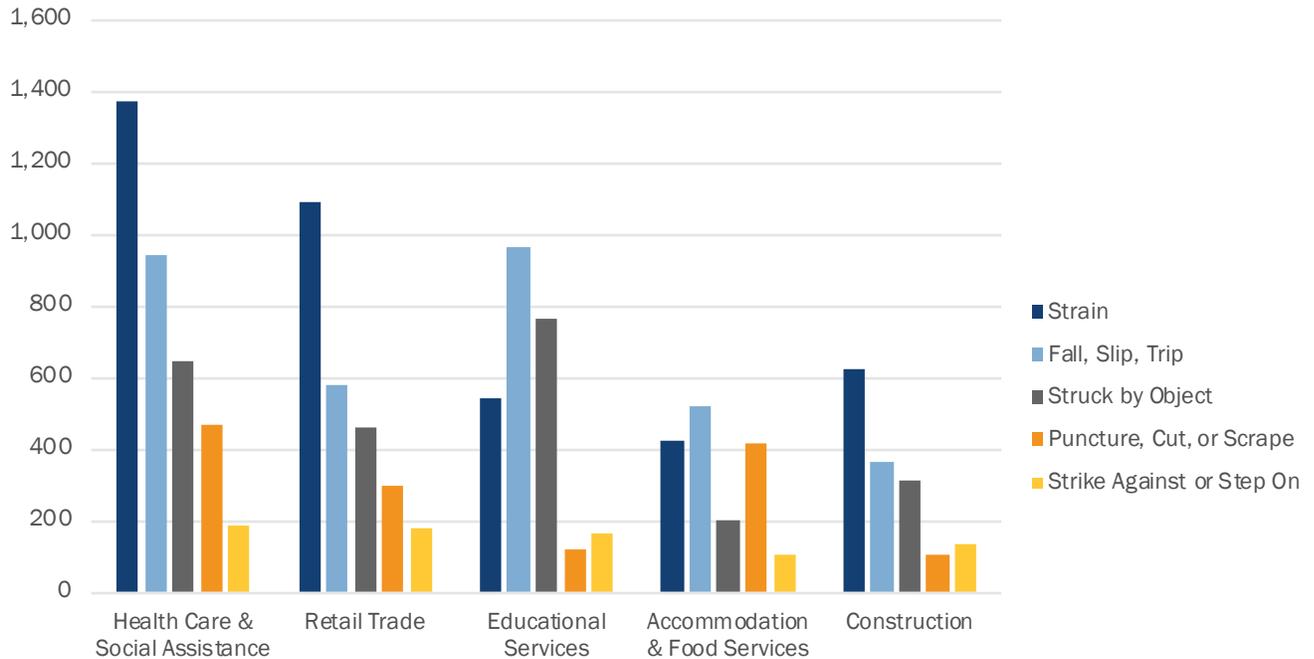


Exhibit 2.12

Reported Claims – FY17
By Top 5 Industries and Top 5 Causes of Injury

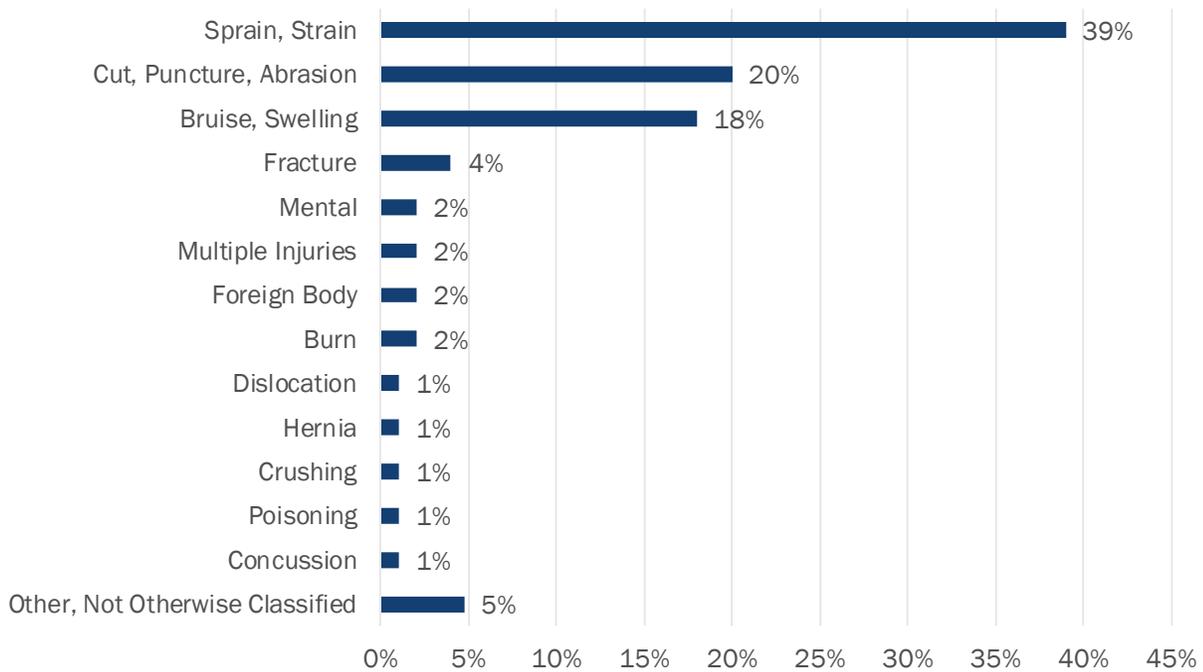
TOP 5 CAUSES OF INJURY					
Top 5 Industries	Strain	Fall, Slip, Trip	Struck by Object	Puncture, Cut, or Scrape	Strike Against or Step On
Health Care & Social Assistance	1,369	943	643	467	187
Retail Trade	1,086	577	458	299	181
Educational Services	545	966	763	121	164
Accommodation & Food Services	424	517	198	419	106
Construction	620	364	312	101	136

CLAIMS BY NATURE

Exhibit 2.13

Reported Claims – FY17

By Nature of Injury



CLAIMS BY NATURE

Exhibit 2.14

Reported Claims – FY17

By Nature of Injury and Fiscal Year of Injury

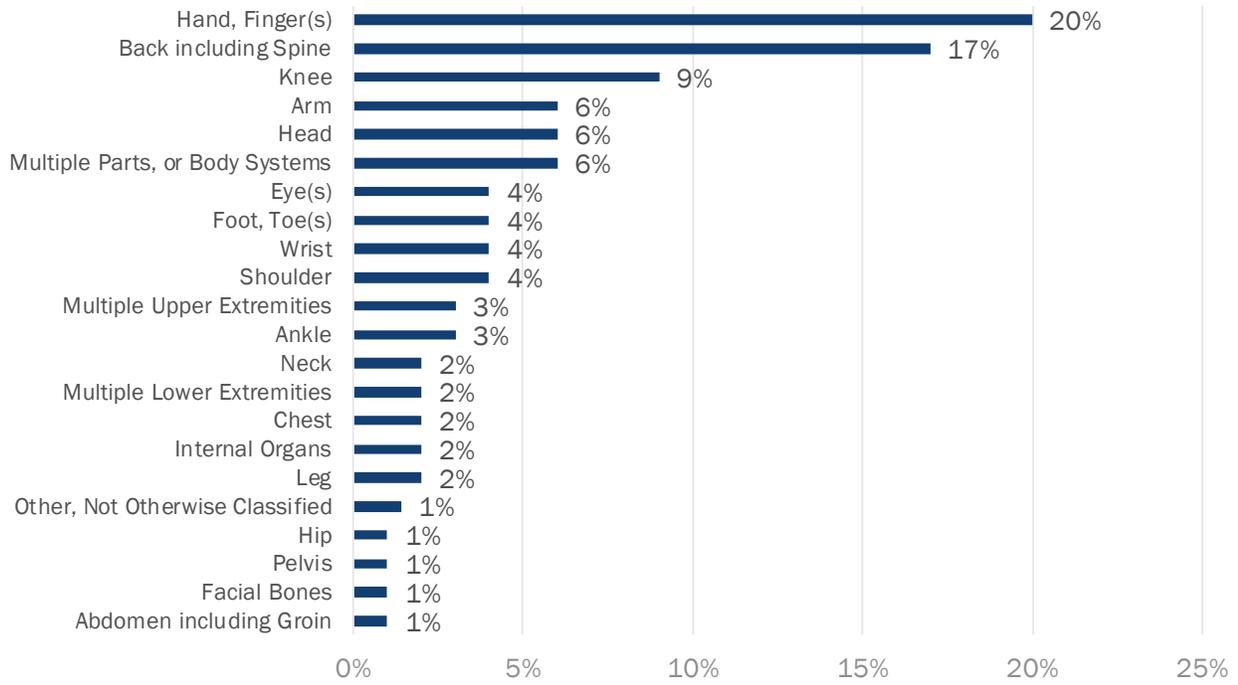
Nature of Injury	FY13		FY14		FY15		FY16		FY17	
	Count	%								
Sprain, Strain	10,575	42%	10,743	41%	10,439	41%	10,097	40%	9,686	39%
Cut, Puncture, Abrasion	4,793	19%	4,827	19%	5,012	20%	4,934	20%	4,875	20%
Bruise, Swelling	4,501	18%	5,014	19%	4,596	18%	4,415	18%	4,567	18%
Fracture	996	4%	1,008	4%	945	4%	948	4%	923	4%
Burn	591	2%	538	2%	517	2%	525	2%	514	2%
Foreign Body	445	2%	440	2%	406	2%	352	1%	422	2%
Multiple Injuries	148	1%	192	1%	215	1%	308	1%	418	2%
Mental	315	1%	387	1%	301	1%	394	2%	391	2%
Concussion	224	1%	337	1%	267	1%	320	1%	303	1%
Poisoning	193	1%	219	1%	223	1%	232	1%	277	1%
Crushing	151	1%	138	1%	132	1%	141	1%	157	1%
Hernia	137	1%	119	0%	160	1%	134	1%	130	1%
Dislocation	144	1%	132	1%	121	0%	129	1%	128	1%
Other Cumulative Injury	143	1%	91	0%	122	0%	116	0%	98	0%
Other Occupational Disease	69	0%	125	0%	106	0%	64	0%	78	0%
Infection	178	1%	252	1%	150	1%	198	1%	78	0%
Occupational Lung Disease	156	1%	137	1%	114	0%	84	0%	66	0%
Carpal Tunnel Syndrome	99	0%	103	0%	101	0%	83	0%	65	0%
Rash, Skin, or Tissue Inflammation	74	0%	71	0%	73	0%	73	0%	63	0%
Contagious Disease	35	0%	26	0%	27	0%	52	0%	57	0%
Electric Shock	26	0%	28	0%	39	0%	31	0%	42	0%
Fainting	30	0%	35	0%	33	0%	36	0%	37	0%
Hearing Loss	37	0%	22	0%	37	0%	36	0%	37	0%
Amputation	38	0%	42	0%	38	0%	40	0%	29	0%
Freezing	6	0%	23	0%	11	0%	6	0%	25	0%
Rupture	27	0%	18	0%	21	0%	18	0%	23	0%
Overheating	34	0%	19	0%	23	0%	21	0%	21	0%
Heart Attack or Related	10	0%	11	0%	21	0%	12	0%	15	0%
Asphyxiation	5	0%	4	0%	4	0%	5	0%	12	0%
Radiation	8	0%	10	0%	4	0%	9	0%	9	0%
Severance	10	0%	14	0%	11	0%	6	0%	7	0%
Other, Not Otherwise Classified	1,127	4%	874	3%	1,258	5%	1,303	5%	1,170	5%
Total	25,325	100%	25,999	100%	25,527	100%	25,122	100%	24,723	100%

CLAIMS BY PART OF BODY

Exhibit 2.15

Reported Claims – FY17

By Part of Body



CLAIMS BY PART OF BODY

Exhibit 2.16

Reported Claims

By Part of Body and Fiscal Year of Injury

Part of Body	FY13		FY14		FY15		FY16		FY17	
	Count	%								
Hand, Finger(s)	5,051	20%	4,926	19%	4,991	20%	5,065	20%	4,922	20%
Back including Spine	4,527	18%	4,646	18%	4,293	17%	4,210	17%	4,093	17%
Knee	2,133	8%	2,159	8%	2,032	8%	2,072	8%	2,116	9%
Multiple Parts, or Body Systems	1,333	5%	1,444	6%	1,430	6%	1,411	6%	1,520	6%
Head	1,076	4%	1,269	5%	1,234	5%	1,364	5%	1,406	6%
Arm	1,437	6%	1,475	6%	1,470	6%	1,361	5%	1,399	6%
Shoulder	996	4%	1,066	4%	1,039	4%	995	4%	1,007	4%
Wrist	1,121	4%	1,139	4%	1,106	4%	1,075	4%	991	4%
Foot, Toe(s)	915	4%	978	4%	961	4%	925	4%	941	4%
Eye(s)	1,064	4%	1,094	4%	1,095	4%	997	4%	921	4%
Ankle	877	3%	861	3%	939	4%	906	4%	865	3%
Multiple Upper Extremities	614	2%	621	2%	680	3%	671	3%	619	3%
Leg	462	2%	491	2%	456	2%	523	2%	496	2%
Internal Organs	434	2%	494	2%	445	2%	468	2%	449	2%
Chest	429	2%	448	2%	431	2%	420	2%	425	2%
Multiple Lower Extremities	465	2%	524	2%	533	2%	444	2%	411	2%
Neck	567	2%	528	2%	508	2%	473	2%	405	2%
Abdomen including Groin	277	1%	233	1%	251	1%	246	1%	270	1%
Facial Bones	300	1%	274	1%	292	1%	259	1%	269	1%
Pelvis	232	1%	287	1%	236	1%	214	1%	208	1%
Hip	151	1%	182	1%	165	1%	149	1%	158	1%
Multiple Trunk	131	1%	149	1%	141	1%	138	1%	116	0%
Mouth, or Teeth	133	1%	128	0%	139	1%	123	0%	111	0%
Nose	106	0%	87	0%	88	0%	91	0%	87	0%
Ear(s)	84	0%	70	0%	89	0%	76	0%	85	0%
Lungs	163	1%	110	0%	118	0%	62	0%	73	0%
Heart	9	0%	8	0%	16	0%	12	0%	14	0%
Other, Not Otherwise Classified	238	1%	308	1%	349	1%	372	1%	346	1%
Total	25,325	100%	25,999	100%	25,527	100%	25,122	100%	24,723	100%

INSURER DENIAL OF CLAIMS

The number of denials has decreased slightly from FY16 to FY17 from 7,683 to 7,671. The percentage of denials over all claims is about 31 percent but some of these denials may later become approved claims if certain criteria is met, such as signing a FROI or providing a signed medical release or recording a statement.

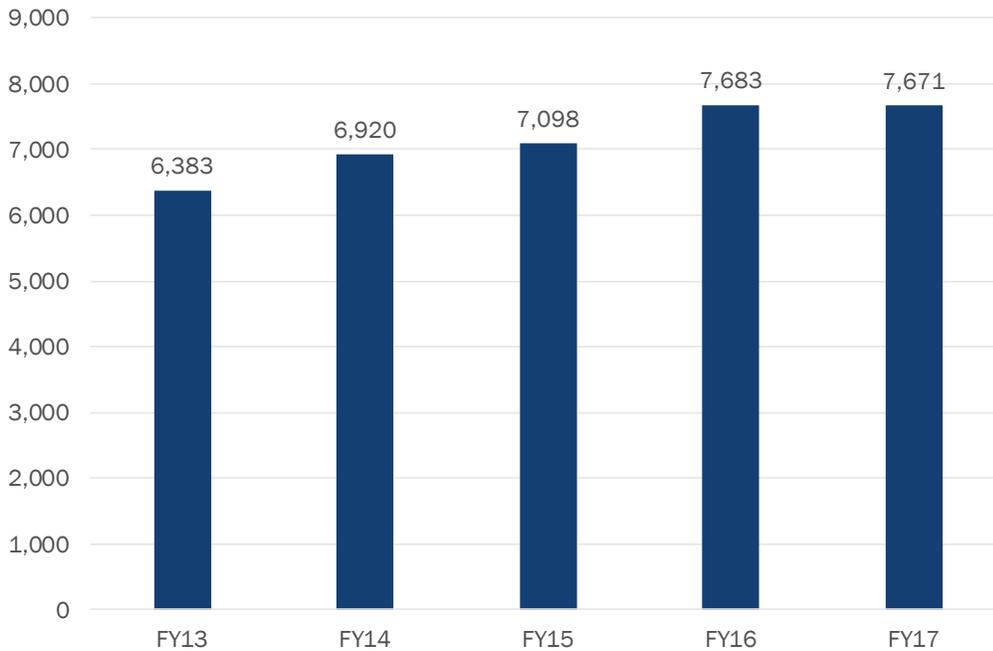
For Exhibit 2.18, beginning in FY15 new denial codes were added to better describe the reason for denial rather than going into the other category. For example, the reason ‘No Signed FROI has been received’ was added and just recently ‘Signed Release’ and ‘Recorded Statement’ as reasons. Further review may produce other categories in future reports.

Also in FY16 one denial could be coded for more than one reason, accounting for the uptick in denial reasons, where in previous years one denial was coded for one primary reason. This does not reflect an increase in the number of denials.

Exhibit 2.17

Insurer Denial of Claims

By Reason of Denial and Fiscal Year of Injury



INSURER DENIAL OF CLAIMS

Exhibit 2.18

Insurer Denial of Claims

By Reason of Denial and Fiscal Year of Injury

Reason for Claim Denial		FY13	FY14	FY15	FY16	FY17
Coverage Issue	No coverage	53	70	64	52	56
	405 - Independent Contractor Issue	2	1	5	4	3
	Stress - not compensable	14	13	18	31	18
	Pre-existing Condition	2	5	23	70	57
	Condition is covered under a prior claim	0	3	26	12	28
Definition of Injury	Does not meet definition of injury	227	233	257	324	333
	Does not meet definition of Occupational Disease	41	45	73	94	86
Missing/Insufficient Information	Incomplete or missing information necessary to accept liability	38	82	367	1,005	719
	Signed Release	1	1	3	18	365
	Recorded Statement	1	1	1	18	194
Notice/ Filing Requirements	No Signed FROI has been received	192	188	362	438	591
	No 30-day notice to employer	120	151	138	178	146
	Did not file within 12 months	13	42	67	71	41
Not in Course & Scope	Not in course and scope of employment	436	463	497	583	564
	Coming & Going	0	0	0	1	2
No Objective Medical	No objective medical findings to substantiate injury	5,092	5,354	4,861	5,424	5,354
Miscellaneous	Duplicate Claim	1	3	16	28	34
	Claimant does not wish to file a WC claim	1	1	20	19	13
	Non-Cooperation in Investigation	2	6	131	148	303
	Other	154	222	98	227	491
Total		6,390	6,884	7,027	8,745	9,398

Section

3

BENEFITS

- Total Benefits
- Insurer Miscellaneous Expenses
- Benefit Distributions
- Temporary Disability Paid Duration
- Settlement Dollars
- Settlement of Medical Benefits for Best Interest
- Attorney Fees from Settlements
- Injured Worker Attorney Fees
- Insurer Legal Expenses



TOTAL BENEFITS

The total benefits paid for each fiscal year are compiled from the total dollars that insurers report paid in that year for medical (including medical in excess of \$200,000) and indemnity benefits, regardless of the original date of injury. This data is compiled from quarterly expenditure reports submitted to the Department by workers' compensation insurers or by claim administrators on the insurers' behalf.

Exhibit 3.1

Total Benefits Paid

By Plan Type and Fiscal Year of Payment

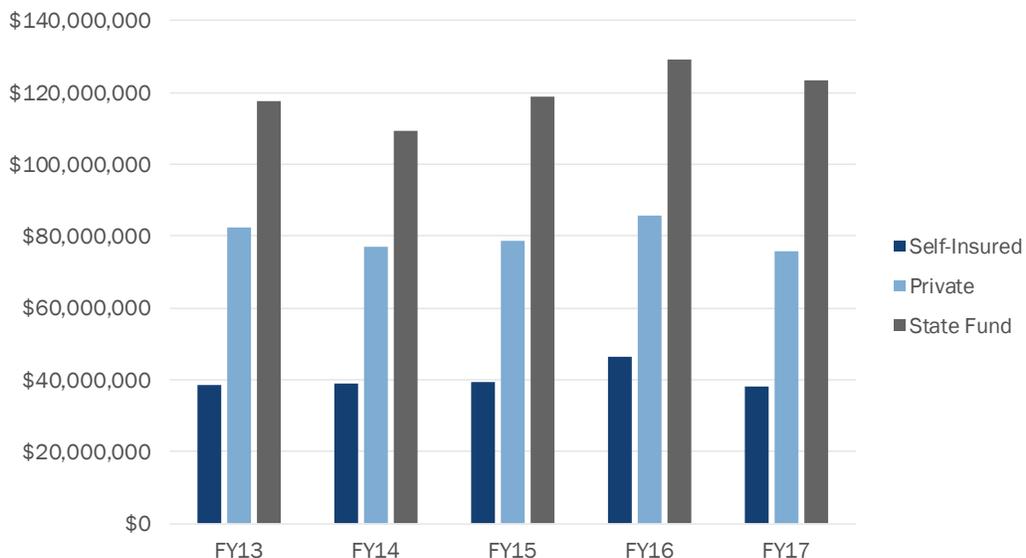


Exhibit 3.2

Total Benefits Paid

By Plan Type and Fiscal Year of Payment

	FY13		FY14		FY15		FY16		FY17	
	Amount	%								
Self-Insured	\$38,585,311	16%	\$39,072,836	17%	\$39,215,927	17%	\$46,479,748	18%	\$38,177,280	16%
Private	\$82,517,779	35%	\$76,983,400	34%	\$78,830,587	33%	\$85,644,975	33%	\$75,681,231	32%
State Fund	\$117,694,452	49%	\$109,289,961	48%	\$118,785,327	50%	\$129,267,703	49%	\$123,184,438	52%
Total	\$238,797,542	100%	\$225,346,197	100%	\$236,831,841	100%	\$261,392,426	100%	\$237,042,949	100%

TOTAL BENEFITS

Exhibit 3.3

Medical Payments

By Plan Type and Fiscal Year of Payment

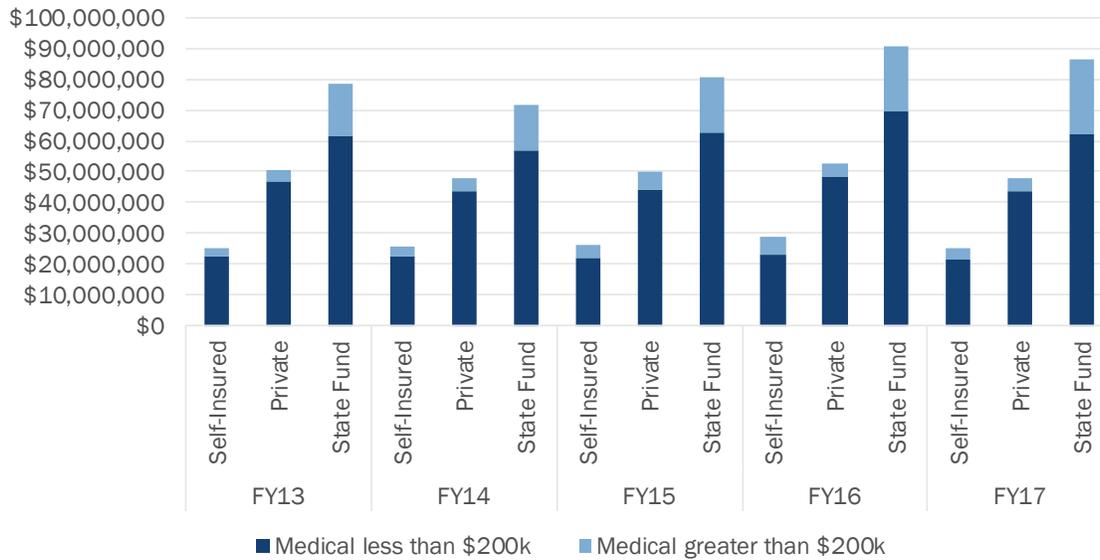


Exhibit 3.4

Medical Payments

By Plan Type and Fiscal Year of Payment

Plan Type	FY13		FY14		FY15		FY16		FY17	
	Amount	%								
Self-Insured	\$25,105,588	16%	\$25,762,018	18%	\$26,008,711	17%	\$29,047,709	17%	\$25,183,013	16%
Private	\$50,653,724	33%	\$47,611,486	33%	\$49,720,428	32%	\$52,744,028	31%	\$47,627,806	30%
State Fund	\$78,502,158	51%	\$71,421,450	49%	\$80,372,309	51%	\$87,508,830	52%	\$86,302,360	54%
Total	\$154,261,470	100%	\$144,794,954	100%	\$156,101,448	100%	\$169,300,567	100%	\$159,113,180	100%

TOTAL BENEFITS

Exhibit 3.5

Indemnity Payments

By Plan Type and Fiscal Year of Payment

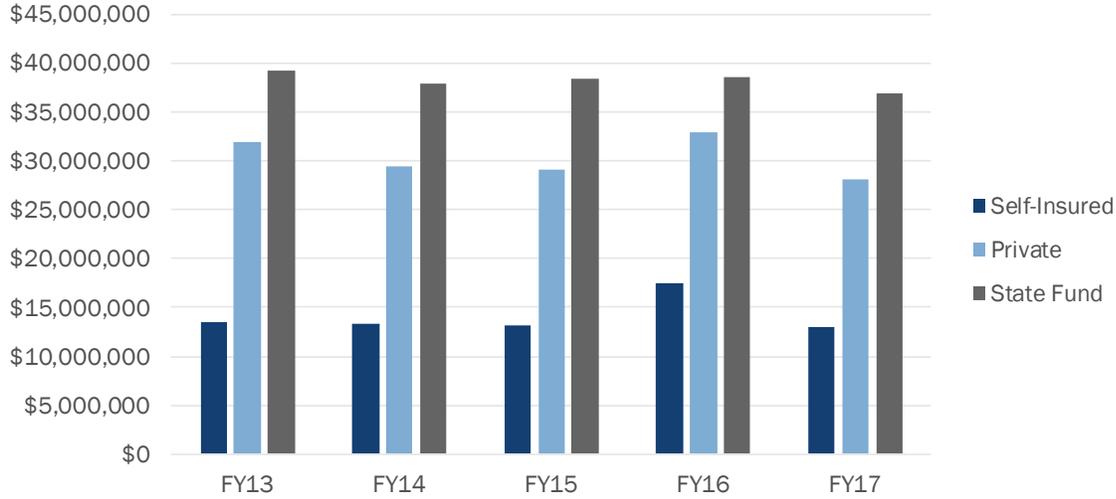


Exhibit 3.6

Indemnity Payments

By Plan Type and Fiscal Year of Payment

	FY13		FY14		FY15		FY16		FY17	
Plan Type	Amount	%								
Self-Insured	\$13,479,723	16%	\$13,310,818	17%	\$13,207,215	16%	\$17,432,039	20%	\$12,994,267	17%
Private	\$31,864,055	38%	\$29,371,914	36%	\$29,110,159	36%	\$32,900,947	37%	\$28,053,424	36%
State Fund	\$39,192,294	46%	\$37,868,511	47%	\$38,413,019	48%	\$38,468,459	43%	\$36,882,078	47%
Total	\$84,536,072	100%	\$80,551,243	100%	\$80,730,393	100%	\$88,801,445	100%	\$77,929,769	100%

INSURER MISCELLANEOUS EXPENSES

Miscellaneous expenses are reported to the Department as a part of the quarterly expenditure reports submitted by workers' compensation insurers or by claim administrators on the insurers' behalf. Miscellaneous expenses are costs incurred on a claim by an insurer other than medical and indemnity benefits. These costs include, but are not limited to:

- Rehabilitation services provided by a licensed rehabilitation provider or the department of health and human services;
- Rehabilitation expenses, such as books and tuition;
- Auxiliary rehabilitation benefits, such as relocation expenses;
- Administrative costs for processing of claims, such as the costs of investigating or adjusting the claim;
- Independent medical examinations requested by the insurer where the purpose of the examination is not for the diagnosis or treatment of the claimant's condition;
- Matching payments to a catastrophically injured worker's family; and
- Various other miscellaneous costs that do not constitute an indemnity or medical benefit provided to the claimant or beneficiary.

Exhibit 3.7

Insurer Miscellaneous Expenses

By Plan Type and Fiscal Year

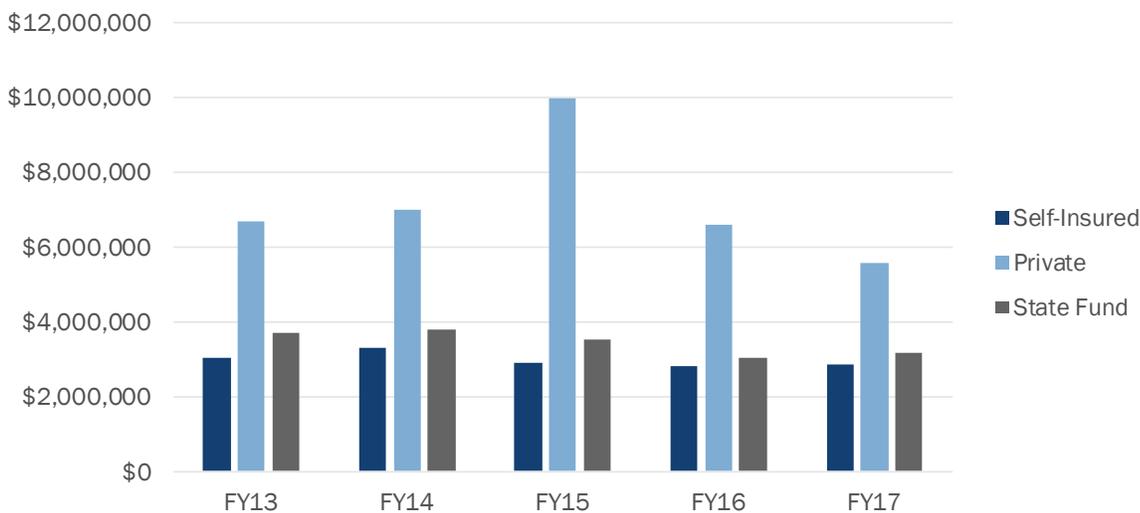


Exhibit 3.8

Insurer Miscellaneous Expenses

By Plan Type and Fiscal Year

Plan Type	FY13		FY14		FY15		FY16		FY17	
	Amount	%								
Self-Insured	\$3,036,694	23%	\$3,317,717	23%	\$2,893,107	18%	\$2,801,906	23%	\$2,860,308	25%
Private	\$6,689,774	50%	\$7,007,139	50%	\$9,960,039	61%	\$6,595,379	53%	\$5,583,373	48%
State Fund	\$3,724,473	28%	\$3,817,460	27%	\$3,548,943	22%	\$3,023,236	24%	\$3,175,085	27%
Total	\$13,450,941	100%	\$14,142,316	100%	\$16,402,089	100%	\$12,420,521	100%	\$11,618,766	100%

BENEFIT DISTRIBUTIONS

The next series of exhibits show various breakdowns of benefits paid on indemnity claims, using data from Subsequent Reports of Injury (SROIs) received by the Department.

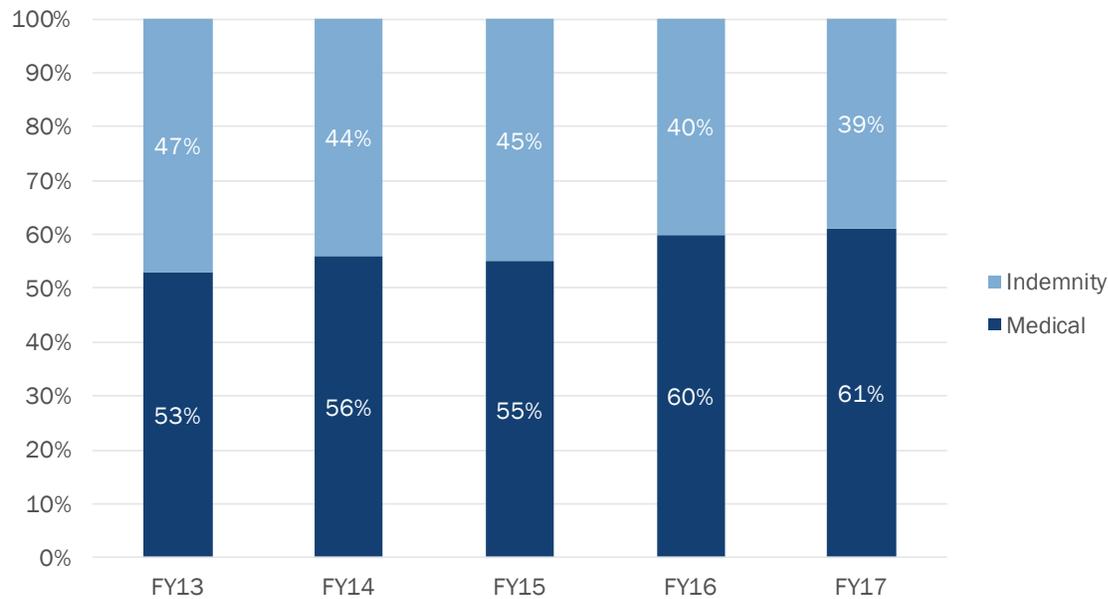
Major workers' compensation reform passed in 2011 reduced the eligibility for permanent partial disability (PPD) awards, terminated medical benefits after 5 years from the date of injury, and allowed settlement of future medical when in the best interest of the parties. Several other provisions, including these, significantly affected benefit distribution. In Exhibit 3.10, the share of PPD has decreased, most notably from FY14 to FY15. The rate of change from FY16 to FY17 will not be fully realized until the FY17 claims mature.

Claims with dates of injury on or after July 1, 2011, are subject to closure of medical benefits, 60 months from the date of injury, unless a request for reopening is approved. Those approved are subject to a bi-annual review to remain open. The termination does not apply to injured workers who are determined to be permanently totally disabled; receive care for the repair or replacement of a prosthesis; or to medical benefits settled or closed by agreement or by a court order. This provision is expected to decrease total medical benefits.

The settlement of future medical includes the provision to settle wage loss, medical and any other benefits and may include a set aside for Medicare to limit cost shifting, and this is impacting paid medical and indemnity benefits. More information on this type of settlement can be found in Exhibits 3.26 through 3.30.

Exhibit 3.9

Total Benefits Paid on Indemnity Claims By Benefit Type and Fiscal Year of Injury



BENEFIT DISTRIBUTIONS

Exhibit 3.10

Indemnity Benefits Paid

By Benefit Type and Fiscal Year of Injury

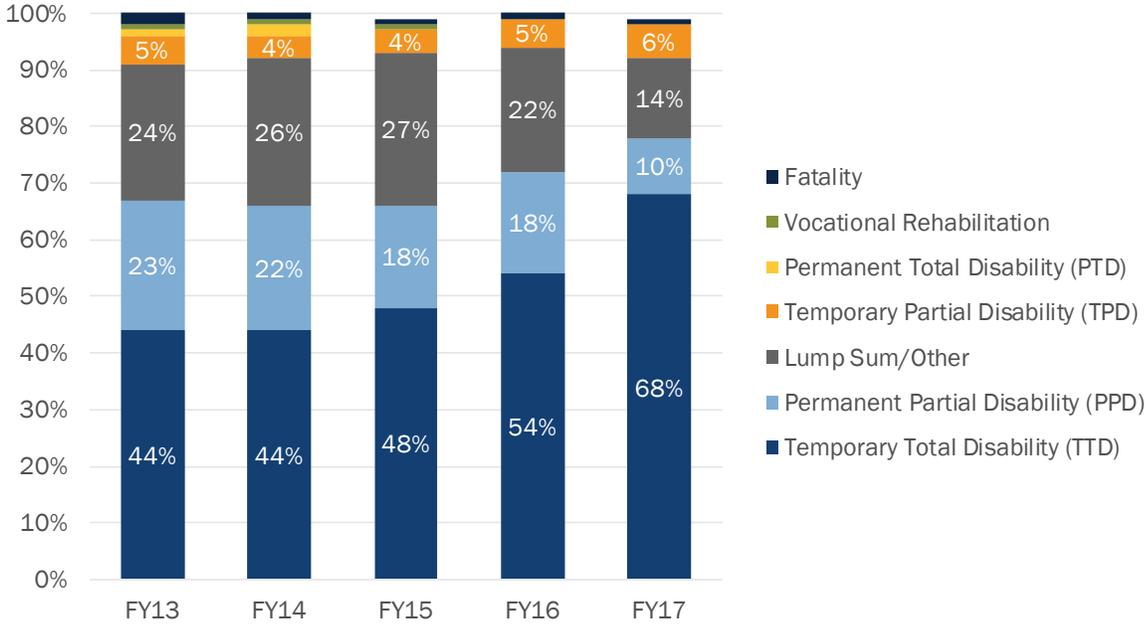
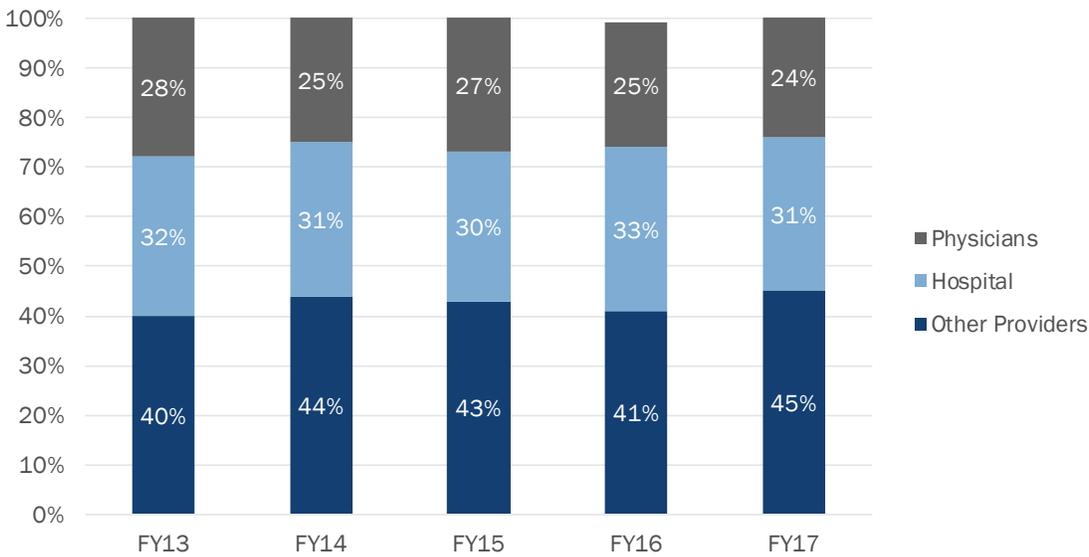


Exhibit 3.11

Medical Dollars on Indemnity Claims

By Type of Medical Provider and Fiscal Year of Injury



BENEFIT DISTRIBUTIONS

Exhibit 3.12

Total Benefits Paid on Indemnity Claims By Cause of Injury and Fiscal Year of Injury

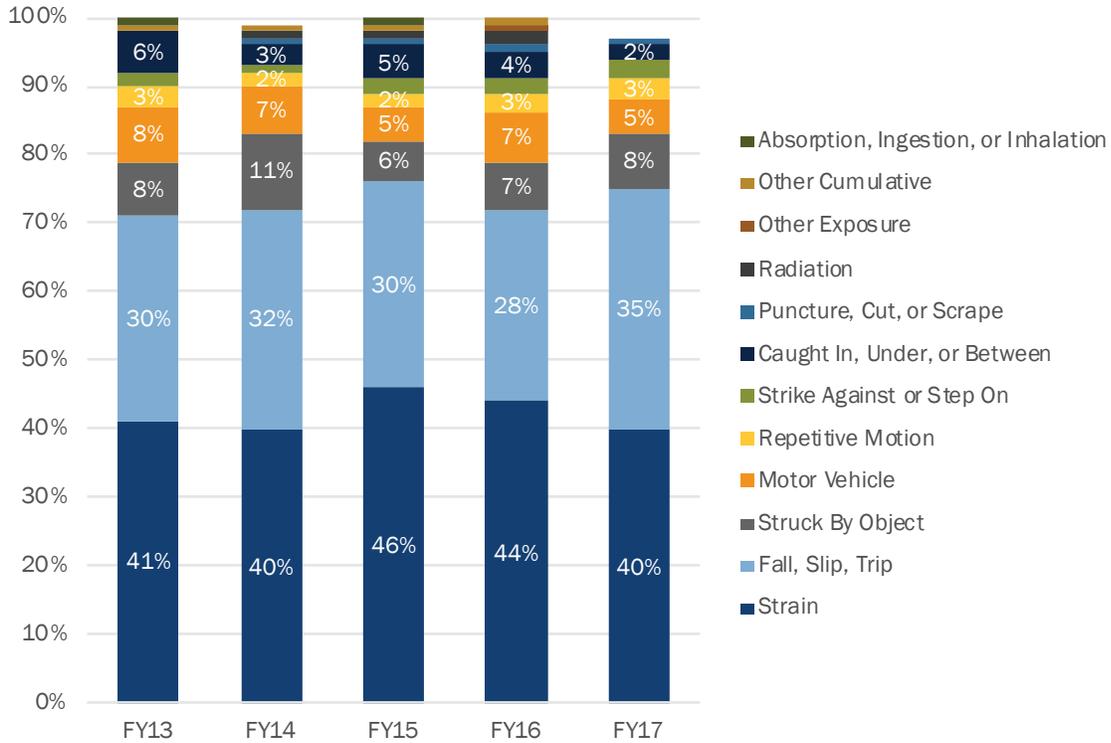
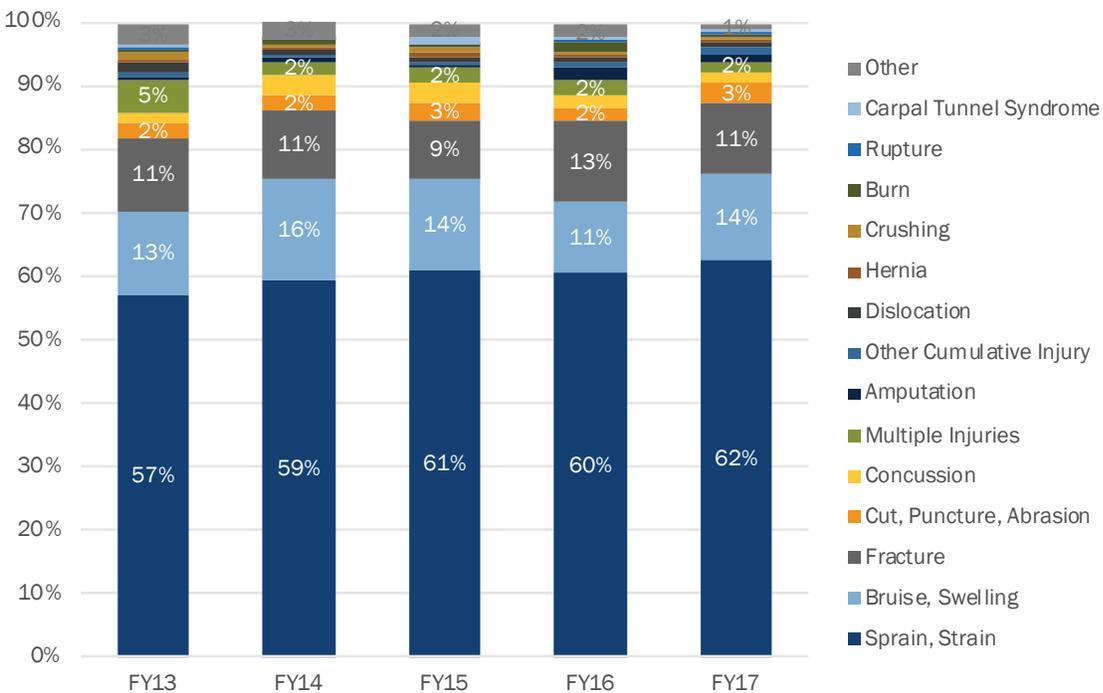


Exhibit 3.13

Total Benefits Paid on Indemnity Claims By Nature of Injury and Fiscal Year of Injury

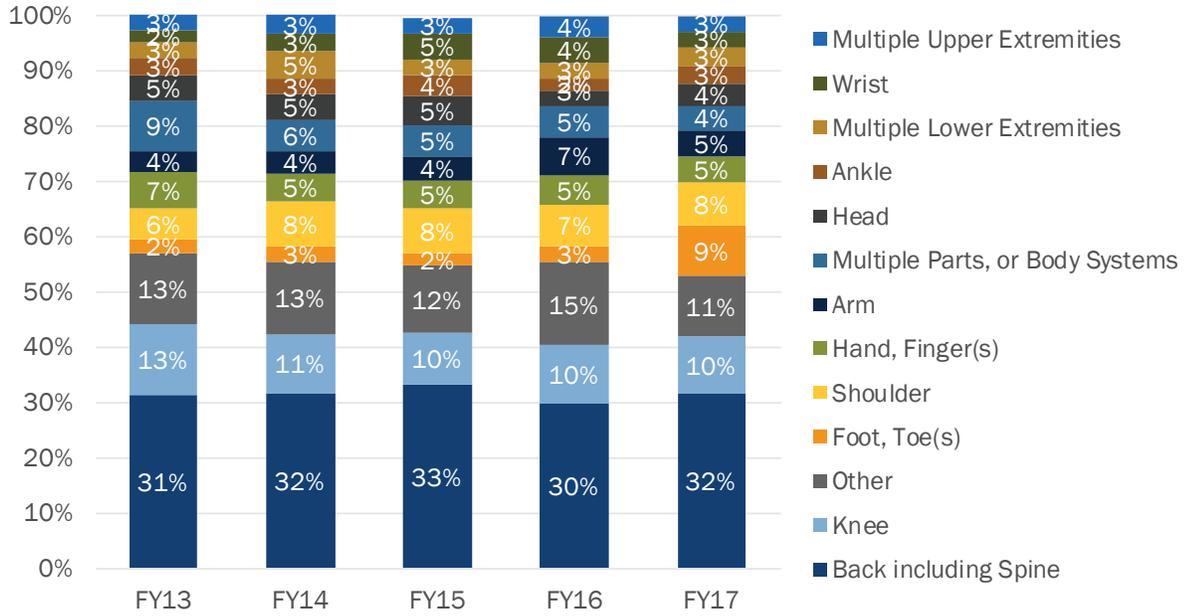


BENEFIT DISTRIBUTIONS

Exhibit 3.14

Total Benefits Paid on Indemnity Claims

By Part of Body and Fiscal Year of Injury



BENEFIT DISTRIBUTIONS

The benefit distributions displayed as histograms in Exhibits 3.15 and 3.16 represent the proportion of claims that fall into different benefit dollar ranges. For wage loss claims with dates of injury from FY13 to FY17, most wage loss benefits (87%) were \$20,000 or less. Most medical benefits (77%) were \$20,000 or less.

Exhibit 3.15

Distribution of Wage Loss Benefits Paid – FY13 to FY17

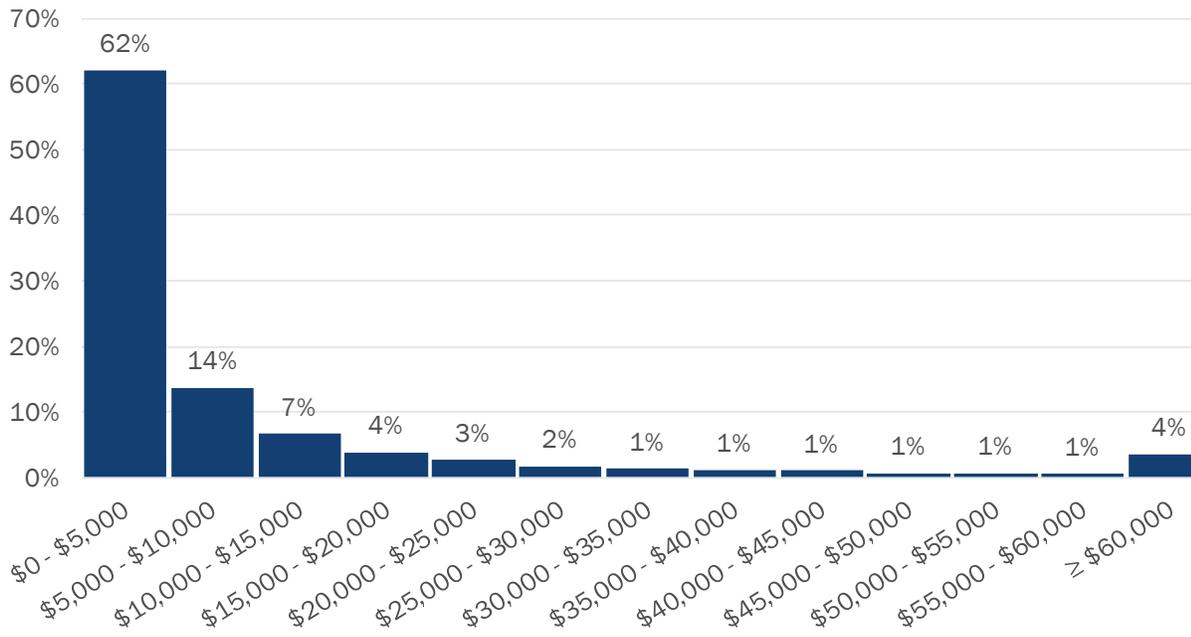
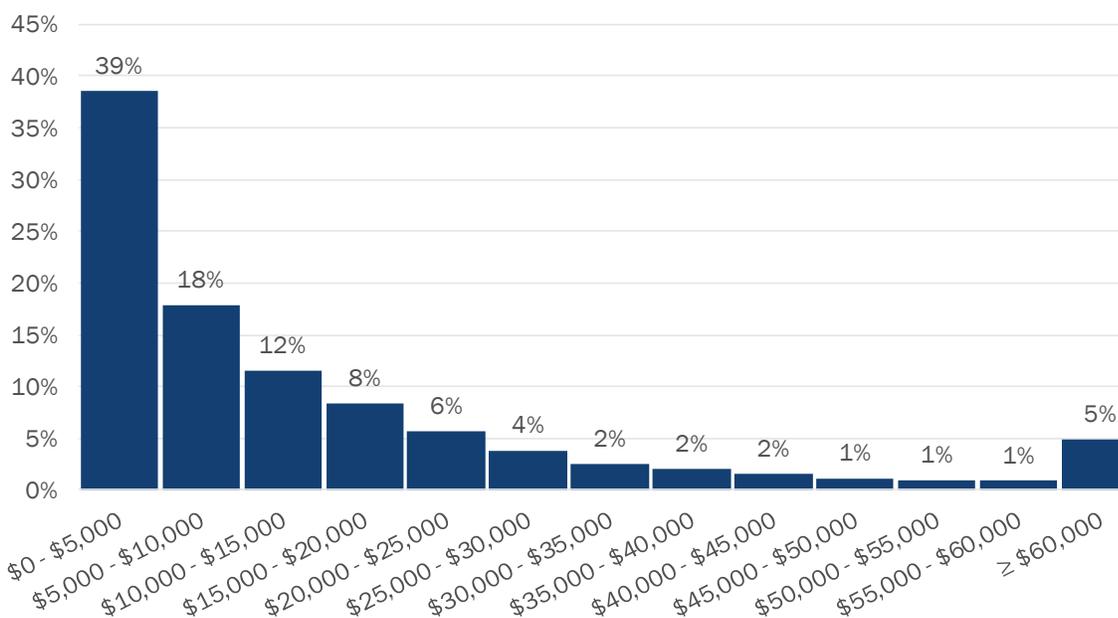


Exhibit 3.16

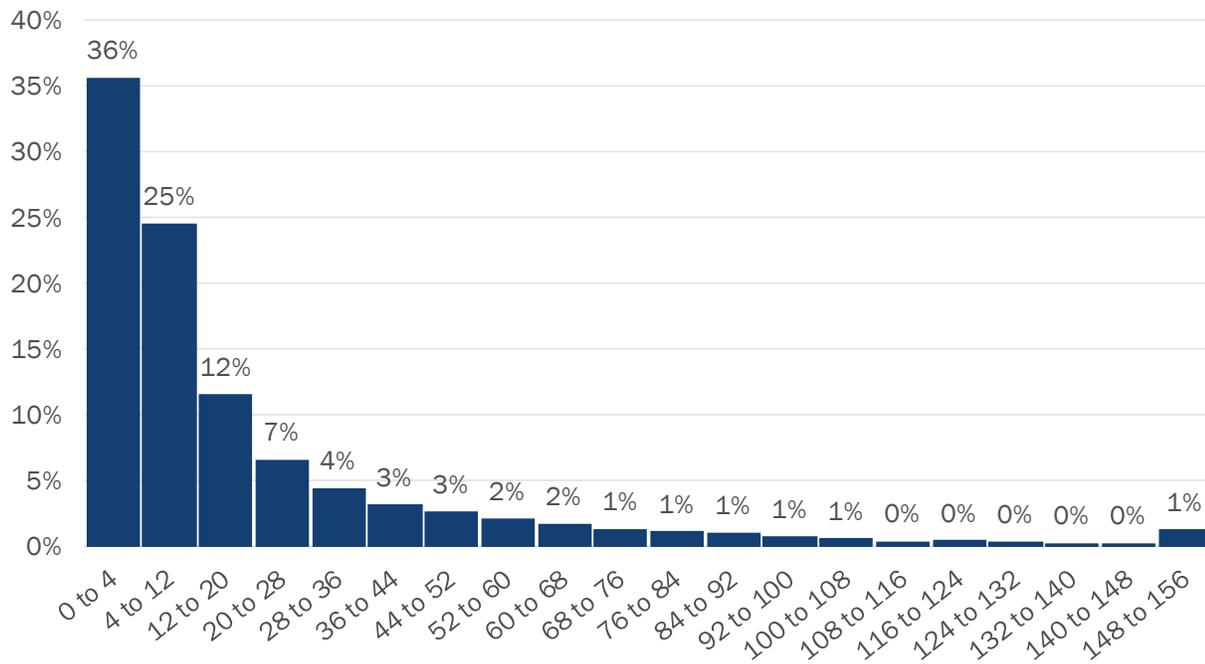
Distribution of Medical Benefits Paid – FY13 to FY17



TEMPORARY DISABILITY PAID DURATION

Exhibit 3.21

Distribution of Temporary Disability Paid Duration (weeks) – 3-Year Maturity



SETTLEMENT DOLLARS

Settlements are lump sum payments of the claimant's workers' compensation indemnity and/or medical benefits. Benefits are usually paid in periodic payments designed to sustain an injured worker over an extended period of time. Settlements can occur when the claimant and the insurer agree that benefits will be converted to a lump sum payment. If the claimant has more than one claim, a settlement may settle more than one of those claims. Included in the dollar amount of the settlements is the money specified for settlement of medical benefits under "best interest", as shown in Exhibits 3.28 to 3.30. Settlements are subject to approval by ERD.

Settlement counts and dollar amounts (average and total) for injury and occupational disease settlements, by plan type and fiscal year of injury, are displayed below. Keep in mind these do not include settlements from the workers' compensation court.

Exhibit 3.22

Average Settlement Amount

By Plan Type and Fiscal Year of Injury

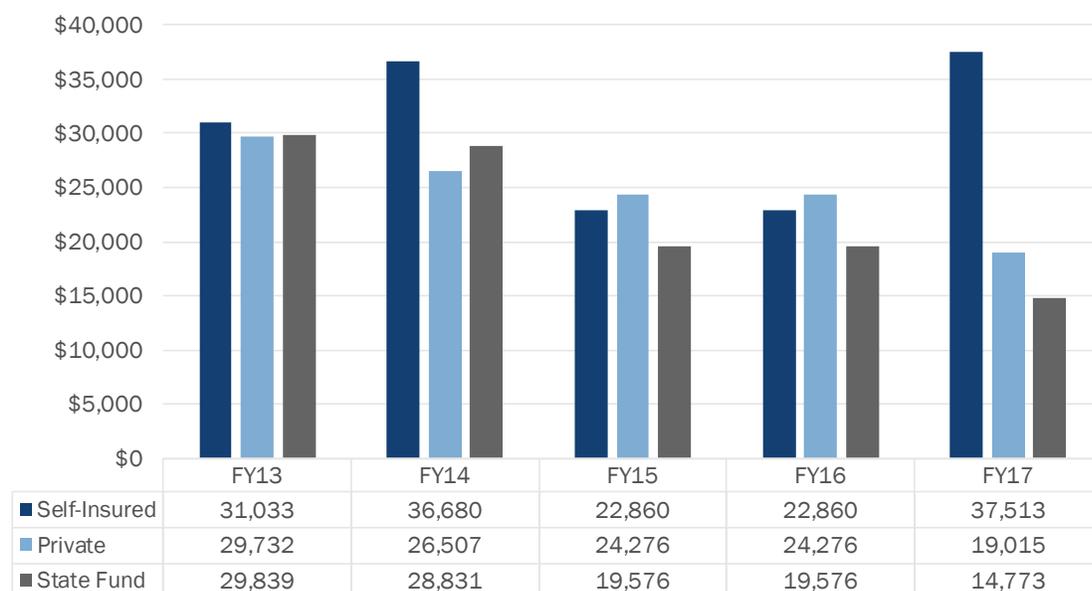


Exhibit 3.23

Settlement Amounts and Number of Settlements

By Plan Type and Fiscal Year of Injury

	FY13		FY14		FY15		FY16		FY17	
Plan Type	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count
Self-Insured	\$3,879,155	125	\$3,704,655	101	\$2,771,456	92	\$2,125,959	93	\$1,838,124	49
Private	\$15,401,218	518	\$11,053,502	417	\$10,953,229	406	\$7,477,055	308	\$3,593,793	189
State Fund	\$17,843,641	598	\$18,624,843	646	\$15,266,525	632	\$11,745,426	600	\$5,377,370	364
UEF	\$95,386	7	\$165,096	9	\$160,168	4	\$29,000	3	\$200	1
Total	\$37,219,400	1,248	\$33,548,096	1,173	\$29,151,378	1,134	\$21,377,440	1,004	\$10,809,486	603

SETTLEMENT DOLLARS

The following two exhibits show settlement information by the fiscal year of the settlement decision. This provides an indicator of actual activity in the system as it occurs.

Exhibit 3.24

Average Settlement Amount

By Fiscal Year of Decision

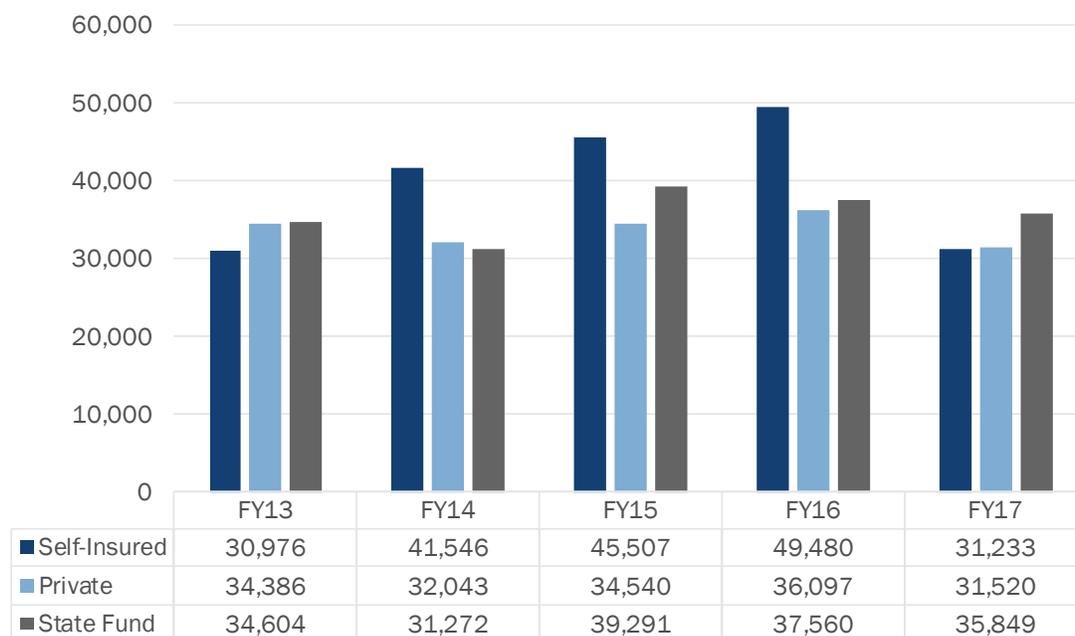


Exhibit 3.25

Settlement Amounts and Number of Settlements

By Plan Type and Fiscal Year of Decision

Plan Type	FY13		FY14		FY15		FY16		FY17	
	Amount	Count								
Self-Insured	\$3,964,977	128	\$6,398,032	154	\$7,827,209	172	\$11,974,127	242	\$4,966,058	159
Private	\$22,419,485	652	\$20,250,877	632	\$19,273,543	558	\$19,600,762	543	\$16,106,714	511
State Fund	\$21,385,049	618	\$20,889,430	668	\$32,572,226	829	\$38,574,057	1,027	\$36,530,513	1,019
UEF	\$14,900	7	\$200,181	10	\$389,918	12	\$142,750	5	\$50,396	4
Total	\$47,784,411	1,397	\$47,738,520	1,461	\$60,062,896	1,567	\$70,291,696	1,813	\$57,653,682	1,687

SETTLEMENT OF MEDICAL BENEFITS FOR BEST INTEREST

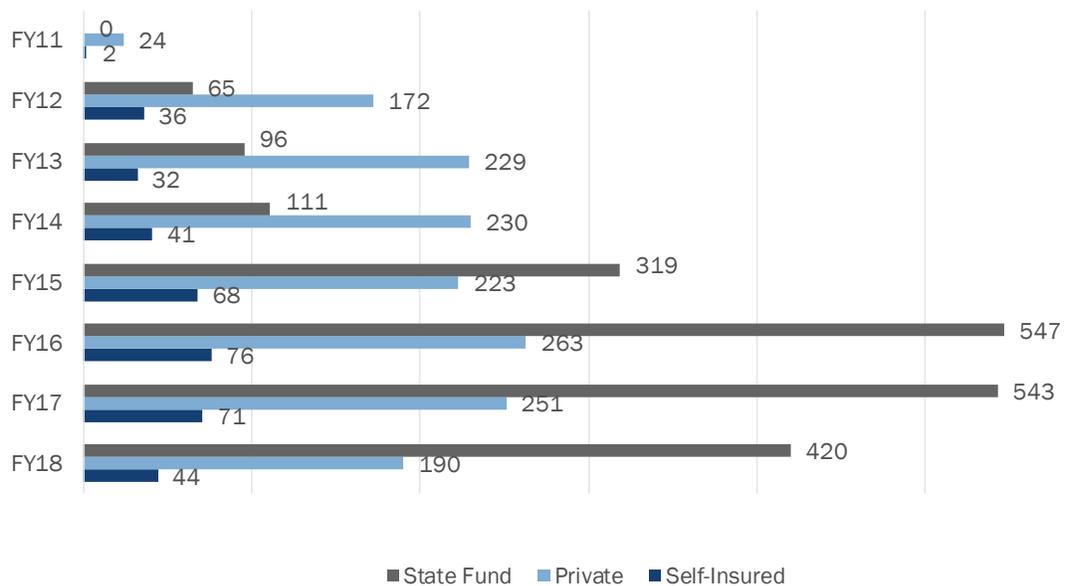
In March 2011, the Montana Legislature passed legislation that allowed for undisputed future medical benefits to be settled on an accepted claim if the claimant has reached maximum medical improvement, regardless of the date of injury. Petitions for settlement of medical benefits for “best interest” require a rationale for the settlement, a statement of why it’s in the best interest of the parties to settle the medical benefits, and a signed acknowledgment from the injured worker.

The following four exhibits show settlements for best interest since the law went into effect in April 2011, by fiscal year of decision. Exhibit 3.26 shows the number of settlements approved for each payer type. Exhibit 3.27 illustrates the total dollars settled by payer, and 3.28 breaks down the medical dollars settled where we could determine the settlement amount allocated for medical (93%). Exhibit 3.29 shows the dollar amounts in ranges settled by all payers. Most settlements (76%) were settled for \$30,000 or less.

There was a decrease in the number of settlements for best interest from FY16 to FY17 and FY17 and FY18 (FY18 is 2 months short of a complete fiscal year), a change from the big increases from FY14 to FY15 and FY15 to FY16. There has been a total of 4,053 settlements, totaling \$173 million and \$107 million of that allocated toward medical, from FY11 to FY18.

Exhibit 3.26

Number of Settlements for Best Interest¹ By Plan Type and Fiscal Year of Decision



¹FY18 is not complete but includes data up to April 2018

SETTLEMENT OF MEDICAL BENEFITS FOR BEST INTEREST

Exhibit 3.27

Total Settlement Amounts for Settlements for Best Interest

By Plan Type and Fiscal Year of Decision

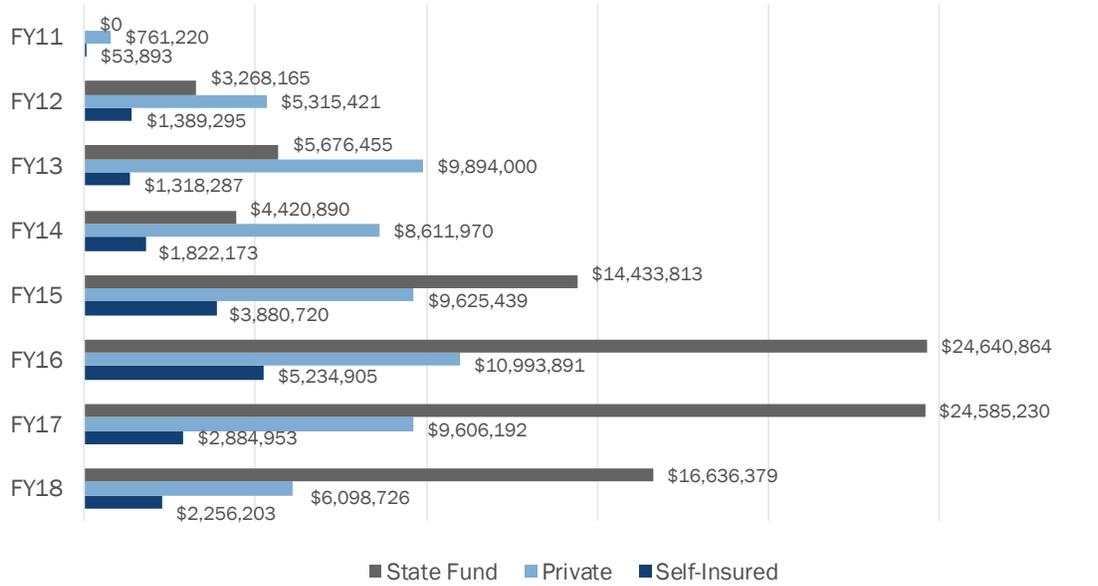
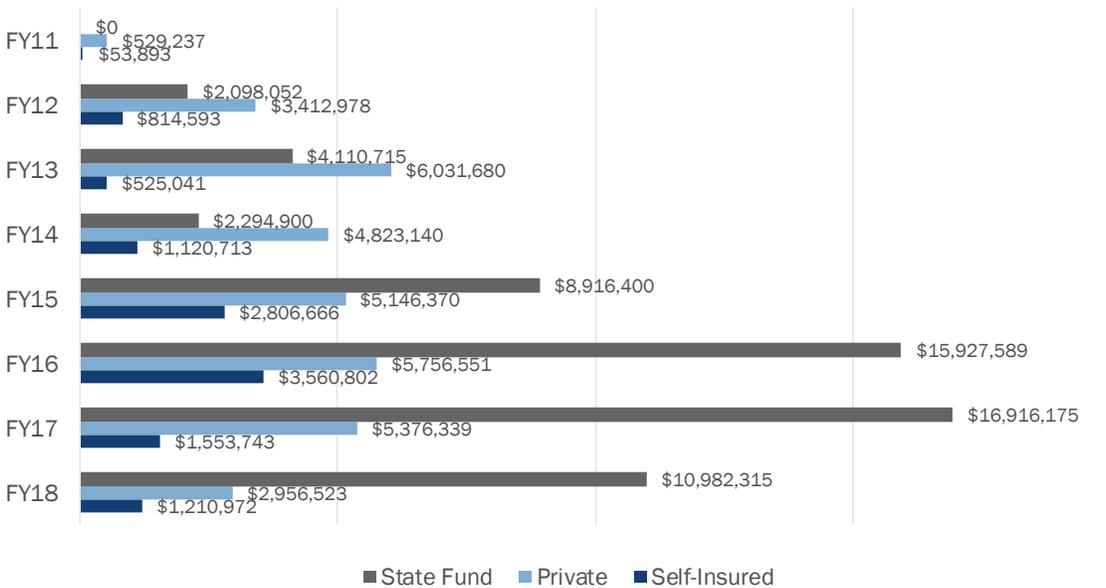


Exhibit 3.28

Total Medical Settlement Amounts for Settlements for Best Interest

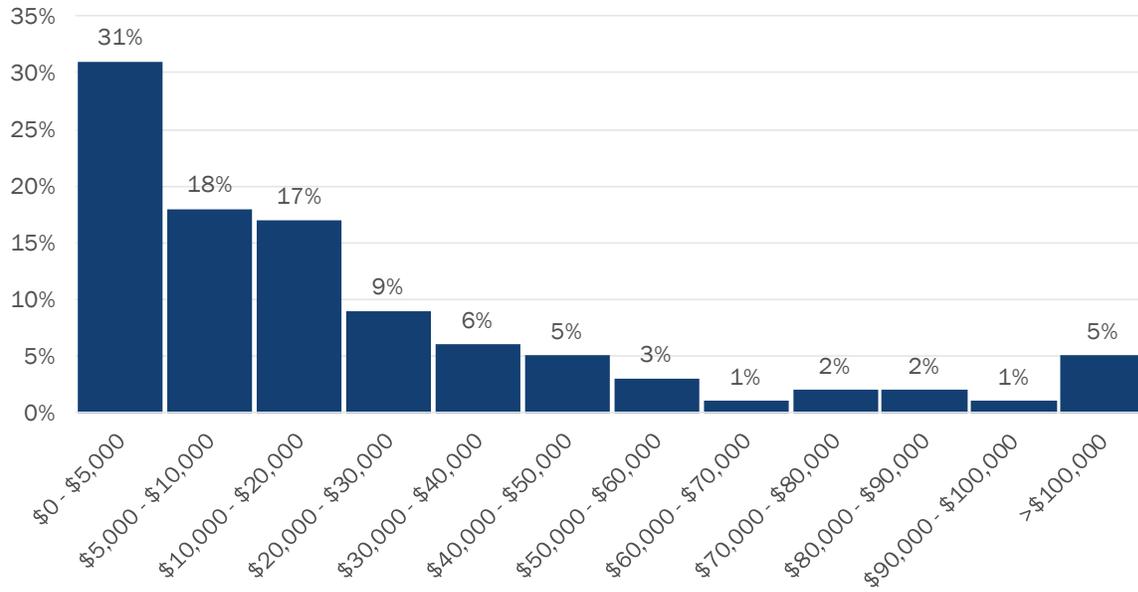
By Plan Type and Fiscal Year of Decision



SETTLEMENT OF MEDICAL BENEFITS FOR BEST INTEREST

Exhibit 3.29

Settlement Distribution of Medical for Settlements for Best Interest
FY11 to FY17



ATTORNEY FEES FROM SETTLEMENTS

Exhibit 3.30

Attorney Fees from Claimant Settlements

By Fiscal Year of Settlement

Plan Type	FY13	FY14	FY15	FY16	FY17
Total Number of Claims Settled	1,770	1,830	2,014	2,216	2,004
Total Number of Settlements	1,397	1,461	1,567	1,813	1,687
Total Amount Settled	\$47,784,411	\$47,738,520	\$60,062,896	\$70,291,696	\$57,653,682
Total Number of Settlements with Attorney Fees	839	906	921	1,059	947
Total Amount of Attorney Fees	\$6,335,390	\$6,854,128	\$7,970,893	\$9,361,907	\$7,270,224
Total Amount Settled with Attorney Fees	\$36,839,627	\$37,530,459	\$45,165,114	\$52,713,753	\$40,958,281
Percentage of Settlements with Attorney Fees	60%	62%	59%	58%	56%
Percentage of Fee/Settlement	17%	18%	18%	18%	18%

INJURED WORKER ATTORNEY FEES

Montana statute requires claimants' attorneys to submit a Legal Fee Report at regular intervals throughout the life of a claim (§39-71-613, MCA). The Legal Fee Report provides the amount of attorney fees received by attorneys, including attorney fees from workers' compensation settlements. Maximum legal fees are set by rule and regulated by the department (ARM 24.29.3802). The exhibits do not include miscellaneous costs.

Average and total attorney legal fees, by plan type and fiscal year of injury, are shown in Exhibits 3.31 and 3.32.

Exhibit 3.31

Average Attorney Legal Fees

By Plan Type and Fiscal Year of Injury

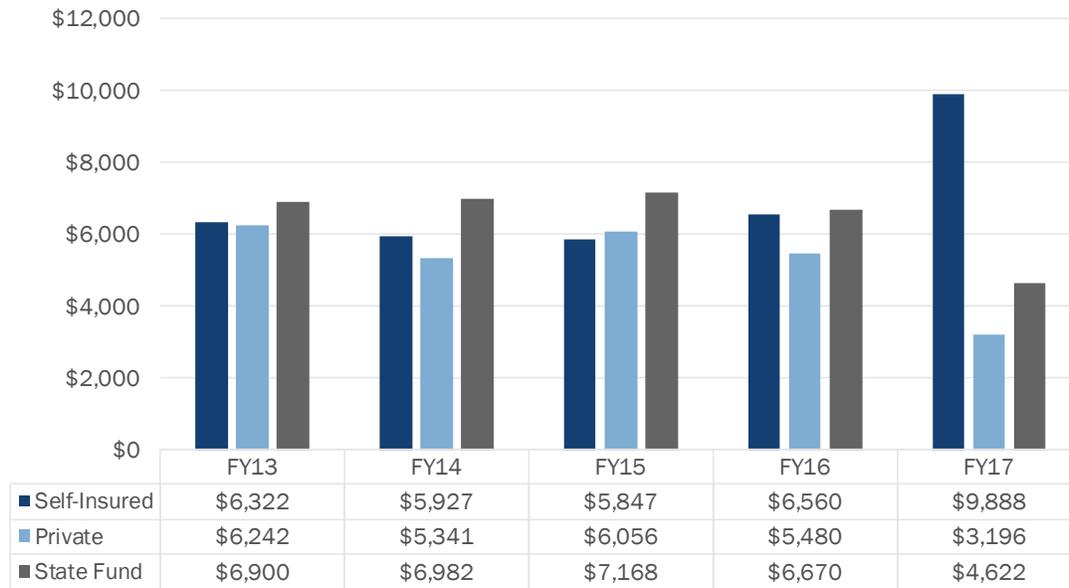


Exhibit 3.32

Total Attorney Legal Fees

By Plan Type and Fiscal Year of Injury

Plan Type	FY13		FY14		FY15		FY16		FY17	
	Amount	Count								
Self-Insured	\$543,720	86	\$444,561	75	\$339,147	58	\$472,320	72	\$276,876	28
Private	\$2,103,626	337	\$1,399,409	262	\$1,774,329	293	\$1,107,029	202	\$402,737	126
State Fund	\$1,945,932	282	\$2,262,225	324	\$1,662,875	232	\$1,334,048	200	\$443,714	96
UEF	\$13,184	4	\$50,857	9	\$30,886	7	\$6,549	6	\$0	0
Total	\$4,606,462	709	\$4,157,053	670	\$3,807,237	590	\$2,919,945	480	\$1,123,327	250

INSURER LEGAL EXPENSES

Montana administrative rule requires insurance companies to report legal fees and costs associated with each indemnity claim (ARM 24.29.4335 & 24.29.4336). These costs are reported to ERD on the subsequent report of injury at regular intervals throughout the life of a claim. Insurer legal expenses are represented in the following two exhibits.

Exhibit 3.33

Average Insurer Legal Expenses per Claim

By Plan Type and Fiscal Year of Injury

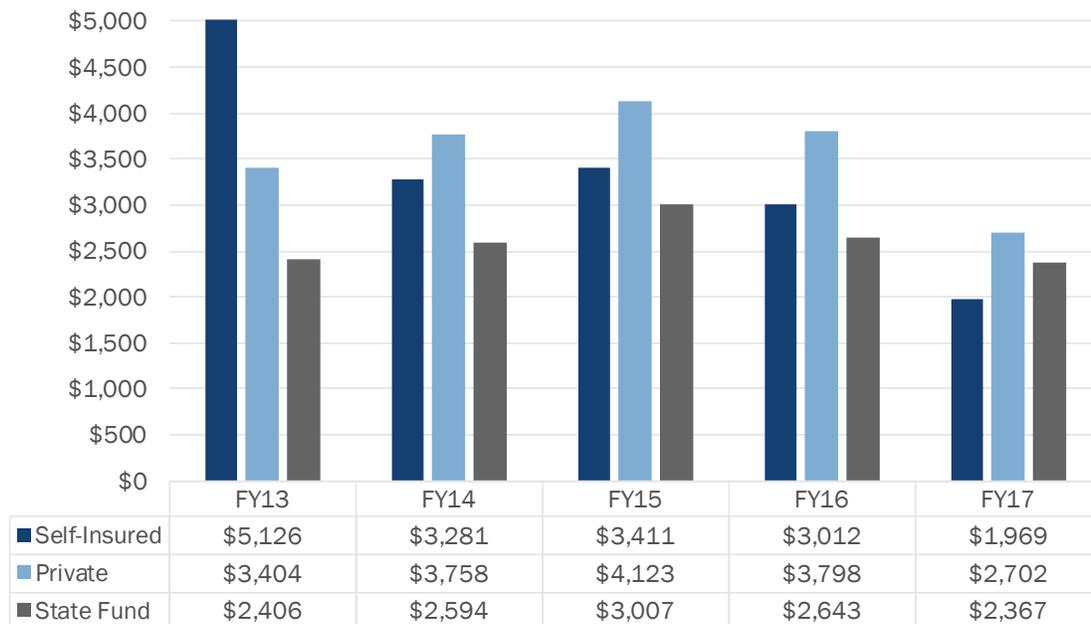


Exhibit 3.34

Total Insurer Legal Expenses

By Plan Type and Fiscal Year of Injury

	FY13		FY14		FY15		FY16		FY17	
Plan Type	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count
Self-Insured	\$584,388	114	\$334,684	102	\$324,087	95	\$234,901	78	\$57,108	29
Private	\$1,079,196	317	\$838,120	223	\$940,117	228	\$489,936	129	\$302,652	112
State Fund	\$509,989	212	\$612,278	236	\$604,364	201	\$531,227	201	\$284,033	120
Total	\$2,173,573	643	\$1,785,082	561	\$1,868,568	524	\$1,256,064	408	\$643,794	261

Section
4

DISPUTE RESOLUTION

- Mediation
- Contested Case Hearings
- Workers' Compensation Court
- Significant Workers' Compensation Cases
- Supreme Court Decisions On Workers' Compensation



MEDIATION

The Dispute Resolution Section of ERD administers a mandatory process for resolving disputes concerning benefits for both occupational injury and disease claims. The mediation process is confidential, non-binding and informal. The mediator facilitates the exchange of information between the parties and assists with solutions aimed at resolving the dispute. Conferences are usually by telephone, but can be held in person in Helena upon request. Often more than one conference is held in order to resolve the disputes on a claim.

When resolved at the mediation level, all parties benefit as the litigation costs on a claim are reduced for the insurer and the employer, and the injured worker is able to find resolution more quickly than if he/she had to proceed to the Workers' Compensation Court (WCC). In addition, the costs in time and money for the WCC are also reduced by eliminating cases from the court's docket. If disputes are not resolved at Mediation, the parties may proceed to the WCC.

In FY17, the Dispute Resolution Section received and processed 1,230 petitions, which involved 1,348 claims. A petition is a request for mediation and may include multiple claims, multiple issues and/or multiple insurers.

Exhibit 4.1

Claims in Mediation

By Plan Type and Fiscal Year of Receipt

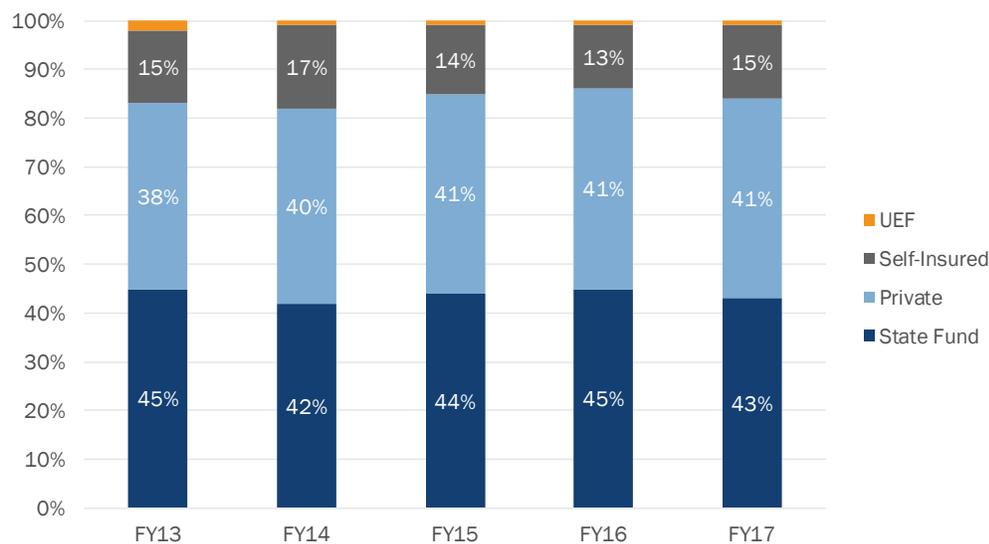


Exhibit 4.2

Claims in Mediation

By Plan Type and Fiscal Year of Receipt

Plan Type	FY13		FY14		FY15		FY16		FY17	
	Count	%								
Self-Insured	200	15%	230	17%	186	14%	192	13%	208	15%
Private	497	38%	554	40%	556	41%	591	41%	549	41%
State Fund	598	45%	585	42%	596	44%	655	45%	578	43%
UEF	22	2%	16	1%	26	2%	17	1%	13	1%
Total¹	1,317	100%	1,385	100%	1,364	100%	1,455	100%	1,348	100%

¹Total counts represent the number of claims, not the number of petitions.

MEDIATION

For the past five fiscal years, the mediation process maintained an average resolution rate of 79%. For the same five year period, the average completion time (from receipt of Petition to written Recommendation) is 32 days for mediations not rescheduled or pended (for additional activity by one or more of the parties), 23 days earlier than allowed by Administrative Rule.

Exhibit 4.3

Percent of Mediation Petitions Resolved

By Fiscal Year of Receipt

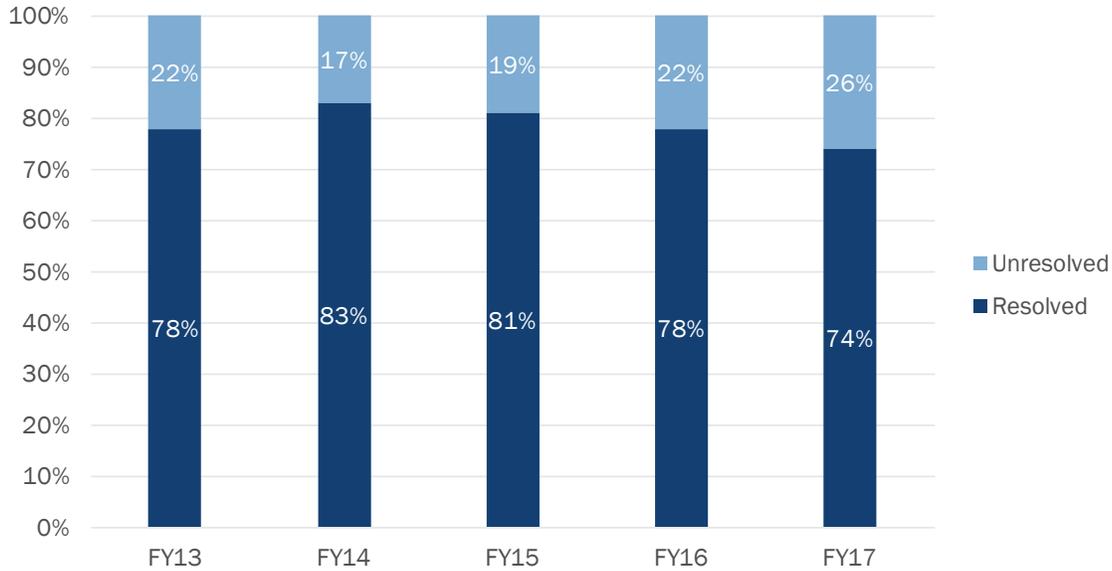


Exhibit 4.4

Mediation Petitions

By Fiscal Year of Receipt

	FY13		FY14		FY15		FY16		FY17	
Petitions	Count	%								
Pending ²	4	0%	5	0%	23	2%	62	5%	68	6%
Closed	1,208	100%	1,252	100%	1,232	98%	1,272	95%	1,162	94%
Total Received	1,212	100%	1,257	100%	1,255	100%	1,334	100%	1,230	100%
Resolved	944	78%	1,043	83%	996	81%	992	78%	864	74%
Unresolved	264	22%	209	17%	236	19%	280	22%	298	26%
Total Closed	1,208	100%	1,252	100%	1,232	100%	1,272	100%	1,162	100%
Total	1,317	100%	1,385	100%	1,364	100%	1,455	100%	1,348	100%

²Eventual outcome of pending petitions will affect percent resolved.

MEDIATION

Disputes brought to mediation cover the entire spectrum of workers' compensation benefit issues. Most often the dispute is between an insurer or insurers and an injured worker. Disputes also occur between the Uninsured Employers' Fund and either the injured worker or the employer. Exhibits 4.5 and 4.6 show mediations by benefit issue where one mediation could have multiple issues. The detailed subjects included in each category are described in **Section 6 - Definitions** under "Mediation Benefit Issues".

Exhibit 4.5

Mediation Petitions

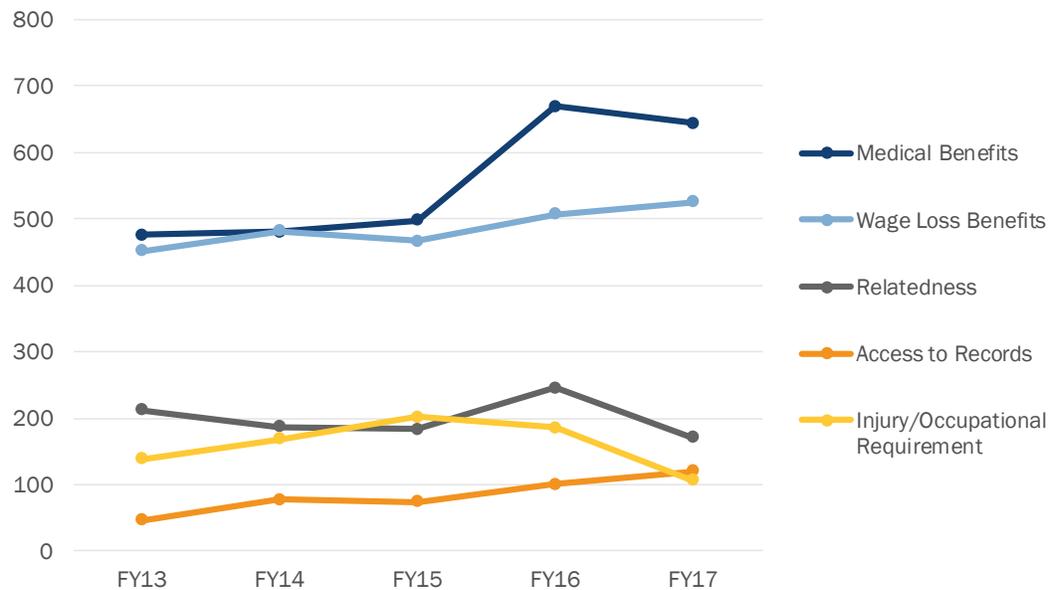
By Benefit Issue and Fiscal Year of Receipt

Plan Type	FY13	FY14	FY15	FY16	FY17
Medical Benefits	476	480	498	669	644
Wage Loss Benefits	452	481	466	507	525
Relatedness	212	187	184	246	171
Access to Records	47	78	74	100	120
Injury/Occupational Requirement	138	168	202	186	106
Course and Scope	63	54	62	66	82
Notice/Filing Time	61	61	55	60	72
Rehab Benefits	22	29	25	38	28
Employment/Insurance Coverage	30	21	36	39	25
Calculation of Wages	30	25	23	25	23
Other	122	99	95	102	84
Total	1,653	1,683	1,720	2,038	1,880

Exhibit 4.6

Mediation Petitions

By Top 5 Benefit Issues and Fiscal Year of Receipt



CONTESTED CASE HEARINGS

The DLI Office of Administrative Hearings (OAH) holds contested case hearings, including appeals of Department Orders. For workers' compensation purposes, these appeals most typically include uninsured employer's penalty determinations and entitlement to benefits from the Subsequent Injury Fund or Silicosis Fund. In FY17, OAH received 3 new requests for contested case hearings. The requests were from uninsured employers.

Exhibit 4.7

Petitions Received by the Office of Administrative Hearings

By Plan Type and Fiscal Year

	FY13		FY14		FY15		FY16		FY17	
Petitions	Count	%								
Self-Insured	0	0%	1	33%	0	0%	0	0%	0	0%
Private	0	0%	0	0%	0	0%	0	0%	0	0%
State Fund	0	0%	0	0%	0	0%	0	0%	0	0%
UEF	1	50%	1	33%	1	100%	6	100%	3	100%
Other	1	50%	1	33%	0	0%	0	0%	0	0%
Total	2	100%	3	100%	1	100%	6	100%	3	100%

WORKERS' COMPENSATION COURT

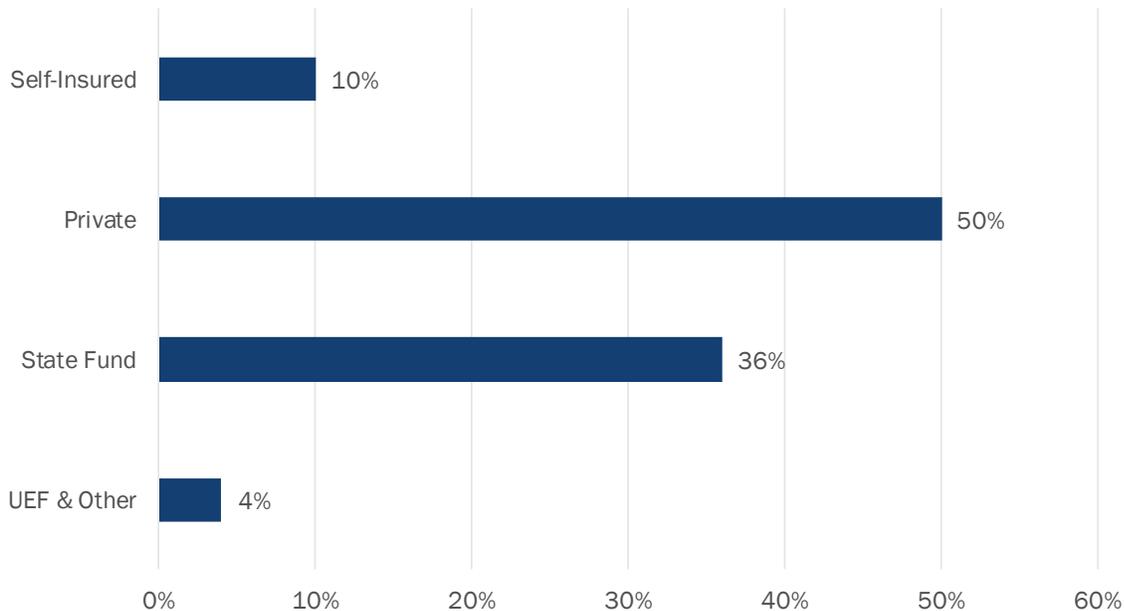
The Workers' Compensation Court (WCC) resolves disputes between workers injured as a result of occupational injuries or diseases, and insurers or employers. The court has original jurisdiction over benefit issues arising under the Workers' Compensation Act. For an injury occurring after July 1, 1987, disputes must first be mediated through the ERD Dispute Resolution Section. The court's exclusive jurisdiction also extends to disputes involving independent contractor exemptions under both the Workers' Compensation and Unemployment Insurance Acts, civil penalties for theft of workers' compensation benefits, and the two-year return to work preference specified in section §39-71-317(2), MCA.

Further information on the Workers' Compensation Court can be found on their website: www.wcc.dli.mt.gov/wcourthome.asp.

Exhibit 4.8

Percent of Petitions Received by the WCC – FY17

By Case Type³



³The Workers' Compensation Act provides for three separate "plans", i.e. Self-Insured, Private Insured, and Montana State Fund. The court breaks down its case types further for statistical purposes, i.e. Self-Insured, Private Insured, Montana State Fund, Subsequent Injury Fund, Uninsured Employers' Fund, Independent Contractor Central Unit (ICCU), and Department of Labor and Industry (DLI).

WORKERS' COMPENSATION COURT

Exhibit 4.9

Petitions Received by the WCC

By Case Type⁴ and Fiscal Year of Receipt

	FY13		FY14		FY15		FY16		FY17	
Case Type	Count	%								
Self-Insured	26	12%	39	19%	43	19%	31	14%	25	10%
Private	99	45%	82	40%	101	45%	88	41%	124	50%
State Fund	83	38%	76	37%	75	33%	89	41%	90	36%
UEF & Other	10	5%	9	4%	5	2%	7	3%	10	4%
Total	218	100%	206	100%	224	100%	215	100%	249	100%

⁴Petitions may involve more than one case type.

Exhibit 4.10

Decisions by the WCC

By Fiscal Year of Receipt

Decisions	FY13	FY14	FY15	FY16	FY17
Decisions	199	174	178	213	237
Substantive Orders	40	34	31	23	22
Orders on Cost	7	4	4	0	2
Bench Rulings without Written Decisions	0	0	0	0	0
Attorney Fee Orders	5	1	2	0	2
Orders on Appeal	3	1	0	2	4
Subtotal	254	214	215	238	267
Petitions Dismissed by Agreement	40	52	22	25	16
Total	294	266	237	263	283

Exhibit 4.11

Full and Final Compromise Settlements by the WCC

By Case Type and Fiscal Year of Receipt

Case Type	FY13	FY14	FY15	FY16	FY17
Self-Insured	1	3	2	6	2
Private	3	11	5	10	5
State Fund	6	7	6	13	11
UEF & Other	0	0	0	0	0
Total	10	21	13	29	18

SIGNIFICANT WORKERS' COMPENSATION CASES

Case summaries are taken from the Workers' Compensation Court website: www.wcc.dli.mt.gov.

IN THE WORKERS' COMPENSATION COURT OF THE STATE OF MONTANA:

ALAN DAVIS, PETITIONER VS. LIBERTY INSURANCE CORPORATION, RESPONDENT/INSURER EMPLOYMENT RELATIONS DIVISION, DEPARTMENT OF LABOR AND INDUSTRY INTERVENOR. 2017 MTWCC 11

ORDER DENYING RESPONDENT'S MOTION TO DISMISS OR IN THE ALTERNATIVE MOTION FOR SUMMARY JUDGMENT

Summary: Respondent moved to dismiss Petitioner's claim that he is permanently totally disabled and therefore has the right to medical benefits under § 39-71-704(1)(f)(ii), MCA (2011). Respondent contends that this Court does not have jurisdiction because Petitioner has not gone through the administrative process to reopen his medical benefits. In the alternative, Respondent alleges that Petitioner settled the issue of whether he is permanently totally disabled, and must reopen his settlement before he can argue he is permanently totally disabled.

Held: This Court denied Respondent's motion. Under the plain and unambiguous language of § 39-71-704(1)(f)(ii), MCA, a permanently totally disabled claimant's medical benefits do not terminate 60 months from his date of injury, and a permanently totally disabled claimant is not required to petition the DLI to "reopen" his medical benefits. Moreover, Petitioner is not attempting to reopen his settlement agreement. He did not settle the issue of whether he is permanently totally disabled; he settled his claimed right to PTD benefits on a compromise basis, thereby leaving the issue of whether he is permanently totally disabled "uncertain" and "undetermined." And, the settlement agreement states that his medical benefits remained open "to the extent such benefits are allowed under the Workers' Compensation Act." This includes the contractual right to medical benefits under § 39-71-704(1)(f)(ii), MCA.

ALAN DAVIS, PETITIONER VS. LIBERTY INSURANCE CORPORATION, RESPONDENT/INSURER, EMPLOYMENT RELATIONS DIVISION, DEPARTMENT OF LABOR AND INDUSTRY INTERVENOR. 2017 MTWCC 21

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND JUDGMENT

Summary: Petitioner settled his indemnity benefits with insurer on a disputed liability basis, and reserved his future medical benefits. Thereafter, insurer declined to authorize a referral for Petitioner to see his surgeon, citing the five-year medical closure rule in § 39-71-704(1)(f)(i), MCA. Petitioner contends that he is entitled to ongoing medical benefits pursuant to § 39-71-704(1)(f)(ii), MCA, because he is permanently totally disabled.

Held: Where the vocational rehabilitation expert was unable to point to any suitable jobs for Petitioner, and given Petitioner's older age, modest education, limited transferable skills, near-constant and high levels of pain, poor prognosis, and co-existing health conditions, Petitioner has met his burden of proving that he does not have a reasonable prospect of physically performing regular employment. Because he is permanently totally disabled, Petitioner is entitled to ongoing medical benefits pursuant to § 39-71-704(1)(f)(ii), MCA.

JODY ROSS APPELLANT/CLAIMANT VS. VICTORY INSURANCE CO., INC. APPELLEE/INSURER. 2017 MTWCC 14

ORDER REVERSING ORDER DIRECTING MEDICAL EXAMINATION

Summary: Claimant appeals an Order Directing Medical Examination, in which the DLI ordered her to attend a second IME with the insurer's chosen psychologist for the purpose of obtaining a neuropsychological evaluation to determine if she is a candidate for a spinal cord stimulator.

Held: The Order Directing Medical Examination is reversed. The Workers' Compensation Act does not allow an insurer to designate a psychologist to be both its independent medical examiner under § 39-71-605, MCA, and the consulting psychologist for claimant's treating physician under § 39-71-1101, MCA. At this time, the insurer has not established good cause for a second IME with its designated psychologist because claimant has not first undergone an evaluation with the treating physician's chosen psychologist.

SIGNIFICANT WORKERS' COMPENSATION CASES

ROBERT WOMMACK PETITIONER VS. NATIONAL FARMERS UNION PROPERTY & CASUALTY CO., NATIONWIDE MUTUAL FIRE INS. CO., MONTANA STATE FUND, CHS INC., LIBERTY MUTUAL FIRE INS. CO., AND DOES 1-5, INCLUSIVE RESPONDENTS/INSURERS. 2017 MTWCC 8

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND JUDGMENT

Summary: Petitioner developed an OD from exposure to asbestos at the refinery where he worked. For most of his career, Petitioner worked within the refinery, but in the years before his retirement, he worked as an asphalt salesman based in an office across the street. The insurers at risk during Petitioner's time in the refinery maintain that he continued to be exposed to asbestos after changing jobs and his last injurious exposure occurred when he worked as a salesman. The insurer at risk during Petitioner's time as a salesman argues that Petitioner's last injurious exposure occurred when he worked fulltime in the refinery.

Held: Although Petitioner's most significant exposure to asbestos occurred prior to accepting the sales position, he continued to experience exposure to asbestos until he retired. Since Petitioner continued to be exposed to the same type and kind of conditions which caused his OD, under *In re Mitchell's* "potentially causal" standard, Petitioner's last injurious exposure occurred when he worked as an asphalt salesman, and the insurer at risk at that time is therefore liable.

RICHARD A. KUNZ, PETITIONER VS. ELECTRIC INSURANCE COMPANY, RESPONDENT/INSURER. APPEALED TO MONTANA SUPREME COURT – MARCH 12, 2018

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND JUDGMENT

Summary: Petitioner, a Montana resident, was hired in Montana, but traveled to work at power plants throughout the United States, and one in Europe, for four to six months out of each year. Petitioner's employer had not assigned him to any of its Montana jobs. After Petitioner was injured on a job in Texas, the person who handled claims for his employer reported his claim to its insurer as a Montana claim, filled out a Montana First Report of Injury and Occupational Disease and put it in his claims file, and told Petitioner he did not need to file a claim in Texas. Notwithstanding, Respondent denied liability on the grounds that Petitioner's employment was not covered by the Montana Workers' Compensation Act's extraterritorial statute, § 39-71-402(1)(a), MCA, and on the grounds that it was not estopped from denying Petitioner's claim because it is a Plan No. 2 insurer and the employer's employees could not bind it.

Held: Petitioner's claim falls under the Montana Workers' Compensation Act's extraterritorial statute, § 39-71-402(1)(a), MCA. Petitioner was a Montana employee who temporarily left Montana incidental to his employment and was injured in the course of his employment. Respondent is therefore liable for his claim.

SUPREME COURT DECISIONS ON WORKERS' COMPENSATION

IN THE SUPREME COURT OF THE STATE OF MONTANA:

CARL MURPHY, PETITIONER AND APPELLANT, V. WESTROCK COMPANY, RESPONDENT AND APPELLEE 2018 MT 54

APPEAL FROM: MONTANA WORKERS' COMPENSATION COURT, WCC NO. 2016-3787 REVERSED

In 1991 Murphy suffered back, neck and shoulder injuries while working at Smurfit-Stone Container. Smurfit-Stone accepted the claim. In May 1996 Dr. Helmer, a chiropractor, recommended continuing chiropractic care and certain work restrictions. Based on Dr. Helmer's opinion, Murphy asked for PPD and voc-rehab benefits. Westrock denied premised on the medical determination of a chiropractor rather than a physician as required by the 1991 workers' compensation statutes. The statute was changed in 1993 to include chiropractors. Murphy argued that, under *EBI/Orion v Blythe*, the new definition should be applied retroactively. The WCC reasoned that it could not reconcile Supreme Court decisions in *Blythe* and the Supreme Court decision in *Fleming v. International Paper Co.; as successor- in-interest to Champion International and Liberty NW*. The WCC followed the decision in *Fleming* as the most recent holding. Murphy appealed.

In *Blythe* the SC held the definition of "treating physician" was a procedural provision and that statutes in effect at the time of trial control. In *Fleming* the SC stated that for "almost 75 years, this Court has held that the statutes in effect on the date of accident or injury control in workers' compensation cases"

Held: The statements in *Fleming* were overbroad, extending generally to statutes that were not then before the Court. *Blythe's* holding was correct. The definition of physician to be applied to Murphy's claim is the one provided in the statutes in effect at the time of trial.

Section
5

DEPARTMENT ADMINISTERED PROGRAMS

- Employment Relations Division
- Organizational Charts
- Workers' Compensation Assessments As Expended
- Subsequent Injury Fund
- Uninsured Employers' Fund
- Construction Contractor Registration
- Independent Contractor Exemption Certificates
- Professional Employer Organizations
- Safety & Health
- Stay at Work/Return to Work
- Claims Examiner Certification
- Independent Medical Reviews
- Five-Year Closure of Medical Benefits



EMPLOYMENT RELATIONS DIVISION

The Employment Relations Division (ERD) provides a wide variety of services and regulations including these sections:

The **Inspection Section:**

- Educates the public about independent contractors and enforces compliance with the Workers' Compensation Act, Prevailing Wage Act, and Montana Wage Payment Act; and
- Provides community outreach opportunities, onsite visits, and community wide enforcement activities.

The **Audit Section:**

- Audits businesses to ensure required coverage is carried on employees and issues penalties and assessments when found to be out of compliance;
- Educates business owners about the Workers' Compensation Act, Prevailing Wage Act, and Montana Wage Payment Act; and
- Enforces coverage requirements for all employers.

The **Investigation Section:**

- Investigates working relationships and issues decisions on employment status;
- Investigates nonpayment of wages and compliance with prevailing wages; and
- Enforces coverage requirements for all employers.

The **Dispute Resolution Section:**

- Administers a mandatory process for resolving disputes concerning Workers Compensation Benefits for both occupational injury and disease Claims;
- Facilitates and mediates claims relating to employment status, the Wage Payment Act, and Collective Bargaining.

The **Workers' Compensation Section:**

- Manages claims and benefits to injured workers whose employers did not have workers' compensation coverage;
- Works closely with workers' compensation insurers and adjusting companies to ensure compliance with statutes and administrative rules;
- Assists injured workers, answering their questions, serving as a liaison between the injured worker and their insurer or adjusting company, and regulating attorney fees;
- Administers the Claims Examiner Certification process, which includes an examination, a two-year certification

and renewal process, continuing education credits, and instructor certification;

- Administers the process for injured workers to request reopening of their medical benefits 60 months from their date of injury;
- Administers all functions relating to the medical regulation of workers' compensation claims, including medical fee schedules, utilization and treatment guidelines, and timeliness of payments;
- Coordinates with the medical director to conduct independent medical reviews for denied services; and
- Responsible for the SAW (Stay at work)/RTW (Return to work) program.

The **Process & Support Section:**

- Manages all technical activities including website content management, special projects, and technology implementation; and
- Provides outreach to the public through ABC clinics.

The **Registration Section:**

- Issues and enforces licenses for Professional Employer Organizations (PEOs);
- Issues and enforces Contractor Registration (CR), requiring construction businesses with or without employees to register and comply with workers' compensation requirements; and
- Issues Independent Contractor Exemption Certificates (ICECs).

The **Data Management Section:**

- Responsible for the collection, data quality, and maintenance of workers' compensation claim and injury information;
- Uses claim data and other information sources to complete a comprehensive annual report on workers' compensation for the Governor, the legislature, and other stakeholders;
- Works directly with insurers and third-party administrators to ensure compliance with Montana claim reporting requirements and adherence to national standards;
- Conducts varied research on the workers' compensation system and related topics; and
- Administers the Montana Occupational Health & Safety Surveillance program (MOHSS) which identifies, tracks, and monitors work-related fatalities, injuries, and illnesses in order to improve worker health and safety in Montana. (More information about MOHSS can be found at www.mtworkerhealth.com.)

EMPLOYMENT RELATIONS DIVISION

The **Fiscal & Support Section:**

- Regulates private workers' compensation carriers (Plan 2);
- Processes Subsequent Injury Fund (SIF) applications and reimburses insurers for eligible SIF expenses;
- Processes and monitors extra-territorial reciprocal agreements with Washington, Oregon, Idaho, Wyoming, Utah, North and South Dakota;
- Approves and regulates qualified private and public employers to be self-insured for the purposes of workers' compensation coverage;
- Collects on assessments and penalties against employers who did not have coverage;
- Collects wage claims and penalties; and
- Establishes Assessment rates for all carriers and collect assessment revenues.

ERD also provides services and regulations for the safety and health bureau including these units:

The **Safety & Health Unit:**

- Conducts inspections of public employers;
- Performs on-site consultations for private employers; and
- Provides safety and health training following an inspection or consultation to both public and private employers.

The **Compliance Unit:**

- Assists public sector employers, including state agencies, counties, cities, public school, and universities, to improve worker safety and reduce workplace injuries;
- Investigates public sector accidents and fatalities;
- Responds to safety complaints;
- Issues compliance reports that identify any deficiencies of the MSCA or safety hazards found during an inspection and recommends abatement actions to eliminate hazards;
- Performs unannounced workplace inspections; and
- Audits public employers' compliance with the Montana Safety Culture Act (MSCA) and enforces the Montana Occupational Safety and Health Act (OSHA) to include the OSHA 1910 and 1926 safety standards.

The **Mine Unit:**

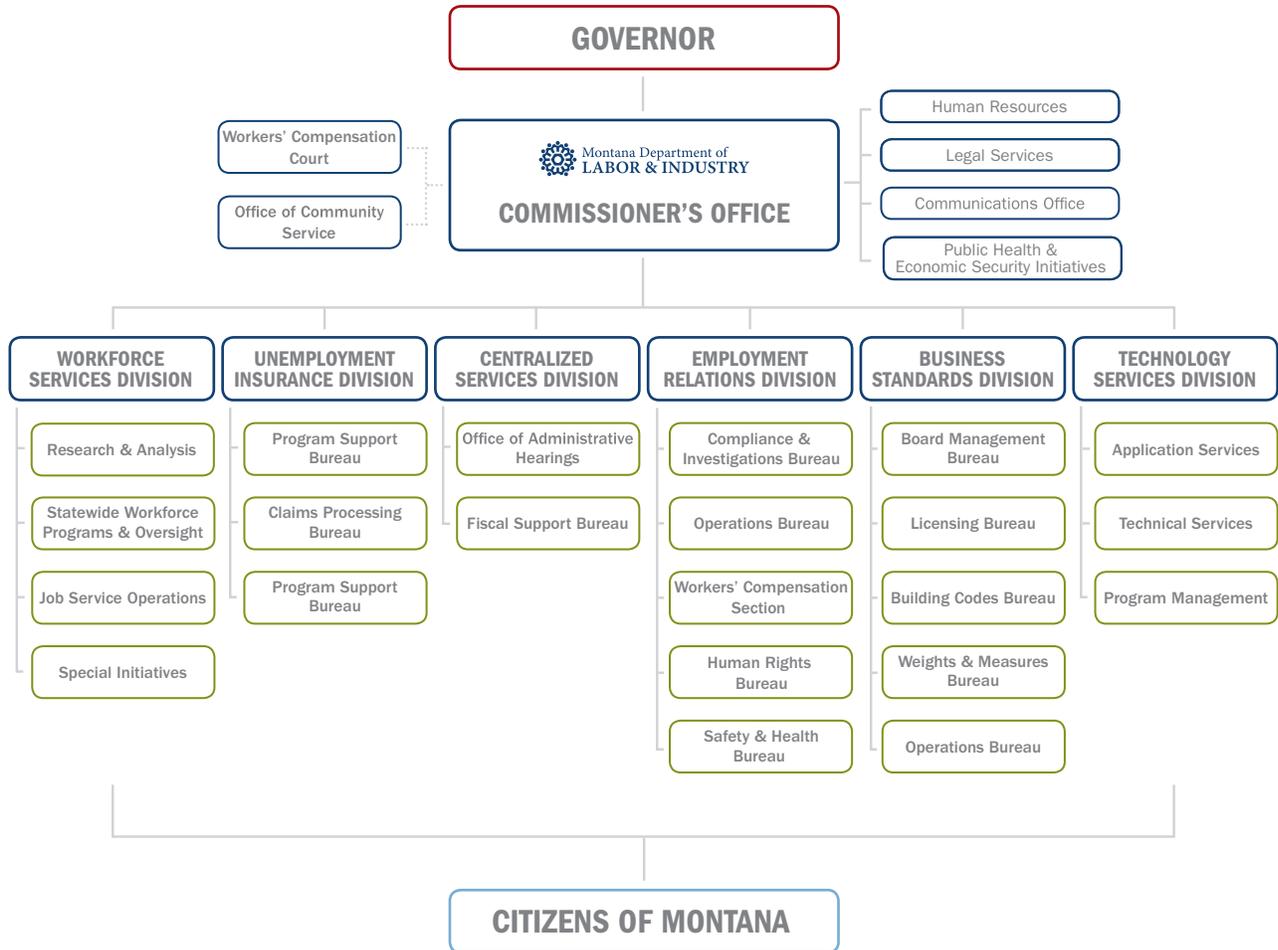
- Responsible for safety compliance and consultation in surface and underground coal mines and Mine Safety and Health Administration (MSHA) Part 46 operations, including sand, gravel, and dimensional stone;
- Provides mine safety training including MSHA Part 48, surface and underground new miner and annual refresher training; and
- Provide First Aid/CPR, MSHA training plan development, and Hazwoper refresher training.

The **Outreach and Education Unit**

- Conducts presentations on the Montana Safety Culture Act and employer safety to business related organizations;
- Provides young worker focused Occupational Safety and Health Administration (OSHA) 10-hour courses at high schools, colleges, and youth organizations; and
- Conducts SafetyFests providing free occupational safety and health training to workers and employers through events held around Montana.

ORGANIZATIONAL CHARTS

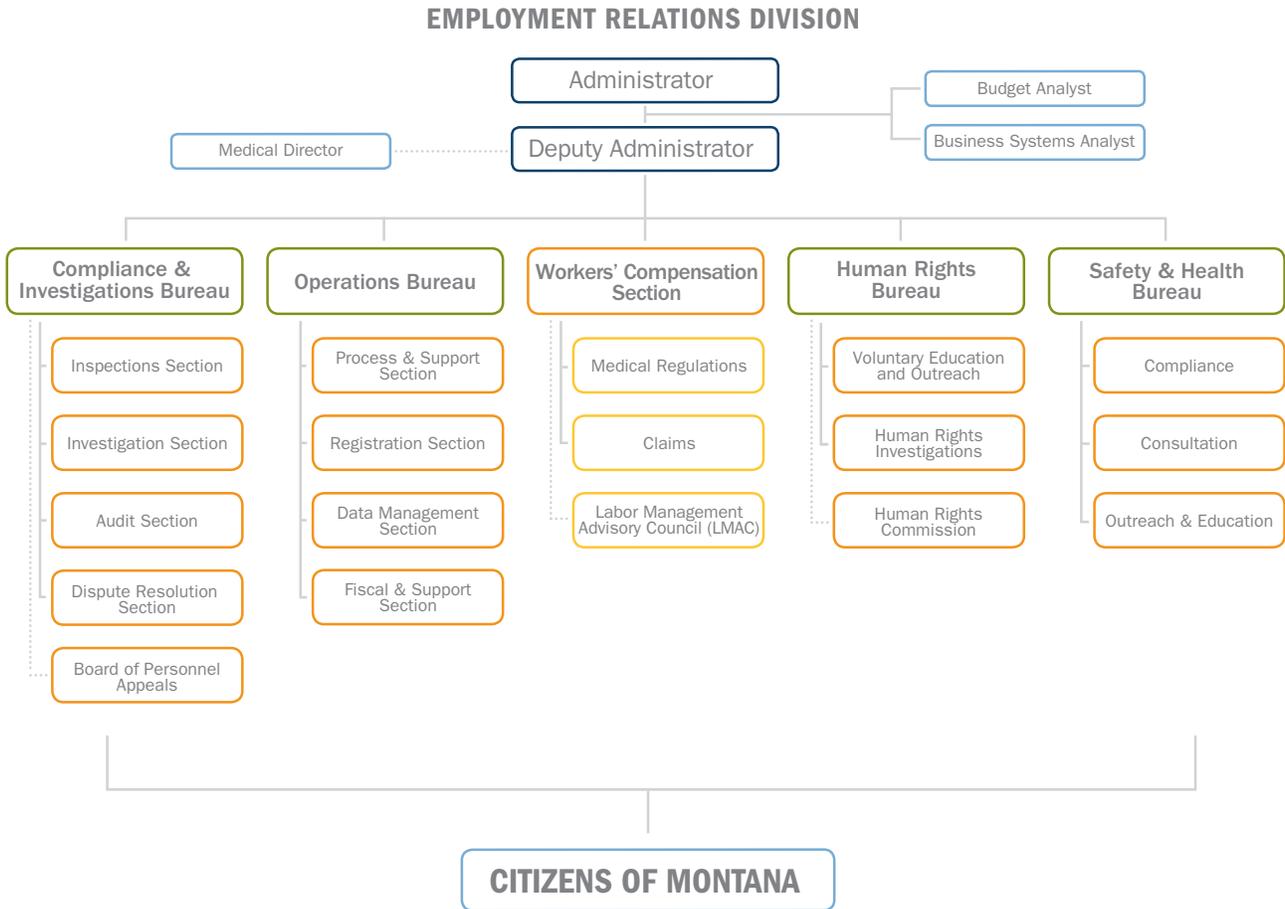
Exhibit 5.1
Montana Department of Labor & Industry



ORGANIZATIONAL CHARTS

Exhibit 5.2

Employment Relations Division



WORKERS' COMPENSATION ASSESSMENTS AS EXPENDED

The administration of the Workers' Compensation Act is funded by an assessment to employers who self-insure and a surcharge paid by employers who are insured by private insurance companies or the Montana State Fund. Section §39-71-201, MCA, provides the administration assessment may be up to 4% of benefits paid during the preceding calendar year for injuries and occupational diseases covered under the Workers' Compensation Act, without regard to the application of any deductible and whether the employer or the insurer pays the losses. Benefits included in the calculation are: (1) compensation benefits paid and (2) medical benefits paid (except payments in excess of \$200,000 per occurrence, which are exempt from the assessment).

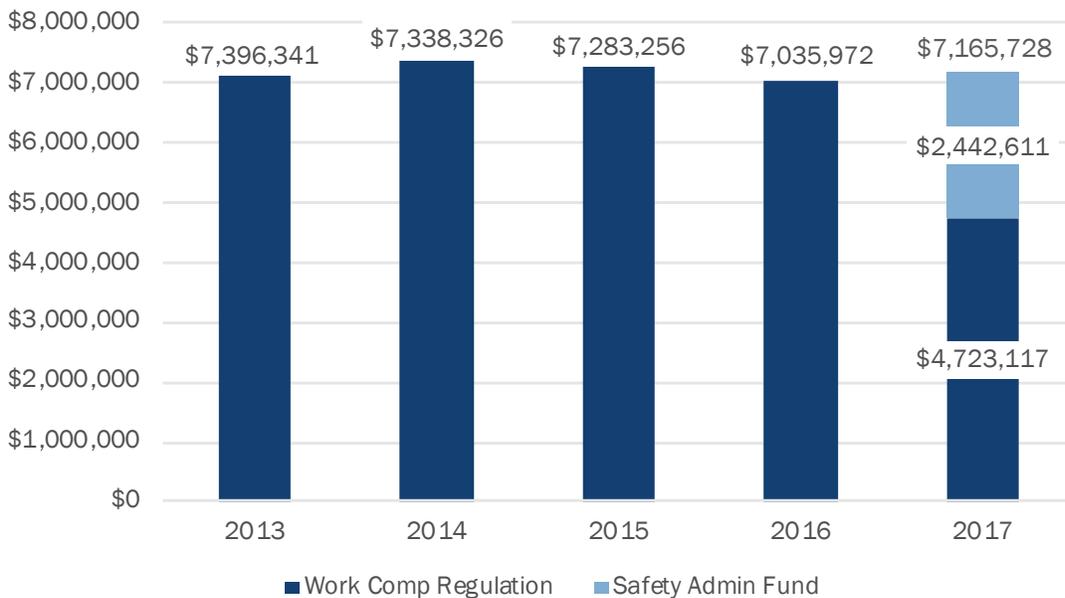
DLI functions funded by the administration assessment:

- Legal functions of the Workers' Compensation Court, Office of Administrative Hearings, and Office of Legal Services;
- A portion of the Research & Analysis Bureau in the Workforce Services Division; and
- Administration of the Employment Relations Division and workers' compensation functions, including the workers' compensation database, claims management, data analysis, mediation, medical regulations, self-insurance, carrier compliance, Professional Employer Organizations, and Managed Care Organizations.

Beginning July 1, 2016, a separate assessment for the occupational safety and health administration fund applies to employers who self-insure and a surcharge paid by employers who are insured by private insurance companies or the Montana State Fund. Section §50-71-128, MCA, provides the safety assessment may be up to 2% of benefits paid during the preceding calendar to fund occupational safety and health administrative and regulatory activities.

Exhibit 5.3

Workers' Compensation and Safety Administration Assessments as Expended By Fiscal Year of Program



SUBSEQUENT INJURY FUND

The Subsequent Injury Fund (SIF) assists individuals with a permanent impairment that may create an obstacle to employment by offering a financial incentive to employers to hire SIF-certified individuals. Many states have similar funds, sometimes referred to as second injury funds. Montana's program is funded through an annual assessment on Montana self-insured employers and a surcharge on premium paid for private insured and Montana State Fund policyholders.

The Employment Relations Division sets the assessment and surcharge rates annually. The rates are based on the total amount of paid losses reimbursed by SIF in the preceding calendar year, plus the expenses of administration, less other income earned. Covered employers share in the reimbursement of SIF is based on the percentage of the compensation and medical benefits paid in Montana by their insurers in the preceding calendar year.

The SIF program reduces the insurer's liability by placing a limit of 104 weeks on the amount the insurer will have to pay for medical and wage loss benefits in the event a worker who is SIF-certified becomes injured or re-injured on the job. When the 104 weeks is reached, SIF may assume liability for the claim. The benefit to an insured employer is that since the insurer's liability is limited to 104 weeks on the claim, it can reduce the employer's modification factor, which in turn can keep premiums lower than would otherwise be the case without SIF. For a self-insured employer, it provides a direct recovery of expenses paid for a workers' compensation claim. If a certified worker does become injured on the job, the worker remains entitled to all benefits due under the Workers' Compensation Act.

There is usually a lag time from when reimbursements are made and assessments are received to replenish the fund balance. To address this issue, the 2015 legislative session included a provision in House Bill 90 that changed the look back date from the prior calendar year to March 31 of the current year when calculating the assessment. This change better aligns the reimbursements paid to carriers with the assessment income received.

In FY17 there were 5,108 certified workers in the SIF program and \$1,111,330 payments made.

SUBSEQUENT INJURY FUND

Exhibit 5.4

SIF Payments and Dollars Assessed

By Plan and Fiscal Year

Plan Type	FY13		FY14		FY15		FY16		FY17	
	Payments	Assessment	Payments	Assessment	Payments	Assessment	Payments	Assessment	Payments	Assessment
Self-Insured	\$375,991	\$82,383	\$31,989	\$127,827	\$44,671	\$216,790	\$147,774	\$126,804	\$271,404	\$344,965
Private	\$278,648	\$65,624	\$219,437	\$365,669	\$287,916	\$514,133	\$230,368	\$268,053	\$93,448	\$672,984
State Fund	\$562,552	\$131,510	\$455,896	\$448,232	\$532,231	\$759,991	\$1,086,556	\$514,657	\$746,478	\$898,505
Total	\$1,217,191	\$279,517	\$707,322	\$941,728	\$864,818	\$1,490,914	\$1,464,698	\$909,514	\$1,111,330	\$1,916,454

Exhibit 5.5

SIF Applications

By Fiscal Year

	FY13	FY14	FY15	FY16	FY17
Applications	117	116	80	49	55
Approvals	72	58	33	23	33

UNINSURED EMPLOYERS' FUND

The primary roles of the Uninsured Employers' Fund (UEF) are to provide medical and indemnity benefits to employees injured on the job while working for an uninsured employer and to ensure that employers comply with Montana's workers' compensation laws.

The UEF is self-funded. Two forms of revenue are collected from uninsured employers:

1. **Penalties.** UEF levies and collects penalties for the time that the employer was legally required to have a workers' compensation policy until they are in compliance. Penalties can be double the insurance premium that would have been paid by the employer or a flat payment of \$200, whichever is greater (ARM 24.29.2831). Penalties levied by UEF are based on the cost of the policy that should have been in place during the uninsured period, based on the company's industry code.
2. **Recoupment of benefits paid.** The UEF endeavors to collect from uninsured employers all medical and indemnity benefits paid by UEF on behalf of injured employees.

Revenues collected in a fiscal year do not necessarily reflect the penalties or claims costs being assessed for that fiscal year. Revenue includes both current and prior year debts that were successfully collected during the fiscal year. Revenues have declined because ERD has improved its ability to identify uninsured employers and bring them into compliance sooner. This has reduced the penalties imposed, while expenses have remained about the same.

Indemnity benefits paid by UEF to injured employees who worked for uninsured employers decreased from FY16 to FY17 and medical expenses paid increased during this period. There were 24 UEF claims received in FY17.

Reported amounts may change from year to year due to prior year adjustments.

Exhibit 5.6

Uninsured Employers' Fund – Claim Count

By Fiscal Year Received

	FY13	FY14	FY15	FY16	FY17
UEF Claims	58	41	47	46	24

UNINSURED EMPLOYERS' FUND

Exhibit 5.7

Uninsured Employers' Fund - Financial Activity

By Fiscal Year of Payment

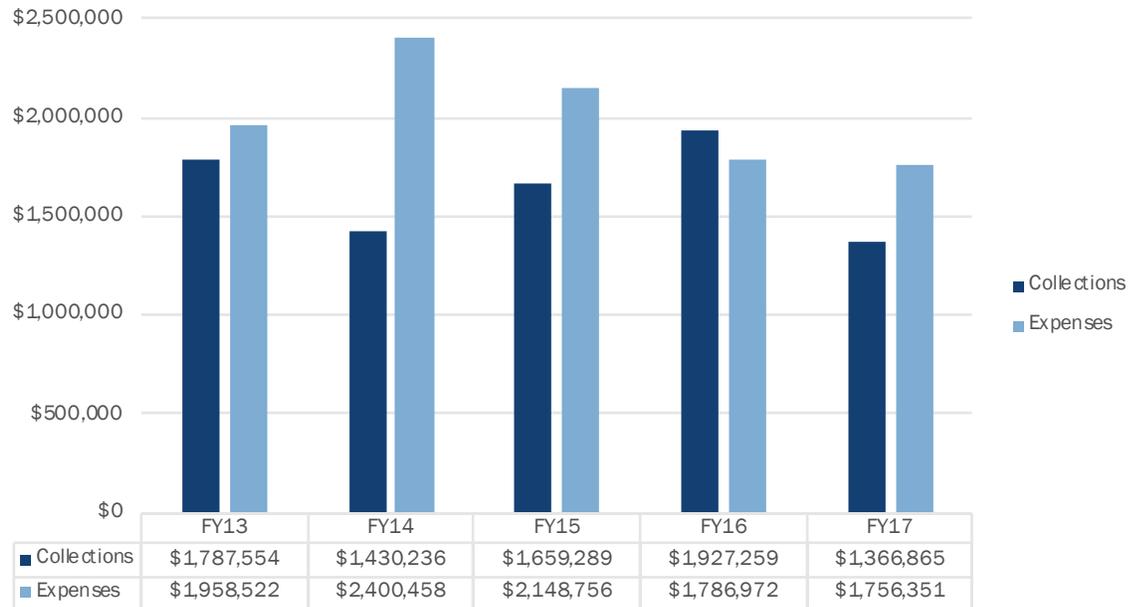
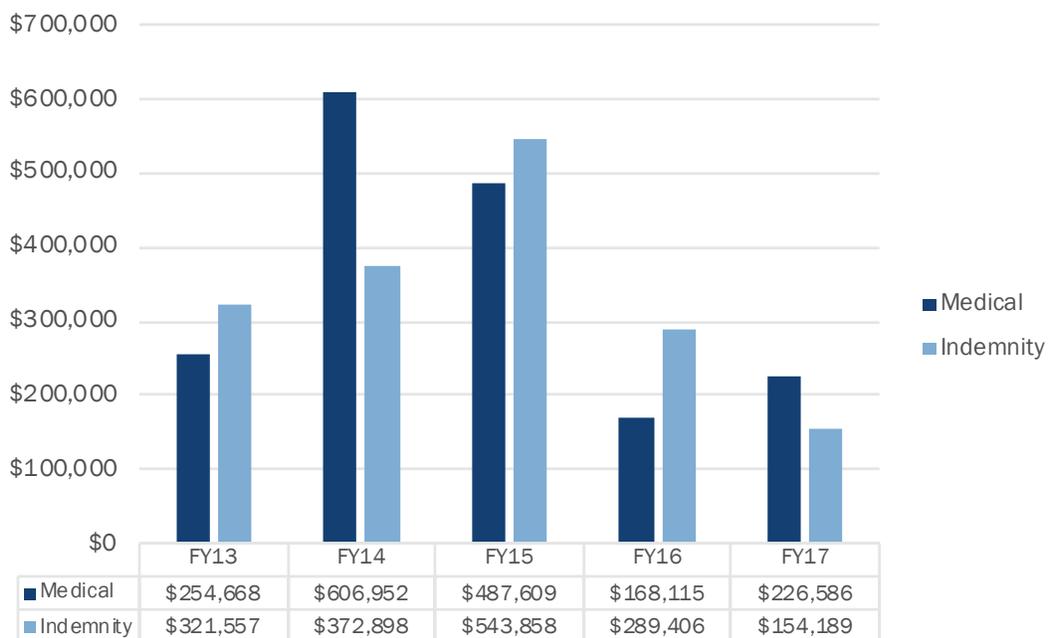


Exhibit 5.8

UEF Medical and Indemnity Payments

By Fiscal Year of Payment



CONSTRUCTION CONTRACTOR REGISTRATION

The Construction Contractor Registration (CR) program facilitates the registration of construction contractors working in Montana. All construction contractors working in Montana who have employees, are a corporation, or are a manager-managed limited liability company are required to register. Hiring a registered construction contractor does not guarantee quality assurance, nor does it mean they are licensed, bonded, or tested.

The program serves three primary purposes:

1. Verifying the contractor has complied with the workers' compensation insurance laws;
2. Preventing the liability of a workplace injury from moving upward from one contractor to another; and
3. Leveling the playing field by assuring all construction contractors with employees have a Montana workers' compensation insurance policy.

The CR program works cooperatively with representatives of the building industry and the public to provide education about the registration program and about the hiring of building construction contractors. The education program is accomplished through seminars, presentations, news articles, multi-media campaigns, conferences, and community fairs and shows.

In FY17, there were 10,283 active registered contractors and 5,681 new applications. The active contractors with employees totaled 4,925 and the active contractors without employees, 5,358. Contractors without employees are not required to have a workers' compensation policy.

In the construction industry in Montana, out-of-state workers' compensation coverage is not sufficient coverage for an out-of-state contractor wanting to do business in Montana. The out-of-state construction contractor must have a workers' compensation policy specific to Montana if doing business in Montana. An out-of-state company can bid on a job in Montana and ask for a bid only registration but if the contractor gets the job, they must obtain coverage before they start working and change their registration to active from bid only. In FY17, there were 510 bid only contractors.

Seven penalties, up to a maximum of \$500, were issued in FY17, for one of the following reasons: performing work as a construction contractor without being registered; performing work as a construction contractor when the construction contractor's registration is suspended; transferring a valid registration to an unregistered construction contractor; or allowing an unregistered construction contractor to work under a registration issued to another construction contractor.

The website www.mtcontractor.com provides more information on construction contractor registration in Montana.

Exhibit 5.9

Registered Construction Contractor Applications

By Fiscal Year

	FY13	FY14	FY15	FY16	FY17
Applications Received	4,953	5,919	5,112	6,037	5,681
Active Contractors	9,940	9,759	9,996	10,295	10,283
Bid Only Contractors	598	498	428	445	510
Contractors with Employees	4,713	4,128	3,347	2,922	4,925

INDEPENDENT CONTRACTOR EXEMPTION CERTIFICATES

An Independent Contractor Exemption Certificate (ICEC) allows the owner of a business to exempt themselves from workers' compensation coverage by applying for and receiving an ICEC for the specific occupation in which they want to work as an independent contractor. A business owner may be a sole proprietor, working partner of a partnership, working partner of a limited liability partnership, a working member of a member-managed limited liability company (LLC), or a working manager of a manager-managed LLC (in the construction industry). A manager of a manager-managed LLC (not in the construction industry) and a corporate officer of a corporation with more than 20% of the shares in the corporation or 20% ownership in the LLC may apply for an ICEC.

ICECs are issued through the Independent Contractor Central Unit (ICCU). It is the intent of the program to assure only those individuals who are truly established in a business will receive an ICEC and those who hire them can rely on the certificate as conclusive proof the worker is an independent contractor. The ICEC is valid for two years unless it is revoked, denied, or suspended.

Certificates may be suspended if control is exerted over the worker by the hiring agent, and that is enough to destroy the independent contractor relationship. They may also be revoked if a certificate holder fails to cooperate with the Department.

In FY17, 346 investigations took place across the state either affirming independent contractor relationships or requiring employers to obtain workers' compensation policies. The Department revoked 30 exemption certificates in FY17, compared to 11 in FY16, for failure to cooperate with Department's investigation.

One goal of the program is to educate the public of the rights and responsibilities of being an independent contractor or hiring one. Annual outreach and education is provided through seminars, presentations, home show participation, news articles, multi-media campaigns, conferences, and county fairs.

The very last resort for the Department is penalty enforcement and this applies to either the worker, the hiring agent, or both. In FY17, there were 30 penalties, ranging from \$250 to \$1,000, for a total of \$12,250. The Department waived 12 penalties and collected \$500.

In FY17, there were 20,620 active ICECs and 10,637 applications received of which 10,373 were approved, 251 denied, and 30 revoked. Failure to provide a complete application was the primary reason for the denials. Over half (54%) of the total applications received in FY17 were from the construction industry, administrative and support and waste management and remediation services accounted for 12%, transportation and warehousing 8%, professional, scientific and technical services 6%, arts, entertainment and recreation 5%, agricultural, forestry, fishing & hunting 3%, and health care and social assistance 3%.

The website www.mtcontractor.com provides more information on independent contractors in Montana.

INDEPENDENT CONTRACTOR EXEMPTION CERTIFICATES

Exhibit 5.10

Independent Contractor Exemptions

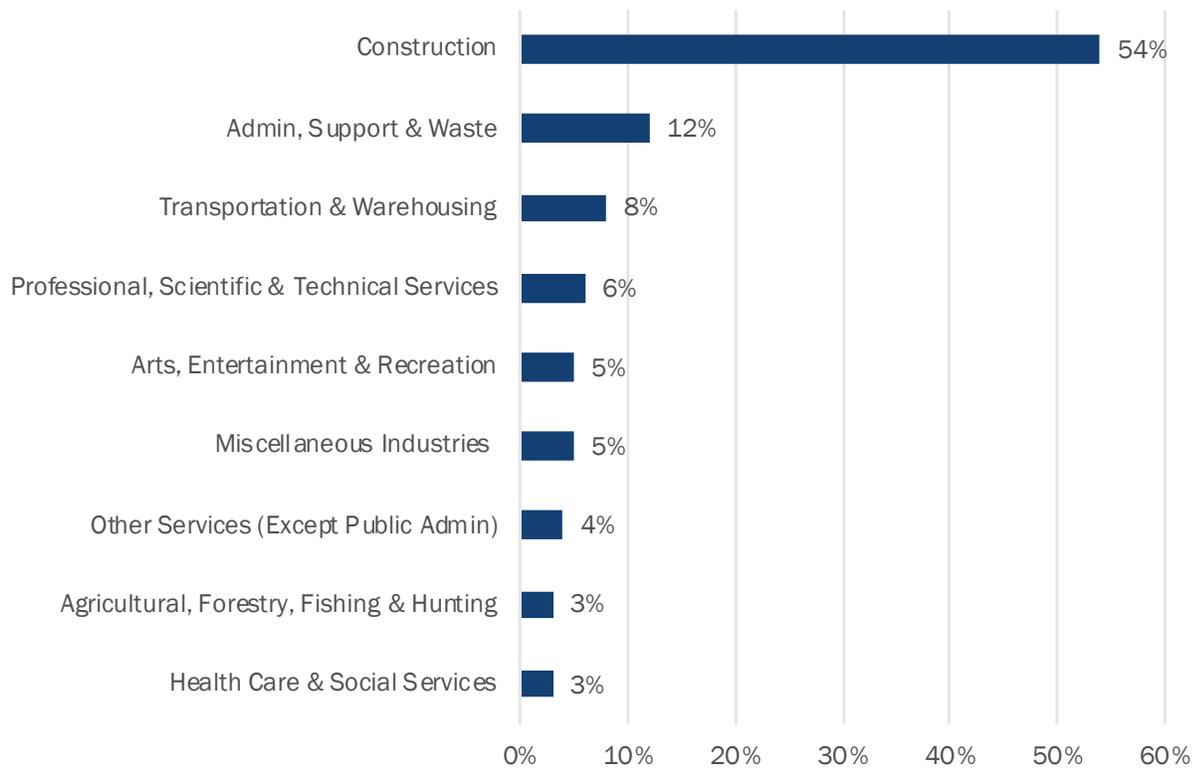
By Fiscal Year

	FY13	FY14	FY15	FY16	FY17
Applications Received	8,947	9,865	9,964	10,850	10,637
Active ICEC's	17,805	17,865	18,870	19,883	20,620

Exhibit 5.11

Independent Contractor Exemptions Applications – FY17

By Fiscal Year



PROFESSIONAL EMPLOYER ORGANIZATIONS

A Professional Employer Organization (PEO) is a business that contracts employment services to other businesses. Once contracted, the PEO becomes the employer of record, and, as such, is legally responsible for the hiring, firing, payment, insurance, taxation, and regulation of all the employees subject to the agreement between the PEO and the employers. PEOs are required to be licensed by the Department.

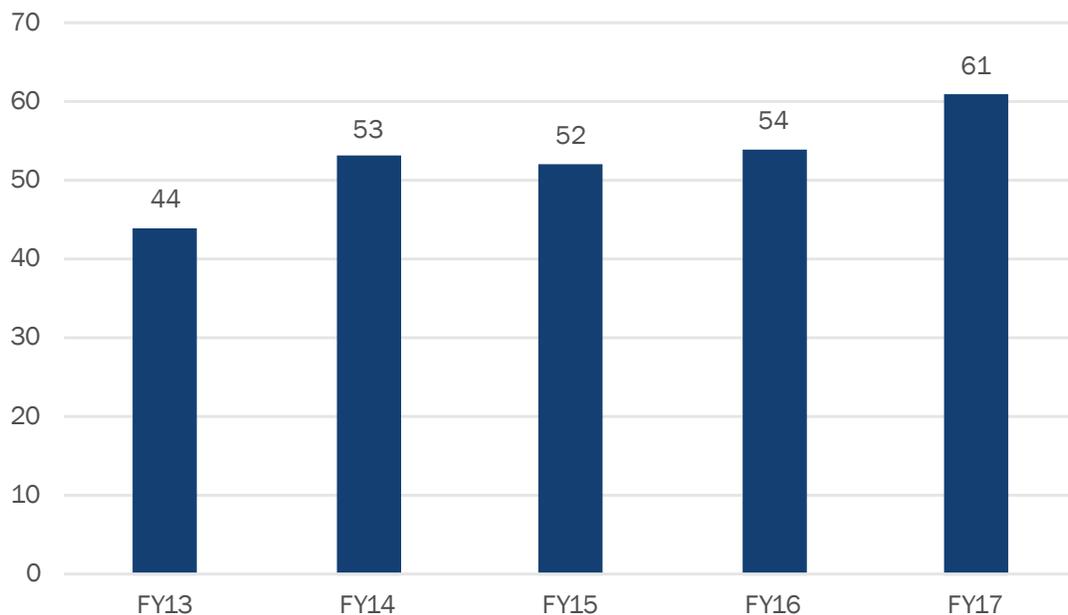
The legislature recognizes that there is a public need for professional employer services and finds it necessary in the interest of public health, safety, and welfare to establish standards for the operation, regulation, and licensing of professional employer organizations and groups in this state.

In FY17, the Department licensed 61 PEO's, with 701 active PEO Employers, who had 4,982 leased employees.

Exhibit 5.12

Licensed Professional Employer Organizations

By Fiscal Year



PROFESSIONAL EMPLOYER ORGANIZATIONS

Exhibit 5.13

Number of Active PEO Employers

By Fiscal Year

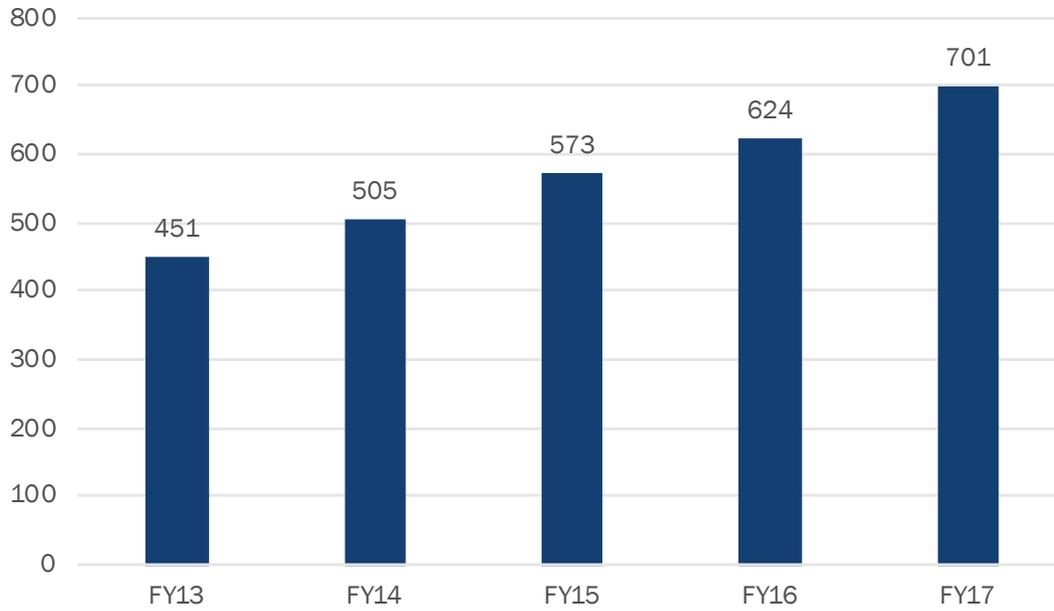
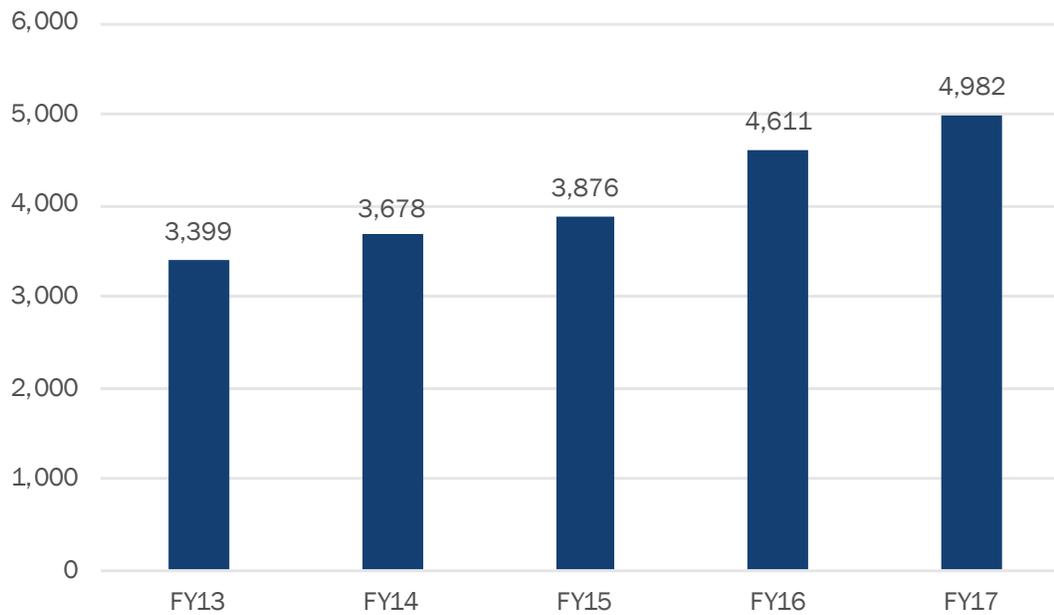


Exhibit 5.14

Leased Employees - Average Quarterly Count

By Fiscal Year



SAFETY & HEALTH

The purpose of the Safety and Health Bureau (SHB) is to raise Montana employers and employees level of awareness about workplace safety and health through inspection, consultation, technical assistance and training.

CONSULTATION

The Consultation Program provides on-site consultation services to both private and public sector; this includes small companies and city, county, and state entities. The goal is to help identify and correct safety and health hazards to reduce potential accidents, injuries, and monetary penalties from regulatory bodies. In FY17, the consultation program had four safety consultants and four industrial hygienists. In the exhibits below, ‘visits’ are hazard investigations and ‘interventions’ involve education.

Exhibit 5.15

Public Employer Consultation Activities

By Fiscal Year

	FY14	FY15	FY16	FY17
State Government	19	13	45	42
County Government	9	9	19	32
City Government	6	12	21	40
College/Public Schools	6	8	14	12
Total Visits	40	42	99	126
Total Interventions	89	80	89	93

Exhibit 5.16

Private Employer Consultation Activities

By Fiscal Year

	FY14	FY15	FY16	FY17
Number of Employees covered	21,928	12,754	24,899	16,977
Number of Hazards Identified in work place	767	486	1,154	858
Total Visits	218	228	294	261
Total Interventions	145	95	111	113

SAFETY & HEALTH

OUTREACH AND EDUCATION

The Outreach & Education Unit works to reduce Montana's high injury, illness and fatality rates by assisting employers through free education and training. In addition to helping Montana employers, the unit also targets young workers, who are more at risk, by offering Occupational Safety & Health Administration (OSHA) 10-hour training to high schools, colleges, and youth-related organizations across the state. During FY17, the SHB held 66 OSHA 10-Hour classes (outside of SafetyFestMT) for 1,203 students.

SafetyFestMT is perhaps the Department's largest educational outreach effort. The Safety and Health Bureau (SHB) hosts four events a year in both rural and urban communities throughout Montana. This free event is geared towards both employers and their employees, offering classes on a variety of topics. Of those that attended SafetyFestMT during FY17, 58% were from the private sector and 42% were from the public sector. The top four industries represented by attendees were construction, manufacturing, other except public administration, and health care and social assistance.

Exhibit 5.17

SafetyFestMT – FY17

City	Number of Attendees	Number of Classes
Missoula	630	49
Havre	145	32
Helena	403	60
Billings	391	65
Total	1,569	206

Sector	Percent of Attendees
Public	42%
Private	58%

MINE SAFETY

The SHB, under the Montana Coal Mine Safety Act (§50-73-101, MCA), is responsible for workplace safety and health compliance in underground and surface coal mines. They conduct mine safety inspections and assist mine operators in safety training plan development. The SHB also inspects sand and gravel operations, under §50-72-101, MCA.

The SHB partners with contractors to ensure Mine Safety and Health Administration (MSHA) compliance and works with multiple county, state and federal agencies to assist

in accident investigations and safety. Under a grant from MSHA, the Bureau provides CPR training and certification, new miner training, annual refresher courses, as well as Hazwoper annual refresher at centralized training facilities throughout the state.

Exhibit 5.18

Mine Safety Activities

By Fiscal Year of Activity

	FY15	FY16	FY17
Coal Mine Inspections	12	12	14
Sand & Gravel Inspections	120	77	69
Classes Taught (Metal/Nonmetal/Coal)	87	57	76

PUBLIC SECTOR SAFETY

The SHB, under the Montana Occupational Safety and Health Act (§50-71-114, MCA), is responsible for workplace safety and health compliance for public sector employers. They conduct unannounced workplace inspections and share industry best practices with public sector employers. In previous years, a shortage of staff denoted fewer inspections.

Exhibit 5.19

Public Sector Safety Activities¹

By Fiscal Year of Activity

	FY15	FY16	FY17
Inspections	3	205	448
Interventions	34	25	58

¹increase may be due to staffing increasing

MONTANA SAFETY CULTURE ACT

The Montana Safety Culture Act enacted by the 1993 Montana State Legislature encourages workers and employers to come together to create and implement a workplace safety philosophy. It is the intent of the act to raise workplace safety to a preeminent position in the minds of all Montana's workers and employers. It is the responsibility of employers to participate in the development and implementation of safety programs that will meet the specific needs of their workplace.

The SHB helps employers establish or strengthen a safety program appropriate to their business and employees' needs by incorporating the Montana Safety Culture Act.

STAY AT WORK/RETURN TO WORK

The 2011 Legislature directed Stay at Work/Return to Work (SAW/RTW) assistance be made available to injured workers upon request (§39-71-1041, MCA) either by contacting the appropriate workers' compensation insurer or the department. The goal of the assistance is to minimize disruption caused by a work-related injury or disease by assisting the worker to return to the same position with the same employer or a modified position with the same employer as soon as possible after an injury or occupational disease occurs.

The SAW/RTW Assistance Program provides training and outreach at SafetyFestMT events, Assistance to Business Clinics, and other presentations by request.

Since the program's implementation on July 1, 2012; 606 requests had these known outcomes:

- 389 injured workers returned to work with time of injury employer
- 98 employers determined they could not provide transitional employment
- 39 injured workers refused transitional work
- 63 injured workers could not get a medical release to return to work
- 17 requests for assistance ended without a return to work

CLAIMS EXAMINER CERTIFICATION

The 2009 Legislative Session passed the voluntary Claims Examiner Certification process (§39-71-320, MCA). This legislation establishes standards for the voluntary certification of workers' compensation claims examiners in the State of Montana. It provides minimum qualifications, an examination, a two-year certification and renewal process, continuing education requirements, and standards for the qualifications of instructors.

Exhibit 5.20

Claims Examiner Certification Activities

By Fiscal Year

	FY13	FY14	FY15	FY16	FY17
Total Examiners Certified as of FY End	124	136	159	157	154
New Examiners Certified	7	21	14	25	24
Examiners who took the Examination	12	27	18	29	27
Department Approved Courses	5	18	14	24	17

INDEPENDENT MEDICAL REVIEWS

An Independent Medical Review (IMR) is an informal, alternative dispute resolution process to address denial of medical services when:

1. treatment was not specifically addressed or recommended by the Montana Guidelines;
2. treatment was requested after Maximum Medical Improvement (MMI);
3. treatment went beyond the duration and frequency limits set out in the Guidelines; or
4. the Guidelines require prior authorization.

IMRs may be requested by the physician, injured worker, insurer, or injured worker representative. IMRs apply to medical services provided on or after July 1, 2011. Decisions are not binding on the parties and the department's medical director reviews requests and issues decisions.

Exhibit 5.21

Total Independent Medical Reviews
By Resolution and Fiscal Year

	FY13		FY14		FY15		FY16		FY17	
Independent Medical Reviews	Count	%								
Not Recommended	16	38%	2	8%	7	44%	10	48%	9	47%
Did Not Qualify for IMR	4	10%	3	13%	2	13%	7	33%	0	0%
Recommended	2	5%	7	29%	5	31%	2	10%	9	47%
Recommended Other Guideline Treatments	19	45%	9	38%	2	13%	1	5%	0	0%
Recommended with Conditions	1	2%	3	13%	0	0%	1	5%	1	5%
Totals	42	100%	24	100%	16	100%	21	100%	19	100%

FIVE-YEAR CLOSURE OF MEDICAL BENEFITS

The 2011 Montana Legislature, through HB 334, provided for the termination of medical benefits 60 months from the date of injury or occupational disease (OD) for claims with dates of injury or OD on or after July 1, 2011. The termination does not apply to injured workers who are determined to be permanently totally disabled, receive care for the repair or replacement of a prosthesis, or to medical benefits settled or closed by agreement or by a court order. (§39-71-717, MCA)

The Legislature also provided a petition process for an injured worker to continue or reopen their medical benefits if they required the benefits to stay at work or to return to work. (§39-71-717, MCA) Department staff developed draft administrative rules and business processes to implement the petition process. Stakeholder input was solicited at the 2015 Governor's Conference on Workers' Compensation and Occupational Safety and Health.

The Department published a Notice of Rules on November 25, 2015 and a hearing was held on December 18, 2015. After consideration of comments, the Department published the Notice of Adoption on February 5, 2016. ERD conducted nine stakeholder training sessions across the state, which were attended by 159 persons.

Exhibit 5.22

Five Year Reopening Petitions by Fiscal Year Filed

	FY16	FY17	FY18²	Total Petitions
Approved	2	41	55	98
Denied	0	28	9	37
Dismissed	0	8	5	13

²as of 5/7/2018, not a complete fiscal year

Section

6

APPENDICES

- Definitions
- Data Sources
- Resources



DEFINITIONS

Calendar Year: The year beginning January 1st and ending December 31st.

Cause of Injury (Code(s)): for this report the cause of injury major groupings are:

Abrasion (95) – rubbed or abraded

Absorption, Ingestion, Inhalation (82) – applies to non-impact cases in which the injury resulted from inhalation, absorption or skin contact, or ingestion of harmful substances

Burn (04 and 07) – from fire or flame, or flash burn to skin or eyes

Caught In, Under or Between (10, 12, 13, and 20) – from machine or machinery, or an object being handled, or collapsing materials including slides of earth

Chemical Exposure (01) – includes hydrochloric acid, sulfuric acid, battery acid, methanol, or antifreeze

Cold Exposure (11) – cold objects or substances

Continual Noise (52) – injury to ears or hearing due to the cumulative effects of constant or repetitive noise

Criminal Act (89, 93, and 96) – injury caused as a result of contact between another person in the event of a robbery or crime or an injury resulting from a gunshot or an act committed out of terrorism

Dust, Gases, Fumes (06) - includes inhalation of carbon dioxide, carbon monoxide, propane, methane, silica (quartz), asbestos dust and smoke

Electrocution (84) – includes electric shock, electrocution and lightning

Extreme Temperatures (03) – non-impact injuries resulting in a burn due to hot or cold temperatures extremes and includes freezing or frostbite

Fall, Slip, Trip (25, 26, 27, 28, 29, 30, 31, 32, and 33) – includes collapsing chairs, falling from piled materials, off wall, catwalk, or bridge, from ladder or scaffolding, from liquid or grease spill, into openings, on same level, on ice or snow, or on stairs

Foreign Matter in Eye(s) (87) – injury to eyes resulting from foreign matter

Hot Exposure (02 and 05) – hot objects or substances or steam or hot fluids

Mental (90) – stress, shock, or psychological trauma

Motor Vehicle (40, 41, 45, 46, 47, 48, 50, and 77) – crash of water vehicle or rail vehicle, collision or sideswipe of another vehicle, collision with a fixed object, crash of airplane, vehicle upset, or injuries due to a sudden stop or start, being thrown against interior parts of a vehicle or vehicle contents being thrown against occupants

Other (88 and 99) – including not classified and natural disasters

Other Cumulative (98) – involves cases in which the cause of injury occurred over a period of time or any condition increasing in severity over time

Other Exposure (09, 14, and 91) – contact with cleaning agents or fertilizers, abnormal air pressure, or exposure to mold

Puncture, Cut, Scrape (15, 16, 17, 18, and 19) – including broken glass, hand or power tools, objects being lifted or handled

Radiation (08) – includes effects of ionizing radiation found in x-rays, microwaves, nuclear reactor waste, and radiating substances and equipment or non-ionizing radiation such as sunburn

Repetitive Motion (94 and 97) – caused by repeated rubbing or abrading, and applies to non-impact cases in which the injury was produced by pressure, vibration or friction and could include callous or blister or cumulative injury or condition caused by continual repeated motion or strain from excessive use such as carpal tunnel

Strain (53, 54, 55, 55, 56, 57, 58, 58, 59, 60, and 61) – twisting, jumping or leaping, holding or carrying, lifting, pushing or pulling, reaching, using tool or machinery, or welding or throwing

Strike Against or Step On (65, 66, 67, 68, 69, and 70) – moving part of a machine, objects being lifted or handled, sanding, scraping, or cleaning, stationary object, or stepping on sharp object

Struck by Object (74, 75, 76, 78, 79, 80, 81, 85, and 86) – by fellow worker, patient, or other person

DEFINITIONS

either intentional or accidental but not in the act of a crime, falling or flying object, hand tool or machine in use, moving parts of a machine, objects being lifted or handled, object handled by others, kicked, stabbed or bitten, animal or insect bite or sting, or explosion or flare back

Cause of injury code descriptions can be found at wcio.org/Active%20PNC/WCIO_Cause_Table.pdf, maintained by the Workers' Compensation Insurance Organizations (WCIO)

Employment Relations Division (ERD): ERD is part of the Department of Labor & Industry. The Division provides a wide variety of service and regulation related to the employer – employee relationship. This includes issues involving workers' compensation coverage and claims, human rights claims, workplace safety and health, wage and hour claims, prevailing wage claims, and public sector collective bargaining.

Extra-Territorial Reciprocal Agreement: A formal agreement between two states which allows employers temporarily doing business away from their home state to utilize their workers' compensation coverage in the other state, without needing to purchase additional coverage. When an agreement is in effect with another state, it allows for employers with workers from that state to work in Montana on a temporary basis without purchasing Montana coverage. It in turn allows Montana employers with workers to temporarily do business in the other state without purchasing that state's required coverage. The Employment Relations Division oversees extra-territorial reciprocal agreements with Washington, Oregon, Idaho, Wyoming, Utah, and North & South Dakota.

Fiscal Year: The State of Montana's fiscal year begins July 1st and ends June 30th of the following year. (Example: 07/01/15 - 06/30/16 = FY16)

First Report of Injury and Occupational Disease (FROI): The initial report designed to notify parties of the occurrence of an injury or occupational disease. The FROI contains basic claim information about the worker, accident, employer and insurer. It is completed and submitted to ERD by employees, employers or insurers. The Annual Report includes information on all injuries and occupational diseases reported to ERD; however, all injuries and occupational diseases that occurred in Montana may not have been reported.

Indemnity Benefits: Any payment made directly to

the worker (or the worker's beneficiaries), other than a medical benefit. The term includes payments made pursuant to a reservation of rights, or in settlement of a dispute over initial compensability of the claim. The term does not include expense reimbursements for items such as meals, travel or lodging. ARM 24.29.4303 (4)

Independent Medical Review (IMR): A physician, injured worker, insurer or injured worker representative may request an IMR by the Department's medical director for medical treatment denied by the insurer, prior to mediation under 39-71-2401, MCA. The medical director will review the medical records of the injured worker and other information relevant to the denial and issue a recommendation. The medical director is the specific individual designated by the Department to serve as the medical director with respect to a given set of disputed treatments or procedures. The medical director's review and recommendation is an informal alternative dispute resolution process without administrative or judicial authority and is not binding on the parties.

Industry: The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. NAICS codes are grouped into different industrial divisions. The following is a list of examples of each division:

Accommodation and Food Services - lodging and/or preparing meals, snacks, and beverages

Administrative and Support and Waste Management and Remediation Services - support activities for the day-to-day operations of other organizations including office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services

Agriculture, Forestry, Fishing and Hunting - growing crops, raising animals, harvesting timber, and harvesting fish and other animals from a farm, ranch, or their natural habitats

Arts, Entertainment, and Recreation – services that meet varied cultural, entertainment, and recreational interests of their patrons including (1) producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) exhibiting objects and sites of historical, cultural, or educational interest; and (3) services that enable patrons to participate in recreational activities or pursue

DEFINITIONS

amusement, hobby, and leisure-time interests

Construction – construction of buildings or engineering projects (e.g., highways and utility systems) including the preparation of sites for new construction and establishments primarily engaged in subdividing and for sale of building sites

Educational Services – provide instruction and training in a wide variety of subjects including schools, colleges, universities, and training centers, either privately owned and operated for profit or not for profit, or publicly owned and operated

Finance and Insurance – engaged in financial transactions (transactions involving the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions

Health Care and Social Assistance – health care and social assistance for individuals including both health care and social assistance because it is sometimes difficult to distinguish between the boundaries of these two activities

Information – produce and distribute information and cultural products, provide the means to transmit or distribute these products as well as data or communications, and process data

Management of Companies and Enterprises – hold the securities of (or other equity interests in) companies and enterprises for the purpose of owning or controlling interest or influencing management decisions, or administer, oversee, and manage establishments of the company or enterprise

Manufacturing – engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products and the assembling of component parts of manufactured products is considered manufacturing, except in cases where the activity is appropriately classified Construction

Mining, Quarrying, and Oil and Gas Extraction – extraction of naturally occurring mineral solids, such as coal and ores; liquid minerals, such as crude petroleum; and gases, such as natural gas

Other Services (except Public Administration) – services not specifically provided for elsewhere in the classification system and engaged in activities such

as equipment and machinery repairing, promoting or administering religious activities, grant making, advocacy, and providing dry-cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services

Professional, Scientific, and Technical Services – professional, scientific, and technical activities for others and require a high degree of expertise and training, including legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; advertising services; photographic services; translation and interpretation services; veterinary services; and other professional, scientific, and technical services

Public Administration – federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area

Real Estate and Rental and Leasing – primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets, and establishments providing related services including the major portion of this sector that rent, lease, or otherwise allow the use of their own assets by others

Retail Trade – engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise

Transportation and Warehousing – transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation including air, rail, water, road, and pipeline

Utilities – engaged in the provision of the following utility services: electric power, natural gas, steam supply, water supply, and sewage removal

Wholesale Trade – selling of wholesale merchandise, generally without transformation, or rendering including goods related to agriculture, mining, manufacturing, and certain information industries, such as publishing

International Association of Industrial Accident Boards and Commissions (IAIABC): The IAIABC is a not-for-profit trade association representing government agencies

DEFINITIONS

charged with the administration of workers' compensation systems throughout the United States, Canada, and other nations and territories. The IAIABC represents workers' compensation professionals, medical providers, insurers, and corporate agencies with 60 jurisdictions and over 150 associate corporate members. Working groups standardize reporting of workers' compensation data. Standards have been developed for communicating data electronically through Electronic Data Interchange (EDI).

Mediation Benefit Issues: Disputes are identified by detailed subjects or issues. Multiple issues may be identified for a single dispute. The issues are categorized as follows:

Medical Benefits: Includes medical treatment, domiciliary care entitlement, travel expenses, choice of treating physician, pre-authorization of medical services, chiropractic treatment, co-payments, medical benefit rates, and miscellaneous medical issues.

Wage Loss Benefits: Includes TTD, TPD, PPD, and PTD benefits.

Relatedness: Includes issues of aggravation, subsequent injury, heart attack, psychological conditions, and others.

Injury/Occupational Requirement: Disputes concerning whether a medical condition meets the legal definition of injury and occupational disease; disputes over whether a medical condition arises within the course and scope of employment.

Access to Records: Disputes or delays in obtaining claim file records and/or related medical records.

Notice/Filing Time: Includes disputes over statutory notice to employer and timely filing of the claim.

Course & Scope: Center on whether or not the injured worker was within the performance of his/her employment at the time of the event; and if the injury or OD arose out of that employment. There are many varied scenarios within this category.

Employment/Insurance Coverage: Consist of disputes over employment, coverage, and responsible insurer.

Rehab Benefits: Disputes over retraining benefits and assistance with job placement, for all dates of injury.

Calculation of Wages: Disputes involving non-monetary compensation, concurrent wages, and appropriate

wage periods. (Wages are used for calculation of compensation rates.)

Other: Includes a variety of less frequently disputed issues, the most common of which are other refusal or delay, lump sum payment disputes, death benefits, and reopening settlements.

Medical Benefits: Payments for hospitals, physicians, health care providers, prescriptions, and other medical care costs associated with a claim for benefits.

Montana Code Annotated (MCA): The definitive guide to Montana laws, consisting of the Constitution, codes and statutes. The MCA is normally published each odd numbered year incorporating changes made by the Legislative session of that year.

Nature of Injury (Code): for this report the nature of injury major groupings are:

Amputation (02) – cut off extremity, digit, protruding part of body, usually by surgery

Asphyxiation (54) – strangulation or drowning

Bruise, Swelling (10 and 37) – contusion or inflammation

Burn (04) – heat or chemical burn or scald

Cancer (74) – a malignant growth or tumor resulting from the division of abnormal cells

Carpal Tunnel Syndrome (78) – soreness, tenderness or weakness of the muscles of the thumb caused by pressure on the median nerve at the point at which it goes through the carpal tunnel of the wrist

Concussion (07) – heavy blow to the head

Contagious Disease (73) – disease that can be transmitted to other persons

Crushing (13) – grind, pound, or break into small bits

Cut, Puncture, Abrasion (40 and 43) – laceration including cut, scratch, abrasion, superficial wound, or callus, or puncture

Dislocation (16) – normal position of a joint or other part of body is disturbed or out of place

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Electric Shock (19) – electrocution

Enucleation (22) – surgical removal of an organ or tumor ex. Eye

Fainting (53) – swooning, fainting or passing out

Foreign Body (25) – an object or piece of matter that entered the body by accident

Fracture (28) – breaking of a bone or cartilage

Freezing (30) – frostbite and other effects of exposure to low temperature

Hearing Loss (31 and 72) – traumatic injury or loss of hearing

Heart Attack or Related (03, 41, and 55) – chest pain, heart attack, heart conditions, hypertension, or stroke

Hernia (34) – abnormal protrusion of an organ

Infection (36) – invasion of bacteria, fungi, viruses, mold, or insects

Mental (01, 69, and 77) – no physical injury, mental disorder, or mental stress

Multiple Injuries (90 and 91) – multiple physical injuries including both physical and psychological

Occupational Lung Disease (60, 61, 62, 63, 64, 65) – dust disease, asbestosis, black lung, pneumoconiosis, silicosis, or respiratory related

Other (59) – all other specific injuries

Other Cumulative Injury (80) – all other cumulative injuries

Other Occupational Disease (71, 75, 76, and 79) – all other occupational diseases including AIDs, video display terminal disease, or hepatitis C

Overheating (32) – heat prostration

Poisoning (42, 66, and 67) – poisoning including chemical or metal

Radiation (70) – all forms of damage to tissue, bones or body fluids produced by exposure to radiation

Rash, Skin, or Tissue Inflammation (68) – dermatitis from contact with irritants or chemicals such as drugs, oils, plants, woods or metals in the form of solids, pastes, liquids or vapors

Rupture (46) – breaking or bursting suddenly

Severance (47) – separate divide or take off

Sprain, Strain (49 and 52) – sprain, strain, or tear

Vision Loss (58) – blindness or loss of vision

Nature of injury code descriptions can be found at https://www.wcio.org/Active%20PNC/WCIO_Nature_Table.pdf, maintained by the Workers' Compensation Insurance Organizations (WCIO)

Other Benefit Codes: Codes that identify the type of other benefits paid to date or recovered for an injury or occupational disease. The following are IAIABC definitions for the codes used in this report:

Hospital Costs Paid to Date: Sum of costs of both inpatient and outpatient services.

Other Medical Paid to Date: Sum of medical costs to other providers not included in payments to physicians or hospital costs, i.e. laboratory tests, prescriptions.

Pharmaceutical Paid to Date: Sum of medication payments.

Total Payments to Physicians Paid to Date: Sum of services paid to physicians.

Part of Body (Code): The code which corresponds to the part of body to which the employee sustained injury or occupational disease. Maintained by WCIO, the code definitions for part of body major groups are:

Abdomen including Groin (61)

Ankle (55)

Arm (31, 32, and 33) – including upper arm, elbow, or wrist

Back including Spine (21, 22, 23, 41, 42, 43, 45, 47, and 63) – vertebrae, disc, spinal cord, upper back, lower back, sacrum and coccyx, or lumbar and sacral vertebrae

DEFINITIONS

Buttocks (62)

Chest (44)

Ear(s) (13)

Eye(s) (14)

Facial Bones (19)

Foot, Toe(s) (56, 57, and 58)

Hand, Finger(s) (35, 36, and 37)

Head (10, 11, 12, and 18)

Heart (49)

Hip (51)

Internal Organs (48) – other than heart or lungs

Knee (53)

Leg (52 and 54)

Lungs (60)

Mouth, or Teeth (16 or 17)

Multiple Lower Extremities (50)

Multiple Parts, or Body Systems (90 and 91)

Multiple Trunk (40)

Multiple Upper Extremities (30)

Neck (20, 24, 25, and 26)

Nose (15)

Other (64, 65, 66, and 99)

Pelvis (46)

Shoulder (38)

Wrist (34 and 39)

Part of body code descriptions can be found at https://wcio.org/Active%20PNC/WCIO_Part_Table.pdf,

maintained by the Workers' Compensation Insurance Organizations (WCIO)

Occupational Disease (OD): Harm or damage caused by work-related events that occur on more than a single day or work shift. It includes acute chronic illnesses or diseases caused by inhalation, absorption, ingestion or overuse syndrome.

Occupational Injury: Internal or external physical harm to the body that is established by objective medical findings, caused by a specific work accident on a single day or during a single work shift.

Permanent Partial Disability (PPD): Permanent impairment resulting from an injury or occupational disease, after achieving maximum medical improvement, that impairs the worker's ability to work and causes an actual wage loss. PPD benefits are calculated using 66 2/3% of the wages received at the time of injury, not to exceed one-half the state's average weekly wage at the time of injury. Maximum length for PPD benefits is determined by the date of injury.

Permanent Total Disability (PTD): A physical condition resulting from an injury or occupational disease, after achieving maximum medical improvement, in which the worker has no reasonable prospect of physically performing regular employment. PTD benefits are calculated using 66 2/3% of the wages received at the time of injury, not to exceed the state's average weekly wage at the time of injury. The injured worker may receive cost of living increases.

Plan Type: The type of workers' compensation insurance coverage chosen by an employer. There are three different types of insurance plans:

Plan 1: Self-insurance provided by employers who have sufficient financial strength to cover potential workers' compensation claims. If an injury occurs, a self-insured employer will pay the expenses and benefits.

Plan 2: Insurance coverage provided by a private insurance company.

Plan 3: Insurance coverage provided by Montana State Fund.

Professional Employer Organizations (PEO): Professional Employer Organizations provide human resource services for small to medium size businesses. Examples of services provided by PEO's are staffing, securing unemployment and workers' compensation insurance, and

DEFINITIONS

handling payroll taxes and medical benefits. PEO's must be authorized by ERD prior to contracting with any client employers.

Subsequent Report of Injury (SROI): The SROI is completed for each individual claim with indemnity benefits and is submitted to ERD by adjusters or insurers on every six-month anniversary of the date of injury, until the claim is closed or additional compensation or medical payments are not anticipated. The form includes claimant identification information, status of the claim, type of benefits paid and benefits payment amounts. The Annual Report includes data reported to ERD on injury and occupational disease indemnity claims. SROIs may not have been submitted to ERD for all indemnity claims.

Temporary Partial Disability (TPD): A physical condition resulting from an injury or occupational disease, prior to achieving maximum medical improvement, that causes a partial loss of wages. TPD benefits are the difference between the injured worker's actual weekly wage and the actual weekly wage earned during the injured worker's temporary partial disability. They are subject to a maximum of 40 hours per week and capped at the injured worker's Temporary Total Disability rate.

Temporary Total Disability (TTD): A physical condition resulting from an injury or occupational disease, prior to achieving maximum medical improvement that causes a total loss of wages. TTD benefits are calculated using 66 2/3% of the wages received at the time of injury, not to exceed the state's average weekly wage at the time of injury.

Uninsured Employers' Fund (UEF): Enforces workers' compensation coverage requirements for all employers, and pays benefits to injured workers whose employers do not have coverage.

Utilization and Treatment Guidelines (Montana Guidelines): The DLI was required by statute to implement guidelines for workers' compensation medical treatments. The Montana Guidelines are based on the existing Colorado Workers' Compensation Medical Treatment Guidelines, supplemented with the ACOEM Guidelines, for use in Montana. The purpose of the Montana Guidelines is to assist injured workers in receiving prompt and appropriate care, assist injured workers in stay-at-work/return-to-work options, assist clinicians in making decisions for specific conditions, and help insurers make reimbursement determinations. Montana Guidelines are enforceable for payment purposes. The DLI recognizes

that acceptable medical practice may include deviations from the guidelines and that the Montana Guidelines are not relevant as evidence of a provider's legal standard of professional care.

The Montana Guidelines are applicable to all medical services provided on or after July 1, 2011 and establish a presumption of compensability for injuries and occupational diseases occurring on or after July 1, 2007. For those injuries or occupational diseases occurring on or before June 30, 2007, treatment in accordance with the Montana Guidelines constitutes reasonable primary or secondary medical treatment.

Vocational Rehabilitation Benefits: Benefits paid to the injured worker at the worker's TTD rate. The benefits are paid for the period specified in the job placement or retraining plan, not to exceed 104 weeks. The plan is prepared by the rehabilitation provider and agreed to by the insurer and injured worker.

Wage Loss Benefits: TTD, TPD, PTD, and PPD benefits paid to the injured worker.

Workers' Compensation Insurance Organizations

(WCIO): A voluntary association of statutorily authorized or licensed rating, advisory or data service organizations that collect workers compensation insurance information in one or more states. The WCIO is composed of the managers of the various boards and jurisdictions. The purpose of the WCIO is to provide a forum for the exchange of information about workers' compensation insurance.

DATA SOURCES

Montana Department of Labor & Industry

Operations Bureau, Compliance & Investigations Bureau, Work Comp Section, Safety & Health Bureau, and Hearings Bureau

Quarterly Expenditure Reports

Totals of compensation, medical, and miscellaneous expenses reported to the DLI by carriers.

Quarterly Census of Employment and Wages, Bureau of Labor Statistics, US Department of Labor

Regulatory Costs and Industrial Accident Rehabilitation Trust Fund Expenses

Costs obtained from the State's Accounting, Budgeting, and Human Resource System (SABHRS).

Unemployment Insurance Tax System for Leased Employees

Workers' Compensation Court

Workers' Compensation Database (WCAN)

Employers, insurers, claimants, attorneys, medical providers and other parties of the workers' compensation community in Montana provide data for the system. ERD maintains the database.

RESOURCES

WEBSITE

This report, previous reports, and other special reports are available on the Internet at the following web site:
erd.dli.mt.gov/work-comp-claims/data-management/data-management-publications

To request a copy of the Annual Report, Attorney Fee Supplement, or special studies, please contact **Kristine Ediger** by phone: **406-444-1675** or e-mail: **kediger@mt.gov**.

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The Annual Report planning team consisted of the following ERD staff:

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