

***WORKERS COMPENSATION BOARD OF INDIANA***

**2024 SECOND INJURY FUND  
CALCULATION OF FUNDING LEVEL**

**December 18, 2023**

Please note only assessments greater than \$1,000 may be paid in two installments.

The due dates are:  
**January 31, 2024**  
**June 14, 2024**

SECOND INJURY FUND REPORT AND  
ASSESSMENT FOR 2024

By Linda Peterson Hamilton, Chair

December 18, 2023

Happy Holidays to all. Good news! The assessment for 2024 is lower than that in 2023.

Currently, the Fund has a little over \$3.4 million to carry into 2024. We spent less on prosthetics than projected and sadly, lost several recipients who had been receiving wage replacement benefits. We are applying a 7% reconciliation factor for 2024. This is an additional calculation we began using in 2019 to account for the routine shortfalls to collections caused by necessarily using outdated statistics. Monthly payouts can exceed \$600,000 between indemnities and prosthetics, so a shortfall could be devastating. Further, there is no longer a provision in law for an emergency assessment. Any excess collected remains in the Fund and will offset the assessment for 2025.

As you know, we have to use two-year-old data. Direct written premiums were up and losses paid by carriers in 2022 were statistically unchanged from 2021. On the self-insured side we see that losses paid in 2022 were also relatively flat. The share of the assessment that falls to these employers will be 17% for 2024, which is the same as the assessment for 2023.

Included with this report are the Certification forms used to calculate individual assessment obligations. These forms use numbers provided by the Indiana Compensation Rating Bureau as well as self-insured factors taken from new and renewal applications. Historical data can be found on the last page.

Indemnity payments from the Fund traditionally increase slightly each year as new injured workers are added to the rolls at wages greater than those of the recipients we lose throughout the year. We must also account for Temporary Total Disability benefit increases set in statute. We have used 8% in determining the Fund's need to pay wage replacement benefits in 2024.

Prosthetics are less easy to predict because recipients receive a new unit only as needed when their prosthetic device wears out. This year's expenditure was actually a bit lower than that of 2022. With the more expensive and advanced prosthetics that are on the market, we are getting more requests for repairs than replacements. However, these repairs are still expensive. We are also adding more and younger recipients each year. The more sophisticated devices, particularly hands, provide these young employees the opportunity to remain valuable in today's complex workplace. Our prudent reserve for prosthetics is a total of the three highest months in 2023. We have applied a 13% inflation factor for next year. While the inflation factors applied for both indemnities and prosthetics are increasing, it is important to keep in mind that if the Board collects more than is necessary to cover expenses in 2024, the monies will remain in the Fund to offset the assessment for 2025.

The administrative expense will remain constant in 2024, but the Board intends to engage the services of the State Budget Agency to reevaluate them for 2025. Please note there is no assessment for SWCAP (Statewide Cost Allocation Plan) as the Board has been able to handle payments from the Fund in a way that avoids this additional cost.

Payments will be due on January 31<sup>st</sup> and June 14<sup>th</sup> in 2024. You may choose to use the installment option **only** if your assessed total is greater than \$1,000. This option is no longer available if your total assessment is less than \$1,000 and a penalty may be assessed if the whole amount is not received by the January due date. We rely on the funds received in January to carry us through to July. No reminder will be sent before the June due date.

**This year it is mandatory that you use the State's electronic payment system, which can be accessed at <http://www.in.gov/wcb>.** If you do not already have one, you may obtain a "unique identifier" to pay electronically by contacting the Board. This will allow a debit transaction directly from your company's bank account for a \$0.15 State user fee. The fee for using the credit card option will be higher. It is a minimum of \$0.40 or 1.96% because it is a percentage of your payment. Please always submit a Certification form with a payment so your company can be properly credited.

Please call Mary Taivalkoski or me if you have questions regarding the assessment, report, or the Fund. Wishing you good health, happiness, peace, and prosperity in 2024.

## 2ND INJURY FUND REPORT

December 18, 2023

Revenue from 2023 Assessment	8,213,949
<b>Expenditures 2023:</b>	
Indemnity	5,583,493
Prosthetics	1,365,878
Administrative Fees	326,100
<b>Total</b>	<b>7,275,471</b>
<b>Available Fund Balance 12/15/2023</b>	<b>3,422,981</b>

### 2024 Assessment Factors

Indemnity (3 month expense)	1,418,890
Prosthetics (3 month expense)	633,180
<b>Total Prudent Reserve</b>	<b>2,052,070</b>
<b>Estimated Expenditures:</b>	
Indemnity	6,030,173
Prosthetics	1,543,442
Administrative Fees	326,010
<b>Total Projected Expenditures</b>	<b>7,899,715</b>
<b>Estimated Need</b>	<b>9,951,785</b>
Assessment Reconciliation 7%	+696,625
12/18/23 Available Fund Balance	-3,422,981
<b>Final Assessment Amount</b>	<b>7,225,429</b>

## Reported and Historical Data

### Utilized in Assessment

(Reported in dollars)

Reported by ICRB for 2022:

Total Losses Paid 387,783,000

Total Premiums Written 839,865,000

Reported by ICRB for 2021:

Total Losses Paid 386,461,000

Total Premiums Written 775,316,000

Reported by ICRB for 2020:

Total Losses Paid 395,531,000

Total Premiums Written 756,064,000

Reported by ICRB for 2019:

Total Losses Paid 413,943,000

Total Premiums Written 799,356,000

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Self-Insured Factors 2022:

Total Indemnity Paid 19,903,556

Total Medical Paid 58,322,307

Total Self-Insured Factors 78,225,863

Self-Insured Factors 2021:

Total Indemnity Paid 21,354,389

Total Medical Paid 55,855,027

Total Self Insured Factors 77,209,416

Self-Insured Factors 2020:

Total Indemnity Paid 23,743,899

Total Medical Paid 54,092,222

Total Self Insured Factors 77,836,121

Self-Insured Factors 2019:

Total Indemnity Paid 19,240,802

Total Medical Paid 58,938,432

Total Self Insured Factors 78,179,234

**Historical Second Injury Fund Data re.  
Total Expenditures Reported By the WCB  
(Reported in dollars)**

Jan/Dec 2022	
Prosthetics (81 Recipients)	1,755,704
Indemnity (285 Recipients)	5,687,391
Jan/Dec 2021	
Prosthetics (81 Recipients)	1,914,744
Indemnity (287 Recipients)	5,206,410
Jan/Dec 2020	
Prosthetics (74 Recipients)	1,563,686
Indemnity (303 Recipients)	5,545,334
Jan/Dec 2019	
Prosthetics (74 Recipients)	1,325,699
Indemnity (303 Recipients)	5,548,962