State Accident Fund

Annual Accountability Report 1996-97
STATE ACCIDENT FUND
Program Name: Worker’s Compensation Claims.

Created in 1947 by an Act of the General Assembly [1947(45)147], the State Accident Fund (Formerly the State Workers' Compensation Fund) is one of twenty-seven state sponsored workers' compensation insurance funds.

Mission

The Mission of the State Accident Fund is to:

- Provide an assured workers' compensation insurance market for state agencies and political subdivisions, with capability to assure such a market for small businesses should the commercial market become inadequate;
- Facilitate timely medical rehabilitation, family income replacement and return of injured workers to full employment;
- Assist and train employers in workplace accident and disease prevention; and
- Ensure actuarial soundness of the fund with premium rates that are equitable and neither excessive nor inadequate.

Goals

To: 1) promptly and efficiently provide appropriate workers' compensation benefits and services; 2) assist employers with effective programs and training in accident and occupational disease prevention; 3) maintain trust relationships with employers and their injured workers; 4) constantly improve processes for delivery of innovative and efficient services; and 5) ensure actuarially sound management of the Fund.

Objectives

To: 1) start or deny claim benefits within 30 days of injury; 2) pay or deny properly submitted medical bills within 30 days of receipt; 3) provide appropriate loss prevention assistance to all customers with an experience modifier greater than one; 4) monitor and report on critical success measures which keep staff focused on meeting program goals and objectives; 5) maintain feedback system which reads customer perceptions of service quality and reveals improvement opportunities;
### Performance Measures

#### Workload indicators:

<table>
<thead>
<tr>
<th>Workload indicator</th>
<th>FY 96-97</th>
<th>FY 95-96</th>
<th>FY 94-95</th>
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</thead>
<tbody>
<tr>
<td>1. New claims received</td>
<td>8,883</td>
<td>9,292</td>
<td>9,598</td>
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<tr>
<td>2. Claims closed</td>
<td>11,792</td>
<td>13,009</td>
<td>15,868</td>
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<td>3. Claims expense disbursements (Millions)</td>
<td>$35.59</td>
<td>$36.32</td>
<td>$34.11</td>
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<td>4. Claim inventory (open claim files)</td>
<td>5,514</td>
<td>5,292</td>
<td>5,434</td>
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<td>5. Claims litigated (Hearings held)</td>
<td>241</td>
<td>322</td>
<td>316</td>
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<tr>
<td>6. Safety inspections</td>
<td>46</td>
<td>45</td>
<td>31</td>
</tr>
<tr>
<td>7. Safety classes conducted</td>
<td>84</td>
<td>73</td>
<td>76</td>
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<tr>
<td>8. New policies issued</td>
<td>**</td>
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<td>**</td>
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<tr>
<td>9. Policies renewed</td>
<td>**</td>
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<td>10. Payroll audits completed</td>
<td>**</td>
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#### Efficiency indicators:

1. Administrative expense ratio (percent of premium)         | 9.8%     | 9.5%     |
2. Unallocated loss adjustment expense ratio                 | 3.9%     | 3.6%     |

#### Outcome indicators:

1. % of claims decided within 30 days from injury            | 65% **   |
2. % of medical bills paid in 30 days                       | **       |
3a. % targeted accounts received safety services            | ***      |
3b. New claims per 100 covered workers                      | ***      |
4. Average aggregate cost per closed claim                  | $2,297   | $2,004   | $2,141   |
5. Average lost time days per 100 covered workers           | ***      |
6. Ratio of positive customer survey responses              | 96.3%    | 96.2%    |

** Objective and/or measurement refined this year.

*** Data not currently available; will be captured in new system beginning March, 1998.