

May 2, 2018

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

CompScope™ Benchmarks for North Carolina, 18th Edition

The North Carolina Rate Bureau is pleased to inform you that the CompScope™ Benchmarks for North Carolina, 18th Edition has been released by the Workers Compensation Research Institute (WCRI). This study continues to monitor the results of legislation passed in 2011, House Bill (HB) 709, and focuses on income benefits, overall medical payments, costs, use of benefits, and duration of temporary disability, litigiousness, benefit delivery expenses, timeliness of payment, and other metrics. It compares the performance of the North Carolina workers compensation system with 17 others states and examines how these system performance metrics have changed from 2011 to 2016.

WCRI indicates in their summary of major findings that total payments per claim with more than seven days of lost time were fairly stable after 2009, following growth averaging 7-8 percent per year from 2004 to 2009. The report indicates that indemnity benefits per claim in North Carolina were among the highest of 18 study states. This is mainly driven by longer duration of temporary disability and larger settlements. The provisions of HB 709 addressed these two issues primarily by establishing caps on duration of temporary disability. Since 2011, duration of temporary disability continued to decrease and settlement amounts were fairly stable, while the percentage of claims with settlements increased, perhaps an indication of earlier settlements. The report also states that following the 2015 fee schedule changes, hospital costs per claim and nonhospital prices paid were fairly typical.

An abstract of the report, along with a link to purchase the full report is available at:

<https://www.wcrinet.org/reports/compscope-benchmarks-for-north-carolina-18th-edition>

For assistance with ordering the report, please contact WCRI at 617-661-9274 or via email at wcri@wcrinet.org.

We trust that this report will provide additional insight into the workers compensation cost drivers in North Carolina.

If you have questions, contact the NCRB Information Center at 919-582-1056 or via email at winfo@ncrb.org.

Sincerely,

Joanna Biliouris

Chief Operating Officer

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