


# Attorney Involvement In Workers' Compensation Claims

CAS Casualty Loss Reserve Seminar  
September 11, 2017




---

---

---

---

---


---

---

---

## Key Findings On WC Attorney Involvement – Interstate Comparisons And Trends

- Wide variation in the percentage of claims with worker and defense attorneys across the study states
  - Reflects WC system features and state culture
  - Strong correlation between worker attorney involvement and defense attorney involvement
- Different trends in worker attorney involvement among study states 2004–2013 (claims at 36-month maturity)
- Increase in defense attorney involvement and average payment per claim in many study states

© WCRI 2017 2 

---

---

---

---

---

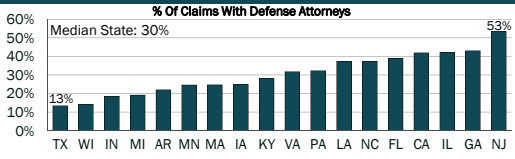
---

---

---

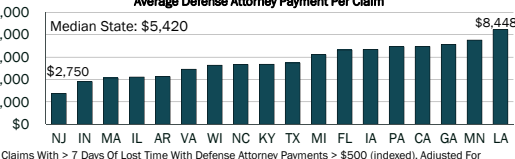
## Wide Variation In Defense Attorney Involvement And Payments Per Claim Across 18 States

**% Of Claims With Defense Attorneys**




State	% Of Claims With Defense Attorneys
TX	13%
WI	15%
IN	18%
MI	20%
AR	22%
MN	24%
MA	26%
IA	28%
KY	30%
VA	32%
PA	34%
LA	36%
NC	38%
FL	40%
CA	42%
IL	44%
GA	46%
NJ	53%

**Average Defense Attorney Payment Per Claim**



State	Average Defense Attorney Payment Per Claim
NJ	\$2,750
IN	\$3,000
MA	\$3,200
IL	\$3,400
AR	\$3,600
VA	\$3,800
WI	\$4,000
NC	\$4,200
KY	\$4,400
TX	\$4,600
MI	\$4,800
FL	\$5,000
IA	\$5,200
PA	\$5,400
CA	\$5,600
GA	\$5,800
MN	\$6,000
LA	\$8,448

2013/16 Claims With > 7 Days Of Lost Time With Defense Attorney Payments > \$500 (indexed), Adjusted For Injury/Industry Mix  
© WCRI 2017 3 

---

---

---

---

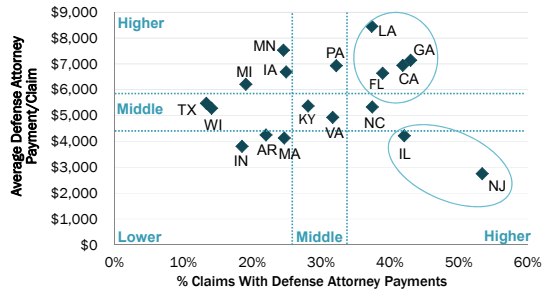
---

---

---

---

## Dispute Resolution May Be Attorney-Intensive, But Not Necessarily Costly



2013/16 Claims With > 7 Days Of Lost Time With Defense Attorney Payments (>\$500), Adjusted For Injury/Industry Mix

© WCRI 2017

4




---

---

---

---

---

---

---

---

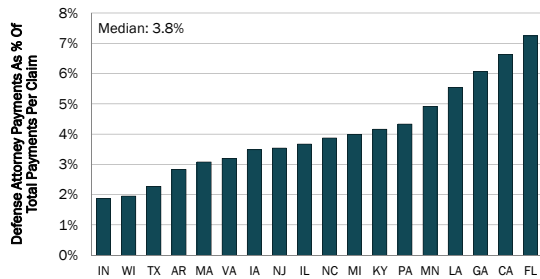
---

---

---

---

## Payments To Defense Attorneys Accounted For 2–7% Of Total Payments/Claim (36-Month Claims)



2013/16 Claims With > 7 Days Of Lost Time With Defense Attorney Payments, Adjusted For Injury/Industry Mix

© WCRI 2017




---

---

---

---

---

---

---

---

---

---

---

---

## Why Wide Variation In Attorney Involvement And Payments? Influence of WC System Features...

- Compensability issues
- Timeliness of first indemnity payment
- Processes for obtaining and challenging medical opinions on maximum medical improvement (MMI), degree of impairment, necessity of medical treatment
- Standards for terminating temporary disability benefits
- Complexity and/or subjectivity of process for determining permanency benefits
- Use of settlements to resolve rights to indemnity benefits and future medical payments
- Efficiency of dispute resolution system
- Attorney fee schedule or other limits

© WCRI 2017

6




---

---

---

---

---

---

---

---

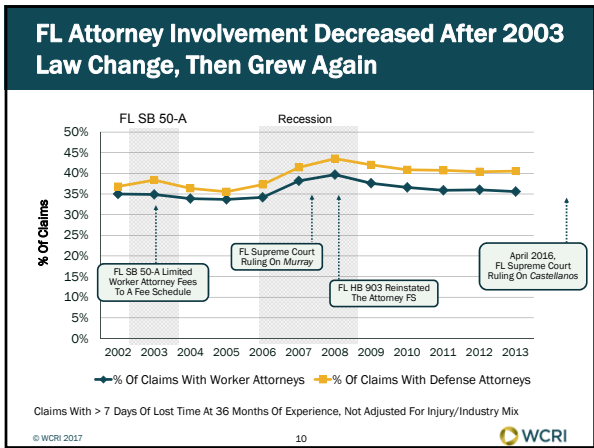
---

---

---

---






---



---



---



---



---



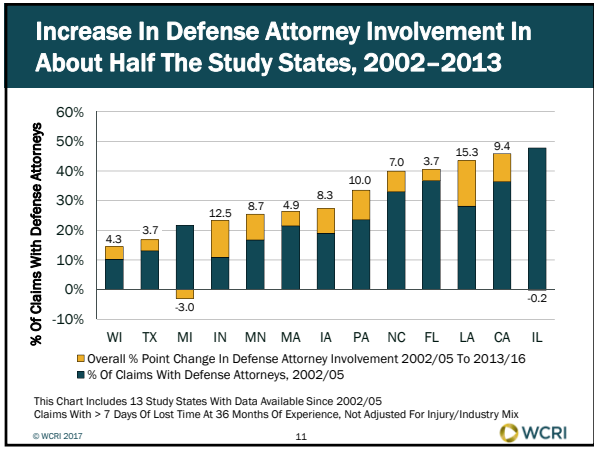
---



---



---




---



---



---



---



---



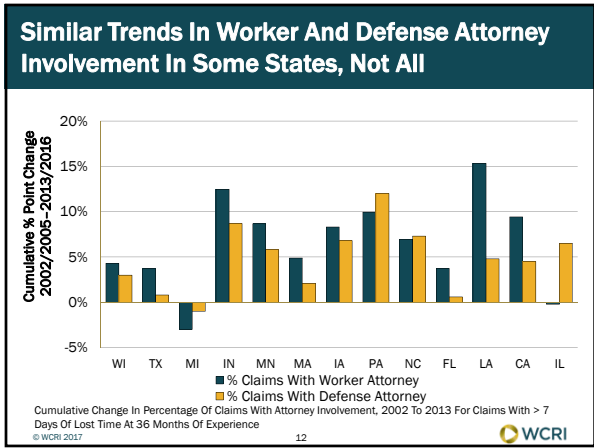
---



---



---




---



---



---



---



---



---

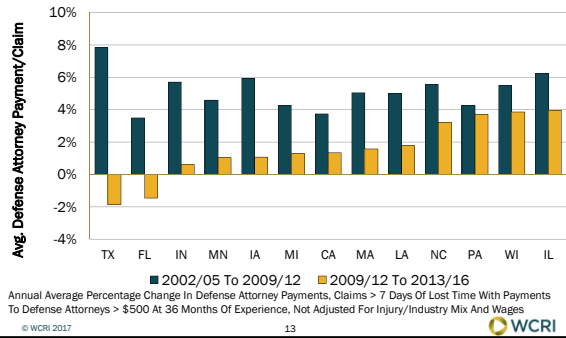


---



---

## Defense Attorney Payments/Claim Stable In Many States After 2009; All States Grew 2002–2009




---

---

---

---

---

---

---

---

---

---


---

---

## Thank You!

- For comments/questions about the findings:

Carol Telles  
Senior Analyst  
[ctelles@wcrinet.org](mailto:ctelles@wcrinet.org)  
617-661-9274

- Follow us on social media:    

---

---

---

---

---

---

---

---

---

---

---

---