

April 23, 2020

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

CompScope™ Benchmarks for North Carolina, 20<sup>th</sup> Edition

The North Carolina Rate Bureau is pleased to inform you that the CompScope™ Benchmarks for North Carolina, 20th 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, 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 other states and examines how these system performance metrics have changed primarily from 2013 to 2018, with claims experience through 2019.

WCRI indicates in their summary of major findings that total payments per claim with more than seven days of lost time have been stable since 2013 for claims at 12 months of experience, the result of offsetting factors. The report indicates that indemnity benefits per claim in North Carolina were among the highest of the 18 study states for 2016 claims with more than seven days of lost time at 36 months of experience. 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. From 2013 to 2018 for claims with 12 months of experience, indemnity benefits per claim increased mainly due to small increases in wages and average settlement amounts and earlier settlements, while duration of temporary disability continued to decrease and settlement amounts were fairly stable. The report also states that prior to the 2015 fee schedule changes, hospital costs per claim and nonhospital prices paid were similar to the median of the 18 states. More recently the average medical payment per claim in 2018 for claims at an average of 12 months of experience was 26% lower than the median state.

While this report is designed to help policymakers and others benchmark state system performance or a company's workers' compensation program, it will also provide a baseline for tracking the effectiveness of policy changes and monitoring important trends, such as the impact of COVID-19.

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-20th-edition>

For assistance with ordering the report, please contact WCRI at 617-661-9274 or via email at [wcri@wcrinet.org](mailto:wcri@wcrinet.org).

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

If you have any questions, contact the NCRB Information Center at 919-582-1056 or via email at [support@ncrb.org](mailto:support@ncrb.org).

Sincerely,

Joanna Biliouris

Chief Operating Office

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