State of
Minnesota
DEPARTMENT
OF EMPLOYEE
RELATIONS

910229

THE STATE OF MINNESOTA AS A MEMBER OF THE WORKERS' COMPENSATION REINSURANCE ASSOCIATION

A Study by the Minnesota
Department of Employee Relations
January, 1991

520 Lafayette Road
St. Paul, MN 55155

Pursuant to 1989 Laws, Ch 335,
Article 1, Section 18

INDEX

Executive Summary

Background

Since 1984, the State of Minnesota, as a self-insured employer, has paid $9.8 million in reinsurance premiums to the Workers' Compensation Reinsurance Association. As of January, 1991, the state had not received any benefit payments for claims submitted to the WCRA. During the 1989 session, the question was raised as to whether it was advantageous for the state to belong to the WCRA.

The 1989 legislature required the Commissioner of Employee Relations to study the costs, benefits, and alternatives of the state's participation in the Workers' Compensation Reinsurance Association (WCRA).

The State of Minnesota, as an employer, is required to provide workers' compensation benefits to employees injured on the job. The Department of Employee Relations is responsible for the administration of the State of Minnesota's workers' compensation self-insurance program.

Minnesota statutes require the state, as a condition of it's authority to self-insure for workers' compensation liability, to be a member of the WCRA. The state in this instance, includes the executive branch, the legislative branch, the judicial branch, the University of Minnesota and other semi-state entities.

The WCRA operates in basically the same manner as a private reinsurer by charging a premium for assumption of the risk for high exposure claims. It also provides claim services and rehabilitation assistance. The Workers' Compensation Reinsurance Association is not a state agency.

The WCRA premium is paid quarterly by the Department of Employee Relations from a direct General Fund appropriation. The Minnesota Department of Finance assesses the non-general fund payroll exposures of the various agencies for their appropriate share of the reinsurance premium and reimburses the General Fund. Approximately 60% of the appropriation is recovered and returned to the General Fund.

Cost of Membership:

Costs associated with membership in the WCRA are generated by two factors:

- a premium for claims with losses in excess of the retention limit but below the catastrophic level, and
- a potential assessment for catastrophic claims

The state has paid $9.8 million in premiums since 1984.

Benefit of Membership:

The major benefit to the State of Minnesota of membership in the WCRA is a limitation on long term financial losses due to high exposure workers' compensation claims.

Since 1984, 80 claims have been reported to the WCRA. These claims have an estimated long term liability of $44 million beyond the costs for which the state is responsible.

To date, no benefit payments have been received from the WCRA. Claims are maturing at an average rate and the state will begin receiving benefit payments in 1991.

Alternatives to Membership:

If the Legislature were to remove the requirement that the State of Minnesota be a member of the WCRA, the Department of Employee Relations would have to consider alternatives to meet future liabilities resulting from high exposure claims.

Alternatives -

1. The Department of Employee Relations pays from the State Compensation Revolving Fund all costs of high exposure claims and seeks reimbursement from funds appropriated to state agencies.

2. The Legislature appropriates an amount of money less than the current cost of the WCRA premium to be placed in the State Compensation Revolving Fund. These funds and the interest earned would be used to pay for high exposure claims.

3. The Department of Employee Relations pays a premium for reinsurance to a provider other than the WCRA and receives money from the legislature for the premium or from funds appropriated to state agencies.

SECTION 1:

Purpose of the Study

The 1989 legislature required the Commissioner of Employee Relations to study the costs, benefits, and alternatives of the state's participation in the Workers' Compensation Reinsurance Association. The findings of this study are to be reported to the legislature by January 15, 1991.

> "During the biennium, the commissioner shall study the costs, benefits, and alternatives of the state's participation in the Workers' Compensation Reinsurance Association. The commissioner shall report the findings of the study to the legislature by January 15, 1991."
>
> 1989 Laws of Minnesota, ch. 335, art. 1, sec. 18., subd. 5

SECTION 2:

Introduction

The State of Minnesota, as an employer, is required to provide workers' compensation benefits to employees injured on the job. The Department of Employee Relations is responsible for the administration of the State of Minnesota's workers' compensation self-insurance program. This program covers 67,000 workers included in the executive, judicial and legislative branches of state government, employees of the University of Minnesota and employees of semi-state entities such as the Historical Society and State Fair Board.

Since 1984, the State of Minnesota, as a self-insured employer, has paid $9.8 million in reinsurance premiums to the Workers' Compensation Reinsurance Association. As of January, 1991, the state had not received any benefit payments for claims submitted to the WCRA. During the 1989 session, the question was raised as to whether it was advantageous for the state to belong to the WCRA.

This report will examine the purpose of the WCRA, describe the state's participation from 1984 through 1990 and suggest alternatives to membership in this reinsurance program.

Throughout this report, the Workers' Compensation Reinsurance Association will be referred to as the WCRA.

SECTION 3:

Background

What is the WCRA?

Created in 1979 by the legislature, the WCRA is a non-profit organization dedicated to controlling workers' compensation premium and benefit costs for its members, developing a broader base of workers' compensation loss information, and assisting its members in assuring that injured employees receive the most effective treatment and rehabilitation services possible for optimum recovery and early return to work.[1]

Under the provisions of the WCRA's Enabling Act, all insurance companies and self-insured employers, including self-insured governmental units, must be members of the WCRA and must abide by its plan of operation.

Membership in the WCRA:

- Limits exposure on injury/illness claims reported.
- Limits exposure on injury/illness claims not yet reported.
- Limits exposure on catastrophic claims.
- Requires an annual audit to identify high exposure claims likely to require reinsurance.
- Provides resources to assist members with training/rehabilitation services and claim review.

In many respects, the association operates in the same manner as a private reinsurer by charging a premium for assumption of the risk for large losses and providing claims and rehabilitation assistance.

However, as a publicly created, non-profit organization, the WCRA differs in many important aspects from the private reinsurer. To achieve its objective of controlling workers' compensation costs, the WCRA charges the lowest reinsurance premium possible by returning any surplus income to its members and by reducing premiums by the amount of investment income anticipated to be earned between the time reinsurance premiums are collected from members and losses are paid to members. In addition, the WCRA collects premiums from its members for truly catastrophic claims only after those claims are actually paid.[1]

(1) WCRA - Member Handbook

The member has a duty to belong to the WCRA and pay reinsurance premiums, to accept indemnification from the WCRA for losses in excess of the members retention limit, and to report claims which can reasonably be expected to involve liability to the WCRA.

An insurer member may withdraw from the WCRA only upon ceasing to be authorized by the Commissioner of the Minnesota Department of Commerce to transact workers' compensation insurance in Minnesota and when all such insurance policies issued by the insurer have expired.

A self-insurer may withdraw from the WCRA only upon ceasing to self-insure its workers' compensation liability in Minnesota.[1]

The State becomes a member

Legislation was enacted which required the State of Minnesota as a self-insured employer to participate in the WCRA in 1984.

Legislation reads as follows:

"All group self-insurers granted authority to self-insure pursuant to Section 176.181 are considered single entities for purposes of the exercise of all the rights and duties of membership in the reinsurance association. As a condition of it's authority to self-insure workers' compensation liability, and for losses incurred after December 31, 1983, the state is a member of the reinsurance association and is bound by its plan of operation. The commissioner of employee relations represents the state in the exercise of all rights and duties of membership in the reinsurance association. The state treasurer shall pay the premium to the reinsurance association from the state compensation revolving fund upon warrants of the commissioner of employee relations. For the purposes of this section, "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner of finance may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The reinsurance association is not a state agency." M.S. 79.34 sub. 1(2).

The state's workers' compensation program was administered by the Department of Labor and Industry until 1987 when it was transferred to the Department of Employee Relations.

A rationale for the state's becoming a member of the WCRA was provided in an article published in the WCRA Perspective in 1984. This is a partial excerpt from an interview conducted with then Commissioner of the Department of Labor and Industry, Steve Keefe.

Question - *The state became a WCRA member for the first time on January 1, 1984. Has this initial membership process gone smoothly from the state's point of view?*

Response - *The state's becoming a member of the WCRA has been traumatic for us, just the way it was for most self-insurers. In fact, we are closer to being an uninsured employer than being a self-insured employer.*

While it's an extra hassle, and as the government we wouldn't have to do it, we think it makes sense for us to do it for two reasons. In the firstplace, we don't think it is fair for us to expect other employers to do things we aren't willing to do ourselves. Second, we learn a lot about what it is like in the outside world by behaving like the outside world.

Administrative Steps

The WCRA premium is paid quarterly by the Department of Employee Relations from a direct General Fund appropriation. The Minnesota Department of Finance assesses the non-general fund payrolls of the various agencies for their appropriate share of the reinsurance premium and reimburses the General Fund. Approximately 60% of the General Fund dollars are returned through this process.

The state reports its occupations and corresponding payroll to the WCRA annually. This information, along with the premium rate for the retention limit selected, is used to develop the total premium charged for the calendar year.

SECTION 4:

Description of Costs

What determines the cost of reinsurance?

Costs associated with membership in the WCRA are generated by two factors:

- a premium for claims with losses in excess of the retention limit but below the catastrophic level, and
- a potential assessment for catastrophic claims

Premium

The WCRA considers three factors in the determining of the premium charged for reinsurance. These factors are:

- The risk of loss associated with the types of occupations used by the employer.
- The amount of payroll in those occupations.

  The current premium is estimated based on the actual payroll reported two years prior to the billing. For example, 1988 payrolls were used to estimate the 1990 premium.
- The retention limit selected by the self-insured.

  The retention limit is the dollar threshold where a claim becomes the responsibility of the WCRA rather than the self-insurer. There is a high and low limit. The higher limit is always $200,000 more than the lower limit. The current retention level selected by the state is $400,000 for 1990.

Assessment

Members can be assessed fees for catastrophic events that result in costs that exceed a prefunded level of approximately $3.7 million. Each member is assessed a percentage of these catastrophic costs. The amount of the assessment is unknown until a member experiences claims in excess of this catastrophic level and benefits for the event have been paid by the WCRA.

Table 1 on page 9 displays the layers of coverage for WCRA members at the higher retention level.

TABLE 1

1990 Threshold Levels for Reimbursement by the WCRA

Catastrophic coverage cost of benefits are shared by all members of the WCRA. The state's share could be approximately 3% of these costs.	
	$3,700,000
WCRA is responsible for costs in excess of $400,000 but less than $3,700,000.	↑
	$ 400,000
State is responsible for benefit costs up to $400,000 per occurrence.	

Costs and Claims to Date

Actual costs to the State of Minnesota for WCRA membership, the number of claims reported, and the estimated liability from 1984 - 1990 is shown in Appendix A on page 15.

Appendix A shows that since 1984 the state has paid $9.8 million in reinsurance premium to cover $17.7 billion in payroll exposure. Eighty claims have been reported to WCRA since 1984 and the WCRA has projected it's liability to be $44 million for these claims. As of January, 1991, the state has not received reimbursement on any claims, although reimbursement of approximately $22,000 is currently being sought on the first claim to pierce the retention limit.

Appendix A also shows the state has an estimated liability beyond the reinsurance limit in the form of catastrophic liability. Currently the WCRA estimates this to be an additional $6.9 million of claim costs beyond the $44 million liability. This cost is shared with all members of the WCRA. The state's share of the estimated $6.9 million for it's 80 claims is $220,800. The state's share of the total estimated catastrophic liability for all WCRA members is $1.75 million dollars.

SECTION 5:

Description of Benefits

The major benefit to the State of Minnesota of membership in the WCRA is a limitation on long term financial losses due to high exposure workers' compensation claims.

Currently, the WCRA has determined that the State has an estimated liability for WCRA claims of $44 million. The benefit of belonging to the WCRA becomes obvious when you compare the $44 million estimated liability to the $9.8 million in premium costs paid to date. There is an estimated potential long range saving to the state of $34 million over the life of these reported claims.

To date however, the state has not received any benefit reimbursement from the WCRA. This is not alarming though because the claims submitted by the state have not yet matured enough to pierce the retention level. The state's claims are developing in an expected fashion and reimbursements should occur in the expected timeframe. Most severe lost time claims reported to the WCRA have the potential to exceed the retention limit in 4 to 5 years or sooner depending on severity. Other claims with WCRA exposure take between 13 to 15 years on average to exceed the retention limit. The state has a six year old claim which recently exceeded the retention limit. Initial reimbursement will be sought in the amount of $22,235 for this large claim. It is estimated this particular claim will cost $1.6 million beyond the retention limit over the next 35 to 40 years. This claim is an indication that claims are maturing at an average rate and that in the near future the state can expect benefit payments on several other claims.

Another factor to consider when assessing the benefits of membership in the WCRA relates to claims incurred but not reported. It is estimated by the WCRA that the state has approximately 50 to 70 claims which have been incurred but have not been reported. As these claims are identified, the date of injury will determine the retention limit applied to the claim. The premium already paid will cover these claims no matter how many are reported and become eligible for reimbursement. It is estimated that there is an additional $40 million of liability regarding these incurred but not reported claims.

Table 2 on page 11 show the type of injuries reported to the WCRA by the state and expected to exceed the retention limit.

Table 3 on page 11 shows claims reported by the state to the WCRA and the relationship between year reported to the WCRA and the year of the injury.

TABLE 2
Type and Number of Injuries Reported
1984 - 1990

Type of Injury	# of Claims Reported to WCRA	% of Total Claims
1. Brain	7	8.8%
2. Occupational Disease	3	3.7%
3. Fatality	6	7.5%
4. Heart Attack	1	1.3%
5. Back	49	61.2%
6. Other	12	15.0%
7. Paraplegic	1	1.3%
8. Severe Burns	1	1.3%
	80	100%

TABLE 3
Claims reported by State of Minnesota to the WCRA as of 11/30/90

		YEAR REPORTED TO WCRA							
		1984	1985	1986	1987	1988	1989	1990	ALL
YEAR OF INJURY	1984	1	7	--	2	1	1	6	18
	1985	--	1	1	--	6	--	9	17
	1986	--	--	--	2	1	1	7	11
	1987	--	--	--	--	--	1	9	10
	1988	--	--	--	--	3	1	9	13
	1989	--	--	--	--	--	--	9	9
	1990	--	--	--	--	--	--	2	2
	ALL	1	8	1	4	11	4	51 *	80

*Since 1984 through October of 1990, only 29 claims were reported to the WCRA. The majority of these were reported as a result of the annual claim audit conducted by the WCRA itself. In October, 1990, the state reported an additional 51 claims with dates of injury ranging from 1984 to 1990. These claims were identified when a new computerized claim management system was implemented. The state will now routinely report claims which meet WCRA reporting criteria.

SECTION 6:

Alternatives to Membership

Continued membership in the Workers' Compensation Reinsurance Association will cost the State of Minnesota approximately $2 million in F.Y. 1992 and $2 million again in F.Y. 1993. If the Legislature were to remove the requirement that the State of Minnesota be a member of the WCRA, the Department of Employee Relations could consider several alternatives.

Before developing these alternatives, the Department of Employee Relations surveyed a sample of 25 other state governments to find out how they administered their Workers' Compensation programs. (Detail of survey in Appendix E, page 19.) Generally, the state governments in this sample do not have reinsurance. In some cases these states have mandated reinsurance coverage, but have exempted themselves from this requirement. It would not be unprecedented if the State of Minnesota were to exempt itself from it's own reinsurance requirement. It did so from 1979 to 1984. It would, however, be politically sensitive to discontinue membership in the WCRA. Such an action may have considerable adverse effects on the viability of the WCRA because others who are mandated by law to be members may want to be similarly exempted.

Nevertheless, the alternatives to membership in the WCRA are:

1. The Department of Employee Relations pays all costs of high exposure claims from the State Compensation Revolving Fund and seeks reimbursement from funds appropriated to state agencies.

2. The Legislature appropriates an amount of money less than the current cost of the WCRA premium to be placed in the State Compensation Revolving Fund. These funds and the interest earned would be used to pay for high exposure claims.

3. The Department of Employee Relations pays a premium for reinsurance to a provider other than the WCRA and receives money from the legislature for the premium or from funds appropriated to state agencies.

Impact of Alternatives

Alternative 1 -

The Department of Employee Relations pays all costs of high exposure claims from the state compensation Revolving Fund and seeks reimbursement from funds appropriated to state agencies.

- In the short term costs would be less because the state would not be paying for reinsurance premiums. However, as claims matured, costs would escalate beyond the retention levels now provided by the WCRA membership. Appendix B on page 16 provides a cost projection based on a 3 year assumption. Without this stop loss protection, expenditures for high exposure claims would be considerably greater after 15 years than if we continued paying reinsurance premiums. Appendix C on page 17 provides a picture of the projected effect of no reinsurance on claim costs.
- In the event of a catastrophic occurrence, there would be no way to mitigate the state's long term liability.
- Money appropriated for the WCRA reinsurance premium would be available to the legislature.

Alternative 2 -

The legislature appropriates an amount of money less than the current cost of the WCRA premium to be placed in the State Compensation Revolving Fund. These funds and the interest earned would be used to pay for high exposure claims.

- If $500,000 were set aside each year until 1996, $3.2 million would be available to pay for high exposure claims. Each agency would be responsible for costs up to a stop loss level determined by the Department of Employee Relations. Costs beyond the stop loss level would be paid from the funds set aside in the Revolving Fund for this purpose. Appendix D on page 18 shows appropriation and interest earned in detail. Appendix C on page 17 provides a picture of the estimated effect of setting aside $500,000 each year.
- In the event of a catastrophic occurrence there may not be enough money set aside to meet the state's needs.
- A portion of the money appropriated for WCRA reinsurance premium renewal would be available to be used elsewhere in the budget.

Alternative 3 -

The Department of Employee Relations pays a premium for reinsurance to a provider other than the WCRA and receives money from the legislature for the premium or from funds appropriate to state agencies.

- Reinsurance is available from private providers. It is assumed the cost would be more because the WCRA is a non-profit organization.
- Reinsurance from a private provider is limited in amount.
- Catastrophic events could be included in the reinsurance premium.
- A Request for Proposal would have to be developed and used to select a provider. No estimate of the cost of this premium can be provided prior to the responses to the request for proposal.
- The legislature would have to appropriate funds to pay the premium.

APPENDIX A

WCRA Premium and Reported Claim Experience
For the State of Minnesota
January 1984 - December 1990

1	2	3	4	5	6	7	8	9
CAL. YEAR	RETENTION LIMIT	PAYROLL EXPOSURE	PREMIUM RATE	PREMIUM PAID	CLAIMS REPORTED	WCRA PROJECTED LIABILITY	REIMBURSEMENT TO STATE	ESTIMATED CATASTROPHIC LIABILITY
1984	340,000	20,380,861	3.90	795,130	18	11,075,256	0	3,483,199
1985	350,000	22,227,076	4.70	1,044,673	17	8,750,323	0	1,141,785
1986	360,000	23,793,497	5.60	1,337,326	11	8,010,087	0	1,111,535
1987	370,000	25,277,035	5.80	1,477,743	10	5,010,673	0	189,733
1988	380,000	28,284,570	5.92	1,675,376	13	6,278,044	0	741,398
1989	390,000	28,348,234	5.92	1,849,597	9	3,680,974	0	273,126
1990	400,000	28,284,570	5.92	1,675,480*	2	1,196,710	0	24,577
	TOTAL	$176,595,843		$9,855,325	80	$44,002,067	$0	$6,965,353*

<u>Explanation of Table Headings</u>

(1) The calender year of coverage.
(2) The retention limit selected by the State. The state has always selected the higher retention limit.
(3) The state's reported payroll in hundreds of dollars.
(4) The reinsurance premium rate for the year.
(5) This is the actual premium paid by the state for that year. (*1990 premium estimated on 1988 payroll)
(6) The actual number of claims reported to the WCRA by the state.
(7) The reserves (estimated liability) on claims reported.
(8) Shows the actual amount of reimbursement received by the state from the WCRA for claims occurring in that year.
(9) Catastrophic reserves are the estimated costs beyond the coverage provided by premium payments. Catastrophic claim costs are shared by all association members. (*The state's share of this amount is $220,800.) The state's total future exposure to catastrophic liability is estimated at $1.75 million.

APPENDIX B

PROJECTED EXPOSURE WITH OR WITHOUT REINSURANCE

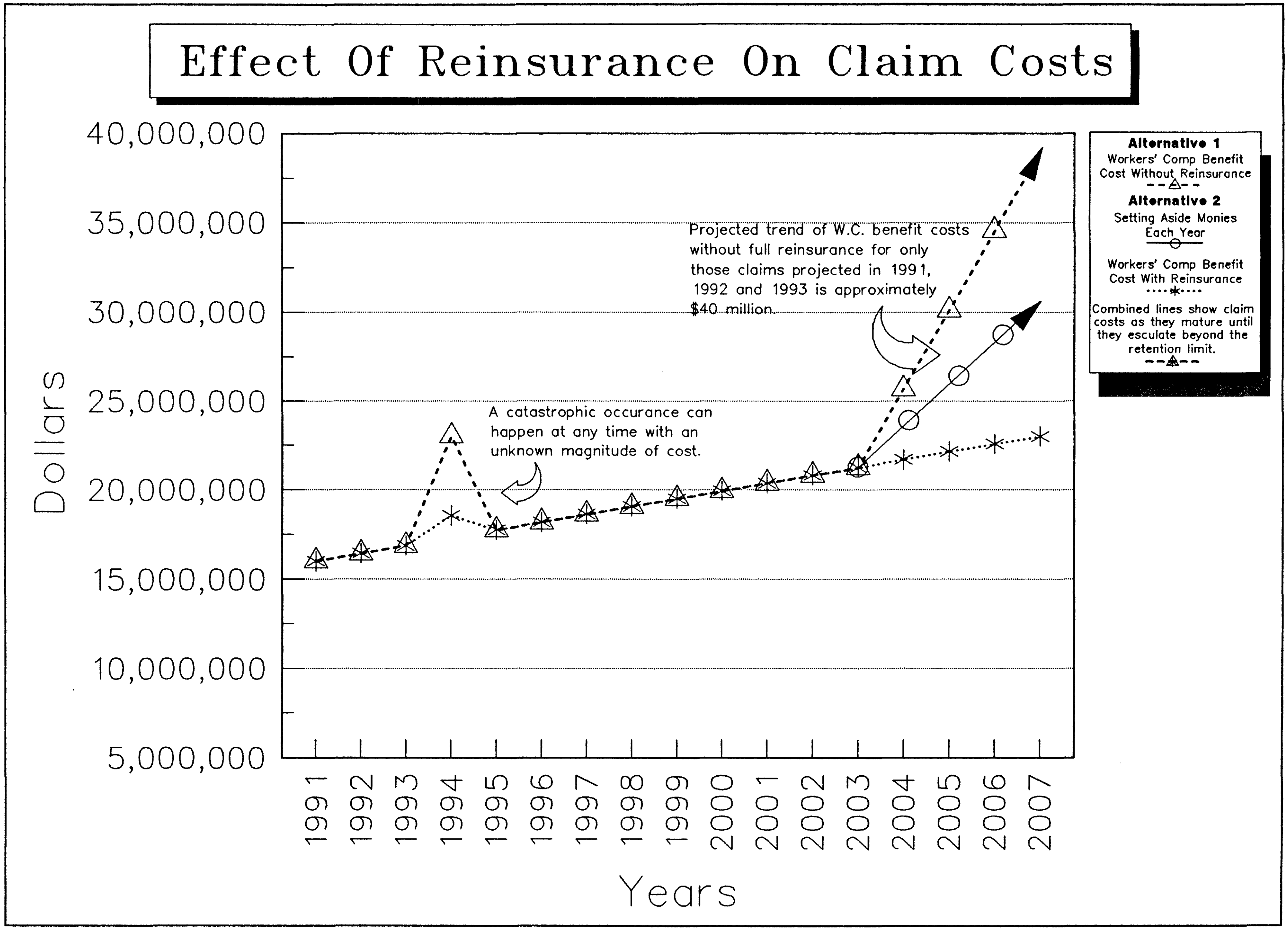
This table can be used to project the state's exposure should membership be continued or discontinued. 1984 and 1985 are the most developed claim years with reinsurance experience upon which to project future state liability. This table shows projections for 1991, 1992 and 1993 based on 1984, 1985, and 1986 claim information.

1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
CAL. YEAR	PROJECTED RETENTION LIMIT	PROJECTED WCRA PREMIUM	PROJECTED NUMBER OF CLAIMS REPORTED	PROJECTED COST OF CLAIMS TO STATE	PROJECTED WCRA LIABILITY	TOTAL PROJECTED LIABILITY	PROJECTED POTENTIAL CATASTROPHIC LIABILITY
1991	410,000	1,900,000	18	7,380,000	11,795,147	19,175,147	3,709,607
1992	420,000	2,100,000	17	7,140,000	11,967,423	19,107,423	1,295,212
1993	430,000	2,339,400	11	4,730,000	9,679,626	14,409,626	1,343,212
	TOTAL	$6,339,400	46	$19,250,000	33,442,196	$52,692,196	$6,343,031*

<u>Explanation of Table Headings</u>

(1) The calender year of coverage.
(2) The retention limit selected by the State.
(3) The projected premium rate for the year.
(4) These numbers are based upon the number of claims reported in 1984, 1985, and 1986. These years are the most developed with reinsurance experience upon which to project future state liability.
(5) The projected cost to the state if membership were maintained with the WCRA.
(6) The projected WCRA liability if membership were continued.
(7) The total exposure to the State on large claims if not reinsured.
(8) Catastrophic case reserves are the estimated costs beyond the coverage provided by premium payments. (*The state's share of this amount is estimated at $450,000 if membership is maintained)

<u>Table Heading</u>	<u>Assumption</u>
2	The retention level will continue to increase by $10,000 each year.
2 & 3	The State will select the high retention level.
3	Projected premium is based upon a projection of future payroll.
4	Similar injuries will occur in the future.
4,6 & 8	1984, 1985 & 1986 claim history will repeat itself in 1991, 1992, & 1993.
5	The "retention limit" and "number of claims" under table headings 2 & 4 are accurate.
6	The indemnity cost-of-living will increase by 5.5% (an escalation factor used by the WCRA).
6	The medical costs-of-living will increase by 8% (an escalation factor used by the WCRA).
7	The projected cost of claims to the State and the WCRA is accurate.
8	The information for 1984, 1985 & 1986 potential catastrophic liability will repeat itself in 1991, 1992 & 1993.

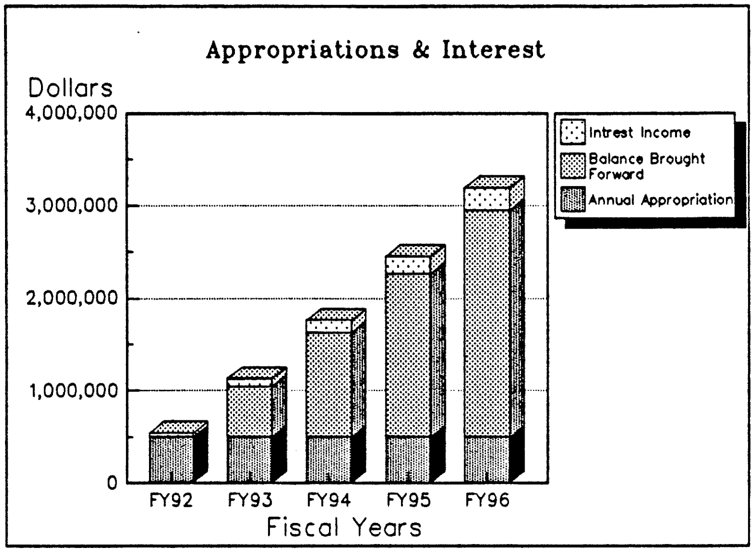


Effect Of Reinsurance On Claim Costs
40,000,000
35,000,000
30,000,000
25,000,000
20,000,000
15,000,000
10,000,000
5,000,000
Dollars
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
Years
Projected trend of W.C. benefit costs without full reinsurance for only those claims projected in 1991, 1992 and 1993 is approximately $40 million.
A catastrophic occurance can happen at any time with an unknown magnitude of cost.
Alternative 1
Workers' Comp Benefit Cost Without Reinsurance
Alternative 2
Setting Aside Monies Each Year
Workers' Comp Benefit Cost With Reinsurance
Combined lines show claim costs as they mature until they esculate beyond the retention limit.

APPENDIX D

Alternative 2

The legislature appropriates an amount of money less than the current cost of the WCRA premium to be placed in the State Compensation Revolving Fund. These funds and the interest earned would be used to pay for high exposure claims.



1. Beginning balance of $500,000
2. A period of five fiscal years (FY92-FY96)
3. An annual interest rate of 8% compounded monthly. The current rate being paid by the State Board of Investments is currently paying 8.71% on the Trust Fund balances.
4. An additional appropriation of $500,000 was added to each fiscal year.

FY92	Beginning Appropriation	$500,000.00	
	Ending Balance	541,501.91	
	Interest Income		$41,501.91
FY93	Annual Appropriation	$500,000.00	
	Carry Forward	541,501.91	
	Ending Balance	1,127,953.89	
	Interest Income		$86,451.98
FY94	Annual Appropriation	$500,000.00	
	Carry Forward	1,127,953.89	
	Ending Balance	1,763,080.27	
	Interest Income		$135,126.38
FY95	Annual Appropriation	$500,000.00	
	Carry Forward	1,763,808.27	
	Ending Balance	2,450,924.55	
	Interest Income		$187,844.28
FY96	Annual Appropriation	$500,000.00	
	Carry Forward	2,450,924.55	
	Ending Balance	3,195,862,53	
	Interest Income		$244,937.98
Total Earned Interest			$695,937.98
Total Appropriations			2,500,000.00
Fund Balance			$ 3,195,862.53

APPENDIX E
SAMPLE SURVEY OF OTHER STATES

STATE	Self-Insured		Administered by		Legislature Mandated Reinsurance		Reinsured		Catastrophic Coverage	
	YES	NO	*TPA	SELF	YES	NO	YES	NO	YES	NO
1 Alaska	X		X			X	X		X	
2 Arizona	X		X			X	X			X
3 Colorado	X		X			X	X			X
4 Connecticut	X		X			X		X		X
5 Delaware	X		X			X		X		X
6 Florida	X			X	X			X		X
7 Maine	X			X	X			X		X
8 Maryland	X			X	X		X			X
9 Michigan	X			X		X		X		X
Minnesota	**X**			**X**	**X**		**X**		**X**	
10 Missouri	X			X		X		X		X
11 Nebraska	X			X		X		X		X
12 Nevada		X	X			X		X		X
13 New Hamp.	X			X		X		X		X
14 New Jersey	X			X		X		X		X
15 New York	X		X			X	X		X	
16 North Dak.		X		X		X		X		X
17 Oklahoma	X			X		X	X			X
18 South Car.	X			X	X			X		X
19 South Dak.	X			X		X		X		X
20 Tennessee	X			X		X		X		X
21 Utah	X			X		X	X		X	
22 Vermont	X			X		X		X		X
23 Washington		X		X		X		X		X
24 Wisconsin	X			X		X		X		X
TOTALS	21	3	7	17	4	20	7	17	3	21

*Third Party Administrator