

Department of Workers' Claims
Quarterly Report
January - March 2026




TEAM 
KENTUCKY
EDUCATION AND
LABOR CABINET

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DWC Quarterly Statistics

Distribution of First Reports of Injury (FROI) and Claims by Industry		
	First Reports*	Claims
Accommodation & Food Services	617	23
Administration, Support, Waste Management & Remediation	533	33
Agriculture, Forestry, Fishing & Hunting	145	3
Arts, Entertainment & Recreation	63	5
Construction	385	46
Educational Services	1,019	25
Finance & Insurance	218	11
Health Care & Social Assistance	1,346	53
Information	120	8
Management of Companies & Enterprises	20	20
Manufacturing	1,621	120
Mining	93	12
Other Services (Except Public Administration)	253	10
Professional, Scientific & Technical Services	201	5
Public Administration	777	51
Real Estate and Rental & Leasing	111	4
Retail Trade	1,374	99
Transportation & Warehousing	1,502	68
Wholesale Trade	35	1
Unclassified	69	4
Utilities	355	32

*This only includes FROIs submitted via Electronic Data Interchange (EDI) to the DWC.



Top Ten Causes of Injury Claims	
FROIs	
Fall, Slip or Trip on Ice or Snow	1,181
Fall, Slip or Trip, Not Otherwise Classified (NOC)	739
Strain or Injury by Lifting	734
Fall, Slip or Trip on Same Level	596
Other Injury, NOC	501
Strain or Injury by, NOC	475
Strain or Injury by Pushing or Pulling	398
Struck or Injured by Object Being Lifted or Handled	369
Cut, Puncture, Scrape, NOC	349
Struck or Injured by Fellow Worker, Patient or Other Person	343
Litigated Claims	
Cumulative, NOC	95
Strain or Injury by Lifting	78
Strain or Injury by, NOC	65
Fall, Slip or Trip, NOC	54
Strain or Injury by Pushing or Pulling	51
Fall, Slip or Trip on Same Level	43
Absorption, Ingestion or Inhalation, NOC	36
Other Injury (Not Otherwise Classified)	30
Fall, Slip or Trip from Different Level (Elevation)	29
Motor Vehicle, Collision or Side swipe with Another Vehicle	26

Quarterly Activity*	
Lost Time First Reports (FROI)	9,057
Claims Assigned	859
Re-Openings (Motion Docket)	5

*The above statistics are derived from the agency database by various dates determined by status code. Specific details may be obtained by contacting the Education and Labor Cabinet's Office of Technology Services. Individual section breakdown/statistics represent internal section activity that may differ from DWC database.

Ten Most Common Bodily Injuries	
FROIs	
Low Back Area (Inc: Lumbar and Lumbo-Sacral)	975
Finger(s)	945
Knee	844
Shoulder(s)	750
Multiple Body Parts	687
Hand	662
Ankle	509
Foot	393
Wrist	372
Multiple Head Injury	336
Litigated Claims	
Multiple Body Parts	197
Shoulder(s)	110
Low Back Area (Inc: Lumbar and Lumbo-Sacral)	84
Knee	52
Lungs	45
Ear(s)	42
Ankle	35
Wrist	27
Elbow	25
Foot	22

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Workers' Claims Legal Division

The attorneys in the Education and Labor Cabinet, Office of Legal Services, Workers' Claims Legal Division provide legal representation to the Department of Workers' Claims (DWC).

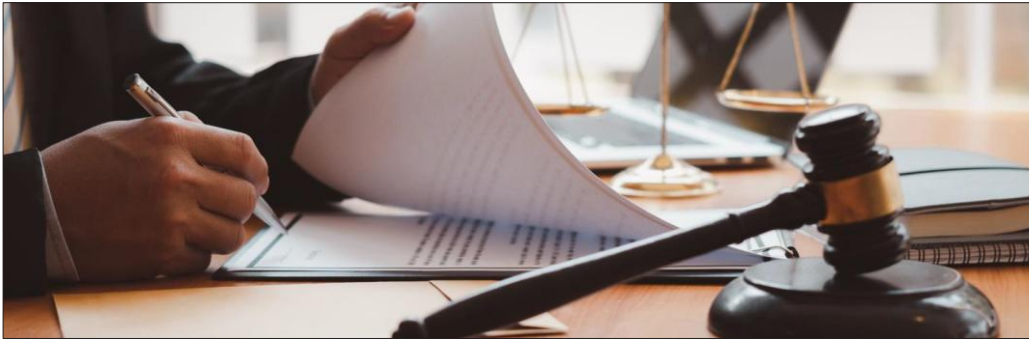
One of the major functions of the Workers' Claims Legal Division is pursuing enforcement actions. Kentucky law requires employers to have workers' compensation insurance or to deposit security with the commissioner after being authorized to self-insure. If an employer fails to do so, the commissioner issues a citation to the employer, which includes a penalty of \$100 to \$1,000 per employee for each day the employer fails to comply with the law.

The goal is to encourage the employer to obtain coverage for its employees. Once coverage is obtained, the division may negotiate a settlement of the penalty with the employer. If a compromise cannot be reached, the employer may have its case heard and decided by an administrative law judge (ALJ). The division represents the commissioner before the ALJ.

During this quarter, division staff and attorneys received 188 new enforcement citation cases and collected a total of \$342,898 in fines and penalties.

In addition, the Workers' Claims Legal Division represents the Division of Workers' Compensation Funds, formerly known as the Special Fund, in matters where it is a party. The Workers' Claims Legal Division also represents the commissioner in self-insurance matters when the commissioner's determination of the amount and call of required security is challenged, and when the formerly self-insured employer files for bankruptcy. The division also investigates, resolves and prosecutes unfair claims settlement practice (UCP) allegations. There were no UCP complaints alleging violations of the standards set forth in 803 KAR 25:240 during the quarter and no UCP/Show Cause fines or penalties collected.

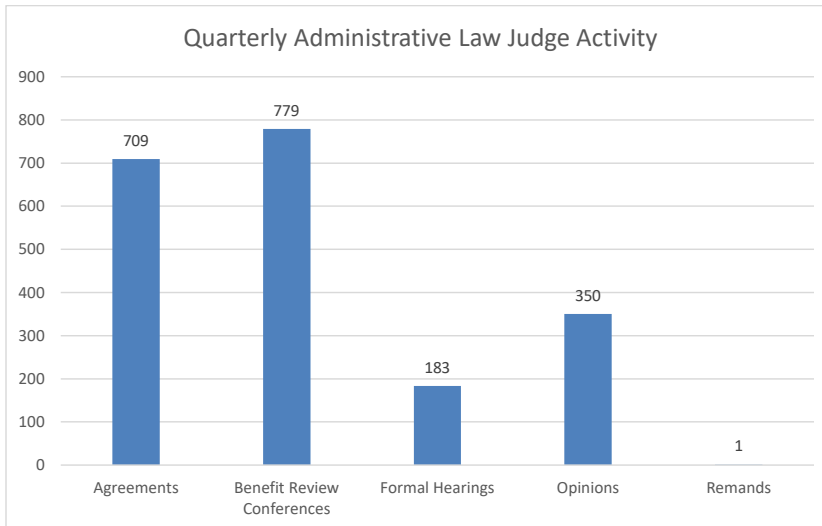
Finally, the Workers' Claims Legal Division litigates any claims brought by or against the department, reviews and drafts potential legislation or regulations and answers questions on workers' compensation issues for claimants, insurance companies, legislators and the public.



Administrative Law Judges

The DWC has 17 ALJs. Each ALJ is appointed by the governor for a four-year term and is subject to confirmation by the Kentucky Senate. One of the ALJs is designated chief administrative law judge (CALJ) pursuant to KRS 342.230(7). ALJs adjudicate workers' compensation claims by conducting benefit review conferences, presiding over formal hearings and issuing opinions awarding or denying benefit claims.

The CALJ presides over the Frankfort motion docket. In addition, the CALJ rules on settlement agreements in unassigned cases, conducts hearings and renders opinions in various enforcement actions and reports on workers' compensation litigation to other DWC sections. The CALJ supervises ALJ activities, prepares a rotation schedule for the ALJs, plans two adjudicator training sessions annually and covers dockets for other ALJs on an emergency basis.



Mediation Program

DWC operates a formal mediation program as an alternate means of resolving workers' compensation claims. Under the terms of the program, one or more ALJs are assigned on a rotating basis to serve as mediators when the parties to a claim request a referral for mediation. DWC promulgated an administrative regulation, 803 KAR 25:300, to govern the mediation program. This quarter, 170 mediations were conducted and 146 were settled.



Agreements Section

Agreements (Form 110s) are submitted through the Litigation Management System to be processed and put into record, whether signed by the CALJ or one of the other 16 ALJs within the department. Pre-litigation agreements are reviewed by staff for accuracy before being approved by the CALJ if they meet the statutory

and regulatory requirements. This quarter, 565 agreements were received for approval by CALJ. Of those, 526 were approved. Section staff also received seven motions requesting to substitute a party. During this period, seven motions to substitute were approved and one was overruled.

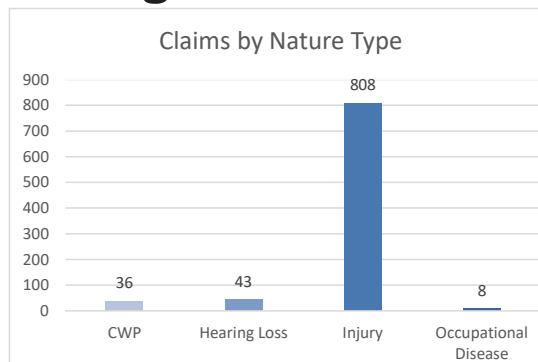


Division of Claims Processing

The Division of Claims Processing conducts two phases of processing: Claims Review and Claims Assignment. Each phase has a distinct role in processing workers' compensation litigated claims filed with the DWC.

Claims Review

The claims processing staff reviews all the Applications for Resolution of Claim filed with the department, verifying that filing requirements as outlined in 803 KAR 25:010 are followed. A total of 895 new claims were filed this quarter including 808 injury claims, eight occupational disease claims, 43 hearing loss claims and 36 coal workers' pneumoconiosis (CWP) claims. The staff identifies and verifies insurance coverage for all named defendant employers.



If no workers' compensation insurance is found, steps are taken to join the Uninsured Employers Fund as a party to the claim. Once the claims have been verified through the claims review process, they are assigned to an ALJ.

Claims Assignment

This quarter, a total of 864 new and reopened claims were assigned to the ALJs and scheduled for a benefit review conference. Claims staff processed 88 reopened claims, which were routed to motion docket. In addition, the division contacted and scheduled court reporter services to attend and transcribe 290 hearings. Each transcript is examined and verified for payment within this division.

Once a claim is final, it is electronically transmitted to the division to confirm all documents are in the electronic file and that there are no pending matters requiring further action by the ALJ before it is closed. A total of 1,490 claims were audited and closed during this quarter.



Workers' Compensation Board and Appeals

Appeals Section

The Appeals Section serves as support for the chair and two board members of the Workers' Compensation Board (WCB). Staff enters the appeals information into the DWC database and verifies the timeliness of filings, completeness of records and compliance with 803 KAR 25:010 Section 22 in preparation for the WCB review and judgment. Staff prepares a weekly roster of requests for additional actions filed on appealed claims; assigns appealed claims to the WCB; tracks motions daily; and prepares a weekly docket. If the decision is appealed, section staff shall, upon request, ready and certify files for review by the Kentucky Court of Appeals and, in some cases, the Kentucky Supreme Court. A total of five appeals were filed before the WCB. When the appeal is final, it is reviewed by this section and routed to an ALJ for outstanding litigation or audited for finality, which confirms all documents are contained in the electronic file.

Opinions Rendered by Board Members

Stivers:	2
Alvey:	2
Miller:	1
Total opinions:	5

The Appeals Section processed the following appeals from the Workers' Compensation Board:

Appeals to Court of Appeals	1
Court of Appeals Opinions	5
Appeals to Supreme Court	3
Supreme Court Opinions	6



Division of Specialists, Medical Services, & Open Records

Services provided by the Division of Specialists, Medical Services, and Open Records personnel are a vital component to the delivery of quality, timely medical services and assistance to injured workers and their families. The division also administers the Drug-Free Workplace Certification Program (803 KAR 25:280).

Medical Services Branch

The Medical Services Branch has seven main tasks that relate to the mission of the DWC. Those tasks are:

1. Certification of managed care organization (MCO) plans, which encompass physician certification (AMA licensed); proper legal documentation for the managed care provider (provider contracts, etc.); and compliance with Kentucky Revised Statutes regarding grievance rights and procedures for claimants and their employees.
2. Utilization review (UR) certification to determine necessary and appropriate medical care for claimants.
3. Medical bill audit (MBA) to assure compliance with adopted fee schedules.
4. Hospital fee schedule cost-to-charge ratio pursuant to 803 KAR 25:091 and the latest cost report (HCFA-2552), which is supplied by the Kentucky Cabinet for Health and Family Services.
5. Pharmacy fee schedule pursuant to 803 KAR 25:092, which mandates using the average wholesale price.
6. Physician fee schedule pursuant to 803 KAR 25:089 and related medical data supplied by Fair Health Inc., an independent non-profit organization that supplies medical billing data.
7. University evaluations wherein staff schedule statutorily required evaluation appointments for pneumoconiosis (black lung), hearing loss and occupational disease claimants.

Medical Services Report

Currently, there are 22 MCO and 59 UR/MBA plans certified by DWC.

The hospital fee schedule cost-to-charge (c-t-c) ratio governs the reimbursement for hospital charges in workers' compensation claims and these ratios are modified on April 1 each year.

In accordance with 803 KAR 25:091, the DWC promulgates c-t-c ratios for in-state hospitals, out-of-state hospitals and ambulatory surgery centers. In April 2025, c-t-c ratios were assigned for in-state hospitals. By regulation, out-of-state hospitals are reimbursed in the same manner as Kentucky hospitals, with c-t-c ratios assigned on an ongoing basis throughout the year. To date, c-t-c ratios were assigned for 36 out-of-state hospitals this year.

Evaluations: Hearing Loss

- University of Kentucky Hearing Loss Claims Received: 18
- University of Louisville Hearing Loss Claims Received: 16

Evaluations: Coal Workers Pneumoconiosis (CWP) (Black Lung)

- Dr. Srinivas Ammisetty
Claims Referred for Evaluations: 29

Evaluations: Occupational Disease

- University of Louisville Occupational Disease Claims Received: 6

Staff make and coordinate evaluation appointments for claimants alleging to have developed CWP, occupational disease and hearing loss. Additionally, they receive, review and transmit the evaluation reports to the employee, employer, insurance adjuster and the ALJ assigned to the claim.



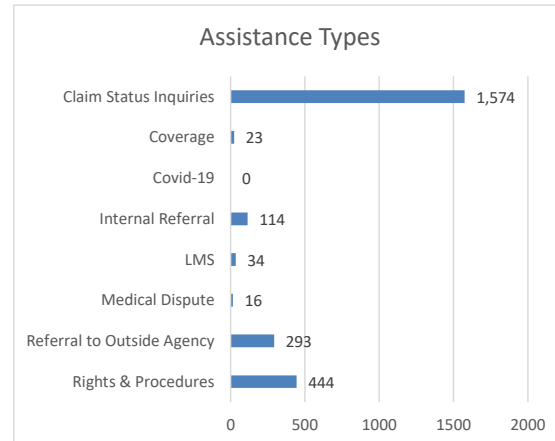
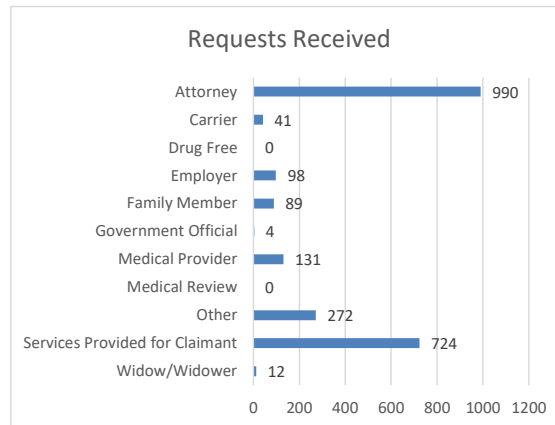
Workers' Compensation Specialist Branch

The Workers' Compensation (WC) Specialist Branch is tasked with aiding claimants, attorneys, medical providers, employers, family members of claimants and ALJs. Individuals seeking assistance may call, toll free, 1-800-554-8601. Additional information may be found on the DWC website at elc.ky.gov/Workers-Compensation.

Specialists provide intervention services (i.e., assist with resolving issues between claimants, insurance adjusters and medical providers) on issues that may otherwise need to be resolved by an ALJ. The specialists are supervised by an ombudsman.

The other entities within the WC Specialists Branch are Vocational Rehabilitation Program (KRS 342.710); Retraining Incentive Benefits Program (803 KAR 25:120); and Workplace Fatality Reporting.

Beginning in October 2016, with the advent of the Litigation Management System (LMS), the Workers' Compensation Specialists acquired additional tasks of assigning user access numbers and assisting pro se claimants with filing claims. Specialists also assist law firms, insurance companies and other authorized entities with non-technical navigation of LMS.



Workplace Fatality Report

Tracks workplace fatalities with assistance from the Occupational Safety and Health Administration (OSHA).

Fatalities: 29

Vocational Rehabilitation

KRS 342.710 permits retraining for those who are unable to perform work for which they have previous training or experience due to a work-related injury. Evaluations are scheduled to determine aptitude, educational level and employment interest. The test results are provided to all parties and assistance is offered to the injured worker.

New Claims: 1
Closed Claims: 1
Active Claims: 1
Enrolled in school/programs: 0

Retraining Incentive Benefits

This program is dedicated to individuals who contract coal workers' pneumoconiosis (black lung) and is designed to facilitate training to transition to an alternative work environment. The program provides for the attainment of a GED and other bona fide training and education programs for those who do not desire to or cannot re-enter the coal mining profession. No requests for this program were filed during the quarter.

Drug-Free Workplace

The Drug-Free Workplace program allows employers, private or governmental, to promote a workplace free from drugs. Employers must submit an application and drug-free workplace plan to the DWC. Upon satisfactory completion of the application and confirmation of workers' compensation insurance coverage, the plan will be certified by the commissioner. The employer may be eligible for a 5% reduction of its workers' compensation insurance premium pursuant to KRS 304.13-167(6). Currently, 246 certified drug-free workplaces are enrolled in the program.

Open Records

This section responds to requests for claim and first report information pursuant to KRS 61.872(2). Requests are received from a variety of outside parties including attorneys, insurance carriers, employers, the Social Security Administration and the public. Requests may be submitted by mail, email, fax or hand delivery. Currently, copies are 15 cents per photocopied page and 75 cents per microfilmed page. Upon receipt of the request, staff compiles a cost estimate for the requesting party. After payment is received, materials are mailed by U.S. Postal Services or United Parcel Services. Open Records staff is not permitted to fax workers' compensation documentation.

A service of pre-employment screening is available to prospective employers. Work injury history may be obtained by submitting a written request along with pre-payment of \$2.00 per Social Security number submitted. This quarter, 41 pre-employment requests were processed.

Pursuant to KRS 150.175(27), this section verifies workers' compensation awards for the Department of Fish and Wildlife for individuals applying for free hunting and fishing licenses. This quarter, six Fish and Wildlife requests were processed.

During this quarter, Open Records processed 1,435 written requests, 537 requests from US Department of Labor and received \$30,655.69, per KRS 61.874.

REGULATORY COMPLIANCE

Division of Security & Compliance

Security Branch

The Security Branch regulates companies that have been approved by the commissioner of DWC to self-insure their workers' compensation liabilities as opposed to purchasing primary coverage. A self-insured company is required to deposit security. This security must be a bond, letter of credit or deposit contract. The security is used to pay injured employees in the event a company is insolvent or defaults on its workers' compensation liabilities.

The DWC currently has approximately \$1.3 billion in security on file from 76 current and 390 former self-insured employers.

The Security Branch reviews audited financial statements annually to determine if the self-insured employer is financially viable enough to maintain self-insured status. This quarter, 23 financial statements were reviewed.

Self-insured employers are required to submit loss reports on an annual basis. One of the main duties of the branch is providing data and information to the commissioner to determine the required amount of security. The branch conducts reviews using loss data when assessing the amount of required security. There were no reviews completed this quarter.

Formerly self-insured employers must wait five years before seeking a reduction in the amount of security held by the DWC. Subsequent reduction requests may be made no more frequently than every two-and-a-half years. The branch requests updated loss reports and audited financial statements to review the security reduction request and submits the result to the

commissioner for a decision. No reviews of former self-insured employers were conducted this quarter.

A reserve is the estimated amount necessary to pay a claim to its conclusion. There are basically two types of reserves:

- 1) Indemnity (reimbursement for lost wages)
- 2) Medical

Adequate reserves must be reported to assure the proper amount of security is deposited. The branch reviews the loss data to ensure self-insured employers are reporting adequate reserves. Two external medical reviews were conducted this quarter.

Compliance Branch

The Compliance Branch consists of the Enforcement and Administrative Processing Sections.

Enforcement Section

The Enforcement Section's primary function is to ensure compliance of employers subject to the Workers' Compensation Act. This is achieved primarily through the efforts of its 11 investigators. The investigators cover each of Kentucky's 120 counties from field offices located throughout the state. They make onsite inspections to ensure employers have workers' compensation insurance. They also investigate leads generated by section staff, referrals submitted to the DWC and matters involving the Uninsured Employer Fund (UEF).

Non-compliant employers are subject to citations and civil penalties issued by the commissioner.

However, many investigations reveal employers are aware of their requirements and have voluntarily purchased workers' compensation insurance. The branch also encourages timely compliance through educational initiatives.

During this quarter, the branch conducted 3,486 on-site investigations of Kentucky employers. As a result, the commissioner issued 251 citations to employers for failure to comply with the requirements imposed by KRS Chapter 342.

Administrative Processing Section

The Administrative Processing Section is responsible for multiple tasks involving coverage and citations that include the following:

- 1) Prepare citation docket and process citation payments. Prepare citation files for remittance to the Workers' Claims Legal Division.
 - a. The branch processed \$370,498 in collected penalties, including penalties paid in full to the branch and collections received by the Workers' Claims Legal Division from contested citations.
 - b. Collected penalties are deposited into a fund created by KRS 342.920. These funds are used to pay benefits to employees injured before March 1, 1997, when their employer's security is exhausted.
- 2) Maintain Employee's Notice of Rejection of Workers' Compensation Act (Form 4s). The proper filing of this form permits an employee to waive the right to protection under the Kentucky Workers' Compensation Act.
 - a. 293 Form 4s received
 - b. 200 Form 4s approved
 - c. 435 Form 4s mailed upon request
- 3) Issue certifications of coverage to ALJs, private attorneys and open records requests. The section issued 55 certifications of coverage this quarter.

- 4) Process Professional Employer Organizations (PEOs), Wrap Up and Split Coverage Applications.
 - a. Currently, there are 141 registered PEOs who provide employee leasing services to Kentucky businesses.
 - b. Currently, there are 31 approved Wrap Up/Special Projects and 21 split coverage applications.

Data Management Branch

This branch provides technical assistance and guidance to resolve individual user and departmental issues. It also provides a structured environment that ensures the reliability, accuracy and integrity of data submitted to the DWC through accurate data entry and an Electronic Data Interchange (EDI) system, which includes First and Subsequent Reports of Injury, as well as Workers' Compensation Proof of Coverage (POC) reporting.

EDI Claims

The EDI Claims personnel monitor the electronic reports submitted to the DWC by insurance carriers when an injury is reported. First reports of injury (FROIs) and subsequent reports of injury (SROIs) are received daily from third-party administrators and insurance carriers through electronic data transmission vendors. Each record goes through program edits prior to acceptance and is scrutinized by staff for accuracy. Staff are responsible for communicating with vendors, carriers and third-party administrators to explain procedures and provide directives to file first and subsequent reports and make changes to existing records. This quarter, the section received and processed 33,886 FROI records and 24,016 SROI records.

EDI also serves as a mechanism for the issuance of letters, including notice of statute of limitations and benefits. During this quarter, 4,503 such notices were issued.

EDI Proof of Coverage (POC)

Every insurance carrier is required by statute to report coverage and cancellation of coverage of workers' compensation insurance issued to the employers in Kentucky. The EDI POC Section is charged with receiving and maintaining workers' compensation coverage filings for employers doing business in the Commonwealth of Kentucky.

During this quarter, 199,390 POC transactions were received and processed, 95% of which were accepted.

NCCI

Transactions Processed: 139,797

Acceptance Rate: 94%

CLAIMPORT

Transactions Processed: 51,234

Acceptance Rate: 95%

KACO

Transactions Processed: 9

Acceptance Rate: 89%

KAGC

Transactions Processed: 8,350

Acceptance Rate: 95%

The EDI POC section also is responsible for registering PEOs, manually processing mining and mine-related coverage and processing split coverage/wrap up POC for Owner and Contractor Controlled Insurance Programs (OCIP and CCIP). During this quarter, the section manually processed 861 coal transactions, with 75% accepted. The section also received 3,157 PEO transactions, of which 92% were accepted. Additionally, 751 wrap up transactions were received and accepted. Split coverage received six transactions with all accepted for the quarter.

Document Management Branch

This branch is responsible for scanning and exporting all hard-copy claims and first report documentation into the agency's SharePoint Imaging System. The documents are verified for accuracy via SharePoint prior to being approved for processing and exporting by DWC staff. During this quarter, 39,551 pages were scanned.

The branch is in the process of digitizing the agency's microfiche records for inclusion in BOX, a searchable cloud-based digital database. This quarter 3,567 sheets of microfiche were processed and migrated to BOX.





Division of Workers' Compensation Funds

Historically, the Division of Workers' Compensation Funds has been responsible for the administration of multiple funds, including the Coal Workers' Pneumoconiosis Fund and the Special Fund. In 2017, the assets and liabilities of the Coal Workers' Pneumoconiosis Fund were transferred to Kentucky Employers Mutual Insurance. Since then, the Division of Workers' Compensation Funds has continued to administer the Special Fund.

The Special Fund is liable for part of the income benefits awarded for certain occupational injuries and diseases resulting from incidents or last exposures occurring prior to December 12, 1996. Despite the age of the claims, due to the way the liability was shared with employers, many claimants are scheduled to begin receiving benefits from the Special Fund in the future.

In 2026, three claimants are scheduled to begin receiving benefits from the Special Fund. Currently, the last scheduled start date for a claimant to begin receiving Special Fund benefits is in 2041.

This quarter, the Special Fund paid approximately \$5.6 million in benefits directly to claimants and paid approximately \$150,000 in reimbursements to insurance carriers, for a total of approximately \$5.7 million paid to approximately 2,700 disabled workers or surviving dependents.

Benefits are funded by assessments on workers' compensation insurance premiums collected by the Kentucky Workers' Compensation Funding Commission (KWFCF). For more information on the KWFCF, visit the website at kwcfc.ky.gov.