

**TEXAS DEPARTMENT OF INSURANCE
DIVISION OF WORKERS' COMPENSATION
ACTUARIAL ANALYSIS OF
THE TEXAS WORKERS' COMPENSATION
SUBSEQUENT INJURY FUND
AS OF AUGUST 31, 2018**



MADISON CONSULTING GROUP

Actuaries • Property/Casualty Consulting Services

November 12, 2018

Mr. Blaise Gerstenlauer
Subsequent Injury Fund Specialist/Team Lead
Texas Department of Insurance
Division of Workers' Compensation
7551 Metro Center Drive
Suite 100
Austin, TX 78744

Re: Actuarial Analysis of the Texas Workers' Compensation Subsequent Injury Fund
as of August 31, 2018.

Dear Mr. Gerstenlauer:

Madison Consulting Group, Inc. is pleased to enclose a copy of the above captioned report. Please note that this report replaces the Actuarial Analysis of the Texas Workers' Compensation Subsequent Injury Fund as of August 31, 2018 sent on November 2, 2018. We have enjoyed working on this project and hope you find it satisfactory. Please call if you have any questions or comments.

Sincerely,

Mark Crawshaw, Ph.D., FCAS, MAAA

MC/nc
Attachment

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INTRODUCTION

At the request of management of the Texas Department of Insurance, Division of Workers' Compensation Insurance (DWC), Madison Consulting Group (MCG) has performed an actuarial analysis of the Subsequent Injury Fund (SIF) as of August 31, 2018. The purpose of the review was to analyze the solvency of the SIF based on past, present, and future trends of income flow and to project future funding requirements for the SIF through fiscal year 2023, including assessments (if any) on insurance carriers to meet the SIF's obligations under the Texas Workers' Compensation Act. This report describes our analysis and conclusions.

ACKNOWLEDGEMENT OF QUALIFICATION

This report was prepared under the direction of Mark Crawshaw, Ph.D., FCAS, MAAA. Dr. Crawshaw is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

DISTRIBUTION AND USE

This report has been prepared for the internal use of management at DWC to assist in their operation of the SIF. It is our understanding that this report will become a public document. It is requested that all distributions of this report be in its entirety including the attached exhibits and appendices.

ANALYSIS

Overview of the SIF

The SIF was created by the State Legislature in 1947 to facilitate the employment of handicapped persons, including many disabled WWII veterans. The original purpose of the SIF was to protect disabled workers against employment discrimination that might otherwise have arisen as an unintended consequence of placing the financial responsibility for work related disability on each employer through the workers' compensation system. As originally conceived, if an employee who had previously lost a leg, eye, or hand should lose a second leg, eye, or hand in a work-related accident, then the employer or insurance carrier would be liable only for the compensation payable for the second injury. The SIF would be liable for the remainder of any total permanent disability award to the injured employee.

Since its inception, the responsibilities of the SIF have expanded beyond its original purpose. In addition to its responsibility for payments in events of second injuries, the SIF is now responsible for claims not related to second injuries as follows:

- To reimburse carriers for payments made in accordance with DWC decisions/orders that are later reversed or modified resulting in an overpayment of a claim.

- To reimburse carriers for certain benefits that were paid due to a designated doctor opinion that is later reversed or modified resulting in an overpayment of a claim. (This is a change contained in SB 1169 and effective September 1, 2007).
- To reimburse carriers in situations where multiple employment causes an increase in benefits. SB 1169 extended the scope of this item to include reimbursement of death benefits in situations of multiple employments in addition to the previously authorized reimbursement of income benefits.
- To reimburse carriers for pharmaceutical costs incurred on claims that are ultimately determined to be non-compensable. Recently adopted pharmacy formulary rule (28 TAC §134.550) extended the scope of this item to include reimbursement of drugs received through a medical interlocutory order that is later reversed or modified resulting in an overpayment of a claim.

SIF's Accounting Conventions

The SIF operates on a fiscal year and appropriation year basis. Fiscal year 2018 refers to transactions made during the period September 1, 2017 through August 31, 2018. Appropriation year refers to all transactions assigned to funds appropriated for the period September 1, 2017 through August 31, 2018 and may include transactions made outside of this period. For example, payment orders signed no later than August 31, 2018 (last day of appropriation year 2018) may in fact be paid (with appropriation year 2018 funds) during fiscal year 2019. The reports SIF provided to us included amounts compiled from the various systems used by SIF to track payments. In some instances, these systems have differences in how they code payments to fiscal or appropriation year. In our analysis, we have taken the amounts from the USAS system as being definitive¹.

Prior to September 1, 2005, the SIF was operated by the Texas Workers' Compensation Commission (TWCC). During this period, TWCC produced a separate financial statement for the SIF. Effective September 1, 2005, TWCC became part of the

¹ In the course of this analysis, we worked with SIF staff to reconcile the various reports to the financial statements for 2011 and subsequent. In some instances, this resulted in small revisions to amounts on Exhibit I as compared to amounts in our previous reports.

Texas Department of Insurance. At this time, the financial statement for the SIF changed and became part of the Annual Financial Report of the Texas Department of Insurance (TDI).

The financial reports that are routinely produced by TDI include an accounting of revenue and expenses of SIF on essentially a cash basis for the fiscal year (see Exhibit I). From an actuarial perspective, to evaluate the financial condition of the SIF, it is necessary to expand these financial reports to include estimates of all accrued revenue and expenses. To this end, Sheet 1 of Exhibit II of this report provides a summary of the balance sheet of the SIF with full accruals for all revenues and expenses. In preparing Sheet 1 of Exhibit II, we have attempted to account for all revenue and expenses of the SIF associated with all claims occurring through the accounting date, regardless of when SIF will make the cash transaction or when SIF becomes aware of the underlying claim that results in the revenue or expense.

The SIF's Revenue

The SIF is currently funded solely by death benefit payments from insurance carriers in situations where a compensable death occurs and there is no eligible beneficiary (or the claim for death benefits is not made in a timely manner). Prior to July 2003, the SIF was designated a special fund in the State Treasury and was credited interest on the account funds. However, since that time, interest has not accumulated to the benefit of the SIF.² In the event that this funding is not enough, the SIF may assess insurance carriers.

² It is noted that the SIF's earlier financial statements show small amounts of income in addition to death benefits described above. We understand these items relate to reversals of items that have previously been expensed rather than external sources of income.

Effective September 1, 2007, HB 724 expanded the definition of eligible beneficiaries to include “eligible parent.” Effective September 1, 2009, HB 1058 clarified and somewhat expanded upon the previous legislation. These changes had the practical effect of reducing revenue to SIF.

Projection of Revenue

Exhibit III summarizes the analysis of revenue to the SIF from no-dependent death cases. We projected future revenue (cash basis) based on the historical data, consideration of current economic activity, and a projected annual rate of growth of 4% per year (see Exhibit VI, Column (6)).

We estimated the accrual for revenue receivable (see Exhibit II, Sheet 4, Row 1a) from the projected revenue (cash basis) (Exhibit I, Item 2a) assuming an average lag of twelve months from the time of a no-dependent fatality to the time the revenue is received by SIF.

The SIF's Expenses

The SIF has six sources of expenses as follows:

1. Lifetime Income Benefits (LIB's)
2. Carrier Overpayment Reimbursement (including “medical interlocutory orders” and “designated doctor opinions”)
3. Multiple Employment Reimbursement (including reimbursement for death benefits in multiple employment situations)
4. Pharmaceutical Reimbursement
5. Death Benefit Reimbursement
6. Healthcare Regional Network Assessment (historical only, not a prospective expense)

These items (excluding Healthcare Regional Network Assessment) are described in the following five sections:

Expense Item 1: LIB's

The original purpose of the SIF was to facilitate the employment of handicapped persons by providing a mechanism for funding increased benefit costs arising from pre-existing injuries. This was, and continues to be, accomplished through lifetime income benefits (LIB's) paid to eligible injured workers. The eligibility criteria and benefit amounts vary depending on whether the injury is covered by the "old law" (i.e., accidents prior to January 1, 1991) or the "new law." Under either law, the benefits refer to indemnity benefits only and exclude medical benefits.

Under the old law, if an employee who had previously lost a leg, eye or hand, was to lose a second leg, eye or hand, then the insurance carrier would be liable only for the second injury. The SIF would be liable for the remainder of any total and permanent disability award and pay to the injured worker the portion of workers' compensation benefits attributed to the previous disability or injury. Under the old law, the benefit awards were fixed weekly (or biweekly or monthly) amounts. There was no escalation in benefits.

Under the new law, if an employee had a previous injury, which when combined with a second injury results in a condition for which the injured employee is entitled to lifetime income benefits, the insurance carrier is liable for the second injury only to the extent that the first injury had not existed. The SIF is liable for the remainder of any lifetime income benefits. Under the new law, the benefit awards are subject to 3% escalation per annum.

The SIF determines the liability for known LIB awards using the 2001 Commissioners Standard Mortality Table (Appendix D). For benefits under the new law,

the SIF includes an adjustment to reflect the 3% per year escalation in benefits specified in the law. The SIF calculates the liability at nominal value and does not adjust the liability to present value. This is reasonable considering that the SIF does not receive interest on its funds.

On Sheet 1 of Exhibit IV, we have estimated future LIB payments (cash basis) through 2023 based on the following assumptions (each of which is based on historical experience):

1. There will be 1.2 new LIB's awarded each year.
2. The new LIB's will be under the new law. The average benefit will be approximately \$620 per week in 2019 (see Sheet 2 of Exhibit IV) and will escalate at 3% per year.
3. No existing or future claimants will die before 2023.
4. In the initial year of award, a lump sum of \$50 thousand is payable for accrued benefits.

Appendix A documents the analysis of the number of LIB claims. Future claims are projected based on the expectation of an average number of claims per year of 1.2 and an assumed reporting pattern. The estimate of 1.2 claims per year, as well as the assumed reporting pattern, was based on a review of recent claims activity, discussion with DWC personnel and judgment. The estimate of 1.2 has decreased from 1.4 in our previous actuarial report at August 31, 2016 based on reduced claims activity.

In addition to estimating the LIB payments, we estimated the accrual (liability) for future payments associated with LIB claims that have occurred on or before the accounting date. This includes both the liability for known LIB awards, as well as the liability for unknown awards. In Appendix B of this report, we evaluated the liability for known LIB awards using a similar procedure to that used by the SIF. We also estimated

the liability for LIB's that have not yet been awarded but where the underlying accident has occurred (also referred to as IBNR).

Expense Item 2: Carrier Overpayment Reimbursement

The determination of the benefits due an injured employee in the Texas workers' compensation system often involves complex issues and a lengthy process. The process may involve a benefit review conference (an informal procedure in which a DWC hearings officer can order payments of benefits), a contested case hearing (in which a DWC hearings officer issues a decision and order), a DWC appeals panel (that reviews the record and may reverse the decision of the hearings officer and render a new decision; or reverse the decision of the hearings officer and remand the case to the hearings officer for further consideration and development of evidence) and, finally, judicial review in the court system. In this process, previous decisions of DWC that ordered carriers to pay claimants may be reversed or modified. In these situations (whether, or not it involves a second injury), the SIF is required to reimburse carriers for overpayments they previously made to claimants. A similar situation, whereby SIF may have to reimburse carriers, exists for reversals or modifications of designated doctor opinions and medical interlocutory orders.

We estimated these reimbursements (cash basis) based on recent experience and an assumed annual growth rate of 0% per year for "carrier overpayment" and "medical interlocutory orders", and a growth rate of 10% per year for "designated doctor," (see Exhibit I, Items 3c through 3e, and Exhibit VI).

Because there is a lag between the time when a claim occurs, and the time SIF reimburses the insurance carrier, it is necessary to estimate an accrual (liability) for

carrier overpayment reimbursements. Accordingly, we have included a liability for this item on Sheet 4 of Exhibit II assuming an average lag of two years in filing a request for reimbursements.

Expense Item 3: Multiple Employment Reimbursement

In 2001, the Texas legislature provided benefits for employees with multiple employers and expanded the responsibilities of the SIF by requiring the SIF to reimburse carriers for income benefits when the benefits have been increased because of the claimant's wages at more than one employer. Effective September 1, 2007, SB 1169 expanded the scope of reimbursement to include death benefits. In the past, SIF paid the multiple employer reimbursement benefit one year in arrears. It is our understanding that, beginning in 2010, SIF has made its payments current.

Over the last few years, it has become apparent that SIF is incurring significant liabilities for multiple employment reimbursement benefits associated with death benefits and LIB benefits. Like the second injury LIBs that SIF has traditionally covered, these claims may involve lifetime benefits and payout over long periods of time. For this reason, we have analyzed the liability for these "long-term" claims using an approach similar to that for the "regular" LIB benefits for which SIF has traditionally been liable (see Appendix C).

In addition to the "long term" multiple-employment claims, we separately analyzed the "other" multiple employment claims. We projected payments for these claims assuming a 4% annual growth rate (see Exhibit V, Sheet 2). Since these "other" claims involve shorter time lags in the payment process, we included a liability for this

item on Sheet 4 of Exhibit II assuming an average lag of one year in filing a request for reimbursement (see also Exhibit V, Sheets 1 and 2).

Expense Item 4: Pharmaceutical Reimbursement

In 2003, the Texas legislature expanded the responsibilities of the SIF by requiring the SIF to reimburse carriers for pharmaceutical services for the first seven days following an injury in situations where the injury is ultimately found to be non-compensable. We understand that, to date, there have been very few requests for pharmaceutical reimbursements.

Expense Item 5: Death Benefit Reimbursement

As described earlier, the SIF's source of income is payments from insurance carriers in no-beneficiary death claims. In some situations, insurance carriers must provide payments to the SIF under the assumption that there is no beneficiary only to discover later that there is, in fact, an eligible beneficiary and that the carrier has overpaid the SIF. In these situations, the SIF is responsible for issuing a refund to the insurance carrier for the overpayment. Based on recent historical experience, we have estimated that these reimbursements average about 5% of the gross death benefits paid by carriers to the SIF. We used this 5% factor to project future (cash) reimbursements (see Row 3b of Exhibit I).

Because there is a lag between the time SIF receives a payment from an insurance carrier and the time it refunds a portion or all that payment back to the carrier, it is necessary to estimate an accrual (liability) for death benefit refunds. Accordingly, we

have included a liability for this item on Sheet 4 of Exhibit II assuming an average lag of two years in making reimbursements.

Review of Experience

The revenue and expense payment projections in this report are based on historical trends. The historical and future revenue and expense payments are illustrated on Exhibit VII.

2018 Payment Backlog

We understand that, at the end of 2018, SIF had a significant backlog of unpaid invoices caused by staff turnover and other internal issues. In our analysis, we made our projections of future payments (for all expense categories except LIBs and serious multi-employment claims which are not affected by the backlog) based on experience through 2017 and attributed the resulting difference between actual and projected payments for 2018 to the backlog. We then projected that these backlogged amounts will be paid in 2019.

Data Sources

Data for this analysis was provided by DWC as follows:

- copies of schedules of LIB claims, as well as multiple employment claims involving LIB or survivor benefit of August 31, 2018; and,
- copies of schedules prepared by DWC breaking out revenues and expenses into various categories.
- TDI (unaudited) financial statements through August 31, 2017
- A copy of the USAS screen shot showing SIF's cash balance at September 14, 2018.

This data was supplemented by the following:

- data underlying the 2001 Commissioners Standard Ordinary Mortality Table from the Texas Department of Insurance website; and,
- a copy of an article by an economist Thomas Amirault entitled Characteristics of Multiple Jobholders, 1995 and published in the *Monthly Labor Review* in March 1997.
- Data previously provided to us by DWC for earlier actuarial studies.

All the data were accepted for analysis without audit or verification.

Acknowledgment

We acknowledge the assistance of DWC in providing the data and answering questions on the operations of the SIF.

Inherent Variability

Any projection of financial results for the SIF involves the estimation of future contingent events. Actual results are likely to vary from projections. We have, however, utilized standard actuarial methods and considerations and believe the results are reasonable.

RESULTS AND CONCLUSIONS

Based on our analysis we have the following results and conclusions:

Projected Cash Flows

Exhibit I provides a summary of the actual cash flows, as well as projected cash flows, through the end of fiscal year 2023. SIF's cash balance grew rapidly through fiscal year 2009. The growth then moderated largely as the result of rapidly increasing costs through fiscal year 2016. The cash balance grew substantially in fiscal years 2017 and 2018 as expense payments decreased (though the decrease in fiscal year 2018 is at least partially attributed to a payment backlog). We project that, the growth in cash balance will level off in the near future.

Projected Balance Sheet

Sheet 1 of Exhibit II provides a summary of SIF's estimated balance sheet at the end of fiscal years 2018 through 2023 on a full accrual basis. In addition, it provides a similar balance sheet at the end of fiscal year 2016 based on our previous actuarial report. Although an actuarial report was not provided in 2017, 2017 is also shown here, estimated with the benefit of hindsight. The balance sheet has been estimated based on the cash amounts on Exhibit I adjusted to reflect accruals for revenue and expenses associated with all claims occurring through the evaluation date. These accruals include:

1. An asset accrual for cash expected to be received from all deaths that occurred through the accounting date, regardless of when the SIF receives the money.

2. A liability accrual for all LIB's that are expected to arise from accidents occurring through the accounting date but awarded after the accounting date.
3. A liability accrual for all multiple employment benefits that are expected to arise from long-term claims (i.e., widow, children, dependent and non-dependent parents), as well as a liability for short-term claims.
4. A liability accrual for all the other reimbursements the SIF is required to make that reflects the time lag inherent in the reimbursement process.

The accrual items noted above result in a substantial reduction to the net assets of the SIF. However, for the upcoming years the net assets remain positive (though decreasing).

Projected Income Statement (Accrual Basis)

Sheet 2 of Exhibit II provides a summary of SIF's projected income statement for fiscal years 2019 through 2023. This income statement is calculated on a full accrual basis similar to how the balance sheet was calculated on Sheet 1 of Exhibit II. This Sheet also includes the income for fiscal year 2017 and 2018 as implied by our current and prior actuarial reports.

Potential for Activating the Maintenance Tax

In recent years, the SIF has had strong positive cash flow. However, based on current trends, we project that, in the near future, revenue and expenses will come into approximate balance on a cash basis (Exhibit I). In addition, on a full accrual basis, the projected assets of SIF currently exceed the projected liabilities. However, based on current trends, we project this excess may erode in the next few years (Exhibit

II). Thus, if current trends persist, the SIF will eventually encounter an actuarial funding shortfall. However, this is not likely to occur in the immediate future.

Annuities

The liabilities for LIB's in the discussion above are based on nominal values and have not been reduced to reflect the time value of money. We understand the SIF is permitted to purchase annuities to satisfy LIB awards. If the SIF was to do this, the immediate effect would likely be to increase the net assets of the SIF. This is because annuities reflect the present value of future payments (i.e. payments discounted to reflect interest), whereas SIF's net assets are calculated on a nominal basis. We do, however, note the following:

1. The purchase of annuities would expose the SIF to a credit risk. We understand that the SIF would reassume responsibility of paying claims should the issuer of the annuity not fulfill its responsibilities.
2. Viewed from the narrow perspective of the SIF, there may be financial advantages in purchasing annuities. However, from the perspective of the State, this may be a disadvantage as it reduces interest income to the State.

To illustrate this issue, we have estimated that the discount, at a 3.5% interest rate, in the liability for LIB's at August 31, 2018 is about \$3.4 million for awarded LIB's and \$6.2 million for IBNR LIB's (see Appendix B, Sheet 1). Similarly, we have estimated the amount of discount for multiple employment claims as about \$7.5 million for known claims and \$1.7 million for IBNR claims (see Appendix C, Sheet 1). These estimated values provide an indication of the possible financial gain to the SIF from purchasing annuities.

Comparison to Our Previous Analyses

We have previously performed similar analyses of the SIF at two-year intervals. We performed our last analysis of the SIF as of August 31, 2016. The methodology used in this current report is generally like that used in our previous report.

We have noted that the actual experience for 2017 and 2018 was more favorable than we projected at August 2016. On a paid basis, the revenue received by SIF was significantly higher (about \$4.1 million) than we previously projected. Expenses were also significantly lower (about \$9.5 million) than we previously projected. However, some of this apparent favorable situation is likely only an illusion attributable to the payment backlog existing at August 31, 2018 and may partially reverse soon. On an accrual basis, the estimated liabilities of the SIF are substantially improved from our previous report based on low emergence of LIB or serious multi-employment claims over the last two years, as well as moderation in the level of “Designated Doctor” expenses (Exhibit II, Sheet 3).

GENERAL

Finally, to keep this report reasonably concise, we have not included any of the source documents. This information is available at the request of DWC.

TEXAS SUBSEQUENT INJURY FUND

SUMMARY OF ACTUAL AND PROJECTED CASH FLOWS BY FISCAL YEAR
(\$000'S)

Item	Actual Amounts (a)									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
(1) Begin Cash (b)	\$ 17,580	\$ 22,777	\$ 27,221	\$ 32,014	\$ 39,867	\$ 43,052	\$ 46,705	\$ 50,091	\$ 54,448	\$ 55,608
(2) Revenue:										
(2a) Death Benefits Paid Into SIF (c)	\$ 5,540	\$ 4,699	\$ 5,782	\$ 10,827	\$ 5,769	\$ 6,445	\$ 5,994	\$ 7,087	\$ 5,400	\$ 7,946
(2b) Interest (d)	1,074	1,343	949	583	(11)	-	-	-	-	-
(2c) Other (e)	5	29	6	2	17	1	-	-	-	-
(2d) Total	\$ 6,619	\$ 6,071	\$ 6,737	\$ 11,412	\$ 5,775	\$ 6,446	\$ 5,994	\$ 7,087	\$ 5,400	\$ 7,946
(3) Expenses										
(3a) LIB's [3801] (f)	\$ 415	\$ 428	\$ 414	\$ 498	\$ 480	\$ 462	\$ 444	\$ 485	\$ 634	\$ 614
(3b) Death Benefit Reimbursement [3803](g)	318	61	-	263	18	15	505	357	1,139	94
(3c) Carrier Overpayment [3802] (h)	696	1,110	1,568	2,389	1,902	2,053	1,493	1,561	1,951	1,407
(3d) Medical Interlocutory [3807] (h)	N/A or Included in Line (3c) Above						-	5	45	17
(3e) Designated Doctor [3808] (h)	N/A or Included in Line (3c) Above						-	-	169	625
(3f) Multi-Employment [3805] (i)	-	-	-	-	58	152	184	140	484	577
(3g) Pharmaceutical [3806]	N/A or Included in Line (3b) Above						-	-	-	-
(3h) Health Care Regional Network	-	-	168	167	15	(2)	-	-	-	-
(3i) Total	\$ 1,429	\$ 1,599	\$ 2,150	\$ 3,317	\$ 2,473	\$ 2,680	\$ 2,626	\$ 2,548	\$ 4,422	\$ 3,334
(4) Net Revenue and Expense [(2d) - (3i)]	5,190	4,472	4,587	8,095	3,302	3,766	3,368	4,539	978	4,612
(5) Adjustments for Rounding, Timing, Miscellaneous (j)	7	(28)	206	(242)	(117)	(113)	18	(182)	182	-
(6) Change In Cash [(4) + (5)]	\$ 5,197	\$ 4,444	\$ 4,793	\$ 7,853	\$ 3,185	\$ 3,653	\$ 3,386	\$ 4,357	\$ 1,160	\$ 4,612
(7) End Cash [(1) + (6)] (k)	\$ 22,777	\$ 27,221	\$ 32,014	\$ 39,867	\$ 43,052	\$ 46,705	\$ 50,091	\$ 54,448	\$ 55,608	\$ 60,220
Increase		20%	18%	25%	8%	8%	7%	9%	2%	8%

Notes: All actual amounts provided by DWC.

- (a) Amounts prior to 2013 are from previous report. Amounts for 2013 and 2014 are from "revenue" and "expense" reports provided by DWC.
- (b) Beginning cash for 1998 provided by DWC. All other amounts based on ending cash for previous year.
- (c) Projected amounts are from Exhibit III.
- (d) Projected amounts are \$ 0 since it is our understanding that interest no longer accrues to the benefit of the SIF.
- (e) Projected amount \$0. Currently SIF does not have any "other" sources of revenue.
- (f) Projected amounts are from Exhibit IV, Sheet 1.
- (g) Projected amounts calculated as 5% of (2a) lagged by 2 years.
- (h) Projected amounts based on trend factors from Exhibit VI and Appendix E.
- (i) Projected amounts are from Exhibit V, Sheet 1.
- (j) Forced amounts to ensure reconciliation to actual cash balance.
- (k) For 2017 and prior amounts balance to TDI Unaudited Financial Statements. For 2018 amount balances USAS S057 Screen Image 9/14/2018.

TEXAS SUBSEQUENT INJURY FUND

SUMMARY OF ACTUAL AND PROJECTED CASH FLOWS BY FISCAL YEAR
(S000'S)

Item	Actual Amounts (a)									Projected Amounts				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
(1) Begin Cash (b)	\$ 60,220	\$ 60,241	\$ 62,555	\$ 63,368	\$ 65,139	\$ 69,885	\$ 74,097	\$ 76,645	\$ 82,279	\$ 88,565	\$ 85,808	\$ 86,835	\$ 87,479	\$ 87,666
(2) Revenue:														
(2a) Death Benefits Paid Into SIF (c)	\$ 4,980	\$ 7,506	\$ 6,179	\$ 7,402	\$ 11,416	\$ 11,081	\$ 11,403	\$ 13,520	\$ 10,978	\$ 11,000	\$ 11,440	\$ 11,898	\$ 12,374	\$ 12,869
(2b) Interest (d)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2c) Other (e)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2d) Total	\$ 4,980	\$ 7,506	\$ 6,179	\$ 7,402	\$ 11,416	\$ 11,081	\$ 11,403	\$ 13,520	\$ 10,978	\$ 11,000	\$ 11,440	\$ 11,898	\$ 12,374	\$ 12,869
(3) Expenses														
(3a) LIB's [3801] (f)	\$ 642	\$ 643	\$ 599	\$ 574	\$ 582	\$ 1,012	\$ 592	\$ 780	\$ 556	\$ 570	\$ 622	\$ 676	\$ 732	\$ 792
(3b) Death Benefit Reimbursement [3803](g)	360	161	16	269	152	398	894	82	-	676	549	550	572	595
(3c) Carrier Overpayment [3802] (h)	2,107	2,671	1,611	1,742	1,761	946	601	1,016	126	1,857	978	978	978	978
(3d) Medical Interlocutory [3807] (h)	6	-	-	-	-	-	-	-	-	-	-	-	-	-
(3e) Designated Doctor [3808] (h)	656	790	1,841	1,865	2,869	3,455	5,527	4,946	3,180	8,602	6,715	7,387	8,126	8,939
(3f) Multi-Employment [3805] (i)	1,190	928	1,303	1,132	1,306	1,067	1,241	1,065	827	2,051	1,548	1,662	1,778	1,902
(3g) Pharmaceutical [3806]	-	-	-	-	1	-	-	-	-	1	1	1	1	1
(3h) Health Care Regional Network	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3i) Total	\$ 4,961	\$ 5,193	\$ 5,370	\$ 5,582	\$ 6,671	\$ 6,878	\$ 8,855	\$ 7,889	\$ 4,689	\$ 13,757	\$ 10,413	\$ 11,254	\$ 12,187	\$ 13,207
(4) Net Revenue and Expense [(2d) - (3i)]	19	2,313	809	1,820	4,745	4,203	2,548	5,631	6,289	(2,757)	1,027	644	187	(338)
(5) Adjustments for Rounding, Timing, Miscellaneous (j)	2	1	4	(49)	1	9	-	3	(3)	-	-	-	-	-
(6) Change In Cash [(4) + (5)]	\$ 21	\$ 2,314	\$ 813	\$ 1,771	\$ 4,746	\$ 4,212	\$ 2,548	\$ 5,634	\$ 6,286	\$ (2,757)	\$ 1,027	\$ 644	\$ 187	\$ (338)
(7) End Cash [(1) + (6)] (k)	\$ 60,241	\$ 62,555	\$ 63,368	\$ 65,139	\$ 69,885	\$ 74,097	\$ 76,645	\$ 82,279	\$ 88,565	\$ 85,808	\$ 86,835	\$ 87,479	\$ 87,666	\$ 87,328
Increase	0%	4%	1%	3%	7%	6%	3%	7%	8%	-3%	1%	1%	0%	0%

Notes: All actual amounts provided by DWC.

- (a) Amounts prior to 2013 are from previous report.
Amounts for 2013 and 2014 are from "revenue" and "expense" reports provided by DWC.
- (b) Beginning cash for 1998 provided by DWC.
All other amounts based on ending cash for previous year.
- (c) Projected amounts are from Exhibit III.
- (d) Projected amounts are \$ 0 since it is our understanding that interest no longer accrues to the benefit of the SIF.
- (e) Projected amount \$0.
Currently SIF does not have any "other" sources of revenue.
- (f) Projected amounts are from Exhibit IV, Sheet 1.
- (g) Projected amounts calculated as 5% of (2a) lagged by 2 years.
- (h) Projected amounts based on trend factors from Exhibit VI and Appendix E.
- (i) Projected amounts are from Exhibit V, Sheet 1.
- (j) Forced amounts to ensure reconciliation to actual cash balance.
- (k) For 2017 and prior amounts balance to TDI Unaudited Financial Statements.
For 2018 amount balances USAS S057 Screen Image 9/14/2018.

TEXAS SUBSEQUENT INJURY FUND
SUMMARY OF PROJECTED BALANCE SHEET
FULL ACCRUAL BASIS
(\$000'S)

	Fiscal Year Ending							
	2016	2017	2018	2019	2020	2021	2022	2023
(1) Year Ending Cash (a)	\$ 76,645	\$ 82,279	\$ 88,565	\$ 85,808	\$ 86,835	\$ 87,479	\$ 87,666	\$ 87,328
(2) Receivable for Unreported Claims (b)	8,000	8,400	8,800	9,152	9,518	9,899	10,295	10,707
(3) Total ("Assets") [(1)+(2)]	\$ 84,645	\$ 90,679	\$ 97,365	\$ 94,960	\$ 96,353	\$ 97,378	\$ 97,961	\$ 98,035
(4) Liability For Reported Claims								
(5) LIB's (c)	\$ 13,495	\$ 11,953	\$ 10,411	\$ 11,800	\$ 13,195	\$ 14,596	\$ 16,003	\$ 17,415
(6) Multiple-Employment (d)	19,550	19,048	18,545	21,304	24,085	26,889	29,718	32,568
(7) Other	-	-	-	-	-	-	-	-
(8) Subtotal [(5)+(6)+(7)]	\$ 33,045	\$ 31,001	\$ 28,956	\$ 33,104	\$ 37,280	\$ 41,485	\$ 45,721	\$ 49,983
(9) Liability For Unreported Claims								
(10) LIB's IBNR (b)	\$ 10,728	\$ 11,979	\$ 13,230	\$ 13,627	\$ 14,036	\$ 14,457	\$ 14,891	\$ 15,338
(11) Multiple-Employment IBNR (b)	4,939	4,750	4,811	4,365	4,539	4,720	4,909	5,105
(12) Other (b)	17,512	17,546	19,817	17,615	19,067	20,683	22,580	24,654
(13) Subtotal [(10)+(11)+(12)]	\$ 33,179	\$ 34,275	\$ 37,858	\$ 35,607	\$ 37,642	\$ 39,860	\$ 42,380	\$ 45,097
(14) Liability For Reported and Unreported Claims								
(15) LIB's [(5)+(10)]	\$ 24,223	\$ 23,932	\$ 23,641	\$ 25,427	\$ 27,231	\$ 29,053	\$ 30,894	\$ 32,753
(16) Multiple-Employment [(6)+(11)]	24,489	23,798	23,356	25,669	28,624	31,609	34,627	37,673
(17) Other [(7)+(12)]	17,512	17,546	19,817	17,615	19,067	20,683	22,580	24,654
(18) Total ("Liabilities") [(15)+(16)+(17)]	\$ 66,224	\$ 65,276	\$ 66,814	\$ 68,711	\$ 74,922	\$ 81,345	\$ 88,101	\$ 95,080
(19) Net Assets [(3) - (18)]	\$ 18,421	\$ 25,404	\$ 30,551	\$ 26,249	\$ 21,431	\$ 16,033	\$ 9,860	\$ 2,955
(20) Change in Net Asset		\$ 6,983	\$ 5,148	\$ (4,302)	\$ (4,818)	\$ (5,398)	\$ (6,173)	\$ (6,905)

- Notes: (a) Amount for 2016 is from prior actuarial report. Remaining values are from Exhibit I, Sheet 2.
(b) Amount for 2016 is from prior actuarial report. Remaining values are from Exhibit II, Sheet 4.
(c) Amount for 2016 is from prior actuarial report. Remaining values are from Exhibit IV, Sheet 1.
(d) Amount for 2016 is from prior actuarial report. Remaining values are from Exhibit V, Sheet 1.

TEXAS SUBSEQUENT INJURY FUND
SUMMARY OF PROJECTED INCOME STATEMENT
FULL ACCRUAL BASIS

	Fiscal Year						
	2017	2018	2019	2020	2021	2022	2023
(1) Cash Received (a)	\$ 13,520	\$ 10,978	\$ 11,000	\$ 11,440	\$ 11,898	\$ 12,374	\$ 12,869
(2) Change in Receivable (b)	400	400	352	366	381	396	412
(3) Revenue For Year [(1)+(2)]	\$ 13,920	\$ 11,378	\$ 11,352	\$ 11,806	\$ 12,279	\$ 12,770	\$ 13,281
Claim Payments							
(4) LIB's (c)	\$ 780	\$ 556	\$ 570	\$ 622	\$ 676	\$ 732	\$ 792
(5) Multiple-Employment (c)	1,065	827	2,051	1,548	1,662	1,778	1,902
(6) Other (c)	6,044	3,306	11,136	8,243	8,916	9,677	10,513
(7) Subtotal	\$ 7,889	\$ 4,689	\$ 13,757	\$ 10,413	\$ 11,254	\$ 12,187	\$ 13,207
Change In Accrued Liability							
(8) LIB's (d)	\$ (291)	\$ (291)	\$ 1,786	\$ 1,804	\$ 1,822	\$ 1,841	\$ 1,859
(9) Multiple-Employment (e)	(692)	(442)	2,313	2,955	2,985	3,018	3,046
(10) Other (f)	34	2,271	(2,202)	1,452	1,616	1,897	2,074
(11) Subtotal	\$ (949)	\$ 1,539	\$ 1,897	\$ 6,211	\$ 6,423	\$ 6,756	\$ 6,979
Amount Incurred In Year							
(12) LIB's [(4) + (8)]	\$ 489	\$ 265	\$ 2,356	\$ 2,426	\$ 2,498	\$ 2,573	\$ 2,651
(13) Multiple-Employment [(5) + (9)]	374	386	4,364	4,503	4,647	4,796	4,948
(14) Other [(6) + (10)]	6,078	5,577	8,934	9,695	10,532	11,574	12,587
(15) Total	\$ 6,941	\$ 6,228	\$ 15,654	\$ 16,624	\$ 17,677	\$ 18,943	\$ 20,186
(16) Gain or (Loss) [(3)-(15)]	\$ 6,980	\$ 5,151	\$ (4,302)	\$ (4,818)	\$ (5,398)	\$ (6,173)	\$ (6,905)
(17) Timing Difference	3	(3)	-	-	-	-	-
(19) Change in Net Asset	\$ 6,983	\$ 5,148	\$ (4,302)	\$ (4,818)	\$ (5,398)	\$ (6,173)	\$ (6,905)

- Notes: (a) Based on Exhibit I.
(b) Based on amounts on Exhibit II, Sheet 1, Row (2).
(c) From Exhibit I.
(d) Based on amounts on Exhibit II, Sheet 1, Row (15).
(e) Based on amounts on Exhibit II, Sheet 1, Row (16).
(f) Based on amounts on Exhibit II, Sheet 1, Row (17).

TEXAS SUBSEQUENT INJURY FUND

RECONCILIATION OF NET ASSETS AT 8/31/2016 AND 8/31/2018
FULL ACCRUAL BASIS
(\$000'S)

Item	Projected At 8/31/2016 (a)	Actual (b)	Variance [(3) - (2)]
(1)	(2)	(3)	(4)
Net Assets at 8/31/2016	\$ 17,870	\$ 18,421	\$ 551
Revenue Received	20,400	24,498	\$ 4,098
Change in Accrued Revenue	653	800	147
Expenses Paid	(21,798)	(12,578)	9,220
Change in Accrued Expenses	(17,576)	(590)	16,986
Timing Adjustment (c)	-	-	-
Net Assets at 8/31/2018	\$ (451)	\$ 30,551	\$ 31,002

	Incurred Amounts		
LIBS	\$ 4,613	\$ 754	\$ 3,859
Multi- Employment	13,169	759	12,410
Other	21,592	11,655	9,937
Total	\$ 39,374	\$ 13,168	\$ 26,206
Difference in Revenue			4,245
Change in Net Assets based on Updated FS			551
Timing Difference			-
Total			\$ 31,002

- Notes: (a) From prior actuarial report as of 8/31/2016.
(b) Based on Sheet 2 of Exhibit II.
(c) Based on Exhibit I.

TEXAS SUBSEQUENT INJURY FUND

**SUMMARY OF ACCRUALS FOR UNREPORTED CLAIMS
(\$000'S)**

Item	8/31/18	8/31/19	8/31/20	8/31/21	8/31/22	8/31/23
(1) Gross Assets:						
(1a) Accrual For Death Benefits Due SIF(a)	\$ 8,800	\$ 9,152	\$ 9,518	\$ 9,899	\$ 10,295	\$ 10,707
(1b) Other	-	-	-	-	-	-
(1c) Total	\$ 8,800	\$ 9,152	\$ 9,518	\$ 9,899	\$ 10,295	\$ 10,707
(2) Liabilities:						
(2a) LIB's (IBNR) (b)	\$ 13,230	\$ 13,627	\$ 14,036	\$ 14,457	\$ 14,891	\$ 15,338
(2b) Death Benefit Reimbursement (c)	1,665	1,557	1,598	1,662	1,852	2,049
(2c) Carrier Overpayment (d)	2,835	1,956	1,956	1,956	1,956	1,956
(2d) Medical Interlocutory (d)	-	-	-	-	-	-
(2e) Designated Doctor (d)	15,317	14,102	15,513	17,065	18,772	20,649
(2f) Multi-Employment (e)	4,811	4,365	4,539	4,720	4,909	5,105
(2g) Pharmaceutical	-	-	-	-	-	-
(2h) Health Care Regional Network	-	-	-	-	-	-
(2i) Other	-	-	-	-	-	-
(2j) Total	\$ 37,858	\$ 35,607	\$ 37,642	\$ 39,860	\$ 42,380	\$ 45,097

Notes:

- (a) Estimated as 80% of the payment made in the subsequent year from Exhibit III.
- (b) Amounts at 8/31/18 from Appendix B, Sheet 1. Other amounts based on 3% escalation.
- (c) Estimated as 6.0% of (1a) plus 100% of the next two years payments from Exhibit I.
- (d) Estimated as 100% of the next two years payments from Exhibit I.
- (e) From Exhibit V, Sheet 1.

TEXAS SUBSEQUENT INJURY FUND

**DEVELOPMENT OF PROJECTED NO-DEPENDENT DEATH BENEFITS PAID TO THE SUBSEQUENT INJURY FUND
(\$000'S)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
(1) Death Benefits Paid To SIF (a)	\$ 5,994	\$ 7,087	\$ 5,400	\$ 7,946	\$ 4,980	\$ 7,506	\$ 6,179	\$ 7,402	\$ 11,416	\$ 11,081	\$ 11,403	\$ 13,520	\$ 10,978	\$ 110,892
(2) Trend Adjustment (b)	1.65	1.59	1.53	1.47	1.41	1.36	1.31	1.26	1.21	1.16	1.12	1.08	1.04	
(3) SB1169 Adjustment (c)	0.71	0.71	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
(4) Revenue Adjusted to 2019 Level [(1)x(2)x(3)]	\$ 7,022	\$ 8,001	\$ 8,262	\$ 11,681	\$ 7,022	\$ 10,208	\$ 8,094	\$ 9,327	\$ 13,813	\$ 12,854	\$ 12,771	\$ 14,602	\$ 11,417	\$ 10,390
(5) Average 2006-2018	\$ 10,390													
(6) Average 2012-2018	11,840													
(7) Selected	\$ 11,000													
	2019	2020	2021	2022	2023	2024								
(8) Projected Revenue (b)	\$ 11,000	\$ 11,440	\$ 11,898	\$ 12,374	\$ 12,869	\$ 13,384								

Notes:

- (a) Provided by DWC.
- (b) Reflects annual trend factor of 4.0% (see Exhibit VI).
- (c) Estimated impact of SB1169 from prior actuarial report.

TEXAS SUBSEQUENT INJURY FUND

**DEVELOPMENT OF LIB'S FUTURE LIABILITY AND PAYMENTS FOR KNOWN CLAIMS
(\$000'S)**

Item	8/31/18	8/31/19	8/31/20	8/31/21	8/31/22	8/31/23
Outstanding Liability At Year End (Undiscounted)						
Open Claims - Old Law (a)	\$ 2,945	\$ 2,776	\$ 2,607	\$ 2,438	\$ 2,269	\$ 2,100
Open Claims - New Law (a)	7,466	7,144	6,812	6,470	6,118	5,755
New Claims (2019) - New Law (b)	-	1,880	1,840	1,799	1,757	1,714
New Claims (2020) - New Law (b)	-	-	1,936	1,895	1,853	1,810
New Claims (2021) - New Law (b)	-	-	-	1,994	1,952	1,909
New Claims (2022) - New Law (b)	-	-	-	-	2,054	2,011
New Claims (2023) - New Law (b)	-	-	-	-	-	2,116
Total	\$ 10,411	\$ 11,800	\$ 13,195	\$ 14,596	\$ 16,003	\$ 17,415

Item	2019	2020	2021	2022	2023
Estimated Payments Made In Fiscal Year					
Open Claims - Old Law (a)	\$ 169	\$ 169	\$ 169	\$ 169	\$ 169
Open Claims - New Law (a)	322	332	342	352	363
New Claims (2019) - New Law (b)	79	40	41	42	43
New Claims (2020) - New Law (b)	-	81	41	42	43
New Claims (2021) - New Law (b)	-	-	83	42	43
New Claims (2022) - New Law (b)	-	-	-	85	43
New Claims (2023) - New Law (b)	-	-	-	-	88
Total	\$ 570	\$ 622	\$ 676	\$ 732	\$ 792

Selected # Claims (c) 1.20

Notes:

- (a) Liability at 8/31/18 is from Appendix B, Sheet 1. Remaining liabilities are calculated by deducting estimated payments. Estimated payments are based on actual periodic payments (assuming no deaths).
- (b) Amounts for 2019 based on 1.2 claims multiplied by amounts for a single claim on Sheet 2. Other years based on 3% trend from Exhibit VI.
- (c) From Appendix A, Sheet 3.

TEXAS SUBSEQUENT INJURY FUND

DEVELOPMENT OF PROJECTED PAYMENTS AND LIABILITIES FOR
A LIB CLAIM EMERGING IN 2019
(\$000'S)

Item	Fiscal Year				
	2019	2020	2021	2022	2023
(1) Average Weekly Payment (a)	\$ 0.62	\$ 0.64	\$ 0.66	\$ 0.68	\$ 0.70
(2) Number of Weeks (b)	26	52	52	52	52
(3) Lump Sum Payment (c)	50	-	-		-
(4) Total Payments (d)	\$ 66	\$ 33	\$ 34	\$ 35	\$ 36
Liability For Unpaid Claim (Undiscounted)					
(5a) Start of Fiscal Year (e)	\$ 1,633	\$ 1,567	\$ 1,534	\$ 1,500	\$ 1,465
(5b) End of Fiscal Year (e)	1,567	1,534	1,500	1,465	1,429

Notes:

- (a) Estimated based on judgment and review of historical weekly payments from Appendix B, Sheet 2 (average-new law).
- (b) It is assumed that claim emerges at midpoint of 2019 and that claimant lives through 2023.
- (c) Lump sum payment based on judgment and discussion of historical experience with DWC.
- (d) (4) = (1) x (2) + (3)
- (e) Liability at beginning of 2019 based on undiscounted average reserve on Appendix B, Sheet 2.
We assume that there are no deaths in the projection period.

TEXAS SUBSEQUENT INJURY FUND

DEVELOPMENT OF FUTURE LIABILITY AND PAYMENTS FOR
MULTI-EMPLOYMENT CLAIMS
(\$000'S)

Item	Evaluation Date / Year Ending					
	8/31/18	8/31/19	8/31/20	8/31/21	8/31/22	8/31/23
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Estimated Unpaid Liabilities at Evaluation Date						
Known Long-Term Claims (a)	\$ 18,545	\$ 21,304	\$ 24,085	\$ 26,889	\$ 29,718	\$ 32,568
Unreported - Long-Term (b)	3,469	3,608	3,752	3,902	4,058	4,220
Unreported - Other (c)	<u>1,342</u>	<u>757</u>	<u>787</u>	<u>818</u>	<u>851</u>	<u>885</u>
Total	\$ 23,356	\$ 25,669	\$ 28,624	\$ 31,609	\$ 34,627	\$ 37,673
Estimated Paid In Year						
Long-Term Claims (a)		\$ 709	\$ 791	\$ 875	\$ 960	\$ 1,051
Other Claims (c)		<u>1,342</u>	<u>757</u>	<u>787</u>	<u>818</u>	<u>851</u>
Total		\$ 2,051	\$ 1,548	\$ 1,662	\$ 1,778	\$ 1,902

Notes:

(a) See Exhibit V, Sheet 3.

(b) Based on IBNR from Appendix C, Sheet 1 trended at 4% per annum.

(c) See Exhibit V, Sheet 2.

TEXAS SUBSEQUENT INJURY FUND

**DEVELOPMENT OF FUTURE LIABILITY AND PAYMENTS FOR KNOWN CLAIMS
MULTI-EMPLOYMENT "OTHER" CLAIMS
(\$000'S)**

Fiscal Year	Paid Amounts All Multi-Employment Claims (a)			Trend	Other
	Total	Long-Term	Other [(2)-(3)]	To 2018 Factor (b)	Trended [(4) x (5)]
(1)	(2)	(3)	(4)	(5)	(6)
2004	\$ 58	\$ -	\$ 58	1.734	\$ 101
2005	152	-	152	1.667	253
2006	184	-	184	1.603	295
2007	140	-	140	1.541	216
2008	484	-	484	1.482	717
2009	577	70	507	1.425	722
2010	1,190	75	1,115	1.370	1,528
2011	928	122	806	1.317	1,062
2012	1,303	163	1,140	1.266	1,443
2013	1,132	425	707	1.217	860
2014	1,306	687	619	1.170	724
2015	1,067	651	417	1.125	469
2016	1,241	614	627	1.082	678
2017	1,065	678	388	1.040	403
2018	827	741	86	1.000	86
3-Average (ex 2018)					\$ 517
5-Average (ex 2018)					627
7-Average (ex 2018)					806
Selected					700
Projected Future Payments - "Other Claims" Only (c)					
				Without Pay Lag	With Pay Lag
2018				\$ 700	\$ 86
2019				728	1,342
2020				757	757
2021				787	787
2022				818	818
2023				851	851
2024				885	885
Projected Unpaid Liabilities at Year End - "Other Claims" Only (d)					
2018					\$ 1,342
2019					757
2020					787
2021					818
2022					851
2023					885

Notes:

- (a) Total amount for all years provided by DWC.
Long-term amounts based on Exhibit VIII.
- (b) Trend rate of 4% per year estimated by MCG based on judgment.
- (c) Selected value trended at 4% per year.
- (d) Estimated based on an assumed lag of one year in claim payments.

TEXAS SUBSEQUENT INJURY FUND

**DEVELOPMENT OF FUTURE LIABILITY AND PAYMENTS FOR KNOWN CLAIMS
MULTI-EMPLOYMENT LONG-TERM CLAIMS
(\$000'S)**

Item	8/31/18	8/31/19	8/31/20	8/31/21	8/31/22	8/31/23
Outstanding Liability At Year End (Undiscounted)						
Open Claims (a)	\$ 18,545	\$ 17,875	\$ 17,202	\$ 16,526	\$ 15,848	\$ 15,167
New Claims (2019) (b)	-	3,429	3,351	3,273	3,195	3,114
New Claims (2020) (b)	-	-	3,532	3,452	3,372	3,292
New Claims (2021) (b)	-	-	-	3,638	3,556	3,473
New Claims (2022) (b)	-	-	-	-	3,747	3,663
New Claims (2023) (b)	-	-	-	-	-	3,859
Total	\$ 18,545	\$ 21,304	\$ 24,085	\$ 26,889	\$ 29,718	\$ 32,568

Item	2018	2019	2020	2021	2022
Estimated Payments Made In Fiscal Year					
Open Claims (a)	\$ 670	\$ 673	\$ 676	\$ 678	\$ 681
New Claims (2019) (b)	39	78	78	78	81
New Claims (2020) (b)	-	40	80	80	80
New Claims (2021) (b)	-	-	41	82	82
New Claims (2022) (b)	-	-	-	42	84
New Claims (2023) (b)	-	-	-	-	43
Total	\$ 709	\$ 791	\$ 875	\$ 960	\$ 1,051

Selected # Claims (c) 3

Notes:

- (a) Liability at 8/31/18 is from Appendix C, Sheet 1. Remaining liabilities are calculated by deducting estimated payments. Estimated payments are based on actual periodic payments (assuming no deaths).
- (b) Amounts for 2019 based on 3 claims multiplied by amounts for a single claim on Sheet 4. Other years based on 3% trend.
- (c) See Appendix C, Sheet 3.

TEXAS SUBSEQUENT INJURY FUND

DEVELOPMENT OF PROJECTED PAYMENTS AND LIABILITIES FOR
A MULTI-EMPLOYMENT CLAIM WITH LONG-TERM BENEFITS EMERGING IN 2019
(\$000'S)

Item	Fiscal Year				
	2019	2020	2021	2022	2023
(1) Average Weekly Payment (a)	\$ 0.500	\$ 0.503	\$ 0.506	\$ 0.509	\$ 0.512
(2) Number of Weeks (b)	26	52	52	52	52
(3) Lump Sum Payment (c)	-	-	-	-	-
(4) Total Payments (d)	\$ 13	\$ 26	\$ 26	\$ 26	\$ 27
Liability For Unpaid Claims (Undiscounted)					
(5a) Start of Fiscal Year (e)	\$ 1,156	\$ 1,143	\$ 1,117	\$ 1,091	\$ 1,065
(5b) End of Fiscal Year (e)	1,143	1,117	1,091	1,065	1,038

Notes:

- (a) Estimated based on judgment and review of historical weekly payments from Appendix C, Sheet 2 (average).
- (b) It is assumed that the claim emerges at midpoint of 2019 and that claimant lives through 2023.
- (c) Lump sum payment based on judgment and discussion of historical experience with DWC.
- (d) (4) = (1) x (2) + (3)
- (e) Liability at end of 2018 based on undiscounted average claim severity on appendix C, Sheet 2.
We assume that there are no deaths or remarriages in the projection period.

TEXAS SUBSEQUENT INJURY FUND

**SUMMARY OF SELECTED FUTURE REVENUE AND EXPENSE TRENDS
AS OF AUGUST 31, 2018**

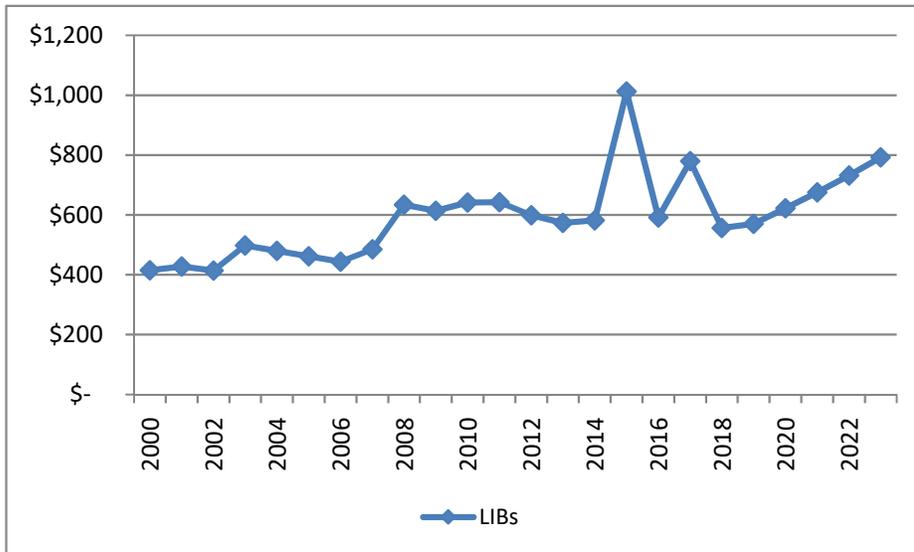
Time Period	LIB	Carrier Overpayment	Designated Doctor	Multi- Employment	Revenue
(1)	(2)	(3)	(4)	(5)	(6)
Long Term (a)	3.1%	-3.1%	30.1%	18.6%	5.9%
Last 4 Years (b)	3.4%	-21.0%	21.0%	-4.6%	5.4%
Previous Selected (c)	3.0%	0.0%	15.0%	4.0%	4.0%
Selected (Future) (d)	3.0%	0.0%	10.0%	4.0%	4.0%

- Notes: (a) Based on available data from Exhibit I.
Details available upon request.
- (b) Based on data for 2014-17 from Exhibit I, Sheet 2.
Details available upon request.
- (c) From corresponding Exhibit from 8/31/2016 report.
- (d) Selected future trend for Carrier Overpayment and Designated Doctor
based on historical experience judgment.

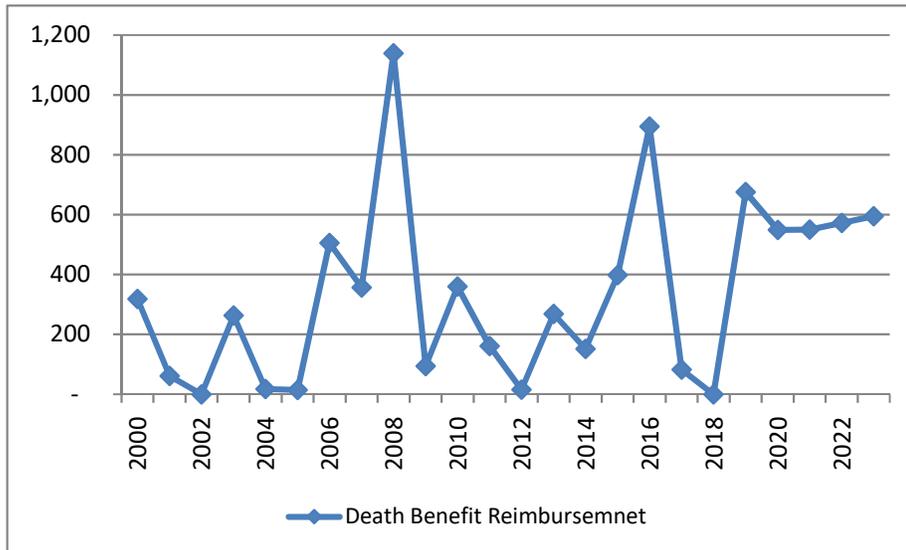
TEXAS SUBSEQUENT INJURY FUND

**SUMMARY OF ACTUAL AND PROJECTED PAYMENTS
 AS OF AUGUST 31, 2018 (CASH BASIS)
 (\$000'S)**

LIB's



Death Benefit Reimbursement

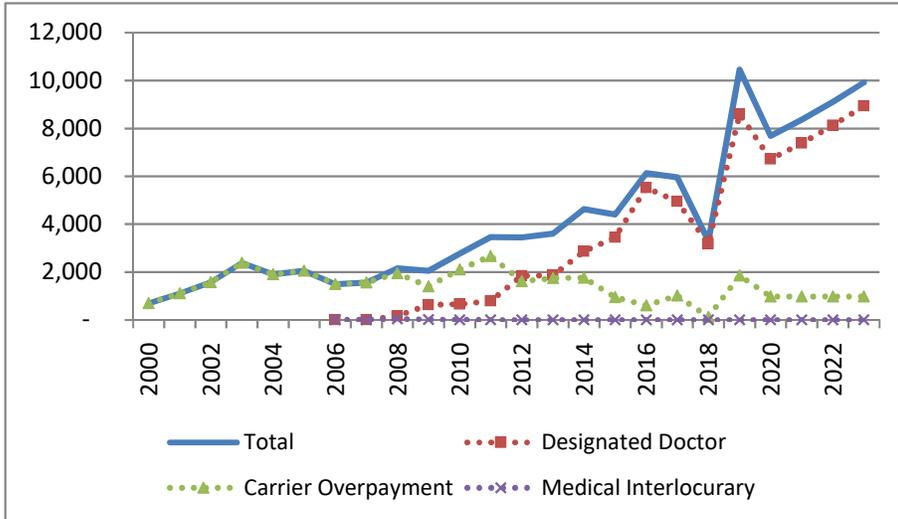


Source: Exhibit I.

TEXAS SUBSEQUENT INJURY FUND

**SUMMARY OF ACTUAL AND PROJECTED PAYMENTS
 AS OF AUGUST 31, 2018 (CASH BASIS)
 (\$000'S)**

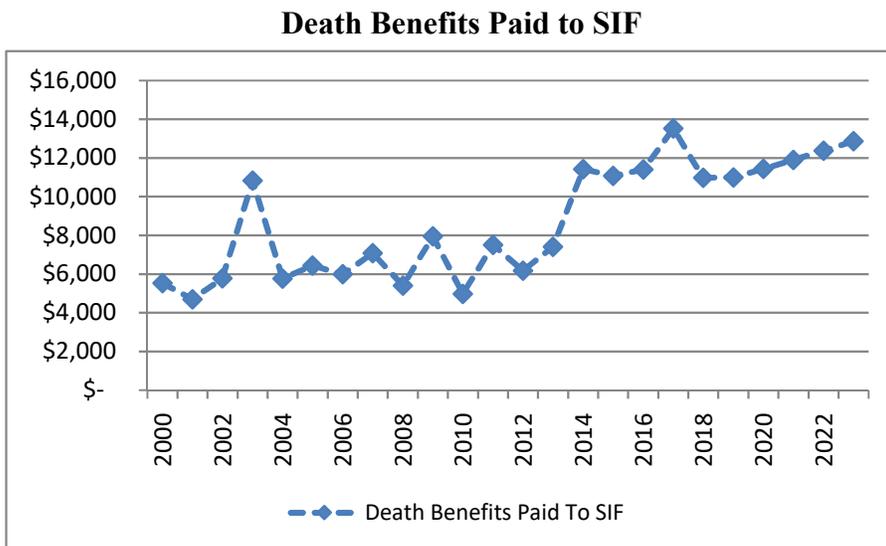
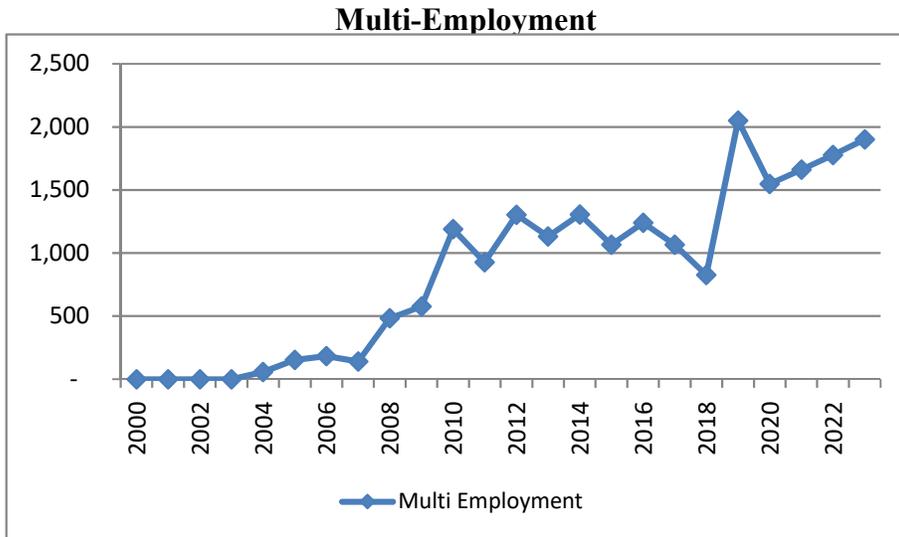
Carrier Overpayment, Designated Doctor, Medical Interlocutory



Source: Exhibit I.

TEXAS SUBSEQUENT INJURY FUND

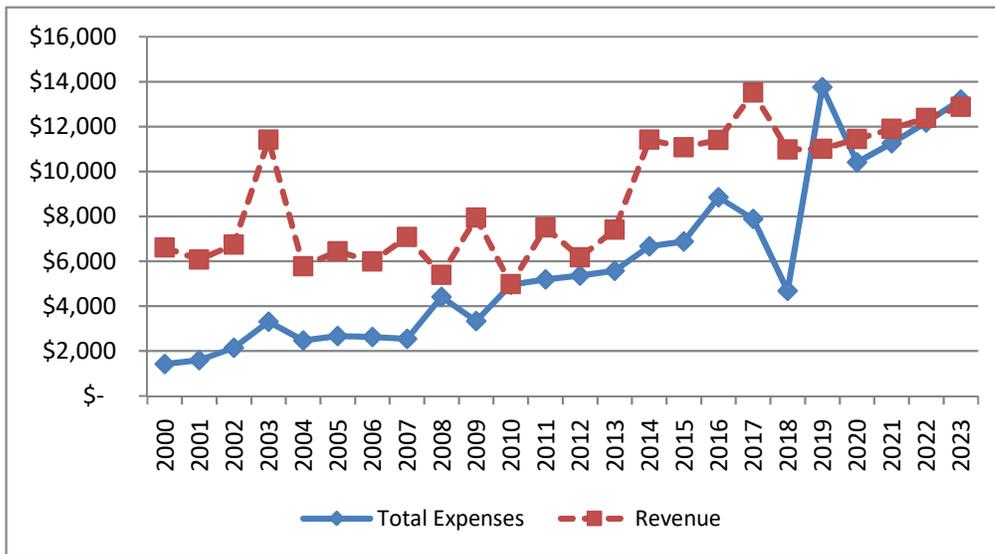
**SUMMARY OF ACTUAL AND PROJECTED PAYMENTS
 AS OF AUGUST 31, 2018 (CASH BASIS)
 (\$000'S)**



Source: Exhibit I.

TEXAS SUBSEQUENT INJURY FUND

**SUMMARY OF ACTUAL AND PROJECTED EXPENSES AND REVENUE
 AS OF AUGUST 31, 2018 (CASH BASIS)
 (\$000'S)**



Source: Exhibit I.

TEXAS SUBSEQUENT INJURY FUND

SUMMARY OF MULTI-EMPLOYMENT ANNUAL PAID AMOUNTS
LONG-TERM CLAIMS
(\$000'S)

Paid Amounts All Multi-Employment Claims (a)			
Fiscal Year	Weekly		Annual
(1)	(2)		(3)
2009	\$	1	\$ 70
2010		1	75
2011		2	122
2012		3	163
2013		8	425
2014		13	687
2015		13	651
2016		12	614
2017		13	678
2018		14	741

Notes:

- (a) Annual paid amounts for 2011,2012,2014,2016, and 2018 provided by DWC.
Annual paid amounts for 2013, 2015, and 2017 estimated based on averages.
Annual paid amounts for 2009 and 2010 based on prior reports.

TEXAS SUBSEQUENT INJURY FUND

SUMMARY OF NUMBER OF LIB'S
AS OF AUGUST 31, 2018

Fiscal Year Ending:	Number of Deceased LIB's (a)	Number of Open LIB's (a)	Estimated Number Not Yet Awarded (b)	Estimated Total Number of LIB's [(2) + (3) + (4)]
(1)	(2)	(3)	(4)	(5)
Prior (1982-2001)	23.0	21.0	-	44.0
2002	-	-	0.2	0.2
2003	-	1.0	0.2	1.2
2004	2.0	2.0	0.2	4.2
2005	-	-	0.2	0.2
2006	-	-	0.2	0.2
2007	-	1.0	0.2	1.2
2008	-	-	0.2	0.2
2009	2.0	-	0.2	2.2
2010	-	-	0.2	0.2
2011	-	1.0	0.4	1.4
2012	-	-	0.5	0.5
2013	-	-	0.6	0.6
2014	-	-	0.7	0.7
2015	-	-	0.8	0.8
2016	-	-	1.0	1.0
2017	-	-	1.1	1.1
2018	-	-	1.2	1.2
Total	27.0	26.0	8.1	61.1
Average - All				1.7
Average - Last 10 Years				1.0

Notes: (a) Provided by DWC.
(b) See Appendix A, Sheet 2.

TEXAS SUBSEQUENT INJURY FUND

DEVELOPMENT OF ESTIMATED LIB'S NOT YET AWARDED
AS OF AUGUST 31, 2018

Fiscal Year Ending:	Estimated % Unreported	Initial Estimated LIB's	Estimated Number Not Yet Awarded [(2) x (3)]
(1)	(2)	(3)	(4)
2002	20%	1.2	0.2
2003	20%	1.2	0.2
2004	20%	1.2	0.2
2005	20%	1.2	0.2
2006	20%	1.2	0.2
2007	20%	1.2	0.2
2008	20%	1.2	0.2
2009	20%	1.2	0.2
2010	20%	1.2	0.2
2011	30%	1.2	0.4
2012	40%	1.2	0.5
2013	50%	1.2	0.6
2014	60%	1.2	0.7
2015	70%	1.2	0.8
2016	80%	1.2	1.0
2017	90%	1.2	1.1
2018	100%	1.2	1.2
Total			8.1

Note: Columns (2) and (3) estimated based on review of historical experience and judgment.

TEXAS SUBSEQUENT INJURY FUND

REVIEW OF NEW LIB'S

Fiscal Accident Year Ending:	Date LIB's Awarded								
	9/1/02-8/31/04 (1)	9/1/04-8/31/06 (2)	9/1/06-8/31/08 (3)	9/1/08-8/31/10 (4)	9/1/10-8/31/12 (5)	9/1/12-8/31/14 (6)	9/1/14-8/31/16 (7)	9/1/16-8/31/18 (8)	9/1/16-8/31/18 (9)
1992	-	-	-	-	-	-	-	-	-
1993	-	-	-	-	1	-	-	-	-
1994	-	-	-	-	-	-	-	1	-
1995	1	-	-	-	-	-	-	-	-
1996	-	-	-	-	-	-	-	-	-
1997	-	-	-	-	-	-	-	-	-
1998	1	-	-	-	-	-	-	-	-
1999	-	-	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-	-	1
2001	-	-	-	1	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-
2003	-	-	-	1	-	-	-	-	-
2004	-	1	-	2	1	-	-	-	-
2005	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	1	-	-	-	-
2008	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	1	-	1	-
2010	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
Total	2	1	4	3	1	-	2	1	
(10) Average Per Year									0.88
(11) Prior Selected									1.40
(12) Current Selected									1.20

Source: Based on information provided by DWC.

TEXAS SUBSEQUENT INJURY FUND

SUMMARY OF OUTSTANDING RESERVE FOR LIB'S
AS OF AUGUST 31, 2018

Law	Open Awards	IBNR	Total
Number of Outstanding Claims (a)			
Old	-	-	-
New	26.0	8.1	34.1
Total	26.0	8.1	34.1
Undiscounted Reserve (b)			
Old	\$ 2,944,518	\$ -	\$ 2,944,518
New	7,465,507	13,230,421	20,695,928
Total	\$ 10,410,025	\$ 13,230,421	\$ 23,640,446
Discounted Reserve (b)			
Old	\$ 2,099,493	\$ -	\$ 2,099,493
New	4,959,532	7,068,183	12,027,715
Total	\$ 7,059,025	\$ 7,068,183	\$ 14,127,208
Amount of Discount (c)	\$ 3,351,000	\$ 6,162,238	\$ 9,513,238

Notes: (a) See Appendix A, Sheet 1.

(b) Open Awards details available upon request. IBNR from Appendix B, Sheet 2.

(c) [Total Undiscounted Reserve - Total Discounted Reserve]

TEXAS SUBSEQUENT INJURY FUND

**CALCULATION OF LIABILITY FOR IBNR LIB'S CLAIMS
AS OF AUGUST 31, 2018**

Fiscal Year	State Average Wage (a)	Estimated Average Nominal Weekly LIB Payment (b)	Time To 8/31/18 (4)	Average Time From 8/31/2018 To Award (c)	Time For Escalation [(4)+(5)] (6)	Escalation Factor (d) (7)	Discount Factor (e) (8)	Average Age At Award (f) (9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2002	\$ 536	\$ 375	17.0	0.50	17.5	1.677	0.983	63
2003	536	375	16.0	0.50	16.5	1.629	0.983	62
2004	537	376	15.0	0.50	15.5	1.581	0.983	61
2005	539	377	14.0	0.50	14.5	1.535	0.983	60
2006	540	378	13.0	0.50	13.5	1.490	0.983	59
2007	674	472	12.0	0.50	12.5	1.447	0.983	58
2008	712	498	11.0	0.50	11.5	1.405	0.983	57
2009	750	525	10.0	0.50	10.5	1.364	0.983	56
2010	773	541	9.0	1.00	10.0	1.344	0.966	55
2011	766	536	8.0	1.50	9.5	1.324	0.950	55
2012	787	551	7.0	2.00	9.0	1.305	0.934	54
2013	818	573	6.0	2.50	8.5	1.286	0.918	54
2014	850	595	5.0	3.00	8.0	1.267	0.902	53
2015	861	603	4.0	3.50	7.5	1.248	0.887	53
2016	895	627	3.0	4.00	7.0	1.230	0.871	52
2017	913	639	2.0	4.50	6.5	1.212	0.857	52
2018	913	639	1.0	5.00	6.0	1.194	0.842	51

Fiscal Year	Life Expectancy At Award (g)	Reserve Factor At Award (g)		Cost per Case (h)		Estimated IBNR Count (i)	Indicated Reserve	
		Undiscounted (11)	Discounted (12)	Undiscounted [(11)x(3)x(7)x52+50K] (13)	Discounted [(12)x(3)x(7)x(8)x52+50K] (14)		Undiscounted [(13) x (15)] (16)	Discounted [(14) x (15)] (17)
2002	18.29	25.80	17.38	\$ 893,699	\$ 608,690	0.2	\$ 178,740	\$ 121,738
2003	19.06	27.24	18.08	915,292	614,557	0.2	183,058	122,911
2004	19.85	28.75	18.79	938,712	620,957	0.2	187,742	124,191
2005	20.64	30.31	19.51	962,093	627,117	0.2	192,419	125,423
2006	21.45	31.94	20.23	985,441	632,413	0.2	197,088	126,483
2007	22.27	33.62	20.96	1,244,020	781,743	0.2	248,804	156,349
2008	23.10	35.36	21.70	1,336,534	826,108	0.2	267,307	165,222
2009	23.94	37.17	22.44	1,434,107	871,398	0.2	286,821	174,280
2010	24.79	39.04	23.19	1,526,079	896,989	0.2	305,216	179,398
2011	24.79	39.04	23.19	1,490,675	862,981	0.4	596,270	345,192
2012	25.65	40.99	23.95	1,582,651	886,407	0.5	791,326	443,204
2013	25.65	40.99	23.95	1,620,641	892,456	0.6	972,385	535,474
2014	26.52	43.01	24.72	1,736,034	924,081	0.7	1,215,224	646,857
2015	26.52	43.01	24.72	1,733,080	908,040	0.8	1,386,464	726,432
2016	27.40	45.10	25.48	1,858,642	940,007	1.0	1,858,642	940,007
2017	27.40	45.10	25.48	1,866,282	929,401	1.1	2,052,910	1,022,341
2018	28.28	47.26	26.26	1,925,004	927,234	1.2	2,310,005	1,112,681
Total						8.1	\$ 13,230,421	\$ 7,068,183
						Average:	\$ 1,633,385	\$ 872,615

- Notes: (a) Provided by DWC (and from TDI website).
 (b) Estimated as 70% of average weekly wage.
 (c) Based on judgment.
 (d) Reflects 3% escalation from date of injury based on time period in (6).
 (e) Reflects present value adjustment at 3.5% interest rate based on time period in (5).
 (f) Assumes average age at injury is 49 based on Sheet 2.
 (g) Based on 2001 CSO Mortality and 3% benefit escalation.
 (h) Calculations assume that award will include immediate \$50,000 for accrued benefits.
 (i) See Appendix A, Sheet 2.

TEXAS SUBSEQUENT INJURY FUND

**SUMMARY OF OUTSTANDING RESERVE FOR LONG-TERM MULTI-EMPLOYMENT CLAIMS
AS OF AUGUST 31, 2018**

	<u>Open Awards</u>		<u>IBNR</u>		<u>Total</u>
	Number of Outstanding Claims (a)				
Total	26		3		29
	Undiscounted Reserve (b)				
Total	\$ 18,545,461	\$	3,469,440	\$	22,014,901
	Discounted Reserve (b)				
Total	\$ 11,081,552	\$	1,811,160	\$	12,892,712
Amount of Discount (c)	\$ 7,463,909	\$	1,658,280	\$	9,122,189

- Notes: (a) Open Awards details available upon request. IBNR estimated based Sheet 3.
 (b) Open Awards details available upon request. IBNR based on average severity from Appendix C, Sheet 2 multiplied by estimated number of claims.
 (c) [Total Undiscounted Reserve - Total Discounted Reserve]

TEXAS SUBSEQUENT INJURY FUND

DEVELOPMENT OF AVERAGE CLAIM SEVERITY FOR LONG-TERM
 MULTI-EMPLOYMENT CLAIMS
 AS OF AUGUST 31, 2018

(1)	Estimated Average Age of Beneficiary At Time of Injury (a)	45
(2)	Undiscounted Reserve Factor - w/o Escalation (b)	37.29
(3)	Undiscounted Reserve Factor- With Escalation (b)	73.26
(4)	Undiscounted Reserve Factor - Selected [80% x (2) + 20% x (3)] (c)	44.48
(5)	Discounted Reserve Factor - w/o Escalation (b)	20.55
(6)	Discounted Reserve Factor- With Escalation (b)	33.89
(7)	Discounted Reserve Factor - Selected [80% x (2) + 20% x (3)] (c)	23.22
(8)	Estimated Average Annual Payment (a)	\$ 26,000
(9)	Average Claim Severity - Undiscounted [(4) x (8)]	\$ 1,156,480
(10)	Average Claim Severity - Discounted [(7) x (8)]	\$ 603,720

- Notes: (a) Details available upon request.
 (b) Based on CSO 2001 mortality table (Female).
 (c) Assumes 20% of payments attributed to LIBS and 80% to death benefits,
 based on historical claims experience.

TEXAS SUBSEQUENT INJURY FUND
SUMMARY OF CLAIM COUNTS FOR LONG-TERM MULTI-EMPLOYMENT CLAIMS

<u>Injury Year</u>	<u>Reported (a)</u>	<u>IBNR (b)</u>	<u>Total [(2) + (3)]</u>
(1)	(2)	(3)	(4)
2002	1	-	1
2003	-	-	-
2004	-	-	-
2005	-	-	-
2006	-	-	-
2007	-	-	-
2008	2	-	2
2009	2	-	2
2010	1	-	1
2011	6	-	6
2012	2	-	2
2013	11	-	11
2014	3	-	3
2015	-	-	-
2016	2	-	2
2017	1	1	2
2018	-	2	2
	31	3	34
Average Last 10 Selected			3 3

Notes:

(a) Based on multi-employer claims data provided by DWC.

(b) Estimated based on judgment and review of historical experience.

TEXAS WORKERS COMPENSATION COMMISSION
2001 COMMISSIONERS STANDARD ORDINARY MORTALITY TABLE

USED FOR RESERVING UNDER OLD LAW

Age	Male	Male	Female	Female	Age	Male	Male	Female	Female
	Mortality Per 1000	Expectancy Years	Mortality Per 1000	Expectancy Years		Mortality Per 1000	Expectancy Years	Mortality Per 1000	Expectancy Years
0	0.97	76.62	0.48	80.84	50	3.76	29.18	3.08	32.69
1	0.56	75.69	0.35	79.88	51	4.06	28.28	3.41	31.79
2	0.39	74.74	0.26	78.91	52	4.47	27.40	3.79	30.90
3	0.27	73.76	0.20	77.93	53	4.93	26.52	4.20	30.01
4	0.21	72.78	0.19	76.95	54	5.50	25.65	4.63	29.14
5	0.21	71.80	0.18	75.96	55	6.17	24.79	5.10	28.27
6	0.22	70.81	0.18	74.97	56	6.88	23.94	5.63	27.41
7	0.22	69.83	0.21	73.99	57	7.64	23.10	6.19	26.57
8	0.22	68.84	0.21	73.00	58	8.27	22.27	6.80	25.73
9	0.23	67.86	0.21	72.02	59	8.99	21.45	7.39	24.90
10	0.23	66.88	0.22	71.03	60	9.86	20.64	8.01	24.08
11	0.27	65.89	0.23	70.05	61	10.94	19.85	8.68	23.27
12	0.33	64.91	0.27	69.07	62	12.25	19.06	9.39	22.47
13	0.39	63.93	0.30	68.08	63	13.71	18.29	10.14	21.68
14	0.47	62.95	0.33	67.10	64	15.24	17.54	10.96	20.90
15	0.61	61.98	0.35	66.13	65	16.85	16.80	11.85	20.12
16	0.74	61.02	0.39	65.15	66	18.47	16.08	12.82	19.36
17	0.87	60.07	0.41	64.17	67	20.09	15.37	13.89	18.60
18	0.94	59.12	0.43	63.20	68	21.85	14.68	15.07	17.86
19	0.98	58.17	0.46	62.23	69	23.64	13.99	16.36	17.12
20	1.00	57.23	0.47	61.26	70	25.77	13.32	17.81	16.40
21	1.00	56.29	0.48	60.28	71	28.15	12.66	19.47	15.69
22	1.02	55.34	0.50	59.31	72	31.32	12.01	21.30	14.99
23	1.03	54.40	0.50	58.34	73	34.62	11.39	23.30	14.31
24	1.05	53.45	0.52	57.37	74	38.08	10.78	25.50	13.64
25	1.07	52.51	0.54	56.40	75	41.91	10.18	27.90	12.98
26	1.12	51.57	0.56	55.43	76	46.08	9.61	30.53	12.34
27	1.17	50.62	0.60	54.46	77	50.92	9.05	33.41	11.71
28	1.17	49.68	0.63	53.49	78	56.56	8.50	36.58	11.10
29	1.15	48.74	0.66	52.53	79	63.06	7.98	40.05	10.50
30	1.14	47.79	0.68	51.56	80	70.14	7.49	43.86	9.92
31	1.13	46.85	0.73	50.60	81	78.19	7.01	49.11	9.35
32	1.13	45.90	0.77	49.63	82	86.54	6.57	54.95	8.81
33	1.15	44.95	0.82	48.67	83	95.51	6.14	60.81	8.29
34	1.18	44.00	0.88	47.71	84	105.43	5.74	67.27	7.79
35	1.21	43.05	0.97	46.75	85	116.57	5.36	74.45	7.32
36	1.28	42.11	1.03	45.80	86	128.91	5.00	80.99	6.87
37	1.34	41.16	1.11	44.84	87	142.35	4.66	90.79	6.43
38	1.44	40.21	1.17	43.89	88	156.73	4.35	101.07	6.02
39	1.54	39.27	1.23	42.94	89	171.88	4.07	112.02	5.64
40	1.65	38.33	1.30	42.00	90	187.66	3.81	121.92	5.29
41	1.79	37.39	1.38	41.05	91	202.44	3.57	126.85	4.96
42	1.96	36.46	1.48	40.11	92	217.83	3.35	136.88	4.61
43	2.15	35.53	1.59	39.17	93	234.04	3.15	151.64	4.26
44	2.39	34.61	1.72	38.23	94	251.14	2.96	170.31	3.93
45	2.65	33.69	1.87	37.29	95	269.17	2.78	193.66	3.63
46	2.90	32.78	2.05	36.36	96	285.64	2.62	215.66	3.38
47	3.17	31.87	2.27	35.43	97	303.18	2.47	238.48	3.18
48	3.33	30.97	2.50	34.51	98	321.88	2.32	242.16	3.02
49	3.52	30.07	2.78	33.60	99	341.85	2.19	255.23	2.82

TEXAS WORKERS COMPENSATION COMMISSION
2001 COMMISSIONERS STANDARD ORDINARY MORTALITY TABLE

USED FOR RESERVING UNDER NEW LAW (3% ESCALATION)

Age	Male	Male	Female	Female	Age	Male	Male	Female	Female
	Mortality Per 1000	Escalated Factor	Mortality Per 1000	Escalated Factor		Mortality Per 1000	Escalated Factor	Mortality Per 1000	Escalated Factor
0	0.97	314.75	0.48	360.96	50	3.76	49.50	3.08	59.32
1	0.56	304.91	0.35	349.65	51	4.06	47.26	3.41	56.80
2	0.39	295.22	0.26	338.61	52	4.47	45.10	3.79	54.36
3	0.27	285.77	0.20	327.86	53	4.93	43.01	4.20	52.00
4	0.21	276.55	0.19	317.41	54	5.50	40.99	4.63	49.73
5	0.21	267.58	0.18	307.25	55	6.17	39.04	5.10	47.53
6	0.22	258.87	0.18	297.38	56	6.88	37.17	5.63	45.41
7	0.22	250.41	0.21	287.80	57	7.64	35.36	6.19	43.36
8	0.22	242.20	0.21	278.51	58	8.27	33.62	6.80	41.39
9	0.23	234.23	0.21	269.48	59	8.99	31.94	7.39	39.49
10	0.23	226.49	0.22	260.72	60	9.86	30.31	8.01	37.65
11	0.27	218.97	0.23	252.21	61	10.94	28.75	8.68	35.87
12	0.33	211.68	0.27	243.95	62	12.25	27.24	9.39	34.16
13	0.39	204.61	0.30	235.94	63	13.71	25.80	10.14	32.50
14	0.47	197.76	0.33	228.16	64	15.24	24.42	10.96	30.90
15	0.61	191.12	0.35	220.62	65	16.85	23.10	11.85	29.36
16	0.74	184.69	0.39	213.30	66	18.47	21.83	12.82	27.87
17	0.87	178.47	0.41	206.19	67	20.09	20.61	13.89	26.43
18	0.94	172.45	0.43	199.30	68	21.85	19.44	15.07	25.04
19	0.98	166.62	0.46	192.61	69	23.64	18.32	16.36	23.71
20	1.00	160.95	0.47	186.11	70	25.77	17.23	17.81	22.42
21	1.00	155.45	0.48	179.80	71	28.15	16.19	19.47	21.18
22	1.02	150.10	0.50	173.68	72	31.32	15.19	21.30	19.99
23	1.03	144.91	0.50	167.73	73	34.62	14.23	23.30	18.85
24	1.05	139.86	0.52	161.96	74	38.08	13.33	25.50	17.76
25	1.07	134.96	0.54	156.35	75	41.91	12.46	27.90	16.71
26	1.12	130.20	0.56	150.91	76	46.08	11.64	30.53	15.70
27	1.17	125.57	0.60	145.63	77	50.92	10.85	33.41	14.74
28	1.17	121.09	0.63	140.50	78	56.56	10.10	36.58	13.82
29	1.15	116.73	0.66	135.52	79	63.06	9.39	40.05	12.93
30	1.14	112.49	0.68	130.69	80	70.14	8.73	43.86	12.09
31	1.13	108.36	0.73	126.00	81	78.19	8.11	49.11	11.28
32	1.13	104.35	0.77	121.45	82	86.54	7.53	54.95	10.52
33	1.15	100.46	0.82	117.03	83	95.51	6.98	60.81	9.81
34	1.18	96.67	0.88	112.74	84	105.43	6.47	67.27	9.14
35	1.21	93.00	0.97	108.58	85	116.57	6.00	74.45	8.51
36	1.28	89.43	1.03	104.55	86	128.91	5.56	80.99	7.92
37	1.34	85.96	1.11	100.64	87	142.35	5.15	90.79	7.35
38	1.44	82.60	1.17	96.85	88	156.73	4.78	101.07	6.83
39	1.54	79.34	1.23	93.16	89	171.88	4.44	112.02	6.35
40	1.65	76.17	1.30	89.59	90	187.66	4.14	121.92	5.91
41	1.79	73.10	1.38	86.12	91	202.44	3.86	126.85	5.50
42	1.96	70.13	1.48	82.76	92	217.83	3.60	136.88	5.07
43	2.15	67.25	1.59	79.49	93	234.04	3.37	151.64	4.65
44	2.39	64.46	1.72	76.33	94	251.14	3.15	170.31	4.27
45	2.65	61.76	1.87	73.26	95	269.17	2.95	193.66	3.92
46	2.90	59.15	2.05	70.29	96	285.64	2.77	215.66	3.64
47	3.17	56.62	2.27	67.41	97	303.18	2.60	238.48	3.40
48	3.33	54.17	2.50	64.63	98	321.88	2.44	242.16	3.21
49	3.52	51.80	2.78	61.93	99	341.85	2.29	255.23	2.99

TEXAS SUBSEQUENT INJURY FUND

ESTIMATION OF PAYMENT BACKLOG AT 8/31/2018
DESIGNATED DOCTOR AND CARRIER OVERPAYMENT
AS OF AUGUST 31, 2018

Item	Actual Amounts			2017 Trended to 2018 (b)	Estimated Backlog @8/31/18 (4) - (3)	2017 Trended to 2019 (b)	Estimated Payments In 2019 [(5) + (6)]
	AY 2017 (a)	AY 2018 (a)					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Carrier Overpayment	\$ 978	\$ 99	\$ 978	\$ 879	\$ 978	\$ 1,857	
Designated Doctor	5,045	3,053	5,550	2,497	6,105	8,602	

Item	Selected Trend (c)
Carrier Overpayment	0%
Designated Doctor	10%

- Notes: (a) Provided by DWC.
(b) Column (2) x selected trend.
(c) Based on Exhibit VI.