

# COMPACT

The Newsletter for Workers' Compensation Professionals

November 2001

Minnesota Department of Labor and Industry  
443 Lafayette Road N.  
St. Paul, MN 55155

# Inside ...

## Articles

Rehab provider conduct and accountability outcomes .....	5
Interest rate update .....	5
Update: Danny's Trannys vs. State of Minnesota .....	5
Update: Roy vs. Gas Supply Inc. (WCCA, Aug. 6, 2001) .....	6
Customers happy with hotline service .....	7
Work comp family farm coverage .....	8
Minnesota work comp insurance costs continue decline .....	9
Latest data shows slight increase in indemnity costs .....	10
Exposure-related occupational disease .....	13

## Tables

Customer Assistance hotline survey .....	7
Family farm coverage .....	8
Average indemnity and medical costs of insured claims, policy years 1984-1998, adjusted for wage growth .....	11
Average indemnity cost of indemnity claims, 1984-2000, adjusted for wage growth: Insurance data vs. DLI data .....	12
Number and percentage of occupational disease indemnity claims, 1996-1999 .....	13

## Forms

Subscription renewal .....	4
Publications order form .....	15
'Rule 101' order form .....	17

## Summaries of decisions

Workers' Compensation Court of Appeals .....	D-1
Minn. Supreme Court decisions .....	D-21

*COMPACT* is a publication of the Minnesota Department of Labor and Industry. Its purpose is to provide department news and workers' compensation case information to professionals who work within Minnesota's workers' compensation system.

Correspondence should be sent to: *COMPACT* editor, Minnesota Department of Labor and Industry, 443 Lafayette Road N., St. Paul, MN 55155; by e-mail at [DLI.Communications@state.mn.us](mailto:DLI.Communications@state.mn.us). Subscription requests should be sent to Customer Assistance Publications, Workers' Compensation Division, 443 Lafayette Road N., St. Paul, MN 55155; by e-mail at [DLI.brochure@state.mn.us](mailto:DLI.brochure@state.mn.us).

Visit [www.doli.state.mn.us/compact.html](http://www.doli.state.mn.us/compact.html) to view this publication on the Web.

Upon request to the editor, *COMPACT* will be made available in alternative formats such as Braille, large print or audiotape.



# Exposure-related occupational diseases

By Brian Zaidman, Senior Research Analyst  
Research and Statistics

Occupational diseases are considered personal injuries under Minnesota workers' compensation law.<sup>1</sup> Diseases account for 1 percent of indemnity claims<sup>2</sup> in Minnesota, based on data in the Department of Labor and Industry's (DLI's) workers' compensation claims database. This article presents information from the department's database about the numbers and types of new indemnity claims resulting from diseases during the 1996 through 1999 period, and benefits data about disease claims closing during the same period.

The major types of diseases included in this analysis of occupational diseases are:

- respiratory diseases and disorders
- certain contagion diseases
- coronary and vascular diseases
- skin diseases and disorders
- poisoning
- cancers

Disease claims are concentrated in a few industries. Health services, special trade contractors, educational services, restaurants and bars, public safety and the manufacturing of food products, fabricated metal products, industrial machinery, electronics and transportation equipment accounted for 50 percent of reported diseases. Nearly all the public safety claims were due to coronary and vascular diseases, which are specifically allowed for police officers, firefighters and related occupations.

Four types of occupational disease account for 85 percent of the disease claims. The number and percentages of claims during the entire 1996 through 1999 period for these four types are shown in the table below. These four diseases are all exposure related; that is, the disease or disorder resulted from occupational exposure to a material, toxin or infectious agent. The remainder of this article presents more detailed information about each of these four exposure-related diseases.

**Number and percentage of disease indemnity claims, 1996 through 1999**

	Number of claims	Percentage of disease claims
Skin disorders and diseases	420	43.1%
Respiratory diseases (excluding asbestosis)	286	29.3%
Contagious diseases	74	7.6%
Asbestosis	46	4.7%
Other occupational diseases	149	15.3%
Total	975	100%

<sup>1</sup>Minnesota Statutes §176.011, subd. 15(a) defines a condition as an occupational disease if it is "a disease arising out of and in the course of employment peculiar to the occupation in which the employee is engaged and due to causes in excess of the hazards ordinary of employment and shall include undulant fever. Ordinary diseases of life to which the general public is equally exposed outside of employment are not compensable, except where the diseases follow as an incident of an occupational disease, or where the exposure peculiar to the occupation make the disease an occupational disease hazard. A disease arises out of employment only if there be a direct causal connection between the conditions under which the work is performed and if the occupational disease follows as a natural incident of the work as a result of the exposure occasioned by the nature of the employment." However, a disease may be compensable as a personal injury whether or not it may also be characterized as an occupational disease (see the discussion in *Baker v. Farmers' Union Marketing & Processing (WCCA 2000)*). (These conditions are nonetheless counted here as *diseases*.)

<sup>2</sup>Indemnity claims involve more than three days of total or partial disability or the payment of permanent partial disability benefits.

### **Skin diseases and disorders**

- Skin diseases and disorders, which include dermatitis, cellulitis, blisters, eczema, rashes, chemical burns and inflammation, accounted for 43 percent of disease indemnity claims.
- Among indemnity claims closed during 1996 through 1999, the average cost of indemnity benefits was \$7,300, with a median cost of \$600.
- Manufacturing industries accounted for 35 percent of the claims. The manufacturing groups with the highest number of claims were industrial machinery and equipment, food products and transportation equipment manufacturing.
- Health services, primarily nursing homes and hospitals, accounted for 23 percent of the claims.
- Other industries with high numbers of skin disorder and disease claims are: eating and drinking places, and business services. Most of the business services claims are in help supply services, which includes employee leasing companies. These employees may have been working at manufacturing or health care establishments.

### **Respiratory diseases**

- Respiratory diseases and disorders, which include silicosis, pneumonia, influenza, bronchitis, chronic sinusitis, asthma, pneumonia, rhinitis and emphysema, accounted for 29 percent of disease indemnity claims.
- The average cost of indemnity benefits was \$14,600, with a median cost of \$1,500.
- Service industries accounted for 34 percent of the claims, primarily in the health, education and business services industries. Building maintenance companies accounted for most of the business services claims.
- Manufacturing industries accounted for 33 percent of the claims. The manufacturing groups with the highest number of claims were food products manufacturing and industrial machinery and equipment manufacturing.

### **Contagious diseases**

- Contagious diseases, which include infectious hepatitis, tuberculosis, measles, chicken pox and scabies, accounted for 8 percent of disease indemnity claims.
- The average cost of indemnity benefits was \$13,000, with a median cost of \$400.
- Service industries accounted for 74 percent of the contagious disease claims, mostly in health services (39 claims). Two other services — social services and education services — were the only other industries with more than two claims during the four-year period.

### **Asbestosis**

- Asbestosis accounted for 5 percent of the disease claims. However, the number of claims decreased during the 1996 through 1999 period, from 25 claims in 1996 (9 percent of disease claims) to three claims in 1999 (1 percent of disease claims).
- The average cost of indemnity benefits was \$11,900, with a median cost of \$3,000.
- Special trades contractors accounted for 43 percent of the asbestosis claims (20 claims), half of which were among workers in the plumbing, heating and air conditioning trades. Paper and allied products manufacturing and lumber and wood products manufacturing were the only other industries with more than two claims during the four-year period.