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December 15, 2025

Informational Circular 2025-09

Second Injury Fund Assessment & Policy Surcharge Factor

Second Injury Fund Assessment

The Workers Compensation Board of Indiana (“Board”) issued its notice dated December 12, 2025 titled “**2026 Second Injury Fund Calculation of Funding Level**”. The Board certification forms indicate the combined total assessment amount for carriers and self-insureds in 2026 is **\$11,111,389**. Based on combined total paid losses in 2024 (latest data available) of \$450,874,030 the assessment rate is 2.46% which is within the statutory limit of 2.5%. [Reference IC § 22-3-3-13 (c)]

Payment of Assessment to WC Board

Assessments are due January 30, 2026. For assessments greater than \$1,000, you may choose an installment option, with payments due by January 30, 2026, and June 15, 2026. Payment must be submitted electronically via the State’s electronic payment system.

Policy Surcharge Factor

The 2026 statewide average policy surcharge factor is 0.0110. **As in the past, the ICRB does not file an advisory policy surcharge factor with the Indiana Department of Insurance (DOI). Each carrier must calculate and apply its own factor to its policies. This circular and the factors being provided herein are for informational purposes only. For assigned risk policies, servicing carriers should use the 0.0110 factor.**

At-a-Glance Summary

- Carrier must pay its assessment to the WC Board online. Here’s a link to the Board’s online payment options page: <https://www.in.gov/wcb/2516.htm>
- Carrier prints and attaches online payment receipt to the completed Certification form and mails to the Board at this address: Worker's Compensation Board of Indiana 402 West Washington Street, Room W-196 Indianapolis, Indiana 46204
- Carrier must show assessment on policies as “a surcharge based on the employer's premium.”
- The surcharge is not premium, as defined by statute. So, the surcharge amount must be excluded for purposes of computation of agent commission and premium taxes.
- Statistical Code 0935 – Second Injury Fund Surcharge is appropriate to record the amount.

- Because each carrier's premium is different, then each carrier's assessment payable to the Board will be different. So, each carrier's policy surcharge factor may also be different.
- Carriers are not required to file their policy surcharge factors with the IDOI.
- The statewide average surcharge factor of 0.0110 is for informational purposes only. For More Information

You may also access the Board's website to view the "2nd Injury Fund Forms" web page. You may access this and previous ICRB circulars about the "Second Injury Fund" on our website at www.icrb.net . We hope this information helps in your understanding of the Second Injury Fund assessment process.

Sincerely,



Paul Keathley CAWC
President & CEO

WORKERS COMPENSATION BOARD OF INDIANA

**2026 SECOND INJURY FUND
CALCULATION OF FUNDING LEVEL**

December 12, 2025

Please note only assessments greater than \$1,000 may be paid in two installments.

The due dates are:
January 30, 2026
June 15, 2026

SECOND INJURY FUND REPORT FOR
2025 AND ASSESSMENT FOR 2026

By Linda Peterson Hamilton, Chair

December 12, 2025

Happy Holidays to all. This year, the assessment calculation is adjusted in a few areas from the calculations done in December of 2023 and 2024 following the pandemic. The total assessment for 2026 is approximately \$1.9M greater than in 2025. However, this follows the artificially low assessment in 2024, which was \$1.9 below the assessment in 2023. We believe the effects of the pandemic on staffing and the workplace are over and we will be dealing with a different set of challenges in future years. In December 2025, there were 280 indemnity recipients and 113 prosthetic recipients throughout the year.

We removed the reconciliation factor for 2026. In 2025 the estimated need was multiplied by 9% to arrive at the final assessment goal. This additional calculation began in 2019 to account for the routine shortfalls to collections caused by necessarily using outdated statistics. The deficit has exceeded \$1.5M some years. The reconciliation was especially important following the pandemic, as a way to account for the low staffing and work-from-home scenarios that played into the statistics we must use in our calculations. Monthly payouts can exceed \$700,000 between indemnities and prosthetics and a shortfall in collections could be devastating, but we believe the three-month prudent reserve may provide a sufficient cushion. There is no longer a provision in law for an emergency assessment, so depending on the revenues received, the reconciliation factor may be resurrected in 2027.

With the assistance of the State Budget Agency, the administrative fee was realigned using current staffing reports. This fee had not been adjusted since 2020. Every staff and Board member works on Second Injury Fund matters. The six contractors creating our paperless case and docket management system are also creating tools for administering the SIF. No overhead was factored into the administrative fee. Salary numbers were applied to percentages of time spent on SIF work to arrive at the new fee. Once the contractors complete their work, this fee will be reconsidered. I estimate this will be in 2027, for the 2028 assessment.

Indemnity payments from the Fund traditionally increase slightly each year as new injured workers are added to the rolls at wages greater than those of the recipients we lose throughout the year. We must also account for Temporary Total Disability benefit increases set in statute. We have again used a factor of 8% in determining the funds necessary to pay wage replacement benefits in 2026.

Prosthetics are less easy to predict because recipients receive a new unit only as needed when their prosthetic device wears out. With the more expensive and advanced prosthetics that are on the market today, we are getting more requests for repairs than replacements. However, these repairs are still expensive. We are also adding more and younger recipients each year. The more sophisticated devices, particularly hands, provide these young employees the opportunity to remain valuable in today's complex workplace. Our prudent reserve for prosthetics is a total of the three highest months paid in 2025. We have applied a 13% inflation factor for next year, as we did for this.

We must use two-year-old insurance data. Direct written premiums were down, as were losses paid by carriers in 2024 when compared with 2023. Indemnity and medical expenses paid by self-insured employers rose slightly in 2024. The share that falls to these employers will be 17%, while carriers will shoulder 83% of the assessment for 2026.

Included with this report are the Certification forms used to calculate individual assessment obligations. These forms use numbers provided by the Indiana Compensation Rating Bureau as well as self-insured factors taken from new and renewal applications. Three years of historical data can be found on the last page.

Payments will be due on January 30th and June 15th in 2026. You may choose to use the installment option **only** if your assessed total is greater than \$1,000. This option is no longer available if your total assessment is less than \$1,000 and a penalty may be assessed if the whole amount is not received by the January due date. We rely on the funds received in January to carry us through to July. No reminder will be sent before the June due date.

This year it is mandatory that you use the State’s electronic payment system, which can be accessed at <http://www.in.gov/wcb>. If you do not already have one, you may obtain a “unique identifier” to pay electronically by contacting the Board. This will allow a debit transaction directly from your company’s bank account for a nominal State user fee. The fee for using the credit card option will be higher because it is a percentage of your payment. Please always submit a Certification form with a payment so your company can be properly credited.

Please call Mary Taivalkoski or me if you have questions regarding the assessment, report, or the Fund. Wishing you good health, happiness, peace, and prosperity in 2026.

2ND INJURY FUND REPORT

December 12, 2025

Revenue from 2025 Assessment	8,842,280
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Expenditures 2025:

Indemnity	5,638,756
Prosthetics	1,988,820
Administrative Fees	326,100

Total	7,953,676
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2026 Assessment Factors

Indemnity (3 months expense)	1,447,709
Prosthetics (3 months expense)	780,385
Total Prudent Reserve	2,228,094

Estimated Expenditures:

Indemnity	6,089,857
Prosthetics	2,247,366
Administrative Fees	546,072

Total Projected Expenditures	8,883,295
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Final Assessment Amount	11,111,389
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Reported and Historical Data

Utilized in Assessment

(Reported in dollars)

Reported by ICRB for 2024:

Total Losses Paid 372,785,000

Total Premiums Written 834,056,000

Reported by ICRB for 2023:

Total Losses Paid 380,424,000

Total Premiums Written 855,843,000

Reported by ICRB for 2022:

Total Losses Paid 387,783,000

Total Premiums Written 839,865,000

Self-Insured Factors 2024:

Total Indemnity Paid 23,793,152

Total Medical Paid 54,295,878

Total Self-Insured Factors 78,089,030

Self-Insured Factors 2023:

Total Indemnity Paid 21,313,891

Total Medical Paid 53,621,815

Total Self-Insured Factors 74,935,706

Self-Insured Factors 2022:

Total Indemnity Paid 19,903,556

Total Medical Paid 58,322,307

Total Self-Insured Factors 78,225,863

**Historical Second Injury Fund Data re.
Total Expenditures Reported by the WCB
(Reported in dollars)**

Jan/Dec 2024	
Prosthetics (105 Recipients)	1,704,505
Indemnity (293 Recipients)	5,674,821
Jan/Dec 2023	
Prosthetics (81 Recipients)	1,192,678
Indemnity (285 Recipients)	5,583,163
Jan/Dec 2022	
Prosthetics (81 Recipients)	1,755,704
Indemnity (287 Recipients)	5,687,391