



Division of Coal Mine Workers' Compensation

The below assumptions and standards must be utilized in the certified actuarial report submitted by operators applying for or seeking to renew self-insurance authorizations. Commercially insured claims should not be included in the certified actuarial report.

The prepared reports should conform to the Actuarial Standard of Practice (ASOP) No 43 Property/Casualty Unpaid Claim Estimates and all other appropriate guidance issued by the Actuarial Standards Board (ASB) with regard to actuarial liability estimation and communications.

Attorney Fees

Assume:

- 39% percent of claimants represented by attorneys
- \$4,700 average attorney fee award if represented by attorney

Apply the foregoing assumptions to future claims and existing claims not in final award status.

Award Probabilities

Assume:

- 100% probability of award if the most recent decision was an award
- 100% probability of denial if the most recent decision was a denial
- 22% probability of award for future filed claims and existing claims pending an initial decision

Discount Rate

Use a risk-free rate of return for the discount rate:

4.0% Source: U.S. Treasury Monthly Interest Rate Certification Table 1 Treasury Loans to Government Agencies as of 10/01/2024 for 15 to 20 year maturities.

Existing Claims

- only use assumptions specified elsewhere in this document (*e.g.*, for medical benefit inflation)
- otherwise use actual data (*e.g.*, claimant date of birth)
- Include a listing of existing claims that includes individual liability estimate

Future Claims

Assume:

- 93% percent of awarded claims filed by miner
 - 7% percent of awarded claims filed by widow, in which the miner had not received a previous award
- OR
- 100% percent of awarded claims filed by miner
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- 85% percent of miners married
 - 3-4 yrs average age of spouse relative to miner (assume spouse is either 3 or 4 years younger than the miner on average)



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- Use estimated claimant ages at claim filing date that are consistent with recent history. The assumptions for the age at claim filing date must be clearly documented in the actuarial report.

Estimate future claims based on a potential claimant pool that includes the following two groups:

1. All currently active employees who are eligible for future Black Lung benefits
2. All miners whose employment ended within the prior 40 years.

The two groups' estimated claim counts and liabilities should be reported separately.

Indemnity Benefits

Assume:

Monthly Benefits for the calendar year:	2024	2025
Claimant and 0 Dependents	\$772.60	\$785.70
Claimant and 1 Dependent	\$1,158.90	\$1,178.60
Claimant and 2 Dependents	\$1,352.00	\$1,375.00
Claimant and 3 or More Dependents	\$1,545.20	\$1,571.40

- Annual benefit inflation:
2.2% average future annual indemnity benefit inflation

Medical Benefits

Assume:

- \$6,400 average medical benefit per miner for 01/01/2025 – 12/31/2025 (Medical Treatment)
\$2,050 average cost of diagnostic testing 01/01/2025 – 12/31/2025 (Diagnosis)
- 5.0% average future annual medical treatment cost inflation
- 3.5% average future annual diagnostic exam cost inflation

Mortality

Assume:

- [BL mortality tables for miners and spouses](#)
- [SSA mortality table for non-spouse dependents](#)

The miner mortality table only applies to the claims population and should not be applied to pre-award miners.

Please note that the mortality tables were updated as of 9/30/2024.

Non-Spouse Dependents

- for existing claims, calculate indemnity benefits based on the dependent/benefit type (e.g., full-time student)
- for future claims, increase indemnity benefits paid to miners and spouses by the following percent to include a provision to reflect estimated future payments for non-spouse dependents:

5% additional increase in benefits (applied to miner and spouse benefits) for non-



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spouse dependents

Offsets

- for existing claims with indemnity offset, use the offset rate until the award has expired
- for future claims, apply the current offset percentages toward incurred but not reported claims
- assume 100% offset of medical benefits for claims subject to a medical offset

Report Detail

The actuarial report must contain a minimum of

- Identification of the methods, procedures, assumptions, and data used by the actuary with sufficient clarity that another actuary qualified in the same practice area could make an objective appraisal of the reasonableness of the actuary's work as presented in the report.
- For existing claimants, a claim-level listing including the liability estimate by claim. This listing may include last name and date of last coal mine employment, but should not include other personally identifiable information such as Social Security Number.
- For future awards, the total *number* of estimated future awards and the corresponding aggregate liability estimate, separated for active miners versus miners whose employment has ended.

Alternate Reports

Documentation must be provided to support any assumptions that differ from the assumptions included in this document.