

Actuarial Committee

Meeting Agenda

Date	Time	Location	Staff Contact
November 8, 2016	9:30 AM	WCIRB California 1221 Broadway, Suite 900 Oakland, CA	David M. Bellusci
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Released: November 1, 2016

To Members of the Actuarial Committee, WCIRB Members and All Interested Parties:

I. Approval of Minutes

Meeting held on September 1, 2016

Meeting held on September 6, 2016

II. Working Group Meeting Summaries

Medical Analytics Working Group Meeting held September 27, 2016

III. Unfinished Business

A. AC13-10-03: SB 863 Cost Monitoring

IV. New Business

A. AC16-11-01: Study of ALAE

B. AC16-11-02: Study of Medicare Set-Asides

V. Matters Arising at Time of Meeting

VI. Next Meeting Date: December 6, 2016

VII. Adjournment

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Medical Analytics Working Group

Meeting Summary

To: Participants of the Medical Analytics Working Group
Date: October 7, 2016

RE: Summary of September 27, 2016 Meeting

Insurer Meeting Participants Were Reminded of the Antitrust Notice

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Discussion Topics

At the meeting, the following topics were discussed:

A. Aggregate Industry Medical Trends 2013-2015

Staff presented results of its annual study of medical cost trends in the California Workers' Compensation system. This study encompassed \$7.5 billion in medical costs collected through the WCIRB's Medical Data Call (MDC) database from Calendar Year 2013 through Calendar Year 2015. The data showed a 6% drop in total paid amounts over the three-year period and a 9% decline in medical payments per claim. These savings were driven by a reduction in medical utilization as measured by an 11% drop in transactions which offset a 6% overall unit cost increase. Specific medical cost components driving these reductions including payments to physician specialists, inpatient hospital services and pharmaceuticals, especially opiates and brand drugs. The offsetting utilization reductions began in 2014 and persisted through 2015 reflecting, in part, the enhanced medical scrutiny through the introduction of independent medical review (IMR) pursuant to Senate Bill No. 863 (SB 863).

B. Upcoming Legislation – Research Implications

Members of the Working Group discussed the implications of two upcoming legislative changes: Senate Bill No. 1160 (SB 1160), affecting primarily utilization review (UR) and liens, and Assembly Bill No. 1142 (AB 1142) related to the implementation of a drug formulary.

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(1) SB 1160 (UR and Liens)

Staff initially summarized the Actuarial Committee's evaluation of the cost impact of SB 1160. The Working Group was advised that for injuries occurring on or after January 1, 2018, pursuant to SB 1160 treatment for compensable injuries will be authorized for the first 30 days post-injury without UR. Exceptions include non-emergency surgeries, psychological treatment and most imaging services. Any equipment charged more than \$250 can be subject to UR in the first 30 days, as well as treatment by providers outside Medical Provider Networks (MPNs), Health Care Organizations (HCOs) or those not pre-designated by the employee or selected by the employer. The Working Group was advised that the Actuarial Committee's cost evaluation of the UR provisions suggested that the provisions would not likely have a large direct impact on costs since relatively little UR is conducted in the first 30 days and the savings in reduced UR costs is largely offset by the increase in medical costs from services within the first 30 days that will no longer be denied through UR.

Members of the Working Group discussed how SB 1160 might affect treatment patterns in the first 30 days and later. It was noted that the WCIRB can develop a baseline to measure the impact of this UR provision, focusing on pre-2018 patterns of medical treatment in the first 30, 60 and 90 days after injury that can be used to compare to post-accident year 2018 patterns. One member of the Working Group suggested that changes in the level of physical therapy and chiropractic treatment could occur in 2018 with SB 1160.

Staff summarized the provisions of SB 1160 related to liens. One member of the Working Group expressed concern about the imposition of stays on bills from providers subject to fraud charges, suggesting that this provision may keep claims open that would have been otherwise closed. Another suggested that the WCIRB should monitor the impact of the SB 1160 provisions on Independent Bill Review (IBR) and IMR cost trends.

Staff presented data showing a multi-year consolidation pattern for major lien claimants and specialties of the major lien claimants. Staff also presented the WCIRB's preliminary findings from its MDC database on a separate list of 79 providers who have been charged with fraud (as disclosed in public records). It was noted that these providers received \$450 million in payments over a four-year period between July 2012 and June 2016, of which 25% (\$112 million) were generated by liens. Staff also showed that payment patterns to these providers changed due to the expansion of medical fraud enforcement in June 2014. The share of total medical payments from these 79 providers dropped in half from 6% of all medical paid in 2012 to 3% in 2016. Lien payments to these providers dropped at a slower rate, although by 2016 approximately 45% of all payments to the indicted providers were paid via liens.

(2) AB 1142 (Drug Formulary)

The California Workers' Compensation Institute (CWCI) summarized the Division of Workers' Compensation's (DWC) draft proposed formulary to be effective July 1, 2017 and presented its preliminary analysis of the implications of the RAND Institute's August 2016 report, which recommended a list of "preferred", "non-preferred", and "off formulary" drugs. The CWCI noted that only 27% of current industry prescriptions are for "preferred" drugs, a fact which foreshadows some significant challenges to translate the formulary into operation. Several members of the Working Group indicated that the list of drugs on the DWC draft did not address the extensive variations in pricing for each listed drug. Since UR focuses on clinical necessity (rather than cost), it was noted that this process may not be able to curb prescriptions for the most expensive drugs in a specific category.

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C. Ongoing Tracking of SB 863

Staff presented the WCIRB's most recent updates of some of the medical reforms enacted by SB 863 in 2012, including changes in Ambulatory Surgical Center (ASC) reimbursements, spinal implant surgeries, the copy service fee schedule and the Resource-Based Relative Value Scale (RBRVS) physician fee schedule.

(1) ASC Reimbursement Changes

Effective January 1, 2013, SB 863 changed the formula for reimbursing ASCs. Staff presented findings through the first quarter of 2016 indicating that ASC payments per episode have declined by a cumulative 21% since January 2013 sustaining a trend discovered by prior WCIRB/CWCI research in 2013 and 2014. Staff also showed findings indicating that there was no discernable shift of surgical services from ASCs to outpatient hospital settings in response to the reduced ASC reimbursements.

(2) Spinal Implant Restrictions

Effective January 1, 2013, SB 863 eliminated duplicate payments for spinal implant surgeries. Staff presented findings through the first half of 2016 indicating that the payments per episode for the seven types of spinal surgeries targeted by SB 863 have dropped by a cumulative 28% since January 2013 continuing a trend discovered by prior WCIRB research in 2013 and 2014. Staff also showed that SB 863 also had an impact on the utilization of spinal surgery as spinal implants dropped from 7% of all inpatient hospital episodes in 2012 to 4% in 2016.

(3) New Copy Service Fee Schedule

SB 863 authorized the development of a copy service fee schedule which was implemented by the DWC in July 2015. Staff presented results showing that payments for all copy service transactions sets averaged \$100. This finding corresponded to prior WCIRB estimates which indicated that copy services represented less than 1% of all medical costs.

(4) Plan for Updated RBRVS Study

Staff described how WCIRB will update, through the second quarter of 2016, its previous analysis of the impact of the RBRVS changes by fee schedule section. Along with the ASC, spinal implant and copy service research, this study will be part of WCIRB's annual comprehensive retrospective analysis of SB 863 to be issued in November, 2016.

D. Enhancements to Insurer Medical Benchmark Reports

Staff summarized preliminary examples of four potential enhancements to the current set of insurer medical benchmark reports. These proposed enhancements reflected suggestions from Working Group members as well as other participants. New benchmark measures include Accident Year, Diagnosis Group and Regional reports. In addition, staff described how the current report summarizing medical procedures can potentially be "drilled down" to reveal more detailed data. Staff indicated that they will have further discussions with Working Group members and other participants over the next few months to help prioritize the insurer medical benchmark report enhancement effort.

E. Ongoing Research

(1) Adoption of ICD-10 Codes

Staff presented findings from its medical transaction database showing how the national state directives to use ICD-10 codes starting October 2015 was adopted in California workers' compensation. A total of 80% of all transactions used ICD-10 codes in the second quarter of 2016 compared to 24% when the codes were mandated in the fourth quarter of 2015. Several members of the Working Group indicated

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that this trend is consistent with their experience, and suggested that this change should lead to more accurate diagnostic data and better oversight of medical utilization.

(2) Cumulative Trauma Study (with CWCI)

The CWCI presented updated results based on 78,000 claims matched to its IRIS database from WCIRB unit statistical data from policy years 2000 through 2013. These findings showed that the average elapsed time between date of injury and carrier notification was 600% greater for CT claims (138 days) compared to non-cumulative trauma claims (24 days). The CWCI indicated that it would complete this study in the next month, focusing on the medical cost drivers that differentiate cumulative trauma claims.

(3) Impact of Medical Cost Resolution on Claims Costs

Staff presented a research plan to determine the impact of medical cost resolution on claims costs. Phase One of the Research is a "proof of concept" whereby indemnity and medical payments will be analyzed for a matched set of Compromise and Release (C&R) and Stipulated claims from Policy Year 2002. One member of the Working Group emphasized the importance of this information to help claims examiners decide between a seemingly costly C&R settlement in the short-term or a stipulation which may be more expensive in the longer-term. Results of Phase One will be presented to the Joint Actuarial/Claims Working Group meeting on November 8, 2016. Pending the decision at that meeting, the WCIRB may then pursue Phase Two of the study which addresses the role of Medicare Set Asides in C&R claims.

F. Future Research

Staff outlined options to more fully examine the impact of the Affordable Care Act (ACA) on California workers' compensation. One line of research continues prior WCIRB studies on whether the introduction of ACA (Covered California) in October 2013 contributed to delays in access to care for injured workers. In a 2015 study, the WCIRB determined that there was no measurable increase in days between injury and first treatment after the introduction of Covered California. In 2017, the WCIRB may align its measures with the NCCI who is planning a multi-state study of this question. The Working Group also discussed other potential measures of the impact of ACA, including a study of the changes in injury patterns for businesses with 50 or more employees in industries likely significantly affected by the ACA and a study of the possible reduced incidence of diagnoses typically associated with group health coverage.

The meeting was adjourned with a commitment to convene the next meeting in the first quarter of 2017.

Item AC13-10-03
SB 863 Cost Monitoring

On March 27, 2013, the WCIRB submitted a comprehensive plan to monitor the emerging cost impact of Senate Bill No. 863 (SB 863) to the California Department of Insurance.¹ The plan included a detailed summary of the cost components to be measured and the timeframe by which they will initially be measured. The WCIRB has published SB 863 cost monitoring reports in late 2013, 2014, and 2015. The WCIRB's 2016 updated retrospective cost evaluation of SB 863 is anticipated for release in mid-November.

Information on emerging post-SB 863 costs based on the most current data available will be presented at the meeting.

¹ [*Senate Bill No. 863 WCIRB Cost Monitoring Plan*](#), WCIRB, March 27, 2013.

Item AC16-11-01

Study of ALAE

Allocated loss adjustment expense (ALAE) levels are much higher in California than in other states. In addition, ALAE costs have continued to increase sharply despite implementation of many of the components of Senate Bill No. 863 (SB 863) intended to reduce ALAE (or “frictional cost”) levels. As recommended by the Actuarial Committee and Claims Working Group, staff has studied the costs underlying the high ALAE in California as well as the factors driving the recent increases in ALAE levels. A preliminary summary of staff’s analysis is detailed below.

Aggregate ALAE Costs and Comparisons to Other States

Exhibit 1 shows projected ultimate ALAE per indemnity claim by accident year for private insurers. Despite the implementation of SB 863, average ALAE costs have increased by 20% since 2012 and the 2015 estimate of \$13,598 is more than five times the analogous amount from 20 years ago. Exhibit 2 shows the distribution of total ALAE incurred by calendar year and major ALAE component for calendar years 2005 through 2015 (medical cost containment program (MCCP) costs reported in medical losses are also included for all years). While all components of ALAE have increased over the last several years including defense attorney costs and MCCP costs, other ALAE expenses (which includes several other defense-related costs such as deposition fees) have become an increasingly larger share of total ALAE costs.

Comparisons of California ALAE costs to those of other states are available from information published by the National Council on Compensation Insurance (NCCI) in their *Annual Statistical Bulletin* (ASB). Exhibit 3 compares ALAE (i.e., Defense and Cost Containment Expense) as a percentage of pure premium by state based on the 2016 NCCI ASB. California’s ALAE provision of 27% is more than 10 points higher than the second-highest state and more than 150% greater than the countrywide median. Although California has had the largest ALAE provision for many years, this differential has continued to grow, as California’s total loss adjustment expense (LAE) provision was 40% greater than the countrywide median in the NCCI’s 2010 ASB (a separate breakout of ALAE from total LAE by state was not available until 2015).

The Workers’ Compensation Research Institute (WCRI) also publishes interstate comparisons of ALAE-related costs (i.e., “benefit delivery expenses”)¹ in their *CompScope™ Benchmarks*. Several observations from the latest (April 2016) report include:

- California has the highest benefit delivery expenses paid per lost time claim² at 36 months and is 60% higher than the WCRI 18-state median.
- California has the third-highest medical cost containment expenses per lost time claim at 36 months and is 25% higher than the WCRI 18-state median.
- 42% of California lost time claims have defense attorney payments greater than \$500 at 36 months, which is 13 points higher than the WCRI 18-state median, and average defense attorney payments on those claims are 20% higher than the median.
- Although California benefit delivery cost components were significantly higher than the median state at 36 months, California was not very different than the median state for these same measures at 12 months, indicating that the differences that drive California to be a higher-cost

¹ Includes litigation expenses (including medical-legal costs and applicant attorney fees), adjusting expenses, and medical cost containment expenses.

² Claim with more than 7 days of lost time.

state are from activities that happen later in the life of a claim and also suggesting that interstate comparisons of benefit delivery costs at 36 months likely significantly understates the differential at an ultimate cost level.

Characteristics of Claims with Significant ALAE Costs

The WCIRB collects paid ALAE costs at the claim level in its unit statistical report (USR) data. Staff analyzed the characteristics of claims with high ALAE costs compared to other types of claims in order to better understand the types of claims that have high ALAE costs and what factors may be driving recent increases in the number of or average cost of these claims.

Beginning with policies incepting July 1, 2010, M CCP costs are reported in ALAE rather than in medical losses. Although the WCIRB collects M CCP costs separately on aggregate financial data calls, M CCP costs are not reported separately on USRs. As a result, any analysis of USR claims with ALAE costs over time may be distorted by the change in M CCP reporting. Further, while defense expenses and other ALAE costs typically only occur on litigated claims, M CCP costs occur on most all indemnity claims. In order to analyze claims with “significant” ALAE costs compared to other types of claims, staff reviewed distributions of paid ALAE costs before and after the change in M CCP reporting to assess the cost of “M CCP-only” claims and separate them from claims that include other ALAE costs. Staff selected a threshold of \$1,000 in paid ALAE costs to represent “significant” ALAE based on this analysis. Each USR claim was then categorized as “High ALAE” (paid ALAE greater than \$1,000), “Low ALAE” (paid ALAE greater than \$0 and up to \$1,000), or “No ALAE” based on this criteria.³

Exhibit 4 shows the distribution of indemnity claim counts and paid losses among the High ALAE, Low ALAE, and No ALAE categories. The share of claims and paid losses from High ALAE claims has grown steadily since 2012. Prior to the change in M CCP reporting, a significant number of claims had no paid ALAE. After the change, virtually all indemnity claims have paid ALAE. As a result, most claims in the No ALAE category prior to the change have shifted into the Low ALAE category after the change, while claims in the Low ALAE category prior to the change have generally shifted into the High ALAE category after the change. These sections of Exhibit 4 are color-coded to illustrate these relationships. In general, staff focused on the post-July 1, 2010 policy period, for which M CCP costs are consistently reported as ALAE.

Exhibit 5 shows average paid costs for claims by ALAE category. In addition to the share of claims with High ALAE costs increasing since 2012, the average ALAE paid per claim on these types of claims has also grown. In addition, claims with High ALAE have significantly greater indemnity and medical costs. The average medical cost per claim with High ALAE has decreased since 2011 as overall medical costs have declined and additional smaller claims are being categorized as High ALAE.

Exhibit 6.1 shows the distribution of claims within each ALAE category by region. As indicated by other measures of litigation rates and ALAE costs, the majority of High ALAE claims come from the Los Angeles Basin area. The share of High ALAE claims from this area has also grown since 2012. Exhibit 6.2 shows the distribution of claims within each region. A claim is about 20% more likely to include significant ALAE in the Los Angeles Basin area. Exhibit 6.3 shows the average paid ALAE cost by region and ALAE category. Not only do significantly more claims include high ALAE costs in the Los Angeles Basin area, but these claims also cost more and develop higher. However, average paid ALAE costs per claim have increased across all California regions since 2012.

³ For consistency, this threshold was applied to all policy years and report levels and was not adjusted for inflation. Since the threshold was meant only to eliminate “M CCP-only” claims from claims that include other ALAE costs and recent changes in average M CCP costs have been relatively flat, staff did not believe an inflation adjustment was warranted.

Exhibit 7.1 shows the distribution of claims within each ALAE category by injury type. At early report levels, the most significant proportion of High ALAE claims involve only temporary disability. As many of these claims transition to permanent disability over time, a greater share is reported in the permanent category. This information may be valuable in identifying “high potential” permanent disability claims at earlier report levels for future studies of changes in claim settlement rates or other components by injury type. The share of High ALAE claims involving only temporary disability is also higher in the post-SB 863 period (2012 through 2014) compared to the pre-SB 863 period (2010 and 2011), suggesting that disputes are happening more frequently on less-severe claims. This may be related to the high volume of independent medical review (IMR) requests being filed or the lien statute of limitations requiring lien disputes to be addressed in earlier periods. Exhibit 7.2 shows the average paid ALAE cost by injury type and ALAE category. Permanent disability claims have higher average ALAE costs than other types of claims, but both temporary and medical-only claims can have significant ALAE costs.

One area of dispute that can lead to significant ALAE costs is the permanent disability (PD) rating for the claim. Exhibit 8 shows the average PD rating for claims with High ALAE, Low ALAE, and No ALAE and the distribution of PD claim counts across the three categories. Average PD ratings on High ALAE claims are 30% higher at earlier report levels and 90% higher at later report levels. Recently, average PD ratings on High ALAE claims have declined while the proportion of these claims has increased, which may be a result of smaller PD claims now being litigated. Whether this is a result of the SB 863 reforms that significantly increased PD benefits during this period is uncertain.

One factor driving recent increases in indemnity claim frequency and potentially in ALAE are the growing share of cumulative injury claims. Prior WCIRB claim surveys have shown that cumulative injury claims are often litigated. Exhibit 9.1 shows the distribution of claims within each ALAE category by type of claim. As with indemnity claims in general, cumulative injury claims are a growing share of High ALAE claims. However, as shown in Exhibit 9.2, the average paid ALAE cost for High ALAE claims, at least at earlier maturities, is not significantly different between cumulative and non-cumulative injury claims. These figures may be impacted by claimants with multiple cumulative and specific injury claims separately reported to the WCIRB in which the ALAE costs are paid on a master claim file. This may also suggest that recent increases in ALAE costs may be more driven by other factors than recent increases in the frequency of cumulative injury claims. However, inasmuch as cumulative injury claims are more likely to involve significant ALAE, the average ALAE cost per indemnity claim is significantly higher for cumulative injury claims.

Exhibit 10.1 shows claim closing rates by ALAE category as well as the percentage of closed claims settled by compromise and release. Although High ALAE claims typically stay open much longer than other types of claims, claim closing rates on High ALAE claims have increased recently at most all maturities as they have in other types of claims. In particular, the proportion of High ALAE claims settled by compromise and release is significantly greater than the proportion for other types of claims and has more than doubled since 2010. As a result, recent increases in ALAE may be related to the recent changes in claim settlement rates and may partially be a result of more aggressive attempts to settle claims by compromise and release earlier in the life of a claim, and future ALAE development on more recent years may end up being lower. Exhibit 10.2 shows that average paid ALAE costs on claims settled by compromise and release, even after controlling for claims with High ALAE, are significantly greater than that for other closed claims. Average paid ALAE costs on open claims at later maturities, even without MCCP costs, can be significant and show a continuing upward trend.

The WCIRB began collecting medical transactional data from its Medical Data Call (MDC) beginning in the second half of 2012. Staff linked MDC transactions to USR claims to analyze the medical detail on claims with significant ALAE costs compared to other types of claims. Although only accident years 2012 through 2015 are available from this information, it does allow some analysis of the immediate pre- and post-SB 863 periods. Exhibit 11 shows distributions of medical transactions and paid medical by ALAE

category and partial accident year.⁴ Since MDC data is only available from the second half of 2012, for consistency of comparison, each accident year shown in Exhibit 11 based on claims arising from July 1 through December 31 of that accident year at USR first report level and includes MDC transactions paid within the first 18 months of the claim. Although this represents only a fraction of the claims arising in that accident year, it allows for the most consistent comparison of MDC data over time. Staff reviewed the relationships based on the full accident year where available and the differences in the relationships were not material.

As shown in Exhibit 11, High ALAE claims naturally involve many more medical transactions per claim and higher paid medical losses, but the distributions of these transactions and payments are remarkably consistent by medical category except in a few areas. A greater share of High ALAE claims involve physical medicine and pathology and laboratory, while a greater share of Low ALAE claims involve evaluation and management and special services and reports. Changes in the distributions of transactions that have occurred following SB 863, such as decreases in the utilization of pharmaceuticals and special services and reports, appear to be consistent across High ALAE and Low ALAE claims.

Exhibits 12.1 through 12.3 show the MDC detail segregated by injury type. The relationships between High ALAE and Low ALAE claims appear to be consistent for temporary and medical-only claims. For permanent disability claims (Exhibit 12.1), High ALAE claims include a smaller share of physical medicine services but a somewhat greater share of inpatient hospital services and medical supplies and equipment.

Detailed Components of ALAE

Earlier this year, at the recommendation of the Claims Working Group, the WCIRB surveyed approximately 870 permanent disability claims from accident years 2011 through 2014 in order to better understand the detailed components underlying reported ALAE costs. Staff received responses on approximately 97% of the surveys. The results of the survey are shown in Exhibits 13.1 through 13.4. Key observations from the survey data include:

- Approximately half of the surveyed permanent disability claims in Northern California were represented, while over three-quarters of the claims in Southern California were represented. In approximately 40% of represented claims, first notice of the claim was provided by the claimant's legal representative.
- Approximately 40% of surveyed claims involved deposition costs at the time of the survey. These costs totaled approximately \$3,400 per claim with a deposition, with applicant's attorney fees representing 45% of these costs. The vast majority of depositions were of the applicant.
- Over half of the surveyed claims involved an appearance at the Workers' Compensation Appeals Board (WCAB). Mandatory settlement conferences (MSCs) were the most common type of appearance, while status conferences, lien conferences, and walk-throughs were also fairly common. Most WCAB appearances cost between \$700 to \$900 in total ALAE per appearance, though lien conferences and walk-throughs were about half that cost.
- Almost 90% of surveyed claims included bill review (BR) costs, while over half included utilization review (UR) costs. Average ALAE costs per claim were approximately \$1,700 for BR and \$1,100 for UR.

⁴ Each accident year represents claims occurring in that year from policies incepting in the prior year (i.e., 2012 claims from 2011 policies).

- Independent medical review (IMR) occurred on surveyed claims at a rate of one IMR per every three claims, with a greater occurrence rate for older claims. Approximately 30% of IMRs in the survey were for pharmaceutical services.
- Over one-third of the surveyed claims had a lien, with the majority of liens for medical treatment and the dispute being over a denied body part or self-procured treatment. Liens for medical treatment were also the most costly, with an average lien demand of over \$8,000 and an average lien settlement amount of just under \$2,000.
- “Pre-lien” disputes over medical treatment or other issues occurred on one-quarter of the surveyed claims. While some of these disputes may have eventually resulted in a lien, a small proportion (16%) were settled prior to the filing of a lien, with an average demand amount of about \$5,300 and an average settlement amount of about \$850.

Impact of Reforms on ALAE Costs

The California workers’ compensation system has undergone significant reform and change over the decades. Some of these reforms have intended to reduce ALAE costs, while others may have unintentionally resulted in higher ALAE costs. Anecdotally, average ALAE costs have tended to increase immediately following significant system changes. For example, average ultimate ALAE per indemnity claim increased by 157% following the 1996 Minniear⁵ decision (1996 to 2001), by 41% following the 2002 through 2004 reforms (2005 to 2009), and by 16% following SB 863 (2013 to 2015; see Exhibit 1). After the sharp increases following both the Minniear decision and 2002 through 2004 reforms, average ultimate ALAE costs stabilized and in some years decreased. This suggests that significant system changes may be resulting in temporary ALAE “shocks” as the changes are implemented and interpreted by the legal system.

Staff examined changes in average ALAE costs compared to changes in benefit levels for a possible statistical relationship. Inasmuch as (a) legislative reforms or significant judicial action in California workers’ compensation is not uncommon and often overlaps with other changes and (b) many factors may influence average ALAE costs in addition to the reaction to system changes, no significant statistical relationship could be found. However, the anecdotal information of ALAE cost increases following prior significant reforms suggests caution when projecting ALAE cost savings resulting from reforms, at least in the short-term.

⁵ Minniear v. Mount San Antonio Community College District (1996) 61 Cal. Comp. Cases 1055 (Appeals Board en banc opinion).

Estimated Ultimate ALAE Per Indemnity Claim - Private Insurers

Acc. Year	Paid ALAE ^[1] @3/31/16 (in \$000) (1)	Cumulative Development Factors ^[2] (2)	Estimated Ultimate ALAE (in \$000) (3)=(1)x(2)	Indemnity Claim Counts @3/31/16 (4)	Cumulative Count Development Factors ^[3] (5)	Estimated Ultimate Ind. Counts (6)=(4)x(5)	Estimated Ultimate ALAE Per Indemnity Claim (7)=(3)/(6)x1000	Annual Change
1991	412,006	1.045	430,490	175,228	1.000	175,268	2,456	---
1992	316,238	1.049	331,590	141,910	1.000	141,961	2,336	-4.9%
1993	233,611	1.052	245,751	113,498	1.001	113,563	2,164	-7.4%
1994	216,421	1.058	228,866	105,323	1.001	105,408	2,171	0.3%
1995	236,439	1.063	251,325	101,270	1.001	101,384	2,479	14.2%
1996	282,230	1.070	302,106	103,128	1.002	103,299	2,925	18.0%
1997	357,025	1.079	385,089	104,673	1.002	104,864	3,672	25.6%
1998	493,132	1.087	536,023	112,428	1.002	112,666	4,758	29.6%
1999	542,465	1.098	595,735	116,318	1.002	116,578	5,110	7.4%
2000	643,015	1.110	713,723	118,389	1.002	118,655	6,015	17.7%
2001	762,835	1.124	857,302	113,883	1.003	114,201	7,507	24.8%
2002	801,055	1.139	912,785	112,977	1.003	113,341	8,053	7.3%
2003	809,519	1.155	934,604	108,322	1.003	108,674	8,600	6.8%
2004	691,870	1.174	811,963	99,436	1.004	99,805	8,136	-5.4%
2005	642,953	1.196	768,826	97,400	1.005	97,843	7,858	-3.4%
2006	702,915	1.229	863,612	104,464	1.005	104,965	8,228	4.7%
2007	765,548	1.268	970,864	107,519	1.006	108,152	8,977	9.1%
2008	802,923	1.321	1,060,925	106,220	1.007	106,984	9,917	10.5%
2009	824,839	1.394	1,149,845	102,562	1.009	103,484	11,111	12.0%
2010	842,364	1.500	1,263,321	110,588	1.011	111,823	11,298	1.7%
2011	779,378	1.662	1,295,259	114,647	1.015	116,343	11,133	-1.5%
2012	733,443	1.942	1,424,147	122,814	1.022	125,459	11,351	2.0%
2013	621,169	2.498	1,551,529	127,765	1.034	132,084	11,747	3.5%
2014	432,879	3.873	1,676,610	125,982	1.064	134,032	12,509	6.5%
2015	169,501	11.122	1,885,269	116,523	1.190	138,640	13,598	8.7%

Estimated Annual Exponential Trend Based on:

	R²
2005 to 2015	5.1% 0.918
2010 to 2015	3.8% 0.823

Notes:

^[1] All paid ALAE exclude the paid cost of medical cost containment programs.

^[2] Based on the latest year paid ALAE age-to-age development from Exhibit 12.1 of Section B, Appendix C of the August 19, 2016 filing

^[3] Based on analogous Exhibit 12.3 of Section B, Appendix C of the August 19, 2016 filing, applicable to private insurers only.

Distribution of Allocated Loss Adjustment Expenses

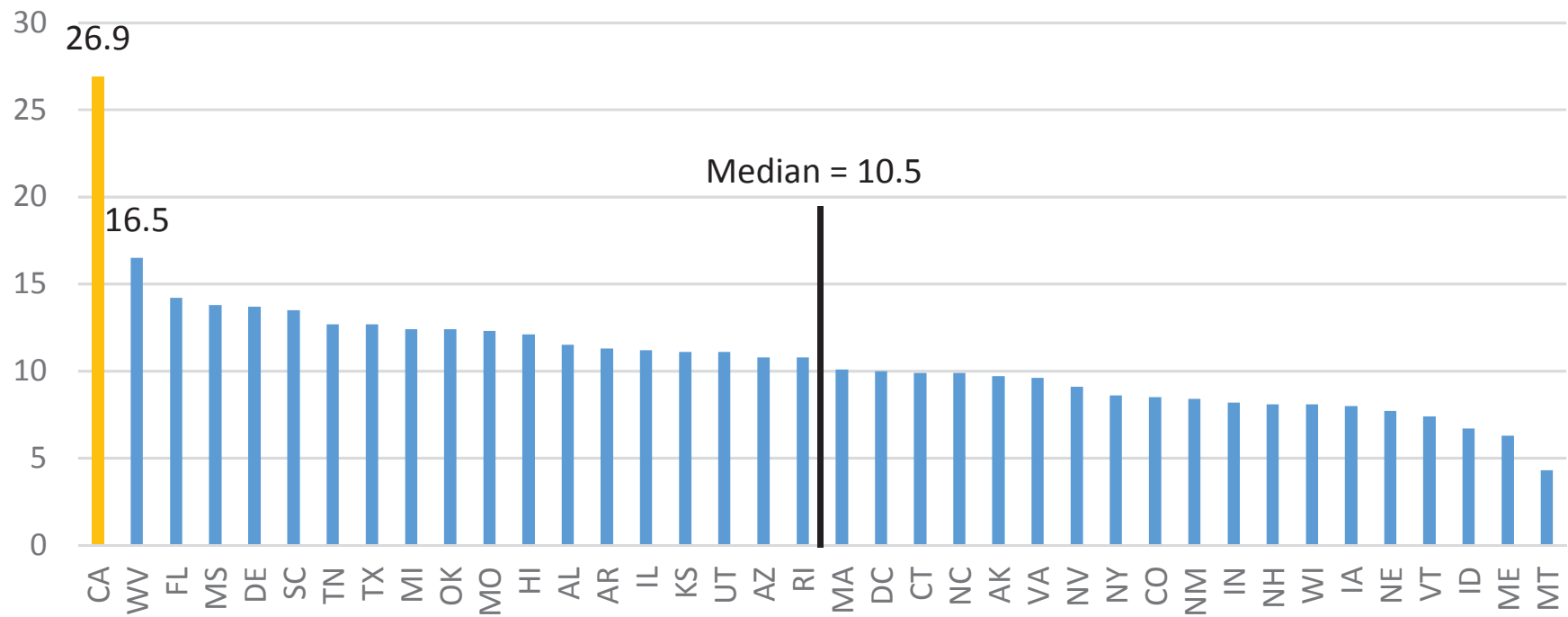
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Calendar Year	<u>UR</u>	<u>IMR & IBR</u>	<u>Medical Bill Review/ PPO/MPN</u>	<u>Defense Attorney Expense</u>	<u>Other Paid ALAE</u>	<u>Total Paid ALAE</u>	<u>Change in ALAE Reserves</u>	<u>Incurred ALAE</u>
2005	\$75	---	\$111	\$598	\$237	\$1,022	\$236	\$1,258
2006	\$99	---	\$117	\$526	\$306	\$1,048	\$137	\$1,185
2007	\$119	---	\$118	\$596	\$241	\$1,075	-\$86	\$989
2008	\$181	---	\$175	\$601	\$258	\$1,216	-\$38	\$1,177
2009	\$173	---	\$166	\$592	\$314	\$1,245	-\$26	\$1,219
2010	\$187	---	\$168	\$618	\$325	\$1,298	\$5	\$1,303
2011	\$198	---	\$185	\$722	\$317	\$1,422	\$73	\$1,495
2012	\$211	---	\$203	\$784	\$342	\$1,540	\$117	\$1,657
2013	\$210	\$18	\$237	\$836	\$351	\$1,651	\$281	\$1,933
2014	\$217	\$41	\$254	\$859	\$456	\$1,827	\$259	\$2,086
2015	\$242	\$45	\$269	\$843	\$548	\$1,946	\$263	\$2,209

Percent of Total Incurred LAE

Calendar Year	<u>UR</u>	<u>IMR & IBR</u>	<u>Medical Bill Review/ PPO/MPN</u>	<u>Defense Attorney Expense</u>	<u>Other Paid ALAE</u>	<u>Total Paid ALAE</u>	<u>Change in ALAE Reserves</u>	<u>Incurred ALAE</u>
2005	6.0%	---	8.8%	47.6%	18.9%	81.2%	18.8%	100.0%
2006	8.3%	---	9.9%	44.4%	25.9%	88.4%	11.6%	100.0%
2007	12.1%	---	12.0%	60.3%	24.4%	108.7%	-8.7%	100.0%
2008	15.4%	---	14.9%	51.1%	21.9%	103.3%	-3.3%	100.0%
2009	14.2%	---	13.6%	48.6%	25.8%	102.2%	-2.2%	100.0%
2010	14.4%	---	12.9%	47.5%	24.9%	99.6%	0.4%	100.0%
2011	13.2%	---	12.4%	48.3%	21.2%	95.1%	4.9%	100.0%
2012	12.7%	---	12.3%	47.3%	20.7%	92.9%	7.1%	100.0%
2013	10.9%	0.9%	12.3%	43.2%	18.1%	85.4%	14.6%	100.0%
2014	10.4%	1.9%	12.2%	41.2%	21.9%	87.6%	12.4%	100.0%
2015	11.0%	2.0%	12.2%	38.1%	24.8%	88.1%	11.9%	100.0%

Source: WCIRB aggregate financial data calls and CWCI information on the distribution of medical cost containment program costs. Medical cost containment program costs shown include those reported in medical losses.

Defense and Cost Containment Expense as a Percent of Premium



Source: 2016 NCCI Annual Statistical Bulletin

Share of Indemnity Claim Counts and Paid Loss and ALAE for High/Low/No-ALAE Claims

PY/RL	High ALAE									Low ALAE									No ALAE								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Indemnity Claim Counts																											
2005	21.5%	31.6%	36.9%	39.3%	41.5%	42.3%	42.8%	43.0%	43.2%	31.1%	26.5%	24.5%	23.4%	22.9%	22.5%	22.5%	22.4%	22.3%	47.4%	41.9%	38.5%	37.3%	35.6%	35.2%	34.7%	34.6%	34.5%
2006	21.5%	32.3%	37.4%	41.1%	42.5%	43.4%	43.9%	44.2%	44.3%	29.9%	27.2%	25.2%	24.2%	23.6%	23.3%	23.1%	22.9%	22.8%	48.6%	40.5%	37.3%	34.7%	33.8%	33.3%	33.0%	33.0%	32.9%
2007	23.5%	34.2%	41.1%	43.8%	45.3%	46.1%	46.5%	46.8%		32.1%	28.3%	26.0%	24.7%	23.9%	23.6%	23.3%	23.2%		44.4%	37.6%	32.9%	31.5%	30.8%	30.3%	30.2%	30.0%	
2008	24.2%	38.4%	44.7%	47.5%	49.0%	49.7%	50.1%			33.0%	29.4%	26.3%	24.8%	24.0%	23.7%	23.5%			42.8%	32.2%	29.0%	27.6%	26.9%	26.7%	26.4%		
2009	27.5%	41.6%	47.6%	50.3%	51.4%	52.1%				36.4%	30.2%	27.3%	25.8%	25.1%	24.7%				36.1%	28.2%	25.1%	24.0%	23.5%	23.2%			
2010_Before	28.7%	42.7%	48.3%	50.7%	51.8%					36.6%	30.3%	27.5%	26.1%	25.4%					34.7%	27.0%	24.2%	23.2%	22.8%				
2010_After	43.3%	55.1%	58.9%	60.3%	61.5%					53.0%	41.6%	38.3%	37.1%	36.2%					3.7%	3.3%	2.8%	2.6%	2.3%				
2011	43.6%	55.7%	59.2%	61.0%						52.6%	41.3%	38.1%	36.7%						3.9%	3.0%	2.7%	2.3%					
2012	44.4%	56.9%	60.8%							51.2%	39.9%	36.6%							4.3%	3.2%	2.6%						
2013	45.8%	58.3%								49.7%	38.6%								4.5%	3.1%							
2014	47.3%									48.8%									3.9%								
Paid Indemnity																											
2005	39.1%	58.0%	70.2%	75.4%	80.0%	81.7%	82.8%	83.6%	84.0%	27.6%	18.9%	15.9%	12.9%	11.3%	10.3%	9.7%	9.3%	9.0%	33.3%	23.0%	13.9%	11.7%	8.7%	8.0%	7.5%	7.1%	7.0%
2006	39.0%	60.3%	71.0%	78.5%	81.2%	82.9%	84.0%	84.6%	85.1%	25.5%	20.6%	15.4%	12.4%	10.9%	9.9%	9.3%	8.8%	8.5%	35.5%	19.1%	13.6%	9.0%	8.0%	7.2%	6.8%	6.6%	6.4%
2007	40.8%	61.5%	74.8%	79.9%	82.9%	84.6%	85.5%	86.1%		29.0%	21.1%	15.4%	12.2%	10.6%	9.5%	8.8%	8.5%		30.2%	17.4%	9.8%	7.9%	6.6%	5.9%	5.7%	5.4%	
2008	40.3%	65.7%	77.1%	82.4%	85.1%	86.3%	87.2%			31.4%	21.5%	14.4%	11.3%	9.6%	8.8%	8.3%			28.3%	12.8%	8.5%	6.3%	5.2%	5.0%	4.5%		
2009	43.5%	68.2%	79.4%	84.2%	86.3%	87.6%				31.5%	19.6%	13.4%	10.4%	8.9%	8.2%				25.0%	12.2%	7.2%	5.4%	4.8%	4.2%			
2010_Before	45.1%	69.2%	80.0%	84.4%	86.4%					30.7%	19.2%	13.2%	10.2%	9.0%					24.2%	11.6%	6.7%	5.3%	4.6%				
2010_After	70.7%	85.8%	90.7%	92.0%	93.3%					28.2%	12.8%	8.4%	7.0%	6.0%					1.2%	1.4%	1.0%	1.0%	0.6%				
2011	70.6%	86.2%	90.5%	92.3%						28.1%	12.9%	8.6%	6.9%						1.2%	1.0%	0.9%	0.8%					
2012	71.2%	86.9%	91.2%							27.7%	12.3%	8.2%							1.1%	0.9%	0.6%						
2013	73.2%	88.1%								25.8%	11.2%								1.0%	0.6%							
2014	74.4%									24.5%									1.1%								
Paid Medical on Indemnity Claims																											
2005	30.4%	47.1%	59.2%	65.5%	71.2%	73.6%	75.3%	76.7%	77.6%	28.0%	21.3%	17.9%	15.0%	13.2%	11.9%	11.3%	10.7%	10.3%	41.6%	31.6%	22.9%	19.5%	15.7%	14.4%	13.4%	12.6%	12.2%
2006	30.7%	49.5%	61.0%	69.2%	72.8%	75.3%	76.9%	77.9%	78.8%	25.9%	21.7%	17.2%	14.3%	12.5%	11.4%	10.6%	10.1%	9.7%	43.3%	28.7%	21.8%	16.5%	14.6%	13.3%	12.5%	12.0%	11.6%
2007	32.9%	51.8%	65.5%	71.7%	75.5%	77.9%	79.2%	80.2%		28.1%	22.2%	17.0%	13.9%	12.1%	10.8%	10.1%	9.6%		39.0%	26.0%	17.5%	14.5%	12.5%	11.2%	10.7%	10.2%	
2008	32.4%	55.4%	67.6%	74.3%	77.9%	79.8%	81.1%			29.4%	23.1%	16.8%	13.3%	11.4%	10.4%	9.7%			38.2%	21.6%	15.6%	12.4%	10.6%	9.9%	9.2%		
2009	35.4%	58.7%	70.9%	76.8%	79.7%	81.5%				31.6%	21.7%	15.9%	12.7%	11.0%	10.0%				33.0%	19.6%	13.3%	10.5%	9.4%	8.5%			
2010_Before	38.0%	60.7%	72.3%	77.7%	80.4%					31.1%	21.1%	15.6%	12.5%	11.0%					30.8%	18.2%	12.2%	9.8%	8.6%				
2010_After	60.7%	76.7%	83.5%	86.0%	88.2%					37.8%	21.7%	15.5%	12.9%	11.1%					1.5%	1.6%	1.0%	1.1%	0.7%				
2011	61.0%	77.6%	83.7%	86.7%						37.6%	21.2%	15.3%	12.6%						1.5%	1.1%	1.0%	0.7%					
2012	61.8%	78.3%	84.5%							36.9%	20.8%	14.9%							1.3%	0.9%	0.7%						
2013	62.5%	78.9%								36.2%	20.3%								1.3%	0.8%							
2014	63.1%									35.9%									1.1%								

Notes: High ALAE are claims with paid ALAE greater than \$1,000. Low ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.
Dotted line represents change in MCCP reporting. MCCP is included in ALAE for July 1, 2010 and later policies and excluded before.
Distributions sum across the row (i.e. High ALAE + Low ALAE + No ALAE = 100%).
Source: WCIRB unit statistical data for indemnity claims only

Average Paid Indemnity Claim Severity on High/Low/No-ALAE Claims

PY/RL	High ALAE									Low ALAE									No ALAE								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Paid ALAE																											
2005	4,461	6,732	8,329	9,750	10,974	11,781	12,383	12,895	13,290	273	276	267	266	268	267	266	266	266	0	0	0	0	0	0	0	0	0
2006	4,748	6,749	8,601	10,174	11,233	12,084	12,792	13,333	13,790	261	265	266	267	265	263	262	262	261	0	0	0	0	0	0	0	0	0
2007	4,734	6,871	8,865	10,449	11,745	12,734	13,472	14,038		246	258	261	262	261	260	259	259		0	0	0	0	0	0	0	0	
2008	4,617	7,097	9,113	10,786	12,080	13,060	13,818			244	259	261	259	257	257	256			0	0	0	0	0	0	0		
2009	4,788	7,301	9,681	11,315	12,610	13,524				241	255	252	250	248	247				0	0	0	0	0	0			
2010_Before	4,804	7,345	9,440	11,125	12,324					262	268	267	263	262					0	0	0	0	0				
2010_After	5,270	8,037	10,501	12,320	13,729					288	280	270	265	262					0	0	0	0	0				
2011	5,150	7,922	10,336	12,197						297	283	271	265						0	0	0	0					
2012	5,020	7,883	10,231							301	285	273							0	0	0						
2013	5,198	7,931								305	285								0	0							
2014	5,308									298									0								
Paid Indemnity																											
2005	8,468	15,508	21,325	24,973	27,733	29,683	31,180	32,472	33,319	4,133	6,027	7,278	7,195	7,114	7,039	6,973	6,930	6,914	3,270	4,635	4,052	4,084	3,497	3,507	3,482	3,438	3,460
2006	9,011	16,781	22,750	27,000	29,525	31,627	33,211	34,487	35,509	4,217	6,790	7,294	7,265	7,125	7,032	6,964	6,935	6,915	3,617	4,234	4,369	3,661	3,643	3,578	3,574	3,604	3,615
2007	9,062	17,184	23,505	27,808	30,904	33,308	35,058	36,280		4,719	7,128	7,666	7,538	7,446	7,284	7,230	7,197		3,555	4,422	3,844	3,806	3,618	3,532	3,600	3,573	
2008	9,306	17,837	24,536	29,080	32,347	34,566	36,264			5,304	7,632	7,795	7,591	7,475	7,378	7,339			3,689	4,140	4,152	3,827	3,600	3,701	3,560		
2009	8,907	17,407	24,146	28,656	31,906	34,180				4,870	6,883	7,097	6,911	6,753	6,697				3,899	4,592	4,139	3,841	3,901	3,697			
2010_Before	8,978	17,175	23,926	28,358	31,476					4,794	6,711	6,958	6,682	6,673					3,987	4,543	4,010	3,915	3,799				
2010_After	9,036	16,216	21,902	25,677	28,275					2,939	3,221	3,116	3,195	3,113					1,726	4,408	4,848	6,478	5,236				
2011	9,446	16,591	22,122	25,696						3,116	3,343	3,276	3,200						1,850	3,489	5,007	5,664					
2012	9,367	16,490	21,639							3,156	3,318	3,245							1,533	2,896	3,353						
2013	9,729	16,720								3,159	3,226								1,420	2,191							
2014	9,688									3,099									1,704								
Paid Medical																											
2005	11,279	17,740	24,696	29,870	34,189	37,399	40,109	42,715	44,423	5,394	7,188	8,923	9,003	8,919	8,806	8,763	8,745	8,708	4,554	5,998	5,354	5,429	4,583	4,590	4,512	4,451	4,443
2006	11,955	20,083	27,475	33,153	37,215	40,677	43,511	45,697	47,545	5,453	8,585	9,340	9,409	9,168	9,075	9,019	8,964	8,899	4,917	5,594	5,756	4,895	4,871	4,761	4,728	4,754	4,738
2007	12,695	21,719	29,523	35,497	40,243	44,283	47,362	49,708		6,297	9,219	9,840	9,712	9,596	9,412	9,395	9,296		4,990	6,000	5,346	5,255	4,925	4,818	4,895	4,828	
2008	13,034	21,869	29,646	36,146	41,137	44,882	47,660			7,143	9,922	10,191	9,925	9,722	9,580	9,473			5,454	5,772	5,714	5,314	5,025	5,102	4,928		
2009	12,670	21,913	30,115	36,658	41,594	45,050				6,900	9,016	9,300	9,121	8,981	8,855				5,610	6,414	5,799	5,417	5,448	5,192			
2010_Before	13,220	22,348	30,723	37,081	41,712					6,876	8,738	9,119	8,925	8,855					5,631	6,315	5,625	5,335	5,200				
2010_After	12,134	19,359	26,109	31,070	34,868					3,502	3,838	3,737	3,714	3,515					2,150	5,101	4,570	6,790	4,326				
2011	11,961	19,133	25,517	30,141						3,610	3,829	3,737	3,649						1,934	3,470	4,392	3,601					
2012	11,567	18,396	24,155							3,500	3,714	3,528							1,444	2,504	2,513						
2013	11,082	17,386								3,407	3,448								1,346	1,772							
2014	10,803									3,280									1,306								

Notes: High ALAE are claims with paid ALAE greater than \$1,000. Low ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.
Dotted line represents change in MCCP reporting. MCCP is included in ALAE for July 1, 2010 and later policies and excluded before.
Source: WCIRB unit statistical data for indemnity claims only

Indemnity Claim Counts Distribution - By Region

PY/RL	High ALAE									Low ALAE									No ALAE								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Bay Area																											
2005	17.2%	17.5%	17.6%	17.7%	17.5%	17.5%	17.5%	17.5%	17.5%	19.6%	20.3%	21.1%	20.7%	20.8%	21.0%	20.9%	21.0%	21.0%	21.3%	21.0%	21.3%	21.3%	21.7%	21.7%	21.7%	21.6%	21.6%
2006	15.7%	15.9%	16.2%	16.5%	16.5%	16.4%	16.5%	16.5%	16.5%	19.0%	20.4%	19.9%	19.9%	19.7%	19.8%	19.8%	19.8%	19.8%	20.5%	20.7%	20.6%	20.8%	20.7%	20.7%	20.6%	20.6%	20.6%
2007	15.6%	15.8%	15.8%	16.0%	16.0%	16.1%	16.0%	16.1%		20.7%	19.9%	20.1%	20.1%	20.1%	20.1%	20.1%	20.1%		19.0%	19.4%	20.0%	19.9%	20.0%	20.0%	20.0%	20.0%	
2008	13.9%	14.4%	14.7%	14.8%	14.8%	14.9%	15.0%			19.8%	19.7%	19.5%	19.7%	19.7%	19.7%	19.7%			18.3%	19.1%	19.2%	19.3%	19.3%	19.3%	19.3%	19.3%	
2009	13.1%	14.2%	14.6%	14.8%	14.8%	14.9%				17.7%	18.1%	18.3%	18.3%	18.2%	18.2%				21.0%	21.4%	21.5%	21.5%	21.6%	21.5%			
2010_Before	13.7%	14.7%	15.3%	15.6%	15.7%					15.8%	16.8%	17.3%	17.0%	16.9%					22.7%	22.9%	22.0%	21.9%	21.8%				
2010_After	15.5%	15.4%	15.5%	15.6%	15.5%					18.6%	19.0%	19.0%	18.9%	19.0%					14.4%	18.1%	17.4%	16.7%	17.4%				
2011	15.1%	15.1%	15.2%	15.1%						17.5%	17.4%	17.5%	17.6%						16.3%	16.2%	15.4%	16.9%					
2012	15.6%	15.5%	15.5%							18.2%	18.4%	18.4%							16.0%	17.1%	17.8%						
2013	15.0%	15.0%								17.8%	17.9%								16.7%	18.9%							
2014	15.9%									18.9%									13.5%								
Los Angeles Basin Area																											
2005	51.5%	51.5%	52.4%	52.5%	53.0%	52.8%	52.7%	52.7%	52.7%	45.4%	44.5%	43.0%	44.0%	43.9%	43.6%	43.1%	43.0%	43.1%	44.7%	45.0%	45.2%	45.6%	45.1%	44.5%	44.2%	44.1%	44.0%
2006	53.1%	53.6%	53.5%	53.6%	53.5%	53.6%	53.4%	53.4%	53.4%	45.0%	43.5%	43.6%	43.5%	43.4%	43.1%	43.1%	43.2%	43.2%	45.3%	45.6%	45.8%	45.5%	45.4%	45.0%	44.9%	44.8%	44.8%
2007	53.0%	53.1%	53.3%	52.9%	52.9%	52.8%	52.8%	52.8%		43.3%	44.0%	44.1%	43.7%	43.5%	43.3%	43.5%	43.4%		45.5%	45.1%	44.4%	44.2%	43.7%	43.7%	43.6%	43.6%	
2008	56.4%	56.6%	55.5%	55.2%	55.1%	55.0%	55.0%			47.1%	45.5%	45.2%	44.7%	44.6%	44.3%	44.4%			45.1%	44.5%	44.0%	43.8%	43.7%	43.6%	43.5%		
2009	58.1%	56.3%	55.7%	55.4%	55.3%	55.2%				46.9%	44.9%	44.3%	44.2%	44.1%	44.0%				44.5%	43.4%	43.1%	42.8%	42.7%	42.6%			
2010_Before	58.0%	57.2%	56.4%	56.2%	56.1%					48.2%	46.4%	46.0%	45.7%	45.6%					45.8%	44.9%	44.9%	45.0%	45.0%				
2010_After	52.2%	52.3%	51.9%	51.8%	52.0%					43.7%	42.5%	42.5%	42.7%	42.3%					54.7%	50.9%	50.6%	50.3%	47.5%				
2011	52.3%	52.3%	52.2%	52.5%						44.8%	44.5%	44.4%	44.0%						56.6%	52.6%	52.4%	49.7%					
2012	52.0%	52.2%	52.3%							44.2%	43.7%	43.4%							56.9%	53.3%	49.8%						
2013	52.1%	53.0%								45.3%	44.2%								55.6%	52.1%							
2014	53.7%									45.2%									57.6%								
All Other Regions																											
2005	31.3%	31.0%	30.0%	29.8%	29.5%	29.7%	29.9%	29.8%	29.8%	34.9%	35.3%	35.9%	35.3%	35.3%	35.5%	36.0%	36.0%	36.0%	33.9%	34.0%	33.5%	33.1%	33.3%	33.8%	34.2%	34.3%	34.4%
2006	31.2%	30.6%	30.3%	29.9%	30.0%	30.0%	30.1%	30.1%	30.2%	36.0%	36.1%	36.5%	36.5%	36.9%	37.1%	37.1%	37.0%	37.0%	34.2%	33.7%	33.6%	33.7%	34.0%	34.3%	34.5%	34.6%	34.6%
2007	31.4%	31.1%	30.9%	31.1%	31.1%	31.1%	31.1%	31.1%		36.0%	36.1%	35.8%	36.2%	36.5%	36.6%	36.4%	36.5%		35.5%	35.5%	35.6%	35.8%	36.2%	36.3%	36.4%	36.5%	
2008	29.7%	29.0%	29.8%	30.0%	30.1%	30.0%	30.0%			33.1%	34.9%	35.3%	35.6%	35.8%	36.0%	35.9%			36.6%	36.4%	36.8%	37.0%	37.0%	37.1%	37.2%		
2009	28.8%	29.5%	29.7%	29.9%	29.9%	29.9%				35.4%	37.0%	37.4%	37.5%	37.7%	37.8%				34.5%	35.2%	35.4%	35.7%	35.8%	35.9%			
2010_Before	28.2%	28.1%	28.3%	28.1%	28.2%					36.0%	36.8%	36.8%	37.3%	37.5%					31.5%	32.2%	33.0%	33.2%	33.3%				
2010_After	32.3%	32.3%	32.6%	32.6%	32.5%					37.7%	38.5%	38.5%	38.5%	38.7%					30.9%	31.0%	32.1%	33.0%	35.1%				
2011	32.6%	32.5%	32.6%	32.4%						37.7%	38.1%	38.1%	38.4%						27.1%	31.2%	32.2%	33.3%					
2012	32.4%	32.3%	32.2%							37.7%	38.0%	38.2%							27.2%	29.6%	32.4%						
2013	32.9%	32.0%								36.9%	37.9%								27.7%	29.0%							
2014	30.4%									35.9%									28.9%								

Notes: High ALAE are claims with paid ALAE greater than \$1,000. Low ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.
Dotted line represents change in MCCC reporting. MCCC is included in ALAE for July 1, 2010 and later policies and excluded before.
Distributions sum down the column (i.e. Bay Area + Los Angeles Basin Area + All Other Regions = 100%).
Source: WCIRB unit statistical data for indemnity claims only

Indemnity Claim Counts Distribution within Each Region

PY/RL	High ALAE									Low ALAE									No ALAE								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Bay Area																											
2005	18.5%	28.1%	32.7%	35.2%	36.8%	37.5%	37.9%	38.2%	38.4%	30.7%	27.2%	26.0%	24.6%	24.1%	23.9%	23.9%	23.9%	23.7%	50.8%	44.7%	41.3%	40.2%	39.1%	38.6%	38.2%	37.9%	37.8%
2006	17.8%	26.9%	32.3%	36.0%	37.6%	38.2%	38.9%	39.1%	39.3%	29.8%	29.1%	26.8%	25.6%	25.0%	24.8%	24.5%	24.4%	24.3%	52.5%	44.0%	41.0%	38.4%	37.4%	37.0%	36.6%	36.5%	36.5%
2007	19.6%	29.5%	35.5%	38.5%	39.8%	40.7%	41.0%	41.4%		35.4%	30.7%	28.6%	27.1%	26.4%	26.1%	25.7%	25.6%		45.0%	39.8%	36.0%	34.4%	33.8%	33.3%	33.2%	33.0%	
2008	19.0%	31.7%	38.1%	40.8%	42.3%	43.1%	43.6%			36.8%	33.1%	29.7%	28.3%	27.5%	27.1%	26.8%			44.2%	35.2%	32.2%	30.8%	30.2%	29.8%	29.6%		
2009	20.4%	33.8%	40.1%	42.9%	44.1%	44.9%				36.6%	31.4%	28.7%	27.3%	26.5%	26.1%				43.0%	34.7%	31.1%	29.8%	29.4%	29.0%			
2010_Before	22.4%	35.8%	42.3%	45.4%	46.8%					32.8%	29.0%	27.1%	25.4%	24.8%					44.7%	35.2%	30.6%	29.2%	28.5%				
2010_After	39.2%	49.9%	54.1%	55.8%	56.8%					57.7%	46.6%	43.0%	41.6%	40.8%					3.1%	3.5%	2.9%	2.6%	2.4%				
2011	40.2%	52.4%	56.0%	57.3%						56.0%	44.7%	41.5%	40.2%						3.8%	3.0%	2.6%	2.5%					
2012	41.0%	52.8%	56.6%							55.0%	43.9%	40.6%							4.1%	3.3%	2.8%						
2013	41.8%	53.9%								53.6%	42.4%								4.6%	3.6%							
2014	43.6%									53.3%									3.1%								
Los Angeles Basin Area																											
2005	23.8%	34.6%	40.9%	43.0%	45.7%	46.8%	47.4%	47.7%	47.9%	30.5%	25.1%	22.3%	21.5%	20.9%	20.5%	20.4%	20.3%	20.2%	45.7%	40.2%	36.8%	35.5%	33.4%	32.7%	32.2%	32.0%	31.9%
2006	24.3%	36.3%	41.6%	45.5%	47.1%	48.2%	48.6%	48.9%	49.0%	28.7%	24.9%	22.9%	21.8%	21.2%	20.8%	20.6%	20.5%	20.4%	46.9%	38.8%	35.6%	32.7%	31.7%	31.0%	30.7%	30.6%	30.6%
2007	26.8%	38.2%	45.7%	48.4%	50.1%	50.9%	51.3%	51.6%		29.9%	26.2%	23.9%	22.5%	21.8%	21.4%	21.2%	21.0%		43.4%	35.7%	30.5%	29.1%	28.1%	27.7%	27.5%	27.4%	
2008	28.1%	44.0%	50.2%	53.1%	54.6%	55.3%	55.7%			32.1%	27.0%	24.1%	22.5%	21.6%	21.2%	21.1%			39.8%	29.0%	25.8%	24.5%	23.8%	23.5%	23.3%		
2009	32.5%	47.5%	53.6%	56.2%	57.4%	58.1%				34.8%	27.6%	24.5%	23.0%	22.3%	22.0%				32.7%	24.9%	21.9%	20.8%	20.3%	19.9%			
2010_Before	33.2%	48.2%	53.7%	56.0%	57.1%					35.2%	27.8%	24.9%	23.5%	22.8%					31.6%	24.0%	21.4%	20.5%	20.1%				
2010_After	47.3%	59.9%	63.3%	64.6%	66.1%					48.5%	36.7%	33.7%	32.7%	31.6%					4.2%	3.5%	2.9%	2.7%	2.3%				
2011	46.9%	59.4%	62.8%	64.9%						48.6%	37.4%	34.3%	32.7%						4.5%	3.2%	2.8%	2.4%					
2012	47.9%	60.8%	64.9%							47.0%	35.8%	32.4%							5.1%	3.5%	2.6%						
2013	48.9%	62.3%								46.0%	34.4%								5.1%	3.3%							
2014	51.1%									44.4%									4.5%								
All Other Regions																											
2005	20.0%	29.3%	33.8%	36.3%	38.0%	38.7%	39.0%	39.2%	39.3%	32.3%	28.0%	26.9%	25.6%	25.1%	24.6%	24.7%	24.7%	24.4%	47.7%	42.7%	39.3%	38.1%	36.9%	36.7%	36.2%	36.2%	36.2%
2006	19.6%	29.6%	34.3%	37.4%	38.7%	39.4%	39.8%	40.1%	40.3%	31.6%	29.4%	27.9%	26.9%	26.4%	26.1%	25.8%	25.5%	25.4%	48.8%	41.0%	37.9%	35.7%	34.9%	34.5%	34.3%	34.4%	34.3%
2007	21.2%	31.1%	37.7%	40.2%	41.5%	42.2%	42.7%	42.8%		33.3%	29.9%	27.6%	26.4%	25.7%	25.4%	25.0%	24.9%		45.5%	39.0%	34.7%	33.4%	32.8%	32.4%	32.3%	32.2%	
2008	21.2%	33.6%	40.0%	42.8%	44.3%	44.8%	45.2%			32.4%	31.0%	27.9%	26.6%	25.8%	25.5%	25.3%			46.4%	35.4%	32.1%	30.7%	29.9%	29.7%	29.5%		
2009	23.8%	36.8%	42.5%	45.2%	46.2%	46.9%				38.7%	33.5%	30.7%	29.1%	28.4%	28.1%				37.5%	29.8%	26.8%	25.7%	25.3%	25.0%			
2010_Before	25.2%	37.6%	43.0%	45.0%	46.0%					40.9%	35.1%	31.8%	30.7%	30.1%					33.9%	27.3%	25.2%	24.3%	23.9%				
2010_After	39.8%	51.1%	55.1%	56.5%	57.4%					56.9%	45.9%	42.4%	41.0%	40.2%					3.3%	2.9%	2.6%	2.5%	2.3%				
2011	40.4%	52.1%	55.7%	57.1%						56.6%	45.2%	41.8%	40.7%						3.0%	2.7%	2.5%	2.2%					
2012	41.3%	53.3%	56.9%							55.3%	43.9%	40.6%							3.4%	2.7%	2.4%						
2013	43.5%	54.6%								53.0%	42.7%								3.6%	2.6%							
2014	43.5%									53.1%									3.4%								

Notes: High ALAE are claims with paid ALAE greater than \$1,000. Low ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.
Dotted line represents change in MCCP reporting. MCCP is included in ALAE for July 1, 2010 and later policies and excluded before.
Distributions sum across the row (i.e. High ALAE + Low ALAE + No ALAE = 100%).
Source: WCIRB unit statistical data for indemnity claims only

Average Paid ALAE per Indemnity Claim By Region

PY/RL	High ALAE									Any ALAE									All Indemnity Claims								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Bay Area																											
2005	4,238	6,253	7,609	8,889	9,872	10,537	11,003	11,456	11,812	1,766	3,317	4,367	5,347	6,078	6,547	6,857	7,164	7,412	870	1,834	2,563	3,198	3,705	4,018	4,240	4,448	4,607
2006	4,560	6,256	7,950	9,388	10,246	11,109	11,672	12,113	12,564	1,873	3,147	4,478	5,614	6,275	6,860	7,267	7,574	7,880	891	1,762	2,643	3,460	3,925	4,322	4,607	4,807	5,006
2007	4,476	6,210	8,043	9,626	10,767	11,651	12,275	12,743		1,742	3,172	4,574	5,757	6,585	7,206	7,647	7,975		958	1,910	2,929	3,776	4,357	4,808	5,107	5,340	
2008	4,287	6,514	8,264	9,729	10,836	11,631	12,373			1,607	3,314	4,758	5,854	6,669	7,241	7,757			896	2,148	3,224	4,050	4,655	5,081	5,462		
2009	4,509	6,824	8,589	10,109	11,407	12,300				1,767	3,666	5,115	6,286	7,222	7,876				1,008	2,393	3,523	4,412	5,099	5,596			
2010_Before	4,622	7,094	8,913	10,411	11,496					2,029	4,040	5,537	6,769	7,611					1,122	2,619	3,845	4,795	5,443				
2010_After	5,104	7,553	9,784	11,463	12,819					2,236	4,046	5,576	6,685	7,567					2,166	3,905	5,416	6,512	7,386				
2011	4,920	7,452	9,780	11,681						2,231	4,151	5,733	6,976						2,145	4,027	5,586	6,804					
2012	4,819	7,687	10,051							2,227	4,325	5,966							2,136	4,184	5,800						
2013	4,887	7,798								2,309	4,486								2,203	4,323							
2014	5,201									2,505									2,429								
Los Angeles Basin Area																											
2005	4,576	6,957	8,752	10,377	11,679	12,596	13,283	13,826	14,246	2,162	4,150	5,761	7,011	8,100	8,837	9,364	9,781	10,102	1,174	2,481	3,641	4,525	5,394	5,945	6,347	6,647	6,877
2006	4,791	7,023	9,037	10,784	11,924	12,831	13,597	14,202	14,686	2,341	4,282	5,928	7,383	8,304	9,036	9,628	10,088	10,448	1,242	2,622	3,820	4,968	5,669	6,233	6,669	6,997	7,254
2007	4,769	7,086	9,219	10,886	12,266	13,342	14,144	14,755		2,394	4,311	6,144	7,517	8,632	9,477	10,091	10,558		1,355	2,774	4,273	5,329	6,202	6,853	7,314	7,670	
2008	4,745	7,361	9,555	11,347	12,746	13,792	14,611			2,353	4,659	6,543	8,050	9,200	10,039	10,671			1,417	3,309	4,856	6,080	7,014	7,679	8,190		
2009	4,932	7,571	9,827	11,621	12,986	13,949				2,511	4,887	6,830	8,322	9,419	10,188				1,689	3,672	5,334	6,594	7,507	8,157			
2010_Before	4,941	7,573	9,821	11,560	12,837					2,540	4,903	6,795	8,227	9,255					1,736	3,727	5,339	6,538	7,393				
2010_After	5,428	8,398	11,077	12,977	14,467					2,828	5,317	7,323	8,706	9,877					2,708	5,133	7,109	8,469	9,653				
2011	5,273	8,241	10,796	12,753						2,747	5,168	7,079	8,572						2,623	5,004	6,878	8,370					
2012	5,148	8,132	10,551							2,753	5,228	7,132							2,612	5,046	6,944						
2013	5,283	8,148								2,875	5,355								2,728	5,180							
2014	5,389									3,029									2,891								
Other																											
2005	4,395	6,631	8,014	9,157	10,364	11,065	11,605	12,094	12,470	1,847	3,519	4,570	5,473	6,343	6,867	7,198	7,517	7,785	965	2,018	2,772	3,386	4,005	4,349	4,590	4,797	4,964
2006	4,770	6,524	8,182	9,514	10,542	11,284	11,976	12,461	12,873	1,978	3,393	4,625	5,635	6,363	6,883	7,362	7,706	7,988	1,013	2,003	2,874	3,624	4,145	4,506	4,834	5,059	5,249
2007	4,804	6,841	8,676	10,128	11,363	12,259	12,950	13,489		2,015	3,607	5,113	6,215	7,111	7,748	8,254	8,620		1,098	2,200	3,337	4,141	4,777	5,237	5,585	5,841	
2008	4,530	6,870	8,707	10,277	11,472	12,428	13,087			1,940	3,693	5,233	6,437	7,339	8,004	8,475			1,040	2,386	3,551	4,462	5,143	5,628	5,975		
2009	4,625	7,016	9,945	11,345	12,510	13,349				1,901	3,788	5,878	6,990	7,835	8,430				1,189	2,661	4,303	5,192	5,851	6,323			
2010_Before	4,613	7,012	8,965	10,653	11,764					1,911	3,754	5,260	6,433	7,213					1,263	2,728	3,935	4,870	5,491				
2010_After	5,094	7,684	9,924	11,685	12,982					2,261	4,176	5,723	6,884	7,740					2,187	4,055	5,576	6,713	7,560				
2011	5,059	7,628	9,857	11,536						2,277	4,213	5,740	6,844						2,210	4,101	5,598	6,690					
2012	4,913	7,576	9,798							2,266	4,278	5,829							2,190	4,161	5,686						
2013	5,204	7,635								2,507	4,404								2,417	4,288							
2014	5,219									2,507									2,420								

Notes: High ALAE are claims with paid ALAE greater than \$1,000. Any ALAE are claims with ALAE greater than \$0.
Dotted line represents change in M CCP reporting. M CCP is included in ALAE for July 1, 2010 and later policies and excluded before.
Source: WCIRB unit Statistical data for indemnity claims only

Claim Counts Distribution - By Injury Type

PY/RL	High ALAE									Low ALAE									No ALAE								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Permanent (Death, PT, PP)																											
2005	38.6%	51.3%	61.5%	65.6%	67.2%	68.0%	68.4%	68.4%	68.7%	7.4%	7.1%	9.7%	10.0%	9.7%	9.5%	9.3%	9.2%	9.3%	5.1%	4.8%	2.9%	2.8%	2.4%	2.3%	2.3%	2.2%	2.2%
2006	37.8%	55.9%	64.3%	66.9%	67.9%	68.5%	68.9%	69.3%	69.5%	6.9%	11.0%	11.4%	10.7%	10.4%	10.1%	9.9%	9.9%	9.8%	5.8%	3.7%	3.2%	2.5%	2.4%	2.3%	2.2%	2.2%	2.2%
2007	38.4%	58.3%	64.2%	66.9%	68.4%	69.1%	69.7%	69.8%		8.4%	11.5%	10.3%	9.6%	9.3%	9.1%	9.0%	8.9%		5.0%	3.9%	2.7%	2.5%	2.3%	2.2%	2.2%	2.2%	
2008	44.2%	57.8%	64.8%	67.1%	68.0%	68.8%	69.2%			11.1%	11.9%	10.9%	10.2%	9.8%	9.6%	9.4%			5.3%	3.5%	2.8%	2.5%	2.3%	2.2%	2.2%		
2009	43.3%	57.6%	63.3%	65.0%	67.0%	67.4%				10.7%	10.9%	9.8%	8.9%	8.7%	8.5%				5.0%	3.8%	3.0%	2.7%	2.6%	2.5%			
2010_Before	43.3%	57.6%	63.8%	66.2%	67.1%					10.8%	10.4%	9.3%	8.8%	8.5%					5.1%	4.1%	3.2%	3.0%	2.8%				
2010_After	43.3%	53.7%	57.2%	58.6%	59.7%					4.5%	3.6%	3.0%	2.9%	2.6%					5.6%	8.4%	6.7%	6.8%	5.8%				
2011	43.9%	53.1%	57.0%	58.8%						5.0%	3.7%	3.2%	2.9%						7.6%	6.7%	6.5%	6.0%					
2012	40.0%	49.7%	55.2%							4.7%	3.6%	3.0%							7.6%	7.2%	6.2%						
2013	36.7%	49.5%								4.4%	3.2%								7.0%	6.1%							
2014	38.6%									4.2%									8.4%								
Temporary																											
2005	46.9%	36.5%	28.0%	23.5%	22.5%	21.2%	20.9%	20.7%	20.5%	20.5%	17.6%	20.2%	18.9%	18.7%	18.5%	18.6%	18.5%		15.2%	13.6%	12.7%	12.5%	12.3%	12.3%	12.2%	12.2%	12.2%
2006	47.1%	33.3%	24.8%	22.8%	21.1%	20.6%	20.2%	19.7%	19.5%	21.8%	23.0%	20.7%	20.6%	20.4%	20.4%	20.3%	20.4%		14.7%	12.7%	12.2%	12.0%	11.8%	11.7%	11.7%	11.7%	
2007	47.7%	31.0%	26.1%	22.9%	21.8%	21.1%	20.5%	20.2%		24.0%	21.2%	20.6%	20.1%	19.9%	19.9%	19.8%	19.8%		14.4%	12.6%	12.2%	12.0%	11.9%	11.8%	11.8%	11.8%	
2008	42.6%	32.3%	25.7%	23.5%	22.5%	21.5%	20.9%			26.3%	23.1%	21.7%	21.4%	21.2%	21.0%	20.9%			14.2%	12.4%	11.9%	11.8%	11.7%	11.7%	11.7%		
2009	45.2%	33.1%	27.8%	26.0%	23.8%	23.2%				26.7%	22.8%	21.8%	21.5%	21.2%	21.1%				14.4%	12.7%	12.3%	12.1%	12.0%	12.0%			
2010_Before	45.7%	33.8%	27.8%	25.2%	24.1%					26.1%	22.6%	21.7%	21.3%	21.1%					15.2%	13.2%	12.8%	12.6%	12.6%				
2010_After	41.5%	33.4%	30.0%	28.6%	27.4%					17.3%	15.2%	14.8%	14.6%	14.5%					20.6%	18.5%	17.7%	15.5%	14.9%				
2011	41.9%	34.4%	30.7%	28.8%						17.9%	16.0%	15.6%	15.4%						21.1%	18.5%	17.0%	15.5%					
2012	46.3%	38.2%	32.7%							18.3%	16.2%	15.6%							23.6%	20.1%	17.9%						
2013	49.3%	38.1%								18.9%	16.5%								25.1%	21.0%							
2014	46.9%									18.5%									26.5%								
Medical-Only																											
2005	14.5%	12.3%	10.5%	10.8%	10.3%	10.7%	10.7%	10.8%	10.8%	72.1%	75.3%	70.1%	71.2%	71.6%	72.0%	72.1%	72.2%	72.2%	79.6%	81.5%	84.4%	84.7%	85.3%	85.4%	85.5%	85.6%	85.6%
2006	15.1%	10.8%	10.9%	10.3%	11.1%	10.8%	10.9%	11.0%	11.1%	71.3%	66.0%	67.8%	68.7%	69.2%	69.5%	69.7%	69.8%	69.8%	79.5%	83.7%	84.6%	85.5%	85.8%	86.0%	86.0%	86.1%	86.1%
2007	13.9%	10.7%	9.7%	10.2%	9.7%	9.8%	9.9%	10.0%		67.6%	67.3%	69.1%	70.3%	70.8%	71.0%	71.2%	71.3%		80.7%	83.5%	85.1%	85.6%	85.8%	86.0%	86.0%	86.0%	
2008	13.2%	9.9%	9.5%	9.4%	9.5%	9.6%	9.8%			62.5%	65.0%	67.4%	68.4%	69.1%	69.5%	69.6%			80.6%	84.1%	85.2%	85.7%	86.0%	86.1%	86.1%		
2009	11.5%	9.4%	8.9%	9.0%	9.2%	9.4%				62.6%	66.3%	68.4%	69.6%	70.1%	70.3%				80.5%	83.4%	84.7%	85.2%	85.4%	85.5%			
2010_Before	11.0%	8.6%	8.4%	8.6%	8.8%					63.1%	67.0%	69.0%	69.9%	70.4%					79.7%	82.7%	84.0%	84.4%	84.6%				
2010_After	15.1%	12.9%	12.8%	12.8%	12.8%					78.2%	81.2%	82.2%	82.5%	82.8%					73.8%	73.1%	75.6%	77.7%	79.2%				
2011	14.2%	12.5%	12.3%	12.4%						77.1%	80.3%	81.3%	81.7%						71.3%	74.8%	76.5%	78.5%					
2012	13.7%	12.2%	12.0%							76.9%	80.2%	81.3%							68.8%	72.7%	76.0%						
2013	14.0%	12.5%								76.8%	80.2%								67.9%	72.9%							
2014	14.5%									77.3%									65.1%								

Notes: High ALAE are claims with paid ALAE greater than \$1,000. Low ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.
Dotted line represents change in MCCC reporting. MCCC is included in ALAE for July 1, 2010 and later policies and excluded before.
Distributions sum down the column (i.e. Permanent (Death, PT, PP) + Temporary + Medical-Only = 100%).
Source: WCIRB unit statistical data

Average Paid ALAE By Injury Type

PY/RL	High ALAE									Any ALAE									All Claims								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Permanent (Death, PT, PP)																											
2005	4,709	7,176	8,905	10,407	11,816	12,782	13,505	14,130	14,608	2,700	5,182	6,866	8,205	9,520	10,409	11,048	11,594	12,008	1,620	3,648	5,638	6,924	8,297	9,128	9,737	10,240	10,612
2006	5,205	7,137	9,075	10,850	12,097	13,055	13,911	14,555	15,074	3,110	5,078	6,902	8,625	9,789	10,666	11,440	12,022	12,485	1,706	3,870	5,678	7,475	8,593	9,427	10,142	10,670	11,097
2007	4,900	7,136	9,280	11,086	12,515	13,678	14,562	15,227		2,878	5,039	7,242	8,983	10,308	11,371	12,181	12,772		1,791	3,954	6,258	7,929	9,217	10,235	10,975	11,530	
2008	4,784	7,267	9,396	11,262	12,744	13,884	14,753			2,805	5,273	7,453	9,240	10,632	11,674	12,466			1,842	4,385	6,563	8,325	9,682	10,664	11,426		
2009	4,984	7,418	9,669	11,476	12,975	14,035				2,947	5,511	7,784	9,547	10,945	11,919				2,120	4,665	6,962	8,684	10,013	10,969			
2010_Before	4,929	7,492	9,665	11,556	12,923					2,946	5,625	7,843	9,634	10,906					2,172	4,788	7,025	8,751	9,988				
2010_After	5,725	8,741	11,537	13,727	15,421					3,975	7,185	9,944	11,999	13,674					3,881	7,013	9,777	11,798	13,491				
2011	5,591	8,599	11,438	13,643						3,831	7,086	9,868	11,994						3,719	6,954	9,708	11,830					
2012	5,489	8,590	11,303							3,785	7,099	9,837							3,661	6,950	9,690						
2013	5,586	8,655								3,926	7,340								3,797	7,211							
2014	5,681									4,118									3,994								
Temporary																											
2005	4,257	6,108	7,063	7,918	8,456	8,574	8,718	8,818	8,866	1,612	2,648	3,031	3,328	3,579	3,592	3,623	3,666	3,683	798	1,346	1,436	1,524	1,647	1,644	1,669	1,690	1,692
2006	4,381	6,096	7,372	8,193	8,448	8,859	8,979	9,034	9,204	1,662	2,549	3,006	3,375	3,434	3,601	3,640	3,632	3,687	828	1,254	1,426	1,615	1,638	1,724	1,743	1,731	1,754
2007	4,601	6,375	7,846	8,582	9,332	9,649	9,760	9,930		1,769	2,633	3,312	3,563	3,872	3,984	3,994	4,056		932	1,350	1,723	1,838	1,989	2,046	2,042	2,072	
2008	4,444	6,792	8,400	9,425	10,075	10,423	10,729			1,644	2,937	3,646	4,098	4,401	4,502	4,597			869	1,670	2,052	2,294	2,462	2,506	2,554		
2009	4,600	7,098	9,709	10,914	11,583	12,038				1,747	3,139	4,337	4,917	5,101	5,289				1,046	1,952	2,700	3,066	3,153	3,264			
2010_Before	4,686	7,095	8,922	9,996	10,659					1,842	3,185	3,976	4,424	4,705					1,126	2,034	2,532	2,803	2,969				
2010_After	4,794	6,905	8,527	9,436	10,046					1,770	2,806	3,460	3,815	4,036					1,692	2,696	3,330	3,683	3,906				
2011	4,688	6,878	8,288	9,249						1,770	2,863	3,421	3,788						1,693	2,755	3,299	3,666					
2012	4,616	6,964	8,424							1,871	3,138	3,718							1,781	3,015	3,588						
2013	4,908	6,990								2,101	3,218								1,996	3,088							
2014	5,001									2,137									2,044								
Medical-Only																											
2005	2,003	2,419	2,635	2,744	3,128	3,121	3,314	3,452	3,469	188	230	290	316	345	358	377	392	396	59	73	67	73	80	84	89	93	93
2006	1,977	2,456	2,578	3,027	2,932	3,173	3,338	3,440	3,520	200	277	312	353	372	395	415	429	441	59	59	68	78	83	88	93	96	98
2007	2,133	2,544	2,880	2,913	3,307	3,475	3,630	3,727		212	266	302	327	354	375	393	406		59	66	75	83	89	95	99	103	
2008	2,188	2,735	3,110	3,455	3,667	3,863	4,054			231	291	341	386	417	441	468			57	75	89	101	110	117	124		
2009	2,521	3,171	6,457	6,639	6,664	6,696				229	305	562	607	633	653				69	94	176	192	201	208			
2010_Before	2,692	3,273	3,660	3,988	4,214					240	295	344	385	416					79	99	117	132	143				
2010_After	2,386	2,864	3,158	3,358	3,480					197	229	251	266	276					188	219	240	254	264				
2011	2,537	2,913	3,169	3,337						205	238	258	273						195	226	246	260					
2012	2,486	3,004	3,260							207	247	269							196	235	257						
2013	2,494	2,933								218	257								207	244							
2014	2,596									230									220								

Notes: High ALAE are claims with paid ALAE greater than \$1,000. Any ALAE are claims with ALAE greater than \$0.
Dotted line represents change in MCCP reporting. MCCP is included in ALAE for July 1, 2010 and later policies and excluded before.
Source: WCIRB unit statistical data

Average Permanent Disability Rating on Permanent Disability Claims

PY/RL	High ALAE									Low ALAE									No ALAE								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Average PDR																											
2005	15.6	18.0	19.2	19.0	19.8	20.0	20.2	20.0	19.9	11.6	11.9	12.5	11.7	11.5	11.3	11.2	11.1	11.0	10.2	11.1	11.6	11.3	10.3	10.4	10.4	10.1	10.0
2006	15.3	17.4	18.1	19.4	19.8	20.1	19.9	19.8	19.9	11.2	12.1	11.6	11.5	11.1	11.0	10.8	10.7	10.7	9.8	11.2	11.5	10.3	10.3	10.3	10.2	10.1	10.1
2007	14.4	16.7	19.0	19.7	20.2	20.0	19.9	20.0		12.0	12.5	12.5	12.2	11.9	11.6	11.4	11.3		10.6	11.7	11.0	11.0	10.9	10.5	10.4	10.4	
2008	14.2	17.5	19.1	19.9	19.7	19.6	19.9			11.4	12.8	12.3	11.9	11.4	11.1	11.0			10.7	10.8	10.9	11.2	10.3	10.3	10.1		
2009	14.8	17.3	18.7	18.9	18.7	19.0				11.4	12.1	11.9	11.4	10.9	10.7				11.1	11.5	11.7	10.7	10.5	10.3			
2010_Before	14.8	17.1	18.0	17.7	18.3					11.1	12.0	11.7	10.7	10.5					11.0	11.9	10.5	9.6	9.5				
2010_After	14.4	16.0	16.0	16.7	17.0					9.8	9.4	9.1	9.1	8.7					12.5	15.6	11.6	11.9	11.9				
2011	14.1	15.3	15.7	16.4						9.8	9.7	9.3	8.9						11.3	11.1	11.5	11.1					
2012	12.5	13.7	14.7							9.5	9.3	8.6							9.3	9.3	9.4						
2013	11.8	13.2								9.3	8.5								8.2	8.2							
2014	11.4									8.6									7.5								
Distribution of PD Claims																											
2005	32.1%	49.3%	62.0%	65.8%	69.5%	70.8%	71.5%	71.9%	72.1%	27.7%	20.8%	19.8%	18.6%	17.6%	16.8%	16.6%	16.4%	16.2%	40.3%	29.9%	18.1%	15.7%	12.9%	12.4%	11.9%	11.7%	11.7%
2006	30.8%	52.7%	61.6%	68.1%	70.4%	71.6%	72.3%	72.8%	73.1%	23.8%	23.3%	20.6%	18.5%	17.4%	16.7%	16.3%	15.9%	15.7%	45.5%	24.0%	17.8%	13.4%	12.3%	11.7%	11.4%	11.3%	11.2%
2007	34.3%	54.1%	66.5%	70.8%	73.0%	74.3%	74.8%	75.2%		27.6%	24.3%	19.9%	17.4%	16.4%	15.7%	15.2%	15.0%		38.1%	21.6%	13.6%	11.8%	10.6%	10.0%	10.0%	9.8%	
2008	36.3%	59.0%	68.9%	73.2%	75.4%	76.3%	76.9%			29.2%	24.1%	19.1%	16.8%	15.6%	15.0%	14.7%			34.5%	16.9%	12.0%	9.9%	9.0%	8.7%	8.4%		
2009	40.3%	61.6%	71.2%	75.0%	76.6%	77.6%				31.5%	23.0%	18.2%	15.9%	14.8%	14.3%				28.2%	15.4%	10.6%	9.1%	8.6%	8.0%			
2010_Before	41.6%	62.6%	71.8%	75.0%	76.7%					32.1%	22.5%	17.7%	15.8%	14.9%					26.4%	14.9%	10.5%	9.2%	8.5%				
2010_After	65.4%	79.2%	84.2%	85.5%	87.1%					32.3%	18.4%	14.2%	12.8%	11.5%					2.3%	2.3%	1.6%	1.7%	1.3%				
2011	63.8%	79.8%	84.3%	86.3%						33.3%	18.3%	14.1%	12.3%						2.9%	1.9%	1.6%	1.4%					
2012	64.0%	79.9%	85.2%							32.7%	18.0%	13.3%							3.3%	2.1%	1.5%						
2013	65.4%	82.5%								31.4%	15.8%								3.3%	1.7%							
2014	68.0%									29.0%									2.9%								

Notes: High ALAE are claims with paid ALAE greater than \$1,000. Low ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.
Dotted line represents change in MCPP reporting. MCPP is included in ALAE for July 1, 2010 and later policies and excluded before.
Source: WCIRB unit Statistical data for permanent disability claims only

Indemnity Claim Count Distribution By Loss Type (Cumulative/Non-Cumulative)

PY/RL	High ALAE									Low ALAE									No ALAE								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Cumulative Injury Claims																											
2005	8.2%	9.2%	10.4%	10.6%	10.9%	11.2%	11.2%	11.5%	11.8%	6.5%	6.7%	7.0%	6.9%	6.7%	6.6%	6.6%	6.6%	6.6%	5.9%	5.8%	5.0%	4.9%	4.4%	4.4%	4.3%	4.3%	4.3%
2006	8.2%	9.8%	10.0%	10.3%	10.6%	10.9%	11.4%	11.7%	11.9%	6.2%	6.6%	6.5%	6.5%	6.6%	6.5%	6.4%	6.4%	6.4%	5.6%	5.2%	5.0%	4.6%	4.4%	4.4%	4.3%	4.3%	4.4%
2007	9.1%	9.8%	10.3%	10.8%	11.2%	11.6%	12.1%	12.3%		6.2%	6.2%	6.4%	6.5%	6.3%	6.2%	6.2%	6.3%		5.1%	4.9%	4.8%	4.5%	4.4%	4.4%	4.5%	4.4%	
2008	9.6%	10.2%	11.1%	11.7%	12.3%	12.9%	13.3%			5.7%	5.8%	6.0%	6.0%	6.0%	5.9%	5.9%			5.0%	5.1%	4.8%	4.6%	4.5%	4.4%	4.4%		
2009	10.8%	11.7%	12.4%	13.3%	13.7%	14.3%				6.0%	6.0%	6.1%	6.2%	6.2%	6.2%				5.7%	5.5%	5.2%	5.1%	5.1%	5.0%			
2010_Before	13.2%	12.3%	12.6%	13.6%	14.4%					6.9%	6.4%	6.3%	6.3%	6.3%					6.0%	5.5%	5.3%	5.2%	5.3%				
2010_After	9.0%	10.1%	12.2%	12.7%	13.5%					4.2%	4.1%	4.3%	4.2%	4.2%					15.4%	16.9%	16.6%	17.0%	16.0%				
2011	9.3%	11.3%	12.5%	13.5%						4.4%	4.4%	4.3%	4.2%						14.7%	16.9%	17.5%	17.4%					
2012	10.4%	12.6%	13.9%							5.3%	5.1%	5.0%							17.4%	18.7%	19.1%						
2013	12.5%	14.8%								5.6%	5.6%								19.4%	21.2%							
2014	13.7%									5.6%									23.4%								
Non-Cumulative Injury Claims																											
2005	91.8%	90.8%	89.6%	89.4%	89.1%	88.8%	88.8%	88.5%	88.2%	93.5%	93.3%	93.0%	93.1%	93.3%	93.4%	93.5%	93.4%	93.4%	94.1%	94.2%	95.0%	95.1%	95.6%	95.6%	95.7%	95.7%	95.7%
2006	91.8%	90.2%	90.0%	89.7%	89.4%	89.1%	88.6%	88.3%	88.1%	93.8%	93.4%	93.5%	93.5%	93.4%	93.5%	93.6%	93.6%	93.6%	94.4%	94.8%	95.0%	95.4%	95.6%	95.6%	95.7%	95.7%	95.6%
2007	90.9%	90.2%	89.7%	89.2%	88.8%	88.4%	87.9%	87.7%		93.8%	93.8%	93.6%	93.5%	93.7%	93.8%	93.8%	93.7%		94.9%	95.1%	95.2%	95.5%	95.6%	95.6%	95.5%	95.6%	
2008	90.4%	89.8%	88.9%	88.3%	87.7%	87.1%	86.7%			94.3%	94.2%	94.0%	94.0%	94.0%	94.1%	94.1%			95.0%	94.9%	95.2%	95.4%	95.5%	95.6%	95.6%		
2009	89.2%	88.3%	87.6%	86.7%	86.3%	85.7%				94.0%	94.0%	93.9%	93.8%	93.8%	93.8%				94.3%	94.5%	94.8%	94.9%	94.9%	95.0%			
2010_Before	86.8%	87.7%	87.4%	86.4%	85.6%					93.1%	93.6%	93.7%	93.7%	93.7%					94.0%	94.5%	94.7%	94.8%	94.7%				
2010_After	91.0%	89.9%	87.8%	87.3%	86.5%					95.8%	95.9%	95.7%	95.8%	95.8%					84.6%	83.1%	83.4%	83.0%	84.0%				
2011	90.7%	88.7%	87.5%	86.5%						95.6%	95.6%	95.7%	95.8%						85.3%	83.1%	82.5%	82.6%					
2012	89.6%	87.4%	86.1%							94.7%	94.9%	95.0%							82.6%	81.3%	80.9%						
2013	87.5%	85.2%								94.4%	94.4%								80.6%	78.8%							
2014	86.3%									94.4%									76.6%								

Notes: High ALAE are claims with paid ALAE greater than \$1,000. Low ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.
Dotted line represents change in MCCP reporting. MCCP is included in ALAE for July 1, 2010 and later policies and excluded before.
Distributions sum down the column (i.e. Cumulative Injury Claims + Non-Cumulative Injury Claims = 100%).
Source: WCIRB unit statistical data for indemnity claims only

Average Paid ALAE By Loss Type (Cumulative/Non-Cumulative)

PY/RL	High ALAE									Any ALAE									All Indemnity Claims								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Cumulative Injury Claims																											
2005	4,373	6,427	8,105	9,417	10,706	11,617	12,338	12,967	13,700	2,205	4,116	5,706	6,870	8,083	8,915	9,520	10,079	10,704	1,273	2,715	4,226	5,233	6,418	7,146	7,678	8,179	8,724
2006	4,640	6,875	8,621	10,107	11,221	12,210	13,005	13,987	14,620	2,417	4,504	6,082	7,467	8,434	9,344	10,129	10,975	11,529	1,384	3,159	4,514	5,845	6,763	7,566	8,291	9,024	9,486
2007	4,641	6,854	8,959	10,463	11,780	12,796	13,759	14,506		2,554	4,617	6,506	7,902	9,154	10,131	11,010	11,639		1,649	3,396	5,140	6,453	7,581	8,470	9,250	9,836	
2008	4,540	7,025	9,010	10,731	12,059	13,157	14,257			2,661	4,988	6,908	8,537	9,803	10,848	11,869			1,765	3,864	5,704	7,234	8,426	9,419	10,374		
2009	4,909	7,388	9,615	11,316	12,622	13,627				2,968	5,469	7,575	9,180	10,397	11,346				2,118	4,439	6,460	8,007	9,125	10,052			
2010_Before	5,386	7,682	9,743	11,430	12,605					3,374	5,701	7,657	9,285	10,433					2,534	4,718	6,577	8,130	9,214				
2010_After	4,962	7,537	10,013	11,818	13,175					3,277	5,848	8,208	9,881	11,205					2,997	5,437	7,800	9,427	10,799				
2011	4,836	7,562	10,000	11,798						3,199	5,951	8,267	9,990						2,937	5,606	7,860	9,594					
2012	4,832	7,734	9,796							3,188	6,100	8,108							2,890	5,727	7,735						
2013	5,206	7,836								3,619	6,347								3,283	5,981							
2014	5,320									3,842									3,495								
Non-Cumulative Injury Claims																											
2005	4,469	6,763	8,355	9,790	11,007	11,801	12,389	12,886	13,236	1,965	3,757	5,051	6,140	7,072	7,664	8,063	8,405	8,654	1,027	2,160	3,054	3,785	4,464	4,870	5,161	5,388	5,547
2006	4,758	6,735	8,599	10,181	11,234	12,068	12,765	13,247	13,678	2,114	3,719	5,164	6,408	7,203	7,810	8,299	8,641	8,938	1,078	2,182	3,189	4,115	4,683	5,116	5,453	5,678	5,877
2007	4,743	6,873	8,855	10,447	11,741	12,725	13,433	13,972		2,111	3,809	5,437	6,666	7,629	8,335	8,842	9,221		1,160	2,347	3,596	4,491	5,192	5,706	6,056	6,325	
2008	4,626	7,105	9,126	10,793	12,083	13,045	13,751			2,048	4,052	5,722	7,025	8,006	8,699	9,198			1,159	2,718	4,005	5,005	5,753	6,264	6,639		
2009	4,773	7,290	9,690	11,315	12,608	13,507				2,128	4,218	6,098	7,367	8,320	8,970				1,347	2,992	4,504	5,514	6,259	6,773			
2010_Before	4,715	7,298	9,396	11,077	12,277					2,140	4,263	5,935	7,200	8,076					1,379	3,072	4,438	5,443	6,136				
2010_After	5,300	8,094	10,569	12,393	13,815					2,475	4,609	6,295	7,506	8,470					2,392	4,473	6,134	7,326	8,287				
2011	5,182	7,968	10,384	12,259						2,446	4,554	6,206	7,463						2,360	4,431	6,055	7,303					
2012	5,042	7,904	10,301							2,435	4,607	6,298							2,340	4,474	6,150						
2013	5,196	7,948								2,558	4,705								2,456	4,575							
2014	5,306									2,650									2,561								

Notes: High ALAE are claims with paid ALAE greater than \$1,000. Any ALAE are claims with ALAE greater than \$0.

Dotted line represents change in M CCP reporting. M CCP is included in ALAE for July 1, 2010 and later policies and excluded before.

Source: WCIRB unit statistical data

Indemnity Claim Closing Rates

PY/RL	High ALAE										Low ALAE										No ALAE									
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9			
Percentage of Closed Claims																														
2005	14.0%	31.7%	49.5%	63.0%	71.9%	77.4%	81.8%	85.8%	88.5%	43.4%	66.1%	78.1%	86.9%	92.2%	95.0%	96.5%	97.4%	98.1%	54.2%	73.4%	88.6%	93.4%	96.9%	97.9%	98.4%	98.7%	98.9%			
2006	14.5%	29.7%	48.3%	61.3%	69.8%	75.8%	81.3%	85.3%	88.3%	46.6%	63.7%	78.3%	87.6%	91.7%	94.4%	96.2%	97.3%	97.9%	51.8%	76.8%	87.5%	94.1%	96.5%	97.6%	98.4%	98.7%	98.9%			
2007	13.6%	30.2%	47.5%	60.0%	68.8%	76.4%	82.2%	86.3%		43.4%	62.9%	79.5%	88.0%	92.5%	95.0%	96.6%	97.4%		55.0%	76.5%	89.1%	94.1%	96.5%	97.9%	98.4%	98.9%				
2008	13.1%	29.6%	45.8%	58.3%	69.0%	77.2%	83.0%			41.9%	63.9%	79.8%	88.0%	92.8%	95.4%	96.8%			54.9%	78.1%	89.0%	93.9%	96.5%	97.8%	98.5%					
2009	13.1%	28.5%	45.1%	60.1%	70.9%	78.8%				42.3%	65.6%	80.8%	89.2%	93.2%	95.3%				54.9%	78.0%	89.3%	94.2%	96.4%	97.8%						
2010_Before	12.7%	28.6%	46.7%	62.0%	72.6%					44.3%	67.6%	82.4%	90.3%	94.0%					56.3%	79.2%	90.3%	94.4%	96.4%							
2010_After	16.2%	32.5%	51.5%	65.8%	75.6%					57.4%	80.7%	90.5%	94.5%	96.6%					34.1%	53.7%	69.1%	79.2%	86.6%							
2011	16.3%	34.7%	54.0%	67.7%						58.9%	82.3%	91.6%	95.2%						34.1%	52.9%	67.3%	78.7%								
2012	18.2%	38.8%	57.3%							59.3%	83.1%	92.6%							34.5%	56.3%	72.6%									
2013	19.9%	40.2%								58.7%	84.1%								38.5%	61.0%										
2014	21.9%									61.8%									36.2%											
Percentage of Closed Claims Settled by Compromise and Release																														
2005	13.2%	18.8%	24.4%	26.3%	26.5%	26.5%	27.6%	29.5%	30.3%	3.8%	3.6%	6.0%	6.9%	7.2%	7.4%	7.4%	7.7%	7.8%	5.2%	3.7%	3.3%	3.7%	3.8%	3.9%	3.5%	3.6%	3.6%			
2006	13.5%	22.1%	24.9%	25.2%	25.4%	26.5%	28.7%	29.7%	30.6%	1.7%	4.5%	6.6%	7.4%	7.6%	7.8%	8.1%	8.3%	8.4%	1.5%	2.3%	3.1%	3.5%	3.7%	3.7%	3.9%	3.9%	4.0%			
2007	17.5%	22.3%	23.1%	23.3%	25.0%	27.0%	28.4%	29.4%		2.0%	4.9%	6.3%	6.6%	6.9%	7.3%	7.5%	7.6%		1.2%	2.3%	2.9%	3.3%	3.4%	3.6%	3.7%	3.9%				
2008	20.4%	22.0%	22.4%	24.4%	26.6%	27.7%	28.8%			2.0%	4.8%	5.8%	6.4%	6.8%	7.0%	7.3%			1.5%	2.2%	2.7%	2.9%	3.1%	3.3%	3.5%					
2009	21.6%	22.1%	23.2%	24.0%	25.7%	27.0%				1.9%	3.6%	4.4%	5.0%	5.4%	5.6%				0.8%	1.6%	2.2%	2.6%	2.9%	3.1%						
2010_Before	21.9%	24.4%	24.8%	25.4%	27.2%					2.1%	3.4%	4.3%	4.6%	4.9%					1.4%	2.6%	3.1%	3.4%	3.5%							
2010_After	14.3%	17.5%	20.5%	24.5%	26.8%					1.8%	2.5%	3.1%	3.6%	3.9%					6.7%	8.0%	10.1%	10.2%	12.5%							
2011	17.6%	20.7%	24.5%	27.5%						2.0%	3.0%	3.6%	4.1%						5.6%	8.4%	10.9%	13.1%								
2012	20.6%	25.8%	28.8%							2.4%	4.0%	4.9%							6.5%	11.2%	14.5%									
2013	26.4%	32.0%								2.6%	4.3%								8.8%	16.2%										
2014	34.4%									3.0%									16.1%											

Notes: High ALAE are claims with paid ALAE greater than \$1,000. Low ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.
Dotted line represents change in MCCP reporting. MCCP is included in ALAE for July 1, 2010 and later policies and excluded before.
Source: WCIRB unit statistical data for indemnity claims only

Average Paid ALAE - Closed Claims Settled by C&R and Indemnity Claims by Status

PY/RL	High ALAE									Any ALAE									All Indemnity Claims										
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9		
Compromise and Release Claims																													
2005	4,726	7,045	7,736	8,876	9,674	10,464	11,173	11,941	12,728	2,167	5,381	6,226	7,370	8,175	8,921	9,635	10,402	11,153	873	3,711	5,183	6,349	7,166	7,897	8,713	9,480	10,200		
2006	5,189	6,642	7,814	8,868	9,655	10,436	11,637	12,524	13,316	3,416	4,960	6,147	7,195	8,003	8,790	9,969	10,817	11,575	2,180	3,997	5,232	6,282	7,080	7,883	9,029	9,848	10,581		
2007	4,915	6,175	7,397	8,707	10,089	11,376	12,637	13,465		3,443	4,588	5,844	7,147	8,506	9,778	10,999	11,820		2,544	3,810	5,089	6,333	7,671	8,922	10,103	10,892			
2008	4,871	6,105	7,812	9,272	10,795	12,218	13,372			3,513	4,612	6,279	7,769	9,307	10,687	11,806			2,567	3,958	5,612	7,109	8,637	9,977	11,072				
2009	5,139	6,813	8,573	9,971	11,704	13,034				3,878	5,440	7,246	8,670	10,377	11,689				3,396	4,918	6,685	8,102	9,767	11,056					
2010_Before	4,574	6,577	8,299	10,111	11,934					3,354	5,432	7,144	8,965	10,746					2,687	4,714	6,483	8,280	10,060						
2010_After	5,592	7,489	9,565	12,318	14,130					3,703	5,994	8,227	10,942	12,769					3,512	5,789	8,012	10,735	12,543						
2011	5,264	7,039	9,442	11,750						3,631	5,698	8,181	10,478						3,495	5,552	8,009	10,283							
2012	4,786	6,853	9,095							3,443	5,647	7,866							3,309	5,490	7,687								
2013	5,068	6,972								3,950	5,936								3,769	5,738									
2014	5,046									4,096									3,896										
All Other Closed Indemnity Claims																													
2005	3,299	5,176	6,818	7,976	9,009	9,688	10,218	10,748	11,109	719	1,838	3,093	4,036	4,875	5,429	5,806	6,167	6,435	281	842	1,519	2,123	2,708	3,095	3,367	3,602	3,779		
2006	3,474	5,415	6,947	8,183	9,077	9,879	10,510	11,034	11,450	723	1,831	3,076	4,130	4,882	5,484	5,941	6,337	6,636	287	808	1,547	2,269	2,796	3,220	3,534	3,803	4,005		
2007	3,468	5,519	7,111	8,360	9,400	10,321	11,060	11,677		703	1,914	3,233	4,286	5,107	5,815	6,386	6,845		283	900	1,770	2,507	3,092	3,601	4,008	4,337			
2008	3,556	5,630	7,125	8,419	9,741	10,637	11,377			692	2,001	3,296	4,373	5,410	6,156	6,746			284	1,043	1,934	2,718	3,488	4,057	4,511				
2009	3,579	5,514	7,931	9,287	10,331	11,229				690	1,931	3,606	4,866	5,786	6,541				329	1,095	2,276	3,263	3,996	4,605					
2010_Before	3,555	5,483	7,272	8,680	9,729					680	1,890	3,320	4,547	5,425					336	1,100	2,144	3,111	3,814						
2010_After	3,593	5,417	7,419	8,777	10,077					766	1,847	3,245	4,258	5,200					742	1,786	3,150	4,137	5,069						
2011	3,551	5,451	7,262	8,776						751	1,894	3,184	4,279						726	1,840	3,098	4,173							
2012	3,695	5,516	7,359							831	2,032	3,344							800	1,967	3,252								
2013	4,067	5,612								954	2,068								913	2,000									
2014	3,967									919									890										
All Open Indemnity Claims																													
2005	4,619	7,292	9,589	12,364	15,545	18,226	20,942	23,743	26,272	2,524	5,251	7,523	10,265	13,528	16,337	19,052	21,736	24,199	1,577	3,845	6,358	9,005	12,503	15,270	17,865	20,410	22,669		
2006	4,924	7,198	9,944	13,054	15,874	18,542	21,309	24,133	27,110	2,784	5,120	7,825	11,045	13,812	16,535	19,294	22,030	24,871	1,654	3,972	6,585	9,963	12,800	15,486	18,213	20,780	23,415		
2007	4,894	7,394	10,396	13,458	16,541	19,636	22,573	25,648		2,727	5,234	8,406	11,564	14,712	17,745	20,627	23,459		1,795	4,165	7,418	10,606	13,789	16,860	19,598	22,392			
2008	4,737	7,669	10,665	13,808	16,667	19,773	22,960			2,620	5,600	8,811	12,046	15,000	18,059	21,115			1,770	4,717	7,949	11,219	14,205	17,235	20,230				
2009	4,919	7,900	10,997	14,121	17,294	20,236				2,757	5,942	9,218	12,448	15,566	18,358				2,023	5,144	8,488	11,737	14,809	17,622					
2010_Before	4,953	7,985	11,115	14,520	17,607					2,881	6,123	9,419	12,872	15,933					2,160	5,372	8,747	12,148	15,145						
2010_After	5,538	9,123	13,307	17,462	21,665					3,567	7,585	11,853	15,938	20,065					3,425	7,339	11,544	15,564	19,689						
2011	5,403	9,060	13,317	17,656						3,547	7,622	11,958	16,231						3,398	7,386	11,624	15,865							
2012	5,265	9,163	13,414							3,500	7,751	12,182							3,335	7,499	11,887								
2013	5,413	9,199								3,623	7,889								3,457	7,663									
2014	5,579									3,854									3,688										

Notes: High ALAE are claims with paid ALAE greater than \$1,000. Any ALAE are claims with ALAE greater than \$0.

Dotted line represents change in MCCP reporting. MCCP is included in ALAE for July 1, 2010 and later policies and excluded before.

Source: WCIRB unit statistical data for indemnity claims only

ALAE and Medical Fee Schedule - by Accident Year
Percent Share of Claim Counts and Medical Transactions

Accident Year	High ALAE				Low ALAE				Zero ALAE			
	2012	2013	2014	2015	2012	2013	2014	2015	2012	2013	2014	2015
Average Paid ALAE per Claim	\$3,670	\$3,598	\$3,624	\$3,788	\$153	\$154	\$162	\$159	\$0	\$0	\$0	\$0
Share of Claim Counts	14%	14%	15%	15%	84%	82%	83%	78%	2%	3%	2%	2%
Number of Medical Transactions per Claim	70.1	62.6	59.1	58.6	21.1	22.5	19.3	18.3	9.1	11.2	8.4	6.5
Share of Medical Transactions	36%	32%	35%	34%	63%	66%	64%	58%	1%	1%	1%	1%
Average MDC Paid per Claim	\$6,766	\$6,023	\$5,924	\$6,270	\$1,127	\$1,233	\$1,225	\$1,226	\$741	\$644	\$589	\$540
Distribution of Number of Medical Transactions by Procedure Type												
1 Evaluation & Management	14.4%	14.6%	14.3%	14.8%	20.3%	19.8%	21.3%	21.4%	26.0%	24.1%	34.4%	38.4%
2 Surgery	2.8%	2.6%	2.4%	2.1%	2.3%	2.2%	2.0%	1.9%	3.6%	2.6%	3.0%	3.4%
3 Physical Medicine	39.5%	38.2%	39.7%	38.8%	32.8%	32.9%	33.6%	33.8%	20.1%	21.9%	12.8%	14.2%
4 Radiology	5.4%	5.3%	5.5%	5.4%	5.2%	5.2%	5.6%	5.7%	8.4%	6.4%	8.5%	9.4%
5 Special Services & Reports	10.7%	10.8%	8.8%	8.8%	14.1%	14.3%	11.6%	11.4%	12.1%	15.4%	15.8%	8.3%
6 Medicine	3.7%	3.1%	1.6%	1.4%	3.0%	2.5%	1.3%	1.2%	3.6%	3.7%	3.7%	3.3%
7 Pathology & Laboratory	3.0%	2.8%	2.5%	1.9%	1.6%	1.7%	1.6%	1.5%	2.5%	2.6%	2.6%	1.3%
8 Anesthesia	0.4%	0.4%	0.3%	0.3%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%
9 Acupuncture	1.0%	1.1%	2.1%	2.3%	0.5%	0.7%	1.2%	1.5%	0.0%	0.9%	0.5%	0.0%
10 Chiropractic	1.4%	1.4%	1.5%	1.5%	1.2%	1.3%	1.2%	1.4%	0.4%	1.5%	0.4%	0.4%
11 Other Physician Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Physician Services	82.4%	80.2%	78.5%	77.4%	81.2%	80.8%	79.6%	79.9%	77.0%	79.5%	81.7%	78.7%
12 Pharmaceuticals	9.8%	9.4%	8.5%	7.3%	10.5%	9.8%	9.4%	8.2%	11.4%	10.1%	8.3%	10.2%
13 Hospital - Inpatient	0.8%	0.9%	1.0%	1.2%	0.2%	0.2%	0.3%	0.2%	0.6%	0.2%	0.6%	0.6%
14 Hospital - Outpatient	0.9%	1.4%	1.4%	2.9%	0.9%	1.4%	1.5%	1.8%	3.2%	3.8%	3.8%	4.3%
15 Medical-Legal Evaluations	0.1%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
16 Medical Supls. and Eqmnt.	5.9%	7.9%	10.3%	10.6%	7.0%	7.6%	9.0%	9.6%	7.0%	6.3%	5.7%	5.9%
17 Medical Liens	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18 Dental Services	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.9%	0.1%	0.0%	0.4%
19 Copy Services	---	---	---	0.5%	---	---	---	0.1%	---	---	---	0.0%
All Medical Services	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Distribution of Paid Medical Transaction by Procedure Type												
1 Evaluation & Management	14.0%	15.5%	16.3%	16.5%	33.1%	32.2%	37.4%	38.2%	29.1%	35.2%	50.8%	49.5%
2 Surgery	17.0%	14.2%	12.8%	9.1%	9.5%	8.3%	8.9%	7.3%	8.3%	5.7%	8.0%	7.4%
3 Physical Medicine	9.6%	10.5%	13.6%	13.3%	13.9%	14.2%	17.0%	18.0%	5.5%	9.4%	5.3%	6.7%
4 Radiology	8.6%	8.1%	6.8%	5.5%	8.4%	8.4%	7.8%	6.6%	5.7%	7.6%	7.3%	6.2%
5 Special Services & Reports	3.5%	3.5%	7.0%	1.8%	4.9%	4.9%	3.0%	2.5%	2.6%	4.2%	3.6%	1.7%
6 Medicine	3.6%	3.0%	1.5%	1.4%	3.4%	2.5%	1.2%	1.2%	2.6%	3.4%	1.9%	1.2%
7 Pathology & Laboratory	1.8%	1.6%	0.6%	0.3%	0.8%	0.7%	0.5%	0.4%	0.7%	1.3%	0.5%	0.2%
8 Anesthesia	1.5%	1.4%	1.3%	1.1%	0.7%	0.7%	0.7%	0.6%	0.4%	0.7%	0.1%	0.2%
9 Acupuncture	0.6%	0.6%	0.7%	0.8%	0.6%	0.6%	0.7%	0.8%	0.0%	0.7%	0.2%	0.0%
10 Chiropractic	0.5%	0.5%	0.5%	0.5%	0.7%	0.7%	0.6%	0.8%	0.1%	0.8%	0.2%	0.1%
11 Other Physician Services	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Physician Services	60.6%	58.9%	61.1%	50.4%	75.8%	73.2%	77.6%	76.4%	55.0%	68.9%	77.9%	73.1%
12 Pharmaceuticals	6.2%	6.8%	4.9%	3.7%	6.0%	6.0%	4.4%	3.8%	4.6%	5.7%	4.4%	4.6%
13 Hospital - Inpatient	13.4%	14.5%	16.0%	18.1%	4.8%	5.9%	4.6%	4.1%	14.5%	3.2%	6.3%	3.5%
14 Hospital - Outpatient	9.9%	8.9%	8.2%	16.0%	5.3%	6.6%	6.3%	7.6%	7.5%	14.1%	6.9%	10.8%
15 Medical-Legal Evaluations	1.0%	1.7%	1.6%	2.1%	0.6%	0.5%	0.5%	0.5%	0.0%	0.3%	0.0%	1.5%
16 Medical Supls. and Eqmnt.	8.6%	8.8%	7.7%	8.6%	6.5%	6.7%	5.6%	6.6%	11.6%	7.5%	4.5%	3.5%
17 Medical Liens	0.0%	0.2%	0.4%	0.3%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
18 Dental Services	0.3%	0.4%	0.2%	0.2%	1.0%	1.1%	1.0%	0.9%	6.7%	0.4%	0.0%	2.8%
19 Copy Services	---	---	---	0.5%	---	---	---	0.2%	---	---	---	0.0%
All Medical Services	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: WCIRB Unit Statistical Report (USR) for paid ALAE and Medical Data Call (MDC).

ALAE and Medical Fee Schedule - By Injury Type: Permanent
Percent Share of Claim Counts and Medical Transactions

	High ALAE				Low ALAE				Zero ALAE			
Accident Year	2012	2013	2014	2015	2012	2013	2014	2015	2012	2013	2014	2015
Average Paid ALAE per Claim	\$4,361	\$4,433	\$4,358	\$4,524	\$419	\$415	\$432	\$425	\$0	\$0	\$0	\$0
Share of Claim Counts	8%	7%	8%	7%	6%	5%	5%	5%	0%	0%	0%	0%
Number of Medical Transactions per Claim	87.4	79.3	73.1	68.0	58.9	60.7	53.7	48.5	33.4	51.3	42.8	42.0
Share of Medical Transactions	66%	63%	66%	59%	34%	37%	34%	29%	0%	0%	0%	0%
Average MDC Paid per Claim	\$9,950	\$8,862	\$8,841	\$9,013	\$4,920	\$5,151	\$4,357	\$4,202	\$2,004	\$3,692	\$2,954	\$4,833
Distribution of Number of Medical Transactions by Procedure Type												
1 Evaluation & Management	13.3%	13.2%	13.3%	13.4%	15.2%	14.8%	15.0%	15.7%	20.2%	9.7%	16.6%	13.9%
2 Surgery	3.1%	3.1%	2.8%	2.3%	2.9%	2.7%	2.4%	2.0%	10.1%	4.1%	2.9%	3.8%
3 Physical Medicine	39.9%	37.4%	38.6%	38.4%	40.9%	41.1%	42.4%	41.4%	21.0%	35.9%	50.1%	49.5%
4 Radiology	5.5%	5.6%	6.0%	5.7%	5.1%	5.4%	5.3%	5.3%	8.6%	3.9%	3.5%	6.8%
5 Special Services & Reports	10.2%	9.9%	8.6%	8.3%	10.9%	10.4%	9.2%	9.7%	10.5%	6.7%	9.4%	5.7%
6 Medicine	4.1%	3.2%	1.6%	1.4%	3.6%	2.5%	1.1%	1.1%	3.7%	1.9%	0.8%	1.1%
7 Pathology & Laboratory	3.3%	3.6%	2.6%	2.2%	2.1%	1.5%	1.3%	1.4%	6.4%	11.9%	0.3%	0.5%
8 Anesthesia	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	1.1%	0.9%	0.3%	0.3%
9 Acupuncture	1.0%	1.1%	1.9%	2.3%	0.8%	0.9%	1.7%	2.1%	0.0%	9.1%	0.0%	0.0%
10 Chiropractic	1.2%	1.1%	1.5%	1.5%	1.1%	1.4%	1.2%	1.1%	0.0%	1.1%	1.6%	0.0%
11 Other Physician Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Physician Services	82.1%	78.7%	77.3%	75.9%	83.0%	81.1%	80.0%	80.2%	81.6%	85.3%	85.5%	81.5%
12 Pharmaceuticals	9.4%	9.2%	8.2%	7.2%	9.6%	8.9%	8.1%	7.2%	11.2%	5.8%	8.3%	9.0%
13 Hospital - Inpatient	1.0%	1.5%	1.5%	1.5%	0.7%	1.1%	0.6%	0.7%	0.0%	0.4%	0.3%	0.0%
14 Hospital - Outpatient	1.1%	1.6%	1.9%	3.1%	1.1%	2.1%	2.4%	2.2%	0.4%	0.0%	0.0%	4.9%
15 Medical-Legal Evaluations	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.0%	0.2%	0.0%	0.5%
16 Medical Supls. and Eqmnt.	6.2%	8.8%	10.9%	11.4%	5.4%	6.7%	8.8%	9.0%	6.7%	8.2%	5.9%	4.1%
17 Medical Liens	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18 Dental Services	0.1%	0.1%	0.1%	0.0%	0.1%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%
19 Copy Services	---	---	---	0.7%	---	---	---	0.5%	---	---	---	0.0%
All Medical Services	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Distribution of Paid Medical Transaction by Procedure Type												
1 Evaluation & Management	11.1%	12.0%	12.5%	12.2%	16.3%	16.2%	20.7%	21.3%	29.4%	11.6%	26.3%	13.7%
2 Surgery	17.9%	13.8%	12.0%	8.8%	19.1%	15.1%	13.9%	11.9%	18.7%	22.2%	27.8%	12.9%
3 Physical Medicine	8.4%	8.3%	10.2%	10.9%	11.5%	11.7%	16.3%	16.7%	8.2%	17.1%	24.3%	22.6%
4 Radiology	7.2%	6.8%	5.8%	4.5%	7.9%	7.7%	7.8%	6.3%	12.6%	7.5%	7.8%	7.3%
5 Special Services & Reports	3.1%	2.9%	11.2%	1.8%	3.7%	3.2%	2.4%	1.8%	4.3%	2.0%	1.5%	0.7%
6 Medicine	3.4%	2.6%	1.3%	1.1%	3.4%	2.4%	1.3%	1.4%	10.9%	3.8%	0.6%	0.4%
7 Pathology & Laboratory	1.5%	1.5%	0.5%	0.3%	0.9%	0.5%	0.2%	0.2%	1.1%	8.1%	0.0%	0.1%
8 Anesthesia	1.6%	1.6%	1.3%	1.0%	1.5%	1.6%	1.6%	1.4%	4.3%	3.7%	1.1%	1.1%
9 Acupuncture	0.6%	0.5%	0.5%	0.6%	0.6%	0.5%	0.7%	0.9%	0.0%	3.9%	0.0%	0.0%
10 Chiropractic	0.3%	0.3%	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%	0.0%	0.3%	1.0%	0.0%
11 Other Physician Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Physician Services	55.0%	50.5%	55.8%	41.6%	65.3%	59.4%	65.5%	62.4%	89.4%	80.3%	90.5%	58.8%
12 Pharmaceuticals	5.5%	6.1%	4.5%	2.9%	5.1%	5.3%	3.9%	3.3%	7.1%	3.0%	4.6%	7.2%
13 Hospital - Inpatient	15.9%	19.7%	20.6%	23.9%	14.5%	18.6%	9.2%	10.3%	0.0%	0.7%	0.1%	0.0%
14 Hospital - Outpatient	12.4%	11.6%	9.5%	19.1%	8.4%	8.8%	15.0%	15.1%	0.0%	0.0%	0.0%	20.5%
15 Medical-Legal Evaluations	0.9%	1.7%	1.3%	1.8%	0.7%	0.8%	1.3%	1.4%	0.0%	3.8%	0.0%	9.6%
16 Medical Supls. and Eqmnt.	10.0%	9.6%	7.6%	9.8%	5.4%	7.1%	4.9%	5.4%	3.5%	12.2%	4.8%	3.9%
17 Medical Liens	0.0%	0.3%	0.6%	0.2%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
18 Dental Services	0.2%	0.5%	0.2%	0.2%	0.5%	0.0%	0.0%	1.4%	0.0%	0.0%	0.0%	0.0%
19 Copy Services	---	---	---	0.6%	---	---	---	0.6%	---	---	---	0.0%
All Medical Services	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: WCIRB Unit Statistical Report (USR) for paid ALAE and Medical Data Call (MDC).

ALAE and Medical Fee Schedule - By Injury Type: Temporary
Percent Share of Claim Counts and Medical Transactions

	High ALAE				Low ALAE				Zero ALAE			
Accident Year	2012	2013	2014	2015	2012	2013	2014	2015	2012	2013	2014	2015
Average Paid ALAE per Claim	\$3,699	\$3,507	\$3,607	\$3,902	\$258	\$277	\$285	\$267	\$0	\$0	\$0	\$0
Share of Claim Counts	9%	11%	11%	10%	22%	24%	24%	23%	0%	1%	0%	1%
Number of Medical Transactions per Claim	65.8	57.9	56.6	59.1	33.0	35.2	32.2	30.2	14.3	22.0	14.0	8.1
Share of Medical Transactions	46%	42%	43%	44%	54%	57%	56%	50%	0%	1%	0%	0%
Average MDC Paid per Claim	\$5,641	\$5,308	\$5,105	\$5,733	\$1,907	\$2,190	\$2,276	\$2,210	\$1,978	\$1,463	\$1,151	\$860
Distribution of Number of Medical Transactions by Procedure Type												
1 Evaluation & Management	14.8%	15.4%	14.6%	15.2%	19.2%	18.6%	19.3%	19.5%	29.3%	19.5%	34.0%	40.6%
2 Surgery	2.7%	2.4%	2.2%	2.3%	2.1%	2.2%	1.9%	1.7%	2.4%	2.3%	2.4%	4.3%
3 Physical Medicine	38.9%	38.5%	40.4%	38.4%	36.3%	35.9%	36.8%	37.1%	19.6%	31.6%	9.1%	5.7%
4 Radiology	5.3%	5.1%	5.2%	5.2%	5.2%	5.3%	5.5%	5.6%	9.0%	5.3%	11.2%	11.1%
5 Special Services & Reports	11.0%	11.3%	8.8%	9.0%	13.4%	13.4%	11.3%	10.9%	13.3%	12.7%	17.2%	10.8%
6 Medicine	3.3%	2.8%	1.5%	1.6%	2.7%	2.2%	1.0%	1.0%	1.9%	2.8%	1.3%	1.9%
7 Pathology & Laboratory	2.8%	2.2%	2.6%	1.9%	1.2%	1.4%	1.4%	1.2%	0.6%	1.6%	4.0%	0.9%
8 Anesthesia	0.4%	0.3%	0.3%	0.4%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.0%	0.0%
9 Acupuncture	0.9%	1.1%	2.3%	2.3%	0.7%	1.1%	1.6%	1.9%	0.0%	0.9%	1.7%	0.0%
10 Chiropractic	1.6%	1.5%	1.5%	1.3%	1.4%	1.4%	1.2%	1.6%	0.2%	1.4%	0.0%	0.6%
11 Other Physician Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Physician Services	81.9%	80.8%	79.4%	77.6%	82.3%	81.5%	80.3%	80.8%	76.4%	78.4%	80.9%	75.8%
12 Pharmaceuticals	10.5%	9.9%	8.8%	7.5%	9.8%	9.9%	8.9%	7.5%	11.6%	10.7%	6.7%	6.8%
13 Hospital - Inpatient	0.7%	0.6%	0.8%	1.2%	0.2%	0.2%	0.6%	0.4%	3.4%	0.7%	2.8%	3.2%
14 Hospital - Outpatient	0.9%	1.2%	1.0%	2.9%	1.1%	1.5%	1.4%	1.9%	2.8%	3.2%	4.0%	8.9%
15 Medical-Legal Evaluations	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
16 Medical Supls. and Eqmnt.	5.8%	7.3%	9.9%	10.2%	6.4%	6.7%	8.6%	9.2%	5.8%	6.9%	5.5%	4.5%
17 Medical Liens	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18 Dental Services	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.0%	0.8%
19 Copy Services	---	---	---	0.4%	---	---	---	0.1%	---	---	---	0.0%
All Medical Services	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Distribution of Paid Medical Transaction by Procedure Type												
1 Evaluation & Management	15.7%	17.7%	18.7%	18.7%	28.4%	26.8%	29.9%	31.5%	17.1%	23.4%	43.0%	37.9%
2 Surgery	17.2%	16.1%	15.3%	10.4%	11.9%	11.8%	12.6%	10.0%	7.1%	5.1%	4.3%	8.9%
3 Physical Medicine	10.5%	12.0%	16.8%	14.5%	14.1%	14.0%	17.0%	18.6%	2.9%	11.3%	2.8%	2.6%
4 Radiology	9.8%	9.2%	7.5%	6.2%	9.3%	9.1%	7.8%	6.9%	3.1%	7.5%	7.5%	5.9%
5 Special Services & Reports	3.8%	3.9%	2.4%	1.7%	4.6%	4.3%	2.8%	2.2%	1.3%	3.4%	2.7%	1.6%
6 Medicine	3.7%	3.0%	1.5%	1.7%	3.3%	2.3%	1.0%	1.1%	0.5%	3.2%	0.8%	0.3%
7 Pathology & Laboratory	2.3%	1.6%	0.8%	0.4%	0.6%	0.6%	0.3%	0.3%	0.1%	0.5%	0.6%	0.1%
8 Anesthesia	1.4%	1.3%	1.3%	1.2%	1.1%	1.1%	1.1%	0.9%	0.3%	1.0%	0.0%	0.0%
9 Acupuncture	0.6%	0.6%	0.9%	0.9%	0.7%	0.8%	0.8%	1.0%	0.0%	0.8%	0.5%	0.0%
10 Chiropractic	0.6%	0.6%	0.5%	0.5%	0.7%	0.7%	0.6%	0.8%	0.0%	0.7%	0.0%	0.2%
11 Other Physician Services	0.0%	0.0%	0.2%	0.2%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Physician Services	65.7%	66.2%	65.9%	56.3%	74.7%	71.4%	73.9%	73.5%	32.4%	56.7%	62.3%	57.5%
12 Pharmaceuticals	7.3%	7.5%	5.4%	4.6%	5.5%	5.9%	4.3%	3.4%	4.0%	4.7%	1.9%	1.9%
13 Hospital - Inpatient	11.7%	10.1%	11.9%	14.1%	4.4%	6.1%	8.1%	6.5%	46.2%	10.1%	26.5%	14.4%
14 Hospital - Outpatient	7.1%	6.4%	6.7%	13.7%	7.5%	9.0%	6.9%	8.8%	2.5%	15.7%	5.9%	16.3%
15 Medical-Legal Evaluations	1.1%	1.5%	1.8%	2.5%	0.7%	0.8%	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%
16 Medical Supls. and Eqmnt.	6.6%	8.0%	8.1%	7.5%	6.5%	6.3%	5.6%	6.8%	14.9%	12.6%	3.4%	4.2%
17 Medical Liens	0.0%	0.0%	0.1%	0.5%	0.1%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
18 Dental Services	0.3%	0.3%	0.1%	0.4%	0.5%	0.5%	0.6%	0.3%	0.0%	0.2%	0.0%	5.7%
19 Copy Services	---	---	---	0.4%	---	---	---	0.2%	---	---	---	0.0%
All Medical Services	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: WCIRB Unit Statistical Report (USR) for paid ALAE and Medical Data Call (MDC).

ALAE and Medical Fee Schedule - By Injury Type: Medical-Only
Percent Share of Claim Counts and Medical Transactions

	High ALAE				Low ALAE				Zero ALAE			
Accident Year	2012	2013	2014	2015	2012	2013	2014	2015	2012	2013	2014	2015
Average Paid ALAE per Claim	\$1,999	\$2,091	\$2,108	\$2,048	\$112	\$107	\$114	\$116	\$0	\$0	\$0	\$0
Share of Claim Counts	4%	3%	4%	4%	94%	93%	93%	88%	2%	4%	3%	3%
Number of Medical Transactions per Claim	41.3	42.1	37.0	39.1	15.9	16.9	14.0	13.5	7.8	8.9	6.9	5.4
Share of Medical Transactions	9%	8%	9%	10%	90%	90%	90%	81%	1%	2%	1%	1%
Average MDC Paid per Claim	\$2,396	\$2,218	\$2,156	\$2,455	\$704	\$751	\$772	\$797	\$537	\$469	\$458	\$386
Distribution of Number of Medical Transactions by Procedure Type												
1 Evaluation & Management	18.3%	16.6%	16.6%	17.4%	22.1%	21.4%	23.8%	23.7%	25.9%	27.2%	37.1%	42.4%
2 Surgery	1.7%	1.5%	1.0%	1.1%	2.2%	2.2%	2.0%	1.9%	3.0%	2.6%	3.1%	3.1%
3 Physical Medicine	40.4%	39.9%	40.6%	41.8%	29.3%	29.6%	29.9%	30.4%	20.2%	16.9%	8.4%	9.8%
4 Radiology	5.4%	4.6%	4.8%	4.7%	5.2%	5.0%	5.8%	5.8%	8.2%	7.1%	8.4%	9.4%
5 Special Services & Reports	12.2%	12.1%	9.4%	10.1%	15.3%	15.7%	12.3%	12.0%	12.1%	17.2%	16.4%	8.2%
6 Medicine	3.4%	3.7%	1.7%	1.0%	3.1%	2.8%	1.4%	1.3%	4.0%	4.2%	4.7%	4.1%
7 Pathology & Laboratory	1.9%	2.0%	1.8%	0.9%	1.7%	1.9%	1.9%	1.7%	2.5%	2.2%	2.5%	1.5%
8 Anesthesia	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9 Acupuncture	1.0%	1.1%	2.4%	2.4%	0.3%	0.5%	0.8%	1.1%	0.0%	0.2%	0.2%	0.0%
10 Chiropractic	1.5%	2.0%	1.6%	1.9%	1.1%	1.2%	1.3%	1.4%	0.6%	1.7%	0.4%	0.4%
11 Other Physician Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Physician Services	85.7%	83.8%	79.9%	81.5%	80.3%	80.3%	79.1%	79.2%	76.5%	79.4%	81.3%	78.9%
12 Pharmaceuticals	8.2%	7.9%	8.0%	6.5%	11.0%	10.0%	10.0%	8.8%	11.3%	10.2%	8.8%	11.3%
13 Hospital - Inpatient	0.0%	0.2%	0.2%	0.1%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
14 Hospital - Outpatient	0.7%	1.3%	1.6%	1.9%	0.8%	1.3%	1.3%	1.7%	3.6%	4.4%	4.3%	2.9%
15 Medical-Legal Evaluations	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
16 Medical Supls. and Eqmnt.	5.2%	6.7%	10.1%	9.6%	7.6%	8.2%	9.3%	10.0%	7.3%	5.9%	5.7%	6.6%
17 Medical Liens	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18 Dental Services	0.0%	0.1%	0.1%	0.0%	0.2%	0.2%	0.2%	0.1%	1.3%	0.1%	0.0%	0.3%
19 Copy Services	---	---	---	0.3%	---	---	---	0.0%	---	---	---	0.0%
All Medical Services	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Distribution of Paid Medical Transaction by Procedure Type												
1 Evaluation & Management	30.3%	28.4%	32.1%	33.3%	43.5%	42.7%	48.5%	47.9%	35.1%	43.9%	57.2%	63.8%
2 Surgery	6.8%	3.6%	2.4%	3.0%	3.7%	3.0%	4.4%	4.0%	7.8%	4.0%	6.4%	5.3%
3 Physical Medicine	15.8%	18.5%	20.8%	22.8%	14.8%	15.2%	17.2%	18.0%	6.4%	7.5%	3.5%	4.1%
4 Radiology	14.3%	11.8%	10.6%	8.3%	8.0%	8.1%	7.7%	6.5%	6.3%	7.7%	7.2%	6.0%
5 Special Services & Reports	5.2%	4.8%	2.9%	2.5%	5.7%	6.0%	3.3%	2.9%	3.1%	4.9%	4.2%	2.1%
6 Medicine	5.0%	5.8%	2.7%	1.6%	3.4%	2.6%	1.2%	1.1%	2.8%	3.4%	2.5%	1.8%
7 Pathology & Laboratory	1.0%	1.8%	0.5%	0.2%	0.8%	0.9%	0.6%	0.5%	1.0%	0.9%	0.6%	0.2%
8 Anesthesia	0.4%	0.3%	0.3%	0.2%	0.1%	0.1%	0.0%	0.1%	0.0%	0.1%	0.0%	0.0%
9 Acupuncture	1.0%	1.0%	1.4%	1.4%	0.5%	0.5%	0.5%	0.7%	0.0%	0.2%	0.1%	0.0%
10 Chiropractic	0.8%	1.2%	0.9%	1.1%	0.7%	0.8%	0.7%	0.9%	0.2%	1.0%	0.1%	0.1%
11 Other Physician Services	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Physician Services	80.7%	77.3%	74.6%	74.5%	81.1%	80.1%	84.3%	82.6%	62.7%	73.6%	81.7%	83.3%
12 Pharmaceuticals	5.7%	7.5%	5.4%	4.3%	6.7%	6.4%	4.7%	4.2%	4.7%	6.6%	5.3%	5.1%
13 Hospital - Inpatient	0.2%	1.8%	3.5%	2.7%	0.8%	0.6%	0.5%	0.6%	0.0%	0.0%	0.0%	0.0%
14 Hospital - Outpatient	4.3%	3.7%	7.5%	8.6%	2.4%	3.9%	3.0%	4.5%	10.9%	14.9%	8.2%	6.0%
15 Medical-Legal Evaluations	1.2%	2.4%	2.7%	2.5%	0.4%	0.2%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%
16 Medical Supls. and Eqmnt.	7.6%	7.1%	5.9%	7.0%	7.1%	6.9%	5.7%	6.8%	10.9%	4.4%	4.8%	3.2%
17 Medical Liens	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18 Dental Services	0.4%	0.1%	0.4%	0.0%	1.5%	1.9%	1.6%	1.1%	10.8%	0.5%	0.0%	2.5%
19 Copy Services	---	---	---	0.4%	---	---	---	0.0%	---	---	---	0.0%
All Medical Services	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: WCIRB Unit Statistical Report (USR) for paid ALAE and Medical Data Call (MDC).

Summary of 2016 ALAE Survey - Claim Distributions

	2016 Survey Accident Years						
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2011-2012</u>	<u>2013-2014</u>	<u>All Years</u>
Number of Claims Surveyed	255	255	255	105	510	360	870
Number Received	245	250	247	105	495	352	847
Percentage of Claims with:							
<u>Representation</u>							
Applicant's Attorney	66%	69%	70%	67%	67%	69%	68%
In Northern California	49%	55%	53%	50%	52%	52%	52%
In Southern California	79%	78%	79%	77%	78%	78%	78%
First Notice by Claimant's Representative within Represented Claims	31%	39%	39%	37%	35%	39%	37%
In Northern California	20%	21%	17%	16%	20%	17%	19%
In Southern California	36%	44%	46%	45%	40%	46%	43%
<u>Deposition Cost Types</u>							
Any Deposition Costs	43%	41%	43%	34%	42%	40%	41%
Defense Attorney	33%	28%	33%	27%	30%	31%	31%
Applicant's Attorney	38%	34%	38%	30%	36%	35%	36%
Court Reporter/Transcripts	36%	34%	36%	29%	35%	34%	35%
Interpreter	16%	16%	18%	16%	16%	18%	17%
Other	5%	5%	6%	5%	5%	5%	5%
<u>Appearance at WCAB</u>							
Claims with Appearance	58%	60%	58%	44%	59%	54%	57%
Interpreter at WCAB Appearances	27%	28%	24%	20%	27%	23%	25%
<u>Medical Cost Containment Program (MCCP) Costs</u>							
Utilization Review	58%	53%	56%	51%	56%	55%	55%
Bill Review	87%	86%	89%	90%	86%	89%	87%
Network Service Fees	24%	21%	23%	19%	22%	22%	22%
Other MCCP Costs	10%	7%	8%	6%	8%	7%	8%
<u>Liens</u>							
Claims with Liens	36%	39%	38%	27%	38%	34%	36%
Distribution of Liens by Type							
Medical - Treatment	48%	49%	42%	41%	48%	42%	46%
Medical - Pharmacy/DME	14%	11%	15%	10%	12%	14%	13%
Medical - Other	15%	20%	19%	18%	17%	19%	18%
Interpreter	9%	7%	6%	10%	8%	7%	8%
Copy Service	5%	5%	7%	9%	5%	7%	6%
All Other	10%	8%	10%	12%	9%	11%	10%
Distribution of Liens by Nature of Dispute							
Denied Body Part	37%	31%	40%	27%	34%	37%	35%
Self-procured Treatment	29%	41%	28%	53%	35%	33%	35%
Beyond Cap	3%	2%	2%	0%	3%	2%	2%
Post-AME/QME	0%	1%	0%	0%	0%	0%	0%
Other	32%	25%	31%	21%	28%	28%	28%
"Pre-Lien" Disputes	25%	26%	25%	17%	25%	23%	24%
<u>Other ALAE Components</u>							
Surveillance/Investigation Costs	34%	31%	30%	26%	33%	28%	31%
Cost of Obtaining/Preparing Subpoenaed Records	38%	37%	36%	26%	37%	33%	36%
Subrogation Costs	3%	2%	2%	2%	2%	2%	2%
Co-defendants	7%	9%	7%	10%	8%	8%	8%
Post-termination on All Surveyed Claims	8%	19%	14%	14%	14%	14%	14%
Post-termination on CT Claims Only	30%	52%	35%	21%	42%	30%	35%
Denied in Whole or in Part on All Surveyed Claims	26%	32%	30%	32%	29%	31%	30%
Denied in Whole or in Part on CT Claims Only	57%	83%	73%	54%	71%	66%	68%

Note: Each Percentage represents the number of claims with the item divided by the total number of claims unless otherwise noted.

Summary of 2016 ALAE Survey - Frequency of ALAE Components

	2016 Survey Accident Years						
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2011-2012</u>	<u>2013-2014</u>	<u>All Years</u>
Number of Transactions per Claim							
<u>Depositions</u>							
Applicant	0.53	0.43	0.46	0.34	0.48	0.43	0.46
AME/QME	0.06	0.05	0.04	0.02	0.06	0.04	0.05
All Other	0.00	0.01	0.00	0.00	0.00	0.00	0.00
Total	0.59	0.49	0.51	0.36	0.54	0.47	0.51
<u>Appearances at WCAB</u>							
Expedited Hearing on Timeliness of Utilization Review	0.01	0.02	0.00	0.02	0.01	0.01	0.01
Expedited Hearing on Medical Issues Other Than Timeliness of UR	0.06	0.03	0.02	0.02	0.04	0.02	0.03
Expedited Hearing on Other Than Medical Issues	0.05	0.06	0.04	0.03	0.05	0.04	0.05
Mandatory Settlement Conference (MSC)	0.46	0.40	0.26	0.17	0.43	0.23	0.35
Status Conference	0.27	0.21	0.20	0.09	0.24	0.17	0.21
Lien Conference	0.25	0.25	0.11	0.07	0.25	0.10	0.19
Trial	0.07	0.06	0.05	0.03	0.07	0.04	0.06
Walk-Through	0.18	0.20	0.22	0.21	0.19	0.22	0.20
Other	0.03	0.03	0.02	0.05	0.03	0.03	0.03
Total	1.37	1.26	0.92	0.68	1.31	0.85	1.12
<u>Lien Related</u>							
Liens filed on the Claim	1.59	1.78	1.13	0.74	1.69	1.01	1.41
"Pre-Lien" Disputes	1.54	1.32	1.15	0.62	1.43	0.99	1.25
<u>Other ALAE Components</u>							
Number of IMRs related to Pharmaceuticals	0.10	0.07	0.14	0.06	0.08	0.11	0.10
Number of All Other IMRs	0.25	0.33	0.20	0.11	0.29	0.18	0.24
Number of All IBRs	0.04	0.01	0.01	0.03	0.02	0.01	0.02
Total Number of IBRs or IMRs	0.38	0.42	0.35	0.20	0.40	0.30	0.36
Days Between Accident Date and Date of First Representation							
All Regions - Average	224	218	176	161	221	172	200
All Regions - Median	107	99	84	104	101	88	98
Northern CA - Average	272	287	270	249	279	263	273
Northern CA - Median	164	107	146	239	139	159	157
Southern CA - Average	204	196	147	128	200	142	175
Southern CA - Median	83	98	79	84	94	80	84
Months Between Accident Date and Lien Filed Date							
Average	23.7	25.7	25.1	19.1	24.8	23.8	24.5
Median	18.4	26.4	25.6	21.6	21.2	24.4	23.2
Months Between Accident Date and Date of Service Disputed on the Lien							
Average	17.8	13.1	10.5	9.9	15.5	10.4	14.0
Median	13.8	9.4	8.8	6.3	11.6	8.6	10.4
Months Between Date of Service Disputed on the Lien and Lien Filed Date							
Average	13.5	16.8	16.7	10.9	15.3	15.8	15.5
Median	9.8	14.9	18.0	10.3	12.2	17.9	15.2

Summary of 2016 ALAE Survey - Average ALAE Costs

	2016 Survey Accident Years		
	<u>2011-2012</u>	<u>2013-2014</u>	<u>All Years</u>
<u>Average ALAE Costs per Claim</u>			
Paid ALAE	\$16,403	\$10,914	\$14,122
Incurred ALAE	\$22,953	\$15,569	\$19,884
<u>Average ALAE Paid Cost on Claims with Representation</u>			
In Northern California	\$26,773	\$12,058	\$20,807
In Southern California	\$20,524	\$13,500	\$17,528
First Notice by Claimant's Representative	\$17,388	\$12,668	\$15,285
First Notice not by Claimant's Representative	\$16,098	\$10,275	\$13,736
<u>Average ALAE Paid Cost on Claims without Representation</u>			
In Northern California	\$5,287	\$5,387	\$5,328
In Southern California	\$3,310	\$6,350	\$4,613
<u>Average Depositions Costs per Claim with Deposition</u>			
Defense Attorney Costs	\$895	\$1,305	\$1,061
Applicant's Attorney Costs	\$1,494	\$1,609	\$1,540
Court Reporter/Transcripts Costs	\$563	\$544	\$556
Interpreter Costs	\$304	\$163	\$247
Other Costs	\$42	\$26	\$35
Total	\$3,297	\$3,647	\$3,439
<u>Average WCAB Costs per Appearance of that Type</u>			
Expedited Hearing on Timeliness of Utilization Review	\$553	\$1,631	\$876
Expedited Hearing on Medical Issues Other Than Timeliness of UR	\$755	\$739	\$751
Expedited Hearing on Other Than Medical Issues	\$473	\$1,212	\$719
Mandatory Settlement Conference (MSC)	\$814	\$737	\$792
Status Conference	\$1,014	\$590	\$872
Lien Conference	\$358	\$598	\$410
Trial	\$568	\$951	\$687
Walk-Through	\$481	\$396	\$443
Interpreter Fee per Claim with Interpreter	\$871	\$522	\$748
<u>Medical Cost Containment Program (MCCP) Costs per Claim - Paid</u>			
Utilization Review	\$1,306	\$736	\$1,069
Bill Review	\$1,777	\$1,499	\$1,661
Other MCCP Costs	\$256	\$122	\$201
<u>Medical Cost Containment Program (MCCP) Costs per Claim - Incurred</u>			
Utilization Review	\$1,681	\$1,041	\$1,415
Bill Review	\$2,464	\$2,043	\$2,289
Other MCCP Costs	\$489	\$295	\$408
<u>Other ALAE Components per Claim</u>			
Surveillance/Investigation Costs	\$698	\$552	\$637
Cost of Obtaining/Preparing Subpoenaed Records	\$444	\$351	\$405
Subrogation Costs	\$153	\$60	\$114

Note: Many of the average costs shown are based only on the claims with the costs or per transaction of that type. See Exhibits 13.1 and 13.2 for the frequency of the components.

Summary of 2016 ALAE Survey - Average ALAE Costs on Liens

	2016 Survey Accident Years						All Years
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2011-2012</u>	<u>2013-2014</u>	
Percentage of Claims with Liens	36%	39%	38%	27%	38%	34%	36%
Number of Liens per Claim	1.59	1.78	1.13	0.74	1.69	1.01	1.41
Percentage of Liens Settled	19%	16%	10%	3%	18%	8%	15%
Percentage of Claims with "Pre-Lien" Disputes	25%	26%	25%	17%	25%	23%	24%
Number of "Pre-Lien" Disputes per Claim	1.54	1.32	1.15	0.62	1.43	0.99	1.25
Percentage of "Pre-Lien" Disputes Settled	21%	14%	11%	17%	18%	12%	16%

	Average Disputed Amount for the Lien Claimant			Average Amount Paid to the Lien Claimant			Settlement Ratio		
	<u>2011-2012</u>	<u>2013-2014</u>	<u>All Years</u>	<u>2011-2012</u>	<u>2013-2014</u>	<u>All Years</u>	<u>2011-2012</u>	<u>2013-2014</u>	<u>All Years</u>
All Liens	\$7,239	\$6,733	\$6,903	\$1,951	\$1,410	\$1,826	18%	8%	15%
Lien Type									
Medical - Treatment	\$8,670	\$7,864	\$8,445	\$2,083	\$1,468	\$1,965	15%	7%	13%
Medical - Pharmacy/DME	\$6,137	\$9,613	\$7,303	\$1,297	\$1,146	\$1,263	12%	4%	9%
Medical - Other	\$4,673	\$5,469	\$4,926	\$1,144	\$884	\$1,079	13%	6%	10%
Interpreter	\$3,590	\$6,272	\$4,338	\$1,313	\$2,008	\$1,461	28%	17%	24%
Copy Service	\$1,428	\$2,245	\$1,750	\$643	\$874	\$722	30%	21%	26%
All Other	\$8,981	\$8,357	\$8,764	\$5,662	\$2,106	\$4,392	39%	16%	32%
Dispute Type									
Denied Body Part	\$6,501	\$9,109	\$7,334	\$1,376	\$1,788	\$1,376	16%	9%	13%
Self-procured Treatment	\$6,302	\$6,100	\$6,243	\$1,932	\$1,146	\$1,932	15%	7%	13%
Beyond Cap	\$14,270	\$3,043	\$12,111	\$2,087	\$736	\$2,087	4%	10%	5%
Post-AME/QME	\$7,832	---	\$7,832	---	---	---	16%	---	16%
Other	\$7,661	\$6,112	\$7,163	\$2,717	\$1,366	\$2,717	23%	8%	19%
Pre-Lien Disputes	\$5,667	\$4,644	\$5,329	\$1,005	\$558	\$857	18%	12%	16%

Item AC16-11-02

Study of Medicare Set-Asides

At the meeting of March 23, 2016, the Claims Working Group discussed a potential study on the cost of Medicare Set-Asides (MSAs). The potential study discussed would expand beyond the results presented to the Working Group based on the WCIRB's Permanent Disability Claim Survey and enable a fuller understanding of the frequency in which MSAs are used. Prior to undertaking a more comprehensive study, the Working Group agreed that staff should compare post-settlement loss development patterns of claims that are settled through a compromise and release (C&R), which includes a settlement component for future medical losses, with those settled through a stipulated award, in which exposure to future medical losses remains open.

Exhibits 1 through 4 compare paid medical loss development patterns through ten unit statistical report levels for claims settled through C&R to those settled through stipulated award for policy years 2003 and 2004 for cumulative trauma claims and for all permanent disability claims. The two groups of claims by settlement type had fairly similar distributions of USR "part of body" codes and pre-settlement paid medical severities.

As expected, the initial results in Exhibits 1 through 4 show very different development patterns for claims in each settlement type both during and after the settlement periods. For permanent disability claims settled well before tenth report level, total paid development including the during the settlement period through tenth report level for the two groups are fairly similar. However, based on the age-to-age factors through tenth report, it is clear that post-tenth report level development for the stipulated award claims will be significantly higher. Staff is exploring methods to approximate post-tenth report level development for the two groups of claims and will update the Committee on those findings at the meeting.

PERMANENT DISABILITY CLAIMS STIPULATED (ALL PD CLAIMS)

PAID MEDICAL DEVELOPMENT

Fully Reported Claims with status consistent at RL10

Green Pre-Settlement
Blue Settlement (RL and RL + 1)
Red RL + 2 and later

Report Level of Stipulation	Policy Year 2003 - Stipulated Claims										Development from TOS to RL10	
	Link Ratios											
	1-2	2-3	3-4	4-5	5-6	6-7	7-8	8-9	9-10	Including Settlement	Post-Settlement	
1	1.187	1.047	1.046	1.037	1.037	1.026	1.022	1.012	1.030	1.527	1.286	
2	1.259	1.099	1.065	1.058	1.050	1.046	1.033	1.030	1.037	1.888	1.364	
3	1.349	1.162	1.099	1.069	1.054	1.069	1.061	1.037	1.043	1.766	1.383	
4	1.522	1.253	1.172	1.099	1.065	1.052	1.051	1.056	1.051	1.683	1.307	
5	1.651	1.321	1.177	1.189	1.076	1.061	1.050	1.026	1.061	1.552	1.213	
6	1.659	1.379	1.227	1.176	1.139	1.075	1.044	1.039	1.043	1.385	1.132	
7	1.551	1.342	1.248	1.190	1.203	1.177	1.068	1.036	1.080	1.407	1.119	
8	1.679	1.414	1.253	1.178	1.146	1.108	1.218	1.041	1.080	1.370	1.124	

PERMANENT DISABILITY CLAIMS COMPROMISED & RELEASE (ALL PD CLAIMS)

PAID MEDICAL DEVELOPMENT

Fully Reported Claims with status consistent at RL10

Policy Year 2003 - C&R Claims											
Report Level	Link Ratios									Development from TOS to RL10	
of C&R	1-2	2-3	3-4	4-5	5-6	6-7	7-8	8-9	9-10	Including Settlement	Post-Settlement
1	1.177	1.031	1.017	1.008	1.005	1.005	1.002	1.004	1.001	1.266	1.075
2	1.855	1.060	1.019	1.012	1.005	1.007	1.002	1.001	1.001	2.060	1.047
3	1.581	1.625	1.049	1.022	1.008	1.008	1.004	1.002	1.002	1.783	1.047
4	1.662	1.289	1.578	1.041	1.010	1.007	1.003	1.002	1.001	1.679	1.022
5	1.679	1.333	1.221	1.497	1.053	1.011	1.005	1.005	1.001	1.611	1.022
6	1.667	1.369	1.258	1.201	1.471	1.026	1.009	1.004	1.008	1.542	1.022
7	1.629	1.277	1.255	1.172	1.133	1.607	1.026	1.006	1.004	1.665	1.010
8	1.615	1.346	1.247	1.227	1.171	1.156	1.610	1.018	1.011	1.658	1.030

PERMANENT DISABILITY CLAIMS STIPULATED (ALL PD CLAIMS)

PAID MEDICAL DEVELOPMENT

Fully Reported Claims with status consistent at RL10

Green Pre-Settlement
Blue Settlement (RL and RL + 1)
Red RL + 2 and later

Report Level of Stipulation	Policy Year 2004 - Stipulated Claims										Development from TOS to RL10	
	Link Ratios										Including Settlement	Post-Settlement
1-2	2-3	3-4	4-5	5-6	6-7	7-8	8-9	9-10				
1	1.075	1.065	1.054	1.025	1.026	1.009	1.007	1.008	1.005		1.309	1.217
2	1.251	1.080	1.071	1.045	1.047	1.031	1.030	1.021	1.021		1.752	1.296
3	1.417	1.223	1.076	1.028	1.037	1.024	1.019	1.027	1.023		1.537	1.169
4	1.664	1.236	1.495	1.046	1.040	1.026	1.027	1.016	1.010		1.757	1.124
5	1.517	1.293	1.171	1.193	1.083	1.069	1.039	1.038	1.029		1.534	1.187
6	1.624	1.258	1.233	1.122	1.190	1.064	1.038	1.032	1.026		1.392	1.099
7	2.004	1.491	1.311	1.196	1.117	1.242	1.031	1.046	1.031		1.382	1.079
8	1.922	1.322	1.328	1.212	1.171	1.100	1.210	1.201	1.060		1.540	1.273

PERMANENT DISABILITY CLAIMS COMPROMISED & RELEASE (ALL PD CLAIMS)

PAID MEDICAL DEVELOPMENT

Fully Reported Claims with status consistent at RL10

Report Level of C&R	Policy Year 2004 - C&R Claims										Development from TOS to RL10	
	Link Ratios										Including Settlement	Post-Settlement
1-2	2-3	3-4	4-5	5-6	6-7	7-8	8-9	9-10				
1	1.145	1.030	1.016	1.006	1.007	1.007	1.003	1.002	1.012		1.244	1.087
2	2.058	1.059	1.024	1.007	1.006	1.004	1.002	1.001	1.001		2.278	1.045
3	1.640	1.778	1.056	1.012	1.005	1.004	1.002	1.001	1.000		1.923	1.024
4	1.801	1.373	1.613	1.038	1.010	1.003	1.002	1.002	1.001		1.705	1.018
5	1.774	1.401	1.316	1.566	1.028	1.007	1.004	1.001	1.000		1.630	1.013
6	1.838	1.395	1.290	1.191	1.526	1.026	1.009	1.003	1.001		1.586	1.013
7	1.742	1.427	1.333	1.187	1.161	1.634	1.018	1.009	1.003		1.685	1.012
8	1.767	1.396	1.279	1.213	1.152	1.162	1.368	1.037	1.006		1.428	1.043

PERMANENT DISABILITY CLAIMS STIPULATED (CUMULATIVE TRAUMA only)

PAID MEDICAL DEVELOPMENT

Fully Reported Claims with status consistent at RL10

Green

Blue

Red

Pre-Settlement

Settlement (RL and RL + 1)

RL + 2 and later

Report Level of Stipulation	Policy Year 2003 - Stipulated Claims										Development from TOS to RL10	
	Link Ratios										Including Settlement	Post-Settlement
	1-2	2-3	3-4	4-5	5-6	6-7	7-8	8-9	9-10			
1	1.505	1.098	1.065	1.094	1.096	1.064	1.045	1.033	1.052		2.548	1.693
2	1.358	1.088	1.079	1.056	1.063	1.049	1.039	1.024	1.025		2.045	1.384
3	1.303	1.178	1.064	1.067	1.036	1.102	1.142	1.065	1.087		2.019	1.611
4	1.614	1.304	1.293	1.125	1.079	1.058	1.062	1.086	1.060		2.032	1.396
5	2.003	1.456	1.213	1.155	1.120	1.054	1.050	1.023	1.056		1.546	1.196
6	1.959	1.530	1.266	1.212	1.156	1.033	1.028	1.025	1.030		1.296	1.085
7	1.603	1.317	1.282	1.262	1.266	1.233	1.123	0.988	1.099		1.504	1.086
8	1.941	1.411	1.371	1.216	1.138	1.121	1.213	1.089	1.279		1.690	1.393

PERMANENT DISABILITY CLAIMS COMPROMISED & RELEASE (CUMULATIVE TRAUMA only)

PAID MEDICAL DEVELOPMENT

Fully Reported Claims with status consistent at RL10

Report Level of C&R	Policy Year 2003 - C&R Claims										Development from TOS to RL10	
	Link Ratios										Including Settlement	Post-Settlement
	1-2	2-3	3-4	4-5	5-6	6-7	7-8	8-9	9-10			
1	1.260	1.040	1.028	1.006	1.005	1.006	1.004	1.000	1.000		1.377	1.092
2	2.249	1.083	1.029	1.015	1.002	1.006	1.004	1.001	1.001		2.578	1.059
3	1.741	1.860	1.081	1.027	1.016	1.009	1.006	1.003	1.001		2.140	1.064
4	1.962	1.420	1.688	1.075	1.021	1.007	1.007	1.002	1.002		1.886	1.040
5	2.032	1.495	1.299	1.600	1.052	1.027	1.003	1.002	1.002		1.741	1.035
6	1.934	1.430	1.304	1.214	1.416	1.026	1.026	1.005	1.057		1.585	1.090
7	1.993	1.471	1.284	1.226	1.205	1.600	1.075	1.010	1.006		1.746	1.015
8	1.986	1.433	1.311	1.286	1.204	1.112	1.456	1.026	1.022		1.528	1.049

PERMANENT DISABILITY CLAIMS STIPULATED (CUMULATIVE TRAUMA only)

PAID MEDICAL DEVELOPMENT

Fully Reported Claims with status consistent at RL10

Green

Blue

Red

Pre-Settlement

Settlement (RL and RL + 1)

RL + 2 and later

Report Level of Stipulation	Policy Year 2004 - Stipulated Claims										Development from TOS to RL10	
	Link Ratios										Including Settlement	Post-Settlement
1	1.129	1.040	1.074	1.014	1.018	1.013	1.009	1.000	1.000	1.000	1.332	1.180
2	1.384	1.234	1.135	1.084	1.049	1.047	1.044	1.033	1.020	1.020	2.539	1.487
3	1.540	1.272	1.159	1.042	1.032	1.039	1.034	1.059	1.034	1.034	1.867	1.266
4	1.853	1.301	1.205	1.077	1.059	1.045	1.082	1.020	1.013	1.013	1.607	1.237
5	1.996	1.440	1.235	1.275	1.081	1.098	1.055	1.023	1.013	1.013	1.654	1.200
6	2.073	1.332	1.354	1.239	1.506	1.208	1.071	1.139	1.087	1.087	2.414	1.326
7	2.254	1.533	1.481	1.250	1.233	1.135	1.106	1.052	1.031	1.031	1.362	1.085
8	2.120	1.495	1.308	1.175	1.115	1.103	1.038	1.098	1.085	1.085	1.236	1.191

PERMANENT DISABILITY CLAIMS COMPROMISED & RELEASE (CUMULATIVE TRAUMA only)

PAID MEDICAL DEVELOPMENT

Fully Reported Claims with status consistent at RL10

Report Level of C&R	Policy Year 2004 - C&R Claims										Development from TOS to RL10	
	Link Ratios										Including Settlement	Post-Settlement
1	1.197	1.021	1.031	1.007	1.003	1.006	1.001	1.000	1.000	1.000	1.283	1.071
2	2.503	1.100	1.035	1.011	1.012	1.005	1.002	1.002	1.001	1.001	2.946	1.069
3	1.888	1.973	1.058	1.021	1.007	1.005	1.003	1.004	1.001	1.001	2.172	1.041
4	2.325	1.497	1.638	1.068	1.026	0.999	1.000	1.008	1.003	1.003	1.813	1.037
5	2.037	1.547	1.490	1.703	1.033	1.015	1.013	1.001	1.000	1.000	1.811	1.029
6	2.055	1.438	1.256	1.230	1.536	1.039	1.009	1.002	1.004	1.004	1.622	1.016
7	2.164	1.452	1.359	1.196	1.173	1.698	1.030	1.002	1.002	1.002	1.756	1.004
8	2.396	1.485	1.357	1.186	1.206	1.222	1.427	1.054	1.007	1.007	1.514	1.061