

June 29, 2020

2019 California Workers' Compensation Losses and Expenses

Pursuant to Section 11759.1 of the California Insurance Code, the Workers' Compensation Insurance Rating Bureau of California (WCIRB) has prepared this report containing estimated California workers' compensation costs for 2019 based on insured employer experience. The report also reflects payments made by the California Insurance Guarantee Association (CIGA) in the statewide loss payments for calendar years 2007 through 2019.¹ Note that the information reflected in this report is through December 31, 2019 and, as a result, does not reflect the impact of the COVID-19 pandemic.

Hospital, Physician and Medical-Legal Costs

In 2019, \$4.6 billion, or 55% of total loss payments, were for medical services. This figure includes an estimated proportion of loss payments made by CIGA for medical benefits during calendar year 2019. (In 2018, \$4.6 billion, or 55% of total loss payments, were for analogous medical services.)

Exhibits 1.1 through 1.6 contain summaries of amounts paid for medical services in 2019. These exhibits are based on the WCIRB's Aggregate Indemnity and Medical Costs Call, Call for California Workers' Compensation Calendar Year Experience, and medical transaction data. Exhibits 1.1 through 1.4 show medical payments by category of payment. Note that the amounts shown on Exhibits 1.1 through 1.4 for the cost of medical cost containment programs only reflect the amount of such costs included in medical loss and does not include the amount of medical cost containment program costs reported as allocated loss adjustment expense.²

Table 1 summarizes the estimated total medical losses paid by category in calendar years 2018 and 2019:

¹ For calendar years 2007 through 2009, the total workers' compensation benefit payments made by CIGA have been apportioned to benefit categories by assuming that CIGA calendar year benefit payments were distributed in a manner identical to the average insurer distribution for that year. Since calendar year 2010, the workers' compensation benefit payment information from CIGA has been provided separately for its indemnity and medical components.

² California reporting requirements specify that the cost of medical cost containment programs paid on policies incepting on or after July 1, 2010 be reported as allocated loss adjustment expense, while the costs paid on policies incepting before July 1, 2010 be reported as medical loss.

Table 1: Summary of Medical Losses Paid by Medical Category

Category	CY 2018	CY 2019
Payments Made Directly to Injured Workers	\$1.44 billion	\$1.47 billion
Physician Services	\$1.22 billion	\$1.22 billion
Hospital (Inpatient and Outpatient)	\$0.61 billion	\$0.58 billion
Medicare-related Payments ³	\$0.29 billion	\$0.32 billion
Medical-Legal Evaluations	\$0.28 billion	\$0.29 billion
Medical Supplies and Equipment	\$0.25 billion	\$0.24 billion
Medical Cost Containment Programs (medical loss only) ⁴	\$0.15 billion	\$0.14 billion
Medical Liens	\$0.17 billion	\$0.14 billion
Pharmaceuticals	\$0.11 billion	\$0.09 billion
Other	\$0.11 billion	\$0.12 billion
Total Medical Losses Paid	\$4.6 billion	\$4.6 billion

Beginning with claims incurred on policies incepting on or after July 1, 2010, the cost of medical cost containment programs is required to be reported to the WCIRB as allocated loss adjustment expense rather than as medical loss. The medical cost containment program costs shown in Table 1 only reflect those costs reported as medical loss. The total cost of medical cost containment programs, including that reported as allocated loss adjustment expense, is shown in Table 2.

Table 2: Total Paid Cost of Medical Cost Containment Programs (in \$Millions)

Calendar Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Reported as Medical Loss Paid	351	309	243	217	208	206	180	160	149	145
Reported as Allocated Loss Adjustment Expense Paid	4	74	169	230	263	307	272	299	307	305
Total Medical Cost Containment Program Costs Paid	355	383	412	447	471	513	452	459	456	450

Exhibits 1.1 through 1.6 also show detailed distributions of medical payments by specialty, which is summarized from individual medical transactions reported in WCIRB medical transaction data. Exhibit 1.5 shows distributions of payments for medical services by type of provider. Exhibit 1.6 shows distributions of payments for physician services by type of procedure. Tables 3 and 4 summarize the estimated distribution of medical payments by specialty in calendar years 2018 and 2019:

³ Includes Medical Payments Related to Medicare Set-Aside Accounts and Reimbursements to Medicare.

⁴ The majority of medical cost containment program costs are reported in allocated loss adjustment expense (see Table 2).

Table 3: Distribution of Medical Service Payments by Type of Provider

Provider Type	CY 2018	CY 2019
Hospital-based Provider	28.1%	30.9%
Physician Specialist	12.5%	11.8%
Surgeon	10.3%	9.6%
Physical Therapist	10.0%	9.4%
MD General Practitioner	9.4%	9.1%
Ambulatory Surgical Center	5.4%	5.0%
Pharmacist	3.8%	3.3%
Other	20.5%	20.9%
Total Medical Service Payments	100.0%	100.0%

Table 4: Distribution of Physician Service Payments

Physician Service by Type of Procedure	CY 2018	CY 2019
Evaluation & Management	37.6%	37.3%
Physical Medicine	24.2%	26.2%
Surgery	13.3%	12.7%
Radiology	7.6%	7.6%
Special Services & Reports	7.7%	6.3%
Medicine	4.9%	5.1%
Acupuncture	1.8%	1.9%
Anesthesia	1.4%	1.3%
Chiropractic	0.8%	0.8%
Pathology & Laboratory	0.7%	0.6%
Other	0.1%	0.1%
Total Physician Service Payments	100.0%	100.0%

Exhibits 2.1 through 2.3 contain summaries of medical-legal costs for 2019 based on the WCIRB's medical transaction data. The exhibits show that orthopedic evaluations accounted for about 52% of the cost of all medical-legal evaluations. The exhibits also show that the average cost of a medical-legal evaluation was \$1,482 in 2019. Psychiatric evaluations were the most expensive, averaging \$3,633.

Indemnity Benefits

In 2019, \$3.8 billion, or 45% of total loss payments, were for indemnity benefits (including vocational rehabilitation benefits). This figure includes an estimated proportion of loss payments made by CIGA for indemnity benefits during calendar year 2019. (In 2018, payment for analogous indemnity benefits totaled \$3.8 billion, or 45% of total loss payments.)

Exhibits 3.1 and 3.2 contain summaries of paid indemnity benefits by type of benefit for calendar year 2019. The data in Exhibit 3 is derived from the WCIRB's Aggregate Indemnity and Medical Costs Call, unit statistical report data, and Call for Calendar Year Experience. The exhibit shows that for 2019, temporary disability benefits (50%) and permanent partial disability benefits (39%) accounted for the vast majority of the indemnity payments.

Exhibits 4 through 9 contain summaries of indemnity and medical benefits by permanent disability rating interval for various types of injuries resulting in permanent disability. The exhibits are based on 2017 policy year experience—the most current available unit statistical data on permanent disability claims. (Note that these average claim values are based on claims evaluated as of 18 months from inception of each 2017 policy, and have not been adjusted to an ultimate value basis.) Exhibit 4 shows indemnity and medical benefits for back injury claims. Exhibit 5 shows indemnity and medical benefits for slip and fall injuries. Exhibit 6 shows indemnity and medical benefits for psychiatric and mental stress injuries. Exhibit 7 shows indemnity and medical benefits for carpal tunnel and repetitive motion injuries. Exhibit 8 shows indemnity and medical benefits for other cumulative injuries. Finally, Exhibit 9 shows indemnity and medical benefits for all injuries.

Exhibit 10.1 graphically shows the proportion of total loss dollars reported on permanent disability claims attributable to various types of injuries. Exhibit 10.2 shows the average cost per claim for these injuries. As shown on Exhibits 10.1 and 10.2, slip and fall injuries are both the most frequently occurring and most costly of the injury categories summarized.

Vocational Rehabilitation Benefits

Exhibit 11 summarizes the amounts estimated to be paid for vocational rehabilitation nontransferable education vouchers as well as other vocational rehabilitation benefits (primarily voluntary vocational rehabilitation benefits). The exhibit is based on data derived from the WCIRB's Aggregate Indemnity and Medical Costs Call, Permanent Disability Claim Surveys, and the Call for Calendar Year Experience. In total, about \$73 million in vocational rehabilitation-related benefits were paid in calendar year 2019. This was 1.9% of all indemnity payments in 2019, of which 97% was for non-transferable education vouchers. (For comparison purposes, in 2018, vocational rehabilitation benefits paid was \$87 million or 2.3% of all indemnity payments, of which 97% was for non-transferable education vouchers.)

Insurer Losses, Expenses and Profits

Exhibits 12.1 and 12.2 summarize California workers' compensation underwriting experience for calendar year 2019.⁵ Calendar year 2019 earned premium totaled \$16.1 billion (as compared to the \$17.4 billion of premium earned in 2018). Note that the premiums shown on this exhibit are on a direct basis (i.e., prior to reinsurance assumed or ceded), are prior to the application of deductible credits and retrospective rating plan adjustments, and do not reflect any non-standard California workers' compensation business, such as excess or USL&H insurance. In total, paid losses in 2019, including benefit payments made by CIGA, were \$8.4 billion, or 52% of insurer calendar year earned premium.

Total insurer paid losses (i.e., excluding payments made by CIGA) in 2019 were \$8.3 billion, or 51% of calendar year earned premium. Combining insurer paid losses with a \$0.5 billion decrease in total insurer loss reserves resulted in total insurer incurred losses, excluding payments made by CIGA, of \$7.8 billion, or 48% of the premium earned in 2019. (For comparison purposes, in 2018, total insurer paid losses—excluding those made by CIGA—were 47% of earned premium and, with an decrease in insurer loss reserves totaling 5% of earned premium, total insurer incurred losses, excluding payments made by CIGA, were 43% of total insurer earned premium.)⁶

⁵ Total statewide calendar year 2019 premiums, losses and expenses were estimated based on the experience of insurers that reported premium, loss and expense information to the WCIRB.

⁶ Benefit payments made by CIGA during calendar years 2007 to 2019 are also shown as paid loss percentages to insurer earned premium for those calendar years.

The 48% of earned premium stated above pertains to total insurer losses incurred during the “calendar year” 2019. This includes all insurer losses paid and insurer loss reserve changes that occurred during 2019, regardless of when the accidents occurred.

Insurer incurred loss adjustment expenses (allocated and unallocated) in 2019 were \$2.1 billion, or 13% of earned premium. This includes the full cost to insurers of administering, adjudicating and settling claims. Incurred loss adjustment expenses include \$903 million in defense attorney expenses incurred in 2019. (For comparison purposes, in 2018, incurred loss adjustment expenses were 15% of earned premium, including \$844 million in defense attorney expenses.)

In total, California insurers incurred \$5.4 billion in expenses in 2019, or 34% of 2019 earned premium. (For comparison purposes, in 2018, total incurred expenses were 34% of earned premium.)

In total, incurred losses and expenses in calendar year 2019 were \$13.2 billion, or 82% of earned premium. Based on insurer statutory Annual Statement information, the WCIRB estimates policyholder dividends incurred in 2019 to be 0.2% of 2019 earned premium, resulting in an underwriting profit of \$2.9 billion, or 18% of premium. Note that the underwriting profits or losses shown on this exhibit represent only California workers’ compensation insured policies and is prior to reinsurance assumed or ceded and the application of deductible credits or advisory retrospective rating plan adjustments. Similarly, this summary reflects underwriting results only and not overall profitability as figures shown do not contemplate any measure of investment income or federal income taxes.⁷ (For 2018, the underwriting profit was 23% of earned premium, or \$4.1 billion.)

Fees Paid to Applicant Attorneys

Although generally part of incurred indemnity losses rather than expenses, the amount paid in 2019 to applicant attorneys was derived from the WCIRB’s Annual Expense Call. In 2019, applicant attorneys were paid \$446 million. (In 2018, applicant attorneys were paid \$386 million.)⁸

Workers’ Compensation Costs by Injury Detail

Exhibits 13 through 15 summarize loss experience by injury detail for the most current unit statistical policy year available (i.e., policy year 2017 at first report level). Exhibit 13 shows the number and proportion of claims and incurred losses by cause of injury (e.g., fall, repetitive motion, etc.). Exhibit 14 shows the number and proportion of claims and incurred losses by the nature of the injury sustained (e.g., strain, fracture, etc.). Exhibit 15 shows the number and proportion of claims and incurred losses by the part of body injured.

Conditions and Limitations

1. The information contained in this report is a summary of historical data provided to the WCIRB by over 140 insurer groups. While numerous detailed data quality checks are performed, the WCIRB can make no warranty with respect to the information provided by third parties.
2. This report is based on data reported to the WCIRB through May 22, 2020. Subsequent revisions to the data could impact the analysis reflected in this report.
3. Some of the cost distributions have been estimated based on less than 100% of the total market.

⁷ See the National Association of Insurance Commissioners’ *Report on Profitability By Line By State*, which is published annually, for an estimate of the overall profitability of California workers’ compensation.

⁸ The fees paid to applicant attorneys are based on reports of insurers who were able to provide a comprehensive breakdown of these fees on the WCIRB’s Annual Expense Call. These fees are often included as a part of the indemnity award or settlement and as such cannot be broken out separately.

4. Premium information is prior to reinsurance assumed or ceded or credits for deductibles, and does not reflect retrospective rating plan adjustments or any premiums resulting from non-standard California workers' compensation coverage such as excess or USL&H insurance. Similarly, losses and expenses shown are prior to reinsurance and do not reflect any deductible recoveries or any losses from non-standard coverages.
5. The report has been based on the reported experience of insured employers. No self-insured data has been included.
6. The information contained in this report has been based on data submitted to date by insurers to the WCIRB. To the extent that insurers who are in rehabilitation or liquidation are no longer reporting data to the WCIRB, the information contained in this report will not reflect the experience of the entire California workers' compensation insurance market. However, loss payments made by CIGA during calendar years 2007 through 2019 have been included in this report.
7. The data included in this report is through calendar year 2019. As a result, it does not include any impact of the COVID-19 pandemic on California workers' compensation costs.

Paid Medical Costs for Calendar Year 2019

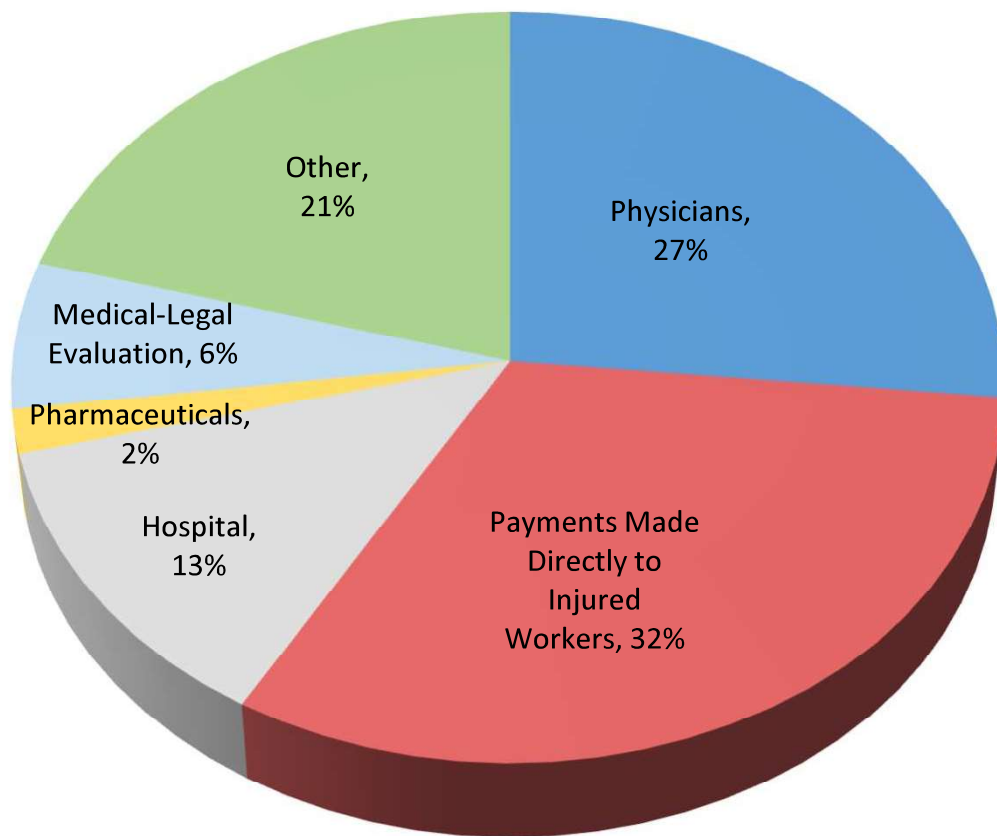
	<u>Total Medical Paid (\$000)</u>	<u>% of Total Medical Services</u>	<u>% of Total Medical Paid</u>
1 Evaluation & Management	455,182	17.6%	9.9%
2 Physical Medicine	320,553	12.4%	7.0%
3 Surgery	155,553	6.0%	3.4%
4 Radiology	92,238	3.6%	2.0%
5 Special Services & Reports	77,531	3.0%	1.7%
6 Medicine	62,034	2.4%	1.3%
7 Acupuncture	23,067	0.9%	0.5%
8 Anesthesia	16,355	0.6%	0.4%
9 Chiropractic	9,982	0.4%	0.2%
10 Pathology & Laboratory	7,140	0.3%	0.2%
11 Other	1,786	0.1%	0.0%
Physician Services (Subtotal)	1,221,421	47.3%	26.5%
12 Hospital - Outpatient	304,255	11.8%	6.6%
13 Medical-Legal Evaluation Payments	291,204	11.3%	6.3%
14 Hospital - Inpatient	280,044	10.8%	6.1%
15 Medical Supplies and Equipment	238,617	9.2%	5.2%
16 Medical Liens	136,321	5.3%	3.0%
17 Pharmaceuticals	86,515	3.4%	1.9%
18 Dental Services	23,970	0.9%	0.5%
Total Payments for Medical Services (Subtotal)	2,582,346	100.0%	56.0%
19 Medical Payments Made Directly to Injured Workers	1,469,823		31.9%
20 Medical Payments Related to Medicare Set-asides	310,052		6.7%
21 Medical Cost Containment Program Payments ^[1]	144,553		3.1%
22 Interpreter Services	45,237		1.0%
23 Copy Services	32,022		0.7%
24 Capitated Medical Payments	19,956		0.4%
25 Reimbursements to Medicare	6,166		0.1%
Total Calendar Year Medical Payments	4,610,154		100.0%

^[1] Medical Cost Containment Program (MCCP) costs on claims covered by policies incepting prior to July 1, 2010 are considered medical loss; those on claims covered by policies incepting July 1, 2010 and beyond are considered allocated loss adjustment expenses. The amount of MCCP costs reported as allocated loss adjustment expenses for calendar year 2019 is \$306 million.

Sources:

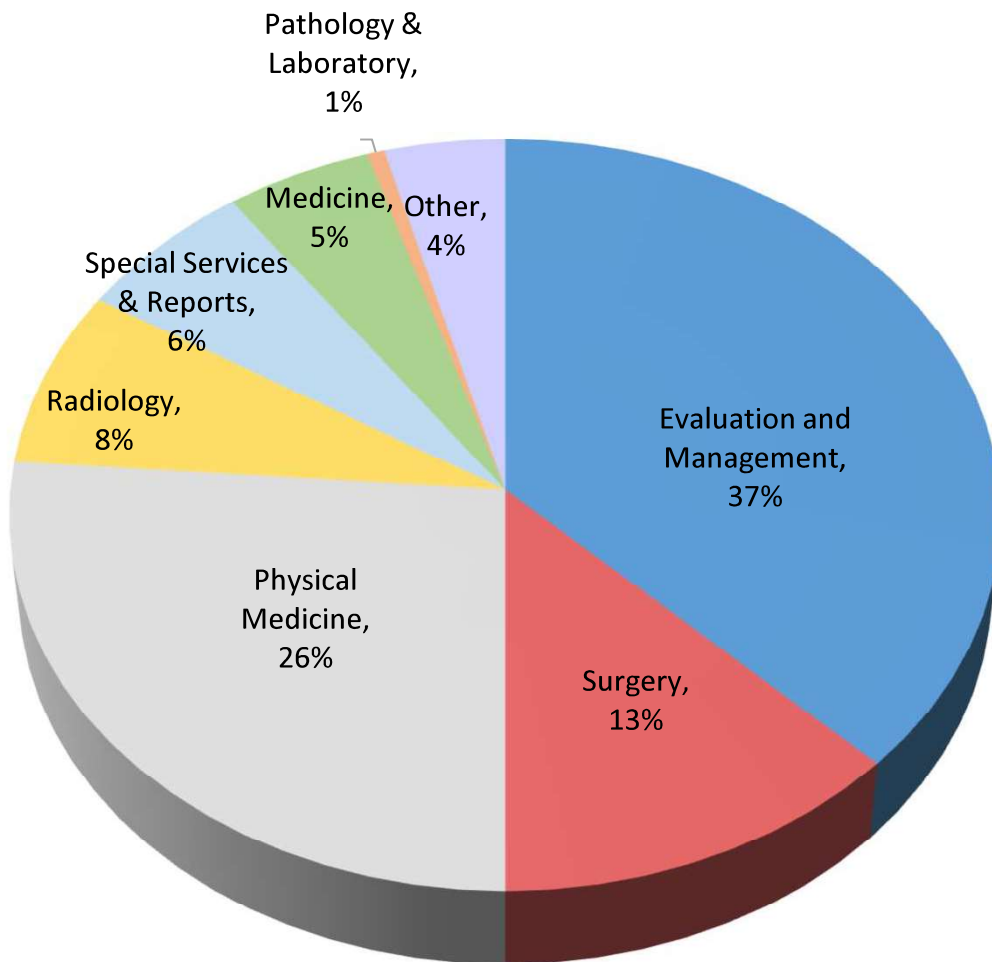
WCIRB aggregate indemnity and medical cost calls
WCIRB medical transaction data

Paid Medical Costs for Calendar Year 2019



Sources:
WCIRB Aggregate Indemnity and Medical Costs Call
WCIRB medical transaction data

Paid Medical Costs by Physician Specialty for Calendar Year 2019



Source: WCIRB medical transaction data

Distribution of Calendar Year Medical Costs Paid

Medical Payment Type	2019		2018 ^[1]	2017 ^[1]	2016 ^[1]	2015 ^[1]	2014 ^[1]
	Medical Payments (\$000)	As % of Total Medical Payments	As % of Total Medical Payments	As % of Total Medical Payments	As % of Total Medical Payments	As % of Total Medical Payments	As % of Total Medical Payments
1 Medical Payments Made Directly to Injured Workers	\$1,469,823	31.9%	31.1%	28.3%	28.3%	26.8%	24.1%
2 Physician Services	\$1,221,421	26.5%	26.3%	26.9%	26.1%	26.4%	27.0%
3 Medical Payments Related to Medicare Set-asides	\$310,052	6.7%	6.1%	5.3%	4.7%	3.6%	2.9%
4 Hospital - Outpatient	\$304,255	6.6%	6.9%	7.4%	7.1%	6.3%	5.7%
5 Medical-Legal Evaluation Payments	\$291,204	6.3%	6.1%	6.7%	7.6%	6.9%	6.6%
6 Hospital - Inpatient	\$280,044	6.1%	6.3%	6.4%	5.9%	6.4%	6.4%
7 Medical Supplies and Equipment	\$238,617	5.2%	5.5%	5.6%	4.8%	4.9%	4.7%
8 Medical Cost Containment Program Payments ^[2]	\$144,553	3.1%	3.2%	3.4%	3.7%	4.2%	4.2%
9 Medical Liens	\$136,321	3.0%	3.6%	4.2%	5.3%	6.1%	6.0%
10 Pharmaceuticals	\$86,515	1.9%	2.3%	3.6%	4.6%	6.9%	8.8%
11 Interpreter Services ^[3]	\$45,237	1.0%	0.8%	0.7%	0.5%	0.6%	1.9%
12 Copy Services ^[3]	\$32,022	0.7%	0.6%	0.6%	0.5%	0.1%	0.9%
13 Dental Services	\$23,970	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%
14 Capitated Medical Payments	\$19,956	0.4%	0.5%	0.4%	0.2%	0.4%	0.2%
15 Reimbursements to Medicare	\$6,166	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%
Total Medical Payments	\$4,610,154	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

^[1] Figures have been updated since the issuance of last year's report.

^[2] Medical Cost Containment Program (MCCP) costs on claims covered by policies incepting prior to July 1, 2010 are considered medical loss; those on claims covered by policies incepting July 1, 2010 and beyond are considered allocated loss adjustment expenses. The amount of MCCP costs reported as allocated loss adjustment expenses for calendar year 2019 is \$306 million.

^[3] 2014 numbers are based on WCIRB surveys of insurer medical payments.

Sources: WCIRB aggregate indemnity and medical cost calls
WCIRB medical transaction data

Distribution of Medical Service Payments by Type of Provider

Provider Type	2019		2018 ^[1]	2017 ^[1]	2016 ^[1]	2015 ^[1]	2014 ^[1]
	Medical Service Payments (\$000)	As % of Total Medical Service Payments	As % of Total Medical Service Payments	As % of Total Medical Service Payments	As % of Total Medical Service Payments	As % of Total Medical Service Payments	As % of Total Medical Service Payments
1 Hospital-Based Provider	\$784,108	30.4%	27.5%	26.3%	23.2%	22.6%	20.4%
2 Physician Specialist	\$299,908	11.6%	12.2%	11.7%	12.9%	12.8%	11.4%
3 Surgeon	\$243,035	9.4%	10.1%	10.2%	10.5%	9.7%	8.9%
4 Physical Therapist	\$239,450	9.3%	9.7%	8.8%	7.6%	6.9%	6.7%
5 MD General Practitioner	\$231,500	9.0%	9.2%	10.5%	10.5%	11.1%	16.5%
6 Ambulatory Surgical Center (ASC) Provider	\$125,959	4.9%	5.3%	5.5%	5.0%	4.5%	4.1%
7 Durable Medical Equipment (DME) Supplier	\$95,057	3.7%	3.2%	3.3%	3.4%	3.6%	3.2%
8 Pharmacist	\$82,815	3.2%	3.8%	4.9%	6.5%	9.1%	10.8%
9 Rehabilitation Provider	\$73,451	2.8%	2.7%	2.4%	2.5%	2.1%	1.7%
10 Psychology, Psychiatry, & Neurology	\$57,297	2.2%	2.3%	2.3%	2.6%	2.4%	2.4%
11 Occupational Health Provider	\$54,882	2.1%	2.2%	2.1%	2.5%	2.9%	3.0%
12 Chiropractic	\$52,367	2.0%	2.0%	2.0%	2.2%	2.0%	1.9%
13 Home Health Provider	\$38,235	1.5%	1.7%	1.7%	1.5%	1.4%	1.5%
14 Dentist	\$26,576	1.0%	1.0%	0.9%	0.9%	0.7%	0.7%
15 Acupuncturist	\$23,689	0.9%	0.9%	0.9%	0.7%	0.6%	0.5%
16 Lab Testing Provider	\$17,085	0.7%	0.7%	1.0%	1.4%	1.9%	2.2%
17 Marriage, Family and Counselors	\$12,042	0.5%	0.5%	0.4%	0.4%	0.1%	0.1%
18 Podiatrist	\$9,390	0.4%	0.3%	0.3%	0.3%	0.3%	0.2%
19 Optometrist	\$508	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20 Social Workers	\$118	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
21 Others	\$114,875	4.4%	4.5%	4.8%	5.3%	5.3%	3.7%
Total Medical Service Payments	\$2,582,346	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

^[1] As a result of WCIRB efforts to more accurately categorize medical transactions, figures shown for 2013 through 2017 have been updated since the issuance of last year's report.

Sources: WCIRB medical transaction data

Distribution of Physician Service Payments

Physician Service by Type of Procedure	2019		2018 ^[1]	2017 ^[1]	2016 ^[1]	2015 ^[1]	2014 ^[1]
	Physician Service Payments (\$000)	As % of Total Physician Service Payments	As % of Total Physician Service Payments	As % of Total Physician Service Payments	As % of Total Physician Service Payments	As % of Total Physician Service Payments	As % of Total Physician Service Payments
1 Evaluation & Management	\$455,182	37.3%	37.6%	37.4%	35.4%	33.8%	30.0%
2 Physical Medicine	\$320,553	26.2%	24.2%	22.2%	21.5%	19.7%	17.4%
3 Surgery	\$155,553	12.7%	13.3%	14.0%	15.1%	17.6%	18.3%
4 Radiology	\$92,238	7.6%	7.6%	7.9%	8.6%	9.2%	9.9%
5 Special Services & Reports	\$77,531	6.3%	7.7%	8.2%	8.4%	7.9%	9.3%
6 Medicine	\$62,034	5.1%	4.9%	5.2%	5.3%	5.1%	5.8%
7 Acupuncture	\$23,067	1.9%	1.8%	1.7%	1.6%	1.4%	1.2%
8 Anesthesia	\$16,355	1.3%	1.4%	1.5%	1.8%	1.9%	2.0%
9 Chiropractic	\$9,982	0.8%	0.8%	0.8%	0.8%	0.7%	0.7%
10 Pathology & Laboratory	\$7,140	0.6%	0.7%	1.0%	1.5%	2.5%	5.4%
11 Other	\$1,786	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%
Total Physician Service Payments	\$1,221,421	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

^[1] Figures have been updated since the issuance of last year's report.

Sources: WCIRB medical transaction data

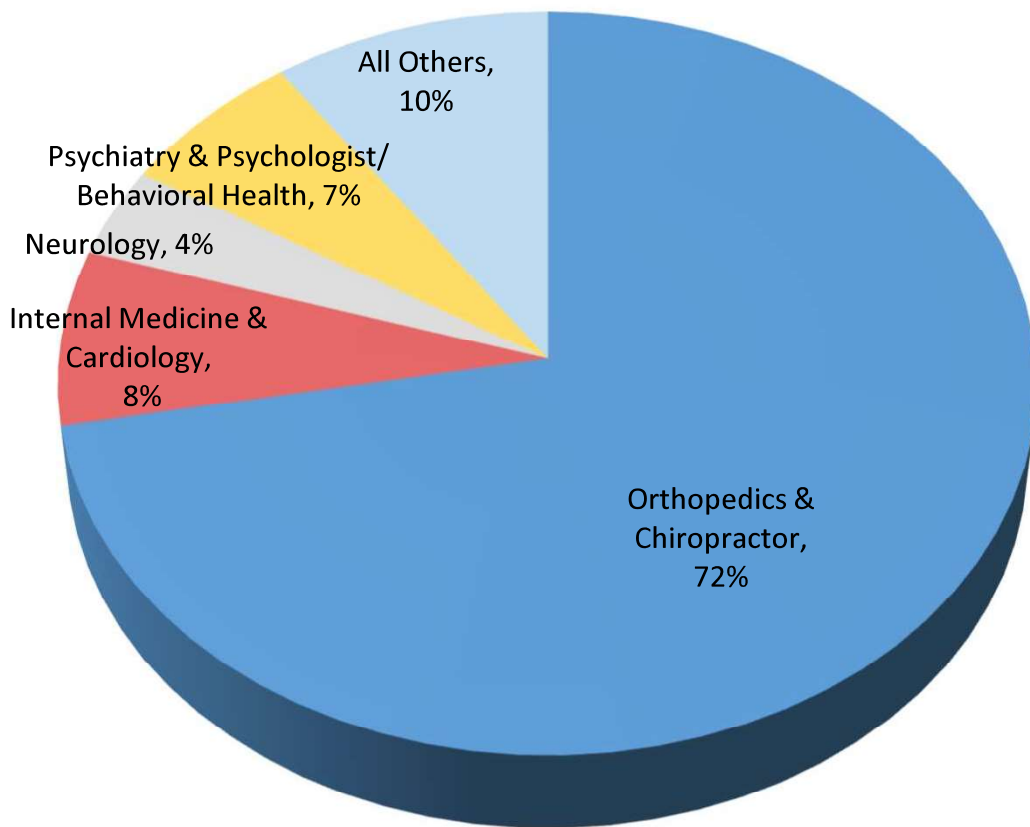
Paid Medical-Legal Costs

<u>Physician Specialty</u>	<u>Service Year 2019</u>			<u>Service Year 2018^[1]</u>			<u>Service Year 2017^[1]</u>			<u>Service Year 2016^[1]</u>		
	<u>Number of Reports</u>	<u>Cost of Reports</u>	<u>Average Cost Per Report</u>	<u>Number of Reports</u>	<u>Cost of Reports</u>	<u>Average Cost Per Report</u>	<u>Number of Reports</u>	<u>Cost of Reports</u>	<u>Average Cost Per Report</u>	<u>Number of Reports</u>	<u>Cost of Reports</u>	<u>Average Cost Per Report</u>
Orthopedic	64.5%	52.1%	\$1,197	65.9%	53.2%	\$1,187	65.4%	53.8%	\$1,235	63.8%	54.2%	\$1,409
Internal Medicine & Cardiology	7.6%	9.5%	\$1,855	7.6%	9.9%	\$1,910	7.8%	9.6%	\$1,856	8.7%	9.7%	\$1,857
Chiropractor	7.6%	7.3%	\$1,423	6.2%	5.9%	\$1,400	6.2%	6.0%	\$1,439	6.2%	6.2%	\$1,665
Psychologist/Behavioral Health	3.1%	7.0%	\$3,358	3.2%	7.3%	\$3,335	3.9%	7.8%	\$3,028	4.5%	8.0%	\$2,920
Psychiatry	3.5%	8.6%	\$3,633	3.9%	8.7%	\$3,307	4.1%	9.0%	\$3,284	4.5%	9.1%	\$3,384
Neurology	3.9%	5.2%	\$1,984	4.0%	5.7%	\$2,131	4.1%	5.4%	\$1,999	4.1%	5.2%	\$2,112
All Others	9.7%	10.2%	\$1,551	9.2%	9.2%	\$1,473	8.6%	8.4%	\$1,464	8.3%	7.6%	\$1,538
Total/Average	100.0%	100.0%	\$1,482	100.0%	100.0%	\$1,470	100.0%	100.0%	\$1,500	100.0%	100.0%	\$1,660

^[1] Figures have been updated from those in last year's report.

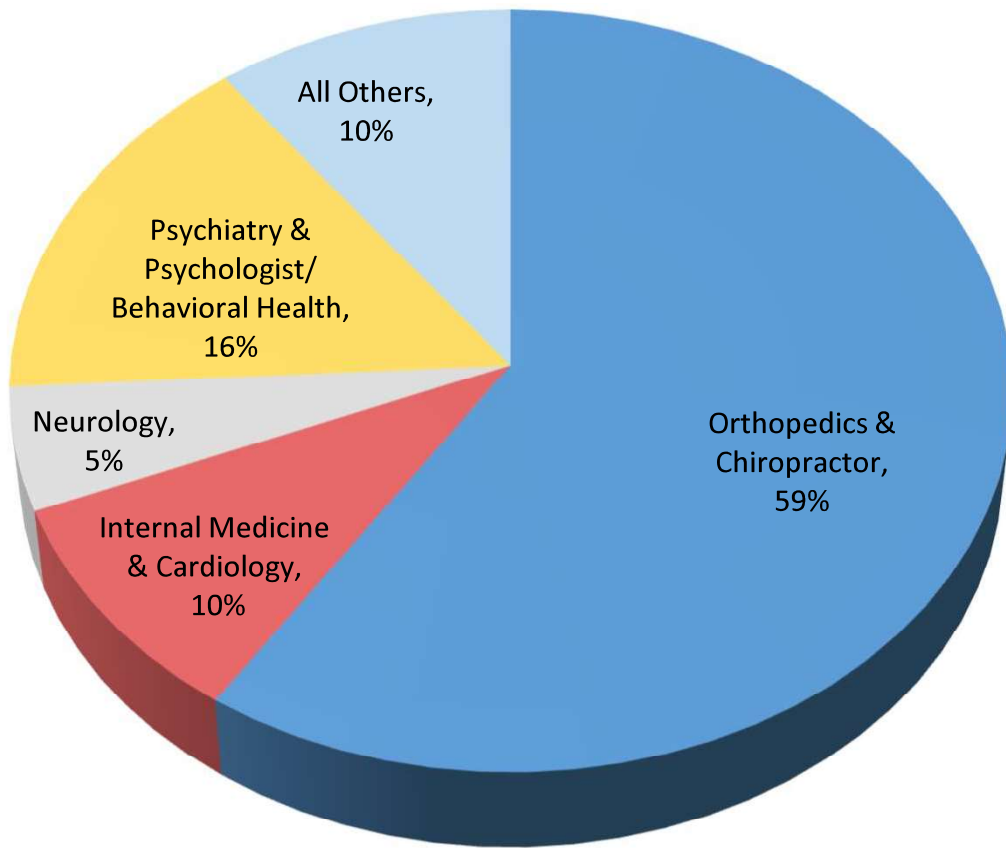
Sources: WCIRB medical transaction data. All figures are based on medical-legal transactions reported on all claim types from all accident years within the service year.

Number of Medical-Legal Reports by Physician Specialty for Calendar Year 2019



Source: WCIRB medical transaction data

**Paid Medical-Legal Costs by Physician Specialty
for Calendar Year 2019**



Source: WCIRB medical transaction data

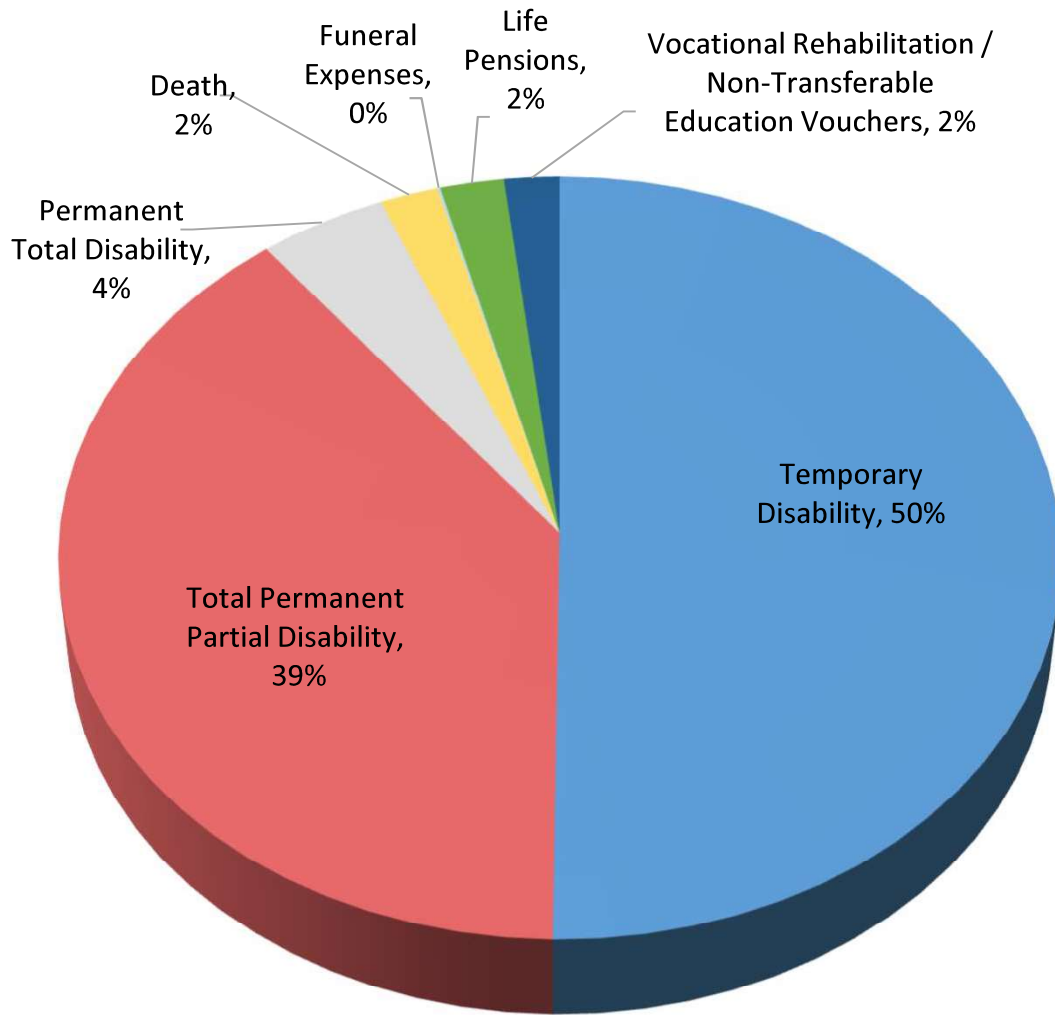
Paid Indemnity Benefits for Calendar Year 2019

Benefit Type	Indemnity Paid (\$ in Thousands)	Percentage of Total Indemnity Paid
Temporary Disability*	1,921,039	50.2%
Permanent Total Disability*	170,000	4.4%
Permanent Partial Disability*		
0.25% - 24.75%	682,854	17.9%
25.00% - 69.75%	722,056	18.9%
70.00% - 99.75%	95,786	2.5%
Total Permanent Partial	1,500,697	39.2%
Death*	75,253	2.0%
Funeral Expenses	2,240	0.1%
Life Pensions	82,953	2.2%
Vocational Rehabilitation/ Non-Transferable Education Vouchers*	73,079	1.9%
Total Indemnity Paid	3,825,261	100.0%

Note: Single Sum Settlement and Other Indemnity payments have been allocated to the benefit categories shown with an asterisk (*).

Source: WCIRB calendar year calls for experience and unit statistical data

Paid Indemnity Benefits for Calendar Year 2019



Source: Calendar year calls for experience and unit statistical data

Policy Year 2017 Permanent Disability Summary
Back Injuries

<u>Percent Disability</u>	<u>Number of Claims</u>	<u>Incurred Ed. Voucher/ Voc. Rehab.(\$)</u>	<u>Paid Indemnity(\$)</u>	<u>Incurred Indemnity(\$)</u>	<u>Paid Medical(\$)</u>	<u>Incurred Medical(\$)</u>
1 - 4	1,591	281,832	11,259,380	18,817,066	9,398,545	20,547,676
5 - 9	2,480	1,201,009	22,226,126	41,520,276	19,663,999	48,844,299
10 - 14	1,988	2,340,948	25,094,986	50,161,194	18,986,486	50,441,696
15 - 19	1,056	973,148	14,190,766	30,817,092	11,437,608	30,418,086
20 - 24	438	628,526	8,390,725	18,925,406	6,704,436	18,244,616
Unknown	202	16,209	2,126,753	4,376,296	1,800,660	4,175,000
Minor Total	7,755	5,441,672	83,288,736	164,617,330	67,991,734	172,671,373
25 - 29	233	356,710	4,880,906	11,591,959	3,712,533	10,573,173
30 - 34	155	273,272	3,922,027	9,189,504	3,441,166	8,937,842
35 - 39	80	104,899	2,428,489	6,035,632	2,898,821	7,306,522
40 - 44	48	67,150	1,249,591	3,913,541	1,446,445	3,925,688
45 - 49	23	18,000	569,951	2,001,044	660,097	2,060,720
50 - 54	23	30,000	804,619	1,979,971	1,091,957	2,381,016
55 - 59	10	36,675	319,075	1,254,251	546,457	2,409,670
60 - 64	10	21,100	420,568	1,171,145	959,867	1,923,377
65 - 69	6	6,000	138,457	647,585	507,575	1,535,952
70 - 74	9	24,000	220,793	1,943,610	1,157,831	3,300,397
75 - 79	6	12,000	251,668	2,488,645	1,066,487	8,582,721
80 - 84	3	0	95,840	225,047	16,400	79,813
85 - 89	1	0	53,472	119,215	30,538	79,600
90 - 94	2	0	49,908	1,161,007	448,297	1,689,950
95 - 99	3	6,000	96,348	3,816,404	2,389,728	10,474,883
Unknown	25	0	625,065	1,686,202	1,980,401	3,613,315
Major Total	637	955,806	16,126,777	49,224,762	22,354,600	68,874,639
Permanent Total	12	24,000	813,761	10,890,691	8,970,524	42,855,873
Grand Total	8,404	6,421,478	100,229,274	224,732,783	99,316,858	284,401,885

Source: WCIRB unit statistical data at first report level

Policy Year 2017 Permanent Disability Summary
Slip and Fall Injuries

<u>Percent Disability</u>	<u>Number of Claims</u>	<u>Incurred Ed. Voucher/ Voc. Rehab.(\$)</u>	<u>Paid Indemnity(\$)</u>	<u>Incurred Indemnity(\$)</u>	<u>Paid Medical(\$)</u>	<u>Incurred Medical(\$)</u>
1 - 4	1,710	357,219	13,901,644	23,346,742	15,206,960	31,831,482
5 - 9	2,660	1,234,492	28,232,265	51,645,291	29,709,463	67,005,033
10 - 14	1,869	2,195,523	26,469,286	52,606,041	27,490,696	62,015,860
15 - 19	1,146	1,052,587	18,530,979	38,526,663	19,283,918	43,512,538
20 - 24	504	638,296	11,139,156	23,495,701	13,241,557	28,986,776
Unknown	188	26,908	2,883,461	6,709,800	4,121,069	8,322,996
Minor Total	8,077	5,505,025	101,156,791	196,330,238	109,053,663	241,674,685
25 - 29	277	455,969	5,911,283	14,636,178	6,980,268	16,333,470
30 - 34	216	336,873	5,657,809	13,967,866	7,423,055	17,652,966
35 - 39	84	176,499	2,441,666	6,418,465	4,288,699	9,917,344
40 - 44	66	116,853	1,580,669	5,393,972	4,699,758	8,966,869
45 - 49	29	49,375	1,051,168	2,789,052	1,614,484	3,558,397
50 - 54	31	69,450	1,054,741	3,829,595	3,353,281	8,345,756
55 - 59	9	12,675	206,766	1,054,215	414,573	1,974,060
60 - 64	12	55,000	364,941	1,598,037	1,634,247	4,480,607
65 - 69	17	36,000	583,113	3,041,305	4,978,744	11,892,719
70 - 74	15	33,000	594,867	3,754,946	2,843,851	8,815,456
75 - 79	9	25,000	282,501	3,698,027	1,429,339	10,046,690
80 - 84	3	1,500	123,122	1,269,373	1,874,507	3,074,264
85 - 89	2	6,000	67,726	1,533,978	631,676	3,067,828
90 - 94	3	6,000	133,877	1,722,719	732,244	3,212,689
95 - 99	3	6,000	95,802	1,642,298	614,392	5,530,497
Unknown	26	42,500	568,326	4,286,378	1,685,937	3,078,495
Major Total	802	1,428,694	20,718,377	70,636,404	45,199,055	119,948,107
Permanent Total	22	18,000	1,239,371	23,424,411	21,522,322	86,588,602
Grand Total	8,901	6,951,719	123,114,539	290,391,053	175,775,040	448,211,394

Source: WCIRB unit statistical data at first report level

Policy Year 2017 Permanent Disability Summary
Psychiatric and Mental Stress Injuries

<u>Percent Disability</u>	<u>Number of Claims</u>	<u>Incurred Ed. Voucher/ Voc. Rehab.(\$)</u>	<u>Paid Indemnity(\$)</u>	<u>Incurred Indemnity(\$)</u>	<u>Paid Medical(\$)</u>	<u>Incurred Medical(\$)</u>
1 - 4	251	53,075	1,646,657	2,906,801	1,006,493	2,541,619
5 - 9	223	39,325	1,754,679	3,395,244	1,362,680	3,338,941
10 - 14	160	168,097	1,852,618	3,437,474	974,119	2,719,226
15 - 19	120	36,750	865,720	2,288,366	716,466	1,912,503
20 - 24	44	55,500	889,900	1,935,707	367,320	1,146,756
Unknown	55	6,000	475,255	787,562	455,843	842,201
Minor Total	853	358,747	7,484,829	14,751,154	4,882,921	12,501,246
25 - 29	15	36,000	322,514	670,400	121,980	345,205
30 - 34	15	12,000	286,661	631,855	224,080	393,986
35 - 39	5	6,000	91,415	301,611	62,853	252,559
40 - 44	4	0	97,954	193,341	22,879	80,298
45 - 49	4	0	221,329	362,279	57,066	124,994
50 - 54	1	6,000	0	106,946	3,152	31,030
55 - 59	2	0	90,943	148,188	23,338	28,043
60 - 64	0	0	0	0	0	0
65 - 69	0	0	0	0	0	0
70 - 74	0	0	0	0	0	0
75 - 79	0	0	0	0	0	0
80 - 84	0	0	0	0	0	0
85 - 89	1	0	51,751	97,265	13,106	47,300
90 - 94	0	0	0	0	0	0
95 - 99	0	0	0	0	0	0
Unknown	1	0	0	73,233	7,421	94,471
Major Total	48	60,000	1,162,567	2,585,118	535,875	1,397,886
Permanent Total	0	0	0	0	0	0
Grand Total	901	418,747	8,647,396	17,336,272	5,418,796	13,899,132

Source: WCIRB unit statistical data at first report level

Policy Year 2017 Permanent Disability Summary
 Carpel Tunnel / Repetitive Motion Injuries

<u>Percent Disability</u>	<u>Number of Claims</u>	<u>Incurred Ed. Voucher/ Voc. Rehab.(\$)</u>	<u>Paid Indemnity(\$)</u>	<u>Incurred Indemnity(\$)</u>	<u>Paid Medical(\$)</u>	<u>Incurred Medical(\$)</u>
1 - 4	946	184,785	5,832,869	10,258,984	5,045,632	11,805,483
5 - 9	1,089	280,529	9,292,568	17,976,583	7,918,138	20,780,175
10 - 14	782	911,290	8,025,060	18,480,566	6,711,476	19,066,988
15 - 19	330	242,821	4,136,232	9,524,508	3,278,577	8,933,751
20 - 24	138	126,126	2,112,216	5,609,492	1,315,783	4,394,138
Unknown	47	7,820	414,536	1,142,232	334,258	976,102
Minor Total	3,332	1,753,371	29,813,481	62,992,365	24,603,864	65,956,637
25 - 29	64	123,655	1,041,824	2,892,704	699,228	2,255,159
30 - 34	36	68,200	628,085	2,247,556	512,800	1,698,899
35 - 39	12	12,375	371,134	782,575	149,182	385,213
40 - 44	9	22,000	184,609	786,904	66,271	385,496
45 - 49	6	6,000	135,871	377,869	83,134	180,811
50 - 54	6	0	227,697	479,361	97,467	182,891
55 - 59	1	0	41,213	71,408	1,396	43,132
60 - 64	2	0	79,465	143,584	18,253	29,253
65 - 69	0	0	0	0	0	0
70 - 74	2	0	60,699	183,025	306,022	398,339
75 - 79	1	0	8,151	95,000	7,704	37,000
80 - 84	0	0	0	0	0	0
85 - 89	0	0	0	0	0	0
90 - 94	0	0	0	0	0	0
95 - 99	1	0	51,031	124,335	8,396	38,800
Unknown	3	0	49,002	63,552	31,858	35,526
Major Total	143	232,230	2,878,781	8,247,873	1,981,711	5,670,519
Permanent Total	0	0	0	0	0	0
Grand Total	3,475	1,985,601	32,692,262	71,240,238	26,585,575	71,627,156

Source: WCIRB unit statistical data at first report level

Policy Year 2017 Permanent Disability Summary
Other Cumulative Injuries

<u>Percent Disability</u>	<u>Number of Claims</u>	<u>Incurred Ed. Voucher/ Voc. Rehab.(\$)</u>	<u>Paid Indemnity(\$)</u>	<u>Incurred Indemnity(\$)</u>	<u>Paid Medical(\$)</u>	<u>Incurred Medical(\$)</u>
1 - 4	1,306	123,417	5,251,391	9,961,510	5,092,117	12,880,617
5 - 9	1,650	327,702	6,903,712	17,268,936	6,149,140	21,798,580
10 - 14	1,016	516,298	5,870,039	16,681,500	4,700,040	17,716,732
15 - 19	534	266,883	4,414,426	12,169,114	3,356,818	10,799,744
20 - 24	228	248,763	2,313,685	7,670,275	1,507,055	6,025,400
Unknown	70	6,000	424,438	891,939	523,221	1,147,858
Minor Total	4,804	1,489,063	25,177,691	64,643,274	21,328,391	70,368,931
25 - 29	108	141,859	1,269,861	4,007,800	680,366	2,960,477
30 - 34	70	98,472	993,000	3,714,560	768,270	2,965,845
35 - 39	25	32,287	380,511	1,542,082	228,155	1,060,025
40 - 44	18	15,600	472,254	1,117,800	279,036	590,466
45 - 49	15	23,994	295,836	876,401	143,716	665,721
50 - 54	10	12,000	152,302	704,315	135,583	525,765
55 - 59	3	0	0	158,751	18,097	123,530
60 - 64	5	12,000	93,829	668,326	439,698	1,752,252
65 - 69	5	0	145,985	522,525	164,890	533,817
70 - 74	0	0	0	0	0	0
75 - 79	2	6,000	45,991	992,368	549,026	1,194,186
80 - 84	0	0	0	0	0	0
85 - 89	0	0	0	0	0	0
90 - 94	0	0	0	0	0	0
95 - 99	2	6,000	34,882	119,907	43,024	56,468
Unknown	4	0	325,652	453,525	131,562	336,255
Major Total	267	348,212	4,210,103	14,878,360	3,581,423	12,764,807
Permanent Total	6	6,000	450,667	1,950,091	6,520,861	21,231,615
Grand Total	5,077	1,843,275	29,838,461	81,471,725	31,430,675	104,365,353

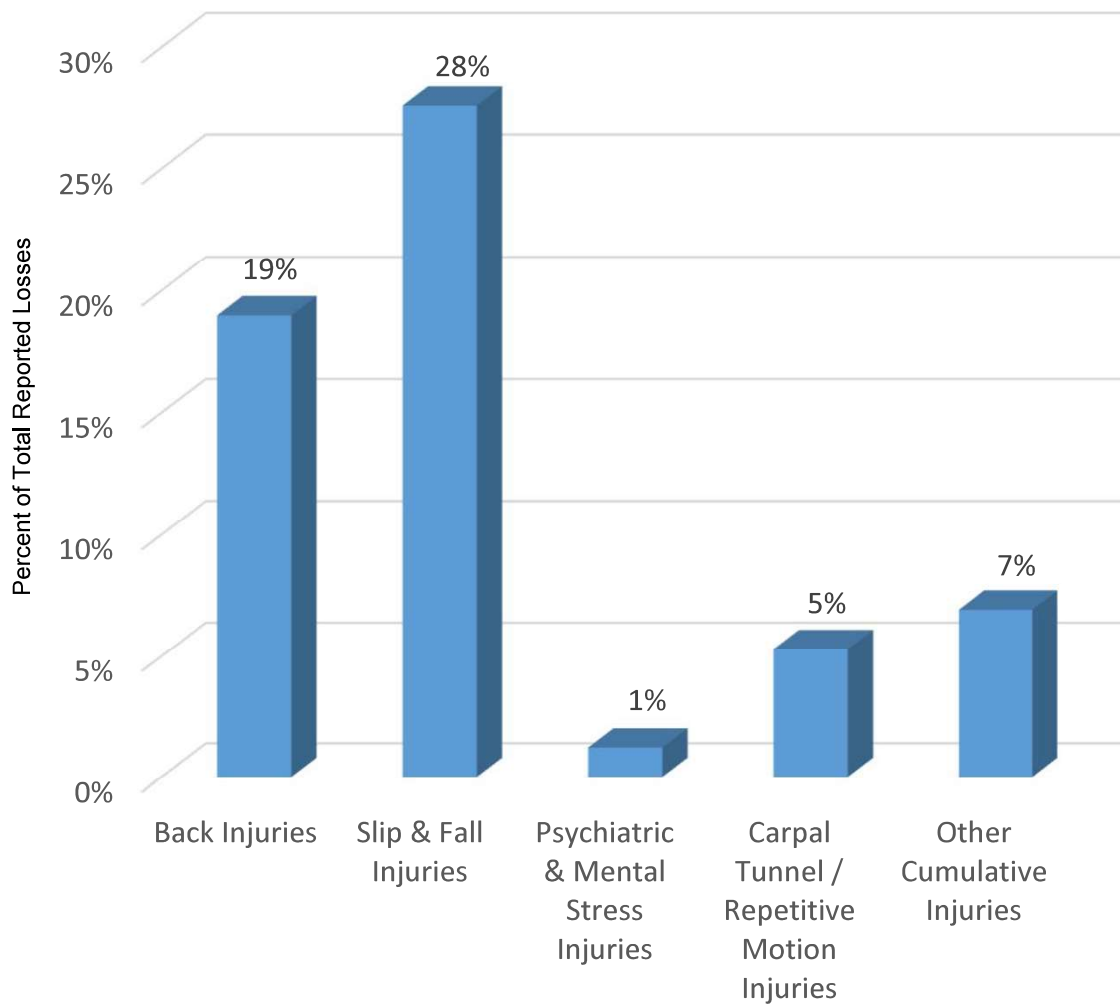
Source: WCIRB unit statistical data at first report level

Policy Year 2017 Permanent Disability Summary
All Injuries

<u>Percent Disability</u>	<u>Number of Claims</u>	<u>Incurred Ed. Voucher/ Voc. Rehab.(\$)</u>	<u>Paid Indemnity(\$)</u>	<u>Incurred Indemnity(\$)</u>	<u>Paid Medical(\$)</u>	<u>Incurred Medical(\$)</u>
1 - 4	10,938	1,862,257	72,001,258	120,374,966	73,493,753	156,031,598
5 - 9	13,952	5,165,588	124,771,396	235,410,402	122,277,837	294,449,617
10 - 14	9,178	9,730,646	110,256,988	224,354,774	100,263,821	248,323,493
15 - 19	4,788	3,675,756	67,695,140	145,593,035	63,439,291	150,853,946
20 - 24	2,012	2,453,368	38,666,738	87,794,520	37,216,823	90,940,076
Unknown	1,061	97,696	12,142,236	28,320,633	14,079,440	32,529,076
Minor Total	41,929	22,985,311	425,533,756	841,848,330	410,770,965	973,127,806
25 - 29	1,104	1,707,707	22,456,682	56,450,412	22,998,381	63,700,339
30 - 34	699	1,055,224	16,457,195	44,442,118	20,248,350	50,309,616
35 - 39	340	588,413	9,804,536	25,305,603	12,514,753	31,666,698
40 - 44	215	331,478	5,601,860	17,406,133	11,331,660	23,654,321
45 - 49	133	169,929	4,186,856	11,713,972	5,656,266	13,573,190
50 - 54	113	180,475	3,929,105	12,289,516	9,250,861	21,513,716
55 - 59	50	65,625	2,016,096	6,444,904	3,306,909	9,417,960
60 - 64	47	117,600	1,656,548	5,670,334	4,330,519	11,643,467
65 - 69	48	74,002	1,601,720	8,046,249	16,269,605	31,094,327
70 - 74	39	78,000	1,235,668	8,187,190	5,431,200	16,093,119
75 - 79	24	65,600	795,793	8,852,128	4,183,179	24,239,572
80 - 84	24	29,600	1,159,795	6,717,163	6,442,320	12,003,896
85 - 89	11	18,000	464,241	4,538,344	3,341,083	14,846,881
90 - 94	12	13,200	495,647	3,445,966	3,467,866	7,256,725
95 - 99	11	17,000	700,825	6,067,497	4,413,407	14,308,033
Unknown	111	52,625	2,722,116	11,983,528	5,445,220	12,279,361
Major Total	2,981	4,564,478	75,284,683	237,561,057	138,631,579	357,601,221
Permanent Total	57	48,000	2,503,930	56,907,661	43,696,118	209,617,764
Grand Total	44,967	27,597,789	503,322,369	1,136,317,048	593,098,662	1,540,346,791

Source: WCIRB unit statistical data at first report level

Total Reported Losses* on Permanent Disability Claims by Type of Injury for Policy Year 2017**

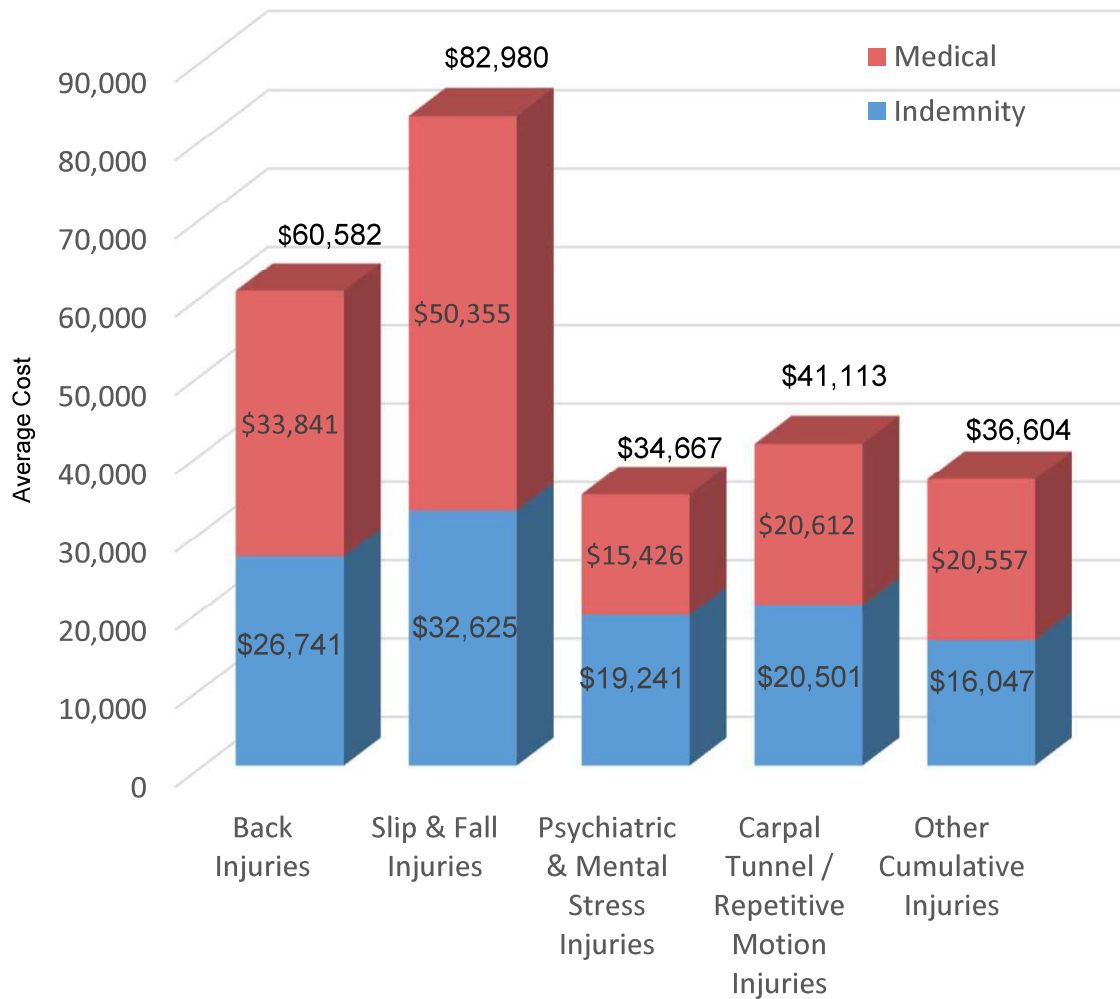


* These costs are based on claim data evaluated as of 18 months from inception of each 2017 policy, and are not developed to an ultimate basis.

** These categories are not mutually exclusive. For example, some back injuries result from slips and falls.

Source: WCIRB unit statistical data at first report level

Average Cost (Undeveloped)* Per Permanent Disability Claim by Type of Injury** for Policy Year 2017



* These costs are based on claim data evaluated as of 18 months from inception of each 2017 policy, and are not developed to an ultimate basis.

** These categories are not mutually exclusive. For example, some back injuries result from slips and falls.

Source: WCIRB unit statistical data at first report level

Paid Vocational Rehabilitation by Calendar Year

<u>Category</u>	<u>2019</u>			<u>2018</u>			<u>2017</u>			<u>2016</u>			<u>2015</u>		
	<u>Voc. Rehab. Paid(\$000)</u>	<u>% of Total Voc. Rehab.</u>	<u>% of Total Paid Indemnity</u>	<u>Voc. Rehab. Paid(\$000)</u>	<u>% of Total Voc. Rehab.</u>	<u>% of Total Paid Indemnity</u>	<u>Voc. Rehab. Paid(\$000)</u>	<u>% of Total Voc. Rehab.</u>	<u>% of Total Paid Indemnity</u>	<u>Voc. Rehab. Paid(\$000)</u>	<u>% of Total Voc. Rehab.</u>	<u>% of Total Paid Indemnity</u>	<u>Voc. Rehab. Paid(\$000)</u>	<u>% of Total Voc. Rehab.</u>	<u>% of Total Paid Indemnity</u>
Education Vouchers	70,595	96.6%	1.8%	84,280	96.6%	2.3%	79,409	96.8%	2.1%	61,681	95.5%	1.7%	44,421	96.9%	1.3%
Other Voc. Rehab.	2,484	3.4%	0.1%	2,968	3.4%	0.1%	2,619	3.2%	0.1%	2,876	4.5%	0.1%	1,408	3.1%	0.0%
Total Vocational Rehabilitation	73,079	100.0%	1.9%	87,248	100.0%	2.3%	82,028	100.0%	2.2%	64,557	100.0%	1.8%	45,829	100.0%	1.4%

Source: WCIRB calendar year calls for experience and Permanent Disability Claims Survey

Insurer Underwriting Experience by Calendar Year

	2019	2018 ^[1]	2017 ^[1]	2016 ^[1]	2015 ^[1]	2014	2013	2012	2011	2010	2009	2008	2007	
Direct Earned Premium (\$ in Millions)														
Gross of Deductible Credits	\$16,120	\$17,426	\$17,671	\$17,954	\$17,110	\$16,227	\$14,382	\$12,084	\$10,440	\$9,632	\$9,068	\$10,904	\$13,331	
Direct Losses & Expenses (\$ in Millions)														
	As Percentage of Earned Premium													
1 Paid Losses														
a. Indemnity														
i. Insurer	\$3,792	23.5%	21.4%	20.8%	19.8%	20.0%	20.5%	23.1%	26.2%	28.3%	28.8%	30.1%	26.6%	23.0%
ii. CIGA ^[2]	\$33	0.2%	0.2%	0.3%	0.2%	0.3%	0.4%	0.3%	0.3%	0.5%	0.6%	0.8%	0.8%	0.7%
iii. Total Indemnity Paid	\$3,825	23.7%	21.7%	21.0%	20.0%	20.3%	20.9%	23.4%	26.5%	28.8%	29.4%	30.9%	27.4%	23.8%
b. Medical														
i. Insurer	\$4,509	28.0%	26.0%	26.1%	26.2%	27.7%	30.0%	35.4%	39.1%	41.8%	43.9%	44.7%	37.4%	27.7%
ii. CIGA ^[2]	\$102	0.6%	0.7%	0.8%	0.7%	0.9%	1.0%	0.9%	0.9%	0.8%	1.0%	1.1%	1.1%	0.9%
iii. Total Medical Paid	\$4,610	28.6%	26.6%	26.8%	26.9%	28.7%	31.0%	36.2%	40.1%	42.6%	44.9%	45.9%	38.5%	28.6%
c. Total Paid Losses														
i. Insurer	\$8,300	51.5%	47.4%	46.8%	46.0%	47.8%	50.5%	58.4%	65.3%	70.1%	72.7%	74.8%	64.0%	50.8%
ii. CIGA ^[2]	\$135	0.8%	0.9%	1.0%	0.9%	1.2%	1.4%	1.2%	1.3%	1.3%	1.6%	1.9%	1.9%	1.6%
iii. Total Losses Paid	\$8,435	52.3%	48.3%	47.9%	46.9%	49.0%	51.9%	59.6%	66.6%	71.4%	74.2%	76.7%	65.9%	52.4%
2 Change in Insurer Reserves^[3]	(\$519)	-3.2%	-4.6%	6.9%	13.8%	14.4%	17.5%	13.3%	11.0%	3.9%	1.3%	-1.7%	-0.1%	2.1%
3 Insurer Losses Incurred [1c.i. + 2]	\$7,781	48.3%	42.8%	53.7%	59.8%	62.2%	68.0%	71.7%	76.3%	74.0%	73.9%	73.2%	63.9%	52.9%
4 Insurer Loss Adjustment Expenses (LAE)														
a. Allocated	\$1,152	7.1%	9.1%	9.4%	9.7%	11.8%	11.6%	12.0%	11.7%	11.4%	9.9%	9.8%	7.6%	5.6%
b. Unallocated ^[3]	\$905	5.6%	5.6%	9.4%	6.1%	6.2%	6.1%	6.3%	6.2%	13.9%	10.2%	11.0%	9.1%	8.1%
c. Total LAE	\$2,057	12.8%	14.7%	18.8%	15.8%	18.0%	17.8%	18.3%	18.0%	25.3%	20.1%	20.8%	16.7%	13.7%
5 Commissions & Brokerage	\$1,360	8.4%	7.7%	7.9%	7.8%	7.3%	7.3%	7.4%	7.8%	8.2%	7.6%	7.7%	7.4%	6.7%
6 Other Acquisition Expenses	\$683	4.2%	3.6%	3.8%	3.8%	3.5%	3.5%	3.6%	3.7%	4.9%	5.5%	5.6%	4.7%	3.7%
7 General Expenses	\$980	6.1%	5.5%	5.5%	4.8%	4.7%	5.0%	5.0%	6.5%	7.6%	7.3%	7.2%	6.4%	5.4%
8 Premium & Other Taxes	\$329	2.0%	2.1%	2.0%	2.1%	2.1%	1.8%	2.3%	2.4%	2.2%	2.4%	1.9%	1.9%	2.5%
9 Insurer Total Expenses [4c + 5 + 6 + 7 + 8]	\$5,409	33.6%	33.7%	38.0%	34.2%	35.7%	35.3%	36.6%	38.4%	48.2%	42.8%	43.2%	37.1%	31.9%
10 Insurer Total Losses & Expenses [3 + 9]	\$13,190	81.8%	76.5%	91.7%	94.0%	97.8%	103.3%	108.3%	114.7%	122.2%	116.7%	116.4%	101.0%	84.8%
11 Insurer Policyholder Dividends	\$32	0.2%	0.2%	0.2%	0.2%	0.4%	0.4%	0.4%	0.9%	0.1%	0.2%	0.2%	0.2%	0.2%
12 Insurer Pre-Tax Underwriting Profit (Loss)^[4] [100% - 10 - 11] x Earned Premium (\$ in Millions)	\$2,898	18.0%	23.3%	8.1%	5.8%	1.8%	-3.8%	-8.7%	-15.6%	-22.3%	-16.9%	-16.6%	-1.2%	15.1%
			\$4,066	\$1,434	\$1,042	\$308	(\$615)	(\$1,245)	(\$1,887)	(\$2,326)	(\$1,629)	(\$1,505)	(\$132)	\$2,010

Notes:

^[1] Figures have been updated since the issuance of last year's report.

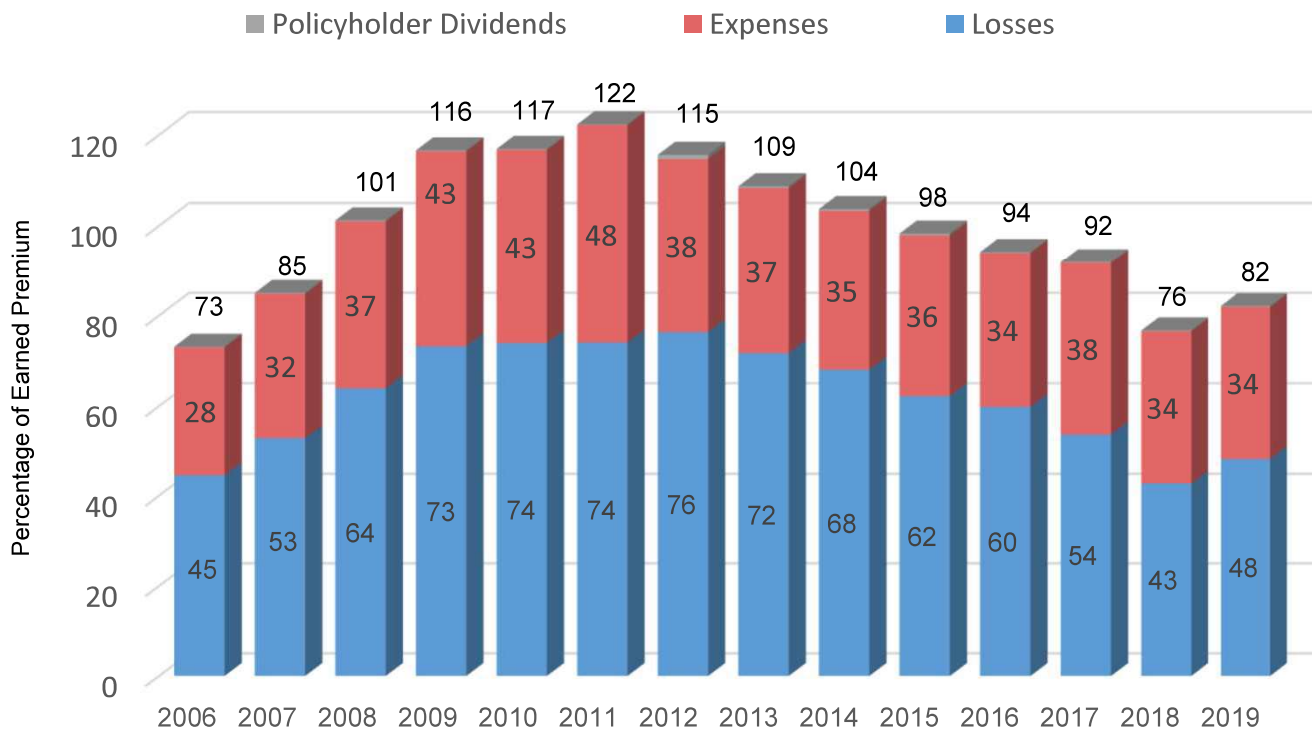
^[2] CIGA loss payments are shown above for informational purposes only, and are not included in the Insurer Pre-Tax Underwriting Profit (Loss) (line 12).

^[3] 2011 figures include a reallocation made by the State Compensation Insurance Fund to move \$500 million of reserves from loss to ULAE. 2017 figures include a reallocation made by the State Compensation Insurance Fund to move \$450 million of reserves from loss to ULAE.

^[4] Insurer Pre-Tax Underwriting Profit (Loss) represents only the underwriting profit (loss) of California workers' compensation insured policies, and is prior to reinsurance assumed or ceded, prior to the application of deductible credits or retrospective rating plan adjustments, and does not include any provision for investment income or federal income taxes. (See NAIC's *Report on Profitability By Line By State*, which is published annually, for an estimate of the overall profitability of California workers' compensation.)

Source: WCIRB expense calls.

Insurer Underwriting Experience



Source: WCIRB expense calls.

Summary of Claims by Cause of Injury - Policy Year 2017

Cause of Injury	Number of Claims	Percentage of Claims	Incurred Losses(\$)	Percentage of Total Losses
56 Strain by - Lifting	40,268	10.0%	442,410,954	9.2%
60 Strain or Injury By, NOC	27,861	6.9%	324,709,988	6.8%
31 Fall, Slip or Trip Injury, NOC	19,732	4.9%	312,997,899	6.5%
99 Other - Miscellaneous, NOC	28,234	7.0%	305,165,465	6.4%
98 Cumulative, NOC	15,540	3.9%	288,450,661	6.0%
97 Strain by - Repetitive Motion	17,642	4.4%	268,510,954	5.6%
29 Fall - On Same Level	17,936	4.5%	254,036,558	5.3%
25 Fall - From Different Level (Elevation)	6,350	1.6%	253,103,524	5.3%
26 Fall - From Ladder or Scaffolding	5,363	1.3%	236,039,461	4.9%
57 Strain by - Pushing or Pulling	15,074	3.7%	181,435,700	3.8%
75 Struck or Injured By - Falling or Flying Object	14,943	3.7%	172,444,538	3.6%
45 Motor Vehicle - Collision or Sideswipe with Another Vehicle	5,203	1.3%	144,870,498	3.0%
53 Strain by - Twisting	8,254	2.0%	96,593,894	2.0%
77 Struck or Injured By - Motor Vehicle	1,994	0.5%	78,405,502	1.6%
79 Struck or Injured By - Object Being Lifted or Handled	8,866	2.2%	77,795,908	1.6%
81 Struck or Injured By, NOC	9,094	2.3%	76,220,190	1.6%
50 Motor Vehicle, NOC	2,991	0.7%	74,255,852	1.6%
10 Caught in - Machine or Machinery	3,268	0.8%	73,047,936	1.5%
55 Strain by - Holding or Carrying	6,108	1.5%	69,923,637	1.5%
27 Fall - From Liquid or Grease Spills	4,430	1.1%	60,188,308	1.3%
13 Caught In, Under or Between, NOC	5,300	1.3%	57,379,037	1.2%
33 Fall - On Stairs	4,213	1.0%	57,227,873	1.2%
68 Struck or Stepped On - Stationary Object	8,312	2.1%	53,398,097	1.1%
30 Slip or Trip But Did Not Fall	3,629	0.9%	51,397,466	1.1%
58 Strain by - Reaching	4,125	1.0%	45,332,855	0.9%
74 Struck or Injured By - Fellow Workers, Patient or Other Person	5,795	1.4%	45,088,914	0.9%
19 Cut, Puncture, Scrape or Injured By, NOC	15,799	3.9%	44,421,587	0.9%
70 Striking Against or Stepping On, NOC	6,443	1.6%	40,211,183	0.8%
89 Person in Act of a Crime	1,545	0.4%	39,949,597	0.8%
90 Other than Physical Cause of Injury	3,797	0.9%	38,180,414	0.8%
18 Cut or Puncture by - Powered Hand Tool, Appliance	3,666	0.9%	37,227,968	0.8%
94 Rubbed or Abraded By - Repetitive Motion	2,759	0.7%	35,336,780	0.7%
17 Cut or Puncture by - Object Being Lifted or Handled	9,982	2.5%	33,562,066	0.7%
84 Burn or Scald - Electrical Current	522	0.1%	33,233,169	0.7%
59 Strain by - Using Tool or Machinery	2,506	0.6%	33,100,177	0.7%
12 Caught in - Object Handled	4,836	1.2%	31,550,033	0.7%
85 Struck or Injured By - Animal or Insect	7,570	1.9%	26,225,476	0.5%
28 Fall - Into Openings	1,325	0.3%	22,400,826	0.5%
80 Struck or Injured By - Object Handled by Others	2,019	0.5%	22,381,767	0.5%
76 Struck or Injured By - Hand Tool or Machine in Use	2,780	0.7%	21,970,206	0.5%
16 Cut or Puncture by - Hand Tool, Utensils; Not Powered	10,533	2.6%	20,225,580	0.4%
54 Strain by - Jumping or Leaping	1,517	0.4%	18,961,197	0.4%
66 Struck or Stepped On - Object Being Lifted or Handled	2,479	0.6%	16,654,564	0.3%
48 Motor Vehicle - Vehicle Upset	333	0.1%	14,067,541	0.3%
46 Motor Vehicle - Collision with a Fixed Object	453	0.1%	12,491,877	0.3%
78 Struck or Injured By - Moving Parts of Machine	1,019	0.3%	12,262,353	0.3%
01 Burn or Scald - Chemicals	2,821	0.7%	10,617,432	0.2%
86 Struck or Injured By - Explosion or Flare Back	83	0.0%	10,571,038	0.2%
82 Absorption, Ingestion or Inhalation, NOC	3,328	0.8%	10,505,745	0.2%
02 Burn or Scald - Hot Objects or Substances	2,577	0.6%	10,369,757	0.2%
87 Foreign Matter (Body) in Eye(s)	8,382	2.1%	10,098,010	0.2%
05 Burn or Scald - Steam or Hot Fluids	2,031	0.5%	9,780,915	0.2%
09 Burn or Scald - Contact With, NOC	1,734	0.4%	8,886,140	0.2%
32 Fall - On Ice or Snow	584	0.1%	8,434,336	0.2%
69 Struck or Stepped On - Stepping on Sharp Object	1,874	0.5%	8,070,884	0.2%
15 Cut or Puncture by - Broken Glass	2,424	0.6%	6,349,906	0.1%
65 Struck or Stepped On - Moving Part of Machine	562	0.1%	5,629,389	0.1%
04 Burn or Scald - Fire or Flame	336	0.1%	5,452,892	0.1%
61 Strain by - Wielding or Throwing	282	0.1%	3,502,895	0.1%
11 Burn or Scald - Cold Objects or Substances	278	0.1%	3,371,644	0.1%
06 Burn or Scald - Dusts, Gases, Fumes or Vapors	960	0.2%	3,296,995	0.1%
03 Burn or Scald - Temperature Extremes	813	0.2%	2,907,658	0.1%
20 Caught in - Collapsing Materials (Slides of Earth)	151	0.0%	1,939,821	0.0%
95 Rubbed or Abraded By, NOC	398	0.1%	1,561,875	0.0%
52 Strain by - Continual Noise	193	0.0%	1,508,713	0.0%
07 Burn or Scald - Welding Operations	140	0.0%	1,224,021	0.0%
41 Motor Vehicle - Crash of Rail Vehicle	110	0.0%	1,089,286	0.0%
14 Burn or Scald - Abnormal Air Pressure	91	0.0%	701,581	0.0%
93 Gunshot	7	0.0%	654,713	0.0%
47 Motor Vehicle - Crash of Airplane	8	0.0%	576,042	0.0%
67 Struck or Stepped On - Sanding, Scraping, Cleaning Operation	100	0.0%	461,517	0.0%
91 Mold	55	0.0%	332,980	0.0%
40 Motor Vehicle - Crash of Water Vehicle	33	0.0%	213,790	0.0%
08 Burn or Scald - Radiation	65	0.0%	138,588	0.0%
96 Terrorism	12	0.0%	57,834	0.0%
88 Natural Disasters	13	0.0%	21,374	0.0%
Total	402,853	100.0%	4,783,173,801	100.0%

Source: WCIRB unit statistical data at first report level

Summary of Claims by Nature of Injury - Policy Year 2017

Nature of Injury		Number of Claims	Percentage of Claims	Incurred Losses(\$)	Percentage of Total Losses
52	Strain or Tear	116,987	29.0%	1,347,788,241	28.2%
28	Fracture	12,710	3.2%	543,216,032	11.4%
59	All Other Specific Injuries, NOC	33,852	8.4%	525,474,355	11.0%
49	Sprain or Tear	34,917	8.7%	412,771,117	8.6%
10	Contusion	47,757	11.9%	321,630,363	6.7%
80	All Other Cumulative Injury, NOC	14,107	3.5%	298,387,539	6.2%
90	Multiple Physical Injuries Only	12,551	3.1%	249,952,025	5.2%
40	Laceration	46,964	11.7%	161,814,302	3.4%
37	Inflammation	11,180	2.8%	133,629,682	2.8%
16	Dislocation	2,525	0.6%	103,450,696	2.2%
13	Crushing	4,803	1.2%	96,278,478	2.0%
07	Concussion	1,903	0.5%	84,129,229	1.8%
02	Amputation	622	0.2%	61,223,701	1.3%
04	Burn	7,501	1.9%	60,960,678	1.3%
77	Mental Stress	3,406	0.8%	53,323,258	1.1%
78	Carpal Tunnel Syndrome	1,948	0.5%	45,348,621	0.9%
43	Puncture	17,777	4.4%	42,752,609	0.9%
91	Multiple Injuries Including Both Physical and Psychological	1,305	0.3%	38,984,187	0.8%
34	Hernia	2,208	0.5%	35,226,186	0.7%
46	Rupture	704	0.2%	29,539,303	0.6%
41	Myocardial Infarction	2,120	0.5%	25,335,391	0.5%
01	No Physical Injury	3,895	1.0%	22,068,148	0.5%
19	Electric Shock	443	0.1%	14,027,066	0.3%
25	Foreign Body	9,291	2.3%	12,995,510	0.3%
71	All Other Occupational Disease Injury, NOC	1,811	0.4%	11,627,860	0.2%
47	Severance	179	0.0%	7,221,817	0.2%
69	Mental Disorder	490	0.1%	6,884,957	0.1%
36	Infection	1,386	0.3%	6,730,875	0.1%
65	Respiratory Disorders	1,071	0.3%	4,977,109	0.1%
55	Vascular	113	0.0%	4,848,131	0.1%
68	Dermatitis	2,740	0.7%	3,288,196	0.1%
53	Syncope	640	0.2%	3,074,657	0.1%
31	Hearing Loss or Impairment	194	0.0%	2,309,292	0.0%
58	Vision Loss	144	0.0%	1,875,255	0.0%
72	Loss of Hearing	205	0.1%	1,155,317	0.0%
32	Heat Prostration	601	0.1%	1,152,845	0.0%
30	Freezing	56	0.0%	980,304	0.0%
42	Poisoning - General	314	0.1%	971,883	0.0%
66	Poisoning - Chemical	248	0.1%	840,798	0.0%
73	Contagious Disease	771	0.2%	767,391	0.0%
54	Asphyxiation	40	0.0%	617,044	0.0%
75	Psychiatric	43	0.0%	603,003	0.0%
67	Poisoning - Metal	23	0.0%	550,526	0.0%
03	Angina Pectoris	75	0.0%	540,920	0.0%
74	Cancer	16	0.0%	479,990	0.0%
61	Asbestosis	62	0.0%	367,973	0.0%
63	Byssinosis	6	0.0%	306,386	0.0%
60	Dust Disease, NOC	75	0.0%	226,851	0.0%
76	VDT-Related Diseases	6	0.0%	188,984	0.0%
62	Black Lung	29	0.0%	47,601	0.0%
22	Enucleation	17	0.0%	35,783	0.0%
70	Radiation	22	0.0%	29,012	0.0%
79	Hepatitis Losses	8	0.0%	16,314	0.0%
	Total	402,861	100.0%	4,783,023,791	100.0%

Source: WCIRB unit statistical data at first report level

Summary of Claims by Part of Body - Policy Year 2017

Part of Body	Number of Claims	Percentage of Claims	Incurred Losses(\$)	Percentage of Total Losses	
90	Multiple Body Parts - Multiple Body Parts	36,037	9.0%	632,719,915	13.3%
42	Trunk - Lower Back Area	46,607	11.6%	571,665,086	12.0%
38	Upper Extremities - Shoulder(s)	24,153	6.0%	442,492,409	9.3%
53	Lower Extremities - Knee	25,889	6.4%	432,076,596	9.1%
34	Upper Extremities - Wrist	17,060	4.2%	184,177,266	3.9%
36	Upper Extremities - Finger(s)	38,720	9.6%	170,625,286	3.6%
55	Lower Extremities - Ankle	15,021	3.7%	160,827,061	3.4%
35	Upper Extremities - Hand	25,865	6.4%	158,970,350	3.3%
10	Head - Multiple Head Injury	7,754	1.9%	116,682,321	2.4%
54	Lower Extremities - Lower Leg	8,342	2.1%	111,069,865	2.3%
56	Lower Extremities - Foot	13,369	3.3%	109,582,550	2.3%
18	Head - Soft Tissue	8,045	2.0%	104,883,555	2.2%
30	Upper Extremities - Multiple Upper Extremities	6,156	1.5%	97,517,982	2.0%
33	Upper Extremities - Lower Arm	11,851	3.0%	96,348,261	2.0%
44	Trunk - Chest	5,336	1.3%	88,059,073	1.8%
32	Upper Extremities - Elbow	7,644	1.9%	84,613,646	1.8%
12	Head - Brain	1,765	0.4%	81,896,733	1.7%
31	Upper Extremities - Upper Arm	5,706	1.4%	81,271,702	1.7%
41	Trunk - Upper Back Area	7,766	1.9%	79,757,073	1.7%
51	Lower Extremities - Hip	2,918	0.7%	66,711,208	1.4%
25	Neck - Soft Tissue	4,157	1.0%	65,085,565	1.4%
61	Trunk - Abdomen Including Groin	6,032	1.5%	64,424,068	1.4%
91	Multiple Body Parts - Body Systems and Multiple Body	4,286	1.1%	61,803,288	1.3%
50	Lower Extremities - Multiple Lower Extremities	3,060	0.8%	51,534,038	1.1%
63	Trunk - Lumbar and /or Sacral Vertebrae	2,693	0.7%	50,862,952	1.1%
37	Upper Extremities - Thumb	11,415	2.8%	48,274,195	1.0%
39	Upper Extremities - Wrist(s) & Hand(s)	3,487	0.9%	47,778,118	1.0%
66	Multiple Body Parts - No Physical Injury	3,616	0.9%	42,821,279	0.9%
65	Multiple Body Parts - Insufficient Info to Classify	3,786	0.9%	41,198,198	0.9%
43	Trunk - Disc	1,849	0.5%	37,506,505	0.8%
40	Trunk - Multiple Trunk	2,404	0.6%	35,699,920	0.7%
20	Neck - Multiple Neck Injury	2,243	0.6%	35,087,276	0.7%
11	Head - Skull	2,484	0.6%	34,808,786	0.7%
22	Neck - Disc	965	0.2%	31,453,923	0.7%
14	Head - Eye(s)	15,346	3.8%	28,558,381	0.6%
52	Lower Extremities - Upper Leg	2,533	0.6%	26,836,295	0.6%
48	Trunk - Internal Organs	1,110	0.3%	23,453,602	0.5%
21	Neck - Vertebrae	784	0.2%	22,422,375	0.5%
46	Trunk - Pelvis	580	0.1%	21,307,393	0.4%
23	Neck - Spinal Cord	193	0.0%	19,318,468	0.4%
47	Trunk - Spinal Cord	308	0.1%	18,329,216	0.4%
19	Head - Facial Bones	1,028	0.3%	14,394,759	0.3%
57	Lower Extremities - Toe	2,460	0.6%	12,673,909	0.3%
49	Trunk - Heart	306	0.1%	10,014,169	0.2%
60	Trunk - Lungs	1,397	0.3%	8,246,369	0.2%
15	Head - Nose	1,197	0.3%	7,565,785	0.2%
17	Head - Mouth	1,256	0.3%	6,768,556	0.1%
16	Head - Teeth	806	0.2%	6,480,612	0.1%
62	Trunk - Buttocks	659	0.2%	6,427,164	0.1%
13	Head - Ear(s)	1,259	0.3%	6,289,769	0.1%
58	Lower Extremities - Great Toe	1,481	0.4%	5,368,551	0.1%
45	Trunk - Sacrum and Coccyx	265	0.1%	3,013,808	0.1%
24	Neck - Larynx	117	0.0%	1,234,542	0.0%
26	Neck - Trachea	66	0.0%	287,082	0.0%
64	Multiple Body Parts - Artificial Appliance	19	0.0%	161,829	0.0%
	Total	401,651	100.0%	4,769,438,683	100.0%

Source: WCIRB unit statistical data at first report level

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