Actuarial Committee

Meeting Agenda

Date	Time	Location	Staff Contact
August 4, 2020	9:30 AM	WCIRB California 1221 Broadway, Suite 900 Oakland, CA	David M. Bellusci

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After registering, you will receive a confirmation email containing information about joining the webinar.

I. Approval of Minutes

Meeting held on June 12, 2020

II. Working Group Meeting Summaries

None

III. Unfinished Business

A. AC19-08-04: Impact of Claim Settlement Rate Changes on ALAE Development

B. AC19-08-05: Review of Loss Development Tail Methodology

C. AC20-04-04: COVID-19 Crisis

D. AC20-06-01: 3/31/2020 Experience – Review of Methodologies

IV. New Business

A. AC20-08-01: Third Quarter 2020 Review of Diagnostics

B. AC20-08-02: 1/1/2021 Filing – Loss Adjustment Expense Experience Review

C. AC20-08-03: 1/1/2021 Filing – Review of Alternative Loss Projection Methodologies

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D. AC20-08-04: Impact of Economic Slowdown on Pure Premium Rate Indications

E. AC20-08-05: Potential Impact of Medical Care Delays

F. AC20-08-06: 1/1/2021 Filing – Telecommuting Advisory Pure Premium Rate

V. Matters Arising at Time of Meeting

VI. Next Meeting Date: September 1, 2020

VII. Adjournment

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Item AC19-08-04
Impact of Claim Settlement Rate Changes on ALAE Development

Over the last several years, as indemnity claim settlement rates have accelerated, ALAE paid development factors projected based on the most recent age-to-age factor have generally overstated the actual paid ALAE development to emerge. At the August 1, 2019 meeting, the Committee reviewed a study of the impact of claim settlement rate changes on future paid ALAE development. Based on the results of the study, the Committee recommended reflecting an adjustment to the paid ALAE development factors during periods of significant claim settlement rate changes (i.e., greater than 1.5% in absolute value). The adjustment, which was reflected in the ALAE projection in the January 1, 2020 Pure Premium Rate Filing, was based on the approximate statistical relationship between claim settlement rate changes for an accident year and the change in cumulative paid ALAE development emerging for the accident year compared to that projected based on the latest calendar year.[1]

The adjustment developed in 2019 works well during periods where claim settlement rates continue to change significantly. However, since it was based on the most recent evaluation of changes in claim settlement rates and cumulative paid ALAE development, it may not fully reflect the impact during periods in which claim settlement rates begin to moderate. For example, in 2018 the ultimate indemnity claim settlement rate at 27 months is comparable to that for 2017.[2] Under the approach developed in 2019, an adjustment to paid ALAE development from 27 months to ultimate for accident year 2018 would not be applied. In this case, no adjustment may be appropriate when selecting age-to-age development from 2017 to develop 2018 from 27 to 39 months. However, the claim settlement rate for 2018 at 27 months is 2.9% higher when compared to 2016. As a result, ALAE development selected from 2016 and prior accident years to develop 2018 from 39 months may still be impacted by the claim settlement rate change since a different claim settlement pattern is reflected in the development for those years.

The approach developed in 2019 is based on reviewing changes in claim settlement rates for the accident years evaluated at 15 and 27 months (2019 and 2018 as of March 31, 2020). The adjustment applied to the paid ALAE development for those years is based on the statistical relationship observed for historical periods between the change in claim settlement rate at 15 or 27 months and the change in the emerging ALAE development from what was projected based on the latest calendar year of paid ALAE development. Table 1 summarizes the results of the statistical analysis, which was originally presented at the August 1, 2019 meeting, updated for March 31, 2020 experience. Given the modest R-squared of the statistical analysis, the adjustment was tempered to be approximately 40% (based on the average R-squared) of the modeled relationship when applied to the paid ALAE development. This resulted in a 1 point increase in indemnity claim settlement rates at 15 months indicating a 2.4% decrease in the projected 15-to-ultimate ALAE development factor and a 1 point increase in indemnity claim settlement rates at 27 months indicating a 1% decrease in the projected 27-to-ultimate ALAE development factor.

Table 1 – Estimated Change in Future ALAE Development after Settlement Rate Change

Settlement Rate Change Period	15-to-39 Modeled	39-to-63 Modeled	63-to-87 Modeled	87-to-111 Modeled	111-to-Ult. Extrapolated	X-to-Ult. Total
15 Months	-2.7%	-1.6%	-0.6%	-0.6%	-0.6%	-6.1%
Adj. R-Squared @15 Months	0.46	0.53	0.06	0.38	N/A	N/A
27 Months	N/A	-1.1%	-0.8%	-0.4%	-0.4%	-2.6%
Adj. R-Squared @27 Months	N/A	0.64	0.62	0.31	N/A	N/A

[1] See Item AC19-08-04 of the August 1, 2019 Actuarial Committee Agenda.
[2] See Exhibit 11.2 of Item AC20-06-01 of this Agenda.

In order to account for changes in claim settlement rates over multiple periods, staff refined the approach to be applied to age-to-age paid ALAE development rather than cumulative development. Given that changes in age-to-age development are often more modest and volatile compared to changes in cumulative development, the statistical model used to develop the cumulative adjustment approach was used as the basis for the age-to-age adjustment approach. Table 2 shows how the factors for the age-to-age adjustment approach were derived for both the full model and the 40% tempered model. Each age-to-age factor was computed based on the incremental difference from the cumulative adjustment at the prior age. (The cumulative adjustment for 27 months was updated to reflect the 27-to-39 development factor which was not included in the original analysis.)

Table 2 – Adjustment to ALAE Development based on 1% of Settlement Rate Change

Age	Full Cumulative Adjustment	Full Age-to-Age Adjustment	40% Tempered Cumulative Adjustment	40% Tempered Age-to-Age Adjustment
75	-0.9%	**-0.9%**	-0.4%	**-0.4%**
63	-1.6%	**-0.7%**	-0.6%	**-0.2%**
51	-1.8%	**-0.2%**	-0.7%	**-0.1%**
39	-2.6%	**-0.8%**	-1.0%	**-0.3%**
27	-2.8%	**-0.2%**	-1.1%	**-0.1%**
15	-6.1%	**-3.3%**	-2.4%	**-1.3%**

Staff recommends that the adjustment factors shown in Table 2 only be applied to the projected age-to-age ALAE development if the claim settlement rate for the accident year at that evaluation changed by more than 1.5 points in absolute value. The 1.5-point threshold is based on a 2017 WCIRB review of historical claim settlement rate changes compared to changes in loss development patterns.[3] If the claim settlement rate did not change by more than 1.5 points, staff recommends that the adjustment not be applied. Table 3 shows an example of how this approach would be applied based on March 31, 2020 ALAE experience and the full factors with no tempering. Given the greater precision of the age-to-age adjustment approach, staff does not believe the judgmental tempering is needed under this approach.

Table 3 – Application of Age-to-Age ALAE Adjustment to March 31, 2020 Experience

Accident Year (Age)	(1) Settlement Rate Change	(2) Unadjusted Age-to-Age Factor	(3) Unadjusted Age-to-Ult. Factor	(4) Adjusted Age-to-Age Factor[4]	(5) Adjusted Age-to-Ult. Factor	(6) Impact of Adjustment (5) / (3) - 1.0
2014 (75)	0.8%	1.049	1.369	1.049	1.369	0.0%
2015 (63)	1.5%	1.073	1.468	1.062	1.454	-1.0%
2016 (51)	1.6%	1.113	1.633	1.108	1.611	-1.3%
2017 (39)	1.7%	1.201	1.962	1.184	1.908	-2.7%
2018 (27)	0.0%	1.428	2.801	1.428	2.725	-2.7%
2019 (15)	0.1%	2.601	7.285	2.601	7.087	-2.7%

[3] See Item AC17-03-03 of the March 21, 2017 Actuarial Committee Agenda.
[4] Equal to [(1) * [Full Age-to-Age Adjustment from Table 2] +1.0] * (2) if settlement rate change is at least 1.5%. Equal to (2) if settlement rate change is less than 1.5%.

Item AC19-08-05
Review of Loss Development Tail Methodology

At the March 16, 2020 meeting, the Committee reviewed an updated analysis of the loss development tail methodology that was first reviewed at the August 1, 2019 meeting. The Committee noted that based on retrospective tests included in the analysis, paid development has been significantly more accurate than incurred development for later periods.[1] It was also noted that the loss development tail based on an inverse power curve fit to paid development was more stable than that based on incurred development.[2] However, in that current claim settlement patterns are very different from those on accident years in which post-264 month development is emerging, prior to reflecting paid development after approximately 264 months (which is currently predicated on incurred development), the Committee recommended staff review the impact of the recent claim settlement rate increases on future paid loss development patterns.

Staff reviewed several potential approaches for reflecting the impact of claim settlement rate changes on future paid loss development patterns, including a statistical approach similar to that used for paid ALAE development (see Item AC19-08-04). In reviewing this approach for paid medical, the statistical relationship between early claim settlement rate changes and late-term paid medical development was not very significant. This is likely due to the limited availability of data (available claim counts and paid medical development after 264 months is only available for accident years 1990 through 1997) and that the medical payment pattern for the period with available data has undergone significant shifts due to reforms. Given that this approach did not fit well for medical, staff did not review its applicability for indemnity.

Staff also reviewed potential incremental development approaches. Incremental development approaches allow for payments and open claim counts to be projected incrementally for the accident year and are less reliant on the cumulative payments and associated proportion of open claims for older accident years. Although staff believes there may be some value in these approaches for earlier development periods,[3] given the fewer number of open claims and greater volatility of payments in later periods, staff did not believe an incremental approach would be appropriate for projecting paid development after 264 months.

Staff also reviewed an approach based on cumulative paid loss development that is adjusted for the underlying change in open claim count share between the historical accident year and projection accident year. The computations for this approach are shown in Exhibits 1.1 through 1.5 based on December 31, 2019 experience. The number of ultimate indemnity claims and ultimate claim settlement ratios are projected for each accident year based on the latest-year claim reporting pattern as shown in Exhibit 1.1. The incremental claim disposal rate (ratio of incremental closed claims to prior estimated open claims) is selected based on the average of the latest three years in order to not over project the recent acceleration in claim settlement rates as shown in Exhibit 1.2. The projected future number of open indemnity claims based on the selected claim disposal rate for each accident year and age is projected based on the claim open rate (1.0 minus the selected claim disposal rate) and the number of claims open from the prior age as shown in Item 18 of Exhibit 1.2. The difference in the open claim share between the historical data and the projected data is shown in Exhibit 1.3. A three-year average is selected for the historical data to mitigate volatility.

Exhibit 1.4 shows (unadjusted) selected age-to-age and cumulative paid indemnity and medical development through 384 months. Exhibit 1.5 shows the application of the adjustment to paid development from 264 months through 384 months. The development portion of each age-to-age factor (the factor minus 1.0) is adjusted by the difference in the open claim share projected for the accident year

[1] See Item AC19-08-05 of the March 16, 2020 Actuarial Committee Agenda.
[2] See Item AC19-08-05 of the August 1, 2019 Actuarial Committee Agenda.
[3] See Item AC19-12-05 of the December 5, 2019 Actuarial Committee Agenda for staff's initial review of incremental methods.

compared to the historical data (Item 21 of Exhibit 1.3). The impact of the adjustment for development from 264 through 384 months compared to the unadjusted paid development is shown in Item 26 of Exhibit 1.5. The adjustment applied through 384 months, before any modification, has a modest impact on paid indemnity development (-0.8%) and a moderate impact on paid medical development (-3.1%) for these accident years.

The adjustment shown in Exhibits 1.1 through 1.5 is applied starting at 264 months. The WCIRB's current loss development methodology utilizes incurred development after approximately 264 months, which has been the period of focus in this study. A significant shift in claim settlement rates likely also impacts paid development prior to 264 months. However, there may be many other factors that impacts development in these earlier periods. Staff recommends reviewing the applicability of this approach to earlier development periods in the future.

The adjustment shown in Exhibits 1.1 through 1.5 stops at 384 months as three years of indemnity claim count information is only available through 384 months. To apply this approach after 384 months, staff assumed the average ratio of the open claim share between the projected data and the historical data for the 348-month through 384-month periods applied from 384 months through 420 months (see Item 21 of Exhibit 1.3). Applying the adjustment to this additional period has only a modest impact on the projected development factors given that a relatively lower level of paid development occurs in this later period.

The adjustment shown in Exhibits 1.1 through 1.5 assumes that the change in claim settlement has an approximate 1-to-1 impact on the projected paid development at late-term periods. Staff retrospectively tested the relationship between the change in open claim count share and paid medical development to determine if (a) there is a predictive relationship between these two measures and (b) whether the approximate 1-to-1 relationship is appropriate. Staff performed the retrospective tests for paid medical development from 252 months through 360 months based on data for calendar years 2009 through 2018. In each retrospective test, a base calendar year was selected to base the change in open claim share and paid development. An example for a base calendar year of 2011 is shown in Exhibit 2. The change in open claim share and paid development from the base year were compared. If the two were comparable, an implied adjustment of 100% was indicated. Otherwise, the indicated adjustment to the change in open claim share to make them comparable was determined (see Item E of Exhibit 2).

In a high proportion of the retrospective tests, the comparison for a one-year or two-year change in open claim share was very volatile (as shown in the earliest diagonals of Item E of Exhibit 2). This is likely due to the changes in open share for a small-year gap being too modest to explain a significant proportion of the loss development change. However, when the gap was three or more years, the change in open claim share was generally predictive of the development change but tended to somewhat overstate the development change. Table 1 summarizes the average adjustments to the open claim share indicated across the retrospective tests based on the gap in years. On average, the retrospective review indicated that the change in open claim share should be adjusted by 40% to 70% to approximate the development change with both the average and median adjustments indicated for larger-year gaps to be approximately 40%. Staff recommends the 40% adjustment be used in applying this approach to developing losses after 264 months.

Table 1 – Retrospectively Indicated Average and Median Adjustments to Change in Open Claim Share to Approximate Development Change

Gap from Base Year	Number of Observations	Average Adjustment	Median Adjustment
3 Years	84	72%	47%
4 Years	56	75%	43%
5 Years	35	39%	43%
6 Years	20	43%	39%

To project losses to ultimate, a tail development factor is applied after 420 months. The tail development factor is based on an inverse power curve fit to age-to-age development from the 10th through 29th development years and extrapolated to 80 development years. To compute the tail factor under the adjusted paid approach, the inverse power curve was fit to adjusted age-to-age paid development from 120 months through 348 months (including the additional 40% adjustment to the open claim ratio discussed above). The impact of this approach on the tail factor is shown in Table 2.

Table 2 shows the approximate impact of this approach with the 40% adjustment for accident year 2019 development projected from 12 months compared to the unadjusted paid development method as well as to the WCIRB's current method which applies incurred development after 264 months. Staff recommends this approach with the 40% adjustment.

Table 2 – Impact of Adjustment to Accident Year 2019 Paid Development

Component	Development Period	Unadjusted Paid Development	Current Method Development[4]	40% Adjusted Paid Development	Difference from Unadjusted Paid	Difference from Current Method
Indemnity	264-to-384	1.013	1.022	1.009	-0.3%	-1.3%
Indemnity	384-to-420	1.002	—	1.001	0.0%	—
Indemnity	420-to-Ult.	1.006	—	1.004	-0.2%	—
Indemnity	**12-to-Ult.**	**9.173**	**9.234**	**9.122**	**-0.6%**	**-1.2%**
Medical	264-to-384	1.050	1.077	1.037	-1.2%	-3.7%
Medical	384-to-420	1.007	—	1.006	-0.2%	—
Medical	420-to-Ult.	1.066	—	1.046	-1.9%	—
Medical	**12-to-Ult.**	**7.093**	**6.956**	**6.862**	**-3.3%**	**-1.3%**

[4] For comparison purposes, this method does not include any reform or claim settlement rate adjustments.

Exhibit 1.1

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Reported	Projected	Reported	Open + IBNR					=(5)/(2)	=(6)/(2)	=(7)/(2)	=(8)/(2)
	Ind Counts	Ultimate	Open Counts	Ind Counts	Reported Closed Claims				Ultimate Settlement Ratio			
AY	@12/31/19	Ind Counts	@12/31/19	@12/31/19	@12/31/16	@12/31/17	@12/31/18	@12/31/19	@12/31/16	@12/31/17	@12/31/18	@12/31/19
1989	212,182	212,182	460	460	211,496	211,577	211,665	211,722	99.7%	99.7%	99.8%	99.8%
1990	232,549	232,563	445	459	231,827	231,916	232,025	232,104	99.7%	99.7%	99.8%	99.8%
1991	233,666	233,700	563	597	232,798	232,893	233,010	233,103	99.6%	99.7%	99.7%	99.7%
1992	184,112	184,152	513	553	183,352	183,438	183,519	183,599	99.6%	99.6%	99.7%	99.7%
1993	144,221	144,263	538	580	143,435	143,513	143,607	143,683	99.4%	99.5%	99.5%	99.6%
1994	131,654	131,705	637	688	130,693	130,828	130,937	131,017	99.2%	99.3%	99.4%	99.5%
1995	122,864	122,935	767	838	121,717	121,862	121,987	122,097	99.0%	99.1%	99.2%	99.3%
1996	117,993	118,087	820	914	116,803	116,895	117,052	117,173	98.9%	99.0%	99.1%	99.2%
1997	122,807	122,928	1,047	1,168	121,242	121,399	121,582	121,760	98.6%	98.8%	98.9%	99.0%
1998	133,136	133,304	1,371	1,539	131,146	131,322	131,569	131,765	98.4%	98.5%	98.7%	98.8%
1999	134,933	135,130	1,472	1,669	132,675	132,965	133,224	133,461	98.2%	98.4%	98.6%	98.8%
2000	146,104	146,321	1,824	2,041	143,221	143,560	143,953	144,280	97.9%	98.1%	98.4%	98.6%
2001	185,700	185,970	3,234	3,504	180,737	181,357	181,963	182,466	97.2%	97.5%	97.8%	98.1%
2002	194,726	195,017	3,208	3,499	189,547	190,288	190,923	191,518	97.2%	97.6%	97.9%	98.2%
2003	184,260	184,564	3,212	3,516	178,797	179,643	180,380	181,048	96.9%	97.3%	97.7%	98.1%
2004	159,000	159,262	2,893	3,155	153,877	154,698	155,481	156,107	96.6%	97.1%	97.6%	98.0%
2005	139,566	139,797	2,709	2,940	134,543	135,454	136,216	136,857	96.2%	96.9%	97.4%	97.9%
2006	133,286	133,488	3,127	3,329	127,374	128,510	129,421	130,159	95.4%	96.3%	97.0%	97.5%
2007	130,329	130,543	3,320	3,534	123,508	124,998	126,090	127,009	94.6%	95.8%	96.6%	97.3%
2008	123,069	123,296	3,683	3,910	115,161	116,949	118,360	119,386	93.4%	94.9%	96.0%	96.8%
2009	113,746	113,994	4,042	4,290	104,288	106,640	108,408	109,704	91.5%	93.5%	95.1%	96.2%
2010	117,633	117,901	4,609	4,877	105,808	109,135	111,406	113,024	89.7%	92.6%	94.5%	95.9%
2011	118,317	118,645	5,434	5,762	102,779	107,552	110,792	112,883	86.6%	90.7%	93.4%	95.1%
2012	125,053	125,465	6,957	7,369	103,251	110,335	115,029	118,096	82.3%	87.9%	91.7%	94.1%
2013	133,293	133,822	9,095	9,624	101,303	112,583	119,538	124,198	75.7%	84.1%	89.3%	92.8%
2014	139,578	140,350	12,894	13,666	90,512	108,398	120,018	126,684	64.5%	77.2%	85.5%	90.3%
2015	144,795	145,915	17,625	18,745	70,676	97,992	116,338	127,170	48.4%	67.2%	79.7%	87.2%
2016	147,856	149,454	25,856	27,454	32,398	76,266	104,229	122,000	21.7%	51.0%	69.7%	81.6%
2017	147,371	150,002	39,555	42,186	0	35,866	80,944	107,816	0.0%	23.9%	54.0%	71.9%
2018	146,958	153,084	64,135	70,261	0	0	37,352	82,823	0.0%	0.0%	24.4%	54.1%
2019	122,306	156,190	83,913	117,797	0	0	0	38,393	0.0%	0.0%	0.0%	24.6%

Notes:
(2) Projected based on the latest year claim reporting pattern.
(4) = (3) + (2) - (1)

	(13)	(14)	(15)	(16)	(17)
	Ratio of Incremental Closed to Prior Open				Share of Open on
Age	@12/31/17	@12/31/18	@12/31/19	3-Yr Avg	Prior Open
372	---	---	11.0%	11.0%	89.0%
360	---	14.6%	14.7%	14.6%	85.4%
348	11.8%	16.9%	13.5%	14.1%	85.9%
336	12.1%	14.5%	12.6%	13.1%	86.9%
324	10.5%	11.4%	11.6%	11.2%	88.8%
312	10.8%	12.5%	10.4%	11.2%	88.8%
300	9.4%	12.4%	11.6%	11.2%	88.8%
288	13.3%	11.7%	11.7%	12.2%	87.8%
276	11.9%	13.2%	13.2%	12.8%	87.2%
264	7.2%	12.0%	11.3%	10.1%	89.9%
252	9.3%	12.5%	12.4%	11.4%	88.6%
240	8.2%	12.0%	13.8%	11.3%	88.7%
228	11.8%	14.2%	12.6%	12.9%	87.1%
216	10.9%	13.1%	14.5%	12.9%	87.1%
204	11.8%	13.4%	16.0%	13.7%	86.3%
192	13.5%	15.0%	16.6%	15.0%	85.0%
180	14.7%	17.2%	17.9%	16.6%	83.4%
168	15.2%	17.5%	18.1%	17.0%	83.0%
156	17.3%	18.3%	20.6%	18.8%	81.2%
144	18.6%	19.7%	20.8%	19.7%	80.3%
132	21.2%	22.2%	23.2%	22.2%	77.8%
120	22.0%	24.0%	24.9%	23.6%	76.4%
108	24.2%	25.9%	26.6%	25.6%	74.4%
96	27.5%	29.2%	29.4%	28.7%	71.3%
84	30.1%	31.0%	32.6%	31.2%	68.8%
72	31.9%	32.7%	32.8%	32.5%	67.5%
60	34.7%	36.4%	36.6%	35.9%	64.1%
48	35.9%	38.3%	39.3%	37.8%	62.2%
36	36.3%	38.2%	38.9%	37.8%	62.2%
24	37.5%	39.5%	39.3%	38.8%	61.2%
12	23.9%	24.4%	24.6%	24.3%	75.7%

	(18) Projected Number of Open Claims for Age in Months									
AY	264	276	288	300	312	324	336	348	360	372
1989								605	517	460
1990							647	538	459	409
1991						808	690	597	510	454
1992					714	633	553	475	406	361
1993				750	656	580	504	433	370	329
1994			877	768	688	611	531	457	390	347
1995		1,073	948	838	744	661	574	494	422	375
1996	1,192	1,035	914	812	721	641	557	479	409	364
1997	1,346	1,168	1,025	911	808	718	624	537	458	408
1998	1,539	1,343	1,178	1,047	929	826	718	617	527	469
1999	1,499	1,308	1,148	1,020	905	804	699	601	513	456
2000	1,625	1,417	1,244	1,105	981	872	758	651	556	495
2001	2,474	2,158	1,894	1,683	1,494	1,327	1,153	991	846	753
2002	2,153	1,878	1,648	1,464	1,300	1,155	1,004	863	737	655
2003	1,885	1,644	1,443	1,282	1,138	1,011	879	755	645	574
2004	1,459	1,273	1,117	992	881	783	680	585	499	444
2005	1,155	1,008	884	786	697	620	539	463	395	352
2006	1,091	952	835	742	659	585	509	437	373	332
2007	961	839	736	654	581	516	448	385	329	293
2008	864	754	662	588	522	464	403	346	296	263
2009	762	664	583	518	460	409	355	305	261	232
2010	674	588	516	458	407	361	314	270	230	205
2011	608	530	465	413	367	326	283	244	208	185
2012	578	504	443	393	349	310	270	232	198	176
2013	538	470	412	366	325	289	251	216	184	164
2014	526	459	403	358	317	282	245	211	180	160
2015	487	425	373	331	294	261	227	195	167	148
2016	457	399	350	311	276	245	213	183	156	139
2017	437	381	334	297	264	234	204	175	149	133
2018	452	395	346	308	273	243	211	181	155	138
2019	465	405	356	316	281	249	217	186	159	141

Notes:
(13) = [(10) - (9)] / [1.0 - (9)]
(14) = [(11) - (10)] / [1.0 - (10)]
(15) = [(12) - (11)] / [1.0 - (11)]
(17) = 1.0 - (16)

Notes:
(18) Figures shaded in green are based on the latest three years of reported data. Projections are based on the latest number of open claims (Exhibit 1.1, Item 4) multiplied by the share of open claims compared to prior open claims (Item 17).

Exhibit 1.3

	(19) Ratio of Projected Open Claims to Ultimate Number of Claims									
AY	264	276	288	300	312	324	336	348	360	372
1989								0.3%	0.2%	0.2%
1990							0.3%	0.2%	0.2%	0.2%
1991						0.3%	0.3%	0.3%	0.2%	0.2%
1992					0.4%	0.3%	0.3%	0.3%	0.2%	0.2%
1993				0.5%	0.5%	0.4%	0.3%	0.3%	0.3%	0.2%
1994			0.7%	0.6%	0.5%	0.5%	0.4%	0.3%	0.3%	0.3%
1995		0.9%	0.8%	0.7%	0.6%	0.5%	0.5%	0.4%	0.3%	0.3%
1996	1.0%	0.9%	0.8%	0.7%	0.6%	0.5%	0.5%	0.4%	0.3%	0.3%
1997	1.1%	1.0%	0.8%	0.7%	0.7%	0.6%	0.5%	0.4%	0.4%	0.3%
1998	1.2%	1.0%	0.9%	0.8%	0.7%	0.6%	0.5%	0.5%	0.4%	0.4%
1999	1.1%	1.0%	0.8%	0.8%	0.7%	0.6%	0.5%	0.4%	0.4%	0.3%
2000	1.1%	1.0%	0.9%	0.8%	0.7%	0.6%	0.5%	0.4%	0.4%	0.3%
2001	1.3%	1.2%	1.0%	0.9%	0.8%	0.7%	0.6%	0.5%	0.5%	0.4%
2002	1.1%	1.0%	0.8%	0.8%	0.7%	0.6%	0.5%	0.4%	0.4%	0.3%
2003	1.0%	0.9%	0.8%	0.7%	0.6%	0.5%	0.5%	0.4%	0.3%	0.3%
2004	0.9%	0.8%	0.7%	0.6%	0.6%	0.5%	0.4%	0.4%	0.3%	0.3%
2005	0.8%	0.7%	0.6%	0.6%	0.5%	0.4%	0.4%	0.3%	0.3%	0.3%
2006	0.8%	0.7%	0.6%	0.6%	0.5%	0.4%	0.4%	0.3%	0.3%	0.2%
2007	0.7%	0.6%	0.6%	0.5%	0.4%	0.4%	0.3%	0.3%	0.3%	0.2%
2008	0.7%	0.6%	0.5%	0.5%	0.4%	0.4%	0.3%	0.3%	0.2%	0.2%
2009	0.7%	0.6%	0.5%	0.5%	0.4%	0.4%	0.3%	0.3%	0.2%	0.2%
2010	0.6%	0.5%	0.4%	0.4%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%
2011	0.5%	0.4%	0.4%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%
2012	0.5%	0.4%	0.4%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%
2013	0.4%	0.4%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%
2014	0.4%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%
2015	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
2016	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
2017	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
2018	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
2019	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%

	(21) Ratio of Projected Open % to Historical Open %									
AY	264	276	288	300	312	324	336	348	360	372
1989										
1990										0.81
1991									0.99	0.90
1992								1.00	1.00	0.90
1993							1.20	1.17	1.16	1.05
1994						1.28	1.39	1.35	1.34	1.22
1995					1.33	1.48	1.60	1.56	1.55	1.41
1996				1.16	1.34	1.49	1.62	1.57	1.57	1.42
1997			1.13	1.25	1.45	1.61	1.74	1.70	1.69	1.53
1998		1.12	1.20	1.32	1.53	1.70	1.85	1.80	1.79	1.62
1999	1.02	1.08	1.15	1.27	1.47	1.64	1.78	1.73	1.72	1.56
2000	1.02	1.08	1.15	1.27	1.47	1.64	1.78	1.73	1.72	1.56
2001	1.22	1.29	1.38	1.52	1.77	1.96	2.13	2.07	2.06	1.87
2002	1.02	1.07	1.15	1.26	1.46	1.63	1.77	1.72	1.71	1.55
2003	0.94	0.99	1.06	1.17	1.36	1.51	1.63	1.59	1.58	1.43
2004	0.84	0.89	0.95	1.05	1.22	1.35	1.47	1.43	1.42	1.29
2005	0.76	0.80	0.86	0.94	1.10	1.22	1.32	1.29	1.28	1.16
2006	0.75	0.79	0.85	0.93	1.08	1.21	1.31	1.27	1.27	1.15
2007	0.68	0.71	0.77	0.84	0.98	1.09	1.18	1.15	1.14	1.03
2008	0.65	0.68	0.73	0.80	0.93	1.03	1.12	1.09	1.09	0.98
2009	0.62	0.65	0.69	0.76	0.89	0.99	1.07	1.04	1.04	0.94
2010	0.53	0.55	0.59	0.65	0.76	0.84	0.91	0.89	0.89	0.80
2011	0.47	0.50	0.53	0.59	0.68	0.76	0.82	0.80	0.79	0.72
2012	0.42	0.45	0.48	0.53	0.61	0.68	0.74	0.72	0.71	0.65
2013	0.37	0.39	0.42	0.46	0.53	0.59	0.64	0.63	0.62	0.56
2014	0.34	0.36	0.39	0.43	0.50	0.55	0.60	0.58	0.58	0.53
2015	0.31	0.32	0.35	0.38	0.44	0.49	0.53	0.52	0.52	0.47
2016	0.28	0.30	0.32	0.35	0.41	0.45	0.49	0.48	0.47	0.43
2017	0.27	0.28	0.30	0.33	0.39	0.43	0.47	0.45	0.45	0.41
2018	0.27	0.29	0.31	0.34	0.39	0.44	0.47	0.46	0.46	0.42
2019	0.27	0.29	0.31	0.34	0.39	0.44	0.48	0.46	0.46	0.42

(20) Historical 3-Yr Avg:										
	1.1%	0.9%	0.7%	0.6%	0.5%	0.4%	0.3%	0.3%	0.2%	0.2%

Average Ratio for 348 through 372 for Accident Year:	2017	2018	2019
	0.44	0.44	0.45

Notes:
(19) = (18) / (2)
(20) Based on the average of the latest three historical years (Item 19).

Notes:
(21) = (19) / (20)

Exhibit 1.4

	(22) Unadjusted Paid Development Age-to-Age						(23) Unadjusted Paid Development Cumulative			
	Indemnity			Medical			Indemnity		Medical	
Age	@4Q17	@4Q18	@4Q19	@4Q17	@4Q18	@4Q19	Selected	Cumulative	Selected	Cumulative
372	1.001	1.001	1.001	1.004	1.003	1.003	1.001	1.001	1.003	1.003
360	1.001	1.001	1.001	1.003	1.004	1.003	1.001	1.002	1.003	1.006
348	1.001	1.001	1.001	1.003	1.003	1.003	1.001	1.002	1.003	1.010
336	1.001	1.001	1.001	1.003	1.002	1.004	1.001	1.003	1.003	1.013
324	1.000	1.001	1.001	1.003	1.003	1.006	1.001	1.004	1.004	1.017
312	1.001	1.001	1.001	1.003	1.004	1.008	1.001	1.005	1.005	1.021
300	1.001	1.001	1.001	1.005	1.005	1.004	1.001	1.006	1.005	1.026
288	1.001	1.001	1.003	1.006	1.004	1.008	1.002	1.008	1.006	1.033
276	1.002	1.002	1.003	1.007	1.007	1.008	1.002	1.010	1.007	1.040
264	1.002	1.003	1.003	1.012	1.009	1.007	1.003	1.013	1.010	1.050
252	1.002	1.003	1.003	1.007	1.007	1.009	1.003	1.015	1.008	1.058
240	1.002	1.003	1.003	1.006	1.008	1.008	1.003	1.018	1.008	1.066
228	1.003	1.003	1.003	1.009	1.009	1.007	1.003	1.021	1.008	1.074
216	1.003	1.004	1.005	1.009	1.008	1.010	1.004	1.025	1.009	1.084
204	1.004	1.005	1.005	1.009	1.010	1.009	1.004	1.030	1.009	1.094
192	1.005	1.005	1.007	1.011	1.010	1.010	1.006	1.036	1.010	1.105
180	1.006	1.007	1.009	1.011	1.012	1.013	1.007	1.043	1.012	1.118
168	1.008	1.008	1.010	1.013	1.012	1.013	1.009	1.052	1.013	1.132
156	1.009	1.010	1.011	1.015	1.014	1.015	1.010	1.063	1.015	1.149
144	1.013	1.012	1.013	1.019	1.015	1.015	1.013	1.077	1.016	1.168
132	1.016	1.016	1.015	1.020	1.020	1.017	1.015	1.093	1.019	1.190
120	1.020	1.018	1.021	1.022	1.018	1.020	1.019	1.114	1.020	1.214
108	1.023	1.023	1.022	1.027	1.024	1.025	1.023	1.140	1.025	1.244
96	1.031	1.027	1.027	1.032	1.030	1.029	1.027	1.171	1.029	1.281
84	1.038	1.041	1.035	1.043	1.041	1.039	1.035	1.212	1.039	1.331
72	1.056	1.051	1.044	1.058	1.056	1.048	1.044	1.265	1.048	1.396
60	1.087	1.072	1.071	1.087	1.077	1.076	1.071	1.355	1.076	1.501
48	1.129	1.129	1.119	1.130	1.121	1.111	1.119	1.516	1.111	1.669
36	1.257	1.244	1.230	1.226	1.218	1.197	1.230	1.866	1.197	1.997
24	1.618	1.586	1.569	1.439	1.410	1.391	1.569	2.928	1.391	2.778
12	3.235	3.185	3.109	2.480	2.373	2.378	3.109	9.103	2.378	6.605

Notes:
(23) Section is based on latest year through 96 months and 3-year average after 96 months. Development is cumulative through 384 months. Shaded sections represent LDFs to be applied to accident years 2017 through 2019.

Exhibit 1.5

	(24) Adjusted Paid Development Age-to-Age for Accident Year						(25) Adjusted Paid Development Cumulative for Accident Year					
	Indemnity			Medical			Indemnity			Medical		
Age	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
372	1.000	1.000	1.000	1.001	1.001	1.001	1.000	1.000	1.000	1.001	1.001	1.001
360	1.000	1.000	1.000	1.001	1.001	1.001	1.001	1.001	1.001	1.003	1.003	1.003
348	1.000	1.000	1.000	1.001	1.001	1.001	1.001	1.001	1.001	1.004	1.004	1.004
336	1.000	1.000	1.000	1.001	1.001	1.001	1.001	1.001	1.001	1.006	1.006	1.006
324	1.000	1.000	1.000	1.002	1.002	1.002	1.002	1.002	1.002	1.007	1.007	1.007
312	1.000	1.000	1.000	1.002	1.002	1.002	1.002	1.002	1.002	1.009	1.009	1.009
300	1.000	1.000	1.000	1.002	1.002	1.002	1.002	1.002	1.002	1.011	1.011	1.011
288	1.001	1.001	1.001	1.002	1.002	1.002	1.003	1.003	1.003	1.013	1.013	1.013
276	1.001	1.001	1.001	1.002	1.002	1.002	1.004	1.004	1.004	1.015	1.015	1.015
264	1.001	1.001	1.001	1.003	1.003	1.003	1.004	1.004	1.004	1.017	1.018	1.018
252	1.003	1.003	1.003	1.008	1.008	1.008	1.007	1.007	1.007	1.025	1.025	1.025
240	1.003	1.003	1.003	1.008	1.008	1.008	1.010	1.010	1.010	1.033	1.033	1.033
228	1.003	1.003	1.003	1.008	1.008	1.008	1.013	1.013	1.013	1.041	1.041	1.041
216	1.004	1.004	1.004	1.009	1.009	1.009	1.017	1.017	1.017	1.050	1.050	1.051
204	1.004	1.004	1.004	1.009	1.009	1.009	1.021	1.021	1.021	1.060	1.060	1.060
192	1.006	1.006	1.006	1.010	1.010	1.010	1.027	1.027	1.027	1.071	1.071	1.071
180	1.007	1.007	1.007	1.012	1.012	1.012	1.035	1.035	1.035	1.083	1.084	1.084
168	1.009	1.009	1.009	1.013	1.013	1.013	1.044	1.044	1.044	1.097	1.097	1.097
156	1.010	1.010	1.010	1.015	1.015	1.015	1.054	1.054	1.054	1.113	1.113	1.113
144	1.013	1.013	1.013	1.016	1.016	1.016	1.068	1.068	1.068	1.131	1.132	1.132
132	1.015	1.015	1.015	1.019	1.019	1.019	1.084	1.084	1.084	1.153	1.153	1.153
120	1.019	1.019	1.019	1.020	1.020	1.020	1.105	1.105	1.105	1.176	1.176	1.176
108	1.023	1.023	1.023	1.025	1.025	1.025	1.130	1.130	1.130	1.206	1.206	1.206
96	1.027	1.027	1.027	1.029	1.029	1.029	1.161	1.161	1.161	1.241	1.241	1.241
84	1.035	1.035	1.035	1.039	1.039	1.039	1.202	1.202	1.202	1.290	1.290	1.290
72	1.044	1.044	1.044	1.048	1.048	1.048	1.255	1.255	1.255	1.352	1.352	1.353
60	1.071	1.071	1.071	1.076	1.076	1.076	1.344	1.344	1.344	1.455	1.455	1.455
48	1.119	1.119	1.119	1.111	1.111	1.111	1.504	1.504	1.504	1.617	1.617	1.617
36	1.230	1.230	1.230	1.197	1.197	1.197	1.851	1.851	1.851	1.935	1.935	1.935
24	1.569	1.569	1.569	1.391	1.391	1.391		2.904	2.904		2.692	2.693
12	3.109	3.109	3.109	2.378	2.378	2.378			9.030			6.402

(26) Difference from Histoircal Selected @12/31/2019

2017	2018	2019	2017	2018	2019
-0.8%	-0.8%	-0.8%	-3.1%	-3.1%	-3.1%

Notes:
(24) Equal to Item 23 (Selected) through 252 months. Equal to [(23) - 1.0] * (21) + 1.0 after 252 months.
(25) Based on Item 24.
(26) = (25) / (23) - 1.0

Retrospective Review of Relationship between Open Claim Rate and Paid Medical Development
Example from Base Calendar Year of 2011

A. Share of Ultimate Claims Open at Age

AY	252	264	276
1989			0.6%
1990		0.5%	0.5%
1991	0.6%	0.6%	0.5%
1992	0.6%	0.6%	0.5%
1993	0.8%	0.7%	0.6%
1994	1.0%	0.9%	0.8%
1995	1.1%	1.0%	0.9%
1996	1.1%	1.0%	0.9%
1997	1.2%	1.1%	
1998	1.3%		

B. Ratio of Open Claim Share to Base CY (2011)[1]

AY	252	264	276
1989			1.000
1990		1.000	0.849
1991	1.000	1.119	0.912
1992	1.051	1.150	0.970
1993	1.272	1.383	1.165
1994	1.555	1.684	1.389
1995	1.768	1.946	1.577
1996	1.779	1.982	1.584
1997	2.034	2.149	
1998	2.129		

C. Paid Medical Age-to-Age Factor

AY	252-264	264-276	276-288
1989			1.006
1990		1.006	1.004
1991	1.006	1.005	1.006
1992	1.008	1.006	1.005
1993	1.011	1.007	1.006
1994	1.009	1.008	1.007
1995	1.009	1.012	1.007
1996	1.007	1.009	1.008
1997	1.007	1.007	
1998	1.009		

D. Ratio of Age-to-Age Development to Base CY (2011)[2]

AY	252-264	264-276	276-288
1989			1.000
1990		1.000	0.667
1991	1.000	0.833	1.000
1992	1.333	1.000	0.833
1993	1.833	1.167	1.000
1994	1.500	1.333	1.167
1995	1.500	2.000	1.167
1996	1.167	1.500	1.333
1997	1.167	1.167	
1998	1.500		

E. Implied Adjustment between Open Claim Share Change and Age-to-Age Development Change[3]

AY	252-264	264-276	276-288
1989			
1990			221%
1991		-140%	0%
1992	660%	0%	557%
1993	306%	44%	0%
1994	90%	49%	43%
1995	65%	106%	29%
1996	21%	51%	57%
1997	16%	15%	
1998	44%		

Averages	
All	106%
≥3-yr Gap	79%
≥5-yr Gap	42%

[1]Ratio of Open Share from Item A to the Open Share for CY 2011 (green color in Item A).

[2]Ratio of [Factor - 1.0] from Item C to the [Factor - 1.0] for CY 2011 (green color in Item C).

[3]Equal to [Item D - 1.0] / [Item B - 1.0]. This is the implied adjustment to the open share change to make it comparable to the development change.

Item AC20-04-04
COVID-19 Crisis

At the June 12, 2020 meeting, the Committee discussed the January 1, 2021 Pure Premium Rate Filing process at length. The Committee agreed that accident year 2019 and prior experience evaluated as of March 31, 2020 was largely unaffected by the COVID-19 pandemic, but accident year 2020 claim experience and premium levels are greatly affected. Since the experience of the 2020 year would not normally be used in the January 1, 2021 Pure Premium Rate Filing, the Committee agreed that using the accident year 2019 and prior pre-pandemic data evaluated as of March 31, 2020 as the basis for the filing with appropriate assumptions as to exposure, frequency and severity trend to policy year 2021 was a reasonable approach for the January 1, 2021 Pure Premium Rate Filing.

At the June 12, 2020 meeting, the Committee also reviewed a summary of key COVID-19 WCIRB ratemaking and research issues that included the statistical information needed to evaluate the issue, when the information is available and whether the information is critical to the January 1, 2021 Pure Premium Rate Filing projections. Among the key issues identified as critical to the January 1, 2021 Pure Premium Rate Filing projections was analysis of the impact of the pandemic-related economic slowdown on exposure and claim costs and the potential frequency of COVID-19 claims in 2021 and beyond. The impact of the economic slowdown on wage projections, class mix and frequency is discussed in Agenda Item AC20-08-04. A summary of projected COVID-19 claim costs for the January 1, 2021 through August 31, 2021 policy period will be discussed at the meeting.

Staff will also present an update to the preliminary indicators of post-COVID-19 emerging claim experience that was initially presented at the June 12, 2020 meeting.

Item AC20-06-01
3/31/2020 Experience – Review of Methodologies

At the June 12, 2020 meeting, the Committee reviewed a preliminary analysis of statewide experience through March 31, 2020. Exhibits 1 through 8 contain an updated preliminary analysis of March 31, 2020 experience. The methodologies used are consistent with those reviewed at the June 12, 2020 meeting. In total, approximately 100% of the market is included. Wage and loss levels are projected to November 1, 2021—the approximate midpoint of experience on policies incepting between January 1, 2021 and August 31, 2021,[1] and premiums were adjusted to the industry average filed pure premium rate level as of January 1, 2020.

The projections shown in Exhibits 1 through 8 are preliminary and, in large part, prior to the impact of the COVID-19 pandemic and resulting economic downturn. At the June 12, 2020 meeting, the Committee discussed the critical components of the January 1, 2021 Pure Premium Rate Filing projections that may be significantly impacted by the COVID-19 crisis. Staff will present additional information on these components at the meeting (see Items AC20-04-04 and AC20-08-04).

As shown on Exhibit 8, the projected loss to the industry average filed pure premium ratio for January 1, 2021 through August 31, 2021 polices based on March 31, 2020 experience and the January 1, 2020 Pure Prelim Rate Filing loss development and trending methodologies and largely prior to the impact of the COVID-19 pandemic and the resulting economic slowdown is 0.571. (The projected loss ratio based on the data presented at the June 12, 2020 meeting is 0.569.[2] The projected loss ratio for policies incepting between July 1, 2020 and December 31, 2020 reviewed at the April 2, 2020 meeting based on December 31, 2019 experience was 0.584.)

Additional supplemental information is included in Exhibits 9 through 12.

[1] The WCIRB's next annual pure premium rate filing will be effective September 1, 2021.
[2] This projection differs from that presented at the June 12, 2020 meeting in that it is based on trending to the midpoint of experience for January 1, 2021 to August 31, 2021 policies and also reflects a correction to the industry average filed pure premium rate as of January 1, 2020 that was discovered subsequent to the June 12, 2020 meeting.

Exhibit 1

California Workers' Compensation

Accident Year Experience as of March 31, 2020

Year	Earned Premium	Paid Indemnity	Indemnity Reserves	Paid Medical**	Medical Reserves	IBNR*	Total Incurred**	Loss Ratio*
1987	4,373,509,816	1,506,581,121	6,983,407	1,335,377,316	44,279,337	50,419,639	2,943,640,820	0.673
1988	5,172,229,109	1,703,875,822	6,458,643	1,542,464,647	34,417,539	37,747,005	3,324,963,656	0.643
1989	5,675,115,503	1,940,152,253	6,816,066	1,798,960,215	51,453,347	40,047,984	3,837,429,865	0.676
1990	5,704,524,437	2,260,962,681	7,327,076	2,045,978,980	40,906,550	58,896,651	4,414,071,938	0.774
1991	5,866,491,692	2,478,655,908	15,729,942	2,202,401,910	48,094,600	55,794,315	4,800,676,675	0.818
1992	5,685,231,287	1,977,895,273	13,786,564	1,765,313,045	51,723,615	55,223,685	3,863,942,182	0.680
1993	5,934,618,230	1,694,444,969	12,984,535	1,516,338,467	62,883,556	45,253,182	3,331,904,709	0.561
1994	5,030,976,034	1,627,765,443	21,740,481	1,468,802,916	83,801,231	37,197,744	3,239,307,815	0.644
1995	3,789,174,380	1,766,957,340	26,055,810	1,626,396,784	92,481,760	47,132,765	3,559,024,459	0.939
1996	3,746,680,214	1,958,037,008	31,693,872	1,721,467,863	93,514,307	54,291,180	3,859,004,230	1.030
1997	3,926,898,608	2,320,858,576	37,004,610	2,019,379,717	121,974,525	93,454,281	4,592,671,709	1.170
1998	4,332,127,034	2,775,663,864	49,791,377	2,646,170,295	211,915,713	177,919,727	5,861,460,976	1.353
1999	4,550,437,880	3,058,455,609	52,765,081	3,042,521,969	169,133,198	242,865,344	6,565,741,201	1.443
2000	5,921,821,993	3,430,606,404	67,101,409	3,564,698,988	205,305,637	392,563,026	7,660,275,464	1.294
2001	10,118,688,616	4,845,593,327	99,518,290	5,374,235,665	346,062,260	591,752,362	11,257,161,904	1.113
2002	13,432,760,460	4,776,940,962	89,663,689	5,493,844,907	309,363,098	875,418,894	11,545,231,550	0.859
2003	19,472,988,351	4,553,717,488	146,596,578	5,069,501,808	343,967,143	1,228,419,721	11,342,202,738	0.582
2004	23,092,633,294	3,216,052,970	117,756,339	4,061,258,926	275,721,117	1,365,058,077	9,035,847,429	0.391
2005	21,394,600,575	2,533,693,094	102,222,811	3,656,663,395	263,688,739	1,096,615,955	7,652,883,994	0.358
2006	17,233,032,862	2,619,140,337	113,117,905	3,761,224,476	288,687,471	764,326,617	7,546,496,806	0.438
2007	13,276,770,615	2,763,508,131	131,925,738	4,037,349,711	328,613,704	699,243,500	7,960,640,784	0.600
2008	10,765,114,133	2,808,088,687	144,752,708	4,025,654,697	344,725,246	609,883,694	7,933,105,032	0.737
2009	8,901,420,752	2,682,006,901	143,113,817	3,831,422,827	347,688,212	477,492,147	7,481,723,904	0.841
2010	9,408,127,723	2,699,250,967	139,770,807	3,934,900,892	299,469,667	556,811,330	7,630,203,663	0.811
2011	10,141,174,044	2,665,257,728	150,568,884	3,553,502,212	338,343,769	749,413,786	7,457,086,379	0.735
2012	11,718,095,745	2,697,041,252	187,941,514	3,440,952,399	377,937,600	917,922,244	7,621,795,009	0.650
2013	14,186,071,217	2,720,799,353	205,970,987	3,268,505,783	395,440,928	1,527,448,614	8,118,165,665	0.572
2014	16,014,478,353	2,825,585,745	264,834,754	3,160,322,602	453,436,952	2,047,626,218	8,751,806,271	0.546
2015	17,059,790,388	2,787,269,724	353,242,253	3,000,974,440	595,588,668	3,005,392,351	9,742,467,436	0.571
2016	17,954,507,147	2,551,609,312	471,184,966	2,743,753,818	720,445,341	3,129,175,293	9,616,168,730	0.536
2017	17,671,411,530	2,180,409,778	687,355,209	2,401,169,952	1,002,022,857	3,392,418,832	9,663,376,628	0.547
2018	17,426,346,235	1,600,841,246	976,708,976	1,931,210,839	1,343,255,345	4,112,745,655	9,964,762,061	0.572
2019	16,120,444,510	722,775,823	1,021,097,928	1,045,964,570	1,579,983,484	5,014,273,572	9,384,095,377	0.582
2020	3,646,976,236	20,824,389	124,922,618	35,919,840	273,841,179	1,648,400,410	2,103,908,436	0.577

* Shown for informational purposes only.

** Paid medical for accident years 2011 and subsequent exclude the paid cost of medical cost containment programs (MCCP). Paid medical for accident years 2010 and prior include paid MCCP costs.

Source: WCIRB quarterly experience calls

PRELIMINARY

Incurred Indemnity Loss Development Factors

	Age-to-Age (in months)															
Accident Year	27/15	39/27	51/39	63/51	75/63	87/75	99/87	111/99	123/111	135/123	147/135	159/147	171/159	183/171	195/183	207/195
1994											1.002	1.001	1.002	0.999	0.999	1.001
1995										1.002	1.003	1.002	1.003	1.001	1.002	1.001
1996									1.003	1.002	1.002	1.002	1.000	0.999	1.002	1.001
1997								1.004	1.006	1.005	1.003	1.002	1.003	1.002	1.001	1.001
1998							1.005	1.008	1.004	1.002	1.002	1.004	1.004	1.000	1.003	1.001
1999						1.012	1.011	1.003	1.007	1.004	1.002	1.004	1.003	1.002	1.002	1.000
2000					1.018	1.014	1.009	1.007	1.005	1.004	1.004	1.003	1.002	1.003	1.002	1.000
2001				1.027	1.021	1.018	1.014	1.007	1.008	1.007	1.005	1.005	1.003	1.001	1.002	1.001
2002			1.051	1.032	1.027	1.019	1.010	1.011	1.009	1.006	1.005	1.002	1.001	1.003	1.002	1.002
2003		1.125	1.068	1.047	1.030	1.018	1.020	1.016	1.012	1.008	1.008	1.002	1.003	1.003	1.002	1.005
2004	1.283	1.140	1.063	1.042	1.037	1.026	1.025	1.015	1.015	1.007	1.006	1.003	1.001	1.002	1.005	
2005	1.400	1.168	1.085	1.063	1.049	1.039	1.022	1.016	1.010	1.005	1.006	1.004	1.003	1.004		
2006	1.519	1.188	1.100	1.072	1.051	1.031	1.020	1.012	1.008	1.008	1.005	1.002	1.005			
2007	1.562	1.216	1.104	1.066	1.045	1.030	1.022	1.012	1.009	1.003	1.009	1.008				
2008	1.618	1.245	1.116	1.063	1.043	1.025	1.018	1.011	1.008	1.007	1.007					
2009	1.670	1.233	1.124	1.067	1.043	1.021	1.016	1.013	1.010	1.009						
2010	1.665	1.250	1.112	1.062	1.037	1.023	1.017	1.011	1.009							
2011	1.657	1.225	1.109	1.053	1.032	1.024	1.016	1.010								
2012	1.662	1.218	1.093	1.059	1.033	1.022	1.014									
2013	1.604	1.201	1.093	1.047	1.030	1.017										
2014	1.625	1.224	1.097	1.049	1.023											
2015	1.630	1.195	1.085	1.039												
2016	1.606	1.187	1.080													
2017	1.588	1.183														
2018	1.568															
Selected (a)	1.568	1.183	1.080	1.039	1.023	1.017	1.014	1.010	1.009	1.007	1.007	1.004	1.003	1.003	1.003	1.002
Cumulative	2.327	1.484	1.254	1.162	1.118	1.093	1.075	1.060	1.049	1.040	1.033	1.026	1.023	1.020	1.017	1.015

(a) Selections are latest year for the 15-to-27 month through 99-to-111 month factors and six-year average for the subsequent age-to-age factors.

PRELIMINARY

Incurred Indemnity Loss Development Factors (Continued)

	Age-to-Age (in months)																		
Accident Year	219/207	231/219	243/231	255/243	267/255	279/267	291/279	303/291	315/303	327/315	339/327	351/339	363/351	375/363	387/375	399/387	411/399	423/411	ULT/423Inc (b)
1983						1.002	1.000	1.001	1.000	1.000	1.001	1.001	1.001	1.001	1.000	1.001	1.001	1.000	
1984					1.000	1.001	1.000	1.000	1.001	1.001	1.000	1.001	1.001	0.999	1.000	1.000	1.001	1.001	
1985				1.000	1.001	1.000	1.000	1.000	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
1986			1.001	0.999	1.000	1.000	1.001	1.000	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.001		
1987		1.002	1.000	0.999	1.000	1.000	1.000	1.002	1.001	1.000	1.000	1.001	1.000	1.001	1.000	1.001			
1988	1.001	1.001	1.000	1.001	1.000	1.002	1.002	1.001	1.000	1.000	1.000	1.001	1.000	1.000	1.001				
1989	1.001	1.000	1.000	1.001	1.001	1.001	1.000	1.000	1.000	1.001	1.001	1.000	1.001	1.000					
1990	1.000	1.001	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000						
1991	1.001	1.001	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.001							
1992	1.000	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.001								
1993	1.000	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000									
1994	1.001	1.002	1.001	1.001	1.001	1.001	1.000	1.001	1.002										
1995	1.002	0.999	0.999	1.001	1.000	1.001	1.000	1.001											
1996	1.002	1.001	1.000	1.001	1.001	1.000	1.002												
1997	1.000	1.000	1.000	0.999	1.001	1.001													
1998	1.002	1.002	1.001	1.000	1.001														
1999	1.000	1.000	1.002	1.002															
2000	1.002	1.001	1.002																
2001	1.001	1.002																	
2002	1.003																		
Selected (a)	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.001	1.001	1.000	1.000	1.000	1.000	1.001	1.000	
Cumulative	1.013	1.012	1.011	1.010	1.009	1.009	1.008	1.008	1.007	1.007	1.007	1.006	1.006	1.006	1.006	1.005	1.005	1.004	1.004

(b) The ULT/423Inc tail factor was calculated based on an inverse power curve fit to a six-year average of the 111-to-123 through 339-to-351 factors, excluding the 2016, 2017, and 2018 evaluations, and extrapolated to 80 development years.

PRELIMINARY

Incurred Medical Loss Development Factors

	Age-to-Age (in months) (b)															
Accident Year	27/15	39/27	51/39	63/51	75/63	87/75	99/87	111/99	123/111	135/123	147/135	159/147	171/159	183/171	195/183	207/195
1994											1.017	1.013	1.006	1.008	1.021	1.011
1995										1.019	1.011	1.020	1.027	1.016	1.005	1.010
1996									1.013	1.021	1.017	1.020	1.015	1.013	1.012	1.008
1997								1.018	1.015	1.024	1.023	1.018	1.009	1.010	1.005	1.004
1998							1.022	1.022	1.035	1.021	1.020	1.010	1.010	1.013	1.007	1.012
1999						1.032	1.025	1.035	1.028	1.018	1.017	1.014	1.009	1.012	1.003	1.000
2000					1.030	1.031	1.041	1.022	1.019	1.022	1.016	1.017	1.012	1.005	0.998	0.995
2001				1.045	1.038	1.045	1.039	1.035	1.030	1.020	1.018	1.018	1.006	0.998	0.999	0.996
2002			1.050	1.039	1.056	1.038	1.034	1.028	1.027	1.020	1.013	1.007	0.998	0.999	0.999	0.999
2003		1.087	1.060	1.060	1.051	1.043	1.040	1.036	1.025	1.019	1.009	1.001	0.999	1.000	1.001	1.007
2004	1.235	1.130	1.094	1.078	1.056	1.062	1.038	1.032	1.026	1.008	1.004	0.999	0.998	0.999	1.002	
2005	1.275	1.141	1.077	1.080	1.074	1.057	1.040	1.027	1.018	1.005	1.003	1.003	0.998	1.001		
2006	1.333	1.164	1.095	1.076	1.061	1.049	1.037	1.018	1.007	1.003	1.002	1.003	1.000			
2007	1.357	1.171	1.114	1.078	1.069	1.041	1.028	1.015	1.005	1.004	1.003	1.003				
2008	1.378	1.189	1.116	1.087	1.058	1.035	1.020	1.009	1.004	1.002	1.004					
2009	1.431	1.182	1.133	1.080	1.049	1.025	1.014	1.007	1.004	1.009						
2010	1.431	1.212	1.117	1.068	1.036	1.023	1.011	1.011	1.005							
2011	1.452	1.185	1.103	1.059	1.026	1.016	1.011	1.009								
2012	1.391	1.153	1.078	1.051	1.025	1.014	1.015									
2013	1.353	1.119	1.077	1.031	1.023	1.010										
2014	1.325	1.135	1.064	1.033	1.022											
2015	1.313	1.117	1.050	1.027												
2016	1.287	1.093	1.042													
2017	1.260	1.098														
2018	1.253															
Selected (a)	1.253	1.098	1.042	1.027	1.022	1.010	1.015	1.009	1.007	1.005	1.004	1.003	1.000	1.000	1.000	1.002
Cumulative	1.624	1.296	1.181	1.133	1.103	1.079	1.069	1.053	1.044	1.036	1.031	1.027	1.024	1.024	1.024	1.023

(a) Selections are latest year for the 15-to-27 month through 99-to-111 month factors and six-year average for the subsequent age-to-age factors.
(b) Incurred medical loss development factors include the paid cost of medical cost containment programs for accident years 2011 and prior.

PRELIMINARY

Incurred Medical Loss Development Factors (Continued)

	Age-to-Age (in months)																		
Accident Year	219/207	231/219	243/231	255/243	267/255	279/267	291/279	303/291	315/303	327/315	339/327	351/339	363/351	375/363	387/375	399/387	411/399	423/411	ULT/423Inc (c)
1983						1.000	1.008	1.004	1.004	1.003	1.003	1.005	1.003	1.003	1.002	0.997	0.999	0.999	
1984					1.003	1.003	1.001	1.004	1.002	1.004	1.003	1.000	1.004	0.999	0.999	1.001	1.000	1.000	
1985				1.006	1.005	1.001	1.001	1.002	1.004	1.004	1.003	1.004	1.000	0.999	0.999	1.000	1.001	1.001	
1986			1.003	1.001	1.005	1.003	1.006	1.006	1.005	1.005	1.004	1.002	1.001	0.998	1.004	1.004	0.993		
1987		0.999	1.003	1.001	1.005	1.010	0.999	1.006	1.003	1.005	1.003	1.001	0.999	1.001	0.999	1.006			
1988	1.003	1.005	1.002	1.006	1.005	1.005	1.001	1.005	1.002	1.003	1.002	1.000	0.998	1.000	1.001				
1989	1.003	1.006	1.005	1.008	1.005	1.006	1.007	1.000	1.002	0.999	0.999	1.000	0.999	1.003					
1990	1.003	1.006	1.008	1.005	1.003	1.002	1.004	0.997	1.001	1.001	0.999	0.998	0.999						
1991	1.007	1.006	1.005	1.002	1.004	1.001	1.003	1.001	0.999	0.999	0.998	1.001							
1992	1.009	1.001	1.003	1.005	1.003	1.003	0.999	1.000	1.002	0.998	1.002								
1993	1.005	1.013	1.013	1.001	1.001	0.999	0.996	1.000	1.000	0.998									
1994	1.011	1.005	1.006	1.004	1.001	0.996	0.997	0.998	1.003										
1995	1.012	0.996	1.007	1.000	0.997	0.998	0.999	1.003											
1996	1.007	1.003	1.000	1.001	0.998	0.996	1.001												
1997	1.000	0.995	0.997	0.998	1.000	1.000													
1998	0.999	1.000	0.996	1.000	1.003														
1999	0.998	0.997	1.002	1.000															
2000	0.997	0.998	1.001																
2001	1.002	1.001																	
2002	1.002																		
Selected (a)	1.000	0.999	1.001	1.001	1.000	0.999	0.999	1.000	1.001	1.000	1.001	1.000	0.999	1.000	1.001	1.002	0.998	1.000	
Cumulative	1.022	1.022	1.023	1.023	1.022	1.022	1.024	1.024	1.025	1.023	1.024	1.023	1.023	1.024	1.024	1.023	1.021	1.023	1.023

(c) The ULT/423Inc tail factor was calculated based on an inverse power curve fit to a six-year average of the 111-to-123 through 339-to-351 factors, excluding the 2016, 2017, and 2018 evaluations, and extrapolated to 80 development years.

PRELIMINARY

Exhibit 2.3.1

Paid Indemnity Loss Development Factors

	Age-to-Age (in months)															
Accident Year	27/15	39/27	51/39	63/51	75/63	87/75	99/87	111/99	123/111	135/123	147/135	159/147	171/159	183/171	195/183	207/195
1994											1.009	1.008	1.006	1.005	1.003	1.003
1995										1.013	1.010	1.008	1.007	1.006	1.004	1.004
1996									1.018	1.013	1.011	1.009	1.007	1.004	1.005	1.004
1997								1.025	1.017	1.015	1.011	1.007	1.007	1.006	1.005	1.005
1998							1.033	1.025	1.018	1.016	1.009	1.009	1.008	1.007	1.006	1.006
1999						1.049	1.033	1.021	1.018	1.014	1.010	1.009	1.008	1.006	1.006	1.005
2000					1.078	1.046	1.030	1.022	1.015	1.012	1.010	1.009	1.007	1.007	1.004	1.004
2001				1.119	1.070	1.045	1.030	1.022	1.016	1.014	1.011	1.011	1.008	1.007	1.006	1.005
2002			1.229	1.111	1.065	1.043	1.028	1.019	1.018	1.014	1.012	1.009	1.007	1.006	1.005	1.005
2003		1.533	1.206	1.109	1.064	1.039	1.029	1.025	1.022	1.020	1.015	1.010	1.009	1.008	1.007	1.007
2004	2.229	1.426	1.191	1.102	1.067	1.045	1.041	1.034	1.026	1.018	1.014	1.011	1.008	1.008	1.009	
2005	2.138	1.410	1.200	1.104	1.073	1.057	1.048	1.037	1.025	1.019	1.014	1.012	1.010	1.010		
2006	2.211	1.423	1.197	1.121	1.085	1.062	1.045	1.032	1.026	1.017	1.015	1.011	1.010			
2007	2.243	1.436	1.211	1.127	1.085	1.061	1.042	1.032	1.025	1.017	1.016	1.013				
2008	2.279	1.468	1.234	1.132	1.083	1.054	1.040	1.025	1.021	1.018	1.014					
2009	2.369	1.499	1.238	1.135	1.084	1.056	1.039	1.029	1.023	1.016						
2010	2.399	1.505	1.240	1.129	1.081	1.053	1.036	1.024	1.021							
2011	2.433	1.481	1.227	1.129	1.076	1.053	1.038	1.023								
2012	2.424	1.477	1.219	1.123	1.075	1.047	1.031									
2013	2.385	1.490	1.216	1.111	1.063	1.038										
2014	2.455	1.501	1.215	1.109	1.062											
2015	2.468	1.476	1.202	1.100												
2016	2.403	1.459	1.188													
2017	2.390	1.441														
2018	2.345															
Selected (a)	2.345	1.441	1.188	1.100	1.062	1.038	1.031	1.023	1.022	1.017	1.015	1.012	1.009	1.009	1.007	1.006
Cumulative	5.869	2.503	1.737	1.462	1.329	1.251	1.206	1.169	1.143	1.119	1.100	1.084	1.071	1.061	1.052	1.045

(a) Selections are latest year for the 15-to-27 month through 99-to-111 month factors and three-year average for the subsequent age-to-age factors.

PRELIMINARY

Paid Indemnity Loss Development Factors (Continued)

	Age-to-Age (in months)																			
Accident Year	219/207	231/219	243/231	255/243	267/255	279/267	291/279	303/291	315/303	327/315	339/327	351/339	363/351	375/363	387/375	399/387	411/399	423/411	423Inc/423Pd (b)	ULT/423Inc (c)
1983						1.003	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.005	
1984					1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.001	1.000	1.001	1.005	
1985				1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.002	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.005	
1986			1.001	1.001	1.001	1.001	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.001		1.005	
1987		1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.002	1.001	1.001	1.001	1.000	1.001	1.001	1.001			1.005	
1988	1.001	1.001	1.002	1.001	1.001	1.002	1.002	1.001	1.001	1.001	1.001	1.000	1.001	1.001	1.001				1.003	
1989	1.002	1.002	1.001	1.001	1.001	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000					1.003	
1990	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.001	1.001							
1991	1.002	1.002	1.001	1.001	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001								
1992	1.001	1.002	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001									
1993	1.002	1.003	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001										
1994	1.004	1.002	1.003	1.003	1.002	1.002	1.002	1.001	1.001											
1995	1.005	1.004	1.003	1.002	1.003	1.002	1.002	1.002												
1996	1.005	1.004	1.003	1.003	1.002	1.003	1.003													
1997	1.004	1.003	1.002	1.002	1.003	1.003														
1998	1.005	1.004	1.003	1.003	1.003															
1999	1.004	1.003	1.003	1.003																
2000	1.004	1.004	1.003																	
2001	1.005	1.004																		
2002	1.005																			
Selected (a)	1.005	1.004	1.003	1.003	1.003	1.003	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.001	1.003	
Cumulative	1.039	1.034	1.030	1.027	1.024	1.022	1.019	1.017	1.015	1.014	1.013	1.013	1.012	1.011	1.010	1.009	1.008	1.008		1.004

(b) Three-year averages of the 423Inc/423Pd factors are selected.
(c) The ULT/423Inc tail factor was calculated based on an inverse power curve fit to a six-year average of the 111-to-123 through 339-to-351 factors, excluding the 2016, 2017, and 2018 evaluations, and extrapolated to 80 development years.

PRELIMINARY

Paid Medical Loss Development Factors

Unadjusted (a)	Age-to-Age (in months)															
Accident Year	27/15	39/27	51/39	63/51	75/63	87/75	99/87	111/99	123/111	135/123	147/135	159/147	171/159	183/171	195/183	207/195
1994											1.018	1.018	1.015	1.016	1.012	1.013
1995										1.024	1.020	1.023	1.019	1.018	1.017	1.013
1996									1.028	1.026	1.025	1.023	1.022	1.014	1.014	1.014
1997								1.034	1.032	1.028	1.025	1.020	1.019	1.014	1.014	1.015
1998							1.044	1.037	1.033	1.032	1.027	1.021	1.017	1.019	1.018	1.017
1999						1.053	1.042	1.031	1.035	1.030	1.025	1.020	1.016	1.018	1.018	1.014
2000					1.071	1.051	1.039	1.037	1.030	1.026	1.022	1.020	1.021	1.016	1.012	1.011
2001				1.094	1.071	1.054	1.046	1.037	1.033	1.026	1.022	1.026	1.019	1.017	1.012	1.010
2002			1.148	1.099	1.068	1.053	1.043	1.032	1.027	1.024	1.026	1.018	1.015	1.011	1.011	1.009
2003		1.259	1.154	1.100	1.070	1.055	1.045	1.033	1.029	1.033	1.025	1.018	1.015	1.012	1.011	1.011
2004	1.744	1.298	1.165	1.121	1.086	1.066	1.047	1.039	1.041	1.031	1.022	1.017	1.014	1.011	1.012	
2005	1.727	1.292	1.193	1.123	1.091	1.063	1.053	1.051	1.037	1.029	1.020	1.017	1.013	1.013		
2006	1.773	1.342	1.195	1.126	1.085	1.064	1.057	1.040	1.032	1.023	1.018	1.015	1.013			
2007	1.851	1.352	1.203	1.120	1.092	1.079	1.051	1.038	1.028	1.021	1.019	1.015				
2008	1.826	1.359	1.208	1.134	1.098	1.067	1.047	1.033	1.024	1.019	1.015					
2009	1.876	1.385	1.221	1.150	1.095	1.062	1.042	1.029	1.023	1.018						
2010	1.926	1.402	1.237	1.133	1.087	1.060	1.039	1.027	1.025							
2011	1.957	1.401	1.217	1.131	1.082	1.055	1.037	1.026								
2012	1.983	1.398	1.213	1.128	1.076	1.051	1.036									
2013	1.939	1.390	1.206	1.111	1.068	1.043										
2014	1.936	1.387	1.194	1.106	1.067											
2015	1.955	1.359	1.185	1.097												
2016	1.876	1.339	1.168													
2017	1.838	1.320														
2018	1.849															

Adjusted (b)	Age-to-Age (in months)															
Accident Year	27/15	39/27	51/39	63/51	75/63	87/75	99/87	111/99	123/111	135/123	147/135	159/147	171/159	183/171	195/183	207/195
2001																1.011
2002															1.012	1.010
2003														1.013	1.012	1.013
2004													1.015	1.013	1.013	
2005												1.019	1.015	1.015		
2006											1.020	1.016	1.014			
2007										1.022	1.021	1.017				
2008									1.026	1.020	1.017					
2009								1.031	1.025	1.019						
2010							1.041	1.029	1.027							
2011						1.059	1.041	1.029								
2012					1.082	1.056	1.039									
2013				1.119	1.074	1.046										
2014			1.203	1.112	1.070											
2015		1.365	1.190	1.099												
2016	1.882	1.344	1.170													
2017	1.844	1.321														
2018	1.849															
Selected (c)	1.849	1.321	1.170	1.099	1.070	1.046	1.039	1.029	1.026	1.020	1.019	1.017	1.015	1.014	1.012	1.011
Cumulative Unadjusted for Impact of SB 1160	4.982	2.694	2.040	1.743	1.586	1.482	1.417	1.364	1.326	1.292	1.266	1.242	1.221	1.203	1.187	1.173
Cumulative Adjusted for Impact of SB 1160(d)	4.798	2.595	1.964	1.700	1.563	1.472	---	---	---	---	---	---	---	---	---	---

(a) Paid medical loss development factors include the paid cost of medical cost containment programs for accident years 2011 and prior.

(b) These factors are adjusted for the losses paid prior to July 1, 2017 by -3.6%, -3.8%, -3.4%, -2.4%, -0.9%, and -0.1% to accident years 2011 to 2016, respectively, for the SB 1160 lien reforms. Factors are also adjusted for the impact of pharmaceutical cost reductions to bring the historical payments to the current pharmaceutical cost level.

(c) Selections are latest year for the 15-to-27 month through 99-to-111 month factors and three-year average for the subsequent age-to-age factors.

(d) The cumulative factors for 39, 51, 63, and 75 months are adjusted by -3.7%, -2.5%, -1.5%, and -0.7%, respectively, for the impact of the SB 1160 reductions in future lien filings.

PRELIMINARY

Paid Medical Loss Development Factors (Continued)

Unadjusted (a)	Age-to-Age (in months)																			
Accident Year	219/207	231/219	243/231	255/243	267/255	279/267	291/279	303/291	315/303	327/315	339/327	351/339	363/351	375/363	387/375	399/387	411/399	423/411	423Inc/423Pd (e)	ULT/423Inc (f)
1983						1.005	1.004	1.004	1.004	1.005	1.004	1.004	1.004	1.004	1.003	1.003	1.004	1.003	1.037	
1984					1.004	1.004	1.003	1.003	1.003	1.004	1.004	1.003	1.003	1.002	1.003	1.002	1.001	1.002	1.036	
1985				1.005	1.005	1.006	1.004	1.004	1.003	1.004	1.004	1.003	1.003	1.002	1.003	1.002	1.002	1.002	1.026	
1986			1.006	1.004	1.004	1.004	1.005	1.005	1.005	1.005	1.005	1.006	1.004	1.006	1.004	1.003	1.003		1.019	
1987		1.007	1.006	1.008	1.005	1.005	1.005	1.005	1.005	1.006	1.005	1.003	1.003	1.002	1.003	1.002			1.023	
1988	1.006	1.005	1.008	1.005	1.005	1.006	1.006	1.004	1.005	1.004	1.003	1.003	1.003	1.004	1.002				1.016	
1989	1.005	1.006	1.006	1.005	1.005	1.008	1.006	1.006	1.005	1.003	1.003	1.003	1.003	1.003					1.017	
1990	1.005	1.005	1.005	1.005	1.006	1.004	1.004	1.004	1.003	1.002	1.002	1.003	1.003							
1991	1.006	1.006	1.006	1.005	1.006	1.006	1.005	1.004	1.003	1.002	1.004	1.004								
1992	1.007	1.007	1.000	1.007	1.007	1.005	1.005	1.005	1.005	1.006	1.003									
1993	1.011	1.011	1.009	1.013	1.010	1.008	1.005	1.006	1.008	1.004										
1994	1.009	1.009	1.012	1.010	1.008	1.008	1.007	1.004	1.005											
1995	1.012	1.016	1.013	1.011	1.013	1.007	1.007	1.008												
1996	1.014	1.014	1.010	1.007	1.007	1.009	1.007													
1997	1.013	1.010	1.006	1.006	1.007	1.007														
1998	1.013	1.010	1.007	1.008	1.008															
1999	1.012	1.009	1.009	1.008																
2000	1.008	1.008	1.006																	
2001	1.010	1.009																		
2002	1.009																			

Adjusted (b)	Age-to-Age (in months)																			
Accident Year	219/207	231/219	243/231	255/243	267/255	279/267	291/279	303/291	315/303	327/315	339/327	351/339	363/351	375/363	387/375	399/387	411/399	423/411	423Inc/423Pd (e)	ULT/423Inc (f)
1983																		1.003	1.037	
1984																	1.001	1.002	1.036	
1985																1.002	1.002	1.002	1.026	
1986															1.005	1.004	1.003		1.019	
1987														1.003	1.004	1.003			1.023	
1988													1.003	1.004	1.002				1.016	
1989												1.003	1.004	1.003					1.017	
1990											1.003	1.003	1.003							
1991										1.003	1.004	1.004								
1992									1.005	1.007	1.003									
1993								1.007	1.009	1.004										
1994							1.007	1.004	1.005											
1995						1.008	1.008	1.009												
1996					1.008	1.011	1.008													
1997				1.007	1.008	1.008														
1998			1.008	1.010	1.009															
1999		1.009	1.010	1.009																
2000	1.008	1.008	1.007																	
2001	1.011	1.011																		
2002	1.010																			
Selected (c)	1.010	1.009	1.008	1.009	1.008	1.009	1.008	1.007	1.006	1.005	1.003	1.003	1.003	1.003	1.004	1.003	1.002	1.002	1.023	
Cumulative	1.160	1.149	1.138	1.128	1.119	1.110	1.100	1.091	1.084	1.077	1.072	1.069	1.065	1.062	1.058	1.054	1.051	1.049		1.023

(e) Six-year averages of the 423Inc/423Pd factors are selected.
(f) The ULT/423Inc tail factor was calculated based on an inverse power curve fit to a six-year average of the 111-to-123 through 339-to-351 factors, excluding the 2016, 2017, and 2018 evaluations, and extrapolated to 80 development years.

PRELIMINARY

Selected Indemnity Development Factors - Paid to Age 267, Incurred from Age 267 to Ultimate

	Age-to-Age (in months)																					
Accident Year	27/15	39/27	51/39	63/51	75/63	87/75	99/87	111/99	123/111	135/123	147/135	159/147	171/159	183/171	195/183	207/195	219/207	231/219	243/231	255/243	267/255	267Inc/267Pd (b)
1993												1.005	1.004	1.004	1.004	1.002	1.002	1.003	1.002	1.002	1.002	1.012
1994											1.009	1.008	1.006	1.005	1.003	1.003	1.004	1.002	1.003	1.003	1.002	1.016
1995										1.013	1.010	1.008	1.007	1.006	1.004	1.004	1.005	1.004	1.003	1.002	1.003	1.019
1996									1.018	1.013	1.011	1.009	1.007	1.004	1.005	1.004	1.005	1.004	1.003	1.003	1.002	1.020
1997								1.025	1.017	1.015	1.011	1.007	1.007	1.006	1.005	1.005	1.004	1.003	1.002	1.002	1.003	1.018
1998							1.033	1.025	1.018	1.016	1.009	1.009	1.008	1.007	1.006	1.006	1.005	1.004	1.003	1.003	1.003	1.018
1999						1.049	1.033	1.021	1.018	1.014	1.010	1.009	1.008	1.006	1.006	1.005	1.004	1.003	1.003	1.003		
2000					1.078	1.046	1.030	1.022	1.015	1.012	1.010	1.009	1.007	1.007	1.004	1.004	1.004	1.004	1.003			
2001				1.119	1.070	1.045	1.030	1.022	1.016	1.014	1.011	1.011	1.008	1.007	1.006	1.005	1.005	1.004				
2002			1.229	1.111	1.065	1.043	1.028	1.019	1.018	1.014	1.012	1.009	1.007	1.006	1.005	1.005	1.005					
2003		1.533	1.206	1.109	1.064	1.039	1.029	1.025	1.022	1.020	1.015	1.010	1.009	1.008	1.007	1.007						
2004	2.229	1.426	1.191	1.102	1.067	1.045	1.041	1.034	1.026	1.018	1.014	1.011	1.008	1.008	1.009							
2005	2.138	1.410	1.200	1.104	1.073	1.057	1.048	1.037	1.025	1.019	1.014	1.012	1.010	1.010								
2006	2.211	1.423	1.197	1.121	1.085	1.062	1.045	1.032	1.026	1.017	1.015	1.011	1.010									
2007	2.243	1.436	1.211	1.127	1.085	1.061	1.042	1.032	1.025	1.017	1.016	1.013										
2008	2.279	1.468	1.234	1.132	1.083	1.054	1.040	1.025	1.021	1.018	1.014											
2009	2.369	1.499	1.238	1.135	1.084	1.056	1.039	1.029	1.023	1.016												
2010	2.399	1.505	1.240	1.129	1.081	1.053	1.036	1.024	1.021													
2011	2.433	1.481	1.227	1.129	1.076	1.053	1.038	1.023														
2012	2.424	1.477	1.219	1.123	1.075	1.047	1.031															
2013	2.385	1.490	1.216	1.111	1.063	1.038																
2014	2.455	1.501	1.215	1.109	1.062																	
2015	2.468	1.476	1.202	1.100																		
2016	2.403	1.459	1.188																			
2017	2.390	1.441																				
2018	2.345																					
Selected (a)	2.345(c)	1.441(c)	1.174(c)	1.088(c)	1.051(c)	1.038	1.031	1.023	1.022	1.017	1.015	1.012	1.009	1.009	1.007	1.006	1.005	1.004	1.003	1.003	1.003	1.019
Cumulative	5.706	2.434	1.689	1.439	1.322	1.258	1.212	1.176	1.149	1.125	1.106	1.090	1.077	1.067	1.058	1.050	1.044	1.040	1.036	1.033	1.030	

(a) Selections are latest year for the 15-to-27 month through 99-to-111 month factors and three-year average for the subsequent paid age-to-age factors. Paid development factors are selected to age 267, where an incurred-to-paid ratio is chosen, and subsequently, six-year average incurred loss development factors are selected until ultimate.

(b) A three-year average of the 267Inc/267Pd factor is selected.

(c) Based on calculations shown on Exhibits 2.5.3 to 2.5.8. Each of these selections is calculated as the latest year paid indemnity age-to-age factor multiplied by an adjustment for changes in claim settlement rates.

PRELIMINARY

Selected Indemnity Development Factors - Paid to Age 267, Incurred from Age 267 to Ultimate (Continued)

	Age-to-Age (in months)													
Accident Year	279/267	291/279	303/291	315/303	327/315	339/327	351/339	363/351	375/363	387/375	399/387	411/399	423/411	ULT/423Inc (c)
1983	1.002	1.000	1.001	1.000	1.000	1.001	1.001	1.001	1.001	1.000	1.001	1.001	1.000	
1984	1.001	1.000	1.000	1.001	1.001	1.000	1.001	1.001	0.999	1.000	1.000	1.001	1.001	
1985	1.000	1.000	1.000	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
1986	1.000	1.001	1.000	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.001		
1987	1.000	1.000	1.002	1.001	1.000	1.000	1.001	1.000	1.001	1.000	1.001			
1988	1.002	1.002	1.001	1.000	1.000	1.000	1.001	1.000	1.000	1.001				
1989	1.001	1.000	1.000	1.000	1.001	1.001	1.000	1.001	1.000					
1990	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000						
1991	1.001	1.000	1.000	1.000	1.000	1.000	1.001							
1992	1.000	1.000	1.000	1.000	1.000	1.001								
1993	1.000	1.000	1.000	1.000	1.000									
1994	1.001	1.000	1.001	1.002										
1995	1.001	1.000	1.001											
1996	1.000	1.002												
1997	1.001													
1998														
Selected (a)	1.001	1.000	1.000	1.000	1.000	1.001	1.001	1.000	1.000	1.000	1.000	1.001	1.000	
Cumulative	1.009	1.008	1.008	1.007	1.007	1.007	1.006	1.006	1.006	1.006	1.005	1.005	1.004	1.004

(d) The ULT/423Inc tail factor was calculated based on an inverse power curve fit to a six-year average of the 111-to-123 through 339-to-351 factors, excluding the 2016, 2017, and 2018 evaluations, and extrapolated to 80 development years.

PRELIMINARY

Exhibit 2.5.3

Paid Indemnity Loss Development Factors
With Separate Adjustments on Open and Closed Claims
for Changes in Claim Settlement Rates

A. Total Reported Indemnity Claim Counts

Accident	Evaluated as of (in months)					
Year	15	27	39	51	63	75
2011						118,057
2012					124,734	125,038
2013				132,687	133,240	133,420
2014			137,696	138,801	139,291	139,484
2015		141,125	143,383	144,053	144,477	
2016	130,819	143,982	146,759	147,507		
2017	133,054	144,784	147,273			
2018	135,505	147,945				
2019	138,773					

B. Development of Total Reported Indemnity Claim Counts

Accident	Age-to-Age Development (in months):					
Year	15-27	27-39	39-51	51-63	63-75	75-Ult
2012					1.002	
2013				1.004	1.001	
2014			1.008	1.004	1.001	
2015		1.016	1.005	1.003		
2016	1.101	1.019	1.005			
2017	1.088	1.017				
2018	1.092					
Latest Year	1.092	1.017	1.005	1.003	1.001	
Cumulative	1.127	1.032	1.015	1.010	1.007	1.005

Acc. Year	2019	2018	2017	2016	2015	2014
Ult. Claim Counts	156,389	152,707	149,444	148,922	145,435	140,215

C. Closed Indemnity Claim Counts

Accident	Evaluated as of (in months)					
Year	15	27	39	51	63	75
2011						104,094
2012					105,308	111,792
2013				104,691	114,901	121,142
2014			95,260	111,745	121,808	127,800
2015		77,963	102,951	119,252	128,566	
2016	46,802	83,513	109,302	124,497		
2017	50,699	88,131	112,161			
2018	52,569	90,050				
2019	53,895					

Source: Accident year experience of insurers with available claim count data

PRELIMINARY

Exhibit 2.5.4

Paid Indemnity Loss Development Factors
With Separate Adjustments on Open and Closed Claims
for Changes in Claim Settlement Rates

D. Ultimate Indemnity Claim Settlement Ratio (a)

Accident Year	Evaluated as of (in months) 15	27	39	51	63	75
2011						87.7%
2012					83.8%	89.0%
2013				78.1%	85.7%	90.3%
2014			67.9%	79.7%	86.9%	91.1%
2015		53.6%	70.8%	82.0%	88.4%	
2016	31.4%	56.1%	73.4%	83.6%		
2017	33.9%	59.0%	75.1%			
2018	34.4%	59.0%				
2019	34.5%					

E. Adjusted Closed Indemnity Claim Counts at Equal Percentiles of Ultimate Claim Counts (b)

Accident Year	Evaluated as of (in months) 15	27	39	51	63	75
2011						108,127
2012					111,048	114,497
2013				112,122	118,562	122,244
2014			105,234	117,218	123,951	127,800
2015		85,762	109,152	121,582	128,566	
2016	51,322	87,818	111,770	124,497		
2017	51,501	88,126	112,161			
2018	52,626	90,050				
2019	53,895					

F. Average Paid Indemnity per Closed Claim

Accident Year	Evaluated as of (in months) 15	27	39	51	63	75
2011						17,297
2012					15,579	17,331
2013				13,644	15,851	17,379
2014			11,149	14,513	16,766	18,242
2015		7,359	11,875	15,192	17,256	
2016	3,252	7,699	12,005	15,085		
2017	3,341	7,785	12,017			
2018	3,566	8,204				
2019	3,812					

PRELIMINARY

(a) Ratio of closed indemnity claim counts (Item C) to the estimated ultimate indemnity claim counts (Item B) for that accident year.
(b) The claim counts for the latest evaluation of each accident year are equal to the reported number of closed indemnity claims. All prior evaluations shown are the product of the latest ultimate indemnity claim settlement ratio (Item D) and the ultimate indemnity claim counts (Item B) for that accident year.

Source: Accident year experience of insurers with available claim count data

Exhibit 2.5.5

Paid Indemnity Loss Development Factors
With Separate Adjustments on Open and Closed Claims
for Changes in Claim Settlement Rates

G. Adjusted Average Paid Indemnity per Closed Claim (c)

Accident Year	Evaluated as of (in months) 15	27	39	51	63	75
2011						18,589
2012					17,120	18,119
2013				15,217	16,731	17,648
2014			13,078	15,698	17,280	18,242
2015		8,545	13,042	15,684	17,256	
2016	3,616	8,292	12,458	15,085		
2017	3,402	7,784	12,017			
2018	3,571	8,204				
2019	3,812					
2020						

H. Adjusted Paid Indemnity on Closed Claims (in $000) (d)

Accident Year	Evaluated as of (in months) 15	27	39	51	63	75
2011						2,009,933
2012					1,901,170	2,074,519
2013				1,706,191	1,983,641	2,157,391
2014			1,376,227	1,840,067	2,141,836	2,331,271
2015		732,827	1,423,586	1,906,936	2,218,577	
2016	185,563	728,208	1,392,471	1,878,099		
2017	175,226	685,969	1,347,786			
2018	187,908	738,795				
2019	205,444					

I. Paid Indemnity on Open Claims (in $000)

Accident Year	Evaluated as of (in months) 15	27	39	51	63	75
2011						522,066
2012					626,216	500,429
2013				745,920	593,097	461,197
2014			891,258	751,500	589,298	463,732
2015		848,825	876,539	710,785	555,919	
2016	458,630	824,626	829,832	665,539		
2017	461,628	822,467	825,361			
2018	493,585	857,088				
2019	515,277					

PRELIMINARY

(c) Adjusted based on ultimate indemnity claim settlement ratios (Item D) and assuming a log-linear relationship between maturities.
(d) Each amount is the product of the adjusted closed indemnity claim counts (Item E) and the adjusted average paid indemnity per closed claim (Item G), and divided by $1,000.

Source: Accident year experience of insurers with available claim count data

Paid Indemnity Loss Development Factors
With Separate Adjustments on Open and Closed Claims
for Changes in Claim Settlement Rates

J. Average Paid Indemnity per Open Claim for Indemnity Claims in Transition (e)

Accident	Evaluated as of (in months)					
Year	15	27	39	51	63	75
2011						37,391
2012					32,236	37,779
2013				26,644	32,342	37,563
2014			21,003	27,775	33,707	39,689
2015		13,439	21,679	28,660	34,939	
2016	5,459	13,637	22,154	28,924		
2017	5,605	10,090	23,507			
2018	5,951	14,804				
2019	6,071					

K. Changes in Paid Indemnity on Open Claims Resulting from the Impact of Changes in Claim Settlement Rates (in $000) (f)

Accident	Evaluated as of (in months)					
Year	15	27	39	51	63	75
2011						-150,796
2012					-185,035	-102,155
2013				-197,965	-118,403	-41,394
2014			-209,480	-152,013	-72,234	
2015		-104,810	-134,454	-66,777		
2016	-24,668	-58,721	-54,677			
2017	-4,496	50				
2018	-339					

L. Adjusted Paid Indemnity on Open Claims (in $000) (g)

Accident	Evaluated as of (in months)					
Year	15	27	39	51	63	75
2011						371,269
2012					441,181	398,274
2013				547,955	474,694	419,802
2014			681,777	599,487	517,064	463,732
2015		744,015	742,085	644,008	555,919	
2016	433,961	765,905	775,155	665,539		
2017	457,132	822,517	825,361			
2018	493,245	857,088				
2019	515,277					

(e) Each amount is equal to the product of [the average monthly indemnity payment per open indemnity claim] and [the number of months for the current evaluation]. For evaluations indicating claim settlement rate decreases, the average monthly indemnity payment per open indemnity claim at the prior evaluation is used. For evaluations indicating claim settlement rate increases, the average monthly indemnity payment per open indemnity claim at the same evaluation is used.

(f) Each amount is equal to [the difference between unadjusted and adjusted closed indemnity claim counts (Items C and E)] multiplied by the corresponding [average paid indemnity per open claim for indemnity claims in transition (Item J)].

(g) Each amount is the sum of [paid indemnity on open claims (Item I)] and the corresponding [incremental changes in paid indemnity on open claims resulting from the impact of changes in claim settlement rates (Item K)].

Source: Accident year experience of insurers with available claim count data

PRELIMINARY

Exhibit 2.5.7

Paid Indemnity Loss Development Factors
With Separate Adjustments on Open and Closed Claims
for Changes in Claim Settlement Rates

M. Adjusted Total Paid Indemnity (in $000) (h)

Accident Year	Evaluated as of (in months) 15	27	39	51	63	75
2011						2,381,203
2012					2,342,351	2,472,793
2013				2,254,147	2,458,334	2,577,194
2014			2,058,005	2,439,554	2,658,899	2,795,003
2015		1,476,842	2,165,671	2,550,944	2,774,496	
2016	619,524	1,494,113	2,167,626	2,543,638		
2017	632,358	1,508,486	2,173,148			
2018	681,154	1,595,883				
2019	720,721					

N. Paid Indemnity Loss Development Factors Based on Adjusted Total Paid Indemnity

Accident Year	Evaluated as of (in months) 15-27	27-39	39-51	51-63	63-75
2011					
2012					1.056
2013				1.091	1.048
2014			1.185	1.090	1.051
2015		1.466	1.178	1.088	
2016	2.412	1.451	1.173		
2017	2.385	1.441			
2018	2.343				
Latest Year	2.343	1.441	1.173	1.088	1.051
3-Year Average	2.380	1.453	1.179	1.089	1.052

O. Paid Indemnity Loss Development Factors (i)

Accident Year	Evaluated as of (in months) 15-27	27-39	39-51	51-63	63-75
2012					1.075
2013				1.110	1.063
2014			1.215	1.109	1.062
2015		1.476	1.202	1.100	
2016	2.403	1.459	1.188		
2017	2.391	1.441			
2018	2.343				

PRELIMINARY

(h) Each amount is the sum of the adjusted paid indemnity on closed claims (Item H) and the adjusted paid indemnity on open claims (Item L).

(i) Development factors are based on paid indemnity losses from the same insurer mix as that used in the adjustment for changes in claim settlement rates and applied in the calculation of the development factors in Item N.

Source: Accident year experience of insurers with available claim count data

Paid Indemnity Loss Development Factors
With Separate Adjustments on Open and Closed Claims
for Changes in Claim Settlement Rates

P. Impact of Adjustment for Changes in Claim Settlement Rates (j)

Accident Year	Evaluated as of (in months) 15-27	27-39	39-51	51-63	63-75
2012					-1.84%
2013				-1.79%	-1.38%
2014			-2.43%	-1.71%	-1.03%
2015		-0.62%	-1.98%	-1.12%	
2016	0.37%	-0.60%	-1.18%		
2017	-0.21%	0.00%			
2018	-0.02%				

Q. Paid Indemnity Loss Development Factors Adjusted for Changes in Indemnity Claim Settlement Rates (k)

Accident Year	Evaluated as of (in months) 15-27	27-39	39-51	51-63	63-75
2012					1.055
2013				1.091	1.048
2014			1.185	1.090	1.051
2015		1.467	1.178	1.088	
2016	2.412	1.450	1.174		
2017	2.385	1.441			
2018	2.345				
Latest Year	2.345	1.441	1.174	1.088	1.051
3-Year Average	2.380	1.453	1.179	1.090	1.052

(j) Each factor represents the change in age-to-age development factors from Item O to those in Item N.
(k) Each factor is the product of [1.0 + the impact of adjustment for changes in claim settlement rates (Item P)] and [the paid indemnity age-to-age development factor from Exhibit 2.5.1].

Source: Accident year experience of insurers with available claim count data

PRELIMINARY

Selected Medical Development Factors - Paid to Age 267, Incurred from Age 267 to Ultimate

Unadjusted (a)	Age-to-Age (in months)																					
Accident Year	27/15	39/27	51/39	63/51	75/63	87/75	99/87	111/99	123/111	135/123	147/135	159/147	171/159	183/171	195/183	207/195	219/207	231/219	243/231	255/243	267/255	267Inc/267Pd (e)
1993												1.014	1.013	1.013	1.012	1.011	1.011	1.011	1.009	1.013	1.010	1.082
1994											1.018	1.018	1.015	1.016	1.012	1.013	1.009	1.009	1.012	1.010	1.008	1.089
1995										1.024	1.020	1.023	1.019	1.018	1.017	1.013	1.012	1.016	1.013	1.011	1.013	1.082
1996									1.028	1.026	1.025	1.023	1.022	1.014	1.014	1.014	1.014	1.014	1.010	1.007	1.007	1.076
1997								1.034	1.032	1.028	1.025	1.020	1.019	1.014	1.014	1.015	1.013	1.010	1.006	1.006	1.007	1.069
1998							1.044	1.037	1.033	1.032	1.027	1.021	1.017	1.019	1.018	1.017	1.013	1.010	1.007	1.008	1.008	1.077
1999						1.053	1.042	1.031	1.035	1.030	1.025	1.020	1.016	1.018	1.018	1.014	1.012	1.009	1.009	1.008		
2000					1.071	1.051	1.039	1.037	1.030	1.026	1.022	1.020	1.021	1.016	1.012	1.011	1.008	1.008	1.006			
2001				1.094	1.071	1.054	1.046	1.037	1.033	1.026	1.022	1.026	1.019	1.017	1.012	1.010	1.010	1.009				
2002			1.148	1.099	1.068	1.053	1.043	1.032	1.027	1.024	1.026	1.018	1.015	1.011	1.011	1.009	1.009					
2003		1.259	1.154	1.100	1.070	1.055	1.045	1.033	1.029	1.033	1.025	1.018	1.015	1.012	1.011	1.011						
2004	1.744	1.298	1.165	1.121	1.086	1.066	1.047	1.039	1.041	1.031	1.022	1.017	1.014	1.011	1.012							
2005	1.727	1.292	1.193	1.123	1.091	1.063	1.053	1.051	1.037	1.029	1.020	1.017	1.013	1.013								
2006	1.773	1.342	1.195	1.126	1.085	1.064	1.057	1.040	1.032	1.023	1.018	1.015	1.013									
2007	1.851	1.352	1.203	1.120	1.092	1.079	1.051	1.038	1.028	1.021	1.019	1.015										
2008	1.826	1.359	1.208	1.134	1.098	1.067	1.047	1.033	1.024	1.019	1.015											
2009	1.876	1.385	1.221	1.150	1.095	1.062	1.042	1.029	1.023	1.018												
2010	1.926	1.402	1.237	1.133	1.087	1.060	1.039	1.027	1.025													
2011	1.957	1.401	1.217	1.131	1.082	1.055	1.037	1.026														
2012	1.983	1.398	1.213	1.128	1.076	1.051	1.036															
2013	1.939	1.390	1.206	1.111	1.068	1.043																
2014	1.936	1.387	1.194	1.106	1.067																	
2015	1.955	1.359	1.185	1.097																		
2016	1.876	1.339	1.168																			
2017	1.838	1.320																				
2018	1.849																					

Adjusted (b)	Age-to-Age (in months)																					
Accident Year	27/15	39/27	51/39	63/51	75/63	87/75	99/87	111/99	123/111	135/123	147/135	159/147	171/159	183/171	195/183	207/195	219/207	231/219	243/231	255/243	267/255	267Inc/267Pd (e)
1996																					1.008	1.076
1997																				1.007	1.008	1.069
1998																			1.008	1.010	1.009	1.077
1999																		1.009	1.010	1.009		
2000																	1.008	1.008	1.007			
2001																1.011	1.011	1.011				
2002															1.012	1.010	1.010					
2003														1.013	1.012	1.013						
2004													1.015	1.013	1.013							
2005												1.019	1.015	1.015								
2006											1.020	1.016	1.014									
2007										1.022	1.021	1.017										
2008									1.026	1.020	1.017											
2009								1.031	1.025	1.019												
2010							1.041	1.029	1.027													
2011						1.059	1.041	1.029														
2012					1.082	1.056	1.039															
2013				1.119	1.074	1.046																
2014			1.203	1.112	1.070																	
2015		1.365	1.190	1.099																		
2016	1.882	1.344	1.170																			
2017	1.844	1.321																				
2018	1.849																					
Selected (c)	1.849(e)	1.321(e)	1.161(e)	1.090(e)	1.059(e)	1.046	1.039	1.029	1.026	1.020	1.019	1.017	1.015	1.014	1.012	1.011	1.010	1.009	1.008	1.009	1.008	1.074
Cumulative Unadjusted for Impact of SB 1160	4.799	2.596	1.965	1.692	1.553	1.467	1.402	1.349	1.311	1.278	1.253	1.229	1.208	1.191	1.174	1.160	1.147	1.136	1.126	1.116	1.107	
Cumulative Adjusted for Impact of SB 1160(f)	4.622	2.500	1.892	1.651	1.530	1.456	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	

(a) Paid medical loss development factors include the paid cost of medical cost containment programs for accident years 2011 and prior.
(b) These factors are adjusted for the losses paid prior to July 1, 2017 by -3.6%, -3.8%, -3.4%, -2.4%, -0.9%, and -0.1% to accident years 2011 to 2016, respectively, for the SB 1160 lien reforms. Factors are also adjusted for the impact of pharmaceutical cost reductions to bring the historical payments to the current pharmaceutical cost level.
(c) Selections are latest year for the 15-to-27 month through 99-to-111 month factors and three-year average for the subsequent paid age-to-age factors. Paid development factors are selected to age 267, where an incurred-to-paid ratio is chosen, and subsequently, six-year average incurred loss development factors are selected until ultimate.
(d) A three-year average of the 267Inc/267Pd factor is selected.
(e) Based on calculations shown on Exhibits 2.6.3 to 2.6.8. Each of these selections are calculated as the latest year paid medical age-to-age factor multiplied by an adjustment for changes in claim settlement rates.
(f) The cumulative factors for 39, 51, 63, and 75 months are adjusted by -3.7%, -2.5%, -1.5%, and -0.7%, respectively, for the impact of the SB 1160 reductions in future lien filings.

PRELIMINARY

Selected Medical Development Factors - Paid to Age 267, Incurred from Age 267 to Ultimate (Continued)

	Age-to-Age (in months)													
Accident Year	279/267	291/279	303/291	315/303	327/315	339/327	351/339	363/351	375/363	387/375	399/387	411/399	423/411	ULT/423Inc (g)
1983	1.000	1.008	1.004	1.004	1.003	1.003	1.005	1.003	1.003	1.002	0.997	0.999	0.999	
1984	1.003	1.001	1.004	1.002	1.004	1.003	1.000	1.004	0.999	0.999	1.001	1.000	1.000	
1985	1.001	1.001	1.002	1.004	1.004	1.003	1.004	1.000	0.999	0.999	1.000	1.001	1.001	
1986	1.003	1.006	1.006	1.005	1.005	1.004	1.002	1.001	0.998	1.004	1.004	0.993		
1987	1.010	0.999	1.006	1.003	1.005	1.003	1.001	0.999	1.001	0.999	1.006			
1988	1.005	1.001	1.005	1.002	1.003	1.002	1.000	0.998	1.000	1.001				
1989	1.006	1.007	1.000	1.002	0.999	0.999	1.000	0.999	1.003					
1990	1.002	1.004	0.997	1.001	1.001	0.999	0.998	0.999						
1991	1.001	1.003	1.001	0.999	0.999	0.998	1.001							
1992	1.003	0.999	1.000	1.002	0.998	1.002								
1993	0.999	0.996	1.000	1.000	0.998									
1994	0.996	0.997	0.998	1.003										
1995	0.998	0.999	1.003											
1996	0.996	1.001												
1997	1.000													
1998														
Selected (c)	0.999	0.999	1.000	1.001	1.000	1.001	1.000	0.999	1.000	1.001	1.002	0.998	1.000	
Cumulative	1.022	1.024	1.024	1.025	1.023	1.024	1.023	1.023	1.024	1.024	1.023	1.021	1.023	1.023

(g) The ULT/423Inc tail factor was calculated based on an inverse power curve fit to a six-year average of the 111-to-123 through 339-to-351 factors, excluding the 2016, 2017, and 2018 evaluations, and extrapolated to 80 development years.

PRELIMINARY

Exhibit 2.6.3

Paid Medical Loss Development Factors
With Separate Adjustments on Open and Closed Claims
for Changes in Claim Settlement Rates

A. Total Reported Indemnity Claim Counts

Accident Year	Evaluated as of (in months) 15	27	39	51	63	75
2011						118,057
2012					124,734	125,038
2013				132,687	133,240	133,420
2014			137,696	138,801	139,291	139,484
2015		141,125	143,383	144,053	144,477	
2016	130,819	143,982	146,759	147,507		
2017	133,054	144,784	147,273			
2018	135,505	147,945				
2019	138,773					

B. Development of Total Reported Indemnity Claim Counts

Accident Year	Age-to-Age Development (in months): 15-27	27-39	39-51	51-63	63-75	75-Ult
2012					1.002	
2013				1.004	1.001	
2014			1.008	1.004	1.001	
2015		1.016	1.005	1.003		
2016	1.101	1.019	1.005			
2017	1.088	1.017				
2018	1.092					
Latest Year	1.092	1.017	1.005	1.003	1.001	
Cumulative	1.127	1.032	1.015	1.010	1.007	1.005

Acc. Year	2019	2018	2017	2016	2015	2014
Ult. Claim Counts	156,389	152,707	149,444	148,922	145,435	140,215

C. Closed Indemnity Claim Counts

Accident Year	Evaluated as of (in months) 15	27	39	51	63	75
2011						104,094
2012					105,308	111,792
2013				104,691	114,901	121,142
2014			95,260	111,745	121,808	127,800
2015		77,963	102,951	119,252	128,566	
2016	46,802	83,513	109,302	124,497		
2017	50,699	88,131	112,161			
2018	52,569	90,050				
2019	53,895					

Source: Accident year experience of insurers with available claim count and paid loss data

PRELIMINARY

Exhibit 2.6.4

Paid Medical Loss Development Factors
With Separate Adjustments on Open and Closed Claims
for Changes in Claim Settlement Rates

D. Ultimate Indemnity Claim Settlement Ratio (a)

Accident Year	Evaluated as of (in months) 15	27	39	51	63	75
2011						87.7%
2012					83.8%	89.0%
2013				78.1%	85.7%	90.3%
2014			67.9%	79.7%	86.9%	91.1%
2015		53.6%	70.8%	82.0%	88.4%	
2016	31.4%	56.1%	73.4%	83.6%		
2017	33.9%	59.0%	75.1%			
2018	34.4%	59.0%				
2019	34.5%					

E. Adjusted Closed Indemnity Claim Counts at Equal Percentiles of Ultimate Claim Counts (b)

Accident Year	Evaluated as of (in months) 15	27	39	51	63	75
2011						108,127
2012					111,048	114,497
2013				112,122	118,562	122,244
2014			105,234	117,218	123,951	127,800
2015		85,762	109,152	121,582	128,566	
2016	51,322	87,818	111,770	124,497		
2017	51,501	88,126	112,161			
2018	52,626	90,050				
2019	53,895					

F. Average Paid Medical per Closed Indemnity Claim

Accident Year	Evaluated as of (in months) 15	27	39	51	63	75
2011						20,750
2012					17,545	19,756
2013				14,304	16,973	18,828
2014			10,971	14,384	16,831	18,480
2015		7,263	11,333	14,566	16,561	
2016	3,462	7,489	11,315	14,059		
2017	3,565	7,704	11,398			
2018	3,665	7,988				
2019	3,912					

PRELIMINARY

(a) Ratio of closed indemnity claim counts (Item C) to the estimated ultimate indemnity claim counts (Item B) for that accident year.
(b) The claim counts for the latest evaluation of each accident year are equal to the reported number of closed indemnity claims. All prior evaluations shown are the product of the latest ultimate indemnity claim settlement ratio (Item D) and the ultimate indemnity claim counts (Item B) for that accident year.

Source: Accident year experience of insurers with available claim count and paid loss data

Paid Medical Loss Development Factors
With Separate Adjustments on Open and Closed Claims
for Changes in Claim Settlement Rates

G. Adjusted Average Paid Medical per Closed Indemnity Claim (c)

Accident	Evaluated as of (in months)					
Year	15	27	39	51	63	75
2011						22,672
2012					19,489	20,776
2013				16,201	18,038	19,156
2014			12,925	15,667	17,403	18,480
2015		8,345	12,469	15,041	16,561	
2016	3,807	8,023	11,721	14,059		
2017	3,625	7,704	11,398			
2018	3,670	7,988				
2019	3,912					

H. Adjusted Paid Medical (in $000) on Closed Indemnity Claims (d)

Accident	Evaluated as of (in months)					
Year	15	27	39	51	63	75
2011						2,451,448
2012					2,164,244	2,378,763
2013				1,816,444	2,138,615	2,341,655
2014			1,360,127	1,836,483	2,157,162	2,361,683
2015		715,723	1,360,973	1,828,752	2,129,175	
2016	195,386	704,563	1,310,103	1,750,271		
2017	186,674	678,903	1,278,441			
2018	193,121	719,277				
2019	210,837					

I. Paid Medical on Open Indemnity Claims (in $000)

Accident	Evaluated as of (in months)					
Year	15	27	39	51	63	75
2011						736,639
2012					800,570	651,489
2013				864,337	689,196	549,374
2014			933,300	793,689	624,796	505,334
2015		883,986	881,422	730,322	595,434	
2016	552,356	864,167	836,054	709,347		
2017	568,207	856,257	826,063			
2018	596,167	903,593				
2019	587,536					

(c) Adjusted based on ultimate indemnity claim settlement ratios (Item D) and assuming a log-linear relationship between maturities.
(d) Each amount is equal to the product of [adjusted closed indemnity claim counts (Item E)] and [adjusted average paid medical per closed indemnity claim (Item G)], and divided by $1,000.

Source: Accident year experience of insurers with available claim count and paid loss data

PRELIMINARY

Paid Medical Loss Development Factors
With Separate Adjustments on Open and Closed Claims
for Changes in Claim Settlement Rates

J. Average Paid Medical per Open Indemnity Claim for Indemnity Claims in Transition (e)

Accident	Evaluated as of (in months)					
Year	15	27	39	51	63	75
2011						52,758
2012					41,211	49,183
2013				30,874	37,582	44,745
2014			21,993	29,334	35,737	43,250
2015		13,996	21,800	29,447	37,423	
2016	6,574	14,291	22,320	30,828		
2017	6,900	15,114	23,527			
2018	7,188	15,607				
2019	6,922					

K. Changes in Paid Medical on Open Indemnity Claims Resulting from the Impact of Changes in Indemnity Claim Settlement Rates (in $000) (f)

Accident	Evaluated as of (in months)					
Year	15	27	39	51	63	75
2011						-212,775
2012					-236,554	-132,992
2013				-229,392	-137,588	-49,308
2014			-219,362	-160,547	-76,585	
2015		-109,151	-135,203	-68,612		
2016	-29,710	-61,536	-55,087			
2017	-5,533	62				
2018	-410					

L. Adjusted Paid Medical on Open Indemnity Claims (in $000) (g)

Accident	Evaluated as of (in months)					
Year	15	27	39	51	63	75
2011						523,864
2012					564,017	518,497
2013				634,945	551,608	500,065
2014			713,938	633,143	548,211	505,334
2015		774,834	746,219	661,710	595,434	
2016	522,647	802,631	780,967	709,347		
2017	562,674	856,319	826,063			
2018	595,758	903,593				
2019	587,536					

(e) Each amount is equal to the product of [the average monthly medical payment per open indemnity claim] and [the number of months for the current evaluation]. For evaluations indicating claim settlement rate decreases, the average monthly medical payment per open indemnity claim at the prior evaluation is used. For evaluations indicating claim settlement rate increases, the average monthly medical payment per open indemnity claim at the same evaluation is used.

(f) Each amount is equal to [the difference between unadjusted and adjusted closed indemnity claim counts (Items C and E)] multiplied by [the corresponding average paid medical per open indemnity claim for indemnity claims in transition (Item J)].

(g) Each amount is the sum of [paid medical on open indemnity claims (Item I)] and the corresponding [incremental changes in paid medical on open indemnity claims resulting from the impact of changes in indemnity claim settlement rates (Item K)].

Source: Accident year experience of insurers with available claim count and paid loss data

PRELIMINARY

Exhibit 2.6.7

Paid Medical Loss Development Factors
With Separate Adjustments on Open and Closed Claims
for Changes in Claim Settlement Rates

M. Paid Medical on Medical-Only Claims (in $000)

Accident Year	Evaluated as of (in months) 15	27	39	51	63	75
2011						216,191
2012					221,203	225,603
2013				221,653	228,317	230,781
2014			239,463	246,220	248,931	251,794
2015		241,457	250,793	256,181	261,405	
2016	217,062	258,096	268,099	275,130		
2017	236,913	276,919	287,435			
2018	250,889	300,289				
2019	244,471					

N. Adjusted Total Paid Medical (in $000) (h)

Accident Year	Evaluated as of (in months) 15	27	39	51	63	75
2011						3,459,475
2012					2,949,464	3,122,863
2013				2,673,043	2,918,539	3,072,501
2014			2,313,529	2,715,846	2,954,303	3,118,811
2015		1,732,014	2,357,984	2,746,644	2,986,014	
2016	935,095	1,765,290	2,359,170	2,734,748		
2017	986,261	1,812,141	2,391,939			
2018	1,039,767	1,923,159				
2019	1,042,845					

O. Paid Medical Loss Development Factors Based on Adjusted Total Paid Medical

Accident Year	Evaluated as of (in months) 15-27	27-39	39-51	51-63	63-75
2012					1.059
2013				1.092	1.053
2014			1.174	1.088	1.056
2015		1.361	1.165	1.087	
2016	1.888	1.336	1.159		
2017	1.837	1.320			
2018	1.850				
Latest Year	1.850	1.320	1.159	1.087	1.056

(h) Each amount is the sum of [adjusted paid medical on closed indemnity claims (Item H)], [adjusted paid medical on open indemnity claims (Item L)] and [paid medical on medical-only claims (Item M)]. The effect of the paid cost of medical cost containment programs are only present for accident years 2011 and prior.

Source: Accident year experience of insurers with available claim count and paid loss data

PRELIMINARY

Paid Medical Loss Development Factors
With Separate Adjustments on Open and Closed Claims
for Changes in Claim Settlement Rates

P. Paid Medical Loss Development Factors (i)

Accident Year	Evaluated as of (in months) 15-27	27-39	39-51	51-63	63-75
2012					1.075
2013				1.110	1.067
2014			1.194	1.105	1.067
2015		1.359	1.185	1.096	
2016	1.876	1.339	1.168		
2017	1.838	1.320			
2018	1.850				

Q. Impact of Adjustment for Changes in Indemnity Claim Settlement Rates (j)

Accident Year	Evaluated as of (in months) 15-27	27-39	39-51	51-63	63-75
2012					-1.54%
2013				-1.64%	-1.37%
2014			-1.65%	-1.51%	-1.03%
2015		0.18%	-1.68%	-0.84%	
2016	0.62%	-0.23%	-0.77%		
2017	-0.04%	0.00%			
2018	0.00%				

R. Paid Medical Loss Development Factors Adjusted for Changes in Indemnity Claim Settlement Rates (k)

Accident Year	Evaluated as of (in months) 15-27	27-39	39-51	51-63	63-75
2012					1.065
2013				1.101	1.059
2014			1.183	1.095	1.059
2015		1.367	1.170	1.090	
2016	1.894	1.341	1.161		
2017	1.843	1.321			
2018	1.849				
Latest Year	1.849	1.321	1.161	1.090	1.059
3-Year Average	1.862	1.343	1.171	1.095	1.061

(i) Development factors are based on paid medical losses from the same insurer mix as that used in the adjustment for changes in claim settlement rates and applied in the calculation of the development factors in Item O.

(j) Each factor represents the change in age-to-age development factors from Item P to those in Item O.

(k) Each factor is the product of [1.0 + the impact of adjustment for changes in claim settlement rates (Item Q)] and [the adjusted paid medical age-to-age development factor from Exhibit 2.6.1].

Source: Accident year experience of insurers with available claim count and paid loss data

PRELIMINARY

Developed Indemnity Loss Ratios Using Selected Loss Development Factors
Adjusted for Changes in Claim Settlement Rates
Based on Experience as of March 31, 2020

		Development Factors		
	(1)	(2)	(3)	(4)
Accident Year	Paid or Incurred Loss Ratio (a)	Annual (b)	Cumulative	Projected Ultimate Loss Ratio (4) = (1) x (3)
1986	0.396	1.000	1.004	0.398
1987	0.346	1.001	1.005	0.348
1988	0.331	1.000	1.005	0.332
1989	0.343	1.000	1.006	0.345
1990	0.398	1.000	1.006	0.400
1991	0.425	1.000	1.006	0.428
1992	0.350	1.001	1.006	0.353
1993	0.288	1.001	1.007	0.290
1994	0.328	1.000	1.007	0.330
1995	0.473	1.000	1.007	0.477
1996	0.531	1.000	1.008	0.535
1997	0.600	1.000	1.008	0.605
1998	0.652	1.001	1.009	0.658
1999	0.672	1.003	1.030	0.692
2000	0.579	1.003	1.033	0.598
2001	0.479	1.003	1.036	0.496
2002	0.356	1.004	1.040	0.370
2003	0.234	1.005	1.044	0.244
2004	0.139	1.006	1.050	0.146
2005	0.118	1.007	1.058	0.125
2006	0.152	1.009	1.067	0.162
2007	0.208	1.009	1.077	0.224
2008	0.261	1.012	1.090	0.284
2009	0.301	1.015	1.106	0.333
2010	0.287	1.017	1.125	0.323
2011	0.263	1.022	1.149	0.302
2012	0.230	1.023	1.176	0.271
2013	0.192	1.031	1.212	0.232
2014	0.176	1.038	1.258	0.222
2015	0.163	1.051	1.322	0.216
2016	0.142	1.088	1.439	0.204
2017	0.123	1.174	1.689	0.208
2018	0.092	1.441	2.434	0.224
2019	0.045	2.345	5.706	0.256

(a) Based on Exhibit 1. To reflect the selected loss development methodology, reported loss ratios displayed prior to 1999 are on an incurred basis. Subsequent reported loss ratios are on a paid basis.

(b) See Exhibits 2.5.1 and 2.5.2.

PRELIMINARY

Developed Medical Loss Ratios Using Selected Loss Development Factors
Adjusted for Changes in Claim Settlement Rates
Based on Experience as of March 31, 2020

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Reform Adjusted					
			Development Factors				
				Cumulative			
Accident Year	Paid or Incurred Loss Ratio (a)	Adjusted Paid or Incurred Loss Ratio (b)	Annual (c)	Unadjusted for Reforms (c)	Adjusted for Reforms (c)	Adjusted Developed Loss Ratio (d) (2) x (5)	Projected Ultimate Loss Ratio (1) + ((6) - (2))
1986	0.332	0.332	1.000	1.023	1.023	0.340	0.340
1987	0.315	0.315	0.998	1.021	1.021	0.322	0.322
1988	0.305	0.305	1.002	1.023	1.023	0.312	0.312
1989	0.326	0.326	1.001	1.024	1.024	0.334	0.334
1990	0.366	0.366	1.000	1.024	1.024	0.374	0.374
1991	0.384	0.384	0.999	1.023	1.023	0.392	0.392
1992	0.320	0.320	1.000	1.023	1.023	0.327	0.327
1993	0.266	0.266	1.001	1.024	1.024	0.272	0.272
1994	0.309	0.309	1.000	1.023	1.023	0.316	0.316
1995	0.454	0.454	1.001	1.025	1.025	0.465	0.465
1996	0.484	0.484	1.000	1.024	1.024	0.496	0.496
1997	0.545	0.545	0.999	1.024	1.024	0.558	0.558
1998	0.660	0.660	0.999	1.022	1.022	0.674	0.674
1999	0.669	0.596	1.008	1.107	1.107	0.660	0.732
2000	0.602	0.537	1.009	1.116	1.116	0.600	0.664
2001	0.531	0.476	1.008	1.126	1.126	0.536	0.591
2002	0.409	0.368	1.009	1.136	1.136	0.418	0.459
2003	0.260	0.235	1.010	1.147	1.147	0.269	0.295
2004	0.176	0.159	1.011	1.160	1.160	0.184	0.201
2005	0.171	0.155	1.012	1.174	1.174	0.182	0.198
2006	0.218	0.198	1.014	1.191	1.191	0.236	0.256
2007	0.304	0.277	1.015	1.208	1.208	0.335	0.362
2008	0.374	0.343	1.017	1.229	1.229	0.421	0.452
2009	0.430	0.397	1.019	1.253	1.253	0.497	0.531
2010	0.418	0.388	1.020	1.278	1.278	0.496	0.526
2011	0.350	0.328	1.026	1.311	1.311	0.431	0.453
2012	0.294	0.278	1.029	1.349	1.349	0.375	0.391
2013	0.230	0.220	1.039	1.402	1.402	0.308	0.319
2014	0.197	0.192	1.046	1.467	1.456	0.279	0.285
2015	0.176	0.173	1.059	1.553	1.530	0.265	0.268
2016	0.153	0.152	1.090	1.692	1.651	0.250	0.251
2017	0.136	0.135	1.161	1.965	1.892	0.256	0.257
2018	0.111	0.111	1.321	2.596	2.500	0.277	0.277
2019	0.065	0.065	1.849	4.799	4.622	0.300	0.300

(a) Based on Exhibit 1. Paid MCCP costs are excluded from accident years 2011 and subsequent. To reflect the selected loss development methodology, reported loss ratios displayed prior to 1999 are on an incurred basis. Subsequent reported loss ratios are on a paid basis.

(b) Based on experience evaluated as of March 31, 2020. Reflects an adjustment for the pharmaceutical cost reductions to restate the historical medical paid-to-date ratios at a 2018 pharmaceutical cost level.

(c) See Exhibits 2.6.1 and 2.6.2.

(d) The developed medical loss ratios shown were derived based on an adjustment for pharmaceutical cost reductions. They are only for purposes of projecting future medical loss ratios and do not reflect true estimates of ultimate loss ratios for those accident years.

PRELIMINARY

Exhibit 4.1

Indemnity Benefit Level Factors

Accident Year	(1) Annual Benefit Change Prior to Frequency Adjustments (a)	(2) Frequency Adjustments (a)	(3) Annual Impact on Indemnity Benefits Due to Wage Inflation (b)	(4) Annual Cost Impact on Indemnity (c)	(5) Composite Indemnity Adjustment Factor (d)	
1987	0.0	0.0	1.9	1.9	1.544	
1988	0.0	0.0	1.5	1.5	1.521	
1989	0.0	0.0	1.5	1.5	1.499	
1990	2.3	19.9	1.7	24.7	1.202	
1991	4.9	14.8	0.8	21.4	0.990	
1992	1.8	-8.3	1.6	-5.2	1.044	
1993	0.2	-18.1	0.4	-17.6	1.267	
1994	-5.1	0.2	0.6	-4.3	1.324	
1995	6.3	0.6	1.0	8.0	1.226	
1996	5.3	0.4	1.2	7.0	1.146	
1997	9.7	0.2	1.6	11.7	1.026	
1998	6.5	0.0	1.8	8.4	0.946	
1999	5.7	0.0	2.1	7.9	0.877	
2000	3.9	0.0	3.1	7.1	0.819	
2001	-0.3	0.0	0.2	-0.1	0.819	
2002	-0.7	0.0	0.4	-0.3	0.839	(e)
2003	7.3	0.0	1.2	8.6	0.837	(e)
2004	-6.0	-13.7	2.1	-17.2	1.145	(e)
2005	-31.6	-15.3	1.6	-41.2	1.552	
2006	5.6	-5.7	2.2	1.8	1.525	
2007	1.6	0.0	2.1	3.7	1.470	
2008	4.8	0.6	1.0	6.5	1.381	
2009	0.4	1.4	0.2	2.0	1.354	
2010	0.4	0.0	1.5	1.9	1.328	
2011	0.0	0.0	1.4	1.4	1.310	
2012	-0.8	0.0	2.1	1.3	1.294	
2013	1.4	0.2	0.6	2.3	1.265	
2014	5.8	1.5	1.7	9.2	1.159	
2015	-0.8	0.0	2.3	1.4	1.142	
2016	0.3	0.0	1.0	1.3	1.128	
2017	0.5	0.0	2.2	2.7	1.098	
2018	0.4	0.0	2.2	2.6	1.070	
2019	0.4	0.0	2.4	2.8	1.041	
2020	0.4	0.0	0.9	1.3	1.028	
2021	0.4	0.0	1.5	1.9	1.009	
11/1/2021	0.1 (Annual 0.4)	0.0	0.7 (Annual 2.2)	0.9		

(a) Based on WCIRB evaluations of the average impact of legislative changes on the cost of indemnity benefits. These annual changes in benefits reflect the WCIRB's retrospective estimates of the cost impact of recent legislation as reflected in emerging post-reform costs. The annual cost impacts have been segregated between claim severity and claim frequency impacts.

(b) These impacts are based on the weekly wages (See Exhibit 5.1) of injured workers and the legislatively scheduled benefits for that year. Values for 2017 and prior have been updated to reflect a recent WCIRB reassessment of the impact of wage inflation on indemnity benefit levels.

(c) { [Column (1) /100 + 1.0] x [Column (2) /100 + 1.0] x [Column (3) /100 + 1.0] - 1.0 } x 100.

(d) These factors represent the combined impact of the annual benefit changes on claim severity shown in Column (1), claim frequencies shown in Column (2) and wage inflation impact on benefits shown in Column (3), adjusted to the 2020 level.

(e) On-level factors for accident years 2002, 2003 and 2004 adjust the portion of permanent disability claims that are estimated to not be subject to the January 1, 2005 PDRS (95% for accident year 2002, 75% for accident year 2003 and 40% for accident year 2004) to the January 1, 2005 PDRS level, and adjust for the corresponding utilization impacts on all 2002, 2003 and 2004 indemnity claims.

PRELIMINARY

Exhibit 4.2

Annual Medical Cost Level Change - Non-Legislative

Accident Year	(1) Proportion of Medical Subject to Fee Schedule (a)	(2) Proportion of Medical Not Subject to Fee Schedule (a)	(3) Impact of Fee Schedule Change on Total Medical (b)		(4) Change in Medical CPI (c)		(5) Impact of CPI Change on Total Medical (d)		(6) Annual Non-Legislative Cost Impact on Total Medical (e)
1987	0.610	0.390	0.9%		7.4%		2.9%		3.8%
1988	0.649	0.351	0.8%		7.7%		3.0%		3.8%
1989	0.647	0.353	0.0%		8.6%		3.0%		3.0%
1990	0.661	0.339	0.0%		10.4%		3.7%		3.7%
1991	0.631	0.369	0.0%		10.6%		3.6%		3.6%
1992	0.628	0.372	0.0%		8.1%		3.0%		3.0%
1993	0.565	0.435	0.0%		7.3%		2.7%		2.7%
1994	0.691	0.309	-3.6%		4.3%		1.3%	(i)	-2.3%
1995	0.681	0.319	0.0%		3.0%		0.9%		0.9%
1996	0.663	0.337	0.0%		3.0%		1.0%		1.0%
1997	0.643	0.357	0.0%		2.2%		0.7%		0.7%
1998	0.658	0.342	0.0%		2.2%		0.8%		0.8%
1999	0.728	0.272	1.6%		3.3%		0.9%	(ii)	2.5%
2000	0.715	0.285	0.5%		4.3%		1.2%		1.7%
2001	0.722	0.278	1.5%		4.8%		1.4%		2.9%
2002	0.635	0.365	0.6%		5.1%		1.4%		2.0%
2003	0.786	0.214	0.0%		4.8%		1.4%	(iii)	1.4%
2004	0.952	0.048	0.0%		5.0%		0.0%	(iv),(v)	0.0%
2005	0.936	0.064	0.0%		4.8%		0.0%	(v)	0.0%
2006	0.926	0.074	0.0%		4.1%		0.3%		0.3%
2007	0.923	0.077	1.4%		5.3%		0.4%		1.8%
2008	0.896	0.104	-0.1%		4.2%		0.3%		0.2%
2009	0.894	0.106	0.0%		3.6%		0.4%		0.4%
2010	0.895	0.105	0.0%		2.8%		0.3%		0.3%
2011	0.969	0.031	0.0%		3.2%		0.3%		0.3%
2012	0.969	0.031	0.0%		2.7%		0.1%		0.1%
2013	0.938	0.062	0.0%		2.6%		0.1%		0.1%
2014	0.928	0.072	0.0%		4.2%		0.3%		0.3%
2015	0.933	0.067	0.0%		3.1%		0.2%		0.2%
2016	0.918	0.082	0.0%		5.4%		0.4%		0.4%
2017	0.906	0.094	0.0%		2.2%		0.2%		0.2%
2018	0.887	0.113	0.0%		2.5%		0.2%		0.2%
2019	0.873	0.127	0.0%		3.8%		0.4%		0.4%
2020	0.873	0.127	0.0%		3.7%		0.5%		0.5%
2021	0.873	0.127	0.0%		3.5%		0.4%		0.4%
11/1/2021	0.873	0.127	0.0%	(Annual 0.0%)	1.2%	(Annual 3.7%)	0.2%		0.2%

(a) From a Special Carrier Study through 1990. Based on WCIRB's Aggregate Indemnity and Medical Costs Calls for years 1991 through 2012. Based on WCIRB medical transaction data from 2013 onwards. Accident years 2011 and subsequent do not include MCCP costs.

(b) Based on the WCIRB's evaluation of the cost impact of changes in the medical fee schedules.

(c) Based on a component of the Consumer Price Index. Projections furnished by the California Department of Finance.

(d) Adjusted CPI on workers' compensation medical costs that are not subject to fee schedules. The current year impact is the weighted average of 0% and Column (4), with Columns (1) and (2) from prior years as weights. (i) 1993's non-fee proportion is reduced by 13.8% due to the new medical-legal fee schedule enacted in 1994. (ii) 1998's non-fee proportion is reduced by 7.7% due to the Inpatient Hospital Fee Schedule (IHFS) effective 4/1/1999. (iii) 2002's non-fee proportion is reduced by 7.6% due to the new pharmaceutical fee schedule effective 1/1/2003. (iv) 2003's non-fee proportion is reduced by 17.2% due to the outpatient fee schedule effective 1/1/2004. (v) Given the anticipated impact of legislative reform, a 0% inflation rate has been assumed for 2004 and 2005.

(e) Column (6) = Column (3) + Column (5).

PRELIMINARY

Exhibit 4.3

Annual Medical Cost Level Change - Legislative

Accident Year	(1) Annual Legislative Cost Impact on Medical Severity (a)	(2) Annual Legislative Cost Impact on Medical Due to Frequency Changes (b)	(3) Annual Total Legislative Cost Impact on Medical (c)
1987	0.0%	0.0%	0.0%
1988	0.0%	0.0%	0.0%
1989	0.0%	0.0%	0.0%
1990	-0.7%	19.9%	19.1%
1991	-1.6%	14.7%	12.9%
1992	0.5%	-8.4%	-7.9%
1993	-0.7%	-18.1%	-18.7%
1994	-2.6%	0.3%	-2.3%
1995	0.0%	0.5%	0.5%
1996	0.0%	0.4%	0.4%
1997	0.0%	0.2%	0.2%
1998	12.6%	0.0%	12.6%
1999	12.6%	0.0%	12.6%
2000	7.0%	0.0%	7.0%
2001	6.6%	0.0%	6.6%
2002	-5.6%	0.0%	-5.6%
2003	-6.0%	0.0%	-6.0%
2004	-24.4%	-12.5%	-33.9%
2005	0.0%	-13.9%	-13.9%
2006	0.1%	-5.2%	-5.1%
2007	0.1%	0.0%	0.1%
2008	0.2%	0.3%	0.5%
2009	0.0%	1.0%	1.0%
2010	0.0%	0.0%	0.0%
2011	-2.0%	0.0%	-2.0%
2012	-4.4%	0.0%	-4.4%
2013	-8.2%	0.2%	-8.0%
2014	-5.9%	1.3%	-4.7%
2015	-2.0%	0.0%	-2.0%
2016	-0.5%	0.0%	-0.5%
2017	-0.4%	0.0%	-0.4%
2018	-0.3%	0.0%	-0.3%
2019	0.0%	0.0%	0.0%
2020	0.0%	0.0%	0.0%
2021	0.0%	0.0%	0.0%
11/1/2021	0.0%	0.0%	0.0%

(a) Reflects the WCIRB's most recent estimates of the cost impact of legislation. Does not include the impact of the SB 1160 lien provisions on future medical costs as well as the estimated reductions to pharmaceutical costs attributable to SB 863, which are reflected in the medical loss development projections.

(b) This reflects the annual percentage impact on medical costs due to changes in the frequency of indemnity claims as a result of benefit changes.

(c) [Column (1) + 1.0] x [Column (2) + 1.0] - 1.0

PRELIMINARY

Exhibit 4.4

Total Medical Cost Level Factors

Accident Year	(1) Annual Non-Legislative Cost Impact on Medical (a)	(2) Annual Legislative Cost Impact on Medical (b)	(3) Total Annual Cost Impact on Medical (c)	(4) Composite Medical On-level Factor (d)
1987	3.8%	0.0%	3.8%	0.808
1988	3.8%	0.0%	3.8%	0.778
1989	3.0%	0.0%	3.0%	0.756
1990	3.7%	19.1%	23.5%	0.612
1991	3.6%	12.9%	16.9%	0.523
1992	3.0%	-7.9%	-5.2%	0.552
1993	2.7%	-18.7%	-16.5%	0.661
1994	-2.3%	-2.3%	-4.6%	0.693
1995	0.9%	0.5%	1.4%	0.683
1996	1.0%	0.4%	1.4%	0.673
1997	0.7%	0.2%	0.9%	0.667
1998	0.8%	12.6%	13.5%	0.588
1999	2.5%	12.6%	15.4%	0.510
2000	1.7%	7.0%	8.8%	0.468
2001	2.9%	6.6%	9.7%	0.427
2002	2.0%	-5.6%	-3.7%	0.443
2003	1.4%	-6.0%	-4.7%	0.465
2004	0.0%	-33.9%	-33.9%	0.703
2005	0.0%	-13.9%	-13.9%	0.817
2006	0.3%	-5.1%	-4.8%	0.858
2007	1.8%	0.1%	1.9%	0.842
2008	0.2%	0.5%	0.7%	0.836
2009	0.4%	1.0%	1.4%	0.825
2010	0.3%	0.0%	0.3%	0.822
2011	0.3%	-2.0%	-1.7%	0.836
2012	0.1%	-4.4%	-4.3%	0.874
2013	0.1%	-8.0%	-7.9%	0.949
2014	0.3%	-4.7%	-4.4%	0.993
2015	0.2%	-2.0%	-1.8%	1.011
2016	0.4%	-0.5%	-0.1%	1.012
2017	0.2%	-0.4%	-0.2%	1.014
2018	0.2%	-0.3%	-0.1%	1.015
2019	0.4%	0.0%	0.4%	1.011
2020	0.5%	0.0%	0.5%	
2021	0.4%	0.0%	0.4%	
11/1/2021	0.2%	0.0%	0.2%	

(a) See Exhibit 4.2, Column (6).
(b) See Exhibit 4.3, Column (3).
(c) Column (3) = [1.0 + Column (1)] x [1.0 + Column (2)] - 1.0.
(d) These factors adjust the annual impact shown in Column (3) to the 11/1/2021 level.

PRELIMINARY

Annual Wage Level Changes

Year	Annual Wage Level Change (a)	Factor to a 11/1/2021 Wage Level
1987	5.6	3.190
1988	4.4	3.055
1989	4.3	2.929
1990	5.0	2.790
1991	2.3	2.727
1992	4.7	2.605
1993	1.2	2.574
1994	1.8	2.528
1995	2.9	2.457
1996	3.4	2.376
1997	4.7	2.270
1998	5.2	2.157
1999	6.2	2.031
2000	9.0	1.864
2001	0.6	1.853
2002	1.1	1.832
2003	3.6	1.769
2004	5.0	1.685
2005	3.2	1.632
2006	4.6	1.561
2007	4.5	1.493
2008	2.1	1.463
2009	0.5	1.455
2010	3.0	1.413
2011	3.0	1.372
2012	4.2	1.317
2013	0.7	1.307
2014	3.3	1.266
2015	4.4	1.212
2016	1.8	1.191
2017	4.2	1.143
2018	4.1	1.098
2019	4.1	1.055
Projected:		
2020	1.5	
2021	2.6	
11/1/2021	1.3 (Annual = 3.8)	

(a) Historical wage changes through 2018 are based on Bureau of Labor Statistics data. Forecasts for 2019 and forward are based on the average of wage level projections made by the UCLA Anderson School of Business as of March 2020 and those made by the California Department of Finance as of April 2020.

PRELIMINARY

Premium Adjustment Factors

Calendar Year	(1) Factor to a 11/1/2021 Wage Level (a)	(2a) Ratio of Industry Average Charged Rates to Advisory Pure Premium Rates (b)	(2b) Factor to Industry Average Filed Pure Premium Rate Level as of January 1, 2021 (c)	(2c) Factor to Adjust Insurer Premium to an Industry Average Filed Pure Premium Rate Level as of January 1, 2021 (d)	(3) Adjustment to Remove Surcharge Premium (e)	(4) Average Experience Modification (f)	(5) Off-Balance Correction in Advisory January 1, 2020 Pure Premium Rates	(6) Factor to Adjust for Impact of Premium Resulting from Audits (g)	(7) Composite Premium Adjustment Factor (h)
1987	3.190	---	---	0.612	0.992	0.983	1.014	---	1.942
1988	3.055	---	---	0.548	0.993	0.963	1.014	---	1.702
1989	2.929	---	---	0.539	0.993	0.945	1.014	---	1.637
1990	2.790	---	---	0.526	0.991	0.942	1.014	---	1.522
1991	2.727	---	---	0.487	0.987	0.939	1.014	---	1.377
1992	2.605	---	---	0.467	0.982	0.940	1.014	---	1.252
1993	2.574	---	---	0.462	0.981	0.949	1.014	---	1.211
1994	2.528	---	---	0.528	0.986	0.948	1.014	---	1.370
1995	2.457	---	---	0.715	0.995	0.958	1.014	---	1.799
1996	2.376	1.023	0.759	0.742	1.000	0.935	1.014	---	1.861
1997	2.270	0.989	0.758	0.766	1.000	0.949	1.014	---	1.807
1998	2.157	0.965	0.789	0.818	1.000	0.959	1.014	---	1.814
1999	2.031	0.972	0.798	0.821	1.000	0.954	1.014	---	1.723
2000	1.864	1.005	0.723	0.720	1.000	0.970	1.014	---	1.364
2001	1.853	1.030	0.637	0.618	1.000	0.969	1.014	---	1.166
2002	1.832	1.157	0.570	0.493	1.000	0.991	1.014	---	0.899
2003	1.769	1.266	0.467	0.369	1.000	1.005	1.014	---	0.640
2004	1.685	1.397	0.475	0.340	1.000	0.981	1.014	---	0.575
2005	1.632	1.470	0.571	0.388	1.000	0.982	1.014	---	0.637
2006	1.561	1.446	0.736	0.509	1.000	0.956	1.014	---	0.819
2007	1.493	1.492	1.003	0.672	1.000	0.931	1.014	0.985	1.047
2008	1.463	1.426	1.193	0.837	1.000	0.946	1.014	0.991	1.265
2009	1.455	1.365	1.176	0.861	1.000	0.937	1.014	1.034	1.364
2010	1.413	1.383	1.153	0.833	1.000	0.941	1.014	1.005	1.240
2011	1.372	1.400	1.152	0.822	1.000	0.982	1.014	---	1.133
2012	1.317	1.222	0.949	0.777	1.000	1.000	1.014	---	1.009
2013	1.307	1.138	0.764	0.672	1.000	0.983	1.014	---	0.881
2014	1.266	1.126	0.704	0.625	1.000	0.961	1.014	---	0.812
2015	1.212	1.109	0.684	0.617	1.000	0.951	1.014	---	0.776
2016	1.191	1.148	0.745	0.649	1.000	0.949	1.014	---	0.803
2017	1.143	1.156	0.824	0.713	1.000	0.955	1.014	---	0.841
2018	1.098	1.196	0.932	0.779	1.000	0.956	1.014	---	0.882
2019	1.055	1.216	1.083	0.891	1.000	0.949	1.014	---	0.976

(a) See Exhibit 5.1.

(b) Based on WCIRB calendar year experience calls. The industry average charged rates reflect most rating plan adjustments but do not reflect the application of deductible credits or retrospective rating plan adjustments.

(c) Reflects (1) advisory pure premium rate level changes to bring premium to the advisory January 1, 2020 pure premium rate level and (2) an additional adjustment factor, which is the ratio of the average advisory January 1, 2020 pure premium rate ($1.52) to the industry average filed pure premium rate as of January 1, 2021 ($1.92).

(d) (2b) ÷ (2a). This column adjusts premiums at the industry average charged rate level to the industry average filed pure premium rate level as of January 1, 2021.

(e) Based on unit statistical data.

(f) Based on average promulgated experience modifications. Calendar years 1996 through 2000 include adjustments for the impacts of AB 1913 and SB 1217 (1998).

(g) Based on a comparison of premium reported on a calendar year basis to premium reported on an estimated ultimate policy year basis over the course of two accident years. The factor is applied only for calendar years 2007 to 2010, during which reported premiums were impacted by recessionary economic forces.

(h) (1)x(2c)x(3)x(6) ÷ [(4)x(5)] for calendar years 2007 to 2010. (1)x(2c)x(3) ÷ [(4)x(5)] for all other calendar years.

PRELIMINARY

2019 Accident Year Indemnity Claim Frequency Model
As of PY 2017 Preliminary 1st Set & March 2020 UCLA
Prior to the Impact of COVID-19

	Annual % Changes Intra-Class Ind Freq	Annual Log Differences						
		Intra-Class Indemnity Frequency per $M Exposure at PY 2017 Level			AY+1 Indemnity		Economic Variables	CalOSHA Dummy
AY	Total	Total	Cumulative	Non-cum.	Benefit Level	Cumulative Injury Index	(1st Prin. Comp.)	Variable
1979	0.5%	0.005	-0.053	0.007	0.000	-0.060	0.134	0.000
1980	-6.5%	-0.068	-0.132	-0.066	0.033	-0.066	-0.080	0.000
1981	-3.5%	-0.036	-0.028	-0.036	0.000	0.008	-0.079	0.000
1982	-1.6%	-0.016	0.153	-0.022	0.352	0.175	-0.294	0.000
1983	6.2%	0.060	0.214	0.054	0.081	0.160	0.029	0.000
1984	9.5%	0.091	0.235	0.084	0.000	0.151	0.222	0.000
1985	2.0%	0.020	0.138	0.014	0.000	0.124	0.081	0.000
1986	-2.4%	-0.024	0.039	-0.028	0.000	0.067	0.078	0.000
1987	1.5%	0.015	0.053	0.013	0.000	0.041	0.151	0.000
1988	0.7%	0.007	0.104	0.000	0.000	0.104	0.088	0.000
1989	2.5%	0.024	0.212	0.009	0.046	0.203	0.045	0.000
1990	9.0%	0.087	0.337	0.061	0.071	0.276	-0.121	0.000
1991	0.3%	0.003	0.166	-0.018	0.023	0.184	-0.293	0.000
1992	-11.1%	-0.118	-0.272	-0.098	0.013	-0.174	-0.186	0.068
1993	-14.9%	-0.162	-0.240	-0.153	-0.057	-0.088	-0.022	0.464
1994	-12.8%	-0.136	-0.462	-0.107	0.061	-0.355	0.106	0.173
1995	-4.6%	-0.048	-0.016	-0.050	0.053	0.034	0.092	0.295
1996	-6.8%	-0.070	-0.136	-0.065	0.096	-0.071	0.075	0.000
1997	-3.3%	-0.033	-0.023	-0.034	0.066	0.011	0.138	0.000
1998	-3.8%	-0.038	-0.040	-0.038	0.058	-0.002	0.079	0.000
1999	1.5%	0.014	0.100	0.008	0.040	0.092	0.128	0.000
2000	4.0%	0.039	0.071	0.037	-0.003	0.034	0.066	0.000
2001	-6.9%	-0.072	-0.018	-0.076	-0.007	0.059	-0.101	0.000
2002	-2.3%	-0.023	0.007	-0.026	0.060	0.033	-0.202	0.000
2003	-2.9%	-0.029	-0.005	-0.031	-0.065	0.026	-0.023	0.000
2004	-16.6%	-0.182	-0.209	-0.180	-0.398	-0.030	0.093	0.000
2005	-13.6%	-0.146	-0.298	-0.133	0.051	-0.165	0.141	0.000
2006	-5.7%	-0.059	-0.050	-0.059	0.016	0.009	0.095	0.000
2007	-1.6%	-0.017	0.021	-0.019	0.049	0.040	-0.084	0.000
2008	-2.7%	-0.027	0.038	-0.033	0.006	0.071	-0.308	0.000
2009	-0.2%	-0.002	0.168	-0.018	0.066	0.186	-0.427	0.000
2010	8.9%	0.085	0.139	0.079	0.012	0.060	-0.092	0.000
2011	1.2%	0.012	0.032	0.010	0.003	0.022	0.043	0.000
2012	4.7%	0.046	0.127	0.036	0.025	0.091	0.123	0.000
2013	0.4%	0.004	0.126	-0.013	0.071	0.139	0.151	0.000
2014	0.2%	0.002	0.051	-0.006	0.003	0.056	0.178	0.000
2015	-1.2%	-0.012	0.025	-0.018	0.002	0.043	0.194	0.000
2016	-2.4%	-0.025	0.062	-0.039	0.004	0.101	0.124	0.000
2017	-2.3%	-0.023	-0.042	-0.019	0.004	-0.023	0.137	0.000
2018*	-1.4%	-0.014	-0.085	0.000	0.003	-0.085	0.132	0.000
2019	*-1.7%*	*-0.017*	*-0.017*	*-0.017*	*0.004*	*0.000*	0.023	0.000
2020	*-2.7%*	*-0.027*	*-0.027*	*-0.027*	*0.004*	*0.000*	-0.076	0.000
2021	*-2.0%*	*-0.021*	*-0.021*	*-0.021*	*0.004*	*0.000*	-0.013	0.000
2022	*-2.0%*	*-0.020*	*-0.020*	*-0.020*	*0.004*	*0.000*	-0.012	0.000

Y = Hazardousness-Adjusted Noncumulative Indemnity Claim Frequency

Constant	-0.020			
Std Err of Y Est	0.039			
R Squared	0.571			
No. of Observations	40			
Degrees of Freedom	35			
X Coefficient(s)		0.178	0.275	0.103	-0.143
Std Err of Coef.		0.072	0.060	0.043	0.075

Notes:
Indemnity Benefit Level variable is leading. The benefit level change for AY 2004 is related to the AY 2003 change in non-cumulative frequency.
The Indemnity Benefit Level change for Ogilvie & Almaraz / Guzman in 2009-2010 is not leading.
The Indemnity Benefit Level variable excludes indemnity benefit utilization, and changes in the death and permanent total benefits.
The Indemnity Benefit Level variable has been revised due to on-leveling reassessments. See Actuarial Committee item AC09-03-03.
For 1993 on, cumulative claims include both cumulative trauma and occupational disease claims. See March 19, 2014 Actuarial Committee Agenda Item III.
Economic variables are historical through 2019; March 2020 UCLA Anderson Forecasts for 2020 on.
Regression is over AY 1979 through AY 2018. AY 2019 through AY 2022 are projections.
The constant term, -0.020, consists of measured offsets that recognize annual changes in real benefit levels relative to nominal benefit levels and long-term economic growth. Without these offsets, the indemnity benefit level and economic variables would project frequency to increase without bound.
*AY 2018 is preliminary and change is based on a comparison of 2018 accidents on 2017 policies to 2017 accidents on 2016 policies.

PRELIMINARY

Exhibit 6.2

Projection of Indemnity Severity Trends by Accident Year
Based on Experience as of March 31, 2020

Accident Year	(1) Estimated Ultimate Severity	(2) Annual % Change	(3) Indemnity Adjustment Factor (a)	(4) Ultimate On-level Severity (1) x (3)	(5) Annual % Change
1990	9,981	---	1.922	19,181	---
1991	10,933	9.5%	1.817	19,870	3.6%
1992	11,036	0.9%	1.757	19,392	-2.4%
1993	12,004	8.8%	1.747	20,967	8.1%
1994	12,990	8.2%	1.830	23,766	13.3%
1995	14,563	12.1%	1.704	24,818	4.4%
1996	16,339	12.2%	1.599	26,129	5.3%
1997	19,381	18.6%	1.435	27,808	6.4%
1998	21,257	9.7%	1.323	28,132	1.2%
1999	23,302	9.6%	1.226	28,575	1.6%
2000	24,750	6.2%	1.145	28,333	-0.8%
2001	27,249	10.1%	1.146	31,226	10.2%
2002	26,346	-3.3%	1.174	30,924	-1.0%
2003	26,017	-1.2%	1.170	30,443	-1.6%
2004	21,246	-18.3%	1.382	29,369	-3.5%
2005	19,216	-9.6%	1.587	30,493	3.8%
2006	20,927	8.9%	1.470	30,770	0.9%
2007	22,791	8.9%	1.417	32,304	5.0%
2008	24,836	9.0%	1.339	33,258	3.0%
2009	26,044	4.9%	1.331	34,668	4.2%
2010	25,548	-1.9%	1.306	33,372	-3.7%
2011	25,266	-1.1%	1.288	32,547	-2.5%
2012	24,686	-2.3%	1.272	31,407	-3.5%
2013	24,137	-2.2%	1.247	30,090	-4.2%
2014	25,087	3.9%	1.159	29,070	-3.4%
2015	25,267	0.7%	1.142	28,862	-0.7%
2016	24,582	-2.7%	1.128	27,726	-3.9%
2017	24,564	-0.1%	1.098	26,983	-2.7%
2018	25,427	3.5%	1.070	27,210	0.8%
2019	26,291	3.4%	1.041	27,373	0.6%

(6) Estimated Annual Exponential Trend Based on 1990 to 2019:	1.1%
(7) Estimated Annual Exponential Trend Based on 2005 to 2019:	-1.4%
(8) Estimated Annual Exponential Trend Based on 2015 to 2019:	-1.2%
Selected Indemnity Severity Trend:	0.0%

(a) These adjustment factors are based on Exhibit 4.1, excluding the impact of frequency.

Source: WCIRB experience calls.

PRELIMINARY

Projection of Medical Severity Trends by Accident Year
Based on Experience as of March 31, 2020

Accident Year	(1) Estimated Ultimate Severity (a)	(2) Annual % Change	(3) Medical Adjustment Factor (b)	(4) Ultimate On-level Severity (1) x (3)	(5) Annual % Change
1990	8,703	---	0.917	7,978	---
1991	9,357	7.5%	0.899	8,415	5.5%
1992	9,465	1.2%	0.869	8,223	-2.3%
1993	10,440	10.3%	0.852	8,893	8.1%
1994	11,551	10.6%	0.895	10,340	16.3%
1995	13,243	14.6%	0.887	11,749	13.6%
1996	14,154	6.9%	0.878	12,433	5.8%
1997	16,864	19.1%	0.872	14,710	18.3%
1998	20,692	22.7%	0.769	15,903	8.1%
1999	23,446	13.3%	0.666	15,613	-1.8%
2000	26,215	11.8%	0.612	16,042	2.7%
2001	31,225	19.1%	0.558	17,419	8.6%
2002	31,477	0.8%	0.579	18,237	4.7%
2003	30,073	-4.5%	0.608	18,279	0.2%
2004	27,757	-7.7%	0.804	22,317	22.1%
2005	28,625	3.1%	0.804	23,015	3.1%
2006	31,181	8.9%	0.801	24,970	8.5%
2007	34,807	11.6%	0.786	27,354	9.5%
2008	37,480	7.7%	0.783	29,337	7.2%
2009	39,475	5.3%	0.780	30,776	4.9%
2010	39,716	0.6%	0.777	30,870	0.3%
2011	36,036 (c)	---	0.799	28,790 (c)	---
2012	33,848	-6.1%	0.844	28,557	-0.8%
2013	31,380	-7.3%	0.928	29,129	2.0%
2014	30,374	-3.2%	0.988	30,000	3.0%
2015	29,462	-3.0%	1.011	29,786	-0.7%
2016	28,315	-3.9%	1.012	28,656	-3.8%
2017	28,228	-0.3%	1.014	28,625	-0.1%
2018	29,341	3.9%	1.015	29,783	4.0%
2019	28,756	-2.0%	1.011	29,073	-2.4%
			Selected Medical Severity Trend:		1.5%

(a) Estimated ultimate severities for all accident years are derived by dividing ultimate medical losses on indemnity claims by ultimate indemnity claim counts. The estimated ultimate medical severities were derived from the projected ultimate loss ratios shown in Exhibit 3.2, column (7).

(b) These adjustment factors are based on Exhibit 4.4, excluding the impact of frequency, and including the impact of SB 1160 provisions applicable to outstanding medical losses.

(c) Severities for accident years 2011 and subsequent do not reflect the cost of medical cost containment programs (MCCP). Severities for accident years 2010 and prior do reflect MCCP costs.

Source: WCIRB experience calls.

PRELIMINARY

Projection of Medical Severity Trends by Accident Year
Adjusted to Remove the Cost of Medical Cost Containment Programs (MCCP)
Based on Experience as of March 31, 2020

	MCCP Included				MCCP Removed Based on WCIRB Aggregate Calendar Year Data Calls (b)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Accident Year	Estimated Ultimate Severity (a)	Annual % Change	Ultimate On-Level Severity (c)	Annual % Change	Estimated Ultimate Severity (a)	Annual % Change	Ultimate On-Level Severity (c)	Annual % Change
2005	28,625	---	23,015	---	27,144	---	21,824	---
2006	31,181	8.9%	24,970	8.5%	29,256	7.8%	23,428	7.4%
2007	34,807	11.6%	27,354	9.5%	32,520	11.2%	25,556	9.1%
2008	37,480	7.7%	29,337	7.2%	34,231	5.3%	26,794	4.8%
2009	39,475	5.3%	30,776	4.9%	36,211	5.8%	28,230	5.4%
2010	39,716	0.6%	30,870	0.3%	36,395	0.5%	28,289	0.2%
2011	39,456	-0.7%	31,523	2.1%	36,036	-1.0%	28,790	1.8%
2012	36,995	-6.2%	31,212	-1.0%	33,848	-6.1%	28,557	-0.8%
2013	34,388	-7.0%	31,920	2.3%	31,380	-7.3%	29,129	2.0%
2014	33,251	-3.3%	32,842	2.9%	30,374	-3.2%	30,000	3.0%
2015	32,172	-3.2%	32,526	-1.0%	29,462	-3.0%	29,786	-0.7%
2016	30,857	-4.1%	31,228	-4.0%	28,315	-3.9%	28,656	-3.8%
2017	30,836	-0.1%	31,269	0.1%	28,228	-0.3%	28,625	-0.1%
2018	32,219	4.5%	32,705	4.6%	29,341	3.9%	29,783	4.0%
2019	31,687	-1.6%	32,037	-2.0%	28,756	-2.0%	29,073	-2.4%
Estimated Annual Exponential Trend								
Trend Based on 1990 to 2019:				5.5%				N/A
Trend Based on 2005 to 2019:				1.9%				1.6%
Trend Based on 2015 to 2019:				0.2%				-0.1%
					Selected Medical Severity Trend:			1.5%

(a) Estimated ultimate severities for all accident years were derived by dividing ultimate medical losses on indemnity claims by ultimate indemnity claim counts.
(b) Adjustments to accident years 2005 through 2010 based on WCIRB's Annual Calls for Direct California Workers' Compensation Aggregate Indemnity and Medical Costs.
(c) Ultimate severities are on-leveled based on adjustment factors shown on Exhibit 6.3.

Source: WCIRB experience calls.

PRELIMINARY

Projected On-Level Accident Year
Indemnity Loss to Industry Average Filed Pure Premium Ratios
Based on Experience as of March 31, 2020

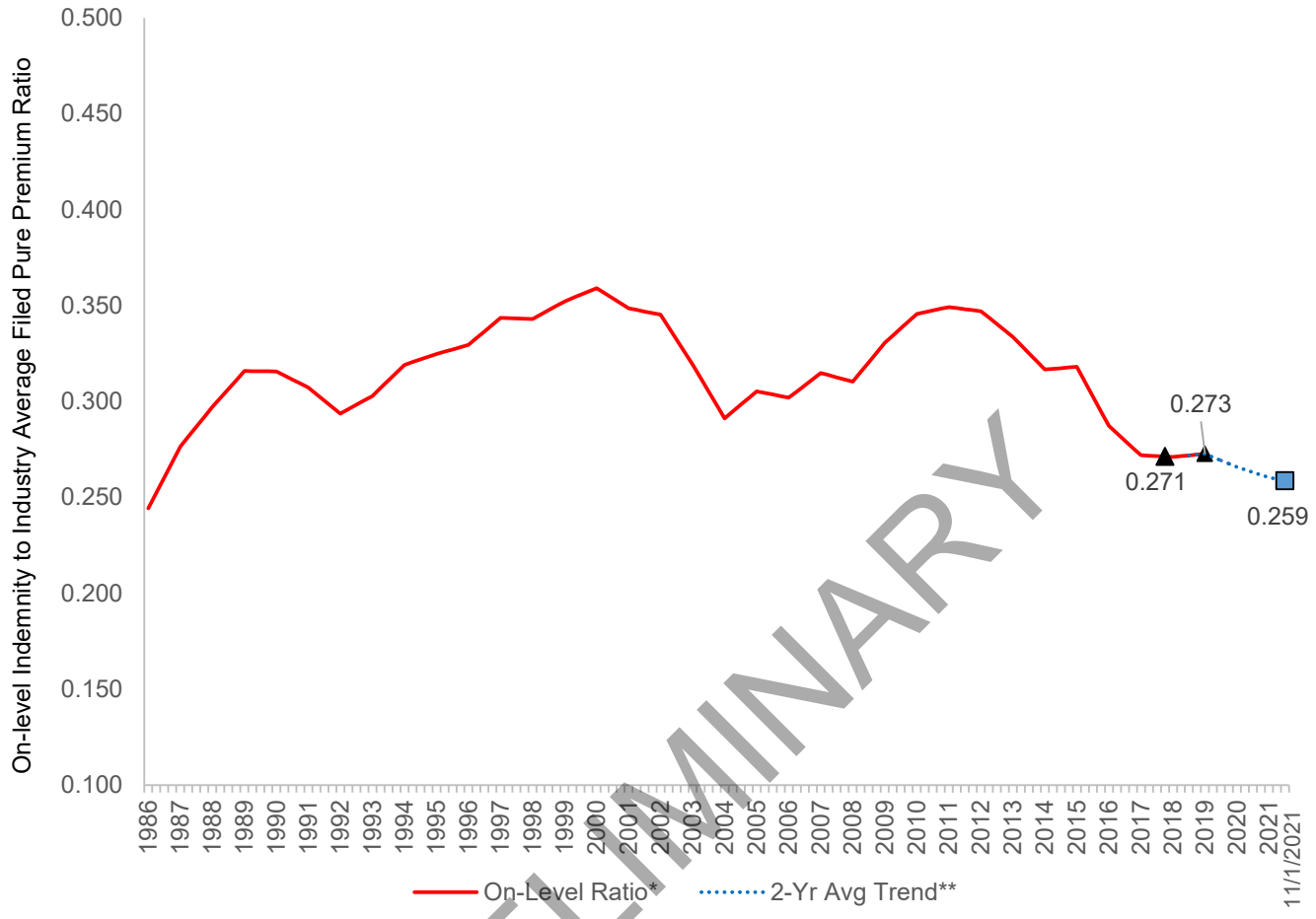
Accident Year	(1) Developed Indemnity Loss Ratio (a)	(2) Composite Indemnity Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Indemnity to Industry Average Filed Pure Premium Ratio (1)×(2)÷(3)
1986	0.398	1.573	2.562	0.244
1987	0.348	1.544	1.942	0.277
1988	0.332	1.521	1.702	0.297
1989	0.345	1.499	1.637	0.316
1990	0.400	1.202	1.522	0.316
1991	0.428	0.990	1.377	0.307
1992	0.353	1.044	1.252	0.294
1993	0.290	1.267	1.211	0.303
1994	0.330	1.324	1.370	0.319
1995	0.477	1.226	1.799	0.325
1996	0.535	1.146	1.861	0.330
1997	0.605	1.026	1.807	0.344
1998	0.658	0.946	1.814	0.343
1999	0.692	0.877	1.723	0.352
2000	0.598	0.819	1.364	0.359
2001	0.496	0.819	1.166	0.349
2002	0.370	0.839	0.899	0.345
2003	0.244	0.837	0.640	0.319
2004	0.146	1.145	0.575	0.291
2005	0.125	1.552	0.637	0.305
2006	0.162	1.525	0.819	0.302
2007	0.224	1.470	1.047	0.315
2008	0.284	1.381	1.265	0.310
2009	0.333	1.354	1.364	0.331
2010	0.323	1.328	1.240	0.346
2011	0.302	1.310	1.133	0.349
2012	0.271	1.294	1.009	0.347
2013	0.232	1.265	0.881	0.334
2014	0.222	1.159	0.812	0.317
2015	0.216	1.142	0.776	0.318
2016	0.204	1.128	0.803	0.287
2017	0.208	1.098	0.841	0.272
2018	0.224	1.070	0.882	0.271
2019	0.256	1.041	0.976	0.273
				Projections (d)
2020				0.266
2021				0.260
11/1/2021				0.259

(a) See Exhibit 3.1.
(b) See Exhibit 4.1.
(c) See Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual indemnity severity trend from Exhibit 6.2, the actual frequency trend for accident year 2019 from Exhibit 12, and projected frequency trends for accident years 2020 through 2021 from Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.

PRELIMINARY

Exhibit 7.2

On-Level Indemnity Loss to Industry Average Filed Pure Premium Ratios
Based on Experience as of March 31, 2020



PRELIMINARY

* On-level indemnity to industry average filed pure premium ratios (see Exhibit 7.1)
** The 11/1/2021 indemnity to industry average filed pure premium ratio was calculated based on separate frequency and severity trends applied to the 2018 and 2019 years.

Projected On-Level Accident Year
Medical Loss to Industry Average Filed Pure Premium Ratios
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Medical Loss Ratio (a)	(2) Composite Medical On-Level Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Medical to Industry Average Filed Pure Premium Ratio (e) (1)×(2)÷(3)
1986	0.340	0.839	2.562	0.111
1987	0.322	0.808	1.942	0.134
1988	0.312	0.778	1.702	0.143
1989	0.334	0.756	1.637	0.154
1990	0.374	0.612	1.522	0.151
1991	0.392	0.523	1.377	0.149
1992	0.327	0.552	1.252	0.144
1993	0.272	0.661	1.211	0.149
1994	0.316	0.693	1.370	0.160
1995	0.465	0.683	1.799	0.176
1996	0.496	0.673	1.861	0.180
1997	0.558	0.667	1.807	0.206
1998	0.674	0.588	1.814	0.219
1999	0.660	0.510	1.723	0.195
2000	0.600	0.468	1.364	0.206
2001	0.536	0.427	1.166	0.196
2002	0.418	0.443	0.899	0.206
2003	0.269	0.465	0.640	0.196
2004	0.184	0.703	0.575	0.225
2005	0.182	0.817	0.637	0.233
2006	0.236	0.858	0.819	0.247
2007	0.335	0.842	1.047	0.269
2008	0.421	0.836	1.265	0.278
2009	0.497	0.825	1.364	0.301
2010	0.496	0.822	1.240	0.328
2011	0.431	0.836	1.133	0.318
2012	0.375	0.874	1.009	0.325
2013	0.308	0.949	0.881	0.332
2014	0.279	0.993	0.812	0.341
2015	0.265	1.011	0.776	0.345
2016	0.250	1.012	0.803	0.315
2017	0.256	1.014	0.841	0.309
2018	0.277	1.015	0.882	0.319
2019	0.300	1.011	0.976	0.311
				Projections (d)
2020				0.315
2021				0.313
11/1/2021				0.312

(a) See Exhibit 3.2. Medical loss ratios for accident years 2011 and subsequent do not reflect the cost of medical cost containment programs (MCCP). Ratios for accident years 2010 and prior do reflect MCCP costs.

(b) See Exhibit 4.4.

(c) See Exhibit 5.2.

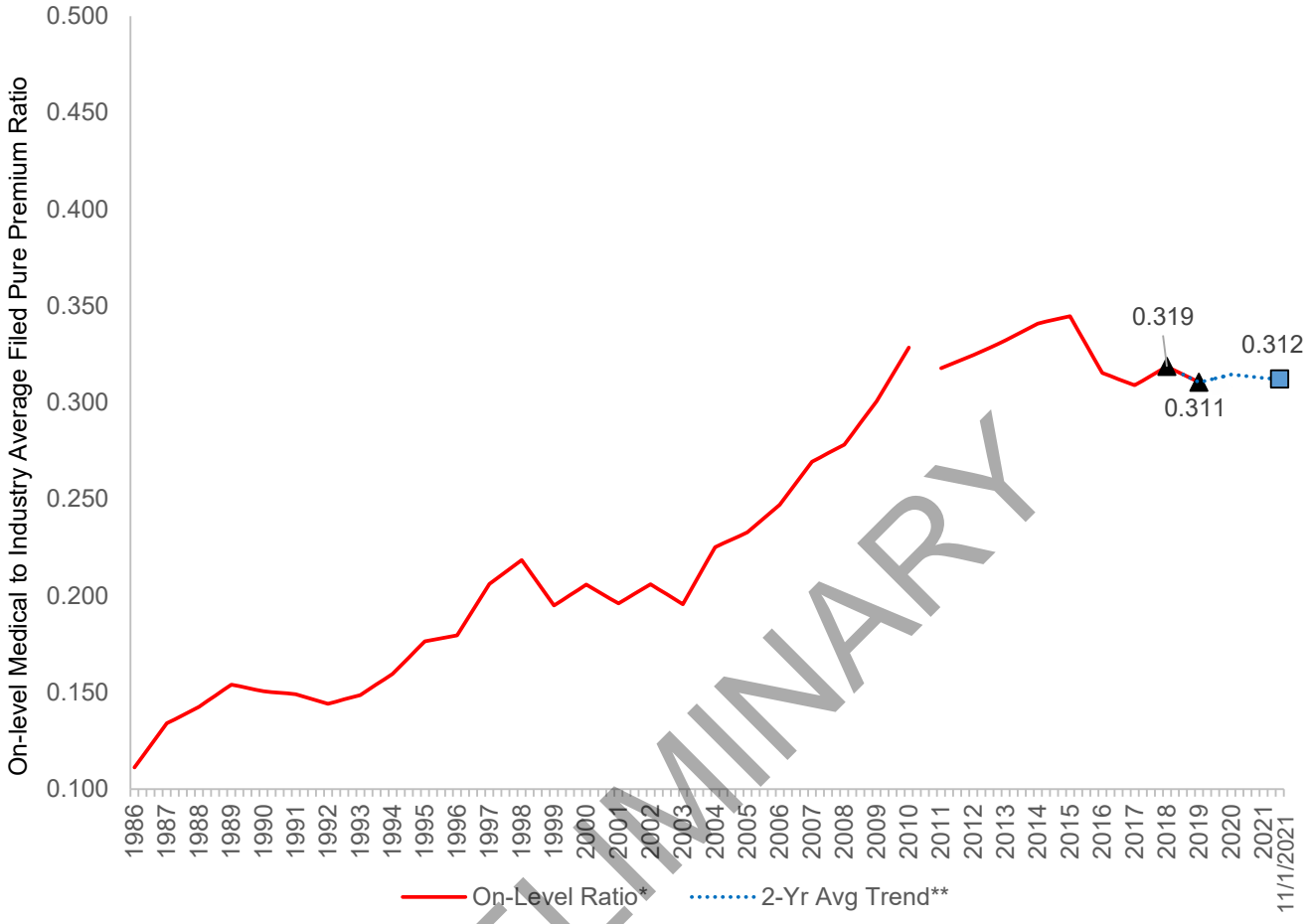
(d) These on-level ratios were projected based on an estimated annual medical severity trend from Exhibit 6.4, the actual frequency trend for accident year 2019 from Exhibit 12, and projected frequency trends for accident years 2020 through 2021 from Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.

(e) Accident years 2011 and subsequent do not reflect the paid MCCP costs. Accident years 2010 and prior do reflect paid MCCP costs.

PRELIMINARY

Exhibit 7.4

On-Level Medical Loss to Industry Average Filed Pure Premium Ratios
Based on Experience as of March 31, 2020



PRELIMINARY

* On-level medical to industry average filed pure premium ratios (see Exhibit 7.3)
** The 11/1/2021 medical to industry average filed pure premium ratio was calculated based on separate frequency and severity trends applied to the 2018 and 2019 years.

Exhibit 8

Indicated Loss to Industry Average Filed Pure Premium Ratios
For Policies with Effective Dates between January 1, 2021 and August 31, 2021
Based on Experience as of March 31, 2020
Prior to the Impact of COVID-19

	Indemnity	Medical	Total
1. Projected Loss to Industry Average Filed Pure Premium Ratio (See Exhibits 7.1 and 7.3)	0.259	0.312	0.571

PRELIMINARY

Exhibit 9.1

Quarterly Incurred Indemnity Loss Development Factors

Through March 31, 2020

Age in	Accident Year																					
Months	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
6/3	2.542	2.715	2.755	2.740	2.841	2.834	2.736	2.463	2.417	2.724	2.785	3.031	3.116	3.052	3.238	3.344	3.303	3.209	3.201	3.372	3.200	3.227
9/6	1.750	1.808	1.780	1.784	1.790	1.808	1.776	1.618	1.656	1.776	1.820	1.848	1.904	2.001	1.966	1.940	1.960	1.948	1.945	1.874	1.998	2.017
12/9	1.437	1.530	1.518	1.500	1.520	1.473	1.460	1.355	1.448	1.511	1.510	1.530	1.564	1.632	1.587	1.585	1.570	1.578	1.578	1.580	1.578	1.597
15/12	**1.229**	**1.260**	**1.268**	**1.250**	**1.257**	**1.238**	**1.180**	**1.149**	**1.189**	**1.234**	**1.248**	**1.293**	**1.306**	**1.306**	**1.303**	**1.301**	**1.301**	**1.313**	**1.309**	**1.298**	**1.298**	**1.295**
18/15	1.172	1.202	1.188	1.184	1.206	1.167	1.101	1.103	1.140	1.158	1.182	1.194	1.197	1.195	1.206	1.178	1.190	1.187	1.189	1.177	1.183	
21/18	1.145	1.140	1.150	1.148	1.153	1.127	1.066	1.096	1.117	1.128	1.139	1.153	1.140	1.146	1.141	1.141	1.132	1.137	1.134	1.138	1.123	
24/21	1.126	1.112	1.121	1.111	1.117	1.094	1.045	1.082	1.098	1.106	1.106	1.114	1.119	1.117	1.111	1.104	1.114	1.111	1.104	1.100	1.102	
27/24	**1.074**	**1.096**	**1.093**	**1.100**	**1.094**	**1.073**	**1.045**	**1.070**	**1.082**	**1.081**	**1.088**	**1.089**	**1.091**	**1.085**	**1.087**	**1.081**	**1.082**	**1.087**	**1.079**	**1.078**	**1.071**	
30/27	1.078	1.069	1.074	1.082	1.064	1.051	1.040	1.054	1.057	1.072	1.075	1.075	1.080	1.071	1.068	1.067	1.074	1.066	1.064	1.059		
33/30	1.045	1.058	1.048	1.062	1.047	1.032	1.036	1.042	1.049	1.053	1.059	1.052	1.064	1.053	1.060	1.047	1.055	1.050	1.047	1.047		
36/33	1.043	1.046	1.039	1.046	1.035	1.020	1.029	1.033	1.039	1.043	1.051	1.049	1.049	1.043	1.041	1.043	1.042	1.036	1.037	1.038		
39/36	**1.038**	**1.041**	**1.035**	**1.038**	**1.028**	**1.017**	**1.027**	**1.029**	**1.031**	**1.033**	**1.040**	**1.039**	**1.039**	**1.041**	**1.035**	**1.031**	**1.036**	**1.030**	**1.028**	**1.028**		
42/39	1.027	1.028	1.034	1.030	1.023	1.018	1.020	1.020	1.031	1.033	1.036	1.038	1.035	1.032	1.028	1.031	1.030	1.027	1.026			
45/42	1.024	1.026	1.026	1.020	1.009	1.019	1.018	1.024	1.026	1.028	1.030	1.035	1.027	1.033	1.022	1.024	1.024	1.024	1.021			
48/45	1.025	1.020	1.022	1.013	1.008	1.013	1.013	1.021	1.019	1.021	1.024	1.024	1.026	1.023	1.024	1.020	1.020	1.016	1.017			
51/48	**1.022**	**1.017**	**1.018**	**1.015**	**1.010**	**1.016**	**1.010**	**1.018**	**1.021**	**1.018**	**1.022**	**1.023**	**1.021**	**1.018**	**1.017**	**1.015**	**1.019**	**1.015**	**1.014**			
54/51	1.019	1.018	1.013	1.009	1.007	1.017	1.009	1.017	1.021	1.020	1.021	1.020	1.020	1.016	1.019	1.015	1.014	1.013				
57/54	1.014	1.017	1.012	1.006	1.008	1.011	1.011	1.018	1.017	1.014	1.018	1.017	1.015	1.014	1.013	1.011	1.014	1.011				
60/57	1.013	1.014	1.007	1.005	1.008	1.009	1.011	1.013	1.019	1.016	1.013	1.015	1.012	1.014	1.012	1.012	1.011	1.007				
63/60	**1.012**	**1.012**	**1.007**	**1.007**	**1.008**	**1.008**	**1.010**	**1.014**	**1.013**	**1.015**	**1.011**	**1.014**	**1.014**	**1.009**	**1.012**	**1.008**	**1.010**	**1.007**				
66/63	1.014	1.009	1.005	1.006	1.011	1.008	1.010	1.013	1.016	1.014	1.015	1.013	1.013	1.009	1.010	1.009	1.008					
69/66	1.010	1.007	1.003	1.005	1.008	1.007	1.011	1.012	1.011	1.010	1.009	1.012	1.007	1.010	1.010	1.007	1.006					
72/69	1.009	1.006	1.005	1.005	1.005	1.009	1.009	1.013	1.011	1.009	1.009	1.009	1.010	1.008	1.007	1.007	1.005					
75/72	**1.006**	**1.004**	**1.004**	**1.005**	**1.003**	**1.005**	**1.007**	**1.010**	**1.011**	**1.010**	**1.010**	**1.008**	**1.007**	**1.004**	**1.006**	**1.007**	**1.004**					
78/75	1.007	1.004	1.003	1.007	1.005	1.006	1.006	1.012	1.009	1.010	1.006	1.006	1.006	1.007	1.005	1.006						
81/78	1.005	1.002	1.003	1.004	1.004	1.005	1.006	1.010	1.009	1.007	1.007	1.006	1.006	1.007	1.005	1.005						
84/81	1.003	1.003	1.005	1.003	1.006	1.006	1.007	1.008	1.005	1.009	1.006	1.004	1.007	1.004	1.007	1.003						
87/84	**1.003**	**1.003**	**1.002**	**1.003**	**1.004**	**1.002**	**1.007**	**1.010**	**1.007**	**1.004**	**1.005**	**1.006**	**1.004**	**1.006**	**1.004**	**1.003**						
90/87	1.001	1.003	1.003	1.003	1.003	1.004	1.008	1.008	1.008	1.008	1.004	1.005	1.005	1.005	1.004							
93/90	1.001	1.002	1.004	1.003	1.002	1.005	1.006	1.008	1.006	1.007	1.006	1.003	1.004	1.005	1.004							
96/93	1.002	1.003	1.001	1.004	1.002	1.006	1.006	1.003	1.002	1.003	1.004	1.004	1.003	1.003	1.003							

Source: WCIRB accident year experience calls

PRELIMINARY

Exhibit 9.2

Quarterly Incurred Medical Loss Development Factors *

Through March 31, 2020

Age in	Accident Year																					
Months	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
6/3	2.561	2.661	2.536	2.624	2.797	2.805	2.671	2.530	2.584	2.662	2.782	2.892	2.992	2.757	2.853	2.843	2.921	2.863	3.019	3.209	2.891	2.830
9/6	1.705	1.733	1.713	1.725	1.768	1.762	1.703	1.670	1.650	1.744	1.717	1.807	1.800	1.827	1.833	1.819	1.840	1.884	1.755	1.740	1.820	1.845
12/9	1.418	1.461	1.463	1.447	1.570	1.425	1.400	1.375	1.453	1.443	1.466	1.454	1.488	1.521	1.484	1.500	1.482	1.451	1.487	1.448	1.459	1.470
15/12	**1.144**	**1.168**	**1.201**	**1.207**	**1.203**	**1.197**	**1.132**	**1.145**	**1.138**	**1.182**	**1.167**	**1.199**	**1.206**	**1.228**	**1.211**	**1.207**	**1.199**	**1.206**	**1.215**	**1.184**	**1.191**	**1.183**
18/15	1.093	1.116	1.123	1.144	1.151	1.126	1.086	1.087	1.103	1.106	1.126	1.135	1.129	1.141	1.136	1.117	1.114	1.094	1.095	1.087	1.096	
21/18	1.078	1.086	1.101	1.122	1.116	1.093	1.055	1.061	1.073	1.081	1.090	1.097	1.101	1.103	1.085	1.088	1.077	1.082	1.069	1.069	1.064	
24/21	1.074	1.072	1.080	1.083	1.082	1.060	1.040	1.052	1.070	1.074	1.067	1.074	1.080	1.080	1.067	1.064	1.055	1.059	1.057	1.046	1.044	
27/24	**1.044**	**1.061**	**1.070**	**1.080**	**1.075**	**1.042**	**1.034**	**1.048**	**1.055**	**1.058**	**1.053**	**1.071**	**1.066**	**1.072**	**1.058**	**1.048**	**1.046**	**1.048**	**1.040**	**1.036**	**1.030**	
30/27	1.044	1.052	1.058	1.070	1.051	1.038	1.039	1.049	1.046	1.054	1.057	1.048	1.063	1.052	1.046	1.037	1.044	1.037	1.032	1.028		
33/30	1.035	1.047	1.051	1.059	1.035	1.018	1.032	1.030	1.041	1.045	1.045	1.051	1.055	1.045	1.046	1.031	1.033	1.033	1.026	1.029		
36/33	1.037	1.042	1.035	1.040	1.029	1.016	1.024	1.034	1.042	1.033	1.042	1.040	1.041	1.037	1.028	1.026	1.027	1.021	1.021	1.020		
39/36	**1.029**	**1.032**	**1.034**	**1.037**	**1.018**	**1.012**	**1.028**	**1.025**	**1.027**	**1.029**	**1.033**	**1.031**	**1.040**	**1.039**	**1.027**	**1.021**	**1.023**	**1.022**	**1.011**	**1.018**		
42/39	1.025	1.031	1.036	1.026	1.019	1.013	1.017	1.020	1.025	1.035	1.036	1.037	1.037	1.031	1.022	1.026	1.022	1.017	1.010			
45/42	1.025	1.033	1.032	1.023	1.012	1.019	1.033	1.021	1.025	1.029	1.026	1.030	1.028	1.027	1.021	1.018	1.017	1.015	1.011			
48/45	1.028	1.023	1.026	1.017	1.008	1.013	1.025	1.018	1.022	1.025	1.029	1.034	1.022	1.023	1.020	1.018	1.014	1.008	1.012			
51/48	**1.019**	**1.020**	**1.024**	**1.014**	**1.009**	**1.013**	**1.018**	**1.015**	**1.020**	**1.021**	**1.021**	**1.026**	**1.024**	**1.019**	**1.014**	**1.013**	**1.010**	**1.008**	**1.008**			
54/51	1.025	1.027	1.017	1.016	1.010	1.012	1.021	1.019	1.022	1.022	1.027	1.023	1.019	1.018	1.015	1.011	1.009	1.009				
57/54	1.027	1.024	1.014	1.007	1.011	1.017	1.020	1.018	1.019	1.019	1.023	1.020	1.017	1.018	1.013	1.007	1.009	1.007				
60/57	1.021	1.021	1.015	1.009	1.008	1.014	1.020	1.019	1.018	1.017	1.019	1.016	1.015	1.014	1.012	1.007	1.007	1.005				
63/60	**1.014**	**1.020**	**1.013**	**1.012**	**1.008**	**1.016**	**1.015**	**1.021**	**1.015**	**1.018**	**1.016**	**1.020**	**1.015**	**1.009**	**1.009**	**1.005**	**1.008**	**1.005**				
66/63	1.023	1.016	1.010	1.012	1.015	1.013	1.015	1.022	1.019	1.018	1.017	1.015	1.010	1.008	1.008	1.006	1.010					
69/66	1.025	1.013	1.006	1.008	1.016	1.018	1.015	1.023	1.017	1.017	1.015	1.014	1.010	1.008	1.008	1.005	1.008					
72/69	1.020	1.009	1.007	1.009	1.015	1.010	1.014	1.015	1.013	1.014	1.012	1.011	1.010	1.007	1.005	1.005	1.002					
75/72	**1.015**	**1.008**	**1.006**	**1.008**	**1.010**	**1.009**	**1.012**	**1.012**	**1.011**	**1.018**	**1.013**	**1.008**	**1.006**	**1.001**	**1.003**	**1.006**	**1.003**					
78/75	1.012	1.012	1.008	1.012	1.010	1.011	1.018	1.013	1.012	1.012	1.010	1.008	1.008	1.006	1.005	1.003						
81/78	1.006	1.006	1.006	1.009	1.010	1.014	1.018	1.017	1.016	1.009	1.009	1.005	1.006	1.006	1.005	1.004						
84/81	1.008	1.006	1.009	1.014	1.009	1.007	1.012	1.011	1.008	1.010	1.008	1.007	1.005	1.001	1.003	1.002						
87/84	**1.005**	**1.008**	**1.008**	**1.010**	**1.009**	**1.010**	**1.012**	**1.014**	**1.012**	**1.008**	**1.007**	**1.004**	**1.003**	**1.001**	**1.002**	**1.002**						
90/87	1.002	1.005	1.008	1.008	1.009	1.012	1.009	1.009	1.013	1.008	1.006	1.006	1.003	1.006	1.006							
93/90	1.006	1.007	1.015	1.009	1.011	1.010	1.011	1.012	1.009	1.009	1.007	1.002	1.003	1.002	1.004							
96/93	1.007	1.007	1.010	1.012	1.008	1.010	1.011	1.009	1.005	1.006	1.005	1.003	1.002	1.001	1.003							

Source: WCIRB accident year experience calls

* Incurred medical loss development factors include the paid cost of medical cost containment programs (MCCP) for accident years 2011 and prior.

PRELIMINARY

Quarterly Paid Indemnity Loss Development Factors

Through March 31, 2020

Age in	Accident Year																					
Months	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
6/3	4.325	4.024	4.170	4.461	4.720	4.908	4.745	4.512	4.376	4.495	4.553	4.807	4.911	4.722	4.854	5.099	5.076	5.056	5.087	5.272	4.987	5.081
9/6	2.284	2.367	2.283	2.369	2.443	2.424	2.399	2.303	2.259	2.375	2.377	2.398	2.452	2.432	2.484	2.462	2.462	2.484	2.456	2.446	2.538	2.505
12/9	1.826	1.806	1.839	1.855	1.897	1.876	1.841	1.774	1.812	1.834	1.810	1.825	1.861	1.869	1.877	1.866	1.879	1.910	1.882	1.892	1.891	1.903
15/12	**1.499**	**1.536**	**1.538**	**1.552**	**1.550**	**1.516**	**1.491**	**1.456**	**1.482**	**1.488**	**1.481**	**1.507**	**1.532**	**1.539**	**1.506**	**1.539**	**1.540**	**1.559**	**1.571**	**1.544**	**1.527**	**1.522**
18/15	1.380	1.399	1.395	1.401	1.403	1.379	1.331	1.306	1.306	1.327	1.332	1.343	1.355	1.361	1.361	1.353	1.364	1.372	1.366	1.358	1.353	
21/18	1.323	1.298	1.303	1.303	1.311	1.297	1.241	1.217	1.233	1.235	1.243	1.259	1.257	1.261	1.261	1.263	1.267	1.264	1.256	1.260	1.248	
24/21	1.259	1.257	1.256	1.258	1.260	1.244	1.183	1.181	1.195	1.191	1.194	1.206	1.209	1.215	1.213	1.204	1.216	1.211	1.206	1.205	1.206	
27/24	**1.186**	**1.199**	**1.203**	**1.200**	**1.205**	**1.186**	**1.140**	**1.142**	**1.151**	**1.149**	**1.153**	**1.162**	**1.165**	**1.168**	**1.164**	**1.159**	**1.170**	**1.176**	**1.161**	**1.159**	**1.152**	
30/27	1.157	1.161	1.165	1.175	1.172	1.161	1.122	1.117	1.126	1.129	1.130	1.141	1.141	1.137	1.134	1.141	1.147	1.142	1.137	1.131		
33/30	1.118	1.125	1.130	1.142	1.136	1.123	1.097	1.096	1.100	1.101	1.108	1.114	1.116	1.112	1.111	1.111	1.115	1.107	1.104	1.105		
36/33	1.102	1.103	1.103	1.115	1.111	1.097	1.085	1.081	1.080	1.084	1.092	1.094	1.098	1.091	1.091	1.096	1.092	1.089	1.088	1.083		
39/36	**1.074**	**1.081**	**1.081**	**1.092**	**1.087**	**1.072**	**1.070**	**1.066**	**1.064**	**1.067**	**1.074**	**1.078**	**1.077**	**1.073**	**1.075**	**1.074**	**1.075**	**1.071**	**1.068**	**1.064**		
42/39	1.067	1.071	1.077	1.080	1.073	1.063	1.059	1.058	1.058	1.062	1.067	1.067	1.071	1.070	1.065	1.064	1.066	1.062	1.059			
45/42	1.057	1.054	1.063	1.064	1.056	1.049	1.047	1.049	1.047	1.051	1.058	1.059	1.057	1.055	1.054	1.052	1.050	1.050	1.045			
48/45	1.049	1.050	1.055	1.053	1.046	1.044	1.041	1.044	1.043	1.047	1.049	1.051	1.050	1.048	1.048	1.048	1.045	1.041	1.040			
51/48	**1.039**	**1.038**	**1.043**	**1.044**	**1.036**	**1.035**	**1.033**	**1.036**	**1.036**	**1.037**	**1.042**	**1.042**	**1.043**	**1.039**	**1.038**	**1.038**	**1.039**	**1.035**	**1.031**			
54/51	1.035	1.038	1.036	1.037	1.034	1.035	1.030	1.028	1.035	1.036	1.038	1.041	1.038	1.036	1.036	1.033	1.032	1.031				
57/54	1.029	1.033	1.037	1.030	1.028	1.026	1.025	1.028	1.030	1.032	1.033	1.033	1.032	1.033	1.028	1.027	1.028	1.025				
60/57	1.025	1.030	1.027	1.026	1.024	1.024	1.024	1.024	1.028	1.029	1.029	1.032	1.027	1.030	1.028	1.025	1.025	1.023				
63/60	**1.023**	**1.026**	**1.024**	**1.021**	**1.022**	**1.019**	**1.019**	**1.021**	**1.023**	**1.025**	**1.025**	**1.024**	**1.026**	**1.025**	**1.025**	**1.021**	**1.021**	**1.018**				
66/63	1.023	1.023	1.023	1.021	1.019	1.019	1.019	1.020	1.025	1.025	1.025	1.025	1.023	1.022	1.022	1.018	1.018					
69/66	1.019	1.021	1.020	1.017	1.016	1.017	1.016	1.021	1.020	1.020	1.020	1.022	1.020	1.019	1.022	1.017	1.014					
72/69	1.018	1.016	1.018	1.016	1.016	1.015	1.017	1.015	1.020	1.019	1.019	1.019	1.019	1.019	1.016	1.014	1.016					
75/72	**1.015**	**1.016**	**1.015**	**1.014**	**1.012**	**1.012**	**1.013**	**1.015**	**1.019**	**1.018**	**1.016**	**1.016**	**1.017**	**1.015**	**1.014**	**1.012**	**1.012**					
78/75	1.014	1.014	1.012	1.013	1.012	1.011	1.012	1.015	1.017	1.016	1.015	1.016	1.016	1.015	1.013	1.011						
81/78	1.013	1.013	1.011	1.012	1.011	1.010	1.012	1.015	1.015	1.016	1.015	1.015	1.013	1.012	1.011	1.010						
84/81	1.011	1.011	1.013	1.010	1.010	1.009	1.011	1.013	1.015	1.014	1.013	1.012	1.013	1.013	1.011	1.010						
87/84	**1.012**	**1.010**	**1.008**	**1.010**	**1.009**	**1.008**	**1.009**	**1.012**	**1.014**	**1.013**	**1.010**	**1.012**	**1.010**	**1.011**	**1.010**	**1.007**						
90/87	1.008	1.009	1.010	1.009	1.008	1.008	1.011	1.012	1.013	1.012	1.011	1.010	1.010	1.010	1.009							
93/90	1.009	1.009	1.008	1.008	1.007	1.008	1.012	1.011	1.011	1.012	1.010	1.010	1.009	1.009	1.008							
96/93	1.008	1.009	1.006	1.007	1.007	1.007	1.008	1.011	1.011	1.008	1.010	1.010	1.009	1.010	1.007							

Source: WCIRB accident year experience calls

PRELIMINARY

Exhibit 9.4

Quarterly Paid Medical Loss Development Factors *

Through March 31, 2020

Age in	Accident Year																					
Months	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
6/3	6.375	5.955	5.518	6.168	7.221	7.127	7.617	5.563	5.308	5.615	6.579	6.101	6.048	5.854	5.989	6.284	5.604	5.720	5.897	5.433	5.460	4.984
9/6	2.369	2.406	2.356	2.432	2.694	2.577	2.483	2.236	2.348	2.381	2.348	2.375	2.361	2.327	2.398	2.498	2.428	2.287	2.326	2.248	2.351	2.287
12/9	1.728	1.739	1.749	1.857	1.882	1.825	1.759	1.666	1.716	1.765	1.731	1.723	1.756	1.746	1.763	1.736	1.750	1.705	1.752	1.737	1.719	1.796
15/12	**1.453**	**1.490**	**1.514**	**1.547**	**1.554**	**1.510**	**1.437**	**1.423**	**1.429**	**1.444**	**1.413**	**1.429**	**1.445**	**1.472**	**1.446**	**1.443**	**1.460**	**1.454**	**1.479**	**1.434**	**1.425**	**1.432**
18/15	1.241	1.267	1.286	1.310	1.330	1.295	1.243	1.230	1.227	1.259	1.243	1.259	1.268	1.282	1.284	1.263	1.265	1.278	1.263	1.250	1.245	
21/18	1.164	1.168	1.192	1.219	1.211	1.179	1.153	1.151	1.163	1.173	1.170	1.178	1.182	1.187	1.192	1.193	1.192	1.189	1.173	1.170	1.173	
24/21	1.132	1.124	1.149	1.159	1.154	1.125	1.115	1.118	1.127	1.133	1.132	1.137	1.144	1.153	1.154	1.148	1.146	1.146	1.141	1.131	1.143	
27/24	**1.096**	**1.108**	**1.121**	**1.128**	**1.123**	**1.093**	**1.090**	**1.093**	**1.106**	**1.107**	**1.110**	**1.112**	**1.119**	**1.120**	**1.123**	**1.122**	**1.122**	**1.124**	**1.111**	**1.111**	**1.108**	
30/27	1.077	1.088	1.101	1.108	1.103	1.077	1.084	1.087	1.097	1.100	1.100	1.106	1.107	1.111	1.109	1.111	1.111	1.105	1.100	1.092		
33/30	1.065	1.072	1.086	1.089	1.077	1.063	1.071	1.065	1.081	1.083	1.086	1.092	1.094	1.093	1.094	1.090	1.089	1.082	1.082	1.077		
36/33	1.055	1.066	1.069	1.076	1.061	1.055	1.062	1.062	1.071	1.072	1.072	1.077	1.083	1.082	1.078	1.080	1.076	1.071	1.067	1.065		
39/36	**1.051**	**1.059**	**1.060**	**1.061**	**1.049**	**1.044**	**1.053**	**1.056**	**1.057**	**1.059**	**1.061**	**1.066**	**1.071**	**1.066**	**1.069**	**1.065**	**1.064**	**1.061**	**1.055**	**1.054**		
42/39	1.044	1.049	1.055	1.054	1.041	1.044	1.049	1.054	1.055	1.058	1.059	1.061	1.068	1.063	1.062	1.057	1.059	1.057	1.048			
45/42	1.039	1.045	1.047	1.044	1.036	1.037	1.040	1.047	1.048	1.049	1.054	1.053	1.056	1.056	1.053	1.051	1.045	1.044	1.042			
48/45	1.035	1.039	1.044	1.037	1.032	1.035	1.037	1.043	1.043	1.046	1.047	1.050	1.051	1.046	1.045	1.046	1.041	1.040	1.038			
51/48	**1.030**	**1.035**	**1.037**	**1.034**	**1.031**	**1.030**	**1.033**	**1.037**	**1.036**	**1.036**	**1.039**	**1.041**	**1.043**	**1.040**	**1.039**	**1.038**	**1.037**	**1.032**	**1.031**			
54/51	1.031	1.036	1.032	1.027	1.030	1.029	1.034	1.034	1.035	1.035	1.036	1.042	1.038	1.035	1.035	1.034	1.032	1.029				
57/54	1.026	1.030	1.027	1.024	1.024	1.024	1.029	1.031	1.034	1.031	1.033	1.038	1.034	1.034	1.031	1.028	1.026	1.025				
60/57	1.026	1.028	1.026	1.021	1.023	1.026	1.028	1.029	1.028	1.032	1.032	1.035	1.030	1.030	1.030	1.023	1.022	1.021				
63/60	**1.023**	**1.025**	**1.022**	**1.019**	**1.019**	**1.020**	**1.024**	**1.024**	**1.024**	**1.024**	**1.027**	**1.027**	**1.026**	**1.027**	**1.025**	**1.021**	**1.022**	**1.019**				
66/63	1.026	1.021	1.020	1.020	1.018	1.021	1.023	1.024	1.026	1.026	1.029	1.029	1.024	1.028	1.023	1.021	1.018					
69/66	1.021	1.022	1.019	1.018	1.016	1.019	1.021	1.023	1.023	1.021	1.024	1.024	1.022	1.020	1.020	1.017	1.016					
72/69	1.022	1.018	1.016	1.017	1.018	1.016	1.021	1.021	1.022	1.022	1.023	1.021	1.020	1.019	1.016	1.015	1.017					
75/72	**1.017**	**1.016**	**1.014**	**1.015**	**1.015**	**1.014**	**1.018**	**1.020**	**1.019**	**1.019**	**1.018**	**1.018**	**1.018**	**1.015**	**1.015**	**1.013**	**1.014**					
78/75	1.018	1.015	1.014	1.015	1.016	1.015	1.016	1.018	1.017	1.022	1.019	1.018	1.017	1.017	1.015	1.013						
81/78	1.015	1.014	1.013	1.014	1.013	1.014	1.018	1.018	1.015	1.019	1.018	1.015	1.015	1.013	1.012	1.011						
84/81	1.013	1.012	1.013	1.012	1.012	1.013	1.016	1.016	1.015	1.018	1.015	1.015	1.015	1.013	1.013	1.010						
87/84	**1.013**	**1.011**	**1.010**	**1.012**	**1.012**	**1.012**	**1.014**	**1.013**	**1.015**	**1.017**	**1.013**	**1.013**	**1.011**	**1.012**	**1.010**	**1.008**						
90/87	1.013	1.012	1.011	1.013	1.012	1.013	1.015	1.013	1.015	1.013	1.013	1.012	1.011	1.012	1.009							
93/90	1.011	1.010	1.011	1.012	1.011	1.013	1.013	1.012	1.014	1.014	1.013	1.011	1.010	1.009	1.010							
96/93	1.010	1.010	1.008	1.010	1.010	1.009	1.013	1.015	1.016	1.011	1.012	1.010	1.009	1.009	1.009							

Source: WCIRB accident year experience calls

* Paid medical loss development factors include the paid cost of medical cost containment programs (MCCP) for accident years 2011 and prior.

PRELIMINARY

Reported Indemnity Claim Count Development

Accident Year	Development 3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135	135-147	147-159	159-171	171-183	183-195
1995																1.001
1996															1.000	1.000
1997														1.000	1.000	1.000
1998													1.000	1.000	1.000	1.000
1999												1.001	1.000	1.000	1.000	1.000
2000											1.000	1.000	1.001	1.001	1.000	1.000
2001										1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002									1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000
2003								0.999	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004							0.999	0.999	1.000	0.999	1.000	1.001	1.000	1.000	1.000	1.000
2005						1.000	1.001	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	
2006					1.002	1.001	1.001	1.000	1.001	1.001	1.000	1.000	1.000	1.000		
2007				1.006	1.003	1.002	1.000	1.000	1.001	1.000	1.000	1.000	1.000			
2008			1.017	1.009	1.004	1.003	1.001	1.002	1.001	1.000	1.000	1.000				
2009		1.080	1.023	1.008	1.005	1.003	1.003	1.001	1.000	1.000	1.000					
2010	7.377	1.089	1.022	1.010	1.006	1.004	1.002	1.001	1.000	1.000						
2011	7.503	1.100	1.026	1.011	1.007	1.002	1.001	1.001	1.000							
2012	7.670	1.120	1.026	1.013	1.005	1.002	1.001	1.000								
2013	8.154	1.101	1.029	1.008	1.004	1.001	1.002									
2014	7.695	1.114	1.019	1.008	1.004	1.001										
2015	8.133	1.100	1.016	1.005	1.003											
2016	7.682	1.101	1.019	1.005												
2017	7.737	1.088	1.017													
2018	7.741	1.092														
2019	7.896															
Latest Year																
Age-to-Age	7.896	1.092	1.017	1.005	1.003	1.001	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Age-to-Ultimate	8.898	1.127	1.032	1.015	1.010	1.007	1.005	1.004	1.003	1.003	1.002	1.002	1.002	1.002	1.001	1.002

Source: WCIRB accident year experience calls

PRELIMINARY

Quarterly Reported Indemnity Claim Count Development Factors

Accident	Development														
Year	3-6	6-9	9-12	12-15	15-18	18-21	21-24	24-27	27-30	30-33	33-36	36-39	39-42	42-45	45-48
2008	2.539	1.651	1.336	1.093	1.025	1.015	1.010	1.008	1.006	1.004	1.003	1.003	1.002	1.003	1.002
2009	2.681	1.683	1.382	1.109	1.036	1.021	1.012	1.009	1.007	1.007	1.005	1.004	1.003	1.002	1.002
2010	2.688	1.708	1.407	1.124	1.037	1.021	1.015	1.011	1.008	1.005	1.005	1.003	1.004	1.003	1.001
2011	2.691	1.738	1.424	1.123	1.041	1.026	1.018	1.010	1.010	1.006	1.005	1.004	1.004	1.003	1.002
2012	2.749	1.727	1.420	1.123	1.050	1.028	1.018	1.012	1.010	1.007	1.004	1.004	1.003	1.007	1.001
2013	2.821	1.739	1.421	1.138	1.045	1.027	1.016	1.010	1.009	1.013	1.003	1.003	1.003	1.001	1.002
2014	2.778	1.723	1.421	1.130	1.045	1.037	1.015	1.010	1.008	1.004	1.003	1.003	1.003	1.002	1.002
2015	2.817	1.781	1.414	1.135	1.045	1.023	1.014	1.014	1.008	1.005	1.003	1.003	1.002	1.002	1.002
2016	2.733	1.717	1.410	1.149	1.047	1.027	1.018	1.012	1.010	1.006	1.004	1.003	1.002	1.002	1.002
2017	2.893	1.696	1.423	1.134	1.042	1.026	1.014	1.009	1.008	1.005	1.004	1.003			
2018	2.826	1.732	1.414	1.139	1.045	1.023	1.017	1.010							
2019	2.782	1.751	1.425	1.138											

Source: WCIRB accident year experience calls

PRELIMINARY

Exhibit 11.1

Reported Indemnity Claim Settlement Ratios

Accident	Evaluated as of (in months):																
Year	3	15	27	39	51	63	75	87	99	111	123	135	147	159	171	183	195
1995																	98.6%
1996																98.3%	98.5%
1997															97.8%	98.0%	98.2%
1998														97.2%	97.5%	97.8%	98.1%
1999													96.7%	97.1%	97.4%	97.8%	98.0%
2000												95.7%	96.3%	96.8%	97.3%	97.6%	97.8%
2001											93.8%	94.7%	95.4%	96.2%	96.7%	97.1%	97.4%
2002										92.7%	94.0%	95.0%	96.0%	96.5%	97.0%	97.5%	97.8%
2003									91.0%	92.7%	94.1%	95.4%	96.0%	96.6%	97.1%	97.6%	98.0%
2004								88.8%	91.1%	92.8%	94.6%	95.6%	96.3%	96.9%	97.4%	97.9%	98.2%
2005							86.3%	89.1%	91.3%	93.5%	94.8%	95.7%	96.6%	97.2%	97.7%	98.1%	
2006						82.2%	86.0%	89.0%	91.7%	93.4%	94.7%	95.8%	96.6%	97.3%	97.8%		
2007					75.4%	81.3%	85.5%	89.5%	91.9%	93.7%	95.1%	96.2%	96.9%	97.6%			
2008				64.5%	73.8%	80.5%	86.0%	89.6%	92.2%	94.0%	95.4%	96.4%	97.2%				
2009			49.6%	62.7%	72.7%	80.5%	85.7%	89.6%	92.3%	94.2%	95.6%	96.6%					
2010		33.6%	50.1%	63.5%	74.7%	82.0%	87.2%	90.9%	93.3%	95.1%	96.3%						
2011	7.2%	34.0%	50.7%	65.3%	75.9%	83.2%	88.2%	91.7%	94.2%	95.7%							
2012	7.2%	34.0%	51.8%	66.7%	77.2%	84.4%	89.4%	92.7%	94.8%								
2013	8.5%	33.4%	52.8%	67.8%	78.9%	86.2%	90.8%	93.8%									
2014	6.6%	33.8%	53.6%	69.2%	80.5%	87.4%	91.6%										
2015	7.5%	34.0%	55.2%	71.8%	82.8%	89.0%											
2016	7.2%	35.8%	58.0%	74.5%	84.4%												
2017	7.2%	38.1%	60.9%	76.2%													
2018	8.3%	38.8%	60.9%														
2019	8.5%	38.8%															
2020	8.9%																

Source: WCIRB accident year experience calls

PRELIMINARY

Exhibit 11.2

Estimated Ultimate Indemnity Claim Settlement Ratios

Accident	Evaluated as of (in months):																
Year	3	15	27	39	51	63	75	87	99	111	123	135	147	159	171	183	195
1995																	98.3%
1996																98.0%	98.3%
1997															97.5%	97.7%	97.9%
1998														97.0%	97.3%	97.6%	97.9%
1999													96.4%	96.8%	97.2%	97.6%	97.8%
2000												95.4%	96.0%	96.5%	97.1%	97.4%	97.7%
2001											93.5%	94.5%	95.2%	96.0%	96.5%	96.9%	97.3%
2002										92.6%	93.8%	94.8%	95.8%	96.4%	96.9%	97.3%	97.6%
2003									91.0%	92.6%	93.9%	95.2%	95.8%	96.4%	97.0%	97.4%	97.8%
2004								88.9%	91.0%	92.7%	94.4%	95.4%	96.1%	96.8%	97.3%	97.7%	98.1%
2005							86.0%	89.0%	91.1%	93.3%	94.6%	95.7%	96.4%	97.0%	97.6%	98.0%	
2006						81.7%	85.7%	88.6%	91.4%	93.2%	94.6%	95.7%	96.4%	97.1%	97.6%		
2007					74.6%	80.7%	85.1%	89.1%	91.5%	93.5%	94.9%	96.0%	96.8%	97.4%			
2008				63.0%	72.8%	79.7%	85.4%	89.0%	91.9%	93.8%	95.1%	96.2%	97.0%				
2009			47.3%	61.3%	71.6%	79.7%	85.1%	89.2%	92.0%	93.9%	95.4%	96.4%					
2010		29.4%	47.9%	61.9%	73.6%	81.2%	86.7%	90.5%	93.1%	94.8%	96.1%						
2011	0.8%	29.3%	48.1%	63.6%	74.9%	82.6%	87.7%	91.4%	93.9%	95.4%							
2012	0.8%	28.9%	49.3%	65.1%	76.3%	83.8%	89.0%	92.4%	94.5%								
2013	0.9%	29.0%	50.4%	66.5%	78.1%	85.7%	90.3%	93.4%									
2014	0.7%	29.3%	51.6%	67.9%	79.7%	86.9%	91.1%										
2015	0.8%	30.0%	53.6%	70.8%	82.0%	88.4%											
2016	0.8%	31.4%	56.1%	73.4%	83.6%												
2017	0.8%	33.9%	59.0%	75.1%													
2018	0.9%	34.4%	59.0%														
2019	1.0%	34.5%															
2020	1.0%																

Source: WCIRB quarterly calls for experience

PRELIMINARY

Quarterly Ultimate Settlement Ratios

Accident	Evaluated as of (in months):															
Year	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48
2011	0.8%	5.1%	12.0%	21.3%	29.7%	35.9%	40.3%	44.7%	48.6%	52.9%	56.8%	60.8%	64.1%	67.1%	70.2%	72.9%
2012	0.8%	5.1%	12.1%	21.2%	29.5%	35.9%	40.8%	45.6%	49.8%	54.1%	58.3%	62.2%	65.6%	68.8%	71.7%	74.4%
2013	0.9%	5.1%	11.8%	21.0%	29.4%	36.0%	41.4%	46.4%	51.0%	55.5%	59.6%	63.6%	67.1%	70.5%	73.4%	76.2%
2014	0.8%	4.8%	11.8%	20.8%	29.6%	36.4%	42.1%	47.3%	52.0%	56.5%	60.8%	64.8%	68.2%	71.7%	74.6%	77.5%
2015	0.8%	4.8%	12.2%	21.2%	30.4%	37.8%	43.5%	48.8%	53.9%	59.0%	63.4%	67.5%	71.1%	74.4%	77.4%	80.0%
2016	0.8%	5.1%	12.3%	21.9%	31.7%	39.5%	45.5%	51.3%	56.3%	61.5%	65.9%	70.1%	73.7%	76.9%	79.3%	81.6%
2017	0.9%	5.6%	13.5%	24.2%	34.2%	42.1%	48.3%	54.2%	59.1%	64.0%	68.1%	71.9%	75.1%			
2018	1.0%	5.8%	13.9%	24.6%	34.7%	42.6%	48.6%	54.1%	59.0%							
2019	1.0%	5.9%	13.7%	24.6%	34.5%											
2020	1.0%															

Accident	Quarterly Incremental Change														
Year	3-6	6-9	9-12	12-15	15-18	18-21	21-24	24-27	27-30	30-33	33-36	36-39	39-42	42-45	45-48
2011	4.3%	6.9%	9.3%	8.5%	6.1%	4.5%	4.3%	3.9%	4.4%	3.9%	4.0%	3.3%	3.1%	3.0%	2.7%
2012	4.2%	7.1%	9.1%	8.3%	6.4%	4.8%	4.9%	4.1%	4.3%	4.2%	3.9%	3.4%	3.2%	3.0%	2.7%
2013	4.2%	6.7%	9.1%	8.4%	6.6%	5.4%	5.0%	4.6%	4.5%	4.1%	3.9%	3.6%	3.4%	2.9%	2.8%
2014	4.1%	6.9%	9.1%	8.8%	6.7%	5.8%	5.1%	4.8%	4.5%	4.3%	4.0%	3.4%	3.5%	2.9%	2.8%
2015	4.0%	7.4%	9.0%	9.3%	7.4%	5.7%	5.3%	5.1%	5.1%	4.4%	4.1%	3.6%	3.4%	3.0%	2.6%
2016	4.2%	7.3%	9.6%	9.8%	7.8%	6.0%	5.8%	5.0%	5.2%	4.3%	4.3%	3.6%	3.2%	2.3%	2.4%
2017	4.8%	7.8%	10.7%	10.0%	7.9%	6.2%	5.9%	5.0%	4.9%	4.1%	3.8%	3.2%			
2018	4.9%	8.1%	10.7%	10.1%	7.9%	6.0%	5.5%	4.9%							
2019	4.9%	7.9%	10.8%	9.9%											
2020															

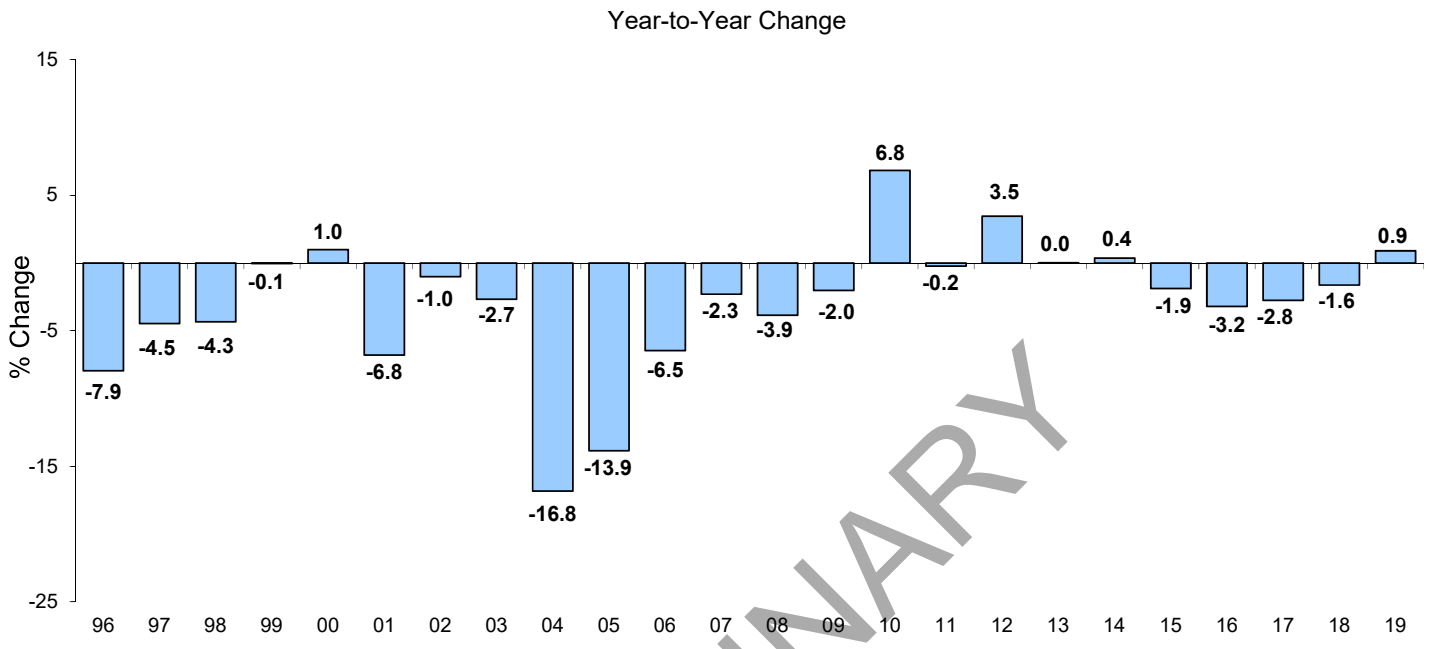
Notes All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 85% to 100% of the total California workers' compensation insured market measured using 2019 earned premium levels).

Source: WCIRB quarterly calls for experience

PRELIMINARY

Exhibit 12

California Workers' Compensation
Estimated Indemnity Claim Frequency by Accident Year



PRELIMINARY

Note:

The 2019 estimate is based on a comparison of claim counts based on WCIRB accident year experience as of March 31, 2020 relative to the estimated change in statewide employment. Prior years are based on unit statistical data.

Item AC20-08-01
Third Quarter 2020 Review of Diagnostics

Twice a year, WCIRB staff compiles a comprehensive list of measures to be reviewed by the Claims Working Group and Actuarial Committee in order to identify and quantify changes in claim patterns and trends and help determine the most appropriate methodologies to be used in the development of pure premium rates. The diagnostics are segregated into the following areas:

1. Market and claim characteristic information (exhibit numbers start with M)
2. Claim count information (exhibit numbers start with C)
3. Loss development information (exhibit numbers start with D)
4. Claim severity information (exhibit numbers start with S)
5. Loss adjustment expense information (exhibit numbers start with E)

Please note the following:

1. While permanent disability claims continue to close at a faster rate throughout the state, the greatest acceleration has been in the Los Angeles and San Diego regions. The percent of permanent disability claims closed in those regions are now generally higher than in other parts of the state (Exhibit M5).
2. The median cost of Medicare set-asides declined at both first and second survey levels (Exhibit M10.1). In contrast, in the WCIRB's recently released summary of calendar year losses and expenses, the overall cost of Medicare set-asides increased and in calendar year 2019 was 7% of all medical payments as compared to 3% in calendar year 2014.
3. After reaching a historical high in the second quarter of 2018, the number of eligible independent medical reviews (IMR) filed by quarter has decreased steadily. With the COVID-19 pandemic, the number of eligible IMRs in the second quarter of 2020 was 28% below the second quarter of 2019 (Exhibit M14).
4. Following number of years of increases, indemnity claim settlement rates began to plateau and show sign of decrease before the pandemic (Exhibit C3.2).
5. On a preliminary basis, at first report level, the percentage of indemnity claims involving permanent disability in accident year 2018 decreased by about 10% in all regions. San Diego decreased by 17% from accident year 2017 (Exhibit C17).
6. Retrospective evaluations of the performance of alternative loss development methodologies indicate that the latest year reform and claim settlement rate adjusted methodology for projecting ultimate loss ratios is consistently closer to actual loss ratio than the other methodologies reviewed (Exhibits D6.1 to D6.5).
7. Although 3-month evaluations of accident year severities are volatile, both indemnity and medical severities increased significantly in the first quarter of 2020 (Exhibits S2.1 through S5.2).
8. The policy year average incurred indemnity severity increased by 4.3%, while the median decreased by 2.0%. Similarly, the average policy year 2017 incurred medical severity increased by 3.2%, and the median decreased by 1.7% (Exhibit S9). This divergence between the average and median severity could suggest an increase in relatively large claims.
9. The average temporary disability duration on permanent disability claims for accident year 2017 based on WCIRB Permanent Disability Claim Survey data at first survey level decreased by 48% from accident year 2016 (Exhibit S10.2).

10. The number of claims in excess of $1,000,000 has continued to grow with a sharp increase in 2017, as these claims contributed more to overall incurred indemnity losses and incurred medical losses (Exhibit S16.3).
11. Percentages of represented permanent disability claims by region and loss type declined for accident year 2017 based on WCIRB Permanent Disability Claim Survey data at first survey level (Exhibit E7).

Exhibit Numbering Guide August 2020

Exhibit #	Exhibit Name
	Market/Claim Characteristics
M3	Total Incurred Loss Distribution by Insurer
M5	Percentage of Claims Closed by Injury Type and Region - First through Third Report Level
M7	Division of Workers' Compensation (DWC) Distribution of Decisions by Type
M8	Quarterly Expedited Hearings by Region
M9	Number of Division of Workers' Compensation (DWC) Lien Decisions
M10	Medicare Set-aside Costs by Age Interval & Permanent Disability Rating Interval
M14	IMR Filed Counts
	Claim Count
C1	Reported Indemnity Claim Count Development - Statewide
C3	Ratio of Incremental Closed Indemnity Claims to Prior Open Indemnity Claims
C4	Reopening Rates Based on Unit Statistical Data & by Injury Type
C5	Closed-Closed Development Based on Unit Statistical Data
C8	California OPRL Injury & Illness Rates
C9	Self-Insured Employers - Claim Frequency
C10	Annual Changes in Indemnity Frequency Attributable to Changes in Hazardousness
C11	Changes in Incremental Indemnity Claim Counts and Medical Only Claim Counts
C12	Economic Variables
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Exhibit M3

Total Incurred Loss Distribution by Insurer*

I. Distribution based on State Fund, Top Ten Private Insurers and All Other Private Insurers Combined**

Group	AY 2015 @ 12/31/2015	AY 2016 @ 12/31/2016	AY 2017 @ 12/31/2017	AY 2018 @ 12/31/2018	AY 2019 @ 12/31/2019
State Fund	12.0%	9.5%	10.8%	12.7%	14.0%
1	8.0%	8.0%	8.4%	8.4%	8.4%
2	7.7%	7.4%	6.4%	6.5%	6.6%
3	7.8%	7.6%	6.8%	6.2%	5.9%
4	6.9%	6.8%	5.2%	5.4%	5.1%
5	4.3%	4.7%	4.9%	4.9%	5.0%
6	3.6%	3.6%	3.9%	3.4%	4.2%
7	3.4%	3.2%	3.1%	3.4%	3.3%
8	3.6%	3.6%	3.5%	2.9%	2.8%
9	2.7%	2.8%	2.2%	2.3%	2.6%
10	1.9%	2.0%	2.2%	2.1%	2.1%
All Other	38.2%	40.9%	42.7%	41.9%	40.0%

II. Distribution based on Top Ten Private Insurers and All Other Private Insurers Combined**

Group	AY 2015 @ 12/31/2015	AY 2016 @ 12/31/2016	AY 2017 @ 12/31/2017	AY 2018 @ 12/31/2018	AY 2019 @ 12/31/2019
1	9.1%	8.9%	9.4%	9.7%	9.7%
2	8.8%	8.1%	7.2%	7.4%	7.7%
3	8.8%	8.4%	7.6%	7.2%	6.9%
4	7.9%	7.5%	5.8%	6.2%	5.9%
5	4.9%	5.2%	5.5%	5.6%	5.8%
6	4.0%	4.0%	4.4%	3.9%	4.9%
7	3.8%	3.5%	3.5%	3.9%	3.9%
8	4.1%	4.0%	3.9%	3.3%	3.2%
9	3.0%	3.0%	2.4%	2.6%	3.0%
10	2.1%	2.2%	2.5%	2.4%	2.4%
All Other	43.4%	45.2%	47.9%	47.9%	46.5%

*Total incurred losses reflect the sum of paid indemnity and medical losses and indemnity and medical case reserves.

**Groups are ranked according to accident year 2019 incurred losses.

Source: WCIRB quarterly calls for experience

Percentage of Claims Closed by Injury Type and Region

Permanent Partial & Temporary

Permanent Partial

Report Level	Region*	Policy Year 2011	2012	2013	2014	2015	2016	2017	Latest Year Reported Claim Distribution
1	Bay Area	12%	14%	15%	16%	18%	19%	20%	*15%*
1	Los Angeles	12%	15%	16%	17%	21%	24%	25%	*53%*
1	San Diego	13%	17%	20%	20%	23%	26%	27%	*7%*
1	Remainder of CA	13%	15%	17%	17%	20%	22%	23%	*26%*
	ALL REGIONS COMBINED	**12%**	**15%**	**16%**	**17%**	**20%**	**23%**	**24%**	***100%***
2	Bay Area	35%	38%	38%	41%	45%	47%		*14%*
2	Los Angeles	32%	37%	37%	40%	45%	51%		*56%*
2	San Diego	38%	43%	44%	46%	50%	53%		*7%*
2	Remainder of CA	36%	38%	39%	42%	47%	48%		*24%*
	ALL REGIONS COMBINED	**34%**	**38%**	**38%**	**41%**	**46%**	**50%**		***100%***
3	Bay Area	55%	58%	59%	62%	65%			*15%*
3	Los Angeles	51%	55%	55%	59%	65%			*54%*
3	San Diego	59%	62%	65%	67%	70%			*7%*
3	Remainder of CA	56%	58%	59%	62%	67%			*25%*
	ALL REGIONS COMBINED	**53%**	**56%**	**58%**	**61%**	**66%**			***100%***

Temporary

Report Level	Region*	Policy Year 2011	2012	2013	2014	2015	2016	2017	Latest Year Reported Claim Distribution
1	Bay Area	56%	54%	56%	59%	60%	61%	62%	*18%*
1	Los Angeles	51%	49%	47%	50%	51%	52%	54%	*44%*
1	San Diego	58%	56%	55%	56%	57%	60%	62%	*6%*
1	Remainder of CA	59%	57%	55%	59%	60%	61%	61%	*32%*
	ALL REGIONS COMBINED	**55%**	**53%**	**52%**	**55%**	**55%**	**57%**	**58%**	***100%***
2	Bay Area	74%	73%	77%	77%	79%	79%		*17%*
2	Los Angeles	68%	67%	68%	70%	72%	73%		*46%*
2	San Diego	73%	75%	75%	76%	77%	80%		*7%*
2	Remainder of CA	75%	73%	74%	76%	77%	78%		*31%*
	ALL REGIONS COMBINED	**71%**	**71%**	**72%**	**73%**	**75%**	**76%**		***100%***
3	Bay Area	85%	85%	87%	89%	89%			*17%*
3	Los Angeles	79%	80%	81%	82%	84%			*45%*
3	San Diego	85%	86%	87%	88%	89%			*7%*
3	Remainder of CA	84%	85%	86%	86%	88%			*31%*
	ALL REGIONS COMBINED	**82%**	**83%**	**84%**	**85%**	**86%**			***100%***

*Los Angeles Includes Los Angeles County and remainder of Los Angeles Basin

Source: WCIRB unit statistical data

Exhibit M7

Division of Workers' Compensation (DWC) Distribution of Decisions by Type

Calendar Year	Compromise & Release	Stipulations	Others
1993	73.5%	19.6%	6.9%
1994	70.7%	22.3%	7.0%
1995	63.7%	28.7%	7.6%
1996	59.7%	31.3%	9.0%
1997	58.2%	32.7%	9.1%
1998	57.5%	33.2%	9.3%
1999	57.0%	34.4%	8.6%
2000	56.3%	35.3%	8.4%
2001	56.9%	35.3%	7.8%
2002	55.7%	36.3%	8.0%
2003	59.4%	33.1%	7.5%
2004	59.0%	34.0%	7.0%
2005	61.2%	31.5%	7.3%
2006	57.7%	33.5%	8.8%
2007	55.9%	34.7%	9.4%
2008*	54.4%	38.3%	7.3%
2009	52.2%	43.4%	4.4%
2010	49.5%	46.0%	4.5%
2011	51.2%	44.4%	4.3%
2012	51.4%	44.4%	4.2%
2013	54.5%	41.9%	3.6%
2014	57.7%	38.9%	3.4%
2015	59.3%	37.7%	3.0%
2016	60.7%	36.6%	2.7%
2017	61.1%	36.2%	2.7%
2018	61.6%	35.9%	2.5%

*Prior to 8/9/2008, DWC's workload adjudication data was available from the legacy system. DWC transitioned to a new computer-based system, the Electronic Adjudication Management System (EAMS), at the end of August 2008. Therefore, data for 2008 are comprised of data both from the legacy and from the EAMS system and may not be directly comparable to previous years due to transition issues.

Source: DWC via Commission on Health and Safety & Workers' Compensation 2019 Annual Report

Exhibit M8.1

Quarterly Expedited Hearings by Region

Time Period	Northern California	Central California	Southern California	Expedited Hearing	Change from Same Quarter in Prior Year
1st Qtr 2011	---	---	---	2,503	---
2nd Qtr 2011	---	---	---	2,098	---
3rd Qtr 2011	---	---	---	2,462	---
4th Qtr 2011	---	---	---	2,439	---
1st Qtr 2012	---	---	---	2,480	-0.9%
2nd Qtr 2012	---	---	---	2,525	20.4%
3rd Qtr 2012	---	---	---	3,786	53.8%
4th Qtr 2012	---	---	---	2,673	9.6%
1st Qtr 2013	---	---	---	3,480	40.3%
2nd Qtr 2013	---	---	---	3,615	43.2%
3rd Qtr 2013	---	---	---	4,109	8.5%
4th Qtr 2013	---	---	---	4,013	50.1%
1st Qtr 2014	---	---	---	3,813	9.6%
2nd Qtr 2014	14.4%	24.6%	60.9%	4,463	23.5%
3rd Qtr 2014	16.6%	23.5%	59.8%	4,404	7.2%
4th Qtr 2014	16.9%	16.8%	66.3%	3,926	-2.2%
1st Qtr 2015	15.9%	18.2%	65.9%	4,062	6.5%
2nd Qtr 2015	18.0%	18.0%	63.9%	3,993	-10.5%
3rd Qtr 2015	17.6%	20.1%	62.3%	4,222	-4.1%
4th Qtr 2015	19.1%	20.3%	60.6%	4,252	8.3%
1st Qtr 2016	18.4%	20.7%	60.8%	4,507	11.0%
2nd Qtr 2016	16.7%	20.5%	62.8%	4,631	16.0%
3rd Qtr 2016	17.5%	20.3%	62.2%	4,764	12.8%
4th Qtr 2016	18.3%	20.1%	61.6%	4,569	7.5%
1st Qtr 2017	19.1%	20.3%	60.6%	4,983	10.6%
2nd Qtr 2017	16.8%	17.8%	65.4%	4,990	7.8%
3rd Qtr 2017	16.8%	15.3%	67.9%	5,041	5.8%
4th Qtr 2017	16.5%	15.3%	68.2%	5,155	12.8%
1st Qtr 2018	20.0%	16.4%	63.6%	5,633	13.0%
2nd Qtr 2018	19.7%	14.8%	65.5%	5,768	15.6%
3rd Qtr 2018	20.7%	13.8%	65.5%	5,594	11.0%
4th Qtr 2018	20.3%	12.5%	67.2%	5,537	7.4%
1st Qtr 2019	20.1%	14.6%	65.3%	5,705	1.3%
2nd Qtr 2019	17.8%	12.0%	70.2%	5,831	1.1%
3rd Qtr 2019	17.7%	14.8%	67.5%	6,380	14.1%
4th Qtr 2019	15.8%	12.7%	71.5%	5,793	4.6%
1st Qtr 2020	17.8%	13.7%	68.5%	5,773	1.2%
2nd Qtr 2020	18.3%	13.3%	68.4%	4,773	-18.1%

Source: DWC

Exhibit M8.2

Quarterly Expedited Hearings - DOR Reasons by Region

Northern California

Time Period	Medical Treatment	TD	Other
2Q14-4Q14	77.4%	18.1%	4.5%
2015	76.4%	19.9%	3.7%
2016	77.6%	19.2%	3.2%
2017	77.5%	20.5%	2.0%
2018	80.8%	17.3%	1.9%
2019	81.1%	17.1%	1.8%
1Q20-2Q20	81.4%	17.0%	1.6%

Central California

Time Period	Medical Treatment	TD	Other
2Q14-4Q14	86.8%	12.2%	1.0%
2015	84.6%	14.2%	1.2%
2016	87.3%	12.0%	0.7%
2017	84.8%	14.3%	0.9%
2018	84.7%	14.9%	0.4%
2019	82.7%	17.0%	0.3%
1Q20-2Q20	80.3%	19.5%	0.2%

Southern California

Time Period	Medical Treatment	TD	Other
2Q14-4Q14	70.0%	19.4%	10.7%
2015	65.4%	20.5%	14.1%
2016	69.1%	18.9%	12.0%
2017	71.5%	18.6%	9.9%
2018	74.2%	17.0%	8.8%
2019	77.7%	16.0%	6.3%
1Q20-2Q20	78.6%	15.7%	5.7%

Source: DWC

Liens Filed Counts*

Counts by Region**

Time Period	Bay Area	Central Coast/ Valley	Los Angeles County	Remainder of LA Basin	Remaining CA Zip Codes	Sacramento	San Diego County	**Total**
2011	18,723	24,414	283,774	114,554	2,535	3,934	15,922	**463,856**
1st Qtr 2012	5,490	7,245	97,245	38,034	895	1,248	4,936	**155,093**
2nd Qtr 2012	5,467	8,970	122,040	44,065	1,102	1,322	4,991	**187,957**
3rd Qtr 2012	6,434	15,289	207,639	85,152	698	1,407	6,611	**323,230**
4th Qtr 2012	10,397	25,730	342,549	123,129	1,119	1,557	8,523	**513,004**
1st Qtr 2013	1,232	2,193	46,830	17,032	230	268	1,312	**69,097**
2nd Qtr 2013	1,450	1,562	18,947	6,917	211	339	684	**30,110**
3rd Qtr 2013	1,607	1,795	25,999	9,855	247	410	991	**40,904**
4th Qtr 2013	1,928	2,025	29,537	10,893	276	358	1,136	**46,153**
1st Qtr 2014	1,841	2,029	25,668	10,117	239	384	1,165	**41,443**
2nd Qtr 2014	1,697	2,306	29,417	11,942	265	354	1,263	**47,244**
3rd Qtr 2014	1,941	1,996	29,665	12,198	355	424	1,378	**47,957**
4th Qtr 2014	1,690	2,371	34,772	12,469	374	384	1,488	**53,548**
1st Qtr 2015	2,071	3,058	45,827	18,016	431	488	2,133	**72,024**
2nd Qtr 2015	2,370	4,218	54,147	22,198	501	500	2,787	**86,721**
3rd Qtr 2015	2,428	4,977	61,619	24,827	691	526	3,047	**98,115**
4th Qtr 2015	2,338	4,991	68,843	26,571	686	495	3,085	**107,009**
1st Qtr 2016	2,884	5,410	67,259	27,326	672	538	3,931	**108,020**
2nd Qtr 2016	2,543	5,112	66,511	26,852	536	506	3,912	**105,972**
3rd Qtr 2016	2,243	4,167	45,707	20,136	420	462	3,404	**76,539**
4th Qtr 2016	1,872	4,433	66,169	25,942	506	397	4,400	**103,719**
1st Qtr 2017	1,228	1,872	24,947	9,594	334	312	1,380	**39,667**
2nd Qtr 2017	1,537	2,211	33,194	11,969	349	369	1,764	**51,393**
3rd Qtr 2017	1,700	2,047	29,215	10,487	298	419	1,149	**45,315**
4th Qtr 2017	1,535	1,804	26,566	9,914	313	366	1,176	**41,674**
1st Qtr 2018	1,501	1,575	28,754	10,848	312	406	1,314	**44,710**
2nd Qtr 2018	1,264	1,538	23,697	9,034	312	338	986	**37,169**
3rd Qtr 2018	1,156	1,178	18,596	6,340	241	309	702	**28,522**
4th Qtr 2018	1,276	1,217	19,034	6,108	230	308	690	**28,863**
1st Qtr 2019	1,206	1,044	17,863	5,664	268	336	577	**26,958**
2nd Qtr 2019	1,447	1,049	15,862	5,073	244	334	445	**24,454**
3rd Qtr 2019	1,246	1,195	16,354	4,731	319	381	549	**24,775**
4th Qtr 2019	1,206	948	15,597	4,496	286	334	434	**23,301**
1st Qtr 2020	1,189	1,108	14,627	4,095	260	360	461	**22,100**
2nd Qtr 2020	1,059	878	11,743	3,548	213	288	480	**18,209**

Counts by Type

Time Period	Interpreter	Medical	Medical-Legal	Copy Service	Other***	**Total**
2011	28,721	292,982	39,569	539	102,045	**463,856**
1st Qtr 2012	12,937	85,152	22,931	139	33,934	**155,093**
2nd Qtr 2012	17,162	106,336	37,440	65	26,954	**187,957**
3rd Qtr 2012	46,095	182,474	64,912	91	29,658	**323,230**
4th Qtr 2012	47,427	317,241	80,916	62	67,358	**513,004**
1st Qtr 2013	2,397	45,631	11,411	11	9,647	**69,097**
2nd Qtr 2013	831	22,480	587	20	6,192	**30,110**
3rd Qtr 2013	484	32,356	653	23	7,388	**40,904**
4th Qtr 2013	378	37,515	537	8	7,715	**46,153**
1st Qtr 2014	421	33,105	397	16	7,504	**41,443**
2nd Qtr 2014	275	38,534	320	10	8,105	**47,244**
3rd Qtr 2014	140	39,810	179	7	7,821	**47,957**
4th Qtr 2014	156	45,440	160	4	7,788	**53,548**
1st Qtr 2015	143	60,155	216	18	11,492	**72,024**
2nd Qtr 2015	152	74,037	268	7	12,257	**86,721**
3rd Qtr 2015	134	84,290	191	7	13,493	**98,115**
4th Qtr 2015	101	91,820	236	15	14,837	**107,009**
1st Qtr 2016	60	93,393	233	5	14,329	**108,020**
2nd Qtr 2016	90	89,781	467	6	15,628	**105,972**
3rd Qtr 2016	64	64,924	262	11	11,278	**76,539**
4th Qtr 2016	94	91,867	68	4	11,686	**103,719**
1st Qtr 2017	29	33,952	19	3	5,664	**39,667**
2nd Qtr 2017	33	43,470	34	5	7,851	**51,393**
3rd Qtr 2017	77	37,815	31	0	7,392	**45,315**
4th Qtr 2017	65	33,876	18	1	7,714	**41,674**
1st Qtr 2018	64	36,674	29	2	7,941	**44,710**
2nd Qtr 2018	103	29,276	22	0	7,768	**37,169**
3rd Qtr 2018	79	21,334	14	4	7,091	**28,522**
4th Qtr 2018	60	21,595	22	1	7,185	**28,863**
1st Qtr 2019	75	19,887	12	1	6,983	**26,958**
2nd Qtr 2019	54	18,497	17	1	5,885	**24,454**
3rd Qtr 2019	43	17,721	9	1	6,674	**24,775**
4th Qtr 2019	48	15,977	14	0	7,262	**23,301**
1st Qtr 2020	38	15,775	16	0	6,271	**22,100**
2nd Qtr 2020	16	12,693	8	0	5,492	**18,209**

* Lien Counts exclude SDI/EDD Liens

** Regions reflect the following WCAB Office mapping: Bay Area - Oakland, San Jose, San Francisco; Central Coast/Valley - Bakersfield, Fresno, Goleta, Grover Beach, Salinas, Stockton; Los Angeles County - Long Beach, Los Angeles, Marina Del Rey, Pomona, Van Nuys; Remainder of LA Basin - Anaheim, Oxnard, Riverside, San Bernardino, Santa Ana; Remaining CA Zip Codes - Eureka, Redding, San Luis Obispo, Santa Barbara, Santa Rosa; Sacramento - Sacramento; San Diego County - San Diego

***Other includes Attorney Fees, Family Support, Living Expense, PFL, Transport, Wage Replace Liens

Source: EAMS Liens Data

Exhibit M9.3

Liens Filed Counts*

Counts by Region**

Month	Bay Area	Central Coast/ Valley	Los Angeles County	Remainder of LA Basin	Remaining CA Zip Codes	Sacramento	San Diego County	**Total**
Jan-17	210	347	5,362	2,380	69	64	316	**8,748**
Feb-17	421	598	8,251	3,112	122	118	453	**13,075**
Mar-17	597	927	11,334	4,102	143	130	611	**17,844**
Apr-17	474	764	11,573	4,118	110	106	640	**17,785**
May-17	519	835	11,395	4,175	121	132	573	**17,750**
Jun-17	544	612	10,226	3,676	118	131	551	**15,858**
Jul-17	530	548	10,092	3,636	101	130	426	**15,463**
Aug-17	594	703	10,712	3,690	109	146	412	**16,366**
Sep-17	576	796	8,411	3,161	88	143	311	**13,486**
Oct-17	514	773	9,856	3,585	100	128	413	**15,369**
Nov-17	451	496	8,506	3,214	110	119	371	**13,267**
Dec-17	570	535	8,204	3,115	103	119	392	**13,038**
Jan-18	473	565	9,986	3,636	98	123	457	**15,338**
Feb-18	490	479	8,982	3,451	101	140	481	**14,124**
Mar-18	538	531	9,786	3,761	113	143	376	**15,248**
Apr-18	387	546	8,851	3,375	97	90	361	**13,707**
May-18	477	513	8,380	3,433	112	126	308	**13,349**
Jun-18	400	479	6,466	2,226	103	122	317	**10,113**
Jul-18	386	414	6,101	2,109	79	124	229	**9,442**
Aug-18	406	422	7,039	2,338	76	91	275	**10,647**
Sep-18	364	342	5,456	1,893	86	94	198	**8,433**
Oct-18	476	454	6,645	2,270	74	106	271	**10,296**
Nov-18	454	431	6,436	2,097	81	117	237	**9,853**
Dec-18	346	332	5,953	1,741	75	85	182	**8,714**
Jan-19	434	371	6,394	1,918	78	113	191	**9,499**
Feb-19	407	385	5,581	1,802	120	116	205	**8,616**
Mar-19	365	288	5,888	1,944	70	107	181	**8,843**
Apr-19	449	374	5,683	1,903	99	121	188	**8,817**
May-19	535	366	5,352	1,734	82	113	152	**8,334**
Jun-19	463	309	4,827	1,436	63	100	105	**7,303**
Jul-19	444	389	5,595	1,685	96	139	167	**8,515**
Aug-19	457	483	5,717	1,580	115	122	202	**8,676**
Sep-19	345	323	5,042	1,466	108	120	180	**7,584**
Oct-19	453	379	5,941	1,778	112	135	161	**8,959**
Nov-19	394	294	5,056	1,461	86	107	150	**7,548**
Dec-19	359	275	4,600	1,257	88	92	123	**6,794**
Jan-20	477	296	5,126	1,402	117	157	169	**7,744**
Feb-20	396	420	4,720	1,323	76	114	159	**7,208**
Mar-20	316	392	4,781	1,370	67	89	133	**7,148**
Apr-20	324	237	4,111	1,322	71	76	163	**6,304**
May-20	374	226	3,469	1,025	73	81	113	**5,361**
Jun-20	361	415	4,163	1,201	69	131	204	**6,544**

Counts by Type

Month	Interpreter	Medical	Medical-Legal	Copy Service	Other***	**Total**
Jan-17	9	7,460	5	2	1,272	**8,748**
Feb-17	8	11,103	10	1	1,953	**13,075**
Mar-17	12	15,389	4	0	2,439	**17,844**
Apr-17	13	15,188	12	3	2,569	**17,785**
May-17	7	14,838	14	1	2,890	**17,750**
Jun-17	13	13,444	8	1	2,392	**15,858**
Jul-17	37	13,022	9	0	2,395	**15,463**
Aug-17	24	13,599	11	0	2,732	**16,366**
Sep-17	16	11,194	11	0	2,265	**13,486**
Oct-17	13	12,692	5	1	2,658	**15,369**
Nov-17	19	10,666	5	0	2,577	**13,267**
Dec-17	33	10,518	8	0	2,479	**13,038**
Jan-18	41	12,695	12	1	2,589	**15,338**
Feb-18	17	11,551	9	1	2,546	**14,124**
Mar-18	6	12,428	8	0	2,806	**15,248**
Apr-18	18	10,714	11	0	2,964	**13,707**
May-18	25	10,744	8	0	2,572	**13,349**
Jun-18	60	7,818	3	0	2,232	**10,113**
Jul-18	44	7,056	0	3	2,339	**9,442**
Aug-18	23	7,914	8	1	2,701	**10,647**
Sep-18	12	6,364	6	0	2,051	**8,433**
Oct-18	23	7,720	9	0	2,544	**10,296**
Nov-18	24	7,309	7	1	2,512	**9,853**
Dec-18	13	6,566	6	0	2,129	**8,714**
Jan-19	26	6,759	7	1	2,706	**9,499**
Feb-19	38	6,011	3	0	2,564	**8,616**
Mar-19	11	7,117	2	0	1,713	**8,843**
Apr-19	27	6,707	4	1	2,078	**8,817**
May-19	22	6,357	10	0	1,945	**8,334**
Jun-19	5	5,433	3	0	1,862	**7,303**
Jul-19	22	6,307	2	1	2,183	**8,515**
Aug-19	8	6,265	4	0	2,399	**8,676**
Sep-19	13	5,149	3	0	2,419	**7,584**
Oct-19	38	5,957	4	0	2,960	**8,959**
Nov-19	2	5,280	8	0	2,258	**7,548**
Dec-19	8	4,740	2	0	2,044	**6,794**
Jan-20	5	5,335	7	0	2,397	**7,744**
Feb-20	20	5,157	7	0	2,024	**7,208**
Mar-20	13	5,283	2	0	1,850	**7,148**
Apr-20	6	4,447	2	0	1,849	**6,304**
May-20	5	3,774	5	0	1,577	**5,361**
Jun-20	5	4,472	1	0	2,066	**6,544**

* Lien Counts exclude SDI/EDD Liens

** Regions reflect the following WCAB Office mapping: Bay Area - Oakland, San Jose, San Francisco; Central Coast/Valley - Bakersfield, Fresno, Goleta, Grover Beach, Salinas, Stockton; Los Angeles County - Long Beach, Los Angeles, Marina Del Rey, Pomona, Van Nuys; Remainder of LA Basin - Anaheim, Oxnard, Riverside, San Bernardino, Santa Ana; Remaining CA Zip Codes - Eureka, Redding, San Luis Obispo, Santa Barbara, Santa Rosa; Sacramento - Sacramento; San Diego County - San Diego

***Other includes Attorney Fees, Family Support, Living Expense, PFL, Transport, Wage Replace Liens

Source: EAMS Liens Data

Exhibit M10

Medicare Set-aside Costs by Age Interval

First Survey Level

Accident Year	Percentage of PD Claims Involving Set-aside Claims: 59 or Younger	60 or Older	Average	Average Set-aside Amount: 59 or Younger	60 or Older	Average	Median Set-aside Amount: 59 or Younger	60 or Older	Average
2011	0.9%	10.5%	1.9%	54,190	34,138	43,194	22,743	12,634	20,247
2012	0.5%	6.6%	1.1%	93,330	35,779	57,555	44,154	28,224	28,615
2013	0.8%	11.5%	2.0%	85,397	34,890	53,190	28,729	22,656	25,166
2014	0.8%	9.2%	1.7%	47,245	40,012	42,880	41,975	25,230	37,439
2015	0.1%	7.4%	0.9%	38,145	32,853	33,514	38,145	27,533	27,533
2016	0.6%	7.9%	1.5%	40,326	29,231	33,194	32,117	16,540	24,399
2017	0.2%	8.7%	1.2%	35,509	32,958	33,306	8,587	17,169	15,340

Second Survey Level

Accident Year	Percentage of PD Claims Involving Set-aside Claims: 59 or Younger	60 or Older	Average	Average Set-aside Amount: 59 or Younger	60 or Older	Average	Median Set-aside Amount: 59 or Younger	60 or Older	Average
2011	1.6%	16.8%	3.1%	66,781	33,195	49,020	31,500	21,755	29,410
2012	1.3%	14.3%	2.7%	94,412	43,793	65,801	37,097	33,038	35,237
2013	1.5%	16.0%	3.1%	76,734	44,122	58,314	40,222	25,672	32,569
2014	1.9%	15.1%	3.4%	95,430	40,321	67,392	52,572	28,736	39,474
2015	0.2%	21.0%	2.7%	65,493	40,884	42,641	65,493	34,098	34,098
2016	1.2%	16.3%	3.1%	45,467	29,823	35,201	31,920	15,521	21,240

Source: WCIRB Permanent Disability Claim Survey.

Exhibit M14

IMR Filed Counts

Quarterly IMRs Filed

Year & Quarter	IMRs Filed	Change from Same Quarter in Prior Year	Eligible IMRs	Change from Same Quarter in Prior Year
2013 1Q & 2Q	878	---	---	---
2013 3Q	31,950	---	---	---
2013 4Q	51,092	---	---	---
2014 1Q	49,929	---	17,421	---
2014 2Q	60,023	---	24,417	---
2014 3Q	59,678	86.8%	54,959	---
2014 4Q	58,577	14.7%	46,512	---
2015 1Q	61,142	22.5%	36,314	108.4%
2015 2Q	65,418	9.0%	48,628	99.2%
2015 3Q	65,889	10.4%	40,603	-26.1%
2015 4Q	61,330	4.7%	39,950	-14.1%
2016 1Q	60,772	-0.6%	41,023	13.0%
2016 2Q	64,852	-0.9%	44,287	-8.9%
2016 3Q	62,411	-5.3%	43,892	8.1%
2016 4Q	61,318	0.0%	43,618	9.2%
2017 1Q	61,253	0.8%	43,194	5.3%
2017 2Q	62,773	-3.2%	42,866	-3.2%
2017 3Q	63,380	1.6%	42,836	-2.4%
2017 4Q	60,125	-1.9%	43,298	-0.7%
2018 1Q	64,533	5.4%	47,336	9.6%
2018 2Q	66,647	6.2%	48,175	12.4%
2018 3Q	61,658	-2.7%	45,775	6.9%
2018 4Q	59,539	-1.0%	44,941	3.8%
2019 1Q	56,083	-13.1%	42,334	-10.6%
2019 2Q	57,498	-13.7%	43,658	-9.4%
2019 3Q	55,759	-9.6%	43,873	-4.2%
2019 4Q	52,759	-11.4%	42,489	-5.5%
2020 1Q	51,925	-7.4%	38,405	-9.3%
2020 2Q	40,642	-29.3%	31,524	-27.8%

Yearly IMR Counts

	Original IMR Applications	Duplicates	Ineligible	Total Rejected	Eligible IMRs	Eligible IMR Yearly Change
2013 IMR Counts	83,920	15,560	15,516	31,076	52,844	---
2014 IMR Counts	228,084	56,503	28,272	84,775	143,309	171.2%
2015 IMR Counts	253,776	58,106	30,175	88,281	165,495	15.5%
2016 IMR Counts	249,353	53,314	23,219	76,533	172,820	4.4%
2017 IMR Counts	247,531	54,993	20,344	75,337	172,194	-0.4%
2018 IMR Counts	252,377	52,294	13,856	66,150	186,227	8.1%
2019 IMR Counts	222,099	44,773	4,972	49,745	172,354	-7.4%

Source: DWC Collected from IMR Vendor
DWC Via Commission on Health and Safety & Workers' Compensation 2019 Annual Report

Exhibit C1

Reported Indemnity Claim Count Development – Statewide

Accident Year	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	
2002									1.000	
2003								0.999	0.999	
2004							0.999	0.999	1.000	
2005						1.000	1.001	1.000	1.000	
2006					1.002	1.001	1.001	1.000	1.001	
2007				1.006	1.003	1.002	1.000	1.000	1.001	
2008			1.017	1.009	1.004	1.003	1.001	1.002	1.001	
2009		1.080	1.023	1.008	1.005	1.003	1.003	1.001	1.000	
2010	7.372	1.089	1.022	1.010	1.006	1.004	1.002	1.001	1.000	
2011	7.523	1.100	1.026	1.011	1.007	1.002	1.001	1.000	1.000	
2012	7.673	1.120	1.026	1.013	1.005	1.002	1.001	1.001		
2013	8.168	1.101	1.029	1.008	1.004	1.001	1.002			
2014	7.695	1.114	1.019	1.008	1.003	1.001				
2015	8.136	1.100	1.016	1.005	1.003					
2016	7.693	1.101	1.019	1.005						
2017	7.742	1.088	1.017							
2018	7.736	1.088								
2019	7.847									
					Latest Year					
I. Age-to-Age										
	7.847	1.088	1.017	1.005	1.003	1.001	1.002	1.001	1.000	
II. Age-to-Ultimate										
	8.810	1.123	1.032	1.015	1.010	1.007	1.005	1.004	1.003	1.003
III. Estimated Percent of Ultimate Indemnity Claims Reported										
	11.4%	89.1%	96.9%	98.6%	99.1%	99.3%	99.5%	99.6%	99.7%	99.7%

Reported Total Claim Count Development – Statewide

Accident Year	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	
2002									1.001	
2003								1.001	1.000	
2004							1.001	1.000	1.000	
2005						1.002	1.001	1.001	1.001	
2006					1.003	1.001	1.001	1.001	1.001	
2007				1.005	1.003	1.002	1.001	1.001	1.001	
2008			1.010	1.006	1.003	1.002	1.001	1.001	1.001	
2009		1.044	1.013	1.005	1.004	1.002	1.002	1.001	1.000	
2010	7.244	1.047	1.011	1.006	1.003	1.003	1.002	1.001	1.001	
2011	7.169	1.050	1.014	1.006	1.004	1.002	1.001	1.001	1.001	
2012	7.191	1.062	1.013	1.007	1.003	1.002	1.001	1.001		
2013	7.744	1.054	1.016	1.005	1.003	1.001	1.001			
2014	7.431	1.062	1.011	1.005	1.003	1.002				
2015	7.519	1.054	1.010	1.004	1.003					
2016	7.373	1.055	1.012	1.005						
2017	7.608	1.046	1.009							
2018	7.324	1.046								
2019	7.425									
					Latest Year					
I. Age-to-Age										
	7.425	1.046	1.009	1.005	1.003	1.002	1.001	1.001	1.001	
II. Age-to-Ultimate										
	7.953	1.071	1.024	1.015	1.010	1.008	1.006	1.005	1.004	1.004
III. Estimated Percent of Ultimate Total Claims Reported										
	12.6%	93.4%	97.6%	98.5%	99.0%	99.2%	99.4%	99.5%	99.6%	99.6%

Source: WCIRB quarterly calls for experience

Exhibit C3.1

Ratio of Incremental Closed Indemnity Claims to Prior Open Indemnity Claims

Accident Year	Development 3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111
2002									16.9%
2003								18.1%	18.1%
2004							20.2%	19.1%	18.6%
2005						22.2%	21.0%	19.5%	24.3%
2006					25.6%	21.4%	20.8%	24.4%	20.2%
2007				27.1%	24.1%	22.9%	26.8%	22.0%	23.3%
2008			26.9%	26.4%	25.2%	27.9%	25.1%	25.5%	23.9%
2009		25.4%	26.5%	26.7%	28.5%	26.4%	27.6%	26.0%	24.0%
2010	29.0%	26.1%	27.0%	30.5%	28.8%	29.3%	28.6%	26.9%	25.3%
2011	28.8%	26.6%	29.9%	30.8%	30.8%	29.4%	29.4%	29.0%	25.6%
2012	28.3%	28.6%	31.2%	32.0%	31.8%	31.8%	30.8%	28.2%	
2013	28.3%	30.3%	32.5%	34.4%	34.6%	32.4%	32.0%		
2014	28.7%	31.6%	33.6%	36.6%	35.2%	32.5%			
2015	29.4%	33.7%	37.0%	38.3%	35.5%				
2016	30.9%	35.9%	39.4%	38.3%					
2017	33.4%	37.9%	39.1%						
2018	33.8%	37.2%							
2019	33.7%								

Source: WCIRB quarterly calls for experience

Ratio of Incremental Closed Indemnity Claims to Prior Open Indemnity Claims

Accident	Development														
Year	3-6	6-9	9-12	12-15	15-18	18-21	21-24	24-27	27-30	30-33	33-36	36-39	39-42	42-45	45-48
2008	4.7%	8.3%	11.2%	11.2%	9.2%	7.0%	6.6%	6.7%	7.3%	7.4%	8.1%	7.3%	7.4%	7.7%	7.5%
2009	4.0%	7.9%	10.3%	10.6%	8.5%	6.8%	6.6%	6.5%	6.9%	7.6%	7.8%	7.2%	7.9%	7.1%	7.7%
2010	4.1%	7.5%	10.4%	11.1%	8.5%	6.8%	7.1%	6.8%	7.6%	7.3%	7.9%	7.8%	9.1%	8.8%	9.3%
2011	4.3%	7.2%	10.6%	10.7%	8.7%	7.0%	7.3%	7.0%	8.4%	8.3%	9.2%	8.4%	8.5%	9.2%	9.1%
2012	4.3%	7.4%	10.4%	10.5%	9.1%	7.5%	8.2%	7.6%	8.6%	9.2%	9.3%	8.9%	9.3%	9.5%	9.6%
2013	4.2%	7.1%	10.4%	10.6%	9.4%	8.4%	8.6%	8.5%	9.3%	9.4%	9.9%	9.8%	10.3%	9.9%	10.6%
2014	4.2%	7.4%	10.4%	11.1%	9.5%	9.2%	9.0%	9.2%	9.5%	9.8%	10.5%	9.7%	11.3%	10.2%	11.4%
2015	4.1%	7.7%	10.4%	11.8%	10.6%	9.1%	9.6%	10.1%	11.2%	10.6%	11.2%	11.2%	11.8%	11.3%	11.6%
2016	4.3%	7.6%	11.0%	12.5%	11.4%	10.0%	10.6%	10.3%	11.8%	11.2%	12.4%	11.8%	12.1%	10.9%	11.8%
2017	4.8%	8.3%	12.2%	13.0%	12.0%	10.7%	11.4%	10.7%	11.8%	11.5%	12.0%	10.5%			
2018	4.8%	8.5%	12.2%	13.2%	11.9%	10.6%	10.7%	10.3%							
2019	4.7%	8.2%	12.3%	12.7%											

Note: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 77% to 99% of the total California workers' compensation insured market measured using 2019 earned premium levels).

Source: WCIRB quarterly calls for experience

Exhibit C3.2

Exhibit C4.1

Reopening Rates Based on Unit Statistical Data

	Reopening Rates						
PY/RL	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th	5th to 6th	6th to 7th	7th to 8th
2002	0.92%	0.45%	0.35%	0.33%	0.24%	0.19%	0.16%
2003	0.68%	0.43%	0.38%	0.31%	0.24%	0.23%	0.18%
2004	0.60%	0.40%	0.32%	0.27%	0.27%	0.18%	0.12%
2005	0.63%	0.34%	0.29%	0.29%	0.25%	0.14%	0.11%
2006	0.62%	0.38%	0.39%	0.37%	0.22%	0.15%	0.13%
2007	0.64%	0.60%	0.53%	0.29%	0.23%	0.17%	0.14%
2008	1.24%	0.80%	0.38%	0.32%	0.27%	0.17%	0.14%
2009	1.22%	0.48%	0.40%	0.38%	0.26%	0.19%	0.16%
2010	0.74%	0.53%	0.45%	0.35%	0.26%	0.20%	0.14%
2011	0.86%	0.60%	0.48%	0.40%	0.31%	0.18%	
2012	0.92%	0.60%	0.54%	0.39%	0.26%		
2013	0.89%	0.67%	0.47%	0.37%			
2014	0.84%	0.62%	0.41%				
2015	0.74%	0.53%					
2016	0.72%						

	Average Incurred for Reopened Claims						
PY/RL	2nd	3rd	4th	5th	6th	7th	8th
2002	30,525	32,543	44,273	59,359	63,946	79,544	76,263
2003	23,295	26,362	47,715	50,915	57,195	62,371	72,056
2004	20,348	27,536	35,748	50,349	50,964	71,644	75,968
2005	24,800	30,865	41,020	47,858	59,755	66,347	79,249
2006	25,237	29,803	36,576	45,402	62,900	65,690	76,528
2007	24,977	25,653	36,417	57,370	67,285	75,642	83,655
2008	17,783	22,985	45,903	58,719	65,007	79,550	109,922
2009	19,985	32,723	43,640	56,804	67,492	78,072	76,602
2010	25,513	33,258	47,060	56,399	66,372	82,341	81,822
2011	26,482	34,265	45,437	57,611	61,198	68,020	
2012	26,314	34,862	44,611	55,943	61,313		
2013	26,914	36,436	47,811	53,086			
2014	28,634	38,942	45,984				
2015	28,197	35,267					
2016	28,193						

Source: WCIRB unit statistical data

Exhibit C4.2

Reopening Rates by Injury Type

Permanent Indemnity

PY/RL	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8
2002	6.37%	1.93%	1.74%	1.60%	1.13%	0.92%	0.76%
2003	2.51%	2.15%	1.96%	1.66%	1.23%	1.15%	0.86%
2004	2.08%	2.33%	1.75%	1.72%	1.57%	1.01%	0.71%
2005	2.73%	1.94%	2.00%	1.94%	1.60%	0.87%	0.65%
2006	2.34%	2.23%	2.30%	2.27%	1.47%	0.92%	0.77%
2007	2.47%	3.03%	2.82%	1.86%	1.32%	0.98%	0.77%
2008	4.02%	3.54%	2.17%	1.87%	1.44%	0.86%	0.73%
2009	3.81%	2.42%	1.91%	1.80%	1.26%	0.85%	0.70%
2010	2.15%	2.23%	2.09%	1.56%	1.15%	0.84%	0.58%
2011	2.68%	2.38%	2.20%	1.80%	1.21%	0.74%	
2012	2.68%	2.85%	2.39%	1.74%	1.03%		
2013	3.35%	3.07%	2.02%	1.48%			
2014	3.16%	2.86%	1.67%				
2015	2.89%	2.18%					
2016	1.70%						

Temporary Indemnity

PY/RL	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8
2002	1.63%	0.92%	0.55%	0.44%	0.25%	0.15%	0.13%
2003	1.24%	0.81%	0.62%	0.40%	0.26%	0.16%	0.14%
2004	1.11%	0.80%	0.60%	0.34%	0.30%	0.20%	0.10%
2005	1.17%	0.67%	0.48%	0.36%	0.28%	0.14%	0.11%
2006	1.14%	0.82%	0.57%	0.46%	0.28%	0.18%	0.14%
2007	1.20%	0.94%	0.71%	0.40%	0.28%	0.16%	0.13%
2008	1.67%	1.12%	0.57%	0.40%	0.29%	0.18%	0.12%
2009	1.80%	0.81%	0.60%	0.47%	0.27%	0.24%	0.17%
2010	1.23%	0.91%	0.64%	0.50%	0.33%	0.22%	0.13%
2011	1.55%	1.04%	0.71%	0.51%	0.35%	0.17%	
2012	1.51%	0.98%	0.80%	0.48%	0.30%		
2013	1.47%	1.17%	0.68%	0.44%			
2014	1.45%	1.01%	0.59%				
2015	1.17%	0.88%					
2016	1.14%						

All Indemnity

PY/RL	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8
2002	1.97%	1.13%	0.97%	0.93%	0.66%	0.52%	0.44%
2003	1.32%	1.10%	1.08%	0.91%	0.69%	0.63%	0.48%
2004	1.17%	1.09%	0.94%	0.83%	0.81%	0.54%	0.36%
2005	1.28%	0.90%	0.91%	0.91%	0.78%	0.43%	0.33%
2006	1.23%	1.09%	1.08%	1.10%	0.74%	0.48%	0.41%
2007	1.29%	1.37%	1.35%	0.93%	0.70%	0.51%	0.42%
2008	1.86%	1.66%	1.09%	0.97%	0.79%	0.49%	0.41%
2009	1.98%	1.19%	1.05%	1.01%	0.71%	0.53%	0.43%
2010	1.32%	1.24%	1.16%	0.94%	0.70%	0.51%	0.35%
2011	1.68%	1.40%	1.25%	1.05%	0.74%	0.44%	
2012	1.67%	1.50%	1.39%	1.01%	0.63%		
2013	1.73%	1.70%	1.19%	0.89%			
2014	1.70%	1.57%	1.01%				
2015	1.45%	1.29%					
2016	1.24%						

Medical Only

PY/RL	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8
2002	0.70%	0.26%	0.13%	0.08%	0.05%	0.04%	0.03%
2003	0.56%	0.26%	0.14%	0.08%	0.05%	0.05%	0.05%
2004	0.49%	0.23%	0.13%	0.08%	0.08%	0.04%	0.03%
2005	0.51%	0.21%	0.11%	0.10%	0.07%	0.03%	0.03%
2006	0.50%	0.21%	0.19%	0.14%	0.04%	0.03%	0.03%
2007	0.53%	0.42%	0.29%	0.09%	0.06%	0.04%	0.03%
2008	1.12%	0.58%	0.16%	0.10%	0.07%	0.04%	0.03%
2009	1.07%	0.29%	0.18%	0.14%	0.07%	0.04%	0.04%
2010	0.62%	0.33%	0.19%	0.10%	0.07%	0.05%	0.03%
2011	0.68%	0.36%	0.18%	0.12%	0.10%	0.06%	
2012	0.75%	0.30%	0.19%	0.10%	0.07%		
2013	0.68%	0.31%	0.17%	0.12%			
2014	0.63%	0.28%	0.15%				
2015	0.56%	0.25%					
2016	0.58%						

All Claims

PY/RL	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8
2002	0.92%	0.45%	0.35%	0.33%	0.24%	0.19%	0.16%
2003	0.68%	0.43%	0.38%	0.31%	0.24%	0.23%	0.18%
2004	0.60%	0.40%	0.32%	0.27%	0.27%	0.18%	0.12%
2005	0.63%	0.34%	0.29%	0.29%	0.25%	0.14%	0.11%
2006	0.62%	0.38%	0.39%	0.37%	0.22%	0.15%	0.13%
2007	0.64%	0.60%	0.53%	0.29%	0.23%	0.17%	0.14%
2008	1.24%	0.80%	0.38%	0.32%	0.27%	0.17%	0.14%
2009	1.22%	0.48%	0.40%	0.38%	0.26%	0.19%	0.16%
2010	0.74%	0.53%	0.45%	0.35%	0.26%	0.20%	0.14%
2011	0.86%	0.60%	0.48%	0.40%	0.31%	0.18%	
2012	0.92%	0.60%	0.54%	0.39%	0.26%		
2013	0.89%	0.67%	0.47%	0.37%			
2014	0.84%	0.62%	0.41%				
2015	0.74%	0.53%					
2016	0.72%						

Note: Injury types are fixed at denominator age.

Source: WCIRB unit statistical data

Exhibit C5

Closed-Closed Development Based on Unit Statistical Data

Developing Closed Claim Rates

PY/RL	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th	5th to 6th	6th to 7th	7th to 8th
2002	20.85%	13.76%	10.47%	10.22%	14.10%	7.81%	4.53%
2003	24.16%	13.85%	12.12%	18.44%	9.70%	5.04%	5.54%
2004	22.60%	14.45%	21.30%	9.15%	5.26%	5.26%	1.11%
2005	20.78%	20.68%	8.28%	4.98%	4.34%	1.36%	1.11%
2006	27.49%	9.95%	5.46%	4.42%	1.84%	1.49%	1.43%
2007	20.05%	6.62%	5.38%	2.53%	2.36%	1.90%	1.48%
2008	11.84%	6.47%	3.85%	3.43%	2.80%	2.08%	1.58%
2009	11.69%	5.58%	4.72%	3.83%	2.93%	2.23%	1.85%
2010	10.20%	6.10%	4.45%	3.36%	2.57%	2.11%	1.65%
2011	10.88%	5.43%	3.76%	2.71%	2.13%	1.58%	
2012	10.42%	5.27%	3.97%	2.92%	3.32%		
2013	9.95%	5.69%	3.96%	4.21%			
2014	9.19%	5.12%	5.04%				
2015	9.12%	6.18%					
2016	9.33%						

Closed-Closed Total Incurred Development as a Percent of Total Incurred Development on All Claims

PY/RL	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th	5th to 6th	6th to 7th	7th to 8th
2002	0.78%	2.28%	5.14%	3.80%	8.49%	6.39%	4.49%
2003	1.43%	2.43%	5.04%	8.44%	6.10%	3.57%	4.00%
2004	1.64%	2.18%	6.20%	4.24%	3.13%	3.65%	3.13%
2005	1.49%	3.49%	2.91%	3.23%	3.49%	3.52%	3.54%
2006	1.93%	1.88%	2.61%	3.12%	3.18%	3.23%	5.20%
2007	1.43%	1.57%	2.46%	3.25%	4.55%	2.93%	5.55%
2008	0.99%	1.62%	2.32%	3.81%	4.41%	6.09%	5.39%
2009	1.01%	1.46%	2.96%	4.18%	4.71%	9.16%	10.13%
2010	0.87%	1.94%	3.53%	5.35%	7.31%	9.40%	8.01%
2011	1.05%	2.26%	4.31%	5.75%	7.38%	7.55%	
2012	1.32%	3.07%	5.33%	6.71%	4.87%		
2013	1.41%	3.52%	6.09%	6.04%			
2014	1.62%	3.29%	5.50%				
2015	1.60%	3.47%					
2016	1.55%						

Source: WCIRB unit statistical data

Exhibit C8

California OPRL Injury & Illness Rates

A	B	C	D	E	F	G	H	I	J	
	Total		Total		California	Frequency Rates		Annual Change in		Insured System
	Reportable	Total	Days Away	Ind Proxy/	Avg Ann	per 1,000 Workers		Frequency Rates		Overall Ind
CY	Incidents	Cases(a)	Cases	Incidents	Employment(b)	Incidents	"Indemnity"	Incidents	"Indemnity"	Freq Change(c)
1992	993.9	456.6	359.8	36.2%	12,171.0	81.7	29.6	---	---	
1993	918.4	425.0	324.8	35.4%	11,964.1	76.8	27.1	-6.0%	-8.2%	-16.0%
1994	902.6	436.7	313.3	34.7%	12,150.9	74.3	25.8	-3.2%	-5.0%	-12.8%
1995	825.3	401.0	278.0	33.7%	12,458.6	66.2	22.3	-10.8%	-13.5%	-4.5%
1996	784.7	384.3	253.3	32.3%	12,739.1	61.6	19.9	-7.0%	-10.9%	-7.9%
1997	809.3	409.8	251.6	31.1%	13,149.1	61.5	19.1	-0.1%	-3.8%	-4.5%
1998	779.5	388.2	241.0	30.9%	13,583.5	57.4	17.7	-6.8%	-7.3%	-4.3%
1999	758.9	370.8	229.1	30.2%	14,135.5	53.7	16.2	-6.4%	-8.6%	-0.1%
2000	787.4	396.4	246.2	31.3%	14,616.5	53.9	16.8	0.3%	3.9%	1.0%
2001	748.2	413.4	259.0	34.6%	14,747.4	50.7	17.6	-5.8%	4.3%	-6.8%
2002	694.1	404.1	231.8	33.4%	14,593.0	47.6	15.9	-6.2%	-9.6%	-1.0%
2003	684.7	387.0	223.5	32.6%	14,301.3	47.9	15.6	0.7%	-1.6%	-2.7%
2004	645.1	367.3	201.4	31.2%	14,383.1	44.9	14.0	-6.3%	-10.4%	-16.8%
2005	629.9	344.1	179.4	28.5%	14,570.7	43.2	12.3	-3.6%	-12.1%	-13.9%
2006	603.0	340.4	171.0	28.4%	14,892.9	40.5	11.5	-6.3%	-6.7%	-6.5%
2007	594.4	328.6	168.2	28.3%	15,428.6	38.5	10.9	-4.8%	-5.1%	-2.3%
2008	541.8	298.4	158.9	29.3%	15,452.7	35.1	10.3	-9.0%	-5.7%	-3.9%
2009	491.9	269.3	142.3	28.9%	14,877.9	33.1	9.6	-5.7%	-7.0%	-2.0%
2010	464.1	257.1	137.4	29.6%	14,255.0	32.6	9.6	-1.5%	0.8%	6.8%
2011	440.9	243.6	134.2	30.4%	13,875.2	31.8	9.7	-2.4%	0.3%	-0.2%
2012	451.5	257.1	140.1	31.0%	14,959.8	30.2	9.4	(b)	(b)	3.5%
2013	468.4	265.0	146.8	31.3%	15,379.0	30.5	9.5	0.9%	1.9%	0.0%
2014	460.7	265.1	142.8	31.0%	15,809.1	29.1	9.0	-4.3%	-5.4%	0.4%
2015	470.6	273.5	144.0	30.6%	16,295.2	28.9	8.8	-0.9%	-2.2%	-1.9%
2016	466.6	272.7	145.9	31.3%	16,718.6	27.9	8.7	-3.4%	-1.2%	-3.2%
2017	466.6	267.3	146.5	31.4%	17,019.7	27.4	8.6	-1.8%	-1.4%	-2.9%
2018	466.5	277.2	147.3	31.6%	17,355.9	26.9	8.5	-2.0%	-1.4%	-1.4%
	000s Broad OSHA Definition Proxy for Med & Ind Combined	000s	000s Proxy for Indemnity	Proxy for Indemnity to Total Ratio D / B	000s	Proxy for Indemnity & Med-Only Combined B / F	Proxy for Indemnity D / F	Change in Column G Proxy for Indemnity & Med-Only Combined	Change in Column H Proxy for Indemnity	

Notes: (a) Cases with days away from work, job restrictions or transfers.
(b) Series Change: OPRL data element was discontinued in 2012. BLS QCEW data element for 2013 and later.
(c) Insured System AY 2018 change is based on a comparison of 2018 accidents on 2017 policies to 2017 accidents on 2016 policies.

Sources: California Department of Industrial Relations - Office of Policy, Research, and Legislation
Bureau of Labor Statistics - Quarterly Census of Employment and Wages
WCIRB Indemnity Claim Frequency Model for insured system

Self-Insured Employers - Claim Frequency

Private Self-Insured Employers

CY	Number of Cases Reported During Year: Medical-Only	Indemnity	Total	Indemnity /Total	Annual Change	Private Employees	Total Frequency	Total Freq. Annual Change	Indemnity Frequency	Ind. Freq Annual Change
2001	73,527	46,596	120,123	0.388	---	2,049,611	0.059	---	0.023	---
2002	72,130	46,218	118,348	0.391	0.7%	1,968,800	0.060	2.6%	0.023	3.3%
2003	69,761	46,477	116,238	0.400	2.4%	2,474,025	0.047	-21.8%	0.019	-20.0%
2004	70,630	42,455	113,085	0.375	-6.1%	2,595,470	0.044	-7.3%	0.016	-12.9%
2005	66,467	40,102	106,569	0.376	0.2%	2,814,083	0.038	-13.1%	0.014	-12.9%
2006	69,395	35,570	104,965	0.339	-9.9%	2,681,843	0.039	3.4%	0.013	-6.9%
2007	61,432	30,247	91,679	0.330	-2.6%	2,295,155	0.040	2.1%	0.013	-0.6%
2008	59,764	32,631	92,395	0.353	7.0%	2,393,095	0.039	-3.3%	0.014	3.5%
2009	51,916	29,557	81,473	0.363	2.7%	2,173,519	0.037	-2.9%	0.014	-0.3%
2010	50,039	29,036	79,075	0.367	1.2%	2,145,570	0.037	-1.7%	0.014	-0.5%
2011	48,360	29,026	77,386	0.375	2.1%	2,111,065	0.037	-0.5%	0.014	1.6%
2012	49,492	28,065	77,557	0.362	-3.5%	2,122,757	0.037	-0.3%	0.013	-3.8%
2013	46,442	29,573	76,015	0.389	7.5%	2,088,402	0.036	-0.4%	0.014	7.1%
2014	45,775	30,652	76,427	0.401	3.1%	2,190,516	0.035	-4.1%	0.014	-1.2%
2015	43,785	31,899	75,684	0.421	5.1%	2,259,451	0.033	-4.0%	0.014	0.9%
2016	46,039	32,365	78,404	0.413	-2.1%	2,374,484	0.033	-1.4%	0.014	-3.5%
2017	48,008	31,647	79,655	0.397	-3.8%	2,255,013	0.035	7.0%	0.014	3.0%
2018	50,082	33,791	83,873	0.403	1.4%	2,260,244	0.037	5.1%	0.015	6.5%

Public Self-Insured Employers

FY	Number of Cases Reported During Year: Medical-Only	Indemnity	Total	Indemnity /Total	Annual Change	Public Employees	Total Frequency	Total Freq. Annual Change	Indemnity Frequency	Ind. Freq Annual Change
2000/2001	65,103	56,168	121,271	0.463	---	1,379,977	0.088	---	0.041	---
2001/2002	65,372	60,688	126,060	0.481	3.9%	1,504,119	0.084	-4.6%	0.040	-0.9%
2002/2003	69,985	65,043	135,028	0.482	0.1%	1,646,055	0.082	-2.1%	0.040	-2.1%
2003/2004	68,563	64,214	132,777	0.484	0.4%	1,804,405	0.074	-10.3%	0.036	-9.9%
2004/2005	69,739	56,265	126,004	0.447	-7.7%	1,764,198	0.071	-2.9%	0.032	-10.4%
2005/2006	66,405	52,524	118,929	0.442	-1.1%	1,670,607	0.071	-0.3%	0.031	-1.4%
2006/2007	65,564	50,664	116,228	0.436	-1.3%	1,842,017	0.063	-11.4%	0.028	-12.5%
2007/2008	70,784	57,618	128,402	0.449	2.9%	1,939,483	0.066	4.9%	0.030	8.0%
2008/2009	68,184	57,595	125,779	0.458	2.0%	2,095,055	0.060	-9.3%	0.027	-7.5%
2009/2010	64,031	57,322	121,353	0.472	3.2%	2,040,413	0.059	-0.9%	0.028	2.2%
2010/2011	61,806	57,201	119,007	0.481	1.8%	1,920,695	0.062	4.2%	0.030	6.0%
2011/2012	61,151	57,461	118,612	0.484	0.8%	1,898,064	0.062	0.9%	0.030	1.7%
2012/2013	60,303	56,398	116,701	0.483	-0.2%	1,891,873	0.062	-1.3%	0.030	-1.5%
2013/2014	58,263	56,858	115,121	0.494	2.2%	2,396,139	0.048	-22.1%	0.024	-20.4%
2014/2015	57,276	57,519	114,795	0.501	1.4%	1,991,021	0.058	20.0%	0.029	21.7%
2015/2016	59,033	56,797	115,830	0.490	-2.1%	2,068,691	0.056	-2.9%	0.027	-5.0%
2016/2017	60,528	55,723	116,251	0.479	-2.2%	2,127,675	0.055	-2.4%	0.026	-4.6%
2017/2018	58,395	57,475	115,870	0.496	3.5%	2,080,967	0.056	1.9%	0.028	5.5%
2018/2019	57,230	58,287	115,517	0.505	1.7%	2,113,128	0.055	-1.8%	0.028	-0.1%

All Self-Insured Employers

CY	Number of Cases Reported During Year: Medical-Only	Indemnity	Total	Indemnity /Total	Annual Change	All Self-Ins. Employees	Total Frequency	Total Freq. Annual Change	Indemnity Frequency	Ind. Freq Annual Change
2001	138,765	105,024	243,789	0.431	---	3,491,659	0.070	---	0.030	---
2002	139,809	109,084	248,892	0.438	1.7%	3,543,887	0.070	0.6%	0.031	2.3%
2003	139,035	111,106	250,141	0.444	1.3%	4,199,255	0.060	-15.2%	0.026	-14.0%
2004	139,781	102,695	242,476	0.424	-4.6%	4,379,772	0.055	-7.1%	0.023	-11.4%
2005	134,539	94,497	229,036	0.413	-2.6%	4,531,486	0.051	-8.7%	0.021	-11.1%
2006	135,380	87,164	222,544	0.392	-5.1%	4,438,155	0.050	-0.8%	0.020	-5.8%
2007	129,606	84,388	213,994	0.394	0.7%	4,185,905	0.051	2.0%	0.020	2.6%
2008	129,248	90,238	219,486	0.411	4.3%	4,410,364	0.050	-2.7%	0.020	1.5%
2009	118,024	87,016	205,039	0.424	3.2%	4,241,253	0.048	-2.9%	0.021	0.3%
2010	112,958	86,298	199,255	0.433	2.1%	4,126,124	0.048	-0.1%	0.021	1.9%
2011	109,839	86,357	196,196	0.440	1.6%	4,020,445	0.049	1.1%	0.021	2.7%
2012	110,219	84,995	195,214	0.435	-1.1%	4,017,726	0.049	-0.4%	0.021	-1.5%
2013	105,725	86,201	191,926	0.449	3.2%	4,232,408	0.045	-6.7%	0.020	-3.7%
2014	103,545	87,841	191,385	0.459	2.2%	4,384,096	0.044	-3.7%	0.020	-1.6%
2015	101,940	89,057	190,997	0.466	1.6%	4,289,307	0.045	2.0%	0.021	3.6%
2016	105,820	88,625	194,445	0.456	-2.2%	4,472,667	0.043	-2.4%	0.020	-4.6%
2017	107,470	88,246	195,716	0.451	-1.1%	4,359,334	0.045	3.3%	0.020	2.2%
2018	107,895	91,672	199,567	0.459	1.9%	4,357,292	0.046	2.0%	0.021	3.9%

Insured System

AY	Ind. Freq Annual Change
2001	-6.8%
2002	-1.0%
2003	-2.7%
2004	-16.8%
2005	-13.9%
2006	-6.5%
2007	-2.3%
2008	-3.9%
2009	-2.0%
2010	6.8%
2011	-0.2%
2012	3.5%
2013	0.0%
2014	0.4%
2015	-1.9%
2016	-3.2%
2017	-2.9%
2018	-1.4%

Notes: Fiscal Year Public data prorated to CYs 50%/50%.
Insured System AY 2018 change is based on a comparison of 2018 accidents on 2017 policies to 2017 accidents on 2016 policies.

Sources: California Department of Industrial Relations
WCIRB Indemnity Claim Frequency Model for insured system

Exhibit C10

Annual Changes in Indemnity Frequency Attributable to Changes in Hazardousness

Policy Year	Report Level	Change in Frequency Hazardousness	Indemnity Frequency Hazardousness Index	Annual % Change in Ind Frequency Attributable to Change in Mix of Exposures
1961	3	1.000000	1.000000	------
1962	3	0.990262	0.990262	-0.9738
1963	3	0.998718	0.988993	-0.1282
1964	3	0.994304	0.983359	-0.5696
1965	3	0.993875	0.977336	-0.6125
1966	3	0.983584	0.961291	-1.6416
1967	3	0.987626	0.949396	-1.2374
1968	3	0.997512	0.947033	-0.2488
1969	3	0.986390	0.934144	-1.3610
1970	3	0.989966	0.924770	-1.0034
1971	3	1.000824	0.925532	0.0824
1972	3	1.000505	0.926000	0.0505
1973	3	0.998631	0.924732	-0.1369
1974	3	0.986017	0.911802	-1.3983
1975	3	0.984110	0.897313	-1.5890
1976	3	1.004996	0.901796	0.4996
1977	3	1.009490	0.910354	0.9490
1978	3	1.012494	0.921728	1.2494
1979	3	0.997841	0.919739	-0.2159
1980	3	0.988843	0.909477	-1.1157
1981	3	0.981336	0.892503	-1.8664
1982	3	0.979033	0.873790	-2.0967
1983	3	0.997989	0.872032	-0.2011
1984	3	0.998272	0.870525	-0.1728
1985	3	0.992516	0.864010	-0.7484
1986	3	0.989667	0.855082	-1.0333
1987	3	0.997751	0.853159	-0.2249
1988	3	1.000574	0.853649	0.0574
1989	5	0.998212	0.852122	-0.1788
1990	5	0.986184	0.840349	-1.3816
1991	5	0.982822	0.825913	-1.7178
1992	5	0.987393	0.815501	-1.2607
1993	5	0.987562	0.805358	-1.2438
1994	5	1.007382	0.811303	0.7382
1995	5	0.997625	0.809376	-0.2375
1996	5	0.980288	0.793422	-1.9712
1997	5	0.993034	0.787895	-0.6966
1998	5	0.994743	0.783752	-0.5257
1999	5	0.978134	0.766615	-2.1866
2000	5	0.965472	0.740145	-3.4528
2001	5	1.027926	0.760814	2.7926
2002	5	1.002823	0.762962	0.2823
2003	5	1.001398	0.764029	0.1398
2004	5	0.995209	0.760369	-0.4791
2005	5	0.998285	0.759065	-0.1715
2006	5	0.986896	0.749118	-1.3104
2007	5	0.998047	0.747655	-0.1953
2008	5	0.980684	0.733213	-1.9316
2009	5	0.982600	0.720455	-1.7400
2010	5	0.980260	0.706234	-1.9740
2011	5	0.990176	0.699296	-0.9824
2012	5	0.986305	0.689719	-1.3695
2013	5	1.004750	0.692995	0.4750
2014	Proj to 5th	0.999916	0.692937	-0.0084
2015	Proj to 5th	0.989042	0.685344	-1.0958
2016	Proj to 5th	0.995713	0.682406	-0.4287
2017	Proj to 5th	0.989680	0.675363	-1.0320

Source: WCIRB unit statistical data

Exhibit C11

Changes in Incremental Indemnity Claim Counts and Medical-Only Claim Counts

	Change in Statewide Incremental Number of Indemnity Claims		Change in Statewide Incremental Number of Medical-Only Claims	
Calendar Quarter Evaluation	Change in Quarterly Increment from Same Quarter at Prior Calendar Year	Change in 4-Quarter Increment from Same Quarter at Prior Calendar Year	Change in Quarterly Increment from Same Quarter at Prior Calendar Year	Change in 4-Quarter Increment from Same Quarter at Prior Calendar Year
3/31/2015	-2.3%	-0.4%	4.2%	0.2%
6/30/2015	2.4%	0.2%	2.7%	2.4%
9/30/2015	18.4%	4.8%	8.2%	4.3%
12/31/2015	2.7%	5.5%	0.7%	4.0%
3/31/2016	5.0%	7.3%	6.3%	4.5%
6/30/2016	2.7%	7.3%	4.6%	5.0%
9/30/2016	-13.7%	-1.6%	-3.6%	1.7%
12/31/2016	0.3%	-2.2%	-1.3%	1.2%
3/31/2017	3.8%	-2.4%	1.3%	0.1%
6/30/2017	3.8%	-2.1%	6.3%	0.6%
9/30/2017	0.9%	2.2%	5.2%	3.0%
12/31/2017	2.1%	2.6%	13.2%	6.5%
3/31/2018	-3.1%	0.9%	3.2%	7.0%
6/30/2018	-1.9%	-0.5%	-1.4%	5.0%
9/30/2018	7.4%	1.1%	10.1%	6.3%
12/31/2018	3.6%	1.5%	5.0%	4.3%
3/31/2019	4.4%	3.3%	3.6%	4.4%
6/30/2019	2.7%	4.5%	7.4%	6.6%
9/30/2019	2.1%	3.2%	-3.1%	3.0%
12/31/2019	5.9%	3.7%	1.9%	2.2%
3/31/2020	7.0%	4.3%	-2.0%	0.9%

Source: WCIRB quarterly calls for experience

Economic Variables

CY	Aggregate Employment	Unemployment Rate	Annual Log Differences: Aggregate Employment	Annual Log Differences: Unemployment Rate	Economic Variables 1st Prin. Comp.
1961	3,963,242	6.90			
1962	4,146,749	5.80	0.045	-0.174	0.178
1963	4,293,966	6.00	0.035	0.034	-0.029
1964	4,426,369	6.00	0.030	0.000	0.004
1965	4,546,719	5.90	0.027	-0.017	0.020
1966	4,793,964	4.90	0.053	-0.186	0.191
1967	4,929,157	5.70	0.028	0.151	-0.146
1968	5,134,603	5.40	0.041	-0.054	0.059
1969	5,369,271	5.20	0.045	-0.038	0.044
1970	5,336,545	7.30	-0.006	0.339	-0.337
1971	5,285,062	8.79	-0.010	0.186	-0.186
1972	6,022,635	7.61	0.131	-0.145	0.161
1973	6,500,706	7.02	0.076	-0.081	0.090
1974	6,709,500	7.30	0.032	0.040	-0.035
1975	6,685,230	9.88	-0.004	0.302	-0.300
1976	7,261,209	9.17	0.083	-0.075	0.085
1977	7,681,971	8.25	0.056	-0.105	0.112
1978	9,203,099	7.11	0.181	-0.149	0.173
1979	9,621,815	6.24	0.044	-0.130	0.134
1980	10,269,331	6.83	0.065	0.090	-0.080
1981	10,408,249	7.41	0.013	0.081	-0.079
1982	10,235,071	9.95	-0.017	0.294	-0.294
1983	10,334,786	9.68	0.010	-0.028	0.029
1984	10,826,006	7.79	0.046	-0.218	0.222
1985	11,178,336	7.21	0.032	-0.077	0.081
1986	11,489,283	6.69	0.027	-0.075	0.078
1987	11,893,711	5.77	0.035	-0.148	0.151
1988	12,361,079	5.31	0.039	-0.084	0.088
1989	12,692,805	5.09	0.026	-0.042	0.045
1990	12,946,887	5.77	0.020	0.125	-0.121
1991	12,782,341	7.74	-0.013	0.294	-0.293
1992	12,582,274	9.32	-0.016	0.186	-0.186
1993	12,483,226	9.52	-0.008	0.021	-0.022
1994	12,615,828	8.56	0.011	-0.106	0.106
1995	12,873,417	7.82	0.020	-0.090	0.092
1996	13,231,630	7.28	0.027	-0.072	0.075
1997	13,619,654	6.37	0.029	-0.135	0.137
1998	14,082,965	5.91	0.033	-0.075	0.079
1999	14,479,767	5.21	0.028	-0.125	0.128
2000	14,992,265	4.90	0.035	-0.062	0.066
2001	15,098,050	5.43	0.007	0.103	-0.101
2002	14,972,541	6.65	-0.008	0.203	-0.202
2003	14,950,702	6.81	-0.001	0.023	-0.023
2004	15,130,469	6.20	0.012	-0.093	0.093
2005	15,422,217	5.40	0.019	-0.139	0.141
2006	15,697,957	4.92	0.018	-0.093	0.095
2007	15,844,029	5.36	0.009	0.087	-0.084
2008	15,689,423	7.31	-0.010	0.310	-0.308
2009	14,807,953	11.15	-0.058	0.423	-0.427
2010	14,664,517	12.22	-0.010	0.091	-0.092
2011	14,826,042	11.72	0.011	-0.042	0.043
2012	15,161,033	10.38	0.022	-0.121	0.123
2013	15,563,642	8.94	0.026	-0.149	0.151
2014	15,991,717	7.50	0.027	-0.176	0.178
2015	16,471,000	6.19	0.030	-0.191	0.193
2016	16,904,583	5.49	0.026	-0.122	0.124
2017	17,249,442	4.79	0.020	-0.135	0.137
2018	17,594,683	4.26	0.020	-0.118	0.120
2019	17,854,342	4.04	0.015	-0.052	0.054
2020	16,159,548	10.49	-0.100	0.953	-0.958
2021	16,265,283	8.16	0.007	-0.250	0.249
2022	17,333,060	6.84	0.064	-0.178	0.185

Notes: The first principal component is of the annual log difference data from 1962-2019.
The first principal component of the annual log difference of the economic variables is:
1st PC of Econ Variables = -0.1373546 x Aggregate Employment + 0.9905219 x Unemployment Rate

Sources: Government historical labor statistics through 2019
UCLA Anderson forecasts through 2022 are as of June 2020

Exhibit C15

Accident Year Cumulative Injury Indemnity Claim Counts by Accident Year and Report Level

Cumulative Injury Indemnity Claim Counts by Accident Year and Report Level

AY/RL	1	2	3	4	5	6	7	8	9	10
2004	12,018	12,876	13,224	13,474	13,751	14,240	14,394	14,391	14,444	14,527
2005	7,921	8,802	9,390	9,817	10,320	10,563	10,652	10,767	10,854	10,874
2006	7,368	8,491	9,048	9,520	9,771	9,889	9,980	10,149	10,236	10,252
2007	7,560	8,657	9,341	9,754	9,965	10,130	10,333	10,372	10,426	10,446
2008	7,278	8,577	9,429	9,855	10,157	10,416	10,586	10,675	10,696	10,677
2009	7,749	9,332	10,201	10,699	11,145	11,306	11,435	11,498	11,502	11,512
2010	8,622	9,950	10,690	11,486	11,640	11,839	11,974	11,967	12,023	
2011	8,393	10,363	11,630	11,930	12,187	12,345	12,397	12,470		
2012	9,470	12,099	12,814	13,284	13,578	13,741	13,926			
2013	12,040	14,207	15,143	15,566	15,856	16,115				
2014	12,834	15,180	15,811	16,324	16,791					
2015	12,858	15,335	16,099	16,813						
2016	13,064	16,632	18,133							
2017	12,837	16,773								
2018	12,145									

Cumulative Injury Share of Total Indemnity Count

AY/RL	1	2	3	4	5	6	7	8	9	10
2004	8.8%	9.2%	9.4%	9.6%	9.8%	10.1%	10.3%	10.3%	10.3%	10.4%
2005	6.7%	7.3%	7.8%	8.1%	8.5%	8.7%	8.8%	8.8%	8.9%	8.9%
2006	6.6%	7.5%	7.9%	8.3%	8.5%	8.6%	8.6%	8.8%	8.9%	8.9%
2007	7.1%	7.9%	8.5%	8.8%	8.9%	9.1%	9.2%	9.3%	9.3%	9.3%
2008	7.4%	8.4%	9.1%	9.4%	9.7%	9.9%	10.0%	10.1%	10.1%	10.1%
2009	8.6%	9.9%	10.6%	11.1%	11.5%	11.6%	11.7%	11.8%	11.8%	*11.8%*
2010	9.4%	10.3%	10.9%	11.6%	11.7%	11.9%	12.0%	12.0%	*12.3%*	
2011	9.0%	10.6%	11.6%	11.8%	12.0%	12.2%	12.2%	*12.2%*		
2012	9.7%	11.7%	12.1%	12.5%	12.7%	12.8%	*12.8%*			
2013	11.5%	12.9%	13.5%	13.8%	14.0%	*14.3%*				
2014	11.9%	13.3%	13.7%	14.0%	*14.3%*					
2015	11.9%	13.4%	13.9%	*14.1%*						
2016	12.0%	14.4%	*15.5%*							
2017	11.8%	*14.8%*								
2018	*10.8%*									

Source: WCIRB unit statistical data

Claim Count Ratios by Region Based on Unit Statistical Data at 1st Report Level

	Ratio of Permanent Disability Claims to Indemnity Claims for Accident Year														
Region	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Bay Area	0.359	0.309	0.303	0.283	0.296	0.305	0.313	0.323	0.309	0.293	0.302	0.310	0.299	0.284	0.254
Los Angeles/LA Basin	0.456	0.398	0.382	0.388	0.405	0.405	0.397	0.403	0.398	0.369	0.374	0.392	0.381	0.375	0.348
San Diego	0.411	0.341	0.330	0.329	0.336	0.362	0.356	0.357	0.361	0.327	0.348	0.360	0.345	0.353	0.293
All Other	0.370	0.324	0.315	0.299	0.320	0.315	0.325	0.320	0.314	0.290	0.302	0.315	0.301	0.293	0.251
All Regions	0.410	0.356	0.344	0.339	0.357	0.360	0.360	0.363	0.358	0.332	0.341	0.355	0.343	0.334	0.302

	Annual Change														
Region	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Bay Area	---	-14.0%	-1.8%	-6.6%	4.4%	3.1%	2.5%	3.3%	-4.4%	-5.2%	3.0%	2.7%	-3.5%	-4.9%	-10.5%
Los Angeles/LA Basin	---	-12.8%	-4.0%	1.7%	4.3%	-0.1%	-2.1%	1.6%	-1.3%	-7.2%	1.4%	4.8%	-2.8%	-1.5%	-7.2%
San Diego	---	-16.9%	-3.4%	-0.1%	2.2%	7.6%	-1.5%	0.2%	1.1%	-9.3%	6.2%	3.4%	-4.1%	2.3%	-17.0%
All Other	---	-12.5%	-2.7%	-5.2%	7.1%	-1.6%	3.3%	-1.7%	-1.8%	-7.8%	4.2%	4.4%	-4.4%	-2.9%	-14.1%
All Regions	---	-13.3%	-3.2%	-1.5%	5.3%	0.9%	0.0%	0.8%	-1.5%	-7.3%	2.7%	4.2%	-3.5%	-2.5%	-9.6%

	Ratio of Indemnity Claims to Total Claims for Accident Year														
Region	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Bay Area	0.307	0.284	0.285	0.289	0.295	0.307	0.315	0.323	0.322	0.331	0.328	0.333	0.334	0.333	0.328
Los Angeles/LA Basin	0.333	0.304	0.297	0.305	0.316	0.341	0.352	0.359	0.372	0.389	0.393	0.391	0.391	0.371	0.368
San Diego	0.281	0.263	0.259	0.260	0.272	0.285	0.303	0.313	0.327	0.329	0.329	0.327	0.327	0.315	0.312
All Other	0.321	0.299	0.289	0.294	0.300	0.313	0.321	0.329	0.330	0.343	0.339	0.331	0.332	0.319	0.307
All Regions	0.320	0.295	0.290	0.295	0.304	0.323	0.333	0.340	0.348	0.361	0.361	0.358	0.358	0.344	0.338

	Annual Change														
Region	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Bay Area	---	-7.4%	0.6%	1.1%	2.3%	3.9%	2.7%	2.4%	-0.2%	2.8%	-0.8%	1.4%	0.3%	-0.4%	-1.3%
Los Angeles/LA Basin	---	-8.7%	-2.4%	2.5%	3.8%	7.9%	3.3%	1.7%	3.7%	4.7%	0.9%	-0.4%	-0.2%	-5.1%	-0.7%
San Diego	---	-6.4%	-1.4%	0.2%	4.7%	4.6%	6.4%	3.5%	4.3%	0.5%	0.0%	-0.6%	0.1%	-3.5%	-1.2%
All Other	---	-6.9%	-3.2%	1.6%	2.2%	4.2%	2.7%	2.3%	0.4%	3.9%	-1.3%	-2.3%	0.3%	-3.9%	-3.9%
All Regions	---	-7.8%	-2.0%	1.8%	3.2%	6.0%	3.3%	2.1%	2.2%	3.8%	0.0%	-0.8%	0.0%	-4.0%	-1.7%

	Cumulative Injury Claims per 100 Indemnity Claims for Accident Year														
Region	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Bay Area	8.82	7.39	6.51	7.51	7.55	8.20	8.18	8.21	7.73	9.12	8.74	8.04	8.05	8.11	7.77
Los Angeles/LA Basin	10.47	7.98	7.86	8.50	8.90	10.60	11.63	11.26	12.52	14.89	15.62	16.18	16.58	16.62	15.97
San Diego	8.86	6.58	6.00	6.43	6.96	7.30	9.20	8.51	8.77	11.76	12.44	12.22	12.17	12.08	12.39
All Other	6.16	4.47	4.92	4.86	4.86	5.77	6.30	5.94	6.15	7.02	7.12	6.79	6.66	6.43	7.59
All Regions	8.76	6.71	6.60	7.09	7.37	8.61	9.39	9.04	9.69	11.51	11.90	11.89	12.02	11.77	11.95

	Annual Change														
Region	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Bay Area	---	-16.2%	-11.9%	15.4%	0.5%	8.7%	-0.3%	0.4%	-5.8%	18.0%	-4.1%	-8.0%	0.1%	0.7%	-4.1%
Los Angeles/LA Basin	---	-23.8%	-1.5%	8.1%	4.8%	19.1%	9.6%	-3.1%	11.2%	18.9%	4.9%	3.6%	2.5%	0.2%	-4.0%
San Diego	---	-25.8%	-8.8%	7.1%	8.4%	4.8%	26.1%	-7.6%	3.0%	34.2%	5.8%	-1.8%	-0.4%	-0.8%	2.6%
All Other	---	-27.6%	10.2%	-1.2%	-0.1%	18.8%	9.2%	-5.8%	3.6%	14.1%	1.5%	-4.7%	-1.9%	-3.4%	17.9%
All Regions	---	-23.4%	-1.6%	7.4%	4.0%	16.9%	9.1%	-3.8%	7.2%	18.8%	3.3%	0.0%	1.0%	-2.1%	1.6%

Cumulative injury claims include occupational disease.

Exhibit C18

Ratio of Total Indemnity Claim Counts to Total Claim Counts

Accident	Evaluated as of (in months):									
Year	3	15	27	39	51	63	75	87	99	111
2003									0.352	0.351
2004								0.316	0.315	0.315
2005							0.291	0.291	0.291	0.290
2006						0.288	0.288	0.288	0.288	0.288
2007					0.295	0.296	0.296	0.296	0.296	0.296
2008				0.306	0.307	0.307	0.307	0.307	0.308	0.308
2009			0.325	0.328	0.330	0.330	0.330	0.331	0.331	0.331
2010		0.327	0.340	0.344	0.345	0.346	0.346	0.346	0.346	0.346
2011	0.319	0.335	0.351	0.355	0.357	0.358	0.358	0.358	0.358	0.358
2012	0.316	0.338	0.356	0.361	0.363	0.363	0.363	0.363	0.363	
2013	0.332	0.351	0.366	0.371	0.372	0.372	0.372	0.372		
2014	0.336	0.348	0.365	0.368	0.369	0.369	0.369			
2015	0.324	0.350	0.365	0.368	0.368	0.368				
2016	0.336	0.351	0.366	0.369	0.369					
2017	0.332	0.337	0.351	0.353						
2018	0.320	0.338	0.352							
2019	0.326	0.345								
2020	0.361									

Source: WCIRB quarterly calls for experience

Distribution of Cumulative Injury Claims by Injury Type

Permanent Indemnity*

	Percentage of All Cumulative Injury Claims					Annual Change				
AY/RL	1	2	3	4	5	1	2	3	4	5
1999	33.8%	35.1%	35.3%	35.6%	36.1%	---	---	---	---	---
2000	31.6%	34.0%	34.7%	35.4%	34.5%	-6.5%	-3.0%	-1.8%	-0.4%	-4.5%
2001	30.8%	34.4%	36.7%	37.6%	37.9%	-2.5%	1.2%	5.9%	6.0%	10.0%
2002	33.3%	37.4%	38.9%	39.3%	39.1%	8.1%	8.8%	5.8%	4.7%	3.0%
2003	33.5%	37.4%	38.6%	38.8%	39.2%	0.6%	-0.1%	-0.6%	-1.4%	0.2%
2004	28.6%	31.6%	32.8%	33.6%	34.9%	-14.4%	-15.6%	-15.1%	-13.4%	-10.8%
2005	22.0%	25.3%	27.7%	30.0%	31.6%	-23.1%	-19.8%	-15.6%	-10.7%	-9.5%
2006	20.2%	25.1%	28.4%	30.1%	31.0%	-8.4%	-0.9%	2.8%	0.6%	-1.9%
2007	20.7%	26.6%	29.4%	29.9%	31.1%	2.6%	6.1%	3.4%	-0.8%	0.4%
2008	21.6%	27.8%	31.0%	31.2%	33.1%	4.2%	4.4%	5.6%	4.3%	6.2%
2009	24.3%	30.9%	34.2%	36.0%	37.0%	12.8%	11.0%	10.2%	15.6%	11.9%
2010	25.4%	33.2%	36.0%	37.8%	38.5%	4.5%	7.4%	5.2%	5.0%	4.1%
2011	27.7%	34.2%	37.6%	39.3%	40.3%	9.1%	3.1%	4.6%	3.9%	4.7%
2012	29.2%	35.5%	38.8%	40.5%	41.3%	5.4%	3.9%	3.1%	3.0%	2.6%
2013	30.7%	37.6%	40.7%	42.3%	42.6%	5.1%	6.1%	4.7%	4.5%	3.1%
2014	32.9%	39.6%	42.1%	42.9%	45.0%	7.0%	5.3%	3.5%	1.4%	5.5%
2015	33.8%	39.5%	41.4%	44.9%		2.7%	-0.2%	-1.7%	4.7%	
2016	32.1%	41.0%	41.8%			-4.8%	3.8%	1.1%		
2017	29.1%	39.2%				-9.3%	-4.5%			
2018	25.5%					-12.3%				

Temporary Indemnity

	Percentage of All Cumulative Injury Claims					Annual Change				
AY/RL	1	2	3	4	5	1	2	3	4	5
1999	19.0%	15.9%	15.0%	14.5%	14.2%	---	---	---	---	---
2000	19.2%	16.3%	16.1%	15.6%	15.1%	0.9%	2.0%	7.5%	8.0%	6.6%
2001	19.9%	18.3%	17.7%	16.7%	16.1%	3.9%	12.6%	10.2%	7.0%	6.3%
2002	20.2%	18.9%	16.8%	15.9%	15.9%	1.6%	3.5%	-5.3%	-4.6%	-1.2%
2003	22.1%	18.6%	17.1%	16.8%	16.4%	9.2%	-2.1%	2.0%	5.2%	3.0%
2004	22.0%	19.2%	18.1%	17.1%	16.1%	-0.3%	3.6%	5.5%	2.3%	-1.9%
2005	21.6%	19.4%	17.9%	16.2%	15.1%	-1.9%	0.8%	-1.0%	-5.3%	-5.9%
2006	21.6%	19.0%	16.5%	15.5%	14.7%	0.2%	-1.9%	-7.7%	-4.9%	-2.4%
2007	22.5%	18.7%	17.2%	16.1%	15.8%	4.0%	-1.5%	4.0%	4.5%	7.0%
2008	22.8%	19.4%	17.5%	16.4%	16.6%	1.6%	3.4%	2.0%	1.4%	5.1%
2009	25.2%	21.7%	19.5%	18.4%	17.9%	10.4%	12.3%	11.3%	12.5%	7.9%
2010	26.4%	21.8%	19.7%	18.9%	18.1%	4.7%	0.3%	0.8%	2.4%	1.3%
2011	26.3%	23.5%	21.8%	20.2%	19.2%	-0.4%	8.0%	10.7%	6.9%	5.9%
2012	27.5%	25.3%	22.5%	21.0%	20.1%	4.6%	7.3%	3.5%	4.2%	4.9%
2013	30.5%	25.6%	22.9%	21.2%	20.7%	10.9%	1.3%	1.8%	0.8%	3.0%
2014	29.7%	24.7%	21.9%	21.1%	20.1%	-2.4%	-3.5%	-4.4%	-0.1%	-3.0%
2015	26.9%	23.0%	21.3%	20.0%		-9.7%	-6.7%	-2.9%	-5.4%	
2016	27.3%	23.0%	22.2%			1.8%	0.0%	4.4%		
2017	27.4%	22.6%				0.1%	-2.1%			
2018	28.5%					4.1%				

Medical-Only

	Percentage of All Cumulative Injury Claims					Annual Change				
AY/RL	1	2	3	4	5	1	2	3	4	5
1999	47.2%	49.0%	49.7%	49.9%	49.7%	---	---	---	---	---
2000	49.3%	49.7%	49.2%	49.0%	50.4%	4.3%	1.5%	-1.0%	-2.0%	1.4%
2001	49.3%	47.3%	45.5%	45.7%	46.0%	0.1%	-4.9%	-7.5%	-6.6%	-8.7%
2002	46.5%	43.6%	44.3%	44.7%	45.0%	-5.7%	-7.8%	-2.6%	-2.2%	-2.1%
2003	44.5%	44.0%	44.2%	44.5%	44.5%	-4.4%	1.0%	-0.3%	-0.6%	-1.3%
2004	49.4%	49.2%	49.1%	49.3%	49.0%	11.0%	11.7%	11.1%	10.8%	10.2%
2005	56.4%	55.3%	54.4%	53.8%	53.3%	14.3%	12.4%	10.8%	9.1%	8.7%
2006	58.2%	55.9%	55.1%	54.4%	54.2%	3.2%	1.1%	1.1%	1.2%	1.8%
2007	56.8%	54.6%	53.4%	53.9%	53.1%	-2.4%	-2.2%	-3.0%	-0.8%	-2.1%
2008	55.6%	52.8%	51.4%	52.5%	50.4%	-2.1%	-3.3%	-3.7%	-2.8%	-5.1%
2009	50.5%	47.4%	46.3%	45.5%	45.1%	-9.2%	-10.3%	-10.0%	-13.2%	-10.4%
2010	48.2%	45.0%	44.3%	43.3%	43.4%	-4.5%	-5.0%	-4.2%	-4.9%	-3.9%
2011	46.0%	42.3%	40.6%	40.5%	40.5%	-4.6%	-6.1%	-8.5%	-6.4%	-6.6%
2012	43.3%	39.3%	38.7%	38.5%	38.5%	-5.8%	-7.2%	-4.7%	-5.0%	-4.9%
2013	38.8%	36.8%	36.4%	36.5%	36.6%	-10.4%	-6.4%	-5.8%	-5.2%	-5.0%
2014	37.4%	35.7%	36.0%	35.9%	34.9%	-3.7%	-2.9%	-1.2%	-1.6%	-4.7%
2015	39.4%	37.4%	37.3%	35.0%		5.3%	4.9%	3.7%	-2.4%	
2016	40.5%	35.9%	35.9%			2.9%	-4.0%	-3.7%		
2017	43.5%	38.2%				7.3%	6.5%			
2018	46.2%					6.1%				

* Includes Permanent Partial, Permanent Total, and Death
Note: Cumulative injury claims include occupational disease.
Source: WCIRB unit statistical data

Indemnity Claim Frequency Relativities by NAICS Sector

NAICS Sector	NAICS Name	Indemnity Claim Frequency Relativity for Accident Year at 1st Report																
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
11&21	Agriculture & Mining	2.655	2.744	2.878	2.829	2.888	2.811	2.897	2.956	3.050	3.195	3.299	3.310	3.425	3.609	3.581	3.529	*3.427*
23	Construction	2.349	2.313	2.371	2.448	2.425	2.330	2.281	2.230	2.231	2.239	2.228	2.210	2.207	2.170	2.072	2.025	*1.997*
31	Manufacturing	1.790	1.803	1.758	1.734	1.751	1.710	1.687	1.667	1.663	1.711	1.795	1.842	1.930	1.995	2.058	2.058	*1.936*
42	Wholesale	2.809	2.814	2.877	2.873	2.947	3.011	3.002	2.998	3.148	3.310	3.436	3.482	3.554	3.556	3.641	3.981	*4.334*
44	Retail	1.645	1.645	1.680	1.753	1.822	1.874	2.003	2.069	2.049	2.000	2.028	1.985	1.962	2.051	2.053	2.071	*2.112*
22&48	Utilities & Transportation	3.155	3.177	3.367	3.629	3.830	3.905	3.851	3.668	3.587	3.504	3.471	3.485	3.512	3.542	3.546	3.682	*3.834*
51	Information	0.800	0.815	0.787	0.787	0.795	0.845	0.934	0.897	0.842	0.835	0.872	0.851	0.893	0.934	0.969	1.036	*1.091*
52	Finance	0.391	0.332	0.355	0.334	0.322	0.353	0.393	0.408	0.402	0.371	0.339	0.293	0.263	0.240	0.230	0.234	*0.230*
53	Real Estate	0.852	0.757	0.737	0.735	0.853	1.041	1.114	1.126	1.136	1.114	1.061	0.977	0.960	0.971	0.926	0.900	*0.892*
54	Prof. Services	0.194	0.194	0.191	0.184	0.178	0.166	0.171	0.164	0.147	0.132	0.116	0.105	0.098	0.090	0.087	0.086	*0.081*
56	Administrative	3.081	2.968	3.002	3.000	3.136	3.254	3.399	3.562	3.624	3.635	3.725	3.752	3.911	3.959	3.874	3.811	*3.656*
61	Education	0.792	0.803	0.691	0.717	0.708	0.721	0.768	0.754	0.739	0.727	0.733	0.689	0.667	0.665	0.685	0.743	*0.767*
62	Health	1.293	1.244	1.176	1.128	1.142	1.184	1.220	1.252	1.294	1.270	1.258	1.233	1.184	1.167	1.163	1.151	*1.111*
71	Hospitality	2.063	1.976	1.966	2.063	2.192	2.264	2.328	2.289	2.327	2.398	2.429	2.339	2.199	2.163	2.201	2.129	*1.900*
72	Entertainment	2.230	2.199	2.113	2.124	2.203	2.214	2.305	2.501	2.710	2.844	3.055	3.190	3.229	3.214	3.136	3.108	*3.051*
81	Other Services	1.459	1.431	1.454	1.471	1.470	1.472	1.532	1.574	1.646	1.704	1.756	1.751	1.771	1.791	1.755	1.699	*1.596*
8742	Outside Sales	0.240	0.261	0.243	0.218	0.212	0.210	0.208	0.211	0.203	0.190	0.185	0.178	0.176	0.172	0.169	0.174	*0.176*
92&8810	Clerical & Public Admin.	0.260	0.254	0.235	0.210	0.192	0.182	0.190	0.195	0.186	0.174	0.174	0.166	0.156	0.150	0.141	0.138	*0.138*
Accident Year Total Frequency		**0.329**	**0.314**	**0.278**	**0.241**	**0.222**	**0.213**	**0.199**	**0.196**	**0.203**	**0.207**	**0.209**	**0.212**	**0.213**	**0.211**	**0.204**	**0.201**	***0.193***

NAICS Sector	NAICS Name	Annual Change																
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
11&21	Agriculture & Mining	---	3.4%	4.9%	-1.7%	2.1%	-2.7%	3.1%	2.1%	3.2%	4.7%	3.3%	0.3%	3.5%	5.4%	-0.8%	-1.5%	*-2.9%*
23	Construction	---	-1.5%	2.5%	3.2%	-0.9%	-3.9%	-2.1%	-2.2%	0.0%	0.4%	-0.5%	-0.8%	-0.1%	-1.7%	-4.5%	-2.3%	*-1.4%*
31	Manufacturing	---	0.7%	-2.5%	-1.3%	1.0%	-2.3%	-1.4%	-1.2%	-0.2%	2.8%	4.9%	2.6%	4.8%	3.4%	3.2%	0.0%	*-5.9%*
42	Wholesale	---	0.2%	2.2%	-0.1%	2.6%	2.2%	-0.3%	-0.1%	5.0%	5.1%	3.8%	1.3%	2.1%	0.1%	2.4%	9.3%	*8.9%*
44	Retail	---	0.0%	2.1%	4.3%	3.9%	2.9%	6.9%	3.3%	-1.0%	-2.4%	1.4%	-2.1%	-1.2%	4.6%	0.1%	0.9%	*2.0%*
22&48	Utilities & Transportation	---	0.7%	6.0%	7.8%	5.5%	2.0%	-1.4%	-4.8%	-2.2%	-2.3%	-1.0%	0.4%	0.8%	0.9%	0.1%	3.9%	*4.1%*
51	Information	---	2.0%	-3.5%	0.0%	1.0%	6.3%	10.6%	-3.9%	-6.2%	-0.8%	4.4%	-2.3%	4.8%	4.6%	3.8%	6.9%	*5.3%*
52	Finance	---	-15.2%	6.9%	-5.8%	-3.7%	9.7%	11.6%	3.7%	-1.5%	-7.7%	-8.5%	-13.6%	-10.4%	-8.7%	-3.9%	1.7%	*-1.6%*
53	Real Estate	---	-11.1%	-2.7%	-0.3%	16.1%	22.0%	7.0%	1.1%	1.0%	-2.0%	-4.7%	-7.9%	-1.7%	1.2%	-4.7%	-2.7%	*-0.9%*
54	Prof. Services	---	0.0%	-1.5%	-4.0%	-3.3%	-6.4%	2.8%	-4.0%	-10.5%	-10.0%	-12.0%	-9.9%	-6.7%	-7.6%	-3.1%	-2.0%	*-5.7%*
56	Administrative	---	-3.7%	1.2%	-0.1%	4.5%	3.8%	4.4%	4.8%	1.7%	0.3%	2.5%	0.7%	4.2%	1.2%	-2.2%	-1.6%	*-4.1%*
61	Education	---	1.4%	-13.9%	3.8%	-1.3%	1.9%	6.4%	-1.8%	-2.0%	-1.6%	0.8%	-6.0%	-3.3%	-0.2%	2.9%	8.5%	*3.3%*
62	Health	---	-3.8%	-5.4%	-4.1%	1.3%	3.6%	3.1%	2.6%	3.3%	-1.8%	-0.9%	-2.0%	-4.0%	-1.4%	-0.3%	-1.1%	*-3.5%*
71	Hospitality	---	-4.2%	-0.5%	4.9%	6.3%	3.3%	2.9%	-1.7%	1.7%	3.0%	1.3%	-3.7%	-6.0%	-1.6%	1.7%	-3.3%	*-10.8%*
72	Entertainment	---	-1.4%	-3.9%	0.5%	3.7%	0.5%	4.1%	8.5%	8.4%	4.9%	7.4%	4.4%	1.2%	-0.5%	-2.4%	-0.9%	*-1.8%*
81	Other Services	---	-1.9%	1.6%	1.2%	-0.1%	0.2%	4.0%	2.8%	4.6%	3.5%	3.1%	-0.2%	1.1%	1.2%	-2.1%	-3.2%	*-6.0%*
8742	Outside Sales	---	8.6%	-7.1%	-10.1%	-2.8%	-1.2%	-0.6%	1.2%	-3.9%	-6.3%	-2.5%	-4.1%	-1.1%	-2.2%	-1.5%	2.9%	*1.3%*
92&8810	Clerical & Public Admin.	---	-2.2%	-7.5%	-10.9%	-8.6%	-4.9%	4.0%	3.1%	-4.9%	-6.2%	-0.2%	-4.8%	-6.0%	-3.6%	-5.9%	-2.2%	*-0.3%*
Accident Year Total Frequency		**---**	**-4.3%**	**-11.5%**	**-13.2%**	**-8.1%**	**-4.1%**	**-6.2%**	**-1.7%**	**3.4%**	**1.9%**	**1.3%**	**1.1%**	**0.8%**	**-1.3%**	**-3.0%**	**-1.6%**	***-3.9%***

Figures in italics are based on partial data.

Indemnity Claim Frequency by Geographic Region

Bay Area

Indemnity Claim Frequency per $100M of Exposure at AY 2018 Level

AY/RL	1	2	3	4	5
2001	22.98	23.63	24.14	23.84	23.87
2002	22.49	22.88	23.09	23.08	23.12
2003	20.97	21.33	21.46	21.56	21.85
2004	18.41	18.64	18.72	18.96	19.02
2005	16.25	16.28	16.55	16.62	16.59
2006	14.85	15.14	15.28	15.30	15.29
2007	13.93	14.19	14.27	14.33	14.36
2008	12.82	13.07	13.22	13.31	13.36
2009	12.18	12.56	12.71	12.80	12.83
2010	12.17	12.71	12.85	12.94	12.98
2011	11.85	12.40	12.61	12.71	12.76
2012	11.72	12.22	12.43	12.51	12.55
2013	11.38	11.86	12.00	12.07	12.10
2014	11.27	11.71	11.83	11.89	11.91
2015	10.93	11.35	11.45	11.50	
2016	10.21	10.56	10.66		
2017	10.03	10.37			
2018	9.98				

Annual Change

AY/RL	1	2	3	4	5
2001	---	---	---	---	---
2002	-2.1%	-3.2%	-4.3%	-3.2%	-3.2%
2003	-6.8%	-6.7%	-7.1%	-6.6%	-5.5%
2004	-12.2%	-12.6%	-12.8%	-12.1%	-13.0%
2005	-11.8%	-12.6%	-11.6%	-12.4%	-12.8%
2006	-8.6%	-7.0%	-7.7%	-8.0%	-7.8%
2007	-6.2%	-6.3%	-6.6%	-6.3%	-6.1%
2008	-8.0%	-7.9%	-7.4%	-7.2%	-7.0%
2009	-5.0%	-3.9%	-3.9%	-3.8%	-3.9%
2010	-0.1%	1.2%	1.2%	1.1%	1.1%
2011	-2.6%	-2.4%	-1.9%	-1.7%	-1.7%
2012	-1.1%	-1.4%	-1.5%	-1.6%	-1.6%
2013	-2.9%	-3.0%	-3.5%	-3.5%	-3.6%
2014	-1.0%	-1.2%	-1.4%	-1.5%	-1.5%
2015	-3.0%	-3.1%	-3.2%	-3.3%	
2016	-6.6%	-6.9%	-6.9%		
2017	-1.7%	-1.9%			
2018	-0.5%				

Los Angeles/L.A. Basin

Indemnity Claim Frequency per $100M of Exposure at AY 2018 Level

AY/RL	1	2	3	4	5
2001	31.44	33.00	33.39	33.34	33.19
2002	31.71	33.21	33.16	33.06	32.96
2003	30.45	31.45	31.23	31.21	31.06
2004	26.57	26.74	26.78	26.73	26.77
2005	22.81	22.79	22.87	23.02	23.09
2006	21.11	21.30	21.51	21.68	21.73
2007	20.31	20.90	21.20	21.36	21.45
2008	19.64	20.61	20.98	21.21	21.32
2009	19.77	20.90	21.37	21.57	21.67
2010	20.76	22.03	22.56	22.76	22.83
2011	21.33	22.85	23.36	23.58	23.68
2012	22.31	23.96	24.44	24.63	24.78
2013	22.87	24.44	24.87	25.06	25.18
2014	23.43	24.99	25.41	25.57	25.66
2015	23.41	24.92	25.28	25.40	
2016	22.76	24.39	24.70		
2017	22.43	24.19			
2018	21.65				

Annual Change

AY/RL	1	2	3	4	5
2001	---	---	---	---	---
2002	0.8%	0.7%	-0.7%	-0.8%	-0.7%
2003	-4.0%	-5.3%	-5.8%	-5.6%	-5.8%
2004	-12.7%	-15.0%	-14.3%	-14.4%	-13.8%
2005	-14.2%	-14.8%	-14.6%	-13.9%	-13.7%
2006	-7.5%	-6.5%	-5.9%	-5.8%	-5.9%
2007	-3.8%	-1.9%	-1.5%	-1.5%	-1.3%
2008	-3.3%	-1.4%	-1.0%	-0.7%	-0.6%
2009	0.7%	1.4%	1.9%	1.7%	1.7%
2010	5.0%	5.4%	5.6%	5.5%	5.4%
2011	2.8%	3.7%	3.5%	3.6%	3.7%
2012	4.6%	4.9%	4.6%	4.5%	4.6%
2013	2.5%	2.0%	1.8%	1.7%	1.6%
2014	2.4%	2.3%	2.2%	2.0%	1.9%
2015	-0.1%	-0.3%	-0.5%	-0.7%	
2016	-2.8%	-2.1%	-2.3%		
2017	-1.5%	-0.8%			
2018	-3.4%				

San Diego

Indemnity Claim Frequency per $100M of Exposure at AY 2018 Level

AY/RL	1	2	3	4	5
2001	32.07	32.87	33.08	33.04	32.84
2002	30.73	31.05	31.03	30.74	30.84
2003	28.14	28.34	28.10	28.03	28.14
2004	24.62	24.52	24.56	24.44	24.02
2005	21.42	21.49	21.49	20.81	20.57
2006	20.02	19.90	19.33	18.99	19.02
2007	19.31	18.81	18.52	18.23	18.28
2008	17.74	17.80	17.96	17.73	17.82
2009	16.73	17.40	17.58	17.70	17.80
2010	17.37	18.11	18.35	18.55	18.61
2011	17.67	18.35	18.62	18.81	18.87
2012	17.85	18.50	18.74	18.86	18.92
2013	17.59	18.25	18.41	18.50	18.58
2014	17.90	18.66	18.80	18.89	18.98
2015	18.14	18.95	19.09	19.18	
2016	17.82	18.55	18.64		
2017	17.18	17.84			
2018	15.68				

Annual Change

AY/RL	1	2	3	4	5
2001	---	---	---	---	---
2002	-4.2%	-5.6%	-6.2%	-7.0%	-6.1%
2003	-8.4%	-8.7%	-9.4%	-8.8%	-8.8%
2004	-12.5%	-13.5%	-12.6%	-12.8%	-14.6%
2005	-13.0%	-12.4%	-12.5%	-14.9%	-14.4%
2006	-6.5%	-7.4%	-10.1%	-8.7%	-7.5%
2007	-3.5%	-5.5%	-4.2%	-4.0%	-3.9%
2008	-8.2%	-5.4%	-3.0%	-2.7%	-2.5%
2009	-5.7%	-2.2%	-2.1%	-0.1%	-0.1%
2010	3.9%	4.1%	4.4%	4.8%	4.6%
2011	1.7%	1.3%	1.5%	1.4%	1.3%
2012	1.0%	0.8%	0.7%	0.3%	0.3%
2013	-1.5%	-1.3%	-1.8%	-1.9%	-1.8%
2014	1.8%	2.2%	2.1%	2.1%	2.2%
2015	1.3%	1.6%	1.6%	1.5%	
2016	-1.8%	-2.1%	-2.4%		
2017	-3.6%	-3.8%			
2018	-8.7%				

Source: WCIRB unit statistical data

Indemnity Claim Frequency by Geographic Regior

All Other

Indemnity Claim Frequency per $100M of Exposure at AY 2018 Level

AY/RL	1	2	3	4	5
2001	39.17	40.85	40.98	41.49	42.03
2002	38.30	39.40	40.10	40.60	40.93
2003	36.21	37.50	37.98	38.16	38.31
2004	33.04	33.80	33.93	34.12	34.25
2005	28.91	29.33	29.55	29.80	29.97
2006	26.44	26.79	27.12	27.36	27.44
2007	25.07	25.64	26.10	26.36	26.41
2008	23.63	24.38	24.71	24.91	24.98
2009	23.08	23.85	24.04	24.20	24.29
2010	23.49	24.42	24.75	24.86	25.02
2011	23.72	24.88	25.27	25.43	25.53
2012	24.30	25.43	25.81	25.99	26.03
2013	24.15	25.21	25.56	25.70	25.76
2014	23.90	24.96	25.34	25.48	25.55
2015	23.84	24.84	25.21	25.34	
2016	22.74	23.72	24.02		
2017	22.64	23.62			
2018	23.04				

Annual Change

AY/RL	1	2	3	4	5
2001	---	---	---	---	---
2002	-2.2%	-3.6%	-2.2%	-2.2%	-2.6%
2003	-5.5%	-4.8%	-5.3%	-6.0%	-6.4%
2004	-8.8%	-9.8%	-10.7%	-10.6%	-10.6%
2005	-12.5%	-13.2%	-12.9%	-12.7%	-12.5%
2006	-8.5%	-8.7%	-8.2%	-8.2%	-8.4%
2007	-5.2%	-4.3%	-3.8%	-3.7%	-3.8%
2008	-5.7%	-4.9%	-5.3%	-5.5%	-5.4%
2009	-2.3%	-2.2%	-2.7%	-2.8%	-2.7%
2010	1.8%	2.4%	2.9%	2.7%	3.0%
2011	1.0%	1.9%	2.1%	2.3%	2.1%
2012	2.4%	2.2%	2.1%	2.2%	2.0%
2013	-0.6%	-0.9%	-1.0%	-1.1%	-1.0%
2014	-1.0%	-1.0%	-0.8%	-0.9%	-0.8%
2015	-0.2%	-0.5%	-0.5%	-0.6%	
2016	-4.6%	-4.5%	-4.7%		
2017	-0.4%	-0.4%			
2018	1.7%				

All Regions

Indemnity Claim Frequency per $100M of Exposure at AY 2018 Level

AY/RL	1	2	3	4	5
2001	31.13	32.34	32.73	32.68	32.71
2002	30.84	31.89	32.01	32.03	32.07
2003	29.30	30.05	30.06	30.11	30.14
2004	25.85	26.13	26.18	26.23	26.24
2005	22.43	22.52	22.65	22.72	22.76
2006	20.64	20.86	21.02	21.11	21.16
2007	19.68	20.10	20.31	20.43	20.50
2008	18.61	19.26	19.55	19.71	19.80
2009	18.31	19.15	19.46	19.63	19.71
2010	18.84	19.82	20.19	20.34	20.42
2011	19.05	20.17	20.57	20.75	20.83
2012	19.52	20.66	21.02	21.18	21.27
2013	19.59	20.67	20.98	21.12	21.20
2014	19.70	20.77	21.08	21.20	21.27
2015	19.45	20.49	20.77	20.87	
2016	18.65	19.71	19.94		
2017	18.30	19.43			
2018	17.95				

Annual Change

AY/RL	1	2	3	4	5
2001	---	---	---	---	---
2002	-0.9%	-1.4%	-2.2%	-2.0%	-2.0%
2003	-5.0%	-5.8%	-6.1%	-6.0%	-6.0%
2004	-11.8%	-13.0%	-12.9%	-12.9%	-12.9%
2005	-13.2%	-13.8%	-13.5%	-13.4%	-13.3%
2006	-8.0%	-7.4%	-7.2%	-7.1%	-7.1%
2007	-4.7%	-3.7%	-3.3%	-3.2%	-3.1%
2008	-5.4%	-4.2%	-3.8%	-3.5%	-3.4%
2009	-1.6%	-0.6%	-0.4%	-0.4%	-0.5%
2010	2.9%	3.5%	3.7%	3.6%	3.6%
2011	1.1%	1.8%	1.9%	2.0%	2.0%
2012	2.4%	2.4%	2.2%	2.1%	2.1%
2013	0.4%	0.1%	-0.2%	-0.3%	-0.3%
2014	0.6%	0.5%	0.5%	0.4%	0.3%
2015	-1.3%	-1.3%	-1.5%	-1.6%	
2016	-4.1%	-3.8%	-4.0%		
2017	-1.9%	-1.4%			
2018	-1.9%				

Source: WCIRB unit statistical data

Exhibit C24.1

Percentage of Cumulative Trauma Indemnity Claims by Policy Year and NAICS Sector*

Los Angeles — **1st Report Level**

NAICS Sector	2011	2012	2013	2014	2015	2016	2017
Professional Services	15.7%	13.5%	16.5%	15.2%	21.1%	27.9%	29.4%
Finance & Insurance	14.2%	30.4%	21.7%	23.7%	28.6%	24.5%	24.7%
Outside Sales & Clerical	20.5%	22.7%	23.8%	21.6%	22.8%	24.7%	23.1%
Manufacturing	15.8%	17.8%	21.8%	22.5%	22.1%	26.6%	20.8%
Hospitality	11.6%	16.0%	19.0%	19.3%	19.0%	17.7%	19.6%
Other Services	14.6%	15.1%	16.0%	19.1%	18.0%	22.8%	19.4%
Real Estate	11.8%	15.2%	16.0%	13.6%	17.8%	15.0%	17.5%
Los Angeles	**11.6%**	**13.8%**	**15.3%**	**15.9%**	**16.2%**	**17.4%**	**15.5%**
Arts & Entertainment	9.0%	13.4%	15.1%	14.0%	13.3%	13.6%	15.3%
Administrative	11.2%	13.4%	14.7%	18.6%	18.5%	15.9%	14.7%
Agriculture & Mining	6.6%	6.4%	10.4%	11.7%	12.3%	11.9%	14.0%
Health	9.4%	12.1%	12.9%	12.5%	14.2%	15.0%	13.5%
Wholesale & Retail	9.2%	9.7%	11.6%	12.1%	12.9%	14.4%	12.2%
Education	11.2%	11.6%	8.8%	10.4%	11.1%	12.4%	9.4%
Construction	7.2%	8.1%	8.5%	10.5%	11.1%	10.9%	9.3%
Utilities, Transportation & Warehousing & Public Admin	5.6%	8.0%	7.6%	7.7%	7.5%	7.7%	7.6%
Information	9.8%	11.8%	8.7%	8.7%	7.1%	5.2%	7.3%

Los Angeles — **3rd Report Level**

NAICS Sector	2009	2010	2011	2012	2013	2014	2015
Finance & Insurance	15.8%	38.3%	35.8%	31.7%	24.2%	23.9%	30.5%
Manufacturing	18.2%	18.6%	20.6%	21.5%	24.4%	24.6%	25.7%
Outside Sales & Clerical	20.3%	19.3%	23.6%	26.3%	26.1%	24.9%	25.3%
Professional Services	14.4%	13.5%	17.5%	15.2%	18.5%	16.2%	21.7%
Hospitality	12.8%	15.3%	14.4%	18.5%	21.6%	22.0%	20.9%
Administrative	11.3%	13.6%	13.0%	15.5%	17.3%	20.2%	20.5%
Other Services	17.0%	16.4%	16.9%	18.1%	18.0%	21.7%	20.3%
Real Estate	14.7%	13.1%	15.2%	17.2%	18.3%	15.9%	18.7%
Los Angeles	**13.5%**	**14.2%**	**14.8%**	**16.4%**	**17.8%**	**18.2%**	**18.5%**
Arts & Entertainment	9.9%	11.1%	11.3%	14.3%	18.4%	16.6%	16.5%
Agriculture & Mining	6.9%	7.8%	8.2%	7.6%	11.6%	12.8%	16.1%
Health	13.5%	13.9%	12.6%	14.9%	15.7%	15.6%	15.9%
Wholesale & Retail	9.6%	9.8%	11.2%	12.1%	13.9%	14.4%	15.0%
Construction	11.1%	11.5%	9.5%	10.8%	10.8%	12.7%	12.6%
Education	10.9%	11.6%	12.1%	13.1%	10.5%	11.0%	11.3%
Information	12.3%	11.2%	12.6%	12.7%	11.4%	10.5%	9.6%
Utilities, Transportation & Warehousing & Public Admin	7.9%	8.3%	6.9%	9.2%	9.8%	10.1%	8.5%

Los Angeles — **5th Report Level**

NAICS Sector	2007	2008	2009	2010	2011	2012	2013
Outside Sales & Clerical	18.4%	20.1%	21.0%	20.2%	24.7%	26.7%	27.3%
Manufacturing	15.4%	18.0%	19.5%	18.7%	20.6%	22.1%	25.0%
Finance & Insurance	22.7%	26.2%	33.3%	39.1%	36.4%	32.3%	24.7%
Hospitality	9.9%	11.8%	13.6%	15.2%	15.0%	19.2%	21.8%
Arts & Entertainment	7.9%	11.2%	10.5%	11.8%	12.2%	15.2%	19.1%
Professional Services	18.1%	16.9%	15.2%	15.3%	17.8%	16.1%	18.8%
Other Services	12.3%	14.1%	17.8%	16.5%	17.2%	19.0%	18.8%
Real Estate	9.6%	11.0%	15.4%	14.3%	15.8%	17.5%	18.6%
Los Angeles	**11.2%**	**13.0%**	**14.4%**	**14.6%**	**15.3%**	**17.0%**	**18.3%**
Administrative	7.5%	10.8%	11.5%	13.5%	13.3%	15.7%	17.0%
Health	11.1%	11.6%	13.6%	14.7%	13.4%	15.4%	16.1%
Wholesale & Retail	8.8%	9.9%	10.4%	10.4%	11.8%	12.6%	14.5%
Agriculture & Mining	5.3%	7.6%	7.2%	8.0%	8.8%	8.8%	12.7%
Information	16.1%	12.7%	12.7%	11.7%	12.7%	13.0%	11.6%
Construction	6.8%	9.5%	11.3%	12.0%	10.8%	11.3%	11.2%
Education	8.7%	9.0%	11.3%	13.5%	12.2%	13.3%	11.0%
Utilities, Transportation & Warehousing & Public Admin	6.1%	6.8%	8.4%	8.9%	7.2%	9.7%	10.4%

*NAICS Sector order based on most recent Policy Year available
Source: Unit Statistical Reported data

Exhibit C24.2

Percentage of Cumulative Trauma Indemnity Claims by Policy Year and NAICS Sector*

Remainder of CA — **1st Report Level**

NAICS Sector	2011	2012	2013	2014	2015	2016	2017
Finance & Insurance	26.6%	26.1%	26.8%	22.9%	23.4%	26.5%	27.2%
Outside Sales & Clerical	15.6%	16.9%	18.1%	14.6%	16.1%	17.9%	18.5%
Professional Services	11.1%	11.4%	11.1%	12.1%	9.9%	13.5%	14.3%
Hospitality	7.3%	9.0%	9.9%	10.4%	10.5%	11.2%	10.5%
Manufacturing	8.5%	9.1%	10.6%	9.5%	8.4%	9.6%	9.3%
Health	6.3%	7.6%	8.8%	8.2%	8.8%	9.0%	8.9%
Information	6.5%	10.8%	7.6%	10.4%	8.6%	10.5%	8.5%
Other Services	6.0%	5.9%	7.2%	9.2%	8.4%	8.6%	7.9%
Remainder of CA	**6.9%**	**7.5%**	**8.6%**	**8.0%**	**7.8%**	**8.0%**	**7.8%**
Real Estate	6.4%	6.7%	7.8%	9.4%	8.3%	7.0%	6.8%
Utilities, Transportation & Warehousing & Public Admin	6.6%	6.5%	7.2%	6.3%	6.7%	6.2%	6.8%
Wholesale & Retail	5.6%	6.1%	8.1%	6.9%	6.6%	6.3%	6.7%
Administrative	4.8%	5.3%	8.0%	8.3%	9.5%	8.7%	6.3%
Arts & Entertainment	6.8%	9.0%	7.9%	8.8%	7.9%	7.2%	6.2%
Education	5.6%	5.3%	4.5%	5.1%	4.7%	5.2%	5.3%
Agriculture & Mining	4.0%	4.2%	5.1%	5.2%	4.4%	4.4%	4.9%
Construction	3.9%	3.8%	4.0%	3.7%	3.3%	3.9%	3.4%

Remainder of CA — **3rd Report Level**

NAICS Sector	2009	2010	2011	2012	2013	2014	2015
Finance & Insurance	28.4%	27.8%	28.9%	30.1%	26.5%	23.7%	23.6%
Outside Sales & Clerical	20.6%	19.0%	17.7%	18.9%	19.7%	16.9%	18.5%
Hospitality	7.3%	8.5%	9.1%	10.6%	11.2%	11.7%	12.3%
Professional Services	14.4%	12.5%	13.5%	11.3%	13.5%	13.5%	11.6%
Manufacturing	8.9%	10.1%	11.8%	11.3%	11.9%	11.0%	11.2%
Health	9.0%	9.3%	7.8%	8.9%	9.8%	9.8%	11.0%
Administrative	5.2%	5.2%	7.2%	8.4%	9.8%	9.5%	10.0%
Arts & Entertainment	7.5%	14.9%	13.1%	11.4%	10.9%	13.7%	9.9%
Other Services	8.6%	7.3%	8.3%	8.5%	9.6%	10.1%	9.9%
Information	7.7%	13.1%	10.3%	11.7%	10.6%	11.0%	9.5%
Remainder of CA	**8.4%**	**8.6%**	**8.9%**	**9.2%**	**9.9%**	**9.4%**	**9.3%**
Real Estate	6.7%	8.3%	8.0%	9.0%	9.7%	10.7%	9.2%
Wholesale & Retail	6.7%	7.1%	7.7%	7.3%	9.1%	8.1%	7.7%
Utilities, Transportation & Warehousing & Public Admin	6.6%	5.9%	7.5%	8.0%	8.3%	7.6%	7.6%
Education	7.0%	6.5%	6.6%	7.3%	5.9%	5.9%	5.9%
Agriculture & Mining	3.9%	4.4%	5.2%	4.9%	6.1%	6.2%	5.4%
Construction	7.0%	6.4%	5.2%	5.2%	5.2%	5.2%	4.5%

Remainder of CA — **5th Report Level**

NAICS Sector	2007	2008	2009	2010	2011	2012	2013
Finance & Insurance	24.0%	28.4%	30.3%	29.1%	28.8%	30.3%	26.0%
Outside Sales & Clerical	18.8%	20.2%	21.4%	19.6%	18.7%	19.7%	20.4%
Professional Services	15.2%	15.4%	14.1%	13.3%	13.5%	12.6%	13.6%
Arts & Entertainment	7.2%	9.1%	10.7%	17.9%	14.9%	12.1%	12.6%
Manufacturing	9.3%	9.2%	10.4%	10.7%	12.3%	11.7%	12.2%
Hospitality	6.3%	7.0%	8.4%	9.1%	9.6%	10.9%	11.5%
Information	11.2%	20.7%	9.2%	12.8%	10.6%	11.8%	11.1%
Health	8.1%	8.4%	9.9%	9.3%	8.5%	9.6%	10.6%
Remainder of CA	**7.4%**	**8.1%**	**9.2%**	**9.2%**	**9.5%**	**9.6%**	**10.2%**
Other Services	7.8%	7.5%	9.0%	8.0%	8.9%	8.8%	9.8%
Real Estate	5.0%	4.6%	7.8%	8.3%	8.6%	9.6%	9.7%
Administrative	3.9%	4.2%	6.0%	6.7%	8.4%	8.2%	9.5%
Wholesale & Retail	5.8%	6.4%	7.1%	7.6%	8.1%	7.7%	9.1%
Utilities, Transportation & Warehousing & Public Admin	6.4%	6.8%	6.6%	6.5%	7.9%	8.4%	8.5%
Agriculture & Mining	3.4%	3.6%	4.2%	4.9%	5.6%	5.5%	6.4%
Education	6.6%	6.3%	7.7%	6.3%	6.8%	7.2%	5.7%
Construction	4.7%	5.9%	7.7%	6.9%	5.8%	5.6%	5.7%

*NAICS Sector order based on most recent Policy Year available
Source: Unit Statistical Reported data

Ratios of Incremental Paid Losses to Prior Outstanding Losses by Accident Year

Accident	Paid Indemnity								
Year	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111
1995							0.365	0.279	0.230
1996						0.396	0.300	0.272	0.214
1997					0.455	0.358	0.319	0.226	0.204
1998				0.548	0.396	0.348	0.285	0.211	0.249
1999			0.671	0.482	0.434	0.348	0.275	0.295	0.223
2000		0.823	0.585	0.517	0.401	0.344	0.313	0.289	0.242
2001	3.281	0.800	0.679	0.543	0.398	0.410	0.329	0.278	0.246
2002	3.228	0.818	0.625	0.497	0.467	0.401	0.353	0.291	0.245
2003	3.157	0.764	0.594	0.576	0.460	0.379	0.296	0.269	0.257
2004	2.995	0.608	0.617	0.471	0.398	0.355	0.291	0.306	0.293
2005	2.621	0.801	0.623	0.532	0.421	0.365	0.326	0.314	0.298
2006	3.890	0.861	0.637	0.505	0.439	0.387	0.334	0.301	0.268
2007	4.267	0.895	0.659	0.519	0.448	0.397	0.352	0.305	0.281
2008	4.578	0.958	0.709	0.569	0.480	0.414	0.348	0.325	0.251
2009	5.218	0.970	0.701	0.583	0.477	0.423	0.367	0.339	0.317
2010	5.725	0.977	0.742	0.597	0.512	0.457	0.409	0.366	0.312
2011	6.062	0.962	0.684	0.573	0.491	0.437	0.416	0.399	0.318
2012	6.226	0.977	0.716	0.586	0.531	0.470	0.406	0.348	
2013	6.113	0.940	0.742	0.638	0.545	0.467	0.385		
2014	6.139	0.994	0.791	0.650	0.541	0.454			
2015	6.001	0.996	0.752	0.627	0.516				
2016	6.086	1.004	0.763	0.620					
2017	6.087	0.983	0.733						
2018	6.206	0.950							
2019	6.346								

Accident	Paid Medical								
Year	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111
1995							0.273	0.219	0.207
1996						0.302	0.263	0.263	0.176
1997					0.377	0.314	0.285	0.213	0.156
1998				0.431	0.347	0.319	0.217	0.175	0.187
1999			0.599	0.446	0.411	0.286	0.217	0.198	0.218
2000		0.819	0.571	0.475	0.331	0.253	0.222	0.254	0.192
2001	3.961	0.912	0.632	0.469	0.302	0.309	0.285	0.236	0.210
2002	4.391	0.858	0.534	0.364	0.365	0.350	0.278	0.252	0.210
2003	4.036	0.766	0.415	0.438	0.374	0.302	0.264	0.240	0.208
2004	3.403	0.571	0.509	0.427	0.372	0.310	0.278	0.237	0.229
2005	3.017	0.623	0.463	0.417	0.381	0.336	0.262	0.272	0.240
2006	4.033	0.629	0.493	0.411	0.362	0.327	0.278	0.253	0.202
2007	3.837	0.659	0.515	0.445	0.368	0.344	0.305	0.242	0.206
2008	4.007	0.679	0.531	0.469	0.414	0.349	0.287	0.243	0.201
2009	4.448	0.692	0.530	0.486	0.406	0.345	0.281	0.236	0.201
2010	4.627	0.689	0.575	0.491	0.409	0.348	0.316	0.264	0.228
2011	3.868	0.649	0.490	0.431	0.372	0.317	0.287	0.256	0.226
2012	3.942	0.611	0.488	0.429	0.387	0.322	0.286	0.258	
2013	3.858	0.580	0.478	0.441	0.361	0.320	0.264		
2014	4.027	0.598	0.509	0.445	0.376	0.341			
2015	3.964	0.590	0.474	0.415	0.342				
2016	4.094	0.572	0.461	0.400					
2017	4.259	0.563	0.454						
2018	3.994	0.563							
2019	3.977								

Note: Entries for paid medical from accident years 2011 and prior reflect the paid cost of medical cost containment programs attributable to policies with effective dates prior to July 1, 2010. Entries for accident years 2012 and subsequent exclude the paid cost of medical cost containment programs.

Source: WCIRB quarterly calls for experience

Incremental Paid Indemnity - Ratios of Actual to Expected*

Accident	Age-to-Age (in months)												
Year	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135	135-147	147-159
1997						1.061	1.158	0.871	1.008	0.944	1.154	1.000	0.778
1998					0.987	1.082	1.009	1.100	1.000	1.059	1.067	0.818	1.286
1999				1.005	1.145	1.028	0.954	1.000	0.840	1.000	0.875	1.111	1.000
2000			1.019	1.124	0.975	0.988	0.939	0.909	1.048	0.833	0.857	1.000	1.000
2001		1.008	1.105	1.014	0.919	0.897	0.978	1.000	1.000	1.067	1.167	1.100	1.222
2002	1.095	1.015	0.965	0.871	0.933	0.929	0.956	0.933	0.864	1.125	1.000	1.091	0.818
2003	1.046	0.917	0.877	0.900	0.982	0.985	0.907	1.036	1.316	1.222	1.429	1.250	1.111
2004	0.894	0.750	0.799	0.927	0.936	1.047	1.154	1.414	1.360	1.182	0.900	0.933	1.100
2005	0.864	0.926	0.962	1.047	1.020	1.090	1.267	1.171	1.088	0.962	1.056	1.000	1.091
2006	0.979	1.064	1.032	0.985	1.163	1.164	1.088	0.937	0.865	1.040	0.895	1.071	0.917
2007	1.113	1.026	1.031	1.071	1.050	1.000	0.984	0.933	1.000	0.962	1.000	1.067	1.182
2008	0.994	1.029	1.073	1.109	1.039	0.976	0.885	0.952	0.781	0.840	1.059	0.875	
2009	1.097	1.070	1.066	1.017	1.023	1.012	1.037	0.975	1.160	1.095	0.889		
2010	1.084	1.022	1.012	1.008	0.956	0.964	0.946	0.923	0.828	0.870			
2011	0.961	1.024	0.952	0.946	1.000	0.938	1.000	1.056	0.958				
2012	1.030	0.994	0.992	0.965	0.953	0.987	0.887	0.816					
2013	1.063	0.973	1.027	0.986	0.902	0.840	0.809						
2014	1.005	1.051	1.022	0.995	0.982	0.984							
2015	1.036	1.009	0.950	0.940	0.917								
2016	0.980	0.956	0.964	0.931									
2017	1.025	0.991	0.961										
2018	0.969	0.966											
2019	1.010												

* Expected paid indemnity losses are derived based on age-to-age paid indemnity development factors from the prior evaluation (see Exhibit 2.3 of the WCIRB's June 12, 2020 Actuarial Committee Agenda item AC20-06-01).

Incremental Paid Medical - Ratios of Actual to Expected**

Accident	Age-to-Age (in months)												
Year	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135	135-147	147-159
1997						1.147	1.115	1.009	1.009	1.143	1.077	1.000	0.870
1998					1.133	1.207	0.958	0.907	1.088	1.031	1.143	1.080	1.050
1999				1.139	1.151	0.882	0.873	0.955	0.838	1.061	0.938	0.926	0.952
2000			1.110	1.107	0.864	0.889	0.962	0.929	1.194	0.857	0.867	0.880	1.000
2001		1.107	1.078	0.906	0.851	1.000	1.059	1.179	1.000	1.100	1.000	1.000	1.150
2002	1.282	1.012	0.848	0.822	1.053	0.958	0.981	0.935	0.865	0.818	0.923	1.045	0.739
2003	0.948	0.803	0.802	1.041	1.010	1.029	1.038	1.047	1.031	1.074	1.208	1.000	1.059
2004	0.911	0.847	1.151	1.071	1.210	1.229	1.200	1.044	1.182	1.276	1.000	0.957	1.000
2005	0.604	0.977	0.980	1.170	1.017	1.058	0.955	1.128	1.184	0.919	0.966	0.955	1.056
2006	1.024	1.063	1.171	1.010	1.024	0.934	1.016	0.981	0.822	0.941	0.857	0.952	0.842
2007	1.161	1.101	1.029	1.041	0.952	1.082	1.143	0.941	1.000	0.938	0.917	1.050	1.062
2008	1.087	0.971	1.020	1.025	1.117	1.000	0.875	0.979	0.919	0.867	0.909	0.762	
2009	0.944	1.061	1.072	1.063	1.091	1.011	0.968	0.936	0.912	0.962	0.950		
2010	1.014	1.057	1.044	1.041	0.903	0.946	1.016	0.932	0.935	1.080			
2011	0.971	1.033	0.975	0.939	1.023	0.977	0.952	1.000	1.000				
2012	1.038	1.011	1.003	1.009	1.000	0.965	0.949	0.951					
2013	1.081	0.961	1.003	0.986	0.895	0.902	0.821						
2014	0.886	1.011	1.003	0.953	0.941	0.946							
2015	0.940	1.028	0.931	0.936	0.884								
2016	1.087	0.920	0.942	0.895									
2017	0.858	0.957	0.933										
2018	1.031	1.007											
2019	0.931												

** Expected paid medical losses are derived based on age-to-age paid medical development factors from the prior evaluation (see Exhibit 2.4 of the WCIRB's June 12, 2020 Actuarial Committee Agenda item AC20-06-01).

Comparison of Projected Loss Ratios as of March 31, 2020
Accident Year 2014 Projected to 75 Months[1]

Indemnity

Methodology	Based on Experience Evaluated as of (in months):					
	15	27	39	51	63	Current
3-Year Avg. Incurred	0.207	0.204	0.203	0.200	0.197	0.193
Latest Year Incurred	0.199	0.200	0.201	0.199	0.197	0.193
3-Year Avg. Paid	0.199	0.202	0.204	0.201	0.197	0.193
Latest Year Paid	0.193	0.199	0.202	0.200	0.197	0.193
Reform-Adj. Paid [2]	0.193	0.199	0.202	0.200	0.197	0.193
Latest Yr. Pd. Adj. for Settlement [3]	0.189	0.195	0.199	0.198	0.196	0.193

	Difference from Actual 75-Month Loss Ratio					
	15	27	39	51	63	Current
3-Year Avg. Incurred	7.3%	5.8%	5.2%	3.5%	2.1%	0.0%
Latest Year Incurred	3.0%	3.9%	4.3%	3.3%	2.0%	0.0%
3-Year Avg. Paid	3.1%	5.0%	5.9%	4.2%	2.1%	0.0%
Latest Year Paid	0.2%	3.3%	5.0%	4.0%	2.1%	0.0%
Reform-Adj. Paid [2]	0.2%	3.3%	5.0%	4.0%	2.1%	0.0%
Latest Yr. Pd. Adj. for Settlement [3]	-2.1%	0.9%	3.0%	2.6%	1.4%	0.0%

Medical

	Based on Experience Evaluated as of (in months):					
	15	27	39	51	63	Current
3-Year Avg. Incurred	0.284	0.268	0.257	0.244	0.234	0.225
Latest Year Incurred	0.259	0.252	0.248	0.239	0.232	0.225
3-Year Avg. Paid	0.251	0.248	0.245	0.239	0.232	0.225
Latest Year Paid	0.245	0.244	0.242	0.237	0.232	0.225
Reform-Adj. Paid [2]	0.245	0.244	0.242	0.237	0.232	0.225
Latest Yr. Pd. Adj. for Settlement [3]	0.242	0.241	0.239	0.235	0.231	0.225

	Difference from Actual 75-Month Loss Ratio					
	15	27	39	51	63	Current
3-Year Avg. Incurred	25.9%	18.7%	13.8%	8.2%	3.6%	0.0%
Latest Year Incurred	14.9%	12.0%	10.2%	6.2%	2.7%	0.0%
3-Year Avg. Paid	11.4%	9.9%	8.8%	5.9%	2.8%	0.0%
Latest Year Paid	8.7%	8.4%	7.5%	5.3%	2.8%	0.0%
Reform-Adj. Paid [2]	8.7%	8.4%	7.5%	5.3%	2.8%	0.0%
Latest Yr. Pd. Adj. for Settlement [3]	7.2%	6.9%	6.2%	4.4%	2.3%	0.0%

[1] Each loss ratio is projected to incurred losses at 75 months. Loss ratios projected under paid methods are converted to an incurred basis causing the ratio of incurred losses to paid losses reported at 75 months.

[2] The Reform-Adjusted Paid Methodology reflects adjustments for SB 1160 lien reforms. Factors are also adjusted for the impact of pharmaceutical cost reductions to bring the historical payments to the current pharmaceutical cost level.

[3] The Latest Year Claim-Settlement Methodology for projecting ultimate loss ratios also contemplates adjustments for reforms. See [2] above.

Source: WCIRB quarterly calls for experience

Comparison of Projected Loss Ratios as of March 31, 2020
Accident Year 2015 Projected to 63 Months[1]

Indemnity

Methodology	Based on Experience Evaluated as of (in months):				
	15	27	39	51	Current
3-Year Avg. Incurred	0.195	0.195	0.191	0.188	0.184
Latest Year Incurred	0.189	0.189	0.188	0.187	0.184
3-Year Avg. Paid	0.191	0.195	0.194	0.189	0.184
Latest Year Paid	0.193	0.194	0.192	0.189	0.184
Reform-Adj. Paid [2]	0.193	0.194	0.192	0.189	0.184
Latest Yr. Pd. Adj. for Settlement [3]	0.189	0.190	0.189	0.187	0.184

	Difference from Actual 63-Month Loss Ratio				
	15	27	39	51	Current
3-Year Avg. Incurred	6.0%	5.9%	4.1%	2.3%	0.0%
Latest Year Incurred	2.7%	2.8%	2.2%	1.5%	0.0%
3-Year Avg. Paid	4.1%	5.9%	5.3%	3.0%	0.0%
Latest Year Paid	5.0%	5.4%	4.2%	2.8%	0.0%
Reform-Adj. Paid [2]	5.0%	5.4%	4.2%	2.8%	0.0%
Latest Yr. Pd. Adj. for Settlement [3]	2.8%	3.3%	2.7%	2.0%	0.0%

Medical

	Based on Experience Evaluated as of (in months):				
	15	27	39	51	Current
3-Year Avg. Incurred	0.245	0.237	0.230	0.220	0.210
Latest Year Incurred	0.226	0.224	0.223	0.217	0.210
3-Year Avg. Paid	0.232	0.232	0.226	0.219	0.210
Latest Year Paid	0.226	0.228	0.223	0.217	0.210
Reform-Adj. Paid [2]	0.226	0.228	0.223	0.217	0.210
Latest Yr. Pd. Adj. for Settlement [3]	0.223	0.225	0.221	0.216	0.210

	Difference from Actual 63-Month Loss Ratio				
	15	27	39	51	Current
3-Year Avg. Incurred	16.5%	12.7%	9.2%	4.3%	0.0%
Latest Year Incurred	7.4%	6.4%	6.1%	3.3%	0.0%
3-Year Avg. Paid	10.4%	10.4%	7.3%	4.0%	0.0%
Latest Year Paid	7.4%	8.4%	5.8%	3.3%	0.0%
Reform-Adj. Paid [2]	7.4%	8.4%	5.8%	3.3%	0.0%
Latest Yr. Pd. Adj. for Settlement [3]	6.1%	7.1%	4.8%	2.8%	0.0%

[1] Each loss ratio is projected to incurred losses at 63 months. Loss ratios projected under paid methods are converted to an incurred basis causing the ratio of incurred losses to paid losses reported at 63 months.

[2] The Reform-Adjusted Paid Methodology reflects adjustments for SB 1160 lien reforms. Factors are also adjusted for the impact of pharmaceutical cost reductions to bring the historical payments to the current pharmaceutical cost level.

[3] The Latest Year Claim-Settlement Methodology for projecting ultimate loss ratios also contemplates adjustments for reforms. See [2] above.

Source: WCIRB quarterly calls for experience

Exhibit D6.3

Comparison of Projected Loss Ratios as of March 31, 2020
Accident Year 2016 Projected to 51 Months[1]

Indemnity

Methodology	Based on Experience Evaluated as of (in months):			
	15	27	39	Current
3-Year Avg. Incurred	0.177	0.175	0.171	0.168
Latest Year Incurred	0.178	0.176	0.170	0.168
3-Year Avg. Paid	0.179	0.177	0.173	0.168
Latest Year Paid	0.182	0.177	0.172	0.168
Reform-Adj. Paid [2]	0.182	0.177	0.172	0.168
Latest Yr. Pd. Adj. for Settlement [3]	0.178	0.174	0.171	0.168

	Difference from Actual 51-Month Loss Ratio			
	15	27	39	Current
3-Year Avg. Incurred	5.0%	4.0%	1.7%	0.0%
Latest Year Incurred	5.9%	4.3%	1.2%	0.0%
3-Year Avg. Paid	6.6%	5.0%	2.8%	0.0%
Latest Year Paid	8.4%	5.4%	2.4%	0.0%
Reform-Adj. Paid [2]	8.4%	5.4%	2.4%	0.0%
Latest Yr. Pd. Adj. for Settlement [3]	5.9%	3.5%	1.7%	0.0%

Medical

	Based on Experience Evaluated as of (in months):			
	15	27	39	Current
3-Year Avg. Incurred	0.217	0.209	0.201	0.193
Latest Year Incurred	0.212	0.207	0.199	0.193
3-Year Avg. Paid	0.216	0.208	0.200	0.193
Latest Year Paid	0.216	0.206	0.199	0.193
Reform-Adj. Paid [2]	0.216	0.206	0.199	0.193
Latest Yr. Pd. Adj. for Settlement [3]	0.213	0.204	0.198	0.193

	Difference from Actual 51-Month Loss Ratio			
	15	27	39	Current
3-Year Avg. Incurred	12.3%	8.4%	4.3%	0.0%
Latest Year Incurred	9.8%	7.3%	3.4%	0.0%
3-Year Avg. Paid	12.2%	7.9%	3.8%	0.0%
Latest Year Paid	12.0%	7.0%	3.3%	0.0%
Reform-Adj. Paid [2]	12.0%	7.0%	3.3%	0.0%
Latest Yr. Pd. Adj. for Settlement [3]	10.5%	5.7%	2.8%	0.0%

[1] Each loss ratio is projected to incurred losses at 51 months. Loss ratios projected under paid methods are converted to an incurred basis causing the ratio of incurred losses to paid losses reported at 51 months.

[2] The Reform-Adjusted Paid Methodology reflects adjustments for SB 1160 lien reforms. Factors are also adjusted for the impact of pharmaceutical cost reductions to bring the historical payments to the current pharmaceutical cost level.

[3] The Latest Year Claim-Settlement Methodology for projecting ultimate loss ratios also contemplates adjustments for reforms. See [2] above.

Source: WCIRB quarterly calls for experience

Exhibit D6.4

Comparison of Projected Loss Ratios as of March 31, 2020
Accident Year 2017 Projected to 39 Months[1]

Indemnity

Methodology	Based on Experience Evaluated as of (in months): 15	27	Current
3-Year Avg. Incurred	0.169	0.166	0.162
Latest Year Incurred	0.166	0.164	0.162
3-Year Avg. Paid	0.171	0.168	0.162
Latest Year Paid	0.167	0.166	0.162
Reform-Adj. Paid [2]	0.167	0.166	0.162
Latest Yr. Pd. Adj. for Settlement [3]	0.163	0.164	0.162

	Difference from Actual 39-Month Loss Ratio 15	27	Current
3-Year Avg. Incurred	4.1%	2.0%	0.0%
Latest Year Incurred	2.2%	1.0%	0.0%
3-Year Avg. Paid	5.6%	3.4%	0.0%
Latest Year Paid	3.0%	2.5%	0.0%
Reform-Adj. Paid [2]	3.0%	2.5%	0.0%
Latest Yr. Pd. Adj. for Settlement [3]	0.5%	1.0%	0.0%

Medical

	Based on Experience Evaluated as of (in months): 15	27	Current
3-Year Avg. Incurred	0.205	0.197	0.192
Latest Year Incurred	0.200	0.196	0.192
3-Year Avg. Paid	0.210	0.201	0.192
Latest Year Paid	0.202	0.198	0.192
Reform-Adj. Paid [2]	0.203	0.199	0.192
Latest Yr. Pd. Adj. for Settlement [3]	0.201	0.197	0.192

	Difference from Actual 39-Month Loss Ratio 15	27	Current
3-Year Avg. Incurred	6.6%	2.7%	0.0%
Latest Year Incurred	4.3%	2.1%	0.0%
3-Year Avg. Paid	9.3%	4.5%	0.0%
Latest Year Paid	5.2%	3.1%	0.0%
Reform-Adj. Paid [2]	5.9%	3.5%	0.0%
Latest Yr. Pd. Adj. for Settlement [3]	4.8%	2.6%	0.0%

[1] Each loss ratio is projected to incurred losses at 39 months. Loss ratios projected under paid methods are converted to an incurred basis causing the ratio of incurred losses to paid losses reported at 39 months.

[2] The Reform-Adjusted Paid Methodology reflects adjustments for SB 1160 lien reforms. Factors are also adjusted for the impact of pharmaceutical cost reductions to bring the historical payments to the current pharmaceutical cost level.

[3] The Latest Year Claim-Settlement Methodology for projecting ultimate loss ratios also contemplates adjustments for reforms. See [2] above.

Source: WCIRB quarterly calls for experience

Exhibit D6.5

Comparison of Projected Loss Ratios as of March 31, 2020
Accident Year 2018 Projected to 27 Months[1]

Indemnity

Methodology	Based on Experience Evaluated as of (in months): 15	Current
3-Year Avg. Incurred	0.152	0.148
Latest Year Incurred	0.150	0.148
3-Year Avg. Paid	0.153	0.148
Latest Year Paid	0.151	0.148
Reform-Adj. Paid [2]	0.151	0.148
Latest Yr. Pd. Adj. for Settlement [3	0.150	0.148

	Difference from Actual 27-Month Loss Ratio 15	Current
3-Year Avg. Incurred	2.6%	0.0%
Latest Year Incurred	1.3%	0.0%
3-Year Avg. Paid	3.2%	0.0%
Latest Year Paid	2.0%	0.0%
Reform-Adj. Paid [2]	2.0%	0.0%
Latest Yr. Pd. Adj. for Settlement [3	1.7%	0.0%

Medical

	Based on Experience Evaluated as of (in months): 15	Current
3-Year Avg. Incurred	0.193	0.188
Latest Year Incurred	0.189	0.188
3-Year Avg. Paid	0.192	0.188
Latest Year Paid	0.187	0.188
Reform-Adj. Paid [2]	0.187	0.188
Latest Yr. Pd. Adj. for Settlement [3	0.187	0.188

	Difference from Actual 27-Month Loss Ratio 15	Current
3-Year Avg. Incurred	2.7%	0.0%
Latest Year Incurred	0.6%	0.0%
3-Year Avg. Paid	2.3%	0.0%
Latest Year Paid	-0.5%	0.0%
Reform-Adj. Paid [2]	-0.2%	0.0%
Latest Yr. Pd. Adj. for Settlement [3	-0.2%	0.0%

[1] Each loss ratio is projected to incurred losses at 27 months. Loss ratios projected under paid methods are converted to an incurred basis causing the ratio of incurred losses to paid losses reported at 27 months.
[2] The Reform-Adjusted Paid Methodology reflects adjustments for SB 1160 lien reforms. Factors are also adjusted for the impact of pharmaceutical cost reductions to bring the historical payments to the current pharmaceutical cost level.
[3] The Latest Year Claim-Settlement Methodology for projecting ultimate loss ratios also contemplates adjustments for reforms. See [2] above.

Source: WCIRB quarterly calls for experience

Exhibit S2.1

Average Incurred Indemnity Loss per Reported Indemnity Claim
As of March 31, 2020

Accident	Evaluated as of (in months):									
Year	3	15	27	39	51	63	75	87	99	111
1995										14,643
1996									16,821	16,933
1997								18,742	18,888	18,921
1998							20,526	20,841	20,853	20,953
1999						21,742	22,227	22,363	22,549	22,675
2000					22,057	22,835	23,089	23,326	23,581	23,734
2001				21,986	23,940	24,480	24,971	25,451	25,811	26,007
2002			18,083	21,258	22,233	22,833	23,484	23,937	24,187	24,445
2003		12,139	18,227	20,345	21,662	22,709	23,420	23,874	24,370	24,798
2004	8,707	11,681	14,409	16,440	17,497	18,231	18,936	19,451	19,955	20,262
2005	9,462	8,778	12,099	14,089	15,283	16,233	17,024	17,678	18,064	18,352
2006	6,910	8,799	13,021	15,347	16,801	17,983	18,874	19,405	19,772	20,007
2007	6,692	9,235	13,917	16,725	18,365	19,527	20,364	20,936	21,389	21,610
2008	6,446	9,853	15,055	18,448	20,397	21,601	22,446	22,966	23,322	23,553
2009	6,407	10,185	15,748	18,983	21,160	22,377	23,251	23,686	24,045	24,351
2010	6,225	10,157	15,456	18,900	20,758	21,913	22,630	23,113	23,474	23,729
2011	6,120	10,600	15,877	18,794	20,568	21,471	22,102	22,589	22,928	23,147
2012	6,218	10,660	15,687	18,561	20,032	21,115	21,765	22,222	22,525	
2013	6,566	10,713	15,571	18,174	19,711	20,553	21,137	21,460		
2014	6,252	10,781	15,743	18,890	20,545	21,485	21,942			
2015	6,910	11,130	16,487	19,377	20,930	21,679				
2016	6,714	11,194	16,328	19,006	20,431					
2017	6,849	11,458	16,713	19,403						
2018	7,170	12,123	17,384							
2019	7,402	12,622								
2020	8,348									

Accident	Annual Change									
Year	3	15	27	39	51	63	75	87	99	111
1996										15.6%
1997									12.3%	11.7%
1998								11.2%	10.4%	10.7%
1999							8.3%	7.3%	8.1%	8.2%
2000						5.0%	3.9%	4.3%	4.6%	4.7%
2001					8.5%	7.2%	8.1%	9.1%	9.5%	9.6%
2002				-3.3%	-7.1%	-6.7%	-6.0%	-5.9%	-6.3%	-6.0%
2003			0.8%	-4.3%	-2.6%	-0.5%	-0.3%	-0.3%	0.8%	1.4%
2004		-3.8%	-20.9%	-19.2%	-19.2%	-19.7%	-19.1%	-18.5%	-18.1%	-18.3%
2005	8.7%	-24.9%	-16.0%	-14.3%	-12.7%	-11.0%	-10.1%	-9.1%	-9.5%	-9.4%
2006	-27.0%	0.2%	7.6%	8.9%	9.9%	10.8%	10.9%	9.8%	9.5%	9.0%
2007	-3.1%	5.0%	6.9%	9.0%	9.3%	8.6%	7.9%	7.9%	8.2%	8.0%
2008	-3.7%	6.7%	8.2%	10.3%	11.1%	10.6%	10.2%	9.7%	9.0%	9.0%
2009	-0.6%	3.4%	4.6%	2.9%	3.7%	3.6%	3.6%	3.1%	3.1%	3.4%
2010	-2.8%	-0.3%	-1.9%	-0.4%	-1.9%	-2.1%	-2.7%	-2.4%	-2.4%	-2.6%
2011	-1.7%	4.4%	2.7%	-0.6%	-0.9%	-2.0%	-2.3%	-2.3%	-2.3%	-2.5%
2012	1.6%	0.6%	-1.2%	-1.2%	-2.6%	-1.7%	-1.5%	-1.6%	-1.8%	
2013	5.6%	0.5%	-0.7%	-2.1%	-1.6%	-2.7%	-2.9%	-3.4%		
2014	-4.8%	0.6%	1.1%	3.9%	4.2%	4.5%	3.8%			
2015	10.5%	3.2%	4.7%	2.6%	1.9%	0.9%				
2016	-2.8%	0.6%	-1.0%	-1.9%	-2.4%					
2017	2.0%	2.4%	2.4%	2.1%						
2018	4.7%	5.8%	4.0%							
2019	3.2%	4.1%								
2020	12.8%									

	Annual Trend*									
All-Year	-0.3%	1.1%	0.6%	0.1%	-0.1%	-0.2%	-0.1%	0.2%	0.8%	1.6%
R^2	0.015	0.272	0.086	0.003	0.003	0.008	0.003	0.012	0.127	0.276
5-Year	5.3%	3.4%	2.1%	1.4%	1.0%	0.4%	-1.1%	-2.3%	-1.2%	1.5%
R^2	0.892	0.923	0.864	0.666	0.459	0.076	0.461	0.988	0.564	0.259

*Trend is based on an exponential distribution.

Source: WCIRB quarterly calls for experience

Exhibit S2.2

Average Incurred Medical Loss per Reported Claim
As of March 31, 2020

Accident	Evaluated as of (in months):									
Year	3	15	27	39	51	63	75	87	99	111
1999										7,264
2000									7,992	8,162
2001								8,978	9,336	9,673
2002							9,066	9,417	9,747	10,034
2003						8,378	8,798	9,178	9,554	9,897
2004					6,464	6,947	7,339	7,791	8,091	8,346
2005				5,676	6,088	6,566	7,044	7,457	7,753	7,943
2006			5,483	6,315	6,885	7,393	7,848	8,224	8,505	8,650
2007		4,696	6,136	7,089	7,867	8,473	9,047	9,380	9,637	9,774
2008	4,160	5,157	6,825	8,034	8,944	9,702	10,218	10,562	10,761	10,856
2009	4,365	5,679	7,785	9,081	10,237	10,974	11,475	11,746	11,894	11,966
2010	4,460	5,896	8,018	9,595	10,602	11,281	11,650	11,883	11,998	12,119
2011	4,766	6,110	8,326	9,606	10,466	11,020	11,252	11,399	11,494	11,581
2012	4,761	6,231	8,132	9,211	9,852	10,307	10,534	10,666	10,812	
2013	5,150	6,292	8,038	8,852	9,465	9,718	9,924	10,006		
2014	4,777	6,108	7,612	8,529	9,016	9,284	9,473			
2015	4,911	6,210	7,737	8,553	8,943	9,149				
2016	4,907	6,348	7,741	8,358	8,655					
2017	4,968	6,251	7,528	8,154						
2018	5,264	6,562	7,852							
2019	5,393	6,584								
2020	6,397									

Accident	Annual Change									
Year	3	15	27	39	51	63	75	87	99	111
2000										12.4%
2001									16.8%	18.5%
2002								4.9%	4.4%	3.7%
2003							-3.0%	-2.5%	-2.0%	-1.4%
2004						-17.1%	-16.6%	-15.1%	-15.3%	-15.7%
2005					-5.8%	-5.5%	-4.0%	-4.3%	-4.2%	-4.8%
2006				11.3%	13.1%	12.6%	11.4%	10.3%	9.7%	8.9%
2007			11.9%	12.3%	14.3%	14.6%	15.3%	14.1%	13.3%	13.0%
2008		9.8%	11.2%	13.3%	13.7%	14.5%	12.9%	12.6%	11.7%	11.1%
2009	4.9%	10.1%	14.1%	13.0%	14.5%	13.1%	12.3%	11.2%	10.5%	10.2%
2010	2.2%	3.8%	3.0%	5.7%	3.6%	2.8%	1.5%	1.2%	0.9%	1.3%
2011	6.9%	3.6%	3.8%	0.1%	-1.3%	-2.3%	-3.4%	-4.1%	-4.2%	-4.4%
2012	-0.1%	2.0%	-2.3%	-4.1%	-5.9%	-6.5%	-6.4%	-6.4%	-5.9%	
2013	8.2%	1.0%	-1.2%	-3.9%	-3.9%	-5.7%	-5.8%	-6.2%		
2014	-7.2%	-2.9%	-5.3%	-3.7%	-4.7%	-4.5%	-4.5%			
2015	2.8%	1.7%	1.6%	0.3%	-0.8%	-1.4%				
2016	-0.1%	2.2%	0.1%	-2.3%	-3.2%					
2017	1.2%	-1.5%	-2.7%	-2.4%						
2018	6.0%	5.0%	4.3%							
2019	2.5%	0.3%								
2020	18.6%									

	Annual Trend*									
All-Year	2.5%	2.1%	2.0%	2.5%	3.1%	2.9%	2.6%	2.5%	2.9%	3.3%
R^2	0.778	0.719	0.382	0.348	0.415	0.398	0.380	0.415	0.520	0.580
5-Year	6.3%	1.5%	0.3%	-1.8%	-3.1%	-4.7%	-5.2%	-4.2%	-0.2%	4.6%
R^2	0.829	0.765	0.112	0.922	0.959	0.956	0.992	0.880	0.006	0.647

*Trend is based on an exponential distribution.

Source: WCIRB quarterly calls for experience

Exhibit S3.1

Average Indemnity Case Outstanding per Open Indemnity Claim
As of March 31, 2020

Accident	Evaluated as of (in months):									
Year	3	15	27	39	51	63	75	87	99	111
1995										32,914
1996									34,880	34,328
1997								31,955	32,209	32,904
1998							31,039	31,956	31,866	33,189
1999						27,369	27,965	28,207	29,118	30,523
2000					23,973	24,288	23,754	24,592	25,288	26,155
2001				20,465	20,525	19,859	19,921	21,270	22,985	23,810
2002			18,028	18,018	16,704	16,360	17,498	18,661	19,452	21,254
2003		12,790	16,742	15,188	15,459	16,997	18,932	21,077	24,249	27,898
2004	8,486	12,109	12,509	13,247	14,298	15,985	18,174	20,735	23,442	24,696
2005	9,132	8,142	10,168	11,569	12,911	15,327	18,380	21,812	23,144	25,852
2006	6,515	7,854	11,220	13,122	15,274	18,430	21,043	22,527	25,432	27,079
2007	6,147	8,254	11,796	14,341	16,511	18,515	20,584	23,909	27,103	29,204
2008	5,866	8,586	12,334	15,173	16,906	18,370	21,355	23,952	26,748	30,568
2009	5,814	8,950	12,972	14,810	17,019	19,091	21,429	23,319	25,722	28,565
2010	5,637	8,987	12,595	14,788	16,484	18,299	20,260	22,443	25,234	28,775
2011	5,552	9,643	13,189	15,222	17,448	18,886	20,731	23,292	25,810	29,143
2012	5,664	9,566	12,964	14,984	16,360	18,676	21,034	24,644	28,677	
2013	6,127	9,579	13,110	14,229	15,748	17,623	20,640	24,397		
2014	5,693	9,694	13,149	15,236	17,623	20,560	22,549			
2015	6,418	10,050	14,282	16,706	19,681	22,152				
2016	6,182	10,160	14,592	17,252	20,388					
2017	6,328	10,820	15,972	19,281						
2018	6,651	11,561	16,723							
2019	6,853	12,025								
2020	7,855									

Accident	Annual Change									
Year	3	15	27	39	51	63	75	87	99	111
1996										4.3%
1997									-7.7%	-4.1%
1998								0.0%	-1.1%	0.9%
1999							-9.9%	-11.7%	-8.6%	-8.0%
2000						-11.3%	-15.1%	-12.8%	-13.2%	-14.3%
2001					-14.4%	-18.2%	-16.1%	-13.5%	-9.1%	-9.0%
2002				-12.0%	-18.6%	-17.6%	-12.2%	-12.3%	-15.4%	-10.7%
2003			-7.1%	-15.7%	-7.5%	3.9%	8.2%	12.9%	24.7%	31.3%
2004		-5.3%	-25.3%	-12.8%	-7.5%	-6.0%	-4.0%	-1.6%	-3.3%	-11.5%
2005	7.6%	-32.8%	-18.7%	-12.7%	-9.7%	-4.1%	1.1%	5.2%	-1.3%	4.7%
2006	-28.7%	-3.5%	10.3%	13.4%	18.3%	20.2%	14.5%	3.3%	9.9%	4.7%
2007	-5.6%	5.1%	5.1%	9.3%	8.1%	0.5%	-2.2%	6.1%	6.6%	7.8%
2008	-4.6%	4.0%	4.6%	5.8%	2.4%	-0.8%	3.7%	0.2%	-1.3%	4.7%
2009	-0.9%	4.2%	5.2%	-2.4%	0.7%	3.9%	0.3%	-2.6%	-3.8%	-6.6%
2010	-3.0%	0.4%	-2.9%	-0.1%	-3.1%	-4.1%	-5.5%	-3.8%	-1.9%	0.7%
2011	-1.5%	7.3%	4.7%	2.9%	5.8%	3.2%	2.3%	3.8%	2.3%	1.3%
2012	2.0%	-0.8%	-1.7%	-1.6%	-6.2%	-1.1%	1.5%	5.8%	11.1%	
2013	8.2%	0.1%	1.1%	-5.0%	-3.7%	-5.6%	-1.9%	-1.0%		
2014	-7.1%	1.2%	0.3%	7.1%	11.9%	16.7%	9.3%			
2015	12.7%	3.7%	8.6%	9.7%	11.7%	7.7%				
2016	-3.7%	1.1%	2.2%	3.3%	3.6%					
2017	2.4%	6.5%	9.5%	11.8%						
2018	5.1%	6.8%	4.7%							
2019	3.0%	4.0%								
2020	14.6%									

	Annual Trend*									
All-Year	-0.4%	0.9%	0.7%	0.4%	0.1%	-0.4%	-0.9%	-1.0%	-1.0%	-0.8%
R^2	0.022	0.089	0.050	0.025	0.001	0.019	0.105	0.128	0.116	0.095
5-Year	5.7%	5.0%	6.1%	7.6%	6.9%	4.2%	2.1%	1.9%	1.4%	-0.6%
R^2	0.884	0.964	0.976	0.981	0.868	0.535	0.645	0.581	0.199	0.150

*Trend is based on an exponential distribution.

Source: WCIRB quarterly calls for experience

Exhibit S3.2

Average Medical Case Outstanding per Open Indemnity Claim
As of March 31, 2020

Accident	Evaluated as of (in months):									
Year	3	15	27	39	51	63	75	87	99	111
1995										55,067
1996									45,934	50,829
1997								41,264	48,315	54,439
1998							38,633	44,288	50,472	59,926
1999						28,111	33,635	39,668	48,678	64,890
2000					22,903	27,794	31,569	38,570	50,999	59,032
2001				17,449	20,304	23,477	28,463	37,090	47,129	59,486
2002			14,995	16,600	18,008	21,266	28,384	35,706	44,697	54,060
2003		12,394	14,308	15,295	18,375	23,318	30,629	39,045	48,674	61,451
2004	12,021	12,351	12,912	15,389	20,078	26,349	32,298	42,432	51,361	60,457
2005	13,903	12,323	14,499	18,429	21,802	27,189	35,425	46,187	53,722	64,296
2006	11,325	12,338	16,764	21,426	25,836	32,387	39,403	47,693	59,328	67,207
2007	12,494	13,834	18,160	22,408	28,217	34,778	43,487	52,550	62,370	71,987
2008	12,386	14,426	18,599	23,490	28,683	35,656	44,585	53,607	62,976	71,238
2009	12,935	15,126	20,152	24,054	30,376	36,829	43,645	51,442	59,207	66,876
2010	12,995	15,317	19,870	24,756	29,818	36,006	41,781	47,890	53,649	63,701
2011	14,381	16,804	21,788	26,318	32,016	38,460	43,097	48,753	56,437	65,325
2012	14,649	17,154	21,124	25,055	29,111	34,605	40,774	47,642	57,911	
2013	15,358	16,596	20,867	23,365	28,165	32,890	39,795	47,099		
2014	13,581	16,209	19,333	22,806	27,228	32,558	38,648			
2015	14,573	16,610	20,412	25,426	30,992	37,447				
2016	14,041	17,048	21,343	26,090	31,253					
2017	14,105	17,871	22,588	28,127						
2018	15,824	19,006	23,272							
2019	15,796	18,680								
2020	17,205									

Accident	Annual Change									
Year	3	15	27	39	51	63	75	87	99	111
1996										-7.7%
1997									5.2%	7.1%
1998								7.3%	4.5%	10.1%
1999							-12.9%	-10.4%	-3.6%	8.3%
2000						-1.1%	-6.1%	-2.8%	4.8%	-9.0%
2001					-11.3%	-15.5%	-9.8%	-3.8%	-7.6%	0.8%
2002				-4.9%	-11.3%	-9.4%	-0.3%	-3.7%	-5.2%	-9.1%
2003			-4.6%	-7.9%	2.0%	9.6%	7.9%	9.4%	8.9%	13.7%
2004		-0.3%	-9.8%	0.6%	9.3%	13.0%	5.5%	8.7%	5.5%	-1.6%
2005	15.7%	-0.2%	12.3%	19.8%	8.6%	3.2%	9.7%	8.9%	4.6%	6.4%
2006	-18.5%	0.1%	15.6%	16.3%	18.5%	19.1%	11.2%	3.3%	10.4%	4.5%
2007	10.3%	12.1%	8.3%	4.6%	9.2%	7.4%	10.4%	10.2%	5.1%	7.1%
2008	-0.9%	4.3%	2.4%	4.8%	1.7%	2.5%	2.5%	2.0%	1.0%	-1.0%
2009	4.4%	4.8%	8.4%	2.4%	5.9%	3.3%	-2.1%	-4.0%	-6.0%	-6.1%
2010	0.5%	1.3%	-1.4%	2.9%	-1.8%	-2.2%	-4.3%	-6.9%	-9.4%	-4.7%
2011	10.7%	9.7%	9.7%	6.3%	7.4%	6.8%	3.2%	1.8%	5.2%	2.5%
2012	1.9%	2.1%	-3.1%	-4.8%	-9.1%	-10.0%	-5.4%	-2.3%	2.6%	
2013	4.8%	-3.3%	-1.2%	-6.7%	-3.2%	-5.0%	-2.4%	-1.1%		
2014	-11.6%	-2.3%	-7.4%	-2.4%	-3.3%	-1.0%	-2.9%			
2015	7.3%	2.5%	5.6%	11.5%	13.8%	15.0%				
2016	-3.6%	2.6%	4.6%	2.6%	0.8%					
2017	0.5%	4.8%	5.8%	7.8%						
2018	12.2%	6.4%	3.0%							
2019	-0.2%	-1.7%								
2020	8.9%									

	Annual Trend*									
All-Year	1.8%	2.9%	3.2%	3.4%	3.3%	2.9%	2.0%	1.8%	1.6%	1.5%
R^2	0.693	0.910	0.791	0.760	0.680	0.589	0.441	0.495	0.586	0.593
5-Year	5.3%	3.5%	4.8%	5.2%	2.4%	-1.1%	-2.3%	-1.8%	-2.1%	-3.0%
R^2	0.904	0.889	0.992	0.883	0.395	0.058	0.779	0.683	0.332	0.815

*Trend is based on an exponential distribution.

Source: WCIRB quarterly calls for experience

Exhibit S4.1

Average Paid Indemnity Loss per Reported Indemnity Claim
As of March 31, 2020

Accident	Evaluated as of (in months):									
Year	3	15	27	39	51	63	75	87	99	111
1995										13,476
1996									15,130	15,473
1997								16,587	17,053	17,409
1998							17,393	18,239	18,748	19,187
1999						17,763	19,078	19,902	20,515	20,988
2000					16,698	18,734	20,086	20,933	21,635	22,109
2001				14,536	18,410	20,516	22,000	23,004	23,705	24,234
2002			9,112	14,441	17,626	19,653	20,943	21,849	22,470	22,893
2003		3,728	9,511	14,415	17,506	19,425	20,708	21,535	22,184	22,767
2004	760	3,760	8,044	11,682	13,926	15,347	16,384	17,134	17,861	18,476
2005	835	3,444	7,296	10,224	12,265	13,515	14,495	15,303	16,040	16,656
2006	771	3,637	7,809	11,031	13,129	14,693	15,931	16,915	17,660	18,215
2007	884	3,876	8,386	11,875	14,294	16,059	17,384	18,423	19,183	19,773
2008	910	4,226	9,058	13,056	15,970	18,011	19,448	20,461	21,227	21,724
2009	926	4,209	9,204	13,464	16,517	18,657	20,177	21,249	22,053	22,686
2010	905	4,191	9,178	13,509	16,592	18,616	20,030	21,056	21,786	22,309
2011	970	4,236	9,374	13,508	16,371	18,296	19,646	20,644	21,412	21,886
2012	962	4,351	9,435	13,566	16,294	18,203	19,530	20,421	21,036	
2013	965	4,331	9,387	13,584	16,386	18,120	19,229	19,931		
2014	933	4,368	9,639	14,188	17,101	18,894	20,043			
2015	972	4,497	10,094	14,659	17,533	19,230				
2016	976	4,670	10,199	14,603	17,246					
2017	977	4,755	10,450	14,792						
2018	1,066	5,035	10,811							
2019	1,116	5,226								
2020	1,191									

Accident	Annual Change									
Year	3	15	27	39	51	63	75	87	99	111
1996										14.8%
1997									12.7%	12.5%
1998								10.0%	9.9%	10.2%
1999							9.7%	9.1%	9.4%	9.4%
2000						5.5%	5.3%	5.2%	5.5%	5.3%
2001					10.3%	9.5%	9.5%	9.9%	9.6%	9.6%
2002				-0.7%	-4.3%	-4.2%	-4.8%	-5.0%	-5.2%	-5.5%
2003			4.4%	-0.2%	-0.7%	-1.2%	-1.1%	-1.4%	-1.3%	-0.5%
2004		0.9%	-15.4%	-19.0%	-20.4%	-21.0%	-20.9%	-20.4%	-19.5%	-18.8%
2005	9.8%	-8.4%	-9.3%	-12.5%	-11.9%	-11.9%	-11.5%	-10.7%	-10.2%	-9.9%
2006	-7.7%	5.6%	7.0%	7.9%	7.1%	8.7%	9.9%	10.5%	10.1%	9.4%
2007	14.6%	6.6%	7.4%	7.6%	8.9%	9.3%	9.1%	8.9%	8.6%	8.6%
2008	3.0%	9.0%	8.0%	10.0%	11.7%	12.1%	11.9%	11.1%	10.7%	9.9%
2009	1.7%	-0.4%	1.6%	3.1%	3.4%	3.6%	3.7%	3.9%	3.9%	4.4%
2010	-2.3%	-0.4%	-0.3%	0.3%	0.5%	-0.2%	-0.7%	-0.9%	-1.2%	-1.7%
2011	7.2%	1.1%	2.1%	0.0%	-1.3%	-1.7%	-1.9%	-2.0%	-1.7%	-1.9%
2012	-0.8%	2.7%	0.6%	0.4%	-0.5%	-0.5%	-0.6%	-1.1%	-1.8%	
2013	0.3%	-0.5%	-0.5%	0.1%	0.6%	-0.5%	-1.5%	-2.4%		
2014	-3.3%	0.8%	2.7%	4.4%	4.4%	4.3%	4.2%			
2015	4.1%	2.9%	4.7%	3.3%	2.5%	1.8%				
2016	0.4%	3.8%	1.0%	-0.4%	-1.6%					
2017	0.1%	1.8%	2.5%	1.3%						
2018	9.2%	5.9%	3.5%							
2019	4.7%	3.8%								
2020	6.7%									

	Annual Trend*									
All-Year	2.1%	2.2%	1.6%	0.8%	0.4%	0.2%	0.2%	0.4%	1.0%	1.7%
R^2	0.844	0.899	0.570	0.143	0.028	0.007	0.007	0.033	0.142	0.278
5-Year	5.5%	3.8%	2.7%	2.0%	1.8%	1.4%	-0.2%	-1.6%	-0.5%	2.3%
R^2	0.950	0.979	0.965	0.824	0.784	0.686	0.033	0.977	0.153	0.461

*Trend is based on an exponential distribution.

Source: WCIRB quarterly calls for experience

Exhibit S4.2

Average Paid Medical Loss per Indemnity Claim
As of March 31, 2020

Accident	Evaluated as of (in months):									
Year	3	15	27	39	51	63	75	87	99	111
2002										23,159
2003									21,441	22,362
2004								18,476	19,608	20,642
2005							17,630	18,894	20,249	21,393
2006						18,002	19,851	21,399	22,721	23,696
2007					17,709	20,177	22,314	24,218	25,533	26,513
2008				15,923	19,626	22,582	24,942	26,687	27,964	28,910
2009			11,843	16,749	20,817	24,101	26,472	28,117	29,335	30,236
2010		6,123	11,822	17,014	21,307	24,231	26,329	27,958	29,070	29,873
2011	917	5,511	11,237	16,150	19,849	22,508	24,484	25,901	26,915	27,638
2012	772	5,529	10,944	15,467	18,759	21,197	22,843	24,041	24,906	
2013	834	5,389	10,475	14,673	17,814	19,828	21,231	22,146		
2014	946	5,239	10,180	14,398	17,340	19,251	20,600			
2015	1,014	5,165	10,302	14,325	17,178	18,914				
2016	914	5,467	10,366	14,156	16,688					
2017	1,186	5,659	10,669	14,377						
2018	1,125	5,864	11,081							
2019	1,239	5,819								
2020	1,248									

Accident	Annual Change									
Year	3	15	27	39	51	63	75	87	99	111
2003										-3.4%
2004									-8.5%	-7.7%
2005								2.3%	3.3%	3.6%
2006							12.6%	13.3%	12.2%	10.8%
2007						12.1%	12.4%	13.2%	12.4%	11.9%
2008					10.8%	11.9%	11.8%	10.2%	9.5%	9.0%
2009				5.2%	6.1%	6.7%	6.1%	5.4%	4.9%	4.6%
2010**			-0.2%	1.6%	2.4%	0.5%	-0.5%	-0.6%	-0.9%	-1.2%
2011**		-10.0%	-5.0%	-5.1%	-6.8%	-7.1%	-7.0%	-7.4%	-7.4%	-7.5%
2012	-15.8%	0.3%	-2.6%	-4.2%	-5.5%	-5.8%	-6.7%	-7.2%	-7.5%	
2013	8.0%	-2.5%	-4.3%	-5.1%	-5.0%	-6.5%	-7.1%	-7.9%		
2014	13.4%	-2.8%	-2.8%	-1.9%	-2.7%	-2.9%	-3.0%			
2015	7.2%	-1.4%	1.2%	-0.5%	-0.9%	-1.8%				
2016	-9.9%	5.9%	0.6%	-1.2%	-2.9%					
2017	29.7%	3.5%	2.9%	1.6%						
2018	-5.1%	3.6%	3.9%							
2019	10.1%	-0.8%								
2020	0.7%									

	Annual Trend*									
All-Year	5.1%	0.1%	-1.2%	-2.0%	-1.8%	-0.6%	1.2%	2.9%	3.8%	4.0%
R^2	0.787	0.002	0.417	0.778	0.409	0.031	0.072	0.331	0.590	0.705
5-Year	6.9%	3.1%	2.1%	-0.6%	-2.7%	-4.3%	-6.1%	-6.1%	-3.1%	1.2%
R^2	0.679	0.881	0.904	0.497	0.937	0.944	0.984	0.949	0.568	0.112

*Trend is based on an exponential distribution.

**Entries for accident years 2010 and 2011 only reflect the paid cost of medical cost containment programs attributable to policies with effective dates prior to July 1, 2010. Entries for accident years 2012 and subsequent exclude the paid cost of medical cost containment programs.

Source: WCIRB quarterly calls for experience

Exhibit S4.3

Average Paid Medical Loss per Claim**
As of March 31, 2020

Accident Year	Evaluated as of (in months): 3	15	27	39	51	63	75	87	99	111
1999										6,074
2000									6,679	6,935
2001								7,532	7,874	8,174
2002							7,600	7,998	8,348	8,634
2003						6,782	7,249	7,650	8,010	8,325
2004					4,870	5,442	5,904	6,294	6,645	6,969
2005				3,874	4,602	5,161	5,626	5,995	6,388	6,718
2006			3,226	4,282	5,092	5,726	6,259	6,705	7,086	7,369
2007		2,039	3,628	4,852	5,811	6,548	7,185	7,747	8,137	8,436
2008	413	2,333	4,077	5,480	6,640	7,561	8,294	8,838	9,244	9,543
2009	497	2,501	4,477	6,136	7,507	8,607	9,407	9,969	10,377	10,677
2010	518	2,571	4,649	6,492	8,003	9,039	9,793	10,362	10,755	11,031
2011	510	2,397	4,556	6,361	7,719	8,706	9,424	9,941	10,308	10,569
2012	461	2,411	4,504	6,200	7,440	8,347	8,960	9,401	9,720	
2013	484	2,416	4,432	6,057	7,253	8,027	8,555	8,906		
2014	519	2,381	4,340	5,941	7,054	7,770	8,272			
2015	547	2,371	4,397	5,914	6,976	7,627				
2016	523	2,506	4,457	5,902	6,853					
2017	629	2,516	4,421	5,777						
2018	611	2,619	4,630							
2019	665	2,621								
2020	744									

Accident Year	Annual Change 3	15	27	39	51	63	75	87	99	111
2000										14.2%
2001									17.9%	17.9%
2002								6.2%	6.0%	5.6%
2003							-4.6%	-4.4%	-4.0%	-3.6%
2004						-19.8%	-18.5%	-17.7%	-17.0%	-16.3%
2005					-5.5%	-5.2%	-4.7%	-4.8%	-3.9%	-3.6%
2006				10.5%	10.6%	10.9%	11.3%	11.8%	10.9%	9.7%
2007			12.4%	13.3%	14.1%	14.4%	14.8%	15.5%	14.8%	14.5%
2008		14.4%	12.4%	13.0%	14.3%	15.5%	15.4%	14.1%	13.6%	13.1%
2009	20.5%	7.2%	9.8%	12.0%	13.1%	13.8%	13.4%	12.8%	12.3%	11.9%
2010	4.2%	2.8%	3.8%	5.8%	6.6%	5.0%	4.1%	3.9%	3.6%	3.3%
2011	-1.6%	-6.8%	-2.0%	-2.0%	-3.5%	-3.7%	-3.8%	-4.1%	-4.2%	-4.2%
2012	-9.7%	0.6%	-1.1%	-2.5%	-3.6%	-4.1%	-4.9%	-5.4%	-5.7%	
2013	5.0%	0.2%	-1.6%	-2.3%	-2.5%	-3.8%	-4.5%	-5.3%		
2014	7.3%	-1.4%	-2.1%	-1.9%	-2.7%	-3.2%	-3.3%			
2015	5.4%	-0.5%	1.3%	-0.5%	-1.1%	-1.8%				
2016	-4.5%	5.7%	1.4%	-0.2%	-1.8%					
2017	20.3%	0.4%	-0.8%	-2.1%						
2018	-2.9%	4.1%	4.7%							
2019	9.0%	0.1%								
2020	11.8%									

	Annual Trend*									
All-Year	3.7%	1.1%	1.8%	2.8%	3.6%	3.4%	3.2%	3.2%	3.5%	4.0%
R^2	0.787	0.428	0.438	0.449	0.536	0.493	0.446	0.456	0.550	0.624
5-Year	7.9%	2.5%	1.4%	-1.0%	-2.0%	-3.3%	-4.2%	-3.2%	0.9%	6.1%
R^2	0.875	0.887	0.762	0.897	0.976	0.981	0.996	0.745	0.061	0.738

*Trend is based on an exponential distribution.

**All entries reflect the paid cost of medical cost containment programs.

Source: WCIRB quarterly calls for experience

Exhibit S5.1

Average Paid Indemnity Loss per Closed Indemnity Claim**
As of March 31, 2020

Accident	Evaluated as of (in months):									
Year	3	15	27	39	51	63	75	87	99	111
1995										12,061
1996									13,225	13,657
1997								14,275	14,834	15,303
1998							14,594	15,539	16,309	16,892
1999						14,430	16,040	17,133	17,903	18,659
2000					12,483	14,924	16,845	17,919	18,779	19,511
2001				9,036	13,581	16,467	17,788	19,121	20,131	20,896
2002			3,788	9,222	13,609	15,589	17,159	18,471	19,403	19,918
2003		1,448	4,621	10,563	13,286	15,598	17,186	18,245	18,882	19,579
2004	610	1,735	4,693	7,690	10,461	12,277	13,533	14,265	15,020	15,801
2005	527	1,638	3,472	6,428	9,009	10,579	11,663	12,521	13,403	14,442
2006	647	1,685	3,941	7,051	9,601	11,370	12,685	13,933	15,125	15,986
2007	886	1,628	4,327	7,573	10,192	12,145	13,843	15,365	16,477	17,439
2008	532	1,929	4,698	8,305	11,286	13,711	15,911	17,320	18,555	19,442
2009	575	1,963	4,886	8,659	11,934	14,787	16,782	18,463	19,645	20,587
2010	584	1,942	4,996	8,911	12,534	15,171	17,210	18,734	19,839	20,627
2011	561	2,165	5,360	9,451	12,857	15,481	17,262	18,638	19,750	20,468
2012	624	2,254	5,933	10,049	13,278	15,593	17,350	18,615	19,558	
2013	576	2,607	6,304	10,467	13,626	15,833	17,356	18,397		
2014	662	2,685	6,710	11,133	14,496	16,746	18,224			
2015	718	2,997	7,356	11,875	15,189	17,262				
2016	703	3,239	7,683	11,990	15,071					
2017	717	3,328	7,775	12,017						
2018	782	3,539	8,171							
2019	824	3,818								
2020	849									

Accident	Annual Change									
Year	3	15	27	39	51	63	75	87	99	111
1996										13.2%
1997									12.2%	12.1%
1998								8.9%	9.9%	10.4%
1999							9.9%	10.3%	9.8%	10.5%
2000						3.4%	5.0%	4.6%	4.9%	4.6%
2001					8.8%	10.3%	5.6%	6.7%	7.2%	7.1%
2002				2.1%	0.2%	-5.3%	-3.5%	-3.4%	-3.6%	-4.7%
2003			22.0%	14.6%	-2.4%	0.1%	0.2%	-1.2%	-2.7%	-1.7%
2004		19.9%	1.6%	-27.2%	-21.3%	-21.3%	-21.3%	-21.8%	-20.5%	-19.3%
2005	-13.8%	-5.6%	-26.0%	-16.4%	-13.9%	-13.8%	-13.8%	-12.2%	-10.8%	-8.6%
2006	22.8%	2.8%	13.5%	9.7%	6.6%	7.5%	8.8%	11.3%	12.8%	10.7%
2007	37.1%	-3.4%	9.8%	7.4%	6.2%	6.8%	9.1%	10.3%	8.9%	9.1%
2008	-39.9%	18.5%	8.6%	9.7%	10.7%	12.9%	14.9%	12.7%	12.6%	11.5%
2009	8.0%	1.8%	4.0%	4.3%	5.7%	7.9%	5.5%	6.6%	5.9%	5.9%
2010	1.6%	-1.0%	2.3%	2.9%	5.0%	2.6%	2.6%	1.5%	1.0%	0.2%
2011	-4.1%	11.4%	7.3%	6.1%	2.6%	2.0%	0.3%	-0.5%	-0.5%	-0.8%
2012	11.3%	4.1%	10.7%	6.3%	3.3%	0.7%	0.5%	-0.1%	-1.0%	
2013	-7.7%	15.6%	6.3%	4.2%	2.6%	1.5%	0.0%	-1.2%		
2014	15.0%	3.0%	6.4%	6.4%	6.4%	5.8%	5.0%			
2015	8.5%	11.6%	9.6%	6.7%	4.8%	3.1%				
2016	-2.2%	8.1%	4.5%	1.0%	-0.8%					
2017	2.0%	2.7%	1.2%	0.2%						
2018	9.1%	6.3%	5.1%							
2019	5.3%	7.9%								
2020	3.0%									

	Annual Trend*									
All-Year	2.0%	6.2%	5.1%	2.5%	1.4%	0.9%	0.7%	0.8%	1.3%	1.9%
R^2	0.355	0.962	0.878	0.447	0.193	0.092	0.069	0.098	0.208	0.335
5-Year	5.3%	5.9%	4.6%	3.6%	3.7%	2.9%	1.2%	-0.1%	1.1%	3.9%
R^2	0.964	0.981	0.920	0.841	0.909	0.913	0.641	0.084	0.411	0.701

*Trend is based on an exponential distribution.

**Paid indemnity losses used in the severity calculations above represent paid indemnity losses on closed claims only.

Source: WCIRB quarterly calls for experience

Exhibit S5.2

Average Paid Medical Loss per Closed Indemnity Claim***

As of March 31, 2020

Accident	Evaluated as of (in months):									
Year	3	15	27	39	51	63	75	87	99	111
2002										19,103
2003									17,233	18,159
2004								14,012	15,031	16,184
2005							12,904	13,967	15,344	17,048
2006						12,630	14,429	16,087	17,850	19,161
2007					11,638	13,969	16,180	18,610	20,348	22,034
2008				9,708	12,951	15,932	19,053	21,169	23,168	24,627
2009			6,239	10,183	14,050	17,905	20,705	23,168	24,975	26,442
2010		3,215	6,537	10,722	15,161	18,711	21,525	23,891	25,541	26,797
2011	1,029	2,625	6,080	10,619	14,619	18,010	20,698	22,751	24,305	25,333
2012	735	2,816	6,564	10,959	14,571	17,502	19,714	21,353	22,595	
2013	691	2,965	6,695	10,916	14,311	16,990	18,843	20,105		
2014	695	2,993	6,862	10,987	14,413	16,863	18,509			
2015	852	3,226	7,270	11,356	14,591	16,595				
2016	700	3,459	7,498	11,341	14,089					
2017	975	3,585	7,769	11,478						
2018	984	3,706	8,092							
2019	837	4,009								
2020	949									

Accident	Annual Change									
Year	3	15	27	39	51	63	75	87	99	111
2003										-4.9%
2004									-12.8%	-10.9%
2005								-0.3%	2.1%	5.3%
2006							11.8%	15.2%	16.3%	12.4%
2007						10.6%	12.1%	15.7%	14.0%	15.0%
2008					11.3%	14.1%	17.8%	13.7%	13.9%	11.8%
2009				4.9%	8.5%	12.4%	8.7%	9.4%	7.8%	7.4%
2010**			4.8%	5.3%	7.9%	4.5%	4.0%	3.1%	2.3%	1.3%
2011**		-18.4%	-7.0%	-1.0%	-3.6%	-3.7%	-3.8%	-4.8%	-4.8%	-5.5%
2012	-28.6%	7.3%	8.0%	3.2%	-0.3%	-2.8%	-4.8%	-6.1%	-7.0%	
2013	-5.9%	5.3%	2.0%	-0.4%	-1.8%	-2.9%	-4.4%	-5.8%		
2014	0.6%	0.9%	2.5%	0.6%	0.7%	-0.7%	-1.8%			
2015	22.5%	7.8%	5.9%	3.4%	1.2%	-1.6%				
2016	-17.8%	7.2%	3.1%	-0.1%	-3.4%					
2017	39.2%	3.6%	3.6%	1.2%						
2018	0.9%	3.4%	4.2%							
2019	-14.9%	8.2%								
2020	13.3%									

	Annual Trend*									
All-Year	1.7%	3.8%	3.0%	1.6%	1.5%	2.4%	3.9%	5.5%	5.9%	5.6%
R^2	0.101	0.733	0.905	0.871	0.358	0.357	0.482	0.638	0.739	0.749
5-Year	4.6%	5.2%	4.0%	1.3%	-0.5%	-2.0%	-3.9%	-3.9%	-0.8%	3.7%
R^2	0.248	0.975	0.989	0.886	0.278	0.951	0.982	0.819	0.057	0.544

*Trend is based on an exponential distribution.

**Entries for accident years 2010 and 2011 only reflect the paid cost of medical cost containment programs attributable to policies with effective dates prior to July 1, 2010. Entries for accident years 2012 and subsequent exclude the paid cost of medical cost containment programs.

***Paid medical losses used in the severity calculations above represent paid medical losses on closed indemnity claims only.

Source: WCIRB quarterly calls for experience

Exhibit S6.1

Ratio of Incremental Paid Indemnity to Indemnity Claims Open During the Period
As of March 31, 2020

Accident	Evaluated as of (in months):									
Year	0-3	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111
1995										6,584
1996									8,395	7,325
1997								9,077	7,110	6,561
1998							9,317	8,579	6,571	6,810
1999						10,346	9,262	7,563	7,284	6,747
2000					10,946	9,356	8,308	6,786	7,244	6,148
2001				11,396	10,802	8,056	7,610	6,670	6,018	5,671
2002			8,779	10,826	8,606	7,548	6,636	6,213	5,445	4,763
2003		3,651	8,855	9,551	8,129	7,139	6,520	5,640	5,702	6,283
2004	760	3,678	6,659	7,293	6,252	5,695	5,709	5,291	6,390	6,852
2005	835	3,347	6,002	6,243	6,134	5,384	5,546	5,932	6,777	7,020
2006	771	3,554	6,409	7,003	6,462	6,558	6,976	7,090	6,777	6,762
2007	884	3,774	7,021	7,546	7,270	7,266	7,195	7,206	7,279	7,465
2008	910	4,117	7,512	8,388	8,390	7,942	7,519	7,354	7,604	6,580
2009	926	4,110	7,664	8,660	8,374	8,037	8,000	7,747	7,861	8,195
2010	905	4,100	7,711	8,889	8,670	8,239	8,143	8,162	8,109	7,847
2011	970	4,147	7,995	8,644	8,491	8,314	8,170	8,560	9,267	8,153
2012	962	4,266	7,973	8,822	8,480	8,548	8,682	8,503	8,506	
2013	965	4,258	7,826	9,167	8,861	8,405	8,140	7,809		
2014	933	4,283	8,214	9,975	9,636	9,344	9,229			
2015	972	4,418	8,691	10,353	10,294	9,991				
2016	976	4,586	8,825	10,665	10,493					
2017	977	4,672	9,349	11,226						
2018	1,066	4,950	9,596							
2019	1,116	5,138								
2020	1,191									

Accident	Annual Change									
Year	0-3	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111
1996										11.3%
1997									-15.3%	-10.4%
1998								-5.5%	-7.6%	3.8%
1999							-0.6%	-11.8%	10.9%	-0.9%
2000						-9.6%	-10.3%	-10.3%	-0.5%	-8.9%
2001					-1.3%	-13.9%	-8.4%	-1.7%	-16.9%	-7.8%
2002				-5.0%	-20.3%	-6.3%	-12.8%	-6.9%	-9.5%	-16.0%
2003			0.9%	-11.8%	-5.5%	-5.4%	-1.7%	-9.2%	4.7%	31.9%
2004		0.7%	-24.8%	-23.6%	-23.1%	-20.2%	-12.4%	-6.2%	12.1%	9.1%
2005	9.8%	-9.0%	-9.9%	-14.4%	-1.9%	-5.5%	-2.9%	12.1%	6.1%	2.4%
2006	-7.7%	6.2%	6.8%	12.2%	5.4%	21.8%	25.8%	19.5%	0.0%	-3.7%
2007	14.6%	6.2%	9.5%	7.7%	12.5%	10.8%	3.1%	1.6%	7.4%	10.4%
2008	3.0%	9.1%	7.0%	11.2%	15.4%	9.3%	4.5%	2.1%	4.5%	-11.9%
2009	1.7%	-0.2%	2.0%	3.2%	-0.2%	1.2%	6.4%	5.3%	3.4%	24.5%
2010	-2.3%	-0.2%	0.6%	2.6%	3.5%	2.5%	1.8%	5.4%	3.2%	-4.3%
2011	7.2%	1.1%	3.7%	-2.8%	-2.1%	0.9%	0.3%	4.9%	14.3%	3.9%
2012	-0.8%	2.9%	-0.3%	2.1%	-0.1%	2.8%	6.3%	-0.7%	-8.2%	
2013	0.3%	-0.2%	-1.9%	3.9%	4.5%	-1.7%	-6.2%	-8.2%		
2014	-3.3%	0.6%	5.0%	8.8%	8.7%	11.2%	13.4%			
2015	4.1%	3.1%	5.8%	3.8%	6.8%	6.9%				
2016	0.4%	3.8%	1.5%	3.0%	1.9%					
2017	0.1%	1.9%	5.9%	5.3%						
2018	9.2%	5.9%	2.7%							
2019	4.7%	3.8%								
2020	6.7%									

	Annual Trend*									
All-Year	2.1%	2.2%	1.5%	1.1%	0.8%	0.8%	0.5%	0.6%	1.2%	1.2%
R^2	0.844	0.902	0.327	0.098	0.053	0.052	0.022	0.032	0.182	0.203
5-Year	5.5%	3.9%	3.9%	4.8%	5.9%	4.7%	2.5%	0.6%	4.0%	3.6%
R^2	0.950	0.979	0.974	0.963	0.968	0.824	0.491	0.038	0.637	0.380

*Trend is based on an exponential distribution.

Source: WCIRB quarterly calls for experience

Exhibit S6.2

Ratio of Incremental Paid Medical to Indemnity Claims Open During the Period**
As of March 31, 2020

Accident	Evaluated as of (in months):									
Year	0-3	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111
2002										9,314
2003									9,387	10,079
2004								8,901	10,036	11,554
2005							9,080	9,240	12,457	13,058
2006						9,172	10,404	11,116	11,998	11,829
2007					9,605	10,129	11,544	13,171	12,569	12,282
2008				9,421	10,646	11,456	12,248	12,578	12,528	12,334
2009			8,877	10,026	11,131	12,255	12,396	11,798	11,853	11,670
2010		6,044	8,971	10,690	12,025	11,850	12,001	12,887	12,304	12,031
2011	917	5,442	9,014	10,277	10,933	11,397	11,913	12,108	12,225	12,429
2012	772	5,480	8,630	9,689	10,201	10,877	10,747	11,399	11,935	
2013	834	5,343	8,008	9,232	9,922	9,736	10,271	10,117		
2014	946	5,160	7,869	9,298	9,734	9,943	10,811			
2015	1,014	5,087	8,113	9,173	10,215	10,204				
2016	914	5,399	8,000	9,247	10,053					
2017	1,186	5,558	8,408	9,656						
2018	1,125	5,780	8,833							
2019	1,239	5,721								
2020	1,248									

Accident	Annual Change									
Year	0-3	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111
2003										8.2%
2004									6.9%	14.6%
2005								3.8%	24.1%	13.0%
2006							14.6%	20.3%	-3.7%	-9.4%
2007						10.4%	11.0%	18.5%	4.8%	3.8%
2008					10.8%	13.1%	6.1%	-4.5%	-0.3%	0.4%
2009				6.4%	4.6%	7.0%	1.2%	-6.2%	-5.4%	-5.4%
2010**			1.1%	6.6%	8.0%	-3.3%	-3.2%	9.2%	3.8%	3.1%
2011**		-10.0%	0.5%	-3.9%	-9.1%	-3.8%	-0.7%	-6.0%	-0.6%	3.3%
2012	-15.8%	0.7%	-4.3%	-5.7%	-6.7%	-4.6%	-9.8%	-5.9%	-2.4%	
2013	8.0%	-2.5%	-7.2%	-4.7%	-2.7%	-10.5%	-4.4%	-11.2%		
2014	13.4%	-3.4%	-1.7%	0.7%	-1.9%	2.1%	5.3%			
2015	7.2%	-1.4%	3.1%	-1.3%	4.9%	2.6%				
2016	-9.9%	6.1%	-1.4%	0.8%	-1.6%					
2017	29.7%	2.9%	5.1%	4.4%						
2018	-5.1%	4.0%	5.1%							
2019	10.1%	-1.0%								
2020	0.7%									

	Annual Trend*									
All-Year	5.1%	0.0%	-0.8%	-0.9%	-0.7%	-0.2%	0.6%	1.8%	2.1%	2.3%
R^2	0.787	0.000	0.202	0.266	0.100	0.005	0.035	0.153	0.393	0.447
5-Year	6.9%	3.1%	2.7%	0.8%	0.0%	-3.1%	-3.5%	-4.2%	-0.7%	0.0%
R^2	0.679	0.870	0.840	0.427	0.000	0.565	0.678	0.575	0.212	0.000

*Trend is based on an exponential distribution.

**Entries for accident years 2010 and 2011 only reflect the paid cost of medical cost containment programs attributable to policies with effective dates prior to July 1, 2010. Entries for accident years 2012 and subsequent exclude the paid cost of medical cost containment programs.

Source: WCIRB quarterly calls for experience

Ratio of Quarterly Paid Medical to Indemnity Claims Inventory*
Through March 31, 2020

Developme Period	Evaluation Years 2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
3/0	1,147	1,289	1,553	1,615	1,714	1,601	1,587	1,672	1,847	1,737	2,105	2,124	2,273	2,241
6/3	2,330	2,870	3,029	3,071	3,139	3,000	3,013	2,873	3,178	3,161	3,357	3,497	3,296	
9/6	2,517	2,952	3,160	3,137	3,108	3,148	3,269	3,080	3,089	3,221	3,310	3,604	3,312	
12/9	2,697	3,012	3,075	3,134	3,065	3,243	3,033	2,983	2,951	3,157	3,361	3,513	3,519	
12/0	**5,103**	**6,035**	**6,228**	**6,172**	**6,076**	**6,139**	**6,065**	**5,902**	**5,997**	**6,232**	**6,547**	**6,844**	**6,580**	
15/12	2,571	2,927	3,040	3,131	3,159	3,354	3,316	3,074	3,130	3,135	3,406	3,446	3,558	3,467
18/15	2,186	2,680	2,784	2,924	2,982	3,221	3,187	2,839	2,871	3,006	3,039	3,150	3,171	
21/18	2,168	2,474	2,616	2,711	2,802	2,975	2,914	2,827	2,824	2,817	2,791	2,933	3,061	
24/21	2,190	2,407	2,537	2,603	2,738	3,035	2,929	2,747	2,706	2,790	2,870	2,921	3,236	
24/12	**7,576**	**8,762**	**9,141**	**9,420**	**9,576**	**10,215**	**9,966**	**9,299**	**9,274**	**9,359**	**9,483**	**9,685**	**10,106**	
27/24	1,728	2,214	2,353	2,531	2,563	2,740	3,022	2,862	2,784	2,810	2,889	2,811	3,111	3,115
30/27	1,801	2,337	2,607	2,708	2,857	2,988	3,162	3,036	3,027	3,055	3,016	3,080	3,105	
33/30	1,807	2,342	2,560	2,770	2,912	3,100	3,196	3,177	3,003	2,984	2,926	3,094	3,192	
36/33	1,965	2,389	2,596	2,731	2,889	3,406	3,308	3,120	3,096	3,072	3,041	3,092	3,311	
36/24	**6,452**	**8,158**	**8,942**	**9,452**	**9,861**	**10,661**	**11,007**	**10,483**	**10,161**	**10,091**	**9,885**	**9,910**	**10,397**	
39/36	1,710	2,032	2,278	2,500	2,680	3,019	3,258	3,177	3,265	3,026	3,041	3,111	3,102	3,332
42/39	1,791	2,146	2,524	2,786	2,944	3,124	3,539	3,463	3,344	3,114	3,267	3,481	3,205	
45/42	1,836	2,166	2,517	2,735	3,083	3,246	3,427	3,691	3,372	3,215	3,017	3,237	3,279	
48/45	1,953	2,251	2,551	2,913	3,072	3,411	3,629	3,433	3,281	3,414	3,141	3,410	3,511	
48/36	**6,360**	**7,478**	**8,645**	**9,621**	**10,316**	**11,224**	**12,024**	**11,867**	**11,391**	**10,771**	**10,478**	**10,940**	**10,673**	

Development Period	Year-to-Year Change 06-to-07	07-to-08	08-to-09	09-to-10	10-to-11	11-to-12	12-to-13	13-to-14	14-to-15	15-to-16	16-to-17	17-to-18	18-to-19	19-to-20
3/0	-4.6%	12.4%	20.5%	4.0%	6.1%	-6.6%	-0.8%	5.4%	10.5%	-6.0%	21.2%	0.9%	7.0%	-1.4%
6/3	-6.0%	23.2%	5.5%	1.4%	2.2%	-4.4%	0.4%	-4.6%	10.6%	-0.6%	6.2%	4.2%	-5.7%	
9/6	3.1%	17.3%	7.0%	-0.7%	-0.9%	1.3%	3.9%	-5.8%	0.3%	4.3%	2.8%	8.9%	-8.1%	
12/9	11.0%	11.7%	2.1%	1.9%	-2.2%	5.8%	-6.5%	-1.6%	-1.1%	7.0%	6.5%	4.5%	0.2%	
12/0	**5.5%**	**18.2%**	**3.2%**	**-0.9%**	**-1.5%**	**1.0%**	**-1.2%**	**-2.7%**	**1.6%**	**3.9%**	**5.1%**	**4.5%**	**-3.9%**	
15/12	12.6%	13.8%	3.9%	3.0%	0.9%	6.2%	-1.1%	-7.3%	1.8%	0.1%	8.7%	1.2%	3.3%	-2.6%
18/15	-10.1%	22.6%	3.9%	5.0%	2.0%	8.0%	-1.1%	-10.9%	1.1%	4.7%	1.1%	3.7%	0.7%	
21/18	15.3%	14.1%	5.8%	3.6%	3.4%	6.2%	-2.1%	-3.0%	-0.1%	-0.3%	-0.9%	5.1%	4.4%	
24/21	19.4%	9.9%	5.4%	2.6%	5.2%	10.8%	-3.5%	-6.2%	-1.5%	3.1%	2.9%	1.8%	10.8%	
24/12	**19.1%**	**15.7%**	**4.3%**	**3.0%**	**1.7%**	**6.7%**	**-2.4%**	**-6.7%**	**-0.3%**	**0.9%**	**1.3%**	**2.1%**	**4.3%**	
27/24	15.6%	28.1%	6.3%	7.6%	1.2%	6.9%	10.3%	-5.3%	-2.7%	0.9%	2.8%	-2.7%	10.7%	0.1%
30/27	-3.5%	29.8%	11.5%	3.9%	5.5%	4.6%	5.8%	-4.0%	-0.3%	0.9%	-1.3%	2.1%	0.8%	
33/30	10.7%	29.6%	9.3%	8.2%	5.1%	6.5%	3.1%	-0.6%	-5.5%	-0.6%	-2.0%	5.8%	3.2%	
36/33	15.3%	21.6%	8.7%	5.2%	5.8%	17.9%	-2.9%	-5.7%	-0.7%	-0.8%	-1.0%	1.7%	7.1%	
36/24	**16.5%**	**26.4%**	**9.6%**	**5.7%**	**4.3%**	**8.1%**	**3.2%**	**-4.8%**	**-3.1%**	**-0.7%**	**-2.0%**	**0.3%**	**4.9%**	
39/36	16.2%	18.8%	12.1%	9.8%	7.2%	12.6%	7.9%	-2.5%	2.7%	-7.3%	0.5%	2.3%	-0.3%	7.4%
42/39	-9.6%	19.8%	17.6%	10.4%	5.7%	6.1%	13.3%	-2.1%	-3.4%	-6.9%	4.9%	6.6%	-7.9%	
45/42	11.5%	18.0%	16.2%	8.7%	12.7%	5.3%	5.6%	7.7%	-8.7%	-4.6%	-6.2%	7.3%	1.3%	
48/45	7.8%	15.2%	13.3%	14.2%	5.4%	11.0%	6.4%	-5.4%	-4.4%	4.1%	-8.0%	8.5%	3.0%	
48/36	**14.6%**	**17.6%**	**15.6%**	**11.3%**	**7.2%**	**8.8%**	**7.1%**	**-1.3%**	**-4.0%**	**-5.4%**	**-2.7%**	**4.4%**	**-2.4%**	

* All paid medical include the paid cost of medical cost containment programs. Indemnity claim inventory is the sum of indemnity claims open at the beginning of the development period and newly-reported indemnity claims during that period.

Source: WCIRB accident year experience calls.

Average and Median Indemnity Claim Severities at USR 1st Report Level

Policy Year	Average Incurred Indemnity Severity	Annual Change	Median Incurred Indemnity Severity	Annual Change
1999	11,132	---	2,953	---
2000	12,408	11.5%	3,640	23.3%
2001	13,468	8.5%	4,320	18.7%
2002	13,985	3.8%	4,930	14.1%
2003	13,905	-0.6%	5,000	1.4%
2004	11,397	-18.0%	4,100	-18.0%
2005	9,945	-12.7%	3,400	-17.1%
2006	10,643	7.0%	3,520	3.5%
2007	11,291	6.1%	3,966	12.7%
2008	11,947	5.8%	4,402	11.0%
2009	12,136	1.6%	4,717	7.2%
2010	11,976	-1.3%	4,791	1.6%
2011	12,514	4.5%	5,000	4.4%
2012	12,304	-1.7%	5,000	0.0%
2013	12,577	2.2%	5,250	5.0%
2014	13,008	3.4%	5,274	0.5%
2015	13,314	2.4%	5,330	1.1%
2016	13,527	1.6%	5,417	1.6%
2017	14,115	4.3%	5,310	-2.0%

Policy Year	Average Incurred Medical Severity	Annual Change	Median Incurred Medical Severity	Annual Change
1999	10,243	---	4,809	---
2000	11,934	16.5%	5,600	16.4%
2001	13,853	16.1%	6,989	24.8%
2002	15,151	9.4%	7,797	11.6%
2003	14,501	-4.3%	7,575	-2.8%
2004	13,129	-9.5%	6,750	-10.9%
2005	13,457	2.5%	6,331	-6.2%
2006	14,791	9.9%	6,924	9.4%
2007	16,095	8.8%	7,942	14.7%
2008	17,273	7.3%	9,000	13.3%
2009	17,828	3.2%	9,723	8.0%
2010	17,676	-0.9%	9,409	-3.2%
2011	17,894	1.2%	9,388	-0.2%
2012	17,640	-1.4%	9,500	1.2%
2013	17,046	-3.4%	9,477	-0.2%
2014	17,032	-0.1%	9,241	-2.5%
2015	16,749	-1.7%	9,347	1.1%
2016	17,462	4.3%	9,157	-2.0%
2017	18,015	3.2%	8,997	-1.7%

Source: WCIRB Unit Statistical Data

Exhibit S10.2

Changes in the Number of Weeks of Temporary Disability Benefits

First Survey Level

Accident Year	Average TD Duration	Change	Median TD Duration	Change
2004	51.4	-----	39.2	-----
2005	56.7	10.3%	46.5	18.5%
2006	59.0	4.2%	49.6	6.8%
2007	63.1	6.9%	56.2	13.3%
2008	67.4	6.8%	63.4	12.8%
2009	64.8	-3.8%	58.5	-7.7%
2010	61.7	-4.7%	55.0	-6.1%
2011	59.6	-3.6%	48.8	-11.2%
2012	58.7	-1.4%	49.6	1.6%
2013	56.0	-4.6%	49.5	0.0%
2014	55.9	-0.2%	50.3	1.6%
2015	50.1	-10.4%	43.2	-14.2%
2016	49.5	-1.3%	40.2	-7.0%
2017	25.7	-48.0%	19.6	-51.3%

Second Survey Level

Accident Year	Average TD Duration	Change	Median TD Duration	Change
2003	54.5	-----	43.3	-----
2004	51.9	-4.7%	41.8	-3.5%
2005	57.1	9.9%	50.4	20.8%
2006	58.6	2.6%	51.2	1.4%
2007	64.0	9.2%	58.4	14.1%
2008	69.2	8.2%	66.7	14.4%
2009	66.2	-4.3%	61.9	-7.3%
2010	60.8	-8.2%	56.0	-9.5%
2011	62.4	2.5%	52.8	-5.7%
2012	58.1	-6.8%	52.0	-1.5%
2013	59.4	2.3%	52.8	1.5%
2014	57.1	-3.9%	52.4	-0.8%
2015	52.0	-9.1%	45.8	-12.5%
2016	50.2	-3.5%	41.9	-8.7%

Source: WCIRB Permanent Disability Claim Survey
Data is recast from survey proportions to true proportions.

Self-Insured Employers - Claim Severity

Private Self-Insured Employers

CY	Medical Paid	Indemnity Cases Open During Year	Paid Medical on Open Ind Claims	Annual Change
2001	655,349,356	128,723	5,091	---
2002	789,748,542	129,147	6,115	20.1%
2003	930,788,004	130,323	7,142	16.8%
2004	802,856,921	132,488	6,060	-15.2%
2005	688,918,290	124,757	5,522	-8.9%
2006	800,826,010	115,054	6,960	26.0%
2007	676,050,168	105,671	6,398	-8.1%
2008	733,149,220	102,990	7,119	11.3%
2009	761,740,423	98,642	7,722	8.5%
2010	760,504,505	97,135	7,829	1.4%
2011	758,672,255	95,946	7,907	1.0%
2012	752,732,652	94,591	7,958	0.6%
2013	814,214,051	95,263	8,547	7.4%
2014	918,409,257	93,850	9,786	14.5%
2015	786,278,830	90,382	8,700	-11.1%
2016	787,771,330	85,563	9,207	5.8%
2017	765,002,435	81,842	9,347	1.5%
2018	750,749,175	78,826	9,524	1.9%

Public Self-Insured Employers

FY	Medical Paid	Indemnity Cases Open During Year	Paid Medical on Open Ind Claims	Annual Change
2000/2001	603,567,334	148,040	4,077	---
2001/2002	736,531,748	153,231	4,807	17.9%
2002/2003	872,925,555	166,835	5,232	8.9%
2003/2004	932,492,476	176,127	5,294	1.2%
2004/2005	777,579,644	171,938	4,522	-14.6%
2005/2006	768,887,952	163,511	4,702	4.0%
2006/2007	779,028,256	159,524	4,883	3.9%
2007/2008	887,316,859	173,348	5,119	4.8%
2008/2009	949,449,769	170,751	5,560	8.6%
2009/2010	978,954,150	171,444	5,710	2.7%
2010/2011	1,043,538,851	173,585	6,012	5.3%
2011/2012	1,073,241,078	177,309	6,053	0.7%
2012/2013	1,045,517,623	179,375	5,829	-3.7%
2013/2014	1,086,439,359	178,788	6,077	4.3%
2014/2015	1,102,863,683	181,993	6,060	-0.3%
2015/2016	1,097,857,099	180,467	6,083	0.4%
2016/2017	1,046,637,539	178,746	5,855	-3.7%
2017/2018	1,119,293,067	180,404	6,204	6.0%
2018/2019	1,144,059,798	180,892	6,325	1.9%

All Self-Insured Employers

CY	Medical Paid	Indemnity Cases Open During Year	Paid Medical on Open Ind Claims	Annual Change
2001	1,325,398,897	279,359	4,744	---
2002	1,594,477,194	289,180	5,514	16.2%
2003	1,833,497,020	301,804	6,075	10.2%
2004	1,657,892,981	306,521	5,409	-11.0%
2005	1,462,152,088	292,482	4,999	-7.6%
2006	1,574,784,114	276,572	5,694	13.9%
2007	1,509,222,726	272,107	5,546	-2.6%
2008	1,651,532,534	275,040	6,005	8.3%
2009	1,725,942,383	269,740	6,399	6.6%
2010	1,771,751,006	269,650	6,571	2.7%
2011	1,817,062,220	271,393	6,695	1.9%
2012	1,812,112,003	272,933	6,639	-0.8%
2013	1,880,192,542	274,345	6,853	3.2%
2014	2,013,060,778	274,241	7,340	7.1%
2015	1,886,639,221	271,612	6,946	-5.4%
2016	1,860,018,649	265,170	7,014	1.0%
2017	1,847,967,738	261,417	7,069	0.8%
2018	1,882,425,608	259,474	7,255	2.6%

Insured System at 1st Report

AY	Paid Medical Severity on Ind Claims	Annual Change
2001	6,203	---
2002	7,255	17.0%
2003	7,203	-0.7%
2004	5,970	-17.1%
2005	5,906	-1.1%
2006	6,270	6.2%
2007	6,922	10.4%
2008	7,605	9.9%
2009	7,925	4.2%
2010	7,946	0.3%
2011	7,462	-6.1%
2012	7,238	-3.0%
2013	7,085	-2.1%
2014	6,995	-1.3%
2015	7,036	0.6%
2016	7,293	3.6%
2017	7,549	3.5%
2018	6,864	5.9%

Notes: Fiscal Year Public data prorated to CYs 50%/50%.
Insured System AY 2018 change is based on a comparison of 2018 accidents on 2017 policies to 2017 accidents on 2016 policies.

Sources: California Department of Industrial Relations for self-insured
WCIRB Unit Statistical Data for insured system

Exhibit S15

Annual Changes in Indemnity Severity Attributable to Changes in Hazardousness

		Indemnity Claim Severity			Total Claim Severity		
Policy Year	Report Level	Change in Severity Hazardousness	Severity Hazardousness Index	Annual % Change Attributable to Change in Industrial Mix	Change in Severity Hazardousness	Severity Hazardousness Index	Annual % Change Attributable to Change in Industrial Mix
1993	5	1.0000	1.0000	---	1.0000	1.0000	---
1994	5	1.0010	1.0010	0.10%	0.9986	0.9986	-0.14%
1995	5	1.0007	1.0017	0.07%	1.0013	0.9998	0.13%
1996	5	0.9988	1.0005	-0.12%	0.9993	0.9991	-0.07%
1997	5	1.0032	1.0036	0.32%	1.0045	1.0036	0.45%
1998	5	1.0037	1.0074	0.37%	1.0050	1.0086	0.50%
1999	5	1.0023	1.0096	0.23%	1.0011	1.0097	0.11%
2000	5	1.0016	1.0112	0.16%	1.0009	1.0107	0.09%
2001	5	1.0031	1.0144	0.31%	1.0001	1.0108	0.01%
2002	5	0.9984	1.0128	-0.16%	0.9996	1.0104	-0.04%
2003	5	1.0042	1.0170	0.42%	1.0071	1.0176	0.71%
2004	5	1.0020	1.0190	0.20%	1.0048	1.0224	0.48%
2005	5	1.0010	1.0201	0.10%	1.0027	1.0252	0.27%
2006	5	0.9965	1.0165	-0.35%	0.9917	1.0167	-0.83%
2007	5	0.9935	1.0098	-0.65%	0.9861	1.0025	-1.39%
2008	5	0.9908	1.0005	-0.92%	0.9845	0.9870	-1.55%
2009	5	0.9884	0.9889	-1.16%	0.9832	0.9704	-1.68%
2010	5	0.9961	0.9851	-0.39%	0.9938	0.9644	-0.62%
2011	5	0.9996	0.9847	-0.04%	1.0014	0.9657	0.14%
2012	5	0.9972	0.9819	-0.28%	0.9978	0.9636	-0.22%
2013	5	1.0012	0.9830	0.12%	1.0030	0.9665	0.30%
2014	Proj 5	1.0018	0.9848	0.18%	1.0065	0.9728	0.65%
2015	Proj 5	1.0005	0.9852	0.05%	1.0029	0.9756	0.29%
2016	Proj 5	0.9992	0.9844	-0.08%	0.9975	0.9731	-0.25%
2017	Proj 5	1.0017	0.9861	0.17%	1.0050	0.9780	0.50%

Note: Changes in industrial mix are based on indemnity claim severity by collapsed NAICS industrial sector.

Source: WCIRB unit statistical data

Claim Counts and Losses on Claims in Excess of $250,000

Number of Claims in Excess of $250,000

PY/RL	1	2	3	4	5	6	7	8
2003	541	929	1,550	2,323	3,104	3,589	4,071	4,395
2004	476	722	1,165	1,742	2,297	2,874	3,273	3,547
2005	496	783	1,292	1,921	2,657	3,170	3,505	3,783
2006	673	1,040	1,676	2,402	3,109	3,604	3,985	4,212
2007	671	1,191	2,095	3,017	3,759	4,323	4,643	4,844
2008	654	1,261	2,100	3,077	3,878	4,389	4,686	4,801
2009	605	1,216	2,111	3,083	3,784	4,227	4,443	4,579
2010	590	1,169	1,956	2,810	3,379	3,732	3,914	3,976
2011	653	1,205	1,920	2,654	3,116	3,446	3,549	
2012	673	1,130	1,734	2,249	2,704	2,898		
2013	713	1,120	1,664	2,186	2,551			
2014	706	1,125	1,756	2,296				
2015	682	1,224	1,760					
2016	831	1,297						
2017	887							

% of Claims in Excess of $250,000

PY/RL	1	2	3	4	5	6	7	8
2003	0.107%	0.177%	0.295%	0.441%	0.588%	0.681%	0.775%	0.839%
2004	0.099%	0.146%	0.235%	0.351%	0.463%	0.581%	0.663%	0.718%
2005	0.109%	0.168%	0.276%	0.409%	0.567%	0.676%	0.747%	0.805%
2006	0.155%	0.234%	0.375%	0.536%	0.692%	0.801%	0.885%	0.935%
2007	0.163%	0.282%	0.494%	0.708%	0.881%	1.011%	1.085%	1.131%
2008	0.183%	0.342%	0.566%	0.826%	1.038%	1.173%	1.251%	1.280%
2009	0.183%	0.358%	0.616%	0.896%	1.097%	1.224%	1.284%	1.322%
2010	0.176%	0.340%	0.563%	0.805%	0.966%	1.065%	1.115%	1.166%
2011	0.194%	0.348%	0.549%	0.756%	0.886%	0.978%	1.034%	
2012	0.196%	0.320%	0.486%	0.628%	0.753%	0.823%		
2013	0.202%	0.309%	0.455%	0.595%	0.703%			
2014	0.193%	0.299%	0.463%	0.609%				
2015	0.181%	0.317%	0.453%					
2016	0.216%	0.329%						
2017	0.220%							

% of Indemnity Incurred
on Claims in Excess of $250,000

PY/RL	1	2	3	4	5	6	7	8
2003	5.81%	7.11%	9.89%	13.19%	16.47%	18.55%	21.16%	22.92%
2004	6.62%	7.82%	9.71%	13.12%	15.79%	19.69%	22.24%	24.01%
2005	7.95%	8.27%	11.00%	15.00%	19.77%	23.05%	25.52%	27.32%
2006	11.12%	11.51%	14.92%	18.95%	22.72%	25.76%	28.09%	29.90%
2007	10.23%	11.65%	16.25%	20.91%	24.93%	27.54%	29.43%	30.55%
2008	9.39%	11.21%	15.22%	20.28%	24.26%	27.11%	28.70%	29.79%
2009	9.08%	10.44%	15.09%	19.60%	23.44%	26.27%	27.36%	28.39%
2010	9.18%	10.85%	13.94%	18.20%	21.20%	22.88%	24.14%	25.51%
2011	9.46%	10.54%	13.48%	17.23%	19.56%	21.44%	22.97%	
2012	9.10%	9.80%	12.48%	15.51%	17.94%	19.89%		
2013	7.66%	8.81%	11.31%	14.23%	16.55%			
2014	8.57%	9.43%	12.34%	15.49%				
2015	8.67%	9.85%	12.44%					
2016	9.79%	10.86%						
2017	11.79%							

% of Medical Incurred
on Claims in Excess of $250,000

PY/RL	1	2	3	4	5	6	7	8
2003	11.23%	12.96%	15.75%	19.79%	23.77%	26.34%	30.08%	32.17%
2004	11.23%	12.94%	16.17%	19.88%	23.28%	28.00%	31.31%	33.79%
2005	12.87%	15.04%	17.09%	20.69%	26.00%	30.09%	32.71%	35.48%
2006	14.59%	16.51%	19.82%	23.83%	28.06%	31.56%	34.40%	36.03%
2007	13.38%	15.89%	20.71%	26.16%	30.13%	33.64%	35.80%	37.30%
2008	12.95%	15.33%	19.43%	24.70%	29.07%	32.32%	34.36%	35.35%
2009	12.52%	15.37%	19.88%	24.82%	28.64%	31.58%	32.69%	33.48%
2010	13.20%	15.70%	19.02%	23.15%	26.43%	28.24%	29.53%	31.10%
2011	13.48%	15.29%	18.57%	22.30%	24.59%	26.12%	27.38%	
2012	14.07%	15.09%	17.82%	20.68%	22.88%	24.44%		
2013	11.75%	12.35%	15.13%	17.44%	19.79%			
2014	13.96%	14.43%	17.34%	20.08%				
2015	13.26%	15.66%	18.06%					
2016	17.00%	17.36%						
2017	19.02%							

Average Severity
on Claims in Excess of $250,000

PY/RL	1	2	3	4	5	6	7	8
2003	829,214	697,030	579,912	531,520	513,563	511,184	536,729	548,977
2004	747,673	693,664	597,263	550,822	520,475	538,976	553,349	569,398
2005	739,367	668,592	545,833	501,441	498,380	513,087	526,756	543,589
2006	681,831	632,111	553,482	516,917	504,426	515,909	527,579	538,443
2007	653,675	573,372	507,023	494,341	494,637	501,201	512,169	519,917
2008	617,024	515,160	466,549	456,502	457,438	469,921	477,545	488,041
2009	648,507	526,189	479,951	458,056	463,534	477,964	479,239	484,173
2010	709,956	584,114	501,698	473,945	476,876	474,530	482,992	495,466
2011	687,390	560,645	499,039	478,213	472,300	469,937	476,281	
2012	700,816	586,338	521,993	511,034	495,445	499,693		
2013	577,966	507,453	478,599	459,747	460,433			
2014	710,356	596,096	529,832	506,671				
2015	724,682	600,280	546,974					
2016	762,708	631,494						
2017	866,669							

Median Severity
on Claims in Excess of $250,000

PY/RL	1	2	3	4	5	6	7	8
2003	379,130	344,674	331,543	327,919	336,352	350,688	365,700	374,592
2004	383,528	351,844	327,404	332,985	341,792	356,039	366,212	376,147
2005	380,882	341,967	326,677	331,078	341,764	348,929	360,970	365,845
2006	348,646	340,323	334,163	334,406	342,492	351,965	363,062	364,220
2007	352,898	327,300	327,700	332,716	343,500	354,894	362,856	365,687
2008	359,510	325,000	323,835	328,550	337,081	346,627	351,630	356,432
2009	357,977	325,000	320,631	328,483	337,178	341,467	349,952	351,297
2010	347,534	321,976	320,303	320,811	330,236	337,317	340,845	351,394
2011	348,789	315,896	313,833	320,441	325,223	330,492	341,023	
2012	348,672	325,993	316,946	318,441	321,260	330,785		
2013	336,934	325,014	324,443	325,000	321,292			
2014	361,614	336,299	326,091	325,115				
2015	351,267	323,060	326,091					
2016	346,328	323,341						
2017	346,351							

Notes: Incurred Amounts and Severities are first dollar.

Source: WCIRB unit statistical data

Exhibit S16.1

Claim Counts and Losses on Claims in Excess of $500,000

Number of Claims in Excess of $500,000

PY/RL	1	2	3	4	5	6	7	8
2003	174	219	300	431	584	800	1,066	1,275
2004	159	198	243	342	453	680	874	1,010
2005	160	184	238	349	532	704	880	1,003
2006	187	258	347	505	679	851	1,038	1,149
2007	187	260	368	528	741	964	1,139	1,255
2008	178	233	340	526	726	940	1,084	1,169
2009	173	234	335	504	705	842	943	1,027
2010	161	222	317	422	573	705	793	861
2011	179	232	308	442	553	651	724	
2012	188	237	294	375	461	543		
2013	180	211	262	357	449			
2014	213	263	334	437				
2015	186	250	309					
2016	237	288						
2017	285							

% of Claims in Excess of $500,000

PY/RL	1	2	3	4	5	6	7	8
2003	0.034%	0.042%	0.057%	0.082%	0.111%	0.152%	0.203%	0.243%
2004	0.033%	0.040%	0.049%	0.069%	0.091%	0.137%	0.177%	0.204%
2005	0.035%	0.040%	0.051%	0.074%	0.113%	0.150%	0.188%	0.214%
2006	0.043%	0.058%	0.078%	0.113%	0.151%	0.189%	0.231%	0.255%
2007	0.045%	0.062%	0.087%	0.124%	0.174%	0.225%	0.266%	0.293%
2008	0.050%	0.063%	0.092%	0.141%	0.194%	0.251%	0.289%	0.312%
2009	0.052%	0.069%	0.098%	0.146%	0.204%	0.244%	0.273%	0.297%
2010	0.048%	0.065%	0.091%	0.121%	0.164%	0.201%	0.226%	0.253%
2011	0.053%	0.067%	0.088%	0.126%	0.157%	0.185%	0.211%	
2012	0.055%	0.067%	0.082%	0.105%	0.128%	0.154%		
2013	0.051%	0.058%	0.072%	0.097%	0.124%			
2014	0.058%	0.070%	0.088%	0.116%				
2015	0.049%	0.065%	0.080%					
2016	0.062%	0.073%						
2017	0.071%							

% of Indemnity Incurred
on Claims in Excess of $500,000

PY/RL	1	2	3	4	5	6	7	8
2003	3.77%	3.93%	4.68%	5.55%	6.57%	7.94%	10.05%	11.78%
2004	3.89%	4.47%	4.52%	5.96%	6.76%	9.41%	11.48%	13.00%
2005	4.18%	3.64%	4.10%	5.79%	7.94%	9.92%	12.04%	13.53%
2006	5.06%	5.21%	6.38%	8.00%	9.55%	11.68%	13.56%	15.24%
2007	4.80%	5.10%	6.17%	7.74%	10.09%	11.61%	13.34%	14.46%
2008	4.10%	4.26%	5.18%	7.24%	9.06%	11.12%	12.24%	13.40%
2009	4.70%	3.89%	5.23%	6.47%	8.49%	10.35%	11.08%	12.13%
2010	4.82%	4.54%	4.95%	6.23%	7.60%	8.53%	9.60%	10.70%
2011	4.91%	4.41%	4.72%	5.99%	6.87%	7.95%	8.97%	
2012	4.47%	4.18%	4.72%	5.97%	6.86%	8.12%		
2013	2.86%	3.10%	3.63%	4.78%	5.89%			
2014	4.35%	4.08%	4.66%	5.96%				
2015	4.48%	4.05%	4.74%					
2016	4.95%	4.73%						
2017	7.24%							

% of Medical Incurred
on Claims in Excess of $500,000

PY/RL	1	2	3	4	5	6	7	8
2003	8.53%	8.91%	9.31%	10.81%	12.38%	13.91%	17.11%	18.91%
2004	8.47%	9.09%	10.06%	11.10%	11.97%	15.26%	17.84%	19.82%
2005	9.77%	10.47%	9.92%	10.55%	13.10%	15.72%	17.78%	20.10%
2006	10.86%	11.38%	11.63%	12.88%	14.71%	16.83%	18.98%	20.32%
2007	9.57%	9.85%	10.75%	12.91%	14.72%	17.07%	18.83%	20.12%
2008	8.84%	8.38%	8.94%	10.75%	12.65%	14.95%	16.59%	17.56%
2009	8.61%	8.67%	9.58%	10.93%	12.87%	14.85%	15.49%	16.21%
2010	9.54%	9.71%	9.85%	10.73%	12.41%	13.34%	14.35%	15.80%
2011	9.66%	9.20%	9.72%	10.96%	11.87%	12.45%	13.33%	
2012	10.30%	9.58%	9.83%	10.90%	11.62%	12.52%		
2013	7.86%	6.94%	7.52%	8.12%	9.25%			
2014	10.40%	9.54%	10.13%	11.12%				
2015	9.80%	10.33%	10.81%					
2016	13.10%	12.00%						
2017	15.14%							

Average Severity
on Claims in Excess of $500,000

PY/RL	1	2	3	4	5	6	7	8
2003	1,870,525	1,897,416	1,638,500	1,426,187	1,292,676	1,122,403	1,092,964	1,059,376
2004	1,572,672	1,667,615	1,635,033	1,466,714	1,278,692	1,188,341	1,142,355	1,142,140
2005	1,587,235	1,778,172	1,525,931	1,290,030	1,165,364	1,133,478	1,088,311	1,111,789
2006	1,596,575	1,561,904	1,422,051	1,225,576	1,125,012	1,103,038	1,068,071	1,075,001
2007	1,493,459	1,469,841	1,356,962	1,271,855	1,150,320	1,072,957	1,045,187	1,036,145
2008	1,377,062	1,369,040	1,203,205	1,085,961	1,008,698	973,190	955,105	961,576
2009	1,443,063	1,379,530	1,318,329	1,126,985	1,041,463	1,063,152	1,014,514	1,000,663
2010	1,729,192	1,708,498	1,436,361	1,329,843	1,210,278	1,097,815	1,083,658	1,089,348
2011	1,644,554	1,578,653	1,443,159	1,263,429	1,156,843	1,086,879	1,050,625	
2012	1,662,469	1,590,226	1,515,563	1,458,656	1,339,956	1,258,937		
2013	1,327,407	1,315,165	1,310,830	1,164,056	1,103,391			
2014	1,590,101	1,486,686	1,413,076	1,295,284				
2015	1,777,658	1,693,592	1,613,232					
2016	1,859,683	1,721,075						
2017	2,001,159							

Median Severity
on Claims in Excess of $500,000

PY/RL	1	2	3	4	5	6	7	8
2003	866,728	913,658	821,735	742,737	729,204	707,027	700,767	711,672
2004	827,255	875,244	772,132	760,725	715,829	712,192	713,607	720,782
2005	825,368	814,506	710,326	704,717	711,051	700,997	686,837	697,792
2006	809,751	770,012	739,379	713,205	711,000	701,420	691,932	695,728
2007	805,589	744,439	712,814	696,427	684,367	677,511	683,218	685,018
2008	844,408	776,176	722,571	683,487	665,759	670,404	684,754	694,212
2009	829,140	747,484	713,222	676,704	657,838	662,532	674,808	664,282
2010	893,022	784,927	702,366	689,490	702,851	687,631	675,461	663,209
2011	893,546	775,642	735,663	692,450	684,427	678,144	673,207	
2012	888,727	791,723	769,498	741,951	706,548	678,786		
2013	755,646	763,410	736,311	688,180	707,509			
2014	861,815	830,166	808,800	696,920				
2015	823,044	792,811	815,572					
2016	851,764	792,811						
2017	851,764							

Notes: Incurred Amounts and Severities are first dollar.

Source: WCIRB unit statistical data

Exhibit S16.2

Claim Counts and Losses on Claims in Excess of $1,000,000

Number of Claims in Excess of $1,000,000

PY/RL	1	2	3	4	5	6	7	8
2003	73	95	114	135	161	194	248	315
2004	57	85	96	109	109	165	216	252
2005	58	72	74	95	133	173	208	245
2006	67	87	110	145	173	216	258	287
2007	66	82	110	134	159	201	235	268
2008	69	82	102	125	167	213	242	267
2009	66	81	98	121	150	174	202	203
2010	70	84	100	122	147	162	176	198
2011	73	85	95	110	129	144	155	
2012	82	86	99	116	130	146		
2013	63	70	87	98	113			
2014	91	106	129	154				
2015	80	95	102					
2016	98	116						
2017	147							

% of Claims in Excess of $1,000,000

PY/RL	1	2	3	4	5	6	7	8
2003	0.014%	0.018%	0.022%	0.026%	0.030%	0.037%	0.047%	0.060%
2004	0.012%	0.017%	0.019%	0.022%	0.022%	0.033%	0.044%	0.051%
2005	0.013%	0.015%	0.016%	0.020%	0.028%	0.037%	0.044%	0.052%
2006	0.015%	0.020%	0.025%	0.032%	0.039%	0.048%	0.057%	0.064%
2007	0.016%	0.019%	0.026%	0.031%	0.037%	0.047%	0.055%	0.063%
2008	0.019%	0.022%	0.027%	0.034%	0.045%	0.057%	0.065%	0.071%
2009	0.020%	0.024%	0.029%	0.035%	0.043%	0.050%	0.058%	0.059%
2010	0.021%	0.024%	0.029%	0.035%	0.042%	0.046%	0.050%	0.058%
2011	0.022%	0.025%	0.027%	0.031%	0.037%	0.041%	0.045%	
2012	0.024%	0.024%	0.028%	0.032%	0.036%	0.041%		
2013	0.018%	0.019%	0.024%	0.027%	0.031%			
2014	0.025%	0.028%	0.034%	0.041%				
2015	0.021%	0.025%	0.026%					
2016	0.026%	0.029%						
2017	0.036%							

% of Indemnity Incurred
on Claims in Excess of $1,000,000

PY/RL	1	2	3	4	5	6	7	8
2003	2.87%	2.93%	3.27%	3.40%	3.65%	3.91%	4.82%	5.78%
2004	2.46%	3.21%	3.09%	3.74%	3.73%	5.04%	6.15%	7.04%
2005	2.49%	2.30%	2.31%	3.06%	4.11%	5.16%	6.15%	7.06%
2006	3.09%	3.08%	3.73%	4.26%	4.83%	5.86%	6.76%	7.89%
2007	2.94%	3.01%	3.46%	4.04%	5.00%	5.38%	6.14%	6.60%
2008	2.46%	2.53%	2.88%	3.72%	4.37%	5.28%	5.44%	6.14%
2009	2.82%	2.10%	2.84%	3.12%	3.74%	4.86%	5.03%	5.22%
2010	3.63%	3.15%	2.97%	3.60%	3.81%	3.94%	4.37%	4.99%
2011	3.47%	2.98%	2.81%	3.07%	3.24%	3.54%	3.82%	
2012	3.06%	2.58%	2.77%	3.52%	3.73%	4.30%		
2013	1.66%	1.79%	2.15%	2.49%	2.86%			
2014	2.81%	2.54%	2.62%	3.25%				
2015	3.20%	2.62%	2.95%					
2016	3.24%	3.00%						
2017	5.54%							

% of Medical Incurred
on Claims in Excess of $1,000,000

PY/RL	1	2	3	4	5	6	7	8
2003	6.84%	7.22%	7.12%	7.66%	8.13%	8.06%	9.50%	10.22%
2004	6.37%	7.20%	7.89%	7.93%	7.48%	9.04%	10.13%	11.26%
2005	7.42%	8.49%	7.44%	7.05%	7.78%	9.07%	9.75%	11.27%
2006	8.25%	8.56%	8.27%	8.40%	8.65%	9.71%	10.53%	11.15%
2007	7.04%	7.11%	7.55%	8.38%	8.43%	9.19%	9.67%	10.38%
2008	6.40%	5.95%	5.75%	5.95%	6.57%	7.26%	7.89%	8.29%
2009	6.42%	6.29%	6.59%	6.50%	6.92%	7.89%	7.85%	8.00%
2010	7.47%	7.59%	7.13%	7.32%	7.87%	7.61%	8.07%	9.03%
2011	7.41%	6.90%	6.90%	7.06%	7.20%	7.09%	7.23%	
2012	8.17%	7.29%	7.38%	7.83%	8.04%	8.29%		
2013	5.50%	4.79%	5.24%	5.09%	5.58%			
2014	8.23%	7.31%	7.76%	8.01%				
2015	7.93%	8.18%	8.23%					
2016	10.73%	9.74%						
2017	12.89%							

Average Severity
on Claims in Excess of $1,000,000

PY/RL	1	2	3	4	5	6	7	8
2003	3,523,470	3,460,312	3,204,876	3,081,799	2,922,506	2,543,782	2,487,580	2,242,340
2004	3,161,316	2,995,729	3,135,046	3,169,113	3,201,987	2,812,364	2,576,725	2,561,543
2005	3,171,764	3,525,423	3,473,114	2,982,927	2,662,004	2,581,158	2,468,930	2,496,814
2006	3,234,739	3,304,753	3,033,739	2,630,292	2,484,351	2,402,523	2,306,095	2,316,982
2007	2,989,854	3,203,684	3,005,542	3,068,358	2,941,223	2,650,264	2,516,846	2,411,318
2008	2,474,424	2,646,652	2,479,616	2,470,854	2,224,164	2,070,407	1,989,235	1,967,597
2009	2,683,874	2,719,407	2,923,444	2,642,982	2,485,767	2,633,315	2,319,136	2,391,230
2010	3,086,031	3,438,423	3,153,270	3,001,492	2,809,145	2,568,245	2,582,418	2,549,998
2011	3,034,640	3,150,573	3,184,735	3,080,299	2,808,159	2,603,469	2,470,942	
2012	2,934,667	3,186,651	3,185,008	3,208,739	3,070,864	2,892,532		
2013	2,566,288	2,620,572	2,636,753	2,514,089	2,466,704			
2014	2,825,150	2,694,273	2,595,937	2,442,939				
2015	3,251,305	3,372,199	3,539,396					
2016	3,531,257	3,285,851						
2017	3,218,834							

Median Severity
on Claims in Excess of $1,000,000

PY/RL	1	2	3	4	5	6	7	8
2003	2,346,394	2,313,505	2,282,077	2,173,422	1,756,000	1,668,325	1,533,770	1,489,999
2004	2,129,170	2,051,638	2,242,484	2,120,000	2,095,911	1,882,020	1,721,976	1,605,699
2005	1,990,755	2,160,065	2,089,211	1,864,346	1,737,110	1,666,100	1,645,929	1,664,019
2006	1,841,931	2,120,827	2,180,971	1,742,043	1,742,043	1,561,145	1,435,234	1,445,338
2007	1,953,016	2,210,826	1,727,733	1,835,183	1,905,520	1,586,274	1,614,738	1,561,314
2008	1,913,000	1,898,126	1,830,410	1,762,740	1,618,687	1,495,782	1,398,833	1,433,919
2009	1,970,712	1,711,957	1,833,872	1,682,373	1,512,298	1,445,376	1,435,699	1,492,253
2010	2,153,329	2,215,829	1,946,786	1,814,410	1,779,631	1,699,538	1,668,643	1,493,429
2011	2,103,755	1,945,519	1,945,509	1,912,820	1,633,108	1,520,232	1,671,465	
2012	1,748,313	1,981,094	2,005,409	2,031,639	1,945,194	1,550,865		
2013	1,749,237	1,835,395	1,767,043	1,768,597	1,945,194			
2014	1,854,543	1,986,862	1,581,725	1,768,597				
2015	1,873,825	1,817,303	1,581,725					
2016	2,120,950	1,817,303						
2017	2,120,950							

Notes: Incurred Amounts and Severities are first dollar.

Source: WCIRB unit statistical data

Exhibit S16.3

Exhibit E1

Summary of Paid LAE Ratios by Insurer Type

Paid ALAE to Paid Loss Ratios[1]

CY	State Fund	CA Private Insurers	National	Statewide	Private Insurers
2007	5.4%	13.3%	15.4%	12.3%	15.2%
2008	5.6%	11.5%	13.3%	11.1%	13.1%
2009	6.2%	15.7%	14.8%	12.8%	14.9%
2010	5.9%	14.1%	15.5%	13.3%	15.3%
2011	5.9%	15.9%	17.3%	14.9%	17.2%
2012	6.3%	15.2%	19.1%	16.2%	18.6%
2013	5.9%	15.4%	20.0%	17.0%	19.5%
2014	8.4%	17.8%	21.3%	19.0%	20.8%
2015	10.1%	18.0%	22.6%	20.5%	22.0%
2016	11.0%	17.9%	22.4%	20.4%	21.6%
2017	10.8%	19.8%	22.7%	20.9%	22.3%
2018	11.4%	19.5%	23.0%	21.0%	22.4%
2019	12.9%	17.8%	22.8%	20.9%	22.0%

Paid ULAE to Paid Loss Ratios

CY	State Fund	CA Private Insurers	National	Statewide	Private Insurers
2010	27.9%	17.3%	6.4%	12.3%	7.9%
2011	28.9%	15.9%	6.5%	11.9%	7.7%
2012	45.0% [2]	15.0%	6.4%	14.8% [2]	7.5%
2013 [3]	21.8%	16.3%	8.5%	11.7%	9.4%
2014 [3]	28.8%	14.7%	7.7%	11.6%	8.6%
2015 [4]	35.1%	14.8%	10.2%	13.9%	10.9%
2016 [4]	37.6%	14.2%	12.8%	15.9%	13.0%
2017 [4]	25.6%	16.1%	14.1%	15.8%	14.4%
2018 [4]	24.8%	14.9%	14.8%	16.1%	14.8%
2019 [4]	21.3%	14.4%	12.8%	14.1%	13.1%

Paid LAE to Paid Loss Ratios

CY	State Fund	CA Private Insurers	National	Statewide	Private Insurers
2010	33.8%	31.4%	22.0%	25.6%	23.3%
2011	34.8%	31.8%	23.8%	26.8%	24.8%
2012	51.3% [2]	30.3%	25.5%	31.0% [2]	26.1%
2013 [3]	27.7%	31.7%	28.5%	28.6%	28.9%
2014 [3]	37.2%	32.5%	29.0%	30.6%	29.4%
2015 [4]	45.2%	32.8%	32.8%	34.4%	32.8%
2016 [4]	48.6%	32.1%	35.2%	36.3%	34.7%
2017 [4]	36.4%	36.0%	36.9%	36.7%	36.7%
2018 [4]	36.2%	34.4%	37.8%	37.1%	37.2%
2019 [4]	34.2%	32.2%	35.7%	35.0%	35.1%

Notes: [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.

[2] 2012 figure includes a one-time adjustment made by State Compensation Insurance Fund to reallocate liabilities related to pension benefits.

[3] 2013 and 2014 ratios included information submitted by several large national insurers to more appropriately reflect ULAE costs related to deductible policies and third party administrators.

[4] Reflects adjustments based on the Expense Call for ULAE costs related to deductible policies and third-party administrators. 2015 adjusted ratio is based on apportioning adjusted countrywide paid ULAE to California using paid losses. 2016 to 2019 adjusted ratios are based on apportioning adjusted countrywide paid ULAE to California using open indemnity claim counts.

Source: WCIRB expense calls and quarterly calls for experience.

Average Paid ALAE[1] per Reported Indemnity Claim - Private Insurers

As of March 31, 2020

Accident	Evaluated as of (in months):									
Year	3	15	27	39	51	63	75	87	99	111
2000								4,340	4,548	4,786
2001							5,159	5,480	5,819	6,017
2002						5,264	5,668	6,064	6,308	6,493
2003					4,907	5,528	6,043	6,383	6,647	6,869
2004				3,570	4,548	5,212	5,673	6,022	6,283	6,495
2005			2,083	3,279	4,191	4,833	5,307	5,673	5,965	6,175
2006		797	2,176	3,410	4,328	5,022	5,550	5,920	6,211	6,471
2007	71	849	2,340	3,613	4,619	5,393	5,993	6,429	6,768	7,039
2008	85	944	2,494	3,933	5,103	5,975	6,595	7,096	7,468	7,729
2009	150	1,037	2,812	4,448	5,718	6,637	7,358	7,900	8,278	8,553
2010	87	1,111	2,981	4,586	5,816	6,746	7,484	7,978	8,319	8,566
2011	86	1,127	2,942	4,520	5,796	6,818	7,470	7,939	8,265	8,373
2012	85	1,120	3,012	4,721	6,067	6,965	7,585	7,985	8,271	
2013	98	1,202	3,276	4,985	6,201	7,014	7,540	7,898		
2014	140	1,340	3,480	5,147	6,288	7,009	7,498			
2015	102	1,424	3,577	5,185	6,234	6,903				
2016	108	1,443	3,640	5,215	6,220					
2017	121	1,524	3,737	5,231						
2018	142	1,629	3,856							
2019	149	1,639								
2020	138									

Accident	Annual Change									
Year	3	15	27	39	51	63	75	87	99	111
2001								26.3%	27.9%	25.7%
2002							9.9%	10.7%	8.4%	7.9%
2003						5.0%	6.6%	5.2%	5.4%	5.8%
2004					-7.3%	-5.7%	-6.1%	-5.6%	-5.5%	-5.5%
2005				-8.1%	-7.8%	-7.3%	-6.5%	-5.8%	-5.0%	-4.9%
2006			4.4%	4.0%	3.3%	3.9%	4.6%	4.4%	4.1%	4.8%
2007		6.5%	7.5%	5.9%	6.7%	7.4%	8.0%	8.6%	9.0%	8.8%
2008	20.3%	11.3%	6.6%	8.9%	10.5%	10.8%	10.0%	10.4%	10.3%	9.8%
2009	76.5%	9.8%	12.8%	13.1%	12.0%	11.1%	11.6%	11.3%	10.8%	10.7%
2010	-41.7%	7.1%	6.0%	3.1%	1.7%	1.6%	1.7%	1.0%	0.5%	0.2%
2011	-1.4%	1.4%	-1.3%	-1.4%	-0.3%	1.1%	-0.2%	-0.5%	-0.6%	-2.3%
2012	-1.2%	-0.5%	2.4%	4.4%	4.7%	2.1%	1.5%	0.6%	0.1%	
2013	15.4%	7.3%	8.8%	5.6%	2.2%	0.7%	-0.6%	-1.1%		
2014	42.0%	11.5%	6.2%	3.3%	1.4%	-0.1%	-0.6%			
2015	-26.9%	6.3%	2.8%	0.7%	-0.9%	-1.5%				
2016	6.2%	1.3%	1.8%	0.6%	-0.2%					
2017	11.8%	5.6%	2.7%	0.3%						
2018	17.2%	6.9%	3.2%							
2019	5.0%	0.6%								
2020	-7.7%									

Annual Trend[2]										
All-Year	4.3%	5.6%	4.9%	4.0%	3.2%	3.1%	3.3%	4.0%	4.3%	4.3%
R^3	0.421	0.975	0.961	0.915	0.796	0.779	0.817	0.815	0.814	0.805
5-Year	7.1%	4.1%	2.5%	1.1%	0.6%	0.3%	0.1%	0.0%	2.0%	4.6%
R^4	0.694	0.938	0.992	0.837	0.427	0.171	0.110	0.000	0.477	0.705

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

[2] Trend is based on exponential distribution.

Source: WCIRB a WCIRB accident year experience calls.

Exhibit E6

Ratio of Paid ALAE to Paid Loss - Private Insurers

As of March 31, 2020

Accident	Evaluated as of (in months):									
Year	3	15	27	39	51	63	75	87	99	111
2000								0.107	0.107	0.109
2001							0.118	0.119	0.121	0.122
2002						0.132	0.134	0.137	0.137	0.138
2003					0.136	0.141	0.144	0.146	0.147	0.148
2004				0.139	0.150	0.155	0.158	0.159	0.160	0.160
2005			0.113	0.133	0.144	0.149	0.152	0.154	0.155	0.154
2006		0.076	0.112	0.129	0.138	0.143	0.146	0.148	0.148	0.150
2007	0.032	0.077	0.112	0.127	0.135	0.142	0.145	0.146	0.148	0.148
2008	0.037	0.078	0.110	0.126	0.136	0.141	0.143	0.146	0.147	0.148
2009	0.059	0.084	0.122	0.138	0.146	0.150	0.153	0.155	0.157	0.158
2010	0.033	0.092	0.130	0.143	0.148	0.152	0.156	0.158	0.159	0.160
2011	0.033	0.099	0.133	0.146	0.154	0.162	0.165	0.167	0.168	0.166
2012	0.034	0.098	0.138	0.155	0.166	0.170	0.173	0.174	0.172	
2013	0.041	0.109	0.154	0.168	0.174	0.179	0.181	0.183		
2014	0.058	0.121	0.163	0.172	0.177	0.180	0.189			
2015	0.039	0.128	0.163	0.171	0.175	0.178				
2016	0.046	0.124	0.165	0.174	0.178					
2017	0.046	0.128	0.166	0.173						
2018	0.050	0.130	0.166							
2019	0.050	0.132								
2020	0.048									

Accident	Annual Change									
Year	3	15	27	39	51	63	75	87	99	111
2001								11.6%	13.2%	12.4%
2002							13.7%	14.7%	13.2%	13.4%
2003						7.2%	7.7%	6.9%	7.3%	7.1%
2004					10.1%	10.1%	9.3%	9.2%	8.5%	7.9%
2005				-4.0%	-4.1%	-3.8%	-3.3%	-3.2%	-3.0%	-3.5%
2006			-1.2%	-3.5%	-4.2%	-4.3%	-4.2%	-4.0%	-4.2%	-2.8%
2007		1.8%	0.1%	-1.7%	-1.8%	-0.8%	-0.7%	-1.2%	-0.6%	-1.1%
2008	16.2%	0.5%	-1.5%	-0.4%	0.5%	-0.2%	-1.1%	-0.4%	-0.3%	-0.1%
2009	58.8%	8.7%	10.4%	9.6%	7.8%	6.0%	6.6%	6.5%	6.4%	6.2%
2010	-43.4%	9.0%	7.2%	3.2%	1.0%	1.7%	2.3%	1.8%	1.7%	1.6%
2011	-0.8%	7.1%	2.1%	2.4%	4.4%	6.2%	5.2%	5.6%	5.2%	3.6%
2012	4.0%	-0.5%	3.6%	6.1%	7.6%	5.3%	5.3%	4.6%	2.8%	
2013	20.1%	10.8%	11.5%	8.5%	4.9%	4.9%	4.5%	4.8%		
2014	40.2%	11.4%	6.3%	2.3%	1.4%	0.5%	4.4%			
2015	-32.6%	5.8%	-0.2%	-0.5%	-1.0%	-1.1%				
2016	17.6%	-2.8%	1.0%	1.6%	1.9%					
2017	0.9%	2.6%	0.8%	-0.4%						
2018	8.2%	2.2%	0.1%							
2019	-0.6%	1.2%								
2020	-3.4%									

Note: All paid ALAE exclude the paid cost of medical cost containment programs. Accident years 2010 and prior paid loss include the paid cost of medical cost containment programs.

Source: WCIRB a WCIRB accident year experience calls.

Percentage of Represented Permanent Disability Claims by Region and Loss Type

First and Second Survey Level, Open Claims Only

First Survey Level

% of Represented	Northern California	Southern California	CT Claims	Non-CT Claims
AY 2011	66.1%	80.9%	77.6%	76.3%
AY 2012	67.2%	82.4%	89.8%	76.0%
AY 2013	68.7%	84.2%	90.1%	77.9%
AY 2014	67.8%	83.1%	92.3%	76.2%
AY 2015	66.5%	81.4%	89.1%	74.9%
AY 2016	65.0%	79.6%	89.2%	73.0%
AY 2017	*61.2%*	*75.0%*	90.9%	67.8%

Second Survey Level

% of Represented	Northern California	Southern California	CT Claims	Non-CT Claims
AY 2011	69.1%	84.7%	79.6%	80.1%
AY 2012	71.4%	87.4%	92.5%	81.0%
AY 2013	71.7%	87.8%	91.7%	81.4%
AY 2014	69.3%	84.9%	92.6%	78.0%
AY 2015	67.9%	83.2%	93.3%	76.0%
AY 2016	*68.2%*	*83.6%*	92.1%	76.7%

Note: Claims are assigned to Northern and Southern California regions based on the WCAB office code reported on the Permanent Disability Claim Survey forms. If the WCAB office code was not reported, the zip code of the claimant's residence was used.

Source: WCIRB Permanent Disability Claim Survey for each accident year (AY)
Data is recast from survey proportions to true proportions.
Data in italics is preliminary

Exhibit E8

Distribution of Total ALAE & MCCP Components - Private Insurers

Calendar Year	MCCP	Defense Expense	Other Paid ALAE	Paid ALAE
2005	20.2%	54.9%	24.9%	100.0%
2006	22.6%	44.3%	33.1%	100.0%
2007	24.2%	49.0%	26.8%	100.0%
2008	31.8%	43.0%	25.2%	100.0%
2009	27.8%	45.4%	26.8%	100.0%
2010	27.7%	45.4%	26.9%	100.0%
2011	27.3%	46.1%	26.6%	100.0%
2012	27.7%	46.3%	26.0%	100.0%
2013	28.0%	47.1%	24.9%	100.0%
2014	28.2%	45.7%	26.2%	100.0%
2015	28.3%	42.5%	29.2%	100.0%
2016	26.7%	43.6%	29.7%	100.0%
2017	25.6%	45.9%	28.5%	100.0%
2018	25.6%	44.3%	30.1%	100.0%
2019	25.7%	46.4%	28.0%	100.0%

Source: WCIRB expense calls, aggregate indemnity and medical cost calls and quarterly calls for experience

Exhibit E9

Applicant Attorney Expense Paid - Private Insurers

Calendar Year	Applicant Attorney Amounts paid (in $milllions)	Incurred Losses (in $milllions)	Applicant Attorney Expenses Paid as a Percent of Incurred Losses
2003	192	10,423	1.8%
2004	249	9,073	2.7%
2005	228	7,559	3.0%
2006	209	5,540	3.8%
2007	196	5,444	3.6%
2008	177	5,711	3.1%
2009	221	5,700	3.9%
2010	253	6,260	4.0%
2011	280	7,500	3.7%
2012	340	8,533	4.0%
2013	353	9,501	3.7%
2014	329	9,607	3.4%
2015	326	9,383	3.5%
2016	354	9,617	3.7%
2017	350	8,970	3.9%
2018	330	6,732	4.9%
2019	373	7,294	5.1%

Source: WCIRB expense calls and quarterly calls for experience

Exhibit E10

Median Expense Costs per Open Represented PD Claim
Private Insurers Only

First Survey Level

	Type of Expense		
	ALAE		
Northern California	Defense Expense	Remaining ALAE	Applicant Attorney Expense
AY 2012	4,512	2,672	2,330
AY 2013	4,728	2,620	3,120
AY 2014	4,810	2,174	3,653
AY 2015	4,935	1,513	4,819
AY 2016	5,418	1,660	5,406
AY 2017	4,703	1,224	4,783
Southern California			
AY 2012	5,734	2,805	3,245
AY 2013	5,618	2,752	2,803
AY 2014	5,433	2,318	3,614
AY 2015	4,745	1,236	4,683
AY 2016	5,021	1,395	5,335
AY 2017	3,838	1,261	4,143

Second Survey Level

	Type of Expense		
	ALAE		
Northern California	Defense Expense	Remaining ALAE	Applicant Attorney Expense
AY 2011	6,546	3,022	4,265
AY 2012	5,771	3,440	4,018
AY 2013	5,911	3,100	4,476
AY 2014	6,102	1,835	6,120
AY 2015	5,182	1,507	5,265
AY 2016	4,570	949	6,073
Southern California			
AY 2011	7,013	3,101	4,869
AY 2012	7,177	3,200	4,563
AY 2013	6,939	3,048	4,563
AY 2014	6,633	2,165	5,968
AY 2015	4,732	1,364	5,412
AY 2016	5,674	1,194	5,918

Note: Claims are assigned to Northern and Southern California regions based on the WCAB office code reported on the Permanent Disability Claim Survey forms. If the WCAB office code was not reported, the zip code of the claimant's residence was used.

Source: WCIRB Permanent Disability Claim Survey
Data is recast from survey proportions to true proportions. Excludes $0 paid amounts.

Exhibit E13

Changes in the Number and Cost of Medical-Legal Reports by Service Year

Service Year	Number of Med-Legal Reports by Service Year							
	Southern	Central	Northern	All	Southern	Central	Northern	All
2013	56,933	15,782	27,450	100,165	---	---	---	---
2014	63,209	17,103	27,757	108,069	11.0%	8.4%	1.1%	7.9%
2015	64,827	16,969	27,657	109,453	2.6%	-0.8%	-0.4%	1.3%
2016	70,313	20,881	28,290	119,484	8.5%	23.1%	2.3%	9.2%
2017	67,054	20,345	27,657	115,056	-4.6%	-2.6%	-2.2%	-3.7%
2018	64,827	21,006	27,575	113,408	-3.3%	3.2%	-0.3%	-1.4%
2019	67,335	20,301	26,301	113,937	3.9%	-3.4%	-4.6%	0.5%

Service Year	Number of Med-Legal Reports per Claim[1] by Service Year							
	Southern	Central	Northern	All	Southern	Central	Northern	All
2013	0.21	0.21	0.25	0.22	---	---	---	---
2014	0.22	0.23	0.25	0.23	6.5%	7.5%	0.3%	4.9%
2015	0.22	0.24	0.25	0.23	-2.7%	7.6%	0.4%	-0.5%
2016	0.23	0.28	0.25	0.24	8.3%	13.7%	-0.2%	7.2%
2017	0.23	0.26	0.24	0.24	-2.7%	-6.3%	-5.6%	-3.9%
2018	0.22	0.27	0.24	0.23	-2.2%	3.7%	0.1%	-0.6%
2019	0.23	0.26	0.22	0.24	4.0%	-3.2%	-4.5%	0.6%

Service Year	Med-Legal Payment per report by Service Year on All Claims[2]							
	Southern	Central	Northern	All	Southern	Central	Northern	All
2013	$1,689	$1,064	$1,305	$1,485	---	---	---	---
2014	$1,859	$1,222	$1,382	$1,636	10.1%	14.8%	6.0%	10.1%
2015	$1,821	$1,285	$1,368	$1,624	-2.0%	5.1%	-1.1%	-0.8%
2016	$1,878	$1,244	$1,354	$1,643	3.1%	-3.2%	-1.0%	1.2%
2017	$1,692	$1,029	$1,242	$1,467	-9.9%	-17.3%	-8.3%	-10.7%
2018	$1,631	$1,028	$1,236	$1,423	-3.6%	-0.2%	-0.5%	-3.0%
2019	$1,618	$1,124	$1,260	$1,447	-0.8%	9.4%	1.9%	1.7%

[1] Includes claims with any medical transaction for the service year.

[2] Includes services on all claims on the 10 most recent accident years for the service year and where payment for the service was made within the same service year.

Source: WCIRB medical data call (MDC).

Average Paid MCCP per Reported Indemnity Claim - Statewide

As of March 31, 2020

Accident Year	Evaluated as of (in months): 3	15	27	39	51	63	75	87
2012	197	891	1,506	1,819	1,984	2,127	2,228	2,323
2013	187	841	1,363	1,659	1,861	1,990	2,090	2,145
2014	169	784	1,312	1,639	1,828	1,954	2,032	
2015	178	777	1,308	1,596	1,783	1,888		
2016	156	766	1,237	1,507	1,666			
2017	169	748	1,227	1,503				
2018	174	808	1,277					
2019	191	767						
2020	170							

Accident Year	Annual Change 3	15	27	39	51	63	75	87
2013	-4.9%	-5.7%	-9.5%	-8.8%	-6.2%	-6.5%	-6.2%	-7.7%
2014	-9.5%	-6.8%	-3.7%	-1.2%	-1.8%	-1.8%	-2.8%	
2015	4.9%	-0.8%	-0.3%	-2.6%	-2.5%	-3.4%		
2016	-12.0%	-1.5%	-5.4%	-5.6%	-6.6%			
2017	8.3%	-2.3%	-0.8%	-0.3%				
2018	3.0%	8.0%	4.1%					
2019	9.3%	-5.0%						
2020	-11.0%							

Annual Trend[1]							
All-Year	-0.9%	-1.7%	-2.7%	-3.6%	-3.8%	-3.7%	-4.5%
R^2	0.115	0.499	0.716	0.914	0.950	0.937	0.951

Notes

[1] Trend is based on exponential distribution.

Source: WCIRB accident year experience calls.

Item AC20-08-02
1/1/2021 Filing – Loss Adjustment Expense Experience Review

Staff has developed the preliminary indicated ratio of loss adjustment expense (LAE) to loss for the January 1, 2021 to August 31, 2021 policy period based on calendar year unallocated loss adjustment expense (ULAE) experience through calendar year 2019, accident year allocated loss adjustment expense (ALAE) experience as of March 31, 2020, and projection methodologies consistent with those reflected in the WCIRB's January 1, 2020 Pure Premium Rate Filing. The indicated ULAE and ALAE projections, including projections for the cost of medical cost containment programs (MCCP), are summarized separately below.

The claim frequency projections included in the methodologies to compute the preliminary indicated LAE to loss ratios are based on those reviewed at the April 2, 2020 meeting and are prior to reflecting the impact of COVID-19 and the resulting economic downturn. These projections will be discussed in detail at the meeting (see Items AC20-04-04 and AC20-08-04). The projected loss ratios underlying the projected LAE to loss ratios are also prior to fully reflecting the impact of COVID-19 and resulting economic downturn.

ULAE Projection
Beginning with the WCIRB's 2015 Expense Call, the WCIRB has collected information related to (a) negative "service fee" type adjustments that are sometimes reflected in reported countrywide ULAE, (b) losses on claims on large deductible policies and/or handled by third-party administrators (TPA) for which the associated claims handling costs are not reported in countrywide ULAE amounts, and (c) various countrywide loss and ULAE amounts consistent with what is reported by insurers on the Insurance Expense Exhibit.[1] This information is used to more accurately reflect the cost of handling claims in California primarily for insurers that make use of TPA or make other adjustments to countrywide reported ULAE costs that ultimately are apportioned to California. Beginning with the WCIRB's 2017 Expense Call, the WCIRB has also collected information related to countrywide open indemnity claim counts in order to more accurately estimate California's share of countrywide paid ULAE.[2]

The approach to derive the adjusted calendar year California paid ULAE for ratemaking purposes, as reflected in the January 1, 2020 Pure Premium Rate Filing, involves several steps. First, reported negative "service fee" type adjustments to ULAE were added back into the reported countrywide paid ULAE amount. Second, countrywide paid losses on large deductible policies and/or claims handled by TPA for which the associated claims handling costs were not reported in countrywide ULAE were subtracted from the countrywide paid losses. This adjustment was applied to losses gross or net of deductible amounts depending on whether the insurer reported ULAE costs on a gross or net basis. Third, the adjusted countrywide paid ULAE ratio was derived based on the ratio of adjusted countrywide paid ULAE computed in the first step described above to adjusted countrywide paid losses computed in the second step. Fourth, the adjusted countrywide paid ULAE was derived by multiplying the adjusted countrywide paid ULAE ratio by the reported countrywide paid losses. Finally, the adjusted countrywide paid ULAE was apportioned to California based on California's share of the insurer's countrywide indemnity claim counts open at the end of the previous calendar year.

For a number of insurers, the negative "service fee" type adjustments to ULAE do not apply and the reported countrywide ULAE reflects all claims handling costs on large deductible policies or related to claims handled by TPA. In these instances, the approach described above simplifies to apportioning the reported countrywide ULAE to California based on California's share of the insurer's countrywide open indemnity claim counts. Although staff believes open indemnity claim counts is a reasonable measure to apportion countrywide ULAE to California, some insurers may use a more detailed and accurate method

[1] See Item AC15-03-07 of the June 12, 2015 and August 6, 2015 Actuarial Committee Agendas for more information.
[2] See Item AC17-09-02 of the September 5, 2017 Actuarial Committee Agenda for more information.

to derive the California ULAE. Given that these insurers do not require special adjustments to the reported paid ULAE amounts, the California paid ULAE as reported on the WCIRB's Expense Call was used in deriving the ratios of California paid ULAE to paid losses for these insurers in lieu of the formulaic approach discussed above.

Exhibit 1 shows calendar year paid ALAE and ULAE as ratios to paid losses by type of insurer. Calendar years 2016 through 2019 ULAE have been computed as described above and include an apportionment of countrywide ULAE to California based on open indemnity claim counts. Calendar year 2015 ULAE is adjusted as described above but reflects an apportionment of countrywide ULAE to California based on paid losses. In addition, as discussed at prior meetings and reflected in prior pure premium rate filings, the ULAE for calendar years 2013 and 2014 also reflect partial adjustments for the issues addressed by the changes to the Expense Call for several large national insurers. As a result of these adjustments and enhancements, the ULAE ratios shown on Exhibit 1 for "national" insurers have become increasingly comparable to those for other private insurers since 2013. Also, as discussed at prior meetings, ULAE ratios for State Compensation Insurance Fund (State Fund) are much higher than those of other insurers.

Exhibit 2 shows the average calendar year paid ULAE per open indemnity claim for private insurers. The ULAE severities for calendar years 2016 through 2019 shown on Exhibit 2 were computed based on the approach described above and, as a result, are not comparable to the ULAE severities for prior years, which for 2013 through 2015 only partially reflect the adjustments discussed above and, for prior to 2013, are based solely on the California ULAE reported by insurers. After increasing in 2017 and 2018, adjusted private insurer paid ULAE per open indemnity claim decreased by 8% in 2019.

Exhibits 3.1 through 3.5 show the preliminary projection of ULAE to loss based on the relationship of calendar year paid ULAE to the number of indemnity claims open at the beginning of the calendar year.[3] As in the last several pure premium rate filings, the ULAE projection shown in Exhibit 3.5 is based on statewide claim count and loss projections but using the estimated paid ULAE per open indemnity claim based on the experience of private insurers only. The ULAE projection shown in Exhibit 3.5 is based on the average of ULAE severities from the latest two calendar years. As in the January 1, 2020 Pure Premium Rate Filing, the projected ULAE severity trend was based on the average of the UCLA Anderson Forecast and California Department of Finance projected annual growth rates in California wage levels as reflected in the analysis of projected losses (Item AC20-06-01) and have not fully been adjusted for the pandemic related economic slowdown. As shown in Exhibit 3.5, the projected ratio of ULAE to loss based on this method for January 1, 2021 to August 31, 2021 policies is 14.4%.

Exhibit 4 shows the projection of ULAE to loss based on the relationship of calendar year ULAE paid to calendar year paid losses. The ULAE projection shown in Exhibit 4 is based on statewide loss to premium information and paid ULAE to paid loss ratios based on the experience of private insurers only. As with the ULAE projection shown in Exhibit 3.5, the projected ratio of ULAE to losses shown in Exhibit 4 is based on the average of calendar years 2018 and 2019. The projected ratio of ULAE to loss based on this method for January 1, 2021 to August 31, 2021 policies is 13.3%.

As in the last several pure premium rate filings, the projected ratio of ULAE to losses has been based on the average of the projections resulting from the two methodologies described above based on statewide data and average ULAE costs from private insurers (see Exhibits 3.5 and 4). (The ULAE experience of State Fund has been excluded for reasons that have been discussed at prior Committee meetings and in prior pure premium rate filings and California Department of Insurance decisions.) The preliminary ULAE projection for January 1, 2021 to August 31, 2021 policies based on this approach is 13.9%. For comparison purposes, the projected ULAE to loss ratio reflected in the January 1, 2020 Pure Premium Rate Filing was 14.7%.

Table 1 shows the projected ratio of ULAE to losses based on the January 1, 2020 Pure Premium Rate Filing methodology using statewide data and private insurer average ULAE. Table 1 also shows

[3] The open claim count projections are prior to reflecting the impact of COVID-19 and the resulting economic downturn.

alternative ULAE projections based on (a) the January 1, 2020 Pure Premium Rate Filing methodology but projected based on calendar year 2019 only as shown in Exhibits 5 and 6, (b) the projection of ULAE paid to a weighted number of indemnity claims as shown in Exhibit 7, and (c) projections based on recent calendar year ratios of paid ULAE to paid losses.

Table 1: Projections of ULAE to Loss

ULAE Projection Method	Statewide with Private Insurer Average ULAE
January 1, 2020 Pure Premium Rate Filing Methodology	
Paid ULAE per Open Indemnity Claim Applied to the Latest Two Years	14.4%
Paid ULAE to Paid Losses Applied to the Latest Two Years	13.3%
Average of Open Indemnity Claim-Based and Paid Loss-Based Projections	**13.9%**
Alternative Methodologies	
Paid ULAE per Open Indemnity Claim Applied to the Latest Year Only	13.5%
Paid ULAE to Paid Losses Applied to the Latest Year Only	12.6%
Paid ULAE per Weighted Open Indemnity Claim Applied to the Latest Two Years	13.9%
Latest Two Calendar Year Paid ULAE to Loss Ratios	14.0%
Latest Calendar Year Paid ULAE to Loss Ratio	13.1%

ALAE Projection – Excluding MCCP Costs
For a number of years, the WCIRB has based the ALAE projection on a methodology that projects future ALAE as a function of the anticipated future number of indemnity claims and private insurer average ALAE per indemnity claim. (The ALAE projection excludes MCCP costs, which are discussed separately below.)

Exhibit 8.1 shows private insurer average paid ALAE per reported indemnity claim by accident year. Exhibit 8.2 shows private insurer ratios of paid ALAE to paid losses. Exhibit 9 show private insurer annual ALAE severity growth percentages based on the estimated ultimate ALAE per indemnity claim, while Exhibit 10 shows private insurer annual ALAE growth percentages based on ratios of incremental calendar year paid ALAE per indemnity claims inventory.

Exhibits 11.1 through 11.4 show the preliminary ALAE projection excluding MCCP costs, which is based on statewide claim and loss projections and private insurer average ALAE per indemnity claim.[4] In the January 1, 2020 Pure Premium Rate Filing, the WCIRB reflected an adjustment to the cumulative paid ALAE development factor for accident year 2017 to reflect the impact of an increase in claim settlement rates for accident year 2017. The ALAE projection in this analysis is primarily predicated on paid ALAE from accident years 2018 and 2019 (compared to 2017 and 2018 in the January 1, 2020 Pure Premium Rate Filing). As shown in Exhibit 11.2 of Item AC20-06-01, claim settlement rate changes for accident years 2018 and 2019 have been modest. As a result, this adjustment based on cumulative paid ALAE development is not reflected in the projected paid ALAE development for accident years 2018 and 2019 shown in Exhibit 11.2. Staff will review the approach to adjust paid ALAE development for shifting claim settlement rates with the Committee at the meeting (see Item AC19-08-04).

[4] The indemnity claim frequency projections are prior to reflecting the impact of COVID-19 and the resulting economic downturn.

The projection shown in Exhibit 11.4 was computed using a 2% ALAE severity trend selected based on the approximate average of the private insurer longer-term (post-2005) and shorter-term (five-year) growth rates of (a) estimated ultimate accident year ALAE per indemnity claim (Exhibit 9) and (b) incremental paid calendar year ALAE per open indemnity claim (Exhibit 10), which is consistent with the methodology used to select the ALAE severity trend in the last several pure premium rate filings.[5] (The projected ALAE severity trend reflected in the January 1, 2020 Premium Rate Filing was 2.5%.) The projected ratio of ALAE to loss based on this method for January 1, 2021 to August 31, 2021 policies, prior to adjustment for reforms, which is shown in line (f) of Exhibit 11.4, is 17.8%.

Effective in 2017, Senate Bill No. 1160 (SB 1160) and Assembly Bill No. 1244 (AB 1244) included several provisions related to lien filings. As discussed at prior meetings and in prior pure premium rate filings, liens incur significant LAE costs in addition to the settlement costs paid to the lien claimant. In the January 1, 2020 Pure Premium Rate Filing, the WCIRB estimated that SB 1160 and AB 1244 would reduce lien filings by 60%, resulting in a 9.6% overall decrease in ALAE. Liens are typically not filed and paid on claims until much later. As a result, while some of the impact of the reforms is already reflected in the emerging paid ALAE for accident years 2017 and later and in the ALAE development factors, a significant portion is not yet reflected. To reflect the full impact of these reforms, consistent with the January 1, 2020 Pure Premium Rate Filing, staff recommends including a separate adjustment to the projected ALAE ratio. This adjustment, which is shown in line (g) of Exhibit 11.4, is based on the full impact of a 9.6% reduction in ALAE costs judgmentally tempered by 50% based on the estimated average percentage of 167-month ALAE costs paid as of March 31, 2020 for accident years 2017 and 2018.[6]

As shown in Exhibit 11.4, the preliminary projected ratio of ALAE (excluding MCCP) to loss based on statewide data and private insurer average ALAE costs and after reflecting the impact of SB 1160 and AB 1244 is 17.0%. For comparison purposes, the projected ALAE excluding MCCP costs to loss ratio reflected in the January 1, 2020 Pure Premium Rate Filing was 17.2%.

For informational purposes, the WCIRB has computed additional ALAE projections (excluding MCCP) based on a number of alternative methodologies with underlying assumptions that differ from those reflected in the January 1, 2020 Pure Premium Rate Filing ALAE projection methodology. Specifically, ALAE projections based on the following methodologies and using statewide data with private insurer ALAE have been included:

1. Projected Ultimate ALAE per Indemnity Claim and Future Number of Indemnity Claims – Projection Based on the Latest Year – Exhibit 12

2. Latest Year Paid ALAE Ratio Development Compared to Losses – Projection Based on the Average of the Latest Two Years – Exhibit 13

3. Latest Year Paid ALAE to Paid Indemnity Development Compared to Losses – Projection Based on the Average of the Latest Two Years – Exhibits 14.1 and 14.2

The ALAE projections for January 1, 2021 to August 31, 2021 policies derived based on the approach used in the January 1, 2020 Pure Premium Rate Filing and each of the alternative ALAE projection methodologies are shown in Table 2.[7]

[5] The projected ALAE severity trend reflected in the January 1, 2020 Premium Rate Filing was 2.5%.
[6] This approach resulted in a 25% tempering in the January 1, 2020 Pure Premium Rate Filing based on March 31, 2019 ALAE experience and a 40% tempering in the April 2, 2020 Actuarial Committee Agenda based on December 31, 2019 ALAE experience.
[7] All projections shown in Table 2 also reflect the impact of SB 1160 and AB 1244 on ALAE costs.

Table 2: Projections of ALAE (Excluding MCCP) to Loss

ALAE Projection Method	Statewide with Private Insurer Average ALAE
January 1, 2020 Pure Premium Rate Filing Methodology	
Projected Ultimate ALAE per Indemnity Claim – Trend Applied to the Latest Two Years	**17.0%**
Alternative Methodologies	
Projected Ultimate ALAE per Indemnity Claim – Trend Applied to the Latest Year	17.0%
Latest Year Paid ALAE Ratio Development Compared to Losses – Projection Based on Latest Two Years	17.1%
Latest Year Paid ALAE to Paid Indemnity Development Compared to Losses – Projection Based on Latest Two Years	16.3%

ALAE Projection – MCCP Costs
As in the last several pure premium rate filings, the projection of MCCP costs is based on a methodology analogous to that used for ALAE excluding MCCP costs and using statewide claim and MCCP cost data.

Exhibit 15 shows statewide average paid MCCP per reported indemnity claim by accident year. Exhibit 16 shows statewide annual MCCP severity growth percentages based on estimated accident year ultimate MCCP costs per indemnity claim. Exhibit 17 shows statewide annual MCCP severity growth percentages based on ratios of calendar year paid MCCP costs per indemnity claims inventory.

Exhibits 18.1 and 18.2 show the preliminary projection of MCCP costs based on statewide data. Projected MCCP development through 99 months is based on the latest year paid MCCP age-to-age factor, while projected MCCP development after 99 months is based on the selected paid medical 99-to-ultimate development factor.[8] Exhibit 18.2 shows the projected ratio of MCCP to loss based on applying separate frequency and severity trends to the latest two years' projected ultimate indemnity claim counts and ultimate MCCP per indemnity claim, which is consistent with the methodology reflected in the last several pure premium rate filings.[9] A 0% MCCP severity trend was selected based on the approximate average rates of growth in (a) estimated ultimate accident year MCCP costs per indemnity claim from 2012 through 2019 (Exhibit 16) and (b) statewide calendar year MCCP per indemnity claims inventory from 2009 through 2019 (Exhibit 17). (The projected MCCP severity trend reflected in the January 1, 2020 Premium Rate Filing based on this approach was also 0%.) The preliminary projected ratio of MCCP to loss based on this methodology is 4.3%. For comparison purposes, the projected MCCP to loss ratio reflected in the January 1, 2020 Pure Premium Rate Filing was 4.5%.

For informational purposes, the WCIRB has computed additional MCCP cost projections based on a number of alternative methodologies with underlying assumptions that differ from those reflected in the January 1, 2020 Pure Premium Rate Filing MCCP projection methodology. Specifically, MCCP cost projections based on the following methodologies have been included:

1. Projected Ultimate MCCP per Indemnity Claim and Future Number of Indemnity Claims – Projection Based on the Latest Year – Exhibit 19

2. Projected Ultimate MCCP per Indemnity Claim and Future Number of Indemnity Claims – Trend Based on Accident Year Ultimate MCCP per Indemnity Claim Applied to the Latest Two Years – Exhibit 20

[8] See Exhibit 2.6.1 of Item AC20-06-01 of this Agenda.
[9] The indemnity claim frequency projections are prior to reflecting the impact of COVID-19 and the resulting economic downturn.

3. Projected Ultimate MCCP per Indemnity Claim and Future Number of Indemnity Claims – Trend Based on Calendar Year Paid MCCP per Open Indemnity Claim Applied to the Latest Two Years – Exhibit 21

The MCCP cost projections for January 1, 2021 to August 31, 2021 policies derived based on the approach used in the January 1, 2020 Pure Premium Rate Filing and each of the alternative MCCP projection methodologies are shown in Table 3.

Table 3: Projections of MCCP to Loss

MCCP Projection Method	Statewide MCCP Ratio
January 1, 2020 Pure Premium Rate Filing Methodology	
Projected Ultimate MCCP per Indemnity Claim – Trend Applied to the Latest Two Years	**4.3%**
Alternative Methodologies	
Projected Ultimate MCCP per Indemnity Claim – Trend Applied to the Latest Year	4.2%
Projected Ultimate MCCP per Indemnity Claim – Trend Based on AY Ultimate MCCP per Indemnity Claim and Applied to the Latest Two Years	4.0%
Projected Ultimate MCCP per Indemnity Claim – Trend Based on CY Paid MCCP per Open Indemnity Claim and Applied to the Latest Two Years	4.4%

The total preliminary ratio of LAE to losses for January 1, 2021 to August 31, 2021 policies based on data evaluated as of March 31, 2020 and the projection methodologies described above is 35.2%. For comparison purposes, the projected total LAE to loss ratio reflected in the January 1, 2020 Pure Premium Rate Filing was 36.4%.

Summary of Paid LAE Ratios by Insurer Type

Paid ALAE to Paid Loss Ratios[1]

CY	State Fund	CA Private Insurers	National	Statewide	Private Insurers
2007	5.4%	13.3%	15.4%	12.3%	15.2%
2008	5.6%	11.5%	13.3%	11.1%	13.1%
2009	6.2%	15.7%	14.8%	12.8%	14.9%
2010	5.9%	14.1%	15.5%	13.3%	15.3%
2011	5.9%	15.9%	17.3%	14.9%	17.2%
2012	6.3%	15.2%	19.1%	16.2%	18.6%
2013	5.9%	15.4%	20.0%	17.0%	19.5%
2014	8.4%	17.8%	21.3%	19.0%	20.8%
2015	10.1%	18.0%	22.6%	20.5%	22.0%
2016	11.0%	17.9%	22.4%	20.4%	21.6%
2017	10.8%	19.8%	22.7%	20.9%	22.3%
2018	11.4%	19.5%	23.0%	21.0%	22.4%
2019	12.9%	17.8%	22.8%	20.9%	22.0%

Paid ULAE to Paid Loss Ratios

CY	State Fund	CA Private Insurers	National	Statewide	Private Insurers
2010	27.9%	17.3%	6.4%	12.3%	7.9%
2011	28.9%	15.9%	6.5%	11.9%	7.7%
2012	45.0% [2]	15.0%	6.4%	14.8% [2]	7.5%
2013 [3]	21.8%	16.3%	8.5%	11.7%	9.4%
2014 [3]	28.8%	14.7%	7.7%	11.6%	8.6%
2015 [4]	35.1%	14.8%	10.2%	13.9%	10.9%
2016 [4]	37.6%	14.2%	12.8%	15.9%	13.0%
2017 [4]	25.6%	16.1%	14.1%	15.8%	14.4%
2018 [4]	24.8%	14.9%	14.8%	16.1%	14.8%
2019 [4]	21.3%	14.4%	12.8%	14.1%	13.1%

Paid LAE to Paid Loss Ratios

CY	State Fund	CA Private Insurers	National	Statewide	Private Insurers
2010	33.8%	31.4%	22.0%	25.6%	23.3%
2011	34.8%	31.8%	23.8%	26.8%	24.8%
2012	51.3% [2]	30.3%	25.5%	31.0% [2]	26.1%
2013 [3]	27.7%	31.7%	28.5%	28.6%	28.9%
2014 [3]	37.2%	32.5%	29.0%	30.6%	29.4%
2015 [4]	45.2%	32.8%	32.8%	34.4%	32.8%
2016 [4]	48.6%	32.1%	35.2%	36.3%	34.7%
2017 [4]	36.4%	36.0%	36.9%	36.7%	36.7%
2018 [4]	36.2%	34.4%	37.8%	37.1%	37.2%
2019 [4]	34.2%	32.2%	35.7%	35.0%	35.1%

Notes: [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.
[2] 2012 figure includes a one-time adjustment made by State Compensation Insurance Fund to reallocate liabilities related to pension benefits.
[3] 2013 and 2014 ratios included information submitted by several large national insurers to more appropriately reflect ULAE costs related to deductible policies and third party administrators.
[4] Reflects adjustments based on the Expense Call for ULAE costs related to deductible policies and third-party administrators. 2015 adjusted ratio is based on apportioning adjusted countrywide paid ULAE to California using paid losses. 2016 to 2019 adjusted ratios are based on apportioning adjusted countrywide paid ULAE to California using open indemnity claim counts.

Source: WCIRB expense calls and quarterly calls for experience.

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Calendar Year ULAE Paid per Open Indemnity Claim - Private Insurers

Calendar Year		ULAE Paid (in Millions) (a)	Number of Open Indemnity Claims at Beginning of the Year (b)	Number of Indemnity Claims Reported During Year (c)	ULAE Paid per Open Indemnity Claim (d)	Annual Change (e)
2010		432	257,439	107,734	1,676	---
2011		450	267,152	116,356	1,684	0.5%
2012		474	279,015	122,080	1,698	0.8%
2013	(f)	644	294,011	131,749	2,192	---
2014	(f)	598	307,227	133,061	1,947	-11.2%
2015	(g)	774	311,158	140,302	2,486	---
2016	(g)	948	314,808	139,941	3,010	---
2017	(g)	1,045	311,196	145,909	3,359	11.6%
2018	(g)	1,072	304,634	146,120	3,520	4.8%
2019	(g)	947	293,377	149,363	3,229	-8.3%

PRELIMINARY

Notes:

(a) Calendar year ULAE paid is based on WCIRB expense calls. All figures in each calendar year contain information from the same combination of private insurers that submitted both the ULAE and claim count data for that calendar year. Therefore, each calendar year may contain a different mix of private insurers.

(b), (c) Based on WCIRB accident year experience calls. Column (c) is for information only.

(d) (a)/(b) x 1,000,000.

(f) 2013 and 2014 paid ULAE included information submitted by several large national insurers to more appropriately reflect ULAE costs related to deductible policies and third party administrators.

(g) Reflects adjustments for ULAE costs related to deductible policies and third-party administrators based on the Expense Call. 2015 paid ULAE is based on apportioning adjusted countrywide paid ULAE to California using paid losses. 2016 to 2019 paid ULAE are based on apportioning adjusted countrywide paid ULAE to California using open indemnity claim counts.

Source: WCIRB expense calls and quarterly calls for experience.

Reported Indemnity Claim Count Development - Statewide

Accident	Age-to-Age Development (in months):														
Year	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192
1992															1.001
1993														1.001	1.000
1994													1.001	1.000	1.000
1995												1.001	1.000	1.004	1.001
1996											1.001	1.001	1.001	1.000	1.000
1997										1.001	1.000	1.000	1.000	1.000	1.000
1998									1.001	1.000	1.000	1.000	1.001	1.000	1.000
1999								1.001	1.002	1.000	1.000	1.000	1.000	1.000	1.001
2000							1.000	0.998	1.000	1.000	1.000	1.001	1.000	1.000	1.000
2001						0.999	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002					0.999	1.007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003				0.999	1.008	0.998	0.999	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000
2004			1.001	1.000	0.999	1.000	0.999	0.999	0.999	1.000	1.000	1.000	1.000	1.000	1.000
2005		1.007	1.004	1.000	1.001	1.001	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2006	1.115	1.013	1.005	1.002	1.001	1.000	1.005	1.001	1.000	1.000	1.000	1.000	1.000		
2007	1.125	1.015	1.006	1.004	1.002	1.000	1.001	1.001	1.000	1.000	1.000	1.000			
2008	1.153	1.023	1.011	1.005	1.003	1.001	1.001	1.001	1.000	1.000	1.000				
2009	1.194	1.029	1.011	1.006	1.003	1.002	1.001	1.000	1.000	1.000					
2010	1.220	1.030	1.011	1.006	1.004	1.002	1.001	1.000	1.000						
2011	1.230	1.033	1.014	1.007	1.002	1.001	1.001	1.001							
2012	1.241	1.035	1.013	1.005	1.003	1.001	1.001								
2013	1.240	1.031	1.010	1.004	1.002	1.002									
2014	1.239	1.027	1.010	1.004	1.002										
2015	1.236	1.027	1.006	1.003											
2016	1.244	1.029	1.007												
2017	1.220	1.023													
2018	1.226														
I. Age-to-Age (Latest Year)															
	1.226	1.023	1.007	1.003	1.002	1.002	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
II. Age-to-Ultimate															
	1.277	1.042	1.018	1.011	1.008	1.006	1.004	1.004	1.003	1.003	1.002	1.002	1.002	1.002	1.002
III. Estimated Percent of Ultimate Indemnity Claims Reported															
	78.3%	96.0%	98.2%	98.9%	99.2%	99.4%	99.6%	99.6%	99.7%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%

Accident	Age-to-Age Development (in months):														
Year	192-204	204-216	216-228	228-240	240-252	252-264	264-276	276-288	288-300	300-312	312-324	324-336	336-348	348-360	360-372
1989			1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1990		1.001	0.999	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
1991	1.001	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
1992	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
1993	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
1994	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000					
1995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000						
1996	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000							
1997	1.000	1.000	1.000	1.000	1.000	1.000	1.000								
1998	1.000	1.000	1.000	1.000	1.000	1.000									
1999	1.000	1.000	1.000	1.000	1.000										
2000	1.000	1.000	1.000	1.000											
2001	1.000	1.000	1.000												
2002	1.000	1.000													
2003	1.000														
I. Age-to-Age (Latest Year)															
	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
II. Age-to-Ultimate															
	1.002	1.002	1.002	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000
III. Estimated Percent of Ultimate Indemnity Claims Reported															
	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.9%	99.9%	99.9%	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%

Source: WCIRB quarterly calls for experience.

PRELIMINARY

Ultimate Indemnity Claim Settlement Ratios - Statewide

Accident	Evaluated as of (in months):															
Year	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192
1992																96.8%
1993															96.7%	97.0%
1994														96.8%	96.7%	98.3%
1995													95.7%	95.1%	97.7%	98.0%
1996												94.9%	93.9%	97.3%	97.6%	97.8%
1997											95.1%	95.1%	96.9%	97.2%	97.5%	97.0%
1998										94.8%	94.2%	96.5%	96.9%	97.4%	97.4%	97.7%
1999									93.5%	92.8%	96.1%	96.7%	97.2%	97.4%	97.8%	97.8%
2000								91.0%	92.1%	95.4%	96.3%	97.0%	97.5%	98.0%	97.5%	97.4%
2001							86.5%	90.8%	93.7%	95.0%	96.0%	96.8%	97.6%	96.9%	96.8%	97.2%
2002						81.9%	88.6%	91.6%	93.2%	94.5%	95.5%	96.5%	96.6%	96.7%	97.2%	97.5%
2003					75.9%	85.2%	89.1%	91.3%	93.0%	94.2%	95.5%	96.0%	96.2%	96.9%	97.3%	97.7%
2004				68.9%	80.3%	85.7%	88.7%	90.9%	92.6%	94.4%	95.3%	95.9%	96.6%	97.1%	97.6%	98.0%
2005			58.7%	73.7%	81.3%	85.6%	88.6%	90.9%	93.2%	94.5%	95.5%	96.2%	96.9%	97.4%	97.9%	
2006		45.5%	62.9%	74.1%	80.9%	85.2%	88.3%	91.3%	93.1%	94.3%	95.4%	96.3%	96.9%	97.5%		
2007	21.8%	47.7%	62.8%	73.1%	80.1%	84.7%	88.9%	91.5%	93.1%	94.6%	95.7%	96.5%	97.3%			
2008	22.7%	46.4%	61.1%	72.1%	79.4%	85.6%	89.4%	91.7%	93.4%	94.8%	95.9%	96.8%				
2009	21.6%	44.8%	60.0%	71.1%	80.0%	85.7%	89.5%	91.5%	93.5%	94.9%	96.2%					
2010	21.5%	45.8%	60.5%	73.0%	81.5%	86.7%	89.7%	92.5%	94.2%	95.8%						
2011	21.8%	45.5%	61.7%	74.1%	82.0%	86.4%	90.5%	92.9%	95.0%							
2012	21.6%	46.4%	63.2%	75.1%	82.1%	87.8%	91.3%	94.1%								
2013	21.0%	46.7%	63.4%	75.5%	84.0%	88.9%	92.8%									
2014	20.8%	46.9%	64.4%	77.2%	85.3%	90.3%										
2015	20.8%	48.4%	67.1%	79.7%	87.1%											
2016	21.7%	51.0%	69.7%	81.6%												
2017	23.9%	53.9%	71.9%													
2018	24.4%	54.1%														
2019	24.4%															

Accident	Evaluated as of (in months):														
Year	204	216	228	240	252	264	276	288	300	312	324	336	348	360	372
1989			98.1%	98.4%	99.3%	99.3%	99.4%	99.4%	99.5%	99.5%	99.4%	99.5%	99.6%	99.6%	99.7%
1990		97.6%	97.9%	98.9%	98.9%	99.0%	99.0%	99.1%	99.2%	99.2%	99.3%	99.3%	99.4%	99.5%	
1991	96.9%	97.0%	98.7%	98.6%	98.7%	98.8%	98.9%	98.9%	99.0%	99.1%	99.2%	99.2%	99.3%		
1992	96.9%	98.6%	98.6%	98.7%	98.8%	98.8%	98.9%	99.0%	99.1%	99.1%	99.2%	99.2%			
1993	98.5%	98.5%	98.6%	98.7%	98.7%	98.8%	98.9%	98.9%	99.0%	99.1%	99.1%				
1994	98.4%	98.5%	98.4%	98.5%	98.6%	98.5%	98.6%	98.7%	98.8%	98.9%					
1995	98.2%	97.8%	97.9%	98.0%	98.0%	98.1%	98.2%	98.3%	98.4%						
1996	97.2%	97.4%	97.5%	97.5%	97.6%	97.7%	97.8%	97.9%							
1997	97.3%	97.5%	97.5%	97.7%	97.8%	98.0%	98.1%								
1998	97.8%	97.7%	97.8%	98.0%	98.2%	98.3%									
1999	97.7%	97.9%	98.2%	98.4%	98.5%										
2000	97.7%	97.9%	98.2%	98.4%											
2001	97.5%	97.8%	98.1%												
2002	97.9%	98.2%													
2003	98.1%														

Source: WCIRB quarterly calls for experience.

PRELIMINARY

Selected Ultimate Indemnity Claim Reporting and Closure Patterns - Statewide
As of December 31, 2019

Selected Indemnity Claim Reporting and Closure Patterns - As of 12/31/2019				Cumulative Indemnity Claim Counts					
Year	Percent Reported	Percent Closed	Percent Open	AY	Open Year	Reported @12/31/19	Open @12/31/19	Estimated Ultimate(d)	Annual Change
	(a)	(b)	(c)	(1)	(2)	(3)	(4)	(5)	(6)
1	78.3%	24.4%	53.9%	1989	31	222,853	779	222,853	
2	96.0%	54.1%	41.9%	1990	30	249,159	1,326	249,184	
3	98.2%	71.9%	26.4%	1991	29	250,051	1,726	250,112	
4	98.9%	81.6%	17.3%	1992	28	198,558	1,498	198,622	
5	99.2%	87.1%	12.1%	1993	27	156,201	1,283	156,269	
6	99.4%	90.3%	9.1%	1994	26	143,801	1,538	143,889	
7	99.6%	92.8%	6.8%	1995	25	135,244	2,004	135,357	
8	99.6%	94.1%	5.5%	1996	24	133,160	2,590	133,308	
9	99.7%	95.0%	4.7%	1997	23	137,418	2,403	137,591	
10	99.8%	95.8%	3.9%	1998	22	147,525	2,266	147,745	
11	99.8%	96.2%	3.5%	1999	21	148,705	1,913	148,957	
12	99.8%	96.8%	3.0%	2000	20	161,993	2,310	162,285	
13	99.8%	97.3%	2.5%	2001	19	185,698	3,231	186,036	
14	99.8%	97.5%	2.3%	2002	18	194,716	3,193	195,075	
15	99.8%	97.9%	1.9%	2003	17	184,252	3,193	184,611	
16	99.8%	98.0%	1.8%	2004	16	158,995	2,886	159,298	
17	99.8%	98.1%	1.7%	2005	15	139,603	2,709	139,865	
18	99.8%	98.2%	1.6%	2006	14	133,337	3,119	133,568	
19	99.8%	98.1%	1.7%	2007	13	130,396	3,321	130,639	
20	99.8%	98.4%	1.4%	2008	12	123,140	3,683	123,395	
21	99.8%	98.5%	1.3%	2009	11	113,927	4,047	114,201	
22	99.9%	98.3%	1.5%	2010	10	118,837	4,686	119,134	
23	99.9%	98.1%	1.7%	2011	9	121,031	5,649	121,393	
24	99.9%	97.9%	1.9%	2012	8	128,134	7,128	128,584	
25	99.9%	98.4%	1.5%	2013	7	136,211	9,236	136,786	
26	99.9%	98.9%	1.1%	2014	6	141,078	12,980	141,897	
27	100.0%	99.1%	0.8%	2015	5	144,851	17,629	146,021	
28	100.0%	99.2%	0.8%	2016	4	147,857	25,855	149,505	
29	100.0%	99.3%	0.7%	2017	3	147,372	39,555	150,053	
30	100.0%	99.5%	0.5%	2018	2	146,958	64,135	153,134	
31	100.0%	99.7%	0.3%	2019	1	122,223	84,093	156,122	
								Projected(e)	
				2020				151,641	-2.9%
				2021				147,744	-2.6%
				2022				144,493	-2.2%
				Total		4,803,284	321,964		

PRELIMINARY

Notes:
(a) See Exhibit 3.1.
(b) See Exhibit 3.2.
(c) (a) - (b).
(d) Estimated based on number of reported indemnity claims as of December 31, 2019 (column (3)) and selected reporting pattern (column (a)).
(e) Estimated based on projected frequency trends for accident years 2020 to 2022. The estimated frequency changes are based on the projected growth in total or overall indemnity claim frequency.

Estimated Number of Open Indemnity Claims - Statewide
Based on Selected Reporting and Closure Patterns - As of December 31, 2019

	Estimated Number of Reported Indemnity Claims(a)			Estimated Number of Open Indemnity Claims(b)			Estimated Number of Indemnity Claims Opened During(c)		
AY	@12/31/20	@12/31/21	@12/31/22	@12/31/20	@12/31/21	@12/31/22	2020	2021	2022
1989	222,853	222,853	222,853	779	779	779	0	0	0
1990	249,184	249,184	249,184	871	871	871	25	0	0
1991	250,087	250,112	250,112	1,331	874	874	36	25	0
1992	198,574	198,603	198,622	1,371	1,057	694	16	29	20
1993	156,218	156,231	156,253	1,178	1,079	832	17	12	23
1994	143,827	143,843	143,854	1,182	1,085	993	26	16	12
1995	135,274	135,298	135,313	1,447	1,111	1,021	30	24	15
1996	133,196	133,226	133,250	1,974	1,425	1,095	36	30	24
1997	137,439	137,476	137,507	2,673	2,037	1,470	21	38	31
1998	147,559	147,582	147,622	2,580	2,871	2,187	34	22	40
1999	148,735	148,770	148,792	2,284	2,601	2,894	30	35	22
2000	162,010	162,043	162,081	2,084	2,489	2,834	17	33	38
2001	185,700	185,720	185,758	2,648	2,389	2,853	2	20	38
2002	194,721	194,724	194,745	3,388	2,776	2,505	5	2	21
2003	184,271	184,276	184,278	3,022	3,207	2,627	19	5	2
2004	158,988	159,004	159,009	2,755	2,607	2,767	-7	16	4
2005	139,599	139,593	139,608	2,534	2,419	2,289	-4	-6	14
2006	133,318	133,315	133,309	2,587	2,420	2,310	-19	-3	-6
2007	130,413	130,394	130,391	3,050	2,530	2,367	17	-19	-3
2008	123,166	123,181	123,164	3,137	2,881	2,390	26	16	-18
2009	113,965	113,989	114,003	3,409	2,903	2,666	38	24	15
2010	118,848	118,888	118,913	4,222	3,556	3,029	11	40	25
2011	121,090	121,102	121,142	4,775	4,302	3,623	59	12	40
2012	128,201	128,263	128,276	5,984	5,057	4,557	67	63	12
2013	136,307	136,378	136,444	7,583	6,365	5,380	96	71	67
2014	141,301	141,400	141,474	9,582	7,866	6,603	223	99	74
2015	145,178	145,408	145,510	13,357	9,860	8,094	327	230	102
2016	148,306	148,642	148,877	18,049	13,676	10,095	449	335	235
2017	148,400	148,851	149,187	25,950	18,116	13,726	1,028	451	336
2018	150,397	151,446	151,906	40,366	26,483	18,488	3,439	1,049	460
2019	149,825	153,332	154,401	65,387	41,153	27,000	27,602	3,506	1,069
Projected									
2020	118,715	145,525	148,931	81,680	63,510	39,972	118,715	26,810	3,406
2021		115,664	141,785		79,580	61,878		115,664	26,121
2022			113,120			77,830			113,120
Total	4,955,667	5,104,315	5,249,673	323,217	321,936	319,594	152,383	148,648	145,358
		(d) Open Claims at Beginning of the Year:					321,964	323,217	321,936
		(e) "Weighted" Open Claims:					626,731	620,512	612,653

Notes:
(a), (b) Estimated based on the projected number of indemnity claims and selected reporting and closure patterns (see Exhibit 3.3).
(c) Based on the difference in the estimated numbers of reported indemnity claims between two consecutive December 31 evaluations.
(d) Based on the number of indemnity claims still open as of the previous year-end. For example, the number of open indemnity claims at the beginning of calendar year 2020 is the total number of indemnity claims from all accident years that were open as of December 31, 2019 (see column (4) total on Exhibit 3.3).
(e) The "weighted" number of open claims is the sum of the number of open claims at the beginning of the year and twice the number of claims opened during the year.

PRELIMINARY

Projected Ratio of ULAE to Loss - Statewide
Based on Estimated Calendar Year ULAE Paid per Open Indemnity Claim for Private Insurers
for Policies with Effective Dates between January 1, 2021 and August 31, 2021

Calendar Year	Number of Open Indemnity Claims at Beginning of the Year	ULAE Paid per Open Indemnity Claim	ULAE Paid ($000)
	(a)	(b)	(c)
2010	360,624	1,676	604,510
2011	360,339	1,684	606,894
2012	360,391	1,698	612,112
2013	365,706	2,192	801,569
2014	366,420	1,947	713,493
2015	367,925	2,486	914,731
2016	370,782	3,010	1,116,097
2017	362,328	3,359	1,217,236
2018	350,417	3,520	1,233,524
2019	333,086	3,229	1,075,655
Projected			
2020	321,964	3,497	1,125,938
2021	323,217	3,589	1,159,984
2022	321,936	3,724	1,198,867

(d)	Projected ULAE Paid ($000):	1,296,556
(e)	Calendar Year 2019 Earned Premium ($000):	16,120,445
(f)	Projected Loss to Industry Average Filed Pure Premium Ratio:	0.571
(g)	Premium Adjustment Factor for Calendar Year 2019:	0.976
(h)	Projected Losses ($000): (e) x (f) x (g)	8,983,859
(i)	Projected Ratio of ULAE to Losses: (d)/(h)	14.4%

Notes:
(a) Calendar years 2010 to 2019 are based on WCIRB accident year experience calls. 2020 to 2022 are from line (d), Exhibit 3.4.
(b) Calendar years 2010 to 2019 are from column (d) of Exhibit 2. Calendar years 2020 to 2022 are projected based on applying the California average annual wage level changes of 4.1%, 1.5%, 2.6% and 3.8% for 2019 to 2022 derived based on the information published by the UCLA Anderson School of Business and the California Department of Finance, to the ULAE paid per open indemnity claim from averaging 2018 and 2019.
(c) Column (a) x column (b).
(d) Weight average of calendar years 2021 with 67% and 2022 with 33%, projected 3 years to the approximate average midpoint of ultimate ULAE payments on 2021 policies, based on applying the average annual change of 3.4% for 2022 and 2023 derived from the information published by the UCLA Anderson School of Business and the California Department of Finance.
(e) Based on the reported earned premium from the same group of insurers that reported the number of open indemnity claims in calendar year 2019.
(f) See Exhibit 8 of Agenda Item AC20-06-01.
(g) See Exhibit 5.2 of Agenda Item AC20-06-01.

PRELIMINARY

Projected Ratio of ULAE to Loss - Statewide
Based on Private Insurers ULAE Paid to Paid Losses Ratio
for Policies with Effective Dates between January 1, 2021 and August 31, 2021

Calendar Year	Paid ULAE as % of Paid Losses[1] (a)	Paid Loss as % of Premium (b)	Paid ULAE as % of Premium (c)=(a) x (b)
2011	0.077	70.1%	5.4%
2012	0.075	65.3%	4.9%
2013	0.094	58.5%	5.5%
2014	0.086	50.3%	4.3%
2015	0.109	47.8%	5.2%
2016	0.130	46.0%	6.0%
2017	0.144	46.8%	6.8%
2018	0.148	47.4%	7.0%
2019	0.131	51.5%	6.7%
Projected			
2020	0.139 [2]	52.6% [3]	7.3% [4]
2021	0.139 [2]	53.2% [3]	7.4% [4]
2022	0.139 [2]	53.3% [3]	7.4% [4]

(d) Projected ULAE Paid to CY2019 Earned Premium Ratio: (67% of 2021 and 33% of 2022 in column (c))	7.4%
(e) Projected Loss to Industry Average Filed Pure Premium Ratio[5]:	0.571
(f) Premium Adjustment Factor for Calendar Year 2019[6]:	0.976
(g) Projected Ratio of ULAE to Losses: (d) / [(e) x (f)]	13.3%

Notes:
[1] Based on private insurers ULAE to paid loss ratio. See Exhibit 1.
[2] Based on averaging of the 2018 and 2019 paid ULAE to paid loss ratios.
[3] Estimated based on age-to-age paid indemnity and medical development factors from insurers' December 31, 2019 experience.
[4] (b) x (c).
[5] See Exhibit 8 of Agenda Item AC20-06-01.
[6] See Exhibit 5.2 of Agenda Item AC20-06-01.

PRELIMINARY

Projected Ratio of ULAE to Loss - Statewide
Based on Estimated Calendar Year ULAE Paid per Open Indemnity Claim
for Private Insurers-Trend from Latest Year
for Policies with Effective Dates between January 1, 2021 and August 31, 2021

Calendar Year	Number of Open Indemnity Claims at Beginning of the Year	ULAE Paid per Open Indemnity Claim	ULAE Paid ($000)
	(a)	(b)	(c)
2010	360,624	1,676	604,510
2011	360,339	1,684	606,894
2012	360,391	1,698	612,112
2013	365,706	2,192	801,569
2014	366,420	1,947	713,493
2015	367,925	2,486	914,731
2016	370,782	3,010	1,116,097
2017	362,328	3,359	1,217,236
2018	350,417	3,520	1,233,524
2019	333,086	3,229	1,075,655
Projected			
2020	321,964	3,277	1,055,079
2021	323,217	3,363	1,086,983
2022	321,936	3,490	1,123,418

(d)	Projected ULAE Paid ($000):	1,214,960
(e)	Calendar Year 2019 Earned Premium ($000):	16,120,445
(f)	Projected Loss to Industry Average Filed Pure Premium Ratio:	0.571
(g)	Premium Adjustment Factor for Calendar Year 2019:	0.976
(h)	Projected Losses ($000): (e) x (f) x (g)	8,983,859
(i)	Projected Ratio of ULAE to Losses: (d)/(h)	13.5%

Notes:
(a) Calendar years 2010 to 2019 are based on WCIRB accident year experience calls. 2020 to 2022 are from line (d), Exhibit 3.4.
(b) Calendar years 2010 to 2019 are from column (d) of Exhibit 2. Calendar years 2020 to 2022 are projected based on applying the California average annual wage level changes of 1.5%, 2.6% and 3.8% for 2020 to 2022 derived based on the information published by the UCLA Anderson School of Business and the California Department of Finance, to the 2019 ULAE paid per open indemnity claim.
(c) Column (a) x column (b).
(d) Weight average of calendar years 2021 with 67% and 2022 with 33%, projected 3 years to the approximate average midpoint of ultimate ULAE payments on 2021 policies, based on applying the average annual change of 3.4% for 2022 and 2023 derived from the information published by the UCLA Anderson School of Business and the California Department of Finance.
(e) Based on the reported earned premium from the same group of insurers that reported the number of open indemnity claims in calendar year 2019.
(f) See Exhibit 8 of Agenda Item AC20-06-01.
(g) See Exhibit 5.2 of Agenda Item AC20-06-01.

PRELIMINARY

Projected Ratio of ULAE to Loss - Statewide

Based on Private Insurers ULAE Paid to Paid Losses Ratio - Trend from Latest Year
for Policies with Effective Dates between January 1, 2021 and August 31, 2021

Calendar Year	Paid ULAE as % of Paid Losses[1] (a)	Paid Loss as % of Premium (b)	Paid ULAE as % of Premium (c)=(a) x (b)
2011	0.077	70.1%	5.4%
2012	0.075	65.3%	4.9%
2013	0.094	58.5%	5.5%
2014	0.086	50.3%	4.3%
2015	0.109	47.8%	5.2%
2016	0.130	46.0%	6.0%
2017	0.144	46.8%	6.8%
2018	0.148	47.4%	7.0%
2019	0.131	51.5%	6.7%
Projected			
2020	0.131 [2]	52.6% [3]	6.9% [4]
2021	0.131 [2]	53.2% [3]	7.0% [4]
2022	0.131 [2]	53.3% [3]	7.0% [4]

(d) Projected ULAE Paid to CY2019 Earned Premium Ratio: 7.0%
(67% of 2021 and 33% of 2022 in column (c))

(e) Projected Loss to Industry Average Filed Pure Premium Ratio[5]: 0.571

(f) Premium Adjustment Factor for Calendar Year 2019[6]: 0.976

(g) Projected Ratio of ULAE to Losses: 12.6%
(d) / [(e) x (f)]

PRELIMINARY

Notes:

[1] Based on private insurers ULAE to paid loss ratio. See Exhibit 1.
[2] Based on 2019 paid ULAE to paid loss ratio.
[3] Estimated based on age-to-age paid indemnity and medical development factors from insurers' December 31, 2019 experience.
[4] (a) x (b).
[5] See Exhibit 8 of Agenda Item AC20-06-01.
[6] See Exhibit 5.2 of Agenda Item AC20-06-01.

Projected Ratio of ULAE to Loss - Statewide

Based on Estimated Calendar Year ULAE Paid per Weighted Open Indemnity Claim for Private Insurers for Policies with Effective Dates between January 1, 2021 and August 31, 2021

Calendar Year	Weighted Number of Open Indemnity Claims (a)	ULAE Paid per Weighted Open Indemnity Claim (b)	ULAE Paid ($000) (c)
2010	594,894	913	542,859
2011	605,973	900	545,458
2012	615,637	906	557,651
2013	642,294	1,156	742,428
2014	652,860	1,043	681,195
2015	669,113	1,307	874,717
2016	666,822	1,593	1,062,547
2017	667,648	1,734	1,157,516
2018	654,983	1,797	1,176,761
2019	643,632	1,600	1,029,872
Projected			
2020	626,731	1,760	1,103,324
2021	620,512	1,807	1,121,045
2022	612,653	1,875	1,148,498

(d)	Projected ULAE Paid ($000):	1,249,339
(e)	Calendar Year 2019 Earned Premium ($000):	16,120,445
(f)	Projected Loss to Industry Average Filed Pure Premium Ratio:	0.571
(g)	Premium Adjustment Factor for Calendar Year 2019:	0.976
(h)	Projected Losses ($000): (e) x (f) x (g)	8,983,859
(i)	Projected Ratio of ULAE to Losses : (d)/(h)	13.9%

Notes:

(a) Calendar years 2010 to 2019 are based on the number of open indemnity claims and twice the number of reported indemnity claims form WCIRB accident year experience calls. 2020 to 2022 are from line (e), Exhibit 3.4.

(b) Calendar years 2010 to 2019 are from column (a) of Exhibit 2 divided by columns (b)+[2.0 x (c)] of Exhibit 2.2, multiplied by 1,000,000. Calendar years 2020 to 2022 are projected based on applying the California average annual wage level changes of 4.1%, 1.5%, 2.6% and 3.8% for 2019 to 2022 derived from information published by the UCLA Anderson School of Business, to the ULAE paid per weighted open indemnity claim from averaging 2018 to 2019.

(c) Column (a) x column (b).

(d) Weight average of calendar years 2021 with 67% and 2022 with 33%, projected 3 years to the approximate average midpoint of ultimate ULAE payments on 2021 policies, based on applying the average annual change of 3.4% for 2022 and 2023 derived from the information published by the UCLA Anderson School of Business and the California Department of Finance.

(e) Based on the reported earned premium from the same group of insurers that reported the number of open indemnity claims in calendar year 2019.

(f) See Exhibit 8 of Agenda Item AC20-06-01.

(g) See Exhibit 5.2 of Agenda Item AC20-06-01.

PRELIMINARY

Exhibit 8.1

Average Paid ALAE[1] per Reported Indemnity Claim - Private Insurers

As of March 31, 2020

Accident	Evaluated as of (in months):								
Year	15	27	39	51	63	75	87	99	111
2000							4,340	4,548	4,786
2001						5,159	5,480	5,819	6,017
2002					5,264	5,668	6,064	6,308	6,493
2003				4,907	5,528	6,043	6,383	6,647	6,869
2004			3,570	4,548	5,212	5,673	6,022	6,283	6,495
2005		2,083	3,279	4,191	4,833	5,307	5,673	5,965	6,175
2006	797	2,176	3,410	4,328	5,022	5,550	5,920	6,211	6,471
2007	849	2,340	3,613	4,619	5,393	5,993	6,429	6,768	7,039
2008	944	2,494	3,933	5,103	5,975	6,595	7,096	7,468	7,729
2009	1,037	2,812	4,448	5,718	6,637	7,358	7,900	8,278	8,553
2010	1,111	2,981	4,586	5,816	6,746	7,484	7,978	8,319	8,566
2011	1,127	2,942	4,520	5,796	6,818	7,470	7,939	8,265	8,373
2012	1,120	3,012	4,721	6,067	6,965	7,585	7,985	8,271	
2013	1,202	3,276	4,985	6,201	7,014	7,540	7,898		
2014	1,340	3,480	5,147	6,288	7,009	7,498			
2015	1,424	3,577	5,185	6,234	6,903				
2016	1,443	3,640	5,215	6,220					
2017	1,524	3,737	5,231						
2018	1,629	3,856							
2019	1,639								

Accident	Annual Change								
Year	15	27	39	51	63	75	87	99	111
2001							26.3%	27.9%	25.7%
2002						9.9%	10.7%	8.4%	7.9%
2003					5.0%	6.6%	5.2%	5.4%	5.8%
2004				-7.3%	-5.7%	-6.1%	-5.6%	-5.5%	-5.5%
2005			-8.1%	-7.8%	-7.3%	-6.5%	-5.8%	-5.0%	-4.9%
2006		4.4%	4.0%	3.3%	3.9%	4.6%	4.4%	4.1%	4.8%
2007	6.5%	7.5%	5.9%	6.7%	7.4%	8.0%	8.6%	9.0%	8.8%
2008	11.3%	6.6%	8.9%	10.5%	10.8%	10.0%	10.4%	10.3%	9.8%
2009	9.8%	12.8%	13.1%	12.0%	11.1%	11.6%	11.3%	10.8%	10.7%
2010	7.1%	6.0%	3.1%	1.7%	1.6%	1.7%	1.0%	0.5%	0.2%
2011	1.4%	-1.3%	-1.4%	-0.3%	1.1%	-0.2%	-0.5%	-0.6%	-2.3%
2012	-0.5%	2.4%	4.4%	4.7%	2.1%	1.5%	0.6%	0.1%	
2013	7.3%	8.8%	5.6%	2.2%	0.7%	-0.6%	-1.1%		
2014	11.5%	6.2%	3.3%	1.4%	-0.1%	-0.6%			
2015	6.3%	2.8%	0.7%	-0.9%	-1.5%				
2016	1.3%	1.8%	0.6%	-0.2%					
2017	5.6%	2.7%	0.3%						
2018	6.9%	3.2%							
2019	0.6%								

Annual Trend[2]									
All-Year	5.6%	4.9%	4.0%	3.2%	3.1%	3.3%	4.0%	4.3%	4.3%
R^3	0.975	0.961	0.915	0.796	0.779	0.817	0.815	0.814	0.805
5-Year	4.1%	2.5%	1.1%	0.6%	0.3%	0.1%	0.0%	2.0%	4.6%
R^4	0.938	0.992	0.837	0.427	0.171	0.110	0.000	0.477	0.705

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

[2] Trend is based on exponential distribution.

Source: WCIRB accident year experience calls.

PRELIMINARY

Ratio of Paid ALAE to Paid Loss - Private Insurers

As of March 31, 2020

Accident	Evaluated as of (in months):								
Year	15	27	39	51	63	75	87	99	111
2000							0.107	0.107	0.109
2001						0.118	0.119	0.121	0.122
2002					0.132	0.134	0.137	0.137	0.138
2003				0.136	0.141	0.144	0.146	0.147	0.148
2004			0.139	0.150	0.155	0.158	0.159	0.160	0.160
2005		0.113	0.133	0.144	0.149	0.152	0.154	0.155	0.154
2006	0.076	0.112	0.129	0.138	0.143	0.146	0.148	0.148	0.150
2007	0.077	0.112	0.127	0.135	0.142	0.145	0.146	0.148	0.148
2008	0.078	0.110	0.126	0.136	0.141	0.143	0.146	0.147	0.148
2009	0.084	0.122	0.138	0.146	0.150	0.153	0.155	0.157	0.158
2010	0.092	0.130	0.143	0.148	0.152	0.156	0.158	0.159	0.160
2011	0.099	0.133	0.146	0.154	0.162	0.165	0.167	0.168	0.166
2012	0.098	0.138	0.155	0.166	0.170	0.173	0.174	0.172	
2013	0.109	0.154	0.168	0.174	0.179	0.181	0.183		
2014	0.121	0.163	0.172	0.177	0.180	0.182			
2015	0.128	0.163	0.171	0.175	0.178				
2016	0.124	0.165	0.174	0.178					
2017	0.128	0.166	0.173						
2018	0.130	0.166							
2019	0.132								

Accident	Annual Change								
Year	15	27	39	51	63	75	87	99	111
2001							11.6%	13.2%	12.4%
2002						13.7%	14.7%	13.2%	13.4%
2003					7.2%	7.7%	6.9%	7.3%	7.1%
2004				10.1%	10.1%	9.3%	9.2%	8.5%	7.9%
2005			-4.0%	-4.1%	-3.8%	-3.3%	-3.2%	-3.0%	-3.5%
2006		-1.2%	-3.5%	-4.2%	-4.3%	-4.2%	-4.0%	-4.2%	-2.8%
2007	1.8%	0.1%	-1.7%	-1.8%	-0.8%	-0.7%	-1.2%	-0.6%	-1.1%
2008	0.5%	-1.5%	-0.4%	0.5%	-0.2%	-1.1%	-0.4%	-0.3%	-0.1%
2009	8.7%	10.4%	9.6%	7.8%	6.0%	6.6%	6.5%	6.4%	6.2%
2010	9.0%	7.2%	3.2%	1.0%	1.7%	2.3%	1.8%	1.7%	1.6%
2011	7.1%	2.1%	2.4%	4.4%	6.2%	5.2%	5.6%	5.2%	3.6%
2012	-0.5%	3.6%	6.1%	7.6%	5.3%	5.3%	4.6%	2.8%	
2013	10.8%	11.5%	8.5%	4.9%	4.9%	4.5%	4.8%		
2014	11.4%	6.3%	2.3%	1.4%	0.5%	0.2%			
2015	5.8%	-0.2%	-0.5%	-1.0%	-1.0%				
2016	-2.8%	1.0%	1.6%	1.9%					
2017	2.6%	0.8%	-0.4%						
2018	2.2%	0.1%							
2019	1.1%								

Note: All paid ALAE exclude the paid cost of medical cost containment programs. Accident years 2010 and prior paid loss include the paid cost of medical cost containment programs.

Source: WCIRB accident year experience calls.

PRELIMINARY

Estimated Ultimate ALAE per Indemnity Claim - Private Insurers

Acc. Year	Paid ALAE[1] @3/31/20 (in $000) (1)	Cumulative Development Factors[2] (2)	Estimated Ultimate ALAE (in $000) (3)=(1)x(2)	Indemnity Claim Counts @3/31/20 (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 (8)
1992	319,500	1.046	334,100	141,778	1.000	141,835	2,356	---
1993	237,657	1.048	249,159	113,438	1.000	113,488	2,195	-6.8%
1994	220,447	1.052	231,886	105,344	1.001	105,407	2,200	0.2%
1995	243,512	1.055	256,982	101,353	1.001	101,432	2,534	15.2%
1996	290,233	1.061	307,815	103,158	1.001	103,271	2,981	17.6%
1997	367,228	1.066	391,294	104,809	1.001	104,942	3,729	25.1%
1998	506,049	1.071	542,018	112,438	1.002	112,616	4,813	29.1%
1999	556,256	1.076	598,794	116,374	1.002	116,589	5,136	6.7%
2000	660,396	1.082	714,419	118,393	1.002	118,638	6,022	17.2%
2001	784,972	1.088	854,111	113,942	1.002	114,187	7,480	24.2%
2002	823,305	1.096	901,946	113,022	1.002	113,294	7,961	6.4%
2003	832,721	1.103	918,677	108,378	1.003	108,748	8,448	6.1%
2004	715,175	1.111	794,749	99,465	1.004	99,842	7,960	-5.8%
2005	673,613	1.120	754,393	97,339	1.004	97,726	7,719	-3.0%
2006	740,252	1.132	838,066	104,330	1.004	104,756	8,000	3.6%
2007	816,727	1.143	933,778	107,476	1.005	107,965	8,649	8.1%
2008	867,745	1.157	1,004,137	105,669	1.005	106,217	9,454	9.3%
2009	901,915	1.175	1,059,788	101,069	1.006	101,653	10,426	10.3%
2010	955,932	1.196	1,143,140	109,080	1.006	109,749	10,416	-0.1%
2011	963,643	1.222	1,177,281	113,318	1.007	114,104	10,318	-0.9%
2012	1,010,697	1.255	1,268,311	121,770	1.008	122,698	10,337	0.2%
2013	1,015,314	1.304	1,324,077	128,412	1.009	129,510	10,224	-1.1%
2014	981,854	1.369	1,343,783	130,892	1.010	132,251	10,161	-0.6%
2015	931,851	1.468	1,367,935	134,991	1.013	136,757	10,003	-1.6%
2016	868,944	1.633	1,419,176	139,710	1.018	142,207	9,980	-0.2%
2017	733,276	1.962	1,438,482	140,159	1.025	143,676	10,012	0.3%
2018	543,949	2.801	1,523,683	141,063	1.045	147,467	10,332	3.2%
2019	215,744	7.285	1,571,769	131,619	1.148	151,149	10,399	0.6%

Estimated Annual Exponential Trend Based on:		R^2
2006 to 2019	1.2%	0.384
2015 to 2019	1.1%	0.795
Average:	1.2%	

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 11.1

[3] Based on analogous Exhibit 11.3, applicable to private insurers only.

PRELIMINARY

Ratio of Accident Year Incremental Paid ALAE[1] to Indemnity Claims Inventory[2]
by Payment Year - Private Insurers

Acc. Year	Payment Year Ending March 31													
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1989	635	1,143	1,062	1,029	1,125	1,143	1,344	1,524	1,471	1,493	1,610	1,948	1,412	1,569
1990	987	2,157	1,139	1,274	1,193	1,355	1,542	1,432	1,812	1,590	1,600	1,828	1,643	1,790
1991	834	1,697	1,577	1,256	1,495	1,388	1,574	1,438	1,789	1,645	1,558	2,144	2,117	1,932
1992	1,416	1,837	1,653	1,405	1,827	1,389	1,669	1,502	1,636	1,576	1,811	1,682	1,856	1,900
1993	1,502	2,157	1,833	1,541	1,927	1,664	1,886	1,800	1,951	1,979	2,169	2,268	2,292	2,148
1994	1,686	1,932	1,717	1,617	1,646	1,576	1,632	1,833	1,663	2,106	1,790	1,802	1,628	1,696
1995	1,671	1,766	1,849	1,766	1,916	1,772	1,672	2,033	2,051	2,107	2,075	2,374	1,999	2,145
1996	2,027	1,997	1,979	1,947	1,946	1,686	2,011	2,085	2,144	2,076	2,297	2,097	1,888	2,236
1997	2,378	2,409	2,347	2,287	2,314	2,225	2,414	2,353	2,147	2,224	2,127	2,259	2,315	2,382
1998	2,556	2,484	2,502	2,336	2,432	2,381	2,277	2,340	2,344	2,292	2,459	2,325	2,527	2,387
1999	2,529	2,629	2,403	2,646	2,804	2,545	2,698	2,641	2,332	2,118	2,342	2,502	2,104	2,225
2000	2,525	2,805	2,720	2,864	2,854	2,740	2,803	2,842	2,539	2,536	2,749	2,592	2,529	2,217
2001	2,284	2,764	2,811	2,873	2,654	2,736	2,755	2,778	2,801	3,292	3,155	2,647	2,618	2,510
2002	2,537	2,873	2,910	3,083	2,899	2,967	3,021	2,915	3,015	3,432	3,203	3,165	3,126	2,837
2003	2,577	2,881	2,947	3,058	3,032	3,216	3,224	3,546	3,397	3,589	3,547	3,127	2,941	2,812
2004	2,100	2,676	3,009	3,077	3,145	3,263	3,130	3,060	3,306	3,584	3,248	3,032	2,945	2,923
2005	768	1,986	2,649	2,916	3,070	3,251	3,284	3,317	3,438	3,609	3,729	3,449	3,516	3,277
2006	106	782	2,162	2,758	2,992	3,243	3,474	3,296	3,404	3,583	3,365	3,161	3,254	2,942
2007		71	846	2,333	2,807	3,192	3,452	3,603	3,686	3,677	3,719	3,540	3,460	3,516
2008			85	939	2,399	3,110	3,500	3,591	3,702	3,835	3,887	3,713	3,718	3,654
2009				150	1,034	2,742	3,391	3,644	3,820	3,943	3,998	3,903	3,810	3,777
2010					87	1,129	2,898	3,450	3,743	3,893	4,073	4,097	4,004	3,993
2011						88	1,147	2,879	3,459	3,863	4,060	4,043	4,186	4,165
2012							90	1,147	3,007	3,677	3,952	4,069	4,177	4,030
2013								101	1,237	3,223	3,649	3,913	4,062	4,095
2014									144	1,378	3,284	3,739	3,917	3,985
2015										105	1,426	3,353	3,753	3,934
2016											108	1,443	3,487	3,904
2017												121	1,523	3,622
2018													142	1,628
2019														149
ALAE per Claim	1,846	1,951	1,977	2,104	2,184	2,354	2,506	2,565	2,670	2,857	2,895	2,899	2,946	2,988
Annual Change	-8.3%	5.7%	1.4%	6.4%	3.8%	7.8%	6.5%	2.4%	4.1%	7.0%	1.3%	0.1%	1.6%	1.4%

Estimated Annual Exponential Trend Based on Payment Year:		R^2
2006-2020	3.8%	0.940
2015-2020	0.8%	0.885
Average:	2.3%	

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

[2] Indemnity claims inventory is the sum of indemnity claims open as of April 1 of Year N-1 and newly-reported indemnity claims between April 1 of year N-1 and March 31 of year N.

Source: WCIRB quarterly calls for experience.

PRELIMINARY

Paid Allocated Loss Adjustment Expense Development - Private Insurers
As of March 31, 2020

Accident Year	Age-to-Age Development (in months): 15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135	135-147	147-159	159-171	171-183	183-195	195-207
1987							1.031	1.022	1.015	1.012	1.009	1.013	1.010	1.006	1.004	1.004
1988						1.048	1.033	1.021	1.014	1.011	1.011	1.014	1.004	1.004	1.004	1.004
1989					1.102	1.079	1.040	1.026	1.017	1.011	1.007	1.004	1.005	1.005	1.004	1.005
1990				1.149	1.097	1.046	1.032	1.020	1.014	1.009	1.007	1.006	1.005	1.005	1.006	1.006
1991			1.252	1.128	1.062	1.047	1.025	1.017	1.012	1.007	1.007	1.005	1.005	1.005	1.006	1.005
1992		1.512	1.229	1.102	1.074	1.045	1.027	1.018	1.011	1.009	1.007	1.007	1.008	1.005	1.006	1.005
1993	2.417	1.527	1.218	1.127	1.076	1.047	1.032	1.028	1.017	1.014	1.010	1.012	1.011	1.009	1.008	1.006
1994	2.485	1.498	1.231	1.117	1.082	1.045	1.036	1.023	1.020	1.014	1.019	1.017	1.013	1.011	1.008	1.007
1995	2.550	1.569	1.237	1.132	1.072	1.046	1.038	1.030	1.022	1.022	1.019	1.017	1.015	1.013	1.010	1.008
1996	2.454	1.490	1.239	1.114	1.072	1.056	1.046	1.036	1.031	1.026	1.021	1.017	1.014	1.008	1.011	1.009
1997	2.424	1.511	1.194	1.112	1.081	1.064	1.051	1.040	1.033	1.025	1.020	1.016	1.013	1.013	1.011	1.009
1998	2.618	1.463	1.229	1.139	1.102	1.083	1.055	1.041	1.028	1.023	1.020	1.018	1.014	1.013	1.011	1.011
1999	2.514	1.559	1.256	1.152	1.111	1.076	1.058	1.039	1.033	1.027	1.020	1.018	1.015	1.013	1.011	1.011
2000	2.801	1.593	1.262	1.166	1.110	1.079	1.051	1.042	1.030	1.024	1.020	1.018	1.015	1.013	1.013	1.010
2001	3.053	1.597	1.291	1.156	1.108	1.075	1.052	1.034	1.028	1.023	1.019	1.016	1.017	1.014	1.010	1.009
2002	2.790	1.592	1.261	1.153	1.102	1.064	1.040	1.031	1.025	1.020	1.017	1.016	1.013	1.011	1.009	1.007
2003	2.931	1.550	1.267	1.155	1.089	1.057	1.042	1.032	1.028	1.022	1.019	1.017	1.012	1.009	1.007	1.007
2004	2.785	1.573	1.283	1.149	1.090	1.064	1.045	1.033	1.029	1.024	1.019	1.014	1.011	1.009	1.008	
2005	2.746	1.599	1.285	1.157	1.104	1.072	1.052	1.042	1.032	1.027	1.019	1.016	1.012	1.011		
2006	2.878	1.591	1.278	1.165	1.108	1.075	1.056	1.043	1.032	1.023	1.018	1.013	1.010			
2007	2.902	1.570	1.291	1.173	1.116	1.081	1.054	1.042	1.029	1.021	1.017	1.012				
2008	2.832	1.621	1.311	1.177	1.115	1.077	1.055	1.037	1.027	1.020	1.015					
2009	3.005	1.623	1.302	1.178	1.112	1.076	1.049	1.034	1.025	1.018						
2010	2.944	1.591	1.295	1.166	1.108	1.068	1.044	1.030	1.022							
2011	2.945	1.597	1.298	1.169	1.097	1.065	1.042	1.027								
2012	3.060	1.610	1.288	1.154	1.092	1.055	1.039									
2013	3.024	1.554	1.255	1.137	1.078	1.049										
2014	2.902	1.512	1.234	1.120	1.073											
2015	2.785	1.478	1.211	1.113												
2016	2.796	1.466	1.201													
2017	2.684	1.428														
2018	2.601															
	Latest Year															
Age-to-Age	2.601	1.428	1.201	1.113	1.073	1.049	1.039	1.027	1.022	1.018	1.015	1.012	1.010	1.011	1.008	1.007
Cumulative	7.285	2.801	1.962	1.633	1.468	1.369	1.304	1.255	1.222	1.196	1.175	1.157	1.143	1.132	1.120	1.111
	3-Year Arithmetic Average															
Age-to-Age	2.694	1.457	1.216	1.123	1.081	1.057	1.042	1.030	1.024	1.020	1.017	1.014	1.011	1.010	1.008	1.008
Cumulative	8.115	3.012	2.067	1.701	1.514	1.400	1.326	1.272	1.235	1.205	1.182	1.162	1.147	1.134	1.123	1.114

Accident Year	Age-to-Age Development (in months): 207-219	219-231	231-243	243-255	255-267	267-279	279-291	291-303	303-315	315-327	327-339	339-351	351-363	363-375	375-387	387-399
1987	1.004	1.006	1.006	1.008	1.004	1.004	1.006	1.005	1.004	1.005	1.006	1.004	1.004	1.003	1.004	1.003
1988	1.004	1.005	1.005	1.005	1.003	1.005	1.004	1.004	1.005	1.004	1.004	1.003	1.003	1.003	1.003	
1989	1.004	1.004	1.004	1.003	1.004	1.004	1.004	1.004	1.004	1.004	1.004	1.003	1.005	1.003		
1990	1.004	1.004	1.002	1.003	1.003	1.003	1.003	1.003	1.002	1.003	1.002	1.002	1.002			
1991	1.003	1.002	1.003	1.003	1.003	1.003	1.003	1.002	1.003	1.003	1.002	1.002				
1992	1.003	1.004	1.004	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003					
1993	1.006	1.007	1.006	1.006	1.005	1.005	1.005	1.004	1.004	1.003						
1994	1.007	1.007	1.006	1.007	1.005	1.005	1.004	1.004	1.003							
1995	1.009	1.009	1.008	1.007	1.008	1.006	1.006	1.005								
1996	1.009	1.008	1.008	1.006	1.005	1.006	1.005									
1997	1.008	1.008	1.007	1.006	1.006	1.005										
1998	1.011	1.009	1.008	1.006	1.005											
1999	1.009	1.007	1.007	1.005												
2000	1.008	1.007	1.006													
2001	1.007	1.007														
2002	1.007															
	Latest Year															
Age-to-Age	1.007	1.007	1.006	1.005	1.005	1.005	1.005	1.005	1.003	1.003	1.003	1.002	1.002	1.003	1.004	1.003
Cumulative[1]	1.103	1.096	1.088	1.082	1.076	1.071	1.066	1.061	1.055	1.052	1.048	*1.046*	*1.043*	*1.040*	*1.038*	
	3-Year Arithmetic Average															
Age-to-Age	1.008	1.007	1.007	1.006	1.005	1.006	1.005	1.004	1.003	1.003	1.002	1.002	1.003	1.003	1.003	1.003
Cumulative	1.105	1.097	1.090	1.082	1.076	1.070	1.064	1.059	1.055	1.051	1.048	*1.046*	*1.043*	*1.040*	*1.038*	

Note:
[1] Factors in italics are based on powertail fit to the "3-Year Arithmetic Average" factors.

Source: WCIRB accident year experience calls. Excludes MCCP costs.

PRELIMINARY

Quarterly Paid ALAE Loss Development Factors[1] - Private Insurers

Age in Months	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
3 - 6		7.976	7.570	5.434	9.136	8.769	8.693	8.584	6.234	9.866	8.946	8.934	8.191	7.885
6 - 9	2.427	3.016	2.765	2.630	3.023	3.176	3.213	3.058	3.163	3.173	3.144	3.064	3.161	3.139
9 12	2.022	2.078	2.021	2.034	2.077	2.165	2.115	2.133	2.158	2.107	2.101	2.137	2.091	2.131
12 - 15	1.653	1.627	1.687	1.724	1.737	1.701	1.713	1.784	1.744	1.734	1.776	1.701	1.672	1.675
15 - 18	1.415	1.486	1.494	1.509	1.482	1.486	1.510	1.494	1.488	1.482	1.491	1.451	1.442	
18 - 21	1.357	1.328	1.289	1.326	1.334	1.343	1.338	1.349	1.332	1.309	1.309	1.311	1.289	
21 24	1.255	1.234	1.237	1.255	1.253	1.248	1.249	1.237	1.239	1.225	1.227	1.227	1.213	
24 - 27	1.187	1.191	1.190	1.197	1.189	1.186	1.205	1.187	1.177	1.184	1.167	1.150	1.153	
27 - 30	1.165	1.167	1.172	1.170	1.158	1.163	1.160	1.156	1.151	1.142	1.132	1.129		
30 - 33	1.128	1.119	1.135	1.138	1.133	1.131	1.130	1.123	1.116	1.110	1.109	1.099		
33 36	1.107	1.103	1.111	1.114	1.113	1.108	1.104	1.101	1.095	1.088	1.092	1.084		
36 - 39	1.093	1.090	1.097	1.094	1.091	1.095	1.093	1.085	1.085	1.073	1.068	1.062		
39 - 42	1.083	1.086	1.096	1.082	1.083	1.081	1.081	1.077	1.072	1.062	1.062			
42 - 45	1.063	1.069	1.069	1.074	1.069	1.068	1.070	1.061	1.057	1.054	1.049			
45 48	1.057	1.059	1.063	1.064	1.062	1.059	1.057	1.055	1.051	1.046	1.043			
48 - 51	1.050	1.050	1.052	1.053	1.053	1.051	1.050	1.047	1.041	1.036	1.035			
51 - 54	1.049	1.050	1.049	1.050	1.048	1.048	1.046	1.042	1.035	1.034				
54 - 57	1.038	1.043	1.045	1.043	1.040	1.043	1.038	1.035	1.031	1.027				
57 60	1.037	1.038	1.039	1.039	1.037	1.036	1.035	1.031	1.028	1.026				
60 - 63	1.032	1.032	1.034	1.034	1.032	1.031	1.031	1.025	1.023	1.021				
63 - 66	1.030	1.031	1.033	1.032	1.032	1.029	1.028	1.022	1.021					
66 - 69	1.027	1.029	1.028	1.029	1.028	1.024	1.024	1.021	1.018					
69 72	1.025	1.028	1.026	1.026	1.024	1.023	1.021	1.018	1.018					
72 - 75	1.022	1.023	1.023	1.022	1.021	1.021	1.019	1.016	1.015					
75 - 78	1.020	1.023	1.022	1.022	1.020	1.019	1.016	1.015						
78 - 81	1.019	1.020	1.020	1.020	1.017	1.017	1.015	1.013						
81 84	1.018	1.019	1.018	1.017	1.016	1.014	1.014	1.012						
84 - 87	1.016	1.016	1.016	1.015	1.014	1.014	1.011	1.010						
87 - 90	1.015	1.015	1.016	1.015	1.012	1.012	1.011							
90 - 93	1.014	1.014	1.014	1.012	1.012	1.012	1.011							
93 96	1.013	1.013	1.013	1.012	1.010	1.011	1.009							
96 - 99	1.012	1.011	1.011	1.010	1.010	1.008	1.008							
99 - 102	1.012	1.012	1.011	1.009	1.009	1.008								
102 - 105	1.012	1.011	1.009	1.009	1.008	1.007								
105 108	1.010	1.010	1.008	1.008	1.007	1.007								
108 - 111	1.009	1.009	1.008	1.008	1.006	1.005								
111 - 114	1.009	1.008	1.007	1.007	1.006									
114 - 117	1.008	1.007	1.007	1.007	1.006									
117 120	1.008	1.007	1.006	1.006	1.006									
120 - 123	1.007	1.006	1.006	1.006	1.006									

[1] All paid allocated loss adjustment expense exclude the paid cost of medical cost containment programs.

Source: WCIRB quarterly calls for experience.

PRELIMINARY

Reported Indemnity Claim Count Development - Statewide

Accident Year	Age-to-Age Development (in months): 15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135	135-147	147-159	159-171	171-183	183-195
1992															1.000
1993														1.000	1.000
1994													1.000	1.000	1.000
1995												1.000	1.000	1.001	1.001
1996											1.001	1.000	1.000	1.000	1.000
1997										1.000	1.000	1.000	1.000	1.000	1.000
1998									1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999								1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000
2000							1.000	1.000	1.000	1.000	1.000	1.001	1.001	1.000	1.000
2001						1.000	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002					1.000	1.000	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000
2003				1.000	0.998	0.999	0.999	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004			1.000	1.000	0.999	0.999	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000
2005		1.005	1.001	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2006	1.029	1.008	1.004	1.002	1.001	1.001	1.000	1.001	1.001	1.000	1.000	1.000	1.000		
2007	1.036	1.012	1.006	1.003	1.002	1.000	1.000	1.001	1.000	1.000	1.000	1.000			
2008	1.059	1.017	1.009	1.004	1.003	1.002	1.001	1.001	1.000	1.000	1.000				
2009	1.083	1.023	1.009	1.005	1.003	1.002	1.001	1.000	1.000	1.000					
2010	1.091	1.022	1.010	1.006	1.003	1.002	1.001	1.000	1.000						
2011	1.102	1.027	1.011	1.005	1.002	1.001	1.000	1.000							
2012	1.120	1.026	1.010	1.005	1.002	1.001	1.001								
2013	1.101	1.024	1.007	1.004	1.001	1.002									
2014	1.105	1.019	1.008	1.003	1.001										
2015	1.100	1.016	1.005	1.003											
2016	1.101	1.019	1.005												
2017	1.088	1.017													
2018	1.092														
I. Age-to-Age (Latest Year)	1.092	1.017	1.005	1.003	1.001	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
II. Age-to-Ultimate	1.127	1.033	1.015	1.010	1.007	1.006	1.004	1.003	1.003	1.002	1.002	1.002	1.002	1.002	1.002

Accident Year	Age-to-Age Development (in months): 195-207	207-219	219-231	231-243	243-255	255-267	267-279	279-291	291-303	303-315	315-327	327-339	339-351	351-363
1989	1.001	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1990	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1991	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1992	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
1993	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
1994	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
1995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000					
1996	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000						
1997	1.000	1.000	1.000	1.000	1.000	1.000	1.000							
1998	1.000	1.000	1.000	1.000	1.000	1.000								
1999	1.000	1.000	1.000	1.000	1.000									
2000	1.000	1.000	1.000	1.000										
2001	1.0002	1.000	1.000											
2002	1.0000	1.000												
2003	0.9999													
I. Age-to-Age (Latest Year)	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
II. Age-to-Ultimate	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000

Source: WCIRB quarterly calls for experience.

PRELIMINARY

Exhibit 11.4

Projected Ratio of ALAE[1] to Losses - Statewide

Based on Estimated Accident Year Indemnity Claim Frequency and Private Insurers ALAE Severity
for Policies with Effective Dates between January 1, 2021 and August 31, 2021

Acc. Year	Indemnity Claim Counts @3/31/20	Cumulative Count Development Factors[2]	Estimated Ultimate Ind. Counts	Estimated Ult. ALAE per Indemnity Claim[3]	Estimated Ult. ALAE (in $000)
	(1)	(2)	(3)=(1)x(2)	(4)	(5)=(3)x(4)
1992	198,294	1.000	198,338	2,356	467,195
1993	156,047	1.000	156,089	2,195	342,687
1994	143,658	1.000	143,716	2,200	316,164
1995	135,198	1.001	135,272	2,534	342,718
1996	133,121	1.001	133,225	2,981	397,099
1997	137,369	1.001	137,491	3,729	512,659
1998	147,457	1.001	147,619	4,813	710,488
1999	148,655	1.001	148,848	5,136	764,471
2000	161,931	1.001	162,162	6,022	976,515
2001	185,637	1.001	185,897	7,480	1,390,496
2002	194,719	1.001	195,004	7,961	1,552,451
2003	184,181	1.002	184,542	8,448	1,558,971
2004	158,951	1.002	159,245	7,960	1,267,600
2005	139,548	1.002	139,802	7,719	1,079,199
2006	133,284	1.002	133,503	8,000	1,068,047
2007	130,331	1.002	130,556	8,649	1,129,168
2008	123,059	1.002	123,296	9,454	1,165,599
2009	113,867	1.002	114,132	10,426	1,189,891
2010	118,755	1.002	119,042	10,416	1,239,930
2011	120,971	1.003	121,316	10,318	1,251,691
2012	128,131	1.003	128,546	10,337	1,328,762
2013	136,242	1.004	136,754	10,224	1,398,138
2014	141,062	1.005	141,833	10,161	1,441,149
2015	144,972	1.007	145,971	10,003	1,460,099
2016	147,920	1.010	149,379	9,980	1,490,747
2017	147,678	1.015	149,895	10,012	1,500,743
2018	148,356	1.032	153,171	10,332	1,582,618
2019	139,039	1.127	156,731	10,399	1,629,813

Projected Based on 2-Year Average of 2018 and 2019:

	Ult. Ind. Counts[4]	Ult. ALAE per Ind. Counts[5]	Ultimate ALAE[6]
2020	151,166	10,678	1,614,192
2021	147,281	10,892	1,604,161
11/1/2021	146,204	10,963	1,602,869

(a) Projected ALAE Incurred ($000):	1,602,869
(b) Calendar Year 2019 Earned Premium[7] ($000):	16,120,445
(c) Projected Loss to Industry Average Filed Pure Premium Ratio[8]:	0.571
(d) Premium Adjustment Factor for Calendar Year 2019[9]:	0.976
(e) Projected Losses ($000): (b) x (c) x (d)	8,983,859
(f) Ratio of ALAE to Losses Prior to Impact of SB 1160 and AB 1244: (a)/(e)	17.8%
(g) Impact of SB 1160 and AB 1244[10]	-4.8%
(h) Projected Ratio of ALAE to Losses after Impact of SB 1160 and AB 1244: (f) x [1.0 + (g)]	17.0%

Notes:

[1] All paid ALAE exclude the paid cost of medical cost containment programs.
[2] Based on the latest year indemnity claim count age-to-age development from Exhibit 11.3.
[3] Based on estimated ultimate ALAE per indemnity for private insurers from Exhibit 9.
[4] Estimated based on projected frequency trends for accident years 2019 to 2022. The estimated frequency changes are based on the projected growth in overall indemnity claim frequency. These frequency trends were then applied to the ultimate indemnity claim counts estimated from averaging 2018 and 2019.
[5] Severity is projected by applying an annual growth rate of 2.0%, which is based on the approximate average of the private insurers selected rate of growth in (i) estimated ultimate accident year ALAE severities from Exhibit 9 and (ii) paid ALAE per open indemnity claim from Exhibit 10, to the ultimate ALAE severity estimated from averaging 2018 and 2019.
[6] Column(3) x Column(4) / 1,000.
[7] Based on the reported earned premium for calendar year 2019 from the same group of insurers that reported the paid ALAE in column (1) and the indemnity claim counts in column (4) by accident year as of March 31, 2020.
[8] See Exhibit 8 of Agenda Item AC20-06-01.
[9] See Exhibit 5.2 of Agenda Item AC20-06-01.
[10] Based on the WCIRB's most recent evaluation of SB 1160 and AB 1244 reflecting a 60% reduction in lien filings, offset by 50% to reflect the impact of the reforms in the emerging ALAE data.

PRELIMINARY

Projected Ratio of ALAE[1] to Losses - Statewide

Based on Estimated Accident Year Indemnity Claim Frequency and Private Insurers ALAE Severity - Trend from Latest Year for Policies with Effective Dates between January 1, 2021 and August 31, 2021

Acc. Year	Indemnity Claim Counts @3/31/20	Cumulative Count Development Factors[2]	Estimated Ultimate Ind. Counts	Estimated Ult. ALAE per Indemnity Claim[3]	Estimated Ult. ALAE (in $000)
	(1)	(2)	(3)=(1)x(2)	(4)	(5)=(3)x(4)
1992	198,294	1.000	198,338	2,356	467,195
1993	156,047	1.000	156,089	2,195	342,687
1994	143,658	1.000	143,716	2,200	316,164
1995	135,198	1.001	135,272	2,534	342,718
1996	133,121	1.001	133,225	2,981	397,099
1997	137,369	1.001	137,491	3,729	512,659
1998	147,457	1.001	147,619	4,813	710,488
1999	148,655	1.001	148,848	5,136	764,471
2000	161,931	1.001	162,162	6,022	976,515
2001	185,637	1.001	185,897	7,480	1,390,496
2002	194,719	1.001	195,004	7,961	1,552,451
2003	184,181	1.002	184,542	8,448	1,558,971
2004	158,951	1.002	159,245	7,960	1,267,600
2005	139,548	1.002	139,802	7,719	1,079,199
2006	133,284	1.002	133,503	8,000	1,068,047
2007	130,331	1.002	130,556	8,649	1,129,168
2008	123,059	1.002	123,296	9,454	1,165,599
2009	113,867	1.002	114,132	10,426	1,189,891
2010	118,755	1.002	119,042	10,416	1,239,930
2011	120,971	1.003	121,316	10,318	1,251,691
2012	128,131	1.003	128,546	10,337	1,328,762
2013	136,242	1.004	136,754	10,224	1,398,138
2014	141,062	1.005	141,833	10,161	1,441,149
2015	144,972	1.007	145,971	10,003	1,460,099
2016	147,920	1.010	149,379	9,980	1,490,747
2017	147,678	1.015	149,895	10,012	1,500,743
2018	148,356	1.032	153,171	10,332	1,582,618
2019	139,039	1.127	156,731	10,399	1,629,813

Projected Based on Latest Year

	Ult. Ind. Counts[4]	Ult. ALAE per Ind. Counts[5]	Ultimate ALAE[6]
2020	152,233	10,607	1,614,698
2021	148,320	10,819	1,604,664
11/1/2021	147,235	10,890	1,603,371

(a) Projected ALAE Incurred ($000):	1,603,371
(b) Calendar Year 2019 Earned Premium[7] ($000):	16,120,445
(c) Projected Loss to Industry Average Filed Pure Premium Ratio[8]:	0.571
(d) Premium Adjustment Factor for Calendar Year 2019[9]:	0.976
(e) Projected Losses ($000): (b) x (c) x (d)	8,983,859
(f) Ratio of ALAE to Losses Prior to Impact of SB 1160 and AB 1244: (a)/(e)	17.9%
(g) Impact of SB 1160 and AB 1244[10]	-4.8%
(h) Projected Ratio of ALAE to Losses after Impact of SB 1160 and AB 1244: (f) x [1.0 + (g)]	17.0%

Notes:

[1] All paid ALAE exclude the paid cost of medical cost containment programs.
[2] Based on the latest year indemnity claim count age-to-age development from Exhibit 11.3.
[3] Based on estimated ultimate ALAE per indemnity for private insures from Exhibit 9.
[4] Estimated based on projected frequency trends for accident years 2020 and 2022. The estimated frequency changes are based on the projected growth in overall indemnity claim frequency. These frequency trends were then applied to the 2019 ultimate indemnity claim counts.
[5] Severity is projected by applying an annual growth rate of 2.0%, which is based on the approximate average of the private insurers selected rate of growth in (i) estimated ultimate accident year ALAE severities from Exhibit 9 and (ii) paid ALAE per open indemnity claim from Exhibit 10, to the 2019 ultimate ALAE severity.
[6] Column(3) x Column(4) / 1,000.
[7] Based on the reported earned premium for calendar year 2019 from the same group of insurers that reported the paid ALAE in column (1) and the indemnity claim counts in column (4) by accident year as of March 31, 2020.
[8] See Exhibit 8 of Agenda Item AC20-06-01.
[9] See Exhibit 5.2 of Agenda Item AC20-06-01.
[10] Based on the WCIRB's most recent evaluation of SB 1160 and AB 1244 reflecting a 60% reduction in lien filings, offset by 50% to reflect the impact of the reforms in the emerging ALAE data.

PRELIMINARY

Projected Ultimate ALAE as a Percent of Ultimate Losses - Statewide
Based on Private Insurers Paid ALAE as Percentage of Premium
For Policies with Effective Dates between January 1, 2021 and August 31, 2021
Latest Year Development Factors

Accident Year	Paid ALAE as % of Premium at 3/31/20	Development Factors	Ultimate ALAE as % of Premium	Ultimate On-level Indemnity as % of Premium	Ultimate On-level Medical as % of Premium	Ultimate ALAE as % of Ultimate On-level Loss
	(1)	(2)	(3)	(4)	(5)	(6)
1991	9.7%	1.043	10.2%	42.3%	20.5%	16.2%
1992	7.6%	1.046	7.9%	36.8%	18.1%	14.5%
1993	5.4%	1.048	5.6%	36.7%	18.0%	10.3%
1994	5.8%	1.052	6.1%	43.7%	21.9%	9.2%
1995	8.5%	1.055	8.9%	58.4%	31.7%	9.9%
1996	9.8%	1.061	10.4%	61.3%	33.4%	10.9%
1997	11.8%	1.066	12.6%	62.1%	37.3%	12.7%
1998	13.4%	1.071	14.4%	62.2%	39.7%	14.1%
1999	14.7%	1.076	15.8%	60.7%	33.6%	16.7%
2000	13.3%	1.082	14.4%	49.0%	28.1%	18.7%
2001	11.8%	1.088	12.8%	40.6%	22.9%	20.2%
2002	10.1%	1.096	11.1%	31.0%	18.5%	22.4%
2003	6.9%	1.103	7.6%	20.4%	12.5%	23.2%
2004	4.8%	1.111	5.3%	16.8%	13.0%	17.9%
2005	4.4%	1.120	4.9%	19.4%	14.8%	14.3%
2006	5.4%	1.132	6.1%	24.7%	20.2%	13.6%
2007	7.5%	1.143	8.6%	33.0%	28.2%	14.0%
2008	9.6%	1.157	11.1%	39.3%	35.2%	14.9%
2009	11.8%	1.175	13.9%	45.1%	41.0%	16.1%
2010	11.6%	1.196	13.8%	42.9%	40.7%	16.5%
2011	10.4%	1.222	12.7%	39.6%	36.0%	16.8%
2012	9.3%	1.255	11.7%	35.0%	32.7%	17.2%
2013	7.7%	1.304	10.1%	29.4%	29.3%	17.2%
2014	7.2%	1.369	9.8%	25.7%	27.7%	18.4%
2015	6.1%	1.458	8.9%	24.7%	26.7%	17.3%
2016	5.3%	1.609	8.5%	23.1%	25.3%	17.7%
2017	4.5%	1.924	8.6%	22.9%	26.0%	17.6%
2018	3.4%	2.747	9.3%	23.9%	28.1%	17.9%
2019	1.4%	7.144	10.3%	26.6%	30.3%	18.2%

(7)	Projected ALAE as a Percent of Ultimate On-level Losses Prior to Impact of SB 1160 and AB 1244:	18.0%
(8)	Impact of SB 1160 and AB 1244:	-4.8%
(9)	Projected Ratio of ALAE to Losses after Impact of SB 1160 and AB 1244: (7) x [1.0 + (8)]	17.1%

Notes:

(1) Based on accident year paid ALAE and calendar year earned premium information from private insurers. Amounts shown do not reflect the paid cost of medical cost containment programs (MCCP).
(2) Based on the private insurers latest year paid ALAE age-to-age development from Exhibit 11.1.
(3) = (1) x (2).
(4), (5) Based on Exhibits 7.1 and 7.3 of Agenda Item AC20-06-01. MCCP costs are not included in the medical ratios shown for accident years 2011 to 2019.
(6) = (3) / [(4) + (5)].
(7) Based on averaging 2018 and 2019.
(8) Based on the WCIRB's most recent evaluation of SB 1160 and AB 1244 reflecting a 60% reduction in lien filings, offset by 50% to reflect the impact of the reforms in the emerging ALAE data.

PRELIMINARY

Development of Paid Allocated Loss Adjustment Expenses as a Percent of Paid Indemnity[1]

Accident Year	Age-to-Age Development (in months): 15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135	135-147	147-159	159-171	171-183	Paid ALAE[2] 183-Ult	Paid Indemnity[3] 183-Ult
1996														1.004		
1997													1.006	1.007		
1998												1.008	1.006	1.006		
1999											1.010	1.009	1.007	1.007		
2000										1.012	1.010	1.009	1.008	1.006		
2001									1.011	1.009	1.008	1.005	1.009	1.007		
2002								1.012	1.007	1.006	1.005	1.007	1.006	1.005		
2003							1.013	1.007	1.006	1.002	1.004	1.006	1.003	1.001		
2004						1.018	1.004	0.999	1.003	1.006	1.005	1.003	1.003	1.001		
2005					1.029	1.014	1.004	1.004	1.007	1.008	1.005	1.004	1.002	1.001		
2006				1.040	1.021	1.012	1.011	1.011	1.006	1.006	1.003	1.002	1.000			
2007			1.066	1.041	1.028	1.019	1.012	1.010	1.004	1.004	1.001	0.999				
2008		1.104	1.063	1.040	1.029	1.022	1.014	1.011	1.006	1.002	1.001					
2009	1.269	1.083	1.052	1.038	1.026	1.019	1.010	1.005	1.002	1.002						
2010	1.227	1.057	1.044	1.033	1.025	1.015	1.008	1.006	1.001							
2011	1.211	1.078	1.058	1.035	1.019	1.011	1.004	1.004								
2012	1.263	1.090	1.056	1.028	1.016	1.008	1.008									
2013	1.268	1.043	1.032	1.023	1.014	1.011										
2014	1.182	1.007	1.016	1.010	1.010											
2015	1.128	1.001	1.008	1.011												
2016	1.164	1.005	1.011													
2017	1.123	0.991														
2018	1.109															
Latest Year Development																
Age to Age	1.109	0.991	1.011	1.011	1.010	1.011	1.008	1.004	1.001	1.002	1.001	0.999	1.000	1.001		
Age-to-Ult.	1.234	1.113	1.123	1.111	1.098	1.087	1.075	1.067	1.063	1.062	1.060	1.059	1.060	1.060	1.120	1.058
3-Year Arithmetic Average Development																
Age to Age	1.132	0.999	1.012	1.015	1.013	1.010	1.007	1.005	1.003	1.003	1.002	1.002	1.002	1.001		
Age-to-Ult.	1.292	1.141	1.142	1.129	1.113	1.098	1.087	1.080	1.074	1.071	1.068	1.067	1.065	1.063	1.123	1.058

Notes:

[1] Due to relatively sparse data and differing mixes of insurers represented in each factor, each factor shown is the ratio of the paid ALAE development factor to the paid indemnity development factor. The paid ALAE development is based on the private insurers' paid ALAE development from paid Exhibit 11.1, the paid indemnity development factors are from Exhibits 2.5.1 and 2.5.2 of Agenda Item AC20-06-01

[2] Based on the private insurers paid ALAE age-to-age development from Exhibit 11.1.

[3] Based on Exhibit 3.1 of Agenda Item AC20-06-01.

PRELIMINARY

Projected Ultimate ALAE as a Percent of Ultimate Losses - Statewide
For Policies with Effective Dates between January 1, 2021 and August 31, 2021
Using Paid ALAE as a Percent of Paid Indemnity for Private Insurers
Latest Year Development Factors

Accident Year	Paid ALAE as a Percent of Paid Indemnity at 3/31/20 (1)	Development Factors (2)	Ultimate ALAE as a Percent of Ultimate Indemnity (3)	Indemnity On-level Factors (4)	Ultimate ALAE as a Percent of Ultimate On-level Indemnity (5)
2005	38.9%	1.059	41.2%	1.552	26.6%
2006	37.5%	1.060	39.7%	1.525	26.0%
2007	37.4%	1.060	39.6%	1.470	26.9%
2008	36.8%	1.059	39.0%	1.381	28.2%
2009	38.7%	1.060	41.1%	1.354	30.3%
2010	39.2%	1.062	41.6%	1.328	31.3%
2011	38.8%	1.063	41.3%	1.310	31.5%
2012	39.7%	1.067	42.4%	1.294	32.7%
2013	40.1%	1.075	43.2%	1.265	34.1%
2014	38.7%	1.087	42.1%	1.159	36.3%
2015	37.2%	1.098	40.9%	1.142	35.8%
2016	36.8%	1.111	40.9%	1.128	36.3%
2017	36.0%	1.123	40.4%	1.098	36.8%
2018	36.4%	1.113	40.5%	1.070	37.8%
2019	31.8%	1.234	39.3%	1.041	37.7%

	Projected:
(6) ALAE as Percent of On-level Indemnity:	37.8%
(7) Indicated Indemnity to Industry Average Filed Pure Premium Ratio:	0.259
(8) Indicated Medical to Industry Average Filed Pure Premium Ratio:	0.312
(9) ALAE as Percent of Total Losses Prior to Impact of SB 1160 and AB 1244:	17.1%
(10) Impact of SB 1160 and AB 1244:	-4.8%
(11) Projected Ratio of ALAE to Losses after Impact of SB 1160 and AB 1244: (9) x [1.0 + (10)]	16.3%

Notes:
(1) Based on accident year paid ALAE information from private insurers. Amounts shown do not reflect the paid cost of medical cost containment programs (MCCP).
(2) See Exhibit 14.1.
(3) = (1) x (2).
(4) From Exhibit 4.1 of Agenda Item AC20-06-01.
(5) = (3) / (4).
(6) Projected by averaging 2018 and 2019.
(7), (8) From Exhibit 8 of Agenda Item AC20-06-01.
(9) = (6) x (7) / [(7) + (8)].
(10) Based on the WCIRB's most recent evaluation of SB 1160 and AB 1244 reflecting a 60% reduction in lien filings, offset by 50% to reflect the impact of the reforms in the emerging ALAE data.

PRELIMINARY

Average Paid MCCP per Reported Indemnity Claim - Statewide
As of March 31, 2020

Accident Year	15	27	39	51	63	75	87
2012	891	1,506	1,819	1,984	2,127	2,228	2,323
2013	841	1,363	1,659	1,861	1,990	2,090	2,145
2014	784	1,312	1,639	1,828	1,954	2,032	
2015	777	1,308	1,596	1,783	1,888		
2016	766	1,237	1,507	1,666			
2017	748	1,227	1,503				
2018	808	1,277					
2019	767						

Accident Year	15	27	39	51	63	75	87
2013	-5.7%	-9.5%	-8.8%	-6.2%	-6.5%	-6.2%	-7.7%
2014	-6.8%	-3.7%	-1.2%	-1.8%	-1.8%	-2.8%	
2015	-0.8%	-0.3%	-2.6%	-2.5%	-3.4%		
2016	-1.5%	-5.4%	-5.6%	-6.6%			
2017	-2.3%	-0.8%	-0.3%				
2018	8.0%	4.1%					
2019	-5.0%						

Annual Trend[1]						
All-Year	-1.7%	-2.7%	-3.6%	-3.8%	-3.7%	-4.5%
R^2	0.499	0.716	0.914	0.950	0.937	0.951

R^3

[1] Trend is based on exponential distribution.

Source: WCIRB accident year experience calls.

PRELIMINARY

Estimated Ultimate MCCP per Indemnity Claim - Statewide

Accident Year	Paid MCCP @3/31/20 (in $000) (1)	Cumulative Development Factors[1] (2)	Estimated Ultimate MCCP (3)=(1)x(2)	Indemnity Claim Counts @3/31/20 (4)	Cumulative Count Development Factors[2] (5)	Estimated Ultimate Ind. Counts (6)=(4)x(5)	Estimated Ultimate MCCP per Indemnity Claim (7)=(3)/(6) x 1000	Annual change
2012	300,326	1.349	405,140	128,131	1.003	128,546	3,152	---
2013	291,857	1.377	401,826	136,242	1.004	136,754	2,938	-6.8%
2014	286,588	1.416	405,688	141,062	1.005	141,833	2,860	-2.7%
2015	273,650	1.474	403,392	144,972	1.007	145,971	2,764	-3.4%
2016	246,464	1.565	385,662	147,920	1.010	149,379	2,582	-6.6%
2017	221,909	1.739	385,988	147,678	1.015	149,895	2,575	-0.3%
2018	189,494	2.167	410,716	148,356	1.032	153,171	2,681	4.1%
2019	106,656	3.744	399,280	139,039	1.127	156,731	2,548	-5.0%

Estimated Annual Exponential Trend Based on:

2013 to 2019	-2.2%
2015 to 2019	-1.2%

Notes:

[1] Based on MCCP development through 99 months from Exhibit 18.1. 99-to-ultimate development factors are based on selected paid medical development factors from Exhibit 3.2 of Agenda Item AC20-06-01.

[2] Based on the latest year indemnity claim count age-to-age development from Exhibit 11.3.

PRELIMINARY

Paid MCCP per Indemnity Claims Inventory[1] by Calendar Year - Statewide

Calendar Year	Paid MCCP per Indemnity Claim Adjusted to Remove IMR/IBR Fees	Year-to-Year Change
2005	---	---
2006	---	---
2007	$562	---
2008	$848	50.8%
2009	$808	-4.7%
2010	$872	7.9%
2011	$914	4.8%
2012	$942	3.0%
2013	$984	4.5%
2014	$952	-3.3%
2015	$1,027	7.9%
2016	$1,028	0.1%
2017	$939	-8.6%
2018	$952	1.4%
2019	$939	-1.4%
Estimated Annual Exponential Trend Based on:		
2009-2019		1.3%
R^2		0.376

[1] Indemnity claims inventory is the sum of indemnity claims open as of January 1 of Year N and newly-reported indemnity claims between January 1 of year N and December 31 of year N.

Source: WCIRB expense calls, aggregate indemnity and medical cost calls, and quarterly calls for experience.

PRELIMINARY

Paid MCCP Development Factors - Statewide

Quarterly Development

Age in Months	Accident Year 2012	2013	2014	2015	2016	2017	2018	2019
3 - 6	5.599	5.796	6.047	5.652	6.118	5.561	5.890	5.288
6 - 9	2.356	2.432	2.402	2.457	2.407	2.395	2.329	2.354
9 - 12	1.763	1.773	1.771	1.742	1.725	1.776	1.824	1.775
12 - 15	1.476	1.412	1.456	1.468	1.477	1.444	1.432	1.436
15 - 18	1.277	1.253	1.299	1.282	1.244	1.258	1.239	
18 - 21	1.171	1.157	1.194	1.177	1.170	1.154	1.147	
21 - 24	1.128	1.121	1.128	1.120	1.125	1.122	1.116	
24 - 27	1.083	1.099	1.096	1.096	1.086	1.096	1.088	
27 - 30	1.077	1.081	1.073	1.073	1.077	1.071		
30 - 33	1.051	1.068	1.045	1.062	1.054	1.057		
33 - 36	1.045	1.054	1.036	1.047	1.053	1.051		
36 - 39	1.047	1.053	1.033	1.040	1.039	1.048		
39 - 42	1.036	1.043	1.026	1.040	1.032			
42 - 45	1.036	1.035	1.025	1.029	1.027			
45 - 48	1.031	1.027	1.019	1.028	1.026			
48 - 51	1.031	1.023	1.025	1.021	1.021			
51 - 54	1.025	1.023	1.025	1.020				
54 - 57	1.022	1.019	1.018	1.015				
57 - 60	1.017	1.016	1.016	1.014				
60 - 63	1.015	1.014	1.013	1.012				
63 - 66	1.016	1.017	1.013					
66 - 69	1.014	1.012	1.011					
69 - 72	1.011	1.011	1.009					
72 - 75	1.009	1.010	1.009					
75 - 78	1.010	1.009						
78 - 81	1.007	1.006						
81 - 84	1.008	1.006						
84 - 87	1.008	1.007						

Annual Development

Age in Months	Accident Year 2012	2013	2014	2015	2016	2017	2018
15 - 27	1.829	1.791	1.887	1.850	1.779	1.786	1.727
27 - 39	1.242	1.284	1.272	1.240	1.241	1.246	
39 - 51	1.141	1.129	1.123	1.122	1.112		
51 - 63	1.077	1.072	1.072	1.062			
63 - 75	1.049	1.051	1.041				
75 - 87	1.034	1.028					
87 - 99	1.021						

	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-Ult.
Age-to-Age[1]	1.727	1.246	1.112	1.062	1.041	1.028	1.021	
Age -to-Ult.[2]	3.744	2.167	1.739	1.565	1.474	1.416	1.377	1.349

Notes:
[1] Based on Latest Year.
[2] 99-to-Ult. is based on selected paid medical 96-to-ultimate development factor on Exhibit 3.2 of Agenda Item AC20-06-01.

Source: WCIRB quarterly calls for experience.

PRELIMINARY

Projected Ratio of MCCP to Losses - Statewide

Based on Estimated Accident Year Indemnity Claim Frequency and MCCP Severity
for Policies with Effective Dates between July 1, 2021 and August 31, 2021

Accident Year	Paid MCCP @3/31/20 (in $000)	Cumulative Development Factors[1]	Estimated Ultimate MCCP	Indemnity Claim Counts @3/31/20	Cumulative Count Development Factors[2]	Estimated Ultimate Ind. Counts	Estimated Ultimate MCCP per Indemnity Claim
	(1)	(2)	(3)=(1)x(2)	(4)	(5)	(6)=(4)x(5)	(7)=(3)/(6) x 1000
2012	300,326	1.349	405,140	128,131	1.003	128,546	3,152
2013	291,857	1.377	401,826	136,242	1.004	136,754	2,938
2014	286,588	1.416	405,688	141,062	1.005	141,833	2,860
2015	273,650	1.474	403,392	144,972	1.007	145,971	2,764
2016	246,464	1.565	385,662	147,920	1.010	149,379	2,582
2017	221,909	1.739	385,988	147,678	1.015	149,895	2,575
2018	189,494	2.167	410,716	148,356	1.032	153,171	2,681
2019	106,656	3.744	399,280	139,039	1.127	156,731	2,548

Projected Based on 2-Year Average of 2018 and 2019:

	Ultimate MCCP[5]	Ult. Ind. Counts[3]	Ult.MCCP per Ind. Counts[4]
2020	395,221	151,166	2,614
2021	385,064	147,281	2,614
11/1/2021	382,248	146,204	2,614

(a)	Projected MCCP ($000):	382,248
(b)	Calendar Year 2019 Earned Premium[6] ($000):	16,120,445
(c)	Projected Loss to Industry Average Filed Pure Premium Ratio[7]:	0.571
(d)	Premium Adjustment Factor for Calendar Year 2019[8]:	0.976
(e)	Projected Losses ($000): (b) x (c) x (d)	8,983,859
(f)	Projected Ratio of MCCP to Losses: (a)/(e)	4.3%

Notes:

[1] Based on MCCP development through 99 months from Exhibit 18.1. 99-to-ultimate development factors is based on selected paid medical development factors from Exhibit 3.2 of Agenda Item AC20-06-01.

[2] Based on the latest year indemnity claim count age-to-age development from Exhibit 11.3.

[3] Estimated based on projected frequency trends for accident years 2019 to 2022. The estimated frequency changes are based on the projected growth in total or overall indemnity claim frequency. These frequency trends were then applied to the ultimate indemnity claim counts estimated from averaging 2018 and 2019.

[4] Severity is projected by applying an annual growth rate of 0% to the ultimate MCCP severity estimated from averaging 2018 and 2019.

[5] Column(6) x Column(7) / 1,000.

[6] Based on the reported earned premium for calendar year 2019 from the same group of insurers that reported the paid MCCP in column (1) and the indemnity claim counts in column (4) by accident year as of March 31, 2020.

[7] See Exhibit 8 of Agenda Item AC20-06-01.

[8] See Exhibit 5.2 of Agenda Item AC20-06-01.

PRELIMINARY

Projected Ratio of MCCP to Losses - Statewide

Based on Estimated Accident Year Indemnity Claim Frequency and MCCP Severity - Trend from Latest Year for Policies with Effective Dates between July 1, 2021 and August 31, 2021

Accident Year	Paid MCCP @3/31/20 (in $000)	Cumulative Development Factors[1]	Estimated Ultimate MCCP	Indemnity Claim Counts @3/31/20	Cumulative Count Development Factors[2]	Estimated Ultimate Ind. Counts	Estimated Ultimate MCCP per Indemnity Claim
	(1)	(2)	(3)=(1)x(2)	(4)	(5)	(6)=(4)x(5)	(7)=(3)/(6) x 1000
2012	300,326	1.349	405,140	128,131	1.003	128,546	3,152
2013	291,857	1.377	401,826	136,242	1.004	136,754	2,938
2014	286,588	1.416	405,688	141,062	1.005	141,833	2,860
2015	273,650	1.474	403,392	144,972	1.007	145,971	2,764
2016	246,464	1.565	385,662	147,920	1.010	149,379	2,582
2017	221,909	1.739	385,988	147,678	1.015	149,895	2,575
2018	189,494	2.167	410,716	148,356	1.032	153,171	2,681
2019	106,656	3.744	399,280	139,039	1.127	156,731	2,548

Projected Based on Latest Year:

	Ultimate MCCP[5]	Ult. Ind. Counts[3]	Ult.MCCP per Ind. Counts[4]
2020	387,821	152,233	2,548
2021	377,854	148,320	2,548
11/1/2021	375,090	147,235	2,548

(a)	Projected MCCP ($000):	375,090
(b)	Calendar Year 2019 Earned Premium[6] ($000):	16,120,445
(c)	Projected Loss to Industry Average Filed Pure Premium Ratio[7]:	0.571
(d)	Premium Adjustment Factor for Calendar Year 2019[8]:	0.976
(e)	Projected Losses ($000): (b) x (c) x (d)	8,983,859
(f)	Projected Ratio of MCCP to Losses: (a)/(e)	4.2%

Notes:

[1] Based on MCCP development through 99 months from Exhibit 18.1. 99-to-ultimate development factor is based on selected paid medical development factors from Exhibit 3.2 of Agenda Item AC20-06-01.

[2] Based on the latest year indemnity claim count age-to-age development from Exhibit 11.3.

[3] Estimated based on projected frequency trends for accident years 2020 to 2022. The estimated frequency changes are based on the projected growth in total or overall indemnity claim frequency. These frequency trends were then applied to the 2019 ultimate indemnity claim counts.

[4] Severity is projected by applying an annual growth rate of 0% to the 2019 ultimate MCCP severity.

[5] Column(6) x Column(7) / 1,000.

[6] Based on the reported earned premium for calendar year 2019 from the same group of insurers that reported the paid MCCP in column (1) and the indemnity claim counts in column (4) by accident year as of March 31, 2020.

[7] See Exhibit 8 of Agenda Item AC20-06-01.

[8] See Exhibit 5.2 of Agenda Item AC20-06-01.

PRELIMINARY

Projected Ratio of MCCP to Losses - Statewide

Based on Estimated Accident Year Indemnity Claim Frequency and MCCP Severity with Trend
Based on AY Ultimate MCCP per Indemnity Claim and Applied to the Latest Two Years
for Policies with Effective Dates between July 1, 2021 and August 31, 2021

Year	Paid MCCP @12/31/19 (in $000)	Cumulative Development Factors[1]	Estimated Ultimate MCCP	Indemnity Claim Counts @12/31/19	Cumulative Count Development Factors[2]	Estimated Ultimate Ind. Counts	Estimated Ultimate MCCP per Indemnity Claim
	(1)	(2)	(3)=(1)x(2)	(4)	(5)	(6)=(4)x(5)	(7)=(3)/(6) x 1000
2012	300,326	1.349	405,140	128,131	1.003	128,546	3,152
2013	291,857	1.377	401,826	136,242	1.004	136,754	2,938
2014	286,588	1.416	405,688	141,062	1.005	141,833	2,860
2015	273,650	1.474	403,392	144,972	1.007	145,971	2,764
2016	246,464	1.565	385,662	147,920	1.010	149,379	2,582
2017	221,909	1.739	385,988	147,678	1.015	149,895	2,575
2018	189,494	2.167	410,716	148,356	1.032	153,171	2,681
2019	106,656	3.744	399,280	139,039	1.127	156,731	2,548

Projected Based on 2-Year Average of 2018 and 2019:

	Ultimate MCCP[5]	Ult. Ind. Counts[3]	Ult.MCCP per Ind. Counts[4]
2020	382,062	151,166	2,527
2021	363,989	147,281	2,471
11/1/2021	358,662	146,204	2,453

(a)	Projected MCCP ($000):	358,662
(b)	Calendar Year 2019 Earned Premium[6] ($000):	16,120,445
(c)	Projected Loss to Industry Average Filed Pure Premium Ratio[7]:	0.571
(d)	Premium Adjustment Factor for Calendar Year 2019[8]:	0.976
(e)	Projected Losses ($000): (b) x (c) x (d)	8,983,859
(f)	Projected Ratio of MCCP to Losses: (a)/(e)	4.0%

Notes:

[1] Based on MCCP development through 99 months from Exhibit 18.1. 99-to-ultimate development factor is based on selected paid medical development factors from Exhibit 3.2 of Agenda Item AC20-06-01.

[2] Based on the latest year indemnity claim count age-to-age development from Exhibit 11.3.

[3] Estimated based on projected frequency trends for accident years 2019 and 2022. The estimated frequency changes are based on the projected growth in total or overall indemnity claim frequency.

[4] Severity is projected by applying an annual growth rate of -2.2% to the ultimate MCCP severity estimated from averaging 2018 and 2019.

[5] Column(6) x Column(7) / 1,000.

[6] Based on the reported earned premium for calendar year 2019 from the same group of insurers that reported the paid MCCP in column (1) and the indemnity claim counts in column (4) by accident year as of March 31, 2020.

[7] See Exhibit 8 of Agenda Item AC20-06-01.

[8] See Exhibit 5.2 of Agenda Item AC20-06-01.

PRELIMINARY

Projected Ratio of MCCP to Losses - Statewide
Based on Estimated Accident Year Indemnity Claim Frequency and MCCP Severity with Trend
Based on CY Paid MCCP per Open Indemnity Claim and Applied to the Latest Two Years
for Policies with Effective Dates between July 1, 2021 and August 31, 2021

Accident Year	Paid MCCP @3/31/20 (in $000)	Cumulative Development Factors[1]	Estimated Ultimate MCCP	Indemnity Claim Counts @3/31/20	Cumulative Count Development Factors[2]	Estimated Ultimate Ind. Counts	Estimated Ultimate MCCP per Indemnity Claim
	(1)	(2)	(3)=(1)x(2)	(4)	(5)	(6)=(4)x(5)	(7)=(3)/(6) x 1000
2012	300,326	1.349	405,140	128,131	1.003	128,546	3,152
2013	291,857	1.377	401,826	136,242	1.004	136,754	2,938
2014	286,588	1.416	405,688	141,062	1.005	141,833	2,860
2015	273,650	1.474	403,392	144,972	1.007	145,971	2,764
2016	246,464	1.565	385,662	147,920	1.010	149,379	2,582
2017	221,909	1.739	385,988	147,678	1.015	149,895	2,575
2018	189,494	2.167	410,716	148,356	1.032	153,171	2,681
2019	106,656	3.744	399,280	139,039	1.127	156,731	2,548

Projected Based on 2-Year Average of 2018 and 2019:

	Ultimate MCCP[5]	Ult. Ind. Counts[3]	Ult.MCCP per Ind. Counts[4]
2020	402,911	151,166	2,665
2021	397,583	147,281	2,699
11/1/2021	396,336	146,204	2,711

(a)	Projected MCCP ($000):	396,336
(b)	Calendar Year 2019 Earned Premium[6] ($000):	16,120,445
(c)	Projected Loss to Industry Average Filed Pure Premium Ratio[7]:	0.571
(d)	Premium Adjustment Factor for Calendar Year 2019[8]:	0.976
(e)	Projected Losses ($000): (b) x (c) x (d)	8,983,859
(f)	Projected Ratio of MCCP to Losses: (a)/(e)	4.4%

Notes:

[1] Based on MCCP development through 99 months from Exhibit 18.1. 99-to-ultimate development factor is based on selected paid medical development factors from Exhibit 3.2 of Agenda Item AC20-06-01.
[2] Based on the latest year indemnity claim count age-to-age development from Exhibit 11.3.
[3] Estimated based on projected frequency trends for accident years 2019 and 2022. The estimated frequency changes are based on the projected growth in total or overall indemnity claim frequency.
[4] Severity is projected by applying an annual growth rate of 1.3% to the ultimate MCCP severity estimated from averaging 2018 and 2019.
[5] Column(6) x Column(7) / 1,000.
[6] Based on the reported earned premium for calendar year 2019 from the same group of insurers that reported the paid MCCP in column (1) and the indemnity claim counts in column (4) by accident year as of March 31, 2020.
[7] See Exhibit 8 of Agenda Item AC20-06-01.
[8] See Exhibit 5.2 of Agenda Item AC20-06-01.

PRELIMINARY

Item AC20-08-03
1/1/2021 Filing – Review of Alternative Loss Projection Methodologies

For a number of years, the WCIRB has included alternative loss development and trending methodology projections in its pure premium rate filing submissions.

Loss Development Methodologies
The loss development projections based on the methodology reflected in the summary analysis of March 31, 2020 experience, included in Item AC20-06-01, included a combination of (a) latest year reform-adjusted[1] paid loss development factors through 111 months with adjustments for changes in claim settlement rates applied through 75 months, (b) three-year average reform-adjusted paid loss development factors from 111 months through 267 months, and (c) six-year average (unadjusted) incurred loss development factors after 267 months. Included for the Committee's review are a number of alternative loss development projections based on methodologies that have been included, for informational purposes, in prior pure premium rate filing materials or have been discussed at prior meetings. Specifically, alternative loss ratio projections, based on March 31, 2020 experience, derived using the following loss development methodologies and the trending methodology reflected in the analysis included in Item AC20-06-01 are included:[2]

1. Three-Year Average Unadjusted Incurred Loss Development – Exhibits 1.1 through 1.3

2. Latest Year Unadjusted Incurred Loss Development – Exhibits 2.1 through 2.3

3. Three-Year Average Incurred Loss Development Adjusted for Changes in Case Reserve Levels – Exhibits 3.1 through 3.11

4. Latest Year Incurred Loss Development Adjusted for Changes in Insurer Mix – Exhibits 4.1 through 4.3

5. Three-Year Average Unadjusted Paid Loss Development – Exhibits 5.1 through 5.3

6. Latest Year Unadjusted Paid Loss Development – Exhibits 6.1 through 6.3

7. Latest Year Paid Loss Development Adjusted for Reforms – Exhibits 7.1 and 7.2

8. Three-Year Average Paid Loss Development Adjusted for Changes in Claim Settlement Rates and Reforms – Exhibits 8.1 through 8.3

9. Latest Year Paid Loss Development Adjusted for Changes in Insurer Mix – Exhibits 9.1 through 9.3

10. Expected Loss Ratio with a Bornheutter-Ferguson (BF) Adjustment Based on Paid Loss Development to 27 Months with Latest Year Paid Loss Development Adjusted for Reforms after 27 Months – Exhibits 10.1 through 10.5

[1] These includes adjustments for the provisions of Senate Bill No. 1160 (SB 1160) related to lien filings and adjustments for the recent decrease in pharmaceutical costs.
[2] All methodologies reflect three-year average loss development factors applied after 111 months. All paid loss development methodologies reflect six-year average incurred loss development factors applied after 267 months.

A summary of the preliminary January 1, 2021 to August 31, 2021 policy period loss ratio projections based on the alternative loss development methodologies described above is shown in Table 1.

Table 1: Projected Loss Ratios Based on Alternative Loss Development Methodologies[3]

Loss Development Methodologies	Indemnity Loss Ratio	Medical Loss Ratio	Total Loss Ratio
Current WCIRB Methodology			
Latest Year Paid Adjusted for Reforms and Changes in Claim Settlement Rates	**0.259**	**0.312**	**0.571**
Alternative Methodologies			
Incurred Methodologies			
Three-Year Average (Unadjusted)	0.263	0.282	0.545
Latest Year (Unadjusted)	0.254	0.275	0.529
Three-Year Average Adjusted for Changes in Case Reserve Levels	0.255	0.280	0.535
Latest Year Adjusted for Changes in Insurer Mix	0.252	0.268	0.520
Paid Methodologies			
Three-Year Average (Unadjusted)	0.283	0.338	0.621
Latest Year (Unadjusted)	0.267	0.322	0.589
Latest Year Adjusted for Reforms	—	0.321	—
Three-Year Average Adjusted for Changes in Claim Settlement Rates and Reforms	0.264	0.324	0.588
Latest Year Adjusted for Changes in Insurer Mix	0.261	0.311	0.572
BF Paid to 27 Months; Latest Year Reform-Adjusted after 27 Months	0.256	0.313	0.569
Hybrid Methodologies			
75% Applied to Latest Year Paid Adjusted for Reforms and Claim Settlement Rates and 25% Applied to 3-Year Average Unadjusted Incurred[4]	—	0.305	—

[3] All methodologies reflect three-year average loss development factors applied after 111 months. All paid loss development methodologies reflect three-year average incurred loss development factors applied after 267 months.
[4] This loss development methodology was reflected in the California Department of Insurance (CDI) Decision on the January 1, 2020 Pure Premium Rate Filing for the medical projection.

Trending Methodologies
The trending projections reflected in the summary analysis of March 31, 2020 experience, included in Item AC20-06-01, are based on the average of the latest two years' on-level loss ratios with separate projections of claim frequency and claim severity growth applied. The claim frequency growth estimates were based on the January 1, 2020 Pure Premium Rate Filing approach of reflecting the preliminary actual 15-month frequency change for accident year 2019 and the WCIRB's indemnity claim frequency model projections for accident years 2020 through 2022, and are prior to reflecting the impact of the COVID-19 pandemic and resulting economic downturn. The severity growth estimates of 0% for indemnity and 1.5% for medical were consistent with those reflected in the January 1, 2020 Pure Premium Rate Filing which were selected based on a review of short-term and long-term growth in claim severities.

The trending projections for the January 1, 2021 to August 31, 2021 policy period are significantly impacted by the COVID-19 pandemic and resulting economic downturn. These issues will be discussed separately with the Committee at the meeting (see Items AC20-04-04 and AC20-08-04). Given the uncertainty surrounding the trending projections, staff will discuss alternative trending methodology assumptions with the Committee at the meeting.

Exhibit 1.1

Developed Loss Ratio Unadjusted 3-Year Average Incurred Development Factors
Based on Experience as of March 31, 2020

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Indemnity				Medical				
Accident Year	Reported Incurred Loss Ratio Ex IBNR (a)	Annual Development Factor (b)	Cumulative Development Factor	Developed Loss Ratio (1) x (3)	Reported Incurred Loss Ratio Ex IBNR (a)	Annual Development Factor (c)	Cumulative Development Factor	Developed Loss Ratio (5) x (7)	Total Developed Loss Ratio (4) + (8)
2008	0.274	1.004	1.026	0.281	0.406	1.003	1.027	0.417	0.698
2009	0.317	1.007	1.033	0.328	0.469	1.004	1.031	0.484	0.812
2010	0.302	1.007	1.040	0.314	0.450	1.005	1.036	0.466	0.780
2011	0.278	1.009	1.049	0.291	0.384	1.007	1.044	0.401	0.692
2012	0.246	1.011	1.061	0.261	0.326	1.009	1.053	0.343	0.604
2013	0.206	1.016	1.078	0.222	0.258	1.012	1.066	0.275	0.498
2014	0.193	1.021	1.100	0.212	0.226	1.013	1.080	0.244	0.456
2015	0.184	1.029	1.132	0.208	0.211	1.023	1.105	0.233	0.441
2016	0.168	1.045	1.183	0.199	0.193	1.030	1.139	0.220	0.419
2017	0.162	1.087	1.286	0.209	0.193	1.052	1.198	0.231	0.439
2018	0.148	1.188	1.528	0.226	0.188	1.103	1.321	0.248	0.474
2019	0.108	1.587	2.426	0.262	0.163	1.267	1.674	0.273	0.535

(a) Based on AC20-06-01, Exhibit 1. Accident years 2011 and subsequent do not reflect the paid cost of medical cost containment programs (MCCP). Accident years 2010 and prior do reflect paid MCCP costs. No adjustment has been made to MCCP costs in medical reserves.
(b) Based on AC20-06-01, Exhibit 2.1.
(c) Based on AC20-06-01, Exhibit 2.2.

Exhibit 1.2

Projected On-Level Accident Year
Indemnity Loss to Industry Average Filed Pure Premium Ratios
Using Unadjusted 3-Year Average Incurred Development Factors
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Indemnity Loss Ratio (a)	(2) Composite Indemnity Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Indemnity to Industry Average Filed Pure Premium Ratio (1) x (2) ÷ (3)
2008	0.281	1.381	1.265	0.307
2009	0.328	1.354	1.364	0.325
2010	0.314	1.328	1.240	0.336
2011	0.291	1.310	1.133	0.337
2012	0.261	1.294	1.009	0.335
2013	0.222	1.265	0.881	0.319
2014	0.212	1.159	0.812	0.303
2015	0.208	1.142	0.776	0.307
2016	0.199	1.128	0.803	0.280
2017	0.209	1.098	0.841	0.272
2018	0.226	1.070	0.882	0.274
2019	0.262	1.041	0.976	0.280
				Projected (d)
2020				0.271
2021				0.265
11/1/2021				0.263

(a) See Exhibit 1.1.
(b) Based on AC20-06-01, Exhibit 4.1.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual indemnity severity trend from AC20-06-01, Exhibit 6.2, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.

Exhibit 1.3

Projected On-Level Accident Year
Medical Loss to Industry Average Filed Pure Premium Ratios
Using Unadjusted 3-Year Average Incurred Development Factors
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Medical Loss Ratio (a)	(2) Composite Medical Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Medical to Industry Average Filed Pure Premium Ratio(e) (1) x (2) ÷ (3)
2008	0.417	0.802	1.265	0.264
2009	0.484	0.791	1.364	0.281
2010	0.466	0.789	1.240	0.297
2011	0.401	0.811	1.133	0.287
2012	0.343	0.846	1.009	0.288
2013	0.275	0.928	0.881	0.290
2014	0.244	0.974	0.812	0.292
2015	0.233	0.995	0.776	0.299
2016	0.220	0.993	0.803	0.272
2017	0.231	0.991	0.841	0.272
2018	0.248	1.015	0.882	0.286
2019	0.273	1.011	0.976	0.282
				Projected (d)
2020				0.284
2021				0.282
11/1/2021				0.282

(a) See Exhibit 1.1.
(b) Based on AC20-06-01, Exhibit 4.4.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual medical severity trend from AC20-06-01, Exhibit 6.4, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.
(e) Accident years 2011 and subsequent do not reflect paid MCCP costs. Accident years 2010 and prior do reflect paid MCCP costs. No adjustment has been made to MCCP costs in medical reserves.

Exhibit 2.1

Developed Loss Ratio Unadjusted Latest Year Incurred Development Factors
Based on Experience as of March 31, 2020

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Indemnity				Medical				
Accident Year	Reported Incurred Loss Ratio Ex IBNR (a)	Annual Development Factor (b)	Cumulative Development Factor	Developed Loss Ratio (1) x (3)	Reported Incurred Loss Ratio Ex IBNR (a)	Annual Development Factor (c)	Cumulative Development Factor	Developed Loss Ratio (5) x (7)	Total Developed Loss Ratio (4) + (8)
2008	0.274	1.004	1.026	0.281	0.406	1.003	1.027	0.417	0.698
2009	0.317	1.007	1.033	0.328	0.469	1.004	1.031	0.484	0.812
2010	0.302	1.007	1.040	0.314	0.450	1.005	1.036	0.466	0.780
2011	0.278	1.009	1.049	0.291	0.384	1.007	1.044	0.401	0.692
2012	0.246	1.010	1.060	0.261	0.326	1.009	1.053	0.343	0.604
2013	0.206	1.014	1.075	0.222	0.258	1.015	1.069	0.276	0.498
2014	0.193	1.017	1.093	0.211	0.226	1.010	1.079	0.244	0.454
2015	0.184	1.023	1.118	0.206	0.211	1.022	1.103	0.233	0.438
2016	0.168	1.039	1.162	0.196	0.193	1.027	1.133	0.219	0.414
2017	0.162	1.080	1.254	0.204	0.193	1.042	1.181	0.227	0.431
2018	0.148	1.183	1.484	0.220	0.188	1.098	1.296	0.244	0.463
2019	0.108	1.568	2.327	0.252	0.163	1.253	1.624	0.265	0.516

(a) Based on AC20-06-01, Exhibit 1. Accident years 2011 and subsequent do not reflect the paid cost of medical cost containment programs (MCCP). Accident years 2010 and prior do reflect paid MCCP costs. No adjustment has been made to MCCP costs in medical reserves.
(b) Based on AC20-06-01, Exhibit 2.1.
(c) Based on AC20-06-01, Exhibit 2.2.

Exhibit 2.2

Projected On-Level Accident Year
Indemnity Loss to Industry Average Filed Pure Premium Ratios
Using Unadjusted Latest Year Incurred Development Factors
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Indemnity Loss Ratio (a)	(2) Composite Indemnity Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Indemnity to Industry Average Filed Pure Premium Ratio (1) x (2) ÷ (3)
2008	0.281	1.381	1.265	0.307
2009	0.328	1.354	1.364	0.325
2010	0.314	1.328	1.240	0.336
2011	0.291	1.310	1.133	0.337
2012	0.261	1.294	1.009	0.335
2013	0.222	1.265	0.881	0.318
2014	0.211	1.159	0.812	0.301
2015	0.206	1.142	0.776	0.303
2016	0.196	1.128	0.803	0.275
2017	0.204	1.098	0.841	0.266
2018	0.220	1.070	0.882	0.266
2019	0.252	1.041	0.976	0.268
				Projected (d)
2020				0.261
2021				0.256
11/1/2021				0.254

(a) See Exhibit 2.1.
(b) Based on AC20-06-01, Exhibit 4.1.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual indemnity severity trend from AC20-06-01, Exhibit 6.2, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.

Exhibit 2.3

Projected On-Level Accident Year
Medical Loss to Industry Average Filed Pure Premium Ratios
Using Unadjusted Latest Year Incurred Development Factors
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Medical Loss Ratio (a)	(2) Composite Medical Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Medical to Industry Average Filed Pure Premium Ratio(e) (1) x (2) ÷ (3)
2008	0.417	0.802	1.265	0.264
2009	0.484	0.791	1.364	0.281
2010	0.466	0.789	1.240	0.297
2011	0.401	0.811	1.133	0.287
2012	0.343	0.846	1.009	0.288
2013	0.276	0.928	0.881	0.291
2014	0.244	0.974	0.812	0.292
2015	0.233	0.995	0.776	0.298
2016	0.219	0.993	0.803	0.271
2017	0.227	0.991	0.841	0.268
2018	0.244	1.015	0.882	0.280
2019	0.265	1.011	0.976	0.274
				Projected (d)
2020				0.277
2021				0.275
11/1/2021				0.275

(a) See Exhibit 2.1.
(b) Based on AC20-06-01, Exhibit 4.1.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual medical severity trend from AC20-06-01, Exhibit 6.4, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.
(e) Accident years 2011 and subsequent do not reflect paid MCCP costs. Accident years 2010 and prior do reflect paid MCCP costs. No adjustment has been made to MCCP costs in medical reserves.

Exhibit 3.1

Incurred Indemnity Loss Development Factors
Adjusted for Changes in Case Reserve Adequacy

A. Indemnity Case Reserves Per Open Claim

Accident	Evaluated as of (in months)												
Year	15	27	39	51	63	75	87	99	111	123	135	147	159
2001													
2002													25,649
2003												35,679	35,730
2004											31,357	33,245	35,090
2005										27,805	28,458	31,554	33,746
2006									26,994	27,481	30,957	32,744	34,400
2007								27,100	29,204	31,360	32,520	36,472	42,123
2008							23,878	26,713	30,551	33,560	36,891	41,290	
2009						21,594	23,512	25,992	28,961	32,174	37,527		
2010					18,225	20,213	22,415	25,251	28,814	31,909			
2011				17,450	18,928	20,810	23,461	26,064	29,337				
2012			14,952	16,363	18,719	21,181	24,855	28,916					
2013		13,078	14,215	15,739	17,677	20,706	24,561						
2014	9,665	13,125	15,214	17,625	20,572	22,577							
2015	10,017	14,245	16,690	19,669	22,154								
2016	10,147	14,596	17,283	20,430									
2017	10,827	16,047	19,535										
2018	11,564	16,827											
2019	12,015												

B. Average Paid Indemnity per Closed Claim

Accident	Evaluated as of (in months)												
Year	15	27	39	51	63	75	87	99	111	123	135	147	159
2001													
2002													21,923
2003												21,467	21,958
2004											17,165	17,663	18,083
2005										15,091	15,644	16,096	16,457
2006									15,970	16,738	17,349	17,825	18,227
2007								16,480	17,442	18,240	18,872	19,368	19,826
2008							17,318	18,552	19,442	20,117	20,747	21,305	
2009						16,802	18,488	19,671	20,611	21,422	22,016		
2010					15,155	17,187	18,709	19,812	20,600	21,267			
2011				12,887	15,514	17,297	18,672	19,778	20,496				
2012			10,038	13,266	15,579	17,331	18,590	19,533					
2013		6,318	10,481	13,644	15,851	17,379	18,417						
2014	2,691	6,720	11,149	14,513	16,766	18,242							
2015	3,006	7,359	11,875	15,192	17,256								
2016	3,252	7,699	12,005	15,085									
2017	3,341	7,785	12,017										
2018	3,566	8,204											
2019	3,812												

C. Annual Change of Average Paid Indemnity per Closed Claim

Accident	Evaluated as of (in months)												
Year	15	27	39	51	63	75	87	99	111	123	135	147	159
2002													
2003													0.2%
2004												-17.7%	-17.6%
2005											-8.9%	-8.9%	-9.0%
2006										10.9%	10.9%	10.7%	10.8%
2007									9.2%	9.0%	8.8%	8.7%	8.8%
2008								12.6%	11.5%	10.3%	9.9%	10.0%	
2009							6.8%	6.0%	6.0%	6.5%	6.1%		
2010						2.3%	1.2%	0.7%	-0.1%	-0.7%			
2011					2.4%	0.6%	-0.2%	-0.2%	-0.5%				
2012				2.9%	0.4%	0.2%	-0.4%	-1.2%					
2013			4.4%	2.8%	1.7%	0.3%	-0.9%						
2014		6.4%	6.4%	6.4%	5.8%	5.0%							
2015	11.7%	9.5%	6.5%	4.7%	2.9%								
2016	8.2%	4.6%	1.1%	-0.7%									
2017	2.8%	1.1%	0.1%										
2018	6.7%	5.4%											
2019	6.9%												

Source: Accident year experience of insurers with available claim count data

Incurred Indemnity Loss Development Factors
Adjusted for Changes in Case Reserve Adequacy

D. Indemnity Case Reserves per Open Claim Adjusted by Paid Indemnity Severity Trend (a)

Accident	Evaluated as of (in months)												
Year	15	27	39	51	63	75	87	99	111	123	135	147	159
2001													
2002													46,578
2003												41,604	46,652
2004											29,257	34,232	38,419
2005										22,642	26,665	31,196	34,966
2006									22,859	25,115	29,571	34,547	38,726
2007								24,396	24,966	27,368	32,167	37,536	42,123
2008							23,095	27,465	27,828	30,185	35,364	41,290	
2009						20,796	24,656	29,122	29,502	32,143	37,527		
2010					19,456	21,272	24,950	29,329	29,485	31,909			
2011				17,453	19,917	21,409	24,900	29,280	29,337				
2012			16,319	17,965	20,000	21,450	24,791	28,916					
2013		12,958	17,038	18,477	20,350	21,510	24,561						
2014	8,483	13,783	18,125	19,654	21,524	22,577							
2015	9,476	15,094	19,305	20,574	22,154								
2016	10,249	15,791	19,515	20,430									
2017	10,532	15,966	19,535										
2018	11,240	16,827											
2019	12,015												

E. Indemnity Open Claim Counts

Accident	Evaluated as of (in months)												
Year	15	27	39	51	63	75	87	99	111	123	135	147	159
2001													
2002													6,735
2003												7,331	6,280
2004											7,030	5,946	4,928
2005										7,267	5,964	4,809	3,940
2006									8,769	7,094	5,611	4,538	3,651
2007								10,554	8,159	6,313	4,959	3,975	3,131
2008							12,761	9,569	7,309	5,697	4,399	3,496	
2009						16,209	11,837	8,779	6,601	4,961	3,814		
2010					21,013	15,020	10,735	7,820	5,761	4,323			
2011				28,134	19,781	13,962	9,831	6,917	5,098				
2012			40,886	28,351	19,426	13,246	9,117	6,479					
2013		60,411	42,462	27,996	18,338	12,278	8,340						
2014	80,242	62,676	42,436	27,057	17,483	11,684							
2015	84,707	63,162	40,432	24,801	15,911								
2016	84,017	60,470	37,457	23,010									
2017	82,354	56,653	35,112										
2018	82,936	57,895											
2019	84,878												

F. Total Indemnity Case Reserves Adjusted by Paid Indemnity Severity Trend (in $000) (b)

Accident	Evaluated as of (in months)												
Year	15	27	39	51	63	75	87	99	111	123	135	147	159
2001													
2002													313,712
2003												305,013	292,959
2004											205,672	203,551	189,318
2005										164,538	159,023	150,007	137,759
2006									200,458	178,176	165,936	156,767	141,387
2007								257,469	203,700	172,766	159,502	149,206	131,887
2008							294,726	262,808	203,395	171,969	155,566	144,350	
2009						337,071	291,856	255,649	194,740	159,461	143,126		
2010					408,825	319,502	267,846	229,367	169,866	137,944			
2011				491,020	393,977	298,916	244,787	202,528	149,559				
2012			667,214	509,332	388,522	284,124	226,021	187,350					
2013		782,803	723,471	517,279	373,190	264,096	204,839						
2014	680,679	863,900	769,143	531,766	376,311	263,790							
2015	802,713	953,352	780,556	510,261	352,492								
2016	861,100	954,903	730,982	470,084									
2017	867,321	904,530	685,903										
2018	932,239	974,184											
2019	1,019,838												

(a) Latest evaluation of each accident year is unadjusted. Evaluations prior to the latest evaluation are determined by adjusting the latest accident year average indemnity case reserves by a different annual change applied at each individual accident year and maturity based on the change in paid losses per closed claim for that age and maturity (Item C)

(b) Each amount is derived as the product of the indemnity open claim counts (Item E) and the adjusted average indemnity case reserves per open claim (Item D).

Source: Accident year experience of insurers with available claim count data

Exhibit 3.3

Incurred Indemnity Loss Development Factors
Adjusted for Changes in Case Reserve Adequacy

G. Paid Indemnity Loss on All Claims

Accident	Evaluated as of (in months)												
Year	15	27	39	51	63	75	87	99	111	123	135	147	159
2001													
2002													4,692,873
2003												4,430,784	4,476,070
2004											3,062,153	3,105,141	3,139,503
2005										2,378,508	2,423,839	2,458,017	2,487,864
2006									2,418,052	2,481,088	2,523,732	2,562,806	2,590,181
2007								2,490,745	2,571,266	2,636,197	2,681,535	2,723,387	2,759,789
2008							2,502,016	2,601,299	2,665,621	2,720,324	2,769,556	2,807,577	
2009						2,283,611	2,412,027	2,506,465	2,578,803	2,637,754	2,680,254		
2010					2,167,179	2,342,244	2,466,302	2,554,597	2,616,405	2,670,269			
2011				1,917,499	2,158,789	2,322,631	2,443,568	2,535,460	2,593,487				
2012			1,660,276	2,019,628	2,266,781	2,437,851	2,552,045	2,630,902					
2013		1,201,721	1,789,046	2,174,299	2,414,426	2,566,546	2,664,554						
2014	529,355	1,301,568	1,953,347	2,373,215	2,631,521	2,795,003							
2015	576,423	1,422,578	2,099,117	2,522,498	2,774,496								
2016	610,812	1,467,626	2,141,952	2,543,638									
2017	631,023	1,508,537	2,173,148										
2018	681,051	1,595,883											
2019	720,721												

H. Adjusted Total Indemnity Incurred (in $000) (c)

Accident	Evaluated as of (in months)												
Year	15	27	39	51	63	75	87	99	111	123	135	147	159
2001													
2002													5,006,586
2003												4,735,796	4,769,029
2004											3,267,825	3,308,692	3,328,821
2005										2,543,046	2,582,862	2,608,024	2,625,623
2006									2,618,511	2,659,264	2,689,668	2,719,573	2,731,568
2007								2,748,214	2,774,966	2,808,963	2,841,037	2,872,593	2,891,676
2008							2,796,742	2,864,107	2,869,016	2,892,293	2,925,122	2,951,927	
2009						2,620,682	2,703,884	2,762,114	2,773,544	2,797,215	2,823,381		
2010					2,576,005	2,661,746	2,734,147	2,783,964	2,786,271	2,808,214			
2011				2,408,520	2,552,765	2,621,547	2,688,355	2,737,987	2,743,046				
2012			2,327,489	2,528,960	2,655,303	2,721,974	2,778,066	2,818,252					
2013		1,984,524	2,512,517	2,691,578	2,787,616	2,830,642	2,869,393						
2014	1,210,034	2,165,468	2,722,489	2,904,981	3,007,832	3,058,793							
2015	1,379,136	2,375,930	2,879,672	3,032,759	3,126,988								
2016	1,471,912	2,422,529	2,872,934	3,013,722									
2017	1,498,343	2,413,067	2,859,051										
2018	1,613,290	2,570,067											
2019	1,740,559												

I. Indemnity Incurred Loss Development Factors Based on Adjusted Total Indemnity Incurred

Accident	Age-to-Age Development (in months):											
Year	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135	135-147	147-159
2002												
2003												1.007
2004											1.013	1.006
2005										1.016	1.010	1.007
2006									1.016	1.011	1.011	1.004
2007								1.010	1.012	1.011	1.011	1.007
2008							1.024	1.002	1.008	1.011	1.009	
2009						1.032	1.022	1.004	1.009	1.009		
2010					1.033	1.027	1.018	1.001	1.008			
2011				1.060	1.027	1.025	1.018	1.002				
2012			1.087	1.050	1.025	1.021	1.014					
2013		1.266	1.071	1.036	1.015	1.014						
2014	1.790	1.257	1.067	1.035	1.017							
2015	1.723	1.212	1.053	1.031								
2016	1.646	1.186	1.049									
2017	1.610	1.185										
2018	1.593											
Latest Yea	1.593	1.185	1.049	1.031	1.017	1.014	1.014	1.002	1.008	1.009	1.009	1.007
3-Yr Avera	1.616	1.194	1.056	1.034	1.019	1.020	1.017	1.002	1.008	1.011	1.010	1.006

(c) Each amount is the sum of the adjusted total indemnity case reserves (Item F) and the total indemnity paid losses (Item G).

Source: Accident year experience of insurers with available claim count data

Incurred Indemnity Loss Development Factors
Adjusted for Changes in Case Reserve Adequacy

J. Indemnity Incurred Loss Development Factors (d)

Accident	Age-to-Age Development (in months):											
Year	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135	135-147	147-159
2002												
2003												1.002
2004											1.006	1.003
2005										1.005	1.006	1.004
2006									1.008	1.008	1.005	1.002
2007								1.012	1.009	1.003	1.009	1.008
2008							1.018	1.011	1.008	1.007	1.007	
2009						1.022	1.016	1.013	1.010	1.009		
2010					1.038	1.023	1.017	1.011	1.009			
2011				1.052	1.032	1.023	1.016	1.010				
2012			1.093	1.059	1.033	1.022	1.014					
2013		1.201	1.093	1.047	1.030	1.017						
2014	1.628	1.223	1.097	1.050	1.023							
2015	1.630	1.194	1.085	1.039								
2016	1.606	1.187	1.080									
2017	1.588	1.183										
2018	1.567											

K. Impact of Adjustments to Common Case Reserve Level (e)

Accident	Age-to-Age Development (in months):											
Year	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135	135-147	147-159
2002												
2003												0.53%
2004											0.63%	0.32%
2005										1.06%	0.35%	0.25%
2006									0.75%	0.34%	0.59%	0.28%
2007								-0.21%	0.35%	0.84%	0.21%	-0.15%
2008							0.61%	-0.94%	0.03%	0.43%	0.23%	
2009						1.00%	0.50%	-0.87%	-0.13%	0.01%		
2010					-0.41%	0.40%	0.15%	-1.01%	-0.14%			
2011				0.77%	-0.45%	0.21%	0.29%	-0.81%				
2012			-0.62%	-0.87%	-0.81%	-0.15%	0.02%					
2013		5.39%	-1.98%	-1.11%	-1.41%	-0.35%						
2014	9.94%	2.76%	-2.70%	-1.34%	-0.55%							
2015	5.71%	1.47%	-2.95%	-0.74%								
2016	2.48%	-0.08%	-2.91%									
2017	1.43%	0.19%										
2018	1.66%											

L. Indemnity Incurred Loss Development Factors Adjusted for Changes in Case Reserve Adequacy (f)

Accident	Age-to-Age Development (in months):											
Year	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135	135-147	147-159
2002												
2003												1.007
2004											1.012	1.006
2005										1.016	1.009	1.007
2006									1.016	1.011	1.011	1.005
2007								1.010	1.012	1.011	1.011	1.007
2008							1.024	1.002	1.008	1.011	1.009	
2009						1.031	1.021	1.004	1.009	1.009		
2010					1.033	1.027	1.019	1.001	1.008			
2011				1.061	1.027	1.026	1.019	1.002				
2012			1.086	1.050	1.025	1.020	1.014					
2013		1.266	1.071	1.035	1.015	1.013						
2014	1.786	1.258	1.067	1.035	1.017							
2015	1.723	1.213	1.053	1.031								
2016	1.646	1.186	1.049									
2017	1.611	1.185										
2018	1.594											
3-Year Average	1.617	1.195	1.056	1.034	1.019	1.020	1.017	1.002	1.008	1.011	1.010	1.006

(d) Development factors are from the same insurer mix as those which have been adjusted for case reserve level adequacy and applied in the calculation of the development factors in Item I.
(e) Each factor represents the change in age-to-age development factors from Item J to those in Item I.
(f) Each factor is the product of [1.0 + the impact of adjustments to common case reserve level (Item K)] and [the incurred indemnity age-to-age development factors from AC20-06-01, Exhibit 2.1.1].

Source: Accident year experience of insurers with available claim count data

Exhibit 3.5

Incurred Medical Loss Development Factors
Adjusted for Changes in Case Reserve Adequacy

A. Medical Case Reserves Per Open Indemnity Claim

Accident	Evaluated as of (in months)												
Year	15	27	39	51	63	75	87	99	111	123	135	147	159
2001													
2002													92,697
2003												88,010	90,184
2004											80,483	84,303	87,581
2005										74,819	78,386	85,380	92,256
2006									67,165	71,624	78,305	83,616	92,128
2007								62,328	71,972	79,722	89,199	95,034	104,829
2008							53,610	63,114	71,491	78,921	87,748	98,810	
2009						43,675	51,473	59,267	67,053	75,607	91,067		
2010					35,915	41,737	47,918	53,877	64,096	68,649			
2011				32,091	38,616	43,358	49,220	57,110	66,010				
2012			24,989	29,067	34,583	40,826	47,770	58,068					
2013		20,783	23,288	28,080	32,936	39,816	47,123						
2014	16,130	19,249	22,718	27,195	32,564	38,635							
2015	16,512	20,285	25,291	30,834	37,350								
2016	16,976	21,271	26,010	31,254									
2017	17,806	22,570	28,487										
2018	18,860	23,149											
2019	18,590												

B. Average Paid Medical Loss Per Closed Indemnity Claim (a)

Accident	Evaluated as of (in months)												
Year	15	27	39	51	63	75	87	99	111	123	135	147	159
2001													
2002													22,308
2003												21,015	21,858
2004											18,518	19,433	20,168
2005										18,334	19,440	20,266	20,927
2006									19,164	20,537	21,642	22,507	23,229
2007								20,364	22,052	23,411	24,507	25,381	26,258
2008							21,175	23,175	24,639	25,761	26,782	27,800	
2009						20,779	23,255	25,071	26,538	27,880	28,848		
2010					18,704	21,510	23,876	25,517	26,773	27,908			
2011				14,662	18,058	20,750	22,796	24,348	25,372				
2012			10,980	14,606	17,545	19,756	21,388	22,645					
2013		6,695	10,912	14,304	16,973	18,828	20,096						
2014	2,989	6,851	10,971	14,384	16,831	18,480							
2015	3,231	7,263	11,333	14,566	16,561								
2016	3,462	7,489	11,315	14,059									
2017	3,565	7,704	11,398										
2018	3,665	7,988											
2019	3,912												

C. Annual Change of Average Paid Medical per Closed Claim (b)

Accident	Evaluated as of (in months)												
Year	15	27	39	51	63	75	87	99	111	123	135	147	159
2002													
2003													-2.0%
2004												-7.5%	-7.7%
2005											5.0%	4.3%	3.8%
2006										12.0%	11.3%	11.1%	11.0%
2007									15.1%	14.0%	13.2%	12.8%	13.0%
2008								13.8%	11.7%	10.0%	9.3%	9.5%	
2009							9.8%	8.2%	7.7%	8.2%	7.7%		
2010						5.1%	4.9%	4.7%	4.4%	4.6%			
2011					3.7%	3.4%	2.9%	2.6%	2.5%				
2012				-2.4%	-3.1%	-3.9%	-4.4%	-4.6%					
2013			-0.6%	-2.1%	-3.3%	-4.7%	-6.0%						
2014		2.3%	0.5%	0.6%	-0.8%	-1.8%							
2015	8.1%	6.0%	3.3%	1.3%	-1.6%								
2016	7.2%	3.1%	-0.2%	-3.5%									
2017	3.0%	2.9%	0.7%										
2018	2.8%	3.7%											
2019	6.7%												

(a) Paid medical per closed claim severities for accident year 2010 and 2011 only reflect the paid cost of medical cost containment programs (MCCP) attributable to policies with effective dates prior to July 1, 2010.
(b) The annual changes for accident year 2010, 2011 and 2012 are based on paid medcial per total claim for consistency and do not compare to the severities in item B.
Source: Accident year experience of insurers with available claim count data

Incurred Medical Loss Development Factors
Adjusted for Changes in Case Reserve Adequacy

D. Medical Case Reserves per Open Claim Adjusted by Paid Medical Severity Trend (c)

Accident	Evaluated as of (in months)												
Year	15	27	39	51	63	75	87	99	111	123	135	147	159
2001													
2002													89,061
2003												74,692	87,263
2004											58,457	69,072	80,518
2005										43,142	61,368	72,031	83,546
2006									44,543	48,326	68,320	79,997	92,738
2007								46,055	51,256	55,089	77,364	90,213	104,829
2008							44,259	52,414	57,270	60,617	84,546	98,810	
2009						39,571	48,607	56,703	61,684	65,604	91,067		
2010					39,370	41,583	51,005	59,343	64,391	68,649			
2011				33,278	40,837	42,985	52,461	60,894	66,010				
2012			27,442	32,470	39,569	41,304	50,154	58,068					
2013		19,403	27,271	31,800	38,279	39,364	47,123						
2014	14,204	19,855	27,419	31,977	37,959	38,635							
2015	15,352	21,050	28,324	32,382	37,350								
2016	16,452	21,703	28,280	31,254									
2017	16,942	22,329	28,487										
2018	17,418	23,149											
2019	18,590												

E. Total Medical Case Reserves Adjusted by Paid Medical Severity Trend (in $000) (d)

Accident	Evaluated as of (in months)												
Year	15	27	39	51	63	75	87	99	111	123	135	147	159
2001													
2002													599,842
2003												547,588	547,983
2004											410,937	410,723	396,770
2005										313,502	365,986	346,365	329,159
2006									390,613	342,849	383,368	363,010	338,585
2007								486,050	418,199	347,755	383,612	358,597	328,220
2008							564,814	501,540	418,584	345,347	371,918	345,441	
2009						641,390	575,371	497,779	407,177	325,464	347,328		
2010					827,259	624,566	547,544	464,091	370,954	296,768			
2011				936,250	807,785	600,173	515,723	421,203	336,517				
2012			1,121,994	920,567	768,671	547,123	457,258	376,220					
2013		1,172,157	1,158,014	890,262	701,971	483,305	393,009						
2014	1,139,734	1,244,463	1,163,529	865,201	663,644	451,416							
2015	1,300,383	1,329,582	1,145,224	803,096	594,279								
2016	1,382,249	1,312,373	1,059,290	719,159									
2017	1,395,262	1,264,979	1,000,252										
2018	1,444,565	1,340,212											
2019	1,577,887												

F. Paid Medical Loss on All Claims

Accident	Evaluated as of (in months)												
Year	15	27	39	51	63	75	87	99	111	123	135	147	159
2001													
2002													5,249,631
2003												4,802,885	4,888,211
2004											3,769,827	3,853,608	3,919,962
2005										3,338,869	3,434,805	3,503,674	3,563,719
2006									3,397,735	3,506,591	3,588,093	3,654,162	3,708,368
2007								3,575,454	3,711,036	3,816,388	3,895,775	3,971,332	4,032,297
2008							3,516,300	3,682,739	3,804,202	3,895,131	3,968,061	4,027,882	
2009						3,227,583	3,427,497	3,571,636	3,675,980	3,759,619	3,825,777		
2010					3,045,049	3,308,376	3,507,161	3,642,892	3,738,917	3,832,402			
2011				2,534,277	2,870,664	3,112,755	3,286,765	3,410,488	3,500,134				
2012			2,108,864	2,549,433	2,869,403	3,085,667	3,240,587	3,354,491					
2013		1,545,451	2,146,505	2,583,513	2,867,688	3,060,989	3,191,171						
2014	827,710	1,601,959	2,217,831	2,647,250	2,923,887	3,118,811							
2015	865,225	1,691,718	2,298,960	2,723,512	2,986,014								
2016	931,452	1,747,652	2,340,941	2,734,748									
2017	985,875	1,812,175	2,391,939										
2018	1,039,739	1,923,159											
2019	1,042,845												

(c) Latest evaluation of each accident year is unadjusted. Evaluations prior to the latest evaluation are determined by adjusting the latest accident year average medical case reserves by a different annual change applied at each individual accident year and maturity based on the change in paid losses per closed claim for that age and maturity (Item C)

(d) Each amount is derived as the product of the indemnity open claim counts (Exhibit 3.2, Item E) and the adjusted average medical case reserves per open claim (Item D).

Source: Accident year experience of insurers with available claim count data

Incurred Medical Loss Development Factors
Adjusted for Changes in Case Reserve Adequacy

G. Adjusted Total Medical Incurred (in $000) (e)

Accident Year	Evaluated as of (in months) 15	27	39	51	63	75	87	99	111	123	135	147	159
2001													
2002													5,849,473
2003												5,350,473	5,436,194
2004											4,180,764	4,264,331	4,316,731
2005										3,652,371	3,800,792	3,850,039	3,892,878
2006									3,788,348	3,849,440	3,971,462	4,017,172	4,046,953
2007								4,061,504	4,129,235	4,164,143	4,279,386	4,329,929	4,360,517
2008							4,081,114	4,184,279	4,222,786	4,240,478	4,339,980	4,373,323	
2009						3,868,972	4,002,868	4,069,415	4,083,156	4,085,082	4,173,105		
2010					3,872,308	3,932,941	4,054,705	4,106,983	4,109,871	4,129,170			
2011				3,470,527	3,678,449	3,712,928	3,802,489	3,831,691	3,836,651				
2012			3,230,859	3,470,000	3,638,075	3,632,790	3,697,845	3,730,711					
2013		2,717,607	3,304,519	3,473,776	3,569,659	3,544,294	3,584,181						
2014	1,967,444	2,846,422	3,381,360	3,512,450	3,587,532	3,570,227							
2015	2,165,607	3,021,300	3,444,184	3,526,608	3,580,293								
2016	2,313,701	3,060,025	3,400,231	3,453,907									
2017	2,381,137	3,077,153	3,392,192										
2018	2,484,304	3,263,371											
2019	2,620,731												

H. Medical Incurred Loss Development Factors Based on Adjusted Total Medical Incurred

Accident Year	Age-to-Age Development (in months): 15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135	135-147	147-159
2002												
2003												1.016
2004											1.020	1.012
2005										1.041	1.013	1.011
2006									1.016	1.032	1.012	1.007
2007								1.017	1.008	1.028	1.012	1.007
2008							1.025	1.009	1.004	1.023	1.008	
2009						1.035	1.017	1.003	1.000	1.022		
2010					1.016	1.031	1.013	1.001	1.005			
2011				1.060	1.009	1.024	1.008	1.001				
2012			1.074	1.048	0.999	1.018	1.009					
2013		1.216	1.051	1.028	0.993	1.011						
2014	1.447	1.188	1.039	1.021	0.995							
2015	1.395	1.140	1.024	1.015								
2016	1.323	1.111	1.016									
2017	1.292	1.102										
2018	1.314											
Latest Yea	1.314	1.102	1.016	1.015	0.995	1.011	1.009	1.001	1.005	1.022	1.008	1.007
3-Yr Avera	1.309	1.118	1.026	1.021	0.996	1.018	1.010	1.002	1.003	1.024	1.010	1.009

I. Medical Incurred Loss Development Factors (f)

Accident Year	Age-to-Age Development (in months): 15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135	135-147	147-159
2002												
2003												1.001
2004											1.004	0.999
2005										1.005	1.003	1.003
2006									1.007	1.003	1.002	1.003
2007								1.015	1.005	1.004	1.003	1.003
2008							1.021	1.009	1.004	1.002	1.004	
2009						1.026	1.014	1.007	1.004	1.009		
2010					1.036	1.022	1.011	1.011	1.005			
2011				1.057	1.023	1.014	1.009	1.008				
2012			1.078	1.050	1.024	1.014	1.015					
2013		1.119	1.075	1.030	1.023	1.010						
2014	1.323	1.133	1.063	1.033	1.022							
2015	1.313	1.117	1.050	1.026								
2016	1.287	1.093	1.042									
2017	1.260	1.098										
2018	1.253											

(e) Each amount is the sum of the adjusted total medical case reserves (Item E) and the total medical paid losses (Item F).
(f) Development factors are from the same insurer mix as those which have been adjusted for case reserve level adequacy and applied in the calculation of the development factors in Item H.

Source: Accident year experience of insurers with available claim count data

Exhibit 3.8

Incurred Medical Loss Development Factors
Adjusted for Changes in Case Reserve Adequacy

J. Impact of Adjustments to Common Case Reserve Level (g)

Accident	Age-to-Age Development (in months):											
Year	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135	135-147	147-159
2002												
2003												1.48%
2004											1.55%	1.31%
2005										3.54%	0.99%	0.78%
2006									0.90%	2.84%	1.00%	0.46%
2007								0.13%	0.35%	2.33%	0.92%	0.44%
2008							0.47%	-0.01%	0.00%	2.13%	0.32%	
2009						0.86%	0.29%	-0.31%	-0.34%	1.21%		
2010					-1.93%	0.88%	0.23%	-1.00%	-0.04%			
2011				0.23%	-1.33%	0.99%	-0.16%	-0.68%				
2012			-0.33%	-0.12%	-2.49%	0.42%	-0.59%					
2013		8.63%	-2.19%	-0.26%	-2.90%	0.16%						
2014	9.32%	4.85%	-2.30%	-1.08%	-2.63%							
2015	6.24%	2.03%	-2.50%	-1.09%								
2016	2.78%	1.69%	-2.50%									
2017	2.53%	0.44%										
2018	4.82%											

K. Medical Incurred Loss Development Factors Adjusted for Changes in Case Reserve Adequacy (h)

Accident	Age-to-Age Development (in months):											
Year	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135	135-147	147-159
2002												
2003												1.016
2004											1.020	1.012
2005										1.041	1.013	1.011
2006									1.016	1.032	1.012	1.008
2007								1.016	1.008	1.027	1.012	1.007
2008							1.025	1.009	1.004	1.023	1.007	
2009						1.034	1.017	1.004	1.001	1.021		
2010					1.016	1.032	1.013	1.001	1.005			
2011				1.061	1.012	1.026	1.009	1.002				
2012			1.074	1.050	0.999	1.018	1.009					
2013		1.216	1.053	1.028	0.993	1.012						
2014	1.448	1.190	1.040	1.022	0.995							
2015	1.395	1.140	1.024	1.016								
2016	1.323	1.111	1.016									
2017	1.292	1.103										
2018	1.313											
3-Year Average	1.309	1.118	1.026	1.022	0.996	1.019	1.011	1.002	1.003	1.024	1.011	1.009

(g) Each factor represents the change in age-to-age development factors from Item I to those in Item H.
(h) Each factor is the product of [1.0 + the impact of adjustments to common case reserve level (Item J)] and [the incurred Medical age-to-age development factors from AC20-06-01, Exhibit 2.2.1].

Source: Accident year experience of insurers with available claim count data

Developed Loss Ratio 3-Year Average Incurred Development Factors
Adjusted for Changes in Average Case Reserve Levels
Based on Experience as of March 31, 2020

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Indemnity				Medical				
Accident Year	Reported Incurred Loss Ratio Ex IBNR (a)	Annual Development Factor (b)	Cumulative Development Factor	Developed Loss Ratio (1) x (3)	Reported Incurred Loss Ratio Ex IBNR (a)	Annual Development Factor (c)	Cumulative Development Factor	Developed Loss Ratio (5) x (7)	Total Developed Loss Ratio (4) + (8)
2008	0.274	1.006	1.029	0.282	0.406	1.009	1.033	0.419	0.701
2009	0.317	1.010	1.039	0.330	0.469	1.011	1.044	0.490	0.820
2010	0.302	1.011	1.051	0.317	0.450	1.024	1.069	0.481	0.798
2011	0.278	1.008	1.059	0.294	0.384	1.003	1.072	0.411	0.705
2012	0.246	1.002	1.061	0.261	0.326	1.002	1.074	0.350	0.611
2013	0.206	1.017	1.080	0.223	0.258	1.011	1.086	0.280	0.503
2014	0.193	1.020	1.101	0.212	0.226	1.019	1.106	0.250	0.462
2015	0.184	1.019	1.122	0.207	0.211	0.996	1.101	0.232	0.439
2016	0.168	1.034	1.160	0.195	0.193	1.022	1.126	0.217	0.413
2017	0.162	1.056	1.226	0.199	0.193	1.026	1.155	0.223	0.421
2018	0.148	1.194	1.464	0.217	0.188	1.118	1.292	0.243	0.459
2019	0.108	1.616	2.366	0.256	0.163	1.309	1.691	0.276	0.532

(a) Based on AC20-06-01, Exhibit 1. Accident years 2011 and subsequent do not reflect the paid cost of medical cost containment programs (MCCP). Accident years 2010 and prior do reflect paid MCCP costs. No adjustment has been made to MCCP costs in medical reserves.

(b) Age-to-age factors for developing accident years 2008 to 2019 were adjusted for changes in indemnity case reserve levels based on 3-year average selections (see Exhibit 3.4, Item L).

(c) Age-to-age factors for developing accident years 2008 to 2019 were adjusted for changes in medical case reserve levels based on 3-year average selections (see Exhibit 3.8, Item K).

Exhibit 3.10

Projected On-Level Accident Year
Indemnity Loss to Industry Average Filed Pure Premium Ratios
Using 3-Year Average Incurred Development Factors
Adjusted for Changes in Average Case Reserve Levels
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Indemnity Loss Ratio (a)	(2) Composite Indemnity Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Indemnity to Industry Average Filed Pure Premium Ratio (1) x (2) ÷ (3)
2008	0.282	1.381	1.265	0.308
2009	0.330	1.354	1.364	0.327
2010	0.317	1.328	1.240	0.340
2011	0.294	1.310	1.133	0.340
2012	0.261	1.294	1.009	0.335
2013	0.223	1.265	0.881	0.320
2014	0.212	1.159	0.812	0.303
2015	0.207	1.142	0.776	0.304
2016	0.195	1.128	0.803	0.275
2017	0.199	1.098	0.841	0.260
2018	0.217	1.070	0.882	0.263
2019	0.256	1.041	0.976	0.273
				Projected (d)
2020				0.262
2021				0.256
11/1/2021				0.255

(a) See Exhibit 3.9.
(b) Based on AC20-06-01, Exhibit 4.1.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual indemnity severity trend from AC20-06-01, Exhibit 6.2, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.

Exhibit 3.11

Projected On-Level Accident Year
Medical Loss to Industry Average Filed Pure Premium Ratios
Using 3-Year Average Incurred Development Factors
Adjusted for Changes in Average Case Reserve Levels
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Medical Loss Ratio (a)	(2) Composite Medical Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Medical to Industry Average Filed Pure Premium Ratio(e) (1) x (2) ÷ (3)
2008	0.419	0.802	1.265	0.266
2009	0.490	0.791	1.364	0.284
2010	0.481	0.789	1.240	0.306
2011	0.411	0.811	1.133	0.294
2012	0.350	0.846	1.009	0.294
2013	0.280	0.928	0.881	0.295
2014	0.250	0.974	0.812	0.299
2015	0.232	0.995	0.776	0.298
2016	0.217	0.993	0.803	0.269
2017	0.223	0.991	0.841	0.262
2018	0.243	1.015	0.882	0.279
2019	0.276	1.011	0.976	0.285
				Projected (d)
2020				0.282
2021				0.280
11/1/2021				0.280

(a) See Exhibit 3.9.
(b) Based on AC20-06-01, Exhibit 4.4.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual medical severity trend from AC20-06-01, Exhibit 6.4, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.
(e) Accident years 2011 and subsequent do not reflect paid MCCP costs. Accident years 2010 and prior do reflect paid MCCP costs. No adjustment has been made to MCCP costs in medical reserves.

Exhibit 4.1

Developed Loss Ratio Using Latest Incurred Loss Development Factors
Adjusted for Insurer Mix
Based on Experience as of March 31, 2020

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Indemnity				Medical				
Accident Year	Reported Incurred Loss Ratio Ex IBNR (a)	Annual Development Factor	Cumulative Development Factor (b)	Developed Loss Ratio (c)	Reported Incurred Loss Ratio Ex IBNR (a)	Annual Development Factor	Cumulative Development Factor (d)	Developed Loss Ratio (c)	Total Developed Loss Ratio
				(1) x (3)				(5) x (7)	(4) + (8)
2008	0.274	--	1.014	0.278	0.406	--	1.017	0.413	0.691
2009	0.317	--	1.033	0.328	0.469	--	1.027	0.482	0.810
2010	0.302	--	1.052	0.318	0.450	--	1.044	0.470	0.787
2011	0.278	--	1.057	0.294	0.384	--	1.037	0.398	0.692
2012	0.246	--	1.065	0.262	0.326	--	1.045	0.340	0.603
2013	0.206	--	1.074	0.222	0.258	--	1.057	0.273	0.495
2014	0.193	--	1.096	0.211	0.226	--	1.068	0.241	0.453
2015	0.184	--	1.116	0.205	0.211	--	1.089	0.230	0.435
2016	0.168	--	1.165	0.196	0.193	--	1.119	0.216	0.412
2017	0.162	--	1.252	0.203	0.193	--	1.159	0.223	0.426
2018	0.148	--	1.479	0.219	0.188	--	1.269	0.239	0.457
2019	0.108	--	2.300	0.249	0.163	--	1.581	0.257	0.506

(a) Based on AC20-06-01, Exhibit 1. Accident years 2011 and subsequent do not reflect the paid cost of medical cost containment programs (MCCP). Accident years 2010 and prior do reflect paid MCCP costs. No adjustment has been made to MCCP costs in medical reserves.

(b) Column (4) divided by Column (1).

(c) Developed loss ratios were derived by averaing the loss ratios developed using the latest year incurred methodology for State Compensation Insurance Fund and the remaining insurers collectively, weighted by calendar year 2019 earned premium at the advisory pure premium rate level.

(d) Column (8) divided by Column (5).

Exhibit 4.2

Projected On-Level Accident Year
Indemnity Loss to Industry Average Filed Pure Premium Ratios
Using Unadjusted Incurred Development Factors
Adjusted for Insurer Mix
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Indemnity Loss Ratio (a)	(2) Composite Indemnity Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Indemnity to Industry Average Filed Pure Premium Ratio (1) x (2) ÷ (3)
2008	0.278	1.381	1.265	0.304
2009	0.328	1.354	1.364	0.325
2010	0.318	1.328	1.240	0.340
2011	0.294	1.310	1.133	0.339
2012	0.262	1.294	1.009	0.336
2013	0.222	1.265	0.881	0.318
2014	0.211	1.159	0.812	0.302
2015	0.205	1.142	0.776	0.302
2016	0.196	1.128	0.803	0.276
2017	0.203	1.098	0.841	0.265
2018	0.219	1.070	0.882	0.265
2019	0.249	1.041	0.976	0.265
				Projected (d)
2020				0.259
2021				0.254
11/1/2021				0.252

(a) See Exhibit 4.1.
(b) Based on AC20-06-01, Exhibit 4.1.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual indemnity severity trend from AC20-06-01, Exhibit 6.2, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.

Exhibit 4.3

Projected On-Level Accident Year
Medical Loss to Industry Average Filed Pure Premium Ratios
Using Unadjusted Incurred Development Factors
Adjusted for Insurer Mix
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Medical Loss Ratio (a)	(2) Composite Medical Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Medical to Industry Average Filed Pure Premium Ratio(e) (1) x (2) ÷ (3)
2008	0.413	0.802	1.265	0.262
2009	0.482	0.791	1.364	0.280
2010	0.470	0.789	1.240	0.299
2011	0.398	0.811	1.133	0.285
2012	0.340	0.846	1.009	0.286
2013	0.273	0.928	0.881	0.287
2014	0.241	0.974	0.812	0.289
2015	0.230	0.995	0.776	0.295
2016	0.216	0.993	0.803	0.267
2017	0.223	0.991	0.841	0.263
2018	0.239	1.015	0.882	0.274
2019	0.257	1.011	0.976	0.267
				Projected (d)
2020				0.270
2021				0.269
11/1/2021				0.268

(a) See Exhibit 4.1.
(b) Based on AC20-06-01, Exhibit 4.4.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual medical severity trend from AC20-06-01, Exhibit 6.4, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.
(e) Accident years 2011 and subsequent do not reflect paid MCCP costs. Accident years 2010 and prior do reflect paid MCCP costs. No adjustment has been made to MCCP costs in medical reserves.

Developed Loss Ratio Unadjusted 3-Year Average Paid Development Factors
Based on Experience as of March 31, 2020

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Indemnity				Medical				
Accident Year	Reported Paid Loss Ratio (a)	Annual Development Factor (b)	Cumulative Development Factor	Developed Loss Ratio (1) x (3)	Reported Paid Loss Ratio (a)	Annual Development Factor (c)	Cumulative Development Factor	Developed Loss Ratio (5) x (7)	Total Developed Loss Ratio (4) + (8)
2008	0.261	1.012	1.090	0.284	0.374	1.016	1.215	0.454	0.739
2009	0.301	1.015	1.106	0.333	0.430	1.017	1.236	0.532	0.865
2010	0.287	1.017	1.125	0.323	0.418	1.019	1.260	0.527	0.850
2011	0.263	1.022	1.149	0.302	0.350	1.024	1.290	0.452	0.754
2012	0.230	1.025	1.178	0.271	0.294	1.027	1.325	0.389	0.660
2013	0.192	1.035	1.220	0.234	0.230	1.037	1.375	0.317	0.551
2014	0.176	1.046	1.276	0.225	0.197	1.050	1.443	0.285	0.510
2015	0.163	1.067	1.361	0.222	0.176	1.070	1.545	0.272	0.494
2016	0.142	1.107	1.506	0.214	0.153	1.105	1.706	0.261	0.475
2017	0.123	1.202	1.810	0.223	0.136	1.182	2.017	0.274	0.497
2018	0.092	1.459	2.640	0.242	0.111	1.339	2.702	0.299	0.542
2019	0.045	2.379	6.281	0.282	0.065	1.854	5.010	0.325	0.607

(a) Based on AC20-06-01, Exhibit 1. Accident years 2011 and subsequent do not reflect the paid cost of medical cost containment programs (MCCP). Accident years 2010 and prior do reflect paid MCCP costs.
(b) Age-to-age factors are selected as three-year averages based on AC20-06-01, Exhibit 2.5.
(c) Age-to-age factors are selected as three-year averages based on AC20-06-01, Exhibit 2.6. These factors have not been adjusted for any reforms.

Exhibit 5.2

Projected On-Level Accident Year
Indemnity Loss to Industry Average Filed Pure Premium Ratios
Using Unadjusted 3-Year Average Paid Development Factors
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Indemnity Loss Ratio (a)	(2) Composite Indemnity Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Indemnity to Industry Average Filed Pure Premium Ratio (1) x (2) ÷ (3)
2008	0.284	1.381	1.265	0.310
2009	0.333	1.354	1.364	0.331
2010	0.323	1.328	1.240	0.346
2011	0.302	1.310	1.133	0.349
2012	0.271	1.294	1.009	0.348
2013	0.234	1.265	0.881	0.336
2014	0.225	1.159	0.812	0.321
2015	0.222	1.142	0.776	0.327
2016	0.214	1.128	0.803	0.301
2017	0.223	1.098	0.841	0.291
2018	0.242	1.070	0.882	0.294
2019	0.282	1.041	0.976	0.300
				Projected (d)
2020				0.290
2021				0.285
11/1/2021				0.283

(a) See Exhibit 5.1.
(b) Based on AC20-06-01, Exhibit 4.1.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual indemnity severity trend from AC20-06-01, Exhibit 6.2, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.

Exhibit 5.3

Projected On-Level Accident Year
Medical Loss to Industry Average Filed Pure Premium Ratios
Using Unadjusted 3-Year Average Paid Development Factors
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Medical Loss Ratio (a)	(2) Composite Medical Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Medical to Industry Average Filed Pure Premium Ratio(e) (1) x (2) ÷ (3)
2008	0.454	0.802	1.265	0.288
2009	0.532	0.791	1.364	0.308
2010	0.527	0.789	1.240	0.335
2011	0.452	0.811	1.133	0.323
2012	0.389	0.846	1.009	0.327
2013	0.317	0.928	0.881	0.333
2014	0.285	0.974	0.812	0.341
2015	0.272	0.995	0.776	0.348
2016	0.261	0.993	0.803	0.323
2017	0.274	0.991	0.841	0.323
2018	0.299	1.015	0.882	0.344
2019	0.325	1.011	0.976	0.337
				Projected (d)
2020				0.340
2021				0.338
11/1/2021				0.338

(a) See Exhibit 5.1.
(b) Based on AC20-06-01, Exhibit 4.1.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual medical severity trend from AC20-06-01, Exhibit 6.4, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.
(e) Accident years 2011 and subsequent do not reflect paid MCCP costs. Accident years 2010 and prior do reflect paid MCCP costs.

Developed Loss Ratio Unadjusted Latest Year Paid Development Factors
Based on Experience as of March 31, 2020

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Indemnity				Medical				
Accident Year	Reported Paid Loss Ratio (a)	Annual Development Factor (b)	Cumulative Development Factor	Developed Loss Ratio (1) x (3)	Reported Paid Loss Ratio (a)	Annual Development Factor (c)	Cumulative Development Factor	Developed Loss Ratio (5) x (7)	Total Developed Loss Ratio (4) + (8)
2008	0.261	1.012	1.090	0.284	0.374	1.016	1.215	0.454	0.739
2009	0.301	1.015	1.106	0.333	0.430	1.017	1.236	0.532	0.865
2010	0.287	1.017	1.125	0.323	0.418	1.019	1.260	0.527	0.850
2011	0.263	1.022	1.149	0.302	0.350	1.024	1.290	0.452	0.754
2012	0.230	1.023	1.176	0.271	0.294	1.026	1.324	0.389	0.659
2013	0.192	1.031	1.212	0.232	0.230	1.036	1.371	0.316	0.548
2014	0.176	1.038	1.258	0.222	0.197	1.043	1.430	0.282	0.504
2015	0.163	1.062	1.336	0.218	0.176	1.067	1.526	0.268	0.487
2016	0.142	1.100	1.470	0.209	0.153	1.097	1.674	0.256	0.465
2017	0.123	1.188	1.746	0.215	0.136	1.168	1.955	0.266	0.481
2018	0.092	1.441	2.516	0.231	0.111	1.320	2.581	0.286	0.517
2019	0.045	2.345	5.901	0.265	0.065	1.849	4.772	0.310	0.574

(a) Based on AC20-06-01, Exhibit 1. Accident years 2011 and subsequent do not reflect the paid cost of medical cost containment programs (MCCP). Accident years 2010 and prior do reflect paid MCCP costs.

(b) Age-to-age factors are selected as latest year for the 15-to-27 month through 99-to-111 month factors and three-year average for the subsequent age-to-age factors based on AC20-06-01, Exhibit 2.5.

(c) Age-to-age factors are selected as latest year for the 15-to-27 month through 99-to-111 month factors and three-year average for the subsequent age-to-age factors based on AC20-06-01, Exhibit 2.6.

Exhibit 6.2

Projected On-Level Accident Year
Indemnity Loss to Industry Average Filed Pure Premium Ratios
Using Unadjusted Latest Year Paid Development Factors
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Indemnity Loss Ratio (a)	(2) Composite Indemnity Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Indemnity to Industry Average Filed Pure Premium Ratio (1) x (2) ÷ (3)
2008	0.284	1.381	1.265	0.310
2009	0.333	1.354	1.364	0.331
2010	0.323	1.328	1.240	0.346
2011	0.302	1.310	1.133	0.349
2012	0.271	1.294	1.009	0.347
2013	0.232	1.265	0.881	0.334
2014	0.222	1.159	0.812	0.317
2015	0.218	1.142	0.776	0.321
2016	0.209	1.128	0.803	0.294
2017	0.215	1.098	0.841	0.281
2018	0.231	1.070	0.882	0.280
2019	0.265	1.041	0.976	0.282
				Projected (d)
2020				0.275
2021				0.269
11/1/2021				0.267

(a) See Exhibit 6.1.
(b) Based on AC20-06-01, Exhibit 4.1.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual indemnity severity trend from AC20-06-01, Exhibit 6.2, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.

Exhibit 6.3

Projected On-Level Accident Year
Medical Loss to Industry Average Filed Pure Premium Ratios
Using Unadjusted Latest Year Paid Development Factors
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Medical Loss Ratio (a)	(2) Composite Medical Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Medical to Industry Average Filed Pure Premium Ratio(e) (1) x (2) ÷ (3)
2008	0.454	0.802	1.265	0.288
2009	0.532	0.791	1.364	0.308
2010	0.527	0.789	1.240	0.335
2011	0.452	0.811	1.133	0.323
2012	0.389	0.846	1.009	0.326
2013	0.316	0.928	0.881	0.333
2014	0.282	0.974	0.812	0.338
2015	0.268	0.995	0.776	0.344
2016	0.256	0.993	0.803	0.317
2017	0.266	0.991	0.841	0.313
2018	0.286	1.015	0.882	0.329
2019	0.310	1.011	0.976	0.321
				Projected (d)
2020				0.325
2021				0.323
11/1/2021				0.322

(a) See Exhibit 6.1.
(b) Based on AC20-06-01, Exhibit 4.1.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual medical severity trend from AC20-06-01, Exhibit 6.4, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.
(e) Accident years 2011 and subsequent do not reflect paid MCCP costs. Accident years 2010 and prior do reflect paid MCCP costs.

Exhibit 7.1

Developed Loss Ratios Adjusted for the Impact of Reforms
Based on Paid Latest Year Selections
Based on Experience as of March 31, 2020

	(1)	(2)	(3)	(4)
	Medical			
		Adjusted		
Accident	Paid	Development Factors		Developed
Year	Loss Ratio (a)	Annual (b)	Cumulative (b)	Loss Ratio
				(1) x (3)
2008	0.343	1.017	1.229	0.421
2009	0.397	1.019	1.253	0.497
2010	0.388	1.020	1.278	0.496
2011	0.328	1.026	1.311	0.431
2012	0.278	1.029	1.349	0.375
2013	0.220	1.039	1.402	0.308
2014	0.192	1.039	1.456	0.279
2015	0.173	1.062	1.546	0.267
2016	0.152	1.088	1.682	0.255
2017	0.135	1.155	1.943	0.263
2018	0.111	1.321	2.567	0.284
2019	0.065	1.849	4.746	0.308

(a) Based on AC20-06-01, Exhibit 1. Accident years 2011 and subsequent do not reflect the paid cost of medical cost containment programs (MCCP). Accident years 2010 and prior do reflect paid MCCP costs.

(b) Based on AC20-06-01, Exhibit 2.6.1 and includes adjustments for SB 1160 and pharmaceutical costs. Does not reflect any adjustment for changes in claim settlement rates.

Exhibit 7.2

Projected On-Level Accident Year
Medical Loss to Industry Average Filed Pure Premium Ratios
Adjusted for the Impact of Reforms
Based on Paid Latest Year Selections

Accident Year	(1) Developed Medical Loss Ratio (a)	(2) Composite Medical Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Medical to Industry Average Filed Pure Premium Ratio(e) (1) x (2) ÷ (3)
2008	0.421	0.836	1.265	0.278
2009	0.497	0.825	1.364	0.301
2010	0.496	0.822	1.240	0.328
2011	0.431	0.836	1.133	0.318
2012	0.375	0.874	1.009	0.325
2013	0.308	0.949	0.881	0.332
2014	0.279	0.993	0.812	0.341
2015	0.267	1.011	0.776	0.348
2016	0.255	1.012	0.803	0.321
2017	0.263	1.014	0.841	0.317
2018	0.284	1.015	0.882	0.327
2019	0.308	1.011	0.976	0.319
				Projected (d)
2020				0.323
2021				0.321
11/1/2021				0.321

(a) See Exhibit 7.1.
(b) Based on AC20-06-01, Exhibit 4.4.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual medical severity trend from AC20-06-01, Exhibit 6.4, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.
(e) Accident years 2011 and subsequent do not reflect paid MCCP costs. Accident years 2010 and prior do reflect paid MCCP costs.

Exhibit 8.1

Developed Loss Ratios Adjusted for the Impact of Reforms and Changes in Claim Settlement Rates
Based on 3-Year Average Selections
Based on Experience as of March 31, 2020

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Indemnity				Medical					
						Adjusted				
Accident Year	Reported Paid Loss Ratio (a)	Annual Development Factor (b)	Cumulative Development Factor	Developed Loss Ratio (1) x (3)	Paid Loss Ratio (a)	Paid Loss Ratio (c)	Annual Development Factor (d)	Cumulative Development Factor	Developed Loss Ratio (6) x (8)	Total Developed Loss Ratio (4) + (9)
2008	0.261	1.012	1.090	0.284	0.374	0.343	1.017	1.229	0.421	0.705
2009	0.301	1.015	1.106	0.333	0.430	0.397	1.019	1.253	0.497	0.831
2010	0.287	1.017	1.125	0.323	0.418	0.388	1.020	1.278	0.496	0.818
2011	0.263	1.022	1.149	0.302	0.350	0.328	1.026	1.311	0.431	0.733
2012	0.230	1.023	1.176	0.271	0.294	0.278	1.029	1.349	0.375	0.645
2013	0.192	1.031	1.212	0.232	0.230	0.220	1.039	1.402	0.308	0.541
2014	0.176	1.038	1.258	0.222	0.197	0.192	1.039	1.456	0.279	0.501
2015	0.163	1.052	1.323	0.216	0.176	0.173	1.053	1.533	0.265	0.481
2016	0.142	1.090	1.442	0.205	0.153	0.152	1.084	1.662	0.252	0.457
2017	0.123	1.179	1.700	0.210	0.136	0.135	1.157	1.923	0.261	0.470
2018	0.092	1.453	2.470	0.227	0.111	0.111	1.343	2.583	0.286	0.513
2019	0.045	2.380	5.879	0.264	0.065	0.065	1.862	4.809	0.312	0.576

(a) Based on AC20-06-01, Exhibit 1. Accident years 2011 and subsequent do not reflect the paid cost of medical cost containment programs (MCCP). Accident years 2010 and prior do reflect paid MCCP costs.
(b) Age-to-age factors for developing accident years 2015 to 2019 were adjusted for changes in claim settlement rates based on 3-year average selections (see AC20-06-01, Exhibit 2.5.8, Item Q).
(c) See AC20-06-01, Exhibit 3.2, Column (2).
(d) Based on AC20-06-01, Exhibits 2.6.1 and includes adjustments for SB 1160. Age-to-age factors for developing accident years 2015 to 2019 were adjusted for changes in claim settlement rates based on 3-year average selections (see AC20-06-01, Exhibit 2.6.8, Item R).

Exhibit 8.2

Projected On-Level Accident Year
Indemnity Loss to Industry Average Filed Pure Premium Ratios
Adjusted for the Impact of Reforms and Changes in Claim Settlement Rates
Based on 3-Year Average Selections
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Indemnity Loss Ratio (a)	(2) Composite Indemnity Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Indemnity to Industry Average Filed Pure Premium Ratio (1) x (2) ÷ (3)
2008	0.284	1.381	1.265	0.310
2009	0.333	1.354	1.364	0.331
2010	0.323	1.328	1.240	0.346
2011	0.302	1.310	1.133	0.349
2012	0.271	1.294	1.009	0.347
2013	0.232	1.265	0.881	0.334
2014	0.222	1.159	0.812	0.317
2015	0.216	1.142	0.776	0.318
2016	0.205	1.128	0.803	0.288
2017	0.210	1.098	0.841	0.274
2018	0.227	1.070	0.882	0.275
2019	0.264	1.041	0.976	0.281
				Projected (d)
2020				0.272
2021				0.266
11/1/2021				0.264

(a) See Exhibit 8.1.
(b) Based on AC20-06-01, Exhibit 4.1.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual indemnity severity trend from AC20-06-01, Exhibit 6.2, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.

Exhibit 8.3

Projected On-Level Accident Year
Medical Loss to Industry Average Filed Pure Premium Ratios
Adjusted for the Impact of Reforms and Changes in Claim Settlement Rates
Based on 3-Year Average Selections
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Medical Loss Ratio (a)	(2) Composite Medical Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Medical to Industry Average Filed Pure Premium Ratio(e) (1) x (2) ÷ (3)
2008	0.421	0.836	1.265	0.278
2009	0.497	0.825	1.364	0.301
2010	0.496	0.822	1.240	0.328
2011	0.431	0.836	1.133	0.318
2012	0.375	0.874	1.009	0.325
2013	0.308	0.949	0.881	0.332
2014	0.279	0.993	0.812	0.341
2015	0.265	1.011	0.776	0.345
2016	0.252	1.012	0.803	0.318
2017	0.261	1.014	0.841	0.314
2018	0.286	1.015	0.882	0.329
2019	0.312	1.011	0.976	0.323
				Projected (d)
2020				0.326
2021				0.324
11/1/2021				0.324

(a) See Exhibit 8.1.
(b) Based on AC20-06-01, Exhibit 4.4.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual medical severity trend from AC20-06-01, Exhibit 6.4, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.
(e) Accident years 2011 and subsequent do not reflect paid MCCP costs. Accident years 2010 and prior do reflect paid MCCP costs.

Exhibit 9.1

Developed Loss Ratio Using Latest Paid Loss Development Factors
Adjusted for Insurer Mix
Based on Experience as of March 31, 2020

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Indemnity				Medical				
Accident Year	Paid Loss Ratio (a)	Annual Development Factor	Cumulative Development Factor (b)	Developed Loss Ratio (c)	Paid Loss Ratio (a)	Annual Development Factor	Cumulative Development Factor (d)	Developed Loss Ratio (c)	Total Developed Loss Ratio
				(1) x (3)				(5) x (7)	(4) + (8)
2008	0.261	--	1.071	0.279	0.374	--	1.189	0.445	0.724
2009	0.301	--	1.094	0.330	0.430	--	1.215	0.523	0.852
2010	0.287	--	1.122	0.322	0.418	--	1.243	0.520	0.842
2011	0.263	--	1.136	0.299	0.350	--	1.256	0.440	0.739
2012	0.230	--	1.158	0.267	0.294	--	1.289	0.379	0.645
2013	0.192	--	1.189	0.228	0.230	--	1.329	0.306	0.534
2014	0.176	--	1.238	0.218	0.197	--	1.388	0.274	0.492
2015	0.163	--	1.308	0.214	0.176	--	1.474	0.259	0.473
2016	0.142	--	1.441	0.205	0.153	--	1.617	0.247	0.452
2017	0.123	--	1.706	0.210	0.136	--	1.884	0.256	0.467
2018	0.092	--	2.459	0.226	0.111	--	2.487	0.276	0.502
2019	0.045	--	5.764	0.258	0.065	--	4.600	0.298	0.557

(a) Based on AC20-06-01, Exhibit 1. Accident years 2011 and subsequent do not reflect the paid cost of medical cost containment programs (MCCP). Accident years 2010 and prior do reflect paid MCCP costs. No adjustment has been made to MCCP costs in medical reserves.

(b) Column (4) divided by Column (1).

(c) Developed loss ratios were derived by averaing the loss ratios developed using the latest year paid methodology for State Compensation Insurance Fund and the remaining insurers collectively, weighted by calendar year 2019 earned premium at the advisory pure premium rate level.

(d) Column (8) divided by Column (5).

Exhibit 9.2

Projected On-Level Accident Year
Indemnity Loss to Industry Average Filed Pure Premium Ratios
Using Unadjusted Paid Development Factors
Adjusted for Insurer Mix
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Indemnity Loss Ratio (a)	(2) Composite Indemnity Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Indemnity to Industry Average Filed Pure Premium Ratio (1) x (2) ÷ (3)
2008	0.279	1.381	1.265	0.305
2009	0.330	1.354	1.364	0.327
2010	0.322	1.328	1.240	0.345
2011	0.299	1.310	1.133	0.345
2012	0.267	1.294	1.009	0.342
2013	0.228	1.265	0.881	0.327
2014	0.218	1.159	0.812	0.312
2015	0.214	1.142	0.776	0.315
2016	0.205	1.128	0.803	0.288
2017	0.210	1.098	0.841	0.275
2018	0.226	1.070	0.882	0.274
2019	0.258	1.041	0.976	0.276
				Projected (d)
2020				0.269
2021				0.263
11/1/2021				0.261

(a) See Exhibit 9.1.
(b) Based on AC20-06-01, Exhibit 4.1.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual indemnity severity trend from AC20-06-01, Exhibit 6.2, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.

Exhibit 9.3

Projected On-Level Accident Year
Medical Loss to Industry Average Filed Pure Premium Ratios
Using Unadjusted Paid Development Factors
Adjusted for Insurer Mix
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Medical Loss Ratio (a)	(2) Composite Medical Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Medical to Industry Average Filed Pure Premium Ratio(e) (1) x (2) ÷ (3)
2008	0.445	0.802	1.265	0.282
2009	0.523	0.791	1.364	0.303
2010	0.520	0.789	1.240	0.331
2011	0.440	0.811	1.133	0.315
2012	0.379	0.846	1.009	0.318
2013	0.306	0.928	0.881	0.322
2014	0.274	0.974	0.812	0.328
2015	0.259	0.995	0.776	0.333
2016	0.247	0.993	0.803	0.306
2017	0.256	0.991	0.841	0.301
2018	0.276	1.015	0.882	0.317
2019	0.298	1.011	0.976	0.309
				Projected (d)
2020				0.313
2021				0.311
11/1/2021				0.311

(a) See Exhibit 9.1.
(b) Based on AC20-06-01, Exhibit 4.4.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual medical severity trend from AC20-06-01, Exhibit 6.4, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.
(e) Accident years 2011 and subsequent do not reflect paid MCCP costs. Accident years 2010 and prior do reflect paid MCCP costs. No adjustment has been made to MCCP costs in medical reserves.

Projected Indemnity Loss Ratio Using the Bornhuetter-Ferguson (BF) Paid Development Method
Accident Year 2019 Indemnity Projected from 15 Months to 27 Months

1. AY 2019 Reported Paid Indemnity Loss Ratio at 15 Months	0.045
(Based on Exhibit 1 of AC20-06-01)	
2. Reported Paid Indemnity Loss Ratios at 27 Months for ELR	
a) AY 2017 (Based on March 31, 2019 Experience)	0.086
b) AY 2018 (Based on Exhibit 1 of AC20-06-01)	0.092
3. Frequency Adjustments to AY 2019	
(Based on AC20-06-01, Exhibit 12)	
a) AY 2017-2018 Frequency Change	-1.6%
b) AY 2018-2019 Frequency Change	0.9%
4. Average Indemnity Severity Change, AY 2013-2018	-2.2%
(Based on Exhibit 6.2 of AC20-06-01)	
5. Composite Indemnity On-Level Adjustment Factors	
(Based on Exhibit 4.1 of AC20-06-01)	
a) AY 2017 to Current	1.098
b) AY 2018 to Current	1.070
c) AY 2019 to Current	1.041
6. Composite Premium On-Level Adjustment Factors	
(Based on Exhibit 5.2 of AC20-06-01)	
a) AY 2017 to Current	0.841
b) AY 2018 to Current	0.882
c) AY 2019 to Current	0.976
7. AY 2019 Expected Paid Indemnity Loss Ratio at 27 Months	
a) Projected from 2017	
= (2a) x [1 + (3a)] x [1 + (3b)] x [1 + (4)]^2 x [(5a) / (5c)] / [(6a) / (6c)]	0.100
b) Projected from 2018	
= (2b) x [1 + (3b)] x [1 + (4)] x [(5b) / (5c)] / [(6b) / (6c)]	0.103
c) Average of 2017 and 2018 Projections = [(7a) + (7b)] / 2	0.101
8. Projected Indemnity 15-to-27 Paid Development Factor	2.345
(Based on Exhibit 2.5.1 of AC20-06-01)	
9. Projected AY 2019 Paid Indemnity Loss Ratio at 27 Months	
= (1) + (7c) x [1 - 1 / (8)]	0.103

Projected Medical Loss Ratio Using the Bornhuetter-Ferguson (BF) Paid Development Method
Accident Year 2019 Medical Projected from 15 Months to 27 Months

	Adjusted for Reforms (*)
1. AY 2019 Reported Paid Medical Loss Ratio at 15 Months (Based on Exhibit 1 of AC20-06-01)	0.065
2. Reported Paid Medical Loss Ratios at 27 Months for ELR	
a) AY 2017 (Based on March 31, 2019 Experience)	0.103
b) AY 2018 (Based on Exhibit 1 of AC20-06-01)	0.111
3. Frequency Adjustments to AY 2019 (Based on AC20-06-01, Exhibit 12)	
a) AY 2017-2018 Frequency Change	-1.6%
b) AY 2018-2019 Frequency Change	0.9%
4. Average Medical Severity Change, AY 2013-2018 (Based on Exhibit 6.4 of AC20-06-01)	-0.2%
5. Composite Medical On-Level Adjustment Factors (Based on Exhibit 4.4 of AC20-06-01)	
a) AY 2017 to Current	1.014
b) AY 2018 to Current	1.015
c) AY 2019 to Current	1.011
6. Composite Premium On-Level Adjustment Factors (Based on Exhibit 5.2 of AC20-06-01)	
a) AY 2017 to Current	0.841
b) AY 2018 to Current	0.882
c) AY 2019 to Current	0.976
7. AY 2019 Expected Paid Medical Loss Ratio at 27 Months	
a) Projected from 2017 = (2a) x [1 + (3a)] x [1 + (3b)] x [1 + (4)]^2 x [(5a) / (5c)] / [(6a) / (6c)]	0.118
b) Projected from 2018 = (2b) x [1 + (3b)] x [1 + (4)] x [(5b) / (5c)] / [(6b) / (6c)]	0.124
c) Average of 2017 and 2018 Projections = [(7a) + (7b)] / 2	0.121
8. Projected Medical 15-to-27 Paid Development Factor (Based on Exhibit 2.6.1 of AC20-06-01)	1.849
9. Projected AY 2019 Paid Medical Loss Ratio at 27 Months = (1) + (7c) x [1 - 1 / (8)]	0.120

(*) Based on experience evaluated as of March 31, 2020. Reflects adjustments for SB 1160 and impact of pharmaceutical cost reductions.

Developed Loss Ratios Using Latest Year Reform Adjusted Development Factors - BF Adjusted Age 15 Loss Ratio
Based on Experience as of March 31, 2020

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Indemnity				Medical				
						Adjusted			
Accident Year	Reported Paid Loss Ratio (a)	Annual Development Factor (b)	Cumulative Development Factor	Developed Loss Ratio	Paid Loss Ratio (a)	Annual Development Factor (d)	Cumulative Development Factor	Developed Loss Ratio	Total Developed Loss Ratio
				(1) x (3)				(5) x (7)	(4) + (8)
2008	0.261	1.012	1.090	0.284	0.374	1.017	1.229	0.460	0.744
2009	0.301	1.015	1.106	0.333	0.430	1.019	1.253	0.539	0.872
2010	0.287	1.017	1.125	0.323	0.418	1.020	1.278	0.535	0.857
2011	0.263	1.022	1.149	0.302	0.350	1.026	1.311	0.460	0.762
2012	0.230	1.023	1.176	0.271	0.294	1.029	1.349	0.396	0.667
2013	0.192	1.031	1.212	0.232	0.230	1.039	1.402	0.323	0.556
2014	0.176	1.038	1.258	0.222	0.197	1.039	1.456	0.287	0.509
2015	0.163	1.051	1.322	0.216	0.176	1.051	1.530	0.269	0.485
2016	0.142	1.088	1.439	0.204	0.153	1.079	1.651	0.252	0.457
2017	0.123	1.174	1.689	0.208	0.136	1.146	1.892	0.257	0.465
2018	0.092	1.441	2.434	0.224	0.111	1.321	2.500	0.277	0.501
2019	0.103		2.434	0.251	0.120		2.500	0.301	0.552

(a) Based on AC20-06-01, Exhibit 1. The 2019 indemnity loss ratio is based on Exhibit 10.1.
(b) Age-to-age factors are selected as latest year for the 15-to-27 month through 99-to-111 month factors and three-year average for the subsequent age-to-age factors based on AC20-06-01, Exhibit 2.5. Includes adjustments for claim settlement rates.
(c) Based on experience evaluated as of March 31, 2020. Reflects adjustments of SB 1160 and impact of pharmaceutical cost reductions. The 2019 medical loss ratio is based on Exhibit 10.2.
(d) Age-to-age factors are selected as latest year for for the 15-to-27 month through 99-to-111 month factors and three-year average for the subsequent age-to-age factors based on AC20-06-01, Exhibit 2.6. Reflects an adjustment for SB 1160 and impact of pharmaceutical cost reductions. Includes adjustments for claim settlement rates.

Exhibit 10.4

Projected On-Level Accident Year
Indemnity Loss to Industry Average Filed Pure Premium Ratios
Paid Selections Adjusted for Reform Impacts with BF Paid Applied through 27 Months
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Indemnity Loss Ratio (a)	(2) Composite Indemnity Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Indemnity to Industry Average Filed Pure Premium Ratio (1) x (2) ÷ (3)
2008	0.284	1.381	1.265	0.310
2009	0.333	1.354	1.364	0.331
2010	0.323	1.328	1.240	0.346
2011	0.302	1.310	1.133	0.349
2012	0.271	1.294	1.009	0.347
2013	0.232	1.265	0.881	0.334
2014	0.222	1.159	0.812	0.317
2015	0.216	1.142	0.776	0.318
2016	0.204	1.128	0.803	0.287
2017	0.208	1.098	0.841	0.272
2018	0.224	1.070	0.882	0.271
2019	0.251	1.041	0.976	0.267
				Projected (d)
2020				0.263
2021				0.258
11/1/2021				0.256

(a) See Exhibit 10.3.
(b) Based on AC20-06-01, Exhibit 4.1.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual indemnity severity trend from AC20-06-01, Exhibit 6.2, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.

Exhibit 10.5

Projected On-Level Accident Year
Medical Loss to Industry Average Filed Pure Premium Ratios
Paid Selections Adjusted for Reform Impacts with BF Paid Applied through 27 Months
Based on Experience as of March 31, 2020

Accident Year	(1) Developed Medical Loss Ratio (a)	(2) Composite Medical Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Medical to Industry Average Filed Pure Premium Ratio(e) (1) x (2) ÷ (3)
2008	0.460	0.836	1.265	0.304
2009	0.539	0.825	1.364	0.326
2010	0.535	0.822	1.240	0.354
2011	0.460	0.836	1.133	0.339
2012	0.396	0.874	1.009	0.343
2013	0.323	0.949	0.881	0.348
2014	0.287	0.993	0.812	0.351
2015	0.269	1.011	0.776	0.351
2016	0.252	1.012	0.803	0.318
2017	0.257	1.014	0.841	0.310
2018	0.277	1.015	0.882	0.319
2019	0.301	1.011	0.976	0.312
				Projected (d)
2020				0.315
2021				0.313
11/1/2021				0.313

(a) See Exhibit 10.3.
(b) Based on AC20-06-01, Exhibit 4.4.
(c) See AC20-06-01, Exhibit 5.2.
(d) These on-level ratios were projected based on an estimated annual medical severity trend from AC20-06-01, Exhibit 6.4, the actual frequency trend for accident year 2019 from AC20-06-01, Exhibit 12, and projected frequency trends for accident years 2020 to 2022 from AC20-06-01, Exhibit 6.1; these trends were then separately applied to the 2018 and 2019 on-level ratios.
(e) Accident years 2011 and subsequent do not reflect paid MCCP costs. Accident years 2010 and prior do reflect paid MCCP costs.

Item AC20-08-04
Impact of Economic Slowdown on Pure Premium Rate Indications

Economic changes related to the COVID-19 pandemic will have many direct and indirect impacts on the proposed 2021 pure premium rates. Staff has examined potential adjustments to several economic components of the January 1, 2021 Pure Premium Rate Filing for which data-based adjustments may be appropriate.

Statewide Average Wage
Changes in the statewide average wage flow directly into the proposed pure premium rates and are also used for benefit on-leveling. Historical changes from the Bureau of Labor Statistics (BLS) are used for past years. For future years, projections are made as an average of forecasts made by the California Department of Finance (CDOF) and the UCLA Anderson School of Business (UCLA). (See Exhibit 5.1 of Item AC20-06-01 of this Agenda.)

The most current forecast from CDOF is from April 2020. The wage variable was (potentially temporarily) discontinued from the UCLA June 2020 forecast as they are reassessing their wage forecasting model, leaving the most recent forecast from March 2020. Current wage growth projections based on the average of these two projections are 1.5% for 2020, 2.6% for 2021 and 3.8% for 2022.

Both forecasts show an average wage calculated as total wages divided by total employment. Given the extreme changes in the employment mix, the use of an average wage would be artificially inflated as lower wage industries and employees were more likely to suffer employment declines. Staff has derived two potential adjustments to an average wage change to account for the changing industrial mix.

The first adjustment uses data through June 2020 from the BLS Current Employment Statistics data set. This method calculates overall average wages at the industrial mix from the current and previous year to determine the amount of change due to the industrial mix. The largest change due to mix from 2007 through 2019 was -0.5% in 2009. The change due to mix in 2020 is 1.9%, i.e., the overall statewide average wage will be artificially inflated by 1.9% due solely to the change industrial mix. This data series does not include agriculture and no forecasts are available. The derivation of this index is shown in Exhibit 1.

The second adjustment combines historical annual industrial wage relativities through 2019 from the BLS Quarterly Census of Employment and Wages (QCEW) data series with industrial employment forecasts from UCLA. Staff calculated estimates via this methodology for 2020 through 2022 assuming future industry relativities remained equal to either the latest 1-, 3-, or 5-year average. The timeframe used to select the industry relativities was immaterial. This method shows about 2.5% inflation due to mix in 2020, 0.1% in 2021 and -0.5% in 2022. These calculations are shown in Exhibit 2.

Committee members are asked for feedback regarding the appropriateness of these adjustments as well as any other thoughts regarding adjustments to the average wage, given the timeframe of the forecasts and the rapidly changing environment.

Indemnity Claim Frequency
The WCIRB's indemnity frequency model predicts the change (as measured by a log difference) in the mix-adjusted non-cumulative indemnity claim frequency as a linear combination of the changes in the indemnity benefit level, the cumulative injury index (the ratio of cumulative trauma indemnity claims to all non-cumulative trauma indemnity claims), and economic variables. Projections of changes in the indemnity benefit level are made using proposed legislation and/or cost of living adjustments. Changes in the economic variables are based on UCLA forecasts. The WCIRB has not yet found a reasonable approach to project future changes in the cumulative injury index.

The economic variable used in the model are the first principal component decomposition of the changes in aggregate employment and the unemployment rate. The magnitude of the change in 2020 is more than twice as much as the next most extreme observation going back to the 1960's, which occurred during the Great Recession in 2009 and is greater in magnitude than 2007 through 2010 combined. The economic variable series is shown in Exhibit 3.

Staff investigated several alternative specifications of the economic variables to evaluate if they could simultaneously improve the model fit while resulting in a 2020 value that was closer to observed values. These alternatives included using the change in the employment rate, the point change (as opposed to log difference) of either the unemployment or employment rate, and the change in unemployed workers. Some of these specifications led to a less extreme 2020 value, but all of them caused the economic variables to be insignificant in the model and sometimes other variables as well. For this reason, these alternatives were abandoned.

Staff then investigated the potential of explicitly capping the magnitude of the economic variables. The rationale was that at some level of magnitude, the economic variables would begin over-predicting frequency changes and capping would lead to a better model fit. This was not the case. Exhibit 4 shows the number of observations capped, the R-squared, and the significance of the economic variable coefficient using various caps. The smallest values are shown only for comparison and in fact make the economic variables insignificant. Exhibit 5 shows the model error by the size of the economic variables. The errors are not correlated with the magnitude of the variables and the error is very small for the most extreme observation, causing reduced model performance at any cap.

Given that the 2020 economic variables are so far outside the range of observations used to fit the model, model projections using caps equal to or greater than the most extreme observation are shown in Exhibit 6. None of these caps impact the model fit as all the observed data would be uncapped. The Accident Year (AY) 2020 projection would be very sensitive to any potential cap. Later years would not be affected.

In the WCIRB frequency model, the cumulative injury index is calculated as the ratio of cumulative frequency to non-cumulative frequency. This variable is thought of internally as a proxy for the level of discretionary claim filing and is the most predictive explanatory variable in the model. To date, staff has not been able to produce a reliable projection of this variable and no change forecast is used in the model. As shown in the WCIRB's recent study of the impact of economic changes on claim frequency,[1] during the prior recession, there was a large uptick in the cumulative injury index. Alternate frequency projections using observed values of the change in the index from the prior recession are shown in Exhibit 7.

The final frequency-related adjustment is for industrial mix. Exhibit 8 shows a contracted version of Exhibit C7.2 of the standard set of diagnostic exhibits reviewed by the Committee twice a year, which shows the history and projections of the frequency model. Changes in inter-class frequency show the change in overall frequency due to changes in industrial mix. Accident years up to 2018 use USR data at a class level to calculate the change. For AYs 2019 through 2022, inter-class changes use observed industry frequency relativities with industry exposure distributions adjusted for forecast employment changes from UCLA. The -3.26% change for 2020 due to shifting class mix is the largest in magnitude during the duration of the series.

Indemnity Claim Severity

The WCIRB tracks changes in indemnity claim severity due to shifting class mix in Exhibit S15 of the standard set of diagnostic exhibits reviewed by the Committee twice a year. These changes have been very modest over time and have not historically been reflected in pure premium rate filing projections. Given the magnitude of current economic changes, staff has calculated a projected change in indemnity

[1] *Impact of Economic Downturn on California Workers' Compensation Claim Frequency*, WCIRB, June 2020.

claim severity due to changes in the industrial mix. This method uses historic industry severity relativities from USR data and estimated future indemnity count distributions based on forecast changes in employment mix.

Exhibit 9 shows the derivation of projected indemnity count distributions by industry. Standard exception data has been allocated to industry using previous WCIRB studies. Some industries shown are collapsed in the forecast data and will have the same projected employment changes.

Calculations of change in indemnity and medical severity due to industry mix are shown in Exhibits 10.1 and 10.2. Neither is impacted significantly by the selection of the severity relativity. Both severities show increases due to industry mix in 2020 and decreases in 2022. Changes in 2019 and 2021 are modest. Total claim severity is shown for reference in Exhibit 10.3. This calculation implicitly assumes that industry frequency and severity relativities are stable.

Pure Premium

Staff has developed a hazardousness adjustment for pure premium that is similar to the adjustment used for claim frequency. Exposures are aggregated at a class level and extended by the approved pure premium rates. Exposure data is available through policy year 2017, pure premium rates are available through policy year 2020, and proposed classification relativities are available for policy year 2021. For policy years 2018 through 2021, the classification exposure distribution is estimated using the policy year 2017 observed distribution and historic and forecast changes in employment at an industry level. For policy year 2021, the pure premium rate used in this index is calculated as the approved 2020 pure premium rate adjusted for the proposed policy year change in the classification relativity. This estimate excludes changes in the overall pure premium rate level. However, the overall change will impact all classes and is irrelevant for this index. This index is shown in Exhibit 11.

Exhibit 1: Change in Average Wage Due to Industrial Mix
Bureau of Labor Statistics Current Employment Statistics Data Series

Employment in Thousands

Supersector	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Construction	892.8	787.9	623.3	560.0	561.5	590.2	637.7	674.4	732.1	775.7	810.3	860.2	882.6	847.4
Manufacturing	1,465.7	1,428.6	1,285.5	1,247.4	1,254.0	1,259.8	1,261.9	1,279.7	1,302.4	1,309.1	1,311.7	1,323.1	1,322.5	1,235.2
Trade, Transportation, and Utilities	2,898.4	2,835.3	2,629.1	2,613.0	2,662.3	2,714.0	2,768.9	2,835.2	2,908.8	2,966.9	3,017.0	3,047.9	3,051.9	2,808.4
Information	471.4	476.4	441.1	428.5	430.9	436.3	450.0	463.9	488.6	526.4	529.3	543.2	562.6	528.0
Financial Activities	897.8	843.0	783.9	760.9	762.3	773.7	783.0	782.8	802.6	823.3	832.7	837.9	841.2	833.8
Professional and Business Services	2,279.0	2,249.2	2,070.6	2,084.3	2,142.1	2,249.7	2,347.6	2,427.0	2,490.8	2,531.7	2,582.4	2,669.4	2,721.1	2,570.5
Education and Health Services	1,966.4	2,051.5	2,114.2	2,131.9	2,162.7	2,232.6	2,308.6	2,377.9	2,464.6	2,552.9	2,650.3	2,722.2	2,803.4	2,680.3
Leisure and Hospitality	1,560.1	1,572.4	1,502.9	1,500.8	1,534.8	1,597.4	1,675.2	1,757.1	1,829.3	1,902.9	1,953.6	1,993.2	2,033.2	1,526.3
Other Services	511.1	510.2	484.9	483.6	492.4	503.5	515.5	534.8	543.6	553.7	563.7	571.7	576.1	471.6
Mining and Logging	24.6	26.6	23.9	24.6	26.7	28.3	28.3	29.3	26.4	22.3	21.9	22.4	22.5	22.4

Average Weekly Wage

Supersector	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Construction	922.7	929.4	965.8	979.8	979.2	1,073.8	1,139.2	1,143.5	1,156.2	1,189.5	1,258.5	1,308.5	1,380.1	1,406.3
Manufacturing	964.8	981.4	1,015.6	1,047.7	1,064.0	1,077.6	1,119.2	1,144.4	1,156.9	1,178.5	1,232.1	1,266.0	1,310.2	1,333.3
Trade, Transportation, and Utilities	720.8	717.1	725.8	804.6	803.9	761.9	757.7	765.5	801.8	826.2	841.7	839.3	865.8	923.0
Information	1,239.4	1,231.8	1,205.8	1,321.5	1,493.9	1,554.7	1,516.5	1,528.9	1,548.5	1,521.3	1,609.2	1,723.0	1,870.1	1,875.7
Financial Activities	1,298.5	1,136.7	1,127.7	1,114.1	1,110.8	1,121.2	1,152.1	1,226.5	1,250.8	1,270.6	1,325.6	1,411.4	1,462.7	1,482.9
Professional and Business Services	1,089.2	1,082.1	1,110.1	1,155.4	1,236.0	1,221.2	1,210.6	1,236.3	1,300.2	1,342.6	1,398.5	1,450.4	1,513.8	1,590.9
Education and Health Services	807.5	834.8	853.7	855.9	871.0	927.0	939.6	945.2	942.6	962.5	1,006.7	1,036.5	1,057.4	1,062.5
Leisure and Hospitality	367.4	374.2	374.5	385.2	391.9	392.5	394.7	416.3	438.8	457.8	468.2	485.6	511.5	530.6
Other Services	582.5	593.7	640.8	634.2	671.3	667.4	687.0	706.5	741.5	749.2	819.3	842.2	877.3	974.7
Mining and Logging	935.8	1,892.9	3,871.8	4,699.6	5,415.5	2,674.6	1,406.3	784.9	740.4	857.2	1,227.3	1,428.7	1,524.9	1,475.4
New Industry Mix x Old Wages		848.2	841.3	860.2	896.1	924.8	924.8	929.1	946.4	973.5	996.2	1,039.4	1,073.4	1,137.3
Old Industry Mix x Old Wages		851.5	845.0	861.4	896.1	924.6	925.3	930.4	946.3	973.8	997.1	1,037.9	1,072.7	1,116.2
Laspeyres Index		**0.996**	**0.996**	**0.999**	**1.000**	**1.000**	**0.999**	**0.999**	**1.000**	**1.000**	**0.999**	**1.001**	**1.001**	**1.019**
New Industry Mix x New Wages		845.0	861.4	896.1	924.6	925.3	930.4	946.3	973.8	997.1	1,037.9	1,072.7	1,116.2	1,175.5
Old Industry Mix x New Wages		847.4	865.5	897.2	924.4	925.2	930.8	947.8	973.8	997.5	1,038.9	1,071.1	1,115.4	1,154.4
Paasche Index		**0.997**	**0.995**	**0.999**	**1.000**	**1.000**	**1.000**	**0.998**	**1.000**	**1.000**	**0.999**	**1.002**	**1.001**	**1.018**
Geomean of Laspeyres and Paasche Indices		**0.997**	**0.995**	**0.999**	**1.000**	**1.000**	**0.999**	**0.999**	**1.000**	**1.000**	**0.999**	**1.001**	**1.001**	**1.019**

Exhibit 2.1: Change in Average Wage Due to Industrial Mix
Bureau of Labor Statistics Quarterly Census of Employment and Wages Data Series/UCLA Anderson Forecast

QCEW Average Annual Wage

NAICS	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
11	24,773	25,563	26,636	27,740	28,751	30,283	32,316	33,299	34,521	36,164
21	129,811	128,432	134,410	135,181	138,053	136,862	134,266	121,769	123,590	124,143
22	100,108	104,672	107,762	114,079	114,900	124,352	123,633	130,445	131,945	138,623
23	54,865	56,206	57,999	58,211	59,464	62,257	64,472	67,561	70,084	73,372
31	72,561	74,882	77,364	77,916	81,368	83,868	87,160	92,246	95,627	98,241
42	64,348	66,794	68,407	68,871	71,780	75,654	75,496	78,610	78,293	81,070
44	30,893	31,552	32,560	32,412	33,175	34,630	34,527	35,466	36,669	38,131
48	46,212	47,426	48,609	49,300	50,140	51,582	53,153	54,446	56,960	62,877
51	99,973	106,238	113,046	132,339	136,214	145,627	147,264	172,309	188,173	191,349
52	92,300	95,702	101,367	101,804	108,366	113,062	116,415	123,665	128,085	135,113
53	48,610	51,329	54,309	55,792	59,119	62,541	63,903	67,607	68,901	72,927
54	89,642	93,421	102,250	97,589	103,921	111,771	111,856	116,802	122,460	127,898
55	94,264	100,545	105,363	110,264	118,880	123,826	127,534	128,485	134,943	135,719
56	36,553	37,777	39,322	38,769	39,477	41,402	42,513	44,781	45,463	48,067
61	44,426	45,413	46,134	47,197	48,787	50,571	51,782	53,389	54,989	56,234
62	52,389	53,506	54,406	46,218	46,848	48,396	49,321	50,401	51,795	53,586
71	49,369	51,591	53,066	52,164	53,678	54,527	55,447	57,842	59,737	61,785
72	19,010	19,422	19,827	19,944	20,570	21,778	23,022	23,858	25,006	26,691
81	25,919	26,178	24,209	34,171	35,023	36,446	37,701	40,412	40,668	42,305
92	57,002	58,575	59,506	60,189	62,175	64,138	65,787	67,701	70,128	72,553
Total	53,700	55,412	57,388	57,092	59,036	61,652	62,948	65,918	68,496	71,341

	Average Annual Wage Relativity										Average Relativity		
NAICS	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	1-Yr	3-Yr	5-Yr
11	0.461	0.461	0.464	0.486	0.487	0.491	0.513	0.505	0.504	0.507	0.507	0.505	0.504
21	2.417	2.318	2.342	2.368	2.338	2.220	2.133	1.847	1.804	1.740	1.740	1.797	1.949
22	1.864	1.889	1.878	1.998	1.946	2.017	1.964	1.979	1.926	1.943	1.943	1.949	1.966
23	1.022	1.014	1.011	1.020	1.007	1.010	1.024	1.025	1.023	1.028	1.028	1.026	1.022
31	1.351	1.351	1.348	1.365	1.378	1.360	1.385	1.399	1.396	1.377	1.377	1.391	1.384
42	1.198	1.205	1.192	1.206	1.216	1.227	1.199	1.193	1.143	1.136	1.136	1.157	1.180
44	0.575	0.569	0.567	0.568	0.562	0.562	0.548	0.538	0.535	0.534	0.534	0.536	0.544
48	0.861	0.856	0.847	0.864	0.849	0.837	0.844	0.826	0.832	0.881	0.881	0.846	0.844
51	1.862	1.917	1.970	2.318	2.307	2.362	2.339	2.614	2.747	2.682	2.682	2.681	2.549
52	1.719	1.727	1.766	1.783	1.836	1.834	1.849	1.876	1.870	1.894	1.894	1.880	1.865
53	0.905	0.926	0.946	0.977	1.001	1.014	1.015	1.026	1.006	1.022	1.022	1.018	1.017
54	1.669	1.686	1.782	1.709	1.760	1.813	1.777	1.772	1.788	1.793	1.793	1.784	1.788
55	1.755	1.814	1.836	1.931	2.014	2.008	2.026	1.949	1.970	1.902	1.902	1.941	1.971
56	0.681	0.682	0.685	0.679	0.669	0.672	0.675	0.679	0.664	0.674	0.674	0.672	0.673
61	0.827	0.820	0.804	0.827	0.826	0.820	0.823	0.810	0.803	0.788	0.788	0.800	0.809
62	0.976	0.966	0.948	0.810	0.794	0.785	0.784	0.765	0.756	0.751	0.751	0.757	0.768
71	0.919	0.931	0.925	0.914	0.909	0.884	0.881	0.877	0.872	0.866	0.866	0.872	0.876
72	0.354	0.351	0.345	0.349	0.348	0.353	0.366	0.362	0.365	0.374	0.374	0.367	0.364
81	0.483	0.472	0.422	0.599	0.593	0.591	0.599	0.613	0.594	0.593	0.593	0.600	0.598
92	1.061	1.057	1.037	1.054	1.053	1.040	1.045	1.027	1.024	1.017	1.017	1.023	1.031

Exhibit 2.2: Change in Average Wage Due to Industrial Mix
Bureau of Labor Statistics Quarterly Census of Employment and Wages Data Series/UCLA Anderson Forecast

UCLA Employment

NAICS	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
11	382,925	389,800	399,925	412,833	416,675	422,450	425,317	422,300	421,583	423,950	346,924	392,973	419,370
21	24,617	26,700	28,333	28,308	29,242	26,425	22,292	21,867	22,425	22,517	21,021	17,855	18,938
22	57,788	58,603	59,611	59,097	58,170	58,250	59,367	58,093	56,603	56,436	54,523	54,562	56,150
23	559,917	561,608	590,258	637,717	674,550	731,758	775,367	810,167	860,283	883,783	810,857	826,999	870,171
31	1,247,442	1,254,108	1,259,608	1,261,683	1,279,650	1,302,350	1,309,067	1,311,692	1,322,983	1,323,017	1,216,580	1,232,894	1,278,785
42	629,642	642,250	656,475	671,250	683,283	690,850	693,150	695,950	698,975	694,467	648,566	649,444	665,069
44	1,516,675	1,545,258	1,568,875	1,593,225	1,627,667	1,660,292	1,679,767	1,688,400	1,683,758	1,656,692	1,463,496	1,462,951	1,506,332
48	408,912	416,122	428,380	444,578	466,363	498,975	535,100	573,932	608,030	644,206	622,370	622,817	640,950
51	428,342	431,383	436,633	450,200	463,475	488,167	526,608	529,933	543,525	562,517	555,602	589,498	638,520
52	512,388	515,004	522,834	524,056	517,278	530,446	545,074	547,560	543,503	539,033	535,255	544,396	553,876
53	248,346	247,154	250,916	259,028	265,489	271,921	277,885	285,231	294,656	302,375	300,255	305,383	310,701
54	1,013,547	1,046,929	1,099,131	1,136,990	1,167,360	1,191,881	1,211,760	1,237,852	1,282,260	1,333,959	1,232,640	1,233,991	1,344,490
55	208,727	213,465	219,786	231,539	236,012	237,656	236,773	246,931	255,792	256,061	236,612	236,871	258,082
56	861,300	881,356	930,641	979,463	1,023,853	1,060,905	1,082,875	1,096,892	1,131,365	1,133,855	1,047,735	1,048,883	1,142,806
61	292,676	307,751	317,176	327,414	339,630	347,367	354,610	363,622	373,608	383,519	366,269	369,967	393,096
62	1,839,049	1,854,707	1,915,257	1,981,286	2,038,479	2,117,000	2,197,640	2,286,837	2,348,650	2,421,481	2,312,568	2,335,914	2,481,953
71	242,062	245,829	254,931	264,929	274,644	284,787	300,007	306,871	316,287	327,317	231,166	233,206	277,683
72	1,258,504	1,289,154	1,342,661	1,410,354	1,482,098	1,543,788	1,602,935	1,647,179	1,677,363	1,705,367	1,204,409	1,215,039	1,446,766
81	483,442	492,367	503,550	515,658	534,842	543,442	553,483	563,775	571,842	576,442	456,051	472,393	548,140
92	2,448,217	2,406,492	2,376,050	2,374,033	2,412,958	2,462,292	2,515,508	2,554,358	2,581,192	2,607,350	2,496,646	2,419,247	2,481,180
Total	14,664,517	14,826,042	15,161,033	15,563,642	15,991,717	16,471,000	16,904,583	17,249,442	17,594,683	17,854,342	16,159,548	16,265,284	17,333,059

Statewide Average Wages

Mix	Wages	2011	2012	2013	2014	2015	2016	2017	2018	2019
New	New	55,412	57,388	57,092	59,036	61,652	62,948	65,918	68,496	71,341
Old	New	55,465	57,451	57,238	59,237	61,738	62,962	66,036	68,440	71,199
	Paasche Index	0.999	0.999	0.997	0.997	0.999	1.000	0.998	1.001	1.002
New	Old	53,647	55,338	57,255	56,905	58,952	61,637	62,849	65,967	68,629
Old	Old	53,700	55,412	57,388	57,092	59,036	61,652	62,948	65,918	68,496
	Laspeyres Index	0.999	0.999	0.998	0.997	0.999	1.000	0.998	1.001	1.002
	Geomean Index	**0.999**	**0.999**	**0.998**	**0.997**	**0.999**	**1.000**	**0.998**	**1.001**	**1.002**

* Change due to mix is calculated as the employment weighted average relativity in the stated year compared to the prior year.

	Change Due to Mix*		
Avg. Relt.	2020	2021	2022
1-Yr	1.025	1.001	0.995
3-Yr	1.026	1.001	0.995
5-Yr	1.026	1.001	0.994

Exhibit 3: Economic Variables

CY	Aggregate Employment	Unemployment Rate	Annual Log Differences: Aggregate Employment	Annual Log Differences: Unemployment Rate	Economic Variables 1st Prin. Comp.
1961	3,963,242	6.90			
1962	4,146,749	5.80	0.045	-0.174	0.178
1963	4,293,966	6.00	0.035	0.034	-0.029
1964	4,426,369	6.00	0.030	0.000	0.004
1965	4,546,719	5.90	0.027	-0.017	0.020
1966	4,793,964	4.90	0.053	-0.186	0.191
1967	4,929,157	5.70	0.028	0.151	-0.146
1968	5,134,603	5.40	0.041	-0.054	0.059
1969	5,369,271	5.20	0.045	-0.038	0.044
1970	5,336,545	7.30	-0.006	0.339	-0.337
1971	5,285,062	8.79	-0.010	0.186	-0.186
1972	6,022,635	7.61	0.131	-0.145	0.161
1973	6,500,706	7.02	0.076	-0.081	0.090
1974	6,709,500	7.30	0.032	0.040	-0.035
1975	6,685,230	9.88	-0.004	0.302	-0.300
1976	7,261,209	9.17	0.083	-0.075	0.085
1977	7,681,971	8.25	0.056	-0.105	0.112
1978	9,203,099	7.11	0.181	-0.149	0.173
1979	9,621,815	6.24	0.044	-0.130	0.134
1980	10,269,331	6.83	0.065	0.090	-0.080
1981	10,408,249	7.41	0.013	0.081	-0.079
1982	10,235,071	9.95	-0.017	0.294	-0.294
1983	10,334,786	9.68	0.010	-0.028	0.029
1984	10,826,006	7.79	0.046	-0.218	0.222
1985	11,178,336	7.21	0.032	-0.077	0.081
1986	11,489,283	6.69	0.027	-0.075	0.078
1987	11,893,711	5.77	0.035	-0.148	0.151
1988	12,361,079	5.31	0.039	-0.084	0.088
1989	12,692,805	5.09	0.026	-0.042	0.045
1990	12,946,887	5.77	0.020	0.125	-0.121
1991	12,782,341	7.74	-0.013	0.294	-0.293
1992	12,582,274	9.32	-0.016	0.186	-0.186
1993	12,483,226	9.52	-0.008	0.021	-0.022
1994	12,615,828	8.56	0.011	-0.106	0.106
1995	12,873,417	7.82	0.020	-0.090	0.092
1996	13,231,630	7.28	0.027	-0.072	0.075
1997	13,619,654	6.37	0.029	-0.135	0.137
1998	14,082,965	5.91	0.033	-0.075	0.079
1999	14,479,767	5.21	0.028	-0.125	0.128
2000	14,992,265	4.90	0.035	-0.062	0.066
2001	15,098,050	5.43	0.007	0.103	-0.101
2002	14,972,541	6.65	-0.008	0.203	-0.202
2003	14,950,702	6.81	-0.001	0.023	-0.023
2004	15,130,469	6.20	0.012	-0.093	0.093
2005	15,422,217	5.40	0.019	-0.139	0.141
2006	15,697,957	4.92	0.018	-0.093	0.095
2007	15,844,029	5.36	0.009	0.087	-0.084
2008	15,689,423	7.31	-0.010	0.310	-0.308
2009	14,807,953	11.15	-0.058	0.423	-0.427
2010	14,664,517	12.22	-0.010	0.091	-0.092
2011	14,826,042	11.72	0.011	-0.042	0.043
2012	15,161,033	10.38	0.022	-0.121	0.123
2013	15,563,642	8.94	0.026	-0.149	0.151
2014	15,991,717	7.50	0.027	-0.176	0.178
2015	16,471,000	6.19	0.030	-0.191	0.193
2016	16,904,583	5.49	0.026	-0.122	0.124
2017	17,249,442	4.79	0.020	-0.135	0.137
2018	17,594,683	4.26	0.020	-0.118	0.120
2019	17,854,342	4.04	0.015	-0.052	0.054
2020	16,159,548	10.49	-0.100	0.953	-0.958
2021	16,265,283	8.16	0.007	-0.250	0.249
2022	17,333,060	6.84	0.064	-0.178	0.185

Notes: The first principal component is of the annual log difference data from 1962-2019.
The first principal component of the annual log difference of the economic variables is:
1st PC of Econ Variables = -0.1373546 x Aggregate Employment + 0.9905219 x Unemployment Rate

Sources: Government historical labor statistics through 2019
UCLA Anderson forecasts through 2022 are as of June 2020

Exhibit 4: Changes in Model Fit at Various Caps of the Economic Variables

Cap	0.10	0.15	0.20	0.25	0.30	0.35	0.40	Max Obs. 0.4266
# Obs Capped	30	17	8	6	3	1	1	0
1962-2019	out of 58	out of 58	out of 58	out of 58	out of 58	out of 58	out of 58	out of 58
R-squared	0.527	0.538	0.550	0.559	0.565	0.565	0.566	0.566
Reduction	-6.8%	-4.9%	-2.9%	-1.1%	-0.2%	-0.1%	0.0%	0.0%
p-value of Econ Vars	**0.131**	**0.079**	0.046	0.030	0.023	0.023	0.022	0.022

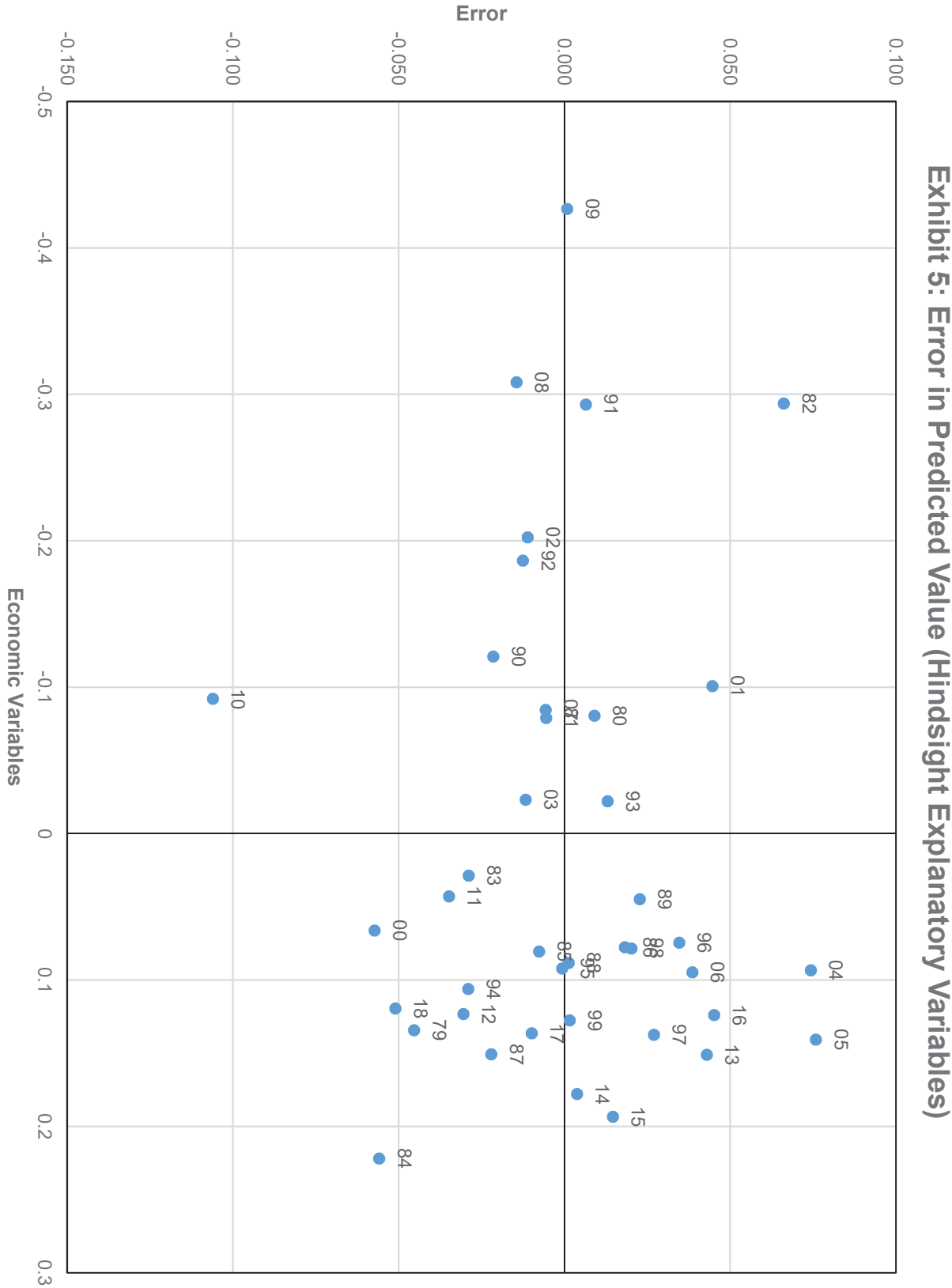


Exhibit 5: Error in Predicted Value (Hindsight Explanatory Variables)
Error
0.100
0.050
0.000
-0.050
-0.100
-0.150
Economic Variables
-0.5
-0.4
-0.3
-0.2
-0.1
0
0.1
0.2
0.3
04
05
82
01
96
06
16
13
97
89
91
09
08
02
92
90
80
93
03
10
83
11
00
94
12
79
18
87
17
99
14
15
84

Exhibit 6: Modeled Frequency Changes with Capped Economic Variables

	Projected Frequency Change by Econ Variable Cap						
	Max Obs.						
AY	0.4266	0.50	0.60	0.70	0.80	0.90	None
2020	-6.1%	-6.8%	-7.8%	-8.8%	-9.7%	-10.6%	**-11.1%**
2021	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	**0.6%**
2022	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**

Current model projections

Exhibit 7: Modeled Frequency Changes with Assumed Changes in Cumulative Claim Filing

AY	Assumed Cumulative Inj. Index	Frequency Change with Change	Frequency Change without Change
2020	0.186	-6.5%	**-11.1%**
2021	0.060	2.3%	**0.6%**
2022	0.000	0.0%	**0.0%**

Current model projections

Exhibit 8: Indemnity Claim Frequency History and Projections

AY	Intra-Class Indemnity Claim Frequency(a)	Inter-Class Indemnity Claim Frequency Index(b)	Overall Indemnity Claim Frequency	Annual Percent Changes		
				Intra-Class	Inter-Class	Overall
1979	0.510	0.921	0.614	---	---	---
1980	0.476	0.914	0.570	-6.54%	-0.75%	-7.24%
1981	0.460	0.900	0.541	-3.54%	-1.56%	-5.04%
1982	0.452	0.882	0.522	-1.59%	-2.00%	-3.56%
1983	0.480	0.873	0.549	6.20%	-0.98%	5.17%
1984	0.526	0.871	0.600	9.53%	-0.18%	9.32%
1985	0.537	0.867	0.609	2.05%	-0.51%	1.52%
1986	0.524	0.859	0.589	-2.39%	-0.92%	-3.28%
1987	0.532	0.854	0.595	1.53%	-0.56%	0.97%
1988	0.536	0.854	0.598	0.69%	-0.06%	0.64%
1989	0.549	0.853	0.613	2.47%	-0.08%	2.39%
1990	0.599	0.845	0.662	9.04%	-0.89%	8.07%
1991	0.600	0.832	0.654	0.28%	-1.58%	-1.30%
1992	0.534	0.820	0.573	-11.09%	-1.45%	-12.37%
1993	0.454	0.810	0.481	-14.91%	-1.25%	-15.98%
1994	0.396	0.809	0.420	-12.76%	-0.06%	-12.81%
1995	0.378	0.811	0.401	-4.64%	0.16%	-4.49%
1996	0.352	0.800	0.369	-6.78%	-1.25%	-7.94%
1997	0.341	0.791	0.352	-3.27%	-1.23%	-4.46%
1998	0.328	0.786	0.337	-3.76%	-0.60%	-4.34%
1999	0.333	0.774	0.337	1.45%	-1.48%	-0.05%
2000	0.346	0.752	0.340	4.02%	-2.91%	0.99%
2001	0.322	0.753	0.317	-6.91%	0.13%	-6.79%
2002	0.315	0.763	0.314	-2.31%	1.34%	-1.00%
2003	0.306	0.764	0.306	-2.86%	0.20%	-2.67%
2004	0.255	0.763	0.254	-16.65%	-0.21%	-16.82%
2005	0.220	0.760	0.219	-13.59%	-0.31%	-13.85%
2006	0.208	0.754	0.205	-5.69%	-0.81%	-6.46%
2007	0.204	0.749	0.200	-1.64%	-0.68%	-2.31%
2008	0.199	0.740	0.192	-2.71%	-1.18%	-3.86%
2009	0.198	0.727	0.189	-0.20%	-1.82%	-2.02%
2010	0.216	0.713	0.201	8.87%	-1.87%	6.83%
2011	0.219	0.703	0.201	1.22%	-1.42%	-0.22%
2012	0.229	0.694	0.208	4.71%	-1.20%	3.46%
2013	0.230	0.692	0.208	0.36%	-0.36%	0.00%
2014	0.230	0.693	0.209	0.16%	0.21%	0.37%
2015	0.227	0.689	0.205	-1.26%	-0.60%	-1.85%
2016	0.221	0.684	0.198	-2.53%	-0.73%	-3.25%
2017(c)	0.217	0.679	0.192	-2.14%	-0.76%	-2.88%
2017(d)	0.215	0.679	0.191	---	---	---
2018(e)	0.213	0.676	0.189	-0.98%	-0.47%	-1.45%
2019	*0.210*	0.676	0.186	-1.37%	-0.04%	-1.41%
2020	*0.187*	0.654	0.160	-11.15%	-3.26%	-14.04%
2021	*0.188*	0.656	0.161	0.63%	0.39%	1.03%
2022	*0.188*	0.658	0.162	-0.03%	0.25%	0.22%

Notes: (a) All frequencies are per $M exposure at PY 2018 Level.
(b) Index is to AY 1961.
(c) 2017 accidents on 2017 and 2016 policies.
(d) 2017 accidents on 2016 policies only.
(e) AY 2018 percent changes are based on a comparison of 2018 accidents on 2017 policies to 2017 accidents on 2016 policies.
(f) Forecasts below thick solid line.

Source: WCIRB Indemnity Frequency Model

Exhibit 9: Devivation of Projected Indemnity Count Distribution

	UCLA CY Employment					A Employment Change				B C Count Distribution				
NAICS	2018	2019	2020	2021	2022	2019	2020	2021	2022	2018	2019	2020	2021	2022
11&21	444,008	446,467	367,946	410,829	438,307	0.6%	-17.6%	11.7%	6.7%	5.6%	5.6%	5.2%	5.7%	5.7%
22&23	916,886	940,219	865,380	881,561	926,322	2.5%	-8.0%	1.9%	5.1%	10.1%	10.2%	10.6%	10.7%	10.5%
31	1,322,983	1,323,017	1,216,580	1,232,894	1,278,785	0.0%	-8.0%	1.3%	3.7%	16.7%	16.5%	17.1%	17.0%	16.5%
42	698,975	694,467	648,566	649,444	665,069	-0.6%	-6.6%	0.1%	2.4%	7.6%	7.5%	7.9%	7.8%	7.5%
44	1,683,758	1,656,692	1,463,496	1,462,951	1,506,332	-1.6%	-11.7%	0.0%	3.0%	11.2%	10.8%	10.8%	10.6%	10.2%
48	608,030	644,206	622,370	622,817	640,950	5.9%	-3.4%	0.1%	2.9%	7.3%	7.7%	8.3%	8.2%	7.9%
51	543,525	562,517	555,602	589,498	638,520	3.5%	-1.2%	6.1%	8.3%	2.2%	2.3%	2.5%	2.6%	2.7%
52	543,503	539,033	535,255	544,396	553,876	-0.8%	-0.7%	1.7%	1.7%	1.7%	1.7%	1.9%	1.9%	1.8%
53	294,656	302,375	300,255	305,383	310,701	2.6%	-0.7%	1.7%	1.7%	2.1%	2.1%	2.4%	2.4%	2.3%
54	1,282,260	1,333,959	1,232,640	1,233,991	1,344,490	4.0%	-7.6%	0.1%	9.0%	2.3%	2.3%	2.4%	2.4%	2.5%
56	1,131,365	1,133,855	1,047,735	1,048,883	1,142,806	0.2%	-7.6%	0.1%	9.0%	5.4%	5.4%	5.6%	5.5%	5.6%
61	373,608	383,519	366,269	369,967	393,096	2.7%	-4.5%	1.0%	6.3%	1.5%	1.5%	1.6%	1.6%	1.6%
62	2,348,650	2,421,481	2,312,568	2,335,914	2,481,953	3.1%	-4.5%	1.0%	6.3%	8.0%	8.1%	8.8%	8.7%	8.7%
71	316,287	327,317	231,166	233,206	277,683	3.5%	-29.4%	0.9%	19.1%	1.7%	1.7%	1.4%	1.3%	1.5%
72	1,677,363	1,705,367	1,204,409	1,215,039	1,446,766	1.7%	-29.4%	0.9%	19.1%	12.3%	12.4%	9.8%	9.8%	10.9%
81	571,842	576,442	456,051	472,393	548,140	0.8%	-20.9%	3.6%	16.0%	4.3%	4.2%	3.8%	3.9%	4.2%
Total	17,594,683	17,854,342	16,159,548	16,265,284	17,333,059	1.5%	-9.5%	0.7%	6.6%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: AY 2018 count distribution is taken as PY 2017 value from USR.
Example calculation for 2019 - 2022:

$$5.2\% = \frac{5.6\% \times (1 - 17.6\%)}{\sum (B \times (1 + A))}$$

Exhibit 10.1: Change in Indemnity Severity due to Industry Mix

NAICS	Indemnity Severity Developed to 5th RL by PY 2013	2014	2015	2016	2017	D Severity Relativity 1-Yr	3-Yr	5-Yr
11&21	17,970	17,869	17,698	19,153	21,462	0.785	**0.799**	0.810
22&23	31,902	33,786	33,997	35,699	42,454	1.553	**1.533**	1.526
31	22,491	23,779	24,188	23,661	31,856	1.165	**1.086**	1.078
42	20,006	20,076	21,665	22,008	24,718	0.904	**0.938**	0.933
44	18,926	19,802	19,737	21,067	23,837	0.872	**0.885**	0.888
48	25,427	26,496	26,935	26,099	29,552	1.081	**1.133**	1.159
51	26,379	28,320	30,431	31,790	36,019	1.317	**1.346**	1.312
52	24,851	26,087	26,745	29,557	36,857	1.348	**1.269**	1.232
53	21,800	24,850	23,019	24,626	26,725	0.978	**1.020**	1.042
54	21,885	24,447	23,619	24,203	27,538	1.007	**1.033**	1.047
56	21,966	22,813	22,604	24,460	26,535	0.971	**1.009**	1.019
61	17,518	17,659	18,379	18,660	21,113	0.772	**0.797**	0.803
62	19,070	19,608	20,325	21,021	22,980	0.841	**0.883**	0.887
71	17,761	18,527	20,508	19,371	26,617	0.974	**0.906**	0.878
72	13,567	13,575	14,024	14,801	16,233	0.594	**0.618**	0.621
81	21,356	21,501	22,956	23,255	27,156	0.993	**1.005**	0.998
Total	21,219	22,133	22,552	23,196	27,339	1.000	1.000	1.000

Severity Relativity	Severity Change Due to Industry Mix 2019	2020	2021	2022
1-Yr	0.08%	1.47%	0.00%	-0.58%
3-Yr	0.11%	**1.45%**	-0.01%	-0.54%
5-Yr	0.12%	1.45%	-0.01%	-0.55%

$$\textbf{1.45\%} = \frac{\sum (D \times C)}{\sum (D \times B)}$$

Exhibit 10.2: Change in Medical Severity due to Industry Mix

NAICS	Medical Severity Developed to 5th RL by PY 2013	2014	2015	2016	2017	D Severity Relativity 1-Yr	3-Yr	5-Yr
11&21	25,278	22,642	20,790	21,691	25,806	0.945	**0.918**	0.956
22&23	31,510	34,479	35,188	39,636	48,142	1.762	**1.650**	1.548
31	25,165	24,471	24,514	22,740	29,851	1.093	**1.036**	1.041
42	22,082	23,020	23,492	23,448	22,984	0.841	**0.947**	0.950
44	21,346	20,836	19,889	21,670	22,273	0.815	**0.862**	0.874
48	23,938	25,364	23,347	22,126	26,943	0.986	**0.975**	1.002
51	22,826	21,707	22,158	23,082	26,005	0.952	**0.960**	0.953
52	26,148	25,570	25,770	26,790	32,579	1.192	**1.144**	1.124
53	23,419	24,769	21,659	22,992	26,852	0.983	**0.962**	0.985
54	24,191	24,725	24,371	23,835	28,256	1.034	**1.030**	1.032
56	26,242	25,309	22,181	24,939	24,308	0.890	**0.966**	1.015
61	22,447	21,271	23,173	20,316	27,589	1.010	**0.955**	0.943
62	20,661	20,330	20,818	20,534	20,733	0.759	**0.840**	0.851
71	20,760	19,712	21,341	21,922	40,523	1.483	**1.109**	1.008
72	18,670	17,918	17,465	17,801	18,766	0.687	**0.730**	0.747
81	24,971	22,956	25,705	24,447	25,621	0.938	**1.025**	1.021
Total	23,722	23,563	23,262	23,664	27,322	1.000	1.000	1.000

Severity Relativity	Severity Change Due to Industry Mix 2019	2020	2021	2022
1-Yr	0.12%	0.81%	0.07%	-0.36%
3-Yr	0.08%	**0.80%**	0.03%	-0.33%
5-Yr	0.07%	0.78%	0.04%	-0.32%

$$\textbf{.80\%} = \frac{\sum (D \times C)}{\sum (D \times B)}$$

Exhibit 10.3: Change in Total Severity due to Industry Mix

NAICS	Total Severity Developed to 5th RL by PY 2013	2014	2015	2016	2017	D Severity Relativity 1-Yr	3-Yr	5-Yr
11&21	43,248	40,511	38,488	40,844	47,268	0.865	**0.859**	0.885
22&23	63,411	68,265	69,185	75,335	90,595	1.657	**1.592**	1.536
31	47,656	48,250	48,702	46,402	61,707	1.129	**1.061**	1.060
42	42,088	43,096	45,157	45,456	47,703	0.873	**0.943**	0.942
44	40,273	40,638	39,626	42,737	46,111	0.844	**0.874**	0.881
48	49,366	51,860	50,282	48,225	56,495	1.034	**1.053**	1.079
51	49,205	50,027	52,588	54,872	62,024	1.135	**1.151**	1.129
52	50,999	51,657	52,515	56,348	69,435	1.270	**1.206**	1.177
53	45,219	49,619	44,678	47,618	53,577	0.980	**0.991**	1.013
54	46,076	49,172	47,990	48,038	55,794	1.021	**1.031**	1.039
56	48,208	48,123	44,785	49,399	50,843	0.930	**0.987**	1.018
61	39,965	38,930	41,552	38,977	48,701	0.891	**0.877**	0.874
62	39,731	39,938	41,143	41,554	43,714	0.800	**0.862**	0.869
71	38,521	38,239	41,848	41,293	67,139	1.228	**1.008**	0.943
72	32,237	31,493	31,489	32,602	35,000	0.640	**0.674**	0.686
81	46,326	44,456	48,661	47,702	52,777	0.966	**1.015**	1.010
Total	44,941	45,696	45,814	46,860	54,662	1.000	1.000	1.000

Severity Relativity	Severity Change Due to Industry Mix 2019	2020	2021	2022
1-Yr	0.10%	1.14%	0.03%	-0.47%
3-Yr	0.10%	**1.12%**	0.01%	-0.44%
5-Yr	0.10%	1.11%	0.01%	-0.43%

$$\textbf{1.12\%} = \frac{\sum (D \times C)}{\sum (D \times B)}$$

Exhibit 11: Change in Pure Premium Rate Due to Classification Mix

Policy Year	Change in Index	Index	Change in PPR Due to Class Mix
1997		***1.0000***	
1998	0.9977	0.9977	-0.23%
1999	0.9806	0.9783	-1.94%
2000	0.9695	0.9485	-3.05%
2001	1.0330	0.9798	3.30%
2002	1.0036	0.9833	0.36%
2003	1.0011	0.9844	0.11%
2004	0.9988	0.9832	-0.12%
2005	0.9984	0.9816	-0.16%
2006	0.9897	0.9716	-1.03%
2007	0.9967	0.9684	-0.33%
2008	0.9796	0.9486	-2.04%
2009	0.9784	0.9281	-2.16%
2010	0.9782	0.9079	-2.18%
2011	0.9935	0.9020	-0.65%
2012	0.9909	0.8938	-0.91%
2013	1.0027	0.8962	0.27%
2014	1.0010	0.8971	0.10%
2015	0.9906	0.8887	-0.94%
2016	0.9948	0.8841	-0.52%
2017	0.9964	0.8809	-0.36%
2018	1.0024	0.8831	0.24%
2019	0.9969	0.8803	-0.31%
2020	0.9772	0.8603	-2.28%
2021	1.0034	0.8632	0.34%

Uses actual exposures and approved rates.
Uses estimated exposures and approved rates.
Uses estimated exposures and filed relativities.

Item AC20-08-05
Potential Impact of Medical Care Delays

As discussed at the June 12, 2020 meeting, in the early months of the COVID-19 pandemic and resultant stay-at-home orders, delays in medical care may have arisen as medical treatment was largely limited to COVID-19 and emergency care in some areas. The WCIRB is undertaking an analysis of the potential impact of medical treatment delays on claims. A summary of preliminary findings will be presented at the meeting.

Item AC20-08-06
1/1/2021 Filing – Telecommuting Advisory Pure Premium Rate

In the January 1, 2021 Regulatory Filing, the WCIRB proposed that Classification 8871, *Clerical Telecommuter Employees – N.O.C.*, be established as a Standard Exception classification applicable to clerical employees who work more than 50% of their time at their home or other office space away from any location of their employer. This proposed new Standard Exception classification will not apply to the 41 classifications that specifically include *Clerical Office Employees* and the 2 classifications that specifically exclude *Clerical Office Employees*.[1] This new classification was proposed in order to enable the collection of payroll and loss data for these telecommuting employees to determine if their exposure differs from that of other clerical employees who work primarily at their employer's office location and will also align California with other jurisdictions that assign clerical telecommuters to Classification 8871.

No loss and payroll information underlying 2021 experience modifications will be reported in the new classification (if adopted by the Commissioner). As a result, the 2021 experience rating values (e.g., expected loss rates and D-ratios) for Classification 8871 are not used in 2021 experience modifications and there was no need to differentiate between the proposed experience rating values for Classification 8810 and those for Classification 8871. In discussing the proposed January 1, 2021 advisory pure premium rates for Classification 8871 with the Classification and Rating Committee, staff suggested proposing an advisory pure premium rate for Classification 8871 equal to that of Classification 8810 until such time as California-based experience for the new classification is available that supports a differentiation in advisory pure premium rates. At the June 11, 2020 Governing Committee and June 12, 2020 Actuarial Committee meetings, Committee members recommended that since the rate for the telecommuting classification in most jurisdictions is well below that of the clerical classification, consideration be given to basing a differential in proposed 2021 advisory pure premium rates on information from other jurisdictions.

New York and a number of NCCI states have established Classification 8871 to be applicable to telecommuter employees. The rate for Classification 8871 in New York is significantly higher than that for Classification 8810. Conversely, in NCCI states, the rate for Classification 8871 is significantly lower than for Classification 8810. However, in each of these states, reported Classification 8871 payroll is small relative to that for Classification 8810. For example, in New York, reported 8871 payroll for policy year 2016 was only $700 million compared to approximately $190 billion in Classification 8810. In Florida, the NCCI state with the largest payroll in Classification 8871, $1.2 billion of payroll was reported in Classification 8871 for policy year 2016 compared to $80 billion in Classification 8810. Exhibit 1 shows the ratio of Classification 8871 reported payroll compared to Classification 8810 reported payroll over the latest five policy years of available information as well as the latest year for New York, all NCCI states for which the telecommuting classification is applicable, and each of the five largest NCCI states in telecommuting payroll. As shown in Exhibit 1, while the relative payroll share of Classification 8871 is growing, it remains small.

Given the modest level of payroll reported, the loss and payroll information reported in Classification 8871 has relatively limited statistical credibility in the computation of the Classification 8871 pure premiums. In addition, the year-to-year loss to payroll ratios shown in Exhibit 2 for New York and for all NCCI states and in Exhibit 3 for each of the five largest NCCI states fluctuate somewhat from year to year. However, as shown in Exhibits 2 and 3, for most years in most states the loss-to-payroll ratio for Classification 8871 is well below that of Classification 8810.

[1] In addition, Classifications 9048(1), *Camps*, and 9048(2), *Boy and Girl Scout Councils – all camp operations*, include *Clerical Office Employees*, but only at camp locations.

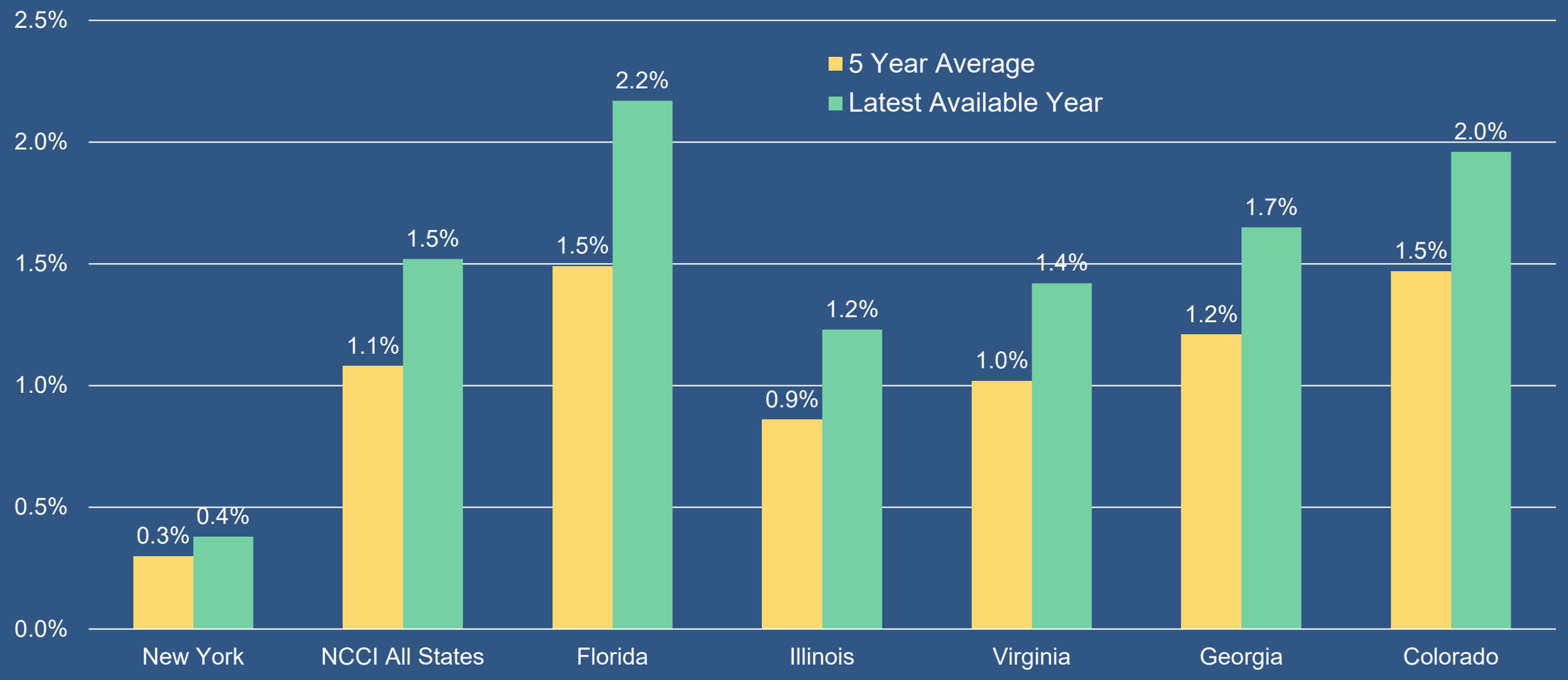
As mentioned above, Classification 8871 is proposed to be applicable in California as a Standard Exception classification to telecommuting employees only if the classification that they would otherwise be assigned to does not explicitly include clerical (some of these classifications have lower advisory pure premium rates than Classification 8810). Exhibit 4 shows the distribution of policy year 2017 payroll by geographical region within California for (1) Classification 8810, (2) all classifications that include clerical within their definition and (3) all other classifications combined. As shown, in a number of regions, the payroll of classifications that include clerical and for which Classification 8871 would not apply is significantly greater than that reported in Classification 8810 and, as a result, the impact of the new classification may be somewhat muted.

Exhibits 5 and 6 show the leading “Cause of Injury” codes and “Nature of Injury” codes, respectively, for these classification groupings. As shown in Exhibit 5, claims with cumulative injury and repetitive motion cause of injury codes are relatively more common in Classification 8810 and in classifications that explicitly include clerical than in other classifications. Similarly, as shown in Exhibit 6, claims with mental stress, carpal tunnel syndrome and other cumulative injury nature of injury codes are relatively more common in Classification 8810 and in classifications that explicitly include clerical than in other classifications. It is not clear the extent to which the frequency of these types of claims would be different for an employee performing clerical duties at home rather than in the office. Also, with the COVID-19 pandemic, many workers have transitioned to working at home in non-optimal “home offices” virtually overnight creating additional uncertainty around these types of injuries.

Staff is seeking feedback on the extent to which it is appropriate to differentiate the proposed 2021 advisory pure premium rate for Classification 8871 relative to Classification 8810.

Exhibit 1

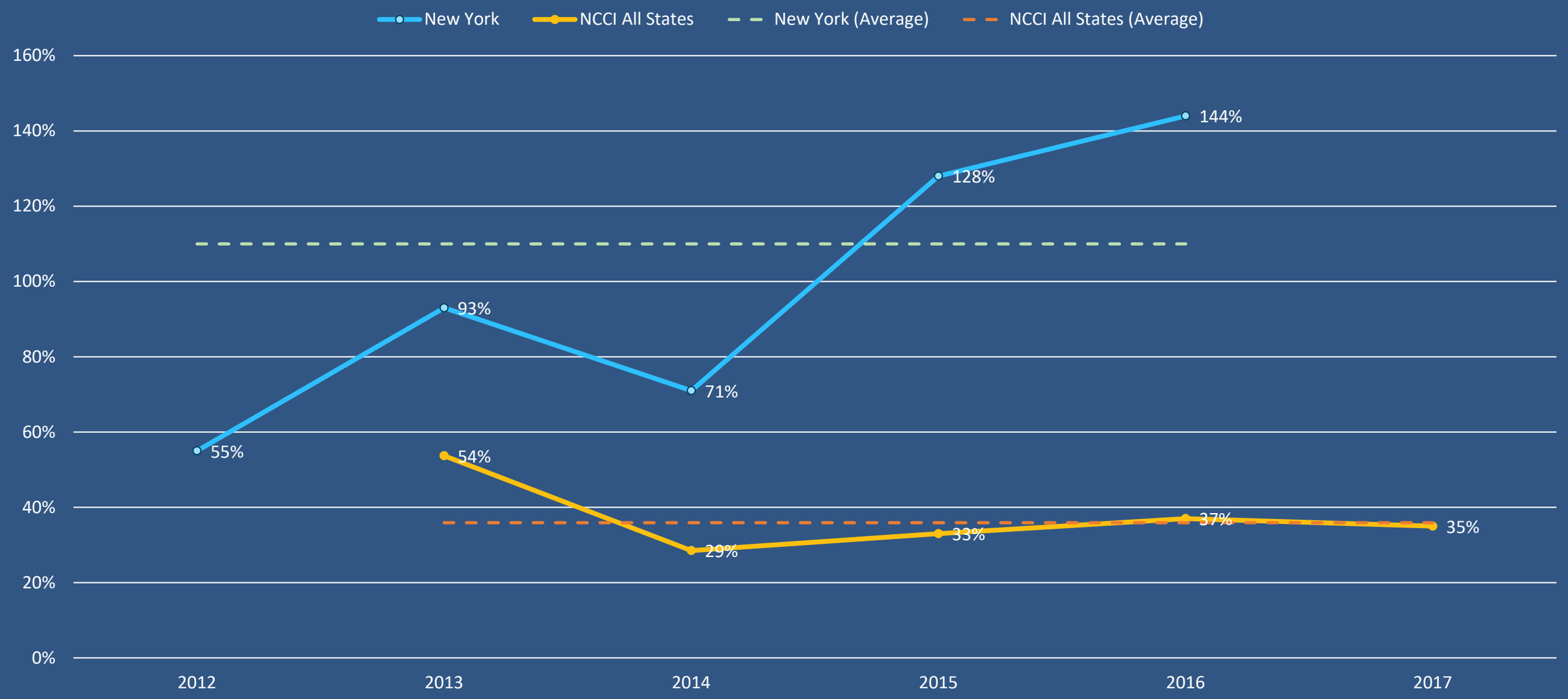
Ratio of Classification 8871 Payroll to Classification 8810 Payroll



Source: NYCIRB through Policy Year 2016 and NCCI states through Policy Year 2017 .

Exhibit 2

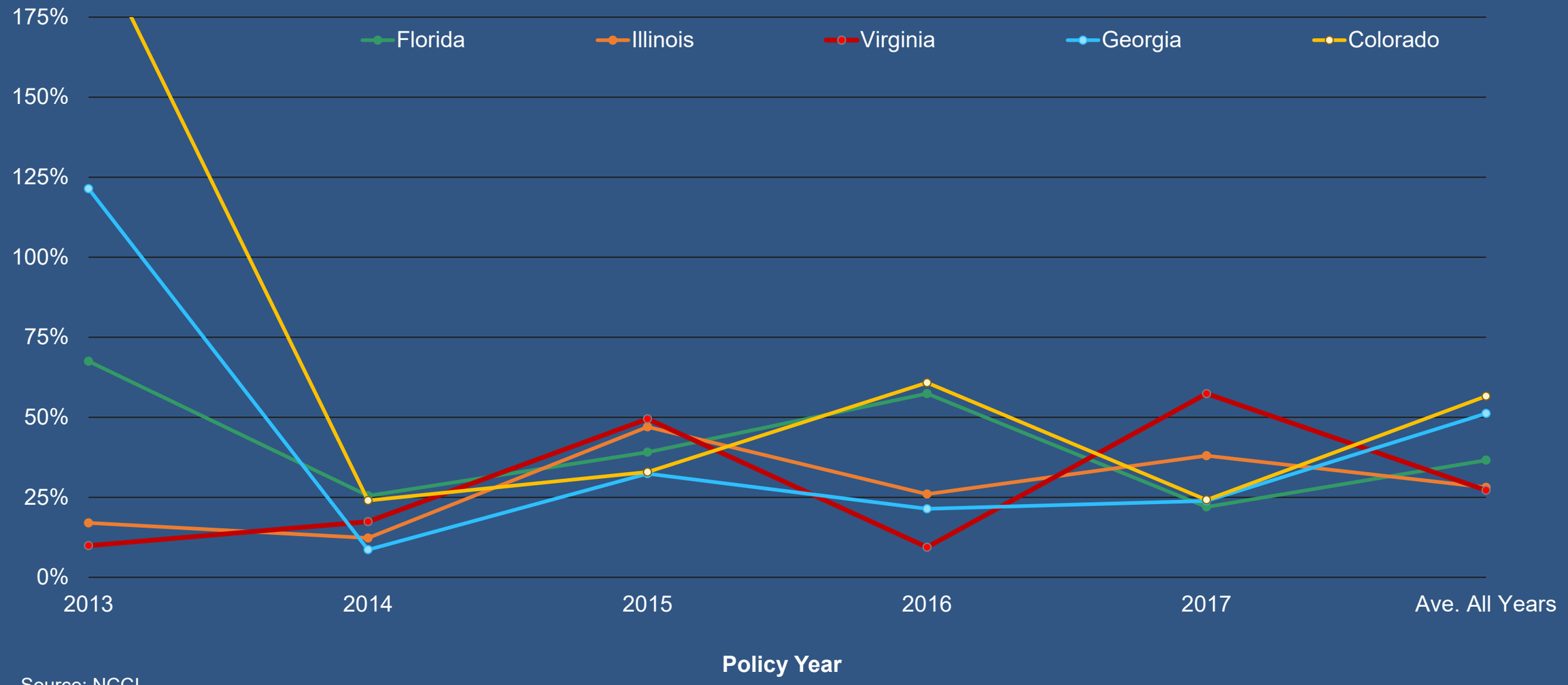
Loss to Payroll Ratio of 8871 Relative to Class 8810 by Year & State New York and NCCI All State Total



Source: NYCIRB and NCCI.

Exhibit 3

Loss to Payroll Ratio of 8871 Relative to Class 8810 by Year & State NCCI 5 Largest States for which 8871 Applies



Source: NCCI.

Exhibit 4

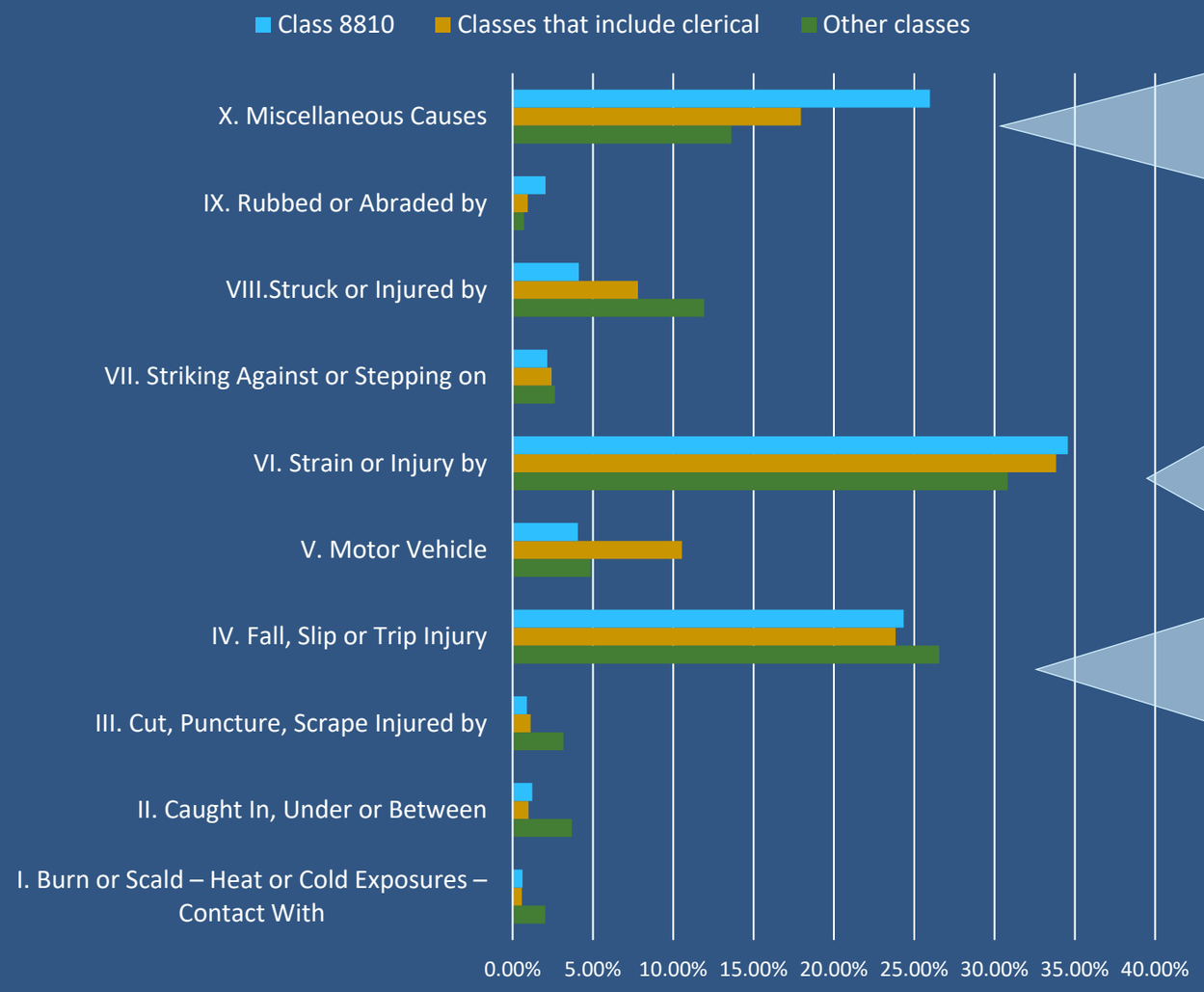
Payroll Distribution by Region in Select California Classifications (Dollars in Billions)

Region	Class 8810	Classes that incl. clerical	Other Classes	Total	Class 8810	Classes that incl. clerical	Other Classes	Total
Bay Area	51.5	102.2	227.8	381.5	27.0%	45.0%	30.6%	32.8%
Los Angeles County	55.8	43.8	185.9	285.5	29.3%	19.3%	25.0%	24.6%
Remainder of LA Basin	25.3	25.9	101.2	152.5	13.3%	11.4%	13.6%	13.1%
Out-of-State	19.4	18.5	69.5	107.5	10.2%	8.2%	9.3%	9.2%
San Diego County	16.1	12.6	52.5	81.1	8.5%	5.5%	7.0%	7.0%
Central Coast	10.8	11.9	40.7	63.4	5.7%	5.3%	5.5%	5.5%
Central Valley	5.2	4.2	32.8	42.1	2.7%	1.8%	4.4%	3.6%
Sacramento	4.4	5.2	21.7	31.4	2.3%	2.3%	2.9%	2.7%
Remaining Cal. Regions	1.9	2.5	12.9	17.3	1.0%	1.1%	1.7%	1.5%
Total	**190.3**	**226.8**	**745.0**	**1,162.2**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Payroll distribution is based on Policy Year 2017 Unit Statistical Data.

Exhibit 5

Leading Causes of Injury in Select California Classifications



Injury Sub Category	Class 8810	Classes incl. clerical	Other classes
98-Cumulative, NOC	12.3%	6.9%	5.6%
99-Other - Miscellaneous, NOC	9.5%	7.8%	6.1%

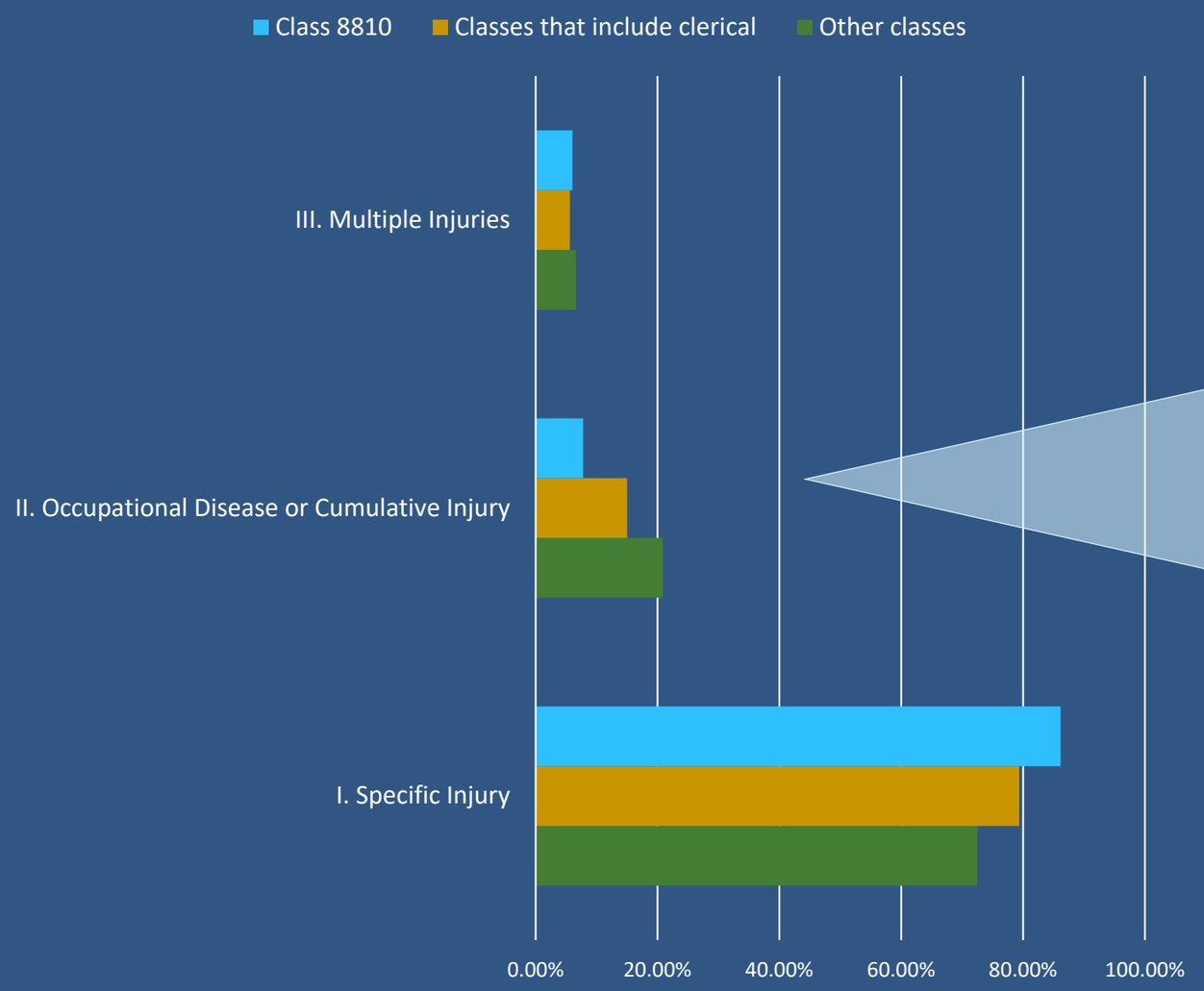
Injury Sub Category	Class 8810	Classes incl. clerical	Other classes
60-Strain or Injury By, NOC	7.6%	6.7%	6.8%
97-Strain by - Repetitive Motion	15.8%	11.4%	4.8%

Injury Sub Category	Class 8810	Classes incl. clerical	Other classes
29-Fall - On Same Level	8.1%	7.3%	5.1%
31-Fall, Slip or Trip Injury, NOC	7.8%	7.4%	6.4%

Source : Incurred losses are from Policy Year 2017 Unit Statistical Reporting data, at report level 1.

Exhibit 6

Leading Nature of Injury Codes in Select Classifications



Injury Sub Category	Class 8810	Classes incl. clerical	Other classes
77-Mental Stress	4.37%	3.20%	0.77%
78-Carpal Tunnel Syndrome	5.23%	2.83%	0.64%
80-All Other Cumulative Injury, NOC	10.35%	8.36%	5.89%

Source: Incurred losses are from Policy Year 2017 Unit Statistical Reporting data, at report level 1.