

Governing Committee

Meeting Agenda

Date	Time	Location	Staff Contact
September 9, 2020	11:00 AM	Webinar Teleconference	Eric Riley
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Released: September 2, 2020

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I. Approval of Minutes

Meeting held August 12, 2020

II. Additions to the Agenda

III. Ratification of Actions of WCIRB Committees

None

IV. Unfinished Business

- A. January 1, 2021 Regulatory Filing (oral status report)
- B. January 1, 2021 Pure Premium Rate Filing

V. New Business

VI. Next Meeting Date: December 9, 2020

VII. Adjournment

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Item IV-B

January 1, 2021 Pure Premium Rate Filing

At the August 12, 2020 meeting, the Committee approved the filing of proposed advisory January 1, 2021 pure premium rates that were on average 2.6% higher than the average January 1, 2020 approved advisory pure premium rates. On August 26, 2020, the WCIRB submitted its January 1, 2021 Pure Premium Rate Filing to the Insurance Commissioner.

As discussed at the August 12, 2020 meeting and, as indicated in the filing, *“The proposed pure premium rates are based on loss experience valued as of March 31, 2020 and COVID-19 information through approximately August 1, 2020. The WCIRB will be reviewing accident year experience valued as of June 30, 2020 once it is received and will continue to review more current information on the COVID-19 pandemic. Based on these reviews, and if authorized by the WCIRB Governing Committee, the WCIRB will amend the pure premium rates proposed in this filing prior to the time of the CDI public hearing on this filing. Further, the Legislature remains in session and several bills related to the presumption of compensability of COVID-19 claims of specified workers remain under consideration. If legislative or regulatory changes are adopted or a significant judicial decision is issued prior to the public hearing on this filing, the WCIRB will evaluate the estimated cost impact of these actions and, to the extent appropriate and as approved by the WCIRB Governing Committee, modify the pure premium rates proposed in its filing.”*

On August 31, 2020, prior to recessing for the year, the Legislature passed Senate Bill No. 1159 (SB 1159) related to the presumption of compensability of COVID-19 claims of specified workers. The Governor has until September 30, 2020 to sign or veto any bill passed by the Legislature.

SB 1159: Workers’ Compensation: COVID 19 – Critical Workers

This bill generally codifies Governor Newsom’s Executive Order with respect to employees who are diagnosed with COVID-19 within 14 days of working at an employer’s place of business between March 19, and July 5, 2020. For employees working at a worksite on or after July 6, 2020, the bill creates a disputable presumption for injuries resulting from a diagnosis of COVID-19 for certain first responders (firefighting personnel, law enforcement officers and those providing direct patient care) and for other employees if the employer has 5 or more employees and an outbreak has occurred. For the purposes of the bill, an outbreak is defined as: (1) 4 or more employees testing positive within a 14-day time period at a worksite for employers that have 100 or fewer employees; or (2) 4% or more of the employees test positive within a 14-day time period at a worksite for employers with greater than 100 employees. The bill also requires employees with COVID-19 to exhaust their paid sick leave benefits and meet certification requirements before receiving any temporary disability benefits, or in the case of first responders, leaves of absence. The bill also makes COVID-19 claims presumptively compensable if not rejected within 30 or 45 days, rather than 90 days per existing law. The bill requires employers who know or reasonably know that an employee tested positive for COVID-19 to report the information to their claims administrator. Finally, the bill requires the Commission on Health and Safety and Workers’ Compensation to conduct a study of the impacts of COVID-19 along with this disputable presumption and report its findings to the Legislature and the Governor by no later than April 30, 2022. This bill takes effect immediately as an urgency statute and is in effect until January 1, 2023.

WCIRB staff is in the process of re-evaluating the components of its COVID-19 claim cost projection in consideration of SB 1159 and based on the most current information available and will present a summary of that re-evaluation as well as a summary of the Actuarial Committee’s review of June 30, 2020 experience at the meeting. The September 8, 2020 Actuarial Committee Agenda items pertaining to the review of June 30, 2020 experience and the COVID-19 crisis are attached.

Item AC20-09-01

6/30/2020 Experience Review

As discussed at recent Committee meetings, the COVID-19 pandemic and resulting stay-at-home orders have had a significant impact on the workers' compensation system. As discussed at the June 12, 2020 and August 4, 2020 meetings, while the stay-at-home orders, which began in the middle of March, were expected to significantly distort second quarter and later experience, they did not appear to significantly distort claim frequency, loss development, and claim settlement rate projections valued as of March 31, 2020. As a result, at the August 4, 2020 and August 10, 2020 meetings, the Committee recommended a series of loss development and trending methodologies based on March 31, 2020 experience for the purposes of the WCIRB's January 1, 2021 Pure Premium Rate Filing. On August 26, 2020, the WCIRB submitted its filing to the California Department of Insurance using loss projections based on March 31, 2020 experience and the methodologies recommended by the Committee.

The WCIRB has received insurer experience valued as of June 30, 2020. As discussed at recent meetings, insurer experience for the remainder of 2020 is likely impacted by the pandemic and stay-at-home orders. Exhibits 1 through 3 show premium, loss, and loss development experience valued as of June 30, 2020. The methodologies used to develop each historical accident year shown in Exhibits 3.1 and 3.2 are based on the methodologies used in the January 1, 2021 Pure Premium Rate Filing. The developed loss ratios shown in Exhibits 3.1 and 3.2 are informational only and intended to show the incremental impact of the June 30, 2020 experience. Due to concerns over the impact of the slowdown of the claims process during the stay-at-home period, paid loss development from this period may not be appropriate to project future payments on these accident years.

Exhibits 4 through 8 show supplemental information based on June 30, 2020 experience.

**California Workers' Compensation
Accident Year Experience as of June 30, 2020**

<u>Year</u>	<u>Earned Premium</u>	<u>Paid Indemnity</u>	<u>Indemnity Reserves</u>	<u>Paid Medical**</u>	<u>Medical Reserves</u>	<u>IBNR*</u>	<u>Total Incurred**</u>	<u>Loss Ratio*</u>
1987	4,334,955,531	1,495,877,678	7,316,387	1,325,666,138	45,759,397	46,149,062	2,920,768,662	0.674
1988	5,131,652,100	1,695,242,395	6,393,800	1,534,399,892	34,044,282	35,316,328	3,305,396,697	0.644
1989	5,675,058,869	1,940,474,909	6,934,270	1,802,962,102	45,909,929	39,707,704	3,835,988,914	0.676
1990	5,704,522,825	2,261,236,572	7,408,433	2,046,672,259	40,027,882	57,445,576	4,412,790,722	0.774
1991	5,866,134,525	2,478,938,341	15,783,933	2,203,399,494	46,800,831	53,740,921	4,798,663,520	0.818
1992	5,680,689,483	1,977,078,560	13,150,133	1,763,635,001	47,002,603	54,309,004	3,855,175,301	0.679
1993	5,928,522,641	1,693,890,060	13,137,682	1,516,920,586	61,507,277	43,252,054	3,328,707,659	0.561
1994	5,025,254,120	1,627,612,319	21,047,401	1,469,265,351	81,905,384	36,211,834	3,236,042,289	0.644
1995	3,785,469,102	1,767,383,423	26,114,926	1,628,723,356	89,564,065	42,225,766	3,554,011,536	0.939
1996	3,743,080,387	1,957,901,936	30,395,667	1,722,180,929	92,926,601	53,327,529	3,856,732,662	1.030
1997	3,923,749,795	2,321,100,424	36,870,211	2,019,664,465	119,643,853	87,825,577	4,585,104,530	1.169
1998	4,325,571,741	2,774,100,247	47,168,896	2,648,149,328	213,351,585	164,487,441	5,847,257,497	1.352
1999	4,544,356,573	3,055,563,754	50,792,113	3,042,669,018	163,348,005	234,598,533	6,546,971,423	1.441
2000	5,916,339,100	3,429,683,058	64,475,237	3,566,660,234	203,838,236	384,268,394	7,648,925,159	1.293
2001	10,111,397,510	4,847,705,641	96,174,597	5,381,930,886	332,209,644	587,809,776	11,245,830,544	1.112
2002	13,425,171,692	4,777,922,534	88,662,169	5,499,726,966	298,596,779	866,271,417	11,531,179,865	0.859
2003	19,453,085,002	4,556,709,735	141,534,915	5,076,350,279	324,789,796	1,224,557,389	11,323,942,114	0.582
2004	23,050,853,037	3,214,448,161	115,587,020	4,062,126,618	265,526,043	1,360,187,946	9,017,875,788	0.391
2005	21,352,693,580	2,534,553,336	100,824,293	3,661,950,994	257,537,323	1,085,411,869	7,640,277,815	0.358
2006	17,198,788,582	2,620,222,713	112,141,954	3,765,190,486	285,377,225	754,586,934	7,537,519,312	0.438
2007	13,251,232,441	2,766,114,419	123,443,230	4,040,401,917	320,833,518	699,589,762	7,950,382,846	0.600
2008	10,740,367,992	2,808,026,478	142,785,556	4,030,196,968	333,532,937	614,181,355	7,928,723,294	0.738
2009	8,870,538,154	2,679,304,732	142,357,256	3,829,957,976	338,703,206	465,877,512	7,456,200,682	0.841
2010	9,378,908,753	2,694,329,236	135,561,136	3,931,106,361	289,930,072	553,559,070	7,604,485,875	0.811
2011	10,113,488,947	2,663,108,631	141,638,778	3,551,788,652	314,818,790	746,463,471	7,417,818,322	0.733
2012	11,687,201,908	2,698,558,466	190,286,717	3,443,958,924	364,281,486	882,688,347	7,579,773,940	0.649
2013	14,150,609,175	2,728,131,180	197,388,016	3,280,841,392	373,617,510	1,500,663,575	8,080,641,673	0.571
2014	15,975,532,059	2,841,098,715	254,684,473	3,182,417,519	436,258,072	1,978,622,068	8,693,080,847	0.544
2015	17,015,942,049	2,812,954,245	337,147,741	3,031,118,768	571,746,787	2,900,745,352	9,653,712,893	0.567
2016	17,907,564,215	2,603,249,476	455,509,491	2,797,382,751	695,700,374	3,071,198,934	9,623,041,026	0.537
2017	17,621,187,435	2,281,871,359	656,900,718	2,487,958,979	954,253,852	3,215,551,451	9,596,536,359	0.545
2018	17,373,721,164	1,780,664,476	960,460,213	2,082,460,984	1,297,609,003	3,807,493,871	9,928,688,547	0.571
2019	16,057,374,513	965,884,152	1,101,664,812	1,283,686,177	1,599,446,194	4,560,607,535	9,511,288,870	0.592
2020	7,090,716,309	105,096,368	331,111,406	161,087,799	615,957,021	2,693,264,612	3,906,517,206	0.551

* 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

Incurred Indemnity Loss Development Factors

Accident Year	30/18	42/30	54/42	66/54	78/66	90/78	102/90	Age-to-Age (in months)					150/138	162/150	174/162	186/174	198/186	210/198
								114/102	126/114	138/126								
1994													1.002	1.001	1.001	1.001	0.999	1.001
1995										1.001			1.004	1.000	1.003	1.002	1.000	1.002
1996									1.003	1.003			1.002	1.001	1.000	1.000	1.002	1.001
1997								1.004	1.005	1.005			1.002	1.002	1.002	1.002	1.000	1.001
1998								1.007	1.005	1.004			1.001	1.005	1.004	1.000	1.002	1.001
1999						1.011	1.008	1.003	1.007	1.002			1.004	1.003	1.004	1.001	1.001	1.001
2000					1.015	1.013	1.008	1.006	1.005	1.005			1.005	1.002	1.004	1.002	1.001	1.001
2001				1.024	1.022	1.014	1.013	1.006	1.008	1.008			1.005	1.004	1.002	1.001	1.002	1.001
2002			1.034	1.035	1.022	1.017	1.010	1.010	1.008	1.007			1.002	1.004	1.002	1.002	1.002	1.002
2003		1.091	1.066	1.037	1.028	1.016	1.020	1.017	1.010	1.008			1.005	1.003	1.003	1.003	1.002	1.005
2004	1.212	1.117	1.051	1.044	1.032	1.029	1.021	1.015	1.014	1.005			1.005	1.002	1.001	1.004	1.003	
2005	1.336	1.129	1.083	1.059	1.047	1.035	1.020	1.013	1.009	1.004			1.005	1.004	1.003	1.006		
2006	1.402	1.158	1.089	1.067	1.044	1.029	1.020	1.008	1.007	1.008			1.004	1.002	1.006			
2007	1.446	1.171	1.090	1.060	1.040	1.028	1.017	1.012	1.008	1.005			1.009	1.005				
2008	1.472	1.200	1.100	1.057	1.034	1.022	1.017	1.009	1.010	1.007			1.006					
2009	1.504	1.190	1.106	1.059	1.035	1.021	1.016	1.011	1.008	1.010								
2010	1.502	1.199	1.096	1.055	1.030	1.022	1.014	1.012	1.007									
2011	1.487	1.180	1.092	1.046	1.029	1.022	1.013	1.008										
2012	1.471	1.174	1.083	1.049	1.029	1.021	1.016											
2013	1.453	1.161	1.076	1.041	1.027	1.014												
2014	1.464	1.174	1.080	1.043	1.020													
2015	1.465	1.150	1.071	1.033														
2016	1.437	1.145	1.069															
2017	1.429	1.148																
2018	1.413																	

Incurred Indemnity Loss Development Factors (Continued)

Accident Year	Age-to-Age (in months)															
	222/210	234/222	246/234	258/246	270/258	282/270	294/282	306/294	318/306	330/318	342/330	354/342	366/354	378/366	390/378	402/390
1983						1.000	1.000	1.000	0.999	1.001	1.001	1.001	1.000	1.001	1.000	1.001
1984					1.000	1.000	1.000	1.000	1.001	1.001	1.000	1.000	1.001	1.000	1.000	1.001
1985				1.000	1.001	1.000	1.000	1.001	1.000	1.001	1.001	1.001	1.001	1.000	1.000	1.001
1986			1.001	0.999	1.001	1.000	1.001	1.000	1.002	1.002	1.000	0.999	1.000	1.000	1.000	1.001
1987		1.001	1.000	0.999	1.000	1.001	1.000	1.002	1.001	1.000	1.001	1.001	1.001	1.001	1.000	1.001
1988	1.001	1.001	1.000	1.000	1.000	1.002	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.001	
1989	1.001	1.000	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.001	1.000		
1990	1.000	1.001	1.000	1.000	1.001	1.000	1.001	1.000	1.000	1.000	1.001	1.000	1.001	1.000		
1991	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	1.000		
1992	1.000	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.001	1.001	1.000	1.000		
1993	1.000	1.001	1.001	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000		
1994	1.002	1.002	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000		
1995	1.002	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.002	1.000	1.000		
1996	1.002	1.000	1.001	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000		
1997	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000		
1998	1.001	1.002	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000		
1999	1.000	1.000	1.002	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000		
2000	1.002	1.001	1.001	1.001												
2001	1.001	1.002														
2002	1.002															

Incurred Medical Loss Development Factors

Accident Year	30/18	42/30	54/42	66/54	78/66	90/78	102/90	114/102	126/114	138/126	150/138	162/150	174/162	186/174	198/186	210/198
1994											1.014	1.014	1.006	1.009	1.018	1.010
1995										1.013	1.017	1.025	1.022	1.012	1.005	1.012
1996									1.012	1.022	1.015	1.020	1.015	1.017	1.008	1.006
1997								1.018	1.020	1.024	1.018	1.019	1.010	1.008	1.006	1.003
1998							1.028	1.023	1.032	1.019	1.020	1.010	1.010	1.012	1.008	1.008
1999						1.025	1.029	1.035	1.025	1.018	1.016	1.011	1.011	1.010	1.002	1.000
2000					1.028	1.031	1.039	1.022	1.022	1.019	1.018	1.014	1.010	1.003	0.996	0.996
2001				1.041	1.038	1.041	1.041	1.028	1.032	1.019	1.015	1.019	1.002	0.998	0.997	0.997
2002			1.040	1.043	1.052	1.037	1.034	1.026	1.026	1.018	1.010	1.006	0.997	0.999	1.001	0.998
2003		1.061	1.057	1.061	1.050	1.043	1.038	1.033	1.024	1.016	1.006	0.999	1.001	0.999	1.002	1.004
2004	1.181	1.103	1.099	1.071	1.060	1.052	1.036	1.029	1.024	1.006	1.003	0.998	0.999	0.999	1.001	
2005	1.225	1.112	1.076	1.083	1.065	1.053	1.038	1.026	1.014	1.007	1.000	1.003	0.998	1.002		
2006	1.266	1.141	1.092	1.073	1.055	1.050	1.030	1.014	1.004	1.003	1.004	1.001	1.002			
2007	1.293	1.150	1.101	1.074	1.063	1.036	1.025	1.011	1.006	1.003	1.004	1.001				
2008	1.294	1.164	1.106	1.077	1.051	1.031	1.017	1.006	1.006	1.004	1.002					
2009	1.322	1.170	1.117	1.072	1.042	1.023	1.009	1.007	1.003	1.009						
2010	1.347	1.184	1.096	1.058	1.035	1.017	1.011	1.011	1.005							
2011	1.340	1.157	1.090	1.049	1.023	1.015	1.008	1.004								
2012	1.282	1.127	1.071	1.044	1.021	1.015	1.011									
2013	1.257	1.107	1.061	1.026	1.019	1.009										
2014	1.240	1.110	1.050	1.033	1.018											
2015	1.247	1.096	1.041	1.024												
2016	1.213	1.069	1.044													
2017	1.192	1.084														
2018	1.184															

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

Incurred Medical Loss Development Factors (Continued)

Accident Year	Age-to-Age (in months)																	
	<u>222/210</u>	<u>234/222</u>	<u>246/234</u>	<u>258/246</u>	<u>270/258</u>	<u>282/270</u>	<u>294/282</u>	<u>306/294</u>	<u>318/306</u>	<u>330/318</u>	<u>342/330</u>	<u>354/342</u>	<u>366/354</u>	<u>378/366</u>	<u>390/378</u>	<u>402/390</u>	<u>414/402</u>	<u>426/414</u>
1983						1.001	1.007	1.003	1.005	1.003	1.004	1.004	1.002	1.004	1.000	1.000	0.997	1.000
1984					1.004	1.002	1.004	1.001	1.001	1.004	1.001	1.002	1.003	0.997	1.000	1.001	1.000	1.000
1985				1.004	1.003	0.998	1.004	1.002	1.003	1.005	1.003	1.004	0.999	1.000	0.999	0.999	1.001	1.000
1986			0.999	1.001	1.006	1.003	1.006	1.007	1.005	1.004	1.004	1.001	1.000	0.998	1.009	0.999	0.993	
1987		1.005	1.002	1.002	1.004	1.010	1.001	1.004	1.003	1.004	1.001	1.001	1.000	1.001	1.003	1.003		
1988	1.003	1.005	1.003	1.004	1.005	1.003	1.005	1.003	1.003	1.003	1.001	0.999	0.998	1.000	1.002			
1989	1.006	1.008	1.006	1.006	1.006	1.006	1.005	1.000	1.002	0.998	0.999	0.999	1.000	1.002				
1990	1.005	1.005	1.007	1.005	1.003	1.003	0.999	1.000	1.001	1.000	0.998	0.999	0.999	0.999				
1991	1.007	1.005	1.004	1.002	1.004	1.001	1.002	1.001	0.999	0.999	0.999	1.001						
1992	1.007	0.997	1.007	1.004	1.004	1.002	0.999	0.999	1.002	0.997	1.001							
1993	1.004	1.013	1.011	1.002	1.000	0.998	0.996	0.999	0.999	1.000								
1994	1.012	1.005	1.006	1.001	1.003	0.993	0.999	0.998	1.002									
1995	1.002	1.007	1.002	0.999	0.999	0.997	0.999	1.003										
1996	1.008	1.001	0.998	1.002	0.996	0.999	1.000											
1997	0.998	0.994	0.998	0.998	1.000	0.999												
1998	1.000	0.997	0.999	1.004	1.001													
1999	0.996	1.000	0.998	1.002														
2000	0.998	0.999	1.001															
2001	1.004	0.998																
2002	1.001																	

Paid Indemnity Loss Development Factors

Accident Year	Age-to-Age (in months)															
	<u>30/18</u>	<u>42/30</u>	<u>54/42</u>	<u>66/54</u>	<u>78/66</u>	<u>90/78</u>	<u>102/90</u>	<u>114/102</u>	<u>126/114</u>	<u>138/126</u>	<u>150/138</u>	<u>162/150</u>	<u>174/162</u>	<u>186/174</u>	<u>198/186</u>	<u>210/198</u>
1994																
1995										1.011	1.008	1.008	1.006	1.004	1.003	1.004
1996									1.018	1.012	1.009	1.008	1.007	1.005	1.003	1.005
1997								1.023	1.016	1.014	1.011	1.008	1.007	1.004	1.005	1.004
1998							1.031	1.023	1.018	1.014	1.009	1.009	1.007	1.006	1.005	1.004
1999						1.044	1.030	1.020	1.017	1.012	1.010	1.008	1.008	1.006	1.005	1.006
2000					1.067	1.043	1.027	1.021	1.014	1.011	1.010	1.008	1.008	1.006	1.005	1.004
2001				1.102	1.062	1.041	1.028	1.020	1.016	1.013	1.012	1.009	1.008	1.006	1.006	1.005
2002			1.184	1.096	1.058	1.039	1.025	1.018	1.017	1.014	1.009	1.009	1.006	1.006	1.004	1.004
2003		1.405	1.174	1.091	1.056	1.035	1.028	1.025	1.022	1.018	1.014	1.009	1.009	1.007	1.006	1.005
2004	1.879	1.348	1.160	1.090	1.060	1.044	1.040	1.032	1.023	1.017	1.013	1.011	1.008	1.009	1.006	1.007
2005	1.832	1.337	1.167	1.095	1.068	1.054	1.047	1.033	1.023	1.018	1.014	1.011	1.011	1.010	1.008	
2006	1.910	1.337	1.171	1.110	1.077	1.059	1.042	1.027	1.024	1.019	1.014	1.010	1.009	1.007	1.006	
2007	1.909	1.351	1.182	1.114	1.076	1.056	1.038	1.031	1.024	1.016	1.015	1.013	1.009	1.009	1.008	
2008	1.933	1.386	1.200	1.118	1.072	1.049	1.035	1.024	1.020	1.017	1.011	1.011	1.008	1.009	1.006	
2009	2.012	1.402	1.207	1.118	1.075	1.050	1.037	1.027	1.021	1.014	1.014	1.010	1.009	1.009	1.006	
2010	2.020	1.414	1.201	1.114	1.073	1.047	1.033	1.023	1.018	1.014	1.014	1.010	1.009	1.009	1.006	
2011	2.035	1.394	1.190	1.113	1.069	1.048	1.034	1.020	1.014	1.016	1.015	1.013	1.009	1.009	1.008	
2012	2.019	1.387	1.186	1.108	1.067	1.042	1.027	1.021	1.014	1.018	1.014	1.010	1.009	1.009	1.008	
2013	2.013	1.389	1.182	1.095	1.056	1.034	1.027	1.021	1.014	1.014	1.014	1.010	1.009	1.009	1.008	
2014	2.066	1.396	1.176	1.095	1.052	1.034	1.027	1.021	1.014	1.014	1.014	1.010	1.009	1.009	1.008	
2015	2.056	1.372	1.166	1.082												
2016	1.999	1.359	1.148													
2017	1.990	1.338														
2018	1.933															

Paid Indemnity Loss Development Factors (Continued)

Accident Year	Age-to-Age (in months)															
	222/210	234/222	246/234	258/246	270/258	282/270	294/282	306/294	318/306	330/318	342/330	354/342	366/354	378/366	390/378	402/390
1983						1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
1984					1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
1985				1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.002	1.001	1.001	1.001	1.000	1.001
1986			1.001	1.001	1.001	1.001	1.001	1.001	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.000
1987		1.002	1.001	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
1988	1.002	1.002	1.001	1.001	1.001	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
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	1.001	1.001	1.001
1990	1.001	1.001	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
1991	1.002	1.001	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
1992	1.002	1.001	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
1993	1.003	1.003	1.002	1.003	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
1994	1.004	1.003	1.003	1.003	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
1995	1.004	1.004	1.002	1.002	1.003	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
1996	1.004	1.004	1.002	1.003	1.002	1.003	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
1997	1.004	1.003	1.002	1.002	1.003	1.003	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
1998	1.005	1.004	1.003	1.004	1.002	1.003	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
1999	1.004	1.003	1.003	1.003	1.004	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003
2000	1.004	1.003	1.003	1.003	1.004	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003
2001	1.005	1.004	1.004	1.004	1.005	1.004	1.004	1.004	1.004	1.004	1.004	1.004	1.004	1.004	1.004	1.004
2002	1.004	1.004	1.004	1.004	1.004	1.004	1.004	1.004	1.004	1.004	1.004	1.004	1.004	1.004	1.004	1.004

Paid Medical Loss Development Factors

Unadjusted (a) Accident Year	Age-to-Age (in months)														
	30/18	42/30	54/42	66/54	78/66	90/78	102/90	114/102	126/114	138/126	150/138	162/150	174/162	186/174	198/186
1994															
1995															
1996															
1997															
1998															
1999															
2000															
2001															
2002															
2003															
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2009															
2010															
2011															
2012															
2013															
2014															
2015															
2016															
2017															
2018															
Adjusted (b) Accident Year	Age-to-Age (in months)														
	30/18	42/30	54/42	66/54	78/66	90/78	102/90	114/102	126/114	138/126	150/138	162/150	174/162	186/174	198/186
2001															
2002															
2003															
2004															
2005															
2006															
2007															
2008															
2009															
2010															
2011															
2012															
2013															
2014															
2015															
2016															
2017															
2018															

- (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%, -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.

Paid Medical Loss Development Factors (Continued)

Unadjusted (a) Accident Year	Age-to-Age (in months)																
	222/210	234/222	246/234	258/246	270/258	282/270	294/282	306/294	318/306	330/318	342/330	354/342	366/354	378/366	390/378	402/390	414/402
1983						1.006	1.004	1.004	1.004	1.005	1.004	1.004	1.003	1.004	1.004	1.002	1.004
1984					1.004	1.003	1.003	1.003	1.003	1.004	1.003	1.003	1.003	1.003	1.002	1.002	1.001
1985				1.005	1.005	1.006	1.004	1.004	1.003	1.004	1.004	1.003	1.002	1.002	1.003	1.002	1.002
1986			1.005	1.004	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.006	1.004	1.005	1.005	1.003	1.002
1987		1.007	1.005	1.007	1.005	1.005	1.005	1.005	1.004	1.006	1.004	1.003	1.003	1.002	1.003	1.002	
1988	1.005	1.005	1.007	1.005	1.005	1.005	1.005	1.005	1.004	1.003	1.003	1.003	1.004	1.003	1.002		
1989	1.005	1.007	1.005	1.005	1.006	1.008	1.006	1.005	1.006	1.003	1.003	1.004	1.002	1.004	1.002		
1990	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.004	1.003	1.002	1.003	1.003	1.002	1.003	1.003		
1991	1.007	1.006	1.005	1.006	1.005	1.006	1.005	1.005	1.003	1.003	1.004	1.003	1.002	1.003	1.002		
1992	1.008	1.002	1.006	1.007	1.006	1.006	1.005	1.005	1.003	1.003	1.003	1.004	1.002	1.003	1.002		
1993	1.012	1.010	1.010	1.012	1.010	1.008	1.005	1.006	1.005	1.006	1.003	1.004	1.003	1.004	1.002		
1994	1.010	1.010	1.011	1.011	1.007	1.008	1.005	1.006	1.007	1.004	1.004	1.004	1.003	1.003	1.002		
1995	1.014	1.015	1.012	1.010	1.013	1.007	1.007	1.008	1.008	1.004	1.004	1.004	1.003	1.003	1.002		
1996	1.013	1.013	1.010	1.007	1.008	1.009	1.006	1.009	1.008	1.006	1.006	1.003	1.002	1.003	1.002		
1997	1.014	1.008	1.006	1.006	1.008	1.006	1.005	1.006	1.007	1.004	1.004	1.004	1.003	1.003	1.002		
1998	1.012	1.009	1.007	1.010	1.006	1.008	1.005	1.006	1.007	1.004	1.004	1.004	1.003	1.003	1.002		
1999	1.011	1.009	1.009	1.007	1.007	1.007	1.007	1.007	1.004	1.004	1.004	1.004	1.003	1.003	1.002		
2000	1.008	1.007	1.006														
2001	1.010	1.009															
2002	1.008																

Adjusted (b) Accident Year	Age-to-Age (in months)																
	222/210	234/222	246/234	258/246	270/258	282/270	294/282	306/294	318/306	330/318	342/330	354/342	366/354	378/366	390/378	402/390	414/402
1983																	1.003
1984																	1.002
1985																1.002	1.002
1986																	
1987															1.005	1.003	1.003
1988													1.003	1.003	1.002		
1989												1.004	1.003	1.005			
1990											1.003	1.003	1.002				
1991										1.003	1.004	1.004					
1992										1.007	1.004						
1993										1.008							
1994										1.009							
1995										1.009							
1996										1.007							
1997										1.007							
1998										1.007							
1999										1.007							
2000										1.007							
2001										1.007							
2002										1.007							

Paid Loss Development Factors
Adjusted for the Impact of Claim Settlement Rate
Changes on Later Period Development

1. Reported Closed Indemnity Claim Counts

Accident	Evaluated as of (in months)									
Year	<u>270</u>	<u>282</u>	<u>294</u>	<u>306</u>	<u>318</u>	<u>330</u>	<u>342</u>	<u>354</u>	<u>366</u>	<u>378</u>
1989							221,808	221,905	221,971	222,045
1990						247,497	247,614	247,698	247,800	
1991					247,643	247,736	247,866	247,965		
1992				196,456	196,541	196,641	196,730			
1993			154,417	154,520	154,617	154,715				
1994		141,743	141,864	141,978	142,065					
1995	132,722	132,880	133,023	133,141						
1996	130,227	130,383	130,521							
1997	134,780	134,963								
1998	145,098									
1999										
Accident Year	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>

2. Ult. Claim Counts (a) 147,478 137,460 133,198 135,192 143,632 156,012 198,247 249,710 249,120 222,799

3. Ultimate Indemnity Claim Settlement Ratio (b)

Accident	Evaluated as of (in months)									
Year	<u>270</u>	<u>282</u>	<u>294</u>	<u>306</u>	<u>318</u>	<u>330</u>	<u>342</u>	<u>354</u>	<u>366</u>	<u>378</u>
1989							99.6%	99.6%	99.6%	99.7%
1990						99.3%	99.4%	99.4%	99.5%	
1991					99.2%	99.2%	99.3%	99.3%		
1992				99.1%	99.1%	99.2%	99.2%			
1993			99.0%	99.0%	99.1%	99.2%				
1994		98.7%	98.8%	98.8%	98.9%					
1995	98.2%	98.3%	98.4%	98.5%						
1996	97.8%	97.9%	98.0%							
1997	98.1%	98.2%								
1998	98.4%									

(a) Based on the latest year age-to-age development in indemnity claim counts.

(b) Ratio of closed indemnity claim counts (Item 1) to the estimated ultimate indemnity claim counts (Item 2) for that accident year.

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

Paid Loss Development Factors
Adjusted for the Impact of Claim Settlement Rate
Changes on Later Period Development

4. Ratio of Incremental Closed Indemnity Claims to Estimated Prior Open Indemnity Claims (c)

Accident	Evaluated as of (in months)									
Year	<u>258-270</u>	<u>270-282</u>	<u>282-294</u>	<u>294-306</u>	<u>306-318</u>	<u>318-330</u>	<u>330-342</u>	<u>342-354</u>	<u>354-366</u>	<u>366-378</u>
1989								9.8%	7.4%	8.9%
1990							7.2%	5.6%	7.2%	
1991						4.5%	6.6%	5.4%		
1992					4.8%	5.9%	5.5%			
1993				6.5%	6.5%	7.0%				
1994			6.4%	6.4%	5.3%					
1995		6.4%	6.2%	5.4%						
1996	3.9%	5.2%	4.9%							
1997	7.2%	6.8%								
1998	8.3%									
1999										
3-Year Average	6.5%	6.2%	5.8%	6.1%	5.5%	5.8%	6.4%	6.9%	7.3%	8.9%
Share of Open on Prior (d)	93.5%	93.8%	94.2%	93.9%	94.5%	94.2%	93.6%	93.1%	92.7%	91.1%

5. Projected Open + IBNR Indemnity Claim Counts (e)

Accident	Evaluated as of (in months)									
Year	<u>270</u>	<u>282</u>	<u>294</u>	<u>306</u>	<u>318</u>	<u>330</u>	<u>342</u>	<u>354</u>	<u>366</u>	<u>378</u>
1989										754
1990									1,320	671
1991								1,745	974	974
1992							1,517	913	913	913
1993						1,297	838	838	838	838
1994					1,567	1,082	1,082	1,082	1,082	1,082
1995				2,051	1,504	1,504	1,504	1,504	1,504	1,504
1996			2,677	2,078	2,078	2,078	2,078	2,078	2,078	2,078
1997		2,497	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064
1998	2,380	2,089	2,089	2,089	2,089	2,089	2,089	2,089	2,089	2,089
1999	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924
...										
2018	470	470	470	470	470	470	470	470	470	470
2019	480	480	480	480	480	480	480	480	480	480

- (c) Equal to [the difference in ultimate indemnity claim settlement ratios from the prior evaluation (Item 3)] divided by [1.0 less the ultimate indemnity claim settlement ratio from the prior evaluation].
- (d) Equal to 1.0 minus the selected ratio of incremental closed indemnity claims to prior open indemnity claims from Item 4.
- (e) The italicized diagonal is equal to the Ultimate Indemnity Claim Counts (Item 2) less the Reported Closed Indemnity Claim Counts (Item 1) as of the latest evaluation. The remaining figures are projected based on the italicized diagonal and the Share of Open on Prior from Item 4.

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

Paid Loss Development Factors
Adjusted for the Impact of Claim Settlement Rate
Changes on Later Period Development

6. Ratio of Projected Open Claim Counts to Ultimate Claim Counts (f)

Accident	Evaluated as of (in months)									
Year	<u>270</u>	<u>282</u>	<u>294</u>	<u>306</u>	<u>318</u>	<u>330</u>	<u>342</u>	<u>354</u>	<u>366</u>	<u>378</u>
1989								0.4%	0.4%	0.3%
1990							0.6%	0.6%	0.5%	0.3%
1991						0.8%	0.7%	0.7%	0.4%	0.4%
1992					0.9%	0.8%	0.8%	0.5%	0.5%	0.5%
1993				1.0%	0.9%	0.8%	0.5%	0.5%	0.5%	0.5%
1994			1.2%	1.2%	1.1%	0.8%	0.8%	0.8%	0.8%	0.8%
1995		1.7%	1.6%	1.5%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
1996	2.2%	2.1%	2.0%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
1997	1.9%	1.8%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
1998	1.6%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
1999	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
...										
2018	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
2019	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
3-Year Historical Avg.	1.9%	1.9%	1.6%	1.2%	0.9%	0.8%	0.7%	0.6%	0.5%	0.3%

7. Ratio of Projected Percent Open to Historical Percent Open (g)

Accident	Evaluated as of (in months)									
Year	<u>270</u>	<u>282</u>	<u>294</u>	<u>306</u>	<u>318</u>	<u>330</u>	<u>342</u>	<u>354</u>	<u>366</u>	<u>378</u>
1989										
1990										0.80
1991									0.86	1.15
1992								0.83	1.02	1.36
1993							0.76	0.96	1.19	1.59
1994						0.93	1.07	1.35	1.67	2.23
1995					1.17	1.37	1.58	2.00	2.47	3.29
1996				1.29	1.64	1.92	2.22	2.80	3.46	4.61
1997			0.93	1.24	1.58	1.85	2.14	2.70	3.33	4.44
1998		0.75	0.88	1.17	1.49	1.75	2.02	2.54	3.14	4.19
1999	0.67	0.69	0.80	1.07	1.36	1.60	1.84	2.32	2.87	3.82
...										
2018	0.16	0.16	0.19	0.25	0.32	0.38	0.44	0.55	0.68	0.91
2019	0.16	0.16	0.19	0.26	0.33	0.38	0.44	0.55	0.69	0.91

(f) Equal to the Projected Open + IBNR Indemnity Claim Counts (Item 5) divided by the Ultimate Indemnity Claim Counts (Item 2).
The italicized diagonals are based on historical data while the remaining figures are projections.

(g) Equal to the Ratio of Projected Open Claim Counts to Ultimate Claim Counts (Item 6) divided by the three-year historical average.

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

**Paid Loss Development Factors
Adjusted for the Impact of Claim Settlement Rate
Changes on Later Period Development**

Age	Age-to-Age Paid Development (in months):									
	<u>270-282</u>	<u>282-294</u>	<u>294-306</u>	<u>306-318</u>	<u>318-330</u>	<u>330-342</u>	<u>342-354</u>	<u>354-366</u>	<u>366-378</u>	<u>378-390</u>

8. 3-Year Average (h)

Indemnity	1.003	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001
Medical	1.008	1.007	1.007	1.006	1.005	1.004	1.004	1.003	1.004	1.003

9. Adjustment Ratio (i)

Accident Year 2018	0.66	0.67	0.68	0.70	0.73	0.75	0.78	0.82	0.87	0.96
Accident Year 2019	0.66	0.66	0.68	0.70	0.73	0.75	0.77	0.82	0.87	0.96

10. Adjusted Factors (j)

Indemnity										
Accident Year 2018	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
Accident Year 2019	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
Medical										
Accident Year 2018	1.006	1.005	1.005	1.004	1.003	1.003	1.003	1.002	1.003	1.003
Accident Year 2019	1.006	1.005	1.005	1.004	1.003	1.003	1.003	1.002	1.003	1.003

(h) Indemnity development factors are from Exhibit 2.3.2. Medical development factors are from Exhibit 2.4.2 and include adjustments for SB 1160 and changes in pharmaceutical costs.

(i) Equal to the Ratio of Projected Percent Open to Historical Percent Open (Item 7) for the given accident year, with the difference from 1.0 adjusted by 40% to reflect the estimated impact of claim settlement rate changes on later period development.

(j) Equal to the [three year average factors (Item 8) - 1.0] multiplied by the Adjustment Ratio (Item 9), and adding 1.0.

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

**Developed Indemnity Loss Ratios Using Selected Loss Development Factors
Adjusted for Changes in Claim Settlement Rates
Based on Experience as of June 30, 2020**

Accident Year	Paid Loss Ratio (a)	Development Factors		Developed Loss Ratio (4) = (1) x (3)
		(2) Annual (b)	(3) Cumulative	
1987	0.345	1.000	1.005	0.347
1988	0.330	1.000	1.005	0.332
1989	0.342	1.001	1.006	0.344
1990	0.396	1.001	1.007	0.399
1991	0.423	1.001	1.008	0.426
1992	0.348	1.001	1.008	0.351
1993	0.286	1.001	1.009	0.288
1994	0.324	1.001	1.010	0.327
1995	0.467	1.001	1.011	0.472
1996	0.523	1.001	1.012	0.529
1997	0.592	1.001	1.013	0.599
1998	0.641	1.002	1.015	0.651
1999	0.672	1.002	1.017	0.684
2000	0.580	1.003	1.020	0.591
2001	0.479	1.003	1.023	0.491
2002	0.356	1.003	1.027	0.365
2003	0.234	1.004	1.031	0.242
2004	0.139	1.006	1.037	0.145
2005	0.119	1.006	1.043	0.124
2006	0.152	1.009	1.052	0.160
2007	0.209	1.009	1.062	0.222
2008	0.261	1.011	1.074	0.281
2009	0.302	1.013	1.088	0.329
2010	0.287	1.016	1.105	0.318
2011	0.263	1.020	1.127	0.297
2012	0.231	1.020	1.150	0.265
2013	0.193	1.027	1.181	0.228
2014	0.178	1.034	1.221	0.217
2015	0.165	1.044	1.275	0.211
2016	0.145	1.075	1.370	0.199
2017	0.129	1.141	1.564	0.202
2018	0.102	1.353	2.116	0.217
2019	0.060	1.947	4.119	0.248

(a) Based on Exhibit 1.

(b) Based on the methodology used in the January 1, 2021 Pure Premium Rate Filing, updated with June 30, 2020 experience.

**Developed Medical Loss Ratios Using Selected Loss Development Factors
Adjusted for Changes in Claim Settlement Rates
Based on Experience as of June 30, 2020**

Accident Year	(1)	(2)	(3) Reform Adjusted		(4)	(5)
	Paid Loss Ratio (a)	Adjusted Paid Loss Ratio (b)	Development Factors		Adjusted Developed Loss Ratio (d) (2) x (4)	
			Annual (c)	Cumulative (c)		
1987	0.306	0.271	1.002	1.051	0.285	
1988	0.299	0.265	1.002	1.053	0.279	
1989	0.318	0.281	1.003	1.057	0.297	
1990	0.359	0.318	1.003	1.060	0.337	
1991	0.376	0.333	1.002	1.063	0.354	
1992	0.310	0.276	1.003	1.066	0.294	
1993	0.256	0.227	1.003	1.069	0.243	
1994	0.292	0.260	1.003	1.072	0.278	
1995	0.430	0.382	1.004	1.077	0.412	
1996	0.460	0.409	1.005	1.082	0.442	
1997	0.515	0.457	1.005	1.087	0.497	
1998	0.612	0.545	1.006	1.093	0.596	
1999	0.670	0.597	1.008	1.102	0.658	
2000	0.603	0.538	1.009	1.112	0.598	
2001	0.532	0.477	1.008	1.121	0.535	
2002	0.410	0.368	1.009	1.131	0.416	
2003	0.261	0.235	1.010	1.142	0.269	
2004	0.176	0.159	1.012	1.155	0.184	
2005	0.171	0.155	1.011	1.168	0.181	
2006	0.219	0.199	1.013	1.183	0.235	
2007	0.305	0.278	1.014	1.200	0.334	
2008	0.375	0.344	1.016	1.219	0.419	
2009	0.432	0.398	1.018	1.241	0.494	
2010	0.419	0.389	1.019	1.265	0.492	
2011	0.351	0.329	1.024	1.296	0.427	
2012	0.295	0.279	1.024	1.327	0.370	
2013	0.232	0.221	1.034	1.372	0.304	
2014	0.199	0.193	1.041	1.422	0.275	
2015	0.178	0.175	1.054	1.485	0.260	
2016	0.156	0.155	1.077	1.585	0.246	
2017	0.141	0.141	1.136	1.780	0.251	
2018	0.120	0.120	1.267	2.256	0.270	
2019	0.080	0.080	1.613	3.639	0.291	

- (a) Based on Exhibit 1. Paid MCCP costs are excluded from accident years 2011 and subsequent.
- (b) Based on experience evaluated as of June 30, 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) Based on the methodology used in the January 1, 2021 Pure Premium Rate Filing, updated with June 30, 2020 experience.
- (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.

Quarterly Incurred Indemnity Loss Development Factors
Through June 30, 2020

Age in	Accident Year																						
Months	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
6/3	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	2.998	
9/6	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	1.530	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	1.260	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	1.202	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	1.188		
21/18	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	1.112	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	1.096	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	1.069	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	1.067			
33/30	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	1.046	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	1.041	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	1.028	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	1.028				
45/42	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	1.020	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	1.017	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	1.018	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	1.015					
57/54	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	1.014	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	1.007	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	1.009	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	1.007						
69/66	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	1.006	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	1.004	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	1.004	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	1.005							
81/78	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	1.005	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	1.002	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	1.003	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	1.004								
93/90	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	1.003	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

Quarterly Incurred Medical Loss Development Factors *
Through June 30, 2020

Age in	Accident Year																					
Months	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
6/3	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	2.512
9/6	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	1.461	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	1.168	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	1.116	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	1.100	
21/18	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	1.072	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	1.061	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	1.052	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	1.036		
33/30	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	1.042	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	1.032	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	1.031	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	1.015			
45/42	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	1.023	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	1.020	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	1.027	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	1.012				
57/54	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	1.015	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	1.020	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	1.016	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	1.006					
69/66	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	1.009	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	1.008	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	1.008	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	1.005						
81/78	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	1.006	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	1.008	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	1.005	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	1.001							
93/90	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	1.010	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.

Quarterly Paid Indemnity Loss Development Factors
Through June 30, 2020

Age in	Accident Year																							
Months	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
6/3	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	5.057		
9/6	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	1.806	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	1.536	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	1.399	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	1.340			
21/18	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	1.257	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	1.199	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	1.161	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	1.116				
33/30	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	1.103	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	1.081	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	1.071	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	1.050					
45/42	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	1.050	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	1.038	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	1.038	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	1.024						
57/54	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	1.030	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	1.026	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	1.021	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	1.014							
69/66	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	1.016	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	1.016	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	1.012	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	1.009								
81/78	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	1.013	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	1.010	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	1.009	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	1.007									
93/90	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	1.009	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

Quarterly Paid Medical Loss Development Factors *
Through June 30, 2020

Age in	Accident Year																					
Months	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
6/3	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	4.485
9/6	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	1.739	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	1.490	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	1.267	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	1.231	
21/18	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	1.124	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	1.108	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	1.088	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	1.083		
33/30	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	1.066	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	1.059	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	1.049	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	1.040			
45/42	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	1.039	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	1.035	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	1.036	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	1.023				
57/54	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	1.028	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	1.025	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	1.021	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	1.015					
69/66	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	1.018	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	1.016	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	1.015	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	1.011						
81/78	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	1.012	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	1.011	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	1.012	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	1.008							
93/90	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	1.008	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.

Reported Indemnity Claim Count Development

Accident	Development															
Year	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	114-126	126-138	138-150	150-162	162-174	174-186	186-198
1995																1.000
1996															1.000	1.000
1997														1.000	1.000	1.000
1998													1.000	1.000	1.000	1.000
1999												1.000	1.000	1.000	1.000	1.000
2000											1.000	1.000	1.001	1.000	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	1.000	1.000	1.001	1.000	1.000	1.000	1.000
2005						1.001	1.001	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	
2006					1.001	1.000	1.001	1.000	1.000	1.001	1.000	1.000	1.000	1.000		
2007				1.005	1.003	1.002	1.000	1.000	1.001	1.000	1.000	1.000	1.000			
2008			1.013	1.008	1.003	1.002	1.001	1.002	1.001	1.000	1.000	1.000				
2009		1.050	1.018	1.008	1.004	1.002	1.003	1.001	1.000	1.000	1.000					
2010	2.831	1.058	1.018	1.008	1.005	1.004	1.002	1.001	1.000	1.000						
2011	2.900	1.068	1.019	1.009	1.006	1.002	1.001	1.000	1.000							
2012	2.937	1.073	1.020	1.011	1.004	1.002	1.001	1.000								
2013	2.982	1.065	1.021	1.007	1.003	1.001	1.002									
2014	2.915	1.074	1.014	1.006	1.003	1.001										
2015	2.996	1.060	1.010	1.004	1.003											
2016	2.908	1.063	1.012	1.004												
2017	2.822	1.052	1.013													
2018	2.880	1.055														
2019	2.936															
Latest Year																
Age-to-Age																
	2.936	1.055	1.013	1.004	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																
	3.179	1.083	1.027	1.014	1.009	1.006	1.005	1.004	1.003	1.003	1.002	1.002	1.002	1.002	1.002	1.002

Source: WCIRB accident year experience calls

Quarterly Reported Indemnity Claim Count Development Factors

Accident Year	Development														
	<u>3-6</u>	<u>6-9</u>	<u>9-12</u>	<u>12-15</u>	<u>15-18</u>	<u>18-21</u>	<u>21-24</u>	<u>24-27</u>	<u>27-30</u>	<u>30-33</u>	<u>33-36</u>	<u>36-39</u>	<u>39-42</u>	<u>42-45</u>	<u>45-48</u>
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	1.003		
2018	2.826	1.732	1.414	1.139	1.045	1.023	1.017	1.010	1.008						
2019	2.782	1.751	1.424	1.138	1.034										
2020	2.619														

Source: WCIRB accident year experience calls

Reported Indemnity Claim Settlement Ratios

Accident Year	Evaluated as of (in months):																
	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198
1995																	97.8%
1996																97.1%	97.3%
1997															97.0%	97.2%	97.4%
1998														96.8%	97.1%	97.4%	97.6%
1999													96.6%	97.0%	97.3%	97.6%	97.8%
2000												95.7%	96.2%	96.7%	97.2%	97.5%	97.7%
2001											94.0%	94.9%	95.7%	96.3%	96.8%	97.2%	97.5%
2002										93.1%	94.3%	95.3%	96.1%	96.7%	97.1%	97.6%	97.9%
2003									91.5%	93.2%	94.5%	95.5%	96.1%	96.7%	97.3%	97.7%	98.1%
2004								89.5%	91.6%	93.4%	94.9%	95.8%	96.4%	97.0%	97.5%	98.0%	98.3%
2005							87.1%	89.8%	92.0%	93.8%	95.0%	95.9%	96.7%	97.3%	97.8%	98.2%	
2006						83.2%	86.9%	89.7%	92.2%	93.7%	95.0%	96.0%	96.8%	97.4%	97.9%		
2007					77.2%	82.6%	86.7%	90.1%	92.4%	94.1%	95.4%	96.4%	97.1%	97.7%			
2008				67.2%	75.9%	82.1%	87.0%	90.2%	92.8%	94.4%	95.6%	96.7%	97.3%				
2009			53.1%	65.8%	75.0%	81.9%	86.7%	90.4%	92.8%	94.6%	95.9%	96.8%					
2010		39.0%	54.0%	66.8%	76.8%	83.4%	88.2%	91.5%	93.8%	95.4%	96.5%						
2011	16.4%	39.5%	54.6%	68.1%	77.9%	84.5%	89.1%	92.4%	94.6%	95.9%							
2012	16.0%	39.5%	55.8%	69.7%	79.2%	85.9%	90.4%	93.4%	95.2%								
2013	16.2%	39.2%	57.0%	71.0%	81.1%	87.6%	91.7%	94.3%									
2014	15.2%	39.9%	57.8%	72.6%	82.8%	88.8%	92.4%										
2015	15.2%	40.5%	60.1%	75.1%	84.7%	89.9%											
2016	15.8%	42.9%	62.8%	77.6%	85.7%												
2017	16.8%	45.1%	65.4%	78.4%													
2018	18.0%	45.6%	64.5%														
2019	18.1%	44.6%															
2020	20.8%																

Source: WCIRB accident year experience calls

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

Calendar Quarter <u>Evaluation</u>	Change in Statewide Incremental Number of Indemnity Claims		Change in Statewide Incremental Number of Medical-Only Claims	
	Change in	Change in	Change in	Change in
	Quarterly Increment	4-Quarter Increment	Quarterly Increment	4-Quarter Increment
	from Same Quarter	from Same Quarter	from Same Quarter	from Same Quarter
	at Prior	at Prior	at Prior	at Prior
	Calendar Year	Calendar Year	Calendar Year	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	5.7%	3.7%	2.0%	2.2%
3/31/2020	2.2%	3.2%	-5.2%	0.2%
6/30/2020	-9.8%	0.0%	-32.6%	-9.5%

Source: WCIRB quarterly calls for experience

Average Incurred Indemnity Loss per Reported Indemnity Claim
As of June 30, 2020

Accident	Evaluated as of (in months):									
Year	6	18	30	42	54	66	78	90	102	114
1995										14,468
1996									16,743	16,817
1997								19,149	19,234	19,178
1998							20,865	21,075	21,089	21,229
1999						22,721	23,128	23,184	23,373	23,491
2000					22,706	23,313	23,448	23,765	23,992	24,131
2001				22,948	24,076	24,515	25,111	25,474	25,816	25,983
2002			19,304	21,670	22,266	23,073	23,598	24,003	24,252	24,512
2003		14,093	18,992	20,625	22,024	22,887	23,560	23,976	24,473	24,916
2004	9,430	12,439	14,937	16,763	17,625	18,427	19,029	19,605	20,031	20,345
2005	7,770	9,616	12,722	14,340	15,545	16,441	17,208	17,805	18,156	18,392
2006	7,378	9,926	13,701	15,748	17,108	18,225	19,010	19,494	19,862	20,020
2007	7,130	10,511	14,840	17,240	18,714	19,787	20,550	21,097	21,437	21,658
2008	6,998	11,334	16,063	19,041	20,773	21,893	22,558	23,019	23,362	23,547
2009	7,240	11,765	16,849	19,684	21,589	22,695	23,427	23,855	24,208	24,465
2010	7,126	11,683	16,498	19,439	21,089	22,142	22,722	23,189	23,497	23,770
2011	6,992	12,145	16,874	19,402	20,947	21,756	22,331	22,795	23,082	23,263
2012	7,321	12,190	16,558	18,995	20,357	21,278	21,851	22,287	22,622	
2013	7,540	12,086	16,464	18,694	19,978	20,733	21,267	21,540		
2014	7,499	12,263	16,722	19,358	20,789	21,612	22,018			
2015	7,883	12,611	17,427	19,837	21,160	21,789				
2016	7,748	12,745	17,215	19,469	20,721					
2017	8,084	12,943	17,564	19,911						
2018	8,173	13,733	18,401							
2019	8,530	14,403								
2020	9,538									

Accident	Annual Change									
Year	6	18	30	42	54	66	78	90	102	114
1996										16.2%
1997									14.9%	14.0%
1998								10.1%	9.6%	10.7%
1999							10.8%	10.0%	10.8%	10.7%
2000						2.6%	1.4%	2.5%	2.6%	2.7%
2001					6.0%	5.2%	7.1%	7.2%	7.6%	7.7%
2002				-5.6%	-7.5%	-5.9%	-6.0%	-5.8%	-6.1%	-5.7%
2003			-1.6%	-4.8%	-1.1%	-0.8%	-0.2%	-0.1%	0.9%	1.6%
2004		-11.7%	-21.4%	-18.7%	-20.0%	-19.5%	-19.2%	-18.2%	-18.2%	-18.3%
2005	-17.6%	-22.7%	-14.8%	-14.5%	-11.8%	-10.8%	-9.6%	-9.2%	-9.4%	-9.6%
2006	-5.0%	3.2%	7.7%	9.8%	10.1%	10.8%	10.5%	9.5%	9.4%	8.9%
2007	-3.4%	5.9%	8.3%	9.5%	9.4%	8.6%	8.1%	8.2%	7.9%	8.2%
2008	-1.9%	7.8%	8.2%	10.4%	11.0%	10.6%	9.8%	9.1%	9.0%	8.7%
2009	3.5%	3.8%	4.9%	3.4%	3.9%	3.7%	3.9%	3.6%	3.6%	3.9%
2010	-1.6%	-0.7%	-2.1%	-1.2%	-2.3%	-2.4%	-3.0%	-2.8%	-2.9%	-2.8%
2011	-1.9%	4.0%	2.3%	-0.2%	-0.7%	-1.7%	-1.7%	-1.7%	-1.8%	-2.1%
2012	4.7%	0.4%	-1.9%	-2.1%	-2.8%	-2.2%	-2.2%	-2.2%	-2.0%	
2013	3.0%	-0.9%	-0.6%	-1.6%	-1.9%	-2.6%	-2.7%	-3.4%		
2014	-0.6%	1.5%	1.6%	3.6%	4.1%	4.2%	3.5%			
2015	5.1%	2.8%	4.2%	2.5%	1.8%	0.8%				
2016	-1.7%	1.1%	-1.2%	-1.9%	-2.1%					
2017	4.3%	1.6%	2.0%	2.3%						
2018	1.1%	6.1%	4.8%							
2019	4.4%	4.9%								
2020	11.8%									

Annual Trend*										
All-Year	0.7%	1.2%	0.7%	0.1%	-0.1%	-0.3%	-0.2%	0.1%	0.8%	1.6%
R ²	0.137	0.305	0.092	0.003	0.003	0.017	0.011	0.003	0.106	0.254
5-Year	4.8%	3.5%	2.0%	1.3%	0.9%	0.2%	-1.1%	-2.4%	-1.1%	1.5%
R ²	0.877	0.910	0.816	0.687	0.450	0.020	0.510	0.988	0.506	0.282

*Trend is based on an exponential distribution.

Source: WCIRB quarterly calls for experience

Average Incurred Medical Loss per Reported Claim
As of June 30, 2020

Accident	Evaluated as of (in months):									
Year	6	18	30	42	54	66	78	90	102	114
1999										7,413
2000									7,988	8,162
2001								9,062	9,448	9,724
2002							9,164	9,507	9,839	10,109
2003						8,499	8,914	9,304	9,665	9,977
2004					6,614	7,077	7,496	7,884	8,169	8,408
2005				5,816	6,239	6,751	7,179	7,564	7,844	8,026
2006			5,729	6,473	7,048	7,545	7,956	8,344	8,577	8,688
2007		5,101	6,437	7,356	8,065	8,645	9,179	9,489	9,719	9,820
2008	4,400	5,713	7,214	8,338	9,196	9,880	10,344	10,652	10,819	10,884
2009	4,675	6,335	8,156	9,449	10,506	11,185	11,628	11,876	11,974	12,048
2010	4,845	6,553	8,506	9,975	10,837	11,417	11,780	11,947	12,060	12,174
2011	4,966	6,820	8,750	9,951	10,735	11,197	11,414	11,560	11,627	11,651
2012	5,154	6,922	8,529	9,448	10,059	10,455	10,660	10,806	10,914	
2013	5,151	6,921	8,375	9,141	9,640	9,864	10,036	10,112		
2014	5,153	6,667	7,956	8,743	9,141	9,418	9,572			
2015	5,211	6,624	8,002	8,702	9,028	9,219				
2016	5,383	6,785	7,966	8,445	8,776					
2017	5,611	6,650	7,720	8,307						
2018	5,593	7,012	8,102							
2019	5,552	7,034								
2020	6,509									

Accident	Annual Change									
Year	6	18	30	42	54	66	78	90	102	114
2000										10.1%
2001									18.3%	19.1%
2002								4.9%	4.1%	4.0%
2003							-2.7%	-2.1%	-1.8%	-1.3%
2004						-16.7%	-15.9%	-15.3%	-15.5%	-15.7%
2005					-5.7%	-4.6%	-4.2%	-4.1%	-4.0%	-4.5%
2006				11.3%	13.0%	11.8%	10.8%	10.3%	9.4%	8.3%
2007			12.3%	13.6%	14.4%	14.6%	15.4%	13.7%	13.3%	13.0%
2008		12.0%	12.1%	13.3%	14.0%	14.3%	12.7%	12.3%	11.3%	10.8%
2009	6.3%	10.9%	13.1%	13.3%	14.2%	13.2%	12.4%	11.5%	10.7%	10.7%
2010	3.6%	3.4%	4.3%	5.6%	3.2%	2.1%	1.3%	0.6%	0.7%	1.0%
2011	2.5%	4.1%	2.9%	-0.2%	-0.9%	-1.9%	-3.1%	-3.2%	-3.6%	-4.3%
2012	3.8%	1.5%	-2.5%	-5.1%	-6.3%	-6.6%	-6.6%	-6.5%	-6.1%	
2013	-0.1%	0.0%	-1.8%	-3.3%	-4.2%	-5.7%	-5.8%	-6.4%		
2014	0.0%	-3.7%	-5.0%	-4.3%	-5.2%	-4.5%	-4.6%			
2015	1.1%	-0.7%	0.6%	-0.5%	-1.2%	-2.1%				
2016	3.3%	2.4%	-0.5%	-3.0%	-2.8%					
2017	4.2%	-2.0%	-3.1%	-1.6%						
2018	-0.3%	5.4%	5.0%							
2019	-0.7%	0.3%								
2020	17.2%									

Annual Trend*										
All-Year	2.4%	1.7%	1.7%	2.3%	3.0%	2.8%	2.6%	2.5%	2.9%	3.2%
R ²	0.875	0.539	0.309	0.301	0.388	0.388	0.379	0.421	0.523	0.579
5-Year	3.8%	1.5%	0.0%	-2.2%	-3.3%	-4.8%	-5.3%	-4.1%	-0.1%	4.6%
R ²	0.616	0.723	0.000	0.946	0.957	0.967	0.990	0.878	0.001	0.650

*Trend is based on an exponential distribution.

Source: WCIRB quarterly calls for experience

Average Indemnity Case Outstanding per Open Indemnity Claim
As of June 30, 2020

Accident	Evaluated as of (in months):									
Year	6	18	30	42	54	66	78	90	102	114
1995										26,989
1996									27,793	26,345
1997								29,720	29,062	28,885
1998							29,748	29,836	29,646	30,548
1999						27,774	28,371	28,494	29,591	30,745
2000					24,146	24,006	23,595	24,363	25,263	25,390
2001				20,360	19,836	19,506	20,614	21,665	23,457	24,104
2002			18,103	17,587	15,898	17,013	17,921	19,077	19,958	21,841
2003		14,238	16,084	14,771	15,873	17,428	19,781	21,672	25,246	29,428
2004	9,253	12,026	12,497	13,486	14,511	16,684	18,595	21,873	23,963	26,161
2005	7,422	8,699	10,561	11,728	13,618	16,088	19,411	22,729	24,161	26,201
2006	6,862	8,922	11,604	13,656	16,036	19,043	21,725	23,349	26,148	27,420
2007	6,527	9,315	12,582	14,942	17,182	19,245	21,733	25,008	27,506	29,847
2008	6,296	9,831	13,112	15,741	17,541	19,293	21,833	24,186	27,937	30,617
2009	6,479	10,287	13,691	15,627	17,676	19,715	21,850	24,514	27,071	29,619
2010	6,443	10,217	13,308	15,164	17,014	18,892	20,545	23,308	25,921	30,033
2011	6,323	10,864	13,803	15,482	17,757	19,208	21,096	24,058	26,162	28,750
2012	6,680	10,832	13,473	15,227	16,934	19,087	21,522	25,636	30,823	
2013	6,929	10,620	13,586	14,761	16,171	18,320	21,826	25,423		
2014	6,823	10,934	13,684	15,647	18,396	21,279	23,770			
2015	7,251	11,304	15,025	17,310	20,454	23,047				
2016	7,082	11,613	15,381	18,035	21,639					
2017	7,555	12,317	16,958	20,643						
2018	7,651	13,267	18,181							
2019	7,932	13,864								
2020	9,136									

Accident	Annual Change									
Year	6	18	30	42	54	66	78	90	102	114
1996										-2.4%
1997									4.6%	9.6%
1998								0.4%	2.0%	5.8%
1999							-4.6%	-4.5%	-0.2%	0.6%
2000						-13.6%	-16.8%	-14.5%	-14.6%	-17.4%
2001					-17.8%	-18.7%	-12.6%	-11.1%	-7.1%	-5.1%
2002				-13.6%	-19.9%	-12.8%	-13.1%	-11.9%	-14.9%	-9.4%
2003			-11.2%	-16.0%	-0.2%	2.4%	10.4%	13.6%	26.5%	34.7%
2004		-15.5%	-22.3%	-8.7%	-8.6%	-4.3%	-6.0%	0.9%	-5.1%	-11.1%
2005	-19.8%	-27.7%	-15.5%	-13.0%	-6.1%	-3.6%	4.4%	3.9%	0.8%	0.2%
2006	-7.5%	2.6%	9.9%	16.4%	17.8%	18.4%	11.9%	2.7%	8.2%	4.7%
2007	-4.9%	4.4%	8.4%	9.4%	7.1%	1.1%	0.0%	7.1%	5.2%	8.9%
2008	-3.5%	5.5%	4.2%	5.3%	2.1%	0.3%	0.5%	-3.3%	1.6%	2.6%
2009	2.9%	4.6%	4.4%	-0.7%	0.8%	2.2%	0.1%	1.4%	-3.1%	-3.3%
2010	-0.6%	-0.7%	-2.8%	-3.0%	-3.7%	-4.2%	-6.0%	-4.9%	-4.2%	1.4%
2011	-1.9%	6.3%	3.7%	2.1%	4.4%	1.7%	2.7%	3.2%	0.9%	-4.3%
2012	5.6%	-0.3%	-2.4%	-1.6%	-4.6%	-0.6%	2.0%	6.6%	17.8%	
2013	3.7%	-2.0%	0.8%	-3.1%	-4.5%	-4.0%	1.4%	-0.8%		
2014	-1.5%	3.0%	0.7%	6.0%	13.8%	16.2%	8.9%			
2015	6.3%	3.4%	9.8%	10.6%	11.2%	8.3%				
2016	-2.3%	2.7%	2.4%	4.2%	5.8%					
2017	6.7%	6.1%	10.3%	14.5%						
2018	1.3%	7.7%	7.2%							
2019	3.7%	4.5%								
2020	15.2%									

Annual Trend*										
All-Year	0.7%	1.3%	1.1%	0.8%	0.5%	-0.2%	-0.7%	-0.5%	0.1%	0.5%
R ²	0.087	0.193	0.132	0.080	0.026	0.007	0.069	0.045	0.001	0.070
5-Year	5.7%	5.6%	7.1%	8.5%	7.5%	4.8%	3.3%	1.7%	1.6%	-0.9%
R ²	0.868	0.981	0.977	0.973	0.870	0.634	0.870	0.456	0.135	0.420

*Trend is based on an exponential distribution.

Source: WCIRB quarterly calls for experience

Average Medical Case Outstanding per Open Indemnity Claim
As of June 30, 2020

Accident	Evaluated as of (in months):									
Year	6	18	30	42	54	66	78	90	102	114
1995										43,410
1996									34,376	37,462
1997								37,197	42,707	48,093
1998							37,747	41,519	49,319	56,917
1999						29,597	35,309	41,901	51,681	67,043
2000					22,725	27,564	32,672	39,769	50,650	58,822
2001				17,698	20,815	25,065	30,249	38,695	50,635	60,479
2002			15,482	17,192	18,790	22,780	30,036	38,052	47,076	56,684
2003		12,865	14,465	15,870	19,002	24,872	32,970	41,591	52,049	64,970
2004	12,263	12,116	13,301	15,858	21,676	28,229	35,346	44,591	53,695	64,382
2005	11,480	12,619	15,606	19,405	23,188	29,799	37,938	48,881	57,043	67,446
2006	11,654	13,624	17,731	22,317	27,503	34,102	41,449	51,309	61,632	68,003
2007	12,537	14,800	19,183	23,888	30,053	36,681	45,752	55,104	64,808	73,663
2008	12,765	15,901	19,814	25,103	30,818	37,664	46,551	55,786	65,213	72,210
2009	13,073	16,509	20,882	25,797	32,080	38,207	45,553	54,485	61,213	69,456
2010	13,733	16,527	21,283	26,397	31,320	36,977	43,669	49,033	55,956	65,457
2011	14,422	18,224	22,700	27,685	33,662	39,006	44,511	51,347	58,591	63,885
2012	14,792	18,467	22,008	25,706	30,144	35,532	42,196	50,950	58,996	
2013	14,560	17,841	21,443	24,687	29,083	34,002	41,126	48,122		
2014	14,011	17,315	20,050	23,813	28,373	34,951	40,712			
2015	14,074	17,153	21,413	26,569	32,600	39,075				
2016	14,901	18,015	22,349	27,136	33,050					
2017	15,842	18,876	23,784	29,986						
2018	15,952	20,313	24,562							
2019	15,962	20,128								
2020	16,996									

Accident	Annual Change									
Year	6	18	30	42	54	66	78	90	102	114
1996										-13.7%
1997									24.2%	28.4%
1998								11.6%	15.5%	18.3%
1999							-6.5%	0.9%	4.8%	17.8%
2000						-6.9%	-7.5%	-5.1%	-2.0%	-12.3%
2001					-8.4%	-9.1%	-7.4%	-2.7%	0.0%	2.8%
2002				-2.9%	-9.7%	-9.1%	-0.7%	-1.7%	-7.0%	-6.3%
2003			-6.6%	-7.7%	1.1%	9.2%	9.8%	9.3%	10.6%	14.6%
2004		-5.8%	-8.1%	-0.1%	14.1%	13.5%	7.2%	7.2%	3.2%	-0.9%
2005	-6.4%	4.2%	17.3%	22.4%	7.0%	5.6%	7.3%	9.6%	6.2%	4.8%
2006	1.5%	8.0%	13.6%	15.0%	18.6%	14.4%	9.3%	5.0%	8.0%	0.8%
2007	7.6%	8.6%	8.2%	7.0%	9.3%	7.6%	10.4%	7.4%	5.2%	8.3%
2008	1.8%	7.4%	3.3%	5.1%	2.5%	2.7%	1.7%	1.2%	0.6%	-2.0%
2009	2.4%	3.8%	5.4%	2.8%	4.1%	1.4%	-2.1%	-2.3%	-6.1%	-3.8%
2010	5.0%	0.1%	1.9%	2.3%	-2.4%	-3.2%	-4.1%	-10.0%	-8.6%	-5.8%
2011	5.0%	10.3%	6.7%	4.9%	7.5%	5.5%	1.9%	4.7%	4.7%	-2.4%
2012	2.6%	1.3%	-3.0%	-7.1%	-10.5%	-8.9%	-5.2%	-0.8%	0.7%	
2013	-1.6%	-3.4%	-2.6%	-4.0%	-3.5%	-4.3%	-2.5%	-5.6%		
2014	-3.8%	-2.9%	-6.5%	-3.5%	-2.4%	2.8%	-1.0%			
2015	0.5%	-0.9%	6.8%	11.6%	14.9%	11.8%				
2016	5.9%	5.0%	4.4%	2.1%	1.4%					
2017	6.3%	4.8%	6.4%	10.5%						
2018	0.7%	7.6%	3.3%							
2019	0.1%	-0.9%								
2020	6.5%									

Annual Trend*										
All-Year	2.2%	3.0%	3.2%	3.6%	3.4%	2.8%	2.1%	2.2%	2.6%	2.9%
R ²	0.905	0.860	0.783	0.744	0.688	0.620	0.504	0.647	0.653	0.601
5-Year	2.7%	4.5%	5.2%	5.3%	3.0%	-0.1%	-2.2%	-2.1%	-2.4%	-3.8%
R ²	0.843	0.928	0.989	0.840	0.482	0.001	0.825	0.479	0.457	0.974

*Trend is based on an exponential distribution.

Source: WCIRB quarterly calls for experience

Average Paid Indemnity Loss per Reported Indemnity Claim
As of June 30, 2020

Accident Year	Evaluated as of (in months):									
	6	18	30	42	54	66	78	90	102	114
1995										13,297
1996									15,079	15,392
1997								16,964	17,398	17,664
1998							17,867	18,639	19,104	19,528
1999						18,825	20,058	20,773	21,377	21,824
2000					17,609	19,505	20,623	21,507	22,129	22,597
2001				15,848	18,953	20,913	22,235	23,145	23,801	24,275
2002			10,608	15,324	18,249	20,008	21,194	22,022	22,577	23,000
2003		5,019	10,744	15,381	18,114	19,795	20,947	21,702	22,329	22,902
2004	1,422	4,820	9,127	12,350	14,341	15,637	16,576	17,312	18,027	18,621
2005	1,308	4,491	8,112	10,799	12,608	13,776	14,704	15,489	16,214	16,766
2006	1,441	4,670	8,759	11,622	13,555	15,024	16,172	17,099	17,812	18,290
2007	1,528	5,048	9,406	12,574	14,798	16,439	17,660	18,634	19,333	19,910
2008	1,612	5,469	10,156	13,884	16,544	18,434	19,714	20,660	21,340	21,830
2009	1,657	5,457	10,432	14,344	17,172	19,123	20,518	21,491	22,252	22,853
2010	1,630	5,455	10,373	14,399	17,146	18,999	20,302	21,215	21,902	22,394
2011	1,708	5,568	10,612	14,468	17,027	18,785	20,033	20,964	21,672	22,088
2012	1,712	5,642	10,597	14,389	16,833	18,579	19,781	20,595	21,132	
2013	1,734	5,626	10,623	14,415	16,924	18,463	19,464	20,087		
2014	1,714	5,690	10,952	15,072	17,618	19,227	20,207			
2015	1,737	5,890	11,434	15,531	18,040	19,457				
2016	1,784	6,108	11,487	15,431	17,635					
2017	1,798	6,187	11,703	15,460						
2018	1,897	6,521	11,954							
2019	2,031	6,728								
2020	2,298									

Accident Year	Annual Change									
	6	18	30	42	54	66	78	90	102	114
1996										15.8%
1997									15.4%	14.8%
1998								9.9%	9.8%	10.6%
1999							12.3%	11.5%	11.9%	11.8%
2000						3.6%	2.8%	3.5%	3.5%	3.5%
2001					7.6%	7.2%	7.8%	7.6%	7.6%	7.4%
2002				-3.3%	-3.7%	-4.3%	-4.7%	-4.9%	-5.1%	-5.3%
2003			1.3%	0.4%	-0.7%	-1.1%	-1.2%	-1.4%	-1.1%	-0.4%
2004		-4.0%	-15.1%	-19.7%	-20.8%	-21.0%	-20.9%	-20.2%	-19.3%	-18.7%
2005	-8.0%	-6.8%	-11.1%	-12.6%	-12.1%	-11.9%	-11.3%	-10.5%	-10.1%	-10.0%
2006	10.2%	4.0%	8.0%	7.6%	7.5%	9.1%	10.0%	10.4%	9.9%	9.1%
2007	6.0%	8.1%	7.4%	8.2%	9.2%	9.4%	9.2%	9.0%	8.5%	8.9%
2008	5.5%	8.3%	8.0%	10.4%	11.8%	12.1%	11.6%	10.9%	10.4%	9.6%
2009	2.8%	-0.2%	2.7%	3.3%	3.8%	3.7%	4.1%	4.0%	4.3%	4.7%
2010	-1.6%	0.0%	-0.6%	0.4%	-0.2%	-0.6%	-1.1%	-1.3%	-1.6%	-2.0%
2011	4.8%	2.1%	2.3%	0.5%	-0.7%	-1.1%	-1.3%	-1.2%	-1.1%	-1.4%
2012	0.2%	1.3%	-0.1%	-0.6%	-1.1%	-1.1%	-1.3%	-1.8%	-2.5%	
2013	1.3%	-0.3%	0.2%	0.2%	0.5%	-0.6%	-1.6%	-2.5%		
2014	-1.2%	1.1%	3.1%	4.6%	4.1%	4.1%	3.8%			
2015	1.3%	3.5%	4.4%	3.0%	2.4%	1.2%				
2016	2.7%	3.7%	0.5%	-0.6%	-2.2%					
2017	0.8%	1.3%	1.9%	0.2%						
2018	5.5%	5.4%	2.1%							
2019	7.1%	3.2%								
2020	13.1%									

Annual Trend*										
All-Year	2.5%	2.1%	1.5%	0.7%	0.3%	0.1%	0.1%	0.3%	0.9%	1.7%
R ²	0.868	0.886	0.502	0.111	0.019	0.001	0.001	0.018	0.121	0.259
5-Year	6.5%	3.4%	2.0%	1.6%	1.6%	1.1%	-0.4%	-1.6%	-0.5%	2.4%
R ²	0.899	0.975	0.931	0.695	0.703	0.543	0.125	0.974	0.126	0.479

*Trend is based on an exponential distribution.

Source: WCIRB quarterly calls for experience

Average Paid Medical Loss per Claim**
As of June 30, 2020

Accident Year	Evaluated as of (in months):									
	6	18	30	42	54	66	78	90	102	114
1999										6,220
2000									6,751	6,986
2001								7,646	7,968	8,267
2002							7,728	8,100	8,434	8,714
2003						6,933	7,373	7,762	8,106	8,411
2004					5,051	5,577	6,016	6,403	6,749	7,067
2005				4,095	4,776	5,307	5,749	6,109	6,505	6,805
2006			3,536	4,520	5,283	5,886	6,389	6,823	7,180	7,448
2007		2,528	3,985	5,144	6,034	6,751	7,372	7,879	8,248	8,540
2008	1,024	2,850	4,484	5,812	6,908	7,799	8,474	8,974	9,362	9,633
2009	1,119	3,096	4,954	6,543	7,856	8,894	9,619	10,134	10,508	10,795
2010	1,144	3,186	5,148	6,943	8,322	9,281	9,992	10,503	10,863	11,132
2011	1,101	3,039	5,100	6,800	8,070	9,028	9,671	10,154	10,492	10,713
2012	1,052	3,038	5,017	6,619	7,765	8,616	9,174	9,575	9,870	
2013	1,064	3,009	4,951	6,459	7,577	8,281	8,760	9,079		
2014	1,068	2,951	4,833	6,321	7,322	7,961	8,418			
2015	1,157	2,960	4,851	6,258	7,190	7,756				
2016	1,117	3,089	4,890	6,191	7,028					
2017	1,201	3,074	4,808	6,004						
2018	1,230	3,180	4,992							
2019	1,204	3,132								
2020	1,349									

Accident Year	Annual Change									
	6	18	30	42	54	66	78	90	102	114
2000										12.3%
2001									18.0%	18.3%
2002								5.9%	5.8%	5.4%
2003							-4.6%	-4.2%	-3.9%	-3.5%
2004						-19.5%	-18.4%	-17.5%	-16.7%	-16.0%
2005					-5.4%	-4.9%	-4.4%	-4.6%	-3.6%	-3.7%
2006				10.4%	10.6%	10.9%	11.1%	11.7%	10.4%	9.5%
2007			12.7%	13.8%	14.2%	14.7%	15.4%	15.5%	14.9%	14.7%
2008		12.7%	12.5%	13.0%	14.5%	15.5%	14.9%	13.9%	13.5%	12.8%
2009	9.3%	8.7%	10.5%	12.6%	13.7%	14.0%	13.5%	12.9%	12.2%	12.1%
2010	2.3%	2.9%	3.9%	6.1%	5.9%	4.4%	3.9%	3.6%	3.4%	3.1%
2011	-3.8%	-4.6%	-0.9%	-2.1%	-3.0%	-2.7%	-3.2%	-3.3%	-3.4%	-3.8%
2012	-4.4%	0.0%	-1.6%	-2.7%	-3.8%	-4.6%	-5.1%	-5.7%	-5.9%	
2013	1.2%	-1.0%	-1.3%	-2.4%	-2.4%	-3.9%	-4.5%	-5.2%		
2014	0.3%	-1.9%	-2.4%	-2.1%	-3.4%	-3.9%	-3.9%			
2015	8.4%	0.3%	0.4%	-1.0%	-1.8%	-2.6%				
2016	-3.5%	4.4%	0.8%	-1.1%	-2.2%					
2017	7.5%	-0.5%	-1.7%	-3.0%						
2018	2.4%	3.5%	3.8%							
2019	-2.1%	-1.5%								
2020	12.0%									

Annual Trend*										
All-Year	1.5%	0.9%	1.7%	2.7%	3.5%	3.4%	3.2%	3.2%	3.5%	3.9%
R ²	0.613	0.332	0.379	0.410	0.514	0.485	0.452	0.466	0.561	0.627
5-Year	3.9%	1.4%	0.6%	-1.7%	-2.5%	-3.8%	-4.3%	-3.1%	1.0%	6.2%
R ²	0.789	0.699	0.360	0.957	0.991	0.991	0.996	0.736	0.077	0.749

*Trend is based on an exponential distribution.

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

Source: WCIRB quarterly calls for experience

Average Paid Indemnity Loss per Closed Indemnity Claim**
As of June 30, 2020

Accident Year	Evaluated as of (in months):									
	6	18	30	42	54	66	78	90	102	114
1995										11,444
1996									12,587	12,953
1997								14,117	14,662	14,999
1998							14,753	15,780	16,380	16,946
1999						14,745	16,263	17,212	17,982	18,689
2000					13,129	15,472	16,990	17,964	18,834	19,459
2001				10,609	14,640	16,770	18,072	19,408	20,319	21,016
2002			5,140	10,622	14,124	16,001	17,626	18,738	19,587	20,082
2003		1,940	6,280	11,204	13,879	16,074	17,493	18,454	19,064	19,732
2004	994	2,226	5,406	8,453	11,051	12,620	13,720	14,471	15,295	16,065
2005	961	1,978	4,177	7,191	9,457	10,884	11,880	12,793	13,717	14,606
2006	939	2,123	4,821	7,763	10,098	11,702	13,039	14,265	15,357	16,143
2007	959	2,192	5,145	8,316	10,789	12,670	14,272	15,676	16,735	17,682
2008	917	2,441	5,663	9,126	12,009	14,322	16,283	17,623	18,785	19,614
2009	915	2,516	5,865	9,700	12,762	15,312	17,254	18,828	19,890	20,824
2010	974	2,521	6,099	9,941	13,246	15,703	17,629	18,991	20,063	20,752
2011	944	2,954	6,520	10,487	13,593	16,029	17,745	19,028	20,050	20,723
2012	1,273	3,067	6,996	10,975	13,942	16,113	17,679	18,934	19,723	
2013	1,208	3,445	7,398	11,371	14,319	16,311	17,703	18,658		
2014	1,219	3,551	7,883	12,122	15,195	17,246	18,549			
2015	1,206	3,960	8,605	12,851	15,846	17,614				
2016	1,250	4,234	8,785	12,949	15,525					
2017	1,331	4,288	8,962	12,815						
2018	1,479	4,629	9,272							
2019	1,570	4,730								
2020	1,428									

Accident Year	Annual Change									
	6	18	30	42	54	66	78	90	102	114
1996										13.2%
1997									16.5%	15.8%
1998								11.8%	11.7%	13.0%
1999							10.2%	9.1%	9.8%	10.3%
2000						4.9%	4.5%	4.4%	4.7%	4.1%
2001					11.5%	8.4%	6.4%	8.0%	7.9%	8.0%
2002				0.1%	-3.5%	-4.6%	-2.5%	-3.5%	-3.6%	-4.4%
2003			22.2%	5.5%	-1.7%	0.5%	-0.8%	-1.5%	-2.7%	-1.7%
2004		14.7%	-13.9%	-24.5%	-20.4%	-21.5%	-21.6%	-21.6%	-19.8%	-18.6%
2005	-3.3%	-11.2%	-22.7%	-14.9%	-14.4%	-13.8%	-13.4%	-11.6%	-10.3%	-9.1%
2006	-2.3%	7.4%	15.4%	8.0%	6.8%	7.5%	9.8%	11.5%	12.0%	10.5%
2007	2.1%	3.2%	6.7%	7.1%	6.8%	8.3%	9.5%	9.9%	9.0%	9.5%
2008	-4.4%	11.4%	10.1%	9.7%	11.3%	13.0%	14.1%	12.4%	12.3%	10.9%
2009	-0.2%	3.1%	3.6%	6.3%	6.3%	6.9%	6.0%	6.8%	5.9%	6.2%
2010	6.5%	0.2%	4.0%	2.5%	3.8%	2.6%	2.2%	0.9%	0.9%	-0.3%
2011	-3.1%	17.2%	6.9%	5.5%	2.6%	2.1%	0.7%	0.2%	-0.1%	-0.1%
2012	34.8%	3.8%	7.3%	4.7%	2.6%	0.5%	-0.4%	-0.5%	-1.6%	
2013	-5.1%	12.3%	5.8%	3.6%	2.7%	1.2%	0.1%	-1.5%		
2014	1.0%	3.1%	6.6%	6.6%	6.1%	5.7%	4.8%			
2015	-1.1%	11.5%	9.2%	6.0%	4.3%	2.1%				
2016	3.6%	6.9%	2.1%	0.8%	-2.0%					
2017	6.5%	1.3%	2.0%	-1.0%						
2018	11.2%	7.9%	3.5%							
2019	6.1%	2.2%								
2020	-9.0%									

Annual Trend*										
All-Year	3.4%	6.2%	4.3%	2.2%	1.3%	0.9%	0.8%	0.9%	1.5%	2.2%
R ²	0.811	0.968	0.798	0.384	0.181	0.101	0.083	0.123	0.252	0.379
5-Year	4.4%	4.5%	3.7%	3.1%	3.2%	2.6%	1.0%	-0.2%	1.1%	3.8%
R ²	0.585	0.959	0.897	0.760	0.848	0.896	0.542	0.178	0.371	0.712

*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

Average Paid Medical Loss per Closed Indemnity Claim***
As of June 30, 2020

Accident Year	Evaluated as of (in months):									
	6	18	30	42	54	66	78	90	102	114
2002										19,310
2003									17,479	18,401
2004								14,266	15,362	16,581
2005							13,197	14,413	15,853	17,354
2006						13,069	14,901	16,589	18,244	19,495
2007					12,280	14,591	16,768	19,110	20,850	22,429
2008				10,567	13,754	16,790	19,653	21,622	23,559	24,920
2009			7,294	11,424	15,061	18,643	21,472	23,762	25,425	26,961
2010		3,886	7,733	11,987	16,098	19,434	22,184	24,342	25,999	27,028
2011	1,514	3,576	7,372	11,694	15,556	18,867	21,348	23,277	24,677	25,633
2012	2,155	3,621	7,723	11,975	15,430	18,213	20,213	21,844	22,941	
2013	1,400	3,824	7,790	11,930	15,196	17,645	19,330	20,477		
2014	1,464	3,872	7,930	11,953	15,083	17,371	18,876			
2015	1,414	4,176	8,415	12,248	15,193	16,971				
2016	1,494	4,446	8,469	12,121	14,532					
2017	1,575	4,537	8,775	12,092						
2018	1,671	4,667	8,984							
2019	1,690	4,689								
2020	1,450									

Accident Year	Annual Change									
	6	18	30	42	54	66	78	90	102	114
2003										-4.7%
2004									-12.1%	-9.9%
2005								1.0%	3.2%	4.7%
2006							12.9%	15.1%	15.1%	12.3%
2007						11.6%	12.5%	15.2%	14.3%	15.0%
2008					12.0%	15.1%	17.2%	13.1%	13.0%	11.1%
2009				8.1%	9.5%	11.0%	9.3%	9.9%	7.9%	8.2%
2010**			6.0%	4.9%	6.9%	4.2%	3.3%	2.4%	2.3%	0.2%
2011**		-8.0%	-4.7%	-2.5%	-3.4%	-2.9%	-3.8%	-4.4%	-5.1%	-5.2%
2012	42.3%	1.2%	4.8%	2.4%	-0.8%	-3.5%	-5.3%	-6.2%	-7.0%	
2013	-35.0%	5.6%	0.9%	-0.4%	-1.5%	-3.1%	-4.4%	-6.3%		
2014	4.5%	1.2%	1.8%	0.2%	-0.7%	-1.5%	-2.3%			
2015	-3.4%	7.9%	6.1%	2.5%	0.7%	-2.3%				
2016	5.7%	6.5%	0.6%	-1.0%	-4.4%					
2017	5.4%	2.1%	3.6%	-0.2%						
2018	6.1%	2.9%	2.4%							
2019	1.1%	0.5%								
2020	-14.2%									

Annual Trend*										
All-Year	-0.6%	3.2%	2.3%	1.1%	1.2%	2.3%	3.9%	5.4%	5.8%	5.5%
R ²	0.018	0.848	0.915	0.584	0.234	0.307	0.456	0.633	0.743	0.757
5-Year	0.1%	2.8%	3.0%	0.4%	-1.2%	-2.6%	-4.1%	-4.0%	-0.8%	3.5%
R ²	0.001	0.891	0.943	0.361	0.718	0.979	0.986	0.836	0.064	0.520

*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

Item AC20-04-04 COVID-19 Crisis (revised 9/2/2020)

At the August 4, 2020 and August 10, 2020 meetings, the Committee reviewed the projection of COVID-19 costs to be incurred on January 1, 2021 to August 31, 2021 policies. Based on the recommendations approved by the Committee, the WCIRB's January 1, 2021 Pure Premium Rate Filing submitted on August 26, 2020 included a provision of 3.8%, or \$0.06 per \$100 of payroll, to reflect the projected cost of COVID-19 claims. Attached is Section B, Appendix D of the WCIRB's filing which details the computation of the 3.8% COVID-19 claim cost factor. Also attached is Section A, Appendix A of the filing which details the computation of the specific additive amount applied to each classification's proposed January 1, 2021 advisory pure premium rate to reflect the projected cost of COVID-19 claims.

In the January 1, 2021 Pure Premium Rate Filing, the WCIRB indicated, *"Given the inherent uncertainty in the COVID-19 projection as well as the extreme fluidity of the pandemic, the WCIRB plans to re-assess its evaluation of COVID-19 claim costs to be incurred on January 1, 2021 through August 31, 2021 policies in September 2020 based on updated information and statistical models as well as reflect any legislation regarding COVID-19 if enacted by the California Legislature. If appropriate based on that re-evaluation, the WCIRB will amend the January 1, 2021 advisory pure premium rates proposed in this filing prior to the Insurance Commissioner's public hearing."*

On August 31, 2020, prior to recessing for the year, the Legislature passed Senate Bill No. 1159 (SB 1159) related to the presumption of compensability of COVID-19 claims of specified workers. The Governor has until September 30, 2020 to sign or veto any bill passed by the Legislature.

SB 1159: Workers' Compensation: COVID 19 – Critical Workers

This bill generally codifies Governor Newsom's Executive Order with respect to employees who are diagnosed with COVID-19 within 14 days of working at an employer's place of business between March 19, 2020 and July 5, 2020. For employees working at a worksite on or after July 6, 2020, the bill creates a disputable presumption for injuries resulting from a diagnosis of COVID-19 for certain first responders (firefighting personnel, law enforcement officers, and those providing direct patient care) and for other employees if the employer has 5 or more employees and an outbreak has occurred. For the purposes of the bill, an outbreak is defined as: (1) 4 or more employees testing positive within a 14-day time period at a worksite for employers that have 100 or fewer employees; or (2) 4% or more of the employees test positive within a 14-day time period at a worksite for employers with greater than 100 employees. The bill also requires employees with COVID-19 to exhaust their paid sick leave benefits and meet certification requirements before receiving any temporary disability benefits, or in the case of first responders, leaves of absence. The bill also makes COVID-19 claims presumptively compensable if not rejected within 30 or 45 days, rather than 90 days per existing law. The bill requires employers who know or reasonably know that an employee tested positive for COVID-19 to report the information to their claims administrator. Finally, the bill requires the Commission on Health and Safety and Workers' Compensation to conduct a study of the impacts of COVID-19 along with this disputable presumption and report its findings to the Legislature and the Governor by no later than April 30, 2022. This bill takes effect immediately as an urgency statute and is in effect until January 1, 2023.

The WCIRB staff is in the process of re-evaluating the components of its COVID-19 claim cost projection based on the most current information available and will present a summary of that re-evaluation at the meeting.

Section A

Appendix A

Computation of COVID-19 Factors Included in Proposed Pure Premium Rates

This Appendix sets forth the calculation of the component of the WCIRB's proposed January 1, 2021 pure premium rates attributable to the cost of losses and loss adjustment expenses projected to be incurred on COVID-19 claims on policies incepting between January 1, 2021 and August 31, 2021.

Section B, Appendix D summarizes the WCIRB's projection of the overall cost of COVID-19 losses and loss adjustment expenses on policies incepting between January 1, 2021 and August 31, 2021 of 3.8%, or \$0.06 per \$100 of payroll. Exposure to COVID-19 workers' compensation claims in a particular California Standard Classification¹ (classification) is largely a function of an employers' employees being exposed to individuals who may carry the virus and is not proportional to other exposures for the classification. As a result, the WCIRB recommends that the provision to reflect the projected cost of COVID-19 claims on policies incepting between January 1, 2021 and August 31, 2021 be applied as an additive amount to the classification's pure premium rate rather than a multiplicative factor. In addition, as exposure to COVID-19 claims varies significantly by classification, rather than applying a uniform additive amount of \$0.06 per \$100 of payroll to each classification, the WCIRB recommends varying the amount by industry sector based on the relativity of the COVID-19 claims per \$100 of payroll reported in that industry sector. The computation is summarized below.

COVID-19 Claim Data

This computation is based on claim data provided by the Division of Workers' Compensation (DWC) containing the cumulative statewide number of First Report of Injuries (FROI) filed via the Workers' Compensation Information System (WCIS) as of May 14, 2020 and as of July 8, 2020. The provided data includes COVID-19 claim counts by classification. In instances where the classification was not provided for a reported claim, the industry sector based on the North American Industry Classification System (NAICS) for the claim was reported on the claim.

The number of COVID-19 claims filed after California shelter-in-place (SIP) restrictions began to be lifted was estimated by subtracting the claims filed by industry sector as of May 14, 2020 from those filed as of July 8, 2020. The WCIRB believes the distribution of claims by industry sector for this period in which SIP restrictions began to be lifted is more reflective of the future distribution of claims than that during the SIP period prior to May 14, 2020 for which much of the California economy was essentially closed down.

Statewide Payroll Computation

Industry level estimates of 2020 payroll for the COVID-19 loss to payroll relativities were derived by the WCIRB using employment forecasts from the June 2020 UCLA Anderson Forecast (UCLA). The employment forecasts were translated to payroll by multiplying by industry average wages from the Bureau of Labor Statistics Quarterly Census of Employment and Wages Data Series.² The resulting payroll amounts were converted to workers' compensation exposure by subtracting WCIRB estimates of the average amount of payroll excluded from workers' compensation exposure by industry sector.³

COVID-19 Claim to Payroll Relativities

The WCIRB's by-industry sector frequency of COVID-19 claims was calculated by dividing each industry sector's COVID-19 claim counts reported between May 14, 2020 and July 8, 2020 by that industry

¹ California standard classifications are approved by the Insurance Commissioner as reflected in Part 3 of the *California Workers' Compensation Uniform Statistical Reporting Plan—1995* (USRP).

² Industry average wages from 2019 were used as 2020 forecasts are unavailable. Use of 2019 wages implicitly assumes that industry average wage relativities are the same in 2019 and 2020.

³ The share of payroll by industry sector, which is not included in workers' compensation exposure, was estimated based on payroll and workers' compensation exposure data collected as part of the WCIRB Premium Audit Accuracy Program.

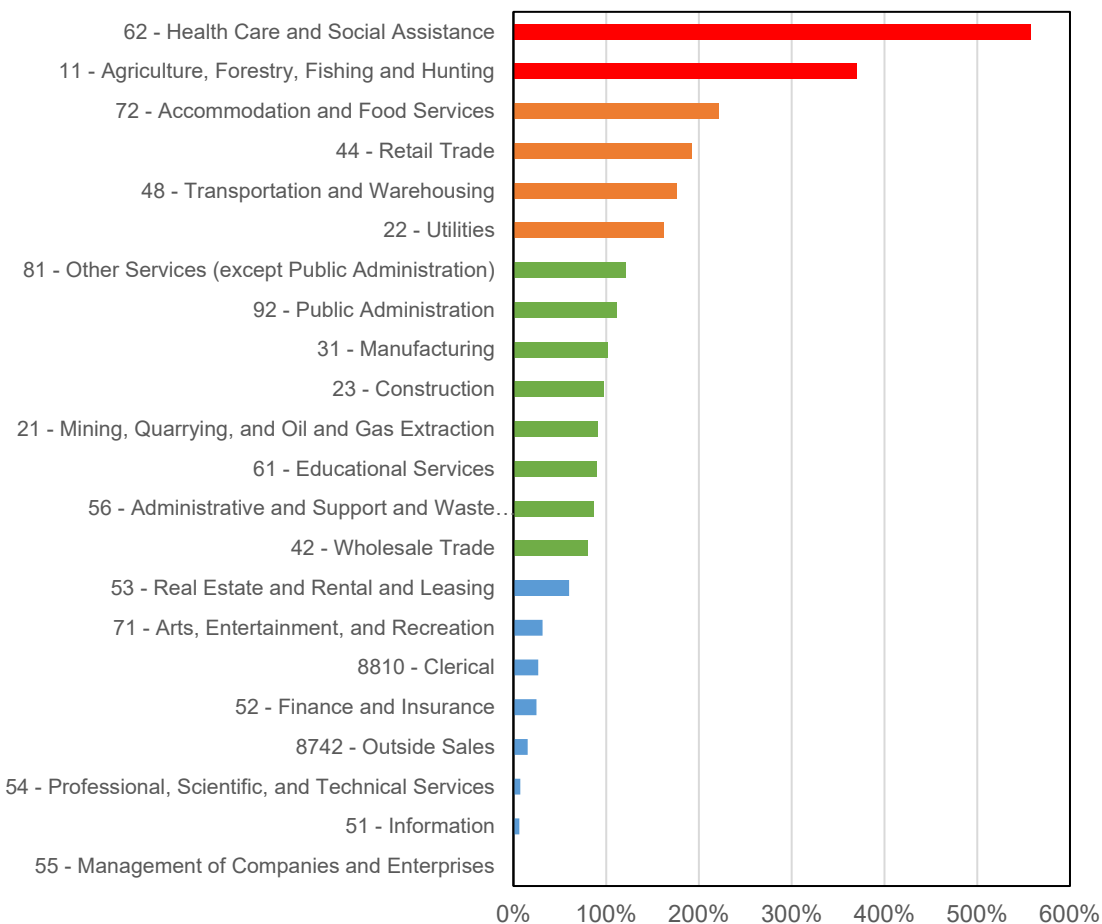
WCIRB January 1, 2021 Pure Premium Rate Filing

**Section A
Appendix A**

sector's workers' compensation payroll adjusted to a 2020 level. Each industry sector's COVID-19 claim frequency was translated into a claim to payroll relativity by dividing by the statewide COVID-19 claim frequency.

Industry sectors were assigned to groupings of High, Medium-High, Medium-Low, and Low COVID-19 exposure based on their COVID-19 claim frequency relativities. These groupings are shown in Chart 1 with the group assignments color-coded.

**Chart 1: Ratio of COVID-19 Claim Count to Payroll
Relative to Statewide**



Classification COVID-19 Pure Premium Rate Components

A relativity was selected for each of the four industry sector groupings based on the combined relativities shown in Chart 1. Due to the heterogeneity of classification codes within industry sectors and the uncertainty around the estimates, the relativities for the High and Low group were tempered. Observed and selected relativities, along with the estimated share of projected policy year 2021 payroll are shown in Chart 2.

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**Section A
Appendix A**

**Chart 2: Exposure Share and COVID-19
Claim Count to Payroll Ratio Relativities**

Industry Sector Grouping	Exposure Share	Observed Relativity	Selected Relativity
High	8.5%	525%	400%
Medium High	11.6%	201%	200%
Medium Low	20.2%	98%	100%
Low	59.7%	21%	33%

The January 1, 2021 pure premium rate component for COVID-19 losses for each classification within a particular industry⁴ was calculated by multiplying the appropriate selected relativity from Chart 2 by the statewide average rate for COVID-19 claims incurred on January 1, 2021 to August 31, 2021 policies of \$0.06 per \$100 of payroll. The resultant additive factors recommended to be applied to the classifications assigned to each of the four industry sector groupings are summarized in Chart 3.⁵

**Chart 3: Recommended Additive Factors by
Industry Sector Grouping**

Industry Sector Grouping	Recommended Addition to Proposed Pure Premium Rates
High	\$0.24
Medium High	\$0.12
Medium Low	\$0.06
Low	\$0.02

These proposed January 1, 2021 pure premium rate COVID-19 components by classification are shown in Exhibit 1 and are included in the proposed January 1, 2021 advisory pure premium rates shown in Section A.

⁴ The assignment of classifications to NAICS sector (industry) is shown in Exhibit 2.2 of Section C, Appendix C of the WCIRB's January 1, 2021 Regulatory Filing.

⁵ COVID-19 provisions for classifications that use an exposure basis other than payroll were computed by increasing their pure premium rate indication excluding COVID-19 claims by the ratio of their industry grouping's COVID-19 provision to the average pure premium rate indication excluding COVID-19 claims for their industry grouping.

Provision for COVID-19 Claim Costs in Proposed Pure Premium Rates

Class Code	P.P. Rate*	Class Code	P.P. Rate*	Class Code	P.P. Rate*	Class Code	P.P. Rate*	Class Code	P.P. Rate*	Class Code	P.P. Rate*	Class Code	P.P. Rate*
0005	0.24	2108	0.06	3039	0.06	3651	0.06	4420	0.06	5160	0.06	6003	0.06
0016	0.24	2109	0.06	3040	0.06	3681	0.06	4432	0.06	5183	0.06	6011	0.06
0034	0.24	2111	0.06	3060	0.06	3682	0.06	4470	0.06	5184	0.06	6204	0.06
0035	0.24	2113	0.06	3066	0.06	3683	0.06	4478	0.06	5185	0.06	6206	0.06
0036	0.24	2116	0.06	3070	0.06	3719	0.06	4492	0.06	5186	0.06	6213	0.06
0038	0.24	2117	0.06	3076	0.06	3724	0.06	4494	0.06	5187	0.06	6216	0.06
0040	0.24	2121	0.06	3081	0.06	3726	0.06	4495	0.06	5190	0.06	6218	0.06
0041	0.24	2123	0.06	3082	0.06	3805	0.06	4496	0.06	5191	0.06	6220	0.06
0042	0.06	2142	0.06	3085	0.06	3808	0.06	4497	0.06	5192	0.12	6233	0.06
0044	0.24	2163	0.06	3099	0.06	3815	0.06	4498	0.06	5193	0.06	6235	0.06
0045	0.24	2222	0.06	3110	0.06	3821	0.06	4499	0.06	5195	0.06	6237	0.06
0050	0.24	2362	0.06	3131	0.06	3828	0.06	4511	0.02	5201	0.06	6251	0.06
0079	0.24	2402	0.06	3146	0.06	3830	0.06	4512	0.02	5205	0.06	6258	0.06
0096	0.24	2413	0.06	3152	0.06	3831	0.06	4557	0.06	5212	0.06	6307	0.06
0106	0.06	2501	0.06	3165	0.06	3840	0.06	4558	0.06	5213	0.06	6308	0.06
0171	0.24	2570	0.06	3169	0.06	4000	0.06	4611	0.06	5214	0.06	6315	0.06
0172	0.24	2571	0.06	3175	0.06	4034	0.06	4623	0.06	5222	0.06	6316	0.06
0251	0.12	2576	0.06	3178	0.06	4036	0.06	4635	0.06	5225	0.06	6325	0.06
0400	0.06	2584	0.06	3179	0.06	4038	0.06	4665	0.06	5348	0.06	6361	0.06
0401	0.24	2585	0.06	3180	0.06	4041	0.06	4683	0.06	5403	0.06	6364	0.06
1122	0.06	2589	0.06	3220	0.06	4049	0.06	4691	0.06	5432	0.06	6400	0.06
1123	0.06	2660	0.06	3241	0.06	4111	0.06	4692	0.06	5436	0.06	6504	0.06
1124	0.06	2683	0.06	3257	0.06	4112	0.06	4717	0.06	5443	0.06	6834	0.06
1320	0.06	2688	0.06	3339	0.06	4114	0.06	4720	0.06	5446	0.06	7133	0.12
1322	0.06	2702	0.24	3365	0.06	4130	0.06	4740	0.06	5447	0.06	7198	0.12
1330	0.06	2710	0.06	3372	0.06	4150	0.06	4771	0.06	5467	0.06	7207	0.02
1438	0.06	2727	0.24	3383	0.06	4239	0.06	4828	0.06	5470	0.06	7219	0.12
1452	0.06	2731	0.06	3400	0.06	4240	0.06	4829	0.06	5473	0.06	7227	0.12
1463	0.06	2757	0.06	3401	0.06	4243	0.06	4831	0.06	5474	0.06	7232	0.12
1624	0.06	2759	0.06	3501	0.06	4244	0.06	4983	0.06	5479	0.06	7248	0.02
1699	0.06	2790	0.06	3507	0.06	4250	0.06	5020	0.06	5482	0.06	7272	0.06
1701	0.06	2797	0.06	3560	0.06	4251	0.06	5027	0.06	5484	0.06	7332	0.24
1710	0.06	2806	0.06	3568	0.06	4279	0.06	5028	0.06	5485	0.06	7360	0.12
1741	0.06	2812	0.06	3569	0.06	4283	0.06	5029	0.06	5506	0.06	7365	0.12
1803	0.06	2819	0.06	3570	0.06	4286	0.06	5040	0.06	5507	0.06	7382	0.12
1925	0.06	2840	0.06	3572	0.06	4295	0.06	5057	0.06	5538	0.06	7392	0.06
2002	0.06	2842	0.06	3573	0.06	4297	0.06	5059	0.06	5542	0.06	7403	0.12
2003	0.06	2852	0.06	3574	0.06	4299	0.06	5102	0.06	5552	0.06	7405	0.12
2014	0.06	2881	0.06	3577	0.06	4304	0.02	5107	0.06	5553	0.06	7409	0.24
2030	0.06	2883	0.06	3612	0.06	4312	0.12	5108	0.06	5606	0.06	7410	0.24
2063	0.06	2915	0.06	3620	0.06	4351	0.06	5128	0.06	5610	0.06	7421	0.12
2081	0.06	2923	0.06	3632	0.06	4354	0.06	5129	0.06	5632	0.06	7424	0.12
2095	0.06	3018	0.06	3634	0.06	4361	0.02	5130	0.06	5633	0.06	7428	0.12
2102	0.06	3022	0.06	3643	0.06	4362	0.02	5140	0.06	5650	0.06	7429	0.12
2107	0.06	3030	0.06	3647	0.06	4410	0.06	5146	0.06	5951	0.06	7500	0.12

*COVID-19 provisions in Pure Premium Rates are per \$100 of payroll unless otherwise noted. The statewide average provision for COVID-19 claim costs in January 1, 2021 Pure Premium rates is \$0.06 per \$100 of payroll.

Provision for COVID-19 Claim Costs in Proposed Pure Premium Rates

(Continued)

Legend:

(A) See below

Class Code	P.P. Rate*	Class Code	P.P. Rate*	Class Code	P.P. Rate*	Class Code	P.P. Rate*	Class Code	P.P. Rate*	Class Code	P.P. Rate*	Class Code	P.P. Rate*
7515	0.12	8039	0.12	8292	0.12	8800	0.02	8868	0.06	9097	0.06	9610	0.02
7520	0.12	8041	0.06	8293	0.12	8801	0.02	8870	0.06	9101	0.06	9620	0.06
7538	0.06	8042	0.06	8304	0.12	8803	0.02	8871	0.02	9151	0.02		
7539	0.12	8046	0.12	8324	0.12	8804	0.24	8875	0.06	9154	0.02		
7580	0.12	8057	0.12	8350	0.06	8806	0.24	9007	0.02	9155	0.02		
7600	0.02	8059	0.06	8370	0.06	8807	0.02	9008	0.06	9156	0.02		
7601	0.06	8060	0.12	8387	0.06	8808	0.02	9009	0.02	9180	0.02		
7605	0.06	8061	0.12	8388	0.12	8810	0.02	9010	0.02	9181	0.02		
7607	0.02	8062	0.12	8389	0.06	8811	0.02	9011	0.02	9182	0.02		
7610	0.02	8063	0.06	8390	0.06	8812	0.02	9015	0.02	9184	0.02		
7706	0.06	8064	0.06	8391	0.12	8813	0.06	9016	0.02	9185	0.02		
7707	(A)	8065	0.12	8392	0.06	8818	0.02	9031	0.06	9220	0.06		
7720	0.06	8066	0.12	8393	0.06	8820	0.02	9033	0.06	9402	0.06		
7721	0.06	8071	0.12	8397	0.06	8821	0.02	9043	0.24	9403	0.06		
7722	(A)	8078	0.12	8400	0.12	8822	0.02	9048	0.12	9410	0.06		
7855	0.06	8102	0.06	8500	0.06	8823	0.24	9050	0.12	9420	0.06		
8001	0.06	8106	0.06	8601	0.02	8827	0.24	9053	0.02	9422	0.06		
8004	0.06	8107	0.06	8631	(A)	8829	0.24	9054	0.06	9424	0.06		
8006	0.12	8110	0.06	8720	0.02	8830	0.24	9059	0.24	9426	0.06		
8008	0.12	8116	0.06	8729	0.06	8831	0.02	9060	0.02	9501	0.06		
8010	0.12	8117	0.06	8740	0.02	8834	0.24	9061	0.02	9507	0.02		
8013	0.12	8209	0.24	8741	0.02	8838	0.02	9066	0.06	9516	0.06		
8015	0.12	8215	0.06	8742	0.02	8839	0.24	9067	0.02	9519	0.06		
8017	0.12	8227	0.06	8743	0.02	8840	0.06	9069	0.02	9521	0.06		
8018	0.06	8232	0.06	8744	0.06	8846	0.06	9070	0.24	9522	0.06		
8019	0.06	8267	0.06	8745	0.06	8847	0.06	9079	0.12	9529	0.06		
8021	0.06	8278	(A)	8746	0.02	8850	0.02	9085	0.24	9531	0.06		
8028	0.02	8286	0.06	8748	0.12	8851	0.24	9092	0.02	9549	0.02		
8031	0.12	8290	0.02	8749	0.02	8852	0.24	9095	0.02	9552	0.06		
8032	0.06	8291	0.12	8755	0.06	8859	0.02	9096	0.06	9586	0.06		

Per Capita
Classifications

Firefighters, Police, Police Deputies, etc.

Firefighting Operations - volunteers	7707	3.93
Police, Sheriffs - volunteers	7722	1.87

Horse Racing
Classifications

Horse Racing

Jockeys or Harness Racing Drivers (per race)	8278	7.63
Racing Stables (per occupied stall day)	8631	0.25

*COVID-19 provisions in Pure Premium Rates are per \$100 of payroll unless otherwise noted. The statewide average provision for COVID-19 claim costs in January 1, 2021 Pure Premium rates is \$0.06 per \$100 of payroll.

WCIRB January 1, 2021 Pure Premium Rate Filing

Section B
Appendix D

Section B
Appendix D
COVID-19 Claim Cost Projection

The COVID-19 pandemic began to emerge in California in early 2020. During the initial period of the pandemic, without the presence of a legal presumption of compensability of COVID-19-related illnesses in the workers' compensation system, many claims were filed, particularly by first responders and healthcare workers.

On May 6, 2020, Governor Newsom issued Executive Order N-62-20 (Executive Order) thereby providing a rebuttable presumption of compensability for all workers directed by their employer to work outside their home. In May 2020, the WCIRB estimated that the statewide cost of claims projected to be filed during the effective period of the rebuttable presumption in the Executive Order was \$1.2 billion.¹ While the term of the Executive Order has now expired, workers' compensation claims continue to be filed, with several bills under consideration by the Legislature to re-establish a legal presumption of compensability for COVID-19 claims of specified workers. As of mid-July, data from the Division of Workers' Compensation (DWC) indicates that almost 23,000 workers' compensation claims involving COVID-19 have been filed in California, with the numbers increasing rapidly.

Infectious disease experts and epidemiologists expect the COVID-19 pandemic to continue into 2021 and beyond. As the pandemic began to emerge in California early in 2020, the current advisory workers' compensation pure premium rates, approved by the Commissioner in November 2019 to be effective January 1, 2020, do not reflect a provision for COVID-19 claim costs emerging in 2020. With the pandemic expected to continue into 2021 and beyond, the WCIRB has estimated the cost of COVID-19 claims projected to be incurred on policies incepting between January 1, 2021 and August 31, 2021, and has reflected this cost estimate in the pure premium rates proposed in this filing.

The WCIRB estimates the cost of COVID-19 claims on January 1, 2021 to August 31, 2021 policies to be 3.8% of total losses and loss adjustment expenses (LAE). This equates to an average of \$0.06 per \$100 of payroll. The methodology underlying this projection is summarized below.

Projection Methodology

Limited forecasts are available for COVID-19 infection rates in 2020 and projections for 2021 and 2022 are even more limited. To project COVID-19 claims arising on January 1, 2021 to August 31, 2021 policies, the WCIRB first estimated the total cost of losses and LAE for COVID-19 claims arising in 2020 based on available information about COVID-19 deaths and hospitalizations in California as well as from several publicly available disease and statistical models.² The WCIRB then projected COVID-19 claim costs for 2021 and 2022 based on judgmental assumptions relating COVID-19 deaths and hospitalizations in 2021 and 2022 to those in 2020. These assumptions were informed by a comprehensive review of published COVID-19 related statistics and research.

Exhibits 1.1 through 1.3 summarize the WCIRB's projection of the estimated cost of COVID-19 losses and LAE incurred on January 1, 2021 to August 31, 2021 policies. Exhibit 1.1 summarizes the computation of the projected accident year 2020 COVID-19 losses and LAE used as a basis to project COVID-19 losses and LAE in 2021 and 2022.

¹ *Evaluation of Cost Impact of Governor Newsom's Executive Order on Rebuttable Presumption for California COVID-19 Workers' Compensation Claims*, WCIRB, May 2020.

² For purposes of this valuation, the WCIRB assumed that a presumption reasonably similar to that included in Executive Order N-62-20 will be in effect for the remainder of year. If by the time of the CDI public hearing on this filing no presumption is enacted or a significantly different presumption is enacted, the WCIRB will reassess this evaluation and, if appropriate, amend the proposed January 1, 2021 advisory pure premium rates.

WCIRB January 1, 2021 Pure Premium Rate Filing

**Section B
Appendix D**

Line (1) of Exhibit 1.1 shows the projected number of California COVID-19 deaths for the working age population (18-69 years) to occur in 2020. The projection was based on published forecasts as of August 3, 2020 from the Institute for Health Metrics and Evaluation (IHME) and YouYang GU from MIT (MIT-YYG).³ At the time of this valuation, both sources projected the statewide COVID-19 deaths through November 1, 2020. The WCIRB then extended the average of the two models of projected deaths to the end of 2020 assuming the incremental monthly change in deaths in October persists in November and December 2020, given that a potential winter wave of COVID-19 infections may occur concurrently with the flu season that typically starts around October. Table 1 shows the actual and projected COVID-19 death counts by month for 2020 using this approach.

Table 1 – Projected COVID-19 Deaths by Month for 2020

	Actuals from CDPH		Average of IHME and MIT-YYG Projections (as of 8/3/2020)			Estimated Based on October Change	
	June	July	August	September	October	November	December
Cumulative Total	6,090	9,356	12,531	15,158	17,602	20,046	22,490
Incremental Monthly Change	—	3,266	3,175	2,627	2,444	2,444	2,444

The majority of COVID-19 deaths have occurred in older people, many of whom are not working. The WCIRB's year-end projection for 2020 COVID-19 deaths of approximately 22,500 was adjusted to the California working age population based on the age distribution of deaths as of August 2, 2020, published by the California Department of Public Health (CDPH).⁴ The projected 2020 death counts for the working age population of approximately 7,800 based on this approach and shown on line (1) of Exhibit 1.1 were validated for reasonableness against the reported-to-date death counts shown in Table 2.

Table 2 – Projected COVID-19 Deaths and Hospitalizations for Working Age Population (18 to 69 Years) Compared to Reported-to-Date

	Reported-to-Date (End of July) ⁵	Projected 2020 Year-End	% Change between July 2020 and Year-End
Total Deaths	3,230	7,790	+141%
Total Hospitalizations (including deaths) ⁶	19,017	48,953	+157%
Death Rate per 100,000	12	29	+141%
Hospitalization rate per 100,000 (including deaths)	71	183	+157%
Hospital Mortality Rate	17%	16%	-6%

Line (2) of Exhibit 1.1 shows the projected number of California COVID-19 hospitalizations (excluding deaths) for the working age population (18-69 years) to occur in 2020. At the time of this valuation, limited reliable forecasts of total COVID-19 hospitalizations in 2020 were available, partly because cumulative hospitalizations at the state level are not always reported. In particular, these forecasts are challenging for California given that the state has not, at the time of this valuation, yet progressed past its "first infection wave" unlike several other states.⁷

³ [IHME's projection for COVID-19 deaths in California](#) used in this valuation was made on August 3, 2020. Similarly, [YouYang Gu's](#) deaths projection used was made on August 3, 2020.

⁴ California Department of Public Health COVID-19 Cases by Age Group: <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/COVID-19-Cases-by-Age-Group.aspx> (accessed on August 3, 2020).

⁵ The reported-to-date COVID-19 deaths were as of August 2, 2020, published by the CDPH. The reported-to-date COVID-19 hospitalizations were as of July 25, 2020, published by the CDC (COVID-NET) on July 31, 2020. The CDC updates prior weekly hospitalizations when adding the latest weekly hospitalizations.

⁶ All reported deaths for working age individuals are assumed to follow hospitalization.

⁷ States that passed their first wave of infections include New York, New Jersey, Maryland, Massachusetts and Connecticut. <https://91-divoc.com/pages/covid-visualization/>

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The WCIRB projected statewide California 2020 COVID-19 hospitalizations based on an assumed total hospitalization rate (including deaths) after the “first infection wave” by using data from five other states that essentially completed a first infection wave. For many of these states, the rate of COVID-19 infections was higher, compared to California, as they were considered to be “hotspots” in the U.S. during the early months of the pandemic. The Massachusetts total post-first infection wave hospitalization rate of 172 per 100,000 population as of July 28 (the lowest total hospitalization rate among these five states)⁸ was selected by the WCIRB to project year-end hospitalizations in California. The year-end projection for COVID-19 hospitalizations (including deaths) was then adjusted to the California working age population based on the age distribution of COVID-19 hospitalizations published by the CDC (COVID-NET) as of July 25, 2020.⁹ The WCIRB projected total 2020 COVID-19 hospitalizations (including deaths) in California of approximately 49,000 was also validated for reasonableness against the reported-to-date hospitalizations as shown in Table 2.

The projected total hospitalizations were further categorized as severe cases (those that do not require an ICU stay) and critical cases (ICU cases). Critical cases were assumed to be 30% of all hospitalizations, consistent with the assumption reflected in the WCIRB’s May evaluation of the Executive Order.¹⁰ The projected deaths were excluded from both severe and critical cases by assuming an approximate mortality rate of 45% among critical cases and subtracting the remaining deaths from severe cases.¹¹ The projected 2020 number of working age hospitalizations excluding deaths computed in this manner is 41,200, as shown on line (2) of Exhibit 1.1.¹²

Lines (1) and (2) of Exhibit 1.1 estimate the total 2020 COVID-19 deaths and hospitalizations of working age Californians. To estimate the number of worker’s compensation claims that will potentially be filed for accident year 2020, the WCIRB compared the number of claims filed with the DWC through First Report of Injury as of July 23, 2020 with reported working age COVID-19 infections from the CDPH (which include deaths, hospitalizations and mild cases) during the same time period. The WCIRB also assumed approximately 50% of the working age mild cases of COVID-19 will not file a claim¹³ and about 10% of all COVID-19 claims filed with the DWC will be denied with the denial ultimately upheld. The reasonability of both of these assumptions was validated based on information about COVID-19 claims filed thus far and based on feedback from claims experts. Based on these assumptions, a conversion factor of 12%, as computed in Exhibit 2 and shown on line (3) of Exhibit 1.1, was used to adjust total 2020 working age COVID-19 deaths and hospitalizations to projected workers’ compensation claims.

Line (4) of Exhibit 1.1 shows the projected number of 2020 COVID-19 death claims in the California workers’ compensation system. It is computed as the product of the projected number of COVID-19 working age deaths on line (1) and the workers’ compensation claim conversion factor of 12% shown on line (3). Line (5) of Exhibit 1.1 shows the projected loss and LAE cost of 2020 COVID-19 death claims, which is the product of line (4) and the average cost of losses and LAE on death claims as projected in the WCIRB’s May 2020 evaluation of the Executive Order.¹⁴ Lines (6) and (7) of Exhibit 1.1 show a similar computation for 2020 COVID-19 hospitalization workers’ compensation claims excluding deaths.¹⁵ In the May 2020 evaluation of the Executive Order, the WCIRB estimated the average cost of mild, severe, critical and death COVID-19 claims in California based on a review of WCIRB data and published data as

⁸ [COVID Tracking Project](#).

⁹ [CDC COVID-NET Laboratory-confirmed COVID-19-Associated Hospitalizations by Age Group \(accessed on July 31, 2020\)](#).

¹⁰ Based on the [proportion of ICU cases reported in California](#), accessed on August 14, 2020.

¹¹ Armstrong R.A., Kane, A.D., and Cook, T.M. [Outcomes from intensive care in patients with COVID-19: a systematic review and meta-analysis of observational studies](#). Anaesthesia. June 30, 2020.

¹² The estimated distribution between severe and critical cases of COVID-19 after excluding deaths was also used in the computation of line (7) of Exhibit 1.1, the projected cost of 2020 COVID-19 hospitalization claims in the California workers’ compensation system.

¹³ This assumption was also reflected in the WCIRB’s evaluation of the Executive Order.

¹⁴ *Evaluation of Cost Impact of Governor Newsom’s Executive Order on Rebuttable Presumption for California COVID-19 Workers’ Compensation Claims*, WCIRB, May 2020. In the evaluation, the WCIRB projected an average loss and LAE cost of COVID-19 death claims of \$381,800.

¹⁵ In the May 2020 evaluation of the Executive Order, the WCIRB projected an average loss and LAE cost of COVID-19 severe hospitalization claims of \$101,800 and an average cost of critical hospitalization claims of \$260,100.

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well as feedback from a number of workers' compensation claims and medical experts. The WCIRB continues to believe those estimates are reasonable.

Line (8) of Exhibit 1.1 shows the estimated statewide accident year 2020 cost of losses and LAE on COVID-19 claims. The total cost on line (8) is computed as the sum of the projected cost of death claims shown on line (5), the cost of hospitalization claims (excluding death claims) shown on line (7) and the estimated cost of "mild" (non-hospital) claims, with the cost of mild claims computed based on the methodology used in the WCIRB's May 2020 evaluation of the Executive Order.¹⁶ Line (9) of Exhibit 1.1 shows that 63% of statewide COVID-19 claim costs are estimated to be generated from the insured market. This estimate is based on the percentage of all COVID-19 claims reported to the DWC as of July 23, 2020 that arose in the insured market. Finally, line (10) of Exhibit 1.1 shows the \$0.7 billion estimated cost of losses and LAE on accident year 2020 COVID-19 claims in the insured market.

Exhibit 1.2 summarizes the computation of the projected accident year 2021 COVID-19 losses and LAE. There is very limited information available on COVID-19 infections to occur in 2021. A number of published expert forecasts indicate that COVID-19 infections in 2021 will not be significantly better or worse than in 2020, and the number of hospitalizations in 2021 is likely to be similar to that in 2020.¹⁷ All available forecasts indicated that more infection waves will occur in 2020 and 2021 and likely continue until the middle of 2022 when herd immunity may be reached. Based on this information, the WCIRB estimates the level of COVID-19 claims in 2021 (prior to reflecting the impact of improved treatments or a potential vaccine) to be generally comparable to that in 2020 (i.e., a relativity of 2021 to 2020 of 1.0) as shown on line (11) of Exhibit 1.2.

There is potential for the pandemic to improve significantly in 2021 due to ongoing improvements in medical treatments for COVID-19 patients or the impact of potential vaccines or treatments likely to be proven effective in 2021. Exhibit 3 summarizes the current significant advances in treatment of COVID-19 illnesses. As shown on line (12) of Exhibit 1.2, the WCIRB judgmentally estimates a 25% reduction in COVID-19 cost levels in 2021 due to improved treatments and the potential impact of a vaccine.

Line (13) of Exhibit 1.2 shows the projected accident year 2021 COVID-19 losses and LAE for the insured market. The projection of \$0.52 billion is based on the 2020 estimate of COVID-19 losses and LAE with a judgmental estimated reduction of 25% to reflect the potential impact of improved treatments and a vaccine. This equates to 4.7% of the total non-COVID-19 accident year 2021 loss and LAE projection of \$10.9 billion, determined using the methodologies summarized in Section B, as shown on lines (14) and (15) of Exhibit 1.2.

Exhibit 1.3 summarizes the computation of the COVID-19 losses and LAE projected for accident year 2022 and the January 1, 2021 to August 31, 2021 policy period. As shown on line (16), the WCIRB judgmentally estimates a 67% reduction in accident year 2022 COVID-19 cost levels relative to 2020 due to continued improvements in treatments and the potential for a reduced number and severity of waves caused by continued impact of COVID-19 vaccines and potential herd immunity to COVID-19. Similar to the computation of the projected accident year 2021 COVID-19 losses and LAE, line (17) of Exhibit 1.3 shows the projected accident year 2022 COVID-19 losses and LAE for the insured market of \$0.23 billion. This equates to 1.9% of the total non-COVID-19 accident year 2022 loss and LAE projection of \$12.0 billion, determined using the methodologies summarized in Section B, as shown on lines (18) and (19) of Exhibit 1.3.

Line (20) of Exhibit 1.3 computes the adjustment factor for the estimated cost impact of COVID-19 claims to be incurred on policies incepting between January 1, 2021 and August 31, 2021. As shown, the

¹⁶ In the May 2020 evaluation of the Executive Order, the WCIRB projected an average loss and LAE cost of COVID-19 mild claims of \$2,900. Mild claims are projected to represent only about 6% of total COVID-19 claim costs.

¹⁷ Based on several studies reviewed: Kronick, Richard, ["How COVID-19 Will Likely Affect Spending, And Why Many Other Analyses May Be Wrong."](#) *Health Affairs Blog*, May 19, 2020; Kissler S.M., Tedijanto, C., Goldstein, E., Grad, Y.H., Lipsitch, M., ["Projecting the transmission dynamics of SARS-CoV-2 through the postpandemic period"](#), *Science*, May 22, 2020, 368(6493):860-868; Moore, K.A., Lipsitch, M., Barry, J.M., Osterholm, M.T., ["COVID-19: The CIDRAP Viewpoint - Part 1: The Future of the COVID-19 Pandemic: Lessons Learned from Pandemic Influenza"](#), April 30, 2020.

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average of the 2021 and 2022 projections, weighted based on the relative exposure of each year for the January 1, 2021 through August 31, 2021 policy period, is 3.8% of total non-COVID-19 projected losses and LAE. This equates to an average of \$0.06 per \$100 of payroll based on a projected average pure premium rate prior to the impact of COVID-19 claims of \$1.50 per \$100 of payroll. The process to reflect the average provision of \$0.06 per \$100 of payroll based on the relative frequency of COVID-19 claims by industry sector is detailed in Section A, Appendix A.

Limited information on projected COVID-19 infection rates in 2021 and 2022 is available. The WCIRB projected COVID-19 claim costs for 2021 and 2022 based on a series of reasonable assumptions informed by a comprehensive review of a wide range of available COVID-19 related statistics and research. Given the inherent uncertainty in the COVID-19 projection as well as the extreme fluidity of the pandemic, the WCIRB plans to reassess its evaluation of COVID-19 claim costs to be incurred on January 1, 2021 through August 31, 2021 policies in September based on updated information and statistical models as well as any legislation impacting compensability of COVID-19 enacted by the California Legislature by the close of the legislative session. If appropriate based on that re-evaluation, the WCIRB will amend the January 1, 2021 advisory pure premium rates proposed in this filing by the time of the California Department of Insurance public hearing on the filing.

Projections Based on Alternative Assumptions

Given the uncertainty involved as to the future of the pandemic as well as the breadth of the assumptions reflected in the WCIRB's projection summarized above, the WCIRB has also projected a low-range and a high-range COVID-19 cost estimate for the January 1, 2021 to August 31, 2021 policy period.

The WCIRB's low-range projection reflects the same assumptions used in the projection summarized in Exhibits 1.1 to 1.3 with several exceptions. First, the number of death claims projected was based solely on the IHME model estimate, which was the lower of the two model projections. Second, the number of COVID-19 working age hospitalizations for the remainder of 2020 was limited to be only 133% of the number of working age hospitalizations that have occurred thus far in 2020 (in lieu of almost 160% as shown in Table 2). Finally, reflecting more optimistic assumptions regarding future waves, improved treatments and the impact of vaccines, the WCIRB assumed that 2021 COVID-19 costs would be 50% of the 2020 costs (in lieu of 75%) and that 2022 COVID-19 costs would be 25% of the 2020 costs (in lieu of 33%). The WCIRB's low-range estimate computed on this basis is 2.4% of total non-COVID-19 projected losses and LAE for the January 1, 2021 to August 31, 2021 policy period. This equates to an average of \$0.04 per \$100 of payroll.

The WCIRB's high-range projection reflects the same assumptions used in the projection summarized in Exhibits 1.1 to 1.3 with several alternative assumptions. First, the number of death claims projected was based solely on the MIT-YYG model estimate, which was the higher of the two model projections. Second, the number of projected COVID-19 hospitalizations for 2020 was based on the average of the Massachusetts and Maryland hospitalization rates after their first infection wave, which is about 10% higher than the estimate based solely on the Massachusetts information. Finally, reflecting less optimistic assumptions regarding future waves, improved treatments and the impact of vaccines, the WCIRB assumed in the high-range projection that 2021 COVID-19 costs would be 90% of the 2020 costs (in lieu of 75%) and that 2022 COVID-19 costs would be 50% of the 2020 costs (in lieu of 33%). The WCIRB's high-range estimate computed on this basis is 5.2% of total non-COVID-19 projected losses and LAE for the January 1, 2021 to August 31, 2021 policy period. This equates to an average of \$0.08 per \$100 of payroll.

Projected Accident Year 2020 COVID-19 Claim Costs

(1) AY 2020 Statewide Deaths Working Age Population: (Tables 1 and 2)	7,800
(2) AY 2020 Statewide Hospitalizations (Excl. Deaths) Working Age Population: (Table 2)	41,200
(3) Workers' Compensation Claim Conversion Factor: (Exhibit 2)	12%
(4) AY 2020 Estimated WC Death Claims: (1) x (3)	940
(5) AY 2020 Estimated WC Death Claim Costs: (4) x Avg. Death Severity*	\$0.4B
(6) AY 2020 Estimated WC Hospitalization (Excl. Death) Claims: (2) x (3)	4,950
(7) AY 2020 Estimated WC Hospitalization Claim Costs: (6) x Avg. Hospitalization Severity*	\$0.7B
(8) Statewide AY 2020 COVID-19 Loss & LAE: (5) + (7) + (Mild claim costs**)	\$1.1B
(9) Insured Market Share of COVID-19 Claims: (DWC summary of COVID-19 claims)	63%
(10) Projected AY 2020 Insured Market COVID-19 Loss & LAE: (8) x (9)	\$0.7B

* Based on severity estimates by COVID-19 claim type in the WCIRB's May 2020 evaluation of the Governor's Executive Order.

** Based on proportion of "mild" COVID-19 claims costs in the WCIRB's May 2020 evaluation of the Governor's Executive Order.

Projected Accident Year 2021 COVID-19 Claim Costs

11) Estimated Relativity AY 2021 to AY 2020 COVID-19 Claims:	1.0
12) Judgmental Adjustment for Improved Treatment & Potential Vaccine:	25%
13) AY 2021 Insured Market COVID-19 Loss & LAE: {Exhibit 1.1 (10)} x (11) x {1.0 - (12)}	\$0.52B
14) AY 2021 Insured Market Projected Non-COVID-19 Loss & LAE:*	\$10.9B
15) AY 2021 COVID-19 Adjustment Factor: (13) / (14)	4.7%

* Based on the loss and loss adjustment projection methodologies discussed in Section B.

Projected 1/1/2021 to 8/31/2021 Policy Period COVID-19 Claim Costs

16) Estimated Relativity AY 2022 to AY 2020 COVID-19 Claims: (Includes Judgmental Adjustment for Improved Treatment & Potential Vaccine)	0.33
17) AY 2022 Insured Market COVID-19 Loss & LAE: {Exhibit 1.1 (10)} x (16)	\$0.23B
18) AY 2022 Insured Market Projected Non-COVID-19 Loss & LAE:*	\$12.0B
19) AY 2022 COVID-19 Adjustment Factor: (17) / (18)	1.9%
20) 1/1/2021 to 8/31/2021 Policy Period COVID-19 Adjustment Factor {[Exhibit 1.2 (15)] x 67%} + {(19) x 33%}	3.8%

* Based on the loss and loss adjustment projection methodologies discussed in Section B.

Computation of COVID-19 Workers' Compensation Claim Conversion Factor

1)	Total COVID-19 Infections Age 18-69 as of July 2020: ¹	312,000
2)	Total COVID-19 Hospitalizations (Including Deaths) Age 18-69 as of July 2020: ²	19,000
3)	Total COVID-19 Mild Cases Age 18-69: (1) - (2)	293,000
4)	COVID-19 Infections Excluding 50% of Mild Cases Age 18-69: (2) + (3) x 50%	165,500
5)	Total COVID-19 Workers' Compensation Claims Filed as of July 2020: ³	22,300
6)	Estimated Proportion of Claims Denied and Upheld:	10%
7)	Workers' Compensation Claim Conversion Factor: (5) / (4) x {1.0 - (6)}	12%

¹ COVID Tracking Project as of July 18, 2020 (adjusted to working age population).
² CDC (COVID-NET) as of July 25, 2020. COVID-19 hospitalizations often lag a week behind COVID-19 infections.
³ Based on Division of Workers' Compensation First Report of Injury claims as of July 23, 2020.

COVID-19 Claim Cost Projection

Published Information on Improved Treatments and Potential Vaccines

- Available Treatments for COVID-19
 - Dexamethasone (an anti-inflammatory steroid recommended for severe COVID-19 infections)
 - Prelim report showed mortality reduced by 12% among ICU patients
 - Remdesivir (FDA approved for emergency use for hospitalized patients)
 - Shown to reduce time to recovery by 4 days (11 vs. 15 days)
 - Convalescent plasma (FDA approved for emergency use)
 - Prone positioning reduces need for ventilators by 46%
- Treatments under clinical trial investigation (about 1,900 ongoing trials as of August 2020)
 - Inhaled beta interferon: a U.K. trial showed an 80% mortality reduction among 100 hospitalized patients
 - Plasma-based therapies
- Potential vaccines
 - An effective vaccine by early 2021 highly likely
 - > 140 potential COVID-19 vaccines in various stages of development (WHO)
 - A study on 2009 influenza pandemic (H1N1) shows the vaccines prevented about 4% of both deaths and hospitalizations, and 3% of total infections.
- Improved clinical guidelines for treating COVID-19