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COVID-19

COVID-19 in California Workers' Compensation

October 2021 Update

[Enter Report](#)





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Chart 1

- In total, including denied claims, almost 160,000 COVID-19 claims have been reported to the Division of Workers' Compensation as of early September 2021. In a typical year, about 600,000 workers' compensation claims of all types are filed.
- About 43% of COVID-19 claims have been reported by self-insured employers. Typically, about one-third of non-COVID-19 claims are self-insured employer claims.
- The 2021 totals reflect data through early September. With the Delta variant, those numbers are likely to grow.

COVID-19 Workers' Compensation Claims As of September 7, 2021

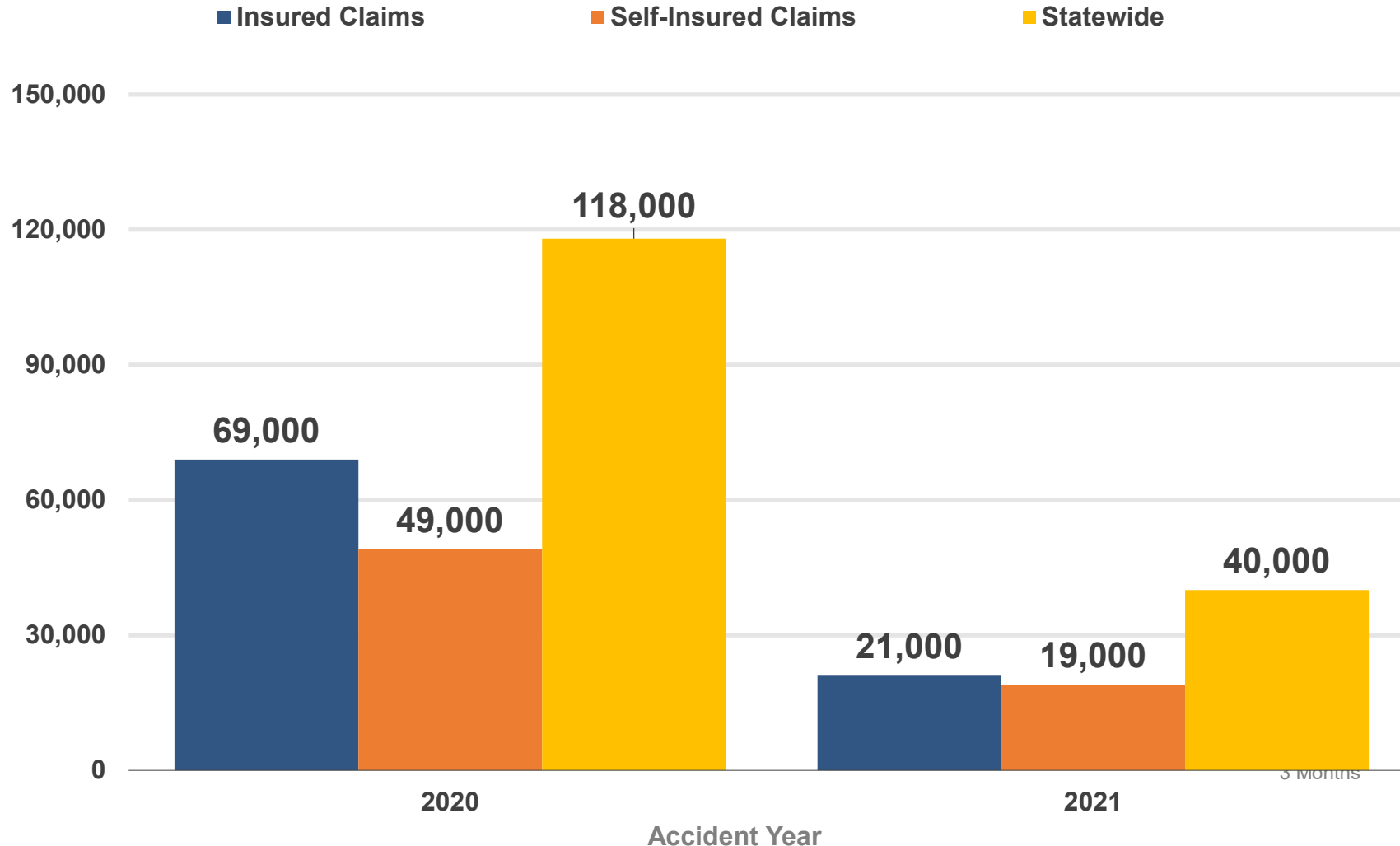




Chart 2

- In the early months of the pandemic, the ratio of workers' compensation claims to infections was high with a statewide stay-at-home order, a relatively broad presumption of compensability and most claims arising from healthcare workers and first responders.
- The winter surge was severe in California with about one-half the infections and workers' compensation claims arising during that period.
- Since the rollout of the vaccines in early 2021, the ratio of workers' compensation claims relative to infections has been relatively low.

COVID-19 Workers' Compensation Claims Relative to Statewide Infections

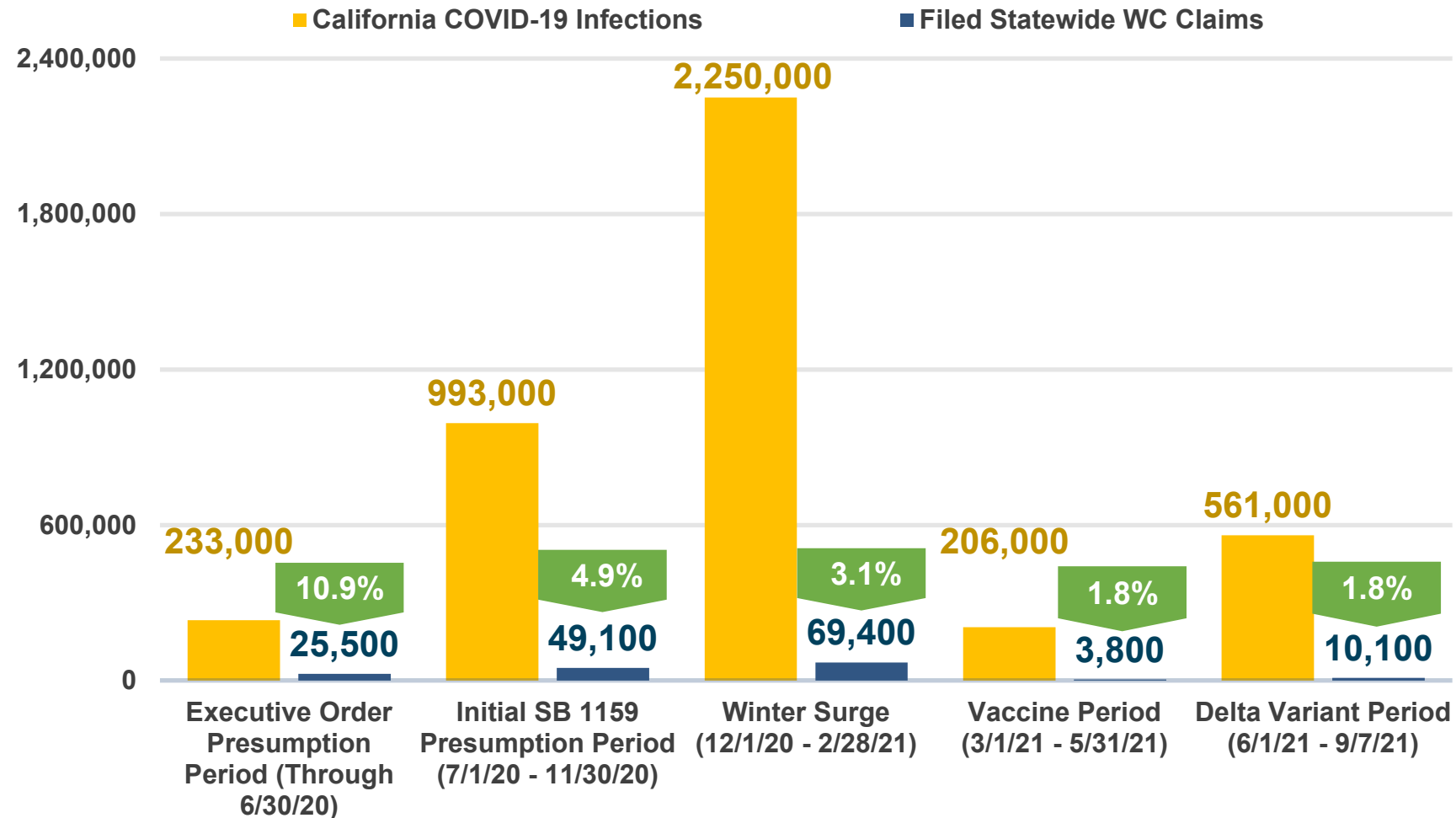




Chart 3

- More than 1,050 death claims have been reported to the Division of Workers' Compensation. In a typical year, fewer than 500 workers' compensation death claims occur in California.
- COVID-19 death claims are often reported relatively late. As a result, totals for 2021 will likely increase.
- About 22% of the COVID-19 death claims reported in WCIRB transaction data are from the healthcare sector.

COVID-19 Workers' Compensation Death Claims As of September 7, 2021

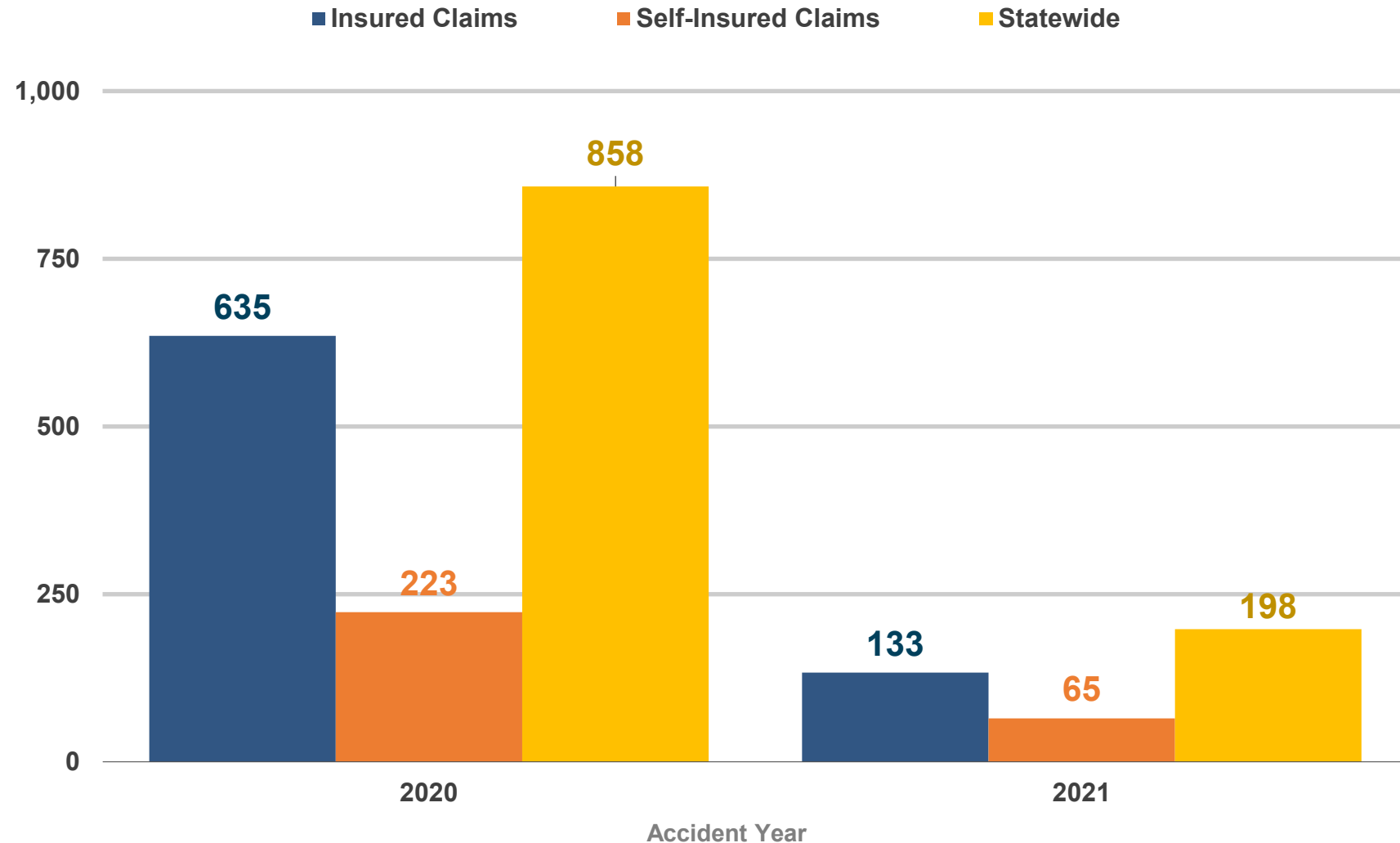




Chart 4

- In the early months of the pandemic almost one in five indemnity claims in California was a COVID-19 claim.
- In December 2020, at the height of the winter surge, more than one-third of all indemnity claims were COVID-19 claims.
- After dropping sharply in the spring of 2021 following the rollout of the vaccines, the proportion of COVID-19 claims have recently increased somewhat with the Delta variant.

COVID-19 Share of Indemnity Claims

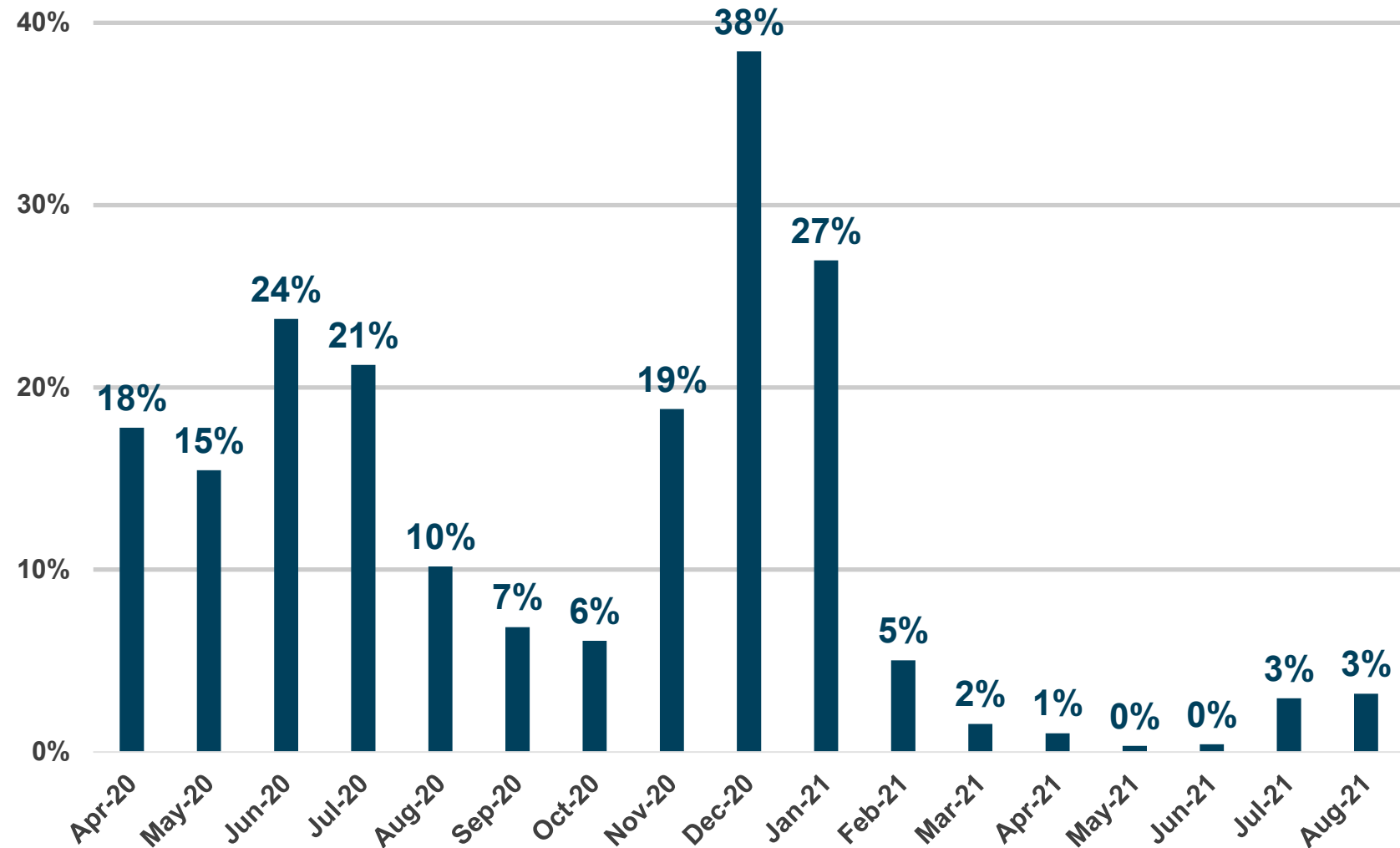




Chart 5

- The healthcare sector had by far the highest proportion of indemnity claims that were attributable to COVID-19.
- The high share of healthcare COVID-19 claims has been relatively consistent throughout the pandemic.

Share of COVID-19 Indemnity Claims By Industry

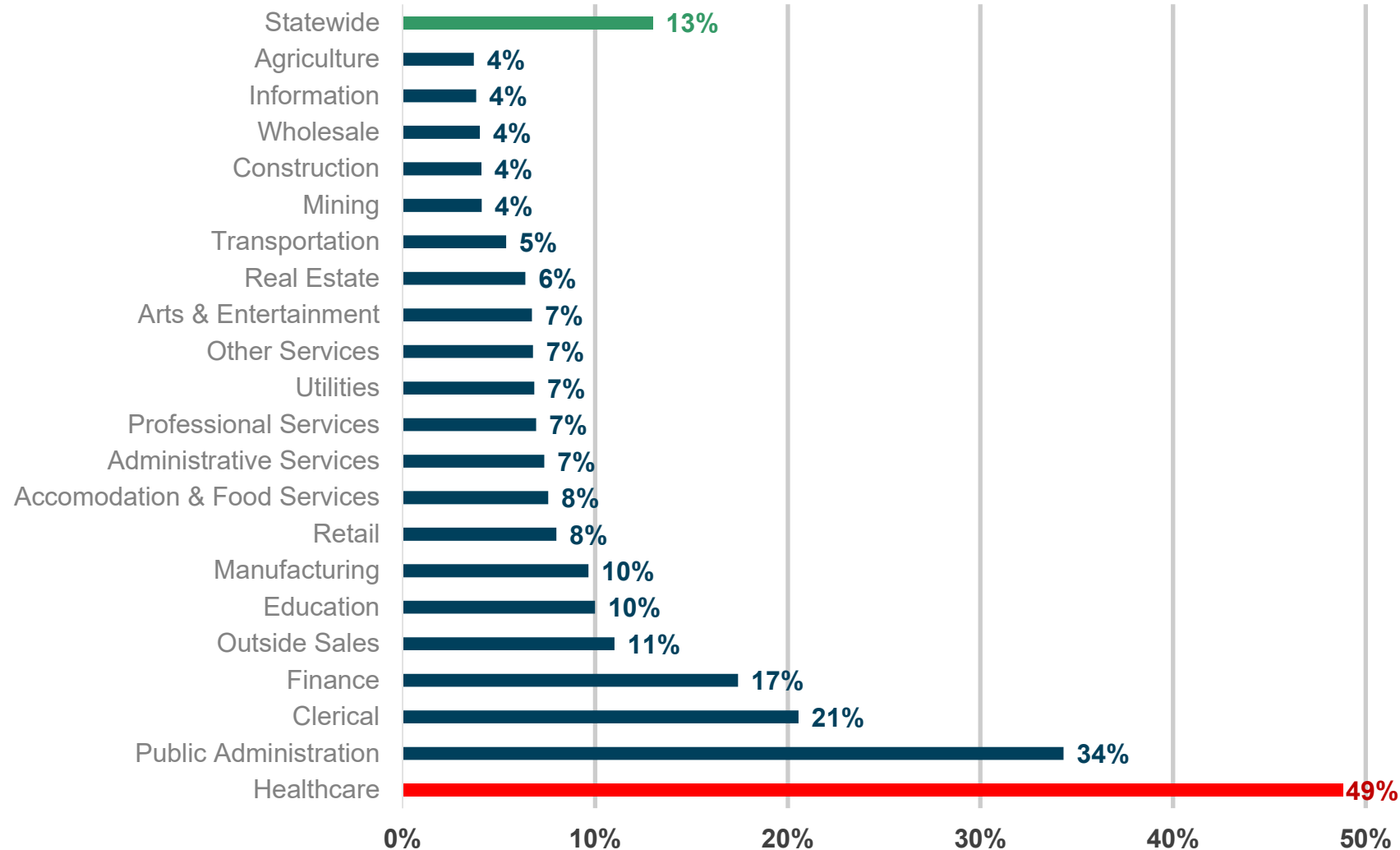
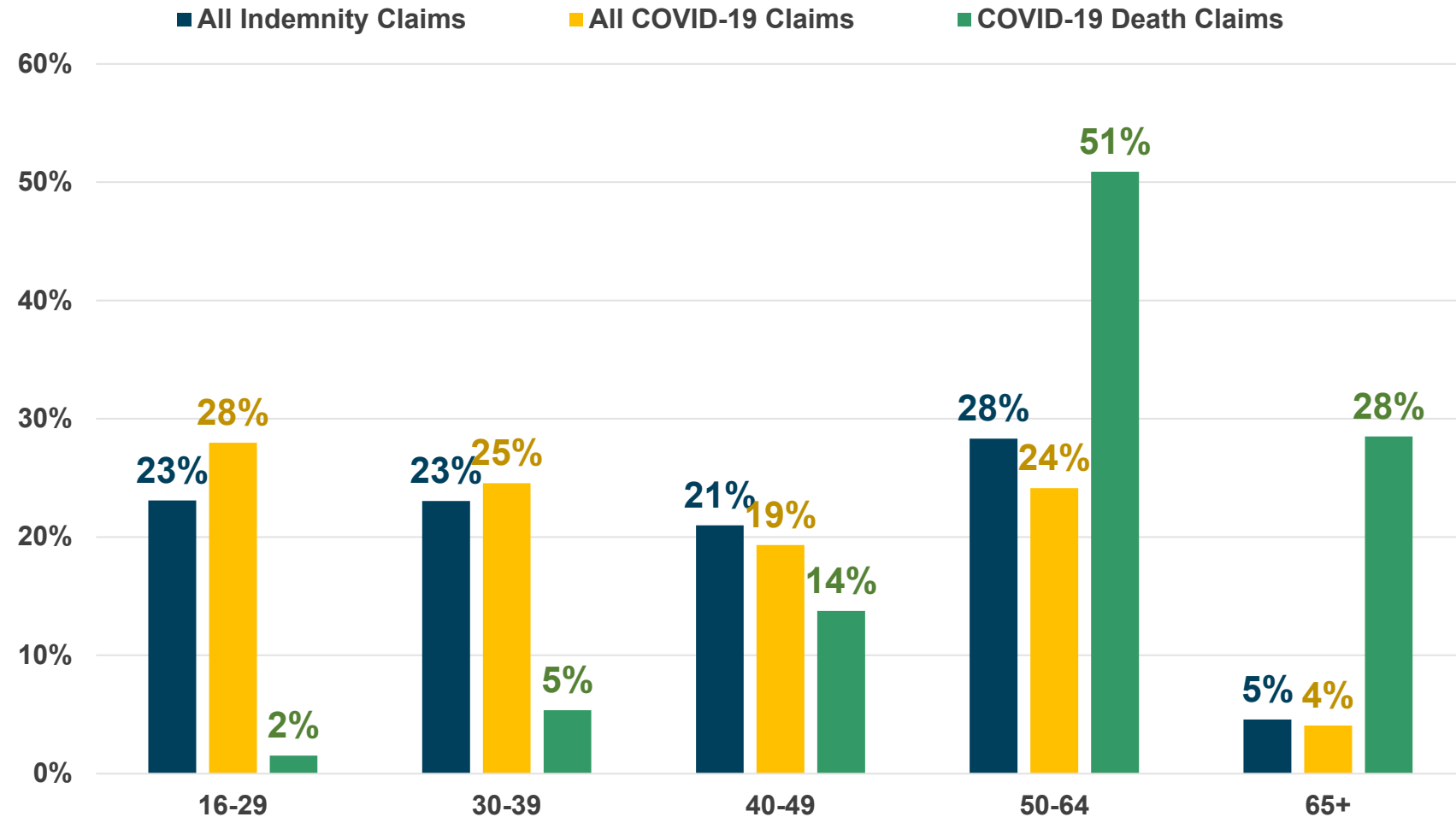




Chart 6

- More than one-half of COVID-19 claims were incurred by workers with ages between 16 and 39, which is somewhat higher than the proportion of all indemnity claims incurred by younger workers.
- Almost 80% of COVID-19 death claims were incurred by workers aged 50 years or older compared to about one-third of all indemnity claims.

Injured Worker Age Distribution





COVID-19 Claim Severities

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Chart 7

- The average incurred medical cost of a COVID-19 claim is about 13% less than the typical 2020 workers' compensation claim.
- The average incurred cost of a COVID-19 indemnity claim is about 48% less than the typical 2020 indemnity claim. This is driven by a high proportion of small indemnity only COVID-19 claims (see [Chart 8](#)).
- Incurred development has been greater on COVID-19 claims suggesting that differences may narrow over time (see [Chart 17](#)).

Accident Year 2020 Incurred Severities As of June 30, 2021

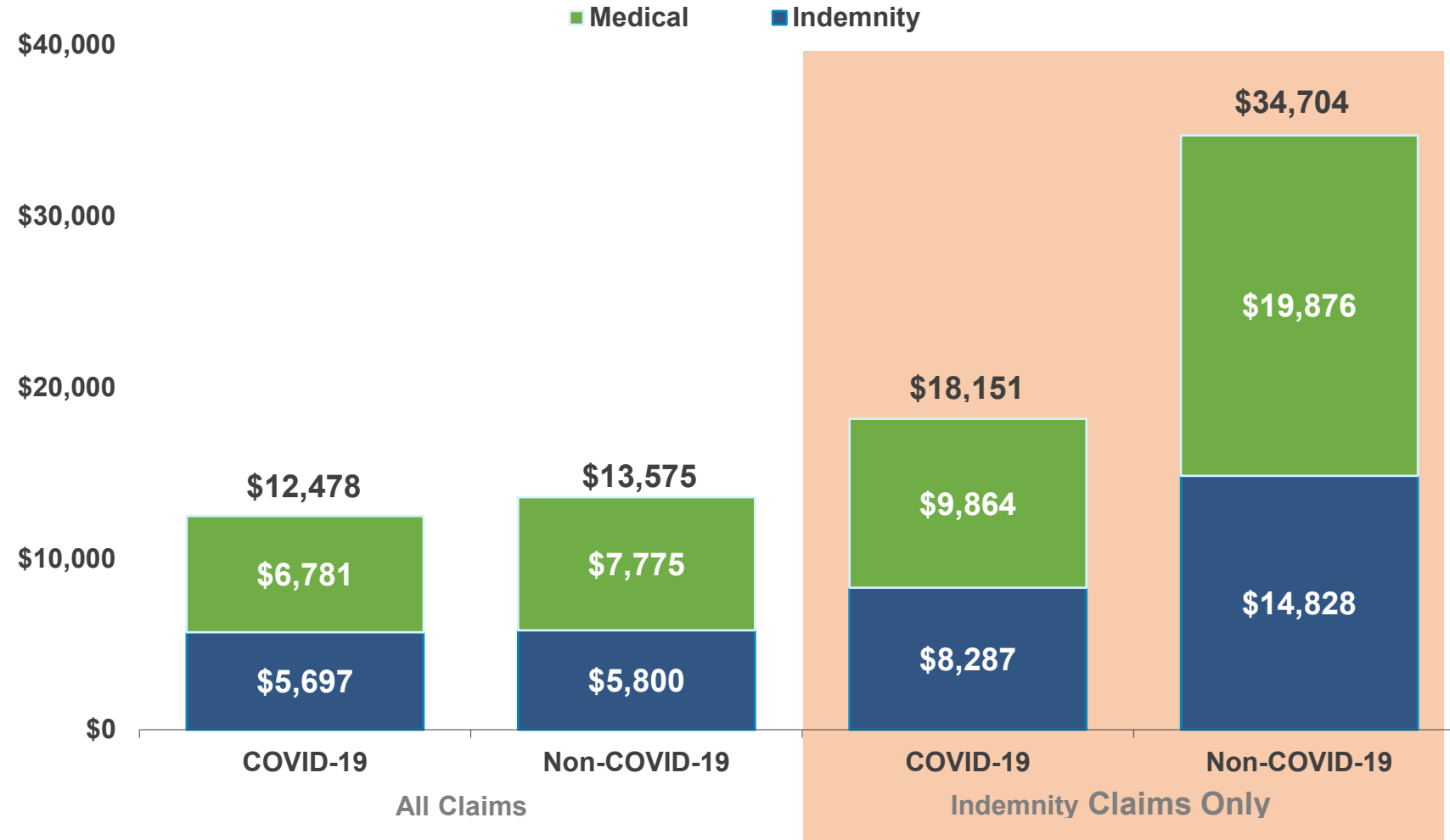




Chart 8

- Far fewer COVID-19 claims are classified as medical-only than non-COVID-19 claims.
- More than 40% of accident year 2020 COVID-19 claims are indemnity claims with no medical losses incurred (“indemnity-only claims”) compared to less than 1% of non-COVID-19 claims.
- Most indemnity-only COVID-19 claims are relatively small and close quickly (see [Chart 9](#), [10](#) and [15](#)).

Share of Claims by Type of Claim

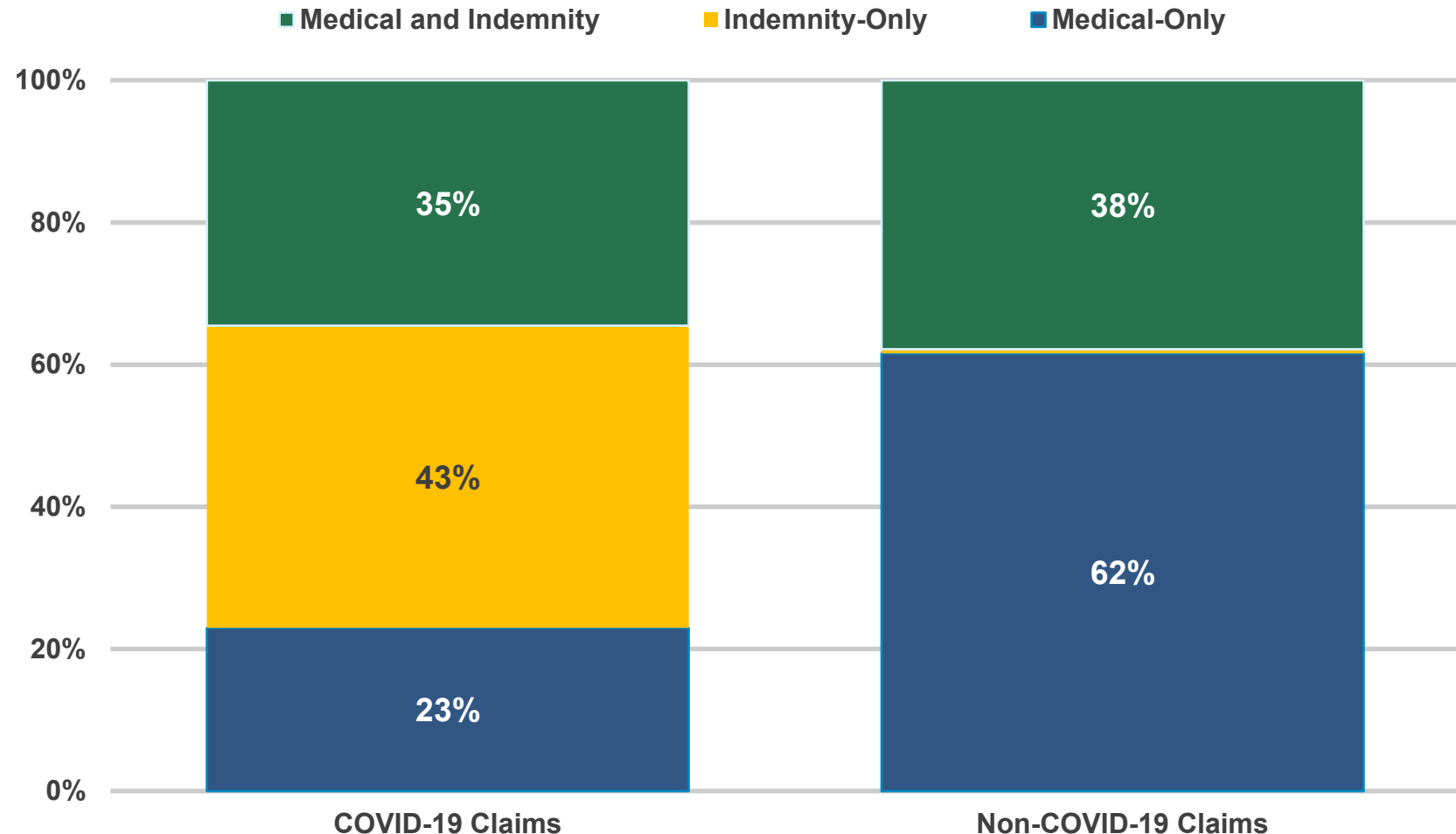




Chart 9

- Medical-only and indemnity-only COVID-19 claims which are closed at 18 months have an average incurred amount that is well below that of the typical non-COVID-19 claim closed at the same age.
- The average incurred indemnity for a closed COVID-19 claim involving both medical and indemnity benefits is about the same as that on a non-COVID-19 claim, but the average medical incurred is more than 25% less.

Closed Claim Severity by Type of Claim

Accident Year 2020

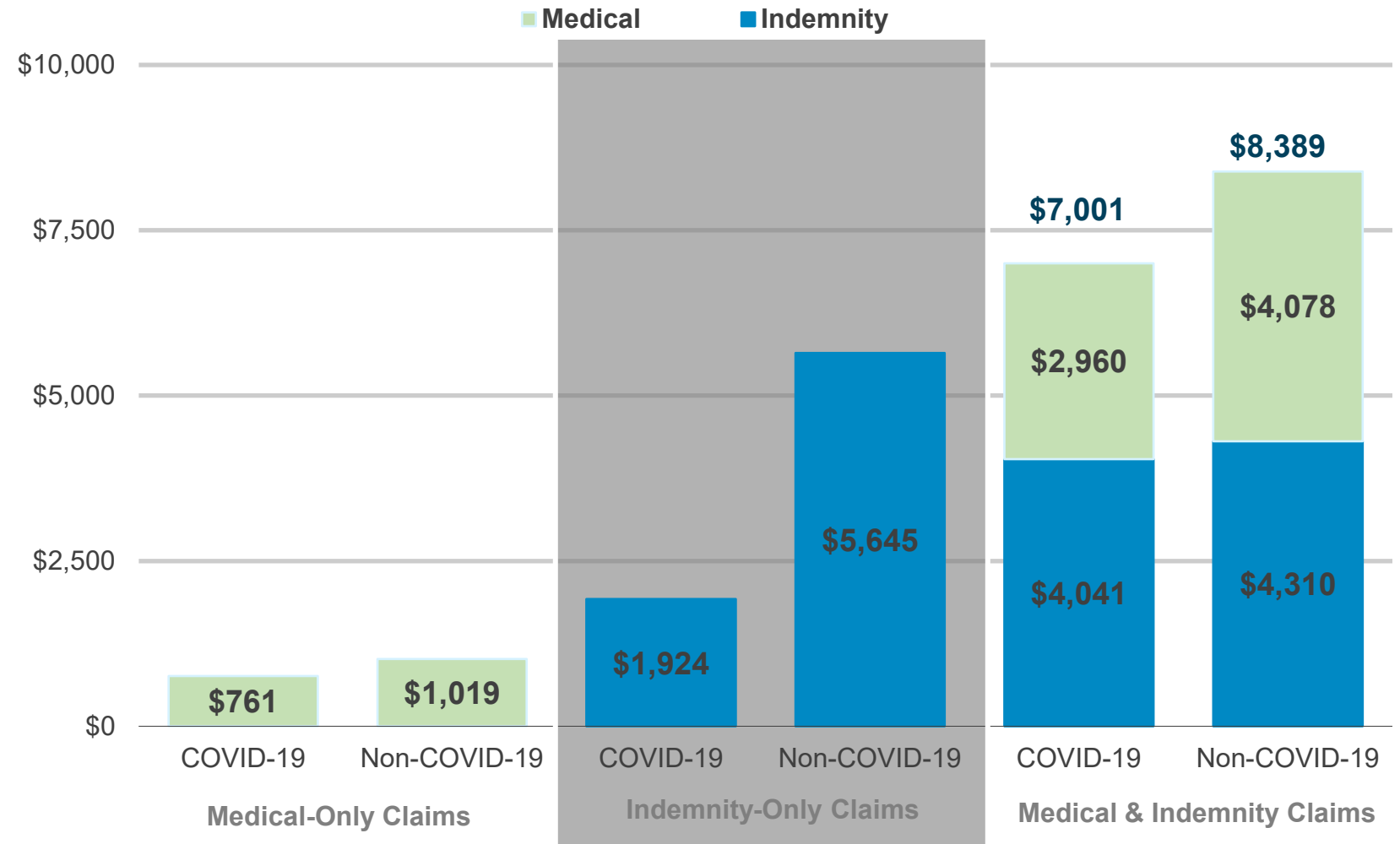




Chart 10

- At 18 months, the average indemnity on an open indemnity-only COVID-19 claim is relatively comparable to that on a COVID-19 claim involving both indemnity and medical benefits.
- The average indemnity and medical incurred on an open COVID-19 claim involving both medical and indemnity benefits is about two-thirds more than on a typical open non-COVID-19 indemnity claim.

Open Claim Severity by Type of Claim

Accident Year 2020

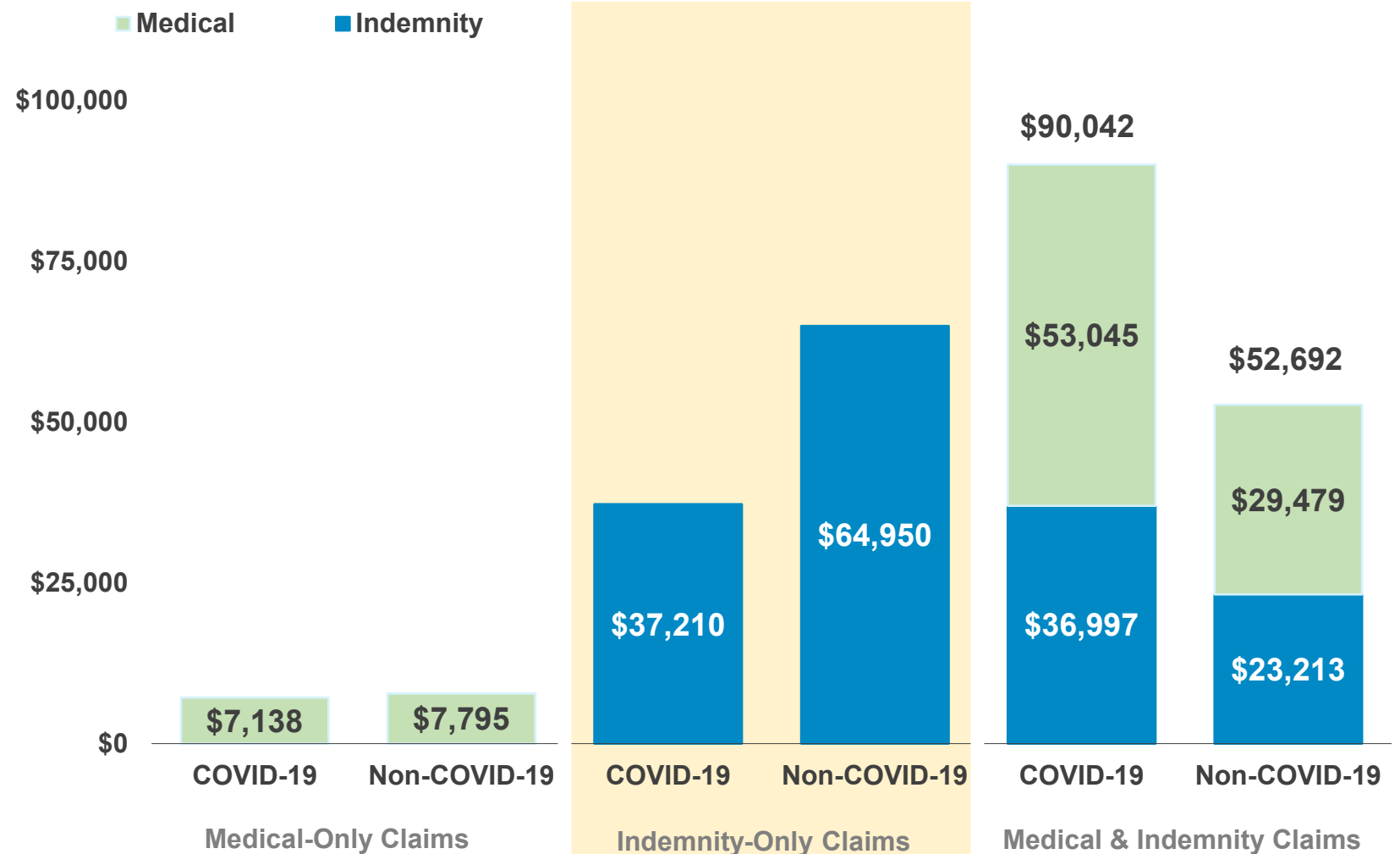




Chart 11

- Less than 30% of the incurred losses on COVID-19 claims have arisen on permanent disability claims compared to more than one-half on non-COVID-19 claims.
- More than one-fourth of the incurred losses on COVID-19 claims have arisen on death claims, compared to only 2% of incurred losses on non-COVID-19 claims.
- The information shown in this chart represents the classification of the claim at first unit statistical report. It is likely that the share of losses from permanent disability claims may grow as the claims mature.

Distribution of Claims and Incurred Losses by Claim Type

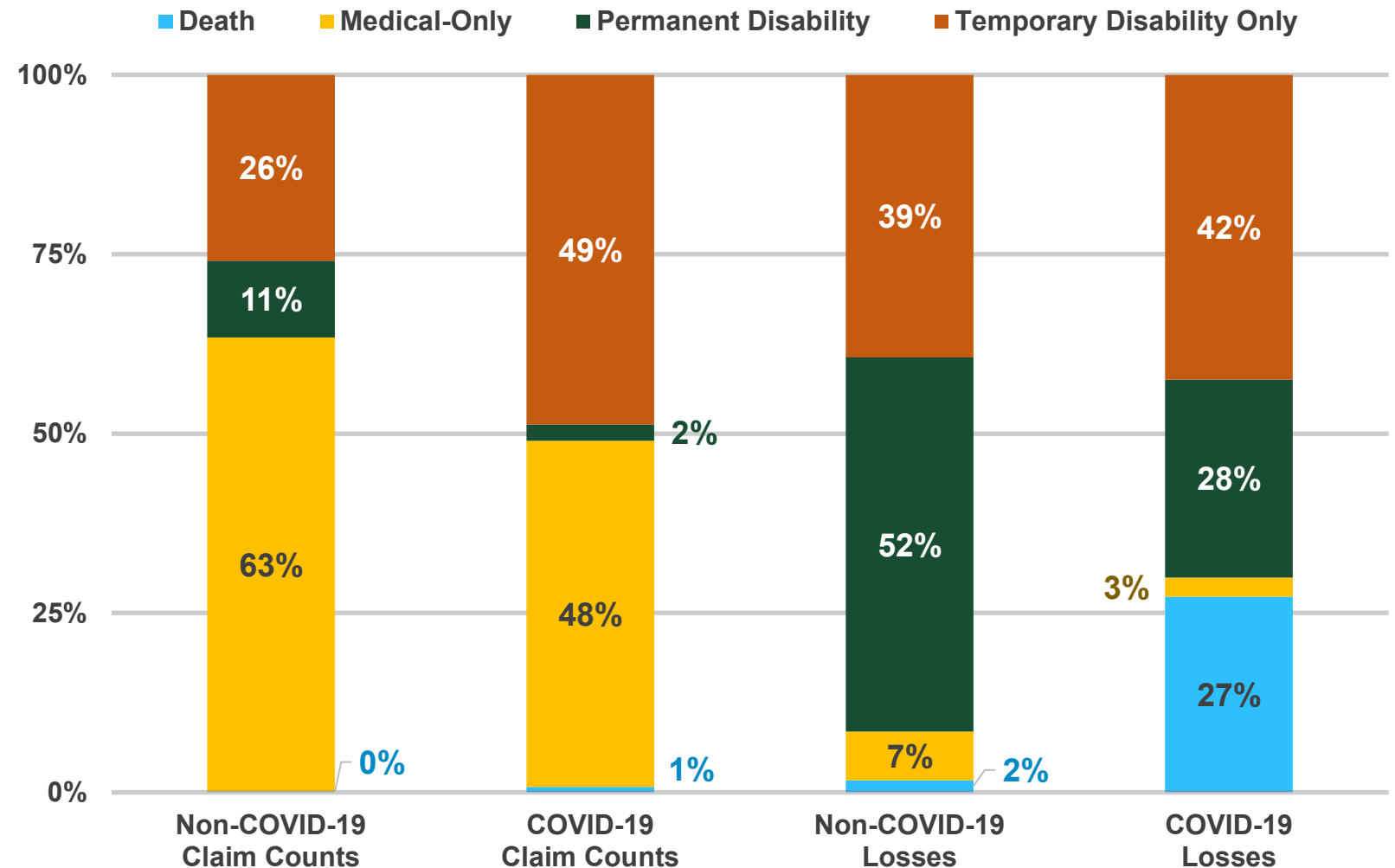
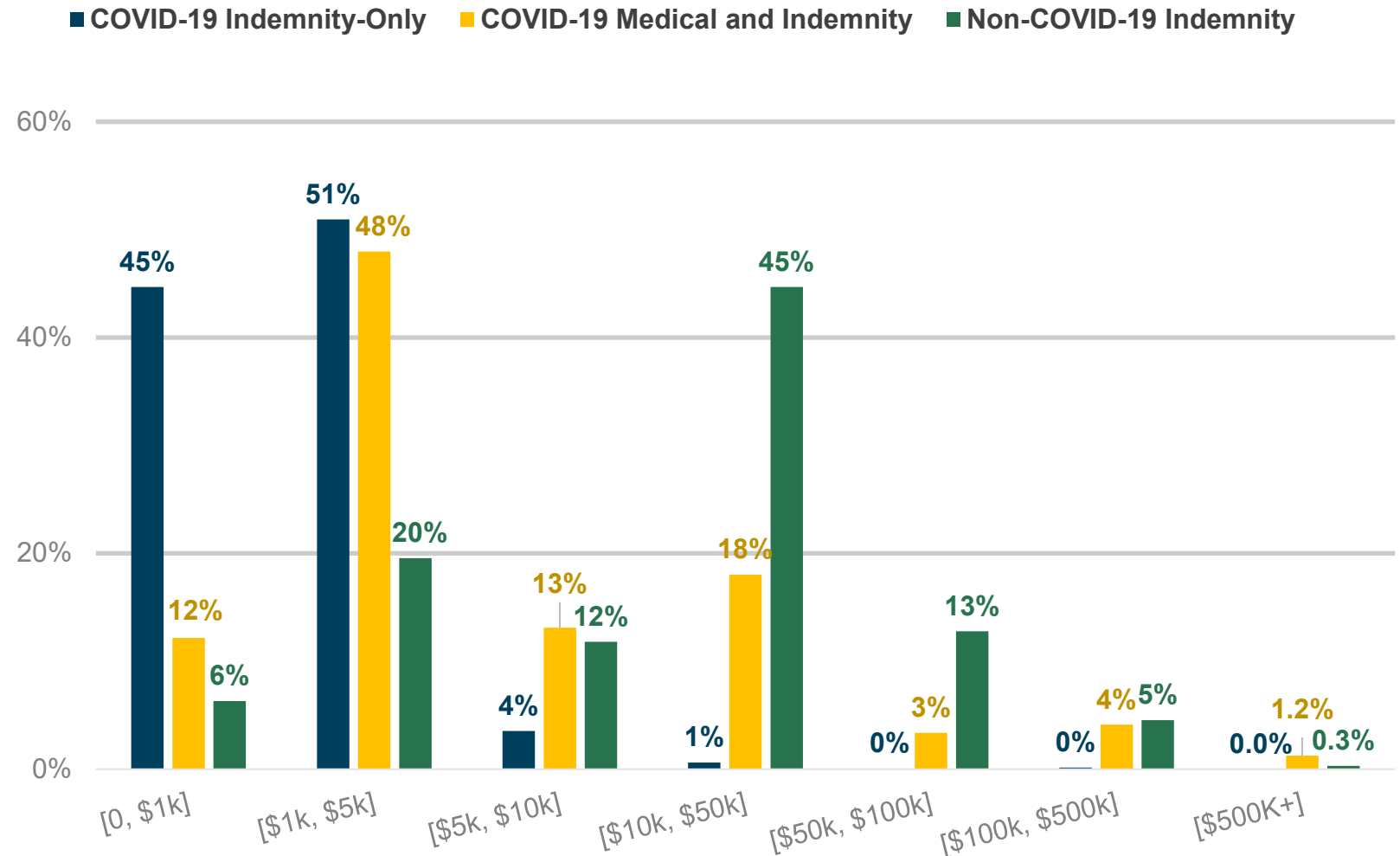




Chart 12

- Only 5% of COVID-19 indemnity-only claims have an incurred value greater than \$5,000.
- More than twice as many COVID-19 claims with both indemnity and medical losses incur \$5,000 or less losses compared to non-COVID-19 indemnity claims.
- The share of COVID-19 claims over \$500,000 is much higher than for non-COVID-19 indemnity claims.
- The information shown in this chart represents the incurred cost of the claim at first unit statistical report. It is likely that the share of larger claims will grow as the claim information matures.

Indemnity Claim Distribution by Incurred Loss Size





COVID-19 Claim Characteristics

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Chart 13

- Denial rates on COVID-19 claims have been higher than on non-COVID-19 claims as only about 7% of non-COVID-19 claims are denied.
- Many COVID-19 claims are denied due to the lack of a positive test result for a COVID-19 infection.
- Generally, denial rates have been higher during the period Senate Bill 1159 has been in effect (post-September 2020) with its less expansive presumption of compensability than during the period the Governor's Executive stay-at-home order was in effect (prior to September 2020).

COVID-19 Claim Denial Rates By Accident Month

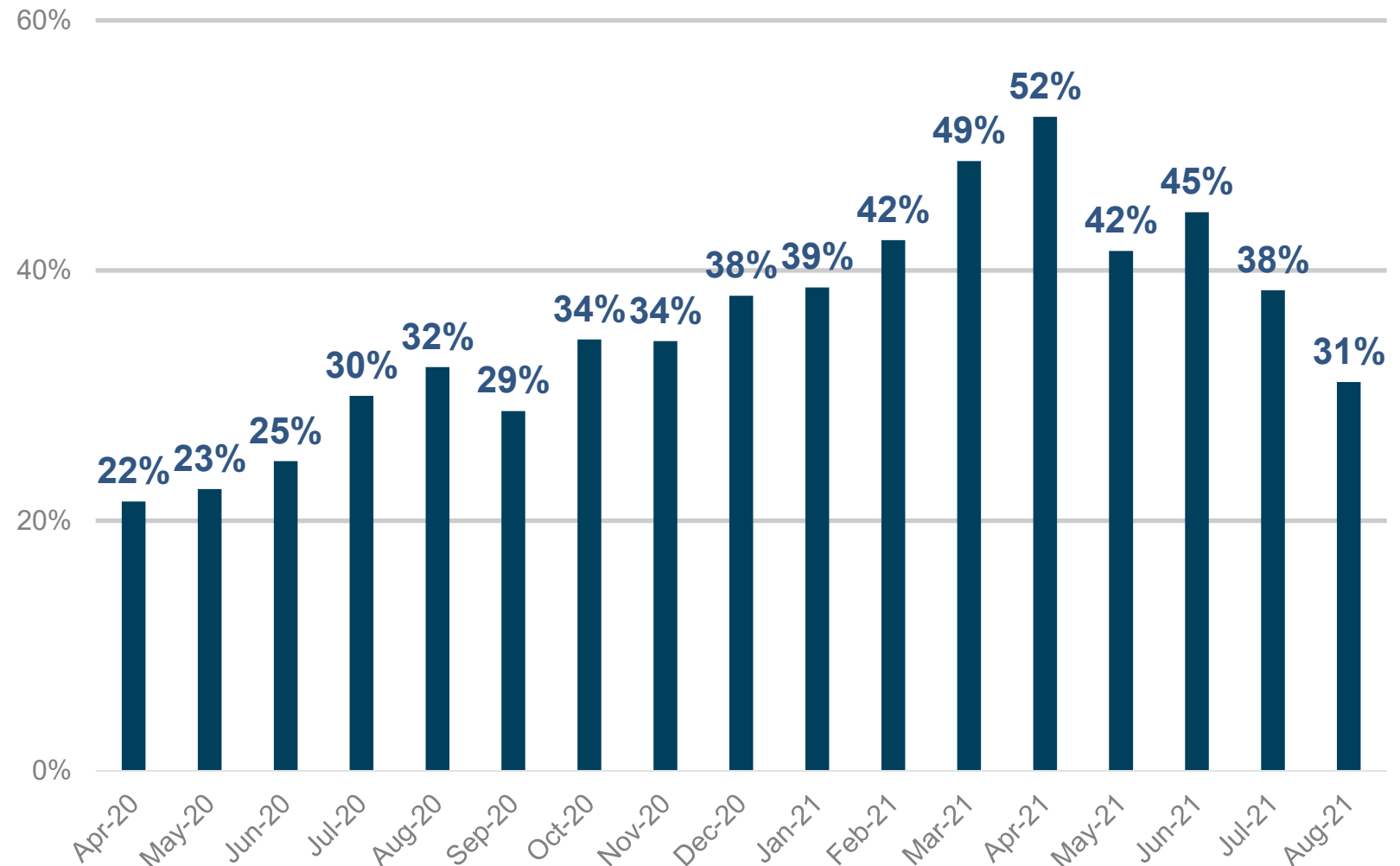




Chart 14

- COVID-19 claims with medical and indemnity benefits typically have a shorter temporary disability (TD) duration than non-COVID-19 indemnity claims.
- While most indemnity only closed COVID-19 claims have short TD durations, about 5% have a duration of six weeks or longer. On some of these claims, the medical costs may have been paid in other systems.
- The information shown in this chart represents the weeks of TD early in the life of a closed claim. It is likely that the share of claims with longer TD durations will grow as the information matures and more claims are closed.

Weeks of Temporary Disability by Claim Type

Closed Claims Only

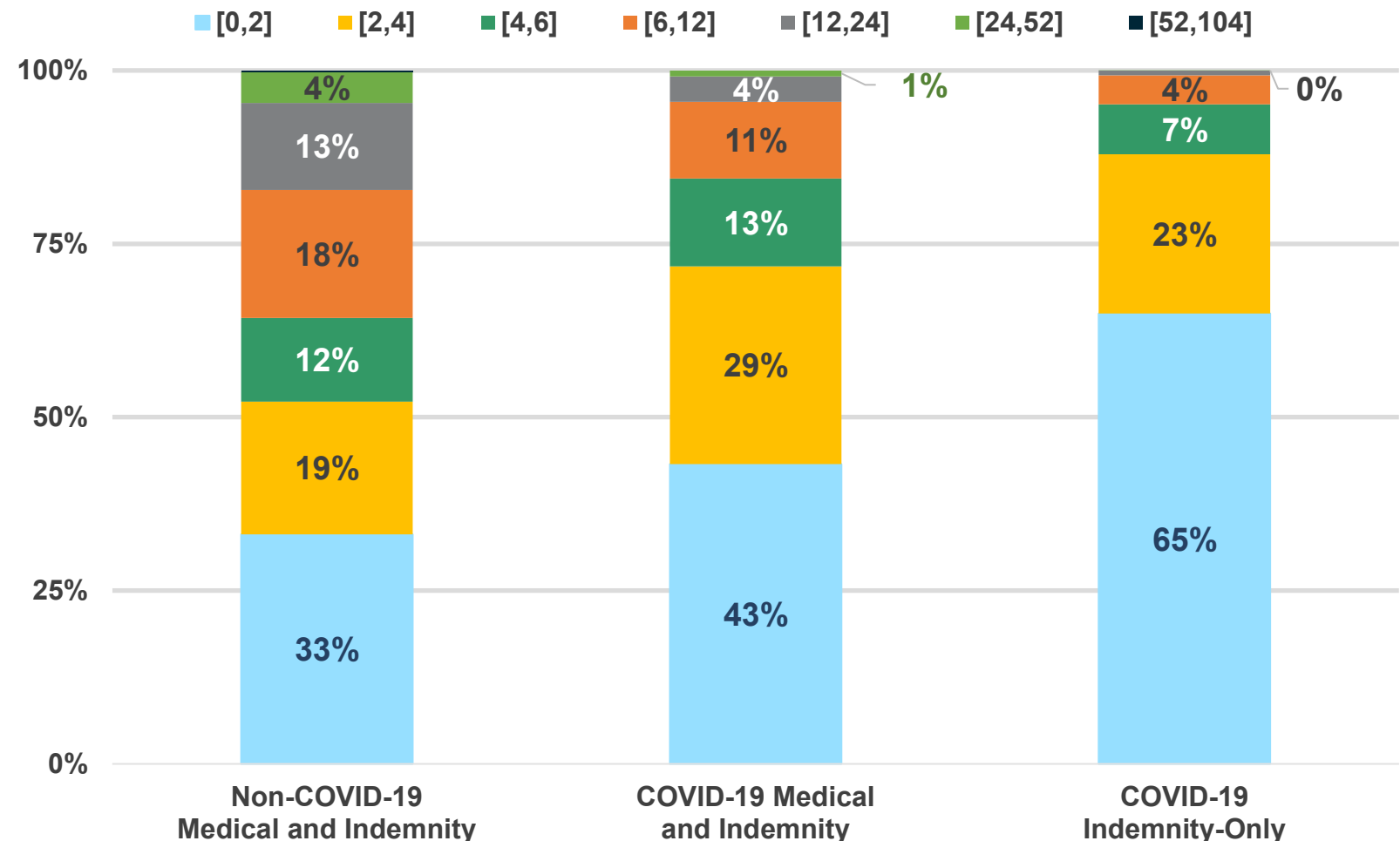




Chart 15

- Virtually all COVID-19 indemnity-only claims close quickly as they typically involve only short durations of TD (see [Chart 14](#)).
- COVID-19 claims with both medical and indemnity benefits on average close more quickly than the typical indemnity claim as more have relatively small incurred values (see [Chart 12](#)) and shorter TD durations (see [Chart 14](#)).

Indemnity Claims Closing Rates

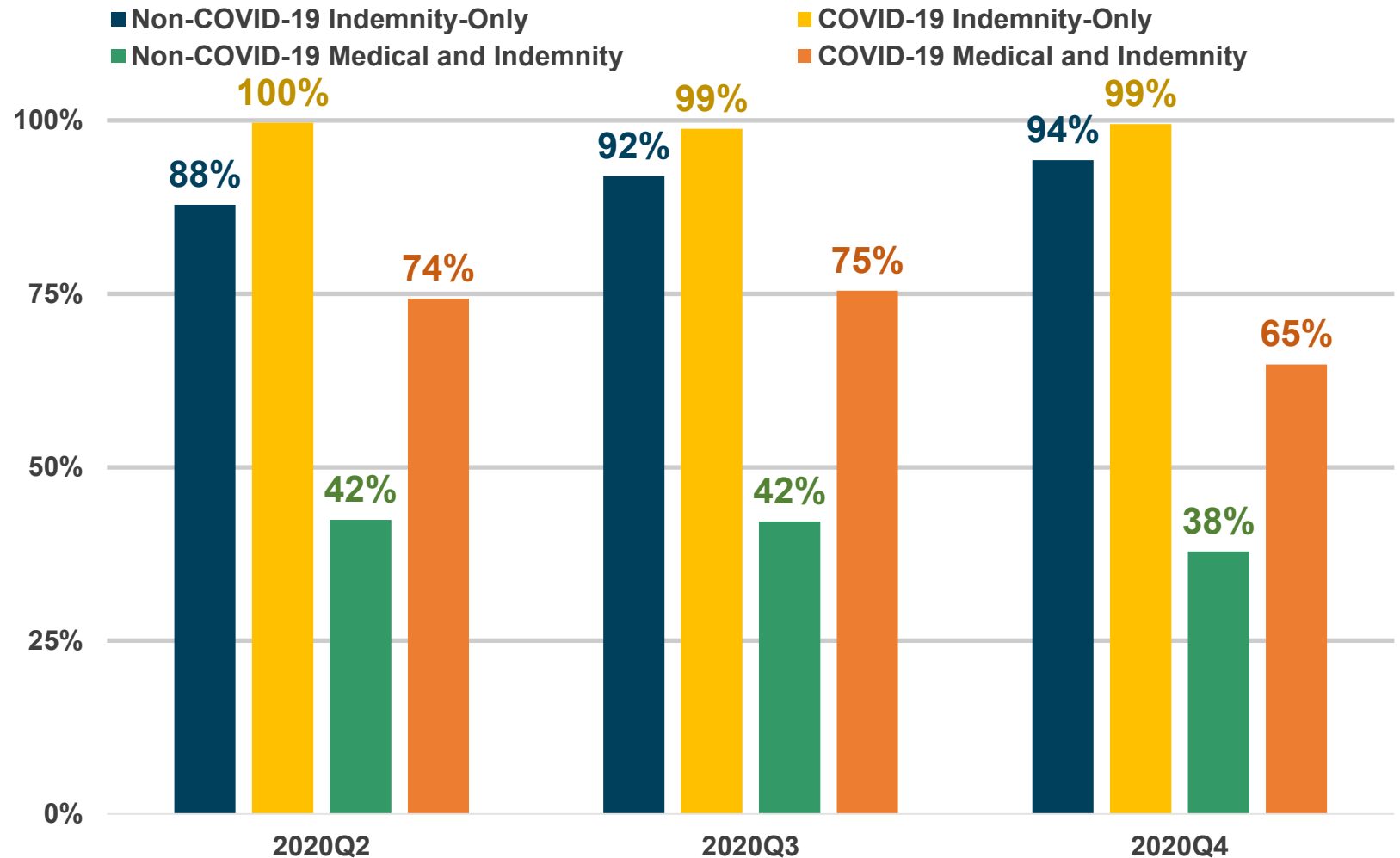




Chart 16

- More than 75% of non-COVID-19 indemnity claims are being reported to the claims administrator within the first month after the injury happens, which is a greater percentage than for COVID-19 claims.
- COVID-19 death claims are reported more slowly than other indemnity claims with more than one-quarter reported 3 months or more from the accident month.

Indemnity Claims Reporting Pattern

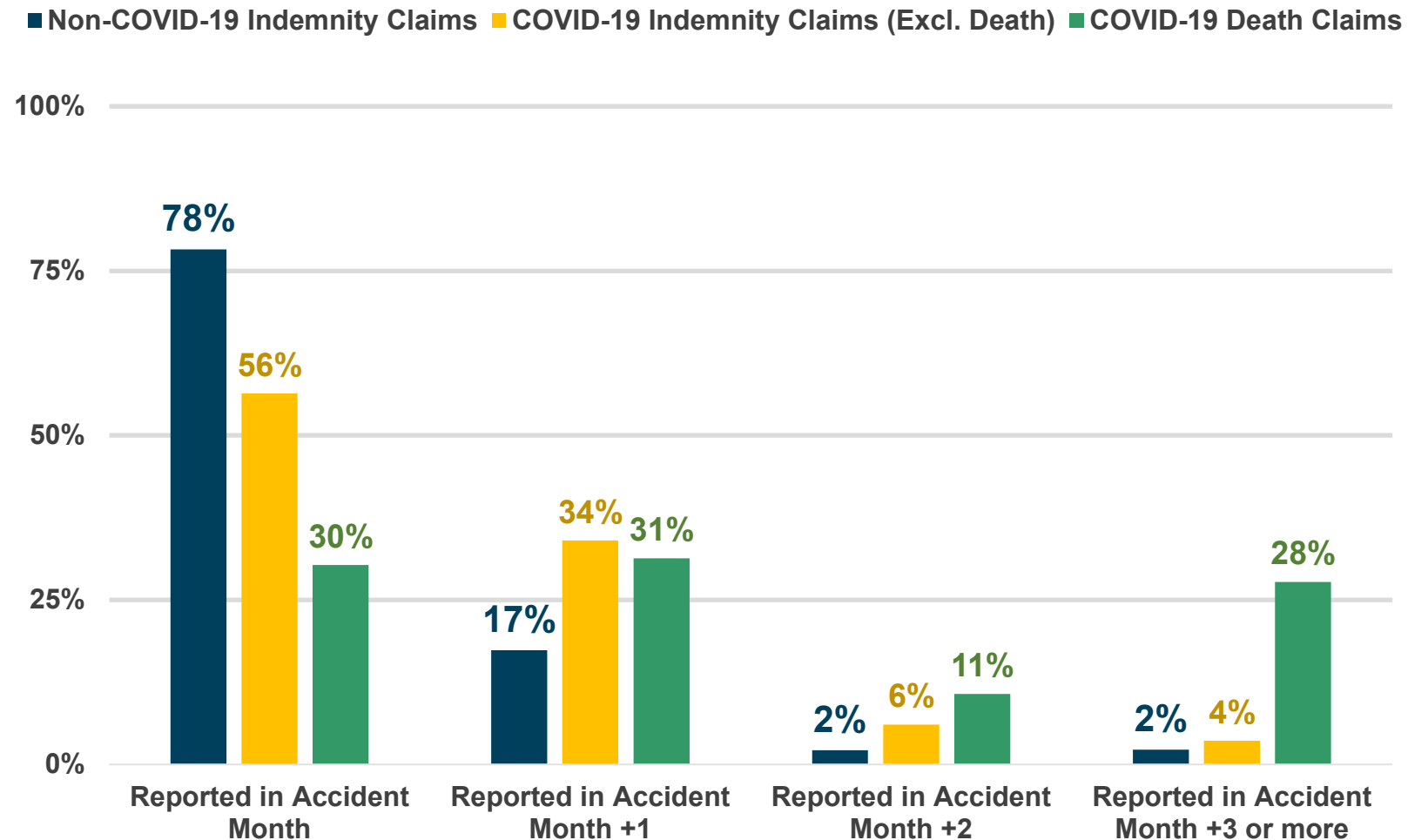




Chart 17

- Both incurred indemnity and medical losses on COVID-19 claims have developed more since year-end 2020 than have incurred losses on non-COVID-19 claims.
- This higher than typical incurred loss development on COVID-19 claims has occurred despite many COVID-19 claims closing quickly without payment or with only indemnity payments.

Incurred Loss Development Accident Year 2020

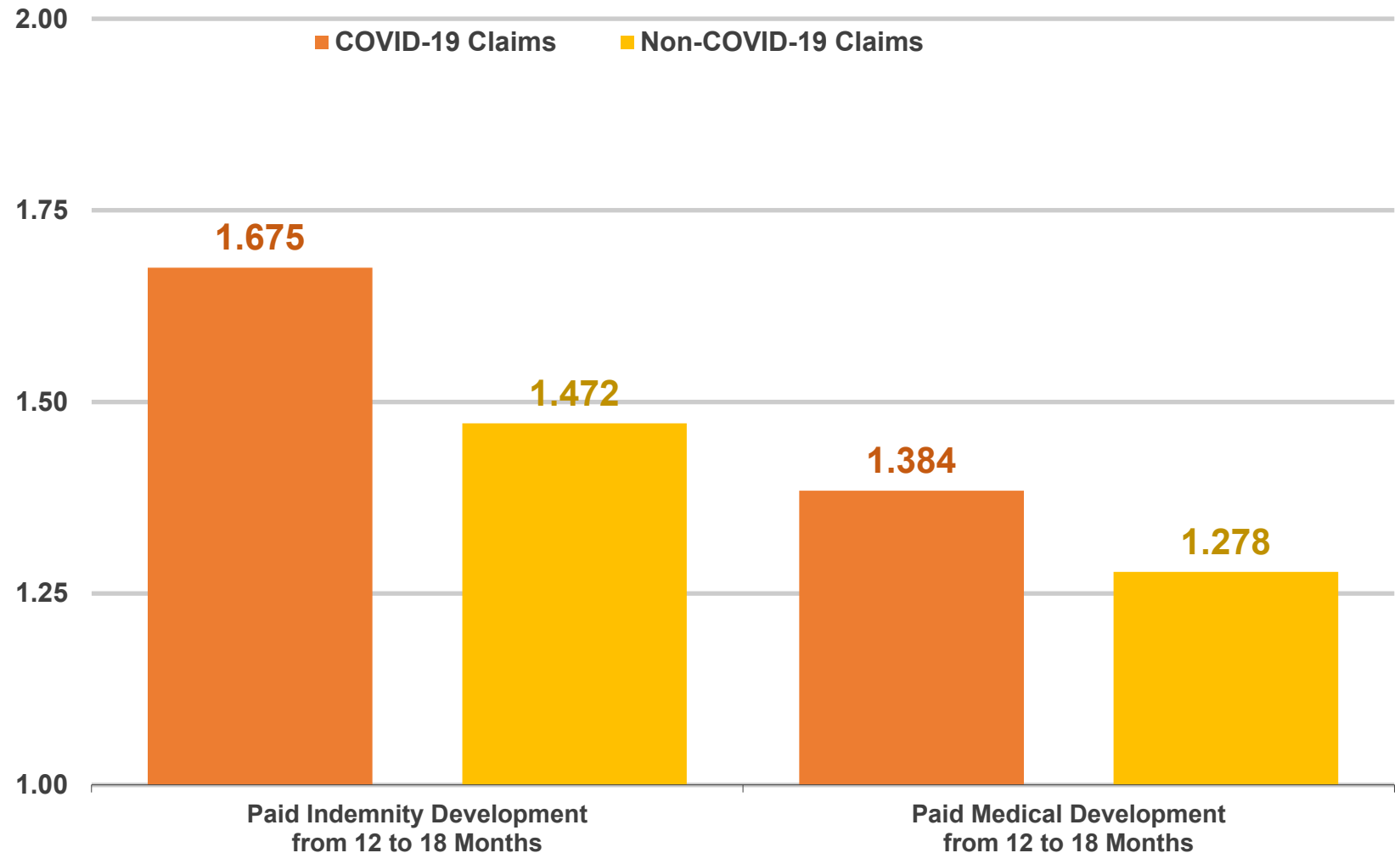
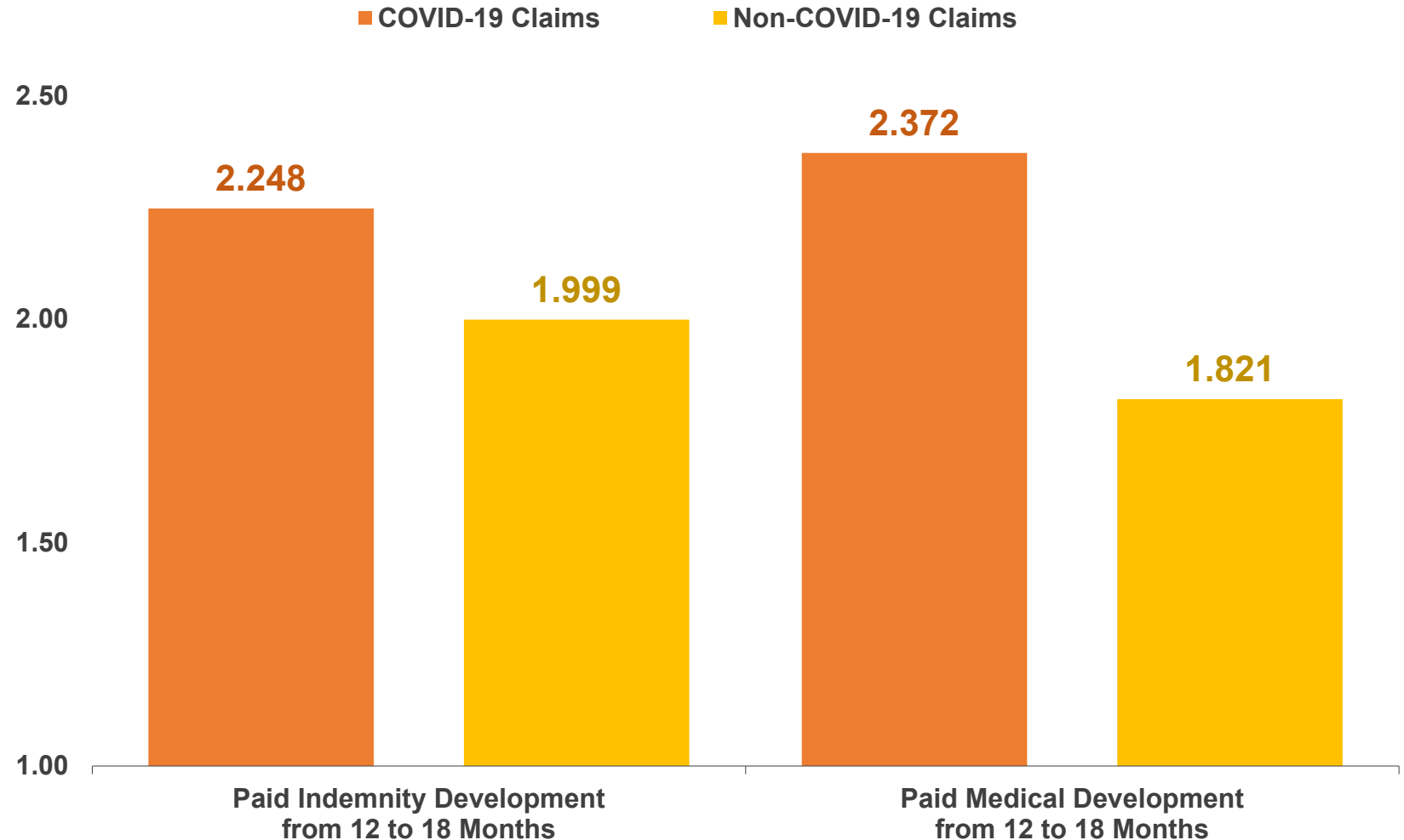




Chart 18

- Both paid indemnity and medical losses COVID-19 claims have developed more since year-end 2020 than have paid losses on non-COVID-19 claims as COVID-19 claims have higher medical severities on open claims (see [Chart 10](#)) and a higher share of large claims (see [Chart 12](#)).
- Many COVID-19 claims have had minimal or no medical losses paid thus far. To the extent that medical payments on more serious COVID-19 claims are later made in the workers' compensation system, paid medical development may increase.

Paid Loss Development Accident Year 2020





General Notes

This report reflects a compilation of individual insurer submissions of claim information to the WCIRB. While the individual insurer data submissions are regularly checked for consistency and comparability with other data submitted by the insurer as well as with data submitted by other insurers, the WCIRB can make no warranty with respect to the information provided by third parties.

This report also reflects information from other entities such as the Division of Workers' Compensation and the CDC. While the WCIRB had no reason to question the reliability of the information, we did not perform an independent validation of the data.

Unless otherwise noted, the information in this report is based on the reported experience of insured employers only and may or may not be indicative of the experience of the state as a whole including self-insured employers.

This report is largely based on sources of information with various evaluation dates depending on the specific source of data, but no later than early October 2021. Subsequent updates to the information could impact the information presented in this report.

Some of the information presented in this report is based on data from only a partial time period or at an initial preliminary evaluation. Once more complete and mature information becomes available, estimates could differ.

Some of the cost information has been estimated based on data reported representing less than 100% of the insured market.



More Info

Chart 1: COVID-19 Workers' Compensation Claims

Shows COVID-19 workers' compensation claims, which is a claim arising out of a diagnosis of COVID-19.

Source Data: Division of Workers' Compensation (DWC) First Report of Injury (FROI) data as of September 7, 2021. Includes denied claims.

Chart 2: COVID-19 Workers' Compensation Claims Relative to Statewide Infections

- Shows the number of COVID-19 workers' compensation claims filed in California compared to the number of statewide COVID-19 infections reported over a similar period.
- The COVID-19 presumption included in the Governor's May 6, 2020 Executive Order (N-62-20) covered all workers working outside their home through July 5, 2020.
- The COVID-19 presumption included in SB 1159 covers health care workers and first responders as well as employees.

Source Data:

- The COVID Tracking Project (<https://covidtracking.com/>) and the California Department of Public Health for total COVID-19 infections
- Division of Workers' Compensation data for COVID-19 claims
- Data is based on the entire system (including self-insured employers) and includes workers' compensation claims that were initially denied.

Chart 3: COVID-19 Workers' Compensation Death Claims

- Shows COVID-19 workers' compensation death claims, which are COVID-19 claims reported to the DWC with a date of death reported or which have reported death-related benefits.

Source Data: DWC data as of September 7, 2021. Includes denied claims.

Chart 4: COVID-19 Share of Indemnity Claims

- Shows the number of indemnity COVID-19 claims relative to the total number of indemnity claims filed by accident month.

Source Data - Subsequent Report of Injury (SROI) records from WCIRB indemnity transaction data as of October 5, 2021 in which the claim is classified as indemnity by the claims administrator (excludes denied claims).

Chart 5: Share of COVID-19 Indemnity Claims By Industry

- Shows the number of indemnity COVID-19 claims relative to the total number of indemnity claims filed between April 1, 2020 and August 31, 2021.

Source Data

- SROI records from WCIRB indemnity transaction data as of October 5, 2021 (excludes denied claims).
- Industries are based on WCIRB classifications mapped to the North American Industry Classification System (NAICS) sectors.



More Info (...continued)

Chart 6: Injured Worker Age Distribution

Shows the distribution of the age of injured workers for all indemnity claims (including COVID-19 claims), all COVID-19 claims (including death claims) and COVID-19 death claims for claims filed between April 1, 2020 and August 31, 2021.

Source Data - WCIRB indemnity transaction data for claims with accident dates from April 1, 2020 through August 31, 2021 that has been submitted as of October 5, 2021 (excludes denied claims).

Chart 7: Accident Year 2020 Incurred Severities

Shows average incurred indemnity and medical severities for COVID-19 and non-COVID-19 accident year 2020 claims evaluated as of June 30, 2021.

Source Data - WCIRB aggregate financial data call as of June 30, 2021. COVID-19 claims are generally those arising out of a diagnosis of COVID-19 (reported with Nature of Injury Code 83).

Chart 8: Share of Claims by Type of Claim

Shows the share of indemnity-only, medical-only and medical with indemnity (medical and indemnity) claim types for COVID-19 and non-COVID-19 claims for claims with accident dates from April 1, 2020 through December 31, 2020 on 2019 and 2020 policies for which the first unit statistical report has been submitted as of October 2021.

Source Data - WCIRB unit statistical data evaluated at first unit statistical report level (18 months from policy inception).

Chart 9: Closed Claim Severity by Type of Claim

Shows the average incurred severity for closed indemnity-only, medical-only and medical and indemnity claim types for COVID-19 and non-COVID-19 claims for claims with accident dates from April 1, 2020 through December 31, 2020 on 2019 and 2020 policies for which the first unit statistical report has been submitted as of October 2021.

Source Data - WCIRB unit statistical data evaluated at first unit statistical report level (18 months from policy inception).

Chart 10: Open Claim Severity by Type of Claim

Shows the average incurred severity for open indemnity-only, medical-only and medical and indemnity claim types for COVID-19 and non-COVID-19 claims for claims with accident dates from April 1, 2020 through December 31, 2020 on 2019 and 2020 policies for which the first unit statistical report has been submitted as of October 2021.

Source Data - WCIRB unit statistical data evaluated at first unit statistical report level (18 months from policy inception).



More Info (...continued)

Chart 11: Distribution of Claims and Incurred Losses by Claim Type

Shows the share of claims and incurred losses by claim type (i.e., Death, Medical-only, Permanent Disability and Temporary Disability Only) for COVID-19 and non-COVID-19 claims with accident dates from April 1, 2020 through December 31, 2020. These COVID-19 and non-COVID-19 claims are on 2019 and 2020 policies, for which the first unit statistical report has been submitted as of October 2021.

Source Data - WCIRB unit statistical data evaluated at first unit statistical report level (18 months from policy inception).

Chart 12: Indemnity Claim Distribution by Incurred Loss Size

Shows the distribution of claims by incurred loss size on COVID-19 indemnity-only, COVID-19 medical and indemnity and non-COVID-19 indemnity claims for claims with accident dates from April 1, 2020 through December 31, 2020 on 2019 and 2020 policies, for which the first unit statistical report has been submitted as of October 5, 2021.

Source Data - WCIRB unit statistical data evaluated at first unit statistical report level (18 months from policy inception).

Chart 13: COVID-19 Claim Denial Rates by Accident Month

Shows the share of denied COVID-19 claims relative to the total number of COVID-19 claims filed by accident month.

Source Data - WCIRB indemnity transaction data for claims with accident dates from April 1, 2020 through August 31, 2021 that has been submitted as of October 5, 2021.

Chart 14: Weeks of Temporary Disability by Claims Type

Shows the distribution of closed claims by weeks of temporary disability for COVID-19 indemnity-only, COVID-19 medical and indemnity all other indemnity with medical claims for claims with accident dates from April 1, 2020 through August 31, 2021 that have been submitted as of October 2021.

Source Data - WCIRB indemnity transaction data as of October 5, 2021 (excludes denied claims).

Chart 15: Indemnity Claims Closing Rates

Shows the closing rate of indemnity claims on non-COVID-19 indemnity-only, non-COVID-19 medical and indemnity, COVID-19 indemnity-only and COVID-19 medical and indemnity claims for claims with accident dates from April 1, 2020 through December 31, 2020 on 2019 and 2020 policies, for which the first unit statistical report has been submitted as of October 2021.

Source Data - WCIRB unit statistical data evaluated at first unit statistical report level (18 months from policy inception).

Chart 16: Indemnity Claims Reporting Pattern

Shows the pattern for claims that are reported to the claims administrator within the 1st, 2nd, 3rd or 4th or later month from the date of injury for non-COVID-19 indemnity claims, COVID-19 indemnity claims (death claims excluded) and COVID-19 death claims.

Source Data - WCIRB indemnity transaction data for claims with accident dates from April 1, 2020 through August 31, 2020 that has been submitted as of October 5, 2021 (excludes denied claims).



More Info (...continued)

[Chart 17: Incurred Loss Development](#)

Compares the growth or development in accident year 2020 incurred (paid plus case outstanding) losses from December 31, 2020 to June 30, 2021 for COVID-19 and non-COVID-19 workers' compensation claims.

Source Data: WCIRB aggregate financial data call as of June 30, 2021. COVID-19 claims are generally claims arising out of a diagnosis of COVID-19 (reported with Nature of Injury Code 83).

[Chart 18: Paid Loss Development](#)

Compares the growth or development in accident year 2020 paid losses from December 31, 2020 to June 30, 2021 for COVID-19 and non-COVID-19 workers' compensation claims.

Source Data: WCIRB aggregate financial data call as of June 30, 2021. COVID-19 claims are generally claims arising out of a diagnosis of COVID-19 (reported with Nature of Injury Code 83).



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