

# Actuarial Committee

## Meeting Agenda

Date	Time	Location	Staff Contact
June 28, 2022	9:00 AM	Webinar Teleconference	David M. Bellusci

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Released: June 22, 2022

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

**This meeting is Open to the Public.**

Please use this [link](#) to register for the meeting webinar. After registering, you will receive a confirmation email containing information about the meeting.

**I. Approval of Minutes**

Meetings held on March 21, 2022 and April 14, 2022

**II. Working Group Meeting Summaries**

Claims Working Group Meeting held March 31, 2022

**III. New Business**

A. AC22-06-01: 3/31/2022 Experience Review

B. AC22-06-02: COVID-19 Claim Development

**IV. Matters Arising at Time of Meeting**

**V. Next Meeting Date:** September 13, 2022

**VI. Adjournment**

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**Claims Working Group**

# Meeting Summary

To: Participants of the Claims Working Group  
Date: April 11, 2022

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**RE: Summary of March 31, 2022 Meeting**

## Discussion Topics

At the meeting, the following topics were discussed.

### 1. First Quarter 2022 Review of Diagnostics

The meeting materials included the WCIRB's diagnostic exhibits that are reviewed by the Actuarial Committee and Claims Working Group (Working Group) on a semi-annual basis. Among the diagnostics discussed by the Working Group were the following:

1. The Working Group reviewed the decreasing share of Medical-Only claims in 2020. Staff noted that during the pandemic period, there was a reduction in both medical-only claims and minor indemnity claims. Several Working Group Members agreed that they had noticed a similar trend. One Member suggested that they are seeing indication of increases of smaller claims in 2021.
2. Staff noted that the number of liens filed in 2021 increased relative to 2020. A Member noted that some of the reduction in medical liens over the last several years is due to fewer physicians being willing to treat injured workers on disputed claims on a lien basis.
3. The Working Group reviewed the claim settlement rate patterns through the fourth quarter of 2021. It was noted that current claim settlement rates are showing signs of plateauing following a decline during the pandemic period. The Working Group noted some improvement in the settlement rate for some claims with an improved ability to get settlements approved at the WCAB, but it was also noted that qualified medical evaluator (QME) concerns are causing some more complicated litigated claims to stay open longer.
4. Staff noted that the share of the cumulative injury to total indemnity claim counts for 2020 increased sharply. All regions had an increase in cumulative injury claims per 100 indemnity claims. Among the potential causes noted by Working Group members were changes on how injury dates are being determined, increases in claims involving strokes and high blood pressure and migration of Los Angeles Basin attorneys to the North. The Working Group recommended continuing to monitor these cumulative injury claims.
5. Staff noted that the number of claims in excess of \$1 million incurred in policy year 2019 at first report level was at a historical high level. Several Working Group Members suggested that the result was somewhat surprising and recommended reviewing the type of injury and age of the injured workers for these large claims.
6. The Working Group was informed that, as a result of the implementation of the 2021 Medical-Legal Fee Schedule changes, payments on Medical-Legal reports rose considerably in 2021. Several Members suggested that was not surprising as they are seeing large costs related to medical-legal record review.

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### 2. Review of COVID-19 Diagnostics

Staff summarized several COVID-19 claim related diagnostics based on the WCIRB's aggregate financial data calls, unit statistical reports and indemnity transaction data. Staff presented diagnostics showing the patterns of COVID-19 indemnity claims by accident month and industry. It was noted that, while the number of COVID-19 claims had decreased dramatically in the second quarter of 2021, there was a significant increase starting with third quarter of 2021 with the Delta variant and in the fourth quarter of 2021 with the Omicron variant.

Staff summarized a comparison of severity information on COVID-19 death claims to non-COVID-19 death claims which showed that while medical severity is higher on COVID-19 related death claims, indemnity severity is lower compared to non-COVID death claims. Working Group members suggested that this is in part due to older aged COVID-19 related fatalities likely having fewer younger dependents and, to a lesser extent, that no benefits are paid on COVID-19 death claims when the worker has no dependents.

### 3. Update on Medical Severity Trends by Component

Staff summarized the update to the WCIRB's medical severity trend analysis using medical transaction data through December 31, 2021, with COVID-19 claims excluded.

Staff noted that the medical severity per claim increased by 6% in 2021, partly due to the 2021 fee schedule changes to the Evaluation and Management (E/M) office visit codes and medical-legal services codes and values. Staff also observed that the usage of telemedicine services appeared to level off in 2021 after the significant increase in 2020. Staff noted that pharmaceutical paid per claim increased temporarily in 2020 but declined by 10% in 2021.

Staff also shared some early observations of the cost of medical-legal services on COVID-19 and non-COVID-19 claims for which medical payments were made. One Working Group member noted that the higher average costs for medical-legal services on COVID-19 claims that had medical-legal services are not surprising and result from COVID-19 hospital claims that tended to involve evaluators in multiple specialties and have more pages for record review. Another Working Group member shared that COVID-19 claims in general do not appear to be more likely to involve medical-legal services than non-COVID-19 claims. Staff explained that the observed pattern is in part attributable to the exclusion of indemnity-only COVID-19 claims and agreed to further explore the issue in the data.

### 4. Retrospective Evaluation of 2021 Fee Schedule Changes

Staff presented the preliminary findings of the retrospective evaluation of the 2021 changes to the Evaluation and Management (E/M) section of the Official Medical Fee Schedule (OMFS) and Medical-Legal Fee Schedule based on actual post-schedule change payments in the WCIRB medical transaction data.

With respect to the cost impact of the E/M schedule changes, the retrospective evaluation indicated a 10% net of inflation cost increase for the nine office/outpatient visit service codes in 2021 compared to 2019. It was noted that this compares to a 15% estimate in the WCIRB's initial prospective evaluation of the schedule change reflected in the September 1, 2021 Pure Premium Rate Filing. The Working Group generally concurred with the approach used in the evaluation.

One Working Group member suggested reviewing the potential service mix differences between telehealth and non-telehealth E/M services especially for office visit codes (99212-99215) that had a significant increase in the reimbursement allowance in 2021. Staff explored this after the meeting and found that the service mix in 2021 is similar between telehealth and non-telehealth services for the E/M codes 99212-99215 (Table 1).

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Date: April 11, 2022

**Table 1. Share of Telehealth and Non-Telehealth E/M Transactions by E/M Office Visit Codes in 2021**

E/M Code	Description	Share of Telehealth E/M Services <sup>1</sup>	Share of Non-Telehealth E/M Services
<b>99202</b>	New sf 15-29 min	0%	1%
<b>99203</b>	New low 30-44 min	3%	7%
<b>99204</b>	New mod 45-59 min	1%	8%
<b>99205</b>	New hi 60-74 min	1%	2%
<b>99211</b>	Established minimal prob	0%	0%
<b>99212</b>	Established sf 10-19 min	5%	3%
<b>99213</b>	Established low 20-29 min	39%	35%
<b>99214</b>	Established mod 30-39 min	37%	31%
<b>99215</b>	Established hi 40-54 min	6%	4%
<b>99202-99215 (Nine Codes Combined)</b>		93%	91%

Staff next summarized the retrospective evaluation of the April 1, 2021 Medical-Legal Fee Schedule. The evaluation indicated a 39% cost increase for medical-legal services in 2021 compared to 2019. Staff noted that the extra charges for record review appears to be a key cost driver, which accounted for 25% of 2021 medical-legal payments. Several Working Group members shared that the significant costs associated with record review were consistent with what they have seen, and the high record review costs were partly due to duplicate pages and in some cases very complex medical-legal evaluations that involved extensive records to review. One member shared that in general insurers are getting better at identifying duplicate pages and may be able to better manage the costs for additional record review in the future. Staff noted that WCIRB plans keep monitoring the costs of record review in the future as more data becomes available.

Staff noted that the cost impact of psychologist/psychiatrist modifiers was lower than initially projected, as the average payments for medical-legal evaluations completed by psychologists or psychiatrists under the new fee schedule increased less than did the payments for other medical-legal evaluations. Also, staff noted that psychiatric medical-legal evaluations had on average a lower payment share for additional record review than other medical-legal evaluations. One Working Group member suggested further exploring the underlying reasons for a lower-than-expected payment share for psychiatric evaluations as psychiatric evaluations are still costly. Staff agreed to further explore this issue in the data.

Overall, the Working Group generally concurred with the approach used in the retrospective evaluation of the cost impact of the new Medical-Legal Fee Schedule.

### 5. Summary of Current and Pending Legislative, Regulatory and Judicial Actions as of March 21, 2022

The Working Group reviewed pending 2022 legislation, regulations and judicial actions as provided in the meeting materials and discussed additional recent developments not included in the materials.

With respect to currently pending legislation provided in the materials, staff addressed AB 399 (concerning employees' access to a list of providers in their MPN); AB 1751 (which extends the

<sup>1</sup> In 2021, telehealth E/M services accounted for 8% of all E/M services, and non-telehealth accounted for 92%. WCIRB medical transaction data as of February 28, 2022.

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provisions of SB 1159 concerning COVID-19 presumptions and claim filing requirements); AB 2693 (which extends the provisions of AB 654 and AB 685 concerning COVID-19 notification and reporting requirements); SB 1002 (concerning medical treatment and licensed clinical social workers); and SB 1458 (regarding increases to disability benefits based on the percentage of pay disparities by gender). Staff also summarized SB 1127, which reduces the time period to 30 days for rejecting liability on certain first responder injuries and to 60 days for all other employees and injuries. Working Group members emphasized, that as currently drafted, all other employees and injuries include COVID-19 claims.

In addition, two recently amended spot bills not included in the meeting materials were discussed. Staff summarized AB 2614 (requiring separate workers' compensation policies for client employers and labor contractors in the manufacturing and mercantile industries); and AB 2848 (which currently extends the timeline for a medical treatment report to July 1, 2023). Working Group members specifically emphasized tracking the developments associated with AB 2848 as it was suggested that the author likely intends the bill to incorporate much broader reforms such as "raising permanent disability benefits, minimizing delays associated with medical treatment requests and reducing frictional costs within the workers' compensation system". In addition, Working Group members emphasized that SB 213, (concerning the healthcare worker presumption for several injuries including musculoskeletal injuries), could have significant cost impacts to the system.

With respect to regulations, the Working Group discussed the WCAB's recently adopted amendments to its Rules of Practice and Procedure which formalize the processes for remote hearings, electronic filings, and electronic services developed during the COVID-19 pandemic. Working Group members noted that the petition that was filed challenging the constitutionality of the WCAB's 'grant and study orders' will likely be moot given that the subject cases are now settling. Staff also summarized the latest proposed updates to the Copy Service Fee Schedule and the QME Regulations – both for which the public comment period recently closed.

Finally, staff summarized the judicial decisions in Wilson v. Kohls (concerning permanent disability and the DFEC analysis); Perez v. Spr Op Co., Inc. (concerning continued employer liability for temporary total disability despite the COVID-19 shutdown); and See's Candies Inc. v. Superior Court of California (rejecting workers' compensation law as the exclusive remedy for the Applicant's husband's death). Working Group members noted that future cases of particular interest will be the treatment of the COVID-19 claims and presumptions. Staff also discussed the WCAB's ruling in Payan v. West Coast Auto Sales, in which the WCAB emphasized that the complex nature of the COVID-19 "outbreak presumption" warranted extended time for discovery.

## **Item AC22-06-01**

### **3/31/2022 Experience Review**

Staff has prepared an analysis of statewide insurer experience through March 31, 2022, which is included in Exhibits 1 through 8. This information reflects insurers writing almost 100% of the market based on 2021 premium levels. The methodologies used are consistent with those reflected in the September 1, 2022 Pure Premium Rate Filing. Wage and loss levels are projected to September 1, 2023—the approximate midpoint of experience on policies incepting in between September 1, 2022 and August 31, 2023, and premiums were adjusted to the industry average filed pure premium rate level as of January 1, 2022. The accident year 2020 and 2021 information shown in Exhibits 1 through 8 have been adjusted to remove COVID-19 claims. (A summary of COVID-19 claim experience as of March 31, 2022 is included in Exhibit 13.)

As shown on Exhibit 8, the projected loss to the industry average filed pure premium ratio for policies incepting between September 1, 2022 and August 31, 2023 based on March 31, 2022 experience is 0.639. This compares to the projected loss ratio of 0.655 included in the September 1, 2022 Pure Premium Rate Filing.

Additional supplemental information is included in Exhibits 9 through 16.

**California Workers' Compensation  
Accident Year Experience as of March 31, 2022**

<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	4,373,802,923	1,508,718,020	6,069,606	1,342,716,429	37,254,511	17,940,799	2,912,699,365	0.666
1988	5,156,675,612	1,701,221,468	5,647,172	1,547,165,997	26,666,548	76,427,316	3,357,128,501	0.651
1989	5,614,634,637	1,921,418,777	5,305,474	1,795,995,714	35,451,002	45,177,046	3,803,348,013	0.677
1990	5,619,580,197	2,229,063,695	5,383,441	2,034,659,623	31,119,309	58,854,706	4,359,080,774	0.776
1991	5,759,231,430	2,442,174,811	12,912,636	2,183,701,126	36,581,545	59,525,324	4,734,895,442	0.822
1992	5,578,948,025	1,953,933,485	12,949,051	1,753,143,214	37,234,330	52,273,720	3,809,533,800	0.683
1993	5,829,056,223	1,679,520,738	9,698,074	1,505,640,480	45,507,370	56,215,390	3,296,582,052	0.566
1994	4,948,791,557	1,617,709,733	16,989,065	1,459,016,668	65,484,363	37,297,657	3,196,497,486	0.646
1995	3,709,240,754	1,744,304,815	20,647,399	1,613,096,317	73,098,752	42,435,167	3,493,582,450	0.942
1996	3,637,138,918	1,911,183,034	24,024,595	1,683,339,468	70,448,672	55,635,524	3,744,631,293	1.030
1997	3,813,904,603	2,274,037,629	28,122,472	1,979,573,852	90,261,374	96,273,101	4,468,268,428	1.172
1998	4,202,445,113	2,719,342,492	38,821,607	2,607,311,164	171,670,320	155,731,883	5,692,877,466	1.355
1999	4,430,917,594	2,997,114,491	38,899,141	2,997,720,839	121,685,547	230,884,904	6,386,304,922	1.441
2000	5,764,648,307	3,356,442,558	49,147,525	3,497,124,859	154,318,090	365,617,215	7,422,650,247	1.288
2001	9,974,233,124	4,823,249,258	72,770,515	5,375,077,456	253,813,842	589,801,079	11,114,712,150	1.114
2002	13,188,685,024	4,740,252,013	68,844,082	5,470,662,102	224,764,275	835,896,810	11,340,419,282	0.860
2003	19,203,275,880	4,553,731,482	109,630,758	5,093,371,914	247,012,299	1,209,429,703	11,213,176,156	0.584
2004	22,992,439,161	3,238,348,236	98,515,311	4,111,670,657	208,653,658	1,344,906,188	9,002,094,050	0.392
2005	21,383,725,310	2,570,283,350	82,174,979	3,726,425,689	183,323,204	1,087,517,009	7,649,724,231	0.358
2006	17,221,788,932	2,658,055,494	86,680,879	3,836,274,520	214,653,338	727,121,219	7,522,785,450	0.437
2007	13,260,225,607	2,809,694,133	96,981,920	4,112,351,804	231,722,821	677,817,075	7,928,567,753	0.598
2008	10,744,447,308	2,857,917,122	115,631,628	4,104,842,418	247,637,429	435,147,988	7,761,176,585	0.722
2009	8,873,155,994	2,743,597,919	117,133,497	3,925,446,404	260,535,510	379,614,665	7,426,327,995	0.837
2010	9,374,814,819	2,762,004,701	101,759,806	4,033,253,316	207,550,706	655,181,542	7,759,750,071	0.828
2011	10,119,882,021	2,746,373,360	109,536,059	3,662,244,387	238,778,582	602,264,786	7,359,197,174	0.727
2012	11,697,942,874	2,798,816,438	143,972,255	3,579,865,898	260,533,278	721,602,304	7,504,790,173	0.642
2013	14,158,801,339	2,842,274,734	132,449,800	3,419,146,112	260,461,407	1,252,932,106	7,907,264,159	0.558
2014	15,982,988,858	2,987,123,199	177,369,039	3,372,521,260	306,301,540	1,622,687,365	8,466,002,403	0.530
2015	17,056,366,680	3,042,328,623	216,402,816	3,294,317,532	377,033,067	2,043,125,635	8,973,207,673	0.526
2016	17,944,293,791	2,927,319,873	286,602,365	3,152,141,112	465,798,499	2,093,987,469	8,925,849,318	0.497
2017	17,663,261,928	2,797,494,034	392,300,274	3,012,088,912	609,568,964	2,973,298,428	9,784,750,612	0.554
2018	17,415,114,029	2,672,030,022	571,009,256	2,950,149,078	795,842,677	2,658,335,376	9,647,366,409	0.554
2019	16,122,462,244	2,398,310,405	838,118,972	2,595,250,883	1,094,155,129	2,711,721,620	9,637,557,009	0.598
2020	14,068,884,990	1,543,591,940	944,775,304	1,725,322,526	1,257,143,456	3,111,513,247	8,582,346,473	0.610
2021	13,577,079,248	772,754,788	940,683,384	978,418,733	1,512,850,677	4,421,376,058	8,626,083,640	0.635
2022	3,885,535,510	24,856,130	126,758,659	28,384,666	268,318,955	1,636,907,305	2,085,225,715	0.537

\* 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, excluding COVID-19 claims and COVID-19 premium charges.



**Incurred Indemnity Loss Development Factors**

Accident Year	Age-to-Age (in months)															
	<u>27/15</u>	<u>39/27</u>	<u>51/39</u>	<u>63/51</u>	<u>75/63</u>	<u>87/75</u>	<u>99/87</u>	<u>111/99</u>	<u>123/111</u>	<u>135/123</u>	<u>147/135</u>	<u>159/147</u>	<u>171/159</u>	<u>183/171</u>	<u>195/183</u>	<u>207/195</u>
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Selected (a)	1.554	1.181	1.070	1.037	1.024	1.012	1.011	1.008	1.009	1.007	1.006	1.005	1.003	1.003	1.003	1.002
Cumulative	2.264	1.457	1.233	1.153	1.112	1.086	1.073	1.061	1.053	1.043	1.036	1.030	1.024	1.021	1.018	1.015

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

**Incurred Indemnity Loss Development Factors (Continued)**

Accident Year	Age-to-Age (in months)															
	219/207	231/219	243/231	255/243	267/255	279/267	291/279	303/291	315/303	327/315	339/327	351/339	363/351	375/363	387/375	399/387
1983									1.000	1.000	1.001	1.001	1.001	1.001	1.000	1.001
1984								1.000	1.001	1.001	1.000	1.001	1.001	1.001	1.000	1.001
1985							1.000	1.000	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.001
1986						1.000	1.001	1.000	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000
1987					1.000	1.000	1.000	1.002	1.001	1.000	1.000	1.001	1.000	1.001	1.000	1.000
1988				1.001	1.000	1.002	1.001	1.001	1.000	1.000	1.000	1.001	1.000	1.001	1.000	1.001
1989			1.000	1.001	1.001	1.001	1.000	1.000	1.000	1.001	1.001	1.000	1.001	1.000	1.000	1.001
1990		1.001	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.001	1.000	1.000	1.000
1991	1.001	1.001	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.001	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	1.001	1.001	1.001	1.001
1993	1.000	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.001	1.001	1.001	1.001
1994	1.001	1.002	1.001	1.001	1.001	1.001	1.000	1.001	1.001	1.002	1.000	1.001	1.001	1.001	1.001	1.001
1995	1.002	0.999	0.999	1.001	1.000	1.001	1.000	1.001	1.001	1.001	0.999	1.001	1.001	1.001	1.001	1.001
1996	1.002	1.001	1.000	1.001	1.001	1.000	1.002	1.000	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
1997	1.000	1.000	1.000	0.999	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
1998	1.002	1.002	1.001	1.000	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
1999	1.000	1.000	1.000	1.002	1.002	0.999	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
2000	1.002	1.001	1.002	1.000	1.000	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
2001	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	1.001
2002	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	1.001	1.001
2003	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	1.001
2004	1.003															
Selected (a)	1.002	1.002	1.001	1.001	1.000	1.001	1.001	1.000	1.001	1.000	1.001	1.001	1.001	1.000	1.000	1.000
Cumulative	1.013	1.012	1.010	1.009	1.009	1.008	1.007	1.007	1.006	1.006	1.006	1.005	1.004	1.004	1.003	1.002

(b) The ULT/447Inc tail factor was calculated based on an inverse power curve fit to a six-year average of the 111-to-123 through 339-to-351 factors, excluding the 2016, 2017, and 2018 evaluations, and extrapolated to 80 development years.

**Incurred Medical Loss Development Factors**

Accident Year	<u>27/15</u>	<u>39/27</u>	<u>51/39</u>	<u>63/51</u>	<u>75/63</u>	<u>87/75</u>	<u>99/87</u>	Age-to-Age (in months) (b)					<u>147/135</u>	<u>159/147</u>	<u>171/159</u>	<u>183/171</u>	<u>195/183</u>	<u>207/195</u>
1996																		
1997																		
1998																		
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2017																		
2018																		
2019																		
2020																		

Selected (a)	1.299	1.108	1.045	1.023	1.017	1.006	1.010	1.002	1.004	1.004	1.003	1.003	1.001	0.998	1.000	0.999	0.993	0.999
Cumulative	1.598	1.230	1.110	1.063	1.039	1.021	1.015	1.005	1.003	1.000	0.996	0.993	0.993	0.992	0.993	0.993	0.993	0.993

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

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

**Incurred Medical Loss Development Factors (Continued)**

Accident Year	219/207	231/219	243/231	255/243	267/255	279/267	291/279	303/291	315/303	327/315	339/327	351/339	363/351	375/363	387/375	399/387	411/399	423/411	435/423	447/435	ULT/447inc (c)
1983								1.004	1.003	1.003	1.003	1.005	1.003	1.003	1.002	0.997	0.999	0.999	1.005	0.997	
1984							1.001	1.002	1.004	1.004	1.003	1.000	1.004	0.999	0.999	1.001	1.000	1.000	1.000	1.000	
1985						1.003	1.006	1.006	1.005	1.005	1.004	1.004	1.000	0.999	0.999	1.000	1.001	1.001	1.000	1.000	
1986					1.005	1.010	0.999	1.006	1.003	1.005	1.004	1.002	1.001	0.998	1.004	1.004	0.993	1.002	1.001		
1987				1.006	1.005	1.005	1.007	1.005	1.002	1.003	1.002	1.001	0.999	1.001	0.999	1.006	1.000	1.001			
1988				1.008	1.005	1.006	1.007	1.000	1.002	0.999	0.999	1.000	0.999	1.003	0.999	1.000	1.000				
1989				1.005	1.003	1.002	1.004	0.997	1.001	1.001	0.999	0.998	0.999	1.001	1.000						
1990				1.005	1.002	1.001	1.003	1.001	0.999	0.999	0.998	1.001	1.000	1.001							
1991				1.008	1.005	1.004	1.001	1.000	1.002	0.998	1.002	0.999	1.000								
1992				1.003	1.003	1.003	0.999	1.000	1.000	0.998	1.002	0.999	1.000								
1993				1.013	1.001	0.999	0.996	1.000	1.000	0.998	0.997	0.999									
1994				1.006	1.004	0.996	0.997	1.003	0.998	0.998	0.998	0.998									
1995				1.007	1.000	0.997	0.999	0.999	1.003	0.999	1.000										
1996				1.000	0.998	0.996	1.001	0.999	0.999	0.999											
1997				0.995	0.997	1.000	0.996	0.999	0.999	1.000											
1998				0.996	0.998	1.000	0.996	0.999	0.999												
1999				0.997	1.002	1.000	0.998	0.999	0.999												
2000				0.998	0.998	0.999	0.999	0.999	0.999												
2001				1.001	0.999	0.997	1.001	0.999	0.999												
2002				1.002	1.000	0.997	1.000	0.999	0.999												
2003				1.000	0.998	0.999	0.999	0.999	0.999												
2004				1.001																	

Selected (a)  
Cumulative

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(c) The ULT/447inc tail factor was calculated based on an inverse power curve fit to a six-year average of the 111-to-123 through 339-to-351 factors, excluding the 2016, 2017, and 2018 evaluations, and extrapolated to 80 development years.

**Paid Indemnity Loss Development Factors**

Accident Year	27/15	39/27	51/39	63/51	75/63	87/75	99/87	111/99	123/111	135/123	147/135	159/147	171/159	183/171	195/183	207/195
1996																
1997																
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Selected (a)	2.252	1.432	1.183	1.095	1.056	1.038	1.026	1.019	1.019	1.015	1.013	1.012	1.010	1.009	1.008	1.006
Cumulative	5.505	2.444	1.707	1.443	1.318	1.248	1.202	1.172	1.150	1.129	1.112	1.099	1.085	1.074	1.065	1.056

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

**Paid Indemnity Loss Development Factors (Continued)**

Accident Year	219/207	231/219	243/231	255/243	267/255	279/267	291/279	303/291	315/303	327/315	339/327	351/339	363/351	375/363	387/375	399/387	411/399	423/411	435/423	447/435	ULT/447Pd (b)
1983									1.001	1.001	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	1.000	1.000	1.001	1.000	1.001	1.001	1.001	
1985							1.001	1.001	1.001	1.001	1.002	1.001	1.001	1.001	1.001	1.001	1.000	1.001	1.000	1.001	
1986						1.001	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.001	
1987					1.001	1.001	1.001	1.001	1.002	1.001	1.001	1.001	1.000	1.001	1.001	1.001	1.001	1.000	1.000	1.001	
1988				1.001	1.001	1.002	1.001	1.001	1.001	1.001	1.001	1.000	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.001	
1989			1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.001	1.001	1.001	1.001	1.001	1.001	
1990		1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	
1991	1.002	1.002	1.001	1.001	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	
1992	1.001	1.002	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	
1993	1.002	1.003	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	
1994	1.004	1.002	1.003	1.003	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	
1995	1.005	1.004	1.003	1.002	1.003	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	
1996	1.005	1.004	1.003	1.003	1.002	1.003	1.002	1.003	1.003	1.002	1.002	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	
1997	1.004	1.003	1.002	1.002	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	
1998	1.005	1.004	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	
1999	1.004	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	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	1.004	1.003	1.003	1.003	1.003	1.003	1.003	1.003	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	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	
2002	1.005	1.004	1.004	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	
2003	1.008	1.004	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	
2004	1.005																				

Selected (a)  
Cumulative

1.006 1.004 1.003 1.036 1.002 1.003 1.031 1.028 1.003 1.002 1.025 1.023 1.021 1.019 1.018 1.017 1.016 1.015 1.014 1.013 1.012 1.011 1.010

(b) The ULT/447Pd tail factor was calculated based on an inverse power curve fit to a four-year average of the 111-to-123 through 339-to-351 factors and extrapolated to 80 development years.

**Paid Medical Loss Development Factors**

Unadjusted (a) Accident Year	27/15	39/27	51/39	63/51	75/63	87/75	99/87	Age-to-Age (in months)					135/123	147/135	159/147	171/159	183/171	195/183	207/195
1996																			
1997																			
1998																			
1999																			
2000																			
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Adjusted (b) Accident Year	27/15	39/27	51/39	63/51	75/63	87/75	99/87	Age-to-Age (in months)					135/123	147/135	159/147	171/159	183/171	195/183	207/195
2003																			
2004																			
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2018																			
2019																			
2020																			

Selected (c)

Cumulative Unadjusted  
for Impact of SB 1160

Cumulative Adjusted  
for Impact of SB 1160(d)

- (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 impact of pharmaceutical cost reductions through 2018 and the 2021 changes to the Official Medical Fee Schedule and Medical-Legal Fee Schedule in order to bring the historical payments to the current pharmaceutical and medical service cost level.  
 (c) Selections are latest year for the 15-to-27 month through 99-to-111 month factors and three-year average for the subsequent age-to-age factors.  
 (d) The cumulative factors for 63 and 75 months are adjusted by -1.7% and -0.8%, respectively, for the impact of the SB 1160 reductions in future lien filings.

**Paid Medical Loss Development Factors (Continued)**

Unadjusted (a) Accident Year	Age-to-Age (in months)															
	219/207	231/219	243/231	255/243	267/255	279/267	291/279	303/291	315/303	327/315	339/327	351/339	363/351	375/363	387/375	399/387
1983									1.004	1.005	1.004	1.004	1.004	1.004	1.003	1.003
1984								1.003	1.003	1.004	1.004	1.003	1.003	1.002	1.002	1.001
1985							1.004	1.004	1.003	1.004	1.004	1.003	1.003	1.002	1.002	1.001
1986						1.004	1.005	1.005	1.005	1.005	1.005	1.006	1.004	1.006	1.004	1.002
1987					1.005	1.005	1.005	1.005	1.005	1.006	1.005	1.003	1.003	1.002	1.003	1.003
1988				1.005	1.005	1.006	1.006	1.004	1.005	1.004	1.003	1.003	1.003	1.004	1.002	1.002
1989			1.006	1.005	1.005	1.008	1.006	1.006	1.005	1.003	1.003	1.003	1.003	1.003	1.002	1.003
1990		1.005	1.005	1.005	1.006	1.004	1.004	1.004	1.003	1.002	1.002	1.002	1.003	1.002	1.003	1.002
1991	1.006	1.006	1.006	1.005	1.006	1.006	1.005	1.004	1.003	1.002	1.004	1.004	1.003	1.002	1.003	1.002
1992	1.007	1.007	1.000	1.007	1.007	1.005	1.005	1.005	1.005	1.006	1.003	1.003	1.003	1.003	1.002	1.002
1993	1.011	1.011	1.009	1.013	1.010	1.008	1.005	1.006	1.008	1.004	1.003	1.003	1.003	1.002	1.002	1.001
1994	1.009	1.009	1.012	1.010	1.008	1.008	1.007	1.004	1.005	1.005	1.003	1.003	1.003	1.002	1.002	1.001
1995	1.012	1.016	1.013	1.011	1.013	1.007	1.007	1.008	1.006	1.006	1.004	1.003	1.003	1.002	1.002	1.001
1996	1.014	1.014	1.010	1.007	1.007	1.009	1.007	1.005	1.004	1.004	1.003	1.003	1.003	1.002	1.002	1.001
1997	1.013	1.010	1.006	1.006	1.007	1.007	1.004	1.004	1.004	1.004	1.003	1.003	1.003	1.002	1.002	1.001
1998	1.013	1.010	1.007	1.008	1.008	1.007	1.006	1.006	1.006	1.005	1.004	1.003	1.003	1.002	1.002	1.001
1999	1.012	1.009	1.009	1.008	1.005	1.005	1.005	1.005	1.005	1.006	1.003	1.003	1.003	1.002	1.002	1.001
2000	1.008	1.008	1.006	1.006	1.004	1.004	1.004	1.004	1.004	1.004	1.003	1.003	1.003	1.002	1.002	1.001
2001	1.010	1.009	1.008	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.003	1.003	1.003	1.002	1.002	1.001
2002	1.009	1.007	1.006	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.003	1.003	1.003	1.002	1.002	1.001
2003	1.010	1.007														
2004	1.008															

Adjusted (b) Accident Year	Age-to-Age (in months)															
	219/207	231/219	243/231	255/243	267/255	279/267	291/279	303/291	315/303	327/315	339/327	351/339	363/351	375/363	387/375	399/387
1983																
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Selected (c) 1.010 1.008 1.008 1.007 1.006 1.007 1.007 1.007 1.006 1.006 1.005 1.004 1.003 1.003 1.002 1.002 1.002

Cumulative 1.191 1.179 1.169 1.161 1.152 1.145 1.137 1.129 1.122 1.116 1.110 1.106 1.103 1.103 1.099 1.096 1.086 1.078

(e) The ULT/447Pd tail factor was calculated based on an inverse power curve fit to a four-year average of the 111-to-123 through 339-to-351 adjusted factors and extrapolated to 80 development years.



Selected Indemnity Development Factors - Paid to Ultimate

Accident Year	Age-to-Age (in months)																				
	27/15	39/27	51/39	63/51	75/63	87/75	99/87	111/99	123/111	135/123	147/135	159/147	171/159	183/171	195/183	207/195	219/207	231/219	243/231	255/243	267/255
1995													1.007	1.006	1.004	1.004	1.005	1.004	1.003	1.002	1.003
1996											1.011	1.009	1.007	1.004	1.005	1.004	1.005	1.004	1.003	1.003	1.002
1997											1.009	1.009	1.007	1.006	1.005	1.005	1.004	1.003	1.002	1.003	1.002
1998										1.016	1.009	1.009	1.008	1.007	1.006	1.006	1.005	1.004	1.003	1.003	1.003
1999									1.018	1.014	1.010	1.009	1.008	1.006	1.006	1.005	1.004	1.003	1.003	1.003	1.002
2000								1.022	1.015	1.012	1.010	1.009	1.007	1.007	1.004	1.004	1.004	1.004	1.003	1.003	1.002
2001							1.030	1.022	1.016	1.014	1.011	1.011	1.008	1.007	1.006	1.005	1.005	1.004	1.004	1.002	
2002						1.043	1.028	1.019	1.018	1.014	1.012	1.009	1.007	1.006	1.005	1.005	1.005	1.004	1.004	1.003	
2003					1.064	1.039	1.029	1.025	1.022	1.020	1.015	1.010	1.009	1.008	1.007	1.007	1.008	1.004	1.003	1.003	
2004				1.102	1.067	1.045	1.041	1.034	1.026	1.018	1.014	1.011	1.008	1.008	1.009	1.006	1.005	1.004	1.003	1.003	
2005			1.200	1.104	1.073	1.057	1.048	1.037	1.025	1.019	1.014	1.012	1.010	1.010	1.009	1.006	1.005	1.004	1.003	1.003	
2006		1.423	1.197	1.121	1.085	1.062	1.045	1.032	1.026	1.017	1.015	1.011	1.010	1.010	1.006	1.005	1.005	1.004	1.003	1.003	
2007	2.243	1.436	1.211	1.127	1.085	1.061	1.042	1.032	1.025	1.017	1.016	1.013	1.011	1.007							
2008	2.279	1.468	1.234	1.132	1.083	1.054	1.040	1.025	1.021	1.018	1.014	1.009	1.010	1.010	1.009	1.005	1.005	1.004	1.003	1.003	
2009	2.369	1.499	1.238	1.135	1.084	1.056	1.039	1.029	1.023	1.016	1.010	1.015	1.010	1.010	1.007	1.007	1.008	1.004	1.003	1.003	
2010	2.399	1.505	1.240	1.129	1.081	1.053	1.036	1.024	1.021	1.012	1.014	1.015	1.010	1.010	1.007	1.006	1.005	1.004	1.003	1.003	
2011	2.433	1.481	1.227	1.129	1.076	1.053	1.038	1.023	1.017	1.016	1.014	1.009	1.010	1.007	1.006	1.005	1.005	1.004	1.004	1.003	
2012	2.424	1.477	1.219	1.123	1.075	1.047	1.031	1.020	1.018	1.016	1.014	1.015	1.010	1.007	1.006	1.006	1.005	1.004	1.003	1.003	
2013	2.385	1.490	1.216	1.111	1.063	1.038	1.027	1.019							1.008	1.008	1.005	1.004	1.003	1.003	
2014	2.455	1.501	1.215	1.109	1.062	1.032	1.026								1.006	1.007	1.007	1.007	1.007	1.007	
2015	2.468	1.476	1.202	1.100	1.051	1.038									1.006	1.007	1.007	1.007	1.007	1.007	
2016	2.403	1.459	1.188	1.087	1.056										1.006	1.007	1.007	1.007	1.007	1.007	
2017	2.390	1.441	1.172	1.095											1.006	1.007	1.007	1.007	1.007	1.007	
2018	2.345	1.411	1.183												1.006	1.007	1.007	1.007	1.007	1.007	
2019	2.322	1.432													1.006	1.007	1.007	1.007	1.007	1.007	
2020	2.252														1.006	1.007	1.007	1.007	1.007	1.007	
Selected (a)	2.227(b)	1.447(b)	1.207(b)	1.104(b)	1.055(b)	1.038	1.026	1.019	1.019	1.015	1.013	1.012	1.010	1.009	1.008	1.006	1.006	1.004	1.003	1.003	1.002
Cumulative	5.621	2.525	1.744	1.445	1.308	1.240	1.195	1.164	1.143	1.122	1.105	1.092	1.078	1.067	1.058	1.049	1.043	1.037	1.033	1.029	1.027

(a) Selections are latest year for the 15-to-27 month through 99-to-111 month factors and three-year averages for the subsequent paid age-to-age factors.  
(b) Based on calculations shown on Exhibits 2.5.3 to 2.5.8. Each of these selections is calculated as the latest year paid indemnity age-to-age factor multiplied by an adjustment for changes in claim settlement rates.

**Selected Indemnity Development Factors - Paid to Ultimate (Continued)**

Accident Year	Age-to-Age (in months)																ULT/447Pd (d)
	279/267	291/279	303/291	315/303	327/315	339/327	351/339	363/351	375/363	387/375	399/387	411/399	423/411	435/423	447/435	459/447	
1983				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	
1984			1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.001	1.000	1.001	1.001	1.001	1.001	
1985		1.001	1.001	1.001	1.001	1.002	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.001	1.001	
1986	1.001	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.001	1.001	
1987	1.001	1.001	1.001	1.002	1.001	1.001	1.001	1.000	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	1.001	1.000	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	
1989	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.001	1.001	1.001	1.001	1.001	1.001	1.001	
1990	1.001	1.001	1.001	1.001	1.000	1.000	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	
1991	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	1.001	1.001	1.001	
1992	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	1.001	1.001	1.001	
1993	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	1.001	1.001	1.001	
1994	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	1.001	1.001	
1995	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	
1996	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	
1997	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	
1998	1.003	1.003	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	
1999	1.002																
Unadjusted (a)	1.003	1.003	1.002	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.001	1.001	1.010	
Selected (c)	1.003	1.003	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.001	1.001	1.007	
Cumulative	1.024	1.021	1.019	1.017	1.016	1.014	1.013	1.012	1.011	1.011	1.010	1.009	1.008	1.008	1.008	1.007	

(c) Adjusted for the impact of changes in claim settlement rates on later period development for 291 months and later. See Exhibits 2.5.9 through 2.5.12.  
(d) The ULT/447Pd tail factor was calculated based on an inverse power curve fit to a four-year average of the 111-to-123 through 339-to-351 factors and extrapolated to 80 development years.

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

A. Total Reported Indemnity Claim Counts

Accident	Evaluated as of (in months)					
<u>Year</u>	<u>15</u>	<u>27</u>	<u>39</u>	<u>51</u>	<u>63</u>	<u>75</u>
2013						133,768
2014					139,704	139,913
2015				144,381	144,819	145,090
2016			147,106	147,867	148,268	148,406
2017		144,986	147,496	148,407	148,683	
2018	135,763	148,271	150,606	151,271		
2019	138,719	150,545	153,454			
2020	120,655	131,589				
2021	132,844					

B. Development of Total Reported Indemnity Claim Counts

Accident	Age-to-Age Development (in months):					
<u>Year</u>	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>	<u>75-Ult</u>
2014					1.001	
2015				1.003	1.002	
2016			1.005	1.003	1.001	
2017		1.017	1.006	1.002		
2018	1.092	1.016	1.004			
2019	1.085	1.019				
2020	1.091					
Latest Year	1.091	1.019	1.004	1.002	1.001	
Cumulative	1.124	1.031	1.011	1.007	1.005	1.004

Acc. Year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Ult. Claim Counts	149,337	135,635	155,173	152,293	149,410	148,993

C. Closed Indemnity Claim Counts

Accident	Evaluated as of (in months)					
<u>Year</u>	<u>15</u>	<u>27</u>	<u>39</u>	<u>51</u>	<u>63</u>	<u>75</u>
2013						121,399
2014					122,099	128,124
2015				119,414	128,768	133,426
2016			109,493	124,742	132,253	137,044
2017		88,191	112,252	124,844	132,758	
2018	52,671	90,230	111,728	125,785		
2019	53,888	87,317	110,729			
2020	44,819	75,111				
2021	52,615					

Source: Accident year experience of insurers with available claim count data, excluding COVID-19 claims.

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

D. Ultimate Indemnity Claim Settlement Ratio (a)

Accident Year	Evaluated as of (in months)					
	15	27	39	51	63	75
2013						90.2%
2014					86.9%	91.2%
2015				82.0%	88.4%	91.6%
2016			73.5%	83.7%	88.8%	92.0%
2017		59.0%	75.1%	83.6%	88.9%	
2018	34.6%	59.2%	73.4%	82.6%		
2019	34.7%	56.3%	71.4%			
2020	33.0%	55.4%				
2021	35.2%					

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

Accident Year	Evaluated as of (in months)					
	15	27	39	51	63	75
2013						123,832
2014					124,854	129,246
2015				120,309	129,429	133,982
2016			106,319	123,059	132,387	137,044
2017		82,739	106,617	123,404	132,758	
2018	53,656	84,336	108,674	125,785		
2019	54,671	85,931	110,729			
2020	47,787	75,111				
2021	52,615					

F. Average Paid Indemnity per Closed Claim

Accident Year	Evaluated as of (in months)					
	15	27	39	51	63	75
2013						17,403
2014					16,759	18,231
2015				15,215	17,277	18,514
2016			12,005	15,087	16,819	18,095
2017		7,800	12,027	14,887	16,827	
2018	3,568	8,216	12,259	15,216		
2019	3,813	8,133	12,463			
2020	4,132	8,789				
2021	3,835					

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

Source: Accident year experience of insurers with available claim count data, excluding COVID-19 claims.

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

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

Accident Year	Evaluated as of (in months)					
	15	27	39	51	63	75
2013						17,995
2014					17,417	18,549
2015				15,401	17,447	18,664
2016			11,369	14,711	16,853	18,095
2017		6,898	10,867	14,528	16,827	
2018	3,647	7,208	11,582	15,216		
2019	3,881	7,882	12,463			
2020	4,449	8,789				
2021	3,835					
2022						

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

Accident Year	Evaluated as of (in months)					
	15	27	39	51	63	75
2013						2,228,401
2014					2,174,544	2,397,389
2015				1,852,934	2,258,202	2,500,578
2016			1,208,692	1,810,353	2,231,175	2,479,844
2017		570,698	1,158,627	1,792,812	2,233,883	
2018	195,708	607,909	1,258,615	1,913,985		
2019	212,193	677,307	1,380,017			
2020	212,615	660,132				
2021	201,777					

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

Accident Year	Evaluated as of (in months)					
	15	27	39	51	63	75
2013						464,561
2014					593,370	468,221
2015				716,293	562,059	459,083
2016			833,569	669,288	549,060	448,000
2017		825,290	829,698	695,521	563,949	
2018	494,597	859,342	889,284	758,168		
2019	516,132	965,085	1,018,293			
2020	500,513	883,475				
2021	571,192					

(c) Adjusted based on ultimate indemnity claim settlement ratios (Item D) and assuming a log-linear relationship between maturities.

(d) Each amount is the product of the adjusted closed indemnity claim counts (Item E) and the adjusted average paid indemnity per closed claim (Item G), and divided by \$1,000.

Source: Accident year experience of insurers with available claim count data, excluding COVID-19 claims.

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

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

Accident Year	Evaluated as of (in months)					
	15	27	39	51	63	75
2013						37,557
2014					33,704	39,718
2015				28,690	35,017	39,360
2016			19,702	28,980	34,285	39,430
2017		10,102	20,989	30,785	35,413	
2018	5,952	10,714	21,386	29,748		
2019	6,084	10,952	23,834			
2020	6,600	15,643				
2021	7,120					

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

Accident Year	Evaluated as of (in months)					
	15	27	39	51	63	75
2013						-91,376
2014					-92,855	-44,564
2015				-25,678	-23,146	-21,884
2016			62,535	48,774	-4,594	
2017		55,067	118,275	44,330		
2018	-5,869	63,150	65,313			
2019	-4,764	15,179				
2020	-19,589					

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

Accident Year	Evaluated as of (in months)					
	15	27	39	51	63	75
2013						373,185
2014					500,515	423,657
2015				690,615	538,913	437,199
2016			896,104	718,062	544,466	448,000
2017		880,357	947,973	739,851	563,949	
2018	488,728	922,492	954,597	758,168		
2019	511,368	980,264	1,018,293			
2020	480,924	883,475				
2021	571,192					

- (e) Each amount is equal to the product of [the average monthly indemnity payment per open indemnity claim] and [the number of months for the current evaluation]. For evaluations indicating claim settlement rate decreases, the average monthly indemnity payment per open indemnity claim at the prior evaluation is used. For evaluations indicating claim settlement rate increases, the average monthly indemnity payment per open indemnity claim at the same evaluation is used.
- (f) Each amount is equal to [the difference between unadjusted and adjusted closed indemnity claim counts (Items C and E)] multiplied by the corresponding [average paid indemnity per open claim for indemnity claims in transition (Item J)].
- (g) Each amount is the sum of [paid indemnity on open claims (Item I)] and the corresponding [incremental changes in paid indemnity on open claims resulting from the impact of changes in claim settlement rates (Item K)].

Source: Accident year experience of insurers with available claim count data, excluding COVID-19 claims.

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

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

Accident Year	Evaluated as of (in months)					
	<u>15</u>	<u>27</u>	<u>39</u>	<u>51</u>	<u>63</u>	<u>75</u>
2013						2,601,586
2014					2,675,058	2,821,046
2015				2,543,549	2,797,115	2,937,777
2016			2,104,796	2,528,415	2,775,641	2,927,844
2017		1,451,055	2,106,600	2,532,663	2,797,832	
2018	684,436	1,530,401	2,213,212	2,672,153		
2019	723,561	1,657,571	2,398,310			
2020	693,540	1,543,607				
2021	772,969					

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

Accident Year	Evaluated as of (in months)				
	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>
2013					
2014					1.055
2015				1.100	1.050
2016			1.201	1.098	1.055
2017		1.452	1.202	1.105	
2018	2.236	1.446	1.207		
2019	2.291	1.447			
2020	2.226				
Latest Year	2.226	1.447	1.207	1.105	1.055
3-Year Average	2.251	1.448	1.204	1.101	1.053

O. Paid Indemnity Loss Development Factors (i)

Accident Year	Evaluated as of (in months)				
	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>
2014					1.062
2015				1.100	1.051
2016			1.188	1.087	1.056
2017		1.440	1.172	1.095	
2018	2.345	1.411	1.183		
2019	2.322	1.432			
2020	2.251				

- (h) Each amount is the sum of the adjusted paid indemnity on closed claims (Item H) and the adjusted paid indemnity on open claims (Item L).
- (i) Development factors are based on paid indemnity losses from the same insurer mix as that used in the adjustment for changes in claim settlement rates and applied in the calculation of the development factors in Item N.

Source: Accident year experience of insurers with available claim count data, excluding COVID-19 claims.

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

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

Accident Year	Evaluated as of (in months)				
	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>
2014					-0.73%
2015				-0.04%	-0.09%
2016			1.14%	0.99%	-0.08%
2017		0.79%	2.61%	0.84%	
2018	-4.65%	2.47%	2.07%		
2019	-1.32%	1.07%			
2020	-1.13%				

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

Accident Year	Evaluated as of (in months)				
	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>
2014					1.054
2015				1.100	1.050
2016			1.202	1.098	1.055
2017		1.452	1.203	1.104	
2018	2.236	1.446	1.207		
2019	2.291	1.447			
2020	2.227				
Latest Year	2.227	1.447	1.207	1.104	1.055
2-Year Average	2.259	1.447	1.205	1.101	1.053
3-Year Average	2.251	1.448	1.204	1.101	1.053

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

Source: Accident year experience of insurers with available claim count data, excluding COVID-19 claims.



**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>291</u>	<u>303</u>	<u>315</u>	<u>327</u>	<u>339</u>	<u>351</u>	<u>363</u>	<u>375</u>	<u>387</u>	<u>399</u>
1989							208,372	208,435	208,502	208,551
1990						226,864	226,961	227,019	227,096	
1991					225,829	225,904	225,991	226,057		
1992				178,414	178,487	178,573	178,629			
1993			140,116	140,184	140,277	140,347				
1994		127,661	127,734	127,826	127,927					
1995	117,658	117,751	117,873	117,963						
1996	110,576	110,686	110,800							
1997	117,153	117,252								
1998	127,187									
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>
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<u>2. Ult. Claim Counts (a)</u>	128,387	118,192	111,508	118,594	128,432	140,762	179,049	226,502	227,401	208,908
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3. Ultimate Indemnity Claim Settlement Ratio (b)

Accident	Evaluated as of (in months)									
Year	<u>291</u>	<u>303</u>	<u>315</u>	<u>327</u>	<u>339</u>	<u>351</u>	<u>363</u>	<u>375</u>	<u>387</u>	<u>399</u>
1989							99.7%	99.8%	99.8%	99.8%
1990						99.8%	99.8%	99.8%	99.9%	
1991					99.7%	99.7%	99.8%	99.8%		
1992				99.6%	99.7%	99.7%	99.8%			
1993			99.5%	99.6%	99.7%	99.7%				
1994		99.4%	99.5%	99.5%	99.6%					
1995	99.2%	99.3%	99.4%	99.5%						
1996	99.2%	99.3%	99.4%							
1997	99.1%	99.2%								
1998	99.1%									

(a) Based on the latest year age-to-age development in indemnity claim counts. See Exhibit 2.5.3.

(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>279-291</u>	<u>291-303</u>	<u>303-315</u>	<u>315-327</u>	<u>327-339</u>	<u>339-351</u>	<u>351-363</u>	<u>363-375</u>	<u>375-387</u>	<u>387-399</u>
1989								11.8%	14.2%	---
1990							18.1%	13.2%	20.2%	
1991						11.1%	14.5%	12.9%		
1992					11.6%	15.3%	11.8%			
1993				10.6%	16.0%	14.4%				
1994			9.4%	13.2%	16.7%					
1995		10.0%	14.5%	12.5%						
1996	10.3%	11.8%	13.8%							
1997	13.2%	9.5%								
1998	9.6%									
1999										
3-Year Average	11.0%	10.4%	12.6%	12.1%	14.8%	13.6%	14.8%	12.6%	17.2%	
Share of Open on Prior (d)	89.0%	89.6%	87.4%	87.9%	85.2%	86.4%	85.2%	87.4%	82.8%	

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

Accident	Evaluated as of (in months)									
Year	<u>291</u>	<u>303</u>	<u>315</u>	<u>327</u>	<u>339</u>	<u>351</u>	<u>363</u>	<u>375</u>	<u>387</u>	
1989										
1990										305
1991								445		322
1992							420	313		367
1993						415	306	354		309
1994					505	372	436	372		325
1995				631	473	538	465	396		346
1996			708	544	622	530	458	391		341
1997		940	736	822	722	615	532	453		396
1998	1,200	956	1,075	939	826	704	608	518		453
1999	1,007	1,155	1,035	904	795	677	585	499		436
...										
2020	462	411	368	322	283	241	208	178		155
2021	483	429	384	336	295	252	217	185		162

- (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>291</u>	<u>303</u>	<u>315</u>	<u>327</u>	<u>339</u>	<u>351</u>	<u>363</u>	<u>375</u>	<u>387</u>
1989								0.2%	0.2%
1990							0.2%	0.2%	0.1%
1991						0.3%	0.2%	0.2%	0.1%
1992					0.3%	0.3%	0.2%	0.2%	0.2%
1993				0.4%	0.3%	0.3%	0.2%	0.3%	0.2%
1994			0.5%	0.5%	0.4%	0.3%	0.3%	0.3%	0.3%
1995		0.7%	0.6%	0.5%	0.4%	0.5%	0.4%	0.3%	0.3%
1996	0.8%	0.7%	0.6%	0.5%	0.6%	0.5%	0.4%	0.4%	0.3%
1997	0.9%	0.8%	0.6%	0.7%	0.6%	0.5%	0.4%	0.4%	0.3%
1998	0.9%	0.7%	0.8%	0.7%	0.6%	0.5%	0.5%	0.4%	0.4%
1999	0.8%	0.9%	0.8%	0.7%	0.6%	0.5%	0.4%	0.4%	0.3%
...									
2020	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%
2021	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
3-Year Historical Avg.	0.9%	0.7%	0.6%	0.5%	0.4%	0.3%	0.2%	0.2%	0.2%

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

Accident	Evaluated as of (in months)								
Year	<u>291</u>	<u>303</u>	<u>315</u>	<u>327</u>	<u>339</u>	<u>351</u>	<u>363</u>	<u>375</u>	<u>387</u>
1989									
1990									
1991									0.87
1992								0.89	1.25
1993							1.00	1.28	1.34
1994						1.05	1.56	1.47	1.54
1995					1.14	1.65	1.80	1.70	1.78
1996				1.03	1.59	1.73	1.89	1.78	1.86
1997			1.05	1.48	1.74	1.89	2.06	1.95	2.04
1998		1.00	1.41	1.55	1.84	1.99	2.17	2.05	2.15
1999	0.87	1.18	1.33	1.47	1.74	1.89	2.06	1.94	2.03
...									
2020	0.39	0.41	0.46	0.50	0.60	0.65	0.70	0.66	0.70
2021	0.37	0.38	0.43	0.48	0.56	0.61	0.67	0.63	0.66

(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-to-Age Paid Development (in months):									
Age	<u>291-303</u>	<u>303-315</u>	<u>315-327</u>	<u>327-339</u>	<u>339-351</u>	<u>351-363</u>	<u>363-375</u>	<u>375-387</u>	<u>387-399</u>

8. 3-Year Average (h)

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

9. Adjustment Ratio (i)

Accident Year 2020	0.75	0.76	0.78	0.80	0.84	0.86	0.88	0.87	0.88
Accident Year 2021	0.75	0.75	0.77	0.79	0.83	0.85	0.87	0.85	0.86

10. Adjusted Factors (j)

Indemnity									
Accident Year 2020	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
Accident Year 2021	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
Medical									
Accident Year 2020	1.005	1.004	1.004	1.003	1.003	1.003	1.003	1.003	1.003
Accident Year 2021	1.005	1.004	1.004	1.003	1.003	1.003	1.003	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

**Selected Medical Development Factors - Paid to Ultimate**

Adjusted (a)(b) Accident Year	27/15	39/27	51/39	63/51	75/63	87/75	99/87	111/99	123/111	135/123	147/135	159/147	171/159	183/171	195/183	207/195	219/207	231/219	243/231	255/243	267/255
1998																					
1999																					
2000																					
2001																					
2002																					
2003																					
2004																					
2005																					
2006																					
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2012																					
2013																					
2014																					
2015																					
2016																					
2017																					
2018																					
2019																					
2020																					
Selected (c)	1.906(d)	1.355(d)	1.178(d)	1.096(d)	1.055(d)	1.040	1.030	1.022	1.022	1.022	1.016	1.015	1.015	1.012	1.012	1.010	1.010	1.008	1.008	1.007	1.006
Cumulative Unadjusted for Impact of SB 1160	4.937	2.590	1.912	1.623	1.481	1.403	1.349	1.310	1.282	1.254	1.234	1.216	1.198	1.184	1.170	1.157	1.145	1.134	1.124	1.116	1.108
Cumulative Adjusted for Impact of SB 1160(e)	4.852	2.545	1.878	1.595	1.455	1.392	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

- (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 impact of pharmaceutical cost reductions through 2018 and the 2021 changes to the Official Medical Fee Schedule and Medical-Legal Fee Schedule in order to bring the historical payments to the current pharmaceutical and medical service cost level.  
 (c) Selections are latest year for the 15-to-27 month through 99-to-111 month factors and three-year averages for the subsequent paid age-to-age factors.  
 (d) Based on calculations shown on Exhibits 2.6.3 to 2.6.8. Each of these selections are calculated as the latest year paid medical age-to-age factor multiplied by an adjustment for changes in claim settlement rates.  
 (e) The cumulative factors for 63 and 75 months are adjusted by -1.7% and -0.8%, respectively, for the impact of the SB 1160 reductions in future lien filings.

**Selected Medical Development Factors - Paid to Ultimate (Continued)**

Accident Year	279/267	291/279	303/291	315/303	327/315	339/327	351/339	363/351	375/363	387/375	399/387	411/399	423/411	435/423	447/435	ULT/447Pd (g)
1983															1.003	
1984															1.001	
1985															1.002	
1986															1.002	
1987															1.002	
1988															1.004	
1989															1.003	
1990															1.002	
1991															1.003	
1992															1.003	
1993															1.004	
1994															1.003	
1995															1.003	
1996															1.005	
1997															1.005	
1998															1.007	
1999															1.006	
Unadjusted (c)	1.007	1.007	1.006	1.006	1.005	1.004	1.003	1.003	1.003	1.004	1.003	1.003	1.003	1.002	1.002	1.078
Selected (f)	1.007	1.007	1.005	1.004	1.004	1.003	1.003	1.003	1.003	1.003	1.002	1.002	1.003	1.002	1.001	1.047
Cumulative	1.101	1.093	1.085	1.080	1.076	1.072	1.069	1.066	1.063	1.060	1.057	1.054	1.053	1.050	1.048	1.047

(f) Adjusted for the impact of changes in claim settlement rates on later period development for 291 months and later. See Exhibits 2.5.9 through 2.5.12.

(g) The ULT/447Pd tail factor was calculated based on an inverse power curve fit to a four-year average of the 111-to-123 through 339-to-351 factors and extrapolated to 80 development years.

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

A. Total Reported Indemnity Claim Counts

Accident Year	Evaluated as of (in months)					
	<u>15</u>	<u>27</u>	<u>39</u>	<u>51</u>	<u>63</u>	<u>75</u>
2013						133,768
2014					139,704	139,913
2015				144,381	144,819	145,090
2016			147,106	147,867	148,268	148,406
2017		144,986	147,496	148,407	148,683	
2018	135,763	148,271	150,606	151,271		
2019	138,719	150,545	153,454			
2020	120,655	131,589				
2021	132,844					

B. Development of Total Reported Indemnity Claim Counts

Accident Year	Age-to-Age Development (in months):					
	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>	<u>75-Ult</u>
2014					1.001	
2015				1.003	1.002	
2016			1.005	1.003	1.001	
2017		1.017	1.006	1.002		
2018	1.092	1.016	1.004			
2019	1.085	1.019				
2020	1.091					
Latest Year	1.091	1.019	1.004	1.002	1.001	
Cumulative	1.124	1.031	1.011	1.007	1.005	1.004

Acc. Year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Ult. Claim Counts	149,337	135,635	155,173	152,293	149,410	148,993

C. Closed Indemnity Claim Counts

Accident Year	Evaluated as of (in months)					
	<u>15</u>	<u>27</u>	<u>39</u>	<u>51</u>	<u>63</u>	<u>75</u>
2013						121,399
2014					122,099	128,124
2015				119,414	128,768	133,426
2016			109,493	124,742	132,253	137,044
2017		88,191	112,252	124,844	132,758	
2018	52,671	90,230	111,728	125,785		
2019	53,888	87,317	110,729			
2020	44,819	75,111				
2021	52,615					

Source: Accident year experience of insurers with available claim count and paid loss data, excluding COVID-19 claims.

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

D. Ultimate Indemnity Claim Settlement Ratio (a)

Accident Year	Evaluated as of (in months)					
	15	27	39	51	63	75
2013						90.2%
2014					86.9%	91.2%
2015				82.0%	88.4%	91.6%
2016			73.5%	83.7%	88.8%	92.0%
2017		59.0%	75.1%	83.6%	88.9%	
2018	34.6%	59.2%	73.4%	82.6%		
2019	34.7%	56.3%	71.4%			
2020	33.0%	55.4%				
2021	35.2%					

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

Accident Year	Evaluated as of (in months)					
	15	27	39	51	63	75
2013						123,832
2014					124,854	129,246
2015				120,309	129,429	133,982
2016			106,319	123,059	132,387	137,044
2017		82,739	106,617	123,404	132,758	
2018	53,656	84,336	108,674	125,785		
2019	54,671	85,931	110,729			
2020	47,787	75,111				
2021	52,615					

F. Average Paid Medical per Closed Indemnity Claim

Accident Year	Evaluated as of (in months)					
	15	27	39	51	63	75
2013						18,862
2014					16,835	18,482
2015				14,587	16,584	17,942
2016			11,358	14,111	15,859	17,165
2017		7,729	11,431	13,959	15,852	
2018	3,680	8,017	11,918	14,597		
2019	3,957	7,496	11,712			
2020	3,648	8,003				
2021	3,522					

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

Source: Accident year experience of insurers with available claim count and paid loss data, excluding COVID-19 claims.



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

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

Accident	Evaluated as of (in months)					
Year	15	27	39	51	63	75
2013						19,590
2014					17,569	18,815
2015				14,767	16,770	18,105
2016			10,798	13,777	15,894	17,165
2017		6,909	10,430	13,644	15,852	
2018	3,756	7,095	11,266	14,597		
2019	4,016	7,300	11,712			
2020	3,940	8,003				
2021	3,522					

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

Accident	Evaluated as of (in months)					
Year	15	27	39	51	63	75
2013						2,425,841
2014					2,193,594	2,431,782
2015				1,776,594	2,170,584	2,425,712
2016			1,148,004	1,695,424	2,104,202	2,352,385
2017		571,680	1,111,999	1,683,660	2,104,459	
2018	201,530	598,356	1,224,272	1,836,038		
2019	219,583	627,287	1,296,890			
2020	188,273	601,124				
2021	185,300					

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

Accident	Evaluated as of (in months)					
Year	15	27	39	51	63	75
2013						552,524
2014					628,772	509,582
2015				737,952	603,256	505,018
2016			837,128	709,121	601,792	515,509
2017		859,339	830,057	719,272	609,335	
2018	599,630	907,562	892,422	796,310		
2019	589,367	958,375	986,009			
2020	528,304	883,186				
2021	571,476					

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

Source: Accident year experience of insurers with available claim count and paid loss data, excluding COVID-19 claims.

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

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

Accident Year	Evaluated as of (in months)					
	15	27	39	51	63	75
2013						44,668
2014					35,715	43,227
2015				29,557	37,584	43,298
2016			22,256	30,665	37,578	45,371
2017		15,131	23,552	30,525	38,263	
2018	7,216	15,637	22,955	31,245		
2019	6,947	15,158	23,078			
2020	6,966	15,638				
2021	7,123					

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

Accident Year	Evaluated as of (in months)					
	15	27	39	51	63	75
2013						-108,677
2014					-98,395	-48,500
2015				-26,454	-24,843	-24,074
2016			65,463	48,982	-5,035	
2017		67,831	123,155	44,350		
2018	-7,115	76,561	68,978			
2019	-5,440	17,333				
2020	-20,676					

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

Accident Year	Evaluated as of (in months)					
	15	27	39	51	63	75
2013						443,847
2014					530,377	461,082
2015				711,498	578,414	480,944
2016			902,591	758,103	596,756	515,509
2017		927,171	953,211	763,622	609,335	
2018	592,515	984,123	961,400	796,310		
2019	583,927	975,707	986,009			
2020	507,628	883,186				
2021	571,476					

- (e) Each amount is equal to the product of [the average monthly medical payment per open indemnity claim] and [the number of months for the current evaluation]. For evaluations indicating claim settlement rate decreases, the average monthly medical payment per open indemnity claim at the prior evaluation is used. For evaluations indicating claim settlement rate increases, the average monthly medical payment per open indemnity claim at the same evaluation is used.
- (f) Each amount is equal to [the difference between unadjusted and adjusted closed indemnity claim counts (Items C and E)] multiplied by [the corresponding average paid medical per open indemnity claim for indemnity claims in transition (Item J)].
- (g) Each amount is the sum of [paid medical on open indemnity claims (Item I)] and the corresponding [incremental changes in paid medical on open indemnity claims resulting from the impact of changes in indemnity claim settlement rates (Item K)].

Source: Accident year experience of insurers with available claim count and paid loss data, excluding COVID-19 claims.

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

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

Accident	Evaluated as of (in months)					
Year	15	27	39	51	63	75
2013						231,620
2014					249,686	252,554
2015				257,159	262,468	265,157
2016			268,791	275,835	280,103	284,852
2017		277,758	288,175	293,102	298,409	
2018	251,344	300,927	305,811	317,911		
2019	244,684	295,363	312,352			
2020	197,675	241,024				
2021	221,881					

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

Accident	Evaluated as of (in months)					
Year	15	27	39	51	63	75
2013						3,101,308
2014					2,973,657	3,145,417
2015				2,745,251	3,011,466	3,171,813
2016			2,319,386	2,729,362	2,981,061	3,152,745
2017		1,776,609	2,353,386	2,740,383	3,012,203	
2018	1,045,389	1,883,406	2,491,483	2,950,259		
2019	1,048,194	1,898,357	2,595,251			
2020	893,576	1,725,334				
2021	978,657					

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

Accident	Evaluated as of (in months)				
Year	15-27	27-39	39-51	51-63	63-75
2014					1.058
2015				1.097	1.053
2016			1.177	1.092	1.058
2017		1.325	1.164	1.099	
2018	1.802	1.323	1.184		
2019	1.811	1.367			
2020	1.931				
Latest Year	1.931	1.367	1.184	1.099	1.058

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

Source: Accident year experience of insurers with available claim count and paid loss data, excluding COVID-19 claims.

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

P. Paid Medical Loss Development Factors (i)

Accident Year	Evaluated as of (in months)				
	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>
2014					1.067
2015				1.097	1.054
2016			1.168	1.085	1.058
2017		1.320	1.147	1.093	
2018	1.849	1.310	1.166		
2019	1.822	1.360			
2020	1.940				

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

Accident Year	Evaluated as of (in months)				
	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>
2014					-0.85%
2015				0.04%	-0.10%
2016			0.72%	0.64%	-0.06%
2017		0.32%	1.50%	0.53%	
2018	-2.56%	1.02%	1.54%		
2019	-0.61%	0.52%			
2020	-0.46%				

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

Accident Year	Evaluated as of (in months)				
	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>
2014					1.060
2015				1.099	1.054
2016			1.180	1.094	1.055
2017		1.331	1.167	1.096	
2018	1.814	1.328	1.178		
2019	1.825	1.355			
2020	1.906				
Latest Year	1.906	1.355	1.178	1.096	1.055
2-Year Average	1.866	1.342	1.173	1.095	1.055
3-Year Average	1.848	1.338	1.175	1.096	1.056

- (i) Development factors are based on paid medical losses from the same insurer mix as that used in the adjustment for changes in claim settlement rates and applied in the calculation of the development factors in Item O.  
(j) Each factor represents the change in age-to-age development factors from Item P to those in Item O.  
(k) Each factor is the product of [1.0 + the impact of adjustment for changes in claim settlement rates (Item Q)] and [the adjusted paid medical age-to-age development factor from Exhibit 2.6.1].

Source: Accident year experience of insurers with available claim count and paid loss data, excluding COVID-19 claims.

**Developed Indemnity Loss Ratios Using Selected Loss Development Factors  
Adjusted for Changes in Claim Settlement Rates  
Based on Experience as of March 31, 2022**

Accident Year	(1) Paid Loss Ratio (a)	Development Factors		(4) Projected Ultimate Loss Ratio (4) = (1) x (3)
		(2) Annual (b)	(3) Cumulative	
1987	0.345	1.001	1.008	0.348
1988	0.330	1.000	1.008	0.333
1989	0.342	1.001	1.009	0.345
1990	0.397	1.001	1.010	0.401
1991	0.424	1.001	1.011	0.429
1992	0.350	1.001	1.011	0.354
1993	0.288	1.001	1.012	0.292
1994	0.327	1.001	1.013	0.331
1995	0.470	1.001	1.014	0.477
1996	0.525	1.001	1.016	0.534
1997	0.596	1.001	1.017	0.606
1998	0.647	1.002	1.019	0.659
1999	0.676	1.003	1.021	0.691
2000	0.582	1.003	1.024	0.596
2001	0.484	1.002	1.027	0.496
2002	0.359	1.003	1.029	0.370
2003	0.237	1.003	1.033	0.245
2004	0.141	1.004	1.037	0.146
2005	0.120	1.006	1.043	0.125
2006	0.154	1.006	1.049	0.162
2007	0.212	1.008	1.058	0.224
2008	0.266	1.009	1.067	0.284
2009	0.309	1.010	1.078	0.333
2010	0.295	1.012	1.092	0.322
2011	0.271	1.013	1.105	0.300
2012	0.239	1.015	1.122	0.268
2013	0.201	1.019	1.143	0.229
2014	0.187	1.019	1.164	0.218
2015	0.178	1.026	1.195	0.213
2016	0.163	1.038	1.240	0.202
2017	0.158	1.055	1.308	0.207
2018	0.153	1.104	1.445	0.222
2019	0.149	1.207	1.744	0.259
2020	0.110	1.447	2.525	0.277
2021	0.057	2.227	5.621	0.320

- (a) Based on Exhibit 1.  
(b) See Exhibits 2.5.1 and 2.5.2.

**Developed Medical Loss Ratios Using Selected Loss Development Factors  
Adjusted for Changes in Claim Settlement Rates  
Based on Experience as of March 31, 2022**

	(1)	(2)	(3)	(4)	(5)	(6)
			<b>Reform Adjusted</b>			
			<u>Development Factors</u>			
Accident Year	<u>Paid Loss Ratio (a)</u>	<u>Adjusted Paid Loss Ratio (b)</u>	<u>Annual (c)</u>	<u>Cumulative (c)</u>	<u>Adjusted Developed Loss Ratio (d)</u> (2) x (4)	<u>Projected Ultimate Loss Ratio</u> (1) + ((5) - (2))
1987	0.307	0.272	1.002	1.050	0.286	0.321
1988	0.300	0.266	1.003	1.053	0.280	0.314
1989	0.320	0.284	1.002	1.054	0.299	0.335
1990	0.362	0.321	1.002	1.057	0.339	0.380
1991	0.379	0.336	1.003	1.060	0.357	0.399
1992	0.314	0.279	1.003	1.063	0.297	0.332
1993	0.258	0.230	1.003	1.066	0.245	0.273
1994	0.295	0.262	1.003	1.069	0.280	0.313
1995	0.435	0.387	1.003	1.072	0.415	0.463
1996	0.463	0.412	1.004	1.076	0.443	0.494
1997	0.519	0.462	1.004	1.080	0.499	0.556
1998	0.620	0.553	1.005	1.085	0.601	0.668
1999	0.677	0.604	1.007	1.093	0.661	0.733
2000	0.607	0.542	1.007	1.101	0.597	0.661
2001	0.539	0.484	1.006	1.108	0.536	0.591
2002	0.415	0.374	1.007	1.116	0.417	0.458
2003	0.265	0.240	1.008	1.124	0.269	0.295
2004	0.179	0.162	1.008	1.134	0.184	0.200
2005	0.174	0.158	1.010	1.145	0.181	0.197
2006	0.223	0.203	1.010	1.157	0.234	0.254
2007	0.310	0.283	1.012	1.170	0.331	0.358
2008	0.382	0.351	1.012	1.184	0.415	0.447
2009	0.442	0.409	1.012	1.198	0.490	0.524
2010	0.430	0.400	1.015	1.216	0.486	0.516
2011	0.362	0.340	1.015	1.234	0.420	0.442
2012	0.306	0.291	1.016	1.254	0.365	0.380
2013	0.241	0.241	1.022	1.282	0.309	0.309
2014	0.211	0.215	1.022	1.310	0.281	0.278
2015	0.193	0.199	1.030	1.349	0.268	0.263
2016	0.176	0.182	1.040	1.392	0.253	0.247
2017	0.171	0.177	1.055	1.455	0.257	0.251
2018	0.169	0.175	1.096	1.595	0.279	0.274
2019	0.161	0.165	1.178	1.878	0.310	0.306
2020	0.123	0.124	1.355	2.545	0.316	0.315
2021	0.072	0.072	1.906	4.852	0.351	0.351

- (a) Based on Exhibit 1. Paid MCCP costs are excluded from accident years 2011 and subsequent.
- (b) Based on experience evaluated as of March 31, 2022. Reflects adjustments for the pharmaceutical cost reductions through 2018 and 2021 changes to the Official Medical Fee Schedule (OMFS) and Medical-Legal Fee Schedule (MLFS), restating the historical medical paid-to-date ratios at a 2018 pharmaceutical cost level and a 2021 OMFS and MLFS level.
- (c) See Exhibits 2.6.1 and 2.6.2.
- (d) The developed medical loss ratios shown were derived based on an adjustment for pharmaceutical cost reductions and 2021 medical fee schedule changes. 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.

**Indemnity Benefit Level Factors**

Accident Year	(1) Annual Benefit Change Prior to Frequency Adjustments (a)	(2) Frequency Adjustments (a)	(3) Annual Impact on Indemnity Benefits Due to Wage Inflation (b)	(4) Annual Cost Impact on Indemnity (c)	(5) Composite Indemnity Adjustment Factor (d)	
1987	0.0	0.0	1.9	1.9	1.728	
1988	0.0	0.0	1.5	1.5	1.703	
1989	0.0	0.0	1.5	1.5	1.678	
1990	2.3	19.9	1.7	24.7	1.345	
1991	4.9	14.8	0.8	21.4	1.108	
1992	1.8	-8.3	1.6	-5.2	1.168	
1993	0.2	-18.1	0.4	-17.6	1.418	
1994	-5.1	0.2	0.6	-4.3	1.482	
1995	6.3	0.6	1.0	8.0	1.372	
1996	5.3	0.4	1.2	7.0	1.283	
1997	9.7	0.2	1.6	11.7	1.148	
1998	6.5	0.0	1.8	8.4	1.059	
1999	5.7	0.0	2.1	7.9	0.982	
2000	3.9	0.0	3.1	7.1	0.916	
2001	-0.3	0.0	0.2	-0.1	0.917	
2002	-0.7	0.0	0.4	-0.3	0.939	(e)
2003	7.3	0.0	1.2	8.6	0.937	(e)
2004	-6.0	-13.7	2.1	-17.2	1.282	(e)
2005	-31.6	-15.3	1.6	-41.2	1.738	
2006	5.6	-5.7	2.2	1.8	1.707	
2007	1.6	0.0	2.1	3.7	1.646	
2008	4.8	0.6	1.0	6.5	1.546	
2009	0.4	1.4	0.2	2.0	1.515	
2010	0.4	0.0	1.5	1.9	1.487	
2011	0.0	0.0	1.4	1.4	1.466	
2012	-0.8	0.0	2.1	1.3	1.448	
2013	1.4	0.2	0.6	2.3	1.416	
2014	5.8	1.5	1.7	9.2	1.297	
2015	-0.8	0.0	2.3	1.4	1.279	
2016	0.3	0.0	1.0	1.3	1.262	
2017	0.5	0.0	2.2	2.7	1.230	
2018	0.4	0.0	2.2	2.6	1.198	
2019	0.4	0.0	2.4	2.8	1.165	
2020	0.4	0.0	2.8	3.2	1.129	
2021	0.4	0.0	4.2	4.6	1.079	
2022	1.1	0.0	3.8	4.9	1.028	
2023	0.4	0.0	2.0	2.4	1.004	
9/1/2023	0.1 (Annual 0.4)	0.0	0.3 (Annual 1.9)	0.4		

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

(b) These impacts are based on the weekly wages (see column 2 of Exhibit 5.1) of injured workers and the legislatively scheduled benefits for that year.

(c)  $\{ [\text{Column (1)} / 100 + 1.0] \times [\text{Column (2)} / 100 + 1.0] \times [\text{Column (3)} / 100 + 1.0] - 1.0 \} \times 100$ .

(d) These factors represent the combined impact of the annual benefit changes on claim severity shown in Column (1), claim frequencies shown in Column (2) and wage inflation impact on benefits shown in Column (3), adjusted to the 9/1/2023 level.

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

**Annual Medical Cost Level Change - Non-Legislative**

Accident	(1) Proportion of Medical Subject to	(2) Proportion of Medical Not Subject to	(3) Impact of Fee Schedule Change on	(4) Change in Medical	(5) Impact of CPI Change on Total	(6) Annual Non-Legislative Cost Impact on
<u>Year</u>	<u>Fee Schedule (a)</u>	<u>Fee Schedule (a)</u>	<u>Total Medical (b)</u>	<u>CPI (c)</u>	<u>Medical (d)</u>	<u>Total Medical (e)</u>
1987	0.610	0.390	0.9%	7.4%	2.9%	3.8%
1988	0.649	0.351	0.8%	7.7%	3.0%	3.8%
1989	0.647	0.353	0.0%	8.6%	3.0%	3.0%
1990	0.661	0.339	0.0%	10.4%	3.7%	3.7%
1991	0.631	0.369	0.0%	10.6%	3.6%	3.6%
1992	0.628	0.372	0.0%	8.1%	3.0%	3.0%
1993	0.565	0.435	0.0%	7.3%	2.7%	2.7%
1994	0.691	0.309	-3.6%	4.3%	1.3% (i)	-2.3%
1995	0.681	0.319	0.0%	3.0%	0.9%	0.9%
1996	0.663	0.337	0.0%	3.0%	1.0%	1.0%
1997	0.643	0.357	0.0%	2.2%	0.7%	0.7%
1998	0.658	0.342	0.0%	2.2%	0.8%	0.8%
1999	0.728	0.272	1.6%	3.3%	0.9% (ii)	2.5%
2000	0.715	0.285	0.5%	4.3%	1.2%	1.7%
2001	0.722	0.278	1.5%	4.8%	1.4%	2.9%
2002	0.635	0.365	0.6%	5.1%	1.4%	2.0%
2003	0.786	0.214	0.0%	4.8%	1.4% (iii)	1.4%
2004	0.952	0.048	0.0%	5.0%	0.0% (iv),(v)	0.0%
2005	0.936	0.064	0.0%	4.8%	0.0% (v)	0.0%
2006	0.926	0.074	0.0%	4.1%	0.3%	0.3%
2007	0.923	0.077	1.4%	5.3%	0.4%	1.8%
2008	0.896	0.104	-0.1%	4.2%	0.3%	0.2%
2009	0.894	0.106	0.0%	3.6%	0.4%	0.4%
2010	0.895	0.105	0.0%	2.8%	0.3%	0.3%
2011	0.969	0.031	0.0%	3.2%	0.3%	0.3%
2012	0.969	0.031	0.0%	2.7%	0.1%	0.1%
2013	0.938	0.062	0.0%	2.6%	0.1%	4.2% (f)
2014	0.928	0.072	0.0%	4.2%	0.3%	0.3%
2015	0.933	0.067	0.0%	3.1%	0.2%	0.2%
2016	0.918	0.082	0.0%	5.4%	0.4%	0.4%
2017	0.906	0.094	0.0%	2.2%	0.2%	0.2%
2018	0.887	0.113	0.0%	2.5%	0.2%	0.2%
2019	0.873	0.127	0.0%	3.8%	0.4%	0.4%
2020	0.866	0.134	0.0%	3.0%	0.4%	0.4%
2021	0.866	0.134	4.1%	1.2%	0.2%	0.2% (f)
2022	0.866	0.134	0.0%	4.6%	0.6%	0.6%
2023	0.866	0.134	0.0%	4.2%	0.6%	0.6%
9/1/2023	0.866	0.134	0.0% (Annual 0.0%)	0.5% (Annual 3.3%)	0.1%	0.1%

- (a) From a Special Carrier Study through 1990. Based on WCIRB's Aggregate Indemnity and Medical Costs Calls for years 1991 through 2012. Based on WCIRB medical transaction data from 2013 onwards. Accident years 2011 and subsequent do not include MSCP costs.
- (b) Based on the WCIRB's evaluation of the cost impact of changes in the medical fee schedules. Does not include the impact of the 2021 changes to the Official Medical Fee Schedule and Medical-Legal Fee Schedule, which are reflected in the medical loss development projections for accident years 2013 and later.
- (c) Based on a component of the Consumer Price Index. Projections furnished by the California Department of Finance.
- (d) Adjusted CPI on workers' compensation medical costs that are not subject to fee schedules. The current year impact is the weighted average of 0% and Column (4), with Columns (1) and (2) from prior years as weights. (i) 1993's non-fee proportion is reduced by 13.8% due to the new medical-legal fee schedule enacted in 1994. (ii) 1998's non-fee proportion is reduced by 7.7% due to the Inpatient Hospital Fee Schedule (IHFS) effective 4/1/1999. (iii) 2002's non-fee proportion is reduced by 7.6% due to the new pharmaceutical fee schedule effective 1/1/2003. (iv) 2003's non-fee proportion is reduced by 17.2% due to the outpatient fee schedule effective 1/1/2004. (v) Given the anticipated impact of legislative reform, a 0% inflation rate has been assumed for 2004 and 2005.
- (e) Column (6) = Column (3) + Column (5).
- (f) The impact of the 2021 changes to the Official Medical Fee Schedule and Medical-Legal Fee Schedule is applied to accident years 2012 and prior, which are not reflected in the medical loss development projections.



**Annual Medical Cost Level Change - Legislative**

Accident Year	(1) Annual Legislative Cost Impact on Medical Severity (a)	(2) Annual Legislative Cost Impact on Medical Due to Frequency Changes (b)	(3) Annual Total Legislative Cost Impact on Medical (c)
1987	0.0%	0.0%	0.0%
1988	0.0%	0.0%	0.0%
1989	0.0%	0.0%	0.0%
1990	-0.7%	19.9%	19.1%
1991	-1.6%	14.7%	12.9%
1992	0.5%	-8.4%	-7.9%
1993	-0.7%	-18.1%	-18.7%
1994	-2.6%	0.3%	-2.3%
1995	0.0%	0.5%	0.5%
1996	0.0%	0.4%	0.4%
1997	0.0%	0.2%	0.2%
1998	12.6%	0.0%	12.6%
1999	12.6%	0.0%	12.6%
2000	7.0%	0.0%	7.0%
2001	6.6%	0.0%	6.6%
2002	-5.6%	0.0%	-5.6%
2003	-6.0%	0.0%	-6.0%
2004	-24.4%	-12.5%	-33.9%
2005	0.0%	-13.9%	-13.9%
2006	0.1%	-5.2%	-5.1%
2007	0.1%	0.0%	0.1%
2008	0.2%	0.3%	0.5%
2009	0.0%	1.0%	1.0%
2010	0.0%	0.0%	0.0%
2011	-2.0%	0.0%	-2.0%
2012	-4.5%	0.0%	-4.5%
2013	-8.3%	0.2%	-8.1%
2014	-6.0%	1.3%	-4.8%
2015	-2.1%	0.0%	-2.1%
2016	-0.7%	0.0%	-0.7%
2017	-0.5%	0.0%	-0.5%
2018	-0.3%	0.0%	-0.3%
2019	0.0%	0.0%	0.0%
2020	0.0%	0.0%	0.0%
2021	0.0%	0.0%	0.0%
2022	0.0%	0.0%	0.0%
2023	0.0%	0.0%	0.0%
9/1/2023	0.0%	0.0%	0.0%

- (a) Reflects the WCIRB's most recent estimates of the cost impact of legislation. Does not include the impact of the SB 1160 lien provisions on future medical costs as well as the estimated reductions to pharmaceutical costs attributable to SB 863, which are reflected in the medical loss development projections.
- (b) This reflects the annual percentage impact on medical costs due to changes in the frequency of indemnity claims as a result of benefit changes.
- (c)  $[\text{Column (1)} + 1.0] \times [\text{Column (2)} + 1.0] - 1.0$

**Total Medical Cost Level Factors**

Accident Year	(1) Annual Non-Legislative Cost Impact on Medical (a)	(2) Annual Legislative Cost Impact on Medical (b)	(3) Total Annual Cost Impact on Medical (c)	(4) Composite Medical On-level Factor (d)
1987	3.8%	0.0%	3.8%	0.842
1988	3.8%	0.0%	3.8%	0.811
1989	3.0%	0.0%	3.0%	0.787
1990	3.7%	19.1%	23.5%	0.638
1991	3.6%	12.9%	16.9%	0.545
1992	3.0%	-7.9%	-5.2%	0.575
1993	2.7%	-18.7%	-16.5%	0.689
1994	-2.3%	-2.3%	-4.6%	0.722
1995	0.9%	0.5%	1.4%	0.712
1996	1.0%	0.4%	1.4%	0.702
1997	0.7%	0.2%	0.9%	0.695
1998	0.8%	12.6%	13.5%	0.613
1999	2.5%	12.6%	15.4%	0.531
2000	1.7%	7.0%	8.8%	0.488
2001	2.9%	6.6%	9.7%	0.445
2002	2.0%	-5.6%	-3.7%	0.462
2003	1.4%	-6.0%	-4.7%	0.485
2004	0.0%	-33.9%	-33.9%	0.733
2005	0.0%	-13.9%	-13.9%	0.851
2006	0.3%	-5.1%	-4.8%	0.894
2007	1.8%	0.1%	1.9%	0.877
2008	0.2%	0.5%	0.7%	0.871
2009	0.4%	1.0%	1.4%	0.859
2010	0.3%	0.0%	0.3%	0.857
2011	0.3%	-2.0%	-1.7%	0.871
2012	0.1%	-4.5%	-4.4%	0.912
2013	4.2%	-8.1%	-4.2%	0.952
2014	0.3%	-4.8%	-4.5%	0.997
2015	0.2%	-2.1%	-1.9%	1.016
2016	0.4%	-0.7%	-0.3%	1.019
2017	0.2%	-0.5%	-0.3%	1.022
2018	0.2%	-0.3%	-0.1%	1.023
2019	0.4%	0.0%	0.4%	1.019
2020	0.4%	0.0%	0.4%	1.015
2021	0.2%	0.0%	0.2%	1.013
2022	0.6%	0.0%	0.6%	1.007
2023	0.6%	0.0%	0.6%	
9/1/2023	0.1%	0.0%	0.1%	

(a) See Exhibit 4.2, Column (6).

(b) See Exhibit 4.3, Column (3).

(c)  $\text{Column (3)} = [1.0 + \text{Column (1)}] \times [1.0 + \text{Column (2)}] - 1.0$ .

(d) These factors adjust the annual impact shown in Column (3) to the 9/1/2023 level.

### Annual Wage Level Changes

Year	(1) Annual Wage Level Change (a)	(2) Adjusted Annual Wage Level Change (b)	(3) Factor to a 9/1/2023 Wage Level (c)
1987	5.6		3.766
1988	4.4		3.607
1989	4.3		3.459
1990	5.0		3.294
1991	2.3		3.220
1992	4.7		3.075
1993	1.2		3.039
1994	1.8		2.985
1995	2.9		2.901
1996	3.4		2.806
1997	4.7		2.680
1998	5.2		2.547
1999	6.2		2.398
2000	9.0		2.200
2001	0.6		2.187
2002	1.1		2.163
2003	3.6		2.088
2004	5.0		1.989
2005	3.2		1.927
2006	4.6		1.842
2007	4.5		1.763
2008	2.1		1.727
2009	0.5		1.718
2010	3.0		1.668
2011	3.1		1.618
2012	4.2		1.553
2013	0.7		1.542
2014	3.3		1.493
2015	4.5		1.428
2016	1.9		1.402
2017	4.4		1.343
2018	3.7		1.295
2019	4.3		1.241
2020	11.0	4.8	1.185
2021	8.7	7.1	1.106
Projected:			
2022	4.3	6.5	
2023	2.5	3.4	
9/1/2023	0.4	0.5	
	(Annual = 2.5)	(Annual = 3.3)	

- (a) Historical wage changes through 2020 are based on Bureau of Labor Statistics data. Forecasts for 2021 and forward are based on the average of wage level projections made by the UCLA Anderson School of Business as of June 2022 and those made by the California Department of Finance as of April 2022.
- (b) Wage level changes for 2020 to 2024 were adjusted for estimated shifts in industrial mix and shifts in the wage level mix within industries impacting average wages in order to more appropriately project changes in average wages for the typical worker.
- (c) Based on Column (1) for 2019 and prior and Column (2) for 2020 and subsequent.

Premium Adjustment Factors

	(1)	(2a)	(2b)	(2c)	(3)	(4)	(5)	(6)	(7)
		Ratio of Industry Average Charged Rates to Advisory Pure Premium	Factor to Industry Average Filed Pure Premium Rate Level as of	Factor to Adjust Insurer Premium to an Industry Average Filed Pure Premium Rate Level as of	Adjustment to Remove Surcharge Premium (e)	Average Experience Modification (f)	Off-Balance Correction in Advisory September 1, 2021 Pure Premium	Factor to Adjust for Impact of Premium Resulting from Audits (g)	Composite Premium Adjustment Factor (h)
Calendar Year	Wage Level (a)	Rates (b)	January 1, 2022 (c)	January 1, 2022 (d)	Premium (e)	Modification (f)	Rates	Audits (g)	Factor (h)
1987	3.766	---	---	0.545	0.992	0.983	1.015	---	2.039
1988	3.607	---	---	0.488	0.993	0.963	1.015	---	1.787
1989	3.459	---	---	0.480	0.993	0.945	1.015	---	1.719
1990	3.294	---	---	0.468	0.991	0.942	1.015	---	1.598
1991	3.220	---	---	0.434	0.987	0.939	1.015	---	1.446
1992	3.075	---	---	0.415	0.982	0.940	1.015	---	1.315
1993	3.039	---	---	0.411	0.981	0.949	1.015	---	1.272
1994	2.985	---	---	0.470	0.986	0.948	1.015	---	1.438
1995	2.901	---	---	0.636	0.995	0.958	1.015	---	1.889
1996	2.806	1.074	0.676	0.629	1.000	0.935	1.015	---	1.861
1997	2.680	1.039	0.674	0.649	1.000	0.949	1.015	---	1.806
1998	2.547	1.004	0.703	0.700	1.000	0.959	1.015	---	1.832
1999	2.398	1.008	0.710	0.705	1.000	0.954	1.015	---	1.745
2000	2.200	1.044	0.644	0.617	1.000	0.970	1.015	---	1.379
2001	2.187	1.048	0.567	0.541	1.000	0.969	1.015	---	1.203
2002	2.163	1.178	0.508	0.431	1.000	0.991	1.015	---	0.926
2003	2.088	1.288	0.415	0.323	1.000	1.005	1.015	---	0.660
2004	1.989	1.401	0.423	0.302	1.000	0.981	1.015	---	0.603
2005	1.927	1.470	0.508	0.346	1.000	0.982	1.015	---	0.669
2006	1.842	1.447	0.655	0.453	1.000	0.956	1.015	---	0.860
2007	1.763	1.493	0.893	0.598	1.000	0.931	1.015	0.985	1.099
2008	1.727	1.426	1.062	0.745	1.000	0.946	1.015	0.991	1.328
2009	1.718	1.366	1.047	0.767	1.000	0.937	1.015	1.034	1.432
2010	1.668	1.383	1.026	0.742	1.000	0.941	1.015	1.005	1.302
2011	1.618	1.401	1.025	0.732	1.000	0.982	1.015	---	1.188
2012	1.553	1.223	0.845	0.691	1.000	1.000	1.015	---	1.057
2013	1.542	1.138	0.680	0.598	1.000	0.983	1.015	---	0.924
2014	1.493	1.127	0.627	0.556	1.000	0.961	1.015	---	0.851
2015	1.428	1.109	0.609	0.549	1.000	0.951	1.015	---	0.813
2016	1.402	1.148	0.663	0.577	1.000	0.949	1.015	---	0.840
2017	1.343	1.157	0.734	0.635	1.000	0.955	1.015	---	0.879
2018	1.295	1.196	0.830	0.693	1.000	0.956	1.015	---	0.925
2019	1.241	1.216	0.964	0.793	1.000	0.945	1.015	---	1.026
2020	1.185	1.206	1.075	0.891	1.000	0.944	1.015	0.990	1.091
2021	1.106	1.224	1.158	0.946	1.000	0.950	1.015	1.025	1.113

- (a) See Exhibit 5.1.
- (b) Based on WCIRB calendar year experience calls. The industry average charged rates reflect most rating plan adjustments but do not reflect the application of deductible credits or retrospective rating plan adjustments.
- (c) Reflects (1) advisory pure premium rate level changes to bring premium to the advisory September 1, 2021 pure premium rate level and (2) an additional adjustment factor, which is the ratio of the average advisory September 1, 2021 pure premium rate (\$1.45) to the industry average filed pure premium rate as of January 1, 2022 (\$1.77).
- (d) (2b) ÷ (2a). This column adjusts premiums at the industry average charged rate level to the industry average filed pure premium rate level as of January 1, 2022.
- (e) Based on unit statistical data.
- (f) Based on average promulgated experience modifications. Calendar years 1996 through 2000 include adjustments for the impacts of AB 1913 and SB 1217 (1998).
- (g) Based on a comparison of premium reported on a calendar year basis to premium reported on an estimated ultimate policy year basis over the course of two accident years. The factor is applied only for calendar years 2007 to 2010 and 2020 to 2021, during which reported premiums were impacted by recessionary economic forces.
- (h)  $(1) \times (2c) \times (3) \times (6) \div [(4) \times (5)]$  for calendar years 2007 to 2010 and 2020 to 2021.  $(1) \times (2c) \times (3) \div [(4) \times (5)]$  for all other calendar years.

**Accident Year Indemnity Claim Frequency Model  
As of PY 2019 Preliminary 1st Set & March 2022 UCLA**

AY	Annual %	Annual Log Differences					
	Changes Intra-	Intra-Class Indemnity Frequency			AY+1		Economic
	Class Ind Freq	per \$M Exposure at PY 2020 Level			Indemnity	Cumulative	Variables
	Total	Total	Cumulative	Non-cum.	Benefit Level	Injury Index	(1st Prin. Comp.)
1979	0.5%	0.005	-0.053	0.007	0.000	-0.060	0.129
1980	-6.5%	-0.068	-0.132	-0.066	0.000	-0.066	-0.078
1981	-3.5%	-0.036	-0.028	-0.036	0.033	0.008	-0.076
1982	-1.6%	-0.016	0.153	-0.022	0.000	0.175	-0.285
1983	6.2%	0.060	0.214	0.054	0.352	0.160	0.028
1984	9.5%	0.091	0.235	0.084	0.081	0.151	0.215
1985	2.0%	0.020	0.138	0.014	0.000	0.124	0.078
1986	-2.4%	-0.024	0.039	-0.028	0.000	0.067	0.075
1987	1.5%	0.015	0.053	0.013	0.000	0.041	0.145
1988	0.7%	0.007	0.104	0.000	0.000	0.104	0.084
1989	2.5%	0.024	0.212	0.009	0.000	0.203	0.043
1990	9.0%	0.087	0.337	0.061	0.046	0.276	-0.116
1991	0.3%	0.003	0.166	-0.018	0.071	0.184	-0.282
1992	-10.3%	-0.108	-0.263	-0.089	0.023	-0.174	-0.181
1993	-9.2%	-0.097	-0.175	-0.088	0.013	-0.088	-0.021
1994	-10.5%	-0.111	-0.167	-0.105	-0.057	-0.061	0.103
1995	-0.3%	-0.003	0.009	-0.004	0.061	0.013	0.089
1996	-6.8%	-0.070	-0.165	-0.061	0.053	-0.104	0.072
1997	-3.3%	-0.033	-0.026	-0.034	0.096	0.008	0.132
1998	-3.7%	-0.038	-0.020	-0.040	0.066	0.019	0.075
1999	1.5%	0.015	0.010	0.015	0.058	-0.005	0.122
2000	4.0%	0.039	0.101	0.033	0.040	0.068	0.063
2001	-6.9%	-0.072	0.106	-0.091	-0.003	0.197	-0.096
2002	-2.3%	-0.023	0.202	-0.055	-0.007	0.257	-0.194
2003	-2.9%	-0.029	0.028	-0.038	0.060	0.067	-0.022
2004	-16.7%	-0.182	-0.318	-0.161	-0.065	-0.158	0.090
2005	-13.6%	-0.146	-0.342	-0.120	-0.398	-0.222	0.135
2006	-5.6%	-0.058	-0.204	-0.042	0.051	-0.163	0.090
2007	-1.7%	-0.017	-0.042	-0.015	0.016	-0.027	-0.081
2008	-2.7%	-0.027	-0.012	-0.029	0.049	0.017	-0.296
2009	-0.2%	-0.002	0.134	-0.016	0.069	0.150	-0.414
2010	8.9%	0.085	0.115	0.081	0.016	0.034	-0.090
2011	1.2%	0.012	0.028	0.010	0.000	0.017	0.047
2012	4.7%	0.046	0.115	0.037	0.003	0.077	0.126
2013	0.4%	0.004	0.131	-0.014	0.019	0.145	0.154
2014	0.2%	0.002	0.046	-0.005	0.070	0.051	0.179
2015	-1.4%	-0.015	0.008	-0.018	0.000	0.026	0.195
2016	-2.7%	-0.027	0.029	-0.036	0.000	0.066	0.128
2017	-1.8%	-0.018	-0.083	-0.008	0.000	-0.075	0.133
2018	-0.5%	-0.005	-0.055	0.003	0.000	-0.058	0.122
2019	-0.7%	-0.007	0.037	-0.013	0.000	0.050	0.037
2020*	-9.3%	-0.098	0.125	-0.144	0.000	0.269	-0.905
2021	0.9%	0.009	0.009	0.009	0.000	0.000	0.278
2022	1.5%	0.015	0.015	0.015	0.000	0.000	0.335
2023	0.1%	0.001	0.001	0.001	0.000	0.000	0.209
2024	-1.4%	-0.014	-0.014	-0.014	0.000	0.000	0.055

**Y = Hazardousness-Adjusted Noncumulative Indemnity Claim Frequency**

Constant	-0.020		
Std Err of Y Est	0.040		
R Squared	0.444		
No. of Observations	41		
Degrees of Freedom	37		
X Coefficient(s)	0.187	0.209	0.103
Std Err of Coef.	0.075	0.061	0.044

**Notes:**

The Indemnity Benefit Level variable is concurrent. The AY 2004 benefit level change is related to the AY 2004 change in non-cumulative frequency.  
The Indemnity Benefit Level variable excludes indemnity benefit utilization, cost-of-living adjustments, and changes in the death and permanent total benefits.  
The Indemnity Benefit Level variable has been revised due to on-leveling reassessments. See Actuarial Committee item AC09-03-03.  
For 1993 on, cumulative claims include both cumulative trauma and occupational disease claims. See Actuarial Committee item AC14-03-19.  
The definition of cumulative claims has been further amended to include claims coded with certain nature of injury codes in USR. See Actuarial Committee item AC21-12-09.  
Economic variables are historical through 2021; March 2022 UCLA Anderson Forecasts for 2022 on.  
The indicator variable for Cal-OSHA inspections has been moved into an on-level adjustment. See Actuarial Committee item AC21-12-09.  
Regression is over AY 1979 through AY 2019. AY 2021 through AY 2024 are projections.  
The constant term includes measured offsets of -0.020 that recognized annual changes in real benefit levels relative to nominal benefit levels and long-term economic growth.  
\*AY 2020 is preliminary and change is based on a comparison of 2020 accidents on 2019 policies to 2019 accidents on 2018 policies.

**Projection of Indemnity Severity Trends by Accident Year  
Based on Experience as of March 31, 2022**

Accident Year	(1) Estimated Ultimate Severity	(2) Annual % Change	(3) Indemnity Adjustment Factor (a)	(4) Ultimate On-level Severity (1) x (3)	(5) Annual % Change
1990	10,032	---	2.151	21,579	---
1991	11,037	10.0%	2.034	22,453	4.0%
1992	11,126	0.8%	1.967	21,883	-2.5%
1993	12,102	8.8%	1.955	23,662	8.1%
1994	13,086	8.1%	2.048	26,798	13.3%
1995	14,720	12.5%	1.907	28,078	4.8%
1996	16,642	13.1%	1.790	29,788	6.1%
1997	19,504	17.2%	1.606	31,324	5.2%
1998	21,385	9.6%	1.481	31,678	1.1%
1999	23,374	9.3%	1.373	32,084	1.3%
2000	24,873	6.4%	1.281	31,871	-0.7%
2001	27,320	9.8%	1.283	35,042	9.9%
2002	26,336	-3.6%	1.314	34,601	-1.3%
2003	26,056	-1.1%	1.310	34,127	-1.4%
2004	21,191	-18.7%	1.547	32,788	-3.9%
2005	19,222	-9.3%	1.776	34,141	4.1%
2006	20,900	8.7%	1.646	34,397	0.7%
2007	22,786	9.0%	1.587	36,152	5.1%
2008	24,818	8.9%	1.499	37,200	2.9%
2009	26,070	5.0%	1.490	38,843	4.4%
2010	25,452	-2.4%	1.462	37,212	-4.2%
2011	25,072	-1.5%	1.442	36,151	-2.9%
2012	24,433	-2.5%	1.424	34,794	-3.8%
2013	23,755	-2.8%	1.395	33,147	-4.7%
2014	24,576	3.5%	1.297	31,875	-3.8%
2015	24,934	1.5%	1.279	31,880	0.0%
2016	24,359	-2.3%	1.262	30,753	-3.5%
2017	24,490	0.5%	1.230	30,111	-2.1%
2018	25,339	3.5%	1.198	30,351	0.8%
2019	26,951	6.4%	1.165	31,409	3.5%
2020	28,737	6.6%	1.129	32,441	3.3%
2021	29,171	1.5%	1.079	31,469	-3.0%
(6) Estimated Annual Exponential Trend Based on 1990 to 2021:					0.9%
(7) Estimated Annual Exponential Trend Based on 2005 to 2021:					-1.2%
(8) Estimated Annual Exponential Trend Based on 2017 to 2021:					1.6%
Selected Indemnity Severity Trend:					1.0%

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

Source: WCIRB quarterly experience calls, excluding COVID-19 claims.

**Projection of Medical Severity Trends by Accident Year  
Based on Experience as of March 31, 2022**

Accident Year	(1) Estimated Ultimate Severity (a)	(2) Annual % Change	(3) Medical Adjustment Factor (b)	(4) Ultimate On-level Severity (1) x (3)	(5) Annual % Change
1990	8,869	---	0.957	8,485	---
1991	9,596	8.2%	0.938	9,005	6.1%
1992	9,635	0.4%	0.907	8,735	-3.0%
1993	10,483	8.8%	0.889	9,319	6.7%
1994	11,476	9.5%	0.934	10,721	15.0%
1995	13,298	15.9%	0.926	12,312	14.8%
1996	14,363	8.0%	0.917	13,167	6.9%
1997	16,855	17.3%	0.910	15,343	16.5%
1998	20,527	21.8%	0.802	16,463	7.3%
1999	23,540	14.7%	0.695	16,358	-0.6%
2000	26,263	11.6%	0.639	16,772	2.5%
2001	31,244	19.0%	0.582	18,190	8.5%
2002	31,331	0.3%	0.605	18,944	4.1%
2003	30,003	-4.2%	0.634	19,032	0.5%
2004	27,537	-8.2%	0.839	23,105	21.4%
2005	28,395	3.1%	0.839	23,825	3.1%
2006	30,850	8.6%	0.836	25,782	8.2%
2007	34,292	11.2%	0.820	28,124	9.1%
2008	36,825	7.4%	0.817	30,081	7.0%
2009	38,720	5.1%	0.814	31,503	4.7%
2010	38,720	0.0%	0.811	31,408	-0.3%
2011	34,879 (c)	---	0.834	29,081 (c)	---
2012	32,606	-6.5%	0.880	28,708	-1.3%
2013	30,118	-7.6%	0.960	28,921	0.7%
2014	29,345	-2.6%	1.022	29,983	3.7%
2015	28,695	-2.2%	1.046	30,011	0.1%
2016	27,600	-3.8%	1.048	28,924	-3.6%
2017	27,408	-0.7%	1.049	28,752	-0.6%
2018	28,866	5.3%	1.046	30,190	5.0%
2019	29,373	1.8%	1.036	30,416	0.7%
2020	30,394	3.5%	1.023	31,100	2.2%
2021	29,672	-2.4%	1.014	30,089	-3.3%

Selected Medical Severity Trend: 1.5%

- (a) Estimated ultimate severities for all accident years are derived by dividing ultimate medical losses on indemnity claims by ultimate indemnity claim counts. The estimated ultimate medical severities were derived from the projected ultimate loss ratios shown in Exhibit 3.2, column (6).
- (b) These adjustment factors are based on Exhibit 4.4, excluding the impact of frequency, and including the impact of SB 1160 provisions and 2021 changes to the Official Medical Fee Schedule and Medical-Legal Fee Schedule, applicable to outstanding medical losses.
- (c) Severities for accident years 2011 and subsequent do not reflect the cost of medical cost containment programs (MCCP). Severities for accident years 2010 and prior do reflect MCCP costs.

Source: WCIRB quarterly experience calls, excluding COVID-19 claims.

**Projection of Medical Severity Trends by Accident Year  
Adjusted to Remove the Cost of Medical Cost Containment Programs (MCCP)  
Based on Experience as of March 31, 2022**

(1) Accident Year	MCCP Included				MCCP Removed Based on WCIRB Aggregate Calendar Year Data Calls (b)			
	(2) Estimated Ultimate Severity (a)	(3) Annual % Change	(4) Ultimate On-Level Severity (c)	(5) Annual % Change	(6) Estimated Ultimate Severity (a)	(7) Annual % Change	(8) Ultimate On-Level Severity (c)	(9) Annual % Change
2005	28,395	---	23,825	---	26,929	---	22,595	---
2006	30,850	8.6%	25,782	8.2%	28,950	7.5%	24,194	7.1%
2007	34,292	11.2%	28,124	9.1%	32,042	10.7%	26,279	8.6%
2008	36,825	7.4%	30,081	7.0%	33,637	5.0%	27,477	4.6%
2009	38,720	5.1%	31,503	4.7%	35,523	5.6%	28,901	5.2%
2010	38,720	0.0%	31,408	-0.3%	35,487	-0.1%	28,786	-0.4%
2011	38,185	-1.4%	31,837	1.4%	34,879	-1.7%	29,081	1.0%
2012	35,607	-6.8%	31,351	-1.5%	32,606	-6.5%	28,708	-1.3%
2013	32,971	-7.4%	31,661	1.0%	30,118	-7.6%	28,921	0.7%
2014	32,066	-2.7%	32,763	3.5%	29,345	-2.6%	29,983	3.7%
2015	31,246	-2.6%	32,678	-0.3%	28,695	-2.2%	30,011	0.1%
2016	29,966	-4.1%	31,404	-3.9%	27,600	-3.8%	28,924	-3.6%
2017	29,762	-0.7%	31,221	-0.6%	27,408	-0.7%	28,752	-0.6%
2018	31,355	5.4%	32,794	5.0%	28,866	5.3%	30,190	5.0%
2019	32,021	2.1%	33,158	1.1%	29,373	1.8%	30,416	0.7%
2020	33,223	3.8%	33,994	2.5%	30,394	3.5%	31,100	2.2%
2021	32,511	-2.1%	32,968	-3.0%	29,672	-2.4%	30,089	-3.2%
Estimated Annual Exponential Trend								
Trend Based on 1990 to 2021:				4.9%	N/A			
Trend Based on 2005 to 2021:				1.5%	1.4%			
Trend Based on 2017 to 2021:				1.5%	1.2%			
Selected Medical Severity Trend:								1.5%

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

Source: WCIRB quarterly experience calls, excluding COVID-19 claims.



**Projected On-Level Accident Year  
Indemnity Loss to Industry Average Filed Pure Premium Ratios  
Based on Experience as of March 31, 2022**

Accident Year	(1) Developed Indemnity Loss Ratio (a)	(2) Composite Indemnity Adjustment Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Indemnity to Industry Average Filed Pure Premium Ratio (1)×(2)÷(3)
1987	0.348	1.728	2.039	0.295
1988	0.333	1.703	1.787	0.317
1989	0.345	1.678	1.719	0.337
1990	0.401	1.345	1.598	0.337
1991	0.429	1.108	1.446	0.328
1992	0.354	1.168	1.315	0.315
1993	0.292	1.418	1.272	0.325
1994	0.331	1.482	1.438	0.341
1995	0.477	1.372	1.889	0.346
1996	0.534	1.283	1.861	0.368
1997	0.606	1.148	1.806	0.386
1998	0.659	1.059	1.832	0.381
1999	0.691	0.982	1.745	0.389
2000	0.596	0.916	1.379	0.396
2001	0.496	0.917	1.203	0.378
2002	0.370	0.939	0.926	0.375
2003	0.245	0.937	0.660	0.347
2004	0.146	1.282	0.603	0.311
2005	0.125	1.738	0.669	0.326
2006	0.162	1.707	0.860	0.322
2007	0.224	1.646	1.099	0.336
2008	0.284	1.546	1.328	0.331
2009	0.333	1.515	1.432	0.353
2010	0.322	1.487	1.302	0.367
2011	0.300	1.466	1.188	0.370
2012	0.268	1.448	1.057	0.368
2013	0.229	1.416	0.924	0.352
2014	0.218	1.297	0.851	0.332
2015	0.213	1.279	0.813	0.335
2016	0.202	1.262	0.840	0.304
2017	0.207	1.230	0.879	0.290
2018	0.222	1.198	0.925	0.287
2019	0.259	1.165	1.026	0.295
2020	0.277	1.129	1.091	0.287
2021	0.320	1.079	1.113	0.310
				Projections (d)
2022				0.308
2023				0.311
9/1/2023				0.311

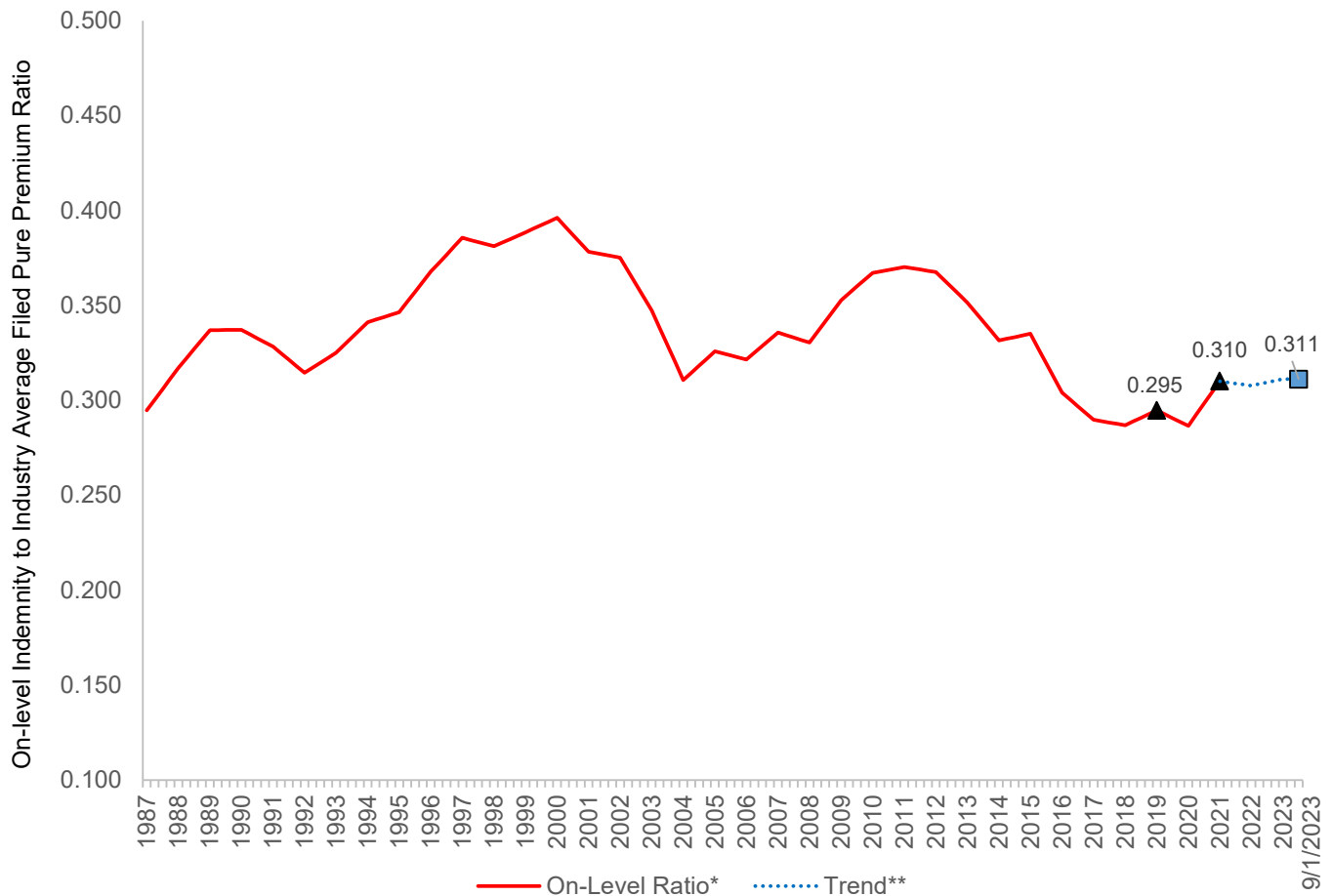
(a) See Exhibit 3.1.

(b) See Exhibit 4.1.

(c) See Exhibit 5.2.

(d) The trending projection is based on frequency and severity growth separately applied to the 2019 and 2021 on-level ratios. The frequency growth estimates are based on the intra-class frequency changes for accident years 2020 and 2021 from Exhibit 12 and frequency model projections for accident years 2022 to 2024 from Exhibit 6.1. The annual indemnity severity growth estimates are from Exhibit 6.2.

**On-Level Indemnity Loss to Industry Average Filed Pure Premium Ratios  
Based on Experience as of March 31, 2022**



\* On-level indemnity to industry average filed pure premium ratios (see Exhibit 7.1)

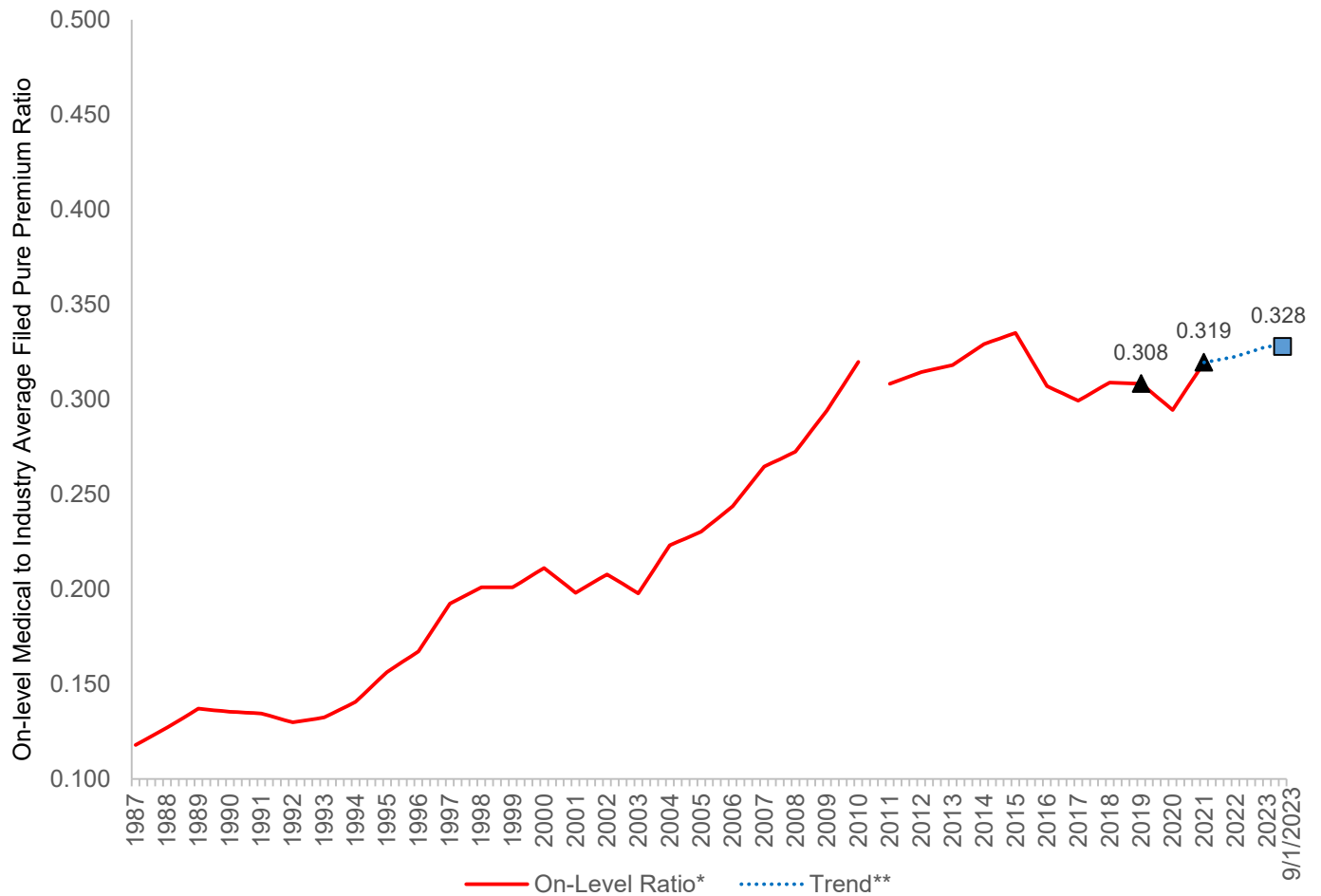
\*\* The 9/1/2023 indemnity to industry average filed pure premium ratio was calculated based on separate frequency and severity trends applied to the 2019 and 2021 years.

**Projected On-Level Accident Year  
Medical Loss to Industry Average Filed Pure Premium Ratios  
Based on Experience as of March 31, 2022**

Accident Year	(1) Developed Medical Loss Ratio (a)	(2) Composite Medical On-Level Factor (b)	(3) Composite Premium Adjustment Factor (c)	(4) On-Level Medical to Industry Average Filed Pure Premium Ratio (e) (1)×(2)÷(3)
1987	0.286	0.842	2.039	0.118
1988	0.280	0.811	1.787	0.127
1989	0.299	0.787	1.719	0.137
1990	0.339	0.638	1.598	0.135
1991	0.357	0.545	1.446	0.135
1992	0.297	0.575	1.315	0.130
1993	0.245	0.689	1.272	0.132
1994	0.280	0.722	1.438	0.141
1995	0.415	0.712	1.889	0.156
1996	0.443	0.702	1.861	0.167
1997	0.499	0.695	1.806	0.192
1998	0.601	0.613	1.832	0.201
1999	0.661	0.531	1.745	0.201
2000	0.597	0.488	1.379	0.211
2001	0.536	0.445	1.203	0.198
2002	0.417	0.462	0.926	0.208
2003	0.269	0.485	0.660	0.198
2004	0.184	0.733	0.603	0.223
2005	0.181	0.851	0.669	0.230
2006	0.234	0.894	0.860	0.244
2007	0.331	0.877	1.099	0.265
2008	0.415	0.871	1.328	0.272
2009	0.490	0.859	1.432	0.294
2010	0.486	0.857	1.302	0.320
2011	0.420	0.871	1.188	0.308
2012	0.365	0.912	1.057	0.314
2013	0.309	0.952	0.924	0.318
2014	0.281	0.997	0.851	0.329
2015	0.268	1.016	0.813	0.335
2016	0.253	1.019	0.840	0.307
2017	0.257	1.022	0.879	0.299
2018	0.279	1.023	0.925	0.309
2019	0.310	1.019	1.026	0.308
2020	0.316	1.015	1.091	0.294
2021	0.351	1.013	1.113	0.319
				Projections (d)
2022				0.322
2023				0.328
9/1/2023				0.328

- (a) See Exhibit 3.2. Medical loss ratios for accident years 2011 and subsequent do not reflect the cost of medical cost containment programs (MCCP). Ratios for accident years 2010 and prior do reflect MCCP costs.
- (b) See Exhibit 4.4.
- (c) See Exhibit 5.2.
- (d) The trending projection is based on frequency and severity growth separately applied to the 2019 and 2021 on-level ratios. The frequency growth estimates are based on the intra-class frequency changes for accident years 2020 and 2021 from Exhibit 12 and frequency model projections for accident years 2022 to 2024 from Exhibit 6.1. The annual medical severity growth estimates are from Exhibit 6.4.
- (e) Accident years 2011 and subsequent do not reflect the paid MCCP costs. Accident years 2010 and prior do reflect paid MCCP costs.

**On-Level Medical Loss to Industry Average Filed Pure Premium Ratios  
Based on Experience as of March 31, 2022**



\* On-level medical to industry average filed pure premium ratios (see Exhibit 7.3)

\*\* The 9/1/2023 medical to industry average filed pure premium ratio was calculated based on separate frequency and severity trends applied to the 2019 and 2021 years.

**Indicated Loss to Industry Average Filed Pure Premium Ratios and Average Pure Premium Rate  
For Policies with Effective Dates between September 1, 2022 and August 31, 2023  
Based on Experience as of March 31, 2022**

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
1. Projected Loss to Industry Average Filed Pure Premium Ratio (See Exhibits 7.1 and 7.3)	0.311	0.328	0.639

Quarterly Incurred Indemnity Loss Development Factors  
Through March 31, 2022

Age in	Accident Year																				
<u>Months</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
6/3	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	3.228	--	3.161
9/6	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	--	1.970
12/9	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	1.596	--	1.561
<b>15/12</b>	<b>1.250</b>	<b>1.257</b>	<b>1.238</b>	<b>1.180</b>	<b>1.149</b>	<b>1.189</b>	<b>1.234</b>	<b>1.248</b>	<b>1.293</b>	<b>1.306</b>	<b>1.306</b>	<b>1.303</b>	<b>1.301</b>	<b>1.301</b>	<b>1.313</b>	<b>1.309</b>	<b>1.298</b>	<b>1.298</b>	<b>1.295</b>	<b>1.266</b>	<b>1.294</b>
18/15	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	1.189	1.169	
21/18	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	1.128	1.122	
24/21	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	1.094	1.097	
<b>27/24</b>	<b>1.100</b>	<b>1.094</b>	<b>1.073</b>	<b>1.045</b>	<b>1.070</b>	<b>1.082</b>	<b>1.081</b>	<b>1.088</b>	<b>1.089</b>	<b>1.091</b>	<b>1.085</b>	<b>1.087</b>	<b>1.081</b>	<b>1.082</b>	<b>1.087</b>	<b>1.079</b>	<b>1.078</b>	<b>1.071</b>	<b>1.073</b>	<b>1.080</b>	
30/27	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	1.066	1.062		
33/30	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	1.045	1.045		
36/33	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	1.029	1.034		
<b>39/36</b>	<b>1.038</b>	<b>1.028</b>	<b>1.017</b>	<b>1.027</b>	<b>1.029</b>	<b>1.031</b>	<b>1.033</b>	<b>1.040</b>	<b>1.039</b>	<b>1.039</b>	<b>1.041</b>	<b>1.035</b>	<b>1.031</b>	<b>1.036</b>	<b>1.030</b>	<b>1.028</b>	<b>1.028</b>	<b>1.027</b>	<b>1.029</b>		
42/39	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	1.023			
45/42	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	1.016	1.015			
48/45	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	1.014	1.015			
<b>51/48</b>	<b>1.015</b>	<b>1.010</b>	<b>1.016</b>	<b>1.010</b>	<b>1.018</b>	<b>1.021</b>	<b>1.018</b>	<b>1.022</b>	<b>1.023</b>	<b>1.021</b>	<b>1.018</b>	<b>1.017</b>	<b>1.015</b>	<b>1.019</b>	<b>1.015</b>	<b>1.014</b>	<b>1.013</b>	<b>1.014</b>			
54/51	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	1.011				
57/54	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	1.009	1.009				
60/57	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	1.007	1.009				
<b>63/60</b>	<b>1.007</b>	<b>1.008</b>	<b>1.008</b>	<b>1.010</b>	<b>1.014</b>	<b>1.013</b>	<b>1.015</b>	<b>1.011</b>	<b>1.014</b>	<b>1.014</b>	<b>1.009</b>	<b>1.012</b>	<b>1.008</b>	<b>1.010</b>	<b>1.007</b>	<b>1.007</b>	<b>1.008</b>				
66/63	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	1.007					
69/66	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	1.007	1.005					
72/69	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	1.005	1.007					
<b>75/72</b>	<b>1.005</b>	<b>1.003</b>	<b>1.005</b>	<b>1.007</b>	<b>1.010</b>	<b>1.011</b>	<b>1.010</b>	<b>1.010</b>	<b>1.008</b>	<b>1.007</b>	<b>1.004</b>	<b>1.006</b>	<b>1.007</b>	<b>1.004</b>	<b>1.006</b>	<b>1.005</b>					
78/75	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	1.006						
81/78	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	1.003	1.003						
84/81	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	1.004	1.002						
<b>87/84</b>	<b>1.003</b>	<b>1.004</b>	<b>1.002</b>	<b>1.007</b>	<b>1.010</b>	<b>1.007</b>	<b>1.004</b>	<b>1.005</b>	<b>1.006</b>	<b>1.004</b>	<b>1.006</b>	<b>1.004</b>	<b>1.003</b>	<b>1.002</b>	<b>1.001</b>						
90/87	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	1.003							
93/90	1.003	1.002	1.005	1.006	1.008	1.006	1.007	1.006	1.003	1.004	1.005	1.005	1.003	1.004							
96/93	1.004	1.002	1.006	1.006	1.003	1.002	1.003	1.004	1.004	1.003	1.003	1.003	1.003	1.002							

Source: WCIRB accident year experience calls, excluding COVID-19 claims.

Quarterly Incurred Medical Loss Development Factors \*  
Through March 31, 2022

Age in	Accident Year																				
Months	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
6/3	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	--	2.871
9/6	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	1.821	1.845	--	1.747
12/9	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	--	1.429
<b>15/12</b>	<b>1.207</b>	<b>1.203</b>	<b>1.197</b>	<b>1.132</b>	<b>1.145</b>	<b>1.138</b>	<b>1.182</b>	<b>1.167</b>	<b>1.199</b>	<b>1.206</b>	<b>1.228</b>	<b>1.211</b>	<b>1.207</b>	<b>1.199</b>	<b>1.206</b>	<b>1.215</b>	<b>1.184</b>	<b>1.191</b>	<b>1.183</b>	<b>1.169</b>	<b>1.172</b>
18/15	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	1.092	
21/18	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	1.060	1.077	
24/21	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	1.052	1.053	
<b>27/24</b>	<b>1.080</b>	<b>1.075</b>	<b>1.042</b>	<b>1.034</b>	<b>1.048</b>	<b>1.055</b>	<b>1.058</b>	<b>1.053</b>	<b>1.071</b>	<b>1.066</b>	<b>1.072</b>	<b>1.058</b>	<b>1.048</b>	<b>1.046</b>	<b>1.048</b>	<b>1.040</b>	<b>1.036</b>	<b>1.030</b>	<b>1.033</b>	<b>1.049</b>	
30/27	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	1.037		
33/30	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	1.024	1.028		
36/33	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	1.016	1.020		
<b>39/36</b>	<b>1.037</b>	<b>1.018</b>	<b>1.012</b>	<b>1.028</b>	<b>1.025</b>	<b>1.027</b>	<b>1.029</b>	<b>1.033</b>	<b>1.031</b>	<b>1.040</b>	<b>1.039</b>	<b>1.027</b>	<b>1.021</b>	<b>1.023</b>	<b>1.022</b>	<b>1.011</b>	<b>1.018</b>	<b>1.016</b>	<b>1.019</b>		
42/39	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	1.014			
45/42	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	1.009	1.013			
48/45	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	1.008	1.011			
<b>51/48</b>	<b>1.014</b>	<b>1.009</b>	<b>1.013</b>	<b>1.018</b>	<b>1.015</b>	<b>1.020</b>	<b>1.021</b>	<b>1.021</b>	<b>1.026</b>	<b>1.024</b>	<b>1.019</b>	<b>1.014</b>	<b>1.013</b>	<b>1.010</b>	<b>1.008</b>	<b>1.008</b>	<b>1.009</b>	<b>1.007</b>			
54/51	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	1.005				
57/54	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	1.007	1.007				
60/57	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	1.005	1.007				
<b>63/60</b>	<b>1.012</b>	<b>1.008</b>	<b>1.016</b>	<b>1.015</b>	<b>1.021</b>	<b>1.015</b>	<b>1.018</b>	<b>1.016</b>	<b>1.020</b>	<b>1.015</b>	<b>1.009</b>	<b>1.009</b>	<b>1.005</b>	<b>1.008</b>	<b>1.005</b>	<b>1.004</b>	<b>1.004</b>				
66/63	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	1.005					
69/66	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	1.003	1.002					
72/69	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	1.003	1.005					
<b>75/72</b>	<b>1.008</b>	<b>1.010</b>	<b>1.009</b>	<b>1.012</b>	<b>1.012</b>	<b>1.011</b>	<b>1.018</b>	<b>1.013</b>	<b>1.008</b>	<b>1.006</b>	<b>1.001</b>	<b>1.003</b>	<b>1.006</b>	<b>1.003</b>	<b>1.002</b>	<b>1.004</b>					
78/75	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	1.003						
81/78	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	1.002	1.002						
84/81	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	1.002	0.999						
<b>87/84</b>	<b>1.010</b>	<b>1.009</b>	<b>1.010</b>	<b>1.012</b>	<b>1.014</b>	<b>1.012</b>	<b>1.008</b>	<b>1.007</b>	<b>1.004</b>	<b>1.003</b>	<b>1.001</b>	<b>1.002</b>	<b>1.002</b>	<b>1.001</b>	<b>1.001</b>						
90/87	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	1.004							
93/90	1.009	1.011	1.010	1.011	1.012	1.009	1.009	1.007	1.002	1.003	1.002	1.005	1.000	1.003							
96/93	1.012	1.008	1.010	1.011	1.009	1.005	1.006	1.005	1.003	1.002	1.001	1.003	1.002	1.002							

Source: WCIRB accident year experience calls, excluding COVID-19 claims.

\* 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 March 31, 2022

Age in	Accident Year																				
Months	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
6/3	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	5.083	--	5.102
9/6	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	--	2.441
12/9	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	1.902	--	1.846
<b>15/12</b>	<b>1.552</b>	<b>1.550</b>	<b>1.516</b>	<b>1.491</b>	<b>1.456</b>	<b>1.482</b>	<b>1.488</b>	<b>1.481</b>	<b>1.507</b>	<b>1.532</b>	<b>1.539</b>	<b>1.506</b>	<b>1.539</b>	<b>1.540</b>	<b>1.559</b>	<b>1.571</b>	<b>1.544</b>	<b>1.527</b>	<b>1.522</b>	<b>1.509</b>	<b>1.505</b>
18/15	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	1.341	1.331	
21/18	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	1.258	1.239	
24/21	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	1.193	1.189	
<b>27/24</b>	<b>1.200</b>	<b>1.205</b>	<b>1.186</b>	<b>1.140</b>	<b>1.142</b>	<b>1.151</b>	<b>1.149</b>	<b>1.153</b>	<b>1.162</b>	<b>1.165</b>	<b>1.168</b>	<b>1.164</b>	<b>1.159</b>	<b>1.170</b>	<b>1.176</b>	<b>1.161</b>	<b>1.159</b>	<b>1.152</b>	<b>1.154</b>	<b>1.149</b>	
30/27	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	1.126		
33/30	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	1.103	1.101		
36/33	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	1.077	1.083		
<b>39/36</b>	<b>1.092</b>	<b>1.087</b>	<b>1.072</b>	<b>1.070</b>	<b>1.066</b>	<b>1.064</b>	<b>1.067</b>	<b>1.074</b>	<b>1.078</b>	<b>1.077</b>	<b>1.073</b>	<b>1.075</b>	<b>1.074</b>	<b>1.075</b>	<b>1.071</b>	<b>1.068</b>	<b>1.064</b>	<b>1.066</b>	<b>1.066</b>		
42/39	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	1.057			
45/42	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	1.044	1.045			
48/45	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	1.037	1.039			
<b>51/48</b>	<b>1.044</b>	<b>1.036</b>	<b>1.035</b>	<b>1.033</b>	<b>1.036</b>	<b>1.036</b>	<b>1.037</b>	<b>1.042</b>	<b>1.042</b>	<b>1.043</b>	<b>1.039</b>	<b>1.038</b>	<b>1.038</b>	<b>1.039</b>	<b>1.035</b>	<b>1.031</b>	<b>1.031</b>	<b>1.032</b>			
54/51	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	1.030				
57/54	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	1.024	1.024				
60/57	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	1.020	1.021				
<b>63/60</b>	<b>1.021</b>	<b>1.022</b>	<b>1.019</b>	<b>1.019</b>	<b>1.021</b>	<b>1.023</b>	<b>1.025</b>	<b>1.025</b>	<b>1.024</b>	<b>1.026</b>	<b>1.025</b>	<b>1.025</b>	<b>1.021</b>	<b>1.021</b>	<b>1.018</b>	<b>1.016</b>	<b>1.018</b>				
66/63	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	1.016					
69/66	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	1.013	1.015					
72/69	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	1.012	1.011					
<b>75/72</b>	<b>1.014</b>	<b>1.012</b>	<b>1.012</b>	<b>1.013</b>	<b>1.015</b>	<b>1.019</b>	<b>1.018</b>	<b>1.016</b>	<b>1.016</b>	<b>1.017</b>	<b>1.015</b>	<b>1.014</b>	<b>1.012</b>	<b>1.012</b>	<b>1.011</b>	<b>1.012</b>					
78/75	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	1.012						
81/78	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	1.008	1.009						
84/81	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	1.009	1.009						
<b>87/84</b>	<b>1.010</b>	<b>1.009</b>	<b>1.008</b>	<b>1.009</b>	<b>1.012</b>	<b>1.014</b>	<b>1.013</b>	<b>1.010</b>	<b>1.012</b>	<b>1.010</b>	<b>1.011</b>	<b>1.010</b>	<b>1.007</b>	<b>1.006</b>	<b>1.008</b>						
90/87	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	1.007							
93/90	1.008	1.007	1.008	1.012	1.011	1.011	1.012	1.010	1.010	1.009	1.009	1.008	1.007	1.006							
96/93	1.007	1.007	1.007	1.008	1.011	1.011	1.008	1.010	1.010	1.009	1.010	1.007	1.007	1.007							

Source: WCIRB accident year experience calls, excluding COVID-19 claims.



Quarterly Paid Medical Loss Development Factors \*  
Through March 31, 2022

Age in	Accident Year																				
Months	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
6/3	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	4.982	--	6.124
9/6	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	--	2.232
12/9	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	--	1.719
<b>15/12</b>	<b>1.547</b>	<b>1.554</b>	<b>1.510</b>	<b>1.437</b>	<b>1.423</b>	<b>1.429</b>	<b>1.444</b>	<b>1.413</b>	<b>1.429</b>	<b>1.445</b>	<b>1.472</b>	<b>1.446</b>	<b>1.443</b>	<b>1.460</b>	<b>1.454</b>	<b>1.479</b>	<b>1.434</b>	<b>1.425</b>	<b>1.432</b>	<b>1.436</b>	<b>1.438</b>
18/15	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	1.269	
21/18	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	1.170	1.190	
24/21	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	1.138	1.149	
<b>27/24</b>	<b>1.128</b>	<b>1.123</b>	<b>1.093</b>	<b>1.090</b>	<b>1.093</b>	<b>1.106</b>	<b>1.107</b>	<b>1.110</b>	<b>1.112</b>	<b>1.119</b>	<b>1.120</b>	<b>1.123</b>	<b>1.122</b>	<b>1.122</b>	<b>1.124</b>	<b>1.111</b>	<b>1.111</b>	<b>1.108</b>	<b>1.114</b>	<b>1.118</b>	
30/27	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	1.101		
33/30	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	1.078	1.084		
36/33	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	1.066	1.074		
<b>39/36</b>	<b>1.061</b>	<b>1.049</b>	<b>1.044</b>	<b>1.053</b>	<b>1.056</b>	<b>1.057</b>	<b>1.059</b>	<b>1.061</b>	<b>1.066</b>	<b>1.071</b>	<b>1.066</b>	<b>1.069</b>	<b>1.065</b>	<b>1.064</b>	<b>1.061</b>	<b>1.055</b>	<b>1.054</b>	<b>1.054</b>	<b>1.061</b>		
42/39	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	1.048			
45/42	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	1.039	1.043			
48/45	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	1.033	1.039			
<b>51/48</b>	<b>1.034</b>	<b>1.031</b>	<b>1.030</b>	<b>1.033</b>	<b>1.037</b>	<b>1.036</b>	<b>1.036</b>	<b>1.039</b>	<b>1.041</b>	<b>1.043</b>	<b>1.040</b>	<b>1.039</b>	<b>1.038</b>	<b>1.037</b>	<b>1.032</b>	<b>1.030</b>	<b>1.027</b>	<b>1.027</b>			
54/51	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	1.029				
57/54	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	1.023	1.023				
60/57	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	1.019	1.021				
<b>63/60</b>	<b>1.019</b>	<b>1.019</b>	<b>1.020</b>	<b>1.024</b>	<b>1.024</b>	<b>1.024</b>	<b>1.024</b>	<b>1.027</b>	<b>1.027</b>	<b>1.026</b>	<b>1.027</b>	<b>1.025</b>	<b>1.021</b>	<b>1.022</b>	<b>1.019</b>	<b>1.018</b>	<b>1.018</b>				
66/63	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	1.016					
69/66	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	1.014	1.016					
72/69	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	1.014	1.013					
<b>75/72</b>	<b>1.015</b>	<b>1.015</b>	<b>1.014</b>	<b>1.018</b>	<b>1.020</b>	<b>1.019</b>	<b>1.019</b>	<b>1.018</b>	<b>1.018</b>	<b>1.018</b>	<b>1.015</b>	<b>1.015</b>	<b>1.013</b>	<b>1.014</b>	<b>1.011</b>	<b>1.012</b>					
78/75	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	1.012						
81/78	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	1.009	1.010						
84/81	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	1.009	1.010						
<b>87/84</b>	<b>1.012</b>	<b>1.012</b>	<b>1.012</b>	<b>1.014</b>	<b>1.013</b>	<b>1.015</b>	<b>1.017</b>	<b>1.013</b>	<b>1.013</b>	<b>1.011</b>	<b>1.012</b>	<b>1.010</b>	<b>1.008</b>	<b>1.008</b>	<b>1.008</b>						
90/87	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	1.009							
93/90	1.012	1.011	1.013	1.013	1.012	1.014	1.014	1.013	1.011	1.010	1.009	1.010	1.006	1.007							
96/93	1.010	1.010	1.009	1.013	1.015	1.016	1.011	1.012	1.010	1.009	1.009	1.009	1.006	1.007							

Source: WCIRB accident year experience calls, excluding COVID-19 claims.

\* 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	<u>3-15</u>	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>	<u>75-87</u>	<u>87-99</u>	<u>99-111</u>	<u>111-123</u>	<u>123-135</u>	<u>135-147</u>	<u>147-159</u>	<u>159-171</u>	<u>171-183</u>	<u>183-195</u>
1997																1.000
1998															1.000	1.000
1999														1.000	1.000	1.000
2000													1.001	1.001	1.000	1.000
2001												1.000	1.000	1.000	1.000	1.000
2002											1.000	1.000	1.000	1.000	1.000	1.000
2003										1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004									1.000	0.999	1.000	1.001	1.000	1.000	1.000	1.000
2005								1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000
2006							1.001	1.000	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000
2007						1.002	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
2008					1.004	1.003	1.001	1.002	1.001	0.999	1.000	1.000	1.000	1.000	1.000	
2009				1.008	1.005	1.003	1.003	1.001	0.999	1.000	1.000	1.000	1.000			
2010			1.022	1.010	1.006	1.004	1.002	1.000	1.000	1.000	1.000	1.000				
2011		1.100	1.026	1.011	1.007	1.002	1.000	1.001	1.000	1.000	1.000					
2012	7.673	1.120	1.026	1.012	1.005	1.002	1.001	1.001	1.000	1.001						
2013	8.152	1.102	1.029	1.007	1.004	1.001	1.002	1.001	1.000							
2014	7.704	1.114	1.019	1.007	1.004	1.001	1.000	1.000								
2015	8.133	1.099	1.015	1.005	1.003	1.002	1.000									
2016	7.681	1.100	1.019	1.005	1.003	1.001										
2017	7.732	1.088	1.017	1.006	1.002											
2018	7.746	1.092	1.016	1.004												
2019	7.889	1.085	1.019													
2020	6.909	1.091														
2021	7.835															
Latest Year																
<u>Age-to-Age</u>	7.835	1.091	1.019	1.004	1.002	1.001	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000
<u>Age-to-Ultimate</u>	8.807	1.124	1.031	1.011	1.007	1.005	1.004	1.004	1.004	1.004	1.003	1.003	1.003	1.002	1.002	1.002

Source: WCIRB accident year experience calls, excluding COVID-19 claims.

**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>
2010	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
2011	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
2012	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
2013	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
2014	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
2015	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
2016	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
2017	2.733	1.717	1.410	1.149	1.047	1.027	1.018	1.012	1.010	1.006	1.004	1.002	1.003	1.002	1.002
2018	2.892	1.696	1.423	1.139	1.045	1.023	1.017	1.010	1.008	1.006	1.002	1.002	1.002	1.002	1.001
2019	2.782	1.750	1.424	1.138	1.035	1.023	1.015	1.010	1.009	1.005	1.003	1.003			
2020	--	--	--	1.135	1.041	1.024	1.014	1.009							
2021	2.819	1.745	1.410	1.130											

Source: WCIRB accident year experience calls, excluding COVID-19 claims.

Reported Indemnity Claim Settlement Ratios

Accident	Evaluated as of (in months):																
Year	3	15	27	39	51	63	75	87	99	111	123	135	147	159	171	183	195
1997																	98.2%
1998																97.8%	98.0%
1999															97.3%	97.7%	97.9%
2000														96.7%	97.2%	97.5%	97.8%
2001													95.4%	96.1%	96.6%	97.0%	97.4%
2002												94.9%	95.9%	96.5%	97.0%	97.4%	97.7%
2003											94.0%	95.3%	96.0%	96.6%	97.1%	97.6%	97.9%
2004										92.8%	94.6%	95.6%	96.2%	96.9%	97.4%	97.9%	98.2%
2005									91.3%	93.4%	94.8%	95.7%	96.5%	97.2%	97.7%	98.1%	98.4%
2006								89.0%	91.7%	93.4%	94.7%	95.8%	96.6%	97.2%	97.7%	98.1%	98.4%
2007							85.5%	89.5%	91.8%	93.7%	95.1%	96.2%	96.9%	97.6%	98.0%	98.3%	
2008						80.5%	86.0%	89.5%	92.2%	94.0%	95.3%	96.4%	97.1%	97.7%	98.0%		
2009					72.7%	80.5%	85.6%	89.5%	92.2%	94.1%	95.6%	96.6%	97.2%	97.7%			
2010				63.5%	74.7%	81.9%	87.1%	90.8%	93.3%	95.0%	96.3%	97.0%	97.6%				
2011			50.6%	65.2%	75.9%	83.2%	88.1%	91.6%	94.1%	95.6%	96.6%	97.3%					
2012		34.0%	51.8%	66.6%	77.1%	84.4%	89.4%	92.7%	94.8%	96.0%	96.9%						
2013	8.5%	33.4%	52.8%	67.7%	78.9%	86.2%	90.8%	93.7%	95.4%	96.5%							
2014	6.6%	33.8%	53.6%	69.1%	80.5%	87.4%	91.6%	93.9%	95.6%								
2015	7.5%	34.0%	55.2%	71.7%	82.7%	88.9%	92.0%	94.3%									
2016	7.2%	35.8%	58.0%	74.4%	84.4%	89.2%	92.3%										
2017	7.2%	38.1%	60.8%	76.1%	84.1%	89.3%											
2018	8.3%	38.8%	60.9%	74.2%	83.2%												
2019	8.5%	38.8%	58.0%	72.2%													
2020	8.8%	37.1%	57.1%														
2021	6.8%	39.6%															
2022	7.3%																

Source: WCIRB accident year experience calls, excluding COVID-19 claims.

Estimated Ultimate Indemnity Claim Settlement Ratios

Accident	Evaluated as of (in months):																
Year	3	15	27	39	51	63	75	87	99	111	123	135	147	159	171	183	195
1997																	97.8%
1998																97.5%	97.8%
1999															97.0%	97.5%	97.7%
2000														96.4%	97.0%	97.3%	97.5%
2001													95.1%	95.8%	96.3%	96.8%	97.2%
2002												94.7%	95.7%	96.2%	96.7%	97.2%	97.5%
2003											93.8%	95.1%	95.8%	96.4%	96.9%	97.4%	97.7%
2004										92.6%	94.3%	95.3%	96.1%	96.7%	97.2%	97.7%	98.0%
2005									91.0%	93.2%	94.6%	95.6%	96.4%	97.0%	97.5%	97.9%	98.2%
2006								88.6%	91.4%	93.1%	94.5%	95.6%	96.4%	97.0%	97.5%	97.9%	98.1%
2007							85.1%	89.1%	91.5%	93.5%	94.9%	95.9%	96.7%	97.4%	97.8%	98.1%	
2008					79.7%	79.8%	85.4%	89.1%	91.9%	93.8%	95.0%	96.1%	96.9%	97.4%	97.8%		
2009					71.7%	79.8%	85.1%	89.3%	92.1%	93.9%	95.3%	96.4%	97.0%	97.4%			
2010				62.0%	73.6%	81.2%	86.7%	90.5%	93.0%	94.7%	96.0%	96.8%	97.4%				
2011			48.1%	63.6%	74.9%	82.6%	87.7%	91.3%	93.8%	95.4%	96.3%	97.0%					
2012		28.9%	49.3%	65.0%	76.2%	83.8%	88.9%	92.3%	94.4%	95.7%	96.6%						
2013	0.9%	28.9%	50.4%	66.5%	78.0%	85.5%	90.2%	93.3%	95.0%	96.1%							
2014	0.7%	29.3%	51.7%	68.0%	79.7%	86.9%	91.2%	93.6%	95.2%								
2015	0.8%	30.0%	53.6%	70.8%	82.0%	88.4%	91.6%	94.0%									
2016	0.8%	31.5%	56.1%	73.5%	83.7%	88.8%	92.0%										
2017	0.8%	34.0%	59.0%	75.1%	83.6%	88.9%											
2018	1.0%	34.6%	59.2%	73.4%	82.6%												
2019	1.0%	34.7%	56.3%	71.4%													
2020	1.1%	33.0%	55.4%														
2021	0.8%	35.2%															
2022	0.8%																

Source: WCIRB quarterly calls for experience, excluding COVID-19 claims.

Quarterly Ultimate Settlement Ratios

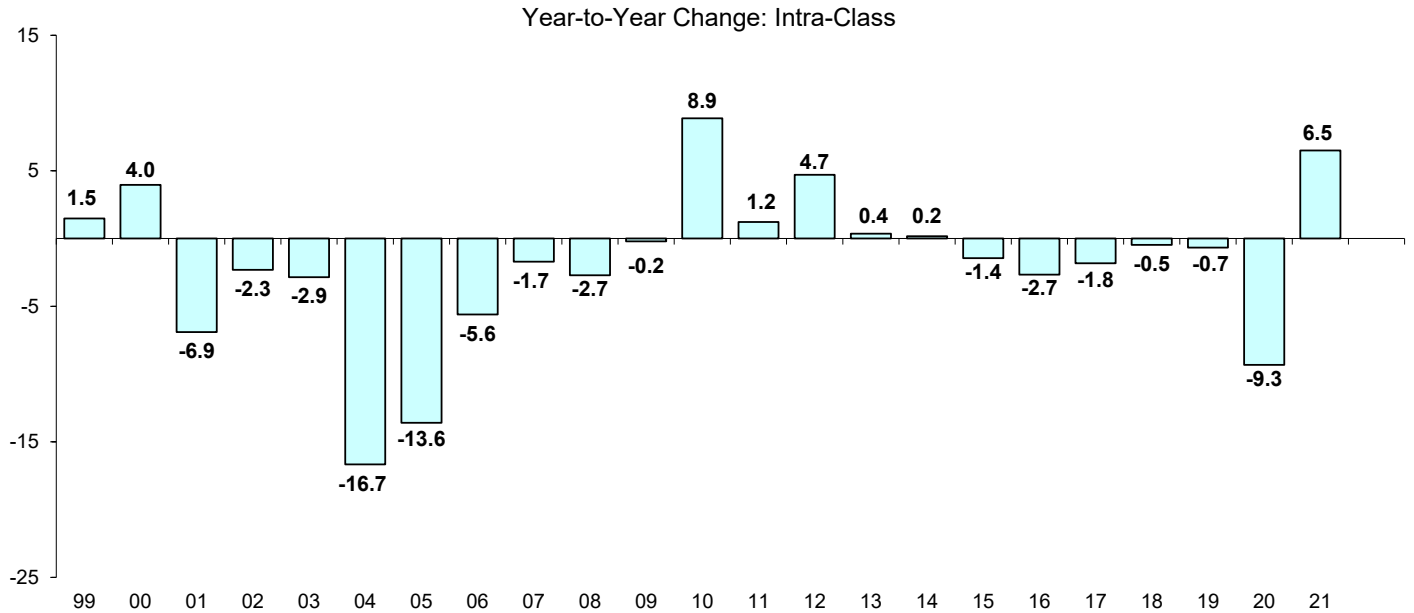
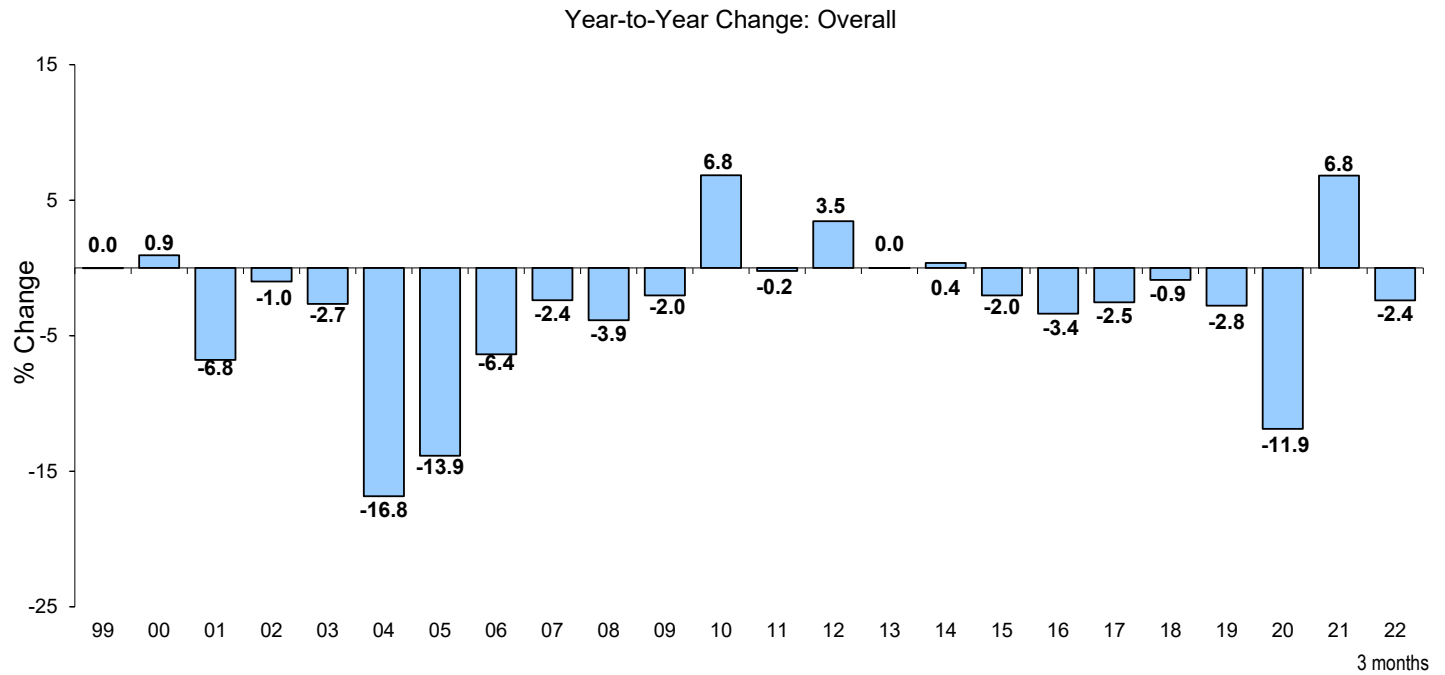
Accident Year	Evaluated as of (in months):															
	<u>3</u>	<u>6</u>	<u>9</u>	<u>12</u>	<u>15</u>	<u>18</u>	<u>21</u>	<u>24</u>	<u>27</u>	<u>30</u>	<u>33</u>	<u>36</u>	<u>39</u>	<u>42</u>	<u>45</u>	<u>48</u>
2013	0.9%	4.9%	11.4%	20.5%	28.9%	35.4%	40.8%	45.9%	50.4%	54.8%	59.0%	62.9%	66.5%	69.8%	72.8%	75.6%
2014	0.7%	4.7%	11.6%	20.7%	29.3%	36.1%	41.8%	46.9%	51.7%	56.2%	60.5%	64.5%	68.0%	71.5%	74.5%	77.2%
2015	0.8%	4.7%	11.9%	20.8%	30.0%	37.4%	43.1%	48.4%	53.6%	58.7%	63.1%	67.1%	70.8%	74.2%	77.0%	79.5%
2016	0.8%	5.0%	12.2%	21.7%	31.5%	39.3%	45.3%	51.0%	56.1%	61.3%	65.6%	69.6%	73.5%	76.7%	79.3%	81.4%
2017	0.8%	5.5%	13.3%	23.9%	34.0%	41.9%	48.1%	53.8%	59.0%	63.9%	68.1%	71.7%	75.1%	77.5%	79.8%	81.5%
2018	1.0%	5.8%	13.8%	24.3%	34.6%	42.4%	48.5%	54.0%	59.2%	63.2%	66.8%	70.0%	73.4%	76.0%	78.4%	80.3%
2019	1.0%	5.7%	13.6%	24.3%	34.7%	41.4%	46.8%	51.6%	56.3%	60.8%	64.5%	67.8%	71.4%			
2020	--	--	--	23.4%	33.0%	40.6%	45.7%	50.3%	55.4%							
2021	0.8%	5.4%	13.6%	24.5%	35.2%											
2022	0.8%															

Accident Year	Quarterly Incremental Change														
	<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>
2013	4.0%	6.5%	9.1%	8.4%	6.5%	5.4%	5.1%	4.5%	4.5%	4.1%	3.9%	3.6%	3.3%	3.0%	2.7%
2014	4.0%	6.9%	9.1%	8.6%	6.8%	5.7%	5.1%	4.8%	4.5%	4.3%	4.0%	3.5%	3.5%	2.9%	2.7%
2015	3.9%	7.2%	8.9%	9.2%	7.4%	5.7%	5.3%	5.3%	5.1%	4.4%	3.9%	3.7%	3.4%	2.9%	2.4%
2016	4.2%	7.2%	9.5%	9.8%	7.8%	6.0%	5.7%	5.1%	5.1%	4.3%	4.0%	3.9%	3.2%	2.6%	2.2%
2017	4.7%	7.8%	10.6%	10.1%	7.9%	6.2%	5.7%	5.2%	4.9%	4.2%	3.6%	3.5%	2.4%	2.3%	1.7%
2018	4.8%	8.0%	10.6%	10.2%	7.8%	6.2%	5.4%	5.3%	3.9%	3.6%	3.2%	3.3%	2.7%	2.4%	1.9%
2019	4.7%	7.9%	10.7%	10.4%	6.7%	5.5%	4.7%	4.7%	4.5%	3.8%	3.2%	3.6%			
2020	--	--	--	9.6%	7.6%	5.1%	4.6%	5.0%							
2021	4.7%	8.2%	10.9%	10.7%											
2022															

Notes All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 82% to 99% of the total California workers' compensation insured market measured using 2021 earned premium levels).

Source: WCIRB accident year experience calls, excluding COVID-19 claims.

### California Workers' Compensation Estimated Indemnity Claim Frequency by Accident Year



**Note:**

The 2021 and 2022 estimates are based on a comparison of claim counts based on WCIRB accident year experience as of March 31, 2022 relative to the estimated change in statewide employment. Experience excludes COVID-19 claims. Prior years are based on unit statistical data.

Summary of COVID-19 Claim Information as of March 31, 2022

AY2020 @3/31/2022	Based on 100% of the Market			Average per Indemnity Claim			Average per Total Claim		
	COVID-19 Claims	1Q-2022 Data Call	COVID-19 Percentage	COVID-19 Claims	All WC Claims	Without COVID-19 Claims	COVID-19 Claims	All WC Claims	Without COVID-19 Claims
Ind. Paid	94,179,384	1,637,786,278	5.8%	\$5,208	\$10,943	\$11,731	\$3,501	\$4,635	\$4,729
<u>Ind. Reserves</u>	<u>83,502,018</u>	<u>1,028,279,322</u>	<u>8.1%</u>	<u>\$4,618</u>	<u>\$6,870</u>	<u>\$7,180</u>	<u>\$3,104</u>	<u>\$2,910</u>	<u>\$2,894</u>
Ind. Incurred	177,681,402	2,666,065,600	6.7%	\$9,826	\$17,813	\$18,910	\$6,606	\$7,545	\$7,623
Med. Paid	73,619,232	1,798,953,725	4.1%	\$4,071	\$12,019	\$13,112	\$2,737	\$5,091	\$5,285
<u>Med. Reserves</u>	<u>84,553,950</u>	<u>1,341,707,477</u>	<u>6.3%</u>	<u>\$4,676</u>	<u>\$8,964</u>	<u>\$9,554</u>	<u>\$3,144</u>	<u>\$3,797</u>	<u>\$3,851</u>
Med. Incurred	158,173,182	3,140,661,202	5.0%	\$8,748	\$20,984	\$22,665	\$5,880	\$8,888	\$9,136
ALAE Paid	25,949,498	698,345,928	3.7%	\$1,435	\$4,666	\$5,110	\$965	\$1,976	\$2,060
MCCP	4,684,044	165,260,687	2.8%	\$259	\$1,104	\$1,220	\$174	\$468	\$492
Paid on Med-Only Claims	5,643,856	246,668,034	2.3%						
Ind. Paid on Open Ind. Claims	94,179,384	1,637,786,278	5.8%						
Med. Paid on Open Ind. Claims	83,502,018	1,028,279,322	8.1%						
<b>AY2020 Claim Counts</b>									
# of Open Indemnity Claims	1,783	58,261	3.1%						
# of Med-Only Claims	8,816	203,671	4.3%						
# of Indemnity Claims	18,082	149,671	12.1%						
Total Number of Claims	26,898	353,342	7.6%						

AY2021 @3/31/2022	Based on 100% of the Market			Average per Indemnity Claim			Average per Total Claim		
	COVID-19 Claims	1Q-2022 Data Call	COVID-19 Percentage	COVID-19 Claims	All WC Claims	Without COVID-19 Claims	COVID-19 Claims	All WC Claims	Without COVID-19 Claims
Ind. Paid	15,854,612	788,823,541	2.0%	\$2,250	\$5,639	\$5,819	\$1,484	\$2,181	\$2,202
<u>Ind. Reserves</u>	<u>22,944,826</u>	<u>963,718,829</u>	<u>2.4%</u>	<u>\$3,257</u>	<u>\$6,889</u>	<u>\$7,082</u>	<u>\$2,147</u>	<u>\$2,664</u>	<u>\$2,680</u>
Ind. Incurred	38,799,438	1,752,542,370	2.2%	\$5,507	\$12,528	\$12,900	\$3,631	\$4,845	\$4,882
Med. Paid	13,553,687	992,210,887	1.4%	\$1,924	\$7,093	\$7,367	\$1,268	\$2,743	\$2,788
<u>Med. Reserves</u>	<u>30,715,832</u>	<u>1,543,697,608</u>	<u>2.0%</u>	<u>\$4,360</u>	<u>\$11,035</u>	<u>\$11,389</u>	<u>\$2,875</u>	<u>\$4,268</u>	<u>\$4,310</u>
Med. Incurred	44,269,519	2,535,908,495	1.7%	\$6,284	\$18,128	\$18,756	\$4,143	\$7,011	\$7,098
ALAE Paid	4,815,705	298,033,522	1.6%	\$684	\$2,131	\$2,207	\$451	\$824	\$835
MCCP	1,042,977	94,692,632	1.1%	\$148	\$677	\$705	\$98	\$262	\$267
Paid on Med-Only Claims	1,106,631	222,987,821	0.5%						
Ind. Paid on Open Ind. Claims	15,854,612	788,823,541	2.0%						
Med. Paid on Open Ind. Claims	22,944,826	963,718,829	2.4%						
<b>AY2021 Claim Counts</b>									
# of Open Indemnity Claims	1,362	81,591	1.7%						
# of Med-Only Claims	3,640	221,817	1.6%						
# of Indemnity Claims	7,045	139,889	5.0%						
Total Number of Claims	10,685	361,706	3.0%						

AY2022 @3/31/2022	Based on 100% of the Market			Average per Indemnity Claim			Average per Total Claim		
	COVID-19 Claims	1Q-2022 Data Call	COVID-19 Percentage	COVID-19 Claims	All WC Claims	Without COVID-19 Claims	COVID-19 Claims	All WC Claims	Without COVID-19 Claims
Ind. Paid	2,939,417	27,795,547	10.6%	\$568	\$1,207	\$1,392	\$362	\$484	\$504
<u>Ind. Reserves</u>	<u>4,077,210</u>	<u>130,835,869</u>	<u>3.1%</u>	<u>\$788</u>	<u>\$5,681</u>	<u>\$7,097</u>	<u>\$502</u>	<u>\$2,280</u>	<u>\$2,573</u>
Ind. Incurred	7,016,627	158,631,416	4.4%	\$1,357	\$6,887	\$8,489	\$865	\$2,764	\$3,077
Med. Paid	278,765	28,663,431	1.0%	\$54	\$1,245	\$1,589	\$34	\$499	\$576
<u>Med. Reserves</u>	<u>8,441,670</u>	<u>276,760,625</u>	<u>3.1%</u>	<u>\$1,632</u>	<u>\$12,016</u>	<u>\$15,023</u>	<u>\$1,040</u>	<u>\$4,823</u>	<u>\$5,446</u>
Med. Incurred	8,720,435	305,424,056	2.9%	\$1,686	\$13,261	\$16,613	\$1,074	\$5,322	\$6,022
ALAE Paid	415,316	5,240,715	7.9%	\$80	\$228	\$270	\$51	\$91	\$98
MCCP	16,040	2,649,025	0.6%	\$3	\$115	\$147	\$2	\$46	\$53
Paid on Med-Only Claims	36,907	11,731,060	0.3%						
Ind. Paid on Open Ind. Claims	2,939,417	27,795,547	10.6%						
Med. Paid on Open Ind. Claims	4,077,210	130,835,869	3.1%						
<b>AY2022 Claim Counts</b>									
# of Open Indemnity Claims	2,142	18,706	11.5%						
# of Med-Only Claims	2,944	34,353	8.6%						
# of Indemnity Claims	5,172	23,032	22.5%						
Total Number of Claims	8,116	57,385	14.1%						

Source: WCIRB accident year experience calls.



**Average Paid ALAE per Reported Indemnity Claim - Private Insurers**

As of March 31, 2022

Accident	Evaluated as of (in months):									
<u>Year</u>	<u>3</u>	<u>15</u>	<u>27</u>	<u>39</u>	<u>51</u>	<u>63</u>	<u>75</u>	<u>87</u>	<u>99</u>	<u>111</u>
2001								5,480	5,819	6,017
2002							5,668	6,064	6,308	6,493
2003						5,528	6,043	6,383	6,647	6,857
2004					4,548	5,212	5,673	6,022	6,283	6,496
2005				3,279	4,191	4,833	5,307	5,673	5,965	6,187
2006			2,176	3,410	4,328	5,022	5,550	5,920	6,211	6,471
2007		849	2,340	3,613	4,619	5,393	5,993	6,429	6,768	7,039
2008	85	944	2,494	3,933	5,103	5,975	6,595	7,096	7,468	7,729
2009	150	1,037	2,812	4,448	5,718	6,637	7,358	7,900	8,278	8,564
2010	87	1,111	2,981	4,586	5,816	6,746	7,484	7,978	8,328	8,576
2011	86	1,127	2,942	4,520	5,796	6,818	7,470	7,947	8,274	8,493
2012	85	1,120	3,012	4,721	6,067	6,965	7,590	7,991	8,296	8,459
2013	98	1,202	3,276	4,985	6,201	7,018	7,544	7,904	8,105	8,314
2014	140	1,340	3,480	5,147	6,293	7,015	7,504	7,801	8,011	
2015	102	1,424	3,577	5,188	6,238	6,906	7,314	7,596		
2016	108	1,463	7,286	5,238	6,239	6,837	7,242			
2017	121	1,525	3,740	5,229	6,145	6,748				
2018	142	1,630	3,849	5,358	6,385					
2019	149	1,629	3,799	5,425						
2020	143	1,610	3,941							
2021	118	1,541								
2022	132									

	Annual Change									
<u>Year</u>	<u>3</u>	<u>15</u>	<u>27</u>	<u>39</u>	<u>51</u>	<u>63</u>	<u>75</u>	<u>87</u>	<u>99</u>	<u>111</u>
2002								10.7%	8.4%	7.9%
2003							6.6%	5.2%	5.4%	5.6%
2004						-5.7%	-6.1%	-5.6%	-5.5%	-5.3%
2005					-7.8%	-7.3%	-6.5%	-5.8%	-5.0%	-4.8%
2006				4.0%	3.3%	3.9%	4.6%	4.4%	4.1%	4.6%
2007			7.5%	5.9%	6.7%	7.4%	8.0%	8.6%	9.0%	8.8%
2008		11.3%	6.6%	8.9%	10.5%	10.8%	10.0%	10.4%	10.3%	9.8%
2009	76.5%	9.8%	12.8%	13.1%	12.0%	11.1%	11.6%	11.3%	10.8%	10.8%
2010	-41.7%	7.1%	6.0%	3.1%	1.7%	1.6%	1.7%	1.0%	0.6%	0.1%
2011	-1.4%	1.4%	-1.3%	-1.4%	-0.3%	1.1%	-0.2%	-0.4%	-0.7%	-1.0%
2012	-1.2%	-0.5%	2.4%	4.4%	4.7%	2.1%	1.6%	0.5%	0.3%	-0.4%
2013	15.4%	7.3%	8.8%	5.6%	2.2%	0.8%	-0.6%	-1.1%	-2.3%	-1.7%
2014	42.0%	11.5%	6.2%	3.3%	1.5%	0.0%	-0.5%	-1.3%	-1.2%	
2015	-26.9%	6.3%	2.8%	0.8%	-0.9%	-1.6%	-2.5%	-2.6%		
2016	6.2%	2.7%	103.7%	0.9%	0.0%	-1.0%	-1.0%			
2017	11.8%	4.2%	-48.7%	-0.2%	-1.5%	-1.3%				
2018	17.4%	6.9%	2.9%	2.5%	3.9%					
2019	4.9%	-0.1%	-1.3%	1.2%						
2020	-4.2%	-1.1%	3.7%							
2021	-17.3%	-4.3%								
2022	11.8%									

Note: All paid ALAE exclude the paid cost of medical cost containment programs. Accident years 2022 at 3 months, 2021 at 15 months and 2020 at 27 months exclude COVID-19 claims.

Source: WCIRB accident year experience calls.

**Paid Allocated Loss Adjustment Expense Development - Private Insurers**  
As of December 31, 2021

Accident	Age-to-Age Development (in months):															
Year	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135	135-147	147-159	159-171	171-183	183-195	195-207
1995	2.550	1.569	1.237	1.132	1.072	1.046	1.038	1.030	1.022	1.022	1.019	1.017	1.015	1.013	1.010	1.008
1996	2.454	1.490	1.239	1.114	1.072	1.056	1.046	1.036	1.031	1.026	1.021	1.017	1.014	1.008	1.011	1.009
1997	2.424	1.511	1.194	1.112	1.081	1.064	1.051	1.040	1.033	1.025	1.020	1.016	1.013	1.013	1.011	1.009
1998	2.618	1.463	1.229	1.139	1.102	1.083	1.055	1.041	1.028	1.023	1.020	1.018	1.014	1.013	1.011	1.011
1999	2.514	1.559	1.256	1.152	1.111	1.076	1.058	1.039	1.033	1.027	1.020	1.018	1.015	1.013	1.011	1.011
2000	2.801	1.593	1.262	1.166	1.110	1.079	1.051	1.042	1.030	1.024	1.020	1.018	1.015	1.013	1.013	1.010
2001	3.053	1.597	1.291	1.156	1.108	1.075	1.052	1.034	1.028	1.023	1.019	1.016	1.017	1.014	1.010	1.009
2002	2.790	1.592	1.261	1.153	1.102	1.064	1.040	1.031	1.025	1.020	1.017	1.016	1.013	1.011	1.009	1.007
2003	2.931	1.550	1.267	1.155	1.089	1.057	1.042	1.032	1.028	1.022	1.019	1.017	1.012	1.009	1.007	1.007
2004	2.785	1.573	1.283	1.149	1.090	1.064	1.045	1.033	1.029	1.024	1.019	1.014	1.011	1.009	1.008	1.005
2005	2.746	1.599	1.285	1.157	1.104	1.072	1.052	1.042	1.032	1.027	1.019	1.016	1.012	1.011	1.008	1.007
2006	2.878	1.591	1.278	1.165	1.108	1.075	1.056	1.043	1.032	1.023	1.018	1.013	1.010	1.008	1.006	
2007	2.902	1.570	1.291	1.173	1.116	1.081	1.054	1.042	1.029	1.021	1.017	1.012	1.010	1.007		
2008	2.832	1.621	1.311	1.177	1.115	1.077	1.055	1.037	1.027	1.020	1.015	1.011	1.009			
2009	3.005	1.623	1.302	1.178	1.112	1.076	1.049	1.034	1.025	1.018	1.013	1.011				
2010	2.944	1.591	1.295	1.166	1.108	1.068	1.044	1.030	1.022	1.016	1.011					
2011	2.943	1.596	1.296	1.168	1.096	1.065	1.042	1.027	1.015	1.016						
2012	3.044	1.603	1.286	1.153	1.092	1.054	1.039	1.021	1.021							
2013	2.999	1.552	1.253	1.136	1.077	1.049	1.026	1.028								
2014	2.881	1.508	1.234	1.120	1.072	1.041	1.029									
2015	2.780	1.477	1.211	1.112	1.061	1.041										
2016	2.781	1.466	1.200	1.100	1.064											
2017	2.684	1.426	1.184	1.102												
2018	2.594	1.418	1.200													
2019	2.544	1.459														
2020	2.691															
	<u>Latest Year</u>															
Age-to-Age	2.691	1.459	1.200	1.102	1.064	1.041	1.029	1.028	1.021	1.016	1.011	1.011	1.009	1.007	1.006	1.007
Cumulative	7.317	2.719	1.863	1.553	1.409	1.325	1.273	1.237	1.204	1.179	1.161	1.148	1.135	1.125	1.118	1.111
Adjusted <sup>[1]</sup>	2.487	1.459	1.215	1.102	1.064	1.041	---	---	---	---	---	---	---	---	---	---
Adjusted <sup>[1]</sup>	6.849	2.754	1.887	1.553	1.409	---	---	---	---	---	---	---	---	---	---	---
	<u>2-Year Arithmetic Average</u>															
Age-to-Age	2.618	1.438	1.192	1.101	1.062	1.041	1.028	1.024	1.018	1.016	1.012	1.011	1.009	1.007	1.007	1.006
Cumulative	6.883	2.630	1.828	1.534	1.393	1.311	1.260	1.226	1.197	1.176	1.158	1.144	1.131	1.121	1.112	1.105
Adjusted <sup>[1]</sup>	6.987	2.698	1.850	1.534	1.393	---	---	---	---	---	---	---	---	---	---	---
Accident	Age-to-Age Development (in months):															
Year	207-219	219-231	231-243	243-255	255-267	267-279	279-291	291-303	303-315	315-327	327-339	339-351	351-363	363-375	375-387	387-399
1989	1.004	1.004	1.004	1.003	1.004	1.004	1.004	1.004	1.004	1.004	1.004	1.004	1.003	1.005	1.003	1.003
1990	1.004	1.004	1.002	1.003	1.003	1.003	1.003	1.003	1.002	1.003	1.002	1.002	1.002	1.002	1.003	
1991	1.003	1.002	1.003	1.003	1.003	1.003	1.003	1.002	1.003	1.003	1.002	1.002	1.002	1.003		
1992	1.003	1.004	1.004	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.002	1.003			
1993	1.006	1.007	1.006	1.006	1.005	1.005	1.005	1.004	1.004	1.003	1.003	1.005				
1994	1.007	1.007	1.006	1.007	1.005	1.005	1.004	1.004	1.003	1.003	1.004					
1995	1.009	1.009	1.008	1.007	1.008	1.006	1.006	1.005	1.004	1.003						
1996	1.009	1.008	1.008	1.006	1.005	1.006	1.005	1.003	1.003							
1997	1.008	1.008	1.007	1.006	1.006	1.006	1.005	1.004	1.003							
1998	1.011	1.009	1.008	1.006	1.005	1.004	1.003									
1999	1.009	1.007	1.007	1.005	1.004	1.004										
2000	1.008	1.007	1.006	1.004	1.004											
2001	1.007	1.007	1.004	1.004												
2002	1.007	1.005	1.005													
2003	1.006	1.005														
2004	1.008															
	<u>Latest Year</u>															
Age-to-Age	1.008	1.005	1.005	1.004	1.004	1.004	1.003	1.003	1.003	1.003	1.004	1.005	1.003	1.003	1.003	1.003
Cumulative <sup>[2]</sup>	1.103	1.094	1.088	1.083	1.078	1.074	1.070	1.067	1.063	1.060	1.057	1.053	1.048	1.044	1.041	
	<u>2-Year Arithmetic Average</u>															
Age-to-Age	1.007	1.005	1.005	1.004	1.004	1.004	1.004	1.003	1.003	1.003	1.003	1.003	1.003	1.002	1.003	1.003
Cumulative <sup>[2]</sup>	1.098	1.090	1.085	1.080	1.075	1.071	1.067	1.064	1.060	1.056	1.053	1.050	1.046	1.044	1.041	

Note:

<sup>[1]</sup> The paid ALAE factors are adjusted for significant changes in claim settlement rates for age-to-age development through 84 months. See Item AC19-08-04 of the August 4, 2020 WCIRB Actuarial Committee Agenda.

<sup>[2]</sup> Factors in italics are based on powerfit fit to the "3-Year Arithmetic Average" factors.

Source: WCIRB quarterly experience calls, excluding MCCP costs and COVID-19 claims.

Quarterly Paid ALAE Loss Development Factors<sup>[1]</sup> - Private Insurers

Age in Months		Accident Year														
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
3	- 6	7.976	7.570	5.434	9.136	8.769	8.693	8.584	6.234	9.857	8.970	8.932	8.255	7.884	7.422	9.341
6	- 9	3.016	2.765	2.630	3.023	3.176	3.213	3.058	3.163	3.169	3.155	3.050	3.134	3.137	2.859	3.191
9	- 12	2.078	2.021	2.034	2.077	2.165	2.115	2.133	2.158	2.103	2.100	2.130	2.076	2.133	2.238	2.065
12	- 15	1.627	1.687	1.724	1.737	1.701	1.713	1.784	1.744	1.730	1.771	1.699	1.672	1.662	1.639	1.704
15	- 18	1.486	1.494	1.509	1.482	1.486	1.510	1.494	1.486	1.480	1.488	1.450	1.442	1.432	1.461	
18	- 21	1.328	1.289	1.326	1.334	1.343	1.338	1.349	1.328	1.309	1.307	1.309	1.289	1.261	1.311	
21	- 24	1.234	1.237	1.255	1.253	1.248	1.249	1.237	1.237	1.225	1.226	1.226	1.213	1.218	1.178	
24	- 27	1.191	1.190	1.197	1.189	1.186	1.205	1.187	1.176	1.183	1.167	1.150	1.150	1.157	1.152	
27	- 30	1.167	1.172	1.170	1.158	1.163	1.160	1.156	1.149	1.141	1.132	1.129	1.123	1.131		
30	- 33	1.119	1.135	1.138	1.133	1.131	1.130	1.122	1.116	1.110	1.109	1.099	1.101	1.109		
33	- 36	1.103	1.111	1.114	1.113	1.108	1.104	1.101	1.095	1.088	1.092	1.084	1.078	1.084		
36	- 39	1.090	1.097	1.094	1.091	1.095	1.093	1.085	1.085	1.073	1.068	1.061	1.063	1.073		
39	- 42	1.086	1.096	1.082	1.083	1.081	1.081	1.076	1.072	1.062	1.062	1.055	1.057			
42	- 45	1.069	1.069	1.074	1.069	1.068	1.070	1.061	1.057	1.054	1.049	1.047	1.050			
45	- 48	1.059	1.063	1.064	1.062	1.059	1.057	1.055	1.050	1.046	1.043	1.039	1.040			
48	- 51	1.050	1.052	1.053	1.053	1.051	1.049	1.047	1.041	1.036	1.034	1.031	1.039			
51	- 54	1.050	1.049	1.050	1.048	1.048	1.045	1.042	1.036	1.034	1.031	1.030				
54	- 57	1.043	1.045	1.043	1.040	1.043	1.038	1.035	1.031	1.027	1.025	1.027				
57	- 60	1.038	1.039	1.039	1.037	1.036	1.035	1.031	1.028	1.026	1.023	1.022				
60	- 63	1.032	1.034	1.034	1.032	1.031	1.031	1.025	1.023	1.021	1.018	1.020				
63	- 66	1.031	1.033	1.031	1.032	1.029	1.028	1.023	1.021	1.019	1.018					
66	- 69	1.029	1.028	1.028	1.028	1.024	1.024	1.021	1.017	1.015	1.017					
69	- 72	1.028	1.026	1.026	1.023	1.023	1.021	1.018	1.018	1.014	1.014					
72	- 75	1.023	1.023	1.022	1.021	1.020	1.019	1.017	1.015	1.012	1.014					
75	- 78	1.023	1.022	1.022	1.020	1.019	1.016	1.015	1.013	1.012						
78	- 81	1.020	1.020	1.020	1.017	1.017	1.015	1.011	1.010	1.011						
81	- 84	1.019	1.018	1.017	1.016	1.014	1.014	1.012	1.009	1.009						
84	- 87	1.016	1.016	1.015	1.014	1.014	1.013	1.011	1.008	1.009						
87	- 90	1.015	1.016	1.014	1.012	1.012	1.011	1.008	1.008							
90	- 93	1.014	1.014	1.012	1.012	1.011	1.009	1.005	1.007							
93	- 96	1.013	1.013	1.012	1.010	1.011	1.009	1.007	1.006							
96	- 99	1.011	1.011	1.010	1.010	1.008	1.010	1.006	1.008							
99	- 102	1.012	1.011	1.009	1.009	1.008	1.007	1.006								
102	- 105	1.011	1.009	1.009	1.008	1.007	1.004	1.005								
105	- 108	1.010	1.008	1.008	1.007	1.007	1.005	1.005								
108	- 111	1.009	1.008	1.008	1.006	1.005	1.005	1.012								
111	- 114	1.008	1.007	1.007	1.006	1.005	1.004									
114	- 117	1.007	1.007	1.007	1.006	1.004	1.005									
117	- 120	1.007	1.006	1.006	1.006	1.006	1.004									
120	- 123	1.006	1.006	1.005	1.006	1.006	1.008									

<sup>[1]</sup> All paid allocated loss adjustment expense exclude the paid cost of medical cost containment programs. Accident Year 2020 at 12-to-n and Accident year 2021 exclude COVID-19 claims.

Source: WCIRB quarterly calls for experience.

**Average Paid M CCP per Reported Indemnity Claim - Statewide**  
As of March 31, 2022

Accident	Evaluated as of (in months):							
<u>Year</u>	<u>3</u>	<u>15</u>	<u>27</u>	<u>39</u>	<u>51</u>	<u>63</u>	<u>75</u>	<u>87</u>
2013	187	841	1,363	1,659	1,861	1,991	2,090	2,143
2014	169	784	1,312	1,639	1,830	1,953	2,029	2,091
2015	178	777	1,308	1,597	1,781	1,884	1,946	2,005
2016	156	766	1,238	1,503	1,661	1,751	1,811	
2017	169	748	1,219	1,492	1,641	1,744		
2018	175	801	1,266	1,520	1,687			
2019	191	763	1,247	1,529				
2020	185	746	1,223					
2021	172	707						
2022	148							

Accident	Annual Change							
<u>Year</u>	<u>3</u>	<u>15</u>	<u>27</u>	<u>39</u>	<u>51</u>	<u>63</u>	<u>75</u>	<u>87</u>
2014	-9.5%	-6.8%	-3.7%	-1.2%	-1.7%	-1.9%	-2.9%	-2.4%
2015	4.9%	-0.8%	-0.3%	-2.5%	-2.6%	-3.5%	-4.1%	-4.1%
2016	-12.0%	-1.5%	-5.3%	-5.9%	-6.8%	-7.1%	-7.0%	
2017	8.3%	-2.3%	-1.6%	-0.8%	-1.2%	-0.4%		
2018	3.1%	7.0%	3.9%	1.9%	2.8%			
2019	9.2%	-4.7%	-1.5%	0.6%				
2020	-3.2%	-2.3%	-1.9%					
2021	-7.2%	-5.2%						
2022	-13.7%							

Note: Accident years 2020, 2021 and 2022 exclude COVID-19 claims.

Source: WCIRB accident year experience calls.

## **Item AC22-06-02 COVID-19 Claim Development**

Thousands of COVID-19 workers' compensation claims have been filed in California since the pandemic began. The WCIRB has been collecting separate COVID-19 claim data in its aggregate financial data calls since the fourth quarter of 2020. Exhibits 1 to 4 summarize the development patterns of COVID-19 claims and loss and allocated loss adjustment (ALAE) amounts compared to non-COVID-19 claims based on claim experience through March 31, 2022.

### **Exhibits 1.1 and 1.2 – Claim Counts Development**

- COVID-19 claim development on accident year 2020 after 15 months was comparable to non-COVID-19 claim development.
- COVID-19 claims show higher total and indemnity claim count development in accident year 2021 compared to 2020 at 12-15 months development. This is likely due to the timing of the Omicron variant.

### **Exhibits 2.1 and 2.2 – Incurred Indemnity and Medical Development**

- The ratio of COVID-19 to non-COVID-19 incurred loss development dropped in 2021 compared to 2020 at 12-to-15 months development.
- Incurred medical development for COVID-19 claims is generally lower than for non-COVID-19 claims after 15 months, while incurred indemnity development on COVID-19 claims is slightly higher.

### **Exhibits 3.1, 3.2 and 3.3 – Paid Indemnity, Medical and ALAE (ex. MCCP) Development**

- Paid development on COVID-19 claims after 12 months is modestly higher than on non-COVID-19 claims.
- Paid medical and paid ALAE age-to-age development on COVID-19 claims is lower in 2021 compared to 2020 for 12-to-15-months development. Paid indemnity development remained the same for that period.

### **Exhibit 4 – Indemnity Claim Settlement Rate**

- COVID-19 claims settled much quicker than non-COVID-19 claims. As discussed in prior meetings, a significant portion of COVID-19 indemnity claims are small claims involving only indemnity benefits, while indemnity-only non-COVID-19 claims are rare.
- Accident year 2021 indemnity COVID-19 claims are settling quicker than did accident year 2020 COVID-19 claims, although the gap seems to be narrowing as the year matures.

**Total COVID Claim Counts Development**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.15	0.91	1.01	1.01	1.03
2021	0.95	1.42	1.15	1.29				

**Total non-COVID Claim Counts Development**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.11	1.02	1.01	1.01	1.01
2021	2.62	1.73	1.39	1.12				

**COVID to non-COVID Counts Development Ratio**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.03	0.89	1.01	1.01	1.02
2021	0.36	0.82	0.82	1.15				

Source: WCIRB aggregate financial data as of 3/31/2022.

**COVID Indemnity Counts Development**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.12	0.98	1.01	1.01	1.01
2021	1.00	1.26	1.18	1.34				

**Non-COVID Indemnity Counts Development**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.13	1.03	1.02	1.01	1.01
2021	2.49	1.71	1.40	1.14				

**COVID to non-COVID Indemnity Counts Development Ratio**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				0.99	0.95	0.99	1.00	1.00
2021	0.40	0.74	0.84	1.17				

Source: WCIRB aggregate financial data as of 3/31/2022.

**COVID Incurred Indemnity Development**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.35	1.20	1.13	1.10	1.09
2021	1.32	1.62	1.34	1.31				

**Non-COVID Incurred Indemnity Development**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.27	1.17	1.12	1.10	1.08
2021	3.03	1.95	1.56	1.29				

**COVID to non-COVID Incurred Indemnity Development Ratio**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.07	1.03	1.01	1.00	1.01
2021	0.43	0.83	0.86	1.02				

Source: WCIRB aggregate financial data as of 3/31/2022.



**COVID Incurred Medical Development**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.33	1.01	1.04	1.00	1.03
2021	1.30	1.49	1.30	1.03				

**Non-COVID Incurred Medical Development**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.18	1.09	1.07	1.05	1.05
2021	2.79	1.74	1.43	1.17				

**COVID to non-COVID Incurred Medical Development Ratio**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.13	0.93	0.97	0.95	0.98
2021	0.47	0.86	0.91	0.88				

Source: WCIRB aggregate financial data as of 3/31/2022.

**COVID Paid Indemnity Development**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.56	1.37	1.27	1.17	1.16
2021	1.87	1.51	1.35	1.57				

**Non-COVID Paid Indemnity Development**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.51	1.33	1.24	1.19	1.15
2021	4.76	2.40	1.83	1.51				

**COVID to non-COVID Paid Indemnity Development Ratio**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.03	1.03	1.03	0.99	1.01
2021	0.39	0.63	0.74	1.04				

Source: WCIRB aggregate financial data as of 3/31/2022.

**COVID Paid Medical Development**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.71	1.32	1.22	1.15	1.12
2021	5.33	1.90	1.60	1.31				

**Non-COVID Paid Medical Development**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.45	1.27	1.19	1.15	1.12
2021	6.11	2.23	1.72	1.44				

**COVID to non-COVID Paid Medical Development Ratio**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.18	1.04	1.02	1.00	1.00
2021	0.87	0.86	0.93	0.91				

Source: WCIRB aggregate financial data as of 3/31/2022.

**COVID Paid ALAE (ex. M CCP) Development**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.67	1.55	1.34	1.21	1.24
2021	2.18	1.67	1.54	1.57				

**Non-COVID Paid ALAE (ex. M CCP) Development**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				1.71	1.47	1.31	1.21	1.16
2021	8.02	3.08	2.04	1.66				

**COVID to non-COVID Paid ALAE (ex. M CCP) Development Ratio**

Accident	Age-to-Age Development (in months):							
<u>Year</u>	<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>
2020				0.98	1.06	1.02	1.00	1.07
2021	0.27	0.54	0.76	0.95				

Source: WCIRB aggregate financial data as of 3/31/2022.

**COVID Indemnity Claim Settlement Rate**

Accident	Evaluated as of (in months):								
<u>Year</u>	<u>3</u>	<u>6</u>	<u>9</u>	<u>12</u>	<u>15</u>	<u>18</u>	<u>21</u>	<u>24</u>	<u>27</u>
2020				0.56	0.78	0.87	0.88	0.89	0.90
2021	0.45	0.81	0.73	0.73	0.81				

**Non-COVID Indemnity Claim Settlement Rate**

Accident	Evaluated as of (in months):								
<u>Year</u>	<u>3</u>	<u>6</u>	<u>9</u>	<u>12</u>	<u>15</u>	<u>18</u>	<u>21</u>	<u>24</u>	<u>27</u>
2020	0.09	0.18	0.27	0.33	0.42	0.49	0.53	0.57	0.61
2021	0.13	0.23	0.28	0.33	0.42				

**COVID to non-COVID Indemnity Claim Settlement Rate Ratio**

Accident	Evaluated as of (in months):								
<u>Year</u>	<u>3</u>	<u>6</u>	<u>9</u>	<u>12</u>	<u>15</u>	<u>18</u>	<u>21</u>	<u>24</u>	<u>27</u>
2020				1.69	1.84	1.77	1.66	1.55	1.48
2021	3.37	3.53	2.63	2.20	1.94				

Source: WCIRB aggregate financial data as of 3/31/2022.