

Actuarial Committee

Meeting Agenda

Date	Time	Location	Staff Contact
December 6, 2022	9:00 AM	Webinar Teleconference	David M. Bellusci
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Released: November 29, 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

Meeting held on September 13, 2022

II. Working Group Meeting Summaries

Claims Working Group Meeting held August 31, 2022

Medical Analytics Working Group Meeting held November 4, 2022

III. Unfinished Business

A. AC02-03-03: Experience of Large Deductible Policies

B. AC22-09-03: Pandemic Impact on Classification Relativities

IV. New Business

A. AC22-12-01: 9/30/2022 Experience Review

B. AC22-12-02: Class Ratemaking for Small Classifications

C. AC22-12-03: Potential 2023 Actuarial and Research Projects

D. AC22-12-04: 2023 Schedule of Meetings

V. Matters Arising at Time of Meeting

VI. Next Meeting Date: December 8, 2022

VII. Adjournment

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Claims Working Group

Meeting Summary

To: Participants of the Claims Working Group

Date: September 13, 2022

RE: Summary of August 31, 2022 Meeting

Discussion Topics

At the meeting, the following topics were discussed.

A. Third 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 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, there was a sharp reduction in medical-only claims as well as smaller indemnity claims and the trend appeared to somewhat reverse in 2021. Several Working Group members agreed that they had noticed a similar trend.
2. The Working Group discussed the sharp decline in non-medical related expedited hearings in Southern California. A Working Group member indicated that they were seeing less disputes over temporary disability during the pandemic.
3. The Working Group reviewed the latest information on lien filings. A Working Group member suggested that there could be a reduction in the number of liens filed by interpreters and copy services as these providers were seeking resolution of their dispute as part of the resolution of the claim at the WCAB. Staff agreed to review lien counts from these service providers.
4. The Working Group reviewed the claim settlement rate patterns through the second quarter of 2022. It was noted that current claim settlement rates are showing signs of plateauing and beginning to rise following a decline during the pandemic. The Working Group noted significant improvement in backlogs being resolved at WCAB offices. However, Working Group members noted that qualified medical evaluator (QME) concerns are continuing to cause some more complicated litigated claims to stay open longer and concern was expressed with the elimination of virtual settlement walk-throughs at WCAB offices.
5. The Working Group discussed the increase in cumulative trauma claims. It was noted that some of the increase in the proportion of indemnity claims that were cumulative trauma was due to a drop in specific injuries during the pandemic with many "white collar" employees working at home. A member noted that since many cumulative trauma claims result from long-term exposure, such claims could be less affected by shorter-term changes in working conditions. The Working Group suggested that a continuing aging workforce with many employees taking on different and more varied job responsibilities during the pandemic could also be a factor increasing cumulative trauma claims.

Meeting Summary

Date: September 13, 2022

6. The Working Group discussed increasing average indemnity severities. In addition to sharply increasing wage levels, it was noted that there are indicators of increasing temporary disability duration. Among the drivers of increasing temporary disability duration suggested by Working Group members were increased use of telemedicine, expiration of supplemental paid leave programs and slowdowns in the medical-legal process on some claims.

B. 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, since the Omicron surge in Fourth Quarter 2021, the number of reported COVID-19 claims had decreased in 2022.

Staff presented estimates of the incurred severity for accident year 2020 and 2021 COVID-19 and non-COVID-19 indemnity claims. Working Group members discussed that, in 2021 and 2022, many COVID-19 claims have a small amount of temporary disability and medical payments while fewer COVID-19 claims involve hospitalization or death. Staff showed that the industry with the highest share of COVID-19 claims throughout the pandemic has been Healthcare but that, starting in the Fourth Quarter 2021, the share of reported claims from industries such as Retail and Hospitality has increased while the share from Manufacturing has decreased.

Staff noted that unlike non-COVID-19 indemnity claims, a significant share of COVID-19 indemnity claims have incurred indemnity loss but no medical loss at first unit statistical report and that pattern continued at second report. Staff shared a comparison of incurred indemnity and incurred medical severities on COVID-19 and non-COVID-19 claims by open/closed status and by medical-only/indemnity-only/indemnity-medical claim type. Staff showed that, while the estimated medical severity on COVID-19 indemnity claims is significantly lower than for non-COVID-19 indemnity claims, the estimated medical severity on open COVID-19 indemnity-medical claims is higher than that for non-COVID-19 indemnity-medical claims. A Working Group member suggested that there is still significant uncertainty on COVID-19 case reserves and that paid severity would better reflect the differences. Several Working Group members noted that they have yet not seen a large number of claims with treatments for long COVID-19 symptoms.

Staff showed the distributions of incurred losses for both COVID and non-COVID claims and shared that, while most of COVID-19 claims have incurred losses less than \$5,000, the share of COVID-19 claims over \$500,000 continues to be four times the share for non-COVID-19 claims. Several Working Group members confirmed that COVID-19 claims tend to have either very low or very high severity with a small share of claims representing the majority of overall costs.

Staff showed average paid and incurred severities for both COVID-19 and non-COVID-19 claims that were reported at the second unit statistical report but not at the first report. While the average severity on late reported claims is higher for both types, COVID-19 claims are significantly more costly when reported later than non-COVID-19 claims. Working Group members suggested that there have been some claims with hospitalization in which the bills were submitted late or were submitted to other payors first.

C. Study of California Claim Duration

Staff noted that in the WCIRB's 2021 frictional cost report, the longer average duration of claims in California was identified as a primary driver of the higher frictional costs in California. Staff presented a summary of an initial analysis into the drivers of longer claim duration in California. Staff noted that

Meeting Summary

Date: September 13, 2022

the primary “duration drivers” included a higher proportion of permanent disability claims in California, differences regionally within California with the Los Angeles Basin having a higher share of permanent disability claims and longer duration on temporary-only claims, a higher proportion of cumulative trauma claims in California, and a greater frequency of medical-legal reports in California. The Working Group provided feedback on the initial study. In particular, the Working Group noted that medical-legal is a significant driver of longer claim duration and also suggested medical liens as a driver. A Working Group member also noted that longer claim duration is also associated with higher rates of legal representation which also drives frictional costs.

D. WCIRB Permanent Disability Claim Survey

Staff summarized the current permanent disability (PD) claim survey process in which a random sample of PD claims are surveyed each year to collect information typically not included in unit statistical reports. Staff noted that many of the data elements requested in the current survey can be derived from WCIRB transaction data that is now being collected. Staff also noted that the survey process is very manual and labor intensive for member insurer claims staff. Given these considerations, staff recommended discontinuing the annual PD claim survey. Staff noted that, for data elements not available in WCIRB core datasets that may be needed for periodic research and analysis, special claim surveys may be issued. The Working Group did not express any concerns with staff’s recommendations.

E. Medical Characteristics of CT Claims

Staff summarized the preliminary findings of the study of medical characteristics of cumulative trauma (CT) claims. Staff noted that CT indemnity claims had much higher payment shares and paid per claim for medical liens and medical-legal services compared to non-CT claims, largely driven by higher utilization of those services. One Working Group member asked how accident dates were identified for CT claims, and staff responded that accident dates were reflected as reported in the data, which is typically the last day of exposure, but noted the challenges sometimes associated with pinpointing accident dates for CT claims.

Staff also summarized the leading early primary diagnoses for CT indemnity claims and noted that a third of these claims had a shift in their primary medical diagnosis during the life of the claim. In response to a Working Group member question, staff explained that the diagnostic group algorithm uses the ICD code for carpal tunnel syndrome but also considers the number of transactions and payments associated with the ICD code to identify CT claims. Staff also noted that CT indemnity claims tend to receive initial medical service much later than non-CT claims, with a higher proportion having medical liens or medical-legal as the initial medical service.

Lastly, staff detailed an analysis plan for post-termination CT claims and proposed to analyze a group of post-termination CT claims on which multiple claims were filed with the same employer and with the same accident date. The Working Group was in general agreement with the analysis plan.

F. Summary of Current and Pending Legislative, Regulatory and Judicial Actions

The Working Group reviewed pending 2022 legislation, regulations and judicial actions as provided in the meeting materials.

With respect to pending legislation, staff noted that August 31 was the last day for bills to pass out of the Legislature and that the Governor has until September 30 to sign or veto bills. Staff advised the Working Group that the following bills were pending with the Governor for signature: Senate Bill No. (SB) 1127, which reduces the time to investigate claims for an injury subject to a presumption from 90 days to 75 days and adds a new penalty for the unreasonable denial of such claims; SB 216, which requires contractors holding C-8, C-20, C-22 and D-49 licenses to have a workers’ compensation policy until January 1, 2026 when that requirements is extended to all licensed contractors; Assembly

Meeting Summary

Date: September 13, 2022

Bill No. (AB) 1681, which authorizes a district attorney or their authorized designee to convene meetings with insurance companies or self-insured employers to discuss specific information related to insurance fraud. The Working Group was also advised that the following bills were pending with the Legislature¹: AB 1751, which extends the sunset for the COVID-19 workers' compensation presumptions for 1 year to January 1, 2024; AB 2693, which extends the sunset date for the COVID-19 notification and reporting requirements for employers for 1 year to January 1, 2024 and removes the requirement that employers report outbreaks to the local public health agency; and SB 1002, which adds the services of licensed clinical social workers as treatment that is reasonably required to treat workers' compensation claims.

The Working Group was advised that the Copy Service Fee Schedule was updated effective July 15, 2022 to increase the flat rate from \$180 to \$230 and that a flat rate of \$10 was established to replace the more complex tiered structure for requesting extra copies of records. The Working Group was also advised that the regulations regarding the electronic service of QME medical-legal reports became effective April 12, 2022.

Finally, staff noted that in Kuciemba v. Victory Woodworks the California Supreme Court on June 22, 2022 granted a request from the 9th Circuit to address whether (1) California's derivative injury doctrine bars a spouse's claim against an employer if an employee contracts COVID-19 at work and brings the virus home to their spouse and (2) if an employer owes a duty to households of its employees to exercise ordinary care to prevent the spread of COVID-19. A Working Group member also noted a recent Appeals Board panel decision in Zepeda v. Starview Adolescent Center which held that once the defendant had authorized the applicant's inpatient treatment as reasonable and necessary to cure or relieve the effects of his traumatic brain injury, the defendant was prohibited from subjecting subsequent requests for a continuation of the treatment to utilization review (UR) absent substantial evidence of a change in applicant's condition or circumstances regarding the burden of proof required to terminate ongoing previously authorized treatment. The Working Group member noted that this decision affirms and extends a prior panel decision in Patterson v. The Oaks Farm and that the threshold of substantial evidence of a change in condition or circumstances is a significant burden for a defendant to establish.

¹ The bills all subsequently passed the Legislature.

Medical Analytics Working Group

Meeting Summary

To: Participants of the Medical Analytics Working Group
Date: November 29, 2022

RE: Summary of November 4, 2022 Meeting

Discussion Topics

At the meeting, the following topics were discussed.

A. Updates to the medical characteristics of COVID-19 claims and long COVID study

Staff discussed the progress to update the medical characteristics of COVID-19 claims and long COVID study with the Working Group. Overall, the Working Group was supportive of the analysis framework and key preliminary findings in the update and provided feedback on the following areas, which staff agreed to further explore and incorporate in the analysis:

- Regarding treatment patterns for mild COVID-19 claims during the first 30 days after the initial medical treatment, staff noted that office visits are the leading type of medical treatments on mild claims on both accident years (AYs) 2020 and 2021. In addition, staff noted that AY 2021 mild claims tended to receive more physical medicine and rehabilitation services per claim than AY 2020 claims. One Working Group member suggested reviewing the use of office visits in telehealth settings. In addition, several Working Group members suggested exploring the share of mild COVID-19 claims that had any physical medicine and rehabilitation services in the first 30 days, as well as the types, intensity and timing of these services as it is unusual for patients with a mild COVID-19 infection to need physical medicine care.
- Regarding the injury type distribution for COVID-19 hospital claims at 1st report level, staff noted that about 18% involved permanent disability and 65% involved only temporary disability, while, somewhat surprisingly, about 18% were medical-only claims. The Working Group suggested analyzing the length of hospital stay for these medical-only claims and reviewing their injury types at 2nd report level.
- Staff noted that about 21% of non-death COVID-19 claims had no medical treatment services but only medical-legal, copy services, interpreter and medical liens services. Several Working Group members suggested further checking to determine if these claims were denied.
- Staff noted that about 0.5% of closed COVID-19 claims at 1st report level reopened at 2nd report level based on available data, but with a small sample size. Several Working Group members suggested adding the sample size to the slide and exploring ICD information of those reopened claims.
- For the leading types of long COVID symptoms, staff noted that chronic fatigue is the 3rd leading symptom for long COVID claims with a previous mild infection and 4th for those with a prior hospitalization. One Working Group member suggested distinguishing “chronic fatigue syndrome” from “fatigue” in this analysis of long COVID symptoms.

Meeting Summary

Date: November 29, 2022

B. Telehealth Study

Staff presented the preliminary findings on the characteristics of telehealth services provided in the workers' compensation system and how claims involving telehealth services compare to claims involving only in-person medical services. Overall, the Working Group was supportive of the analysis framework and preliminary findings, and provided the following suggestions, which staff agreed to further explore and incorporate in the analysis:

- Staff noted that the number of telehealth services per claim increased significantly starting in the second quarter of 2020, while in-person services dropped sharply during the same time. A Working Group member suggested further adjusting the in-person services in the comparison to only include in-person services that can also be delivered via telehealth.
- Staff noted that the leading types of telehealth services provided were office visits for evaluation and management (E&M) and psychotherapies. A Working Group member suggested removing E&M services that were provided in an inpatient setting from the denominator. Staff also noted that physical therapies were the 3rd leading type of services, but the share of physical therapy (PT) services provided through telehealth was surprisingly low. A Working Group member suggested that this could be related to inaccurate coding of telehealth transactions in large provider networks and the data reported may not accurately capture the extent of telehealth PT services.
- Staff noted that the Bay Area has the highest share of telehealth services, while the greater Los Angeles region has a much lower share of telehealth services. Several Working Group members suggested the potential reason for the lower usage of telehealth services in greater Los Angeles may be related to large provider networks in the region and that the telehealth transaction data reported by some of these networks may not be fully accurate.
- For the characteristics of claims using telehealth services ("telehealth claims") compared to claims using in-person services only ("in-person claims"), staff noted that telehealth claims of specific medical diagnoses tended to have a higher level of service utilization (driven by in-person transactions), a lower closing rate and a higher share of indemnity claims than the in-person claims of the same medical diagnoses. Staff also noted that evaluating the effectiveness of telehealth services is beyond the study scope and will be explored in the future. The Working Group suggested better clarifying the terms for the two types of claims used in the comparison to not cause confusion. In addition, several Working Group members expressed concerns about the different claim mix between telehealth claims and in-person claims and suggested clarifying that the findings were not driven by telehealth services but by the different characteristics of claims using both telehealth and in-person services.
- Staff also noted that for telehealth claims, time from injury date to first telehealth service is generally longer than that for first in-person service, potentially due to claims using telehealth as the first medical service needed less urgent medical care compared to claims using in-person as the first medical service. The Working Group suggested further comparing claims with E&M as the first medical service and see if the time to first telehealth E & M service differs from the time to first in-person E & M services.

C. Potential 2023 Medical Analytics Research Projects

Staff discussed potential research studies contemplated for 2023, including:

- Publishing the update to the medical characteristics of COVID-19 claims and long COVID study by the first quarter of 2023 with a follow-up analysis focusing on long COVID using available data in both group health and workers' compensation system by the end of 2023.
- Publishing the telehealth study by the first quarter of 2023.
- A two-year retrospective evaluation of the cost impacts of the new Medical-Legal fee schedule to support the September 1, 2023 pure premium rate filing.

Meeting Summary

Date: November 29, 2022

- A three-year joint study on workplace violence injuries by the WCIRB and Johns Hopkins University. Staff noted that an initial review of the data shows that there are over 100,000 claims involving workplace violence injuries between 1993 and 2019. Several Working Group members suggested this is an important issue to study.
- A study on early predictors on “mega” claims using machine learning models. Staff noted that the 2023 study will be a continuation of the 2022 research and development study and focus on claims that started out small but grew substantially related to typical claims of the same medical diagnoses.
- An analysis of mental disorder claims focusing on frequency and severity of mental-mental, physical mental and mental-physical claims.
- A comparative analysis of medical treatment and cost patterns for typical work-related injuries between workers’ compensation and group health. Staff noted a pilot study focusing on a particular injury, such as low back pain, may be pursued in the future.

Item AC02-03-03

Experience of Large Deductible Policies

Beginning with the year 2000 evaluation, the WCIRB has issued annual data calls for calendar year premium and pure premium data and December 31 evaluations of accident year loss, allocated loss adjustment expense, and claim count experience for large deductible policies. Annually, the Committee reviews the summarized large deductible experience. In these annual reviews, the Committee generally found (a) the percentage of business written on a large deductible basis had been relatively stable, (b) claim reporting and development patterns for experience written on a large deductible basis were generally similar to those of non-large deductible policies, and (c) the impact of excluding the large deductible experience from the rate level calculation has been relatively modest. As a result, the Committee has generally agreed that no adjustment to statewide experience to address large deductible policies is necessary. The Committee also agreed that annual reviews of updated large deductible experience should continue and the results monitored and presented to the Committee.

Included as Exhibits 1 through 7 is the summary of December 31, 2021 large deductible experience. For comparison purposes, Exhibits 1 through 7 also include analogous information summarizing the non-large deductible experience of insurers writing a large volume of large deductible experience, the experience of all non-large deductible policies, and the total statewide experience. Note that COVID-19 claims are included in the information shown in Exhibits 1 through 7 for accident years 2020 and 2021.

Distribution of Calendar Year Premium and Losses

Calendar Year	Written Premium at Insurer Rate Level				Earned Premium at Insurer Rate Level			
	LD Insurers		Other		LD Insurers		Other	
	Large Ded. ^[1]	Non-LD	Non-LD	All	Large Ded. ^[1]	Non-LD	Non-LD	All
2006	36.3%	23.8%	40.0%	100.0%	37.3%	24.4%	38.3%	100.0%
2007	36.2%	26.6%	37.3%	100.0%	36.3%	26.8%	37.0%	100.0%
2008	33.1%	29.2%	37.7%	100.0%	34.7%	28.4%	36.9%	100.0%
2009	29.8%	34.1%	36.1%	100.0%	32.0%	32.8%	35.2%	100.0%
2010	33.2%	32.4%	34.5%	100.0%	33.7%	32.0%	34.3%	100.0%
2011	33.6%	35.1%	31.3%	100.0%	33.4%	35.5%	31.1%	100.0%
2012	35.1%	34.8%	30.1%	100.0%	35.0%	35.5%	29.5%	100.0%
2013	37.2%	29.4%	33.4%	100.0%	36.8%	30.8%	32.4%	100.0%
2014	36.9%	27.0%	36.2%	100.0%	36.3%	27.0%	36.8%	100.0%
2015	34.5%	27.3%	38.2%	100.0%	34.3%	27.7%	38.0%	100.0%
2016	33.0%	32.4%	34.6%	100.0%	34.0%	32.5%	33.5%	100.0%
2017	33.4%	35.3%	31.3%	100.0%	33.3%	35.6%	31.2%	100.0%
2018	33.3%	35.9%	30.9%	100.0%	33.6%	35.8%	30.6%	100.0%
2019	34.2%	35.7%	30.1%	100.0%	34.7%	35.3%	30.1%	100.0%
2020	32.7%	35.9%	31.4%	100.0%	32.9%	36.3%	30.8%	100.0%
2021	30.5%	35.6%	33.9%	100.0%	30.5%	36.0%	33.5%	100.0%

Calendar Year	Written Premium at Pure Premium Rate Level				Earned Premium at Pure Premium Rate Level			
	LD Insurers		Other		LD Insurers		Other	
	Large Ded. ^[1]	Non-LD	Non-LD	All	Large Ded. ^[1]	Non-LD	Non-LD	All
2006	36.7%	25.2%	38.1%	100.0%	37.0%	26.7%	36.3%	100.0%
2007	37.7%	28.2%	34.1%	100.0%	37.2%	28.5%	34.3%	100.0%
2008	34.9%	30.3%	34.8%	100.0%	36.1%	29.1%	34.7%	100.0%
2009	32.5%	34.9%	32.6%	100.0%	35.6%	32.9%	31.5%	100.0%
2010	37.6%	33.2%	29.1%	100.0%	37.8%	33.0%	29.2%	100.0%
2011	37.7%	35.9%	26.4%	100.0%	37.7%	36.3%	26.1%	100.0%
2012	40.7%	33.5%	25.8%	100.0%	40.3%	34.5%	25.2%	100.0%
2013	42.1%	28.0%	29.9%	100.0%	41.7%	29.6%	28.8%	100.0%
2014	41.5%	26.2%	32.3%	100.0%	41.1%	26.0%	32.9%	100.0%
2015	38.8%	27.1%	34.1%	100.0%	39.1%	27.2%	33.7%	100.0%
2016	39.0%	31.2%	29.8%	100.0%	39.6%	31.2%	29.1%	100.0%
2017	39.4%	33.5%	27.1%	100.0%	39.2%	33.7%	27.1%	100.0%
2018	40.2%	33.2%	26.6%	100.0%	40.0%	33.6%	26.4%	100.0%
2019	42.6%	31.9%	25.5%	100.0%	42.6%	31.9%	25.5%	100.0%
2020	42.1%	31.5%	26.4%	100.0%	42.5%	31.8%	25.7%	100.0%
2021	39.2%	31.8%	29.0%	100.0%	40.1%	31.5%	28.4%	100.0%

Calendar Year	Paid Losses				Incurred Losses			
	LD Insurers		Other		LD Insurers		Other	
	Large Ded. ^[1]	Non-LD	Non-LD	All	Large Ded. ^[1]	Non-LD	Non-LD	All
2006	46.5%	10.0%	43.5%	100.0%	45.0%	2.4%	52.6%	100.0%
2007	34.5%	22.5%	43.0%	100.0%	35.5%	25.0%	39.5%	100.0%
2008	33.0%	24.9%	42.1%	100.0%	38.2%	29.2%	32.6%	100.0%
2009	32.8%	27.6%	39.6%	100.0%	25.8%	41.7%	32.5%	100.0%
2010	33.5%	26.2%	40.3%	100.0%	36.1%	32.7%	31.2%	100.0%
2011	32.8%	30.5%	36.7%	100.0%	38.5%	38.7%	22.7%	100.0%
2012	32.6%	32.4%	35.0%	100.0%	35.3%	38.5%	26.2%	100.0%
2013	33.7%	30.5%	35.8%	100.0%	38.0%	33.2%	28.8%	100.0%
2014	35.8%	30.5%	33.8%	100.0%	38.9%	28.0%	33.1%	100.0%
2015	36.3%	30.3%	33.4%	100.0%	41.8%	24.6%	33.6%	100.0%
2016	37.3%	31.4%	31.2%	100.0%	40.6%	29.3%	30.1%	100.0%
2017	37.8%	31.4%	30.8%	100.0%	42.7%	31.9%	25.5%	100.0%
2018	37.4%	30.6%	32.0%	100.0%	38.5%	30.5%	31.1%	100.0%
2019	38.0%	30.0%	32.0%	100.0%	41.4%	35.2%	23.4%	100.0%
2020	37.4%	29.4%	33.2%	100.0%	43.5%	31.2%	25.3%	100.0%
2021	38.9%	28.8%	32.2%	100.0%	40.3%	28.5%	31.2%	100.0%

Notes: ^[1] Large deductible policies are defined as policies with a deductible amount per claim or accident of at least \$100,000.

Source: Based on WCIRB's quarterly and large deductible data calls, including COVID-19 claims and COVID-19 premium charges.

Policy Year Ratios of Premiums at Insurer Rate Level to Pure Premium Level

Policy Year	Written Premium				Earned Premium			
	LD Insurers		Other		LD Insurers		Other	
	<u>Large Ded.^[1]</u>	<u>Non-LD</u>	<u>Non-LD</u>	<u>All</u>	<u>Large Ded.^[1]</u>	<u>Non-LD</u>	<u>Non-LD</u>	<u>All</u>
2006	1.452	1.461	1.541	1.486	1.473	1.418	1.539	1.481
2007	1.409	1.448	1.600	1.485	1.412	1.459	1.600	1.490
2008	1.293	1.370	1.537	1.394	1.299	1.360	1.538	1.394
2009	1.246	1.313	1.575	1.363	1.244	1.323	1.580	1.365
2010	1.218	1.351	1.680	1.381	1.218	1.354	1.683	1.382
2011	1.272	1.416	1.735	1.432	1.274	1.421	1.735	1.432
2012	0.961	1.157	1.271	1.103	0.962	1.156	1.272	1.103
2013	1.015	1.212	1.283	1.150	1.016	1.212	1.285	1.151
2014	0.949	1.141	1.254	1.097	0.949	1.142	1.253	1.098
2015	0.987	1.139	1.282	1.122	0.986	1.142	1.284	1.122
2016	1.000	1.177	1.367	1.159	1.000	1.184	1.363	1.159
2017	1.008	1.227	1.408	1.184	1.008	1.228	1.408	1.184
2018	0.982	1.284	1.438	1.197	0.984	1.279	1.439	1.196
2019	0.960	1.362	1.495	1.223	0.955	1.356	1.494	1.220
2020	0.964	1.359	1.500	1.231	0.957	1.375	1.500	1.234
2021	0.966	1.334	1.432	1.213	0.925	1.373	1.491	1.210

Notes: ^[1] Large deductible policies are defined as policies with a deductible amount per claim or accident of at least \$100,000.

Source: Based on WCIRB's quarterly and large deductible data calls, including COVID-19 premium charges.

Calendar/Accident Year Loss Ratios as of December 31, 2021

Insurers with Large Deductible Experience ^[1]:

CY/AY	Large Deductible Experience					Non-Large Deductible Experience				
	Indemnity		Medical ^[2]		Total Incurred ^[3]	Indemnity		Medical ^[2]		Total Incurred ^[3]
	Paid	Incurred	Paid	Incurred		Paid	Incurred	Paid	Incurred	
2006	0.152	0.156	0.221	0.232	0.460	0.147	0.150	0.221	0.231	0.396
2007	0.209	0.216	0.311	0.327	0.626	0.206	0.211	0.314	0.329	0.561
2008	0.269	0.279	0.388	0.411	0.726	0.270	0.280	0.403	0.425	0.735
2009	0.351	0.363	0.489	0.516	0.911	0.292	0.303	0.445	0.469	0.860
2010	0.326	0.335	0.449	0.474	0.845	0.302	0.315	0.471	0.494	0.858
2011	0.296	0.308	0.415	0.445	0.769	0.275	0.287	0.385	0.410	0.752
2012	0.273	0.285	0.353	0.376	0.700	0.228	0.239	0.309	0.331	0.625
2013	0.220	0.230	0.270	0.292	0.622	0.188	0.197	0.238	0.255	0.512
2014	0.213	0.226	0.243	0.266	0.626	0.169	0.180	0.202	0.219	0.461
2015	0.212	0.227	0.229	0.256	0.647	0.156	0.169	0.185	0.206	0.446
2016	0.194	0.213	0.211	0.240	0.612	0.146	0.162	0.165	0.191	0.439
2017	0.195	0.222	0.210	0.250	0.681	0.138	0.160	0.157	0.191	0.542
2018	0.187	0.226	0.209	0.263	0.634	0.131	0.164	0.155	0.198	0.506
2019	0.173	0.230	0.193	0.268	0.648	0.123	0.174	0.136	0.200	0.567
2020	0.133	0.208	0.151	0.250	0.684	0.085	0.149	0.100	0.176	0.592
2021	0.055	0.115	0.075	0.189	0.719	0.032	0.085	0.043	0.128	0.567

All Insurers with WC Experience:

CY/AY	All California WC Experience					All Non-Large Deductible Experience				
	Indemnity		Medical ^[2]		Total Incurred ^[3]	Indemnity		Medical ^[2]		Total Incurred ^[3]
	Paid	Incurred	Paid	Incurred		Paid	Incurred	Paid	Incurred	
2006	0.154	0.159	0.222	0.235	0.437	0.155	0.161	0.223	0.238	0.423
2007	0.211	0.219	0.309	0.328	0.598	0.213	0.221	0.309	0.328	0.582
2008	0.265	0.277	0.381	0.405	0.722	0.263	0.275	0.378	0.402	0.719
2009	0.308	0.321	0.441	0.471	0.854	0.287	0.301	0.418	0.450	0.827
2010	0.293	0.305	0.429	0.452	0.808	0.276	0.289	0.417	0.439	0.789
2011	0.270	0.281	0.365	0.389	0.731	0.257	0.268	0.357	0.379	0.711
2012	0.238	0.250	0.304	0.329	0.642	0.219	0.232	0.297	0.322	0.610
2013	0.200	0.210	0.240	0.260	0.559	0.188	0.198	0.239	0.257	0.522
2014	0.186	0.197	0.210	0.230	0.530	0.170	0.181	0.206	0.224	0.477
2015	0.177	0.191	0.192	0.215	0.527	0.159	0.172	0.185	0.206	0.464
2016	0.161	0.178	0.173	0.201	0.499	0.144	0.160	0.166	0.192	0.441
2017	0.156	0.179	0.168	0.204	0.566	0.136	0.158	0.158	0.193	0.508
2018	0.149	0.184	0.165	0.214	0.549	0.129	0.162	0.154	0.199	0.506
2019	0.140	0.195	0.152	0.225	0.599	0.122	0.177	0.141	0.213	0.572
2020	0.101	0.175	0.114	0.213	0.629	0.085	0.159	0.104	0.203	0.601
2021	0.038	0.099	0.051	0.159	0.627	0.031	0.093	0.044	0.150	0.587

Notes:

^[1] Large deductible policies are defined as policies with a deductible amount per claim or accident of at least \$100,000.

^[2] 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.

^[3] Including IBNR.

Source: Based on WCIRB's quarterly and large deductible data calls, including COVID-19 claims and COVID-19 premium charges.

Incurred Indemnity Development

Large Deductible (LD) Experience

	Evaluated as of (months):												
AY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001	2.452	1.369	1.137	1.052	1.031	1.026	1.015	1.008	1.006	1.004	1.006	1.004	1.004
2002	2.431	1.328	1.093	1.044	1.041	1.016	1.008	1.010	1.006	1.007	1.005	1.005	1.003
2003	2.126	1.247	1.090	1.064	1.026	1.018	1.016	1.009	1.010	1.009	1.006	1.008	1.005
2004	1.744	1.212	1.101	1.047	1.035	1.024	1.023	1.013	1.014	1.009	1.010	1.006	1.003
2005	1.862	1.265	1.110	1.062	1.050	1.032	1.025	1.016	1.014	1.011	1.008	1.005	1.005
2006	2.066	1.304	1.123	1.085	1.053	1.034	1.024	1.017	1.014	1.011	1.006	1.005	1.002
2007	2.027	1.318	1.148	1.078	1.052	1.042	1.033	1.015	1.014	1.007	1.012	1.005	1.005
2008	2.075	1.349	1.158	1.079	1.059	1.037	1.026	1.017	1.015	1.006	1.008	1.002	1.008
2009	2.192	1.352	1.158	1.093	1.058	1.033	1.023	1.017	1.011	1.009	1.006	1.006	
2010	2.234	1.349	1.159	1.079	1.057	1.028	1.019	1.014	1.011	1.006	1.006		
2011	2.159	1.365	1.151	1.077	1.040	1.028	1.020	1.010	1.011	1.006			
2012	2.307	1.330	1.144	1.073	1.052	1.027	1.014	1.013	1.007				
2013	2.168	1.321	1.146	1.066	1.034	1.021	1.016	1.009					
2014	2.279	1.350	1.135	1.064	1.033	1.018	1.011						
2015	2.249	1.328	1.116	1.060	1.031	1.017							
2016	2.255	1.297	1.113	1.054	1.026								
2017	2.206	1.294	1.101	1.054									
2018	2.243	1.266	1.096										
2019	2.204	1.280											
2020	2.086												

Non-Large Deductible Experience from Insurers Writing LD

	Evaluated as of (months):													
AY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	
2001	1.849	1.291	1.073	1.026	1.021	1.021	1.008	1.006	1.003	1.002	1.005	1.005	1.000	
2002	1.914	1.207	1.050	1.022	1.033	1.011	1.010	1.010	1.005	1.008	1.003	1.000	1.002	
2003	1.532	1.122	1.039	1.041	1.022	1.017	1.013	1.013	1.017	1.008	1.009	1.004	1.001	
2004	1.254	1.074	1.061	1.033	1.032	1.020	1.017	1.011	1.015	1.009	1.005	1.006	1.004	
2005	1.318	1.199	1.084	1.065	1.045	1.028	1.020	1.021	1.017	1.008	1.004	1.008	1.006	
2006	1.725	1.218	1.105	1.063	1.046	1.038	1.026	1.018	1.005	1.005	1.001	1.005	1.002	
2007	1.752	1.270	1.107	1.054	1.049	1.036	1.022	1.012	1.004	1.002	1.004	1.004	1.002	
2008	1.889	1.268	1.117	1.071	1.041	1.031	1.018	1.008	1.008	1.004	1.006	1.008	1.004	
2009	1.893	1.269	1.125	1.074	1.049	1.026	1.015	1.010	1.007	1.006	1.004	1.007		
2010	1.917	1.302	1.123	1.066	1.043	1.028	1.015	1.011	1.013	1.006	1.006			
2011	1.963	1.249	1.136	1.063	1.039	1.020	1.021	1.011	1.010	1.010				
2012	1.941	1.273	1.105	1.060	1.035	1.022	1.018	1.013	1.004					
2013	1.869	1.231	1.089	1.041	1.031	1.016	1.008	1.005						
2014	1.856	1.234	1.095	1.050	1.033	1.011	1.012							
2015	1.896	1.223	1.093	1.048	1.027	1.017								
2016	1.818	1.229	1.087	1.049	1.030									
2017	1.881	1.215	1.081	1.043										
2018	1.810	1.223	1.085											
2019	1.839	1.229												
2020	1.802													

All California WC Experience

	Evaluated as of (months):													
AY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	
2001	1.873	1.325	1.106	1.035	1.023	1.021	1.014	1.009	1.006	1.007	1.006	1.005	1.003	
2002	1.952	1.263	1.069	1.033	1.033	1.018	1.011	1.010	1.010	1.007	1.005	1.003	1.002	
2003	1.782	1.187	1.069	1.056	1.033	1.021	1.018	1.015	1.015	1.009	1.006	1.004	1.003	
2004	1.448	1.158	1.083	1.042	1.041	1.026	1.028	1.018	1.014	1.007	1.007	1.003	1.001	
2005	1.503	1.218	1.098	1.068	1.053	1.040	1.028	1.016	1.012	1.005	1.005	1.006	1.003	
2006	1.690	1.247	1.111	1.080	1.053	1.035	1.023	1.015	1.009	1.007	1.004	1.005	1.002	
2007	1.784	1.273	1.120	1.070	1.049	1.037	1.022	1.012	1.011	1.005	1.007	1.010	1.001	
2008	1.858	1.302	1.136	1.074	1.045	1.030	1.019	1.012	1.009	1.006	1.007	1.006	1.005	
2009	1.983	1.293	1.142	1.076	1.048	1.023	1.019	1.014	1.009	1.011	1.005	1.008		
2010	1.994	1.315	1.131	1.069	1.045	1.026	1.016	1.012	1.012	1.006	1.004			
2011	1.997	1.277	1.133	1.061	1.037	1.022	1.019	1.012	1.008	1.007				
2012	1.992	1.279	1.113	1.063	1.041	1.023	1.016	1.013	1.007					
2013	1.931	1.259	1.111	1.055	1.032	1.021	1.013	1.007						
2014	1.960	1.278	1.115	1.059	1.030	1.016	1.011							
2015	1.969	1.260	1.101	1.049	1.027	1.017								
2016	1.941	1.246	1.097	1.046	1.026									
2017	1.913	1.243	1.089	1.043										
2018	1.906	1.228	1.083											
2019	1.900	1.231												
2020	1.831													

All Non-Large Deductible Experience

	Evaluated as of (months):													
AY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	
2001	1.800	1.311	1.097	1.029	1.020	1.019	1.013	1.010	1.007	1.009	1.006	1.006	1.003	
2002	1.818	1.245	1.061	1.029	1.030	1.018	1.013	1.010	1.012	1.007	1.005	1.002	1.002	
2003	1.697	1.164	1.060	1.052	1.036	1.023	1.019	1.018	1.018	1.008	1.007	1.003	1.002	
2004	1.350	1.135	1.076	1.039	1.043	1.028	1.030	1.020	1.015	1.006	1.005	1.002	1.000	
2005	1.376	1.196	1.090	1.070	1.055	1.045	1.030	1.016	1.011	1.002	1.003	1.006	1.001	
2006	1.577	1.217	1.104	1.077	1.052	1.036	1.022	1.014	1.006	1.005	1.002	1.005	1.003	
2007	1.687	1.252	1.107	1.065	1.048	1.034	1.016	1.010	1.010	1.003	1.004	1.012	1.000	
2008	1.777	1.280	1.126	1.072	1.037	1.026	1.015	1.009	1.006	1.005	1.006	1.008	1.003	
2009	1.896	1.264	1.134	1.068	1.043	1.017	1.017	1.013	1.008	1.010	1.005	1.009		
2010	1.889	1.298	1.116	1.062	1.037	1.025	1.015	1.011	1.012	1.006	1.003			
2011	1.926	1.233	1.126	1.053	1.035	1.019	1.018	1.012	1.007	1.008				
2012	1.847	1.254	1.094	1.057	1.033	1.021	1.016	1.013	1.007					
2013	1.820	1.223	1.090	1.047	1.030	1.020	1.011	1.006						
2014	1.797	1.234	1.101	1.056	1.026	1.014	1.010							
2015	1.831	1.219	1.091	1.039	1.024	1.016								
2016	1.788	1.214	1.083	1.041	1.025									
2017	1.763	1.208	1.080	1.035										
2018	1.728	1.203	1.074											
2019	1.744	1.200												
2020	1.700													

Source: Based on WCIRB's quarterly and large deductible data calls, including COVID-19 claims.

Incurred Medical Development *

Large Deductible (LD) Experience

AY	Evaluated as of (months):												
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001	2.111	1.302	1.129	1.067	1.047	1.056	1.043	1.026	1.030	1.019	1.013	1.011	1.014
2002	1.992	1.221	1.066	1.050	1.060	1.043	1.032	1.028	1.023	1.020	1.016	1.015	0.997
2003	1.726	1.128	1.075	1.076	1.051	1.035	1.035	1.029	1.023	1.015	1.012	1.012	1.002
2004	1.528	1.180	1.112	1.075	1.057	1.049	1.039	1.028	1.029	1.017	1.012	1.007	0.997
2005	1.558	1.180	1.094	1.077	1.065	1.049	1.035	1.031	1.019	1.019	1.009	1.003	1.005
2006	1.618	1.200	1.124	1.086	1.054	1.044	1.036	1.027	1.018	1.005	1.002	1.005	1.000
2007	1.579	1.224	1.131	1.078	1.069	1.067	1.037	1.023	1.008	1.004	1.005	1.003	0.999
2008	1.631	1.224	1.131	1.091	1.075	1.048	1.034	1.016	1.005	1.005	1.005	0.999	1.000
2009	1.646	1.237	1.130	1.104	1.072	1.041	1.022	1.010	1.009	1.003	1.002	1.002	
2010	1.711	1.235	1.143	1.079	1.056	1.032	1.017	1.009	1.009	1.003	0.999		
2011	1.688	1.269	1.122	1.074	1.042	1.031	1.013	1.014	1.005	1.006			
2012	1.712	1.206	1.110	1.061	1.037	1.019	1.011	1.005	1.005				
2013	1.612	1.185	1.105	1.043	1.025	1.014	1.009	1.004					
2014	1.623	1.178	1.090	1.038	1.030	1.015	1.014						
2015	1.583	1.171	1.070	1.052	1.022	1.014							
2016	1.608	1.148	1.062	1.034	1.014								
2017	1.565	1.145	1.063	1.029									
2018	1.603	1.126	1.065										
2019	1.581	1.149											
2020	1.574												

Non-Large Deductible Experience from Insurers Writing LD

AY	Evaluated as of (months):												
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001	1.663	1.254	1.075	1.039	1.044	1.041	1.029	1.023	1.018	1.013	1.012	1.015	1.013
2002	1.746	1.151	1.053	1.025	1.060	1.017	1.026	1.022	1.025	1.011	1.013	1.008	1.000
2003	1.318	1.090	1.033	1.060	1.043	1.038	1.030	1.023	1.021	1.016	1.015	1.000	0.998
2004	1.241	1.061	1.091	1.071	1.058	1.045	1.037	1.023	1.021	1.014	1.006	1.002	0.997
2005	1.235	1.156	1.066	1.073	1.067	1.044	1.033	1.030	1.010	1.007	1.004	1.000	0.997
2006	1.404	1.183	1.107	1.068	1.061	1.043	1.040	1.020	1.012	1.000	0.998	1.004	0.996
2007	1.483	1.216	1.107	1.063	1.063	1.044	1.035	1.017	1.004	0.996	1.000	0.998	1.000
2008	1.537	1.180	1.105	1.097	1.061	1.042	1.027	1.010	1.005	0.999	1.004	0.997	0.999
2009	1.528	1.205	1.143	1.088	1.063	1.030	1.014	1.003	1.000	1.002	1.001	0.999	
2010	1.531	1.243	1.136	1.085	1.047	1.022	1.007	1.008	1.011	1.005	1.001		
2011	1.585	1.213	1.127	1.075	1.035	1.015	1.016	1.007	1.002	1.004			
2012	1.546	1.189	1.094	1.059	1.028	1.015	1.017	1.002	1.004				
2013	1.500	1.144	1.087	1.037	1.019	1.012	1.002	0.998					
2014	1.438	1.156	1.057	1.023	1.022	1.008	1.007						
2015	1.494	1.134	1.061	1.032	1.021	0.995							
2016	1.420	1.106	1.047	1.034	1.021								
2017	1.430	1.114	1.048	1.026									
2018	1.419	1.133	1.057										
2019	1.432	1.142											
2020	1.439												

All California WC Experience

AY	Evaluated as of (months):												
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001	1.658	1.274	1.107	1.047	1.041	1.045	1.040	1.034	1.035	1.022	1.017	1.015	1.013
2002	1.632	1.203	1.059	1.039	1.056	1.040	1.036	1.029	1.028	1.022	1.014	1.010	0.999
2003	1.567	1.119	1.057	1.059	1.060	1.042	1.042	1.037	1.029	1.018	1.011	1.003	0.998
2004	1.351	1.135	1.113	1.081	1.060	1.061	1.043	1.032	1.026	1.012	1.006	1.001	0.996
2005	1.389	1.172	1.087	1.074	1.084	1.055	1.045	1.032	1.020	1.006	1.006	0.999	1.000
2006	1.460	1.196	1.103	1.081	1.066	1.048	1.040	1.022	1.011	1.000	1.001	1.005	1.000
2007	1.518	1.204	1.124	1.081	1.070	1.050	1.032	1.018	1.004	1.008	1.001	1.004	0.996
2008	1.527	1.212	1.129	1.092	1.061	1.041	1.025	1.010	1.004	1.002	1.005	0.999	0.999
2009	1.604	1.227	1.140	1.087	1.061	1.029	1.016	1.007	1.005	1.009	1.001	1.003	
2010	1.620	1.245	1.134	1.077	1.045	1.025	1.012	1.008	1.010	1.005	0.999		
2011	1.667	1.222	1.125	1.069	1.034	1.016	1.010	1.011	1.002	1.004			
2012	1.592	1.188	1.092	1.056	1.031	1.015	1.016	1.006	1.005				
2013	1.559	1.150	1.086	1.039	1.022	1.015	1.006	1.001					
2014	1.523	1.159	1.079	1.035	1.028	1.011	1.010						
2015	1.511	1.146	1.064	1.031	1.018	1.007							
2016	1.498	1.124	1.046	1.031	1.017								
2017	1.440	1.119	1.051	1.027									
2018	1.452	1.110	1.054										
2019	1.452	1.124											
2020	1.442												

All Non-Large Deductible Experience

AY	Evaluated as of (months):												
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001	1.617	1.269	1.101	1.040	1.040	1.041	1.038	1.038	1.038	1.023	1.019	1.016	1.013
2002	1.586	1.198	1.057	1.035	1.054	1.038	1.038	1.029	1.030	1.022	1.013	1.008	0.999
2003	1.519	1.116	1.050	1.051	1.064	1.045	1.045	1.041	1.032	1.019	1.011	0.999	0.996
2004	1.285	1.115	1.110	1.085	1.060	1.068	1.045	1.034	1.024	1.010	1.002	0.998	0.996
2005	1.316	1.163	1.083	1.072	1.095	1.059	1.051	1.033	1.021	0.998	1.005	0.996	0.997
2006	1.402	1.194	1.092	1.079	1.072	1.050	1.042	1.020	1.008	0.997	1.000	1.006	0.999
2007	1.488	1.194	1.119	1.083	1.070	1.042	1.030	1.015	1.002	1.010	1.000	1.004	0.995
2008	1.482	1.206	1.128	1.093	1.054	1.037	1.021	1.007	1.004	1.001	1.005	0.998	0.998
2009	1.584	1.222	1.144	1.078	1.055	1.023	1.012	1.006	1.004	1.011	1.001	1.003	
2010	1.575	1.250	1.130	1.077	1.039	1.021	1.010	1.008	1.010	1.005	0.999		
2011	1.655	1.198	1.130	1.066	1.029	1.008	1.009	1.008	1.000	1.002			
2012	1.534	1.182	1.083	1.053	1.028	1.013	1.018	1.007	1.004				
2013	1.534	1.132	1.075	1.037	1.019	1.014	1.005	0.999					
2014	1.465	1.149	1.072	1.033	1.026	1.009	1.007						
2015	1.476	1.133	1.061	1.017	1.016	1.002							
2016	1.443	1.111	1.035	1.030	1.018								
2017	1.379	1.102	1.044	1.027									
2018	1.373	1.101	1.048										
2019	1.385	1.108											
2020	1.378												

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

Source: Based on WCIRB's quarterly and large deductible data calls, including COVID-19 claims.

Paid Indemnity Development

Large Deductible (LD) Experience

AY	Evaluated as of (months):												
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001	3.712	1.867	1.353	1.172	1.087	1.057	1.035	1.025	1.016	1.012	1.010	1.011	1.008
2002	3.871	1.839	1.344	1.144	1.087	1.043	1.032	1.018	1.017	1.012	1.012	1.010	1.007
2003	3.613	1.758	1.276	1.144	1.071	1.038	1.027	1.022	1.015	1.016	1.012	1.012	1.009
2004	3.080	1.574	1.269	1.122	1.070	1.047	1.034	1.029	1.025	1.019	1.013	1.011	1.010
2005	2.906	1.562	1.237	1.123	1.082	1.055	1.045	1.035	1.023	1.022	1.015	1.010	1.011
2006	3.135	1.559	1.238	1.143	1.087	1.064	1.045	1.032	1.027	1.022	1.014	1.010	1.008
2007	3.001	1.554	1.262	1.144	1.095	1.069	1.049	1.036	1.032	1.019	1.019	1.011	1.009
2008	3.057	1.614	1.276	1.151	1.102	1.070	1.047	1.031	1.023	1.019	1.014	1.009	1.009
2009	3.244	1.615	1.284	1.165	1.101	1.066	1.047	1.032	1.023	1.017	1.011	1.011	
2010	3.236	1.627	1.285	1.157	1.100	1.065	1.040	1.031	1.022	1.011	1.012		
2011	3.306	1.619	1.285	1.155	1.087	1.059	1.039	1.024	1.017	1.013			
2012	3.265	1.615	1.267	1.142	1.098	1.050	1.034	1.023	1.017				
2013	3.275	1.609	1.271	1.138	1.072	1.045	1.027	1.020					
2014	3.366	1.660	1.267	1.128	1.069	1.039	1.026						
2015	3.410	1.631	1.242	1.124	1.056	1.041							
2016	3.447	1.591	1.229	1.103	1.061								
2017	3.275	1.574	1.202	1.110									
2018	3.327	1.517	1.218										
2019	3.164	1.549											
2020	3.025												

Non-Large Deductible Experience from Insurers Writing LD

AY	Evaluated as of (months):												
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001	3.838	1.837	1.335	1.145	1.076	1.051	1.031	1.023	1.015	1.013	1.010	1.008	1.005
2002	3.691	1.886	1.293	1.131	1.070	1.048	1.033	1.018	1.015	1.012	1.013	1.008	1.006
2003	3.358	1.767	1.242	1.116	1.074	1.046	1.026	1.024	1.024	1.020	1.016	1.011	1.010
2004	3.050	1.531	1.220	1.117	1.077	1.041	1.034	1.033	1.023	1.022	1.011	1.015	1.006
2005	2.870	1.516	1.261	1.128	1.071	1.061	1.044	1.039	1.027	1.020	1.014	1.014	1.010
2006	2.864	1.580	1.246	1.142	1.092	1.064	1.048	1.036	1.026	1.019	1.012	1.011	1.009
2007	2.995	1.615	1.246	1.132	1.088	1.065	1.042	1.032	1.027	1.014	1.011	1.009	1.005
2008	3.040	1.590	1.269	1.145	1.088	1.058	1.043	1.026	1.024	1.016	1.012	1.009	1.006
2009	3.014	1.628	1.268	1.153	1.091	1.060	1.044	1.028	1.021	1.015	1.009	1.009	
2010	3.133	1.635	1.285	1.146	1.090	1.063	1.039	1.024	1.019	1.014	1.012		
2011	3.160	1.610	1.274	1.148	1.087	1.051	1.043	1.026	1.014	1.017			
2012	3.030	1.605	1.265	1.132	1.086	1.049	1.039	1.021	1.014				
2013	3.082	1.602	1.257	1.125	1.065	1.040	1.024	1.019					
2014	3.183	1.631	1.251	1.122	1.067	1.036	1.022						
2015	3.278	1.628	1.240	1.110	1.059	1.039							
2016	3.147	1.584	1.231	1.106	1.059								
2017	3.198	1.568	1.197	1.107									
2018	2.987	1.537	1.217										
2019	2.992	1.534											
2020	2.919												

All California WC Experience

AY	Evaluated as of (months):												
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001	3.545	1.796	1.322	1.145	1.077	1.051	1.034	1.024	1.017	1.014	1.012	1.011	1.008
2002	3.590	1.782	1.290	1.127	1.075	1.046	1.031	1.020	1.018	1.015	1.014	1.008	1.008
2003	3.370	1.696	1.249	1.128	1.072	1.043	1.030	1.026	1.023	1.021	1.015	1.012	1.009
2004	2.914	1.522	1.236	1.116	1.073	1.049	1.041	1.035	1.030	1.020	1.015	1.011	1.009
2005	2.734	1.512	1.235	1.121	1.079	1.060	1.047	1.042	1.028	1.020	1.015	1.013	1.010
2006	2.866	1.539	1.229	1.135	1.090	1.068	1.050	1.035	1.026	1.018	1.016	1.012	1.011
2007	2.905	1.547	1.246	1.140	1.092	1.066	1.046	1.033	1.027	1.020	1.016	1.013	1.013
2008	2.927	1.577	1.271	1.150	1.092	1.060	1.041	1.027	1.023	1.018	1.015	1.010	1.009
2009	3.069	1.616	1.280	1.156	1.092	1.060	1.043	1.031	1.023	1.021	1.011	1.013	
2010	3.157	1.628	1.281	1.147	1.091	1.060	1.038	1.027	1.022	1.013	1.012		
2011	3.208	1.613	1.266	1.144	1.087	1.056	1.041	1.027	1.016	1.016			
2012	3.137	1.597	1.262	1.137	1.087	1.051	1.035	1.023	1.017				
2013	3.169	1.606	1.260	1.129	1.072	1.044	1.028	1.020					
2014	3.229	1.635	1.257	1.129	1.071	1.039	1.027						
2015	3.278	1.618	1.244	1.119	1.058	1.042							
2016	3.235	1.586	1.230	1.103	1.060								
2017	3.186	1.569	1.210	1.110									
2018	3.109	1.526	1.222										
2019	3.063	1.550											
2020	2.975												

All Non-Large Deductible Experience

AY	Evaluated as of (months):												
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001	3.572	1.772	1.313	1.135	1.074	1.048	1.033	1.023	1.017	1.015	1.013	1.011	1.009
2002	3.501	1.766	1.271	1.121	1.071	1.048	1.031	1.020	1.018	1.016	1.014	1.007	1.008
2003	3.305	1.670	1.237	1.121	1.073	1.045	1.032	1.028	1.027	1.023	1.016	1.012	1.009
2004	2.844	1.498	1.223	1.113	1.075	1.050	1.045	1.039	1.032	1.020	1.015	1.011	1.009
2005	2.653	1.492	1.233	1.119	1.077	1.064	1.048	1.047	1.031	1.018	1.015	1.015	1.010
2006	2.765	1.528	1.223	1.131	1.092	1.070	1.052	1.037	1.025	1.016	1.017	1.013	1.012
2007	2.856	1.544	1.238	1.138	1.091	1.064	1.044	1.032	1.025	1.020	1.014	1.013	1.016
2008	2.869	1.558	1.269	1.150	1.087	1.055	1.038	1.026	1.023	1.017	1.015	1.011	1.010
2009	2.981	1.616	1.278	1.151	1.087	1.057	1.041	1.030	1.023	1.021	1.011	1.014	
2010	3.113	1.629	1.279	1.141	1.085	1.057	1.037	1.025	1.021	1.015	1.012		
2011	3.155	1.609	1.260	1.138	1.087	1.055	1.043	1.027	1.016	1.017			
2012	3.061	1.588	1.259	1.133	1.080	1.051	1.035	1.023	1.017				
2013	3.096	1.607	1.253	1.123	1.071	1.043	1.029	1.019					
2014	3.147	1.618	1.249	1.129	1.073	1.039	1.027						
2015	3.194	1.609	1.244	1.115	1.059	1.043							
2016	3.103	1.582	1.231	1.102	1.060								
2017	3.121	1.566	1.215	1.109									
2018	2.966	1.533	1.225										
2019	2.991	1.552											
2020	2.939												

Source: Based on WCIRB's quarterly and large deductible data calls, including COVID-19 claims.

Paid Medical Development *

Large Deductible (LD) Experience

AY	Evaluated as of (months):												
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001	3.220	1.478	1.203	1.119	1.077	1.059	1.050	1.037	1.031	1.031	1.023	1.023	1.023
2002	3.058	1.372	1.165	1.107	1.076	1.056	1.044	1.032	1.031	1.025	1.025	1.020	1.016
2003	2.665	1.304	1.172	1.112	1.075	1.050	1.041	1.034	1.029	1.030	1.021	1.019	1.018
2004	2.417	1.378	1.188	1.122	1.081	1.064	1.047	1.040	1.037	1.027	1.024	1.019	1.015
2005	2.372	1.335	1.203	1.129	1.093	1.066	1.053	1.051	1.031	1.031	1.021	1.017	1.013
2006	2.456	1.380	1.213	1.136	1.087	1.067	1.056	1.039	1.035	1.026	1.019	1.015	1.014
2007	2.374	1.382	1.218	1.131	1.098	1.082	1.053	1.041	1.033	1.022	1.020	1.015	1.009
2008	2.335	1.411	1.220	1.144	1.110	1.076	1.053	1.038	1.028	1.021	1.018	1.012	1.011
2009	2.477	1.427	1.244	1.163	1.106	1.073	1.051	1.035	1.026	1.019	1.013	1.012	
2010	2.508	1.443	1.260	1.155	1.099	1.070	1.043	1.032	1.024	1.014	1.010		
2011	2.576	1.465	1.244	1.149	1.094	1.061	1.043	1.030	1.019	1.014			
2012	2.626	1.457	1.244	1.145	1.093	1.056	1.038	1.023	1.017				
2013	2.573	1.454	1.235	1.137	1.071	1.049	1.027	1.023					
2014	2.535	1.449	1.222	1.118	1.072	1.044	1.038						
2015	2.572	1.427	1.207	1.113	1.061	1.046							
2016	2.548	1.397	1.193	1.095	1.066								
2017	2.469	1.382	1.169	1.103									
2018	2.455	1.361	1.193										
2019	2.375	1.413											
2020	2.569												

Non-Large Deductible Experience from Insurers Writing LD

AY	Evaluated as of (months):												
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001	2.754	1.482	1.191	1.104	1.070	1.055	1.047	1.039	1.027	1.028	1.021	1.021	1.015
2002	2.916	1.406	1.178	1.098	1.074	1.055	1.047	1.025	1.025	1.022	1.022	1.015	1.013
2003	2.449	1.356	1.153	1.120	1.078	1.060	1.042	1.035	1.032	1.032	1.023	1.015	1.015
2004	2.367	1.260	1.194	1.130	1.090	1.064	1.053	1.042	1.033	1.024	1.024	1.021	1.014
2005	2.072	1.346	1.212	1.140	1.085	1.072	1.056	1.048	1.031	1.027	1.018	1.013	1.010
2006	2.255	1.397	1.219	1.139	1.098	1.068	1.058	1.035	1.033	1.027	1.014	1.012	1.010
2007	2.383	1.430	1.230	1.136	1.097	1.072	1.051	1.042	1.029	1.017	1.015	1.010	1.007
2008	2.312	1.415	1.240	1.148	1.100	1.070	1.054	1.033	1.022	1.016	1.013	1.010	1.007
2009	2.308	1.444	1.248	1.162	1.107	1.066	1.046	1.029	1.020	1.016	1.009	1.012	
2010	2.420	1.470	1.273	1.154	1.100	1.067	1.042	1.028	1.021	1.021	1.009		
2011	2.517	1.470	1.258	1.148	1.095	1.051	1.039	1.027	1.018	1.013			
2012	2.499	1.478	1.253	1.142	1.085	1.053	1.041	1.020	1.016				
2013	2.434	1.469	1.233	1.123	1.071	1.044	1.026	1.023					
2014	2.499	1.464	1.217	1.112	1.065	1.037	1.024						
2015	2.565	1.440	1.217	1.100	1.060	1.040							
2016	2.504	1.401	1.186	1.090	1.060								
2017	2.363	1.387	1.165	1.091									
2018	2.334	1.372	1.188										
2019	2.300	1.408											
2020	2.484												

All California WC Experience

AY	Evaluated as of (months):												
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001	2.842	1.472	1.212	1.109	1.076	1.057	1.045	1.038	1.034	1.030	1.022	1.022	1.022
2002	2.887	1.416	1.168	1.112	1.072	1.054	1.046	1.034	1.032	1.024	1.023	1.018	1.016
2003	2.592	1.318	1.170	1.112	1.074	1.057	1.048	1.041	1.030	1.030	1.026	1.019	1.016
2004	2.298	1.345	1.189	1.123	1.092	1.070	1.055	1.040	1.036	1.034	1.024	1.018	1.015
2005	2.251	1.345	1.209	1.138	1.095	1.073	1.054	1.049	1.038	1.031	1.021	1.019	1.014
2006	2.340	1.399	1.220	1.140	1.099	1.068	1.056	1.042	1.033	1.025	1.020	1.015	1.015
2007	2.416	1.413	1.230	1.142	1.097	1.075	1.057	1.041	1.031	1.022	1.020	1.015	1.012
2008	2.325	1.421	1.241	1.148	1.103	1.072	1.051	1.035	1.027	1.018	1.017	1.012	1.009
2009	2.408	1.447	1.251	1.160	1.104	1.067	1.046	1.032	1.024	1.020	1.013	1.014	
2010	2.479	1.468	1.265	1.152	1.096	1.066	1.043	1.030	1.025	1.017	1.013		
2011	2.580	1.470	1.248	1.145	1.095	1.058	1.041	1.029	1.018	1.015			
2012	2.561	1.468	1.247	1.143	1.087	1.056	1.039	1.023	1.019				
2013	2.492	1.464	1.238	1.130	1.077	1.048	1.029	1.022					
2014	2.518	1.462	1.226	1.121	1.076	1.043	1.033						
2015	2.533	1.439	1.217	1.111	1.062	1.044							
2016	2.479	1.410	1.197	1.099	1.064								
2017	2.372	1.391	1.178	1.104									
2018	2.378	1.378	1.197										
2019	2.347	1.428											
2020	2.516												

All Non-Large Deductible Experience

AY	Evaluated as of (months):												
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001	2.878	1.465	1.216	1.106	1.076	1.056	1.045	1.039	1.036	1.029	1.029	1.029	1.022
2002	2.845	1.432	1.169	1.115	1.070	1.055	1.047	1.035	1.032	1.029	1.031	1.018	1.016
2003	2.567	1.324	1.169	1.112	1.077	1.061	1.051	1.044	1.042	1.043	1.028	1.019	1.016
2004	2.241	1.326	1.188	1.129	1.098	1.074	1.060	1.058	1.049	1.037	1.024	1.017	1.015
2005	2.180	1.354	1.218	1.142	1.097	1.078	1.067	1.066	1.043	1.030	1.021	1.020	1.015
2006	2.270	1.420	1.224	1.142	1.106	1.080	1.068	1.044	1.032	1.024	1.021	1.015	1.015
2007	2.461	1.432	1.237	1.148	1.108	1.083	1.059	1.042	1.030	1.022	1.019	1.014	1.014
2008	2.320	1.427	1.252	1.164	1.108	1.070	1.050	1.034	1.027	1.017	1.016	1.013	1.009
2009	2.371	1.458	1.274	1.169	1.103	1.063	1.043	1.031	1.023	1.019	1.013	1.015	
2010	2.462	1.501	1.277	1.152	1.094	1.064	1.043	1.029	1.024	1.019	1.014		
2011	2.632	1.488	1.260	1.143	1.095	1.057	1.040	1.027	1.017	1.016			
2012	2.532	1.479	1.250	1.141	1.083	1.056	1.039	1.023	1.021				
2013	2.456	1.472	1.240	1.126	1.079	1.048	1.029	1.022					
2014	2.511	1.470	1.229	1.123	1.078	1.043	1.029						
2015	2.510	1.446	1.224	1.110	1.063	1.043							
2016	2.441	1.417	1.198	1.101	1.063								
2017	2.318	1.397	1.183	1.104									
2018	2.332	1.388	1.200										
2019	2.329	1.439											
2020	2.484												

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

Source: Based on WCIRB's quarterly and large deductible data calls, including COVID-19 claims.

Paid ALAE (Excluding MCCC) Development *

Large Deductible (LD) Experience

	Evaluated as of (months):													
AY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	
2001						1.098	1.044	1.042	1.032	1.028	1.022	1.023	1.021	
2002					1.127	1.061	1.048	1.035	1.029	1.023	1.022	1.019	1.015	
2003				1.191	1.097	1.058	1.046	1.036	1.031	1.026	1.022	1.018	1.015	
2004			1.351	1.165	1.100	1.071	1.048	1.038	1.033	1.026	1.022	1.016	1.012	
2005		1.785	1.347	1.178	1.118	1.080	1.059	1.048	1.036	1.029	1.023	1.017	1.015	
2006	4.628	1.744	1.334	1.189	1.116	1.083	1.060	1.047	1.036	1.025	1.019	1.016	1.011	
2007	4.057	1.734	1.350	1.191	1.128	1.091	1.063	1.049	1.035	1.026	1.020	1.014	1.010	
2008	4.178	1.759	1.363	1.198	1.135	1.090	1.066	1.045	1.030	1.024	1.018	1.012	1.009	
2009	4.586	1.793	1.358	1.210	1.132	1.090	1.060	1.038	1.029	1.020	1.014	1.010		
2010	4.680	1.744	1.348	1.199	1.128	1.080	1.054	1.036	1.024	1.015	1.055			
2011	4.415	1.749	1.344	1.195	1.113	1.077	1.049	1.030	1.018	1.015				
2012	4.584	1.755	1.347	1.183	1.110	1.064	1.044	1.026	1.019					
2013	4.576	1.717	1.306	1.160	1.087	1.056	1.032	1.022						
2014	4.382	1.670	1.286	1.141	1.080	1.052	1.030							
2015	4.350	1.638	1.257	1.128	1.071	1.045								
2016	4.428	1.614	1.239	1.119	1.068									
2017	4.192	1.573	1.225	1.114										
2018	3.887	1.555	1.221											
2019	3.824	1.563												
2020	4.057													

Non-Large Deductible Experience from Insurers Writing LD

	Evaluated as of (months):													
AY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	
2001						1.070	1.043	1.037	1.026	1.020	1.019	1.017	1.015	
2002					1.098	1.063	1.050	1.029	1.025	1.020	1.019	1.016	1.013	
2003				1.161	1.085	1.071	1.041	1.032	1.026	1.022	1.019	1.015	1.012	
2004			1.305	1.150	1.103	1.062	1.048	1.033	1.030	1.024	1.017	1.016	1.011	
2005		1.625	1.289	1.185	1.106	1.076	1.050	1.046	1.035	1.025	1.022	1.016	1.012	
2006	3.124	1.659	1.330	1.179	1.123	1.076	1.062	1.045	1.034	1.026	1.021	1.014	1.011	
2007	3.753	1.765	1.341	1.194	1.116	1.087	1.056	1.040	1.029	1.020	1.016	1.013	1.010	
2008	4.186	1.755	1.348	1.188	1.119	1.081	1.057	1.039	1.029	1.020	1.015	1.012	1.010	
2009	4.072	1.753	1.342	1.192	1.121	1.082	1.052	1.037	1.026	1.018	1.014	1.012		
2010	4.100	1.765	1.348	1.188	1.118	1.076	1.046	1.032	1.024	1.017	1.012			
2011	4.218	1.721	1.334	1.192	1.111	1.070	1.047	1.033	1.021	1.015				
2012	4.196	1.723	1.341	1.179	1.107	1.064	1.044	1.029	1.017					
2013	4.338	1.717	1.311	1.174	1.090	1.057	1.035	1.022						
2014	4.252	1.644	1.296	1.144	1.088	1.048	1.030							
2015	3.964	1.641	1.253	1.133	1.075	1.046								
2016	4.223	1.592	1.257	1.124	1.070									
2017	3.967	1.552	1.217	1.115										
2018	3.832	1.523	1.232											
2019	3.537	1.593												
2020	4.157													

All California WC Experience

	Evaluated as of (months):													
AY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	
2001	4.002	1.796	1.385	1.182	1.121	1.084	1.044	1.039	1.029	1.024	1.021	1.017	1.017	
2002	3.814	1.807	1.318	1.177	1.109	1.064	1.047	1.033	1.027	1.021	1.018	1.017	1.013	
2003	3.961	1.707	1.330	1.171	1.101	1.063	1.046	1.034	1.029	1.023	1.020	1.017	1.013	
2004	4.082	1.734	1.339	1.161	1.101	1.069	1.048	1.035	1.030	1.025	1.020	1.015	1.012	
2005	3.932	1.740	1.330	1.180	1.113	1.079	1.056	1.044	1.035	1.027	1.022	1.016	1.014	
2006	3.976	1.727	1.330	1.186	1.120	1.081	1.060	1.046	1.035	1.025	1.019	1.014	1.011	
2007	3.957	1.716	1.341	1.194	1.126	1.088	1.060	1.044	1.032	1.023	1.018	1.013	1.010	
2008	4.010	1.761	1.368	1.199	1.126	1.085	1.060	1.040	1.029	1.021	1.017	1.012	1.009	
2009	4.331	1.775	1.354	1.199	1.126	1.083	1.054	1.037	1.027	1.019	1.014	1.011		
2010	4.292	1.737	1.342	1.190	1.120	1.076	1.049	1.034	1.023	1.017	1.010			
2011	4.224	1.729	1.350	1.196	1.109	1.072	1.048	1.029	1.019	1.014				
2012	4.322	1.766	1.344	1.174	1.105	1.063	1.041	1.026	1.018					
2013	4.508	1.706	1.297	1.161	1.087	1.054	1.032	1.021						
2014	4.302	1.632	1.285	1.155	1.096	1.063	1.043							
2015	4.040	1.630	1.255	1.128	1.071	1.044								
2016	4.254	1.603	1.240	1.117	1.069									
2017	3.979	1.546	1.218	1.114										
2018	3.767	1.533	1.227											
2019	3.654	1.574												
2020	3.954													

All Non-Large Deductible Experience

	Evaluated as of (months):													
AY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	
2001						1.074	1.044	1.037	1.026	1.020	1.019	1.016	1.014	
2002					1.095	1.068	1.045	1.030	1.024	1.019	1.017	1.014	1.012	
2003				1.152	1.106	1.068	1.045	1.031	1.027	1.022	1.018	1.015	1.011	
2004			1.325	1.155	1.102	1.066	1.048	1.032	1.030	1.023	1.017	1.015	1.012	
2005		1.704	1.309	1.183	1.108	1.077	1.052	1.045	1.034	1.024	1.021	1.015	1.012	
2006	3.574	1.710	1.326	1.183	1.124	1.079	1.063	1.044	1.033	1.025	1.020	1.013	1.011	
2007	3.865	1.701	1.333	1.197	1.124	1.089	1.057	1.041	1.029	1.021	1.016	1.013	1.009	
2008	3.902	1.761	1.370	1.199	1.123	1.081	1.055	1.036	1.028	1.019	1.016	1.012	1.009	
2009	4.159	1.761	1.350	1.194	1.121	1.078	1.049	1.036	1.026	1.018	1.014	1.011		
2010	4.055	1.731	1.338	1.183	1.114	1.072	1.045	1.032	1.022	1.018	1.010			
2011	4.099	1.711	1.328	1.185	1.109	1.070	1.048	1.030	1.020	1.014				
2012	4.134	1.709	1.325	1.174	1.105	1.064	1.040	1.027	1.017					
2013	4.235	1.675	1.308	1.170	1.091	1.056	1.033	1.022						
2014	4.100	1.634	1.296	1.144	1.082	1.046	1.029							
2015	3.918	1.630	1.255	1.128	1.071	1.044								
2016	4.123	1.595	1.241	1.116	1.069									
2017	3.821	1.524	1.211	1.114										
2018	3.663	1.513	1.234											
2019	3.490	1.584												
2020	3.856													

* Based on private insurer data only.

Source: Based on WCIRB's quarterly and large deductible data calls, including COVID-19 claims.

Paid M CCP Development

Large Deductible (LD) Experience

	Evaluated as of (months):												
<u>AY</u>	<u>12-24</u>	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-72</u>	<u>72-84</u>	<u>84-96</u>	<u>96-108</u>	<u>108-120</u>	<u>120-132</u>	<u>132-144</u>	<u>144-156</u>	<u>156-168</u>
2012	2.517	1.344	1.185	1.084	1.054	1.033	1.025	1.022	1.013				
2013	2.426	1.374	1.158	1.081	1.054	1.034	1.024	1.017					
2014	2.610	1.337	1.142	1.083	1.050	1.034	1.020						
2015	2.388	1.290	1.136	1.076	1.040	1.030							
2016	2.373	1.302	1.141	1.065	1.052								
2017	2.431	1.314	1.125	1.078									
2018	2.228	1.240	1.138										
2019	2.357	1.313											
2020	2.408												

Non-Large Deductible Experience from Insurers Writing LD

	Evaluated as of (months):												
<u>AY</u>	<u>12-24</u>	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-72</u>	<u>72-84</u>	<u>84-96</u>	<u>96-108</u>	<u>108-120</u>	<u>120-132</u>	<u>132-144</u>	<u>144-156</u>	<u>156-168</u>
2012	2.463	1.341	1.177	1.098	1.051	1.035	1.020	1.006	1.010				
2013	2.370	1.350	1.155	1.070	1.051	1.025	1.012	1.011					
2014	2.414	1.356	1.126	1.078	1.029	1.023	1.016						
2015	2.464	1.304	1.151	1.064	1.034	1.023							
2016	2.478	1.278	1.108	1.059	1.044								
2017	2.182	1.276	1.134	1.069									
2018	2.278	1.299	1.130										
2019	2.220	1.315											
2020	2.339												

All California WC Experience

	Evaluated as of (months):												
<u>AY</u>	<u>12-24</u>	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-72</u>	<u>72-84</u>	<u>84-96</u>	<u>96-108</u>	<u>108-120</u>	<u>120-132</u>	<u>132-144</u>	<u>144-156</u>	<u>156-168</u>
2012	2.491	1.279	1.158	1.097	1.055	1.033	1.024	1.015	1.012				
2013	2.283	1.336	1.168	1.082	1.050	1.033	1.020	1.015					
2014	2.436	1.366	1.144	1.080	1.044	1.030	1.019						
2015	2.479	1.306	1.141	1.069	1.038	1.028							
2016	2.423	1.294	1.128	1.063	1.048								
2017	2.336	1.300	1.128	1.075									
2018	2.262	1.267	1.136										
2019	2.294	1.314											
2020	2.392												

All Non-Large Deductible Experience

	Evaluated as of (months):												
<u>AY</u>	<u>12-24</u>	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-72</u>	<u>72-84</u>	<u>84-96</u>	<u>96-108</u>	<u>108-120</u>	<u>120-132</u>	<u>132-144</u>	<u>144-156</u>	<u>156-168</u>
2012	2.466	1.347	1.183	1.092	1.049	1.032	1.023	1.009	1.012				
2013	2.416	1.373	1.148	1.069	1.047	1.031	1.015	1.014					
2014	2.465	1.338	1.128	1.076	1.035	1.025	1.018						
2015	2.422	1.307	1.145	1.060	1.035	1.027							
2016	2.466	1.282	1.112	1.060	1.045								
2017	2.225	1.281	1.133	1.073									
2018	2.290	1.295	1.134										
2019	2.209	1.319											
2020	2.356												

Source: Based on WCIRB's quarterly and large deductible data calls, including COVID-19 claims.

Average Incurred Indemnity Per Reported Indemnity Claim

Large Deductible (LD) Experience

AY	Evaluated as of (months):														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001						26,429	27,048	26,867	27,144	27,298	27,382	27,518	27,633	27,728	
2002					24,155	24,989	25,156	25,429	25,659	25,796	25,936	26,027	26,145	26,256	
2003				21,772	22,929	23,452	23,945	24,316	24,528	24,754	24,950	25,092	25,281	25,407	
2004			16,349	17,752	18,518	19,159	19,613	20,047	20,296	20,546	20,731	20,869	20,984	21,040	
2005		11,692	14,292	15,715	16,636	17,456	17,976	18,405	18,675	18,913	19,062	19,196	19,293	19,382	
2006	7,014	11,841	15,017	16,602	17,969	18,832	19,435	19,638	19,941	20,145	20,339	20,463	20,564	20,590	
2007	7,166	12,110	15,467	17,596	18,836	19,700	20,482	21,110	21,355	21,630	21,790	22,035	22,126	22,222	
2008	7,863	12,991	16,961	19,274	20,635	21,723	22,495	22,934	23,300	23,636	23,771	23,959	24,004	24,200	
2009	8,236	14,016	18,095	20,641	22,350	23,530	24,105	24,631	25,024	25,280	25,495	25,647	25,798		
2010	8,313	14,059	18,219	20,781	22,254	23,329	23,903	24,307	24,634	24,891	25,064	25,220			
2011	8,698	14,201	18,540	21,007	22,369	23,168	23,752	24,195	24,423	24,687	24,820				
2012	8,524	14,729	18,795	21,018	22,441	23,546	24,105	24,468	24,744	24,890					
2013	8,999	14,798	18,477	20,921	22,201	22,860	23,344	23,641	23,835						
2014	9,189	15,198	19,806	22,222	23,465	24,179	24,556	24,860							
2015	9,186	15,931	20,355	22,449	23,663	24,296	24,698								
2016	9,342	15,646	19,399	21,302	22,387	22,964									
2017	9,271	15,715	19,689	21,510	22,629										
2018	9,731	16,535	20,349	22,106											
2019	10,527	16,933	20,960												
2020	9,711	16,066													
2021	10,162														

Non-Large Deductible Experience from Insurers Writing LD

	Evaluated as of (months):														
AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001						23,731	24,372	25,319	25,919	26,010	26,037	26,365	26,109	26,086	
2002					22,828	23,688	23,221	23,599	23,819	23,924	24,142	24,109	24,103	24,143	
2003				21,332	22,385	21,765	22,293	22,621	22,964	23,385	23,509	23,701	23,763	23,742	
2004			15,620	16,554	17,131	17,761	18,070	18,442	18,657	18,860	19,014	19,088	19,167	19,195	
2005		11,556	13,485	14,487	15,420	16,118	16,485	16,818	17,092	17,369	17,501	17,560	17,578	17,685	
2006	8,292	12,153	14,429	15,992	16,999	17,789	18,518	18,851	19,139	19,240	19,287	19,238	19,333	19,457	
2007	8,214	12,763	15,981	17,741	18,475	19,622	20,123	20,486	20,732	20,710	20,645	20,706	20,948	20,797	
2008	8,640	14,332	18,036	19,838	21,251	21,835	22,429	22,812	22,808	23,001	23,106	23,356	23,399	23,653	
2009	8,726	14,567	18,061	20,146	21,257	22,183	22,736	22,858	23,217	23,364	23,723	23,578	23,835		
2010	8,893	14,420	18,300	20,199	21,313	22,175	22,550	22,949	23,157	23,633	23,617	23,747			
2011	8,874	14,558	17,710	19,797	20,913	21,340	21,646	22,060	22,527	22,492	22,733				
2012	8,846	14,460	17,798	19,532	20,214	20,798	21,250	21,757	21,869	22,011					
2013	9,560	14,866	17,913	19,042	19,565	20,158	20,699	20,595	20,723						
2014	9,445	14,524	17,408	18,777	19,606	20,493	20,389	20,694							
2015	9,799	15,086	17,916	19,375	20,531	20,656	21,055								
2016	9,964	15,119	17,915	19,582	20,149	20,864									
2017	9,997	15,304	18,298	19,438	20,274										
2018	10,152	15,480	18,383	19,965											
2019	9,691	16,059	19,293												
2020	10,429	15,772													
2021	10,564														

All California WC Experience

AY	Evaluated as of (months):														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001						24,598	25,154	25,498	25,852	26,029	26,211	26,368	26,490	26,663	
2002					22,686	23,454	23,723	24,069	24,323	24,576	24,756	24,873	24,976	25,043	
2003				21,420	22,625	23,204	23,785	24,231	24,626	25,013	25,254	25,439	25,549	25,624	
2004			15,992	17,282	18,017	18,780	19,283	19,837	20,199	20,505	20,651	20,768	20,842	20,871	
2005		11,382	13,713	15,002	16,015	16,849	17,501	18,012	18,291	18,512	18,596	18,700	18,809	18,865	
2006	8,032	12,113	14,907	16,485	17,764	18,674	19,320	19,666	19,946	20,094	20,236	20,329	20,436	20,478	
2007	8,152	12,931	16,213	18,048	19,231	20,133	20,862	21,309	21,538	21,768	21,855	22,003	22,209	22,247	
2008	8,652	13,936	17,740	19,950	21,324	22,173	22,811	23,184	23,435	23,682	23,828	23,983	24,127	24,238	
2009	8,762	14,554	18,283	20,656	22,089	23,082	23,533	23,958	24,366	24,598	24,834	24,971	25,158		
2010	8,730	14,233	18,167	20,305	21,563	22,413	22,956	23,372	23,675	23,921	24,083	24,181			
2011	9,014	14,606	18,117	20,277	21,351	22,097	22,591	23,002	23,225	23,421	23,577				
2012	9,017	14,517	17,972	19,712	20,848	21,668	22,150	22,443	22,725	22,873					
2013	9,323	14,536	17,681	19,464	20,426	21,048	21,422	21,675	21,822						
2014	9,382	14,664	18,251	20,164	21,286	21,848	22,185	22,434							
2015	9,633	15,344	18,830	20,639	21,553	22,076	22,436								
2016	9,816	15,310	18,559	20,178	21,052	21,573									
2017	9,971	15,630	18,951	20,476	21,292										
2018	10,573	16,387	19,659	21,163											
2019	11,029	17,144	20,549												
2020	11,002	16,627													
2021	11,013														

All Non-Large Deductible Experience

	Evaluated as of (months):														
AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001						23,875	24,404	24,939	25,321	25,506	25,729	25,893	26,018	26,215	
2002					22,101	22,840	23,145	23,520	23,783	24,082	24,276	24,404	24,497	24,549	
2003				21,253	22,479	23,085	23,709	24,190	24,674	25,139	25,401	25,608	25,679	25,729	
2004			15,807	17,034	17,751	18,579	19,107	19,725	20,147	20,484	20,608	20,714	20,766	20,781	
2005		11,216	13,391	14,600	15,664	16,505	17,233	17,789	18,073	18,284	18,331	18,416	18,532	18,569	
2006	8,509	12,257	14,847	16,420	17,650	18,586	19,256	19,682	19,949	20,065	20,177	20,253	20,362	20,413	
2007	8,630	13,366	16,618	18,294	19,446	20,372	21,071	21,420	21,639	21,845	21,891	21,986	22,255	22,262	
2008	9,011	14,422	18,146	20,307	21,689	22,414	22,980	23,318	23,508	23,708	23,859	23,996	24,194	24,259	
2009	9,005	14,831	18,382	20,663	21,949	22,842	23,225	23,595	24,001	24,220	24,468	24,594	24,802		
2010	8,927	14,325	18,139	20,046	21,185	21,918	22,442	22,847	23,135	23,380	23,531	23,596			
2011	9,161	14,815	17,895	19,894	20,821	21,538	21,963	22,356	22,584	22,738	22,906				
2012	9,264	14,398	17,506	18,974	19,950	20,573	21,008	21,280	21,552	21,699					
2013	9,490	14,388	17,225	18,625	19,375	19,971	20,303	20,518	20,634						
2014	9,482	14,360	17,351	18,958	19,999	20,483	20,786	21,003							
2015	9,870	15,010	17,943	19,574	20,306	20,762	21,095								
2016	10,065	15,110	18,045	19,484	20,226	20,713									
2017	10,367	15,576	18,483	19,820	20,443										
2018	11,055	16,291	19,212	20,548											
2019	11,305	17,283	20,274												
2020	11,826	17,009													
2021	11,537														

Average Incurred Medical Per Reported Indemnity Claim

Large Deductible (LD) Experience

AY	Evaluated as of (months):														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001								29,007	28,659	29,302	29,842	29,987	30,313	30,784	
2002							27,742	27,559	28,069	28,702	29,016	29,466	29,950	29,896	
2003						24,894	24,581	25,151	25,903	26,225	26,629	26,991	27,291	27,348	
2004					22,370	22,223	23,021	23,964	24,392	25,113	25,636	25,843	26,015	25,933	
2005				22,000	22,050	23,211	24,388	24,933	25,741	26,304	26,751	27,010	27,098	27,219	
2006			21,653	22,281	23,901	25,183	25,918	26,568	27,373	27,755	27,886	27,917	28,071	28,060	
2007		19,406	21,403	23,839	25,646	26,946	28,818	29,964	30,574	30,803	30,932	31,069	31,143	31,103	
2008	16,326	19,464	23,025	25,799	27,669	29,708	31,266	32,098	32,631	32,777	32,925	33,062	33,016	33,019	
2009	15,828	20,143	24,157	26,650	29,335	31,530	32,559	33,265	33,582	33,880	33,946	34,010	34,079		
2010	15,699	20,564	24,205	27,377	29,528	30,792	31,724	32,205	32,458	32,682	32,805	32,774			
2011	15,740	19,390	23,709	26,302	27,816	28,898	29,764	30,085	30,431	30,562	30,733				
2012	14,661	18,984	22,285	24,280	25,696	26,636	27,089	27,403	27,478	27,600					
2013	15,097	18,583	21,013	23,094	24,052	24,582	24,924	25,111	25,200						
2014	14,926	17,665	20,342	22,058	22,791	23,446	23,748	24,085							
2015	14,164	17,350	19,833	21,095	22,139	22,560	22,865								
2016	14,391	17,295	19,220	20,226	20,886	21,171									
2017	13,992	16,988	19,079	20,206	20,775										
2018	14,742	18,104	20,008	21,215											
2019	15,292	17,856	20,095												
2020	12,899	16,168													
2021	14,283														

Non-Large Deductible Experience from Insurers Writing LD

	Evaluated as of (months):														
AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001								27,686	27,049	27,796	28,146	28,962	29,065	29,476	
2002							27,487	26,425	27,297	28,003	28,757	28,976	29,217	29,219	
2003						25,401	24,257	25,552	26,185	27,328	27,688	28,126	28,103	27,987	
2004					21,512	20,475	22,119	23,046	24,144	24,537	24,909	25,040	25,062	25,023	
2005				20,929	19,752	21,687	22,622	24,066	24,655	24,961	25,154	25,285	25,055	24,981	
2006			21,330	21,193	23,042	24,608	26,424	27,326	27,864	28,156	28,051	27,658	27,785	27,839	
2007		20,055	21,420	24,127	25,645	28,330	29,320	30,246	30,732	30,651	30,198	30,188	30,397	30,078	
2008	16,858	20,174	24,139	26,589	29,669	31,336	32,601	33,437	33,419	33,523	33,481	33,681	33,488	33,527	
2009	15,327	20,947	25,032	28,368	30,668	32,922	33,883	33,882	34,346	34,385	34,527	34,543	34,531		
2010	16,397	21,109	26,335	29,538	31,907	33,278	33,518	33,842	34,042	34,587	34,669	34,575			
2011	15,789	21,008	24,652	27,435	29,168	29,617	29,995	30,409	30,892	30,633	30,634				
2012	15,951	20,865	24,181	26,206	27,163	27,645	27,989	28,490	28,514	28,608					
2013	16,439	20,540	22,928	23,845	24,318	24,737	24,896	24,982	24,842						
2014	16,044	18,990	21,092	21,980	22,373	22,764	22,949	23,101							
2015	16,576	19,709	21,664	22,749	23,514	23,794	23,602								
2016	16,350	19,015	20,549	21,499	22,022	22,615									
2017	16,114	18,918	20,567	21,536	22,199										
2018	15,704	18,670	20,733	21,729											
2019	14,068	17,941	19,903												
2020	14,057	16,744													
2021	14,632														

All California WC Experience

AY	Evaluated as of (months):														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001								26,686	26,948	27,960	28,581	29,077	29,506	29,995	
2002							25,698	25,985	26,797	27,572	28,202	28,603	28,955	28,927	
2003						24,139	24,384	25,528	26,537	27,344	27,868	28,249	28,328	28,257	
2004					21,126	21,440	22,858	23,908	24,733	25,420	25,789	25,904	25,947	25,853	
2005				20,105	20,415	22,239	23,508	24,652	25,496	26,070	26,198	26,390	26,359	26,360	
2006			20,905	21,642	23,480	25,088	26,357	27,336	27,985	28,267	28,273	28,313	28,488	28,447	
2007		19,244	21,415	24,097	26,085	27,951	29,429	30,444	30,973	31,098	31,356	31,401	31,509	31,392	
2008	15,888	19,560	23,505	26,456	28,904	30,640	31,963	32,704	33,010	33,254	33,343	33,494	33,470	33,411	
2009	15,097	20,544	24,827	28,194	30,559	32,447	33,300	33,801	34,222	34,431	34,679	34,757	34,822		
2010	15,316	20,440	24,993	28,121	30,276	31,455	32,201	32,664	32,923	33,157	33,348	33,265			
2011	15,315	20,516	24,368	27,181	28,776	29,659	30,150	30,425	30,616	30,649	30,735				
2012	15,489	20,006	23,218	25,070	26,381	27,192	27,595	27,908	28,062	28,176					
2013	15,474	19,525	21,811	23,525	24,367	24,881	25,121	25,246	25,247						
2014	15,134	18,371	20,905	22,440	23,177	23,772	24,034	24,265							
2015	15,268	18,661	21,004	22,313	22,916	23,285	23,423								
2016	15,552	18,706	20,615	21,416	22,046	22,400									
2017	16,015	18,890	20,764	21,706	22,258										
2018	16,645	19,672	21,453	22,511											
2019	16,573	19,671	21,624												
2020	15,661	18,568													
2021	16,208														

All Non-Large Deductible Experience

AY	Evaluated as of (months):														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001								25,737	26,245	27,408	28,061	28,701	29,173	29,663	
2002							24,873	25,350	26,282	27,115	27,872	28,252	28,547	28,533	
2003						23,775	24,289	25,710	26,844	27,886	28,470	28,863	28,830	28,697	
2004					20,464	21,022	22,771	23,878	24,914	25,585	25,870	25,937	25,909	25,809	
2005				19,039	19,490	21,689	23,012	24,492	25,356	25,937	25,883	26,036	25,936	25,869	
2006			20,497	21,287	23,246	25,035	26,602	27,771	28,332	28,558	28,494	28,539	28,726	28,669	
2007		19,158	21,422	24,238	26,325	28,504	29,767	30,710	31,193	31,262	31,592	31,587	31,712	31,554	
2008	15,689	19,609	23,755	26,803	29,558	31,138	32,336	33,029	33,213	33,513	33,571	33,729	33,717	33,625	
2009	14,760	20,751	25,181	29,013	31,216	32,941	33,700	34,090	34,576	34,737	35,085	35,173	35,236		
2010	15,134	20,374	25,419	28,526	30,685	31,813	32,459	32,922	33,185	33,422	33,654	33,542			
2011	15,118	21,097	24,714	27,643	29,275	30,057	30,359	30,609	30,715	30,696	30,735				
2012	15,902	20,578	23,746	25,516	26,767	27,517	27,890	28,198	28,402	28,511					
2013	15,669	20,059	22,268	23,773	24,554	25,058	25,235	25,325	25,275						
2014	15,241	18,772	21,230	22,665	23,405	23,963	24,203	24,372							
2015	15,852	19,409	21,685	23,030	23,374	23,715	23,754								
2016	16,160	19,545	21,468	22,151	22,763	23,160									
2017	17,159	20,080	21,833	22,660	23,200										
2018	17,733	20,682	22,392	23,357											
2019	17,279	20,873	22,647												
2020	17,424	20,202													
2021	17,393														

Average Paid Medical Per Indemnity Claim

Large Deductible (LD) Experience

AY	Evaluated as of (months):														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001								24,493	24,263	24,799	25,565	25,937	26,547	27,214	
2002							24,044	24,022	24,525	25,285	25,670	26,316	26,889	27,357	
2003						21,292	21,166	21,776	22,550	22,959	23,680	24,256	24,705	25,173	
2004					18,331	18,392	19,282	20,258	20,855	21,661	22,368	22,849	23,305	23,681	
2005				17,062	17,639	19,027	20,362	21,153	22,311	23,103	23,807	24,343	24,780	25,118	
2006			15,415	16,758	18,843	20,559	21,609	22,628	23,632	24,411	25,084	25,591	25,999	26,366	
2007		12,300	14,885	17,941	20,398	22,005	23,929	25,332	26,313	27,223	27,872	28,470	28,920	29,206	
2008	6,887	11,173	15,532	19,019	21,452	23,898	25,923	27,132	28,224	29,074	29,727	30,275	30,653	30,998	
2009	5,447	11,297	16,127	19,720	23,052	25,678	27,391	28,855	29,916	30,719	31,310	31,738	32,135		
2010	5,307	11,246	15,771	20,007	23,325	25,450	27,284	28,483	29,434	30,100	30,590	30,921			
2011	4,706	9,950	14,822	18,754	21,594	23,777	25,334	26,516	27,298	27,892	28,302				
2012	4,058	9,497	14,099	17,592	20,305	22,313	23,604	24,574	25,134	25,562					
2013	3,983	9,205	13,475	16,865	19,344	20,770	21,831	22,446	22,976						
2014	3,940	8,851	13,221	16,397	18,432	19,835	20,731	21,589							
2015	3,748	8,916	13,078	16,010	17,920	19,047	19,966								
2016	3,907	8,891	12,633	15,251	16,832	18,046									
2017	3,866	8,895	12,666	15,007	16,705										
2018	4,209	9,392	13,165	15,941											
2019	4,387	9,107	13,263												
2020	3,583	8,533													
2021	4,178														

Non-Large Deductible Experience from Insurers Writing LD

	Evaluated as of (months):														
AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001								23,753	23,217	24,120	24,793	25,761	26,056	26,480	
2002							23,582	22,867	23,817	24,435	25,404	25,889	26,287	26,649	
2003						21,225	20,313	21,782	22,643	23,983	24,717	25,321	25,692	26,038	
2004					17,046	16,275	18,077	19,198	20,596	21,226	21,802	22,328	22,795	23,178	
2005				15,528	15,082	17,069	18,417	20,164	21,110	21,855	22,494	22,938	23,075	23,305	
2006			14,188	14,928	17,709	19,740	21,871	23,103	23,954	24,763	25,394	25,437	25,763	26,189	
2007		11,136	13,271	17,183	19,881	22,801	24,396	25,635	26,730	27,384	27,592	28,030	28,572	28,529	
2008	6,076	10,086	15,412	19,578	23,155	25,503	27,346	28,838	29,541	30,154	30,634	31,094	31,359	31,631	
2009	4,297	10,672	16,097	20,618	23,949	26,737	28,548	29,519	30,703	31,365	31,941	32,210	32,634		
2010	4,561	10,831	16,899	21,599	25,008	27,522	29,027	30,394	31,217	32,019	32,686	32,882			
2011	3,951	10,366	15,534	19,777	22,753	24,636	25,906	26,955	27,963	28,277	28,594				
2012	4,272	10,241	15,293	19,276	21,586	23,217	24,465	25,488	26,069	26,526					
2013	4,375	9,866	14,659	17,645	19,486	21,005	21,728	22,515	22,991						
2014	3,954	9,272	13,678	16,648	18,573	19,674	20,588	21,081							
2015	4,065	9,634	14,023	17,195	18,864	20,135	20,950								
2016	4,045	9,597	13,740	16,362	17,983	19,186									
2017	4,370	9,704	13,587	16,218	17,851										
2018	4,388	9,731	13,809	16,486											
2019	3,874	9,107	12,993												
2020	3,679	8,742													
2021	3,966														

All California WC Experience

	Evaluated as of (months):														
AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001								22,463	22,639	23,472	24,186	24,857	25,547	26,228	
2002							21,738	22,076	22,898	23,657	24,348	25,089	25,624	26,066	
2003						19,749	20,106	21,191	22,112	22,998	23,955	24,657	25,128	25,552	
2004					16,314	16,878	18,179	19,265	20,340	21,318	22,114	22,641	23,072	23,447	
2005				14,746	15,623	17,252	18,598	19,843	21,124	22,018	22,715	23,242	23,716	24,085	
2006			13,636	15,294	17,629	19,510	21,086	22,424	23,451	24,238	24,887	25,449	25,865	26,246	
2007		10,746	13,642	17,056	19,646	21,822	23,767	25,230	26,298	27,156	27,790	28,371	28,807	29,202	
2008	5,701	10,239	14,949	18,765	21,891	24,376	26,276	27,597	28,593	29,487	30,070	30,580	31,006	31,309	
2009	4,616	10,592	15,625	19,963	23,419	26,000	27,734	29,046	30,170	30,943	31,531	31,979	32,434		
2010	4,608	10,520	15,872	20,323	23,598	25,825	27,595	28,884	29,792	30,464	31,059	31,439			
2011	4,057	9,957	15,064	19,139	21,995	24,245	25,788	26,947	27,678	28,218	28,660				
2012	4,090	9,689	14,427	18,093	20,770	22,626	23,961	24,843	25,452	25,948					
2013	4,102	9,303	13,786	17,233	19,516	21,105	22,080	22,725	23,238						
2014	3,888	8,982	13,463	16,693	18,839	20,318	21,246	21,979							
2015	3,885	9,113	13,427	16,605	18,550	19,752	20,675								
2016	4,072	9,270	13,360	16,174	17,869	19,090									
2017	4,261	9,479	13,535	16,117	17,908										
2018	4,445	9,893	13,951	16,909											
2019	4,367	9,549	13,957												
2020	3,932	9,221													
2021	4,197														

All Non-Large Deductible Experience

	Evaluated as of (months):														
AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001								21,632	21,972	22,926	23,617	24,411	25,133	25,814	
2002							20,808	21,290	22,241	22,998	23,812	24,589	25,105	25,541	
2003						19,007	19,595	20,909	21,900	23,016	24,088	24,853	25,332	25,736	
2004					15,241	16,069	17,592	18,736	20,065	21,134	21,977	22,530	22,947	23,321	
2005				13,444	14,483	16,249	17,601	19,101	20,451	21,401	22,094	22,613	23,108	23,494	
2006			12,666	14,482	16,955	18,925	20,793	22,308	23,348	24,140	24,775	25,368	25,787	26,177	
2007		9,923	12,968	16,574	19,234	21,721	23,677	25,174	26,290	27,119	27,744	28,315	28,745	29,200	
2008	5,161	9,759	14,645	18,632	22,124	24,631	26,465	27,847	28,791	29,712	30,256	30,746	31,198	31,479	
2009	4,233	10,229	15,361	20,092	23,616	26,173	27,919	29,150	30,310	31,067	31,654	32,114	32,601		
2010	4,276	10,135	15,926	20,496	23,746	26,028	27,764	29,108	29,993	30,667	31,323	31,730			
2011	3,755	9,961	15,190	19,341	22,204	24,489	26,033	27,180	27,882	28,394	28,854				
2012	4,106	9,796	14,612	18,376	21,032	22,808	24,170	24,997	25,636	26,173					
2013	4,163	9,358	13,964	17,445	19,618	21,304	22,224	22,889	23,392						
2014	3,861	9,056	13,603	16,866	19,079	20,601	21,551	22,210							
2015	3,957	9,225	13,630	16,955	18,922	20,169	21,095								
2016	4,158	9,495	13,804	16,744	18,510	19,736									
2017	4,484	9,845	14,087	16,821	18,672										
2018	4,580	10,216	14,462	17,540											
2019	4,355	9,841	14,421												
2020	4,155	9,690													
2021	4,209														

Source: Based on WCIRB's quarterly and large deductible data calls, including COVID-19 claims.

Average Outstanding Indemnity Per Open Indemnity Claim

Large Deductible (LD) Experience

AY	Evaluated as of (months):														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001						20,243	21,792	23,483	23,919	24,605	23,963	25,349	24,982	25,237	
2002					17,372	18,476	20,698	20,924	22,906	22,063	22,980	22,271	21,693	20,836	
2003				15,869	16,751	17,767	20,336	22,861	22,580	24,380	25,570	25,380	25,899	27,933	
2004			13,228	13,945	15,752	17,777	19,665	21,638	21,957	23,240	23,411	25,268	26,592	26,369	
2005		10,028	11,277	12,968	15,013	17,433	18,940	20,110	21,110	23,004	22,662	23,588	25,216	25,688	
2006	6,086	9,548	11,897	14,258	17,655	19,986	21,809	20,739	21,868	22,620	23,494	24,814	27,043	27,452	
2007	5,693	9,360	12,196	14,889	16,661	17,621	20,026	23,062	23,266	23,486	23,900	25,503	26,014	27,879	
2008	6,575	10,193	13,205	15,349	16,548	18,440	20,286	21,877	24,504	27,824	28,834	31,290	31,075	35,128	
2009	6,790	10,635	13,094	15,117	17,137	19,002	20,196	22,079	23,814	25,837	28,577	30,961	31,800		
2010	6,788	10,674	13,115	15,481	17,034	18,446	19,295	20,997	22,393	23,244	26,359	27,416			
2011	7,279	10,569	13,711	15,842	17,165	18,452	20,318	23,651	25,128	28,226	28,924				
2012	6,834	11,302	13,674	15,309	17,385	19,667	22,837	25,576	28,970	29,815					
2013	7,517	11,249	12,890	15,109	16,823	18,529	20,461	23,732	24,850						
2014	7,644	11,553	14,390	16,952	19,675	22,005	24,195	26,233							
2015	7,394	12,150	15,355	18,049	19,980	22,571	23,737								
2016	7,595	12,305	15,367	18,330	20,639	22,016									
2017	7,586	13,133	16,749	19,492	22,096										
2018	8,156	14,067	17,641	19,422											
2019	8,215	13,644	16,343												
2020	8,300	13,845													
2021	8,159														

Non-Large Deductible Experience from Insurers Writing LD

AY	Evaluated as of (months):														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001						21,504	23,546	22,807	24,008	24,532	23,107	23,690	23,271	22,479	
2002					19,214	23,117	20,867	21,278	23,361	24,516	26,283	25,400	23,653	23,638	
2003				16,972	19,885	18,571	20,496	23,265	26,938	29,120	29,455	30,132	28,898	26,262	
2004			13,661	15,221	15,397	16,505	18,798	21,184	20,178	22,303	22,186	23,260	22,490	25,208	
2005		10,147	11,746	12,322	14,284	17,374	18,665	19,323	19,724	22,454	23,273	25,649	26,821	30,289	
2006	7,639	11,367	13,199	15,066	16,630	18,499	20,208	22,105	24,242	22,497	22,807	23,279	24,243	22,171	
2007	8,262	11,939	14,256	16,244	17,145	19,128	21,922	24,884	26,378	25,994	27,651	29,922	32,601	35,807	
2008	7,964	12,553	15,097	16,470	18,148	19,778	22,110	23,512	25,908	26,860	28,221	30,672	37,760	41,411	
2009	7,898	12,776	14,792	16,199	17,808	20,395	22,493	24,041	27,054	28,893	32,247	36,287	41,835		
2010	8,084	12,447	14,688	16,247	17,952	20,027	22,887	25,305	28,424	34,765	39,326	42,277			
2011	8,079	12,397	13,983	16,278	17,543	19,980	22,983	25,501	28,860	33,571	36,040				
2012	7,825	12,189	14,545	15,504	18,051	20,075	23,785	27,136	32,163	35,260					
2013	8,564	13,119	14,689	15,507	16,382	19,503	23,500	26,064	27,895						
2014	8,764	12,965	14,751	15,907	18,227	21,436	23,905	29,139							
2015	9,198	14,272	16,317	18,354	22,066	24,870	28,787								
2016	9,493	14,602	16,852	18,922	22,149	25,689									
2017	9,721	15,152	17,967	21,177	24,419										
2018	9,725	15,159	18,818	22,077											
2019	9,550	15,413	18,575												
2020	10,178	15,992													
2021	9,671														

All California WC Experience

AY	Evaluated as of (months):														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001						19,925	21,350	22,714	24,114	25,149	27,000	28,341	30,290	30,789	
2002					16,439	17,720	18,563	19,315	20,977	22,762	23,740	25,054	25,806	25,314	
2003				15,352	16,884	18,589	21,030	23,721	26,716	30,031	33,660	34,878	34,769	37,574	
2004			13,087	14,199	15,528	17,855	19,907	23,261	25,207	29,276	30,580	31,940	34,759	35,857	
2005		9,831	11,243	12,546	14,745	17,592	20,562	23,463	25,663	27,579	28,053	30,567	33,299	35,278	
2006	7,300	10,586	12,697	14,843	17,991	20,683	22,780	24,743	26,630	27,378	30,590	31,755	34,578	35,745	
2007	7,305	11,167	13,863	16,007	17,923	19,792	23,750	26,522	27,927	30,973	32,405	34,781	42,005	39,980	
2008	7,639	11,614	14,527	16,536	18,095	20,573	23,242	25,552	29,485	32,543	35,120	39,158	44,544	46,969	
2009	7,716	12,232	14,366	16,336	18,462	21,013	22,351	25,415	28,691	31,495	35,886	39,960	43,424		
2010	7,744	11,813	14,232	16,037	17,767	19,521	21,825	24,462	27,375	31,681	35,558	37,431			
2011	8,145	12,355	14,417	16,807	18,215	20,057	22,327	24,833	28,281	31,876	32,988				
2012	8,024	12,195	14,556	15,727	17,721	20,294	23,618	27,740	32,343	35,391					
2013	8,372	12,361	13,902	15,307	17,091	19,431	23,186	26,367	28,248						
2014	8,451	12,484	14,665	16,825	19,808	22,060	24,937	28,013							
2015	8,685	13,439	16,144	18,834	21,470	24,265	26,430								
2016	8,918	13,797	16,645	19,482	22,244	24,700									
2017	9,333	14,947	18,703	21,543	23,864										
2018	9,931	15,842	19,383	21,555											
2019	10,359	16,092	18,913												
2020	10,642	16,527													
2021	10,106														

All Non-Large Deductible Experience

	Evaluated as of (months):														
AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001						19,798	21,180	22,436	24,182	25,337	28,110	29,446	32,362	32,993	
2002					16,086	17,444	17,867	18,828	20,408	22,976	23,981	26,025	27,295	26,936	
2003				15,140	16,938	18,889	21,264	23,998	28,133	32,027	36,873	38,728	38,343	41,473	
2004			13,017	14,321	15,433	17,885	19,998	23,903	26,531	32,050	33,938	35,117	38,936	40,806	
2005		9,731	11,224	12,333	14,620	17,662	21,283	24,966	27,815	29,790	30,717	34,172	37,647	40,689	
2006	7,825	11,119	13,115	15,127	18,140	20,987	23,188	26,769	29,105	29,795	34,349	35,477	38,644	40,197	
2007	8,108	12,135	14,746	16,567	18,546	20,884	25,744	28,409	30,542	35,416	37,708	40,656	52,985	48,698	
2008	8,109	12,331	15,176	17,121	18,858	21,697	24,773	27,479	32,185	35,252	38,711	43,902	53,313	54,994	
2009	8,136	13,043	15,032	16,966	19,163	22,099	23,522	27,261	31,615	34,899	40,475	45,845	51,413		
2010	8,189	12,424	14,838	16,344	18,170	20,124	23,282	26,528	30,271	36,798	41,316	43,852			
2011	8,548	13,296	14,799	17,328	18,777	20,934	23,472	25,490	30,181	34,151	35,635				
2012	8,615	12,697	15,068	15,974	17,920	20,674	24,113	29,146	34,615	39,382					
2013	8,801	12,996	14,499	15,424	17,255	20,001	25,009	28,186	30,715						
2014	8,861	13,032	14,832	16,749	19,891	22,096	25,453	29,352							
2015	9,380	14,204	16,624	19,315	22,445	25,437	28,442								
2016	9,628	14,726	17,460	20,235	23,363	26,647									
2017	10,344	16,119	20,024	22,973	25,145										
2018	10,955	17,013	20,558	23,049											
2019	11,644	17,776	20,730												
2020	12,087	18,300													
2021	12,559														

Average Paid ALAE (Excluding Paid MCPP) Per Indemnity Claim *

Large Deductible (LD) Experience

AY	Evaluated as of (months):														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001						5,141	5,625	5,751	6,013	6,195	6,359	6,493	6,637	6,743	
2002					5,251	5,879	6,183	6,498	6,709	6,896	7,041	7,187	7,276	7,376	
2003				4,825	5,681	6,220	6,602	6,894	7,138	7,351	7,538	7,647	7,763	7,876	
2004			3,493	4,673	5,429	5,979	6,402	6,689	6,932	7,149	7,277	7,412	7,521	7,611	
2005		1,864	3,247	4,336	5,093	5,683	6,109	6,459	6,759	6,932	7,107	7,267	7,386	7,494	
2006	553	2,117	3,588	4,693	5,547	6,178	6,674	6,980	7,227	7,462	7,643	7,783	7,903	7,984	
2007	670	2,262	3,777	5,041	5,967	6,690	7,283	7,640	7,977	8,243	8,454	8,614	8,728	8,813	
2008	738	2,392	4,052	5,440	6,471	7,300	7,856	8,313	8,680	8,936	9,143	9,305	9,415	9,499	
2009	742	2,634	4,521	6,068	7,252	8,092	8,738	9,249	9,594	9,860	10,050	10,190	10,293		
2010	809	2,879	4,840	6,347	7,474	8,305	8,952	9,416	9,742	9,956	10,117	10,219			
2011	896	3,058	4,970	6,513	7,606	8,456	9,090	9,525	9,776	9,974	10,116				
2012	891	2,998	4,996	6,534	7,725	8,536	9,061	9,441	9,697	9,872					
2013	947	3,242	5,248	6,807	7,854	8,503	8,961	9,237	9,430						
2014	1,067	3,400	5,499	6,987	7,912	8,514	8,944	9,212							
2015	1,048	3,539	5,576	6,928	7,772	8,293	8,655								
2016	1,085	3,564	5,491	6,713	7,485	7,986									
2017	1,127	3,624	5,520	6,711	7,462										
2018	1,336	3,936	5,948	7,199											
2019	1,459	4,074	6,160												
2020	1,135	3,647													
2021	1,244														

Non-Large Deductible Experience from Insurers Writing LD

	Evaluated as of (months):														
AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001						5,099	5,494	5,905	6,257	6,500	6,579	6,785	6,781	6,850	
2002					5,646	6,261	6,454	6,862	7,129	7,269	7,455	7,534	7,613	7,714	
2003				4,862	5,702	5,884	6,342	6,619	6,855	7,055	7,184	7,282	7,383	7,466	
2004			3,274	4,272	4,907	5,432	5,784	6,077	6,286	6,441	6,559	6,652	6,741	6,803	
2005		1,888	3,053	3,897	4,617	5,138	5,487	5,776	6,016	6,187	6,336	6,455	6,466	6,546	
2006	630	1,786	2,889	3,876	4,629	5,192	5,612	5,936	6,151	6,365	6,492	6,467	6,556	6,643	
2007	516	1,725	3,002	4,059	4,932	5,517	5,944	6,267	6,525	6,679	6,679	6,783	6,902	6,909	
2008	530	1,937	3,354	4,545	5,418	6,015	6,473	6,849	7,060	7,154	7,294	7,408	7,460	7,609	
2009	618	2,197	3,766	5,126	5,994	6,625	7,161	7,486	7,602	7,793	7,940	7,994	8,166		
2010	669	2,290	4,064	5,233	6,092	6,800	7,308	7,450	7,684	7,904	7,967	8,100			
2011	662	2,385	3,820	4,971	5,888	6,468	6,715	7,035	7,345	7,401	7,540				
2012	707	2,266	3,748	4,999	5,820	6,253	6,657	7,055	7,141	7,300					
2013	647	2,311	3,891	5,050	5,801	6,316	6,813	6,885	7,070						
2014	706	2,514	4,012	5,103	5,807	6,476	6,592	6,860							
2015	834	2,673	4,239	5,283	6,210	6,385	6,730								
2016	794	2,774	4,333	5,677	6,045	6,557									
2017	871	2,937	4,693	5,367	6,057										
2018	916	3,134	4,369	5,450											
2019	938	2,673	4,240												
2020	745	2,672													
2021	791														

All California WC Experience

AY	Evaluated as of (months):														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001						5,055	5,480	5,704	5,977	6,144	6,281	6,402	6,513	6,589	
2002					5,117	5,673	5,944	6,260	6,454	6,618	6,748	6,876	6,955	7,034	
2003				4,692	5,475	5,917	6,315	6,597	6,815	7,010	7,181	7,292	7,396	7,490	
2004			3,289	4,369	5,062	5,577	5,955	6,223	6,438	6,633	6,753	6,872	6,974	7,055	
2005		1,765	3,023	3,987	4,698	5,219	5,600	5,907	6,171	6,339	6,496	6,637	6,734	6,825	
2006	534	1,853	3,126	4,127	4,876	5,444	5,874	6,193	6,420	6,630	6,788	6,908	7,007	7,082	
2007	571	1,978	3,323	4,419	5,246	5,881	6,397	6,718	6,996	7,209	7,353	7,482	7,583	7,649	
2008	619	2,118	3,620	4,886	5,819	6,532	7,020	7,412	7,695	7,884	8,055	8,192	8,277	8,350	
2009	675	2,406	4,130	5,518	6,550	7,277	7,849	8,260	8,490	8,718	8,892	9,004	9,096		
2010	748	2,589	4,352	5,688	6,653	7,383	7,966	8,244	8,515	8,720	8,857	8,941			
2011	769	2,616	4,270	5,561	6,516	7,311	7,726	8,075	8,326	8,482	8,598				
2012	774	2,602	4,301	5,631	6,676	7,293	7,729	8,051	8,262	8,403					
2013	788	2,732	4,447	5,810	6,686	7,253	7,658	7,898	8,066						
2014	873	2,908	4,687	5,961	6,770	7,300	7,647	7,870							
2015	927	3,049	4,827	6,013	6,753	7,208	7,520								
2016	933	3,157	4,901	6,023	6,699	7,146									
2017	1,016	3,281	4,942	5,965	6,621										
2018	1,111	3,382	5,052	6,156											
2019	1,121	3,320	5,071												
2020	967	3,123													
2021	1,001														

All Non-Large Deductible Experience

	Evaluated as of (months):														
AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001						4,982	5,358	5,663	5,946	6,099	6,211	6,322	6,402	6,446	
2002					4,987	5,473	5,711	6,025	6,203	6,345	6,461	6,570	6,635	6,693	
2003				4,528	5,216	5,542	5,958	6,227	6,414	6,586	6,735	6,846	6,938	7,009	
2004			3,034	3,985	4,596	5,065	5,388	5,634	5,813	5,980	6,089	6,189	6,279	6,349	
2005		1,661	2,780	3,607	4,265	4,712	5,049	5,309	5,533	5,696	5,834	5,952	6,023	6,094	
2006	519	1,634	2,738	3,645	4,306	4,818	5,192	5,513	5,724	5,911	6,049	6,147	6,228	6,299	
2007	502	1,767	2,980	3,949	4,699	5,267	5,722	6,014	6,248	6,420	6,508	6,613	6,705	6,754	
2008	548	1,935	3,330	4,510	5,376	6,008	6,448	6,794	7,020	7,153	7,297	7,418	7,482	7,548	
2009	636	2,263	3,878	5,164	6,095	6,747	7,270	7,616	7,747	7,949	8,114	8,202	8,289		
2010	714	2,411	4,050	5,274	6,139	6,813	7,355	7,488	7,723	7,931	8,044	8,118			
2011	702	2,361	3,861	5,005	5,887	6,649	6,908	7,205	7,467	7,589	7,689				
2012	710	2,360	3,873	5,078	6,033	6,505	6,883	7,185	7,357	7,477					
2013	696	2,410	3,940	5,177	5,924	6,435	6,824	7,030	7,181						
2014	756	2,587	4,152	5,277	6,006	6,498	6,784	6,976							
2015	853	2,730	4,334	5,407	6,076	6,486	6,766								
2016	845	2,889	4,503	5,553	6,166	6,576									
2017	947	3,047	4,541	5,449	6,040										
2018	969	2,993	4,420	5,420											
2019	916	2,776	4,281												
2020	848	2,730													
2021	832														

* Based on private insurer data only.

Source: Based on WCIRB's quarterly and large deductible data calls, including COVID-19 claims.

Paid MCCP per Indemnity Claim

Large Deductible (LD) Experience

	Evaluated as of (months):													
<u>AY</u>	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>72</u>	<u>84</u>	<u>96</u>	<u>108</u>	<u>120</u>	<u>132</u>	<u>144</u>	<u>156</u>	<u>168</u>
2012	828	1,570	2,113	2,457	2,625	2,767	2,850	2,925	2,982	3,017				
2013	854	1,646	2,154	2,434	2,619	2,749	2,841	2,904	2,951					
2014	852	1,660	2,129	2,402	2,584	2,708	2,793	2,849						
2015	911	1,696	2,104	2,362	2,528	2,619	2,694							
2016	884	1,556	1,940	2,184	2,319	2,435								
2017	814	1,531	1,948	2,174	2,337									
2018	908	1,534	1,848	2,084										
2019	861	1,481	1,883											
2020	673	1,286												
2021	731													

Non-Large Deductible Experience from Insurers Writing LD

	Evaluated as of (months):													
<u>AY</u>	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>72</u>	<u>84</u>	<u>96</u>	<u>108</u>	<u>120</u>	<u>132</u>	<u>144</u>	<u>156</u>	<u>168</u>
2012	838	1,723	2,309	2,686	2,626	2,786	2,879	2,928	2,953	2,987				
2013	864	1,762	2,319	2,326	2,492	2,614	2,656	2,703	2,740					
2014	840	1,673	1,993	2,211	2,374	2,412	2,488	2,545						
2015	748	1,420	1,744	1,989	2,070	2,170	2,242							
2016	624	1,241	1,555	1,644	1,800	1,897								
2017	608	1,132	1,343	1,585	1,718									
2018	623	1,137	1,506	1,739										
2019	542	1,122	1,484											
2020	511	1,035												
2021	550													

All California WC Experience

	Evaluated as of (months):													
<u>AY</u>	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>72</u>	<u>84</u>	<u>96</u>	<u>108</u>	<u>120</u>	<u>132</u>	<u>144</u>	<u>156</u>	<u>168</u>
2012	665	1,346	1,815	2,121	2,225	2,365	2,458	2,501	2,538	2,567				
2013	653	1,327	1,768	1,965	2,126	2,243	2,300	2,343	2,378					
2014	631	1,291	1,662	1,881	2,033	2,111	2,173	2,215						
2015	626	1,227	1,556	1,769	1,885	1,951	2,005							
2016	592	1,152	1,454	1,629	1,728	1,809								
2017	585	1,126	1,430	1,602	1,717									
2018	639	1,179	1,460	1,649										
2019	610	1,146	1,467											
2020	518	1,023												
2021	545													

All Non-Large Deductible Experience

	Evaluated as of (months):													
<u>AY</u>	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>72</u>	<u>84</u>	<u>96</u>	<u>108</u>	<u>120</u>	<u>132</u>	<u>144</u>	<u>156</u>	<u>168</u>
2012	584	1,221	1,646	1,932	2,000	2,131	2,229	2,258	2,280	2,305				
2013	550	1,147	1,547	1,695	1,835	1,943	1,984	2,013	2,040					
2014	517	1,081	1,393	1,576	1,708	1,761	1,808	1,841						
2015	475	960	1,237	1,420	1,504	1,555	1,596							
2016	439	912	1,157	1,286	1,362	1,421								
2017	456	872	1,100	1,238	1,323									
2018	485	950	1,208	1,365										
2019	472	924	1,188											
2020	419	843												
2021	431													

Source: Based on WCIRB's quarterly and large deductible data calls, including COVID-19 claims.

Large Deductible (LD) Experience

AY	Evaluated as of (months):															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168		
2001	30.9%	46.8%	63.7%	75.7%	83.6%	87.8%	90.5%	92.4%	93.9%	94.9%	95.6%	96.0%	96.6%	97.0%		
2002	29.4%	46.5%	64.2%	78.2%	85.5%	89.4%	91.8%	93.9%	94.7%	95.7%	96.1%	96.8%	97.3%	97.7%		
2003	29.6%	48.7%	68.8%	80.9%	86.7%	90.6%	92.4%	93.4%	94.6%	95.1%	95.7%	96.3%	96.7%	97.1%		
2004	30.4%	53.9%	69.5%	80.2%	85.9%	88.9%	90.8%	91.8%	93.2%	94.2%	95.2%	95.5%	96.0%	96.7%		
2005	37.6%	58.0%	72.3%	80.5%	85.1%	87.7%	89.7%	91.4%	93.1%	94.0%	95.0%	95.8%	96.3%	96.8%		
2006	39.5%	60.8%	72.7%	80.1%	84.3%	87.0%	89.6%	91.4%	92.8%	94.1%	95.1%	95.8%	96.3%	97.0%		
2007	41.1%	60.9%	71.7%	78.8%	83.7%	87.0%	89.3%	90.7%	92.5%	94.1%	95.2%	95.9%	96.6%	96.9%		
2008	40.6%	59.7%	71.4%	78.7%	84.0%	87.4%	90.2%	92.0%	93.3%	94.0%	95.2%	95.8%	96.5%	96.5%		
2009	40.2%	59.6%	71.2%	78.9%	84.1%	87.5%	90.3%	92.5%	93.8%	94.9%	95.7%	96.2%	96.6%			
2010	41.0%	59.3%	71.5%	79.3%	85.0%	88.5%	91.7%	93.6%	95.1%	96.1%	96.5%	97.1%				
2011	39.2%	60.0%	71.2%	79.5%	85.4%	89.2%	91.9%	93.6%	94.9%	95.5%	96.3%					
2012	42.3%	60.0%	72.9%	81.0%	86.2%	90.0%	92.0%	93.8%	94.7%	95.6%						
2013	40.2%	60.7%	74.5%	82.6%	88.1%	91.4%	93.5%	94.6%	95.7%							
2014	39.9%	60.5%	74.4%	83.0%	88.0%	91.0%	92.9%	94.3%								
2015	40.5%	61.4%	75.4%	83.9%	89.0%	91.2%	93.2%									
2016	40.7%	62.3%	76.4%	84.4%	88.3%	91.2%										
2017	42.2%	62.7%	76.2%	83.3%	87.6%											
2018	42.0%	62.3%	74.6%	82.9%												
2019	43.2%	62.1%	75.1%													
2020	44.3%	64.0%														
2021	47.6%															

Non-Large Deductible Experience from Insurers Writing LD

AY	Evaluated as of (months):															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168		
2001	22.7%	44.6%	61.2%	74.3%	83.3%	88.0%	90.6%	92.5%	94.1%	95.2%	96.2%	96.7%	97.0%	97.5%		
2002	22.5%	41.7%	62.2%	76.8%	84.7%	88.1%	91.3%	93.4%	94.2%	95.1%	95.5%	96.4%	97.2%	97.6%		
2003	21.2%	44.6%	67.3%	78.8%	84.6%	88.8%	91.3%	92.4%	93.4%	94.1%	95.2%	95.9%	96.6%	97.5%		
2004	21.9%	48.3%	67.8%	78.3%	84.6%	88.3%	90.2%	91.7%	93.6%	94.4%	95.6%	96.2%	97.1%	97.3%		
2005	26.0%	52.6%	68.1%	79.3%	84.0%	86.0%	88.9%	91.0%	92.6%	93.5%	94.7%	95.5%	96.2%	96.5%		
2006	30.3%	52.7%	68.3%	77.1%	82.5%	86.1%	88.3%	90.2%	91.8%	93.7%	95.0%	95.9%	96.5%	97.2%		
2007	31.7%	54.2%	69.0%	77.4%	83.5%	86.6%	89.0%	90.8%	92.6%	94.7%	95.7%	96.4%	96.8%	97.2%		
2008	33.9%	54.9%	68.6%	78.1%	83.6%	87.3%	89.7%	91.8%	93.4%	94.7%	95.8%	96.4%	96.5%	96.6%		
2009	33.7%	53.5%	68.6%	77.4%	81.7%	86.5%	89.3%	91.9%	93.5%	94.8%	95.5%	96.0%	96.2%			
2010	33.0%	54.0%	68.2%	77.6%	83.3%	87.7%	90.6%	92.8%	94.1%	94.6%	95.4%	95.9%				
2011	33.5%	54.3%	68.8%	77.0%	83.3%	88.5%	91.1%	93.1%	94.4%	94.9%	95.5%					
2012	35.5%	54.2%	68.7%	79.0%	84.7%	89.1%	91.4%	93.1%	94.0%	95.0%						
2013	31.4%	53.5%	70.1%	80.6%	86.5%	90.5%	92.4%	94.0%	95.3%							
2014	31.3%	54.4%	71.3%	80.8%	86.5%	90.4%	92.8%	93.7%								
2015	30.9%	53.9%	71.1%	81.1%	87.0%	90.0%	92.0%									
2016	31.9%	55.4%	72.3%	82.2%	87.0%	89.9%										
2017	31.1%	55.2%	71.6%	80.5%	86.3%											
2018	31.9%	54.8%	69.8%	79.7%												
2019	31.2%	53.5%	69.1%													
2020	31.1%	53.7%														
2021	33.8%															

All California WC Experience

AY	Evaluated as of (months):															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168		
2001	25.4%	46.8%	63.0%	75.1%	82.9%	87.2%	89.8%	91.5%	92.9%	93.8%	94.4%	95.0%	95.5%	96.0%		
2002	25.1%	45.9%	64.6%	77.9%	84.8%	88.4%	90.9%	92.6%	93.5%	94.2%	95.0%	95.8%	96.3%	96.8%		
2003	25.4%	47.7%	67.9%	79.2%	84.7%	87.9%	89.7%	90.8%	91.8%	92.5%	93.6%	94.4%	95.1%	95.6%		
2004	26.1%	51.9%	68.1%	77.8%	83.4%	86.0%	87.9%	89.0%	90.6%	91.9%	93.1%	93.9%	94.6%	95.4%		
2005	31.4%	56.2%	70.1%	78.8%	82.8%	84.8%	86.5%	88.1%	90.4%	91.8%	93.1%	94.0%	94.7%	95.5%		
2006	33.2%	56.5%	69.8%	77.2%	81.2%	84.1%	86.7%	89.0%	90.7%	92.2%	93.3%	94.4%	95.1%	95.9%		
2007	34.8%	56.6%	68.8%	76.6%	81.6%	84.9%	87.3%	89.3%	91.2%	92.6%	94.0%	94.8%	95.1%	96.2%		
2008	36.0%	56.7%	68.7%	76.9%	82.4%	86.1%	88.7%	90.6%	92.0%	93.2%	94.4%	95.1%	95.5%	95.9%		
2009	35.5%	54.8%	68.6%	76.9%	82.5%	86.0%	89.1%	91.2%	92.7%	93.9%	94.8%	95.4%	95.9%			
2010	35.2%	55.7%	69.1%	78.2%	83.9%	87.7%	90.5%	92.5%	93.9%	94.8%	95.5%	96.2%				
2011	34.3%	55.1%	69.7%	77.9%	84.0%	88.1%	91.0%	93.0%	94.4%	95.2%	96.0%					
2012	35.8%	56.3%	70.3%	79.8%	85.3%	89.0%	91.5%	93.2%	94.1%	95.0%						
2013	34.3%	56.1%	71.8%	81.4%	87.2%	90.6%	92.6%	94.1%	95.2%							
2014	34.2%	56.7%	72.5%	81.7%	87.1%	90.6%	92.7%	94.1%								
2015	34.0%	56.7%	72.8%	82.2%	87.8%	90.5%	92.7%									
2016	34.8%	58.0%	73.9%	83.1%	87.5%	90.5%										
2017	34.8%	58.1%	73.5%	81.6%	86.8%											
2018	35.3%	57.8%	71.8%	81.0%												
2019	35.3%	56.9%	71.5%													
2020	35.6%	57.7%														
2021	38.7%															

All Non-Large Deductible Experience

AY	Evaluated as of (months):															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168		
2001	24.5%	47.6%	62.8%	74.7%	82.5%	87.0%	89.4%	91.2%	92.3%	93.3%	93.9%	94.5%	95.1%	95.6%		
2002	24.4%	45.8%	64.7%	77.7%	84.6%	87.9%	90.5%	92.1%	93.0%	93.6%	94.4%	95.4%	95.9%	96.5%		
2003	24.2%	47.2%	67.4%	78.4%	83.6%	86.6%	88.5%	89.6%	90.5%	91.3%	92.6%	93.4%	94.3%	94.9%		
2004	24.5%	50.9%	67.4%	76.5%	82.0%	84.5%	86.3%	87.5%	89.2%	90.7%	92.0%	93.0%	93.8%	94.6%		
2005	28.9%	55.2%	68.8%	77.8%	81.4%	83.1%	84.6%	86.1%	88.7%	90.5%	92.0%	93.0%	93.8%	94.6%		
2006	30.8%	54.3%	68.2%	75.6%	79.4%	82.4%	85.1%	87.6%	89.5%	91.2%	92.2%	93.6%	94.4%	95.2%		
2007	32.2%	54.6%	67.4%	75.4%	80.5%	83.8%	86.2%	88.5%	90.4%	91.8%	93.3%	94.3%	94.3%	95.9%		
2008	34.1%	55.3%	67.4%	75.9%	81.5%	85.5%	87.9%	89.9%	91.3%	92.8%	93.9%	94.7%	95.0%	95.6%		
2009	33.5%	52.5%	67.2%	75.7%	81.7%	85.1%	88.4%	90.5%	92.1%	93.4%	94.3%	94.9%	95.4%			
2010	32.7%	54.0%	67.8%	77.6%	83.3%	87.1%	89.9%	91.9%	93.1%	94.0%	94.8%	95.6%				
2011	32.3%	52.8%	68.8%	77.0%	83.3%	87.4%	90.4%	92.7%	94.1%	94.9%	95.9%					
2012	32.7%	54.2%	68.7%	79.0%	84.7%	88.4%	91.1%	92.8%	93.7%	94.6%						
2013	31.4%	53.5%	70.1%	80.6%	86.5%	90.0%	92.1%	93.7%	95.0%							
2014	31.3%	54.4%	71.3%	80.8%	86.5%	90.4%	92.5%	94.0%								
2015	30.9%	53.9%	71.1%	81.1%	87.0%	90.0%	92.4%									
2016	31.9%	55.4%	72.3%	82.2%	87.0%	89.9%										
2017	31.1%	55.2%	71.6%	80.5%	86.3%											
2018	31.9%	54.8%	69.8%	79.7%												
2019	31.2%	53.5%	69.1%													
2020	31.1%	53.7%														
2021	33.8%															

Source: Based on WCIRB's quarterly and large deductible data calls, including COVID-19 claims.
III-A-20

Large Deductible (LD) Experience

AY	Evaluated as of (months):															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168		
2001	42.3%	64.2%	72.9%	78.0%	81.4%	83.5%	83.9%	84.4%	85.3%	85.4%	86.4%	87.2%	88.3%	89.0%		
2002	42.3%	65.3%	73.5%	80.1%	84.4%	85.6%	86.7%	87.7%	88.0%	88.7%	89.1%	89.9%	90.4%	92.0%		
2003	42.3%	63.7%	73.8%	81.0%	83.6%	85.5%	86.8%	87.4%	87.8%	88.4%	89.7%	90.5%	91.2%	92.6%		
2004	38.5%	62.1%	73.6%	78.5%	82.0%	83.8%	85.0%	85.7%	86.7%	87.3%	88.3%	89.3%	90.4%	92.0%		
2005	40.5%	62.6%	70.6%	77.6%	81.4%	83.4%	84.8%	86.2%	87.8%	88.9%	89.9%	91.0%	92.2%	92.9%		
2006	41.3%	62.0%	71.3%	77.0%	80.5%	83.0%	84.8%	86.4%	87.5%	89.0%	90.8%	92.4%	93.2%	94.5%		
2007	42.3%	63.5%	71.8%	77.2%	81.1%	83.2%	84.4%	85.8%	87.2%	89.3%	90.9%	92.3%	93.4%	94.4%		
2008	42.4%	60.9%	70.2%	75.7%	79.4%	82.0%	84.2%	85.7%	87.5%	89.5%	91.0%	92.2%	93.4%	94.3%		
2009	39.9%	60.0%	69.2%	76.1%	80.2%	82.8%	85.3%	87.7%	89.9%	91.3%	92.8%	93.8%	94.7%			
2010	40.0%	58.6%	68.4%	75.2%	80.5%	83.9%	87.0%	89.2%	91.3%	92.6%	93.7%	94.7%				
2011	38.6%	58.8%	65.7%	73.5%	79.3%	83.6%	86.2%	89.0%	90.4%	91.9%	92.6%					
2012	38.9%	55.1%	66.5%	74.7%	80.6%	85.0%	88.1%	90.4%	92.1%	93.2%						
2013	34.2%	54.5%	67.3%	75.2%	82.0%	85.7%	88.6%	90.2%	91.9%							
2014	34.8%	55.6%	68.4%	76.7%	82.6%	85.9%	88.4%	90.5%								
2015	35.0%	56.9%	69.3%	78.2%	82.7%	85.8%	88.5%									
2016	35.9%	57.0%	69.3%	77.8%	82.5%	86.7%										
2017	36.7%	57.9%	69.9%	76.9%	82.4%											
2018	37.5%	57.4%	69.4%	77.7%												
2019	37.8%	56.7%	69.6%													
2020	35.3%	57.7%														
2021	37.0%															

Non-Large Deductible Experience from Insurers Writing LD

AY	Evaluated as of (months):															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168		
2001	38.1%	62.1%	70.7%	76.5%	81.2%	83.4%	84.4%	85.8%	86.9%	87.6%	88.9%	89.7%	90.2%	90.4%		
2002	36.8%	59.9%	69.0%	76.8%	81.7%	82.9%	86.0%	87.7%	88.1%	88.2%	89.1%	90.0%	90.5%	91.7%		
2003	33.1%	58.1%	70.3%	76.8%	81.1%	83.8%	85.5%	86.5%	87.6%	88.6%	89.9%	90.6%	91.9%	93.5%		
2004	32.3%	60.0%	68.5%	75.6%	79.7%	82.1%	83.5%	84.8%	86.4%	87.5%	88.4%	89.9%	91.6%	93.2%		
2005	34.5%	55.2%	66.0%	75.0%	79.8%	81.0%	83.4%	85.2%	86.8%	88.5%	90.3%	91.5%	92.7%	93.8%		
2006	34.9%	57.2%	67.5%	74.4%	79.3%	82.2%	84.2%	85.7%	87.0%	88.8%	91.2%	92.5%	93.2%	94.5%		
2007	35.3%	56.7%	66.9%	74.2%	79.7%	82.2%	84.4%	85.8%	87.9%	90.1%	92.0%	93.3%	94.4%	95.2%		
2008	37.5%	56.5%	67.4%	76.1%	79.8%	82.6%	84.9%	87.1%	89.1%	90.6%	92.0%	92.8%	94.1%	94.7%		
2009	37.3%	56.1%	67.5%	74.0%	76.9%	82.4%	85.2%	87.9%	90.0%	91.7%	93.0%	93.6%	94.8%			
2010	35.5%	56.5%	67.1%	73.4%	78.5%	83.7%	87.4%	90.4%	92.2%	93.0%	94.6%	95.4%				
2011	35.3%	56.0%	63.7%	71.5%	77.1%	84.2%	87.2%	89.3%	91.1%	92.8%	93.7%					
2012	35.7%	51.0%	63.7%	73.6%	79.7%	85.0%	88.2%	90.1%	91.9%	93.2%						
2013	31.2%	49.9%	64.9%	74.9%	81.1%	85.9%	88.1%	90.8%	93.1%							
2014	30.4%	51.8%	66.4%	76.0%	82.7%	87.5%	90.5%	91.9%								
2015	30.1%	51.1%	65.2%	75.3%	82.1%	85.8%	89.6%									
2016	30.9%	52.3%	66.7%	77.3%	82.6%	86.1%										
2017	31.5%	53.0%	67.1%	76.1%	81.9%											
2018	31.3%	53.3%	67.2%	77.0%												
2019	30.4%	51.1%	66.3%													
2020	28.6%	51.5%														
2021	29.1%															

All California WC Experience

AY	Evaluated as of (months):															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168		
2001	35.6%	60.7%	69.2%	75.4%	79.8%	82.4%	83.5%	84.3%	84.7%	84.7%	85.3%	86.1%	87.1%	87.9%		
2002	34.5%	59.2%	69.5%	76.5%	81.8%	83.4%	84.8%	85.6%	86.1%	86.4%	86.9%	88.2%	89.0%	90.5%		
2003	35.5%	58.9%	69.2%	76.4%	80.7%	82.1%	83.4%	83.9%	84.1%	84.8%	86.6%	87.9%	89.2%	90.9%		
2004	33.8%	57.9%	68.3%	74.0%	77.7%	80.0%	80.7%	81.7%	83.2%	84.8%	86.5%	88.1%	89.5%	91.2%		
2005	35.1%	56.7%	66.0%	73.9%	78.3%	79.2%	80.5%	81.8%	83.9%	85.4%	87.5%	88.8%	90.6%	91.9%		
2006	35.0%	56.0%	66.0%	72.9%	76.9%	79.3%	81.3%	81.8%	84.8%	86.6%	88.8%	90.5%	91.4%	92.7%		
2007	35.1%	56.8%	66.7%	72.9%	77.0%	79.5%	82.0%	83.9%	85.8%	88.1%	89.3%	90.9%	91.9%	93.4%		
2008	37.2%	56.6%	66.4%	73.0%	77.3%	80.8%	83.3%	85.3%	87.4%	89.3%	90.8%	91.8%	93.1%	94.1%		
2009	37.1%	55.6%	65.6%	72.7%	78.0%	81.3%	84.2%	86.7%	88.8%	90.4%	91.4%	92.5%	93.5%			
2010	36.4%	55.7%	66.3%	74.0%	79.2%	83.1%	86.5%	89.1%	91.0%	92.3%	93.5%	94.8%				
2011	35.1%	54.9%	64.4%	72.2%	77.8%	82.8%	86.4%	89.2%	91.0%	92.5%	93.6%					
2012	35.1%	52.4%	64.7%	74.0%	80.1%	84.2%	87.6%	89.7%	91.3%	92.6%						
2013	32.2%	51.5%	65.7%	75.0%	81.4%	85.8%	88.7%	90.7%	92.6%							
2014	31.9%	53.2%	67.1%	76.3%	82.6%	86.5%	89.2%	91.2%								
2015	31.7%	53.1%	66.7%	76.3%	82.3%	85.9%	89.1%									
2016	32.6%	54.0%	67.7%	77.5%	82.5%	86.4%										
2017	33.2%	54.7%	68.2%	76.4%	82.1%											
2018	33.4%	54.8%	68.0%	77.2%												
2019	32.9%	53.2%	67.6%													
2020	30.8%	53.7%														
2021	31.9%															

All Non-Large Deductible Experience

AY	Evaluated as of (months):															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168		
2001	34.1%	60.7%	68.1%	74.5%	79.2%	82.0%	83.5%	84.4%	84.4%	84.3%	84.8%	85.6%	86.6%	87.5%		
2002	32.9%	57.2%	67.9%	75.1%	80.8%	82.4%	84.0%	84.7%	85.2%	85.4%	86.0%	87.5%	88.3%	89.9%		
2003	33.3%	56.9%	67.2%	74.3%	79.2%	80.5%	81.7%	82.2%	82.4%	83.2%	85.2%	86.6%	88.3%	90.0%		
2004	31.9%	55.8%	65.4%	71.5%	75.2%	77.9%	78.4%	79.5%	81.4%	83.3%	85.6%	87.4%	89.0%	90.8%		
2005	32.6%	53.1%	63.1%	71.6%	76.4%	76.5%	77.9%	79.1%	81.6%	83.4%	86.1%	87.5%	89.6%	91.3%		
2006	31.9%	52.7%	63.0%	70.6%	74.8%	77.2%	79.3%	81.3%	83.3%	85.3%	87.6%	89.5%	90.3%	91.8%		
2007	31.6%	53.2%	63.9%	70.6%	74.9%	77.5%	80.6%	82.9%	85.1%	87.4%	88.4%	90.2%	91.1%	92.9%		
2008	34.8%	54.5%	64.5%	71.6%	76.2%	80.2%	82.8%	85.1%	87.4%	89.2%	90.6%	91.6%	92.9%	93.9%		
2009	35.8%	53.4%	63.7%	70.9%	76.9%	80.5%	83.7%	86.2%	88.3%	90.0%	90.7%	91.7%	92.9%			
2010	34.7%	54.3%	65.3%	73.4%	78.5%	82.7%	86.3%	89.0%	90.9%	92.2%	93.4%	94.9%				
2011	33.3%	53.0%	63.7%	71.5%	77.1%	82.4%	86.5%	89.4%	91.2%	92.9%	94.2%					
2012	33.2%	51.0%	63.7%	73.6%	79.7%	83.8%	87.4%	89.3%	90.8%	92.2%						
2013	31.2%	49.9%	64.9%	74.9%	81.1%	85.9%	88.8%	90.9%	93.0%							
2014	30.4%	51.8%	66.4%	76.0%	82.7%	86.8%	89.7%	91.7%								
2015	30.1%	51.1%	65.2%	75.3%	82.1%	86.0%	89.5%									
2016	30.9%	52.3%	66.7%	77.3%	82.6%	86.2%										
2017	31.5%	53.0%	67.1%	76.1%	81.9%											
2018	31.3%	53.3%	67.2%	77.0%												
2019	30.4%	51.1%	66.3%													
2020	28.6%	51.5%														
2021	29.1%															

Source: Based on WCIRB's quarterly and large deductible data calls, including COVID-19 claims.

Reported Indemnity Claim Count Development

Large Deductible (LD) Experience

AY	Evaluated as of (months):												
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001						1.000	1.001	1.000	1.000	1.001	1.001	1.000	1.000
2002					1.002	1.002	1.000	1.001	1.001	1.002	1.001	1.001	1.000
2003				1.011	1.003	0.999	1.000	1.001	1.000	1.001	1.000	1.000	1.000
2004			1.013	1.004	1.002	0.998	1.001	1.001	1.001	1.000	1.001	1.001	1.000
2005		1.035	1.011	1.005	1.000	1.002	1.001	1.000	1.001	1.001	1.000	1.000	1.000
2006	1.236	1.030	1.017	1.002	1.005	1.002	1.003	1.002	1.001	1.001	1.000	1.000	1.000
2007	1.196	1.030	1.009	1.007	1.006	1.002	1.002	1.002	1.001	1.000	1.001	1.000	1.000
2008	1.236	1.033	1.018	1.008	1.006	1.002	1.003	1.001	1.001	1.001	1.000	1.000	1.000
2009	1.284	1.047	1.015	1.009	1.005	1.004	1.001	1.001	1.001	1.000	1.000	1.000	
2010	1.322	1.041	1.017	1.008	1.006	1.004	1.002	1.001	1.001	1.000	1.000		
2011	1.320	1.052	1.018	1.010	1.004	1.002	1.001	1.001	1.000	1.000			
2012	1.362	1.045	1.019	1.005	1.004	1.002	1.001	1.000	1.001				
2013	1.337	1.047	1.013	1.005	1.004	1.002	1.001	1.001					
2014	1.326	1.037	1.012	1.007	1.004	1.001	1.000						
2015	1.296	1.039	1.012	1.006	1.004	1.001							
2016	1.347	1.047	1.013	1.003	1.001								
2017	1.300	1.033	1.008	1.002									
2018	1.319	1.029	1.009										
2019	1.373	1.033											
2020	1.261												

Non-Large Deductible Experience from Insurers Writing LD

AY	Evaluated as of (months):												
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001						1.005	1.002	1.001	1.000	1.001	1.001	1.002	1.001
2002					1.007	1.004	1.002	1.001	1.002	1.002	1.002	1.000	1.000
2003				1.003	1.002	0.999	1.000	1.001	1.001	1.001	1.001	1.001	1.001
2004			1.004	1.005	0.996	1.006	1.002	1.002	1.001	1.001	1.001	1.000	1.001
2005		1.010	1.004	0.997	1.005	1.006	1.002	1.003	1.000	0.999	0.999	1.000	1.000
2006	1.122	1.019	0.996	1.006	1.001	1.001	1.000	1.002	1.000	1.001	1.000	1.000	1.001
2007	1.126	1.011	1.009	1.004	1.003	1.001	1.001	1.000	1.000	1.001	1.000	1.001	1.000
2008	1.136	1.024	1.009	1.004	1.003	1.002	1.001	1.001	1.001	1.000	1.001	1.001	1.001
2009	1.153	1.022	1.011	1.005	1.004	1.002	1.001	1.001	1.001	1.001	1.000	1.000	
2010	1.180	1.026	1.008	1.009	1.003	1.001	1.001	1.001	1.001	1.000	1.001		
2011	1.200	1.022	1.011	1.007	1.003	1.001	1.001	1.001	1.001	1.001			
2012	1.194	1.030	1.009	1.012	1.003	1.001	1.001	1.000	1.000				
2013	1.207	1.021	1.014	1.006	1.002	1.002	1.001	1.000					
2014	1.200	1.026	1.012	1.004	1.004	1.000	1.001						
2015	1.228	1.026	1.007	1.005	1.003	1.001							
2016	1.200	1.026	1.195	1.005	1.003								
2017	1.196	1.024	1.009	1.005									
2018	1.195	1.025	1.005										
2019	1.137	1.025											
2020	1.199												

All California WC Experience

AY	Evaluated as of (months):												
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001						1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000
2002					1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003				1.001	0.999	0.998	0.999	0.999	1.000	0.999	1.000	1.000	1.000
2004			1.003	1.001	0.999	1.000	0.999	0.999	0.999	1.000	1.000	1.000	1.000
2005		1.010	1.003	1.000	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2006	1.126	1.011	1.005	1.002	1.001	1.000	1.001	1.001	1.001	1.000	1.000	1.000	1.000
2007	1.122	1.014	1.006	1.004	1.002	1.000	1.001	1.001	1.000	1.000	1.000	1.000	1.000
2008	1.146	1.022	1.011	1.005	1.003	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000
2009	1.192	1.029	1.011	1.006	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	
2010	1.217	1.030	1.011	1.006	1.003	1.002	1.001	1.000	1.000	1.000	1.000		
2011	1.233	1.032	1.013	1.007	1.002	1.001	1.001	1.001	1.000	1.000			
2012	1.243	1.035	1.013	1.005	1.003	1.001	1.001	1.000	1.001				
2013	1.248	1.031	1.010	1.004	1.002	1.002	1.001	1.000					
2014	1.236	1.027	1.010	1.004	1.002	1.000	1.000						
2015	1.236	1.027	1.006	1.003	1.002	1.001							
2016	1.244	1.029	1.007	1.003	1.001								
2017	1.220	1.023	1.007	1.003									
2018	1.226	1.023	1.006										
2019	1.222	1.027											
2020	1.213												

All Non-Large Deductible Experience

AY	Evaluated as of (months):												
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001						1.001	0.999	1.000	1.000	1.000	1.000	1.000	1.000
2002					1.000	0.999	1.000	0.999	0.999	0.999	1.000	1.000	1.000
2003				0.996	0.998	0.998	0.999	0.998	0.999	0.999	1.000	1.000	1.000
2004			0.997	0.999	0.997	1.000	0.998	0.999	0.998	0.999	1.000	0.999	1.000
2005		0.997	0.999	0.997	1.001	1.001	0.999	1.000	0.999	1.000	0.999	1.000	1.000
2006	1.075	1.001	0.998	1.002	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000
2007	1.086	1.005	1.005	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008	1.104	1.017	1.007	1.004	1.002	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.000
2009	1.150	1.020	1.009	1.003	1.003	1.001	1.001	1.000	1.000	1.000	1.000	1.000	
2010	1.167	1.025	1.008	1.005	1.002	1.001	1.001	1.000	1.000	1.000	1.000		
2011	1.192	1.023	1.011	1.005	1.001	1.001	1.000	1.000	1.000	1.000			
2012	1.190	1.029	1.010	1.005	1.002	1.000	1.000	1.000	1.001				
2013	1.204	1.023	1.008	1.004	1.000	1.001	1.001	1.000					
2014	1.191	1.021	1.009	1.002	1.001	1.000	1.000						
2015	1.204	1.020	1.002	1.001	1.001	1.000							
2016	1.190	1.018	1.003	1.003	1.001								
2017	1.175	1.017	1.007	1.003									
2018	1.172	1.020	1.004										
2019	1.139	1.023											
2020	1.182												

Source: Based on WCIRB's quarterly and large deductible data calls, including COVID-19 claims.

Reported Total Claim Count Development

Large Deductible (LD) Experience

	Evaluated as of (months):												
AY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001								1.000	1.000	1.001	1.001	1.000	1.000
2002							1.000	1.001	1.001	1.001	1.000	1.000	1.000
2003						1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000
2004					1.000	0.999	1.001	1.000	1.000	1.000	1.000	1.000	1.000
2005				1.000	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000
2006			1.007	1.002	1.002	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000
2007		1.012	1.005	1.003	1.003	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000
2008	1.165	1.013	1.009	1.003	1.003	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000
2009	1.184	1.019	1.006	1.003	1.001	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000
2010	1.199	1.015	1.007	1.003	1.003	1.002	1.001	1.001	1.000	1.000	1.000	1.000	1.000
2011	1.198	1.021	1.006	1.004	1.002	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000
2012	1.226	1.016	1.006	1.002	1.002	1.001	1.001	1.001	1.000				
2013	1.206	1.016	1.004	1.002	1.001	1.001	1.004	1.001					
2014	1.201	1.012	1.005	1.002	1.001	1.010	1.000						
2015	1.207	1.014	1.005	1.002	1.001	1.001							
2016	1.227	1.018	1.006	1.001	1.001								
2017	1.195	1.011	1.008	1.001									
2018	1.202	1.008	1.002										
2019	1.208	1.007											
2020	1.173												

Non-Large Deductible Experience from Insurers Writing LD

AY	Evaluated as of (months):												
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001								1.002	1.001	1.001	1.001	1.001	1.000
2002							1.003	1.001	1.001	1.001	1.001	1.000	1.000
2003						1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.001
2004					1.002	1.005	1.001	1.001	1.000	1.000	1.001	1.000	1.000
2005				1.002	1.003	1.002	1.001	1.001	1.000	0.999	1.000	1.000	1.000
2006			1.002	1.003	1.002	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000
2007		1.013	1.006	1.003	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000
2008	1.126	1.013	1.006	1.002	1.002	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000
2009	1.131	1.014	1.006	1.004	1.003	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000
2010	1.138	1.015	1.006	1.005	1.002	1.001	1.001	1.001	1.001	1.000	1.000		
2011	1.134	1.012	1.007	1.005	1.002	1.001	1.001	1.001	1.000	1.001			
2012	1.128	1.019	1.007	1.009	1.002	1.001	1.001	0.999	1.000				
2013	1.157	1.018	1.013	1.004	1.002	1.002	0.997	1.001					
2014	1.169	1.018	1.008	1.003	1.002	0.989	1.001						
2015	1.174	1.014	1.005	1.003	1.003	1.000							
2016	1.153	1.012	1.005	1.005	1.001								
2017	1.146	1.012	0.999	1.002									
2018	1.125	1.008	1.003										
2019	1.111	1.015											
2020	1.136												

All California WC Experience

	Evaluated as of (months):												
AY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001								1.001	1.001	1.001	1.000	1.000	1.000
2002							1.001	1.001	1.001	1.000	1.000	1.000	1.000
2003						1.000	1.001	1.001	1.000	1.000	1.000	1.000	1.000
2004					1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000
2005				1.001	1.002	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000
2006			1.005	1.003	1.002	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000
2007		1.012	1.005	1.004	1.002	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000
2008	1.128	1.013	1.008	1.003	1.002	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000
2009	1.146	1.016	1.006	1.004	1.002	1.002	1.001	1.001	1.001	1.000	1.000	1.000	1.000
2010	1.154	1.016	1.007	1.004	1.003	1.002	1.001	1.001	1.000	1.000	1.000		
2011	1.158	1.017	1.007	1.004	1.002	1.001	1.001	1.001	1.000	1.000			
2012	1.167	1.017	1.007	1.004	1.002	1.001	1.001	1.000	1.000				
2013	1.172	1.018	1.006	1.003	1.002	1.001	1.001	1.001					
2014	1.174	1.015	1.006	1.003	1.002	1.001	1.001						
2015	1.177	1.015	1.005	1.003	1.002	1.001							
2016	1.180	1.015	1.005	1.003	1.001								
2017	1.161	1.012	1.005	1.002									
2018	1.157	1.010	1.003										
2019	1.154	1.012											
2020	1.149												

All Non-Large Deductible Experience

	Evaluated as of (months):												
AY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168
2001								1.001	1.001	1.001	1.000	1.000	1.000
2002							1.001	1.001	1.001	1.000	1.000	1.000	1.000
2003						1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000
2004					1.001	1.003	1.001	1.001	1.000	1.000	1.000	1.000	1.000
2005				1.002	1.002	1.002	1.001	1.001	1.000	1.000	1.000	1.000	1.000
2006			1.003	1.003	1.002	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000
2007		1.012	1.006	1.004	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000
2008	1.106	1.013	1.007	1.003	1.002	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000
2009	1.123	1.015	1.007	1.004	1.003	1.002	1.001	1.001	1.001	1.000	1.000	1.000	1.000
2010	1.128	1.016	1.007	1.004	1.003	1.001	1.001	1.001	1.001	1.000	1.000		
2011	1.133	1.015	1.008	1.005	1.002	1.001	1.001	1.001	1.000	1.000	1.000		
2012	1.133	1.018	1.008	1.005	1.002	1.001	1.001	1.000	1.000				
2013	1.149	1.019	1.007	1.004	1.002	1.002	0.999	1.001					
2014	1.155	1.016	1.008	1.003	1.002	0.994	1.001						
2015	1.157	1.015	1.005	1.003	1.003	1.001							
2016	1.149	1.013	1.005	1.005	1.001								
2017	1.137	1.013	1.002	1.003									
2018	1.124	1.011	1.004										
2019	1.114	1.015											
2020	1.131												

Source: Based on WCIRB's quarterly and large deductible data calls, including COVID-19 claims.

Reported Indemnity Claim Settlement Ratios

Large Deductible (LD) Experience

	Evaluated as of (months):														
AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001						84.1%	88.2%	91.3%	93.1%	94.3%	95.0%	95.7%	96.2%	96.7%	
2002					79.8%	85.6%	90.0%	92.6%	94.0%	94.9%	95.6%	96.3%	96.7%	97.1%	
2003				73.8%	81.8%	87.6%	91.0%	93.0%	94.1%	95.0%	95.8%	96.4%	96.8%	97.4%	
2004			62.3%	74.8%	83.5%	88.0%	90.8%	92.4%	93.7%	94.9%	95.8%	96.3%	96.9%	97.3%	
2005		51.1%	64.9%	76.4%	83.5%	87.7%	90.2%	92.2%	93.9%	95.0%	95.8%	96.6%	97.1%	97.6%	
2006	30.3%	51.4%	65.6%	76.8%	84.1%	87.8%	90.7%	91.9%	93.4%	94.7%	95.8%	96.6%	97.2%	97.7%	
2007	25.9%	49.4%	64.1%	75.0%	81.5%	85.5%	89.1%	91.5%	93.1%	94.6%	95.7%	96.5%	97.1%	97.6%	
2008	29.0%	48.7%	63.3%	73.4%	80.1%	85.2%	89.1%	91.6%	93.6%	94.9%	96.1%	96.8%	97.3%	97.6%	
2009	27.5%	46.7%	60.2%	71.2%	79.3%	84.6%	88.5%	91.6%	93.5%	95.0%	96.1%	96.8%	97.3%		
2010	27.7%	46.4%	60.4%	72.2%	80.4%	85.5%	89.7%	92.5%	94.6%	95.8%	96.7%	97.3%			
2011	27.3%	46.3%	61.1%	72.9%	80.9%	86.5%	90.6%	93.4%	95.0%	96.1%	96.8%				
2012	28.2%	47.8%	62.7%	73.9%	82.2%	88.0%	91.6%	94.0%	95.4%	96.3%					
2013	28.4%	48.3%	63.5%	75.9%	84.3%	89.4%	92.6%	94.6%	95.8%						
2014	27.8%	48.1%	64.7%	77.7%	85.7%	90.1%	92.8%	94.6%							
2015	26.1%	49.3%	67.3%	80.0%	87.0%	90.5%	92.9%								
2016	27.1%	52.0%	70.2%	81.8%	87.3%	90.8%									
2017	29.3%	55.3%	72.1%	81.5%	87.3%										
2018	30.8%	55.7%	70.7%	80.5%											
2019	27.3%	53.0%	68.0%												
2020	34.8%	58.2%													
2021	34.7%														

Non-Large Deductible Experience from Insurers Writing LD

	Evaluated as of (months):														
AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001						84.3%	87.8%	90.2%	92.0%	93.3%	94.4%	95.2%	96.0%	96.5%	
2002					78.8%	84.2%	87.6%	90.1%	91.8%	93.3%	94.4%	95.6%	96.3%	96.8%	
2003				69.6%	78.3%	83.6%	87.1%	89.5%	91.6%	93.1%	94.9%	95.7%	96.2%	96.8%	
2004			60.4%	72.1%	79.3%	83.9%	87.0%	89.7%	91.8%	94.1%	95.2%	95.9%	96.7%	97.3%	
2005		48.3%	62.8%	73.8%	80.1%	84.2%	87.5%	90.1%	92.7%	94.2%	95.2%	96.2%	97.0%	97.6%	
2006	24.7%	49.7%	64.0%	73.5%	79.9%	84.4%	87.6%	90.9%	92.8%	94.1%	95.4%	96.3%	97.0%	97.6%	
2007	27.9%	50.0%	63.2%	72.8%	79.5%	84.2%	88.7%	91.4%	93.2%	94.9%	96.1%	96.9%	97.6%	98.1%	
2008	26.9%	47.8%	61.0%	71.4%	78.7%	85.0%	88.8%	91.4%	93.7%	95.2%	96.2%	97.1%	97.7%	98.1%	
2009	26.3%	46.0%	59.9%	70.4%	79.0%	84.6%	88.6%	91.8%	94.0%	95.4%	96.6%	97.3%	97.8%		
2010	26.5%	46.9%	60.6%	72.5%	80.5%	86.0%	90.3%	93.0%	94.8%	96.2%	97.0%	97.7%			
2011	27.4%	47.5%	62.3%	73.6%	81.5%	87.1%	91.0%	93.6%	95.6%	96.6%	97.3%				
2012	27.7%	48.1%	63.6%	75.1%	83.0%	88.5%	92.2%	94.7%	96.1%	97.0%					
2013	26.1%	48.5%	64.5%	76.6%	84.9%	90.1%	93.6%	95.4%	96.6%						
2014	26.5%	49.7%	66.4%	78.3%	86.4%	91.1%	93.9%	95.7%							
2015	27.3%	51.3%	68.8%	80.8%	88.2%	91.8%	94.4%								
2016	28.8%	54.3%	71.4%	82.8%	88.7%	92.2%									
2017	31.0%	56.7%	73.8%	83.2%	88.9%										
2018	31.3%	56.7%	71.8%	81.9%											
2019	33.2%	54.8%	69.8%												
2020	32.6%	57.0%													
2021	32.2%														

All California WC Experience

AY	Evaluated as of (months):														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001						84.2%	87.9%	90.5%	92.3%	93.6%	94.6%	95.3%	96.1%	96.6%	
2002					79.1%	84.6%	88.3%	90.8%	92.5%	93.8%	94.7%	95.8%	96.4%	96.9%	
2003				71.0%	79.5%	84.9%	88.4%	90.6%	92.4%	93.7%	95.2%	95.9%	96.4%	97.0%	
2004			61.1%	73.0%	80.8%	85.3%	88.3%	90.6%	92.5%	94.4%	95.4%	96.0%	96.8%	97.3%	
2005		49.3%	63.5%	74.7%	81.3%	85.5%	88.5%	90.8%	93.1%	94.5%	95.4%	96.4%	97.0%	97.6%	
2006	26.5%	50.3%	64.6%	74.7%	81.4%	85.6%	88.7%	91.2%	93.0%	94.3%	95.5%	96.4%	97.1%	97.6%	
2007	27.3%	49.8%	63.5%	73.6%	80.2%	84.7%	88.8%	91.4%	93.2%	94.8%	96.0%	96.7%	97.4%	97.9%	
2008	27.5%	48.1%	61.8%	72.1%	79.2%	85.1%	88.9%	91.5%	93.7%	95.1%	96.2%	97.0%	97.6%	97.9%	
2009	26.7%	46.3%	60.0%	70.7%	79.1%	84.6%	88.5%	91.7%	93.8%	95.3%	96.4%	97.1%	97.6%		
2010	26.9%	46.7%	60.5%	72.4%	80.5%	85.8%	90.1%	92.8%	94.7%	96.1%	96.9%	97.5%			
2011	27.4%	47.1%	61.9%	73.4%	81.3%	86.9%	90.9%	93.6%	95.4%	96.4%	97.1%				
2012	27.9%	48.0%	63.3%	74.7%	82.7%	88.3%	92.0%	94.5%	95.8%	96.7%					
2013	26.8%	48.4%	64.1%	76.4%	84.7%	89.8%	93.2%	95.1%	96.3%						
2014	26.9%	49.1%	65.8%	78.1%	86.2%	90.7%	93.5%	95.3%							
2015	26.8%	50.6%	68.3%	80.5%	87.8%	91.3%	93.8%								
2016	28.2%	53.4%	70.9%	82.4%	88.2%	91.7%									
2017	30.4%	56.2%	73.1%	82.5%	88.3%										
2018	31.1%	56.3%	71.4%	81.3%											
2019	31.1%	54.0%	69.1%												
2020	33.4%	57.5%													
2021	33.2%														

All Non-Large Deductible Experience

	Evaluated as of (months):														
AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	
2001						84.3%	87.8%	90.2%	92.0%	93.3%	94.4%	95.2%	96.0%	96.5%	
2002					78.8%	84.2%	87.6%	90.1%	91.8%	93.3%	94.4%	95.6%	96.3%	96.8%	
2003				69.6%	78.3%	83.6%	87.1%	89.5%	91.6%	93.1%	94.9%	95.7%	96.2%	96.8%	
2004			60.4%	72.1%	79.3%	83.9%	87.0%	89.7%	91.8%	94.1%	95.2%	95.9%	96.7%	97.3%	
2005		48.3%	62.8%	73.8%	80.1%	84.2%	87.5%	90.1%	92.7%	94.2%	95.2%	96.2%	97.0%	97.6%	
2006	24.7%	49.7%	64.0%	73.5%	79.9%	84.4%	87.6%	90.9%	92.8%	94.1%	95.4%	96.3%	97.0%	97.6%	
2007	27.9%	50.0%	63.2%	72.8%	79.5%	84.2%	88.7%	91.4%	93.2%	94.9%	96.1%	96.9%	97.6%	98.1%	
2008	26.9%	47.8%	61.0%	71.4%	78.7%	85.0%	88.8%	91.4%	93.7%	95.2%	96.2%	97.1%	97.7%	98.1%	
2009	26.3%	46.0%	59.9%	70.4%	79.0%	84.6%	88.6%	91.8%	94.0%	95.4%	96.6%	97.3%	97.8%		
2010	26.5%	46.9%	60.6%	72.5%	80.5%	86.0%	90.3%	93.0%	94.8%	96.2%	97.0%	97.7%			
2011	27.4%	47.5%	62.3%	73.6%	81.5%	87.1%	91.0%	93.6%	95.6%	96.6%	97.3%				
2012	27.7%	48.1%	63.6%	75.1%	83.0%	88.5%	92.2%	94.7%	96.1%	97.0%					
2013	26.1%	48.5%	64.5%	76.6%	84.9%	90.1%	93.6%	95.4%	96.6%						
2014	26.5%	49.7%	66.4%	78.3%	86.4%	91.1%	93.9%	95.7%							
2015	27.3%	51.3%	68.8%	80.8%	88.2%	91.8%	94.4%								
2016	28.8%	54.3%	71.4%	82.8%	88.7%	92.2%									
2017	31.0%	56.7%	73.8%	83.2%	88.9%										
2018	31.3%	56.7%	71.8%	81.9%											
2019	33.2%	54.8%	69.8%												
2020	32.6%	57.0%													
2021	32.2%														

Source: Based on WCIRB's quarterly and large deductible data calls, including COVID-19 claims.

Item AC22-09-03

Pandemic Impact on Classification Relativities

At the September 13, 2022 meeting, the Committee noted that for the September 1, 2023 classification relativities, policy year 2020 experience that may be significantly impacted by the pandemic will be available. The Committee discussed several potential options for mitigating the impact of the pandemic-period data on the classification relativities, including (1) setting the minimum number of years used at three (rather than two), (2) increasing the number of years used by one for each classification (up to five maximum) and (3) not including the latest (most pandemic-impacted) year. Staff and a majority of the Committee members agreed that option (2) which involves increasing the number of years used by one for each classification seems most appropriate as it mitigates the impact of the pandemic-period data for most classifications while still utilizing the latest available experience. The Committee recommended reviewing the impact on the classification relativities using some preliminary 2020 data that would underlie the September 1, 2023 relativities.

Exhibit 1 shows the impact of options (1) and (2) discussed above on the September 1, 2022 classification relativities. Changes in a classification's relativity shown in Exhibit 1 are the differences from the "baseline" methodology, which uses two to five years of experience based on the size of the classification (rather than the change from the prior filing). As shown in Exhibit 1 and discussed at the September 13, 2022 meeting, the impact of these options are modest for most classifications. However, this is based on the September 1, 2022 classification relativities which does not heavily utilize the pandemic-period data.

Staff has computed a preliminary set of classification relativities that utilize some of the pandemic-period data from policy year 2020. The latest year of data used in this set is from policies incepting between December 1, 2019 to November 30, 2020. Although this mirrors the policy period that will be used for the September 1, 2023 relativities, this data set is preliminary as it does not include late data submissions, data corrections or other adjustments to the classification data that is typically included in the classification relativity analysis. In addition, the factors and adjustments used to compute this preliminary set of September 1, 2023 relativities are based on those used in the September 1, 2022 relativities. However, the comparisons across approaches may be useful as the "baseline" methodology relativities would have the same limitations.

Exhibit 2 shows the impact of options (1) and (2) on the preliminary set of September 1, 2023 classification relativities. The impact on most classifications is modest and similar to the distribution in Exhibit 1. Staff reviewed classifications with larger changes in relativities when using the alternative approaches. In general, these classifications included those more significantly impacted by the pandemic-caused economic slowdown, such as classifications related to aircraft operation or the entertainment industry. Options (1) and (2) also resulted in less extreme relativity changes compared to the baseline in this preliminary data set, with the standard deviation of the preliminary relativity changes at 13.0% for option 1 and 12.7% for option 2 compared to 13.4% for the baseline.

For reference, Exhibit 3 shows the distribution of changes in classification relativities from the September 1, 2021 filing to the September 1, 2022 filing. The typical year-to-year variation in relativities is much greater than the variation from using the alternative approaches.

As discussed above, staff recommends using option (2), which increases the number of years used by one for each classification, for the September 1, 2023 Regulatory Filing. Staff also recommends reviewing the impact of the pandemic period data again later next year in preparation for the September 1, 2024 Regulatory Filing.

Exhibit 1: Difference in 9/1/2022 Relativities from Option 0 (Baseline)

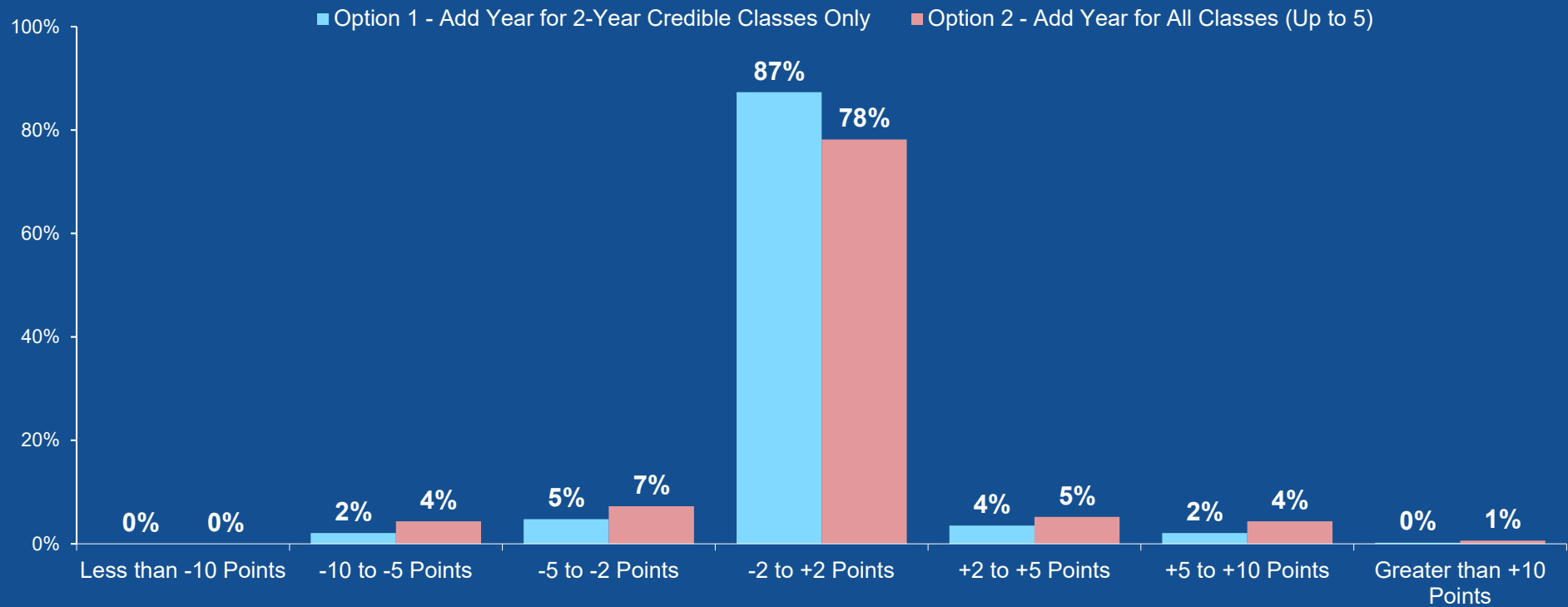


Exhibit 2: Difference in *Preliminary* 9/1/2023 Relativities from Option 0 (Baseline)

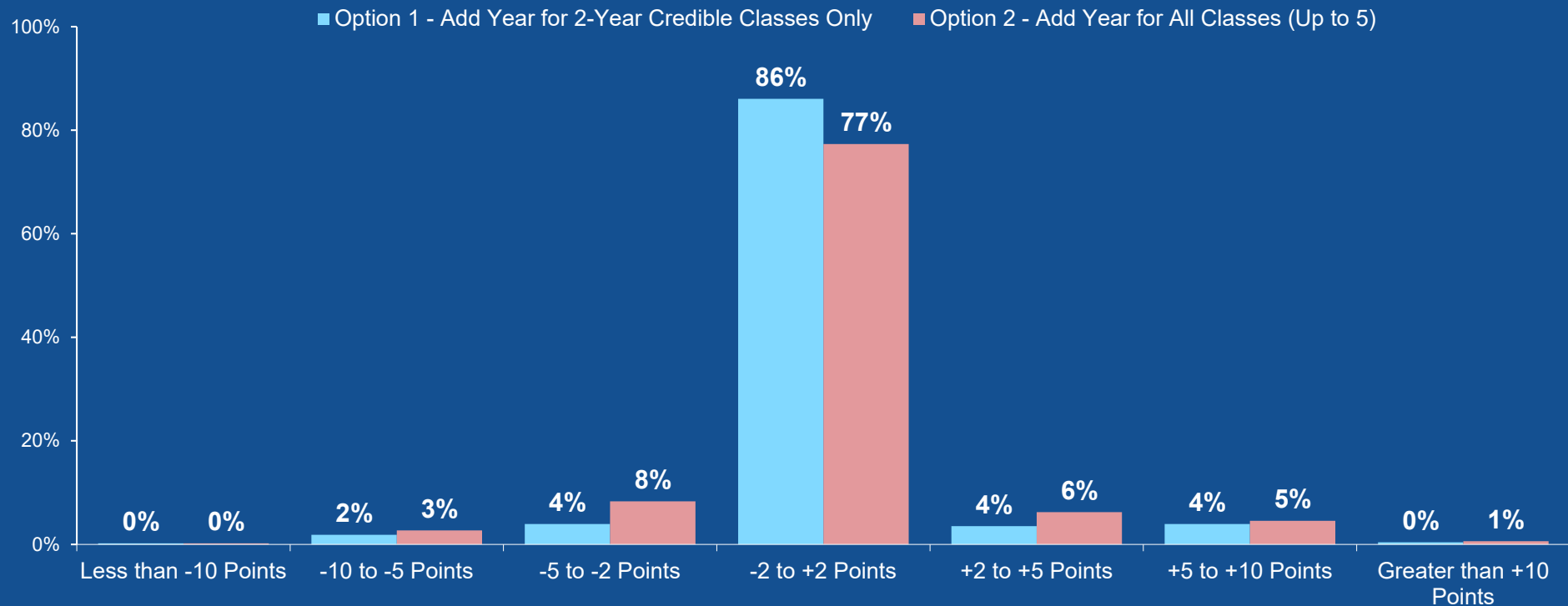
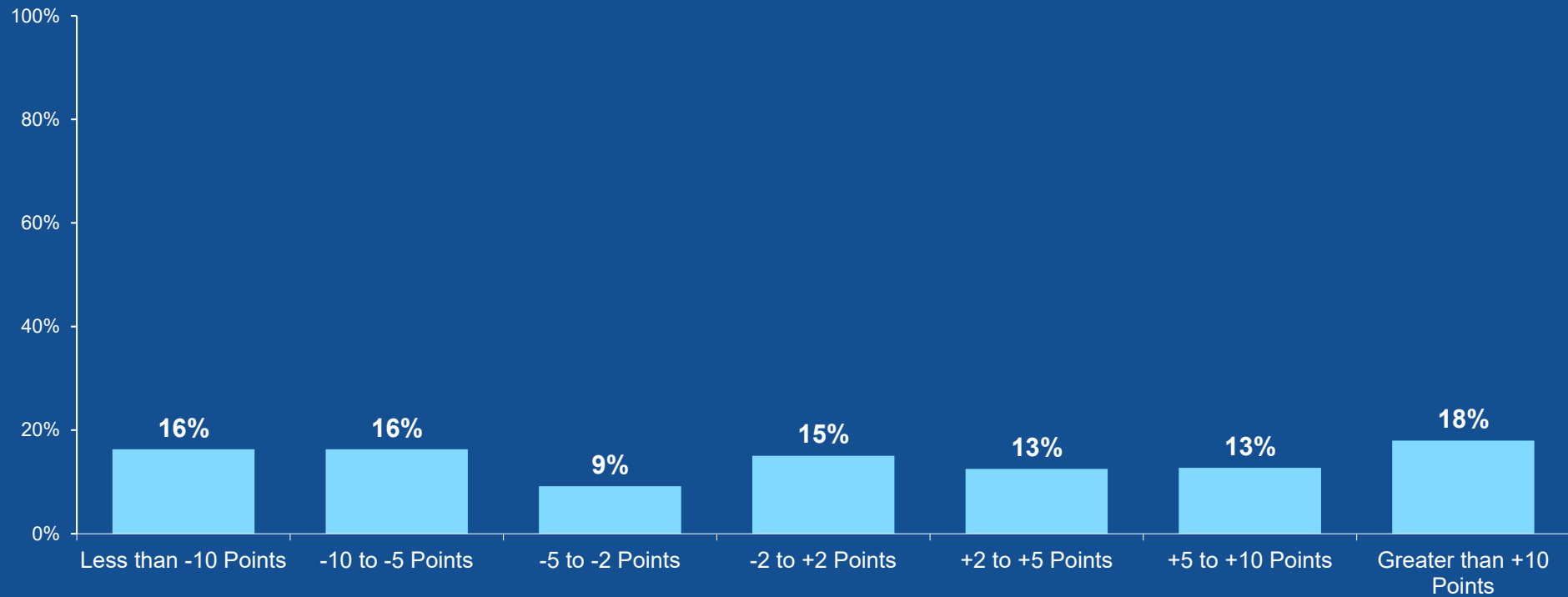


Exhibit 3: Difference in 9/1/2022 Relativities from 9/1/2021



Item AC22-12-01

9/30/2022 Experience Review

Staff has prepared an analysis of statewide insurer experience through September 30, 2022, which is included in Exhibits 1 through 8. This information reflects insurers writing approximately 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 September 30, 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 September 30, 2022 insurer experience and the September 1, 2022 Pure Premium Rate Filing methodologies is 0.646. 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 September 30, 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	1,508,727,956	5,669,907	1,343,876,919	36,149,845	16,928,533	2,911,353,160	0.666
1988	5,172,689,663	1,706,533,502	5,542,769	1,552,391,458	24,938,054	76,494,640	3,365,900,423	0.651
1989	5,675,354,099	1,942,965,288	5,230,578	1,812,219,577	39,237,631	44,015,361	3,843,668,435	0.677
1990	5,704,833,514	2,264,253,623	5,035,192	2,057,530,694	24,369,342	60,891,605	4,412,080,456	0.773
1991	5,866,830,467	2,486,579,767	12,553,503	2,216,326,726	35,040,211	58,227,033	4,808,727,240	0.820
1992	5,685,646,721	1,983,525,304	12,263,300	1,777,360,392	35,536,477	52,682,518	3,861,367,991	0.679
1993	5,935,051,898	1,697,738,610	9,442,066	1,526,117,633	44,865,245	55,422,165	3,333,585,719	0.562
1994	5,031,286,773	1,634,150,467	16,296,465	1,482,710,494	64,593,809	36,701,316	3,234,452,551	0.643
1995	3,789,372,110	1,773,895,378	20,191,647	1,646,670,657	72,598,803	39,634,515	3,552,991,000	0.938
1996	3,746,680,214	1,967,382,888	23,932,106	1,743,497,928	70,166,604	56,107,591	3,861,087,117	1.031
1997	3,926,898,608	2,333,498,732	26,782,778	2,045,378,815	88,804,650	95,739,546	4,590,204,521	1.169
1998	4,332,127,034	2,789,144,054	36,731,673	2,696,490,277	154,401,573	167,306,810	5,844,074,387	1.349
1999	4,550,437,880	3,066,731,196	36,039,470	3,090,768,265	116,157,109	229,897,291	6,539,593,331	1.437
2000	5,920,961,162	3,449,615,288	48,925,116	3,622,872,771	152,822,723	364,388,340	7,638,624,238	1.290
2001	10,108,322,683	4,879,157,725	68,161,481	5,455,163,237	240,589,857	583,073,306	11,226,145,606	1.111
2002	13,309,435,814	4,784,125,917	66,257,842	5,540,511,820	209,521,986	833,150,926	11,433,568,491	0.859
2003	19,280,128,929	4,571,810,230	111,251,822	5,123,835,742	238,697,223	1,204,027,555	11,249,622,572	0.583
2004	23,014,791,568	3,241,720,998	96,970,548	4,123,361,871	194,803,686	1,310,615,547	8,967,472,650	0.390
2005	21,384,360,071	2,574,125,542	79,796,269	3,735,804,071	171,706,289	1,059,652,336	7,621,084,507	0.356
2006	17,221,780,296	2,665,835,879	82,412,537	3,852,961,662	209,851,423	701,670,529	7,512,732,030	0.436
2007	13,260,139,026	2,816,455,269	94,804,673	4,126,933,296	220,504,202	664,645,176	7,923,342,616	0.598
2008	10,744,447,308	2,866,714,622	110,550,786	4,119,700,421	235,393,533	409,739,194	7,742,098,556	0.721
2009	8,873,155,994	2,753,087,767	108,992,994	3,940,770,114	252,001,551	342,747,564	7,397,599,990	0.834
2010	9,374,814,819	2,775,580,538	89,756,834	4,045,438,523	194,774,655	636,672,311	7,742,222,861	0.826
2011	10,120,427,050	2,755,719,110	101,037,656	3,678,772,133	223,038,527	549,069,357	7,307,636,783	0.722
2012	11,699,330,284	2,812,861,732	132,333,385	3,599,566,200	242,724,676	682,142,020	7,469,628,013	0.638
2013	14,161,005,539	2,860,716,129	119,741,989	3,446,869,385	242,135,339	1,210,596,897	7,880,059,739	0.556
2014	15,986,106,452	3,012,917,032	156,371,457	3,409,603,450	283,388,397	1,568,713,424	8,430,993,760	0.527
2015	17,060,021,462	3,081,928,369	194,797,511	3,339,880,683	341,179,177	1,975,371,315	8,933,157,055	0.524
2016	17,949,045,779	2,988,683,989	247,000,147	3,232,058,305	418,752,127	2,009,384,428	8,895,878,996	0.496
2017	17,671,411,530	2,890,964,696	344,576,497	3,127,046,982	559,166,882	2,725,802,210	9,647,557,267	0.546
2018	17,426,671,333	2,823,443,687	489,864,131	3,115,756,455	690,156,016	2,780,813,804	9,900,034,093	0.568
2019	16,116,850,562	2,682,586,440	726,435,444	2,876,346,103	937,626,345	2,526,662,835	9,749,657,167	0.605
2020	14,095,940,927	1,925,116,748	838,892,646	2,088,853,863	1,124,575,169	2,818,726,297	8,796,164,723	0.624
2021	13,597,004,207	1,282,985,756	1,026,460,641	1,496,999,281	1,450,361,637	3,878,068,544	9,134,875,859	0.672
2022	11,373,868,350	319,706,454	608,497,997	408,363,719	1,131,733,881	4,068,799,309	6,537,101,360	0.575

* 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>33/21</u>	<u>45/33</u>	<u>57/45</u>	<u>69/57</u>	<u>81/69</u>	<u>93/81</u>	<u>105/93</u>	<u>117/105</u>	<u>129/117</u>	<u>141/129</u>	<u>153/141</u>	<u>165/153</u>	<u>177/165</u>	<u>189/177</u>	<u>201/189</u>	<u>213/201</u>
1996												1.000	1.001	1.000	1.002	1.001
1997											1.002	1.002	1.003	1.002	1.001	1.001
1998										1.003	1.002	1.005	1.002	1.001	1.001	1.003
1999								1.006	1.002	1.004	1.003	1.003	1.003	1.001	1.001	1.001
2000								1.005	1.003	1.006	1.003	1.002	1.004	1.002	1.000	1.002
2001							1.012	1.006	1.008	1.007	1.005	1.004	1.001	1.001	1.002	1.001
2002						1.015	1.010	1.011	1.007	1.006	1.003	1.003	1.002	1.002	1.002	1.001
2003					1.025	1.017	1.018	1.016	1.011	1.004	1.005	1.003	1.003	1.002	1.003	1.004
2004				1.043	1.028	1.029	1.018	1.015	1.010	1.007	1.004	1.001	1.002	1.005	1.001	1.002
2005			1.076	1.053	1.045	1.033	1.018	1.012	1.005	1.005	1.005	1.003	1.006	1.003	1.003	1.002
2006		1.133	1.080	1.061	1.041	1.027	1.015	1.010	1.007	1.006	1.004	1.003	1.005	1.002	1.003	
2007	1.350	1.144	1.075	1.057	1.037	1.028	1.012	1.012	1.006	1.006	1.008	1.004	1.002	1.004		
2008	1.369	1.166	1.086	1.048	1.033	1.021	1.014	1.008	1.008	1.007	1.005	1.006	1.002			
2009	1.372	1.171	1.086	1.054	1.029	1.019	1.016	1.010	1.010	1.006	1.007	1.006				
2010	1.402	1.157	1.083	1.047	1.029	1.020	1.013	1.012	1.007	1.004	1.004					
2011	1.366	1.154	1.072	1.042	1.026	1.020	1.012	1.009	1.007	1.005						
2012	1.364	1.133	1.074	1.046	1.023	1.020	1.014	1.008	1.006							
2013	1.333	1.135	1.063	1.037	1.024	1.013	1.009	1.005								
2014	1.363	1.140	1.069	1.035	1.017	1.013	1.006									
2015	1.353	1.122	1.057	1.029	1.020	1.009										
2016	1.326	1.116	1.057	1.026	1.018											
2017	1.315	1.114	1.048	1.031												
2018	1.316	1.097	1.051													
2019	1.302	1.120														
2020	1.314															
Selected (a)	1.314	1.120	1.051	1.031	1.018	1.009	1.006	1.005	1.007	1.006	1.006	1.004	1.003	1.003	1.002	1.002
Cumulative	1.734	1.320	1.178	1.121	1.087	1.068	1.059	1.052	1.047	1.039	1.034	1.028	1.024	1.021	1.018	1.015

(a) Selections are latest year for the 21-to-33 month through 105-to-117 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)																				ULT/453Inc (b)
	225/213	237/225	249/237	261/249	273/261	285/273	297/285	309/297	321/309	333/321	345/333	357/345	369/357	381/369	393/381	405/393	417/405	429/417	441/429	453/441	
1983									1.000	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.001	1.001	1.001	1.000	
1984								1.001	1.001	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.001	1.001	1.001	1.001	
1985							1.000	1.001	1.001	1.000	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.001	
1986						1.001	1.000	1.001	1.002	1.002	1.000	0.999	1.000	1.000	1.000	1.000	1.001	1.001	1.000		
1987					1.000	1.000	1.001	1.002	1.000	1.001	1.000	1.001	1.000	1.001	1.000	1.001	1.000	1.000			
1988				1.000	1.000	1.002	1.002	1.000	1.000	1.001	1.000	1.000	1.000	1.001	1.001	1.000	1.000				
1989			1.001	1.000	1.001	1.000	1.000	1.000	1.001	1.001	1.000	1.000	1.001	1.000	1.000	1.000					
1990		1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.003	0.998	1.000						
1991	1.001	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.001	1.000	1.001							
1992	1.000	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.001	1.002	1.000	1.001								
1993	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.001	0.998	1.000									
1994	1.002	1.003	1.000	1.001	1.001	0.999	1.000	1.001	1.002	1.000	1.000										
1995	1.001	0.998	1.001	1.000	1.000	1.000	1.001	1.003	0.999	1.001											
1996	1.002	1.000	1.001	1.002	1.000	1.001	1.003	0.999	1.001												
1997	1.000	1.000	1.000	1.001	1.000	1.004	0.998	1.000													
1998	1.000	1.001	1.001	1.001	1.001	1.001	1.001														
1999	1.000	1.001	1.002	1.001	1.000	1.000															
2000	1.002	1.000	1.002	1.000	1.000																
2001	1.001	1.002	1.001	1.000																	
2002	1.002	1.002	1.001																		
2003	1.001	1.002																			
2004	1.002																				
Selected (a)	1.001	1.001	1.001	1.001	1.000	1.001	1.001	1.001	1.000	1.001	1.000	1.000	1.001	1.000	1.000	1.000	1.001	1.001	1.001	1.001	
Cumulative	1.013	1.012	1.010	1.009	1.008	1.008	1.007	1.007	1.006	1.006	1.006	1.005	1.005	1.004	1.004	1.004	1.004	1.003	1.003	1.002	1.002

(b) The ULT/453Inc tail factor was calculated based on an inverse power curve fit to a six-year average of the 117-to-129 through 345-to-357 factors, excluding the 2016, 2017, and 2018 evaluations, and extrapolated to 80 development years.

Incurred Medical Loss Development Factors

Accident Year	Age-to-Age (in months) (b)															
	33/21	45/33	57/45	69/57	81/69	93/81	105/93	117/105	129/117	141/129	153/141	165/153	177/165	189/177	201/189	213/201
1996												1.019	1.017	1.015	1.005	1.005
1997											1.013	1.017	1.013	1.006	1.007	1.001
1998										1.020	1.019	1.006	1.014	1.010	1.010	1.003
1999									1.020	1.021	1.014	1.009	1.013	1.007	0.999	1.000
2000								1.017	1.026	1.017	1.017	1.014	1.006	1.002	0.996	0.996
2001							1.042	1.031	1.024	1.017	1.017	1.015	1.002	0.995	0.997	0.999
2002						1.038	1.030	1.027	1.024	1.016	1.009	1.003	0.996	1.000	0.999	1.000
2003					1.045	1.038	1.038	1.030	1.022	1.013	1.004	1.000	0.997	1.002	1.003	1.003
2004				1.066	1.063	1.045	1.034	1.027	1.019	1.007	1.001	0.997	0.999	1.001	0.999	0.999
2005			1.073	1.088	1.059	1.047	1.039	1.015	1.011	1.007	1.002	1.002	0.997	1.000	1.001	0.997
2006		1.124	1.085	1.071	1.053	1.043	1.024	1.014	1.002	1.001	1.004	1.000	1.003	0.999	1.002	
2007	1.251	1.132	1.090	1.072	1.054	1.037	1.019	1.008	1.005	1.003	1.004	0.998	0.998	1.000		
2008	1.241	1.143	1.103	1.068	1.045	1.029	1.013	1.005	1.005	1.004	1.001	0.998	1.000			
2009	1.267	1.146	1.105	1.066	1.034	1.020	1.009	1.006	1.007	1.001	1.004	1.003				
2010	1.291	1.155	1.085	1.051	1.029	1.015	1.009	1.011	1.004	1.001	1.001					
2011	1.271	1.140	1.080	1.039	1.022	1.011	1.009	1.003	1.003	1.002						
2012	1.233	1.102	1.062	1.039	1.018	1.015	1.007	1.004	1.001							
2013	1.193	1.093	1.050	1.024	1.018	1.005	1.004	1.003								
2014	1.189	1.093	1.041	1.032	1.012	1.010	1.006									
2015	1.189	1.077	1.033	1.020	1.011	1.003										
2016	1.165	1.054	1.039	1.017	1.018											
2017	1.147	1.063	1.028	1.029												
2018	1.140	1.060	1.034													
2019	1.158	1.074														
2020	1.190															
Selected (a)	1.190	1.074	1.034	1.029	1.018	1.003	1.006	1.003	1.004	1.002	1.003	1.000	0.999	1.000	1.000	0.999
Cumulative	1.398	1.175	1.094	1.058	1.028	1.010	1.007	1.001	0.998	0.994	0.992	0.989	0.989	0.990	0.990	0.990

(a) Selections are latest year for the 21-to-33 month through 105-to-117 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	Age-to-Age (in months)																				ULT/453Inc (c)
1983									1.006	1.003	1.005	1.004	1.002	1.004	0.998	1.000	0.998	1.000	1.002	0.999	
1984								1.003	1.001	1.003	1.001	1.003	1.002	0.997	1.000	1.000	1.000	1.000	1.000	0.999	
1985							1.003	1.003	1.003	1.005	1.002	1.003	0.999	0.999	0.999	1.000	1.000	0.999	1.001	1.000	
1986						1.005	1.004	1.007	1.004	1.005	1.002	1.001	0.998	1.001	1.008	0.991	1.003	1.001	1.001		
1987					1.006	1.004	1.006	1.003	1.003	1.005	1.000	1.000	1.001	0.999	1.004	1.002	0.999	1.000			
1988				1.005	1.005	1.002	1.004	1.003	1.003	1.002	1.000	1.000	0.998	1.001	1.001	1.000	1.000				
1989			1.005	1.006	1.007	1.007	1.002	1.003	1.001	0.998	0.999	0.998	1.001	1.002	1.000	1.002					
1990		1.009	1.004	1.004	1.003	1.003	0.998	1.001	1.001	1.000	0.998	0.999	0.998	1.002	0.998						
1991	1.007	1.005	1.003	1.002	1.003	1.001	1.001	1.000	0.999	0.998	0.999	1.001	1.001	1.000							
1992	1.005	1.000	1.005	1.005	1.005	1.001	0.999	0.999	1.001	0.999	1.001	1.000	0.999								
1993	1.004	1.018	1.008	0.998	1.000	0.997	0.996	1.000	0.998	0.997	1.001	0.997									
1994	1.006	1.008	1.006	1.001	1.001	0.991	1.001	1.002	0.999	0.997	0.999										
1995	0.999	1.007	1.001	1.000	0.997	0.997	1.002	0.999	1.001	1.000											
1996	1.009	1.003	0.995	1.004	0.994	1.000	0.999	1.002	0.998												
1997	0.996	0.997	0.995	1.000	0.999	0.996	1.000	0.999													
1998	1.002	0.993	1.001	1.003	1.002	1.000	0.992														
1999	0.996	1.000	0.999	1.001	0.998	0.998															
2000	0.999	0.999	1.000	0.997	0.999																
2001	1.005	0.997	0.998	0.998																	
2002	1.001	0.999	0.998																		
2003	0.999	1.000																			
2004	1.001																				
Selected (a)	1.000	0.998	0.999	1.001	0.998	0.997	0.998	1.000	0.999	0.999	1.000	0.999	1.000	1.001	1.002	0.999	1.000	1.000	1.001	0.999	
Cumulative	0.991	0.991	0.993	0.994	0.994	0.995	0.998	1.000	1.000	1.001	1.002	1.003	1.003	1.004	1.003	1.001	1.002	1.002	1.002	1.001	1.002

(c) The ULT/453Inc tail factor was calculated based on an inverse power curve fit to a six-year average of the 117-to-129 through 345-to-357 factors, excluding the 2016, 2017, and 2018 evaluations, and extrapolated to 80 development years.

Paid Indemnity Loss Development Factors

Accident Year	Age-to-Age (in months)															
	<u>33/21</u>	<u>45/33</u>	<u>57/45</u>	<u>69/57</u>	<u>81/69</u>	<u>93/81</u>	<u>105/93</u>	<u>117/105</u>	<u>129/117</u>	<u>141/129</u>	<u>153/141</u>	<u>165/153</u>	<u>177/165</u>	<u>189/177</u>	<u>201/189</u>	<u>213/201</u>
1996												1.007	1.006	1.004	1.005	1.004
1997											1.009	1.007	1.006	1.006	1.005	1.004
1998										1.013	1.009	1.009	1.007	1.006	1.006	1.006
1999									1.016	1.011	1.010	1.008	1.008	1.006	1.004	1.005
2000								1.018	1.013	1.010	1.010	1.008	1.008	1.005	1.004	1.004
2001							1.026	1.018	1.015	1.013	1.012	1.009	1.007	1.006	1.006	1.005
2002						1.035	1.022	1.018	1.016	1.014	1.009	1.008	1.006	1.006	1.005	1.004
2003					1.049	1.033	1.026	1.023	1.022	1.016	1.013	1.009	1.009	1.007	1.006	1.007
2004				1.081	1.055	1.043	1.036	1.032	1.020	1.016	1.013	1.010	1.008	1.009	1.007	1.005
2005			1.143	1.088	1.062	1.049	1.044	1.031	1.022	1.017	1.012	1.012	1.010	1.010	1.006	1.005
2006		1.273	1.152	1.099	1.072	1.054	1.039	1.026	1.022	1.017	1.013	1.010	1.009	1.008	1.006	
2007	1.701	1.290	1.160	1.102	1.072	1.051	1.033	1.030	1.022	1.015	1.014	1.012	1.008	1.007		
2008	1.724	1.323	1.173	1.103	1.067	1.044	1.030	1.024	1.020	1.016	1.010	1.011	1.008			
2009	1.782	1.332	1.178	1.106	1.068	1.046	1.034	1.025	1.020	1.012	1.013	1.011				
2010	1.793	1.339	1.172	1.101	1.066	1.043	1.030	1.022	1.016	1.012	1.013					
2011	1.796	1.318	1.165	1.098	1.062	1.044	1.031	1.019	1.015	1.012						
2012	1.776	1.316	1.157	1.101	1.055	1.038	1.026	1.017	1.015							
2013	1.768	1.315	1.155	1.084	1.048	1.031	1.022	1.015								
2014	1.816	1.316	1.151	1.081	1.046	1.029	1.021									
2015	1.802	1.301	1.139	1.069	1.045	1.030										
2016	1.758	1.287	1.125	1.070	1.044											
2017	1.746	1.263	1.128	1.073												
2018	1.709	1.266	1.131													
2019	1.706	1.290														
2020	1.701															
Selected (a)	1.701	1.290	1.131	1.073	1.044	1.030	1.021	1.015	1.015	1.012	1.012	1.011	1.008	1.008	1.006	1.006
Cumulative	3.349	1.969	1.526	1.349	1.257	1.204	1.169	1.145	1.128	1.111	1.098	1.085	1.073	1.064	1.055	1.049

(a) Selections are latest year for the 21-to-33 month through 105-to-117 month factors and three-year average for the subsequent age-to-age factors.

Paid Indemnity Loss Development Factors (Continued)

Accident Year	Age-to-Age (in months)																				ULT/453Pd (b)
	225/213	237/225	249/237	261/249	273/261	285/273	297/285	309/297	321/309	333/321	345/333	357/345	369/357	381/369	393/381	405/393	417/405	429/417	441/429	453/441	
1983									1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	
1984								1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.001	1.001	1.001	1.001	1.000	
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	1.001	1.000	
1986						1.001	1.001	1.001	1.002	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.001	1.000	1.000	1.000	
1987					1.001	1.001	1.001	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000			
1988				1.001	1.001	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001			
1989			1.001	1.001	1.001	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.001	1.000					
1990		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					
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						
1992	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						
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								
1994	1.003	1.003	1.003	1.002	1.002	1.002	1.001	1.001	1.001	1.002	1.001										
1995	1.005	1.003	1.002	1.002	1.002	1.002	1.002	1.003	1.002	1.002	1.002										
1996	1.004	1.004	1.004	1.003	1.002	1.003	1.003	1.002	1.002												
1997	1.003	1.003	1.002	1.003	1.003	1.003	1.002	1.002													
1998	1.004	1.004	1.003	1.003	1.002	1.002	1.002	1.002													
1999	1.003	1.002	1.003	1.002	1.002	1.002															
2000	1.004	1.003	1.003	1.003	1.002																
2001	1.005	1.004	1.003	1.002																	
2002	1.004	1.003	1.003																		
2003	1.006	1.003																			
2004	1.003																				
Selected (a)	1.004	1.003	1.003	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.001	1.000	
Cumulative	1.043	1.038	1.035	1.032	1.029	1.027	1.025	1.023	1.020	1.018	1.017	1.016	1.015	1.014	1.013	1.012	1.011	1.011	1.011	1.010	1.010

(b) The ULT/453Pd tail factor was calculated based on an inverse power curve fit to a four-year average of the 117-to-129 through 345-to-357 factors and extrapolated to 80 development years.

Paid Medical Loss Development Factors

Unadjusted (a)	Age-to-Age (in months)															
Accident Year	33/21	45/33	57/45	69/57	81/69	93/81	105/93	117/105	129/117	141/129	153/141	165/153	177/165	189/177	201/189	213/201
1996												1.021	1.019	1.015	1.014	1.014
1997											1.022	1.020	1.016	1.015	1.013	1.015
1998										1.030	1.023	1.019	1.018	1.017	1.017	1.015
1999									1.033	1.026	1.026	1.016	1.016	1.018	1.016	1.013
2000								1.033	1.027	1.023	1.020	1.020	1.018	1.014	1.011	1.010
2001							1.040	1.035	1.030	1.023	1.023	1.023	1.016	1.014	1.012	1.009
2002						1.047	1.037	1.029	1.025	1.023	1.019	1.017	1.013	1.012	1.010	1.009
2003					1.060	1.050	1.040	1.030	1.030	1.030	1.020	1.016	1.015	1.011	1.011	1.011
2004				1.100	1.075	1.059	1.042	1.037	1.034	1.028	1.020	1.014	1.013	1.012	1.009	1.008
2005			1.153	1.103	1.079	1.053	1.053	1.042	1.033	1.024	1.018	1.015	1.014	1.013	1.009	1.006
2006		1.252	1.156	1.105	1.073	1.058	1.049	1.035	1.028	1.021	1.016	1.014	1.013	1.010	1.009	
2007	1.494	1.260	1.157	1.103	1.081	1.063	1.043	1.034	1.024	1.021	1.016	1.012	1.010	1.008		
2008	1.500	1.271	1.162	1.113	1.081	1.054	1.039	1.029	1.020	1.017	1.013	1.011	1.008			
2009	1.527	1.282	1.180	1.119	1.074	1.051	1.035	1.026	1.020	1.014	1.015	1.010				
2010	1.551	1.305	1.176	1.106	1.072	1.049	1.031	1.025	1.020	1.013	1.010					
2011	1.566	1.290	1.165	1.106	1.064	1.045	1.031	1.019	1.016	1.011						
2012	1.572	1.288	1.158	1.103	1.059	1.043	1.028	1.018	1.017							
2013	1.560	1.276	1.154	1.085	1.053	1.033	1.022	1.019								
2014	1.554	1.269	1.142	1.081	1.051	1.034	1.024									
2015	1.541	1.255	1.132	1.070	1.048	1.032										
2016	1.508	1.229	1.119	1.071	1.051											
2017	1.477	1.214	1.117	1.078												
2018	1.478	1.227	1.127													
2019	1.512	1.262														
2020	1.553															
Adjusted (b)	Age-to-Age (in months)															
Accident Year	33/21	45/33	57/45	69/57	81/69	93/81	105/93	117/105	129/117	141/129	153/141	165/153	177/165	189/177	201/189	213/201
2003																1.013
2004															1.010	1.009
2005															1.010	1.007
2006																
2007												1.013	1.011	1.009		
2008											1.014	1.011	1.009			
2009										1.015	1.016	1.011				
2010									1.021	1.014	1.011					
2011								1.020	1.017	1.012						
2012							1.030	1.019	1.018							
2013						1.035	1.023	1.019								
2014					1.053	1.034	1.024									
2015				1.072	1.048	1.031										
2016			1.121	1.071	1.050											
2017		1.218	1.116	1.075												
2018	1.486	1.225	1.122													
2019	1.509	1.255														
2020	1.544															
Selected (c)	1.544	1.255	1.122	1.075	1.050	1.031	1.024	1.019	1.019	1.014	1.014	1.012	1.011	1.011	1.010	1.010
Cumulative Unadjusted for Impact of SB 1160	3.436	2.225	1.773	1.580	1.470	1.400	1.358	1.326	1.301	1.278	1.260	1.243	1.229	1.215	1.202	1.190
Cumulative Adjusted for Impact of SB 1160(d)	3.391	2.196	1.750	1.560	1.451	1.396	---	---	---	---	---	---	---	---	---	---

- (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 21-to-33 month through 105-to-117 month factors and three-year average for the subsequent age-to-age factors.
 (d) The cumulative factors for 69 and 81 months are adjusted by -1.3% and -0.3%, respectively, for the impact of the SB 1160 reductions in future lien filings.

Paid Medical Loss Development Factors (Continued)

Unadjusted (a)		Age-to-Age (in months)																			
Accident Year	225/213	237/225	249/237	261/249	273/261	285/273	297/285	309/297	321/309	333/321	345/333	357/345	369/357	381/369	393/381	405/393	417/405	429/417	441/429	453/441	ULT/453Pd (e)
1983									1.005	1.004	1.004	1.004	1.004	1.004	1.003	1.004	1.004	1.003	1.002	1.002	
1984								1.003	1.003	1.004	1.004	1.002	1.003	1.003	1.003	1.002	1.002	1.001	1.002	1.001	
1985							1.004	1.003	1.003	1.004	1.004	1.003	1.002	1.003	1.002	1.002	1.002	1.002	1.002	1.001	
1986						1.005	1.004	1.005	1.005	1.005	1.005	1.006	1.005	1.004	1.004	1.003	1.002	1.003	1.002		
1987					1.005	1.005	1.005	1.005	1.005	1.005	1.004	1.003	1.003	1.003	1.002	1.002	1.003	1.003			
1988				1.005	1.005	1.005	1.005	1.005	1.004	1.003	1.003	1.003	1.004	1.003	1.002	1.003	1.002				
1989			1.005	1.005	1.007	1.007	1.006	1.005	1.005	1.003	1.003	1.003	1.003	1.003	1.004	1.003	1.002				
1990		1.005	1.005	1.005	1.006	1.004	1.004	1.003	1.003	1.002	1.002	1.003	1.002	1.002	1.002						
1991	1.006	1.005	1.005	1.006	1.005	1.006	1.005	1.003	1.003	1.003	1.004	1.003	1.003	1.002							
1992	1.008	1.002	1.006	1.008	1.007	1.005	1.004	1.004	1.005	1.006	1.003	1.003	1.002								
1993	1.011	1.010	1.009	1.013	1.008	1.007	1.006	1.005	1.007	1.004	1.002	1.002									
1994	1.009	1.011	1.010	1.010	1.007	1.009	1.004	1.004	1.004	1.004	1.003										
1995	1.015	1.014	1.012	1.009	1.013	1.007	1.007	1.008	1.005	1.004											
1996	1.013	1.013	1.009	1.007	1.008	1.009	1.006	1.004	1.005												
1997	1.011	1.007	1.007	1.007	1.007	1.006	1.005	1.004													
1998	1.011	1.009	1.008	1.009	1.007	1.006	1.006														
1999	1.010	1.010	1.008	1.006	1.005	1.004															
2000	1.008	1.007	1.006	1.006	1.003																
2001	1.010	1.008	1.007	1.004																	
2002	1.009	1.006	1.004																		
2003	1.008	1.005																			
2004	1.005																				

Adjusted (b)		Age-to-Age (in months)																			
Accident Year	225/213	237/225	249/237	261/249	273/261	285/273	297/285	309/297	321/309	333/321	345/333	357/345	369/357	381/369	393/381	405/393	417/405	429/417	441/429	453/441	ULT/453Pd (e)
1983																				1.002	
1984																				1.001	
1985																				1.002	
1986																				1.002	
1987																				1.002	
1988																1.003	1.003	1.003			
1989														1.004	1.003	1.002					
1990													1.002	1.003	1.003						
1991																					
1992																					
1993																					
1994																					
1995																					
1996																					
1997																					
1998																					
1999																					
2000																					
2001																					
2002																					
2003																					
2004																					

Selected (c)		Age-to-Age (in months)																			
Accident Year	225/213	237/225	249/237	261/249	273/261	285/273	297/285	309/297	321/309	333/321	345/333	357/345	369/357	381/369	393/381	405/393	417/405	429/417	441/429	453/441	ULT/453Pd (e)
1983	1.008	1.007	1.006	1.006	1.006	1.006	1.007	1.006	1.006	1.005	1.003	1.003	1.002	1.003	1.003	1.003	1.003	1.003	1.002	1.002	
Cumulative	1.179	1.169	1.161	1.154	1.147	1.140	1.133	1.125	1.118	1.112	1.107	1.104	1.101	1.098	1.095	1.092	1.089	1.086	1.083	1.081	1.079

(e) The ULT/453Pd tail factor was calculated based on an inverse power curve fit to a four-year average of the 117-to-129 through 345-to-357 adjusted factors and extrapolated to 80 development years.

Selected Indemnity Development Factors - Paid to Ultimate

Accident Year	Age-to-Age (in months)																				
	33/21	45/33	57/45	69/57	81/69	93/81	105/93	117/105	129/117	141/129	153/141	165/153	177/165	189/177	201/189	213/201	225/213	237/225	249/237	261/249	273/261
1995													1.006	1.005	1.004	1.005	1.005	1.003	1.002	1.002	1.002
1996												1.007	1.006	1.004	1.005	1.004	1.004	1.004	1.004	1.003	1.002
1997											1.009	1.007	1.006	1.006	1.005	1.004	1.003	1.003	1.002	1.003	1.003
1998										1.013	1.009	1.009	1.007	1.006	1.006	1.006	1.004	1.004	1.003	1.003	1.002
1999									1.016	1.011	1.010	1.008	1.008	1.006	1.004	1.005	1.003	1.002	1.003	1.002	1.002
2000								1.018	1.013	1.010	1.010	1.008	1.008	1.005	1.004	1.004	1.004	1.003	1.003	1.003	1.002
2001							1.026	1.018	1.015	1.013	1.012	1.009	1.007	1.006	1.006	1.005	1.005	1.004	1.003	1.002	
2002						1.035	1.022	1.018	1.016	1.014	1.009	1.008	1.006	1.006	1.005	1.004	1.004	1.003	1.003		
2003					1.049	1.033	1.026	1.023	1.022	1.016	1.013	1.009	1.009	1.007	1.006	1.007	1.006	1.003			
2004				1.081	1.055	1.043	1.036	1.032	1.020	1.016	1.013	1.010	1.008	1.009	1.007	1.005	1.003				
2005			1.143	1.088	1.062	1.049	1.044	1.031	1.022	1.017	1.012	1.012	1.010	1.010	1.006	1.005					
2006		1.273	1.152	1.099	1.072	1.054	1.039	1.026	1.022	1.017	1.013	1.010	1.009	1.008	1.006						
2007	1.701	1.290	1.160	1.102	1.072	1.051	1.033	1.030	1.022	1.015	1.014	1.012	1.008	1.007	1.006						
2008	1.724	1.323	1.173	1.103	1.067	1.044	1.030	1.024	1.020	1.016	1.010	1.011	1.008								
2009	1.782	1.332	1.178	1.106	1.068	1.046	1.034	1.025	1.020	1.012	1.013	1.011									
2010	1.793	1.339	1.172	1.101	1.066	1.043	1.030	1.022	1.016	1.012	1.013										
2011	1.796	1.318	1.165	1.098	1.062	1.044	1.031	1.019	1.015	1.012											
2012	1.776	1.316	1.157	1.101	1.055	1.038	1.026	1.017	1.015												
2013	1.768	1.315	1.155	1.084	1.048	1.031	1.022	1.015													
2014	1.816	1.316	1.151	1.081	1.046	1.029	1.021														
2015	1.802	1.301	1.139	1.069	1.045	1.030															
2016	1.758	1.287	1.125	1.070	1.044																
2017	1.746	1.263	1.128	1.073																	
2018	1.709	1.266	1.131																		
2019	1.706	1.290																			
2020	1.701																				
Selected (a)	1.672(b)	1.295(b)	1.145(b)	1.079(b)	1.043(b)	1.030	1.021	1.015	1.015	1.012	1.012	1.011	1.008	1.008	1.006	1.006	1.004	1.003	1.003	1.002	1.002
Cumulative	3.337	1.996	1.542	1.347	1.249	1.197	1.163	1.139	1.122	1.105	1.092	1.079	1.067	1.058	1.049	1.043	1.037	1.032	1.029	1.026	1.023

(a) Selections are latest year for the 21-to-33 month through 105-to-117 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)															
	<u>285/273</u>	<u>297/285</u>	<u>309/297</u>	<u>321/309</u>	<u>333/321</u>	<u>345/333</u>	<u>357/345</u>	<u>369/357</u>	<u>381/369</u>	<u>393/381</u>	<u>405/393</u>	<u>417/405</u>	<u>429/417</u>	<u>441/429</u>	<u>453/441</u>	<u>ULT/453Pd (d)</u>
1983				1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	
1984			1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.001	1.001	1.001	1.001	1.000	
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	1.001	1.000	
1986	1.001	1.001	1.001	1.002	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.001	1.000	1.000	1.000	
1987	1.001	1.001	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000			
1988	1.002	1.002	1.001	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	1.000					
1990	1.001	1.001	1.001	1.001	1.000	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						
1992	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									
1994	1.002	1.001	1.001	1.001	1.002	1.001										
1995	1.002	1.002	1.003	1.002	1.002											
1996	1.003	1.003	1.002	1.002												
1997	1.003	1.002	1.002													
1998	1.002	1.002														
1999	1.002															
Unadjusted (a)	1.002	1.002	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.001	1.000	1.010
Selected (c)	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.001	1.000	1.006
Cumulative	1.021	1.019	1.017	1.015	1.013	1.012	1.011	1.010	1.009	1.009	1.008	1.007	1.007	1.007	1.006	1.006

- (c) Adjusted for the impact of changes in claim settlement rates on later period development for 297 months and later. See Exhibits 2.5.9 through 2.5.12.
(d) The ULT/453Pd tail factor was calculated based on an inverse power curve fit to a four-year average of the 117-to-129 through 345-to-357 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>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						133,864
2014					139,721	139,832
2015				144,556	144,923	145,068
2016			147,520	148,098	148,232	148,304
2017		146,719	148,169	148,668	148,820	
2018	143,839	149,290	150,369	150,656		
2019	146,101	151,896	153,226			
2020	128,169	132,664				
2021	140,753					

B. Development of Total Reported Indemnity Claim Counts

Accident	Age-to-Age Development (in months):					
<u>Year</u>	<u>21-33</u>	<u>33-45</u>	<u>45-57</u>	<u>57-69</u>	<u>69-81</u>	<u>81-Ult</u>
2014					1.001	
2015				1.003	1.001	
2016			1.004	1.001	1.000	
2017		1.010	1.003	1.001		
2018	1.038	1.007	1.002			
2019	1.040	1.009				
2020	1.035					
Latest Year	1.035	1.009	1.002	1.001	1.000	
Cumulative	1.053	1.017	1.009	1.007	1.006	1.005

Acc. Year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Ult. Claim Counts	148,220	134,968	154,535	151,653	149,652	149,061

C. Closed Indemnity Claim Counts

Accident	Evaluated as of (in months)					
<u>Year</u>	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						123,734
2014					125,335	129,888
2015				124,722	131,286	135,237
2016			118,129	128,905	134,674	138,803
2017		101,856	119,407	129,365	135,420	
2018	73,684	101,457	119,039	130,083		
2019	72,295	99,656	119,238			
2020	62,201	86,572				
2021	72,094					

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)					
	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						91.8%
2014					89.2%	92.4%
2015				85.5%	90.0%	92.7%
2016			79.2%	86.5%	90.3%	93.1%
2017		68.1%	79.8%	86.4%	90.5%	
2018	48.6%	66.9%	78.5%	85.8%		
2019	46.8%	64.5%	77.2%			
2020	46.1%	64.1%				
2021	48.6%					

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

Accident Year	Evaluated as of (in months)					
	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						125,468
2014					127,212	130,907
2015				125,069	131,942	135,774
2016			115,014	127,859	134,885	138,803
2017		95,990	115,471	128,366	135,420	
2018	73,764	97,274	117,015	130,083		
2019	75,165	99,122	119,238			
2020	65,648	86,572				
2021	72,094					

F. Average Paid Indemnity per Closed Claim

Accident Year	Evaluated as of (in months)					
	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						17,935
2014					17,595	18,787
2015				16,393	17,978	19,035
2016			13,697	16,016	17,501	18,656
2017		10,087	13,652	15,966	17,580	
2018	5,800	10,319	13,875	16,386		
2019	6,043	10,367	14,528			
2020	6,338	11,417				
2021	6,049					

- (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)					
	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						18,428
2014					18,078	19,080
2015				16,473	18,149	19,196
2016			13,041	15,775	17,559	18,656
2017		8,925	12,757	15,718	17,580	
2018	5,810	9,462	13,410	16,386		
2019	6,395	10,258	14,528			
2020	6,888	11,417				
2021	6,049					
2022						

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

Accident Year	Evaluated as of (in months)					
	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						2,312,167
2014					2,299,679	2,497,703
2015				2,060,286	2,394,673	2,606,348
2016			1,499,937	2,017,022	2,368,419	2,589,522
2017		856,730	1,473,014	2,017,614	2,380,684	
2018	428,563	920,372	1,569,184	2,131,484		
2019	480,702	1,016,817	1,732,287			
2020	452,203	988,422				
2021	436,112					

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

Accident Year	Evaluated as of (in months)					
	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						412,444
2014					521,722	411,816
2015				632,768	502,126	417,294
2016			760,864	610,734	505,771	399,686
2017		864,758	759,975	629,751	510,619	
2018	719,411	912,966	830,561	675,741		
2019	774,478	1,033,660	934,013			
2020	732,339	925,694				
2021	834,998					

(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)					
	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						40,715
2014					36,266	41,413
2015				31,902	36,821	42,447
2016			24,743	32,791	37,304	42,068
2017		15,571	26,285	33,469	38,106	
2018	10,255	16,115	26,027	32,846		
2019	10,493	16,490	27,481			
2020	11,101	20,084				
2021	12,162					

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)					
	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						-70,600
2014					-68,070	-42,200
2015				-11,102	-24,155	-22,794
2016			77,075	34,299	-7,871	
2017		91,342	103,457	33,436		
2018	-810	67,407	52,678			
2019	-30,127	8,805				
2020	-38,267					

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

Accident Year	Evaluated as of (in months)					
	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						341,844
2014					453,652	369,615
2015				621,666	477,972	394,500
2016			837,939	645,033	497,900	399,686
2017		956,100	863,432	663,186	510,619	
2018	718,601	980,373	883,239	675,741		
2019	744,352	1,042,466	934,013			
2020	694,073	925,694				
2021	834,998					

- (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>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						2,654,011
2014					2,753,331	2,867,318
2015				2,681,953	2,872,645	3,000,848
2016			2,337,876	2,662,055	2,866,319	2,989,208
2017		1,812,830	2,336,446	2,680,800	2,891,302	
2018	1,147,164	1,900,745	2,452,424	2,807,225		
2019	1,225,053	2,059,283	2,666,300			
2020	1,146,275	1,914,115				
2021	1,271,110					

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

Accident Year	Evaluated as of (in months)				
	<u>21-33</u>	<u>33-45</u>	<u>45-57</u>	<u>57-69</u>	<u>69-81</u>
2013					
2014					1.041
2015				1.071	1.045
2016			1.139	1.077	1.043
2017		1.289	1.147	1.079	
2018	1.657	1.290	1.145		
2019	1.681	1.295			
2020	1.670				
Latest Year	1.670	1.295	1.145	1.079	1.043
3-Year Average	1.669	1.291	1.144	1.075	1.043

O. Paid Indemnity Loss Development Factors (i)

Accident Year	Evaluated as of (in months)				
	<u>21-33</u>	<u>33-45</u>	<u>45-57</u>	<u>57-69</u>	<u>69-81</u>
2014					1.046
2015				1.069	1.045
2016			1.125	1.070	1.044
2017		1.263	1.128	1.073	
2018	1.709	1.266	1.131		
2019	1.706	1.290			
2020	1.699				

- (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>21-33</u>	<u>33-45</u>	<u>45-57</u>	<u>57-69</u>	<u>69-81</u>
2014					-0.43%
2015				0.18%	-0.04%
2016			1.25%	0.62%	-0.12%
2017		2.03%	1.75%	0.54%	
2018	-3.05%	1.87%	1.21%		
2019	-1.47%	0.36%			
2020	-1.72%				

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

Accident Year	Evaluated as of (in months)				
	<u>21-33</u>	<u>33-45</u>	<u>45-57</u>	<u>57-69</u>	<u>69-81</u>
2014					1.042
2015				1.071	1.045
2016			1.139	1.077	1.043
2017		1.289	1.148	1.079	
2018	1.657	1.290	1.145		
2019	1.681	1.295			
2020	1.672				
Latest Year	1.672	1.295	1.145	1.079	1.043
2-Year Average	1.676	1.292	1.146	1.078	1.044
3-Year Average	1.670	1.291	1.144	1.075	1.043

- (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)									
<u>Year</u>	<u>297</u>	<u>309</u>	<u>321</u>	<u>333</u>	<u>345</u>	<u>357</u>	<u>369</u>	<u>381</u>	<u>393</u>	<u>405</u>
1989							210,913	210,972	211,028	211,070
1990						230,873	230,956	231,035	231,095	
1991					231,295	231,380	231,464	231,510		
1992				182,159	182,236	182,311	182,358			
1993			142,679	142,760	142,834	142,900				
1994		129,937	130,024	130,124	130,197					
1995	120,751	120,856	120,959	121,046						
1996	115,160	115,291	115,370							
1997	121,442	121,560								
1998	131,767									
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>	132,946	122,472	116,079	121,678	130,709	143,320	182,789	231,969	231,398	211,419
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3. Ultimate Indemnity Claim Settlement Ratio (b)

Accident	Evaluated as of (in months)									
<u>Year</u>	<u>297</u>	<u>309</u>	<u>321</u>	<u>333</u>	<u>345</u>	<u>357</u>	<u>369</u>	<u>381</u>	<u>393</u>	<u>405</u>
1989							99.8%	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				99.7%	99.7%	99.7%	99.8%			
1993			99.6%	99.6%	99.7%	99.7%				
1994		99.4%	99.5%	99.6%	99.6%					
1995	99.2%	99.3%	99.4%	99.5%						
1996	99.2%	99.3%	99.4%							
1997	99.2%	99.3%								
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>285-297</u>	<u>297-309</u>	<u>309-321</u>	<u>321-333</u>	<u>333-345</u>	<u>345-357</u>	<u>357-369</u>	<u>369-381</u>	<u>381-393</u>	<u>393-405</u>
1989								11.7%	12.5%	---
1990							15.8%	17.9%	16.5%	
1991						12.6%	14.3%	9.1%		
1992					12.2%	13.6%	9.8%			
1993				12.6%	13.2%	13.6%				
1994			11.3%	14.6%	12.5%					
1995		11.3%	12.5%	12.1%						
1996	9.3%	14.2%	10.1%							
1997	10.5%	11.5%								
1998	9.4%									
1999										
3-Year Average	9.7%	12.3%	11.3%	13.1%	12.6%	13.3%	13.3%	12.9%	14.5%	
Share of Open on Prior (d)	90.3%	87.7%	88.7%	86.9%	87.4%	86.7%	86.7%	87.1%	85.5%	

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

Accident	Evaluated as of (in months)									
Year	<u>297</u>	<u>309</u>	<u>321</u>	<u>333</u>	<u>345</u>	<u>357</u>	<u>369</u>	<u>381</u>	<u>393</u>	
1989										
1990										303
1991								459		342
1992							431	325		375
1993						420	316	364		317
1994					512	388	444	385		335
1995				632	480	552	479	415		362
1996			709	546	616	538	467	405		352
1997		912	709	809	703	614	533	462		402
1998	1,179	933	1,034	917	797	696	604	524		456
1999	1,034	1,171	1,027	911	791	691	600	520		453
...										
2020	519	468	411	364	317	277	240	208		181
2021	538	485	426	378	328	287	249	215		188

- (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>297</u>	<u>309</u>	<u>321</u>	<u>333</u>	<u>345</u>	<u>357</u>	<u>369</u>	<u>381</u>	<u>393</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%	0.4%	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%	0.5%	0.5%	0.4%	0.3%	0.3%
1997	0.8%	0.7%	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%	0.3%
1999	0.8%	0.9%	0.8%	0.7%	0.6%	0.5%	0.4%	0.4%	0.3%
...									
2020	0.4%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%
2021	0.4%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.1%	0.1%
3-Year Historical Avg.	0.8%	0.7%	0.6%	0.5%	0.3%	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>297</u>	<u>309</u>	<u>321</u>	<u>333</u>	<u>345</u>	<u>357</u>	<u>369</u>	<u>381</u>	<u>393</u>
1989									
1990									
1991									0.93
1992								0.94	1.30
1993							1.03	1.35	1.40
1994						1.10	1.58	1.56	1.63
1995					1.14	1.68	1.83	1.81	1.88
1996				1.04	1.54	1.72	1.87	1.85	1.92
1997			1.01	1.46	1.67	1.86	2.03	2.00	2.08
1998		1.00	1.35	1.52	1.74	1.94	2.12	2.09	2.17
1999	0.91	1.24	1.33	1.49	1.71	1.90	2.07	2.05	2.13
...									
2020	0.46	0.50	0.53	0.60	0.68	0.76	0.83	0.82	0.85
2021	0.43	0.47	0.50	0.56	0.64	0.72	0.78	0.77	0.80

(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>297-309</u>	<u>309-321</u>	<u>321-333</u>	<u>333-345</u>	<u>345-357</u>	<u>357-369</u>	<u>369-381</u>	<u>381-393</u>	<u>393-405</u>

8. 3-Year Average (h)

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

9. Adjustment Ratio (i)

Accident Year 2020	0.78	0.80	0.81	0.84	0.87	0.90	0.93	0.93	0.94
Accident Year 2021	0.77	0.79	0.80	0.83	0.86	0.89	0.91	0.91	0.92

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	1.002	1.002	1.002	1.003	1.002	1.002
Accident Year 2021	1.005	1.005	1.004	1.003	1.002	1.002	1.003	1.002	1.002

(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	33/21	45/33	57/45	69/57	81/69	93/81	105/93	117/105	129/117	Age-to-Age (in months)										249/237	261/249	273/261
										141/129	153/141	165/153	177/165	189/177	201/189	213/201	225/213	237/225				
1998																					1.008	
1999																					1.006	
2000																				1.007	1.004	
2001																		1.009	1.007	1.005		
2002																	1.010	1.007	1.005			
2003																1.013	1.009	1.005				
2004															1.010	1.009	1.006					
2005														1.014	1.010	1.007						
2006													1.014	1.011	1.009							
2007												1.013	1.011	1.009								
2008											1.014	1.011	1.009									
2009										1.015	1.016	1.011										
2010									1.021	1.014	1.011											
2011								1.020	1.017	1.012												
2012							1.030	1.019	1.018													
2013						1.035	1.023	1.019														
2014					1.053	1.034	1.024															
2015				1.072	1.048	1.031																
2016			1.121	1.071	1.050																	
2017		1.218	1.116	1.075																		
2018	1.486	1.225	1.122																			
2019	1.509	1.255																				
2020	1.544																					
Selected (c)	1.528(d)	1.259(d)	1.132(d)	1.079(d)	1.049(d)	1.031	1.024	1.019	1.019	1.014	1.014	1.012	1.011	1.011	1.010	1.010	1.008	1.007	1.006	1.006	1.006	
Cumulative Unadjusted for Impact of SB 1160	3.332	2.181	1.733	1.531	1.419	1.353	1.312	1.281	1.258	1.234	1.218	1.201	1.188	1.174	1.161	1.150	1.139	1.130	1.122	1.115	1.108	
Cumulative Adjusted for Impact of SB 1160(e)	3.288	2.152	1.710	1.511	1.400	1.349	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	

- (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 21-to-33 month through 105-to-117 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 69 and 81 months are adjusted by -1.3% and -0.3%, respectively, for the impact of the SB 1160 reductions in future lien filings.

Selected Medical Development Factors - Paid to Ultimate (Continued)

Accident Year	Age-to-Age (in months)															
	<u>285/273</u>	<u>297/285</u>	<u>309/297</u>	<u>321/309</u>	<u>333/321</u>	<u>345/333</u>	<u>357/345</u>	<u>369/357</u>	<u>381/369</u>	<u>393/381</u>	<u>405/393</u>	<u>417/405</u>	<u>429/417</u>	<u>441/429</u>	<u>453/441</u>	<u>ULT/453Pd (g)</u>
1983															1.002	
1984														1.002	1.001	
1985													1.002	1.002	1.002	
1986												1.002	1.003	1.002		
1987											1.003	1.003	1.003			
1988										1.002	1.003	1.003				
1989									1.004	1.003	1.002					
1990								1.002	1.003	1.003						
1991							1.003	1.003	1.003							
1992						1.003	1.003	1.002								
1993					1.004	1.003	1.002									
1994				1.005	1.005	1.003										
1995			1.009	1.006	1.005											
1996		1.007	1.005	1.006												
1997	1.007	1.006	1.004													
1998	1.007	1.007														
1999	1.005															
Unadjusted (c)	1.006	1.007	1.006	1.006	1.005	1.003	1.003	1.002	1.003	1.003	1.003	1.003	1.003	1.002	1.002	1.079
Selected (f)	1.006	1.007	1.005	1.004	1.004	1.002	1.002	1.002	1.003	1.002	1.002	1.002	1.003	1.002	1.001	1.050
Cumulative	1.101	1.094	1.087	1.082	1.077	1.073	1.071	1.068	1.066	1.063	1.060	1.058	1.056	1.053	1.051	1.050

(f) Adjusted for the impact of changes in claim settlement rates on later period development for 297 months and later. See Exhibits 2.5.9 through 2.5.12.

(g) The ULT/453Pd tail factor was calculated based on an inverse power curve fit to a four-year average of the 117-to-129 through 345-to-357 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>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						133,864
2014					139,721	139,832
2015				144,556	144,923	145,068
2016			147,520	148,098	148,232	148,304
2017		146,719	148,169	148,668	148,820	
2018	143,839	149,290	150,369	150,656		
2019	146,101	151,896	153,226			
2020	128,169	132,664				
2021	140,753					

B. Development of Total Reported Indemnity Claim Counts

Accident Year	Age-to-Age Development (in months):					
	<u>21-33</u>	<u>33-45</u>	<u>45-57</u>	<u>57-69</u>	<u>69-81</u>	<u>81-Ult</u>
2014					1.001	
2015				1.003	1.001	
2016			1.004	1.001	1.000	
2017		1.010	1.003	1.001		
2018	1.038	1.007	1.002			
2019	1.040	1.009				
2020	1.035					
Latest Year	1.035	1.009	1.002	1.001	1.000	
Cumulative	1.053	1.017	1.009	1.007	1.006	1.005

Acc. Year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Ult. Claim Counts	148,220	134,968	154,535	151,653	149,652	149,061

C. Closed Indemnity Claim Counts

Accident Year	Evaluated as of (in months)					
	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						123,734
2014					125,335	129,888
2015				124,722	131,286	135,237
2016			118,129	128,905	134,674	138,803
2017		101,856	119,407	129,365	135,420	
2018	73,684	101,457	119,039	130,083		
2019	72,295	99,656	119,238			
2020	62,201	86,572				
2021	72,094					

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)					
	21	33	45	57	69	81
2013						91.8%
2014					89.2%	92.4%
2015				85.5%	90.0%	92.7%
2016			79.2%	86.5%	90.3%	93.1%
2017		68.1%	79.8%	86.4%	90.5%	
2018	48.6%	66.9%	78.5%	85.8%		
2019	46.8%	64.5%	77.2%			
2020	46.1%	64.1%				
2021	48.6%					

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

Accident Year	Evaluated as of (in months)					
	21	33	45	57	69	81
2013						125,468
2014					127,212	130,907
2015				125,069	131,942	135,774
2016			115,014	127,859	134,885	138,803
2017		95,990	115,471	128,366	135,420	
2018	73,764	97,274	117,015	130,083		
2019	75,165	99,122	119,238			
2020	65,648	86,572				
2021	72,094					

F. Average Paid Medical per Closed Indemnity Claim

Accident Year	Evaluated as of (in months)					
	21	33	45	57	69	81
2013						19,544
2014					17,722	19,070
2015				15,726	17,407	18,498
2016			12,794	15,069	16,544	17,798
2017		9,777	12,855	14,996	16,588	
2018	5,764	10,029	13,308	15,766		
2019	5,767	9,897	13,501			
2020	5,839	10,516				
2021	5,607					

- (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 Year	Evaluated as of (in months)					
	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						20,126
2014					18,266	19,374
2015				15,812	17,583	18,670
2016			12,223	14,831	16,606	17,798
2017		8,760	12,090	14,766	16,588	
2018	5,773	9,227	12,882	15,766		
2019	6,103	9,793	13,501			
2020	6,346	10,516				
2021	5,607					

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

Accident Year	Evaluated as of (in months)					
	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						2,525,142
2014					2,323,607	2,536,150
2015				1,977,535	2,319,975	2,534,863
2016			1,405,875	1,896,330	2,239,870	2,470,409
2017		840,899	1,396,056	1,895,487	2,246,411	
2018	425,867	897,509	1,507,387	2,050,939		
2019	458,747	970,724	1,609,890			
2020	416,597	910,404				
2021	404,251					

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

Accident Year	Evaluated as of (in months)					
	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						494,510
2014					563,869	461,420
2015				664,127	537,489	467,915
2016			781,540	651,575	565,652	475,400
2017		860,069	771,973	666,038	580,390	
2018	812,115	925,705	857,457	728,546		
2019	803,132	978,577	933,418			
2020	752,502	919,302				
2021	824,568					

(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)					
	21	33	45	57	69	81
2013						48,816
2014					39,195	46,402
2015				33,483	39,414	47,596
2016			26,591	33,949	41,721	50,037
2017		19,171	26,840	34,504	43,313	
2018	11,576	19,353	27,369	35,413		
2019	10,882	18,732	27,463			
2020	11,407	19,945				
2021	12,010					

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)					
	21	33	45	57	69	81
2013						-84,647
2014					-73,569	-47,283
2015				-11,652	-25,856	-25,559
2016			78,524	35,231	-8,803	
2017		102,399	102,896	33,963		
2018	-915	76,093	53,413			
2019	-31,241	9,131				
2020	-39,320					

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

Accident Year	Evaluated as of (in months)					
	21	33	45	57	69	81
2013						409,863
2014					490,300	414,136
2015				652,474	511,634	442,356
2016			860,064	686,807	556,849	475,400
2017		962,468	874,869	700,002	580,390	
2018	811,200	1,001,798	910,870	728,546		
2019	771,891	987,709	933,418			
2020	713,182	919,302				
2021	824,568					

- (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)					
<u>Year</u>	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>
2013						232,921
2014					250,927	253,468
2015				259,542	263,917	266,250
2016			272,836	277,288	281,739	286,855
2017		282,936	289,459	295,377	300,361	
2018	280,334	298,444	309,245	318,795		
2019	279,196	302,013	316,675			
2020	223,275	247,917				
2021	256,401					

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

Accident	Evaluated as of (in months)					
Year	21	33	45	57	69	81
2013						3,167,926
2014					3,064,834	3,203,755
2015				2,889,551	3,095,525	3,243,469
2016			2,538,775	2,860,425	3,078,457	3,232,664
2017		2,086,303	2,560,383	2,890,866	3,127,161	
2018	1,517,402	2,197,751	2,727,502	3,098,280		
2019	1,509,834	2,260,445	2,859,983			
2020	1,353,054	2,077,623				
2021	1,485,220					

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

Accident	Evaluated as of (in months)				
Year	21-33	33-45	45-57	57-69	69-81
2014					1.045
2015				1.071	1.048
2016			1.127	1.076	1.050
2017		1.227	1.129	1.082	
2018	1.448	1.241	1.136		
2019	1.497	1.265			
2020	1.536				
Latest Year	1.536	1.265	1.136	1.082	1.050

(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>21-33</u>	<u>33-45</u>	<u>45-57</u>	<u>57-69</u>	<u>69-81</u>
2014					1.051
2015				1.070	1.048
2016			1.119	1.071	1.051
2017		1.214	1.117	1.078	
2018	1.478	1.227	1.126		
2019	1.512	1.262			
2020	1.552				

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

Accident Year	Evaluated as of (in months)				
	<u>21-33</u>	<u>33-45</u>	<u>45-57</u>	<u>57-69</u>	<u>69-81</u>
2014					-0.57%
2015				0.13%	-0.05%
2016			0.68%	0.48%	-0.10%
2017		1.09%	1.04%	0.36%	
2018	-1.97%	1.13%	0.86%		
2019	-0.98%	0.28%			
2020	-1.04%				

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

Accident Year	Evaluated as of (in months)				
	<u>21-33</u>	<u>33-45</u>	<u>45-57</u>	<u>57-69</u>	<u>69-81</u>
2014					1.047
2015				1.073	1.047
2016			1.129	1.076	1.049
2017		1.231	1.128	1.079	
2018	1.457	1.239	1.132		
2019	1.494	1.259			
2020	1.528				
Latest Year	1.528	1.259	1.132	1.079	1.049
2-Year Average	1.511	1.249	1.130	1.078	1.048
3-Year Average	1.493	1.243	1.129	1.076	1.048

- (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 September 30, 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	1.007	0.347
1988	0.330	1.000	1.007	0.332
1989	0.342	1.000	1.007	0.345
1990	0.397	1.001	1.008	0.400
1991	0.424	1.001	1.009	0.428
1992	0.349	1.001	1.009	0.352
1993	0.286	1.001	1.010	0.289
1994	0.325	1.001	1.011	0.328
1995	0.468	1.001	1.012	0.474
1996	0.525	1.001	1.013	0.532
1997	0.594	1.001	1.015	0.603
1998	0.644	1.002	1.017	0.654
1999	0.674	1.002	1.019	0.687
2000	0.583	1.002	1.021	0.595
2001	0.483	1.002	1.023	0.494
2002	0.359	1.002	1.026	0.369
2003	0.237	1.003	1.029	0.244
2004	0.141	1.003	1.032	0.145
2005	0.120	1.004	1.037	0.125
2006	0.155	1.006	1.043	0.161
2007	0.212	1.006	1.049	0.223
2008	0.267	1.008	1.058	0.282
2009	0.310	1.008	1.067	0.331
2010	0.296	1.011	1.079	0.319
2011	0.272	1.012	1.092	0.297
2012	0.240	1.012	1.105	0.266
2013	0.202	1.015	1.122	0.227
2014	0.188	1.015	1.139	0.215
2015	0.181	1.021	1.163	0.210
2016	0.167	1.030	1.197	0.199
2017	0.164	1.043	1.249	0.204
2018	0.162	1.079	1.347	0.218
2019	0.166	1.145	1.542	0.257
2020	0.137	1.295	1.996	0.273
2021	0.094	1.672	3.337	0.315

- (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 September 30, 2022**

	(1)	(2)	(3)	(4)	(5)	(6)
			Reform Adjusted			
			<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	1.053	0.287	0.322
1988	0.300	0.266	1.003	1.056	0.281	0.315
1989	0.319	0.283	1.002	1.058	0.300	0.336
1990	0.361	0.320	1.002	1.060	0.339	0.380
1991	0.378	0.335	1.002	1.063	0.356	0.399
1992	0.313	0.278	1.003	1.066	0.296	0.331
1993	0.257	0.228	1.002	1.068	0.244	0.273
1994	0.295	0.262	1.002	1.071	0.280	0.313
1995	0.435	0.387	1.002	1.073	0.415	0.463
1996	0.465	0.414	1.004	1.077	0.446	0.497
1997	0.521	0.464	1.004	1.082	0.502	0.559
1998	0.622	0.555	1.005	1.087	0.604	0.671
1999	0.679	0.607	1.007	1.094	0.664	0.737
2000	0.612	0.547	1.006	1.101	0.603	0.667
2001	0.540	0.484	1.006	1.108	0.537	0.592
2002	0.416	0.375	1.006	1.115	0.418	0.459
2003	0.266	0.240	1.006	1.122	0.269	0.295
2004	0.179	0.162	1.007	1.130	0.183	0.200
2005	0.175	0.158	1.008	1.139	0.180	0.197
2006	0.224	0.204	1.010	1.150	0.234	0.254
2007	0.311	0.284	1.010	1.161	0.330	0.357
2008	0.383	0.352	1.011	1.174	0.413	0.445
2009	0.444	0.411	1.011	1.188	0.488	0.521
2010	0.432	0.401	1.012	1.201	0.482	0.512
2011	0.363	0.342	1.014	1.218	0.416	0.438
2012	0.308	0.292	1.014	1.234	0.360	0.376
2013	0.243	0.242	1.019	1.258	0.304	0.306
2014	0.213	0.216	1.019	1.281	0.277	0.274
2015	0.196	0.201	1.024	1.312	0.263	0.258
2016	0.180	0.186	1.031	1.349	0.251	0.245
2017	0.177	0.183	1.049	1.400	0.256	0.250
2018	0.179	0.185	1.079	1.511	0.279	0.273
2019	0.178	0.183	1.132	1.710	0.312	0.308
2020	0.148	0.150	1.259	2.152	0.323	0.321
2021	0.110	0.110	1.528	3.288	0.363	0.363

- (a) Based on Exhibit 1. Paid MCCC costs are excluded from accident years 2011 and subsequent.
- (b) Based on experience evaluated as of September 30, 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	0.864	0.136	4.1%	1.2%	0.2%	0.2% (f)
2022	0.864	0.136	0.0%	4.6%	0.6%	0.6%
2023	0.864	0.136	0.0%	4.2%	0.6%	0.6%
9/1/2023	0.864	0.136	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	-4.4%	0.0%	-4.4%
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%	0.843
1988	3.8%	0.0%	3.8%	0.812
1989	3.0%	0.0%	3.0%	0.788
1990	3.7%	19.1%	23.5%	0.638
1991	3.6%	12.9%	16.9%	0.546
1992	3.0%	-7.9%	-5.2%	0.576
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%	0.696
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%	0.852
2006	0.3%	-5.1%	-4.8%	0.895
2007	1.8%	0.1%	1.9%	0.878
2008	0.2%	0.5%	0.7%	0.872
2009	0.4%	1.0%	1.4%	0.860
2010	0.3%	0.0%	0.3%	0.857
2011	0.3%	-2.0%	-1.7%	0.872
2012	0.1%	-4.4%	-4.3%	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 2021 are based on Bureau of Labor Statistics data. Forecasts for 2022 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	Average Experience	Off-Balance Correction in Advisory September 1, 2021 Pure Premium	Factor to Adjust for Impact of Premium Resulting from	Composite Premium Adjustment
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	1.031	0.676	0.656	1.000	0.935	1.015	---	1.939
1997	2.680	0.998	0.675	0.676	1.000	0.949	1.015	---	1.880
1998	2.547	0.965	0.703	0.728	1.000	0.959	1.015	---	1.905
1999	2.398	0.972	0.710	0.731	1.000	0.954	1.015	---	1.810
2000	2.200	1.005	0.644	0.641	1.000	0.970	1.015	---	1.432
2001	2.187	1.031	0.567	0.550	1.000	0.969	1.015	---	1.223
2002	2.163	1.167	0.508	0.435	1.000	0.991	1.015	---	0.936
2003	2.088	1.282	0.415	0.324	1.000	1.005	1.015	---	0.663
2004	1.989	1.400	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	1.156	0.734	0.635	1.000	0.955	1.015	---	0.879
2018	1.295	1.196	0.830	0.694	1.000	0.956	1.015	---	0.926
2019	1.241	1.215	0.964	0.793	1.000	0.945	1.015	---	1.027
2020	1.185	1.207	1.075	0.890	1.000	0.944	1.015	0.990	1.090
2021	1.106	1.223	1.158	0.947	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) × (2c) × (3) × (6) ÷ [(4) × (5)] for calendar years 2007 to 2010 and 2020 to 2021. (1) × (2c) × (3) ÷ [(4) × (5)] for all other calendar years.

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

AY	Annual % Changes Intra- Class Ind Freq	Annual Log Differences					
		Intra-Class Indemnity Frequency per \$M Exposure at PY 2020 Level			AY+1		Economic Variables (1st Prin. Comp.)
		Total	Cumulative	Non-cum.	Indemnity Benefit Level	Cumulative Injury Index	
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	0.042
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	-1.5%	-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	-0.082	-0.008	0.000	-0.074	0.130
2018	-0.4%	-0.004	-0.054	0.004	0.000	-0.058	0.124
2019	0.8%	0.008	0.034	0.004	0.000	0.030	0.041
2020*	-8.3%	-0.086	0.123	-0.130	0.000	0.253	-0.911
2021	1.4%	0.014	0.014	0.014	0.000	0.000	0.327
2022	3.2%	0.031	0.031	0.031	0.000	0.000	0.496
2023	-1.0%	-0.010	-0.010	-0.010	0.000	0.000	0.096
2024	-2.9%	-0.029	-0.029	-0.029	0.000	0.000	-0.090

Y = Hazardousness-Adjusted Noncumulative Indemnity Claim Frequency

Constant	-0.020
Std Err of Y Est	0.040
R Squared	0.440
No. of Observations	41
Degrees of Freedom	37

X Coefficient(s)	0.185	0.209	0.104
Std Err of Coef.	0.076	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 AC
Economic variables are historical through 2021; June 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, -0.020, consists of measured offsets that recognize annual changes in real benefit levels relative to nominal benefit levels and long-term econon
Without these offsets, the indemnity benefit level and economic variables would project frequency to increase without bound.
*AY 2020 change is based on a comparison of 2020 accidents on 2019 policies to 2019 accidents on 2018 policies. Wage adjustments are applied for AY 2020.

**Projection of Indemnity Severity Trends by Accident Year
Based on Experience as of September 30, 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	9,993	---	2.151	21,497	---
1991	10,953	9.6%	2.034	22,281	3.6%
1992	11,042	0.8%	1.967	21,718	-2.5%
1993	11,993	8.6%	1.955	23,448	8.0%
1994	12,963	8.1%	2.048	26,548	13.2%
1995	14,568	12.4%	1.907	27,787	4.7%
1996	16,460	13.0%	1.790	29,463	6.0%
1997	19,289	17.2%	1.606	30,979	5.1%
1998	21,152	9.7%	1.481	31,334	1.1%
1999	23,144	9.4%	1.373	31,768	1.4%
2000	24,805	7.2%	1.281	31,784	0.0%
2001	27,163	9.5%	1.283	34,841	9.6%
2002	26,211	-3.5%	1.314	34,437	-1.2%
2003	25,911	-1.1%	1.310	33,937	-1.4%
2004	21,095	-18.6%	1.547	32,639	-3.8%
2005	19,090	-9.5%	1.776	33,907	3.9%
2006	20,832	9.1%	1.646	34,285	1.1%
2007	22,648	8.7%	1.587	35,933	4.8%
2008	24,667	8.9%	1.499	36,973	2.9%
2009	25,865	4.9%	1.490	38,537	4.2%
2010	25,257	-2.4%	1.462	36,928	-4.2%
2011	24,818	-1.7%	1.442	35,785	-3.1%
2012	24,157	-2.7%	1.424	34,400	-3.9%
2013	23,459	-2.9%	1.395	32,734	-4.8%
2014	24,234	3.3%	1.297	31,432	-4.0%
2015	24,561	1.3%	1.279	31,402	-0.1%
2016	24,009	-2.2%	1.262	30,311	-3.5%
2017	24,116	0.4%	1.230	29,651	-2.2%
2018	24,939	3.4%	1.198	29,872	0.7%
2019	26,620	6.7%	1.165	31,023	3.9%
2020	28,325	6.4%	1.129	31,977	3.1%
2021	28,612	1.0%	1.079	30,867	-3.5%
(6) Estimated Annual Exponential Trend Based on 1990 to 2021:					0.9%
(7) Estimated Annual Exponential Trend Based on 2005 to 2021:					-1.3%
(8) Estimated Annual Exponential Trend Based on 2017 to 2021:					1.5%
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 September 30, 2022**

Accident <u>Year</u>	(1) Estimated Ultimate <u>Severity (a)</u>	(2) Annual <u>% Change</u>	(3) Medical Adjustment <u>Factor (b)</u>	(4) Ultimate On-level <u>Severity</u> (1) x (3)	(5) Annual <u>% Change</u>
1990	8,845	---	0.957	8,462	---
1991	9,539	7.8%	0.938	8,952	5.8%
1992	9,604	0.7%	0.907	8,707	-2.7%
1993	10,465	9.0%	0.889	9,304	6.9%
1994	11,485	9.7%	0.934	10,729	15.3%
1995	13,265	15.5%	0.926	12,282	14.5%
1996	14,367	8.3%	0.917	13,170	7.2%
1997	16,859	17.3%	0.910	15,347	16.5%
1998	20,563	22.0%	0.802	16,493	7.5%
1999	23,597	14.8%	0.695	16,398	-0.6%
2000	26,514	12.4%	0.639	16,932	3.3%
2001	31,281	18.0%	0.582	18,211	7.6%
2002	31,389	0.3%	0.605	18,979	4.2%
2003	29,944	-4.6%	0.634	18,995	0.1%
2004	27,488	-8.2%	0.839	23,065	21.4%
2005	28,258	2.8%	0.839	23,711	2.8%
2006	30,828	9.1%	0.836	25,764	8.7%
2007	34,150	10.8%	0.820	28,008	8.7%
2008	36,639	7.3%	0.817	29,929	6.9%
2009	38,512	5.1%	0.814	31,333	4.7%
2010	38,355	-0.4%	0.811	31,113	-0.7%
2011	34,530 (c)	---	0.834	28,789 (c)	---
2012	32,224	-6.7%	0.880	28,372	-1.4%
2013	29,728	-7.7%	0.960	28,546	0.6%
2014	28,956	-2.6%	1.022	29,586	3.6%
2015	28,200	-2.6%	1.046	29,493	-0.3%
2016	27,367	-3.0%	1.048	28,680	-2.8%
2017	27,284	-0.3%	1.049	28,622	-0.2%
2018	28,799	5.6%	1.046	30,121	5.2%
2019	29,541	2.6%	1.036	30,591	1.6%
2020	31,058	5.1%	1.023	31,778	3.9%
2021	30,570	-1.6%	1.014	31,000	-2.4%

Selected Medical Severity Trend: 1.5%

- (a) Estimated ultimate severities for all accident years are derived by dividing ultimate medical losses on indemnity claims by ultimate indemnity claim counts. The estimated ultimate medical severities were derived from the projected ultimate loss ratios shown in Exhibit 3.2, column (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 September 30, 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	28,258	---	23,711	---	26,815	---	22,499	---
2006	30,828	9.1%	25,764	8.7%	28,945	7.9%	24,190	7.5%
2007	34,150	10.8%	28,008	8.7%	31,928	10.3%	26,185	8.2%
2008	36,639	7.3%	29,929	6.9%	33,486	4.9%	27,353	4.5%
2009	38,512	5.1%	31,333	4.7%	35,352	5.6%	28,762	5.2%
2010	38,355	-0.4%	31,113	-0.7%	35,173	-0.5%	28,531	-0.8%
2011	37,780	-1.5%	31,500	1.2%	34,530	-1.8%	28,789	0.9%
2012	35,160	-6.9%	30,957	-1.7%	32,224	-6.7%	28,372	-1.4%
2013	32,496	-7.6%	31,204	0.8%	29,728	-7.7%	28,546	0.6%
2014	31,589	-2.8%	32,276	3.4%	28,956	-2.6%	29,586	3.6%
2015	30,646	-3.0%	32,051	-0.7%	28,200	-2.6%	29,493	-0.3%
2016	29,633	-3.3%	31,054	-3.1%	27,367	-3.0%	28,680	-2.8%
2017	29,538	-0.3%	30,986	-0.2%	27,284	-0.3%	28,622	-0.2%
2018	31,175	5.5%	32,606	5.2%	28,799	5.6%	30,121	5.2%
2019	32,034	2.8%	33,171	1.7%	29,541	2.6%	30,591	1.6%
2020	33,685	5.2%	34,467	3.9%	31,058	5.1%	31,778	3.9%
2021	33,306	-1.1%	33,774	-2.0%	30,570	-1.6%	31,000	-2.4%
Estimated Annual Exponential Trend								
Trend Based on 1990 to 2021:				4.9%	N/A			
Trend Based on 2005 to 2021:				1.6%	1.5%			
Trend Based on 2017 to 2021:				2.3%	2.2%			
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 September 30, 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	0.347	1.728	2.039	0.294
1988	0.332	1.703	1.787	0.317
1989	0.345	1.678	1.719	0.337
1990	0.400	1.345	1.598	0.337
1991	0.428	1.108	1.446	0.328
1992	0.352	1.168	1.315	0.313
1993	0.289	1.418	1.272	0.322
1994	0.328	1.482	1.438	0.338
1995	0.474	1.372	1.889	0.344
1996	0.532	1.283	1.939	0.352
1997	0.603	1.148	1.880	0.368
1998	0.654	1.059	1.905	0.364
1999	0.687	0.982	1.810	0.372
2000	0.595	0.916	1.432	0.381
2001	0.494	0.917	1.223	0.370
2002	0.369	0.939	0.936	0.370
2003	0.244	0.937	0.663	0.344
2004	0.145	1.282	0.603	0.309
2005	0.125	1.738	0.669	0.324
2006	0.161	1.707	0.860	0.320
2007	0.223	1.646	1.099	0.334
2008	0.282	1.546	1.328	0.329
2009	0.331	1.515	1.432	0.350
2010	0.319	1.487	1.302	0.365
2011	0.297	1.466	1.188	0.367
2012	0.266	1.448	1.057	0.364
2013	0.227	1.416	0.924	0.347
2014	0.215	1.297	0.851	0.327
2015	0.210	1.279	0.813	0.330
2016	0.199	1.262	0.840	0.300
2017	0.204	1.230	0.879	0.286
2018	0.218	1.198	0.926	0.282
2019	0.257	1.165	1.027	0.291
2020	0.273	1.129	1.090	0.282
2021	0.315	1.079	1.113	0.305
				Projections (d)
2022				0.310
2023				0.310
9/1/2023				0.309

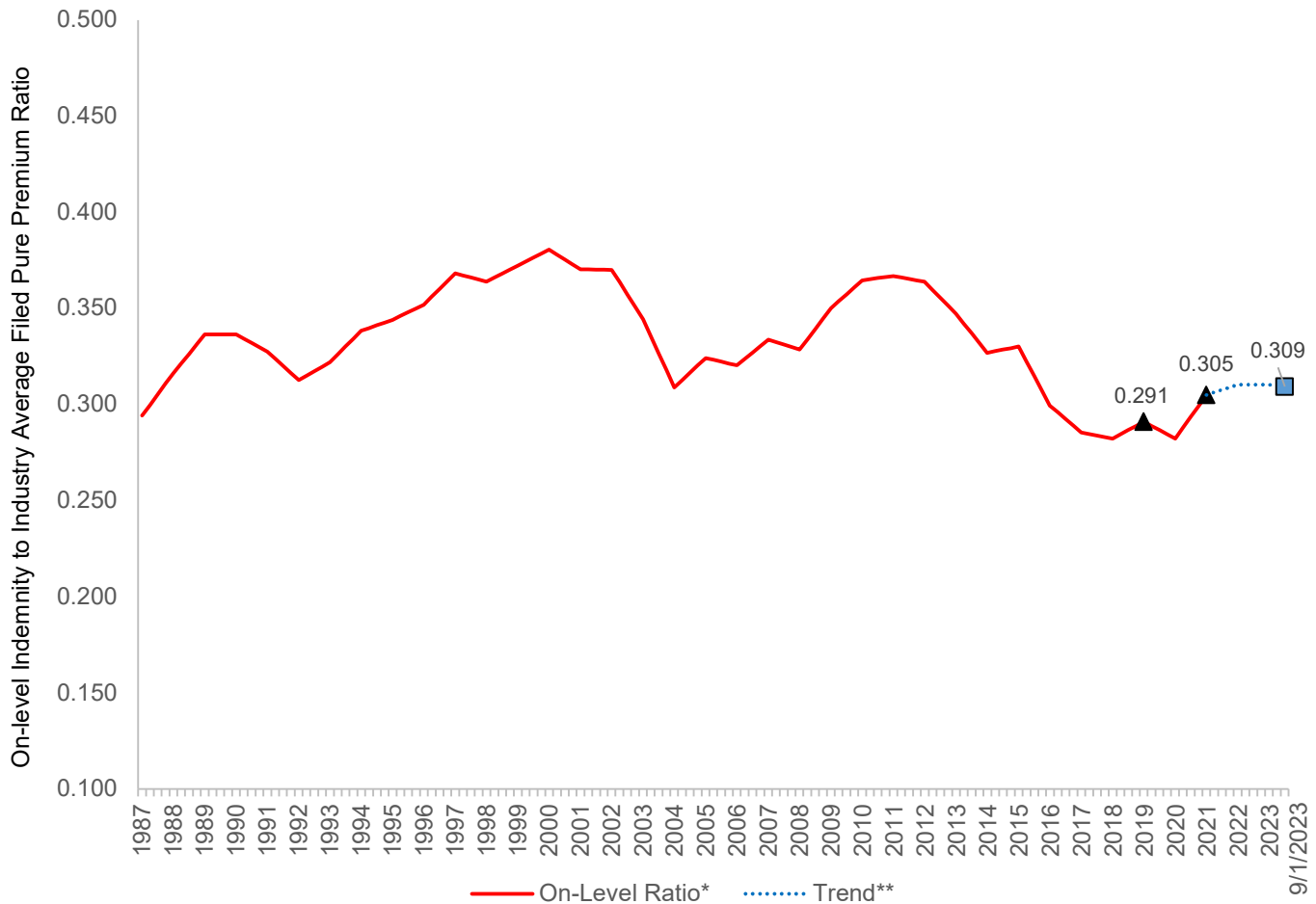
(a) See Exhibit 3.1.

(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 September 30, 2022**



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

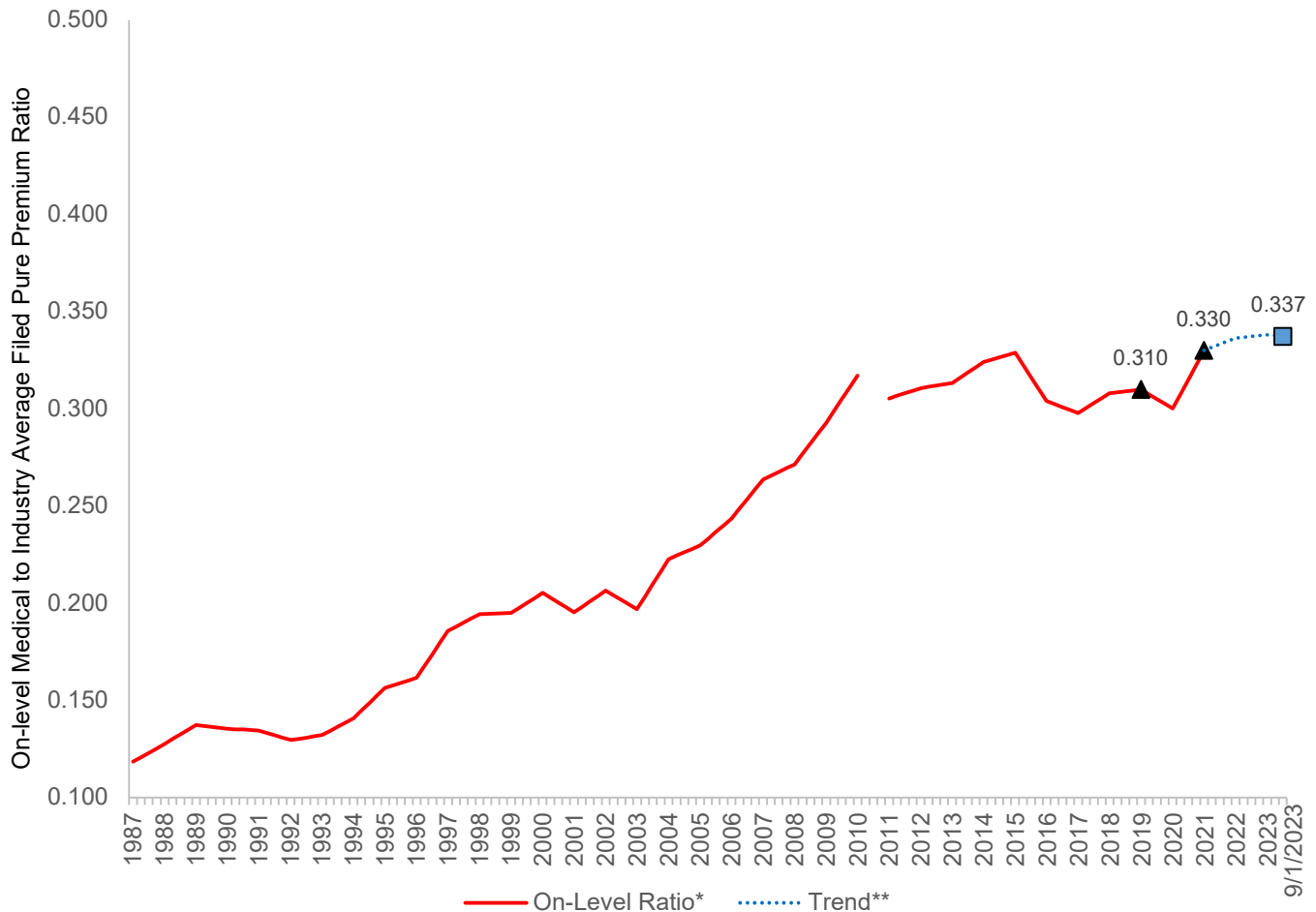
** The 9/1/2023 indemnity to industry average filed pure premium ratio was calculated based on separate frequency and severity trends applied to the 2019 and 2021 years.

**Projected On-Level Accident Year
Medical Loss to Industry Average Filed Pure Premium Ratios
Based on Experience as of September 30, 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	0.287	0.843	2.039	0.119
1988	0.281	0.812	1.787	0.128
1989	0.300	0.788	1.719	0.137
1990	0.339	0.638	1.598	0.135
1991	0.356	0.546	1.446	0.135
1992	0.296	0.576	1.315	0.130
1993	0.244	0.689	1.272	0.132
1994	0.280	0.722	1.438	0.141
1995	0.415	0.712	1.889	0.157
1996	0.446	0.702	1.939	0.162
1997	0.502	0.696	1.880	0.186
1998	0.604	0.613	1.905	0.194
1999	0.664	0.531	1.810	0.195
2000	0.603	0.488	1.432	0.205
2001	0.537	0.445	1.223	0.195
2002	0.418	0.462	0.936	0.207
2003	0.269	0.485	0.663	0.197
2004	0.183	0.733	0.603	0.223
2005	0.180	0.852	0.669	0.230
2006	0.234	0.895	0.860	0.244
2007	0.330	0.878	1.099	0.264
2008	0.413	0.872	1.328	0.271
2009	0.488	0.860	1.432	0.293
2010	0.482	0.857	1.302	0.317
2011	0.416	0.872	1.188	0.305
2012	0.360	0.912	1.057	0.311
2013	0.304	0.952	0.924	0.313
2014	0.277	0.997	0.851	0.324
2015	0.263	1.016	0.813	0.329
2016	0.251	1.019	0.840	0.304
2017	0.256	1.022	0.879	0.298
2018	0.279	1.023	0.926	0.308
2019	0.312	1.019	1.027	0.310
2020	0.323	1.015	1.090	0.300
2021	0.363	1.013	1.113	0.330
				Projections (d)
2022				0.337
2023				0.338
9/1/2023				0.337

- (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 September 30, 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 September 30, 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)	0.309	0.337	0.646

Quarterly Incurred Indemnity Loss Development Factors
Through September 30, 2022

Age in	Accident Year																				
<u>Months</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>	<u>2022</u>
6/3	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	3.191
9/6	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	1.916
12/9	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	
15/12	1.257	1.238	1.180	1.149	1.189	1.234	1.248	1.293	1.306	1.306	1.303	1.301	1.301	1.313	1.309	1.298	1.298	1.295	1.263	1.293	
18/15	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	1.183	
21/18	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	1.138	
24/21	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		
27/24	1.094	1.073	1.045	1.070	1.082	1.081	1.088	1.089	1.091	1.085	1.087	1.081	1.082	1.087	1.079	1.078	1.071	1.073	1.079		
30/27	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	1.058		
33/30	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	1.048		
36/33	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			
39/36	1.028	1.017	1.027	1.029	1.031	1.033	1.040	1.039	1.039	1.041	1.035	1.031	1.036	1.030	1.028	1.028	1.027	1.029			
42/39	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	1.028			
45/42	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	1.024			
48/45	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				
51/48	1.010	1.016	1.010	1.018	1.021	1.018	1.022	1.023	1.021	1.018	1.017	1.015	1.019	1.015	1.014	1.013	1.014				
54/51	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	1.011				
57/54	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	1.009				
60/57	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					
63/60	1.008	1.008	1.010	1.014	1.013	1.015	1.011	1.014	1.014	1.009	1.012	1.008	1.010	1.007	1.007	1.008					
66/63	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	1.008					
69/66	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	1.006					
72/69	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						
75/72	1.003	1.005	1.007	1.010	1.011	1.010	1.010	1.008	1.007	1.004	1.006	1.007	1.004	1.006	1.005						
78/75	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	1.003						
81/78	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	1.004						
84/81	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							
87/84	1.004	1.002	1.007	1.010	1.007	1.004	1.005	1.006	1.004	1.006	1.004	1.003	1.002	1.001							
90/87	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	1.004							
93/90	1.002	1.005	1.006	1.008	1.006	1.007	1.006	1.003	1.004	1.005	1.004	1.003	1.004	1.002							
96/93	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 September 30, 2022

Age in	Accident Year																				
Months	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
6/3	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	2.930
9/6	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	1.769
12/9	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	
15/12	1.203	1.197	1.132	1.145	1.138	1.182	1.167	1.199	1.206	1.228	1.211	1.207	1.199	1.206	1.215	1.184	1.191	1.183	1.168	1.172	
18/15	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	1.103	
21/18	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	1.063	1.060	1.077	1.071	
24/21	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	1.054		
27/24	1.075	1.042	1.034	1.048	1.055	1.058	1.053	1.071	1.066	1.072	1.058	1.048	1.046	1.048	1.040	1.036	1.030	1.033	1.049		
30/27	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	1.041		
33/30	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	1.033		
36/33	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			
39/36	1.018	1.012	1.028	1.025	1.027	1.029	1.033	1.031	1.040	1.039	1.027	1.021	1.023	1.022	1.011	1.018	1.016	1.019			
42/39	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	1.017			
45/42	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	1.016			
48/45	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				
51/48	1.009	1.013	1.018	1.015	1.020	1.021	1.021	1.026	1.024	1.019	1.014	1.013	1.010	1.008	1.008	1.009	1.007				
54/51	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	1.009				
57/54	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	1.006	1.007	1.006				
60/57	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					
63/60	1.008	1.016	1.015	1.021	1.015	1.018	1.016	1.020	1.015	1.009	1.009	1.005	1.008	1.005	1.004	1.004					
66/63	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	1.009					
69/66	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	1.009					
72/69	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						
75/72	1.010	1.009	1.012	1.012	1.011	1.018	1.013	1.008	1.006	1.001	1.003	1.006	1.003	1.002	1.004						
78/75	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	1.003						
81/78	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	1.006						
84/81	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							
87/84	1.009	1.010	1.012	1.014	1.012	1.008	1.007	1.004	1.003	1.001	1.002	1.002	1.001	1.001							
90/87	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	1.001							
93/90	1.011	1.010	1.011	1.012	1.009	1.009	1.007	1.002	1.003	1.002	1.004	1.000	1.003	1.002							
96/93	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 September 30, 2022

Age in	Accident Year																				
<u>Months</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>	<u>2022</u>
6/3	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	5.240
9/6	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	2.453
12/9	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	--	1.847	
15/12	1.550	1.516	1.491	1.456	1.482	1.488	1.481	1.507	1.532	1.539	1.506	1.539	1.540	1.559	1.571	1.544	1.527	1.522	1.509	1.505	
18/15	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	1.334	
21/18	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	1.243	
24/21	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		
27/24	1.205	1.186	1.140	1.142	1.151	1.149	1.153	1.162	1.165	1.168	1.164	1.159	1.170	1.176	1.161	1.159	1.152	1.154	1.148		
30/27	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	1.127		
33/30	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	1.105		
36/33	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			
39/36	1.087	1.072	1.070	1.066	1.064	1.067	1.074	1.078	1.077	1.073	1.075	1.074	1.075	1.071	1.068	1.064	1.066	1.066			
42/39	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	1.061			
45/42	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	1.052			
48/45	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				
51/48	1.036	1.035	1.033	1.036	1.036	1.037	1.042	1.042	1.043	1.039	1.038	1.038	1.039	1.035	1.031	1.031	1.031				
54/51	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	1.029				
57/54	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	1.026				
60/57	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					
63/60	1.022	1.019	1.019	1.021	1.023	1.025	1.025	1.024	1.026	1.025	1.025	1.021	1.021	1.018	1.016	1.017					
66/63	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	1.017					
69/66	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	1.015					
72/69	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						
75/72	1.012	1.012	1.013	1.015	1.019	1.018	1.016	1.016	1.017	1.015	1.014	1.012	1.012	1.011	1.012						
78/75	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	1.012						
81/78	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	1.009						
84/81	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							
87/84	1.009	1.008	1.009	1.012	1.014	1.013	1.010	1.012	1.010	1.011	1.010	1.007	1.006	1.008							
90/87	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	1.007							
93/90	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	1.006							
96/93	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 September 30, 2022

Age in	Accident Year																					
Months	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
6/3	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	6.038	
9/6	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	2.383	
12/9	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		
15/12	1.554	1.510	1.437	1.423	1.429	1.444	1.413	1.429	1.445	1.472	1.446	1.443	1.460	1.454	1.479	1.434	1.426	1.433	1.436	1.437		
18/15	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	1.270	1.272		
21/18	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	1.201		
24/21	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			
27/24	1.123	1.093	1.090	1.093	1.106	1.107	1.110	1.112	1.119	1.120	1.123	1.122	1.122	1.124	1.111	1.111	1.108	1.114	1.117			
30/27	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	1.107			
33/30	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	1.092			
36/33	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				
39/36	1.049	1.044	1.053	1.056	1.057	1.059	1.061	1.066	1.071	1.066	1.069	1.065	1.064	1.061	1.055	1.054	1.054	1.061				
42/39	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	1.053				
45/42	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	1.051				
48/45	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					
51/48	1.031	1.030	1.033	1.037	1.036	1.036	1.039	1.041	1.043	1.040	1.039	1.038	1.037	1.032	1.031	1.027	1.027					
54/51	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	1.029					
57/54	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	1.026					
60/57	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						
63/60	1.019	1.020	1.024	1.024	1.024	1.024	1.027	1.027	1.026	1.027	1.025	1.021	1.022	1.019	1.018	1.017						
66/63	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	1.017						
69/66	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	1.020						
72/69	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							
75/72	1.015	1.014	1.018	1.020	1.019	1.019	1.018	1.018	1.018	1.015	1.015	1.013	1.014	1.011	1.012							
78/75	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	1.015							
81/78	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	1.010							
84/81	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								
87/84	1.012	1.012	1.014	1.013	1.015	1.017	1.013	1.013	1.011	1.012	1.010	1.008	1.008	1.008								
90/87	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	1.007								
93/90	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	1.007								
96/93	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>9-21</u>	<u>21-33</u>	<u>33-45</u>	<u>45-57</u>	<u>57-69</u>	<u>69-81</u>	<u>81-93</u>	<u>93-105</u>	<u>105-117</u>	<u>117-129</u>	<u>129-141</u>	<u>141-153</u>	<u>153-165</u>	<u>165-177</u>	<u>177-189</u>	<u>189-201</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										0.999	1.000	1.001	1.000	1.000	1.000	1.000
2004									0.999	1.000	1.001	1.000	1.000	1.000	1.000	1.000
2005								1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000
2006							1.001	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007						1.001	1.000	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
2008					1.003	1.002	1.002	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
2009				1.007	1.004	1.003	1.001	1.001	1.000	1.000	1.000	1.000	1.000			
2010			1.015	1.007	1.005	1.002	1.002	1.000	1.000	1.000	1.001	1.000				
2011		1.046	1.016	1.010	1.003	1.001	1.001	1.000	1.000	1.001	1.000					
2012	1.735	1.050	1.019	1.006	1.003	1.001	1.001	1.000	1.001	1.001						
2013	1.753	1.051	1.011	1.006	1.001	1.001	1.001	1.001	1.001							
2014	1.752	1.040	1.012	1.004	1.002	1.001	1.000	1.000								
2015	1.728	1.039	1.006	1.004	1.003	1.001	1.000									
2016	1.731	1.041	1.009	1.004	1.001	1.000										
2017	1.705	1.033	1.010	1.003	1.001											
2018	1.703	1.038	1.007	1.002												
2019	1.715	1.040	1.009													
2020	1.548	1.035														
2021	1.698															
Latest Year																
<u>Age-to-Age</u>	1.698	1.035	1.009	1.002	1.001	1.000	1.000	1.000	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000
<u>Age-to-Ultimate</u>	1.788	1.053	1.017	1.009	1.007	1.006	1.005	1.005	1.005	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 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	1.018	1.010	1.008	1.006	1.003	1.002	1.002	1.002	1.001
2019	2.780	1.751	1.425	1.138	1.034	1.023	1.015	1.010	1.009	1.005	1.003	1.002	1.002	1.001	
2020	--	--	--	1.132	1.042	1.025	1.014	1.009	1.007	1.004					
2021	2.805	1.741	1.409	1.129	1.042	1.024									
2022	2.846	1.719													

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

Reported Indemnity Claim Settlement Ratios

Accident	Evaluated as of (in months):																
Year	9	21	33	45	57	69	81	93	105	117	129	141	153	165	177	189	201
1997																	98.4%
1998																98.0%	98.2%
1999															97.6%	97.9%	98.1%
2000														97.1%	97.4%	97.7%	98.0%
2001													95.9%	96.4%	96.9%	97.3%	97.6%
2002												95.6%	96.2%	96.7%	97.2%	97.6%	97.9%
2003											94.9%	95.7%	96.3%	96.9%	97.4%	97.8%	98.2%
2004										93.9%	95.1%	95.9%	96.6%	97.2%	97.6%	98.1%	98.4%
2005									92.5%	94.1%	95.2%	96.1%	96.9%	97.4%	97.9%	98.3%	98.5%
2006								90.5%	92.6%	94.0%	95.3%	96.2%	96.9%	97.5%	98.0%	98.3%	98.5%
2007							87.7%	90.8%	92.8%	94.5%	95.7%	96.6%	97.3%	97.8%	98.2%	98.4%	
2008						83.6%	88.0%	90.9%	93.2%	94.8%	95.9%	96.8%	97.4%	97.8%	98.1%		
2009					77.0%	83.3%	87.7%	91.1%	93.3%	94.9%	96.2%	97.0%	97.5%	97.9%			
2010				69.6%	78.7%	84.7%	89.1%	92.2%	94.2%	95.7%	96.7%	97.4%	97.9%				
2011			58.3%	71.0%	79.8%	85.8%	90.1%	93.1%	95.0%	96.2%	97.0%	97.5%					
2012		43.7%	59.7%	72.2%	81.1%	87.2%	91.2%	93.9%	95.5%	96.5%	97.2%						
2013	21.6%	44.0%	60.5%	73.9%	83.0%	88.7%	92.4%	94.7%	96.0%	96.9%							
2014	21.6%	44.5%	62.0%	75.4%	84.5%	89.7%	92.9%	94.8%	96.2%								
2015	21.8%	45.6%	64.3%	77.9%	86.3%	90.6%	93.2%	95.2%									
2016	22.4%	48.1%	66.8%	80.1%	87.0%	90.9%	93.6%										
2017	23.9%	50.6%	69.4%	80.6%	87.0%	91.0%											
2018	24.7%	51.2%	68.0%	79.2%	86.3%												
2019	24.7%	49.5%	65.6%	77.8%													
2020	27.0%	48.5%	65.3%														
2021	25.5%	51.2%															
2022	26.0%																

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

Estimated Ultimate Indemnity Claim Settlement Ratios

Accident	Evaluated as of (in months):																
Year	9	21	33	45	57	69	81	93	105	117	129	141	153	165	177	189	201
1997																	98.0%
1998																97.7%	97.9%
1999															97.3%	97.6%	97.8%
2000														96.8%	97.2%	97.4%	97.7%
2001													95.5%	96.1%	96.6%	97.0%	97.4%
2002												95.3%	96.0%	96.5%	97.0%	97.4%	97.7%
2003											94.6%	95.4%	96.1%	96.6%	97.2%	97.5%	97.9%
2004										93.7%	94.8%	95.7%	96.4%	96.9%	97.4%	97.9%	98.1%
2005									92.3%	93.9%	95.1%	96.0%	96.7%	97.2%	97.7%	98.0%	98.3%
2006								90.2%	92.3%	93.8%	95.1%	96.0%	96.7%	97.3%	97.7%	98.0%	98.3%
2007							87.3%	90.4%	92.5%	94.2%	95.4%	96.3%	97.0%	97.5%	97.9%	98.2%	
2008						82.8%	87.4%	90.4%	92.8%	94.5%	95.6%	96.5%	97.2%	97.6%	97.9%		
2009					76.1%	82.6%	87.2%	90.7%	93.0%	94.6%	95.8%	96.6%	97.2%	97.6%			
2010				68.3%	77.7%	84.0%	88.6%	91.9%	93.8%	95.3%	96.3%	97.1%	97.6%				
2011			56.3%	69.6%	79.0%	85.2%	89.6%	92.6%	94.6%	95.8%	96.6%	97.2%					
2012		40.2%	57.7%	71.1%	80.2%	86.5%	90.7%	93.3%	94.9%	96.1%	96.8%						
2013	11.4%	40.7%	58.9%	72.8%	82.2%	88.0%	91.8%	94.2%	95.5%	96.5%							
2014	11.6%	41.8%	60.5%	74.5%	83.8%	89.2%	92.4%	94.3%	95.7%								
2015	11.9%	43.1%	63.1%	77.0%	85.5%	90.0%	92.7%	94.7%									
2016	12.2%	45.3%	65.5%	79.2%	86.5%	90.3%	93.1%										
2017	13.3%	48.1%	68.1%	79.8%	86.4%	90.5%											
2018	13.8%	48.6%	66.9%	78.5%	85.8%												
2019	13.6%	46.8%	64.5%	77.2%													
2020	16.5%	46.1%	64.1%														
2021	14.3%	48.6%															
2022	14.6%																

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

Quarterly Ultimate Settlement Ratios

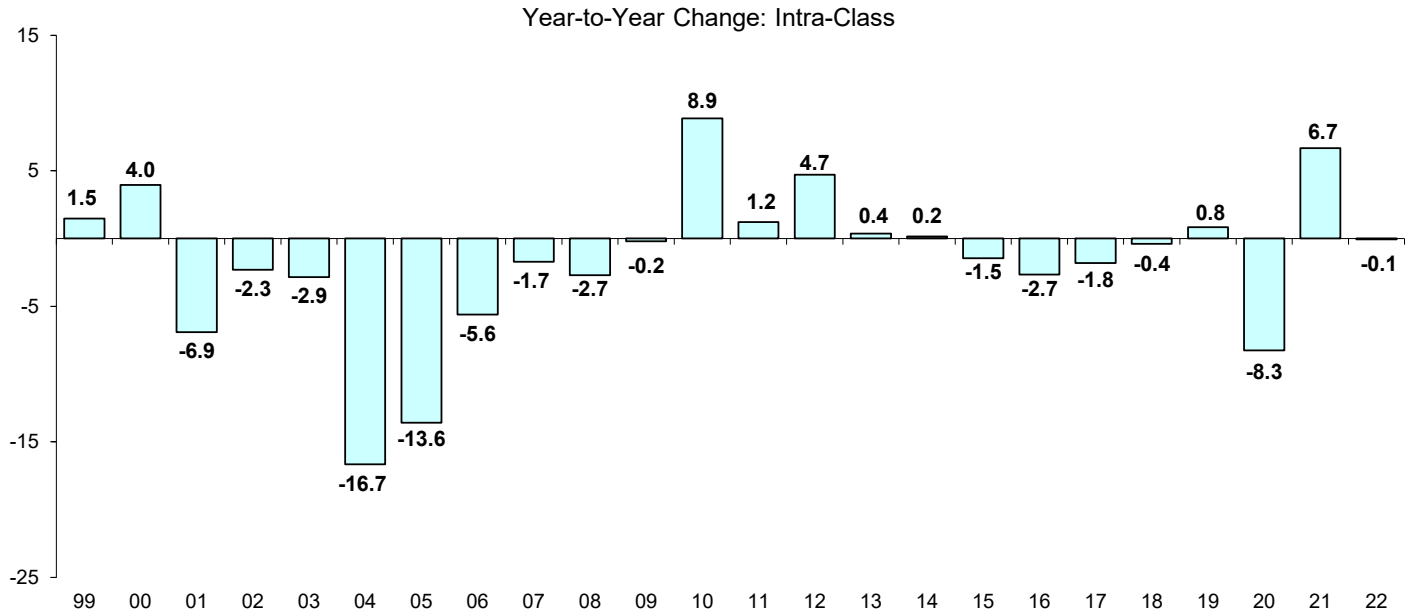
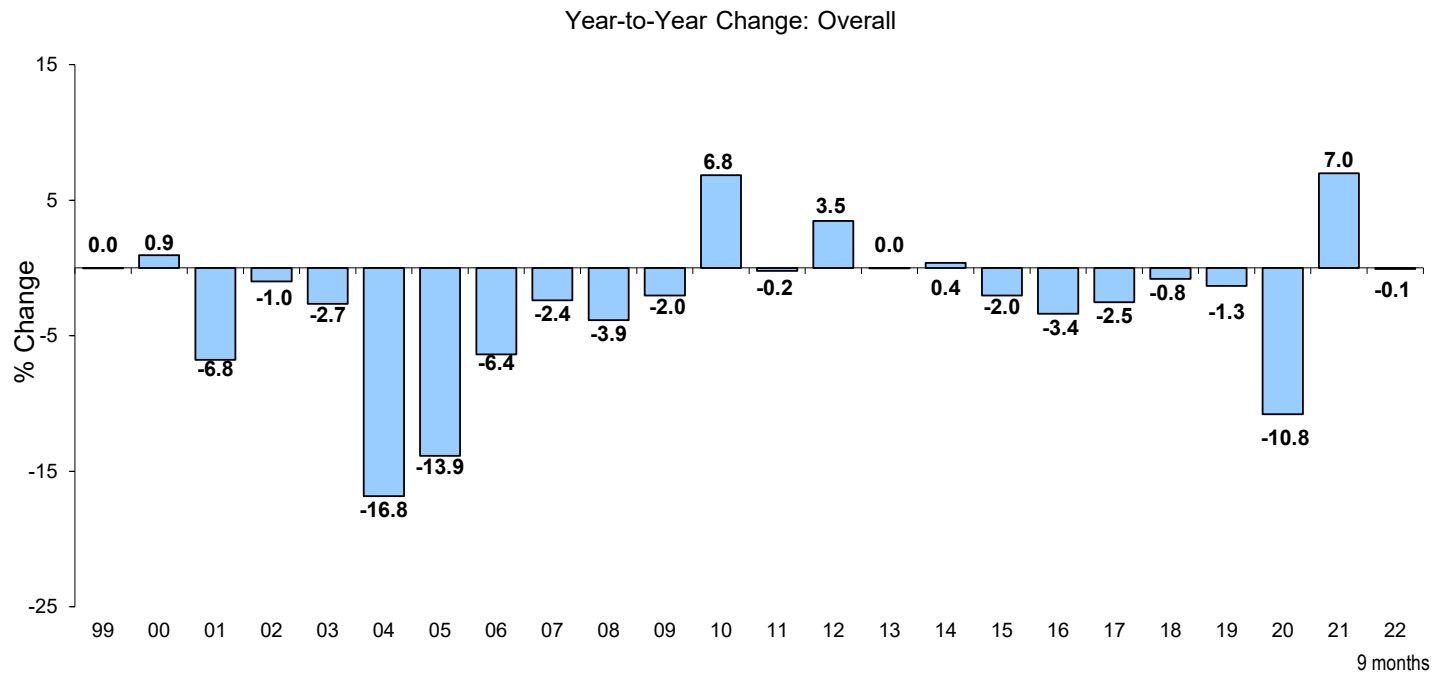
Accident Year	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48
2013	0.9%	4.9%	11.4%	20.5%	28.9%	35.4%	40.7%	45.9%	50.4%	54.9%	58.9%	62.9%	66.5%	69.9%	72.8%	75.6%
2014	0.7%	4.7%	11.6%	20.7%	29.3%	36.1%	41.8%	46.9%	51.7%	56.3%	60.5%	64.5%	68.0%	71.6%	74.5%	77.2%
2015	0.8%	4.7%	11.9%	20.8%	30.0%	37.4%	43.1%	48.4%	53.6%	58.8%	63.1%	67.1%	70.8%	74.1%	77.0%	79.5%
2016	0.8%	5.0%	12.2%	21.7%	31.5%	39.4%	45.3%	51.0%	56.1%	61.3%	65.5%	69.6%	73.5%	76.7%	79.2%	81.4%
2017	0.8%	5.5%	13.3%	23.9%	34.0%	41.8%	48.1%	53.8%	59.0%	63.8%	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%	48.6%	54.0%	59.2%	63.2%	66.9%	70.0%	73.4%	76.1%	78.5%	80.3%
2019	1.0%	5.7%	13.6%	24.3%	34.7%	41.3%	46.8%	51.6%	56.3%	60.6%	64.5%	67.8%	71.4%	74.5%	77.2%	
2020	--	--	--	23.4%	33.0%	40.6%	46.1%	50.3%	55.4%	60.0%	64.1%					
2021	0.8%	5.9%	14.3%	24.5%	35.2%	43.0%	48.6%									
2022	0.8%	5.8%	14.6%													

Accident Year	3-6	6-9	9-12	12-15	15-18	18-21	21-24	24-27	27-30	30-33	33-36	36-39	39-42	42-45	45-48
2013	4.0%	6.5%	9.1%	8.4%	6.5%	5.3%	5.1%	4.5%	4.5%	4.0%	4.0%	3.6%	3.4%	2.9%	2.8%
2014	4.0%	6.9%	9.1%	8.6%	6.8%	5.7%	5.1%	4.8%	4.6%	4.2%	4.0%	3.5%	3.6%	2.8%	2.7%
2015	3.9%	7.2%	8.9%	9.2%	7.4%	5.7%	5.3%	5.2%	5.2%	4.3%	3.9%	3.7%	3.3%	2.9%	2.5%
2016	4.2%	7.2%	9.5%	9.8%	7.9%	5.9%	5.7%	5.1%	5.2%	4.3%	4.0%	3.9%	3.2%	2.6%	2.2%
2017	4.7%	7.8%	10.6%	10.1%	7.8%	6.2%	5.7%	5.2%	4.8%	4.2%	3.6%	3.4%	2.4%	2.2%	1.7%
2018	4.8%	8.0%	10.6%	10.3%	7.8%	6.2%	5.4%	5.2%	4.0%	3.7%	3.1%	3.4%	2.7%	2.4%	1.8%
2019	4.7%	8.0%	10.7%	10.4%	6.6%	5.5%	4.8%	4.7%	4.3%	3.9%	3.3%	3.6%	3.1%	2.7%	
2020	--	--	--	9.6%	7.6%	5.5%	4.2%	5.1%	4.6%	4.2%					
2021	5.1%	8.3%	10.3%	10.7%	7.8%	5.7%									
2022	5.0%	8.8%													

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 83% to 100% 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 September 30, 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 September 30, 2022

AY2020 @9/30/2022	Based on 100% of the Market			Average per Indemnity Claim			Average per Total Claim		
	COVID-19 Claims	3Q-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	117,043,465	2,042,201,805	5.7%	\$6,422	\$13,456	\$14,416	\$4,314	\$5,718	\$5,833
<u>Ind. Reserves</u>	<u>75,282,034</u>	<u>914,218,023</u>	<u>8.2%</u>	<u>\$4,131</u>	<u>\$6,024</u>	<u>\$6,282</u>	<u>\$2,775</u>	<u>\$2,560</u>	<u>\$2,542</u>
Ind. Incurred	192,325,499	2,956,419,828	6.5%	\$10,553	\$19,480	\$20,699	\$7,089	\$8,278	\$8,375
Med. Paid	86,166,420	2,175,144,100	4.0%	\$4,728	\$14,332	\$15,643	\$3,176	\$6,090	\$6,330
<u>Med. Reserves</u>	<u>83,057,270</u>	<u>1,207,673,610</u>	<u>6.9%</u>	<u>\$4,558</u>	<u>\$7,958</u>	<u>\$8,422</u>	<u>\$3,062</u>	<u>\$3,381</u>	<u>\$3,408</u>
Med. Incurred	169,223,690	3,382,817,710	5.0%	\$9,286	\$22,290	\$24,065	\$6,238	\$9,472	\$9,737
ALAE Paid	31,887,929	860,899,183	3.7%	\$1,750	\$5,673	\$6,208	\$1,175	\$2,410	\$2,512
MCCP	5,364,861	182,121,613	2.9%	\$294	\$1,200	\$1,324	\$198	\$510	\$536
Paid on Med-Only Claims	6,617,175	256,066,792	2.6%						
Ind. Paid on Open Ind. Claims	117,043,465	2,042,201,805	5.7%						
Med. Paid on Open Ind. Claims	75,282,034	914,218,023	8.2%						
AY2020 Claim Counts									
# of Open Indemnity Claims	1,587	47,941	3.3%						
# of Med-Only Claims	8,905	205,390	4.3%						
# of Indemnity Claims	18,224	151,764	12.0%						
Total Number of Claims	27,129	357,154	7.6%						

AY2021 @9/30/2022	Based on 100% of the Market			Average per Indemnity Claim			Average per Total Claim		
	COVID-19 Claims	3Q-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	24,439,056	1,307,773,164	1.9%	\$3,417	\$8,748	\$9,016	\$2,335	\$3,464	\$3,497
<u>Ind. Reserves</u>	<u>24,556,493</u>	<u>1,051,240,505</u>	<u>2.3%</u>	<u>\$3,434</u>	<u>\$7,032</u>	<u>\$7,213</u>	<u>\$2,346</u>	<u>\$2,785</u>	<u>\$2,797</u>
Ind. Incurred	48,995,549	2,359,013,669	2.1%	\$6,851	\$15,781	\$16,229	\$4,681	\$6,249	\$6,294
Med. Paid	18,818,603	1,516,318,113	1.2%	\$2,631	\$10,143	\$10,521	\$1,798	\$4,017	\$4,080
<u>Med. Reserves</u>	<u>28,678,907</u>	<u>1,479,335,168</u>	<u>1.9%</u>	<u>\$4,010</u>	<u>\$9,896</u>	<u>\$10,192</u>	<u>\$2,740</u>	<u>\$3,919</u>	<u>\$3,952</u>
Med. Incurred	47,497,510	2,995,653,281	1.6%	\$6,641	\$20,040	\$20,713	\$4,538	\$7,936	\$8,033
ALAE Paid	7,551,563	535,695,668	1.4%	\$1,056	\$3,584	\$3,711	\$722	\$1,419	\$1,439
MCCP	1,970,226	136,006,907	1.4%	\$275	\$910	\$942	\$188	\$360	\$365
Paid on Med-Only Claims	1,599,115	260,093,019	0.6%						
Ind. Paid on Open Ind. Claims	24,439,056	1,307,773,164	1.9%						
Med. Paid on Open Ind. Claims	24,556,493	1,051,240,505	2.3%						
AY2021 Claim Counts									
# of Open Indemnity Claims	748	70,143	1.1%						
# of Med-Only Claims	3,314	228,002	1.5%						
# of Indemnity Claims	7,152	149,487	4.8%						
Total Number of Claims	10,466	377,489	2.8%						

AY2022 @9/30/2022	Based on 100% of the Market			Average per Indemnity Claim			Average per Total Claim		
	COVID-19 Claims	3Q-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	6,118,482	325,824,936	1.9%	\$989	\$3,480	\$3,657	\$658	\$1,336	\$1,363
<u>Ind. Reserves</u>	<u>3,299,421</u>	<u>611,797,418</u>	<u>0.5%</u>	<u>\$533</u>	<u>\$6,535</u>	<u>\$6,960</u>	<u>\$355</u>	<u>\$2,509</u>	<u>\$2,594</u>
Ind. Incurred	9,417,903	937,622,354	1.0%	\$1,522	\$10,015	\$10,616	\$1,014	\$3,845	\$3,957
Med. Paid	1,625,252	409,988,971	0.4%	\$263	\$4,379	\$4,671	\$175	\$1,681	\$1,741
<u>Med. Reserves</u>	<u>6,840,220</u>	<u>1,138,574,101</u>	<u>0.6%</u>	<u>\$1,106</u>	<u>\$12,162</u>	<u>\$12,944</u>	<u>\$736</u>	<u>\$4,669</u>	<u>\$4,825</u>
Med. Incurred	8,465,472	1,548,563,072	0.5%	\$1,368	\$16,541	\$17,615	\$911	\$6,351	\$6,566
ALAE Paid	1,232,896	103,796,217	1.2%	\$199	\$1,109	\$1,173	\$133	\$426	\$437
MCCP	180,397	37,011,122	0.5%	\$29	\$395	\$421	\$19	\$152	\$157
Paid on Med-Only Claims	342,249	113,194,612	0.3%						
Ind. Paid on Open Ind. Claims	6,118,482	325,824,936	1.9%						
Med. Paid on Open Ind. Claims	3,299,421	611,797,418	0.5%						
AY2022 Claim Counts									
# of Open Indemnity Claims	939	65,601	1.4%						
# of Med-Only Claims	3,105	150,226	2.1%						
# of Indemnity Claims	6,187	93,619	6.6%						
Total Number of Claims	9,292	243,845	3.8%						

Source: WCIRB accident year experience calls.

Average Paid ALAE per Reported Indemnity Claim - Private Insurers

As of September 30, 2022

Accident	Evaluated as of (in months):									
Year	<u>9</u>	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>	<u>93</u>	<u>105</u>	<u>117</u>
2001								5,637	5,927	6,099
2002							5,859	6,202	6,401	6,576
2003						5,796	6,232	6,527	6,756	6,956
2004					4,911	5,460	5,865	6,157	6,388	6,592
2005				3,774	4,549	5,101	5,501	5,824	6,092	6,293
2006			2,831	3,909	4,704	5,306	5,766	6,090	6,352	6,572
2007		1,616	3,025	4,177	5,043	5,711	6,244	6,613	6,912	7,144
2008	415	1,734	3,273	4,582	5,577	6,331	6,862	7,294	7,615	7,837
2009	464	1,944	3,685	5,142	6,238	7,024	7,653	8,107	8,428	8,669
2010	510	2,060	3,861	5,274	6,318	7,129	7,753	8,164	8,454	8,665
2011	496	2,091	3,800	5,214	6,311	7,170	7,733	8,096	8,366	8,546
2012	509	2,086	3,925	5,422	6,548	7,308	7,786	8,136	8,377	8,523
2013	521	2,282	4,171	5,647	6,652	7,293	7,729	8,009	8,191	8,356
2014	577	2,452	4,378	5,778	6,684	7,271	7,671	7,914	8,128	
2015	641	2,548	4,468	5,780	6,606	7,132	7,473	7,740		
2016	631	2,617	4,506	5,785	6,555	7,051	7,442			
2017	677	2,712	4,578	5,751	6,486	7,017				
2018	751	2,836	4,698	5,924	6,800					
2019	751	2,770	4,692	6,074						
2020	---	2,876	4,906							
2021	705	2,788								
2022	752									

	Annual Change									
Year	<u>9</u>	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>	<u>93</u>	<u>105</u>	<u>117</u>
2002								10.0%	8.0%	7.8%
2003							6.4%	5.3%	5.5%	5.8%
2004						-5.8%	-5.9%	-5.7%	-5.5%	-5.2%
2005					-7.4%	-6.6%	-6.2%	-5.4%	-4.6%	-4.5%
2006				3.6%	3.4%	4.0%	4.8%	4.6%	4.3%	4.4%
2007			6.8%	6.8%	7.2%	7.6%	8.3%	8.6%	8.8%	8.7%
2008		7.3%	8.2%	9.7%	10.6%	10.9%	9.9%	10.3%	10.2%	9.7%
2009	11.9%	12.1%	12.6%	12.2%	11.9%	10.9%	11.5%	11.1%	10.7%	10.6%
2010	10.0%	5.9%	4.8%	2.6%	1.3%	1.5%	1.3%	0.7%	0.3%	0.0%
2011	-2.8%	1.5%	-1.6%	-1.1%	-0.1%	0.6%	-0.3%	-0.8%	-1.0%	-1.4%
2012	2.6%	-0.2%	3.3%	4.0%	3.8%	1.9%	0.7%	0.5%	0.1%	-0.3%
2013	2.2%	9.4%	6.3%	4.2%	1.6%	-0.2%	-0.7%	-1.6%	-2.2%	-2.0%
2014	10.9%	7.5%	5.0%	2.3%	0.5%	-0.3%	-0.8%	-1.2%	-0.8%	
2015	11.0%	3.9%	2.1%	0.0%	-1.2%	-1.9%	-2.6%	-2.2%		
2016	-1.6%	2.7%	0.8%	0.1%	-0.8%	-1.1%	-0.4%			
2017	7.3%	3.6%	1.6%	-0.6%	-1.1%	-0.5%				
2018	11.1%	4.6%	2.6%	3.0%	4.8%					
2019	-0.1%	-2.3%	-0.1%	2.5%						
2020	---	3.8%	4.6%							
2021	---	-3.1%								
2022	6.7%									

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

Paid Allocated Loss Adjustment Expense Development - Private Insurers
As of September 30, 2022

Accident	Age-to-Age Development (in months):															
Year	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-129	129-141	141-153	153-165	165-177	177-189	189-201	201-213
1995															1.008	1.009
1996														1.008	1.010	1.010
1997													1.013	1.013	1.010	1.008
1998												1.015	1.014	1.012	1.012	1.010
1999											1.019	1.016	1.014	1.013	1.010	1.011
2000										1.022	1.019	1.016	1.015	1.013	1.012	1.009
2001									1.025	1.021	1.018	1.017	1.015	1.012	1.009	1.008
2002								1.029	1.022	1.019	1.017	1.015	1.012	1.010	1.008	1.006
2003							1.037	1.030	1.025	1.021	1.018	1.014	1.011	1.008	1.006	1.007
2004						1.053	1.038	1.031	1.026	1.022	1.016	1.013	1.010	1.008	1.007	1.005
2005					1.085	1.060	1.048	1.037	1.030	1.024	1.017	1.014	1.010	1.010	1.007	1.006
2006				1.133	1.089	1.064	1.050	1.037	1.028	1.019	1.016	1.012	1.008	1.007	1.002	
2007			1.218	1.137	1.097	1.067	1.048	1.035	1.025	1.019	1.014	1.011	1.008	1.006		
2008		1.429	1.226	1.141	1.094	1.065	1.045	1.031	1.023	1.018	1.013	1.010	1.007			
2009	2.000	1.417	1.228	1.140	1.093	1.060	1.041	1.029	1.021	1.015	1.012	1.009				
2010	1.955	1.406	1.219	1.134	1.090	1.055	1.037	1.025	1.018	1.012	1.008					
2011	1.946	1.409	1.224	1.139	1.081	1.051	1.031	1.022	1.015	1.014						
2012	1.993	1.404	1.215	1.120	1.070	1.044	1.030	1.019	1.017							
2013	1.917	1.369	1.186	1.101	1.060	1.037	1.024	1.022								
2014	1.859	1.339	1.164	1.091	1.057	1.033	1.028									
2015	1.831	1.306	1.149	1.084	1.049	1.036										
2016	1.801	1.299	1.139	1.078	1.057											
2017	1.749	1.270	1.133	1.084												
2018	1.726	1.272	1.152													
2019	1.767	1.309														
2020	1.772															
Latest Year																
Age-to-Age	1.772	1.309	1.152	1.084	1.057	1.036	1.028	1.022	1.017	1.014	1.008	1.009	1.007	1.006	1.002	1.006
Cumulative	3.847	2.171	1.659	1.440	1.329	1.258	1.213	1.180	1.155	1.136	1.120	1.110	1.101	1.093	1.086	1.084
2-Year Arithmetic Average																
Age-to-Age	1.769	1.291	1.142	1.081	1.053	1.035	1.026	1.021	1.016	1.013	1.010	1.009	1.007	1.006	1.005	1.006
Cumulative	3.745	2.117	1.640	1.436	1.329	1.262	1.220	1.189	1.165	1.146	1.131	1.120	1.110	1.101	1.094	1.089

Accident	Age-to-Age Development (in months):															
Year	213-225	225-237	237-249	249-261	261-273	273-285	285-297	297-309	309-321	321-333	333-345	345-357	357-369	369-381	381-393	390-402
1989					1.004	1.004	1.004	1.004	1.004	1.003	1.003	1.003	1.005	1.003	1.002	1.002
1990				1.003	1.003	1.003	1.003	1.002	1.003	1.002	1.002	1.002	1.002	1.002	1.002	
1991			1.003	1.003	1.003	1.003	1.002	1.002	1.003	1.003	1.002	1.002	1.002	1.001		
1992		1.004	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.002	1.003	1.003	1.002			
1993	1.006	1.006	1.006	1.005	1.006	1.005	1.005	1.004	1.004	1.004	1.003	1.003				
1994	1.007	1.006	1.006	1.006	1.005	1.005	1.004	1.003	1.004	1.004	1.001					
1995	1.009	1.008	1.008	1.007	1.008	1.006	1.006	1.006	1.005	1.002						
1996	1.008	1.008	1.007	1.006	1.005	1.005	1.006	1.004	1.002							
1997	1.008	1.007	1.007	1.006	1.005	1.005	1.005	0.998								
1998	1.010	1.009	1.006	1.006	1.005	1.003	0.994									
1999	1.008	1.007	1.005	1.004	1.003	0.995										
2000	1.007	1.006	1.005	1.004	1.009											
2001	1.007	1.006	1.004	1.009												
2002	1.006	1.004	1.012													
2003	1.005	1.006														
2004	1.008															
Latest Year																
Age-to-Age	1.008	1.006	1.012	1.009	1.009	0.995	0.994	0.998	1.002	1.002	1.001	1.003	1.002	1.001	1.002	1.002
Cumulative ^[1]	1.077	1.068	1.062	1.049	1.040	1.031	1.037	1.043	1.044	1.043	1.041	1.040	1.037	1.035	1.033	
2-Year Arithmetic Average																
Age-to-Age	1.007	1.005	1.008	1.006	1.006	0.999	1.000	1.001	1.004	1.003	1.002	1.003	1.002	1.002	1.002	1.002
Cumulative ^[1]	1.083	1.076	1.070	1.061	1.055	1.048	1.049	1.050	1.049	1.045	1.042	1.040	1.037	1.035	1.033	

Note:

^[1] Factors in italics are based on powerfit 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^[1] - Private Insurers

Age in Months		Accident Year														
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
3	- 6	7.570	5.434	9.136	8.769	8.693	8.584	6.234	9.857	8.970	8.932	8.255	7.884	---	9.341	8.993
6	- 9	2.765	2.630	3.023	3.176	3.213	3.058	3.163	3.169	3.155	3.050	3.134	3.137	---	3.191	3.183
9	- 12	2.021	2.034	2.077	2.165	2.115	2.133	2.158	2.103	2.100	2.130	2.076	2.133	---	2.065	
12	- 15	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	1.672	
15	- 18	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	1.473	
18	- 21	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	1.346	
21	- 24	1.237	1.255	1.253	1.248	1.249	1.237	1.237	1.225	1.226	1.226	1.213	1.218	1.211		
24	- 27	1.190	1.197	1.189	1.186	1.205	1.187	1.176	1.183	1.167	1.150	1.150	1.157	1.153		
27	- 30	1.172	1.170	1.158	1.163	1.160	1.156	1.149	1.141	1.132	1.129	1.123	1.131	1.132		
30	- 33	1.135	1.138	1.133	1.131	1.130	1.122	1.116	1.110	1.109	1.099	1.101	1.109	1.125		
33	- 36	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	1.097	1.094	1.091	1.095	1.093	1.085	1.085	1.073	1.068	1.061	1.063	1.068			
39	- 42	1.096	1.082	1.083	1.081	1.081	1.076	1.072	1.062	1.062	1.055	1.057	1.062			
42	- 45	1.069	1.074	1.069	1.068	1.070	1.061	1.057	1.054	1.049	1.047	1.050	1.065			
45	- 48	1.063	1.064	1.062	1.059	1.057	1.055	1.050	1.046	1.043	1.039	1.040				
48	- 51	1.052	1.053	1.053	1.051	1.049	1.047	1.041	1.036	1.034	1.031	1.035				
51	- 54	1.049	1.050	1.048	1.048	1.045	1.042	1.036	1.034	1.031	1.030	1.032				
54	- 57	1.045	1.043	1.040	1.043	1.038	1.035	1.031	1.027	1.025	1.027	1.036				
57	- 60	1.039	1.039	1.037	1.036	1.035	1.031	1.028	1.026	1.023	1.022					
60	- 63	1.034	1.034	1.032	1.031	1.031	1.025	1.023	1.021	1.018	1.018					
63	- 66	1.033	1.031	1.032	1.029	1.028	1.023	1.021	1.019	1.018	1.018					
66	- 69	1.028	1.028	1.028	1.024	1.024	1.021	1.017	1.015	1.017	1.023					
69	- 72	1.026	1.026	1.023	1.023	1.021	1.018	1.018	1.014	1.014						
72	- 75	1.023	1.022	1.021	1.020	1.019	1.017	1.015	1.012	1.012						
75	- 78	1.022	1.022	1.020	1.019	1.016	1.015	1.013	1.012	1.012						
78	- 81	1.020	1.020	1.017	1.017	1.015	1.011	1.010	1.011	1.018						
81	- 84	1.018	1.017	1.016	1.014	1.014	1.012	1.009	1.009							
84	- 87	1.016	1.015	1.014	1.014	1.013	1.011	1.008	1.008							
87	- 90	1.016	1.014	1.012	1.012	1.011	1.008	1.008	1.008							
90	- 93	1.014	1.012	1.012	1.011	1.009	1.005	1.007	1.012							
93	- 96	1.013	1.012	1.010	1.011	1.009	1.007	1.006								
96	- 99	1.011	1.010	1.010	1.008	1.010	1.006	1.006								
99	- 102	1.011	1.009	1.009	1.008	1.007	1.006	1.006								
102	- 105	1.009	1.009	1.008	1.007	1.004	1.005	1.010								
105	- 108	1.008	1.008	1.007	1.007	1.005	1.005									
108	- 111	1.008	1.008	1.006	1.005	1.005	1.004									
111	- 114	1.007	1.007	1.006	1.005	1.004	1.004									
114	- 117	1.007	1.007	1.006	1.004	1.005	1.009									
117	- 120	1.006	1.006	1.005	1.004	1.004										
120	- 123	1.006	1.005	1.005	1.004	1.003										

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

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

Average Paid MCCP per Reported Indemnity Claim - Statewide
As of September 30, 2022

Accident	Evaluated as of (in months):							
<u>Year</u>	<u>9</u>	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>	<u>93</u>
2013	528	1,136	1,541	1,780	1,933	2,055	2,130	2,174
2014	504	1,091	1,505	1,745	1,909	2,002	2,070	2,111
2015	491	1,095	1,473	1,706	1,843	1,919	1,976	1,980
2016	485	1,041	1,386	1,589	1,707	1,787	1,806	
2017	467	1,016	1,364	1,568	1,694	1,736		
2018	494	1,072	1,405	1,609	1,697			
2019	489	1,041	1,405	1,574				
2020	---	1,022	1,324					
2021	453	942						
2022	421							

Accident	Annual Change							
<u>Year</u>	<u>9</u>	<u>21</u>	<u>33</u>	<u>45</u>	<u>57</u>	<u>69</u>	<u>81</u>	<u>93</u>
2014	-4.5%	-4.0%	-2.4%	-2.0%	-1.2%	-2.6%	-2.8%	-2.9%
2015	-2.7%	0.4%	-2.1%	-2.2%	-3.5%	-4.1%	-4.5%	-6.2%
2016	-1.2%	-5.0%	-5.9%	-6.8%	-7.4%	-6.9%	-8.6%	
2017	-3.7%	-2.4%	-1.5%	-1.3%	-0.7%	-2.9%		
2018	5.8%	5.5%	2.9%	2.6%	0.2%			
2019	-0.9%	-2.9%	0.0%	-2.2%				
2020	---	-1.8%	-5.8%					
2021	---	-7.8%						
2022	-7.0%							

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

Item AC22-12-02

Class Ratemaking for Small Classifications

Background and Objectives

While a number of ratemaking components are intended to adjust for differences in the volume of experience in a classification, in general, the WCIRB's classification ratemaking methodology is applied in a uniform manner to all classifications.¹ However, concerns exist that classification relativities and the resultant advisory pure premium rates are more difficult to accurately project for smaller classifications than for larger classifications due to the smaller volume of recent data available in those smaller classifications. Classification ratemaking components intended to adjust for differing volumes of experience by classification include:

1. Years of Use of Experience – the most recent 2, 3, 4 or 5 years of experience are used in classification ratemaking depending on the size of the classification. The distribution of classifications by the years of experience used to calculate the relativity is shown in Exhibit 1.
2. Credibility – the relativity indicated based on current experience for classifications whose 5-year experience is not fully credible is credibility weighted with the expected relativity for the classification adjusted by the average change in experience for the North American Industry Classification System (NAICS) group to which the classification is assigned.
3. Loss Limitation – All losses are limited to \$500,000 per claim during the ratemaking process and the relativity for the Classification is adjusted to an unlimited basis by the application of loss elimination ratios (LERs) for the hazard group to which the classification is assigned.²

In 2022, as part of a multi-year comprehensive review of the classification ratemaking process, staff explored the experience of smaller classifications, defined for purposes of this analysis, as classifications which are not considered fully credible under the current methodology, to better understand how the current classification ratemaking methodology performs for smaller classifications relative to larger ones. The drivers of any differences in accuracy or volatility for smaller classifications will support the development of a plan for 2023 to develop specific enhancements to the classification ratemaking process for smaller classifications based on the findings in this analysis.

Accuracy and Volatility of Rates for Small vs. Large Classes

To assess the accuracy of the relativities for smaller classifications, staff reviewed the root mean squared error (MSE) of the classification relativities reflected in the regulatory filing for each policy year and the actual loss to payroll ratio relativity based on unit statistical data at first report for policy years 2012 through 2019 so that actual relative experience could be compared to the projected relativity.

Exhibit 2.1 shows the MSE of the class relativities for fully credible classifications based on the number of years of experience used in the 2019 filing and Exhibit 2.2 shows the MSEs for the partially credible classifications based on the average credibility in policy years 2015 through 2019 for the medical and indemnity components of the classification relativity calculation. These are shown for both a loss limited basis, using the current loss limitations, and on an unlimited basis. For fully credible classes on an unlimited basis, the MSEs for the relative loss to payroll ratios, shown in red, are fairly flat as the classification requires more years of experience to be considered fully credible but the MSEs for limited experience, shown in blue, increase as more years are required for the classification to be considered

¹ More information about the classification rate methodology is available in the WCIRB September 1, 2022 Regulatory Filing, Section C, Appendix C: [September 1, 2022 Regulatory Filing \(wcirb.com\)](https://www.wcirb.com/regulatory-filing/September-1-2022-Regulatory-Filing).

² Information about the hazard groups, current LERs and methodology can be found at [2019 California Retrospective Rating Plan and Tables | WCIRB California](https://www.wcirb.com/regulatory-filing/2019-California-Retrospective-Rating-Plan-and-Tables).

fully credible. For partially credible classifications, the MSEs increased as credibility decreased both when considered on a limited, shown in red for the unadjusted experience, and on an unlimited basis, shown in blue. For both fully credible and partially credible classifications, accuracy is lower for smaller classifications.

To assess the volatility of the relativities for smaller classifications, staff reviewed the coefficient of variation (CV) of the classification relativities for policy years 2012 through 2019. Exhibit 3 shows the CV of the class relativities for fully credible classifications based on the number of years of experience used in the 2019 filing on the left and the CV for the partially credible classifications based on the average credibility in policy year 2019 for the medical and indemnity components of the classification relativity calculation on the right. As expected, for both fully and partially credible classifications, the CV increases as the classification requires more years of experience to be considered credible. There also appears to be more volatility for the partially credible classifications than for the fully credible classifications.

Exhibit 4 shows the number of classifications assigned to each two-digit NAICS sector and the share which are fully credible under our current credibility methodology. Exhibit 5 compares the credibility of partially credible classifications to the CV of the relativities for three industries with a significant share of partially credible classifications.

Clustering

To identify factors which may contribute to the increased volatility of the relativities for smaller classifications, staff used a hierarchical clustering methodology. This methodology is appropriate for variables which are correlated and sorts individual classifications into groups based on the similarity among the included variables to help understand which have the most differences between larger and smaller classifications such as the share of claims over \$500,000 at first report and the frequency of indemnity claims relative to payroll. Exhibit 6 contains a scatterplot of several variables which may drive volatility for a classification. For example, the charts in the top row show the scatterplots with extreme frequency as the y axis. The leftmost chart on the top row compares the distribution of extreme frequency on the y axis with limited loss to payroll ratio on the x axis. The strongest difference for smaller classifications is that they are more likely to have a higher share of total claims which are above \$500,000.

Accuracy of the Current Complement

The current credibility complement is the prior year's loss to payroll ratio for the classification adjusted for the average change in the loss to payroll ratio for the NAICS industry to which the classification is assigned. Indicated changes in the relative loss to payroll ratio for a classification are capped at a change of +/-25%. Classifications in which the relative loss to payroll ratio was subject to this cap during any policy year in the study period will be referred to as "restricted" classifications while those which were not subject to the cap will be referred to as "unrestricted" classifications.

To assess the accuracy of the current complement of credibility relative to the credibility weighted relativities, staff calculated two alternative classification relativities to be compared with the current methodology: the unadjusted class experience and the current complement of credibility. To separate the impact of the current loss limitation methodology, these alternatives were reviewed on a loss limited basis. The unadjusted experience was limited to \$500,000 per loss and the complement was reviewed before adjustment to an unlimited basis to be comparable.

Staff compared the MSE for these alternatives and the actual loss to payroll experience to the MSE for the current methodology using the slope coefficient from a linear regression. The current methodology outperformed the unadjusted experience for classifications with credibility less than 0.85 (Exhibit 7).

Staff explored the performance for classifications in which the limitation never applied and in which the limitation applied at any point during the study period. For unrestricted classifications, the unadjusted

experience slightly outperformed the current methodology (Exhibit 8). The current methodology clearly outperformed the unadjusted experience for restricted classifications (Exhibit 9).

Staff explored the overall performance of the current methodology for industries with several partially credible classifications. The current methodology narrowly outperformed the unadjusted experience for classifications in Construction (Exhibit 10.1) and for Manufacturing (Exhibit 10.2). The current methodology clearly outperformed the unadjusted experience for classifications in all other industries (Exhibit 10.3).

Performance of the Current Loss Limitation Methodology

Staff assessed the performance of the current loss limitation process by comparing the MSEs calculated for the alternatives above on an unlimited basis with the MSE calculated on a limited basis. For fully credible classifications, the MSEs for the current methodology is lower for relativities calculated on a limited basis than for those on an unlimited basis. The loss limitation reduces the MSE more for classifications which require fewer years of experience to be fully credible (Exhibit 2.1). For partially credible classifications, the MSEs are lower for relativities calculated on limited basis than for those on an unlimited basis. The MSEs remain significantly higher for less credible classifications (Exhibit 2.2).

Findings and Recommendations

The principal findings of this analysis include:

1. The accuracy of the classification relativities increases and the volatility decreases as classifications are considered more credible.
2. The differences in accuracy between larger and smaller classifications are larger for relativities calculated on a limited basis than for those calculated on an unlimited basis.
3. Relativities calculated on a limited basis are more accurate than those calculated on an unlimited basis.
4. For classifications less than approximately 85% credible with the current credibility methodology, relativities calculated using the current methodology are more accurate than the unadjusted experience.
5. The current credibility methodology improves accuracy more for partially credible classifications with volatile experience than for those with stable experience.
6. Smaller classifications tend to have a higher share of claims which are incurred at greater than \$500,000 at first report.

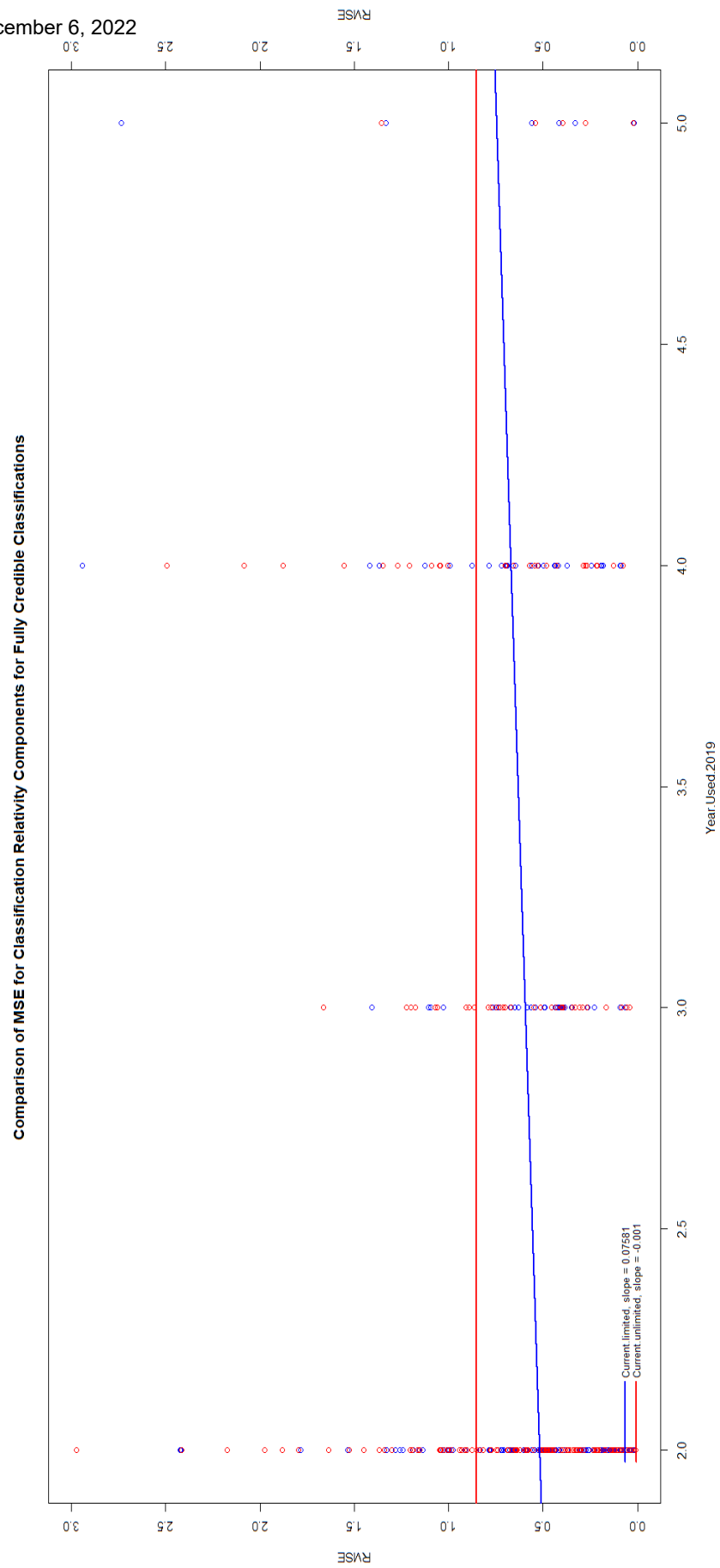
Based on these findings, staff recommends:

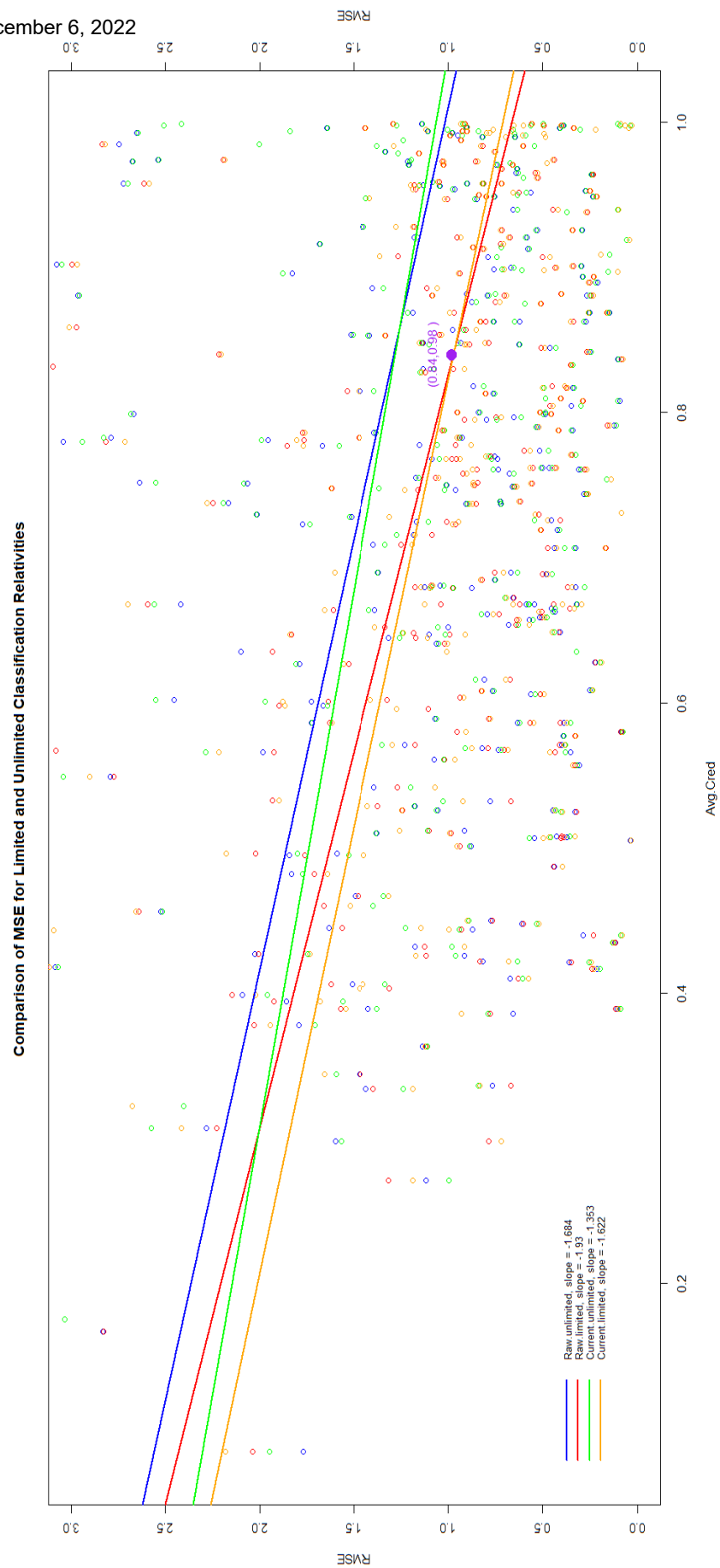
1. Undertaking a study in 2023 to explore methods to improve the performance of the loss limitation methodology by applying lower loss limitations for smaller classifications.
2. Investigating ways to optimize the credibility thresholds after the loss limitation methodology is reviewed.

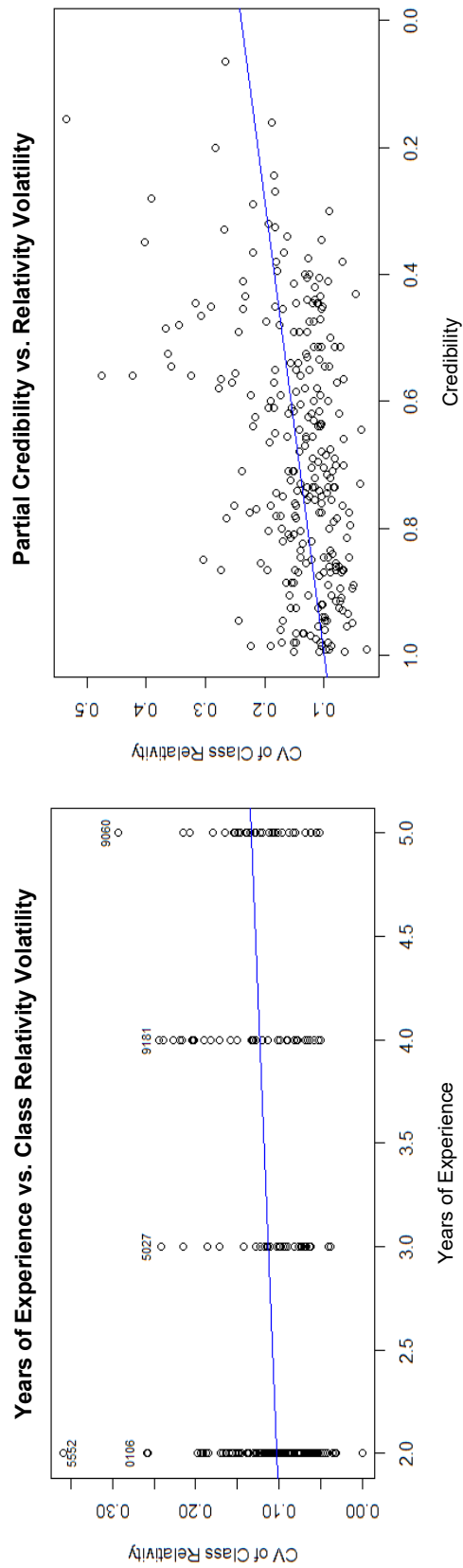
Employers Distribution by Years of Experience Used in Classification Ratemaking

Year Used	Class Count	Payroll	Pure Premium	Number of Employers	Payroll Distribution	Pure Premium Distribution	Employers Distribution
2	119	697,142,003,295	9,837,464,353	507,396	85%	78%	75%
3	33	22,178,274,791	666,934,554	34,395	3%	5%	5%
4	35	28,337,428,939	549,369,389	31,670	3%	4%	5%
5	29	21,873,406,791	360,005,798	28,782	3%	3%	4%
99	275	47,761,252,010	1,169,712,903	70,996	6%	9%	11%

Note: Number of employers that have at least one of their class code in each of the category. An employer can be counted in more than one category.







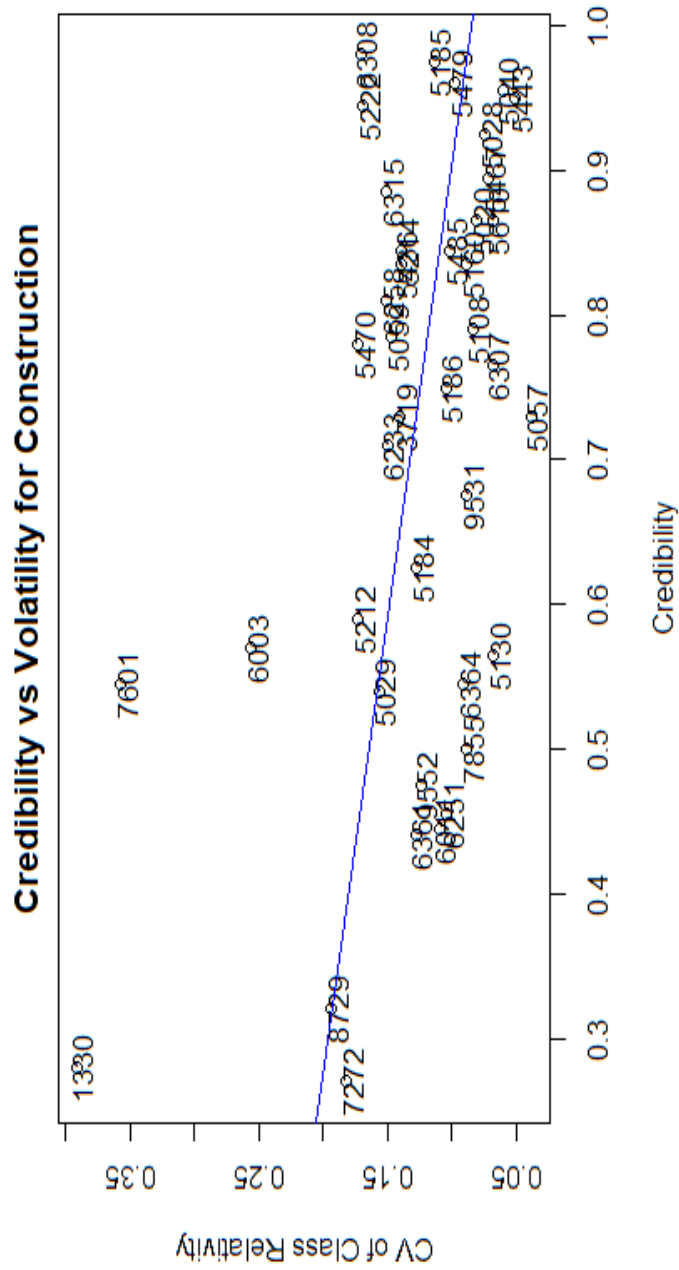
Note: Years of Experience means the number of years needed to reach the full credibility standard based on expected limited losses.

CV of Class Relativity is the quotient between the average class relativity and its standard deviation from PY 2012 to PY 2019

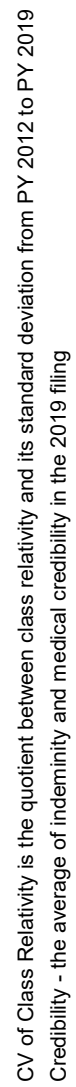
Credibility - the average of indemnity and medical credibility in the 2019 filing.

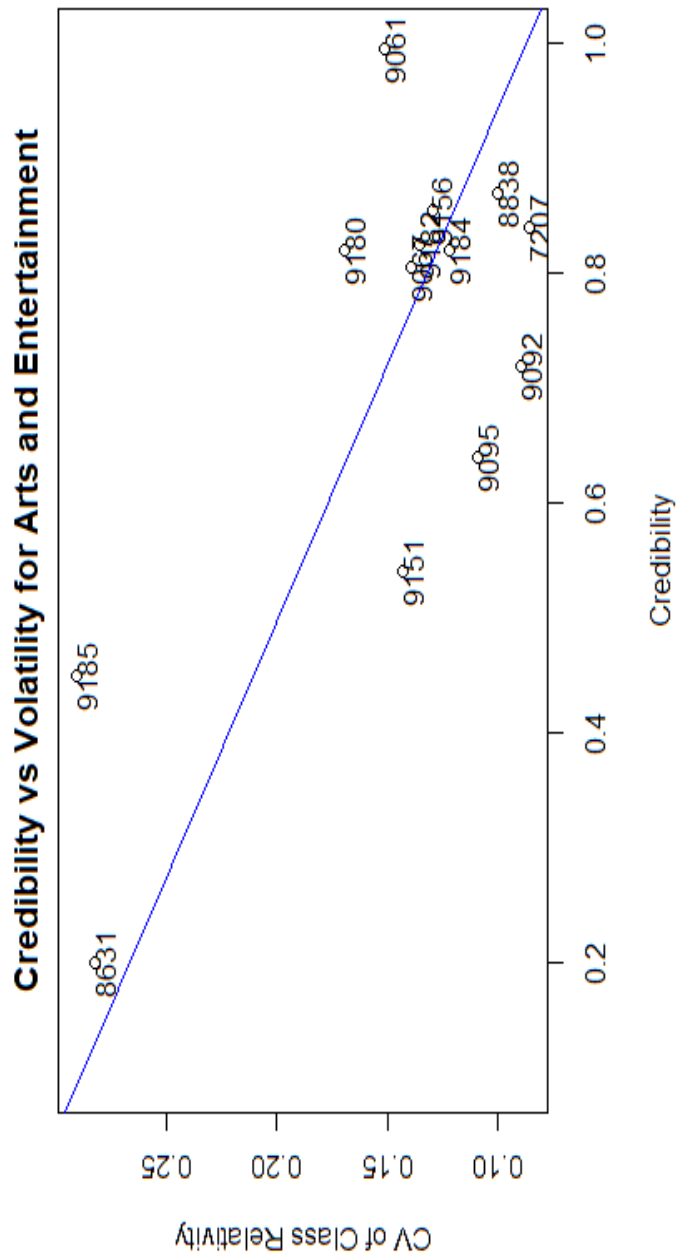
Share of Fully Credible Classifications by NAICS Sector under Current Methodology

NAICS	Description	Fully Credible	Partially Credible	% of Classes Which are Fully Credible
11	Agriculture	14	7	66.67%
21	Mining	0	16	0.00%
22	Utilities	0	4	0.00%
23	Construction	41	40	50.62%
31	Manufacturing	57	114	33.33%
42	Wholesale Trade	11	18	37.93%
44	Retail Trade	13	8	61.90%
48	Transportation and Warehousing	11	9	55.00%
51	Information	6	6	50.00%
52	Finance and Insurance	3	4	42.86%
53	Real Estate and Rental and Leasing	6	3	66.67%
54	Professional Services	6	5	54.55%
56	Administrative and Support	11	3	78.57%
61	Educational Services	3	1	75.00%
62	Health Care	11	3	78.57%
71	Art, Entertainment	6	14	30.00%
72	Accommodation and Food Services	3	1	75.00%
81	Other Services	12	12	50.00%
92	Public Administration	0	8	0.00%



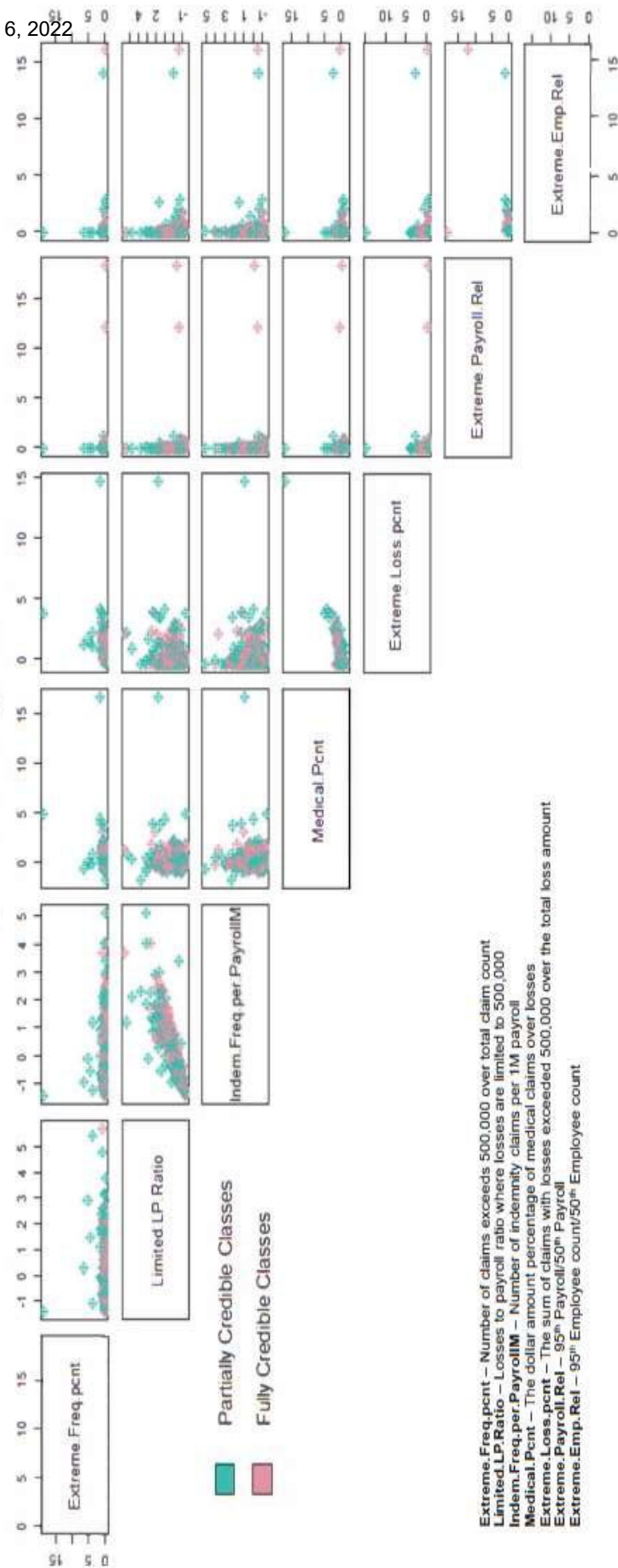
Note: CV of Class Relativity is the quotient between class relativity and its standard deviation from PY 2012 to PY 2019
Credibility - the average of indemnity and medical credibility in the 2019 filing

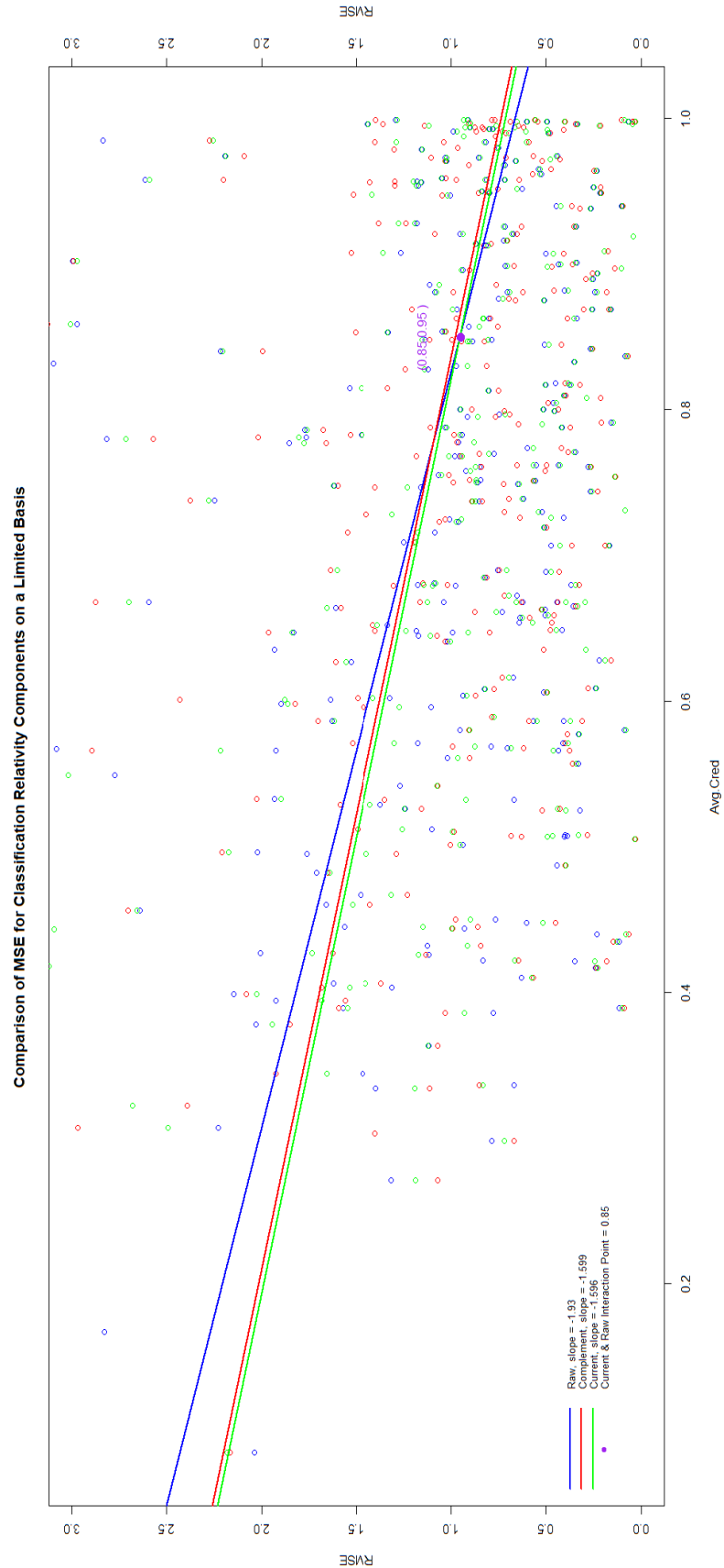


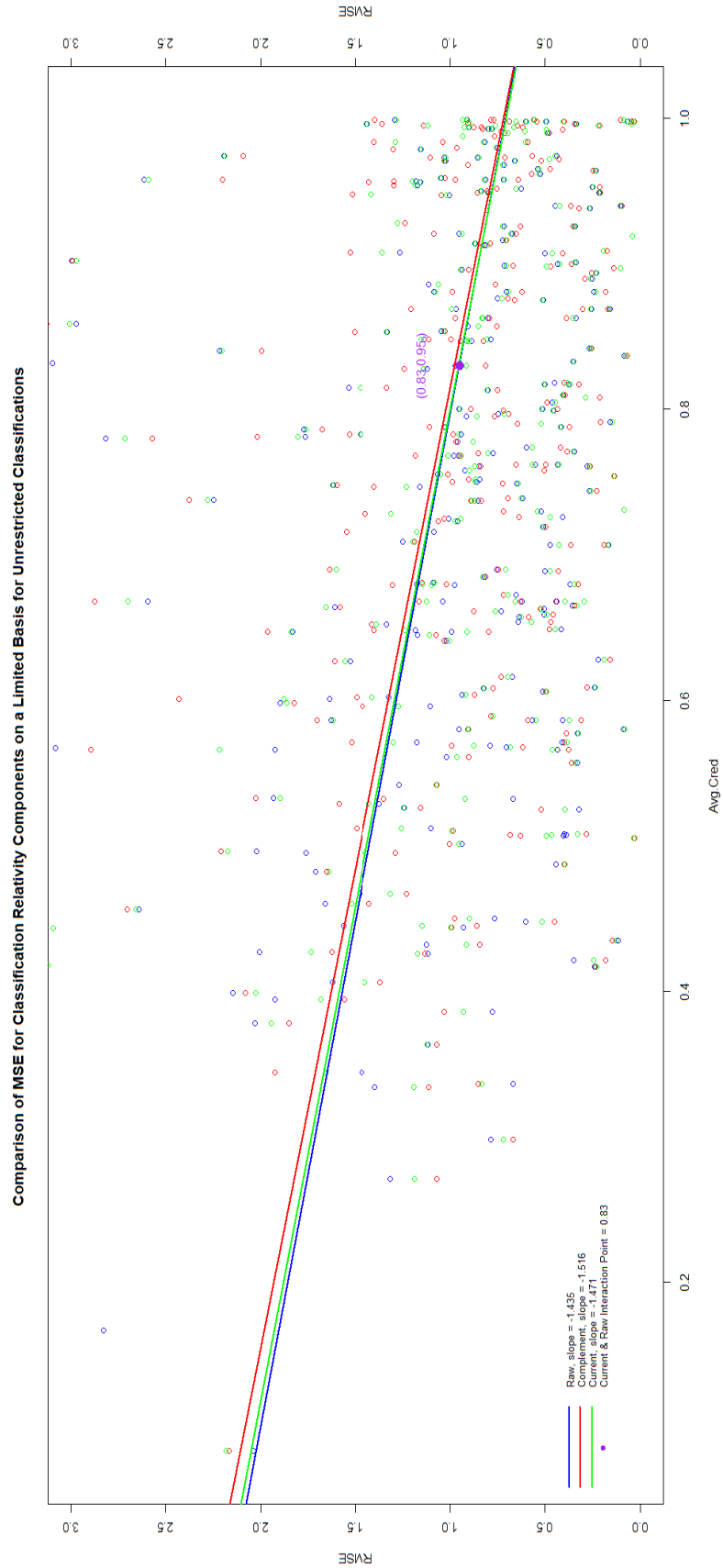


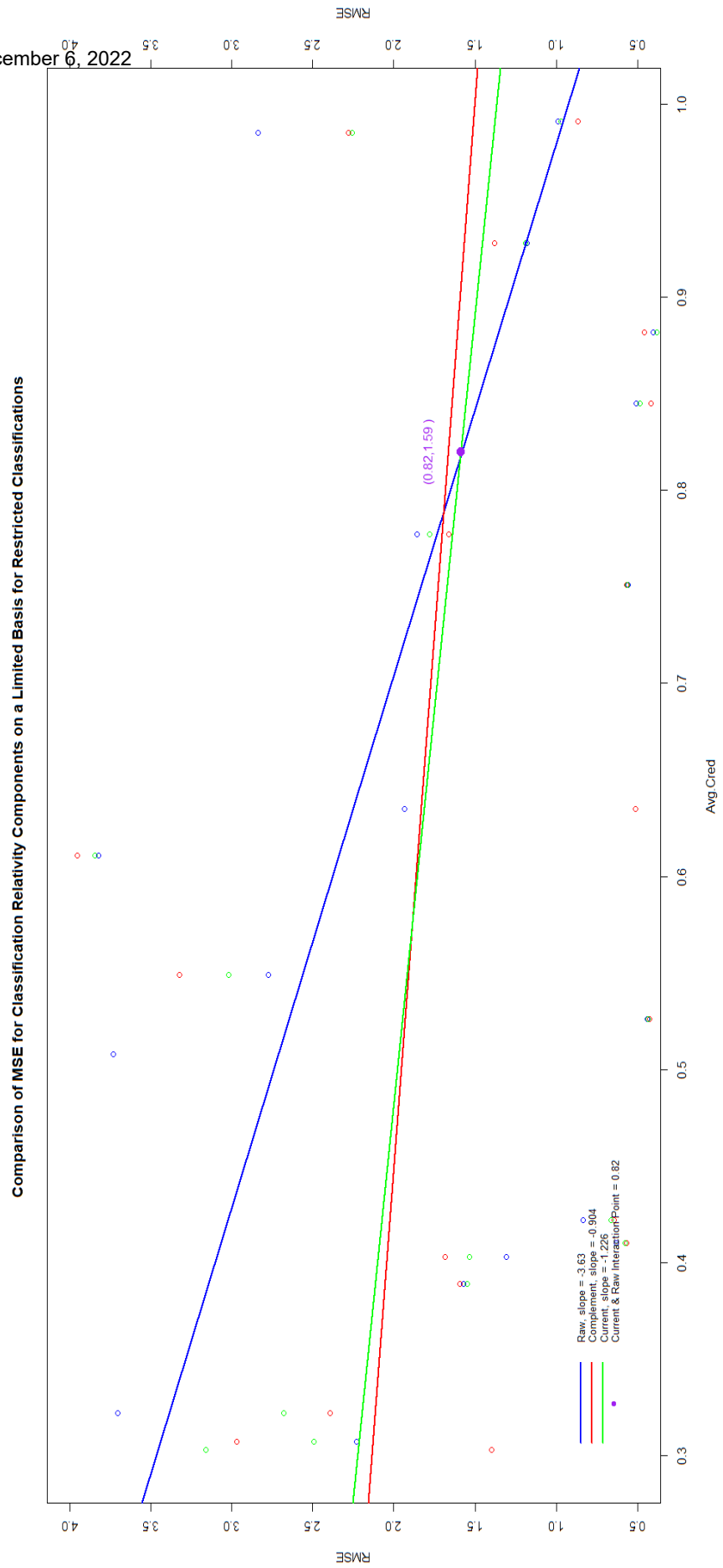
Note: CV of Class Relativity is the quotient between class relativity and its standard deviation from PY 2012 to PY 2019
Credibility - the average of indemnity and medical credibility in the 2019 filing

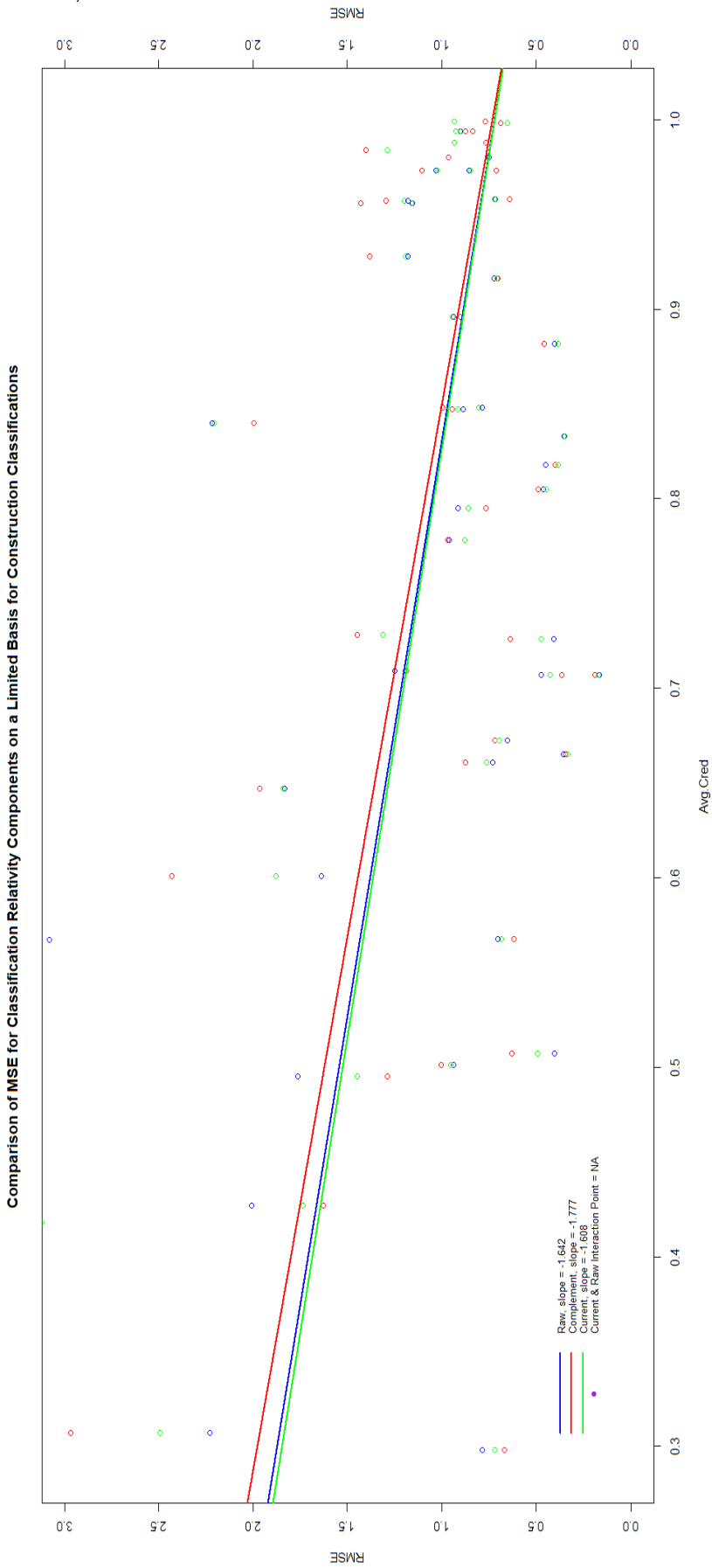
Scatterplot of Clustering Variables

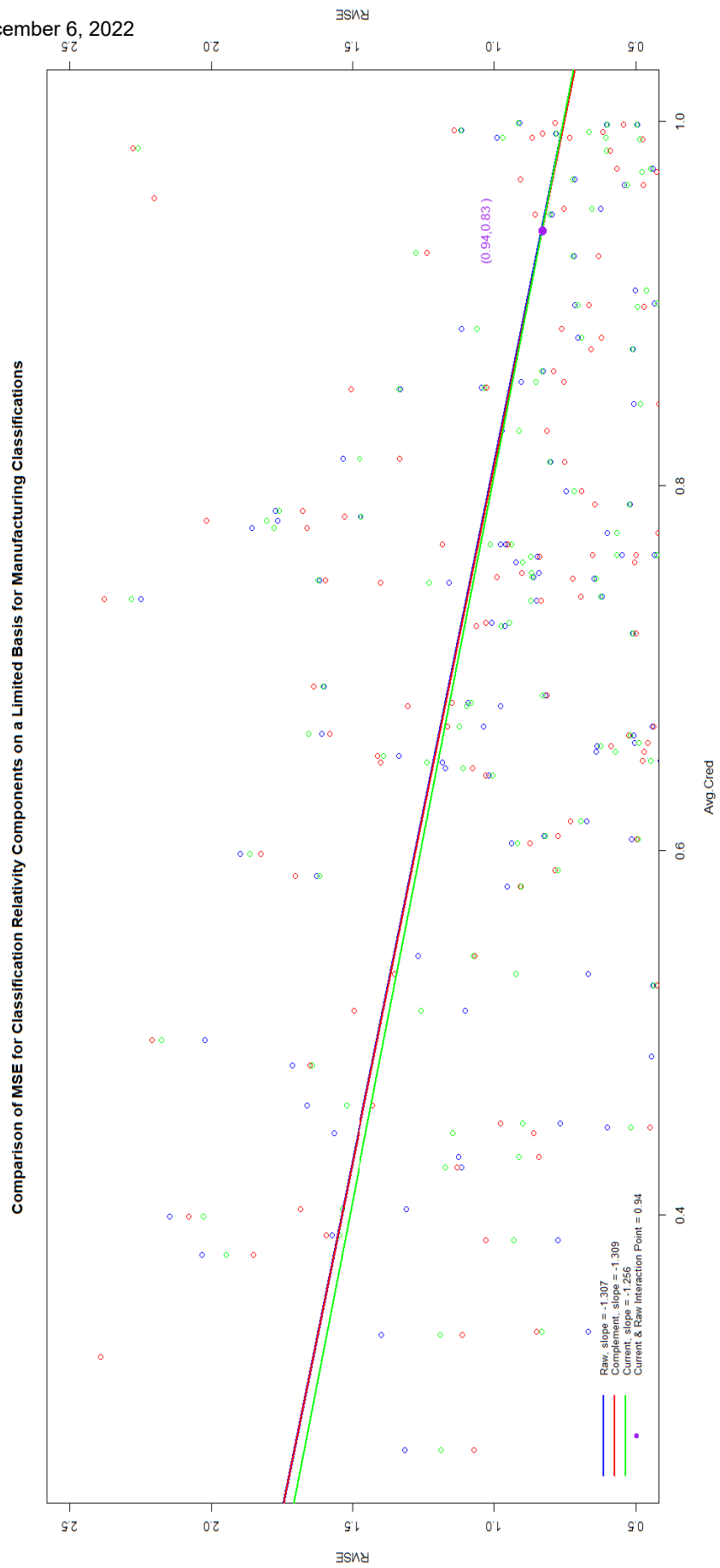


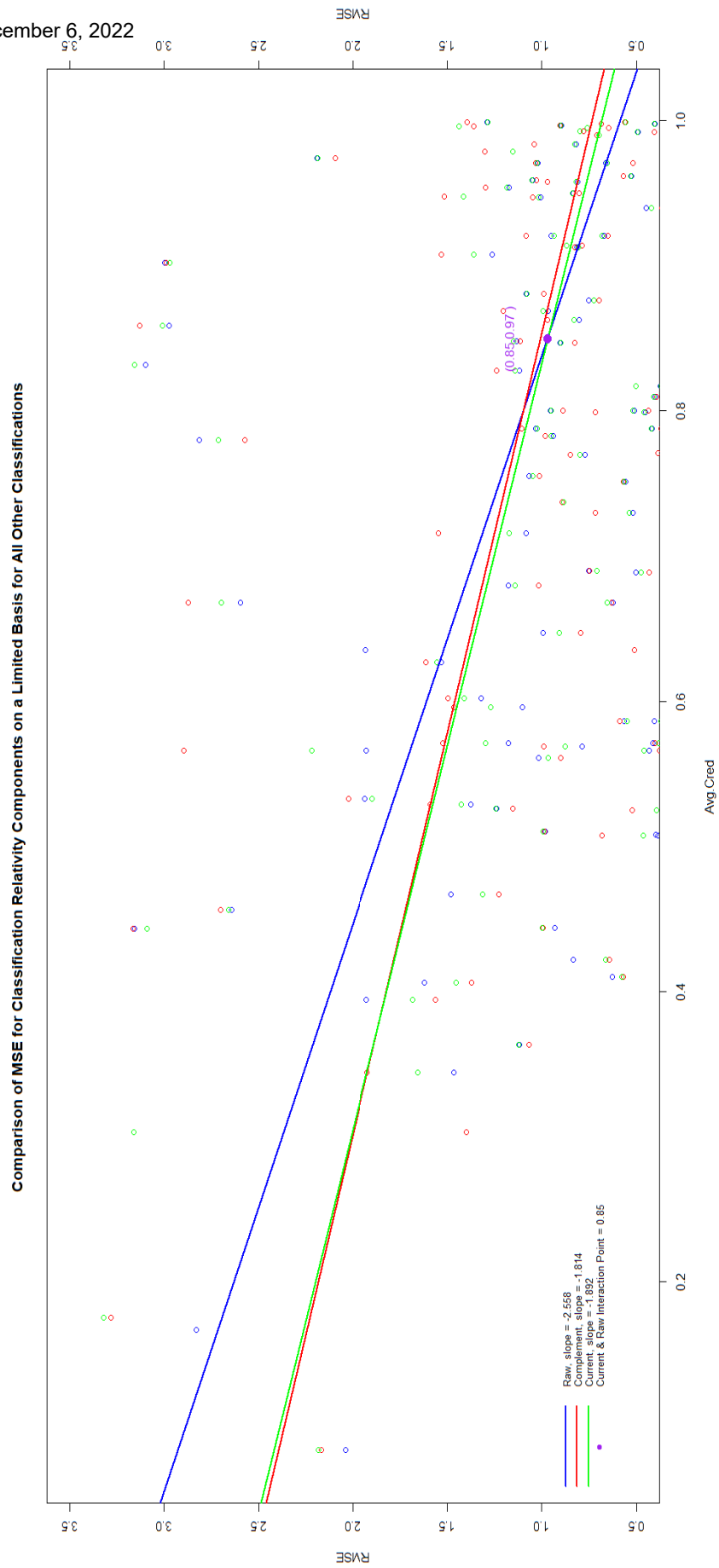












Item AC22-12-03

Potential 2023 Actuarial and Research Projects

Potential actuarial and medical research studies under consideration for 2023 are shown below. Also shown for each potential study is staff's assessment of the current status of the study. Classification studies are separately reviewed by the Classification & Rating Committee. Input is being solicited as to the completeness and relative priority of these potential studies.

A. Studies Arising Out of California Department of Insurance (CDI) Directives and Decisions

1. Indemnity Claim Frequency Model Projections. In the CDI Decision on the January 1, 2017 Pure Premium Rate Filing, the CDI recommended that the WCIRB review its frequency projection model in light of the continued increases in indemnity claim frequency. At the Public Hearings on the September 1, 2021 and September 1, 2022 Pure Premium Rate Filings, the CDI raised several questions related to the claim frequency projections.

Project Status: The WCIRB regularly reviews its frequency projection model and has made a number of enhancements over the years. Staff completed a comprehensive study of the frequency projection model in 2021 with recommended methodology enhancements approved by the Actuarial Committee at the December 9, 2021 meeting. While most of the enhancements were adopted by the Committee for use in the September 1, 2022 Pure Premium Rate Filing, implementation of several were deferred due to the anomalous impact of some of the emerging post-pandemic data on the model. Staff anticipates presenting a review of these additional potential frequency model enhancements with an additional year of data in the first quarter of 2023 for possible inclusion in the September 1, 2023 Pure Premium Rate Filing.

2. Terrorism Data Reporting. The CDI has directed staff to provide information to both the National Association of Insurance Commissioners (NAIC) and the Federal Insurance Office (FIO) related to terrorism exposure in California workers' compensation.

Project Status: Staff anticipates providing the annual updates to the NAIC and FIO in the first and second quarters of 2023.

3. Collection of COVID-19 Premium Data. In the CDI Decision on the January 1, 2021 Pure Premium Rate Filing, the Insurance Commissioner directed the WCIRB to collect information on insurer premium charges related to COVID-19.

Project Status: WCIRB aggregate data calls were modified in 2021 to collect information on insurer premium charges related to COVID-19. A summary of the premium information collected for 2021 and 2022 will be summarized for the Actuarial Committee in the second quarter of 2023.

B. Studies/Projects Directed by Legislation

1. Statewide Paid Costs. Section 11759.1 of the Insurance Code requires the WCIRB to report annually on workers' compensation costs paid during the preceding calendar year. The 2022 calendar year report is required to be completed by June 2023.

Project Status: Staff anticipates publishing the required report by the end of the second quarter of 2023. In addition, as in the last several years, staff anticipates compiling information from this report and other WCIRB reports into a high level "executive summary" of the state of the California workers' compensation system to be published by the third quarter of 2023.

2. Policyholder Dividends. Section 11739 of the Insurance Code requires the WCIRB to collect information on policyholder dividends in California and prepare an annual report to the Insurance Commissioner.

Project Status: Staff anticipates providing the report on 2022 dividends to the CDI by the third quarter of 2023.

3. Report on Roofing Industry. Section 11665 of the Insurance Code requires the WCIRB to annually compile and report the payroll and loss data reported in the roofing classification for employers holding C-39 licenses from the Contractors State License Board as well as the payroll and loss information by employer payroll size interval.

Project Status: Staff anticipates providing this annual report to the CDI in the second quarter of 2023.

C. COVID-19 Pandemic Related Research

1. Projected Cost of Future COVID-19 Claims. Approximately 300,000 workers' compensation claims have been filed in the state. Beginning in mid-2020, the Actuarial Committee has been reviewing the potential impact of COVID-19 claims on advisory pure premium rates.

Project Status: In 2020, the WCIRB published several evaluations of prospective and adopted presumptions of compensability for specified COVID-19 claims. The WCIRB's Amended January 1, 2021 Pure Premium Rate Filing included an evaluation of the cost impact on COVID-19 claims on 2021 policies that contemplated the impact of the presumption in Senate Bill No. 1159. Based on updated projections of COVID-19 infection rates available at the time, the WCIRB's September 1, 2021 Pure Premium Rate Filing did not include a provision for potential COVID-19 future claims. However, based on updated forecasts of infection and fatality rates, the WCIRB included a provision for future COVID-19 claims in the September 1, 2022 Pure Premium Rate Filing. Staff anticipates updating the cost evaluation of potential future COVID-19 claims as part of the September 1, 2023 Pure Premium Rate Filing process in the second quarter of 2023.

2. Impact of Pandemic-Related Recession on Wage and Claim Projections. Unemployment in California increased sharply during the pandemic and resultant stay-at-home orders resulting in many business slowdowns and closures. The impacts of the recession varied dramatically by industry sector and wage level and the economic recovery over the last two years has been uneven. Sharp economic shifts can significantly impact future changes in wage levels, claim frequency and claim severity.

Project Status: In 2020, the WCIRB published a research brief on the impact of economic downturns on indemnity claim frequency. In early 2021 and early 2022, staff presented updated analyses of the impacts of the pandemic on wages, premiums, claim frequencies and claim severities and many of those projected impacts were reflected in the September 1, 2021 and September 1, 2022 Pure Premium Rate Filings. Staff anticipates updating these projections in consideration of the September 1, 2023 Pure Premium Rate Filing in the first and second quarters of 2023.

3. COVID-19 Claim Indicators. The COVID-19 pandemic is having a significant impact on emerging costs. Among the areas potentially impacted include claim frequency, medical treatment levels, COVID-19 diagnosis claims, claim settlement rates, litigation rates, cumulative trauma claims, post-termination claims and temporary disability duration.

Project Status: In 2020, the WCIRB initiated a COVID-19 cost monitoring process using indemnity transaction data, medical transaction data, unit statistical data, information from the Division of Workers' Compensation (DWC), special surveys as needed and other information to develop early indicators of experience emerging during the pandemic. Staff provided summaries of this information at several Actuarial Committee meetings and published research briefs summarizing the latest available information in October 2021 and October 2022. Staff anticipates further regular updates to the Committee in 2023 and publishing an updated research brief on COVID-19 claim characteristics by the third quarter of 2023.

4. Countrywide COVID-19 Claim Information. While there have been a number of state-specific analyses of the impact of COVID-19 claims on the workers' compensation system, limited analyses published from a nationwide perspective have been published. In 2021, the WCIRB, NCCI and a number of other independent bureaus have discussed preparing an analysis summarizing the nationwide impact of COVID-19 claims as well as highlighting state differentials.

Project Status: Staff collaborated with a team of actuaries from other rating bureaus to prepare an analysis of the nationwide patterns of COVID-19 claim characteristics based on aggregate data evaluated as of December 31, 2020. The report was published on December 15, 2021. An updated study based on aggregate financial data as of December 31, 2021 as well as unit statistical data was published on November 15, 2022 with a webinar summarizing the results scheduled for January 2023. No further work on this nationwide analysis is anticipated for 2023.

5. COVID-19 Claim Severity and "Long COVID." Extensive information is available on the number of COVID-19 claims. However, given how recently these claims have occurred, the nature of the more severe claims and typical lags in the reporting of hospital payments, limited information has been summarized on the cost and treatment patterns of COVID-19 claims. Similarly, there is limited information available on the potential impact of post-acute sequelae SARS-CoV-2 (commonly referred to as "long COVID") claims on the workers' compensation system.

Project Status: An analysis of the cost and treatment patterns of severe COVID-19 claims based on data from both the workers' compensation system and the group health system was published on March 2, 2022. An update is being presented to the Actuarial Committee for review at the December 8, 2022 meeting with publication anticipated in the first quarter of 2023. Another update of the Long COVID component of the study based on an additional year of experience is anticipated to be presented to the Actuarial Committee in the fourth quarter of 2023.

6. Telemedicine. With the COVID-19 pandemic and resultant stay-at-home orders, the use of telemedicine in workers' compensation has increased. While the level of telemedicine services has declined somewhat from the early months of the pandemic, it appears that telemedicine will remain a permanent component of the workers' compensation system. At the November 4, 2021 meeting, the Medical Analytics Working Group (MAWG) recommended that the WCIRB complete an in-depth analysis of the use of telemedicine in workers' compensation.

Project Status: In 2020 and 2021, staff has presented regular summaries of costs reported in telemedicine codes to the Actuarial Committee. Staff is presenting an in-depth analysis of telemedicine for review of the Actuarial Committee at the December 8, 2022 meeting with a report to be published by the first quarter of 2023.

7. Telecommuting. With the COVID-19 pandemic and resultant stay-at-home orders, many employees have begun working from home and a significant level of telecommuting is likely to

continue beyond the pandemic. A new classification for telecommuting was proposed by the WCIRB and adopted by the Insurance Commissioner effective January 1, 2021.

Project Status: At the August 4, 2020 Actuarial Committee and August 7, 2020 Classification and Rating (C & R) Committee meetings, the Committees agreed that the advisory pure premium rate for the new classification being proposed to be initially equal to that for the clerical classification. Both Committees also recommended that preliminary experience emerging in the new classification be reviewed as soon as initially available to assess whether there is a significant differential in experience between the new classification and the clerical classification. Staff anticipates presenting a preliminary analysis of emerging experience in the new classification for telecommuting to the Actuarial Committee and the C & R Committee by the first quarter of 2023 for consideration in the September 1, 2023 Regulatory and Pure Premium Rate Filings.

8. Impact of Pandemic on Classification Relativities. While COVID-19 claims have been excluded from classification relativities as from experience rating and overall pure premium ratemaking, the indirect pandemic impacts have affected different classifications in different ways. As a result, staff is reviewing potential adjustments to the classification ratemaking process to correct for any potential distortions caused by the pandemic.

Project Status: Staff presented an initial analysis of alternative approaches at the September 13, 2022 meeting and is presenting final recommendations with respect to the September 1, 2023 Regulatory and Pure Premium Rate Filings at the December 6, 2022 meeting. Staff anticipates reviewing adjustments, as appropriate, with respect to the September 1, 2024 filings in the third and fourth quarter of 2023.

9. Future Pandemic Losses. With the COVID-19 pandemic emerging in 2020 and generating approximately 300,000 workers' compensation claims in California the Actuarial Committee has discussed analyses of the potential system costs of future pandemics.

Project Status: Staff has begun discussions with a catastrophe modeler who has developed a pandemic model and are building out the workers' compensation component of the model. Staff does not anticipate further analysis of this issue in 2023 but suggests that consideration be given as to whether a study in the future may be appropriate.

D. Cost Impact of Legislative and Regulatory Changes

1. 2021 Fee Schedule Changes. Effective March 1, 2021, the DWC adopted changes to the Evaluation and Management Section of California's Official Medical Fee Schedule (OMFS) to conform to recent changes to Medicare that included significant changes to the values and structure of the Schedule. Effective April 1, 2021, the DWC adopted significant changes to California's Medical-Legal Fee Schedule intended to increase the reimbursement rate for medical-legal reports while eliminating the increased hourly billing provisions.

Project Status: The WCIRB's evaluation of the impact of the 2021 fee schedule changes was included in the WCIRB's September 1, 2021 Pure Premium Rate Filing. Staff's initial retrospective evaluation of these two fee schedule changes were reviewed by the Actuarial Committee at the April 14, 2022 meeting with updated estimates reflected in the September 1, 2022 Pure Premium Rate Filing. Given that the impact of the Medical-Legal Fee Schedule change was much greater than originally estimated, staff anticipates completing an updated retrospective evaluation of the impact of the April 1, 2021 Medical-Legal Fee Schedule for the Actuarial Committee to review in consideration of the September 1, 2023 Pure Premium Rate Filing by the second quarter of 2023.

2. Additional Fee Schedules. SB 863 provided for new fee schedules for interpreter and home health services to be promulgated.

Project Status: At this time, the DWC has not promulgated final schedules for interpreter or home health services. If any of those fee schedules are finalized or significant changes are made to an existing fee schedule, working with the Claims Working Group, Medical Analytics Working Group and Actuarial Committee, staff anticipates completing its analysis of the pure premium rate impact of the new fee schedules within 120 days of the final values being promulgated.

3. Adjustments to Loss Development Projections for Reforms. In that legislative and regulatory reforms can not only impact overall cost levels but also the rate at which claims are paid, the WCIRB often adjusts loss development patterns for the impact of the reforms.

Project Status: The WCIRB regularly reviews the adjustments to loss development for reform impacts as part of the annual pure premium rate process. Staff is anticipating presenting a review of the continued appropriateness of current loss development adjustments for the Committee's review in the second quarter of 2023.

E. Other Studies Directly Impacting Pure Premium Rates and Rate Level Projections

1. Classification Ratemaking Methodologies. Although the WCIRB has reflected refinements to the classification ratemaking loss development process in 2012 as well as adjustments for differences in wage levels by classification in 2016, a comprehensive review of the classification ratemaking methodologies has not been undertaken for a number of years.

Project Status: Staff completed a comprehensive study of loss development as the first phase of a multi-year comprehensive study of classification ratemaking methodologies with the results included in the September 1, 2022 Regulatory Filing. The second phase of the study, which focuses on payroll on-leveling for the impact of wage growth was reviewed by the Actuarial Committee at the December 9, 2021 meeting and reflected in the September 1, 2022 Regulatory Filing. Staff is presenting the results of the third phase of the comprehensive review focusing on pure premium ratemaking for smaller classifications at the December 6, 2022 Actuarial Committee meeting. In 2023, staff anticipates continuing its analysis of small classification ratemaking with recommended methodology enhancements to be presented to the Actuarial Committee in the fourth quarter of 2023.

2. Study of Dual Wage Thresholds. In 2017, the C & R Committee recommended that a comprehensive study of the dual wage classification thresholds be conducted every two years.

Project Status: Staff anticipates completing the next comprehensive review of the dual wage thresholds for the C & R Committee's review by the fourth quarter of 2023 in preparation for the September 1, 2024 Regulatory Filing.

3. Payroll Limitations for Classification Ratemaking. At the March 21, 2017 meeting, the Actuarial Committee noted that total costs per \$100 of payroll declined at higher wage levels and it was agreed that staff begin to explore expanding the number of classifications subject to an employee annual payroll limitation.

Project Status: In the January 1, 2019 Regulatory Filing, the CDI approved the WCIRB's proposal to limit an employee's payroll to the amount used to limit the payroll of executive officers for five classifications effective January 1, 2020. The CDI approved payroll limitations for six additional classifications as part of the September 1, 2021 Regulatory Filing to be effective September 1, 2022. Pure premium rates for these classifications

reflected estimated adjustments for the impacts of the limitations on payroll. In 2022, staff validated the reasonability of initial pure premium rate adjustment factors by completing a survey of payroll audits to help analyze the accuracy of the advisory pure premium rate adjustment factors to reflect payroll limitations that have been applied. At the May 17, 2022 C & R Committee meeting, the Committee approved recommending establishing payroll limitations for six additional classifications to be included in the September 1, 2023 Regulatory filing to be effective September 1, 2024. In the third and fourth quarters of 2023, staff anticipates exploring a further broadening of the payroll limited classifications.

4. Loss Development Analysis. While the WCIRB regularly reviews the accuracy of alternative loss development methodologies, at the April 14, 2022 meeting, the Committee noted the recent diverging of paid and incurred methodology projections. As a result, a more in-depth exploration of recent paid and incurred patterns was suggested.

Project Status: Staff anticipates presenting an initial analysis comparing paid and incurred loss development patterns at the December 8, 2022 meeting with additional analysis anticipated for the first quarter of 2023.

5. Allocated Loss Adjustment Expense (ALAE) Development. At the April 14, 2022 Actuarial Committee meeting, the Committee noted that after an extended period of decline, ALAE development has begun to increase with the pandemic-related slowdown in claim settlement. While the last several filings included adjustments to ALAE development for changing settlement patterns, the Committee suggested that the paid ALAE development methodology should be reviewed.

Project Status: Staff anticipates presenting an analysis of ALAE development patterns and methodologies for the Actuarial Committee's review in the first and second quarters of 2023.

F. Other Studies Indirectly Impacting Rate Level Projections

1. Analysis of Very Large Claims. Given recent patterns of medical treatment and shifts in mortality estimates, including that for impaired individuals, it has been suggested that the WCIRB undertake a comprehensive analysis of the frequency and characteristics of very large or "jumbo" claims in the California workers' compensation system.

Project Status: On August 31, 2020, the WCIRB in collaboration with rating bureaus in other jurisdictions published a national study on the basic demographics of "mega claims" (claims which exceed \$3 million in incurred value on an on-level and trended basis). Staff does not anticipate further studies on mega claims in 2023, but is conducting some internal analyses exploring machine learning techniques to identify drivers of what makes certain relatively small claims increase into very large claims.

2. Medicare "Set-Asides" (MSAs). At the July 28, 2015 meeting, the Claims Working Group recommended that consideration be given to conducting a more in-depth study of MSAs.

Project Status: In 2016, the Claims Working Group and Actuarial Committee reviewed some initial work in this area which included the development differences between compromise and release settled claims and stipulated award settled claims. Staff does not anticipate further work on this issue in 2023.

3. Analysis of Cumulative Trauma Claims. Recent Actuarial Committee analyses of claim frequency changes have indicated that cumulative trauma claims are increasing and are a significant factor driving many of the key cost trends in California.

Project Status: The WCIRB published a comprehensive report on cumulative trauma claims in October of 2018. Staff's analysis of the medical characteristics of cumulative trauma claims was presented to the Actuarial Committee at the September 13, 2022 meeting with the report to be published in the fourth quarter of 2022.

4. Analysis of Claim Duration. Despite improvement over the last decade, average claim duration in California is significantly higher than in most other jurisdictions and a significant driver of the higher-than-average premium rates in the state.

Project Status: Staff's analysis of the key drivers of the extended claim duration in California was presented to the Actuarial Committee at the September 13, 2022 meeting with a report to be published in the fourth quarter of 2022.

5. Analysis of Work-Related Violence in the Workers' Compensation System. Worker injuries resulting from workplace violence has become a significant component of the California workers' compensation system. Staff has identified over 100,000 claims involving workplace violence injuries between 1993 and 2019.

Project Status: Staff has entered into a partnership with researchers at Johns Hopkins University to jointly study workplace violence claims in California. Staff anticipates presenting the preliminary results of the first of three research objectives by the fourth quarter of 2023.

6. Impact of Employee Tenure of Claim Frequency. A number of studies have indicated that newer workers are more likely to be injured on the job than more experienced workers. Increases in new hires as the economy began to recover from the pandemic-related downturn has been suggested as a driver of the sharp increase in claim frequency in 2021.

Project Status: Staff anticipates undertaking a comprehensive study of the impact of changing employee tenure on claim frequency attempting to differentiate between workers new to the employer and those new to the job function and compare changes of tenure among injured workers and those of the general worker population in California. Staff anticipates presenting the results to the Actuarial Committee by the fourth quarter of 2023 with a report published by the first quarter of 2024.

G. Studies Related to Rating Plans

1. Experience Rating Eligibility. At the October 22, 2014 meeting, the Actuarial Research Working Group discussed changes to the experience rating eligibility criteria in light of other changes to the Experience Rating Plan being adopted and noted that staff had not completed a comprehensive review of experience rating eligibility in a number of years.

Project Status: In 2020 and early 2021, staff completed a review of the eligibility threshold for experience rating that showed that the threshold could be reduced and was accepted by the Actuarial Committee at the December 11, 2020 meeting and by the C & R Committee at the May 18, 2021 meeting. Staff began some initial outreach to stakeholders on reducing the experience rating threshold but has deferred further activity until the WCIRB's analysis of the efficacy of experience rating as a safety incentive is completed and additional stakeholder input obtained.

2. Experience Rating Parameters. Until 2020, it had been several years since the parameters of the WCIRB's variable split Experience Rating Plan (Plan) had been updated. In order to keep the Plan values current and to avoid wide fluctuations in values, the experience rating parameters should be updated at regular intervals.

Project Status: Staff completed a comprehensive analysis of the Experience Rating Plan parameters with recommended changes approved by the Actuarial Committee at the April 2, 2020 meeting for inclusion in the January 1, 2021 Regulatory Filing. As recommended in the analysis, staff now develops regular annual changes to the primary threshold intervals and D-ratio credibility constants in the Plan for inclusion in subsequent regulatory filings. Staff is also specifically reviewing the D-ratio credibility methodology in light of recent volatility in experience and anticipates presenting an analysis to the Actuarial Committee in the first quarter of 2023.

3. Impact of Experience Rating on Workplace Safety. The statutory goal of experience rating in California is to incentivize a safe workplace. Although experience rating seems to create significant financial incentives and receives significant attention from many employers, there is limited research on its effectiveness as a safety incentive.

Project Status: Staff is completing a study on the impact of experience rating on the frequency of workplace with a report to be published in the second quarter of 2023.

4. Development of Experience Rating Expected Loss Rates. The Actuarial Committee annually reviews the WCIRB's methodology to compute the experience rating expected loss rates proposed to the CDI each year but a comprehensive analysis has not been undertaken for some time. The methodology used for this process was adopted by the Actuarial Committee at the June 11, 2008 meeting.

Project Status: Staff anticipates beginning a comprehensive analysis of the expected loss rate projection methodology in 2023 with initial results presented to the Actuarial Committee in the fourth quarter of 2023.

5. Retrospective Rating Plan Values. In 2018, the WCIRB completed a comprehensive update to the advisory *California Retrospective Rating Plan* values, including hazard group assignments, insurance charges and loss elimination ratios, to be effective January 1, 2019.

Project Status: Staff annually updates loss elimination ratios for purposes of classification ratemaking and anticipates providing the update needed for the September 1, 2023 Regulatory Filing by the first quarter of 2023. Staff has begun the multi-year effort of comprehensively reviewing the Retrospective Rating Plan values with a summary of the updated loss development process being presented at the December 8, 2022 meeting. Staff anticipates continuing work on this process in 2023 and 2024 with the objective of updating advisory plans in early 2024 to be effective September 1, 2024.

H. Other Potential Studies

1. Analysis of California Regional Differences. Recent WCIRB analyses of claim frequency, cumulative injuries, liens, allocated loss adjustment and other system components have suggested that there are significant regional differences across California.

Project Status: Staff uses a wide range of available information to prepare analyses of regional differences in components such as frequency, severity and permanent disability patterns. The WCIRB's latest report on regional differences was published in November 2022. Staff anticipates continuing this work in 2023 with the annual update report to be published by the fourth quarter of 2023.

2. Wage Data Analysis. Early in 2017, staff developed a comprehensive data cube and wage report for members with detailed information on various wage distributions by industry, classification and occupation as well as other wage related information. The information relates historical and

projected wage levels by classification to industries, recognizing differences in payroll exclusions in developing insured exposures and in the allocation of standard exception classifications.

Project Status: Staff completed a comprehensive update to this wage information based on updated source information in November 2019 with an update provided to the Actuarial Committee at the December 5, 2019 meeting. Staff anticipates updating the components of this analysis needed for classification ratemaking in the first quarter of 2023 with a comprehensive update anticipated by the third quarter of 2023.

3. Comparison of Workers' Compensation Medical Costs to Group Health Costs. At the May 27, 2009 meeting, the Claims Working Group suggested that consideration be given to conducting a research study comparing occupational and non-occupational medical treatment cost data for a similar mix of injuries.

Project Status: In 2021 staff has acquired a comprehensive dataset of group health transaction data to facilitate this type of comparative analysis with an update to the dataset acquired in 2022. In 2021 and 2022, staff used this data to better understand the severity of COVID-19 claims and "long COVID." In future years, staff anticipates using this information to study potential cost shifting between systems and differences in treatment patterns between workers' compensation and group health.

3. Terrorism Losses. In early 2003, the WCIRB contracted with EQECAT to help estimate potential terrorism losses with respect to the Terrorism Risk Insurance Act of 2002. In 2018, the WCIRB contracted with Risk Management Solutions (RMS) to conduct an analysis of potential statewide workers' compensation exposure arising from terrorism. The results of the study were presented to the Actuarial Committee at the December 5, 2018 meeting and published in January 2019.

Project Status: Staff does not anticipate further analysis of this issue in 2023.

4. Earthquake Losses. In July 2002, EQECAT completed a report estimating the average annual expected costs arising from California earthquakes. In 2003, EQECAT completed a follow-up study to address some of the issues raised by the CDI in reviewing the 2002 study. Based on the results of these studies, the WCIRB included a provision to reflect expected earthquake losses in the January 1, 2004 Pure Premium Rate Filing. In the Decision on that filing, the CDI rejected this provision based on concerns as to the underlying loss distribution projected by the model and the lack of a mechanism to fund the cost of a major earthquake if one were to occur. In 2007, the WCIRB contracted with EQECAT to update the California earthquake studies. The updated report was published in June 2007. In December 2017, the WCIRB in partnership with RMS published a further updated analysis on potential statewide workers' compensation exposure arising from an earthquake.

Project Status: At the June 14, 2019 meeting, the Actuarial Committee discussed whether a pure premium rate adjustment to reflect the long-term average expected losses arising from an earthquake based on the recent RMS study would be appropriate. Given the CDI's concerns in prior decisions and that including a long-term average provision for earthquake and terrorism exposure in advisory pure premium rates may create administrative issues for some insurers, the Committee agreed that the WCIRB's proposed advisory pure premium rates should not reflect a provision for earthquake and terrorism losses at this time. Several Committee members did suggest that published information on the potential statewide exposure of these events is of value and should be updated on a regular basis. Staff does not anticipate further analysis of this issue in 2023.

Item AC22-12-04

2023 Schedule of Meetings

The following is a proposed schedule of Actuarial Committee meetings for 2023. At this time, the WCIRB intends to hold hybrid meetings in 2023 so that Committee members may attend either in person or virtually. All meetings will begin at 9:00 AM (Pacific Time).

Tuesday, February 14, 2023 (September 1, 2023 Regulatory Filing)

Tuesday, March 21, 2023

Thursday, April 13, 2023 (September 1, 2023 Pure Premium Rate Filing)

Thursday, June 22, 2023

Tuesday, September 12, 2023

Tuesday, December 5, 2023

Thursday December 7, 2023 (if needed)

Also, the WCIRB Annual Conference, which is also tentatively scheduled to be hybrid, is planned for July 19-20, 2023.