

Actuarial Committee

Meeting Agenda

Date	Time	Location	Staff Contact
March 22, 2016	9:30 AM	WCIRB California 1221 Broadway, Suite 900 Oakland, CA	David M. Bellusci

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Released: March 15, 2016

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

I. Approval of Minutes

Meeting held on December 7, 2015

II. Working Group Meeting Summaries

- A. Medical Analytics Working Group Meeting held February 9, 2016
- B. Actuarial Research Working Group Meeting held March 2, 2016

III. Unfinished Business

- A. AC14-08-07: SB 863 Cost Monitoring – Adjustments to Pure Premium Ratemaking

IV. New Business

- A. AC16-03-01: First Quarter 2016 Review of Diagnostics
- B. AC16-03-02: 12/31/15 Experience – Review of Methodologies
- C. AC16-03-03: Loss Development at Earlier and Later Maturities
- D. AC16-03-04: Special Call for Terrorism Premium Information

V. Matters Arising at Time of Meeting

VI. Next Meeting Date: April 5, 2016

VII. Adjournment

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Medical Analytics Working Group

Meeting Summary

To: Participants of the Medical Analytics Working Group
Date: February 23, 2016

RE: Summary of February 9, 2016 Meeting

Insurer Meeting Participants Were Reminded of the Antitrust Notice

As members of the Workers' Compensation Insurance Rating Bureau of California, you are bound, when involved in meetings or other activities of the WCIRB California, to limit your actions (and discussions other than social ones) to matters relating to the business of the WCIRB California. Matters that do not relate directly to WCIRB California business should be avoided. Members should particularly avoid discussions or conduct that could be construed as intended to affect competition (or access to markets). Thus, as members, you should not discuss or pursue the business interests of individual insurers or others, including, in particular, the plans of individual members involving, or the possibility or desirability of (a) raising, lowering, or stabilizing prices (premiums or commissions); (b) doing business or refusing to do business with particular, or classes of, insurers, reinsurers, agents, brokers, or insureds, or in particular locales; or (c) potential actions that would affect the availability of products or service either generally or in specific markets or locales.

Discussion Topics

At the meeting, the following topics were discussed:

A. Senate Bill No. 863 (SB 863) Cost Monitoring

Staff presented summaries of three WCIRB reports on the impacts of SB 863 on the California workers' compensation system. Each report was released in the fourth quarter of 2015 and each will be updated later in 2016.

(1) Estimated Impacts of RBRVS

The Resource-Based Relative Value Scale (RBRVS) was authorized by SB 863 and put into effect January 1, 2014 to apply to all medical provider payments (approximately 45% of total medical costs). The WCIRB's report encompassed fee schedule payments from July 2012 through June 2015 (18 months before and after the introduction of RBRVS). For 2014, this report showed a decline of 4.8% in provider paid amounts per claim compared to the WCIRB's projection of a 2.1% increase. For the first half of 2015, there was a 0.8% increase in provider payments per claim, compared to the WCIRB's projection of a 1.6% increase. The cumulative reduction in provider payments from 2013 through June 2015 was primarily driven by substantial declines in Special Services and Reports and Pathology and Laboratory services. For other services, as expected, payments shifted to primary care providers away from specialists.

(2) Overall SB 863 Cost Monitoring Study

Staff presented its annual SB 863 monitoring study highlighting sections of the report focused on changes in medical and allocated loss adjustment expenses (ALAE) costs. The report described the reductions in surgical implant costs to be somewhat greater than WCIRB projections, while the 26% reduction in ambulatory surgical center (ASC) costs was similar to original projections. The report indicated that projected reductions in frictional costs resulting from SB 863 have not yet been achieved. After an 84% drop in 2013, the number of filed liens have steadily increased through 2015, resulting in a 22% cumulative decline from 2012. Medical-legal costs have remained essentially flat from 2012

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through the first half of 2015. These findings indicate the reductions in medical severity in accident year 2014 was partially offset by a 10.5% increase in ALAE during that time. In total, the WCIRB estimates that savings are well above initial estimates due principally to the greater than anticipated savings in reduced levels of medical treatment.

(3) Impact of SB 863 on Overall Medical Costs

Staff presented findings on a study of the cumulative impact of SB 863 on medical costs from July 2012 through June 2015. This research included measures in half year increments of unit costs (paid per transaction), utilization (transactions per claim) and combined impact (paid per claim). The study applied these measures for each type of medical service over the three-year period. For all medical services, paid per claim declined by 8% from the second half of 2012 through the first half of 2015. This reduction was primarily achieved by a 12% drop in Calendar Year (CY) 2013 and CY 2014. In the first half of 2015, overall medical payments per claim increased by 4% over the previous period. For all 36 months, approximately 60% of all payments are generated by medical providers and pharmacies, both of which declined due to reduced utilization levels. Approximately 20% of all payments are for inpatient and outpatient facilities. Inpatient facilities per claim with an admission increased by 14% due to higher unit costs and greater billing intensity. However, this increase was largely offset by the impact of reduced admissions. Outpatient facilities, primarily ASCs, registered a 7% aggregate decline over the three-year period, primarily due to SB 863 reimbursement changes affecting CY 2013 and 2014. In the first half of 2015, cost per claim for these facilities rose by 21% over the previous period, a change that was primarily driven by Centers for Medicare & Medicaid Services' approval of increased ASC reimbursements for specific surgical procedures and increases in the utilization of some of those procedures. A member noted that some of the increase may also be attributable to more complex procedures being done in an outpatient setting.

B. Update on Indemnity Claim Frequency

Staff presented data showing that, since 2012, California has generally experienced annual increases in indemnity claims frequency, while frequency in most other states has declined. Cumulative trauma claims have been a driving force in these trends, representing 18% of all indemnity claims in 2014 compared to 8% in 2007. The most recent WCIRB survey indicated that 82% of these claims have attorney involvement and 66% contain medical complaints involving multiple body parts. The WCIRB survey also disclosed that approximately 40% of these cumulative trauma claims were filed post-termination.

C. Ongoing WCIRB Medical Analytics Research

The Working Group discussed three ongoing research efforts:

(1) Cumulative Trauma Claims Study (with CWCI)

As described in the update on indemnity claims frequency, cumulative trauma (CT) claims are an important and growing feature of California workers' compensation. The CWCI presented preliminary findings of a joint study with the WCIRB designed to identify the medical characteristics of these claims. Using WCIRB unit statistical data from policy years 2000 through 2013, the CWCI has identified 78,000 claims matched to its own medical transaction database. A total of 63% of the claims have generated permanent or temporary disability payments at an average of \$38,527 in combined indemnity and medical costs. As a next step, the researchers will compare costs for CT and non-CT claims matched by diagnoses. This effort will enable a better understanding of the medical dynamics generating CT claims.

(2) Pharmacy Dispensing Study

In response to a recommendation from the Working Group, the WCIRB is undertaking a study on the impact of physician drug dispensing on medical costs. This meeting involved a discussion of Phase One of the study, which is an overview of types of pharmaceutical costs collected in the WCIRB transaction database. These findings indicated that from July 2012 through September 2015, 66% (or approximately \$500 million of all drug costs) are generated by five "Therapeutic Groups." These categories, in descending order of total payments, were opiate analgesics, non-opiate analgesics,

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topical skin applications, stomach disorder medications and bulk chemicals used for compounds. Since July 2012, the share of payments for opiate analgesics have declined by 5% while payments shares for non-opiate analgesics and bulk chemicals have correspondingly increased.

Staff also discussed various options to more accurately identify dispensing sites in the WCIRB database. Existing codes for “place of service” (office or pharmacy) may be insufficiently sensitive to the nuances of the dispensing process. Working Group members suggested alternative ways to locate this data by having discussions with third-party Pharmacy Benefit Management vendors. In addition, WCIRB staff will be working to improve its current 56% provider ID identification rate to more accurately capture dispensing site data. Phase Two of this study will use this information to report dispensing site cost differences by Therapeutic Groups, as well as more granular categories, such as generic vs. brand drugs.

(3) Proposed Medicare Set-Aside Study

In response to a request from the Claims Working Group, the WCIRB is developing a potential study of Medicare Set-Asides (MSA). Staff will develop a proposal for this study to be presented at the March 23, 2016 Claims Working Group meeting. The goal is to determine the extent to which California insurers have employed the CMS provisions to use MSAs on claims settled via Compromise and Release. The study will analyze the frequency of MSAs over the past five years and depict the total settlement and vendor costs. In addition, staff will compare claims with MSAs to a set of similar claims which were settled via Stipulated Awards. This study will require data not currently collected by the WCIRB and will need information from a representative set of insurers.

D. Research by Other Organizations

The CWCI presented summary data from two current studies: (1) statewide California data from 2008 through 2014 describing hospital discharges from Medicare, Medicaid, private insurance and workers' compensation. Workers' compensation dropped more than the other types of payers in measures of total discharges, back surgery discharges and implant-eligible back surgery discharges, and (2) data from the CWCI's pharmacy transaction database indicating declines in opiate prescriptions and payments from 2008 through 2015. However, this multi-year trend was accompanied by increases in opiate strength (measured by Morphine equivalents per dose) for the fewer drugs prescribed.

E. Additional SB 863 Reforms

(1) Independent Medical Review (IMR)

Staff presented data on IMRs collected by the Division of Workers' Compensation through December 2015. These findings indicate that the number of IMR requests increased by 11% in 2015 to 60,000 per quarter. Since IMR expenses are allocated to ALAE, these results were consistent with WCIRB's analysis of system-wide frictional cost increases.

(2) Other New Fee Schedules

SB 863 established new fee schedules for copy services, home health and interpreters. The copy service fee schedule went into effect in July of 2015. The WCIRB reviewed the potential impact of the new schedule and did not recommend that a pure premium rate adjustment be made. (The WCIRB released its reporting guide to insurers at that time.) The 15-day comment period for the Home Health fee schedule is underway in February and is expected to be in force by the second quarter of 2016. The 90-day notice period for the interpreter fee schedule will conclude by second quarter of 2016 and the schedule is expected to be in force by the third quarter of 2016. The WCIRB will assess the pure premium rate impact of these schedules once the final values are promulgated and will also issue guides for the reporting of this information.

F. Enhancements to Insurer Benchmark Reports

Staff described enhancements to the benchmark reports including identifying laboratory and pathology codes that have been reclassified into Health Care Procedure Coding System (HCPCS). Also, for each

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report, the WCIRB will record data that is unknown or unclassified. Moreover, in 2016, staff will create an additional benchmark report depicting diagnosis data for each insurer compared to the industry. To accomplish this task, the WCIRB is investigating the adoption of a diagnostic grouper which will collect and aggregate ICD-9 and ICD-10 codes.

G. Future WCIRB Medical Cost Research

The Working Group focused on additional ways the WCIRB can use its pharmacy data. For example, the Therapeutic Group category for bulk chemicals may need to be combined with data from the Therapeutic Group category for topical applications to more fully capture the extent of compounding in the California workers' compensation system. In addition, the data may reveal the secondary effects of opiate use by analyzing the prevalence of stomach discomfort drugs.

H. Adjournment

The Working Group's next meeting will be in May 2016.

Actuarial Research Working Group

Meeting Summary

To: Participants of the Actuarial Research Working Group
From: Ward Brooks
Date: March 7, 2016

RE: Summary of March 2, 2016 Meeting

Insurer Meeting Participants Were Reminded of the Antitrust Notice

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Discussion Topics

At the meeting, the following topics were discussed.

1. Estimated Potential Impacts by Industry of Minimum Wage Changes

The Group was reminded that at its October 5, 2015 meeting staff presented preliminary results in estimating potential impacts of changes to minimum wage laws by industries and regions. Staff has continued to develop this analysis as part of on-going research into geographic differences and to develop an enhanced Average Wage Data Product for publication planned in the fourth quarter of 2016. When developed, staff envisions being able to estimate the impact of changes in minimum wage laws on insured worker population payrolls (exposures) and indemnity benefits by classification (via claimant wages), by industry and region (via linkages developed from geocoding). Appropriate results from the analyses may be integrated into an enhanced Average Wage Data Product.

For the work of estimating potential minimum wage change impacts by industry, the Group was informed that staff had developed several data sets and was currently exploring the strengths and weaknesses of the alternatives and the assumptions required of each. The data sets for use in analyzing insured exposures are based on public data on wages by occupation or industry. Staff noted that insured payrolls (exposures) are *not* the same as the general population's wages due to exclusions used to develop insured exposure. These exclusions vary by industry and over time. The overall exclusion rate has generally ranged from roughly 10% to 15%. The conversion of payroll data to insured exposure data will be based on analyses of observations gathered from the WCIRB's Test Audit program scheduled to be developed later this year and was not reflected in the preliminary results presented to the Group.

Staff provided an overview of the data sources currently under review to estimate changes in insured payrolls. The Group was reminded that estimated impacts on indemnity benefits can be

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made using claimant average weekly wages, which the WCIRB collects on indemnity claims and also receives on many medical-only claims. Staff noted that the distributions of insured population wage and of claimant wages are not the same and that the claimant wage distribution is typically more positively skewed than the insured population. Staff reviewed the strengths and weaknesses of each data source, discussed the issues staff was evaluating in using these sources and the methodologies and approaches.

Staff reviewed the latest Average Wage Data Product with the Group and solicited feedback on potential enhancements. A Group member expressed interest in including the estimated shares of workers and wages that were at the minimum wage in the updated product. Group members expressed interest in being able to adjust California population artifacts to bases of interest, such as the insured sector or an insurer's mix of business. Staff noted that the artifacts from the studies could be provided to facilitate these comparisons. A Group member asked if staff was contemplating using this information to make differential exposure adjustments in classification ratemaking. Staff noted that, when completed, the results of the study would be reviewed by the Actuarial Committee for its determination as to the appropriateness of such adjustments.

A Group member noted that the current Average Wage Data Product included a mapping of classifications with North American Industrial Classification System (NAICS) sectors and that many mappings were one-to-many or many-to-many. The member asked whether staff expected to provide more information on these relationships. Staff indicated that it was expected that this information, being developed in the study of geographical differences, would be made available at a more detailed level.

2. Feasibility Study of Experience Rating 'First Aid Claim' Alternatives

The Group was reminded that the reporting of small Medical Only, or 'First Aid,' claims has been a longstanding concern in California as the non-reporting of these claims creates fairness issues with respect to employers who properly report all claims; can limit an injured worker's access to workers' compensation benefits; and creates difficulties for insurers in controlling the ultimate cost of a severe claim that is not reported initially as medical treatment is being delivered. The issue was most recently reviewed by the Classification and Rating (C & R) Committee at its October 7, 2014 meeting where the Committee generally agreed that the issues surrounding first aid claims are far reaching and that there was widespread confusion regarding definitions and reporting requirements. The C & R Committee recommended that the WCIRB hold a meeting with interested parties including regulators, insurers, employers and labor to discuss the issues surrounding the reporting of small Medical Only claims and potential approaches to address those issues. Group members were provided copies of the C & R Committee's October 7, 2014 Agenda and Minutes for their review.

The Group was informed that in response to the C & R Committee's recommendation, the WCIRB had established a Working Group on Reporting of Small Medical Only Claims, which met in February 2015, and discussed the issues surrounding the potential underreporting of small Medical Only claims. Based on the input gathered from both the C & R Committee and the Working Group, the WCIRB decided to analyze the option of eliminating a specified amount of each claim from the experience modification computation, including the impact of the potential changes on actuarial accuracy, credits for loss free experience and potential dislocations. The Group was informed that WCIRB Actuarial Research staff had completed development of these findings for the Actuarial Research Working Group's review and feedback.

The Group was informed that based on stakeholder feedback, staff developed (parameterized) three alternative experience rating plans that are functionally equivalent to the variable split experience rating plan that will be in effect as of January 1, 2017 except that loss layers below a

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'first aid threshold' were excluded. The three alternatives used each of three different thresholds—\$250, \$500, or \$1,000. These alternative plans functioned as the baseline variable split plan except for the exclusion of the loss layers below these thresholds. Claims whose values were completely below a threshold were eliminated entirely and were not counted for purposes of single claim swing limits. For claims above the thresholds, loss values between the first aid threshold and the variable split threshold were included as primary losses. Under the new variable split plan, no credibility is attached to loss amounts excess the variable split threshold. Staff developed the baseline variable split plan and the three first aid alternatives for four policy projection years—2010 through 2013—using standard three-year experience periods. For these tests, a common set of variable split points was developed rather than a separate set for each policy year. Staff reviewed the development of the alternatives for the Group.

The Group reviewed the efficiencies, or reductions in loss ratio variation attributable to experience rating, calculated for the baseline and first aid alternatives by expected loss cohort for each policy year. Staff noted that the first aid alternatives resulted in degradation of predictive accuracy and that this degradation was more pronounced for smaller employers. The degradation of predictive accuracy was greater for larger thresholds. The Group also reviewed efficiency summaries for five select industrial groupings. Staff noted that degradation of predictive accuracy was more pronounced in certain industries, such as construction.

The Group reviewed the expected distributions of impacts on modifications for all employers and for select industries. Staff noted that, as claim-free employers were more numerous, there was a general pattern of a reduction in the claim-free credits for claim-free employers and a reduction in the debit modifications of employers with debit modifications under the baseline variable split plan. The Group discussed staff's findings at length.

A Group member asked if staff had considered the approach taken in other jurisdictions to exclude a share of medical-only claims from experience rating. Staff indicated that this approach had been reviewed but had found no evidence that there had been changes in reporting patterns in the states adopting this approach relative to other states.

A Group member noted that staff's findings were based on data under the current experience rating plan and it was unclear how the variable split plan might affect the potential to under-report claims or how the alternatives might perform under the variable split plan.

A Group member questioned the efficacy of experience rating for the smallest employers. Staff noted that this was a legitimate issue that staff expected to review in the context of eligibility but not as part of the review of potential first aid alternatives.

A Group member asked what shares of claims and losses were eliminated by the thresholds evaluated. Staff agreed to provide this information in the Meeting Summary. The shares of claims beneath the \$250, \$500, and \$1,000 thresholds were, respectively—14.7%, 35.5%, and 53.8%. The shares of losses beneath the \$250, \$500, and \$1,000 thresholds, subject to the \$175,000 experience rating claim limit were, respectively—2.1%, 3.8%, and 6.2%.

The Group was informed that staff's findings, at a high level, would be communicated to the Working Group on Reporting of Small Medical Only Claims in several weeks. Staff's findings and the input of the Working Group on Reporting of Small Medical Only Claims would then be presented to the Actuarial Committee for its consideration.

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3. Retrospective Rating Plan Updates

The Group was informed that staff had begun the process of updating the retrospective rating plan, with the goal of developing updated loss elimination ratios, hazard groups and insurance charges over a two-to-three-year development cycle. Staff solicited the Group's feedback on desired artifacts that might be developed or methodological alternatives that might be evaluated. Staff noted that developing a new artifact of size of loss distributions by age of claim by hazard group was already anticipated. A Group member requested whether this information might also be provided by paid in addition to incurred and with and without allocated loss adjustment expense. Staff agreed to consider development of this information.

A Group member requested that staff prepare limited and excess loss development triangle data to benchmark against simulated results. Staff agreed to develop these materials.

A Group member requested consideration of refinement of the tables of insurance charges. Staff discussed the construction of the current tables, which was based on an historical preference for columns of insurance charges corresponding to two decimals at the unity entry ratio. Staff agreed that there was no need to restrict the tables to this historical construction and that providing insurance charges at greater levels of refinement by employer size, particularly for larger employers, would be evaluated.

A Group member requested that staff share more information on the parameters of the stochastic simulation process. Staff noted that its intent was to provide greater information and that more information would be provided as the research moved forward. Staff requested that as the Group reviewed staff's work going forward, to note areas where specific information would be of value so that staff could evaluate how best to expose this information.

4. 2016 Study of Geographic Differences

Staff reminded the Group that an updated analysis of regional differences was anticipated to be published later this year. Staff provided the Group an update on enhancements implemented to the geolocation of insured exposures, including expanded use of additional data, address standardization, and revised matching logic, which resulted from the voluntary review of small samples of staff's initial matches. Additionally, the Group was informed that staff had elaborated the classification-to-NAICS relationship and provided an example of how this refinement had improved the allocation of exposures. A Group member asked if the class-NAICS information could be published and staff indicated that its publication was anticipated as part of the updated Average Wage Data Product.

The Group was informed that staff had also refined the claimant geolocating protocol. The prior protocol segregated Medical Data Call features into three tiers to determine a claimant's 'center of medical services.' The revised protocol uses a provider/location/date-of-service observation to which a weight is assigned based on the nature of services provided. Services observed to be closer to employer locations, such as physical medicine, are given greater weight than services observed to be farther from employer locations, such as in-patient surgery.

To evaluate the enhancements to the exposure and claimant protocols, staff requested that members willing to help assess the protocol would be provided samples of staff's geolocating results to compare to their own internal, company data to provide feedback to staff.

A Group member noted that staff was still working with external data that was not contemporaneous with WCIRB data. Staff confirmed that this was the case and that this situation would only resolve with time. Contemporaneous data would not be available for several years.

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A Group member asked whether staff had evaluated geolocating performance for field staff. Staff indicated that staff's current approach was to continue to focus on refinement of the geolocating protocols and later to select classifications/industries known to have large shares of field staff and compare their results with classifications/industries expected not to have significant field staff.

A Group member asked if time (date) of service was considered in geolocating claimants. Staff reminded the Group that in the initial prototype studies conducted in 2013, services were segregated by time from date of injury. While staff expects to revisit this dimension in the future, it was not found to be as material as the features currently used.

The Group discussed the reliability of the results with large, multi-location policies. Staff acknowledged that results were not expected to be exact on a location-by-location basis for policies with large numbers of locations but to be reasonably accurate at a regional level. Staff elaborated on some of the protocol's current constraints, such as only allowing a claim to be located at a location with appropriate classification exposure. A Group member suggested consideration might be given to probabilistically locating claimants—that is, a claimant might be considered to be at location A with 40% probability or location B with 60% probability. Staff agreed to consider the feasibility of such an enhancement in the future.

Item AC14-08-07

SB 863 Cost Monitoring – Adjustments to Pure Premium Ratemaking

In the last several pure premium rate filings, the WCIRB reflected the estimated cost impact of Senate Bill No. 863 (SB 863) on pure premium rates. These estimates were based on the WCIRB's initial prospective cost evaluation of SB 863 as updated in a series of annual retrospective evaluations of emerging post-SB 863 experience. The WCIRB's most recent retrospective evaluation of the cost impact of SB 863 was reviewed by the Committee at the November 4, 2015 meeting and published on November 13, 2015.¹

At the meeting, staff will review the SB 863 on-level adjustments currently reflected in the pure premium rate projection with the Committee to determine what recommended adjustments, if any, should be made to the on-level factors and, when applicable, the loss development factors to be reflected in the potential July 1, 2016 Pure Premium Rate Filing based on current SB 863 cost monitoring results. Some of the key SB 863 cost components from the 2015 SB 863 Cost Monitoring Report along with the current on-level adjustments are summarized below.

Provisions Affecting Indemnity Benefits

SB 863 included increases to weekly permanent disability (PD) benefits, a number of changes to the calculation of PD ratings, and other changes affecting indemnity benefits. In its evaluations of SB 863, the WCIRB also included estimates of changes in indemnity claim frequency as a result of the various SB 863 changes affecting indemnity benefits. In the last several pure premium rate filings, the WCIRB has reflected the impact of these changes in indemnity on-level adjustments as well as their estimated impact on paid indemnity loss development patterns.²

In the 2015 SB 863 Cost Monitoring Report, it was noted that the SB 863 provisions impacting indemnity benefits, including the estimated impact on indemnity claim frequency, are emerging at a level generally consistent with the WCIRB's prospective and initial retrospective estimates. It was also noted that inasmuch as PD benefits are paid well into the life of a claim and determination of final PD ratings often do not occur for many years, the cost impact of some SB 863 provisions related to PD benefits (e.g., elimination of certain permanent disability add-ons) will not be known for several years.

Provisions Affecting Medical Benefits – 2013 and Later Services

A number of SB 863 provisions, such as changes to liens, surgical implant hardware reimbursements, ambulatory surgical center (ASC) fees, and medical provider networks (MPNs) affect medical services provided on or after January 1, 2013 regardless of when the injury occurred. In order to reflect the estimated impact of these changes on older accident years and to correct for any potential distortions in paid medical loss development patterns resulting from these changes, the WCIRB has in the last several pure premium rate filings reflected these changes in adjustments to paid medical loss development.³ Specifically, in the January 1, 2016 Pure Premium Rate Filing, the WCIRB reflected an estimated -4.9% adjustment to medical payments made prior to January 1, 2013 to adjust them to a basis consistent with payments made on or after January 1, 2013 in the post-SB 863 environment, and computed paid medical loss development factors based on the adjusted amounts.

In the 2015 SB 863 Cost Monitoring Report, it was noted that for a number of SB 863 provisions, such as changes to ASCs and MPNs, costs are emerging generally consistent with the WCIRB's prospective and initial retrospective cost estimates. However, it was noted that through the first three quarters of 2015, the number of liens filed were far greater than for the similar period for the prior two years and could potentially result in a total reduction in lien filings from the pre-reform period significantly less than the

¹ *Senate Bill No. 863 WCIRB Cost Monitoring Report – 2015 Retrospective Evaluation*, WCIRB, November 13, 2015.

² See *Impact of Senate Bill No. 863 on Loss Development Patterns* (WCIRB, August 13, 2013) for more information.

³ See *Impact of Senate Bill No. 863 on Loss Development Patterns* (WCIRB, August 13, 2013) for more information.

60% reduction underlying the adjustments reflected in the January 1, 2016 Pure Premium Rate Filing based on the 2014 SB 863 Cost Monitoring Report. However, it was also noted that some of the increased lien filings in 2015 may be temporary and related to both the 18-month and 3-year statutes of limitations on lien filings applying during this transition period. As a result, in the 2015 SB 863 Cost Monitoring Report the WCIRB noted it is premature to adjust to its original prospective estimate of a 41% reduction in liens until lien filing counts begin to stabilize.

In the 2015 SB 863 Cost Monitoring Report, it was also noted that the reduction in the average cost of surgical episodes involving spinal implants was approximately 25% greater than the WCIRB's prospective and initial retrospective cost estimates reflected in the January 1, 2016 Pure Premium Rate Filing. As a result, the WCIRB increased its savings estimate related to surgical implant hardware reimbursements.

The estimated total cost impact of the SB 863 changes to medical services provided on or after January 1, 2013 based on the 2015 SB 863 Cost Monitoring Report and including the updates to liens and surgical implant hardware discussed above is -4.4%, compared to -4.9% reflected in the January 1, 2016 Pure Premium Rate Filing. Staff recommends that projected SB 863 on-level and medical loss development adjustments be updated on this basis.

Provisions Affecting Medical Benefits – 2014 and Later Services

The SB 863-related changes to the physician fee schedule to convert it to a resource-based relative value scale (RBRVS) basis became effective on physician services provided on or after January 1, 2014 and are being phased in over a four-year period. As with other SB 863 reforms affecting medical services provided in 2013 and later, the WCIRB in the last several pure premium rate filings has reflected the estimated cost impact of the RBRVS changes in adjustments to paid medical loss development and on-level adjustments. Specifically, in the January 1, 2016 Pure Premium Rate Filing, the WCIRB reflected an estimated -1.5% adjustment to medical payments made prior to January 1, 2014 and an estimated +0.6% adjustment to medical payments made prior to January 1, 2015 for the RBRVS changes, and computed paid medical loss development factors based on the adjusted amounts.⁴

In the 2015 SB 863 Cost Monitoring Report, it was noted that the cost of physician services performed in 2014 continue to emerge lower than prospective and initial retrospective cost estimates, while preliminary estimates of the cost of physician services performed in 2015 are emerging generally consistent with prospective cost estimates. As a result, the WCIRB estimated a total cost impact of the RBRVS changes on medical benefits paid on or after January 1, 2014 of -1.8% compared to -1.5% reflected in the January 1, 2016 Pure Premium Rate Filing, while the estimated total cost impact on medical benefits paid on or after January 1, 2015 remained at +0.6%. Staff recommends that projected SB 863 on-level and medical loss development adjustments be updated on this basis. Inasmuch as the greater than projected savings in 2014 physician services were primarily driven by one-time declines in the utilization of special services and reports, the WCIRB did not adjust its estimates of the RBRVS changes for 2016 and 2017 from its prospective cost estimates.

Changes to Medical Utilization Levels

In the 2015 SB 863 Cost Monitoring Report, it was noted that even after adjusting for the estimated cost impact of quantifiable SB 863 provisions and projected on-level medical severity trends, medical severities still emerged significantly lower than projected. The report also noted that there have been significant reductions in the utilization of medical services since the enactment of SB 863, likely in part attributable to SB 863 provisions related to independent medical review, independent bill review, and other provisions affecting medical costs discussed above. Specifically, the WCIRB estimated an approximate 5% decrease in overall medical severities as a result of changes to medical utilization levels resulting from SB 863.

⁴ Inasmuch as no 2016 or 2017 services have yet occurred, the estimated cost impact of these years of the phase-in continue to be reflected in the medical on-level adjustments.

As with other reform changes impacting medical costs, changes to medical utilization levels resulting from reforms can potentially impact post-reform medical services on older accident years. However, contrary to changes to medical fee schedules or reimbursement rates that impact all of those types of services performed after the effective date, shifts in medical utilization levels may be less pronounced in more mature years where injuries and treatment patterns are more developed and medical treatment levels are less likely to change significantly. Furthermore, fee schedule and other similar changes occur with specific and distinct effective dates that allow for effects on payment patterns to be more directly measured and adjusted for, while the impact of changes in medical utilization levels on loss development patterns are less clear and may occur gradually.

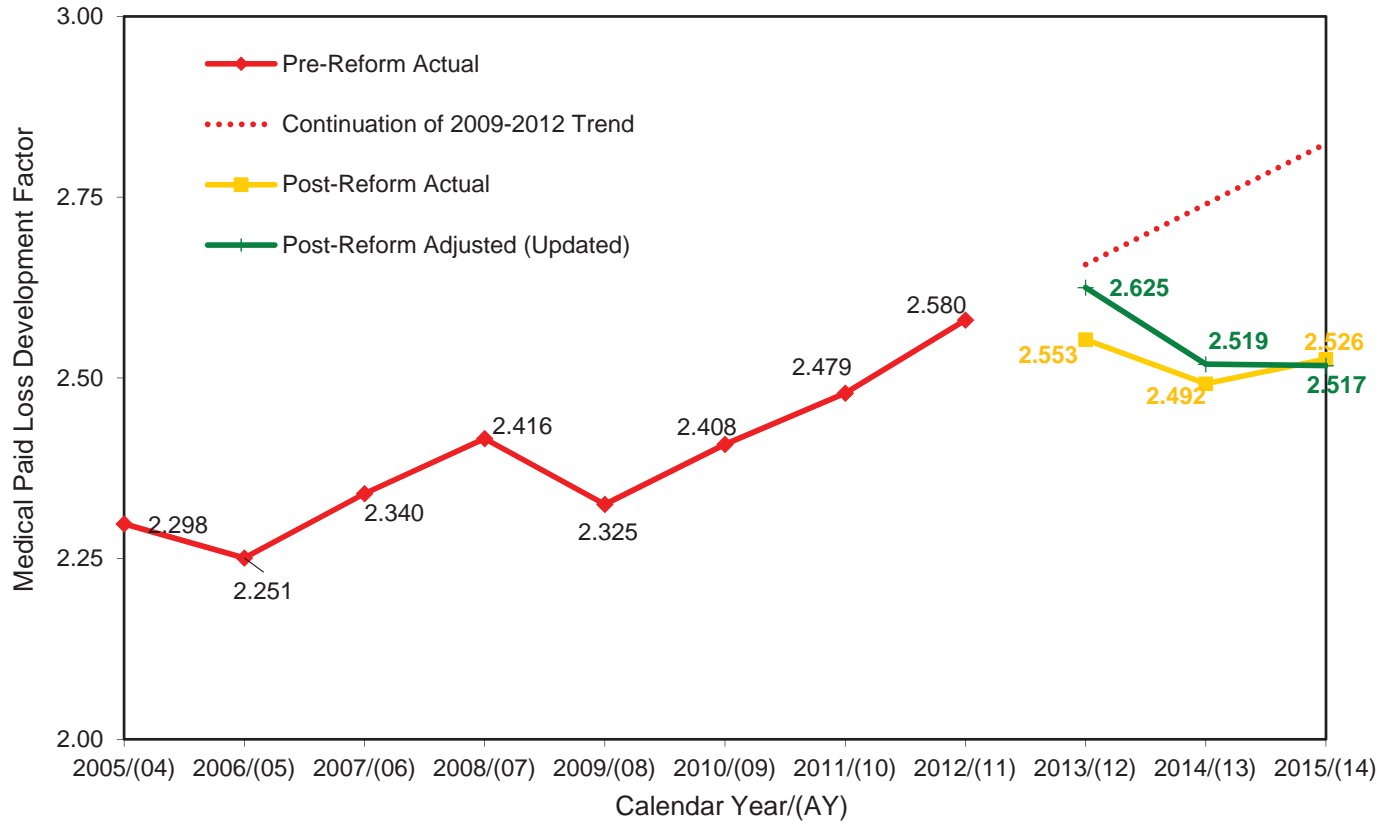
In order to estimate the impact of the SB 863-related declines in medical utilization levels on older accident years, staff compared historical (pre-SB 863) paid medical loss development patterns with post-SB 863 development patterns. Exhibits 1.1 through 1.8 show paid medical age-to-age factors through 108 months for pre and post-SB 863 actual development as well as post-SB 863 development after adjusting for the impact of various measurable SB 863 provisions, including the changes based on the 2015 SB 863 Cost Monitoring Report results discussed above. Since the enactment of SB 863 in calendar year 2013, paid medical loss development after adjustment for other SB 863 reforms continues to emerge significantly lower than what would otherwise have been estimated had the pre-reform rate of growth continued for accident years 2012 through 2014. These differences appear to diminish with magnitude for older accident years compared to the most recent years, while there does not appear to be a significant shift in paid medical loss development for accident years 2011 and prior. Table 1 shows the estimated decrease in the age-to-age paid medical development factor for each accident year as a percentage of the decrease in the 12-to-24 month factor for accident year 2014 and a potential distribution of the 5% decline in medical utilization levels resulting from SB 863 based on these differences. Staff recommends the on-level factors for these accident years be adjusted on this basis (last column of Table 1).

Table 1 – Estimated Impact of SB 863 Medical Utilization Change by Accident Year				
Accident Year	Development Period	Decrease from Pre-Reform as a % of AY 2014 Decrease	Cumulative Impact of -5% Medical Util. Change	Incremental Impact of -5% Medical Util. Change
2012	36-to-48	24%	-1%	-1%
2013	24-to-36	40%	-2%	-1%
2014	12-to-24	100%	-5%	-3%

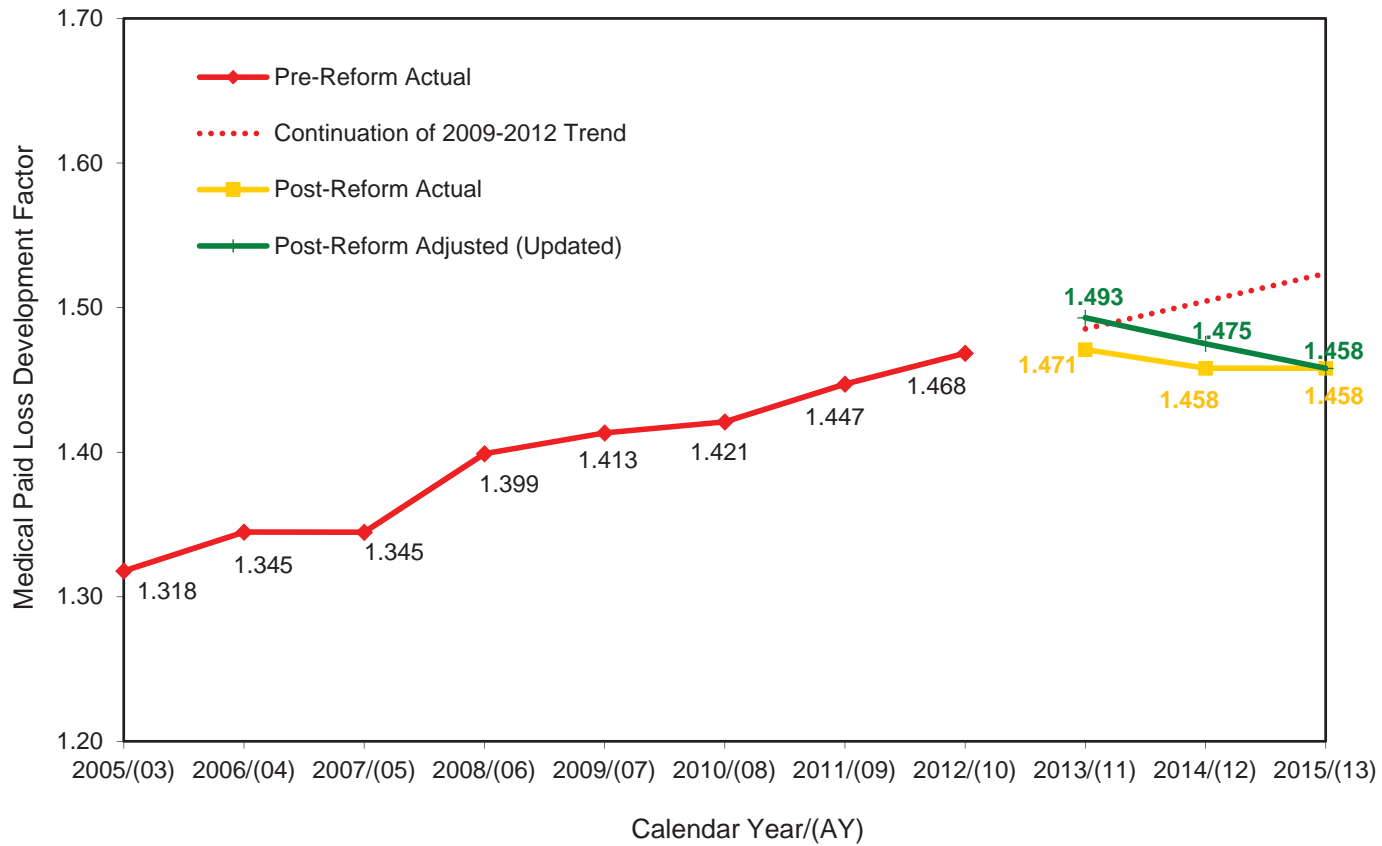
Table 2 shows the current estimated change in on-level medical severity based on September 30, 2015 experience and the change after reflecting the on-level adjustments shown in Table 1.

Table 2 – Estimated Change in On-level Medical Severity Based on September 30, 2015 Experience		
Accident Year	Unadjusted for SB 863 Medical Utilization	Adjusted for SB 863 Medical Utilization
2012	-2.0%	-1.0%
2013	-3.2%	-2.2%
2014	-1.8%	+1.3%

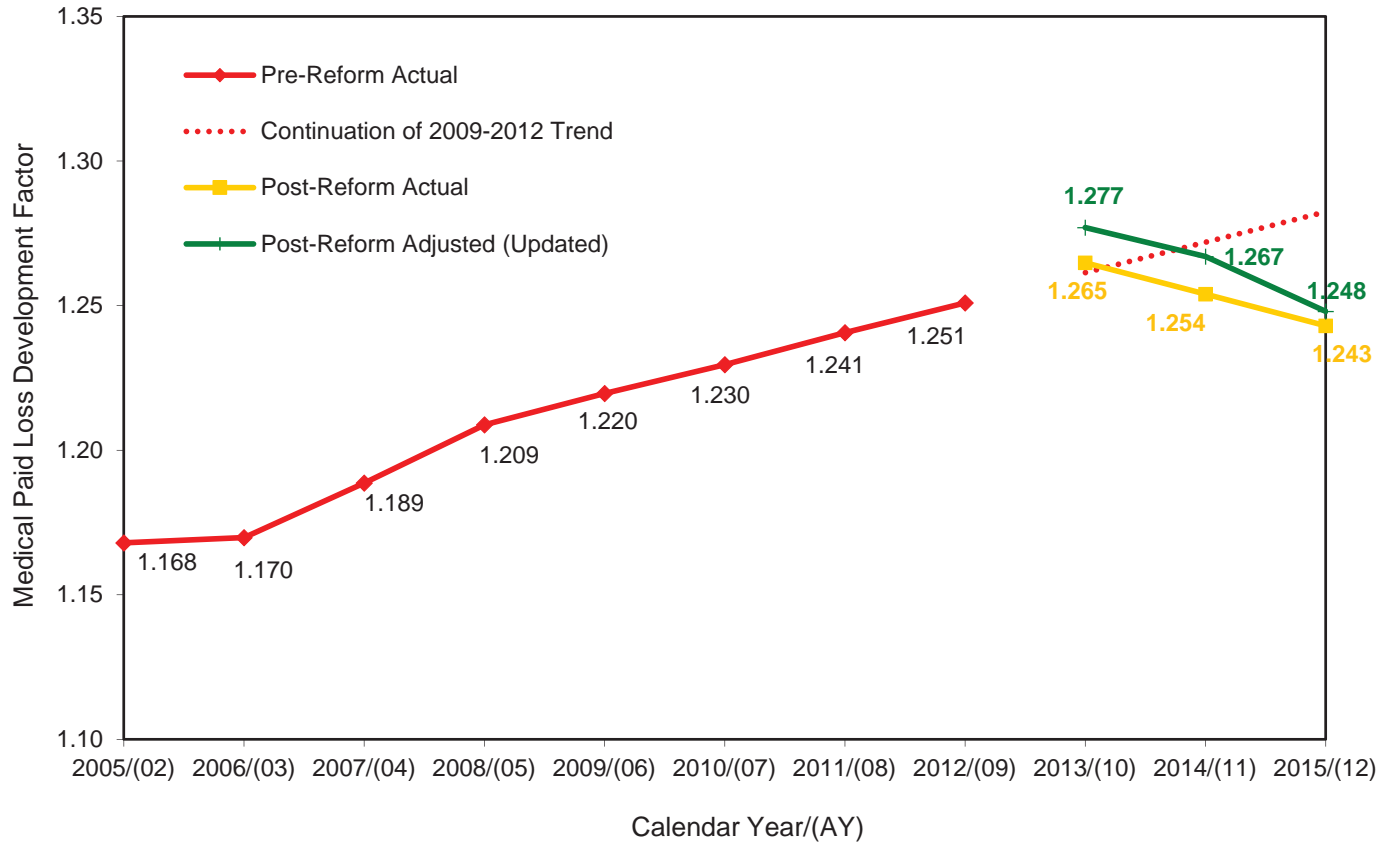
Comparison of Paid Medical 12-to-24 Month Development Factor



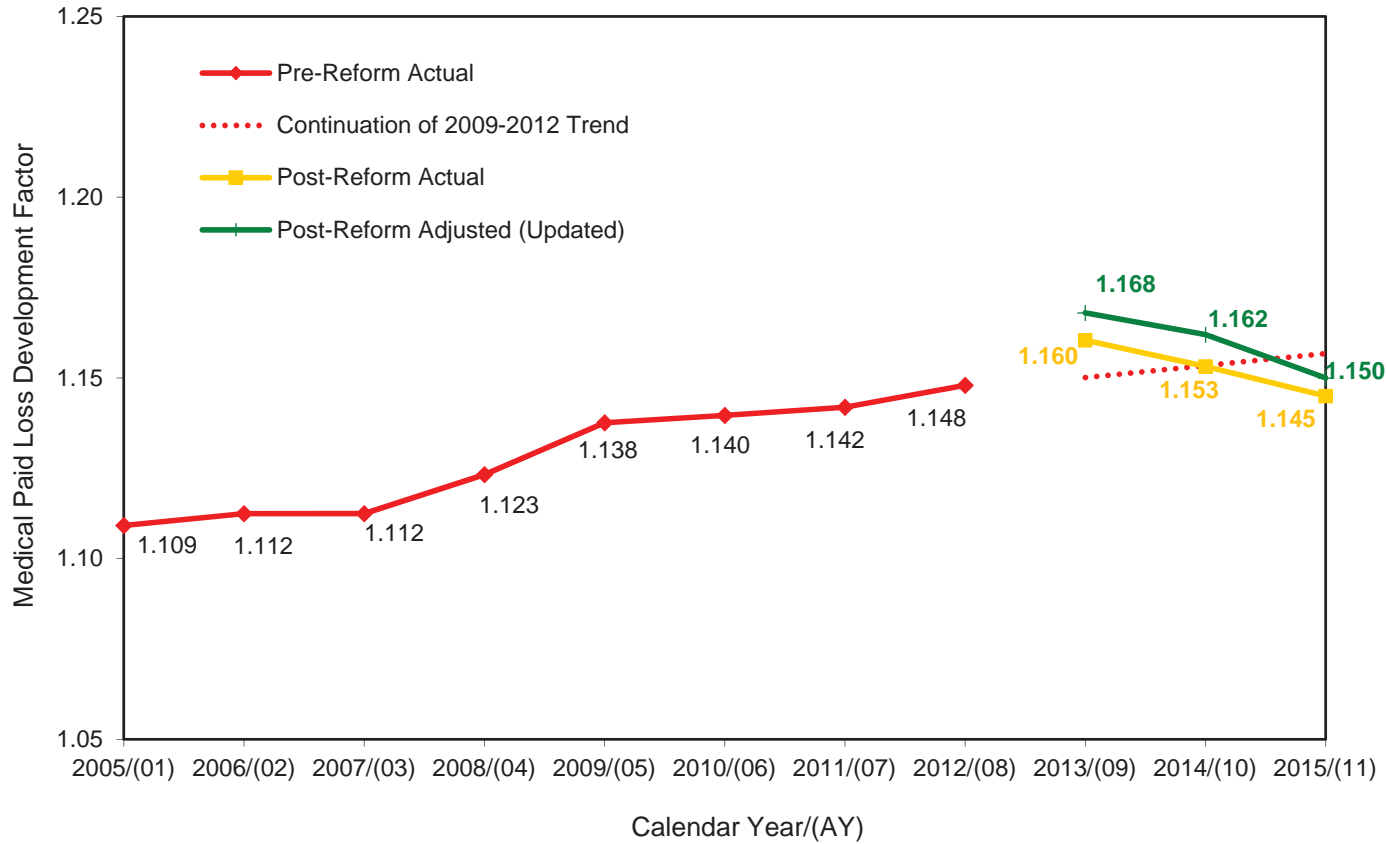
Comparison of Paid Medical 24-to-36 Month Development Factor



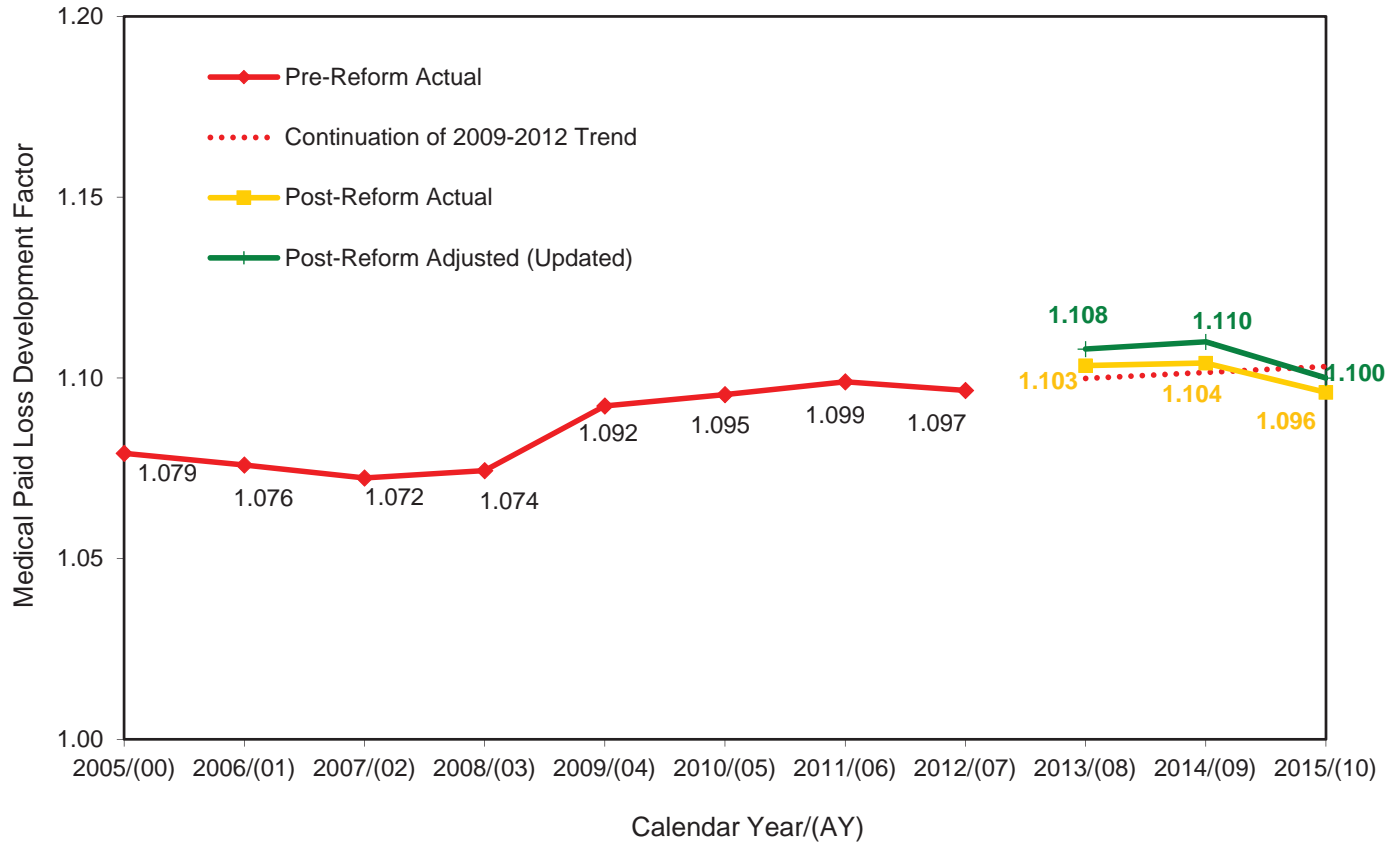
Comparison of Paid Medical 36-to-48 Month Development Factor



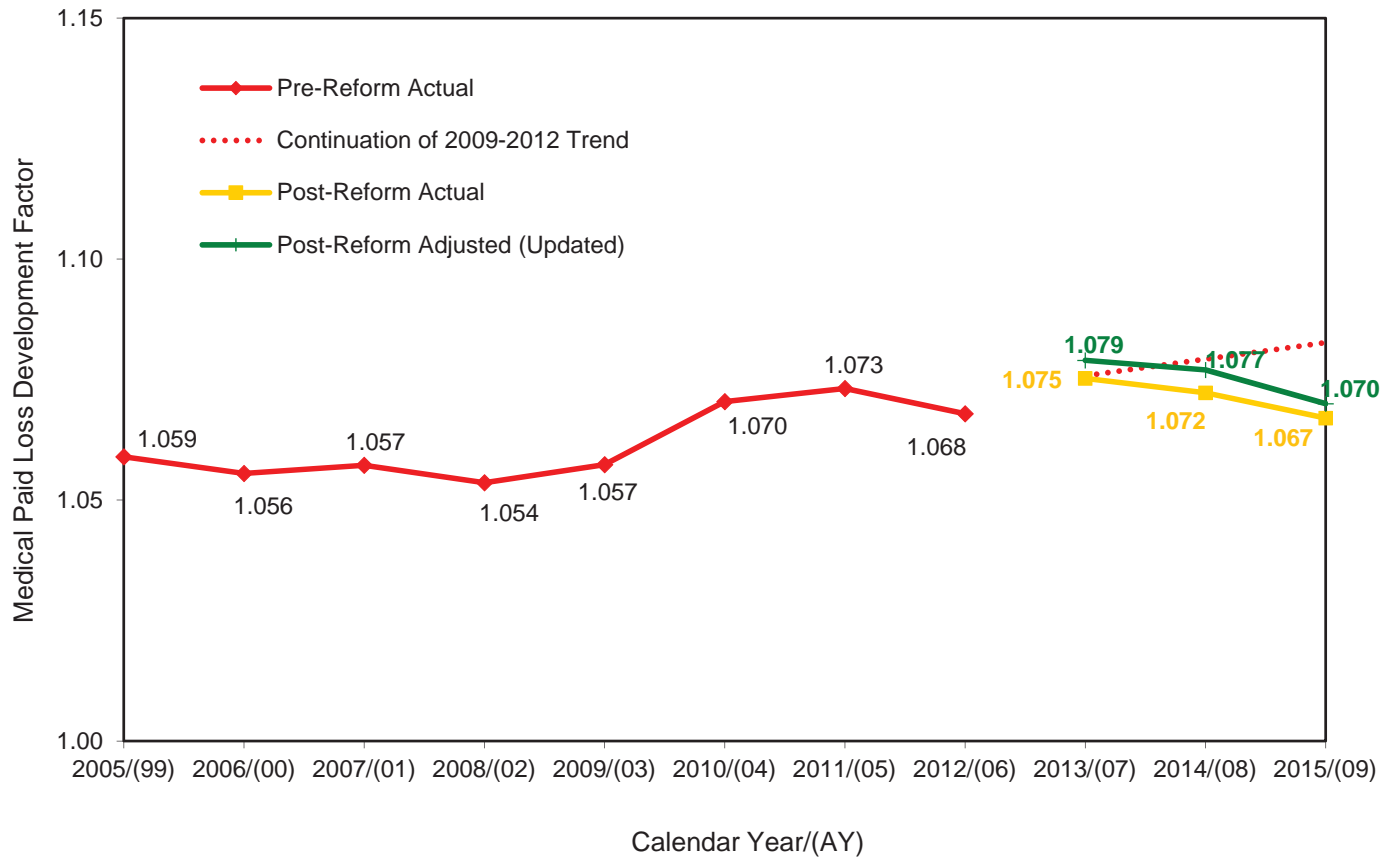
Comparison of Paid Medical 48-to-60 Month Development Factor



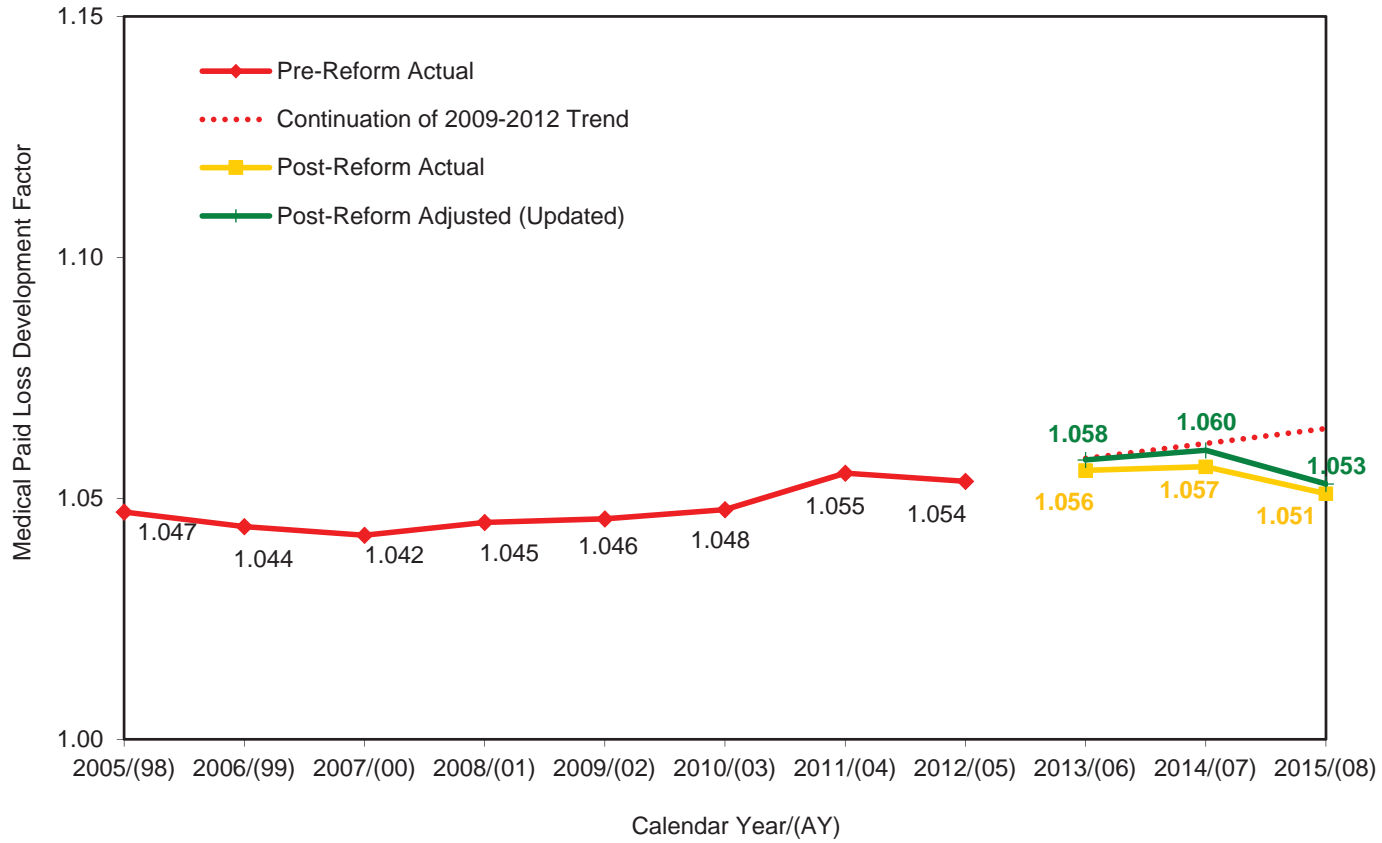
Comparison of Paid Medical 60-to-72 Month Development Factor



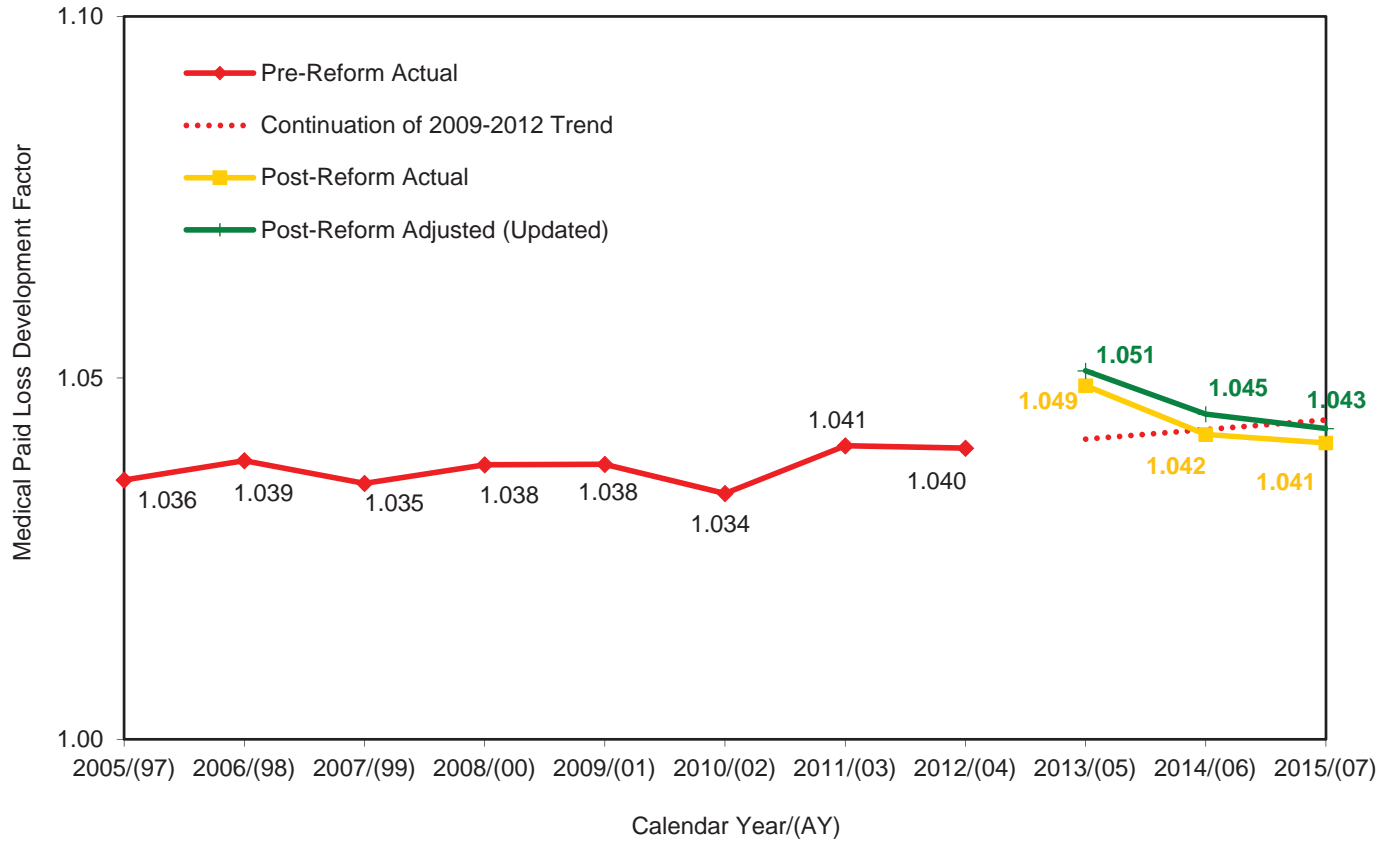
Comparison of Paid Medical 72-to-84 Month Development Factor



Comparison of Paid Medical 84-to-96 Month Development Factor



Comparison of Paid Medical 96-to-108 Month Development Factor



Item AC16-03-01

First Quarter 2016 Review of Diagnostics

In 2009, the Special Committee on Diagnostics and Leading Indicators developed a comprehensive list of measures to be reviewed on a regular basis by the Claims Working Group and the Actuarial Committee in order to identify and quantify changes in claim patterns and trends and help determine the most appropriate methodologies to be used in the development of pure premium rates. The diagnostics include over one hundred measures and are segregated into the following areas:

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

Staff prepares a summary of the diagnostic measures for the Committee on a semi-annual basis. The diagnostic summary is based on the most current available information. Please note the following:

1. Expedited hearings decreased slightly in 2015 after three years of large increases, but remain much higher than pre-2013 levels (Exhibit M8.2).
2. Lien filings continued to increase in 2015, with 362,899 lines filed, almost twice the 2014 total of 189,951 (Exhibit M9.2).
3. The percentage of permanent disability (PD) claims at first survey level involving a Medicare set-aside increased to 1.9% in accident year 2013 from 1.1% in accident year 2012 (Exhibit M10).
4. Original IMR applications increased by 16% from 2014 to 2015 and the number of eligible IMRs filed increased by 23% (Exhibit M14).
5. The most recent Indemnity claim settlement ratios at early maturities are above that of prior years (Exhibit C2.1).
6. The number of reported indemnity claims per quarter continues to increase steadily (Exhibit C11).
7. Accident year 2015 average reported claim severities as of nine months are consistently somewhat above comparable 2014 figures (Exhibits S2.1 through S6.2).
8. WCIRB PD survey data shows temporary disability duration continuing to decrease, with average duration decreasing 2.7% from accident year 2012 to 2013 (Exhibit S10.2).
9. The share of incurred indemnity and incurred medical on claims with total incurred in excess of \$500,000 decreased significantly in policy year 2013 (Exhibit S16.2).
10. The percentage of permanent disability claims with legal representation increased significantly in both Northern and Southern California for both accident years 2012 and 2013 (Exhibit E7).
11. The number of medical-legal reports per permanent disability claim continued to decrease in accident year 2013, dropping 5.6% from accident year 2012 (Exhibit E13).

Exhibit Numbering Guide March 2016

Exhibit #	Exhibit Name
Market/Claim Characteristics	
M1	Distribution of Calendar Year Premium and Losses
M3	Total Incurred Loss Distribution by Insurer
M4	Distribution of Estimated Ultimate Number of Claims by Injury Type
M5	Percentage of Claims Open by Injury Type and Region - First through Third Report Level
M6	Percentage of Claim Count and Average Severity by Method of Settlement
M7	Division of Workers' Compensation (DWC) Distribution of Decisions by Type
M8	Elapsed Time in Days from Request to DWC Hearing & Statewide Number of Division of Workers' Compensation (DWC) Hearings & Quarterly Expedited Hearings
M9	Number of Division of Workers' Compensation (DWC) Lien Decisions & Quarterly Lien Filed Counts
M10	Medicare Set-aside Costs by Age Interval & Permanent Disability Rating Interval
M11	Percentage of Permanent Partial Claims with Qualified Offer of Permanent Return-to-work
M12	Employee Average and Median Claimant Tenure at Date of Injury - Insured System & Average and Median Tenure at Date of Injury by NAICS - Insured System
M14	IMR Filed Counts
Claim Count	
C1	Reported Indemnity and Total Claim Count Development - Statewide
C2	Estimated Ultimate Indemnity Claim Settlement Ratios & Indemnity Claim Settlement Rates by Injury Type & Quarterly Ultimate Settlement Ratios
C3	Ratio of Incremental Closed Indemnity Claims to Prior Open Indemnity Claims
C4	Reopening Rates Based on Unit Statistical Data & by Injury Type
C5	Closed-Closed Development Based on Unit Statistical Data
C6	California Workers' Compensation Estimated Indemnity Claim Frequency by Accident Year as of September 30, 2015
C7	2014 Accident Year Indemnity Claim Frequency Model & Indemnity Claim Frequency History and Projections
C8	California OPRL Injury & Illness Rates
C9	Self-Insured Employers - Claim Frequency
C10	Annual Changes in Indemnity Frequency Attributable to Changes in Hazardousness
C11	Changes in Incremental Indemnity Claim Counts and Medical Only Claim Counts
C12	Economic Variables
C13	California Workers' Compensation Fraud Statistics
C14	California Courts' Civil Filings Summary
C15	Partial Accident Year Cumulative Injury Indemnity Claim Counts by Policy Year and Report Level
C17	Claim Count Ratios by Region Based on Unit Statistical Data at 1st Report Level
C18	Ratio of Total Indemnity Claim Counts to Total Claim Counts
C19	Distribution of Cumulative Injury Claims by Injury Type
C20	Indemnity Claim Frequency Relativities by NAICS Sector
C21	Indemnity Claim Frequency by Geographic Region at First Report Level
C22	Top 20 Part of Body Codes for Cumulative and Non-Cumulative Injury Indemnity Claims Based on Accident Year 2013 Shares
C23	Denied Claims by Month and Year of Injury, 2000 - 2014
Loss Development	
D1	Quarterly Incurred & Paid Indemnity & Medical Loss Development Factors
D4	Ratios of Incremental Paid Losses to Prior Outstanding Losses by Accident Year
D5	Incremental Paid Indemnity & Medical - Ratios of Actual to Expected
D6	Comparison of Projected Ultimate Loss Ratios - Accident Year 2010-2014

* New Exhibit for March 2016

Exhibit Numbering Guide March 2016
Continued

Exhibit #	Exhibit Name
Claim Severity	
S1	Projection of Indemnity & Medical Severity Trends by Accident Year
S2	Average Incurred Indemnity Loss Per Reported Indemnity Claim & Incurred Medical Loss per Reported Claim
S3	Average Indemnity Case Outstanding & Outstanding Medical Loss Per Open Indemnity Claim
S4	Average Paid Indemnity & Medical Loss per Indemnity Claim & Average Paid Medical Loss Per Claim
S5	Average Paid Indemnity Loss & Medical per Closed Indemnity Claim
S6	Ratio of Incremental Paid Indemnity & Medical to Indemnity Claims Open During Period
S7	Ratio of Quarterly Paid Medical to Indemnity Claims Inventory Through September 30, 2015
S8	Estimated Ultimate Indemnity & Medical Severities by Injury Type
S9	Average and Median Indemnity Claim Severities at USR 1st
S10	Temporary Disability Benefits Paid at 12 and 24 Months & Changes in the Number of Weeks of Temporary Disability Benefits
S11	Average Permanent Disability Ratings by Type of Loss
S14	Self Insured Employers - Claim Severity
S15	Annual Changes in Indemnity Severity Attributable to Changes in Hazardousness
S16	Claim Counts and Losses on Claims in Excess of \$250,000 & \$500,000 & \$1,000,000
S17	Change in Claims Mix by Injury Description by Policy Year by Part of Body & Nature of Injury & Cause of Injury
S18	Indemnity Claim Frequency by Layer of Incurred Medical at USR First
Loss Adjustment Expense	
E1	Summary of LAE Ratios by Insurer Type
E2	Calendar Year ULAE Incurred Per Weighted Open Indemnity Claim - Private Insurers
E3	Calendar Year ULAE Paid Per Open Indemnity Claim - Private Insurers
E4	Paid Allocated Loss Adjustment Expense Development
E5	Average Paid ALAE Per Reported Indemnity Claim - Private Insurers
E6	Ratio of Cumulative Paid ALAE to Loss - Private Insurers
E7	Percentage of Represented and Unrepresented Permanent Disability Claims by Region - First/Second Survey Level
E8	Distribution of Total ALAE & MCCP Components
E9	Applicant Attorney Expense Paid
E10	Average Expense Costs per Represented PD Claim - Private Insurers Only
E12	Medical Cost Containment Paid as a Percentage of Total Medical Paid Based on CWCI Transactional Level Data
E13	Changes in the Number and Cost of Medical-Legal Reports
E15	Paid MCCP per Indemnity Claims Inventory Calendar Year
Discontinued/Moved Exhibits	
C16	Cumulative Injury Claims per 100 Indemnity Claims by NAICS Sector Based on Unit Statistical Data at 1st Report Level
S13	Average Medical Paid per Claim by Medical Benefit Sub-Category by Accident Year - All Claims & Indemnity Claims

* New Exhibit for March 2016

Distribution of Calendar Year Premium and Losses

Calendar	Written Premium at Insurer Rate Level				Earned Premium at Insurer Rate Level			
	LD Insurers		Other		LD Insurers		Other	
	Year	Large Ded. ^[1]	Non-LD	Non-LD	All	Large Ded. ^[1]	Non-LD	Non-LD
2001 ^[2]	31.8%	24.1%	44.1%	100.0%	29.3%	23.9%	46.8%	100.0%
2002 ^[2]	32.4%	20.8%	46.8%	100.0%	30.7%	20.8%	48.5%	100.0%
2003 ^[2]	34.0%	18.1%	47.9%	100.0%	31.9%	18.3%	49.9%	100.0%
2004 ^[2]	33.7%	16.7%	49.6%	100.0%	33.7%	17.5%	48.8%	100.0%
2005 ^[2]	34.9%	20.2%	44.9%	100.0%	35.4%	20.6%	44.0%	100.0%
2006	36.3%	23.7%	40.0%	100.0%	37.3%	24.4%	38.3%	100.0%
2007	36.2%	26.5%	37.3%	100.0%	36.3%	26.7%	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%	32.3%	34.5%	100.0%	33.7%	32.0%	34.3%	100.0%
2011	33.6%	35.1%	31.3%	100.0%	33.4%	35.4%	31.1%	100.0%
2012	35.1%	33.8%	31.2%	100.0%	35.0%	34.5%	30.5%	100.0%
2013	37.2%	28.8%	34.0%	100.0%	36.8%	30.0%	33.2%	100.0%
2014	37.0%	26.7%	36.3%	100.0%	36.3%	26.7%	37.0%	100.0%

Calendar	Written Premium at Pure Premium Rate Level				Earned Premium at Pure Premium Rate Level			
	LD Insurers		Other		LD Insurers		Other	
	Year	Large Ded. ^[1]	Non-LD	Non-LD	All	Large Ded. ^[1]	Non-LD	Non-LD
2001 ^[2]	31.2%	24.5%	44.3%	100.0%	26.9%	26.8%	46.3%	100.0%
2002 ^[2]	32.1%	21.3%	46.6%	100.0%	30.5%	21.1%	48.5%	100.0%
2003 ^[2]	32.3%	20.4%	47.4%	100.0%	32.4%	18.9%	48.7%	100.0%
2004 ^[2]	34.4%	17.0%	48.5%	100.0%	34.5%	18.6%	46.9%	100.0%
2005 ^[2]	34.5%	22.4%	43.2%	100.0%	34.3%	23.1%	42.6%	100.0%
2006	36.7%	25.2%	38.2%	100.0%	37.1%	26.6%	36.4%	100.0%
2007	37.7%	28.2%	34.2%	100.0%	37.2%	28.5%	34.4%	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	40.6%	32.6%	26.8%	100.0%	40.3%	33.5%	26.2%	100.0%
2013	42.0%	27.5%	30.5%	100.0%	41.5%	29.0%	29.5%	100.0%
2014	41.7%	25.9%	32.4%	100.0%	41.3%	25.6%	33.2%	100.0%

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

^[2] Excluded the experience of one large insurer whose experience was not available at the time of this analysis.

Source: Based on WCIRB's quarterly and large deductible data calls.

Total Incurred Loss Distribution by Insurer*

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

<u>Group</u>	AY 2010 @ 12/31/2010	AY 2011 @ 12/31/2011	AY 2012 @ 12/31/2012	AY 2013 @ 12/31/2013	AY 2014 @ 12/31/2014
State Fund	9.1%	8.2%	7.3%	8.7%	10.2%
1	9.7%	9.1%	8.6%	8.6%	8.0%
2	9.8%	9.0%	8.0%	7.9%	7.7%
3	8.1%	7.1%	6.8%	6.9%	7.6%
4	8.1%	7.6%	5.9%	7.5%	6.6%
5	5.3%	6.3%	6.3%	4.8%	4.2%
6	6.0%	6.4%	5.6%	5.6%	3.8%
7	4.0%	4.3%	4.6%	3.8%	3.8%
8	1.3%	1.7%	3.3%	3.2%	3.6%
9	1.9%	1.6%	2.2%	3.2%	3.6%
10	1.4%	1.7%	2.5%	3.3%	3.2%
All Other	35.3%	37.0%	38.9%	36.5%	37.7%

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

<u>Group</u>	AY 2010 @ 12/31/2010	AY 2011 @ 12/31/2011	AY 2012 @ 12/31/2012	AY 2013 @ 12/31/2013	AY 2014 @ 12/31/2014
1	10.6%	9.9%	9.3%	9.4%	9.0%
2	10.8%	9.8%	8.6%	8.7%	8.6%
3	8.9%	7.7%	7.3%	7.5%	8.5%
4	8.9%	8.2%	6.4%	8.2%	7.4%
5	5.9%	6.8%	6.8%	5.3%	4.6%
6	6.6%	7.0%	6.1%	6.1%	4.3%
7	4.4%	4.7%	5.0%	4.2%	4.2%
8	1.4%	1.9%	3.5%	3.5%	4.0%
9	2.1%	1.8%	2.4%	3.5%	4.0%
10	1.6%	1.9%	2.7%	3.6%	3.5%
All Other	38.8%	40.3%	41.9%	40.0%	42.0%

*Total incurred losses reflect the sum of paid indemnity and medical losses and indemnity and medical case reserves. All entries reflect the paid cost of medical cost containment programs reported for policies with effective dates prior to July 1, 2010.

**Groups are ranked according to accident year 2014 incurred losses.
State Fund is State Compensation Insurance Fund.

Source: WCIRB quarterly calls for experience

Distribution of Estimated Ultimate Number of Claims by Injury Type

I. Distribution of Ultimate Number of Indemnity Claims

Accident <u>Year</u>	Permanent <u>Indemnity**</u>	Temporary <u>Indemnity</u>	<u>Total</u>
2001	52.6%	47.4%	100%
2002	54.1%	45.9%	100%
2003	53.5%	46.5%	100%
2004	49.3%	50.7%	100%
2005	45.8%	54.2%	100%
2006	46.9%	53.1%	100%
2007	48.0%	52.0%	100%
2008	50.7%	49.3%	100%
2009	52.1%	47.9%	100%
2010	51.8%	48.2%	100%
2011	51.2%	48.8%	100%
2012	51.1%	48.9%	100%
2013	51.5%	48.5%	100%
2014*	53.7%	46.3%	100%

II. Distribution of Ultimate Number of All Claims

Accident <u>Year</u>	Permanent <u>Indemnity**</u>	Temporary <u>Indemnity</u>	Medical <u>Only</u>	<u>Total</u>
2001	17.8%	16.0%	66.2%	100%
2002	18.8%	16.0%	65.2%	100%
2003	18.7%	16.3%	65.0%	100%
2004	15.7%	16.1%	68.2%	100%
2005	13.5%	16.0%	70.5%	100%
2006	13.6%	15.4%	71.0%	100%
2007	14.3%	15.5%	70.2%	100%
2008	15.8%	15.3%	68.9%	100%
2009	17.5%	16.1%	66.4%	100%
2010	18.3%	17.0%	64.7%	100%
2011	18.8%	17.9%	63.3%	100%
2012	19.1%	18.4%	62.5%	100%
2013	20.2%	19.0%	60.8%	100%
2014*	21.9%	18.8%	59.3%	100%

* Accident year 2014 experience is partial in that it only reflects experience from policy year 2013.

** Permanent indemnity consists of the death, permanent total, and permanent partial injury types.

Source: WCIRB unit statistical data

Percentage of Claims Open by Injury Type and Region

Permanent Partial & Temporary

Injury Type	Report Level	Region*	Policy Year							Latest Year Reported Claim Distribution
			2007	2008	2009	2010	2011	2012	2013	
Permanent Partial	1	Bay Area	90%	91%	91%	90%	88%	86%	85%	14%
Permanent Partial	1	Los Angeles	92%	91%	91%	89%	88%	85%	83%	55%
Permanent Partial	1	Remainder of CA	90%	91%	89%	88%	87%	84%	82%	31%
		ALL REGIONS COMBINED	91%	91%	90%	89%	88%	85%	83%	100%
Permanent Partial	2	Bay Area	71%	69%	70%	68%	65%	62%		15%
Permanent Partial	2	Los Angeles	74%	74%	74%	72%	68%	63%		55%
Permanent Partial	2	Remainder of CA	71%	70%	69%	67%	63%	61%		30%
		ALL REGIONS COMBINED	72%	72%	72%	70%	66%	62%		100%
Permanent Partial	3	Bay Area	51%	50%	50%	47%	44%			15%
Permanent Partial	3	Los Angeles	57%	58%	57%	52%	49%			55%
Permanent Partial	3	Remainder of CA	52%	51%	50%	46%	43%			30%
		ALL REGIONS COMBINED	54%	54%	54%	50%	46%			100%

Injury Type	Report Level	Region*	Policy Year							Latest Year Reported Claim Distribution
			2007	2008	2009	2010	2011	2012	2013	
Temporary	1	Bay Area	42%	41%	44%	44%	44%	46%	45%	17%
Temporary	1	Los Angeles	43%	44%	49%	50%	49%	51%	54%	48%
Temporary	1	Remainder of CA	38%	38%	40%	41%	42%	43%	46%	35%
		ALL REGIONS COMBINED	41%	41%	45%	46%	45%	47%	50%	100%
Temporary	2	Bay Area	21%	23%	23%	26%	26%	28%		17%
Temporary	2	Los Angeles	24%	28%	31%	32%	32%	34%		46%
Temporary	2	Remainder of CA	19%	21%	23%	24%	26%	28%		37%
		ALL REGIONS COMBINED	22%	24%	27%	28%	29%	31%		100%
Temporary	3	Bay Area	12%	12%	14%	14%	16%			16%
Temporary	3	Los Angeles	15%	18%	21%	22%	23%			46%
Temporary	3	Remainder of CA	11%	12%	14%	15%	17%			38%
		ALL REGIONS COMBINED	13%	15%	17%	18%	20%			100%

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

Source: WCIRB unit statistical data

Percentage of Claim Count and Average Severity by Method of Settlement

Geographic Region: All Regions Combined

Policy Year 2008				
	<u>Claim Distribution</u>	<u>Average Indemnity</u>	<u>Average Medical</u>	<u>Average Incurred</u>
Compromise & Release	63.1%	26,632	29,090	55,722
Stipulated Award	14.2%	22,031	21,954	43,985
All Other	<u>22.6%</u>	<u>17,598</u>	<u>15,529</u>	<u>33,126</u>
Total/Average	100.0%	23,933	25,006	48,939

Policy Year 2009				
	<u>Claim Distribution</u>	<u>Average Indemnity</u>	<u>Average Medical</u>	<u>Average Incurred</u>
Compromise & Release	63.6%	26,678	31,283	57,962
Stipulated Award	12.9%	21,084	22,944	44,028
All Other	<u>23.5%</u>	<u>18,193</u>	<u>18,056</u>	<u>36,248</u>
Total/Average	100.0%	23,963	27,100	51,063

Policy Year 2010				
	<u>Claim Distribution</u>	<u>Average Indemnity</u>	<u>Average Medical</u>	<u>Average Incurred</u>
Compromise & Release	63.9%	25,649	31,106	56,755
Stipulated Award	11.6%	20,897	21,507	42,404
All Other	<u>24.5%</u>	<u>18,104</u>	<u>17,114</u>	<u>35,217</u>
Total/Average	100.0%	23,249	26,565	49,814

Policy Year 2011*				
	<u>Claim Distribution</u>	<u>Average Indemnity</u>	<u>Average Medical</u>	<u>Average Incurred</u>
Compromise & Release	65.8%	24,974	29,659	54,634
Stipulated Award	11.9%	20,426	20,120	40,546
All Other	<u>22.3%</u>	<u>18,307</u>	<u>17,168</u>	<u>35,475</u>
Total/Average	100.0%	22,948	25,743	48,691

*Policy Year 2011 is preliminary

Source: permanent disability claims from third report level unit statistical data

Percentage of Claim Count and Average Severity by Method of Settlement
Geographic Region: Bay Area

Policy Year 2008				
	<u>Claim</u> <u>Distribution</u>	<u>Average</u> <u>Indemnity</u>	<u>Average</u> <u>Medical</u>	<u>Average</u> <u>Incurred</u>
Compromise & Release	56.7%	33,666	29,799	63,465
Stipulated Award	22.8%	26,269	22,232	48,501
All Other	<u>20.5%</u>	<u>21,919</u>	<u>16,543</u>	<u>38,462</u>
Total/Average	100.0%	29,572	25,357	54,929

Policy Year 2009				
	<u>Claim</u> <u>Distribution</u>	<u>Average</u> <u>Indemnity</u>	<u>Average</u> <u>Medical</u>	<u>Average</u> <u>Incurred</u>
Compromise & Release	58.5%	33,431	36,584	70,015
Stipulated Award	19.3%	22,922	20,063	42,985
All Other	<u>22.2%</u>	<u>20,673</u>	<u>16,422</u>	<u>37,095</u>
Total/Average	100.0%	28,569	28,918	57,487

Policy Year 2010				
	<u>Claim</u> <u>Distribution</u>	<u>Average</u> <u>Indemnity</u>	<u>Average</u> <u>Medical</u>	<u>Average</u> <u>Incurred</u>
Compromise & Release	57.2%	29,119	30,882	60,001
Stipulated Award	18.4%	20,218	16,019	36,237
All Other	<u>24.4%</u>	<u>20,647</u>	<u>17,404</u>	<u>38,051</u>
Total/Average	100.0%	25,415	24,859	50,274

Policy Year 2011*				
	<u>Claim</u> <u>Distribution</u>	<u>Average</u> <u>Indemnity</u>	<u>Average</u> <u>Medical</u>	<u>Average</u> <u>Incurred</u>
Compromise & Release	60.7%	29,218	30,482	59,699
Stipulated Award	14.5%	20,529	21,007	41,536
All Other	<u>24.8%</u>	<u>20,343</u>	<u>17,683</u>	<u>38,026</u>
Total/Average	100.0%	25,753	25,928	51,681

*Policy Year 2011 is preliminary

Source: permanent disability claims from third report level unit statistical data

Percentage of Claim Count and Average Severity by Method of Settlement
 Geographic Region: Los Angeles**

Policy Year 2008				
	<u>Claim</u> <u>Distribution</u>	<u>Average</u> <u>Indemnity</u>	<u>Average</u> <u>Medical</u>	<u>Average</u> <u>Incurred</u>
Compromise & Release	64.8%	25,382	29,624	55,006
Stipulated Award	9.7%	19,622	20,179	39,800
All Other	<u>25.6%</u>	<u>17,260</u>	<u>15,741</u>	<u>33,001</u>
Total/Average	100.0%	22,749	25,162	47,910

Policy Year 2009				
	<u>Claim</u> <u>Distribution</u>	<u>Average</u> <u>Indemnity</u>	<u>Average</u> <u>Medical</u>	<u>Average</u> <u>Incurred</u>
Compromise & Release	64.6%	24,943	29,327	54,271
Stipulated Award	9.4%	21,914	22,793	44,707
All Other	<u>26.0%</u>	<u>17,880</u>	<u>19,319</u>	<u>37,199</u>
Total/Average	100.0%	22,825	26,115	48,940

Policy Year 2010				
	<u>Claim</u> <u>Distribution</u>	<u>Average</u> <u>Indemnity</u>	<u>Average</u> <u>Medical</u>	<u>Average</u> <u>Incurred</u>
Compromise & Release	65.3%	25,090	31,062	56,152
Stipulated Award	8.7%	20,252	21,302	41,553
All Other	<u>26.0%</u>	<u>17,407</u>	<u>17,172</u>	<u>34,579</u>
Total/Average	100.0%	22,674	26,606	49,280

Policy Year 2011*				
	<u>Claim</u> <u>Distribution</u>	<u>Average</u> <u>Indemnity</u>	<u>Average</u> <u>Medical</u>	<u>Average</u> <u>Incurred</u>
Compromise & Release	67.2%	23,757	28,504	52,261
Stipulated Award	9.9%	20,584	20,338	40,923
All Other	<u>22.9%</u>	<u>17,638</u>	<u>17,561</u>	<u>35,198</u>
Total/Average	100.0%	22,039	25,185	47,223

*Policy Year 2011 is preliminary

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

Source: permanent disability claims from third report level unit statistical data

Percentage of Claim Count and Average Severity by Method of Settlement

Geographic Region: Other

Policy Year 2008				
	<u>Claim Distribution</u>	<u>Average Indemnity</u>	<u>Average Medical</u>	<u>Average Incurred</u>
Compromise & Release	63.7%	25,616	28,016	53,633
Stipulated Award	16.9%	21,416	23,249	44,665
All Other	<u>19.3%</u>	<u>16,158</u>	<u>14,632</u>	<u>30,789</u>
Total/Average	100.0%	23,076	24,620	47,696

Policy Year 2009				
	<u>Claim Distribution</u>	<u>Average Indemnity</u>	<u>Average Medical</u>	<u>Average Incurred</u>
Compromise & Release	64.3%	26,566	32,177	58,744
Stipulated Award	15.7%	19,169	24,810	43,979
All Other	<u>20.0%</u>	<u>17,520</u>	<u>16,238</u>	<u>33,758</u>
Total/Average	100.0%	23,599	27,839	51,438

Policy Year 2010				
	<u>Claim Distribution</u>	<u>Average Indemnity</u>	<u>Average Medical</u>	<u>Average Incurred</u>
Compromise & Release	64.9%	25,053	31,285	56,337
Stipulated Award	13.0%	22,124	25,690	47,814
All Other	<u>22.1%</u>	<u>18,075</u>	<u>16,830</u>	<u>34,906</u>
Total/Average	100.0%	23,131	27,366	50,497

Policy Year 2011*				
	<u>Claim Distribution</u>	<u>Average Indemnity</u>	<u>Average Medical</u>	<u>Average Incurred</u>
Compromise & Release	66.0%	25,272	31,248	56,520
Stipulated Award	13.9%	20,193	19,456	39,649
All Other	<u>20.1%</u>	<u>18,440</u>	<u>16,150</u>	<u>34,590</u>
Total/Average	100.0%	23,193	26,574	49,767

*Policy Year 2011 is preliminary

Source: permanent disability claims from third report level unit statistical data

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

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

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

Source: DWC via Commission on Health and Safety & Workers' Compensation 2014 Annual Report

Elapsed Time in Days from Request to DWC Hearing

<u>Time Period</u>	<u>First 5502* Conference</u>	<u>Year-to-Year Change</u>	<u>First 5502* Trial</u>	<u>Year-to-Year Change</u>	<u>Expedited Hearing</u>	<u>Year-to-Year Change</u>
4th Qtr 1995	81	---	199	---	36	---
4th Qtr 1996	78	-3.7%	184	-7.5%	32	-11.1%
4th Qtr 1997	70	-10.3%	148	-19.6%	34	6.3%
4th Qtr 1998	62	-11.4%	121	-18.2%	31	-8.8%
4th Qtr 1999	68	9.7%	117	-3.3%	31	0.0%
4th Qtr 2000	62	-8.8%	114	-2.6%	35	12.9%
4th Qtr 2001	71	14.5%	125	9.6%	37	5.7%
4th Qtr 2002	79	11.3%	140	12.0%	40	8.1%
4th Qtr 2003	102	29.1%	171	22.1%	48	20.0%
4th Qtr 2004	118	15.7%	211	23.4%	57	18.8%
4th Qtr 2005	113	-4.2%	218	3.3%	40	-29.8%
4th Qtr 2006	67	-40.7%	163	-25.2%	41	2.5%
4th Qtr 2007	63	-6.0%	117	-28.2%	34	-17.1%
4th Qtr 2008**	55	-12.7%	130	11.1%	45	32.4%
4th Qtr 2009	68	23.6%	135	3.8%	41	-8.9%
4th Qtr 2010	70	2.9%	167	23.7%	42	2.4%
4th Qtr 2011	64	-8.6%	169	1.2%	34	-19.0%
4th Qtr 2012	71	10.9%	161	-4.7%	40	17.6%
4th Qtr 2013	65	-8.5%	164	1.9%	34	-15.0%

* See California Labor Code, Sec. 5502

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

Source: DWC via Commission on Health and Safety & Workers' Compensation 2014 Annual Report

Statewide Number of Division of Workers' Compensation (DWC) Hearings

<u>Calendar Year</u>	<u>Initial 5502* Conferences</u>	<u>Year-to-Year Change</u>	<u>Initial 5502* Trials</u>	<u>Year-to-Year Change</u>	<u>Expedited Hearings</u>	<u>Year-to-Year Change</u>
1997	111,811	---	34,011	---	5,077	---
1998	110,498	-1.2%	33,114	-2.6%	5,944	17.1%
1999	110,412	-0.1%	30,811	-7.0%	7,247	21.9%
2000	114,705	3.9%	30,245	-1.8%	8,195	13.1%
2001	118,921	3.7%	30,285	0.1%	9,693	18.3%
2002	132,389	11.3%	29,635	-2.1%	10,321	6.5%
2003	141,703	7.0%	30,967	4.5%	13,722	33.0%
2004	145,022	2.3%	30,100	-2.8%	14,640	6.7%
2005	167,417	15.4%	36,235	20.4%	14,662	0.2%
2006	176,731	5.6%	36,788	1.5%	13,353	-8.9%
2007	182,454	3.2%	34,110	-7.3%	13,307	-0.3%
2008**	107,260	-41.2%	31,967	-6.3%	12,612	-5.2%
2009	73,716	-31.3%	19,250	-39.8%	8,598	-31.8%
2010	77,939	5.7%	25,036	30.1%	9,527	10.8%
2011	73,103	-6.2%	21,381	-14.6%	9,502	-0.3%
2012	72,911	-0.3%	20,726	-3.1%	11,464	20.6%
2013	72,628	-0.4%	17,737	-14.4%	15,217	32.7%
2014	---	---	---	---	16,606	9.1%
2015	---	---	---	---	16,243	-2.2%

Quarterly Expedited Hearings

<u>Time Period</u>	<u>Expedited Hearing</u>	<u>Change from Same Quarter in Prior Year</u>
1st Qtr 2011	2,503	---
2nd Qtr 2011	2,098	---
3rd Qtr 2011	2,462	---
4th Qtr 2011	2,439	---
1st Qtr 2012	2,480	-0.9%
2nd Qtr 2012	2,525	20.4%
3rd Qtr 2012	3,786	53.8%
4th Qtr 2012	2,673	9.6%
1st Qtr 2013	3,480	40.3%
2nd Qtr 2013	3,615	43.2%
3rd Qtr 2013	4,109	8.5%
4th Qtr 2013	4,013	50.1%
1st Qtr 2014	3,813	9.6%
2nd Qtr 2014	4,463	23.5%
3rd Qtr 2014	4,404	7.2%
4th Qtr 2014	3,926	-2.2%
1st Qtr 2015	4,062	6.5%
2nd Qtr 2015	4,350	-2.5%
3rd Qtr 2015	3,698	-16.0%
4th Qtr 2015	4,133	5.3%

* See California Labor Code, Sec. 5502

** Prior to 8/9/2008, DWC's workload adjudication data was available from the legacy system. DWC

Source: DWC

Number of Division of Workers' Compensation (DWC) Lien Decisions

<u>Calendar Year</u>	<u>Number of Lien Decisions (in 000s)</u>	<u>Year-to-Year Change</u>
1993	18.4	---
1994	26.3	42.9%
1995	33.6	27.8%
1996	33.9	0.9%
1997	27.1	-20.1%
1998	19.3	-28.8%
1999	17.6	-8.8%
2000	15.1	-14.2%
2001	14.8	-2.0%
2002	16.6	12.2%
2003	16.5	-0.6%
2004	21.2	28.5%
2005	24.3	14.6%
2006	28.3	16.5%
2007	35.2	24.4%
2008*	34.5	-2.0%
2009	28.5	-17.4%
2010	37.1	30.2%
2011	41.4	11.6%
2012	64.3	55.3%
2013	65.8	2.3%

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

Source: DWC via Commission on Health and Safety & Workers' Compensation 2014 Annual Report

Liens Filed Counts*

Counts by Region

<u>Time Period</u>	<u>Bay Area</u>	<u>Central Coast/ Valley</u>	<u>Los Angeles County</u>	<u>Remainder of LA Basin</u>	<u>Remaining CA Zip Codes</u>	<u>Sacramento</u>	<u>San Diego County</u>	<u>Total</u>
2011	18,723	24,414	283,774	114,554	2,535	3,934	15,922	463,856
1st Qtr 2012	5,490	7,245	97,245	38,034	895	1,248	4,936	155,093
2nd Qtr 2012	5,467	8,970	122,040	44,065	1,102	1,322	4,991	187,957
3rd Qtr 2012	6,434	15,289	207,639	85,152	698	1,407	6,611	323,230
4th Qtr 2012	10,397	25,730	342,549	123,129	1,119	1,557	8,523	513,004
1st Qtr 2013	1,232	2,193	46,830	17,032	230	268	1,312	69,097
2nd Qtr 2013	1,450	1,562	18,947	6,917	211	339	684	30,110
3rd Qtr 2013	1,607	1,795	25,999	9,855	247	410	991	40,904
4th Qtr 2013	1,928	2,025	29,537	10,893	276	358	1,136	46,153
1st Qtr 2014	1,841	2,029	25,668	10,117	239	384	1,165	41,443
2nd Qtr 2014	1,697	2,306	29,417	11,942	265	354	1,263	47,244
3rd Qtr 2014	1,941	1,996	29,665	12,198	239	424	1,378	47,841
4th Qtr 2014	1,690	2,371	34,772	12,469	249	384	1,488	53,423
1st Qtr 2015	2,071	3,058	45,827	18,016	270	488	2,133	71,863
2nd Qtr 2015	2,370	4,218	54,147	22,198	318	500	2,787	86,538
3rd Qtr 2015	2,428	4,977	61,619	24,827	393	526	3,047	97,817
4th Qtr 2015	2,338	4,991	68,843	26,571	358	495	3,085	106,681

Counts by Type

<u>Time Period</u>	<u>Interpreter</u>	<u>Medical</u>	<u>Medical-Legal</u>	<u>Copy Service</u>	<u>Other***</u>	<u>Total</u>
2011	28,721	292,982	39,569	539	102,045	463,856
1st Qtr 2012	12,937	85,152	22,931	139	33,934	155,093
2nd Qtr 2012	17,162	106,336	37,440	65	26,954	187,957
3rd Qtr 2012	46,095	182,474	64,912	91	29,658	323,230
4th Qtr 2012	47,427	317,241	80,916	62	67,358	513,004
1st Qtr 2013	2,397	45,631	11,411	11	9,647	69,097
2nd Qtr 2013	831	22,480	587	20	6,192	30,110
3rd Qtr 2013	484	32,356	653	23	7,388	40,904
4th Qtr 2013	378	37,515	537	8	7,715	46,153
1st Qtr 2014	421	33,105	397	16	7,504	41,443
2nd Qtr 2014	275	38,534	320	10	8,105	47,244
3rd Qtr 2014	140	39,750	178	7	7,766	47,841
4th Qtr 2014	156	45,381	159	4	7,723	53,423
1st Qtr 2015	143	60,066	216	18	11,420	71,863
2nd Qtr 2015	152	73,919	267	7	12,193	86,538
3rd Qtr 2015	134	84,094	190	7	13,392	97,817
4th Qtr 2015	101	91,614	235	15	14,716	106,681

* Lien Counts exclude SDI/EDD Liens

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

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

Source: EAMS Liens Data

Medicare Set-aside Costs by Age Interval

First Survey Level

Age Interval	Number of Surveyed Set-aside Claims				Percentage of PD Claims Involving Set-aside				Average Set-aside Amount				Median Set-aside Amount			
	AY2010	AY2011	AY2012	AY2013	AY2010	AY2011	AY2012	AY2013	AY2010	AY2011	AY2012	AY2013	AY2010	AY2011	AY2012	AY2013
59 or Younger	19	28	13	25	0.6%	0.9%	0.4%	0.8%	117,458	54,190	97,619	85,397	16,806	22,743	50,740	28,729
60 or Older	<u>28</u>	<u>34</u>	<u>23</u>	<u>39</u>	<u>8.3%</u>	<u>10.5%</u>	<u>6.7%</u>	<u>11.2%</u>	<u>26,932</u>	<u>34,138</u>	<u>35,779</u>	<u>34,798</u>	<u>20,004</u>	<u>12,634</u>	<u>28,224</u>	<u>20,938</u>
Total/Average	47	62	36	64	1.4%	1.9%	1.1%	1.9%	63,528	43,194	58,110	54,563	16,806	20,247	28,420	25,020

Second Survey Level

Age Interval	Number of Surveyed Set-aside Claims				Percentage of PD Claims Involving Set-aside				Average Set-aside Amount				Median Set-aside Amount			
	AY2009	AY2010	AY2011	AY2012	AY2009	AY2010	AY2011	AY2012	AY2009	AY2010	AY2011	AY2012	AY2009	AY2010	AY2011	AY2012
59 or Younger	41	51	49	40	1.3%	1.7%	1.6%	1.3%	51,738	63,869	66,781	100,003	42,528	38,940	31,500	37,771
60 or Older	<u>41</u>	<u>50</u>	<u>55</u>	<u>46</u>	<u>13.5%</u>	<u>14.0%</u>	<u>16.8%</u>	<u>13.4%</u>	<u>26,923</u>	<u>34,518</u>	<u>33,195</u>	<u>46,422</u>	<u>16,136</u>	<u>23,643</u>	<u>21,755</u>	<u>39,030</u>
Total/Average	82	101	104	86	2.4%	2.9%	3.1%	2.6%	39,330	49,339	49,020	71,344	27,335	30,571	29,410	38,111

Source: WCIRB Permanent Disability Claim Survey - approximately 3,500 PD claims were surveyed for each accident year.

Note: Accident Years 2013 at First Survey Level and 2012 at Second Survey Level are preliminary.

Medicare Set-aside Costs By Permanent Disability Rating Interval

First Survey Level

PDR Interval	Number of Surveyed Set-aside Claims				Percentage of PD Claims Involving Set-aside				Average Set-aside Amount				Median Set-aside Amount			
	AY2010	AY2011	AY2012	AY2013	AY2010	AY2011	AY2012	AY2013	AY2010	AY2011	AY2012	AY2013	AY2010	AY2011	AY2012	AY2013
Less Than 25%	22	25	7	22	0.9%	1.0%	0.3%	1.0%	18,892	20,777	19,076	31,733	12,600	14,930	16,902	20,316
25% to 69%	22	36	27	38	2.3%	4.1%	3.1%	3.6%	28,851	43,933	51,880	41,122	27,563	28,586	31,137	25,103
<u>70% or More</u>	<u>3</u>	<u>1</u>	<u>2</u>	<u>4</u>	<u>14.3%</u>	<u>5.3%</u>	<u>7.4%</u>	<u>9.3%</u>	<u>645,146</u>	<u>576,974</u>	<u>278,838</u>	<u>307,815</u>	<u>302,801</u>	<u>576,974</u>	<u>278,838</u>	<u>204,096</u>
Total/Average	47	62	36	64	1.4%	1.9%	1.1%	1.9%	63,528	43,194	58,110	54,563	16,806	20,247	28,420	25,020

Second Survey Level

PDR Interval	Number of Surveyed Set-aside Claims				Percentage of PD Claims Involving Set-aside				Average Set-aside Amount				Median Set-aside Amount			
	AY2009	AY2010	AY2011	AY2012	AY2009	AY2010	AY2011	AY2012	AY2009	AY2010	AY2011	AY2012	AY2009	AY2010	AY2011	AY2012
Less Than 25%	37	37	35	22	1.7%	1.6%	1.5%	0.9%	22,959	33,022	40,316	34,058	15,000	20,000	16,187	27,177
25% to 69%	37	57	66	57	3.2%	5.4%	6.7%	6.1%	43,850	54,926	51,839	60,761	39,432	40,210	32,617	40,751
<u>70% or More</u>	<u>8</u>	<u>7</u>	<u>3</u>	<u>7</u>	<u>17.4%</u>	<u>17.1%</u>	<u>9.4%</u>	<u>18.9%</u>	<u>94,143</u>	<u>90,094</u>	<u>88,547</u>	<u>274,696</u>	<u>74,897</u>	<u>120,839</u>	<u>84,036</u>	<u>227,332</u>
Total/Average	82	101	104	86	2.4%	2.9%	3.1%	2.6%	39,330	49,339	49,020	71,344	27,335	30,571	29,410	38,111

Figures in italics are based on five or fewer claims

Source: WCIRB Permanent Disability Claim Survey - approximately 3,500 PD claims were surveyed for each accident year

Note: Accident Years 2013 at First Survey Level and 2012 at Second Survey Level are preliminary .

Percentage of Permanent Partial Claims with Qualified Offer of Permanent Return-to-work

First Survey Level

<u>Accident Year</u>	<u>% With Qualified Offer</u>
2009	17.6%
2010	20.8%
2011	20.1%
2012	21.2%
2013	16.1%

Second Survey Level

<u>Accident Year</u>	<u>% With Qualified Offer</u>
2008	18.0%
2009	18.4%
2010	21.0%
2011	20.4%
2012	21.4%

Source: WCIRB Permanent Disability Claim Survey

Note: Accident Years 2013 at First Survey Level and 2012 at Second Survey Level are preliminary.

Employee Average and Median Claimant Tenure at Date of Injury - Insured System

Median Tenure in Years at Date of Injury						Average Tenure in Years at Date of Injury					
AY/AQ	1	2	3	4	Annual	AY/AQ	1	2	3	4	Annual
2009	2.4	2.4	2.5	2.6	2.5	2009	5.2	5.2	5.2	5.3	5.2
2010	2.9	2.8	2.8	2.9	2.8	2010	5.6	5.5	5.3	5.5	5.5
2011	3.1	2.9	2.8	2.9	2.9	2011	5.8	5.5	5.3	5.6	5.5
2012	3.0	2.8	2.5	2.6	2.7	2012	5.8	5.6	5.4	5.6	5.6
2013	2.6	2.5	2.3	2.3	2.4	2013	5.7	5.6	5.4	5.4	5.5
2014	2.5	2.2	2.1	2.2	2.2	2014	5.7	5.4	5.3	5.5	5.4
2015	2.2	1.9	1.8		2.0	2015	5.6	5.0	5.0		5.2

Change in Median Tenure						Change in Average Tenure					
AY/AQ	Quarterly Change				Annual Change	AY/AQ	Quarterly Change				Annual Change
	1	2	3	4		1	2	3	4		
2009						2009					
2010	20.8%	16.7%	12.0%	11.5%	12.0%	2010	6.7%	4.9%	3.2%	3.0%	4.4%
2011	6.9%	3.6%	0.0%	0.0%	3.6%	2011	3.3%	0.6%	-0.5%	1.6%	1.2%
2012	-3.2%	-3.4%	-10.7%	-10.3%	-6.9%	2012	1.0%	1.6%	2.4%	1.0%	1.5%
2013	-13.3%	-10.7%	-8.0%	-11.5%	-11.1%	2013	-2.3%	-0.8%	-1.1%	-3.1%	-1.8%
2014	-3.8%	-12.0%	-8.7%	-4.3%	-8.3%	2014	-0.7%	-3.2%	-1.1%	0.4%	-1.7%
2015*	-12.0%	-13.6%	-14.3%		-9.1%	2015*	-1.5%	-6.7%	-5.5%		-3.6%

*Note: 2015 annual change in average tenure is the change from the first three quarters of 2014 to the first three quarters of 2015.

Source: DWC WCIS data

Average and Median Claimant Tenure at Date of Injury by NAICS - Insured System

NAICS Sector	NAICS Name	Median Tenure in Years for Accident Year							NAICS Sector	NAICS Name	Average Tenure in Years for Accident Year						
		2009	2010	2011	2012	2013	2014	2015			2009	2010	2011	2012	2013	2014	2015
11	Agriculture	1.5	1.9	1.6	1.5	1.3	1.2	1.3	11	Agriculture	4.4	4.8	4.6	4.5	4.4	4.2	4.4
23	Construction	1.9	1.8	1.5	1.2	1.1	1.1	1.1	23	Construction	4.0	4.1	4.1	3.7	3.6	3.7	3.6
31	Manufacturing	3.6	3.9	3.7	3.7	3.0	2.9	2.3	31	Manufacturing	7.3	7.3	7.0	7.0	6.6	6.7	6.1
42	Wholesale	2.3	2.8	2.5	2.1	1.9	1.7	1.7	42	Wholesale	4.8	5.1	4.9	5.0	4.8	4.7	4.8
44	Retail	2.3	2.8	2.9	2.9	2.9	2.8	2.5	44	Retail	4.4	4.8	4.9	5.0	5.4	5.4	5.2
48	Transportation	3.4	3.7	4.0	4.4	3.2	3.2	2.9	48	Transportation	7.1	7.4	7.6	8.1	7.3	7.2	7.2
56	Administrative	1.7	2.0	2.0	1.9	1.8	1.6	1.5	56	Administrative	3.8	4.1	4.1	4.2	4.2	4.1	4.3
62	Health	2.4	2.8	3.1	3.2	3.2	3.0	2.6	62	Health	4.8	5.1	5.2	5.3	5.6	5.6	5.4
72	Entertainment	1.9	2.2	2.0	1.9	1.8	1.6	1.6	72	Entertainment	4.1	4.2	4.2	4.3	4.3	4.2	4.3
8810	Clerical	3.3	3.3	3.7	4.0	3.6	2.9	2.3	8810	Clerical	6.0	6.1	6.3	6.5	6.3	6.2	5.5
Other	All Other	2.6	3.0	3.3	3.4	3.1	2.7	2.4	Other	All Other	5.4	5.7	6.0	6.2	6.2	6.1	5.9
All		2.5	2.8	2.9	2.7	2.4	2.2	2.0	All		5.2	5.5	5.5	5.6	5.5	5.5	5.3

NAICS Sector	NAICS Name	Change in Median Tenure for Accident Year							NAICS Sector	NAICS Name	Change in Average Tenure for Accident Year						
		2009	2010	2011	2012	2013	2014	2015			2009	2010	2011	2012	2013	2014	2015
11	Agriculture		26.7%	-15.8%	-6.3%	-13.3%	-7.7%	8.3%	11	Agriculture		8.8%	-4.4%	-1.0%	-2.9%	-3.4%	3.0%
23	Construction		-5.3%	-16.7%	-20.0%	-8.3%	0.0%	0.0%	23	Construction		2.3%	0.1%	-9.1%	-3.0%	1.7%	-2.3%
31	Manufacturing		8.3%	-5.1%	0.0%	-18.9%	-3.3%	-20.7%	31	Manufacturing		0.0%	-3.0%	-0.5%	-5.3%	1.5%	-10.0%
42	Wholesale		21.7%	-10.7%	-16.0%	-9.5%	-10.5%	0.0%	42	Wholesale		4.9%	-2.9%	0.8%	-3.4%	-2.0%	2.7%
44	Retail		21.7%	3.6%	0.0%	0.0%	-3.4%	-10.7%	44	Retail		8.3%	2.7%	2.5%	8.1%	-1.5%	-3.0%
48	Transportation		8.8%	8.1%	10.0%	-27.3%	0.0%	-9.4%	48	Transportation		4.0%	2.0%	7.4%	-10.2%	-0.8%	0.0%
56	Administrative		17.6%	0.0%	-5.0%	-5.3%	-11.1%	-6.3%	56	Administrative		7.3%	2.0%	0.7%	0.1%	-1.6%	5.6%
62	Health		16.7%	10.7%	3.2%	0.0%	-6.3%	-13.3%	62	Health		7.0%	2.0%	2.2%	6.2%	-1.0%	-2.6%
72	Entertainment		15.8%	-9.1%	-5.0%	-5.3%	-11.1%	0.0%	72	Entertainment		3.1%	0.1%	2.5%	0.7%	-2.0%	1.8%
8810	Clerical		0.0%	12.1%	8.1%	-10.0%	-19.4%	-20.7%	8810	Clerical		0.3%	3.1%	4.5%	-3.3%	-1.9%	-11.3%
Other	All Other		15.4%	10.0%	3.0%	-8.8%	-12.9%	-11.1%	Other	All Other		5.3%	5.8%	3.7%	0.3%	-2.6%	-3.3%
All			12.0%	3.6%	-6.9%	-11.1%	-8.3%	-9.1%	All			4.4%	1.2%	1.5%	-1.8%	-1.2%	-3.6%

Source: DWC WCIS data

IMR Filed Counts

Quarterly IMRs filed

<u>Year & Quarter</u>	<u>IMRs Filed</u>	<u>Change from Same Quarter in Prior Year</u>
2013 1Q & 2Q	878	---
2013 3Q	31,950	---
2013 4Q	51,092	---
2014 1Q	49,928	---
2014 2Q	59,983	---
2014 3Q	61,793	93.4%
2014 4Q	47,199	-7.6%
2015 1Q	61,142	22.5%
2015 2Q	65,418	9.1%
2015 3Q	65,889	6.6%
2015 4Q	61,327	29.9%

Yearly IMR Counts

	<u>Original IMR Applications</u>	<u>Duplicates</u>	<u>Ineligible</u>	<u>Total Rejected</u>	<u>Eligible IMRs</u>	<u>Year-to-Year Change</u>
2013 IMR Counts	83,920	15,560	15,516	31,076	52,844	---
2014 IMR Counts	218,903	55,448	28,818	84,266	134,637	160.8%
2015 IMR Counts	253,776	58,088	30,079	88,167	165,609	15.9%

Source: DWC Collected from IMR Vendor
 DWC Via Commission on Health and Safety & Workers' Compensation 2014 Annual Report

Reported Indemnity Claim Count Development – Statewide

Accident Year	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117
1998									1.000
1999								1.000	1.000
2000							1.000	1.000	1.000
2001						1.001	0.999	0.999	0.999
2002					1.001	1.000	1.000	1.000	0.999
2003				1.001	0.999	0.998	0.999	0.999	0.999
2004			1.003	0.999	0.999	1.000	0.999	0.999	0.999
2005		1.013	1.001	1.000	1.001	1.000	1.000	1.000	1.000
2006	1.521	1.007	1.006	1.002	1.001	1.000	1.001	1.000	1.001
2007	1.517	1.017	1.008	1.004	1.002	1.001	1.000	1.000	
2008	1.532	1.030	1.012	1.006	1.003	1.002	1.001		
2009	1.635	1.037	1.014	1.007	1.004	1.002			
2010	1.685	1.041	1.015	1.007	1.004				
2011	1.716	1.046	1.016	1.008					
2012	1.731	1.050	1.016						
2013	1.740	1.046							
2014	1.743								

	Latest Year									
I. <u>Age-to-Age</u>	1.743	1.046	1.016	1.008	1.004	1.002	1.001	1.000	1.001	1.000
II. <u>Age-to-Ultimate</u>	1.884	1.081	1.034	1.017	1.009	1.005	1.004	1.002	1.002	1.001
III. <u>Estimated Percent of Ultimate Indemnity Claims Reported</u>	53.1%	92.5%	96.8%	98.3%	99.1%	99.5%	99.6%	99.8%	99.8%	99.9%

Reported Total Claim Count Development – Statewide

Accident Year	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117
1998									0.999
1999								1.000	1.002
2000							1.000	1.001	1.000
2001						1.003	1.000	1.001	1.000
2002					1.006	0.999	1.001	1.001	1.001
2003				1.006	1.002	1.001	1.001	1.001	1.000
2004			1.007	1.003	1.001	1.001	1.001	1.000	1.000
2005		1.026	1.005	1.002	1.001	1.002	1.001	1.001	1.000
2006	1.587	1.013	1.008	1.003	1.002	1.001	1.001	1.001	1.001
2007	1.563	1.015	1.006	1.004	1.002	1.001	1.001	1.001	
2008	1.519	1.017	1.009	1.004	1.002	1.002	1.001		
2009	1.573	1.021	1.008	1.005	1.003	1.002			
2010	1.592	1.022	1.009	1.004	1.003				
2011	1.604	1.025	1.009	1.005					
2012	1.625	1.024	1.009						
2013	1.626	1.025							
2014	1.654								

	Latest Year									
I. <u>Age-to-Age</u>	1.654	1.025	1.009	1.005	1.003	1.002	1.001	1.001	1.001	1.001
II. <u>Age-to-Ultimate</u>	1.734	1.048	1.023	1.014	1.009	1.007	1.005	1.004	1.003	1.002
III. <u>Estimated Percent of Ultimate Total Claims Reported</u>	57.7%	95.4%	97.7%	98.6%	99.1%	99.4%	99.5%	99.6%	99.7%	99.8%

Note: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 68% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

Source: WCIRB quarterly calls for experience

Quarterly Reported Indemnity Claim Count Development Factors

Accident	Development														
Year	3-6	6-9	9-12	12-15	15-18	18-21	21-24	24-27	27-30	30-33	33-36	36-39	39-42	42-45	45-48
2007	2.563	1.704	1.361	1.087	1.018	1.009	1.004	1.005	1.004	1.003	1.003	1.002	1.002	1.002	1.001
2008	2.537	1.653	1.340	1.095	1.025	1.015	1.010	1.009	1.007	1.004	1.003	1.003	1.002	1.003	1.002
2009	2.694	1.682	1.388	1.113	1.037	1.021	1.012	1.010	1.007	1.007	1.005	1.004	1.003	1.003	1.002
2010	2.716	1.716	1.407	1.127	1.039	1.022	1.016	1.011	1.008	1.006	1.005	1.003	1.004	1.003	1.001
2011	2.703	1.737	1.421	1.129	1.042	1.027	1.019	1.010	1.011	1.006	1.005	1.004	1.003	1.003	1.002
2012	2.751	1.742	1.421	1.125	1.053	1.029	1.019	1.013	1.010	1.007	1.004	1.005	1.004	1.003	
2013	2.844	1.746	1.425	1.139	1.044	1.027	1.016	1.011	1.011	1.007					
2014	2.772	1.733	1.427	1.136	1.048	1.026									
2015	2.831	1.738													

Note: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 93% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

Source: WCIRB quarterly calls for experience

Estimated Ultimate Indemnity Claim Settlement Ratios

Accident Year	Evaluated as of (in months):									
	<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>
1997										95.5%
1998									93.8%	95.0%
1999								91.8%	93.5%	94.7%
2000							88.7%	91.1%	92.9%	94.2%
2001						82.9%	87.0%	89.9%	91.8%	93.2%
2002					77.0%	83.3%	87.5%	90.2%	92.1%	93.4%
2003				67.7%	77.5%	83.8%	87.7%	90.1%	91.9%	93.4%
2004			56.8%	70.1%	79.0%	84.1%	87.4%	89.9%	91.8%	93.7%
2005		44.2%	59.5%	71.9%	79.6%	84.2%	87.6%	90.0%	92.4%	93.9%
2006	13.1%	45.1%	60.3%	72.1%	79.6%	84.4%	87.7%	90.8%	92.9%	94.4%
2007	13.3%	43.9%	58.8%	70.5%	78.2%	83.1%	87.4%	90.5%	92.5%	
2008	13.3%	42.1%	56.8%	68.7%	76.9%	83.1%	87.7%	90.7%		
2009	12.2%	39.9%	55.0%	67.3%	76.5%	83.0%	87.5%			
2010	11.8%	40.0%	55.7%	68.7%	78.1%	84.3%				
2011	11.9%	40.2%	56.5%	69.8%	79.2%					
2012	12.0%	40.4%	57.9%	71.3%						
2013	11.5%	40.8%	59.0%							
2014	11.5%	42.0%								
2015	11.9%									

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 76% to 99% of the total California workers' compensation insured market measured using 2014 earned premium)

Source: WCIRB quarterly calls for experience

Indemnity Claim Settlement Ratios by Injury Type

Permanent Partial						Temporary					
AY/RL	1	2	3	4	5	AY/RL	1	2	3	4	5
1996	11.4%	34.7%	57.4%	71.6%	79.4%	1996	78.8%	86.0%	90.7%	92.8%	97.7%
1997	9.8%	33.3%	55.7%	69.7%	77.4%	1997	74.7%	88.7%	93.0%	98.1%	97.4%
1998	8.9%	30.8%	53.8%	67.6%	74.4%	1998	77.8%	89.9%	95.3%	95.3%	96.5%
1999	8.5%	29.1%	50.3%	62.3%	69.0%	1999	75.0%	88.4%	92.3%	94.5%	95.6%
2000	7.9%	26.6%	45.1%	57.0%	66.0%	2000	70.5%	84.3%	89.2%	92.0%	93.3%
2001	6.9%	22.1%	41.2%	57.7%	69.4%	2001	66.3%	79.5%	87.1%	89.7%	91.5%
2002	5.2%	19.3%	41.9%	60.4%	71.8%	2002	65.1%	81.4%	87.4%	91.0%	93.2%
2003	4.1%	20.9%	44.3%	61.1%	72.1%	2003	68.4%	82.0%	88.7%	92.8%	94.8%
2004	5.5%	22.8%	44.2%	60.2%	70.6%	2004	70.4%	84.7%	91.2%	95.0%	95.7%
2005	6.4%	23.4%	44.3%	59.5%	68.8%	2005	69.2%	82.9%	89.4%	92.1%	95.5%
2006	7.0%	24.6%	44.4%	58.6%	68.1%	2006	71.1%	86.1%	91.5%	95.2%	95.6%
2007	6.4%	24.1%	42.9%	57.1%	67.5%	2007	71.2%	85.2%	92.3%	93.9%	95.1%
2008	6.2%	23.5%	42.7%	57.5%	69.8%	2008	70.3%	84.9%	89.9%	92.4%	94.5%
2009	6.3%	23.3%	42.6%	59.0%	70.8%	2009	69.0%	81.0%	87.0%	90.8%	93.5%
2010	7.5%	25.1%	45.5%	62.1%	74.2%	2010	65.9%	78.9%	86.2%	90.3%	93.1%
2011	8.5%	27.6%	48.7%	64.5%		2011	64.3%	78.5%	85.5%	89.0%	
2012	9.9%	30.9%	51.4%			2012	65.0%	79.1%	87.4%		
2013	10.7%	33.3%				2013	64.8%	81.3%			
2014	10.1%					2014	68.8%				

Cumulative Injury*						Non-Cumulative Injury					
AY/RL	1	2	3	4	5	AY/RL	1	2	3	4	5
1996	14.9%	36.2%	56.9%	71.2%	79.1%	1996	52.3%	66.2%	78.1%	85.2%	90.1%
1997	17.3%	37.0%	54.9%	67.2%	76.0%	1997	46.4%	64.3%	76.8%	85.2%	88.7%
1998	16.3%	33.1%	51.0%	64.1%	71.9%	1998	46.7%	63.3%	76.6%	83.2%	86.9%
1999	16.1%	31.6%	48.4%	60.6%	68.7%	1999	45.1%	61.7%	73.6%	80.3%	83.7%
2000	13.5%	29.7%	45.3%	57.1%	66.5%	2000	42.4%	58.5%	69.6%	76.3%	81.0%
2001	12.8%	26.8%	43.6%	57.3%	67.8%	2001	38.1%	52.3%	65.2%	74.5%	81.1%
2002	12.3%	26.7%	43.9%	59.4%	70.1%	2002	35.2%	50.1%	64.5%	75.7%	82.5%
2003	12.5%	27.6%	45.6%	59.9%	69.5%	2003	36.6%	51.8%	67.1%	77.6%	84.2%
2004	15.6%	30.3%	46.8%	60.5%	69.8%	2004	40.3%	56.3%	70.1%	79.6%	84.8%
2005	13.2%	27.6%	42.5%	55.1%	64.7%	2005	43.3%	58.6%	71.4%	79.5%	85.3%
2006	13.1%	27.7%	42.7%	54.8%	64.2%	2006	43.6%	59.9%	72.0%	80.4%	84.7%
2007	13.5%	28.4%	42.9%	55.0%	65.0%	2007	42.7%	58.6%	71.1%	78.7%	83.7%
2008	12.0%	26.9%	41.4%	54.1%	65.4%	2008	40.7%	56.8%	68.7%	77.1%	83.6%
2009	10.9%	24.3%	39.2%	54.0%	66.7%	2009	39.3%	54.8%	67.1%	76.7%	83.3%
2010	13.1%	26.5%	43.3%	59.5%	73.9%	2010	38.3%	54.3%	67.8%	77.7%	84.2%
2011	10.9%	27.2%	46.3%	62.5%		2011	38.4%	55.1%	68.9%	78.4%	
2012	11.8%	30.5%	48.2%			2012	39.1%	57.0%	70.7%		
2013	14.0%	33.7%				2013	39.0%	58.9%			
2014	14.4%					2014	39.3%				

All Indemnity					
AY/RL	1	2	3	4	5
1996	49.8%	64.2%	76.7%	84.3%	89.4%
1997	44.4%	62.4%	75.3%	83.9%	87.8%
1998	44.6%	61.2%	74.9%	81.8%	85.9%
1999	42.9%	59.4%	71.7%	78.8%	82.6%
2000	40.1%	56.2%	67.7%	74.9%	79.9%
2001	36.1%	50.2%	63.5%	73.1%	80.0%
2002	33.3%	48.1%	62.8%	74.3%	81.5%
2003	34.5%	49.7%	65.2%	76.1%	82.9%
2004	38.3%	54.1%	68.1%	78.0%	83.5%
2005	41.1%	56.4%	69.3%	77.7%	83.8%
2006	41.4%	57.6%	69.9%	78.5%	83.2%
2007	40.5%	56.3%	69.0%	76.9%	82.3%
2008	38.4%	54.4%	66.5%	75.3%	82.2%
2009	36.6%	51.9%	64.4%	74.5%	81.7%
2010	35.8%	51.5%	65.4%	75.9%	83.1%
2011	35.6%	52.4%	66.7%	77.0%	
2012	36.3%	54.2%	68.5%		
2013	36.2%	56.1%			
2014	36.4%				

Notes:
 *Cumulative Injury includes both cumulative injury and occupational disease.
 Latest diagonal (italics) is based on a partial accident year.
 Settlement rates are based on claim counts developed to 5th report.
 Source: WCIRB Unit Statistical data

Quarterly Ultimate Settlement Ratios

Accident Year	Evaluated as of (in months):															
	<u>3</u>	<u>6</u>	<u>9</u>	<u>12</u>	<u>15</u>	<u>18</u>	<u>21</u>	<u>24</u>	<u>27</u>	<u>30</u>	<u>33</u>	<u>36</u>	<u>39</u>	<u>42</u>	<u>45</u>	<u>48</u>
2007	0.8%	5.3%	13.3%	23.7%	33.0%	39.5%	43.9%	48.2%	51.8%	55.6%	58.8%	62.5%	65.4%	68.0%	70.5%	72.8%
2008	0.8%	5.4%	13.3%	23.0%	31.5%	37.7%	42.1%	46.0%	49.6%	53.3%	56.8%	60.4%	63.3%	66.1%	68.7%	71.1%
2009	0.7%	4.7%	12.2%	21.3%	29.5%	35.5%	39.9%	43.9%	47.5%	51.3%	55.0%	58.6%	61.6%	64.7%	67.3%	69.8%
2010	0.7%	4.7%	11.8%	21.0%	29.6%	35.7%	40.0%	44.4%	48.2%	52.1%	55.7%	59.2%	62.4%	65.7%	68.7%	71.6%
2011	0.8%	5.1%	11.9%	21.2%	29.5%	35.6%	40.2%	44.5%	48.4%	52.7%	56.5%	60.5%	63.7%	66.8%	69.8%	72.6%
2012	0.8%	5.0%	12.0%	21.0%	29.2%	35.6%	40.4%	45.3%	49.4%	53.6%	57.9%	61.7%	65.2%	68.4%	71.3%	
2013	0.9%	5.0%	11.5%	20.5%	28.9%	35.5%	40.8%	45.7%	50.4%	54.9%	59.0%					
2014	0.7%	4.7%	11.5%	20.5%	29.4%	36.2%	42.0%									
2015	0.8%	4.7%	11.9%													

Accident Year	Quarterly Incremental Change														
	<u>3-6</u>	<u>6-9</u>	<u>9-12</u>	<u>12-15</u>	<u>15-18</u>	<u>18-21</u>	<u>21-24</u>	<u>24-27</u>	<u>27-30</u>	<u>30-33</u>	<u>33-36</u>	<u>36-39</u>	<u>39-42</u>	<u>42-45</u>	<u>45-48</u>
2007	4.5%	8.0%	10.4%	9.3%	6.5%	4.5%	4.3%	3.6%	3.8%	3.2%	3.8%	2.8%	2.6%	2.5%	2.4%
2008	4.6%	7.8%	9.7%	8.6%	6.2%	4.3%	3.9%	3.6%	3.7%	3.5%	3.5%	2.9%	2.8%	2.6%	2.4%
2009	4.0%	7.5%	9.1%	8.2%	6.0%	4.4%	4.0%	3.6%	3.7%	3.8%	3.6%	3.0%	3.1%	2.6%	2.5%
2010	4.1%	7.0%	9.2%	8.6%	6.0%	4.4%	4.3%	3.8%	4.0%	3.6%	3.5%	3.2%	3.3%	3.0%	2.9%
2011	4.3%	6.8%	9.3%	8.4%	6.1%	4.5%	4.4%	3.8%	4.3%	3.9%	4.0%	3.3%	3.0%	3.0%	2.8%
2012	4.2%	7.0%	9.0%	8.1%	6.4%	4.8%	4.8%	4.1%	4.3%	4.2%	3.8%	3.4%	3.2%	2.9%	
2013	4.0%	6.5%	9.0%	8.5%	6.5%	5.4%	4.9%	4.6%	4.5%	4.1%					
2014	4.0%	6.8%	9.0%	8.9%	6.8%	5.8%									
2015	3.9%	7.2%													

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 93% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

Source: WCIRB quarterly calls for experience

Ratio of Incremental Closed Indemnity Claims to Prior Open Indemnity Claims

Accident Year	Development								
	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117
1999									18.1%
2000								19.8%	18.1%
2001							21.8%	18.9%	16.7%
2002						25.2%	21.3%	18.9%	16.7%
2003					28.1%	23.8%	19.8%	18.3%	17.7%
2004				29.7%	24.4%	20.7%	19.7%	18.8%	22.9%
2005			30.5%	27.3%	22.8%	21.6%	19.4%	23.3%	20.8%
2006		27.8%	29.7%	26.7%	23.7%	21.2%	25.1%	23.1%	20.7%
2007	35.3%	26.4%	28.3%	26.3%	22.3%	25.9%	24.7%	21.1%	
2008	33.2%	25.5%	27.6%	26.2%	27.2%	27.0%	24.4%		
2009	31.5%	25.2%	27.2%	28.1%	27.5%	26.4%			
2010	32.0%	26.1%	29.4%	30.1%	28.3%				
2011	32.1%	27.3%	30.6%	31.2%					
2012	32.3%	29.3%	31.8%						
2013	33.1%	30.7%							
2014	34.4%								

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 78% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

- Dashed line highlights claim settlement increase beginning in calendar year 2013.

Source: WCIRB quarterly calls for experience

Ratio of Incremental Closed Indemnity Claims to Prior Open Indemnity Claims

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>
2007	4.5%	8.5%	12.0%	12.2%	9.7%	7.4%	7.6%	6.9%	7.9%	7.2%	9.2%	7.5%	7.5%	7.8%	8.1%
2008	4.6%	8.3%	11.2%	11.1%	9.1%	7.0%	6.7%	6.8%	7.3%	7.6%	8.2%	7.4%	7.6%	7.8%	7.7%
2009	4.0%	7.9%	10.3%	10.5%	8.5%	6.8%	6.7%	6.5%	7.1%	7.7%	7.9%	7.3%	8.0%	7.3%	7.8%
2010	4.1%	7.4%	10.5%	10.9%	8.6%	6.8%	7.2%	6.9%	7.6%	7.4%	8.0%	7.7%	8.8%	8.8%	9.1%
2011	4.3%	7.2%	10.5%	10.6%	8.6%	7.0%	7.3%	6.9%	8.3%	8.1%	9.1%	8.2%	8.4%	9.2%	9.2%
2012	4.2%	7.4%	10.3%	10.3%	9.1%	7.5%	8.1%	7.5%	8.4%	9.1%	9.1%	9.0%	9.3%	9.1%	
2013	4.1%	6.9%	10.2%	10.6%	9.2%	8.3%	8.3%	8.5%	9.1%	9.1%					
2014	4.0%	7.2%	10.1%	11.2%	9.7%	9.0%									
2015	3.9%	7.6%													

Note: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 93% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

Source: WCIRB quarterly calls for experience

Reopening Rates Based on Unit Statistical Data

PY/RL	Reopening Rates						
	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th	5th to 6th	6th to 7th	7th to 8th
2000	0.80%	0.45%	0.32%	0.23%	---	---	---
2001	0.84%	0.50%	0.34%	0.30%	0.21%	0.17%	0.13%
2002	0.92%	0.45%	0.35%	0.33%	0.24%	0.19%	0.16%
2003	0.68%	0.43%	0.38%	0.31%	0.24%	0.23%	0.18%
2004	0.60%	0.40%	0.32%	0.27%	0.27%	0.18%	0.12%
2005	0.63%	0.34%	0.29%	0.29%	0.25%	0.14%	0.11%
2006	0.62%	0.38%	0.39%	0.37%	0.22%	0.15%	<i>0.14%</i>
2007	0.64%	0.60%	0.53%	0.29%	0.23%	<i>0.17%</i>	
2008	1.24%	0.80%	0.38%	0.32%	<i>0.27%</i>		
2009	1.22%	0.48%	0.40%	<i>0.39%</i>			
2010	0.74%	0.53%	<i>0.45%</i>				
2011	0.86%	<i>0.60%</i>					
2012	<i>0.93%</i>						

PY/RL	Average Incurred for Reopened Claims						
	2nd	3rd	4th	5th	6th	7th	8th
2000	25,829	30,376	46,948	52,831	---	---	---
2001	27,368	34,714	44,371	52,850	67,055	77,978	94,138
2002	30,525	32,543	44,273	59,359	63,946	79,544	76,263
2003	23,295	26,362	47,715	50,915	57,195	62,371	72,056
2004	20,348	27,536	35,748	50,349	50,964	71,644	75,968
2005	24,800	30,865	41,020	47,858	59,755	66,347	79,249
2006	25,237	29,803	36,576	45,402	62,900	65,690	76,412
2007	24,977	25,653	36,417	57,370	67,285	<i>76,016</i>	
2008	17,783	22,985	45,903	58,719	<i>64,913</i>		
2009	19,985	32,723	43,640	<i>57,034</i>			
2010	25,513	33,258	<i>46,790</i>				
2011	26,482	<i>34,336</i>					
2012	<i>26,379</i>						

Note: Numbers in *Italics* are from the Preliminary set.

Source: WCIRB unit statistical data

Reopening Rates by Injury Type

Permanent Indemnity								Temporary Indemnity							
PY/RL	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8	PY/RL	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8
2000	2.78%	1.68%	1.56%	1.22%	---	---	---	2000	1.28%	0.82%	0.60%	0.34%	---	---	---
2001	3.10%	2.54%	1.65%	1.49%	1.06%	0.84%	0.64%	2001	1.55%	0.92%	0.66%	0.43%	0.24%	0.18%	0.12%
2002	6.37%	1.93%	1.74%	1.60%	1.13%	0.92%	0.76%	2002	1.63%	0.92%	0.55%	0.44%	0.25%	0.15%	0.13%
2003	2.51%	2.15%	1.96%	1.66%	1.23%	1.15%	0.86%	2003	1.24%	0.81%	0.62%	0.40%	0.26%	0.16%	0.14%
2004	2.08%	2.33%	1.75%	1.72%	1.57%	1.01%	0.71%	2004	1.11%	0.80%	0.60%	0.34%	0.30%	0.20%	0.10%
2005	2.73%	1.94%	2.00%	1.94%	1.60%	0.87%	0.65%	2005	1.17%	0.67%	0.48%	0.36%	0.28%	0.14%	0.11%
2006	2.34%	2.23%	2.30%	2.27%	1.47%	0.92%	0.78%	2006	1.14%	0.82%	0.57%	0.46%	0.28%	0.18%	0.14%
2007	2.47%	3.03%	2.82%	1.86%	1.32%	0.99%		2007	1.20%	0.94%	0.71%	0.40%	0.28%	0.15%	
2008	4.02%	3.54%	2.17%	1.87%	1.45%			2008	1.67%	1.12%	0.57%	0.40%	0.29%		
2009	3.81%	2.42%	1.91%	1.80%				2009	1.80%	0.81%	0.60%	0.48%			
2010	2.15%	2.23%	2.09%					2010	1.23%	0.91%	0.65%				
2011	2.68%	2.37%						2011	1.55%	1.05%					
2012	2.73%							2012	1.51%						

All Indemnity							Medical Only								
PY/RL	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8	PY/RL	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8
2000	1.43%	1.02%	0.91%	0.67%	---	---	---	2000	0.67%	0.30%	0.13%	0.07%	---	---	---
2001	1.70%	1.26%	0.99%	0.86%	0.61%	0.49%	0.37%	2001	0.66%	0.30%	0.13%	0.08%	0.05%	0.03%	0.02%
2002	1.97%	1.13%	0.97%	0.93%	0.66%	0.52%	0.44%	2002	0.70%	0.26%	0.13%	0.08%	0.05%	0.04%	0.03%
2003	1.32%	1.10%	1.08%	0.91%	0.69%	0.63%	0.48%	2003	0.56%	0.26%	0.14%	0.08%	0.05%	0.05%	0.05%
2004	1.17%	1.09%	0.94%	0.83%	0.81%	0.54%	0.36%	2004	0.49%	0.23%	0.13%	0.08%	0.08%	0.04%	0.03%
2005	1.28%	0.90%	0.91%	0.91%	0.78%	0.43%	0.33%	2005	0.51%	0.21%	0.11%	0.10%	0.07%	0.03%	0.03%
2006	1.23%	1.09%	1.08%	1.10%	0.74%	0.48%	0.41%	2006	0.50%	0.21%	0.19%	0.14%	0.04%	0.03%	0.03%
2007	1.29%	1.37%	1.35%	0.93%	0.70%	0.51%		2007	0.53%	0.42%	0.29%	0.09%	0.06%	0.04%	
2008	1.86%	1.66%	1.09%	0.97%	0.79%			2008	1.12%	0.58%	0.16%	0.10%	0.07%		
2009	1.98%	1.19%	1.05%	1.02%				2009	1.07%	0.29%	0.18%	0.14%			
2010	1.32%	1.24%	1.16%					2010	0.62%	0.33%	0.19%				
2011	1.68%	1.40%						2011	0.68%	0.36%					
2012	1.67%							2012	0.76%						

All Claims							
PY/RL	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8
2000	0.80%	0.45%	0.32%	0.23%	---	---	---
2001	0.84%	0.50%	0.34%	0.30%	0.21%	0.17%	0.13%
2002	0.92%	0.45%	0.35%	0.33%	0.24%	0.19%	0.16%
2003	0.68%	0.43%	0.38%	0.31%	0.24%	0.23%	0.18%
2004	0.60%	0.40%	0.32%	0.27%	0.27%	0.18%	0.12%
2005	0.63%	0.34%	0.29%	0.29%	0.25%	0.14%	0.11%
2006	0.62%	0.38%	0.39%	0.37%	0.22%	0.15%	0.14%
2007	0.64%	0.60%	0.53%	0.29%	0.23%	0.17%	
2008	1.24%	0.80%	0.38%	0.32%	0.27%		
2009	1.22%	0.48%	0.40%	0.39%			
2010	0.74%	0.53%	0.45%				
2011	0.86%	0.60%					
2012	0.93%						

Note: Injury types are fixed at denominator age.
Numbers in *Italics* are from the Preliminary set.

Source: WCIRB unit statistical data

Closed-Closed Development Based on Unit Statistical Data

PY/RL	Developing Closed Claim Rates						
	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th	5th to 6th	6th to 7th	7th to 8th
2000	16.18%	10.11%	7.76%	6.14%	---	---	---
2001	16.66%	12.58%	9.61%	7.86%	7.80%	10.17%	6.33%
2002	20.85%	13.76%	10.47%	10.22%	14.10%	7.81%	4.53%
2003	24.16%	13.85%	12.12%	18.44%	9.70%	5.04%	5.54%
2004	22.60%	14.45%	21.30%	9.15%	5.26%	5.26%	1.11%
2005	20.78%	20.68%	8.28%	4.98%	4.34%	1.36%	1.11%
2006	27.49%	9.95%	5.46%	4.42%	1.84%	1.49%	1.43%
2007	20.05%	6.62%	5.38%	2.53%	2.36%	1.90%	
2008	11.84%	6.47%	3.85%	3.43%	2.80%		
2009	11.69%	5.58%	4.72%	3.80%			
2010	10.20%	6.10%	4.44%				
2011	10.88%	5.43%					
2012	10.43%						

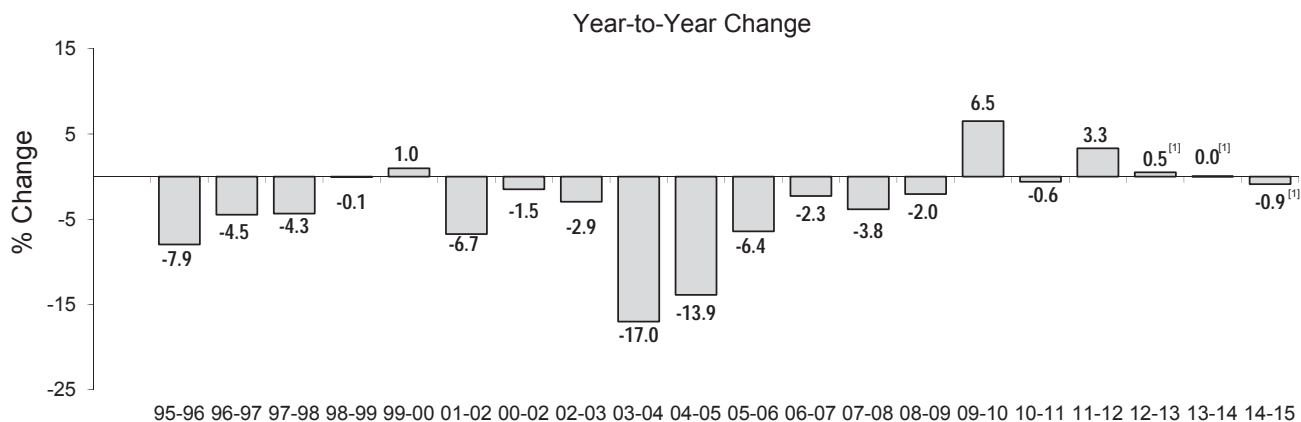
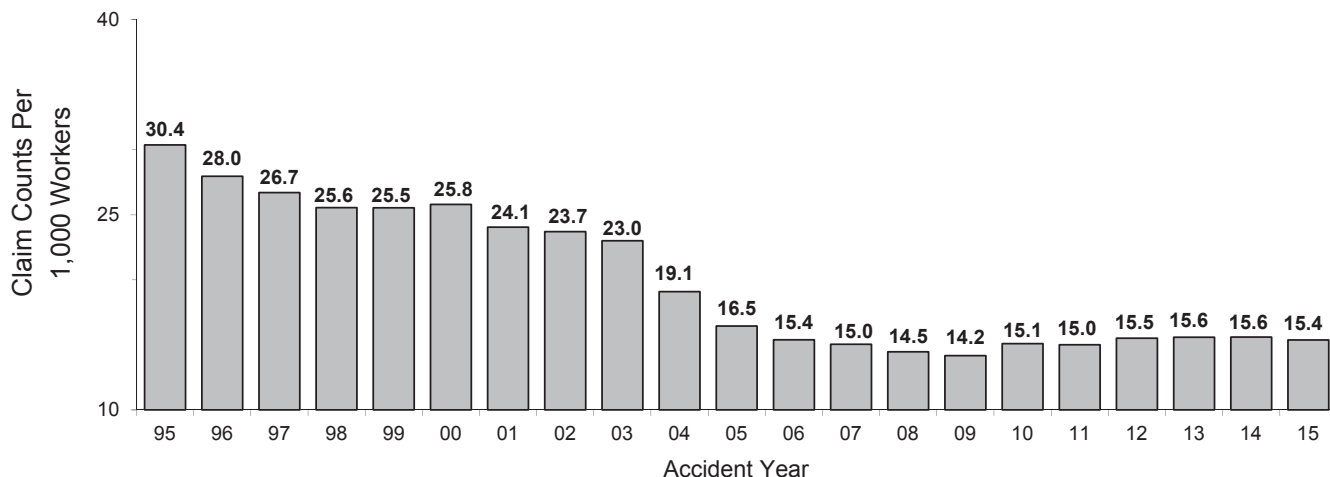
Closed-Closed Total Incurred Development as a Percent of Total Incurred Development on All Claims

PY/RL	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th	5th to 6th	6th to 7th	7th to 8th
2000	0.84%	1.22%	2.28%	4.22%	---	---	---
2001	0.83%	2.11%	2.95%	6.25%	4.04%	6.90%	4.86%
2002	0.78%	2.28%	5.14%	3.80%	8.49%	6.39%	4.49%
2003	1.43%	2.43%	5.04%	8.44%	6.10%	3.57%	4.00%
2004	1.64%	2.18%	6.20%	4.24%	3.13%	3.65%	3.13%
2005	1.49%	3.49%	2.91%	3.23%	3.49%	3.52%	3.54%
2006	1.93%	1.88%	2.61%	3.12%	3.18%	3.23%	5.18%
2007	1.43%	1.57%	2.46%	3.25%	4.55%	2.95%	
2008	0.99%	1.62%	2.32%	3.81%	4.40%		
2009	1.01%	1.46%	2.96%	4.17%			
2010	0.87%	1.94%	3.56%				
2011	1.05%	2.29%					
2012	1.33%						

Note: Numbers in *Italics* are from the Preliminary set.

Source: WCIRB unit statistical data

**California Workers' Compensation
Estimated Indemnity Claim Frequency by Accident Year
As of September 30, 2015**



^[1] The 2012-2013 estimate is based on partial year unit statistical data. The 2013-2014 and 2014-2015 estimates are based on comparison of claim counts based on WCIRB accident year experience as of September 30, 2015 relative to the estimated change in statewide employment. Prior years are based on unit statistical data.

**2015 Accident Year Indemnity Claim Frequency Model
As of PY 2013 Preliminary 1st Set & December 2015 UCLA**

AY	Annual %	Annual Log Differences						
	Changes Intra-Class Ind Freq	Intra-Class Indemnity Frequency per \$M Exposure at PY 2015 Level			AY+1 Indemnity Benefit Level	Cumulative Injury Index	Economic Variables (1st Prin. Comp.)	CalOSHA Dummy Variable
	Total	Total	Cumulative	Non-cum.				
1979	0.5%	0.005	-0.053	0.007	0.000	-0.060	0.134	0.000
1980	-6.5%	-0.068	-0.132	-0.066	0.033	-0.066	-0.079	0.000
1981	-3.5%	-0.036	-0.028	-0.036	0.000	0.008	-0.078	0.000
1982	-1.6%	-0.016	0.153	-0.022	0.352	0.175	-0.292	0.000
1983	6.2%	0.060	0.214	0.054	0.081	0.160	0.029	0.000
1984	9.5%	0.091	0.235	0.084	0.000	0.151	0.221	0.000
1985	2.0%	0.020	0.138	0.014	0.000	0.124	0.080	0.000
1986	-2.4%	-0.024	0.039	-0.028	0.000	0.067	0.077	0.000
1987	1.5%	0.015	0.053	0.013	0.000	0.041	0.150	0.000
1988	0.7%	0.007	0.104	0.000	0.000	0.104	0.088	0.000
1989	2.5%	0.024	0.212	0.009	0.046	0.203	0.045	0.000
1990	9.0%	0.087	0.337	0.061	0.071	0.276	-0.120	0.000
1991	0.3%	0.003	0.166	-0.018	0.023	0.184	-0.291	0.000
1992	-11.1%	-0.118	-0.272	-0.098	0.013	-0.174	-0.185	0.068
1993	-14.9%	-0.162	-0.240	-0.153	-0.057	-0.088	-0.022	0.464
1994	-12.8%	-0.136	-0.462	-0.107	0.061	-0.355	0.106	0.173
1995	-4.6%	-0.048	-0.016	-0.050	0.053	0.034	0.092	0.295
1996	-6.8%	-0.070	-0.136	-0.065	0.096	-0.071	0.074	0.000
1997	-3.3%	-0.033	-0.023	-0.034	0.066	0.011	0.137	0.000
1998	-3.8%	-0.038	-0.040	-0.038	0.058	-0.002	0.078	0.000
1999	1.5%	0.014	0.100	0.008	0.040	0.092	0.127	0.000
2000	4.0%	0.039	0.071	0.037	-0.003	0.034	0.066	0.000
2001	-6.9%	-0.071	-0.017	-0.076	-0.007	0.059	-0.100	0.000
2002	-2.8%	-0.028	0.002	-0.031	0.060	0.033	-0.197	0.000
2003	-3.1%	-0.032	-0.008	-0.034	-0.065	0.026	-0.022	0.000
2004	-16.8%	-0.184	-0.211	-0.181	-0.398	-0.030	0.098	0.000
2005	-13.6%	-0.146	-0.298	-0.133	0.051	-0.165	0.143	0.000
2006	-5.7%	-0.058	-0.049	-0.059	0.016	0.009	0.090	0.000
2007	-1.6%	-0.016	0.021	-0.019	0.049	0.040	-0.095	0.000
2008	-2.7%	-0.027	0.038	-0.032	0.006	0.071	-0.320	0.000
2009	-0.1%	-0.001	0.169	-0.017	0.066	0.186	-0.414	0.000
2010	9.0%	0.086	0.133	0.081	0.012	0.052	-0.077	0.000
2011	1.3%	0.013	0.036	0.010	0.003	0.026	0.048	0.000
2012	4.8%	0.047	0.113	0.039	-0.008	0.074	0.125	0.000
2013	1.3%	0.013	0.186	-0.010	0.071	0.195	0.156	0.000
2014*	1.2%	0.012	0.155	-0.021	0.003	0.176	0.156	0.000
2015	-0.1%	-0.001	-0.001	-0.001	0.003	0.000	0.194	0.000
2016	-0.3%	-0.003	-0.003	-0.003	0.003	0.000	0.174	0.000
2017	-1.2%	-0.012	-0.012	-0.012	0.003	0.000	0.077	0.000
2018	-1.6%	-0.017	-0.017	-0.017	0.003	0.000	0.029	0.000

Y = Hazardousness-Adjusted Noncumulative Indemnity Claim Frequency

Constant	-0.020				
Std Err of Y Est	0.042				
R Squared	0.563				
No. of Observations	36				
Degrees of Freedom	31				
X Coefficient(s)		0.176	0.270	0.096	-0.141
Std Err of Coef.		0.077	0.064	0.048	0.081

Notes:

Indemnity Benefit Level variable is leading. The benefit level change for AY 2004 is related to the AY 2003 change in non-cumulative frequency.
 The Indemnity Benefit Level change for Ogilvie & Almaraz / Guzman in 2009-2010 is not leading.
 The Indemnity Benefit Level variable excludes indemnity benefit utilization, and changes in the death and permanent total benefits.
 The Indemnity Benefit Level variable has been revised due to on-leveling reassessments. See Actuarial Committee item AC09-03-03.
 For 1993 on, cumulative claims include both cumulative trauma and occupational disease claims. See March 19, 2014 Actuarial Committee Agenda Item III.
 Economic variables are historical through 2014; December 2015 UCLA Anderson Forecasts for 2015 on.
 Regression is over AY 1979 through AY 2014. AY 2015 through AY 2018 are projections.
 The constant term, -0.020, consists of measured offsets that recognize annual changes in real benefit levels relative to nominal benefit levels and long-term economic growth. Without these offsets, the indemnity benefit level and economic variables would project frequency to increase without bound.
 *AY 2014 is preliminary and change is based on a comparison of 2014 accidents on 2013 policies to 2013 accidents on 2012 policies.

Indemnity Claim Frequency History and Projections

AY	Intra-Class Indemnity Claim Frequency(a)	Inter-Class Indemnity Claim Frequency Index(b)	Overall Indemnity Claim Frequency	Annual Percent Changes		
				Intra-Class	Inter-Class	Overall
1979	0.583	0.921	0.702	---	---	---
1980	0.545	0.914	0.651	-6.54%	-0.75%	-7.24%
1981	0.525	0.900	0.619	-3.54%	-1.56%	-5.04%
1982	0.517	0.882	0.597	-1.59%	-2.00%	-3.56%
1983	0.549	0.873	0.627	6.20%	-0.98%	5.17%
1984	0.601	0.871	0.686	9.53%	-0.18%	9.32%
1985	0.614	0.867	0.696	2.05%	-0.51%	1.52%
1986	0.599	0.859	0.673	-2.39%	-0.92%	-3.28%
1987	0.608	0.854	0.680	1.53%	-0.56%	0.97%
1988	0.613	0.854	0.684	0.69%	-0.06%	0.64%
1989	0.628	0.853	0.701	2.47%	-0.08%	2.39%
1990	0.684	0.845	0.757	9.04%	-0.89%	8.07%
1991	0.686	0.832	0.747	0.28%	-1.58%	-1.30%
1992	0.610	0.820	0.655	-11.09%	-1.45%	-12.37%
1993	0.519	0.810	0.550	-14.91%	-1.25%	-15.98%
1994	0.453	0.809	0.480	-12.76%	-0.06%	-12.81%
1995	0.432	0.811	0.458	-4.64%	0.16%	-4.49%
1996	0.403	0.800	0.422	-6.78%	-1.25%	-7.94%
1997	0.390	0.791	0.403	-3.27%	-1.23%	-4.46%
1998	0.375	0.786	0.385	-3.76%	-0.60%	-4.34%
1999	0.380	0.774	0.385	1.45%	-1.48%	-0.05%
2000	0.396	0.752	0.389	4.02%	-2.91%	0.99%
2001	0.368	0.753	0.363	-6.86%	0.13%	-6.74%
2002	0.358	0.763	0.358	-2.78%	1.34%	-1.48%
2003	0.347	0.764	0.347	-3.13%	0.20%	-2.94%
2004	0.289	0.763	0.288	-16.81%	-0.21%	-16.99%
2005	0.249	0.760	0.248	-13.59%	-0.31%	-13.85%
2006	0.235	0.754	0.232	-5.65%	-0.81%	-6.42%
2007	0.232	0.749	0.227	-1.59%	-0.68%	-2.26%
2008	0.225	0.740	0.218	-2.65%	-1.18%	-3.80%
2009	0.225	0.727	0.214	-0.11%	-1.82%	-1.93%
2010	0.245	0.713	0.229	8.95%	-1.87%	6.92%
2011	0.249	0.703	0.229	1.28%	-1.43%	-0.17%
2012	0.260	0.695	0.237	4.81%	-1.14%	3.62%
2013(c)	0.264	0.691	0.239	1.35%	-0.63%	0.71%
2013(d)	0.262	0.691	0.236	---	---	---
2014(e)	0.265	0.690	0.239	1.21%	-0.05%	1.15%
2015	0.265	0.690	0.239	-0.08%	-0.06%	-0.13%
2016	0.264	0.688	0.237	-0.28%	-0.28%	-0.55%
2017	0.261	0.686	0.234	-1.20%	-0.25%	-1.45%
2018	0.256	0.686	0.230	-1.65%	-0.02%	-1.67%
PY						
2008	0.225	0.734	0.216			
2009	0.234	0.721	0.221	3.91%	-1.84%	1.96%
2010	0.247	0.709	0.229	5.38%	-1.68%	3.65%
2011	0.254	0.699	0.232	2.86%	-1.30%	1.52%
2012	0.262	0.693	0.238	3.23%	-0.91%	2.30%
2013	0.264	0.690	0.239	0.88%	-0.37%	0.51%
2014	0.265	0.690	0.239	0.14%	-0.05%	0.08%
2015	0.264	0.689	0.238	-0.17%	-0.15%	-0.32%
2016	0.262	0.687	0.236	-0.69%	-0.27%	-0.95%
2017	0.259	0.686	0.232	-1.40%	-0.15%	-1.54%

- Notes: (a) All frequencies are per \$M exposure at PY 2015 Level.
(b) Index is to AY 1961.
(c) 2013 accidents on 2012 and 2013 policies.
(d) 2013 accidents on 2012 policies only.
(e) AY 2014 is preliminary and percent changes are based on a comparison of 2014 accidents on 2013 policies to 2013 accidents on 2012 policies.
(f) Forecasts below thick solid line.

Source: WCIRB Indemnity Frequency Model

California OPRL Injury & Illness Rates

A	B	C	D	E	F	G	H	I	J	
CY	Total Reportable Incidents	Total Cases(a)	Total Days Away Cases	Ind Proxy/ Incidents	California Avg Ann Employment(b)	Frequency Rates per 1,000 Workers Incidents	"Indemnity"	Annual Change in Frequency Rates Incidents	"Indemnity"	Insured System Overall Ind Freq Change(c)
1992	993.9	456.6	359.8	36.2%	12,171.0	81.7	29.6	---	---	
1993	918.4	425.0	324.8	35.4%	11,964.1	76.8	27.1	-6.0%	-8.2%	-16.0%
1994	902.6	436.7	313.3	34.7%	12,150.9	74.3	25.8	-3.2%	-5.0%	-12.8%
1995	825.3	401.0	278.0	33.7%	12,458.6	66.2	22.3	-10.8%	-13.5%	-4.5%
1996	784.7	384.3	253.3	32.3%	12,739.1	61.6	19.9	-7.0%	-10.9%	-7.9%
1997	809.3	409.8	251.6	31.1%	13,149.1	61.5	19.1	-0.1%	-3.8%	-4.5%
1998	779.5	388.2	241.0	30.9%	13,583.5	57.4	17.7	-6.8%	-7.3%	-4.3%
1999	758.9	370.8	229.1	30.2%	14,135.5	53.7	16.2	-6.4%	-8.6%	-0.1%
2000	787.4	396.4	246.2	31.3%	14,616.5	53.9	16.8	0.3%	3.9%	1.0%
2001	748.2	413.4	259.0	34.6%	14,747.4	50.7	17.6	-5.8%	4.3%	-6.7%
2002	694.1	404.1	231.8	33.4%	14,593.0	47.6	15.9	-6.2%	-9.6%	-1.5%
2003	684.7	387.0	223.5	32.6%	14,301.3	47.9	15.6	0.7%	-1.6%	-2.9%
2004	645.1	367.3	201.4	31.2%	14,383.1	44.9	14.0	-6.3%	-10.4%	-17.0%
2005	629.9	344.1	179.4	28.5%	14,570.7	43.2	12.3	-3.6%	-12.1%	-13.9%
2006	603.0	340.4	171.0	28.4%	14,892.9	40.5	11.5	-6.3%	-6.7%	-6.4%
2007	594.4	328.6	168.2	28.3%	15,428.6	38.5	10.9	-4.8%	-5.1%	-2.3%
2008	541.8	298.4	158.9	29.3%	15,452.7	35.1	10.3	-9.0%	-5.7%	-3.8%
2009	491.9	269.3	142.3	28.9%	14,877.9	33.1	9.6	-5.7%	-7.0%	-1.9%
2010	464.1	257.1	137.4	29.6%	14,255.0	32.6	9.6	-1.5%	0.8%	6.9%
2011	440.9	243.6	134.2	30.4%	13,875.2	31.8	9.7	-2.4%	0.3%	-0.2%
2012	451.5	257.1	140.1	31.0%	14,959.8	30.2	9.4	#N/A	#N/A	3.6%
2013	468.4	265.0	146.8	31.3%	15,379.0	30.5	9.5	0.9%	1.9%	0.7%
2014	460.7	265.1	142.8	31.0%	15,809.1	29.1	9.0	-4.3%	-5.4%	1.2%
	000s	000s	000s	Proxy for	000s	Proxy for	Proxy for	Change in	Change in	
	Broad OSHA		Proxy for	Indemnity		Indemnity	Indemnity	Column G	Column H	
	Definition		Indemnity	to Total		& Med-Only	D / F	Proxy for	Proxy for	
	Proxy for			Ratio		Combined		Indemnity	Indemnity	
	Med & Ind			D / B		B / F		& Med-Only		
	Combined							Combined		

Notes: (a) Cases with days away from work, job restrictions or transfers.
 (b) Series Change: OPRL data element was discontinued in 2012. BLS QCEW data element for 2013 and later.
 (c) Insured System AY 2014 change is based on a comparison of 2014 accidents on 2013 policies to 2013 accidents on 2012 policies. Insured System AY 2014 is preliminary.

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

Self-Insured Employers - Claim Frequency

Private Self-Insured Employers

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

Public Self-Insured Employers

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

All Self-Insured Employers

CY	Number of Cases Reported During Year			Indemnity /Total	Annual Change	All Self-Ins. Employees	Total Frequency	Total Freq.		Ind. Freq.		Insured System AY	Ind. Freq Annual Change
	Medical-Only	Indemnity	Total					Annual Change	Indemnity Frequency	Annual Change			
2001	138,765	105,024	243,789	0.431	---	3,491,659	0.070	---	0.030	---	2001	-6.7%	
2002	139,809	109,084	248,892	0.438	1.7%	3,543,887	0.070	0.6%	0.031	2.3%	2002	-1.5%	
2003	139,035	111,106	250,141	0.444	1.3%	4,199,255	0.060	-15.2%	0.026	-14.0%	2003	-2.9%	
2004	139,781	102,695	242,476	0.424	-4.6%	4,379,772	0.055	-7.1%	0.023	-11.4%	2004	-17.0%	
2005	134,539	94,497	229,036	0.413	-2.6%	4,531,486	0.051	-8.7%	0.021	-11.1%	2005	-13.9%	
2006	135,380	87,164	222,544	0.392	-5.1%	4,438,155	0.050	-0.8%	0.020	-5.8%	2006	-6.4%	
2007	129,606	84,388	213,994	0.394	0.7%	4,185,905	0.051	2.0%	0.020	2.6%	2007	-2.3%	
2008	129,248	90,238	219,486	0.411	4.3%	4,410,364	0.050	-2.7%	0.020	1.5%	2008	-3.8%	
2009	118,024	87,016	205,039	0.424	3.2%	4,241,253	0.048	-2.9%	0.021	0.3%	2009	-1.9%	
2010	112,958	86,298	199,255	0.433	2.1%	4,126,124	0.048	-0.1%	0.021	1.9%	2010	6.9%	
2011	109,839	86,357	196,196	0.440	1.6%	4,020,445	0.049	1.1%	0.021	2.7%	2011	-0.2%	
2012	110,219	84,995	195,214	0.435	-1.1%	4,017,726	0.049	-0.4%	0.021	-1.5%	2012	3.6%	
2013	105,725	86,201	191,926	0.449	3.2%	4,232,408	0.045	-6.7%	0.020	-3.7%	2013	0.7%	
2014	103,545	87,841	191,385	0.459	5.4%	4,029,849	0.047	-2.3%	0.022	3.0%	2014	1.2%	

Notes: Fiscal Year Public data prorated to CYs 50%/50%.
 Insured System AY 2014 change is based on a comparison of 2014 accidents on 2013 policies to 2013 accidents on 2012 policies.
 Insured System AY 2014 is preliminary.

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

Annual Changes in Indemnity Frequency Attributable to Changes in Hazardousness

Policy Year	Report Level	Change in Frequency Hazardousness	Indemnity Frequency Hazardousness Index	Annual % Change in Ind Frequency Attributable to Change in Mix of Exposures
1961	3	1.000000	1.000000	-----
1962	3	0.990262	0.990262	-0.9738
1963	3	0.998718	0.988993	-0.1282
1964	3	0.994304	0.983359	-0.5696
1965	3	0.993875	0.977336	-0.6125
1966	3	0.983584	0.961291	-1.6416
1967	3	0.987626	0.949396	-1.2374
1968	3	0.997512	0.947033	-0.2488
1969	3	0.986390	0.934144	-1.3610
1970	3	0.989966	0.924770	-1.0034
1971	3	1.000824	0.925532	0.0824
1972	3	1.000505	0.926000	0.0505
1973	3	0.998631	0.924732	-0.1369
1974	3	0.986017	0.911802	-1.3983
1975	3	0.984110	0.897313	-1.5890
1976	3	1.004996	0.901796	0.4996
1977	3	1.009490	0.910354	0.9490
1978	3	1.012494	0.921728	1.2494
1979	3	0.997841	0.919739	-0.2159
1980	3	0.988843	0.909477	-1.1157
1981	3	0.981336	0.892503	-1.8664
1982	3	0.979033	0.873790	-2.0967
1983	3	0.997989	0.872032	-0.2011
1984	3	0.998272	0.870525	-0.1728
1985	3	0.992516	0.864010	-0.7484
1986	3	0.989667	0.855082	-1.0333
1987	3	0.997751	0.853159	-0.2249
1988	3	1.000574	0.853649	0.0574
1989	5	0.998212	0.852122	-0.1788
1990	5	0.986184	0.840349	-1.3816
1991	5	0.982822	0.825913	-1.7178
1992	5	0.987393	0.815501	-1.2607
1993	5	0.987562	0.805358	-1.2438
1994	5	1.007382	0.811303	0.7382
1995	5	0.997625	0.809376	-0.2375
1996	5	0.980288	0.793422	-1.9712
1997	5	0.993034	0.787895	-0.6966
1998	5	0.994743	0.783752	-0.5257
1999	5	0.978134	0.766615	-2.1866
2000	5	0.965472	0.740145	-3.4528
2001	5	1.027926	0.760814	2.7926
2002	5	1.002823	0.762962	0.2823
2003	5	1.001398	0.764029	0.1398
2004	5	0.995209	0.760369	-0.4791
2005	5	0.998285	0.759065	-0.1715
2006	5	0.986896	0.749118	-1.3104
2007	5	0.998047	0.747655	-0.1953
2008	5	0.980684	0.733213	-1.9316
2009	5	0.982624	0.720473	-1.7376
2010	Proj to 5th	0.980249	0.706243	-1.9751
2011	Proj to 5th	0.990064	0.699226	-0.9936
2012	Proj to 5th	0.987480	0.690471	-1.2520
2013	Proj to 5th	0.998807	0.689647	-0.1193

Note: PY 2013 is preliminary.

Source: WCIRB unit statistical data

Changes in Incremental Indemnity Claim Counts and Medical Only Claim Counts

Calendar Quarter Evaluation	Change in Statewide Incremental Number of Indemnity Claims		Change in Statewide Incremental Number of Medical-Only Claims	
	Change in Quarterly Increment from Same Quarter at Prior Calendar Year	Change in 4-Quarter Increment from Same Quarter at Prior Calendar Year	Change in Quarterly Increment from Same Quarter at Prior Calendar Year	Change in 4-Quarter Increment from Same Quarter at Prior Calendar Year
	<u>Calendar Year</u>	<u>Calendar Year</u>	<u>Calendar Year</u>	<u>Calendar Year</u>
3/31/2007	-2.4%	---	---	---
6/30/2007	-10.2%	---	-13.5%	---
9/30/2007	0.3%	---	1.2%	---
12/31/2007	-13.4%	-6.3%	-19.4%	---
3/31/2008	-5.8%	-7.2%	-14.8%	-11.6%
6/30/2008	-3.9%	-5.7%	-2.8%	-9.0%
9/30/2008	-19.2%	-10.7%	-17.6%	-13.9%
12/31/2008	-16.7%	-11.4%	-3.8%	-10.3%
3/31/2009	-27.1%	-16.8%	-27.5%	-13.2%
6/30/2009	-14.2%	-19.4%	-27.0%	-19.4%
9/30/2009	-8.2%	-16.8%	-16.7%	-19.2%
12/31/2009	2.5%	-12.8%	-15.8%	-22.0%
3/31/2010	7.4%	-4.1%	-5.2%	-17.1%
6/30/2010	3.9%	1.0%	-1.9%	-10.6%
9/30/2010	6.7%	5.1%	-6.3%	-7.6%
12/31/2010	7.2%	6.3%	3.3%	-2.6%
3/31/2011	2.7%	5.1%	-4.1%	-2.3%
6/30/2011	-1.2%	3.8%	-8.9%	-4.1%
9/30/2011	3.4%	2.9%	-1.3%	-2.7%
12/31/2011	4.5%	2.3%	-7.8%	-5.5%
3/31/2012	-0.3%	1.6%	-1.7%	-4.6%
6/30/2012	8.1%	3.9%	-0.2%	-2.7%
9/30/2012	5.8%	4.6%	3.5%	-1.5%
12/31/2012	6.7%	5.1%	5.4%	1.8%
3/31/2013	2.8%	5.9%	-1.7%	1.8%
6/30/2013	11.0%	6.7%	9.6%	4.2%
9/30/2013	6.4%	6.8%	-2.1%	2.7%
12/31/2013	5.5%	6.5%	0.4%	1.4%
3/31/2014	14.2%	9.1%	3.2%	2.6%
6/30/2014	0.9%	6.4%	-3.4%	-0.6%
9/30/2014	3.5%	5.6%	5.7%	1.4%
12/31/2014	2.8%	4.9%	6.4%	3.0%
3/31/2015	0.5%	1.9%	8.1%	4.1%
6/30/2015	5.9%	3.2%	4.9%	6.2%
9/30/2015	3.2%	3.1%	6.2%	6.4%

Source: WCIRB quarterly calls for experience

Economic Variables

CY	Aggregate Employment	Unemployment Rate	Annual Log Differences		Economic Variables 1st Prin. Comp.
			Aggregate Employment	Unemployment Rate	
1961	3,963,045	6.90			
1962	4,146,543	5.80	0.045	-0.174	0.178
1963	4,293,753	6.00	0.035	0.034	-0.028
1964	4,426,149	6.00	0.030	0.000	0.004
1965	4,546,493	5.90	0.027	-0.017	0.021
1966	4,793,726	4.90	0.053	-0.186	0.191
1967	4,928,912	5.70	0.028	0.151	-0.146
1968	5,134,347	5.40	0.041	-0.054	0.059
1969	5,369,004	5.20	0.045	-0.038	0.044
1970	5,336,279	7.30	-0.006	0.339	-0.337
1971	5,284,799	8.83	-0.010	0.190	-0.190
1972	6,022,335	7.65	0.131	-0.144	0.162
1973	6,500,382	7.06	0.076	-0.080	0.090
1974	6,709,167	7.34	0.032	0.039	-0.034
1975	6,684,898	9.92	-0.004	0.301	-0.298
1976	7,260,848	9.21	0.083	-0.074	0.085
1977	7,681,589	8.29	0.056	-0.105	0.112
1978	9,202,641	7.15	0.181	-0.148	0.173
1979	9,621,337	6.28	0.044	-0.129	0.134
1980	10,268,820	6.87	0.065	0.090	-0.079
1981	10,407,736	7.45	0.013	0.081	-0.078
1982	10,234,540	9.99	-0.017	0.293	-0.292
1983	10,334,289	9.72	0.010	-0.028	0.029
1984	10,825,484	7.82	0.046	-0.217	0.221
1985	11,177,907	7.25	0.032	-0.076	0.080
1986	11,488,884	6.73	0.027	-0.074	0.077
1987	11,893,288	5.81	0.035	-0.147	0.150
1988	12,360,607	5.35	0.039	-0.083	0.088
1989	12,692,339	5.13	0.026	-0.041	0.045
1990	12,946,456	5.81	0.020	0.124	-0.120
1991	12,781,960	7.78	-0.013	0.292	-0.291
1992	12,581,862	9.36	-0.016	0.185	-0.185
1993	12,482,776	9.56	-0.008	0.021	-0.022
1994	12,615,342	8.60	0.011	-0.105	0.106
1995	12,872,957	7.86	0.020	-0.090	0.092
1996	13,231,096	7.32	0.027	-0.071	0.074
1997	13,625,513	6.40	0.029	-0.134	0.137
1998	14,089,081	5.95	0.033	-0.074	0.078
1999	14,486,093	5.25	0.028	-0.124	0.127
2000	14,998,842	4.94	0.035	-0.062	0.066
2001	15,097,177	5.47	0.007	0.102	-0.100
2002	14,963,322	6.66	-0.009	0.197	-0.197
2003	14,933,996	6.81	-0.002	0.022	-0.022
2004	15,108,885	6.18	0.012	-0.098	0.098
2005	15,389,831	5.36	0.018	-0.142	0.143
2006	15,661,145	4.90	0.017	-0.089	0.090
2007	15,797,334	5.41	0.009	0.098	-0.095
2008	15,635,048	7.46	-0.010	0.322	-0.320
2009	14,749,114	11.24	-0.058	0.410	-0.414
2010	14,597,696	12.14	-0.010	0.076	-0.077
2011	14,753,987	11.57	0.011	-0.047	0.048
2012	15,111,479	10.23	0.024	-0.123	0.125
2013	15,592,931	8.78	0.031	-0.153	0.156
2014	16,062,576	7.53	0.030	-0.153	0.156
2015	16,531,227	6.22	0.029	-0.192	0.194
2016	16,901,881	5.23	0.022	-0.172	0.174
2017	17,156,458	4.85	0.015	-0.075	0.077

Notes: The first principal component is of the annual log difference data from 1962-2015.

The first principal component of the annual log difference of the economic variables is:

1st PC of Econ Variables = -0.1452063 x Aggregate Employment + 0.9894014 x Unemployment Rate

Sources: Government historical labor statistics through 2015

UCLA Anderson forecasts through 2017 are as of December 2015

California Workers' Compensation Fraud Statistics

Fiscal Year	Suspected			Cases Submitted to Prosecutor
	Fraud Claims	Cases	Arrests	
1992	8,342	185	24	-----
1993	7,284	452	116	-----
1994	4,004	601	163	-----
1995	3,947	903	202	-----
1996	3,281	598	209	-----
1997	4,331	617	298	182
1998	3,363	567	216	195
1999	3,362	667	226	194
2000	3,548	476	170	164
2001	2,968	651	141	-----
2002	3,544	827	199	-----
2003	5,122	868	215	-----
2004	6,492	677	178	219
2005	8,509	572	299	319
2006	5,933	724	401	483
2007	4,973	515	375	432
2008	5,174	539	218	327
2009	5,728	754	269	280
2010	5,741	501	254	272
2011	5,207	556	132	168
2012	5,151	847	268	309
2013	5,729	669	255	248

Source: California Department of Insurance,
 -Annual Report of the Commissioner
 -Enforcement Branch
 -Workers' Compensation Insurance Fraud Program

California Courts' Civil Filings Summary

Fiscal Year Beginning	Trial Courts			
	Superior and Municipal			
	Civil Filings			
	All		Less Family Law	
Number	Change	Number	Change	
1959	634,624	---	---	---
1960	706,166	0.113	---	---
1961	744,269	0.054	---	---
1962	787,441	0.058	---	---
1963	843,280	0.071	---	---
1964	891,973	0.058	---	---
1965	946,260	0.061	---	---
1966	865,332	-0.086	---	---
1967	891,886	0.031	---	---
1968	869,810	-0.025	---	---
1969	905,685	0.041	---	---
1970	959,421	0.059	---	---
1971	981,212	0.023	---	---
1972	1,052,267	0.072	---	---
1973	1,114,949	0.060	---	---
1974	1,224,562	0.098	---	---
1975	1,242,827	0.015	---	---
1976	1,294,779	0.042	---	---
1977	1,363,357	0.053	---	---
1978	1,460,745	0.071	---	---
1979	1,564,719	0.071	---	---
1980	1,615,838	0.033	---	---
1981	1,638,175	0.014	---	---
1982	1,600,398	-0.023	---	---
1983	1,578,141	-0.014	---	---
1984	1,633,409	0.035	---	---
1985	1,713,056	0.049	---	---
1986	1,752,304	0.023	---	---
1987	1,761,284	0.005	---	---
1988	1,777,499	0.009	---	---
1989	1,787,771	0.006	---	---
1990	1,821,421	0.019	1,436,634	---
1991	1,886,484	0.036	1,463,328	0.019
1992	1,795,634	-0.048	1,351,376	-0.077
1993	1,738,323	-0.032	1,277,551	-0.055
1994	1,793,408	0.032	1,264,674	-0.010
1995	1,831,629	0.021	1,228,797	-0.028
1996	1,801,902	-0.016	1,228,566	0.000
1997	1,700,445	-0.056	1,176,333	-0.043
1998	1,596,287	-0.061	1,090,763	-0.073
1999	1,515,827	-0.050	1,037,341	-0.049
2000	1,504,138	-0.008	1,034,899	-0.002
2001	1,569,231	0.043	1,078,629	0.042
2002	1,548,402	-0.013	1,075,154	-0.003
2003	1,503,419	-0.029	1,021,779	-0.050
2004	1,426,822	-0.051	951,551	-0.069
2005	1,418,896	-0.006	960,582	0.009
2006	1,462,648	0.031	1,000,197	0.041
2007	1,586,597	0.085	1,143,038	0.143
2008	1,731,135	0.091	1,272,321	0.113
2009	1,647,817	-0.048	1,195,146	-0.061
2010	1,574,569	-0.044	1,127,642	-0.056
2011	1,464,629	-0.070	1,026,829	-0.089
2012	1,388,964	-0.052	963,877	-0.061
2013	1,260,999	-0.139	879,513	-0.143

Notes: Small claims appeals were added to total civil filings in the beginning of year 2003 and are trivial.

Filings from the beginning of year 1989 and prior are from a previous WCIRB study.

Source: California Court Statistics Report

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

AY	1st Half Partial PY.RL Sources					Share of Total Indemnity Count 1st Half Partial PY.RL Sources				
	(AY-1).1	(AY-1).2	(AY-1).3	(AY-1).4	(AY-1).5	(AY-1).1	(AY-1).2	(AY-1).3	(AY-1).4	(AY-1).5
1995	2,519	4,071	5,035	6,162	6,287	4.5%	5.9%	6.7%	7.9%	8.0%
1996	2,756	4,734	5,516	5,842	5,871	4.8%	6.4%	6.8%	7.2%	7.0%
1997	4,371	5,394	5,991	6,107	6,231	6.1%	6.6%	7.2%	7.2%	7.5%
1998	4,594	5,515	5,823	5,994	5,953	5.8%	6.5%	6.7%	7.1%	7.1%
1999	5,301	5,928	6,496	6,637	6,936	6.3%	6.8%	7.5%	7.6%	7.9%
2000	5,573	6,660	7,055	7,404	7,472	6.5%	7.6%	7.9%	8.2%	8.3%
2001	5,750	6,795	7,576	7,679	7,697	7.2%	7.8%	8.5%	8.6%	8.7%
2002	5,400	7,046	7,241	7,381	7,411	7.1%	8.3%	8.5%	8.6%	8.7%
2003	6,143	6,952	7,183	7,329	7,431	8.0%	8.6%	8.9%	9.1%	9.2%
2004	5,374	5,723	5,860	5,961	6,086	8.4%	8.7%	8.9%	9.0%	9.2%
2005	3,184	3,665	3,969	4,243	4,568	5.7%	6.4%	6.8%	7.3%	7.7%
2006	2,989	3,569	3,924	4,231	4,348	5.5%	6.4%	7.0%	7.5%	7.8%
2007	3,037	3,645	4,036	4,274	4,413	5.9%	6.8%	7.4%	7.8%	8.1%
2008	2,914	3,659	4,180	4,458	4,636	5.9%	7.0%	7.9%	8.4%	8.6%
2009	2,974	3,932	4,524	4,822	5,152	6.7%	8.2%	9.3%	9.8%	10.4%
2010	3,442	4,472	4,983	5,491	5,729	7.4%	9.0%	9.8%	10.8%	11.1%
2011	3,321	4,370	5,228	5,623		7.1%	8.6%	10.1%	10.6%	
2012	3,513	5,076	5,775			7.0%	9.3%	10.3%		
2013	4,714	6,320				8.9%	11.0%			
2014	5,428					10.0%				

AY	1st Half Partial PY.RL Development Factors					Final Fifths	1st Half Share of Ttl Ind Fifths
	(AY-1).1 to (AY-1).2	(AY-1).2 to (AY-1).3	(AY-1).3 to (AY-1).4	(AY-1).4 to (AY-1).5			
1995	1.6159	1.2369	1.2238	1.0202	6,287	8.1%	
1996	1.7175	1.1652	1.0591	1.0049	5,871	7.1%	
1997	1.2339	1.1107	1.0195	1.0203	6,231	7.6%	
1998	1.2005	1.0559	1.0293	0.9932	5,953	7.1%	
1999	1.1183	1.0958	1.0217	1.0450	6,936	7.9%	
2000	1.1951	1.0592	1.0495	1.0091	7,472	8.3%	
2001	1.1817	1.1149	1.0136	1.0024	7,697	8.7%	
2002	1.3049	1.0276	1.0194	1.0040	7,411	8.7%	
2003	1.1316	1.0333	1.0203	1.0139	7,431	9.2%	
2004	1.0649	1.0239	1.0173	1.0210	6,086	9.3%	
2005	1.1509	1.0829	1.0692	1.0766	4,568	7.8%	
2006	1.1941	1.0995	1.0782	1.0275	4,348	7.8%	
2007	1.2003	1.1071	1.0591	1.0324	4,413	8.2%	
2008	1.2559	1.1423	1.0663	1.0400	4,636	8.7%	
2009	1.3223	1.1505	1.0658	1.0684	5,152	10.5%	
2010	1.2993	1.1143	1.1020	1.0541	5,788	11.8%	
2011	1.3159	1.1963	1.0837	1.0541	5,972	12.1%	
2012	1.4449	1.1546	1.0837	1.0541	6,695	12.9%	
2013	1.3789	1.1546	1.0837	1.0541	8,573	15.8%	
2014	1.3789	1.1546	1.0837	1.0541	9,872	17.9%	

Notes:

Cumulative injury claims include occupational disease.

Selected link ratios are geometric mean of latest two links and are shown in bold.

The partial accident years shown represent claims occurring during the year from policies written the previous year. For example,

AY 2014 claims occurred in 2014 from policies written in 2013.

Source: WCIRB unit statistical data

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

Region	Ratio of Permanent Disability Claims to Indemnity Claims for Accident Year													
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Bay Area	0.398	0.390	0.371	0.350	0.305	0.304	0.281	0.286	0.297	0.296	0.307	0.303	0.316	0.322
Los Angeles/LA Basin	0.478	0.478	0.482	0.462	0.402	0.384	0.395	0.405	0.401	0.388	0.401	0.409	0.412	<i>0.404</i>
All Other	0.428	0.430	0.413	0.376	0.325	0.320	0.307	0.322	0.321	0.322	0.319	0.331	0.335	<i>0.342</i>
All Regions	0.443	0.444	0.437	0.411	0.356	0.346	0.342	0.354	0.356	0.350	0.356	0.365	0.370	0.369

Region	Annual Change													
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Bay Area	---	-2.1%	-4.9%	-5.7%	-12.9%	-0.3%	-7.5%	1.8%	3.7%	-0.1%	3.7%	-1.4%	4.2%	1.8%
Los Angeles/LA Basin	---	0.2%	0.7%	-4.0%	-13.1%	-4.3%	2.8%	2.6%	-1.0%	-3.3%	3.3%	2.2%	0.5%	-1.8%
All Other	---	0.4%	-3.9%	-8.9%	-13.7%	-1.5%	-4.1%	5.0%	-0.4%	0.3%	-0.9%	3.9%	1.3%	2.1%
All Regions	---	0.1%	-1.6%	-6.0%	-13.4%	-2.7%	-1.1%	3.6%	0.4%	-1.5%	1.8%	2.4%	1.3%	-0.1%

Region	Ratio of Indemnity Claims to Total Claims for Accident Year													
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Bay Area	0.336	0.340	0.343	0.306	0.281	0.284	0.288	0.292	0.304	0.314	0.322	0.322	0.331	<i>0.334</i>
Los Angeles/LA Basin	0.346	0.359	0.363	0.331	0.300	0.295	0.302	0.312	0.337	0.352	0.358	0.372	0.390	<i>0.406</i>
All Other	0.334	0.341	0.341	0.311	0.286	0.280	0.283	0.289	0.301	0.316	0.324	0.329	0.338	<i>0.336</i>
All Regions	0.340	0.348	0.351	0.319	0.291	0.287	0.292	0.300	0.318	0.332	0.339	0.348	0.361	<i>0.368</i>

Region	Annual Change													
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Bay Area	---	1.2%	0.9%	-10.8%	-8.2%	1.1%	1.1%	1.5%	4.0%	3.6%	2.5%	0.0%	2.9%	0.7%
Los Angeles/LA Basin	---	3.5%	1.1%	-8.7%	-9.5%	-1.8%	2.6%	3.1%	8.2%	4.3%	1.7%	4.0%	5.0%	3.9%
All Other	---	2.0%	0.0%	-8.7%	-8.0%	-2.2%	1.2%	2.1%	4.1%	4.9%	2.6%	1.6%	2.6%	-0.5%
All Regions	---	2.6%	0.7%	-9.1%	-8.7%	-1.4%	1.8%	2.5%	6.1%	4.5%	2.1%	2.5%	3.8%	2.0%

Region	Cumulative Injury Claims per 100 Indemnity Claims for Accident Year													
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Bay Area	7.75	8.43	7.94	7.32	6.02	5.39	6.29	6.25	6.46	6.56	6.18	6.15	7.88	8.39
Los Angeles/LA Basin	7.87	8.56	9.26	9.15	6.86	6.56	7.05	7.18	8.74	9.66	9.29	10.42	13.03	<i>14.88</i>
All Other	5.49	6.05	6.24	6.04	4.31	4.42	4.44	4.45	5.04	5.95	5.38	5.49	6.50	7.38
All Regions	6.94	7.60	7.92	7.69	5.76	5.57	5.96	6.05	7.06	7.86	7.38	7.97	9.89	<i>11.31</i>

Region	Annual Change													
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Bay Area	---	8.8%	-5.8%	-7.8%	-17.7%	-10.4%	16.6%	-0.6%	3.5%	1.5%	-5.7%	-0.6%	28.2%	6.5%
Los Angeles/LA Basin	---	8.8%	8.2%	-1.2%	-25.1%	-4.3%	7.4%	1.9%	21.6%	10.6%	-3.9%	12.2%	25.1%	<i>14.2%</i>
All Other	---	10.2%	3.1%	-3.2%	-28.7%	2.6%	0.4%	0.3%	13.3%	18.1%	-9.7%	2.0%	18.6%	<i>13.5%</i>
All Regions	---	9.5%	4.2%	-2.9%	-25.1%	-3.4%	7.0%	1.5%	16.8%	11.3%	-6.1%	8.0%	24.2%	<i>14.3%</i>

Figures in italics are based on preliminary partial data.

Source: WCIRB Unit Statistical data

Ratio of Total Indemnity Claim Counts to Total Claim Counts

Accident Year	Evaluated as of (in months):									
	<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>
1997										0.321
1998									0.321	0.321
1999								0.330	0.330	0.330
2000							0.338	0.338	0.338	0.338
2001						0.346	0.345	0.345	0.344	0.344
2002					0.363	0.361	0.361	0.360	0.360	0.359
2003				0.361	0.359	0.358	0.357	0.357	0.356	0.355
2004			0.323	0.321	0.320	0.319	0.318	0.318	0.317	0.317
2005		0.301	0.296	0.295	0.294	0.294	0.294	0.293	0.293	0.293
2006	0.310	0.294	0.292	0.291	0.291	0.291	0.290	0.290	0.290	0.290
2007	0.307	0.298	0.298	0.299	0.299	0.299	0.299	0.299	0.299	
2008	0.305	0.307	0.311	0.312	0.312	0.313	0.313	0.313		
2009	0.315	0.327	0.332	0.334	0.335	0.335	0.335			
2010	0.323	0.342	0.348	0.351	0.352	0.352				
2011	0.330	0.353	0.361	0.364	0.365					
2012	0.332	0.353	0.362	0.365						
2013	0.342	0.366	0.373							
2014	0.344	0.362								
2015	0.341									

Note: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 68% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

Source: WCIRB quarterly calls for experience

Distribution of Cumulative Injury Claims by Injury Type

Permanent Indemnity*

Percentage of All Cumulative Injury Claims						Annual Change					
AY/RL	1	2	3	4	5	AY/RL	1	2	3	4	5
1999	30.6%	34.2%	35.7%	36.7%	37.4%	1999	---	---	---	---	---
2000	31.4%	35.4%	36.9%	37.5%	36.3%	2000	2.6%	3.4%	3.3%	2.2%	-3.0%
2001	30.8%	35.0%	36.6%	37.3%	37.6%	2001	-2.1%	-1.2%	-0.7%	-0.7%	3.5%
2002	32.8%	36.5%	37.5%	38.0%	37.8%	2002	6.6%	4.5%	2.4%	2.1%	0.7%
2003	33.5%	37.1%	38.3%	38.6%	38.8%	2003	2.0%	1.7%	2.0%	1.4%	2.6%
2004	28.5%	31.2%	32.6%	33.3%	34.4%	2004	-14.8%	-15.9%	-14.9%	-13.8%	-11.3%
2005	20.9%	24.5%	26.8%	29.2%	31.0%	2005	-26.6%	-21.6%	-17.6%	-12.2%	-9.9%
2006	19.2%	24.4%	27.7%	29.7%	30.6%	2006	-8.4%	-0.2%	3.2%	1.8%	-1.4%
2007	20.0%	26.1%	29.1%	29.2%	30.9%	2007	4.4%	6.7%	4.8%	-1.7%	1.1%
2008	20.8%	27.0%	30.2%	31.0%	31.4%	2008	3.8%	3.4%	3.9%	6.1%	1.6%
2009	23.8%	30.6%	34.3%	34.9%	34.5%	2009	14.3%	13.4%	13.7%	12.5%	9.7%
2010	23.7%	31.9%	33.8%	34.1%	33.9%	2010	-0.4%	4.4%	-1.6%	-2.2%	-1.6%
2011	27.4%	32.8%	34.6%	34.8%		2011	15.9%	2.7%	2.3%	2.0%	
2012	28.5%	33.6%	34.7%			2012	3.9%	2.3%	0.4%		
2013	29.0%	35.3%				2013	1.7%	5.3%			
2014	31.3%					2014	7.9%				

Temporary Indemnity

Percentage of All Cumulative Injury Claims						Annual Change					
AY/RL	1	2	3	4	5	AY/RL	1	2	3	4	5
1999	20.1%	17.0%	16.2%	15.7%	15.4%	1999	---	---	---	---	---
2000	20.6%	17.2%	17.2%	16.6%	16.1%	2000	2.8%	1.0%	5.9%	5.6%	4.4%
2001	20.3%	18.4%	17.5%	16.7%	16.1%	2001	-1.4%	7.2%	1.6%	0.3%	0.0%
2002	19.8%	18.0%	16.5%	15.6%	15.6%	2002	-2.3%	-2.5%	-5.7%	-6.3%	-3.2%
2003	21.5%	18.1%	16.6%	16.1%	15.9%	2003	8.4%	0.4%	0.8%	3.0%	2.2%
2004	21.6%	18.6%	17.2%	16.4%	15.6%	2004	0.2%	3.3%	3.4%	2.2%	-2.1%
2005	21.5%	19.0%	17.5%	15.9%	14.6%	2005	-0.2%	1.9%	2.1%	-3.3%	-6.0%
2006	21.6%	19.2%	16.7%	15.4%	14.6%	2006	0.2%	0.9%	-5.0%	-3.4%	-0.4%
2007	22.7%	18.7%	17.1%	15.8%	15.6%	2007	5.1%	-2.2%	2.7%	3.1%	6.7%
2008	22.3%	19.1%	17.3%	16.2%	15.6%	2008	-1.8%	1.9%	0.9%	2.3%	0.1%
2009	25.1%	21.6%	19.3%	17.5%	16.8%	2009	12.8%	13.2%	11.7%	8.1%	7.9%
2010	26.6%	21.9%	19.2%	18.4%	18.9%	2010	6.1%	1.2%	-0.6%	5.0%	12.7%
2011	26.4%	22.8%	21.3%	22.2%		2011	-0.9%	4.2%	11.2%	20.8%	
2012	26.1%	23.7%	22.9%			2012	-1.2%	3.9%	7.6%		
2013	29.2%	27.2%				2013	11.7%	14.7%			
2014	31.0%					2014	6.2%				

Medical-Only

Percentage of All Cumulative Injury Claims						Annual Change					
AY/RL	1	2	3	4	5	AY/RL	1	2	3	4	5
1999	49.3%	48.6%	48.0%	47.4%	47.1%	1999	---	---	---	---	---
2000	47.9%	47.3%	45.8%	45.7%	47.5%	2000	-2.8%	-2.7%	-4.5%	-3.6%	0.9%
2001	48.9%	46.5%	45.8%	46.0%	46.3%	2001	2.0%	-1.7%	0.0%	0.5%	-2.7%
2002	47.3%	45.4%	45.9%	46.2%	46.5%	2002	-3.2%	-2.3%	0.2%	0.6%	0.5%
2003	45.0%	44.7%	45.0%	45.2%	45.2%	2003	-4.9%	-1.5%	-2.0%	-2.2%	-2.8%
2004	49.9%	50.1%	50.2%	50.2%	49.9%	2004	11.0%	12.0%	11.5%	11.0%	10.4%
2005	57.5%	56.5%	55.5%	54.8%	54.2%	2005	15.3%	12.7%	10.7%	9.0%	8.6%
2006	59.2%	56.3%	55.5%	54.7%	54.7%	2006	2.9%	-0.3%	-0.1%	0.0%	0.8%
2007	57.3%	55.1%	53.7%	54.8%	53.3%	2007	-3.2%	-2.1%	-3.2%	0.1%	-2.4%
2008	56.9%	53.9%	52.4%	52.6%	52.8%	2008	-0.6%	-2.2%	-2.4%	-4.0%	-0.9%
2009	51.0%	47.7%	46.2%	47.4%	48.6%	2009	-10.3%	-11.4%	-11.8%	-9.9%	-8.1%
2010	49.6%	46.1%	46.9%	47.3%	46.3%	2010	-2.8%	-3.4%	1.5%	-0.2%	-4.7%
2011	46.1%	44.3%	43.9%	43.9%		2011	-7.2%	-3.9%	-6.4%	-7.3%	
2012	45.3%	42.7%	41.5%			2012	-1.6%	-3.6%	-5.6%		
2013	41.8%	40.3%				2013	-7.8%	-5.6%			
2014	37.9%					2014	-9.2%				

* Includes Permanent Partial, Permanent Total, and Death

Note: Figures in italics are based on a partial accident year. Cumulative injury claims include occupational disease.

Source: WCIRB unit statistical data

Indemnity Claim Frequency Relativities by NAICS Sector

NAICS Sector	NAICS Name	Indemnity Claim Frequency Relative to Accident Year Total Frequency at 1st Report													
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
11&21	Agriculture & Mining	2.658	2.645	2.768	2.892	2.893	2.968	2.826	2.896	2.990	3.046	3.292	3.253	3.364	3.414
23	Construction	2.562	2.305	2.315	2.372	2.480	2.459	2.357	2.294	2.222	2.140	2.261	2.148	2.216	2.264
31	Manufacturing	1.752	1.752	1.772	1.761	1.714	1.740	1.763	1.681	1.630	1.662	1.734	1.771	1.864	1.889
42	Wholesale	2.802	2.778	2.820	2.869	2.894	2.901	3.062	2.964	2.954	3.178	3.289	3.499	3.520	3.556
44	Retail	1.689	1.667	1.611	1.672	1.750	1.798	1.855	1.962	2.042	2.102	1.992	2.082	1.980	1.948
22&48	Utilities & Transportation	3.244	3.154	3.166	3.289	3.632	3.862	3.885	3.795	3.607	3.620	3.540	3.358	3.524	3.686
51	Information	0.795	0.757	0.826	0.816	0.764	0.797	0.843	0.922	0.919	0.870	0.769	0.921	0.897	0.648
52	Finance	0.408	0.429	0.331	0.345	0.342	0.300	0.353	0.372	0.426	0.395	0.388	0.346	0.294	0.260
53	Real Estate	0.820	0.854	0.735	0.757	0.752	0.828	1.037	1.089	1.155	1.109	1.128	1.061	0.992	0.929
54	Prof. Services	0.188	0.194	0.194	0.190	0.178	0.178	0.169	0.174	0.157	0.147	0.133	0.115	0.103	0.108
56	Administrative	3.101	3.009	3.002	3.010	2.985	3.166	3.165	3.420	3.518	3.617	3.694	3.679	3.779	3.905
61	Education	0.757	0.783	0.854	0.686	0.707	0.723	0.698	0.760	0.752	0.741	0.739	0.740	0.682	0.621
62	Health	1.255	1.267	1.260	1.186	1.136	1.101	1.184	1.201	1.264	1.283	1.314	1.241	1.220	1.221
71	Hospitality	2.115	2.028	1.957	1.952	2.026	2.171	2.271	2.337	2.275	2.332	2.414	2.369	2.321	2.216
72	Entertainment	2.220	2.189	2.192	2.114	2.091	2.175	2.222	2.300	2.506	2.703	2.805	3.040	3.173	3.298
81	Other Services	1.482	1.479	1.413	1.477	1.470	1.468	1.466	1.518	1.588	1.650	1.671	1.774	1.766	1.731
8742	Outside Sales	0.234	0.242	0.267	0.238	0.219	0.207	0.213	0.203	0.222	0.193	0.194	0.184	0.173	0.177
92&8810	Clerical & Public Admin.	0.249	0.261	0.251	0.236	0.209	0.194	0.178	0.191	0.195	0.188	0.170	0.176	0.169	0.157
Accident Year Total Frequency		0.375	0.361	0.363	0.307	0.262	0.246	0.236	0.221	0.214	0.228	0.225	0.232	0.235	0.235

NAICS Sector	NAICS Name	Annual Change													
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
11&21	Agriculture & Mining	---	-0.5%	4.7%	4.5%	0.1%	2.6%	-4.8%	2.5%	3.2%	1.9%	8.1%	-1.2%	3.4%	1.5%
23	Construction	---	-10.0%	0.4%	2.5%	4.6%	-0.9%	-4.1%	-2.7%	-3.2%	-3.7%	5.6%	-5.0%	3.2%	2.2%
31	Manufacturing	---	0.0%	1.1%	-0.6%	-2.7%	1.5%	1.3%	-4.6%	-3.0%	2.0%	4.3%	2.1%	5.3%	1.4%
42	Wholesale	---	-0.8%	1.5%	1.8%	0.9%	0.3%	5.6%	-3.2%	-0.3%	7.6%	3.5%	6.4%	0.6%	1.0%
44	Retail	---	-1.3%	-3.3%	3.8%	4.6%	2.7%	3.2%	5.8%	4.1%	2.9%	-5.2%	4.5%	-4.9%	-1.6%
22&48	Utilities & Transportation	---	-2.8%	0.4%	3.9%	10.5%	6.3%	0.6%	-2.3%	-5.0%	0.4%	-2.2%	-5.1%	4.9%	4.6%
51	Information	---	-4.8%	9.1%	-1.2%	-6.3%	4.3%	5.7%	9.4%	-0.3%	-5.4%	-11.6%	19.8%	-2.6%	-27.8%
52	Finance	---	5.2%	-22.8%	4.2%	-0.9%	-12.2%	17.7%	5.4%	14.4%	-7.3%	-1.8%	-10.7%	-15.1%	-11.5%
53	Real Estate	---	4.1%	-13.9%	2.9%	-0.6%	10.2%	25.2%	5.1%	6.0%	-4.0%	1.7%	-6.0%	-6.5%	-6.3%
54	Prof. Services	---	2.7%	0.1%	-1.8%	-6.1%	0.0%	-5.4%	3.2%	-9.8%	-6.6%	-9.1%	-13.9%	-10.3%	4.9%
56	Administrative	---	-3.0%	-0.2%	0.3%	-0.8%	6.1%	0.0%	8.0%	2.9%	2.8%	2.1%	-0.4%	2.7%	3.3%
61	Education	---	3.4%	9.1%	-19.8%	3.1%	2.3%	-3.5%	8.9%	-1.1%	-1.4%	-0.3%	0.2%	-7.8%	-8.9%
62	Health	---	1.0%	-0.5%	-5.9%	-4.2%	-3.0%	7.5%	1.4%	5.2%	1.5%	2.4%	-5.5%	-1.7%	0.1%
71	Hospitality	---	-4.1%	-3.5%	-0.2%	3.8%	7.1%	4.6%	2.9%	-2.7%	2.5%	3.5%	-1.8%	-2.0%	-4.5%
72	Entertainment	---	-1.4%	0.1%	-3.5%	-1.1%	4.0%	2.2%	3.5%	9.0%	7.9%	3.8%	8.4%	4.4%	3.9%
81	Other Services	---	-0.2%	-4.5%	4.6%	-0.5%	-0.1%	-0.2%	3.6%	4.6%	3.9%	1.3%	6.2%	-0.5%	-2.0%
8742	Outside Sales	---	3.3%	10.3%	-10.9%	-7.7%	-5.5%	2.6%	-4.7%	9.6%	-13.0%	0.1%	-4.7%	-6.0%	2.2%
92&8810	Clerical & Public Admin.	---	4.6%	-3.9%	-5.9%	-11.4%	-7.0%	-8.2%	7.1%	1.8%	-3.2%	-9.8%	3.3%	-4.0%	-6.7%
Accident Year Total Frequency		---	-3.6%	0.5%	-15.4%	-14.7%	-6.3%	-4.0%	-6.2%	-3.2%	6.4%	-1.1%	2.9%	1.3%	0.2%

Figures in italics are based on preliminary partial data.
Source: WCIRB unit statistical data

Indemnity Claim Frequency by Geographic Region

Bay Area

Indemnity Claim Frequency per \$100M of Exposure at AY 2013 Level					Annual Change						
AY/RL	1	2	3	4	5	AY/RL	1	2	3	4	5
2001	27.59	28.57	28.80	28.81	28.59	2001	---	---	---	---	---
2002	26.36	27.60	28.11	27.99	28.07	2002	-4.5%	-3.4%	-2.4%	-2.8%	-1.8%
2003	25.69	26.89	26.82	26.95	27.23	2003	-2.5%	-2.6%	-4.6%	-3.7%	-3.0%
2004	21.98	22.27	22.41	22.67	22.47	2004	-14.4%	-17.2%	-16.5%	-15.9%	-17.5%
2005	18.82	18.97	19.25	19.16	19.27	2005	-14.4%	-14.8%	-14.1%	-15.5%	-14.2%
2006	17.68	18.03	17.95	18.04	17.92	2006	-6.0%	-5.0%	-6.8%	-5.9%	-7.0%
2007	16.78	16.89	17.07	17.14	17.17	2007	-5.1%	-6.3%	-4.9%	-4.9%	-4.2%
2008	15.38	15.84	15.97	16.11	16.11	2008	-8.4%	-6.3%	-6.4%	-6.0%	-6.2%
2009	14.15	14.53	14.71	14.79	14.83	2009	-8.0%	-8.2%	-7.9%	-8.2%	-7.9%
2010	14.69	15.28	15.43	15.53	15.60	2010	3.8%	5.2%	4.9%	5.0%	5.2%
2011	14.16	14.79	15.01	15.11		2011	-3.6%	-3.2%	-2.7%	-2.7%	
2012	14.01	14.68	15.10			2012	-1.1%	-0.7%	0.6%		
2013	13.40	14.18				2013	-4.4%	-3.4%			
2014	12.99					2014	-3.0%				

Los Angeles/L.A. Basin

Indemnity Claim Frequency per \$100M of Exposure at AY 2013 Level					Annual Change						
AY/RL	1	2	3	4	5	AY/RL	1	2	3	4	5
2001	37.72	39.37	40.23	40.56	40.92	2001	---	---	---	---	---
2002	36.98	40.16	40.71	41.06	41.02	2002	-2.0%	2.0%	1.2%	1.2%	0.2%
2003	37.87	39.53	39.75	39.77	39.81	2003	2.4%	-1.6%	-2.4%	-3.1%	-2.9%
2004	31.68	32.49	32.51	32.69	32.90	2004	-16.4%	-17.8%	-18.2%	-17.8%	-17.4%
2005	26.56	27.30	27.63	27.88	28.20	2005	-16.1%	-16.0%	-15.0%	-14.7%	-14.3%
2006	25.07	25.88	26.25	26.56	26.57	2006	-5.6%	-5.2%	-5.0%	-4.7%	-5.8%
2007	24.29	25.31	25.74	25.89	25.96	2007	-3.1%	-2.2%	-1.9%	-2.5%	-2.3%
2008	23.37	24.72	25.14	25.29	25.41	2008	-3.8%	-2.3%	-2.3%	-2.3%	-2.1%
2009	23.16	24.62	25.09	25.34	25.46	2009	-0.9%	-0.4%	-0.2%	0.2%	0.2%
2010	25.03	26.43	26.99	27.24	27.40	2010	8.1%	7.3%	7.6%	7.5%	7.6%
2011	24.89	26.67	27.31	27.67		2011	-0.5%	0.9%	1.2%	1.6%	
2012	26.51	28.46	29.31			2012	6.5%	6.7%	7.3%		
2013	27.33	30.11				2013	3.1%	5.8%			
2014	28.26					2014	3.4%				

All Other

Indemnity Claim Frequency per \$100M of Exposure at AY 2013 Level					Annual Change						
AY/RL	1	2	3	4	5	AY/RL	1	2	3	4	5
2001	45.62	46.65	47.02	46.72	46.51	2001	---	---	---	---	---
2002	42.99	45.35	44.94	44.70	44.85	2002	-5.8%	-2.8%	-4.4%	-4.3%	-3.6%
2003	42.66	43.14	42.92	42.98	42.84	2003	-0.8%	-4.9%	-4.5%	-3.8%	-4.5%
2004	36.54	36.99	37.02	36.74	36.22	2004	-14.4%	-14.3%	-13.7%	-14.5%	-15.5%
2005	31.81	32.26	32.06	31.84	32.09	2005	-12.9%	-12.8%	-13.4%	-13.4%	-11.4%
2006	29.58	29.62	29.53	29.67	29.58	2006	-7.0%	-8.2%	-7.9%	-6.8%	-7.8%
2007	28.24	28.53	28.77	28.71	28.87	2007	-4.5%	-3.7%	-2.6%	-3.2%	-2.4%
2008	25.96	26.72	26.88	27.18	27.32	2008	-8.1%	-6.3%	-6.6%	-5.3%	-5.4%
2009	25.11	26.04	26.50	26.71	26.84	2009	-3.3%	-2.6%	-1.4%	-1.7%	-1.8%
2010	26.59	27.94	28.32	28.55	28.72	2010	5.9%	7.3%	6.9%	6.9%	7.0%
2011	26.45	27.72	28.19	28.42		2011	-0.6%	-0.8%	-0.5%	-0.4%	
2012	26.67	27.97	28.57			2012	0.8%	0.9%	1.4%		
2013	26.86	28.73				2013	0.7%	2.7%			
2014	25.96					2014	-3.3%				

All Regions

Indemnity Claim Frequency per \$100M of Exposure at AY 2013 Level					Annual Change						
AY/RL	1	2	3	4	5	AY/RL	1	2	3	4	5
2001	37.50	38.78	39.31	39.36	39.39	2001	---	---	---	---	---
2002	36.14	38.57	38.80	38.84	38.89	2002	-3.6%	-0.5%	-1.3%	-1.3%	-1.3%
2003	36.33	37.50	37.51	37.57	37.61	2003	0.5%	-2.8%	-3.3%	-3.3%	-3.3%
2004	30.74	31.31	31.36	31.43	31.30	2004	-15.4%	-16.5%	-16.4%	-16.3%	-16.8%
2005	26.21	26.71	26.87	26.89	27.13	2005	-14.7%	-14.7%	-14.3%	-14.4%	-13.3%
2006	24.57	25.03	25.14	25.35	25.30	2006	-6.3%	-6.3%	-6.4%	-5.7%	-6.8%
2007	23.58	24.15	24.46	24.52	24.61	2007	-4.0%	-3.5%	-2.7%	-3.3%	-2.7%
2008	22.11	23.06	23.33	23.52	23.62	2008	-6.2%	-4.5%	-4.6%	-4.1%	-4.0%
2009	21.41	22.44	22.84	23.03	23.13	2009	-3.2%	-2.7%	-2.1%	-2.1%	-2.1%
2010	22.79	23.96	24.36	24.57	24.71	2010	6.4%	6.8%	6.7%	6.7%	6.8%
2011	22.54	23.87	24.35	24.60		2011	-1.1%	-0.4%	-0.1%	0.2%	
2012	23.19	24.60	25.26			2012	2.9%	3.1%	3.8%		
2013	23.32	25.28				2013	0.5%	2.8%			
2014	23.26					2014	-0.2%				

Figures in italics are based on preliminary partial data.

Source: WCIRB unit statistical data

Indemnity Claim Count Distribution by Part of Body Code

Top 20 Part of Body Codes for Cumulative Injury Indemnity Claims based on AY 2013 Shares

2013 Rank	POB Code	POB Description	Accident Year									
			2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	90	Multiple Body Parts	28.5%	26.5%	25.7%	24.0%	25.1%	25.9%	29.0%	29.8%	31.0%	29.9%
2	42	Lower Back	5.0%	5.5%	6.4%	6.2%	7.6%	8.3%	8.2%	8.1%	8.9%	9.7%
3	91	Body Systems	1.7%	1.8%	2.5%	3.0%	4.1%	3.5%	3.7%	4.8%	6.7%	6.2%
4	34	Wrist	10.8%	11.8%	10.4%	9.9%	7.9%	7.0%	6.8%	7.1%	5.6%	5.7%
5	38	Shoulder	3.5%	4.0%	4.9%	5.4%	4.6%	4.8%	4.6%	4.6%	4.7%	5.1%
6	66	Psych	2.7%	3.1%	4.2%	5.5%	5.6%	5.9%	5.2%	5.1%	4.6%	4.3%
7	30	Multiple Upper	8.2%	7.1%	6.4%	5.9%	5.1%	4.4%	4.2%	4.6%	4.0%	3.9%
8	35	Hand	6.0%	5.9%	5.8%	5.3%	4.6%	4.4%	4.5%	3.9%	3.9%	3.9%
9	39	Wrist and Hand	4.7%	4.7%	4.3%	5.6%	4.2%	4.0%	4.2%	4.4%	3.7%	3.4%
10	53	Knee	2.5%	2.4%	3.0%	2.8%	2.2%	2.8%	2.5%	2.3%	2.8%	2.6%
11	65	Unclassified	2.2%	1.9%	1.8%	1.7%	2.3%	2.0%	2.9%	2.7%	1.9%	2.1%
12	25	Soft Tissue (Neck)	0.7%	0.6%	0.7%	1.1%	1.6%	2.0%	1.6%	1.7%	1.8%	2.2%
13	33	Lower Arm	2.1%	2.3%	2.5%	1.9%	1.8%	1.6%	1.4%	1.6%	1.5%	0.8%
14	12	Brain	4.6%	4.7%	4.4%	4.0%	5.5%	5.2%	4.2%	2.9%	1.4%	1.2%
15	32	Elbow	2.1%	1.7%	1.8%	2.1%	1.6%	1.3%	1.2%	1.3%	1.3%	1.3%
16	20	Multiple Neck	0.5%	0.7%	0.7%	0.9%	1.0%	0.9%	0.9%	1.3%	1.1%	0.9%
17	10	Multiple Head	0.6%	0.8%	0.6%	1.0%	1.6%	1.4%	1.0%	1.1%	1.1%	1.3%
18	41	Upper Back	1.3%	1.3%	1.3%	1.2%	1.5%	1.2%	1.3%	1.2%	1.1%	1.1%
19	22	Disc (Neck)	0.5%	0.5%	0.6%	0.6%	0.5%	0.6%	0.7%	0.7%	1.0%	1.3%
20	43	Disc (Back)	0.2%	0.2%	0.2%	0.2%	0.4%	0.4%	0.3%	0.6%	1.0%	1.4%
Other	Other		11.8%	12.5%	11.8%	12.0%	11.4%	12.3%	11.5%	10.3%	10.8%	11.7%

Top 20 Part of Body Codes for Non-Cumulative Injury Indemnity Claims based on AY 2013 Shares

2013 Rank	POB Code	POB Description	Accident Year									
			2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	42	Lower Back	15.1%	15.5%	15.6%	16.7%	17.4%	17.3%	16.8%	16.8%	16.9%	16.4%
2	90	Multiple Body Parts	12.3%	11.2%	11.2%	10.7%	10.8%	11.7%	13.1%	12.6%	12.2%	11.9%
3	53	Knee	7.6%	7.9%	8.2%	8.5%	8.6%	8.6%	8.3%	8.4%	8.9%	8.3%
4	38	Shoulder	4.4%	4.7%	5.1%	5.7%	6.2%	6.1%	6.1%	6.6%	7.5%	7.0%
5	36	Finger	5.7%	6.1%	6.1%	6.2%	6.0%	6.0%	5.8%	5.8%	5.8%	6.0%
6	35	Hand	3.9%	4.1%	4.2%	4.1%	4.1%	4.3%	4.4%	4.6%	4.6%	4.2%
7	55	Ankle	3.9%	4.3%	4.3%	4.4%	4.4%	4.2%	4.3%	4.2%	4.2%	4.4%
8	34	Wrist	5.4%	5.8%	5.9%	5.7%	5.6%	6.0%	5.6%	5.4%	4.1%	5.1%
9	56	Foot	3.0%	3.3%	3.4%	3.1%	3.0%	2.9%	3.0%	2.9%	3.0%	3.2%
10	61	Abdomen	2.3%	2.3%	2.4%	2.4%	2.4%	2.1%	2.3%	2.3%	2.4%	2.3%
11	33	Lower Arm	1.7%	1.8%	1.8%	1.9%	2.0%	2.0%	2.1%	2.2%	2.1%	2.1%
12	41	Upper Back	1.4%	1.4%	1.5%	1.4%	1.4%	1.5%	1.5%	1.6%	1.9%	1.8%
13	32	Elbow	1.6%	1.8%	1.8%	1.8%	1.8%	1.8%	1.7%	1.8%	1.9%	1.9%
14	54	Lower Leg	1.8%	1.9%	1.9%	1.9%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
15	30	Multiple Upper	2.5%	2.4%	2.1%	1.9%	1.9%	2.0%	1.9%	1.9%	1.7%	2.0%
16	31	Upper Arm	1.6%	1.7%	1.8%	1.9%	2.2%	2.3%	2.3%	2.0%	1.7%	2.0%
17	37	Thumb	1.6%	1.7%	1.7%	1.7%	1.7%	1.5%	1.6%	1.6%	1.6%	1.6%
18	25	Soft Tissue (Neck)	0.6%	0.7%	0.9%	1.0%	1.3%	1.5%	1.4%	1.3%	1.4%	1.2%
19	10	Multiple Head	1.0%	1.1%	1.1%	1.1%	1.2%	1.3%	1.2%	1.3%	1.1%	1.3%
20	44	Chest	0.9%	1.1%	1.2%	1.1%	1.2%	1.2%	1.1%	1.0%	1.1%	1.1%
Other	Other		21.6%	19.3%	17.9%	16.7%	15.1%	14.0%	13.8%	13.7%	14.2%	14.4%

Note: Figures in italics are based on a preliminary partial data.

Source: WCIRB unit statistical data at first report level

Denied Claims by Month and Year of Injury, 2000 - 2014

MONTH	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	TOTAL
JANUARY	376	3,784	4,296	4,916	4,642	4,491	4,513	4,609	4,870	4,713	4,494	4,809	4,780	4,451	4,735	64,479
FEBRUARY	436	3,346	3,913	4,460	4,341	4,046	4,061	4,254	4,374	4,222	4,194	4,335	4,797	4,353	4,496	59,628
MARCH	2,159	4,253	4,457	4,936	5,242	4,675	4,715	4,959	4,764	4,959	4,833	5,159	5,411	5,153	4,795	70,470
APRIL	1,994	3,902	4,391	4,761	4,643	4,458	4,207	4,547	4,735	4,871	4,682	4,800	4,870	4,995	4,733	66,589
MAY	2,252	4,276	4,503	4,981	4,362	4,666	4,636	4,691	4,739	4,790	4,714	4,732	5,151	5,168	4,574	68,235
JUNE	2,647	4,325	4,749	5,417	4,602	4,846	4,904	5,024	4,959	5,193	5,065	5,157	4,991	4,817	4,392	71,088
JULY	2,724	4,094	4,596	5,150	4,553	4,391	4,617	4,817	5,097	5,027	4,813	4,650	4,468	4,869	4,266	68,132
AUGUST	3,208	4,403	4,984	5,059	4,742	4,851	4,763	5,094	4,981	4,851	4,916	5,267	5,041	5,222	4,319	71,701
SEPTEMBER	3,186	3,930	4,540	5,030	4,815	4,554	4,457	4,728	4,828	4,938	4,877	4,876	4,773	4,968	4,422	68,922
OCTOBER	3,279	4,451	4,854	5,101	4,486	4,480	4,279	5,110	4,887	4,789	4,914	4,842	4,972	5,178	4,234	69,856
NOVEMBER	2,944	3,560	4,034	3,888	3,965	3,986	3,855	4,359	3,824	4,057	4,217	4,448	4,206	4,289	3,279	58,911
DECEMBER	3,534	3,873	4,382	4,520	4,407	4,154	4,058	4,235	4,249	4,112	4,337	4,509	4,040	4,148	3,173	61,731
TOTAL DENIED CLAIMS	28,739	48,197	53,699	58,219	54,800	53,598	53,065	56,427	56,307	56,522	56,056	57,584	57,500	57,611	51,418	799,742

Notes:

Denied Claims -- The aggregate monthly count of denied claims is by year of injury. Claims are based on the earliest denial date (DN 3 - MTC_DATE) and SROI transaction record (DN 2 - Maintenance Type Code), ie. MTC = '04' (Denial).

A significant amount of variation across years results from noncompliance and late reporting of claims. DWC believes that its database is representative of claims in California's workers' compensation (WC) industry.

Source: WCIS Data (Run Date June 8, 2015)

**Quarterly Incurred Indemnity Loss Development Factors
Through September 30, 2015**

Age in Months	Accident Year																	
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
6/3									2.417	2.724	2.785	3.031	3.116	3.052	3.238	3.344	3.303	3.209
9/6									1.656	1.776	1.820	1.848	1.904	2.001	1.966	1.940	1.960	1.948
12/9									1.448	1.511	1.510	1.530	1.564	1.632	1.587	1.585	1.570	
15/12	1.229	1.260	1.268	1.250	1.257	1.238	1.180	1.149	1.189	1.234	1.248	1.293	1.306	1.306	1.303	1.301	1.301	
18/15	1.172	1.202	1.188	1.184	1.206	1.167	1.101	1.103	1.140	1.158	1.182	1.194	1.197	1.195	1.206	1.178	1.190	
21/18	1.145	1.140	1.150	1.148	1.153	1.127	1.066	1.096	1.117	1.128	1.139	1.153	1.140	1.146	1.141	1.141	1.132	
24/21	1.126	1.112	1.121	1.111	1.117	1.094	1.045	1.082	1.098	1.106	1.106	1.114	1.119	1.117	1.111	1.104		
27/24	1.074	1.096	1.093	1.100	1.094	1.073	1.045	1.070	1.082	1.081	1.088	1.089	1.091	1.085	1.087	1.081		
30/27	1.078	1.069	1.074	1.082	1.064	1.051	1.040	1.054	1.057	1.072	1.075	1.075	1.080	1.071	1.068	1.067		
33/30	1.045	1.058	1.048	1.062	1.047	1.032	1.036	1.042	1.049	1.053	1.059	1.052	1.064	1.053	1.060	1.047		
36/33	1.043	1.046	1.039	1.046	1.035	1.020	1.029	1.033	1.039	1.043	1.051	1.049	1.049	1.043	1.041			
39/36	1.038	1.041	1.035	1.038	1.028	1.017	1.027	1.029	1.031	1.033	1.040	1.039	1.039	1.041	1.035			
42/39	1.027	1.028	1.034	1.030	1.023	1.018	1.020	1.020	1.031	1.033	1.036	1.038	1.035	1.032	1.028			
45/42	1.024	1.026	1.026	1.020	1.009	1.019	1.018	1.024	1.026	1.028	1.030	1.035	1.027	1.033	1.023			
48/45	1.025	1.020	1.022	1.013	1.008	1.013	1.013	1.021	1.019	1.021	1.024	1.024	1.026	1.023				
51/48	1.022	1.017	1.018	1.015	1.010	1.016	1.010	1.018	1.021	1.018	1.022	1.023	1.021	1.018				
54/51	1.019	1.018	1.013	1.009	1.007	1.017	1.009	1.017	1.021	1.020	1.021	1.020	1.020	1.016				
57/54	1.014	1.017	1.012	1.006	1.008	1.011	1.011	1.018	1.017	1.014	1.018	1.017	1.015	1.014				
60/57	1.013	1.014	1.007	1.005	1.008	1.009	1.011	1.013	1.019	1.016	1.013	1.015	1.012					
63/60	1.012	1.012	1.007	1.007	1.008	1.008	1.010	1.014	1.013	1.015	1.011	1.014	1.014					

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Source: WCIRB accident year experience calls

Exhibit D1.1

**Quarterly Incurred Medical Loss Development Factors *
Through September 30, 2015**

Age in Months	Accident Year																	
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
6/3									2.584	2.662	2.782	2.892	2.992	2.757	2.889	2.878	2.956	2.895
9/6									1.650	1.744	1.717	1.807	1.800	1.827	1.846	1.833	1.853	1.897
12/9									1.453	1.443	1.466	1.454	1.488	1.521	1.493	1.509	1.491	
15/12	1.144	1.168	1.201	1.207	1.203	1.197	1.132	1.145	1.138	1.182	1.167	1.199	1.206	1.228	1.221	1.215	1.208	
18/15	1.093	1.116	1.123	1.144	1.151	1.126	1.086	1.087	1.103	1.106	1.126	1.135	1.129	1.141	1.142	1.124	1.122	
21/18	1.078	1.086	1.101	1.122	1.116	1.093	1.055	1.061	1.073	1.081	1.090	1.097	1.101	1.103	1.090	1.092	1.083	
24/21	1.074	1.072	1.080	1.083	1.082	1.060	1.040	1.052	1.070	1.074	1.067	1.074	1.080	1.080	1.070	1.068		
27/24	1.044	1.061	1.070	1.080	1.075	1.042	1.034	1.048	1.055	1.058	1.053	1.071	1.066	1.072	1.060	1.052		
30/27	1.044	1.052	1.058	1.070	1.051	1.038	1.039	1.049	1.046	1.054	1.057	1.048	1.063	1.052	1.049	1.041		
33/30	1.035	1.047	1.051	1.059	1.035	1.018	1.032	1.030	1.041	1.045	1.045	1.051	1.055	1.045	1.047	1.034		
36/33	1.037	1.042	1.035	1.040	1.029	1.016	1.024	1.034	1.042	1.033	1.042	1.040	1.041	1.037	1.030			
39/36	1.029	1.032	1.034	1.037	1.018	1.012	1.028	1.025	1.027	1.029	1.033	1.031	1.040	1.039	1.029			
42/39	1.025	1.031	1.036	1.026	1.019	1.013	1.017	1.020	1.025	1.035	1.036	1.037	1.037	1.031	1.023			
45/42	1.025	1.033	1.032	1.023	1.012	1.019	1.033	1.021	1.025	1.029	1.026	1.030	1.028	1.027	1.023			
48/45	1.028	1.023	1.026	1.017	1.008	1.013	1.025	1.018	1.022	1.025	1.029	1.034	1.022	1.023				
51/48	1.019	1.020	1.024	1.014	1.009	1.013	1.018	1.015	1.020	1.021	1.021	1.026	1.024	1.019				
54/51	1.025	1.027	1.017	1.016	1.010	1.012	1.021	1.019	1.022	1.022	1.027	1.023	1.019	1.018				
57/54	1.027	1.024	1.014	1.007	1.011	1.017	1.020	1.018	1.019	1.019	1.023	1.020	1.017	1.018				
60/57	1.021	1.021	1.015	1.009	1.008	1.014	1.020	1.019	1.018	1.017	1.019	1.016	1.015					
63/60	1.014	1.020	1.013	1.012	1.008	1.016	1.015	1.021	1.015	1.018	1.016	1.020	1.015					

Source: WCIRB accident year experience calls

* Incurred medical loss development factors include the paid cost of medical cost containment programs.

**Quarterly Paid Indemnity Loss Development Factors
Through September 30, 2015**

Age in Months	Accident Year																	
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
6/3									4.376	4.495	4.553	4.807	4.911	4.722	4.854	5.099	5.076	5.056
9/6									2.259	2.375	2.377	2.398	2.452	2.432	2.484	2.462	2.462	2.484
12/9									1.812	1.834	1.810	1.825	1.861	1.869	1.877	1.866	1.879	
15/12	1.499	1.536	1.538	1.552	1.550	1.516	1.491	1.456	1.482	1.488	1.481	1.507	1.532	1.539	1.506	1.539	1.540	
18/15	1.380	1.399	1.395	1.401	1.403	1.379	1.331	1.306	1.306	1.327	1.332	1.343	1.355	1.361	1.361	1.353	1.364	
21/18	1.323	1.298	1.303	1.303	1.311	1.297	1.241	1.217	1.233	1.235	1.243	1.259	1.257	1.261	1.261	1.263	1.267	
24/21	1.259	1.257	1.256	1.258	1.260	1.244	1.183	1.181	1.195	1.191	1.194	1.206	1.209	1.215	1.213	1.204		
27/24	1.186	1.199	1.203	1.200	1.205	1.186	1.140	1.142	1.151	1.149	1.153	1.162	1.165	1.168	1.164	1.159		
30/27	1.157	1.161	1.165	1.175	1.172	1.161	1.122	1.117	1.126	1.129	1.130	1.141	1.141	1.137	1.134	1.141		
33/30	1.118	1.125	1.130	1.142	1.136	1.123	1.097	1.096	1.100	1.101	1.108	1.114	1.116	1.112	1.111	1.111		
36/33	1.102	1.103	1.103	1.115	1.111	1.097	1.085	1.081	1.080	1.084	1.092	1.094	1.098	1.091	1.091			
39/36	1.074	1.081	1.081	1.092	1.087	1.072	1.070	1.066	1.064	1.067	1.074	1.078	1.077	1.073	1.075			
42/39	1.067	1.071	1.077	1.080	1.073	1.063	1.059	1.058	1.058	1.062	1.067	1.067	1.071	1.070	1.065			
45/42	1.057	1.054	1.063	1.064	1.056	1.049	1.047	1.049	1.047	1.051	1.058	1.059	1.057	1.055	1.054			
48/45	1.049	1.050	1.055	1.053	1.046	1.044	1.041	1.044	1.043	1.047	1.049	1.051	1.050	1.048				
51/48	1.039	1.038	1.043	1.044	1.036	1.035	1.033	1.036	1.036	1.037	1.042	1.042	1.043	1.039				
54/51	1.035	1.038	1.036	1.037	1.034	1.035	1.030	1.028	1.035	1.036	1.038	1.041	1.038	1.036				
57/54	1.029	1.033	1.037	1.030	1.028	1.026	1.025	1.028	1.030	1.032	1.033	1.033	1.032	1.033				
60/57	1.025	1.030	1.027	1.026	1.024	1.024	1.024	1.024	1.028	1.029	1.029	1.032	1.027					
63/60	1.023	1.026	1.024	1.021	1.022	1.019	1.019	1.021	1.023	1.025	1.025	1.024	1.026					

Source: WCIRB accident year experience calls

**Quarterly Paid Medical Loss Development Factors *
Through September 30, 2015**

Age in Months	Accident Year																	
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
6/3									5.308	5.615	6.579	6.101	6.048	5.854	5.942	6.232	5.646	5.716
9/6									2.348	2.381	2.348	2.375	2.361	2.327	2.395	2.490	2.424	2.305
12/9									1.716	1.765	1.731	1.723	1.756	1.746	1.762	1.740	1.752	
15/12	1.453	1.490	1.514	1.547	1.554	1.510	1.437	1.423	1.429	1.444	1.413	1.429	1.445	1.472	1.449	1.441	1.459	
18/15	1.241	1.267	1.286	1.310	1.330	1.295	1.243	1.230	1.227	1.259	1.243	1.259	1.268	1.282	1.284	1.263	1.268	
21/18	1.164	1.168	1.192	1.219	1.211	1.179	1.153	1.151	1.163	1.173	1.170	1.178	1.182	1.187	1.189	1.192	1.192	
24/21	1.132	1.124	1.149	1.159	1.154	1.125	1.115	1.118	1.127	1.133	1.132	1.137	1.144	1.153	1.151	1.147		
27/24	1.096	1.108	1.121	1.128	1.123	1.093	1.090	1.093	1.106	1.107	1.110	1.112	1.119	1.120	1.120	1.120		
30/27	1.077	1.088	1.101	1.108	1.103	1.077	1.084	1.087	1.097	1.100	1.100	1.106	1.107	1.111	1.106	1.109		
33/30	1.065	1.072	1.086	1.089	1.077	1.063	1.071	1.065	1.081	1.083	1.086	1.092	1.094	1.093	1.091	1.089		
36/33	1.055	1.066	1.069	1.076	1.061	1.055	1.062	1.062	1.071	1.072	1.072	1.077	1.083	1.082	1.076			
39/36	1.051	1.059	1.060	1.061	1.049	1.044	1.053	1.056	1.057	1.059	1.061	1.066	1.071	1.066	1.068			
42/39	1.044	1.049	1.055	1.054	1.041	1.044	1.049	1.054	1.055	1.058	1.059	1.061	1.068	1.063	1.060			
45/42	1.039	1.045	1.047	1.044	1.036	1.037	1.040	1.047	1.048	1.049	1.054	1.053	1.056	1.056	1.052			
48/45	1.035	1.039	1.044	1.037	1.032	1.035	1.037	1.043	1.043	1.046	1.047	1.050	1.051	1.046				
51/48	1.030	1.035	1.037	1.034	1.031	1.030	1.033	1.037	1.036	1.036	1.039	1.041	1.043	1.040				
54/51	1.031	1.036	1.032	1.027	1.030	1.029	1.034	1.034	1.035	1.035	1.036	1.042	1.038	1.035				
57/54	1.026	1.030	1.027	1.024	1.024	1.024	1.029	1.031	1.034	1.031	1.033	1.038	1.034	1.034				
60/57	1.026	1.028	1.026	1.021	1.023	1.026	1.028	1.029	1.028	1.032	1.032	1.035	1.030					
63/60	1.023	1.025	1.022	1.019	1.019	1.020	1.024	1.024	1.024	1.024	1.027	1.027	1.026					

Source: WCIRB accident year experience calls

* Paid medical loss development factors include the paid cost of medical cost containment programs.

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

Accident Year	Paid Indemnity Development								
	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-17
1992									0.294
1993								0.378	0.292
1994							0.363	0.274	0.194
1995						0.403	0.298	0.245	0.188
1996					0.463	0.327	0.291	0.233	0.185
1997				0.505	0.398	0.330	0.278	0.209	0.189
1998			0.580	0.457	0.373	0.305	0.237	0.222	0.215
1999		0.724	0.557	0.461	0.392	0.305	0.273	0.237	0.212
2000	1.082	0.717	0.546	0.455	0.361	0.322	0.311	0.259	0.227
2001	1.156	0.733	0.590	0.487	0.383	0.364	0.288	0.267	0.227
2002	1.116	0.715	0.563	0.463	0.431	0.363	0.326	0.265	0.249
2003	1.026	0.695	0.551	0.501	0.409	0.337	0.276	0.259	0.251
2004	0.952	0.574	0.536	0.420	0.373	0.321	0.302	0.273	0.293
2005	0.999	0.704	0.566	0.481	0.397	0.337	0.300	0.307	0.261
2006	1.211	0.760	0.555	0.468	0.403	0.361	0.324	0.293	0.240
2007	1.383	0.777	0.568	0.469	0.421	0.374	0.338	0.261	
2008	1.473	0.801	0.630	0.519	0.442	0.388	0.325		
2009	1.540	0.803	0.638	0.530	0.455	0.389			
2010	1.610	0.836	0.658	0.559	0.483				
2011	1.663	0.813	0.634	0.522					
2012	1.657	0.822	0.640						
2013	1.600	0.812							
2014	1.599								

Accident Year	Paid Medical Development								
	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-17
1992									0.205
1993								0.244	0.209
1994							0.279	0.205	0.196
1995						0.269	0.228	0.231	0.170
1996					0.336	0.275	0.265	0.216	0.163
1997				0.389	0.353	0.287	0.263	0.174	0.164
1998			0.474	0.378	0.320	0.265	0.191	0.169	0.166
1999		0.640	0.503	0.410	0.353	0.241	0.204	0.198	0.202
2000	1.263	0.684	0.519	0.403	0.293	0.236	0.232	0.240	0.180
2001	1.368	0.745	0.532	0.400	0.303	0.287	0.276	0.214	0.206
2002	1.442	0.688	0.430	0.360	0.340	0.325	0.261	0.238	0.187
2003	1.263	0.560	0.385	0.377	0.355	0.264	0.254	0.217	0.189
2004	1.054	0.484	0.444	0.400	0.329	0.296	0.244	0.231	0.223
2005	0.988	0.490	0.440	0.398	0.361	0.293	0.238	0.282	0.206
2006	1.062	0.554	0.451	0.391	0.337	0.296	0.265	0.226	0.185
2007	1.133	0.575	0.474	0.391	0.353	0.329	0.274	0.213	
2008	1.170	0.570	0.490	0.432	0.384	0.324	0.257		
2009	1.208	0.584	0.505	0.467	0.391	0.304			
2010	1.245	0.607	0.546	0.459	0.383				
2011	1.273	0.607	0.510	0.423					
2012	1.224	0.583	0.497						
2013	1.194	0.558							
2014	1.183								

Note: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 76% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

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

Source: WCIRB quarterly calls for experience

Incremental Paid Indemnity - Ratios of Actual to Expected^[1]

Accident Year	Age-to-Age (in months)												
	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-129	129-141	141-153	153-165
1997						1.105	1.085	0.964	0.906	1.038	1.045	0.947	0.900
1998					1.016	1.093	0.973	1.043	1.176	0.999	1.022	1.000	1.336
1999				1.034	1.137	0.987	0.971	0.982	0.837	0.963	0.823	1.145	0.870
2000			1.058	1.098	0.942	0.941	1.026	0.920	1.004	0.794	0.946	0.940	1.108
2001		1.038	1.089	0.958	0.898	0.970	0.894	1.034	0.988	1.157	1.221	1.205	1.017
2002	1.048	0.995	0.927	0.869	0.944	0.954	0.962	0.859	0.975	1.075	1.130	0.763	0.938
2003	0.936	0.905	0.844	0.968	0.990	0.929	0.944	1.183	1.311	1.389	1.134	1.463	
2004	0.856	0.716	0.914	0.921	0.989	1.127	1.323	1.350	1.359	0.931	0.982		
2005	0.879	0.979	0.978	1.056	1.089	1.119	1.144	1.246	0.967	1.076			
2006	1.062	1.089	0.978	1.064	1.118	1.170	1.083	0.882	0.846				
2007	1.053	0.996	1.065	1.052	1.035	0.992	0.958	0.843					
2008	0.990	1.034	1.113	1.080	1.013	0.931	0.857						
2009	1.062	1.079	1.029	1.028	1.021	1.018							
2010	1.056	1.014	1.020	0.971	0.957								
2011	1.021	1.004	0.938	0.957									
2012	0.980	0.974	0.994										
2013	1.015	0.992											
2014	1.021												

^[1] Expected paid indemnity losses are derived based on age-to-age paid indemnity development factors from the prior evaluation (see Exhibit 2.3 of the WCIRB's December 7, 2015 Actuarial Committee Agenda item AC15-12-01).

Incremental Paid Medical - Ratios of Actual to Expected^[2]

Accident Year	Age-to-Age (in months)												
	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-129	129-141	141-153	153-165
1997						1.162	1.150	0.923	1.102	1.063	1.020	0.946	0.937
1998					1.137	1.141	0.866	1.015	1.066	1.145	1.129	1.026	0.972
1999				1.100	1.049	0.849	0.897	1.010	0.865	0.998	0.866	1.158	0.803
2000			0.992	1.052	0.856	0.911	1.044	0.957	1.088	0.805	0.885	0.770	1.282
2001		1.061	1.097	0.857	0.911	1.054	0.984	1.059	1.063	1.103	0.979	1.140	1.150
2002	1.059	0.953	0.777	0.957	0.987	0.975	1.006	0.936	0.815	0.842	1.031	0.837	0.744
2003	0.866	0.744	0.952	1.043	1.086	0.984	1.063	1.073	1.056	1.214	1.274	1.002	
2004	0.810	1.016	1.196	1.064	1.158	1.261	1.164	1.059	1.242	1.123	0.932		
2005	0.899	1.035	1.011	1.135	1.033	1.050	0.911	1.251	1.115	0.968			
2006	1.067	1.106	1.088	1.018	1.020	0.921	1.086	0.928	0.829				
2007	1.092	1.047	1.032	1.008	0.976	1.115	1.087	0.879					
2008	0.928	1.012	1.040	1.030	1.103	1.001	0.856						
2009	1.038	1.055	1.043	1.113	1.047	0.908							
2010	1.051	1.046	1.081	0.979	0.892								
2011	1.048	1.026	0.951	0.934									
2012	0.996	0.985	0.968										
2013	0.954	0.989											
2014	1.035												

^[2] Expected paid medical losses are derived based on age-to-age paid medical development factors from the prior evaluation (see Exhibit 2.4 of the WCIRB's December 7, 2015 Actuarial Committee Agenda item AC15-12-01).

Comparison of Projected Ultimate Loss Ratios
Accident Year 2010

Methodology	Indemnity												Current WCIRB	
	Based on Experience Evaluated as of (in months):												Estimate of	
	12	15	18	21	24	27	33	39	45	51	57	63	69	Ultimate
3-Year Avg. Incurred	0.270	0.284	0.294	0.298	0.304	0.310	0.323	0.324	0.327	0.326	0.324	0.322	0.318	0.325
Latest Year Incurred	0.305	0.315	0.321	0.321	0.322	0.326	0.338	0.325	0.324	0.323	0.321	0.320	0.313	0.325
3-Year Avg. Paid	0.251	0.261	0.270	0.276	0.283	0.288	0.301	0.311	0.320	0.330	0.332	0.331	0.330	0.325
Latest Year Paid	0.267	0.280	0.293	0.300	0.307	0.314	0.322	0.323	0.331	0.333	0.332	0.327	0.325	0.325
Reform-Adj. Paid [1]	0.247	0.272	0.283	0.290	0.296	0.302	0.309	0.314	0.321	0.333	0.332	0.327	0.325	0.325
Latest Yr. Adj. for Case Reserves	0.322	0.322	---	---	0.345	0.355	---	0.341	---	0.329	---	0.325	---	0.325
Latest Yr. Adj. for Settlement [2]	0.254	0.277	---	---	0.302	0.309	---	0.315	---	0.330	---	0.325	---	0.325
	Percent Change												69 Mos.	
	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 33	33 to 39	39 to 45	45 to 51	51 to 57	57 to 63	63 to 69	Difference from	
													Current Estimate	
3-Year Avg. Incurred	5.2%	3.5%	1.4%	2.0%	2.0%	4.2%	0.3%	0.9%	-0.3%	-0.6%	-0.6%	-1.2%	-2.2%	
Latest Year Incurred	3.3%	1.9%	0.0%	0.3%	1.2%	3.7%	-3.8%	-0.3%	-0.3%	-0.6%	-0.3%	-2.2%	-3.7%	
3-Year Avg. Paid	4.0%	3.4%	2.2%	2.5%	1.8%	4.5%	3.3%	2.9%	3.1%	0.6%	-0.3%	-0.3%	1.5%	
Latest Year Paid	4.9%	4.6%	2.4%	2.3%	2.3%	2.5%	0.3%	2.5%	0.6%	-0.3%	-1.5%	-0.6%	0.0%	
Reform-Adj. Paid	10.1%	4.0%	2.5%	2.1%	2.0%	2.3%	1.6%	2.2%	3.7%	-0.3%	-1.5%	-0.6%	0.0%	
Latest Yr. Adj. for Case Reserves	---	---	---	---	---	---	---	---	---	---	---	---	---	
Latest Yr. Adj. for Settlement	---	---	---	---	---	---	---	---	---	---	---	---	---	
	Medical [3]												Current WCIRB	
	Based on Experience Evaluated as of (in months):												Estimate of	
	12	15	18	21	24	27	33	39	45	51	57	63	69	Ultimate
3-Year Avg. Incurred	0.555	0.568	0.572	0.585	0.595	0.620	0.645	0.642	0.635	0.626	0.604	0.583	0.554	0.605
Latest Year Incurred	0.600	0.605	0.590	0.606	0.608	0.625	0.650	0.652	0.629	0.614	0.586	0.566	0.538	0.605
3-Year Avg. Paid	0.490	0.494	0.501	0.511	0.534	0.559	0.576	0.584	0.601	0.634	0.629	0.629	0.614	0.605
Latest Year Paid	0.512	0.516	0.523	0.536	0.559	0.593	0.609	0.590	0.613	0.662	0.642	0.623	0.604	0.605
Reform-Adj. Paid [1]	0.527	0.531	0.536	0.550	0.569	0.601	0.614	0.592	0.624	0.666	0.644	0.625	0.605	0.605
Latest Yr. Adj. for Case Reserves	0.614	0.618	---	---	0.633	0.678	---	0.675	---	0.630	---	0.576	---	0.605
Latest Yr. Adj. for Settlement [2]	0.614	0.557	---	---	0.575	0.606	---	0.592	---	0.662	---	0.622	---	0.605
	Percent Change												69 Mos.	
	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 33	33 to 39	39 to 45	45 to 51	51 to 57	57 to 63	63 to 69	Difference from	
													Current Estimate	
3-Year Avg. Incurred	2.3%	0.7%	2.3%	1.7%	4.2%	4.0%	-0.5%	-1.1%	-1.4%	-3.5%	-3.5%	-5.0%	-8.4%	
Latest Year Incurred	0.8%	-2.5%	2.7%	0.3%	2.8%	4.0%	0.3%	-3.5%	-2.4%	-4.6%	-3.4%	-4.9%	-11.1%	
3-Year Avg. Paid	0.8%	1.4%	2.0%	4.5%	4.7%	3.0%	1.4%	2.9%	5.5%	-0.8%	0.0%	-2.4%	1.5%	
Latest Year Paid	0.8%	1.4%	2.5%	4.3%	6.1%	2.7%	-3.1%	3.9%	8.0%	-3.0%	-3.0%	-3.0%	-0.2%	
Reform-Adj. Paid	0.8%	0.9%	2.6%	3.5%	5.6%	2.2%	-3.6%	5.4%	6.7%	-3.3%	-3.0%	-3.2%	0.0%	
Latest Yr. Adj. for Case Reserves	---	---	---	---	---	---	---	---	---	---	---	---	---	
Latest Yr. Adj. for Settlement	---	---	---	---	---	---	---	---	---	---	---	---	---	

[1] For all evaluations through 33-months, estimates of ultimate loss ratios based on the Reform-Adjusted Paid methodology reflect adjustment for the impact of the 2002-2004 reforms only. For the 39 and 45-month evaluations, the adjustment reflects both the 2002-2004 reforms and the SB 863 reforms. For subsequent evaluations, the adjustment reflects the SB 863 reforms only.
 [2] The Latest Year Claim-Settlement Methodology for projecting ultimate loss ratios also contemplates adjustments for reforms. See [1] above.
 [3] All methodologies reflect medical losses including the cost of medical cost containment program expenses.

Source: WCIRB quarterly calls for experience

Comparison of Projected Ultimate Loss Ratios
Accident Year 2011

Methodology	Indemnity											Current WCIRB
	Based on Experience Evaluated as of (in months):											Estimate of
	12	15	18	21	24	27	33	39	45	51	57	Ultimate
3-Year Avg. Incurred	0.287	0.297	0.303	0.309	0.310	0.311	0.312	0.309	0.308	0.304	0.299	0.303
Latest Year Incurred	0.311	0.314	0.319	0.329	0.320	0.313	0.307	0.306	0.305	0.302	0.294	0.303
3-Year Avg. Paid	0.258	0.267	0.277	0.283	0.290	0.297	0.305	0.312	0.313	0.311	0.310	0.303
Latest Year Paid	0.289	0.297	0.304	0.307	0.308	0.312	0.316	0.315	0.313	0.307	0.305	0.303
Reform-Adj. Paid [1]	0.279	0.285	0.291	0.295	0.298	0.301	0.305	0.313	0.311	0.306	0.303	0.303
Latest Yr. Adj. for Case Reserves	0.333	0.344	---	---	---	0.332	---	0.314	---	0.306	---	0.303
Latest Yr. Adj. for Settlement [2]	0.285	0.292	---	---	0.301	0.301	---	0.309	---	0.302	---	0.303
Percent Change											57 Mos.	
	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 33	33 to 39	39 to 45	45 to 51	51 to 57	Difference from	
											Current Estimate	
3-Year Avg. Incurred	3.5%	2.0%	2.0%	0.3%	0.3%	0.3%	-1.0%	-0.3%	-1.3%	-1.6%	-1.3%	
Latest Year Incurred	1.0%	1.6%	3.1%	-2.7%	-2.2%	-1.9%	-0.3%	-0.3%	-1.0%	-2.6%	-3.0%	
3-Year Avg. Paid	3.5%	3.7%	2.2%	2.5%	2.4%	2.7%	2.3%	0.3%	-0.6%	-0.3%	2.3%	
Latest Year Paid	2.8%	2.4%	1.0%	0.3%	1.3%	1.3%	-0.3%	-0.6%	-1.9%	-0.7%	0.7%	
Reform-Adj. Paid	2.2%	2.1%	1.4%	1.0%	1.0%	1.3%	2.6%	-0.6%	-1.6%	-1.0%	0.0%	
Latest Yr. Adj. for Case Reserves	---	---	---	---	---	---	---	---	---	---	---	
Latest Yr. Adj. for Settlement	---	---	---	---	---	---	---	---	---	---	---	
Medical											Current WCIRB	
Methodology	Based on Experience Evaluated as of (in months):											Estimate of
	12	15	18	21	24 [3]	27	33	39	45	51	57	Ultimate
	3-Year Avg. Incurred	0.558	0.595	0.614	0.624	0.590	0.588	0.575	0.568	0.547	0.524	0.497
Latest Year Incurred	0.584	0.607	0.638	0.643	0.602	0.605	0.572	0.554	0.524	0.503	0.478	0.527
3-Year Avg. Paid	0.478	0.511	0.530	0.544	0.490	0.499	0.517	0.545	0.545	0.546	0.534	0.527
Latest Year Paid	0.515	0.555	0.574	0.585	0.504	0.510	0.533	0.576	0.558	0.539	0.522	0.527
Reform-Adj. Paid [1]	0.525	0.562	0.579	0.590	0.503	0.512	0.548	0.585	0.564	0.545	0.527	0.527
Latest Yr. Adj. for Case Reserves	0.613	0.656	---	---	---	0.624	---	0.570	---	0.512	---	0.527
Latest Yr. Adj. for Settlement [2]	0.530	0.567	---	---	0.504	0.511	---	0.580	---	0.540	---	0.527
Percent Change											57 Mos.	
	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 33	33 to 39	39 to 45	45 to 51	51 to 57	Difference from	
											Current Estimate	
3-Year Avg. Incurred	6.6%	3.2%	1.6%	---	-0.3%	-2.2%	-1.2%	-3.7%	-4.2%	-5.2%	-5.7%	
Latest Year Incurred	3.9%	5.1%	0.8%	---	0.5%	-5.5%	-3.1%	-5.4%	-4.0%	-5.0%	-9.3%	
3-Year Avg. Paid	6.9%	3.7%	2.6%	---	1.8%	3.6%	5.4%	0.0%	0.2%	-2.2%	1.3%	
Latest Year Paid	7.8%	3.4%	1.9%	---	1.2%	4.5%	8.1%	-3.1%	-3.4%	-3.2%	-0.9%	
Reform-Adj. Paid	7.0%	3.0%	1.9%	---	1.8%	7.0%	6.8%	-3.6%	-3.4%	-3.3%	0.0%	
Latest Yr. Adj. for Case Reserves	---	---	---	---	---	---	---	---	---	---	---	
Latest Yr. Adj. for Settlement	---	---	---	---	---	---	---	---	---	---	---	

[1] For all evaluations through 21-months, estimates of ultimate loss ratios based on the Reform-Adjusted Paid methodology reflect adjustment for the impact of the 2002-2004 reforms only. For the 24, 27, and 33-month evaluations, the adjustment reflects both the 2002-2004 reforms and the SB 863 reforms. For subsequent evaluations, the adjustment reflects the SB 863 reforms only.

[2] The Latest Year Claim-Settlement Methodology for projecting ultimate loss ratios also contemplates adjustments for reforms. See [1] above.

[3] Starting with the 24-month evaluation, all methodologies reflect medical losses excluding the cost of medical cost containment expenses.

Source: WCIRB quarterly calls for experience

**Comparison of Projected Ultimate Loss Ratios
Accident Year 2012**

Methodology	Indemnity									Current WCIRB
	Based on Experience Evaluated as of (in months):									Estimate of
	<u>12</u>	<u>15</u>	<u>18</u>	<u>21</u>	<u>24</u>	<u>27</u>	<u>33</u>	<u>39</u>	<u>45</u>	Ultimate
3-Year Avg. Incurred	0.281	0.281	0.288	0.288	0.284	0.283	0.281	0.276	0.269	0.277
Latest Year Incurred	0.291	0.281	0.287	0.280	0.277	0.278	0.277	0.273	0.262	0.277
3-Year Avg. Paid	0.268	0.270	0.278	0.282	0.285	0.290	0.290	0.287	0.285	0.277
Latest Year Paid	0.290	0.289	0.293	0.294	0.290	0.291	0.287	0.282	0.279	0.277
Reform-Adj. Paid [1]	0.271	0.275	0.281	0.283	0.281	0.289	0.285	0.281	0.277	0.277
Latest Yr. Adj. for Case Reserves	---	0.313	---	---	---	0.294	---	0.282	---	0.277
Latest Yr. Adj. for Settlement [2]	0.275	0.275	---	---	0.276	0.285	---	0.276	---	0.277
	Percent Change									45 Mos.
	<u>12 to 15</u>	<u>15 to 18</u>	<u>18 to 21</u>	<u>21 to 24</u>	<u>24 to 27</u>	<u>27 to 33</u>	<u>33 to 39</u>	<u>39 to 45</u>	Difference from Current Estimate	
3-Year Avg. Incurred	0.0%	2.5%	0.0%	-1.4%	-0.4%	-0.7%	-1.8%	-2.5%	-2.9%	
Latest Year Incurred	-3.4%	2.1%	-2.4%	-1.1%	0.4%	-0.4%	-1.4%	-4.0%	-5.4%	
3-Year Avg. Paid	0.7%	3.0%	1.4%	1.1%	1.8%	0.0%	-1.0%	-0.7%	2.9%	
Latest Year Paid	-0.3%	1.4%	0.3%	-1.4%	0.3%	-1.4%	-1.7%	-1.1%	0.7%	
Reform-Adj. Paid	1.5%	2.2%	0.7%	-0.7%	2.8%	-1.4%	-1.4%	-1.4%	0.0%	
Latest Yr. Adj. for Case Reserves	---	---	---	---	---	---	---	---	---	
Latest Yr. Adj. for Settlement	---	---	---	---	3.2%	---	---	---	---	
	Medical									Current WCIRB
	Based on Experience Evaluated as of (in months):									Estimate of
	<u>12</u>	<u>15</u>	<u>18</u>	<u>21</u>	<u>24</u>	<u>27</u>	<u>33</u>	<u>39</u>	<u>45</u>	Ultimate
3-Year Avg. Incurred	0.542	0.538	0.541	0.530	0.518	0.512	0.491	0.464	0.434	0.470
Latest Year Incurred	0.565	0.559	0.549	0.525	0.496	0.497	0.468	0.441	0.413	0.470
3-Year Avg. Paid	0.427	0.435	0.449	0.458	0.458	0.486	0.485	0.486	0.474	0.470
Latest Year Paid	0.456	0.454	0.469	0.477	0.475	0.516	0.496	0.476	0.460	0.470
Reform-Adj. Paid [1]	0.451	0.459	0.482	0.500	0.503	0.535	0.507	0.489	0.470	0.470
Latest Yr. Adj. for Case Reserves	---	0.597	---	---	---	0.533	---	0.464	---	0.470
Latest Yr. Adj. for Settlement [2]	0.452	0.459	---	---	0.498	0.530	---	0.483	---	0.470
	Percent Change									45 Mos.
	<u>12 to 15</u>	<u>15 to 18</u>	<u>18 to 21</u>	<u>21 to 24</u>	<u>24 to 27</u>	<u>27 to 33</u>	<u>33 to 39</u>	<u>39 to 45</u>	Difference from Current Estimate	
3-Year Avg. Incurred	-0.7%	0.6%	-2.0%	-2.3%	-1.2%	-4.1%	-5.5%	-6.5%	-7.7%	
Latest Year Incurred	-1.1%	-1.8%	-4.4%	-5.5%	0.2%	-5.8%	-5.8%	-6.3%	-12.1%	
3-Year Avg. Paid	1.9%	3.2%	2.0%	0.0%	6.1%	-0.2%	0.2%	-2.5%	0.9%	
Latest Year Paid	-0.4%	3.3%	1.7%	-0.4%	8.6%	-3.9%	-4.0%	-3.4%	-2.1%	
Reform-Adj. Paid	1.8%	5.0%	3.7%	0.6%	6.4%	-5.2%	-3.6%	-3.9%	0.0%	
Latest Yr. Adj. for Case Reserves	---	---	---	---	---	---	---	---	---	
Latest Yr. Adj. for Settlement	---	---	---	---	6.4%	---	---	---	---	

[1] For all evaluations through 24-months, estimates of ultimate loss ratios based on the Reform-Adjusted Paid methodology reflect adjustment for the impact of the 2002-2004 reforms and the SB 863 reforms. For subsequent evaluations, the adjustment reflects the SB 863 reforms only.

[2] The Latest Year Claim-Settlement Methodology for projecting ultimate loss ratios also contemplates adjustments for reforms. See [1] above.

Source: WCIRB quarterly calls for experience

**Comparison of Projected Ultimate Loss Ratios
Accident Year 2013**

Methodology	Indemnity							Current WCIRB Estimate of Ultimate
	Based on Experience Evaluated as of (in months):							
	<u>12</u>	<u>15</u>	<u>18</u>	<u>21</u>	<u>24</u>	<u>27</u>	<u>33</u>	
3-Year Avg. Incurred	0.260	0.258	0.253	0.253	0.249	0.246	0.237	0.251
Latest Year Incurred	0.254	0.253	0.245	0.247	0.244	0.241	0.228	0.251
3-Year Avg. Paid	0.252	0.259	0.259	0.260	0.257	0.255	0.254	0.251
Latest Year Paid	0.254	0.260	0.257	0.255	0.250	0.248	0.247	0.251
Reform-Adj. Paid [1]	0.243	0.264	0.262	0.259	0.254	0.252	0.251	0.251
Latest Yr. Adj. for Case Reserves	---	0.274	---	---	---	0.250	---	0.251
Latest Yr. Adj. for Settlement [2]	0.238	0.260	---	---	0.250	0.247	---	0.251
	Percent Change							33 Mos. Difference from Current Estimate
	<u>12 to 15</u>	<u>15 to 18</u>	<u>18 to 21</u>	<u>21 to 24</u>	<u>24 to 27</u>	<u>27 to 33</u>		
3-Year Avg. Incurred	-0.8%	-1.9%	0.0%	-1.6%	-1.2%	-3.7%	-5.6%	
Latest Year Incurred	-0.4%	-3.2%	0.8%	-1.2%	-1.2%	-5.4%	-9.2%	
3-Year Avg. Paid	2.8%	0.0%	0.4%	-1.2%	-0.8%	-0.4%	1.2%	
Latest Year Paid	2.4%	-1.2%	-0.8%	-2.0%	-0.8%	-0.4%	-1.6%	
Reform-Adj. Paid	8.6%	-0.8%	-1.1%	-1.9%	-0.8%	-0.4%	0.0%	
Latest Yr. Adj. for Case Reserves	---	---	---	---	---	---	---	
Latest Yr. Adj. for Settlement	9.0%	---	---	---	-1.4%	---	---	
	Medical							Current WCIRB Estimate of Ultimate
	Based on Experience Evaluated as of (in months):							
	<u>12</u>	<u>15</u>	<u>18</u>	<u>21</u>	<u>24</u>	<u>27</u>	<u>33</u>	
3-Year Avg. Incurred	0.470	0.462	0.448	0.436	0.423	0.407	0.373	0.400
Latest Year Incurred	0.447	0.443	0.419	0.408	0.402	0.379	0.347	0.400
3-Year Avg. Paid	0.395	0.414	0.408	0.410	0.407	0.412	0.402	0.400
Latest Year Paid	0.412	0.444	0.424	0.420	0.405	0.401	0.387	0.400
Reform-Adj. Paid [1]	0.455	0.473	0.445	0.435	0.416	0.419	0.400	0.400
Latest Yr. Adj. for Case Reserves	---	0.491	---	---	---	0.403	---	0.400
Latest Yr. Adj. for Settlement [2]	0.451	0.470	---	---	0.413	0.413	---	0.400
	Percent Change							33 Mos. Difference from Current Estimate
	<u>12 to 15</u>	<u>15 to 18</u>	<u>18 to 21</u>	<u>21 to 24</u>	<u>24 to 27</u>	<u>27 to 33</u>		
3-Year Avg. Incurred	-1.7%	-3.0%	-2.7%	-3.0%	-3.8%	-8.4%	-6.8%	
Latest Year Incurred	-0.9%	-5.4%	-2.6%	-1.5%	-5.7%	-8.4%	-13.3%	
3-Year Avg. Paid	4.8%	-1.4%	0.5%	-0.7%	1.2%	-2.4%	0.5%	
Latest Year Paid	7.8%	-4.5%	-0.9%	-3.6%	-1.0%	-3.5%	-3.3%	
Reform-Adj. Paid	4.0%	-5.9%	-2.2%	-4.4%	0.7%	-4.5%	0.0%	
Latest Yr. Adj. for Case Reserves	---	---	---	---	---	---	---	
Latest Yr. Adj. for Settlement	4.2%	---	---	---	0.0%	---	---	

[1] For the 12-month evaluation, estimates of ultimate loss ratios based on the Reform-Adjusted Paid methodology reflect adjustment for the impact of the 2002-2004 reforms and the SB 863 reforms. For subsequent evaluations, the adjustment reflects the SB 863 reforms only.

[2] The Latest Year Claim-Settlement Methodology for projecting ultimate loss ratios also contemplates adjustments for reforms. See [1] above.

Source: WCIRB quarterly calls for experience

**Comparison of Projected Ultimate Loss Ratios
Accident Year 2014**

Methodology	Indemnity				Current WCIRB Estimate of Ultimate	
	Based on Experience Evaluated as of (in months):					
	<u>12</u>	<u>15</u>	<u>18</u>	<u>21</u>		
3-Year Avg. Incurred	0.233	0.231	0.227	0.221	0.247	
Latest Year Incurred	0.224	0.221	0.218	0.210	0.247	
3-Year Avg. Paid	0.236	0.236	0.237	0.237	0.247	
Latest Year Paid	0.229	0.228	0.229	0.229	0.247	
Reform-Adj. Paid [1]	0.245	0.246	0.248	0.247	0.247	
Latest Yr. Adj. for Case Reserves	---	0.244	---	---	0.247	
Latest Yr. Adj. for Settlement [2]	0.241	0.241	---	---	0.247	
	<u>Percent Change</u>				21 Mos. Difference from	
		<u>12 to 15</u>	<u>15 to 18</u>	<u>18 to 21</u>	<u>Current Estimate</u>	
3-Year Avg. Incurred		-0.9%	-1.7%	-2.6%	-10.5%	
Latest Year Incurred		-1.3%	-1.4%	-3.7%	-15.0%	
3-Year Avg. Paid		0.0%	0.4%	0.0%	-4.0%	
Latest Year Paid		-0.4%	0.4%	0.0%	-7.3%	
Reform-Adj. Paid		0.4%	0.8%	-0.4%	0.0%	
Latest Yr. Adj. for Case Reserves		---	---	---		
Latest Yr. Adj. for Settlement		-0.3%	---	---		
		<u>Medical</u>				
		Based on Experience Evaluated as of (in months):				Current WCIRB Estimate of
		<u>12</u>	<u>15</u>	<u>18</u>	<u>21</u>	<u>Ultimate</u>
3-Year Avg. Incurred	0.398	0.380	0.360	0.343	0.361	
Latest Year Incurred	0.370	0.344	0.326	0.310	0.361	
3-Year Avg. Paid	0.370	0.374	0.367	0.363	0.361	
Latest Year Paid	0.362	0.360	0.356	0.348	0.361	
Reform-Adj. Paid [1]	0.367	0.380	0.371	0.361	0.361	
Latest Yr. Adj. for Case Reserves	---	0.381	---	---	0.361	
Latest Yr. Adj. for Settlement [2]	0.364	0.374	---	---	0.361	
		<u>Percent Change</u>				21 Mos. Difference from
		<u>12 to 15</u>	<u>15 to 18</u>	<u>18 to 21</u>	<u>Current Estimate</u>	
3-Year Avg. Incurred		-4.5%	-5.3%	-4.7%	-5.0%	
Latest Year Incurred		-7.0%	-5.2%	-4.9%	-14.1%	
3-Year Avg. Paid		1.1%	-1.9%	-1.1%	0.6%	
Latest Year Paid		-0.6%	-1.1%	-2.2%	-3.6%	
Reform-Adj. Paid		3.5%	-2.4%	-2.7%	0.0%	
Latest Yr. Adj. for Case Reserves		---	---	---		
Latest Yr. Adj. for Settlement		2.7%	---	---		

[1] For all evaluations, estimates of ultimate loss ratios based on the Reform-Adjusted Paid methodology reflect adjustment for the impact of the SB 863 reforms.

[2] The Latest Year Claim-Settlement Methodology for projecting ultimate loss ratios also contemplates adjustments for reforms. See [1] above.

Source: WCIRB quarterly calls for experience

**Projection of Indemnity Severity Trends by Accident Year
Based on Experience as of September 30, 2015**

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	9,970	---	1.690	16,853	---
1991	10,913	9.5%	1.599	17,446	3.5%
1992	10,999	0.8%	1.546	17,000	-2.6%
1993	11,970	8.8%	1.536	18,392	8.2%
1994	12,930	8.0%	1.609	20,808	13.1%
1995	14,522	12.3%	1.499	21,769	4.6%
1996	16,255	11.9%	1.407	22,865	5.0%
1997	19,347	19.0%	1.262	24,417	6.8%
1998	21,154	9.3%	1.164	24,625	0.9%
1999	23,273	10.0%	1.079	25,104	1.9%
2000	24,716	6.2%	1.007	24,888	-0.9%
2001	27,092	9.6%	1.008	27,308	9.7%
2002	26,244	-3.1%	1.035	27,159	-0.5%
2003	25,747	-1.9%	1.034	26,622	-2.0%
2004	20,972	-18.5%	1.228	25,764	-3.2%
2005	18,887	-9.9%	1.412	26,676	3.5%
2006	20,716	9.7%	1.316	27,272	2.2%
2007	22,396	8.1%	1.275	28,562	4.7%
2008	24,729	10.4%	1.208	29,884	4.6%
2009	25,717	4.0%	1.201	30,893	3.4%
2010	25,525	-0.7%	1.185	30,237	-2.1%
2011	25,170	-1.4%	1.172	29,495	-2.5%
2012	25,088	-0.3%	1.147	28,764	-2.5%
2013	25,649	2.2%	1.143	29,322	1.9%
2014	27,625	7.7%	1.054	29,111	-0.7%

(6) Estimated Annual Exponential Trend Based on 2005 to 2013: 1.0%

(7) Estimated Annual Exponential Trend Based on 2008 to 2013: -0.9%

(a) Indemnity Benefit level adjustment factors are based on factors shown in Exhibit 4.1 of Item AC15-12-01, excluding the impact for frequency, presented at the Actuarial Committee Meeting on December 7, 2015.

Source: WCIRB experience calls.

**Projection of Medical Severity Trends by Accident Year
Based on Experience as of September 30, 2015**

Accident Year	(1) Estimated Ultimate Severity(a)	(2) Annual % Change	(3) Medical Adjustment Factor(b)	(4) Ultimate On-level Severity (1) x (3)	(5) Annual % Change
1990	9,012	---	1.148	10,342	---
1991	9,704	7.7%	1.126	10,929	5.7%
1992	9,786	0.8%	1.089	10,655	-2.5%
1993	10,897	11.4%	1.070	11,660	9.4%
1994	12,070	10.8%	1.125	13,582	16.5%
1995	13,805	14.4%	1.116	15,413	13.5%
1996	14,893	7.9%	1.105	16,464	6.8%
1997	17,898	20.2%	1.098	19,658	19.4%
1998	21,786	21.7%	0.969	21,103	7.4%
1999	24,818	13.9%	0.840	20,840	-1.2%
2000	28,171	13.5%	0.772	21,756	4.4%
2001	33,376	18.5%	0.705	23,526	8.1%
2002	33,979	1.8%	0.733	24,892	5.8%
2003	32,480	-4.4%	0.770	25,005	0.5%
2004	30,132	-7.2%	1.020	30,734	22.9%
2005	31,156	3.4%	1.022	31,843	3.6%
2006	34,502	10.7%	1.020	35,178	10.5%
2007	38,582	11.8%	1.003	38,705	10.0%
2008	42,275	9.6%	1.002	42,365	9.5%
2009	44,849	6.1%	1.002	44,957	6.1%
2010	45,572	1.6%	1.005	45,792	1.9%
2011	41,840 (c)	---	1.009	42,214 (c)	---
2012	40,693	-2.7%	1.017	41,368	-2.0%
2013	39,194	-3.7%	1.022	40,059	-3.2%
2014	38,587	-1.5%	1.020	39,348	-1.8%

(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 column (6) of Exhibit 3.2 from Item AC15-12-01, presented at the Actuarial Committee meeting on December 7, 2015.

(b) Medical benefit level adjustment factors are based on Exhibit 4.4 of Item AC15-12-01, excluding the impact of frequency, and including the impact of SB 863 provisions applicable to outstanding medical losses, presented at the Actuarial Committee Meeting on December 7, 2015.

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

Source: WCIRB experience calls.

**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, 2015**

(1)	No Adjustment for MCCP				MCCP Removed Based on WCIRB Aggregate Calendar Year Data Calls (b)			
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Accident Year	Estimated Ultimate Severity (a)	Annual % Change	Ultimate On-Level Severity (c)	Annual % Change	Estimated Ultimate Severity (a)	Annual % Change	Ultimate On-Level Severity (c)	Annual % Change
2005	31,156	---	31,844	---	29,377	---	30,026	---
2006	34,502	10.7%	35,179	10.5%	32,190	9.6%	32,821	9.3%
2007	38,582	11.8%	38,705	10.0%	35,843	11.3%	35,958	9.6%
2008	42,275	9.6%	42,365	9.5%	38,393	7.1%	38,475	7.0%
2009	44,849	6.1%	44,957	6.1%	40,908	6.6%	41,007	6.6%
2010	45,572	1.6%	45,792	1.9%	41,526	1.5%	41,726	1.8%
2011	46,087	1.1%	46,499	1.5%	41,840	0.8%	42,214	1.2%
2012	44,913	-2.5%	45,658	-1.8%	40,693	-2.7%	41,368	-2.0%
2013	43,585	-3.0%	44,547	-2.4%	39,194	-3.7%	40,059	-3.2%
2014	43,122	-1.1%	43,972	-1.3%	38,587	-1.5%	39,348	-1.8%

Estimated Annual Exponential
Trend Based on 2005 to 2013:
Trend Based on 2008 to 2013:

4.4%
0.9%

3.8%
0.7%

- (a) Estimated ultimate severities for all accident years were derived by dividing ultimate medical losses on indemnity claims by ultimate indemnity claim counts.
- (b) 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 4.4 of Item AC15-12-01, excluding the impact of frequency, and including the impact of SB 863 provisions applicable to outstanding medical losses, presented at the Actuarial Committee Meeting on December 7, 2015.

Source: WCIRB experience calls.

Average Incurred Indemnity Loss per Reported Indemnity Claim

Accident Year	Evaluated as of (in months):									
	<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>
1998										20,654
1999									22,384	22,477
2000								22,866	23,045	23,184
2001							24,794	25,122	25,442	25,635
2002						22,980	23,387	23,756	24,016	24,305
2003					22,242	22,995	23,612	24,056	24,535	24,947
2004				17,202	17,974	18,790	19,316	19,936	20,317	20,628
2005			13,279	14,760	15,900	16,729	17,496	18,097	18,413	18,639
2006		11,011	14,373	16,163	17,439	18,484	19,261	19,761	20,052	20,233
2007	7,393	11,774	15,625	17,732	19,007	20,047	20,765	21,349	21,588	
2008	7,711	12,734	16,946	19,534	21,091	22,032	22,720	23,147		
2009	7,951	13,225	17,505	20,198	21,796	22,890	23,503			
2010	7,885	12,999	17,408	19,832	21,332	22,258				
2011	7,941	13,400	17,457	19,833	21,089					
2012	8,146	13,350	17,344	19,323						
2013	8,407	13,391	17,056							
2014	8,534	13,490								
2015	8,820									

Accident Year	Annual Change									
	<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>
1999										8.8%
2000									3.0%	3.1%
2001								9.9%	10.4%	10.6%
2002							-5.7%	-5.4%	-5.6%	-5.2%
2003						0.1%	1.0%	1.3%	2.2%	2.6%
2004					-19.2%	-18.3%	-18.2%	-17.1%	-17.2%	-17.3%
2005				-14.2%	-11.5%	-11.0%	-9.4%	-9.2%	-9.4%	-9.6%
2006			8.2%	9.5%	9.7%	10.5%	10.1%	9.2%	8.9%	8.6%
2007		6.9%	8.7%	9.7%	9.0%	8.5%	7.8%	8.0%	7.7%	
2008	4.3%	8.2%	8.5%	10.2%	11.0%	9.9%	9.4%	8.4%		
2009	3.1%	3.9%	3.3%	3.4%	3.3%	3.9%	3.4%			
2010	-0.8%	-1.7%	-0.6%	-1.8%	-2.1%	-2.8%				
2011	0.7%	3.1%	0.3%	0.0%	-1.1%					
2012	2.6%	-0.4%	-0.6%	-2.6%						
2013	3.2%	0.3%	-1.7%							
2014	1.5%	0.7%								
2015	3.4%									

Annual Trend*

All-Yr	1.9%	2.2%	3.1%	3.2%	1.9%	0.6%	-0.9%	-1.8%	-2.3%	-1.5%
R ²	0.943	0.717	0.676	0.620	0.189	0.019	0.046	0.208	0.351	0.145

* Trend is based on an exponential distribution.

Note: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 76% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

Source: WCIRB quarterly calls for experience

Average Incurred Medical Loss per Reported Claim

Accident Year	Evaluated as of (in months):									
	<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>
1998										6,214
1999									6,928	7,136
2000								7,585	7,833	7,962
2001							8,624	9,002	9,394	9,728
2002						8,751	9,178	9,543	9,877	10,168
2003					8,117	8,644	9,044	9,427	9,816	10,124
2004				6,186	6,722	7,172	7,640	8,006	8,305	8,532
2005			5,302	5,860	6,293	6,877	7,287	7,649	7,963	8,078
2006		4,822	5,876	6,568	7,128	7,640	8,069	8,407	8,611	8,724
2007	4,178	5,417	6,658	7,495	8,170	8,764	9,238	9,579	9,750	
2008	4,491	6,181	7,545	8,580	9,420	10,016	10,448	10,732		
2009	4,961	6,844	8,521	9,683	10,658	11,299	11,675			
2010	5,112	7,155	9,003	10,289	11,115	11,646				
2011	5,333	7,707	9,531	10,777	11,561					
2012	5,584	7,786	9,456	10,378						
2013	5,644	7,817	9,195							
2014	5,662	7,486								
2015	5,820									

Accident Year	Annual Change									
	<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>
1999										14.8%
2000									13.1%	11.6%
2001								18.7%	19.9%	22.2%
2002							6.4%	6.0%	5.1%	4.5%
2003						-1.2%	-1.5%	-1.2%	-0.6%	-0.4%
2004					-17.2%	-17.0%	-15.5%	-15.1%	-15.4%	-15.7%
2005				-5.3%	-6.4%	-4.1%	-4.6%	-4.5%	-4.1%	-5.3%
2006			10.8%	12.1%	13.3%	11.1%	10.7%	9.9%	8.1%	8.0%
2007		12.3%	13.3%	14.1%	14.6%	14.7%	14.5%	13.9%	13.2%	
2008	7.5%	14.1%	13.3%	14.5%	15.3%	14.3%	13.1%	12.0%		
2009	10.5%	10.7%	12.9%	12.9%	13.1%	12.8%	11.7%			
2010	3.0%	4.5%	5.7%	6.3%	4.3%	3.1%				
2011	4.3%	7.7%	5.9%	4.7%	4.0%					
2012	4.7%	1.0%	-0.8%	-3.7%						
2013	1.1%	0.4%	-2.8%							
2014	0.3%	-4.2%								
2015	2.8%									

Annual Trend*

All-Yr	4.0%	5.9%	7.8%	8.8%	7.4%	4.9%	2.9%	1.9%	1.9%	3.2%
R ²	0.899	0.812	0.880	0.923	0.741	0.485	0.273	0.186	0.179	0.280

* Trend is based on an exponential distribution.

Note: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 68% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

Source: WCIRB quarterly calls for experience

Average Indemnity Case Outstanding per Open Indemnity Claim

Accident Year	Evaluated as of (in months):									
	<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>
1998										33,539
1999									30,024	30,803
2000								24,590	25,309	26,385
2001							20,825	22,071	23,809	24,943
2002						17,358	17,906	18,960	20,353	22,603
2003					16,260	17,753	20,086	22,380	26,038	29,869
2004				13,892	14,969	17,365	18,917	22,389	24,609	27,515
2005			10,898	12,154	14,338	16,566	20,323	23,787	25,754	27,916
2006		9,764	12,073	14,411	16,934	20,127	22,838	26,291	28,543	30,712
2007	6,670	10,203	13,102	15,553	17,441	19,442	22,404	26,148	27,939	
2008	6,849	10,857	13,794	16,177	17,926	19,844	22,715	25,231		
2009	7,103	11,354	13,819	16,025	17,984	20,513	22,332			
2010	7,064	11,058	13,889	15,485	17,404	19,057				
2011	7,157	11,699	14,023	16,407	18,293					
2012	7,360	11,545	14,245	15,567						
2013	7,613	11,641	13,878							
2014	7,785	11,894								
2015	8,178									

Accident Year	Annual Change									
	<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>
1999										-8.2%
2000									-15.7%	-14.3%
2001								-10.2%	-5.9%	-5.5%
2002							-14.0%	-14.1%	-14.5%	-9.4%
2003						2.3%	12.2%	18.0%	27.9%	32.1%
2004					-7.9%	-2.2%	-5.8%	0.0%	-5.5%	-7.9%
2005				-12.5%	-4.2%	-4.6%	7.4%	6.2%	4.7%	1.5%
2006			10.8%	18.6%	18.1%	21.5%	12.4%	10.5%	10.8%	10.0%
2007		4.5%	8.5%	7.9%	3.0%	-3.4%	-1.9%	-0.5%	-2.1%	
2008	2.7%	6.4%	5.3%	4.0%	2.8%	2.1%	1.4%	-3.5%		
2009	3.7%	4.6%	0.2%	-0.9%	0.3%	3.4%	-1.7%			
2010	-0.5%	-2.6%	0.5%	-3.4%	-3.2%	-7.1%				
2011	1.3%	5.8%	1.0%	6.0%	5.1%					
2012	2.8%	-1.3%	1.6%	-5.1%						
2013	3.4%	0.8%	-2.6%							
2014	2.3%	2.2%								
2015	5.1%									

Annual Trend*										
All-Yr	2.3%	2.3%	2.7%	2.6%	2.4%	2.1%	2.4%	2.2%	0.7%	-0.6%
R ²	0.952	0.831	0.681	0.530	0.588	0.533	0.543	0.341	0.028	0.021

Note: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 76% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

* Trend is based on an exponential distribution.

Source: WCIRB quarterly calls for experience

Average Outstanding Medical Loss Per Open Indemnity Claim

Accident Year	Evaluated as of (in months):									
	<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>
1998										70,811
1999									57,711	70,021
2000								44,633	53,601	61,000
2001							31,804	40,766	53,757	65,744
2002						24,666	31,468	40,019	49,142	60,870
2003					20,429	27,285	35,225	43,565	55,606	68,424
2004				17,330	22,858	29,112	37,134	46,501	55,708	67,949
2005			16,369	20,139	24,132	32,416	40,786	50,928	61,455	68,518
2006		14,528	18,839	23,796	29,496	37,257	45,536	58,021	68,937	77,632
2007	12,487	15,517	19,866	24,801	31,393	38,290	47,839	58,947	67,026	
2008	12,982	17,124	21,047	26,169	32,594	39,909	48,933	58,456		
2009	13,883	17,417	21,859	26,342	32,752	39,960	47,343			
2010	14,050	17,673	22,462	27,349	32,812	38,703				
2011	14,607	19,213	23,453	28,976	35,757					
2012	15,395	19,184	23,396	26,938						
2013	14,729	18,958	22,192							
2014	14,891	18,300								
2015	15,635									

Accident Year	Annual Change									
	<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>
1999										-1.1%
2000									-7.1%	-12.9%
2001								-8.7%	0.3%	7.8%
2002							-1.1%	-1.8%	-8.6%	-7.4%
2003						10.6%	11.9%	8.9%	13.2%	12.4%
2004					11.9%	6.7%	5.4%	6.7%	0.2%	-0.7%
2005				16.2%	5.6%	11.4%	9.8%	9.5%	10.3%	0.8%
2006			15.1%	18.2%	22.2%	14.9%	11.6%	13.9%	12.2%	13.3%
2007		6.8%	5.5%	4.2%	6.4%	2.8%	5.1%	1.6%	-2.8%	
2008	4.0%	10.4%	5.9%	5.5%	3.8%	4.2%	2.3%	-0.8%		
2009	6.9%	1.7%	3.9%	0.7%	0.5%	0.1%	-3.2%			
2010	1.2%	1.5%	2.8%	3.8%	0.2%	-3.1%				
2011	4.0%	8.7%	4.4%	5.9%	9.0%					
2012	5.4%	-0.2%	-0.2%	-7.0%						
2013	-4.3%	-1.2%	-5.1%							
2014	1.1%	-3.5%								
2015	5.0%									

Annual Trend*										
All-Yr	2.6%	3.1%	3.8%	5.5%	7.0%	6.4%	6.4%	5.3%	3.0%	0.9%
R ²	0.852	0.758	0.778	0.781	0.886	0.872	0.929	0.814	0.525	0.115

Note: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 76% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

* Trend is based on an exponential distribution

Source: WCIRB quarterly calls for experience

Average Paid Indemnity Loss per Indemnity Claim

Accident Year	Evaluated as of (in months):									
	9	21	33	45	57	69	81	93	105	117
1998										19,032
1999									20,487	20,885
2000								20,709	21,270	21,680
2001							22,067	22,878	23,490	23,945
2002						20,057	21,129	21,876	22,384	22,811
2003					18,515	20,050	21,078	21,803	22,416	22,970
2004				12,998	14,779	15,993	16,892	17,646	18,292	18,898
2005			8,891	11,361	13,000	14,133	15,003	15,754	16,469	16,976
2006		5,733	9,671	12,203	14,024	15,388	16,506	17,386	18,080	18,539
2007	2,116	6,208	10,360	13,243	15,287	16,815	18,003	18,932	19,553	
2008	2,321	6,698	11,199	14,642	17,078	18,794	20,006	20,862		
2009	2,362	6,708	11,522	15,129	17,695	19,486	20,774			
2010	2,326	6,692	11,494	15,160	17,652	19,357				
2011	2,366	6,781	11,624	15,076	17,421					
2012	2,444	6,871	11,620	15,040						
2013	2,439	6,887	11,637							
2014	2,437	6,992								
2015	2,479									

Accident Year	Annual Change									
	9	21	33	45	57	69	81	93	105	117
1999										9.7%
2000									3.8%	3.8%
2001								10.5%	10.4%	10.4%
2002							-4.3%	-4.4%	-4.7%	-4.7%
2003						0.0%	-0.2%	-0.3%	0.1%	0.7%
2004					-20.2%	-20.2%	-19.9%	-19.1%	-18.4%	-17.7%
2005				-12.6%	-12.0%	-11.6%	-11.2%	-10.7%	-10.0%	-10.2%
2006			8.8%	7.4%	7.9%	8.9%	10.0%	10.4%	9.8%	9.2%
2007		8.3%	7.1%	8.5%	9.0%	9.3%	9.1%	8.9%	8.1%	
2008	9.6%	7.9%	8.1%	10.6%	11.7%	11.8%	11.1%	10.2%		
2009	1.8%	0.1%	2.9%	3.3%	3.6%	3.7%	3.8%			
2010	-1.5%	-0.2%	-0.2%	0.2%	-0.2%	-0.7%				
2011	1.7%	1.3%	1.1%		-1.3%					
2012	3.3%	1.3%	0.0%	-0.2%						
2013	-0.2%	0.2%	0.1%							
2014	-0.1%	1.5%								
2015	1.7%									

Annual Trend*										
All-Yr	1.5%	2.0%	3.2%	3.4%	1.9%	0.4%	-1.2%	-2.2%	-2.6%	-1.7%
R ²	0.734	0.716	0.765	0.707	0.167	0.009	0.063	0.227	0.375	0.165

Note: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 76% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

* Trend is based on an exponential distribution.

Source: WCIRB quarterly calls for experience

Average Paid Medical Loss Per Indemnity Claim*

Accident Year	Evaluated as of (in months):									
	<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>
2000										19,348
2001									21,884	22,818
2002								21,486	22,441	23,209
2003							19,860	21,013	21,996	22,878
2004						16,603	17,990	19,175	20,299	21,336
2005					15,245	16,979	18,459	19,646	21,055	22,014
2006				14,635	17,145	19,122	20,809	22,252	23,428	24,291
2007			12,711	16,321	19,027	21,339	23,401	25,016	26,165	
2008		9,026	13,933	17,974	21,250	23,967	26,014	27,468		
2009	3,599	9,259	14,451	18,923	22,647	25,446	27,414			
2010*	3,601	9,155	14,475	19,316	22,880	25,390				
2011*	3,188	8,550	13,899	18,229	21,371					
2012*	3,085	8,401	13,384	17,390						
2013	3,251	8,083	12,777							
2014	3,039	7,881								
2015	3,165									

Accident Year	Annual Change									
	<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										17.9%
2002									2.5%	1.7%
2003								-2.2%	-2.0%	-1.4%
2004							-9.4%	-8.7%	-7.7%	-6.7%
2005						2.3%	2.6%	2.5%	3.7%	3.2%
2006					12.5%	12.6%	12.7%	13.3%	11.3%	10.3%
2007				11.5%	11.0%	11.6%	12.5%	12.4%	11.7%	
2008			9.6%	10.1%	11.7%	12.3%	11.2%	9.8%		
2009		2.6%	3.7%	5.3%	6.6%	6.2%	5.4%			
2010*	0.1%	-1.1%	0.2%	2.1%	1.0%	-0.2%				
2011*	-11.5%	-6.6%	-4.0%	-5.6%	-6.6%					
2012*	-3.2%	-1.7%	-3.7%	-4.6%						
2013	5.4%	-3.8%	-4.5%							
2014	-6.5%	-2.5%								
2015	4.1%									

Annual Trend**										
All-Yr	-2.5%	-2.7%	-0.4%	2.9%	6.5%	8.6%	7.2%	4.5%	2.1%	1.9%
R ²	0.613	0.880	0.022	0.426	0.792	0.953	0.821	0.544	0.295	0.307

Note: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 70% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

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

** Trend is based on an exponential distribution

Source: WCIRB quarterly calls for experience

Average Paid Medical Loss Per Claim*

Accident Year	Evaluated as of (in months):									
	<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>
1998										5,137
1999									5,803	6,033
2000								6,326	6,635	6,854
2001							7,226	7,615	7,908	8,218
2002						7,274	7,769	8,131	8,466	8,728
2003					6,466	7,053	7,469	7,871	8,208	8,512
2004				4,519	5,173	5,677	6,108	6,470	6,822	7,151
2005			3,410	4,236	4,878	5,381	5,806	6,152	6,577	6,857
2006		2,568	3,790	4,704	5,419	5,986	6,476	6,892	7,235	7,476
2007	1,152	2,911	4,275	5,353	6,155	6,847	7,467	7,942	8,282	
2008	1,399	3,282	4,838	6,103	7,133	7,985	8,622	9,076		
2009	1,527	3,582	5,361	6,890	8,147	9,092	9,750			
2010	1,550	3,707	5,657	7,401	8,675	9,584				
2011	1,568	3,888	6,043	7,753	8,987					
2012	1,627	3,981	6,051	7,675						
2013	1,700	3,943	5,960							
2014	1,654	3,866								
2015	1,692									

Accident Year	Annual Change									
	<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>
1999										17.4%
2000									14.3%	13.6%
2001								20.4%	19.2%	19.9%
2002							7.5%	6.8%	7.1%	6.2%
2003						-3.0%	-3.9%	-3.2%	-3.0%	-2.5%
2004					-20.0%	-19.5%	-18.2%	-17.8%	-16.9%	-16.0%
2005				-6.3%	-5.7%	-5.2%	-4.9%	-4.9%	-3.6%	-4.1%
2006			11.2%	11.0%	11.1%	11.2%	11.6%	12.0%	10.0%	9.0%
2007		13.4%	12.8%	13.8%	13.6%	14.4%	15.3%	15.2%	14.5%	
2008	21.5%	12.7%	13.2%	14.0%	15.9%	16.6%	15.5%	14.3%		
2009	9.1%	9.1%	10.8%	12.9%	14.2%	13.9%	13.1%			
2010	1.5%	3.5%	5.5%	7.4%	6.5%	5.4%				
2011	1.2%	4.9%	6.8%	4.8%	3.6%					
2012	3.8%	2.4%	0.1%	-1.0%						
2013	4.5%	-1.0%	-1.5%							
2014	-2.7%	-2.0%								
2015	2.2%									

Annual Trend**										
All-Yr	3.9%	5.2%	7.8%	8.9%	7.2%	4.8%	2.6%	1.7%	1.8%	3.4%
R ²	0.734	0.800	0.904	0.935	0.698	0.401	0.191	0.116	0.149	0.287

Note: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 68% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

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

** Trend is based on an exponential distribution

Source: WCIRB quarterly calls for experience

Average Paid Indemnity Loss per Closed Indemnity Claim*

Accident Year	Evaluated as of (in months):									
	9	21	33	45	57	69	81	93	105	117
1998										16,836
1999									17,942	18,558
2000								17,612	18,493	19,187
2001							17,855	19,119	19,984	20,600
2002						16,104	17,637	18,609	19,340	19,886
2003					14,280	16,396	17,600	18,452	19,136	19,777
2004				8,950	11,508	12,896	13,896	14,688	15,481	16,400
2005			4,683	7,801	9,902	11,148	12,136	13,009	14,074	14,831
2006		2,479	5,604	8,429	10,503	12,020	13,290	14,597	15,578	16,353
2007	1,090	2,777	6,073	9,032	11,336	13,059	14,712	16,039	17,012	
2008	1,227	3,220	6,581	9,978	12,657	15,008	16,714	18,012		
2009	1,493	3,369	6,995	10,525	13,592	15,931	17,712			
2010	1,281	3,385	7,149	11,015	14,019	16,275				
2011	1,354	3,701	7,599	11,428	14,300					
2012	1,498	3,993	8,109	11,820						
2013	1,679	4,460	8,463							
2014	1,742	4,624								
2015	1,779									

Accident Year	Annual Change									
	9	21	33	45	57	69	81	93	105	117
1999										10.2%
2000									3.1%	3.4%
2001								8.6%	8.1%	7.4%
2002							-1.2%	-2.7%	-3.2%	-3.5%
2003						1.8%	-0.2%	-0.8%	-1.1%	-0.5%
2004					-19.4%	-21.3%	-21.0%	-20.4%	-19.1%	-17.1%
2005				-12.8%	-14.0%	-13.6%	-12.7%	-11.4%	-9.1%	-9.6%
2006			19.7%	8.0%	6.1%	7.8%	9.5%	12.2%	10.7%	10.3%
2007		12.0%	8.4%	7.2%	7.9%	8.6%	10.7%	9.9%	9.2%	
2008	12.6%	16.0%	8.4%	10.5%	11.7%	14.9%	13.6%	12.3%		
2009	21.7%	4.6%	6.3%	5.5%	7.4%	6.1%	6.0%			
2010	-14.2%	0.5%	2.2%	4.7%	3.1%	2.2%				
2011	5.7%	9.3%	6.3%	3.8%	2.0%					
2012	10.6%	7.9%	6.7%	3.4%						
2013	12.1%	11.7%	4.4%							
2014	3.8%	3.7%								
2015	2.1%									

Annual Trend**										
All-Yr	5.8%	7.7%	6.9%	5.0%	2.4%	0.7%	-1.0%	-2.1%	-2.7%	-1.9%
R ²	0.846	0.970	0.945	0.864	0.215	0.017	0.034	0.184	0.394	0.214

Note: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 76% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

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

** Trend is based on an exponential distribution.

Source: WCIRB quarterly calls for experience

Average Medical Paid per Closed Indemnity Claim*

Accident Year	Evaluated as of (in months):									
	<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>
2000										15,808
2001									17,633	18,478
2002								17,412	18,379	19,156
2003							15,799	16,843	17,730	18,600
2004						12,239	13,477	14,536	15,642	17,026
2005					10,634	12,214	13,506	14,748	16,406	17,766
2006				9,396	11,607	13,554	15,253	17,085	18,590	19,906
2007			7,396	10,398	12,933	15,049	17,390	19,529	21,208	
2008		4,608	8,097	11,533	14,575	17,828	20,344	22,278		
2009	3,049	4,735	8,352	12,327	16,201	19,408	22,076			
2010*	2,798	4,706	8,670	13,227	17,063	20,194				
2011*	1,782	4,195	8,470	12,864	16,510					
2012*	1,829	4,494	8,856	12,983						
2013	1,970	4,785	8,899							
2014	1,959	4,838								
2015	2,030									

Accident Year	Annual Change									
	<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										16.9%
2002									4.2%	3.7%
2003								-3.3%	-3.5%	-2.9%
2004							-14.7%	-13.7%	-11.8%	-8.5%
2005						-0.2%	0.2%	1.5%	4.9%	4.3%
2006					9.1%	11.0%	12.9%	15.8%	13.3%	12.0%
2007				10.7%	11.4%	11.0%	14.0%	14.3%	14.1%	
2008			9.5%	10.9%	12.7%	18.5%	17.0%			
2009		2.8%	3.1%	6.9%	11.2%	8.9%	8.5%			
2010*	-8.2%	-0.6%	3.8%	7.3%	5.3%	4.0%				
2011*	-36.3%	-10.9%	-2.3%	-2.7%	-3.2%					
2012*	2.7%	7.1%	4.6%	0.9%						
2013	7.7%	6.5%	0.5%							
2014	-0.5%	1.1%								
2015	3.6%									

Annual Trend**										
All-Yr	9	21	33	45	57	69	81	93	105	117
All-Yr	-6.3%	0.4%	2.7%	5.6%	8.6%	10.1%	7.7%	4.4%	1.8%	1.8%
R ²	0.440	0.036	0.808	0.841	0.928	0.961	0.701	0.378	0.156	0.244

Note: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 70% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

* policies with effective dates prior to July 1, 2010. Entries for accident year 2012 and forward exclude the paid cost of medical cost containment programs only.

** Trend is based on an exponential distribution.

Source: WCIRB quarterly calls for experience

Ratio of Incremental Paid Indemnity to Indemnity Claims Open During Period

Accident Year	Development									
	0-9	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117
1999										6,348
2000									6,386	5,777
2001								6,050	5,920	5,430
2002							6,325	5,860	5,046	5,125
2003						6,660	6,049	5,589	5,877	6,623
2004					5,857	5,622	5,573	5,764	6,177	7,274
2005				6,153	5,852	5,660	5,568	6,110	7,282	6,716
2006			7,318	6,592	6,689	6,801	7,268	7,356	7,688	6,772
2007		5,581	7,693	7,294	7,196	7,266	7,222	7,560	6,785	
2008	2,321	6,021	8,252	8,441	8,228	7,814	7,604	7,309		
2009	2,362	6,052	8,574	8,543	8,312	8,052	7,893			
2010	2,326	6,081	8,626	8,829	8,468	8,257				
2011	2,366	6,202	8,791	8,552	8,337					
2012	2,444	6,276	8,720	8,765						
2013	2,439	6,263	8,740							
2014	2,437	6,389								
2015	2,479									

Accident Year	Annual Change									
	0-9	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117
2000										-9.0%
2001									-7.3%	-6.0%
2002								-3.1%	-14.8%	-5.6%
2003							-4.4%	-4.6%	16.5%	29.2%
2004						-15.6%	-7.9%	3.1%	5.1%	9.8%
2005					-0.1%	0.7%	-0.1%	6.0%	17.9%	-7.7%
2006				7.1%	14.3%	20.2%	30.5%	20.4%	5.6%	0.8%
2007			5.1%	10.6%	7.6%	6.8%	-0.6%	2.8%	-11.7%	
2008		7.9%	7.3%	15.7%	14.3%	7.5%	5.3%	-3.3%		
2009	1.8%	0.5%	3.9%	1.2%	1.0%	3.0%	3.8%			
2010	-1.5%	0.5%	0.6%	3.3%	1.9%	2.5%				
2011	1.7%	2.0%	1.9%	-3.1%	-1.6%					
2012	3.3%	1.2%	-0.8%	2.5%						
2013	-0.2%	-0.2%	0.2%							
2014	-0.1%	2.0%								
2015	1.7%									

Annual Trend*										
All-Yr	0.9%	1.5%	2.5%	5.3%	6.3%	5.3%	4.5%	4.2%	3.5%	2.8%
R ²	0.849	0.799	0.780	0.804	0.881	0.715	0.611	0.673	0.398	0.315

Note: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 76% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

*Trend is based on an exponential distribution.

Source: WCIRB quarterly calls for experience

Ratio of Incremental Paid Medical to Indemnity Claims Open During Period*

Accident Year	Development									
	0-9	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117
2001										11,144
2002									9,379	9,260
2003								8,963	9,530	10,625
2004							8,550	9,087	10,808	12,457
2005						8,570	9,394	9,592	14,214	12,607
2006					9,155	9,793	10,894	11,934	12,941	12,549
2007				9,085	9,449	10,880	12,399	13,024	12,406	
2008			9,068	9,893	10,975	12,235	12,647	12,275		
2009		8,116	9,362	10,571	11,957	12,445	11,966			
2010*	3,601	8,033	9,659	11,606	12,016	12,051				
2011*	3,188	7,682	9,789	10,702	11,120					
2012*	3,085	7,609	9,245	10,256						
2013*	3,251	7,097	8,732							
2014*	3,039	7,009								
2015*	3,165									

Accident Year	Annual Change									
	0-9	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117
2002										-16.9%
2003									1.6%	14.7%
2004								1.4%	13.4%	17.2%
2005							9.9%	5.6%	31.5%	1.2%
2006						14.3%	16.0%	24.4%	-9.0%	-0.5%
2007					3.2%	11.1%	13.8%	9.1%	-4.1%	
2008				8.9%	16.1%	12.5%	2.0%	-5.7%		
2009			3.2%	6.9%	8.9%	1.7%	-5.4%			
2010*		-1.0%	3.2%	9.8%	0.5%	-3.2%				
2011*	-11.5%	-4.4%	1.3%	-7.8%	-7.5%					
2012*	-3.2%	-1.0%	-5.6%	-4.2%						
2013*	5.4%	-6.7%	-5.6%							
2014*	-6.5%	-1.2%								
2015*	4.1%									

Annual Trend**										
All-Yr	-2.1%	-3.1%	-0.6%	2.7%	5.2%	7.5%	8.0%	8.5%	7.7%	4.9%
R ²	0.427	0.949	0.074	0.370	0.668	0.836	0.812	0.844	0.662	0.530

Note: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 70% to 99% of the total California workers' compensation insured market measured using 2014 earned premium levels).

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

** Trend is based on an exponential distribution.

Source: WCIRB quarterly calls for experience

Ratio of Quarterly Paid Medical to Indemnity Claims Inventory*
Through September 30, 2015

Development Period	Evaluation Years												
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
3/0	846	733	1,104	1,201	1,147	1,289	1,553	1,615	1,714	1,601	1,606	1,513	1,678
6/3	1,960	1,882	2,100	2,477	2,330	2,870	3,029	3,071	3,139	3,000	2,979	2,581	2,882
9/6	2,281	2,081	2,048	2,440	2,517	2,952	3,160	3,137	3,108	3,148	3,275	2,774	2,762
12/9	2,401	2,064	2,174	2,431	2,697	3,012	3,075	3,134	3,065	3,243	3,065	2,672	
12/0	4,396	3,952	4,282	4,839	5,103	6,035	6,228	6,172	6,076	6,139	6,072	5,293	
15/12	2,730	2,733	2,257	2,284	2,571	2,927	3,040	3,131	3,159	3,354	3,326	2,752	2,808
18/15	2,794	2,641	2,096	2,430	2,186	2,680	2,784	2,924	2,982	3,221	3,196	2,537	2,546
21/18	2,579	2,228	1,751	1,881	2,168	2,474	2,616	2,711	2,802	2,975	2,899	2,539	2,520
24/21	2,431	1,895	1,669	1,834	2,190	2,407	2,537	2,603	2,738	3,035	2,931	2,478	
24/12	8,404	7,741	6,361	6,360	7,576	8,762	9,141	9,420	9,576	10,215	9,965	8,335	
27/24	2,287	2,287	1,720	1,495	1,728	2,214	2,353	2,531	2,563	2,740	3,038	2,626	2,528
30/27	2,272	2,263	1,653	1,865	1,801	2,337	2,607	2,708	2,857	2,988	3,141	2,782	2,768
33/30	2,234	2,011	1,544	1,632	1,807	2,342	2,560	2,770	2,912	3,100	3,193	2,938	2,738
36/33	2,248	1,822	1,591	1,704	1,965	2,389	2,596	2,731	2,889	3,406	3,322	2,892	
36/24	7,907	7,441	5,781	5,540	6,452	8,158	8,942	9,452	9,861	10,661	11,004	9,651	
39/36	2,002	2,056	1,670	1,471	1,710	2,032	2,278	2,500	2,680	3,019	3,272	2,980	3,019
42/39	2,110	2,079	1,602	1,981	1,791	2,146	2,524	2,786	2,944	3,124	3,457	3,263	3,135
45/42	2,051	1,931	1,595	1,646	1,836	2,166	2,517	2,735	3,083	3,246	3,406	3,486	3,130
48/45	2,264	1,839	1,634	1,812	1,953	2,251	2,551	2,913	3,072	3,411	3,634	3,249	
48/36	7,099	6,854	5,676	5,551	6,360	7,478	8,645	9,621	10,316	11,224	11,945	11,178	

Development Period	Year-to-Year Change												
	02-to-03	03-to-04	04-to-05	05-to-06	06-to-07	07-to-08	08-to-09	09-to-10	10-to-11	11-to-12	12-to-13	13-to-14	14-to-15
3/0	11.5%	-13.4%	50.7%	8.8%	-4.6%	12.4%	20.5%	4.0%	6.1%	-6.6%	0.3%	-5.8%	10.9%
6/3	10.9%	-4.0%	11.6%	17.9%	-6.0%	23.2%	5.5%	1.4%	2.2%	-4.4%	-0.7%	-13.4%	11.7%
9/6	7.4%	-8.8%	-1.6%	19.1%	3.1%	17.3%	7.0%	-0.7%	-0.9%	1.3%	4.0%	-15.3%	-0.4%
12/9	4.2%	-14.0%	5.3%	11.8%	11.0%	11.7%	2.1%	1.9%	-2.2%	5.8%	-5.5%	-12.8%	
12/0	6.2%	-10.1%	8.4%	13.0%	5.5%	18.2%	3.2%	-0.9%	-1.5%	1.0%	-1.1%	-12.8%	
15/12	12.3%	0.1%	-17.4%	1.2%	12.6%	13.8%	3.9%	3.0%	0.9%	6.2%	-0.8%	-17.3%	2.0%
18/15	15.2%	-5.5%	-20.6%	15.9%	-10.1%	22.6%	3.9%	5.0%	2.0%	8.0%	-0.8%	-20.6%	0.4%
21/18	6.8%	-13.6%	-21.4%	7.4%	15.3%	14.1%	5.8%	3.6%	3.4%	6.2%	-2.6%	-12.4%	-0.8%
24/21	-4.6%	-22.1%	-11.9%	9.8%	19.4%	9.9%	5.4%	2.6%	5.2%	10.8%	-3.4%	-15.5%	
24/12	8.2%	-7.9%	-17.8%	0.0%	19.1%	15.7%	4.3%	3.0%	1.7%	6.7%	-2.4%	-16.4%	
27/24	6.8%	0.0%	-24.8%	-13.1%	15.6%	28.1%	6.3%	7.6%	1.2%	6.9%	10.9%	-13.6%	-3.7%
30/27	8.9%	-0.4%	-27.0%	12.8%	-3.5%	29.8%	11.5%	3.9%	5.5%	4.6%	5.1%	-11.4%	-0.5%
33/30	6.8%	-10.0%	-23.2%	5.7%	10.7%	29.6%	9.3%	8.2%	5.1%	6.5%	3.0%	-8.0%	-6.8%
36/33	4.9%	-18.9%	-12.7%	7.1%	15.3%	21.6%	8.7%	5.2%	5.8%	17.9%	-2.5%	-12.9%	
36/24	5.9%	-5.9%	-22.3%	-4.2%	16.5%	26.4%	9.6%	5.7%	4.3%	8.1%	3.2%	-12.3%	
39/36	-7.1%	2.7%	-18.8%	-11.9%	16.2%	18.8%	12.1%	9.8%	7.2%	12.6%	8.4%	-8.9%	1.3%
42/39	15.6%	-1.4%	-23.0%	23.7%	-9.6%	19.8%	17.6%	10.4%	5.7%	6.1%	10.7%	-5.6%	-3.9%
45/42	2.2%	-5.9%	-17.4%	3.2%	11.5%	18.0%	16.2%	8.7%	12.7%	5.3%	4.9%	2.3%	-10.2%
48/45	16.2%	-18.8%	-11.1%	10.9%	7.8%	15.2%	13.3%	14.2%	5.4%	11.0%	6.5%	-10.6%	
48/36	-2.1%	-3.4%	-17.2%	-2.2%	14.6%	17.6%	15.6%	11.3%	7.2%	8.8%	6.4%	-6.4%	

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

Source: WCIRB accident year experience calls.

Estimated Ultimate Indemnity Severities by Injury Type

I. Indemnity Severity

Accident Year	Permanent Partial	Temporary
2001	44,250	3,986
2002	41,832	3,962
2003	41,064	4,172
2004	35,270	4,102
2005	33,921	3,849
2006	36,857	3,883
2007	39,664	4,159
2008	42,054	4,642
2009	42,286	5,218
2010	41,069	6,034
2011	39,388	6,582
2012	39,017	7,129
2013	39,052	7,357
2014*	40,277	7,542

II. Indemnity Severity Adjusted to PY
2016 Benefit Level

Accident Year	Permanent Partial	Temporary
2001	41,687	5,287
2002	40,765	5,282
2003	42,209	5,140
2004	45,052	4,928
2005	51,754	4,542
2006	51,783	4,466
2007	53,491	4,680
2008	51,249	5,120
2009	51,265	5,715
2010	49,122	6,511
2011	46,369	6,991
2012	44,955	7,405
2013	44,966	7,922
2014*	42,420	8,000

Accident Year		
2001	---	---
2002	-5.5%	-0.6%
2003	-1.8%	5.3%
2004	-14.1%	-1.7%
2005	-3.8%	-6.2%
2006	8.7%	0.9%
2007	7.6%	7.1%
2008	6.0%	11.6%
2009	0.6%	12.4%
2010	-2.9%	15.6%
2011	-4.1%	9.1%
2012	-0.9%	8.3%
2013	0.1%	3.2%
2014*	3.1%	2.5%

Accident Year		
2001	---	---
2002	-2.2%	-0.1%
2003	3.5%	-2.7%
2004	6.7%	-4.1%
2005	14.9%	-7.8%
2006	0.1%	-1.7%
2007	3.3%	4.8%
2008	-4.2%	9.4%
2009	0.0%	11.6%
2010	-4.2%	13.9%
2011	-5.6%	7.4%
2012	-3.0%	5.9%
2013	0.0%	7.0%
2014*	-5.7%	1.0%

* Accident year 2014 experience is partial in that it only reflects experience from policy year 2013.

Source: WCIRB unit statistical data

Estimated Ultimate Medical Severities by Injury Type *

I. Medical Severity

Accident Year	Permanent Partial	Temporary	Medical Only
2001	51,999	5,035	774
2002	51,390	5,549	868
2003	49,497	5,690	945
2004	50,026	5,485	837
2005	56,002	5,458	850
2006	61,613	5,688	879
2007	67,933	6,389	963
2008	71,759	7,148	1,048
2009	74,255	8,144	1,161
2010	73,954	9,232	1,181
2011	69,559	9,370	1,137
2012	68,466	9,638	1,132
2013	69,329	9,750	1,135
2014**	65,215	9,674	1,237

II. Medical Severity Adjusted to PY 2016 Benefit Level

Accident Year	Permanent Partial	Temporary	Medical Only
2001	36,654	3,549	546
2002	37,647	4,065	636
2003	38,105	4,380	727
2004	51,026	5,595	854
2005	57,238	5,578	868
2006	62,821	5,799	897
2007	68,150	6,410	966
2008	71,912	7,163	1,050
2009	74,434	8,164	1,164
2010	74,310	9,276	1,187
2011	70,180	9,454	1,147
2012	69,602	9,798	1,151
2013	70,860	9,965	1,160
2014**	66,501	9,865	1,261

Accident Year	Annual Change		
2001	---	---	---
2002	-1.2%	10.2%	12.2%
2003	-3.7%	2.5%	8.8%
2004	1.1%	-3.6%	-11.4%
2005	11.9%	-0.5%	1.5%
2006	10.0%	4.2%	3.5%
2007	10.3%	12.3%	9.5%
2008	5.6%	11.9%	8.8%
2009	3.5%	13.9%	10.8%
2010	-0.4%	13.4%	1.7%
2011	-5.9%	1.5%	-3.8%
2012	-1.6%	2.9%	-0.4%
2013	1.3%	1.2%	0.2%
2014**	-5.9%	-0.8%	9.0%

Accident Year	Annual Change		
2001	---	---	---
2002	2.7%	14.6%	16.6%
2003	1.2%	7.7%	14.3%
2004	33.9%	27.7%	17.4%
2005	12.2%	-0.3%	1.7%
2006	9.8%	4.0%	3.2%
2007	8.5%	10.5%	7.8%
2008	5.5%	11.8%	8.7%
2009	3.5%	14.0%	10.8%
2010	-0.2%	13.6%	2.0%
2011	-5.6%	1.9%	-3.4%
2012	-0.8%	3.6%	0.3%
2013	1.8%	1.7%	0.8%
2014**	-6.2%	-1.0%	8.8%

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

** Accident year 2014 experience is partial in that it only reflects experience from policy year 2013.

Source: WCIRB unit statistical data

Average and Median Indemnity Claim Severities at USR 1st

Policy Year	Average Incurred Indemnity Severity	Annual Change	Median Incurred Indemnity Severity	Annual Change
1999	11,132	---	2,953	---
2000	12,408	11.5%	3,640	23.3%
2001	13,468	8.5%	4,320	18.7%
2002	13,985	3.8%	4,930	14.1%
2003	13,905	-0.6%	5,000	1.4%
2004	11,397	-18.0%	4,100	-18.0%
2005	9,945	-12.7%	3,400	-17.1%
2006	10,643	7.0%	3,520	3.5%
2007	11,291	6.1%	3,966	12.7%
2008	11,947	5.8%	4,402	11.0%
2009	12,136	1.6%	4,717	7.2%
2010	11,976	-1.3%	4,791	1.6%
2011	12,514	4.5%	5,000	4.4%
2012	12,304	-1.7%	5,000	0.0%
2013	12,579	2.2%	5,203	4.1%

Policy Year	Average Incurred Medical Severity	Annual Change	Median Incurred Medical Severity	Annual Change
1999	10,243	---	4,809	---
2000	11,934	16.5%	5,600	16.4%
2001	13,853	16.1%	6,989	24.8%
2002	15,151	9.4%	7,797	11.6%
2003	14,501	-4.3%	7,575	-2.8%
2004	13,129	-9.5%	6,750	-10.9%
2005	13,457	2.5%	6,331	-6.2%
2006	14,791	9.9%	6,924	9.4%
2007	16,095	8.8%	7,942	14.7%
2008	17,273	7.3%	9,000	13.3%
2009	17,828	3.2%	9,723	8.0%
2010	17,676	-0.9%	9,409	-3.2%
2011	17,894	1.2%	9,388	-0.2%
2012	17,640	-1.4%	9,500	1.2%
2013	17,167	-2.7%	9,500	0.0%

Source: WCIRB Unit Statistical data.

Temporary Disability Benefits Paid and TD Duration at 12 and 24 Months
Based on CWCI Transactional Level Data Adjusted to a Common Statutory Benefit Level

<u>Accident Year</u>	<u>Average Adjusted TD Paid at 12 Months</u>	<u>Year-to-Year Change</u>	<u>Average Adjusted TD Paid at 24 Months</u>	<u>Year-to-Year Change</u>
2002	6,422	---	8,803	---
2003	5,986	-6.8%	8,559	-2.8%
2004 (pre-SB 899)	6,496	8.5%	8,801	2.8%
2004 (post-SB 899)	5,778	-11.1%	7,806	-11.3%
2005	5,772	-0.1%	8,262	5.8%
2006	6,285	8.9%	8,807	6.6%
2007	6,302	0.3%	8,940	1.5%
2008	6,587	4.5%	9,704	8.5%
2009	6,882	4.5%	10,757	10.9%
2010	7,223	5.0%	10,736	-0.2%
2011	6,870	-4.9%	10,626	-1.0%
2012	7,136	3.9%	11,010	3.6%
2013	7,578	6.2%	11,323	2.8%
2014	7,865	3.8%		

<u>Accident Year</u>	<u>Average TD Duration at 12 Months</u>	<u>Year-to-Year Change</u>	<u>Average TD Duration at 24 Months</u>	<u>Year-to-Year Change</u>
2002	85.1	---	114.8	---
2003	82.0	-3.6%	116.0	1.0%
2004 (pre-SB 899)	87.0	6.1%	116.3	0.3%
2004 (post-SB 899)	79.9	-8.2%	107.9	-7.2%
2005	75.2	-5.9%	107.2	-0.6%
2006	78.8	4.8%	111.0	3.5%
2007	77.8	-1.3%	110.5	-0.5%
2008	79.6	2.3%	115.8	4.8%
2009	82.1	3.1%	127.0	9.7%
2010	89.9	9.5%	130.1	2.4%
2011	83.3	-7.3%	122.9	-5.5%
2012	85.6	2.8%	128.1	4.2%
2013	88.6	3.5%	125.7	-1.9%
2014	89.0	0.5%	104.4	-16.9%

* Factors used to adjust average TD benefits to the AY 2014 level were: 2002 – 1.175; 2003 – 1.091; 2004 – 1.069; 2005 – 1.054; 2006 – 1.043; 2007 – 1.037; 2008 – 1.030; 2009 – 1.025; 2010 – 1.020; 2011 – 1.020; 2012 – 1.015; 2013 – 1.004; 2014 – 1.003.

Source: CWCI

Changes in the Number of Weeks of Temporary Disability Benefits

First Survey Level

<u>Accident Year</u>	<u>Average TD Duration</u>	<u>Change</u>	<u>Median TD Duration</u>	<u>Change</u>
2004	38.5	-----	24.1	-----
2005	42.4	10.3%	28.6	18.5%
2006	44.2	4.2%	30.5	6.8%
2007	47.2	6.9%	34.6	13.3%
2008	50.4	6.8%	39.0	12.8%
2009	48.5	-3.8%	36.0	-7.7%
2010	46.2	-4.7%	33.8	-6.1%
2011	44.6	-3.6%	30.0	-11.2%
2012	43.9	-1.5%	29.9	-0.3%
2013	42.7	-2.7%	29.4	-1.7%

Second Survey Level

<u>Accident Year</u>	<u>Average TD Duration</u>	<u>Change</u>	<u>Median TD Duration</u>	<u>Change</u>
2003	40.2	-----	25.3	-----
2004	38.3	-4.7%	24.4	-3.5%
2005	42.1	9.9%	29.4	20.8%
2006	43.2	2.6%	29.9	1.4%
2007	47.2	9.2%	34.1	14.1%
2008	51.1	8.2%	39.0	14.4%
2009	48.9	-4.3%	36.1	-7.3%
2010	44.9	-8.2%	32.7	-9.5%
2011	46.0	2.6%	30.8	-5.7%
2012	41.5	-9.8%	28.0	-9.2%

Source: WCIRB Permanent Disability Claim Survey

Note: Accident Years 2013 at First Survey Level and 2012 at Second Survey Level are preliminary.

Average Permanent Disability Ratings by Type of Loss

All Permanent Disability Claims

Average Permanent Disability Rating					
PY/RL	1	2	3	4	5
2001	18.7	23.5	26.1	26.7	26.9
2002	18.8	23.5	24.7	25.4	25.3
2003	19.7	21.8	23.1	22.8	22.3
2004	16.0	17.8	18.6	17.8	18.1
2005	11.8	14.1	14.9	15.8	16.6
2006	11.4	13.4	15.1	16.3	16.9
2007	11.1	14.0	16.1	17.1	17.7
2008	11.6	14.7	16.5	17.5	17.8
2009	12.0	14.9	16.6	17.1	17.4
2010	11.7	14.3	15.4	16.1	
2011	11.8	13.7	15.0		
2012	10.9	12.8			
2013	10.9				

Cumulative Permanent Disability Claims

Average Permanent Disability Rating					
PY/RL	1	2	3	4	5
2001	17.0	21.4	23.7	24.3	24.5
2002	16.9	20.3	21.4	22.1	22.1
2003	17.3	19.0	20.1	20.0	19.8
2004	14.8	15.8	16.5	16.1	16.8
2005	10.4	12.3	13.9	15.2	16.3
2006	9.9	12.2	14.3	15.8	16.5
2007	10.1	13.0	15.2	16.4	17.2
2008	11.1	13.6	15.4	16.7	17.2
2009	11.1	13.6	15.5	16.1	16.4
2010	11.6	14.0	14.9	15.5	
2011	11.2	12.7	13.8		
2012	10.4	11.6			
2013	10.1				

Non-Cumulative Permanent Disability Claims

Average Permanent Disability Rating					
PY/RL	1	2	3	4	5
2001	18.9	23.8	26.4	27.0	27.2
2002	19.0	23.9	25.2	25.8	25.7
2003	20.0	22.1	23.5	23.2	22.7
2004	16.1	18.1	18.8	18.1	18.3
2005	11.9	14.3	15.1	15.9	16.6
2006	11.5	13.5	15.2	16.4	16.9
2007	11.2	14.1	16.2	17.2	17.7
2008	11.6	14.8	16.7	17.6	17.8
2009	12.1	15.0	16.7	17.3	17.5
2010	11.7	14.3	15.5	16.2	
2011	11.9	13.9	15.2		
2012	11.0	13.0			
2013	11.1				

Count of Permanent Disability Claims

PY/RL	1	2	3	4	5
2001	84,397	93,787	98,469	101,244	101,393
2002	80,289	92,554	97,327	97,667	98,289
2003	67,411	77,019	79,095	80,273	81,280
2004	50,497	55,837	59,007	60,508	61,586
2005	39,838	46,862	50,082	51,814	52,557
2006	37,594	45,219	49,203	50,867	52,179
2007	35,354	45,479	49,626	51,991	52,969
2008	34,045	44,195	49,440	51,421	52,099
2009	32,709	42,956	47,124	48,801	49,934
2010	31,218	41,366	45,557	47,771	
2011	32,501	42,057	46,368		
2012	34,124	43,455			
2013	35,899				

Count of Permanent Disability Claims

PY/RL	1	2	3	4	5
2001	7,289	9,826	10,678	11,173	11,190
2002	8,703	10,732	11,463	11,616	11,820
2003	7,517	8,991	9,381	9,735	9,934
2004	4,899	5,773	6,400	6,805	7,400
2005	3,281	4,302	4,935	5,537	5,970
2006	3,131	4,350	5,153	5,698	6,019
2007	2,985	4,389	5,351	5,833	6,107
2008	3,105	4,654	5,644	6,128	6,371
2009	3,396	5,043	6,050	6,517	6,882
2010	3,453	5,051	5,803	6,367	
2011	3,680	5,232	6,242		
2012	4,572	6,483			
2013	5,830				

Count of Permanent Disability Claims

PY/RL	1	2	3	4	5
2001	77,108	83,961	87,791	90,071	90,203
2002	71,586	81,822	85,864	86,051	86,469
2003	59,894	68,028	69,714	70,538	71,346
2004	45,598	50,064	52,607	53,703	54,186
2005	36,557	42,560	45,147	46,277	46,587
2006	34,463	40,869	44,050	45,169	46,160
2007	32,369	41,090	44,275	46,158	46,862
2008	30,940	39,541	43,796	45,293	45,728
2009	29,313	37,913	41,074	42,284	43,052
2010	27,765	36,315	39,754	41,404	
2011	28,821	36,825	40,126		
2012	29,552	36,972			
2013	30,069				

Median Permanent Disability Rating

PY/RL	1	2	3	4	5
2001	15	20	23	24	24
2002	15	20	22	23	23
2003	16	19	20	20	19
2004	13	14	15	14	15
2005	9	10	11	12	12
2006	8	10	11	12	12
2007	8	10	12	13	13
2008	9	11	12	13	14
2009	10	11	12	13	13
2010	9	10	12	12	
2011	10	10	12		
2012	9	10			
2013	9				

Median Permanent Disability Rating

PY/RL	1	2	3	4	5
2001	15	18	20	20	21
2002	15	16	18	19	19
2003	15	15	15	15	15
2004	11	11	12	12	13
2005	8	9	10	11	12
2006	7	9	10	11	12
2007	7	10	11	11	12
2008	8	10	11	12	12
2009	9	10	11	12	12
2010	10	10	10	11	
2011	9	10	10		
2012	8	9			
2013	8				

Median Permanent Disability Rating

PY/RL	1	2	3	4	5
2001	15	20	24	24	25
2002	16	21	22	23	23
2003	17	19	20	20	20
2004	13	15	15	15	15
2005	9	10	11	12	12
2006	8	10	11	12	13
2007	8	10	12	13	13
2008	9	11	13	14	14
2009	10	11	13	13	14
2010	9	10	12	13	
2011	10	10	12		
2012	9	10			
2013	9				

Note: Cumulative claims include both cumulative and occupational disease claims. Numbers in *Italics* are from the Preliminary set.

Source: WCIRB unit statistical data

Self-Insured Employers - Claim Severity

Private Self-Insured Employers

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

Public Self-Insured Employers

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

All Self-Insured Employers					Insured System at 1st Report		
CY	Medical Paid	Indemnity Cases Open During Year	Paid Medical on Open Ind Claims	Annual Change	AY	Paid Medical	
						Severity on Ind Claims	Annual Change
2001	1,325,398,897	279,359	4,744	---	2001	6,203	---
2002	1,594,477,194	289,180	5,514	16.2%	2002	7,255	17.0%
2003	1,833,497,020	301,804	6,075	10.2%	2003	7,203	-0.7%
2004	1,657,892,981	306,521	5,409	-11.0%	2004	5,970	-17.1%
2005	1,462,152,088	292,482	4,999	-7.6%	2005	5,906	-1.1%
2006	1,574,784,114	276,572	5,694	13.9%	2006	6,270	6.2%
2007	1,509,222,726	272,107	5,546	-2.6%	2007	6,922	10.4%
2008	1,651,532,534	275,040	6,005	8.3%	2008	7,605	9.9%
2009	1,725,942,383	269,740	6,399	6.6%	2009	7,925	4.2%
2010	1,771,751,006	269,650	6,571	2.7%	2010	7,946	0.3%
2011	1,817,062,220	271,393	6,695	1.9%	2011	7,462	-6.1%
2012	1,812,112,003	272,933	6,639	-0.8%	2012	7,238	-3.0%
2013	1,880,192,542	274,345	6,853	3.2%	2013	7,060	-2.5%
2014	1,888,404,704	275,947	6,843	3.1%	2014	5,856	-4.3%

Notes: Fiscal Year Public data prorated to CYs 50%/50%.
 Insured System AY 2014 change is based on a comparison of 2014 accidents on 2013 policies to 2013 accidents on 2012 policies.
 Insured System AY 2014 is preliminary.

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

Annual Changes in Indemnity Severity Attributable to Changes in Hazardousness

Policy Year	Report Level	Indemnity Claim Severity			Total Claim Severity		
		Change in Severity Hazardousness	Severity Hazardousness Index	Annual % Change Attributable to Change in Industrial Mix	Change in Severity Hazardousness	Severity Hazardousness Index	Annual % Change Attributable to Change in Industrial Mix
1993	5	1.0000	1.0000	---	1.0000	1.0000	---
1994	5	1.0010	1.0010	0.10%	0.9986	0.9986	-0.14%
1995	5	1.0007	1.0017	0.07%	1.0013	0.9998	0.13%
1996	5	0.9988	1.0005	-0.12%	0.9993	0.9991	-0.07%
1997	5	1.0032	1.0036	0.32%	1.0045	1.0036	0.45%
1998	5	1.0037	1.0074	0.37%	1.0050	1.0086	0.50%
1999	5	1.0023	1.0096	0.23%	1.0011	1.0097	0.11%
2000	5	1.0016	1.0112	0.16%	1.0009	1.0107	0.09%
2001	5	1.0031	1.0144	0.31%	1.0001	1.0108	0.01%
2002	5	0.9984	1.0128	-0.16%	0.9996	1.0104	-0.04%
2003	5	1.0042	1.0170	0.42%	1.0071	1.0176	0.71%
2004	5	1.0020	1.0190	0.20%	1.0048	1.0224	0.48%
2005	5	1.0010	1.0201	0.10%	1.0027	1.0252	0.27%
2006	5	0.9965	1.0165	-0.35%	0.9917	1.0167	-0.83%
2007	5	0.9935	1.0098	-0.65%	0.9861	1.0025	-1.39%
2008	5	0.9908	1.0005	-0.92%	0.9845	0.9870	-1.55%
2009	5	0.9884	0.9890	-1.16%	0.9831	0.9704	-1.69%
2010	Proj 5	0.9959	0.9850	-0.41%	0.9937	0.9642	-0.63%
2011	Proj 5	0.9993	0.9843	-0.07%	1.0012	0.9654	0.12%
2012	Proj 5	0.9972	0.9815	-0.28%	0.9979	0.9634	-0.21%
2013	Proj 5	1.0012	0.9827	0.12%	1.0030	0.9663	0.30%

Note: Changes in industrial mix are based on indemnity claim severity by collapsed NAICS industrial sector.
Policy Year 2013 is preliminary.

Source: WCIRB unit statistical data

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

PY/RL	Number of Claims in Excess of \$250,000							
	1	2	3	4	5	6	7	8
2001	611	1,616	2,918	3,985	4,788	5,488	5,985	6,237
2002	602	1,282	2,109	2,990	3,838	4,500	4,866	5,232
2003	540	928	1,550	2,323	3,104	3,589	4,071	4,395
2004	472	719	1,163	1,741	2,296	2,874	3,273	3,547
2005	496	783	1,292	1,921	2,657	3,169	3,504	3,782
2006	667	1,036	1,673	2,401	3,108	3,603	3,984	4,209
2007	666	1,189	2,092	3,015	3,755	4,319	4,643	
2008	653	1,260	2,099	3,077	3,878	4,389		
2009	604	1,219	2,111	3,083	3,787			
2010	588	1,167	1,951	2,804				
2011	653	1,205	1,919					
2012	668	1,132						
2013	696							

PY/RL	% of Claims in Excess of \$250,000							
	1	2	3	4	5	6	7	8
2001	0.105%	0.266%	0.476%	0.648%	0.777%	0.890%	0.973%	1.016%
2002	0.112%	0.227%	0.372%	0.525%	0.672%	0.790%	0.857%	0.925%
2003	0.107%	0.177%	0.295%	0.441%	0.588%	0.681%	0.775%	0.839%
2004	0.098%	0.146%	0.235%	0.351%	0.463%	0.581%	0.663%	0.718%
2005	0.109%	0.168%	0.276%	0.409%	0.567%	0.676%	0.747%	0.805%
2006	0.153%	0.233%	0.374%	0.536%	0.692%	0.801%	0.885%	0.934%
2007	0.161%	0.282%	0.494%	0.707%	0.880%	1.010%	1.085%	
2008	0.182%	0.342%	0.566%	0.826%	1.038%	1.173%		
2009	0.182%	0.359%	0.616%	0.896%	1.098%			
2010	0.175%	0.339%	0.562%	0.804%				
2011	0.194%	0.348%	0.549%					
2012	0.194%	0.320%						
2013	0.203%							

PY/RL	% of Indemnity Incurred on Claims in Excess of \$250,000							
	1	2	3	4	5	6	7	8
2001	4.80%	7.52%	11.21%	14.68%	17.47%	20.05%	21.84%	22.80%
2002	4.35%	6.36%	9.13%	12.64%	16.07%	18.67%	20.07%	21.84%
2003	5.80%	7.10%	9.89%	13.19%	16.47%	18.55%	21.16%	22.92%
2004	6.58%	7.79%	9.70%	13.11%	15.78%	19.69%	22.24%	24.01%
2005	7.95%	8.27%	11.00%	15.00%	19.77%	23.04%	25.51%	27.31%
2006	11.02%	11.47%	14.89%	18.94%	22.71%	25.75%	28.08%	29.86%
2007	10.15%	11.62%	16.22%	20.89%	24.90%	27.50%	29.41%	
2008	9.37%	11.20%	15.22%	20.28%	24.26%	27.10%		
2009	9.06%	10.45%	15.09%	19.60%	23.43%			
2010	9.14%	10.82%	13.89%	18.15%				
2011	9.46%	10.54%	13.54%					
2012	9.02%	9.81%						
2013	7.65%							

PY/RL	% of Medical Incurred on Claims in Excess of \$250,000							
	1	2	3	4	5	6	7	8
2001	10.70%	12.83%	17.26%	21.68%	25.10%	28.66%	31.53%	33.65%
2002	10.02%	12.42%	15.41%	18.77%	22.93%	26.16%	28.53%	30.77%
2003	11.23%	12.96%	15.75%	19.79%	23.77%	26.34%	30.08%	32.17%
2004	11.21%	12.93%	16.17%	19.88%	23.28%	28.00%	31.31%	33.79%
2005	12.87%	15.04%	17.09%	20.69%	26.00%	30.09%	32.71%	35.48%
2006	14.59%	16.50%	19.82%	23.83%	28.06%	31.56%	34.40%	36.01%
2007	13.37%	15.89%	20.71%	26.16%	30.13%	33.64%	35.80%	
2008	12.95%	15.33%	19.43%	24.70%	29.07%	32.31%		
2009	12.52%	15.39%	19.88%	24.82%	28.65%			
2010	13.20%	15.70%	19.02%	23.15%				
2011	13.48%	15.29%	18.56%					
2012	14.07%	15.15%						
2013	11.86%							

PY/RL	Average Severity on Claims in Excess of \$250,000							
	1	2	3	4	5	6	7	8
2001	739,943	519,202	457,380	450,888	454,810	471,452	489,399	509,737
2002	717,062	592,893	508,878	481,072	488,305	498,121	511,322	529,239
2003	830,287	697,511	579,912	531,520	513,563	511,184	536,729	548,977
2004	751,890	695,515	597,861	550,994	520,593	538,976	553,349	569,398
2005	739,367	668,592	545,833	501,441	498,380	513,170	526,835	543,666
2006	685,716	633,586	554,027	517,029	504,508	515,982	527,649	538,489
2007	656,706	573,916	507,392	494,503	494,898	501,434	512,148	
2008	617,586	515,370	466,652	456,502	457,438	469,863		
2009	649,166	525,815	479,951	458,056	463,185			
2010	711,521	584,687	502,343	474,589				
2011	687,390	560,645	499,931					
2012	704,191	586,887						
2013	580,243							

PY/RL	Median Severity on Claims in Excess of \$250,000							
	1	2	3	4	5	6	7	8
2001	372,721	325,602	321,073	325,071	334,422	347,572	357,677	367,975
2002	353,274	323,567	319,385	330,745	342,220	352,489	362,640	377,161
2003	379,413	344,966	331,543	327,919	336,352	350,688	365,700	374,592
2004	384,864	353,041	327,682	333,000	341,796	356,039	366,212	376,147
2005	380,882	341,967	326,677	331,078	341,764	348,959	361,279	365,877
2006	350,752	340,665	334,409	334,408	342,606	352,011	363,123	364,251
2007	354,608	327,574	328,110	332,740	343,611	355,134	362,922	
2008	360,069	325,004	323,876	328,550	337,081	346,535		
2009	358,189	325,000	320,631	328,483	336,648			
2010	348,145	322,140	320,430	320,987				
2011	348,789	315,896	314,021					
2012	348,892	326,635						
2013	337,281							

Notes: Incurred Amounts and Severities are first dollar.
Numbers in Italics are from the Preliminary set.

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

PY/RL	Number of Claims in Excess of \$500,000							
	1	2	3	4	5	6	7	8
2001	200	303	450	636	859	1,136	1,438	1,672
2002	171	245	324	481	696	960	1,214	1,449
2003	174	218	300	431	584	800	1,065	1,275
2004	159	198	243	342	453	680	874	1,010
2005	160	184	238	349	532	704	880	1,003
2006	186	257	347	505	679	851	1,038	1,149
2007	187	260	368	528	741	964	1,138	
2008	178	233	340	526	726	937		
2009	173	234	335	504	704			
2010	161	222	317	422				
2011	179	232	309					
2012	187	239						
2013	175							

PY/RL	% of Claims in Excess of \$500,000							
	1	2	3	4	5	6	7	8
2001	0.035%	0.050%	0.073%	0.103%	0.139%	0.184%	0.234%	0.272%
2002	0.032%	0.043%	0.057%	0.085%	0.122%	0.169%	0.214%	0.256%
2003	0.034%	0.042%	0.057%	0.082%	0.111%	0.152%	0.203%	0.243%
2004	0.033%	0.040%	0.049%	0.069%	0.091%	0.137%	0.177%	0.204%
2005	0.035%	0.040%	0.051%	0.074%	0.113%	0.150%	0.188%	0.214%
2006	0.043%	0.058%	0.078%	0.113%	0.151%	0.189%	0.231%	0.255%
2007	0.045%	0.062%	0.087%	0.124%	0.174%	0.225%	0.266%	
2008	0.050%	0.063%	0.092%	0.141%	0.194%	0.250%		
2009	0.052%	0.069%	0.098%	0.146%	0.204%			
2010	0.048%	0.065%	0.091%	0.121%				
2011	0.053%	0.067%	0.088%					
2012	0.054%	0.068%						
2013	0.051%							

PY/RL	% of Indemnity Incurred on Claims in Excess of \$500,000							
	1	2	3	4	5	6	7	8
2001	2.51%	2.64%	3.30%	4.39%	5.61%	7.16%	8.77%	9.98%
2002	2.13%	2.53%	3.05%	4.21%	5.73%	7.37%	8.79%	10.46%
2003	3.77%	3.91%	4.68%	5.55%	6.57%	7.94%	10.04%	11.78%
2004	3.89%	4.47%	4.52%	5.96%	6.76%	9.41%	11.48%	13.00%
2005	4.18%	3.64%	4.10%	5.79%	7.94%	9.92%	12.04%	13.53%
2006	5.03%	5.21%	6.38%	8.00%	9.55%	11.68%	13.56%	15.23%
2007	4.80%	5.10%	6.17%	7.74%	10.09%	11.61%	13.34%	
2008	4.10%	4.26%	5.18%	7.24%	9.06%	11.10%		
2009	4.70%	3.88%	5.23%	6.47%	8.47%			
2010	4.82%	4.54%	4.95%	6.23%				
2011	4.91%	4.41%	4.78%					
2012	4.46%	4.21%						
2013	2.88%							

PY/RL	% of Medical Incurred on Claims in Excess of \$500,000							
	1	2	3	4	5	6	7	8
2001	8.24%	7.39%	8.18%	9.85%	11.58%	13.98%	16.53%	18.78%
2002	7.40%	7.93%	8.24%	9.14%	11.40%	13.48%	15.57%	17.49%
2003	8.53%	8.91%	9.31%	10.81%	12.38%	13.91%	17.11%	18.91%
2004	8.47%	9.09%	10.06%	11.10%	11.97%	15.26%	17.84%	19.82%
2005	9.77%	10.47%	9.92%	10.55%	13.10%	15.72%	17.78%	20.10%
2006	10.86%	11.37%	11.63%	12.88%	14.71%	16.83%	18.98%	20.31%
2007	9.57%	9.85%	10.75%	12.92%	14.72%	17.07%	18.81%	
2008	8.84%	8.38%	8.94%	10.75%	12.65%	14.92%		
2009	8.61%	8.67%	9.58%	10.93%	12.86%			
2010	9.54%	9.71%	9.85%	10.74%				
2011	9.66%	9.20%	9.72%					
2012	10.28%	9.61%						
2013	7.89%							

PY/RL	Average Severity on Claims in Excess of \$500,000							
	1	2	3	4	5	6	7	8
2001	1,582,036	1,370,186	1,197,083	1,108,321	1,025,972	991,679	970,356	973,867
2002	1,696,788	1,741,153	1,532,015	1,276,041	1,188,599	1,092,089	1,032,729	1,020,705
2003	1,870,525	1,903,826	1,638,500	1,426,187	1,292,676	1,122,403	1,093,521	1,059,376
2004	1,572,672	1,667,615	1,635,033	1,466,714	1,278,692	1,188,341	1,142,355	1,142,140
2005	1,587,235	1,778,172	1,525,931	1,290,030	1,165,364	1,133,478	1,088,311	1,111,789
2006	1,602,470	1,566,036	1,422,051	1,225,576	1,125,012	1,103,038	1,068,071	1,074,559
2007	1,493,459	1,469,841	1,356,962	1,271,855	1,150,320	1,072,957	1,045,352	
2008	1,377,062	1,369,040	1,203,209	1,085,961	1,008,698	974,597		
2009	1,443,063	1,379,530	1,318,329	1,126,985	1,041,626			
2010	1,729,192	1,708,498	1,436,361	1,331,070				
2011	1,644,554	1,578,653	1,444,269					
2012	1,668,685	1,583,223						
2013	1,337,199							

PY/RL	Median Severity on Claims in Excess of \$500,000							
	1	2	3	4	5	6	7	8
2001	967,192	813,223	733,609	699,637	688,344	687,556	700,241	706,043
2002	885,388	776,001	749,290	689,322	686,961	685,631	686,474	714,772
2003	866,728	914,390	821,735	742,737	729,204	707,027	700,913	711,672
2004	827,255	875,244	772,132	760,725	715,829	712,192	713,607	720,782
2005	825,368	814,506	710,326	704,717	711,051	700,997	686,837	697,792
2006	810,488	782,910	739,379	713,205	711,000	701,420	691,932	695,728
2007	805,589	744,439	712,814	696,427	684,367	677,511	683,300	
2008	844,408	776,176	722,571	683,487	665,759	670,506		
2009	829,140	747,484	713,222	676,704	657,202			
2010	893,022	784,927	702,366	689,490				
2011	893,546	775,642	737,883					
2012	889,984	790,584						
2013	751,291							

Notes: Incurred Amounts and Severities are first dollar.
Numbers in Italics are from the Preliminary set.

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

PY/RL	Number of Claims in Excess of \$1,000,000							
	1	2	3	4	5	6	7	8
2001	90	113	141	176	211	274	333	397
2002	71	96	119	135	173	221	265	336
2003	73	95	114	135	161	194	248	315
2004	57	85	96	109	109	165	216	252
2005	58	72	74	95	132	173	208	245
2006	66	87	110	145	173	216	258	286
2007	66	81	109	133	158	200	234	
2008	69	82	102	125	167	213		
2009	65	81	98	121	150			
2010	70	84	100	122				
2011	72	85	96					
2012	82	86						
2013	61							

PY/RL	% of Claims in Excess of \$1,000,000							
	1	2	3	4	5	6	7	8
2001	0.016%	0.019%	0.023%	0.029%	0.034%	0.044%	0.054%	0.065%
2002	0.013%	0.017%	0.021%	0.024%	0.030%	0.039%	0.047%	0.059%
2003	0.014%	0.018%	0.022%	0.026%	0.030%	0.037%	0.047%	0.060%
2004	0.012%	0.017%	0.019%	0.022%	0.022%	0.033%	0.044%	0.051%
2005	0.013%	0.015%	0.016%	0.020%	0.028%	0.037%	0.044%	0.052%
2006	0.015%	0.020%	0.025%	0.032%	0.039%	0.048%	0.057%	0.063%
2007	0.016%	0.019%	0.026%	0.031%	0.037%	0.047%	0.055%	
2008	0.019%	0.022%	0.027%	0.034%	0.045%	0.057%		
2009	0.020%	0.024%	0.029%	0.035%	0.043%			
2010	0.021%	0.024%	0.029%	0.035%				
2011	0.021%	0.025%	0.027%					
2012	0.024%	0.024%						
2013	0.018%							

PY/RL	% of Indemnity Incurred on Claims in Excess of \$1,000,000							
	1	2	3	4	5	6	7	8
2001	1.71%	1.46%	1.54%	1.84%	2.25%	2.71%	3.25%	3.73%
2002	1.40%	1.62%	1.83%	2.19%	2.68%	3.25%	3.63%	4.33%
2003	2.87%	2.93%	3.27%	3.40%	3.65%	3.91%	4.82%	5.78%
2004	2.46%	3.21%	3.09%	3.74%	3.73%	5.04%	6.15%	7.04%
2005	2.49%	2.30%	2.31%	3.06%	4.09%	5.16%	6.15%	7.06%
2006	3.02%	3.08%	3.73%	4.26%	4.83%	5.86%	6.76%	7.84%
2007	2.94%	2.96%	3.42%	4.00%	4.97%	5.35%	6.11%	
2008	2.46%	2.53%	2.88%	3.72%	4.37%	5.28%		
2009	2.80%	2.10%	2.84%	3.12%	3.74%			
2010	3.63%	3.15%	2.97%	3.60%				
2011	3.45%	2.98%	2.84%					
2012	3.06%	2.59%						
2013	1.66%							

PY/RL	% of Medical Incurred on Claims in Excess of \$1,000,000							
	1	2	3	4	5	6	7	8
2001	6.41%	5.44%	5.59%	6.28%	6.62%	7.73%	8.66%	9.83%
2002	5.81%	6.41%	6.44%	6.28%	7.31%	7.88%	8.48%	9.36%
2003	6.84%	7.22%	7.12%	7.66%	8.13%	8.06%	9.50%	10.22%
2004	6.37%	7.20%	7.89%	7.93%	7.48%	9.04%	10.13%	11.26%
2005	7.42%	8.49%	7.44%	7.05%	7.77%	9.07%	9.75%	11.27%
2006	8.25%	8.56%	8.27%	8.40%	8.65%	9.71%	10.53%	11.15%
2007	7.04%	7.11%	7.55%	8.38%	8.43%	9.19%	9.67%	
2008	6.40%	5.95%	5.75%	5.95%	6.57%	7.26%		
2009	6.38%	6.28%	6.59%	6.50%	6.91%			
2010	7.47%	7.59%	7.13%	7.33%				
2011	7.38%	6.90%	6.92%					
2012	8.17%	7.29%						
2013	5.55%							

PY/RL	Average Severity on Claims in Excess of \$1,000,000							
	1	2	3	4	5	6	7	8
2001	2,662,030	2,532,869	2,372,752	2,286,533	2,161,205	2,037,708	1,982,910	1,948,579
2002	3,105,446	3,422,845	3,060,518	2,891,297	2,799,369	2,544,865	2,367,659	2,171,072
2003	3,523,470	3,460,312	3,204,876	3,081,799	2,922,506	2,543,782	2,487,580	2,242,340
2004	3,161,316	2,995,729	3,135,046	3,169,113	3,201,987	2,812,364	2,576,725	2,561,543
2005	3,171,764	3,525,423	3,473,114	2,982,927	2,674,595	2,581,158	2,468,930	2,496,814
2006	3,268,599	3,304,753	3,033,739	2,630,292	2,484,351	2,402,523	2,306,095	2,319,885
2007	2,989,854	3,230,890	3,023,941	3,083,910	2,953,510	2,658,515	2,522,137	
2008	2,474,424	2,646,652	2,479,616	2,470,854	2,224,164	2,070,410		
2009	2,709,780	2,719,407	2,923,444	2,642,982	2,485,006			
2010	3,086,031	3,438,423	3,153,270	3,005,776				
2011	3,062,899	3,150,573	3,165,869					
2012	2,934,667	3,186,651						
2013	2,602,403							

PY/RL	Median Severity on Claims in Excess of \$1,000,000							
	1	2	3	4	5	6	7	8
2001	2,025,852	1,975,790	1,665,963	1,689,285	1,661,454	1,469,052	1,479,376	1,429,626
2002	1,982,089	2,570,630	2,077,245	1,760,458	1,760,458	1,604,620	1,436,815	1,414,360
2003	2,346,394	2,313,505	2,282,077	2,173,422	1,756,000	1,668,325	1,533,770	1,489,999
2004	2,129,170	2,051,638	2,242,484	2,120,000	2,095,911	1,882,020	1,721,976	1,605,699
2005	1,990,755	2,160,065	2,089,211	1,864,346	1,739,305	1,666,100	1,645,929	1,664,019
2006	1,932,648	2,120,827	2,180,971	1,742,043	1,742,043	1,561,145	1,435,234	1,439,281
2007	1,953,016	2,265,514	1,732,523	1,838,481	1,933,372	1,587,337	1,604,149	
2008	1,913,000	1,898,126	1,830,410	1,762,740	1,618,687	1,495,782		
2009	1,988,779	1,711,957	1,833,872	1,682,373	1,512,298			
2010	2,153,329	2,215,829	1,946,786	1,814,410				
2011	2,133,690	1,945,519	1,896,879					
2012	1,748,313	1,981,094						
2013	1,838,980							

Notes: Incurred Amounts and Severities are first dollar.
Numbers in Italics are from the Preliminary set.

Change in Claims Mix by Injury Description by Policy Year
Part of Body

Rank	Code	Description	Percentage of Claims									
			2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*
1	90	Multiple Body Parts - Multiple Body Parts	17.3%	14.4%	13.6%	13.7%	12.8%	13.9%	14.6%	15.9%	15.7%	15.4%
2	42	Trunk - Lower Back Area	14.0%	15.0%	15.0%	14.9%	15.8%	15.7%	15.4%	14.9%	14.9%	15.1%
3	53	Lower Extremities - Knee	8.5%	9.1%	9.1%	9.4%	9.5%	8.9%	8.8%	8.7%	8.8%	9.1%
4	38	Upper Extremities - Shoulder(s)	5.3%	5.6%	5.9%	6.2%	7.1%	7.0%	6.9%	7.0%	7.9%	8.4%
5	34	Upper Extremities - Wrist	5.9%	6.6%	6.6%	6.5%	5.8%	6.3%	6.1%	6.1%	5.2%	4.4%
6	36	Upper Extremities - Finger(s)	4.9%	5.5%	5.4%	5.4%	5.2%	4.8%	4.7%	4.5%	4.2%	4.4%
7	35	Upper Extremities - Hand	4.0%	4.0%	4.1%	4.0%	3.8%	3.7%	3.8%	3.9%	3.9%	3.7%
8	55	Lower Extremities - Ankle	2.8%	3.3%	3.5%	3.4%	3.4%	3.1%	3.1%	3.1%	3.1%	3.2%
9	61	Trunk - Abdomen Including Groin	2.6%	2.7%	2.6%	2.7%	2.8%	2.5%	2.5%	2.5%	2.5%	2.6%
10	56	Lower Extremities - Foot	2.3%	2.6%	2.7%	2.8%	2.5%	2.3%	2.3%	2.2%	2.2%	2.3%
11	30	Upper Extremities - Multiple Upper Extremities	3.7%	3.2%	2.9%	2.6%	2.4%	2.5%	2.5%	2.4%	2.4%	2.2%
12	32	Upper Extremities - Elbow	1.8%	2.0%	2.0%	2.0%	2.0%	1.9%	1.8%	1.8%	2.0%	2.0%
13	33	Upper Extremities - Lower Arm	1.7%	1.9%	2.0%	1.9%	1.9%	1.9%	1.9%	2.1%	2.2%	1.9%
14	41	Trunk - Upper Back Area	1.2%	1.5%	1.4%	1.4%	1.4%	1.3%	1.3%	1.4%	1.6%	1.8%
15	31	Upper Extremities - Upper Arm	1.9%	1.9%	2.1%	2.0%	2.1%	2.5%	2.4%	2.4%	1.9%	1.7%
16	91	Multiple Body Parts - Body Systems and Multiple Body	0.4%	0.4%	0.5%	0.6%	0.8%	0.8%	0.8%	1.0%	1.4%	1.7%
17	25	Neck - Soft Tissue	0.6%	0.8%	0.8%	1.0%	1.3%	1.6%	1.7%	1.5%	1.4%	1.5%
18	54	Lower Extremities - Lower Leg	1.5%	1.7%	1.7%	1.6%	1.6%	1.5%	1.5%	1.5%	1.4%	1.5%
19	39	Upper Extremities - Wrist(s) & Hand(s)	1.1%	1.2%	1.2%	1.2%	1.2%	1.3%	1.2%	1.2%	1.3%	1.3%
20	65	Multiple Body Parts - Insufficient Info to Classify	2.5%	1.5%	1.1%	1.0%	1.3%	1.4%	1.5%	1.4%	1.2%	1.2%
21	66	Multiple Body Parts - No Physical Injury	0.7%	0.7%	0.7%	0.9%	1.1%	1.3%	1.4%	1.2%	1.3%	1.2%
		All Other	15.3%	14.6%	15.0%	14.5%	14.4%	14.1%	13.7%	13.2%	13.4%	13.4%
		TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

* Policy Year 2013 is Preliminary

Source: Based on first unit statistical report level of (1) all Death claims, (2) all Permanent Disability claims, and (3) Temporary Only claims exceeding \$5,000 in total incurred losses

Change in Claims Mix by Injury Description by Policy Year
Nature of Injury

Rank	Code	Description	Percentage of Claims									
			2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*
1	52	Strain or Tear	33.7%	33.6%	31.7%	29.4%	30.3%	30.7%	31.2%	30.0%	33.1%	33.4%
2	49	Sprain or Tear	7.8%	8.4%	9.9%	11.1%	12.4%	13.6%	13.2%	13.2%	11.7%	11.1%
3	59	All Other Specific Injuries, NOC	12.2%	11.4%	12.7%	15.0%	13.0%	13.3%	12.9%	14.5%	12.6%	10.9%
4	80	All Other Cumulative Injury, NOC	10.3%	7.5%	6.4%	5.7%	5.2%	5.4%	5.6%	5.9%	6.6%	8.4%
5	28	Fracture	7.2%	8.8%	9.1%	8.9%	8.5%	7.7%	7.5%	7.2%	6.6%	6.6%
6	10	Contusion	6.1%	6.5%	6.9%	6.7%	7.0%	6.7%	6.7%	6.3%	6.7%	6.4%
7	90	Multiple Physical Injuries Only	3.0%	2.4%	2.0%	1.8%	1.9%	2.5%	2.6%	3.0%	3.8%	4.5%
8	40	Laceration	4.6%	5.0%	5.0%	4.8%	4.5%	3.9%	3.9%	3.9%	3.7%	3.5%
9	37	Inflammation	2.4%	2.7%	2.9%	3.0%	3.0%	2.8%	2.8%	2.8%	2.8%	2.5%
10	34	Hernia	2.0%	2.3%	2.2%	2.2%	2.1%	1.9%	1.8%	1.8%	1.7%	1.7%
11	77	Mental Stress	1.2%	1.2%	1.3%	1.4%	1.7%	1.9%	1.9%	1.7%	1.5%	1.4%
12	78	Carpal Tunnel Syndrome	2.0%	1.8%	1.7%	1.6%	1.5%	1.4%	1.4%	1.4%	1.3%	1.2%
13	16	Dislocation	1.1%	1.3%	1.4%	1.6%	1.6%	1.4%	1.3%	1.3%	1.2%	1.2%
14	91	Multiple Injuries Including Both Physical and Psychological	0.5%	0.4%	0.4%	0.5%	0.8%	1.0%	0.9%	1.0%	1.1%	1.1%
15	13	Crushing	0.9%	1.1%	1.1%	1.1%	1.0%	0.9%	0.9%	0.8%	0.8%	0.8%
16	46	Rupture	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%	0.6%	0.5%	0.5%	0.6%
17	43	Puncture	0.7%	0.8%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%
18	04	Burn	0.7%	0.7%	0.7%	0.6%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%
19	41	Myocardial Infarction	0.4%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.4%	0.4%	0.5%
20	02	Amputation	0.7%	0.8%	0.8%	0.8%	0.7%	0.6%	0.5%	0.5%	0.4%	0.5%
		All Other	2.2%	2.6%	2.5%	2.5%	2.6%	2.6%	2.8%	2.6%	2.6%	2.5%
		TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

* Policy Year 2013 is Preliminary

Source: Based on first unit statistical report level of (1) all Death claims, (2) all Permanent Disability claims, and (3) Temporary Only claims exceeding \$5,000 in total incurred losses

Change in Claims Mix by Injury Description by Policy Year
Cause of Injury

Rank	Code	Description	Percentage of Claims									
			2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*
1	99	Other - Miscellaneous, NOC	9.1%	8.9%	8.7%	7.6%	7.5%	8.4%	8.9%	9.8%	10.2%	12.2%
2	56	Strain by - Lifting	13.9%	13.2%	12.9%	13.2%	13.0%	13.1%	12.8%	12.3%	12.3%	11.6%
3	98	Cumulative, NOC	6.7%	6.6%	5.4%	5.1%	5.8%	6.3%	6.5%	7.3%	8.0%	8.9%
4	60	Strain or Injury By, NOC	8.4%	8.1%	8.5%	8.6%	8.8%	8.7%	8.4%	8.7%	8.4%	8.5%
5	97	Strain by - Repetitive Motion	5.3%	5.0%	5.1%	5.4%	5.6%	6.3%	6.4%	6.6%	7.6%	7.5%
6	31	Fall, Slip or Trip Injury, NOC	5.9%	6.1%	6.5%	7.0%	7.1%	6.6%	6.1%	5.7%	5.6%	5.4%
7	29	Fall - On Same Level	4.5%	4.7%	4.8%	5.2%	4.9%	5.3%	5.7%	5.4%	5.1%	4.8%
8	57	Strain by - Pushing or Pulling	4.4%	4.3%	4.3%	4.3%	4.6%	4.6%	4.6%	4.5%	4.4%	4.3%
9	25	Fall - From Different Level (Elevation)	3.1%	3.3%	3.2%	3.0%	2.8%	2.6%	2.6%	2.5%	2.5%	2.4%
10	75	Struck or Injured By - Falling or Flying Object	2.6%	2.8%	2.9%	3.0%	2.7%	2.6%	2.7%	2.6%	2.5%	2.3%
11	53	Strain by - Twisting	1.7%	1.6%	1.7%	1.8%	2.0%	1.9%	1.9%	2.0%	2.2%	2.2%
12	26	Fall - From Ladder or Scaffolding	3.0%	3.2%	3.1%	3.0%	2.8%	2.4%	2.6%	2.3%	2.0%	2.1%
13	55	Strain by - Holding or Carrying	1.8%	1.8%	1.8%	1.6%	1.5%	1.6%	1.8%	1.9%	1.9%	1.6%
14	81	Struck or Injured By, NOC	1.6%	1.5%	1.7%	1.9%	1.7%	1.5%	1.5%	1.6%	1.7%	1.6%
15	45	Motor Vehicle - Collision or Sideswipe with Another Vehicle	1.7%	1.7%	1.7%	1.7%	1.6%	1.6%	1.4%	1.5%	1.5%	1.4%
16	27	Fall - From Liquid or Grease Spills	1.7%	1.6%	1.6%	1.7%	1.7%	1.7%	1.6%	1.5%	1.4%	1.3%
17	79	Struck or Injured By - Object Being Lifted or Handled	1.3%	1.4%	1.5%	1.5%	1.4%	1.3%	1.4%	1.3%	1.3%	1.2%
18	68	Struck or Stepped On - Stationary Object	1.2%	1.2%	1.2%	1.2%	1.3%	1.3%	1.2%	1.3%	1.3%	1.2%
19	58	Strain by - Reaching	1.1%	1.2%	1.0%	1.1%	1.1%	1.2%	1.3%	1.3%	1.2%	1.2%
20	50	Motor Vehicle, NOC	1.4%	1.3%	1.4%	1.4%	1.4%	1.3%	1.1%	1.2%	1.1%	1.0%
		All Other	19.6%	20.7%	21.0%	20.8%	20.7%	19.7%	19.4%	18.7%	17.9%	17.2%
		TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

* Policy Year 2013 is Preliminary

Source: Based on first unit statistical report level of (1) all Death claims, (2) all Permanent Disability claims, and (3) Temporary Only claims exceeding \$5,000 in total incurred losses

Indemnity Claim Frequency by Layer of Incurred Medical at USR 1st

Indemnity Claim Frequency per \$1M of Exposure at 2013 Wage Level

Accident Year	Layer of Incurred Medical					All Claims
	0 2,499	2,500 9,999	10,000 24,999	25,000 & Over		
2001	0.1264	0.1000	0.0959	0.1060	0.4284	
2002	0.1129	0.0909	0.0947	0.1158	0.4142	
2003	0.1106	0.0930	0.0987	0.1188	0.4211	
2004	0.0993	0.0811	0.0868	0.0877	0.3548	
2005	0.0903	0.0680	0.0709	0.0705	0.2997	
2006	0.0825	0.0629	0.0649	0.0703	0.2807	
2007	0.0763	0.0574	0.0625	0.0744	0.2705	
2008	0.0660	0.0514	0.0607	0.0771	0.2552	
2009	0.0602	0.0496	0.0602	0.0780	0.2480	
2010	0.0631	0.0530	0.0649	0.0834	0.2644	
2011	0.0644	0.0521	0.0625	0.0807	0.2597	
2012	0.0659	0.0535	0.0647	0.0829	0.2671	
2013	0.0656	0.0538	0.0664	0.0825	0.2682	
2014	<i>0.0641</i>	<i>0.0587</i>	<i>0.0722</i>	<i>0.0801</i>	<i>0.2751</i>	

Accident Year	Annual Change				
	0 2,499	2,500 9,999	10,000 24,999	25,000 & Over	All Claims
2002	-10.7%	-9.1%	-1.3%	9.2%	-3.3%
2003	-2.0%	2.3%	4.3%	2.6%	1.7%
2004	-10.3%	-12.8%	-12.1%	-26.2%	-15.7%
2005	-9.1%	-16.1%	-18.3%	-19.5%	-15.5%
2006	-8.6%	-7.6%	-8.4%	-0.3%	-6.4%
2007	-7.6%	-8.7%	-3.8%	5.7%	-3.6%
2008	-13.5%	-10.4%	-2.8%	3.7%	-5.7%
2009	-8.7%	-3.6%	-0.9%	1.2%	-2.8%
2010	4.8%	7.0%	7.9%	6.9%	6.6%
2011	2.0%	-1.8%	-3.7%	-3.3%	-1.8%
2012	2.4%	2.8%	3.5%	2.8%	2.9%
2013	-0.6%	0.4%	2.6%	-0.6%	0.4%
2014	-2.2%	9.1%	8.7%	-2.9%	2.6%

Accident Year	Percent of Annual Change Attributable to Each Layer				
	0 2,499	2,500 9,999	10,000 24,999	25,000 & Over	All Claims
2002	-3.2%	-2.1%	-0.3%	2.3%	-3.3%
2003	-0.5%	0.5%	1.0%	0.7%	1.7%
2004	-2.7%	-2.8%	-2.8%	-7.4%	-15.7%
2005	-2.5%	-3.7%	-4.5%	-4.8%	-15.5%
2006	-2.6%	-1.7%	-2.0%	-0.1%	-6.4%
2007	-2.2%	-2.0%	-0.9%	1.4%	-3.6%
2008	-3.8%	-2.2%	-0.7%	1.0%	-5.7%
2009	-2.2%	-0.7%	-0.2%	0.4%	-2.8%
2010	1.2%	1.4%	1.9%	2.2%	6.6%
2011	0.5%	-0.4%	-0.9%	-1.0%	-1.8%
2012	0.6%	0.6%	0.8%	0.9%	2.9%
2013	-0.1%	0.1%	0.6%	-0.2%	0.4%
2014	-0.5%	1.8%	2.2%	-0.9%	2.6%

Indemnity Claim Count Distribution

Accident Year	Layer of Incurred Medical					All Claims
	0 2,499	2,500 9,999	10,000 24,999	25,000 & Over		
2001	29.5%	23.3%	22.4%	24.8%	100.0%	
2002	27.3%	21.9%	22.9%	27.9%	100.0%	
2003	26.3%	22.1%	23.4%	28.2%	100.0%	
2004	28.0%	22.9%	24.5%	24.7%	100.0%	
2005	30.1%	22.7%	23.6%	23.5%	100.0%	
2006	29.4%	22.4%	23.1%	25.1%	100.0%	
2007	28.2%	21.2%	23.1%	27.5%	100.0%	
2008	25.8%	20.1%	23.8%	30.2%	100.0%	
2009	24.3%	20.0%	24.3%	31.5%	100.0%	
2010	23.9%	20.0%	24.5%	31.5%	100.0%	
2011	24.8%	20.0%	24.1%	31.1%	100.0%	
2012	24.7%	20.0%	24.2%	31.1%	100.0%	
2013	24.4%	20.0%	24.8%	30.7%	100.0%	
2014	23.3%	21.3%	26.2%	29.1%	100.0%	

Note: Figures in italics are based on a partial accident year.
Source: WCIRB unit statistical data

Summary of Incurred LAE Ratios by Insurer Type

Incurred ALAE to Incurred Loss Ratios

Calendar Year	State Fund	Other CA	National	Statewide	Statewide without State Fund
2003	4.3%	8.0%	7.0%	6.1%	7.1%
2004	5.6%	9.5%	10.6%	8.5%	10.5%
2005	5.3%	13.7%	12.2%	9.6%	12.4%
2006	3.1%	18.8%	19.8%	13.8%	19.6%
2007	3.8%	14.9%	12.3%	10.7%	12.7%
2008	6.9%	11.2%	13.3%	11.9%	13.0%
2009	9.8%	10.6%	14.3%	13.3%	13.8%
2010 ^[1]	4.5%	12.5%	14.9%	13.4%	14.6%
2011 ^[1]	8.6%	19.7%	15.0%	15.4%	15.6%
2012 ^[1]	3.9%	15.2%	16.6%	15.5%	16.4%
2013 ^[1]	16.4%	15.0%	16.7%	16.5%	16.5%
2014 ^[1]	18.0%	17.5%	16.9%	17.1%	17.0%

Incurred ULAE to Incurred Loss Ratios

Calendar Year	State Fund	Other CA	National	Statewide	Statewide without State Fund
2003	10.2%	9.1%	5.5%	7.4%	5.9%
2004	10.2%	14.8%	6.8%	8.8%	7.8%
2005	15.6%	13.5%	7.3%	11.1%	8.2%
2006	28.6%	18.7%	8.5%	15.4%	10.1%
2007	34.4%	16.7%	8.4%	15.2%	9.6%
2008	41.5%	14.2%	7.1%	14.1%	8.2%
2009	51.4%	13.1%	8.3%	14.9%	9.0%
2010	55.7%	15.5%	7.0%	13.9%	8.2%
2011	394.5% ^[2]	12.6%	6.5%	18.8% ^[2]	7.3%
2012	26.1%	13.4%	5.6%	8.2%	6.8%
2013	19.5%	13.6%	7.9% ^[3]	9.5% ^[3]	8.7% ^[3]
2014	24.9%	12.3%	6.8% ^[3]	9.9% ^[3]	7.7% ^[3]

Incurred LAE to Incurred Loss Ratios

Calendar Year	State Fund	Other CA	National	Statewide	Statewide without State Fund
2003	14.4%	17.1%	12.5%	13.5%	13.0%
2004	15.8%	24.3%	17.4%	17.3%	18.3%
2005	20.9%	27.2%	19.5%	20.7%	20.6%
2006	31.7%	37.5%	28.3%	29.1%	29.7%
2007	38.3%	31.6%	20.7%	25.9%	22.2%
2008	48.3%	25.5%	20.4%	26.0%	21.2%
2009	61.2%	23.7%	22.7%	28.2%	22.8%
2010 ^[1]	60.2%	28.1%	21.9%	27.3%	22.8%
2011 ^[1]	403.1% ^[2]	32.3%	21.5%	34.2% ^[2]	23.0%
2012 ^[1]	29.9%	28.6%	22.2%	23.7%	23.2%
2013 ^[1]	35.9%	28.6%	24.6% ^[3]	26.0% ^[3]	25.2% ^[3]
2014 ^[1]	42.9%	29.8%	23.7% ^[3]	27.0% ^[3]	24.6% ^[3]

Notes: ^[1] Medical Cost Containment Program (MCCP) costs on claims covered by policies incepting prior to July 1, 2010 are considered medical loss; those on claims covered by policies incepting July 1, 2010 and beyond are considered allocated loss adjustment expenses

^[2] 2011 figures include a reallocation made by the State Compensation Insurance Fund to move a significant amount of reserves from loss to ULAE.

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

Source: WCIRB expense calls

Summary of Paid LAE Ratios by Insurer Type

Paid ALAE to Paid Loss Ratios

<u>Calendar Year</u>	<u>State Fund</u>	<u>Other CA</u>	<u>National</u>	<u>Statewide</u>	<u>Statewide without State Fund</u>
2003	3.6%	---	---	10.4%	13.9%
2004	4.2%	---	---	10.1%	13.4%
2005	4.8%	---	---	10.5%	13.6%
2006	5.1%	---	---	11.9%	15.1%
2007	5.4%	13.3%	15.4%	12.3%	15.2%
2008	5.6%	11.5%	13.3%	11.1%	13.1%
2009	6.2%	15.7%	14.8%	12.8%	14.9%
2010 ^[1]	5.9%	14.1%	15.5%	13.3%	15.3%
2011 ^[1]	5.9%	15.9%	17.3%	14.9%	17.2%
2012 ^[1]	6.3%	15.2%	19.1%	16.2%	18.6%
2013 ^[1]	5.9%	15.4%	20.0%	17.0%	19.5%
2014 ^[1]	8.4%	18.6%	21.1%	19.0%	20.8%

Paid ULAE to Paid Loss Ratios

<u>Calendar Year</u>	<u>State Fund</u>	<u>Other CA</u>	<u>National</u>	<u>Statewide</u>	<u>Statewide without State Fund</u>
2010	27.9%	17.3%	6.4%	12.3%	7.9%
2011	28.9%	15.9%	6.5%	11.9%	7.7%
2012	45.0% ^[2]	15.0%	6.4%	14.8% ^[2]	7.5%
2013	21.8%	16.3%	8.5% ^[3]	11.7% ^[3]	9.4% ^[3]
2014	28.8%	14.6%	7.8% ^[3]	11.7% ^[3]	8.7% ^[3]

Paid LAE to Paid Loss Ratios

<u>Calendar Year</u>	<u>State Fund</u>	<u>Other CA</u>	<u>National</u>	<u>Statewide</u>	<u>Statewide without State Fund</u>
2010	33.8%	31.4%	22.0%	25.6%	23.3%
2011	34.8%	31.8%	23.8%	26.8%	24.8%
2012	51.3% ^[2]	30.3%	25.5%	31.0% ^[2]	26.1%
2013	27.7%	31.8%	28.5% ^[3]	28.7% ^[3]	28.9% ^[3]
2014	37.2%	33.2%	28.9% ^[3]	30.7% ^[3]	29.5% ^[3]

Notes: ^[1] Medical Cost Containment Program (MCCP) costs on claims covered by policies incepting prior to July 1, 2010 are considered medical loss; those on claims covered by policies incepting July 1, 2010 and beyond are considered allocated loss adjustment expenses.

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

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

Source: WCIRB expense calls

Calendar Year ULAE Incurred Per Open Indemnity Claim - Private Insurers

<u>Calendar Year</u>	<u>ULAE Incurred (in Millions)</u>	<u>Number of Open Indemnity Claims at Beginning of the Year</u>	<u>Number of Indemnity Claims Reported During Year</u>	<u>ULAE Incurred Per Open Indemnity Claim</u>	<u>Annual Change</u>
	(a)	(b)	(c)	(d)	(e)
2000	353	197,358	107,945	1,787	---
2001	321	171,915	114,323	1,867	4.5%
2002	439	235,631	115,468	1,864	-0.2%
2003	571	236,111	116,486	2,419	29.7%
2004	604	273,685	109,070	2,207	-8.7%
2005	500	281,950	96,045	1,774	-19.6%
2006	538	269,394	106,090	1,995	12.5%
2007	466	244,721	99,082	1,905	-4.5%
2008	464	261,804	101,059	1,772	-7.0%
2009	504	257,103	97,045	1,959	10.5%
2010	508	257,439	107,734	1,974	0.8%
2011	549	267,152	116,356	2,055	4.1%
2012	567	278,907	122,018	2,032	-1.2%
2013 (f)	826	293,905	131,152	2,812	38.4%
2014 (f)	742	305,157	133,212	2,432	-13.5%

Annual Trend(g)

All-Year	1.5%
R ²	0.244
2005-2014	3.7%
R ²	0.606

Notes:

- (a) Calendar year ULAE incurred is based on WCIRB expense calls. All figures in each calendar year contain information from the same combination of private insurers that submitted both the ULAE and claim count data for that calendar year. Therefore, each calendar year may contain a different mix of private insurers.
- (b), (c) Based on WCIRB accident year experience calls. Column (c) is for information only.
- (d) (a)/(b) x 1,000,000.
- (f) 2013 and 2014 ratios included information submitted by several large national insurers to more appropriately reflect ULAE costs related to deductibles and third party administrators.
- (g) Trend is based on an exponential distribution.

Calendar Year ULAE Paid Per Open Indemnity Claim - Private Insurers

<u>Calendar Year</u>	<u>ULAE Paid (in Millions)</u> (a)	<u>Number of Open Indemnity Claims at Beginning of the Year</u> (b)	<u>Number of Indemnity Claims Reported During Year</u> (c)	<u>ULAE Paid Per Open Indemnity Claim</u> (d)	<u>Annual Change</u> (e)
2000	--	197,358	107,945	--	---
2001	--	171,915	114,323	--	---
2002	--	235,631	115,468	--	---
2003	--	236,111	116,486	--	---
2004	--	273,685	109,070	--	---
2005	--	281,950	96,045	--	---
2006	--	269,394	106,090	--	---
2007	--	244,721	99,082	--	---
2008	--	261,804	101,059	--	---
2009	--	257,103	97,045	--	---
2010	432	257,439	107,734	1,676	---
2011	450	267,152	116,356	1,683	0.4%
2012	474	278,907	122,018	1,699	0.9%
2013 (f)	644	293,905	131,152	2,191	29.0%
2014 (f)	603	305,157	133,212	1,978	-9.7%

	<u>Annual Trend(g)</u>
All-Year	6.1%
R ²	0.602

Notes:

- (a) Calendar year ULAE paid is based on WCIRB expense calls. All figures in each calendar year contain information from the same combination of private insurers that submitted both the ULAE and claim count data for that calendar year. Therefore, each calendar year may contain a different mix of private insurers.
- (b), (c) Based on WCIRB accident year experience calls. Column (c) is for information only.
- (d) (a)/(b) x 1,000,000.
- (f) 2013 and 2014 ratios included information submitted by several large national insurers to more appropriately reflect ULAE costs related to deductibles and third party administrators.
- (g) Trend is based on an exponential distribution.

Paid Allocated Loss Adjustment Expense Development^[1] - Private Insurers

Accident Year	Age-to-Age Development Factors (Age in Months)											
	<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>
1989	2.230	1.437	1.217	1.105	1.035	1.040	1.036	1.020	1.012	1.009	1.005	1.005
1990	2.060	1.411	1.186	1.070	1.071	1.038	1.023	1.015	1.012	1.007	1.006	1.006
1991	1.966	1.341	1.133	1.097	1.056	1.032	1.020	1.014	1.008	1.007	1.006	1.003
1992	1.802	1.285	1.161	1.088	1.055	1.031	1.024	1.012	1.011	1.008	1.005	1.006
1993	1.766	1.349	1.173	1.091	1.058	1.038	1.030	1.021	1.013	1.011	1.010	1.011
1994	1.855	1.347	1.142	1.095	1.062	1.041	1.027	1.021	1.014	1.016	1.017	1.015
1995	1.909	1.314	1.185	1.100	1.071	1.045	1.042	1.024	1.022	1.020	1.017	1.004
1996	1.673	1.343	1.171	1.112	1.071	1.068	1.038	1.033	1.030	1.023	1.002	1.015
1997	1.799	1.320	1.178	1.111	1.093	1.055	1.045	1.037	1.029	1.003	1.018	1.014
1998	1.811	1.353	1.188	1.140	1.085	1.074	1.047	1.038	1.005	1.021	1.019	1.015
1999	1.962	1.392	1.204	1.130	1.092	1.069	1.058	1.013	1.030	1.023	1.019	1.016
2000	2.001	1.381	1.205	1.131	1.096	1.074	1.026	1.035	1.028	1.022	1.019	1.016
2001	2.054	1.413	1.208	1.131	1.099	1.045	1.043	1.030	1.025	1.021	1.018	1.017
2002	2.004	1.380	1.201	1.129	1.068	1.052	1.033	1.029	1.022	1.019	1.017	1.015
2003	1.919	1.377	1.210	1.104	1.071	1.048	1.037	1.030	1.025	1.021	1.018	
2004	1.925	1.408	1.188	1.112	1.076	1.053	1.038	1.031	1.026	1.022		
2005	1.957	1.395	1.208	1.125	1.085	1.060	1.048	1.037	1.030			
2006	1.955	1.394	1.208	1.133	1.089	1.064	1.050	1.037				
2007	1.921	1.396	1.218	1.137	1.097	1.067	1.048					
2008	1.957	1.429	1.226	1.141	1.094	1.065						
2009	2.000	1.417	1.228	1.140	1.093							
2010	1.955	1.406	1.219	1.134								
2011	1.946	1.396	1.216									
2012	1.958	1.392										
2013	1.901											

Accident Year	Age-to-Age Development Factors (Age in Months)												
	<u>165-177</u>	<u>177-189</u>	<u>189-201</u>	<u>201-213</u>	<u>213-225</u>	<u>225-237</u>	<u>237-249</u>	<u>249-261</u>	<u>261-273</u>	<u>273-285</u>	<u>285-297</u>	<u>297-309</u>	<u>309-321</u>
1989	1.005	1.005	1.004	1.005	1.004	1.002	1.004	1.003	1.004	1.004	1.004	1.004	1.004
1990	1.005	1.005	1.006	1.005	1.001	1.004	1.002	1.003	1.003	1.003	1.003	1.002	1.002
1991	1.005	1.005	1.006	1.000	1.003	1.002	1.003	1.003	1.003	1.003	1.002		
1992	1.008	1.005	0.999	1.005	1.003	1.004	1.003	1.003	1.003	1.003			
1993	1.010	0.998	1.008	1.004	1.006	1.006	1.006	1.005	1.006				
1994	0.999	1.010	1.007	1.008	1.007	1.006	1.006	1.006					
1995	1.013	1.013	1.008	1.009	1.009	1.008	1.008						
1996	1.012	1.008	1.010	1.010	1.008	1.008							
1997	1.013	1.013	1.010	1.008	1.008								
1998	1.014	1.012	1.012	1.010									
1999	1.014	1.013	1.010										
2000	1.015	1.013											
2001	1.015												

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

Source: WCIRB quarterly calls for experience.

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

Age in Months	Accident Year													
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
3 - 6					3.396	7.976	7.570	5.434	9.136	8.769	8.694	8.529	6.310	9.815
6 - 9					2.427	3.016	2.765	2.630	3.023	3.176	3.214	3.060	3.136	3.158
9 - 12					2.022	2.078	2.021	2.034	2.077	2.165	2.113	2.134	2.139	
12 - 15					1.653	1.627	1.687	1.724	1.737	1.701	1.714	1.771	1.739	
15 - 18				1.623	1.415	1.486	1.494	1.509	1.482	1.485	1.510	1.490	1.483	
18 - 21				1.318	1.357	1.328	1.289	1.326	1.334	1.343	1.338	1.346	1.325	
21 - 24				1.249	1.255	1.234	1.237	1.255	1.253	1.248	1.248	1.234		
24 - 27				1.192	1.187	1.191	1.190	1.197	1.189	1.186	1.198	1.188		
27 - 30			1.240	1.151	1.165	1.167	1.172	1.170	1.158	1.163	1.159	1.156		
30 - 33			1.127	1.145	1.128	1.119	1.135	1.138	1.133	1.131	1.130	1.121		
33 - 36			1.113	1.110	1.107	1.103	1.111	1.114	1.113	1.107	1.102			
36 - 39			1.093	1.087	1.093	1.090	1.097	1.094	1.091	1.092	1.092			
39 - 42		1.139	1.076	1.083	1.083	1.086	1.096	1.082	1.083	1.081	1.081			
42 - 45		1.063	1.077	1.068	1.063	1.069	1.069	1.074	1.069	1.068	1.071			
45 - 48		1.059	1.057	1.058	1.057	1.059	1.063	1.064	1.062	1.059				
48 - 51		1.049	1.039	1.050	1.050	1.050	1.052	1.053	1.053	1.051				
51 - 54	1.072	1.043	1.044	1.048	1.049	1.050	1.049	1.050	1.048	1.048				
54 - 57	1.038	1.045	1.037	1.037	1.038	1.043	1.045	1.043	1.040	1.043				
57 - 60	1.037	1.025	1.032	1.034	1.037	1.038	1.039	1.039	1.037					
60 - 63	1.031	1.027	1.028	1.030	1.032	1.032	1.034	1.034	1.032					
63 - 66	1.029	1.025	1.025	1.030	1.030	1.031	1.033	1.031	1.032					
66 - 69	1.027	1.023	1.022	1.026	1.027	1.029	1.028	1.028	1.028					
69 - 72	1.018	1.021	1.022	1.023	1.025	1.028	1.026	1.026						
72 - 75	1.014	1.017	1.018	1.021	1.022	1.023	1.023	1.022						
75 - 78	1.018	1.018	1.019	1.020	1.020	1.023	1.022	1.022						
78 - 81	1.017	1.013	1.015	1.019	1.019	1.020	1.020	1.020						
81 - 84	1.015	1.013	1.015	1.017	1.018	1.019	1.018							
84 - 87	1.014	1.011	1.013	1.015	1.016	1.016	1.016							
87 - 90	1.013	1.012	1.012	1.014	1.015	1.015	1.016							
90 - 93	1.010	1.011	1.011	1.013	1.014	1.014	1.014							
93 - 96	1.010	1.011	1.011	1.013	1.013	1.013								
96 - 99	1.007	1.009	1.010	1.012	1.012	1.012								
99 - 102	1.008	1.009	1.009	1.012	1.012	1.012								
102 - 105	1.007	1.008	1.008	1.010	1.012	1.011								
105 - 108	1.008	1.008	1.008	1.010	1.010									
108 - 111	1.007	1.007	1.008	1.009	1.009									
111 - 114	1.007	1.008	1.008	1.009	1.009									
114 - 117	1.006	1.007	1.007	1.009	1.008									
117 - 120	1.006	1.007	1.007	1.008										
120 - 123	1.006	1.006	1.007	1.007										

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

Source: WCIRB quarterly calls for experience.

Average Paid ALAE^[1] Per Reported Indemnity Claim - Private Insurers
As of September 30, 2015

Accident Year	Evaluated as of (in months):									
	<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>
2000								4,488	4,658	4,854
2001							5,401	5,630	5,920	6,093
2002						5,563	5,853	6,194	6,396	6,575
2003					5,340	5,787	6,223	6,518	6,754	6,955
2004				4,127	4,902	5,451	5,854	6,148	6,379	6,570
2005			2,717	3,766	4,540	5,091	5,500	5,823	6,091	6,322
2006		1,477	2,826	3,902	4,695	5,305	5,765	6,124	6,433	6,662
2007	378	1,614	3,023	4,174	5,055	5,726	6,259	6,682	6,995	
2008	415	1,734	3,271	4,605	5,603	6,359	6,946	7,388		
2009	464	1,943	3,726	5,196	6,301	7,156	7,801			
2010	510	2,101	3,928	5,362	6,483	7,321				
2011	509	2,137	3,875	5,316	6,409					
2012	522	2,128	3,954	5,412						
2013	526	2,273	4,117							
2014	593	2,453								
2015	654									

Accident Year	Annual Change									
	<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								25.4%	27.1%	25.5%
2002							8.4%	10.0%	8.0%	7.9%
2003						4.0%	6.3%	5.2%	5.6%	5.8%
2004					-8.2%	-5.8%	-5.9%	-5.7%	-5.6%	-5.5%
2005				-8.7%	-7.4%	-6.6%	-6.0%	-5.3%	-4.5%	-3.8%
2006			4.0%	3.6%	3.4%	4.2%	4.8%	5.2%	5.6%	5.4%
2007		9.3%	7.0%	7.0%	7.7%	7.9%	8.6%	9.1%	8.7%	
2008	9.8%	7.4%	8.2%	10.3%	10.8%	11.1%	11.0%	10.6%		
2009	11.9%	12.1%	13.9%	12.8%	12.5%	12.5%	12.3%			
2010	9.9%	8.1%	5.4%	3.2%	2.9%	2.3%				
2011	-0.3%	1.7%	-1.4%	-0.9%	-1.1%					
2012	2.6%	-0.4%	2.0%	1.8%						
2013	0.9%	6.8%	4.1%							
2014	12.7%	7.9%								
2015	10.3%									

Annual Trend ^[2]										
All-Year	6.1%	6.1%	5.7%	5.1%	4.1%	3.7%	3.4%	4.0%	3.7%	3.7%
R ²	0.928	0.942	0.920	0.847	0.636	0.584	0.594	0.617	0.511	0.438
5-Year	6.5%	3.8%	2.1%	3.5%	6.4%	9.1%	9.3%	5.2%	0.8%	-0.7%
R ²	0.876	0.823	0.818	0.679	0.831	0.971	0.977	0.730	0.054	0.103

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

^[2] Trend is based on exponential distribution.

Source: WCIRB accident year experience calls.

Ratio of Cumulative Paid ALAE to Loss^[1] - Private Insurers

Age	Accident Year															
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
3				5.5%	4.4%	3.5%	5.0%	3.2%	3.7%	5.9%	3.3%	3.2%	3.4%	3.9%	5.6%	3.7%
6				6.8%	5.5%	4.8%	5.8%	4.8%	5.0%	5.6%	5.4%	5.1%	5.3%	5.7%	6.4%	6.7%
9				7.3%	6.3%	6.2%	6.0%	6.0%	5.8%	6.2%	6.9%	6.8%	7.0%	7.2%	8.2%	8.8%
12				7.8%	7.5%	6.8%	6.8%	7.0%	6.6%	7.2%	8.0%	8.3%	8.2%	8.6%	9.7%	
15				8.5%	8.5%	7.7%	7.6%	7.7%	7.8%	8.4%	9.4%	9.4%	9.3%	10.3%	11.3%	
18			9.4%	9.3%	9.7%	8.8%	8.6%	9.0%	9.1%	9.9%	10.7%	10.7%	10.7%	11.8%	12.9%	
21			9.5%	9.8%	10.5%	9.8%	9.8%	9.9%	9.8%	10.9%	11.8%	11.8%	11.8%	12.9%	14.0%	
24			9.9%	10.9%	11.3%	10.6%	10.6%	10.6%	10.4%	11.7%	12.6%	12.6%	12.5%	13.7%		
27			10.4%	11.3%	11.9%	11.3%	11.2%	11.2%	11.0%	12.4%	13.2%	12.8%	13.2%	14.3%		
30		10.5%	11.2%	11.8%	12.6%	11.9%	11.7%	11.7%	11.6%	12.9%	13.6%	13.3%	13.7%	14.7%		
33		10.2%	10.9%	12.1%	13.1%	12.6%	12.1%	12.0%	12.0%	13.3%	14.0%	13.7%	14.1%	15.0%		
36		10.4%	11.8%	12.3%	13.5%	13.0%	12.5%	12.3%	12.3%	13.7%	14.3%	13.9%	14.3%			
39		10.5%	11.8%	12.6%	13.9%	13.3%	12.9%	12.7%	12.7%	14.0%	14.4%	14.2%	14.6%			
42	10.2%	11.1%	12.0%	13.0%	14.2%	13.7%	13.2%	13.0%	13.1%	14.3%	14.6%	14.4%	14.8%			
45	9.8%	10.6%	12.2%	13.2%	14.7%	13.9%	13.4%	13.2%	13.3%	14.5%	14.8%	14.6%	15.1%			
48	10.2%	11.3%	12.4%	13.4%	14.9%	14.2%	13.6%	13.4%	13.5%	14.7%	15.0%	14.8%				
51	9.8%	10.9%	12.5%	13.6%	15.0%	14.4%	13.8%	13.6%	13.7%	14.8%	15.1%	14.9%				
54	10.5%	11.0%	12.7%	13.8%	15.2%	14.6%	13.9%	13.8%	13.8%	15.0%	15.3%	15.1%				
57	9.8%	10.8%	12.9%	14.0%	15.3%	14.7%	14.0%	13.9%	14.0%	15.1%	15.4%	15.2%				
60	10.6%	11.2%	13.0%	14.0%	15.4%	14.8%	14.2%	14.1%	14.1%	15.2%	15.5%					
63	10.0%	11.4%	13.2%	14.1%	15.5%	14.9%	14.3%	14.2%	14.2%	15.3%	15.5%					
66	10.0%	11.5%	13.3%	14.2%	15.6%	15.0%	14.4%	14.3%	14.3%	15.4%	15.7%					
69	10.1%	11.6%	13.4%	14.3%	15.7%	15.1%	14.5%	14.4%	14.4%	15.5%	15.8%					
72	10.2%	11.7%	13.4%	14.4%	15.7%	15.2%	14.6%	14.5%	14.5%	15.6%						

^[1] Paid cost of medical cost containment programs are included with loss.

Source: WCIRB accident year experience calls.

Percentage of Represented and Unrepresented Permanent Disability Claims by Region
First and Second Report Level

First Survey Level

	Northern California				
	<u>AY2009</u>	<u>AY2010</u>	<u>AY2011</u>	<u>AY2012</u>	<u>AY2013</u>
% Represented	61.4%	62.5%	63.3%	63.2%	70.0%
% Unrepresented	<u>38.6%</u>	<u>37.5%</u>	<u>36.7%</u>	<u>36.8%</u>	<u>30.0%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%

	Southern California				
	<u>AY2009</u>	<u>AY2010</u>	<u>AY2011</u>	<u>AY2012</u>	<u>AY2013</u>
% Represented	77.3%	78.8%	76.8%	80.6%	82.9%
% Unrepresented	<u>22.7%</u>	<u>21.2%</u>	<u>23.2%</u>	<u>19.4%</u>	<u>17.1%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Second Survey Level

	Northern California				
	<u>AY2008</u>	<u>AY2009</u>	<u>AY2010</u>	<u>AY2011</u>	<u>AY2012</u>
% Represented	61.6%	65.6%	64.1%	65.6%	68.1%
% Unrepresented	<u>38.4%</u>	<u>34.4%</u>	<u>35.9%</u>	<u>34.4%</u>	<u>31.9%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%

	Southern California				
	<u>AY2008</u>	<u>AY2009</u>	<u>AY2010</u>	<u>AY2011</u>	<u>AY2012</u>
% Represented	79.1%	79.4%	79.4%	78.7%	81.4%
% Unrepresented	<u>20.9%</u>	<u>20.6%</u>	<u>20.6%</u>	<u>21.3%</u>	<u>18.6%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%

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

Source: WCIRB Permanent Disability Claim Survey at first survey level for each accident year (AY)
Note: Accident Years 2013 at First Survey Level and 2012 at Second Survey Level are preliminary.

Distribution of Total ALAE & MCCP Components - Private Insurers

<u>Calendar Year</u>	<u>MCCP</u>	<u>Defense Expense</u>	<u>Other Paid ALAE</u>	<u>Paid ALAE</u>
2005	20.2%	54.9%	24.9%	100.0%
2006	22.6%	44.3%	33.1%	100.0%
2007	24.2%	49.0%	26.8%	100.0%
2008	31.8%	43.0%	25.2%	100.0%
2009	27.8%	45.4%	26.8%	100.0%
2010	27.7%	45.4%	26.9%	100.0%
2011	27.3%	46.1%	26.6%	100.0%
2012	27.7%	46.3%	26.0%	100.0%
2013	28.1%	47.2%	24.6%	100.0%
2014	27.2%	45.4%	27.5%	100.0%

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

Applicant Attorney Expense Paid - Private Insurers

Calendar Year	Applicant Attorney Amounts paid (in \$millions)	Incurred Losses (in \$millions)	Applicant Attorney Expenses Paid as a Percent of <u>Incurred Losses</u>
2003	192	10,423	1.8%
2004	249	9,073	2.7%
2005	228	7,559	3.0%
2006	209	5,540	3.8%
2007	196	5,444	3.6%
2008	177	5,711	3.1%
2009	221	5,700	3.9%
2010	253	6,260	4.0%
2011	280	7,500	3.7%
2012	340	8,533	4.0%
2013	353	9,515	3.7%
2014	329	9,689	3.4%

Source: WCIRB expense calls and quarterly calls for experience

Average Expense Costs per Represented PD Claim
Private Insurers Only

First Survey Level

<u>Type of Expense</u>	<u>Northern California</u>			
	<u>AY2010</u>	<u>AY2011</u>	<u>AY2012</u>	<u>AY2013</u>
Defense Expense	4,697	4,950	4,664	4,299
Total ALAE	5,683	6,964	6,734	6,789
Applicant Attorney Expense	2,429	3,345	2,584	2,979
	<u>Southern California</u>			
	<u>AY2010</u>	<u>AY2011</u>	<u>AY2012</u>	<u>AY2013</u>
Defense Expense	5,668	5,757	5,476	5,279
Total ALAE	6,936	7,768	7,565	7,229
Applicant Attorney Expense	2,744	2,766	2,980	2,996

Second Survey Level

<u>Type of Expense</u>	<u>Northern California</u>			
	<u>AY2009</u>	<u>AY2010</u>	<u>AY2011</u>	<u>AY2012</u>
Defense Expense	6,313	6,482	6,396	6,010
Total ALAE	7,579	8,066	8,657	8,566
Applicant Attorney Expense	3,774	4,201	5,113	3,634
	<u>Southern California</u>			
	<u>AY2009</u>	<u>AY2010</u>	<u>AY2011</u>	<u>AY2012</u>
Defense Expense	7,223	7,329	6,896	6,636
Total ALAE	8,722	8,975	9,136	8,918
Applicant Attorney Expense	3,983	4,028	3,925	3,780

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

Source: based on WCIRB Permanent Disability Claim Survey for each accident year (AY)
Note: Accident Years 2013 at First Survey Level and 2012 at Second Survey Level are preliminary.

**Medical Cost Containment Paid as a Percentage of Total Medical Paid
Based on CWCI Transactional Level Data**

<u>Accident Year</u>	<u>Average Over All Claims</u>		<u>Average Over All Indemnity Claims</u>	
	<u>at 9 Months</u>	<u>at 24 Months</u>	<u>at 9 Months</u>	<u>at 24 Months</u>
2002	6.3%	6.4%	6.7%	6.6%
2003	8.3%	7.8%	8.7%	8.0%
2004	11.3%	10.5%	11.8%	10.6%
2005	11.2%	11.0%	11.7%	11.2%
2006	13.9%	12.4%	14.4%	12.5%
2007	14.6%	13.5%	15.2%	13.6%
2008	15.7%	14.5%	16.4%	14.6%
2009	16.1%	14.6%	16.8%	14.8%
2010	16.0%	14.6%	16.6%	14.7%
2011	16.8%	14.3%	17.3%	14.3%
2012	16.0%	14.3%	16.5%	14.3%
2013	16.5%		17.0%	
2014	15.9%		16.3%	

Source: CWCI Medical & Indemnity Benefit Trend Analysis June 2015 Report
CWCI California Workers' Compensation Medical & Indemnity Benefit Trends AY 2002-2014

Changes in the Number and Cost of Medical-Legal Reports

Accident Year	Medical-Legal Reports per PD Claim	Year-to-Year Change	Average Cost per Medical-Legal Report	Year-to-Year Change
2007	0.81	---	1,518	---
2008	0.91	11.8%	1,609	6.0%
2009	0.94	3.2%	1,662	3.3%
2010	0.94	-0.1%	1,768	6.4%
2011	0.83	-11.0%	1,948	10.1%
2012	0.74	-11.7%	1,972	1.3%
2013	0.70	-5.6%	2,011	2.0%

Source: based on WCIRB Permanent Disability Claim Survey information at first survey level.
 Note: Accident Years 2013 is preliminary.

Paid MCCP per Indemnity Claims Inventory^[1] Calendar Year

<u>Calendar Year</u>	<u>Private Insurers</u>		<u>Statewide</u>	
2005	\$469	---	---	
2006	\$559	19.2%	---	
2007	\$631	12.8%	\$433	---
2008	\$953	51.1%	\$673	55.4%
2009	\$830	-13.0%	\$665	-1.2%
2010	\$888	7.0%	\$733	10.2%
2011	\$931	4.8%	\$786	7.1%
2012	\$983	5.6%	\$841	7.1%
2013	\$1,022	4.0%	\$900	7.0%
2014	\$1,023	0.1%	\$915	1.7%

Estimated Annual Exponential Trend Based on:

2005-2014	8.5%	---
R ²	0.785	---
2009-2014	4.4%	6.7%
R ²	0.948	0.970

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

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

Item AC16-03-02
12/31/2015 Experience – Review of Methodologies

Staff has prepared a preliminary analysis of statewide experience through December 31, 2015, which is included in Exhibits 1 through 8. This information reflects insurers writing approximately 100% of the market based on 2015 premium levels. The methodologies used were consistent with those reflected in the January 1, 2016 Pure Premium Rate Filing. Wage and loss levels were projected to April 1, 2017 (the approximate midpoint of experience on policies incepting between July 1, 2016 and December 31, 2016) and premiums were adjusted to the industry average filed pure premium rate level as of July 1, 2015. (For consistency of comparison, adjustments for the estimated cost impact of Senate Bill No. 863 are based on those reflected in the January 1, 2016 Pure Premium Rate Filing. See Item AC14-08-07 of this Agenda for a more detailed discussion of these adjustments.)

As shown on Exhibit 8, the projected loss to the industry average filed pure premium ratio for policies incepting between July 1, 2016 and December 31, 2016 based on December 31, 2015 experience is 0.637. (The policy year 2016 loss to pure premium ratio reflected in the January 1, 2016 Pure Premium Rate Filing based on March 31, 2015 experience was 0.685.)

Additional supplemental information is included in Exhibits 9 through 12.

**California Workers' Compensation
Accident Year Experience as of December 31, 2015**

<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>
1985	2,873,398,911	1,277,055,943	5,221,379	980,591,772	27,361,821	19,174,130	2,309,405,045	0.804
1986	3,507,383,582	1,380,477,020	6,651,221	1,125,146,049	43,079,580	59,732,907	2,615,086,777	0.746
1987	4,375,955,819	1,502,924,203	7,438,267	1,320,440,869	54,535,787	36,386,094	2,921,725,220	0.668
1988	5,174,295,346	1,699,265,924	8,914,044	1,523,189,496	55,539,533	49,364,758	3,336,273,755	0.645
1989	5,678,233,438	1,935,514,156	10,602,882	1,776,441,337	74,229,737	51,626,308	3,848,414,420	0.678
1990	5,706,818,054	2,256,126,288	10,203,319	2,024,499,906	71,545,368	68,840,883	4,431,215,764	0.776
1991	5,873,198,559	2,472,580,918	21,136,635	2,174,514,293	85,373,840	76,610,738	4,830,216,424	0.822
1992	5,693,794,271	1,971,875,763	18,580,509	1,731,820,055	85,722,658	75,354,509	3,883,353,494	0.682
1993	5,945,224,581	1,689,474,550	18,545,539	1,480,010,472	111,614,954	65,757,371	3,365,402,886	0.566
1994	5,036,890,527	1,619,897,429	26,433,473	1,434,538,354	129,174,095	68,123,770	3,278,167,121	0.651
1995	3,794,007,706	1,752,743,538	39,303,625	1,568,700,234	155,243,728	82,396,810	3,598,387,935	0.948
1996	3,751,635,497	1,936,545,312	46,528,191	1,665,754,302	160,861,710	86,461,590	3,896,151,105	1.039
1997	3,932,736,695	2,298,700,180	59,024,988	1,964,863,449	190,956,836	145,968,157	4,659,513,610	1.185
1998	4,340,037,820	2,748,135,803	78,641,981	2,561,098,253	298,867,228	235,373,518	5,922,116,783	1.365
1999	4,561,009,019	3,029,483,528	84,513,411	2,932,202,310	305,377,553	325,527,552	6,677,104,354	1.464
2000	5,942,256,440	3,393,250,731	106,977,144	3,462,161,218	369,783,544	462,729,940	7,794,902,577	1.312
2001	10,141,792,581	4,754,595,564	171,376,515	5,153,807,363	612,549,453	718,295,065	11,410,623,960	1.125
2002	13,468,357,780	4,680,328,795	154,677,811	5,273,353,918	552,184,737	1,033,457,514	11,694,002,775	0.868
2003	19,535,795,216	4,418,643,589	228,822,278	4,813,953,975	583,371,037	1,450,960,649	11,495,751,528	0.588
2004	23,134,715,947	3,095,492,633	200,883,595	3,832,185,672	516,532,237	1,459,957,595	9,105,051,732	0.394
2005	21,419,825,761	2,412,725,764	178,479,603	3,410,904,645	486,250,819	1,243,844,893	7,732,205,724	0.361
2006	17,268,807,217	2,477,443,809	207,171,939	3,490,985,951	538,472,193	939,511,386	7,653,585,278	0.443
2007	13,316,018,995	2,565,935,216	248,405,568	3,694,153,991	611,159,790	1,012,874,629	8,132,529,194	0.611
2008	10,856,139,162	2,603,395,788	268,244,278	3,671,029,650	630,456,377	823,811,294	7,996,937,387	0.737
2009	9,031,956,137	2,424,407,165	295,423,963	3,435,747,662	644,183,422	798,805,114	7,598,567,326	0.841
2010	9,555,255,231	2,379,130,965	335,298,783	3,410,010,562	681,856,554	1,011,831,109	7,818,127,973	0.818
2011	10,323,963,544	2,214,603,070	422,930,492	2,904,659,639	842,479,862	1,604,576,571	7,989,249,634	0.774
2012	11,967,472,678	2,050,639,371	519,758,290	2,589,815,178	910,989,670	2,022,579,422	8,093,781,931	0.676
2013	14,382,793,635	1,734,596,246	682,984,052	2,111,002,947	1,100,498,285	3,351,610,221	8,980,691,751	0.624
2014	16,226,216,998	1,134,287,053	874,147,698	1,466,571,301	1,294,582,654	5,066,647,775	9,836,236,481	0.606
2015	17,101,724,695	372,207,359	716,109,479	599,647,267	1,291,573,287	6,878,794,490	9,858,331,882	0.576

* Shown for informational purposes only

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

Source: WCIRB quarterly experience calls

Incurred Indemnity Loss Development Factors

Accident Year	Age-to-Age (in months)															
	24/12	36/24	48/36	60/48	72/60	84/72	96/84	108/96	120/108	132/120	144/132	156/144	168/156	180/168	192/180	204/192
1990																1.001
1991															1.003	1.000
1992														1.002	1.001	0.999
1993													1.002	1.001	0.998	0.999
1994												1.002	1.002	0.997	1.000	1.000
1995											1.003	1.003	1.000	1.002	1.002	1.000
1996										1.001	1.004	1.000	1.000	1.000	1.001	1.002
1997									1.007	1.005	1.002	1.002	1.003	1.002	1.001	1.001
1998								1.008	1.004	1.004	1.002	1.003	1.004	1.001	1.002	1.001
1999							1.011	1.006	1.007	1.004	1.002	1.003	1.003	1.002	1.002	1.002
2000						1.015	1.011	1.008	1.004	1.004	1.005	1.003	1.001	1.004	1.003	
2001					1.023	1.021	1.014	1.009	1.006	1.007	1.006	1.005	1.003	1.002		
2002				1.033	1.033	1.018	1.011	1.010	1.010	1.007	1.005	1.003	1.002			
2003			1.069	1.056	1.033	1.021	1.018	1.015	1.015	1.009	1.006	1.004				
2004		1.158	1.083	1.042	1.041	1.026	1.028	1.018	1.014	1.007	1.007					
2005	1.503	1.218	1.098	1.068	1.053	1.040	1.028	1.016	1.012	1.006						
2006	1.690	1.247	1.111	1.080	1.053	1.035	1.023	1.015	1.009							
2007	1.784	1.273	1.120	1.070	1.049	1.037	1.022	1.012								
2008	1.858	1.302	1.136	1.074	1.045	1.030	1.018									
2009	1.983	1.293	1.142	1.076	1.048	1.023										
2010	1.994	1.315	1.131	1.069	1.045											
2011	1.997	1.277	1.133	1.062												
2012	1.992	1.279	1.114													
2013	1.931	1.259														
2014	1.947															
Selected (a)	1.947	1.259	1.114	1.062	1.045	1.023	1.018	1.012	1.012	1.007	1.006	1.004	1.002	1.003	1.002	1.001
Cumulative	3.343	1.717	1.364	1.224	1.153	1.103	1.078	1.059	1.047	1.035	1.027	1.021	1.017	1.015	1.012	1.010

(a) Selections are latest year for the 12-to-24 month through 96-to-108 month factors and three-year average for the subsequent age-to-age factors.

Incurred Indemnity Loss Development Factors (Continued)

Accident Year	Age-to-Age (in months)														
	<u>216/204</u>	<u>228/216</u>	<u>240/228</u>	<u>252/240</u>	<u>264/252</u>	<u>276/264</u>	<u>288/276</u>	<u>300/288</u>	<u>312/300</u>	<u>324/312</u>	<u>336/324</u>	<u>348/336</u>	<u>360/348</u>	<u>372/360</u>	<u>ULT/372Inc (b)</u>
1980										1.001	0.998	1.000	1.000		1.002
1981									1.001	1.001	1.002	0.999	1.001		1.001
1982								1.001	1.000	1.002	1.000	1.001	1.001		1.002
1983							1.001	1.001	1.000	1.000	1.001	1.001	1.001	1.001	1.001
1984						1.001	1.000	1.000	1.001	1.001	1.000	1.001	1.001	1.000	1.001
1985					1.001	1.001	1.000	1.001	1.000	1.001	1.001	1.001	1.001	1.000	1.001
1986				1.000	1.000	1.001	1.001	1.000	1.001	1.002	1.001	1.000	0.999		1.001
1987			1.000	1.000	0.999	1.000	1.000	1.001	1.002	1.000	1.001	1.001			
1988		1.001	1.000	1.001	1.000	1.001	1.002	1.001	1.000	1.000	1.000				
1989	1.003	1.000	1.000	1.001	1.000	1.001	1.000	1.000	1.000	1.001					
1990	1.000	1.001	1.000	0.999	1.001	1.000	1.000	1.000	1.000						
1991	1.000	1.001	1.001	1.000	1.000	1.000	1.000	1.000							
1992	0.998	1.001	1.001	1.000	1.001	1.001	1.000								
1993	0.999	1.001	1.001	1.001	1.001	1.001									
1994	1.001	1.001	1.002	1.000	1.001										
1995	1.003	1.001	0.998	1.001											
1996	1.003	1.000	1.000												
1997	1.000	1.000													
1998	1.004														
Selected (a)	1.002	1.000	1.000	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.001	1.001	1.000	1.000	
Cumulative	1.008	1.006	1.006	1.006	1.005	1.004	1.004	1.004	1.004	1.004	1.003	1.003	1.002	1.002	1.001 (c)

(b) To adjust for non-repeating asbestosis claim patterns in older accident years, these factors are reflected at 20% of the reported ULT/372Inc factors. The original factors were 1.012, 1.005, 1.009, 1.004, 1.004, and 1.003, respectively.
(c) Six-year average of the ULT/372Inc factors is selected.

Incurred Medical Loss Development Factors

Accident Year	Age-to-Age (in months) (b)																
	<u>24/12</u>	<u>36/24</u>	<u>48/36</u>	<u>60/48</u>	<u>72/60</u>	<u>84/72</u>	<u>96/84</u>	<u>108/96</u>	<u>120/108</u>	<u>132/120</u>	<u>144/132</u>	<u>156/144</u>	<u>168/156</u>	<u>180/168</u>	<u>192/180</u>	<u>204/192</u>	
1990																	1.004
1991																1.011	1.004
1992														1.002	1.010	1.011	
1993													1.009	1.013	1.018	1.007	
1994												1.018	1.008	1.009	1.021	1.011	
1995										1.011	1.023	1.028	1.016	1.005	1.009	1.009	
1996									1.019	1.014	1.024	1.018	1.013	1.014	1.005	1.005	
1997									1.015	1.023	1.030	1.012	1.015	1.012	1.003	1.007	
1998								1.024	1.038	1.023	1.020	1.017	1.004	1.014	1.008	1.012	
1999							1.026	1.038	1.030	1.019	1.018	1.013	1.011	1.013	1.005	0.998	
2000							1.029	1.044	1.028	1.017	1.024	1.018	1.018	1.012	1.006	0.999	
2001					1.041	1.045	1.040	1.034	1.035	1.022	1.017	1.015	1.013	1.000			
2002				1.039	1.056	1.040	1.036	1.029	1.028	1.022	1.014	1.010	0.999				
2003			1.057	1.059	1.060	1.042	1.042	1.037	1.029	1.018	1.011	1.003					
2004		1.135	1.113	1.081	1.060	1.061	1.043	1.032	1.026	1.012	1.006						
2005	1.389	1.172	1.087	1.074	1.084	1.055	1.045	1.032	1.020	1.006							
2006	1.460	1.196	1.103	1.081	1.066	1.048	1.040	1.022	1.012								
2007	1.518	1.204	1.124	1.081	1.070	1.050	1.032	1.018									
2008	1.527	1.212	1.129	1.092	1.061	1.041	1.025										
2009	1.604	1.227	1.140	1.087	1.061	1.029											
2010	1.620	1.245	1.134	1.077	1.045												
2011	1.667	1.222	1.125	1.070													
2012	1.626	1.197	1.099														
2013	1.591	1.164															
2014	1.556																
Selected (a)	1.556	1.164	1.099	1.070	1.045	1.029	1.025	1.018	1.019	1.012	1.010	1.009	1.008	1.006	1.004	1.006	
Cumulative	2.744	1.763	1.515	1.378	1.288	1.233	1.198	1.169	1.148	1.126	1.113	1.102	1.091	1.083	1.076	1.072	

(a) Selections are latest year for the 12-to-24 month through 96-to-108 month factors and three-year average for the subsequent age-to-age factors.
 (b) Incurred medical loss development factors include the paid cost of medical cost containment programs.

Incurred Medical Loss Development Factors (Continued)

Accident Year	Age-to-Age (in months)														
	216/204	228/216	240/228	252/240	264/252	276/264	288/276	300/288	312/300	324/312	336/324	348/336	360/348	372/360	ULT/372Inc (d)
1980										1.005	1.005	1.013	1.006		1.066
1981									1.002	1.001	1.003	1.002	1.001		1.040
1982								1.000	1.014	1.006	1.004	1.003	1.009		1.065
1983							1.005	1.001	1.006	1.004	1.002	1.006	1.003	1.004	1.016
1984						1.004	1.002	1.003	1.003	1.002	1.003	1.001	1.003	1.001	1.032
1985					1.004	1.000	1.001	1.003	1.003	1.003	1.005	1.002	1.003	0.998	1.007
1986				1.001	1.005	1.003	1.003	1.006	1.005	1.004	1.005	1.000	1.002		
1987			1.006	1.000	1.003	1.011	0.999	1.007	1.003	1.004	1.005	1.001			
1988		1.004	1.002	1.006	1.005	1.005	1.002	1.005	1.003	1.003	1.002				
1989	0.999	1.007	1.006	1.005	1.005	1.008	1.006	1.000	1.003	0.999					
1990	1.003	1.007	1.007	1.005	1.003	1.003	1.003	0.997	1.002						
1991	1.008	1.005	1.006	1.002	1.003	1.002	1.003	1.001							
1992	1.005	1.004	1.002	1.005	1.003	1.005	1.000								
1993	1.007	1.011	1.014	1.004	0.999	1.000									
1994	1.011	1.004	1.007	1.006	1.001										
1995	1.015	0.996	1.006	0.999											
1996	1.008	1.005	1.001												
1997	1.001	0.994													
1998	0.999														
Selected (a)	1.003	0.998	1.005	1.003	1.001	1.002	1.002	0.999	1.003	1.002	1.004	1.001	1.003	1.001	
Cumulative	1.066	1.063	1.065	1.060	1.056	1.055	1.053	1.051	1.052	1.049	1.047	1.043	1.041	1.039	1.038 (c)

(c) Six-year average of the ULT/372Inc factors is selected.
(d) ULT/372Inc factors have been adjusted for the effects of medical inflation.

Paid Indemnity Loss Development Factors

Accident Year	Age-to-Age (in months)															
	24/12	36/24	48/36	60/48	72/60	84/72	96/84	108/96	120/108	132/120	144/132	156/144	168/156	180/168	192/180	204/192
1990																1.002
1991															1.004	1.003
1992														1.004	1.003	1.003
1993													1.004	1.004	1.004	1.003
1994												1.008	1.007	1.006	1.003	1.003
1995											1.012	1.008	1.007	1.005	1.005	1.003
1996										1.014	1.012	1.009	1.006	1.006	1.004	1.004
1997									1.018	1.016	1.012	1.008	1.007	1.006	1.006	1.005
1998								1.027	1.021	1.015	1.012	1.009	1.009	1.007	1.006	1.006
1999							1.036	1.025	1.018	1.015	1.011	1.009	1.008	1.007	1.006	1.004
2000						1.052	1.035	1.025	1.016	1.013	1.010	1.009	1.008	1.007	1.005	
2001					1.077	1.051	1.034	1.024	1.017	1.014	1.012	1.011	1.008	1.007		
2002				1.127	1.075	1.046	1.031	1.020	1.018	1.015	1.014	1.008	1.008			
2003			1.249	1.128	1.072	1.043	1.030	1.026	1.023	1.021	1.015	1.012				
2004		1.522	1.236	1.116	1.073	1.049	1.041	1.035	1.030	1.020	1.015					
2005	2.734	1.512	1.235	1.121	1.079	1.060	1.047	1.042	1.028	1.020						
2006	2.866	1.539	1.229	1.135	1.090	1.068	1.050	1.035	1.026							
2007	2.905	1.547	1.246	1.140	1.092	1.066	1.046	1.033								
2008	2.927	1.577	1.271	1.150	1.092	1.060	1.041									
2009	3.069	1.616	1.280	1.156	1.092	1.060										
2010	3.157	1.628	1.281	1.147	1.091											
2011	3.208	1.613	1.266	1.144												
2012	3.137	1.597	1.264													
2013	3.169	1.609														
2014	3.219															
Selected (a)	3.219	1.609	1.264	1.144	1.091	1.060	1.041	1.033	1.028	1.020	1.015	1.010	1.008	1.007	1.006	1.005
Cumulative Unadjusted for Impact of SB 863	10.608	3.295	2.048	1.620	1.416	1.298	1.225	1.177	1.139	1.108	1.086	1.070	1.059	1.051	1.044	1.038
Cumulative Adjusted for Impact of SB 863 (b)	11.414	3.546	2.083	1.612	1.409	---	---	---	---	---	---	---	---	---	---	---

(a) Selections are latest year for the 12-to-24 month through 96-to-108 month factors and three-year average for the subsequent age-to-age factors.
 (b) The 24-to-ultimate factor for accident year 2014, the 36-to-ultimate factor for accident year 2013, the 48-to-ultimate factor for accident year 2012, and the 60-to-ultimate factor for accident year 2011 have been adjusted by 7.6%, 1.7%, -0.5%, and -0.5% respectively, for the impacts of SB 863 on indemnity loss development. (See Impact of Senate Bill No. 863 on Loss Development Patterns, WCIRB, August 13, 2013.)

Paid Indemnity Loss Development Factors (Continued)

Accident Year	Age-to-Age (in months)															
	<u>216/204</u>	<u>228/216</u>	<u>240/228</u>	<u>252/240</u>	<u>264/252</u>	<u>276/264</u>	<u>288/276</u>	<u>300/288</u>	<u>312/300</u>	<u>324/312</u>	<u>336/324</u>	<u>348/336</u>	<u>360/348</u>	<u>372/360</u>	<u>372Inc/372Pd</u>	<u>ULT/372Inc (c)</u>
1980										1.001	1.000	1.001	1.002		1.007	1.002
1981									1.002	1.002	1.003	1.000	1.001		1.007	1.001
1982								1.002	1.002	1.001	1.001	1.001	1.001		1.006	1.002
1983							1.001	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.006	1.001
1984						1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.004	1.001
1985					1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.002	1.001	1.001	1.004	1.001
1986				1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001		
1987			1.001	1.001	1.001	1.001	1.001	1.001	1.002	1.001	1.001	1.001				
1988		1.001	1.002	1.001	1.001	1.001	1.001	1.002	1.001	1.001	1.001	1.001				
1989	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001					
1990	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001						
1991	1.002	1.002	1.001	1.001	1.001	1.002	1.001	1.001	1.001							
1992	1.002	1.002	1.002	1.002	1.002	1.002	1.001	1.001								
1993	1.002	1.003	1.003	1.002	1.002	1.002	1.001									
1994	1.004	1.003	1.003	1.003	1.002											
1995	1.005	1.005	1.003	1.003												
1996	1.005	1.004	1.003													
1997	1.004	1.003														
1998	1.006															
Selected (a)	1.005	1.004	1.003	1.003	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.005	
Cumulative	1.032	1.027	1.023	1.020	1.017	1.015	1.014	1.013	1.012	1.011	1.010	1.009	1.008	1.007		1.001(d)

- (c) To adjust for non-repeating asbestosis claim patterns in older accident years, these factors are reflected at 20% of the reported ULT/372Inc factors. The original factors were 1.012, 1.005, 1.009, 1.004, 1.004, and 1.003, respectively.
- (d) A six-year average of the ULT/372Inc and a three-year average of the 372Inc/372Pd factors are selected.

Paid Medical Loss Development Factors

Unadjusted (a)	Age-to-Age (in months)															
Accident Year	24/12	36/24	48/36	60/48	72/60	84/72	96/84	108/96	120/108	132/120	144/132	156/144	168/156	180/168	192/180	204/192
1990																1.005
1991															1.009	1.007
1992														1.010	1.010	1.017
1993													1.012	1.014	1.013	1.011
1994												1.018	1.014	1.017	1.013	1.012
1995											1.024	1.021	1.019	1.018	1.018	1.015
1996										1.025	1.027	1.023	1.020	1.018	1.016	1.013
1997									1.033	1.028	1.026	1.022	1.019	1.016	1.014	1.014
1998								1.039	1.033	1.032	1.030	1.021	1.019	1.019	1.015	1.017
1999							1.044	1.035	1.032	1.032	1.025	1.025	1.016	1.016	1.018	1.015
2000						1.056	1.042	1.038	1.031	1.027	1.023	1.020	1.020	1.017	1.013	
2001					1.076	1.057	1.045	1.038	1.034	1.030	1.022	1.022	1.022	1.017		
2002				1.112	1.072	1.054	1.046	1.034	1.032	1.024	1.023	1.018	1.016			
2003			1.170	1.112	1.074	1.057	1.048	1.041	1.030	1.030	1.026	1.019				
2004		1.345	1.189	1.123	1.092	1.070	1.055	1.040	1.036	1.034	1.024					
2005	2.251	1.345	1.209	1.138	1.095	1.073	1.054	1.049	1.038	1.031						
2006	2.340	1.399	1.220	1.140	1.099	1.068	1.056	1.042	1.034							
2007	2.416	1.413	1.230	1.142	1.097	1.075	1.057	1.041								
2008	2.325	1.421	1.241	1.148	1.103	1.072	1.051									
2009	2.408	1.447	1.251	1.160	1.104	1.067										
2010	2.479	1.468	1.265	1.152	1.096											
2011	2.580	1.470	1.248	1.145												
2012	2.552	1.455	1.243													
2013	2.484	1.458														
2014	2.526															
Adjusted (b)	Age-to-Age (in months)															
Accident Year	24/12	36/24	48/36	60/48	72/60	84/72	96/84	108/96	120/108	132/120	144/132	156/144	168/156	180/168	192/180	204/192
1997																1.015
1998															1.015	1.018
1999														1.017	1.019	1.016
2000													1.021	1.018	1.013	
2001												1.023	1.024	1.018		
2002											1.024	1.019	1.017			
2003										1.031	1.028	1.020				
2004									1.038	1.036	1.025					
2005								1.051	1.041	1.033						
2006							1.059	1.045	1.036							
2007						1.079	1.060	1.043								
2008					1.109	1.077	1.053									
2009				1.169	1.110	1.070										
2010			1.278	1.160	1.100											
2011		1.494	1.260	1.150												
2012	2.632	1.471	1.248													
2013	2.507	1.458														
2014	2.517															
Selected (c)	2.517	1.458	1.248	1.150	1.100	1.070	1.053	1.043	1.038	1.033	1.026	1.021	1.021	1.018	1.016	1.016
Cumulative	9.792	3.890	2.668	2.138	1.859	1.690	1.580	1.500	1.438	1.385	1.340	1.307	1.280	1.254	1.233	1.214

- (a) Paid medical loss development factors include the paid cost of medical cost containment programs.
- (b) These factors are adjusted for the following impacts: (i) reduction of historical outstanding medical losses paid prior to January 1, 2013 by the estimated 4.9% cost savings due to applicable SB 863 provisions; (ii) adjustment to historical outstanding medical losses paid prior to January 1, 2014 by an estimated 1.5% decrease in costs, and losses paid prior to January 1, 2015 by an estimated 0.6% increase in costs due to RBRVS.
- (c) Selections are latest year for the 12-to-24 month through 96-to-108 month factors and three-year average for the subsequent age-to-age factors.
- (d) Age-to-age factors have been adjusted for the -4.6% impact of the SB 863 provisions applicable to outstanding medical losses that develop before December 31, 2012. (See Agenda Item AC13-03-04 of the June 12, 2013 meeting.)

Paid Medical Loss Development Factors (Continued)

Unadjusted (a)		Age-to-Age (in months)														
Accident Year	216/204	228/216	240/228	252/240	264/252	276/264	288/276	300/288	312/300	324/312	336/324	348/336	360/348	372/360	372Inc/372Pd	ULT/372Inc (e)
1980										1.006	1.006	1.008	1.008		1.032	1.066
1981									1.006	1.005	1.006	1.005	1.004		1.061	1.040
1982								1.008	1.006	1.007	1.009	1.006	1.006		1.038	1.065
1983							1.005	1.005	1.003	1.005	1.004	1.004	1.003	1.004	1.039	1.016
1984						1.004	1.004	1.003	1.004	1.003	1.004	1.004	1.003	1.003	1.027	1.032
1985					1.005	1.006	1.004	1.004	1.003	1.004	1.004	1.004	1.003	1.002	1.027	1.007
1986				1.004	1.005	1.004	1.005	1.005	1.005	1.005	1.005	1.005	1.004			
1987			1.006	1.007	1.006	1.005	1.005	1.005	1.005	1.005	1.005	1.003				
1988		1.006	1.007	1.006	1.005	1.005	1.006	1.005	1.005	1.004	1.003					
1989	1.005	1.006	1.007	1.005	1.006	1.008	1.006	1.007	1.006	1.003						
1990	1.006	1.005	1.005	1.005	1.005	1.006	1.004	1.004	1.003							
1991	1.007	1.006	1.006	1.005	1.006	1.005	1.006	1.006	1.003							
1992	1.008	1.007	1.002	1.006	1.008	1.006	1.005									
1993	1.011	1.011	1.010	1.013	1.011	1.007										
1994	1.013	1.009	1.010	1.010	1.009											
1995	1.011	1.016	1.013	1.012												
1996	1.014	1.013	1.011													
1997	1.014	1.011														
1998	1.013															
Adjusted (b)		Age-to-Age (in months)														
Accident Year	216/204	228/216	240/228	252/240	264/252	276/264	288/276	300/288	312/300	324/312	336/324	348/336	360/348	372/360	372Inc/372Pd	ULT/372Inc (e)
1980															1.032	1.066
1981															1.061	1.040
1982															1.038	1.065
1983														1.004	1.039	1.016
1984													1.003	1.003	1.027	1.032
1985												1.004	1.003	1.002	1.027	1.007
1986											1.005	1.006	1.005			
1987										1.005	1.005	1.004				
1988									1.005	1.005	1.003					
1989								1.007	1.006	1.003						
1990							1.004	1.004	1.003							
1991						1.006	1.007	1.004								
1992						1.008	1.007	1.005								
1993				1.013	1.012	1.008										
1994			1.011	1.011	1.009											
1995		1.016	1.013	1.013												
1996	1.015	1.014	1.012													
1997	1.014	1.012														
1998	1.014															
Selected (c)	1.014	1.014	1.012	1.012	1.010	1.007	1.005	1.005	1.005	1.004	1.004	1.005	1.004	1.003	1.037	
Cumulative	1.194	1.177	1.161	1.147	1.133	1.122	1.115	1.109	1.103	1.098	1.093	1.089	1.084	1.080		1.038 (d)

(d) Six-year averages of the ULT/372Inc and 372Inc/372Pd factors are selected.
(e) ULT/372Inc factors have been adjusted for the effects of medical inflation.

Selected Indemnity Development Factors - Paid to Age 216, Incurred from Age 216 to Ultimate

Accident Year	Age-to-Age (in months)																	
	24/12	36/24	48/36	60/48	72/60	84/72	96/84	108/96	120/108	132/120	144/132	156/144	168/156	180/168	192/180	204/192	216/204	216Inc/216Pd (c)
1990																1.002	1.002	1.011
1991																	1.003	1.016
1992														1.004	1.003	1.003	1.002	1.016
1993													1.004	1.004	1.004	1.003	1.002	1.018
1994												1.008	1.007	1.006	1.003	1.003	1.004	1.023
1995											1.012	1.008	1.007	1.005	1.005	1.003	1.005	1.034
1996										1.014	1.012	1.009	1.006	1.006	1.004	1.004	1.005	1.032
1997									1.018	1.016	1.012	1.008	1.007	1.006	1.006	1.005	1.004	1.029
1998								1.027	1.021	1.015	1.012	1.009	1.009	1.007	1.006	1.006	1.006	1.029
1999							1.036	1.025	1.018	1.015	1.011	1.009	1.008	1.007	1.006	1.004		
2000						1.052	1.035	1.025	1.016	1.013	1.010	1.009	1.008	1.007	1.005			
2001					1.077	1.051	1.034	1.024	1.017	1.014	1.012	1.011	1.008	1.007				
2002				1.127	1.075	1.046	1.031	1.020	1.018	1.015	1.014	1.008	1.008					
2003			1.249	1.128	1.072	1.043	1.030	1.026	1.023	1.021	1.015	1.012						
2004		1.522	1.236	1.116	1.073	1.049	1.041	1.035	1.030	1.020	1.015							
2005	2.734	1.512	1.235	1.121	1.079	1.060	1.047	1.042	1.028	1.020								
2006	2.866	1.539	1.229	1.135	1.090	1.068	1.050	1.035	1.026									
2007	2.905	1.547	1.246	1.140	1.092	1.066	1.046	1.033										
2008	2.927	1.577	1.271	1.150	1.092	1.060	1.041											
2009	3.069	1.616	1.280	1.156	1.092	1.060												
2010	3.157	1.628	1.281	1.147	1.091													
2011	3.208	1.613	1.266	1.144														
2012	3.137	1.597	1.264															
2013	3.169	1.609																
2014	3.219																	
Selected (a)	3.219	1.609	1.264	1.144	1.091	1.060	1.041	1.033	1.028	1.020	1.015	1.010	1.008	1.007	1.006	1.005	1.005	1.030
Cumulative Unadjusted for Impact of SB 863	10.700	3.324	2.066	1.634	1.429	1.309	1.235	1.187	1.149	1.118	1.095	1.079	1.068	1.060	1.053	1.047	1.041	
Cumulative Adjusted for Impact of SB 863 (b)	11.513	3.577	2.101	1.626	1.421	---	---	---	---	---	---	---	---	---	---	---	---	

- (a) Selections are latest year for the 12-to-24 month through 96-to-108 month factors and three-year average for the subsequent age-to-age factors. Paid development factors are selected to age 216, where an incurred-to-paid ratio is chosen, and subsequently, incurred loss development factors are selected until ultimate.
- (b) The 24-to-ultimate factor for accident year 2014, the 36-to-ultimate factor for accident year 2013, the 48-to-ultimate factor for accident year 2012, and the 60-to-ultimate factor for accident year 2011 have been adjusted by 7.6%, 1.7%, -0.5%, and -0.5% respectively, for the impacts of SB 863 on indemnity loss development. (See Impact of Senate Bill No. 863 on Loss Development Patterns, WCIRB, August 13, 2013.)
- (c) A three-year average of the 216Inc/216Pd factor is selected.

Selected Indemnity Development Factors - Paid to Age 216, Incurred from Age 216 to Ultimate (Continued)

<u>Accident Year</u>	<u>228/216</u>	<u>240/228</u>	<u>252/240</u>	<u>264/252</u>	<u>276/264</u>	<u>288/276</u>	<u>300/288</u>	<u>312/300</u>	<u>324/312</u>	<u>336/324</u>	<u>348/336</u>	<u>360/348</u>	<u>372/360</u>	<u>ULT/372Inc (d)</u>
1980									1.001	0.998	1.000	1.000		1.002
1981								1.001	1.001	1.002	0.999	1.001		1.001
1982							1.001	1.000	1.002	1.000	1.001	1.001		1.002
1983						1.001	1.001	1.000	1.000	1.001	1.001	1.001	1.001	1.001
1984					1.001	1.000	1.000	1.001	1.001	1.000	1.001	1.001	1.000	1.001
1985				1.001	1.001	1.000	1.001	1.000	1.001	1.001	1.001	1.001	1.000	1.001
1986			1.000	1.000	1.001	1.001	1.000	1.001	1.002	1.001	1.000	0.999		
1987		1.000	1.000	0.999	1.000	1.000	1.001	1.002	1.000	1.001	1.001			
1988	1.001	1.000	1.001	1.000	1.001	1.002	1.001	1.000	1.000	1.000				
1989	1.000	1.000	1.001	1.000	1.001	1.000	1.000	1.000	1.001					
1990	1.001	1.000	0.999	1.001	1.000	1.000	1.000	1.000						
1991	1.001	1.001	1.000	1.000	1.000	1.000	1.000							
1992	1.001	1.001	1.000	1.001	1.001	1.000								
1993	1.001	1.001	1.001	1.001	1.001	1.000								
1994	1.001	1.002	1.000	1.001										
1995	1.001	0.998	1.001											
1996	1.000	1.000												
1997	1.000													
Selected (a)	1.000	1.000	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.001	1.001	1.000	1.000	
Cumulative	1.006	1.006	1.006	1.005	1.004	1.004	1.004	1.004	1.004	1.003	1.003	1.002	1.002	1.001 (e)

(d) To adjust for non-repeating asbestosis claim patterns in older accident years, these factors are reflected at 20% of the reported ULT/372Inc factors. The original factors were 1.012, 1.005, 1.009, 1.004, 1.004, and 1.003, respectively.

(e) A six-year average of the ULT/372Inc factors is selected.

Selected Medical Development Factors - Paid to Age 216, Incurred from Age 216 to Ultimate

Unadjusted (a) Accident Year	Age-to-Age (in months)																	
	24/12	36/24	48/36	60/48	72/60	84/72	96/84	108/96	120/108	132/120	144/132	156/144	168/156	180/168	192/180	204/192	216/204	216Inc/216Pd (d)
1990																1.005	1.006	1.047
1991															1.009	1.007	1.007	1.057
1992														1.010	1.010	1.017	1.008	1.066
1993													1.012	1.014	1.013	1.011	1.011	1.101
1994												1.018	1.014	1.017	1.013	1.012	1.013	1.118
1995											1.024	1.021	1.019	1.018	1.018	1.015	1.011	1.144
1996										1.025	1.027	1.023	1.020	1.018	1.016	1.013	1.014	1.117
1997									1.033	1.028	1.026	1.022	1.019	1.016	1.014	1.014	1.014	1.117
1998								1.039	1.033	1.032	1.030	1.021	1.019	1.019	1.015	1.017	1.013	1.116
1999							1.044	1.035	1.032	1.032	1.025	1.025	1.016	1.016	1.018	1.015		
2000							1.042	1.038	1.031	1.027	1.023	1.020	1.020	1.017	1.013			
2001					1.076	1.057	1.045	1.038	1.034	1.030	1.022	1.022	1.022	1.017				
2002				1.112	1.072	1.054	1.046	1.034	1.032	1.024	1.023	1.018	1.016					
2003			1.170	1.112	1.074	1.057	1.048	1.041	1.030	1.030	1.026	1.019						
2004		1.345	1.189	1.123	1.092	1.070	1.055	1.040	1.036	1.034	1.024							
2005	2.251	1.345	1.209	1.138	1.095	1.073	1.054	1.049	1.038	1.031								
2006	2.340	1.399	1.220	1.140	1.099	1.068	1.056	1.042	1.034									
2007	2.416	1.413	1.230	1.142	1.097	1.075	1.057	1.041										
2008	2.325	1.421	1.241	1.148	1.103	1.072	1.051											
2009	2.408	1.447	1.251	1.160	1.104	1.067												
2010	2.479	1.468	1.265	1.152	1.096													
2011	2.580	1.470	1.248	1.145														
2012	2.552	1.455	1.243															
2013	2.484	1.458																
2014	2.526																	

Adjusted (b) Accident Year	Age-to-Age (in months)																	
	24/12	36/24	48/36	60/48	72/60	84/72	96/84	108/96	120/108	132/120	144/132	156/144	168/156	180/168	192/180	204/192	216/204	216Inc/216Pd (d)
1996																	1.015	1.117
1997																	1.014	1.117
1998															1.015	1.018	1.014	1.116
1999														1.017	1.019	1.016		
2000													1.021	1.018	1.013			
2001												1.023	1.024	1.018				
2002											1.024	1.019	1.017					
2003										1.031	1.028	1.020						
2004									1.038	1.036	1.025							
2005										1.051	1.041	1.033						
2006							1.059	1.045	1.036									
2007								1.079	1.060	1.043								
2008					1.109	1.077	1.053											
2009				1.169	1.110	1.070												
2010			1.278	1.160	1.100													
2011		1.494	1.260	1.150														
2012	2.632	1.471	1.248															
2013	2.507	1.458																
2014	2.517																	

Selected (c)	2.517	1.458	1.248	1.150	1.100	1.070	1.053	1.043	1.038	1.033	1.026	1.021	1.021	1.018	1.016	1.016	1.014	1.117
Cumulative	9.871	3.922	2.690	2.155	1.874	1.704	1.592	1.512	1.450	1.396	1.351	1.317	1.291	1.265	1.243	1.223	1.204	

- (a) Paid medical loss development factors include the paid cost of medical cost containment programs.
- (b) These factors are adjusted for the following impacts: (i) reduction of historical outstanding medical losses paid prior to January 1, 2013 by the estimated 4.9% cost savings due to applicable SB 863 provisions; (ii) adjustment to historical outstanding medical losses paid prior to January 1, 2014 by an estimated 1.5% decrease in costs, and losses paid prior to January 1, 2015 by an estimated 0.6% increase in costs due to RBRVS.
- (c) Selections are latest year for the 12-to-24 month through 96-to-108 month factors and three-year average for the subsequent age-to-age factors. Paid development factors are selected to age 216, where an incurred-to-paid ratio is chosen, and subsequently, incurred loss development factors are selected until ultimate.
- (d) A three-year average of the 216Inc/216Pd factor is selected.

Selected Medical Development Factors - Paid to Age 216, Incurred from Age 216 to Ultimate (Continued)

Accident Year	228/216	240/228	252/240	264/252	276/264	288/276	300/288	312/300	324/312	336/324	348/336	360/348	372/360	ULT/372Inc (f)
1980														1.066
1981														1.040
1982														1.065
1983													1.004	1.016
1984												1.003	1.001	1.032
1985											1.002	1.003	0.998	1.007
1986										1.005	1.000	1.002		
1987									1.004	1.005	1.001			
1988								1.003	1.003	1.002				
1989							1.000	1.003	0.999					
1990						1.003	0.997	1.002						
1991					1.002	1.003	1.001							
1992				1.003	1.005	1.000								
1993			1.004	0.999	1.000									
1994		1.007	1.006	1.001										
1995	0.996	1.006	0.999											
1996	1.005	1.001												
1997	0.994													
Selected (c)	0.998	1.005	1.003	1.001	1.002	1.002	0.999	1.003	1.002	1.004	1.001	1.003	1.001	
Cumulative	1.063	1.065	1.060	1.056	1.055	1.053	1.051	1.052	1.049	1.047	1.043	1.041	1.039	1.038 (e)

- (e) Six-year average of the ULT/372Inc factors is selected.
- (f) ULT/372Inc factors have been adjusted for the effects of medical inflation.

**Developed Indemnity Loss Ratios Using Selected Loss Development Factors
Based on Experience as of December 31, 2015**

Accident Year	(1) Paid or Incurred Loss Ratio (a)	(2) Annual (b)	Development Factors		Projected Ultimate <u>Loss</u> Ratio (5) = (1) x (4)
			(3) Unadjusted for Impact of SB 863 (b)	(4) Adjusted for Impact of SB 863 (b)	
1985	0.446	1.000	1.001	1.001	0.447
1986	0.395	1.000	1.002	1.002	0.396
1987	0.345	1.000	1.002	1.002	0.346
1988	0.330	1.001	1.003	1.003	0.331
1989	0.343	1.001	1.003	1.003	0.344
1990	0.397	1.000	1.004	1.004	0.399
1991	0.425	1.000	1.004	1.004	0.426
1992	0.350	1.000	1.004	1.004	0.351
1993	0.287	1.000	1.004	1.004	0.288
1994	0.327	1.000	1.004	1.004	0.328
1995	0.472	1.001	1.005	1.005	0.475
1996	0.529	1.001	1.006	1.006	0.532
1997	0.600	1.000	1.006	1.006	0.603
1998	0.651	1.000	1.006	1.006	0.655
1999	0.664	1.005	1.041	1.041	0.692
2000	0.571	1.005	1.047	1.047	0.598
2001	0.469	1.006	1.053	1.053	0.493
2002	0.348	1.007	1.060	1.060	0.368
2003	0.226	1.008	1.068	1.068	0.242
2004	0.134	1.010	1.079	1.079	0.144
2005	0.113	1.015	1.095	1.095	0.123
2006	0.143	1.020	1.118	1.118	0.160
2007	0.193	1.028	1.149	1.149	0.221
2008	0.240	1.033	1.187	1.187	0.285
2009	0.268	1.041	1.235	1.235	0.332
2010	0.249	1.060	1.309	1.309	0.326
2011	0.215	1.091	1.429	1.421	0.305
2012	0.171	1.144	1.634	1.626	0.279
2013	0.121	1.264	2.066	2.101	0.253
2014	0.070	1.609	3.324	3.577	0.250
2015	0.022	3.219	10.700	11.513	0.251

- (a) Based on Exhibit 1. To reflect the selected loss development methodology, reported loss ratios displayed prior to 1999 are on an incurred basis. Subsequent reported loss ratios are on a paid basis.
- (b) See Exhibit 2.5.

**Developed Medical Loss Ratios Using Selected Loss Development Factors
With Adjustment for SB 863
Based on Experience as of December 31, 2015**

Accident Year	(1)	(2)	(3)	(4)	(5)	(6)
	Unadjusted Paid or Incurred Loss Ratio (a)	Adjusted Paid or Incurred Loss Ratio (b)	Adjusted for SB 863 Development Factors		Adjusted Developed Loss Ratio (d)	Projected Ultimate Loss Ratio
			Annual (c)	Cumulative	(2) x (4)	(1) + ((5) - (2))
1985	0.351	0.351	1.000	1.038	0.364	0.364
1986	0.333	0.333	1.001	1.039	0.346	0.346
1987	0.314	0.314	1.003	1.041	0.327	0.327
1988	0.305	0.305	1.001	1.043	0.318	0.318
1989	0.326	0.326	1.004	1.047	0.341	0.341
1990	0.367	0.367	1.002	1.049	0.385	0.385
1991	0.385	0.385	1.003	1.052	0.405	0.405
1992	0.319	0.319	0.999	1.051	0.335	0.335
1993	0.268	0.268	1.002	1.053	0.282	0.282
1994	0.310	0.310	1.002	1.055	0.328	0.328
1995	0.454	0.454	1.001	1.056	0.480	0.480
1996	0.487	0.487	1.003	1.060	0.516	0.516
1997	0.548	0.548	1.005	1.065	0.584	0.584
1998	0.659	0.659	0.998	1.063	0.700	0.700
1999	0.643	0.607	1.014	1.204	0.731	0.767
2000	0.583	0.551	1.016	1.223	0.674	0.706
2001	0.508	0.480	1.016	1.243	0.597	0.625
2002	0.392	0.370	1.018	1.265	0.468	0.489
2003	0.246	0.233	1.021	1.291	0.301	0.314
2004	0.166	0.157	1.021	1.317	0.207	0.215
2005	0.159	0.151	1.026	1.351	0.204	0.212
2006	0.202	0.192	1.033	1.396	0.268	0.278
2007	0.277	0.264	1.038	1.450	0.382	0.396
2008	0.338	0.322	1.043	1.512	0.487	0.503
2009	0.380	0.364	1.053	1.592	0.580	0.596
2010	0.357	0.344	1.070	1.704	0.586	0.599
2011	0.281	0.274	1.100	1.874	0.513	0.520
2012	0.216	0.213	1.150	2.155	0.460	0.463
2013	0.147	0.147	1.248	2.690	0.395	0.395
2014	0.090	0.091	1.458	3.922	0.355	0.355
2015	0.035	0.035	2.517	9.871	0.346	0.346

- (a) Based on Exhibit 1. Paid MCCP costs are excluded from accident years 2011 and subsequent. To reflect the selected loss development methodology, reported loss ratios displayed prior to 1999 are on an incurred basis. Subsequent reported loss ratios are on a paid basis.
- (b) Based on experience evaluated as of December 31, 2015. Reflects an adjustment for SB 863 of - 4.9% applied to payments made before January 1, 2013, and adjustments for RBRVS of -1.5% applied to payments made before January 1, 2014, and 0.6% applied to payments made before January 1, 2015. No adjustments are applied to the incurred loss ratios.
- (c) Based on Exhibit 2.6. Reflects an adjustment for SB 863 of -4.9% applied to payments made before January 1, 2013, and adjustments for RBRVS of -1.5% applied to payments made before January 1, 2014, and 0.6% applied to payments made before January 1, 2015.
- (d) The developed medical loss ratios shown were derived based on an adjustment to reflect an adjustment for SB 863 and RBRVS. 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)
1985	0.0	0.0	2.0	2.0	1.411
1986	0.0	0.0	1.6	1.6	1.389
1987	0.0	0.0	1.9	1.9	1.363
1988	0.0	0.0	1.5	1.5	1.343
1989	0.0	0.0	1.5	1.5	1.323
1990	2.3	19.9	1.7	24.7	1.060
1991	4.9	14.8	0.8	21.4	0.874
1992	1.8	-8.3	1.6	-5.2	0.921
1993	0.2	-18.1	0.4	-17.6	1.118
1994	-5.1	0.2	0.6	-4.3	1.169
1995	6.3	0.6	1.0	8.0	1.082
1996	5.3	0.4	1.2	7.0	1.011
1997	9.7	0.2	1.6	11.7	0.906
1998	6.5	0.0	1.8	8.4	0.835
1999	5.7	0.0	2.1	7.9	0.774
2000	3.9	0.0	3.1	7.1	0.723
2001	-0.3	0.0	0.2	-0.1	0.723
2002	-0.7	0.0	0.2	-0.5	0.743 (e)
2003	7.3	0.0	1.1	8.5	0.742 (e)
2004	-6.0	-13.7	1.7	-17.5	1.021 (e)
2005	-31.6	-15.3	1.1	-41.5	1.387
2006	5.6	-5.7	1.6	1.2	1.370
2007	1.6	0.0	1.6	3.2	1.328
2008	4.8	0.6	0.7	6.2	1.250
2009	0.4	1.4	0.2	2.0	1.226
2010	0.4	0.0	1.0	1.4	1.209
2011	0.0	0.0	1.6	1.6	1.196 (f)
2012	0.3	0.0	2.1	2.4	1.168 (f)
2013	-0.6	-0.3	0.2	-0.7	1.170
2014	7.0	1.5	1.6	10.3	1.061
2015	0.3	0.0	1.6	1.9	1.041
2016	0.3	0.0	1.9	2.2	
4/1/2017	0.2 (Annual 0.2)	0.0	1.7 (Annual 2.3)	1.9	

- (a) Based on WCIRB evaluations of the average impact of legislative changes on the cost of indemnity benefits. These annual changes in benefits reflect the WCIRB's retrospective estimates of the cost impact of recent legislation, including SB 863 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 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 4/1/2017 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.
- (f) On-level factors for accident years 2011 and 2012 adjust the portion of indemnity losses not impacted by the adjustments to outstanding indemnity claims for the impact of SB 863 (see Exhibit 2.5).

Annual Medical Cost Level Change - Non-Legislative

Accident Year	(1) Proportion of Medical Subject to Fee Schedule (a)	(2) Proportion of Medical Not Subject to Fee Schedule (a)	(3) Impact of Fee Schedule Change on Total Medical (b)	(4) Change in Medical CPI (c)	(5) Impact of CPI Change on Total Medical (d)	(6) Annual Non-Legislative Cost Impact on Total Medical (e)
1985	0.665	0.335	2.3%	6.5%	2.2%	4.5%
1986	0.604	0.396	0.0%	9.1%	3.0%	3.0%
1987	0.610	0.390	0.9%	7.4%	2.9%	3.8%
1988	0.649	0.351	0.8%	7.7%	3.0%	3.8%
1989	0.647	0.353	0.0%	8.6%	3.0%	3.0%
1990	0.661	0.339	0.0%	10.4%	3.7%	3.7%
1991	0.631	0.369	0.0%	10.6%	3.6%	3.6%
1992	0.628	0.372	0.0%	8.1%	3.0%	3.0%
1993	0.565	0.435	0.0%	7.3%	2.7%	2.7%
1994	0.691	0.309	-3.6%	4.3%	1.3% (i)	-2.3%
1995	0.681	0.319	0.0%	3.0%	0.9%	0.9%
1996	0.663	0.337	0.0%	3.0%	1.0%	1.0%
1997	0.643	0.357	0.0%	2.2%	0.7%	0.7%
1998	0.658	0.342	0.0%	2.2%	0.8%	0.8%
1999	0.728	0.272	1.6%	3.3%	0.9% (ii)	2.5%
2000	0.715	0.285	0.5%	4.3%	1.2%	1.7%
2001	0.722	0.278	1.5%	4.8%	1.4%	2.9%
2002	0.635	0.365	0.6%	5.1%	1.4%	2.0%
2003	0.786	0.214	0.0%	4.8%	1.4% (iii)	1.4%
2004	0.952	0.048	0.0%	5.0%	0.0% (iv),(v)	0.0%
2005	0.936	0.064	0.0%	4.8%	0.0% (v)	0.0%
2006	0.926	0.074	0.0%	4.1%	0.3%	0.3%
2007	0.923	0.077	1.4%	5.3%	0.4%	1.8%
2008	0.896	0.104	-0.1%	4.2%	0.3%	0.2%
2009	0.894	0.106	0.0%	3.6%	0.4%	0.4%
2010	0.895	0.105	0.0%	2.8%	0.3%	0.3%
2011	0.969	0.031	0.0%	3.2%	0.3%	0.3%
2012	0.969	0.031	0.0%	2.7%	0.1%	0.1%
2013	0.938	0.062	0.0%	2.6%	0.1%	0.1%
2014	0.929	0.071	1.1%	4.2%	0.3%	1.4%
2015	0.929	0.071	0.2%	2.9%	0.2%	0.4%
2016	0.929	0.071	0.2%	2.2%	0.2%	0.4%
4/1/2017	0.929	0.071	0.1% (Annual 0.1%)	1.7% (Annual 2.3%)	0.1%	0.2%

- (a) From a Special Carrier Study through 1990. Based on WCIRB's Aggregate Indemnity and Medical Costs Calls for years 1991 through 2012. Based on WCIRB medical transaction data from 2013 onwards. Accident years 2011 and subsequent do not include MCCP costs.
- (b) Based on the WCIRB's evaluation of the cost impact of changes in the medical fee schedules. Includes the 1/1/2014 changes to the physician fee schedule to a resource-based relative value scale (RBRVS) except for the proportion reflected in loss development (See Exhibit 2.4).
- (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).

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)
1985	0.0%	0.0%	0.0%
1986	0.0%	0.0%	0.0%
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	0.0%	0.0%	0.0%
2012	0.0%	0.0%	0.0%
2013	0.0%	-0.2%	-0.2%
2014	0.0%	1.3%	1.3%
2015	0.0%	0.0%	0.0%
2016	0.0%	0.0%	0.0%
4/1/2017	0.0%	0.0%	0.0%

- (a) These annual cost impacts reflect the WCIRB's retrospective estimates of the cost impact of legislation based on WCIRB cost monitoring results. These factors do not include the estimated - 4.9% impact of 1/1/2013 medical provisions in SB 863, which was reflected in 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)
1985	4.5%	0.0%	4.5%	1.093
1986	3.0%	0.0%	3.0%	1.062
1987	3.8%	0.0%	3.8%	1.023
1988	3.8%	0.0%	3.8%	0.985
1989	3.0%	0.0%	3.0%	0.957
1990	3.7%	19.1%	23.5%	0.775
1991	3.6%	12.9%	16.9%	0.663
1992	3.0%	-7.9%	-5.2%	0.699
1993	2.7%	-18.7%	-16.5%	0.837
1994	-2.3%	-2.3%	-4.6%	0.877
1995	0.9%	0.5%	1.4%	0.864
1996	1.0%	0.4%	1.4%	0.853
1997	0.7%	0.2%	0.9%	0.845
1998	0.8%	12.6%	13.5%	0.744
1999	2.5%	12.6%	15.4%	0.645
2000	1.7%	7.0%	8.8%	0.593
2001	2.9%	6.6%	9.7%	0.540
2002	2.0%	-5.6%	-3.7%	0.561
2003	1.4%	-6.0%	-4.7%	0.589
2004	0.0%	-33.9%	-33.9%	0.890
2005	0.0%	-13.9%	-13.9%	1.034
2006	0.3%	-5.1%	-4.8%	1.086
2007	1.8%	0.1%	1.9%	1.066
2008	0.2%	0.5%	0.7%	1.058
2009	0.4%	1.0%	1.4%	1.044
2010	0.3%	0.0%	0.3%	1.041
2011	0.3%	0.0%	0.3%	1.037
2012	0.1%	0.0%	0.1%	1.036
2013	0.1%	-0.2%	-0.1%	1.037
2014	1.4%	1.3%	2.7%	1.021 (e)
2015	0.4%	0.0%	0.4%	1.019 (e)
2016	0.4%	0.0%	0.4%	
4/1/2017	0.2%	0.0%	0.2%	

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

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

(c) Column (3) = [1.0 + Column (1)] x [1.0 + Column (2)] - 1.0.

(d) These factors adjust the annual impact shown in Column (3) to the 4/1/2017 level.

(e) The on-level factors for accident years 2014 and 2015 include the estimated impact of the January 1, 2014 physician fee schedule for the service years 2016 and subsequent.

Annual Wage Level Changes

<u>Year</u>	<u>Annual Wage Level Change</u>	<u>Factor to a 4/1/2017 Wage Level</u>
1985	5.7	3.025
1986	4.7	2.890
1987	5.6	2.736
1988	4.4	2.621
1989	4.3	2.513
1990	5.0	2.393
1991	2.3	2.340
1992	4.7	2.235
1993	1.2	2.208
1994	1.8	2.169
1995	2.9	2.108
1996	3.4	2.039
1997	4.7	1.947
1998	5.2	1.851
1999	6.2	1.743
2000	9.0	1.599
2001	0.6	1.589
2002	0.6	1.580
2003	3.3	1.529
2004	4.8	1.459
2005	3.2	1.414
2006	4.7	1.351
2007	4.5	1.292
2008	2.1	1.266
2009	0.6	1.258
2010	3.0	1.222
2011	3.1	1.185
2012	4.0	1.139
2013	0.2	1.137
2014	3.0	1.104
2015	3.0	1.072
Projected:		
2016	3.7	1.034
4/1/2017	3.4	(Annual = 4.5)

Source: California average annual wage level changes for 1985 to 2017 derived from information published by the UCLA Anderson School of Business as of December 2015.

Premium Adjustment Factors

	(1)	(2a)	(2b)	(2c)	(3)	(4)	(5)	(6)	(7)
Calendar Year	Factor to a 4/1/2017 Wage Level (a)	Ratio of Industry Average Charged Rates to Advisory Pure Premium Rates (b)	Factor to Industry Average Filed Pure Premium Rate Level as of July 1, 2015 (c)	Factor to Adjust Insurer Premium to an Industry Average Filed Pure Premium Rate Level as of July 1, 2015 (d)	Adjustment to Remove Surcharge Premium (e)	Average Experience Modification (f)	Off-Balance Correction in Advisory January 1, 2015 Pure Premium Rates	Factor to Adjust for Impact of Premium Resulting from Audits (g)	Composite Premium Adjustment Factor (h)
1985	3.025	---	---	1.106	0.991	0.984	1.030	---	3.270
1986	2.890	---	---	1.010	0.991	0.983	1.030	---	2.857
1987	2.736	---	---	0.888	0.992	0.983	1.030	---	2.381
1988	2.621	---	---	0.794	0.993	0.963	1.030	---	2.084
1989	2.513	---	---	0.782	0.993	0.945	1.030	---	2.004
1990	2.393	---	---	0.762	0.991	0.942	1.030	---	1.864
1991	2.340	---	---	0.706	0.987	0.939	1.030	---	1.685
1992	2.235	---	---	0.677	0.982	0.940	1.030	---	1.535
1993	2.208	---	---	0.669	0.981	0.949	1.030	---	1.482
1994	2.169	---	---	0.766	0.986	0.948	1.030	---	1.678
1995	2.108	---	---	1.037	0.995	0.958	1.030	---	2.203
1996	2.039	1.024	1.101	1.075	1.000	0.935	1.030	---	2.276
1997	1.947	0.989	1.099	1.111	1.000	0.949	1.030	---	2.213
1998	1.851	0.965	1.144	1.185	1.000	0.959	1.030	---	2.221
1999	1.743	0.971	1.157	1.192	1.000	0.954	1.030	---	2.113
2000	1.599	1.003	1.049	1.046	1.000	0.970	1.030	---	1.674
2001	1.589	1.030	0.924	0.897	1.000	0.969	1.030	---	1.429
2002	1.580	1.157	0.827	0.715	1.000	0.991	1.030	---	1.106
2003	1.529	1.267	0.677	0.534	1.000	1.005	1.030	---	0.789
2004	1.459	1.397	0.688	0.492	1.000	0.981	1.030	---	0.711
2005	1.414	1.470	0.828	0.563	1.000	0.982	1.030	---	0.787
2006	1.351	1.447	1.067	0.737	1.000	0.956	1.030	---	1.011
2007	1.292	1.493	1.454	0.974	1.000	0.931	1.030	0.985	1.293
2008	1.266	1.427	1.730	1.212	1.000	0.946	1.030	0.991	1.561
2009	1.258	1.366	1.705	1.248	1.000	0.937	1.030	1.034	1.683
2010	1.222	1.383	1.672	1.209	1.000	0.941	1.030	1.005	1.531
2011	1.185	1.403	1.670	1.190	1.000	0.982	1.030	---	1.394
2012	1.139	1.226	1.377	1.123	1.000	1.000	1.030	---	1.242
2013	1.137	1.141	1.109	0.972	1.000	0.983	1.030	---	1.092
2014	1.104	1.132	1.021	0.902	1.000	0.962	1.030	---	1.005
2015	1.072	1.110	0.992	0.894	1.000	0.954	1.030	---	0.975

- (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 July 1, 2015 pure premium rate level and (2) an additional adjustment factor, which is the ratio of the average advisory July 1, 2015 pure premium rate (\$2.47) to the industry average filed pure premium rate as of July 1, 2015 (\$2.66).
- (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 July 1, 2015.
- (e) Based on unit statistical data.
- (f) Based on average promulgated experience modifications. Calendar years 1996 through 2000 include adjustments for the impacts of AB 1913 and SB 1217 (1998).
- (g) Based on a comparison of premium reported on a calendar year basis to premium reported on an estimated ultimate policy year basis over the course of two accident years. The factor is applied only for calendar years 2007 to 2010, during which reported premiums were impacted by recessionary economic forces.
- (h) $(1) \times (2c) \times (3) \times (6) \div [(4) \times (5)]$ for calendar years 2007 to 2010. $(1) \times (2c) \times (3) \div [(4) \times (5)]$ for all other calendar years.

**2015 Accident Year Indemnity Claim Frequency Model
As of PY 2013 Preliminary 1st Set & December 2015 UCLA**

AY	Annual % Changes Intra- Class Ind Freq	Annual Log Differences						
		Intra-Class Indemnity Frequency			AY+1		Economic Variables (1st Prin. Comp.)	CalOSHA Dummy Variable
		Total	Cumulative	Non-cum.	Benefit Level	Injury Index		
1979	0.5%	0.005	-0.053	0.007	0.000	-0.060	0.134	0.000
1980	-6.5%	-0.068	-0.132	-0.066	0.033	-0.066	-0.079	0.000
1981	-3.5%	-0.036	-0.028	-0.036	0.000	0.008	-0.078	0.000
1982	-1.6%	-0.016	0.153	-0.022	0.352	0.175	-0.292	0.000
1983	6.2%	0.060	0.214	0.054	0.081	0.160	0.029	0.000
1984	9.5%	0.091	0.235	0.084	0.000	0.151	0.221	0.000
1985	2.0%	0.020	0.138	0.014	0.000	0.124	0.080	0.000
1986	-2.4%	-0.024	0.039	-0.028	0.000	0.067	0.077	0.000
1987	1.5%	0.015	0.053	0.013	0.000	0.041	0.150	0.000
1988	0.7%	0.007	0.104	0.000	0.000	0.104	0.088	0.000
1989	2.5%	0.024	0.212	0.009	0.046	0.203	0.045	0.000
1990	9.0%	0.087	0.337	0.061	0.071	0.276	-0.120	0.000
1991	0.3%	0.003	0.166	-0.018	0.023	0.184	-0.291	0.000
1992	-11.1%	-0.118	-0.272	-0.098	0.013	-0.174	-0.185	0.068
1993	-14.9%	-0.162	-0.240	-0.153	-0.057	-0.088	-0.022	0.464
1994	-12.8%	-0.136	-0.462	-0.107	0.061	-0.355	0.106	0.173
1995	-4.6%	-0.048	-0.016	-0.050	0.053	0.034	0.092	0.295
1996	-6.8%	-0.070	-0.136	-0.065	0.096	-0.071	0.074	0.000
1997	-3.3%	-0.033	-0.023	-0.034	0.066	0.011	0.137	0.000
1998	-3.8%	-0.038	-0.040	-0.038	0.058	-0.002	0.078	0.000
1999	1.5%	0.014	0.100	0.008	0.040	0.092	0.127	0.000
2000	4.0%	0.039	0.071	0.037	-0.003	0.034	0.066	0.000
2001	-6.9%	-0.071	-0.017	-0.076	-0.007	0.059	-0.100	0.000
2002	-2.8%	-0.028	0.002	-0.031	0.060	0.033	-0.197	0.000
2003	-3.1%	-0.032	-0.008	-0.034	-0.065	0.026	-0.022	0.000
2004	-16.8%	-0.184	-0.211	-0.181	-0.398	-0.030	0.098	0.000
2005	-13.6%	-0.146	-0.298	-0.133	0.051	-0.165	0.143	0.000
2006	-5.7%	-0.058	-0.049	-0.059	0.016	0.009	0.090	0.000
2007	-1.6%	-0.016	0.021	-0.019	0.049	0.040	-0.095	0.000
2008	-2.7%	-0.027	0.038	-0.032	0.006	0.071	-0.320	0.000
2009	-0.1%	-0.001	0.169	-0.017	0.066	0.186	-0.414	0.000
2010	9.0%	0.086	0.133	0.081	0.012	0.052	-0.077	0.000
2011	1.3%	0.013	0.036	0.010	-0.003	0.026	0.048	0.000
2012	4.8%	0.047	0.113	0.039	-0.008	0.074	0.125	0.000
2013	1.3%	0.013	0.186	-0.010	0.071	0.195	0.156	0.000
2014*	1.2%	0.012	0.155	-0.021	0.003	0.176	0.156	0.000
2015	-0.1%	-0.001	-0.001	-0.001	0.003	0.000	0.194	0.000
2016	-0.3%	-0.003	-0.003	-0.003	0.003	0.000	0.174	0.000
2017	-1.2%	-0.012	-0.012	-0.012	0.003	0.000	0.077	0.000
2018	-1.6%	-0.017	-0.017	-0.017	0.003	0.000	0.029	0.000

Y = Hazardousness-Adjusted Noncumulative Indemnity Claim Frequency

Constant	-0.020			
Std Err of Y Est	0.042			
R Squared	0.563			
No. of Observations	36			
Degrees of Freedom	31			
X Coefficient(s)		0.176	0.270	0.096
Std Err of Coef.		0.077	0.064	0.048
				-0.141
				0.081

Notes:

Indemnity Benefit Level variable is leading. The benefit level change for AY 2004 is related to the AY 2003 change in non-cumulative frequency.
 The Indemnity Benefit Level change for Ogilvie & Almaraz / Guzman in 2009-2010 is not leading.
 The Indemnity Benefit Level variable excludes indemnity benefit utilization, and changes in the death and permanent total benefits.
 The Indemnity Benefit Level variable has been revised due to on-leveling reassessments. See Actuarial Committee item AC09-03-03.
 For 1993 on, cumulative claims include both cumulative trauma and occupational disease claims. See March 19, 2014 Actuarial Committee Agenda Item III.
 Economic variables are historical through 2014; December 2015 UCLA Anderson Forecasts for 2015 on.
 Regression is over AY 1979 through AY 2014. AY 2015 through AY 2018 are projections.
 The constant term, -0.020, consists of measured offsets that recognize annual changes in real benefit levels relative to nominal benefit levels and long-term economic growth. Without these offsets, the indemnity benefit level and economic variables would project frequency to increase without bound.
 *AY 2014 is preliminary and change is based on a comparison of 2014 accidents on 2013 policies to 2013 accidents on 2012 policies.

**Projection of Indemnity Severity Trends by Accident Year
Based on Experience as of December 31, 2015**

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	9,962	---	1.705	16,983	---
1991	10,904	9.5%	1.612	17,580	3.5%
1992	10,992	0.8%	1.559	17,134	-2.5%
1993	11,960	8.8%	1.549	18,531	8.2%
1994	12,919	8.0%	1.623	20,967	13.1%
1995	14,508	12.3%	1.512	21,931	4.6%
1996	16,226	11.8%	1.419	23,019	5.0%
1997	19,312	19.0%	1.273	24,580	6.8%
1998	21,142	9.5%	1.174	24,821	1.0%
1999	23,246	10.0%	1.088	25,288	1.9%
2000	24,681	6.2%	1.016	25,064	-0.9%
2001	27,083	9.7%	1.017	27,531	9.8%
2002	26,212	-3.2%	1.044	27,357	-0.6%
2003	25,728	-1.8%	1.043	26,828	-1.9%
2004	20,970	-18.5%	1.239	25,979	-3.2%
2005	18,891	-9.9%	1.424	26,910	3.6%
2006	20,646	9.3%	1.328	27,411	1.9%
2007	22,485	8.9%	1.286	28,919	5.5%
2008	24,851	10.5%	1.219	30,287	4.7%
2009	25,814	3.9%	1.211	31,273	3.3%
2010	25,566	-1.0%	1.195	30,543	-2.3%
2011	25,222	-1.3%	1.182	29,806	-2.4%
2012	25,122	-0.4%	1.154	28,990	-2.7%
2013	25,788	2.7%	1.153	29,732	2.6%
2014	27,761	7.7%	1.061	29,446	-1.0%
2015	28,768	3.6%	1.041	29,947	1.7%
(6) Estimated Annual Exponential Trend Based on 2005 to 2015:					0.7%
(7) Estimated Annual Exponential Trend Based on 2010 to 2015:					-0.3%
Selected Indemnity Severity Trend:					0.0%

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

Source: WCIRB experience calls.

**Projection of Medical Severity Trends by Accident Year
Based on Experience as of December 31, 2015**

Accident Year	(1) Estimated Ultimate Severity(a)	(2) Annual % Change	(3) Medical Adjustment Factor(b)	(4) Ultimate On-level Severity (1) x (3)	(5) Annual % Change
1990	8,990	---	1.150	10,336	---
1991	9,685	7.7%	1.128	10,929	5.7%
1992	9,742	0.6%	1.091	10,626	-2.8%
1993	10,846	11.3%	1.072	11,626	9.4%
1994	12,024	10.9%	1.127	13,555	16.6%
1995	13,719	14.1%	1.118	15,343	13.2%
1996	14,768	7.6%	1.107	16,352	6.6%
1997	17,684	19.7%	1.100	19,451	19.0%
1998	21,498	21.6%	0.970	20,854	7.2%
1999	24,546	14.2%	0.841	20,643	-1.0%
2000	27,852	13.5%	0.773	21,542	4.4%
2001	33,034	18.6%	0.706	23,322	8.3%
2002	33,578	1.6%	0.734	24,635	5.6%
2003	32,093	-4.4%	0.771	24,744	0.4%
2004	29,769	-7.2%	1.022	30,411	22.9%
2005	30,739	3.3%	1.024	31,465	3.5%
2006	33,902	10.3%	1.021	34,620	10.0%
2007	38,183	12.6%	1.005	38,370	10.8%
2008	41,819	9.5%	1.004	41,979	9.4%
2009	44,320	6.0%	1.004	44,504	6.0%
2010	44,954	1.4%	1.007	45,250	1.7%
2011	41,166 (c)	---	1.011	41,609 (c)	---
2012	39,898	-3.1%	1.019	40,637	-2.3%
2013	38,436	-3.7%	1.024	39,363	-3.1%
2014	37,576	-2.2%	1.022	38,394	-2.5%
2015	37,872	0.8%	1.019	38,596	0.5%

Selected Medical Severity Trend: 2.5%

(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 863 provisions applicable to outstanding medical losses.

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

Source: WCIRB experience calls.

**Projection of Medical Severity Trends by Accident Year
Adjusted to Remove the Cost of Medical Cost Containment Programs (MCCP)
Based on Experience as of December 31, 2015**

(1)	MCCP Included				MCCP Removed Based on WCIRB Aggregate Calendar Year Data Calls (b)			
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Accident Year	Estimated Ultimate Severity (a)	Annual % Change	Ultimate On-Level Severity (c)	Annual % Change	Estimated Ultimate Severity (a)	Annual % Change	Ultimate On-Level Severity (c)	Annual % Change
2005	30,739	---	31,465	---	28,993	---	29,677	---
2006	33,902	10.3%	34,620	10.0%	31,639	9.1%	32,309	8.9%
2007	38,183	12.6%	38,370	10.8%	35,483	12.1%	35,656	10.4%
2008	41,819	9.5%	41,979	9.4%	37,990	7.1%	38,135	7.0%
2009	44,320	6.0%	44,504	6.0%	40,438	6.4%	40,606	6.5%
2010	44,954	1.4%	45,250	1.7%	40,975	1.3%	41,245	1.6%
2011	45,332	0.8%	45,819	1.3%	41,166	0.5%	41,609	0.9%
2012	44,009	-2.9%	44,824	-2.2%	39,898	-3.1%	40,637	-2.3%
2013	42,679	-3.0%	43,709	-2.5%	38,436	-3.7%	39,363	-3.1%
2014	41,946	-1.7%	42,859	-1.9%	37,576	-2.2%	38,394	-2.5%
2015	42,204	0.6%	43,010	0.4%	37,872	0.8%	38,596	0.5%

Estimated Annual Exponential
Trend Based on 2005 to 2015: 2.7% 2.3%

Trend Based on 2010 to 2015: -1.4% -1.7%

Selected Medical Severity Trend: 2.5%

- (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 4.4, excluding the impact of frequency.

Source: WCIRB experience calls.

**Projected On-Level Accident Year
Indemnity Loss to Industry Average Filed Pure Premium Ratios
Based on Experience as of December 31, 2015**

Accident Year	(1) Developed Indemnity <u>Loss Ratio(a)</u>	(2) Composite Indemnity <u>Adjustment Factor(b)</u>	(3) Composite Premium <u>Adjustment Factor(c)</u>	(4) On-Level Indemnity to Industry Average Filed <u>Pure Premium Ratio</u> (1)×(2)÷(3)
1985	0.447	1.411	3.270	0.193
1986	0.396	1.389	2.857	0.193
1987	0.346	1.363	2.381	0.198
1988	0.331	1.343	2.084	0.213
1989	0.344	1.323	2.004	0.227
1990	0.399	1.060	1.864	0.227
1991	0.426	0.874	1.685	0.221
1992	0.351	0.921	1.535	0.210
1993	0.288	1.118	1.482	0.218
1994	0.328	1.169	1.678	0.229
1995	0.475	1.082	2.203	0.233
1996	0.532	1.011	2.276	0.236
1997	0.603	0.906	2.213	0.247
1998	0.655	0.835	2.221	0.246
1999	0.692	0.774	2.113	0.253
2000	0.598	0.723	1.674	0.258
2001	0.493	0.723	1.429	0.250
2002	0.368	0.743	1.106	0.247
2003	0.242	0.742	0.789	0.227
2004	0.144	1.021	0.711	0.207
2005	0.123	1.387	0.787	0.217
2006	0.160	1.370	1.011	0.217
2007	0.221	1.328	1.293	0.227
2008	0.285	1.250	1.561	0.228
2009	0.332	1.226	1.683	0.242
2010	0.326	1.209	1.531	0.257
2011	0.305	1.196	1.394	0.261
2012	0.279	1.168	1.242	0.262
2013	0.253	1.170	1.092	0.272
2014	0.250	1.061	1.005	0.264
2015	0.251	1.041	0.975	0.268
2016				Projections (d) 0.264
4/1/2017				0.261

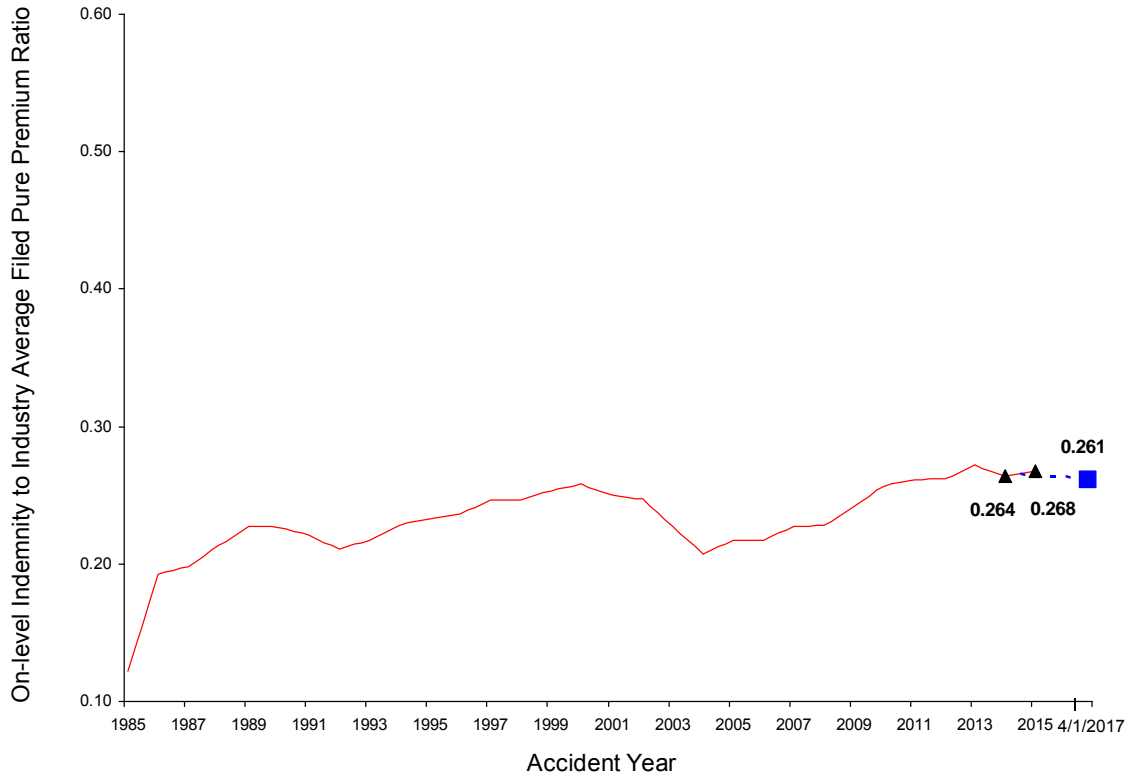
(a) See Exhibit 3.1.

(b) See Exhibit 4.1.

(c) See Exhibit 5.2.

(d) These on-level ratios were projected based on an estimated annual indemnity severity trend from Exhibit 6.2, the actual frequency trend for accident year 2015 from Exhibit 12, and projected frequency trends for accident years 2016 and 2017 from Exhibit 6.1; these trends were then separately applied to the 2014 and 2015 on-level ratios.

**On-Level Indemnity Loss to Industry Average Filed Pure Premium Ratios
Using December 31, 2015 Valuations**



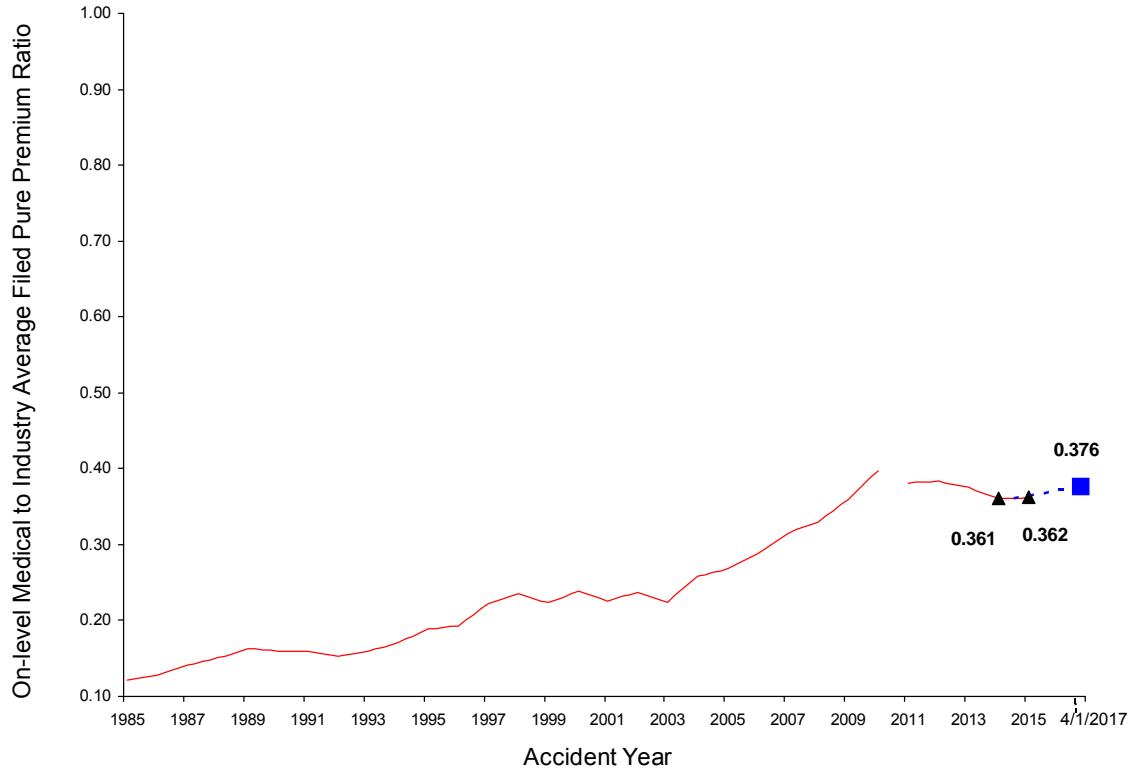
- ▲ — On-level indemnity to industry average filed pure premium ratios (see Exhibit 7.1).
- - - The 4/1/2017 indemnity to industry average filed pure premium ratio was calculated based on separate frequency and severity trends applied to the 2014 and 2015 years.

**Projected On-Level Accident Year
Medical Loss to Industry Average Filed Pure Premium Ratios
Based on Experience as of December 31, 2015**

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 (1)×(2)÷(3)
1985	0.364	1.093	3.270	0.122
1986	0.346	1.062	2.857	0.129
1987	0.327	1.023	2.381	0.141
1988	0.318	0.985	2.084	0.150
1989	0.341	0.957	2.004	0.163
1990	0.385	0.775	1.864	0.160
1991	0.405	0.663	1.685	0.159
1992	0.335	0.699	1.535	0.153
1993	0.282	0.837	1.482	0.159
1994	0.328	0.877	1.678	0.171
1995	0.480	0.864	2.203	0.188
1996	0.516	0.853	2.276	0.193
1997	0.584	0.845	2.213	0.223
1998	0.700	0.744	2.221	0.235
1999	0.731	0.645	2.113	0.223
2000	0.674	0.593	1.674	0.239
2001	0.597	0.540	1.429	0.226
2002	0.468	0.561	1.106	0.237
2003	0.301	0.589	0.789	0.224
2004	0.207	0.890	0.711	0.259
2005	0.204	1.034	0.787	0.268
2006	0.268	1.086	1.011	0.288
2007	0.382	1.066	1.293	0.315
2008	0.487	1.058	1.561	0.330
2009	0.580	1.044	1.683	0.360
2010	0.586	1.041	1.531	0.398
2011	0.513	1.037	1.394	0.381
2012	0.460	1.036	1.242	0.384
2013	0.395	1.037	1.092	0.375
2014	0.355	1.021	1.005	0.361
2015	0.346	1.019	0.975	0.362
2016				Projections (d) 0.372
4/1/2017				0.376

- (a) See Exhibit 3.2. Medical loss ratios for accident years 2011 and subsequent do not reflect the cost of medical cost containment programs (MCCP). Ratios for accident years 2010 and prior do reflect MCCP costs.
- (b) See Exhibit 4.4.
- (c) See Exhibit 5.2.
- (d) These on-level ratios were projected based on an estimated annual medical severity trend from Exhibit 6.4, the actual frequency trend for accident year 2015 from Exhibit 12, and projected frequency trends for accident years 2016 and 2017 from Exhibit 6.1; these trends were then separately applied to the 2013 and 2014 on-level ratios.

**On-Level Medical Loss to Industry Average Filed Pure Premium Ratios
Using December 31, 2015 Valuations**



- ▲ — On-level medical to industry average filed pure premium ratios (see Exhibit 7.3).
- - - The 4/1/2017 medical to industry average filed pure premium ratio was calculated based on separate frequency and severity trends applied to the 2014 and 2015 years.

**Indicated Loss to Industry Average Filed Pure Premium Ratios
For Policies with Effective Dates between July 1, 2016 and December 31, 2016
Based on Experience as of December 31, 2015**

	<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)	0.261	0.376	0.637

**Quarterly Incurred Indemnity Loss Development Factors
Through December 31, 2015**

Age in Months	Accident Year																	
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
6/3									2.417	2.724	2.785	3.031	3.116	3.052	3.238	3.344	3.303	3.209
9/6									1.656	1.776	1.820	1.848	1.904	2.001	1.966	1.940	1.960	1.948
12/9									1.448	1.511	1.510	1.530	1.564	1.632	1.587	1.585	1.570	1.568
15/12	1.229	1.260	1.268	1.250	1.257	1.238	1.180	1.149	1.189	1.234	1.248	1.293	1.306	1.306	1.303	1.301	1.301	
18/15	1.172	1.202	1.188	1.184	1.206	1.167	1.101	1.103	1.140	1.158	1.182	1.194	1.197	1.195	1.206	1.178	1.190	
21/18	1.145	1.140	1.150	1.148	1.153	1.127	1.066	1.096	1.117	1.128	1.139	1.153	1.140	1.146	1.141	1.141	1.132	
24/21	1.126	1.112	1.121	1.111	1.117	1.094	1.045	1.082	1.098	1.106	1.106	1.114	1.119	1.117	1.111	1.104	1.111	
27/24	1.074	1.096	1.093	1.100	1.094	1.073	1.045	1.070	1.082	1.081	1.088	1.089	1.091	1.085	1.087	1.081		
30/27	1.078	1.069	1.074	1.082	1.064	1.051	1.040	1.054	1.057	1.072	1.075	1.075	1.080	1.071	1.068	1.067		
33/30	1.045	1.058	1.048	1.062	1.047	1.032	1.036	1.042	1.049	1.053	1.059	1.052	1.064	1.053	1.060	1.047		
36/33	1.043	1.046	1.039	1.046	1.035	1.020	1.029	1.033	1.039	1.043	1.051	1.049	1.049	1.043	1.041	1.043		
39/36	1.038	1.041	1.035	1.038	1.028	1.017	1.027	1.029	1.031	1.033	1.040	1.039	1.039	1.041	1.035			
42/39	1.027	1.028	1.034	1.030	1.023	1.018	1.020	1.020	1.031	1.033	1.036	1.038	1.035	1.032	1.028			
45/42	1.024	1.026	1.026	1.020	1.009	1.019	1.018	1.024	1.026	1.028	1.030	1.035	1.027	1.033	1.022			
48/45	1.025	1.020	1.022	1.013	1.008	1.013	1.013	1.021	1.019	1.021	1.024	1.024	1.026	1.023	1.023			
51/48	1.022	1.017	1.018	1.015	1.010	1.016	1.010	1.018	1.021	1.018	1.022	1.023	1.021	1.018				
54/51	1.019	1.018	1.013	1.009	1.007	1.017	1.009	1.017	1.021	1.020	1.021	1.020	1.020	1.016				
57/54	1.014	1.017	1.012	1.006	1.008	1.011	1.011	1.018	1.017	1.014	1.018	1.017	1.015	1.014				
60/57	1.013	1.014	1.007	1.005	1.008	1.009	1.011	1.013	1.019	1.016	1.013	1.015	1.012	1.013				
63/60	1.012	1.012	1.007	1.007	1.008	1.008	1.010	1.014	1.013	1.015	1.011	1.014	1.014					
66/63	1.014	1.009	1.005	1.006	1.011	1.008	1.010	1.013	1.016	1.014	1.015	1.013	1.013					
69/66	1.010	1.007	1.003	1.005	1.008	1.007	1.011	1.012	1.011	1.010	1.009	1.012	1.007					
72/69	1.009	1.006	1.005	1.005	1.005	1.009	1.009	1.013	1.011	1.009	1.009	1.009	1.010					
75/72	1.006	1.004	1.004	1.005	1.003	1.005	1.007	1.010	1.011	1.010	1.010	1.008						
78/75	1.007	1.004	1.003	1.007	1.005	1.006	1.006	1.012	1.009	1.010	1.006	1.006						
81/78	1.005	1.002	1.003	1.004	1.004	1.005	1.006	1.010	1.009	1.007	1.007	1.006						
84/81	1.003	1.003	1.005	1.003	1.006	1.006	1.007	1.008	1.005	1.009	1.006	1.004						
87/84	1.003	1.003	1.002	1.003	1.004	1.002	1.007	1.010	1.007	1.004	1.005							
90/87	1.001	1.003	1.003	1.003	1.003	1.004	1.008	1.008	1.008	1.008	1.004							
93/90	1.001	1.002	1.004	1.003	1.002	1.005	1.006	1.008	1.006	1.007	1.006							
96/93	1.002	1.003	1.001	1.004	1.002	1.006	1.006	1.003	1.002	1.003	1.004							

Source: WCIRB accident year experience calls

Quarterly Incurred Medical Loss Development Factors *
Through December 31, 2015

Age in Months	Accident Year																	
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
6/3									2.584	2.662	2.782	2.892	2.992	2.757	2.889	2.878	2.956	2.895
9/6									1.650	1.744	1.717	1.807	1.800	1.827	1.846	1.833	1.853	1.897
12/9									1.453	1.443	1.466	1.454	1.488	1.521	1.493	1.509	1.491	1.457
15/12	1.144	1.168	1.201	1.207	1.203	1.197	1.132	1.145	1.138	1.182	1.167	1.199	1.206	1.228	1.221	1.215	1.208	
18/15	1.093	1.116	1.123	1.144	1.151	1.126	1.086	1.087	1.103	1.106	1.126	1.135	1.129	1.141	1.142	1.124	1.122	
21/18	1.078	1.086	1.101	1.122	1.116	1.093	1.055	1.061	1.073	1.081	1.090	1.097	1.101	1.103	1.090	1.092	1.083	
24/21	1.074	1.072	1.080	1.083	1.082	1.060	1.040	1.052	1.070	1.074	1.067	1.074	1.080	1.080	1.070	1.068	1.060	
27/24	1.044	1.061	1.070	1.080	1.075	1.042	1.034	1.048	1.055	1.058	1.053	1.071	1.066	1.072	1.060	1.052		
30/27	1.044	1.052	1.058	1.070	1.051	1.038	1.039	1.049	1.046	1.054	1.057	1.048	1.063	1.052	1.049	1.041		
33/30	1.035	1.047	1.051	1.059	1.035	1.018	1.032	1.030	1.041	1.045	1.045	1.051	1.055	1.045	1.047	1.034		
36/33	1.037	1.042	1.035	1.040	1.029	1.016	1.024	1.034	1.042	1.033	1.042	1.040	1.041	1.037	1.030	1.029		
39/36	1.029	1.032	1.034	1.037	1.018	1.012	1.028	1.025	1.027	1.029	1.033	1.031	1.040	1.039	1.029			
42/39	1.025	1.031	1.036	1.026	1.019	1.013	1.017	1.020	1.025	1.035	1.036	1.037	1.037	1.031	1.023			
45/42	1.025	1.033	1.032	1.023	1.012	1.019	1.033	1.021	1.025	1.029	1.026	1.030	1.028	1.027	1.023			
48/45	1.028	1.023	1.026	1.017	1.008	1.013	1.025	1.018	1.022	1.025	1.029	1.034	1.022	1.023	1.021			
51/48	1.019	1.020	1.024	1.014	1.009	1.013	1.018	1.015	1.020	1.021	1.021	1.026	1.024	1.019				
54/51	1.025	1.027	1.017	1.016	1.010	1.012	1.021	1.019	1.022	1.022	1.027	1.023	1.019	1.018				
57/54	1.027	1.024	1.014	1.007	1.011	1.017	1.020	1.018	1.019	1.019	1.023	1.020	1.017	1.018				
60/57	1.021	1.021	1.015	1.009	1.008	1.014	1.020	1.019	1.018	1.017	1.019	1.016	1.015	1.013				
63/60	1.014	1.020	1.013	1.012	1.008	1.016	1.015	1.021	1.015	1.018	1.016	1.020	1.015					
66/63	1.023	1.016	1.010	1.012	1.015	1.013	1.015	1.022	1.019	1.018	1.017	1.015	1.009					
69/66	1.025	1.013	1.006	1.008	1.016	1.018	1.015	1.023	1.017	1.017	1.015	1.014	1.010					
72/69	1.020	1.009	1.007	1.009	1.015	1.010	1.014	1.015	1.013	1.014	1.012	1.011	1.009					
75/72	1.015	1.008	1.006	1.008	1.010	1.009	1.012	1.012	1.011	1.018	1.013	1.008						
78/75	1.012	1.012	1.008	1.012	1.010	1.011	1.018	1.013	1.012	1.012	1.010	1.008						
81/78	1.006	1.006	1.006	1.009	1.010	1.014	1.018	1.017	1.016	1.009	1.009	1.005						
84/81	1.008	1.006	1.009	1.014	1.009	1.007	1.012	1.011	1.008	1.010	1.008	1.007						
87/84	1.005	1.008	1.008	1.010	1.009	1.010	1.012	1.014	1.012	1.008	1.007							
90/87	1.002	1.005	1.008	1.008	1.009	1.012	1.009	1.009	1.013	1.008	1.006							
93/90	1.006	1.007	1.015	1.009	1.011	1.010	1.011	1.012	1.009	1.009	1.007							
96/93	1.007	1.007	1.010	1.012	1.008	1.010	1.011	1.009	1.005	1.006	1.005							

Source: WCIRB accident year experience calls

* Incurred medical loss development factors include the paid cost of medical cost containment programs.

**Quarterly Paid Indemnity Loss Development Factors
Through December 31, 2015**

Age in Months	Accident Year																	
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
6/3									4.376	4.495	4.553	4.807	4.911	4.722	4.854	5.099	5.076	5.056
9/6									2.259	2.375	2.377	2.398	2.452	2.432	2.484	2.462	2.462	2.484
12/9									1.812	1.834	1.810	1.825	1.861	1.869	1.877	1.866	1.879	1.907
15/12	1.499	1.536	1.538	1.552	1.550	1.516	1.491	1.456	1.482	1.488	1.481	1.507	1.532	1.539	1.506	1.539	1.540	
18/15	1.380	1.399	1.395	1.401	1.403	1.379	1.331	1.306	1.306	1.327	1.332	1.343	1.355	1.361	1.361	1.353	1.364	
21/18	1.323	1.298	1.303	1.303	1.311	1.297	1.241	1.217	1.233	1.235	1.243	1.259	1.257	1.261	1.261	1.263	1.267	
24/21	1.259	1.257	1.256	1.258	1.260	1.244	1.183	1.181	1.195	1.191	1.194	1.206	1.209	1.215	1.213	1.204	1.210	
27/24	1.186	1.199	1.203	1.200	1.205	1.186	1.140	1.142	1.151	1.149	1.153	1.162	1.165	1.168	1.164	1.159		
30/27	1.157	1.161	1.165	1.175	1.172	1.161	1.122	1.117	1.126	1.129	1.130	1.141	1.141	1.137	1.134	1.141		
33/30	1.118	1.125	1.130	1.142	1.136	1.123	1.097	1.096	1.100	1.101	1.108	1.114	1.116	1.112	1.111	1.111		
36/33	1.102	1.103	1.103	1.115	1.111	1.097	1.085	1.081	1.080	1.084	1.092	1.094	1.098	1.091	1.091	1.096		
39/36	1.074	1.081	1.081	1.092	1.087	1.072	1.070	1.066	1.064	1.067	1.074	1.078	1.077	1.073	1.075			
42/39	1.067	1.071	1.077	1.080	1.073	1.063	1.059	1.058	1.058	1.062	1.067	1.067	1.071	1.070	1.065			
45/42	1.057	1.054	1.063	1.064	1.056	1.049	1.047	1.049	1.047	1.051	1.058	1.059	1.057	1.055	1.054			
48/45	1.049	1.050	1.055	1.053	1.046	1.044	1.041	1.044	1.043	1.047	1.049	1.051	1.050	1.048	1.048			
51/48	1.039	1.038	1.043	1.044	1.036	1.035	1.033	1.036	1.036	1.037	1.042	1.042	1.043	1.039				
54/51	1.035	1.038	1.036	1.037	1.034	1.035	1.030	1.028	1.035	1.036	1.038	1.041	1.038	1.036				
57/54	1.029	1.033	1.037	1.030	1.028	1.026	1.025	1.028	1.030	1.032	1.033	1.033	1.032	1.033				
60/57	1.025	1.030	1.027	1.026	1.024	1.024	1.024	1.024	1.028	1.029	1.029	1.032	1.027	1.029				
63/60	1.023	1.026	1.024	1.021	1.022	1.019	1.019	1.021	1.023	1.025	1.025	1.024	1.026					
66/63	1.023	1.023	1.023	1.021	1.019	1.019	1.019	1.020	1.025	1.025	1.025	1.025	1.023					
69/66	1.019	1.021	1.020	1.017	1.016	1.017	1.016	1.021	1.020	1.020	1.020	1.022	1.020					
72/69	1.018	1.016	1.018	1.016	1.016	1.015	1.017	1.015	1.020	1.019	1.019	1.019	1.018					
75/72	1.015	1.016	1.015	1.014	1.012	1.012	1.013	1.015	1.019	1.018	1.016	1.016						
78/75	1.014	1.014	1.012	1.013	1.012	1.011	1.012	1.015	1.017	1.016	1.015	1.016						
81/78	1.013	1.013	1.011	1.012	1.011	1.010	1.012	1.015	1.015	1.016	1.015	1.015						
84/81	1.011	1.011	1.013	1.010	1.010	1.009	1.011	1.013	1.015	1.014	1.013	1.012						
87/84	1.012	1.010	1.008	1.010	1.009	1.008	1.009	1.012	1.014	1.013	1.010							
90/87	1.008	1.009	1.010	1.009	1.008	1.008	1.011	1.012	1.013	1.012	1.011							
93/90	1.009	1.009	1.008	1.008	1.007	1.008	1.012	1.011	1.011	1.012	1.010							
96/93	1.008	1.009	1.006	1.007	1.007	1.007	1.008	1.011	1.011	1.008	1.009							

Source: WCIRB accident year experience calls

Quarterly Paid Medical Loss Development Factors *
Through December 31, 2015

Age in Months	Accident Year																	
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
6/3									5.308	5.615	6.579	6.101	6.048	5.854	5.942	6.232	5.646	5.716
9/6									2.348	2.381	2.348	2.375	2.361	2.327	2.395	2.490	2.424	2.305
12/9									1.716	1.765	1.731	1.723	1.756	1.746	1.762	1.740	1.752	1.710
15/12	1.453	1.490	1.514	1.547	1.554	1.510	1.437	1.423	1.429	1.444	1.413	1.429	1.445	1.472	1.449	1.441	1.459	
18/15	1.241	1.267	1.286	1.310	1.330	1.295	1.243	1.230	1.227	1.259	1.243	1.259	1.268	1.282	1.284	1.263	1.268	
21/18	1.164	1.168	1.192	1.219	1.211	1.179	1.153	1.151	1.163	1.173	1.170	1.178	1.182	1.187	1.189	1.192	1.192	
24/21	1.132	1.124	1.149	1.159	1.154	1.125	1.115	1.118	1.127	1.133	1.132	1.137	1.144	1.153	1.151	1.147	1.145	
27/24	1.096	1.108	1.121	1.128	1.123	1.093	1.090	1.093	1.106	1.107	1.110	1.112	1.119	1.120	1.120	1.120		
30/27	1.077	1.088	1.101	1.108	1.103	1.077	1.084	1.087	1.097	1.100	1.100	1.106	1.107	1.111	1.106	1.109		
33/30	1.065	1.072	1.086	1.089	1.077	1.063	1.071	1.065	1.081	1.083	1.086	1.092	1.094	1.093	1.091	1.089		
36/33	1.055	1.066	1.069	1.076	1.061	1.055	1.062	1.062	1.071	1.072	1.072	1.077	1.083	1.082	1.076	1.078		
39/36	1.051	1.059	1.060	1.061	1.049	1.044	1.053	1.056	1.057	1.059	1.061	1.066	1.071	1.066	1.068			
42/39	1.044	1.049	1.055	1.054	1.041	1.044	1.049	1.054	1.055	1.058	1.059	1.061	1.068	1.063	1.060			
45/42	1.039	1.045	1.047	1.044	1.036	1.037	1.040	1.047	1.048	1.049	1.054	1.053	1.056	1.056	1.052			
48/45	1.035	1.039	1.044	1.037	1.032	1.035	1.037	1.043	1.043	1.046	1.047	1.050	1.051	1.046	1.045			
51/48	1.030	1.035	1.037	1.034	1.031	1.030	1.033	1.037	1.036	1.036	1.039	1.041	1.043	1.040				
54/51	1.031	1.036	1.032	1.027	1.030	1.029	1.034	1.034	1.035	1.035	1.036	1.042	1.038	1.035				
57/54	1.026	1.030	1.027	1.024	1.024	1.024	1.029	1.031	1.034	1.031	1.033	1.038	1.034	1.034				
60/57	1.026	1.028	1.026	1.021	1.023	1.026	1.028	1.029	1.028	1.032	1.032	1.035	1.030	1.029				
63/60	1.023	1.025	1.022	1.019	1.019	1.020	1.024	1.024	1.024	1.024	1.027	1.027	1.026					
66/63	1.026	1.021	1.020	1.020	1.018	1.021	1.023	1.024	1.026	1.026	1.029	1.029	1.024					
69/66	1.021	1.022	1.019	1.018	1.016	1.019	1.021	1.023	1.023	1.021	1.024	1.024	1.022					
72/69	1.022	1.018	1.016	1.017	1.018	1.016	1.021	1.021	1.022	1.022	1.023	1.021	1.020					
75/72	1.017	1.016	1.014	1.015	1.015	1.014	1.018	1.020	1.019	1.019	1.018	1.018						
78/75	1.018	1.015	1.014	1.015	1.016	1.015	1.016	1.018	1.017	1.022	1.019	1.018						
81/78	1.015	1.014	1.013	1.014	1.013	1.014	1.018	1.018	1.015	1.019	1.018	1.015						
84/81	1.013	1.012	1.013	1.012	1.012	1.013	1.016	1.016	1.015	1.018	1.015	1.015						
87/84	1.013	1.011	1.010	1.012	1.012	1.012	1.014	1.013	1.015	1.017	1.013							
90/87	1.013	1.012	1.011	1.013	1.012	1.013	1.015	1.013	1.015	1.013	1.012							
93/90	1.011	1.010	1.011	1.012	1.011	1.013	1.013	1.012	1.014	1.014	1.013							
96/93	1.010	1.010	1.008	1.010	1.010	1.009	1.013	1.015	1.016	1.011	1.011							

Source: WCIRB accident year experience calls

* Paid medical loss development factors include the paid cost of medical cost containment programs.

Reported Indemnity Claim Count Development

Accident Year	Development															
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204
1991																1.000
1992															1.000	1.000
1993														1.000	1.000	1.000
1994													1.000	1.000	1.000	1.000
1995												1.000	1.001	1.000	1.001	1.000
1996											1.001	1.001	1.000	1.000	1.000	1.000
1997										1.001	1.000	1.000	1.000	1.000	1.000	1.000
1998									1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999								1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2000							1.000	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2001						1.000	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002					1.000	0.999	1.000	0.999	0.999	1.000	1.000	1.000	1.000			
2003				1.000	0.999	0.998	0.999	0.999	0.999	0.999	1.000	1.000				
2004			1.003	1.000	0.999	0.999	0.999	0.999	0.999	1.000	1.000					
2005		1.008	1.001	1.001	1.000	1.001	1.000	1.000	1.000	1.000						
2006	1.098	1.006	1.005	1.002	1.000	1.000	1.000	1.001	1.001							
2007	1.121	1.015	1.006	1.004	1.002	1.000	1.001	1.001								
2008	1.153	1.023	1.011	1.005	1.003	1.002	1.001									
2009	1.193	1.029	1.011	1.006	1.003	1.002										
2010	1.216	1.030	1.011	1.006	1.004											
2011	1.231	1.032	1.013	1.008												
2012	1.242	1.034	1.014													
2013	1.241	1.034														
2014	1.245															
	Latest Year															
<u>Age-to-Age</u>	1.245	1.034	1.014	1.008	1.004	1.002	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
<u>Age-to-Ultimate</u>	1.330	1.068	1.032	1.018	1.010	1.006	1.004	1.003	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001

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 75% to 100% of the total California workers' compensation insured market measured using 2015 earned premium levels).

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>
2007	2.563	1.704	1.361	1.087	1.018	1.009	1.004	1.005	1.004	1.003	1.003	1.002	1.002	1.002	1.001
2008	2.541	1.652	1.340	1.095	1.025	1.015	1.010	1.009	1.007	1.004	1.003	1.003	1.002	1.003	1.002
2009	2.693	1.683	1.388	1.113	1.037	1.021	1.012	1.010	1.007	1.007	1.005	1.004	1.003	1.003	1.002
2010	2.716	1.716	1.407	1.127	1.039	1.022	1.016	1.011	1.008	1.006	1.005	1.003	1.004	1.003	1.001
2011	2.703	1.737	1.421	1.129	1.042	1.027	1.019	1.010	1.011	1.006	1.005	1.004	1.003	1.003	1.002
2012	2.751	1.742	1.421	1.125	1.053	1.029	1.019	1.013	1.010	1.007	1.004	1.005	1.004	1.003	1.003
2013	2.844	1.746	1.425	1.139	1.044	1.027	1.016	1.011	1.011	1.007	1.005				
2014	2.772	1.733	1.427	1.136	1.048	1.026	1.019								
2015	2.831	1.742	1.421												

Reported Indemnity Claim Settlement Ratios

Accident Year	Evaluated as of (in months):																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204			
1991																	99.2%	99.3%		
1992																	99.0%	99.1%	99.2%	
1993															98.6%	98.8%	98.9%	99.0%		
1994														98.1%	98.3%	98.6%	98.8%	98.9%		
1995													97.5%	97.8%	98.1%	98.4%	98.5%	98.7%		
1996											96.8%	97.2%	97.6%	98.0%	98.2%	98.4%	98.6%			
1997										96.0%	96.6%	97.1%	97.5%	97.8%	98.0%	98.2%	98.5%			
1998												94.4%	95.4%	96.1%	96.7%	97.1%	97.5%	97.8%	98.1%	98.3%
1999										92.5%	94.0%	95.1%	95.9%	96.5%	96.9%	97.3%	97.6%	97.9%	98.1%	
2000								89.6%	91.7%	93.3%	94.6%	95.4%	96.1%	96.6%	97.1%	97.5%	97.8%			
2001							84.1%	87.8%	90.4%	92.3%	93.5%	94.5%	95.2%	96.1%	96.6%	97.0%				
2002					78.9%	84.5%	88.2%	90.7%	92.4%	93.7%	94.7%	95.8%	96.4%	96.9%						
2003				70.5%	79.1%	84.6%	88.2%	90.4%	92.3%	93.6%	95.1%	95.9%	96.4%							
2004			60.4%	72.4%	80.4%	85.0%	88.0%	90.3%	92.2%	94.2%	95.2%	95.9%								
2005		48.9%	63.2%	74.5%	81.2%	85.3%	88.3%	90.7%	93.0%	94.4%	95.4%									
2006	27.0%	50.3%	64.8%	74.8%	81.3%	85.5%	88.5%	91.5%	93.2%	94.5%										
2007	27.3%	49.7%	63.6%	73.6%	80.2%	84.5%	88.8%	91.4%	93.1%											
2008	27.6%	48.1%	61.8%	72.1%	79.2%	85.1%	88.9%	91.5%												
2009	26.7%	46.3%	60.1%	70.8%	79.2%	84.7%	88.6%													
2010	27.0%	46.9%	60.8%	72.6%	80.6%	86.0%														
2011	27.7%	47.3%	62.2%	73.7%	81.7%															
2012	27.8%	48.2%	63.5%	75.1%																
2013	27.1%	48.6%	64.8%																	
2014	27.1%	50.1%																		
2015	27.7%																			

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 75% to 100% of the total California workers' compensation insured market measured using 2015 earned premium levels).

Estimated Ultimate Indemnity Claim Settlement Ratios

Accident Year	Evaluated as of (in months):																	
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	
1991																	99.0%	99.1%
1992																	98.8%	99.0%
1993														98.4%	98.6%	98.8%	98.9%	
1994													97.8%	98.1%	98.4%	98.6%	98.7%	
1995												97.1%	97.4%	97.8%	98.1%	98.3%	98.5%	
1996											96.5%	96.9%	97.4%	97.8%	98.0%	98.2%	98.4%	
1997										95.6%	96.3%	96.9%	97.3%	97.6%	97.9%	98.0%	98.3%	
1998									94.1%	95.1%	95.9%	96.5%	96.9%	97.3%	97.6%	97.9%	98.1%	
1999								92.3%	93.8%	94.9%	95.7%	96.3%	96.8%	97.1%	97.5%	97.8%	98.0%	
2000							89.4%	91.6%	93.2%	94.4%	95.2%	95.9%	96.4%	97.0%	97.4%	97.6%		
2001						84.1%	87.8%	90.4%	92.2%	93.4%	94.4%	95.1%	95.9%	96.4%	96.8%			
2002					79.0%	84.6%	88.3%	90.8%	92.4%	93.7%	94.6%	95.7%	96.3%	96.8%				
2003				70.8%	79.5%	84.9%	88.4%	90.6%	92.3%	93.6%	95.0%	95.7%	96.2%					
2004			60.5%	72.7%	80.6%	85.1%	88.1%	90.3%	92.2%	94.1%	95.1%	95.8%						
2005		48.3%	62.8%	74.2%	80.9%	85.1%	88.2%	90.5%	92.8%	94.2%	95.2%							
2006	24.2%	49.5%	64.1%	74.4%	81.0%	85.2%	88.2%	91.2%	93.0%	94.3%								
2007	23.6%	48.2%	62.5%	72.8%	79.6%	84.2%	88.4%	91.1%	92.9%									
2008	22.8%	45.9%	60.3%	71.1%	78.5%	84.6%	88.5%	91.3%										
2009	21.2%	43.8%	58.5%	69.7%	78.4%	84.1%	88.2%											
2010	21.0%	44.3%	59.1%	71.4%	79.8%	85.4%												
2011	21.1%	44.4%	60.3%	72.4%	80.9%													
2012	21.0%	45.1%	61.5%	73.8%														
2013	20.4%	45.6%	62.8%															
2014	20.3%	46.9%																
2015	20.8%																	

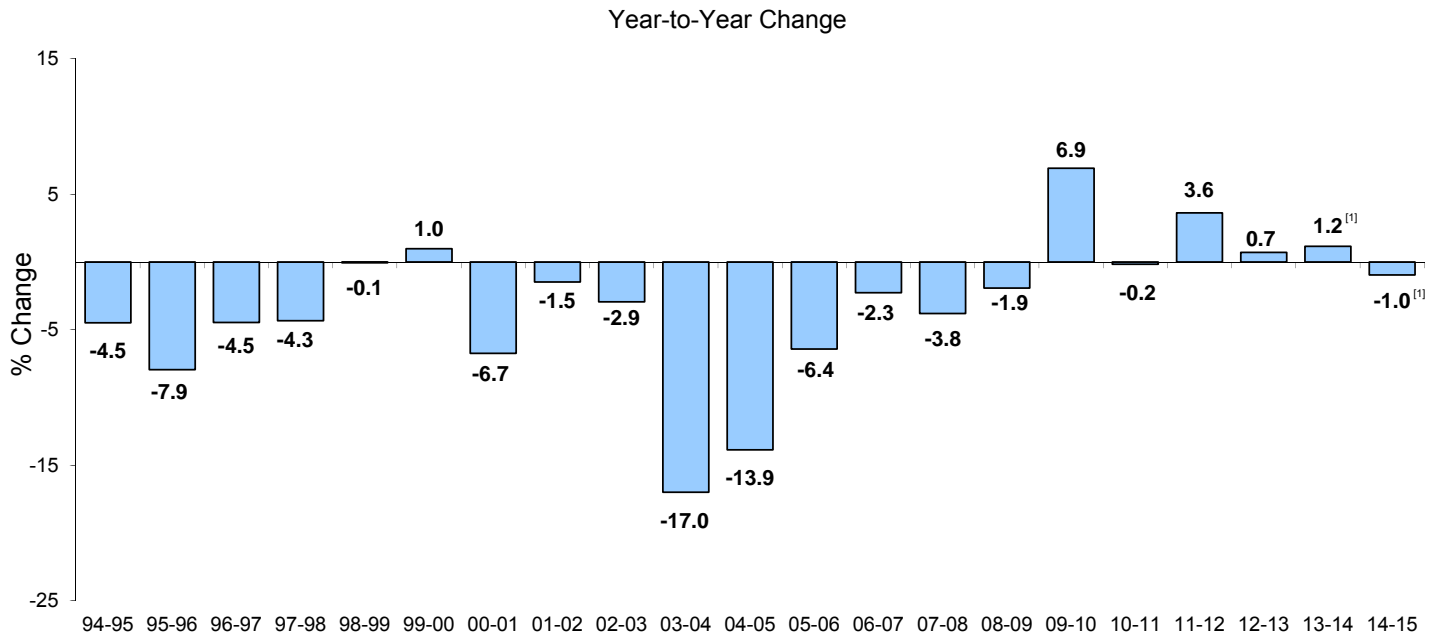
Notes: All figures in each accident year contain information from the same combination of insurers, all of whom submitted complete data for all evaluations for that accident year. Therefore, each accident year may contain a different mix of insurers (ranging from 75% to 100% of the total California workers' compensation insured market measured using 2015 earned premium levels).

Quarterly Ultimate Settlement Ratios

Accident Year	Evaluated as of (in months):															
	<u>3</u>	<u>6</u>	<u>9</u>	<u>12</u>	<u>15</u>	<u>18</u>	<u>21</u>	<u>24</u>	<u>27</u>	<u>30</u>	<u>33</u>	<u>36</u>	<u>39</u>	<u>42</u>	<u>45</u>	<u>48</u>
2007	0.8%	5.3%	13.3%	23.7%	33.0%	39.4%	43.9%	48.2%	51.7%	55.5%	58.7%	62.5%	65.3%	67.9%	70.4%	72.8%
2008	0.8%	5.4%	13.2%	22.9%	31.5%	37.7%	42.0%	45.9%	49.6%	53.3%	56.8%	60.3%	63.3%	66.0%	68.7%	71.1%
2009	0.7%	4.7%	12.2%	21.2%	29.5%	35.4%	39.8%	43.9%	47.5%	51.2%	55.0%	58.5%	61.6%	64.6%	67.2%	69.7%
2010	0.7%	4.7%	11.8%	21.0%	29.6%	35.6%	40.0%	44.3%	48.1%	52.1%	55.6%	59.1%	62.3%	65.6%	68.6%	71.5%
2011	0.8%	5.1%	11.9%	21.1%	29.5%	35.5%	40.0%	44.4%	48.2%	52.5%	56.3%	60.3%	63.5%	66.6%	69.6%	72.4%
2012	0.8%	4.9%	11.9%	21.0%	29.1%	35.5%	40.3%	45.1%	49.2%	53.5%	57.7%	61.5%	65.0%	68.2%	71.1%	73.8%
2013	0.9%	4.9%	11.4%	20.4%	28.8%	35.3%	40.7%	45.6%	50.2%	54.7%	58.8%	62.8%				
2014	0.7%	4.7%	11.4%	20.4%	29.2%	36.0%	41.7%	46.9%								
2015	0.8%	4.7%	11.9%	20.8%												

Accident Year	Quarterly Incremental Change														
	<u>3-6</u>	<u>6-9</u>	<u>9-12</u>	<u>12-15</u>	<u>15-18</u>	<u>18-21</u>	<u>21-24</u>	<u>24-27</u>	<u>27-30</u>	<u>30-33</u>	<u>33-36</u>	<u>36-39</u>	<u>39-42</u>	<u>42-45</u>	<u>45-48</u>
2007	4.5%	8.0%	10.4%	9.3%	6.5%	4.5%	4.3%	3.6%	3.8%	3.2%	3.8%	2.8%	2.6%	2.5%	2.4%
2008	4.6%	7.8%	9.7%	8.6%	6.2%	4.3%	3.9%	3.6%	3.7%	3.5%	3.5%	2.9%	2.8%	2.6%	2.4%
2009	4.0%	7.5%	9.0%	8.2%	6.0%	4.4%	4.0%	3.6%	3.7%	3.8%	3.6%	3.0%	3.1%	2.6%	2.5%
2010	4.1%	7.0%	9.2%	8.6%	6.0%	4.4%	4.3%	3.8%	3.9%	3.5%	3.5%	3.1%	3.3%	3.0%	2.9%
2011	4.3%	6.8%	9.2%	8.3%	6.1%	4.5%	4.4%	3.8%	4.3%	3.8%	4.0%	3.2%	3.0%	3.0%	2.8%
2012	4.1%	7.0%	9.0%	8.1%	6.4%	4.8%	4.8%	4.1%	4.2%	4.2%	3.8%	3.4%	3.2%	2.9%	2.8%
2013	4.0%	6.5%	9.0%	8.4%	6.5%	5.3%	4.9%	4.7%	4.5%	4.1%	4.0%				
2014	3.9%	6.8%	8.9%	8.9%	6.8%	5.7%	5.2%								
2015	3.9%	7.2%	8.9%												

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



^[1] The 2013-2014 estimate is based on partial year unit statistical data. The 2014-2015 estimate is based on comparison of claim counts based on WCIRB accident year experience as of December 31, 2015 relative to the estimated change in statewide employment. Prior years are based on unit statistical data.

Item AC16-03-03 Loss Development at Earlier and Later Maturities

In 2014, the Committee reviewed a study of loss development that included an analysis of potential alternative approaches to projecting loss development at earlier maturities.¹ Specifically, the Bornhuetter-Ferguson (BF) expected loss ratio (ELR)-based approach was shown to produce developed loss ratios that were often more accurate than those produced by chain-ladder (CL) methods. The Committee suggested staff continue to refine the BF approach and study its applicability to projecting developed loss ratios for less mature accident years, where CL development factors are highly leveraged.

At the March 18, 2015 meeting, the Committee reviewed a study of allocated loss adjustment expense (ALAE) development which showed that an inverse power curve fit very well to the paid ALAE age-to-age factors at later maturities.² This approach, with some refinements, was adopted by the Committee for the ALAE projection at that meeting and reflected in the January 1, 2016 Pure Premium Rate Filing. At the meeting, the Committee recommended studying the applicability of an inverse power curve fit to the indemnity and medical loss development tails.

Staff's preliminary analysis of these potential alternative loss development approaches is discussed below.

Loss Development at Earlier Maturities – BF Method

In the 2014 loss development study, staff compared several ELR-based approaches including the BF as well as alternatives including the Cape Cod and Benktander methods to the CL approach. In that study it was noted that, compared to the standard BF approach, the alternative ELR-based methods resulted in significant additional complexity in the calculation but did not increase the accuracy of the projections. Staff had also reviewed several approaches of projecting the ELR including adjusting the projected loss ratio from the most recent pure premium rate filing to the target accident year level, trending loss ratios from older accident years at the target maturity to the target accident year, or developing the loss ratios from the immediate prior accident years to the target maturity and then trending them to the target year. Staff found that the approach that trends from older years at the target maturity involved the fewest assumptions and produced projections at least as accurate as the other alternatives tested. As a result, for this study staff has focused on the standard BF approach with the ELR based on the reported loss ratios from accident years at the target maturity trended to the target accident year.

Staff conducted retrospective tests of the BF method compared to the CL method for both paid and incurred indemnity and medical loss development. The BF methods included ELRs projected by (a) trending from the latest two years and (b) trending from the latest year only, while the CL method was based on latest-year age-to-age development.³ The trending approach used in the ELR projections was based on separate frequency and severity trend projections with the frequency trend based on the actual indemnity claim frequency changes from the base year to the target year and the severity projections based on the five-year average on-level indemnity or medical severity trends. The premium and losses in the base year's reported loss ratio were also on-leveled to the target year. Contrary to the 2014 study, in which all on-level and trend factors were based on hindsight actual data, the on-level and trend selections in this study were based on the information available in the pure premium rate filing in which the target accident year would have been used (for example, to project accident year 2014, the base year(s) utilized on-level and trend factors from the January 1, 2016 Pure Premium Rate Filing). In this way, the retrospective tests more accurately show how each method would have performed at the time of its use.

¹ See Item AC14-03-03 of the March 19, 2014 and June 11, 2014 meetings.

² See Item AC14-12-02 of the March 18, 2015 meeting.

³ None of the methods tested reflected adjustments to development for the impact of Senate Bill No. 863 or other reforms.

As an example, Exhibit 1 shows the BF calculation for accident year 2013 paid development projected from 12 months to 24 months.

Exhibits 2.1 and 2.2 show for indemnity and medical, respectively, the percentage difference in the developed paid or incurred loss ratio under each method compared to actual paid or incurred loss ratio that emerged for that accident year. Projections to 24 months, 36 months, and 48 months were analyzed. Exhibits 3.1 and 3.2 show ranks of the absolute value of these differences, while Exhibits 4.1 through 4.3 show the absolute value of these differences graphically.

The accident years tested were grouped approximately by claim environment, including the Minniear pre-reform era (1998-2001), the reform transition era (2002-2004), the post-reform/recession era (2005-2008), and the post-recession/SB 863 era (2009-2013). The root mean squared error (rMSE) of the projections and average rank by claims environment are summarized on Exhibits 5.1 through 5.3. While the BF methods were more accurate in some cases, the CL methods performed much better overall. In general, during periods where uncertainty in the rate claims were paid or incurred was greater than uncertainty in changes in the overall loss level, the BF approach tended to perform better than the CL approach, and vice versa, since the BF method relies less on the most recent loss development factors and more on accurate on-level and trend projections. However, reforms and other system shocks that occurred during these periods often affected the overall loss level much more significantly than the rate of loss development at early maturities.

Loss Development at Later Maturities – Inverse Power Curve

The WCIRB's current "calendar year development" approach to developing the loss tail is based on relating the reported aggregate calendar year incremental change in incurred losses for all accident years older than the "base" year (for example, accident year 1984 is the "base" year for December 31, 2014 experience) to the cumulative reported losses for the "base" year. For many years, the resulting factors for indemnity have been reduced to 20% of their reported values for asbestosis claims in pre-1980 accident years.⁴ Since 2012, the factors for medical have been adjusted for the effects of medical inflation that adjusts the calendar year incremental incurred changes to the inflation level that is estimated to be in effect when the "base" year is at the specified maturity level.⁵ A six-year average of these tail development factors are selected to improve stability.

At the March 18, 2015 meeting, the Committee reviewed several alternative tail development approaches for ALAE including a calendar year development approach similar to that used for losses as well as several approaches that fit the paid ALAE age-to-age factors to a function and extrapolated a tail development factor based on the fitted factors. At that meeting, the Committee noted that the inverse power curve fit very well to the paid ALAE age-to-age factors and much better than the other functions tested. It was also noted that the inverse power curve approach utilized less tail development data and required fewer additional adjustments (such as for the effects of inflation) than the calendar year development approach. As a result, the Committee adopted this approach for ALAE at that meeting and recommended studying its applicability to indemnity and medical losses.

Staff analyzed several fits of the inverse power curve to the paid and incurred indemnity and medical age-to-age factors.⁶ As with ALAE, the assumptions of the inverse power tail approach include (a) the number of calendar years' factors to use in the fit (additional years improve stability but may reduce responsiveness), (b) the maturity at which to start the fit (starting earlier may improve the fit but may also over fit to the less mature factors), and (c) the point at which to stop the extrapolation to determine the

⁴ This adjustment was last reviewed in detail by the Committee at the March 22, 2004 meeting (Item AC02-03-02).

⁵ See Item AC11-12-04 of the March 20, 2012 and June 15, 2012 meetings.

⁶ Due to properties of the inverse power curve, it cannot be fitted to development factors less than 1, since this would involve taking the natural logarithm of a negative number. In the instances where the 3-year through 6-year average of factors resulted in a factor less than 1, it was ignored in the fit. These observations occurred in less than 3% of the empirical factors, the majority of which were from the fit to the 3-year average indemnity factors.

development tail. For ALAE, the approach adopted by the Committee at the March 18, 2015 meeting and reflected in the January 1, 2016 Pure Premium Rate Filing fit the inverse power curve to the average of the latest three calendar years' paid ALAE age-to-age factors starting with the 10th development year and extrapolated to the 65th development year. For the applicability to indemnity and medical losses, staff tested several variations of these assumptions, including (a) fitting to 3-year through 6-year averages of age-to-age factors, (b) starting fit points from 10 years through 20 years (all fits ended at 29 years, the latest available maturity for which multi-year averages of factors are available), and (c) stopping extrapolation points through 100 years.

Exhibit 6.1 shows an example calculation based on December 31, 2014 experience for fitting the 6-year average indemnity incurred factors and Exhibit 6.2 shows the calculation for fitting the 6-year average medical incurred factors. The goodness of fit measured by the overall R-squared was generally very good when fitting from the 10th year and decreased when starting with later development years.

In order to further test the reasonableness of the fits, staff fit age-to-age factors from periods up through December 31, 2013 and compared the resulting fitted factors to the empirical data as well as the actual age-to-age factors emerging for December 31, 2014 experience. These comparisons are shown graphically on Exhibits 7.1 through 7.8. In general, fitting from the 10th year fit reasonably well to both the empirical and actual data, and converged to 1.000 more rapidly than the alternative starting points.

As shown on Exhibits 7.1 through 7.8, the inverse power curve fit reasonably well to both paid and incurred age-to-age factors. However, as discussed at the March 19, 2014 and June 11, 2014 meetings and in recent pure premium rate filings, use of paid development factors from older accident years may be distorted by shifts in paid and incurred development patterns occurring in the mid-1990s.⁷ As a result, inasmuch as the paid age-to-age factors from older accident years are not used in the WCIRB's current loss development methodology, staff focused mainly on the incurred age-to-age factors.

Exhibits 8.1 through 8.4 summarize various alternative approaches for fitting from the 10th through 29th development years based on December 31 experience. The 348-to-ultimate factor based on fitting the indicated number of calendar years (3 through 6) and stopping point (40 years through 100 years) is shown. The R-squared for each fit is also shown and the fit indicating the greatest R-squared for each set of December 31 experience is highlighted. While no number of calendar years indicated a consistently better fit, they generally fit very well to the data and produced tail factors reasonably close to each other within each stopping point.

Also shown for comparison on Exhibits 8.1 and 8.2 are the 6-year average adjusted incurred 348-to-ultimate factors indicated by the WCIRB's current "calendar year development" approach as well as the unadjusted factors for indemnity (i.e., not including the 80% reduction for asbestosis claims) and medical (i.e., not including the adjustment for medical inflation). The fitted tail factors are reasonably close to those indicated by the WCIRB's current approach and generally in between the adjusted and unadjusted "calendar year development" factors. An advantage of the fitted approach is that it does not require the additional adjustments made in the calendar year development approach, which include their own assumptions, since no factors prior to 1980 (where most asbestosis claims are assumed to have occurred) are used in the fit and the fit only uses cumulative age-to-age factors (so distortions for inflation are minimal).

As a measure of stability, the lower section of Exhibits 8.1 through 8.4 show the standard deviation in each of the fitted approaches as well as that for the calendar year development approach. In general, using more calendar years in the fit and stopping earlier results in more stable tail factors. Particularly for incurred medical (Exhibit 8.2), fits using 6-year averages of factors were significantly more stable than the current adjusted calendar year development approach. In order to determine an appropriate stopping

⁷ See Item AC14-03-03 of the March 19, 2014 and June 11, 2014 meetings.

point, staff reviewed data from the most recent Long Term Loss Development Survey and found that positive incurred development continues to occur on claims over 77 years old, suggesting a stopping point of 80 years may be appropriate.

Table 1 summarizes a number of the inverse power curve fit approaches as well as the calendar year development approach based on December 31, 2014 experience.

Table 1 – Alternative Incurred Tail Development Approaches					
Component	Approach	# of Calendar Years Used	Starting Point of Fit	Stopping Point of Extrapolation	Incurred 348-to-Ult. Factor
Indemnity	CY Dev (Adj.)	6	N/A	N/A	1.002
Indemnity	CY Dev (Unadj.)	6	N/A	N/A	1.008
Indemnity	Inverse Power	3	Year 10	65 Years	1.003
Indemnity	Inverse Power	6	Year 10	65 Years	1.004
Indemnity	Inverse Power	6	Year 10	80 Years	1.005
Medical	CY Dev (Adj.)	6	N/A	N/A	1.049
Medical	CY Dev (Unadj.)	6	N/A	N/A	1.027
Medical	Inverse Power	3	Year 10	65 Years	1.023
Medical	Inverse Power	6	Year 10	65 Years	1.038
Medical	Inverse Power	6	Year 10	80 Years	1.044

Bornhuetter-Ferguson Paid Development Method Calculation
Data Evaluated as of 12/31/2014

	Paid to 24 Months	
	<u>Indemnity</u>	<u>Medical</u>
1. AY 2013 Reported Paid Loss Ratio at 12 Months	0.024	0.040
2. Reported Paid Loss Ratios at 24 Months for ELR		
a. 2011	0.092	0.131
b. 2012	0.085	0.118
3. Actual Frequency Changes*		
a. 2012	3.2%	3.2%
b. 2013	4.9%	4.9%
4. 5-Year Average Severity Change*	0.5%	4.5%
5. Composite Loss On-Level Adjustment Factors*		
a. 2011	1.147	1.004
b. 2012	1.124	1.003
c. 2013	1.131	1.056
6. Composite Premium On-Level Adjustment Factors*		
a. 2011	1.274	1.274
b. 2012	1.140	1.140
c. 2013	1.002	1.002
7. AY 2013 Expected Paid Loss Ratio at 24 Months		
a. Projected from 2011 ((2a) x (3a) x (3b) x (4) ² x (5c)/(5a) x (6a)/(6c))	0.080	0.116
b. Projected from 2012 ((2b) x (3b) x (4) x (5c)/(5b) x (6b)/(6c))	0.078	0.108
c. Average	0.079	0.112
8. Projected 12-to-24 Paid Development Factor	3.137	2.553
9. AY 2013 Projected Paid Loss Ratio at 24 Months	0.078	0.108
10. Actual AY 2013 Paid Loss Ratio at 24 Months	0.075	0.100
11. Difference from Actual		
a. Projected from 2012	2.6%	5.6%
b. Projected from 2011 and 2012	3.5%	7.9%
12. Chain Ladder Estimate ((1) x (8))	0.074	0.102
13. Chain Ladder Difference from Actual	-0.9%	2.2%

* Factors are from 1/1/2016 Pure Premium Rate Filing

Deviation of Alternative Loss Development Indication from Actual Loss Ratio: Indemnity

Deviation from Actual Paid or Incurred Indemnity Loss Ratio at 24 Months
Developed from 12 to 24 Months for Accident Year

Method	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
CL-LYPaid	0.4%	-2.2%	-0.7%	-3.3%	-1.2%	5.4%	14.1%	5.0%	-4.8%	-1.3%	-0.7%	-4.6%	-2.8%	-1.6%	2.2%	-0.9%
CL-LYIncurred	-7.4%	-3.0%	-3.6%	-2.5%	-5.4%	6.5%	19.9%	-6.5%	-10.9%	-5.3%	-4.0%	-6.3%	-0.6%	-0.2%	0.1%	3.0%
BF-LYPaid	0.2%	-2.8%	7.9%	3.8%	0.9%	7.5%	6.1%	-12.7%	-6.6%	-6.9%	-4.9%	-6.6%	-1.3%	-1.3%	2.9%	2.6%
BF-LYIncurred	-6.8%	-3.5%	3.3%	11.2%	9.8%	25.4%	39.7%	4.2%	-13.8%	-13.7%	-10.6%	-9.9%	1.4%	1.5%	5.2%	7.8%
BF-2YAvgPaid	-2.1%	-1.8%	10.6%	6.9%	1.3%	8.8%	8.3%	-13.4%	-18.0%	-9.5%	-7.3%	-7.1%	-2.7%	0.4%	2.0%	3.5%
BF-2YAvgIncurred	-5.9%	-3.7%	2.1%	2.3%	-2.7%	9.7%	18.9%	-8.5%	-14.9%	-8.7%	-6.8%	-8.6%	-1.6%	0.5%	1.7%	4.6%

Deviation from Actual Paid or Incurred Indemnity Loss Ratio at 36 Months
Developed from 12 to 36 Months for Accident Year

Method	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
CL-LYPaid	-0.1%	-5.9%	-4.0%	-7.0%	-5.4%	10.7%	31.9%	17.7%	-5.9%	-3.6%	-3.1%	-8.7%	-5.9%	-1.3%	4.1%
CL-LYIncurred	-11.1%	-7.8%	-5.3%	-5.3%	-7.0%	17.7%	29.1%	-8.6%	-17.2%	-9.4%	-8.0%	-7.7%	-1.6%	1.1%	2.7%
BF-LYPaid	-5.3%	-3.1%	12.1%	8.1%	-1.8%	16.3%	29.2%	-7.7%	-34.4%	-16.0%	-13.3%	-11.9%	-7.3%	3.0%	2.7%
BF-LYIncurred	-10.4%	-7.8%	3.1%	1.5%	-3.1%	22.9%	32.8%	-9.7%	-27.8%	-15.4%	-13.3%	-10.9%	-5.0%	3.9%	3.6%
BF-2YAvgPaid	-5.1%	-5.2%	13.7%	7.7%	0.9%	16.7%	28.3%	-4.5%	-33.0%	-28.4%	-16.6%	-13.1%	-8.0%	1.4%	3.4%
BF-2YAvgIncurred	-10.0%	-9.3%	3.2%	0.4%	-2.1%	22.6%	33.1%	-6.9%	-26.9%	-23.2%	-15.6%	-12.1%	-5.6%	2.6%	4.4%

Deviation from Actual Paid or Incurred Indemnity Loss Ratio at 48 Months
Developed from 12 to 48 Months for Accident Year

Method	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
CL-LYPaid	-2.2%	-8.5%	-7.0%	-11.1%	-6.3%	14.9%	41.0%	23.0%	-4.3%	-4.4%	-5.9%	-12.3%	-8.2%	-1.2%
CL-LYIncurred	-14.7%	-10.0%	-6.0%	-5.2%	-3.2%	22.7%	31.8%	-11.0%	-20.3%	-12.4%	-11.1%	-10.3%	-2.4%	1.2%
BF-LYPaid	-7.0%	-9.1%	12.3%	3.5%	2.8%	20.8%	36.3%	2.3%	-31.9%	-43.3%	-23.1%	-18.0%	-11.2%	0.1%
BF-LYIncurred	-13.4%	-12.5%	3.0%	0.1%	3.3%	27.5%	37.3%	-6.0%	-29.4%	-34.8%	-21.5%	-16.1%	-7.3%	1.5%
BF-2YAvgPaid	-6.1%	-8.5%	12.6%	4.0%	1.8%	23.2%	33.3%	1.2%	-30.0%	-44.6%	-33.4%	-20.6%	-12.8%	-0.3%
BF-2YAvgIncurred	-12.7%	-12.4%	2.7%	-0.4%	2.1%	28.6%	35.6%	-5.8%	-28.1%	-35.9%	-28.6%	-18.5%	-8.8%	1.4%

Deviation of Alternative Loss Development Indication from Actual Loss Ratio: Medical

Deviation from Actual Paid or Incurred Medical Loss Ratio at 24 Months
Developed from 12 to 24 Months for Accident Year

Method	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
CL-LYPaid	-3.4%	-5.5%	-7.8%	-10.6%	-1.9%	10.3%	9.6%	0.7%	-3.5%	-4.6%	3.9%	-3.5%	-2.9%	-5.1%	0.7%	2.2%
CL-LYIncurred	-7.5%	-4.9%	-6.9%	-9.3%	-2.6%	2.2%	13.4%	-4.5%	-4.6%	-3.8%	-0.6%	-4.8%	-1.0%	-2.8%	4.9%	4.2%
BF-LYPaid	-4.2%	-3.4%	2.8%	-1.5%	2.3%	12.2%	16.0%	-2.4%	-5.6%	-8.1%	-0.3%	-2.2%	0.9%	-2.3%	2.0%	5.6%
BF-LYIncurred	-7.8%	-5.2%	-2.1%	0.1%	4.8%	19.6%	29.6%	-2.4%	-9.6%	-11.2%	-7.3%	-8.0%	-0.3%	-1.2%	7.9%	8.7%
BF-2YAvgPaid	-5.8%	-3.3%	5.4%	1.4%	3.8%	13.6%	19.0%	-2.2%	-7.1%	-11.5%	-1.9%	-1.8%	0.8%	-0.2%	0.8%	7.9%
BF-2YAvgIncurred	-7.7%	-4.4%	-1.4%	-2.9%	0.6%	6.2%	16.4%	-5.2%	-6.7%	-7.7%	-2.3%	-3.9%	0.4%	-1.1%	4.7%	6.7%

Deviation from Actual Paid or Incurred Medical Loss Ratio at 36 Months
Developed from 12 to 36 Months for Accident Year

Method	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
CL-LYPaid	-7.8%	-11.1%	-15.2%	-15.1%	-1.3%	22.8%	15.7%	-2.2%	-7.9%	-9.2%	2.3%	-5.7%	-6.7%	-6.7%	1.7%
CL-LYIncurred	-13.9%	-12.5%	-12.5%	-13.0%	-2.3%	15.5%	20.1%	-8.4%	-9.5%	-6.3%	-1.9%	-6.7%	-3.6%	-2.1%	6.5%
BF-LYPaid	-12.0%	-8.1%	1.8%	0.9%	7.9%	27.5%	31.7%	-5.2%	-13.9%	-20.5%	-6.1%	-3.2%	-2.6%	1.6%	2.2%
BF-LYIncurred	-14.8%	-11.9%	-4.6%	-4.2%	4.0%	22.0%	27.3%	-9.3%	-13.2%	-14.1%	-5.1%	-5.3%	-2.3%	2.0%	4.9%
BF-2YAvgPaid	-11.3%	-9.4%	1.7%	1.6%	10.0%	29.3%	31.8%	-2.1%	-13.0%	-24.2%	-9.3%	-2.6%	-2.8%	1.0%	2.5%
BF-2YAvgIncurred	-14.2%	-12.7%	-5.3%	-4.3%	5.1%	23.1%	27.3%	-7.9%	-13.0%	-16.8%	-7.2%	-4.6%	-2.5%	1.3%	5.4%

Deviation from Actual Paid or Incurred Medical Loss Ratio at 48 Months
Developed from 12 to 48 Months for Accident Year

Method	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
CL-LYPaid	-12.3%	-15.8%	-17.9%	-17.0%	2.0%	28.3%	16.7%	-6.3%	-11.6%	-12.2%	-0.3%	-8.9%	-9.3%	-7.7%
CL-LYIncurred	-21.3%	-17.1%	-15.2%	-13.2%	3.5%	23.4%	19.8%	-10.8%	-13.3%	-7.3%	-5.5%	-9.7%	-4.1%	-2.0%
BF-LYPaid	-14.9%	-15.2%	-0.8%	0.9%	16.7%	35.2%	33.6%	-3.0%	-16.1%	-31.1%	-15.4%	-5.0%	-5.5%	-0.2%
BF-LYIncurred	-20.8%	-17.6%	-8.4%	-3.6%	13.4%	32.9%	28.2%	-8.6%	-16.6%	-22.3%	-13.3%	-6.8%	-3.2%	1.0%
BF-2YAvgPaid	-13.6%	-13.6%	-0.8%	0.9%	17.6%	36.9%	32.0%	-3.9%	-13.0%	-35.0%	-18.7%	-8.4%	-6.1%	-0.5%
BF-2YAvgIncurred	-20.6%	-16.9%	-8.4%	-4.6%	13.9%	33.4%	27.6%	-8.8%	-14.9%	-25.2%	-15.5%	-9.4%	-3.7%	0.8%

Rank of Absolute Deviation of Methodology Indication from Actual Loss Ratio: Indemnity

Rank of Absolute Deviation from Actual Paid or Incurred Indemnity Loss Ratio
Developed from 12 to 24 Months for Accident Year

Method	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
CL-LYPaid	2	2	1	3	2	1	3	2	1	1	1	1	6	6	4	1
CL-LYIncurred	6	4	4	2	5	2	5	3	3	2	2	2	1	1	1	3
BF-LYPaid	1	3	5	4	1	3	1	5	2	3	3	3	2	4	5	2
BF-LYIncurred	5	5	3	6	6	6	6	1	4	6	6	6	3	5	6	6
BF-2YAvgPaid	3	1	6	5	3	4	2	6	6	5	5	4	5	2	3	4
BF-2YAvgIncurred	4	6	2	1	4	5	4	4	5	4	4	5	4	3	2	5

Rank of Absolute Deviation from Actual Paid or Incurred Indemnity Loss Ratio
Developed from 12 to 36 Months for Accident Year

Method	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
CL-LYPaid	1	3	3	4	5	1	4	6	1	1	1	2	4	2	5
CL-LYIncurred	6	4	4	3	6	4	2	4	2	2	2	1	1	1	2
BF-LYPaid	3	1	5	6	2	2	3	3	6	4	4	4	5	5	1
BF-LYIncurred	5	5	1	2	4	6	5	5	4	3	3	3	2	6	4
BF-2YAvgPaid	2	2	6	5	1	3	1	1	5	6	6	6	6	3	3
BF-2YAvgIncurred	4	6	2	1	3	5	6	2	3	5	5	5	3	4	6

Rank of Absolute Deviation from Actual Paid or Incurred Indemnity Loss Ratio
Developed from 12 to 48 Months for Accident Year

Method	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
CL-LYPaid	1	1	4	6	6	1	6	6	1	1	1	2	3	4
CL-LYIncurred	6	4	3	5	4	3	1	5	2	2	2	1	1	3
BF-LYPaid	3	3	5	3	3	2	4	2	6	5	4	4	5	1
BF-LYIncurred	5	6	2	1	5	5	5	4	4	3	3	3	2	6
BF-2YAvgPaid	2	2	6	4	1	4	2	1	5	6	6	6	6	2
BF-2YAvgIncurred	4	5	1	2	2	6	3	3	3	4	5	5	4	5

Rank of Absolute Deviation of Methodology Indication from Actual Loss Ratio: Medical

Rank of Absolute Deviation from Actual Paid or Incurred Medical Loss Ratio
Developed from 12 to 24 Months for Accident Year

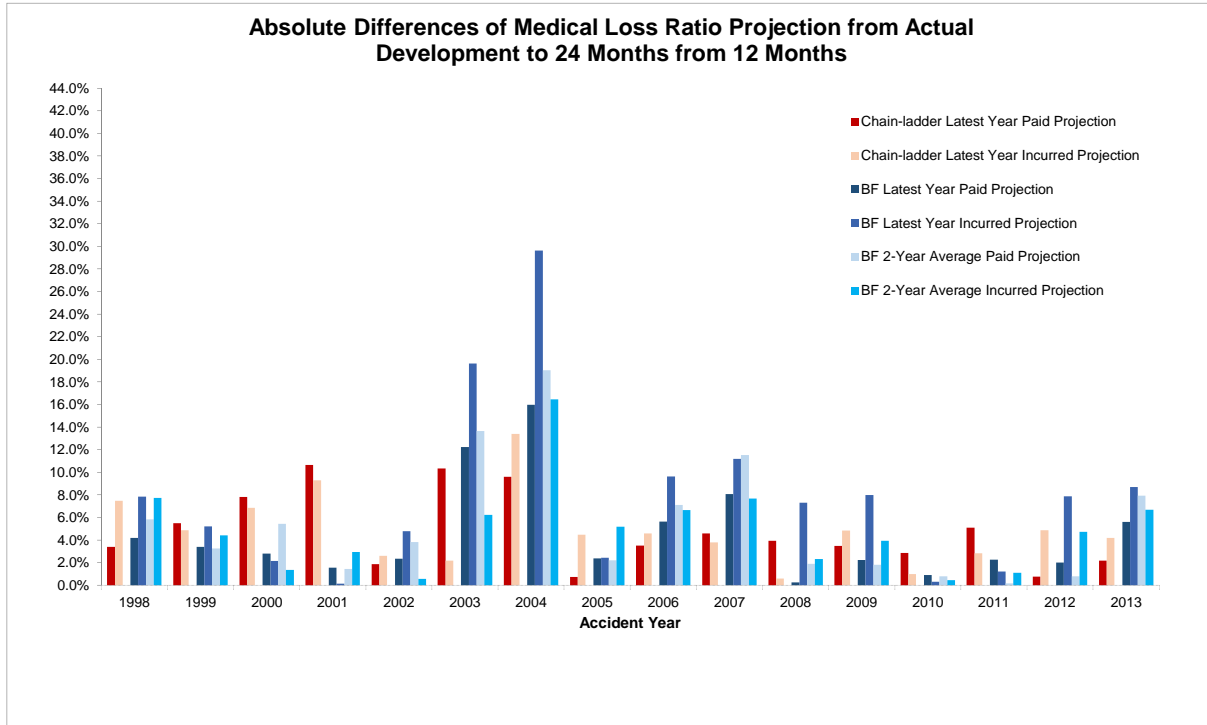
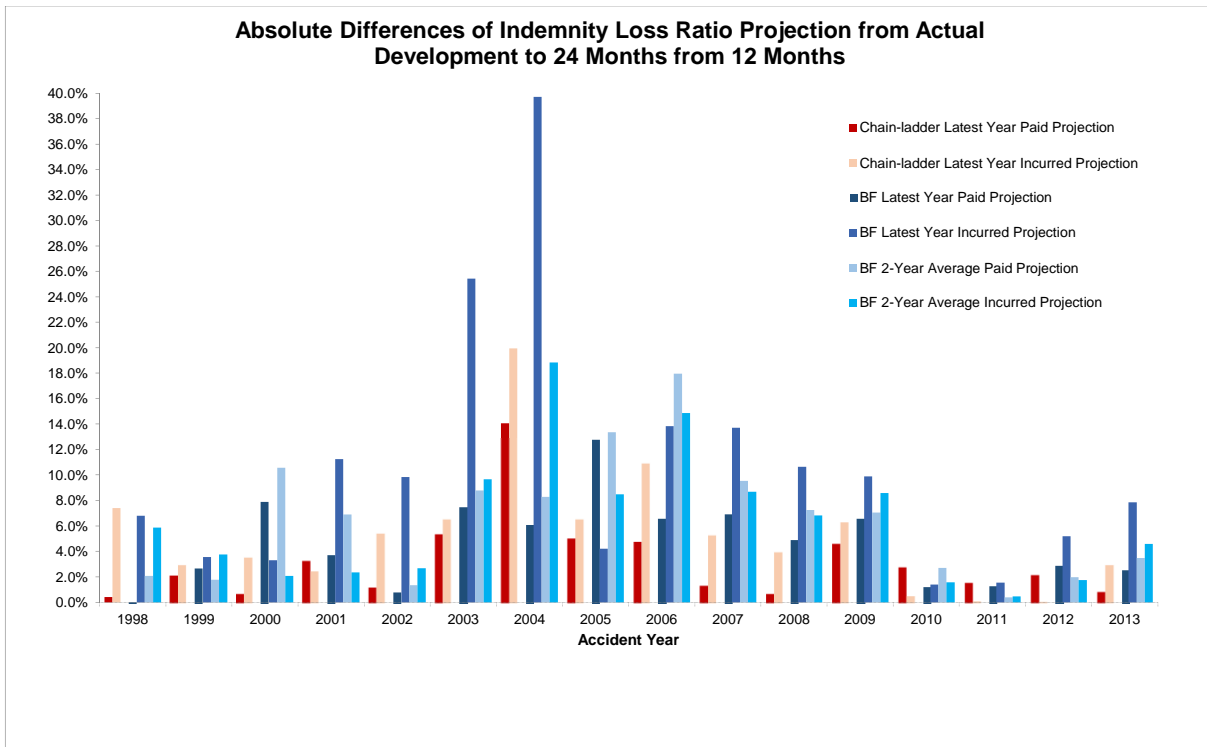
Method	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
CL-LYPaid	1	6	6	6	2	3	1	1	1	2	5	3	6	6	1	1
CL-LYIncurred	4	4	5	5	4	1	2	5	2	1	2	5	5	5	5	2
BF-LYPaid	2	2	3	3	3	4	3	3	3	4	1	2	4	4	3	3
BF-LYIncurred	6	5	2	1	6	6	6	4	6	5	6	6	1	3	6	6
BF-2YAvgPaid	3	1	4	2	5	5	5	2	5	6	3	1	3	1	2	5
BF-2YAvgIncurred	5	3	1	4	1	2	4	6	4	3	4	4	2	2	4	4

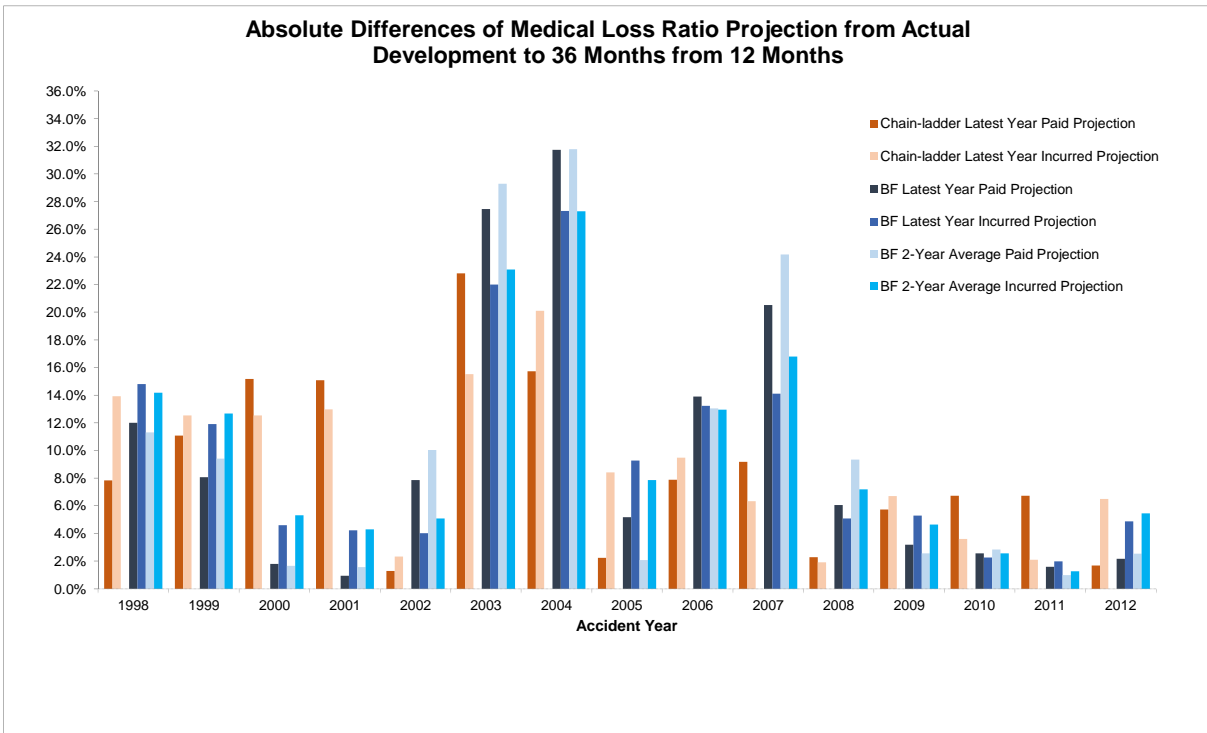
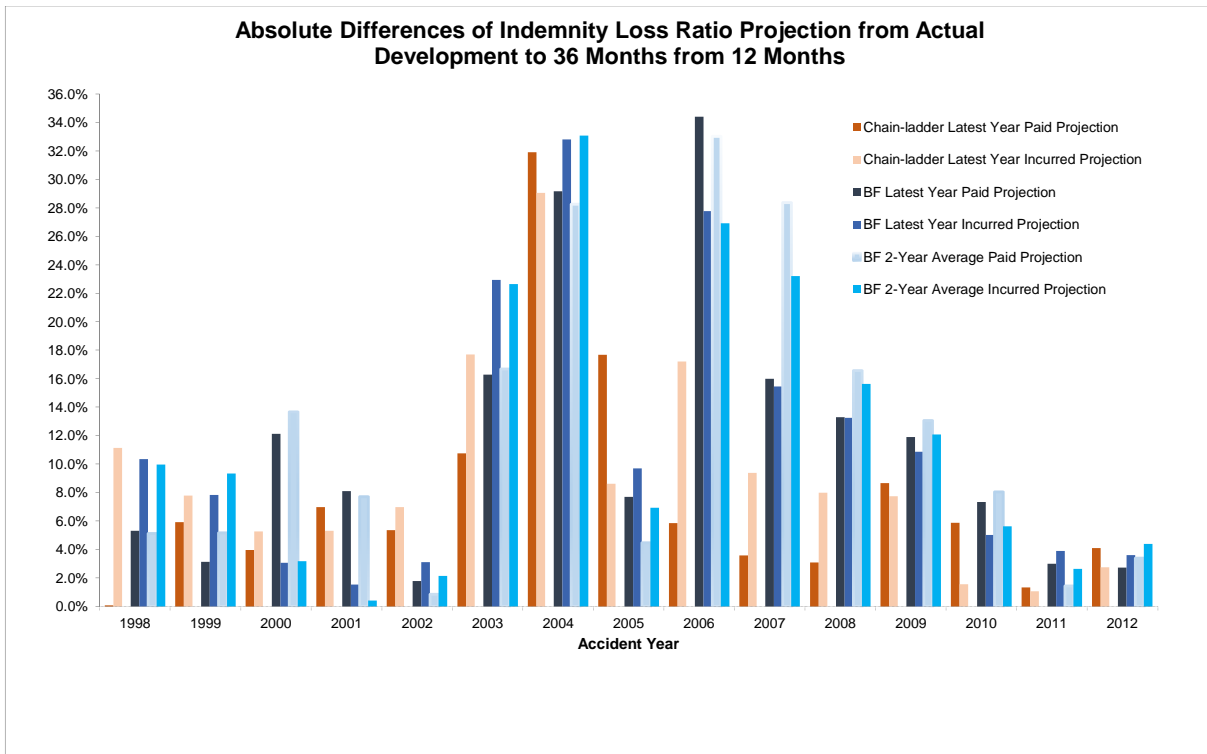
Rank of Absolute Deviation from Actual Paid or Incurred Medical Loss Ratio
Developed from 12 to 36 Months for Accident Year

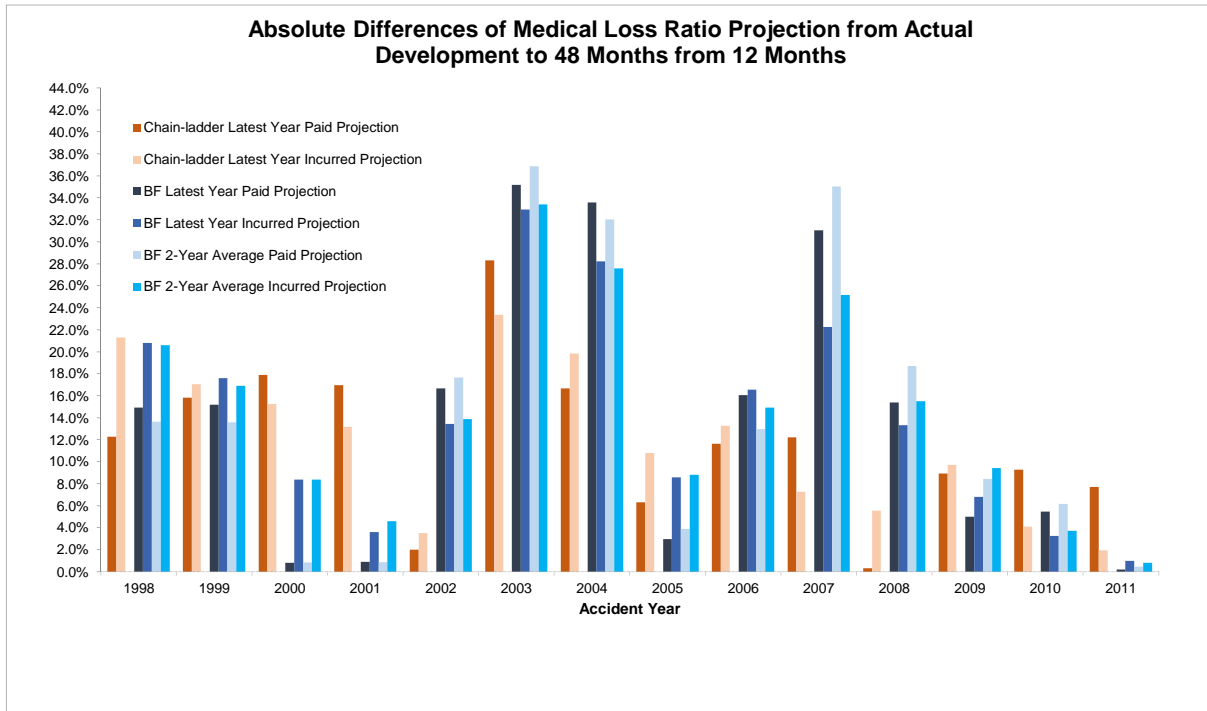
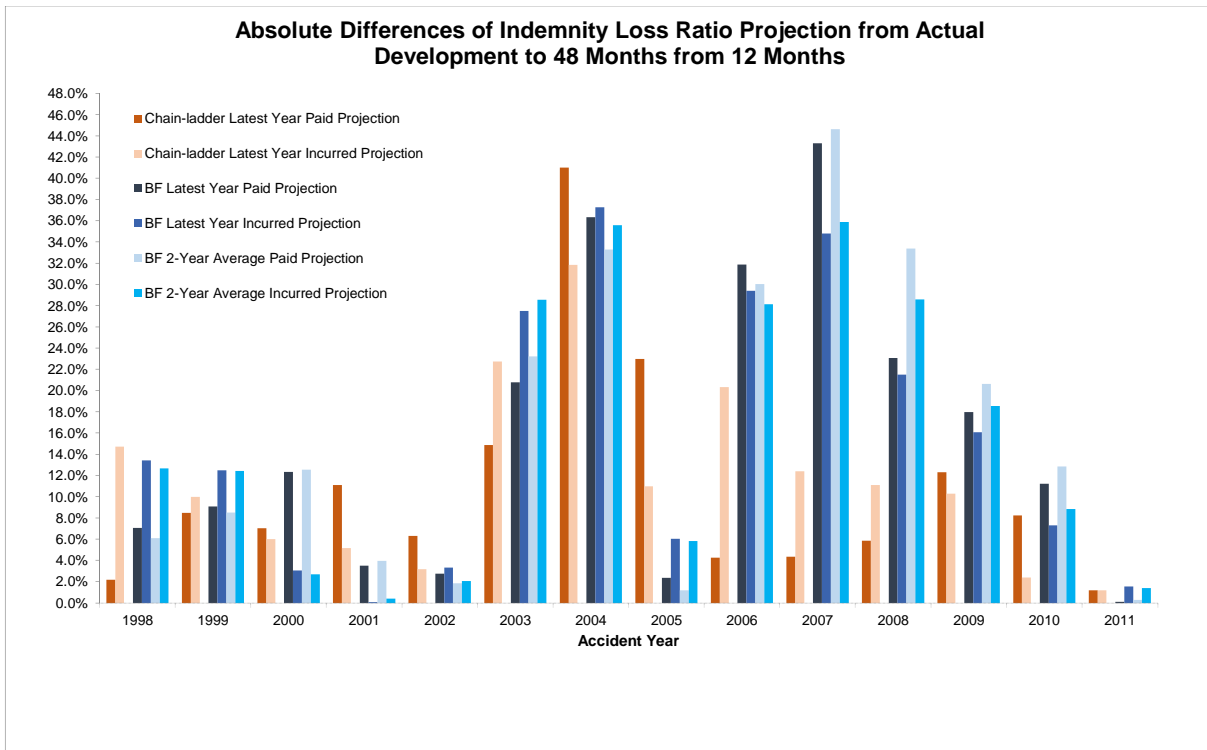
Method	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
CL-LYPaid	1	3	6	6	1	3	1	2	1	2	2	5	6	6	1
CL-LYIncurred	4	5	5	5	2	1	2	5	2	1	1	6	5	5	6
BF-LYPaid	3	1	2	1	5	5	5	3	6	5	4	2	3	3	2
BF-LYIncurred	6	4	3	3	3	2	4	6	5	3	3	4	1	4	4
BF-2YAvgPaid	2	2	1	2	6	6	6	1	4	6	6	1	4	1	3
BF-2YAvgIncurred	5	6	4	4	4	4	3	4	3	4	5	3	2	2	5

Rank of Absolute Deviation from Actual Paid or Incurred Medical Loss Ratio
Developed from 12 to 48 Months for Accident Year

Method	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
CL-LYPaid	1	3	6	6	1	2	1	3	1	2	1	4	6	6
CL-LYIncurred	6	5	5	5	2	1	2	6	3	1	2	6	3	5
BF-LYPaid	3	2	1	2	5	5	6	1	5	5	4	1	4	1
BF-LYIncurred	5	6	4	3	3	3	4	4	6	3	3	2	1	4
BF-2YAvgPaid	2	1	2	1	6	6	5	2	2	6	6	3	5	2
BF-2YAvgIncurred	4	4	3	4	4	4	3	5	4	4	5	5	2	3







Mean Square Error and Average Rank of Absolute Difference from Actual Paid or Incurred Loss Ratio at 24 Months by Claims Environment

Indemnity

	Root Mean Square Error (rMSE)				Average Rank of Absolute Difference			
	Minniear Pre-Reform Era (1998- 2001)	Reform Transition Era (2002- 2004)	Post- Reform/ Recession (2005- 2008)	Post- Recession/ SB 863 Era (2009- 2013)	Minniear Pre-Reform Era (1998- 2001)	Reform Transition Era (2002- 2004)	Post- Reform/ Recession (2005- 2008)	Post- Recession/ SB 863 Era (2009- 2013)
<u>Development Methodology</u>								
CL-LYPaid	0.020	0.087	0.036	0.027	2.0	2.0	1.3	3.6
CL-LYIncurred	0.045	0.125	0.072	0.031	4.0	4.0	2.5	1.6
BF-LYPaid	0.046	0.056	0.083	0.035	3.3	1.7	3.3	3.2
BF-LYIncurred	0.070	0.278	0.113	0.062	4.8	6.0	4.3	5.2
BF-2YAvgPaid	0.065	0.070	0.127	0.038	3.8	3.0	5.5	3.6
BF-2YAvgIncurred	0.038	0.123	0.102	0.045	3.3	4.3	4.3	3.8

Medical

	Root Mean Square Error (rMSE)				Average Rank of Absolute Difference			
	Minniear Pre-Reform Era (1998- 2001)	Reform Transition Era (2002- 2004)	Post- Reform/ Recession (2005- 2008)	Post- Recession/ SB 863 Era (2009- 2013)	Minniear Pre-Reform Era (1998- 2001)	Reform Transition Era (2002- 2004)	Post- Reform/ Recession (2005- 2008)	Post- Recession/ SB 863 Era (2009- 2013)
<u>Development Methodology</u>								
CL-LYPaid	0.074	0.082	0.035	0.032	4.8	2.0	2.3	3.4
CL-LYIncurred	0.073	0.080	0.037	0.038	4.5	2.3	2.5	4.4
BF-LYPaid	0.031	0.117	0.051	0.030	2.5	3.3	2.8	3.2
BF-LYIncurred	0.048	0.207	0.083	0.064	3.5	6.0	5.3	4.4
BF-2YAvgPaid	0.044	0.137	0.069	0.037	2.5	5.0	4.0	2.4
BF-2YAvgIncurred	0.047	0.102	0.058	0.041	3.3	2.3	4.3	3.2

Mean Square Error and Average Rank of Absolute Difference from Actual Paid or Incurred Loss Ratio at 36 Months by Claims Environment

Indemnity

	Root Mean Square Error (rMSE)				Average Rank of Absolute Difference			
	Minniear Pre-Reform Era (1998- 2001)	Reform Transition Era (2002- 2004)	Post- Reform/ Recession (2005- 2008)	Post- Recession/ SB 863 Era (2009- 2013)	Minniear Pre-Reform Era (1998- 2001)	Reform Transition Era (2002- 2004)	Post- Reform/ Recession (2005- 2008)	Post- Recession/ SB 863 Era (2009- 2013)
<u>Development Methodology</u>								
CL-LYPaid	0.050	0.197	0.096	0.057	2.8	3.3	2.3	3.3
CL-LYIncurred	0.077	0.200	0.114	0.042	4.3	4.0	2.5	1.3
BF-LYPaid	0.079	0.193	0.205	0.073	3.8	2.3	4.3	3.8
BF-LYIncurred	0.067	0.232	0.179	0.065	3.3	5.0	3.8	3.8
BF-2YAvgPaid	0.087	0.190	0.234	0.079	3.8	1.7	4.5	4.5
BF-2YAvgIncurred	0.070	0.232	0.197	0.071	3.3	4.7	3.8	4.5

Medical

	Root Mean Square Error (rMSE)				Average Rank of Absolute Difference			
	Minniear Pre-Reform Era (1998- 2001)	Reform Transition Era (2002- 2004)	Post- Reform/ Recession (2005- 2008)	Post- Recession/ SB 863 Era (2009- 2013)	Minniear Pre-Reform Era (1998- 2001)	Reform Transition Era (2002- 2004)	Post- Reform/ Recession (2005- 2008)	Post- Recession/ SB 863 Era (2009- 2013)
<u>Development Methodology</u>								
CL-LYPaid	0.127	0.160	0.063	0.056	4.0	1.7	1.8	4.5
CL-LYIncurred	0.130	0.147	0.071	0.051	4.8	1.7	2.3	5.5
BF-LYPaid	0.073	0.247	0.130	0.024	1.8	5.0	4.5	2.5
BF-LYIncurred	0.100	0.204	0.110	0.039	4.0	3.0	4.3	3.3
BF-2YAvgPaid	0.074	0.256	0.145	0.023	1.8	6.0	4.3	2.3
BF-2YAvgIncurred	0.101	0.208	0.119	0.039	4.8	3.7	4.0	3.0

Mean Square Error and Average Rank of Absolute Difference from Actual Paid or Incurred Loss Ratio at 48 Months by Claims Environment

Indemnity

	Root Mean Square Error (rMSE)				Average Rank of Absolute Difference			
	Minniear Pre-Reform Era (1998- 2001)	Reform Transition Era (2002- 2004)	Post- Reform/ Recession (2005- 2008)	Post- Recession/ SB 863 Era (2009- 2013)	Minniear Pre-Reform Era (1998- 2001)	Reform Transition Era (2002- 2004)	Post- Reform/ Recession (2005- 2008)	Post- Recession/ SB 863 Era (2009- 2013)
<u>Development Methodology</u>								
CL-LYPaid	0.079	0.254	0.122	0.086	3.0	4.3	2.3	3.0
CL-LYIncurred	0.097	0.227	0.142	0.061	4.5	2.7	2.8	1.7
BF-LYPaid	0.086	0.242	0.293	0.122	3.5	3.0	4.3	3.3
BF-LYIncurred	0.093	0.268	0.254	0.102	3.5	5.0	3.5	3.7
BF-2YAvgPaid	0.084	0.234	0.317	0.140	3.5	2.3	4.5	4.7
BF-2YAvgIncurred	0.090	0.264	0.271	0.119	3.0	3.7	3.8	4.7

Medical

	Root Mean Square Error (rMSE)				Average Rank of Absolute Difference			
	Minniear Pre-Reform Era (1998- 2001)	Reform Transition Era (2002- 2004)	Post- Reform/ Recession (2005- 2008)	Post- Recession/ SB 863 Era (2009- 2013)	Minniear Pre-Reform Era (1998- 2001)	Reform Transition Era (2002- 2004)	Post- Reform/ Recession (2005- 2008)	Post- Recession/ SB 863 Era (2009- 2013)
<u>Development Methodology</u>								
CL-LYPaid	0.159	0.190	0.090	0.087	4.0	1.3	1.8	5.3
CL-LYIncurred	0.170	0.178	0.097	0.062	5.3	1.7	3.0	4.7
BF-LYPaid	0.107	0.297	0.192	0.043	2.0	5.3	3.8	2.0
BF-LYIncurred	0.144	0.262	0.160	0.044	4.5	3.3	4.0	2.3
BF-2YAvgPaid	0.096	0.300	0.210	0.060	1.5	5.7	4.0	3.3
BF-2YAvgIncurred	0.142	0.263	0.171	0.059	3.8	3.7	4.5	3.3

Incurred Indemnity 348-to-Ultimate Factor Based on "Power Tail" Fit with Different Starting and Ending Points
Factors Fit to 6-Year Average

Age-to-Age	t	Incurred Indemnity									
		6-Year Average @12/31/2014	Fitted Factors Using Inverse Power Curve [$f(t)=1.0 + a \times t^b$] Fit to t Range:								
			10 to 29	11 to 29	12 to 29	13 to 29	14 to 29	15 to 29	16 to 29	18 to 29	20 to 29
12 - 24	2	1.95963									
24 - 36	3	1.29002									
36 - 48	4	1.12932									
48 - 60	5	1.07271									
60 - 72	6	1.04805									
72 - 84	7	1.03162									
84 - 96	8	1.02177									
96 - 108	9	1.01386									
108 - 120	10	1.01042	1.00561								
120 - 132	11	1.00631	1.00435	1.00366							
132 - 144	12	1.00439	1.00345	1.00297	1.00254						
144 - 156	13	1.00324	1.00279	1.00245	1.00213	1.00181					
156 - 168	14	1.00248	1.00229	1.00205	1.00182	1.00158	1.00132				
168 - 180	15	1.00177	1.00191	1.00173	1.00157	1.00139	1.00119	1.00097			
180 - 192	16	1.00120	1.00161	1.00148	1.00136	1.00123	1.00108	1.00090	1.00074		
192 - 204	17	1.00069	1.00137	1.00128	1.00120	1.00110	1.00098	1.00085	1.00071		
204 - 216	18	1.00070	1.00117	1.00112	1.00106	1.00099	1.00090	1.00080	1.00069	1.00056	
216 - 228	19	1.00078	1.00102	1.00098	1.00094	1.00089	1.00083	1.00075	1.00067	1.00056	
228 - 240	20	1.00047	1.00089	1.00087	1.00084	1.00081	1.00077	1.00071	1.00065	1.00057	1.00044
240 - 252	21	1.00036	1.00078	1.00077	1.00076	1.00074	1.00071	1.00068	1.00063	1.00057	1.00046
252 - 264	22	1.00045	1.00069	1.00069	1.00069	1.00068	1.00067	1.00064	1.00062	1.00057	1.00049
264 - 276	23	1.00056	1.00061	1.00062	1.00062	1.00063	1.00062	1.00061	1.00060	1.00057	1.00051
276 - 288	24	1.00055	1.00055	1.00056	1.00057	1.00058	1.00058	1.00059	1.00059	1.00058	1.00054
288 - 300	25	1.00058	1.00049	1.00051	1.00052	1.00054	1.00055	1.00056	1.00057	1.00058	1.00056
300 - 312	26	1.00081	1.00044	1.00046	1.00048	1.00050	1.00052	1.00054	1.00056	1.00058	1.00059
312 - 324	27	1.00076	1.00040	1.00042	1.00044	1.00046	1.00049	1.00052	1.00055	1.00058	1.00061
324 - 336	28	1.00053	1.00036	1.00039	1.00041	1.00043	1.00046	1.00050	1.00054	1.00058	1.00064
336 - 348	29	1.00053	1.00033	1.00035	1.00038	1.00041	1.00044	1.00048	1.00053	1.00059	1.00067
348 - 360	30		1.00030	1.00033	1.00035	1.00038	1.00042	1.00046	1.00052	1.00059	1.00069
360 - 372	31		1.00028	1.00030	1.00033	1.00036	1.00040	1.00045	1.00051	1.00059	1.00072
372 - 384	32		1.00025	1.00028	1.00031	1.00034	1.00038	1.00043	1.00050	1.00059	1.00075
384 - 396	33		1.00023	1.00026	1.00029	1.00032	1.00036	1.00042	1.00049	1.00059	1.00077
396 - 408	34		1.00022	1.00024	1.00027	1.00030	1.00035	1.00041	1.00048	1.00059	1.00080
408 - 420	35		1.00020	1.00023	1.00025	1.00029	1.00033	1.00039	1.00047	1.00060	1.00083
420 - 432	36		1.00019	1.00021	1.00024	1.00027	1.00032	1.00038	1.00047	1.00060	1.00085
432 - 444	37		1.00017	1.00020	1.00022	1.00026	1.00030	1.00037	1.00046	1.00060	1.00088
444 - 456	38		1.00016	1.00018	1.00021	1.00025	1.00029	1.00036	1.00045	1.00060	1.00091
456 - 468	39		1.00015	1.00017	1.00020	1.00023	1.00028	1.00035	1.00045	1.00060	1.00094
468 - 480	40		1.00014	1.00016	1.00019	1.00022	1.00027	1.00034	1.00044	1.00060	1.00096
588 - 600	50		1.00008	1.00010	1.00012	1.00015	1.00019	1.00027	1.00039	1.00061	1.00125
768 - 780	65		1.00004	1.00005	1.00007	1.00009	1.00013	1.00020	1.00033	1.00063	1.00168
948 - 960	80		1.00002	1.00003	1.00004	1.00006	1.00009	1.00016	1.00030	1.00064	1.00214
1188 - 1200	100		1.00001	1.00002	1.00003	1.00004	1.00007	1.00013	1.00026	1.00065	1.00276

348-to-Ultimate Factors Based on Various Stopping Ages:

40 Years	1.002	1.003	1.003	1.003	1.004	1.004	1.005	1.007	1.009
50 Years	1.003	1.004	1.004	1.005	1.006	1.007	1.009	1.013	1.020
65 Years	1.004	1.005	1.006	1.007	1.008	1.011	1.015	1.022	1.043
80 Years	1.005	1.005	1.006	1.008	1.010	1.014	1.020	1.032	1.074
100 Years	1.005	1.006	1.007	1.009	1.012	1.017	1.025	1.045	1.128

R Squared: 0.7862 0.7344 0.6661 0.5775 0.4617 0.3096 0.1267 0.0031 0.3655

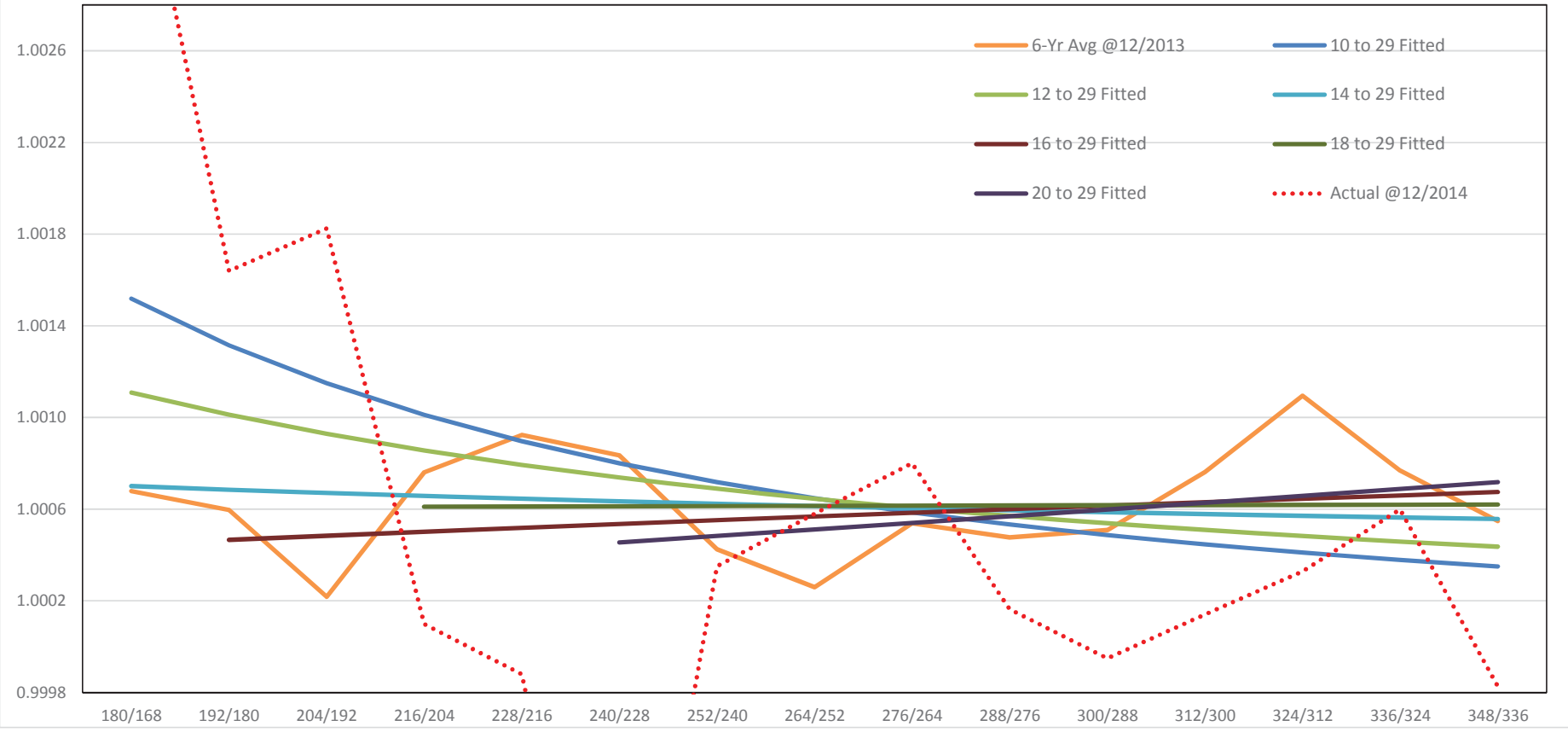
Notes: Factors below solid line are projected based on the fit.

Incurred Medical 348-to-Ultimate Factor Based on "Power Tail" Fit with Different Starting and Ending Points
Factors Fit to 6-Year Average

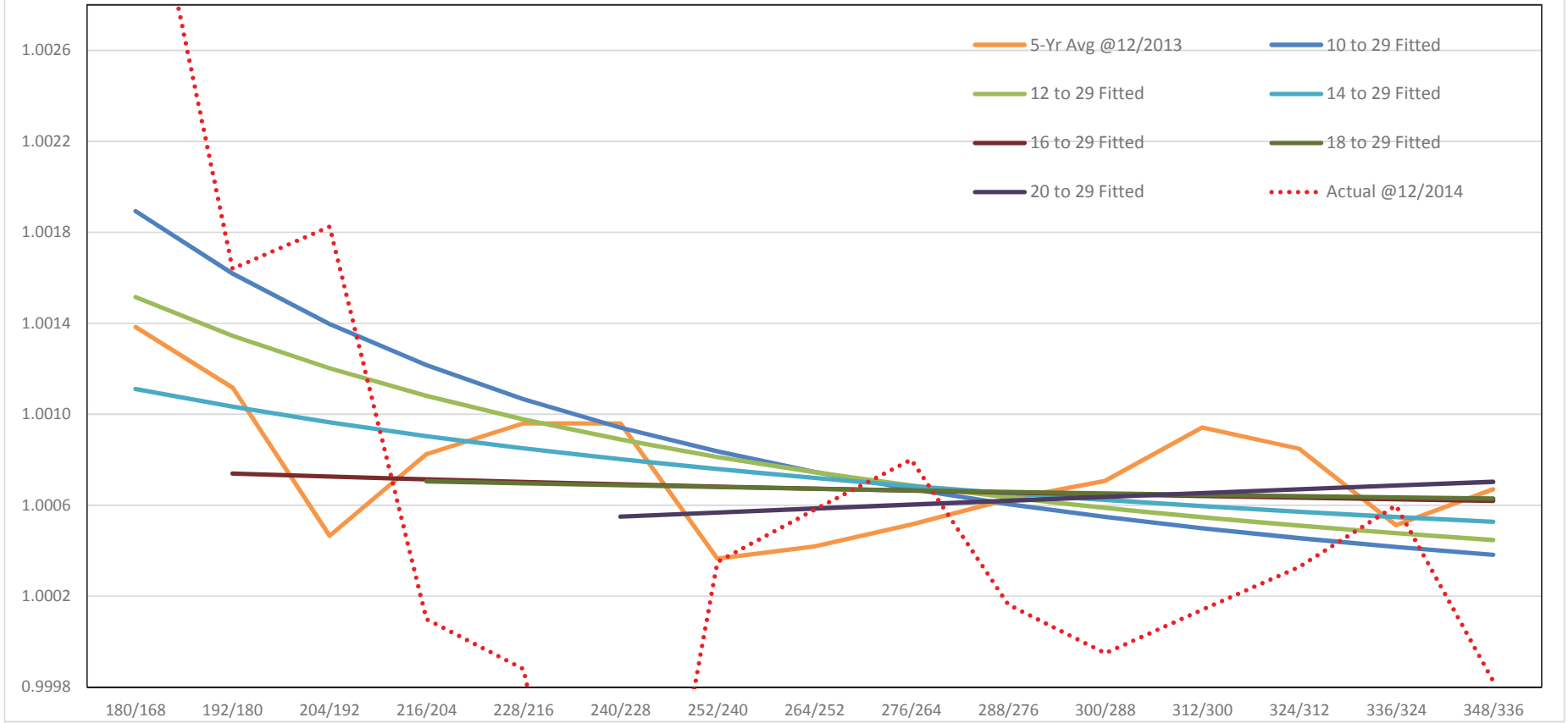
Age-to-Age	t	Incurred Medical	Fitted Factors Using Inverse Power Curve [$f(t)=1.0 + a \times t^b$] Fit to t Range:								
		6-Year Average @12/31/2014	10 to 29	11 to 29	12 to 29	13 to 29	14 to 29	15 to 29	16 to 29	18 to 29	20 to 29
12 - 24	2	1.60635									
24 - 36	3	1.21817									
36 - 48	4	1.12618									
48 - 60	5	1.08233									
60 - 72	6	1.06665									
72 - 84	7	1.04953									
84 - 96	8	1.03972									
96 - 108	9	1.03111									
108 - 120	10	1.02578	1.02472								
120 - 132	11	1.01929	1.02016	1.01992							
132 - 144	12	1.01623	1.01674	1.01656	1.01672						
144 - 156	13	1.01415	1.01410	1.01398	1.01409	1.01421					
156 - 168	14	1.01227	1.01203	1.01194	1.01203	1.01212	1.01213				
168 - 180	15	1.01245	1.01038	1.01032	1.01038	1.01045	1.01046	1.01042			
180 - 192	16	1.00940	1.00904	1.00900	1.00904	1.00909	1.00910	1.00907	1.00854		
192 - 204	17	1.00858	1.00794	1.00791	1.00794	1.00798	1.00799	1.00797	1.00757		
204 - 216	18	1.00786	1.00703	1.00701	1.00703	1.00706	1.00706	1.00705	1.00675	1.00617	
216 - 228	19	1.00416	1.00626	1.00625	1.00626	1.00628	1.00628	1.00627	1.00606	1.00562	
228 - 240	20	1.00708	1.00561	1.00560	1.00561	1.00562	1.00563	1.00562	1.00547	1.00514	1.00518
240 - 252	21	1.00437	1.00506	1.00505	1.00506	1.00506	1.00506	1.00506	1.00496	1.00473	1.00476
252 - 264	22	1.00307	1.00458	1.00458	1.00458	1.00458	1.00458	1.00458	1.00452	1.00437	1.00439
264 - 276	23	1.00540	1.00416	1.00417	1.00416	1.00416	1.00416	1.00416	1.00413	1.00405	1.00407
276 - 288	24	1.00305	1.00380	1.00381	1.00380	1.00380	1.00380	1.00380	1.00380	1.00376	1.00378
288 - 300	25	1.00279	1.00348	1.00349	1.00348	1.00348	1.00348	1.00348	1.00350	1.00350	1.00352
300 - 312	26	1.00334	1.00320	1.00321	1.00320	1.00320	1.00320	1.00320	1.00323	1.00328	1.00329
312 - 324	27	1.00336	1.00295	1.00296	1.00296	1.00295	1.00295	1.00295	1.00300	1.00307	1.00309
324 - 336	28	1.00415	1.00273	1.00274	1.00273	1.00273	1.00272	1.00273	1.00279	1.00288	1.00290
336 - 348	29	1.00233	1.00253	1.00255	1.00254	1.00253	1.00253	1.00253	1.00260	1.00272	1.00273
348 - 360	30		1.00236	1.00237	1.00236	1.00235	1.00235	1.00235	1.00243	1.00256	1.00257
360 - 372	31		1.00220	1.00221	1.00220	1.00219	1.00219	1.00219	1.00227	1.00242	1.00243
372 - 384	32		1.00205	1.00207	1.00206	1.00205	1.00204	1.00205	1.00213	1.00229	1.00230
384 - 396	33		1.00192	1.00194	1.00192	1.00191	1.00191	1.00192	1.00201	1.00217	1.00218
396 - 408	34		1.00180	1.00182	1.00181	1.00179	1.00179	1.00180	1.00189	1.00207	1.00207
408 - 420	35		1.00170	1.00171	1.00170	1.00169	1.00168	1.00169	1.00178	1.00197	1.00197
420 - 432	36		1.00160	1.00161	1.00160	1.00159	1.00159	1.00159	1.00169	1.00187	1.00188
432 - 444	37		1.00151	1.00152	1.00151	1.00150	1.00149	1.00150	1.00160	1.00179	1.00179
444 - 456	38		1.00142	1.00144	1.00142	1.00141	1.00141	1.00142	1.00151	1.00171	1.00171
456 - 468	39		1.00134	1.00136	1.00135	1.00134	1.00133	1.00134	1.00144	1.00163	1.00164
468 - 480	40		1.00127	1.00129	1.00128	1.00127	1.00126	1.00127	1.00137	1.00156	1.00157
588 - 600	50		1.00079	1.00080	1.00079	1.00078	1.00078	1.00079	1.00087	1.00106	1.00107
768 - 780	65		1.00045	1.00046	1.00045	1.00044	1.00044	1.00045	1.00052	1.00068	1.00068
948 - 960	80		1.00029	1.00030	1.00029	1.00028	1.00028	1.00029	1.00034	1.00047	1.00047
1188 - 1200	100		1.00018	1.00018	1.00018	1.00018	1.00018	1.00018	1.00022	1.00032	1.00032
348-to-Ultimate Factors Based on Various Stopping Ages:											
	40 Years		1.019	1.019	1.019	1.019	1.019	1.019	1.020	1.022	1.022
	50 Years		1.029	1.030	1.029	1.029	1.029	1.029	1.031	1.035	1.035
	65 Years		1.038	1.039	1.039	1.038	1.038	1.038	1.042	1.048	1.048
	80 Years		1.044	1.045	1.044	1.044	1.044	1.044	1.048	1.057	1.057
	100 Years		1.049	1.049	1.049	1.048	1.048	1.048	1.054	1.065	1.065
	R Squared:		0.9176	0.8976	0.8761	0.8503	0.8171	0.7753	0.7088	0.5216	0.4211

Notes: Factors below solid line are projected based on the fit.

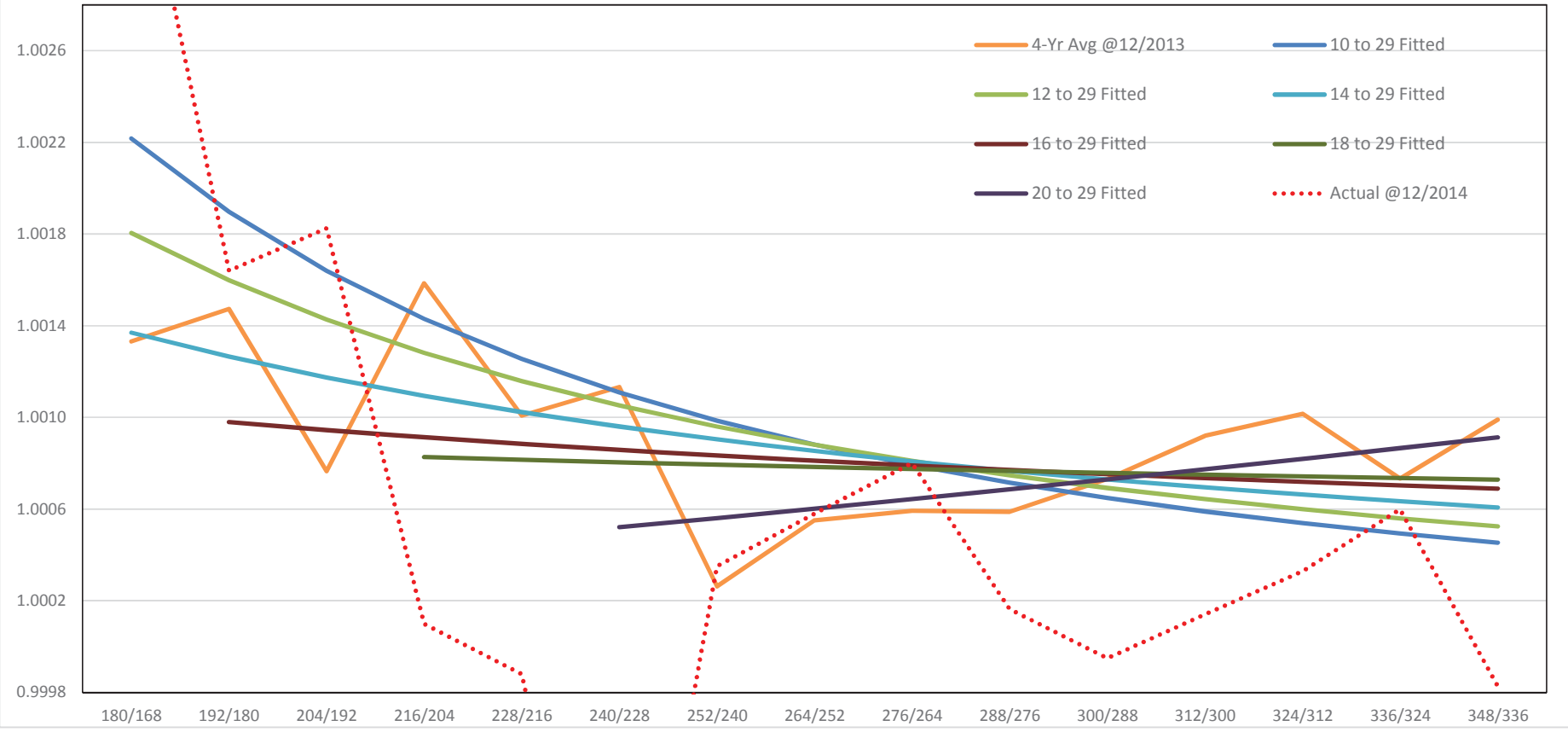
Indemnity Incurred Age-to-Age Development
Fitted 6-Yr Average @12/31/2013 vs. Actual @12/31/2014



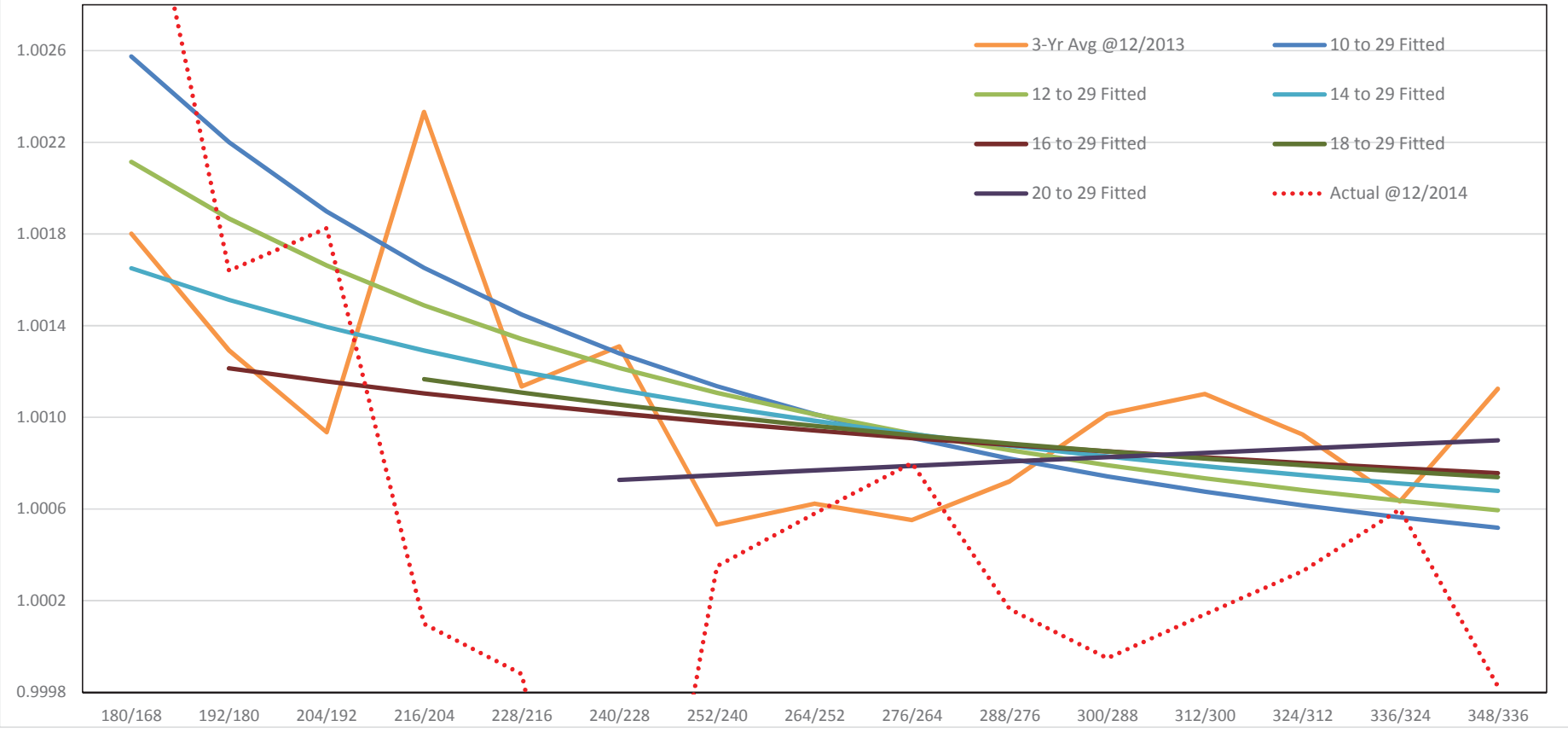
Indemnity Incurred Age-to-Age Development
 Fitted 5-Yr Average @12/31/2013 vs. Actual @12/31/2014

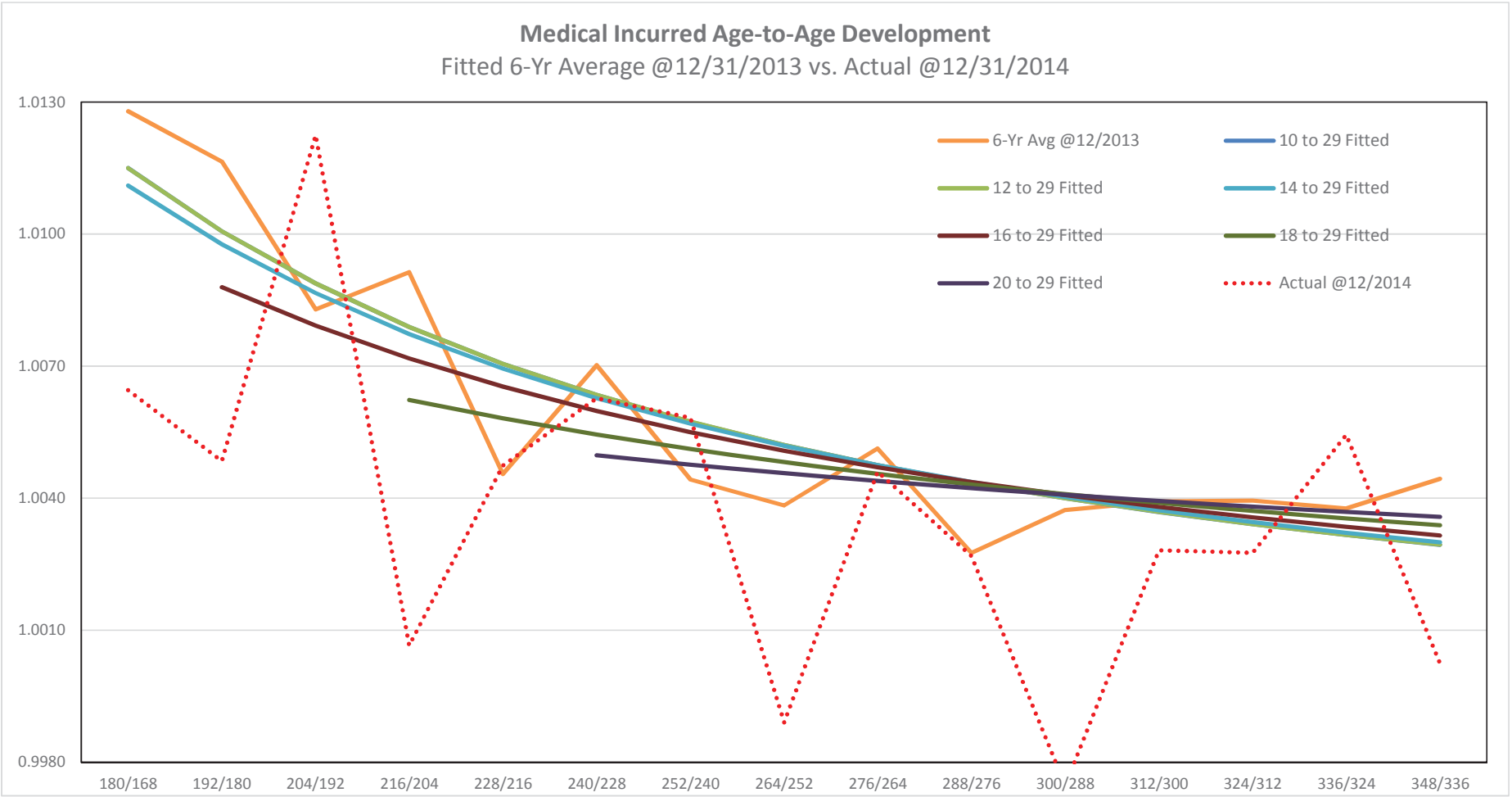


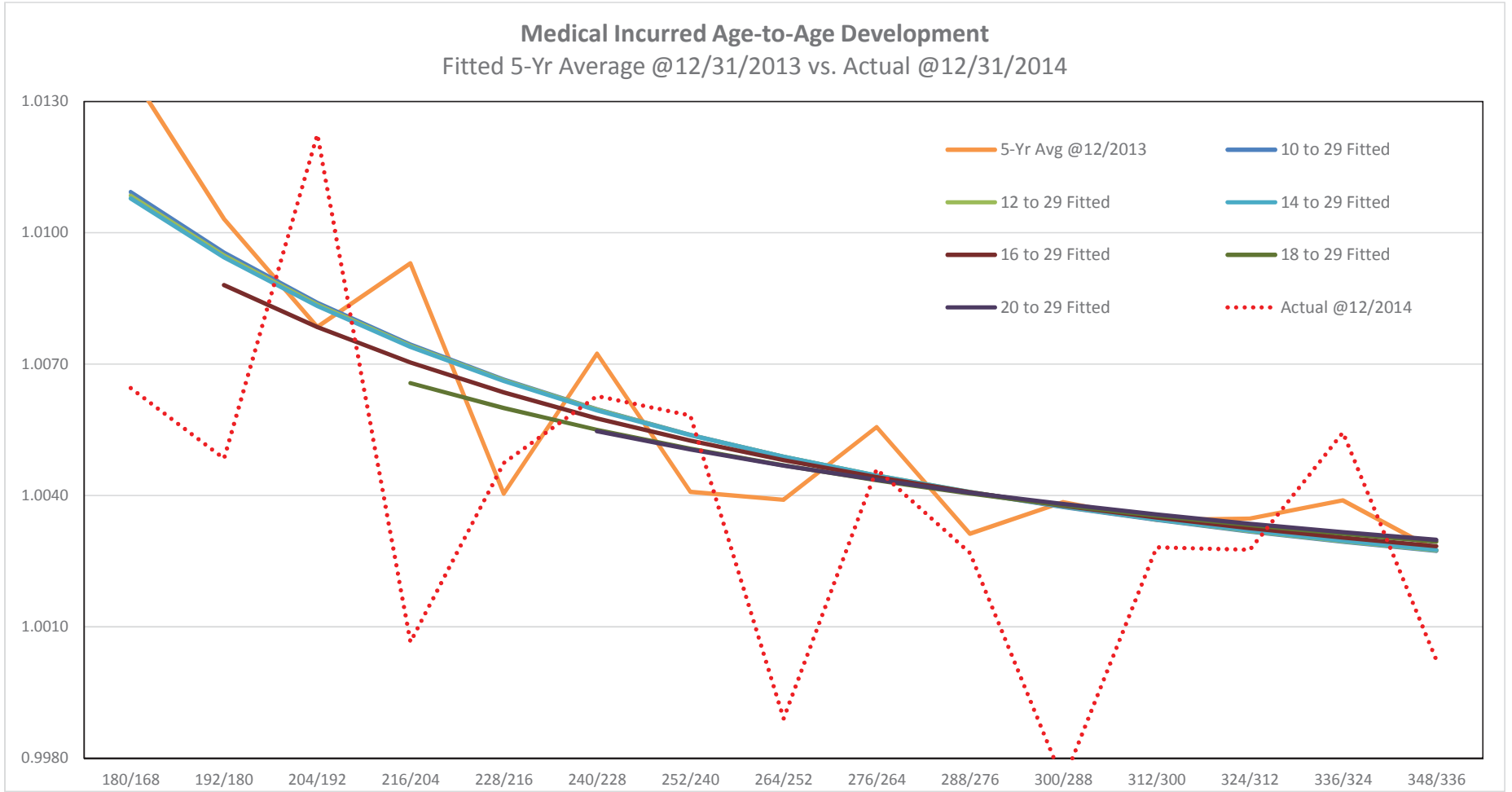
Indemnity Incurred Age-to-Age Development
 Fitted 4-Yr Average @12/31/2013 vs. Actual @12/31/2014

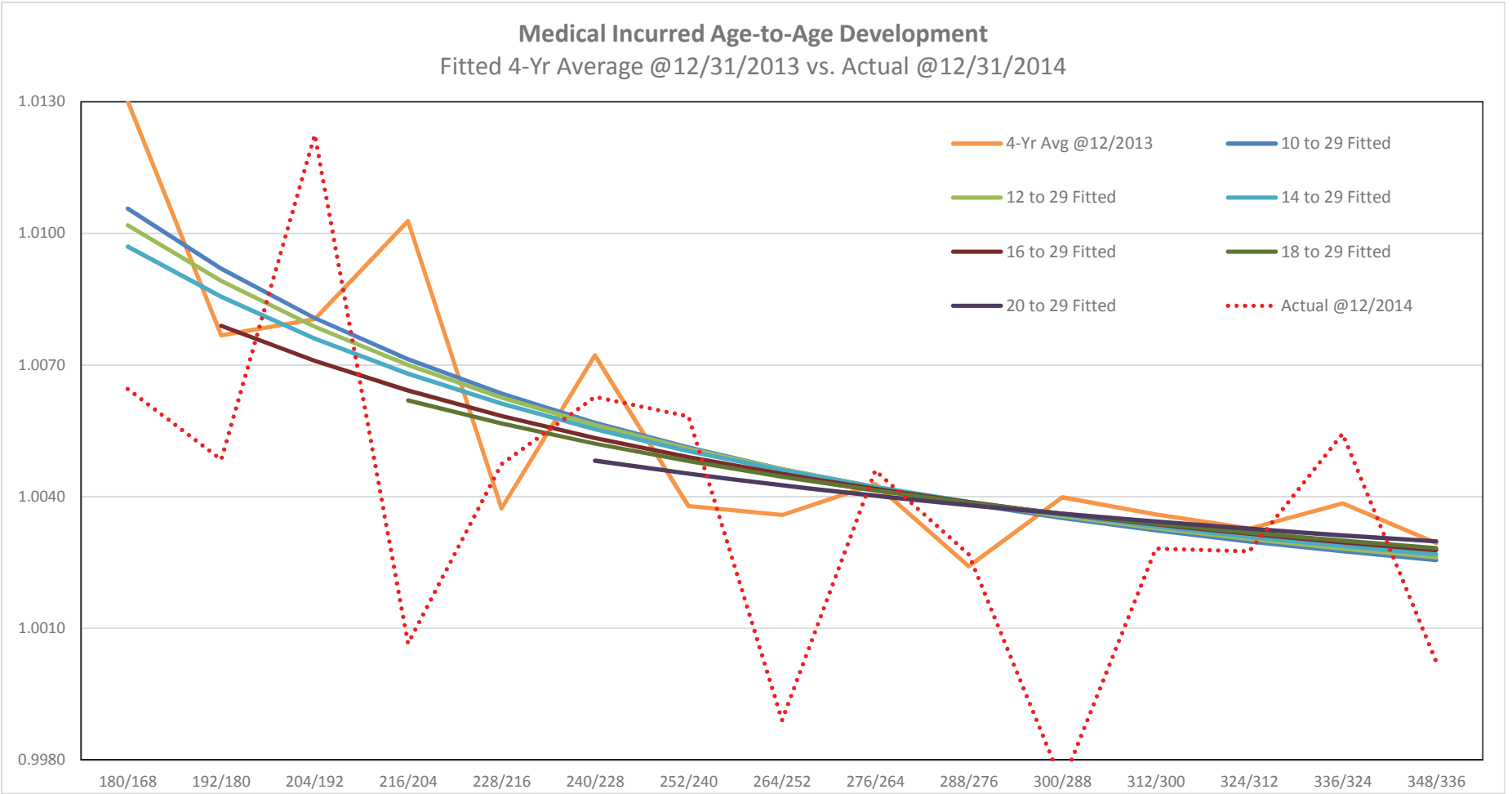


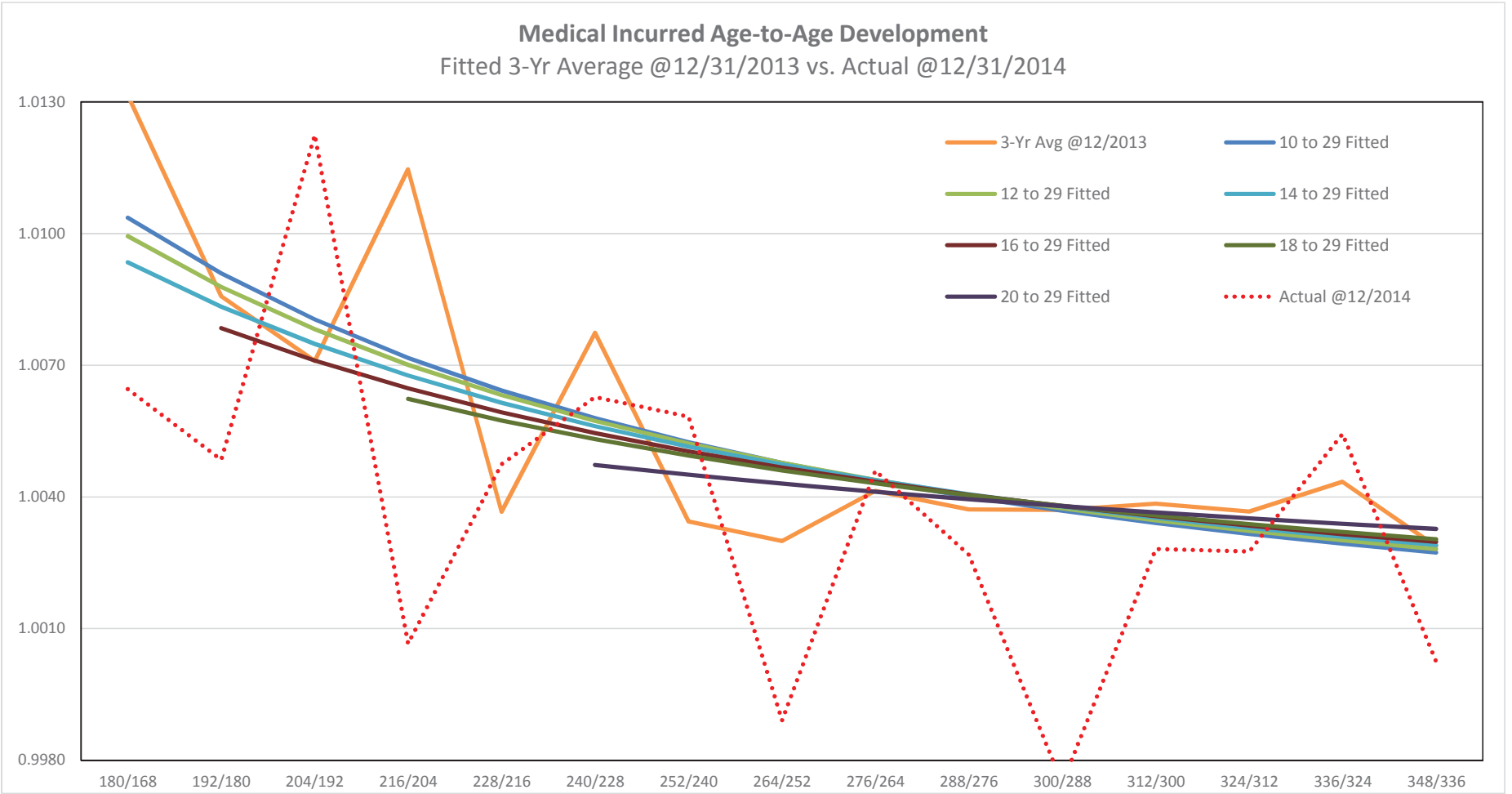
Indemnity Incurred Age-to-Age Development
 Fitted 3-Yr Average @12/31/2013 vs. Actual @12/31/2014











Projected Indemnity Incurred 348-to-Ultimate Factor: Power Tail vs. Calendar Year Development

	Fitted on Inverse Power Curve [$f(t)=1.0 + a \times t^b$] based on t=10 to t=29				Calendar Year Development (6-Year Average)	
@12/31/2010						
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	<u>Unadjusted</u>	<u>Adjusted*</u>
a. Year 40	1.001	1.001	1.001	1.001	1.008	1.002
b. Year 50	1.002	1.001	1.001	1.002	1.002	
c. Year 65	1.002	1.002	1.002	1.002	1.002	
d. Year 80	1.003	1.002	1.002	1.003	1.003	
e. Year 100	1.003	1.002	1.002	1.003	1.003	
R-Squared	0.5052	0.5052	0.6552	0.7032		
@12/31/2011						
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	<u>Unadjusted</u>	<u>Adjusted*</u>
a. Year 40	1.001	1.001	1.002	1.002	1.008	1.002
b. Year 50	1.001	1.001	1.003	1.002		
c. Year 65	1.002	1.002	1.004	1.003		
d. Year 80	1.002	1.002	1.005	1.003		
e. Year 100	1.002	1.002	1.005	1.003		
R-Squared	0.5843	0.5223	0.3484	0.5636		
@12/31/2012						
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	<u>Unadjusted</u>	<u>Adjusted*</u>
a. Year 40	1.002	1.002	1.002	1.004	1.008	1.002
b. Year 50	1.002	1.004	1.003	1.006		
c. Year 65	1.003	1.005	1.004	1.008		
d. Year 80	1.003	1.005	1.005	1.009		
e. Year 100	1.003	1.006	1.005	1.010		
R-Squared	0.4635	0.3707	0.5258	0.7077		
@12/31/2013						
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	<u>Unadjusted</u>	<u>Adjusted*</u>
a. Year 40	1.003	1.003	1.003	1.004	1.008	1.002
b. Year 50	1.004	1.004	1.005	1.006		
c. Year 65	1.005	1.005	1.006	1.007		
d. Year 80	1.006	1.006	1.007	1.008		
e. Year 100	1.006	1.006	1.008	1.008		
R-Squared	0.5306	0.7157	0.6943	0.7537		
@12/31/2014						
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	<u>Unadjusted</u>	<u>Adjusted*</u>
a. Year 40	1.002	1.003	1.003	1.002	1.008	1.002
b. Year 50	1.003	1.004	1.004	1.003		
c. Year 65	1.004	1.005	1.005	1.003		
d. Year 80	1.005	1.005	1.005	1.003		
e. Year 100	1.005	1.006	1.006	1.003		
R-Squared	0.7862	0.7655	0.8125	0.6153		

5-Year Standard Deviation

	Inverse Power Curve				Calendar Year Development (6-Year Average)	
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	<u>Unadjusted</u>	<u>Adjusted*</u>
a. Year 40	0.0006	0.0008	0.0008	0.0011	0.0002	0.0000
b. Year 50	0.0009	0.0012	0.0011	0.0017		
c. Year 65	0.0012	0.0016	0.0015	0.0023		
d. Year 80	0.0014	0.0018	0.0017	0.0027		
e. Year 100	0.0015	0.0020	0.0018	0.0030		

* Factors adjusted to 20% of reported factors for asbestosis claims in 1979 and prior.

Projected Medical Incurred 348-to-Ultimate Factor: Power Tail vs. Calendar Year Development

	Fitted on Inverse Power Curve [$f(t)=1.0 + a \times t^b$] based on t=10 to t=29				Calendar Year Development (6-Year Average)	
@12/31/2010						
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	<u>Unadjusted</u>	<u>Adjusted*</u>
a. Year 40	1.021	1.022	1.022	1.023	1.050	1.064
b. Year 50	1.032	1.033	1.033	1.035		
c. Year 65	1.043	1.044	1.044	1.046		
d. Year 80	1.049	1.051	1.050	1.052		
e. Year 100	1.055	1.057	1.055	1.058		
R-Squared	0.7914	0.8025	0.8086	0.8323		
@12/31/2011						
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	<u>Unadjusted</u>	<u>Adjusted*</u>
a. Year 40	1.023	1.023	1.024	1.022	1.031	1.057
b. Year 50	1.035	1.035	1.036	1.033		
c. Year 65	1.046	1.045	1.048	1.044		
d. Year 80	1.053	1.052	1.055	1.050		
e. Year 100	1.059	1.058	1.061	1.056		
R-Squared	0.8174	0.8065	0.8296	0.8796		
@12/31/2012						
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	<u>Unadjusted</u>	<u>Adjusted*</u>
a. Year 40	1.023	1.024	1.022	1.021	1.036	1.067
b. Year 50	1.036	1.037	1.034	1.032		
c. Year 65	1.047	1.049	1.045	1.041		
d. Year 80	1.054	1.057	1.052	1.047		
e. Year 100	1.061	1.063	1.058	1.052		
R-Squared	0.8853	0.9122	0.9387	0.8895		
@12/31/2013						
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	<u>Unadjusted</u>	<u>Adjusted*</u>
a. Year 40	1.023	1.021	1.019	1.021	1.030	1.055
b. Year 50	1.035	1.032	1.029	1.033		
c. Year 65	1.046	1.042	1.039	1.043		
d. Year 80	1.053	1.048	1.044	1.050		
e. Year 100	1.059	1.054	1.049	1.056		
R-Squared	0.9060	0.9237	0.8904	0.8537		
@12/31/2014						
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	<u>Unadjusted</u>	<u>Adjusted*</u>
a. Year 40	1.019	1.018	1.018	1.012	1.027	1.049
b. Year 50	1.029	1.027	1.028	1.018		
c. Year 65	1.038	1.035	1.037	1.023		
d. Year 80	1.044	1.040	1.042	1.026		
e. Year 100	1.049	1.044	1.047	1.028		
R-Squared	0.9176	0.8942	0.8421	0.6516		

5-Year Standard Deviation

	Inverse Power Curve				Calendar Year Development (6-Year Average)	
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	<u>Unadjusted</u>	<u>Adjusted*</u>
a. Year 40	0.0015	0.0021	0.0019	0.0038	0.0080	0.0064
b. Year 50	0.0023	0.0034	0.0030	0.0060		
c. Year 65	0.0032	0.0047	0.0041	0.0082		
d. Year 80	0.0038	0.0056	0.0048	0.0097		
e. Year 100	0.0043	0.0064	0.0054	0.0111		

* Factors adjusted for medical inflation.

Projected Indemnity Paid 348-to-Ultimate Factor: Power Tail vs. Calendar Year Development

Fitted on Inverse Power Curve [$f(t)=1.0 + a \times t^b$]
based on t=10 to t=29

@12/31/2010					
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	
a. Year 40	1.005	1.005	1.004	1.004	
b. Year 50	1.007	1.006	1.006	1.006	
c. Year 65	1.009	1.008	1.007	1.007	
d. Year 80	1.009	1.009	1.008	1.008	
e. Year 100	1.010	1.009	1.008	1.009	
R-Squared	0.8712	0.8838	0.8898	0.8829	
@12/31/2011					
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	
a. Year 40	1.005	1.004	1.005	1.004	
b. Year 50	1.007	1.006	1.006	1.006	
c. Year 65	1.008	1.008	1.008	1.007	
d. Year 80	1.009	1.008	1.008	1.007	
e. Year 100	1.009	1.009	1.009	1.008	
R-Squared	0.9118	0.9180	0.9171	0.9608	
@12/31/2012					
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	
a. Year 40	1.005	1.005	1.005	1.005	
b. Year 50	1.007	1.007	1.006	1.007	
c. Year 65	1.008	1.008	1.008	1.009	
d. Year 80	1.009	1.009	1.008	1.010	
e. Year 100	1.009	1.010	1.009	1.010	
R-Squared	0.9359	0.9383	0.9704	0.9631	
@12/31/2013					
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	
a. Year 40	1.005	1.005	1.005	1.006	
b. Year 50	1.007	1.007	1.008	1.008	
c. Year 65	1.009	1.008	1.009	1.010	
d. Year 80	1.009	1.009	1.010	1.010	
e. Year 100	1.010	1.009	1.011	1.011	
R-Squared	0.9507	0.9758	0.9678	0.9729	
@12/31/2014					
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	
a. Year 40	1.005	1.005	1.005	1.006	
b. Year 50	1.007	1.007	1.007	1.008	
c. Year 65	1.008	1.009	1.009	1.009	
d. Year 80	1.009	1.010	1.010	1.010	
e. Year 100	1.009	1.010	1.010	1.010	
R-Squared	0.9842	0.9781	0.9817	0.9751	

5-Year Standard Deviation

<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>
a. Year 40	0.0002	0.0003	0.0005	0.0007
b. Year 50	0.0002	0.0004	0.0007	0.0009
c. Year 65	0.0003	0.0005	0.0008	0.0011
d. Year 80	0.0004	0.0005	0.0008	0.0012
e. Year 100	0.0004	0.0005	0.0009	0.0013

Projected Medical Paid 348-to-Ultimate Factor: Power Tail vs. Calendar Year Development

Fitted on Inverse Power Curve [$f(t)=1.0 + a \times t^b$]
based on $t=10$ to $t=29$

@12/31/2010					
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	
a. Year 40	1.030	1.030	1.029	1.027	
b. Year 50	1.048	1.046	1.044	1.042	
c. Year 65	1.064	1.061	1.058	1.055	
d. Year 80	1.075	1.071	1.067	1.063	
e. Year 100	1.084	1.080	1.075	1.070	
R-Squared	0.8752	0.8794	0.8839	0.8729	
@12/31/2011					
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	
a. Year 40	1.029	1.028	1.028	1.027	
b. Year 50	1.045	1.044	1.042	1.041	
c. Year 65	1.060	1.057	1.055	1.054	
d. Year 80	1.069	1.066	1.063	1.061	
e. Year 100	1.078	1.073	1.070	1.068	
R-Squared	0.9104	0.9119	0.9015	0.9097	
@12/31/2012					
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	
a. Year 40	1.029	1.028	1.028	1.028	
b. Year 50	1.044	1.043	1.043	1.042	
c. Year 65	1.059	1.057	1.056	1.056	
d. Year 80	1.067	1.066	1.065	1.064	
e. Year 100	1.075	1.073	1.072	1.071	
R-Squared	0.9363	0.9310	0.9450	0.9554	
@12/31/2013					
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	
a. Year 40	1.030	1.030	1.030	1.031	
b. Year 50	1.046	1.045	1.046	1.048	
c. Year 65	1.060	1.060	1.060	1.063	
d. Year 80	1.069	1.069	1.069	1.072	
e. Year 100	1.077	1.077	1.077	1.081	
R-Squared	0.9584	0.9702	0.9765	0.9785	
@12/31/2014					
<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>	
a. Year 40	1.031	1.031	1.032	1.034	
b. Year 50	1.047	1.048	1.050	1.052	
c. Year 65	1.062	1.063	1.066	1.070	
d. Year 80	1.072	1.072	1.076	1.080	
e. Year 100	1.080	1.080	1.084	1.090	
R-Squared	0.9780	0.9800	0.9808	0.9698	

5-Year Standard Deviation

<u>Stopping Point</u>	<u>6-Yr Avg.</u>	<u>5-Yr Avg.</u>	<u>4-Yr Avg.</u>	<u>3-Yr Avg.</u>
a. Year 40	0.0007	0.0010	0.0017	0.0027
b. Year 50	0.0013	0.0016	0.0027	0.0043
c. Year 65	0.0020	0.0022	0.0037	0.0061
d. Year 80	0.0026	0.0027	0.0044	0.0073
e. Year 100	0.0032	0.0032	0.0050	0.0084

Item AC16-03-04
Special Call for Terrorism Premium Information

As an outgrowth of the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) of 2015, the National Association of Insurance Commissioners (NAIC) has requested insurer-specific workers' compensation data related to terrorism from 11 states, including California. As a result, the WCIRB, in consultation with the California Department of Insurance, has developed a Special Call for terrorism information for policy years 2012 and 2013 that was issued to Members on March 4, 2016.

Attached is the WCIRB Bulletin describing the Special Call.

WCIRB Bulletin

Bulletin No. 2016-05

March 4, 2016

1221 Broadway, Suite 900 • Oakland, CA 94612 • 415.777.0777 • Fax 415.778.7007 • www.wcirb.com • wcirb@wcirb.com

WCIRB Special Call for Terrorism Premium

Section 111 of the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) of 2015 authorizes the Secretary of the Treasury, beginning in 2016, to collect data on terrorism exposure from insurers. While the Secretary has not yet finalized the data reporting requirements, the National Association of Insurance Commissioners (NAIC) has requested insurer-specific workers' compensation data related to terrorism from 11 states, including California. This data request from the NAIC has been made to each Data Collection Organization in the affected states on behalf of their member insurers.

In California, the advisory pure premium rates approved by the Insurance Commissioner do not reflect a provision for terrorism losses. In addition, while some insurers' workers' compensation rate filings with the California Department of Insurance (CDI) reflect a specific premium charge for terrorism, the WCIRB does not require the reporting of specific premium adjustments related to individual insurer filed rating plans. Consequently, to provide the NAIC the required information for California, the WCIRB, in consultation with the CDI, has developed a Special Call for terrorism information. The information collected through this call, in conjunction with the information the WCIRB already collects in accordance with the *California Workers' Compensation Uniform Statistical Reporting Plan—1995*, will allow the WCIRB to provide the NAIC the required policy count, payroll and terrorism premium information by payroll size interval by insurer both for policies with a specific charge for terrorism as well as those without a specific charge. The WCIRB is requesting that the Special Call be completed for policies incepting in 2012 and 2013.

For illustrative purposes, attached is a sample copy of the Special Call for 2013 policies. Electronic versions for 2012 and 2013 policies of the actual call are being provided to the individual in each insurer's organization responsible for submitting aggregate financial data calls to the WCIRB. The information requested in the Special Call is required to be submitted to the WCIRB no later than **April 18, 2016**.



Special Call for Direct California Workers' Compensation Terrorism Information for Policies Incepting in 2013

Due Date: April 18, 2016

Note: This sample form is for illustration only. Actual form will be issued in Excel file format.

1. For each insurer listed below, indicate whether a charge for terrorism exposure pursuant to the Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA) was applied for all, some or none of its workers' compensation insurance policies incepting in 2013. A charge for terrorism exposure may refer to a separate premium charge for TRIPRA terrorism exposure such as one that is derived based on a percentage of the total policy premium or total policy payroll (e.g., Statistical Code 9740 premium) and/or a documented component of the insurer's manual rates in your company's California workers' compensation rate filing that is specific to TRIPRA terrorism exposure.

Individual Insurer within Reporting Group (WCIRB will prepopulate insurer list in this column)	Terrorism Charge Applied to: (The radio buttons below will be dropdown boxes in the actual form)
	<input type="radio"/> All Policies <input type="radio"/> Some Policies <input type="radio"/> No Policies
	<input type="radio"/> All Policies <input type="radio"/> Some Policies <input type="radio"/> No Policies
	<input type="radio"/> All Policies <input type="radio"/> Some Policies <input type="radio"/> No Policies
	<input type="radio"/> All Policies <input type="radio"/> Some Policies <input type="radio"/> No Policies

If the answer is **"No Policies"** for every insurer listed above, no additional information should be reported for questions 2 to 5 below. Please submit this form including the completed contact information on the bottom of the form no later than April 18, 2016.

Otherwise, please provide the information requested in questions 2 to 5 below for the insurers listed above and then submit this form including the completed contact information on the bottom of the form no later than April 18, 2016.

	(A) 2013 Policies for Which a Specific Premium Charge for Terrorism Applies	(B) 2013 Policies (If Any) for Which a Specific Premium Charge for Terrorism Does Not Apply
2. Total Policy Count For All Policies Incepting in 2013	-----	-----
3. Total Reported Payroll For All Policies Incepting in 2013	-----	-----
4. Total Premium Charge for Terrorism For All Policies Incepting in 2013	-----	-----XXXXXXXXX-----

5. For all individual insurers listed in question 1 above for which a terrorism charge was applied to some but not all of the policies incepting in 2013, please provide a list (in the tab "Policy List for Question 5" of this form or as a separate Excel file or text file in comma-delimited or similar format) of the policies incepting in 2013

Special Call for Direct California Workers' Compensation Terrorism Information for Policies Incepting in 2013

Due Date: April 18, 2016

written by these insurers for which the terrorism charge **did not apply** by providing the following for each such policy: i) Insurer Name and WCIRB Insurer Code (exactly as listed in question 1), ii) Policy Number, and iii) Policy Inception Date. The policy number should be the policy number as reported on unit statistical reports in accordance with the *California Workers' Compensation Uniform Statistical Reporting Plan – 1995*, including any prefixes or suffixes.

Name (Please print or type)

Title

Company

Date Filed

Mailing Address

Email

Telephone No.

Fax No.

Instructions
Special Call for Direct California Workers' Compensation Terrorism
Information

For Policies Incepting in 2013

- A. Information reported in this call must be in accordance with the following:
- 1) Include premium and payroll experience from:
 - Deductible policies on a gross (first dollar) basis
 - Standard workers' compensation policies
 - Minimum premium policies
 - 2) Exclude experience from:
 - Ceded reinsurance
 - Reinsurance assumed
 - Excess insurance
 - USL&H insurance
 - Private residence employee insurance
 - National Defense Project insurance
- B. For the purpose of this special call, a charge for terrorism exposure pursuant to the Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA) may refer to a separate premium charge for TRIPRA terrorism exposure such as one that is derived based on a percentage of the total policy premium or total policy payroll (e.g., Statistical Code 9740 premium) and/or a documented component of the insurer's manual rates in your company's California workers' compensation rate filing that is specifically for covering TRIPRA terrorism exposure.
- C. For question 1, the reporting group/insurer must designate for each individual insurer in the reporting group whether a terrorism charge applies to (a) all, (b) none, or (c) some but not all of the policies incepting in 2013 written by that insurer.
- D. For reporting groups/insurers that include a charge for terrorism, the **Policy Count** information reported in question 2 should include the count of all policies incepting in 2013 with California exposure (as described in Paragraph A above) that are required to be reported to the WCIRB in accordance with Part 4, of the *California Workers' Compensation Uniform Statistical Reporting Plan – 1995* (USRP). The count of policies should be segregated between those to which a charge for terrorism applies and those, if any, for which no such charge applies and, in total, should correspond to the total reported policy counts for all the insurer's unit statistical reports for policies incepting in 2013.
- E. For reporting groups/insurers that include a charge for terrorism, the **Total Reported Payroll** information reported in question 3 should include the total workers' compensation exposure of all policies incepting in 2013 with California exposure (as described in Paragraph A above) that are required to be reported to the WCIRB in accordance with Part 4 of the USRP. The total payroll reported should be segregated between the payroll on policies for which a provision for terrorism applies and the payroll for those, if any, for which no such charge applies and, in total, should correspond to the total reported payroll for all the insurer's unit statistical reports for policies incepting in 2013.
- F. For insurers that include a charge for terrorism in its rates filed with the CDI, the **Total Premium Charge for Terrorism** information reported in question 4 should reflect only the portion of the total workers' compensation premium corresponding to the terrorism provision.

Instructions
Special Call for Direct California Workers' Compensation Terrorism
Information

For Policies Incepting in 2013

- G. For each individual insurer in the reporting group for which a terrorism charge is applied to some but not all of its policies incepting in 2013, a listing of policies incepting in 2013 for which the terrorism charge **does not apply** must be provided. The policy numbers provided on the listing should be consistent with those reported on unit statistical reports in accordance with Part 4 of the USRP, including any prefixes or suffixes.

If you have any questions about this special call, please send an email to the WCIRB Actuarial Department at actuarial@wcirb.com.