

January 5, 2017

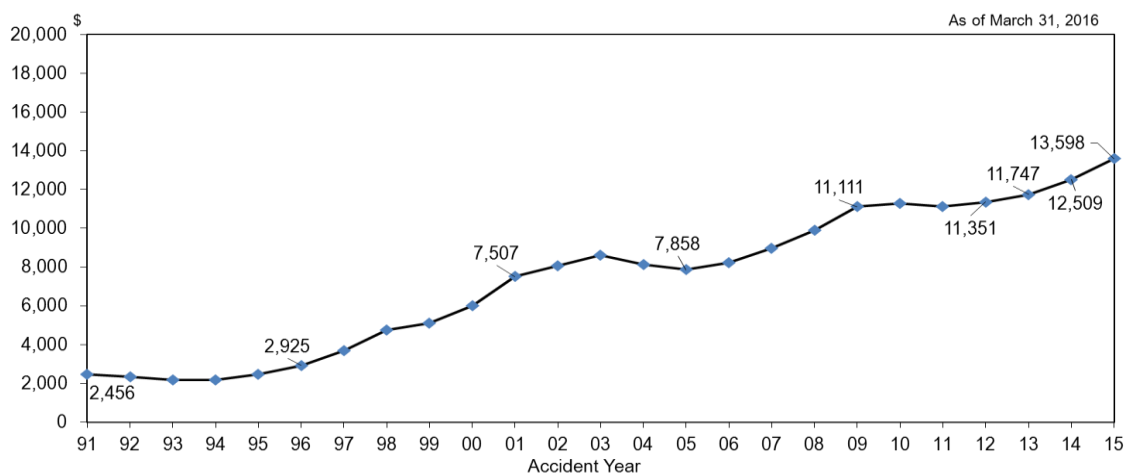
Emerging Trends in California Workers' Compensation ALAE Costs

Executive Summary

Allocated loss adjustment expense (ALAE) costs are the costs of handling claims that can be attributed to an individual claim. ALAE levels have historically been much higher in California than in other states. In addition, ALAE costs have increased sharply over the last several years despite implementation of many of the components of Senate Bill No. 863 (SB 863) intended to reduce total loss adjustment expense (or “frictional cost”) levels which include ALAE costs. As ALAE costs are a significant component of pure premium rates, the WCIRB regularly studies the costs underlying the high ALAE in California as well as the factors driving the recent increases in ALAE levels. The key findings resulting from the WCIRB’s most recent in-depth analysis of ALAE are detailed in the Analysis and Findings section of this report and include the following:

- As shown in Chart 1, average ALAE cost per claim have increased by more than five-fold in the last 25 years. In addition, despite the implementation of SB 863 in 2013, average ALAE costs have increased by 20% since 2012.

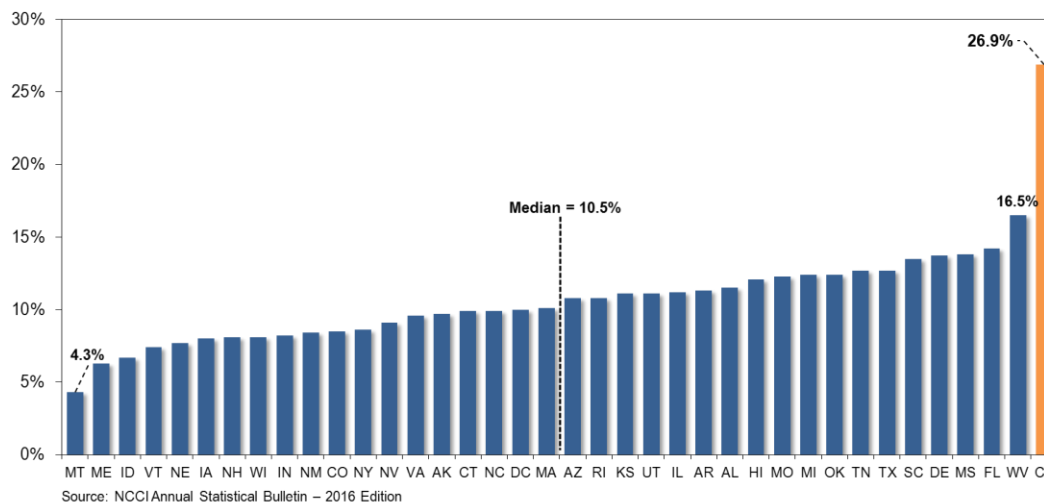
Chart 1: Estimated Ultimate ALAE per Indemnity Claim for Private Insurers



Source: WCIRB aggregate financial data and projections. Excludes medical cost containment program costs.

- As shown in Chart 2, California ALAE costs as a percentage of losses are by far the highest of any state; 10 points higher than the second highest state and more than twice the median. Other comparisons of California to other states suggest that the differences in California ALAE costs are largely related to activities that occur later in the life of a claim.

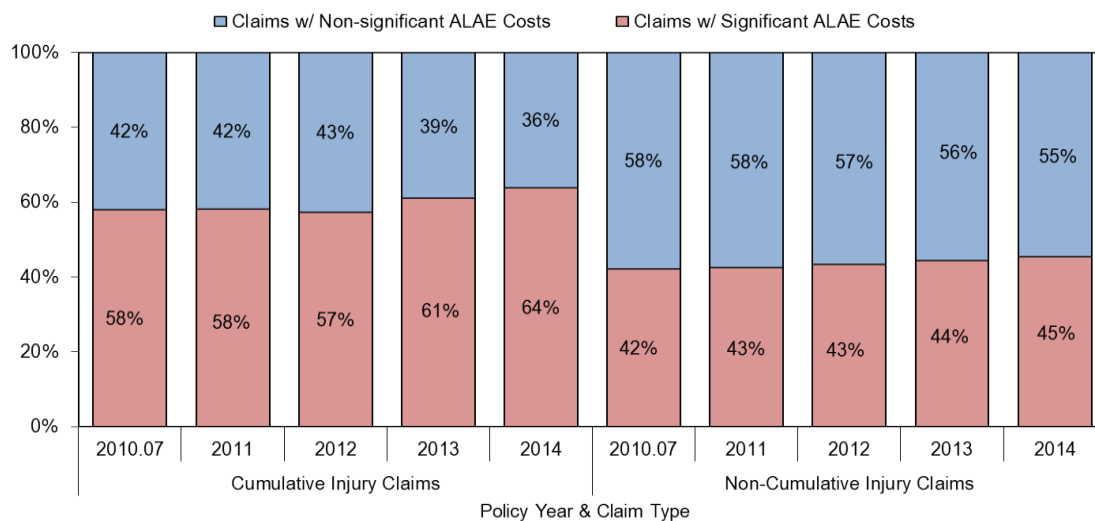
Chart 2: Ratios of ALAE to Losses by State



Source: NCCI Annual Statistical Bulletin – 2016 Edition

- Recent increases in ALAE levels are related to both increases in the frequency of claims involving significant ALAE costs in addition to the average ALAE cost on those claims. Although the majority of claims with significant ALAE costs occur in the Los Angeles Basin area, recent increases in ALAE costs have occurred broadly throughout California.
- WCIRB studies of recent indemnity claim frequency increases have shown that cumulative injury claims have been a key driver of indemnity claim frequency. As shown in Chart 3, cumulative injury claims are much more likely to involve significant ALAE costs than non-cumulative injury claims and these types of claims have been growing faster than other types of claims, indicating that the recent growth in cumulative injury claims may be a key driver of recent increases in ALAE levels.

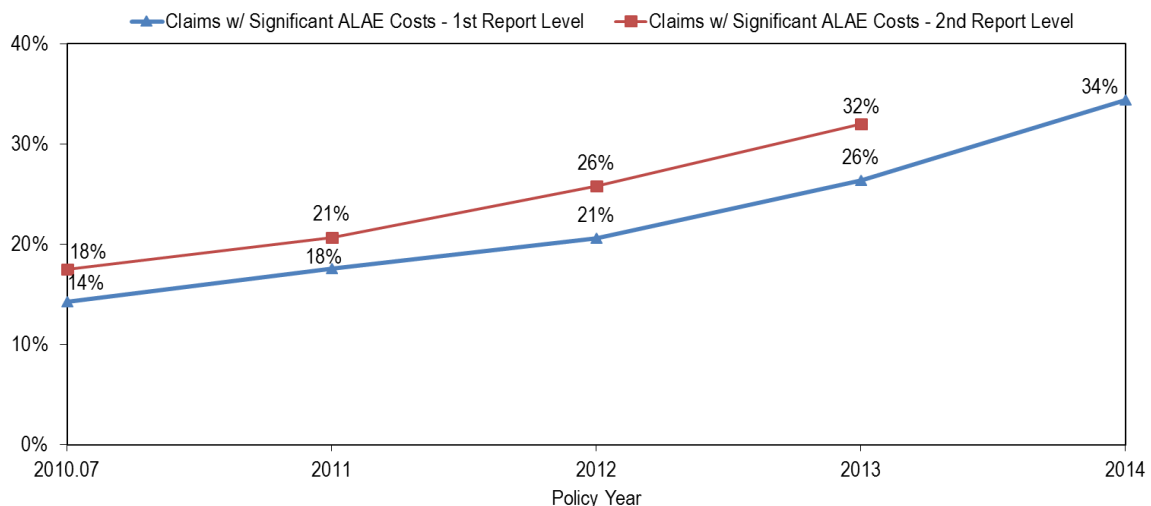
Chart 3: Distribution of Indemnity Claims by Claim Type and ALAE Category



Source: WCIRB unit statistical data at first report level. Significant ALAE is paid ALAE > \$1,000.

- Significant ALAE costs can be incurred during the process of settling claims and, as noted in recent WCIRB pure premium rate filings, the rate at which claims have been settling has been accelerating. In particular, Chart 4 shows that the proportion of claims with significant ALAE costs that have been settled by compromise and release has more than doubled since 2010. Claims settled by compromise and release also incur significantly higher ALAE costs than claims closed by other means, suggesting that the recent increases in these types of claims is a factor driving recent increases in ALAE levels.

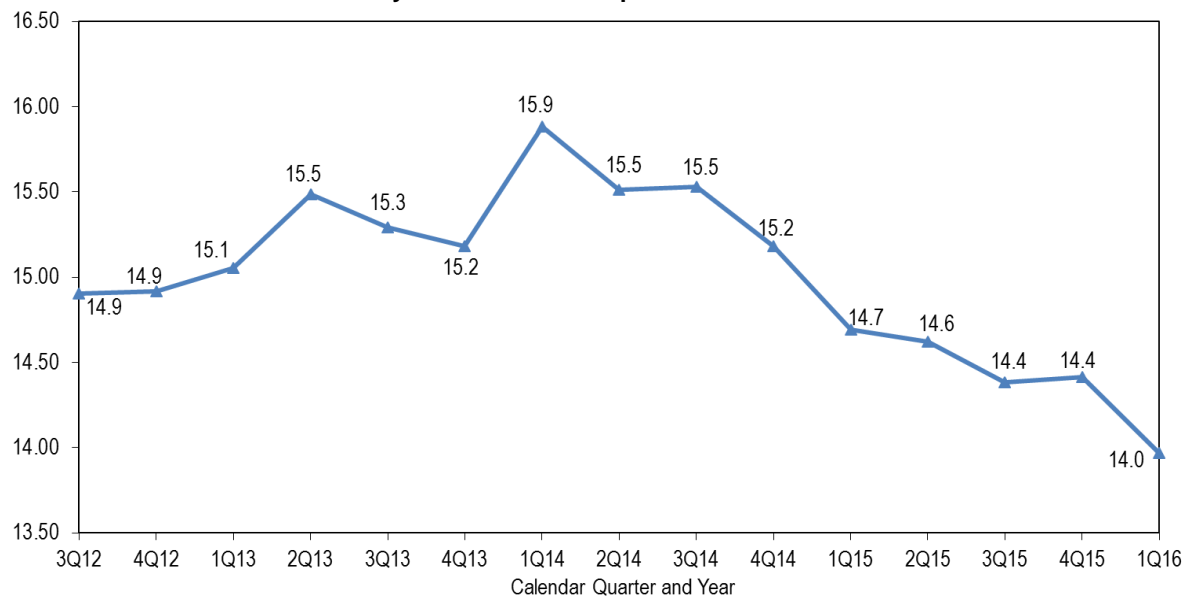
Chart 4: Percentage of Closed Claims Settled by Compromise and Release



Source: WCIRB unit statistical data. A claim with "significant ALAE costs" has paid ALAE > \$1,000.

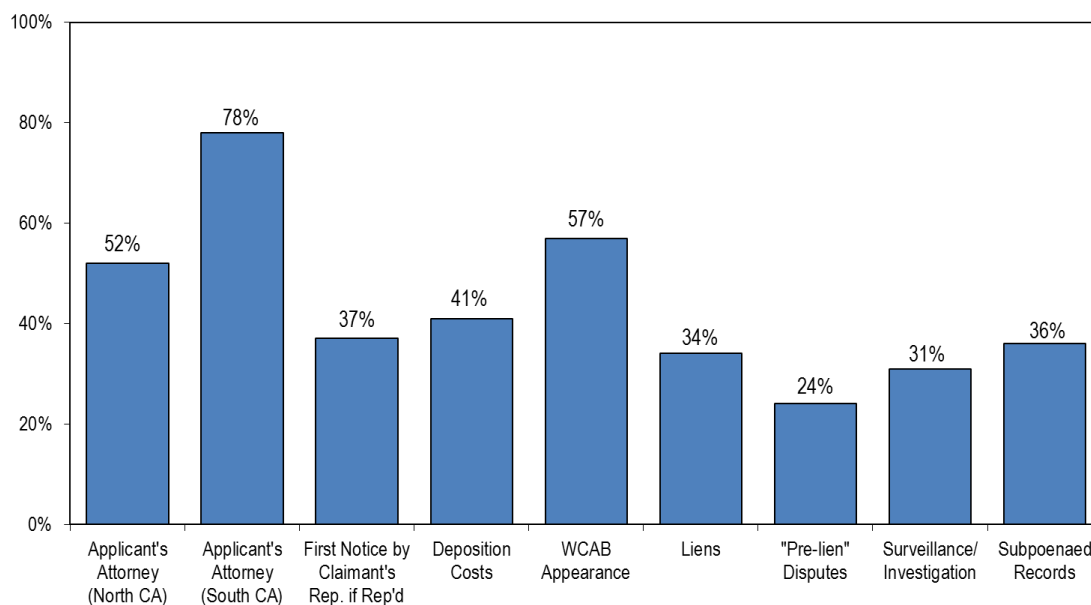
- Increases in the number of claims settled may lead to lower ALAE costs in more mature periods. As shown in Chart 5, paid ALAE development has been declining over the last several quarters.

Chart 5: Cumulative Quarterly Paid ALAE Development from 12 to 90 Months for Private Insurers



- As shown in Chart 6, a majority of permanent disability claims involve an applicant's attorney and Workers' Compensation Appeals Board appearances, while for almost 40% of represented claims the first notice of the claim was from the injured worker's representative. In addition, significant portions of permanent disability claims involved depositions, liens, disputes for which no lien had yet been filed (i.e., "pre-liens"), surveillance or investigation costs, or costs of preparing subpoenaed records.

Chart 6: Percentage of Surveyed PD Claims Involving ALAE Cost Components

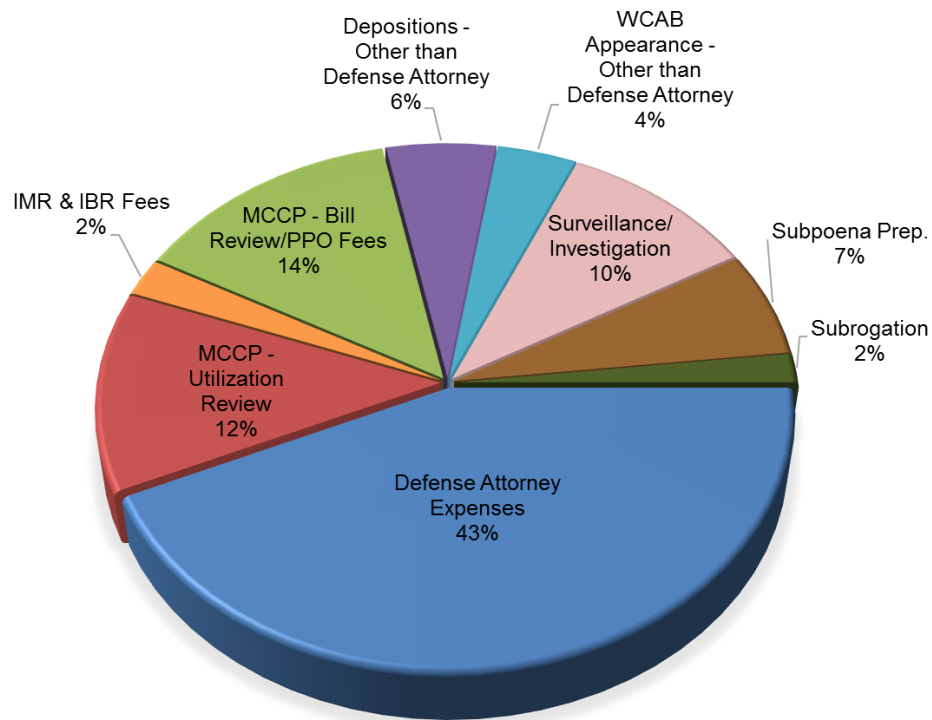


- Liens are a significant driver of total loss adjustment expense costs including ALAE costs. SB 863 included a number of provisions intended to reduce the number of lien filings. Although lien filings dropped in 2013 and 2014, they increased in 2015 and through the first half of 2016. Data from the WCIRB's recent ALAE claim survey shows that a significant number of liens continue to be filed for more recent accident year claims and

these liens are primarily for medical-related issues. The survey data also shows that settled liens have on average settled for approximately 25% of the lien demand amount.

- Chart 7 shows an approximate distribution of calendar year 2015 ALAE paid costs in California based on WCIRB aggregate financial data, California Workers' Compensation Institute information, and the WCIRB's recent ALAE claim survey data. While approximately 70% of ALAE costs are for defense attorney expenses and medical cost containment program costs, other components such as deposition, surveillance and investigation, and subpoena preparation costs are significant contributors to total ALAE levels.

Chart 7: Distribution of Calendar Year 2015 Paid ALAE Costs



Source: WCIRB aggregate financial data calls, CWCI information on the cost of medical cost containment programs, and WCIRB ALAE claim survey. ALAE amounts shown include all medical cost containment program costs including those reported in medical losses.

Background

Loss adjustment expenses (LAE), which represent the cost of administering and settling workers' compensation claims, are a significant component of advisory pure premium rates developed by the WCIRB.¹ Allocated loss adjustment expenses (ALAE) are the portion of LAE that can be attributed to a particular claim and include the costs related to defending claims when there are disputes over workers' compensation benefits as well as medical cost containment program costs (MCCP)² and other costs such as investigating the compensability of workers' compensation claims.³ ALAE levels have historically been much higher in California than in other states.

Historically, ALAE levels have grown significantly over time in California. Following the implementation of the reforms of 2002 through 2004 and through 2010, ALAE levels continued to grow at a significant rate. Some of that increase may be attributable to the 2009 Workers' Compensation Appeals Board decisions in Ogilvie v. City and County of San Francisco and Almaraz v. Environmental Recovery Services/Guzman v. Milpitas Unified School District, which impacted the manner in which permanent disability ratings can be disputed. However, from 2010 up until 2013, average ALAE costs remained relatively consistent although at a historically high level.

Senate Bill No. 863 (SB 863), which was enacted in 2012, included a number of provisions intended to reduce LAE (or "frictional cost") levels, which includes ALAE. These provisions included changes to remove the future earning capacity component of permanent disability ratings (effectively eliminating the impact of the Ogilvie decision), a new lien filing fee and statute of limitations on lien filings, and the new independent medical review and independent bill review processes. In total, the WCIRB prospectively estimated that these SB 863 provisions, once implemented, would save approximately \$0.5 billion in total LAE costs annually.⁴

Since the implementation of the majority of SB 863 provisions affecting ALAE costs in 2013, ALAE levels have not decreased as projected but in fact have increased significantly. This report summarizes the WCIRB's analysis of the high cost of ALAE in California as well as the recent increases in ALAE levels. The findings in this report are based on insurer aggregate financial data, unit statistical data, and medical transaction data reported to the WCIRB through the middle of 2016 as well as WCIRB surveys of insurer claim information.

¹ In the WCIRB's Amended January 1, 2017 Pure Premium Rate Filing, LAE was projected to be 37.2% of losses.

² Prior to policies incepting on or after July 1, 2010, MCCP was reported to the WCIRB as a component of medical loss.

³ In other jurisdictions, ALAE-related costs are also commonly referred to as defense and cost containment expenses (DCCE).

⁴ *WCIRB Evaluation of the Cost Impact of Senate Bill No. 863*, WCIRB, updated October 12, 2012.

Analysis and Findings

Allocated loss adjustment expense (ALAE) levels are much higher in California than in other states. In addition, ALAE costs have continued to increase sharply despite implementation of many of the components of Senate Bill No. 863 (SB 863) intended to reduce ALAE (or “frictional cost”) levels. The WCIRB has studied the costs underlying the high ALAE in California as well as the factors driving the recent increases in ALAE levels. A summary of this analysis is detailed below.

Aggregate ALAE Costs and Comparisons to Other States

Exhibit 1 shows projected ultimate ALAE per indemnity claim by accident year for private insurers. Average ALAE costs have grown significantly over time and the 2015 estimate of \$13,598 is more than five times the analogous amount from 25 years ago. In addition, despite the implementation of SB 863, average ALAE costs have increased by 20% since 2012.

Exhibit 2 shows the distribution of total ALAE paid by calendar year and major ALAE component for calendar years 2005 through 2015 (for consistency of comparison, medical cost containment program (MCCP) costs reported in medical losses are also included for all years). While all components of ALAE have increased over the last several years including defense attorney costs and MCCP costs, other ALAE costs have become an increasingly larger share of total ALAE paid costs. Although the WCIRB does not collect aggregate information on these other ALAE costs, WCIRB claim survey information (discussed below) suggests that these costs include several other defense-related costs such as deposition fees and other court fees.

Comparisons of California ALAE costs to those of other states are available from information published by the National Council on Compensation Insurance (NCCI) in their *Annual Statistical Bulletin* (ASB). Exhibit 3 compares ALAE (i.e., Defense and Cost Containment Expense) as a percentage of losses by state based on the 2016 NCCI ASB. California’s ALAE provision of 27% of losses is more than 10 points higher than the second-highest state and more than 150% greater than the countrywide median. Although California has had the largest ALAE provision for many years, this differential has continued to grow, as California’s total loss adjustment expense (LAE) provision was 40% greater than the countrywide median in the NCCI’s 2010 ASB.⁵

The Workers’ Compensation Research Institute (WCRI) also publishes interstate comparisons of ALAE-related costs (i.e., “benefit delivery expenses”)⁶ in their *CompScope™ Benchmarks*. Several observations from the latest (April 2016) report include:

- California has the highest benefit delivery expenses paid per lost time claim⁷ at 36 months and is 60% higher than the WCRI 18-state median.
- California has the third-highest medical cost containment expenses per lost time claim at 36 months and is 25% higher than the WCRI 18-state median.
- 42% of California lost time claims have defense attorney payments greater than \$500 at 36 months, which is 13 points higher than the WCRI 18-state median, and average defense attorney payments on those claims are 20% higher than the median.
- Although California benefit delivery cost components were significantly higher than the median state at 36 months, California was not very different than the median state for these same measures at 12 months, indicating that the differences that drive California to be a higher-cost state are from activities that happen later in the life of a claim. Given this and that prior WCIRB analyses have shown that the average claim duration is

⁵ A separate breakout of ALAE from total LAE by state was not available until starting in 2015.

⁶ Includes litigation expenses (including medical-legal costs and applicant attorney fees), adjusting expenses, and medical cost containment expenses.

⁷ Claim with more than 7 days of lost time.

significantly higher in California than in other states, interstate comparisons of benefit delivery costs at 36 months likely significantly understate the differential at an ultimate cost level.

Characteristics of Claims with Significant ALAE Costs

The WCIRB collects paid ALAE costs at the claim level in its unit statistical report (USR) data. This section includes an analysis the characteristics of claims with significant ALAE costs compared to other types of claims in order to better understand the types of claims that have significant ALAE costs and what factors may be driving recent increases in the number of and average cost of these claims.

Beginning with policies incepting July 1, 2010, MCCC costs are reported in ALAE rather than in medical losses. Although the WCIRB collects MCCC costs separately on aggregate financial data calls, MCCC costs are not reported separately on USRs. As a result, any analysis of USR claims with ALAE costs over time may be distorted by the change in MCCC reporting rules. Further, while defense expenses and other ALAE costs typically only occur on litigated claims—which involve the majority of total ALAE costs—MCCC costs occur on most all indemnity claims.

In order to analyze claims having the most significant impact on changes in ALAE cost levels compared to other types of claims, claims were categorized as “Significant ALAE” (paid ALAE on the claim greater than \$1,000), “Non-significant ALAE” (paid ALAE on the claim greater than \$0 and up to \$1,000), or “No ALAE”. The \$1,000 threshold was based on a review distributions of paid ALAE costs before and after the change in MCCC reporting rules to assess the cost of “MCCC-only” claims and separate them from claims that include other ALAE costs in addition to MCCC. This review suggested that claims which would have had no ALAE costs under the prior MCCC reporting rules now have approximately \$1,000 in ALAE paid costs.⁸ Reviews of reported paid MCCC costs per indemnity claim also showed average paid MCCC amounts close to the \$1,000 threshold selected.⁹

Exhibit 4 shows the distribution of indemnity claim counts and paid losses among the “Significant ALAE”, “Non-significant ALAE”, and “No ALAE” categories. The share of claims and paid losses from “Significant ALAE” claims has grown steadily since 2012. Prior to the change in MCCC reporting rules, a significant number of claims had no paid ALAE. After the change, virtually all indemnity claims have paid ALAE. As a result, most claims in the “No ALAE” category prior to the change have shifted into the “Non-significant ALAE” category after the change, while claims in the “Non-significant ALAE” category prior to the change have generally shifted into the “Significant ALAE” category after the change. These sections of Exhibit 4 and other analogous exhibits are color coded to illustrate these relationships. In general, this report focuses on the post-July 1, 2010 policy period, for which MCCC costs are consistently reported as ALAE.

Exhibit 5 shows average paid costs for claims by ALAE category. In addition to the share of claims with significant ALAE costs increasing since 2012, the average ALAE paid per claim on these types of claims has also grown, suggesting that the both the frequency of “Significant ALAE” claims and the average cost of these claims is contributing to the recent increases in ALAE levels. In addition, claims with significant ALAE have appreciably greater indemnity and medical costs. The average medical cost per claim with significant ALAE has decreased since 2011 as overall medical costs have declined and additional smaller claims are being categorized as “Significant ALAE”.

Exhibit 6.1 shows the distribution of claims within each ALAE category by region. The majority of “Significant ALAE” claims come from the Los Angeles Basin area.¹⁰ The share of “Significant ALAE” claims from this area has also grown since 2012. Exhibit 6.2 shows the distribution of claims within each region. A claim is about 20% more likely to include significant ALAE in the Los Angeles Basin area. Exhibit 6.3 shows the average paid ALAE cost by region and ALAE category. Not only do considerably more claims include significant ALAE costs in the Los Angeles Basin area, but these claims also cost more and develop higher. However, average paid ALAE costs per claim have increased in general across all California regions since 2012.

⁸ For consistency, this threshold was applied to all policy years and report levels and was not adjusted for inflation. Since the threshold was meant to eliminate “MCCC-only” claims from claims that include other ALAE costs and recent changes in average MCCC costs have been relatively flat, an inflation adjustment did not appear to be warranted.

⁹ See Exhibit E15 of Item AC16-08-01 of the August 3, 2016 WCIRB Actuarial Committee Agenda.

¹⁰ Regions are based on the zip code reported on the California workers’ compensation policy. Los Angeles Basin area includes Los Angeles County, Orange County, San Bernardino County, Riverside County, and Ventura County. Bay Area includes San Francisco County, Alameda County, Contra Costa County, Marin County, San Mateo County, Santa Clara County, Napa County, Solano County and Sonoma County.

Exhibit 7.1 shows the distribution of claims within each ALAE category by injury type. At early report levels, the largest proportion of “Significant ALAE” claims involve only temporary disability. Over time, a greater share is reported in the permanent category, which may be in part a result of temporary claims transitioning to permanent disability. The share of “Significant ALAE” claims involving only temporary disability is also higher in the post-SB 863 period (2012 through 2014) compared to the pre-SB 863 period (2010 and 2011), suggesting that disputes are happening more frequently on less-severe claims. This may be related to the high volume of independent medical review (IMR) requests being filed or the SB 863 lien statute of limitations requiring lien disputes to be addressed in earlier periods. Exhibit 7.2 shows the distribution of claims within each injury type. The proportion of permanent claims involving significant ALAE costs continues to grow over time as the ALAE data develops while the proportion for temporary claims is relatively consistent over time. Exhibit 7.3 shows the average paid ALAE cost by injury type and ALAE category. As expected, permanent disability claims have higher average ALAE costs than other types of claims, but both temporary and medical-only claims can incur significant ALAE costs.

Significant ALAE costs can be incurred in the process to determine the final permanent disability (PD) rating on a PD claim. Exhibit 8 shows the average PD rating for claims with “Significant ALAE”, “Non-significant ALAE”, and “No ALAE” and the distribution of PD claim counts across the three categories. Average PD ratings on “Significant ALAE” claims are 30% higher at earlier report levels and 90% higher at later report levels. Recently, average PD ratings on “Significant ALAE” claims have declined while the proportion of these claims has increased, which may be a result of smaller PD claims now being litigated. The extent to which this is a result of the SB 863 reforms that significantly increased PD benefits during this period is uncertain.

One factor driving recent increases in indemnity claim frequency¹¹ and in ALAE are the growing share of cumulative injury claims. Prior WCIRB claim surveys have shown that cumulative injury claims are often litigated. Exhibit 9.1 shows the distribution of claims within each ALAE category by type of claim. Recent growth in the proportion of cumulative injury claims appears to be more concentrated in claims involving significant ALAE costs. Exhibit 9.2 shows the distribution of claims within each claim type. Cumulative injury claims are approximately 40% more likely than non-cumulative injury claims to involve significant ALAE costs, and this proportion has grown since 2012 at double the rate of growth in non-cumulative injury claims. However, as shown in Exhibit 9.3, the average paid ALAE cost for “Significant ALAE” claims is not notably different between cumulative injury and non-cumulative injury claims. However, inasmuch as cumulative injury claims are more much likely to involve significant ALAE costs, the average ALAE cost over all cumulative injury indemnity claims is considerably higher than that for non-cumulative injury claims (see Exhibit 9.3) and the recent increases in the frequency of cumulative injury claims has been key a driver of recent increases in ALAE levels.

Exhibit 10.1 shows claim closing rates by ALAE category as well as the percentage of closed claims settled by compromise and release. Although “Significant ALAE” claims typically stay open much longer than other types of claims, claim closing rates on “Significant ALAE” claims have increased recently at most maturities as in other types of claims. In particular, the proportion of “Significant ALAE” claims settled by compromise and release is markedly greater than the proportion for other types of claims and has more than doubled since 2010. As a result, recent increases in ALAE may be in part related to the recent increases in claim settlement rates in which disputes are litigated and claims are settled by compromise and release earlier in the life of a claim, which may lead to lower paid ALAE development in the future. Exhibit 10.2 shows that average paid ALAE costs on claims settled by compromise and release, even after controlling for claims with significant ALAE, are markedly higher than that for other closed claims. Exhibit 10.2 also shows that average paid ALAE costs on open claims at later maturities, even without including MCCP costs, can be very large and show a continuing upward trend.

As discussed above, if recent increases in ALAE levels are driven by increases in the proportion of claims settling by compromise and release at earlier maturities, it may result in lower paid ALAE development in the future. Exhibit 11 shows cumulative quarterly paid ALAE development for private insurers, which shows that paid ALAE development has been generally decreasing since 2014. However, as shown in Exhibit 1, average ALAE costs developed to an ultimate basis continue to show significant increases for the most recent years.

The WCIRB began collecting medical transactional data from its Medical Data Call (MDC) beginning in the second half of 2012. These transactions have been linked to USR claims to analyze the medical detail on claims with significant ALAE costs compared to other types of claims. Although only accident years 2012 through 2015 are available from this

¹¹ For more information, see *Analysis of Changes in Indemnity Claim Frequency – January 2016 Update Report*, WCIRB, January 7, 2016.

information, it does allow some analysis of the immediate pre- and post-SB 863 periods. Exhibits 12.1 through 12.3 show distributions of medical transactions and paid medical by ALAE category and partial accident year after controlling for injury type.¹² Since MDC data is only available beginning with transactions paid in the second half of 2012, for consistency of comparison, each accident year shown in Exhibits 12.1 through 12.3 is based on claims arising from July 1 through December 31 of that accident year at USR first report level and includes MDC transactions paid within the first 18 months of the claim. Although this represents only a fraction of the claims arising in that accident year, it allows for the most consistent comparison of MDC data over time.

As shown in Exhibits 12.1 through 12.3, “Significant ALAE” claims tend to be for more complex injuries and involve many more medical transactions per claim and higher paid medical losses even after controlling for injury type. For temporary (Exhibit 12.2) and medical-only (Exhibit 12.3) claims, the distributions of medical transactions and payments are generally consistent by medical category. For permanent claims (Exhibit 12.1), “Significant ALAE” claims include a smaller share of evaluation and management services and physical medicine services but a somewhat greater share of inpatient services and medical supplies and equipment. Changes in the distributions of transactions that have occurred following SB 863, such as decreases in the utilization of pharmaceuticals and special services and reports, appear to be consistent across “Significant ALAE” and “Non-significant” ALAE claims.

Detailed Components of ALAE

The WCIRB recently surveyed approximately 870 permanent disability claims from accident years 2011 through 2014 in order to better understand the detailed components underlying reported ALAE costs. The WCIRB received responses on approximately 97% of the surveys. The results of the survey are summarized in Exhibits 13.1 through 13.6. Claims were surveyed as of the most recent (approximately August 2016) maturity level, making analysis of trends across accident years difficult. As a result, decreases in the proportion and cost of most of these components across accident year is expected due to the differences in maturity levels, in which the more recent accident years may be understated. However, significant ALAE costs still occurred on the less mature accident year (2013 and 2014) claims and these costs will likely develop higher over time. As a result, *increases* in the proportion or cost of ALAE components across accident years may be more representative of changes in ALAE levels and these differentials may even grow as the claims develop.

Key observations from the survey data include:

- Approximately one-half of the surveyed permanent disability claims in Northern California were represented by an applicant’s attorney, while over three-quarters of the claims in Southern California were represented (Exhibit 13.1). Claimants were also represented by an applicant’s attorney much earlier in the life of the claim in Southern California (Exhibit 13.2). In approximately 40% of represented claims, first notice of the claim was provided by the claimant’s legal representative. Average paid ALAE on represented claims were over two times greater than that for non-represented claims for the less mature accident years and almost five times greater for the more mature accident years (Exhibit 13.3).
- Approximately 40% of surveyed claims involved deposition costs at the time of the survey (Exhibit 13.1) and the vast majority of depositions were of the applicant. For accident year 2013, depositions occurred at a rate of one per every two surveyed claims, which was consistent with the rate for 2012 even with the difference in maturity levels (Exhibit 13.2). Deposition costs totaled approximately \$3,400 per claim with a deposition, with applicant’s attorney fees representing 45% of these costs (Exhibit 13.4).¹³
- Over half of the surveyed claims involved an appearance at the Workers’ Compensation Appeals Board (WCAB) (Exhibit 13.1) with WCAB appearances occurring at a rate of over one appearance per claim for the more mature accident year claims (Exhibit 13.2). Mandatory settlement conferences (MSCs) were the most common type of appearance, while status conferences, lien conferences, and walk-throughs were also common. Most WCAB appearances incur from \$700 to \$900 in total ALAE costs per appearance, though lien conferences and walk-throughs incurred about half that cost (Exhibit 13.4). Although occurring in only one-quarter of the claims with WCAB appearances, interpreter fees were at a level comparable to other types of WCAB costs when they occurred.

¹² Each accident year represents claims occurring in that year from policies incepting in the prior year (i.e., 2012 claims from 2011 policies).

¹³ Applicant’s attorney fees are required to be reported to the WCIRB as indemnity loss rather than as ALAE, but are related to the other dispute and litigation costs requested in the survey.

- Almost 90% of surveyed claims included bill review (BR) costs, while over half included utilization review (UR) costs (Exhibit 13.1). The average BR or UR cost per claim with that type of cost were consistent at approximately \$1,900 for each (Exhibit 13.4).
- IMR occurred on surveyed claims at a rate of one IMR per every three claims, with a greater occurrence rate for older claims (Exhibit 13.2). Approximately 30% of IMRs in the survey were for pharmaceutical services.
- Other significant components of ALAE costs included surveillance and investigation costs and costs of obtaining and preparing subpoenaed records (Exhibit 13.1). These costs each occurred on approximately one-third of surveyed claims and in total contributed approximately \$1,000 paid per claim (Exhibit 13.3).

Liens are a significant driver of total LAE costs including ALAE costs. SB 863 included a number of provisions intended to reduce the number of lien filings. Immediately following the implementation of the SB 863 lien provisions in 2013, the number of lien filings reduced dramatically in 2013 and 2014. However, in 2015 and through 2016, the number of liens filed increased.¹⁴ The WCIRB's ALAE claim survey also requested several data related to liens. Key observations from the survey data include:

- Over one-third of the surveyed claims had a lien (Exhibit 13.1). For more mature accident years, liens occurred at a rate of over 1.5 liens per surveyed claim (including claims without liens) (Exhibit 13.2). Liens also occurred at a significant rate for more recent accident years.
- The majority of liens were for medical-related issues with disputes focused mainly on denied body parts or self-procured treatment (Exhibit 13.6). The proportion of liens for interpreter services or copy services has decreased since the implementation of SB 863 while the proportion for medical issues other than medical treatment has grown.
- The average lien demand was approximately \$6,800 for all liens and \$6,400 for settled liens with an average settlement amount of about \$1,600, indicating a settlement rate of about \$0.25 on the dollar (Exhibit 13.5). Liens for medical treatment were the most costly, with an average lien demand of over \$8,000 and an average lien settlement amount of just over \$2,000.
- Liens filed for services that occurred in 2012 had a median lag of approximately 8 months between the date of service and date of lien filing (Exhibit 13.6). This increased to 27 months in the first half of 2013 in which the temporary 36-month statute of limitations pursuant to SB 863 was in effect.¹⁵ However, for liens filed on services that occurred in the second half of 2013 and in 2014, for which the permanent 18-month statute of limitations is in effect, the median lag between the date of service and date of lien filing reduced to approximately 18 months. As a result, it appears that a large proportion of liens are being filed close to the expiration of the statute of limitations for that lien.
- Approximately one-quarter of the surveyed claims included disputes over medical treatment or other issues typically handled by the lien process in which no lien had yet been filed (and no lien filing fee had yet been paid) (Exhibit 13.5). These "pre-lien" disputes occurred at a rate of over one dispute per claim for older accident years. While some of these disputes may have eventually resulted in a lien, some were settled prior to the filing of a lien, with an average demand amount on these disputes of about \$5,200 and settlement rates comparable to those for liens that had been filed.

¹⁴ For more information on the SB 863 lien provisions and their impact on costs, see *Senate Bill No. 863 WCIRB Cost Monitoring Report – 2016 Retrospective Evaluation*, WCIRB, November 17, 2016.

¹⁵ Liens for services performed in 2012 but filed after January 1, 2013 are also subject to the 36-month statute of limitations but many liens for 2012 services were also filed prior to that date.

Impact of Reforms on ALAE Costs

The California workers' compensation system has undergone significant reform and change over the decades. Some of these reforms have intended to reduce ALAE costs, while others may have unintentionally resulted in higher ALAE costs. Anecdotally, average ALAE costs have tended to increase immediately following significant system changes. For example, average ultimate ALAE per indemnity claim increased by 157% following the 1996 Minniear¹⁶ decision (1996 to 2001), by 41% following the 2002 through 2004 reforms (2005 to 2009), and by 16% following SB 863 (2013 to 2015; see Exhibit 1). After the sharp increases following both the Minniear decision and 2002 through 2004 reforms, average ultimate ALAE costs stabilized and in some years decreased. This suggests that significant system changes may be resulting in temporary ALAE spikes as the changes are implemented and judicially interpreted.

The WCIRB examined changes in average ALAE costs compared to changes in benefit levels for a possible statistical relationship. Inasmuch as (a) legislative reforms or significant judicial action in California workers' compensation is not uncommon and often overlaps with other changes and (b) many factors may influence average ALAE costs in addition to the reaction to system changes, no significant statistical relationship was found. However, the anecdotal information of ALAE cost increases following prior significant reforms suggests caution when projecting ALAE cost savings resulting from reforms, at least in the short-term.

¹⁶ Minniear v. Mount San Antonio Community College District (1996) 61 Cal. Comp. Cases 1055 (Appeals Board en banc opinion).

Estimated Ultimate ALAE Per Indemnity Claim - Private Insurers

Acc. Year	Paid ALAE ^[1] @3/31/16 (in \$000) (1)	Cumulative Development Factors ^[2] (2)	Estimated Ultimate ALAE (in \$000) (3)=(1)x(2)	Indemnity Claim Counts @3/31/16 (4)	Cumulative Count Development Factors ^[3] (5)	Estimated Ultimate Ind. Counts (6)=(4)x(5)	Estimated Ultimate ALAE Per Indemnity Claim (7)=(3)/(6)x1000	Annual Change
1991	412,006	1.045	430,490	175,228	1.000	175,268	2,456	---
1992	316,238	1.049	331,590	141,910	1.000	141,961	2,336	-4.9%
1993	233,611	1.052	245,751	113,498	1.001	113,563	2,164	-7.4%
1994	216,421	1.058	228,866	105,323	1.001	105,408	2,171	0.3%
1995	236,439	1.063	251,325	101,270	1.001	101,384	2,479	14.2%
1996	282,230	1.070	302,106	103,128	1.002	103,299	2,925	18.0%
1997	357,025	1.079	385,089	104,673	1.002	104,864	3,672	25.6%
1998	493,132	1.087	536,023	112,428	1.002	112,666	4,758	29.6%
1999	542,465	1.098	595,735	116,318	1.002	116,578	5,110	7.4%
2000	643,015	1.110	713,723	118,389	1.002	118,655	6,015	17.7%
2001	762,835	1.124	857,302	113,883	1.003	114,201	7,507	24.8%
2002	801,055	1.139	912,785	112,977	1.003	113,341	8,053	7.3%
2003	809,519	1.155	934,604	108,322	1.003	108,674	8,600	6.8%
2004	691,870	1.174	811,963	99,436	1.004	99,805	8,136	-5.4%
2005	642,953	1.196	768,826	97,400	1.005	97,843	7,858	-3.4%
2006	702,915	1.229	863,612	104,464	1.005	104,965	8,228	4.7%
2007	765,548	1.268	970,864	107,519	1.006	108,152	8,977	9.1%
2008	802,923	1.321	1,060,925	106,220	1.007	106,984	9,917	10.5%
2009	824,839	1.394	1,149,845	102,562	1.009	103,484	11,111	12.0%
2010	842,364	1.500	1,263,321	110,588	1.011	111,823	11,298	1.7%
2011	779,378	1.662	1,295,259	114,647	1.015	116,343	11,133	-1.5%
2012	733,443	1.942	1,424,147	122,814	1.022	125,459	11,351	2.0%
2013	621,169	2.498	1,551,529	127,765	1.034	132,084	11,747	3.5%
2014	432,879	3.873	1,676,610	125,982	1.064	134,032	12,509	6.5%
2015	169,501	11.122	1,885,269	116,523	1.190	138,640	13,598	8.7%

Estimated Annual Exponential Trend Based on:

	<u>R²</u>
2005 to 2015	5.1% 0.918
2010 to 2015	3.8% 0.823

Notes:

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

^[2] Based on the latest year paid ALAE age-to-age development from Exhibit 12.1 of Section B, Appendix C of the WCIRB's January 1, 2017 Pure Premium Rate Filing submitted on August 19, 2016.

^[3] Based on analogous Exhibit 12.3 of Section B, Appendix C of the WCIRB's January 1, 2017 Pure Premium Rate Filing submitted on August 19, 2016, applicable to private insurers only.

Distribution of Paid Allocated Loss Adjustment Expenses

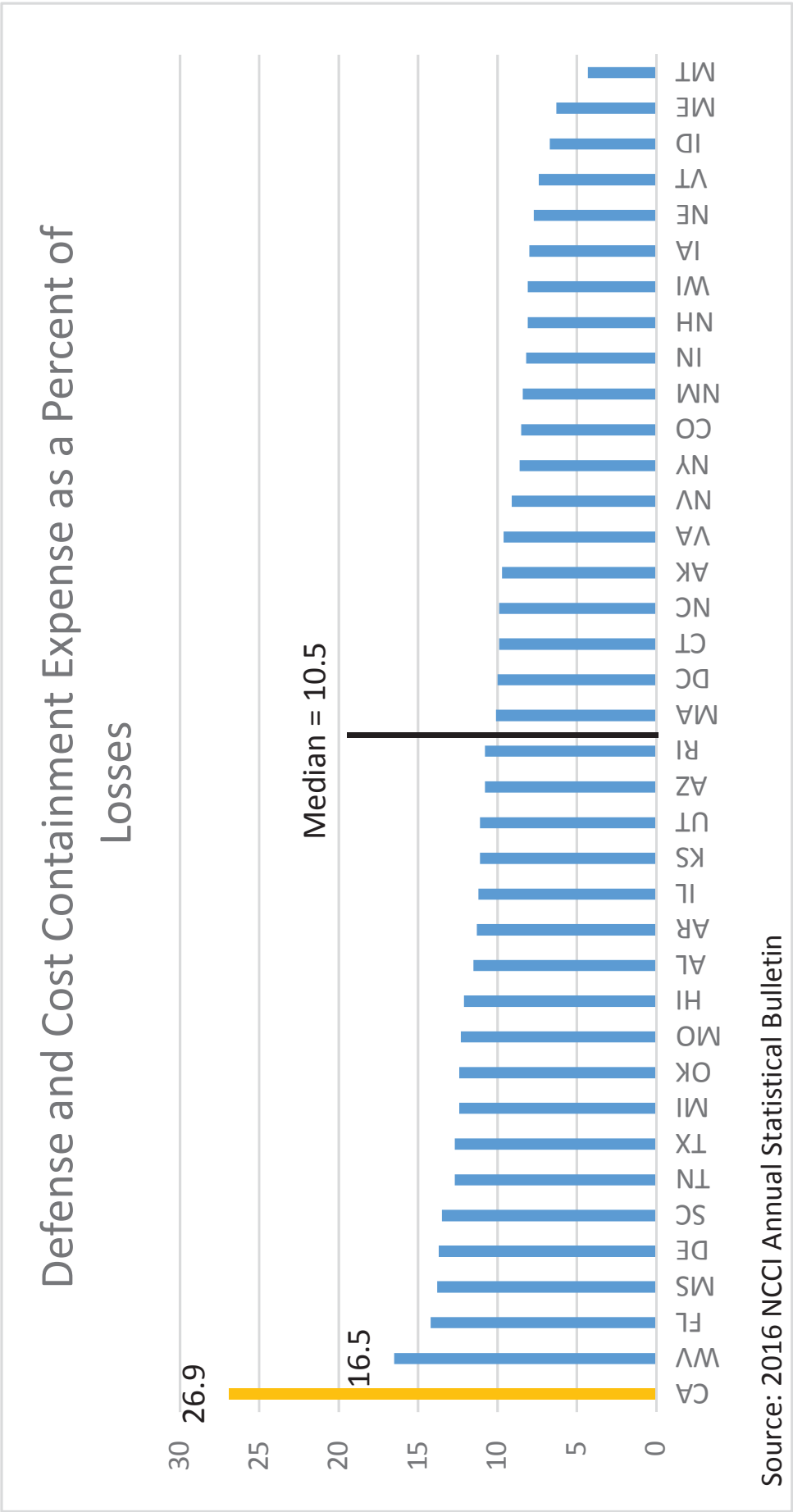
Calendar Year	(1) <u>UR</u>	(2) <u>IMR & IBR</u>	(3) <u>Medical Bill Review/ PPO/MPN</u>	(4) <u>Defense Attorney Expense</u>	(5) <u>Other Paid ALAE</u>	(6) <u>Total Paid ALAE</u>
2005	\$75	---	\$111	\$598	\$237	\$1,022
2006	\$99	---	\$117	\$526	\$306	\$1,048
2007	\$119	---	\$118	\$596	\$241	\$1,075
2008	\$181	---	\$175	\$601	\$258	\$1,216
2009	\$173	---	\$166	\$592	\$314	\$1,245
2010	\$187	---	\$168	\$618	\$325	\$1,298
2011	\$198	---	\$185	\$722	\$317	\$1,422
2012	\$211	---	\$203	\$784	\$342	\$1,540
2013	\$210	\$18	\$237	\$836	\$351	\$1,651
2014	\$217	\$41	\$254	\$859	\$456	\$1,827
2015	\$242	\$45	\$269	\$843	\$548	\$1,946

Percent of Total Paid ALAE

Calendar Year	<u>UR</u>	<u>IMR & IBR</u>	<u>Medical Bill Review/ PPO/MPN</u>	<u>Defense Attorney Expense</u>	<u>Other Paid ALAE</u>	<u>Total Paid ALAE</u>
2005	7.4%	---	10.9%	58.5%	23.2%	100.0%
2006	9.4%	---	11.2%	50.2%	29.2%	100.0%
2007	11.1%	---	11.0%	55.4%	22.4%	100.0%
2008	14.9%	---	14.4%	49.5%	21.3%	100.0%
2009	13.9%	---	13.3%	47.5%	25.2%	100.0%
2010	14.4%	---	12.9%	47.6%	25.0%	100.0%
2011	13.9%	---	13.0%	50.8%	22.3%	100.0%
2012	13.7%	---	13.2%	50.9%	22.2%	100.0%
2013	12.7%	1.1%	14.4%	50.6%	21.2%	100.0%
2014	11.9%	2.2%	13.9%	47.0%	25.0%	100.0%
2015	12.4%	2.3%	13.8%	43.3%	28.1%	100.0%

Source:

WCIRB aggregate financial data calls and CWCI information on the distribution of medical cost containment program costs. Medical cost containment program costs shown include those reported in medical losses.



Share of Indemnity Claim Counts and Paid Loss and ALAE for Significant/Non-Significant/No-ALAE Claims

PY/RL	Significant ALAE									Non-Significant ALAE									No ALAE								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Indemnity Claim Counts																											
2005	21.5%	31.6%	36.9%	39.3%	41.5%	42.3%	42.8%	43.0%	43.2%	31.1%	26.5%	24.5%	23.4%	22.9%	22.5%	22.4%	22.3%	22.3%	47.4%	41.9%	38.5%	37.3%	35.6%	35.2%	34.7%	34.6%	34.5%
2006	21.5%	32.3%	37.4%	41.1%	42.5%	43.4%	43.9%	44.2%	44.3%	29.9%	27.2%	25.2%	24.2%	23.6%	23.3%	23.1%	22.9%	22.8%	48.6%	40.5%	37.3%	34.7%	33.8%	33.3%	33.0%	33.0%	32.9%
2007	23.5%	34.2%	41.1%	43.8%	45.3%	46.1%	46.5%	46.8%		32.1%	28.3%	26.0%	24.7%	23.9%	23.6%	23.3%	23.2%		44.4%	37.6%	32.9%	31.5%	30.8%	30.3%	30.2%	30.0%	
2008	24.2%	38.4%	44.7%	47.5%	49.0%	49.7%	50.1%			33.0%	29.4%	26.3%	24.8%	24.0%	23.7%	23.5%			42.8%	32.2%	29.0%	27.6%	26.9%	26.7%	26.4%		
2009	27.5%	41.6%	47.6%	50.3%	51.4%	52.1%				36.4%	30.2%	27.3%	25.8%	25.1%	24.7%				36.1%	28.2%	25.1%	24.0%	23.5%	23.2%			
2010_Before	28.7%	42.7%	48.3%	50.7%	51.8%					36.6%	30.3%	27.5%	26.1%	25.4%					34.7%	27.0%	24.2%	23.2%	22.8%				
2010_After	43.3%	55.1%	58.9%	60.3%	61.5%					53.0%	41.6%	38.3%	37.1%	36.2%					3.7%	3.3%	2.8%	2.6%	2.3%				
2011	43.6%	55.7%	59.2%	61.0%						52.6%	41.3%	38.1%	36.7%						3.9%	3.0%	2.7%	2.3%					
2012	44.4%	56.9%	60.8%							51.2%	39.9%	36.6%							4.3%	3.2%	2.6%						
2013	45.8%	58.3%								49.7%	38.6%								4.5%	3.1%							
2014	47.3%									48.8%									3.9%								
Paid Indemnity																											
2005	39.1%	58.0%	70.2%	75.4%	80.0%	81.7%	82.8%	83.6%	84.0%	27.6%	18.9%	15.9%	12.9%	11.3%	10.3%	9.7%	9.3%	9.0%	33.3%	23.0%	13.9%	11.7%	8.7%	8.0%	7.5%	7.1%	7.0%
2006	39.0%	60.3%	71.0%	78.5%	81.2%	82.9%	84.0%	84.6%	85.1%	25.5%	20.6%	15.4%	12.4%	10.9%	9.9%	9.3%	8.8%	8.5%	35.5%	19.1%	13.6%	9.0%	8.0%	7.2%	6.8%	6.6%	6.4%
2007	40.8%	61.5%	74.8%	79.9%	82.9%	84.6%	85.5%	86.1%		29.0%	21.1%	15.4%	12.2%	10.6%	9.5%	8.8%	8.5%		30.2%	17.4%	9.8%	7.9%	6.6%	5.9%	5.7%	5.4%	
2008	40.3%	65.7%	77.1%	82.4%	85.1%	86.3%	87.2%			31.4%	21.5%	14.4%	11.3%	9.6%	8.8%	8.3%			28.3%	12.8%	8.5%	6.3%	5.2%	5.0%	4.5%		
2009	43.5%	68.2%	79.4%	84.2%	86.3%	87.6%				31.5%	19.6%	13.4%	10.4%	8.9%	8.2%				25.0%	12.2%	7.2%	5.4%	4.8%	4.2%			
2010_Before	45.1%	69.2%	80.0%	84.4%	86.4%					30.7%	19.2%	13.2%	10.2%	9.0%					24.2%	11.6%	6.7%	5.3%	4.6%				
2010_After	70.7%	85.8%	90.7%	92.0%	93.3%					28.2%	12.8%	8.4%	7.0%	6.0%					1.2%	1.4%	1.0%	1.0%	0.6%				
2011	70.6%	86.2%	90.5%	92.3%						28.1%	12.9%	8.6%	6.9%						1.2%	1.0%	0.9%	0.8%					
2012	71.2%	86.9%	91.2%							27.7%	12.3%	8.2%							1.1%	0.9%	0.6%						
2013	73.2%	88.1%								25.8%	11.2%								1.0%	0.6%							
2014	74.4%									24.5%									1.1%								
Paid Medical on Indemnity Claims																											
2005	30.4%	47.1%	59.2%	65.5%	71.2%	73.6%	75.3%	76.7%	77.6%	28.0%	21.3%	17.9%	15.0%	13.2%	11.9%	11.3%	10.7%	10.3%	41.6%	31.6%	22.9%	19.5%	15.7%	14.4%	13.4%	12.6%	12.2%
2006	30.7%	49.5%	61.0%	69.2%	72.8%	75.3%	76.9%	77.9%	78.8%	25.9%	21.7%	17.2%	14.3%	12.5%	11.4%	10.6%	10.1%	9.7%	43.3%	28.7%	21.8%	16.5%	14.6%	13.3%	12.5%	12.0%	11.6%
2007	32.9%	51.8%	65.5%	71.7%	75.5%	77.9%	79.2%	80.2%		28.1%	22.2%	17.0%	13.9%	12.1%	10.8%	10.1%	9.6%		39.0%	26.0%	17.5%	14.5%	12.5%	11.2%	10.7%	10.2%	
2008	32.4%	55.4%	67.6%	74.3%	77.9%	79.8%	81.1%			29.4%	23.1%	16.8%	13.3%	11.4%	10.4%	9.7%			38.2%	21.6%	15.6%	12.4%	10.6%	9.9%	9.2%		
2009	35.4%	58.7%	70.9%	76.8%	79.7%	81.5%				31.6%	21.7%	15.9%	12.7%	11.0%	10.0%				33.0%	19.6%	13.3%	10.5%	9.4%	8.5%			
2010_Before	38.0%	60.7%	72.3%	77.7%	80.4%					31.1%	21.1%	15.6%	12.5%	11.0%					30.8%	18.2%	12.2%	9.8%	8.6%				
2010_After	60.7%	76.7%	83.5%	86.0%	88.2%					37.8%	21.7%	15.5%	12.9%	11.1%					1.5%	1.6%	1.0%	1.1%	0.7%				
2011	61.0%	77.6%	83.7%	86.7%						37.6%	21.2%	15.3%	12.6%						1.5%	1.1%	1.0%	0.7%					
2012	61.8%	78.3%	84.5%							36.9%	20.8%	14.9%							1.3%	0.9%	0.7%						
2013	62.5%	78.9%								36.2%	20.3%								1.3%	0.8%							
2014	63.1%									35.9%									1.1%								

Notes: Significant ALAE are claims with paid ALAE greater than \$1,000. Non-Significant ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.

Dotted line represents change in MSCP reporting. MSCP is included in ALAE for July 1, 2010 and later policies and excluded before.

Distributions sum across the row (i.e. Significant ALAE + Non-Significant ALAE + No ALAE = 100%).

Source: WCIRB unit statistical data for indemnity claims only

Average Paid Indemnity Claim Severity on Significant/Non-Significant/No-ALAE Claims

PY/RL	Significant ALAE									Non-Significant ALAE									No ALAE								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Paid ALAE																											
2005	4,461	6,732	8,329	9,750	10,974	11,781	12,363	12,895	13,290	273	276	267	266	268	267	266	266	266	0	0	0	0	0	0	0	0	0
2006	4,748	6,749	8,601	10,174	11,233	12,084	12,792	13,333	13,790	261	265	266	267	265	263	262	262	261	0	0	0	0	0	0	0	0	0
2007	4,734	6,871	8,865	10,449	11,745	12,734	13,472	14,038		246	258	261	262	261	260	259	259		0	0	0	0	0	0	0	0	0
2008	4,617	7,097	9,113	10,786	12,080	13,060	13,818			244	259	261	259	257	257	256			0	0	0	0	0	0	0	0	0
2009	4,788	7,301	9,681	11,315	12,610	13,524				241	255	252	250	248	247				0	0	0	0	0	0	0	0	0
2010 Before	4,804	7,345	9,440	11,125	12,324					262	268	267	263	262					0	0	0	0	0	0			
2010 After	5,270	8,037	10,501	12,320	13,729					288	280	270	265	262					0	0	0	0	0	0			
2011	5,150	7,922	10,336	12,197						297	283	271	265						0	0	0	0	0				
2012	5,020	7,883	10,231							301	285	273							0	0	0						
2013	5,198	7,931								305	285								0	0							
2014	5,308									298									0								
Paid Indemnity																											
2005	8,468	15,508	21,325	24,973	27,733	29,683	31,180	32,472	33,319	4,133	6,027	7,278	7,195	7,114	7,039	6,973	6,930	6,914	3,270	4,635	4,052	4,084	3,497	3,507	3,482	3,438	3,460
2006	9,011	16,781	22,750	27,000	29,525	31,627	33,211	34,487	35,509	4,217	6,790	7,294	7,265	7,125	7,032	6,964	6,935	6,915	3,617	4,234	4,369	3,661	3,643	3,578	3,574	3,604	3,615
2007	9,062	17,184	23,505	27,808	30,904	33,308	35,058	36,280		4,719	7,128	7,666	7,538	7,446	7,284	7,230	7,197		3,555	4,422	3,844	3,806	3,618	3,532	3,600	3,573	
2008	9,306	17,837	24,536	29,080	32,347	34,566	36,264			5,304	7,632	7,795	7,591	7,475	7,378	7,339			3,689	4,140	4,152	3,827	3,600	3,701	3,560		
2009	8,907	17,407	24,146	28,656	31,906	34,180				4,870	6,883	7,097	6,911	6,753	6,697				3,899	4,592	4,139	3,841	3,901	3,697			
2010 Before	8,978	17,175	23,926	28,358	31,476					4,794	6,711	6,958	6,682	6,673					3,987	4,543	4,010	3,915	3,799				
2010 After	9,036	16,216	21,902	25,677	28,275					2,939	3,221	3,116	3,195	3,113					1,726	4,408	4,848	6,478	5,236				
2011	9,446	16,591	22,122	25,696						3,116	3,343	3,276	3,200						1,850	3,489	5,007	5,664					
2012	9,367	16,490	21,639							3,156	3,318	3,245							1,533	2,896	3,353						
2013	9,729	16,720								3,159	3,226								1,420	2,191							
2014	9,688									3,099									1,704								
Paid Medical																											
2005	11,279	17,740	24,696	29,870	34,189	37,399	40,109	42,715	44,423	5,394	7,188	8,923	9,003	8,919	8,806	8,763	8,745	8,708	4,554	5,998	5,354	5,429	4,583	4,590	4,512	4,451	4,443
2006	11,955	20,083	27,475	33,153	37,215	40,677	43,511	45,697	47,545	5,453	8,585	9,340	9,409	9,168	9,075	9,019	8,964	8,899	4,917	5,594	5,756	4,895	4,871	4,761	4,728	4,754	4,738
2007	12,695	21,719	29,523	35,497	40,243	44,283	47,362	49,708		6,297	9,219	9,840	9,712	9,596	9,412	9,395	9,296		4,990	6,000	5,346	5,255	4,925	4,818	4,895	4,828	
2008	13,034	21,869	29,646	36,146	41,137	44,882	47,660			7,143	9,922	10,191	9,925	9,722	9,580	9,473			5,454	5,772	5,714	5,314	5,025	5,102	4,928		
2009	12,670	21,913	30,115	36,658	41,594	45,050				6,900	9,016	9,300	9,121	8,981	8,855				5,610	6,414	5,799	5,417	5,448	5,192			
2010 Before	13,220	22,348	30,723	37,081	41,712					6,876	8,738	9,119	8,925	8,855					5,631	6,315	5,625	5,335	5,200				
2010 After	12,134	19,359	26,109	31,070	34,868					3,502	3,838	3,737	3,714	3,515					2,150	5,101	4,570	6,790	4,326				
2011	11,961	19,133	25,517	30,141						3,610	3,829	3,737	3,649						1,934	3,470	4,392	3,601					
2012	11,567	18,396	24,155							3,500	3,714	3,528							1,444	2,504	2,513						
2013	11,082	17,386								3,407	3,448								1,346	1,772							
2014	10,803									3,280									1,306								

Notes: Significant ALAE are claims with paid ALAE greater than \$1,000. Non-Significant ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.

Dotted line represents change in MCPP reporting. MCPP is included in ALAE for July 1, 2010 and later policies and excluded before.

Source: WCIRB unit statistical data for indemnity claims only

Indemnity Claim Counts Distribution - By Region

PY/RL	Significant ALAE									Non-Significant ALAE									No ALAE								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Bay Area																											
2005	17.2%	17.5%	17.6%	17.7%	17.5%	17.5%	17.5%	17.5%	17.5%	19.6%	20.3%	21.1%	20.7%	20.8%	21.0%	20.9%	21.0%	21.0%	21.3%	21.0%	21.3%	21.3%	21.7%	21.7%	21.7%	21.6%	21.6%
2006	15.7%	15.9%	16.2%	16.5%	16.5%	16.4%	16.5%	16.5%	16.5%	19.0%	20.4%	19.9%	19.9%	19.7%	19.8%	19.8%	19.8%	19.8%	20.5%	20.7%	20.6%	20.8%	20.7%	20.7%	20.6%	20.6%	20.6%
2007	15.6%	15.8%	15.8%	16.0%	16.0%	16.1%	16.0%	16.1%		20.7%	19.9%	20.1%	20.1%	20.1%	20.1%	20.1%	20.1%	19.0%	19.4%	20.0%	19.9%	20.0%	20.0%	20.0%	20.0%	20.0%	
2008	13.9%	14.4%	14.7%	14.8%	14.8%	14.9%	15.0%			19.8%	19.7%	19.5%	19.7%	19.7%	19.7%	19.7%		18.3%	19.1%	19.2%	19.3%	19.3%	19.3%	19.3%			
2009	13.1%	14.2%	14.6%	14.8%	14.8%	14.9%				17.7%	18.1%	18.3%	18.3%	18.2%	18.2%			21.0%	21.4%	21.5%	21.5%	21.5%	21.6%	21.5%			
2010 Before	13.7%	14.7%	15.3%	15.6%	15.7%					15.8%	16.8%	17.3%	17.0%	16.9%				22.7%	22.9%	22.0%	21.9%	21.8%					
2010_After	15.5%	15.4%	15.5%	15.6%	15.5%					18.6%	19.0%	19.0%	18.9%	19.0%				14.4%	18.1%	17.4%	16.7%	17.4%					
2011	15.1%	15.1%	15.2%	15.1%						17.5%	17.4%	17.5%	17.6%					16.3%	16.2%	15.4%	16.9%						
2012	15.6%	15.5%	15.5%							18.2%	18.4%	18.4%						16.0%	17.1%	17.8%							
2013	15.0%	15.0%								17.8%	17.9%							16.7%	18.9%								
2014	15.9%									18.9%								13.5%									
Los Angeles Basin Area																											
2005	51.5%	51.5%	52.4%	52.5%	53.0%	52.8%	52.7%	52.7%	52.7%	45.4%	44.5%	43.0%	44.0%	43.9%	43.6%	43.1%	43.0%	43.1%	44.7%	45.0%	45.2%	45.6%	45.1%	44.5%	44.2%	44.1%	44.0%
2006	53.1%	53.6%	53.5%	53.6%	53.5%	53.6%	53.4%	53.4%	53.4%	45.0%	43.5%	43.6%	43.5%	43.4%	43.1%	43.1%	43.2%	43.2%	45.3%	45.6%	45.8%	45.5%	45.4%	45.0%	44.9%	44.8%	44.8%
2007	53.0%	53.1%	53.3%	52.9%	52.9%	52.8%	52.8%	52.8%	52.8%	43.3%	44.0%	44.1%	43.7%	43.5%	43.3%	43.5%	43.4%	43.3%	45.5%	45.1%	44.4%	44.2%	43.7%	43.7%	43.6%	43.6%	43.6%
2008	56.4%	56.6%	55.5%	55.2%	55.1%	55.0%	55.0%			47.1%	45.5%	45.2%	44.7%	44.6%	44.3%	44.4%		45.1%	44.5%	44.0%	43.8%	43.7%	43.6%	43.6%	43.5%		
2009	58.1%	56.3%	55.7%	55.4%	55.3%	55.2%				46.9%	44.9%	44.3%	44.2%	44.1%	44.0%			44.5%	43.4%	43.1%	42.8%	42.7%	42.6%				
2010 Before	58.0%	57.2%	56.4%	56.2%	56.1%					48.2%	46.4%	46.0%	45.7%	45.6%				45.8%	44.9%	44.9%	45.0%	45.0%					
2010_After	52.2%	52.3%	51.9%	51.8%	52.0%					43.7%	42.5%	42.5%	42.7%	42.3%				54.7%	50.9%	50.6%	50.3%	47.5%					
2011	52.3%	52.3%	52.2%	52.5%						44.8%	44.5%	44.4%	44.0%					56.6%	52.6%	52.4%	49.7%						
2012	52.0%	52.2%	52.3%							44.2%	43.7%	43.4%						56.9%	53.3%	49.8%							
2013	52.1%	53.0%								45.3%	44.2%							55.6%	52.1%								
2014	53.7%									45.2%								57.6%									
All Other Regions																											
2005	31.3%	31.0%	30.0%	29.8%	29.5%	29.7%	29.9%	29.8%	29.8%	34.9%	35.3%	35.9%	35.3%	35.3%	35.5%	36.0%	36.0%	36.0%	33.9%	34.0%	33.5%	33.1%	33.3%	33.8%	34.2%	34.3%	34.4%
2006	31.2%	30.6%	30.3%	29.9%	30.0%	30.0%	30.1%	30.1%	30.2%	36.0%	36.1%	36.5%	36.5%	36.9%	37.1%	37.1%	37.0%	37.0%	34.2%	33.7%	33.6%	33.7%	34.0%	34.3%	34.5%	34.6%	34.6%
2007	31.4%	31.1%	30.9%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	36.0%	36.1%	35.8%	36.2%	36.5%	36.6%	36.4%	36.5%	36.5%	35.5%	35.5%	35.6%	35.8%	36.2%	36.3%	36.4%	36.5%	36.5%
2008	29.7%	29.0%	29.8%	30.0%	30.1%	30.0%	30.0%	30.0%		33.1%	34.9%	35.3%	35.6%	35.8%	36.0%	35.9%		36.6%	36.4%	36.8%	37.0%	37.0%	37.1%	37.1%	37.2%		
2009	28.8%	29.5%	29.7%	29.9%	29.9%	29.9%				35.4%	37.0%	37.4%	37.5%	37.7%	37.8%			34.5%	35.2%	35.4%	35.7%	35.8%	35.9%				
2010 Before	28.2%	28.1%	28.3%	28.1%	28.2%					36.0%	36.8%	36.8%	37.3%	37.5%				31.5%	32.2%	33.0%	33.2%	33.3%					
2010_After	32.3%	32.3%	32.6%	32.6%	32.5%					37.7%	38.5%	38.5%	38.5%	38.7%				30.9%	31.0%	32.1%	33.0%	35.1%					
2011	32.6%	32.5%	32.6%	32.4%						37.7%	38.1%	38.1%	38.4%					27.1%	31.2%	32.2%	33.3%						
2012	32.4%	32.3%	32.2%							37.7%	38.0%	38.2%						27.2%	29.6%	32.4%							
2013	32.9%	32.0%								36.9%	37.9%							27.7%	29.0%								
2014	30.4%									35.9%								28.9%									

Notes: Significant ALAE are claims with paid ALAE greater than \$1,000. Non-Significant ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.

Dotted line represents change in MSCP reporting. MSCP is included in ALAE for July 1, 2010 and later policies and excluded before.

Distributions sum down the column (i.e. Bay Area + Los Angeles Basin Area + All Other Regions = 100%).

Source: WCIRB unit statistical data for indemnity claims only

Indemnity Claim Counts Distribution within Each Region

PY/RL	Significant ALAE									Non-Significant ALAE									No ALAE								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Bay Area																											
2005	18.5%	28.1%	32.7%	35.2%	36.8%	37.5%	37.9%	38.2%	38.4%	30.7%	27.2%	25.0%	24.6%	24.1%	23.9%	23.9%	23.9%	23.7%	50.8%	44.7%	41.3%	40.2%	39.1%	38.6%	38.2%	37.9%	37.8%
2006	17.8%	26.9%	32.3%	36.0%	37.6%	38.2%	38.9%	39.1%	39.3%	29.8%	29.1%	26.8%	25.6%	25.0%	24.8%	24.5%	24.4%	24.3%	52.5%	44.0%	41.0%	38.4%	37.4%	37.0%	36.6%	36.5%	36.5%
2007	19.6%	29.5%	35.5%	38.5%	39.8%	40.7%	41.0%	41.4%		35.4%	30.7%	28.6%	27.1%	26.4%	26.1%	25.7%	25.6%		45.0%	39.8%	36.0%	34.4%	33.8%	33.3%	33.2%	33.0%	
2008	19.0%	31.7%	38.1%	40.8%	42.3%	43.1%	43.6%			36.8%	33.1%	29.7%	28.3%	27.5%	27.1%	26.8%			44.2%	35.2%	32.2%	30.8%	30.2%	29.8%	29.6%		
2009	20.4%	33.8%	40.1%	42.9%	44.1%	44.9%				36.6%	31.4%	28.7%	27.3%	26.5%	26.1%				43.0%	34.7%	31.1%	29.8%	29.4%	29.0%			
2010 Before	22.4%	35.8%	42.3%	45.4%	46.8%					32.8%	29.0%	27.1%	25.4%	24.8%					44.7%	35.2%	30.6%	29.2%	28.5%				
2010 After	39.2%	49.9%	54.1%	55.8%	56.8%					57.7%	46.6%	43.0%	41.6%	40.8%					3.1%	3.5%	2.9%	2.6%	2.4%				
2011	40.2%	52.4%	56.0%	57.3%						56.0%	44.7%	41.5%	40.2%						3.8%	3.0%	2.6%	2.5%					
2012	41.0%	52.8%	56.6%							55.0%	43.9%	40.6%							4.1%	3.3%	2.8%						
2013	41.8%	53.9%								53.6%	42.4%								4.6%	3.6%							
2014	43.6%									53.3%									3.1%								
Los Angeles Basin Area																											
2005	23.8%	34.6%	40.9%	43.0%	45.7%	46.8%	47.4%	47.7%	47.9%	30.5%	25.1%	22.3%	21.5%	20.9%	20.5%	20.4%	20.3%	20.2%	45.7%	40.2%	36.8%	35.5%	33.4%	32.7%	32.2%	32.0%	31.9%
2006	24.3%	36.3%	41.6%	45.5%	47.1%	48.2%	48.6%	48.9%	49.0%	28.7%	24.9%	22.9%	21.8%	21.2%	20.8%	20.6%	20.5%	20.4%	46.9%	38.8%	35.6%	32.7%	31.7%	31.0%	30.7%	30.6%	30.6%
2007	26.8%	38.2%	45.7%	48.4%	50.1%	50.9%	51.3%	51.6%		29.9%	26.2%	23.9%	22.5%	21.8%	21.4%	21.2%	21.0%		43.4%	35.7%	30.5%	29.1%	28.1%	27.7%	27.5%	27.4%	
2008	28.1%	44.0%	50.2%	53.1%	54.6%	55.3%	55.7%			32.1%	27.0%	24.1%	22.5%	21.6%	21.2%	21.1%			39.8%	29.0%	25.8%	24.5%	23.8%	23.5%	23.3%		
2009	32.5%	47.5%	53.6%	56.2%	57.4%	58.1%				34.8%	27.6%	24.5%	23.0%	22.3%	22.0%				32.7%	24.9%	21.9%	20.8%	20.3%	19.9%			
2010 Before	33.2%	48.2%	53.7%	56.0%	57.1%					35.2%	27.8%	24.9%	23.5%	22.8%					31.6%	24.0%	21.4%	20.5%	20.1%				
2010 After	47.3%	59.9%	63.3%	64.6%	66.1%					48.5%	36.7%	33.7%	32.7%	31.6%					4.2%	3.5%	2.9%	2.7%	2.3%				
2011	46.9%	59.4%	62.8%	64.9%						48.6%	37.4%	34.3%	32.7%						4.5%	3.2%	2.8%	2.4%					
2012	47.9%	60.8%	64.9%							47.0%	35.8%	32.4%							5.1%	3.5%	2.6%						
2013	48.9%	62.3%								46.0%	34.4%								5.1%	3.3%							
2014	51.1%									44.4%									4.5%								
All Other Regions																											
2005	20.0%	29.3%	33.8%	36.3%	38.0%	38.7%	39.0%	39.2%	39.3%	32.3%	28.0%	26.9%	25.6%	25.1%	24.6%	24.7%	24.4%		47.7%	42.7%	39.3%	38.1%	36.9%	36.7%	36.2%	36.2%	
2006	19.6%	29.6%	34.3%	37.4%	38.7%	39.4%	39.8%	40.1%	40.3%	31.6%	29.4%	27.9%	26.9%	26.4%	26.1%	25.8%	25.5%		48.8%	41.0%	37.9%	35.7%	34.9%	34.5%	34.3%	34.4%	34.3%
2007	21.2%	31.1%	37.7%	40.2%	41.5%	42.2%	42.7%	42.8%		33.3%	29.9%	27.6%	26.4%	25.7%	25.4%	25.0%	24.9%		45.5%	39.0%	34.7%	33.4%	32.8%	32.4%	32.3%	32.2%	
2008	21.2%	33.6%	40.0%	42.8%	44.3%	44.8%	45.2%			32.4%	31.0%	27.9%	26.6%	25.8%	25.5%	25.3%			46.4%	35.4%	32.1%	30.7%	29.9%	29.7%	29.5%		
2009	23.8%	36.8%	42.5%	45.2%	46.2%	46.9%				38.7%	33.5%	30.7%	29.1%	28.4%	28.1%				37.5%	29.8%	26.8%	25.7%	25.3%	25.0%			
2010 Before	25.2%	37.6%	43.0%	45.0%	46.0%					40.9%	35.1%	31.8%	30.7%	30.1%					33.9%	27.3%	25.2%	24.3%	23.9%				
2010 After	39.8%	51.1%	55.1%	56.5%	57.4%					56.9%	45.9%	42.4%	41.0%	40.2%					3.3%	2.9%	2.6%	2.5%	2.3%				
2011	40.4%	52.1%	55.7%	57.1%						56.6%	45.2%	41.8%	40.7%						3.0%	2.7%	2.5%	2.2%					
2012	41.3%	53.3%	56.9%							55.3%	43.9%	40.6%							3.4%	2.7%	2.4%						
2013	43.5%	54.6%								53.0%	42.7%								3.6%	2.6%							
2014	43.5%									53.1%									3.4%								

Notes: Significant ALAE are claims with paid ALAE greater than \$1,000. Non-Significant ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.

Dotted line represents change in MCCP reporting. MCCP is included in ALAE for July 1, 2010 and later policies and excluded before.

Distributions sum across the row (i.e. Significant ALAE + Non-Significant ALAE + No ALAE = 100%).

Source: WCIRB unit statistical data for indemnity claims only

Average Paid ALAE per Indemnity Claim By Region

PY/RL	Significant ALAE									Any ALAE									All Indemnity Claims								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Bay Area																											
2005	4,238	6,253	7,609	8,889	9,872	10,537	11,003	11,456	11,812	1,766	3,317	4,367	5,347	6,078	6,547	6,857	7,164	7,412	870	1,834	2,563	3,198	3,705	4,018	4,240	4,448	4,607
2006	4,560	6,256	7,950	9,388	10,246	11,109	11,672	12,113	12,564	1,873	3,147	4,478	5,614	6,275	6,860	7,267	7,574	7,880	891	1,762	2,643	3,460	3,925	4,322	4,607	4,807	5,006
2007	4,476	6,210	8,043	9,626	10,767	11,651	12,275	12,743		1,742	3,172	4,574	5,757	6,585	7,206	7,647	7,975		958	1,910	2,929	3,776	4,357	4,808	5,107	5,340	
2008	4,287	6,514	8,264	9,729	10,836	11,631	12,373			1,607	3,314	4,758	5,854	6,669	7,241	7,757			896	2,148	3,224	4,050	4,655	5,081	5,462		
2009	4,509	6,824	8,589	10,109	11,407	12,300				1,767	3,666	5,115	6,286	7,222	7,876				1,008	2,393	3,523	4,412	5,099	5,596			
2010_Before	4,622	7,094	8,913	10,411	11,496					2,029	4,040	5,537	6,769	7,611					1,122	2,619	3,845	4,795	5,443				
2010_After	5,104	7,553	9,784	11,463	12,819					2,236	4,046	5,576	6,685	7,567					2,166	3,905	5,416	6,512	7,386				
2011	4,920	7,452	9,780	11,681						2,231	4,151	5,733	6,976						2,145	4,027	5,586	6,804					
2012	4,819	7,687	10,051							2,227	4,325	5,966							2,136	4,184	5,800						
2013	4,887	7,798								2,309	4,486								2,203	4,323							
2014	5,201									2,505									2,429								
Los Angeles Basin Area																											
2005	4,576	6,957	8,752	10,377	11,679	12,596	13,283	13,826	14,246	2,162	4,150	5,761	7,011	8,100	8,837	9,364	9,781	10,102	1,174	2,481	3,641	4,525	5,394	5,945	6,347	6,647	6,877
2006	4,791	7,023	9,037	10,784	11,924	12,831	13,597	14,202	14,686	2,341	4,282	5,928	7,383	8,304	9,036	9,628	10,088	10,448	1,242	2,622	3,820	4,968	5,669	6,233	6,669	6,997	7,254
2007	4,769	7,086	9,219	10,886	12,266	13,342	14,144	14,755		2,394	4,311	6,144	7,517	8,632	9,477	10,091	10,558		1,355	2,774	4,273	5,329	6,202	6,853	7,314	7,670	
2008	4,745	7,361	9,555	11,347	12,746	13,792	14,611			2,353	4,659	6,543	8,050	9,200	10,039	10,671			1,417	3,309	4,856	6,080	7,014	7,679	8,190		
2009	4,932	7,571	9,827	11,621	12,986	13,949				2,511	4,887	6,830	8,322	9,419	10,188				1,689	3,672	5,334	6,594	7,507	8,157			
2010_Before	4,941	7,573	9,821	11,560	12,837					2,540	4,903	6,795	8,227	9,255					1,736	3,727	5,339	6,538	7,393				
2010_After	5,428	8,398	11,077	12,977	14,467					2,828	5,317	7,323	8,706	9,877					2,708	5,133	7,109	8,469	9,653				
2011	5,273	8,241	10,796	12,753						2,747	5,168	7,079	8,572						2,623	5,004	6,878	8,370					
2012	5,148	8,132	10,551							2,753	5,228	7,132							2,612	5,046	6,944						
2013	5,283	8,148								2,875	5,355								2,728	5,180							
2014	5,389									3,029									2,891								
Other																											
2005	4,395	6,631	8,014	9,157	10,364	11,065	11,605	12,094	12,470	1,847	3,519	4,570	5,473	6,343	6,867	7,198	7,517	7,785	965	2,018	2,772	3,386	4,005	4,349	4,590	4,797	4,964
2006	4,770	6,524	8,182	9,514	10,542	11,284	11,976	12,461	12,873	1,978	3,393	4,625	5,635	6,363	6,883	7,362	7,706	7,988	1,013	2,003	2,874	3,624	4,145	4,506	4,834	5,059	5,249
2007	4,804	6,841	8,676	10,128	11,363	12,259	12,950	13,489		2,015	3,607	5,113	6,215	7,111	7,748	8,254	8,620		1,098	2,200	3,337	4,141	4,777	5,237	5,585	5,841	
2008	4,530	6,870	8,707	10,277	11,472	12,428	13,087			1,940	3,693	5,233	6,437	7,339	8,004	8,475			1,040	2,386	3,551	4,462	5,143	5,628	5,975		
2009	4,625	7,016	9,945	11,345	12,510	13,349				1,901	3,788	5,878	6,990	7,835	8,430				1,189	2,661	4,303	5,192	5,851	6,323			
2010_Before	4,613	7,012	8,965	10,653	11,764					1,911	3,754	5,260	6,433	7,213					1,263	2,728	3,935	4,870	5,491				
2010_After	5,094	7,684	9,924	11,685	12,982					2,261	4,176	5,723	6,884	7,740					2,187	4,055	5,576	6,713	7,560				
2011	5,059	7,628	9,857	11,536						2,277	4,213	5,740	6,844						2,210	4,101	5,598	6,690					
2012	4,913	7,576	9,798							2,266	4,278	5,829							2,190	4,161	5,686						
2013	5,204	7,635								2,507	4,404								2,417	4,288							
2014	5,219									2,507									2,420								

Notes: Significant ALAE are claims with paid ALAE greater than \$1,000. Any ALAE are claims with ALAE greater than \$0.

Dotted line represents change in MSCP reporting. MSCP is included in ALAE for July 1, 2010 and later policies and excluded before.

Source: WCIRB unit Statistical data for indemnity claims only

Claim Counts Distribution - By Injury Type

PY/RL	Significant ALAE									Non-Significant ALAE									No ALAE								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Permanent (Death, PT, PP)																											
2005	38.6%	51.3%	61.5%	65.6%	67.2%	68.0%	68.4%	68.4%	68.7%	7.4%	7.1%	9.7%	10.0%	9.7%	9.5%	9.3%	9.2%	9.3%	5.1%	4.8%	2.9%	2.8%	2.4%	2.3%	2.3%	2.2%	2.2%
2006	37.8%	55.9%	64.3%	66.9%	67.9%	68.5%	68.9%	69.3%	69.5%	6.9%	11.0%	11.4%	10.7%	10.4%	10.1%	9.9%	9.9%	9.8%	5.8%	3.7%	3.2%	2.5%	2.4%	2.3%	2.2%	2.2%	2.2%
2007	38.4%	58.3%	64.2%	66.9%	68.4%	69.1%	69.7%	69.8%		8.4%	11.5%	10.3%	9.6%	9.3%	9.1%	9.0%	8.9%		5.0%	3.9%	2.7%	2.5%	2.3%	2.2%	2.2%	2.2%	
2008	44.2%	57.8%	64.8%	67.1%	68.0%	68.8%	69.2%			11.1%	11.9%	10.9%	10.2%	9.8%	9.6%	9.4%			5.3%	3.5%	2.8%	2.5%	2.3%	2.2%	2.2%		
2009	43.3%	57.6%	63.3%	65.0%	67.0%	67.4%				10.7%	10.9%	9.8%	8.9%	8.7%	8.5%				5.0%	3.8%	3.0%	2.7%	2.6%	2.5%			
2010_Before	43.3%	57.6%	63.8%	66.2%	67.1%					10.8%	10.4%	9.3%	8.8%	8.5%					5.1%	4.1%	3.2%	3.0%	2.8%				
2010_After	43.3%	53.7%	57.2%	58.6%	59.7%					4.5%	3.6%	3.0%	2.9%	2.6%					5.6%	8.4%	6.7%	6.8%	5.8%				
2011	43.9%	53.1%	57.0%	58.8%						5.0%	3.7%	3.2%	2.9%						7.6%	6.7%	6.5%	6.0%					
2012	40.0%	49.7%	55.2%							4.7%	3.6%	3.0%							7.6%	7.2%	6.2%						
2013	36.7%	49.5%								4.4%	3.2%								7.0%	6.1%							
2014	38.6%									4.2%									8.4%								
Temporary																											
2005	46.9%	36.5%	28.0%	23.5%	22.5%	21.2%	20.9%	20.7%	20.5%	20.5%	17.6%	20.2%	18.9%	18.7%	18.5%	18.6%	18.6%	18.5%	15.2%	13.6%	12.7%	12.5%	12.3%	12.3%	12.2%	12.2%	12.2%
2006	47.1%	33.3%	24.8%	22.8%	21.1%	20.6%	20.2%	19.7%	19.5%	21.8%	23.0%	20.7%	20.6%	20.4%	20.4%	20.3%	20.3%	20.4%	14.7%	12.7%	12.2%	12.0%	11.8%	11.7%	11.7%	11.7%	
2007	47.7%	31.0%	26.1%	22.9%	21.8%	21.1%	20.5%	20.2%		24.0%	21.2%	20.6%	20.1%	19.9%	19.9%	19.8%	19.8%		14.4%	12.6%	12.2%	12.0%	11.9%	11.8%	11.8%	11.8%	
2008	42.6%	32.3%	25.7%	23.5%	22.5%	21.5%	20.9%			26.3%	23.1%	21.7%	21.4%	21.2%	21.0%	20.9%			14.2%	12.4%	11.9%	11.8%	11.7%	11.7%	11.7%		
2009	45.2%	33.1%	27.8%	26.0%	23.8%	23.2%				26.7%	22.8%	21.8%	21.5%	21.2%	21.1%				14.4%	12.7%	12.3%	12.1%	12.0%	12.0%			
2010_Before	45.7%	33.8%	27.8%	25.2%	24.1%					26.1%	22.6%	21.7%	21.3%	21.1%					15.2%	13.2%	12.8%	12.6%	12.6%				
2010_After	41.5%	33.4%	30.0%	28.6%	27.4%					17.3%	15.2%	14.8%	14.6%	14.5%					20.6%	18.5%	17.7%	15.5%	14.9%				
2011	41.9%	34.4%	30.7%	28.8%						17.9%	16.0%	15.6%	15.4%						21.1%	18.5%	17.0%	15.5%					
2012	46.3%	38.2%	32.7%							18.3%	16.2%	15.6%							23.6%	20.1%	17.9%						
2013	49.3%	38.1%								18.9%	16.5%								25.1%	21.0%							
2014	46.9%									18.5%									26.5%								
Medical-Only																											
2005	14.5%	12.3%	10.5%	10.8%	10.3%	10.7%	10.7%	10.8%	10.8%	72.1%	75.3%	70.1%	71.2%	71.6%	72.0%	72.1%	72.2%	72.2%	79.6%	81.5%	84.4%	84.7%	85.3%	85.4%	85.5%	85.6%	
2006	15.1%	10.8%	10.9%	10.3%	11.1%	10.8%	10.9%	11.0%	11.1%	71.3%	66.0%	67.8%	68.7%	69.2%	69.5%	69.7%	69.8%	69.8%	79.5%	83.7%	84.6%	85.5%	85.8%	86.0%	86.0%	86.1%	
2007	13.9%	10.7%	9.7%	10.2%	9.7%	9.8%	9.9%	10.0%		67.6%	67.3%	69.1%	70.3%	70.8%	71.0%	71.2%	71.3%		80.7%	83.5%	85.1%	85.6%	85.8%	86.0%	86.0%	86.0%	
2008	13.2%	9.9%	9.5%	9.4%	9.5%	9.6%	9.8%			62.5%	65.0%	67.4%	68.4%	69.1%	69.5%	69.6%			80.6%	84.1%	85.2%	85.7%	86.0%	86.1%	86.1%		
2009	11.5%	9.4%	8.9%	9.0%	9.2%	9.4%				62.6%	66.3%	68.4%	69.6%	70.1%	70.3%				80.5%	83.4%	84.7%	85.2%	85.4%	85.5%			
2010_Before	11.0%	8.6%	8.4%	8.6%	8.8%					63.1%	67.0%	69.0%	69.9%	70.4%					79.7%	82.7%	84.0%	84.4%	84.6%				
2010_After	15.1%	12.9%	12.8%	12.8%	12.8%					78.2%	81.2%	82.2%	82.5%	82.8%					73.8%	73.1%	75.6%	77.7%	79.2%				
2011	14.2%	12.5%	12.3%	12.4%						77.1%	80.3%	81.3%	81.7%						71.3%	74.8%	76.5%	78.5%					
2012	13.7%	12.2%	12.0%							76.9%	80.2%	81.3%							68.8%	72.7%	76.0%						
2013	14.0%	12.5%								76.8%	80.2%								67.9%	72.9%							
2014	14.5%									77.3%									65.1%								

Notes: Significant ALAE are claims with paid ALAE greater than \$1,000. Non-Significant ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.

Dotted line represents change in MSCP reporting. MSCP is included in ALAE for July 1, 2010 and later policies and excluded before.

Distributions sum down the column (i.e. Permanent (Death, PT, PP) + Temporary + Medical-Only = 100%).

Source: WCIRB unit statistical data

Claim Counts Distribution within Each Injury Type

PY/RL	Significant ALAE									Non-Significant ALAE									No ALAE								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Permanent (Death, PT, PP)																											
2005	32.4%	49.8%	62.5%	65.9%	69.7%	70.9%	71.7%	72.1%	72.3%	27.6%	20.6%	19.6%	18.5%	17.5%	16.7%	16.5%	16.3%	16.1%	40.0%	29.6%	17.9%	15.6%	12.8%	12.3%	11.9%	11.7%	11.6%
2006	31.2%	53.1%	61.8%	68.3%	70.5%	71.7%	72.5%	72.9%	73.2%	23.6%	23.1%	20.5%	18.4%	17.3%	16.6%	16.2%	15.8%	15.6%	45.1%	23.8%	17.7%	13.3%	12.2%	11.6%	11.3%	11.3%	11.1%
2007	34.7%	54.2%	66.6%	70.9%	73.1%	74.4%	75.0%	75.3%		27.5%	24.2%	19.8%	17.3%	16.3%	15.6%	15.1%	14.9%		37.8%	21.5%	13.6%	11.7%	10.6%	10.0%	9.9%	9.7%	
2008	36.5%	59.1%	69.1%	73.3%	75.5%	76.4%	77.1%			29.1%	24.0%	19.0%	16.8%	15.6%	15.0%	14.6%			34.3%	16.8%	11.9%	9.9%	8.9%	8.7%	8.3%		
2009	40.5%	61.8%	71.3%	75.1%	76.7%	77.7%				31.4%	22.9%	18.2%	15.8%	14.8%	14.3%				28.1%	15.4%	10.6%	9.0%	8.5%	8.0%			
2010_Before	41.8%	62.7%	71.9%	75.2%	76.8%					32.0%	22.4%	17.6%	15.7%	14.8%					26.3%	14.9%	10.4%	9.2%	8.4%				
2010_After	65.3%	79.2%	84.2%	85.5%	87.2%					32.3%	18.4%	14.1%	12.8%	11.5%					2.4%	2.4%	1.7%	1.7%	1.3%				
2011	63.9%	79.9%	84.3%	86.3%						33.2%	18.3%	14.1%	12.3%						2.9%	1.9%	1.6%	1.4%					
2012	64.1%	80.0%	85.2%							32.6%	17.9%	13.3%							3.3%	2.1%	1.5%						
2013	65.5%	82.5%								31.2%	15.8%								3.3%	1.8%							
2014	68.0%									29.0%									3.0%								
Temporary																											
2005	16.8%	20.9%	19.4%	18.5%	18.8%	18.5%	18.5%	18.5%	18.4%	32.7%	30.0%	27.9%	27.3%	27.3%	27.3%	27.6%	27.5%		50.5%	49.2%	52.6%	54.2%	54.0%	54.2%	53.9%	53.9%	54.1%
2006	17.2%	19.5%	18.5%	19.0%	18.7%	18.8%	18.7%	18.5%	18.4%	32.7%	29.7%	28.9%	28.9%	29.1%	29.1%	29.2%	29.2%		50.2%	50.8%	52.6%	52.2%	52.3%	52.1%	52.1%	52.4%	52.4%
2007	18.7%	20.1%	21.1%	20.7%	20.6%	20.6%	20.3%	20.2%		34.1%	31.1%	30.9%	30.9%	30.7%	30.8%	30.8%	30.8%		47.3%	48.7%	48.0%	48.4%	48.6%	48.6%	48.9%	48.9%	
2008	17.9%	23.6%	23.7%	23.7%	23.8%	23.5%	23.2%			35.0%	33.3%	32.6%	32.3%	32.1%	32.2%	32.3%			47.1%	43.1%	43.7%	44.0%	44.1%	44.3%	44.4%		
2009	21.0%	26.5%	27.1%	27.5%	26.7%	26.6%				38.9%	35.7%	35.1%	34.9%	35.1%	35.1%				40.1%	37.8%	37.7%	37.6%	38.2%	38.3%			
2010_Before	22.2%	27.6%	27.5%	27.3%	27.2%					38.9%	36.3%	36.1%	36.0%	35.9%					38.9%	36.1%	36.3%	36.6%	36.9%				
2010_After	32.0%	37.0%	37.5%	37.6%	37.5%					63.6%	59.0%	58.8%	58.9%	59.2%					4.4%	3.9%	3.7%	3.5%	3.2%				
2011	32.7%	38.0%	38.2%	38.2%						63.0%	58.2%	58.3%	58.6%						4.4%	3.8%	3.6%	3.2%					
2012	35.1%	41.3%	41.0%							60.0%	54.7%	55.5%							4.8%	3.9%	3.5%						
2013	37.5%	42.2%								57.5%	53.7%								5.0%	4.0%							
2014	37.8%									57.8%									4.3%								
Medical-Only																											
2005	1.4%	1.6%	1.6%	1.8%	1.8%	1.9%	1.9%	1.9%	1.9%	29.9%	29.9%	21.4%	21.5%	21.5%	21.5%	21.7%	21.6%		68.8%	68.5%	77.0%	76.8%	76.8%	76.6%	76.4%	76.3%	76.5%
2006	1.4%	1.5%	1.7%	1.8%	2.0%	2.0%	2.1%	2.1%	2.1%	27.9%	20.0%	20.2%	20.2%	20.2%	20.2%	20.3%	20.2%		70.7%	78.5%	78.1%	78.0%	77.8%	77.8%	77.7%	77.7%	77.7%
2007	1.5%	1.6%	1.8%	2.0%	2.0%	2.0%	2.1%	2.1%		26.2%	23.0%	23.2%	23.3%	23.3%	23.3%	23.2%	23.3%		72.3%	75.3%	75.0%	74.7%	74.8%	74.7%	74.7%	74.6%	
2008	1.6%	1.9%	2.1%	2.2%	2.3%	2.4%	2.4%			23.3%	23.9%	24.0%	23.9%	24.0%	24.1%	24.1%			75.1%	74.3%	73.9%	73.9%	73.7%	73.5%	73.5%		
2009	1.7%	2.1%	2.3%	2.5%	2.6%	2.7%				28.4%	28.8%	29.1%	29.2%	29.2%	29.2%				69.9%	69.1%	68.6%	68.4%	68.2%	68.1%			
2010_Before	1.8%	2.1%	2.3%	2.5%	2.6%					30.9%	31.6%	31.8%	31.8%	31.8%					67.3%	66.3%	65.9%	65.7%	65.6%				
2010_After	3.7%	4.2%	4.4%	4.6%	4.7%					91.3%	91.3%	91.1%	90.7%	90.7%					5.0%	4.5%	4.4%	4.7%	4.6%				
2011	3.7%	4.3%	4.6%	4.8%						91.3%	91.0%	90.7%	90.5%						4.9%	4.7%	4.8%	4.7%					
2012	3.8%	4.4%	4.7%							91.1%	90.8%	90.6%							5.1%	4.8%	4.7%						
2013	4.1%	4.8%								90.6%	90.4%								5.2%	4.8%							
2014	4.4%									91.5%									4.0%								

Notes: Significant ALAE are claims with paid ALAE greater than \$1,000. Non-Significant ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.

Dotted line represents change in MSCP reporting. MSCP is included in ALAE for July 1, 2010 and later policies and excluded before.

Distributions sum across the row (i.e. Significant ALAE + Non-Significant ALAE + No ALAE = 100%).

Source: WCIRB unit statistical data

Average Paid ALAE By Injury Type

PY/RL	Significant ALAE									Any ALAE									All Claims								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Permanent (Death, PT, PP)																											
2005	4,709	7,176	8,905	10,407	11,816	12,782	13,505	14,130	14,608	2,700	5,182	6,866	8,205	9,520	10,409	11,048	11,594	12,008	1,620	3,648	5,638	6,924	8,297	9,128	9,737	10,240	10,612
2006	5,205	7,137	9,075	10,850	12,097	13,055	13,911	14,555	15,074	3,110	5,078	6,902	8,625	9,789	10,666	11,440	12,022	12,485	1,706	3,870	5,678	7,475	8,593	9,427	10,142	10,670	11,097
2007	4,900	7,136	9,280	11,086	12,515	13,678	14,562	15,227		2,878	5,039	7,242	8,983	10,308	11,371	12,181	12,772		1,791	3,954	6,258	7,929	9,217	10,235	10,975	11,530	
2008	4,784	7,267	9,396	11,262	12,744	13,884	14,753			2,805	5,273	7,453	9,240	10,632	11,674	12,466			1,842	4,385	6,563	8,325	9,682	10,664	11,426		
2009	4,984	7,418	9,669	11,476	12,975	14,035				2,947	5,511	7,784	9,547	10,945	11,919				2,120	4,665	6,962	8,684	10,013	10,969			
2010_Before	4,929	7,492	9,665	11,556	12,923					2,946	5,625	7,843	9,634	10,906					2,172	4,788	7,025	8,751	9,988				
2010_After	5,725	8,741	11,537	13,727	15,421					3,975	7,185	9,944	11,999	13,674					3,881	7,013	9,777	11,798	13,491				
2011	5,591	8,599	11,438	13,643						3,831	7,086	9,868	11,994						3,719	6,954	9,708	11,830					
2012	5,489	8,590	11,303							3,785	7,099	9,837							3,661	6,950	9,690						
2013	5,586	8,655								3,926	7,340								3,797	7,211							
2014	5,681									4,118									3,994								
Temporary																											
2005	4,257	6,108	7,063	7,918	8,456	8,574	8,718	8,818	8,866	1,612	2,648	3,031	3,328	3,579	3,592	3,623	3,666	3,683	798	1,346	1,436	1,524	1,647	1,644	1,669	1,690	1,692
2006	4,381	6,096	7,372	8,193	8,448	8,859	8,979	9,034	9,204	1,662	2,549	3,006	3,375	3,434	3,601	3,640	3,632	3,687	828	1,254	1,426	1,615	1,638	1,724	1,743	1,731	1,754
2007	4,601	6,375	7,846	8,582	9,332	9,649	9,760	9,930		1,769	2,633	3,312	3,563	3,872	3,984	3,994	4,056		932	1,350	1,723	1,838	1,989	2,046	2,042	2,072	
2008	4,444	6,792	8,400	9,425	10,075	10,423	10,729			1,644	2,937	3,646	4,098	4,401	4,502	4,597			869	1,670	2,052	2,294	2,462	2,506	2,554		
2009	4,600	7,098	9,709	10,914	11,583	12,038				1,747	3,139	4,337	4,917	5,101	5,289				1,046	1,952	2,700	3,066	3,153	3,264			
2010_Before	4,686	7,095	8,922	9,996	10,659					1,842	3,185	3,976	4,424	4,705					1,126	2,034	2,532	2,803	2,969				
2010_After	4,794	6,905	8,527	9,436	10,046					1,770	2,806	3,460	3,815	4,036					1,692	2,696	3,330	3,683	3,906				
2011	4,688	6,878	8,288	9,249						1,770	2,863	3,421	3,788						1,693	2,755	3,299	3,666					
2012	4,616	6,964	8,424							1,871	3,138	3,718							1,781	3,015	3,588						
2013	4,908	6,990								2,101	3,218								1,996	3,088							
2014	5,001									2,137									2,044								
Medical-Only																											
2005	2,003	2,419	2,635	2,744	3,128	3,121	3,314	3,452	3,469	188	230	290	316	345	358	377	392	396	59	73	67	73	80	84	89	93	93
2006	1,977	2,456	2,578	3,027	2,932	3,173	3,338	3,440	3,520	200	277	312	353	372	395	415	429	441	59	59	68	78	83	88	93	96	98
2007	2,133	2,544	2,880	2,913	3,307	3,475	3,630	3,727		212	266	302	327	354	375	393	406		59	66	75	83	89	95	99	103	
2008	2,188	2,735	3,110	3,455	3,667	3,863	4,054			231	291	341	386	417	441	468			57	75	89	101	110	117	124		
2009	2,521	3,171	6,457	6,639	6,664	6,696				229	305	562	607	633	653				69	94	176	192	201	208			
2010_Before	2,692	3,273	3,660	3,988	4,214					240	295	344	385	416					79	99	117	132	143				
2010_After	2,386	2,864	3,158	3,358	3,480					197	229	251	266	276					188	219	240	254	264				
2011	2,537	2,913	3,169	3,337						205	238	258	273						195	226	246	260					
2012	2,486	3,004	3,260							207	247	269							196	235	257						
2013	2,494	2,933								218	257								207	244							
2014	2,596									230									220								

Notes: Significant ALAE are claims with paid ALAE greater than \$1,000. Any ALAE are claims with ALAE greater than \$0.
Dotted line represents change in MSCP reporting. MSCP is included in ALAE for July 1, 2010 and later policies and excluded before.
Source: WCIRB unit statistical data

Average Permanent Disability Rating on Permanent Disability Claims

PY/RL	Significant ALAE									Non-Significant ALAE									No ALAE								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Average PDR	15.6	18.0	19.2	19.0	19.8	20.0	20.2	20.0	19.9	11.6	11.9	12.5	11.7	11.5	11.3	11.2	11.1	11.0	10.2	11.1	11.6	11.3	10.3	10.4	10.4	10.1	10.0
2005	15.3	17.4	18.1	19.4	19.8	20.1	19.9	19.8	19.9	11.2	12.1	11.6	11.5	11.1	11.0	10.8	10.7	10.7	9.8	11.2	11.5	10.3	10.3	10.3	10.2	10.1	10.1
2006	14.4	16.7	19.0	19.7	20.2	20.0	19.9	20.0		12.0	12.5	12.5	12.2	11.9	11.6	11.4	11.3		10.6	11.7	11.0	11.0	10.9	10.5	10.4	10.4	
2007	14.2	17.5	19.1	19.9	19.7	19.6	19.9			11.4	12.8	12.3	11.9	11.4	11.1	11.0			10.7	10.8	10.9	11.2	10.3	10.3	10.1		
2008	14.8	17.3	18.7	18.9	18.7	19.0				11.4	12.1	11.9	11.4	10.9	10.7				11.1	11.5	11.7	10.7	10.5	10.3			
2009	14.8	17.1	18.0	17.7	18.3					11.1	12.0	11.7	10.7	10.5					11.0	11.9	10.5	9.6	9.5				
2010_Before	14.4	16.0	16.0	16.7	17.0					9.8	9.4	9.1	9.1	8.7					12.5	15.6	11.6	11.9	11.9				
2010_After	14.1	15.3	15.7	16.4						9.8	9.7	9.3	8.9						11.3	11.1	11.5	11.1					
2011	12.5	13.7	14.7							9.5	9.3	8.6							9.3	9.3	9.4						
2012	11.8	13.2								9.3	8.5								8.2	8.2							
2013	11.4									8.6									7.5								
2014																											
Distribution of PD Claims	32.1%	49.3%	62.0%	65.8%	69.5%	70.8%	71.5%	71.9%	72.1%	27.7%	20.8%	19.8%	18.6%	17.6%	16.8%	16.6%	16.4%	16.2%	40.3%	29.9%	18.1%	15.7%	12.9%	12.4%	11.9%	11.7%	11.7%
2005	30.8%	52.7%	61.6%	68.1%	70.4%	71.6%	72.3%	72.8%	73.1%	23.8%	23.3%	20.6%	18.5%	17.4%	16.7%	16.3%	15.9%	15.7%	45.5%	24.0%	17.8%	13.4%	12.3%	11.7%	11.4%	11.3%	11.2%
2006	34.3%	54.1%	66.5%	70.8%	73.0%	74.3%	74.8%	75.2%		27.6%	24.3%	19.9%	17.4%	16.4%	15.7%	15.2%	15.0%		38.1%	21.6%	13.6%	11.8%	10.6%	10.0%	10.0%	9.8%	
2007	36.3%	59.0%	68.9%	73.2%	75.4%	76.3%	76.9%			29.2%	24.1%	19.1%	16.8%	15.6%	15.0%	14.7%			34.5%	16.9%	12.0%	9.9%	9.0%	8.7%	8.4%		
2008	40.3%	61.6%	71.2%	75.0%	76.6%	77.6%				31.5%	23.0%	18.2%	15.9%	14.8%	14.3%				28.2%	15.4%	10.6%	9.1%	8.6%	8.0%			
2009	41.6%	62.6%	71.8%	75.0%	76.7%					32.1%	22.5%	17.7%	15.8%	14.9%					26.4%	14.9%	10.5%	9.2%	8.5%				
2010_Before	65.4%	79.2%	84.2%	85.5%	87.1%					32.3%	18.4%	14.2%	12.8%	11.5%					2.3%	2.3%	1.6%	1.7%	1.3%				
2010_After	63.8%	79.8%	84.3%	86.3%						33.3%	18.3%	14.1%	12.3%						2.9%	1.9%	1.6%	1.4%					
2011	64.0%	79.9%	85.2%							32.7%	18.0%	13.3%							3.3%	2.1%	1.5%						
2012	65.4%	82.5%								31.4%	15.8%								3.3%	1.7%							
2013	68.0%									29.0%									2.9%								
2014																											

Notes: Significant ALAE are claims with paid ALAE greater than \$1,000. Non-Significant ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.

Dotted line represents change in MCPP reporting. MCPP is included in ALAE for July 1, 2010 and later policies and excluded before.

Source: WCIRB unit Statistical data for permanent disability claims only

Indemnity Claim Count Distribution By Loss Type (Cumulative/Non-Cumulative)

PY/RL	Significant ALAE									Non-Significant ALAE									No ALAE									
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	
Cumulative Injury Claims																												
2005	8.2%	9.2%	10.4%	10.6%	10.9%	11.2%	11.2%	11.5%	11.8%	6.5%	6.7%	7.0%	6.9%	6.7%	6.6%	6.6%	6.6%	6.6%	6.6%	5.9%	5.8%	5.0%	4.9%	4.4%	4.4%	4.3%	4.3%	4.3%
2006	8.2%	9.8%	10.0%	10.3%	10.6%	10.9%	11.4%	11.7%	11.9%	6.2%	6.6%	6.5%	6.5%	6.6%	6.5%	6.4%	6.4%	6.4%	6.4%	5.6%	5.2%	5.0%	4.6%	4.4%	4.4%	4.3%	4.3%	4.4%
2007	9.1%	9.8%	10.3%	10.8%	11.2%	11.6%	12.1%	12.3%		6.2%	6.2%	6.4%	6.5%	6.3%	6.2%	6.2%	6.3%		5.1%	4.9%	4.8%	4.5%	4.4%	4.4%	4.5%	4.4%		
2008	9.6%	10.2%	11.1%	11.7%	12.3%	12.9%	13.3%			5.7%	5.8%	6.0%	6.0%	6.0%	5.9%	5.9%			5.0%	5.1%	4.8%	4.6%	4.5%	4.4%	4.4%			
2009	10.8%	11.7%	12.4%	13.3%	13.7%	14.3%				6.0%	6.0%	6.1%	6.2%	6.2%	6.2%				5.7%	5.5%	5.2%	5.1%	5.1%	5.0%				
2010_Before	13.2%	12.3%	12.6%	13.6%	14.4%					6.9%	6.4%	6.3%	6.3%	6.3%					6.0%	5.5%	5.3%	5.2%	5.1%	5.3%				
2010_After	9.0%	10.1%	12.2%	12.7%	13.5%					4.2%	4.1%	4.3%	4.2%	4.2%					15.4%	16.9%	16.6%	17.0%	16.0%					
2011	9.3%	11.3%	12.5%	13.5%						4.4%	4.4%	4.3%	4.2%						14.7%	16.9%	17.5%	17.4%						
2012	10.4%	12.6%	13.9%							5.3%	5.1%	5.0%							17.4%	18.7%	19.1%							
2013	12.5%	14.8%								5.6%	5.6%								19.4%	21.2%								
2014	13.7%									5.6%									23.4%									
Non-Cumulative Injury Claims																												
2005	91.8%	90.8%	89.6%	89.4%	89.1%	88.8%	88.8%	88.5%	88.2%	93.5%	93.3%	93.0%	93.1%	93.3%	93.4%	93.5%	93.4%	93.4%	94.1%	94.2%	95.0%	95.1%	95.6%	95.6%	95.7%	95.7%	95.7%	
2006	91.8%	90.2%	90.0%	89.7%	89.4%	89.1%	88.6%	88.3%	88.1%	93.8%	93.4%	93.5%	93.5%	93.4%	93.5%	93.6%	93.6%	93.6%	94.4%	94.8%	95.0%	95.4%	95.6%	95.6%	95.7%	95.7%	95.6%	
2007	90.9%	90.2%	89.7%	89.2%	88.8%	88.4%	87.9%	87.7%		93.8%	93.8%	93.6%	93.5%	93.7%	93.8%	93.8%	93.7%		94.9%	95.1%	95.2%	95.5%	95.6%	95.6%	95.5%	95.6%		
2008	90.4%	89.8%	88.9%	88.3%	87.7%	87.1%	86.7%			94.3%	94.2%	94.0%	94.0%	94.0%	94.1%	94.1%			95.0%	94.9%	95.2%	95.4%	95.5%	95.6%	95.6%	95.6%		
2009	89.2%	88.3%	87.6%	86.7%	86.3%	85.7%				94.0%	94.0%	93.9%	93.8%	93.8%	93.8%				94.3%	94.5%	94.8%	94.9%	94.9%	95.0%				
2010_Before	86.8%	87.7%	87.4%	86.4%	85.6%					93.1%	93.6%	93.7%	93.7%	93.7%					94.0%	94.5%	94.7%	94.8%	94.7%					
2010_After	91.0%	89.9%	87.8%	87.3%	86.5%					95.8%	95.9%	95.7%	95.8%	95.8%	95.8%				84.6%	83.1%	83.4%	83.0%	84.0%					
2011	90.7%	88.7%	87.5%	86.5%						95.6%	95.6%	95.7%	95.8%						85.3%	83.1%	82.5%	82.6%						
2012	89.6%	87.4%	86.1%							94.7%	94.9%	95.0%							82.6%	81.3%	80.9%							
2013	87.5%	85.2%								94.4%	94.4%								80.6%	78.8%								
2014	86.3%									94.4%									76.6%									

Notes: Significant ALAE are claims with paid ALAE greater than \$1,000. Non-Significant ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.

Dotted line represents change in MSCP reporting. MSCP is included in ALAE for July 1, 2010 and later policies and excluded before.

Distributions sum down the column (i.e. Cumulative Injury Claims + Non-Cumulative Injury Claims = 100%).

Source: WCIRB unit statistical data for indemnity claims only

Indemnity Claim Count Distribution within Each Loss Type (Cumulative/Non-Cumulative)

PY/RL	Significant ALAE									Non-Significant ALAE									No ALAE								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Cumulative Injury Claims																											
2005	26.8%	40.9%	51.2%	54.8%	59.3%	60.9%	61.7%	62.6%	63.2%	30.9%	25.1%	22.9%	21.4%	20.1%	19.2%	19.0%	18.6%	18.3%	42.3%	34.1%	25.9%	23.8%	20.6%	19.8%	19.3%	18.9%	18.5%
2006	27.8%	44.7%	51.5%	57.1%	59.7%	61.4%	63.3%	64.1%	64.5%	29.4%	25.4%	22.7%	21.1%	20.5%	19.6%	18.6%	18.2%	17.8%	42.7%	29.9%	25.8%	21.7%	19.8%	19.0%	18.1%	17.8%	17.7%
2007	33.5%	48.4%	56.6%	61.0%	63.8%	65.7%	66.8%	67.4%		31.1%	25.2%	22.4%	20.6%	19.0%	17.9%	17.2%	17.1%		35.4%	26.4%	21.0%	18.3%	17.2%	16.4%	16.0%	15.5%	
2008	36.8%	53.9%	62.6%	66.9%	69.4%	71.2%	72.4%			29.5%	23.6%	20.0%	17.9%	16.5%	15.6%	15.0%			33.7%	22.5%	17.4%	15.3%	14.0%	13.2%	12.6%		
2009	41.2%	59.1%	66.5%	70.3%	71.9%	73.4%				30.2%	22.1%	18.8%	17.0%	15.9%	15.2%				28.6%	18.8%	14.7%	12.8%	12.2%	11.4%			
2010_Before	45.2%	60.4%	66.8%	70.6%	72.7%					29.9%	22.3%	19.1%	16.9%	15.6%					24.9%	17.2%	14.1%	12.4%	11.7%				
2010_After	58.0%	71.1%	77.2%	79.3%	81.6%					33.5%	21.9%	17.8%	16.1%	14.8%					8.5%	7.0%	5.0%	4.6%	3.6%				
2011	58.1%	73.1%	78.0%	80.9%						33.7%	21.1%	17.1%	15.2%						8.2%	5.8%	4.9%	4.0%					
2012	57.3%	73.1%	78.4%							33.3%	20.8%	17.0%							9.3%	6.1%	4.6%						
2013	61.0%	75.5%								29.7%	18.8%								9.3%	5.8%							
2014	63.9%									27.1%									9.0%								
Non-Cumulative Injury Claims																											
2005	21.1%	30.9%	35.8%	38.0%	40.0%	40.8%	41.2%	41.4%	41.5%	31.2%	26.6%	24.7%	23.6%	23.1%	22.8%	22.8%	22.7%	22.6%	47.7%	42.5%	39.5%	38.4%	36.9%	36.0%	35.9%	35.9%	
2006	21.0%	31.3%	36.3%	39.8%	41.1%	41.9%	42.2%	42.4%	42.5%	29.9%	27.3%	25.4%	24.4%	23.9%	23.6%	23.5%	23.3%	23.2%	49.0%	41.3%	38.2%	35.8%	35.0%	34.5%	34.3%	34.3%	34.2%
2007	22.8%	33.1%	39.8%	42.4%	43.7%	44.4%	44.6%	44.8%		32.1%	28.5%	26.3%	25.0%	24.4%	24.1%	23.9%	23.8%		45.0%	38.4%	33.9%	32.6%	31.9%	31.5%	31.5%	31.4%	
2008	23.3%	37.2%	43.1%	45.8%	47.1%	47.5%	47.8%			33.2%	29.9%	26.9%	25.5%	24.8%	24.5%	24.3%			43.4%	32.9%	30.0%	28.8%	28.1%	28.0%	27.8%		
2009	26.4%	40.0%	45.8%	48.2%	49.1%	49.7%				36.9%	31.0%	28.1%	26.7%	26.1%	25.8%				36.7%	29.1%	26.1%	25.2%	24.8%	24.5%			
2010_Before	27.2%	41.0%	46.4%	48.5%	49.4%					37.2%	31.1%	28.3%	27.1%	26.6%					35.6%	27.9%	25.2%	24.4%	24.0%				
2010_After	42.2%	53.8%	57.0%	58.3%	59.3%					54.4%	43.3%	40.4%	39.3%	38.6%					3.4%	3.0%	2.6%	2.4%	2.2%				
2011	42.5%	54.1%	57.3%	58.7%						54.0%	43.2%	40.3%	39.1%						3.5%	2.7%	2.4%	2.1%					
2012	43.3%	55.1%	58.7%							52.8%	42.0%	39.0%							3.9%	2.9%	2.4%						
2013	44.3%	56.1%								51.7%	41.1%								4.0%	2.8%							
2014	45.4%									51.2%									3.3%								

Notes: Significant ALAE are claims with paid ALAE greater than \$1,000. Non-Significant ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.

Dotted line represents change in MSCP reporting. MSCP is included in ALAE for July 1, 2010 and later policies and excluded before.

Distributions sum across the row (i.e. Significant ALAE + Non-Significant ALAE + No ALAE = 100%).

Source: WCIRB unit statistical data for indemnity claims only

Average Paid ALAE By Loss Type (Cumulative/Non-Cumulative)

PY/RL		Significant ALAE									Any ALAE									All Indemnity Claims								
		1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Cumulative Injury Claims																												
	2005	4,373	6,427	8,105	9,417	10,706	11,617	12,338	12,967	13,700	2,205	4,116	5,706	6,870	8,083	8,915	9,520	10,079	10,704	1,273	2,715	4,226	5,233	6,418	7,146	7,678	8,179	8,724
	2006	4,640	6,875	8,621	10,107	11,221	12,210	13,005	13,987	14,620	2,417	4,504	6,082	7,467	8,434	9,344	10,129	10,975	11,529	1,384	3,159	4,514	5,845	6,763	7,566	8,291	9,024	9,486
	2007	4,641	6,854	8,959	10,463	11,780	12,796	13,759	14,506		2,554	4,617	6,506	7,902	9,154	10,131	11,010	11,639		1,649	3,396	5,140	6,453	7,581	8,470	9,250	9,836	
	2008	4,540	7,025	9,010	10,731	12,059	13,157	14,257			2,661	4,988	6,908	8,537	9,803	10,848	11,869			1,765	3,864	5,704	7,234	8,426	9,419	10,374		
	2009	4,909	7,388	9,615	11,316	12,622	13,627				2,968	5,469	7,575	9,180	10,397	11,346				2,118	4,439	6,460	8,007	9,125	10,052			
	2010_Before	5,386	7,682	9,743	11,430	12,605					3,374	5,701	7,657	9,285	10,433					2,534	4,718	6,577	8,130	9,214				
	2010_After	4,962	7,537	10,013	11,818	13,175					3,277	5,848	8,208	9,881	11,205					2,997	5,437	7,800	9,427	10,799				
	2011	4,836	7,562	10,000	11,798						3,199	5,951	8,267	9,990						2,937	5,606	7,860	9,594					
	2012	4,832	7,734	9,796							3,188	6,100	8,108							2,890	5,727	7,735						
	2013	5,206	7,836								3,619	6,347								3,283	5,981							
	2014	5,320									3,842									3,495								
Non-Cumulative Injury Claims																												
	2005	4,469	6,763	8,355	9,790	11,007	11,801	12,389	12,886	13,236	1,965	3,757	5,051	6,140	7,072	7,664	8,063	8,405	8,654	1,027	2,160	3,054	3,785	4,464	4,870	5,161	5,388	5,547
	2006	4,758	6,735	8,599	10,181	11,234	12,068	12,765	13,247	13,678	2,114	3,719	5,164	6,408	7,203	7,810	8,299	8,641	8,938	1,078	2,182	3,189	4,115	4,683	5,116	5,453	5,678	5,877
	2007	4,743	6,873	8,855	10,447	11,741	12,725	13,433	13,972		2,111	3,809	5,437	6,666	7,629	8,335	8,842	9,221		1,160	2,347	3,596	4,491	5,192	5,706	6,056	6,325	
	2008	4,626	7,105	9,126	10,793	12,083	13,045	13,751			2,048	4,052	5,722	7,025	8,006	8,699	9,198			1,159	2,718	4,005	5,005	5,753	6,264	6,639		
	2009	4,773	7,290	9,690	11,315	12,608	13,507				2,128	4,218	6,098	7,367	8,320	8,970				1,347	2,992	4,504	5,514	6,259	6,773			
	2010_Before	4,715	7,298	9,396	11,077	12,277					2,140	4,263	5,935	7,200	8,076					1,379	3,072	4,438	5,443	6,136				
	2010_After	5,300	8,094	10,569	12,393	13,815					2,475	4,609	6,295	7,506	8,470					2,392	4,473	6,134	7,326	8,287				
	2011	5,182	7,968	10,384	12,259						2,446	4,554	6,206	7,463						2,360	4,431	6,055	7,303					
	2012	5,042	7,904	10,301							2,435	4,607	6,298							2,340	4,474	6,150						
	2013	5,196	7,948								2,558	4,705								2,456	4,575							
	2014	5,306									2,650									2,561								

Notes: Significant ALAE are claims with paid ALAE greater than \$1,000. Any ALAE are claims with ALAE greater than \$0.

Dotted line represents change in MCCP reporting. MCCP is included in ALAE for July 1, 2010 and later policies and excluded before.

Source: WCIRB unit statistical data for indemnity claims only

Indemnity Claim Closing Rates

PY/RL	Significant ALAE									Non-Significant ALAE									No ALAE									
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	
Percentage of Closed Claims																												
2005	14.0%	31.7%	49.5%	63.0%	71.9%	77.4%	81.8%	85.8%	88.5%	43.4%	66.1%	78.1%	86.9%	92.2%	95.0%	96.5%	97.4%	98.1%	54.2%	73.4%	88.6%	93.4%	96.9%	97.9%	98.4%	98.7%	98.9%	
2006	14.5%	29.7%	48.3%	61.3%	69.8%	75.8%	81.3%	85.3%	88.3%	46.6%	63.7%	78.3%	87.6%	91.7%	94.4%	96.2%	97.3%	97.9%	51.8%	76.8%	87.5%	94.1%	96.5%	97.6%	98.4%	98.7%	98.9%	
2007	13.6%	30.2%	47.5%	60.0%	68.8%	76.4%	82.2%	86.3%		43.4%	62.9%	79.5%	88.0%	92.5%	95.0%	96.6%	97.4%		55.0%	76.5%	89.1%	94.1%	96.5%	97.9%	98.4%	98.9%		
2008	13.1%	29.6%	45.8%	58.3%	69.0%	77.2%	83.0%			41.9%	63.9%	79.8%	88.0%	92.8%	95.4%	96.8%			54.9%	78.1%	89.0%	93.9%	96.5%	97.8%	98.5%			
2009	13.1%	28.5%	45.1%	60.1%	70.9%	78.8%				42.3%	65.6%	80.8%	89.2%	93.2%	95.3%				54.9%	78.0%	89.3%	94.2%	96.4%	97.8%				
2010_Before	12.7%	28.6%	46.7%	62.0%	72.6%					44.3%	67.6%	82.4%	90.3%	94.0%					56.3%	79.2%	90.3%	94.4%	96.4%					
2010_After	16.2%	32.5%	51.5%	65.8%	75.6%					57.4%	80.7%	90.5%	94.5%	96.6%					34.1%	53.7%	69.1%	79.2%	86.6%					
2011	16.3%	34.7%	54.0%	67.7%						58.9%	82.3%	91.6%	95.2%						34.1%	52.9%	67.3%	78.7%						
2012	18.2%	38.8%	57.3%							59.3%	83.1%	92.6%							34.5%	56.3%	72.6%							
2013	19.9%	40.2%								58.7%	84.1%								38.5%	61.0%								
2014	21.9%									61.8%									36.2%									
Percentage of Closed Claims Settled by Compromise and Release																												
2005	13.2%	18.8%	24.4%	26.3%	26.5%	26.5%	27.6%	29.5%	30.3%	3.8%	3.6%	6.0%	6.9%	7.2%	7.4%	7.4%	7.7%	7.8%	5.2%	3.7%	3.3%	3.7%	3.8%	3.9%	3.5%	3.6%	3.6%	
2006	13.5%	22.1%	24.9%	25.2%	25.4%	26.5%	28.7%	29.7%	30.6%	1.7%	4.5%	6.6%	7.4%	7.6%	7.8%	8.1%	8.3%	8.4%	1.5%	2.3%	3.1%	3.5%	3.7%	3.7%	3.9%	4.0%		
2007	17.5%	22.3%	23.1%	23.3%	25.0%	27.0%	28.4%	29.4%		2.0%	4.9%	6.3%	6.6%	6.9%	7.3%	7.5%	7.6%		1.2%	2.3%	2.9%	3.3%	3.4%	3.6%	3.7%	3.9%		
2008	20.4%	22.0%	22.4%	24.4%	26.6%	27.7%	28.8%			2.0%	4.8%	5.8%	6.4%	6.8%	7.0%	7.3%			1.5%	2.2%	2.7%	2.9%	3.1%	3.3%	3.5%			
2009	21.6%	22.1%	23.2%	24.0%	25.7%	27.0%				1.9%	3.6%	4.4%	5.0%	5.4%	5.6%				0.8%	1.6%	2.2%	2.6%	2.9%	3.1%				
2010_Before	21.9%	24.4%	24.8%	25.4%	27.2%					2.1%	3.4%	4.3%	4.6%	4.9%					1.4%	2.6%	3.1%	3.4%	3.5%					
2010_After	14.3%	17.5%	20.5%	24.5%	26.8%					1.8%	2.5%	3.1%	3.6%	3.9%					6.7%	8.0%	10.1%	10.2%	12.5%					
2011	17.6%	20.7%	24.5%	27.5%						2.0%	3.0%	3.6%	4.1%						5.6%	8.4%	10.9%	13.1%						
2012	20.6%	25.8%	28.8%							2.4%	4.0%	4.9%							6.5%	11.2%	14.5%							
2013	26.4%	32.0%								2.6%	4.3%								8.8%	16.2%								
2014	34.4%									3.0%									16.1%									

Notes: Significant ALAE are claims with paid ALAE greater than \$1,000. Non-Significant ALAE are claims with paid ALAE greater than \$0 and up to \$1,000.
Dotted line represents change in MCCP reporting. MCCP is included in ALAE for July 1, 2010 and later policies and excluded before.
Source: WCIRB unit statistical data for indemnity claims only

Average Paid ALAE - Closed Claims Settled by C&R and Indemnity Claims by Status

PY/RL		Significant ALAE									Any ALAE									All Indemnity Claims								
		1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Compromise and Release Claims																												
2005		4,726	7,045	7,736	8,876	9,674	10,464	11,173	11,941	12,728	2,167	5,381	6,226	7,370	8,175	8,921	9,635	10,402	11,153	873	3,711	5,183	6,349	7,166	7,897	8,713	9,480	10,200
2006		5,189	6,642	7,814	8,868	9,655	10,436	11,637	12,524	13,316	3,416	4,960	6,147	7,195	8,003	8,790	9,969	10,817	11,575	2,180	3,997	5,232	6,282	7,080	7,883	9,029	9,848	10,581
2007		4,915	6,175	7,397	8,707	10,089	11,376	12,637	13,465		3,443	4,588	5,844	7,147	8,506	9,778	10,999	11,820		2,544	3,810	5,089	6,333	7,671	8,922	10,103	10,892	
2008		4,871	6,105	7,812	9,272	10,795	12,218	13,372			3,513	4,612	6,279	7,769	9,307	10,687	11,806			2,567	3,958	5,612	7,109	8,637	9,977	11,072		
2009		5,139	6,813	8,573	9,971	11,704	13,034				3,878	5,440	7,246	8,670	10,377	11,689				3,396	4,918	6,685	8,102	9,767	11,056			
2010_Before		4,574	6,577	8,299	10,111	11,934					3,354	5,432	7,144	8,965	10,746					2,687	4,714	6,483	8,280	10,060				
2010_After		5,592	7,489	9,565	12,318	14,130					3,703	5,994	8,227	10,942	12,769					3,512	5,789	8,012	10,735	12,543				
2011		5,264	7,039	9,442	11,750						3,631	5,698	8,181	10,478						3,495	5,552	8,009	10,283					
2012		4,786	6,853	9,095							3,443	5,647	7,866							3,309	5,490	7,687						
2013		5,068	6,972								3,950	5,936								3,769	5,738							
2014		5,046									4,096									3,896								
All Other Closed Indemnity Claims																												
2005		3,299	5,176	6,818	7,976	9,009	9,688	10,218	10,748	11,109	719	1,838	3,093	4,036	4,875	5,429	5,806	6,167	6,435	281	842	1,519	2,123	2,708	3,095	3,367	3,602	3,779
2006		3,474	5,415	6,947	8,183	9,077	9,879	10,510	11,034	11,450	723	1,831	3,076	4,130	4,882	5,484	5,941	6,337	6,636	287	808	1,547	2,269	2,796	3,220	3,534	3,803	4,005
2007		3,468	5,519	7,111	8,360	9,400	10,321	11,060	11,677		703	1,914	3,233	4,286	5,107	5,815	6,386	6,845		283	900	1,770	2,507	3,092	3,601	4,008	4,337	
2008		3,556	5,630	7,125	8,419	9,741	10,637	11,377			692	2,001	3,296	4,373	5,410	6,156	6,746			284	1,043	1,934	2,718	3,488	4,057	4,511		
2009		3,579	5,514	7,931	9,287	10,331	11,229				690	1,931	3,606	4,866	5,786	6,541				329	1,095	2,276	3,263	3,996	4,605			
2010_Before		3,555	5,483	7,272	8,680	9,729					680	1,890	3,320	4,547	5,425					336	1,100	2,144	3,111	3,814				
2010_After		3,593	5,417	7,419	8,777	10,077					766	1,847	3,245	4,258	5,200					742	1,786	3,150	4,137	5,069				
2011		3,551	5,451	7,262	8,776						751	1,894	3,184	4,279						726	1,840	3,098	4,173					
2012		3,695	5,516	7,359							831	2,032	3,344							800	1,967	3,252						
2013		4,067	5,612								954	2,068								913	2,000							
2014		3,967									919									890								
All Open Indemnity Claims																												
2005		4,619	7,292	9,589	12,364	15,545	18,226	20,942	23,743	26,272	2,524	5,251	7,523	10,265	13,528	16,337	19,052	21,736	24,199	1,577	3,845	6,358	9,005	12,503	15,270	17,865	20,410	22,669
2006		4,924	7,198	9,944	13,054	15,874	18,542	21,309	24,133	27,110	2,784	5,120	7,825	11,045	13,812	16,535	19,294	22,030	24,871	1,654	3,972	6,585	9,963	12,800	15,486	18,213	20,780	23,415
2007		4,894	7,394	10,396	13,458	16,541	19,636	22,573	25,648		2,727	5,234	8,406	11,564	14,712	17,745	20,627	23,459		1,795	4,165	7,418	10,606	13,789	16,860	19,598	22,392	
2008		4,737	7,669	10,665	13,808	16,667	19,773	22,960			2,620	5,600	8,811	12,046	15,000	18,059	21,115			1,770	4,717	7,949	11,219	14,205	17,235	20,230		
2009		4,919	7,900	10,997	14,121	17,294	20,236				2,757	5,942	9,218	12,448	15,566	18,358				2,023	5,144	8,488	11,737	14,809	17,622			
2010_Before		4,953	7,985	11,115	14,520	17,607					2,881	6,123	9,419	12,872	15,933					2,160	5,372	8,747	12,148	15,145				
2010_After		5,538	9,123	13,307	17,462	21,665					3,567	7,585	11,853	15,938	20,065					3,425	7,339	11,544	15,564	19,689				
2011		5,403	9,060	13,317	17,656						3,547	7,622	11,958	16,231						3,398	7,386	11,624	15,865					
2012		5,265	9,163	13,414							3,500	7,751	12,182							3,335	7,499	11,887						
2013		5,413	9,199								3,623	7,889								3,457	7,663							
2014		5,579									3,854									3,688								

Notes: Significant ALAE are claims with paid ALAE greater than \$1,000. Any ALAE are claims with ALAE greater than \$0.

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Source: WCIRB unit statistical data for indemnity claims only

Cumulative Quarterly Paid ALAE Development^[1] from 12 to 90 Months - Private Insurers

Calendar <u>Year</u>	<u>Quarter</u>	12 to 90 Months <u>Development Factor</u>	<u>Change</u>
2009	2nd	13.645	
2009	3rd	13.025	-4.5%
2009	4th	13.008	-0.1%
2010	1st	13.240	1.8%
2010	2nd	13.517	2.1%
2010	3rd	14.281	5.7%
2010	4th	14.726	3.1%
2011	1st	15.139	2.8%
2011	2nd	15.021	-0.8%
2011	3rd	15.299	1.8%
2011	4th	15.435	0.9%
2012	1st	15.007	-2.8%
2012	2nd	14.732	-1.8%
2012	3rd	14.904	1.2%
2012	4th	14.915	0.1%
2013	1st	15.052	0.9%
2013	2nd	15.488	2.9%
2013	3rd	15.292	-1.3%
2013	4th	15.183	-0.7%
2014	1st	15.885	4.6%
2014	2nd	15.514	-2.3%
2014	3rd	15.532	0.1%
2014	4th	15.180	-2.3%
2015	1st	14.693	-3.2%
2015	2nd	14.622	-0.5%
2015	3rd	14.383	-1.6%
2015	4th	14.413	0.2%
2016	1st	13.967	-3.1%
2016	2nd	13.622	-2.5%
2016	3rd	13.105	-3.8%

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

Source: WCIRB quarterly calls for experience.

ALAE and Medical Fee Schedule - By Injury Type: Permanent
Percent Share of Claim Counts and Medical Transactions

	High ALAE				Low ALAE				Zero ALAE			
Accident Year	2012	2013	2014	2015	2012	2013	2014	2015	2012	2013	2014	2015
Average Paid ALAE per Claim	\$4,361	\$4,433	\$4,358	\$4,524	\$419	\$415	\$432	\$425	\$0	\$0	\$0	\$0
Share of Claim Counts	8%	7%	8%	7%	6%	5%	5%	5%	0%	0%	0%	0%
Number of Medical Transactions per Claim	87.4	79.3	73.1	68.0	58.9	60.7	53.7	48.5	33.4	51.3	42.8	42.0
Share of Medical Transactions	66%	63%	66%	59%	34%	37%	34%	29%	0%	0%	0%	0%
Average MDC Paid per Claim	\$9,950	\$8,862	\$8,841	\$9,013	\$4,920	\$5,151	\$4,357	\$4,202	\$2,004	\$3,692	\$2,954	\$4,833
Distribution of Number of Medical Transactions by Procedure Type												
1 Evaluation & Management	13.3%	13.2%	13.3%	13.4%	15.2%	14.8%	15.0%	15.7%	20.2%	9.7%	16.6%	13.9%
2 Surgery	3.1%	3.1%	2.8%	2.3%	2.9%	2.7%	2.4%	2.0%	10.1%	4.1%	2.9%	3.8%
3 Physical Medicine	39.9%	37.4%	38.6%	38.4%	40.9%	41.1%	42.4%	41.4%	21.0%	35.9%	50.1%	49.5%
4 Radiology	5.5%	5.6%	6.0%	5.7%	5.1%	5.4%	5.3%	5.3%	8.6%	3.9%	3.5%	6.8%
5 Special Services & Reports	10.2%	9.9%	8.6%	8.3%	10.9%	10.4%	9.2%	9.7%	10.5%	6.7%	9.4%	5.7%
6 Medicine	4.1%	3.2%	1.6%	1.4%	3.6%	2.5%	1.1%	1.1%	3.7%	1.9%	0.8%	1.1%
7 Pathology & Laboratory	3.3%	3.6%	2.6%	2.2%	2.1%	1.5%	1.3%	1.4%	6.4%	11.9%	0.3%	0.5%
8 Anesthesia	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	1.1%	0.9%	0.3%	0.3%
9 Acupuncture	1.0%	1.1%	1.9%	2.3%	0.8%	0.9%	1.7%	2.1%	0.0%	9.1%	0.0%	0.0%
10 Chiropractic	1.2%	1.1%	1.5%	1.5%	1.1%	1.4%	1.2%	1.1%	0.0%	1.1%	1.6%	0.0%
11 Other Physician Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Physician Services	82.1%	78.7%	77.3%	75.9%	83.0%	81.1%	80.0%	80.2%	81.6%	85.3%	85.5%	81.5%
12 Pharmaceuticals	9.4%	9.2%	8.2%	7.2%	9.6%	8.9%	8.1%	7.2%	11.2%	5.8%	8.3%	9.0%
13 Hospital - Inpatient	1.0%	1.5%	1.5%	1.5%	0.7%	1.1%	0.6%	0.7%	0.0%	0.4%	0.3%	0.0%
14 Hospital - Outpatient	1.1%	1.6%	1.9%	3.1%	1.1%	2.1%	2.4%	2.2%	0.4%	0.0%	0.0%	4.9%
15 Medical-Legal Evaluations	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.0%	0.2%	0.0%	0.5%
16 Medical Supls. and Eqmnt.	6.2%	8.8%	10.9%	11.4%	5.4%	6.7%	8.8%	9.0%	6.7%	8.2%	5.9%	4.1%
17 Medical Liens	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18 Dental Services	0.1%	0.1%	0.1%	0.0%	0.1%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%
19 Copy Services	---	---	---	0.7%	---	---	---	0.5%	---	---	---	0.0%
All Medical Services	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Distribution of Paid Medical Transaction by Procedure Type												
1 Evaluation & Management	11.1%	12.0%	12.5%	12.2%	16.3%	16.2%	20.7%	21.3%	29.4%	11.6%	26.3%	13.7%
2 Surgery	17.9%	13.8%	12.0%	8.8%	19.1%	15.1%	13.9%	11.9%	18.7%	22.2%	27.8%	12.9%
3 Physical Medicine	8.4%	8.3%	10.2%	10.9%	11.5%	11.7%	16.3%	16.7%	8.2%	17.1%	24.3%	22.6%
4 Radiology	7.2%	6.8%	5.8%	4.5%	7.9%	7.7%	7.8%	6.3%	12.6%	7.5%	7.8%	7.3%
5 Special Services & Reports	3.1%	2.9%	11.2%	1.8%	3.7%	3.2%	2.4%	1.8%	4.3%	2.0%	1.5%	0.7%
6 Medicine	3.4%	2.6%	1.3%	1.1%	3.4%	2.4%	1.3%	1.4%	10.9%	3.8%	0.6%	0.4%
7 Pathology & Laboratory	1.5%	1.5%	0.5%	0.3%	0.9%	0.5%	0.2%	0.2%	1.1%	8.1%	0.0%	0.1%
8 Anesthesia	1.6%	1.6%	1.3%	1.0%	1.5%	1.6%	1.6%	1.4%	4.3%	3.7%	1.1%	1.1%
9 Acupuncture	0.6%	0.5%	0.5%	0.6%	0.6%	0.5%	0.7%	0.9%	0.0%	3.9%	0.0%	0.0%
10 Chiropractic	0.3%	0.3%	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%	0.0%	0.3%	1.0%	0.0%
11 Other Physician Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Physician Services	55.0%	50.5%	55.8%	41.6%	65.3%	59.4%	65.5%	62.4%	89.4%	80.3%	90.5%	58.8%
12 Pharmaceuticals	5.5%	6.1%	4.5%	2.9%	5.1%	5.3%	3.9%	3.3%	7.1%	3.0%	4.6%	7.2%
13 Hospital - Inpatient	15.9%	19.7%	20.6%	23.9%	14.5%	18.6%	9.2%	10.3%	0.0%	0.7%	0.1%	0.0%
14 Hospital - Outpatient	12.4%	11.6%	9.5%	19.1%	8.4%	8.8%	15.0%	15.1%	0.0%	0.0%	0.0%	20.5%
15 Medical-Legal Evaluations	0.9%	1.7%	1.3%	1.8%	0.7%	0.8%	1.3%	1.4%	0.0%	3.8%	0.0%	9.6%
16 Medical Supls. and Eqmnt.	10.0%	9.6%	7.6%	9.8%	5.4%	7.1%	4.9%	5.4%	3.5%	12.2%	4.8%	3.9%
17 Medical Liens	0.0%	0.3%	0.6%	0.2%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
18 Dental Services	0.2%	0.5%	0.2%	0.2%	0.5%	0.0%	0.0%	1.4%	0.0%	0.0%	0.0%	0.0%
19 Copy Services	---	---	---	0.6%	---	---	---	0.6%	---	---	---	0.0%
All Medical Services	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: WCIRB Unit Statistical Report (USR) for paid ALAE and Medical Data Call (MDC).

ALAE and Medical Fee Schedule - By Injury Type: Temporary
Percent Share of Claim Counts and Medical Transactions

	High ALAE				Low ALAE				Zero ALAE			
Accident Year	2012	2013	2014	2015	2012	2013	2014	2015	2012	2013	2014	2015
Average Paid ALAE per Claim	\$3,699	\$3,507	\$3,607	\$3,902	\$258	\$277	\$285	\$267	\$0	\$0	\$0	\$0
Share of Claim Counts	9%	11%	11%	10%	22%	24%	24%	23%	0%	1%	0%	1%
Number of Medical Transactions per Claim	65.8	57.9	56.6	59.1	33.0	35.2	32.2	30.2	14.3	22.0	14.0	8.1
Share of Medical Transactions	46%	42%	43%	44%	54%	57%	56%	50%	0%	1%	0%	0%
Average MDC Paid per Claim	\$5,641	\$5,308	\$5,105	\$5,733	\$1,907	\$2,190	\$2,276	\$2,210	\$1,978	\$1,463	\$1,151	\$860
Distribution of Number of Medical Transactions by Procedure Type												
1 Evaluation & Management	14.8%	15.4%	14.6%	15.2%	19.2%	18.6%	19.3%	19.5%	29.3%	19.5%	34.0%	40.6%
2 Surgery	2.7%	2.4%	2.2%	2.3%	2.1%	2.2%	1.9%	1.7%	2.4%	2.3%	2.4%	4.3%
3 Physical Medicine	38.9%	38.5%	40.4%	38.4%	36.3%	35.9%	36.8%	37.1%	19.6%	31.6%	9.1%	5.7%
4 Radiology	5.3%	5.1%	5.2%	5.2%	5.2%	5.3%	5.5%	5.6%	9.0%	5.3%	11.2%	11.1%
5 Special Services & Reports	11.0%	11.3%	8.8%	9.0%	13.4%	13.4%	11.3%	10.9%	13.3%	12.7%	17.2%	10.8%
6 Medicine	3.3%	2.8%	1.5%	1.6%	2.7%	2.2%	1.0%	1.0%	1.9%	2.8%	1.3%	1.9%
7 Pathology & Laboratory	2.8%	2.2%	2.6%	1.9%	1.2%	1.4%	1.4%	1.2%	0.6%	1.6%	4.0%	0.9%
8 Anesthesia	0.4%	0.3%	0.3%	0.4%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.0%	0.0%
9 Acupuncture	0.9%	1.1%	2.3%	2.3%	0.7%	1.1%	1.6%	1.9%	0.0%	0.9%	1.7%	0.0%
10 Chiropractic	1.6%	1.5%	1.5%	1.3%	1.4%	1.4%	1.2%	1.6%	0.2%	1.4%	0.0%	0.6%
11 Other Physician Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Physician Services	81.9%	80.8%	79.4%	77.6%	82.3%	81.5%	80.3%	80.8%	76.4%	78.4%	80.9%	75.8%
12 Pharmaceuticals	10.5%	9.9%	8.8%	7.5%	9.8%	9.9%	8.9%	7.5%	11.6%	10.7%	6.7%	6.8%
13 Hospital - Inpatient	0.7%	0.6%	0.8%	1.2%	0.2%	0.2%	0.6%	0.4%	3.4%	0.7%	2.8%	3.2%
14 Hospital - Outpatient	0.9%	1.2%	1.0%	2.9%	1.1%	1.5%	1.4%	1.9%	2.8%	3.2%	4.0%	8.9%
15 Medical-Legal Evaluations	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
16 Medical Supls. and Eqmnt.	5.8%	7.3%	9.9%	10.2%	6.4%	6.7%	8.6%	9.2%	5.8%	6.9%	5.5%	4.5%
17 Medical Liens	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18 Dental Services	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.0%	0.8%
19 Copy Services	---	---	---	0.4%	---	---	---	0.1%	---	---	---	0.0%
All Medical Services	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Distribution of Paid Medical Transaction by Procedure Type												
1 Evaluation & Management	15.7%	17.7%	18.7%	18.7%	28.4%	26.8%	29.9%	31.5%	17.1%	23.4%	43.0%	37.9%
2 Surgery	17.2%	16.1%	15.3%	10.4%	11.9%	11.8%	12.6%	10.0%	7.1%	5.1%	4.3%	8.9%
3 Physical Medicine	10.5%	12.0%	16.8%	14.5%	14.1%	14.0%	17.0%	18.6%	2.9%	11.3%	2.8%	2.6%
4 Radiology	9.8%	9.2%	7.5%	6.2%	9.3%	9.1%	7.8%	6.9%	3.1%	7.5%	7.5%	5.9%
5 Special Services & Reports	3.8%	3.9%	2.4%	1.7%	4.6%	4.3%	2.8%	2.2%	1.3%	3.4%	2.7%	1.6%
6 Medicine	3.7%	3.0%	1.5%	1.7%	3.3%	2.3%	1.0%	1.1%	0.5%	3.2%	0.8%	0.3%
7 Pathology & Laboratory	2.3%	1.6%	0.8%	0.4%	0.6%	0.6%	0.3%	0.3%	0.1%	0.5%	0.6%	0.1%
8 Anesthesia	1.4%	1.3%	1.3%	1.2%	1.1%	1.1%	1.1%	0.9%	0.3%	1.0%	0.0%	0.0%
9 Acupuncture	0.6%	0.6%	0.9%	0.9%	0.7%	0.8%	0.8%	1.0%	0.0%	0.8%	0.5%	0.0%
10 Chiropractic	0.6%	0.6%	0.5%	0.5%	0.7%	0.7%	0.6%	0.8%	0.0%	0.7%	0.0%	0.2%
11 Other Physician Services	0.0%	0.0%	0.2%	0.2%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Physician Services	65.7%	66.2%	65.9%	56.3%	74.7%	71.4%	73.9%	73.5%	32.4%	56.7%	62.3%	57.5%
12 Pharmaceuticals	7.3%	7.5%	5.4%	4.6%	5.5%	5.9%	4.3%	3.4%	4.0%	4.7%	1.9%	1.9%
13 Hospital - Inpatient	11.7%	10.1%	11.9%	14.1%	4.4%	6.1%	8.1%	6.5%	46.2%	10.1%	26.5%	14.4%
14 Hospital - Outpatient	7.1%	6.4%	6.7%	13.7%	7.5%	9.0%	6.9%	8.8%	2.5%	15.7%	5.9%	16.3%
15 Medical-Legal Evaluations	1.1%	1.5%	1.8%	2.5%	0.7%	0.8%	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%
16 Medical Supls. and Eqmnt.	6.6%	8.0%	8.1%	7.5%	6.5%	6.3%	5.6%	6.8%	14.9%	12.6%	3.4%	4.2%
17 Medical Liens	0.0%	0.0%	0.1%	0.5%	0.1%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
18 Dental Services	0.3%	0.3%	0.1%	0.4%	0.5%	0.5%	0.6%	0.3%	0.0%	0.2%	0.0%	5.7%
19 Copy Services	---	---	---	0.4%	---	---	---	0.2%	---	---	---	0.0%
All Medical Services	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: WCIRB Unit Statistical Report (USR) for paid ALAE and Medical Data Call (MDC).

ALAE and Medical Fee Schedule - By Injury Type: Medical-Only
Percent Share of Claim Counts and Medical Transactions

	High ALAE				Low ALAE				Zero ALAE			
Accident Year	2012	2013	2014	2015	2012	2013	2014	2015	2012	2013	2014	2015
Average Paid ALAE per Claim	\$1,999	\$2,091	\$2,108	\$2,048	\$112	\$107	\$114	\$116	\$0	\$0	\$0	\$0
Share of Claim Counts	4%	3%	4%	4%	94%	93%	93%	88%	2%	4%	3%	3%
Number of Medical Transactions per Claim	41.3	42.1	37.0	39.1	15.9	16.9	14.0	13.5	7.8	8.9	6.9	5.4
Share of Medical Transactions	9%	8%	9%	10%	90%	90%	90%	81%	1%	2%	1%	1%
Average MDC Paid per Claim	\$2,396	\$2,218	\$2,156	\$2,455	\$704	\$751	\$772	\$797	\$537	\$469	\$458	\$386
Distribution of Number of Medical Transactions by Procedure Type												
1 Evaluation & Management	18.3%	16.6%	16.6%	17.4%	22.1%	21.4%	23.8%	23.7%	25.9%	27.2%	37.1%	42.4%
2 Surgery	1.7%	1.5%	1.0%	1.1%	2.2%	2.2%	2.0%	1.9%	3.0%	2.6%	3.1%	3.1%
3 Physical Medicine	40.4%	39.9%	40.6%	41.8%	29.3%	29.6%	29.9%	30.4%	20.2%	16.9%	8.4%	9.8%
4 Radiology	5.4%	4.6%	4.8%	4.7%	5.2%	5.0%	5.8%	5.8%	8.2%	7.1%	8.4%	9.4%
5 Special Services & Reports	12.2%	12.1%	9.4%	10.1%	15.3%	15.7%	12.3%	12.0%	12.1%	17.2%	16.4%	8.2%
6 Medicine	3.4%	3.7%	1.7%	1.0%	3.1%	2.8%	1.4%	1.3%	4.0%	4.2%	4.7%	4.1%
7 Pathology & Laboratory	1.9%	2.0%	1.8%	0.9%	1.7%	1.9%	1.9%	1.7%	2.5%	2.2%	2.5%	1.5%
8 Anesthesia	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9 Acupuncture	1.0%	1.1%	2.4%	2.4%	0.3%	0.5%	0.8%	1.1%	0.0%	0.2%	0.2%	0.0%
10 Chiropractic	1.5%	2.0%	1.6%	1.9%	1.1%	1.2%	1.3%	1.4%	0.6%	1.7%	0.4%	0.4%
11 Other Physician Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Physician Services	85.7%	83.8%	79.9%	81.5%	80.3%	80.3%	79.1%	79.2%	76.5%	79.4%	81.3%	78.9%
12 Pharmaceuticals	8.2%	7.9%	8.0%	6.5%	11.0%	10.0%	10.0%	8.8%	11.3%	10.2%	8.8%	11.3%
13 Hospital - Inpatient	0.0%	0.2%	0.2%	0.1%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
14 Hospital - Outpatient	0.7%	1.3%	1.6%	1.9%	0.8%	1.3%	1.3%	1.7%	3.6%	4.4%	4.3%	2.9%
15 Medical-Legal Evaluations	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
16 Medical Supls. and Eqmnt.	5.2%	6.7%	10.1%	9.6%	7.6%	8.2%	9.3%	10.0%	7.3%	5.9%	5.7%	6.6%
17 Medical Liens	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18 Dental Services	0.0%	0.1%	0.1%	0.0%	0.2%	0.2%	0.2%	0.1%	1.3%	0.1%	0.0%	0.3%
19 Copy Services	---	---	---	0.3%	---	---	---	0.0%	---	---	---	0.0%
All Medical Services	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Distribution of Paid Medical Transaction by Procedure Type												
1 Evaluation & Management	30.3%	28.4%	32.1%	33.3%	43.5%	42.7%	48.5%	47.9%	35.1%	43.9%	57.2%	63.8%
2 Surgery	6.8%	3.6%	2.4%	3.0%	3.7%	3.0%	4.4%	4.0%	7.8%	4.0%	6.4%	5.3%
3 Physical Medicine	15.8%	18.5%	20.8%	22.8%	14.8%	15.2%	17.2%	18.0%	6.4%	7.5%	3.5%	4.1%
4 Radiology	14.3%	11.8%	10.6%	8.3%	8.0%	8.1%	7.7%	6.5%	6.3%	7.7%	7.2%	6.0%
5 Special Services & Reports	5.2%	4.8%	2.9%	2.5%	5.7%	6.0%	3.3%	2.9%	3.1%	4.9%	4.2%	2.1%
6 Medicine	5.0%	5.8%	2.7%	1.6%	3.4%	2.6%	1.2%	1.1%	2.8%	3.4%	2.5%	1.8%
7 Pathology & Laboratory	1.0%	1.8%	0.5%	0.2%	0.8%	0.9%	0.6%	0.5%	1.0%	0.9%	0.6%	0.2%
8 Anesthesia	0.4%	0.3%	0.3%	0.2%	0.1%	0.1%	0.0%	0.1%	0.0%	0.1%	0.0%	0.0%
9 Acupuncture	1.0%	1.0%	1.4%	1.4%	0.5%	0.5%	0.5%	0.7%	0.0%	0.2%	0.1%	0.0%
10 Chiropractic	0.8%	1.2%	0.9%	1.1%	0.7%	0.8%	0.7%	0.9%	0.2%	1.0%	0.1%	0.1%
11 Other Physician Services	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Physician Services	80.7%	77.3%	74.6%	74.5%	81.1%	80.1%	84.3%	82.6%	62.7%	73.6%	81.7%	83.3%
12 Pharmaceuticals	5.7%	7.5%	5.4%	4.3%	6.7%	6.4%	4.7%	4.2%	4.7%	6.6%	5.3%	5.1%
13 Hospital - Inpatient	0.2%	1.8%	3.5%	2.7%	0.8%	0.6%	0.5%	0.6%	0.0%	0.0%	0.0%	0.0%
14 Hospital - Outpatient	4.3%	3.7%	7.5%	8.6%	2.4%	3.9%	3.0%	4.5%	10.9%	14.9%	8.2%	6.0%
15 Medical-Legal Evaluations	1.2%	2.4%	2.7%	2.5%	0.4%	0.2%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%
16 Medical Supls. and Eqmnt.	7.6%	7.1%	5.9%	7.0%	7.1%	6.9%	5.7%	6.8%	10.9%	4.4%	4.8%	3.2%
17 Medical Liens	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18 Dental Services	0.4%	0.1%	0.4%	0.0%	1.5%	1.9%	1.6%	1.1%	10.8%	0.5%	0.0%	2.5%
19 Copy Services	---	---	---	0.4%	---	---	---	0.0%	---	---	---	0.0%
All Medical Services	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: WCIRB Unit Statistical Report (USR) for paid ALAE and Medical Data Call (MDC).

Summary of 2016 ALAE Survey - Claim Distributions

	2016 Survey Accident Years						
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2011-2012</u>	<u>2013-2014</u>	<u>All Years</u>
Number of Claims Surveyed	255	255	255	105	510	360	870
Number Received	245	250	247	105	495	352	847
Percentage of Claims with:							
<u>Representation</u>							
Applicant's Attorney	66%	69%	70%	67%	67%	69%	68%
In Northern California	49%	55%	53%	50%	52%	52%	52%
In Southern California	79%	78%	79%	77%	78%	78%	78%
First Notice by Claimant's Representative within Represented Claims	31%	39%	39%	37%	35%	39%	37%
In Northern California	20%	21%	17%	16%	20%	17%	19%
In Southern California	36%	44%	46%	45%	40%	46%	43%
<u>Deposition Cost Types</u>							
Any Deposition Costs	43%	41%	43%	34%	42%	40%	41%
Defense Attorney	33%	28%	33%	27%	30%	31%	31%
Applicant's Attorney	38%	34%	38%	30%	36%	35%	36%
Court Reporter/Transcripts	36%	34%	36%	29%	35%	34%	35%
Interpreter	16%	16%	18%	16%	16%	18%	17%
Other	5%	5%	6%	5%	5%	5%	5%
<u>Appearance at WCAB</u>							
Claims with Appearance	58%	60%	58%	44%	59%	54%	57%
Interpreter at WCAB Appearances	27%	28%	24%	20%	27%	23%	25%
<u>Medical Cost Containment Program (MCCP) Costs</u>							
Utilization Review	58%	53%	56%	51%	56%	55%	55%
Bill Review	87%	86%	89%	90%	86%	89%	87%
Network Service Fees	24%	21%	23%	19%	22%	22%	22%
Other MCCP Costs	10%	7%	8%	6%	8%	7%	8%
<u>Liens</u>							
Claims with Liens	33%	38%	35%	25%	36%	32%	34%
Distribution of Liens by Type							
Medical - Treatment	50%	51%	45%	44%	51%	45%	49%
Medical - Pharmacy/DME	14%	11%	16%	11%	13%	15%	14%
Medical - Other	16%	21%	21%	19%	18%	20%	19%
Interpreter	9%	7%	6%	11%	8%	7%	8%
Copy Service	5%	5%	7%	10%	5%	8%	6%
All Other	5%	4%	5%	5%	5%	5%	5%
Distribution of Liens by Nature of Dispute							
Denied Body Part	38%	30%	40%	25%	34%	37%	35%
Self-procured Treatment	30%	43%	29%	56%	37%	35%	36%
Beyond Cap	3%	3%	2%	0%	3%	1%	2%
Post-AME/QME	0%	1%	0%	0%	1%	0%	0%
Other	30%	23%	29%	19%	26%	27%	26%
"Pre-Lien" Disputes	25%	26%	25%	17%	25%	23%	24%
<u>Other ALAE Components</u>							
Surveillance/Investigation Costs	34%	31%	30%	26%	33%	28%	31%
Cost of Obtaining/Preparing Subpoenaed Records	38%	37%	36%	26%	37%	33%	36%
Subrogation Costs	3%	2%	2%	2%	2%	2%	2%
Co-defendants	7%	9%	7%	10%	8%	8%	8%
Post-termination on All Surveyed Claims	8%	19%	14%	14%	14%	14%	14%
Post-termination on CT Claims Only	30%	52%	35%	21%	42%	30%	35%
Denied in Whole or in Part on All Surveyed Claims	26%	32%	30%	32%	29%	31%	30%
Denied in Whole or in Part on CT Claims Only	57%	83%	73%	54%	71%	66%	68%

Note: Each Percentage represents the number of claims with the item divided by the total number of claims unless otherwise noted.

Summary of 2016 ALAE Survey - Frequency of ALAE Components

	2016 Survey Accident Years						
	2011	2012	2013	2014	2011-2012	2013-2014	All Years
Number of Transactions per Claim							
Depositions							
Applicant	0.53	0.43	0.46	0.34	0.48	0.43	0.46
AME/QME	0.06	0.05	0.04	0.02	0.06	0.04	0.05
All Other	0.00	0.01	0.00	0.00	0.00	0.00	0.00
Total	0.59	0.49	0.51	0.36	0.54	0.47	0.51
Appearances at WCAB							
Expedited Hearing on Timeliness of Utilization Review	0.01	0.02	0.00	0.02	0.01	0.01	0.01
Expedited Hearing on Medical Issues Other Than Timeliness of UR	0.06	0.03	0.02	0.02	0.04	0.02	0.03
Expedited Hearing on Other Than Medical Issues	0.05	0.06	0.04	0.03	0.05	0.04	0.05
Mandatory Settlement Conference (MSC)	0.46	0.40	0.26	0.17	0.43	0.23	0.35
Status Conference	0.27	0.21	0.20	0.09	0.24	0.17	0.21
Lien Conference	0.25	0.25	0.11	0.07	0.25	0.10	0.19
Trial	0.07	0.06	0.05	0.03	0.07	0.04	0.06
Walk-Through	0.18	0.20	0.22	0.21	0.19	0.22	0.20
Other	0.03	0.03	0.02	0.05	0.03	0.03	0.03
Total	1.37	1.26	0.92	0.68	1.31	0.85	1.12
Lien Related							
Liens filed on the Claim	1.51	1.71	1.06	0.70	1.61	0.95	1.33
"Pre-Lien" Disputes	1.54	1.32	1.15	0.62	1.43	0.99	1.25
Other ALAE Components							
Number of IMRs related to Pharmaceuticals	0.10	0.07	0.14	0.06	0.08	0.11	0.10
Number of All Other IMRs	0.25	0.33	0.20	0.11	0.29	0.18	0.24
Number of All IBRs	0.04	0.01	0.01	0.03	0.02	0.01	0.02
Total Number of IBRs or IMRs	0.38	0.42	0.35	0.20	0.40	0.30	0.36
Months Between Accident Date and Date of First Representation							
All Regions - Average	7.5	7.3	5.9	5.4	7.4	5.7	6.7
All Regions - Median	3.6	3.3	2.8	3.5	3.4	2.9	3.3
Northern CA - Average	9.1	9.6	9.0	8.3	9.3	8.8	9.1
Northern CA - Median	5.5	3.6	4.9	8.0	4.6	5.3	5.2
Southern CA - Average	6.8	6.5	4.9	4.3	6.7	4.7	5.8
Southern CA - Median	2.8	3.3	2.6	2.8	3.1	2.7	2.8
Months Between Accident Date and Lien Filed Date							
Average	23.8	26.4	26.0	19.8	25.3	24.7	25.1
Median	18.4	28.2	26.4	21.9	21.9	25.2	23.7
Months Between Accident Date and Date of Service Disputed on the Lien							
Average	17.7	13.1	10.5	10.2	15.5	10.5	14.1
Median	13.9	9.0	8.7	6.9	11.3	8.6	10.4
Months Between Date of Service Disputed on the Lien and Lien Filed Date							
Average	13.5	17.1	17.1	11.3	15.5	16.2	15.7
Median	9.7	15.2	18.1	10.7	12.6	17.9	15.6

Summary of 2016 ALAE Survey - Average ALAE Costs per Claim

	2016 Survey Accident Years		
	<u>2011-2012</u>	<u>2013-2014</u>	<u>All Years</u>
<u>Average ALAE Costs per Claim</u>			
Paid ALAE	\$16,403	\$10,914	\$14,122
Incurred ALAE	\$22,953	\$15,569	\$19,884
<u>Average ALAE Paid Cost on Claims with Representation</u>	\$22,171	\$13,144	\$18,369
In Northern California	\$26,773	\$12,058	\$20,807
In Southern California	\$20,524	\$13,500	\$17,528
First Notice by Claimant's Representative	\$17,388	\$12,668	\$15,285
First Notice not by Claimant's Representative	\$16,098	\$10,275	\$13,736
<u>Average ALAE Paid Cost on Claims without Representation</u>	\$4,438	\$5,943	\$5,046
In Northern California	\$5,287	\$5,387	\$5,328
In Southern California	\$3,310	\$6,350	\$4,613
<u>Average Depositions Costs per Claim</u>			
Defense Attorney Costs	\$376	\$523	\$437
Applicant's Attorney Costs	\$628	\$644	\$635
Court Reporter/Transcripts Costs	\$237	\$218	\$229
Interpreter Costs	\$128	\$65	\$102
Other Costs	\$17	\$10	\$15
Total	\$1,386	\$1,461	\$1,417
<u>Average WCAB Costs per Claim</u>	\$873	\$529	\$730
Interpreter Fee per Claim	\$139	\$64	\$108
<u>Medical Cost Containment Program (MCCP) Costs per Claim - Paid</u>			
Utilization Review	\$1,306	\$736	\$1,069
Bill Review	\$1,777	\$1,499	\$1,661
Other MCCP Costs	\$256	\$122	\$201
<u>Medical Cost Containment Program (MCCP) Costs per Claim - Incurred</u>			
Utilization Review	\$1,681	\$1,041	\$1,415
Bill Review	\$2,464	\$2,043	\$2,289
Other MCCP Costs	\$489	\$295	\$408
<u>Other ALAE Components per Claim</u>			
Surveillance/Investigation Costs	\$698	\$552	\$637
Cost of Obtaining/Preparing Subpoenaed Records	\$444	\$351	\$405
Subrogation Costs	\$153	\$60	\$114

Summary of 2016 ALAE Survey - Average ALAE Costs per Transaction

	2016 Survey Accident Years		
	<u>2011-2012</u>	<u>2013-2014</u>	<u>All Years</u>
<u>Average ALAE Costs per Claim</u>			
Paid ALAE	\$16,403	\$10,914	\$14,122
Incurred ALAE	\$22,953	\$15,569	\$19,884
<u>Average Depositions Costs per Claim with Deposition</u>			
Defense Attorney Costs	\$895	\$1,305	\$1,061
Applicant's Attorney Costs	\$1,494	\$1,609	\$1,540
Court Reporter/Transcripts Costs	\$563	\$544	\$556
Interpreter Costs	\$304	\$163	\$247
Other Costs	\$42	\$26	\$35
Total	\$3,297	\$3,647	\$3,439
<u>Average WCAB Costs per Appearance of that Type</u>			
Expedited Hearing on Timeliness of Utilization Review	\$553	\$1,631	\$876
Expedited Hearing on Medical Issues Other Than Timeliness of UR	\$755	\$739	\$751
Expedited Hearing on Other Than Medical Issues	\$473	\$1,212	\$719
Mandatory Settlement Conference (MSC)	\$814	\$737	\$792
Status Conference	\$1,014	\$590	\$872
Lien Conference	\$358	\$598	\$410
Trial	\$568	\$951	\$687
Walk-Through	\$481	\$396	\$443
Interpreter Fee per Claim with Interpreter	\$871	\$522	\$748
<u>Medical Cost Containment Program (MCCP) Costs Paid per Claim with MCCP Cost of that Type</u>			
Utilization Review	\$2,343	\$1,343	\$1,931
Bill Review	\$2,060	\$1,685	\$1,902
Other MCCP Costs	\$2,488	\$1,094	\$1,958
<u>Other ALAE Components per Claim with Cost of that Type</u>			
Surveillance/Investigation Costs	\$2,147	\$1,942	\$2,068
Cost of Obtaining/Preparing Subpoenaed Records	\$1,187	\$1,066	\$1,140
Subrogation Costs	\$6,302	\$2,658	\$4,844

Summary of 2016 ALAE Survey - Average ALAE Costs on Liens

2016 Survey Accident Years												
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2011-2012</u>	<u>2013-2014</u>	<u>All Years</u>					
Percentage of Claims with Liens	33%	38%	35%	25%	36%	32%	34%					
Number of Liens per Claim	1.51	1.71	1.06	0.70	1.61	0.95	1.33					
Percentage of Liens Settled	29%	25%	18%	23%	27%	19%	25%					
Percentage of Claims with "Pre-Lien" Disputes	25%	26%	25%	17%	25%	23%	24%					
Number of "Pre-Lien" Disputes per Claim	1.54	1.32	1.15	0.62	1.43	0.99	1.25					
	Average Disputed Amount for the Lien Claimant							Average Amount Paid to the Lien Claimant			Settlement Ratio	
	<u>2011-2012</u>		<u>2013-2014</u>		<u>All Years</u>			<u>2011-2012</u>	<u>2013-2014</u>	<u>All Years</u>	<u>All Years</u>	
	<u>All Liens</u>	<u>Settled Liens</u>	<u>All Liens</u>	<u>Settled Liens</u>	<u>All Liens</u>	<u>Settled Liens</u>						
All Liens	\$6,621	\$6,244	\$7,227	\$6,778	\$6,805	\$6,362	\$1,697	\$1,270	\$1,603	27%	19%	25%
Lien Type												
Medical - Treatment	\$8,670	\$7,970	\$7,864	\$7,212	\$8,445	\$7,825	\$2,083	\$1,468	\$1,965	26%	20%	25%
Medical - Pharmacy/DME	\$6,137	\$5,602	\$9,613	\$10,333	\$7,303	\$6,660	\$1,297	\$1,146	\$1,263	23%	11%	19%
Medical - Other	\$4,673	\$4,434	\$5,469	\$6,656	\$4,926	\$4,984	\$1,144	\$884	\$1,079	26%	13%	22%
Interpreter	\$3,643	\$3,863	\$6,272	\$7,455	\$4,386	\$4,641	\$1,294	\$2,008	\$1,449	33%	27%	31%
Copy Service	\$1,428	\$1,312	\$2,245	\$1,573	\$1,750	\$1,401	\$643	\$874	\$722	49%	56%	52%
All Other	\$4,550	\$6,100	\$10,913	\$3,691	\$6,581	\$5,412	\$2,929	\$651	\$2,278	48%	18%	42%
Dispute Type												
Denied Body Part	\$6,165	\$6,228	\$8,997	\$9,183	\$7,065	\$6,904	\$1,315	\$1,565	\$1,315	21%	17%	19%
Self-procured Treatment	\$6,281	\$5,174	\$6,085	\$6,269	\$6,223	\$5,415	\$1,932	\$970	\$1,932	37%	15%	36%
Beyond Cap	\$14,270	\$6,036	\$3,043	\$1,928	\$12,111	\$5,215	\$2,087	\$736	\$2,087	35%	38%	40%
Post-AME/QME	\$7,832	\$13,170	---	---	\$7,832	\$13,170	---	---	---	---	---	---
Other	\$6,880	\$7,694	\$6,508	\$3,656	\$6,765	\$6,830	\$2,192	\$1,329	\$2,192	28%	36%	32%
Pre-Lien Disputes	\$5,667	---	\$4,644	---	\$5,329	---	---	---	---	---	---	---

Summary of 2016 ALAE Survey: Other Lien-Related Information

Median Months Between Date of Disputed Service and Lien Filing	Lien Service Year		
	2012	2013.01 2013.07	2014
	8.1	17.5	18.0
	Lien Filing Year		
	2012	2013	2014
		2015	2016 (Partial)
Distribution of Liens by Type			
Medical - Treatment	49%	53%	46%
Medical - Pharmacy/DME	13%	7%	15%
Medical - Other	16%	13%	21%
Interpreter	10%	10%	7%
Copy Service	7%	6%	7%
All Other	4%	11%	5%
Distribution of Liens by Nature of Dispute			
Denied Body Part	35%	45%	31%
Self-procured Treatment	34%	21%	39%
All Others	31%	34%	30%
Total Liens Filed	289	89	365
		118	200

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