

January 7, 2016

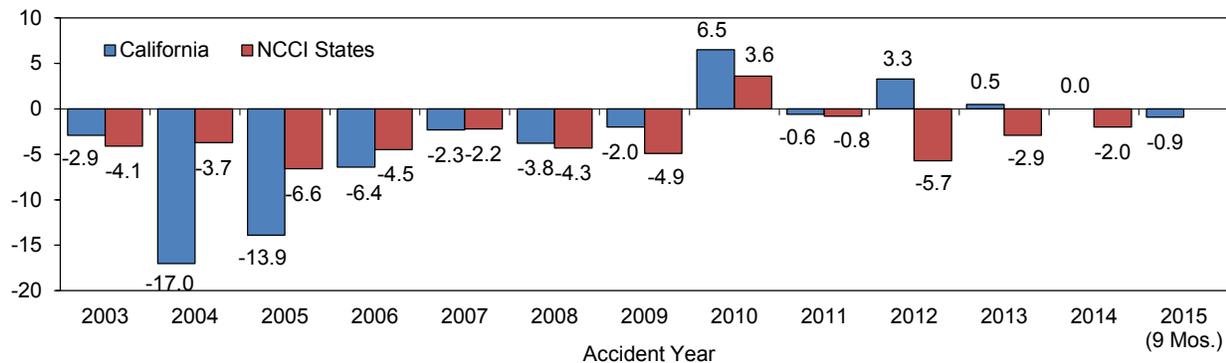
Analysis of Changes in Indemnity Claim Frequency

January 2016 Update Report

Executive Summary

Historically, indemnity claim frequency has generally declined from year-to-year, both in California and the rest of the country. However, in 2010, indemnity claim frequency increased sharply in California as well as in many other states. Since 2010, indemnity claim frequency in California has in general continued to increase modestly while countrywide frequency has declined at similar levels to the pre-2010 period. Chart 1 compares indemnity claim frequency changes for California to that for the average of National Council on Compensation Insurance (NCCI) states.¹ The WCIRB currently estimates indemnity claim frequency increased by 3% from 2010 to 2014 while frequency for NCCI states declined by 11% over the same period.

Chart 1: Change in Estimated Indemnity Claim Frequency – California vs. NCCI States as of September 30, 2015

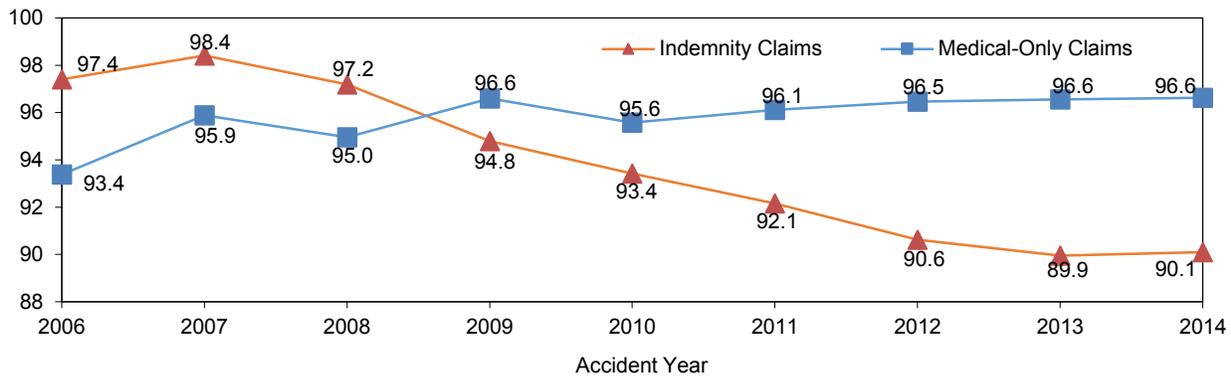


¹ NCCI estimates are based on the May 14, 2015 State of the Line Presentation (NCCI 2014 estimate is preliminary and the 2010 and 2011 estimates have been adjusted to remove the impact of audit premium and other factors).

In this report, the WCIRB has updated the information from the prior WCIRB reports based on insurer unit statistical and aggregate financial call data submitted to the WCIRB through the third quarter of 2015, as well as other external data, in order to identify the key factors driving these recent frequency increases. The key findings resulting from this analysis are detailed in Section III and include the following:

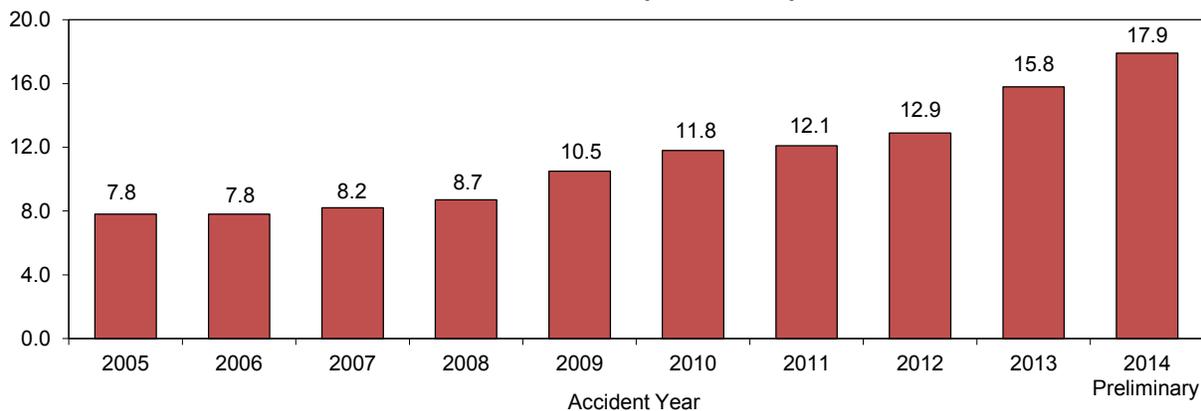
- A significant number of indemnity claims continue to be reported or identified later.**
 Chart 2 shows that approximately 10% of indemnity claims are estimated to be reported after 18 months from the beginning of the accident year for 2014 as compared to less than 2% for 2007. A significant proportion of these late-reported claims are for cumulative injury claims, which are approximately four times as likely to be reported late as non-cumulative injury claims.

Chart 2: Estimated Percentage of Ultimate Claim Counts Reported at 18 Months



- The level of cumulative injury claims has continued to increase.**
 Chart 3 shows that approximately 18% of indemnity claims are estimated to involve a cumulative injury in 2014, as compared to approximately 8% in the 2005 to 2007 period.² The growth in cumulative injury claims beginning in 2009 has been concentrated in claims involving more serious injuries and multiple injured body parts.

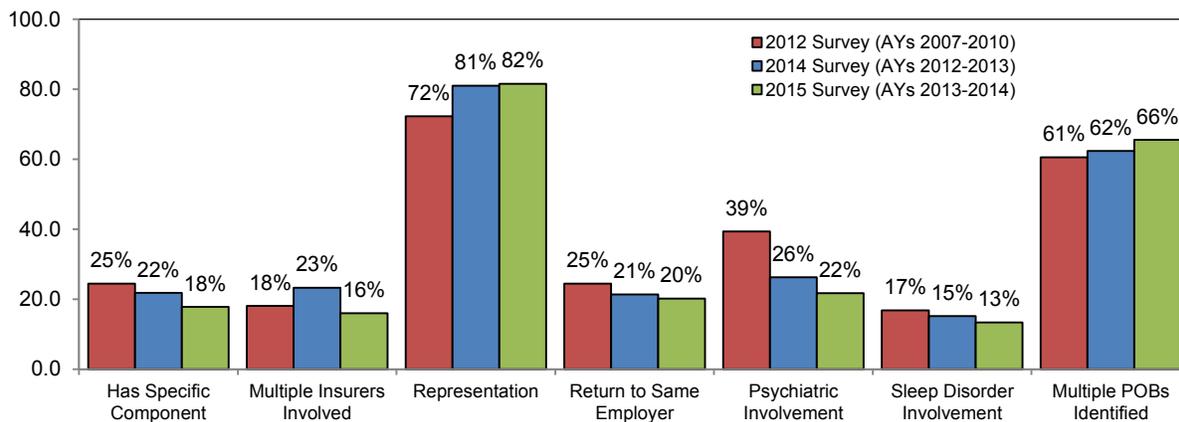
Chart 3: Estimated Percentage of Indemnity Claims Involving Cumulative Injury Partial Accident Years Developed to 5th Report Level



² At least some of the increase in cumulative injury claims experienced in recent years is likely attributable to improved reporting of cumulative injury claims as a result of WCIRB data quality efforts.

- Cumulative injury claims have characteristics that differ from other types of claims.**
 Chart 4 shows characteristics of cumulative injury claims based on WCIRB claim surveys. Most cumulative injury claims involve attorney representation or multiple body parts, and these proportions have increased over the last several years, while the proportion involving a specific claim component, psychiatric injury or sleep disorder has declined. Additional survey information indicates that approximately two-thirds of the claims surveyed were initially denied in part or in whole by the insurer and approximately 40% of claims, despite longstanding statutory limitations on the compensability of post-termination claims, were reported post-termination. These post-termination cumulative injury claims were much more likely to involve multiple insurers, psychiatric injuries or multiple body parts and nearly all of these claims involved attorney representation and were filed in Southern California.

Chart 4: Cumulative Injury Claim Survey Comparison



- The frequency of cumulative injury claims has contributed to an increase in total indemnity frequency but has not had a significant impact on changes in average claim severities.**
 Chart 5 shows that recent increases in the frequency of cumulative injury claims have contributed to 1 to 2 percentage points of increase in total indemnity claim frequency. However, as shown on Chart 6, although cumulative injury claims are significantly more expensive than non-cumulative injury claims at later maturities, changes in the frequency of cumulative injury claims or the proportion of cumulative injury claims with a “specific” claim component have not had a significant impact on the long-term trend in average claim severities.

Chart 5: Estimated Frequency Changes Excluding Cumulative Injury Claims at 1st Report Level

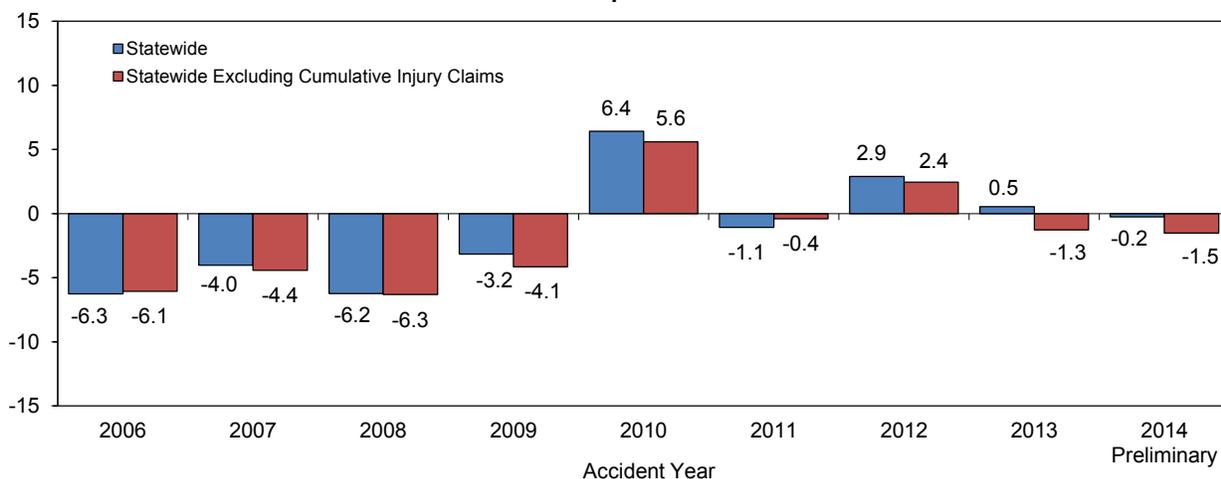
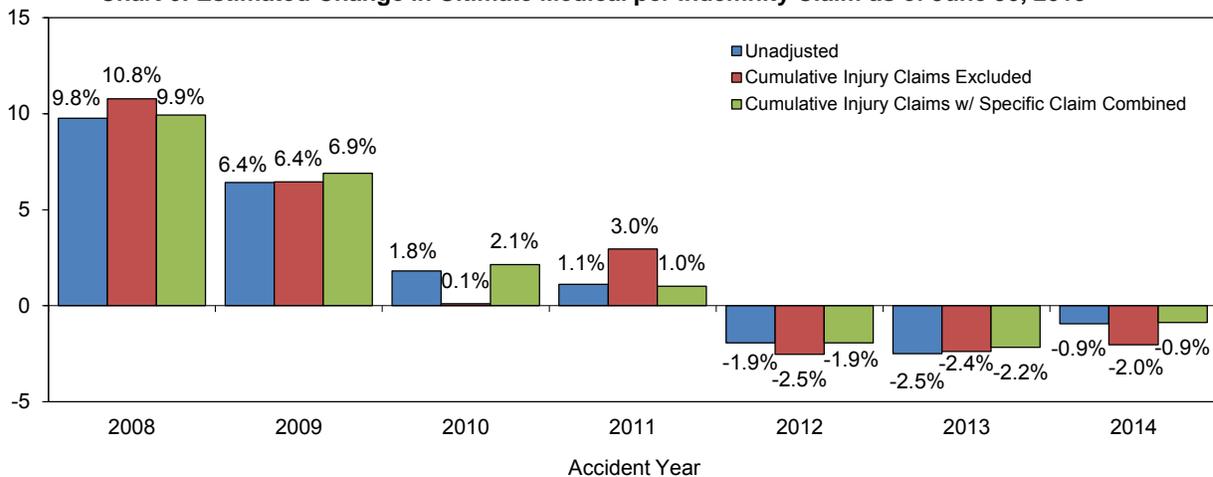
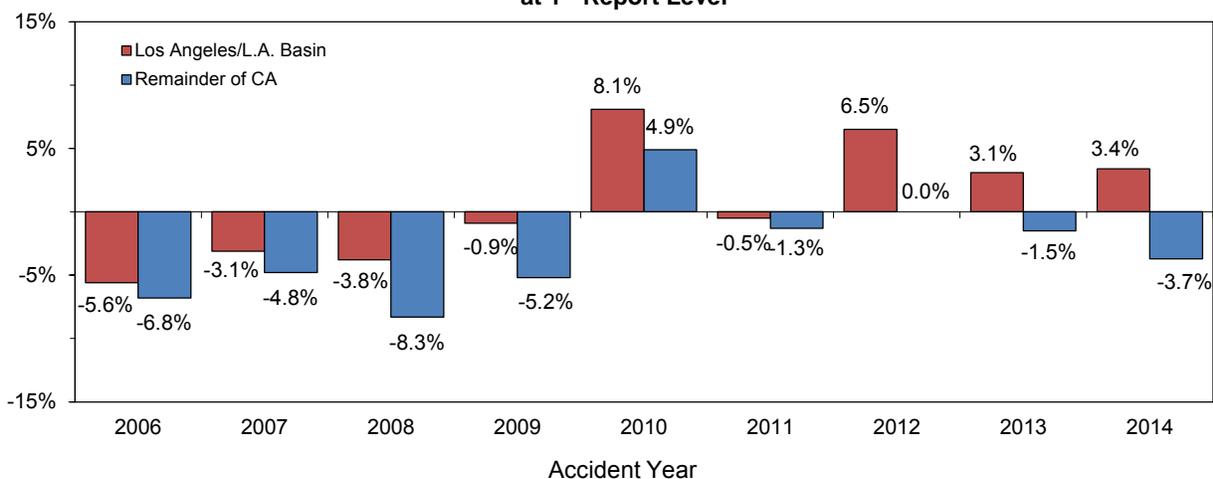


Chart 6: Estimated Change in Ultimate Medical per Indemnity Claim as of June 30, 2015



- Recent changes in indemnity claim frequency have affected industries differently.**
 Long-term shifts in industrial mix toward a less hazardous mix, which have typically dampened indemnity claim frequency, have moderated in recent years as recoveries occur in high hazard industries such as construction and manufacturing. Also, since 2010, relative claim frequency for the higher frequency industries such as agriculture, construction and entertainment have increased while those for the lower frequency industries such as real estate, professional services and finance have declined.
- Recent claim frequency increases have differed across California regions.**
 The 2010 indemnity claim frequency increase was generally experienced across all California regions. Since 2010, the increases have been concentrated in the Los Angeles area. Chart 7 shows that indemnity claim frequency increased an estimated 13% in the Los Angeles/L.A. Basin region from 2010 to 2014 while frequency in the remainder of California declined by 6% during this same period, which is similar to the pattern experienced in many other states. The Los Angeles area also has experienced significantly higher numbers of cumulative injury claims and claims involving multiple body parts than other regions of California.

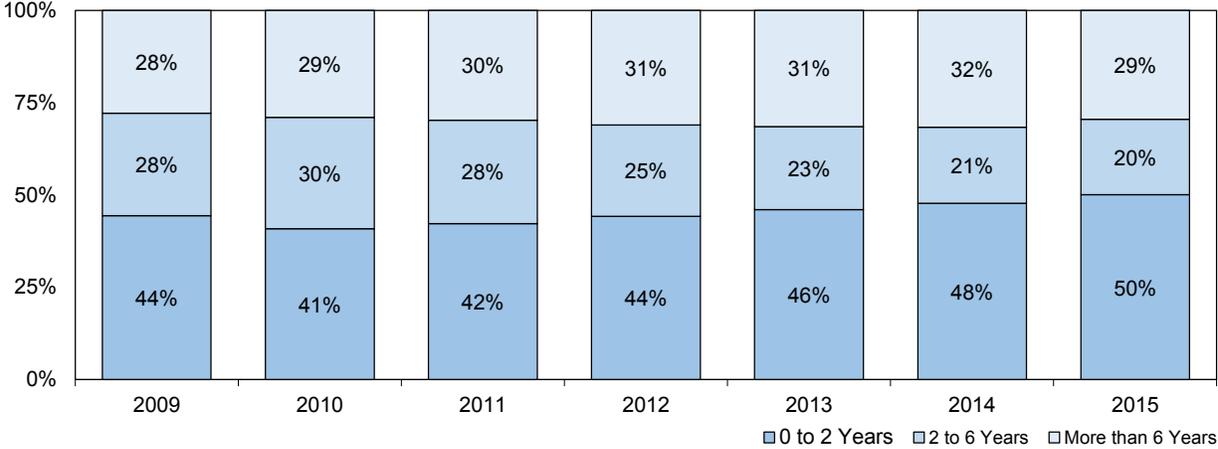
Chart 7: Estimated Frequency Changes by Geographic Region at 1st Report Level



- As the economy recovers, newer workers entering the system may be more likely to be injured on the job than more experienced workers.

Chart 8 shows that the proportion of injured workers with less than 2 years of experience at their current job has grown by almost 10 percentage points from 2010 to 2015, suggesting the economic recovery is likely one of the drivers of recent claim frequency increases.

Chart 8: Distribution of Injured Worker Tenure at Date of Injury Based on DWC WCIS Data by Accident Year



- Changes in frequency and severity are often related.

Chart 9 shows that the 2010 frequency increase ended a years-long decline in the frequency of smaller indemnity claims (below \$2,500 in incurred medical) that had been exerting upward pressure on changes in claim severities. Since that time, the frequency of mid-sized indemnity claims (between \$2,500 and \$25,000 in incurred medical) has increased.

Chart 9: Indemnity Claim Frequency per \$100M Exposure by Incurred Medical Size at 1st Report Level by Accident Year

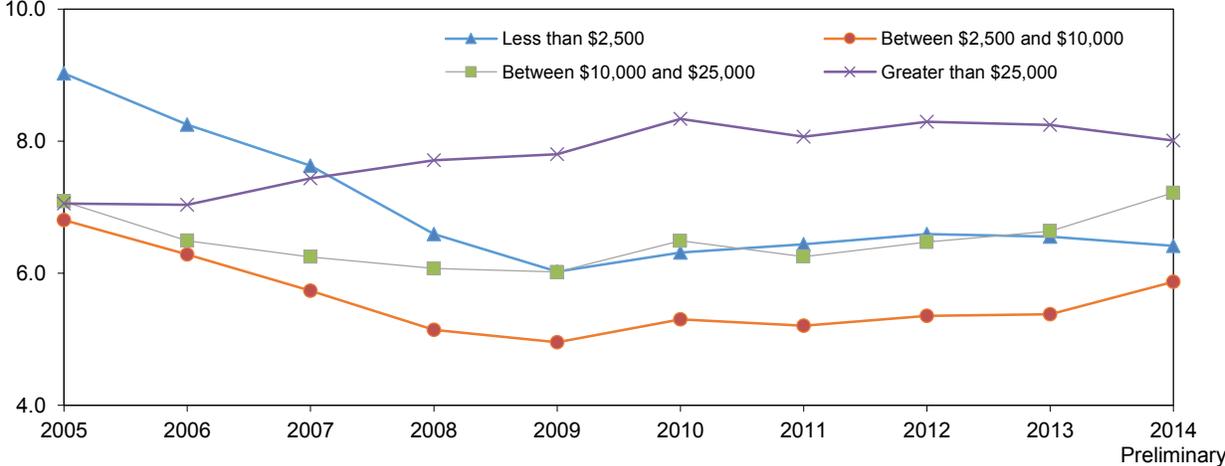


Chart 10 summarizes the principal similarities and differences between the 2010 indemnity claim frequency increase and the more recent changes.

Chart 10: Changes in Indemnity Claim Frequency – 2010 Compared to 2012 and Later

	2010 Frequency Change	2012 & Later Frequency Changes
Regional Differences	Increase in Many Other States and Throughout California	Increase Isolated to Los Angeles Area – Differs from National Trends and Other CA Regions
Impact of Recession	Increase in Cumulative Injury and Other Late-Reported Claims (Not Filed During Recession)	Increase in Claims from More Newly-Hired Workers During Recovery
Industries Affected	Various Impacts to Recession-Related Industries (e.g., Construction, Real Estate)	Increases for Multiple Sectors Offset by Declines for White Collar Industries
Reform Impacts	N/A	Potential Impact of SB 863 Indemnity Benefit Increases and Other Permanent Disability Changes
Cumulative Injury Claims	Increases, Possibly Recession-Related	Continued Significant Increases, Many Filed Post-Termination and in Southern CA
Impact on Claim Severity	Reversal of Gradual Decline in Smaller Indemnity Claims	Increase in Mid-Size Indemnity Claims, Many Involving Cumulative Injury

Background

Prior to 2010, indemnity claim frequency in California had decreased for many years as it had in many other states. This long-term pattern of declining claim frequency is attributable to a number of factors including shifting patterns of economic activity toward a less hazardous and more service-based economy, increased mechanization within specific industries, and greater attention to workplace safety. This long-term frequency decline had significantly moderated premium rate increases over the decades despite years of significant medical inflation in workers' compensation claims.

In 2010, indemnity claim frequency increased sharply in California as well as in many other states. In 2012, the WCIRB conducted an extensive analysis of the 2010 increase.³ Among the influencing factors identified in the WCIRB's 2012 report were (a) increases in cumulative injury claims, particularly in industries significantly impacted by the 2008-2009 economic recession, (b) increases in smaller non-cumulative injury claims that may have been reported as medical-only in the past, (c) increases in the proportion of indemnity claims relative to total claims and (d) increases in late-reported indemnity claims, increases in the proportion of medical-only claims that later transition to indemnity, and decreases in the proportion of indemnity claims that later transition to medical-only. The 2012 report also noted that the key influencing factors were generally experienced across all California regions.

Since 2010, indemnity claim frequency in California has not returned to the typical long-term pattern of decline and in fact has increased modestly since that time, while national frequency trends appear to be returning to the historical downward pattern. In 2013 and 2014, the WCIRB continued its analysis of recent frequency changes including those occurring since 2010.⁴ These subsequent WCIRB reports identified many of the drivers of frequency changes since 2010 and the similarities and differences with those impacting the 2010 increase. The reports found that since 2010, (a) late-reported claims and claims that transition from medical-only to indemnity claims have continued to increase,

³ [Analysis of Changes in Indemnity Claim Frequency](#), WCIRB, August 2012.

⁴ [Analysis of Changes in Indemnity Claim Frequency – 2013 Report](#), WCIRB, December 2013 and [Analysis of Changes in Indemnity Claim Frequency – 2015 Update Report](#), WCIRB, January 14, 2015.

(b) the proportion of cumulative injuries has continued to increase, particularly for permanent partial injuries and for claims involving multiple body parts and (c) the average tenure of an injured worker has declined as more newer workers enter the California job market. The report also found that, contrary to the 2010 increase which was experienced nationwide, increases in subsequent years have been specific to California and in particular focused in the Los Angeles area.

This report updates the findings identified in the earlier reports related to recent indemnity claim frequency changes and analyzes factors influencing claim frequency through accident year 2014. Many of the findings in this report are based on preliminary claim data that may change as the claims develop and additional data is reported. The WCIRB's Actuarial Committee regularly reviews indemnity claim frequency, drivers of indemnity claim frequency changes and other system diagnostics as updated information becomes available.

Analysis and Findings

Attached to this report are a series of exhibits that support the WCIRB's analysis and findings.

Exhibit 1 shows estimates of indemnity claim frequency per 1,000 workers and frequency changes since accident year 1991.⁵ After a fairly consistent long-term decline since the early 1990s, indemnity claim frequency increased sharply in 2010 and overall has continued to increase modestly through 2015. These recent increases notwithstanding, estimated indemnity claim frequency for 2015 remains almost 70% below that for 1991.

Exhibit 2 shows indemnity claim frequency changes in California compared to the average annual changes for NCCI states.⁶ Historically, estimated frequency changes for both California and NCCI states were generally changing in the same direction and at relatively similar magnitudes; however, beginning in 2012, the two estimates of frequency have diverged and this divergence has continued through 2014.

The WCIRB has identified a number of factors influencing the recent frequency levels, which are detailed below.

A. Claim Count Development

The total number of reported indemnity claims grows or develops gradually over time as injuries are reported to insurers and detail on the severity of reported injuries is ascertained. This process of identifying additional claims after the accident year has completed is known as claim count development. In prior reports on claim frequency, the WCIRB identified increased indemnity claim count development as a key driver of recent indemnity claim frequency increases. This increased development was attributable to increases in late-reported indemnity claims (particularly in cumulative injury claims), increases in the proportion of reported medical-only claims that later transition to indemnity, and decreases in the proportion of reported indemnity claims that later transition to medical-only.⁷

Indemnity claim count development is significantly higher in California than it is for other states. For example, at 12 months of maturity almost one-quarter of the ultimate California indemnity claims to be incurred for a particular accident year have not been reported as indemnity claims. The median ratio of claims unreported in the other states in the WCIRB's comparison was 9%.⁸

⁵ Estimated frequency changes through accident year 2013 are based on unit statistical reported indemnity claim counts developed to a fifth report level compared to reported insured payroll adjusted to a common wage level. For accident years 2014 and 2015 through nine months (for which complete unit statistical data is not yet available), the WCIRB estimates indemnity claim frequency based on changes in indemnity claim counts (undeveloped) reported on WCIRB aggregate data calls compared to changes in statewide employment compiled from historical employment data and UCLA forecasts.

⁶ NCCI information is based on the May 14, 2015 State of the Line Presentation.

⁷ In 2012, the WCIRB conducted a survey of indemnity claims that later transition to medical-only in order to better understand this phenomenon. Among the key factors identified included (a) "companion" claims (such as a cumulative injury) in which the indemnity is only paid on one of the claims, (b) a final PD award of 0% when some PD was initially estimated, (c) the injured worker being offered modified or restricted work resulting in no lost time and (d) settlements in which the payment was made on the medical portion of the claim. See [Analysis of Changes in Indemnity Claim Frequency](#), WCIRB, August 2012, for more information.

⁸ See Chart 26 of [WCIRB Report on the State of the California Workers' Compensation Insurance System](#), WCIRB, July 29, 2015.

Exhibits 3.1, 3.2 and 3.3 show annual age-to-age and cumulative claim count development factors for indemnity claims, medical-only claims, and total claims, respectively, based on WCIRB aggregate data calls. Exhibits 4.1 through 4.3 show comparable information evaluated on a quarterly basis. Indemnity claim count development (Exhibits 3.1 and 4.1) has been increasing for the last several years which has driven accident year estimates of indemnity claim frequency upward over time. Conversely, medical-only claim count development (Exhibits 3.2 and 4.2) has been relatively stable over this period. However, indemnity claim count development in 2015 is slightly less than that for 2014, suggesting a moderation in the trend of increasing claim count development.

Cumulative injury claims are a significant component of indemnity claim count development as cumulative injury claims are often reported after the accident year has ended. Exhibit 5 shows annual indemnity claim count development factors for cumulative injury claims, non-cumulative injury claims and total indemnity claims based on WCIRB unit statistical data. A cumulative injury indemnity claim is over four times as likely to be reported as an indemnity claim after first report level as a non-cumulative injury indemnity claim.⁹

B. Cumulative Injury Claims

Historically, the WCIRB has closely monitored the proportion of cumulative injury claims. Not only do changes in the number of cumulative injury claim filings impact indemnity claim frequency directly, but WCIRB research has shown that changes in the proportion of claims involving cumulative injury, as a proxy for claims that may have a discretionary component, is a strong indicator of changes in non-cumulative, or “specific”, injury claim frequency. In prior WCIRB reports on frequency, the WCIRB identified a significant increase in the proportion of cumulative injury claims as a key driver of recent increases in indemnity claim frequency.

Exhibit 6 shows cumulative injury claims as a percentage of all indemnity claims by partial accident year¹⁰ based on unit statistical data developed to fifth report level. The proportion of cumulative injury claims increased beginning with the 2008-2009 recession period and has continued to increase significantly through 2014, for which approximately 18% of all indemnity claims involve cumulative injury.¹¹ As shown on Exhibit 5, cumulative injury claims develop significantly later than non-cumulative injury claims suggesting that the ultimate proportion of indemnity claims involving cumulative injury may be even higher.

Exhibit 7 shows the distribution of cumulative injury claims by type of injury. Recent increases in cumulative injury claims appear to be associated with more complex claim types, as both the proportion of cumulative injury claims involving indemnity benefits and those involving permanent indemnity benefits have increased since 2008.¹²

Exhibit 8 shows the distribution of cumulative injury indemnity claims by injured part of body. (For comparison, the distribution of non-cumulative injury indemnity claims by injured part of body is also shown on Exhibit 8.) A larger proportion of cumulative injury claims in recent accident years involve multiple body parts (30% in 2014 as compared to 26% in 2010). Cumulative injury claims are also more than twice as likely to involve injuries to multiple body parts as non-cumulative injury claims. Some of this differential and recent increases in these proportions may be driven by regional differences, as recent frequency increases have been focused in the Los Angeles area, which has significantly more cumulative injury claims and claims involving multiple body parts.

To better understand the increased filings of cumulative injury claims, the WCIRB has conducted several surveys of these types of claims. The results of the most recent survey conducted in 2015¹³ are compared to prior survey results on Exhibit 9. The most recent survey results show (a) the proportion of cumulative injury claims involving a specific injury component, psychiatric injury or sleep disorder has declined, (b) the proportion of claims involving attorney representation as well as the proportion of claims that are initially denied in whole or in part by the insurer continues to be very high and (c) the proportion involving injuries to multiple body parts has increased. In addition,

⁹ At least some of the increase in cumulative injury claim count development experienced over recent calendar years is likely attributable to improved reporting of cumulative injury claims as a result of WCIRB data quality efforts.

¹⁰ The claims for accident year Y are from policies incepting in year Y-1.

¹¹ At least some of the increase in the proportion of cumulative injury claims in recent years is likely attributable to improved reporting of cumulative injury claims as a result of WCIRB data quality efforts.

¹² The vast majority of permanent indemnity claims consist of permanent partial claims, but they also include permanent total claims and death claims.

¹³ The 2015 survey was based on approximately 340 cumulative injury claims from accident years 2013 and 2014.

the average and median reporting lag of cumulative injury claims—as measured by the number of days between the accident date and the date reported to the insurer—declined from that indicated in the 2014 survey but remains significantly higher than that indicated in the 2012 survey.

Exhibit 9 also shows that, despite longstanding statutory limitations on the filing of post-termination claims, approximately 40% of the surveyed claims continue to be reported post-termination. Exhibit 10 summarizes some of the characteristics of the cumulative injury claims identified to be filed post-termination compared to the other surveyed claims. A significantly higher proportion of the post-termination claims involved multiple insurers, psychiatric injury and injuries to multiple body parts. Additionally, almost all of the surveyed claims identified as post-termination involved attorney representation and were reported in Southern California. These types of claims also had a median reporting lag approximately three times greater than that for the non-post-termination claims.

Claims involving both a cumulative injury component and a specific injury component are required to be reported to the WCIRB as two separate claims. Often in these instances one of the claims is identified by the insurer as the “master” claim file for bill payment. Exhibit 11 shows the average and median cost of the claims from the 2015 survey identified to have a specific component based on unit statistical data at first report level. The claims have been segregated based on whether the “master” claim was identified as the cumulative injury claim (44%) or the specific injury claim (53%).¹⁴ In most cases, a significantly higher incurred loss severity was attributed to the claim identified as the “master” claim file. As a result, these types of claims and changes in the proportion of these types of claims may have a dampening effect on estimated claim severities.

Exhibits 12.1 and 12.2 show incurred indemnity and medical claim severities, respectively, based on unit statistical data for cumulative injury claims and non-cumulative injury claims. At early report levels, cumulative injury claim severities are slightly lower than or generally consistent with non-cumulative injury claim severities. However, cumulative injury claims develop at a significantly higher level than non-cumulative injury claims and, as a result, have significantly higher severities at later maturities.

Exhibit 13 shows overall indemnity claim frequency compared to claim frequency excluding cumulative injury claims based on unit statistical data. Overall, recent increases in cumulative injury claims have contributed approximately 1 to 2 percentage points to annual changes in indemnity claim frequency. Inasmuch as cumulative injury claim counts develop at a significantly higher rate than non-cumulative injury claim counts, this impact may be greater at later maturities.

Exhibit 14 compares estimated changes in ultimate medical per indemnity claim severities with (a) no adjustments, (b) adjustments to exclude cumulative injury claims based on their estimated proportion of indemnity claims at fifth report level (see Exhibit 6) and severities at tenth report level (see Exhibit 12.2) and (c) adjustments to combine cumulative injury claims with a specific claim component into a single claim based on WCIRB survey results (see Exhibit 9). These adjustments have an overall minor impact on estimated average severity trends.

C. Industrial Impacts

Changes in industrial mix have historically had a dampening effect on indemnity claim frequency as the California economy has gradually transitioned towards less hazardous employments. Exhibit 15 shows changes in indemnity claim frequency resulting from shifts in industrial mix, or “inter-class” frequency, over time. While this trend has continued through 2013, recoveries from the 2008-2009 recession in higher frequency industries such as construction and manufacturing have somewhat offset this effect in recent years.

Exhibit 16 shows indemnity claim frequency by NAICS sector relative to statewide (all industries combined) frequency at first report level.¹⁵ Since 2010, relative claim frequency for the higher frequency industries such as agriculture, construction and entertainment have increased while those for the lower frequency industries such as real estate, professional services and finance have declined.

¹⁴ A small percentage of the surveyed claims identified a third claim to be the “master” claim file.

¹⁵ Frequency is based on reported indemnity claim counts divided by insured payroll for each sector adjusted for changes in statewide average wage levels.

The WCIRB periodically reviews economic information that may have some impact on indemnity claim frequency or other claims phenomenon such as average hours worked or net job gains and losses. While there does appear to be some variability in various economic measures among sectors, this data has not shown to significantly explain recent changes in claim frequency.

D. Regional Differences

Claim filing patterns can vary widely across California regions due to a variety of demographic, socioeconomic and systemic differences in addition to differing claims-filing practices. Historically, Southern California has exhibited higher rates of permanent disability (PD) claims and cumulative injury claims. However, in the WCIRB's 2012 report on frequency, it was noted that in 2010 increases in cumulative injury claim rates had been occurring across all regions in the state.

Exhibit 17 shows indemnity claim frequency by geographic region.¹⁶ Indemnity claim frequency rates in the Los Angeles/L.A. Basin region¹⁷ have historically been significantly higher than those for the Bay Area.¹⁸ In 2010, frequency increases were experienced across all major California regions. However, since that time, frequencies in the Bay Area and other California regions have been flat or declining while those in the Los Angeles area have continued to escalate. Preliminary unit statistical information shows indemnity claim frequency increasing by approximately 13% in the Los Angeles area from 2010 to 2014 compared to a decline of 6% for the remainder of California.

Exhibit 18 shows ratios of PD claims to indemnity claims, indemnity claims to total claims, and cumulative injury claims to indemnity claims for the Bay Area, Los Angeles/L.A. Basin and other California regions at first report level. These ratios have historically been higher for the Los Angeles area when compared to other regions. However, since 2008, the disparity between the Los Angeles area ratios and those for other California regions has grown considerably in most cases. In particular, the proportion of indemnity claims that involve cumulative injury in the Los Angeles area for accident year 2014 is approximately twice that of the remainder of the state.

Exhibits 19.1, 19.2 and 19.3 show the distribution of cumulative injury claims, non-cumulative injury claims and all indemnity claims, respectively, by part of body code and geographic region. The Los Angeles/L.A. Basin region historically has much higher rates of multiple body parts reported on claims, particularly for cumulative injuries, while the Bay Area has a greater proportion of injuries involving the hand and/or wrist.

As mentioned above, regional differences in claim frequency patterns are, in part, attributable to differing demographic and socioeconomic conditions. The WCIRB has reviewed various demographic information across regions such as indemnity claim frequency by industrial sector and distributions of indemnity claims by wage level. While there typically were regional differences among the various diagnostics analyzed, these patterns had been relatively stable over the last several years.

In 2015, the WCIRB conducted extensive research into the assignment of exposures and claims to California regions and analyzed regional differences in claim frequency and other claim characteristics. This research showed significantly higher claim frequency in the Los Angeles area relative to statewide levels, even after controlling for wage level differences and industrial mix.¹⁹

E. Other Claim Demographics

In addition to the areas identified above, the WCIRB has reviewed several other factors that may impact recent indemnity claim frequency levels.

Exhibit 20 shows the distribution of indemnity claim counts by injury type at first report level. The proportion of indemnity claims continues to increase since 2010 while the proportion of medical-only claims has declined.

¹⁶ For purposes of this analysis, the region assigned to the payroll and claims data is based on the zip code on the workers' compensation policy address.

¹⁷ This region includes Los Angeles County, Orange County, Ventura County, San Bernardino County, and Riverside County and represents approximately 45% of the insured payroll in California.

¹⁸ Some of this differential may be due to differences in industrial mix.

¹⁹ [Study of Geographical Differences in California Workers' Compensation Claim Costs](#), WCIRB, November 5, 2015.

Newer, more inexperienced workers are generally more likely to be injured on the job and file a workers' compensation claim. To assess this impact on recent claim frequency changes, the WCIRB has compiled data from the Division of Workers' Compensation (DWC) Workers' Compensation Information System (WCIS) on employee tenure at the time of injury. Exhibit 21 shows the average and median tenure for injured workers in the insured system by accident quarter through the third quarter of 2015. These figures have continued to decline as more inexperienced workers are added to the workforce as the California economy continues to recover from the major recession of the latter part of the last decade. Exhibit 22 shows the distribution of tenure by year. In 2015, approximately 50% of injured workers had been with the employer for less than two years compared to 41% in 2010, suggesting that the economic recovery may be a significant factor impacting recent frequency changes. Exhibit 23 shows the average and median tenure from WCIS data for select industrial sectors. Recent reductions in average and median tenure have been relatively consistent across multiple industries.

Preliminary WCIRB estimates of indemnity claim frequency changes compare changes in the number of indemnity claims to changes in statewide employment. Changes in employment have shown to be a reasonable proxy for changes in insured exposure levels as long as there are not significant shifts of employers in and out of self-insurance. If there are shifts in self-insurance levels, this could significantly impact insured exposure levels without affecting statewide employment levels, which could potentially distort frequency measures based on statewide employment changes. The WCIRB regularly monitors self-insurance levels and has not observed any shifts in these levels over the last several years that would significantly distort frequency projections.

F. Impact of SB 863

Senate Bill No. 863 (SB 863) increased permanent disability benefits effective January 1, 2013 and January 1, 2014, and provided a number of structural reforms to the California workers' compensation system. With changes in benefit levels, not only is the cost of average weekly benefits changed, but the frequency of claims is also affected. WCIRB estimates of the impact of benefit level changes on claim frequency are based on an econometric model of the effect of a number of economic, demographic, and claims-related variables, including changes in indemnity benefit levels, on the frequency of claims in California.²⁰

In the WCIRB's 2015 SB 863 Cost Monitoring Report, it was noted that the frequency model projections for accident years 2013 and 2014—which include estimated impacts for SB 863—were generally consistent with estimated actual frequency for those years, but the indemnity claim frequency increase in 2012 was significantly greater than projected.²¹ However, the report also noted that indemnity claim frequency for accident year 2012 estimated at 6 months (and prior to the enactment of SB 863) showed an increase generally consistent with the current estimate. As a result, the greater than projected increase in frequency for accident year 2012 is likely the result of factors other than SB 863.²²

G. Impact on Average Claim Size

Changes in indemnity claim frequency and claim severity are not independent. Unlike claim frequency, ultimate claim severities develop over many years and much more limited information on claim severities for more recent years is available. Nevertheless, the WCIRB has compiled preliminary information on claim frequency and severity to assess the types of claim sizes emerging.

Exhibit 24 shows the distribution of indemnity claim frequency changes by layer of incurred medical at first report level. Prior to 2010, the frequency of smaller indemnity claims with less than \$2,500 incurred medical had declined at a greater rate than other types of claims, exerting upward pressure on claim severities. Since 2010, this decline in smaller claims—and its upward effect on claim severity—ended, and recent increases have been experienced in

²⁰ Brooks, Ward, *California Workers Compensation Benefit Utilization – A Study of Changes in Frequency and Severity in Response to Changes in Statutory Workers Compensation Benefit Levels*, Proceedings of the Casualty Actuarial Society, Volume LXXXVI, 1999, pp. 80 – 262.

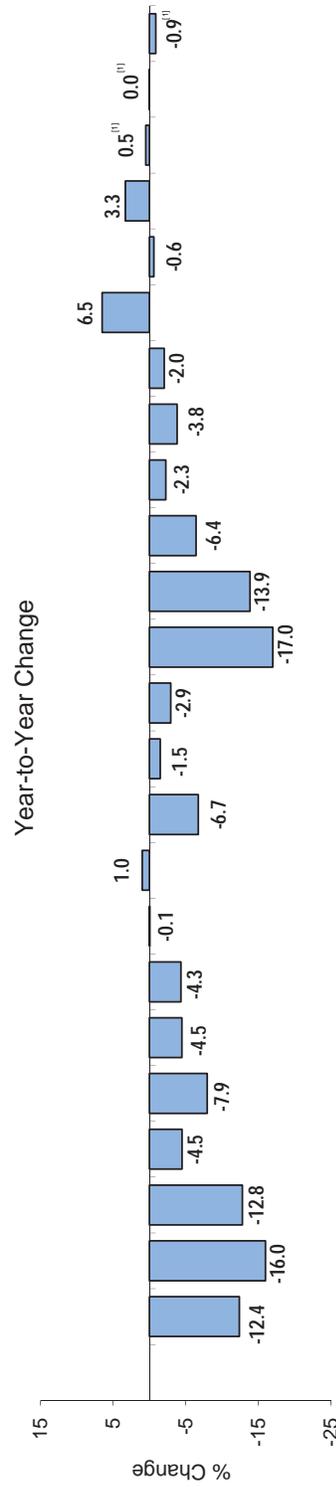
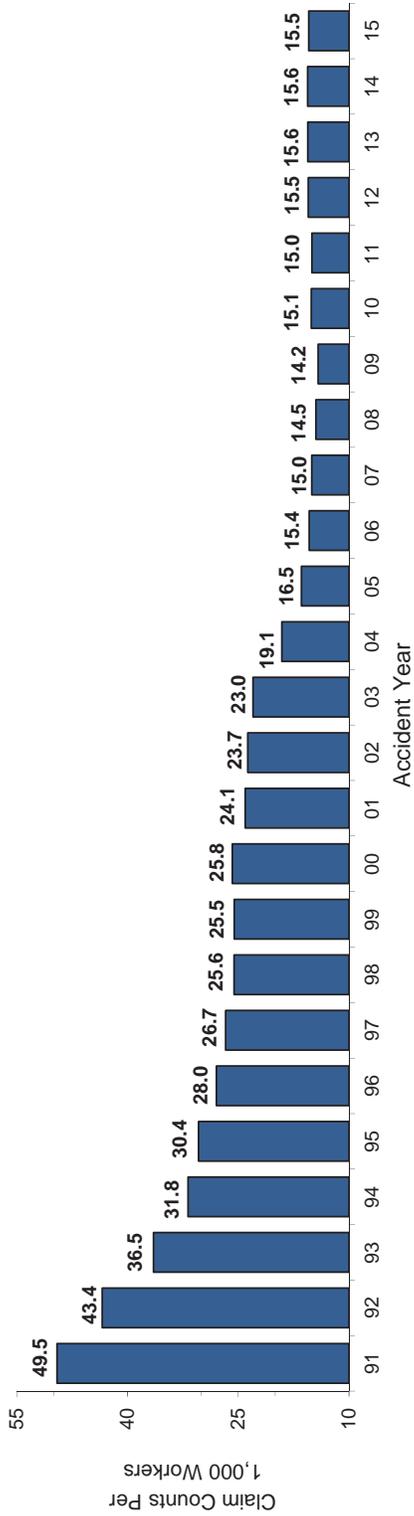
²¹ WCIRB research has shown that statutory changes in indemnity benefit levels not only affect indemnity claim frequency in the year they become effective, but are also strongly correlated with frequency changes in the immediate prior year. As a result, the indemnity benefit level in the WCIRB's econometric model is a leading variable. Therefore, the 2013 PD benefit increases (and other 2013 effective reforms impacting indemnity benefits) are also projected to affect accident year 2012 claim frequency, and the 2014 PD benefit increases are also projected to impact accident year 2013 frequency.

²² See [Senate Bill No. 863 WCIRB Cost Monitoring Report – 2015 Retrospective Evaluation](#), WCIRB, November 16, 2015, for more information.

the frequency of mid-sized claims (between \$2,500 and \$25,000 incurred medical). As this information is based on incurred losses, which includes claims adjusters' estimates of the total cost of a claim, these differences may not be reflected in analyses of paid severities, which may be relatively more homogenous during the early life of a claim.

Exhibit 25 shows changes in policy year average and median incurred severities at first report level. In 2013, the median incurred indemnity increased significantly and the median incurred medical decreased significantly, while changes in average severities for each of the components were more modest, suggesting a shift in the size of loss distribution. Although changes in the frequency of smaller or larger claims is one possible driver of these shifts, other factors, particularly SB 863, may also be significant drivers.

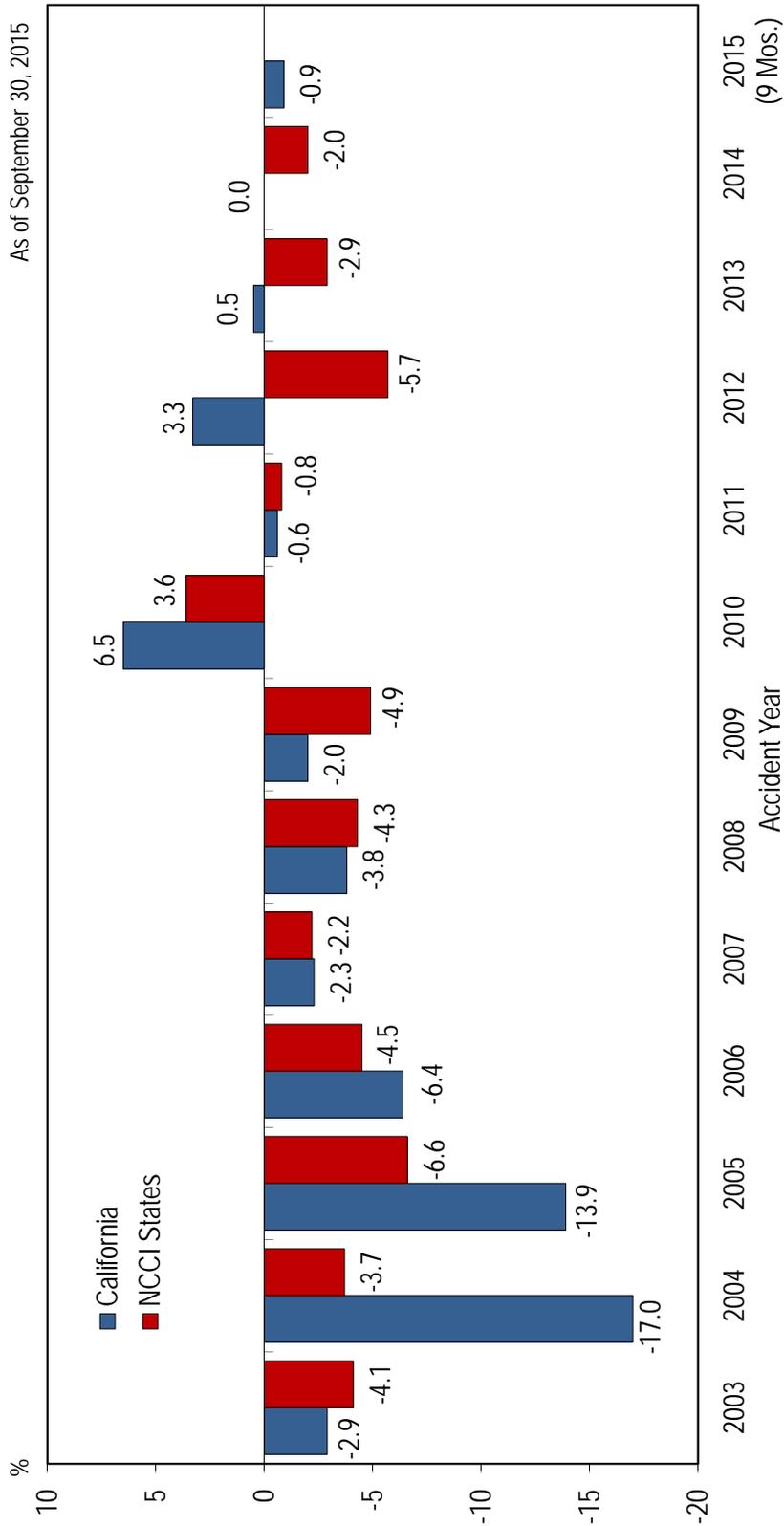
**California Workers' Compensation
Estimated Indemnity Claim Frequency by Accident Year
As of September 30, 2015**



91-92 92-93 93-94 94-95 95-96 96-97 97-98 98-99 99-00 01-02 00-02 02-03 03-04 04-05 05-06 06-07 07-08 08-09 09-10 10-11 11-12 12-13 13-14 14-15

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

Change in Estimated Indemnity Claim Frequency – California vs. NCCI States



Source: WCIRB Unit Statistical Data (2003-2013) and Aggregate Data Calls (2014-2015).
NCCI estimates are based on May 14, 2015 State of the Line Presentation (NCCI 2014 estimate is preliminary and the 2010 and 2011 estimates have been adjusted to remove the impact of audit premium and other factors).

Indemnity Claim Count Development as of June 30, 2015 Experience

Accident Year	Indemnity Claim Count Development for Age-to-Age									
	18/6	30/18	42/30	54/42	66/54	78/66	90/78	102/90	114/102	126/114
1998									1.000	1.000
1999								1.001	1.000	1.000
2000							1.000	1.000	1.000	1.000
2001						1.001	0.999	0.999	0.999	1.000
2002					1.001	1.000	1.000	0.999	0.999	0.999
2003				1.001	0.999	0.998	0.999	0.999	0.999	0.999
2004			1.002	0.999	0.999	1.000	0.999	0.998	0.999	1.000
2005		1.017	1.002	1.000	1.002	1.000	1.000	1.000	1.000	1.000
2006	2.446	1.015	1.008	1.003	1.001	1.000	1.001	1.000	1.000	
2007	2.567	1.023	1.009	1.004	1.003	1.002	1.000	1.000		
2008	2.486	1.041	1.013	1.008	1.004	1.002	1.001			
2009	2.694	1.051	1.019	1.008	1.004	1.002				
2010	2.828	1.058	1.018	1.008	1.005					
2011	2.904	1.068	1.019	1.010						
2012	2.932	1.072	1.020							
2013	2.958	1.067								
2014	2.943									

Cumulative Development (Latest Year Selections):

Calendar

Year	ULT/6	ULT/18	ULT/30	ULT/42	ULT/54	ULT/66	ULT/78	ULT/90	ULT/102	ULT/114
2007	2.511	1.027	1.009	1.007	1.006	1.005	1.004	1.005	1.004	1.003
2008	2.609	1.016	1.002	0.999	1.000	1.001	1.001	1.002	1.002	1.002
2009	2.558	1.029	1.006	0.998	0.998	1.000	1.002	1.002	1.002	1.003
2010	2.842	1.055	1.014	1.005	1.002	1.000	1.000	1.001	1.002	1.003
2011	3.027	1.070	1.018	1.005	1.001	1.000	1.000	1.001	1.002	1.003
2012	3.151	1.085	1.026	1.007	0.999	0.996	0.996	0.996	0.998	0.999
2013	3.235	1.103	1.033	1.015	1.007	1.004	1.002	1.002	1.002	1.002
2014	3.289	1.112	1.037	1.018	1.010	1.005	1.003	1.003	1.003	1.002
2015	3.267	1.110	1.040	1.020	1.010	1.005	1.003	1.001	1.001	1.000

Source: WCIRB aggregate data calls

Medical-Only Claim Count Development as of June 30, 2015 Experience

Accident Year	Medical-Only Claim Count Development for Age-to-Age									
	18/6	30/18	42/30	54/42	66/54	78/66	90/78	102/90	114/102	126/114
1998									0.999	1.002
1999								1.000	1.003	1.001
2000							1.000	1.002	1.001	1.000
2001						1.004	1.002	1.002	1.001	1.001
2002					1.008	0.999	1.002	1.001	1.002	1.001
2003				1.009	1.004	1.003	1.001	1.002	1.001	1.001
2004			1.010	1.007	1.003	1.001	1.002	1.002	1.001	1.001
2005		1.041	1.010	1.004	1.002	1.003	1.002	1.001	1.001	1.001
2006	2.756	1.028	1.010	1.004	1.003	1.002	1.001	1.001	1.001	
2007	2.693	1.023	1.006	1.005	1.002	1.001	1.001	1.001		
2008	2.541	1.019	1.007	1.004	1.002	1.002	1.001			
2009	2.621	1.017	1.007	1.004	1.002	1.002				
2010	2.581	1.017	1.005	1.004	1.002					
2011	2.616	1.016	1.007	1.003						
2012	2.714	1.014	1.006							
2013	2.634	1.016								
2014	2.762									

Cumulative Development (Latest Year Selections):

Calendar

Year	ULT/6	ULT/18	ULT/30	ULT/42	ULT/54	ULT/66	ULT/78	ULT/90	ULT/102	ULT/114
2007	2.952	1.071	1.029	1.018	1.010	1.001	0.997	0.997	0.997	0.998
2008	2.809	1.043	1.014	1.004	0.997	0.993	0.994	0.992	0.990	0.988
2009	2.676	1.053	1.029	1.019	1.016	1.013	1.010	1.008	1.007	1.006
2010	2.713	1.035	1.016	1.009	1.006	1.004	1.003	1.001	1.000	0.999
2011	2.700	1.046	1.029	1.022	1.017	1.014	1.011	1.008	1.006	1.005
2012	2.722	1.040	1.024	1.017	1.012	1.010	1.008	1.007	1.005	1.004
2013	2.813	1.037	1.020	1.015	1.011	1.009	1.007	1.006	1.005	1.004
2014	2.728	1.036	1.021	1.014	1.010	1.008	1.006	1.005	1.004	1.003
2015	2.859	1.035	1.018	1.012	1.010	1.007	1.006	1.005	1.004	1.003

Source: WCIRB aggregate data calls

Total Claim Count Development as of June 30, 2015 Experience

Accident Year	Total Claim Count Development for Age-to-Age									
	18/6	30/18	42/30	54/42	66/54	78/66	90/78	102/90	114/102	126/114
1998									1.000	1.001
1999								1.000	1.002	1.000
2000							1.000	1.001	1.001	1.000
2001						1.003	1.001	1.001	1.000	1.001
2002					1.005	0.999	1.001	1.000	1.001	1.000
2003				1.006	1.002	1.001	1.000	1.001	1.000	1.000
2004			1.007	1.004	1.002	1.001	1.001	1.000	1.000	1.000
2005		1.033	1.008	1.003	1.002	1.002	1.001	1.001	1.000	1.001
2006	2.643	1.023	1.009	1.003	1.003	1.001	1.001	1.001	1.001	
2007	2.650	1.023	1.007	1.005	1.002	1.001	1.001	1.001		
2008	2.521	1.026	1.009	1.005	1.003	1.002	1.001			
2009	2.643	1.027	1.011	1.005	1.003	1.002				
2010	2.659	1.031	1.010	1.005	1.003					
2011	2.710	1.034	1.011	1.005						
2012	2.786	1.034	1.011							
2013	2.742	1.035								
2014	2.824									

Cumulative Development (Latest Year Selections):

Calendar

Year	ULT/6	ULT/18	ULT/30	ULT/42	ULT/54	ULT/66	ULT/78	ULT/90	ULT/102	ULT/114
2007	2.785	1.054	1.020	1.013	1.007	1.002	0.999	0.999	0.999	0.999
2008	2.740	1.034	1.010	1.002	0.998	0.996	0.996	0.996	0.995	0.993
2009	2.634	1.045	1.021	1.012	1.009	1.008	1.007	1.006	1.005	1.004
2010	2.749	1.040	1.014	1.007	1.004	1.002	1.001	1.001	1.001	1.000
2011	2.801	1.053	1.025	1.016	1.011	1.009	1.007	1.006	1.005	1.004
2012	2.858	1.055	1.023	1.012	1.007	1.004	1.003	1.002	1.002	1.002
2013	2.951	1.059	1.024	1.014	1.009	1.006	1.005	1.004	1.003	1.003
2014	2.911	1.062	1.026	1.015	1.009	1.006	1.004	1.004	1.003	1.003
2015	2.999	1.062	1.026	1.015	1.010	1.006	1.005	1.003	1.003	1.002

Source: WCIRB aggregate data calls

Indemnity Claim Count Development as of September 30, 2015 Experience

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

Source: WCIRB aggregate data calls

Medical-Only Claim Count Development as of September 30, 2015 Experience

Accident Year	Development for Age-to-Age														
	3-6	6-9	9-12	12-15	15-18	18-21	21-24	24-27	27-30	30-33	33-36	36-39	39-42	42-45	45-48
2007	2.675	1.720	1.359	1.132	1.018	1.011	1.005	1.004	1.003	1.002	1.001	1.002	1.001	1.001	1.002
2008	2.662	1.699	1.360	1.083	1.015	1.009	1.005	1.003	1.002	1.002	1.002	1.002	1.001	1.002	1.001
2009	2.697	1.706	1.382	1.095	1.015	1.006	1.006	1.003	1.002	1.002	1.002	1.001	1.001	1.001	1.001
2010	2.772	1.678	1.386	1.098	1.011	1.007	1.004	1.004	1.002	1.001	1.001	1.002	1.001	1.001	1.001
2011	2.684	1.700	1.383	1.100	1.012	1.006	1.004	1.004	1.002	1.002	1.002	1.001	1.001	1.000	1.001
2012	2.605	1.735	1.400	1.098	1.017	1.006	1.005	1.002	1.001	1.002	1.002	1.000	1.001	1.000	1.001
2013	2.821	1.693	1.393	1.102	1.013	1.007	1.004	1.003	1.003	1.002	1.002	1.000	1.002	1.001	1.001
2014	2.704	1.733	1.410	1.110	1.018	1.009									
2015	2.651	1.739													

Source: WCIRB aggregate data calls

Total Claim Count Development as of September 30, 2015 Experience

Accident Year	Development for Age-to-Age														
	3-6	6-9	9-12	12-15	15-18	18-21	21-24	24-27	27-30	30-33	33-36	36-39	39-42	42-45	45-48
2007	2.634	1.713	1.359	1.119	1.018	1.010	1.005	1.005	1.003	1.002	1.002	1.002	1.001	1.001	1.001
2008	2.620	1.684	1.353	1.087	1.018	1.011	1.006	1.005	1.004	1.002	1.003	1.002	1.002	1.003	1.001
2009	2.697	1.698	1.383	1.101	1.022	1.011	1.008	1.005	1.004	1.004	1.003	1.002	1.002	1.001	1.001
2010	2.751	1.690	1.392	1.108	1.020	1.012	1.008	1.006	1.004	1.003	1.003	1.002	1.002	1.002	1.001
2011	2.695	1.713	1.396	1.110	1.022	1.013	1.009	1.006	1.005	1.004	1.003	1.002	1.002	1.001	1.002
2012	2.651	1.738	1.407	1.107	1.029	1.014	1.010	1.006	1.004	1.004	1.003	1.002	1.002	1.001	1.002
2013	2.829	1.711	1.404	1.115	1.024	1.014	1.009	1.006	1.004	1.004	1.003	1.002	1.002	1.001	1.002
2014	2.727	1.733	1.416	1.119	1.028	1.014	1.009	1.006	1.006	1.004	1.003	1.002	1.002	1.001	1.002
2015	2.710	1.739				1.015									

Source: WCIRB aggregate data calls

Indemnity Claim Count Development by Type of Claim

A. Cumulative Injury Claim Count Development

Accident Year	Report Level									Calendar Year	1st to 5th Development
	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8	8 to 9	9 to 10		
2004	1.059	1.019	1.019	1.023	1.037	1.012	1.001	1.004	1.009	---	---
2005	1.107	1.068	1.049	1.053	1.023	1.010	1.013	1.012	1.008	---	---
2006	1.175	1.066	1.057	1.027	1.018	1.010	1.020	1.016		---	---
2007	1.145	1.090	1.047	1.023	1.023	1.025	1.012			2009	1.310
2008	1.196	1.107	1.055	1.033	1.032	1.036				2010	1.452
2009	1.209	1.112	1.056	1.047	1.044					2011	1.438
2010	1.166	1.088	1.080	1.038						2012	1.399
2011	1.254	1.151	1.070							2013	1.489
2012	1.310	1.135								2014	1.705
2013	1.337									2015	1.685

B. Non-Cumulative Injury Claim Count Development

Accident Year	Report Level									Calendar Year	1st to 5th Development
	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8	8 to 9	9 to 10		
2004	1.015	1.000	1.001	0.995	1.007	0.991	1.000	1.000	1.000	---	---
2005	1.014	1.002	0.998	1.006	0.992	1.000	1.000	1.000	1.000	---	---
2006	1.010	1.001	1.005	0.995	1.001	1.000	1.000	0.999		---	---
2007	1.017	1.008	0.998	1.002	1.000	0.999	1.000			2009	1.010
2008	1.034	1.004	1.004	1.002	1.000	0.999				2010	1.053
2009	1.035	1.009	1.004	1.000	0.999					2011	1.032
2010	1.042	1.010	1.001	1.002						2012	1.059
2011	1.044	1.008	1.004							2013	1.060
2012	1.041	1.016								2014	1.051
2013	1.059									2015	1.082

C. All Indemnity Claim Count Development

Accident Year	Report Level									Calendar Year	1st to 5th Development
	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8	8 to 9	9 to 10		
2004	1.018	1.002	1.002	0.997	1.010	0.993	1.000	1.000	1.001	---	---
2005	1.019	1.006	1.001	1.009	0.994	1.001	1.001	1.001	1.001	---	---
2006	1.019	1.005	1.009	0.997	1.002	1.001	1.001	1.001		---	---
2007	1.024	1.013	1.002	1.004	1.002	1.001	1.001			2009	1.027
2008	1.043	1.011	1.008	1.004	1.003	1.002				2010	1.076
2009	1.047	1.018	1.008	1.004	1.004					2011	1.057
2010	1.052	1.017	1.008	1.006						2012	1.083
2011	1.059	1.020	1.011							2013	1.090
2012	1.061	1.027								2014	1.096
2013	1.084									2015	1.132

Source: WCIRB unit statistical data

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

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

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

Notes:

Cumulative injury claims include occupational disease.

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

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

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

Source: WCIRB unit statistical data

Distribution of Cumulative Injury Claims by Injury Type

Permanent Indemnity*

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

Temporary Indemnity

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

Medical-Only

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

* Includes Permanent Partial, Permanent Total, and Death

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

Source: WCIRB unit statistical data

Indemnity Claim Count Distribution by Part of Body Code

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

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

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

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

Note: Figures in italics are based on a preliminary partial data.
Source: WCIRB unit statistical data at first report level

Summary of Cumulative Injury Claim Surveys, 2012 - 2015

	2012 Survey Accident Years					2014 Survey Accident Years			2015 Survey Accident Years		
	2007	2008	2009	2010	2007-2010	2012	2013	2012-2013	2013	2014	2013-2014
Number of Claims Surveyed	36	35	54	55	180	243	209	452	233	197	430
Number Received	32	34	51	52	169	202	183	385	185	153	338
Miscoded (Not Cumulative)	4	0	4	6	14	0	2	2	1	0	1
Claims Included in Summary	28	34	47	46	155	202	181	383	184	153	337
Percentage with:											
Specific Component	29%	15%	26%	28%	25%	27%	19%	22%	15%	21%	18%
Multiple Cumulative Claims	4%	3%	4%	9%	5%	---	---	---	---	---	---
Multiple Insurers Involved	4%	24%	17%	24%	18%	24%	23%	23%	21%	10%	16%
Representation	68%	68%	79%	72%	72%	79%	82%	81%	83%	80%	82%
Return to Same Employer	36%	18%	28%	20%	25%	21%	22%	21%	18%	23%	20%
Filed Post-Termination	---	---	---	---	---	37%	43%	41%	46%	33%	40%
Psychiatric Involvement	29%	29%	49%	43%	39%	31%	24%	26%	24%	19%	22%
Sleep Disorder Involvement	14%	12%	17%	22%	17%	16%	15%	15%	15%	11%	13%
Multiple POBs Identified	50%	59%	66%	63%	61%	57%	65%	62%	65%	67%	66%
Permanent Disability	57%	47%	64%	65%	59%	61%	54%	56%	58%	58%	58%
Temporary Only	43%	53%	36%	35%	41%	39%	46%	44%	42%	41%	42%
WCAB Office Code Split											
Northern California	---	---	---	---	---	---	---	---	18%	13%	16%
Southern California	---	---	---	---	---	---	---	---	82%	87%	84%
Claim Status											
<u>All Surveyed Claims</u>											
All Body Parts Denied	---	---	---	---	---	57%	66%	63%	64%	61%	63%
Some Body Parts Accepted	---	---	---	---	---	13%	11%	12%	8%	11%	9%
All Body Parts Accepted	---	---	---	---	---	30%	23%	26%	28%	28%	28%
<u>Claims with a Specific Component</u>											
All Body Parts Denied	---	---	---	---	---	63%	78%	71%	57%	72%	65%
Some Body Parts Accepted	---	---	---	---	---	13%	17%	15%	7%	16%	12%
All Body Parts Accepted	---	---	---	---	---	24%	5%	13%	36%	12%	23%
Days Until Claim Reported											
Average	78	69	93	68	77	146	102	118	119	74	99
Median	26	21	55	32	31	55	51	52	52	34	45
Months between Date of Hire and Accident Date											
Average	---	---	---	---	---	---	---	---	86	83	85
Median	---	---	---	---	---	---	---	---	56	55	56

Notes:

Few claims involved one unique item. Many of these items overlap, so percentages will not add to 100%. Many of these items were not specifically requested on the surveys. As such, the percentages shown here likely represent lower bounds of the true proportions.

Cumulative Injury Claim Survey - Post-Termination Claims

	Claim Filed Post-Termination		Claim Not Filed Post-Termination	
	2014 Survey Accident Years <u>2012-2013</u>	2015 Survey Accident Years <u>2013-2014</u>	2014 Survey Accident Years <u>2012-2013</u>	2015 Survey Accident Years <u>2013-2014</u>
Claims Included in Summary	153	135	232	202
Percentage with:				
Specific Component	20%	14%	28%	21%
Multiple Insurers Involved	31%	21%	19%	12%
Representation	99%	98%	68%	71%
Psychiatric Involvement	33%	30%	24%	16%
Sleep Disorder Involvement	20%	15%	12%	12%
Multiple POBs Identified	79%	76%	49%	59%
Permanent Disability	60%	64%	52%	54%
Temporary Only	40%	36%	48%	46%
WCAB Office Code Split				
Northern California	---	10%	---	21%
Southern California	---	90%	---	79%
Claim Status				
All Body Parts Denied	91%	88%	42%	46%
Some Body Parts Accepted	6%	8%	16%	11%
All Body Parts Accepted	3%	4%	42%	44%
Days Until Claim Reported				
Average	163	127	90	80
Median	97	79	30	27
Months between Date of Hire and Accident Date				
Average	---	77	---	89
Median	---	29	---	59

Notes:

Few claims involved one unique item. Many of these items overlap, so percentages will not add to 100%.

Many of these items were not specifically requested on the surveys. As such, the percentages shown here likely represent lower bounds of the true proportions.

Cumulative Injury Claim Survey - Claims with Specific Component

	<u>2015 Survey Accident Years</u>		
	<u>2013</u>	<u>2014</u>	<u>2013-2014</u>
Master Claim for Bill Payment			
Specific Claim	54%	52%	53%
Cumulative Injury Claim	39%	48%	44%
Another Claim	7%	0%	4%
Med/Legal Split or Paid on Master			
Paid on Master	89%	79%	84%
Split	11%	21%	16%

Claim Severities when "Master" Claim is...

	<u>Incurred Indemnity</u>		<u>Incurred Medical</u>	
	<u>Average</u>	<u>Median</u>	<u>Average</u>	<u>Median</u>
Cumulative Injury Claim (44%)				
Cumulative Injury Component (Master)	15,161	8,798	18,273	10,000
Specific Component	3,422	0	2,218	0
Specific Claim (53%)				
Cumulative Injury Component	6,487	2,490	7,154	4,634
Specific Component (Master)	11,230	1,090	21,750	4,500

Indemnity Severity on Cumulative and Non-Cumulative Injury Indemnity Claims

Incurred AY/RL	Indemnity per Cumulative Injury Indemnity Claim										Developed to 10th
	1	2	3	4	5	6	7	8	9	10	
2004	13,283	16,347	18,876	20,072	21,407	22,887	24,090	24,826	25,446	25,946	25,946
2005	10,958	14,052	16,502	18,724	21,425	23,033	24,149	24,716	25,545	24,728	24,728
2006	10,730	15,217	19,005	22,026	23,944	25,659	26,565	27,428	28,533		29,253
2007	11,848	17,167	20,468	22,548	24,479	25,844	27,357	29,013			30,524
2008	12,345	17,805	21,541	23,915	26,022	27,972	29,137				31,957
2009	12,751	17,688	21,190	23,780	25,639	27,419					31,785
2010	12,868	18,592	22,005	24,102	25,489						31,909
2011	12,820	17,438	21,208	22,995							30,850
2012	12,527	17,048	20,457								30,120
2013	11,887	15,557									27,498
2014	12,089										29,305

Incurred AY/RL	Indemnity per Non-Cumulative Injury Indemnity Claim										Developed to 10th
	1	2	3	4	5	6	7	8	9	10	
2004	12,390	15,094	16,744	17,686	18,460	18,983	19,280	19,709	19,978	20,155	20,155
2005	10,043	13,020	14,627	15,833	16,424	17,045	17,581	17,883	17,972	17,469	17,469
2006	10,398	13,924	15,865	17,017	18,039	18,758	19,214	19,439	18,951		19,162
2007	11,050	15,047	17,280	18,652	19,662	20,267	20,753	20,859			21,244
2008	11,796	16,436	19,111	20,770	21,784	22,351	22,541				23,456
2009	12,257	16,915	19,664	21,427	22,477	23,337					24,792
2010	11,805	16,537	19,267	20,888	21,954						24,026
2011	12,368	16,882	19,266	20,517							23,652
2012	12,265	16,702	19,442								24,397
2013	12,526	16,601									24,008
2014	12,759										25,536

Incurred AY/RL	Indemnity per Indemnity Claim										Developed to 10th
	1	2	3	4	5	6	7	8	9	10	
2004	12,458	15,193	16,916	17,881	18,709	19,322	19,702	20,159	20,460	20,670	20,670
2005	10,096	13,084	14,751	16,035	16,788	17,491	18,074	18,402	18,553	18,046	18,046
2006	10,416	14,006	16,079	17,374	18,471	19,270	19,764	20,048	19,682		19,935
2007	11,097	15,187	17,507	18,941	20,026	20,698	21,275	21,498			21,984
2008	11,829	16,530	19,294	21,017	22,127	22,819	23,103				24,201
2009	12,292	16,977	19,798	21,642	22,779	23,729					25,486
2010	11,886	16,711	19,515	21,199	22,314						24,830
2011	12,400	16,928	19,448	20,751							24,379
2012	12,285	16,734	19,533								25,019
2013	12,468	16,483									24,437
2014	12,690										25,999

AY/RL	Ratio of Cumulative to Non-Cumulative Indemnity Severity										Developed to 10th
	1	2	3	4	5	6	7	8	9	10	
2004	1.072	1.083	1.127	1.135	1.160	1.206	1.249	1.260	1.274	1.287	1.287
2005	1.091	1.079	1.128	1.183	1.305	1.351	1.374	1.382	1.421	1.416	1.416
2006	1.032	1.093	1.198	1.294	1.327	1.368	1.383	1.411	1.506		1.527
2007	1.072	1.141	1.185	1.209	1.245	1.275	1.318	1.391			1.437
2008	1.047	1.083	1.127	1.151	1.195	1.251	1.293				1.362
2009	1.040	1.046	1.078	1.110	1.141	1.175					1.282
2010	1.090	1.124	1.142	1.154	1.161						1.328
2011	1.037	1.033	1.101	1.121							1.304
2012	1.021	1.021	1.052								1.235
2013	0.949	0.937									1.145
2014	0.948										1.148

Note: Figures in italics are based on a partial accident year. Development is based on the average of the latest two years' age-to-age factors.

Source: WCIRB unit statistical data

Medical Severity on Cumulative and Non-Cumulative Injury Indemnity Claims

Incurred Medical Per Cumulative Injury Indemnity Claim											Developed
AY/RL	1	2	3	4	5	6	7	8	9	10	to 10th
2004	13,198	15,605	17,489	19,206	21,252	23,601	25,712	26,833	27,933	29,187	29,187
2005	12,749	15,109	17,616	20,063	23,334	26,030	27,529	28,737	30,288	33,853	33,853
2006	13,181	17,061	20,489	23,752	26,219	28,517	30,369	31,946	<i>33,718</i>		36,992
2007	14,757	19,168	22,586	26,158	29,011	31,859	33,620	<i>36,898</i>			42,319
2008	15,843	20,264	24,103	27,260	29,989	33,495	<i>36,168</i>				43,898
2009	16,755	21,960	26,088	29,682	32,287	<i>32,804</i>					42,629
2010	16,892	22,779	26,986	30,060	<i>33,396</i>						47,752
2011	16,279	20,726	24,675	<i>26,396</i>							40,354
2012	16,190	19,832	<i>23,060</i>								39,101
2013	15,188	<i>18,824</i>									37,459
2014	<i>14,853</i>										36,745

Incurred Medical Per Non-Cumulative Injury Indemnity Claim											Developed
AY/RL	1	2	3	4	5	6	7	8	9	10	to 10th
2004	13,190	15,803	17,570	19,437	20,890	22,137	23,126	23,907	24,569	25,053	25,053
2005	13,391	16,319	18,328	19,988	21,437	22,820	23,931	24,947	25,368	<i>24,871</i>	24,871
2006	14,408	18,237	20,847	22,600	24,237	25,651	26,757	27,418	<i>27,458</i>		27,798
2007	15,625	20,133	23,204	25,451	27,281	28,815	29,795	<i>29,540</i>			30,380
2008	17,225	22,139	25,400	28,169	30,092	31,425	<i>32,977</i>				34,821
2009	18,096	23,261	26,828	29,627	31,692	<i>32,357</i>					35,215
2010	17,597	22,963	26,873	29,249	<i>31,639</i>						36,016
2011	18,058	23,088	26,117	<i>28,349</i>							34,511
2012	17,628	21,894	<i>24,372</i>								32,487
2013	17,735	<i>21,549</i>									32,535
2014	<i>16,685</i>										31,070

Incurred Medical Per Indemnity Claim											Developed
AY/RL	1	2	3	4	5	6	7	8	9	10	to 10th
2004	13,191	15,788	17,564	19,418	20,920	22,264	23,353	24,164	24,866	25,420	25,420
2005	13,354	16,243	18,281	19,994	21,576	23,059	24,201	25,235	25,745	<i>25,605</i>	25,605
2006	14,340	18,162	20,823	22,682	24,382	25,864	27,027	27,763	<i>27,938</i>		28,515
2007	15,574	20,069	23,160	25,503	27,412	29,050	30,097	<i>30,129</i>			31,325
2008	17,141	22,010	25,303	28,098	30,084	31,597	<i>33,247</i>				35,597
2009	18,002	23,157	26,763	29,632	31,749	<i>32,384</i>					35,877
2010	17,544	22,947	26,883	29,327	<i>31,812</i>						37,034
2011	17,933	22,891	25,981	<i>28,132</i>							35,018
2012	17,522	21,706	<i>24,245</i>								33,079
2013	17,503	<i>21,255</i>									32,918
2014	<i>16,495</i>										31,461

Ratio of Cumulative to Non-Cumulative Medical Severity											Developed
AY/RL	1	2	3	4	5	6	7	8	9	10	to 10th
2004	1.001	0.987	0.995	0.988	1.017	1.066	1.112	1.122	1.137	1.165	1.165
2005	0.952	0.926	0.961	1.004	1.088	1.141	1.150	1.152	1.194	<i>1.361</i>	1.361
2006	0.915	0.936	0.983	1.051	1.082	1.112	1.135	1.165	<i>1.228</i>		1.331
2007	0.944	0.952	0.973	1.028	1.063	1.106	1.128	<i>1.249</i>			1.393
2008	0.920	0.915	0.949	0.968	0.997	1.066	<i>1.097</i>				1.261
2009	0.926	0.944	0.972	1.002	1.019	<i>1.014</i>					1.211
2010	0.960	0.992	1.004	1.028	<i>1.056</i>						1.326
2011	0.901	0.898	0.945	<i>0.931</i>							1.169
2012	0.918	0.906	<i>0.946</i>								1.204
2013	0.856	<i>0.874</i>									1.151
2014	<i>0.890</i>										1.183

Note: Figures in italics are based on a partial accident year. Development is based on the average of the latest two years' age-to-age factors.

Source: WCIRB unit statistical data

Impact of Cumulative Injury Claims on Indemnity Claim Frequency

Indemnity Claim Frequency - Excluding Cumulative Injury Claims

AY/RL	Indemnity Claim Frequency per \$100M of Exposure at AY 2013 Level					AY/RL	Annual Change				
	1	2	3	4	5		1	2	3	4	5
2001	34.91	35.76	36.15	36.16	36.18	2001	---	---	---	---	---
2002	33.43	35.42	35.58	35.59	35.62	2002	-4.3%	-0.9%	-1.6%	-1.6%	-1.6%
2003	33.49	34.41	34.35	34.37	34.37	2003	0.2%	-2.9%	-3.5%	-3.4%	-3.5%
2004	28.41	28.84	28.85	28.86	28.68	2004	-15.2%	-16.2%	-16.0%	-16.0%	-16.5%
2005	24.72	25.06	25.11	25.04	25.18	2005	-13.0%	-13.1%	-13.0%	-13.3%	-12.2%
2006	23.22	23.45	23.45	23.56	23.46	2006	-6.1%	-6.4%	-6.6%	-5.9%	-6.8%
2007	22.19	22.56	22.73	22.71	22.76	2007	-4.4%	-3.8%	-3.1%	-3.6%	-3.0%
2008	20.79	21.48	21.59	21.68	21.72	2008	-6.3%	-4.8%	-5.0%	-4.5%	-4.6%
2009	19.93	20.65	20.84	20.93	20.92	2009	-4.1%	-3.9%	-3.4%	-3.5%	-3.7%
2010	21.05	21.93	22.16	22.18	22.22	2010	5.6%	6.2%	6.3%	6.0%	6.2%
2011	20.96	21.88	22.06	22.15		2011	-0.4%	-0.2%	-0.4%	-0.2%	
2012	21.47	22.35	22.70			2012	2.4%	2.1%	2.9%		
2013	21.20	22.46				2013	-1.3%	0.5%			
2014	20.88					2014	-1.5%				

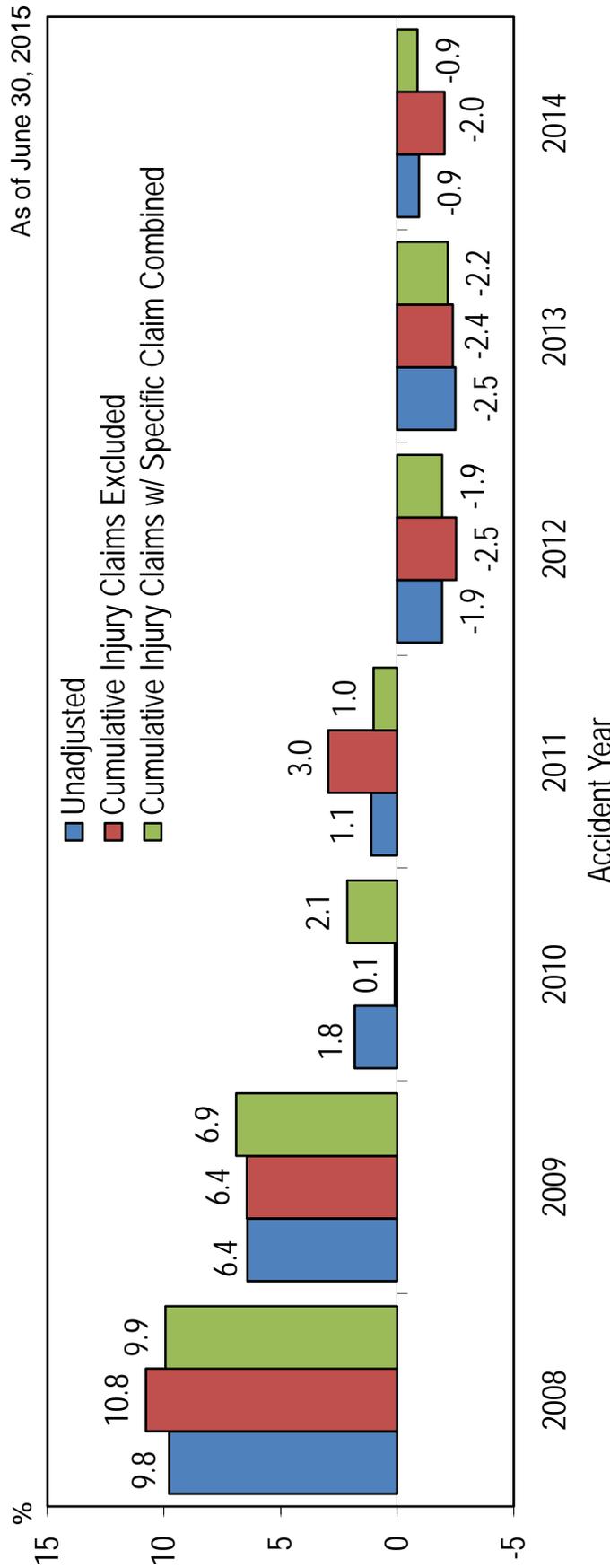
Indemnity Claim Frequency - All Indemnity Claims

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

Figures in italics are based on preliminary partial data. Cumulative injury includes occupational disease.

Source: WCIRB unit statistical data

Change in Ultimate Medical per Indemnity Claim



Annual Exponential Trend Based on 2007-2014:

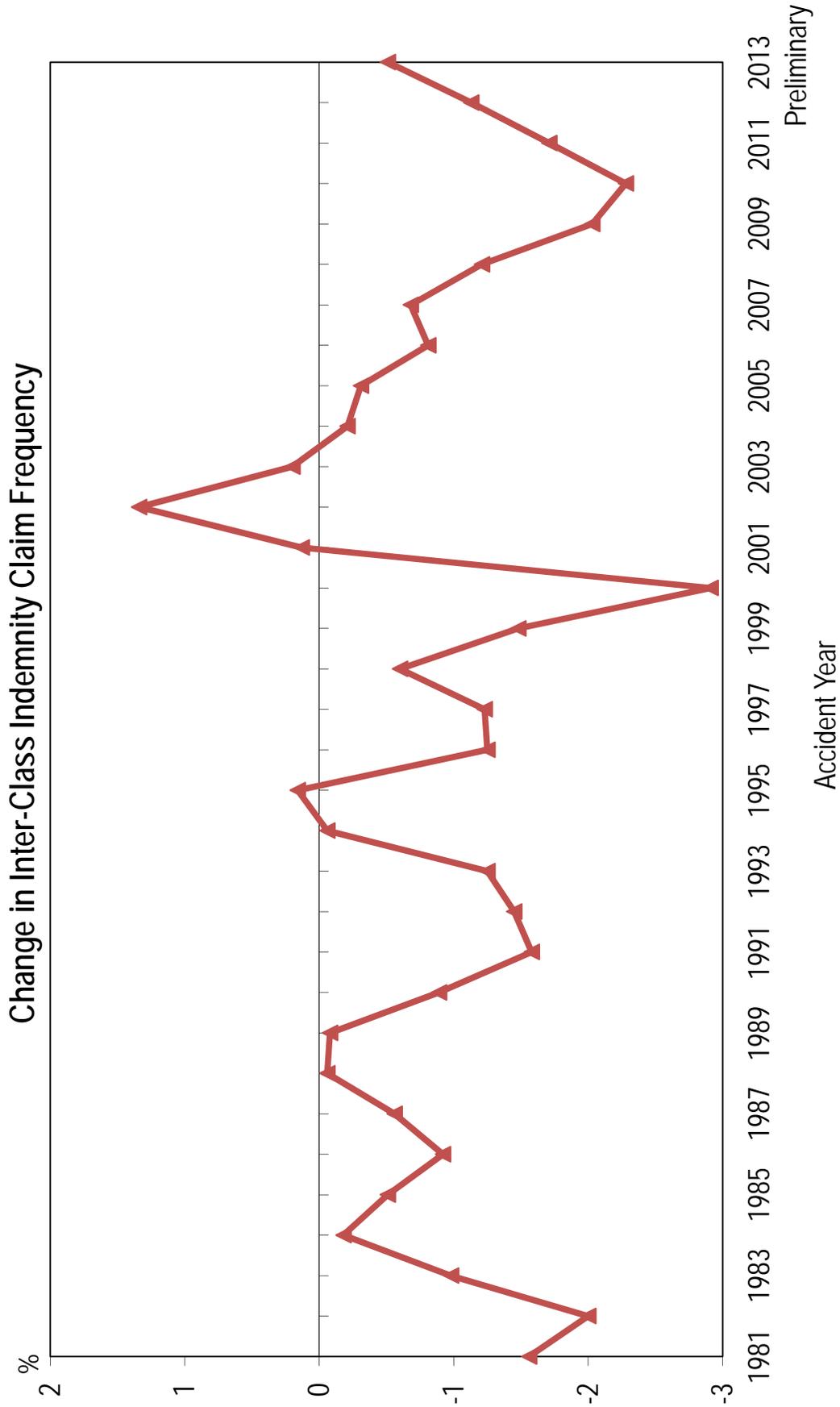
Unadjusted: +1.4%

Cum. Inj. Claims Excluded: +1.4%

Cum. Inj. Claims w/ Specific Claim Combined: +1.6%

Source: WCIRB aggregate financial data calls, unit statistical data, and cumulative injury claim surveys. MCCP included in all years.

Impact of Shifts in Industrial Mix on Frequency



Source: WCIRB Unit Statistical Data Developed to 5th Report Level.

Indemnity Claim Frequency Relativities by NAICS Sector

NAICS Sector	NAICS Name	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
11&21	Agriculture & Mining	2.658	2.645	2.768	2.892	2.893	2.968	2.826	2.896	2.990	3.046	3.292	3.253	3.364	3.414
23	Construction	2.562	2.305	2.315	2.372	2.480	2.459	2.357	2.294	2.222	2.140	2.261	2.148	2.216	2.264
31	Manufacturing	1.752	1.752	1.772	1.761	1.714	1.740	1.763	1.681	1.630	1.662	1.734	1.771	1.864	1.889
42	Wholesale	2.802	2.778	2.820	2.869	2.894	2.901	3.062	2.964	2.954	3.178	3.289	3.499	3.520	3.556
44	Retail	1.689	1.667	1.611	1.672	1.750	1.798	1.855	1.962	2.042	2.102	1.992	2.082	1.980	1.948
22&48	Utilities & Transportation	3.244	3.154	3.166	3.289	3.632	3.862	3.885	3.795	3.607	3.620	3.540	3.358	3.524	3.686
51	Information	0.795	0.757	0.826	0.816	0.764	0.797	0.843	0.922	0.919	0.870	0.769	0.921	0.897	0.648
52	Finance	0.408	0.429	0.331	0.345	0.342	0.300	0.353	0.372	0.426	0.395	0.388	0.346	0.294	0.260
53	Real Estate	0.820	0.854	0.757	0.757	0.752	0.828	1.037	1.089	1.155	1.109	1.128	1.061	0.992	0.929
54	Prof. Services	0.188	0.194	0.194	0.190	0.178	0.178	0.169	0.174	0.157	0.147	0.133	0.115	0.103	0.108
56	Administrative	3.101	3.009	3.002	3.010	2.985	3.166	3.165	3.420	3.518	3.617	3.694	3.679	3.779	3.905
61	Education	0.757	0.783	0.854	0.886	0.707	0.723	0.698	0.760	0.752	0.741	0.739	0.740	0.682	0.621
62	Health	1.255	1.267	1.260	1.186	1.136	1.101	1.184	1.201	1.264	1.283	1.314	1.241	1.220	1.221
71	Hospitality	2.115	2.028	1.957	1.952	2.026	2.171	2.271	2.337	2.275	2.332	2.414	2.369	2.321	2.216
72	Entertainment	2.220	2.189	2.192	2.114	2.091	2.175	2.222	2.300	2.506	2.703	2.805	3.040	3.173	3.298
81	Other Services	1.482	1.479	1.413	1.477	1.470	1.468	1.466	1.518	1.588	1.650	1.671	1.774	1.766	1.731
8742	Outside Sales	0.234	0.242	0.267	0.238	0.219	0.207	0.213	0.203	0.222	0.193	0.194	0.184	0.173	0.177
92&8810	Clerical & Public Admin.	0.249	0.261	0.251	0.236	0.209	0.194	0.178	0.191	0.195	0.188	0.170	0.176	0.169	0.157
	Accident Year Total Frequency	0.375	0.361	0.363	0.307	0.262	0.246	0.236	0.221	0.214	0.228	0.225	0.232	0.235	0.235
NAICS Sector	NAICS Name	Annual Change													
11&21	Agriculture & Mining	---	-0.5%	4.7%	4.5%	0.1%	2.6%	-4.8%	2.5%	3.2%	1.9%	8.1%	-1.2%	3.4%	1.5%
23	Construction	---	-10.0%	0.4%	2.5%	4.6%	-0.9%	-4.1%	-2.7%	-3.2%	-3.7%	5.6%	-5.0%	3.2%	2.2%
31	Manufacturing	---	0.0%	1.1%	-0.6%	-2.7%	1.5%	1.3%	-4.6%	-3.0%	2.0%	4.3%	2.1%	5.3%	1.4%
42	Wholesale	---	-0.8%	1.5%	1.8%	0.9%	0.3%	5.6%	-3.2%	-0.3%	7.6%	3.5%	6.4%	0.6%	1.0%
44	Retail	---	-1.3%	-3.3%	3.8%	4.6%	2.7%	3.2%	5.8%	4.1%	2.9%	-5.2%	4.5%	-4.9%	-1.6%
22&48	Utilities & Transportation	---	-2.8%	0.4%	3.9%	10.5%	6.3%	0.6%	-2.3%	-5.0%	0.4%	-2.2%	-5.1%	4.9%	4.6%
51	Information	---	-4.8%	9.1%	-1.2%	-6.3%	4.3%	5.7%	9.4%	-0.3%	-5.4%	-11.6%	19.8%	-2.6%	-27.8%
52	Finance	---	5.2%	-22.8%	4.2%	-0.9%	-12.2%	17.7%	5.4%	14.4%	-7.3%	-1.8%	-10.7%	-15.1%	-11.5%
53	Real Estate	---	4.1%	-13.9%	2.9%	-0.6%	10.2%	25.2%	5.1%	6.0%	-4.0%	1.7%	-6.0%	-6.5%	-6.3%
54	Prof. Services	---	2.7%	0.1%	-1.8%	-6.1%	0.0%	-5.4%	3.2%	-9.8%	-6.6%	-9.1%	-13.9%	-10.3%	4.9%
56	Administrative	---	-3.0%	-0.2%	0.3%	-0.8%	6.1%	0.0%	8.0%	2.9%	2.8%	2.1%	-0.4%	2.7%	3.3%
61	Education	---	3.4%	9.1%	-19.8%	3.1%	2.3%	-3.5%	8.9%	-1.1%	-1.4%	-0.3%	0.2%	-7.8%	-8.9%
62	Health	---	1.0%	-0.5%	-5.9%	-4.2%	-3.0%	7.5%	1.4%	5.2%	1.5%	2.4%	-5.5%	-1.7%	0.1%
71	Hospitality	---	-4.1%	-3.5%	-0.2%	3.8%	7.1%	4.6%	2.9%	-2.7%	2.5%	3.5%	-1.8%	-2.0%	-4.5%
72	Entertainment	---	-1.4%	0.1%	-3.5%	-1.1%	4.0%	2.2%	3.5%	9.0%	7.9%	3.8%	8.4%	4.4%	3.9%
81	Other Services	---	-0.2%	-4.5%	4.6%	-0.5%	-0.1%	-0.2%	3.6%	4.6%	3.9%	1.3%	6.2%	-0.5%	-2.0%
8742	Outside Sales	---	3.3%	10.3%	-10.9%	-7.7%	-5.5%	2.6%	-4.7%	9.6%	-13.0%	0.1%	-4.7%	-6.0%	2.2%
92&8810	Clerical & Public Admin.	---	4.6%	-3.9%	-5.9%	-11.4%	-7.0%	-8.2%	7.1%	1.8%	-3.2%	-9.8%	3.3%	-4.0%	-6.7%
	Accident Year Total Frequency	---	-3.6%	0.5%	-15.4%	-14.7%	-6.3%	-4.0%	-6.2%	-3.2%	6.4%	-1.1%	2.9%	1.3%	0.2%

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

Indemnity Claim Frequency by Geographic Region

Bay Area

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

Los Angeles/L.A. Basin

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

All Other

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

All Regions

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

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

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

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

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

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

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

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

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

Figures in italics are based on preliminary partial data.

Indemnity Claim Count Distribution by Part of Body Code

Top 5 Part of Body Codes for Cumulative Injury Indemnity Claims based on AY 2013 Shares

		Bay Area														
		Accident Year														
2013 Rank	POB Code	POB Description	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	90	Multiple Body Parts	15.2%	20.0%	25.1%	24.1%	23.1%	21.0%	19.6%	17.1%	16.5%	19.1%	19.2%	17.6%	19.4%	18.1%
2	34	Wrist	14.4%	12.3%	11.4%	10.9%	13.0%	14.3%	11.7%	13.3%	12.0%	10.1%	8.8%	10.9%	8.6%	10.1%
3	42	Lower Back	4.7%	6.0%	3.7%	4.7%	4.6%	4.1%	6.2%	4.6%	6.2%	6.7%	6.4%	7.3%	8.0%	10.5%
4	38	Shoulder	3.6%	3.7%	3.7%	3.6%	3.5%	4.5%	6.4%	7.6%	6.9%	6.8%	5.8%	5.8%	6.6%	7.9%
5	30	Multiple Upper	11.3%	10.2%	11.6%	12.9%	11.3%	10.3%	10.4%	8.7%	8.3%	7.2%	6.7%	7.1%	6.0%	4.4%
Other		Other	50.8%	47.8%	44.4%	43.8%	44.4%	45.9%	45.7%	48.6%	50.1%	50.1%	53.1%	51.3%	51.3%	49.0%

		Los Angeles/L.A. Basin														
		Accident Year														
2013 Rank	POB Code	POB Description	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	90	Multiple Body Parts	23.0%	26.5%	36.4%	32.6%	33.7%	30.9%	30.5%	29.1%	30.7%	30.4%	34.3%	34.5%	34.3%	34.0%
2	42	Lower Back	3.7%	3.8%	3.3%	4.5%	5.2%	6.1%	6.6%	6.9%	7.9%	8.9%	8.5%	8.3%	9.0%	9.1%
3	91	Body Systems	1.2%	1.2%	1.1%	1.2%	2.3%	2.1%	3.0%	3.9%	4.9%	4.4%	3.6%	5.6%	8.1%	7.3%
4	34	Wrist	10.1%	10.2%	8.3%	8.2%	9.1%	10.0%	9.2%	7.7%	5.0%	5.0%	5.7%	5.4%	4.1%	4.4%
5	38	Shoulder	2.7%	3.0%	2.8%	2.8%	3.2%	3.4%	4.1%	4.2%	3.9%	4.2%	3.9%	4.1%	4.1%	4.9%
Other		Other	59.4%	55.4%	48.0%	50.7%	46.5%	47.5%	46.6%	48.2%	47.5%	47.1%	43.9%	42.1%	40.3%	40.4%

		All Other														
		Accident Year														
2013 Rank	POB Code	POB Description	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	90	Multiple Body Parts	15.2%	19.2%	27.5%	23.6%	21.9%	21.8%	20.4%	18.1%	17.3%	19.1%	22.1%	23.8%	28.3%	24.3%
2	42	Lower Back	4.9%	3.6%	3.9%	5.3%	4.8%	5.1%	6.2%	5.6%	7.6%	7.7%	8.7%	7.8%	9.3%	11.3%
3	34	Wrist	13.2%	13.7%	12.2%	11.2%	12.6%	13.7%	11.9%	12.3%	12.3%	9.8%	8.1%	9.7%	8.1%	7.2%
4	38	Shoulder	3.3%	4.2%	4.0%	4.6%	4.1%	4.9%	5.4%	6.4%	4.6%	5.3%	5.4%	5.5%	5.0%	4.1%
5	39	Wrist and Hand	6.1%	6.1%	5.6%	5.0%	7.0%	6.5%	5.4%	6.4%	5.7%	5.4%	5.6%	5.8%	5.2%	5.2%
Other		Other	57.4%	53.1%	46.8%	50.4%	49.5%	48.0%	50.8%	51.2%	52.6%	52.8%	50.2%	47.4%	44.0%	47.9%

Note: Figures in italics are based on a preliminary partial data.
Source: WCIRB unit statistical data at first report level

Indemnity Claim Count Distribution by Part of Body Code

Top 5 Part of Body Codes for Non-Cumulative Injury Indemnity Claims based on AY 2013 Shares

		Bay Area														
		Accident Year														
2013 Rank	POB Code	POB Description	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	42	Lower Back	13.9%	11.9%	11.7%	13.9%	15.9%	15.9%	16.4%	16.9%	18.5%	17.7%	17.2%	17.4%	17.1%	17.2%
2	90	Multiple Body Parts	9.5%	11.7%	15.8%	14.0%	11.6%	10.9%	10.2%	9.8%	9.0%	9.7%	10.9%	10.4%	9.9%	9.4%
3	53	Knee	6.3%	6.9%	6.7%	7.1%	8.0%	7.9%	8.6%	8.9%	9.0%	9.1%	9.0%	9.1%	9.2%	9.1%
4	38	Shoulder	3.4%	3.7%	3.7%	4.3%	4.8%	4.8%	5.8%	6.3%	6.5%	6.9%	6.8%	7.2%	8.0%	8.4%
5	36	Finger	4.3%	4.4%	4.7%	5.2%	5.6%	6.1%	6.2%	6.2%	6.2%	6.0%	5.8%	6.2%	6.0%	6.5%
Other		Other	62.6%	61.4%	57.4%	55.4%	54.2%	54.4%	52.8%	51.9%	50.8%	50.6%	50.2%	49.7%	49.9%	49.3%

Los Angeles/L.A. Basin

		Accident Year														
2013 Rank	POB Code	POB Description	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	42	Lower Back	12.7%	10.5%	10.1%	12.8%	14.7%	15.4%	15.5%	16.5%	17.0%	17.6%	16.7%	16.6%	16.7%	16.1%
2	90	Multiple Body Parts	10.8%	13.9%	17.9%	16.0%	14.0%	12.6%	12.9%	12.6%	12.8%	13.1%	14.4%	14.3%	14.2%	13.3%
3	53	Knee	6.3%	6.5%	6.3%	6.7%	7.2%	7.7%	7.7%	8.2%	7.9%	8.1%	7.9%	7.9%	8.4%	8.2%
4	38	Shoulder	3.3%	3.6%	3.8%	4.1%	4.2%	4.4%	4.8%	5.3%	6.0%	6.0%	5.6%	6.2%	7.0%	7.6%
5	36	Finger	5.2%	5.1%	5.4%	5.7%	6.0%	6.3%	6.4%	6.4%	5.9%	5.8%	5.9%	5.6%	5.6%	5.9%
Other		Other	61.6%	60.4%	56.4%	54.7%	53.8%	53.4%	52.7%	50.9%	50.3%	49.4%	49.6%	49.4%	48.0%	48.9%

All Other

		Accident Year														
2013 Rank	POB Code	POB Description	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	42	Lower Back	11.1%	9.9%	9.8%	12.9%	15.2%	15.5%	15.4%	16.9%	17.3%	16.8%	16.7%	16.7%	17.0%	16.8%
2	90	Multiple Body Parts	8.0%	10.7%	14.3%	13.1%	10.6%	9.7%	9.6%	8.7%	8.9%	10.6%	12.3%	11.4%	10.5%	9.7%
3	53	Knee	6.3%	6.7%	7.0%	7.3%	8.0%	8.0%	8.5%	8.9%	9.3%	8.9%	8.6%	8.9%	9.4%	9.4%
4	38	Shoulder	3.3%	3.9%	4.2%	4.4%	4.5%	4.9%	5.2%	5.8%	6.4%	6.0%	6.5%	6.9%	7.9%	8.0%
5	36	Finger	4.1%	4.1%	4.8%	4.8%	5.4%	5.7%	5.8%	5.9%	6.1%	6.2%	5.8%	5.8%	6.0%	5.9%
Other		Other	67.2%	64.6%	59.8%	57.5%	56.4%	56.2%	55.5%	53.8%	52.0%	51.4%	50.2%	50.2%	49.1%	50.2%

Note: Figures in italics are based on a preliminary partial data.
Source: WCIRB unit statistical data at first report level

Indemnity Claim Count Distribution by Part of Body Code

Top 5 Part of Body Codes for All Indemnity Claims based on AY 2013 Shares

		Bay Area														
		Accident Year														
2013 Rank	POB Code	POB Description	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	42	Lower Back	13.2%	11.4%	11.1%	13.3%	15.2%	15.3%	15.7%	16.1%	17.7%	17.0%	16.6%	16.8%	16.4%	16.7%
2	90	Multiple Body Parts	9.9%	12.4%	16.5%	14.7%	12.3%	11.4%	10.8%	10.3%	9.5%	10.3%	11.4%	10.8%	10.6%	10.1%
3	53	Knee	6.0%	6.5%	6.4%	6.9%	7.8%	7.7%	8.3%	8.7%	8.7%	8.7%	8.7%	8.8%	8.9%	8.6%
4	38	Shoulder	3.4%	3.7%	3.7%	4.3%	4.7%	4.7%	5.8%	6.4%	6.5%	6.9%	6.8%	7.2%	7.9%	8.3%
5	36	Finger	4.1%	4.2%	4.4%	5.0%	5.3%	5.8%	5.8%	5.8%	5.9%	5.7%	5.6%	5.9%	5.6%	6.1%
Other		Other	63.4%	61.8%	57.9%	55.8%	54.7%	55.1%	53.4%	52.7%	51.8%	51.4%	51.0%	50.5%	50.6%	50.1%

		Los Angeles/L.A. Basin														
		Accident Year														
2013 Rank	POB Code	POB Description	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	90	Multiple Body Parts	11.8%	15.0%	19.6%	17.5%	15.4%	13.8%	14.1%	13.8%	14.3%	14.8%	16.1%	16.2%	16.5%	16.0%
2	42	Lower Back	12.0%	10.0%	9.5%	12.0%	14.0%	14.8%	14.9%	15.9%	16.2%	16.8%	16.0%	15.8%	15.8%	15.1%
3	53	Knee	6.0%	6.1%	5.9%	6.3%	6.9%	7.4%	7.3%	7.7%	7.4%	7.6%	7.4%	7.3%	7.7%	7.4%
4	38	Shoulder	3.3%	3.6%	3.7%	4.0%	4.2%	4.4%	4.7%	5.3%	5.8%	5.8%	5.5%	6.0%	6.7%	7.3%
5	36	Finger	4.9%	4.7%	5.0%	5.3%	5.7%	6.0%	6.0%	6.0%	5.5%	5.3%	5.4%	5.2%	5.0%	5.2%
Other		Other	62.1%	60.6%	56.2%	54.8%	53.9%	53.6%	52.9%	51.4%	50.7%	49.7%	49.6%	49.5%	48.2%	48.9%

		All Other														
		Accident Year														
2013 Rank	POB Code	POB Description	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	42	Lower Back	10.7%	9.6%	9.4%	12.4%	14.8%	15.0%	15.0%	16.4%	16.8%	16.3%	16.2%	16.3%	16.6%	16.5%
2	90	Multiple Body Parts	8.4%	11.2%	15.2%	13.7%	11.0%	10.2%	10.1%	9.1%	9.4%	11.1%	12.8%	12.1%	11.6%	10.7%
3	53	Knee	6.1%	6.5%	6.7%	7.1%	7.8%	7.8%	8.3%	8.6%	9.0%	8.6%	8.2%	8.5%	9.0%	9.0%
4	38	Shoulder	3.3%	3.9%	4.2%	4.5%	4.5%	4.9%	5.2%	5.8%	6.3%	5.9%	6.5%	6.8%	7.8%	7.8%
5	36	Finger	3.9%	3.9%	4.6%	4.6%	5.2%	5.5%	5.6%	5.7%	5.8%	6.0%	5.5%	5.6%	5.7%	5.6%
Other		Other	67.5%	64.9%	59.9%	57.6%	56.8%	56.6%	55.8%	54.3%	52.7%	52.1%	50.7%	50.7%	49.4%	50.5%

Note: Figures in italics are based on a preliminary partial data.
Source: WCIRB unit statistical data at first report level

Claim Count Distribution by Injury Type at 1st Unit Statistical Report Level

Injury Type	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
PT/Death	0.3%	0.3%	0.3%	0.4%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.3%	0.2%
Permanent Partial	41.9%	41.1%	36.0%	34.8%	34.3%	35.8%	35.8%	35.0%	35.6%	36.5%	37.0%	36.9%
Temporary	57.8%	58.6%	63.7%	64.8%	65.3%	64.0%	63.9%	64.7%	64.1%	63.3%	62.8%	62.9%
Indemnity	31.9%	32.5%	30.0%	29.4%	30.0%	30.9%	32.9%	34.1%	35.3%	36.0%	37.0%	38.2%
Medical-Only	68.1%	67.5%	70.0%	70.6%	70.0%	69.1%	67.1%	65.9%	64.7%	64.0%	62.9%	61.8%
Injury Type	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
PT/Death	---	8.8%	-14.1%	28.3%	-15.9%	-15.3%	-2.3%	-12.9%	5.0%	-15.6%	26.6%	-26.1%
Permanent Partial	---	-1.9%	-12.5%	-3.2%	-1.4%	4.1%	0.2%	-2.3%	1.7%	2.3%	1.3%	-0.1%
Temporary	---	1.3%	8.8%	1.7%	0.8%	-2.1%	-0.1%	1.3%	-1.0%	-1.2%	-0.9%	0.1%
Indemnity	---	1.9%	-7.7%	-2.0%	1.8%	3.2%	6.4%	3.8%	3.4%	1.9%	3.0%	3.0%
Medical-Only	---	-0.9%	3.7%	0.9%	-0.8%	-1.4%	-2.9%	-1.9%	-1.8%	-1.0%	-1.7%	-1.7%

Note: PT/Death, permanent partial, and temporary claims are compared to total indemnity count, indemnity and medical-only claims are compared to total count.
 Figures in italics are based on preliminary partial data.

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

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

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

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

Source: DWC WCIS data

Distribution of Years of Tenure at Date of Injury - Insured System

Accident Year	Years															30 40 & Over	Median	Average
	0 0.5	1 2	2 3	3 4	4 5	5 6	6 7	7 8	8 9	9 10	10 15	15 20	20 30	30 40				
2009	18.1%	10.6%	15.7%	10.8%	7.6%	5.3%	4.0%	3.1%	2.8%	3.0%	2.5%	7.1%	3.8%	4.2%	1.2%	0.2%	2.5	5.2
2010	18.8%	9.1%	13.0%	10.7%	8.5%	6.4%	4.6%	3.5%	2.8%	2.6%	2.7%	7.7%	3.6%	4.5%	1.4%	0.2%	2.8	5.5
2011	20.1%	10.0%	12.1%	8.3%	7.8%	6.5%	5.3%	3.8%	3.0%	2.3%	2.3%	8.5%	3.7%	4.6%	1.4%	0.2%	2.9	5.5
2012	20.7%	10.4%	13.1%	7.5%	5.7%	6.1%	5.4%	4.3%	3.2%	2.5%	2.1%	8.9%	3.8%	4.6%	1.4%	0.2%	2.7	5.6
2013	22.1%	10.8%	13.1%	7.9%	5.2%	4.3%	5.0%	4.3%	3.7%	2.7%	2.2%	8.5%	4.2%	4.3%	1.3%	0.2%	2.4	5.5
2014	23.3%	11.1%	13.4%	7.9%	5.5%	3.8%	3.4%	4.1%	3.6%	3.0%	2.5%	8.3%	4.4%	4.2%	1.4%	0.2%	2.2	5.4
2015	23.5%	12.4%	14.2%	7.9%	5.4%	4.1%	3.0%	2.7%	3.2%	3.0%	2.4%	8.0%	4.5%	4.1%	1.3%	0.2%	2.0	5.2

Source: DWC WCIS data

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

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

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

Source: DWC WCIS data

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

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

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

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

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

Indemnity Claim Count Distribution

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

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

Average and Median Indemnity Claim Severities at USR 1st

Policy Year	Average Incurred Indemnity Severity	Annual Change	Median Incurred Indemnity Severity	Annual Change
1999	11,132	---	2,953	---
2000	12,408	11.5%	3,640	23.3%
2001	13,468	8.5%	4,320	18.7%
2002	13,985	3.8%	4,930	14.1%
2003	13,905	-0.6%	5,000	1.4%
2004	11,397	-18.0%	4,100	-18.0%
2005	9,945	-12.7%	3,400	-17.1%
2006	10,643	7.0%	3,520	3.5%
2007	11,291	6.1%	3,966	12.7%
2008	11,947	5.8%	4,402	11.0%
2009	12,136	1.6%	4,717	7.2%
2010	11,976	-1.3%	4,791	1.6%
2011	12,514	4.5%	5,000	4.4%
2012	12,304	-1.7%	5,000	0.0%
2013	12,579	2.2%	5,793	15.9%

Policy Year	Average Incurred Medical Severity	Annual Change	Median Incurred Medical Severity	Annual Change
1999	10,243	---	4,809	---
2000	11,934	16.5%	5,600	16.4%
2001	13,853	16.1%	6,989	24.8%
2002	15,151	9.4%	7,797	11.6%
2003	14,501	-4.3%	7,575	-2.8%
2004	13,129	-9.5%	6,750	-10.9%
2005	13,457	2.5%	6,331	-6.2%
2006	14,791	9.9%	6,924	9.4%
2007	16,095	8.8%	7,942	14.7%
2008	17,273	7.3%	9,000	13.3%
2009	17,828	3.2%	9,723	8.0%
2010	17,676	-0.9%	9,409	-3.2%
2011	17,894	1.2%	9,388	-0.2%
2012	17,640	-1.4%	9,500	1.2%
2013	17,167	-2.7%	8,400	-11.6%

Source: WCIRB Unit Statistical data.

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