

WCIRB Actuarial Committee Meeting

September 13, 2022

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4. AC22-09-03: Pandemic Impact on Classification Relativities
5. AC22-09-04: Medical Characteristics of Cumulative Trauma Claims
6. AC22-09-05: Study of California Claim Duration
7. AC22-09-06: WCIRB Permanent Disability Claim Survey

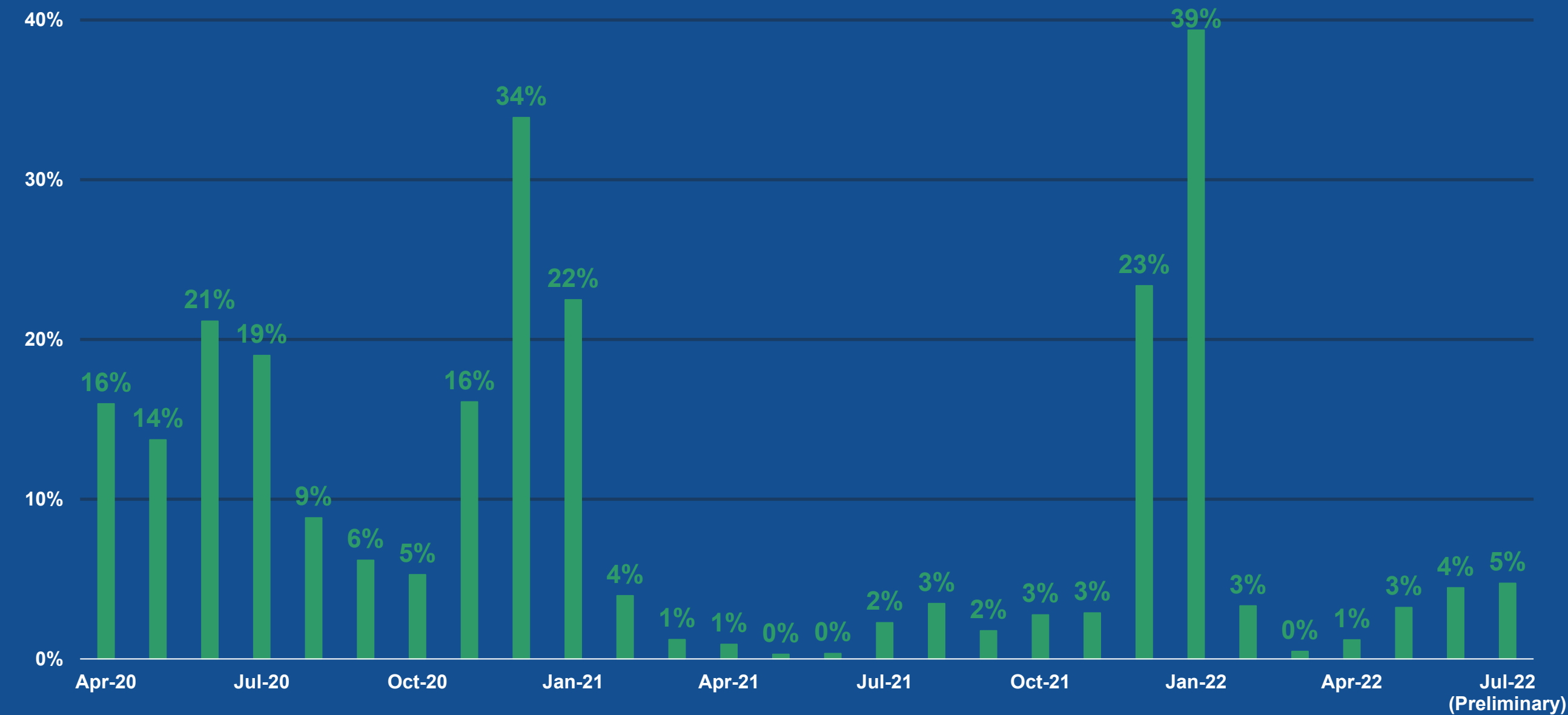
01

Review of COVID-19 Claim Diagnostics



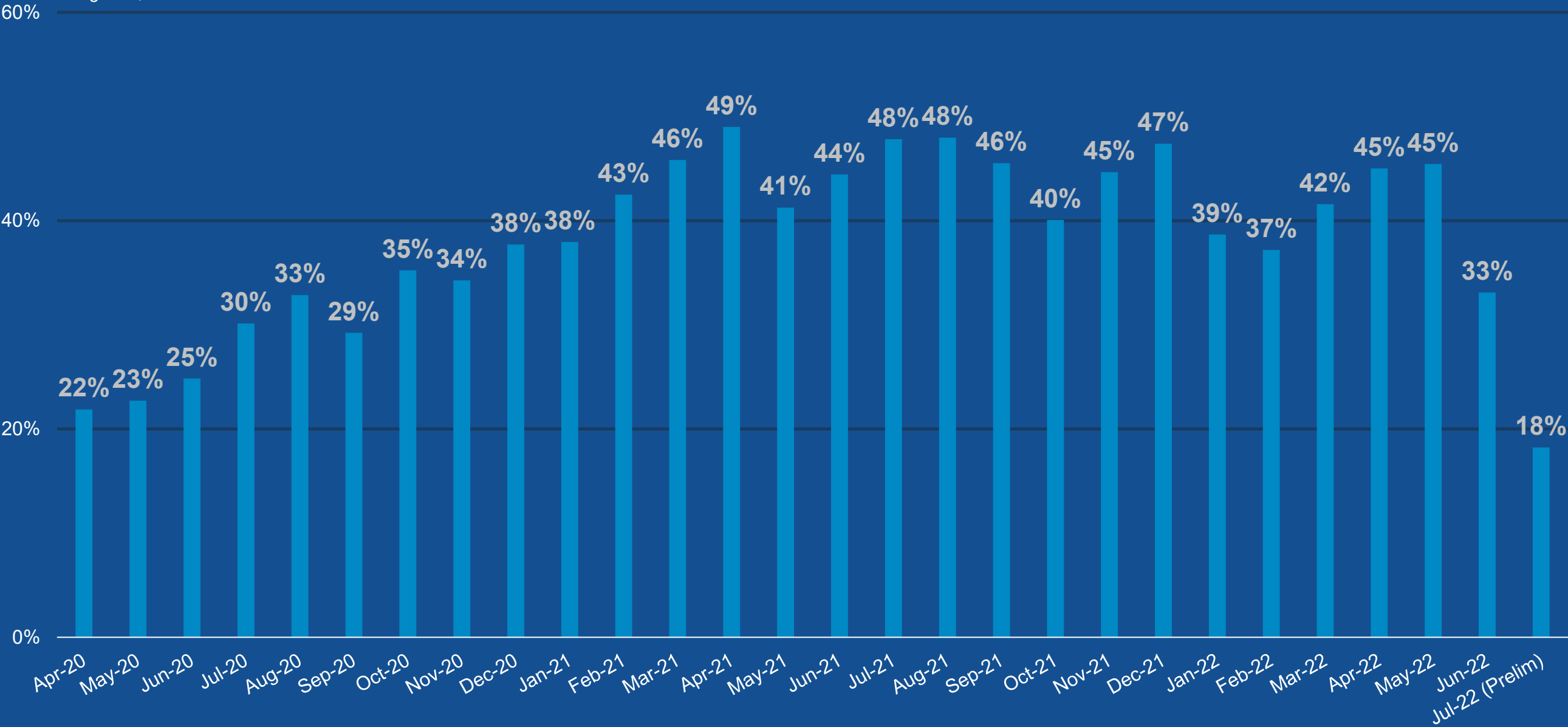
COVID-19 Share of Indemnity Claims

As of August 9, 2022



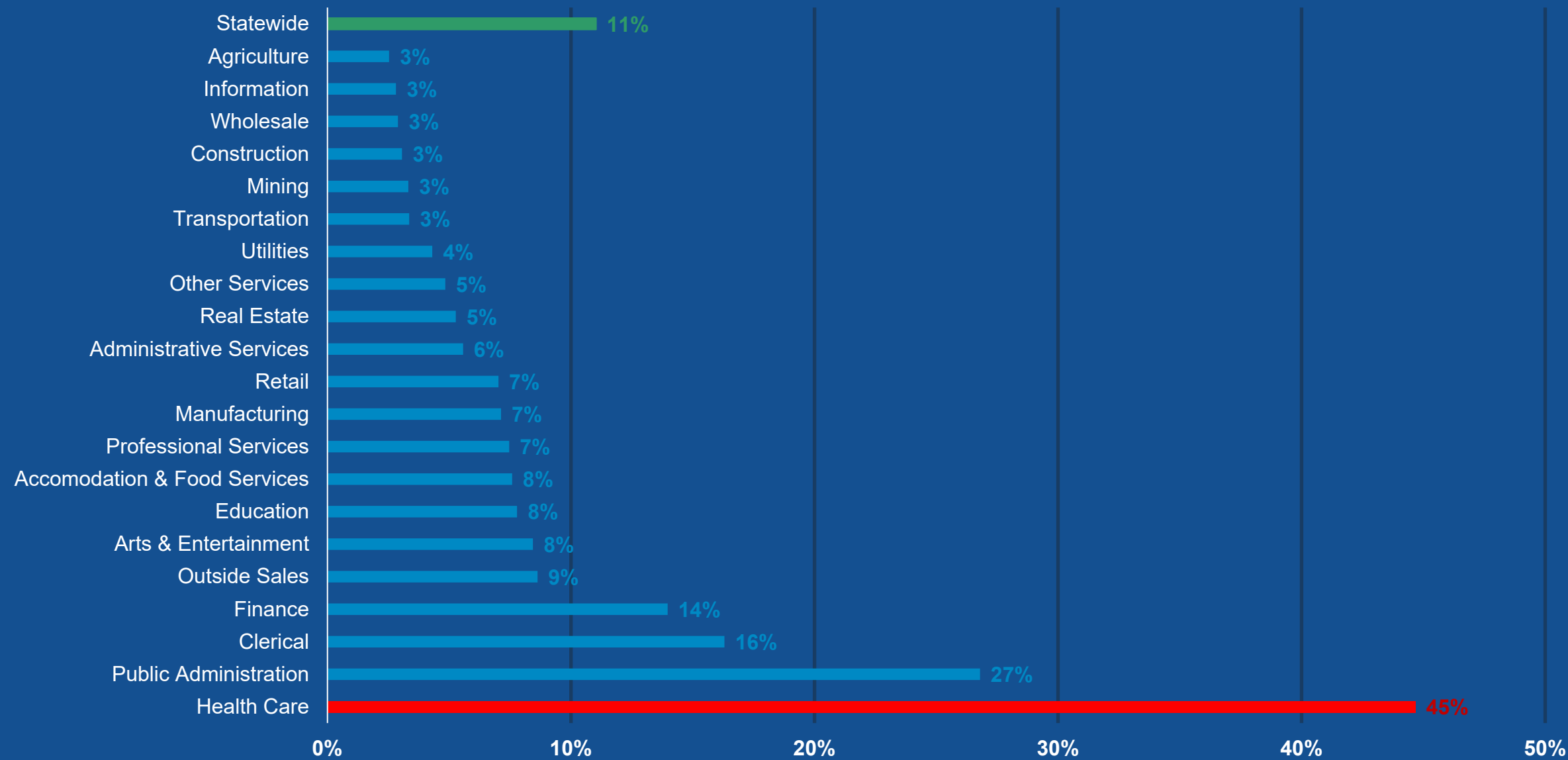
COVID-19 Claim Denial Rates by Accident Month

As of August 9, 2022



Share of COVID-19 Indemnity Claims by Industry

As of August 9, 2022



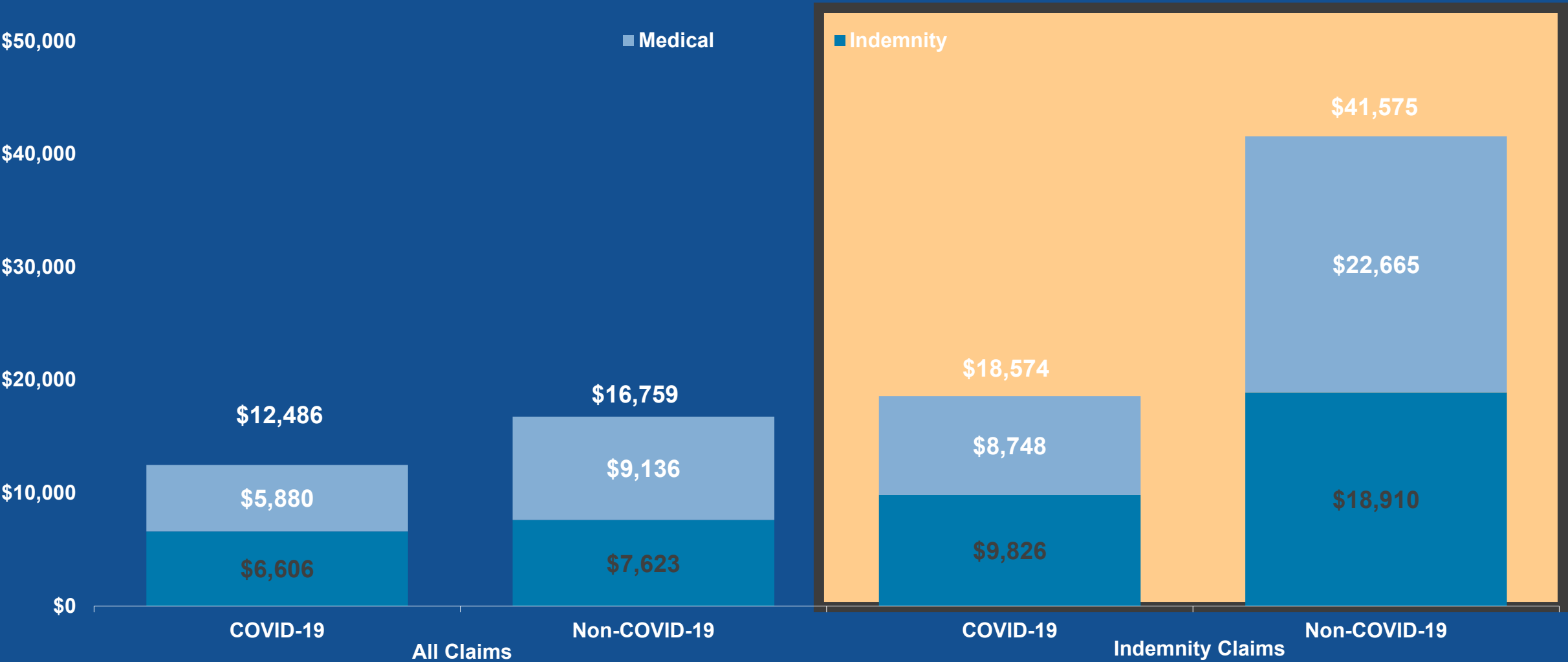
Industry Distribution of COVID-19 Indemnity Claims by Accident Quarter

As of August 9, 2022

Industry	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2
Health Care	51%	56%	52%	55%	46%	49%	55%	60%	52%
Manufacturing	11%	8%	9%	9%	13%	11%	3%	6%	9%
Retail	7%	5%	8%	7%	6%	5%	8%	7%	6%
Accommodation & Food Services	4%	6%	4%	4%	2%	7%	13%	9%	10%
Clerical	5%	4%	6%	8%	9%	6%	7%	6%	6%
Transportation	3%	5%	5%	2%	2%	1%	1%	1%	0%
Construction	3%	3%	3%	4%	6%	5%	2%	2%	2%
Administrative Services	4%	4%	2%	2%	1%	2%	1%	2%	1%
Wholesale	3%	2%	3%	2%	2%	1%	1%	1%	2%
Agriculture	3%	2%	0%	1%	1%	2%	0%	0%	0%
Other Services	2%	1%	1%	1%	1%	1%	1%	0%	0%
Arts & Entertainment	1%	0%	0%	0%	1%	1%	2%	2%	5%
Real Estate	1%	1%	1%	1%	2%	2%	1%	1%	1%
Professional Services	1%	1%	1%	1%	0%	2%	1%	1%	3%
Outside Sales	1%	1%	1%	1%	0%	1%	1%	1%	1%
Education	0%	1%	1%	1%	2%	0%	1%	1%	1%
Public Administration	1%	0%	1%	1%	5%	2%	1%	0%	0%
Information	0%	0%	1%	0%	0%	1%	0%	0%	0%
Finance	0%	0%	1%	0%	0%	1%	0%	0%	2%
Mining	0%	0%	0%	0%	1%	0%	0%	0%	0%
Utilities	0%	0%	0%	0%	0%	0%	0%	0%	0%

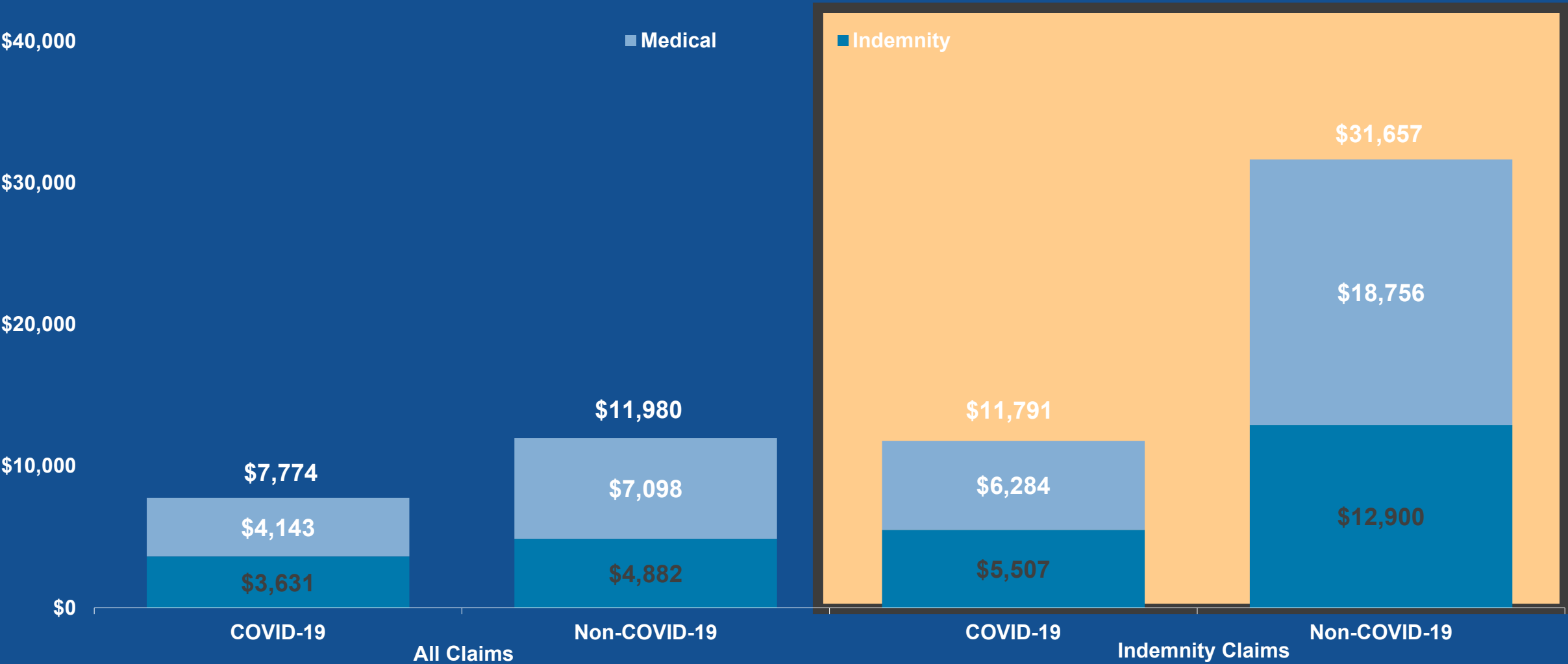
Accident Year 2020 Incurred Severities

As of June 30, 2022



Accident Year 2021 Incurred Severities

As of June 30, 2022



Share of Claims by Type of Claim

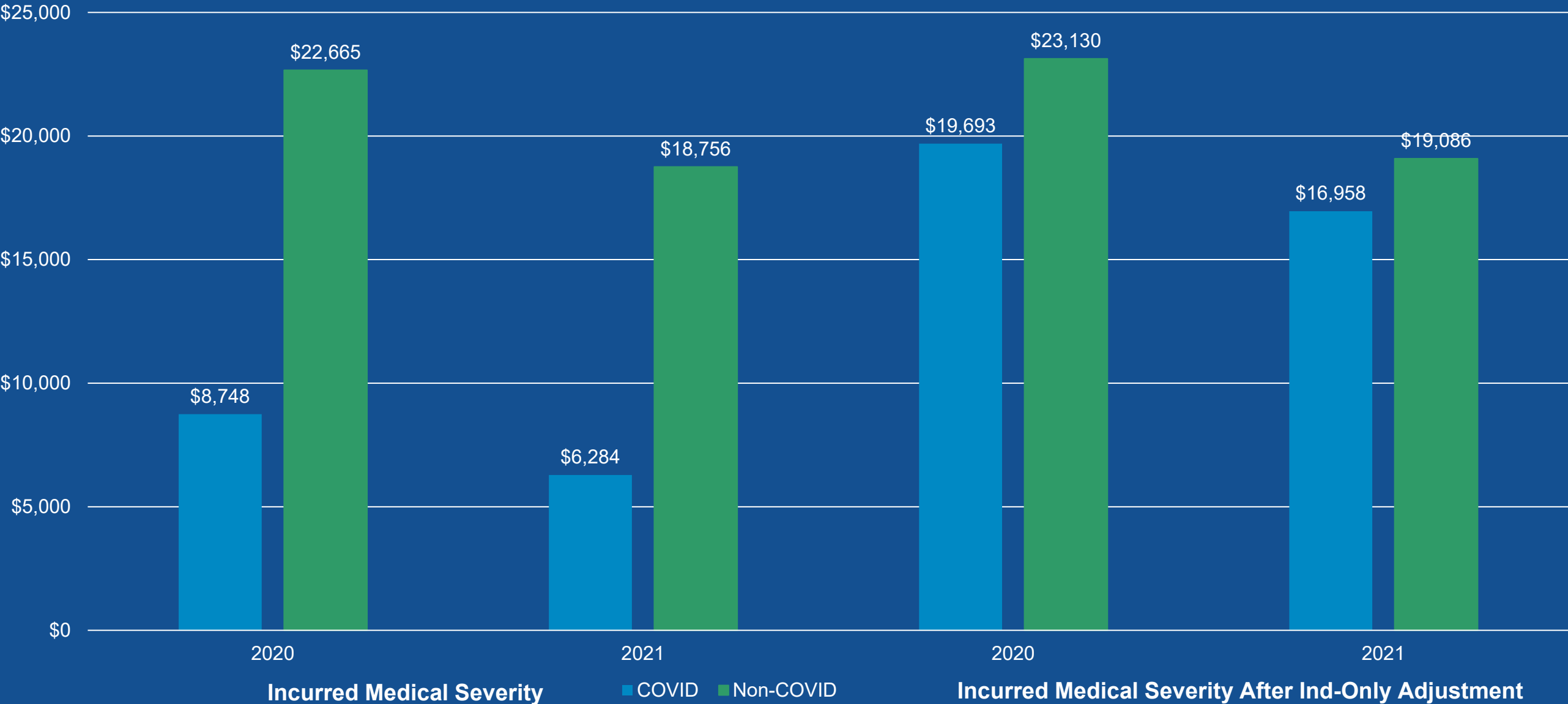
Accident Years 2020 and 2021

As of August 9, 2022



Comparison of Incurred Medical Severity on COVID-19 and Non-COVID-19 Claims Adjusted for the Share of Indemnity-Only Claims

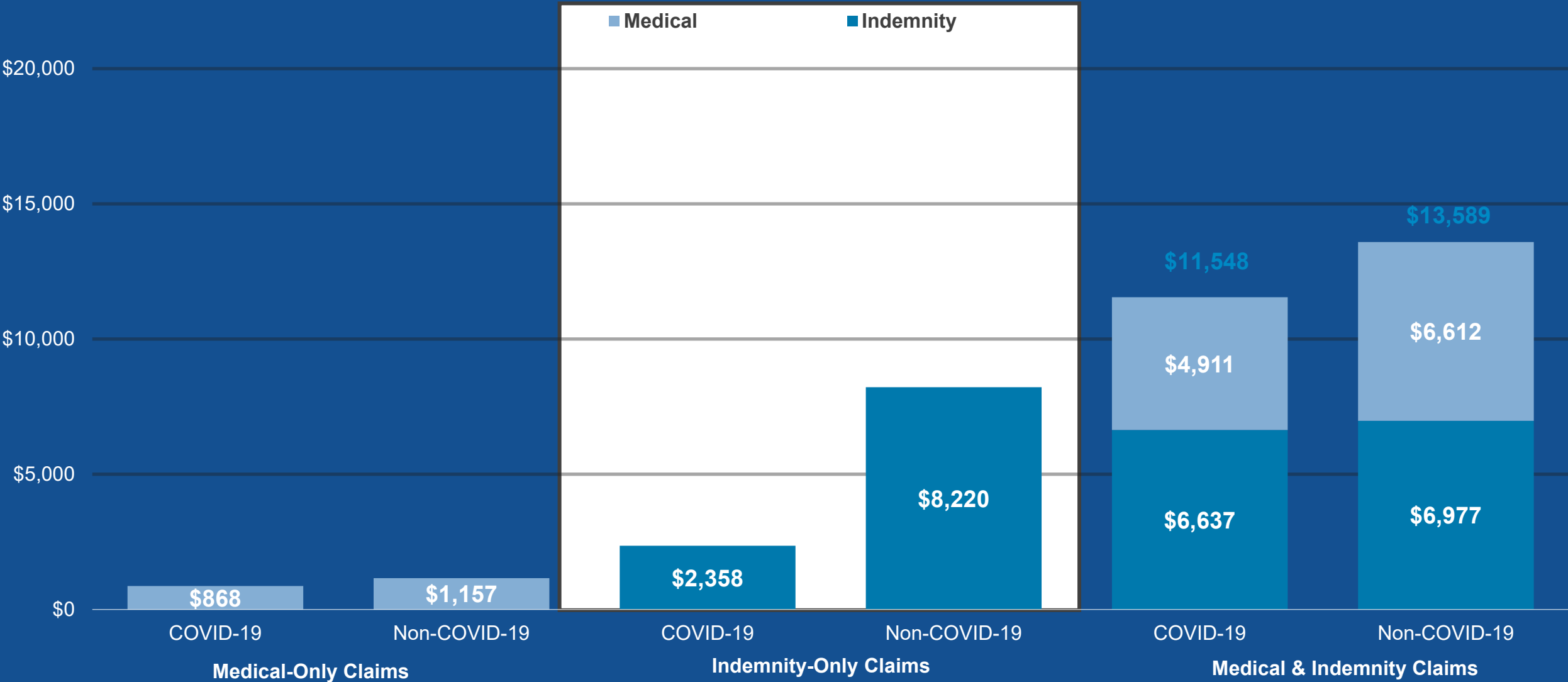
As of June 30, 2022



Closed Claim Severity by Type of Claim

Accident Year 2020 at 2nd Report Level

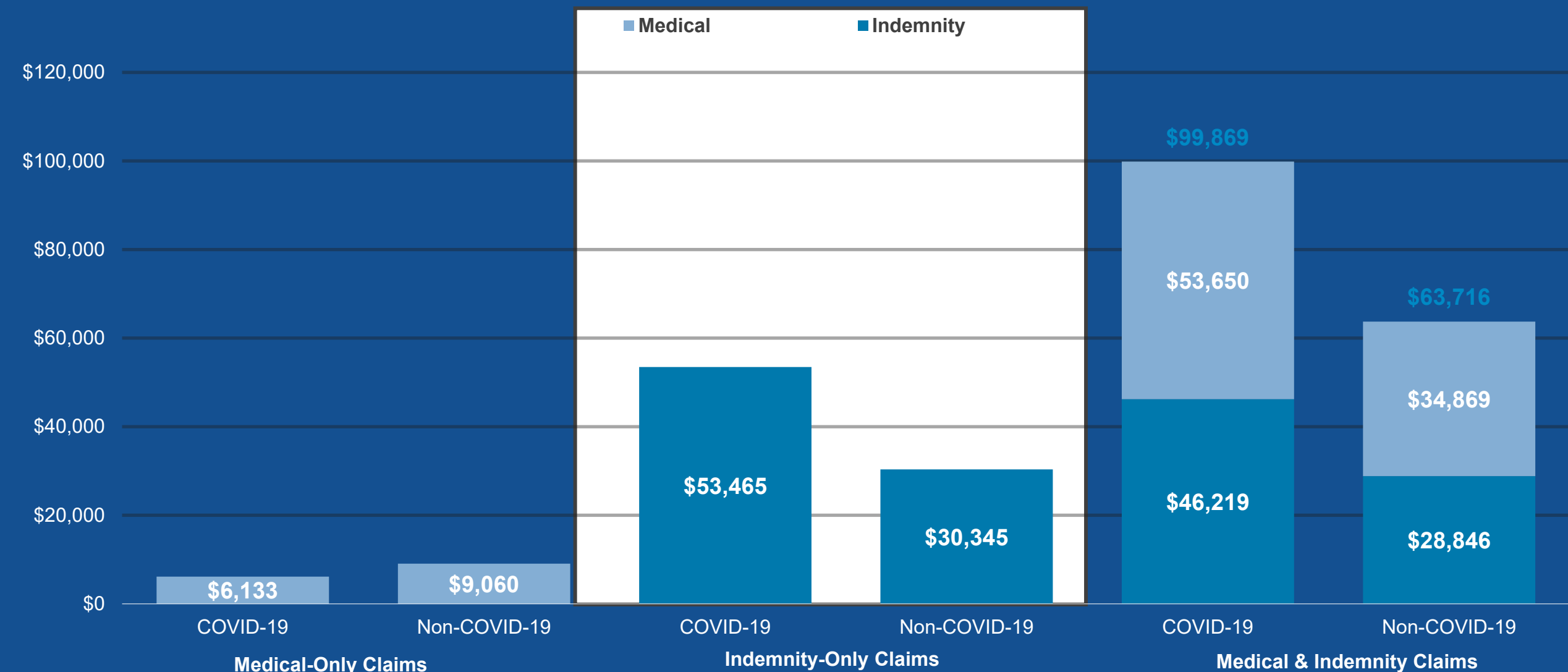
As of August 9, 2022



Open Claim Severity by Type of Claim

Accident Year 2020 at 2nd Report Level

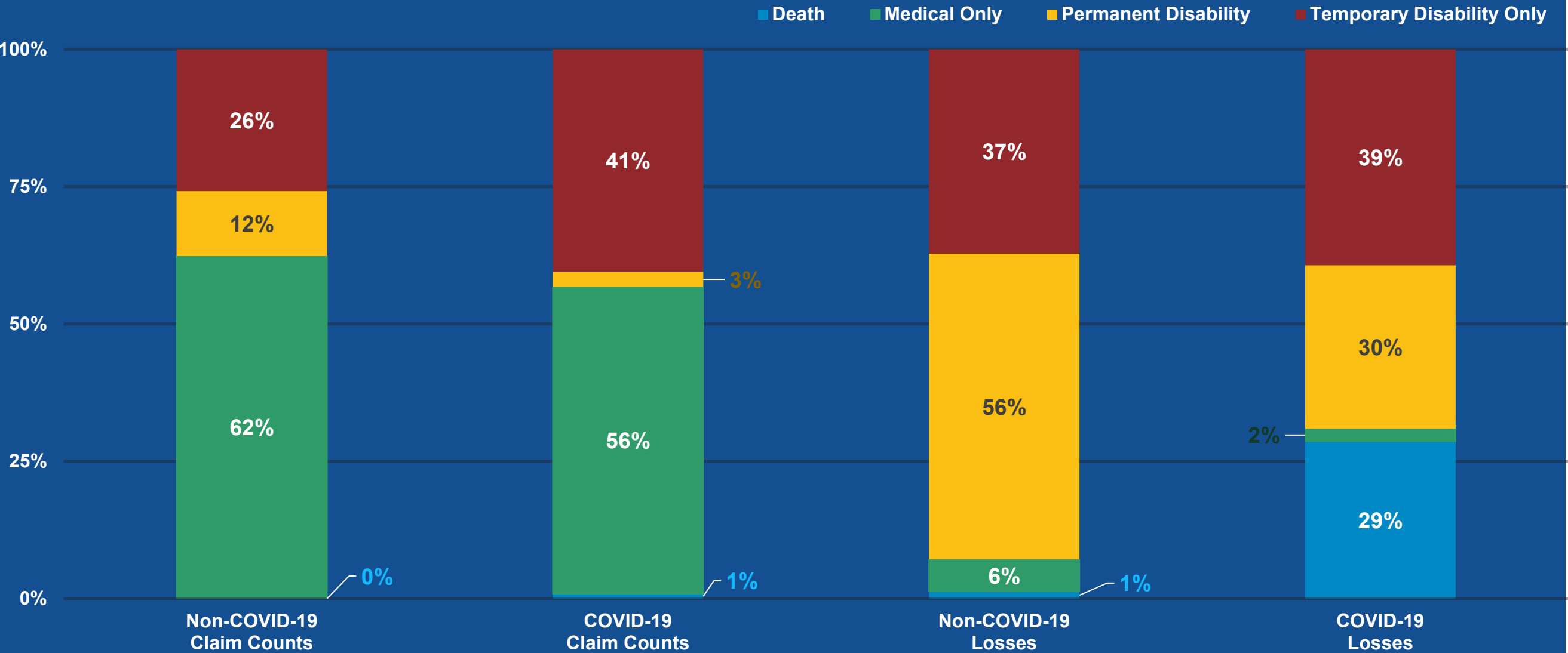
As of August 9, 2022



Distribution of Claims and Incurred Losses by Claim Type

Accident Year 2020

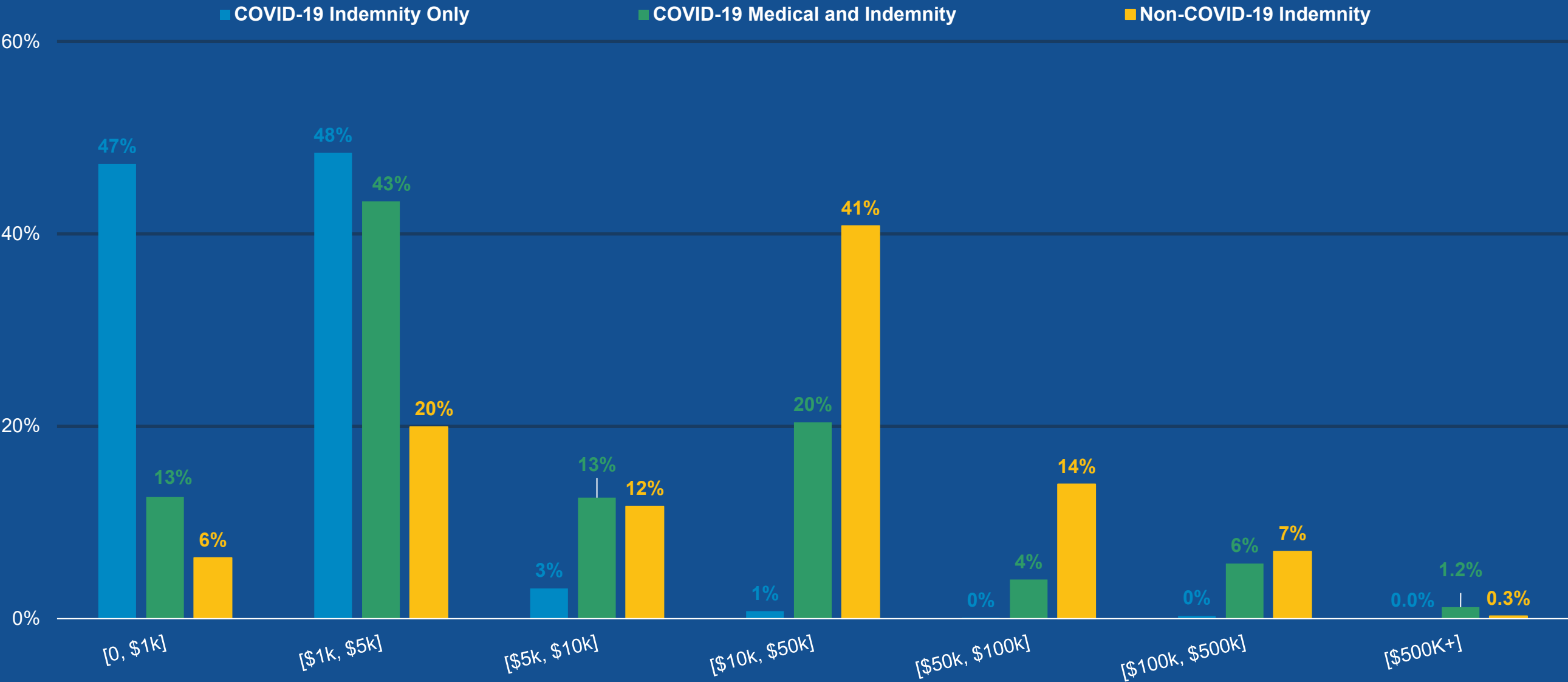
As of August 9, 2022



Indemnity Claim Distribution by Incurred Loss Size

Accident Year 2020

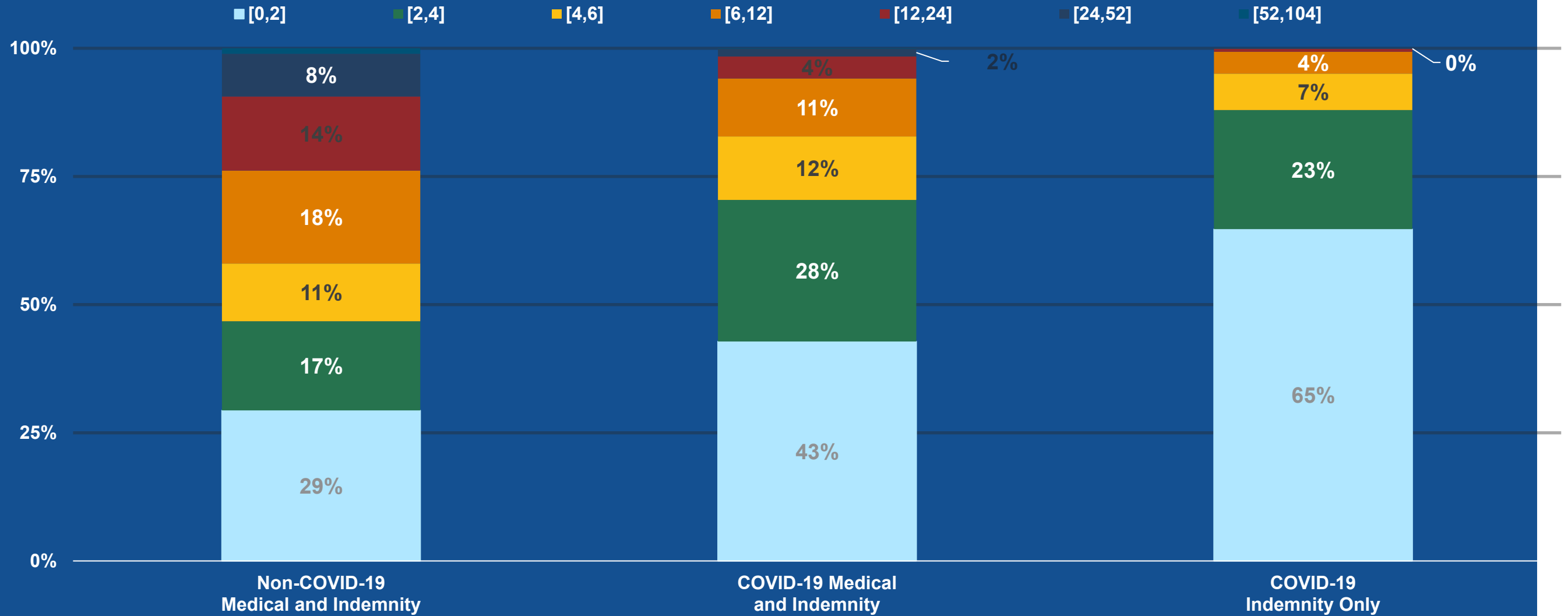
As of August 9, 2022



Weeks of Temporary Disability by Claim Type

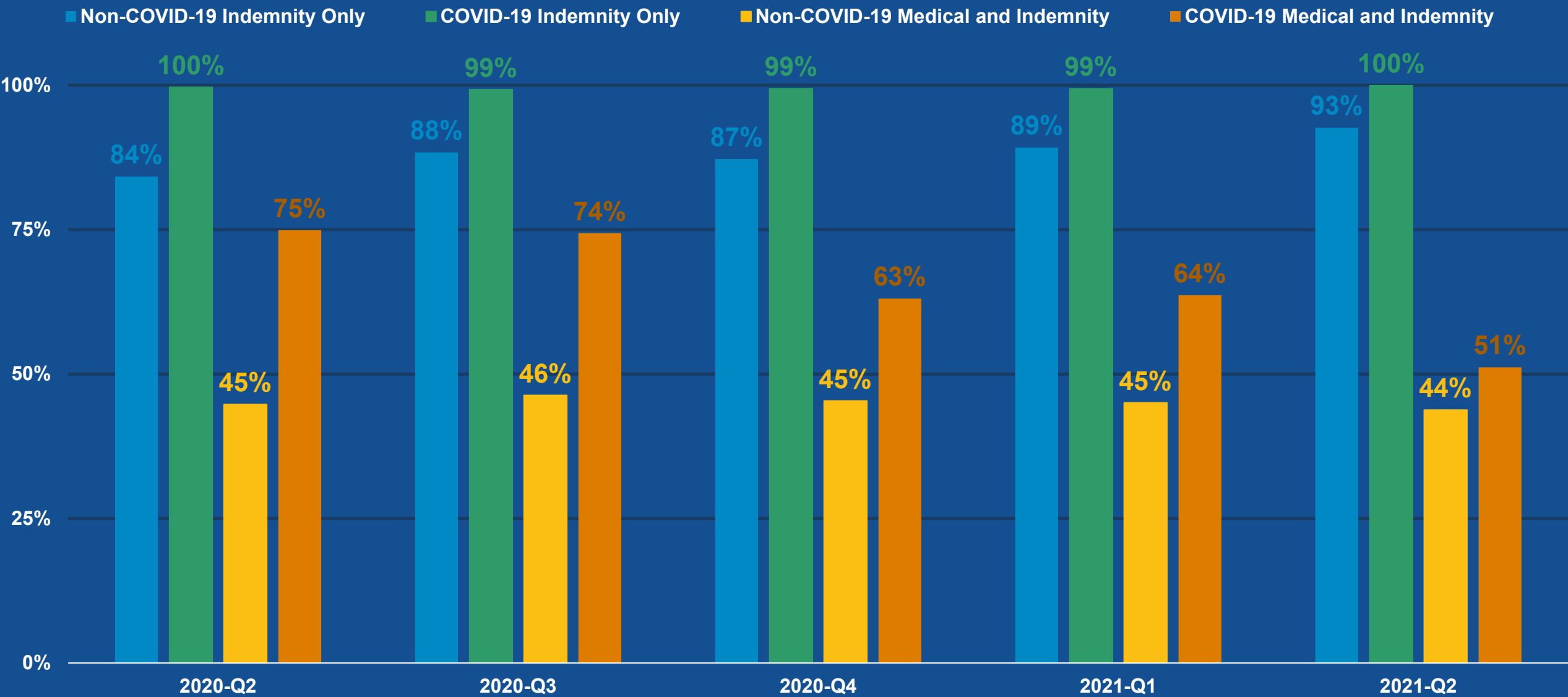
AY 2020, Closed Claims Only

As of August 9, 2022



Indemnity Claims Closing Rates at Report Level 1

As of August 9, 2022



Distribution of Claims and Incurred Losses by Claim Type: COVID-19 Claims Reported at Second USR vs COVID-19 Claims Present at First USR (AY 2020)

As of August 9, 2022

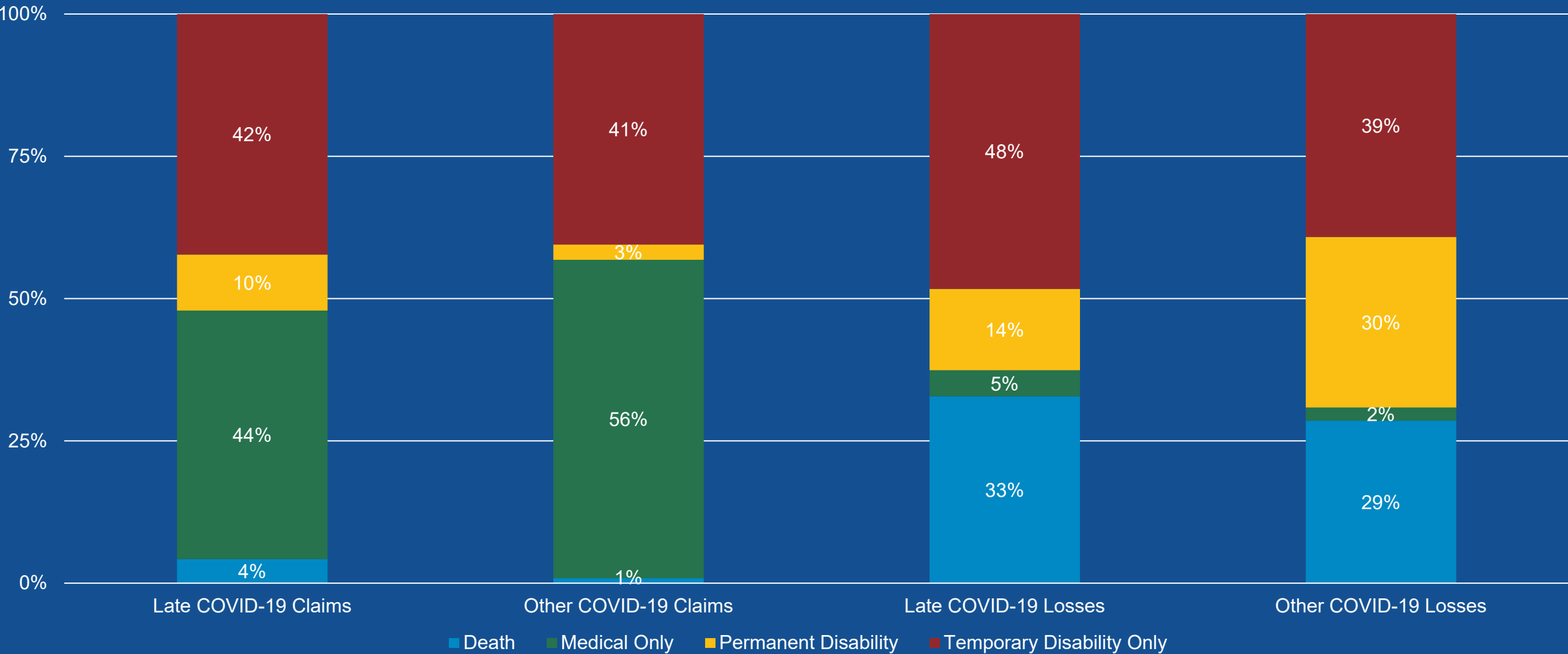
	COVID-19		Non-COVID-19	
	New at RL 2	Reported at RL 1	New at RL 2	Reported at RL 1
Share of Claims	0.57%	99.43%	1.19%	98.81%
Average Incurred Dollars	\$19,416	\$7,551	\$16,706	\$14,940
Average Paid Dollars	\$2,922	\$3,826	\$5,147	\$8,140

Distribution of Claims and Incurred Losses by Claim Type

Late Reported COVID-19 Claims vs Other COVID-19 Claims

Accident Year 2020

As of August 9, 2022

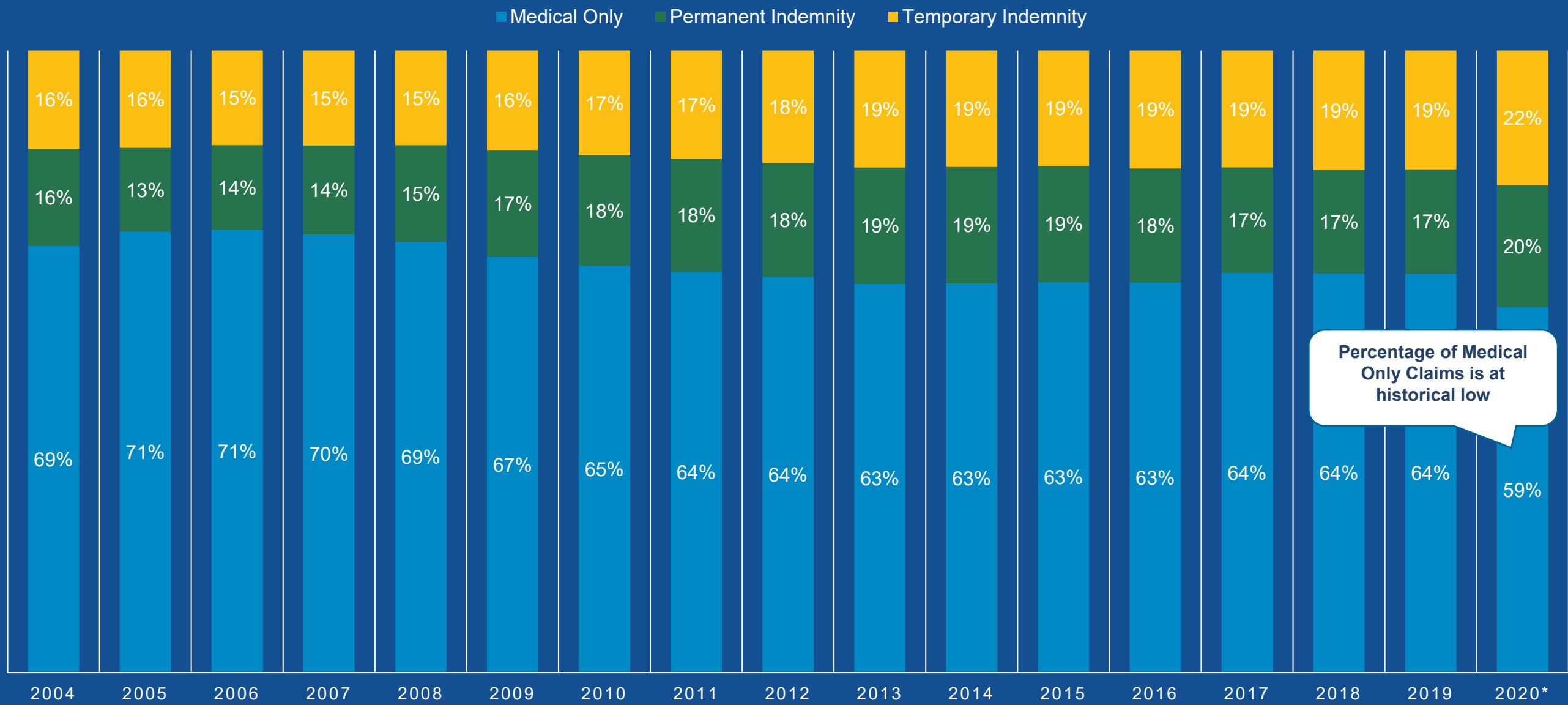


02

Third Quarter 2022 Review of Diagnostics

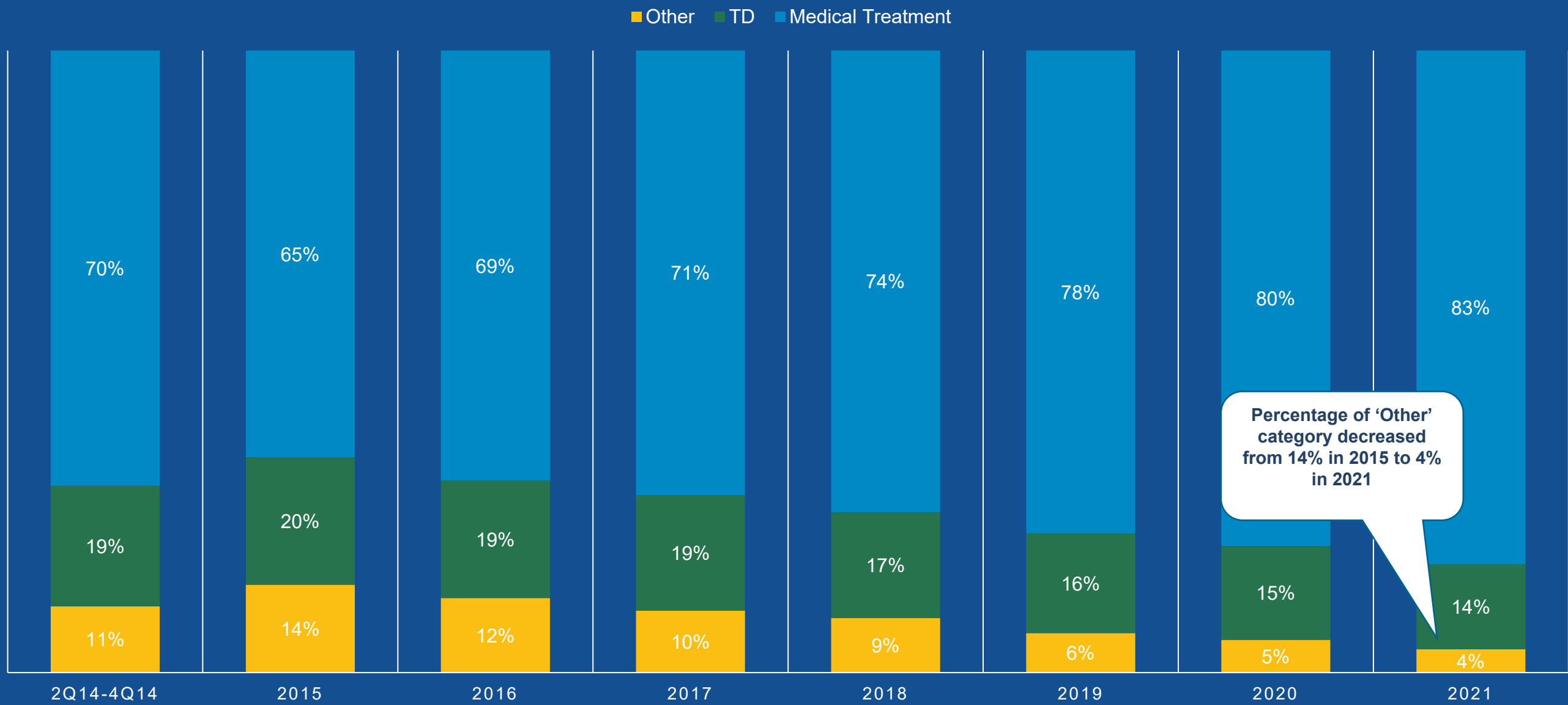


Distribution of Estimated Ultimate Number of Claims by Injury Type (Exhibit M4)

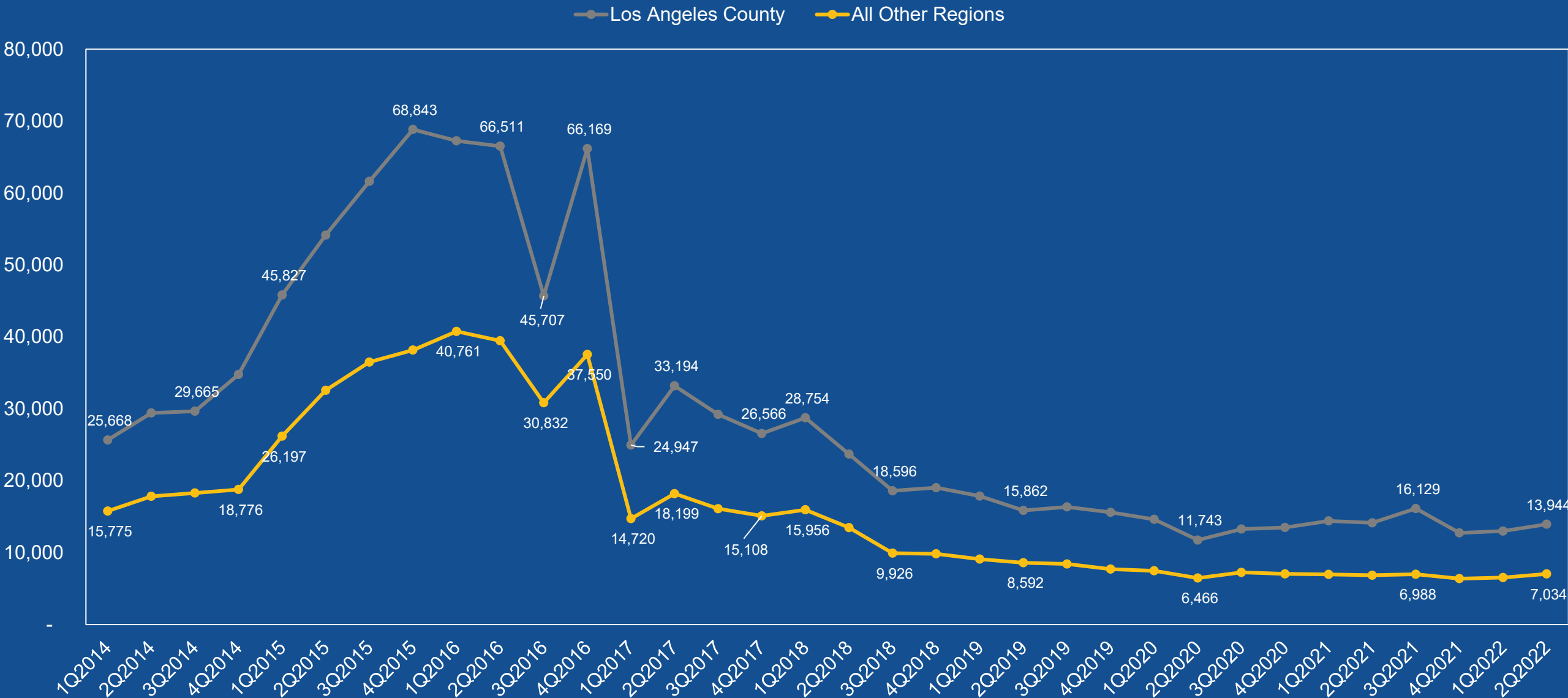


* Accident year 2020 experience is partial in that it only reflects experience from policy year 2019.
Source: WCIRB unit statistical data, excluding COVID-19 claims

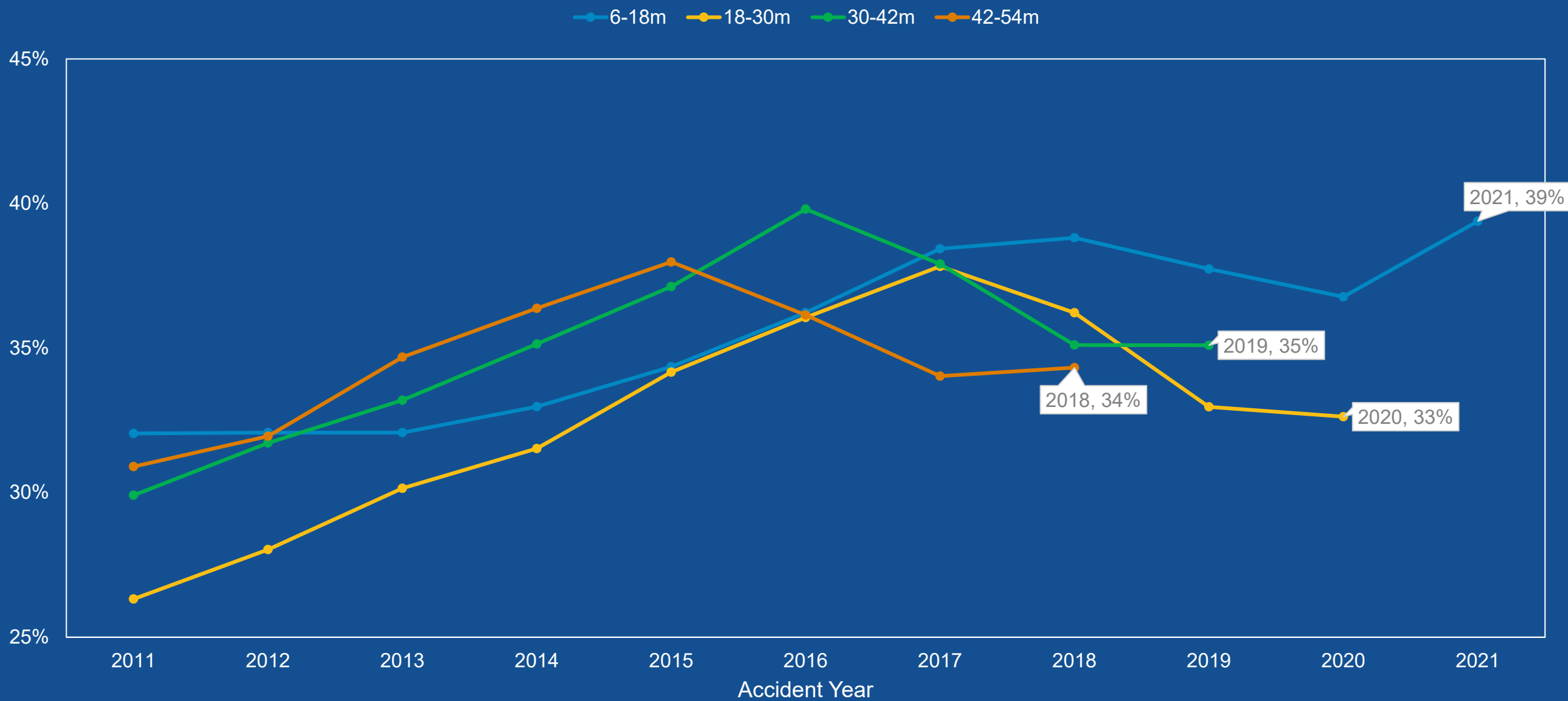
Quarterly Expedited Hearings by Reason – Southern California (Exhibit M8.2)



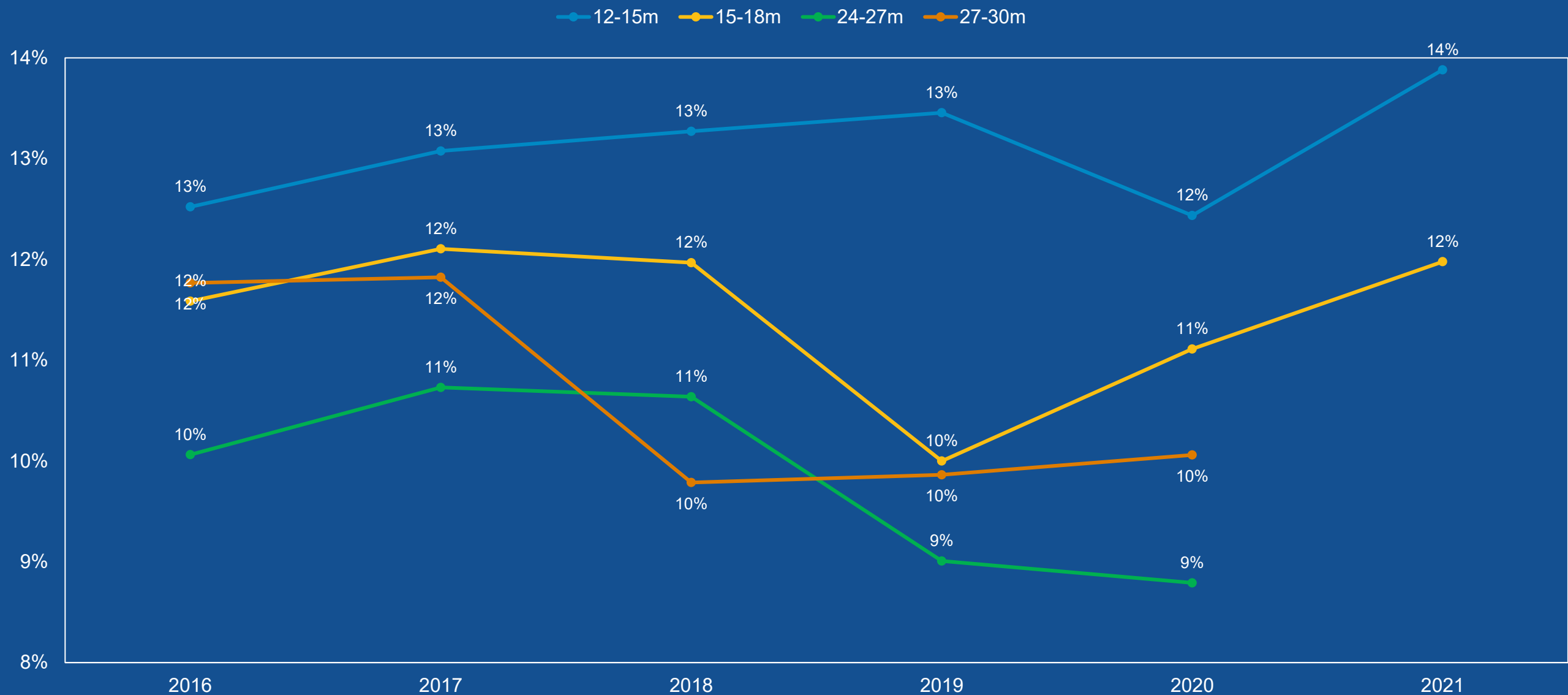
Number of Filed Lien Counts (Exhibit M9.2)



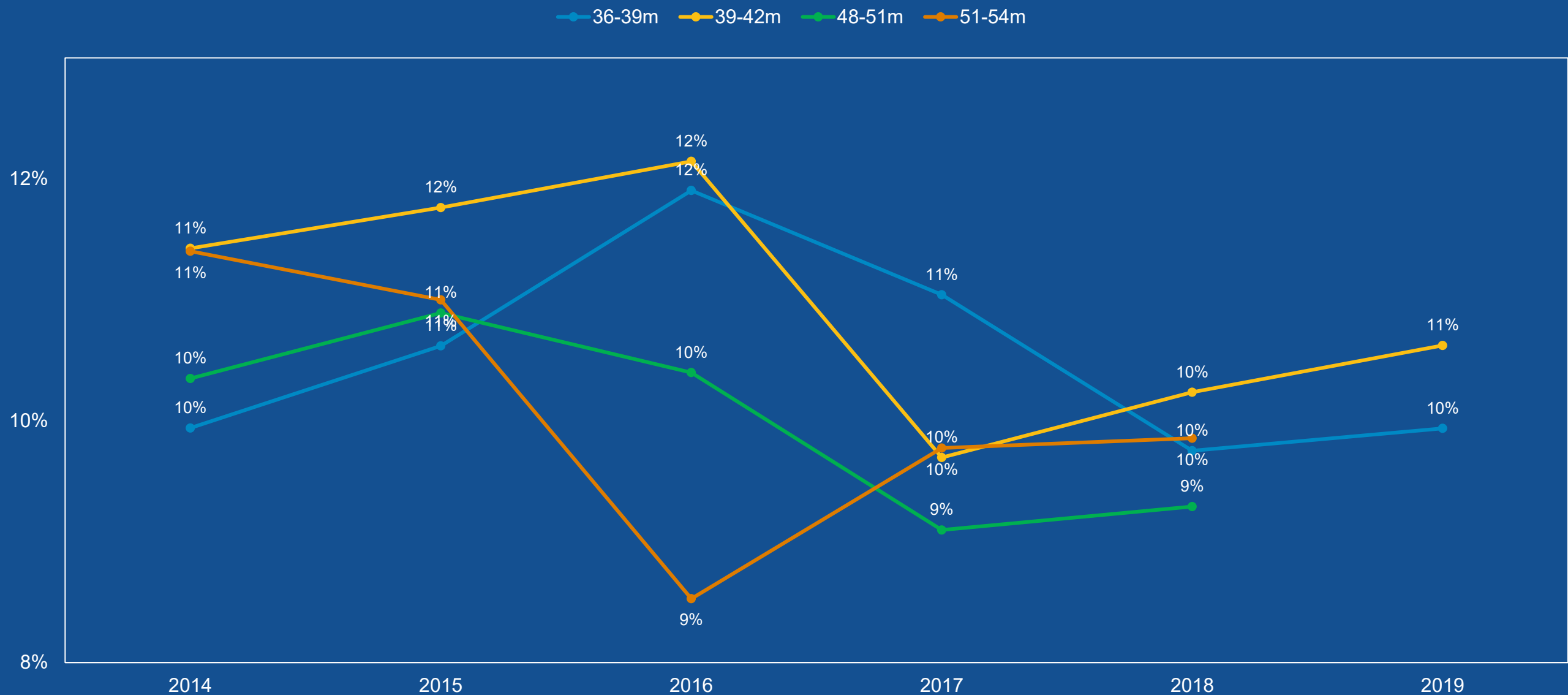
Ratio of Incremental Closed Indemnity Claims to Prior Open Indemnity Claims (Exhibit C3.1)



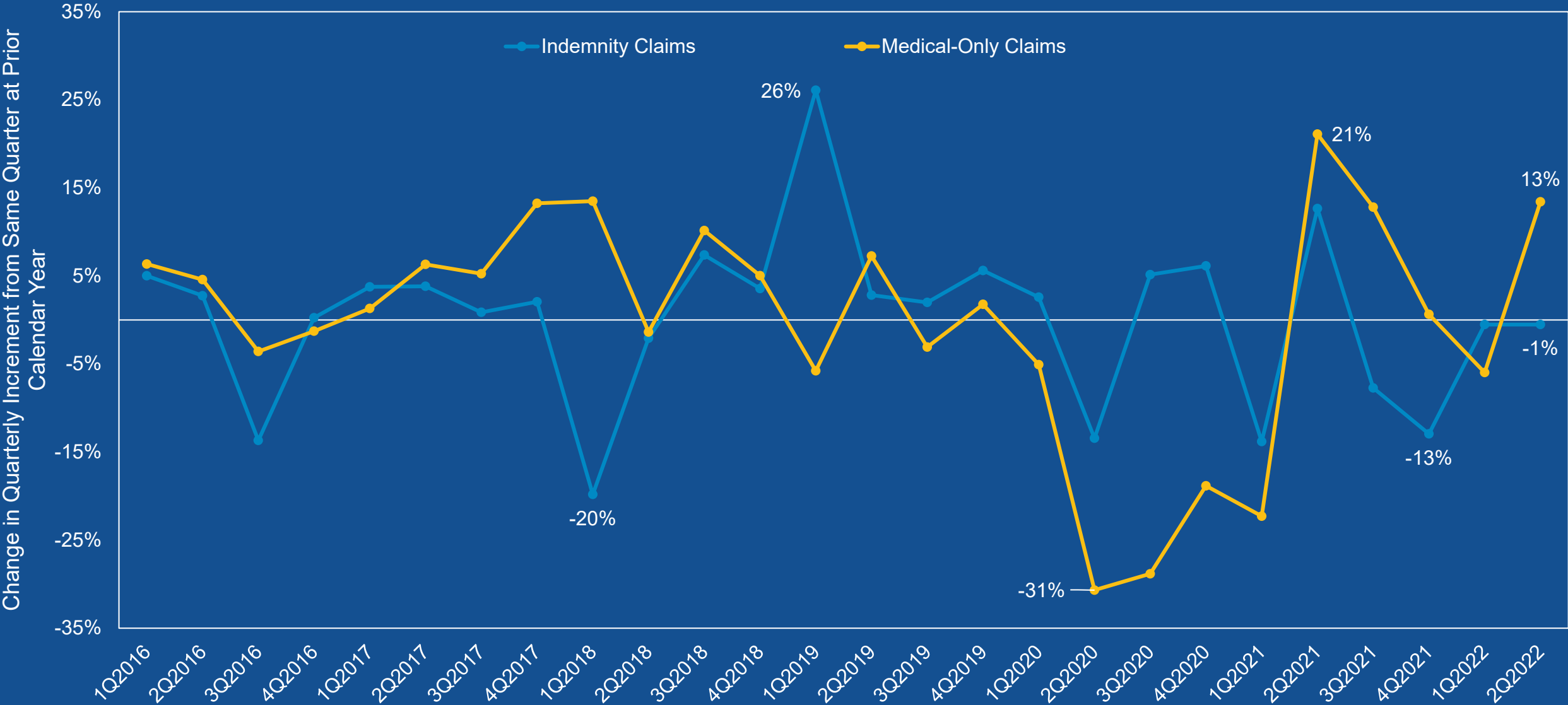
Ratio of Incremental Closed Indemnity Claims to Prior Open Indemnity Claims (Exhibit C3.2)



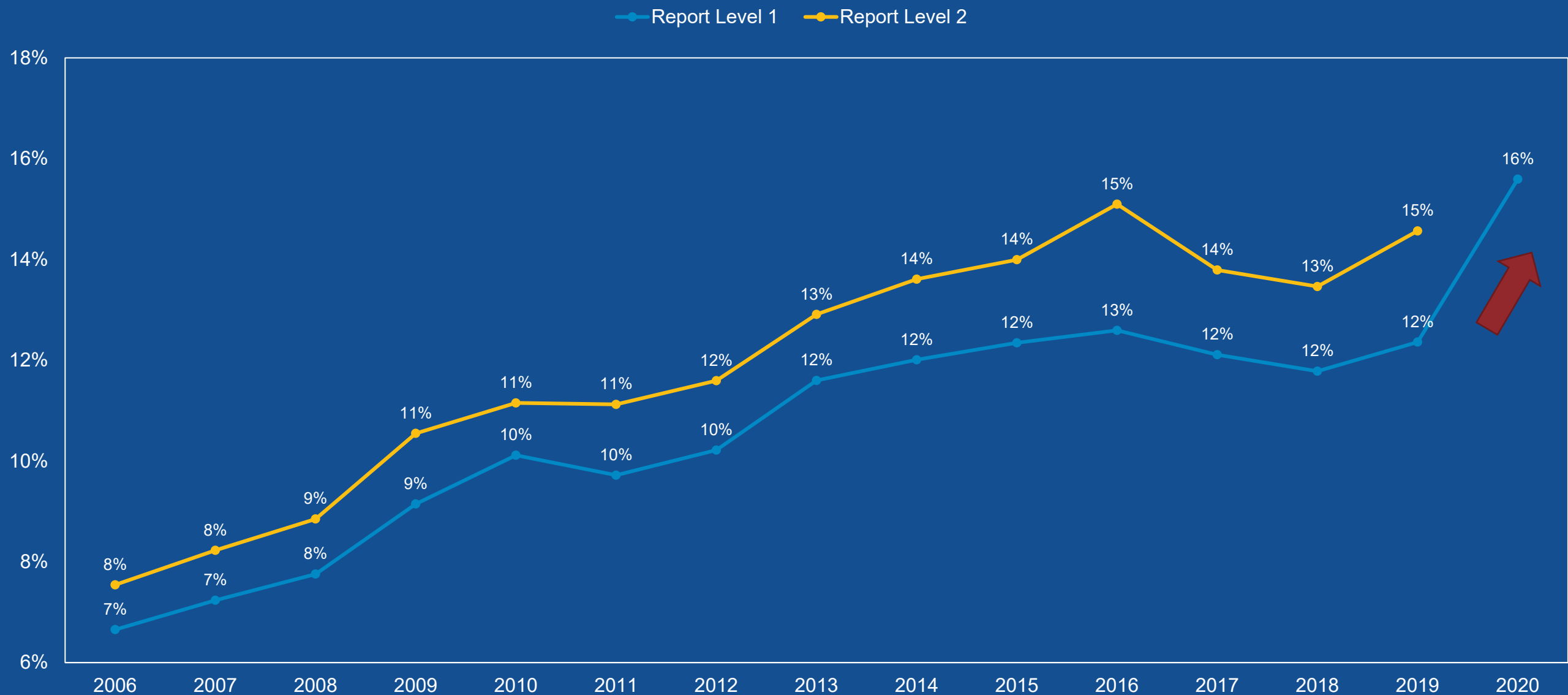
Ratio of Incremental Closed Indemnity Claims to Prior Open Indemnity Claims (Exhibit C3.2)



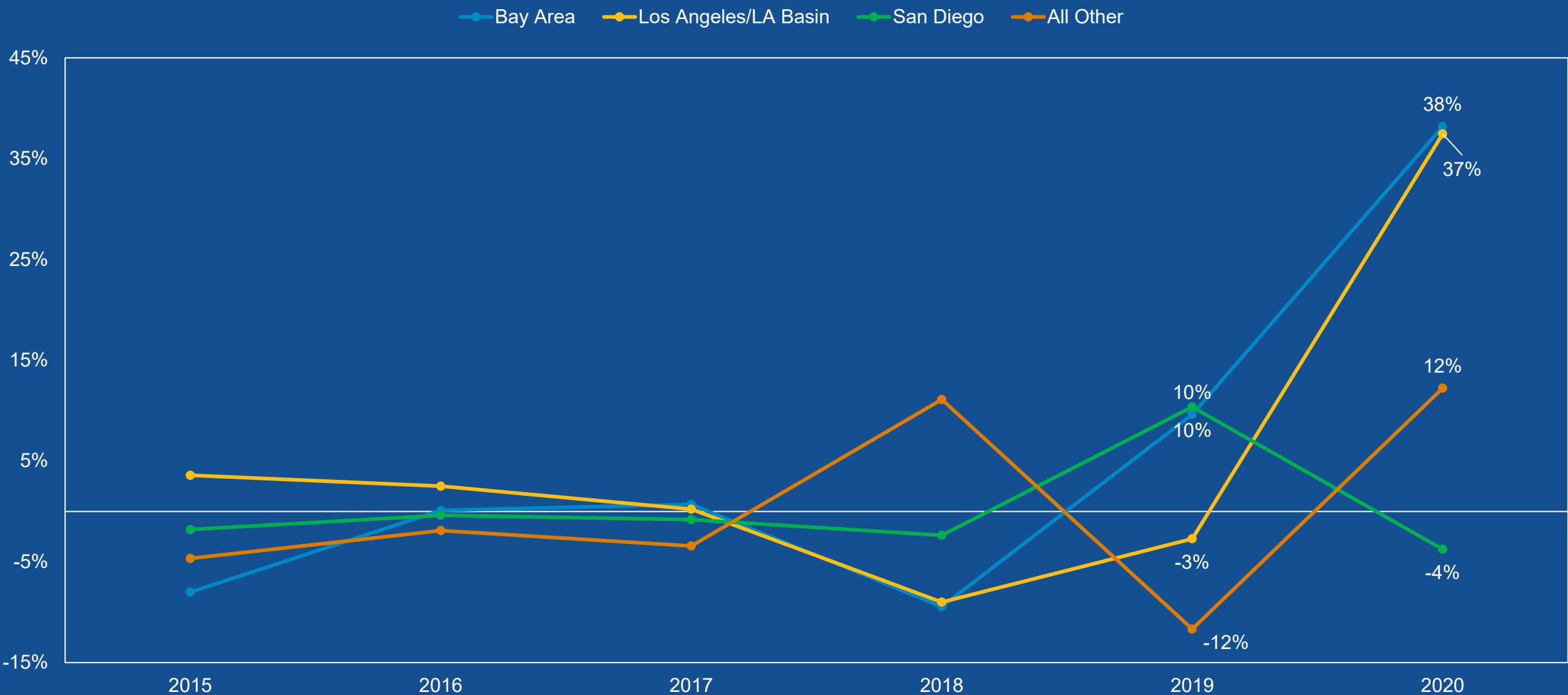
Change in Incremental Claim Counts (Exhibit C11)



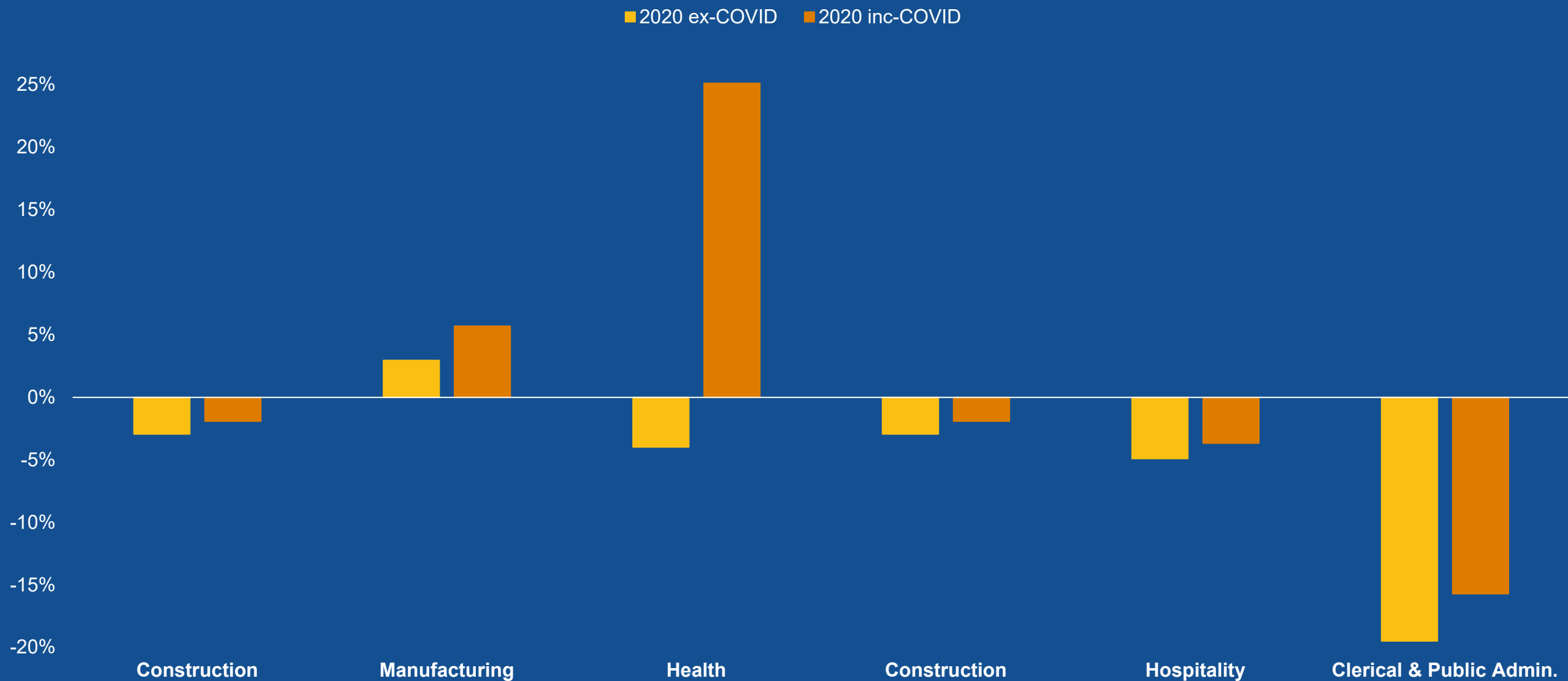
Cumulative Injury Share of Total Indemnity Claim Count (Exhibit C15)



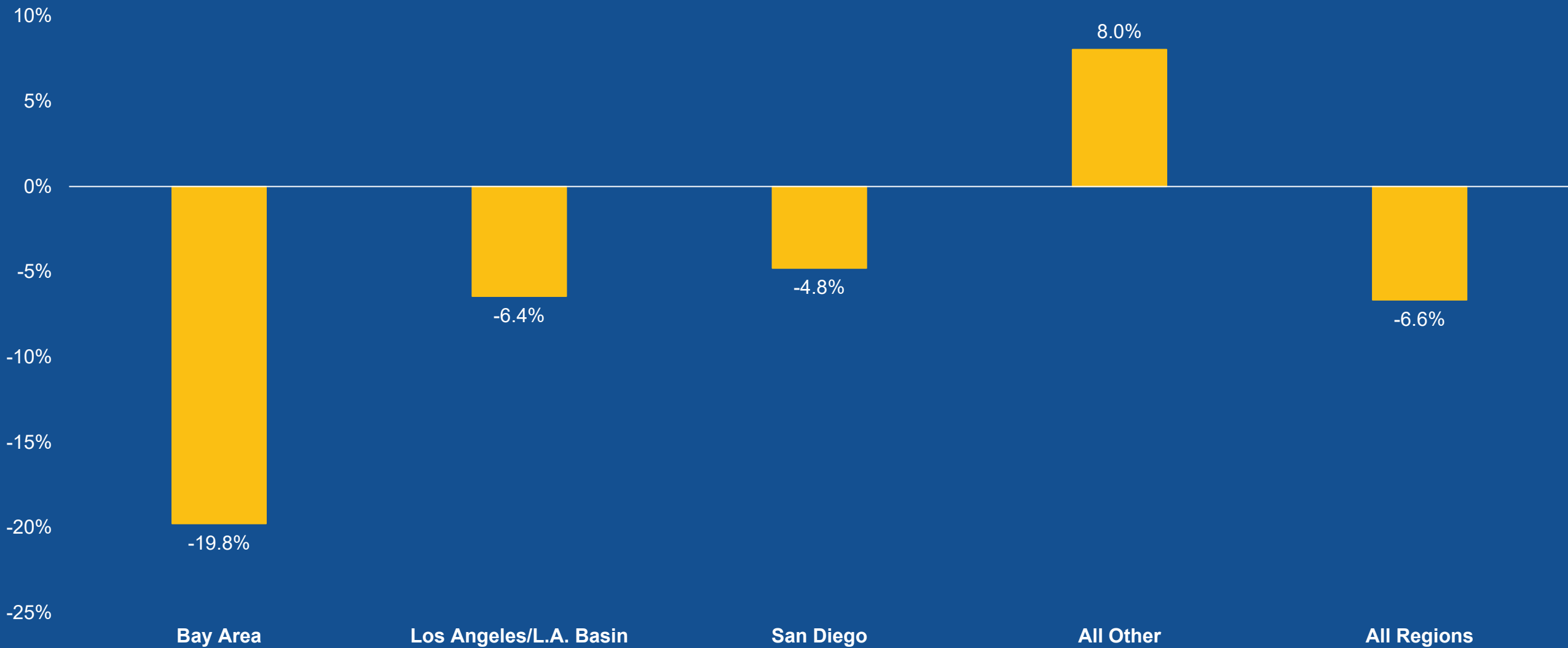
Annual Change of Cumulative Injury Claims per 100 Indemnity Claims (Exhibit C17)



Change in Indemnity Claim Frequency Relativities by NAICS Sector (Exhibit C20)



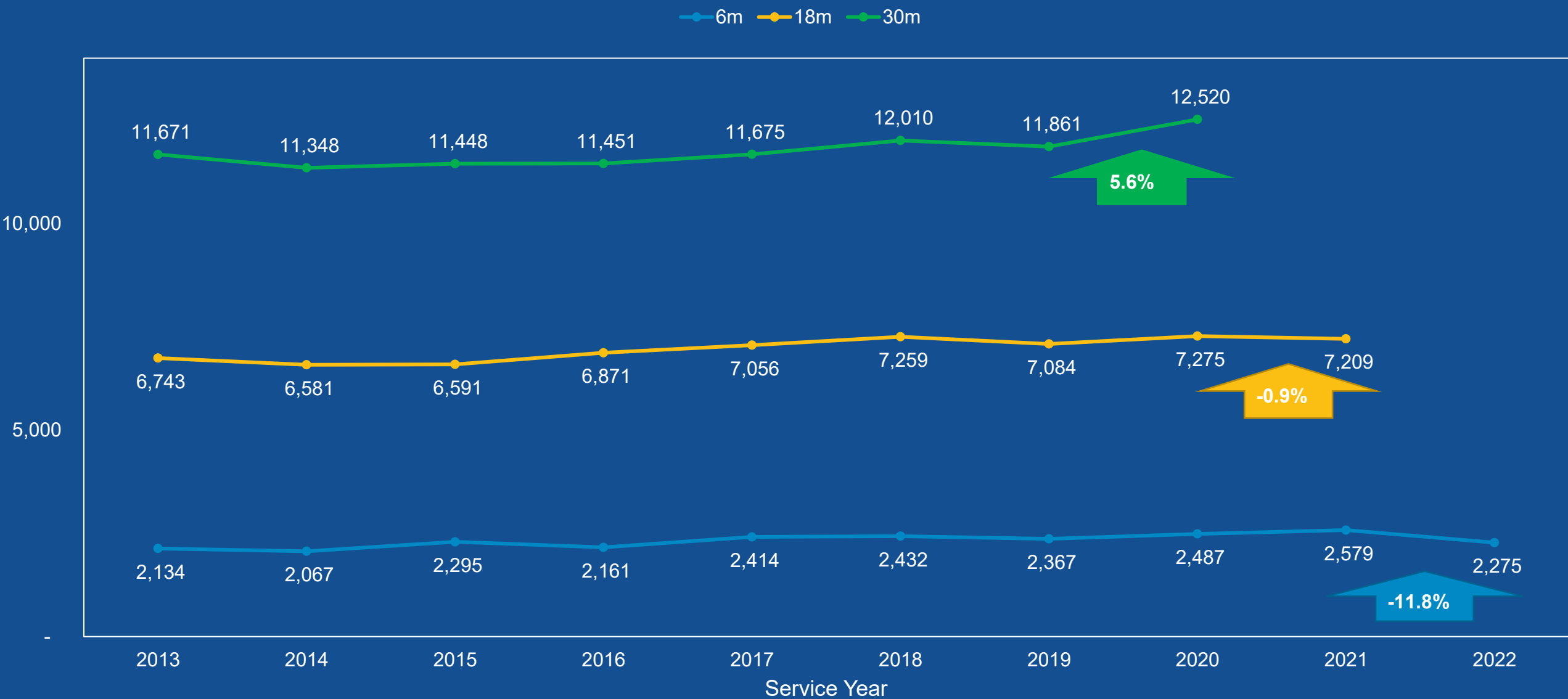
Annual Change in Indemnity Claim Frequency per \$100M of Exposure at Accident Year 2020 (Exhibit C21)



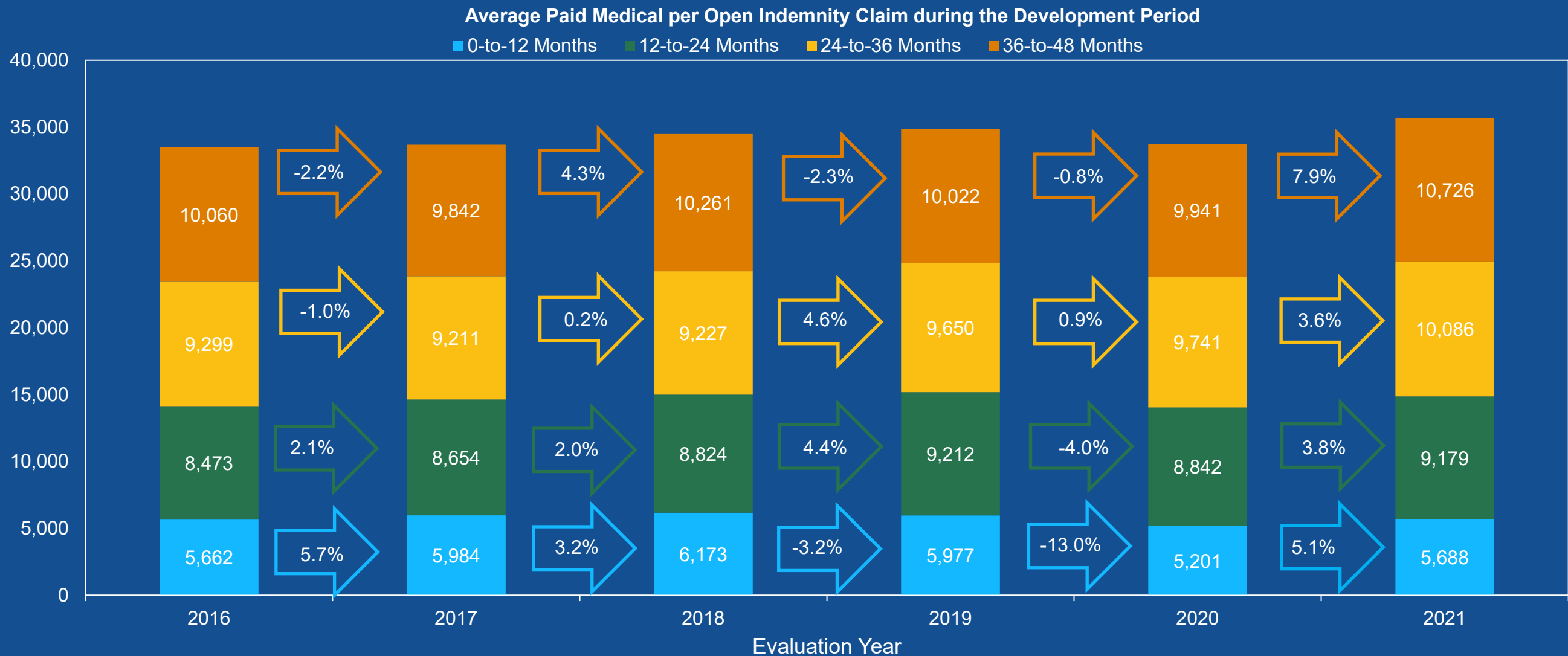
Average Paid Indemnity Loss per Reported Indemnity Claim (Exhibit S4.1)



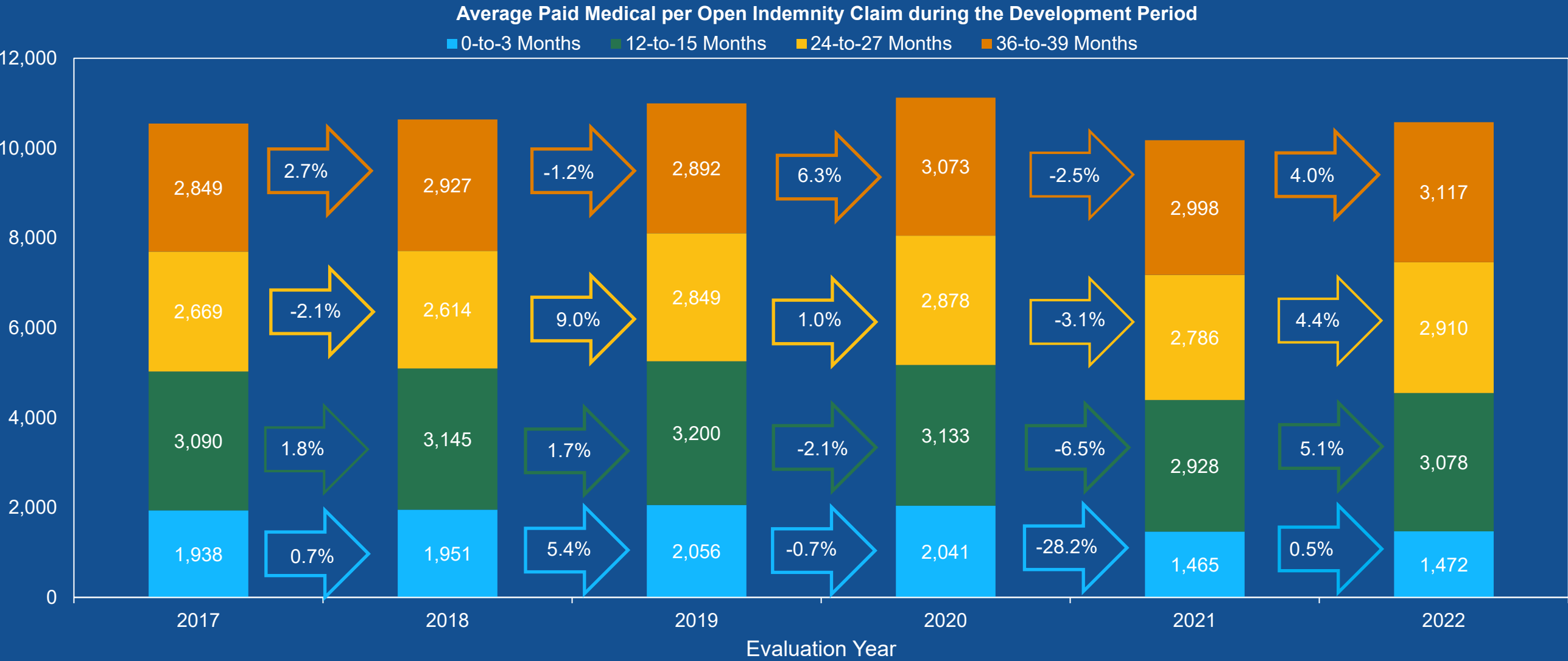
Average Paid Medical Loss per Reported Indemnity Claim (Exhibit S4.2)



Severity – Incremental Paid Medical per Open Indemnity Claim During the Development Period (Exhibit S7)



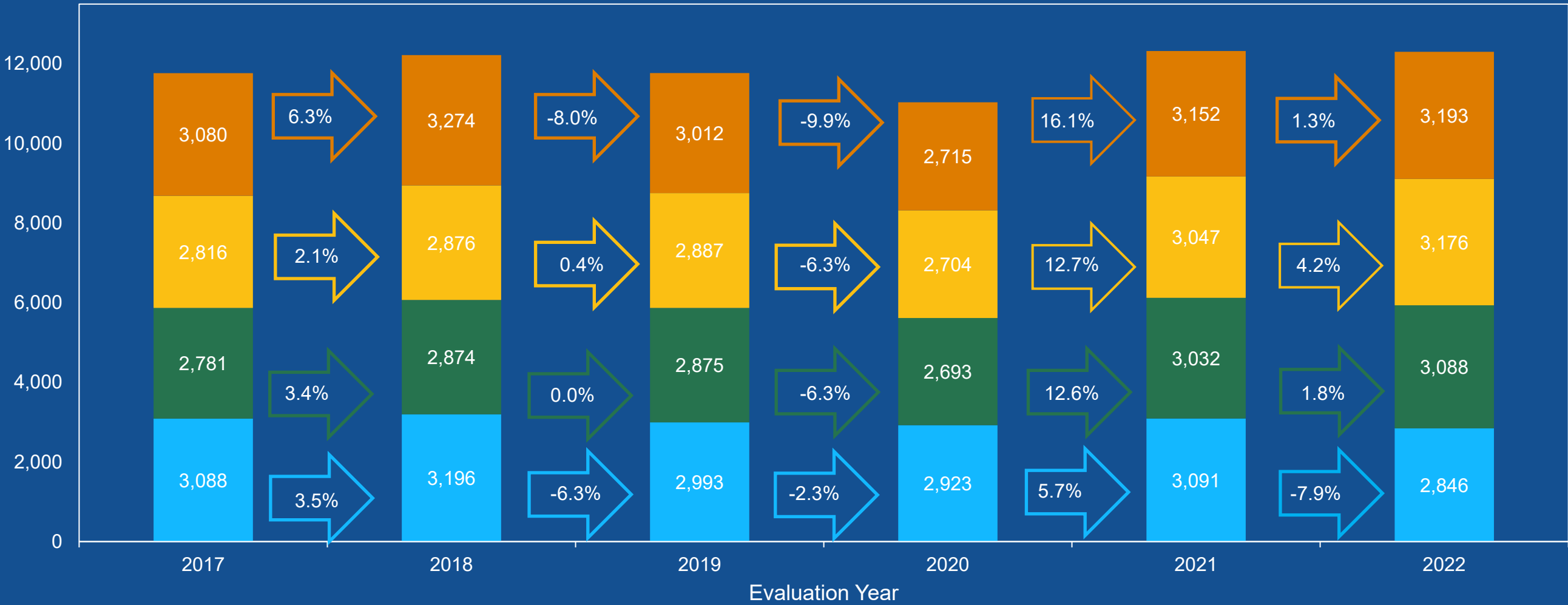
Severity – Incremental Paid Medical per Open Indemnity Claim During the Development Period (Exhibit S7)



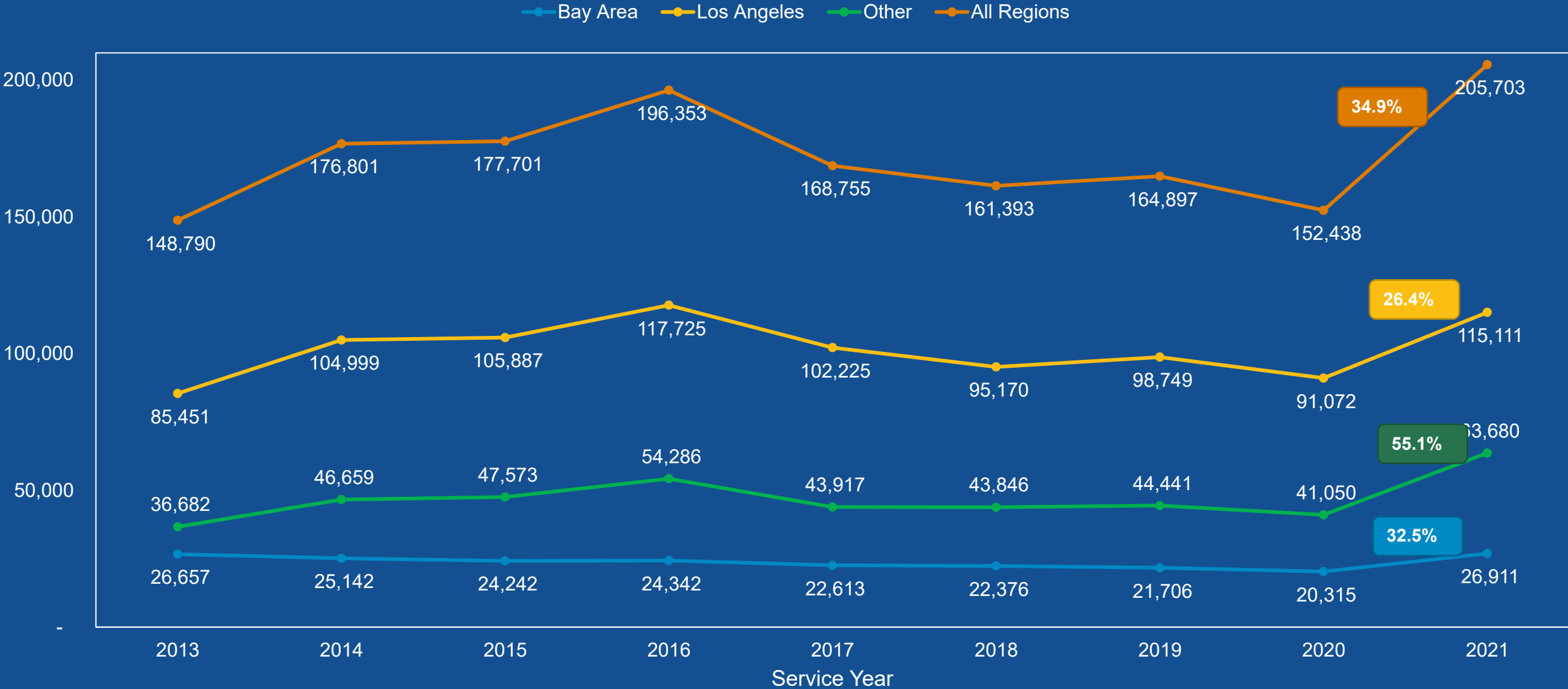
Severity – Incremental Paid Medical per Open Indemnity Claim During the Development Period (Exhibit S7)

Average Paid Medical per Open Indemnity Claim during the Development Period

3-to-6 Months 15-to-18 Months 27-to-30 Months 39-to-42 Months



Payment on Medical-Legal Reports by Service Year and Quarter (in \$000) (Exhibit E13)



03

6/30/2022 Experience Review



Summary of 6/30/2022 Experience

- Almost 100% of market included; COVID-19 claims excluded
- Key insights:
 - Emerging loss development fairly stable
 - Claim settlement rates for AY 2021 continuing to improve
 - Increase to indemnity weekly benefit maximum for 2023 estimated
 - Economists forecasting stronger recovery in 2022 impacting frequency model forecasts
- Projected loss ratio using 9/1/2022 Filing methodologies is 0.642
 - ~1 point decrease from 9/1/2022 Filing using 12/31/2021 data (0.655)
 - Small increase from projection using 3/31/2022 data (0.639)

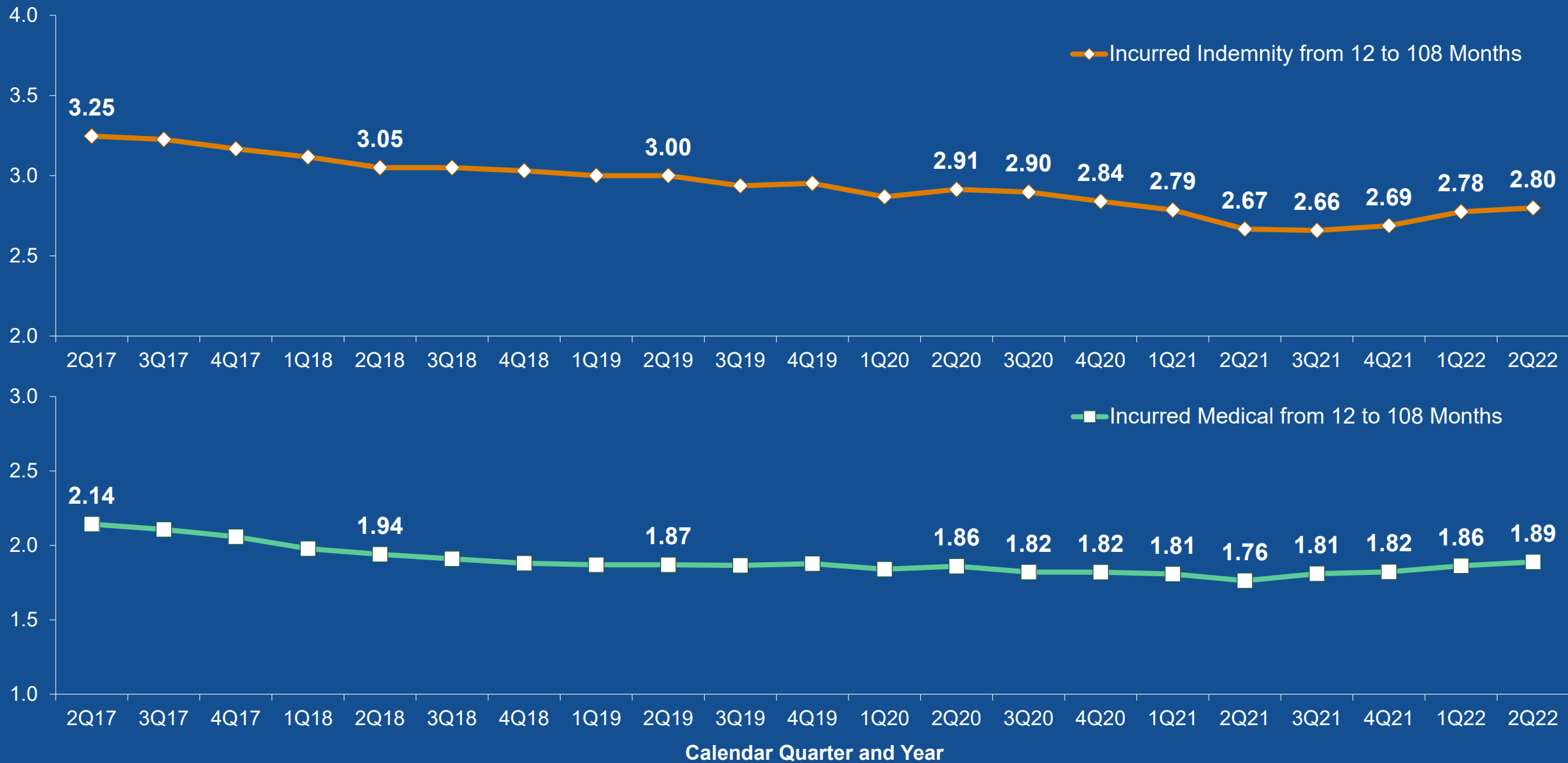
Approximate Change in Loss Ratio Projection

As of June 30, 2022

Factor	Approx. Change in Percentage Points From 9/1/2022 Filing
Loss Development Projection	-1.0
On-level Adjustments (Medical CPI and Indemnity COLA)	0.5
Updated Wage Forecast	-1.0
Updated Frequency Trends	0.5
Total to 9/13/2022 Agenda	-1.0

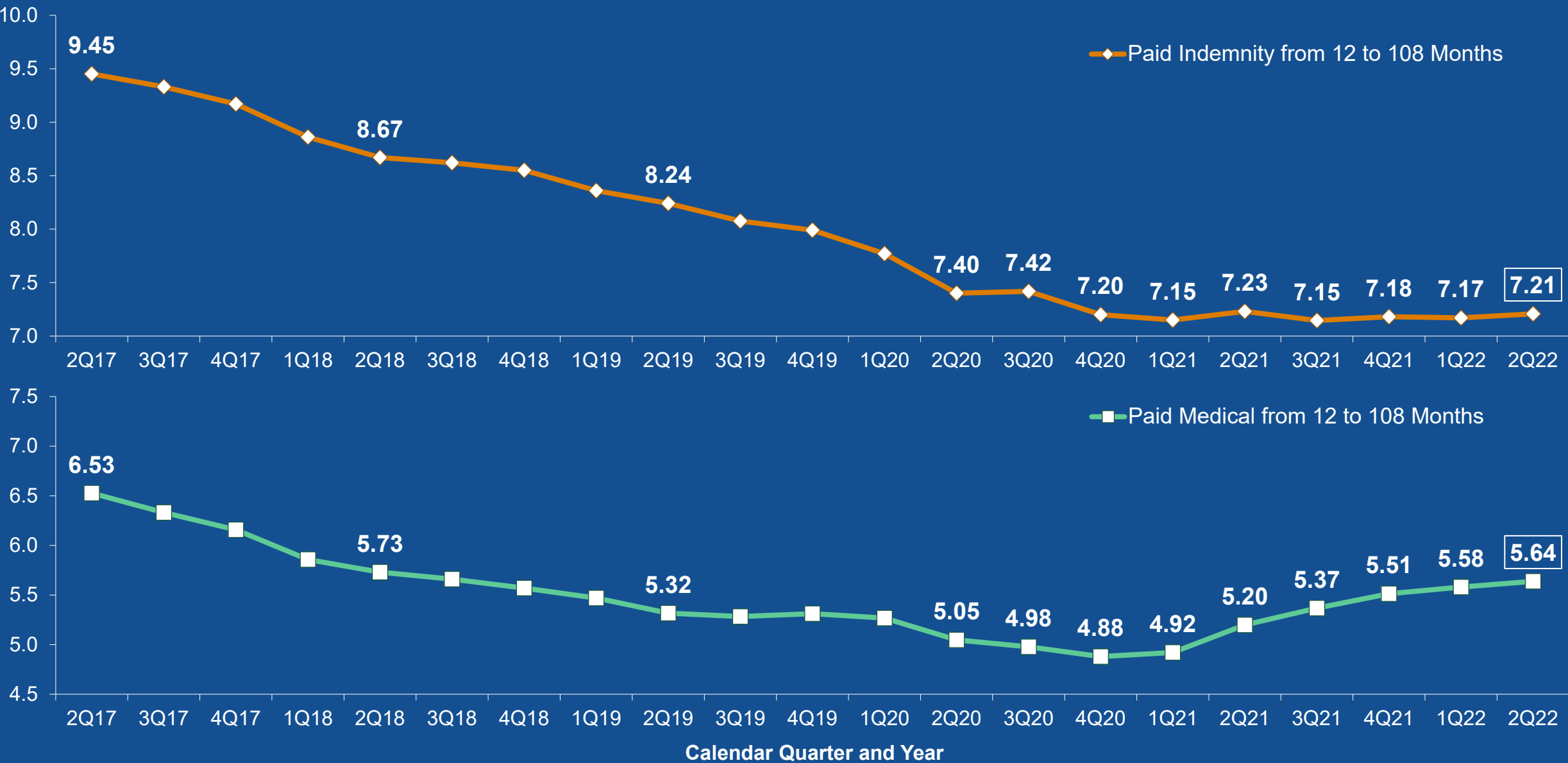
Cumulative Incurred Development from 12 to 108 Months

As of June 30, 2022



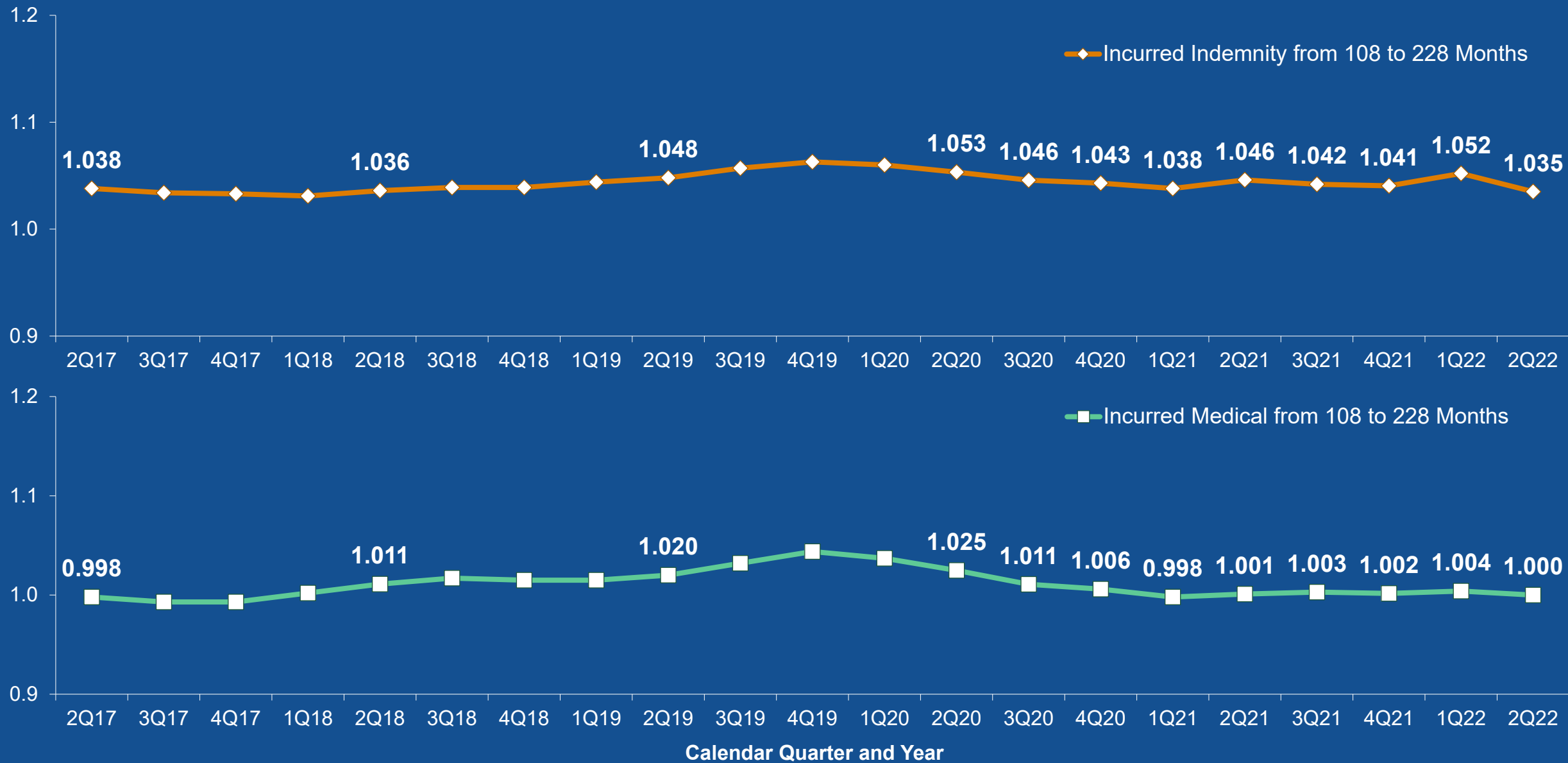
Cumulative Paid Development from 12 to 108 Months

As of June 30, 2022



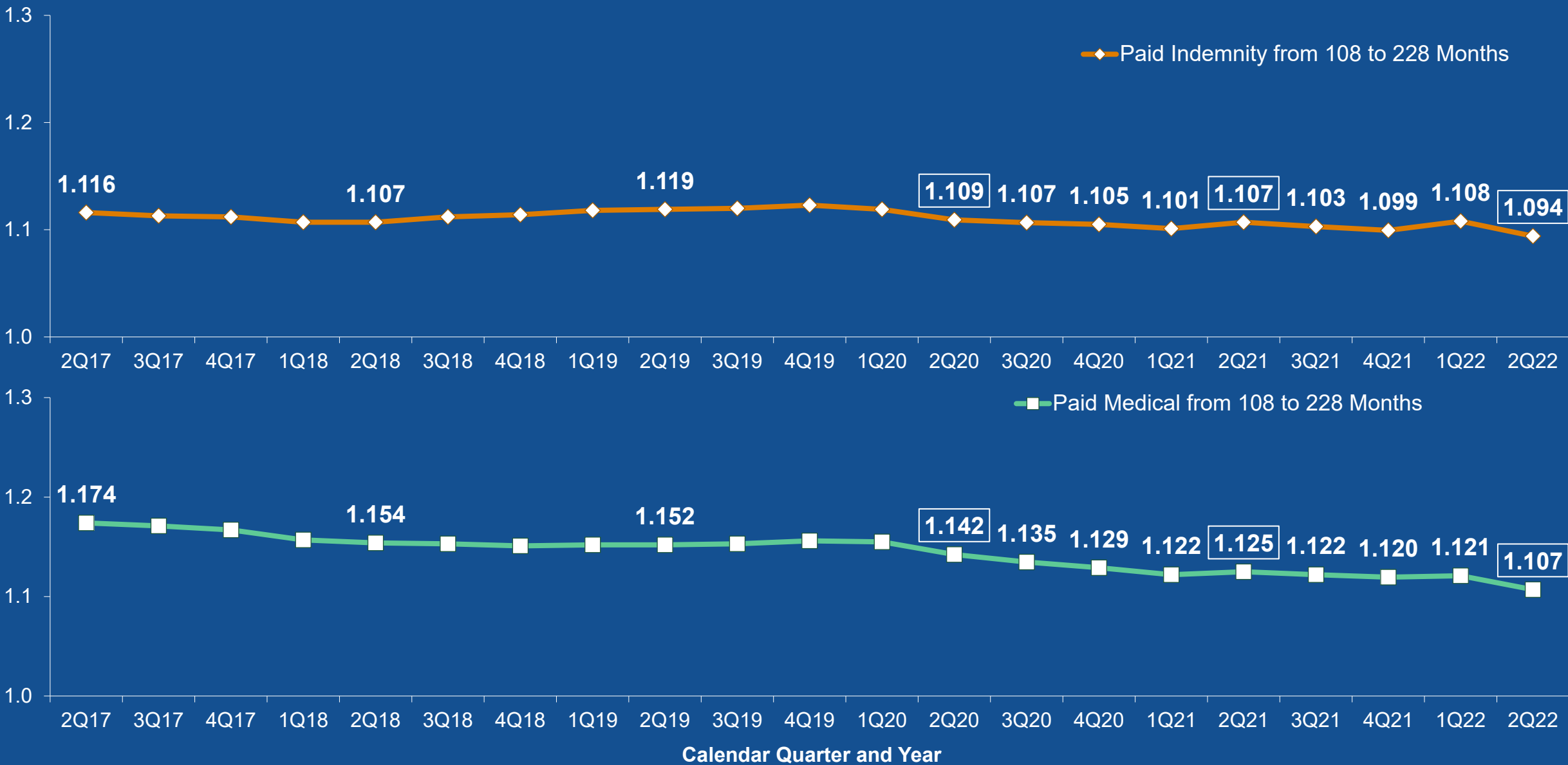
Cumulative Incurred Development from 108 to 228 Months

As of June 30, 2022



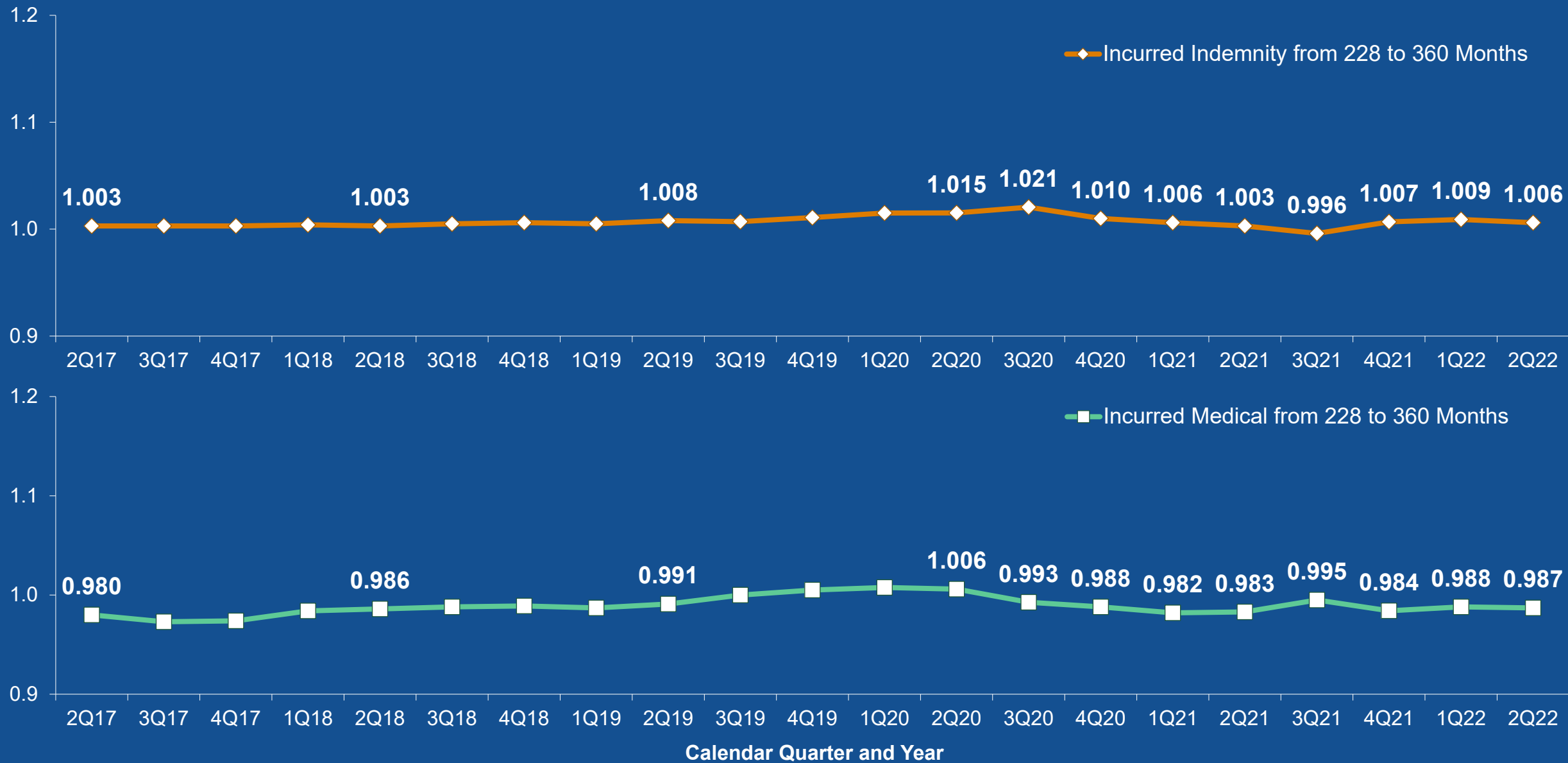
Cumulative Paid Development from 108 to 228 Months

As of June 30, 2022



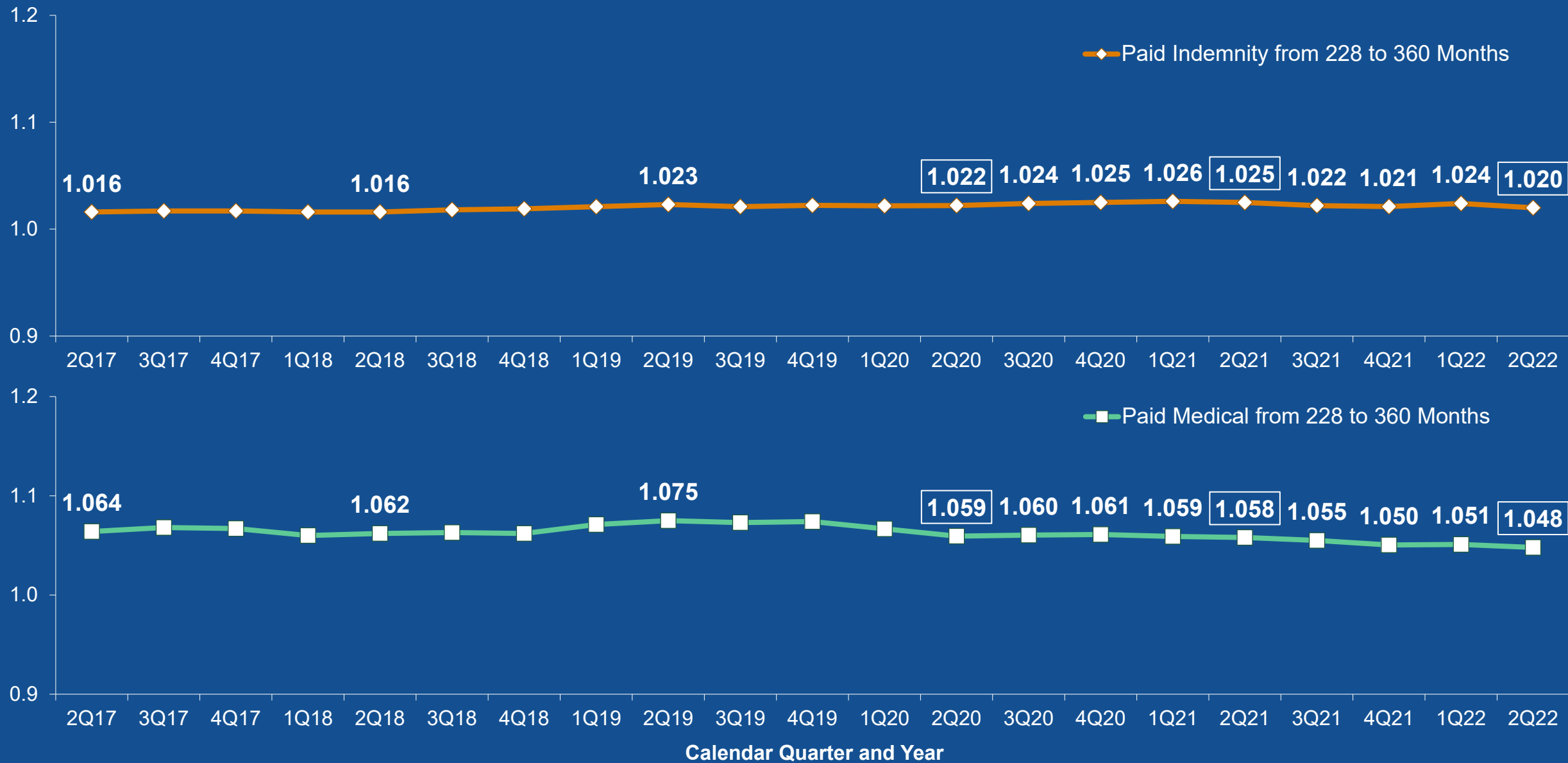
Cumulative Incurred Development from 228 to 360 Months

As of June 30, 2022



Cumulative Paid Development from 228 to 360 Months

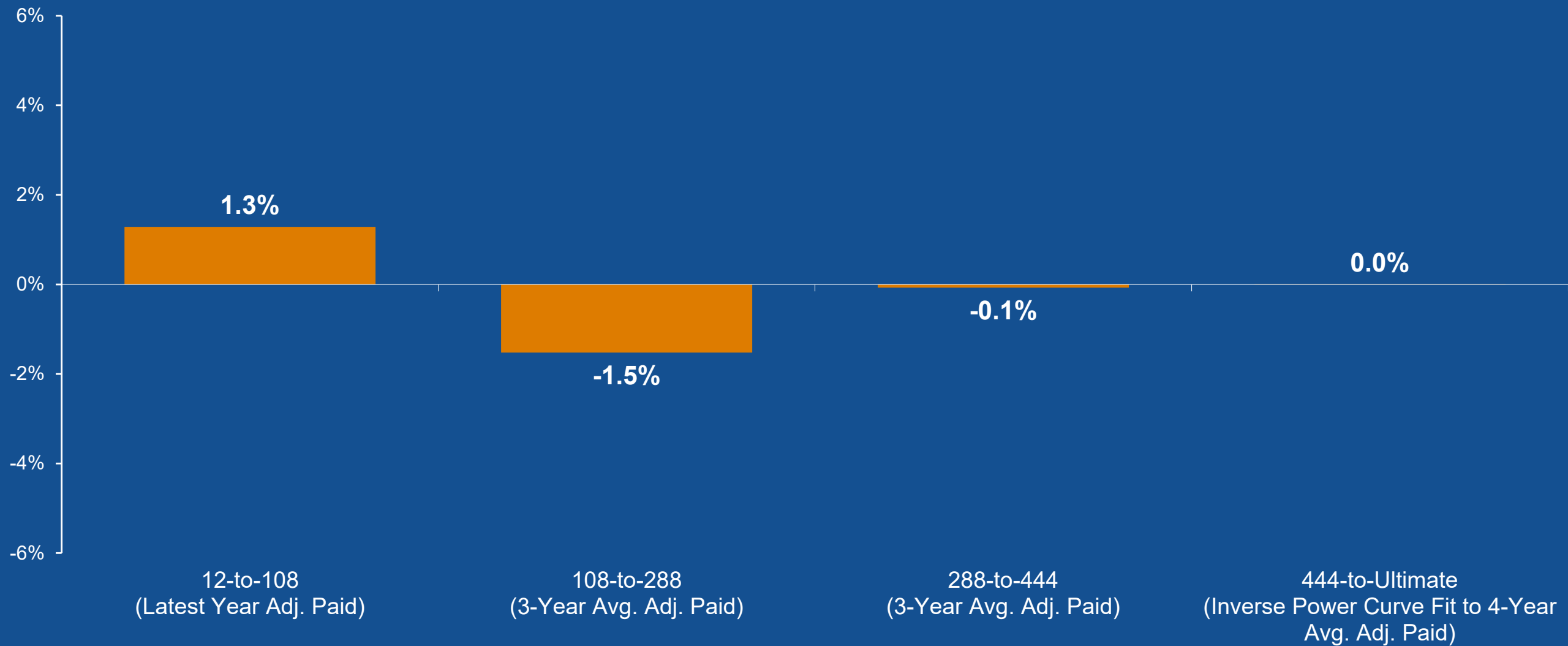
As of June 30, 2022



Change in Projected Medical Development Factor for AY 2021

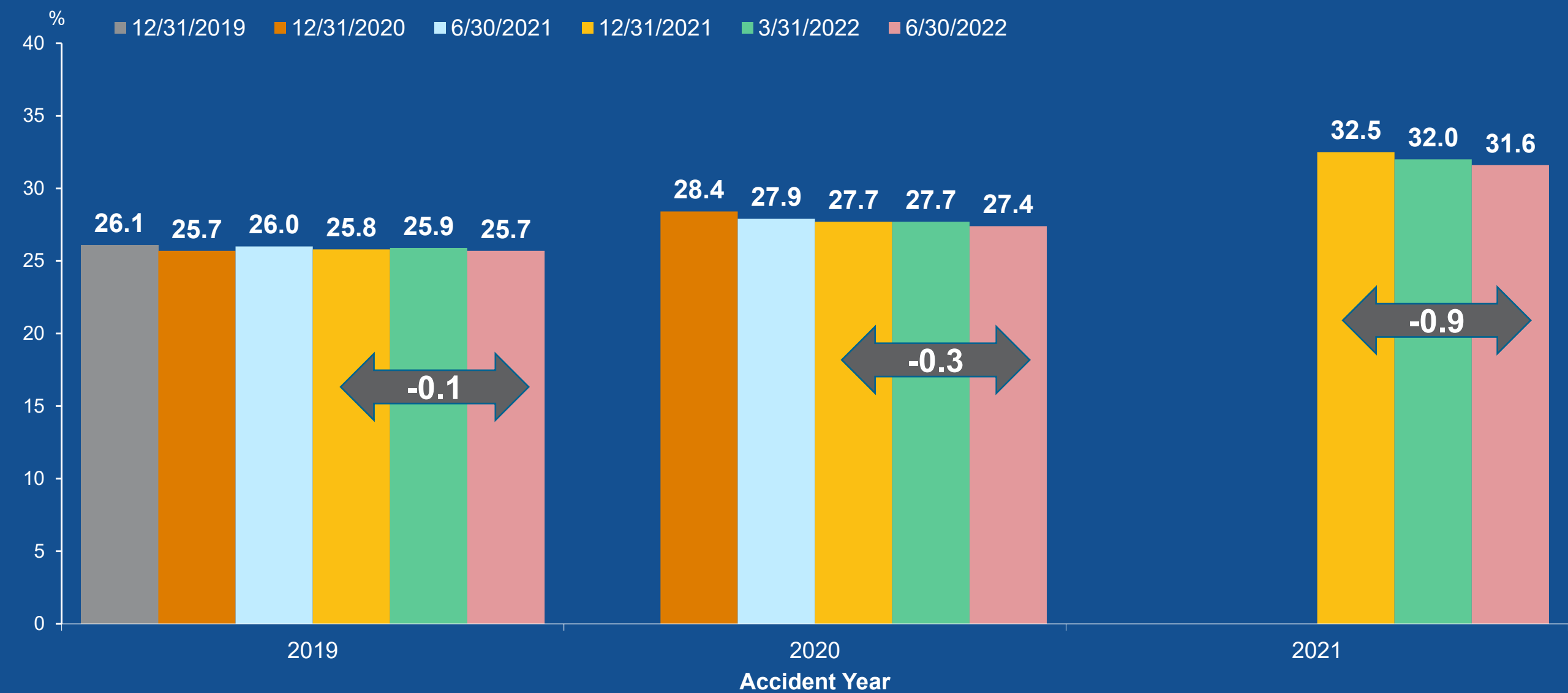
12/31/2021 to 6/30/2022 Experience

As of June 30, 2022



Developed Indemnity Loss Ratios (Exhibit 3.1)

As of June 30, 2022



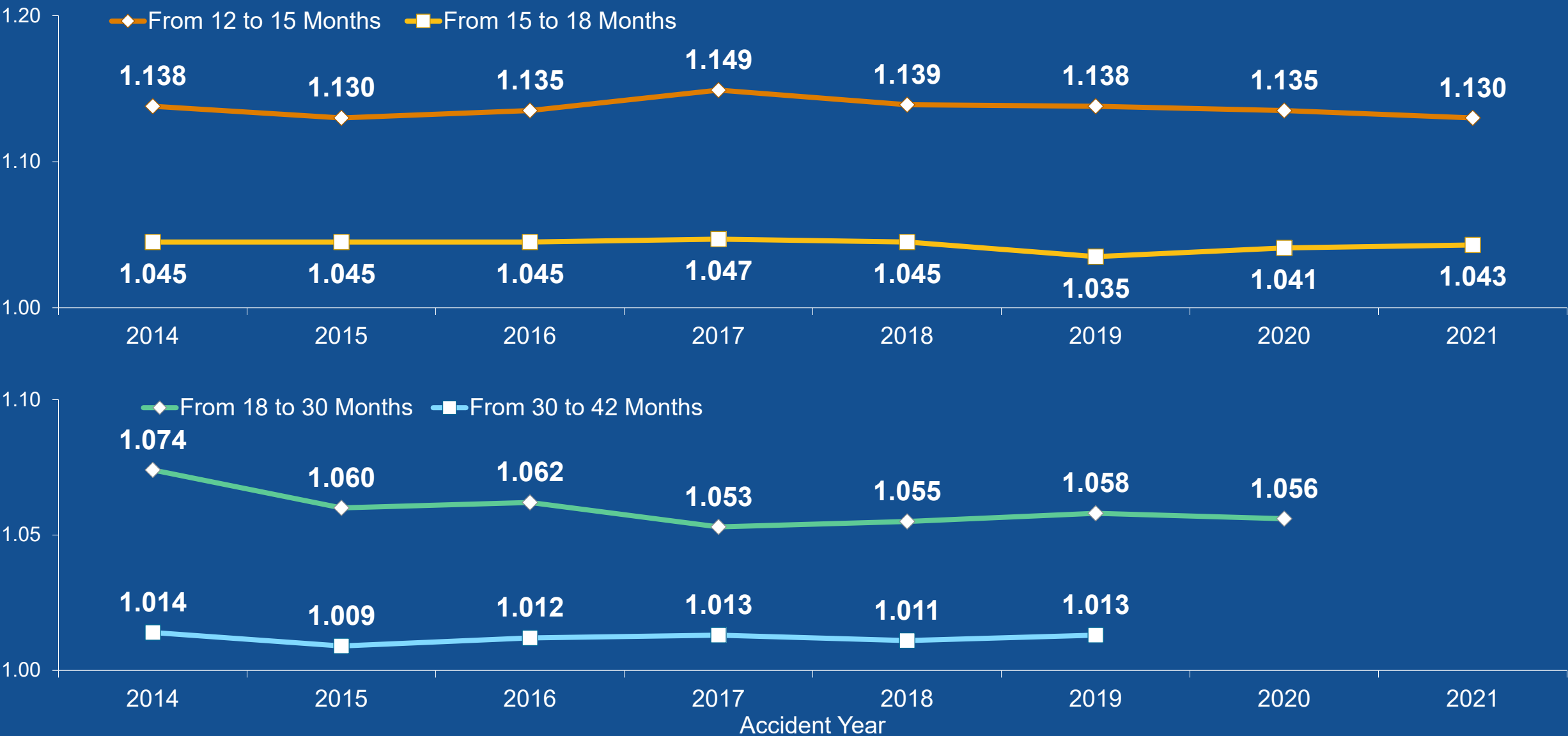
Developed Medical Loss Ratios (Exhibit 3.2)

As of June 30, 2022



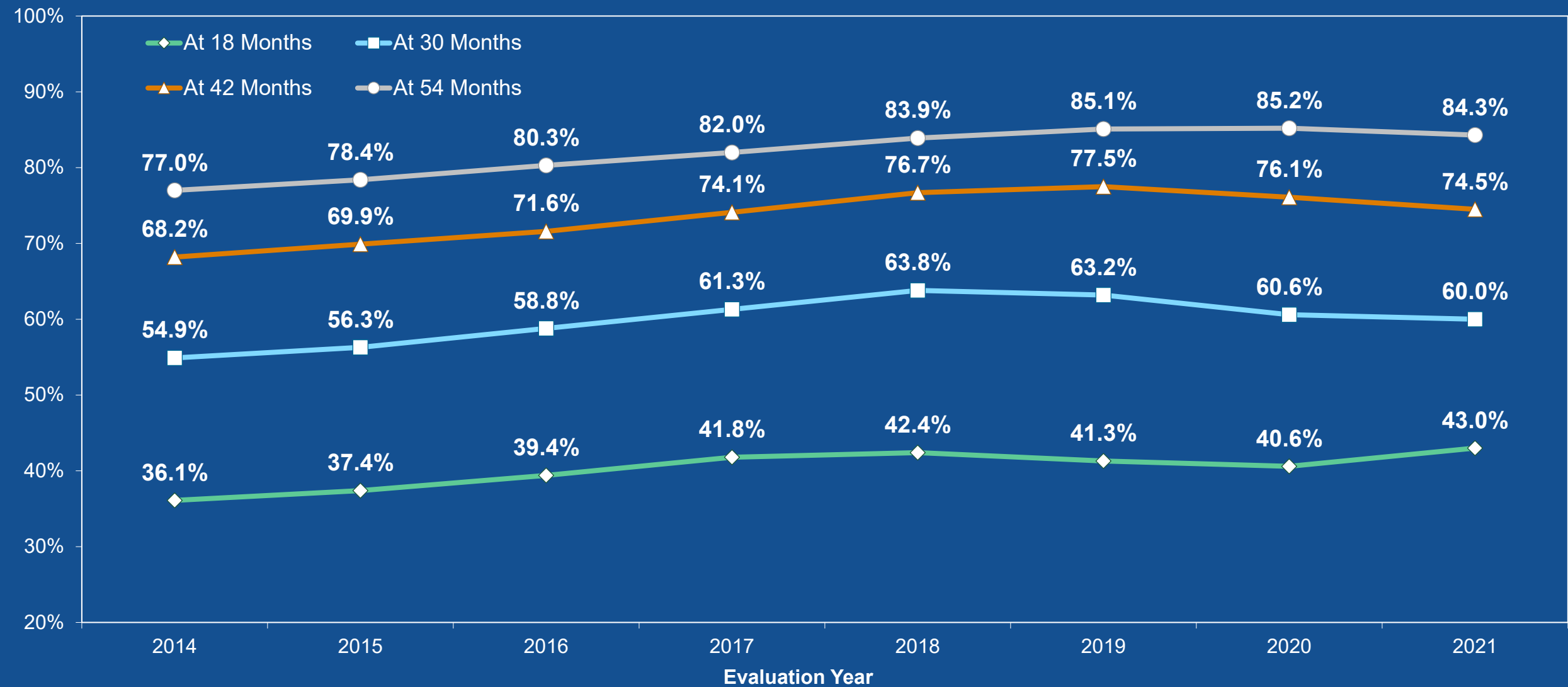
Indemnity Claim Count Development (Exhibit 10.1)

As of June 30, 2022



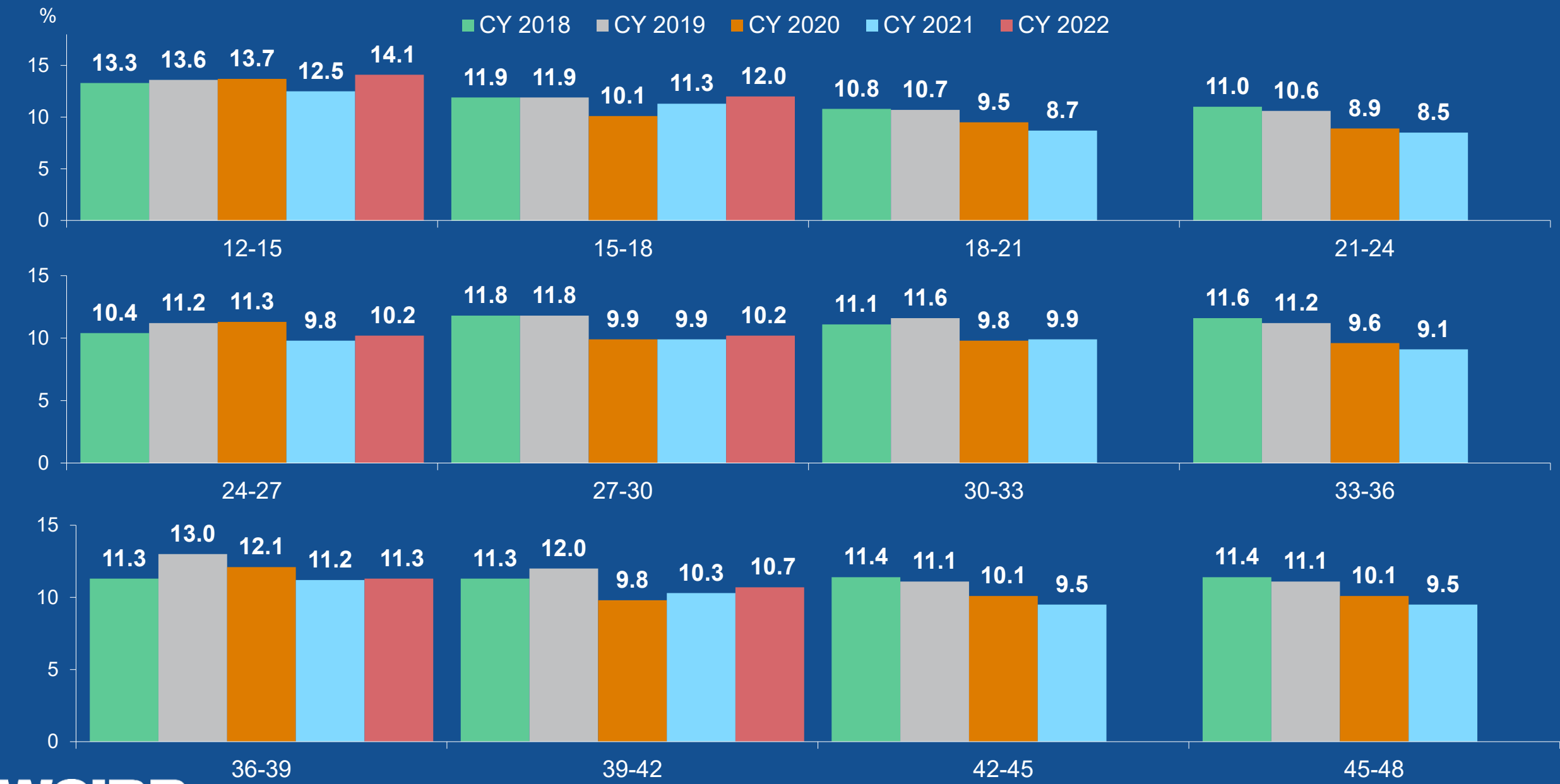
Estimated Ultimate Indemnity Claim Settlement Ratios (Exhibit 11.2)

As of June 30, 2022



Incremental Closed Indemnity Claims Compared to Estimated Prior Open Claims

As of June 30, 2022



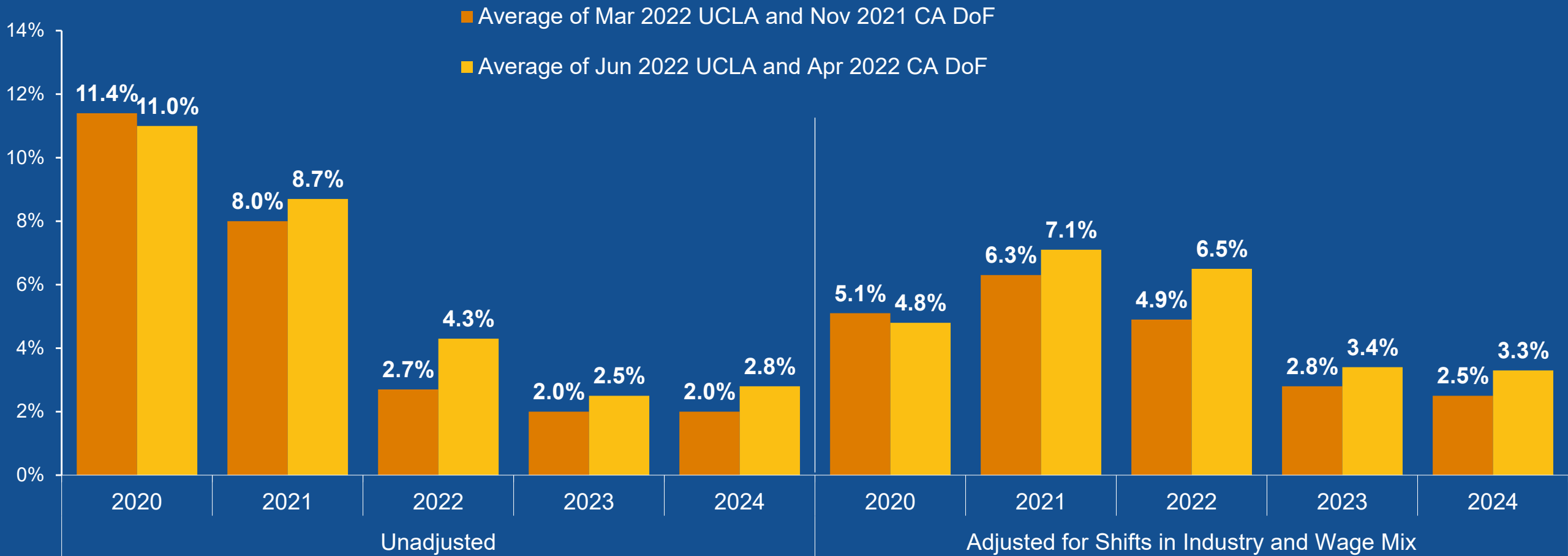
Adjustments to Indemnity Benefits for Increase in TD Maximum

- TD and PT weekly minimum and maximum benefits increased each year by DWC by California statute
- Increases are based on change in SAWW for employees covered by unemployment insurance for the 12 months ending March 31 of the prior year
- Typical increases result in approximately 0.4% increase in indemnity costs
- Benefits effective 1/1/2023 will be based on SAWW for March 31, 2022 compared to March 31, 2021
 - Change in SAWW measure as of December 31, 2021 is 7.9%
 - Staff updated indemnity on-level adjustments based on the anticipated SAWW changes

Accident Year	9/1/2022 Filing Adjustment	Updated Adjustment
2023	0.4%	0.6%
2024	0.4%	0.4%

Average Wage Level Change Forecast (Exhibit 5.1)

As of June 2022



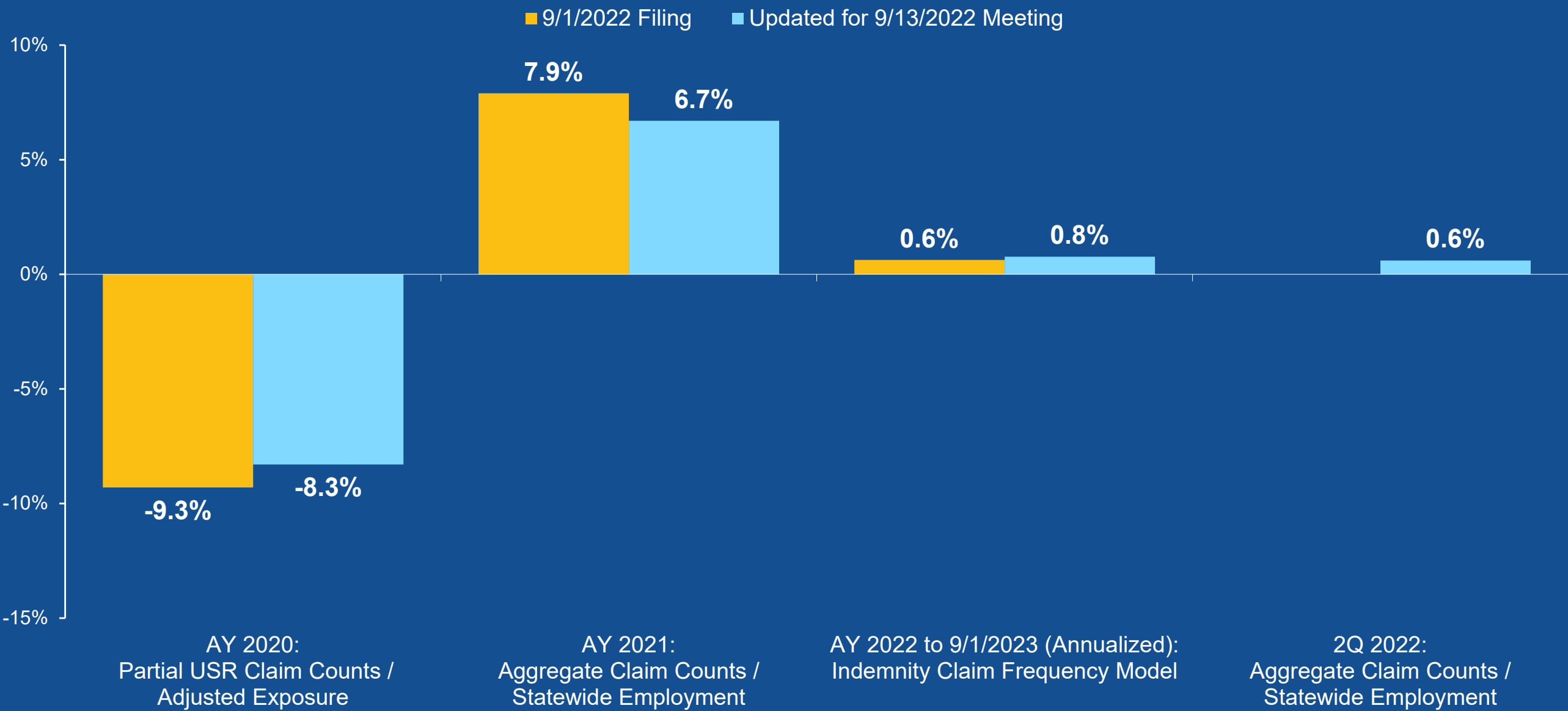
Average Annual Adjusted Wage Change Projection from 2019:

9/1/2022 Filing: 4.7%

6/28/2022 Agenda: 5.3%

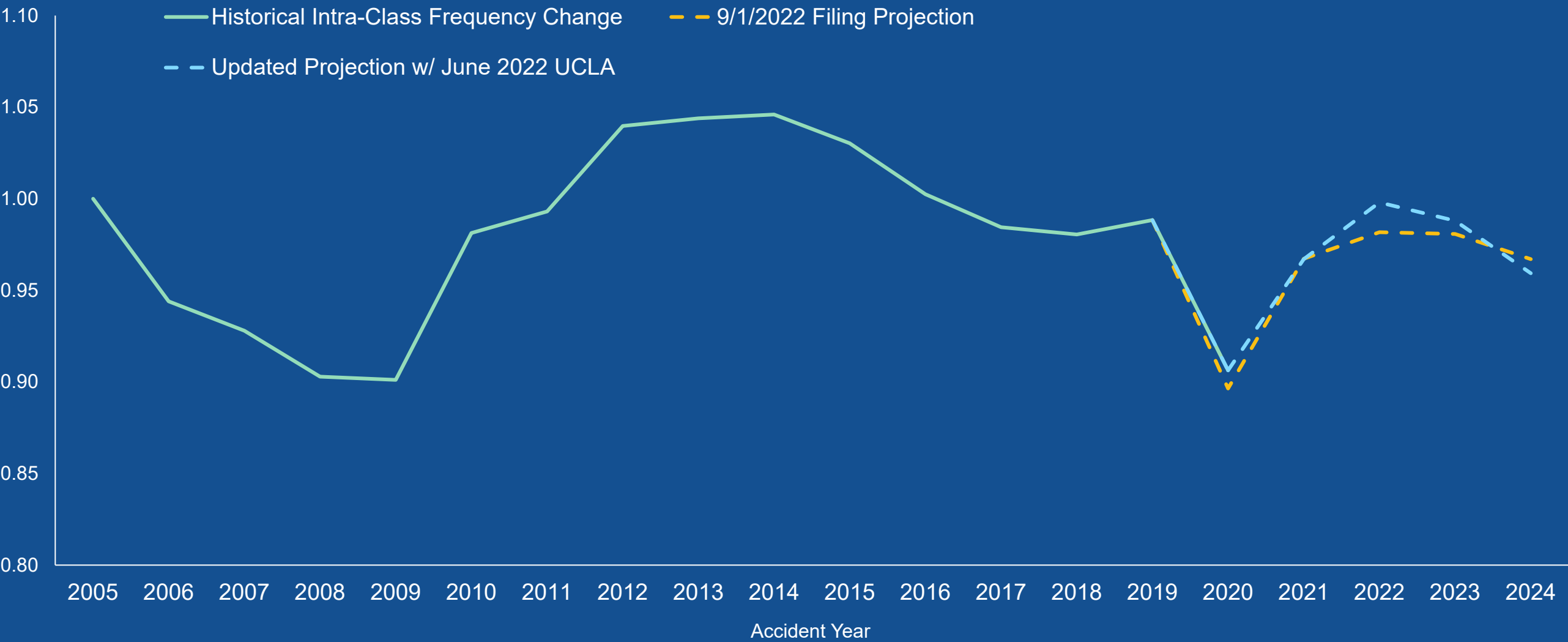
Estimated Intra-Class Indemnity Claim Frequency Changes (Exhibit 12)

As of June 30, 2022



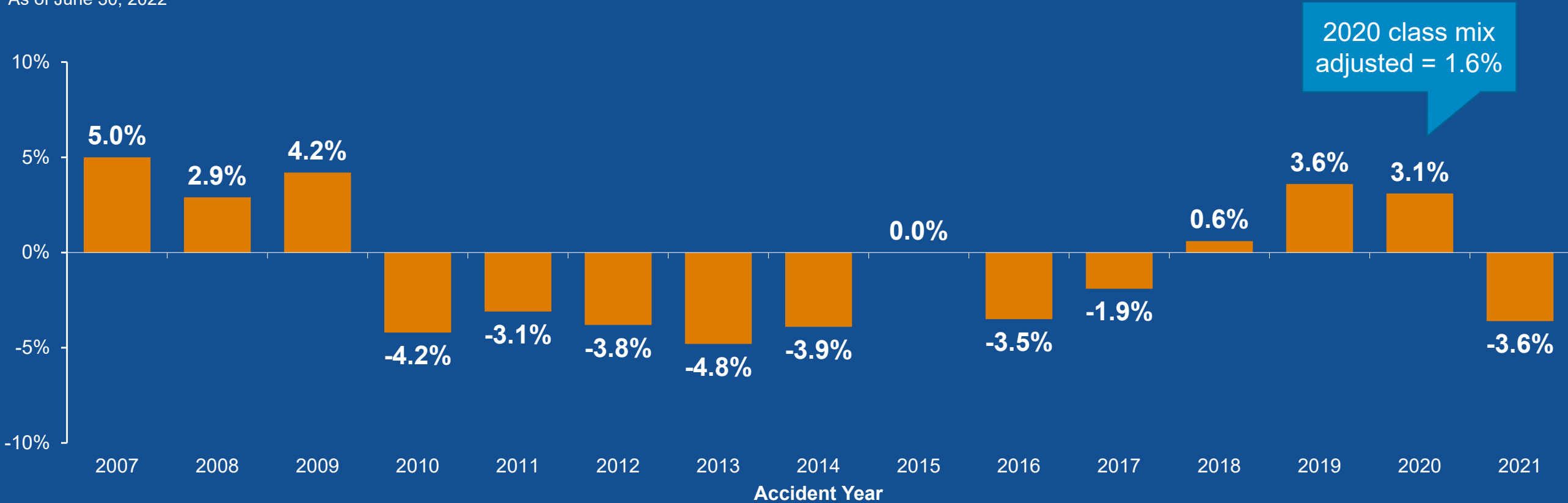
Indemnity Claim Frequency Indexed to 2005

As of June 30, 2022



Projected Changes in On-Level Indemnity Severity (Exhibit 6.2)

As of June 30, 2022



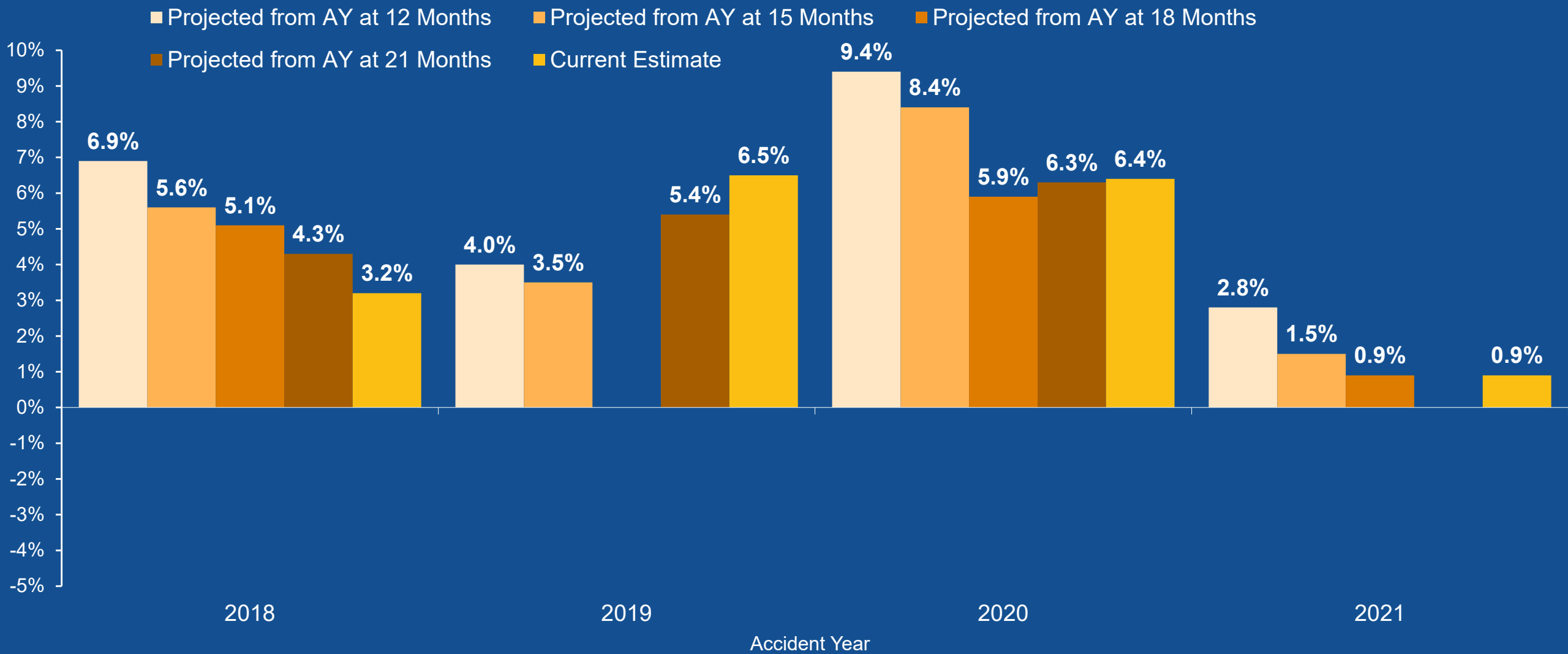
Annual Exponential Trend Based on:

- 1990 to 2021: 0.9%
- 2005 to 2021: -1.3%
- 2017 to 2021: 1.4%

9/1/2022 Filing Selected: 1.0%

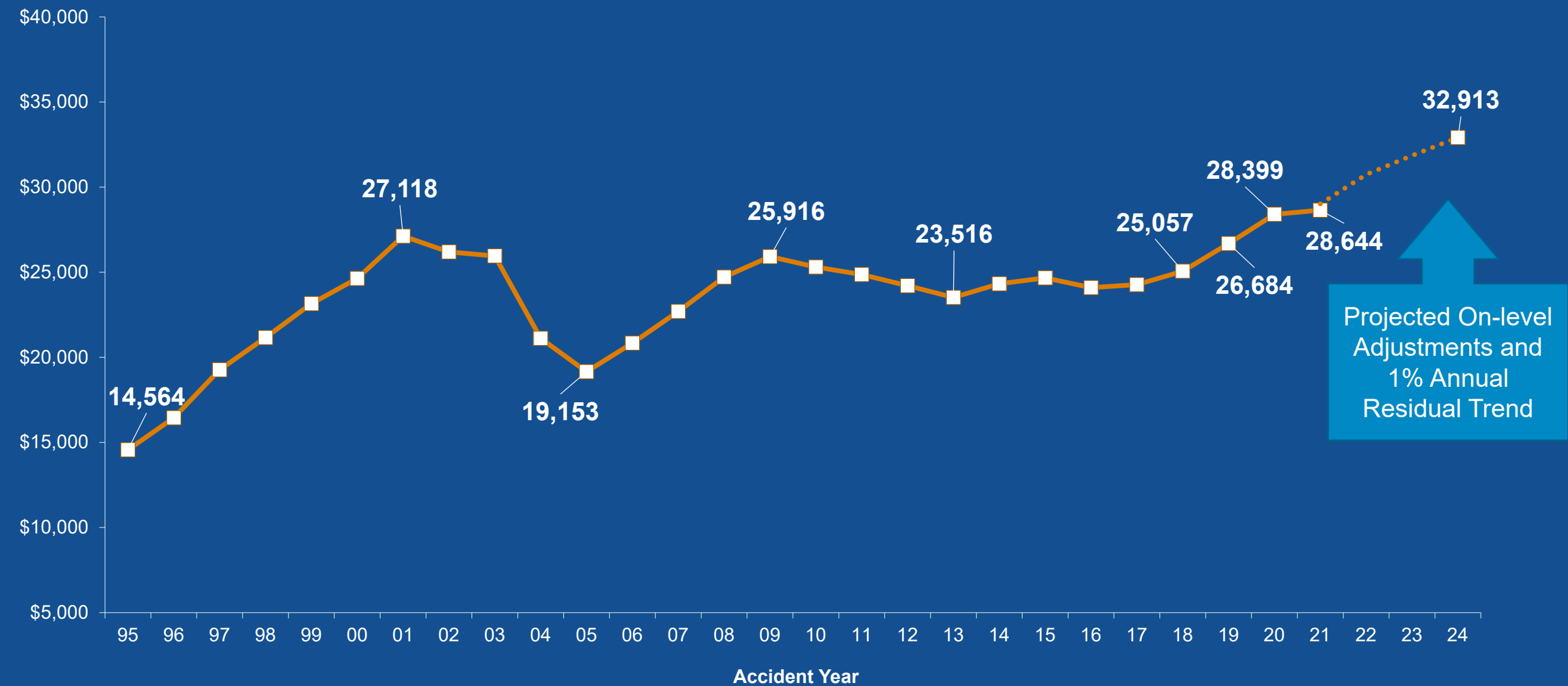
Indemnity Severity Changes Projected from Early Evaluations Compared to Current

As of June 30, 2022



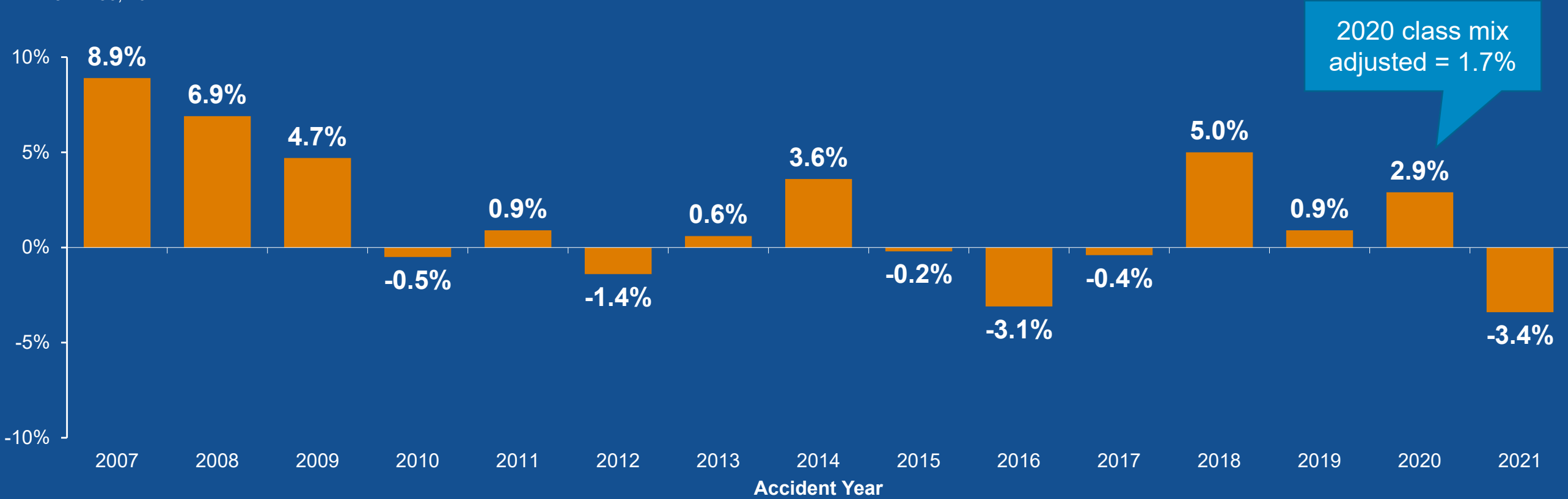
Ultimate Indemnity per Indemnity Claim

As of June 30, 2022



Projected Changes in On-Level Medical Severity (Exhibit 6.4)

As of June 30, 2022



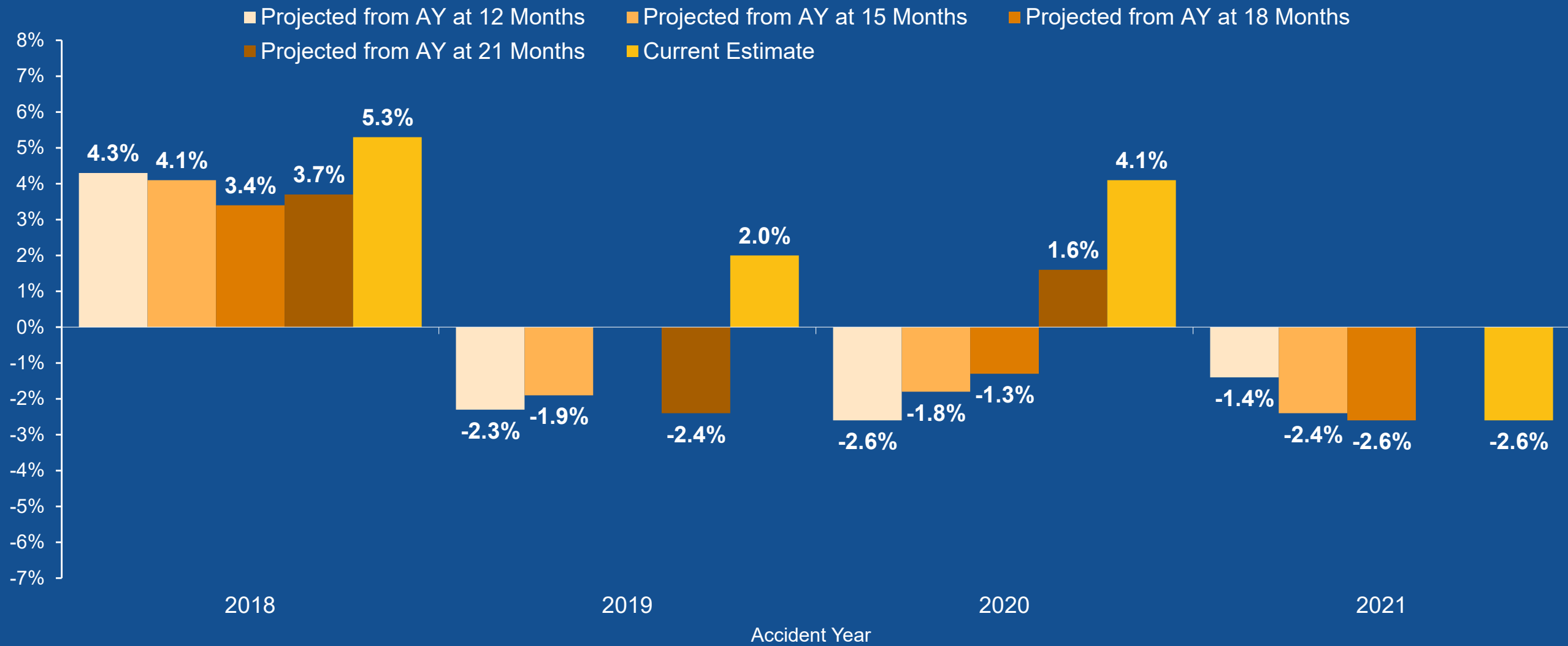
Annual Exponential Trend Based on:

- 1990 to 2021 (including MCCP): 4.9%
- 2005 to 2021: 1.3%
- 2017 to 2021: 1.4%

9/1/2022 Filing Selected: 1.5%

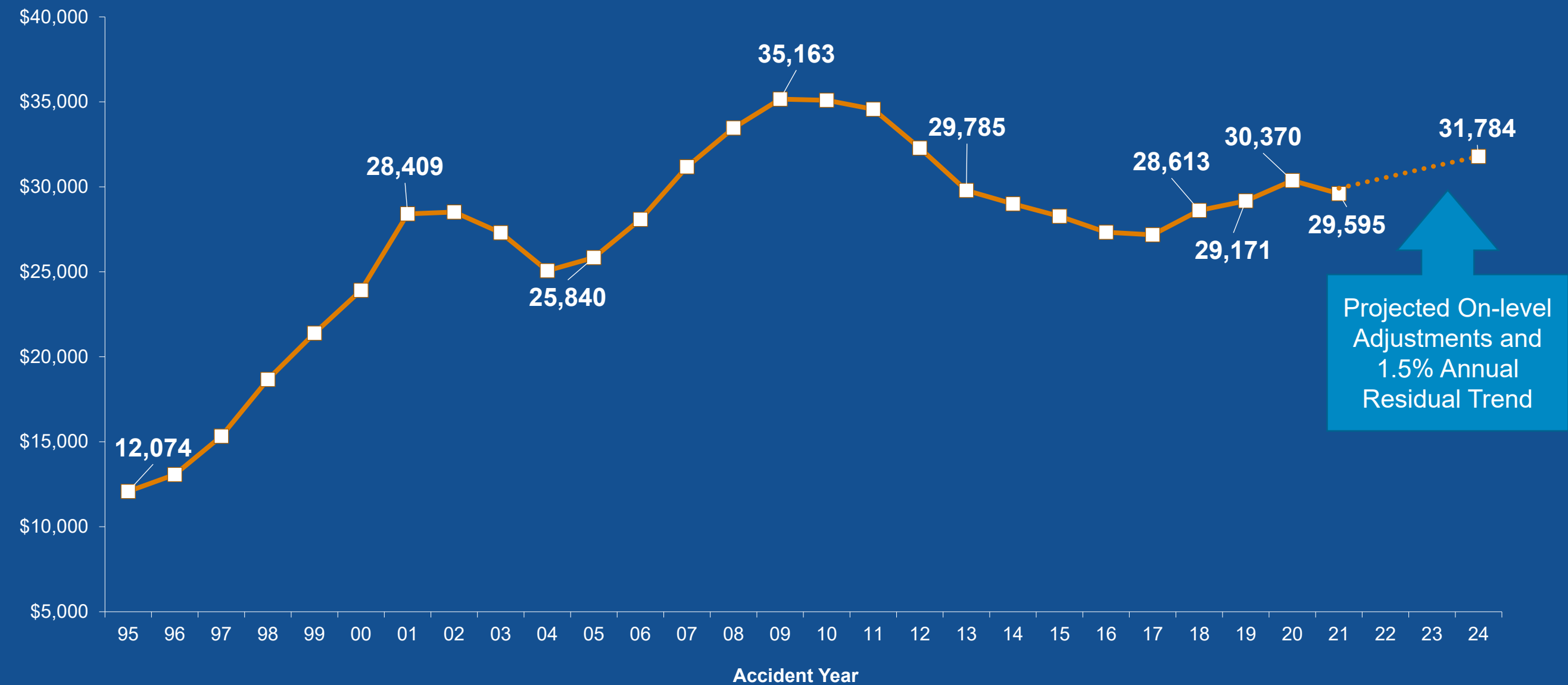
Medical Severity Changes Projected from Early Evaluations Compared to Current

As of June 30, 2022



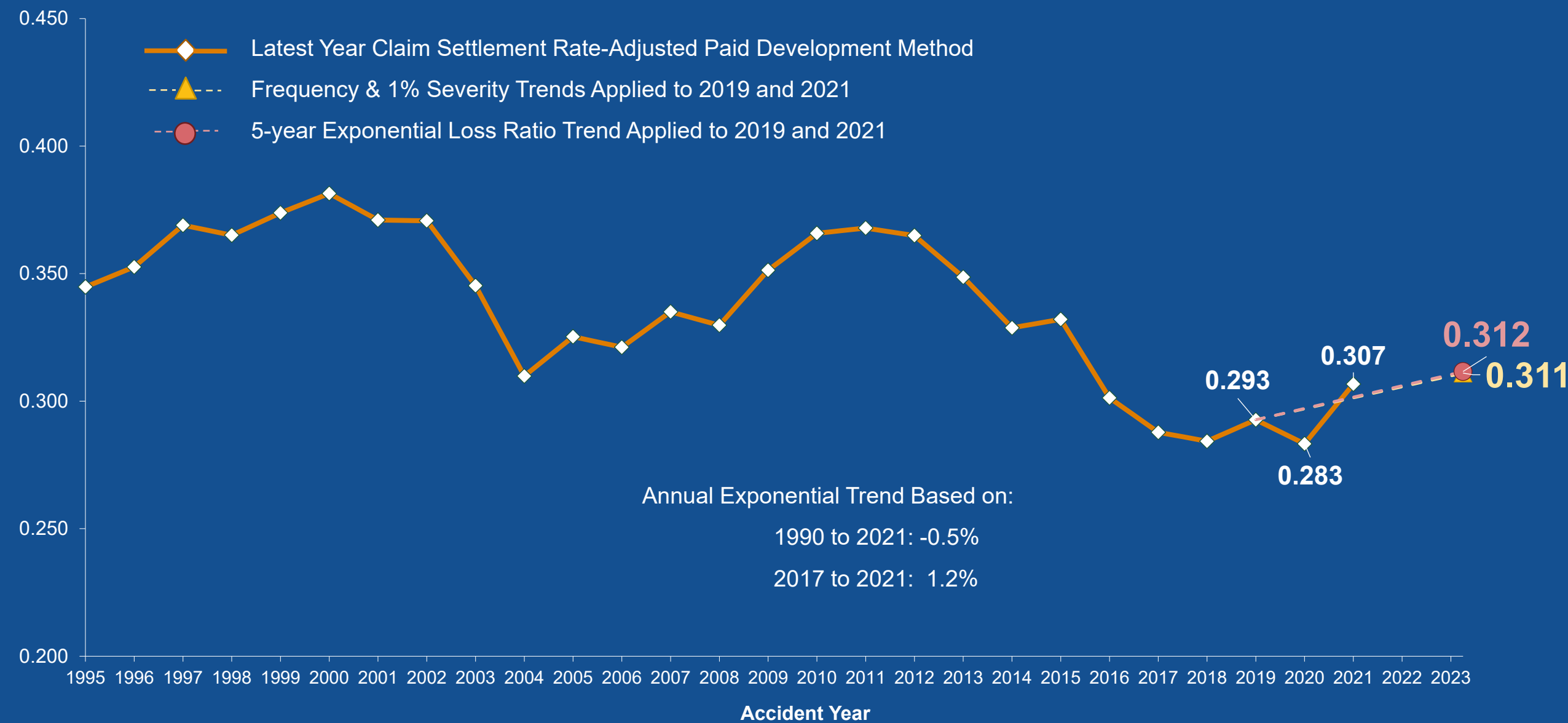
Ultimate Medical per Indemnity Claim

As of June 30, 2022



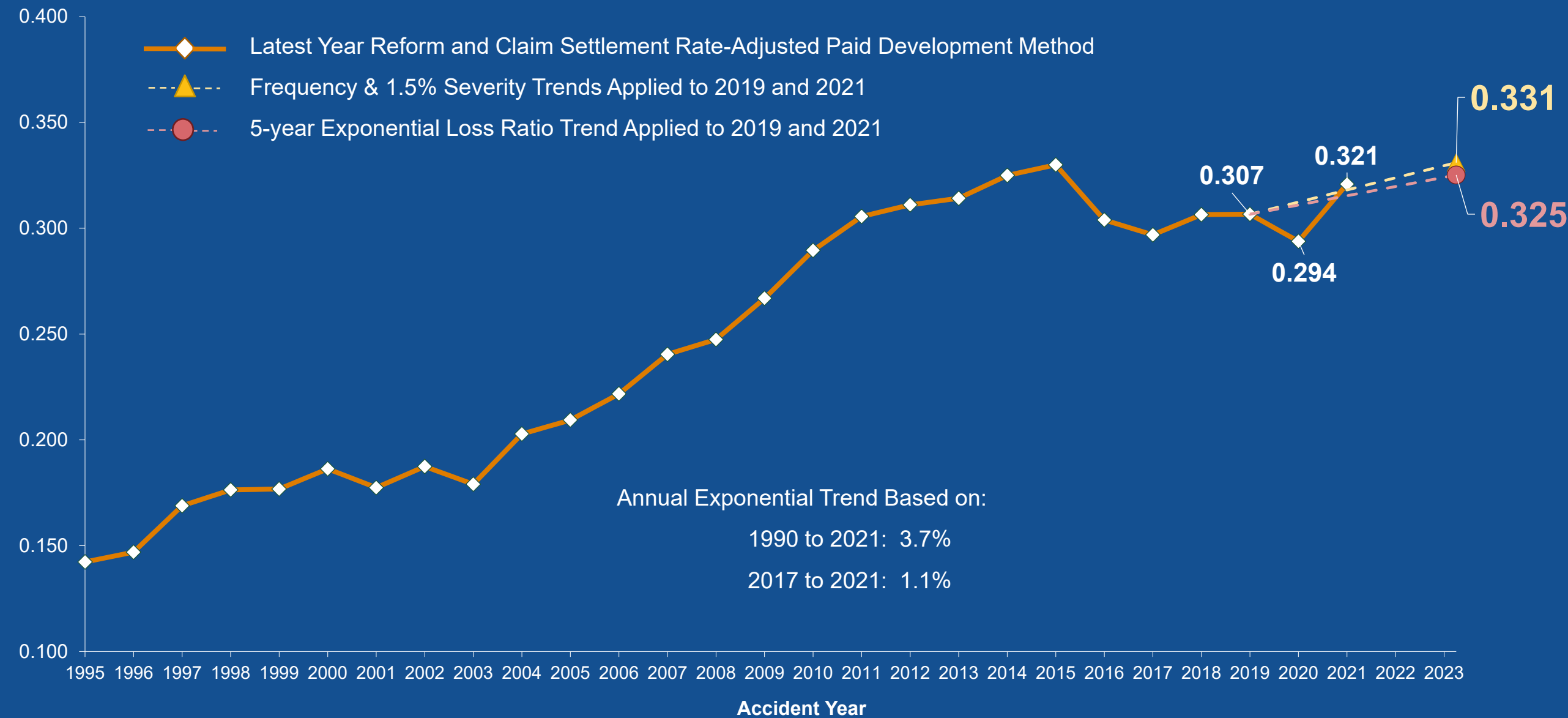
Projected On-Level Indemnity Loss Ratios

As of June 30, 2022



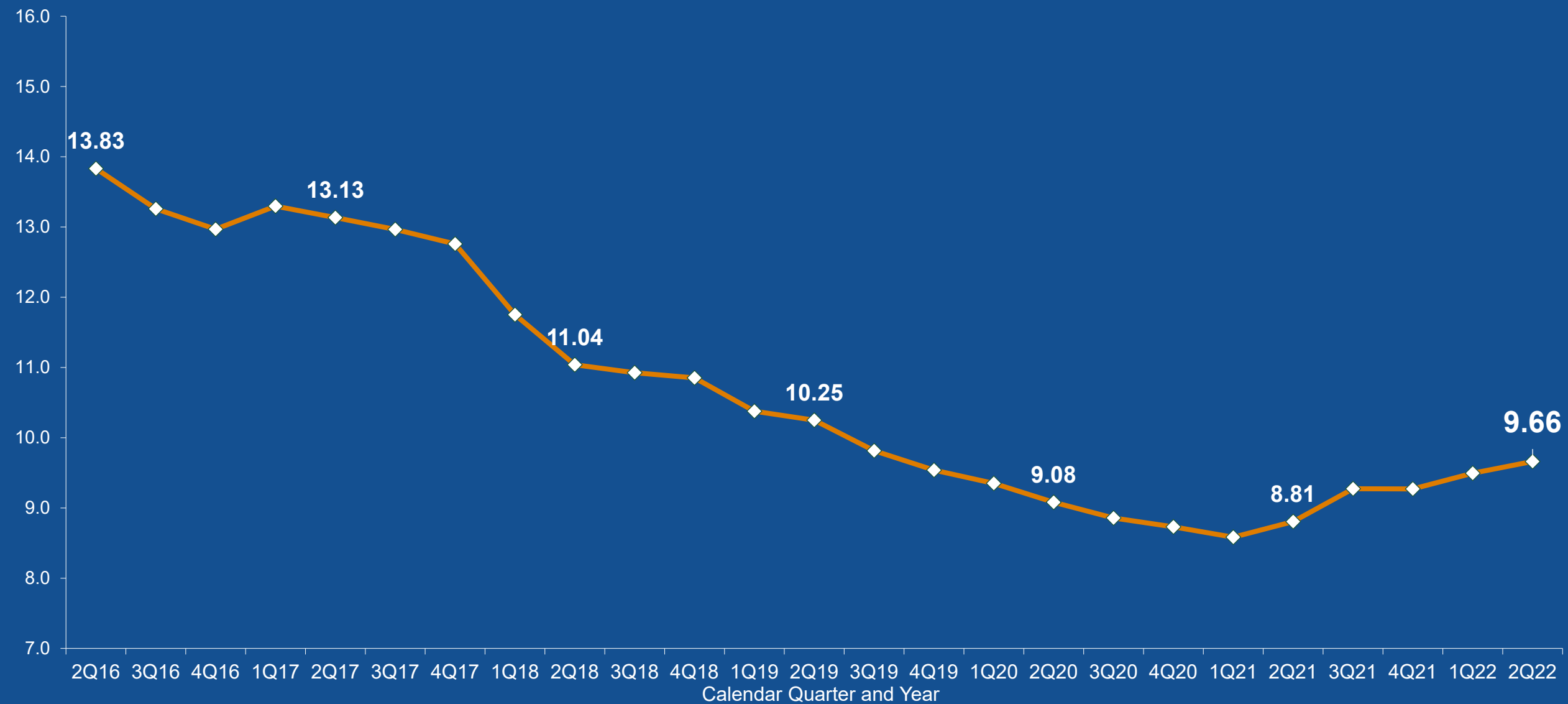
Projected On-Level Medical Loss Ratios

As of June 30, 2022



Cumulative Paid ALAE Development from 12 to 90 Months

As of June 30, 2022



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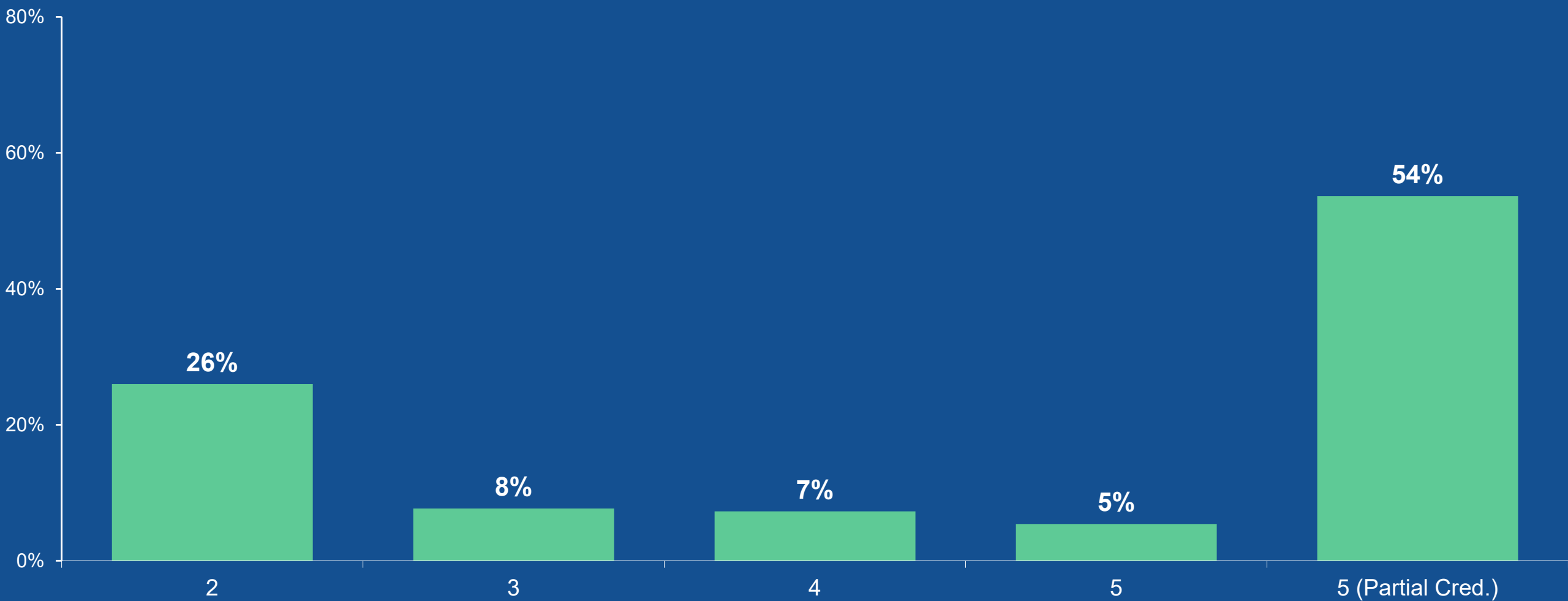
Pandemic Impact on Classification Relativities



Classification Relativities Data

- Based on WCIRB unit statistical data
 - COVID-19 claims have been excluded
- Each classification uses 2 to 5 policy years of experience
- Each “policy year” includes policies incepting between December 1 and November 30
- September 1, 2023 Regulatory Filing will have data from 11/30/2020 and prior policies available
 - Year 1 – 12/1/2019 to 11/30/2020
 - Year 2 – 12/1/2018 to 11/30/2019
 - Year 3 – 12/1/2017 to 11/30/2018
 - Year 4 – 12/1/2016 to 11/30/2017
 - Year 5 – 12/1/2015 to 11/30/2016

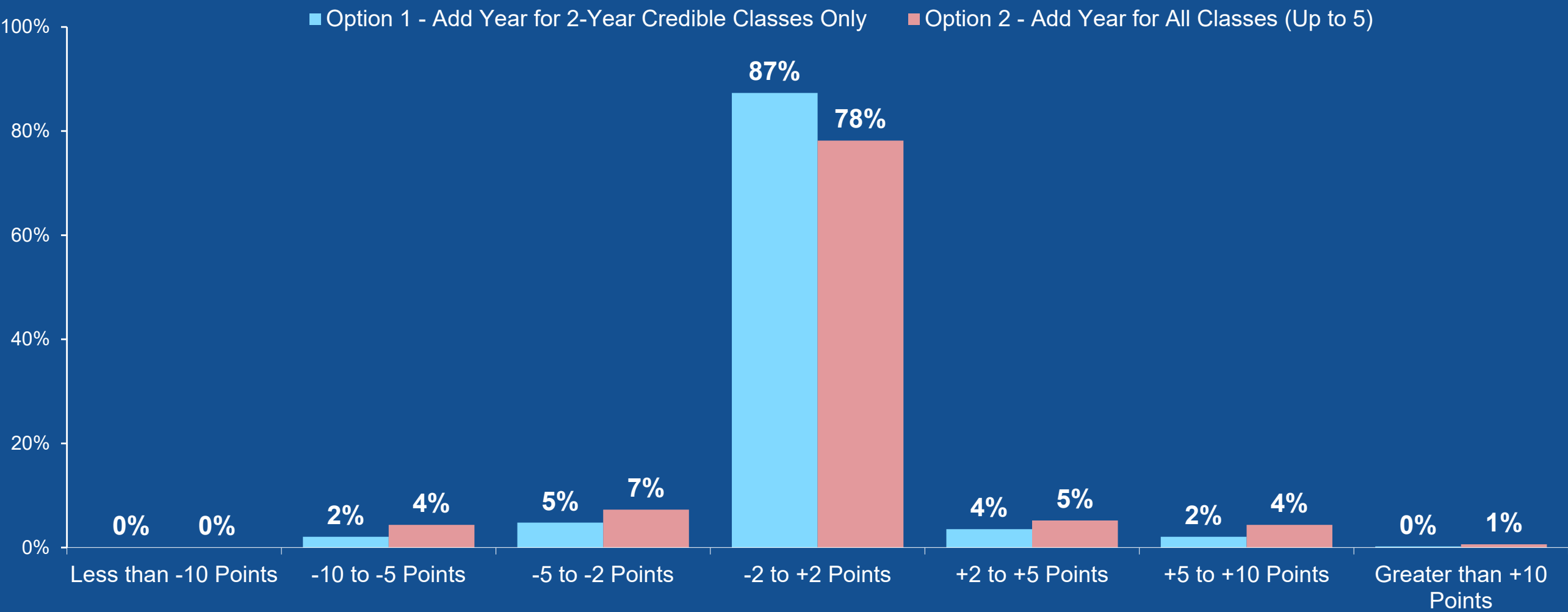
Distribution of 9/1/2022 Relativities by Number of Years Used



Pandemic Period Data Initial Options

- Option 0 – no changes to current process
 - 2-year credible classes would primarily rely on pandemic period data
- Option 1 – set minimum number of years used to 3
 - Each class would include at least 1 pre-pandemic year
- Option 2 – increased number of years used by 1 for each class (up to 5)
 - Mitigates impact of pandemic period for most classes
 - 5-year classes already give significant weight to pre-pandemic data
- Option 3 – do not include latest (most pandemic-impacted) year
 - Class relativities would essentially be the same as 9/1/2022
 - Would not reflect other trends in relative risk among classes

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



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Medical Characteristics of Cumulative Trauma Claims



Research Questions

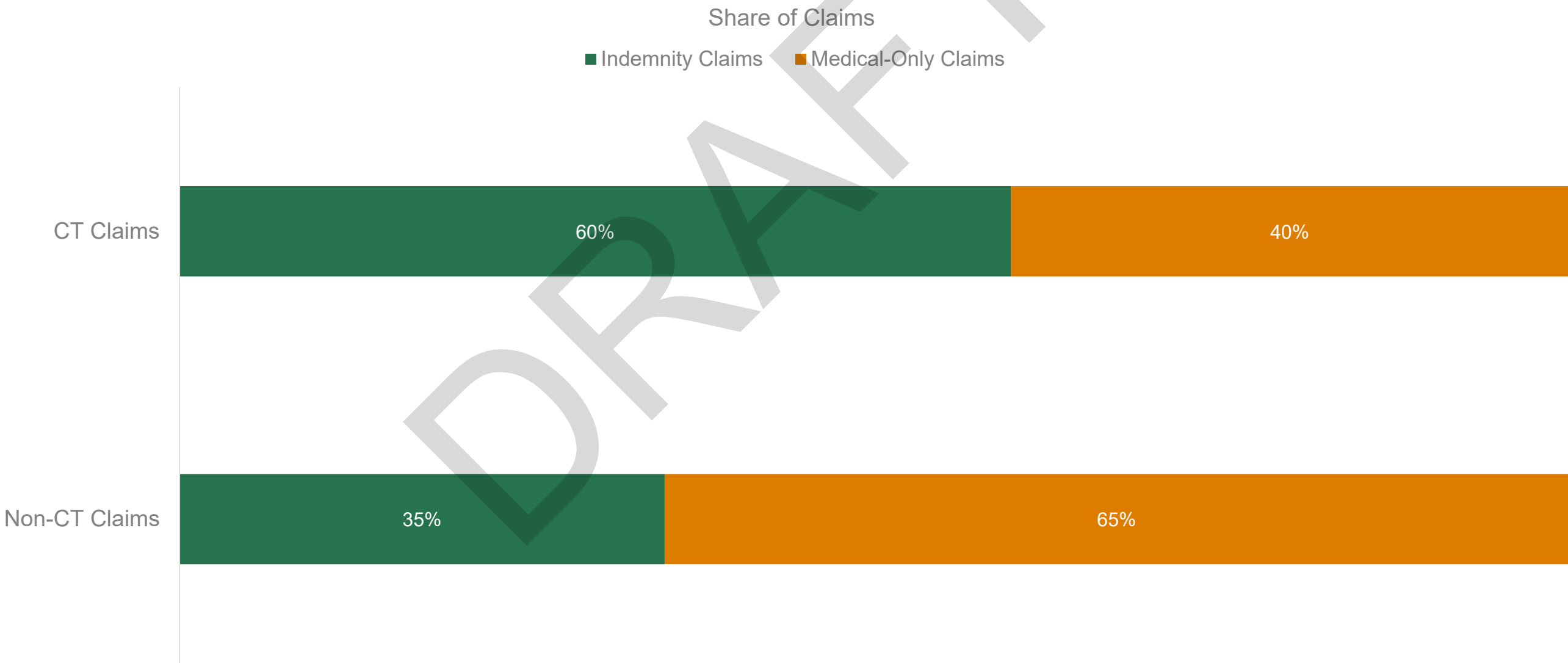
1. How do characteristics of medical services on CT claims compare to non-CT claims?
2. What are the typical medical diagnoses of CT claims and does the medical diagnosis change over time?
3. Among CT claims, how do medical services on post-termination CT claims compare to regular CT claims?

DRAFT

Research Approach

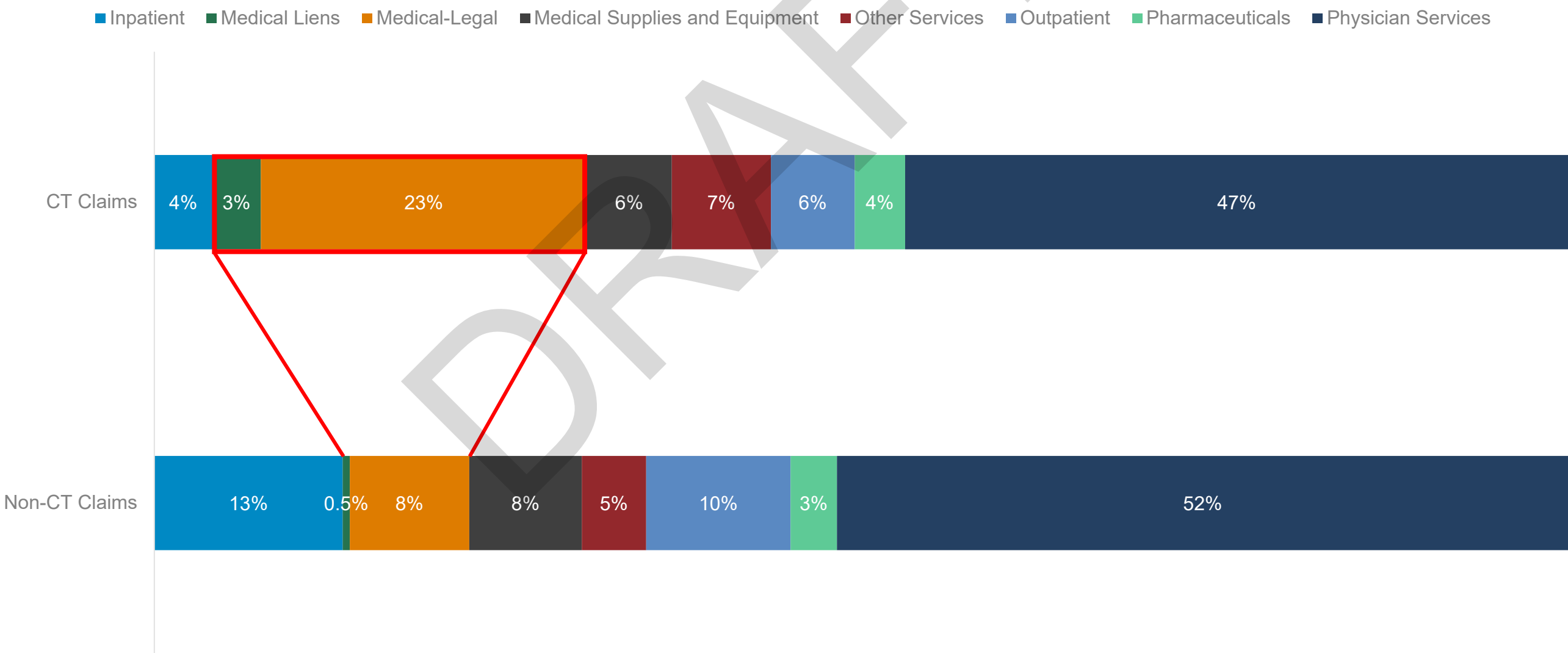
- Data Source: WCIRB USR data and medical transaction data
 - Accident years 2013 to 2019
- Definition of a cumulative trauma claim (any of the following):
 - Loss Type (from USR)
 - Occupational Disease
 - Cumulative Injury Other Than Disease
 - Nature of Injury (from USR)
 - All Other Occupational Disease Injury, NOC
 - Carpal Tunnel Syndrome
 - All Other Cumulative Injury, NOC
 - Diagnostic Group (from MDC)
 - Early primary medical diagnosis that includes carpal tunnel syndrome
- Early Primary Diagnostic Group – based on ICD information from the first 90 days of medical treatment
- Final Primary Diagnostic Group – based on ICD information from the last 180 days of medical treatment

Overall Claim Distribution



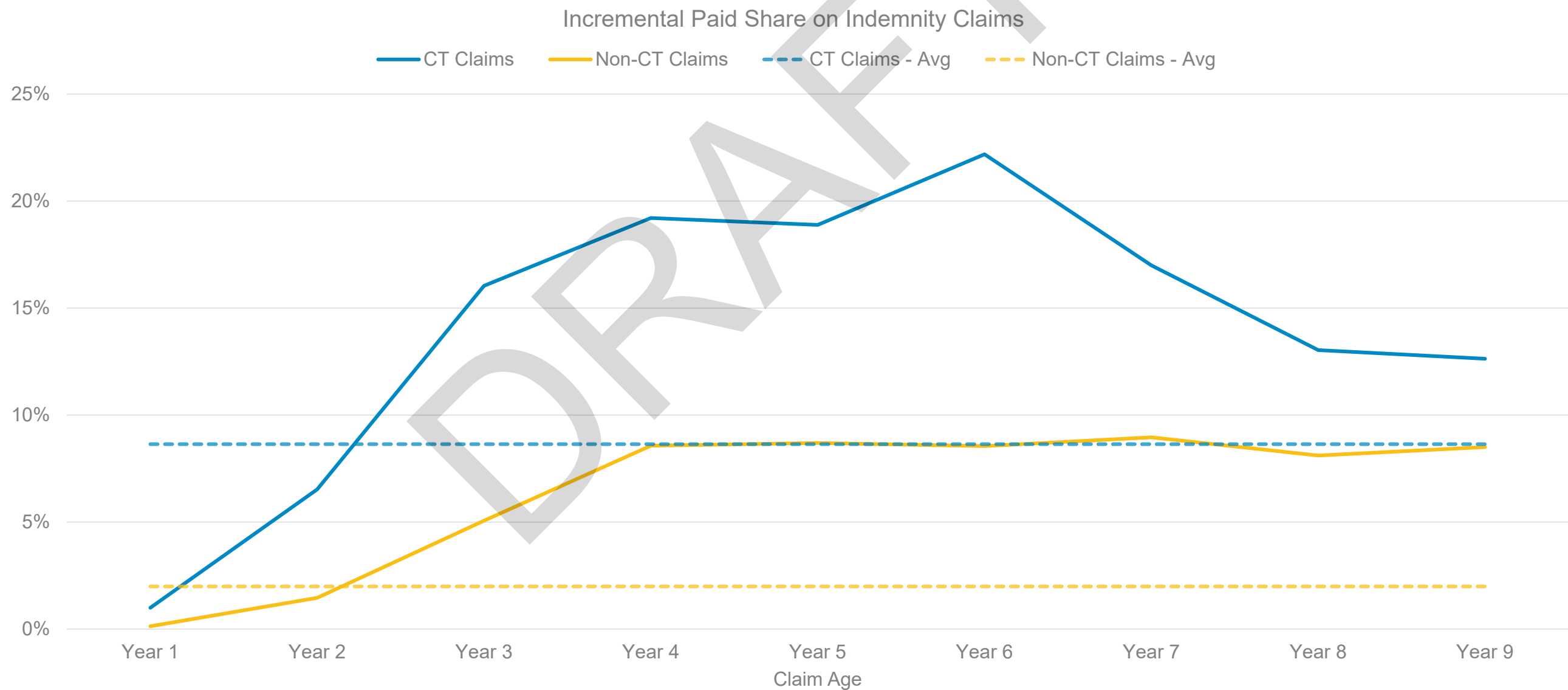
Share of Medical Services Paid on Indemnity Claims at 24 Months

Share of Medical Services Paid at 24 months* (AY2013-2019)



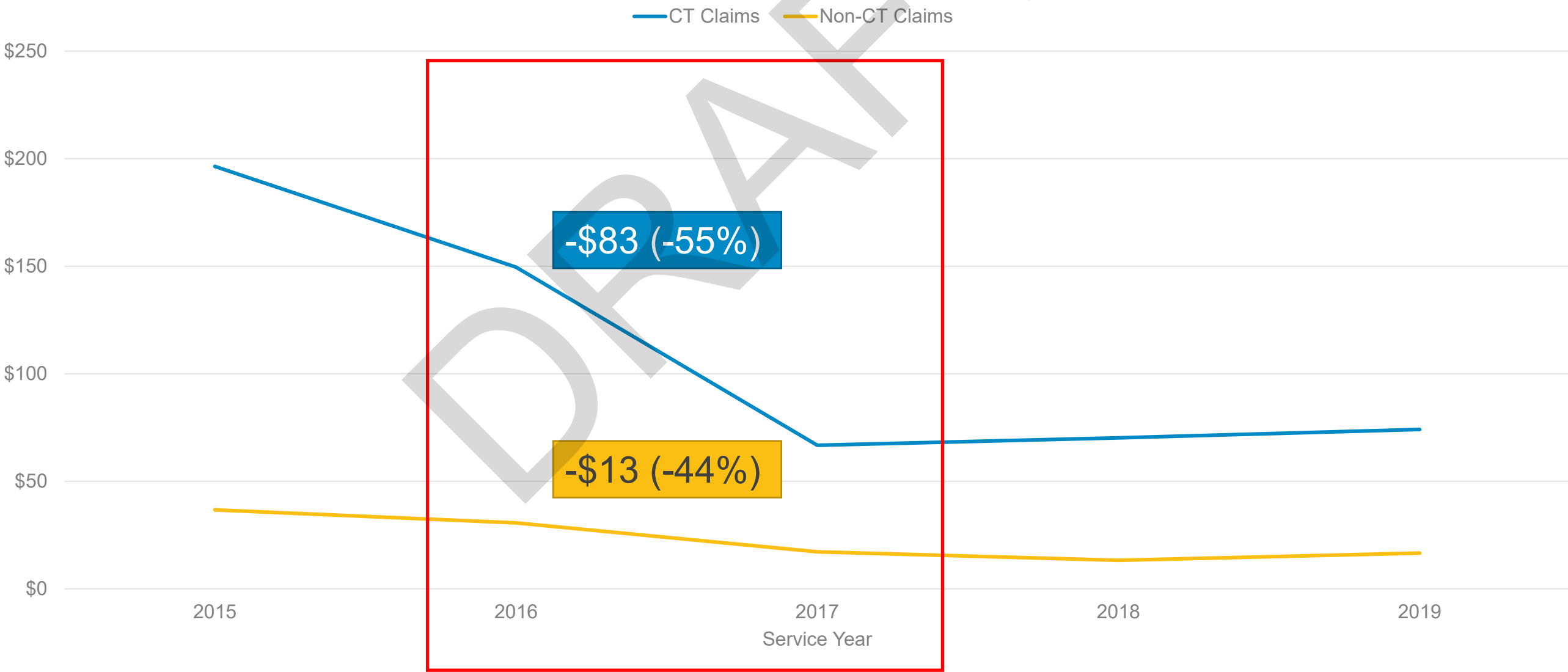
* 24 months is time from accident date to service date
Note: Other Services include Copy Services, Dental Services, and Unclassifiable procedures.

Share of Medical Paid for Medical Liens by Claim Age



Medical Liens Paid per Indemnity Claim

Medical Liens Paid per Indemnity Claim by Service Year within 24 months



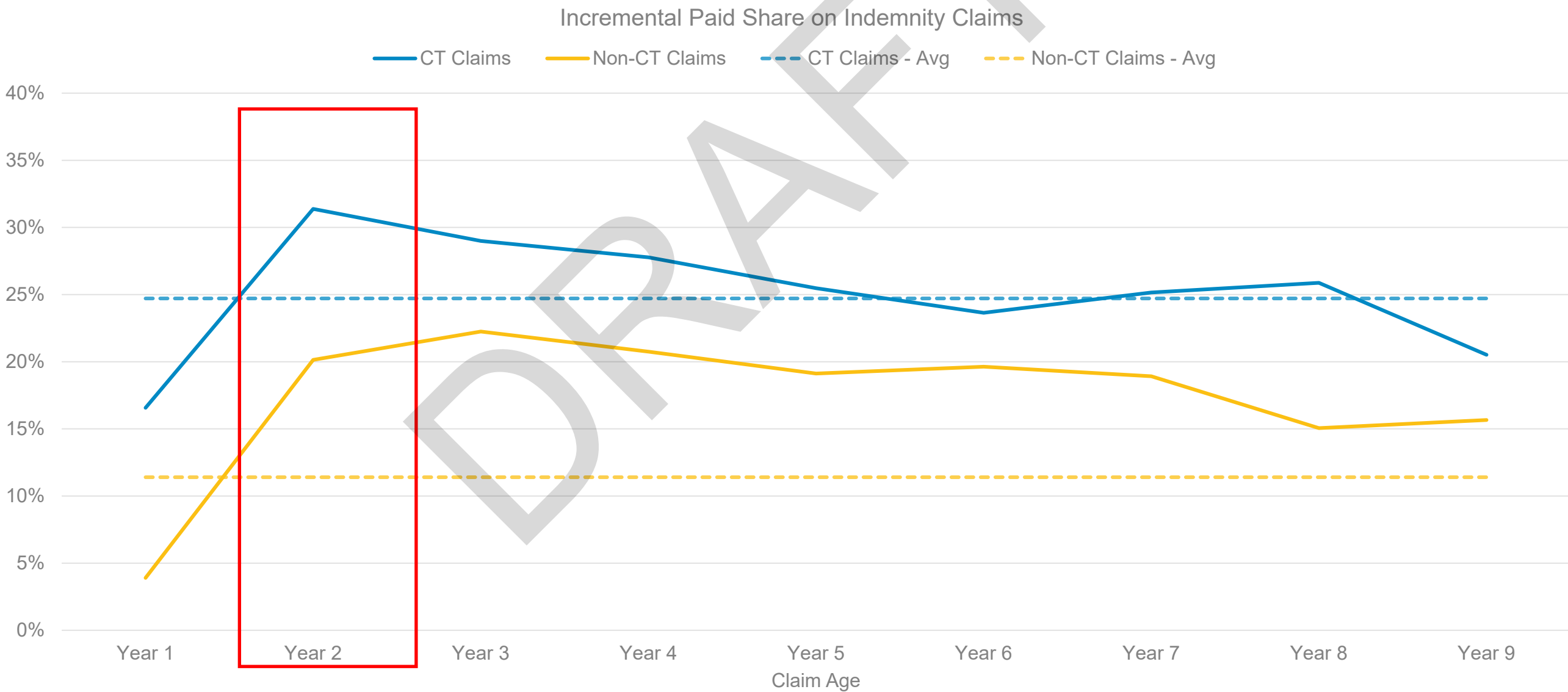
Higher Average Number of Medical Liens Filed on CT Claims

Types of Medical Liens (% of all Medical Liens Paid)	Paid per Lien Transaction		Number of Lien Transactions per 100 Claims		Paid per Claim	
	CT Claims	Non-CT Claims	CT Claims	Non-CT Claims	CT Claims	Non-CT Claims
Settlement for reimbursement disputes (75%)	\$1,454	\$1,489	39	10	\$571	\$142
Payment ordered/awarded by WCAB for reimbursement disputes (19%)	\$1,549	\$1,692	9	4	\$141	\$59

Comparison of Paid vs. Charged on Medical Liens

	CT Indemnity Claims	Non-CT Indemnity Claims
Share of liens with paid < charged	63%	55%
Average lien settlement per dollar (liens with paid < charged)	\$0.26	\$0.28

Share of Medical Paid on Medical-Legal



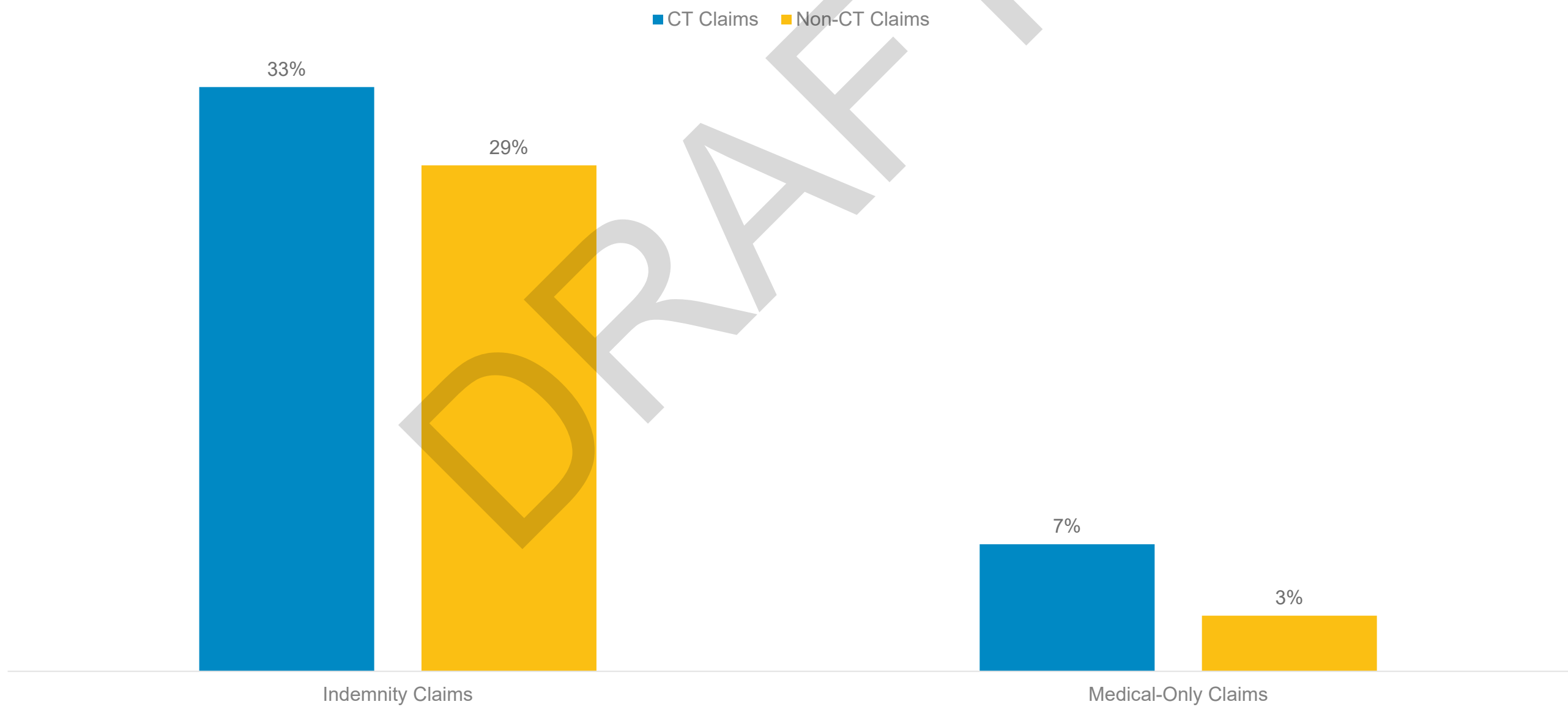
Comparison of Payments for Medical-Legal Evaluations

Types of Medical-Legal Evaluations (% of all ML Paid)	Paid per Evaluation		Number of Evaluations per 100 Claims		Paid per Claim	
	CT Claims	Non-CT Claims	CT Claims	Non-CT Claims	CT Claims	Non-CT Claims
Comprehensive Medical-Legal Evaluation (79%)	\$2,180	\$1,785	52	31	\$1,134	\$557
Follow-up Medical-Legal Evaluation (5%)	\$1,644	\$1,493	5	3	\$77	\$49
Supplemental Medical-Legal Evaluation (15%)	\$853	\$714	25	13	\$212	\$95

Top 10 Early Diagnostic Groups For CT Indemnity Claims (AY2013 – 2019)

Early Primary Diagnostic Groups for CT Claims	CT Claim Share	Non-CT Claim Share
Soft tissue disorders	27%	20%
Dislocation and sprain	19%	29%
Carpal Tunnel Syndrome (CTS)	13%	-
Multiple injuries incl. CTS	13%	-
Mental & behavioral disorders	8%	1%
Multiple injuries – soft tissue and dislocation/sprain	4%	8%
Other multiple injuries	2%	7%
Low back pain	2%	3%
Disease of the nervous system	2%	1%
Minor wounds	1%	11%

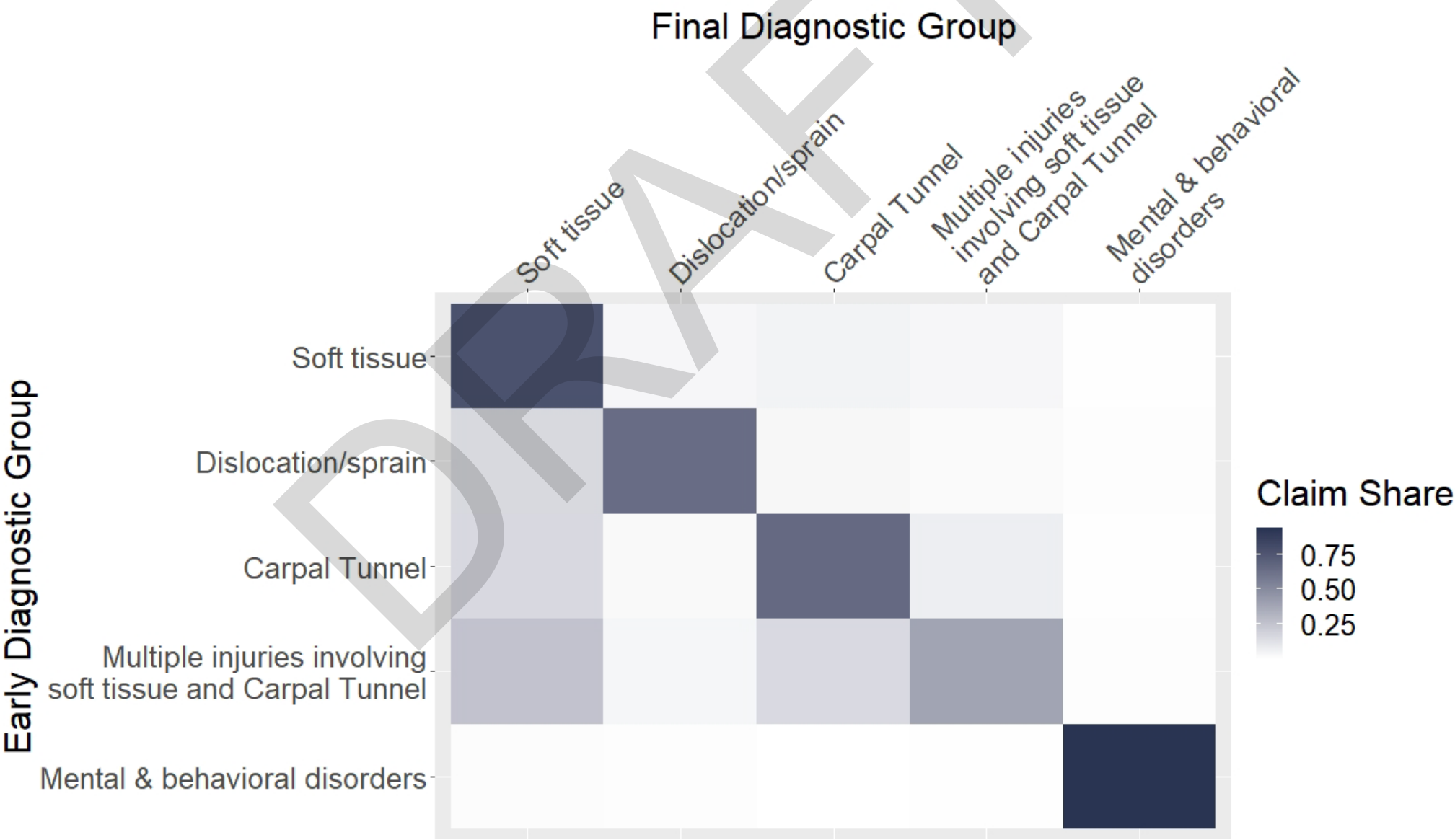
Share of Closed Claims with a Change in Primary Diagnostic Group



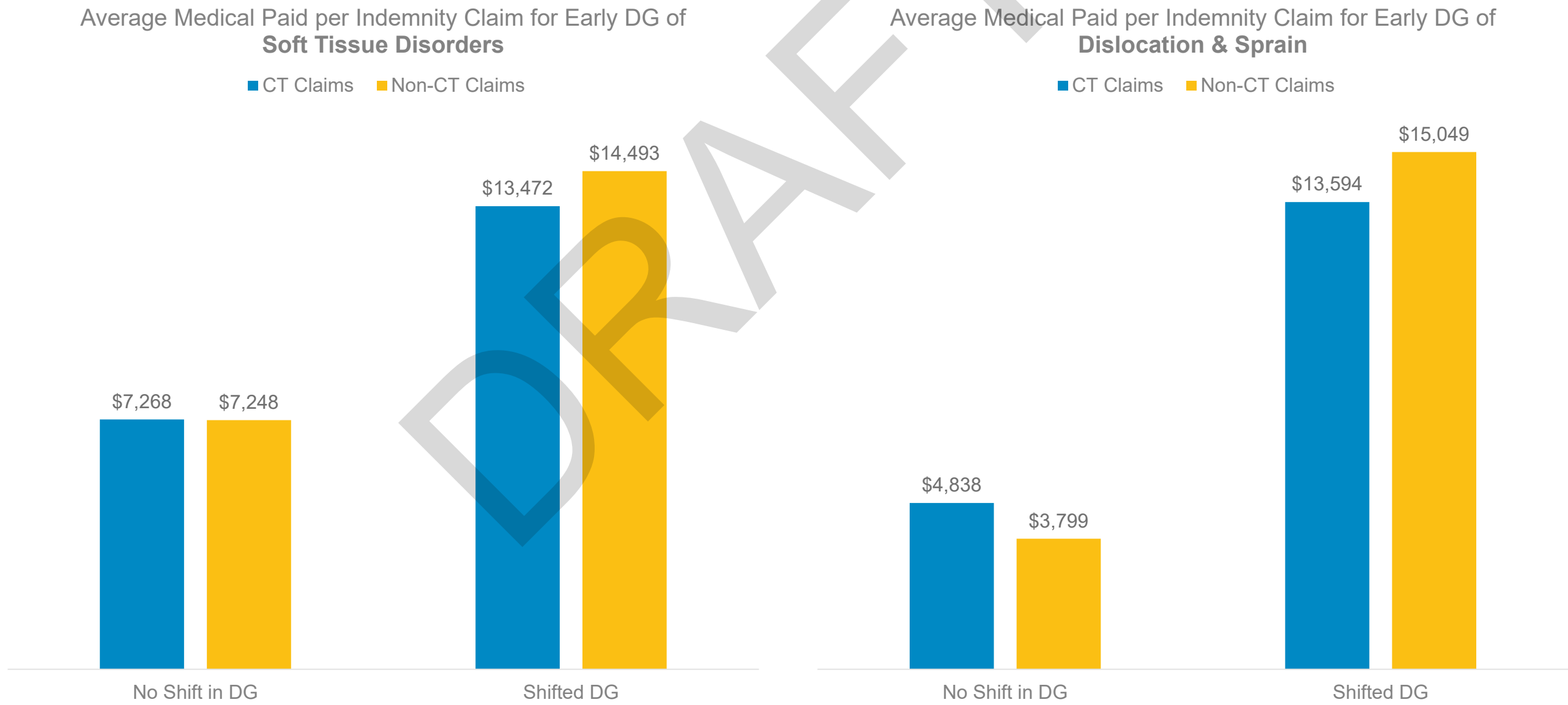
Change in the Top Diagnostic Groups for Closed CT Indemnity Claims

Top Diagnostic Groups	Early Diagnostic Group Claim Share	Final Diagnostic Group Claim Share
Soft tissue disorders*	25%	31%
Dislocation and sprain	20%	16%
Carpal Tunnel Syndrome (CTS)	13%	14%
Multiple injuries incl. CTS	13%	8%
Mental & behavioral disorders	9%	9%

Diagnosis Shift for Closed Indemnity CT Claims



Medical Cost Differentials for Closed Claims with a Shift in Medical Diagnosis



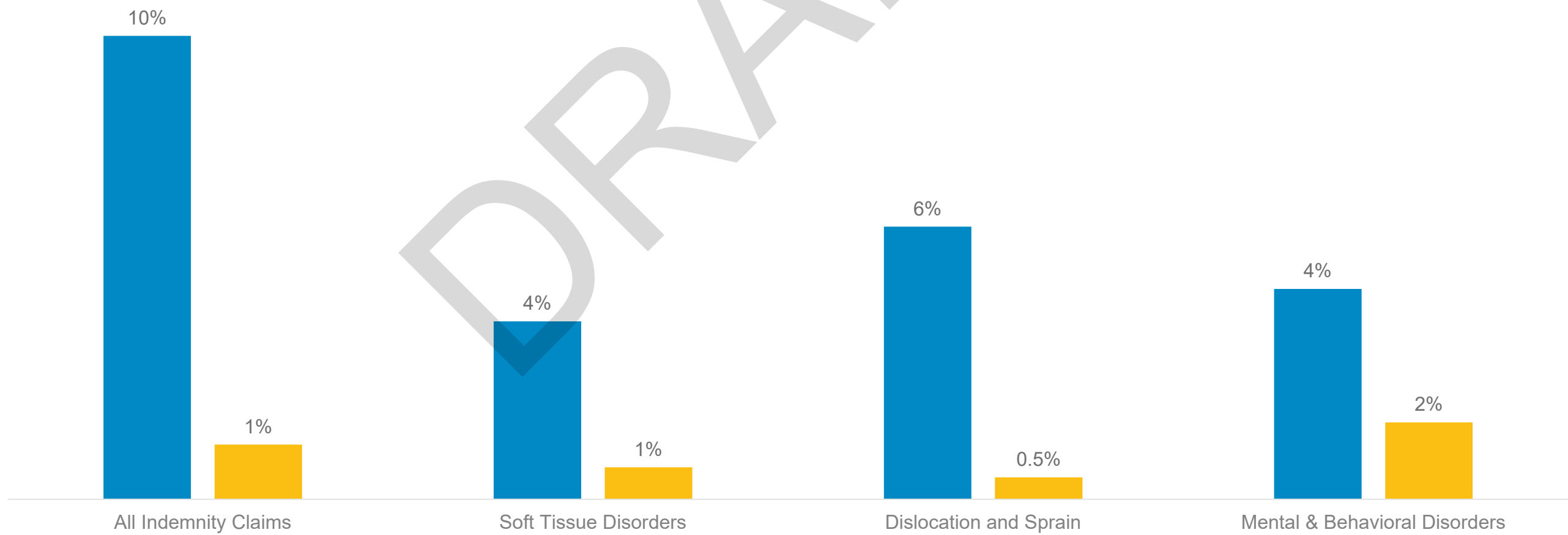
Median Time From Reported Injury Date to First Medical Service (Days) for Indemnity Claims

Top Diagnostic Groups	CT Indemnity Claims	Non-CT Indemnity Claims	Difference
Soft tissue disorders	49	5	44
Dislocation and sprain	40	2	38
Carpal Tunnel Syndrome (CTS)	26	-	-
Mental & behavioral disorders	55	18	37
Multiple injuries incl. CTS	8	-	-
Multiple injuries - Soft tissue disorders & dislocation and sprain	23	2	21

Medical Lien as First Medical Service

Share of Claims with Medical Liens as First Service

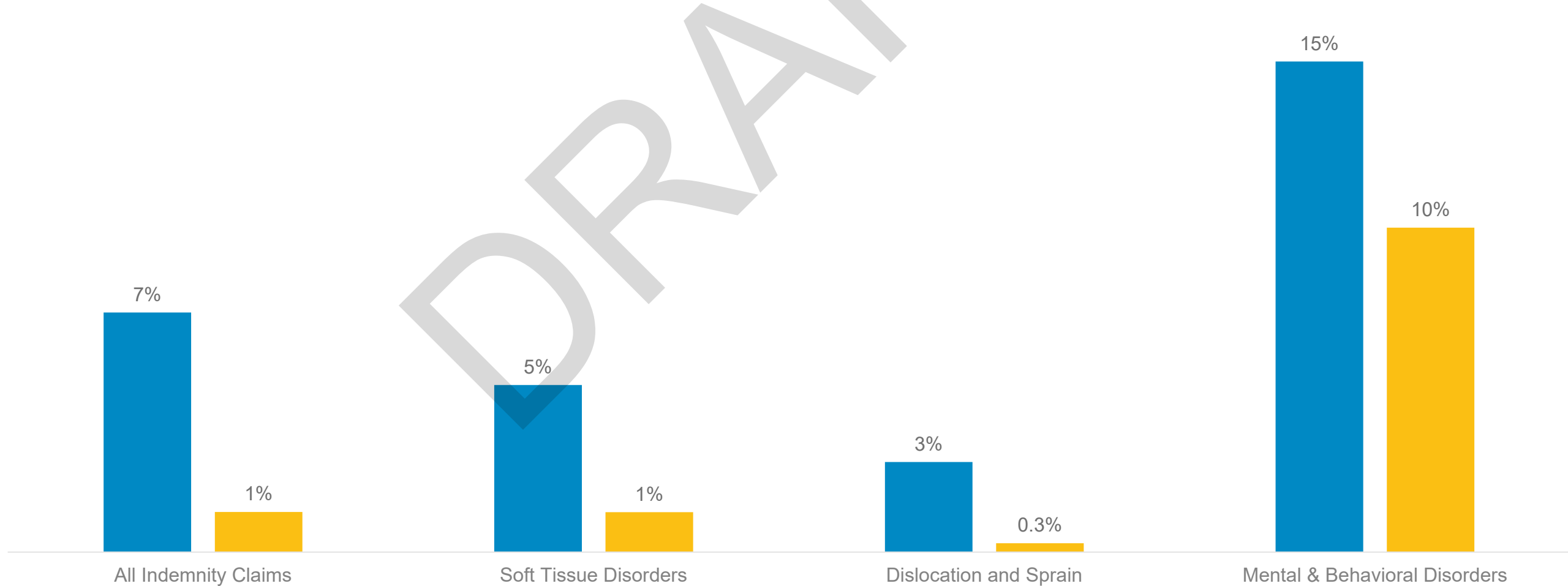
■ CT Claims ■ Non-CT Claims



Medical-Legal as First Medical Service

Share of Claims with Medical-Legal as First Service

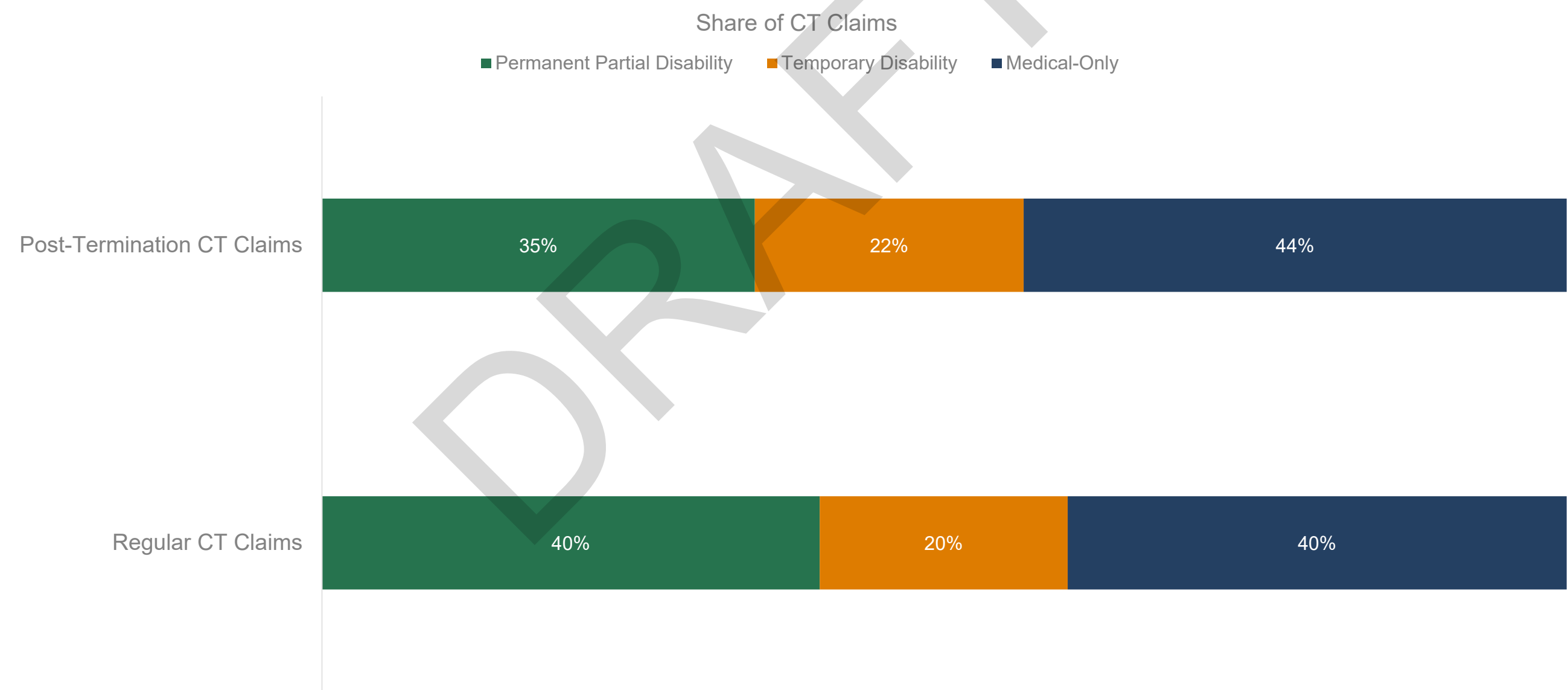
■ CT Claims ■ Non-CT Claims



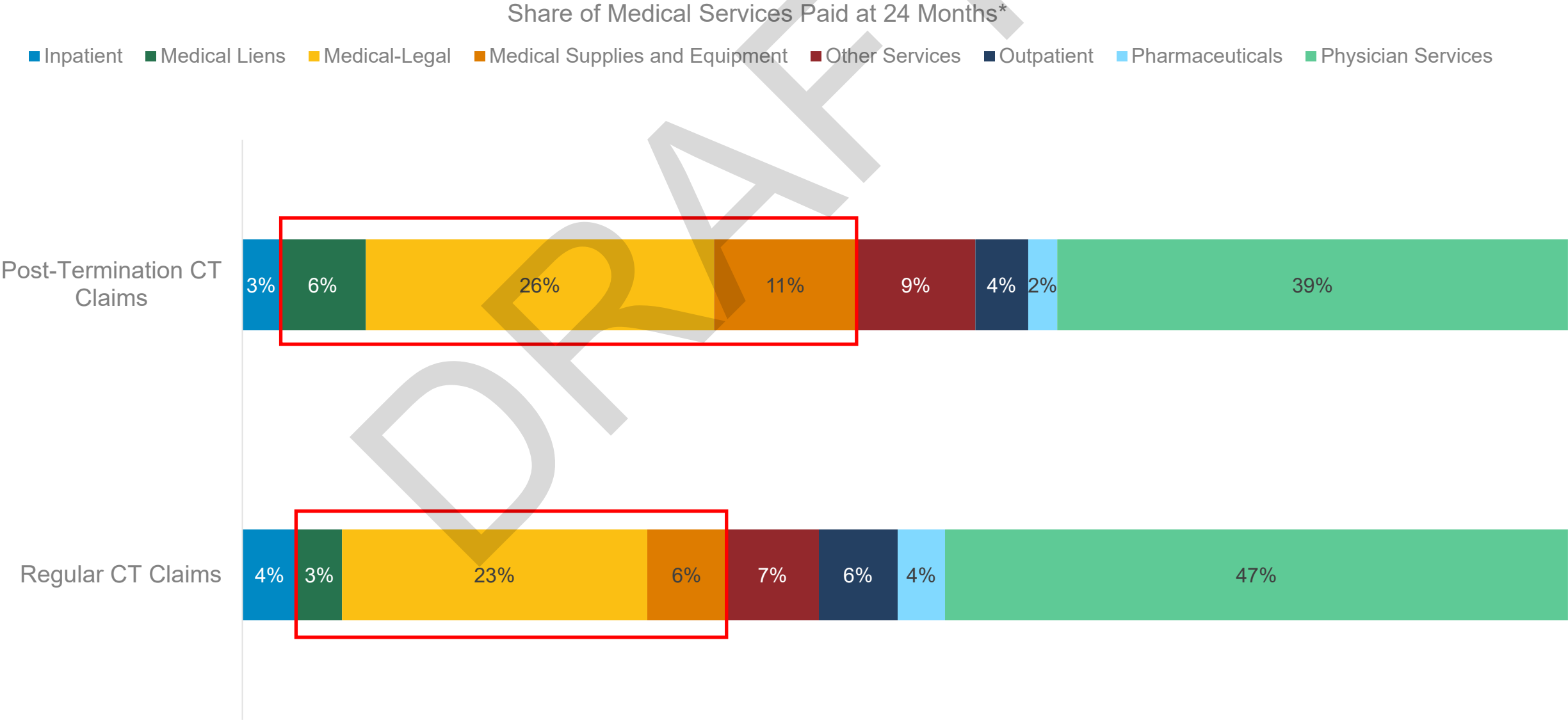
Analysis Approach for Post-Termination CT Claims

- Identification of post-termination CT claims
 - Previous method:
 - Special claim survey and Permanent Disability survey data
 - Limitation: small sample (~900 claims for AY2014-2017) and data not as current
 - Current method:
 - Multiple CT claims (at least five claims) from the same employer with the same accident date
 - Most employers have no current WC coverage
 - Concentrate in the manufacturing and restaurant industries
 - Identified about 4,000 claims between AY2013-2019

Claim Distribution Comparing Post-Termination CT to Regular CT Claims



Share of Medical Services Paid on CT Indemnity Claims at 24 Months

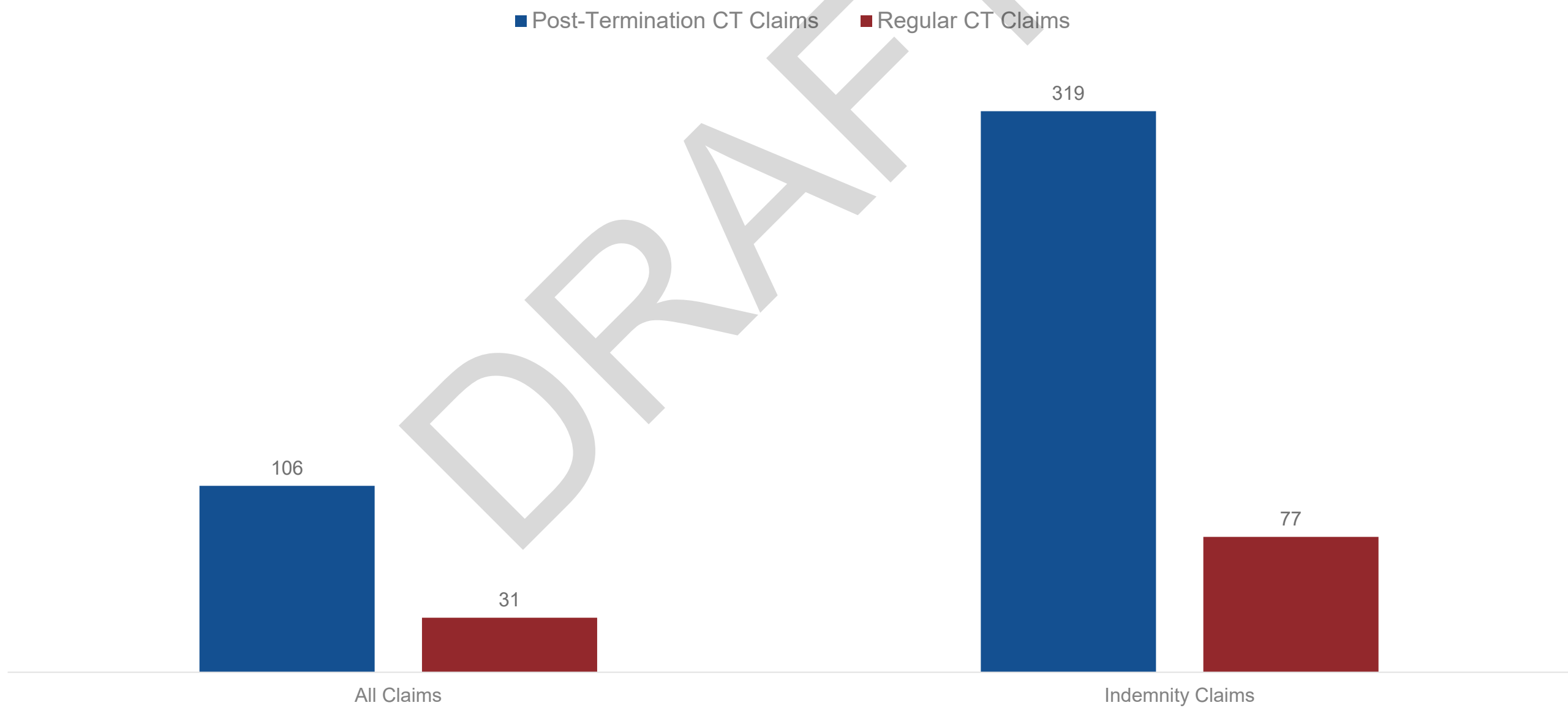


* 24 months is time from accident date to service date
Note: Other Services include Copy Services, Dental Services, and Unclassifiable procedures.

Medical Payment Share for Top 5 Medical Supplies and Equipment Procedures

Leading Procedures for Medical Supplies and Equipment	Share of Medical Payments for Post-Termination CT Claims	Share of Medical Payments for Regular CT Claims
Sign language or oral interpretive services	6.9%	1.8%
Durable medical equipment, miscellaneous	0.7%	0.4%
Anchor/screw for stabilizing bones and tissues	0.4%	0.0%
Urgent Care Centers – Global Fee	0.3%	0.0%
Intermittent limb compression device	0.2%	0.1%

Median Time from Reported Injury Date to First Medical Service (Days)



Summary of Key Findings

- **Characteristics of medical services for CT claims**

- More likely to involve indemnity benefits
- Indemnity claims having higher payment shares and paid per claim for medical liens and medical-legal services (more utilization of services)

- **Typical primary medical diagnoses for indemnity CT claims**

- More likely to involve carpal tunnel syndrome and mental conditions
- 1/3 of closed claims had a shift in primary medical diagnosis over the life of claim (more costly)
- Tend to receive initial medical service much later
- Tend to have medical liens or medical-legal as the initial medical service

- **Post-termination CT claims (preliminary)**

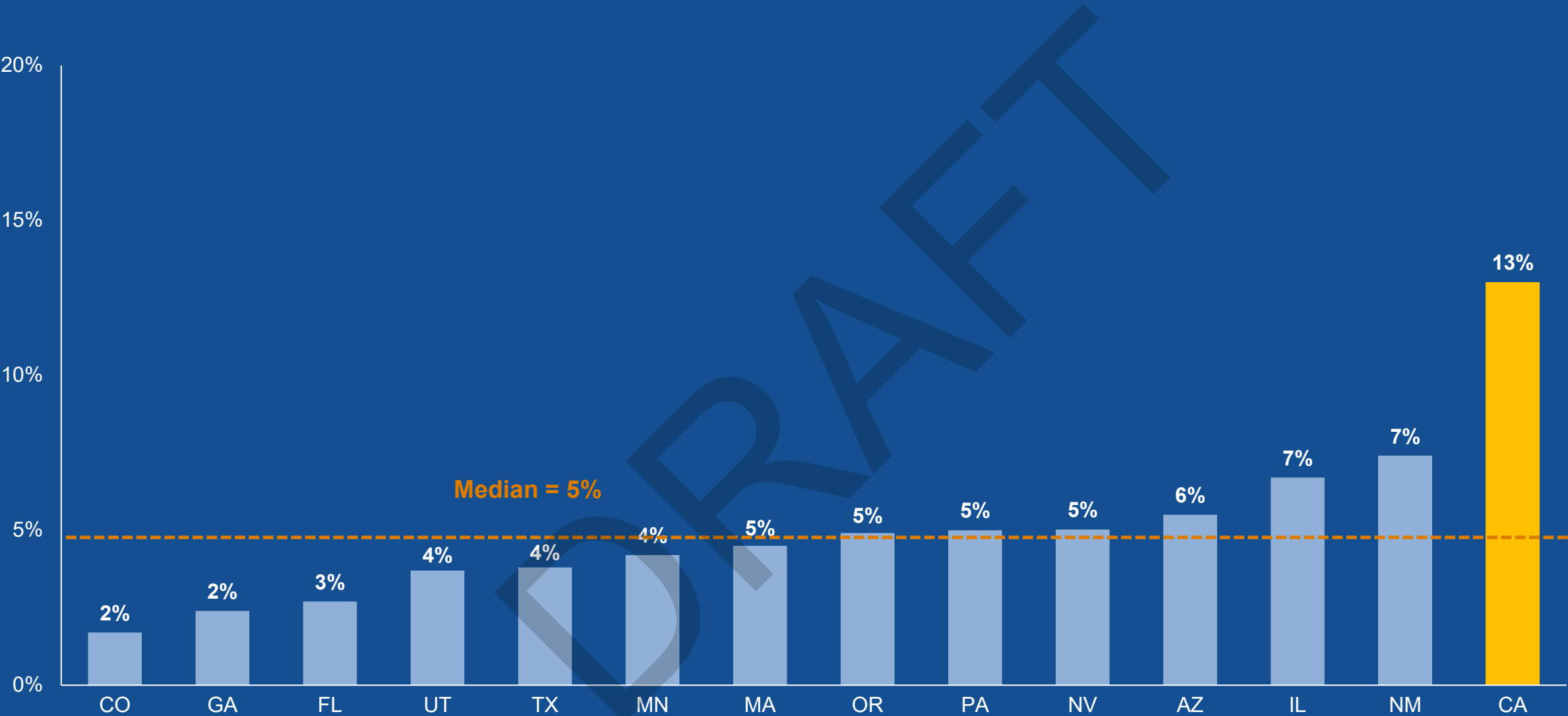
- Slightly less likely to involve indemnity benefits
- Indemnity claims having higher payment shares for medical liens, medical legal and interpreter services and longer time (4X) to receive initial medical service

06

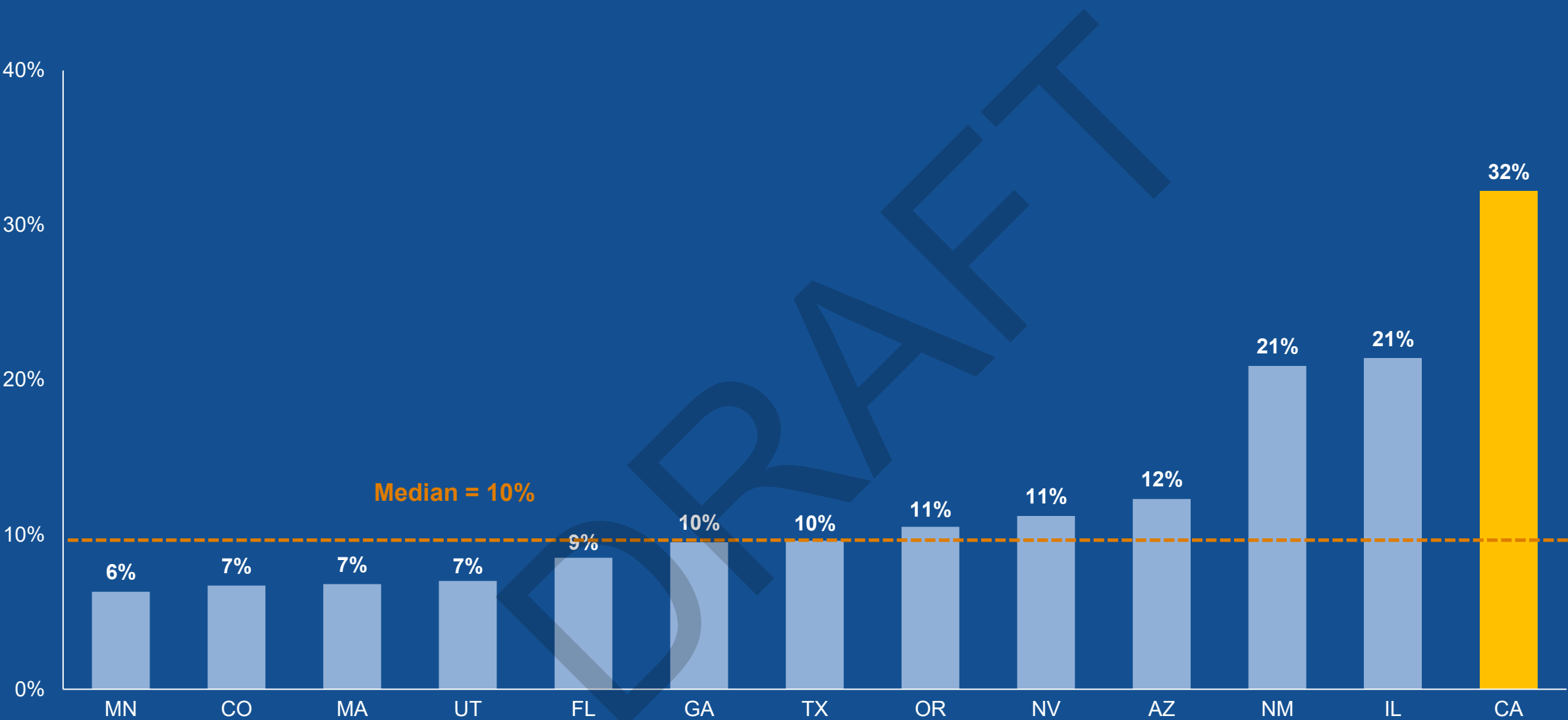
Study of California Claim Duration



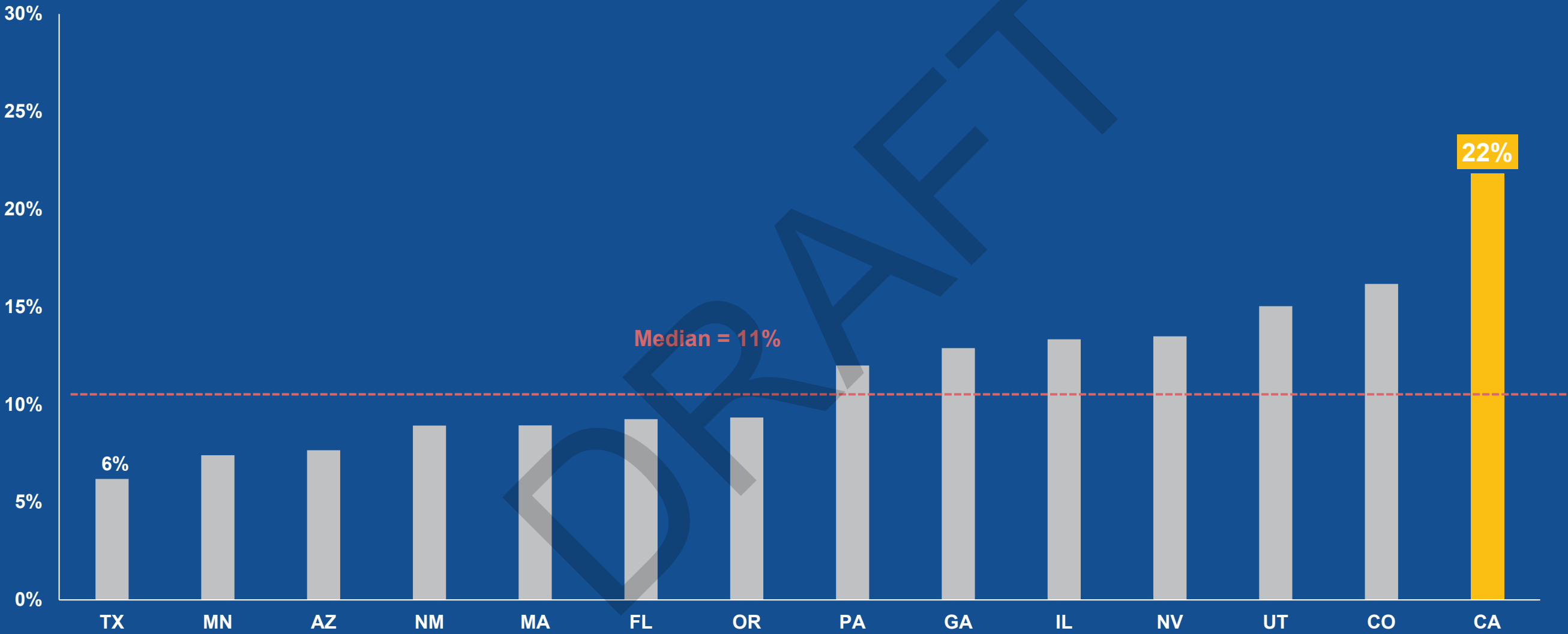
Percent of Indemnity Claims Remaining Open at 60 Months



Percent of Indemnity Claims Remaining Open at 36 Months

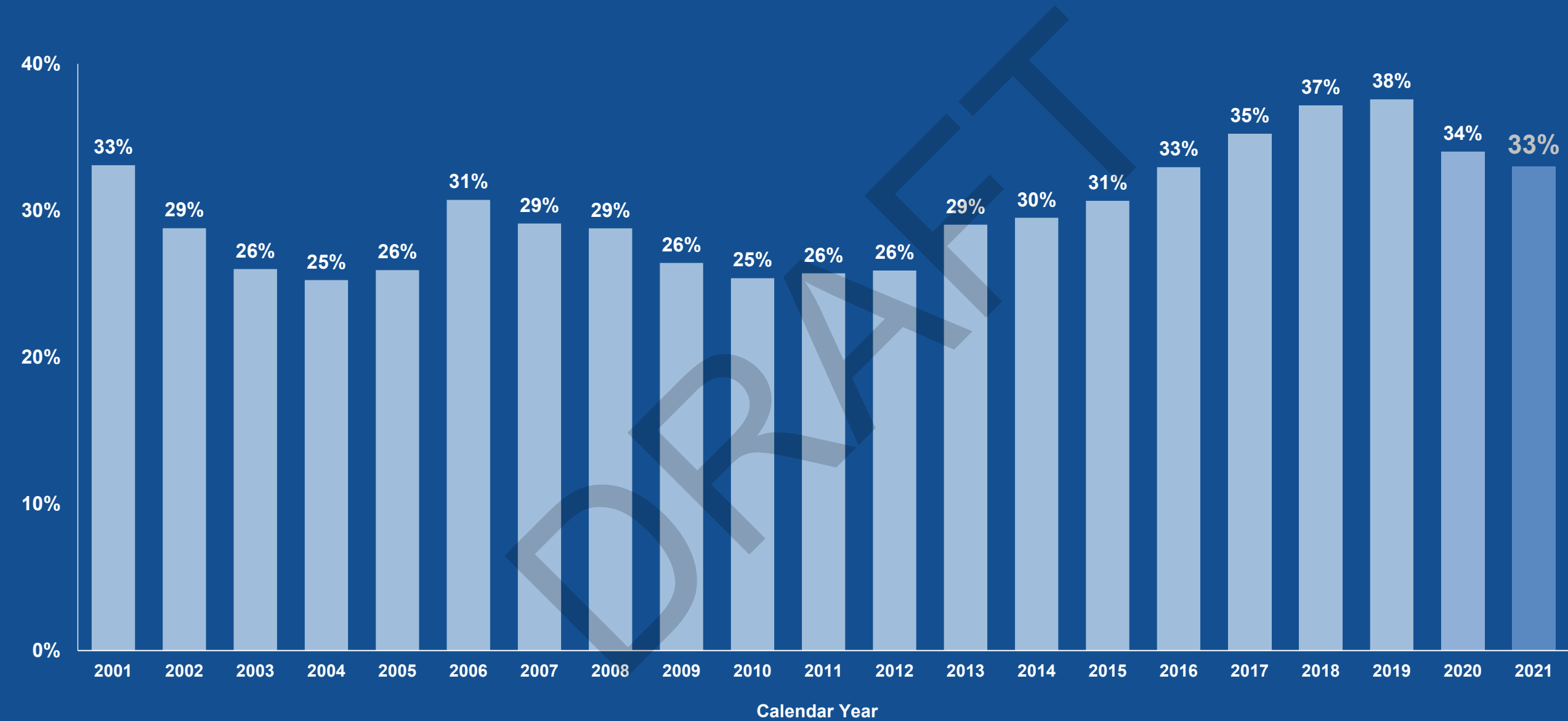


Percent of Indemnity Claims Unreported at 12 Months



Percent of Open Indemnity Claims Closed During Next Year

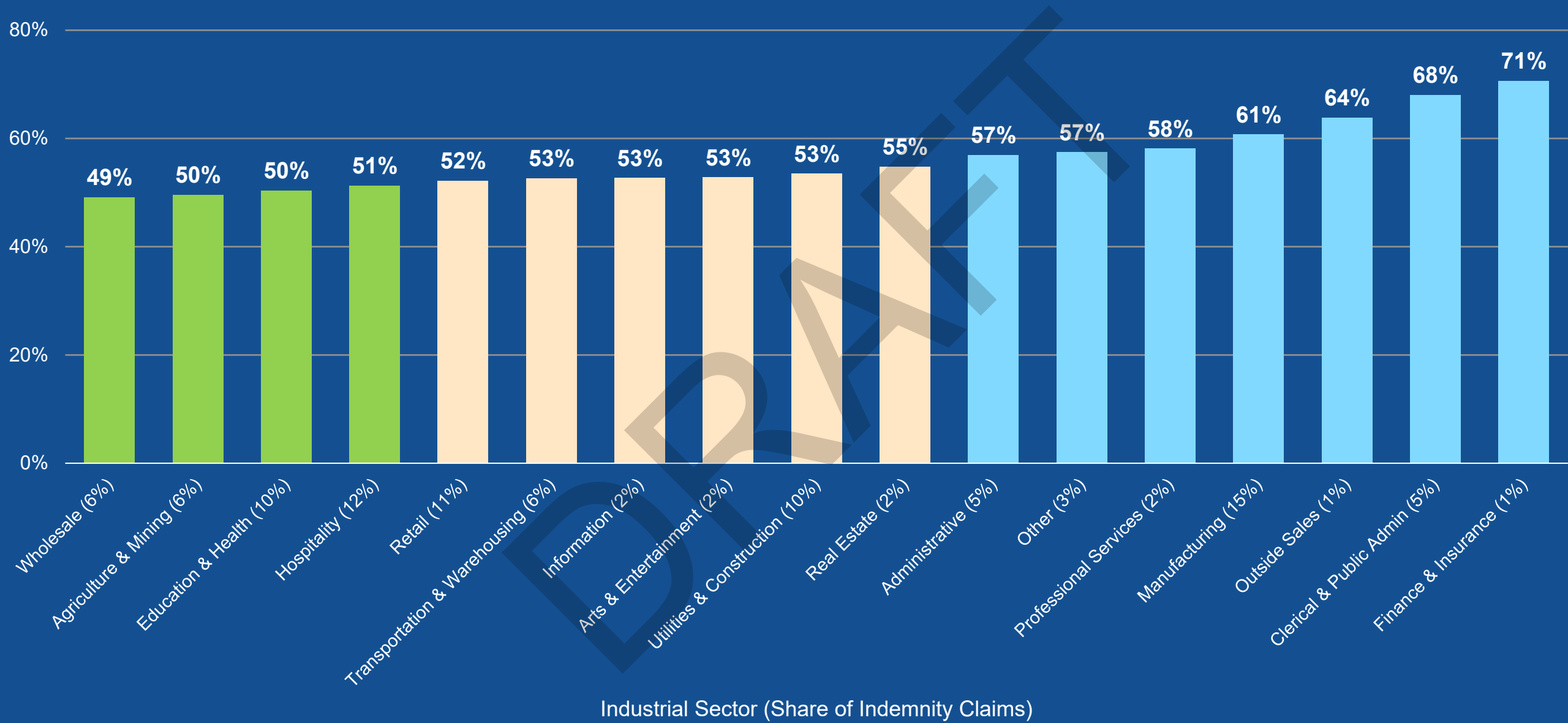
As of December 31, 2021



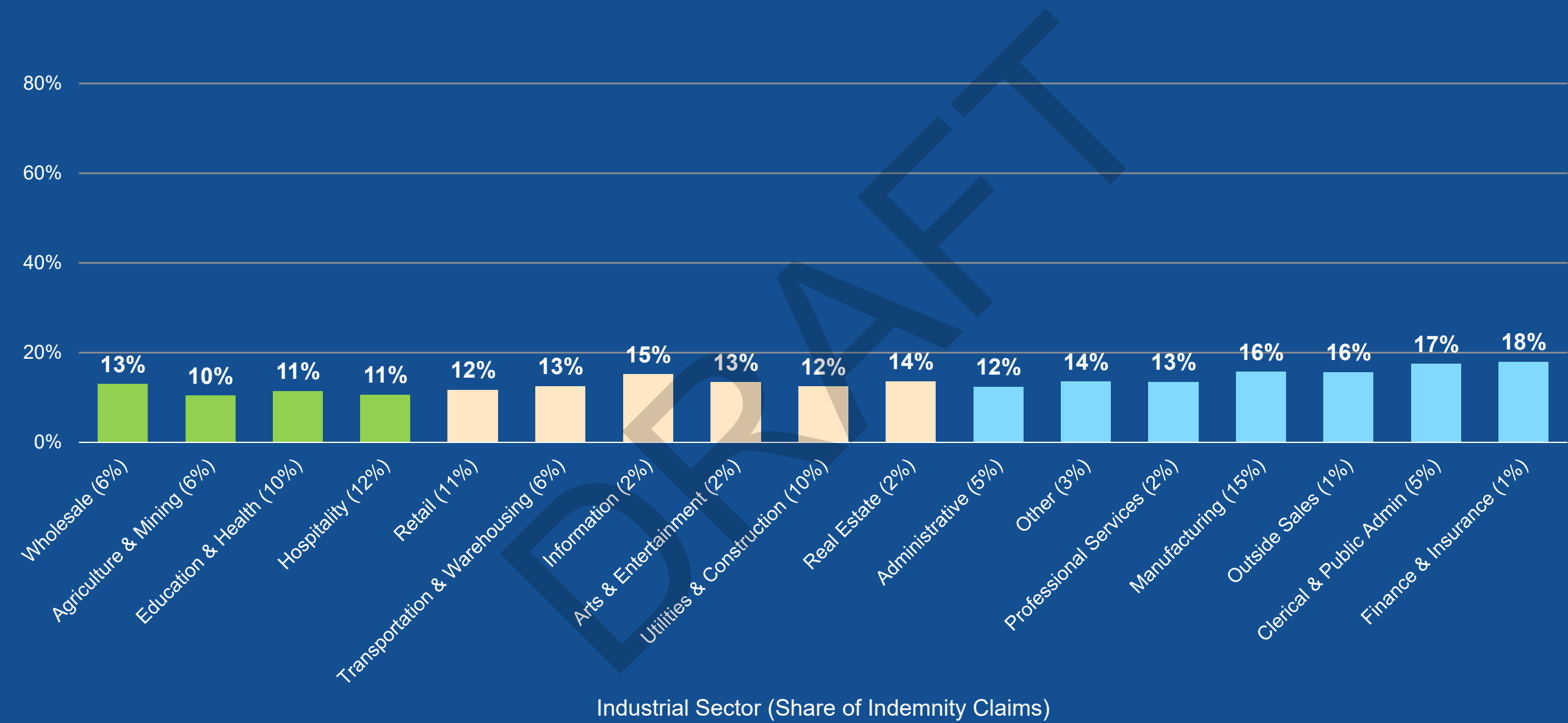
California Claim Duration Study Questions

- Why do California claims close slower in than other states?
 - Mix of industries, injuries, or claim types?
 - California benefit structure?
 - California claim process?
- How do the “duration drivers” affect the overall California claim duration?
- What are the recent trends in California claim duration?

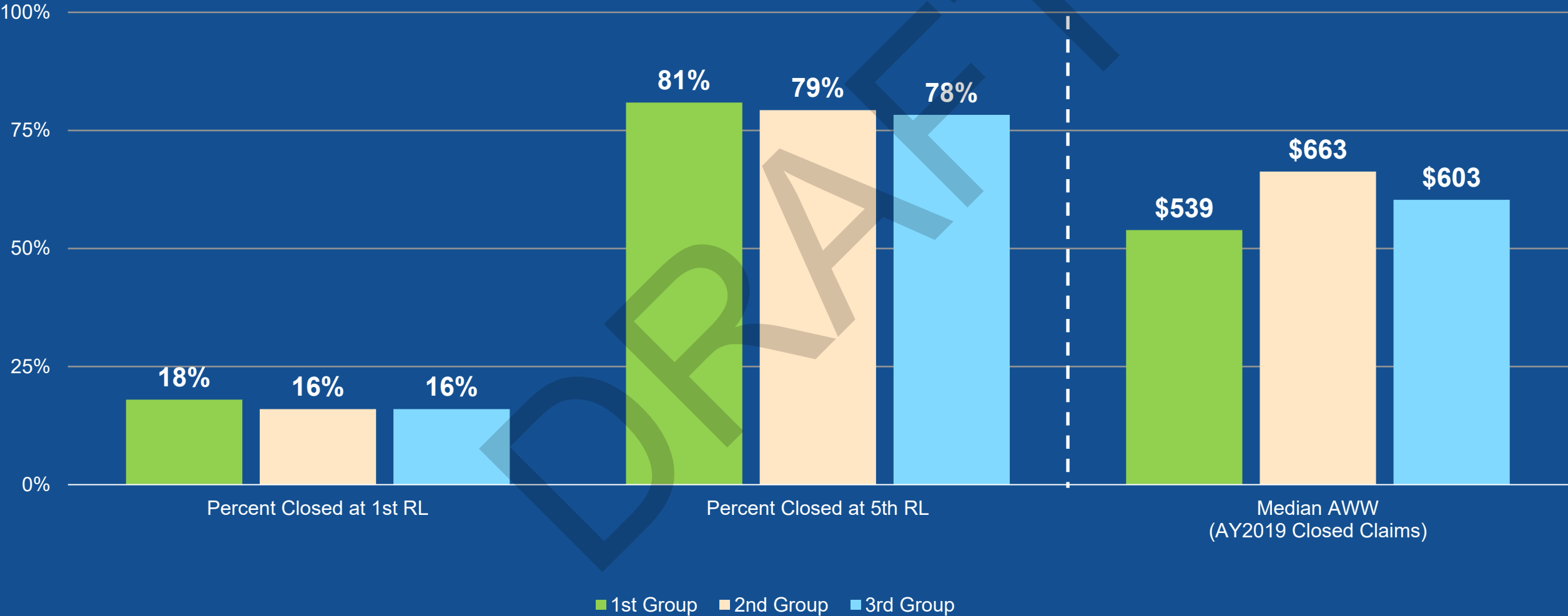
Percent of Indemnity Claims Open at 1st Report Level by Industry



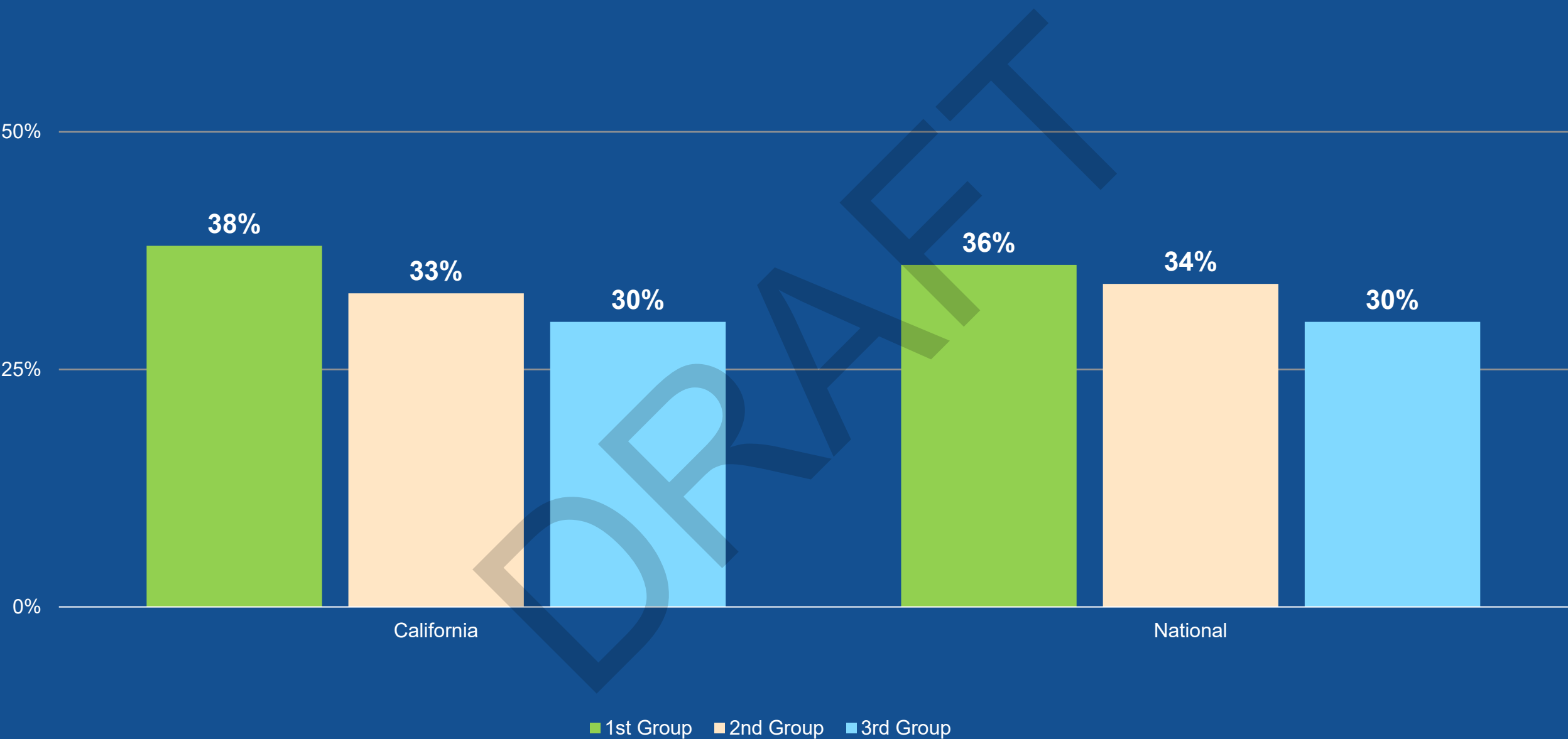
Percent of Indemnity Claims Open at 5th Report Level by Industry



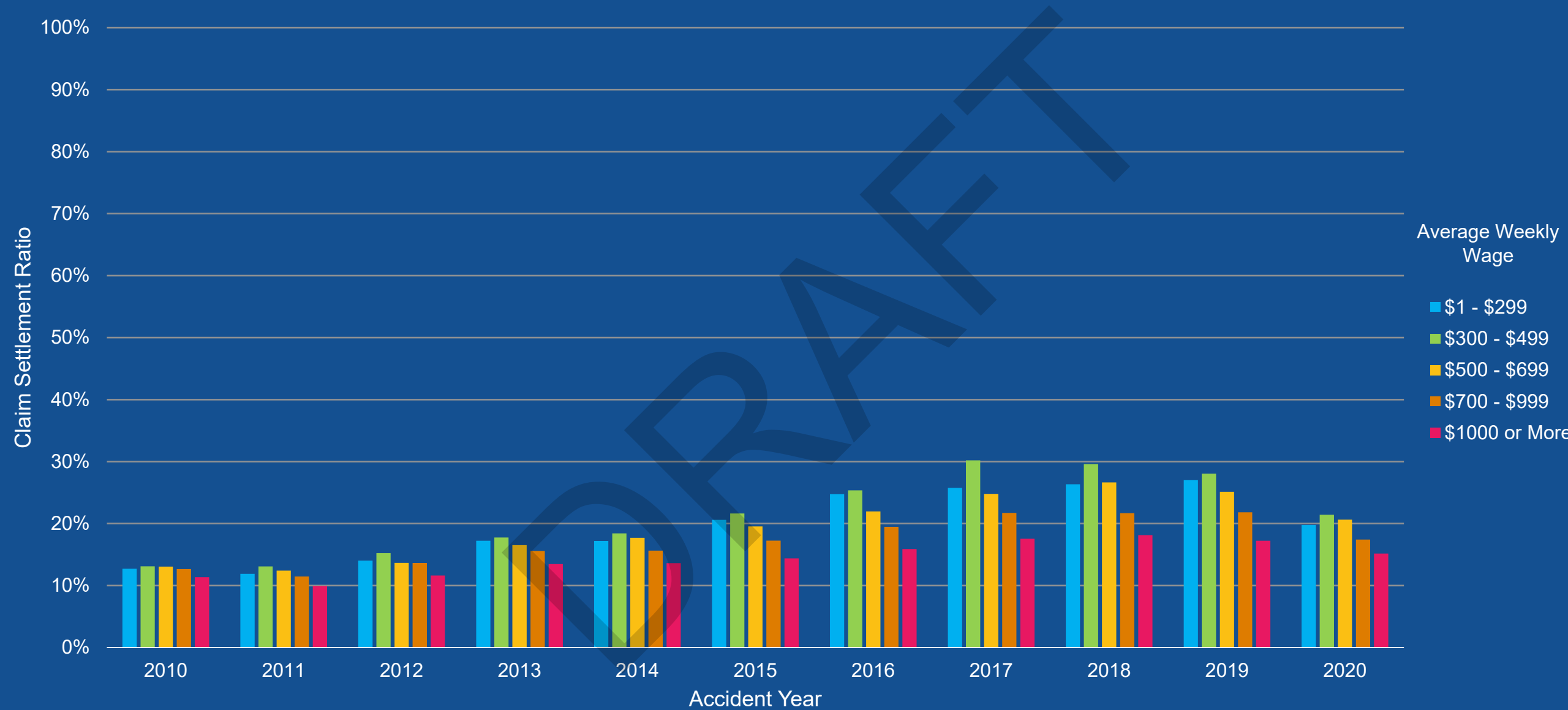
Permanent Partial Claim Closing Rates by Industry



California vs. National Industry Employment Distribution



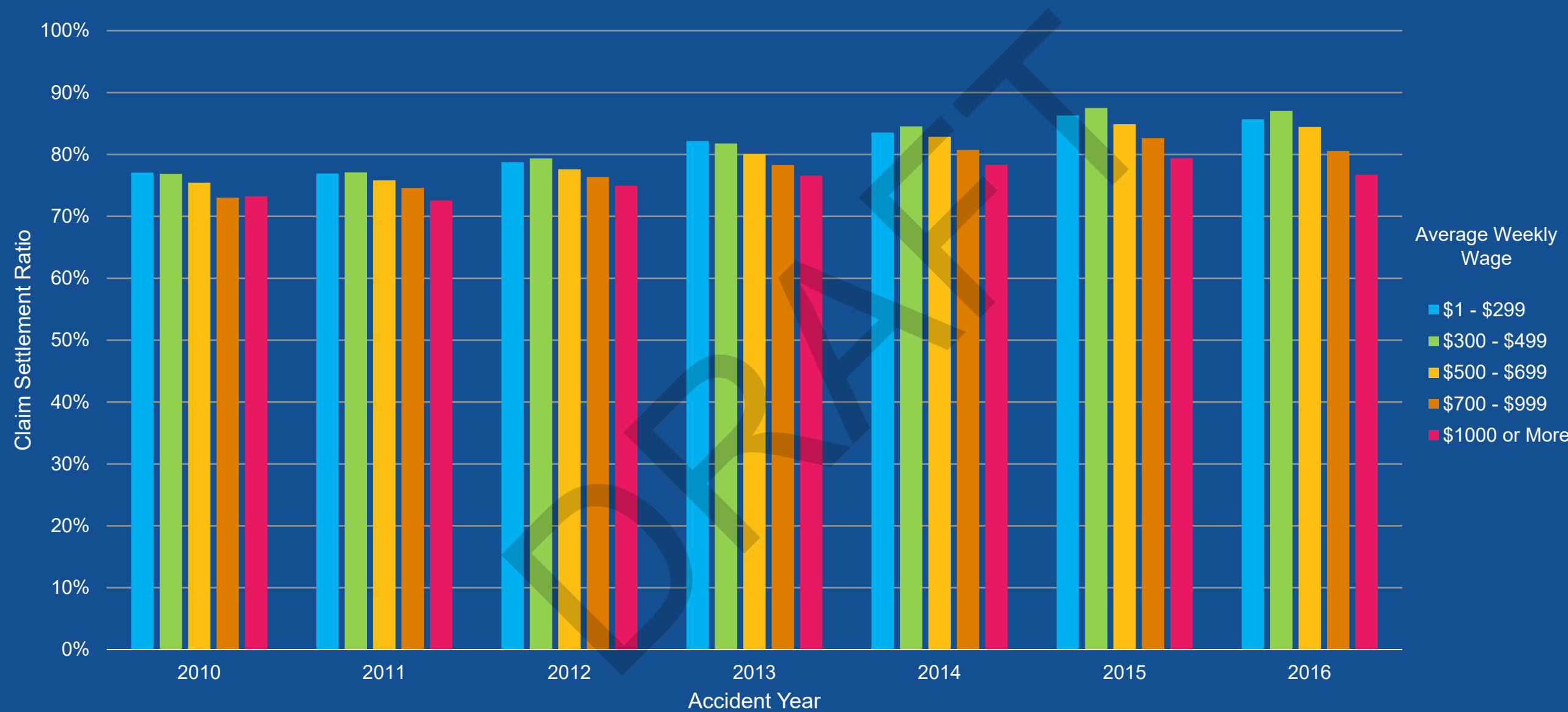
Permanent Partial Claim Closing Rates by Wage Level – 1st Report Level



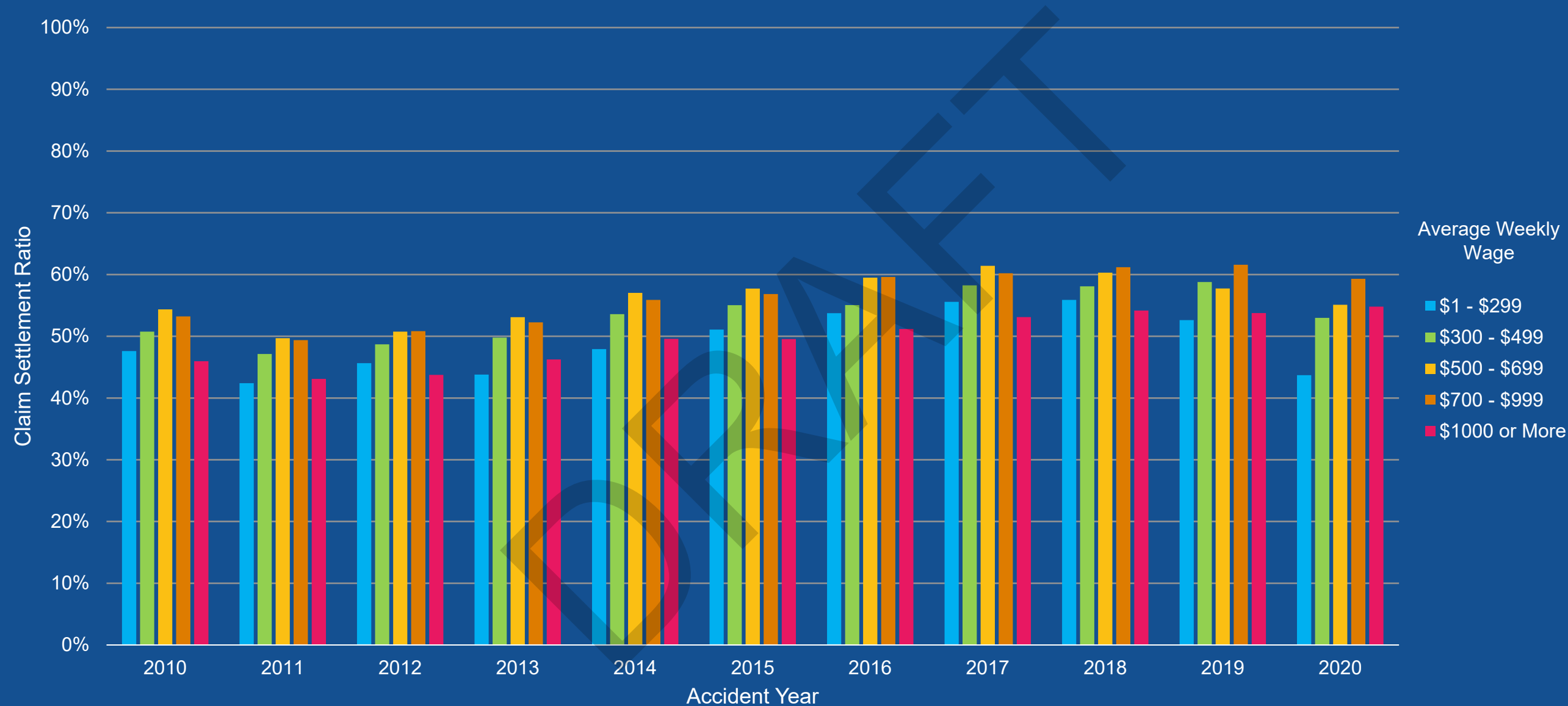
Permanent Partial Claim Closing Rates by Wage Level – 3rd Report Level



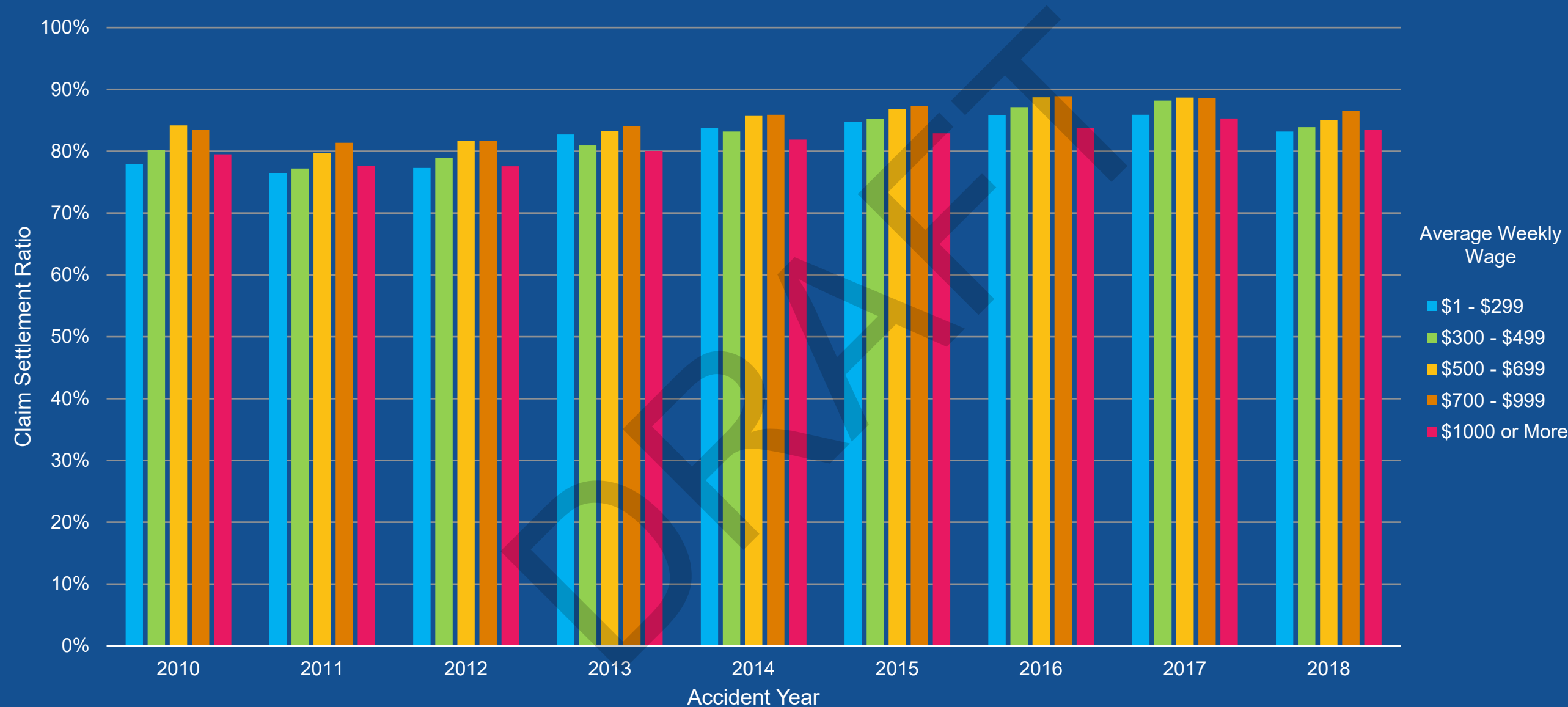
Permanent Partial Claim Closing Rates by Wage Level – 5th Report Level



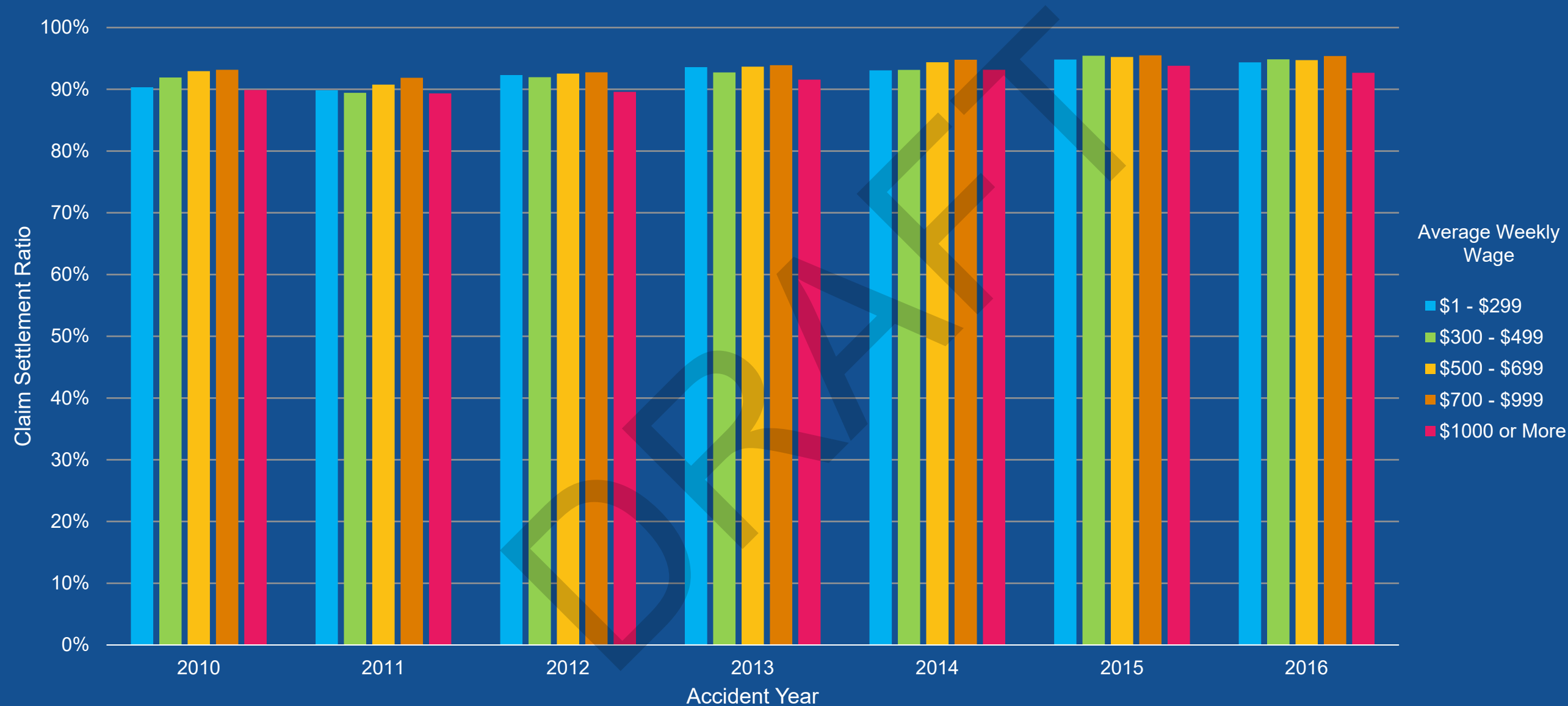
Temporary-Only Claim Closing Rates by Wage Level – 1st Report Level



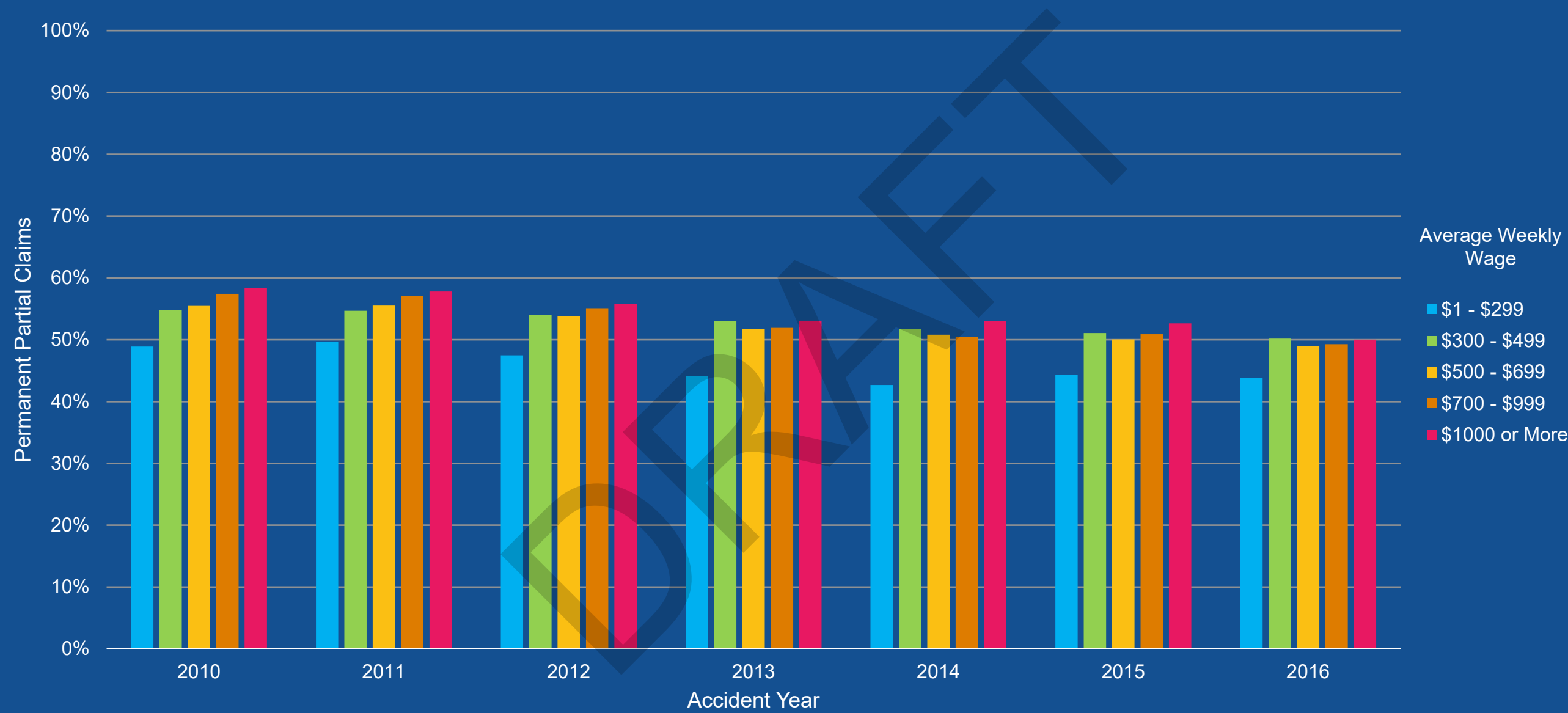
Temporary-Only Claim Closing Rates by Wage Level – 3rd Report Level



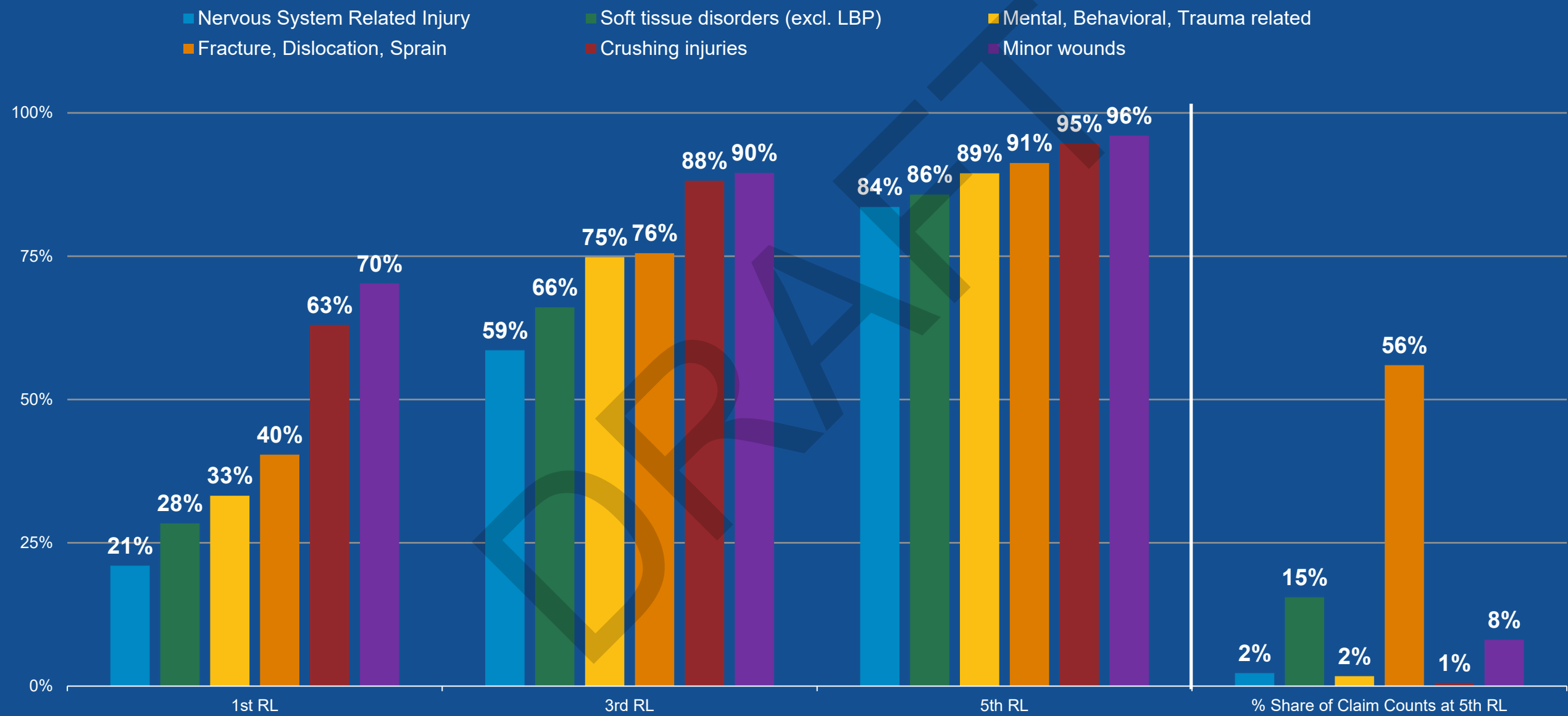
Temporary-Only Claim Closing Rates by Wage Level – 5th Report Level



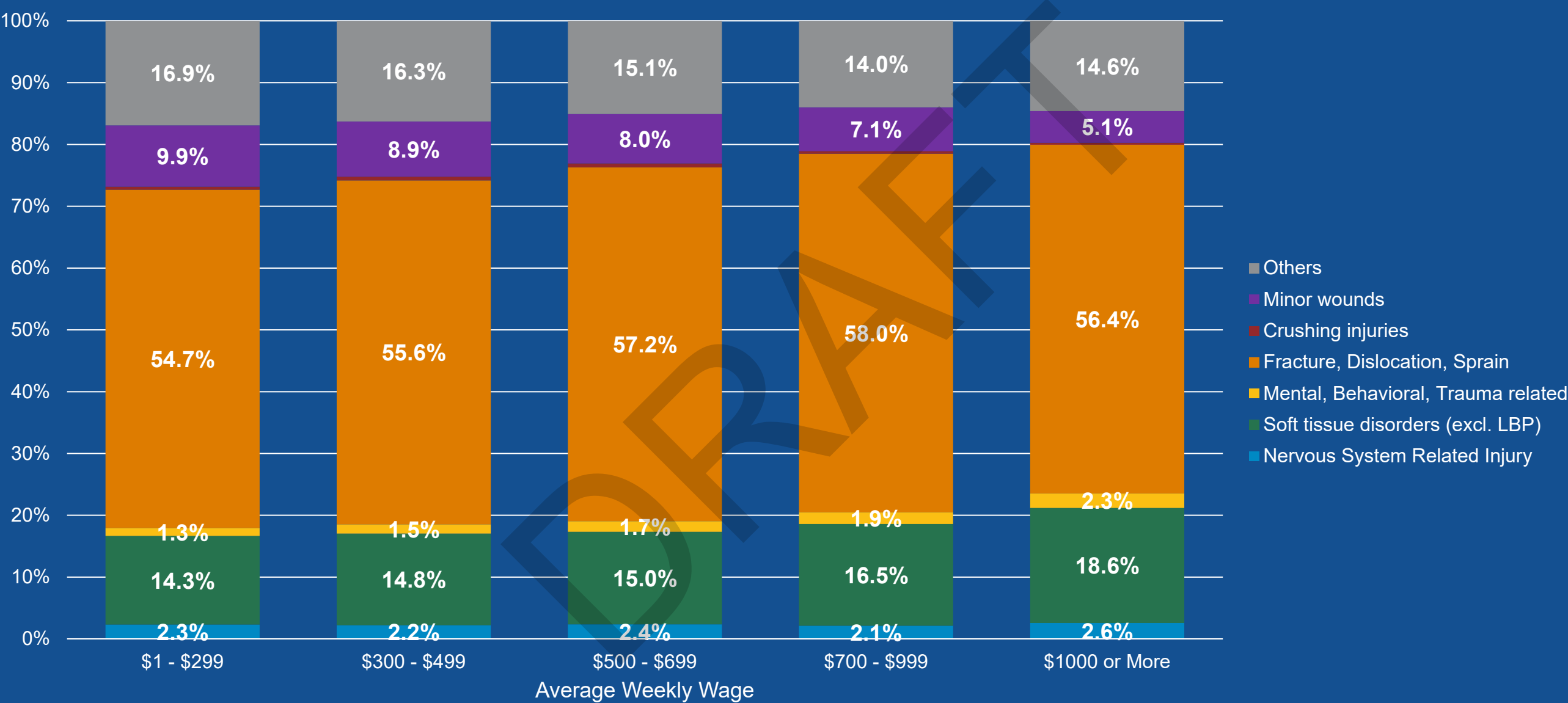
Share of Permanent Partial Claims by Wage Level – 5th Report Level



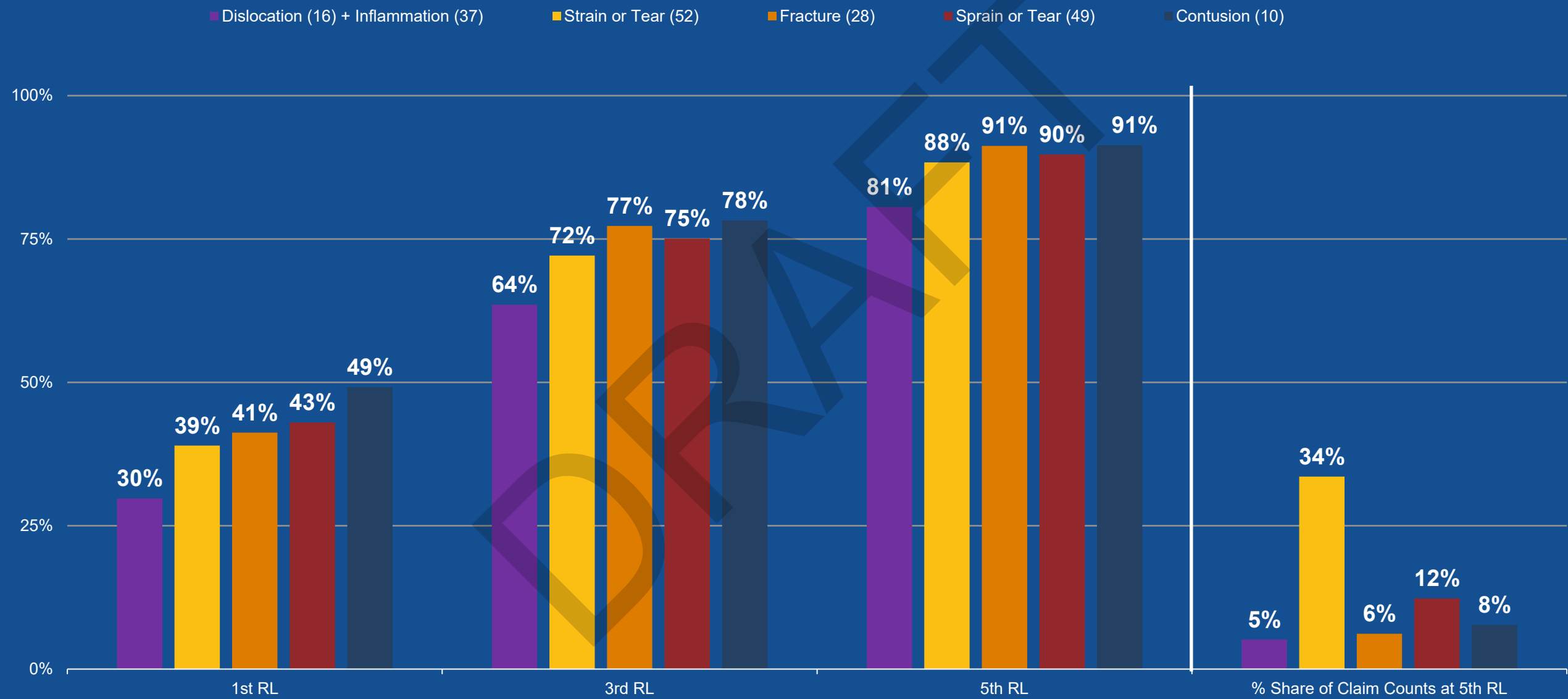
Claim Closing Rates by Diagnostic Groups (Excluding Death & MO)



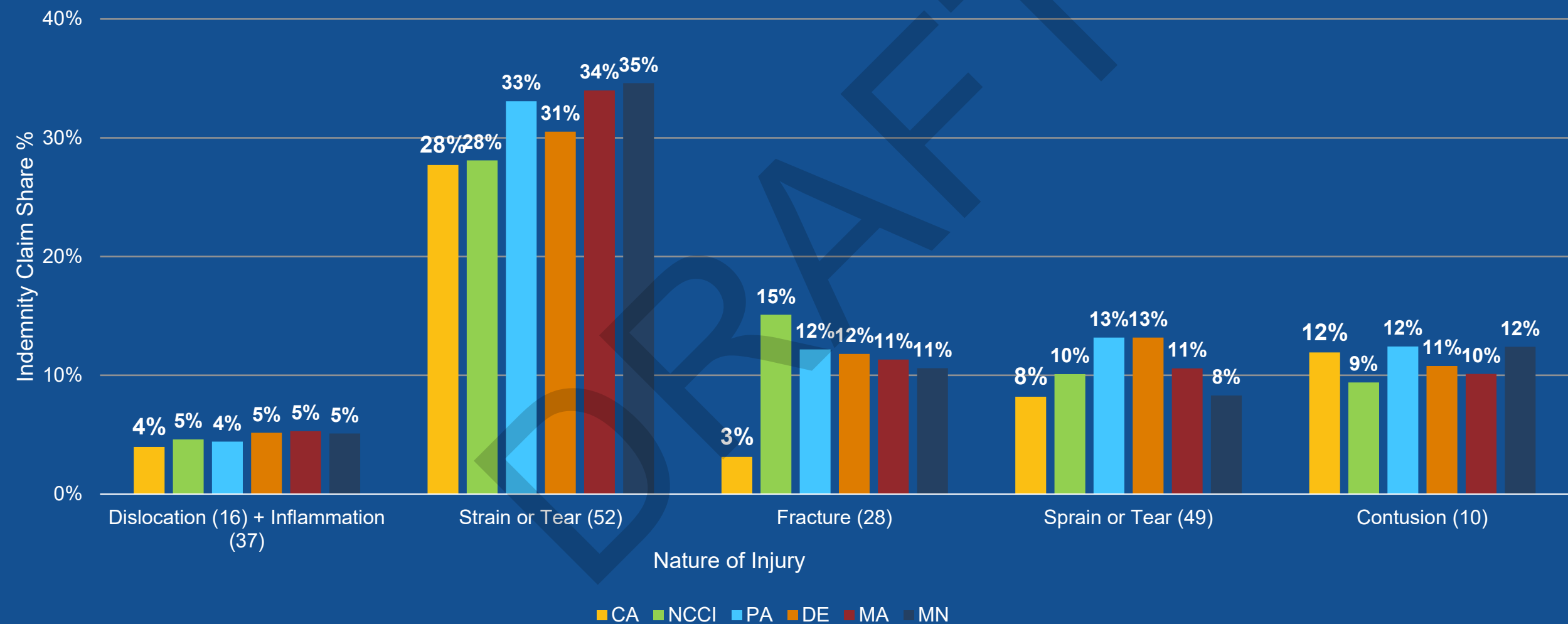
Share of Claims by Diagnostic Group – 5th Report Level



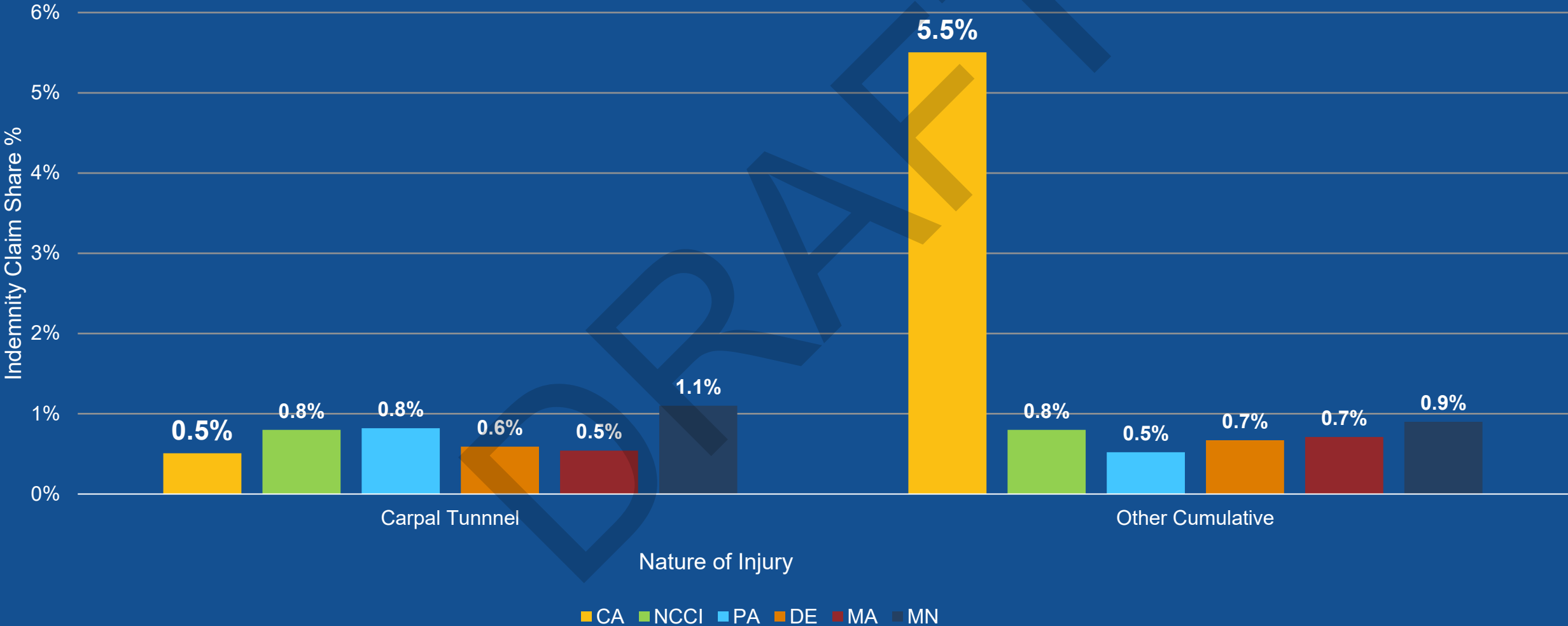
Claim Closing Rates by Nature of Injury (Excluding Death & MO)



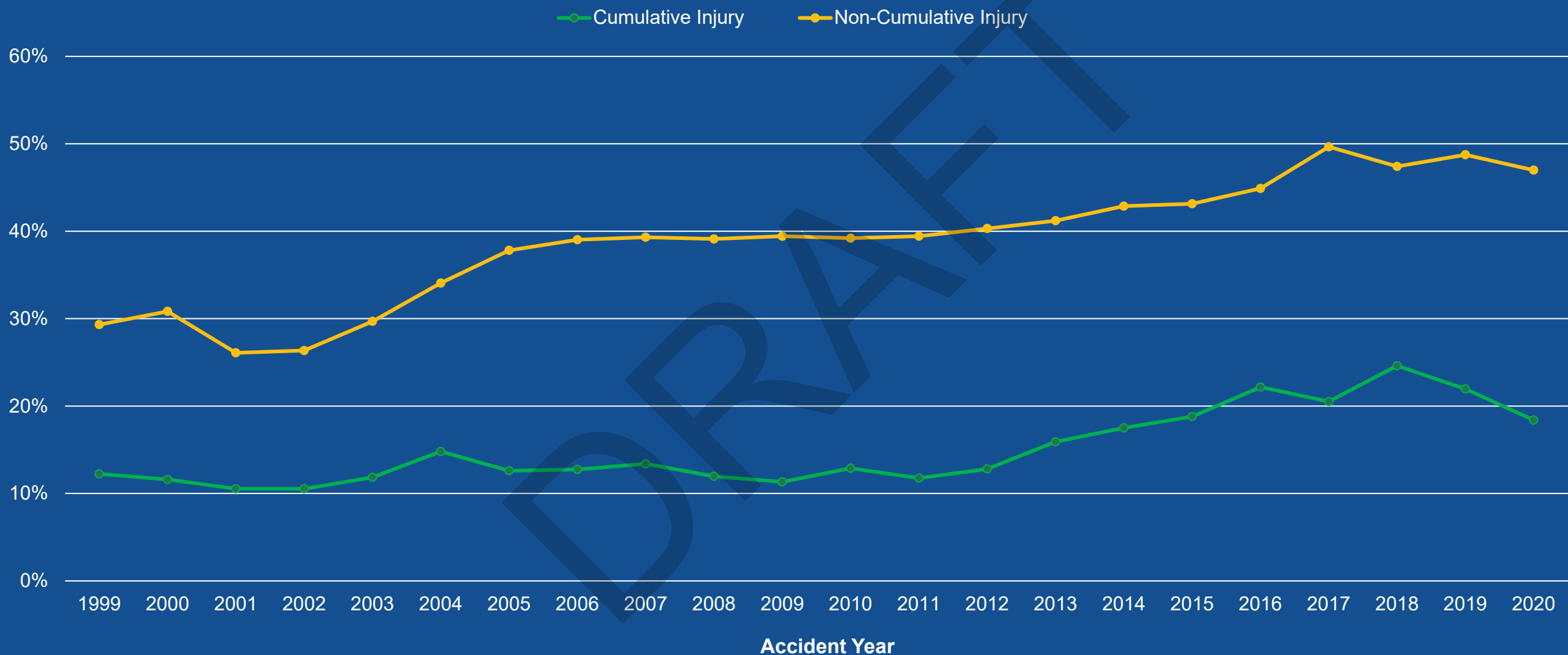
Indemnity Claim Shares by Nature of Injury – Report Level 2



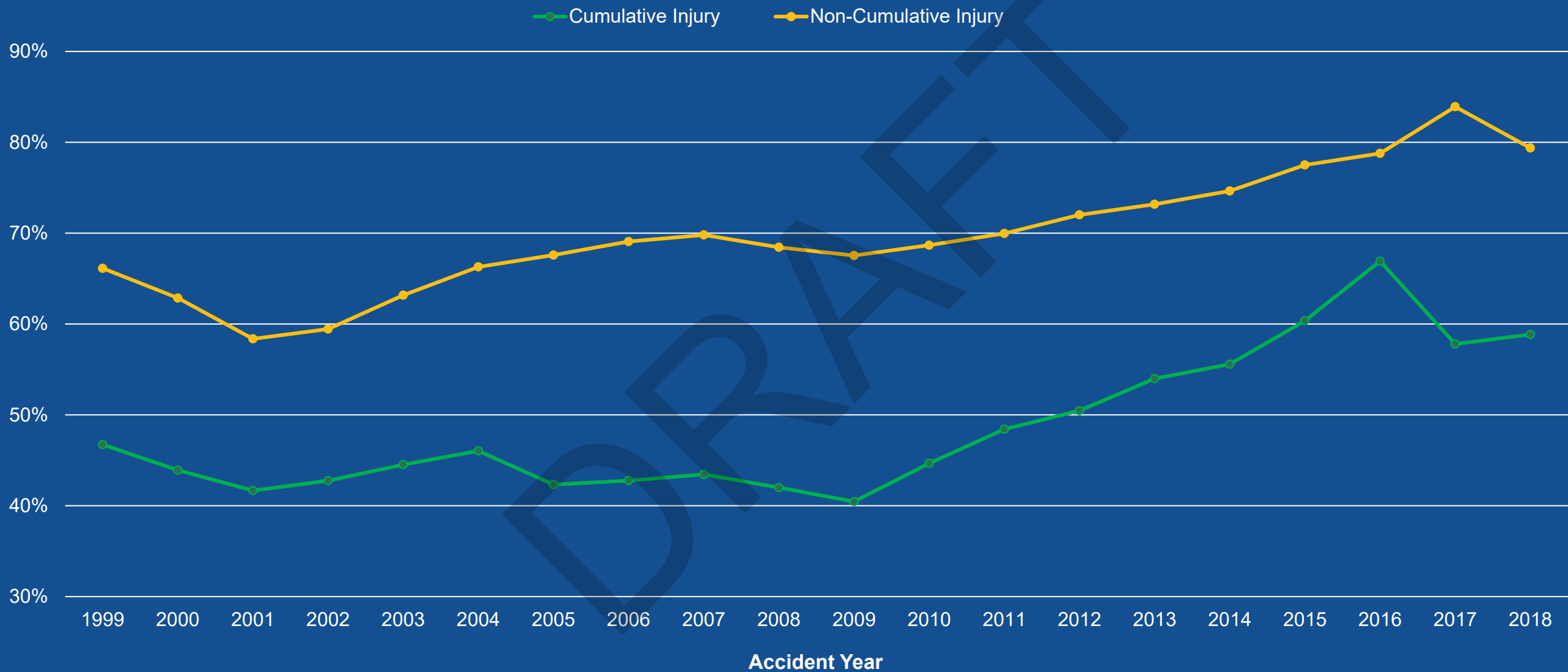
Indemnity Claim Shares by Nature of Injury – Report Level 2



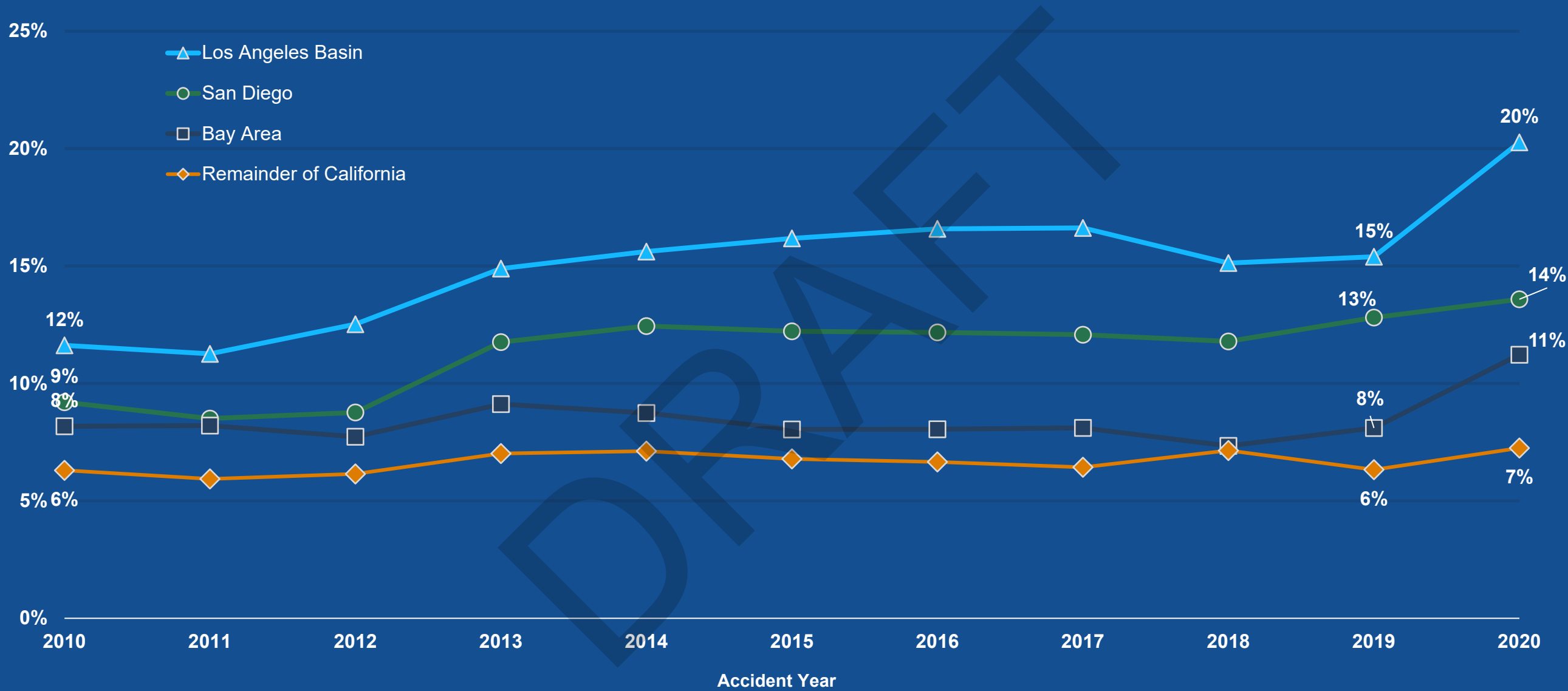
Indemnity Claim Settlement Ratios – Report Level 1



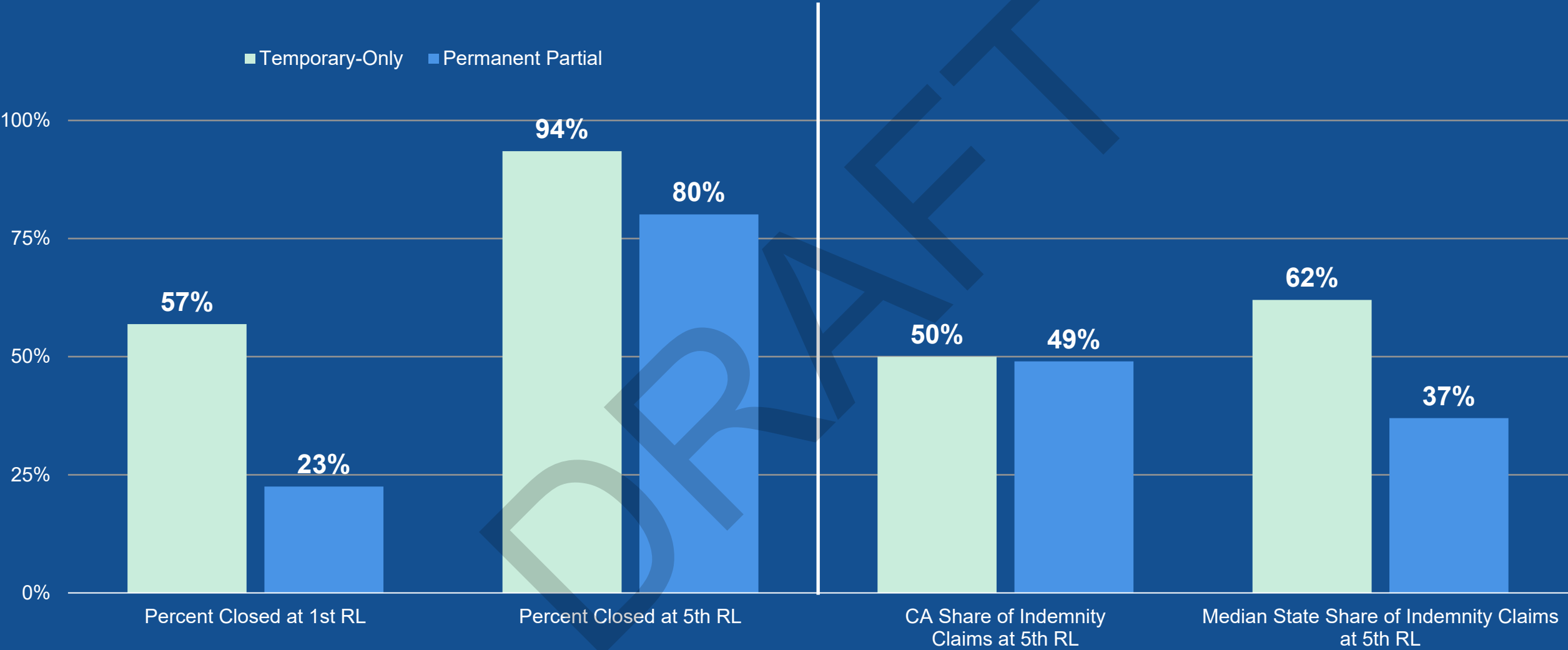
Indemnity Claim Settlement Ratios – Report Level 3



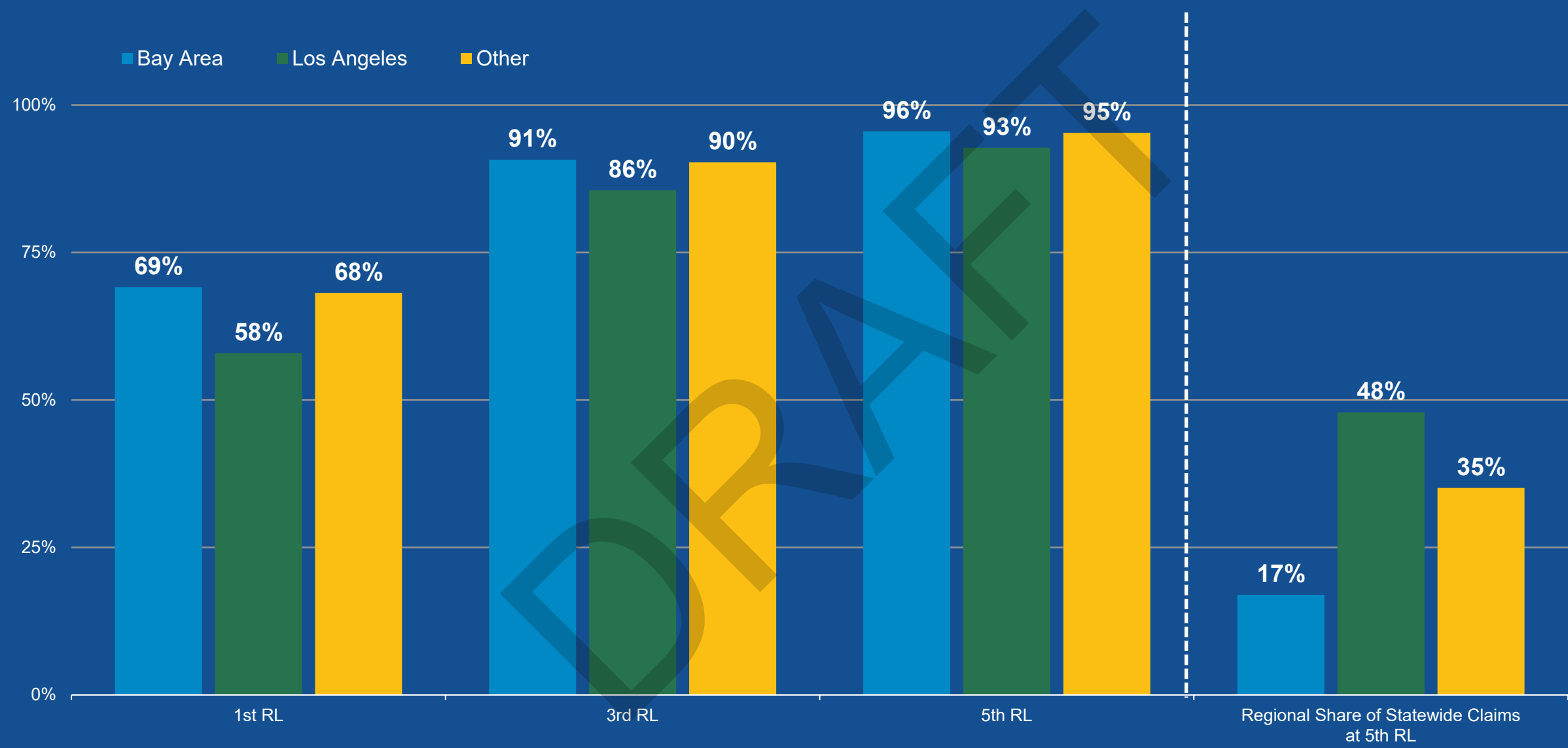
Percent of Cumulative Trauma Claims by Region



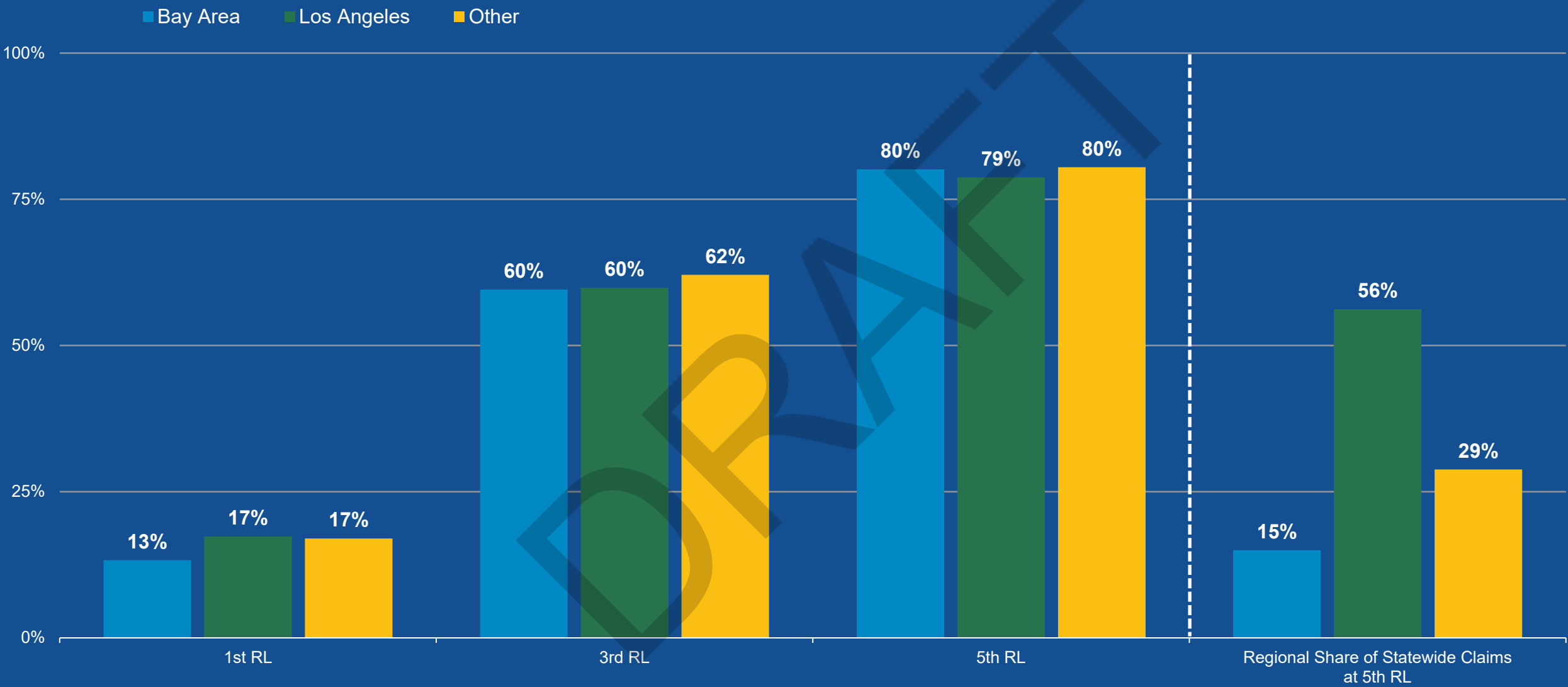
Claim Closing Rates by Injury Type



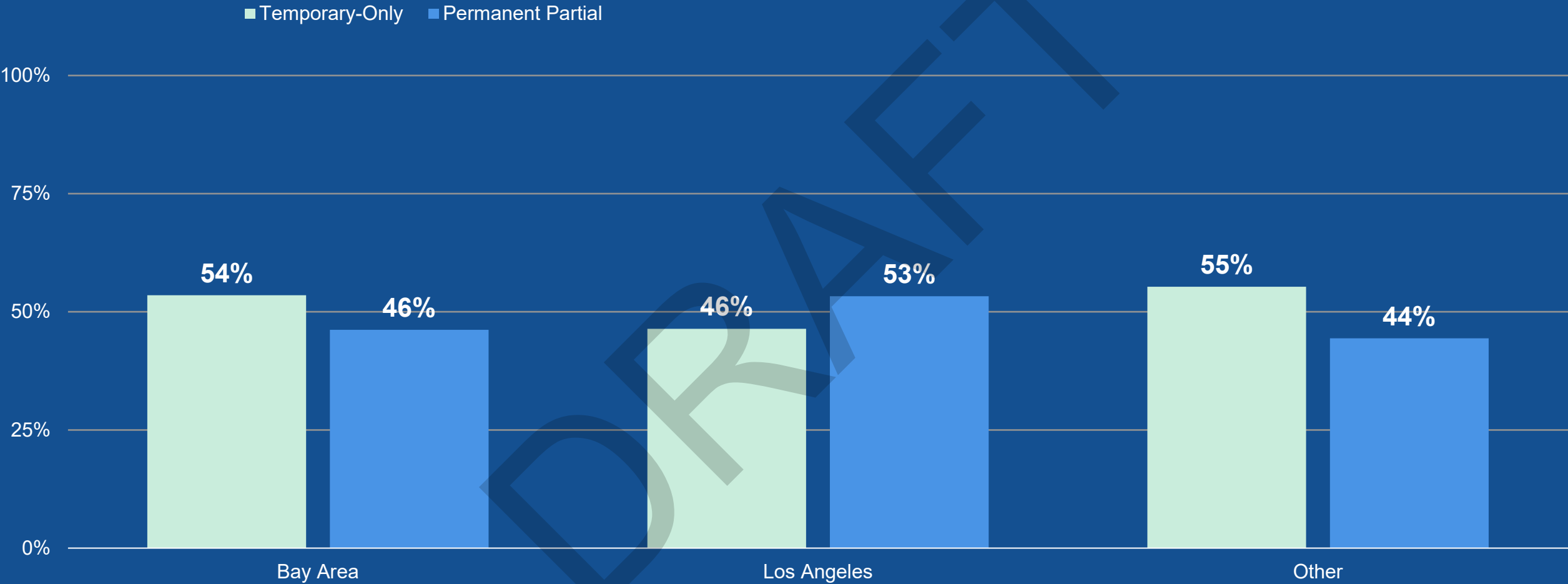
Temporary-Only Claim Closing Rates by Region



Permanent Partial Claim Closing Rates by Region

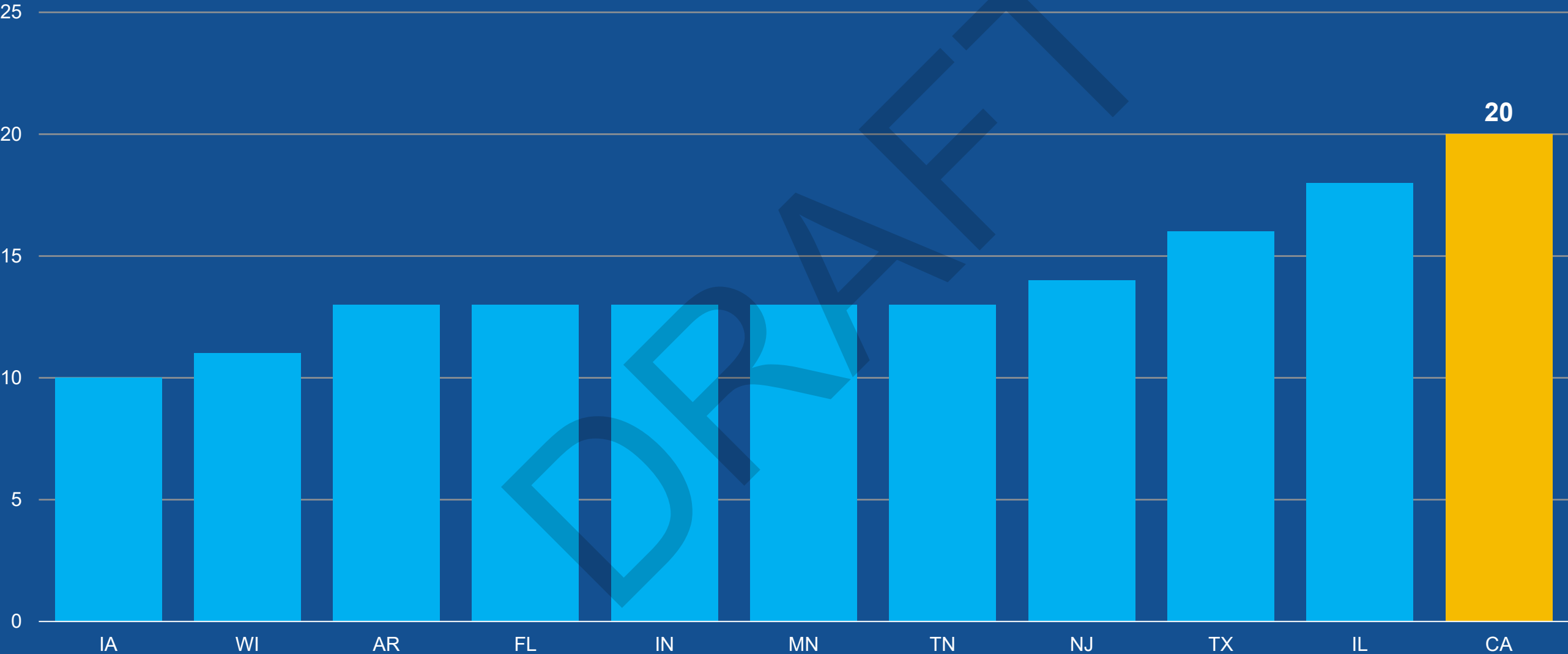


Injury Type Share of Indemnity Claims by Region



Duration of Temporary Disability at 36 Months

Average Weeks of Temporary Disability

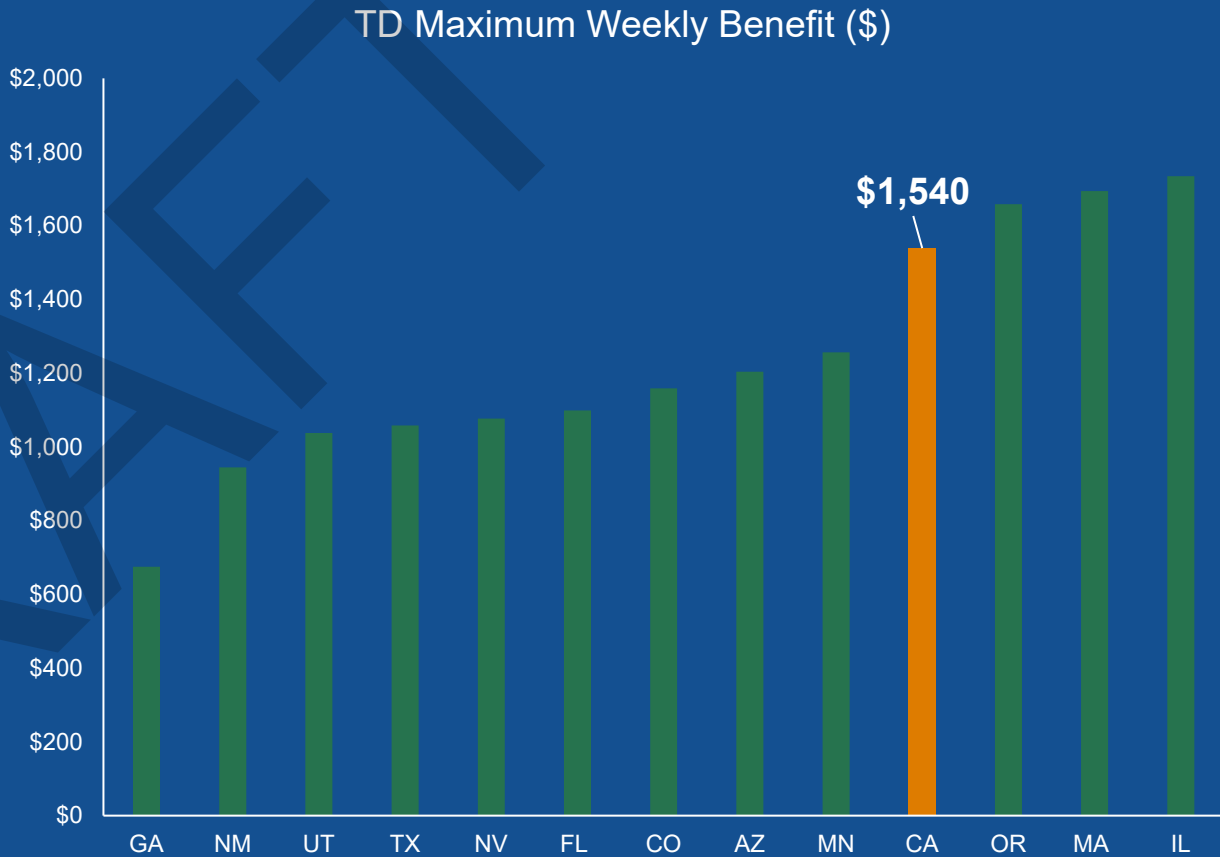
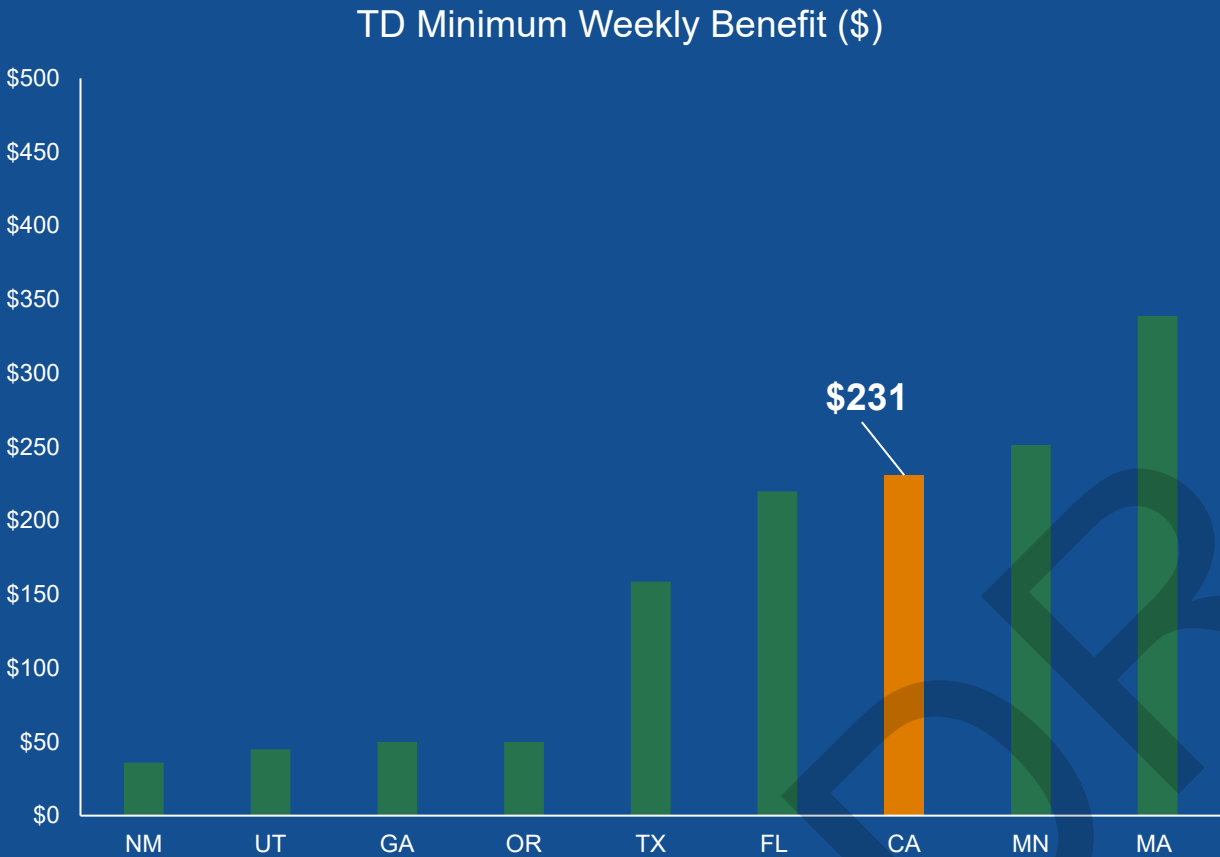


Duration Caps for Temporary Disability

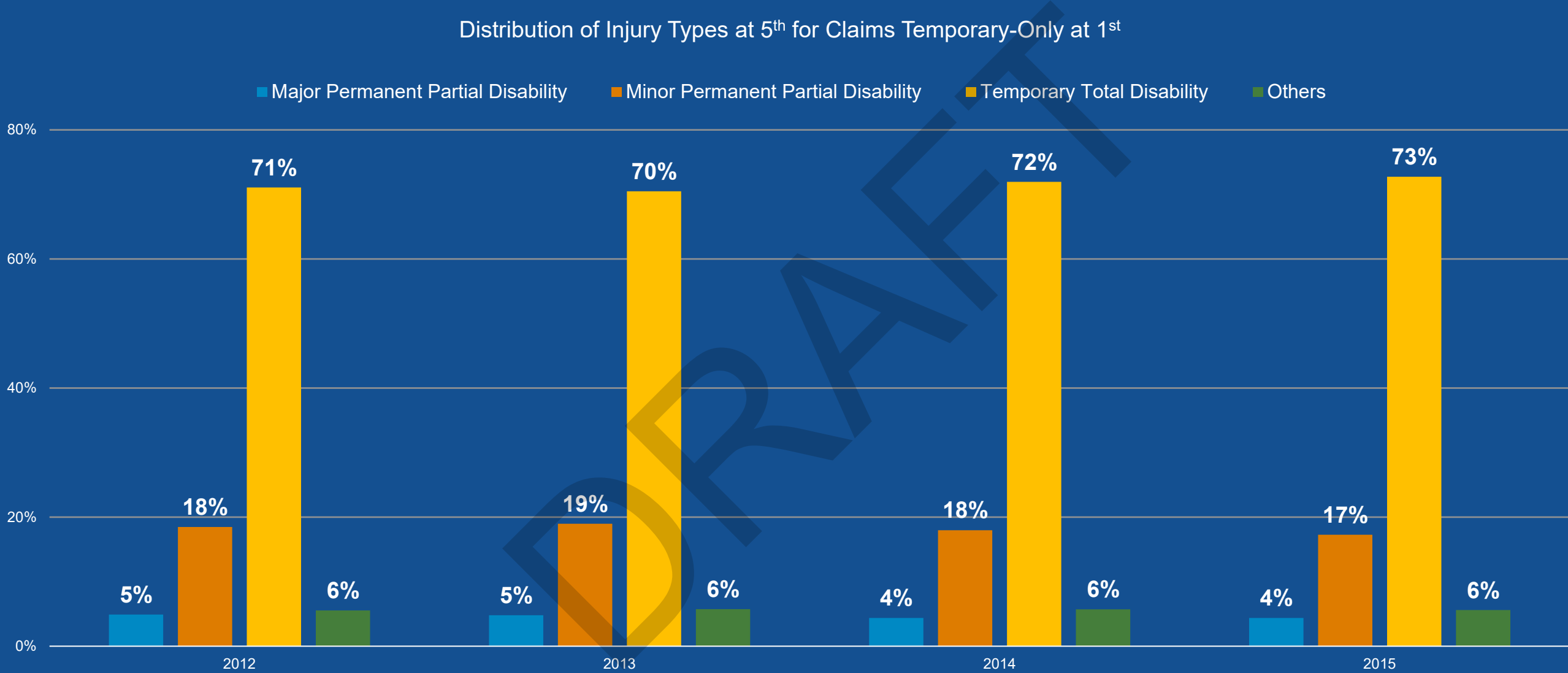
TD Duration Cap for CA
104 weeks

TD Duration Caps for States Excl. CA	Number of States
<= 104 weeks	2
> 104 weeks but capped	12
Uncapped	20
NA/Special Case	13

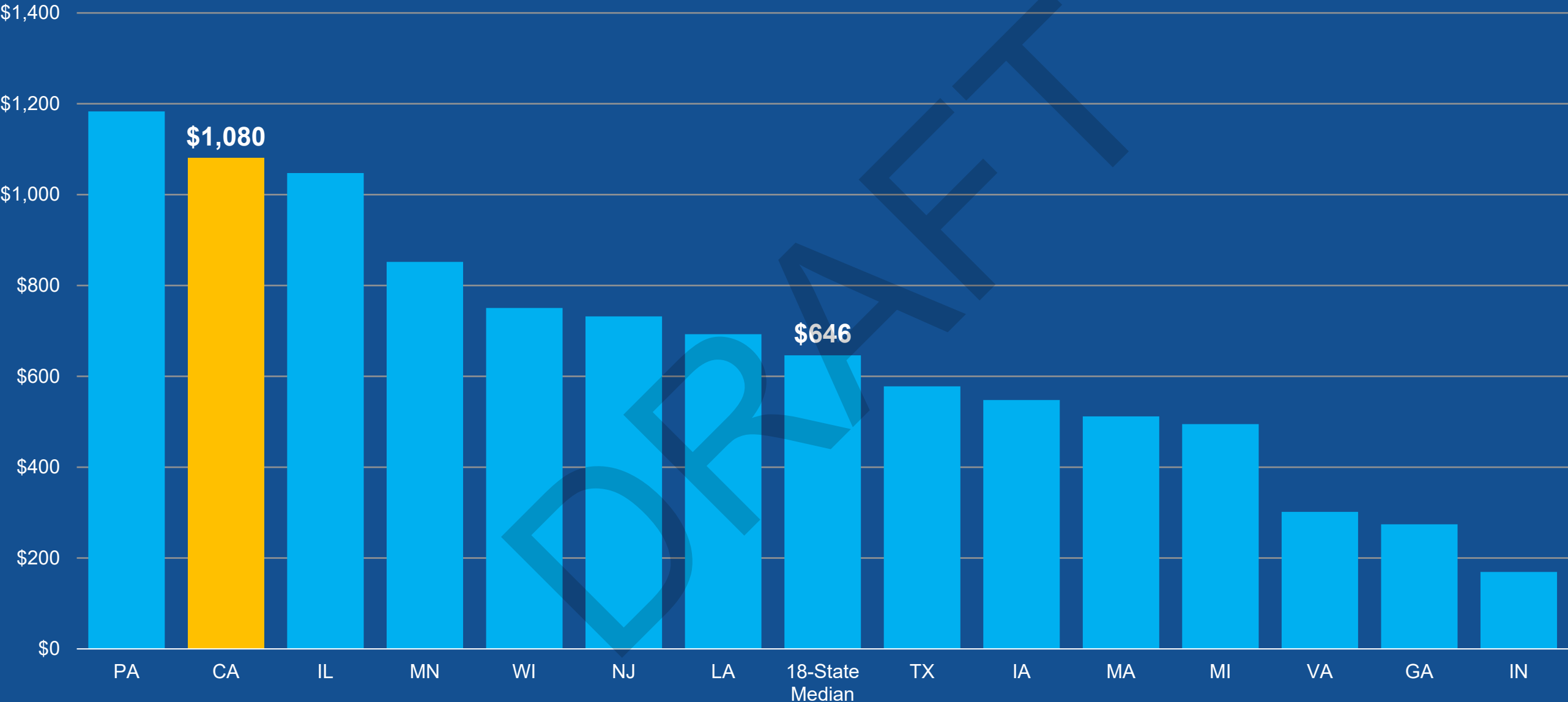
Temporary Disability Benefit Caps



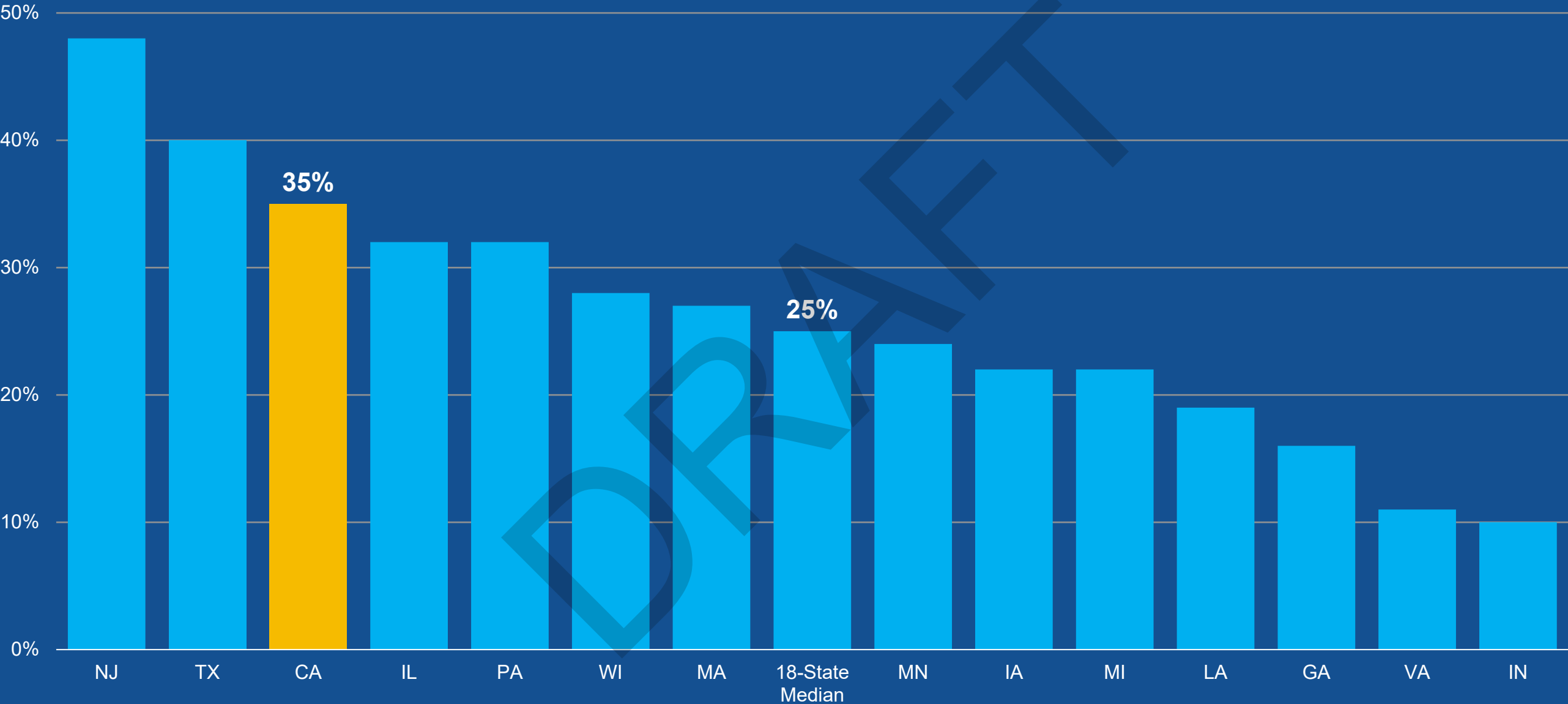
Injury Type Change for Temporary-Only Claims at 1st Report Level



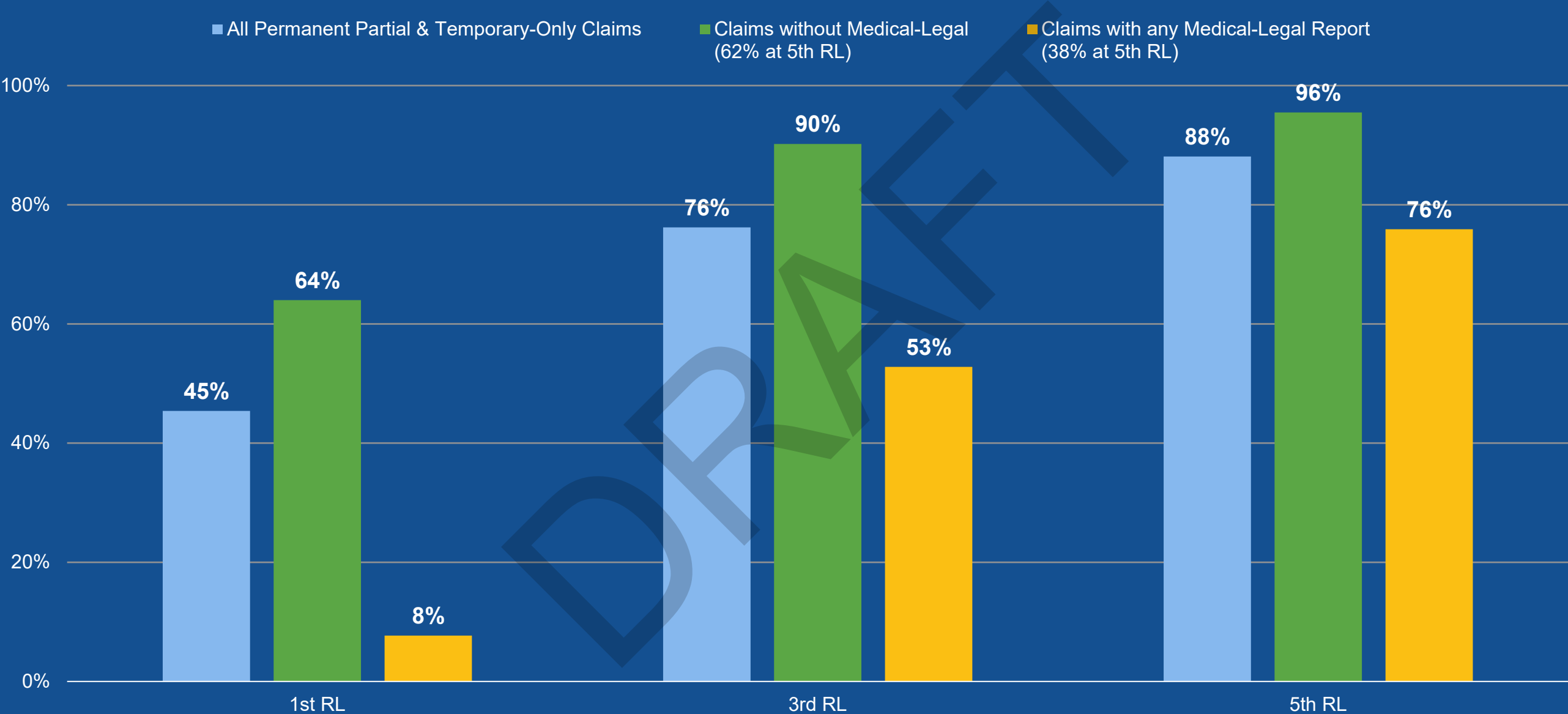
Average Medical-Legal Expense per Indemnity Claim at 36 Months



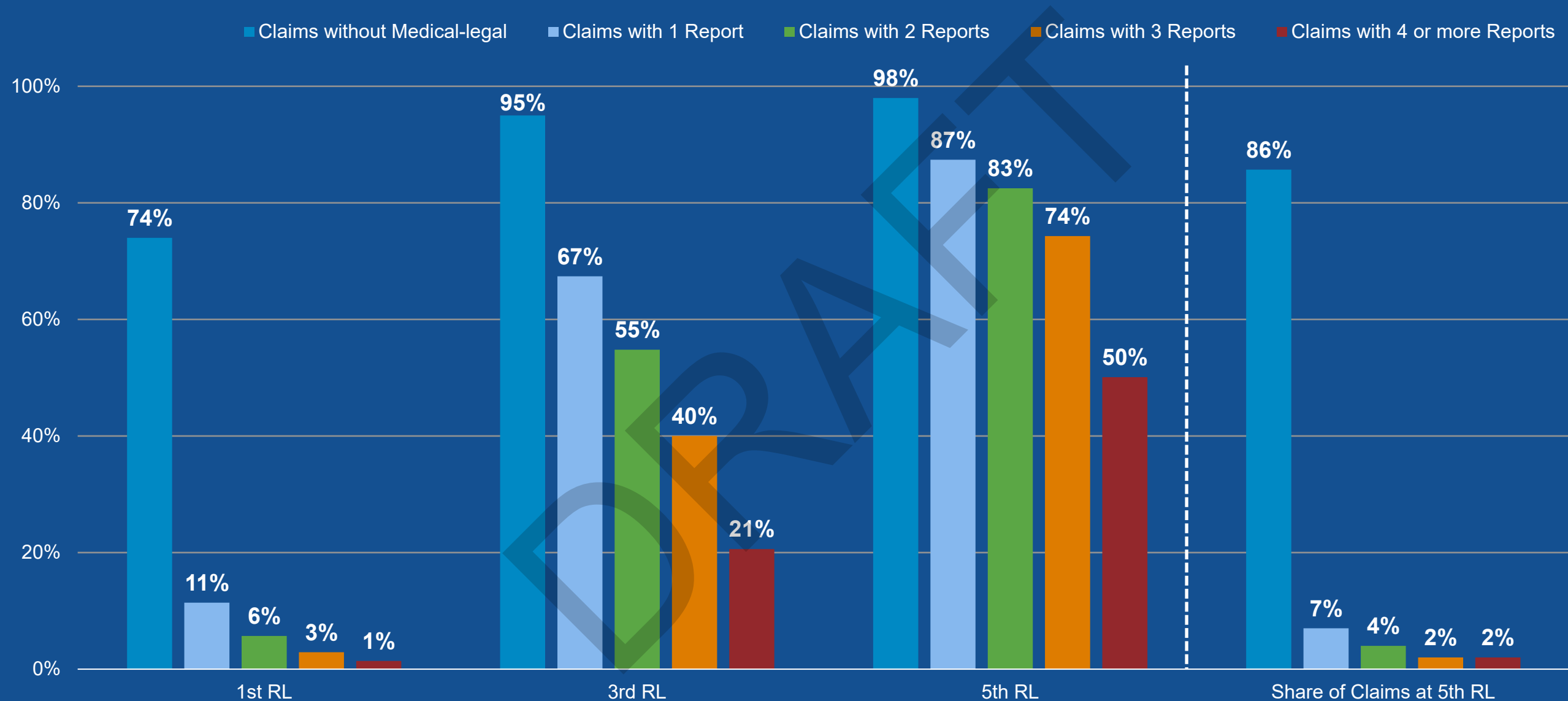
Percent of Claims with Medical-Legal Expense at 36 Months



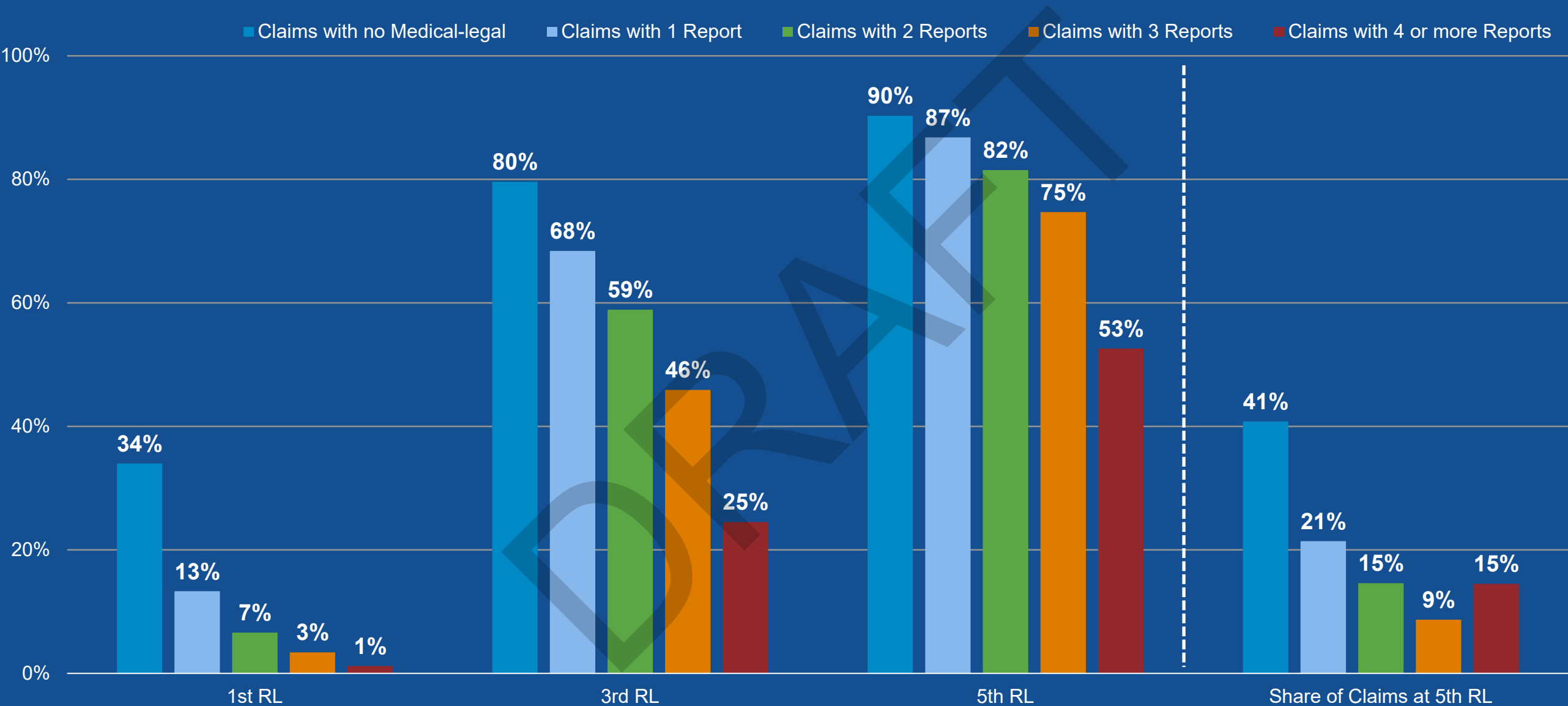
Claim Closing Rates by Medical-Legal Status



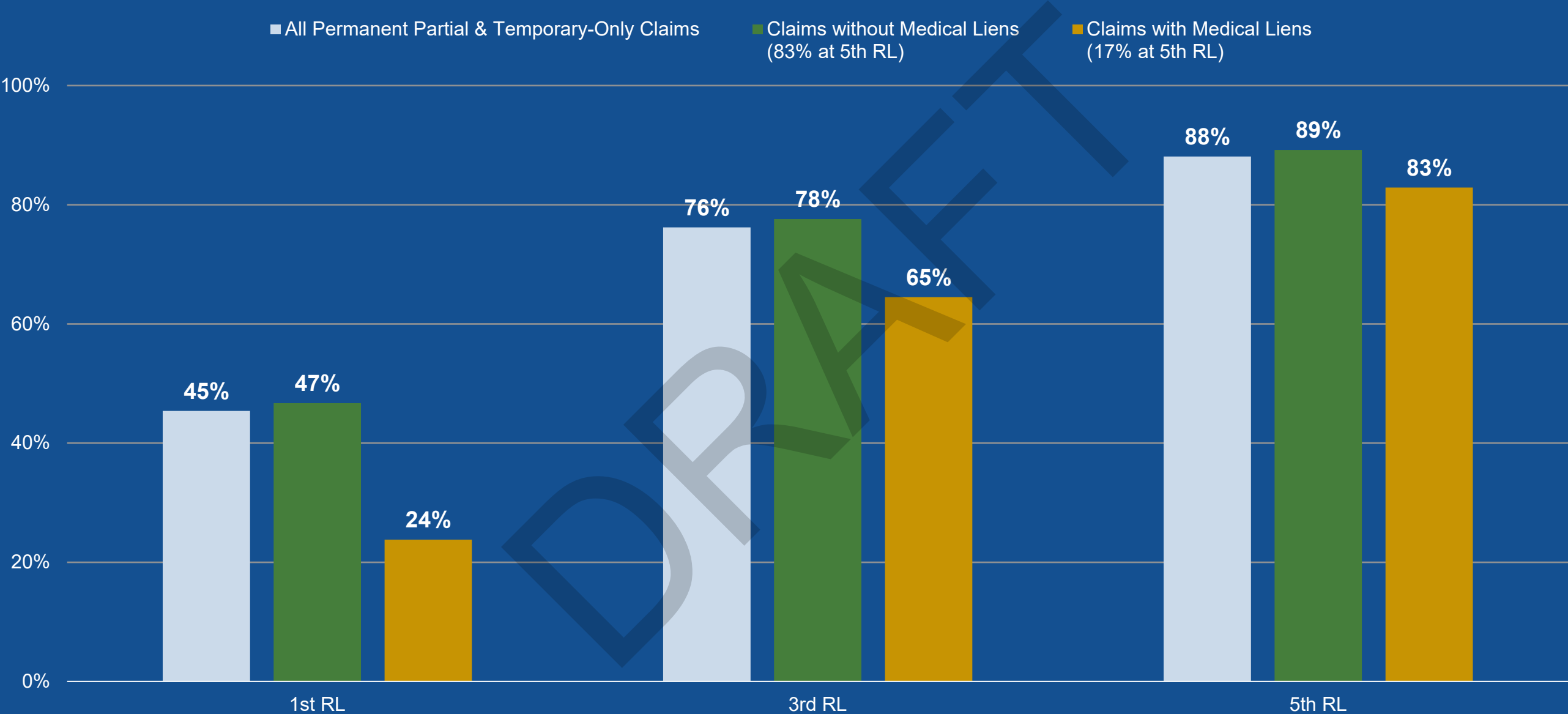
Temporary-Only Claim Closing Rates by Medical-Legal Status



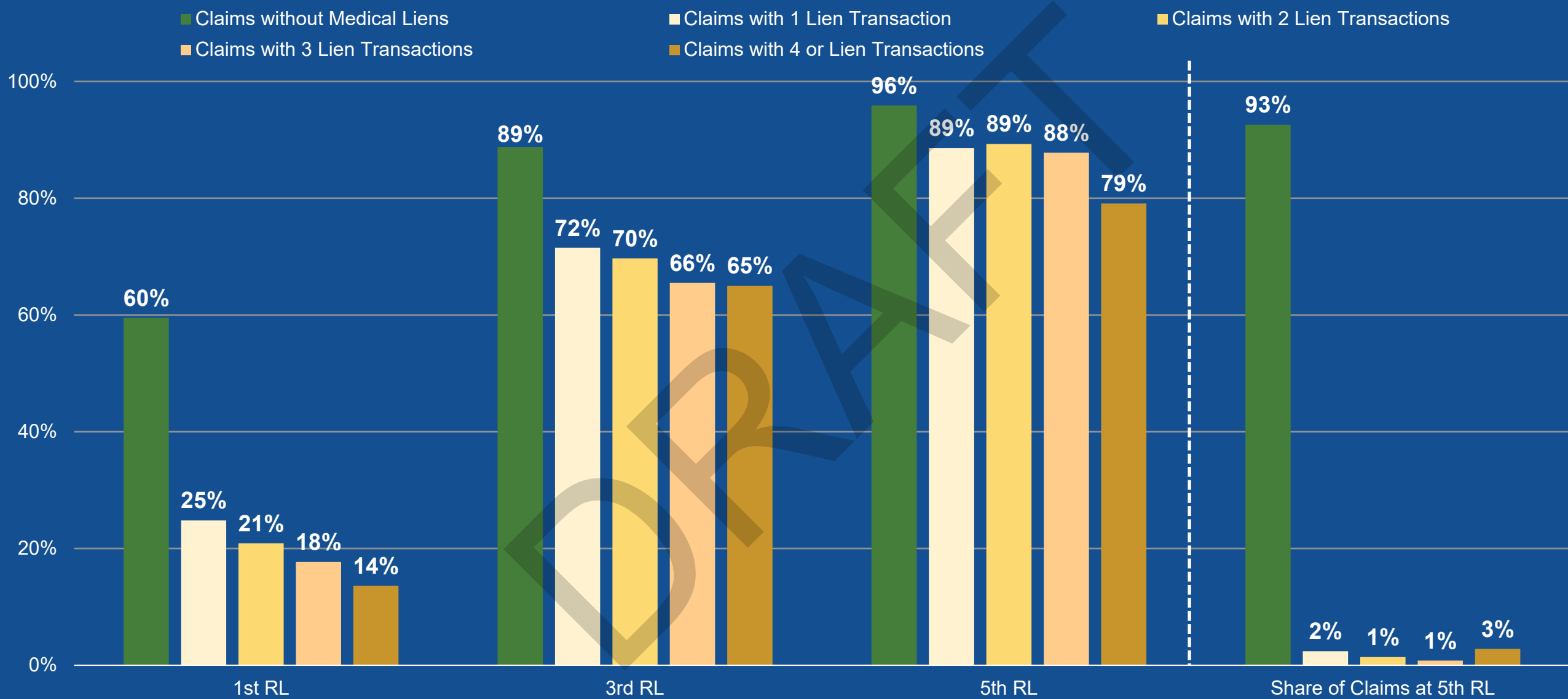
Permanent Partial Claim Closing Rates by Medical-Legal Status



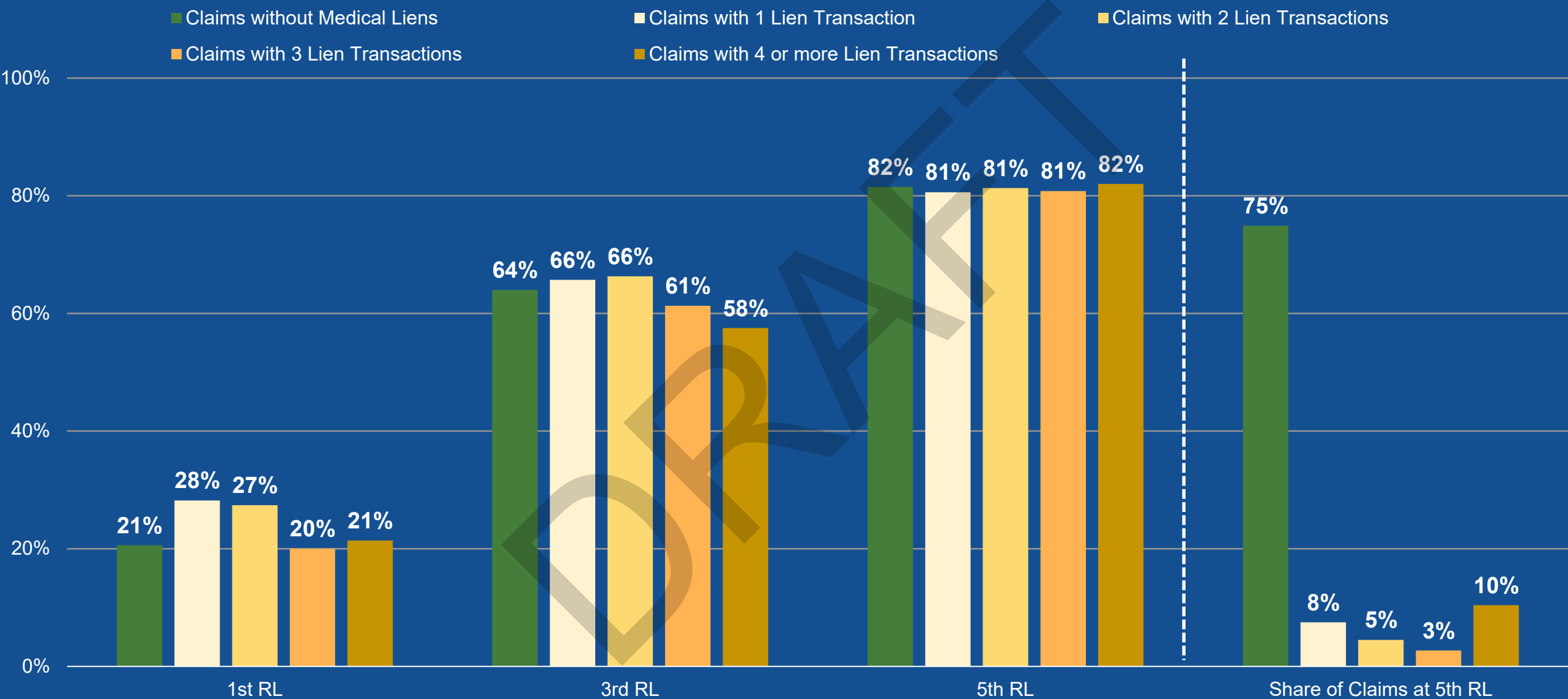
Claim Closing Rates by Medical Lien Status



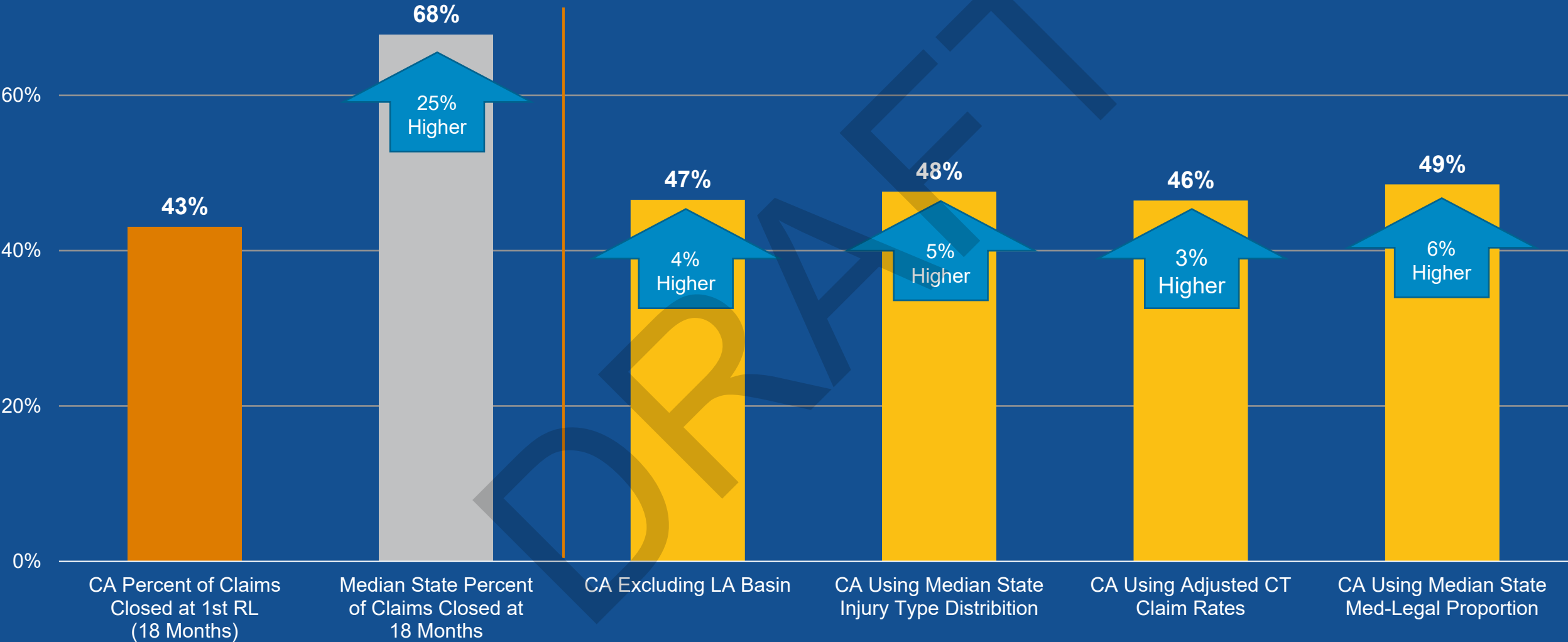
Temporary-Only Claim Closing Rates by Medical Lien Status



Permanent Partial Claim Closing Rates by Medical Lien Status



Impact of the “Duration Drivers”



California Claim Duration Study Initial Findings

- Top Four “Duration Drivers” in California
 - Regional differences – LA Basin vs. remainder of CA
 - More permanent partial claims in CA
 - More CT claims in CA
 - Prevalence of medical-legal in CA
- Duration also differs by worker wage level
- “Duration Drivers” have been fairly consistent over time
 - Post-SB 863 claim settlement increases have been fairly consistent across categories
- Claim settlement beginning to pick up after pandemic slowdown but CA still an outlier compared to other states

07

WCIRB Permanent Disability Claim Survey



WCIRB PD Claim Survey

- Current PD Claim Survey
 - Survey conducted annually since late 1990s
 - Collected information generally not available in unit statistical reports
 - Survey data elements have changed over time due to different needs
 - Approximately 3,000 PD claims surveyed per year based on stratified sample
 - Surveys are manually completed and emailed by insurer claims staff
- WCIRB Transaction Data
 - Medical transactions collected since 2012, indemnity transactions since 2020
 - Transaction data generally reported on all claims (from required insurers)
 - Many PD Survey data elements overlap with transaction data

PD Survey Data Elements

Question #	Data Element	Available in Other WCIRB Data?	If "N", Update Frequency Needed
1a	Claim denial (Y/N)	Y	
1b	Associated (companion) claim number	N	Periodically
1c	Date claim closed	Y	
2a	Post-termination claim (Y/N)	N	Periodically
2b	Includes psych component (Y/N)	Y	
3	Permanent disability rating	Y	
4	Injured worker zip code	Y	
5	Total incurred cost	Y	
6a	Worker legal cost detail	N	Periodically
6b	Allocated loss adjustment expense detail	N	Periodically
6c	Medical cost containment program cost detail	N	Periodically
7	Number of depositions	N	Rarely
8a	Use of interpreter (Y/N)	Y	
8b	Interpreter costs	Y	
9a	Use of supplemental job displacement benefits (Y/N)	Y	
9b	SJDB costs	Y	
9c	Other vocational rehabilitation costs	Y	
10	Temporary disability benefits	Y	
11a	Use of Medicare Set-Aside (Y/N)	N	Periodically
11b	Medicare Set-Aside costs	N	Periodically
12	Injured worker date of birth	Y	
13a	Claim represented (Y/N)	Y	
13b	WCAB office code	N	Periodically
13c	EAMS adjudication case number	Y	
14	Appearances at the WCAB	N	Rarely

Staff Recommendations

- Eliminate the annual PD Survey
 - Generally labor intensive to complete
 - Transaction data more contemporaneous and overlaps with PD Survey data
 - Other data needed infrequently for special studies
- When specific needs arise, issue supplemental claim surveys for data not collected elsewhere by WCIRB

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