

June 28, 2019

2018 California Workers' Compensation Losses and Expenses

Pursuant to Section 11759.1 of the California Insurance Code, the Workers' Compensation Insurance Rating Bureau of California (WCIRB) has prepared this report containing estimated California workers' compensation costs for 2018 based on insured employer experience. The report also reflects payments made by the California Insurance Guarantee Association (CIGA) in the statewide loss payments for calendar years 2006 through 2018.¹

Hospital, Physician and Medical-Legal Costs

In 2018, \$4.6 billion, or 55% of total loss payments, were for medical services. This figure includes an estimated proportion of loss payments made by CIGA for medical benefits during calendar year 2018. (In 2017, \$4.7 billion, or 56% of total loss payments, were for analogous medical services.)

Exhibits 1.1 through 1.6 contain summaries of amounts paid for medical services in 2018. These exhibits are based on the WCIRB's Aggregate Indemnity and Medical Costs Call, Call for California Workers' Compensation Calendar Year Experience, and medical transaction data. Exhibits 1.1 through 1.4 show medical payments by category of payment. Note that the amounts shown on Exhibits 1.1 through 1.4 for the cost of medical cost containment programs only reflect the amount of such costs included in medical loss and does not include the amount of medical cost containment program costs reported as allocated loss adjustment expense.²

Table 1 summarizes the estimated total medical losses paid by category in calendar years 2017 and 2018:

¹ For calendar years 2006 through 2009, the total workers' compensation benefit payments made by CIGA have been apportioned to benefit categories by assuming that CIGA calendar year benefit payments were distributed in a manner identical to the average insurer distribution for that year. Since calendar year 2010, the workers' compensation benefit payment information from CIGA has been provided separately for its indemnity and medical components.

² California reporting requirements specify that the cost of medical cost containment programs paid on policies incepting on or after July 1, 2010 be reported as allocated loss adjustment expense, while the costs paid on policies incepting before July 1, 2010 be reported as medical loss.

Table 1: Summary of Medical Losses Paid by Medical Category

Category	CY 2017	CY 2018
Payments Made Directly to Injured Workers	\$1.34 billion	\$1.47 billion
Physician Services	\$1.27 billion	\$1.24 billion
Hospital (Inpatient and Outpatient)	\$0.65 billion	\$0.63 billion
Medical-Legal Evaluations	\$0.32 billion	\$0.29 billion
Medical Supplies and Equipment	\$0.27 billion	\$0.26 billion
Medicare-related Payments ³	\$0.26 billion	\$0.23 billion
Medical Liens	\$0.20 billion	\$0.17 billion
Medical Cost Containment Programs (medical loss only) ⁴	\$0.16 billion	\$0.14 billion
Pharmaceuticals	\$0.17 billion	\$0.11 billion
Other	\$0.10 billion	\$0.11 billion
Total Medical Losses Paid	\$4.7 billion	\$4.6 billion

Beginning with claims incurred on policies incepting on or after July 1, 2010, the cost of medical cost containment programs is required to be reported to the WCIRB as allocated loss adjustment expense rather than as medical loss. The medical cost containment program costs shown in Table 1 only reflect those costs reported as medical loss. The total cost of medical cost containment programs, including that reported as allocated loss adjustment expense, is shown in Table 2.

Table 2: Total Paid Cost of Medical Cost Containment Programs (in \$Millions)

	CY2010	CY2011	CY2012	CY2013	CY2014	CY2015	CY2016	CY2017	CY2018
Reported as Medical Loss Paid	351	309	243	217	208	203	177	158	139
Reported as Allocated Loss Adjustment Expense Paid	4	74	169	230	263	307	291	285	287
Total Medical Cost Containment Program Costs Paid	355	383	412	447	471	510	468	443	426

Exhibits 1.1 through 1.6 also show detailed distributions of medical payments by specialty, which is summarized from individual medical transactions reported in WCIRB medical transaction data. Exhibit 1.5 shows distributions of payments for medical services by type of provider. Exhibit 1.6 shows distributions of payments for physician services by type of procedure. Tables 3 and 4 summarize the estimated distribution of medical payments by specialty in calendar years 2017 and 2018:

³ Includes Medical Payments Related to Medicare Set-Aside Accounts and Reimbursements to Medicare.

⁴ The majority of medical cost containment program costs are reported in allocated loss adjustment expense (see Table 2).

Table 3: Distribution of Medical Service Payments by Type of Provider

Provider Type	CY 2017	CY 2018
Hospital-based Provider	26.3%	27.5%
Physician Specialist	11.7%	12.3%
Surgeon	10.2%	10.1%
Physical Therapist	8.8%	9.7%
MD General Practitioner	10.5%	9.2%
Ambulatory Surgical Center	5.5%	5.2%
Pharmacist	4.9%	3.8%
Other	22.1%	22.2%
Total Medical Service Payments	100.0%	100.0%

Table 4: Distribution of Physician Service Payments

Physician Service by Type of Procedure	CY 2017	CY 2018
Evaluation & Management	37.4%	37.6%
Physical Medicine	22.2%	24.1%
Surgery	14.0%	13.3%
Special Services & Reports	8.2%	7.7%
Radiology	7.9%	7.6%
Medicine	5.2%	4.9%
Acupuncture	1.7%	1.8%
Anesthesia	1.5%	1.4%
Chiropractic	0.8%	0.8%
Pathology & Laboratory	1.0%	0.7%
Other	0.1%	0.1%
Total Physician Service Payments	100.0%	100.0%

Exhibits 2.1 through 2.3 contain summaries of medical-legal costs for 2018 based on the WCIRB's medical transaction data. The exhibits show that orthopedic evaluations accounted for about 53% of the cost of all medical-legal evaluations. The exhibits also show that the average cost of a medical-legal evaluation was \$1,467. Psychiatric evaluations were the most expensive, averaging \$3,311.

Indemnity Benefits

In 2018, \$3.8 billion, or 45% of total loss payments, were for indemnity benefits (including vocational rehabilitation benefits). This figure includes an estimated proportion of loss payments made by CIGA for indemnity benefits during calendar year 2018. (In 2017, payment for analogous indemnity benefits totaled \$3.7 billion, or 44% of total loss payments.)

Exhibits 3.1 and 3.2 contain summaries of paid indemnity benefits by type of benefit for calendar year 2018. The data in Exhibit 3 is derived from the WCIRB's Aggregate Indemnity and Medical Costs Call, current unit statistical report data, and the WCIRB's Call for Calendar Year Experience. The exhibit shows that for 2018, temporary disability benefits (49%) and permanent partial disability benefits (40%) accounted for the vast majority of the indemnity payments.

Exhibits 4 through 9 contain summaries of indemnity and medical benefits by permanent disability rating interval for various types of injuries resulting in permanent disability. The exhibits are based on 2016 policy year experience—the most current available data on permanent disability claims. (Note that these average claim values are based on claims evaluated as of 18 months from inception of each 2016 policy, and have not been adjusted to an ultimate value basis.) Exhibit 4 shows indemnity and medical benefits for back injury claims. Exhibit 5 shows indemnity and medical benefits for slip and fall injuries. Exhibit 6 shows indemnity and medical benefits for psychiatric and mental stress injuries. Exhibit 7 shows indemnity and medical benefits for carpal tunnel and repetitive motion injuries. Exhibit 8 shows indemnity and medical benefits for other cumulative injuries. Finally, Exhibit 9 shows indemnity and medical benefits for all injuries.

Exhibit 10.1 graphically shows the proportion of total loss dollars reported on permanent disability claims attributable to various types of injuries. Exhibit 10.2 shows the average cost per claim for these injuries. As shown on Exhibits 10.1 and 10.2, slip and fall injuries are both the most frequently occurring and most costly of the injury categories summarized.

Vocational Rehabilitation Benefits

Exhibit 11 summarizes the amounts estimated to be paid for vocational rehabilitation nontransferable education vouchers as well as other vocational rehabilitation benefits (primarily voluntary vocational rehabilitation benefits). The exhibit is based on data derived from the WCIRB's Aggregate Indemnity and Medical Costs Call, WCIRB Permanent Disability Claim Surveys, and the WCIRB's Call for Calendar Year Experience. In total, about \$87 million in vocational rehabilitation-related benefits were paid in calendar year 2018. This was 2.3% of all indemnity payments in 2018, of which 97% was for non-transferable education vouchers. (For comparison purposes, in 2017, vocational rehabilitation benefits paid was \$82 million or 2.2% of all indemnity payments, of which 97% was for non-transferable education vouchers.)

Insurer Losses, Expenses and Profits

Exhibits 12.1 and 12.2 summarize California workers' compensation underwriting experience for calendar year 2018.⁵ Calendar year 2018 earned premium totaled \$17.4 billion (as compared to the \$17.7 billion of premium earned in 2017). Note that the premiums shown on this exhibit are on a direct basis (i.e., prior to reinsurance assumed or ceded), are prior to the application of deductible credits and retrospective rating plan adjustments, and do not reflect any non-standard California workers' compensation business, such as excess or USL&H insurance. In total, paid losses in 2018, including benefit payments made by CIGA, were \$8.4 billion, or 48% of insurer calendar year earned premium.

Total insurer paid losses (i.e., excluding payments made by CIGA) in 2018 were \$8.3 billion, or 47% of calendar year earned premium. Combining insurer paid losses with a \$0.6 billion decrease in total insurer loss reserves resulted in total insurer incurred losses, excluding payments made by CIGA, of \$7.7 billion, or 44% of the premium earned in 2018. (For comparison purposes, in 2017, total insurer paid losses—excluding those made by CIGA—were 47% of earned premium and, with an increase in insurer loss reserves totaling 7% of earned premium, total insurer incurred losses, excluding payments made by CIGA, were 54% of total insurer earned premium.)⁶

⁵ Total statewide calendar year 2018 premiums, losses and expenses were estimated based on the experience of insurers that reported premium, loss and expense information to the WCIRB.

⁶ Benefit payments made by CIGA during calendar years 2006 to 2018 are also shown as paid loss percentages to insurer earned premium for those calendar years.

The 44% of earned premium stated above pertains to total insurer losses incurred during the “calendar year” 2018. This includes all insurer losses paid and insurer loss reserve changes that occurred during 2018, regardless of when the accidents occurred.

Incurred loss adjustment expenses (allocated and unallocated) in 2018 were \$3.2 billion, or 19% of earned premium. This includes the full cost to insurers of administering, adjudicating and settling claims. Incurred loss adjustment expenses include \$840 million in defense attorney expenses incurred in 2018. (For comparison purposes, in 2017, incurred loss adjustment expenses were 19% of earned premium, including \$894 million in defense expenses.)

In total, California insurers have incurred about \$6.6 billion in expenses in 2018, or 37.6% of 2018 earned premium. (For comparison purposes, in 2017, total incurred expenses were 38% of earned premium.)

In total, incurred losses and expenses in calendar year 2018 were \$14.3 billion, or 82% of earned premium. Based on insurer statutory Annual Statement information, the WCIRB estimates policyholder dividends incurred in 2018 to be 0.2% of 2018 earned premium, resulting in an underwriting profit of \$3.1 billion, or 18% of premium. Note that the underwriting profits or losses shown on this exhibit represent only California workers’ compensation insured policies and is prior to reinsurance assumed or ceded and the application of deductible credits or advisory retrospective rating plan adjustments. Similarly, this summary reflects underwriting results only and not overall profitability as figures shown do not contemplate any measure of investment income or federal income taxes.⁷ (For 2017, the underwriting profit was 8% of earned premium, or \$1.4 billion.)

Fees Paid to Applicant Attorneys

Although generally part of incurred indemnity losses rather than expenses, the amount paid in 2018 to applicant attorneys was derived from the WCIRB’s Annual Expense Call. In 2018, applicant attorneys were paid \$382 million. (In 2017, applicant attorneys were paid \$416 million.)⁸

Workers’ Compensation Costs by Injury Detail

Exhibits 13 through 15 summarize loss experience by injury detail for the most current policy year available (i.e., policy year 2016 at first report level). Exhibit 13 shows the number and proportion of claims and incurred losses by cause of injury (e.g., fall, repetitive motion, etc.). Exhibit 14 shows the number and proportion of claims and incurred losses by the nature of the injury sustained (e.g., strain, fracture, etc.). Exhibit 15 shows the number and proportion of claims and incurred losses by the part of body injured.

Conditions and Limitations

1. The information contained in this report is a summary of historical data provided to the WCIRB by over 140 insurer groups. While numerous detailed data quality checks are performed, the WCIRB can make no warranty with respect to the information provided by third parties.
2. This report is based on data reported to the WCIRB through June 3, 2019. Subsequent revisions to the data could impact the analysis reflected in this report.
3. Some of the cost distributions have been estimated based on less than 100% of the total market.

⁷ See the National Association of Insurance Commissioners’ *Report on Profitability By Line By State*, which is published annually, for an estimate of the overall profitability of California workers’ compensation.

⁸ The fees paid to applicant attorneys are based on reports of insurers who were able to provide a comprehensive breakdown of these fees on the WCIRB’s Annual Expense Call. These fees are often included as a part of the indemnity award or settlement and as such cannot be broken out separately.

4. Premium information is prior to reinsurance assumed or ceded or credits for deductibles, and does not reflect retrospective rating plan adjustments or any premiums resulting from non-standard California workers' compensation coverage such as excess or USL&H insurance. Similarly, losses and expenses shown are prior to reinsurance and do not reflect any deductible recoveries or any losses from non-standard coverages.
5. The report has been based on the reported experience of insured employers. No self-insured data has been included.
6. The information contained in this report has been based on data submitted to date by insurers to the WCIRB. To the extent that insurers who are in rehabilitation or liquidation are no longer reporting data to the WCIRB, the information contained in this report will not reflect the experience of the entire California workers' compensation insurance market. However, loss payments made by CIGA during calendar years 2006 through 2018 have been included in this report.

Paid Medical Costs for Calendar Year 2018

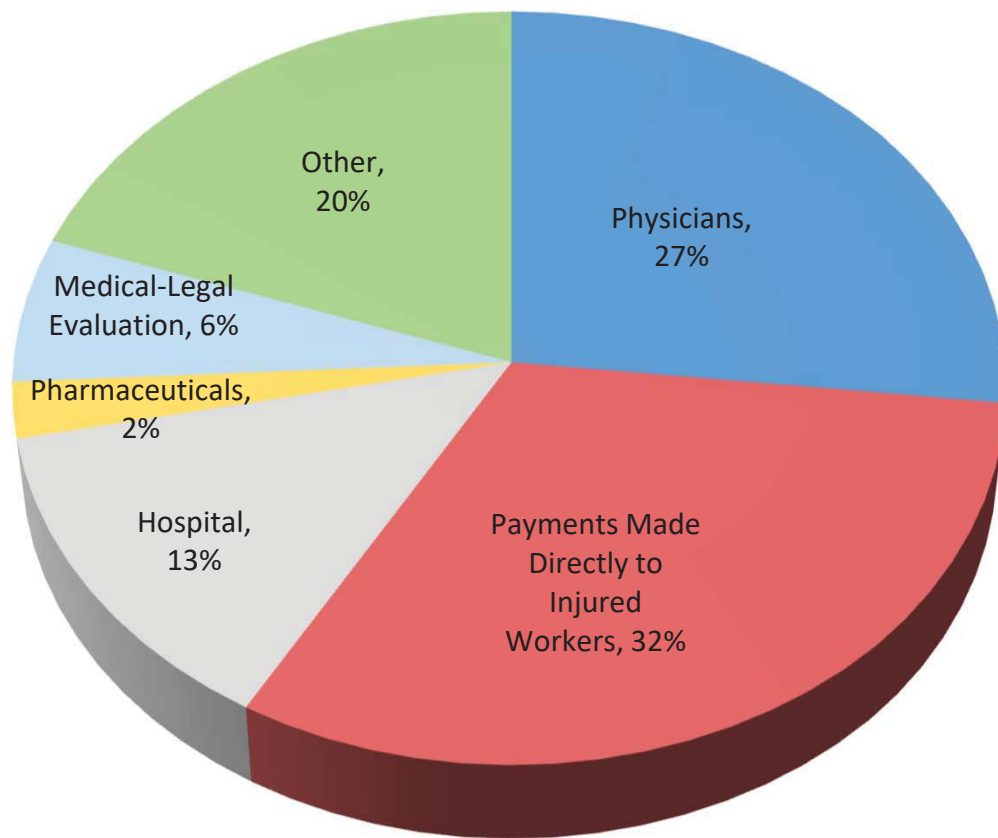
	Total Medical Paid (\$000)	% of Total Medical Services	% of Total Medical Paid
1 Evaluation & Management	466,033	17.1%	10.0%
2 Physical Medicine	298,973	11.0%	6.4%
3 Surgery	164,668	6.1%	3.5%
4 Special Services & Reports	94,811	3.5%	2.0%
5 Radiology	94,286	3.5%	2.0%
6 Medicine	60,672	2.2%	1.3%
7 Acupuncture	22,290	0.8%	0.5%
8 Anesthesia	17,216	0.6%	0.4%
9 Chiropractic	9,692	0.4%	0.2%
10 Pathology & Laboratory	8,898	0.3%	0.2%
11 Other	1,503	0.1%	0.0%
Physician Services (Subtotal)	1,239,043	45.6%	26.7%
12 Hospital - Outpatient	324,228	11.9%	7.0%
13 Hospital - Inpatient	302,497	11.1%	6.5%
14 Medical-Legal Evaluation Payments	289,754	10.7%	6.2%
15 Medical Supplies and Equipment	260,508	9.6%	5.6%
16 Medical Liens	169,973	6.3%	3.7%
17 Pharmaceuticals	110,066	4.0%	2.4%
18 Dental Services	22,639	0.8%	0.5%
Total Payments for Medical Services (Subtotal)	2,718,708	100.0%	58.5%
19 Medical Payments Made Directly to Injured Workers	1,469,590		31.6%
20 Medical Payments Related to Medicare Set-asides	227,992		4.9%
21 Medical Cost Containment Program Payments ^[1]	139,114		3.0%
22 Interpreter Services	36,420		0.8%
23 Copy Services	28,609		0.6%
24 Capitated Medical Payments	21,331		0.5%
25 Reimbursements to Medicare	3,349		0.1%
Total Calendar Year Medical Payments	4,645,113		100.0%

^[1] Medical Cost Containment Program (MCCP) costs on claims covered by policies incepting prior to July 1, 2010 are considered medical loss; those on claims covered by policies incepting July 1, 2010 and beyond are considered allocated loss adjustment expenses. The amount of MCCP costs reported as allocated loss adjustment expenses for calendar year 2018 is \$287 million.

Sources:

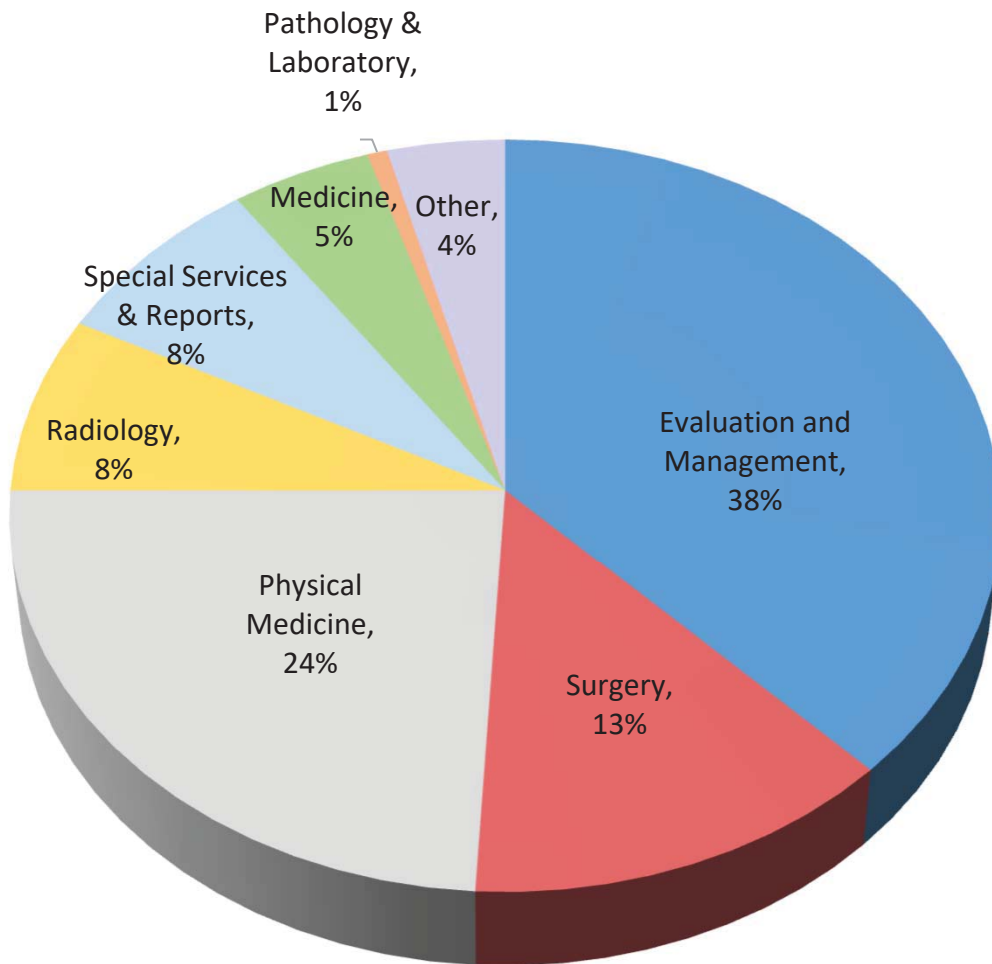
WCIRB aggregate indemnity and medical cost calls
WCIRB medical transaction data

Paid Medical Costs for Calendar Year 2018



Sources:
WCIRB Aggregate Indemnity and Medical Costs Call
WCIRB medical transaction data

Paid Medical Costs by Physician Specialty for Calendar Year 2018



Source: WCIRB medical transaction data

Distribution of Calendar Year Medical Costs Paid

Medical Payment Type	2018		2017 ^[1]	2016 ^[1]	2015 ^[1]	2014 ^[1]	2013 ^[1]
	Medical Payments (\$000)	As % of Total Medical Payments	As % of Total Medical Payments	As % of Total Medical Payments	As % of Total Medical Payments	As % of Total Medical Payments	As % of Total Medical Payments
1 Medical Payments Made Directly to Injured Workers	\$1,469,590	31.6%	28.3%	28.0%	26.8%	24.1%	24.2%
2 Physician Services	\$1,239,043	26.7%	26.9%	26.2%	26.4%	27.0%	27.7%
3 Hospital - Outpatient	\$324,228	7.0%	7.4%	7.1%	6.3%	5.6%	5.9%
4 Hospital - Inpatient	\$302,497	6.5%	6.4%	5.9%	6.4%	6.5%	7.8%
5 Medical-Legal Evaluation Payments	\$289,754	6.2%	6.7%	7.7%	7.0%	6.6%	5.7%
6 Medical Supplies and Equipment	\$260,508	5.6%	5.6%	4.8%	4.9%	4.8%	5.0%
7 Medical Payments Related to Medicare Set-asides	\$227,992	4.9%	5.3%	4.7%	3.6%	2.9%	2.5%
8 Medical Liens	\$169,973	3.7%	4.2%	5.4%	6.0%	6.0%	4.2%
9 Medical Cost Containment Program Payments ^[2]	\$139,114	3.0%	3.3%	3.7%	4.1%	4.1%	4.2%
10 Pharmaceuticals	\$110,066	2.4%	3.6%	4.6%	7.0%	8.8%	9.5%
11 Interpreter Services ^[3]	\$36,420	0.8%	0.7%	0.5%	0.6%	1.9%	1.6%
12 Copy Services ^[3]	\$28,609	0.6%	0.6%	0.5%	0.1%	0.9%	1.1%
13 Dental Services	\$22,639	0.5%	0.5%	0.5%	0.4%	0.4%	0.3%
14 Capitated Medical Payments	\$21,331	0.5%	0.4%	0.2%	0.4%	0.2%	0.3%
15 Reimbursements to Medicare	\$3,349	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%
Total Medical Payments	\$4,645,113	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

^[1] Figures have been updated since the issuance of last year's report.

^[2] Medical Cost Containment Program (MCCP) costs on claims covered by policies incepting prior to July 1, 2010 are considered medical loss; those on claims covered by policies incepting July 1, 2010 and beyond are considered allocated loss adjustment expenses. The amount of MCCP costs reported as allocated loss adjustment expenses for calendar year 2018 is \$287 million.

^[3] 2013 and 2014 numbers are based on WCIRB surveys of insurer medical payments.

Sources: WCIRB aggregate indemnity and medical cost calls
WCIRB medical transaction data

Distribution of Medical Service Payments by Type of Provider

Provider Type			2017 ^[1]	2016 ^[1]	2015 ^[1]	2014 ^[1]	2013 ^[1]
	Medical Service Payments (\$000)	As % of Total Medical Service Payments	As % of Total Medical Service Payments	As % of Total Medical Service Payments	As % of Total Medical Service Payments	As % of Total Medical Service Payments	As % of Total Medical Service Payments
1 Hospital-Based Provider	\$748,557	27.5%	26.3%	23.2%	22.5%	20.5%	22.8%
2 Physician Specialist	\$333,134	12.3%	11.7%	13.0%	12.8%	11.4%	10.9%
3 Surgeon	\$275,265	10.1%	10.2%	10.5%	9.7%	8.9%	9.2%
4 Physical Therapist	\$264,065	9.7%	8.8%	7.6%	6.9%	6.7%	7.0%
5 MD General Practitioner	\$249,780	9.2%	10.5%	10.4%	11.1%	16.5%	13.0%
6 Ambulatory Surgical Center (ASC) Provider	\$141,564	5.2%	5.5%	5.0%	4.5%	4.2%	4.9%
7 Pharmacist	\$102,216	3.8%	4.9%	6.5%	9.1%	10.7%	11.0%
8 Durable Medical Equipment (DME) Supplier	\$86,217	3.2%	3.3%	3.4%	3.6%	3.2%	3.4%
9 Rehabilitation Provider	\$73,522	2.7%	2.4%	2.5%	2.1%	1.7%	1.6%
10 Psychology, Psychiatry, & Neurology	\$65,827	2.4%	2.3%	2.6%	2.5%	2.4%	2.6%
11 Occupational Health Provider	\$60,591	2.2%	2.1%	2.5%	2.8%	3.0%	2.5%
12 Chiropractic	\$55,418	2.0%	2.0%	2.2%	2.1%	1.9%	1.9%
13 Home Health Provider	\$45,881	1.7%	1.7%	1.5%	1.4%	1.5%	1.4%
14 Dentist	\$26,606	1.0%	0.9%	0.9%	0.7%	0.7%	0.6%
15 Acupuncturist	\$25,784	0.9%	0.9%	0.7%	0.6%	0.5%	0.5%
16 Lab Testing Provider	\$20,369	0.7%	1.0%	1.4%	1.9%	2.1%	2.1%
17 Marriage, Family and Counselors	\$12,055	0.4%	0.4%	0.4%	0.1%	0.0%	0.3%
18 Podiatrist	\$9,312	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%
19 Optometrist	\$633	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20 Social Workers	\$103	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
21 Others	\$121,810	4.5%	4.8%	5.3%	5.4%	3.8%	4.2%
Total Medical Service Payments	\$2,718,708	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

^[1] As a result of WCIRB efforts to more accurately categorize medical transactions, figures shown for 2013 through 2017 have been updated since the issuance of last year's report.

Sources: WCIRB medical transaction data

Distribution of Physician Service Payments

Physician Service by Type of Procedure	2018		2017 ^[1]	2016 ^[1]	2015 ^[1]	2014 ^[1]	2013 ^[1]
	Physician Service Payments (\$000)	As % of Total Physician Service Payments	As % of Total Physician Service Payments	As % of Total Physician Service Payments	As % of Total Physician Service Payments	As % of Total Physician Service Payments	As % of Total Physician Service Payments
1 Evaluation & Management	\$466,033	37.6%	37.4%	35.4%	33.7%	29.9%	25.6%
2 Physical Medicine	\$298,973	24.1%	22.2%	21.5%	19.7%	17.3%	14.1%
3 Surgery	\$164,668	13.3%	14.0%	15.0%	17.6%	18.3%	19.6%
4 Special Services & Reports	\$94,811	7.7%	8.2%	8.4%	7.9%	9.3%	12.1%
5 Radiology	\$94,286	7.6%	7.9%	8.6%	9.2%	9.9%	10.3%
6 Medicine	\$60,672	4.9%	5.2%	5.3%	5.1%	5.9%	8.8%
7 Acupuncture	\$22,290	1.8%	1.7%	1.6%	1.4%	1.2%	1.1%
8 Anesthesia	\$17,216	1.4%	1.5%	1.8%	1.9%	2.0%	2.1%
9 Chiropractic	\$9,692	0.8%	0.8%	0.8%	0.7%	0.7%	0.7%
10 Pathology & Laboratory	\$8,898	0.7%	1.0%	1.5%	2.5%	5.4%	5.7%
11 Other	\$1,503	0.1%	0.1%	0.1%	0.2%	0.1%	0.0%
Total Physician Service Payments	\$1,239,043	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

^[1] Figures have been updated since the issuance of last year's report.

Sources: WCIRB medical transaction data

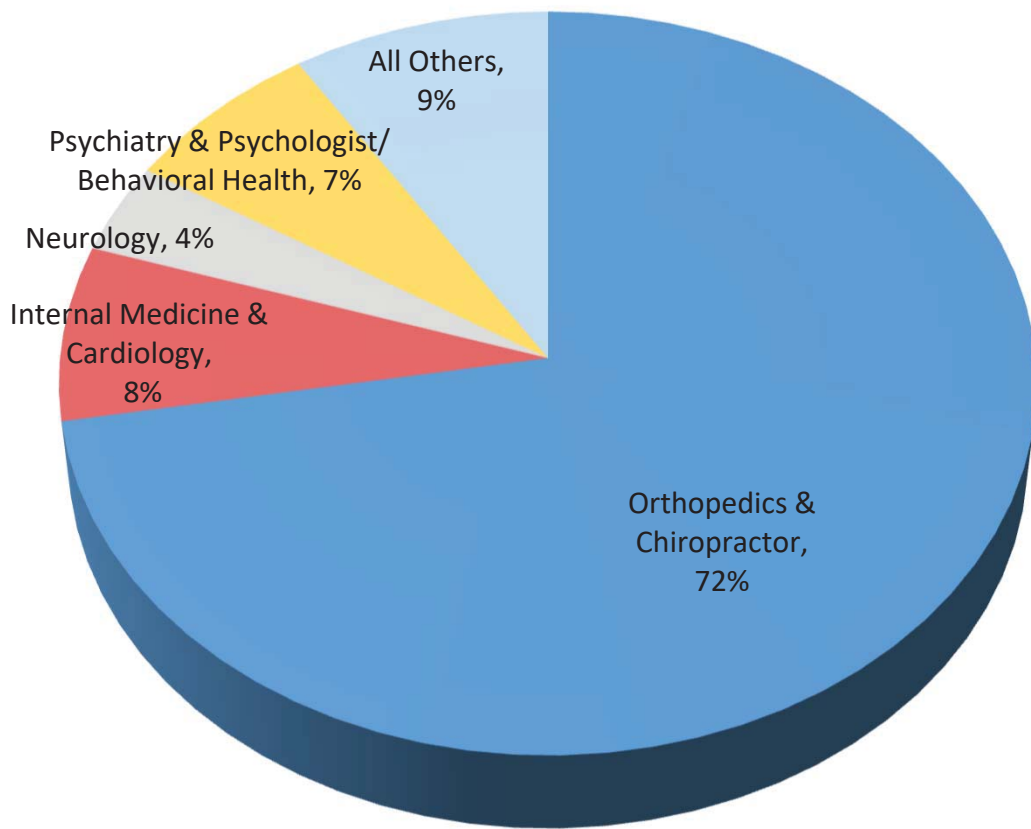
Paid Medical-Legal Costs

<u>Physician Specialty</u>	<u>Service Year 2018</u>			<u>Service Year 2017^[1]</u>			<u>Service Year 2016^[1]</u>			<u>Service Year 2015^[1]</u>		
	<u>Number of Reports</u>	<u>Cost of Reports</u>	<u>Average Cost Per Report</u>	<u>Number of Reports</u>	<u>Cost of Reports</u>	<u>Average Cost Per Report</u>	<u>Number of Reports</u>	<u>Cost of Reports</u>	<u>Average Cost Per Report</u>	<u>Number of Reports</u>	<u>Cost of Reports</u>	<u>Average Cost Per Report</u>
Orthopedic	66.3%	53.4%	\$1,182	65.4%	53.9%	\$1,235	63.8%	54.2%	\$1,410	61.8%	53.0%	\$1,427
Internal Medicine & Cardiology	7.6%	9.8%	\$1,900	7.7%	9.6%	\$1,857	8.7%	9.7%	\$1,855	9.6%	9.7%	\$1,678
Chiropractor	6.0%	5.8%	\$1,419	6.2%	6.0%	\$1,440	6.2%	6.2%	\$1,668	5.9%	5.6%	\$1,569
Psychologist/Behavioral Health	3.2%	7.3%	\$3,342	3.9%	7.8%	\$3,039	4.5%	8.0%	\$2,928	5.6%	9.2%	\$2,771
Psychiatry	3.9%	8.9%	\$3,311	4.1%	8.9%	\$3,280	4.5%	9.1%	\$3,384	5.3%	10.6%	\$3,354
Neurology	3.9%	5.7%	\$2,122	4.1%	5.4%	\$2,004	4.1%	5.2%	\$2,110	4.1%	5.1%	\$2,083
All Others	9.1%	9.1%	\$1,476	8.6%	8.4%	\$1,466	8.3%	7.7%	\$1,542	7.8%	6.8%	\$1,453
Total/Average	100.0%	100.0%	\$1,467	100.0%	100.0%	\$1,500	100.0%	100.0%	\$1,661	100.0%	100.0%	\$1,664

^[1] Figures have been updated from those in last year's report.

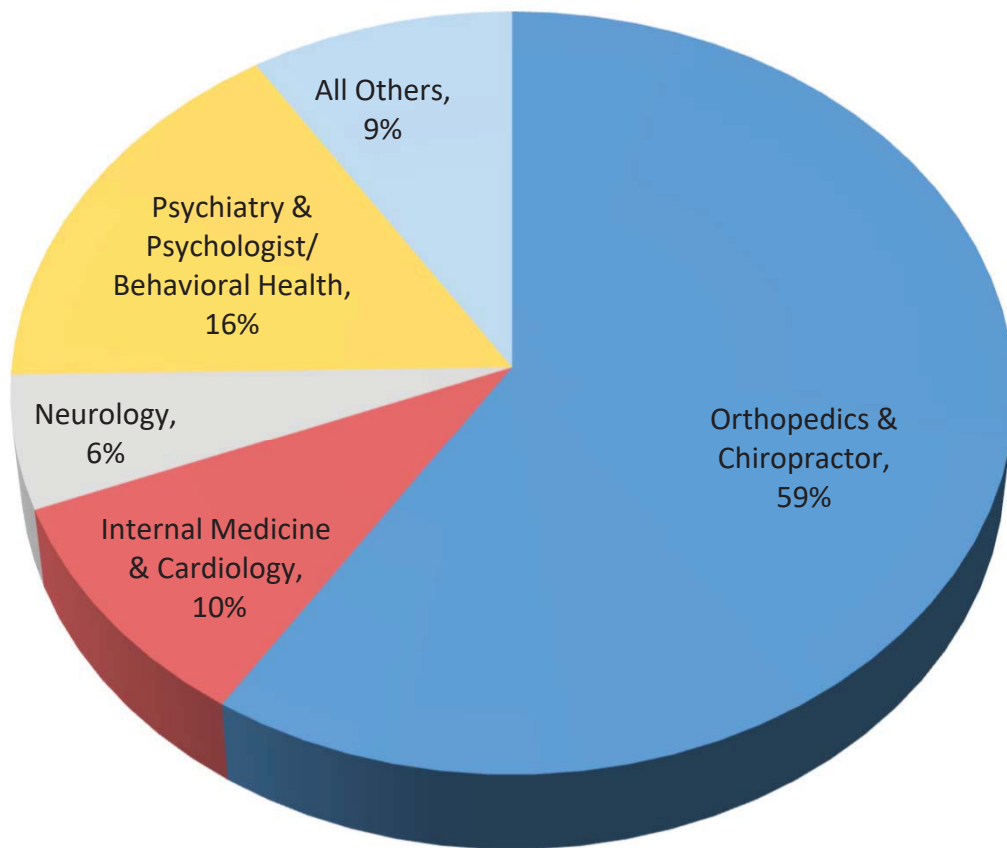
Sources: WCIRB medical transaction data. All figures are based on medical-legal transactions reported on all claim types from all accident years within the service year.

**Number of Medical-Legal Reports by Physician Specialty
for Calendar Year 2018**



Source: WCIRB medical transaction data

Paid Medical-Legal Costs by Physician Specialty for Calendar Year 2018



Source: WCIRB medical transaction data

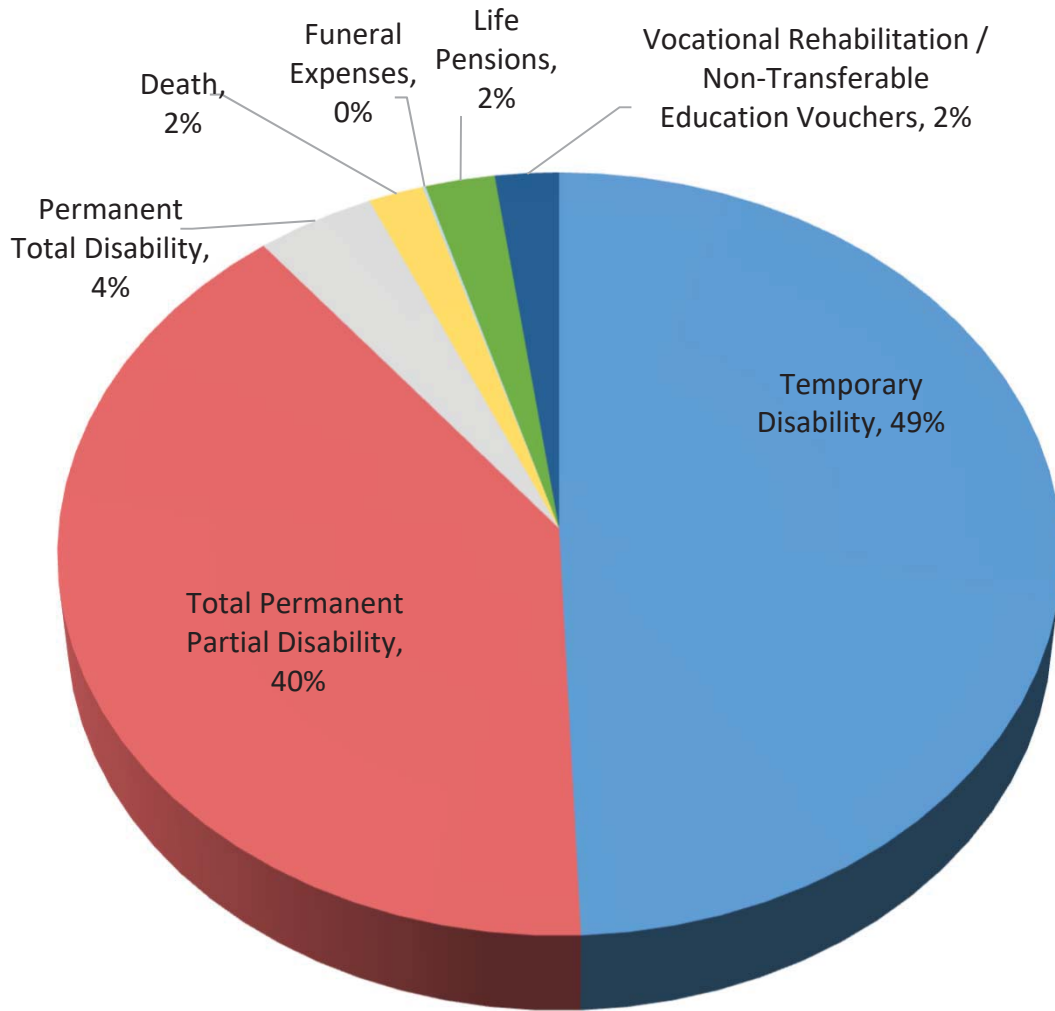
Paid Indemnity Benefits for Calendar Year 2018

Benefit Type	Indemnity Paid (\$ in Thousands)	Percentage of Total Indemnity Paid
Temporary Disability*	1,849,529	49.1%
Permanent Total Disability*	153,301	4.1%
Permanent Partial Disability*		
0.25% - 24.75%	762,480	20.2%
25.00% - 69.75%	686,870	18.2%
70.00% - 99.75%	70,828	1.9%
Total Permanent Partial	1,520,178	40.3%
Death*	72,398	1.9%
Funeral Expenses	2,370	0.1%
Life Pensions	85,069	2.3%
Vocational Rehabilitation/ Non-Transferable Education Vouchers*	87,248	2.3%
Total Indemnity Paid	3,770,094	100.0%

Note: Single Sum Settlement and Other Indemnity payments have been allocated to the benefit categories shown with an asterisk (*).

Source: WCIRB calendar year calls for experience and unit statistical data

Paid Indemnity Benefits for Calendar Year 2018



Source: Calendar year calls for experience and unit statistical data

Policy Year 2016 Permanent Disability Summary
Back Injuries

<u>Percent Disability</u>	<u>Number of Claims</u>	<u>Incurred Ed. Voucher/ Voc. Rehab.(\$)</u>	<u>Paid Indemnity(\$)</u>	<u>Incurred Indemnity(\$)</u>	<u>Paid Medical(\$)</u>	<u>Incurred Medical(\$)</u>
1 - 4	1,579	215,484	10,159,249	17,685,910	8,368,313	19,933,014
5 - 9	2,691	1,277,588	23,379,343	44,452,795	20,424,433	52,992,234
10 - 14	2,028	2,083,162	22,949,789	46,530,802	17,931,291	48,601,914
15 - 19	1,289	1,320,019	17,324,065	36,631,928	13,382,284	34,802,789
20 - 24	504	590,099	9,196,047	20,600,571	6,734,192	19,265,139
Unknown	38	28,396	434,048	1,261,916	484,007	1,327,441
Minor Total	8,129	5,514,748	83,442,541	167,163,922	67,324,520	176,922,531
25 - 29	266	466,962	6,035,869	13,471,934	5,298,679	13,619,903
30 - 34	151	242,468	3,688,429	9,337,905	3,415,647	9,529,474
35 - 39	78	112,650	1,774,498	5,752,207	2,230,356	6,062,999
40 - 44	38	72,000	1,027,699	3,371,346	1,302,779	4,147,360
45 - 49	22	36,000	705,968	2,079,877	835,656	2,210,722
50 - 54	26	53,600	725,639	2,587,472	1,445,053	4,049,851
55 - 59	10	12,978	261,328	856,507	392,351	2,561,542
60 - 64	9	12,000	252,382	954,021	1,209,028	2,151,634
65 - 69	8	8,500	250,231	993,806	647,230	1,300,554
70 - 74	4	3,600	103,420	414,125	246,946	491,291
75 - 79	4	0	345,277	535,360	248,979	308,241
80 - 84	5	6,000	193,747	593,489	202,244	511,663
85 - 89	2	0	117,116	238,715	24,852	118,141
90 - 94	0	0	0	0	0	0
95 - 99	0	0	0	0	0	0
Unknown	3	6,000	90,072	1,118,041	2,553,178	3,825,979
Major Total	626	1,032,758	15,571,675	42,304,805	20,052,978	50,889,354
Permanent Total	4	0	147,430	5,870,893	3,111,448	15,509,709
Grand Total	8,759	6,547,506	99,161,646	215,339,620	90,488,946	243,321,594

Source: WCIRB unit statistical data at first report level

Policy Year 2016 Permanent Disability Summary
Slip and Fall Injuries

<u>Percent Disability</u>	<u>Number of Claims</u>	<u>Incurred Ed. Voucher/ Voc. Rehab.(\$)</u>	<u>Paid Indemnity(\$)</u>	<u>Incurred Indemnity(\$)</u>	<u>Paid Medical(\$)</u>	<u>Incurred Medical(\$)</u>
1 - 4	1,573	328,041	13,091,838	21,152,872	13,193,734	27,885,670
5 - 9	2,629	1,233,194	27,815,461	50,926,855	28,669,249	65,393,431
10 - 14	1,898	2,010,973	25,390,702	48,733,003	25,457,419	57,892,604
15 - 19	1,120	1,098,765	17,933,478	38,007,474	18,031,966	41,349,471
20 - 24	464	570,510	9,656,018	21,329,237	10,773,789	23,611,873
Unknown	53	34,073	602,988	2,255,402	2,310,848	4,984,391
Minor Total	7,737	5,275,556	94,490,485	182,404,843	98,437,005	221,117,440
25 - 29	285	501,214	6,755,757	16,170,815	8,510,479	18,844,765
30 - 34	197	336,585	4,779,601	12,675,752	8,392,114	17,857,097
35 - 39	98	126,650	2,663,587	7,692,558	2,983,020	7,854,612
40 - 44	57	79,800	1,463,488	4,671,686	2,609,545	6,372,064
45 - 49	42	99,000	1,538,548	4,058,175	2,666,644	5,899,238
50 - 54	34	60,000	910,289	3,646,587	2,719,712	7,417,418
55 - 59	11	30,000	364,373	1,301,985	987,308	3,372,926
60 - 64	9	12,000	436,372	1,133,900	849,409	1,797,121
65 - 69	10	30,000	269,803	1,670,873	2,225,480	6,928,337
70 - 74	8	18,000	667,715	2,214,127	2,703,091	8,414,871
75 - 79	3	6,000	168,497	763,960	455,036	927,578
80 - 84	8	36,000	178,207	2,449,817	1,915,814	6,349,507
85 - 89	1	0	44,954	119,295	49,676	137,500
90 - 94	0	0	0	0	0	0
95 - 99	2	0	107,242	745,623	1,446,911	7,430,800
Unknown	10	6,000	311,570	5,692,897	7,006,711	17,793,165
Major Total	775	1,341,249	20,660,003	65,008,050	45,520,950	117,396,999
Permanent Total	14	0	1,127,529	20,646,835	18,885,415	75,580,574
Grand Total	8,526	6,616,805	116,278,017	268,059,728	162,843,370	414,095,013

Source: WCIRB unit statistical data at first report level

Policy Year 2016 Permanent Disability Summary
Psychiatric and Mental Stress Injuries

<u>Percent Disability</u>	<u>Number of Claims</u>	<u>Incurred Ed. Voucher/ Voc. Rehab.(\$)</u>	<u>Paid Indemnity(\$)</u>	<u>Incurred Indemnity(\$)</u>	<u>Paid Medical(\$)</u>	<u>Incurred Medical(\$)</u>
1 - 4	209	6,875	1,240,700	1,885,285	895,653	2,024,456
5 - 9	169	29,300	1,061,398	2,138,196	755,669	1,935,834
10 - 14	117	61,788	1,030,028	2,428,867	780,482	2,040,268
15 - 19	163	75,500	1,236,653	2,667,939	1,236,947	2,666,070
20 - 24	34	48,000	537,252	1,327,778	319,656	889,218
Unknown	7	0	23,601	150,266	19,320	132,083
Minor Total	699	221,463	5,129,632	10,598,331	4,007,727	9,687,929
25 - 29	24	39,500	313,131	1,192,212	220,566	552,889
30 - 34	23	30,000	662,391	1,255,729	322,557	811,761
35 - 39	6	6,000	349,317	515,439	48,230	96,155
40 - 44	4	0	132,473	163,824	99,788	125,344
45 - 49	0	0	0	0	0	0
50 - 54	3	0	177,636	249,855	50,967	109,401
55 - 59	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0
65 - 69	1	0	78,000	78,000	5,537	12,514
70 - 74	0	0	0	0	0	0
75 - 79	1	0	1,413	117,592	8,626	43,235
80 - 84	1	0	76,060	76,060	0	0
85 - 89	0	0	0	0	0	0
90 - 94	0	0	0	0	0	0
95 - 99	0	0	0	0	0	0
Unknown	1	0	2,217	253,217	2,303	40,200
Major Total	64	75,500	1,792,638	3,901,928	758,574	1,791,499
Permanent Total	0	0	0	0	0	0
Grand Total	763	296,963	6,922,270	14,500,259	4,766,301	11,479,428

Source: WCIRB unit statistical data at first report level

Policy Year 2016 Permanent Disability Summary
 Carpel Tunnel / Repetitive Motion Injuries

<u>Percent Disability</u>	<u>Number of Claims</u>	<u>Incurred Ed. Voucher/ Voc. Rehab.(\$)</u>	<u>Paid Indemnity(\$)</u>	<u>Incurred Indemnity(\$)</u>	<u>Paid Medical(\$)</u>	<u>Incurred Medical(\$)</u>
1 - 4	1,072	131,810	5,930,743	10,628,382	5,263,181	12,570,141
5 - 9	1,155	365,114	8,653,302	17,746,134	7,927,194	21,550,541
10 - 14	805	986,343	8,382,730	18,473,450	6,307,174	18,827,556
15 - 19	344	243,189	3,936,532	9,589,779	2,800,378	8,598,010
20 - 24	157	152,989	2,430,151	5,600,860	1,533,729	4,767,403
Unknown	19	15,000	180,928	693,030	106,140	483,154
Minor Total	3,552	1,894,445	29,514,386	62,731,635	23,937,796	66,796,805
25 - 29	73	105,162	1,311,329	3,370,437	778,150	2,891,454
30 - 34	37	49,240	748,016	2,267,057	426,696	1,639,030
35 - 39	16	29,213	312,620	1,000,965	188,173	689,280
40 - 44	15	12,950	193,801	1,082,216	128,906	921,957
45 - 49	8	6,000	193,922	694,235	82,560	389,212
50 - 54	3	6,000	108,833	255,769	279,017	452,043
55 - 59	4	6,000	22,045	338,535	43,718	209,085
60 - 64	0	0	0	0	0	0
65 - 69	2	0	57,383	244,962	11,841	78,459
70 - 74	3	0	69,151	281,532	27,409	66,100
75 - 79	0	0	0	0	0	0
80 - 84	0	0	0	0	0	0
85 - 89	0	0	0	0	0	0
90 - 94	1	0	47,920	125,868	26,212	40,500
95 - 99	0	0	0	0	0	0
Unknown	0	0	0	0	0	0
Major Total	162	214,565	3,065,020	9,661,576	1,992,682	7,377,120
Permanent Total	0	0	0	0	0	0
Grand Total	3,714	2,109,010	32,579,406	72,393,211	25,930,478	74,173,925

Source: WCIRB unit statistical data at first report level

Policy Year 2016 Permanent Disability Summary
Other Cumulative Injuries

<u>Percent Disability</u>	<u>Number of Claims</u>	<u>Incurred Ed. Voucher/ Voc. Rehab.(\$)</u>	<u>Paid Indemnity(\$)</u>	<u>Incurred Indemnity(\$)</u>	<u>Paid Medical(\$)</u>	<u>Incurred Medical(\$)</u>
1 - 4	1,666	101,818	5,856,713	11,212,268	4,467,238	12,901,821
5 - 9	1,708	329,074	6,542,381	17,764,350	6,676,617	23,064,954
10 - 14	1,288	645,692	6,235,694	19,312,086	5,429,583	20,384,883
15 - 19	628	426,730	4,460,008	13,393,766	3,330,784	12,037,405
20 - 24	290	260,583	3,097,215	8,734,030	2,300,181	7,028,958
Unknown	44	101,000	203,225	764,120	162,840	683,284
Minor Total	5,624	1,864,897	26,395,236	71,180,620	22,367,243	76,101,305
25 - 29	126	114,484	1,349,601	4,523,185	981,151	4,066,781
30 - 34	70	112,801	955,967	2,934,574	759,740	2,457,590
35 - 39	26	36,000	445,320	1,285,515	354,755	1,162,094
40 - 44	19	18,350	339,245	1,352,751	86,334	673,816
45 - 49	10	13,500	351,685	617,120	92,459	230,436
50 - 54	5	12,750	72,965	470,932	31,952	360,208
55 - 59	6	6,000	55,200	451,926	21,930	184,489
60 - 64	2	0	0	124,323	2,042	63,476
65 - 69	5	12,000	54,100	554,055	28,560	943,562
70 - 74	3	10,000	74,196	710,782	1,552,728	2,939,262
75 - 79	0	0	0	0	0	0
80 - 84	0	0	0	0	0	0
85 - 89	0	0	0	0	0	0
90 - 94	0	0	0	0	0	0
95 - 99	0	0	0	0	0	0
Unknown	2	0	40,787	390,111	620,253	1,157,801
Major Total	274	335,885	3,739,066	13,415,274	4,531,904	14,239,515
Permanent Total	2	0	128,400	1,333,045	2,088,623	7,897,340
Grand Total	5,900	2,200,782	30,262,702	85,928,939	28,987,770	98,238,160

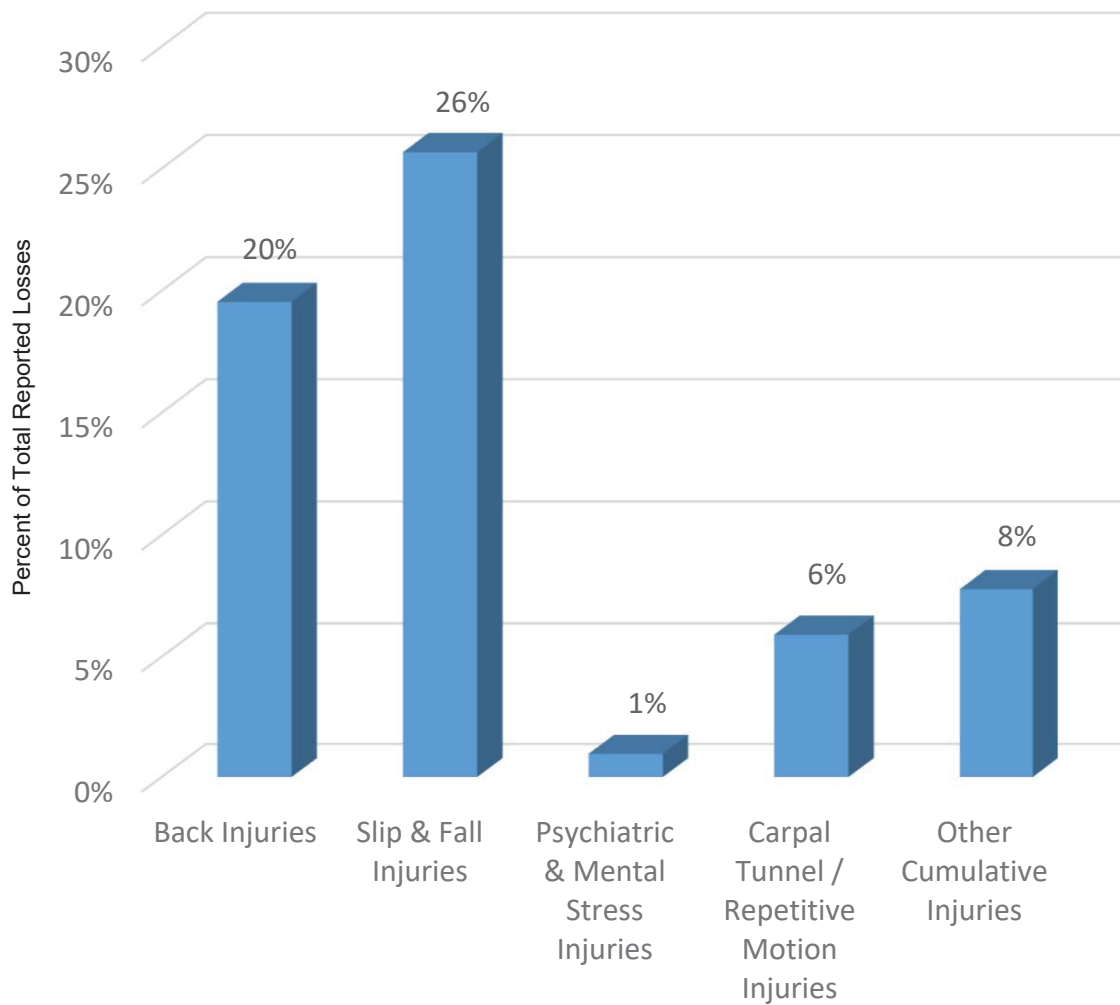
Source: WCIRB unit statistical data at first report level

Policy Year 2016 Permanent Disability Summary
All Injuries

<u>Percent Disability</u>	<u>Number of Claims</u>	<u>Incurred Ed. Voucher/ Voc. Rehab.(\$)</u>	<u>Paid Indemnity(\$)</u>	<u>Incurred Indemnity(\$)</u>	<u>Paid Medical(\$)</u>	<u>Incurred Medical(\$)</u>
1 - 4	11,238	1,611,268	67,483,504	114,133,882	65,650,345	147,071,260
5 - 9	14,393	5,502,987	120,095,619	233,100,509	120,730,452	297,895,454
10 - 14	9,555	9,024,865	106,921,846	220,220,128	95,930,925	243,313,620
15 - 19	5,656	4,587,514	74,689,506	162,286,811	67,207,978	167,478,732
20 - 24	2,091	2,281,787	37,740,675	85,823,260	35,394,958	86,676,264
Unknown	276	295,287	2,805,963	8,645,228	7,882,848	15,969,144
Minor Total	43,209	23,303,708	409,737,113	824,209,818	392,797,506	958,404,474
25 - 29	1,200	1,960,351	25,306,399	61,639,149	26,945,890	67,307,886
30 - 34	715	1,010,593	16,490,588	42,661,485	22,302,074	54,689,748
35 - 39	354	476,013	9,054,611	26,338,093	11,163,436	29,925,320
40 - 44	218	270,700	6,200,304	18,305,380	10,270,029	25,135,324
45 - 49	136	250,200	4,241,792	12,105,945	6,465,109	14,394,248
50 - 54	136	227,050	4,310,265	13,603,929	9,277,483	23,830,075
55 - 59	49	92,578	1,417,128	4,874,843	2,510,857	10,007,541
60 - 64	42	57,000	1,146,705	5,025,974	5,020,704	11,577,956
65 - 69	48	85,000	1,592,107	6,698,814	7,679,565	21,570,883
70 - 74	29	56,100	1,359,117	5,532,708	5,756,564	14,885,313
75 - 79	17	7,650	860,051	2,915,407	2,258,391	5,516,395
80 - 84	26	48,000	897,768	6,401,860	3,900,776	11,697,235
85 - 89	5	6,000	216,968	959,924	155,149	1,728,217
90 - 94	7	0	195,846	2,067,503	813,380	2,760,832
95 - 99	6	6,000	156,037	2,496,784	4,012,202	14,419,320
Unknown	38	12,000	1,409,425	13,042,037	11,494,486	26,196,673
Major Total	3,026	4,565,235	74,855,111	224,669,835	130,026,095	335,642,966
Permanent Total	35	13,000	1,835,204	33,184,496	40,081,821	169,738,869
Grand Total	46,270	27,881,943	486,427,428	1,082,064,149	562,905,422	1,463,786,309

Source: WCIRB unit statistical data at first report level

Total Reported Losses* on Permanent Disability Claims by Type of Injury for Policy Year 2016**

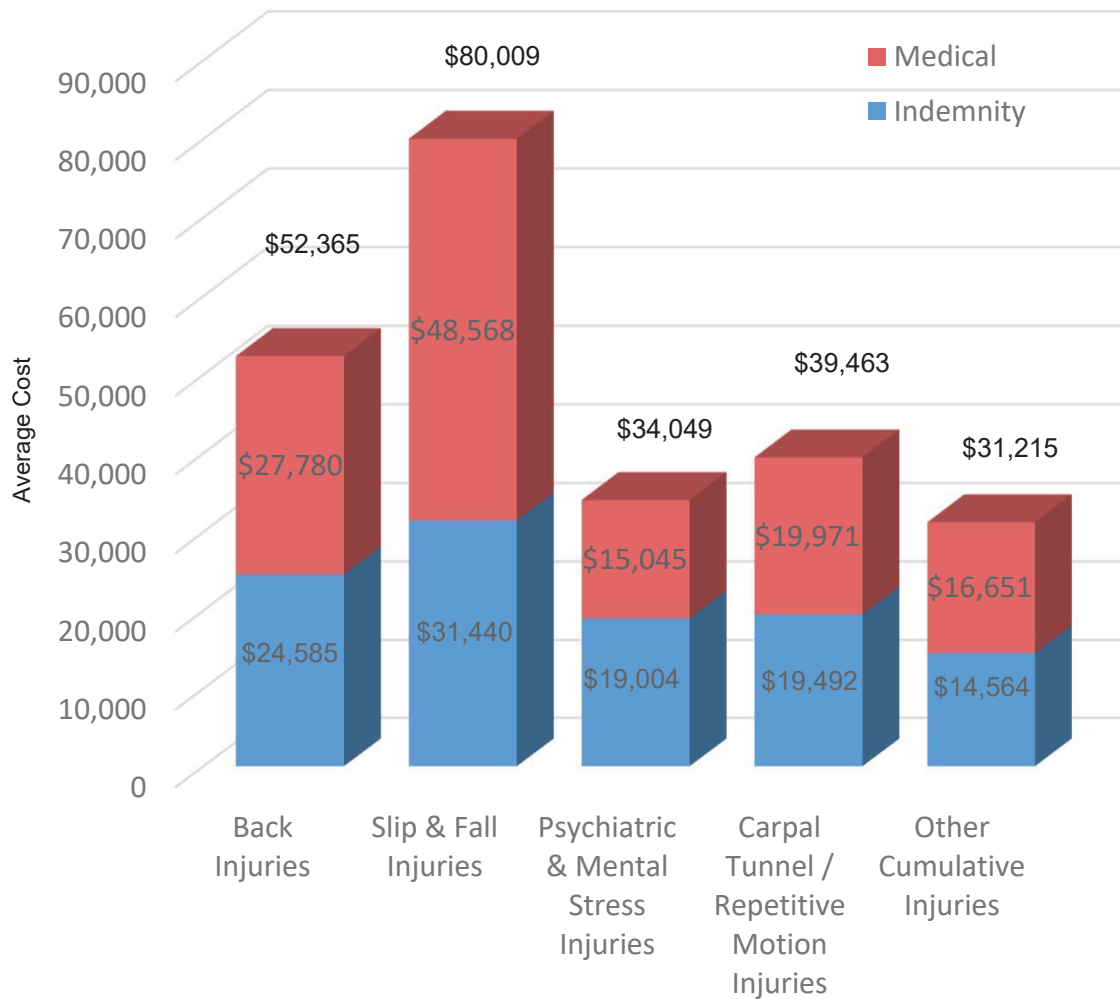


* These costs are based on claim data evaluated as of 18 months from inception of each 2016 policy, and are not developed to an ultimate basis.

** These categories are not mutually exclusive. For example, some back injuries result from slips and falls.

Source: WCIRB unit statistical data at first report level

Average Cost (Undeveloped)* Per Permanent Disability Claim by Type of Injury** for Policy Year 2016



* These costs are based on claim data evaluated as of 18 months from inception of each 2016 policy, and are not developed to an ultimate basis.

** These categories are not mutually exclusive. For example, some back injuries result from slips and falls.

Source: WCIRB unit statistical data at first report level

Paid Vocational Rehabilitation by Calendar Year

Category	2018			2017			2016			2015			2014		
	Voc. Rehab. Paid(\$000)	% of Total Voc. Rehab.	% of Total Paid Indemnity	Voc. Rehab. Paid(\$000)	% of Total Voc. Rehab.	% of Total Paid Indemnity	Voc. Rehab. Paid(\$000)	% of Total Voc. Rehab.	% of Total Paid Indemnity	Voc. Rehab. Paid(\$000)	% of Total Voc. Rehab.	% of Total Paid Indemnity	Voc. Rehab. Paid(\$000)	% of Total Voc. Rehab.	% of Total Paid Indemnity
Education Vouchers	84,280	96.6%	2.3%	79,409	96.8%	2.1%	61,681	95.5%	1.7%	44,421	96.9%	1.3%	29,137	97.0%	0.9%
Other Voc. Rehab.	2,968	3.4%	0.1%	2,619	3.2%	0.1%	2,876	4.5%	0.1%	1,408	3.1%	0.0%	911	3.0%	0.0%
Total Vocational Rehabilitation	87,248	100.0%	2.3%	82,028	100.0%	2.2%	64,557	100.0%	1.8%	45,829	100.0%	1.4%	30,047	100.0%	0.9%

Source: WCIRB calendar year calls for experience and Permanent Disability Claims Survey

Insurer Underwriting Experience by Calendar Year

	2018	2017 ^[1]	2016 ^[1]	2015 ^[1]	2014	2013	2012	2011	2010	2009	2008	2007	2006
Direct Earned Premium (\$ in Millions)													
Gross of Deductible Credits	\$17,420	\$17,672	\$17,953	\$17,110	\$16,227	\$14,382	\$12,084	\$10,440	\$9,632	\$9,068	\$10,904	\$13,331	\$17,282
Direct Losses & Expenses (\$ in Millions)													
		As Percentage of Earned Premium											
1 Paid Losses													
a. Indemnity													
i. Insurer	\$3,729	21.4%	20.8%	19.8%	20.0%	20.5%	23.1%	26.2%	28.3%	28.8%	30.1%	26.6%	23.0%
ii. CIGA ^[2]	\$41	0.2%	0.3%	0.2%	0.3%	0.4%	0.3%	0.3%	0.5%	0.6%	0.8%	0.8%	0.7%
iii. Total Indemnity Paid	\$3,770	21.6%	21.0%	20.0%	20.3%	20.9%	23.4%	26.5%	28.8%	29.4%	30.9%	27.4%	23.8%
b. Medical													
i. Insurer	\$4,525	26.0%	26.1%	26.2%	27.7%	30.0%	35.4%	39.1%	41.8%	43.9%	44.7%	37.4%	27.7%
ii. CIGA ^[2]	\$120	0.7%	0.8%	0.7%	0.9%	1.0%	0.9%	0.9%	0.8%	1.0%	1.1%	1.1%	0.9%
iii. Total Medical Paid	\$4,645	26.7%	26.9%	26.9%	28.7%	31.0%	36.2%	40.1%	42.6%	44.9%	45.9%	38.5%	28.6%
c. Total Paid Losses													
i. Insurer	\$8,254	47.4%	46.8%	46.0%	47.8%	50.5%	58.4%	65.3%	70.1%	72.7%	74.8%	64.0%	50.8%
ii. CIGA ^[2]	\$161	0.9%	1.0%	0.9%	1.2%	1.4%	1.2%	1.3%	1.3%	1.6%	1.9%	1.9%	1.6%
iii. Total Losses Paid	\$8,415	48.3%	47.9%	46.9%	49.0%	51.9%	59.6%	66.6%	71.4%	74.2%	76.7%	65.9%	52.4%
2 Change in Insurer Reserves^[3]	(\$554)	-3.2%	6.9%	13.8%	14.4%	17.5%	13.3%	11.0%	3.9%	1.3%	-1.7%	-0.1%	2.1%
3 Insurer Losses Incurred [1c.i. + 2]	\$7,700	44.2%	53.7%	59.8%	62.2%	68.0%	71.7%	76.3%	74.0%	73.9%	73.2%	63.9%	52.9%
4 Insurer Loss Adjustment Expenses (LAE)													
a. Allocated	\$1,592	9.1%	9.4%	9.7%	11.8%	11.6%	12.0%	11.7%	11.4%	9.9%	9.8%	7.6%	5.6%
b. Unallocated ^[3]	\$1,656	9.5%	9.4%	6.1%	6.2%	6.1%	6.3%	6.2%	13.9%	10.2%	11.0%	9.1%	8.1%
c. Total LAE	\$3,248	18.6%	18.8%	15.8%	18.0%	17.8%	18.3%	18.0%	25.3%	20.1%	20.8%	16.7%	13.7%
5 Commissions & Brokerage	\$1,346	7.7%	7.9%	7.8%	7.3%	7.3%	7.4%	7.8%	8.2%	7.6%	7.7%	7.4%	6.7%
6 Other Acquisition Expenses	\$630	3.6%	3.8%	3.8%	3.5%	3.5%	3.6%	3.7%	4.9%	5.5%	5.6%	4.7%	3.7%
7 General Expenses	\$961	5.5%	5.5%	4.8%	4.7%	5.0%	5.0%	6.5%	7.6%	7.3%	7.2%	6.4%	5.4%
8 Premium & Other Taxes	\$370	2.1%	2.0%	2.1%	2.1%	1.8%	2.3%	2.4%	2.2%	2.4%	1.9%	1.9%	2.5%
9 Insurer Total Expenses [4c + 5 + 6 + 7 + 8]	\$6,555	37.6%	38.0%	34.2%	35.7%	35.3%	36.6%	38.4%	48.2%	42.8%	43.2%	37.1%	31.9%
10 Insurer Total Losses & Expenses [3 + 9]	\$14,254	81.8%	91.7%	94.0%	97.8%	103.3%	108.3%	114.7%	122.2%	116.7%	116.4%	101.0%	84.8%
11 Insurer Policyholder Dividends	\$35	0.2%	0.2%	0.2%	0.4%	0.4%	0.4%	0.9%	0.1%	0.2%	0.2%	0.2%	0.1%
12 Insurer Pre-Tax Underwriting Profit (Loss)^[4]	\$3,131	18.0%	8.1%	5.8%	1.8%	-3.8%	-8.7%	-15.6%	-22.3%	-16.9%	-16.6%	-1.2%	15.1%
[100% - 10 - 11] x Earned Premium (\$ in Millions)		\$1,432	\$1,038	\$307	(\$615)	(\$1,245)	(\$1,887)	(\$2,326)	(\$1,629)	(\$1,505)	(\$132)	\$2,010	\$4,644

Notes:

^[1] Figures have been updated since the issuance of last year's report.

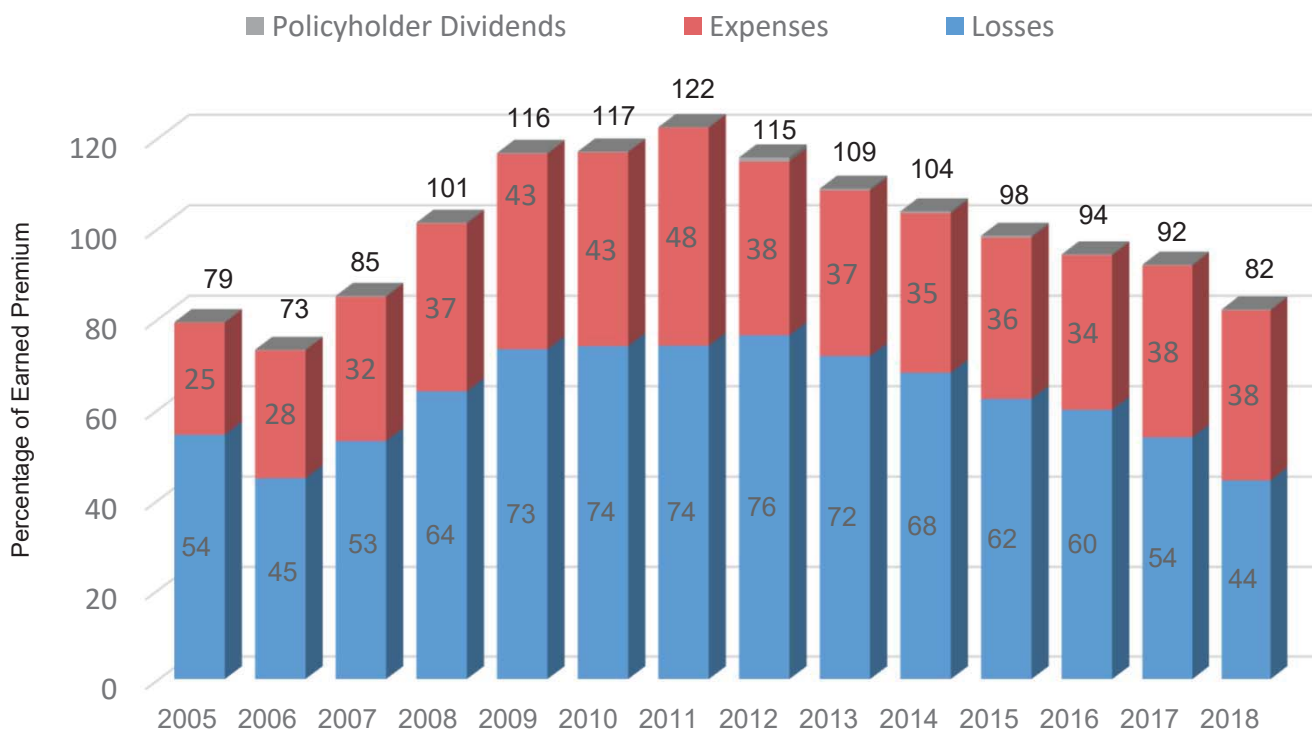
^[2] CIGA loss payments are shown above for informational purposes only, and are not included in the Insurer Pre-Tax Underwriting Profit (Loss) (line 12).

^[3] 2011 figures include a reallocation made by the State Compensation Insurance Fund to move \$500 million of reserves from loss to ULAE. 2017 figures include a reallocation made by the State Compensation Insurance Fund to move \$450 million of reserves from loss to ULAE.

^[4] Insurer Pre-Tax Underwriting Profit (Loss) represents only the underwriting profit (loss) of California workers' compensation insured policies, and is prior to reinsurance assumed or ceded, prior to the application of deductible credits or retrospective rating plan adjustments, and does not include any provision for investment income or federal income taxes. (See NAIC's *Report on Profitability By Line By State*, which is published annually, for an estimate of the overall profitability of California workers' compensation.)

Source: WCIRB expense calls.

Insurer Underwriting Experience



Source: WCIRB expense calls.

Summary of Claims by Cause of Injury - Policy Year 2016

Cause of Injury	Number of Claims	Percentage of Claims	Incurred Losses(\$)	Percentage of Total Losses
56 Strain by - Lifting	39,567	10.3%	440,482,712	9.8%
99 Other - Miscellaneous, NOC	27,462	7.2%	336,882,829	7.5%
60 Strain or Injury By, NOC	27,392	7.1%	320,379,204	7.1%
98 Cumulative, NOC	16,184	4.2%	292,437,188	6.5%
31 Fall, Slip or Trip Injury, NOC	18,570	4.8%	287,451,068	6.4%
97 Strain by - Repetitive Motion	17,787	4.6%	264,229,284	5.9%
25 Fall - From Different Level (Elevation)	6,103	1.6%	257,250,798	5.7%
29 Fall - On Same Level	17,258	4.5%	239,743,720	5.3%
26 Fall - From Ladder or Scaffolding	4,935	1.3%	185,700,234	4.1%
57 Strain by - Pushing or Pulling	14,471	3.8%	175,316,647	3.9%
75 Struck or Injured By - Falling or Flying Object	13,754	3.6%	134,454,779	3.0%
45 Motor Vehicle - Collision or Sideswipe with Another Vehicle	5,128	1.3%	103,444,078	2.3%
53 Strain by - Twisting	7,973	2.1%	93,246,506	2.1%
50 Motor Vehicle, NOC	3,077	0.8%	85,220,510	1.9%
10 Caught in - Machine or Machinery	2,807	0.7%	70,887,222	1.6%
55 Strain by - Holding or Carrying	5,732	1.5%	66,045,448	1.5%
81 Struck or Injured By, NOC	8,534	2.2%	65,214,589	1.4%
77 Struck or Injured By - Motor Vehicle	1,855	0.5%	63,503,699	1.4%
79 Struck or Injured By - Object Being Lifted or Handled	8,266	2.2%	56,723,130	1.3%
27 Fall - From Liquid or Grease Spills	4,276	1.1%	55,792,351	1.2%
33 Fall - On Stairs	3,991	1.0%	52,902,111	1.2%
13 Caught In, Under or Between, NOC	4,865	1.3%	49,538,651	1.1%
58 Strain by - Reaching	4,233	1.1%	47,601,195	1.1%
68 Struck or Stepped On - Stationary Object	7,851	2.0%	44,793,254	1.0%
30 Slip or Trip But Did Not Fall	3,379	0.9%	42,591,074	0.9%
90 Other than Physical Cause of Injury	3,450	0.9%	39,759,425	0.9%
19 Cut, Puncture, Scrape or Injured By, NOC	14,514	3.8%	38,456,279	0.9%
74 Struck or Injured By - Fellow Workers, Patient or Other Person	5,211	1.4%	37,950,841	0.8%
70 Striking Against or Stepping On, NOC	6,128	1.6%	37,147,873	0.8%
76 Struck or Injured By - Hand Tool or Machine in Use	2,568	0.7%	33,396,635	0.7%
94 Rubbed or Abraded By - Repetitive Motion	2,190	0.6%	32,262,732	0.7%
17 Cut or Puncture by - Object Being Lifted or Handled	9,402	2.4%	31,783,153	0.7%
12 Caught in - Object Handled	4,503	1.2%	31,042,324	0.7%
59 Strain by - Using Tool or Machinery	2,433	0.6%	30,378,915	0.7%
18 Cut or Puncture by - Powered Hand Tool, Appliance	3,535	0.9%	30,001,253	0.7%
89 Person in Act of a Crime	1,267	0.3%	28,675,621	0.6%
28 Fall - Into Openings	1,232	0.3%	22,010,488	0.5%
54 Strain by - Jumping or Leaping	1,458	0.4%	19,609,122	0.4%
78 Struck or Injured By - Moving Parts of Machine	921	0.2%	19,242,213	0.4%
16 Cut or Puncture by - Hand Tool, Utensils; Not Powered	10,077	2.6%	19,090,644	0.4%
80 Struck or Injured By - Object Handled by Others	1,818	0.5%	19,039,940	0.4%
01 Burn or Scald - Chemicals	1,989	0.5%	18,769,278	0.4%
85 Struck or Injured By - Animal or Insect	6,772	1.8%	16,469,300	0.4%
48 Motor Vehicle - Vehicle Upset	363	0.1%	15,587,811	0.3%
66 Struck or Stepped On - Object Being Lifted or Handled	2,296	0.6%	13,700,532	0.3%
86 Struck or Injured By - Explosion or Flare Back	77	0.0%	13,605,735	0.3%
46 Motor Vehicle - Collision with a Fixed Object	497	0.1%	12,659,701	0.3%
05 Burn or Scald - Steam or Hot Fluids	1,961	0.5%	11,130,813	0.2%
87 Foreign Matter (Body) in Eye(s)	7,603	2.0%	9,788,140	0.2%
02 Burn or Scald - Hot Objects or Substances	2,516	0.7%	9,570,789	0.2%
84 Burn or Scald - Electrical Current	410	0.1%	9,468,518	0.2%
82 Absorption, Ingestion or Inhalation, NOC	2,992	0.8%	9,421,954	0.2%
09 Burn or Scald - Contact With, NOC	1,547	0.4%	8,674,313	0.2%
04 Burn or Scald - Fire or Flame	340	0.1%	7,860,383	0.2%
32 Fall - On Ice or Snow	680	0.2%	7,794,686	0.2%
69 Struck or Stepped On - Stepping on Sharp Object	1,632	0.4%	6,396,602	0.1%
15 Cut or Puncture by - Broken Glass	2,325	0.6%	5,614,217	0.1%
65 Struck or Stepped On - Moving Part of Machine	520	0.1%	5,482,308	0.1%
61 Strain by - Welding or Throwing	299	0.1%	3,432,675	0.1%
06 Burn or Scald - Dusts, Gases, Fumes or Vapors	886	0.2%	3,427,029	0.1%
03 Burn or Scald - Temperature Extremes	659	0.2%	2,626,887	0.1%
95 Rubbed or Abraded By, NOC	378	0.1%	2,425,462	0.1%
20 Caught in - Collapsing Materials (Slides of Earth)	133	0.0%	2,004,730	0.0%
52 Strain by - Continual Noise	180	0.0%	1,766,534	0.0%
41 Motor Vehicle - Crash of Rail Vehicle	10	0.0%	1,408,091	0.0%
67 Struck or Stepped On - Sanding, Scraping, Cleaning Operation	97	0.0%	1,075,212	0.0%
47 Motor Vehicle - Crash of Airplane	9	0.0%	692,362	0.0%
93 Gunshot	6	0.0%	687,499	0.0%
11 Burn or Scald - Cold Objects or Substances	136	0.0%	676,413	0.0%
07 Burn or Scald - Welding Operations	117	0.0%	532,247	0.0%
96 Terrorism	65	0.0%	483,204	0.0%
91 Mold	36	0.0%	304,476	0.0%
14 Burn or Scald - Abnormal Air Pressure	55	0.0%	247,346	0.0%
40 Motor Vehicle - Crash of Water Vehicle	9	0.0%	173,794	0.0%
88 Natural Disasters	12	0.0%	133,268	0.0%
08 Burn or Scald - Radiation	84	0.0%	117,300	0.0%
Total	383,848	100.0%	4,505,889,348	100.0%

Source: WCIRB unit statistical data at first report level

Summary of Claims by Nature of Injury - Policy Year 2016

Nature of Injury		Number of Claims	Percentage of Claims	Incurred Losses(\$)	Percentage of Total Losses
52	Strain or Tear	114,720	29.9%	1,340,397,734	29.7%
59	All Other Specific Injuries, NOC	31,780	8.3%	488,691,842	10.8%
28	Fracture	12,440	3.2%	481,471,192	10.7%
49	Sprain or Tear	34,554	9.0%	413,413,663	9.2%
10	Contusion	42,722	11.1%	294,666,089	6.5%
80	All Other Cumulative Injury, NOC	14,639	3.8%	289,595,955	6.4%
90	Multiple Physical Injuries Only	12,573	3.3%	248,484,239	5.5%
40	Laceration	44,823	11.7%	154,312,350	3.4%
37	Inflammation	9,934	2.6%	114,961,831	2.6%
16	Dislocation	2,291	0.6%	93,606,858	2.1%
13	Crushing	4,418	1.2%	72,449,129	1.6%
04	Burn	7,108	1.9%	51,633,788	1.1%
02	Amputation	644	0.2%	49,575,394	1.1%
07	Concussion	1,815	0.5%	48,640,975	1.1%
77	Mental Stress	3,014	0.8%	45,315,769	1.0%
78	Carpal Tunnel Syndrome	2,013	0.5%	44,606,125	1.0%
46	Rupture	795	0.2%	37,992,848	0.8%
41	Myocardial Infarction	2,162	0.6%	34,773,073	0.8%
91	Multiple Injuries Including Both Physical and Psychological	1,457	0.4%	34,595,167	0.8%
34	Hernia	2,199	0.6%	31,386,618	0.7%
43	Puncture	16,213	4.2%	31,179,791	0.7%
01	No Physical Injury	2,484	0.6%	15,425,501	0.3%
53	Syncope	546	0.1%	13,655,842	0.3%
25	Foreign Body	8,421	2.2%	13,151,015	0.3%
71	All Other Occupational Disease Injury, NOC	1,501	0.4%	8,628,283	0.2%
69	Mental Disorder	495	0.1%	8,308,254	0.2%
47	Severance	165	0.0%	7,732,223	0.2%
65	Respiratory Disorders	1,012	0.3%	6,339,688	0.1%
19	Electric Shock	374	0.1%	5,767,351	0.1%
36	Infection	1,286	0.3%	5,728,952	0.1%
68	Dermatitis	2,433	0.6%	3,430,782	0.1%
55	Vascular	97	0.0%	2,982,890	0.1%
31	Hearing Loss or Impairment	232	0.1%	2,414,323	0.1%
58	Vision Loss	160	0.0%	2,372,661	0.1%
32	Heat Prostration	475	0.1%	1,465,355	0.0%
72	Loss of Hearing	145	0.0%	1,436,022	0.0%
03	Angina Pectoris	82	0.0%	888,428	0.0%
73	Contagious Disease	777	0.2%	826,180	0.0%
60	Dust Disease, NOC	65	0.0%	669,014	0.0%
42	Poisoning - General	234	0.1%	629,654	0.0%
66	Poisoning - Chemical	194	0.1%	510,737	0.0%
30	Freezing	45	0.0%	420,806	0.0%
74	Cancer	25	0.0%	343,764	0.0%
54	Asphyxiation	62	0.0%	323,923	0.0%
76	VDT-Related Diseases	20	0.0%	201,655	0.0%
70	Radiation	29	0.0%	163,424	0.0%
61	Asbestosis	43	0.0%	96,692	0.0%
79	Hepatitis Losses	10	0.0%	54,587	0.0%
75	Psychiatric	29	0.0%	48,397	0.0%
63	Byssinosis	3	0.0%	27,316	0.0%
67	Poisoning - Metal	31	0.0%	20,670	0.0%
64	Silicosis	5	0.0%	14,761	0.0%
22	Enucleation	10	0.0%	11,385	0.0%
62	Black Lung	2	0.0%	667	0.0%
	Total	383,806	100.0%	4,505,841,632	100.0%

Source: WCIRB unit statistical data at first report level

Summary of Claims by Part of Body - Policy Year 2016

Part of Body	Number of Claims	Percentage of Claims	Incurred Losses(\$)	Percentage of Total Losses	
90	Multiple Body Parts - Multiple Body Parts	37,069	9.7%	642,793,037	14.3%
42	Trunk - Lower Back Area	47,550	12.4%	573,454,963	12.8%
38	Upper Extremities - Shoulder(s)	22,825	6.0%	425,755,544	9.5%
53	Lower Extremities - Knee	24,480	6.4%	406,690,254	9.1%
34	Upper Extremities - Wrist	16,342	4.3%	176,192,147	3.9%
36	Upper Extremities - Finger(s)	36,540	9.6%	149,565,369	3.3%
55	Lower Extremities - Ankle	13,923	3.6%	144,034,383	3.2%
35	Upper Extremities - Hand	23,961	6.3%	141,712,204	3.2%
56	Lower Extremities - Foot	12,009	3.1%	102,138,542	2.3%
33	Upper Extremities - Lower Arm	11,206	2.9%	101,887,849	2.3%
54	Lower Extremities - Lower Leg	7,757	2.0%	101,355,482	2.3%
12	Head - Brain	1,576	0.4%	94,383,697	2.1%
10	Head - Multiple Head Injury	6,326	1.7%	88,907,722	2.0%
32	Upper Extremities - Elbow	7,334	1.9%	81,654,721	1.8%
31	Upper Extremities - Upper Arm	5,186	1.4%	78,576,106	1.7%
30	Upper Extremities - Multiple Upper Extremities	5,744	1.5%	76,700,730	1.7%
11	Head - Skull	2,385	0.6%	73,818,332	1.6%
41	Trunk - Upper Back Area	7,050	1.8%	71,463,485	1.6%
91	Multiple Body Parts - Body Systems and Multiple Body	4,961	1.3%	63,105,541	1.4%
18	Head - Soft Tissue	7,286	1.9%	62,280,723	1.4%
61	Trunk - Abdomen Including Groin	5,917	1.5%	57,692,725	1.3%
25	Neck - Soft Tissue	4,073	1.1%	57,294,636	1.3%
51	Lower Extremities - Hip	2,656	0.7%	55,729,029	1.2%
50	Lower Extremities - Multiple Lower Extremities	2,714	0.7%	50,586,936	1.1%
20	Neck - Multiple Neck Injury	2,082	0.5%	45,722,275	1.0%
37	Upper Extremities - Thumb	11,138	2.9%	45,623,004	1.0%
63	Trunk - Lumbar and /or Sacral Vertebrae	2,722	0.7%	44,270,960	1.0%
39	Upper Extremities - Wrist(s) & Hand(s)	3,204	0.8%	42,843,747	1.0%
65	Multiple Body Parts - Insufficient Info to Classify	3,752	1.0%	42,770,413	1.0%
44	Trunk - Chest	4,956	1.3%	38,708,219	0.9%
66	Multiple Body Parts - No Physical Injury	3,488	0.9%	37,190,064	0.8%
52	Lower Extremities - Upper Leg	2,401	0.6%	31,642,072	0.7%
43	Trunk - Disc	1,046	0.3%	31,279,408	0.7%
14	Head - Eye(s)	13,630	3.6%	28,508,411	0.6%
22	Neck - Disc	933	0.2%	28,358,089	0.6%
40	Trunk - Multiple Trunk	2,043	0.5%	26,264,107	0.6%
48	Trunk - Internal Organs	988	0.3%	21,668,976	0.5%
47	Trunk - Spinal Cord	267	0.1%	17,490,246	0.4%
15	Head - Nose	1,154	0.3%	16,845,693	0.4%
21	Neck - Vertebrae	771	0.2%	15,579,059	0.3%
49	Trunk - Heart	269	0.1%	14,482,456	0.3%
57	Lower Extremities - Toe	2,300	0.6%	13,837,404	0.3%
46	Trunk - Pelvis	530	0.1%	12,517,658	0.3%
19	Head - Facial Bones	952	0.2%	10,022,587	0.2%
60	Trunk - Lungs	1,265	0.3%	9,871,178	0.2%
16	Head - Teeth	834	0.2%	7,231,502	0.2%
13	Head - Ear(s)	1,161	0.3%	7,139,324	0.2%
62	Trunk - Buttocks	626	0.2%	6,351,843	0.1%
58	Lower Extremities - Great Toe	1,466	0.4%	5,587,422	0.1%
23	Neck - Spinal Cord	208	0.1%	4,982,777	0.1%
17	Head - Mouth	1,098	0.3%	4,867,261	0.1%
45	Trunk - Sacrum and Coccyx	304	0.1%	2,508,779	0.1%
26	Neck - Trachea	69	0.0%	248,854	0.0%
24	Neck - Larynx	45	0.0%	90,224	0.0%
64	Multiple Body Parts - Artificial Appliance	11	0.0%	47,779	0.0%
	Total	382,583	100.0%	4,492,325,948	100.0%

Source: WCIRB unit statistical data at first report level

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