

# California Workers' Compensation: Regional Differences

## *Committee on Labor and Industrial Relations*

December 2, 2015

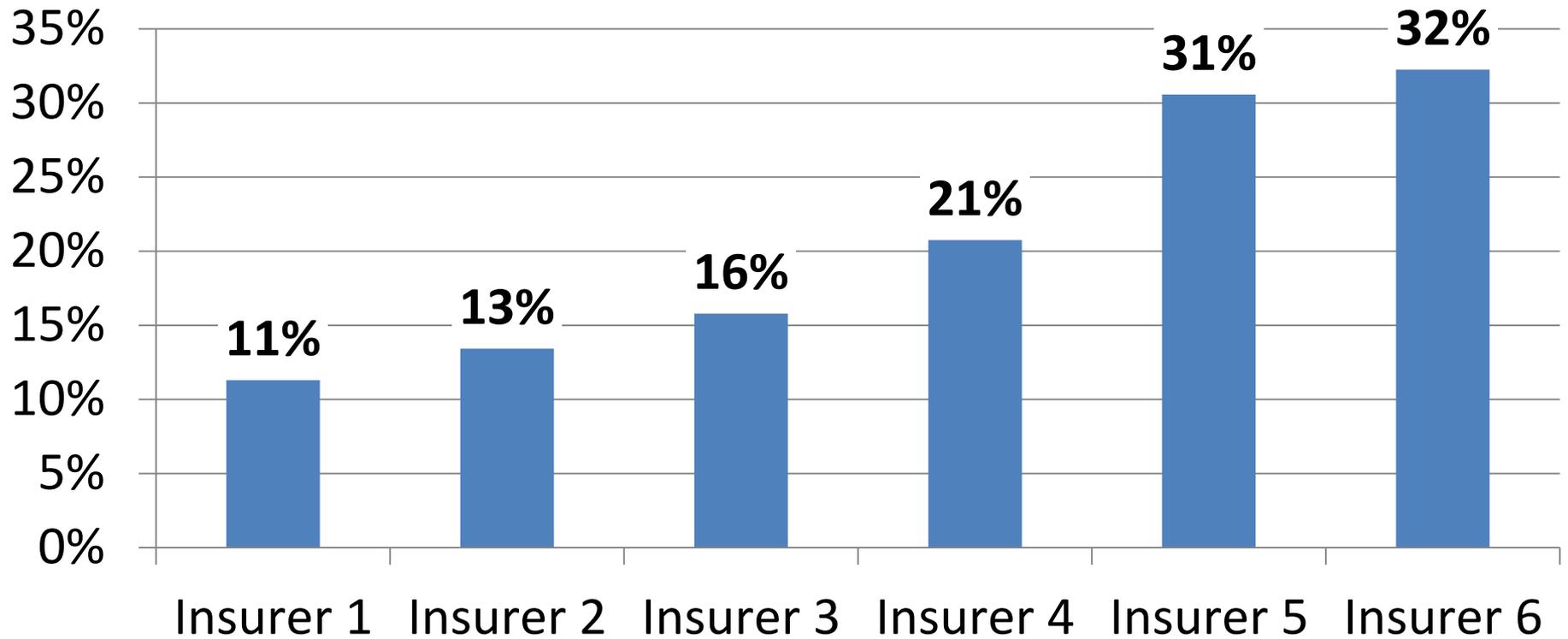
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Director Analytics and Specialty Actuarial Consulting  
Bickmore

# California Workers' Compensation: Regional Differences

## Key Metrics

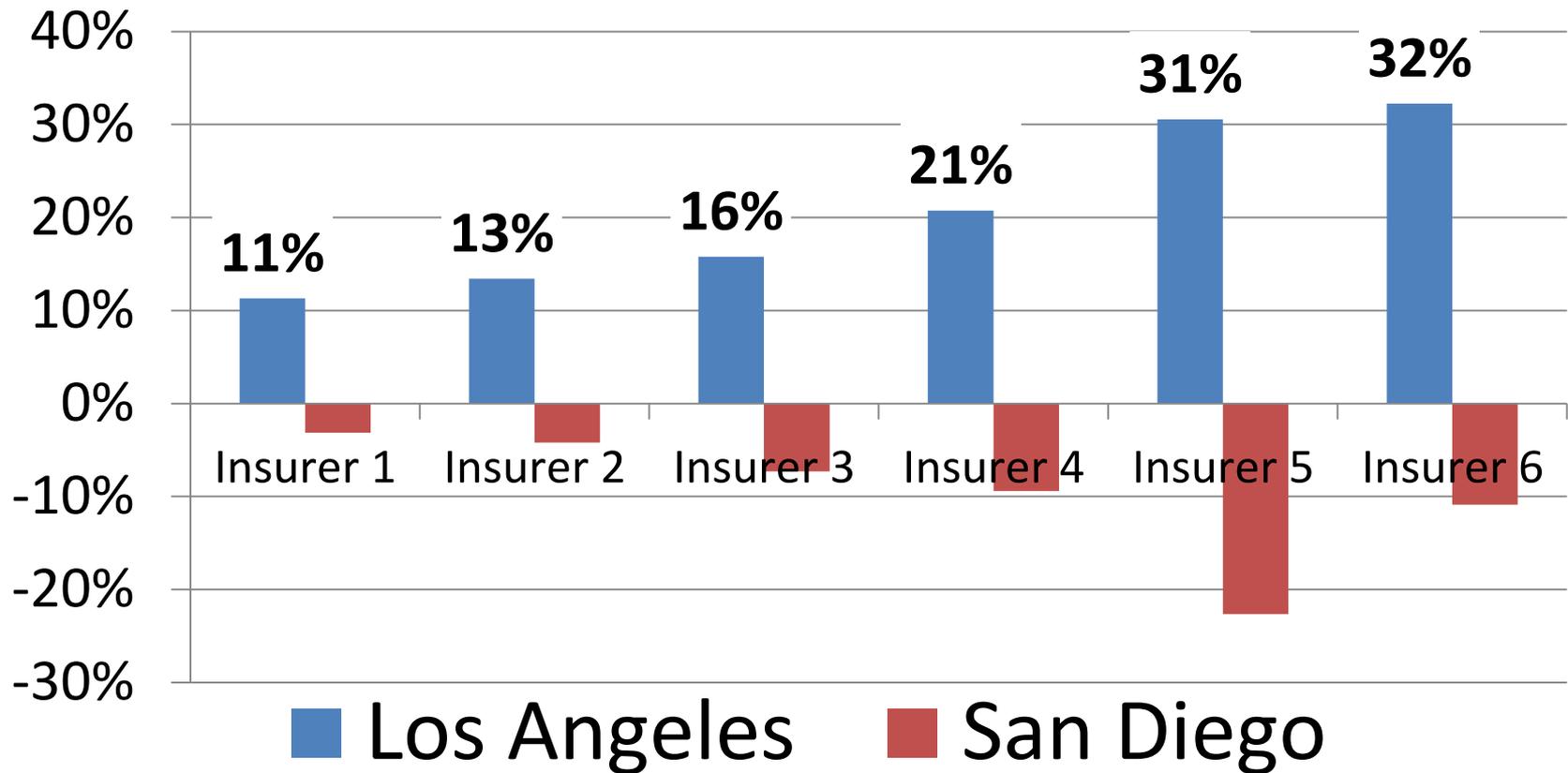
- **Loss Rates (Loss per \$100 of payroll)**
- **Claim Frequency**
- **Average Claim Size**
- **Claims Administration Environment**

# Insurance Company Rates: % Los Angeles above Rest of State



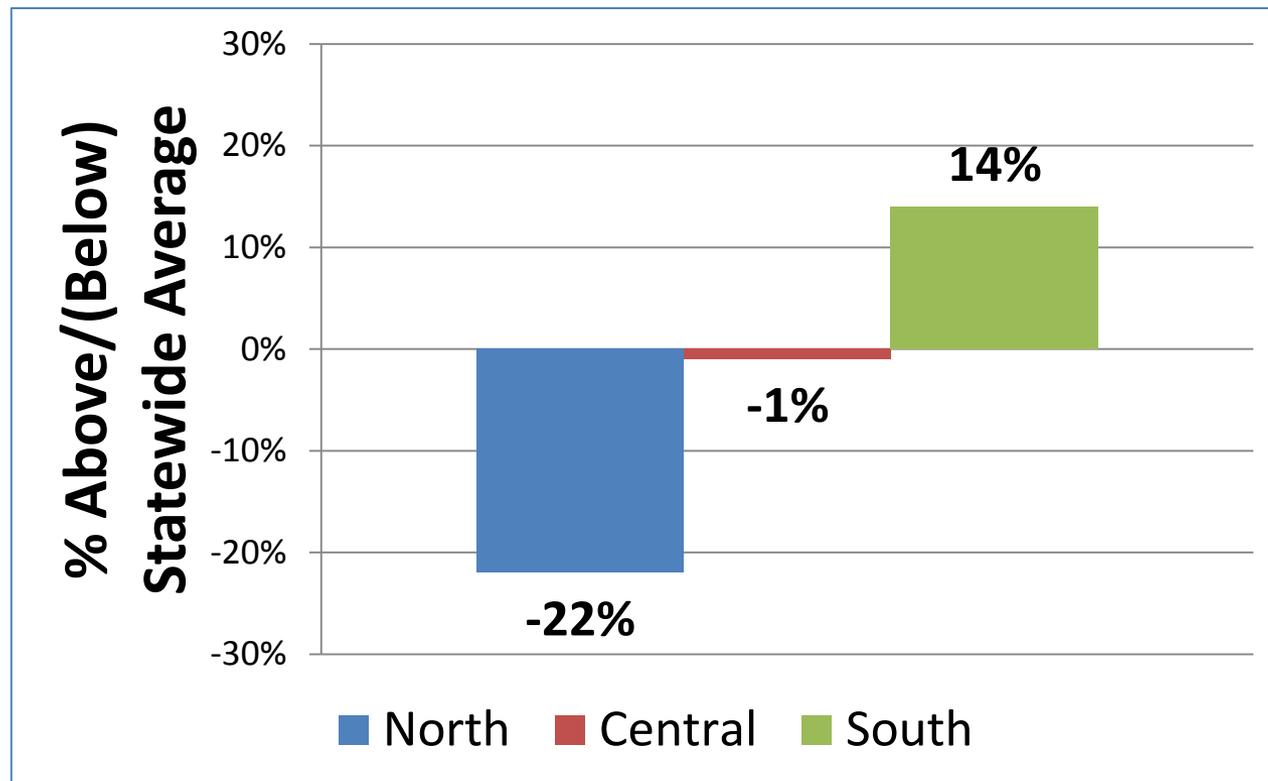
Based on Sample of Insurance Company rate filings 2015

# Insurance Company Rates: % Los Angeles above Rest of State



Based on Sample of Insurance Company rate filings 2015

# Self-Insured Public Entities Loss Rates by Region



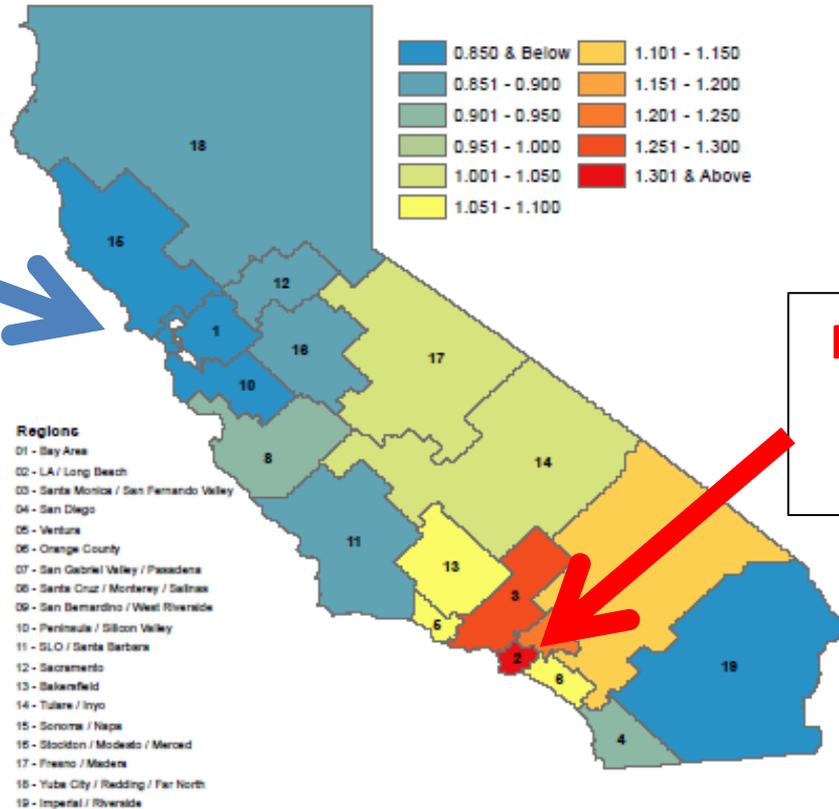
Bickmore: "Examination of the Public Sector Self-Insured Workers' Compensation Program"  
(prepared for CHSWC, 10/22/14)

# Indemnity Claim Frequency by Region (Insured)

More than 15% lower than average



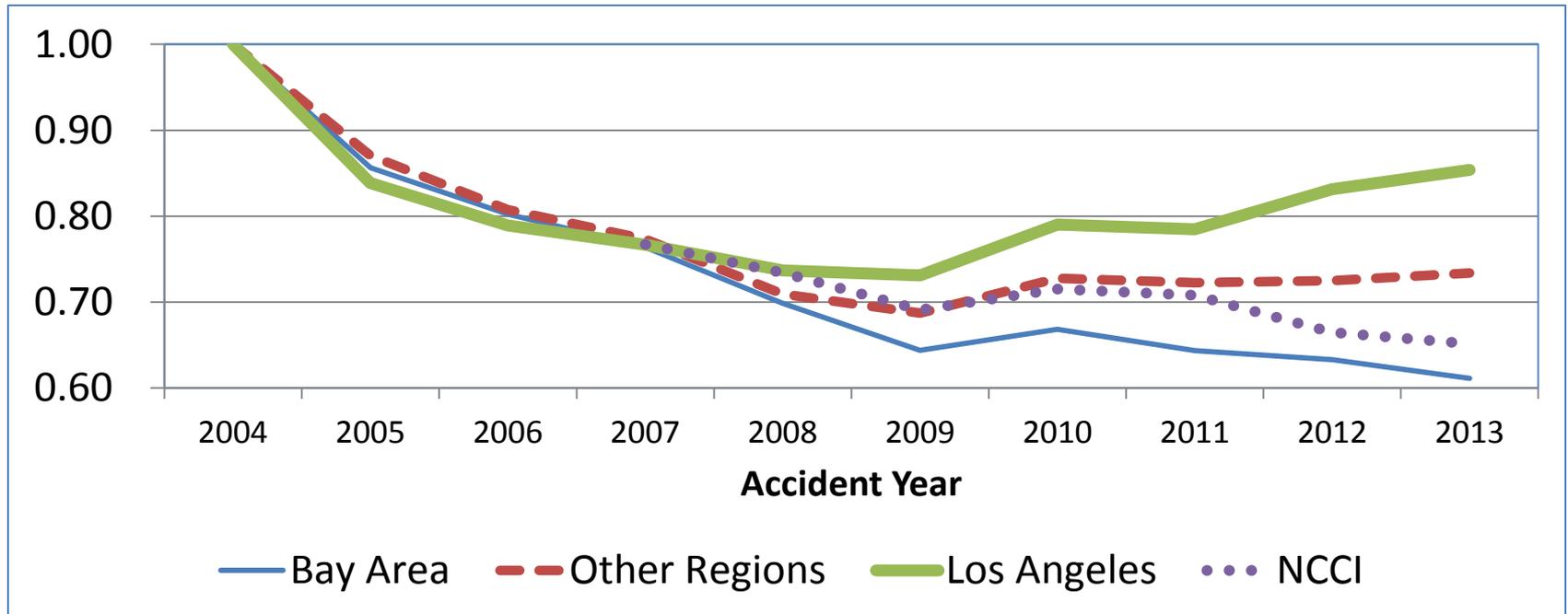
More than 30% higher than average



Source: WCIRB “A Study of Geographical Differences in California Workers’ Compensation Claim Costs” (11/5/15). Page 7, at first report level.

Source: WCIRB unit statistical data, for policies incepting July 1, 2012 through June 30, 2013 at First Report.

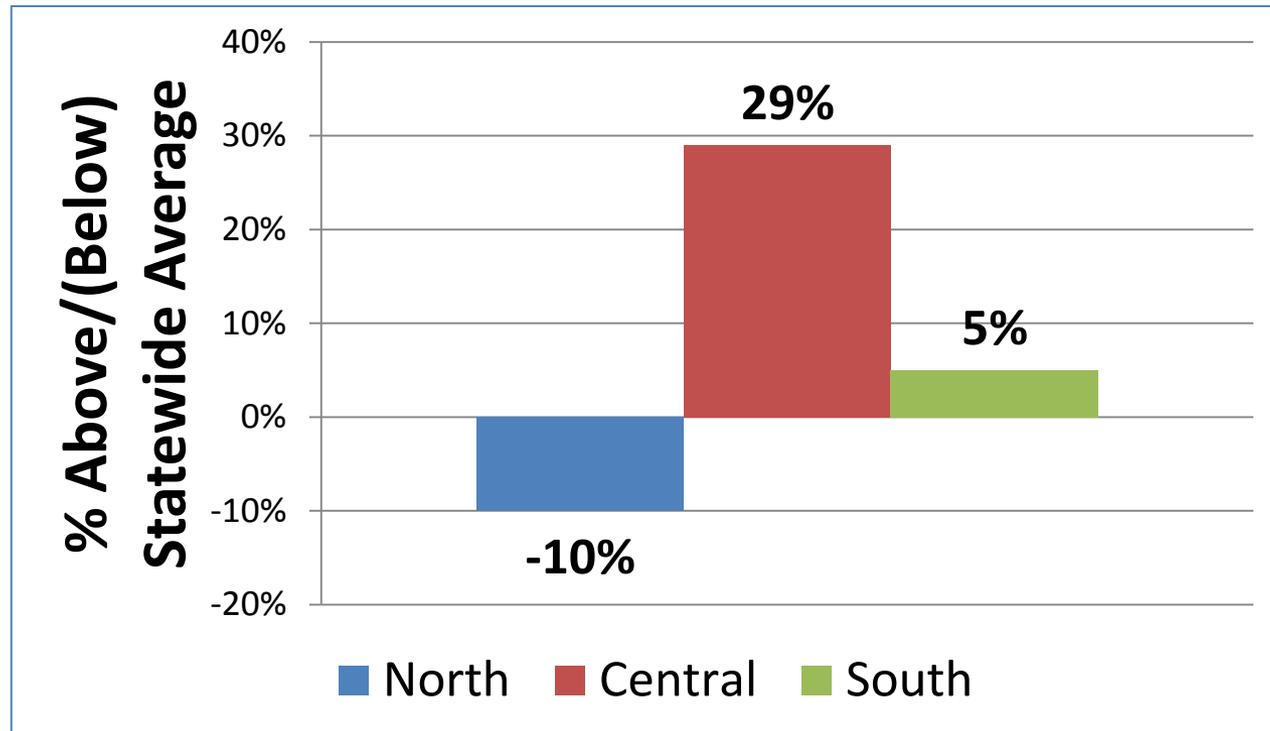
# Indemnity Claim Frequency Index by Region (Insured)



CA: WCIRB Actuarial Committee Meeting 8/6/15, page 163

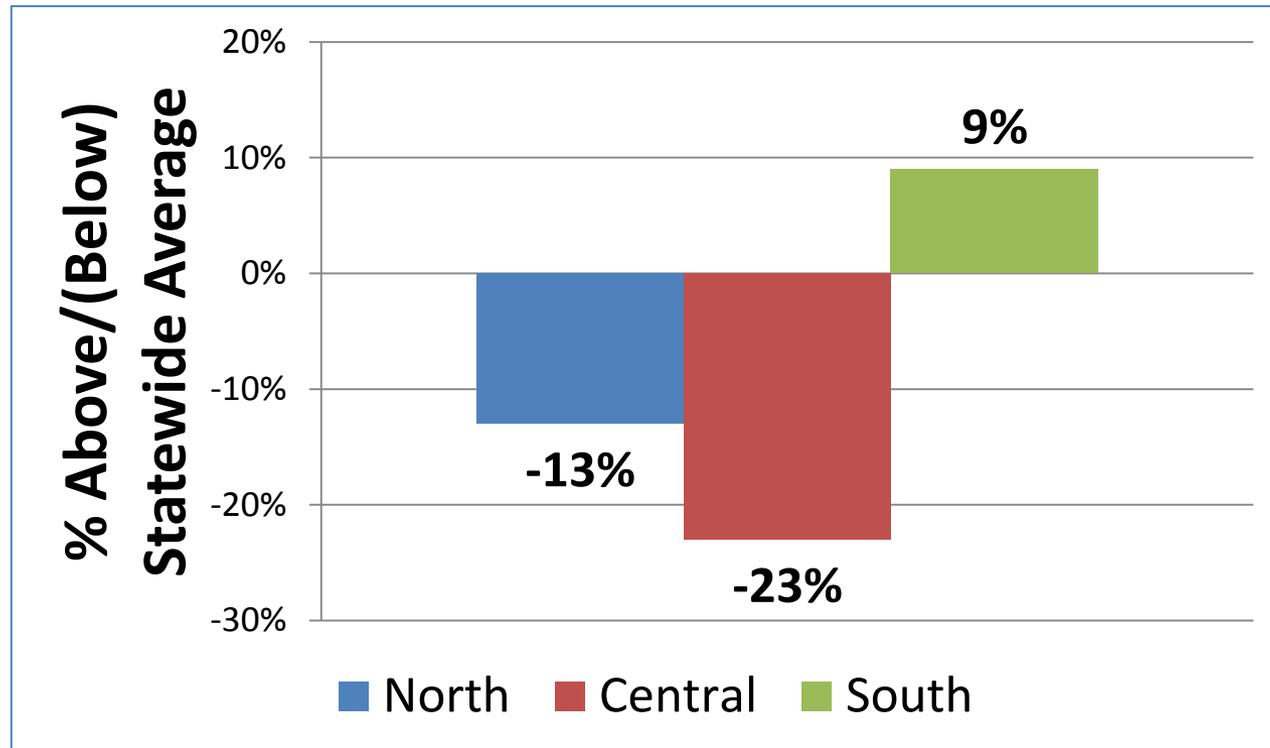
NCCI: "Workers' Compensation Claim Frequency – 2014 Update" (July 2014)

# Self-Insured Public Entities Claim Frequency by Region



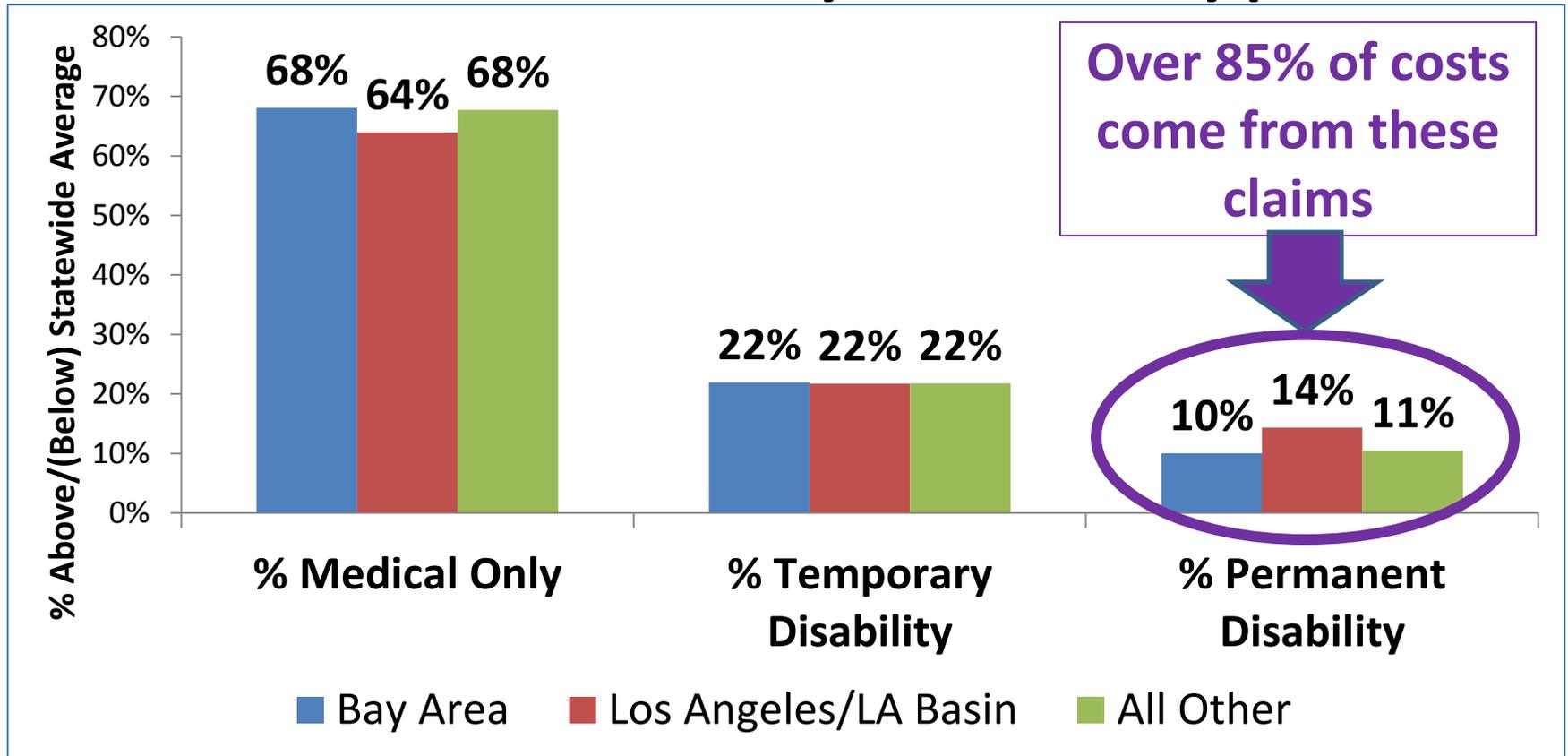
Bickmore: "Examination of the Public Sector Self-Insured Workers' Compensation Program"  
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# Self-Insured Public Entities Average Claim Size by Region



Bickmore: "Examination of the Public Sector Self-Insured Workers' Compensation Program"  
(prepared for CHSWC, 10/22/14)

# Insurance Distribution by Claim Type



CA: WCIRB Actuarial Committee Meeting 8/6/15, page 159

# Claims Administration DWC Performance Audit Review

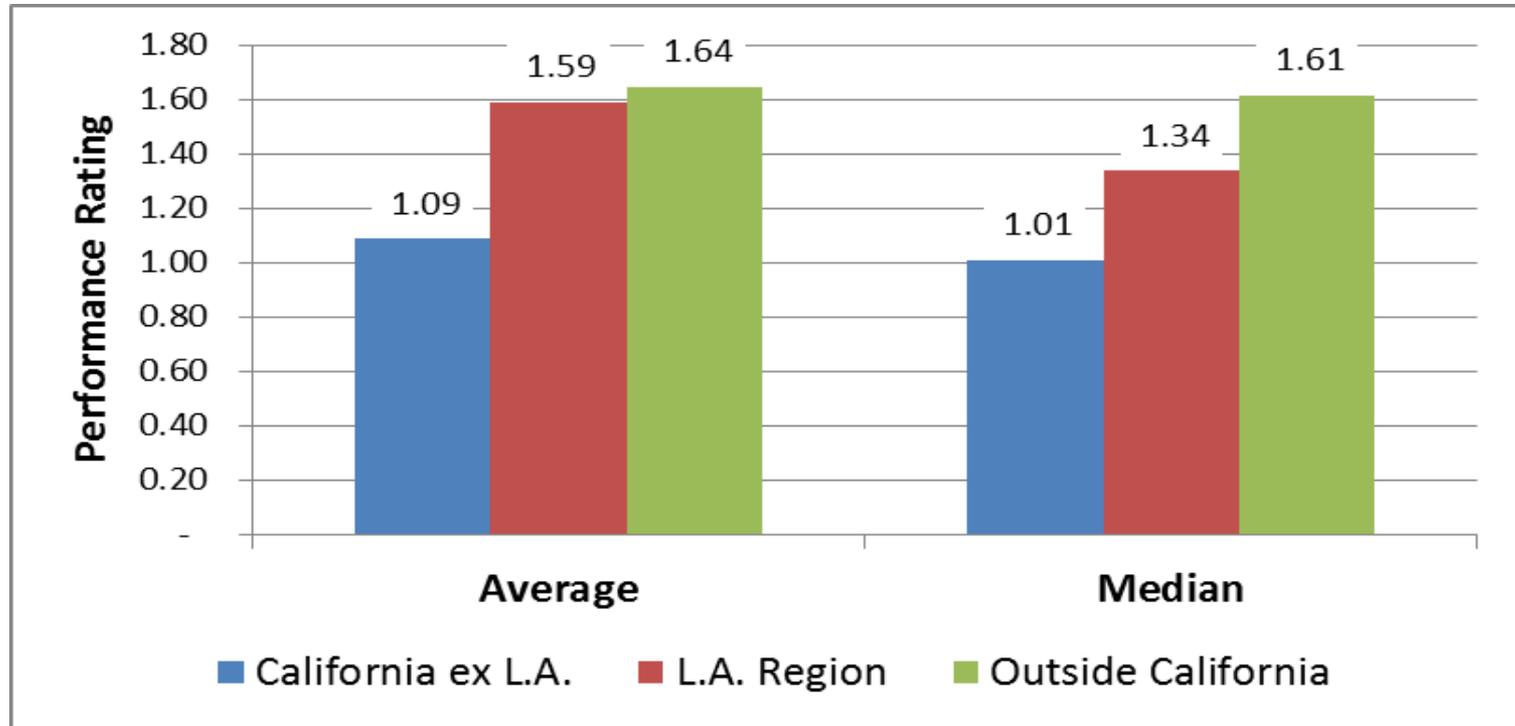
Reviewed Results 2010 – 2012

176 Entities, 9,995 Files Audited

Performance Rating & Penalties by Category

By Location, Type of Adjuster, JPA vs. Individual

# Claims Administration Performance Rating by Region

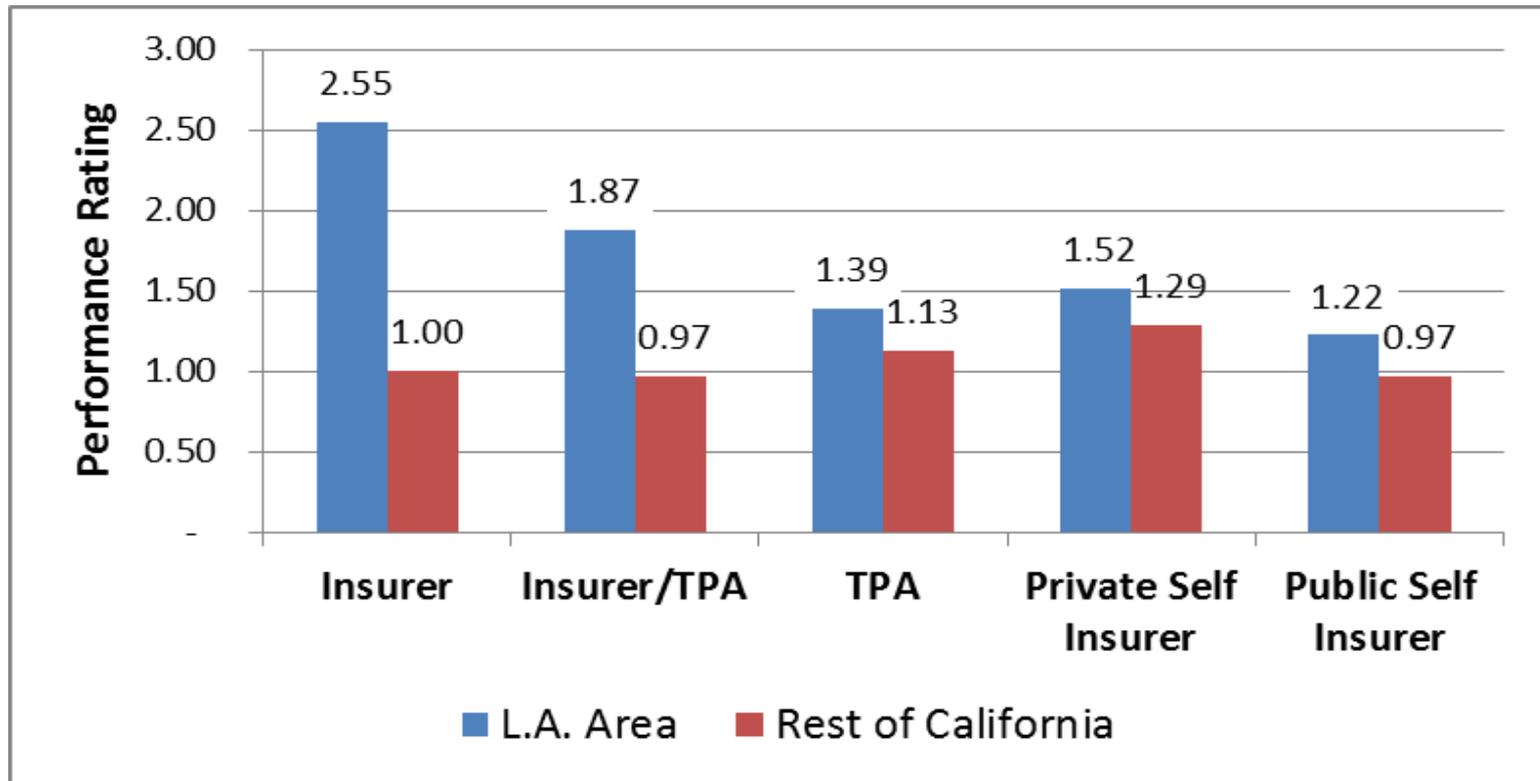


Bickmore: "Examination of the Public Sector Self-Insured Workers' Compensation Program"  
(prepared for CHSWC, 10/22/14)

PAR 2010-2012

# Claims Administration

## PAR: Region x Administrator



Bickmore: "Examination of the Public Sector Self-Insured Workers' Compensation Program"  
(prepared for CHSWC, 10/22/14)

PAR 2010-2012

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## Summary of Key Metrics: L.A. vs. Statewide

Key Metric	Result
Loss Rate	L.A. Higher
Claim Frequency	L.A. Higher
Claim Size	L.A. Higher
Claims Admin. Environment	L.A. More Difficult