California Workers' Compensation Institute

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BULLETIN

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A recent update to CWCI's Regional Scorecard Application provides detailed data on AY 2008 through AY 2021 claims valued at the end of 2021, allowing Institute members to identify and quantify regional differences and trends in claimant demographics, benefit mix, average payments, attorney involvement, claim closure rates, and employer and carrier notification, either for a specific accident year or for a specific period.

The Institute recently used the Regional Scorecard Application to identify and measure regional variations in pre-pandemic (AY 2015-2019) workers' compensation indemnity claim experience among the five most populous regions of the state. Los Angeles County residents accounted for the largest share of the state's indemnity claimants during this period (29.8 percent); followed by workers living in the Inland Empire/Orange County (18.9 percent); the Central Valley (17.9 percent); the San Francisco Bay Area (17.5 percent); and San Diego County (7.1 percent).

Results of the analysis, summarized in the table below, quantify key aspects of pre-pandemic workers' compensation claim experience in each region, while the aggregated data from all seven regions (including the Central Coast and the North Counties/Sierras) are shown in the last column of the table, providing an updated snapshot of statewide results for each metric. Altogether, the statewide sample encompassed more than 344,000 indemnity claims for injuries occurring during the 5-year study period, with aggregate expense and benefit payments totaling nearly $14.8 billion.

AY 2015-19 Indemnity Claim Experience a/o 12/31/21: L.A., Inland Emp/O.C., S.D, Bay Area, Central Valley & Statewide

WC Metric	L.A. Co.	Inland Emp/O.C.	S.D. Co.	Bay Area	Central Valley	Statewide
Avg Age of Claimant	44.3 yrs	43.3 yrs	43.3 yrs	43.6 yrs	42.0 yrs	43.4 yrs
% of Claims by Females	42.2%	40.3%	42.4%	40.0%	35.2%	39.8%
Avg Tenure at Injury (years)	6.7 yrs	5.3 yrs	5.1 yrs	5.9 yrs	4.9 yrs	5.7 yrs
Avg # of TD Days	141 days	141 days	115 days	121 days	118 days	129 days
% Closed a/o 12/31/21	78.8%	82.8%	86.1%	84.0%	85.0%	82.6%
Atty Involvement Rate	65.8%	61.4%	53.3%	44.0%	47.0%	55.5%
% w/TD Only a/o 12/31/21	37.9%	42.6%	48.1%	55.8%	56.2%	47.1%
% w/PD a/o 12/31/21	62.1%	57.4%	51.9%	44.2%	43.8%	52.9%
Avg Days to Employer Notice	51 days	35 days	23 days	16 days	16 days	31 days
Avg Days to Carrier Notice	69 days	51 days	34 days	26 days	26 days	44 days
Avg Medical Paid (w/MCC) a/o 12/31/21	$17,643	$18,411	$17,748	$18,052	$17,245	$17,935
Avg Indemnity Paid a/o 12/31/21	$19,994	$19,878	$17,209	$21,237	$17,704	$19,560
Avg TD Paid a/o 12/31/21	$ 9,200	$10,071	$ 9,019	$12,314	$ 9,786	$ 10,117
Avg PD Paid a/o 12/31/21	$ 8,568	$ 7,682	$ 6,359	$ 7,201	$ 6,212	$ 7,478
Avg Expense Paid a/o 12/31/21	$ 6,748	$ 6,328	$ 4,837	$ 5,012	$ 4,752	$ 5,699
Avg Benefit Paid a/o 12/31/21	$37,403	$37,931	$34,715	$39,048	$34,673	$37,225
Avg Total Paid/Claim a/o 12/31/21	$44,096	$44,170	$39,523	$44,024	$39,338	$42,864
% of Indemnity Claim Payments	30.6%	19.4%	6.5%	18.0%	16.4%	100%
% of Indemnity Claims (all sectors)	29.8%	18.9%	7.1%	17.5%	17.9%	100%
% of Calif Construction Claims	19.0%	19.9%	7.9%	22.0%	20.1%	100%
% of Calif Mfg Claims	39.4%	22.3%	5.1%	13.1%	13.9%	100%
% of Calif Health Care Claims	30.4%	17.5%	8.4%	20.1%	16.9%	100%
% of Calif Transportation Claims	28.3%	19.0%	4.6%	24.9%	18.0%	100%
% of Calif Retail Claims	27.2%	23.1%	7.1%	17.5%	16.4%	100%
% of Calif Clerical Claims	35.8%	21.9%	8.0%	14.8%	11.8%	100%
% of Calif Agriculture Claims	3.0%	6.9%	2.5%	6.4%	58.4%	100%
% of Calif Food Service Claims	36.1%	18.0%	10.4%	17.4%	9.9%	100%

Source: IRIS Database 2021Q4

Comparing demographic variables across the five regions shows that statewide, claimants averaged 43.4 years of age at the time of injury, with Los Angeles County claimants being the oldest, averaging 44.3 years old, and those from the Central Valley being the youngest (42.0 years). Females comprised 39.8 percent of the state's claimant population, with San Diego and Los Angeles having the highest percentage of female claimants (42.4 percent and 42.2 percent respectively), while in the Central Valley only 35.2 percent of the indemnity claims were filed by women. Los Angeles County injured workers also had the longest job tenure at the time of injury, averaging 6.7 years at their job, while those from the Central Valley and San Diego were the least tenured, averaging 4.9 years and 5.1 years respectively.

Statewide, 55.5 percent of the AY 2015-AY 2019 indemnity claims involved an attorney as of the end of 2021, though the updated figures underscore just how much more litigious the areas in and around Los Angeles are relative to the rest of the state, as the attorney involvement rate in Los Angeles County was 65.8 percent – 10.3 percentage points higher than the statewide rate, while in the neighboring Inland Empire/Orange County region the attorney involvement rate was 61.4 percent. At the other end of the spectrum, only 44.0 percent of the indemnity claims in the Bay Area involved attorneys, while in the Central Valley the litigation rate was 47.0 percent, and in San Diego County it was 53.3 percent, slightly below the statewide rate.

Among the five regions, average total payments (medical and indemnity benefits plus expenses) on the AY 2015-2019 indemnity claims were highest in the Inland Empire/Orange County ($44,170), largely due to higher medical payments in the region, which averaged $18,411, or 2.7 percent above the statewide average, though total payments on the Inland Empire/Orange County claims were only slightly more than the $44,096 paid on Los Angeles County claims and the $44,024 average paid on Bay Area claims. A closer look reveals that at the end of 2021 average permanent disability (PD) payments were highest on Los Angeles County indemnity claims ($8,568, or 14.6 percent more than the statewide average), while average expense payments, (allocated loss adjustment expenses including attorney and TPA fees, bill review and utilization review expense, investigations, and penalties, but excluding medical cost containment) were also the highest ($6,748, or 18.4 percent more than the statewide average).

On the other hand, the average amounts paid for total benefits, indemnity benefits, and temporary disability were highest in the Bay Area, even though claims from the region averaged 20 fewer TD days than Los Angeles County and the Inland Empire/Orange County, reflecting the higher earnings of claimants living in and around San Francisco, Oakland and Silicon Valley. The breakdown by type of indemnity benefit associated with each claim shows the Bay Area and the Central Valley had a higher percentage of claims that involved TD but no PD, while Los Angeles County and the Inland Empire/Orange County had more PD cases, longer delays to employer and carrier notice, and lower claim closure rates, reflecting the prevalence of cumulative trauma claims in those regions.

The claim distributions for California's top eight industry sectors show that while Los Angeles County accounted for 29.8 percent of all indemnity claims in the Regional Scorecard dataset, it had an even higher share of the claims from the manufacturing, food service, clerical, and health care sectors, indicating to some extent the regional differences in the California workforce. The industry data also show that the Bay Area accounted for 18.9 percent of all indemnity claims, though it represented a significantly higher share of claims from the retail, manufacturing, and clerical claims; while the Central Valley had 17.9 percent of the indemnity claims in the state in the five years leading up to the pandemic, as it accounted 58.4 percent of the agricultural claims and 20.1 percent of the construction claims.

Twice a year CWCI updates and analyzes the regional data compiled from our IRIS data contributors. The next update will include claims & payment data through June 2022. In the meantime, CWCI members can access the latest Regional Scorecard data and graphics by logging on to www.cwci.org and clicking the Interactive Research Tools button from the dropdown menu under the Research tab on the home page and clicking Regional Scorecard Application.

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