California Workers' Compensation Institute

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BULLETIN

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The latest update to CWCI's Regional Scorecard Application offers detailed data on AY 2008 through AY 2022 claims valued through June of this year, spotlighting regional differences and trends in claimant demographics, benefit mix, average payments, attorney involvement, claim closure rates, and employer and carrier notification for specific accident years or specific periods.

The Institute recently used the updated data to take an initial look at insured and self-insured pandemic-era (AY 2020-2022) workers' compensation indemnity claim experience in the five most heavily populated regions of the state. Workers living in Los Angeles County accounted for the largest share of the state's indemnity claims during the 3-year period (24.7 percent); followed by workers from the Central Valley (21.0 percent); the Inland Empire/Orange County (19.9 percent); the San Francisco Bay Area (18.1 percent); and San Diego County (7.2 percent). The updated data from the application, shown in the table below, quantify key aspects of pandemic-era 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 noted in the last column of the table, providing statewide results for each metric. Altogether, the statewide sample encompassed more than 168,614 indemnity claims for injuries occurring during the 3-year study period, with aggregate expense and benefit payments totaling $5.5 billion.

AY 2020-22 Indemnity Claim Experience a/o 6/30/23: 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	43.9 yrs	43.0 yrs	42.9 yrs	43.6 yrs	41.7 yrs	43.0 yrs
% of Claims by Females	40.8%	42.3%	42.2%	39.3%	36.3%	39.0%
Avg Tenure at Injury (years)	6.5 yrs	5.2 yrs	5.0 yrs	6.1 yrs	4.9 yrs	5.6 yrs
Avg # of TD Days	111 days	108 days	96 days	109 days	98 days	105 days
% Closed a/o 6/30/23	66.3%	70.3%	72.6%	67.3%	71.0%	69.0%
Atty Involvement Rate a/o 6/30/23	46.6%	42.3%	34.9%	32.0%	32.5%	38.1%
% w/TD Only a/o 6/30/23	66.1%	68.3%	73.1%	78.0%	78.1%	72.5%
% w/PD a/o 6/30/23	33.9%	31.7%	26.9%	22.0%	21.9%	27.5%
Avg Days to Employer Notice	23 days	18 days	12 days	10 days	9 days	15 days
Avg Days to Carrier Notice	35 days	28 days	20 days	17 days	16 days	24 days
Avg Medical Paid (w/MCC) a/o 6/30/23	$13,553	$13,524	$13,990	$13,351	$12,416	$13,427
Avg Indemnity Paid a/o 6/30/23	$16,643	$15,866	$13,989	$18,445	$14,093	$15,970
Avg TD Paid a/o 6/30/23	$11,198	$10,963	$10,047	$14,880	$10,904	$11,688
Avg PD Paid a/o 6/30/23	$4,095	$3,652	$2,959	$2,777	$2,458	$3,253
Avg Expense Paid a/o 6/30/23	$4,107	$3,877	$3,037	$2,968	$2,871	$3,401
Avg Benefit Paid a/o 6/30/23	$30,072	$29,252	$27,757	$31,637	$26,397	$29,246
Avg Total Paid/Claim a/o 6/30/23	$34,145	$33,059	$30,762	$34,564	$29,220	$32,599
% of Indemnity Claim Payments	25.8%	20.2%	6.8%	19.2%	18.8%	100%
% of Indemnity Claims (all sectors)	24.7%	19.9%	7.2%	18.1%	21.0%	100%
% of Calif Construction Claims	15.9%	18.9%	8.2%	22.2%	23.1%	100%
% of Calif Mfg Claims	29.7%	24.0%	5.9%	13.3%	19.7%	100%
% of Calif Health Care Claims	27.1%	20.9%	7.9%	19.5%	18.4%	100%
% of Calif Transportation Claims	24.5%	19.0%	5.4%	26.3%	18.7%	100%
% of Calif Retail Claims	25.3%	20.0%	7.0%	19.3%	19.4%	100%
% of Calif Clerical Claims	34.5%	21.2%	8.0%	15.0%	15.0%	100%
% of Calif Agriculture Claims	3.1%	6.4%	2.8%	5.0%	58.6%	100%
% of Calif Food Service Claims	31.0%	19.5%	9.8%	16.5%	14.4%	100%

Source: IRIS Database 2023Q2

The demographic data from the application show that statewide, AY 2020-AY 2022 indemnity claimants averaged 43.0 years of age at the time of injury, with Los Angeles County claimants being the oldest, averaging 43.9 years old, and those from the Central Valley being the youngest (41.7 years). Females represented 39.0 percent of the state's injured workers with lost-time claims, with the Inland Empire/Orange County and San Diego having the highest percentage of female claimants (42.3 percent and 42.2 percent respectively), compared to the Central Valley where women accounted for only 36.3 percent of the indemnity claims. Workers living in the state's largest urban centers had the longest job tenure, with Los Angeles County residents averaging 6.5 years on the job at the time of injury, and Bay Area residents averaging 6.1 years, while those living in the Central Valley, which has many seasonal and transient workers, were the least tenured, averaging 4.9 years, which was well below the statewide average of 5.6 years.

Although the AY 2020-2022 indemnity claims were still relatively young, statewide 38.1 percent of them involved an attorney as of the end of June 2023. The regional breakouts highlight the continued high levels of litigation in and around Los Angeles, as the attorney involvement rate for these claims, which ranged from 6 to 42 months old, was 46.6 percent in Los Angeles County – 8-1/2 percentage points higher than the statewide rate, while in the Inland Empire/Orange County the attorney involvement rate was 42.3 percent, or 4.2 percentage points above the statewide rate. In comparison, in the Bay Area only 32.0 percent of the indemnity claims involved attorneys, while in the Central Valley the litigation rate was 32.5 percent, and in San Diego County it was 34.9 percent.

As of June 30 of this year, average total payments (medical and indemnity benefits plus expenses) on the AY 2020-2022 indemnity claims were highest in the Bay Area ($34,564) due to higher indemnity payments in the region, which averaged $18,445 – 15.5 percent more than the statewide average. Because these were relatively immature indemnity claims, 72.5 percent of the claims statewide involved temporary disability (TD) but no permanent disability (PD), so TD benefits accounted for most of the indemnity payments. The regional breakdowns show that the Bay Area and Central Valley had the highest percentage of claims with TD but no PD; Los Angeles County and the Inland Empire/Orange County had the highest percentage of PD cases as well as longer delays to employer and carrier notice; and Los Angeles County and the Bay Area had the lowest claim closure rates. Bay Area claims averaged 109 days of paid TD versus the statewide average of 105 days, and though the number of paid TD days was slightly higher in Los Angeles County (111 days), the key factor behind the higher indemnity payments on Bay Area claims was the higher earnings of claimants living in this region, which resulted in average TD payments of $14,880 – 27.3 percent above the statewide average.

Despite the higher TD payments, total payments on Bay Area indemnity claims averaged $34,564, only slightly more than the $34,145 average for Los Angeles County claims. The payment data show that as of June 30, average medical payments on the Los Angeles County claims were only 1.5 percent higher than those on Bay Area claims ($13,553 vs. $13,351), but average PD payments were 47.5 percent higher ($4,095 vs. $2,777), 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 38.4 percent higher ($4,107 vs. $2,968).

Los Angeles County represents about a quarter of all jobs in the state, and it accounted for 24.7 percent of the AY 2020-2022 indemnity claims, though results varied among the state's major industry sectors, in part due to regional differences in the California work force. For example, Los Angeles County had the highest share of claims from the clerical (34.5 percent), food service (31.0 percent), manufacturing (29.7 percent), health care (27.1 percent), and retail (25.3 percent) sectors, but the Central Valley, which accounted for 21.0 percent of the state's indemnity claims, had the highest share of lost time claims from the agriculture and construction sectors (58.6 percent and 23.1 percent respectively), while the Bay Area had the highest proportion of transportation claims (26.3 percent).

The next update to the CWCI Regional Scorecard Application will include claims & payment data through December 2023. In the meantime, CWCI members can access the latest 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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