California Workers' Compensation Institute

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BULLETIN

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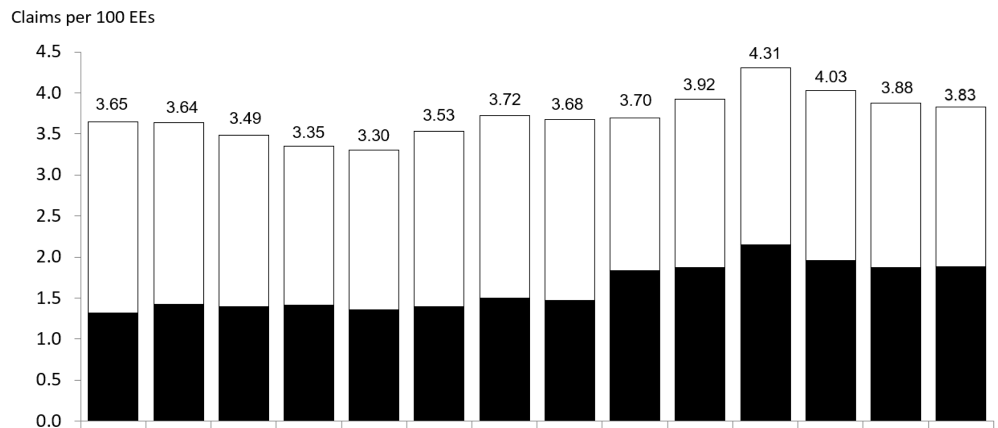
The number of private self-insured employees in California declined 1.5% last year and private self-insured job injury claims fell 2.7%, pushing claim frequency in the sector to a 5-year low. A CWCI review, however, found signs of rising claim costs: while first-report total paid losses were flat and the average paid loss per claim only rose 2.5%, total incurred losses were up 4.8% as the average incurred loss per claim, driven primarily by higher medical reserves, climbed 7.7%.

The Institute's review is based on the initial summary of private self-insured data posted last week by the Office of Self-Insurance Plans (OSIP), providing the first look at California private self-insured claims experience for cases reported in 2025. The summary includes medical-only and indemnity claim counts; total paid and incurred losses through December of last year; the number of employees covered by private self-insured entities; total wages and salaries; and updated private self-insured experience data for claims reported for calendar years 2021 through 2024.

OSIP reports that private self-insured employers in California covered nearly 2.22 million employees last year, 32,765 fewer than the 2.25 million in the first report on 2024 claims. The slight decline in the workforce contributed to a decline in claim volume, as private self-insured employers reported 84,996 claims in 2025, 2,364 (2.7%) fewer than in the 2024 first report, which drove claim frequency down to 3.83 claims (1.95 medical-only + 1.88 indemnity) per 100 employees. That rate was off slightly from 3.88 claims per 100 employees in 2024 and the lowest claim frequency since 2020. Despite the decline in the private self-insured work force, total private self-insured wages and salaries increased to nearly $152.5 billion, up 1.1% from the $150.8 billion reported in the 2024 first report.

The slight decline in private self-insured claims in 2025 marked the third consecutive year of decreasing claim volume. Since the 2022 peak, when thousands of COVID-19 claims pushed the first report claim count to 104,278, total claims have fallen 18.5%. Both medical-only and indemnity claims declined during that three-year period, with medical-only claims down 17.2% and indemnity claims down 19.8%.

California Private Self-Insured Claim Frequency # of Claims per 100 Employees
Initial Reports, CY 2012 – 2025 Claims



	12	13	14	15	16	17	18	19	20	21	22	23	24	25
□ Med-Only Claims	2.33	2.22	2.09	1.94	1.94	2.13	2.22	2.21	1.87	2.05	2.16	2.07	2.01	1.95
■ Indemnity Claims	1.32	1.42	1.40	1.41	1.36	1.40	1.50	1.47	1.83	1.87	2.15	1.96	1.87	1.88

Source: OSIP 2012 –2025 Summaries of Private Self-Insured Claims Experience

The large drop in indemnity claim volume since the pandemic is not surprising as many of the COVID-19 claims involved little or no medical treatment but did involve lost-time payments. While indemnity and medical-only claims accounted for nearly equal shares of private self-insured claims in 2022, since then indemnity claim frequency has fallen from 2.15 claims per 100 employees in 2022 to 1.96 in 2023 and 1.87 in 2024, before leveling off at 1.88 in 2025. Medical-only claim frequency also declined, though at a slower pace, dropping from 2.16 claims per 100 employees in 2022 to 2.07 in 2023, 2.01 in 2024, and 1.95 in 2025. Thus, while both med-only and indemnity claim frequency have fallen over the past three years, the decline in indemnity claim frequency contributed slightly more to the 3-year decline in overall private self-insured claim frequency.

Although there were fewer private self-insured claims reported in 2025 than in 2024, total paid losses on 2025 claims still amounted to $352.4 million, nearly matching the $353.6 million reported in the 2024 first report as a decline in total indemnity payments was largely offset by an increase in aggregate medical reimbursements. Initial reports show there were 495 fewer indemnity claims and 1,869 fewer medical-only claims in 2025, while total indemnity payments fell by $4.0 million (2.3%) and total paid medical increased by $2.8 million (1.6%).

CALIFORNIA WC PAID & INCURRED LOSSES: PRIVATE SELF-INSURED CLAIMS
2012 – 2025 Experience @ 1st Report

		TOTAL PAID ($ millions)		AVG PAID/CLAIM			TOTAL INCURRED ($ millions)		AVG INCURRED/CLAIM		
YEAR	# OF CLAIMS	INDEM	MEDICAL	INDEM	MEDICAL	TOTAL	INDEM	MEDICAL	INDEM	MEDICAL	TOTAL
2012	77,557	$ 76.2	$110.0	$ 983	$1,418	$2,401	$209.8	$384.8	$2,705	$4,962	$7,667
2013	76,015	$ 76.7	$104.2	$1,009	$1,371	$2,380	$204.3	$376.2	$2,688	$4,949	$7,637
2014	76,427	$ 82.7	$111.4	$1,082	$1,458	$2,540	$212.4	$377.9	$2,779	$4,944	$7,723
2015	75,684	$ 86.2	$109.2	$1,138	$1,444	$2,582	$222.4	$372.8	$2,938	$4,927	$7,865
2016	78,404	$ 89.3	$116.6	$1,139	$1,487	$2,626	$231.9	$388.1	$2,957	$4,950	$7,907
2017	79,655	$ 90.4	$128.3	$1,135	$1,611	$2,746	$230.2	$400.8	$2,889	$5,032	$7,921
2018	83,873	$102.5	$136.1	$1,222	$1,622	$2,844	$244.3	$414.7	$2,913	$4,944	$7,857
2019	85,852	$111.5	$141.3	$1,299	$1,645	$2,944	$265.6	$428.8	$3,093	$4,995	$8,088
2020	86,503	$136.6	$131.8	$1,579	$1,523	$3,103	$305.8	$436.6	$3,535	$5,048	$8,583
2021	93,430	$158.7	$156.1	$1,699	$1,670	$3,370	$342.6	$497.2	$3,667	$5,321	$8,988
2022	104,278	$161.9	$149.2	$1,552	$1,431	$2,983	$345.1	$466.7	$3,309	$4,476	$7,785
2023	94,386	$172.8	$167.4	$1,831	$1,774	$3,605	$361.4	$502.6	$3,829	$5,324	$9,153
2024	87,360	$176.0	$177.6	$2,014	$2,033	$4,047	$392.0	$542.3	$4,487	$6,208	$10,695
2025	84,996	$172.0	$180.4	$2,024	$2,123	$4,147	$388.8	$590.3	$4,575	$6,945	$11,520

Source: CWCI Analysis of OSIP 2012-2025 Summaries

With low-cost COVID-19 claims now largely out of the system, and with annual increases in temporary disability (TD) rates and the Official Medical Fee Schedule continuing to push average claim payments higher, the average paid loss per private self-insured claim rose for the third consecutive year in 2025. Since hitting the pandemic-era low in 2022, the average paid loss at first report has climbed 39.0%, from $2,983 to $4,147 in 2025. Over that same period, average first report medical payments increased 48.4%, from $1,431 to $2,123, while average first report paid indemnity, consisting primarily of TD payments, rose 30.4%, from $1,552 to $2,024.

First report total incurred losses (paid benefits plus reserves for future payments) have also increased sharply since the 2022 low. Total incurred losses on private self-insured claims rose to nearly $979.2 million in 2025, up $44.9 million (4.8%) from the $934.3 million reported in 2024 and up $167.4 million (20.6%) from the $811.8 million reported for 2022 claims. Notably, these increases occurred despite the 18.5% decline in claim volume since 2022.

The breakdown by benefit type shows that from 2022 through 2025, total first report incurred medical increased by $123.6 million (26.5%) to $590.3 million, while total incurred indemnity rose by $43.7 million (12.7%) to $388.8 million. Over that same span, average incurred medical increased 55.2% and average incurred indemnity rose 38.3%, pushing the average total incurred per private self-insured claim at first report up 48.1%, from $7,785 in 2022 to $11,520 in 2025.

OSIP has posted its summary of private self-insured employers' claims experience for CY 2025, with updates on CY 2021 through CY 2024 experience, here. Summaries are also available for public self-insured employers, but that data is reported on a fiscal year basis, so the latest public self-insured data reflects claims and losses reported through June 2025 rather than through December. CWCI's will review the FY 2025/2026 public self-insured data when it becomes available at the end of this year.

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