State of California
Department of Industrial Relations
Division of Workers' Compensation
Audit & Enforcement Unit

2025 AUDITS

A Report to the California Legislature on
Claims-Handling Practices of Workers'
Compensation Administrators

State of California
Gavin Newsom, Governor

Pursuant to Labor Code section 129(e), the Administrative Director of the Division of Workers' Compensation (DWC) submits this thirty-sixth annual workers' compensation report summarizing the results of audits conducted by the DWC Audit & Enforcement Unit.

2025 Audit Results

Profile Audit Review (PAR) standard 1.57376 & Full Compliance Audit (FCA) standard 2.14192

Labor Code sections 129 and 129.5 provide the framework for oversight and enforcement of the regulations of the Administrative Director for the prompt and accurate provision of workers' compensation benefits.

The performance of any insurer, self-insurer, or third-party administrator is rated for action in specific areas of benefit provision. Of foremost importance is the payment of all indemnity owed to the injured worker for an industrial injury. The timeliness of all initial and subsequent indemnity payments and compliance with the regulations of the Administrative Director for provision of notice for a qualified or agreed medical evaluation are also measurable performance factors.

The DWC Audit & Enforcement Unit completed 46 audits, shown in Exhibit 1. The 46 audits included 44 audits routinely selected for PAR, another 2 target audits based on the failure of a prior Routine audit. The PAR audit subjects consisted of 16 insurance companies, 8 self-administered/self-insured employers, 20 third-party administrators (TPA), and 2 insurance companies/third-party administrators that combined claims-adjusting locations.

The 2 target audits were conducted on the following companies: CorVel Corporation Southern California / Rancho Cucamonga and Davies Claims Solutions LLC / Nashville, TN because of a failed PAR/FCA routine audit.

In all audits, claim files were randomly selected for review, with the number of indemnity and denied cases selected based on the number of claims reported in each of those populations for the audit subject in the three calendar years before the audit commenced. In addition, if any complaints were received regarding possible violations of the Labor Code or regulations of the Administrative Director, each respective claim file related to a complaint may have been part of the audit pursuant to California Code of Regulations (CCR), Title 8, sections 10107.1(c)(2), (d)(2), and (e)(2).

Pursuant to CCR, Title 8, section 10107.1(c) and (d), either a "PAR sample" of up to 59

or a "FCA sample" of up to 138 indemnity claims is audited, depending on the claims administrator's performance, as measured in the key areas after the PAR sample is audited. CCR, Title 8, section 10107.1(e) provides for a "sample" of up to 67 denied claims that may be audited. The sample size depends on the claims administrator's performance, as measured in specific areas of benefit provision and determined by reviewing all audits of indemnity claims in the "FCA stage 1 sample."

In 2025, within the PAR/FCA audits, compliance officers audited 2,747 claim files, of which 2,730 were randomly selected claims, and 17 claim files were audited based on CCR, Title 8, section 10107.1 complaints received by the DWC. The 17 complaint claims files are not randomly selected and are included as part of the regular PAR/FCA audit process. The information outlined in this paragraph only refers to PAR/FCA audits. The penalties found in Civil Penalty audits are listed in the Civil Penalty section of this report.

Basis for the PAR Performance Rating

The current audit regulations (CCR, Title 8, sections 10100.2–10115.2) took effect May 20, 2009. The audit regulations are crafted to produce more efficient audits of workers' compensation claims administrators, and to establish procedures and penalty provisions for statutory and regulatory obligations.

Pursuant to CCR, Title 8, section 10107.1(c)(3), when the DWC Audit & Enforcement Unit conducts a PAR audit of claim files, a performance rating is calculated for the sample of randomly selected indemnity claims. At present, the performance rating is a composite score reflecting claims performance based on the percentage of the following:

- Selected claims with unpaid indemnity and the amount of unpaid indemnity in those claims
- Randomly selected claims with late first temporary disability (TD) payments and/or failure to comply with the regulations for the provision of the first notice of salary continuation in lieu of TD payment
- Claims with late first payments of permanent disability (PD) or death benefits
- Claims with late subsequent indemnity payments
- Claims with violations involving a failure to comply with the regulations for the provision of notices to advise injured workers of the process for selecting Agreed Medical Examiners (AME) or Qualified Medical Examiners (QME).

The amended Labor Code section 4650(b)(2) came into effect January 1, 2013, and now provides that, under specific circumstances set by statute, PD indemnity is not payable to an injured employee until after the Workers' Compensation Appeals Board (WCAB)

awards it.

As calculated pursuant to CCR, Title 8, section 10107.1(c)(3), low performance ratings reflect good claims-handling performance, and high-performance ratings reflect poor performance. If an audit subject's PAR performance rating meets or exceeds the PAR performance standard, the audit is terminated, and no administrative penalties are assessed for claims violations. In order to meet or exceed the PAR performance standard, an audit subject's PAR performance rating must meet or exceed the ratings of the worst 20% of performance ratings calculated for all audits conducted over the three-year period preceding the audit. In other words, a PAR performance rating for a 2025 audit that falls within the range of the 80% best scores of all audits conducted from 2022 through 2024 meets or exceeds the PAR performance standard for 2025, which is 1.57376.

Performance Ratings of PAR/FCA Audit Subjects

In 2025, the performance for the 46 audits includes both 44 PAR routine and 2 target audit subjects that have failed previous PAR/FCA audits. The performance is broken down as follows:

- Thirty-eight audit subjects (82.60%) met or exceeded the PAR 2025 performance standard and therefore had no penalty citations assessed in accordance with Labor Code section 129.5(c) and CCR, Title 8, section 10107.1(c)(4). However, these audit subjects were ordered to pay all unpaid compensation.

- Eight audit subjects (17.40%) failed to meet or exceed the PAR standard, and their audits expanded into full compliance audits of indemnity claims (FCA stage 1). Five of the eight audit subjects met or exceeded the FCA 2025 performance standard and therefore had penalty citations assessed for unpaid and late payment of indemnity pursuant to Labor Code section 129.5(c)(2) and CCR, Title 8, section 10107.1(d). The remaining three audit subjects failed to meet or exceed the FCA 2025 performance standard, and their audit expanded into full compliance audits of indemnity claims (FCA stage 2), and samples of denied claims to be audited were added. These audit subjects were assessed administrative penalties for all penalty citations in accordance with Labor Code section 129.5(c) and CCR, Title 8, sections 10107.1(d) and (e).

The **DWC Administrative Director's 2025 Audit Ranking Report** (**Statewide Exhibit 4**) is part of this annual report. The Ranking Report provides the performance ratings for the 46 audit subjects listed, from the best to the worst performers.

In accordance with Labor Code sections 129(b)(1) and 129.5(c), the passing/failure for an audit is determined at the conclusion of the FCA of indemnity files. An audit subject that fails to meet or exceed the FCA standard is judged to have failed the audit. While the determination and rating are set at the conclusion of the FCA of indemnity files, the administrator's final performance rating may be subject to adjustment for any information provided during the final stage of the audit to address penalty citations for the previously reviewed indemnity files.

The Ranking Report also gives an accounting of the number of Notice(s) of Compensation Due issued for the individual adjusting locations.

Violations of the Administrative Director's Regulations

As a result of PAR/FCA audits conducted during calendar year 2025, the Audit & Enforcement Unit found and cited 3,472 violations against claims administrators, with administrative penalties totaling $784,737.50. **(Statewide Exhibit 1).**

Not all administrative penalties are subject to collection. Under the Labor Code, no penalties are assessed on "cited" violations unless the audit subject fails the audit at a specific level.

If an audit subject passes the PAR, which is the first level of audit, no penalties will be assessed, in accordance with Labor Code section 129.5(c)(1). If an audit subject fails the PAR but passes the second level, or FCA stage 1, under Labor Code section 129.5(c)(2), penalties will be assessed for indemnities that were unpaid and paid late, but penalties will not be assessed for violations related to issues of compliance with administrative functions, such as the provision of notices for salary continuation and advice for agreed or qualified medical examination. If an audit subject does not pass the FCA stage 1 audit, the file review will proceed to a full compliance audit of the indemnity files plus a sample of denied claims. For the FCA stage 2 audit, in accordance with Labor Code section 129.5(c)(3), a comprehensive file review is conducted, and penalties are assessed for all violations found.

Penalties assessed for a failed FCA stage 2 audit may be modified relative to the size of the adjusting location to mitigate any inequities for penalty assessment for small and large claims administrators in accordance with CCR, Title 8, section 10111.2(c)(7). **Statewide Exhibit 2** provides a detailed analysis of all penalties

assessable, by type, and those cited in 2025. In accordance with Labor Code section 129.5(c) and regulatory authority, the Audit & Enforcement Unit did not assess $388,737.00 for administrative penalties of the cited violations for 43 of the audits that met or exceeded the PAR/FCA stage 1 audit performance standard. All violations cited in the audit that failed the FCA stage 2 performance standard were assessed. The audit unit assessed penalties subject to collection from claims administrators for FCA audits totaled $396,000.50**.** The totals in the amount subject to assessment and total amount collected differ by $6,805.00 because of an ongoing appeal.

Unpaid Compensation Due to Employees

Audits conducted in 2025 reveal that 8.84 % of the 3,472 violations had an unpaid indemnity. The DWC Audit & Enforcement Unit issued 307 Notices of Compensation Due with the final audit reports found in randomly selected files. The audited complaint files are part of the routine PAR audit process and are not randomly selected. In 2025, there were no complaint files with compensation found due. The compensation found due in a complaint file is not included in Exhibit 4, because these types of complaints are not part of a random selection of files. Copies of compensation found due notices were provided to injured workers in accordance with Labor Code section 129(c).

The total compensation cited for mandatory payment claimants was $371,380.03 as listed in **Statewide Exhibit 3**. An average of $106.96 unpaid compensation per claim file was found based on the random sample files only. This amount was calculated by dividing the 3,472 randomly selected claim files into compensation found due of $371,380.02.

Below is the breakdown of compensation due and the percentages for each category:

- $247,681.56 in TD indemnity and salary continuation in lieu of TD (66.69**%** of the unpaid compensation)
- $80,244.97 in PD indemnity (21.61**%** of the unpaid compensation)
- $42,447.77 in self-imposed increases for late indemnity payments and unpaid compensation (11.43**%** of the unpaid compensation)
- $1,005.73 in interest and penalty other (0.27**%** of the unpaid compensation)
- $0.00 in death benefits (0% of the unpaid compensation).

When a Notice of Compensation Due is issued with the final audit findings and becomes final, the compensation is due and payable within fifteen (15) days of receipt of the notice. To avoid penalty assessments under Labor Code section 129.5(a)(2) and CCR, Title 8, section 10111.2, payment must be timely, and documentation of payment must be forwarded to the Audit & Enforcement Unit within thirty (30) days of receipt of the notice.

When the Audit Unit finds unpaid compensation due, and the injured worker cannot be located at the time of the audit, the unpaid compensation is payable by the claim's administrator to the Workers' Compensation Administration Revolving Fund. In these instances, the injured worker can apply to the DWC for payment of monies deposited into this fund. In 2025, the Audit Unit collected $3,725.31 for this fund.

Civil Penalty Issues

Civil Penalty under Labor Code section 129.5(e)

A claims administrator identified for a return target audit because of the failure of a PAR/FCA audit conducted in 2003 or later may be subject to a civil penalty under Labor Code section 129.5(e), which reads in part:

In addition to the penalty assessments permitted in subdivision (a), the Administrative Director may assess a civil penalty, not to exceed one hundred thousand dollars ($100,000), upon finding, after hearing, that an employer, insurer, or third-party administrator for an employer has knowingly committed or has performed with sufficient frequency to indicate any of the following as a general business practice:

(1) Induced employees to accept less than compensation due or made it necessary for employees to resort to proceedings against the employer to secure compensation due

(2) Refused to comply with known and legally indisputable compensation obligations

(3) Discharged or administered compensation obligations in a dishonest manner

(4) Discharged or administered compensation obligations in a manner as to cause injury to the public or those dealing with the employer or insurer.

Any employer, insurer, or third-party administrator that fails to meet the FCA performance standards in two consecutive full compliance audits shall be presumed to have engaged in a general business practice of discharging and administering its compensation obligations in a manner causing financial injury to those already dealing with job related injury or illness.

In 2025, the DWC Audit Civil Penalty Unit did not conduct any additional audits based on credible referrals and/or complaints filed with the Audit Unit. In 2023, the Audit Unit conducted a civil penalty target Utilization Review Investigation on Amtrust/multiple locations which the Unit identified claimed violations and penalties that were disputed and resolved in a settlement agreement in 2025. There would be no compensation found due for Utilization Review audit.

Other Issues

Annual Report of Inventory

CCR, Title 8, section 10104 requires claims administrators to file an annual report of inventory (ARI) with the Administrative Director (more specifically, with the Audit & Enforcement Unit) for all claims reported to each of their adjusting locations in the prior calendar year. The report is due by April 1 for any location adjusting California workers' compensation claims and must be filed even if no claims were reported in the prior year. The Audit Unit monitors the claims inventory for 302 active adjusting locations operating in California that administer claims for policyholders, self-insured employers, cities, counties, school districts, insurance companies, and other employment entities. In 2025, the Audit staff provided claims training workshops to 33 Claims Administrators' locations both in-person and remotely. In addition to the 46 routine PAR/Target audits and the Civil Penalty audits, the Audit Unit conducted 36 routine Utilization Review Administrator (URA) investigations of Claims Administrators, and results of these investigations were published in February 2025 on the DWC Audit website https://www.dir.ca.gov/dwc/UtilizationReview/URA/2025/Index.htm. From the 36 routine URA Investigations, the Audit Unit cited 93 violations totaling $8,750.00 in penalties and collected $2,500.00 in mandatory penalties **(Statewide Exhibit 5)**.

The DWC Audit & Enforcement Unit reviews, logs and tracks all complaints. In 2025, the Audit Unit tracked and logged 701 complaints. The Audit Unit submits all complaints to claims administrators for investigation and response to the Audit Unit within thirty

days, except for complaints marked "confidential" (claims files for complaints marked confidential are reviewed by the Audit Supervisor for possible target audit action, and the complaint claim file is reviewed at the time of the audit).

The Audit Unit reviewed all claims administrator responses to determine whether further target or audit action was needed. In 2025, the Audit Unit tracked recoveries, which are additional payments and penalties issued to workers' compensation claimants and providers as a result of a complaint filed with the Audit Unit. The Audit Unit collected $735,403.10 in additional payments to claimants and providers **(Statewide Exhibit 5)**.

Profile Audit Performance Standards/Full Compliance Audit Standards for 2025

The PAR and FCA performance standards have been updated pursuant to Labor Code section 129(b) and CCR, Title 8, sections 10107.1(c), (d), and (e). This was accomplished by taking the 2024 audit results and using the performance ratings for the five factors subject to the PAR program. The results were then combined with performance ratings from 2022 and 2023 to develop the ratings for 2025 (as noted earlier, the lower the number, the better the rating). The Audit Unit continues to act as a deterrent to poor claims handling and works to ensure that injured workers receive their workers' compensation benefits.

Description of Statewide Exhibits

Statewide (Exhibit 1). Audit Penalty Assessments and Collections is a listing of audits conducted in 2025. It summarizes all files audited by type, the number and amount of penalties, the amount collected, the balance due, and the number of appeals.

Statewide (Exhibit 2). Summary of Penalties for PAR/FCA Audits describes and separates the schedule of administrative penalties described in CCR, Title 8, section 10111.2 into various categories showing the total and the amount of assessable administrative penalties in this statewide audit finding.

Statewide (Exhibit 3). Statewide Summary of Notices of Compensation Due gives, by type of indemnity, the amount of unpaid compensation found in the (307) audited claims for which notices of compensation due were issued.

Statewide (Exhibit 4). The DWC Administrative Director's 2024 Audit Ranking Report is issued in accordance with Labor Code section 129(e). The report ranks all insurers, self-insured employers, and TPA audited during 2025 according to their performance measured by the PAR and FCA performance standards.

Statewide (Exhibit 5). Additional 2025 Audit Results includes Civil Penalty Audits, Utilization Review Investigations, and Complaint Recoveries.

Statewide Exhibit 1 – Calendar Year 2025

Rank	Audit Subject & Location	Audit Type (R/T)	Entity Type (INS/SI/TPA)	Files Audited I	Files Audited D	Files Audited C	Files Audited A	Files Audited Total	APs Cited	Total $ Identified	$ Not Subject to Assessment	$ Subject to Assessment	$ Balance Due	Appeal? (Yes)
1	Acclamation Insurance Management Services / Sacramento	R	TPA	58	0	0	0	58	20	$2,000.00	$2,000.00	$0.00	$0.00	
2	Acclamation Insurance Mgmt. Services / Fresno	R	TPA	57	0	0	0	57	33	$2,875.00	$2,875.00	$0.00	$0.00	
3	American Risk Administrators / Newport Beach	R	TPA	3	0	0	0	3	9	$1,050.00	$1,050.00	$0.00	$0.00	
4	Applied Risk Services, Inc. / Omaha, NE	R	INS	53	0	0	0	53	52	$14,740.00	$14,740.00	$0.00	$0.00	
5	Athens Administrators / Concord	R	TPA	59	0	1	0	60	27	$6,705.00	$6,705.00	$0.00	$0.00	
6	Athens Administrators / Orange	R	TPA	59	0	0	0	59	28	$7,730.00	$7,730.00	$0.00	$0.00	
7	Berkshire Hathaway Direct Insurance Company / Omaha, NE	R	INS	60	43	6	0	109	316	$91,930.00	$0.00	$91,930.00	$0.00	
8	Berkshire Hathaway Guard Insurance Companies / Wilkes-Barre, PA	R	INS	57	0	0	0	57	66	$19,020.00	$19,020.00	$0.00	$0.00	
9	Cervus Claims Solutions LLC / Brea	R	TPA	13	0	0	0	13	8	$3,950.00	$3,950.00	$0.00	$0.00	
10	City & County of San Francisco / San Francisco	R	SI	121	0	0	0	121	135	$28,870.00	$13,517.00	$15,353.00	$0.00	
11	CompWest Insurance Company / La Palma	R	INS	134	0	0	0	134	298	$70,285.00	$8,685.00	$61,600.00	$0.00	
12	CorVel Corporation Southern California / Rancho Cucamonga	T	TPA	134	0	2	1	137	188	$48,270.00	$5,625.00	$42,645.00	$0.00	
13	County of Santa Clara and Santa Clara Central Fire District / San Jose	R	SI	58	0	0	0	58	30	$3,465.00	$3,465.00	$0.00	$0.00	
14	Crum and Forster / Morristown, NJ	R	INS	56	0	0	0	56	26	$4,330.00	$4,330.00	$0.00	$0.00	
15	Davies Claims Solutions LLC / Nashville, TN	T	TPA	8	0	0	0	8	32	$5,157.50	$725.00	$4,432.50	$0.00	
16	Finish Line Self Insurance Group / Los Alamitos	R	INS/TPA	48	0	0	0	48	68	$9,075.00	$9,075.00	$0.00	$0.00	
17	Ford Motor Company / Manteca	R	SI	21	0	0	0	21	34	$8,600.00	$8,600.00	$0.00	$0.00	
18	Garden Grove Unified School District / Garden Grove	R	SI	50	0	0	0	50	103	$5,910.00	$5,910.00	$0.00	$0.00	
19	Innovative Risk Management, Inc. /Coppell, TX	R	TPA	57	31	0	0	88	448	$64,175.00	$0.00	$64,175.00	$64,175.00	X
20	ICW Group Holdings / Pleasanton	R	INS	58	0	0	0	58	35	$6,735.00	$6,735.00	$0.00	$0.00	
21	Keenan & Associates / Rancho Cordova	R	TPA	54	0	0	0	54	29	$3,725.00	$3,725.00	$0.00	$0.00	
22	Keenan & Associates / San Jose	R	TPA	58	0	0	0	58	42	$9,165.00	$9,165.00	$0.00	$0.00	
23	Keenan & Associates / Torrance	R	TPA	57	0	0	0	57	42	$9,940.00	$9,940.00	$0.00	$0.00	
24	Liberty Mutual / Lake Oswego, OR	R	INS	57	0	0	0	57	52	$15,220.00	$15,220.00	$0.00	$0.00	
25	LWP Claims Solutions, Inc. / Sacramento	R	TPA	59	0	1	0	60	62	$13,235.00	$13,235.00	$0.00	$0.00	
26	Northern California Special District Authority / Willows	R	SI	46	0	0	0	46	3	$500.00	$500.00	$0.00	$0.00	
27	Pennsylvania Manufacturers Association Insurance Company / Roseville	R	INS	126	0	0	0	126	252	$54,500.00	$9,310.00	$45,190.00	$0.00	
28	Preferred Employers Insurance Company / Walnut Creek	R	INS	56	0	0	0	56	41	$13,130.00	$13,130.00	$0.00	$0.00	
29	PTSC Risk Management Authority (PRMA) Metro / Los Angeles, CA	R	SI	58	0	1	0	59	32	$12,225.00	$12,225.00	$0.00	$0.00	
30	RICA and RICC / Calabasas	R	INS	57	0	0	0	57	40	$13,885.00	$13,885.00	$0.00	$0.00	
31	Sedgwick Claims Management Services, Inc. / El Dorado Hills	R	TPA	58	0	0	0	58	43	$15,660.00	$15,660.00	$0.00	$0.00	
32	Sedgwick Claims Management Services, Inc. / Glendale	R	TPA	58	0	6	0	64	71	$6,225.00	$6,225.00	$0.00	$0.00	
33	Sedgwick Claims Management Services, Inc. / Las Vegas, NV	R	TPA	35	16	0	0	51	246	$69,875.00	$0.00	$69,875.00	$0.00	
34	Sedgwick Claims Management Services, Inc. / Ontario	R	TPA	58	0	0	1	59	40	$10,235.00	$10,235.00	$0.00	$0.00	
35	Sedgwick Claims Management Services, Inc. / San Diego	R	TPA	56	0	0	0	56	52	$10,755.00	$10,755.00	$0.00	$0.00	
36	Sedgwick Claims Management Services, Inc. / Sun Prairie, WI	R	TPA	56	0	0	0	56	77	$27,305.00	$27,305.00	$0.00	$0.00	
37	Sempra Energy - Employee Care Services / San Diego	R	SI	28	0	0	0	28	13	$3,580.00	$3,580.00	$0.00	$0.00	
38	Sierra Pacific Industries / Anderson	R	SI	46	0	0	0	46	29	$7,990.00	$7,990.00	$0.00	$0.00	
39	State Compensation Insurance Fund - Inland Empire Claim Services / Riverside	R	INS	57	0	0	0	57	26	$5,440.00	$5,440.00	$0.00	$0.00	
40	State Compensation Insurance Fund / Bakersfield	R	INS	56	0	0	0	56	41	$9,910.00	$9,910.00	$0.00	$0.00	
41	State Compensation Insurance Fund / Rohnert Park	R	TPA	56	0	0	0	56	20	$7,690.00	$7,690.00	$0.00	$0.00	
42	State Compensation Insurance Fund /Policy Claims (Los Angeles Office) / Glendale	R	INS	56	0	0	0	56	30	$4,950.00	$4,950.00	$0.00	$0.00	
43	State Compensation Insurance Fund/Policy Claims / Redding	R	INS	57	0	0	0	57	21	$4,250.00	$4,250.00	$0.00	$0.00	
44	The Travelers Company Inc. / Rancho Cordova	R	INS/TPA	59	0	0	0	59	73	$12,230.00	$12,230.00	$0.00	$0.00	
45	Vanliner Insurance Company / Richfield, OH	R	INS	53	0	0	0	53	92	$19,575.00	$19,575.00	$0.00	$0.00	
46	WCF Select Insurance Company / Roseville	R	INS	57	0	0	0	57	47	$18,670.00	$18,670.00	$0.00	$0.00	
TOTALS				**2638**	**90**	**17**	**2**	**2747**	**3472**	**$784,737.50**	**$389,537.00**	**$395,200.50**	**$64,175.00**	

Audit Type	Count
R - Routine	44
T - Target	2
Total	**46**

Entity Type	Count
INS - Insurer	16
SI - Self-Insured Employer	8
TPA - Third-Party Administrator	20
Insurer/Third-Party Administrator	2
Total	**46**

Statewide Summary of Penalties for PAR/FCA Audits

Cited by Type of Penalty

Type of Violation	# of Violations Cited	Total $ Violations Cited	$ Not Subject to Assessment	Total $ Subject to Assessment	Total $ Amount Collected	Appeal
Late first payment of temporary disability indemnity benefits (TD).	528	$218,270.00	$116,215.00	$102,055.00	$102,055.00	N
Late first payment of permanent disability indemnity benefits (PD).	24	$11,940.00	$8,300.00	$3,640.00	$3,640.00	N
Late subsequent payment of indemnity benefits.	724	$152,385.00	$52,405.00	$99,980.00	$99,075.00	Y
Late first payment of death benefits (DB).	0	$0.00	$0.00	$0.00	$0.00	N
Failure to issue benefit notices other than specific notices for denial of liability.	162	$16,200.00	$600.00	$15,600.00	$14,800.00	Y
Late provision of benefit notices other than specific notices for denial of injury.	233	$11,120.00	$8,360.00	$2,760.00	$2,760.00	N
Failure to comply with requirements to provide notice of the QME/AME process.	1,124	$120,050.00	$97,425.00	$22,625.00	$22,625.00	N
Failure to pay any TD or SC in lieu of TD.	257	$167,650.00	$86,098.00	$81,552.00	$78,752.00	Y
Failure to pay any PD indemnity benefit.	12	$15,900.00	$9,488.00	$6,412.00	$6,412.00	N
Failure to pay any 10% self-imposed increase for any late paid indemnity benefits.	171	$29,500.00	$9,046.00	$20,454.00	$19,254.00	Y
Failure to pay any indemnity as ordered by the WCAB.	5	$11,850.00	$0.00	$11,850.00	$11,050.00	Y
Failure to pay any other indemnity, including but not limited to failure to pay any interest on a WCAB Order or Award; failure to pay DB.	3	$800.00	$800.00	$0.00	$0.00	N

Statewide Summary of Penalties for PAR/FCA Audits

Cited by Type of Penalty

Type of Violation	# of Violations Cited	Total $ Violations Cited	$ Not Subject to Assessment	Total $ Subject to Assessment	Total $ Amount Collected	Appeal
Failure to pay or object to medical treatment expense in the manner required by law or regulation.	46	$9,000.00	$0.00	$9,000.00	$9,000.00	N
Failure to pay or object to medical-legal expense in the manner required by law or regulation.	4	$1,200.00	$0.00	$1,200.00	$1,200.00	N
Failure to issue training or SJDB voucher (injuries on/after 01/01/04) in the manner required by law or regulation.	1	$200.00	$0.00	$200.00	$200.00	N
Failure to provide notices denying all liability or death benefits as required.	2	$700.00	$0.00	$700.00	$700.00	N
Failure to timely respond to a request to provide or authorize medical treatment.	0	$0.00	$0.00	$0.00	$0.00	N
Failure to include specific items or properly designate entries on a claim log.	9	$675.00	$0.00	$675.00	$675.00	N
Materially incomplete or inaccurate benefit notices including denial for all liability.	15	$1,100.00	$0.00	$1,100.00	$1,100.00	N
Failure to investigate.	0	$0.00	$0.00	$0.00	$0.00	N
Failure to fully or timely comply with any award or order of the WCAB for issues other than payment of indemnity under 8CCR§10111.2(a).	0	$0.00	$0.00	$0.00	$0.00	N
Penalties for failure to comply with any regulation of the AD not otherwise assessed.	152	$16,197.50	$0.00	$16,197.50	$15,897.50	Y
Unsupported denial of all liability for a claim.	0	$0.00	$0.00	$0.00	$0.00	N
TOTAL	**3,472**	**$784,737.50**	**$388,737.00**	**$396,000.50**	**$389,195.50**	

Administrative penalties assessed pursuant to Labor Code Section 129.5(c) and regulatory authority.

Statewide Summary of
307 Notices of Compensation Due

Type of Compensation	Amount Found Due
Temporary Disability	$247,681.55
Permanent Disability	$80,244.97
Self-Imposed Increase	$42,447.77
Death Benefits	$0
Penalty, Interest or Other	$1,005.73
Total Compensation Due:	**$371,380.02**

Calendar Year 2025 Statewide Exhibit 4

Routine and Target Audits conducted pursuant to Labor Code Sections 129(b)(1)(2)(3), and 129.5(c)(1)(2)(3)
(Rankings from the best to the worst performers)

The following audit subjects under the Profile Audit Review (LC 129) met or exceeded the PAR standard (1.57376 or less). All administrative penalties were not assessed pursuant to Labor Code Section 129.5(c)(1). The unpaid compensation found due to injured workers within each claim file was ordered paid.

Rank	AUDIT SUBJECT / LOCATION	PAR Standard	F Stage 1 Standard	Final Rating	Unpaid Compensation All Claim Files
1	Northern California Special District Authority / Willows	0.24348		0.24348	0 / $0
2	State Compensation Insurance Fund / Rohnert Park	0.34282		0.34282	2 / $949.04
3	State Compensation Insurance Fund/Policy Claims / Redding	0.35643		0.35643	5 / $2,244.57
4	Sempra Energy - Employee Care Services / San Diego	0.36449		0.36449	1 / $290.41
5	Crum and Forster / Morristown, NJ	0.36932		0.36932	3 / $1,184.16
6	Sierra Pacific Industries / Anderson	0.38484		0.38484	6 / $830.61
7	State Compensation Insurance Fund - Inland Empire Claim Services / Riverside	0.38709		0.38709	5 / $903.15
8	Acclamation Insurance Management Services / Sacramento	0.41592		0.41592	0 / $0
9	ICW Group Holdings / Pleasanton	0.47460		0.47460	3 / $1,380.19
10	County of Santa Clara and Santa Clara County Central Fire District / San Jose	0.50565		0.50565	1 / $615.92
11	Athens Administrators / Concord	0.54348		0.54348	6 / $9,283.03
12	Acclamation Insurance Mgmt. Services / Fresno	0.55328		0.55328	1 / $39.9
13	Keenan & Associates / Rancho Cordova	0.56047		0.56047	2 / $618.16
14	Athens Administrators / Orange	0.57168		0.57168	7 / $6,422.28
15	State Compensation Insurance Fund /Policy Claims (Los Angeles Office) / Glendale	0.62169		0.62169	1 / $277.71
16	WCF Select Insurance Company / Roseville	0.65989		0.65989	1 / $1,121.4
17	PTSC Risk Management Authority (PRMA) Metro / Los Angeles, CA	0.75166		0.75166	5 / $17,011.93
18	Preferred Employers Insurance Company / Walnut Creek	0.77631		0.77631	5 / $3,958.14
19	Applied Risk Services, Inc. / Omaha, NE	0.83147		0.83147	6 / $5,020.43
20	Sedgwick Claims Management Services, Inc. / San Diego	0.85100		0.85100	11 / $4,133.55
21	State Compensation Insurance Fund / Bakersfield	0.86564		0.86564	2 / $291.29
22	Republic of Indemnity Co. of America and Republic of Indemnity Co. of CA / Calabasas	0.86856		0.86856	11 / $8,142.86
23	Sedgwick Glendale / Glendale, CA	0.92227		0.92227	2 / $1,336.91
24	Keenan & Associates / Torrance	0.94410		0.94410	3 / $831.72
25	Sedgwick Claims Management Services, Inc. / El Dorado Hills	0.94569		0.94569	6 / $15,335.41
26	Liberty Mutual / Lake Oswego, OR	1.00865		1.00865	9 / $4,627.11
27	Keenan & Associates / San Jose	1.03592		1.03592	2 / $16,033.14
28	Sedgwick Claims Management Services, Inc. / Ontario	1.06352		1.06352	7 / $6,348.49
29	Ford Motor Company (ARI #2034) / Manteca	1.06865		1.06865	4 / $435.67
30	Berkshire Hathaway Guard Insurance Companies / Wilkes-Barre, PA	1.10624		1.10624	4 / $574.62
31	The Travelers Company Inc. / Rancho Cordova	1.13213		1.13213	10 / $5,947.59
32	Sedgwick Claims Management Services / Sun Prairie, WI	1.19436		1.19436	7 / $8,845.88
33	LWP Claims Solutions, Inc. / Sacramento	1.19724		1.19724	7 / $9,599.34
34	Vanliner Insurance Company / Richfield, OH	1.25100		1.25100	7 / $7,057.9
35	Garden Grove Unified School District / Garden Grove	1.45106		1.45106	6 / $1,475.93
36	American Risk Administrators / Newport Beach	1.50000		1.50000	0 / $0
37	Cervus Claims Solutions LLC / Brea	1.54015		1.54015	3 / $5,223.78
38	Finish Line Insurance Group / Los Alamitos	1.55993		1.55993	7 / $11,991.24

Eight (8) audit subject under the Profile Audit Review (LC 129) failed to meet or exceed the PAR standard (1.57376 or less).The audit proceeded to the Full Compliance Audit Stage 1 [LC 129(b)(2)] and five (5) of the seven(7) met or exceeded the Full Compliance Audit Stage 1 standard (2.14192 or less). Administrative penalties pursuant to Labor Code 129.5(c)(2) were assessed and unpaid compensation found due to injured workers within each claim file was ordered paid.

Rank	AUDIT SUBJECT / LOCATION	PAR Standard	F Stage 1 Standard	Final Rating	Unpaid Compensation All Claim Files
39	City & County of San Francisco / San Francisco	1.67874	1.43319	1.43319	23 / $35,498.58
40	CorVel Corporation Southern California / Rancho Cucamonga	1.75732	1.99013	1.99013	31 / $37,718.73
41	CompWest Insurance Company / La Palma	1.82281	1.72943	1.72943	28 / $18,368.14
42	Pennsylvania Manufacturers Association Insurance Company / Roseville	1.85178	1.70814	1.70814	12 / $5,488.37
43	Davies Claims Solutions LLC / Nashville, TN	2.00873	2.00873	2.00873	1 / $44.00

Three (3) audit subjects under the Profile Audit Review (LC 129) failed to meet or exceed the PAR standard (1.57376 or less) and proceeded to the Full Compliance Audit Stage 1 [LC 129(b)(2)], where they failed to meet or exceed the Full Compliance Audit Stage 1 standard (2.14192 or less). The audit then extended to Full Compliance Audit Stage 2 [LC 129(b)(2)] for a comprehensive and detailed review of the audit subject's performance. Administrative penalties pursuant to Labor Code 129.5(c)(3) were assessed and unpaid compensation found due to injured workers within each claim file was ordered paid.

Rank	AUDIT SUBJECT / LOCATION	PAR Standard	F Stage 1 Standard	Final Rating	Unpaid Compensation All Claim Files
44	Berkshire Hathaway Direct Insurance Company / Omaha, NE	2.45713	2.48101	2.48101	8 / $30,478.72
45	Innovative Risk Management, Inc. / Coppell, TX	2.60433	3.35790	2.49705	17 / $10,792.75
46	Sedgwick Claims Management Services, Inc. / Las Vegas, NV	19.99167	19.21827	19.21827	19 / $72,607.27

Statewide Exhibit 5
Additional 2025 Audit Results (new data):

2025 Utilization Review Administrator (URA)
Investigations Of Claims Administrators 36 routine URA Investigations*

Cited Penalties	Collected Penalties
$8,750.00	$2,500.00

**For an in-depth review, please visit the website to see published results.* https://www.dir.ca.gov/dwc/UtilizationReview/URA/2025/Index.htm

2025 Audit & Enforcement Unit: Tracked/Logged Complaints

Complaints Logged	Payments Collected
701	$735,403.10