

ALTERNATIVE DISPUTE RESOLUTION/CARVE-OUT PROGRAM
2007 REPORT ON ACTIVITY
As required by Labor Code Sections 3201.5, 3201.7 and 3201.9

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Summary

Labor Code section 3201.9 requires the Administrative Director of the Division of Workers' Compensation (DWC) to submit to the Legislature, the Department of Insurance (DOI), the designated rating organization, and the programs and insurers participating in this study, a report on Labor Code sections 3201.5 and 3201.7 alternative dispute resolution (ADR)/carve-out program activities.

Brief Overview of the ADR/Carve-out Programs

With Senate Bill (SB) 983 (Chapter 117, Statutes of 1993), the California Legislature established the "Construction Carve-Out Program" under Labor Code section 3201.5. In doing so, it permitted employers, groups of employers, and employee organizations involved in the construction industry to use the collective bargaining process as a mechanism for the creation of alternatives to the traditional workers' compensation dispute resolution process.

The passage of SB 228 (Chapter 639, Statutes of 2003) amended Labor Code section 3201.7 to allow non-construction employers, groups of employers, and employee organizations to participate in carve-out programs.

DWC and DOI Reporting requirements under Labor Code Section 3201.9

Prior to the passage of SB 899 (Chapter 34, Statutes of 2004), the scope of the DWC's reporting to the Legislature on ADR/carve-out system activity was limited to ADR/carve-out activity from the prior year, as required by Labor Code sections 3201.5 and 3201.7. As a result of SB 899, Labor Code section 3201.9 expands the scope of data collection and reporting to require a report that gives a historical and comparative perspective on all program activity from 2003 forward, using information from both DWC and DOI. While DWC's section of the report is still based upon aggregate ADR/carve-out program activity data, the data provided by DOI is based on an external analysis of ADR/carve-out trends versus market-wide and industry specific trends.

Labor Code section 3201.9 requires that the DWC biannual report contain all of the information required by Labor Code sections 3201.5 and 3201.7, as well as updated loss experience data for all employers and groups of employers participating in a program established under those sections. The report shall include updated data on each item set forth in subdivision (i) of section 3201.5 and subdivision (h) of section 3201.7 for the previous year for injuries in 2003 and beyond. Labor Code section 3201.9 also requires that the Insurance Commissioner or Commissioner's designee prepare for inclusion in the report both a review of the adequacy of rates charged for these programs and a comparative analysis of ADR/carve-out program rates to other programs not subject to Labor Code section 3201.5 or 3201.7. DOI's reporting and data analysis were performed by the Workers' Compensation Insurance Rating Bureau (WCIRB) of California.

ADR/Carve-Out Reporting Requirements pursuant to Regulations

The ADR/carve-out data reporting requirements are found under Title 8, California Code of Regulations (CCR) section 10203. As of March 31 of each year, all employers or groups of employers participating in a Labor Code section 3201.5 or 3201.7 ADR/carve-out program are to report the requested annual employment and claims data to DWC using the Aggregate Employer Annual Report (DWC Form GV-1) (CCR section 10203.1) and the Individual Employer Annual Report (DWC Form GV-2) (CCR section 10203.2).

The data submitted must include information on each claim with a date of injury on or after January 1, 2004, and the data submitted should be updated annually for the following three calendar years. The ultimate responsibility for correctly completing and submitting data is that of the employer, group of employers, or the employee organization that forms the basis for the ADR/carve-out program. However, if the ADR/carve-out program is not capable of collecting and submitting the data on behalf of its members, then it may provide the Administrative Director with written authorization to collect the information on its behalf from the appropriate claims administrator.

Data Collection and Presentation

Data Collection:

This report is based on aggregate data collected during the 2008 reporting cycle. The data were collected via both a traditional mail-in collection of GV-1 and GV-2 forms and electronic submission of GV-1 forms. The initial phase of collection ended as scheduled on March 31, 2008. After initial review of the data submitted, DWC worked with individual programs until May 15, 2008 to clarify omissions and discrepancies between what was reported and what CCR section 10203 requires. As of the close of the data collection phase for this report, 19 of 21 active carve-out programs had correctly submitted their 2007 cost component data. Two carve-out programs did not report data on one of the required cost components. Not all programs correctly reported data from previous years. Please refer to the data results section for information on how many carve-out programs reported updates for 2004, 2005, and 2006.

To collect its data, the WCIRB used data on individual carve-out program employers provided by DWC. The WCIRB was able to match these data to their own bureau numbers (BNs) for greater than 99% of the records by using a combination of employer name, Federal Employer Identification Number (FEIN), and insurance policy number. The BNs uniquely identify individual employers in the WCIRB's database of workers' compensation insurance policies. Due to duplicate employer records and more than one employer mapping to a single BN, 1,496 unique BNs matching to carve-out employers were found. For DOI's section of this report, workers' compensation policy data for these BNs was used for policy years 2003 to 2005. These carve-out data were compared to a control database consisting of all other employers in the workers' compensation system for the same policy years.

Data Presentation:

The data are presented in accordance with Labor Code sections 3201.5, 3201.7, and 3201.9 and represent all of the available data collected under CCR section 10203. The data presentations of the overall program data (Data Results I) and the individual ADR/carve-out program data (Data Results II) are done in a manner consistent with the requirements of Labor Code sections 3201.5(i) and 3201.7(h). The DOI data presented in Data Results III is consistent with Labor Code section 3201.9. Labor Code sections 3201.5(i) and 3201.7(h) require the Administrative Director of the DWC to report the following to the Legislature:

- (1) Person hours and payroll covered by agreements filed.
- (2) The number of claims filed.
- (3) The average cost per claim reported by cost components whenever practical.
- (4) The number of litigated claims, including the number of claims submitted to mediation, the WCAB, or the Court of Appeal.
- (5) The number of contested claims resolved prior to arbitration.
- (6) The projected incurred costs and actual costs of claims.
- (7) Safety history.
- (8) The number of workers participating in vocational rehabilitation programs.
- (9) The number of workers participating in light-duty programs.

Labor Code section 3201.7 also requires non-construction ADR/carve-out programs to include information on worker satisfaction. However, due to the confidentiality concerns raised by having only one active "non-construction" program, the worker satisfaction component of Labor Code section 3201.9 was not conducted for this report. Additionally, due to a lack of available historical data and a discrepancy between the reporting requirements of Labor Code section 3201.9 and the data collection requirements of CCR section 10203, the earliest data presented here is from 2004 forward. Labor Code section 3201.9 requires DWC to report on activities of all programs from their inception and activities of the entire system from 2003 forward. However, the data collected under CCR section 10203 only requires ADR/carve-out programs to provide employer reports on the previous four years. Therefore, in addition to the current reporting year (2007), ADR/carve-

out programs were only required to report updates on 2004, 2005, and 2006 injuries during this year's reporting cycle. This means that DWC is unable to report on activities for 2003 claims.

For the DOI section of the report (DATA Results III), WCIRB data represent results from policy year 2003 at third report, policy year 2004 at second report, and policy year 2005 at first report. Data elements include modified pure premium (pure premium after application of experience modification), policy year earned premium, and total incurred losses. These data were aggregated at the employer-class level for both the carve-out and control group. The control group was reweighted to adjust for the classification mix of the carve-outs, which heavily favored construction and manufacturing classes. Three ratios were examined in aggregate for each group: the earned premium to modified premium ratio, the incurred losses to modified pure premium ratio, and the incurred losses to earned premium ratio.

Data Results I (Overall System Data)

While not all programs reported updates for all required data elements for 2004, 2005, and 2006, all programs did report employment and claims data for 2007. DWC received program data from 13 programs for 2004, 16 programs for 2005, 19 programs for 2006, and 21 programs for 2007. However, not all data received were found to be valid or internally consistent, even after DWC attempted to obtain corrected data from the carve-outs. Programs with invalid or internally inconsistent data are excluded from the tables below.

1. Person hours and payroll covered by agreements filed.

Aggregate Totals of Person Hours and Payroll

	2004	2005	2006	2007
Person hours*	25,400,000	24,500,000	49,360,563	56,055,122
Number of Full-time Employee Equivalents^{1*}	12,700	12,250	24,680	28,028
Payroll*	\$1,200,000,000	\$966,000,000	\$1,347,927,261	\$1,776,793,988

* Employer, Payroll, Person Hour, and Employee data for 2004 and 2005 are from the California Commission on Health and Safety and Workers' Compensation 2006 Annual Report. Data for 2007 excludes five programs which reported invalid and/or internally inconsistent person hours and payroll data.

Average Person Hours, Payroll, and Full-Time Employees per Program

	2006	2007	Change
Person hours	2,468,028	3,503,445	42.0%
Number Full-time Employee Equivalents	1,234	1,752	42.0%
Payroll	\$67,396,363	\$111,049,624	64.8%

The data show an increase in the aggregate total person hours worked and total payroll. This increase is partly accounted for by the fact that two additional programs were in effect in 2007

¹ Number of Full-Time Employee Equivalents is calculated by dividing the number of person hours by 2,000 hours.

compared to in 2006. However, the exact magnitude of the increase is difficult to assess, as 5 of the 21 programs reporting 2007 data did not provide valid payroll and person hours data and are excluded from the analysis. When examined on an average per program basis, the overall increase from 2006 to 2007 appears to be significant, with a year-over-year increase of 42.0% for average person hours and full-time employee equivalents and a year-over-year increase of 64.8% in average reported payroll.

2. Number of claims filed.

Aggregate and Average Number of Claims Filed

	2004	2005	2006	2007
Total Number of Claims	1,203	2,345	2,793	3,293
Number of Programs Reporting	13	16	19	21
Average Per Program	93	147	147	157

For 2007, the ADR/carve-out programs reported a 17.9% year-over-year increase in the number of claims filed per program since the previous year. From 2004 to 2007, ADR/carve-out programs reported a 173.7% increase in the number of claims filed per program.

3. Actual and incurred average cost per claim.

Average Actual Cost per Claim by Cost Component²

	2004	2005	2006	2007
All Claim Components³	\$16,321	\$10,519	\$9,204	\$8,968
Medical	\$6,934	\$5,304	\$5,109	\$5,201
Temporary Disability	\$4,738	\$3,983	\$3,223	\$2,810
Permanent Disability	\$3,067	\$592	\$609	\$640
Death Benefit	\$0	\$146	\$44	\$46
Life Pension	\$500	\$45	\$0	\$41
Vocational Rehabilitation	\$97	\$13	\$18	\$25
Medical-legal	\$197	\$61	\$201	\$84

Over the four-year reporting cycle, from 2004 through 2007, the average actual cost per claim decreased by \$7,353 (45.1%), reflecting a medical cost decrease of \$1,733 (25.0%), a temporary disability cost decrease of \$1,928 (40.7%), and a permanent disability cost decrease of \$2,427 (79.1%) per claim.

² The calculations of average actual cost per claim by individual cost component (medical, temporary disability, permanent disability, death benefit, life pension, vocational rehabilitation and medical-legal) are based only on data supplied by carve-outs who reported valid data for that component. At most, two carve-outs failed to contribute valid data for a given component for a given reporting year.

³ With regard to average actual costs for all claim components, only carve-outs reporting data on every cost component are included in computing the average. One program failed to report data on all cost components for each of the years 2004 and 2005, and two programs failed to report data on all cost components for year 2007.

Average Incurred Cost per Claim by Cost Component⁴

	2004	2005	2006	2007
All Claim Components⁵	\$24,398	\$19,058	\$15,925	\$19,664
Medical	\$10,995	\$12,084	\$10,269	\$12,695
Temporary Disability	\$5,989	\$4,660	\$4,020	\$3,920
Permanent Disability	\$4,349	\$1,975	\$1,375	\$1,739
Death Benefit	\$0	\$229	\$201	\$187
Life Pension	\$361	\$45	\$0	\$144
Vocational Rehabilitation	\$256	\$166	\$153	\$166
Medical-legal	\$308	\$143	\$280	\$121

Over the four-year reporting cycle, the average incurred total cost per claim for all claims decreased by \$4,734 (19.4%). Average incurred medical costs per claim increased by \$1,700 (15.5%), while average incurred temporary and permanent disability costs per claim decreased by \$2,069 (34.5%) and 2,610 (60.0%), respectively.

4. Number of litigated claims.

Section 10203(b)(11) of the regulations requires carve-outs to report the number of claims that were resolved at each of five stages: before mediation, at or after mediation, at or after arbitration, at or after the appeals board, and at or after the court of appeals. This information is to be reported for claims that were filed in the previous calendar year and/or resolved in the previous calendar year. Therefore, the sum of the number of claims resolved at each stage should equal or exceed the number of claims in the previous calendar year that were resolved, which is reported separately pursuant to CCR section 10203(b)(9). The latter section also states that the number of claims filed in the previous calendar year should equal the sum of the number of claims filed in the previous calendar year that were resolved and the number that remained unresolved as of December 31 of the previous calendar year.

Upon review of the submitted data, the majority of carve-outs were found to not be reporting this information correctly. On the one hand, discrepancies were found between the number of claims reported as resolved, reported under CCR section 10203(b)(9), and the sum of the number of claims resolved at each stage, reported under CCR section 10203(b)(11), that are inconsistent with the regulations. On the other hand, discrepancies were found between the number of resolved and unresolved claims together, reported under CCR section 10203(b)(9), and the number of claims filed in the previous calendar year, reported under CCR section 10203(b)(8).

⁴ The calculations of average incurred cost per claim by individual cost component (medical, temporary disability, permanent disability, death benefit, life pension, vocational rehabilitation and medical-legal) are based only on data supplied by carve-outs who reported valid data for that component. At most, two carve-outs failed to contribute valid data for a given component for a given reporting year.

⁵ With regard to average incurred costs for all claim components, only carve-outs reporting data on every cost component are included in computing the average. Three programs failed to report data on all cost components for year 2004, two programs for year 2005 and 2007, and one program for year 2006.

The quality of data reporting at both of these levels is shown separately in the following two tables.

Discrepancies between Data Reporting under Sections 10203(b)(9) and 10203(b)(11)

Year	Number of Programs	Number Reporting Correctly	Percent Reporting Correctly	Number Reporting Incorrectly	Percent Reporting Incorrectly
2004	13	4	31%	9	69%
2005	16	5	31%	11	69%
2006	19	9	26%	14	74%
2007	21	10	43%	12	57%

Discrepancies between Data Reporting under Sections 10203(b)(8) and 10203(b)(9)

Year	Number of Programs	Number Reporting Correctly	Percent Reporting Correctly	Number Reporting Incorrectly	Percent Reporting Incorrectly
2004	13	4	31%	9	69%
2005	16	5	31%	11	69%
2006	19	8	42%	11	58%
2007	21	12	57%	9	43%

Due to these data quality issues, presentation of data on the number of litigated claims in the following table is limited to those carve-outs appearing to report correctly with respect to both issues discussed above, or with a discrepancy of not more than 5% between data values that are expected to be concordant. This resulted in 4 carve-outs with acceptable 2004, 2005, or 2006 data, and 5 programs with acceptable 2007 data.

Among the subset of carve-outs with acceptable data reporting, the percentage of claims that were litigated varied between less than 1% in 2004 to 13.4% in 2006. Since 2004, these programs reported that 6 out of 23 (26.1%) litigated claims have been heard by the WCAB or the Court of Appeals. In 2007, there were 6 reported cases of claims being resolved at or after mediation, and the number of litigated claims totaled 1.2% of all claims filed.

Total Number of Litigated Claims

	2004	2005	2006	2007
Number of Programs Reporting	4	4	4	5
Total Number of Claims	150	77	97	603
Total Number Litigated	1	2	13	7
Percentage of all Claims	0.7%	2.6%	13.4%	1.2%
Claims to Mediation	0	0	6	6
Claims to Arbitration	0	0	4	1
Claims to WCAB	1	0	3	0
Claims to Court of Appeals	0	2	0	0

5. Number of contested claims resolved prior to arbitration

The aforementioned data quality issues also pertain to data on the number of contested claims resolved prior to arbitration. Again, only 4 carve-outs were found to have acceptable 2004, 2005, or 2006 data, and 5 programs acceptable 2007 data.

Number of Contested Claims Resolved Prior to Arbitration

	2004	2005	2006	2007
Total Number of Contested Claims⁶	0	0	6	6
Number of Programs Reporting	4	4	4	5
Average Per Program	0	0	1.5	1.2

Among the subset of carve-outs with acceptable data reporting, no contested claims were reported resolved prior to arbitration in 2004 or 2005, while 6 claims were reported resolved prior to arbitration in each of 2006 and 2007.

6. Projected incurred costs and actual costs of claims.

Total Actual Costs and Average Actual Costs per Program

	2004	2005	2006	2007
Total Actual Cost	\$14,623,159	\$23,558,091	\$32,992,387	\$20,423,778
Number of Programs Reporting⁷	12	15	19	19
Average Actual Cost Per Program	\$1,218,597	\$1,570,539	\$1,736,441	\$1,074,936

Total Incurred Costs and Average Incurred Costs per Program

	2004	2005	2006	2007
Total Incurred Costs	\$12,638,244	\$38,615,674	\$46,767,272	\$58,943,968
Number of Programs Reporting⁸	10	14	18	19
Average Incurred Costs Per Program	\$1,263,824	\$2,758,262	\$2,598,182	\$3,102,314

⁶ The total number of contested claims resolved prior to arbitration was calculated by aggregating each program's answer to the GV-1 Form question on the number of claims that were resolved at or after mediation.

⁷ The number of programs reporting for this table reflects the total number of programs who reported actual costs on all cost components without any identifiably internally inconsistent data.

⁸ The number of programs reporting for this table reflects the total number of programs who reported projected incurred costs on all cost components without any identifiably internally inconsistent data.

7. Safety history.

Number of injuries filed using OSHA Form Number 300

	2004	2005	2006	2007
Number of injuries filed on OSHA Form 300	0	3	125	99
Number of Programs Reporting	10	14	16	18
Average per Program	0.0	0.2	7.8	5.5

The number of injuries reported on OSHA Form Number 300 is significantly lower than the number of claims filed. In 2007, carve-outs reported that 99 incidents were filed on OSHA Form Number 300. OSHA requires employers to file an injury and/or illness with Form Number 300 if a work-related injury results in death, loss of consciousness, days away from work, restricted work activity, and/or medical care beyond first aid. In 2007, this reporting was 20.8% less per program than 2006.

8. The number of workers participating in vocational rehabilitation programs.

Number of Workers in a Vocational Rehabilitation Program

	2004	2005	2006	2007
Number of Programs Reporting⁹	7	12	16	20
Number of Workers	5	6	7	6
Average per Program	0.7	0.5	0.4	0.3

The ADR/carve-out system for 2007 reported 6 workers participating in a vocational rehabilitation program. Since 2004, the number of employees taking part in a vocational rehabilitation program has never been more than 7.

9. The number of workers participating in light-duty programs.

Number of Workers Participating in Light-Duty Programs

	2004	2005	2006	2007
Number of Programs Reporting	12	16	19	21
Number of workers	2	61	101	108
Average per Program	0.2	3.8	5.3	5.1

From 2004 to 2007, the number of workers participating in a light-duty program has grown 5,300%, from 2 to 108 participants. The average number of participants per program has grown from 0.2 to 5.1 over the same time period.

⁹ Excludes programs reporting vocational rehabilitation costs but no vocational rehabilitation program participants.

Data Results II (Individual Program Data)

The individual-level data results for the ADR/carve-out programs are presented below by Labor Code reporting section. Each section contains the data, and if applicable, totals and averages for the section. Not all of the data requested by Labor Code sections 3201.5(i) and 3201.7(h) are included. Labor Code sections 3201.7(i)(1) and 3201.7(h)(1) “person hours and payroll covered by agreements filed” only contains 2007 data. This is because CCR section 10203 only required ADR/carve-out programs to report person hours and payroll for the previous calendar year. For confidentiality reasons, the ADR/carve-out programs’ names have been randomly substituted with letters. The following categories are presented:

- (1) Person hours and payroll covered by agreements filed (2007 only).
- (2) The number of claims filed.
- (3) The average cost per claim reported by cost components whenever practical.
- (4) The number of litigated claims, including the number of claims submitted to mediation, the WCAB, or the Court of Appeal.
- (5) The number of contested claims resolved prior to arbitration.
- (6) The projected incurred costs and actual costs of claims.
- (7) Safety history.
- (8) The number of workers participating in vocational rehabilitation programs.
- (9) The number of workers participating in light-duty programs.

**(1) Person hours and payroll covered by agreements
filed (2007 only)¹⁰**

	2007 Payroll	2007 Person Hours
Total	\$1,776,793,988	56,055,122
Average	\$111,049,624	3,503,445
Program A	\$12,577,830	336,658
Program B	\$9,363,675	302,525
Program C	\$19,641,724	733,334
Program D	–	–
Program E	\$62,177,856	2,145,615
Program F	\$22,603,595	1,037,730
Program G	–	–
Program H	–	–
Program I	\$437,605,985	16,204,629
Program J	\$140,684,342	4,513,247
Program K	\$65,419,119	2,729,233
Program L	\$489,266,672	10,013,333
Program M	\$27,149,132	832,760
Program N	–	–
Program O	\$5,890,865	247,767
Program P	\$14,158,562	393,445
Program Q	\$9,416,096.00	653,159
Program R	\$40,943,350	1,226,433
Program S	\$140,106,027	6,755,169
Program T	\$279,789,158	7,930,085
Program U	–	–

(2) The number of claims filed.

	2004	2005	2006	2007
Number of Claims	1,203	2,345	2,793	3,293
Average	93	147	147	157
Program A	4	18	29	15
Program B	6	18	7	5
Program C	13	35	37	30
Program D	19	17	11	9
Program E	21	226	116	85
Program F	23	47	93	58
Program G	109	262	677	464
Program H	116	210	265	292
Program I	121	476	305	408
Program J	122	75	203	166
Program K	158	248	330	364
Program L	490	643	602	745
Program M	1	3	30	19
Program N		5	18	14
Program O		11	12	9
Program P		51	13	10
Program Q			7	5
Program R			12	34
Program S			26	16
Program T				544
Program U				1

¹⁰ Cells contain a dash when reported data on class code, payroll and person hours are internally inconsistent.

(3) The average cost per claim reported by cost components whenever practical.

Average Actual Costs per Claim per Program¹¹

	2004	2005	2006	2007
Average	\$16,321	\$10,519	\$9,204	\$8,968
Program A	\$15,665	\$5,598	\$13,339	\$3,868
Program B	\$1,719	\$2,642	\$1,367	\$4,066
Program C	\$4,327	\$2,146	\$5,907	\$2,935
Program D	\$8,343	\$27,259	\$6,252	\$10,687
Program E	\$3,328	\$3,329	\$10,857	\$2,923
Program F	–	\$4,297	\$14,145	\$2,532
Program G	\$7,961	\$13,271	\$16,983	\$12,679
Program H	\$17,352	\$16,719	\$14,973	\$10,006
Program I	\$9,001	\$6,566	\$7,850	\$3,666
Program J	\$4,058	\$18,118	\$7,473	\$5,224
Program K	\$13,057	\$13,313	\$13,713	\$8,257
Program L	\$15,597	\$10,730	\$7,920	\$6,336
Program M	\$95,447	\$26,067	\$15,155	\$9,049
Program N		–	\$696	\$1,350
Program O		\$5,713	\$6,728	\$4,141
Program P		\$2,016	\$9,918	\$20,533
Program Q			\$720	\$14,586
Program R			\$11,463	\$9,633
Program S			\$9,416	–
Program T				–
Program U				\$37,928

Average Incurred Costs per Claim per Program¹²

	2004	2005	2006	2007
Average	\$24,398	\$19,058	\$15,925	\$19,664
Program A	\$15,671	–	\$20,259	–
Program B	\$6,482	\$5,518	\$1,367	\$4,616
Program C	\$4,626	\$3,044	\$7,916	\$3,592
Program D	–	\$54,561	\$8,190	\$11,339
Program E	–	\$4,478	\$15,897	\$4,475
Program F	\$7,266	\$4,587	\$16,409	\$8,044
Program G	\$17,600	–	–	\$33,855
Program H	\$34,611	\$29,303	\$35,938	\$28,832
Program I	\$11,492	\$9,254	\$15,808	\$7,511
Program J	\$12,285	\$42,859	\$17,390	\$18,276
Program K	\$21,356	\$30,728	\$28,591	\$28,823
Program L		\$22,429	\$22,019	\$20,196
Program M	\$112,586	\$35,181	\$17,452	\$16,015
Program N		\$7,297	\$1,657	\$4,439
Program O		\$14,979	\$13,691	\$21,510
Program P		\$2,596	\$12,473	\$38,178
Program Q			\$720	\$27,069
Program R			\$25,431	\$19,225
Program S			\$25,452	\$19,464
Program T				–
Program U				\$58,154

¹¹ Cells contain a dash when the data reported have been identified as being internally inconsistent or when expected data are missing.

¹² Cells contain a dash when the data reported have been identified as being internally inconsistent or when expected data are missing.

**Average Actual Medical Costs per Claim
per Program**

	2004	2005	2006	2007
Average	\$6,934	\$5,304	\$5,109	\$5,201
Program A	\$3,848	\$2,133	\$5,826	\$1,958
Program B	\$1,199	\$2,118	\$1,367	\$4,002
Program C	\$146	\$863	\$1,030	\$1,541
Program D	\$1,645	\$20,103	\$1,854	\$4,705
Program E	\$2,160	\$1,168	\$5,096	\$1,229
Program F	\$651	\$1,705	\$12,231	\$550
Program G	\$4,398	\$7,794	\$11,745	\$8,677
Program H	\$7,771	\$6,968	\$9,290	\$6,082
Program I	\$5,651	\$2,898	\$4,207	\$1,771
Program J	\$2,193	\$12,648	\$4,318	\$3,243
Program K	\$4,226	\$6,645	\$8,871	\$4,559
Program L	\$6,193	\$5,528	\$4,444	\$3,566
Program M	\$50,065	\$9,329	\$9,660	\$5,632
Program N		\$538	\$580	\$1,329
Program O		\$3,486	\$3,503	\$1,454
Program P		\$937	\$3,615	\$12,908
Program Q			\$602	\$11,070
Program R			\$4,826	\$4,088
Program S			\$4,003	\$3,166
Program T				\$4,035
Program U				\$23,648

**Average Incurred Medical Costs per Claim
per Program¹³**

	2004	2005	2006	2007
Average	\$10,995	\$12,084	\$10,269	\$12,695
Program A	\$3,853	–	\$12,746	\$3,344
Program B	\$5,616	\$3,687	\$1,367	\$4,552
Program C	\$444	\$1,761	\$3,039	\$2,184
Program D	\$1,716	\$47,405	\$3,792	\$5,357
Program E	\$10,456	\$1,902	\$9,977	\$2,552
Program F	\$710	\$1,996	\$12,843	\$5,254
Program G	\$10,991	–	–	\$22,415
Program H	\$15,718	\$15,434	\$25,942	\$21,223
Program I	\$7,799	\$5,094	\$10,554	\$4,927
Program J	\$8,138	\$32,511	\$12,886	\$13,165
Program K	\$6,499	\$17,350	\$18,457	\$19,086
Program L	\$6,491	\$11,526	\$13,121	\$13,726
Program M	\$64,500	\$12,494	\$10,871	\$9,942
Program N		\$6,102	\$1,542	\$3,831
Program O		\$10,456	\$8,404	\$15,540
Program P		\$1,464	\$5,710	\$28,341
Program Q			\$602	\$18,435
Program R			\$15,844	\$10,693
Program S			\$17,144	\$5,822
Program T				\$12,577
Program U				\$43,637

¹³ Cells contain a dash when the data reported have been identified as being internally inconsistent or when expected data are missing.

**Average Actual Temporary Disability Costs per Claim for
per Program¹⁴**

	2004	2005	2006	2007
Average	\$4,738	\$3,983	\$3,223	\$2,810
Program A	\$6,175	\$3,091	\$7,208	\$676
Program B	\$520	\$524	\$0	\$64
Program C	\$3,710	\$1,265	\$4,720	\$1,266
Program D	\$2,659	\$6,728	\$4,398	\$3,921
Program E	\$1,116	\$1,307	\$3,142	\$1,331
Program F	–	\$2,591	\$1,872	\$1,894
Program G	\$2,734	\$4,619	\$3,900	\$3,232
Program H	\$7,706	\$5,989	\$4,849	\$3,191
Program I	\$2,392	\$2,984	\$3,342	\$1,721
Program J	\$660	\$4,903	\$2,092	\$1,620
Program K	\$6,674	\$4,980	\$4,155	\$2,352
Program L	\$6,044	\$4,225	\$2,927	\$2,305
Program M	\$16,468	\$13,291	\$4,857	\$2,618
Program N		–	\$116	\$21
Program O		\$2,225	\$2,716	\$2,265
Program P		\$1,025	\$3,321	\$4,581
Program Q			\$117	\$2,826
Program R			\$4,759	\$5,013
Program S			\$2,744	\$3,204
Program T				\$3,844
Program U				\$11,067

**Average Incurred Temporary Disability Costs per Claim
per Program**

	2004	2005	2006	2007
Average	\$5,989	\$4,660	\$4,020	\$3,920
Program A	\$6,175	\$3,091	\$7,208	\$676
Program B	\$867	\$859	\$0	\$64
Program C	\$3,710	\$1,265	\$4,720	\$1,266
Program D	\$2,659	\$6,728	\$4,398	\$3,921
Program E	\$2,329	\$1,578	\$3,241	\$1,393
Program F	\$5,808	\$2,591	\$2,689	\$2,621
Program G	\$3,476	\$8,906	\$7,571	\$8,309
Program H	\$12,435	\$8,433	\$6,950	\$5,241
Program I	\$2,392	\$3,267	\$3,705	\$2,124
Program J	\$2,102	\$5,230	\$2,892	\$3,365
Program K	\$9,344	\$8,102	\$5,833	\$4,326
Program L	\$10,089	\$6,817	\$5,845	\$4,074
Program M	\$16,468	\$13,293	\$4,857	\$3,651
Program N		\$315	\$116	\$313
Program O		\$3,061	\$4,178	\$5,402
Program P		\$1,025	\$3,321	\$4,581
Program Q			\$117	\$4,430
Program R			\$5,763	\$6,230
Program S			\$2,979	\$3,800
Program T				\$5,474
Program U				\$11,067

¹⁴ Cells contain a dash when the data reported have been identified as being internally inconsistent or when expected data are missing.

Average Actual Permanent Disability Costs per Claim per Program¹⁵

	2004	2005	2006	2007
Average	\$3,067	\$592	\$609	\$640
Program A	\$1,571	\$342	\$304	\$215
Program B	\$0	\$0	\$0	\$0
Program C	\$215	\$0	\$158	\$98
Program D	\$758	\$427	\$0	\$1,408
Program E	\$0	\$338	\$1,384	\$48
Program F	\$604	\$0	\$35	\$26
Program G	\$612	\$694	\$552	\$607
Program H	\$1,406	\$1,219	\$580	\$568
Program I	\$658	\$596	\$287	\$146
Program J	\$812	\$542	\$962	\$295
Program K	\$2,023	\$1,322	\$536	\$507
Program L	\$2,294	\$488	\$445	\$328
Program M	\$28,914	\$3,447	\$397	\$799
Program N		\$0	\$0	\$0
Program O		\$0	\$115	\$422
Program P		\$55	\$2,908	\$2,793
Program Q			\$0	\$690
Program R			\$1,878	\$532
Program S			\$1,036	-
Program T				\$108
Program U				\$3,213

Average Incurred Permanent Disability Costs per Claim per Program

	2004	2005	2006	2007
Average	\$4,349	\$1,975	\$1,375	\$1,739
Program A	\$1,571	\$342	\$304	\$496
Program B	\$0	\$972	\$0	\$0
Program C	\$215	\$0	\$158	\$98
Program D	\$758	\$427	\$0	\$1,408
Program E	\$3,336	\$457	\$1,402	\$209
Program F	\$655	\$0	\$852	\$77
Program G	\$2,512	\$4,493	\$3,913	\$2,540
Program H	\$5,257	\$2,664	\$2,468	\$1,918
Program I	\$665	\$730	\$921	\$305
Program J	\$1,632	\$4,293	\$1,284	\$1,414
Program K	\$4,899	\$3,122	\$2,083	\$2,434
Program L	\$4,459	\$3,268	\$1,713	\$1,231
Program M	\$30,578	\$8,397	\$743	\$2,317
Program N		\$880	\$0	\$296
Program O		\$1,460	\$702	\$568
Program P		\$88	\$3,250	\$4,946
Program Q			\$0	\$3,003
Program R			\$3,040	\$1,891
Program S			\$3,300	\$7,135
Program T				\$786
Program U				\$3,450

¹⁵ Cells contain a dash when the data reported have been identified as being internally inconsistent or when expected data are missing.

**Average Actual Death Benefit Costs per Claim
per Program**

	2004	2005	2006	2007
Average	\$0	\$146	\$44	\$46
Program A	\$0	\$0	\$0	\$0
Program B	\$0	\$0	\$0	\$0
Program C	\$0	\$0	\$0	\$0
Program D	\$0	\$0	\$0	\$0
Program E	\$0	\$0	\$0	\$0
Program F	\$0	\$0	\$0	\$0
Program G	\$0	\$0	\$712	\$0
Program H	\$0	\$2,101	\$0	\$66
Program I	\$0	\$0	\$0	\$0
Program J	\$0	\$0	\$0	\$0
Program K	\$0	\$205	\$93	\$775
Program L	\$0	\$23	\$25	\$84
Program M	\$0	\$0	\$0	\$0
Program N		\$0	\$0	\$0
Program O		\$0	\$0	\$0
Program P		\$0	\$0	\$0
Program Q			\$0	\$0
Program R			\$0	\$0
Program S			\$0	\$0
Program T				\$35
Program U				\$0

**Average Incurred Death Benefit Costs per Claim
per Program**

	2004	2005	2006	2007
Average	\$0	\$229	\$201	\$187
Program A	\$0	\$0	\$0	\$496
Program B	\$0	\$0	\$0	\$0
Program C	\$0	\$0	\$0	\$0
Program D	\$0	\$0	\$0	\$0
Program E	\$0	\$0	\$0	\$0
Program F	\$0	\$0	\$0	\$0
Program G	\$0	\$0	\$740	\$0
Program H	\$0	\$2,101	\$0	\$66
Program I	\$0	\$0	\$0	\$0
Program J	\$0	\$0	\$0	\$0
Program K	\$0	\$1,536	\$2,078	\$2,522
Program L	\$0	\$23	\$991	\$801
Program M	\$0	\$0	\$0	\$0
Program N		\$0	\$0	\$0
Program O		\$0	\$0	\$0
Program P		\$0	\$0	\$0
Program Q			\$0	\$0
Program R			\$0	\$0
Program S			\$0	\$0
Program T				\$35
Program U				\$0

**Average Actual Life Pension Costs per Claim
per Program**

	2004	2005	2006	2007
Average	\$500	\$45	\$0	\$41
Program A	\$3,414	\$0	\$0	\$510
Program B	\$0	\$0	\$0	\$0
Program C	\$0	\$0	\$0	\$0
Program D	\$1,724	\$0	\$0	\$0
Program E	\$0	\$412	\$0	\$308
Program F	\$0	\$0	\$0	\$0
Program G	\$0	\$0	\$0	\$0
Program H	\$351	\$0	\$0	\$0
Program I	\$204	\$0	\$0	\$0
Program J	\$0	\$0	\$0	\$3
Program K	\$0	\$0	\$0	\$0
Program L	\$805	\$314	\$0	\$0
Program M	\$0	\$0	\$0	\$0
Program N		\$0	\$0	\$0
Program O		\$0	\$0	\$0
Program P		\$0	\$0	\$0
Program Q			\$0	\$0
Program R			\$0	\$0
Program S			\$0	\$45
Program T				\$0
Program U				\$0

**Average Incurred Life Pension Costs per Claim
per Program¹⁶**

	2004	2005	2006	2007
Average	\$361	\$45	\$0	\$144
Program A	\$3,414	\$0	\$0	\$510
Program B	\$0	\$0	\$0	\$0
Program C	\$0	\$0	\$0	\$0
Program D	–	\$0	\$0	\$0
Program E	\$0	\$412	\$0	\$308
Program F	\$0	\$0	\$0	\$0
Program G	\$0	\$0	\$0	\$0
Program H	\$351	\$0	\$0	\$0
Program I	\$204	\$0	\$0	\$0
Program J	\$0	\$0	\$0	\$3
Program K	\$0	\$0	\$0	\$0
Program L	–	\$315	\$0	\$0
Program M	\$0	\$0	\$0	\$0
Program N		\$0	\$0	\$0
Program O		\$0	\$0	\$0
Program P		\$0	\$0	\$0
Program Q			\$0	\$0
Program R			\$0	\$0
Program S			\$0	\$2,194
Program T				\$0
Program U				\$0

¹⁶ Cells contain a dash when the data reported have been identified as being internally inconsistent or when expected data are missing.

**Average Actual Vocational Rehabilitation Costs
per Claim per Program**

	2004	2005	2006	2007
Average	\$97	\$13	\$18	\$25
Program A	\$657	\$0	\$0	\$510
Program B	\$0	\$0	\$0	\$0
Program C	\$256	\$4	\$0	\$0
Program D	\$87	\$0	\$0	\$0
Program E	\$0	\$101	\$69	\$0
Program F	\$0	\$0	\$0	\$0
Program G	\$1	\$12	\$7	\$9
Program H	\$12	\$23	\$57	\$7
Program I	\$66	\$9	\$0	\$0
Program J	\$161	\$0	\$20	\$0
Program K	\$2	\$56	\$0	\$0
Program L	\$25	\$8	\$0	\$0
Program M	\$0	\$0	\$189	\$0
Program N		\$0	\$0	\$0
Program O		\$0	\$0	\$0
Program P		\$0	\$0	\$0
Program Q			\$0	\$0
Program R			\$0	\$0
Program S			\$0	\$0
Program T				\$0
Program U				\$0

**Average Incurred Vocational Rehabilitation Costs
per Claim per Program¹⁷**

	2004	2005	2006	2007
Average	\$256	\$166	\$153	\$166
Program A	\$657	\$0	\$0	–
Program B	\$0	\$0	\$0	\$0
Program C	\$256	\$4	\$0	\$0
Program D	\$87	\$0	\$0	\$0
Program E	\$0	\$101	\$69	\$0
Program F	\$0	\$0	\$0	\$0
Program G	\$368	\$764	\$355	\$426
Program H	\$651	\$171	\$345	\$291
Program I	\$403	\$29	\$184	\$74
Program J	\$180	\$800	\$246	\$265
Program K	\$475	\$492	\$0	\$308
Program L	\$249	\$289	\$233	\$228
Program M	\$0	\$0	\$687	\$0
Program N		\$0	\$0	\$0
Program O		\$0	\$0	\$0
Program P		\$0	\$0	\$0
Program Q			\$0	\$1,200
Program R			\$783	\$412
Program S			\$0	\$0
Program T				\$114
Program U				\$0

¹⁷ Cells contain a dash when the data reported have been identified as being internally inconsistent or when expected data are missing.

**Average Actual Medical-Legal Costs per Claim
per Program¹⁸**

	2004	2005	2006	2007
Average	\$197	\$61	\$201	\$84
Program A	\$0	\$32	\$0	\$0
Program B	\$0	\$0	\$0	\$0
Program C	\$0	\$14	\$0	\$30
Program D	\$1,471	\$0	\$0	\$653
Program E	\$51	\$3	\$1,165	\$7
Program F	\$93	\$0	\$8	\$63
Program G	\$216	\$152	\$66	\$154
Program H	\$107	\$418	\$198	\$93
Program I	\$29	\$79	\$14	\$28
Program J	\$232	\$25	\$81	\$63
Program K	\$132	\$105	\$58	\$64
Program L	\$236	\$143	\$78	\$54
Program M	\$0	\$0	\$52	\$0
Program N		\$0	\$0	\$0
Program O		\$2	\$395	\$0
Program P		\$0	\$75	\$250
Program Q			\$0	\$0
Program R			\$0	\$0
Program S			\$1,633	\$220
Program T				–
Program U				\$0

¹⁸ Cells contain a dash when the data reported have been identified as being internally inconsistent or when expected data are missing.

**Average Incurred Medical-Legal Costs per Claim
per Program¹⁹**

	2004	2005	2006	2007
Average	\$308	\$143	\$280	\$121
Program A	\$0	\$32	\$0	\$0
Program B	\$0	\$0	\$0	\$0
Program C	\$0	\$14	\$0	\$43
Program D	\$1,471	\$0	\$0	\$653
Program E	–	\$28	\$1,208	\$14
Program F	\$93	\$0	\$26	\$92
Program G	\$253	\$215	\$149	\$165
Program H	\$200	\$500	\$233	\$93
Program I	\$29	\$135	\$444	\$82
Program J	\$232	\$25	\$81	\$63
Program K	\$139	\$125	\$139	\$147
Program L	\$242	\$190	\$116	\$135
Program M	\$1,040	\$997	\$294	\$105
Program N		\$0	\$0	\$0
Program O		\$2	\$408	\$0
Program P		\$19	\$192	\$310
Program Q			\$0	\$0
Program R			\$0	\$0
Program S			\$2,029	\$513
Program T				–
Program U				\$0

¹⁹ Cells contain a dash when the data reported have been identified as being internally inconsistent or when expected data are missing.

(4) Number of litigated claims, including the number of claims submitted to mediation, the WCAB, or the Court of Appeal.²⁰

	Claims to Mediation				Claims to WCAB				Claims to Court of Appeals				Total Number			
	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007
Total	20	24	25	39	5	5	6	1	0	2	0	0	25	31	29	40
Program A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program B	0	0	-	-	0	0	-	-	0	0	-	-	0	0	-	-
Program C	-	-	5	-	-	-	0	-	-	-	0	-	-	-	5	-
Program D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program E	0	-	-	-	0	-	-	-	0	-	-	-	0	-	-	-
Program F	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program G	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program H	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program J	0	-	-	-	0	-	-	-	0	-	-	-	0	-	-	-
Program K	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program L	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program M	0	0	1	-	1	0	3	-	0	2	0	-	1	2	4	-
Program N		0	0	0		0	0	0		0	0	0		0	0	0
Program O		-	-	-		-	-	-		-	-	-		-	-	-
Program P		0	-	3		0	-	0		0	-	0		0	-	3
Program Q			-	-			-	-			-	-			-	-
Program R			0	0			0	0			0	0			0	0
Program S			-	-			-	-			-	-			-	-
Program T				3				1				0				4
Program U				0				0				0				0

²⁰ Cells contain a dash when the data reported have been identified as being internally inconsistent or when expected data are missing.

(5) The number of contested claims resolved prior to arbitration.²¹

	2004	2005	2006	2007
Total	0	0	6	6
Average	0	0	1.5	1.2
Program A	–	–	–	–
Program B	0	0	–	–
Program C	–	–	5	–
Program D	–	–	–	–
Program E	0	–	–	–
Program F	–	–	–	–
Program G	–	–	–	–
Program H	–	–	–	–
Program I	–	–	–	–
Program J	0	–	–	–
Program K	–	–	–	–
Program L	–	–	–	–
Program M	0	0	1	–
Program N		0	0	0
Program O		–	–	–
Program P		0	–	3
Program Q			–	–
Program R			0	0
Program S			–	–
Program T				3
Program U				0

²¹ Cells contain a dash when the data reported have been identified as being internally inconsistent or when expected data are missing.

(6) The projected incurred costs and actual costs of claims.²²

Total Actual Costs of Claims per Program

	2004	2005	2006	2007
Total	\$14,623,159	\$23,558,091	\$32,992,387	\$20,423,778
Average	\$1,218,597	\$1,570,539	\$1,736,441	\$1,074,936
Program A	\$62,661	\$100,756	\$386,826	\$58,024
Program B	\$10,313	\$47,561	\$9,569	\$20,331
Program C	\$56,255	\$75,107	\$218,564	\$88,040
Program D	\$158,521	\$463,395	\$68,773	\$96,186
Program E	\$69,880	\$752,416	\$1,259,356	\$248,431
Program F	–	\$201,949	\$1,315,494	\$146,875
Program G	\$867,707	\$3,476,978	\$11,497,184	\$5,883,034
Program H	\$2,012,867	\$3,510,931	\$3,967,841	\$2,921,895
Program I	\$1,089,097	\$3,125,330	\$2,394,117	\$1,495,669
Program J	\$495,090	\$1,358,858	\$1,516,984	\$867,211
Program K	\$2,063,000	\$3,301,615	\$4,525,381	\$3,005,592
Program L	\$7,642,321	\$6,899,317	\$4,768,051	\$4,720,667
Program M	\$95,447	\$78,202	\$454,646	\$171,930
Program N		–	\$12,522	\$18,904
Program O		\$62,843	\$80,740	\$37,269
Program P		\$102,833	\$128,936	\$205,328
Program Q			\$5,038	\$72,931
Program R			\$137,559	\$327,532
Program S			\$244,806	–
Program T				–
Program U				\$37,928

²² Cells contain a dash when the data for one or more cost components has been identified as being internally inconsistent or is missing.

Total Projected Incurred Costs of Claims per Program²³

	2004	2005	2006	2007
Total	\$12,638,244	\$38,615,674	\$46,767,272	\$58,943,968
Average	\$1,263,824	\$2,758,262	\$2,598,182	\$3,102,314
Program A	\$62,683	–	\$587,520	–
Program B	\$38,895	\$99,320	\$9,569	\$23,081
Program C	\$60,137	\$106,548	\$292,893	\$107,752
Program D	–	\$927,529	\$90,092	\$102,053
Program E	–	\$1,012,119	\$1,843,994	\$380,409
Program F	\$167,109	\$215,585	\$1,526,013	\$466,558
Program G	\$1,918,429	–	–	\$15,708,811
Program H	\$4,014,878	\$6,153,654	\$9,523,476	\$8,419,064
Program I	\$1,390,537	\$4,404,966	\$4,821,431	\$3,064,605
Program J	\$1,498,752	\$3,214,458	\$3,530,088	\$3,033,765
Program K	\$3,374,238	\$7,620,422	\$9,434,901	\$10,491,677
Program L	–	\$14,421,871	\$13,255,503	\$15,045,798
Program M	\$112,586	\$105,543	\$523,567	\$304,289
Program N		\$36,485	\$29,834	\$62,149
Program O		\$164,773	\$164,294	\$193,592
Program P		\$132,401	\$162,147	\$381,783
Program Q			\$5,038	\$135,343
Program R			\$305,167	\$653,663
Program S			\$661,745	\$311,423
Program T				–
Program U				\$58,154

²³ Cells contain a dash when the data for one or more cost components has been identified as being internally inconsistent or is missing.

(7) Safety history.

Number of injuries filed using OSHA Form 300²⁴

	2004	2005	2006	2007
Total	0	3	125	99
Average	0.0	0.2	7.8	5.5
Program A	0	0	0	0
Program B	–	0	0	0
Program C	0	0	0	0
Program D	0	–	–	–
Program E	–	0	0	0
Program F	0	0	0	0
Program G	0	0	41	10
Program H	0	0	0	0
Program I	0	0	0	0
Program J	0	0	0	0
Program K	0	0	0	0
Program L	0	0	0	16
Program M		3	20	17
Program N		–	–	–
Program O		0	0	0
Program P		0	51	0
Program Q			7	5
Program R			-	-
Program S			6	17
Program T				34
Program U				0

²⁴ Cells contain a dash when the carve-out has failed to report data on the number of OSHA injuries.

(8) The number of workers participating in vocational rehabilitation programs.²⁵

	2004	2005	2006	2007
Total	5	6	7	6
Average	0.7	0.5	0.4	0.3
Program A	–	0	0	–
Program B	0	0	0	0
Program C	–	–	0	0
Program D	–	0	0	0
Program E	0	–	–	0
Program F	0	0	0	0
Program G	–	–	1	1
Program H	1	–	2	1
Program I	–	3	0	4
Program J	–	0	–	0
Program K	2	2	2	0
Program L	2	1	2	0
Program M	0	0	–	0
Program N		0	0	0
Program O		0	0	0
Program P		0	0	0
Program Q			0	0
Program R			0	0
Program S			0	0
Program T				0
Program U				0

²⁵ Cells contain a dash when the program reported vocational rehabilitation payments for a given year but zero participants in vocational rehabilitation programs for that year.

(9) The number of workers participating in light-duty programs.²⁶

	2004	2005	2006	2007
Total	2	61	101	108
Average	0.2	3.8	5.3	5.1
Program A	0	0	0	0
Program B	–	0	0	0
Program C	0	0	3	5
Program D	0	0	0	0
Program E	0	2	0	0
Program F	0	0	3	2
Program G	0	8	46	7
Program H	0	14	11	4
Program I	0	1	2	7
Program J	0	0	0	1
Program K	1	0	9	1
Program L	1	3	3	16
Program M	0	0	7	9
Program N		0	0	0
Program O		0	0	0
Program P		33	9	3
Program Q			5	5
Program R			3	11
Program S			0	0
Program T				37
Program U				0

²⁶ Cells contain a dash when the program failed to report data for a given year.

Data Results III (Department of Insurance Data)²⁷

The table below summarizes two kinds of ratios for the 2003 through 2005 workers' compensation policy year period: (1) the average ratio of insurer premium rates (after all rating plan adjustments including scheduled rating premium credits and debits)²⁸ to pure premium rates (modified by the experience modification) and (2) the average ratio of reported incurred losses to premium. The information is shown separately for three North American Industrial Classification Sectors (NAICS): construction, manufacturing, and all others combined. For comparison purposes, the information is also shown for statewide experience of employers not in carve-outs.

Carve-out Employers Ratio of Premium to Modified Pure Premium and Reported (Underdeveloped) Losses to Premium for Policy Years 2003 through 2005

NAICS Industrial Sector Classification	Carve-out Employers Ratio of Premium to Modified Pure Premium	All Other Employers Ratio of Premium to Modified Pure Premium	Carve-out Employers Ratio of Reported Losses to Premium	All Other Employers Ratio of Reported Losses to Premium
Total All Sectors	1.487	1.495	0.22	0.24
Construction	1.481	1.507	0.22	0.24
Manufacturing	1.481	1.429	0.21	0.23
Other NAICS Sectors	1.522	1.466	0.19	0.21

The average pricing level for carve-out employers, relative to the approved pure premium rates, has generally been comparable to that of non carve-out employers and well above the level of the advisory pure premium rates approved by the Insurance Commissioner. The average reported loss ratio²⁹ for policy years 2003 through 2005 is slightly less than that of non carve-out employers. In summary, the 2003 through 2005 unit statistical data reported for carve-out employers suggests the rates charged on these policies after application of scheduled rating credits and debits appear to be adequate and the rates charged and loss experience incurred on these policies are comparable to other policies.

The detailed information underlying this table is listed below by policy year.

²⁷ All data included in this section were provided by the WCIRB, in fulfillment of the DOI's reporting requirement under Labor Code section 3201.9.

²⁸ Ratio excludes the impact of deductible credits or retrospective rating premium adjustments.

²⁹ These are losses reported as of the latest report level and have not been developed to an ultimate level. Final ultimate losses for those policy years will be considerably higher.

NAICS Industrial Sector Demographics Policy Year 2003-2005, Combined

NAICS Industrial Sector Classification	Carve-Out Employers Premium	Carve-Out Employers Modified Pure Premium	Carve-Out Employers Reported Incurred Losses	Carve-Out Employers Ratio of Premium to Modified Pure Premium	Carve-Out Employers Ratio of Reported Losses to Premium	All Other Employers Ratio of Premium to Modified Pure Premium	All Other Employers Ratio of Reported Losses to Premium
Total All Sectors	\$1,639,510,999	\$1,102,855,625	\$353,611,258	1.487	0.22	1.495	0.24
Construction	\$1,250,753,056	\$844,414,962	\$276,748,091	1.481	0.22	1.507	0.24
Manufacturing	\$163,878,524	\$110,684,513	\$34,869,361	1.481	0.21	1.429	0.23
Other NAICS Sectors	\$224,879,419	\$147,756,150	\$41,993,806	1.522	0.19	1.466	0.21

NAICS Industrial Sector Demographics Policy Year 2003, Level 3

NAICS Industrial Sector Classification	Carve-Out Employers Premium	Carve-Out Employers Modified Pure Premium	Carve-Out Employers Reported Incurred Losses	Carve-Out Employers Ratio of Premium to Modified Pure Premium	Carve-Out Employers Ratio of Reported Losses to Premium	All Other Employers Ratio of Premium to Modified Pure Premium	All Other Employers Ratio of Reported Losses to Premium
Total All Sectors	\$613,079,378	\$441,996,535	\$156,844,184	1.387	0.26	1.376	0.30
Construction	\$469,058,959	\$339,358,835	\$120,448,017	1.382	0.26	1.387	0.30
Manufacturing	\$60,525,372	\$44,952,805	\$16,901,954	1.346	0.28	1.311	0.32
Other NAICS Sectors	\$83,495,047	\$57,684,895	\$19,494,213	1.447	0.23	1.366	0.28

NAICS Industrial Sector Demographics Policy Year 2004, Level 2

NAICS Industrial Sector Classification	Carve-Out Employers Premium	Carve-Out Employers Modified Pure Premium	Carve-Out Employers Reported Incurred Losses	Carve-Out Employers Ratio of Premium to Modified Pure Premium	Carve-Out Employers Ratio of Reported Losses to Premium	All Other Employers Ratio of Premium to Modified Pure Premium	All Other Employers Ratio of Reported Losses to Premium
Total All Sectors	\$533,635,536	\$344,230,464	\$114,117,538	1.550	0.21	1.574	0.22
Construction	\$409,398,373	\$264,609,544	\$88,553,385	1.543	0.22	1.586	0.22
Manufacturing	\$55,849,049	\$35,483,422	\$10,977,547	1.574	0.20	1.509	0.19
Other NAICS Sectors	\$69,388,114	\$44,137,498	\$14,586,606	1.572	0.21	1.540	0.19

NAICS Industrial Sector Demographics Policy Year 2005, Level 1

NAICS Industrial Sector Classification	Carve-Out Employers Premium	Carve-Out Employers Modified Pure Premium	Carve-Out Employers Reported Incurred Losses	Carve-Out Employers Ratio of Premium to Modified Pure Premium	Carve-Out Employers Ratio of Reported Losses to Premium	All Other Employers Ratio of Premium to Modified Pure Premium	All Other Employers Ratio of Reported Losses to Premium
Total All Sectors	\$492,796,085	\$316,628,626	\$82,649,536	1.556	0.17	1.560	0.19
Construction	\$373,295,724	\$240,446,583	\$67,746,689	1.553	0.18	1.573	0.16
Manufacturing	\$47,504,103	\$30,248,286	\$6,989,860	1.570	0.15	1.492	0.15
Other NAICS Sectors	\$71,996,258	\$45,933,757	\$7,912,987	1.567	0.11	1.511	0.19