




LA WORKERS' COMP

HOW WORKERS' COMP TRENDS IN THE LOS ANGELES REGION ARE DEFINING CALIFORNIA'S SYSTEM

As a state, California is the most expensive in the nation for workers' compensation. But the system is actually defined by two regions: the Los Angeles region and the rest of California.

IN FACT, IF L.A.'S MUCH HIGHER RATE OF CLAIMS WERE REMOVED FROM CALIFORNIA'S EXPERIENCE, THE STATE WOULD FALL MUCH MORE INTO LINE WITH NATIONAL TRENDS.

The end- result is a costlier state system and a cost burden for L.A.-area employers that can be 20% higher than elsewhere in California.

		LOS ANGELES AREA	REST OF CALIFORNIA	DIFFERENCE
	Number of Workers' Comp Claims per \$100 million of payroll in 2012	29	21.1	+38%
	Cumulative Change in Claim Frequency between 2010 and 2012	+17.7%	+1.25%*	+1416%
	Proportion of Claims involving Permanent Disability	41%	33%	+24%
	Number of "Cumulative Injury" – aka nonspecific – claims per 100 indemnity claims	8.9	5.3**	+40%
	Proportion of Cumulative Trauma Claims involving multiple body parts	37%	18%	+51%
	Proportion of Claims involving Legal Representation	79%***	64%***	+23%
	Percentage of claims with lien filed for adjudication	66%	44%	45%

*Average of increases for the Bay Area (-3.4%) and the rest of California (+5.9%) **Average of Bay Area rate (5.7) and rate for the rest of California (4.9)

***legal representation claims are broken down by Northern vs. Southern California - Source: Workers' Compensation Insurance Rating Bureau