

## 8420 State Compensation Insurance Fund

The State Compensation Insurance Fund (State Fund) is a public enterprise fund established by the State of California through legislation enacted in 1913 to provide an available market for workers' compensation insurance to employers located in California. The State Fund is governed by a Board of Directors with authority comparable to that of the governing body of a private insurance carrier.

The State Fund's objective is to serve all California employers as an efficient and fairly priced industry leader in workers' compensation insurance, and it competes with other insurance companies. The State Fund is self-supported with revenues from premiums written and from investment income. It does not receive any financial support from the state, and the state is not liable for any obligations of the State Fund. Almost all of the State Fund's employees are civil servants.

Separate from its insurance business, the State Fund has been engaged by the Department of Personnel Administration to provide workers' compensation claims administration services for legally uninsured departments, agencies, boards, commissions, or other subdivisions of state government under a Master Agreement. Under this agreement, the State Fund pays compensation benefits to injured workers and medical benefits to health providers, and is reimbursed by state agencies for amounts paid plus service fees equal to the costs of these services.

### 3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
10 Workers' Compensation Benefits	-	-	-	\$262,109	\$664,592	\$781,000
20 Workers' Compensation Program Administration	4,946.7	4,178.0	3,969.0	1,267,050	569,588	591,356
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>4,946.7</b>	<b>4,178.0</b>	<b>3,969.0</b>	<b>\$1,529,159</b>	<b>\$1,234,180</b>	<b>\$1,372,356</b>
<b>FUNDING</b>				<b>2011-12*</b>	<b>2012-13*</b>	<b>2013-14*</b>
0512 State Compensation Insurance Fund				\$1,529,159	\$1,234,180	\$1,372,356
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$1,529,159</b>	<b>\$1,234,180</b>	<b>\$1,372,356</b>

Program 10 does not include the cost of benefits for State of California employees. Refer to the Workers' Compensation Benefits for State Agencies for the costs per the state Master Agreement.

### LEGAL CITATIONS AND AUTHORITY

#### DEPARTMENT AUTHORITY

Insurance Code, Division 2, Part 3, Chapter 4, Articles 1-7; and California Constitution, Article 14, Section 4.

### DETAILED BUDGET ADJUSTMENTS

	2012-13*			2013-14*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Workload Budget Adjustments</b>						
<b>Other Workload Budget Adjustments</b>						
• Employee Compensation Adjustments	\$-	-\$13,661	-	\$-	\$3,331	-
• Retirement Rate Adjustment	-	6,353	-	-	6,353	-
• Miscellaneous Baseline Adjustments	-	3,488	-26.3	-	124,672	-235.3
<b>Totals, Other Workload Budget Adjustments</b>	<b>\$-</b>	<b>-\$3,820</b>	<b>-26.3</b>	<b>\$-</b>	<b>\$134,356</b>	<b>-235.3</b>
<b>Totals, Workload Budget Adjustments</b>	<b>\$-</b>	<b>-\$3,820</b>	<b>-26.3</b>	<b>\$-</b>	<b>\$134,356</b>	<b>-235.3</b>
<b>Totals, Budget Adjustments</b>	<b>\$-</b>	<b>-\$3,820</b>	<b>-26.3</b>	<b>\$-</b>	<b>\$134,356</b>	<b>-235.3</b>

\* Dollars in thousands, except in Salary Range.

## 8420 State Compensation Insurance Fund - Continued

### Workers' Compensation Benefits for State Workers

The following table provides summary data on actual and estimated workers' compensation costs by state agencies for informational purposes. All workers compensation costs are included in the individual budgets of the responsible state agencies. Costs also include administrative charges under the Master Agreement.

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Policy premium cost of insured State Agencies	3,256,479	4,281,833	4,112,594	4,205,234 *	3,994,972 *
Benefits paid by uninsured State Agencies (Exclusive of payments under Labor Code Section 4800/4800.5 and Industrial Disability Leave)	349,188,844	376,576,337	381,786,902	433,511,985 *	428,937,584 *
Industrial Disability Leave benefits paid by State Agencies	66,952,566	80,084,502	85,785,832	91,790,840 *	98,216,199 *
Benefits paid under Labor Code Sections:					
4800 Department of Justice	285,293	728,477	705,808	705,808 *	705,808 *
4800.5 California Highway Patrol	5,008,518	7,463,653	8,094,901	8,742,493 *	9,441,893 *
Administrative Costs under the Master Agreement	78,000,000	82,000,000	96,717,000	100,400,000 *	108,000,000 *
<b>TOTAL WORKERS' COMPENSATION COST (ALL FUNDS)</b>	<b>502,691,700</b>	<b>551,134,802</b>	<b>577,203,037</b>	<b>639,356,360 *</b>	<b>649,296,456 *</b>
<b>Number of Workers' Compensation Claims</b>					
Industrial Disability Leave:					
Nondisabling	13,329	13,194	12,517	12,504 *	12,566 *
Disabling	10,117	11,144	10,147	10,489 *	10,698 *
Labor Code Sections:					
4800 Department of Justice	29	23	38	33 *	34 *
4800.5 California Highway Patrol	855	943	825	854 *	871 *
<b>Total New Reported Claims</b>	<b>24,330</b>	<b>25,304</b>	<b>23,527</b>	<b>23,880 *</b>	<b>24,169 *</b>

\* Estimate

## 8420 State Compensation Insurance Fund - Continued

### PROGRAM DESCRIPTIONS

#### 10 - WORKERS' COMPENSATION BENEFITS

Through this program, the State Compensation Insurance Fund (State Fund) provides workers' compensation benefit payments to covered employees who are injured or become ill during the course of, or due to, employment. Program 10 does not include the cost of benefits for State of California employees. Refer to the Workers' Compensation Benefits for State Agencies for the costs in accordance with the State Master Agreement.

#### 20 - WORKERS' COMPENSATION PROGRAM ADMINISTRATION

Through this program, the State Fund writes insurance policies for California employers, processes and adjusts workers' compensation claims, and provides loss-control training programs to insured employers.

### EXPENDITURES BY CATEGORY

1 State Operations	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
PERSONAL SERVICES						
Authorized Positions - Salaries and Wages	4,946.7	4,178.0	3,969.0	\$376,178	\$253,585	\$270,717
State Master Agreement (non-add)	(495.5)	(699.0)	(633.0)	-	-	-
<b>Net Totals, Salaries and Wages</b>	<b>4,946.7</b>	<b>4,178.0</b>	<b>3,969.0</b>	<b>\$376,178</b>	<b>\$253,585</b>	<b>\$270,717</b>
Staff Benefits	-	-	-	107,211	72,272	77,154
<b>TOTALS, PERSONAL SERVICES</b>	<b>4,946.7</b>	<b>4,178.0</b>	<b>3,969.0</b>	<b>\$483,389</b>	<b>\$325,857</b>	<b>\$347,871</b>
OPERATING EXPENSES AND EQUIPMENT				\$783,661	\$243,731	\$243,485
SPECIAL ITEMS OF EXPENSE						
Workers' Compensation Benefits				\$262,109	\$664,592	\$781,000
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$1,529,159</b>	<b>\$1,234,180</b>	<b>\$1,372,356</b>

### DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

<b>1 STATE OPERATIONS</b>	<b>2011-12*</b>	<b>2012-13*</b>	<b>2013-14*</b>
<b>0512 State Compensation Insurance Fund</b>			
APPROPRIATIONS			
Insurance Code Sections 11770 and 11800.1	\$1,267,050	\$569,588	\$591,356
<b>TOTALS, EXPENDITURES</b>	<b>\$1,267,050</b>	<b>\$569,588</b>	<b>\$591,356</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$1,267,050</b>	<b>\$569,588</b>	<b>\$591,356</b>
<b>4 UNCLASSIFIED</b>	<b>2011-12*</b>	<b>2012-13*</b>	<b>2013-14*</b>
<b>0512 State Compensation Insurance Fund</b>			
APPROPRIATIONS			
Insurance Code Section 11800.1 Benefits Paid--Workers' Compensation	\$262,109	\$664,592	\$781,000
<b>TOTALS, EXPENDITURES</b>	<b>\$262,109</b>	<b>\$664,592</b>	<b>\$781,000</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)</b>	<b>\$262,109</b>	<b>\$664,592</b>	<b>\$781,000</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)</b>	<b>\$1,529,159</b>	<b>\$1,234,180</b>	<b>\$1,372,356</b>

\* Dollars in thousands, except in Salary Range.