

8420 State Compensation Insurance Fund

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

State Fund's objective is to serve all California employers as an efficient and fairly priced industry leader in workers' compensation insurance. State Fund is self-supported with revenues from premiums on policies 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 State Fund. Almost all of State Fund's employees are civil servants.

Separate from its insurance business, State Fund has been engaged by the California Department of Human Resources 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 provides a deposit out of which 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		
	2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
10 Workers' Compensation Benefits	-	-	-	\$671,013	\$724,337	\$860,949
20 Workers' Compensation Program Administration	4,481.2	3,969.0	3,725.0	640,046	551,875	573,661
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	4,481.2	3,969.0	3,725.0	\$1,311,059	\$1,276,212	\$1,434,610
FUNDING				2012-13*	2013-14*	2014-15*
0512 State Compensation Insurance Fund				\$1,311,059	\$1,276,212	\$1,434,610
TOTALS, EXPENDITURES, ALL FUNDS				\$1,311,059	\$1,276,212	\$1,434,610

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

	2013-14*			2014-15*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Employee Compensation Adjustments	\$-	\$9,414	-	\$-	\$9,806	-
• Retirement Rate Adjustment	-	1,726	-	-	1,726	-
• Miscellaneous Adjustments	-	-50,621	-	-	-29,227	-244.0
• Estimate of Claims Liability Adjustment	-	-56,663	-	-	79,949	-
Totals, Other Workload Budget Adjustments	\$-	-\$96,144	-	\$-	\$62,254	-244.0
Totals, Workload Budget Adjustments	\$-	-\$96,144	-	\$-	\$62,254	-244.0
Totals, Budget Adjustments	\$-	-\$96,144	-	\$-	\$62,254	-244.0

* Dollars in thousands, except in Salary Range.

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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.

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Policy premium cost of insured State Agencies	\$4,281,833	\$4,112,594	\$4,883,949	\$4,261,395 *	\$4,048,325 *
Benefits paid by uninsured State Agencies (Exclusive of payments under Labor Code Section 4800/4800.5 and Industrial Disability Leave)	376,576,337	381,786,902	449,936,985	490,431,314 *	500,239,940 *
Industrial Disability Leave benefits paid by State Agencies	80,084,502	85,785,832	94,922,654	99,668,787 *	101,662,163 *
Benefits paid under Labor Code Sections:					
4800 Department of Justice	728,477	705,808	331,940	507,900 *	518,058 *
4800 California Department of Fish & Wildlife (Wardens)	N/A	N/A	3,277	3,768	3,844
4800.5 California Highway Patrol	7,463,653	8,094,901	5,748,742	6,596,030 *	6,727,951 *
Administrative Costs under the Master Agreement	82,000,000	96,717,000	100,400,000	107,300,000 *	101,800,000 *
TOTAL WORKERS' COMPENSATION COST (ALL FUNDS)	\$551,134,802	\$577,203,037	\$656,227,547	\$708,769,194 *	\$715,000,281 *
Number of Workers' Compensation Claims					
Industrial Disability Leave:					
Nondisabling	13,194	12,517	10,922	12,704 *	12,958 *
Disabling	11,144	10,147	10,839	10,531 *	10,742 *
Labor Code Sections:					
4800 Department of Justice	23	38	30	30 *	31 *
4800 California Department of Fish & Wildlife (Wardens)	N/A	N/A	8	8	8
4800.5 California Highway Patrol	943	825	838	835 *	852 *
Total New Reported Claims	25,304	23,527	22,637	24,108 *	24,591 *

* Estimate

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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		
	2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
PERSONAL SERVICES						
Authorized Positions - Salaries and Wages	4,481.2	3,969.0	3,725.0	\$273,670	\$270,717	\$247,086
State Master Agreement (non-add)	488.9	523.7	574.0	-	-	-
Net Totals, Salaries and Wages	4,481.2	3,969.0	3,725.0	\$273,670	\$270,717	\$247,086
Staff Benefits	-	-	-	74,760	68,178	69,562
TOTALS, PERSONAL SERVICES	4,481.2	3,969.0	3,725.0	\$348,430	\$338,895	\$316,648
OPERATING EXPENSES AND EQUIPMENT				\$291,616	\$212,980	\$257,013
SPECIAL ITEMS OF EXPENSE						
Workers' Compensation Benefits				\$671,013	\$724,337	\$860,949
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$1,311,059	\$1,276,212	\$1,434,610

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2012-13*	2013-14*	2014-15*
0512 State Compensation Insurance Fund			
APPROPRIATIONS			
Insurance Code Sections 11770 and 11800.1	\$640,046	\$551,875	\$573,661
TOTALS, EXPENDITURES	\$640,046	\$551,875	\$573,661
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$640,046	\$551,875	\$573,661
4 UNCLASSIFIED	2012-13*	2013-14*	2014-15*
0512 State Compensation Insurance Fund			
APPROPRIATIONS			
Insurance Code Section 11800.1 Benefits Paid--Workers' Compensation	\$671,013	\$724,337	\$860,949
TOTALS, EXPENDITURES	\$671,013	\$724,337	\$860,949
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$671,013	\$724,337	\$860,949
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)	\$1,311,059	\$1,276,212	\$1,434,610

* Dollars in thousands, except in Salary Range.