

8420 State Compensation Insurance Fund

The mission of the State Compensation Insurance Fund is to:

- Provide California employers with a permanent market for workers' compensation insurance protection at cost with no financial obligation to the public.
- Compete fairly with other insurers and, by example, set the standard for fair premium rates, financial integrity, excellence in customer service, and impartial treatment of injured workers.
- Assist employers in providing safe places to work. When a worker is injured, help restore that person to a useful place in the economy.

Pursuant to Insurance Code, Section 11871, claims against uninsured state agencies are adjusted by the State Compensation Insurance Fund under a Master Agreement with the Department of Personnel Administration. Adjustment costs and other administrative charges under the Master Agreement are reflected in the Workers' Compensation Benefits for State Agencies budget display.

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2007-08	2008-09	2009-10	2007-08*	2008-09*	2009-10*
10 Workers' Compensation Benefits	-	-	-	\$1,441,142	\$1,178,296	\$1,190,000
20 Workers' Compensation Program Administration	8,027.0	7,600.0	7,000.0	1,197,796	1,040,177	967,500
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	8,027.0	7,600.0	7,000.0	\$2,638,938	\$2,218,473	\$2,157,500
FUNDING				2007-08*	2008-09*	2009-10*
0512 Compensation Insurance Fund				\$2,638,938	\$2,218,473	\$2,157,500
TOTALS, EXPENDITURES, ALL FUNDS				\$2,638,938	\$2,218,473	\$2,157,500

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 1-6; and California Constitution, Article 14, Section 4.

* Dollars in thousands

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Workers' Compensation Benefits for State Agencies

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

	2005-06	2006-07	2007-08	2008-09 ^{1/}	2009-10 ^{1/}
Policy premium cost of insured State Agencies	\$6,015,584	\$3,900,991	\$4,014,353	\$3,700,000	\$3,500,000
Benefits paid by uninsured State Agencies (Exclusive of Payments under Labor Code Section 4800 and Industrial Disability Leave)	326,411,704	336,493,267	324,356,035	330,000,000	335,000,000
Industrial Disability Leave benefits paid by State Agencies	57,143,416	53,452,646	55,486,862	56,000,000	57,000,000
Benefits paid under Labor Code Sections:					
California Highway Patrol	8,034,314	4,934,577	5,988,853	4,725,000	6,500,000
Department of Justice	697,213	607,104	607,785	575,000	625,000
Administrative Costs collected under the Master Agreement	60,695,000	68,000,000	72,000,000	76,000,000	78,000,000
TOTAL WORKERS' COMPENSATION COST	\$458,997,231	\$467,388,585	\$462,453,888	\$472,300,000	\$480,625,000
Number of Workers' Compensation Claims					
Industrial Disability Leave:					
Nondisabling	12,188	13,284	13,900	13,500	13,200
Disabling	12,101	10,676	10,275	10,500	10,600
Labor Code Section 4800 (Disabling):					
California Highway Patrol	1,708	1,121	28	70	75
Department of Justice	98	83	1,075	1,050	1,100
Total New Reported Claims	26,095	25,164	25,278	25,120	24,975

^{1/} Estimate

Prepared by: State Compensation Insurance Fund, State Contract Services

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PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 - WORKERS' COMPENSATION BENEFITS

Through this program, the State Compensation Insurance Fund (SCIF) provides workers' compensation benefit payments to covered employees who are injured or become ill during the course of or due to employment. As of June 30, 2008, more than 200 employer associations offered coverage through SCIF.

20 - WORKERS' COMPENSATION PROGRAM ADMINISTRATION

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

EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions			Expenditures		
	2007-08	2008-09	2009-10	2007-08*	2008-09*	2009-10*
PERSONAL SERVICES						
Authorized Positions - Salaries and Wages	8,027.0	7,600.0	7,000.0	\$448,742	\$389,692	\$362,464
State Master Agreement (non-add)	<u>(749.0)</u>	<u>(780.0)</u>	<u>(780.0)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Totals, Salaries and Wages	8,027.0	7,600.0	7,000.0	\$448,742	\$389,692	\$362,464
Staff Benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,204</u>	<u>147,799</u>	<u>137,472</u>
TOTALS, PERSONAL SERVICES	8,027.0	7,600.0	7,000.0	\$618,946	\$537,491	\$499,936
OPERATING EXPENSES AND EQUIPMENT				<u>\$578,850</u>	<u>\$502,686</u>	<u>\$467,564</u>
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$1,197,796	\$1,040,177	\$967,500

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2007-08*	2008-09*	2009-10*
0512 Compensation Insurance Fund			
APPROPRIATIONS			
Insurance Code Sections 11770 and 11800.1	<u>\$1,197,796</u>	<u>\$1,040,177</u>	<u>\$967,500</u>
TOTALS, EXPENDITURES	\$1,197,796	\$1,040,177	\$967,500
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$1,197,796	\$1,040,177	\$967,500
4 UNCLASSIFIED	2007-08*	2008-09*	2009-10*
0512 Compensation Insurance Fund			
APPROPRIATIONS			
Insurance Code Section 11800.1 Benefits Paid--Workers' Compensation	<u>\$1,441,142</u>	<u>\$1,178,296</u>	<u>\$1,190,000</u>
TOTALS, EXPENDITURES	\$1,441,142	\$1,178,296	\$1,190,000
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$1,441,142	\$1,178,296	\$1,190,000
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)	\$2,638,938	\$2,218,473	\$2,157,500

* Dollars in thousands