

## 8420 State Compensation Insurance Fund

The State Compensation Insurance Fund exists to provide California's Businesses a strong and stable choice for their workers' compensation insurance while making California's workplaces safer and helping injured employees return to work, all with no financial obligation to the public.

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 PERSONNEL YEARS (Summary of Program Requirements)

	Personnel Years			Expenditures		
	2008-09	2009-10	2010-11	2008-09*	2009-10*	2010-11*
10 Workers' Compensation Benefits	-	-	-	\$1,082,800	\$964,946	\$1,012,500
20 Workers' Compensation Program Administration	7,796.1	7,207.0	6,807.0	1,151,378	1,071,680	1,015,000
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>7,796.1</b>	<b>7,207.0</b>	<b>6,807.0</b>	<b>\$2,234,178</b>	<b>\$2,036,626</b>	<b>\$2,027,500</b>
<b>FUNDING</b>				<b>2008-09*</b>	<b>2009-10*</b>	<b>2010-11*</b>
0512 Compensation Insurance Fund				\$2,234,178	\$2,036,626	\$2,027,500
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$2,234,178</b>	<b>\$2,036,626</b>	<b>\$2,027,500</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.

\* Dollars in thousands, except in Salary Range.

## 8420 State Compensation Insurance Fund - Continued

### Workers' Compensation Benefits for State Agencies

#### 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. All workers' compensation costs are included in the individual budgets of the responsible state agency. Costs also include administrative charges under the Master Agreement.

	2006-2007	2007-2008	2008-2009	2009-2010 <sup>1/</sup>	2010-2011 <sup>1/</sup>
Policy premium cost of insured State Agencies	3,900,991	4,014,353	3,712,073	3,500,000	3,500,000
Benefits paid by uninsured State Agencies (Exclusive of payments under Labor Code Section 4800 and Industrial Disability Leave)	336,493,267	324,356,035	317,502,688	320,000,000	323,000,000
Industrial Disability Leave benefits paid by State Agencies	53,452,646	55,486,862	57,426,714	59,000,000	60,000,000
Benefits paid under Labor Code Sections:					
4800 Department of Justice	607,104	607,785	487,984	450,000	425,000
4800.5 California Highway Patrol	4,934,577	5,988,853	6,664,335	7,000,000	7,000,000
Administrative Costs under the Master Agreement	68,000,000	72,000,000	76,000,000	78,000,000	82,000,000
<b>TOTAL WORKERS' COMPENSATION COST (ALL FUNDS)</b>	<b>467,388,585</b>	<b>462,453,888</b>	<b>461,793,794</b>	<b>467,950,000</b>	<b>475,925,000</b>
<b>Number of Workers' Compensation Claims</b>					
Industrial Disability Leave:					
Nondisabling	13,284 <sup>2/</sup>	13,900	13,557	13,500	13,000
Disabling	10,676 <sup>2/</sup>	10,275	10,408	10,600	10,800
Labor Code Sections:					
4800 Department of Justice	83	28	29	30	30
4800.5 California Highway Patrol	1,121	1,075	716	800	800
<b>Total New Reported Claims</b>	<b>25,164</b>	<b>25,278</b>	<b>24,710</b>	<b>24,930</b>	<b>24,630</b>

<sup>1/</sup> Estimate

<sup>2/</sup> Transition to new system, disability determination system error detected and corrected

Prepared by: State Compensation Insurance Fund, State Contract Services

\* Dollars in thousands, except in Salary Range.

## 8420 State Compensation Insurance Fund - Continued

### 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/Personnel Years			Expenditures		
	2008-09	2009-10	2010-11	2008-09*	2009-10*	2010-11*
PERSONAL SERVICES						
Authorized Positions - Salaries and Wages	7,796.1	7,207.0	6,807.0	\$410,916	\$382,472	\$362,243
State Master Agreement (non-add)	(712.6)	(786.5)	(800.0)	-	-	-
<b>Net Totals, Salaries and Wages</b>	<b>7,796.1</b>	<b>7,207.0</b>	<b>6,807.0</b>	<b>\$410,916</b>	<b>\$382,472</b>	<b>\$362,243</b>
Staff Benefits	-	-	-	415,833	283,668	268,661
<b>TOTALS, PERSONAL SERVICES</b>	<b>7,796.1</b>	<b>7,207.0</b>	<b>6,807.0</b>	<b>\$826,749</b>	<b>\$666,140</b>	<b>\$630,904</b>
OPERATING EXPENSES AND EQUIPMENT				\$324,629	\$405,540	\$384,096
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$1,151,378</b>	<b>\$1,071,680</b>	<b>\$1,015,000</b>

### DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

<b>1 STATE OPERATIONS</b>	<b>2008-09*</b>	<b>2009-10*</b>	<b>2010-11*</b>
<b>0512 Compensation Insurance Fund</b>			
APPROPRIATIONS			
Insurance Code Sections 11770 and 11800.1	\$1,151,378	\$1,071,680	\$1,015,000
<b>TOTALS, EXPENDITURES</b>	<b>\$1,151,378</b>	<b>\$1,071,680</b>	<b>\$1,015,000</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$1,151,378</b>	<b>\$1,071,680</b>	<b>\$1,015,000</b>
<b>4 UNCLASSIFIED</b>	<b>2008-09*</b>	<b>2009-10*</b>	<b>2010-11*</b>
<b>0512 Compensation Insurance Fund</b>			
APPROPRIATIONS			
Insurance Code Section 11800.1 Benefits Paid--Workers' Compensation	\$1,082,800	\$964,946	\$1,012,500
<b>TOTALS, EXPENDITURES</b>	<b>\$1,082,800</b>	<b>\$964,946</b>	<b>\$1,012,500</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)</b>	<b>\$1,082,800</b>	<b>\$964,946</b>	<b>\$1,012,500</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)</b>	<b>\$2,234,178</b>	<b>\$2,036,626</b>	<b>\$2,027,500</b>

\* Dollars in thousands, except in Salary Range.