



JUDICIAL COUNCIL OF CALIFORNIA

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REPORT TO THE JUDICIAL COUNCIL

Item No.: 20-079

For business meeting on: May 15, 2020

Title

Judicial Branch Administration: Judicial
Branch Workers' Compensation Program

Agenda Item Type

Action Required

Effective Date

May 15, 2020

Rules, Forms, Standards, or Statutes Affected

N/A

Date of Report

April 30, 2020

Recommended by

Judicial Branch Workers' Compensation
Program Advisory Committee
Tania Ugrin-Capobianco, Chair
Judicial Council staff
Patrick Farrales, Supervising Analyst
Human Resources

Contact

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Executive Summary

The Judicial Branch Workers' Compensation Program Advisory Committee recommends approval of the workers' compensation cost allocation for fiscal year 2020–21 in the amount of \$18.3 million for the trial courts and \$1.3 million for the state judiciary. The committee is also recommending two additional measures to create a more efficient workers' compensation claims settlement process, and to reduce the deficit of the Judicial Branch Workers' Compensation Fund.

Recommendation

The Judicial Branch Workers' Compensation Program Advisory Committee recommends that the Judicial Council, effective May 15, 2020:

1. Approve the workers' compensation cost allocation for fiscal year 2020–21 for participating trial courts and the state judiciary (Attachment A, Actuarial Review of the

Self-Insured Judicial Branch Workers' Compensation Program, Member Premium for Program Year 2020–21);

2. Adopt the revised Judicial Branch Workers' Compensation Program (JBWCP) Claims Settlement Authority Policy, Internal JBWCP Procedures for Level III Settlement Authority Requests, and the JBWCP Settlement Authority Request/Notification Form. The text of the amended JBWCP Claims Settlement Authority Policy and the new and revised forms are attached (Attachment B, JBWCP Claims Settlement Authority Documents); and
3. Approve the consolidation of 12 monthly workers' compensation premium payments to 2 payments per year in August and September for trial court members of the program, with contingencies to modify the deposit schedule if members do not have sufficient funding (Attachment C, Judicial Branch Workers' Compensation Fund Transfers from the Trial Court Trust Fund).

Relevant Previous Council Action

At its meeting in May 2019, the Judicial Council approved the program's workers' compensation premium for fiscal year (FY) 2019–20 for participating members. As part of its report, the JBWCP Advisory Committee informed the Judicial Council that it would begin work on the following initiatives for FY 2020–21:

- Review the current settlement authority process with an emphasis on improving processing times at the court, JBWCP staff, and third-party administrator levels.
- Address the program's deficit of approximately \$18.1 million and review options to increase member premiums, raise funding confidence levels, and reduce liability.¹

Throughout the year, the JBWCP Advisory Committee has focused its efforts on closing the necessary funding gap and implementing policies to reduce costs program wide. The committee has been especially sensitive to the policies and decisions that could impact courts' allocations. As such, the recommendations presented in this report include contingencies that will permit modifications if members do not have sufficient funding.

Analysis/Rationale

Approve the workers' compensation cost allocation for FY 2020–21 (proposal 1)

The recommended FY 2020–21 cost allocation is consistent with the program's performance over the past year. Trial court member premiums are expected to increase by 0.24 percent and the judiciary member premiums will decrease by 4.71 percent. This is a continued positive sign

¹ Judicial Council of Cal., Advisory Com. Rep., *Judicial Branch Administration: Judicial Branch Workers' Compensation Program* (Apr. 26, 2019), <https://jcc.legistar.com/View.ashx?M=F&ID=7187501&GUID=6A5A5015-6EA4-4BB5-B487-E21A54BB14CD>.

for both sides of the program and reflects a stabilization of liability levels throughout the judicial branch.

However, workers' compensation premiums utilize past performance as an indicator of future events. While premiums are stable for the coming year, the program expects an upward trend in costs for FY 2021–22 because the judicial branch may experience a rise in claims due to issues with the COVID-19 pandemic and the looming economic recession.

To offset a potential rise in claims, the JBWCP has implemented numerous proposals to reduce costs for all members. This year, the JBWCP Advisory Committee reduced administrative costs by approximately 24 to 26 percent through the restructuring of its brokerage and consulting contracts. The JBWCP also locked in two-year excess insurance rates and has been able to secure consistent levels of coverage at a slightly lower rate than the prior year's coverage.

Through continued member education and the proposals below, the JBWCP Advisory Committee hopes to continue the progress it has made over the last few years and ensure members are protected against future losses.

Revise the JBWCP Claims Settlement Authority Policy (proposal 2)

The JBWCP Claims Settlement Authority Policy was originally implemented in July 2017, with the goal of establishing consistent processes, expectations and responsibilities for program members, program staff and members of the JBWCP Advisory Committee. The following changes were recommended in order to speed up workers' compensation settlement processing:

1. Reduce the number of authority levels from five to three, and increase individual member authority limits:

	Current Authority Level	Proposed Authority Level
Level I – Third Party Administrator	\$0 - \$10,000	\$0 - \$10,000
Level II – Member	\$10,001 - \$75,000	\$10,001 - \$100,000
Level III – JBWCP Administrator	\$75,001 - \$100,000	Consolidated to Level V
Level IV – Settlement Authority Panel	\$100,001 - \$150,000	Consolidated to Level V
Level V – JBWCP Advisory Committee	\$150,001 and above	\$100,001 and above

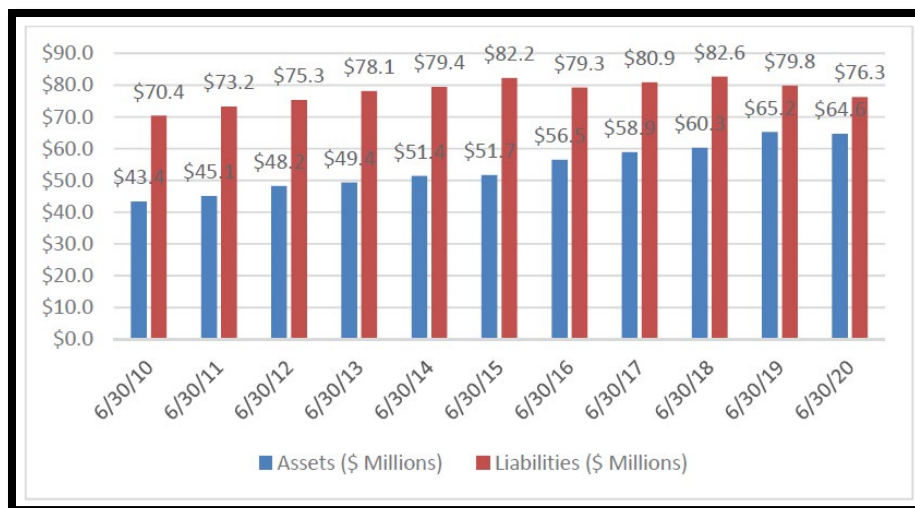
2. Create internal procedures to ensure a sufficient number of voting members are present for panel discussions:
 - a. Notify panel members within 10 court days of the Settlement Authority Request date;
 - b. Establish rules for panel alternates in the event that a voting panel member is unable to attend; and

- c. Establish procedures for follow-up meetings in case additional information is needed.
3. Update the JBWCP Settlement Authority Request/Notification Form:
 - a. Add fillable fields;
 - b. Add distribution, approval, and trial date fields; and
 - c. Add signature lines for Level III panel members.

The changes above are not expected to alter procedures for program members or incur additional costs. They are intended to streamline internal procedures for program staff and create tracking mechanisms to ensure settlements are processed in a timely manner.

Consolidate trial court members' 12 monthly workers' compensation premium payments to 2 payments per year in August and September (proposal 3)

Since 2010, the JBWCF has been operating at a deficit, reflecting a wide gap between its assets and expected liabilities. In 2016, the JBWCP Advisory Committee took its first steps to reduce the deficit through a series of zero-cost measures and policies. In the four years leading up to 2020, the committee's policies had a significant effect on reducing the deficit gap:



The policies and recommendations adopted by the committee effectively reduced the program's deficit from approximately \$23M in 2016 to a projected \$12M in 2020. The committee hopes to narrow the gap even further by maximizing the JBWCF's interest income.

Current methodology

1. The judiciary members (Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, Commission on Judicial Performance, and the Judicial Council) currently deposit their premiums in one installment.

2. The trial court members pay the annual premium in 12 installments. Throughout most of the year, the monthly payments are deposited into the Trial Court Trust Fund. At the end of the fiscal year, all payments are withdrawn from the Trial Court Trust Fund and deposited into the JBWCF.
3. All JBWCF deposits are invested in the state's Surplus Money Investment Fund (currently at 0.25 percent). Interest is calculated on a quarterly basis based on the level of funding available in the account.

Since trial court member premiums are deposited into the JBWCF at the end of the fiscal year, the fund loses the benefit of quarterly interest payments. Due to the current deposit schedule, the JBWCF, as a whole, only maximizes its interest income in the last quarter of the fiscal year.

Proposed methodology

1. The judiciary members will maintain their deposit schedule.
2. The trial court members will consolidate their 12 monthly payments into two installments at the beginning of the fiscal year. The first deposit into the JBWCF will occur in August and the second deposit will occur in September.
3. This will allow the JBWCF to maximize its interest income and help reduce the deficit gap of the program.

Considerations and alternatives of the proposed methodology

Given the recent Federal Reserve Bank rate cuts, the proposal is expected to generate an additional \$38,000 in interest income per year. Prior to recent rate cuts, the Surplus Money Investment Fund's interest rate hovered at 1.25 percent.

Staff conducted an analysis of two options:

- Option 1: Consolidate 12 monthly payments into one lump-sum deposit, with an expected interest income of \$40,000; or
- Option 2: Consolidate 12 monthly payments into two installments, with an expected interest income of \$38,000.

Policy implications and contingencies

The Judicial Council's Budget Services office has developed a draft funding policy to memorialize the proposed methodology. The policy will include the following language to ensure members are protected against unexpected changes in a court's funding allocation:

If Budget Services determines the Trial Courts Budget Allocation for FY 2020–21, or any future fiscal year, is insufficient to accommodate funding the JBWCF in two equal installments as described above, the Judicial Branch Workers' Compensation Program

Advisory Committee will work with Budget Services to determine the viable number of equal installments, from three to not more than twelve.

In the event Budget Services determines the Trial Courts Budget Allocation for any fiscal year beyond FY 2020–21 is sufficient, the Judicial Branch Workers' Compensation Program Advisory Committee will work with Budget Services to decide if funding of the annual JBWCP Trial Court Employees premium in lump sum is practical.

Comments

The JBWCP Advisory Committee requested feedback on this proposal from members of the Trial Court Presiding Judges Advisory Committee and the Court Executives Advisory Committee. At the time, the deposits were originally scheduled to occur in July and August.

Two courts took exception to the proposal. One court requested that the deposits take place in July and January of the fiscal year and another court requested a cash advance for the July payment to help mitigate cash flow issues at the beginning of the fiscal year.

To ensure fund balances are sufficient and to ease the burden on courts at the beginning of the fiscal year, the committee is recommending that the deposits take place in August and September.

Fiscal and Operational Impacts

Impact on members' operating balances for cash and cash equivalents (proposal 3)

The Judicial Council's Budget Services office analyzed July, August, and September trial court operating balances for cash and cash equivalents net of the annual JBWCP premiums for FY 2018–19 and FY 2019–20. The intent of the analysis was to ensure that trial courts had sufficient resources available at the beginning of the year to adapt to this new methodology.

Option 2 is expected to generate a lower interest income than option 1. However, deducting the annual premium in two equal installments provides more assurance that all participating courts will have sufficient fund balances throughout the year.

Next Steps

Additional discussions regarding program confidence levels

Actuaries for workers' compensation pools typically rely on the use of confidence levels to determine a pool's ability to fund its claims. This occurs because the nature of occupational injuries can be unpredictable and costs can increase based on a variety of factors, for example, rising medical costs, legislation, treating physicians, and the like.

The JBWCP is currently funded at a 50 to 55 percent confidence level. This implies that the program has sufficient funding to pay its claims at least 50 to 55 percent of the time. At its February 2020 meeting, the JBWCP Advisory Committee considered a recommendation to

increase confidence levels to 70 percent, in which the program will have sufficient funding to pay its claims at least 70 percent of the time.

In April 2020, the JBWCP Advisory Committee requested feedback on this proposal from members of the Trial Court Presiding Judges Advisory Committee, the Court Executives Advisory Committee, and the clerk/executive officers of the Supreme Court and the Courts of Appeal. Some courts took exception to the proposal, noting that a cost increase at this time is not appropriate given the uncertainty in state and local budgets, coupled with the unknown impacts of the COVID-19 pandemic.

Given the reality of the branch's funding priorities and the courts' fiscal health, the JBWCP Advisory Committee determined that it should revisit the confidence level proposal in August 2020 and establish the ideal timing of the proposed changes.

Attachments and Links

1. Attachment A: Actuarial Review of the Self-Insured Judicial Branch Workers' Compensation Program, Member Premium for Program Year 2020–21
2. Attachment B: JBWCP Claims Settlement Authority Documents
3. Attachment C: Judicial Branch Workers' Compensation Fund Transfers from the Trial Court Trust Fund



Attachment A

**Actuarial Review of the Self-Insured
Judicial Branch Workers' Compensation Program**

Member Premium for Program Year 2020-21

Presented to
Judicial Council of California

April 9, 2020 - DRAFT



Thursday, April 9, 2020

Mr. Patrick Farrales
Supervising Analyst
Human Resources / Administrative Division
Judicial Council of California
455 Golden Gate Avenue
San Francisco, CA 94102-3688

Re: Member Premium Allocation for Fiscal Year 2020-21

Dear Mr. Farrales:

We have completed our review of the Judicial Council of California (the Judicial Council), Judicial Branch Workers' Compensation Program (JBWCP), and have updated the member cost allocation for fiscal year 2020-21 program premiums. The premiums include a provision for:

- Expected Ultimate loss and ALAE
- Third-Party Claims Administration Fees
- Excess Insurance
- Consulting and Brokerage Expenses

The JBWCP is a self-funded program in which each entity pays a share of cost based on each member's workers' compensation claims experience and historical payroll. The total cost for this program is broken up into three groups: 1) Trial Court employees and volunteers, which includes the membership of 57 out of the 58 California Trial Courts, 2) Judicial, which includes member coverage for the Appellate Justices, Trial Court Judges, and Retired Judges in the Assigned Judges Program, and 3) State Judiciary, which includes the membership of the Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, California Judicial Center Library, Commission on Judicial Performance, and the Judicial Council and provides coverage for all of their employees and volunteers.

Given the low volume of loss experience and exposure, and in order to provide a credible actuarial estimate, the Judicial and the State Judiciary groups are valued

Given the low volume of loss experience and exposure, and in order to provide a credible actuarial estimate, the Judicial and the State Judiciary groups are valued together for purposes of determining total program cost. Thus for the purpose of the analysis, the three groups are consolidated to two groups, Trial Courts and the State Judiciary.

JBWCP Methodology

The methodology used by the JBWCP utilizes a calculation derived from experience and exposure, along with program costs, such as excess insurance, third party administrator (TPA) claim handling, and brokerage fees. Given the relative sizes of the courts and judiciary entities participating in the JBWCP, the JBWCP's methodology has features which make it appropriate for entities of all sizes.

Each year JBWCP retains an actuary to undertake an actuarial analysis and estimate of loss costs. The actuarial projections are based on loss data from the inception of the JBWCP program (1/1/2001), provided by the Judicial Council and the third party claims administrators. Additionally, historical and projected payroll is provided. The actuary determines the estimated outstanding liabilities since program inception and the forecasted program costs for the upcoming policy term. They also provide an estimate of the loss payments that will be made during the upcoming fiscal year. It is the amount of loss payments expected to be made that is allocated among the participating courts.

For purposes of calculating the allocation, the actuarial data is combined with cost data, consisting of excess insurance premiums, TPA fees, and brokerage and consulting costs. The allocation formula uses a combination of a 3-year loss distribution and a 3-year payroll distribution for calculating the annual charge to each member using a weighting formula. For determining 2020-21 premiums, the experience period used includes the 2016-17, 2017-18, and 2018-19 program years.

The weighting formula was developed with the following goals in mind:

- To establish adequate funding to cover the annual expected loss payments, excess premiums, and expenses associated with the JBWCP.
- To provide incentives to control workers' compensation losses by making the allocation responsive to recent loss experience.
- To minimize year-to-year volatility for budgetary planning purposes.
- To recognize that thresholds of acceptable volatility will vary according to the size of the court.

The weight given to the loss component of the allocation for each individual court is calculated using the following formula:

$$\sqrt[3]{\frac{\text{Individual Court Payroll for 3 – Yr Period (\$000's)}}{611,338}}$$

where 611,338 is a constant derived to set the weight given to the largest court at 80%.

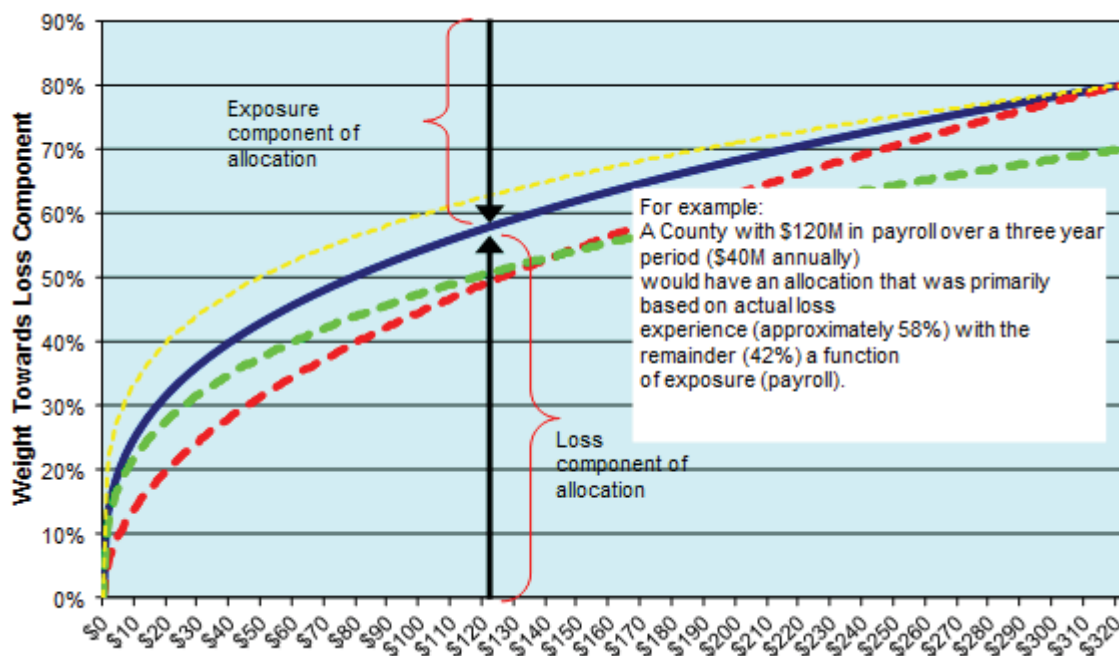
Inputs:

313,005 = Largest Court Payroll for 3-Yr Period (\$000's)
 80% = Weight Given to Loss Component for Largest Court
 3 = Exponent

For purposes of determining loss distribution, a cap of \$75,000 per occurrence is applied. This eliminates the volatility of large loss impact on distribution to individual courts. Ninety-five percent of all claims are within \$75,000 per occurrence.

The largest court by 3-year payroll size has a weighting of 80% of loss experience and 20% payroll. The smallest court by payroll size has a weighting of at least 10% loss experience. All other courts are weighted by payroll and loss experience along that continuum. This ensures that the larger courts with more predictable losses are subject to an allocation that emphasizes losses, while the smaller courts' allocations are more reliant upon payroll to ensure more year-to-year budget stability.

Here is a graphic illustration of the continuum:



The selected parameters of 80% weight and power of 3 are shown as the solid line above. Other parameters are shown as dashed lines for comparison.

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The claims handling fees are allocated based upon the distribution of Loss and ALAE premium by member. Brokerage fees and Excess insurance costs are allocated based upon the distribution of payroll by member.

We appreciate the opportunity to be of service the Judicial Council of California in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162 or Becky Richard at (916) 244-1183 with any questions you may have concerning this report.

Sincerely,

Bickmore Actuarial

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Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

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Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
Trial Courts

2020-21 Premium

Court	2016-17 to 2018-19 Payroll (\$000) (A)	Percent Payroll (B)	2020-21 Indicated Loss & ALAE Premium Based on Payroll (C)	2016-17 to 2018-19 Incurred Limited to \$75K (D)	Percent Limited Losses (E)	2020-21 Indicated Loss & ALAE Premium Based on Losses (F)	Weighting (G)	2020-21 Weighted Loss & ALAE Premium (H)	2020-21 Weighted Loss & ALAE Premium (I)	2020-21 Excess Premium (J)	2020-21 Claims Handling (TPA) Fees (K)	2020-21 Program Admin. Premium (L)	2020-21 Brokerage / Consulting Premium (M)	2020-21 Total Premium (N)	2020-21 Adjusted Premium (O)	2020-21 Percent of Premium (P)
Alameda	\$150,337	5.69%	\$859,481	\$870,872	4.71%	\$711,604	62.65%	\$766,834	\$758,116	\$26,067	\$122,295	\$0	\$15,481	\$921,959	\$921,959	5.05%
Alpine	933	0.04%	5,332	0	0.00%	0	11.51%	4,718	4,665	162	752	0	96	5,675	5,675	0.03%
Amador	5,057	0.19%	28,912	3,777	0.02%	3,086	20.22%	23,688	23,419	877	3,778	0	521	28,595	28,595	0.16%
Butte	20,023	0.76%	114,469	167,201	0.90%	136,622	31.99%	121,557	120,175	3,472	19,386	0	2,062	145,095	145,095	0.79%
Calaveras	4,476	0.17%	25,589	68	0.00%	56	19.42%	20,631	20,396	776	3,290	0	461	24,923	24,923	0.14%
Colusa	2,215	0.08%	12,663	0	0.00%	0	15.36%	10,718	10,596	384	1,709	0	228	12,918	12,918	0.07%
Contra Costa	74,843	2.83%	427,880	865,711	4.68%	707,386	49.65%	566,667	560,224	12,977	90,372	0	7,707	671,280	671,280	3.68%
Del Norte	4,414	0.17%	25,236	0	0.00%	0	19.33%	20,359	20,127	765	3,247	0	455	24,594	24,594	0.13%
El Dorado	13,961	0.53%	79,815	155,709	0.84%	127,233	28.37%	93,268	92,208	2,421	14,874	0	1,438	110,940	110,940	0.61%
Fresno	83,184	3.15%	475,567	342,390	1.85%	279,772	51.43%	374,861	370,599	14,424	59,783	0	8,566	453,372	453,372	2.48%
Glenn	3,459	0.13%	19,772	26	0.00%	21	17.82%	16,253	16,068	600	2,592	0	356	19,616	19,616	0.11%
Humboldt	12,603	0.48%	72,052	122,990	0.67%	100,497	27.42%	79,851	78,944	2,185	12,735	0	1,298	95,161	95,161	0.52%
Imperial	19,501	0.74%	111,488	206,240	1.12%	168,522	31.71%	129,576	128,103	3,381	20,665	0	2,008	154,157	154,157	0.84%
Inyo	3,029	0.11%	17,317	0	0.00%	0	17.05%	14,365	14,202	525	2,291	0	312	17,330	17,330	0.09%
Kern	92,133	3.49%	526,726	596,925	3.23%	487,757	53.22%	505,988	500,236	15,975	80,695	0	9,487	606,393	606,393	3.32%
Kings	12,963	0.49%	74,109	167,443	0.91%	136,821	27.68%	91,467	90,427	2,248	14,587	0	1,335	108,597	108,597	0.59%
Lake	5,574	0.21%	31,864	17	0.00%	14	20.89%	25,211	24,924	966	4,021	0	574	30,485	30,485	0.17%
Lassen	3,741	0.14%	21,386	895	0.00%	731	18.29%	17,608	17,408	649	2,808	0	385	21,250	21,250	0.12%
Madera	15,600	0.59%	89,188	30,801	0.17%	25,168	29.44%	70,340	69,540	2,705	11,218	0	1,606	85,069	85,069	0.47%
Marin	24,040	0.91%	137,435	87,026	0.47%	71,111	34.01%	114,881	113,575	4,168	18,321	0	2,475	138,540	138,540	0.76%
Mariposa	2,073	0.08%	11,849	0	0.00%	0	15.02%	10,069	9,954	359	1,606	0	213	12,133	12,133	0.07%
Mendocino	10,417	0.39%	59,556	149,988	0.81%	122,557	25.73%	75,768	74,906	1,806	12,083	0	1,073	89,869	89,869	0.49%
Merced	19,514	0.74%	111,564	45,098	0.24%	36,851	31.72%	87,863	86,865	3,384	14,012	0	2,009	106,270	106,270	0.58%
Modoc	1,627	0.06%	9,301	0	0.00%	0	13.86%	8,012	7,921	282	1,278	0	168	9,648	9,648	0.05%
Mono	2,543	0.10%	14,540	68,894	0.37%	56,295	16.08%	21,256	21,014	441	3,390	0	262	25,107	25,107	0.14%
Monterey	38,070	1.44%	217,646	155,770	0.84%	127,282	39.64%	181,829	179,762	6,601	28,998	0	3,920	219,281	219,281	1.20%
Napa	15,459	0.59%	88,382	23,605	0.13%	19,288	29.35%	68,101	67,327	2,681	10,861	0	1,592	82,461	82,461	0.45%
Nevada	10,146	0.38%	58,006	138,081	0.75%	112,829	25.51%	71,990	71,172	1,759	11,481	0	1,045	85,457	85,457	0.47%
Orange	313,005	11.85%	1,789,454	1,894,911	10.25%	1,548,363	80.00%	1,596,581	1,578,429	54,273	254,622	0	32,232	1,919,556	1,919,556	10.51%
Placer	26,065	0.99%	149,013	123,885	0.67%	101,228	34.93%	132,320	130,815	4,519	21,102	0	2,684	159,121	159,121	0.87%
Plumas	1,897	0.07%	10,845	0	0.00%	0	14.59%	9,263	9,158	329	1,477	0	195	11,160	11,160	0.06%
Riverside	228,003	8.63%	1,303,499	1,270,727	6.88%	1,038,332	71.98%	1,112,628	1,099,978	39,534	177,442	0	23,479	1,340,433	1,340,433	7.34%
Sacramento	146,664	5.55%	838,481	315,727	1.71%	257,986	62.14%	477,781	472,349	25,430	76,196	0	15,103	589,078	589,078	3.23%
San Benito	4,423	0.17%	25,288	0	0.00%	0	19.34%	20,397	20,165	767	3,253	0	455	24,640	24,640	0.13%
San Bernardino	199,399	7.55%	1,139,968	940,563	5.09%	768,549	68.84%	884,299	874,245	34,574	141,028	0	20,533	1,070,381	1,070,381	5.86%
San Diego	251,738	9.53%	1,439,191	2,986,757	16.16%	2,440,527	74.40%	2,184,156	2,159,324	43,649	348,329	0	25,923	2,577,225	2,568,774	14.07%
San Francisco	117,555	4.45%	672,067	959,774	5.19%	784,247	57.72%	736,817	728,439	20,383	117,507	0	12,105	878,435	878,435	4.81%
San Joaquin	60,768	2.30%	347,412	534,799	2.89%	436,993	46.32%	388,909	384,487	10,537	62,023	0	6,258	463,304	463,304	2.54%
San Luis Obispo	27,315	1.03%	156,159	57,307	0.31%	46,827	35.48%	117,363	116,029	4,736	18,717	0	2,813	142,295	142,295	0.78%
San Mateo	66,994	2.54%	383,006	260,257	1.41%	212,660	47.85%	301,489	298,061	11,616	48,081	0	6,899	364,657	364,657	2.00%
Santa Barbara	43,014	1.63%	245,912	334,916	1.81%	273,665	41.28%	257,370	254,443	7,458	41,045	0	4,429	307,376	307,376	1.68%
Santa Clara	151,593	5.74%	866,661	2,104,638	11.39%	1,719,734	62.83%	1,402,605	1,386,658	26,285	223,687	0	15,610	1,652,241	1,652,241	9.05%
Santa Cruz	25,249	0.96%	144,347	8,048	0.04%	6,576	34.57%	96,725	95,625	4,378	15,426	0	2,600	118,028	118,028	0.65%
Shasta	30,889	1.17%	176,591	266,396	1.44%	217,676	36.97%	191,780	189,599	5,356	30,585	0	3,181	228,721	228,721	1.25%

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**Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
Trial Courts**

2020-21 Premium

Court	2016-17 to 2018-19 Payroll (\$000) (A)	Percent Payroll (B)	2020-21 Indicated Loss & ALAE Premium Based on Payroll (C)	2016-17 to 2018-19 Incurred Limited to \$75K (D)	Percent Limited Losses (E)	2020-21 Indicated Loss & ALAE Premium Based on Losses (F)	Weighting (G)	2020-21 Weighted Loss & ALAE Premium (H)	2020-21 Adjusted Loss & ALAE Premium (I)	2020-21 Excess Premium (J)	2020-21 Claims Handling (TPA) Fees (K)	2020-21 Program Admin. Premium (L)	2020-21 Brokerage / Consulting Premium (M)	2020-21 Total Premium (N)	2020-21 Adjusted Premium (O)	2020-21 Percent of Premium (P)
Sierra	1,055	0.04%	6,033	0	0.00%	0	12.00%	5,310	5,249	183	847	0	109	6,388	6,388	0.03%
Siskiyou	5,190	0.20%	29,669	34,331	0.19%	28,053	20.40%	29,339	29,006	900	4,679	0	534	35,119	35,119	0.19%
Solano	40,259	1.52%	230,160	701,399	3.80%	573,124	40.38%	368,657	364,466	6,981	58,793	0	4,146	434,385	434,385	2.38%
Sonoma	38,838	1.47%	222,040	292,291	1.58%	238,835	39.90%	228,742	226,141	6,734	36,480	0	3,999	273,354	273,354	1.50%
Stanislaus	40,314	1.53%	230,476	183,453	0.99%	149,903	40.40%	197,923	195,673	6,990	31,565	0	4,151	238,380	238,380	1.31%
Sutter	9,218	0.35%	52,699	56,196	0.30%	45,918	24.70%	51,024	50,443	1,598	8,137	0	949	61,128	61,128	0.33%
Tehama	7,374	0.28%	42,158	3,724	0.02%	3,043	22.93%	33,187	32,810	1,279	5,293	0	759	40,141	40,141	0.22%
Trinity	2,717	0.10%	15,530	0	0.00%	0	16.44%	12,977	12,830	471	2,070	0	280	15,650	15,650	0.09%
Tulare	40,402	1.53%	230,980	129,805	0.70%	106,066	40.43%	180,477	178,425	7,005	28,782	0	4,160	218,373	218,373	1.20%
Tuolumne	5,842	0.22%	33,398	31,390	0.17%	25,649	21.22%	31,754	31,393	1,013	5,064	0	602	38,072	38,072	0.21%
Ventura	76,542	2.90%	437,590	664,205	3.59%	542,733	50.03%	490,190	484,617	13,272	78,175	0	7,882	583,946	583,946	3.20%
Yolo	17,989	0.68%	102,846	97,390	0.53%	79,579	30.87%	95,663	94,575	3,119	15,256	0	1,852	114,803	114,803	0.63%
Yuba	9,166	0.35%	52,402	28,431	0.15%	23,232	24.66%	45,209	44,695	1,589	7,210	0	944	54,438	54,438	0.30%
All Courts	\$2,641,412	100.00%	\$15,101,000	\$18,480,846	100.00%	\$15,101,000		\$15,274,662	\$15,101,000	\$458,000	\$2,436,000	\$0	\$272,000	\$18,267,000	\$18,258,549	100.00%

Notes:

- (A): From Exhibit TC-2.
 (B): (A)/[Total (A)]
 (C): (B) x [Total (C)]. Total (C) was provided by Judicial Branch Workers' Compensation Program.
 (D): From Exhibit TC-3.
 (E): (D)/[Total (D)]
 (F): (E) x [Total (F)].
 (G): Based on relative size (according the (A)) of each court. The largest is subjectively set to an 80.00% weight. The weight of all other courts are based on that standard.
 (H): (G) x (F) + [1-(G)] x (C)
 (I): [Total (F) / Total (H)] x (H)
 (J): (B) x [Total (J)]. Total (J) was provided by Judicial Branch Workers' Compensation Program.
 (K): [(I) / Total (I)] x Total (K). Total (K) was provided by Judicial Branch Workers' Compensation Program.
 (L): (B) x [Total (L)]. Total (L) was provided by Judicial Branch Workers' Compensation Program.
 (M): (B) x [Total (M)]. Total (M) was provided by Judicial Branch Workers' Compensation Program.
 (N): Sum[(I)..(M)]
 (O): Adjusted for San Diego Payroll Correction
 (P): (O) x [Total (O)].

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
Trial Courts

Summary of Payroll

Court	Payroll		
	2016-17	2017-18	2018-19
Alameda	\$49,310,192	\$48,767,088	\$52,259,981
Alpine	295,296	311,859	325,532
Amador	1,608,113	1,639,764	1,809,230
Butte	6,325,398	6,428,064	7,269,128
Calaveras	1,449,194	1,434,016	1,592,674
Colusa	737,363	764,891	712,719
Contra Costa	24,827,716	24,788,954	25,226,505
Del Norte	1,529,303	1,433,307	1,451,629
El Dorado	4,725,069	4,691,692	4,544,224
Fresno	28,164,713	27,504,206	27,515,506
Glenn	1,156,405	1,117,341	1,184,764
Humboldt	4,152,745	4,179,550	4,270,775
Imperial	6,806,798	6,446,892	6,247,329
Inyo	985,924	989,990	1,053,128
Kern	29,573,567	30,126,594	32,432,880
Kings	4,188,347	4,377,861	4,396,743
Lake	1,798,429	1,807,895	1,967,275
Lassen	1,233,697	1,250,186	1,256,897
Madera	5,044,600	5,192,583	5,363,249
Marin	8,212,662	7,901,955	7,924,960
Mariposa	684,180	691,997	696,365
Mendocino	3,284,324	3,395,718	3,737,201
Merced	6,371,735	6,314,823	6,827,782
Modoc	537,354	529,057	560,441
Mono	762,766	867,274	913,269
Monterey	12,236,418	12,530,957	13,302,519
Napa	5,084,055	5,295,902	5,079,475
Nevada	3,416,057	3,388,016	3,342,188
Orange	104,334,906	103,264,589	105,405,399
Placer	8,164,073	8,808,805	9,091,971
Plumas	654,168	659,331	583,499
Riverside	74,686,540	75,075,388	78,241,380
Sacramento	48,389,568	48,436,897	49,837,569
San Benito	1,497,440	1,452,787	1,472,980
San Bernardino	62,798,802	66,493,936	70,106,352
San Diego	85,912,175	82,677,865	83,147,995
San Francisco	40,714,593	38,658,753	38,182,149
San Joaquin	19,546,776	19,787,421	21,433,799
San Luis Obispo	9,170,351	9,070,135	9,074,252
San Mateo	21,683,009	22,105,506	23,205,563
Santa Barbara	14,516,565	14,047,699	14,449,758
Santa Clara	48,555,701	50,562,354	52,475,192
Santa Cruz	8,268,761	8,155,842	8,824,026
Shasta	9,780,398	10,299,080	10,809,155
Sierra	331,546	429,322	294,482
Siskiyou	1,940,672	1,669,735	1,579,216

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
Trial Courts

Summary of Payroll

Court	Payroll		
	2016-17	2017-18	2018-19
Solano	12,920,623	13,583,088	13,754,974
Sonoma	13,007,129	13,283,800	12,547,462
Stanislaus	13,056,422	13,044,382	14,213,191
Sutter	3,061,714	3,085,419	3,070,731
Tehama	2,290,138	2,453,499	2,630,443
Trinity	906,649	880,974	928,883
Tulare	12,498,618	13,462,391	14,441,157
Tuolumne	1,919,418	1,960,641	1,961,866
Ventura	23,858,039	25,467,281	27,216,418
Yolo	5,770,856	5,769,951	6,448,614
Yuba	2,837,553	3,152,661	3,175,774
All Courts	\$867,575,621	\$871,967,969	\$901,868,615

Notes:

Provided by Judicial Branch Workers' Compensation Program.

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
Trial Courts

Summary of Loss Data

Court	Incurred Losses			Incurred Losses Capped at \$75K		
	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
Alameda	\$482,148	\$251,509	\$190,309	\$429,792	\$251,509	\$189,572
Alpine	0	0	0	0	0	0
Amador	527	2,201	1,049	527	2,201	1,049
Butte	300	145,375	21,526	300	145,375	21,526
Calaveras	0	0	68	0	0	68
Colusa	0	0	0	0	0	0
Contra Costa	384,988	320,793	301,760	255,264	320,793	289,653
Del Norte	0	0	0	0	0	0
El Dorado	198,687	4,977	26,489	124,243	4,977	26,489
Fresno	187,546	56,507	122,033	163,850	56,507	122,033
Glenn	26	0	0	26	0	0
Humboldt	121,261	0	11,400	111,590	0	11,400
Imperial	6,476	175,555	24,208	6,476	175,555	24,208
Inyo	0	0	0	0	0	0
Kern	383,617	388,005	61,388	331,201	204,336	61,388
Kings	174,191	28,941	59,487	79,016	28,941	59,487
Lake	17	0	0	17	0	0
Lassen	895	0	0	895	0	0
Madera	26,962	1,777	2,063	26,962	1,777	2,063
Marin	1,468	84,922	636	1,468	84,922	636
Mariposa	0	0	0	0	0	0
Mendocino	136,249	41,910	27,861	80,216	41,910	27,861
Merced	0	19,729	25,369	0	19,729	25,369
Modoc	0	0	0	0	0	0
Mono	68,365	529	0	68,365	529	0
Monterey	13,386	118,292	24,092	13,386	118,292	24,092
Napa	3,226	576	19,803	3,226	576	19,803
Nevada	27,346	1,078	187,229	27,346	1,078	109,657
Orange	1,193,962	830,463	406,983	763,367	770,785	360,759
Placer	8,233	54,966	60,686	8,233	54,966	60,686
Plumas	0	0	0	0	0	0
Riverside	609,899	493,613	234,354	551,008	485,365	234,354
Sacramento	97,603	64,691	153,433	97,603	64,691	153,433
San Benito	0	0	0	0	0	0
San Bernardino	130,047	646,679	311,179	130,047	499,337	311,179
San Diego	2,138,495	775,192	693,348	1,541,498	751,911	693,348
San Francisco	347,532	508,342	172,493	334,553	467,157	158,064
San Joaquin	385,171	234,724	180,063	305,742	139,768	89,289
San Luis Obispo	5,076	20,057	32,175	5,076	20,057	32,175
San Mateo	63,084	124,975	72,198	63,084	124,975	72,198
Santa Barbara	192,431	301,574	4,647	176,743	153,526	4,647
Santa Clara	1,041,590	929,326	752,023	783,781	732,791	588,067
Santa Cruz	4,612	181	3,254	4,612	181	3,254
Shasta	22,592	234,191	44,132	22,592	199,672	44,132
Sierra	0	0	0	0	0	0
Siskiyou	0	34,331	0	0	34,331	0

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
Trial Courts

Summary of Loss Data

Court	Incurred Losses			Incurred Losses Capped at \$75K		
	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
Solano	345,317	315,696	150,239	284,366	266,794	150,239
Sonoma	112,331	128,438	58,195	105,658	128,438	58,195
Stanislaus	89,673	17,651	78,641	87,162	17,651	78,641
Sutter	55,432	0	763	55,432	0	763
Tehama	2,886	0	837	2,886	0	837
Trinity	0	0	0	0	0	0
Tulare	56,750	39,610	33,445	56,750	39,610	33,445
Tuolumne	0	30,703	687	0	30,703	687
Ventura	130,388	257,395	333,850	130,388	220,521	313,296
Yolo	2,280	127,831	16,513	2,280	78,597	16,513
Yuba	22,237	1,943	4,251	22,237	1,943	4,251
All Courts	9,275,300	7,815,249	4,905,159	7,259,262	6,742,778	4,478,806

Notes:

Provided by Judicial Branch Workers' Compensation Program.

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
Trial Courts

Comparison to Prior Premium

Court	2019-20 Total Premium (A)	2020-21 Total Premium (B)	Difference (C)	Percent Change (D)
Alameda	\$952,164	\$921,959	-\$30,205	-3.17%
Alpine	5,603	5,675	72	1.29%
Amador	41,035	28,595	-12,441	-30.32%
Butte	170,295	145,095	-25,201	-14.80%
Calaveras	25,128	24,923	-205	-0.82%
Colusa	13,420	12,918	-502	-3.74%
Contra Costa	510,065	671,280	161,215	31.61%
Del Norte	39,516	24,594	-14,922	-37.76%
El Dorado	102,042	110,940	8,899	8.72%
Fresno	430,789	453,372	22,582	5.24%
Glenn	20,892	19,616	-1,276	-6.11%
Humboldt	163,505	95,161	-68,344	-41.80%
Imperial	164,689	154,157	-10,532	-6.40%
Inyo	17,113	17,330	217	1.27%
Kern	589,790	606,393	16,603	2.82%
Kings	137,130	108,597	-28,533	-20.81%
Lake	30,494	30,485	-9	-0.03%
Lassen	21,607	21,250	-357	-1.65%
Madera	136,002	85,069	-50,933	-37.45%
Marin	131,628	138,540	6,912	5.25%
Mariposa	12,403	12,133	-270	-2.18%
Mendocino	78,451	89,869	11,418	14.55%
Merced	100,450	106,270	5,820	5.79%
Modoc	9,750	9,648	-102	-1.04%
Mono	25,219	25,107	-112	-0.44%
Monterey	209,225	219,281	10,056	4.81%
Napa	89,665	82,461	-7,205	-8.04%
Nevada	61,263	85,457	24,194	39.49%
Orange	1,981,831	1,919,556	-62,275	-3.14%
Placer	138,909	159,121	20,212	14.55%
Plumas	11,777	11,160	-618	-5.24%
Riverside	1,344,199	1,340,433	-3,766	-0.28%
Sacramento	560,250	589,078	28,828	5.15%
San Benito	26,043	24,640	-1,403	-5.39%
San Bernardino	970,674	1,070,381	99,707	10.27%
San Diego	2,650,556	2,577,225	-73,331	-2.77%
San Francisco	826,676	878,435	51,759	6.26%
San Joaquin	443,685	463,304	19,619	4.42%
San Luis Obispo	151,278	142,295	-8,984	-5.94%
San Mateo	436,206	364,657	-71,548	-16.40%
Santa Barbara	361,037	307,376	-53,660	-14.86%
Santa Clara	1,599,582	1,652,241	52,659	3.29%
Santa Cruz	119,711	118,028	-1,683	-1.41%
Shasta	251,779	228,721	-23,058	-9.16%
Sierra	6,395	6,388	-7	-0.11%
Siskiyou	38,526	35,119	-3,407	-8.84%

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
Trial Courts

Comparison to Prior Premium

Court	2019-20 Total Premium (A)	2020-21 Total Premium (B)	Difference (C)	Percent Change (D)
Solano	441,711	434,385	-7,325	-1.66%
Sonoma	254,324	273,354	19,030	7.48%
Stanislaus	200,270	238,380	38,110	19.03%
Sutter	62,110	61,128	-982	-1.58%
Tehama	39,160	40,141	980	2.50%
Trinity	16,097	15,650	-447	-2.78%
Tulare	305,184	218,373	-86,811	-28.45%
Tuolumne	39,979	38,072	-1,907	-4.77%
Ventura	483,927	583,946	100,019	20.67%
Yolo	109,097	114,803	5,706	5.23%
Yuba	62,692	54,438	-8,254	-13.17%
All Courts	\$18,223,000	\$18,267,000	\$44,000	0.24%

Notes:

- (A): From Prior Premium Report.
 (B): From Exhibit TC-1.
 (C): (B) - (A)
 (D): (C) / (A)

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**Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
State Judiciary**

2020-21 Premium

Court	2016-17 to 2018-19 Payroll (\$000) (A)	Percent Payroll (B)	2020-21 Indicated Loss & ALAE Premium Based on Payroll (C)	2016-17 to 2018-19 Incurred Limited to \$75K (D)	Percent Limited Losses (E)	2020-21 Indicated Loss & ALAE Premium Based on Losses (F)	Weighting (G)	2020-21 Weighted Loss & ALAE Premium (H)	2020-21 Weighted Adjusted Loss & ALAE Premium (I)	2020-21 Excess Premium (J)	2020-21 Claims Handling (TPA) Fees (K)	2020-21 Program Admin. Premium (L)	2020-21 Brokerage / Consulting Premium (M)	2020-21 Total Premium (N)	2020-21 Percent of Premium (O)
Supreme Court	\$53,921	3.44%	\$23,801	\$1,389	0.34%	\$2,342	30.47%	\$17,262	\$20,038	\$6,131	\$7,134	\$0	\$5,546	\$38,848	3.04%
1st District Court	44,606	2.85%	19,689	8,574	2.09%	14,459	28.61%	18,193	21,119	5,072	7,518	0	4,587	38,297	3.00%
2nd District Court	91,107	5.82%	40,215	38,169	9.31%	64,365	36.30%	48,980	56,858	10,359	20,242	0	9,370	96,829	7.59%
3rd District Court	32,129	2.05%	14,182	6,405	1.56%	10,800	25.64%	13,314	15,456	3,653	5,502	0	3,304	27,916	2.19%
4th District Court	73,969	4.73%	32,650	7,745	1.89%	13,060	33.86%	26,017	30,201	8,411	10,752	0	7,607	56,971	4.46%
5th District Court	27,613	1.76%	12,188	1,337	0.33%	2,254	24.38%	9,766	11,337	3,140	4,036	0	2,840	21,352	1.67%
6th District Court	20,817	1.33%	9,189	9,052	2.21%	15,264	22.19%	10,537	12,231	2,367	4,354	0	2,141	21,094	1.65%
Judicial Council	214,859	13.72%	94,839	279,888	68.30%	471,981	48.31%	277,046	321,605	24,430	114,493	0	22,097	482,625	37.82%
CJP	7,889	0.50%	3,482	0	0.00%	0	16.06%	2,923	3,393	897	1,208	0	811	6,309	0.49%
HCRC	21,486	1.37%	9,484	51	0.01%	86	22.42%	7,377	8,563	2,443	3,048	0	2,210	16,264	1.27%
CJCL	1,539	0.10%	679	0	0.00%	0	9.31%	616	715	175	255	0	158	1,303	0.10%
Trial Court Judges	975,533	62.32%	430,602	57,159	13.95%	96,388	80.00%	163,231	189,484	110,922	67,457	0	100,328	468,191	36.69%
All Courts	\$1,565,467	100.00%	\$691,000	\$409,768	100.00%	\$691,000		\$595,262	\$691,000	\$178,000	\$246,000	\$0	\$161,000	\$1,276,000	100.00%

Notes:

- (A): From Exhibit J-2.
- (B): (A)/[Total (A)]
- (C): (B) x [Total (C)]. Total (C) was provided by Judicial Branch Workers' Compensation Program.
- (D): From Exhibit J-3.
- (E): (D)/[Total (D)]
- (F): (E) x [Total (F)].
- (G): Based on relative size (according the (A)) of each court. The largest is subjectively set to an 80.00% weight. The weight of all other courts are based on that standard.
- (H): (G) x (F) + [1-(G)] x (C)
- (I): [Total (F) / Total (H)] x (H)
- (J): (B) x [Total (J)]. Total (J) was provided by Judicial Branch Workers' Compensation Program.
- (K): [(I) / Total (I)] x Total (K). Total (K) was provided by Judicial Branch Workers' Compensation Program.
- (L): (B) x [Total (L)]. Total (L) was provided by Judicial Branch Workers' Compensation Program.
- (M): (B) x [Total (M)]. Total (M) was provided by Judicial Branch Workers' Compensation Program.
- (N): Sum[(I)..(M)]
- (O): (N) x [Total (N)].

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
State Judiciary

2020-21 Premium
2nd and 4th District by Division

Court	Division	2016-17 to 2018-19 Payroll (\$000) (A)	Percent Payroll (B)	2020-21 Indicated Loss & ALAE Premium Based on Payroll (C)	2016-17 to 2018-19 Incurred Limited to \$75K (D)	Percent Limited Losses (E)	2020-21 Indicated Loss & ALAE Premium Based on Losses (F)	Weighting (G)	2020-21 Weighted Loss & ALAE Premium (H)	2020-21 Excess Premium (I)	2020-21 Claims Handling (TPA) Fees (J)	2020-21 Brokerage / Consulting Premium (K)	2020-21 Total Premium (L)	2020-21 Percent of Premium (M)
2nd District Court	COA 2nd District (LA)	\$79,636	87.41%	\$49,699	\$38,169	100.00%	\$56,858	36.30%	\$52,298	\$9,055	\$18,618	\$8,190	\$88,161	91.05%
	COA 2nd District- (Ven)	11,471	12.59%	7,159	0	0.00%	0	36.30%	4,560	1,304	1,624	1,180	8,668	8.95%
	Total	\$91,107	100.00%	\$56,858	\$38,169	100.00%	\$56,858	36.30%	\$56,858	\$10,359	\$20,242	\$9,370	\$96,829	
4th District Court	COA 4th District (SD)	\$28,685	38.78%	\$11,712	\$0	0.00%	\$0	33.86%	\$7,746	\$3,262	\$2,758	\$2,950	\$16,716	29.34%
	COA 4th District (RSVD)	21,568	29.16%	8,806	7,711	99.56%	30,069	33.86%	16,006	2,452	5,698	2,218	26,374	46.29%
	COA 4th District (SA)	23,716	32.06%	9,683	34	0.44%	133	33.86%	6,449	2,697	2,296	2,439	13,881	24.37%
	Total	\$73,969	100.00%	\$30,201	\$7,745	100.00%	\$30,201	33.86%	\$30,201	\$8,411	\$10,752	\$7,607	\$56,971	100.00%

Notes:

- (A): Provided by Judiciary Branch Workers' Compensation Program
(B): (A)/[Total (A)]
(C): (B) x [Total (C)]. Total (C) was provided by Judicial Branch Workers' Compensation Program.
(D): Provided by Judiciary Branch Workers' Compensation Program
(E): (D)/[Total (D)]
(F): (E) x [Total (F)].
(G): Allocated based on total for each court shown in Exhibit J-1
(H): (G) x (F) + [1-(G)] x (C)
(I): Allocated based on total for each court shown in Exhibit J-1
(J): Allocated based on total for each court shown in Exhibit J-1
(K): Allocated based on total for each court shown in Exhibit J-1
(L): Sum[(H)..(K)]
(M): (L) x [Total (L)].

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
State Judiciary

Summary of Payroll

Court	Payroll		
	2016-17	2017-18	2018-19
Supreme Court	\$17,193,164	\$17,860,314	\$18,867,737
1st District Court	14,702,252	15,316,570	14,587,098
2nd District Court	29,034,914	30,418,269	31,653,387
3rd District Court	10,415,011	10,822,301	10,891,309
4th District Court	23,474,686	24,560,574	25,934,153
5th District Court	8,833,214	9,107,436	9,671,912
6th District Court	6,751,226	6,733,060	7,332,430
Judicial Council	67,205,124	72,782,506	74,871,422
CJP	2,447,511	2,683,044	2,758,074
HCRC	6,605,907	7,472,052	7,408,297
CJCL	365,744	550,331	623,148
Trial Court Judges	308,693,047	321,395,608	345,443,929
All Courts	\$495,721,800	\$519,702,066	\$550,042,896

Notes:

Provided by Judicial Branch Workers' Compensation Program.

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
State Judiciary

Summary of Loss Data

Court	Incurred Losses			Incurred Losses Capped at \$75K		
	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
Supreme Court	\$0	\$0	\$1,389	\$0	\$0	\$1,389
1st District Court	747	3,972	3,855	747	3,972	3,855
2nd District Court	0	38,169	0	0	38,169	0
3rd District Court	0	328	6,077	0	328	6,077
4th District Court	3,461	0	4,284	3,461	0	4,284
5th District Court	0	1,337	0	0	1,337	0
6th District Court	0	0	9,052	0	0	9,052
Judicial Council	295,786	10,382	71,003	198,504	10,382	71,003
CJP	0	0	0	0	0	0
HCRC	0	51	0	0	51	0
CJCL	0	0	0	0	0	0
Trial Court Judges	16,769	23,497	16,893	16,769	23,497	16,893
All Courts	316,763	77,735	112,551	219,481	77,735	112,551

Notes:

Provided by Judicial Branch Workers' Compensation Program.

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
State Judiciary

Comparison to Prior Premium

Court	2019-20 Total Premium (A)	2020-21 Total Premium (B)	Difference (C)	Percent Change (D)
Supreme Court	\$39,781	\$38,848	-\$933	-2.35%
1st District Court	36,704	38,297	1,592	4.34%
2nd District Court	77,837	96,829	18,992	24.40%
3rd District Court	25,089	27,916	2,827	11.27%
4th District Court	55,761	56,971	1,210	2.17%
5th District Court	21,966	21,352	-613	-2.79%
6th District Court	16,582	21,094	4,512	27.21%
Judicial Council	597,084	482,625	-114,459	-19.17%
CJP	6,349	6,309	-40	-0.63%
HCRC	16,830	16,264	-565	-3.36%
CJCL	1,362	1,303	-59	-4.31%
Trial Court Judges	443,656	468,191	24,536	5.53%
All Courts	\$1,339,000	\$1,276,000	-\$63,000	-4.71%

Notes:

- (A): From Prior Premium Report
- (B): From Exhibit J-1.
- (C): (B) - (A)
- (D): (C) / (A)

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
State Judiciary

Trial Court and State Judiciary Claims Handling, Program Admin and Brokerage/Consulting Premium

Division	2016-17 to 2018-19 Payroll (\$000) (A)	Percent Payroll (B)	2016-17 to 2018-19 Incurred Limited to \$75K (C)	Percent Limited Losses (D)	2020-21 Claims Handling (E)	2020-21 Program Admin. (F)	2020-21 Brokerage / Consulting (G)
Trial Courts	\$2,640,677	62.78%	\$18,480,846	97.83%	\$2,436,000	\$0	\$272,000
State Judiciary	1,565,467	37.22%	409,768	2.17%	246,000	0	161,000
Total	\$4,206,144	100.00%	\$18,890,614	100.00%	\$2,682,000	\$0	\$433,000

Notes:

- (A): Provided by Judicial Branch Workers' Compensation Program.
 (B): (A)/[Total (A)]
 (C): Provided by Judicial Branch Workers' Compensation Program.
 (D): (C)/[Total (C)]
 (E): Total (E) x [80% x (D) + 20% x (B)]
 (F): (B) x [Total (F)]. Total (F) was provided by Judicial Branch Workers' Compensation Program.
 (G): (B) x [Total (G)]. Total (G) was provided by Judicial Branch Workers' Compensation Program.



JUDICIAL BRANCH WORKERS' COMPENSATION PROGRAM CLAIMS SETTLEMENT AUTHORITY POLICY

(Revised July 1, 2020)

Workers' compensation claims for the Trial Courts and the Judiciary Programs are administered through the Judicial Branch Workers' Compensation Program (JBWCP) by its third-party claims administrator (TPA).

Under authority of the JBWCP, the TPA manages all workers' compensation claims, with oversight from the Judicial Council of California Human Resources staff, along with the risk management consultant. Specific settlement authority levels have been established for the JBWCP which are:

Level I: The TPA (0 - \$10,000);

Level II: The JBWCP Member¹ (\$10,001 - \$100,000); and

Level III: Settlement Authority Panel - Four voting JBWCP Advisory Committee Members and JBWCP Administrator or Designee (Above \$100,000)

All Settlement Authority Requests (SARs) are for "new money" and do not reflect money that has already been paid out or advanced against the settlement. Any Permanent Disability advanced against the settlement AFTER completion of the SAR will be deducted from the settlement when paid.

Settlement recommendations are presented by the TPA to the JBWCP Members for approval according to JBWCP policies, procedures, and Service Guidelines. All settlement recommendations must first meet JBWCP guidelines and be presented on the SAR. The SAR will document all of the pertinent claim details and provide the rationale for the proposed settlement, which will include all outstanding issues. All SARs will be provided by the TPA to the appropriate level of settlement authority, with copies to respective JBWCP Members. In the event of a disagreement on the proposed settlement, the TPA, JBWCP Member, or JBWCP Program Administrator may escalate the settlement request to the next level.

¹ JBWCP Member includes the following judicial branch entities, Supreme Court, Courts of Appeal, Superior Courts of California, Superior Court Judges, Habeas Corpus Resource Center, Center for Judicial Performance, and the Judicial Council.



All SARs provided to the JBWCP Members must be reviewed, signed, and returned to the TPA in a timely fashion. If the requests are not returned within 10 court days and there is a scheduled court appearance, the next settlement authority level (or their designee) may authorize the settlement.

There are two commonly used ways to reach agreement for settlement of a workers' compensation claim:

1. ***Compromise & Release (C&Rs):*** This is a negotiated settlement which may resolve all or part of a workers' compensation claim. The settlement may result in claim closure with the claimant responsible for the cost of future medical care. Settlement by C&R may result in a lump sum payment to the claimant. This settlement must be approved by a workers' compensation judge.

If the claimant is a Medicare beneficiary, the settlement must include a Medicare set-aside analysis (MSA) if resolution of future medical care is considered. Once the amount of the MSA is determined, settling the claim by this method may increase the settlement request amount.

While case closure is a focus, settlement by C&R, either with or without an MSA, should be considered as needed based on the specific claim status and not as a general rule simply because the employee is no longer employed by the JBWCP Member. Should a file be settled, with future medical care awarded, administrative closure may be considered if there has been no medical treatment awarded for at least one year.

2. ***Stipulation with Request for Award (Stipulation):*** This is a type of settlement where an agreement is reached regarding the level of Permanent Disability per the Permanent Disability Rating Schedule from an industrial illness or injury. This settlement will provide direction on the provision of future medical benefits, included body parts, date of injury, and other stipulated agreements. This settlement must also be approved by a workers' compensation judge.

Guidelines Applicable to All Authority Levels

Any party who disagrees with a settlement decision made in any level in this process may escalate the decision to the Level III Settlement Authority Panel to make a final decision.



All approved settlements that will exceed the Excess Insurance Coverage Levels² will require authorization of both the Excess Insurance Carrier and the Level III Settlement Authority Panel.

Judicial Branch Settlement Authority Level Guidelines

All settlement authority amounts shown in Levels I through III are “new money” expected to be paid after the Response Due Date on the SAR and does **not** reflect money that has already been paid out or advanced against the settlement.

Level I: The **TPA** shall have full authority to settle and approve all C&Rs and Stipulation settlements for any JBWCP Member up to and including **\$10,000**. The TPA shall notify the JBWCP Member for claims by its covered employees/volunteers at least 10 court days prior to finalizing the settlement offer. If the JBWCP Member does not agree with the proposed settlement, then the JBWCP Member must contact the TPA within the allotted 10 court day period.

Level II: The JBWCP **Member** shall have full authority to settle and approve all C&Rs and Stipulation settlements for claims by its covered employees/volunteers from \$10,001 up to and including **\$100,000**. The JBWCP Member must review and respond to the SAR within 10 court days following the SAR’s Date Sent To Member.

Level III: A **Settlement Authority Panel**, consisting of four voting JBWCP Advisory Committee Members who are not directly involved with the settlement, and the JBWCP Administrator or Designee, in consultation with the JBWCP Member that has received a claim made by its covered employees/volunteers, shall exercise **final decisional authority** over the settlement and approval of C&Rs and Stipulation settlements **above \$100,000** or when a **dispute** or **impasse** arises. A majority of the Panel Members must agree on the proposed settlement.

The Program Administrator will send the SAR to the panel and JBWCP Member, and the panel meeting will convene within 10 court days following the SAR’s Sent To Member Date.

² Settlements that have already exceeded the Excess Insurance Coverage Levels will require, at a minimum, authorization of the Excess Insurance Carrier.



**JUDICIAL COUNCIL OF CALIFORNIA
JUDICIAL BRANCH WORKERS' COMPENSATION PROGRAM
SETTLEMENT AUTHORITY REQUEST/NOTIFICATION**

CLAIMANT NAME: Click or tap here to enter text.	IS THIS CLAIMANT A CURRENT EMPLOYEE? <input type="checkbox"/> YES <input type="checkbox"/> NO
DATE SENT TO MEMBER: Click or tap to enter a date.	RESPONSE DUE DATE: Click or tap to enter a date.
SENT TO: Click or tap here to enter text.	JBWCP MEMBER: Click or tap here to enter text.

AUTHORITY LEVEL

- ☐ Level I, TPA (\$0-\$10,000)
☐ Level II, JBWCP Member (\$10,001-\$100,000)
☐ Level III, Four Members of the JBWCP Advisory Committee & JBWCP Administrator or Designee (Above \$100,000)

ACTION REQUESTED:

- ☐ SETTLEMENT AUTHORITY REQUESTED
☐ INFORMATION ONLY

SETTLEMENT TYPE:

- ☐ STIPULATED AWARD
☐ COMPROMISE & RELEASE

SUBMITTED BY:

ADJUSTER'S NAME: Click or tap here to enter text. TITLE: Click or tap here to enter text.
TPA NAME: Click or tap here to enter text. PHONE NUMBER: Click or tap here to enter text.
E-MAIL ADDRESS: Click or tap here to enter text.

DISTRIBUTION & APPROVAL DATES

SENT TO TPA MGT FROM ADJUSTER:	TPA MGT APPROVER NAME:	APPROVED BY TPA MGT:
Click or tap to enter a date.	Click or tap here to enter text.	Click or tap to enter a date.

SELECT MSC OR TRIAL: Choose an item **DATE:** Click or tap here to enter text.

CLAIMANT INFORMATION

OCCUPATION: Click or tap here to enter text.
DATE OF BIRTH: Click or tap to enter a date.
DATE OF HIRE: Click or tap to enter a date.

CLAIM #: Click or tap here to enter text.
DATE OF INJURY: Click or tap to enter a date.
MEDICARE ELIGIBLE? ☐ YES ☐ NO

IS EXCESS AUTHORITY REQUIRED?

☐ YES ☐ NO

IS CLAIMANT LITIGATED?

☐ YES ☐ NO

HAS A 132A, S/W, OR N/F BEEN FILED?

☐ YES ☐ NO

If "YES", Click or tap here to enter specific details.

ACCEPTED BODY PART(S) OR ISSUE(S): Click or tap here to enter text.	DISPUTED BODY PART(S) OR ISSUE(S): Click or tap here to enter text.
---	---

INCURRED TO DATE:

	PAID	RESERVES	INCURRED
TEMPORARY DISABILITY	\$ Click to enter \$	\$ Click to enter \$	\$ Click to enter \$
PERMANENT DISABILITY	\$ Click to enter \$	\$ Click to enter \$	\$ Click to enter \$
MEDICAL	\$ Click to enter \$	\$ Click to enter \$	\$ Click to enter \$
LEGAL	\$ Click to enter \$	\$ Click to enter \$	\$ Click to enter \$
OTHER	\$ Click to enter \$	\$ Click to enter \$	\$ Click to enter \$
SJDB	\$ Click to enter \$	\$ Click to enter \$	\$ Click to enter \$
TOTAL	\$ Click to enter \$	\$ Click to enter \$	\$ Click to enter \$

HISTORY OF INJURY AND CLAIM STATUS:

Click or tap here to enter text.

PERMANENT WORK RESTRICTIONS:

Click or tap here to enter text.

SETTLEMENT INFORMATION

SETTLEMENT AUTHORITY REQUESTED:

PERMANENT DISABILITY (%): Click or tap here to enter text.

	TOTAL SETTLEMENT	TOTAL NEW MONEY*
PERMANENT DISABILITY	\$ Click to enter \$	\$ Click to enter \$
TEMPORARY DISABILITY/EDD	\$ Click to enter \$	\$ Click to enter \$
MEDICAL CARE	\$ Click to enter \$	\$ Click to enter \$
MSA	\$ Click to enter \$	\$ Click to enter \$
OTHER	\$ Click to enter \$	\$ Click to enter \$
TOTAL REQUESTED	\$ Click to enter \$	\$ Click to enter \$

*settlement authority level is based on total new money requested

RATIONALE:

Click or tap here to enter text.

RECOMMENDATION:

Click or tap here to enter text.

OUTSTANDING LIENS:

Click or tap here to enter text.

SETTLEMENT AUTHORITY BY MEMBER

Level I or II

- ☐ **I AGREE AND HEREBY GRANT SETTLEMENT AUTHORITY FOR THE ABOVE-MENTIONED FILE(S) BY WAY OF A:**

- ☐ STIPULATED WITH REQUEST FOR AWARD (STIP) ONLY
☐ COMPROMISE & RELEASE (C&R) ONLY
☐ C&R OR STIP IF C&R IS NOT REACHED

- ☐ **I DISAGREE WITH THE ABOVE RECOMMENDATION ON THE ABOVE-MENTIONED FILE AND HEREBY DO NOT APPROVE THE SETTLEMENT REQUEST. HOWEVER, I DO GRANT SETTLEMENT AS FOLLOWS:**

Click or tap here to enter text.

- ☐ **I HEREBY REQUEST THIS SETTLEMENT BE ESCALATED TO LEVEL III DUE TO A CONFLICT OR DISAGREEMENT REGARDING THE SETTLEMENT PROPOSED.**

THIS FORM HAS BEEN SIGNED BY:

Click to enter name and title

DATE SIGNED: Click here to enter a date.

[E-signatures or email approvals from the approving authority (or designee) are acceptable in lieu of wet signatures]

JBWCP MEMBER: PLEASE CONVERT TO PDF BEFORE SUBMITTING THIS TO TPA

SETTLEMENT AUTHORITY BY MEMBER

Level III

Panel Members

<hr/>	<input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Member and Court Name	
<hr/>	<input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Member and Court Name	
<hr/>	<input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Member and Court Name	
<hr/>	<input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Member and Court Name	
<hr/>	<input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
JBWCP Administrator	

[E-signatures or email approvals from the approving authority (or designee) are acceptable in lieu of wet signatures]

JBWCP Administrator: PLEASE CONVERT TO PDF BEFORE SUBMITTING THIS TO TPA



INTERNAL JUDICIAL BRANCH WORKERS' COMPENSATION PROGRAM (JBWCP) PROCEDURES FOR LEVEL III SETTLEMENT AUTHORITY REQUESTS (SARs)

PROCESS

All SAR Meetings will typically be held telephonically. The Third-Party Administrator (TPA) Program Manager sends the SAR to the JBWCP Program Manager, Risk Consultant, and involved Member, with response required within 10 court days of the SAR's Request Date.

- 1) The JBWCP Administrative Staff will send an email with available dates/times to the involved Member, and to all Advisory Committee Members requesting volunteers, with a due date to respond. Once four voting volunteers and one alternate are determined:
 - a. Send the meeting invitation, with attached SAR, to the panel, alternate, and SAR Member, with request for questions.
 - b. The volunteer panel/alternate is responsible for reviewing the SAR in advance, sending questions/comments to the JBWCP Administrative Staff prior to meeting.
 - i. The TPA will research all inquiries and be prepared to provide information during the meeting
 - c. One court day before the meeting, the JBWCP Staff will send an email reminder to the panel and participants.
- 2) Roll call will commence at the time of the meeting, with all participants participating at the scheduled time.
 - a. The alternate will remain on the call even if all original panel members are accounted for. If the panel cannot make a final determination and additional information is needed, the alternate will continue to participate in the process so as to be available and informed in the event that one of the original panel members is not available for the final vote, at which point the alternate can step in.
 - b. If one of the original panel members does not call within five minutes, then the alternate will substitute in. If the original member later joins the meeting, then the original panel member will be dismissed.



- c. Should there be less than four panel members participating in the meeting, the meeting will continue, with the minimum of two voting members and JBWCP Administrator or Designee.
 - d. The TPA Program Manager will brief everyone about the claim, settlement request, and answer any questions. Once all inquiries have been addressed, then:
 - i. Vote is taken, and if majority approve or decline, then the JBWCP Administrative Staff will email the TPA to confirm the settlement decision.
- 3) If the panel has additional questions or requests for additional action:
- a. An Action Plan will be created with approximate deadlines for completion.
 - b. Upon receipt of the additional information, the JBWCP Administrative Staff will contact the panel members, clarify there are no additional inquiries, and will request members to vote within two court days.
 - c. Once the votes are in, the JBWCP Administrative Staff will email all participants and the TPA Program Manager with the final determination to approve or decline the SAR request.



**JUDICIAL BRANCH WORKERS' COMPENSATION FUND TRANSFERS FROM THE TRIAL
COURT TRUST FUND**
(July 1, 2020)

In an effort to increase investment earnings in the Judicial Branch Workers' Compensation Fund ("JBWCF"), beginning in FY 2020-21 Budget Services will transfer from the Trial Court Trust Fund ("TCTF") to the JBWCF the annual Judicial Branch Workers' Compensation Program ("JBWCP") Trial Court Employees premium in two equal installments, the first installment on the August regular distribution date, and the second installment on the September regular distribution date. To accommodate these two transfers, the August and September distributions from the TCTF to the Trial Courts will be reduced by the amount of each installment.

If Budget Services determines the Trial Courts Budget Allocation for FY 2020-21, or any future fiscal year, is insufficient to accommodate funding the JBWCF in two equal installments as described above, the Judicial Branch Workers' Compensation Program Advisory Committee will work with Budget Services to determine the viable number of equal installments, from three to not more than twelve.

In the event Budget Services determines the Trial Courts Budget Allocation for any fiscal year beyond FY 2020-21 is sufficient, the Judicial Branch Workers' Compensation Program Advisory Committee will work with Budget Services to decide if funding of the annual JBWCP Trial Court Employees premium in lump-sum is practical.