



COVID-19 in Workers' Compensation

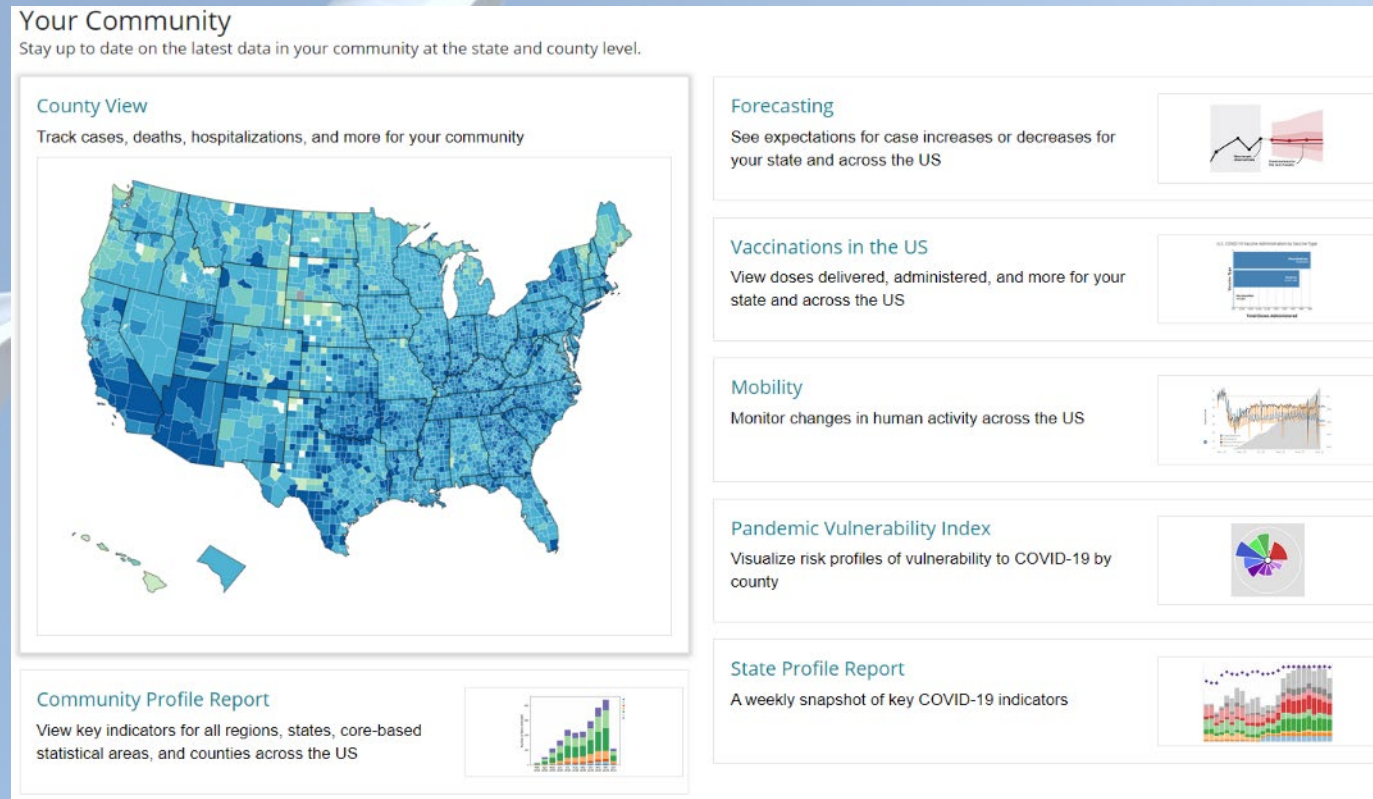
The View Forward

Dave Bellusci, FCAS, MAAA
WCIRB California

Rick Poulin, FCAS, CPCU
Travelers

Neal Leibowitz, FCAS, MAAA
Liberty Mutual

Reliable Sources for COVID Data:



covid.cdc.gov/covid-data-tracker/#datatracker-home

worldometers.info/coronavirus/country/us/

coronavirus.jhu.edu/

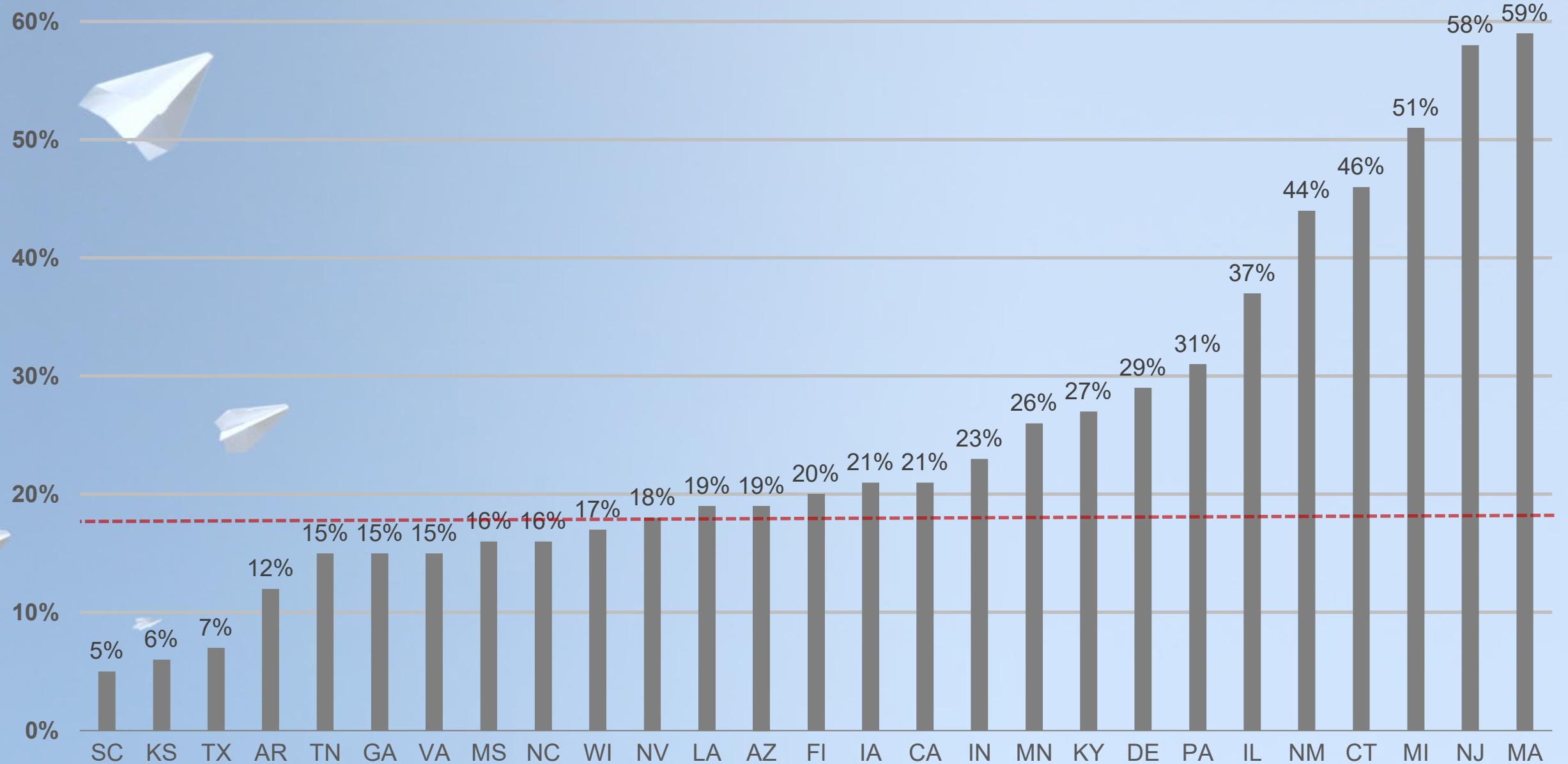
Snapshot of the CDC COVID-19 Data Tracker:



***What have COVID-19
claims cost?***

COVID-19
NOVEL **CORONAVIRUS** PNEUMONIA (NCP)

COVID-19 Lost-Time Claim Share of All Lost Time Claims by State – Q2 2020



Source: *The Early Impact of COVID-19 on Workers' Compensation Claim Composition*. WCIRB

California COVID-19 Claims in 2020

110,000

Number of COVID-19 claims reported as of January 25, 2021

20%

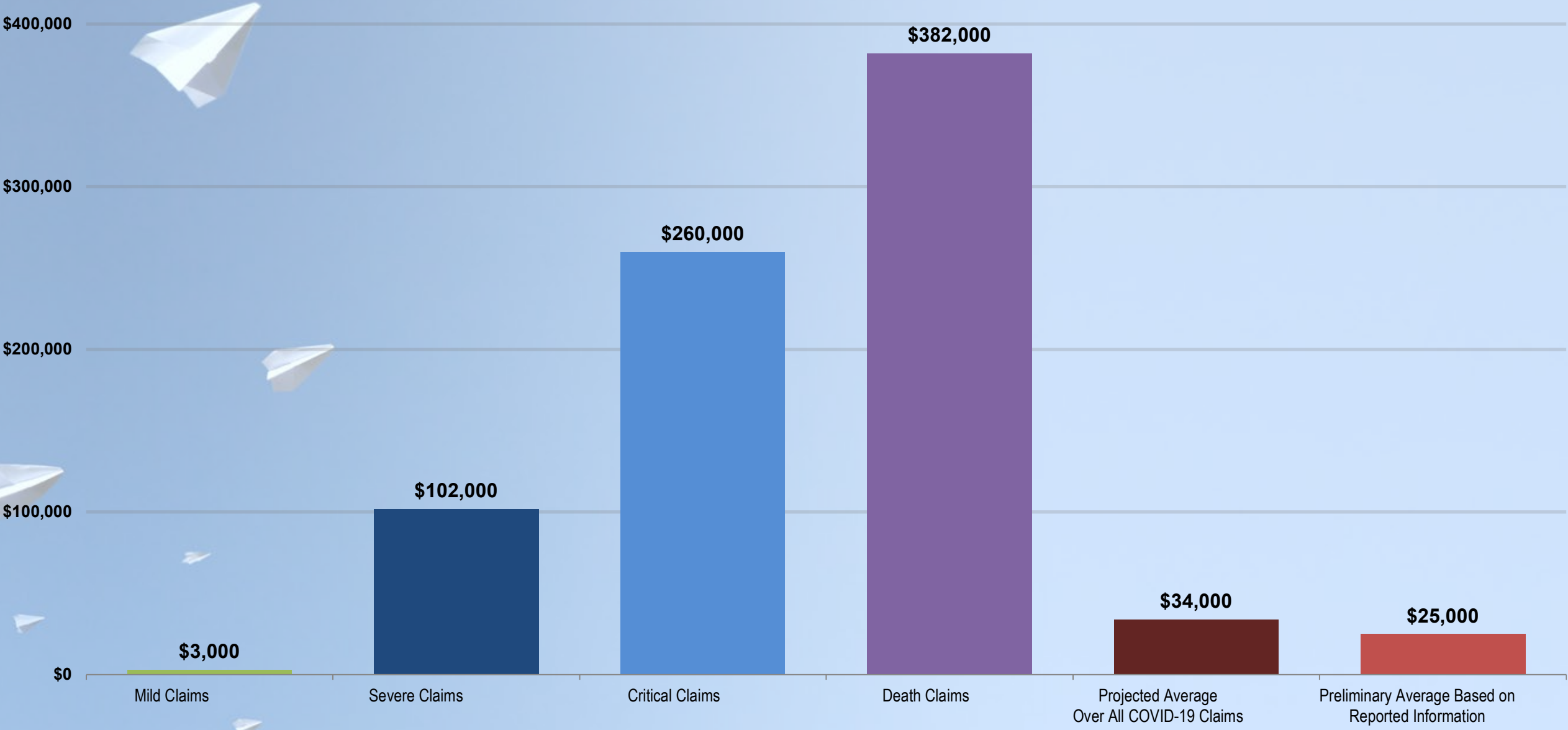
COVID-19 share of all indemnity claims filed for April to December

28%

Share of COVID-19 claims initially denied

Source: WCIRB transactional indemnity data, Division of Workers' Compensation data.

Estimated Average Cost of California Accident Year 2020 COVID-19 Claims



Source: WCIRB January 1, 2021 Pure Premium Rate Filing. WCIRB aggregate financial call. Severity amounts include indemnity, medical and loss adjustment expenses.



**Wholesale
Trade**



**Agriculture
and Mining**



Manufacturing



**Educational
Services**



**Arts,
Entertainment
and Recreation**



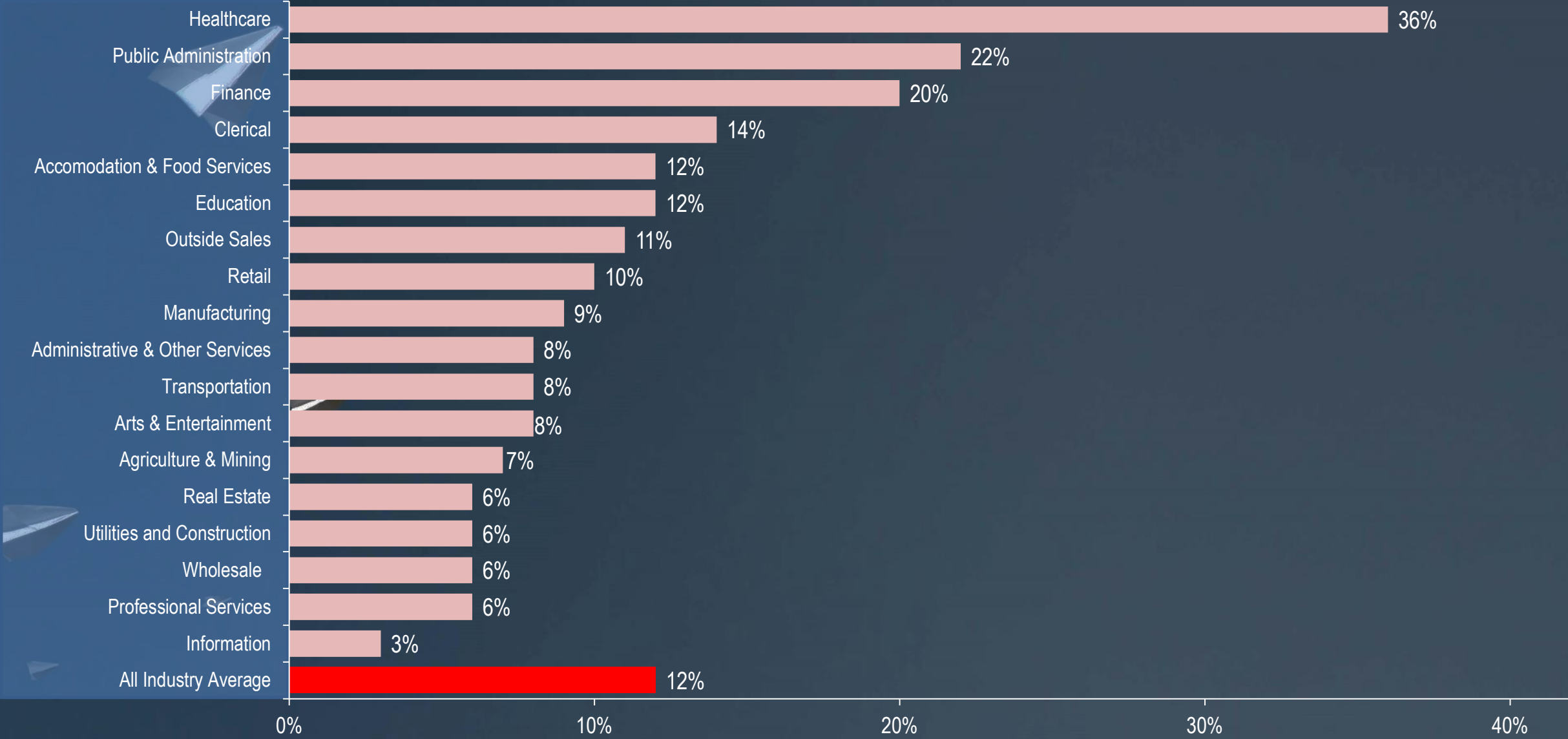
**Office and
Clerical**



**Accommodation
and Food
Services**

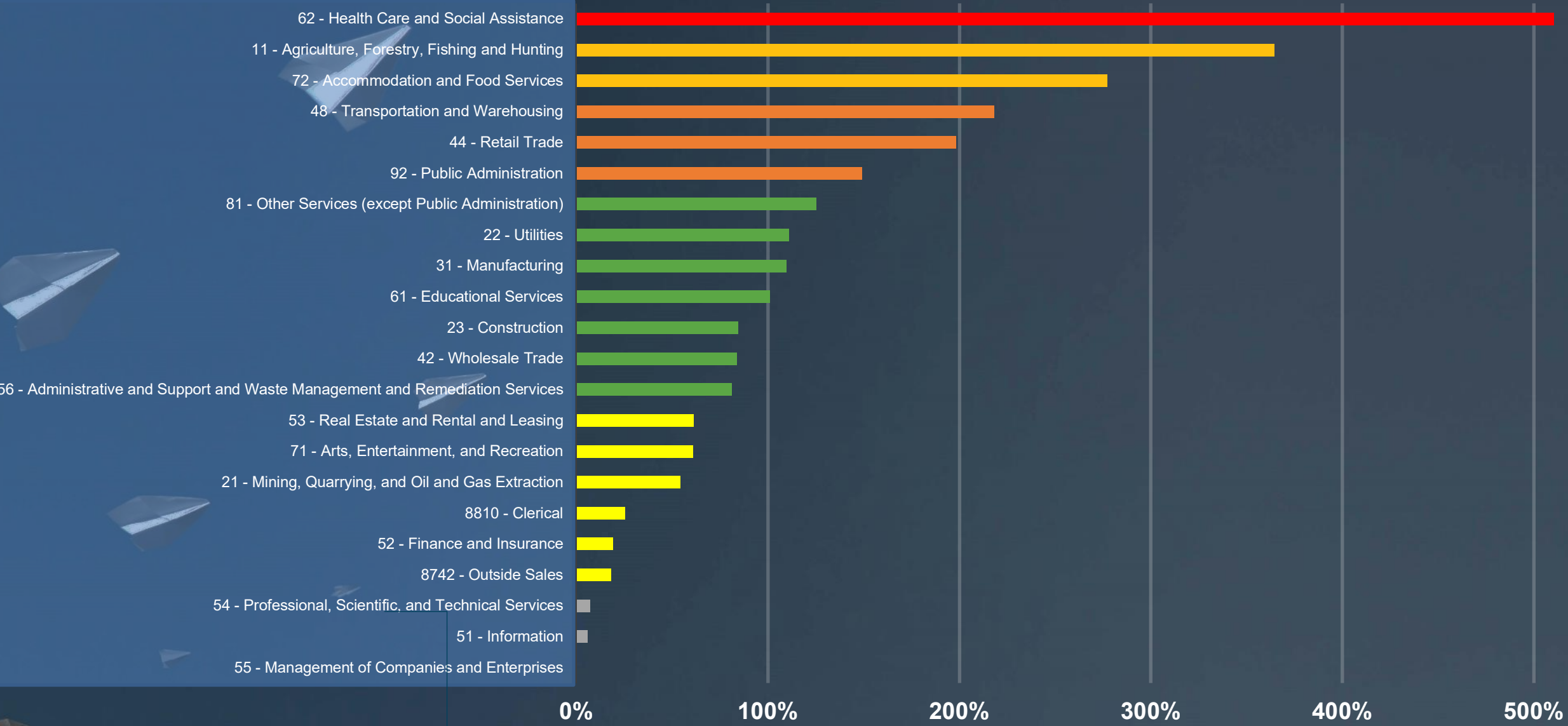
What Industries are most affected ?

Share of Total California Claims Due to COVID-19 by Industry



Source: California FROI records from WCIRB indemnity transaction data for claims from March through November 2020.

Industry California COVID-19 Claim Count to Payroll Relativities

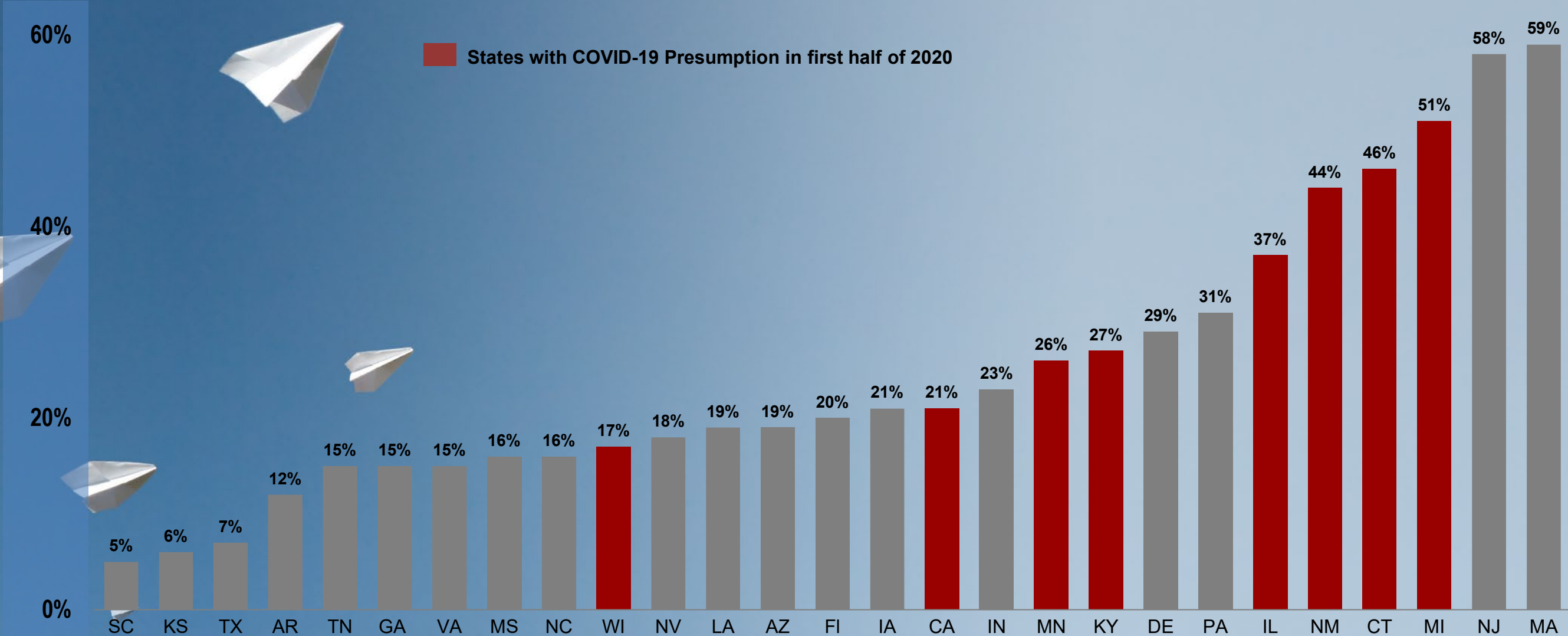


Source: California Division of Workers' Compensation FROI records from WCIS as of 8/23/2020 and UCLA Anderson wage forecasts.

A stack of several thick books with dark covers, likely legal texts, is shown from a low angle. The books are stacked on top of each other, and the pages are visible at the edges. The background is a soft, blue gradient that fades from light to dark. The text is overlaid on the left side of the image.

How Much Do
LEGAL
PRESUMPTIONS
MATTER?

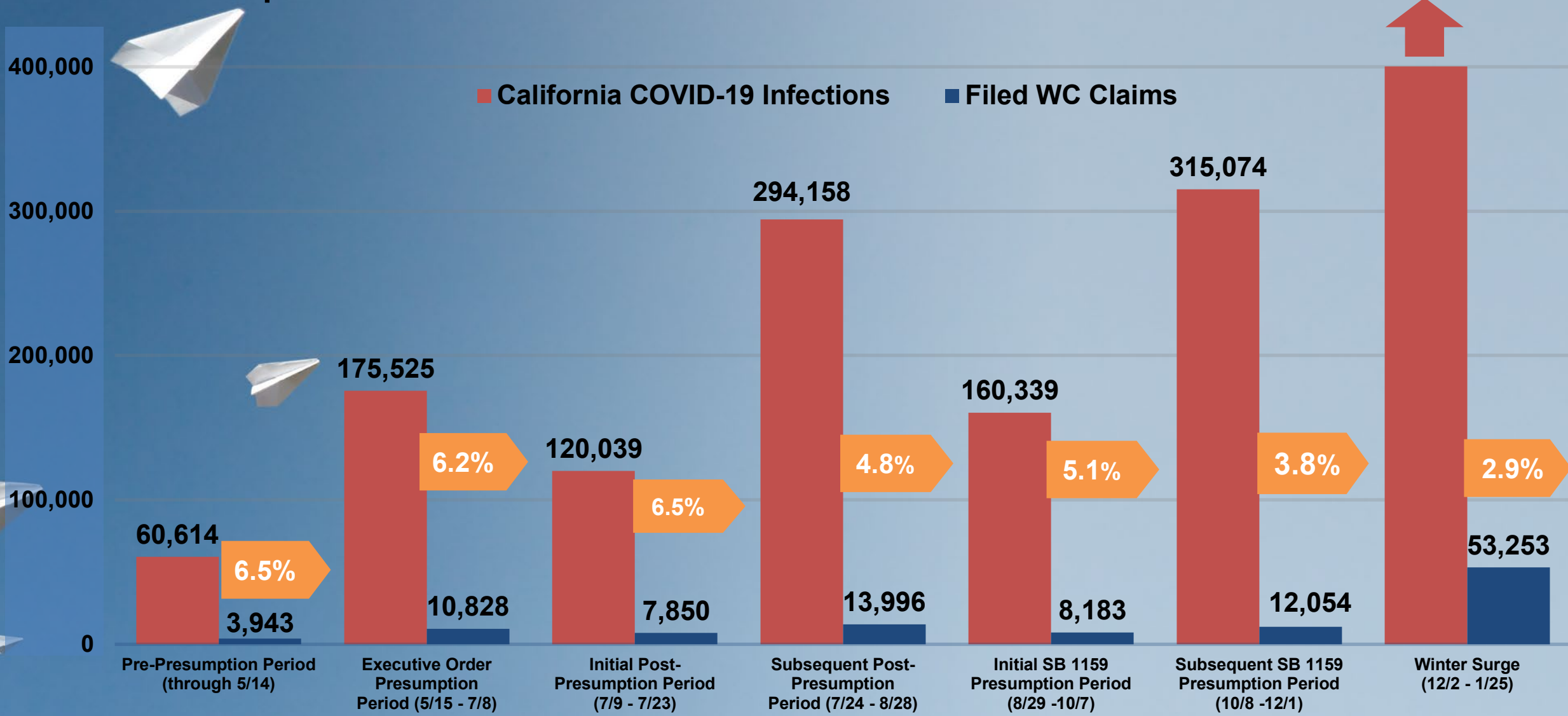
COVID-19 Lost-Time Claim Share of All Lost Time Claims by State – Q2 2020



• Source: *The Early Impact of COVID-19 on Workers' Compensation Claim Composition*. WCRI, January 2021.

California Workers' Compensation COVID-19 Claims

Filed Workers' Comp. Claims Relative to California Infections



Sources: California DWC and COVID Tracking Project. Infection counts reflect data 7 days prior to the DWC claim counts to reflect the typical delays in workers' compensation claim filings.

Longer-Term Health Uncertainties

Type, proportion and duration of persistent COVID-19 symptoms		
Persistent symptom	Patients affected by symptom	Time to symptom resolution
Common physical symptoms		
Fatigue	15 - 87 %	3 months
Shortness of breath	10 - 71 %	2 - 3 months
Chest discomfort	12 - 44 %	2 - 3 months
Cough	17 - 26 %	2 - 3 months
Impaired smell sensation	13%	1 month
Less common physical symptoms		
Joint pain, headache, dry mouth, runny nose, impaired taste, poor appetite, dizziness, others	< 10 %	Unknown (likely weeks)
Psychological and neurocognitive		
PTSD	24%	6 weeks to 3 months
Impaired memory	18%	
Poor concentration	16%	
Anxiety / depression	22%	
Quality of life reduction	> 50%	Unknown (likely weeks)
Data are from earlier period in the pandemic; data is evolving		
More than 1/3 of patients with COVID-19 experience more than one symptom		
Recovery varies depending on premorbid risk factors and illness severity; hospitalized patients--especially in ICU--are more likely to have a protracted course than those with mild disease.		
Adapted from McIntosh K. Coronavirus disease 2019 (COVID-19): Clinical features. UpToDate, 2021. Accessed Jan 21, 2021. © UpToDate.		

Post-Acute Syndromes

1. Reinfection – 0.1% [Abu-Raddad LJ, *medRxiv*, 2021.]
2. Post-intensive care syndrome (PICS) [Mikkelsen, *UpToDate*, 2021]
 - a. Rehospitalization common (up to 25% at 30-days)
 - b. High morbidity - physical (9%; 2-yr), cognitive (24-34%; 1-yr), psychiatric (25%; 5-yr)
 - c. High mortality - 32% at 5 years
3. Medical complications
 - a. Pulmonary, cardiac
 - b. Neurologic (taste/smell loss, stroke, seizures)
 - c. Renal
4. Medical symptoms (see Table)
 - a. Hospitalized patients – 83% at 60 days [Carfi A, *JAMA*, 2020.]
 - b. Outpatients – 32% at 43 days [Nehme M, *Ann Int Med*, 2020.]
5. “Long-Hauler” vague, generalized symptoms*
 - a. Similar to chronic fatigue syndrome
 - b. Fatigue (78%), post-exertional malaise (72%), brain fog (55%) at 6 months
 - c. CAVEAT – recall bias (retrospective study); sampling bias (+/- lab confirmation, excluded individuals < 28 d symptoms, recruited in online support groups)

* International study [Davis HE, *medRxiv*, 2020.]

Checkout

It's the

economy,

stupid!

MONDAY 10:00a - 9:00p
TUESDAY 10:00a - 9:00p
WEDNESDAY 10:00a - 9:00p
THURSDAY 10:00a - 9:00p
FRIDAY 10:00a - 9:00p
SATURDAY 10:00a - 9:00p
SUNDAY 11:00a - 7:00p
DISCOVER MORE @ SEARS.COM

ALL SALES FINAL!
NO RETURNS.

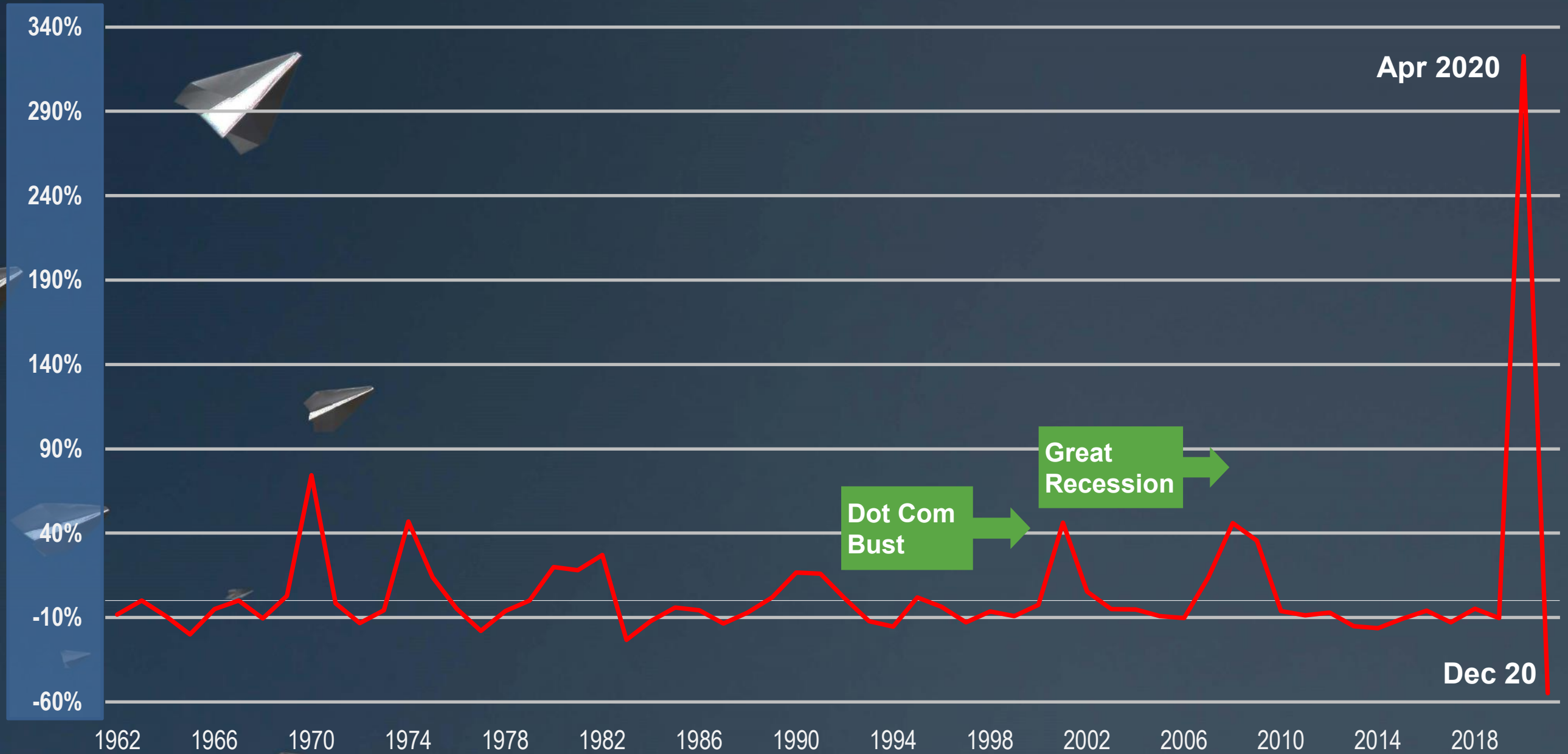
**STORE
CLOSING
Sale!**

PULL PULL



Sears

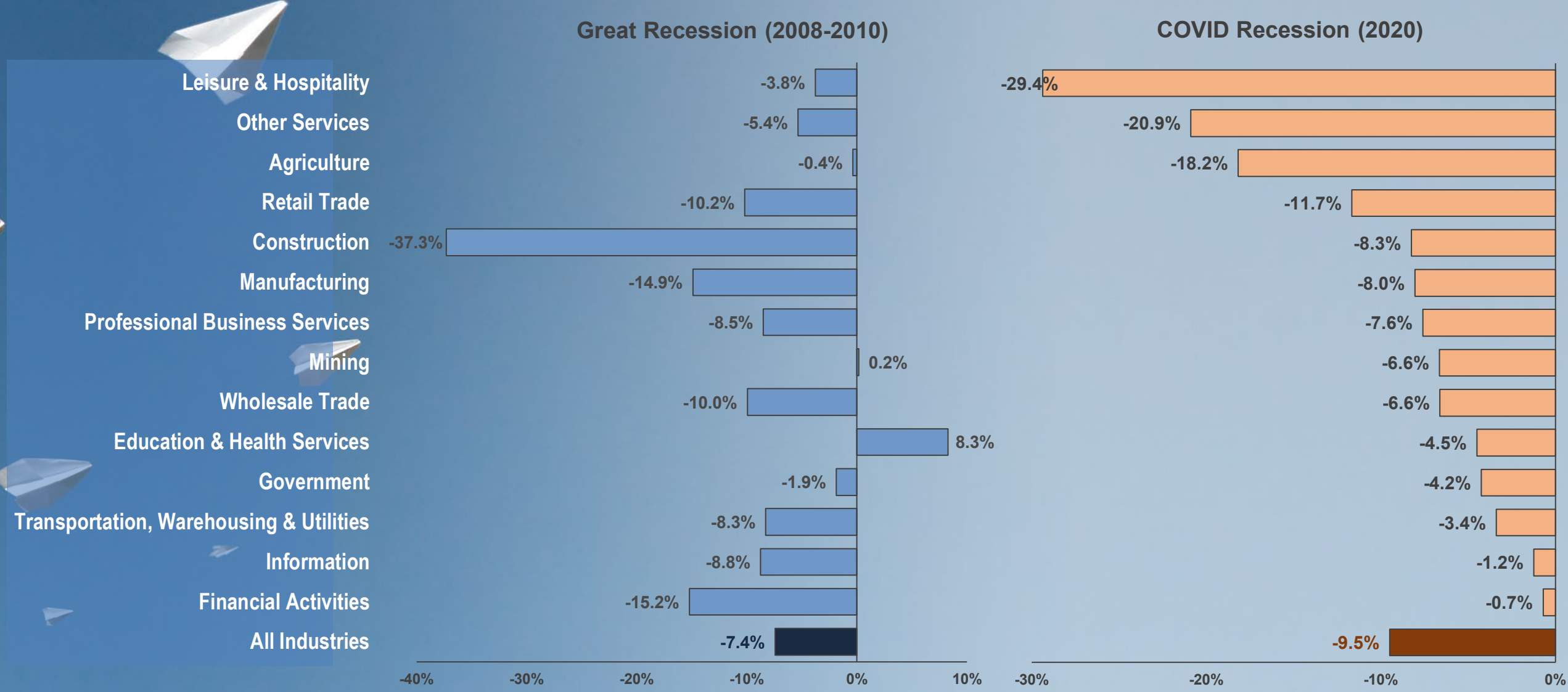
Annual Change in National Unemployment Rate



Source: BLS data on year-to-year changes in national December unemployment rate unless otherwise noted.

California Annual Changes in Employment by Industry Sector

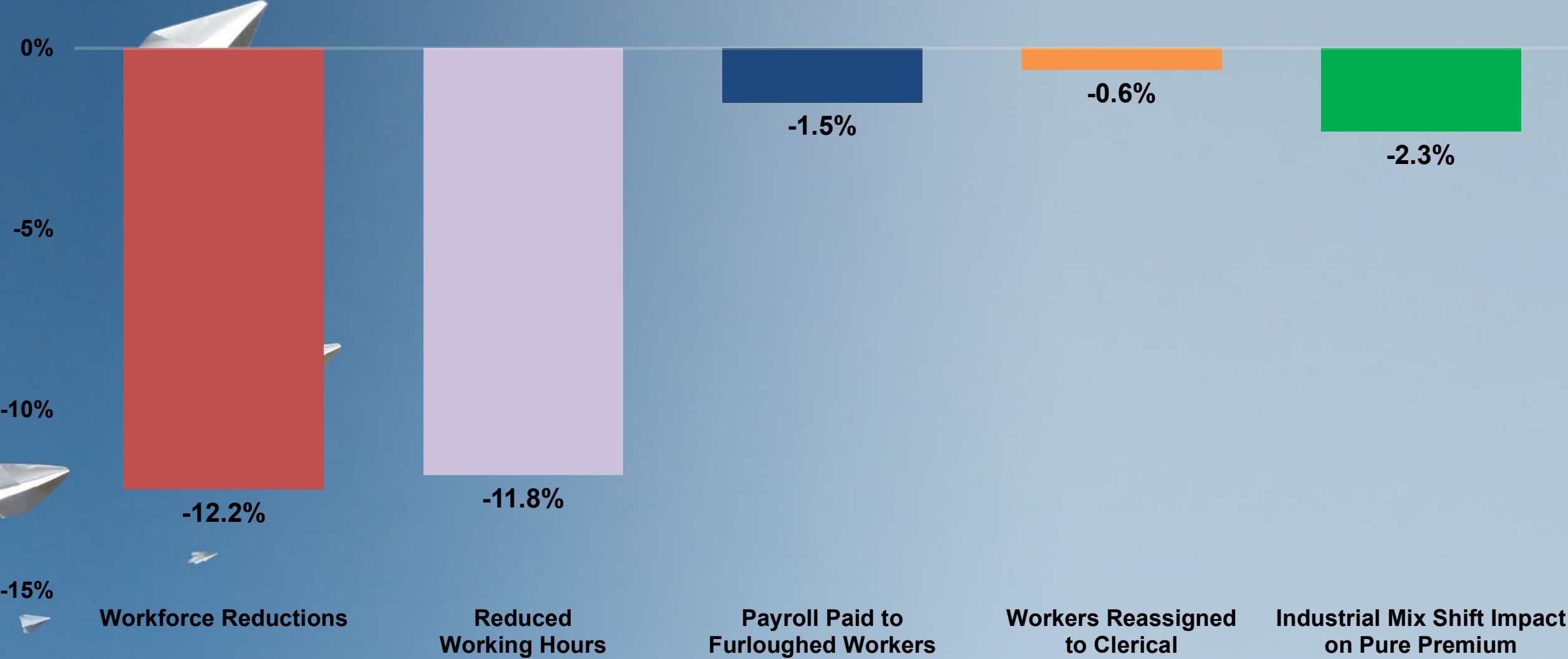
2020 Vs Great Recession - Based on BLS Data and UCLA Forecast



Sources: BLS and UCLA Anderson.

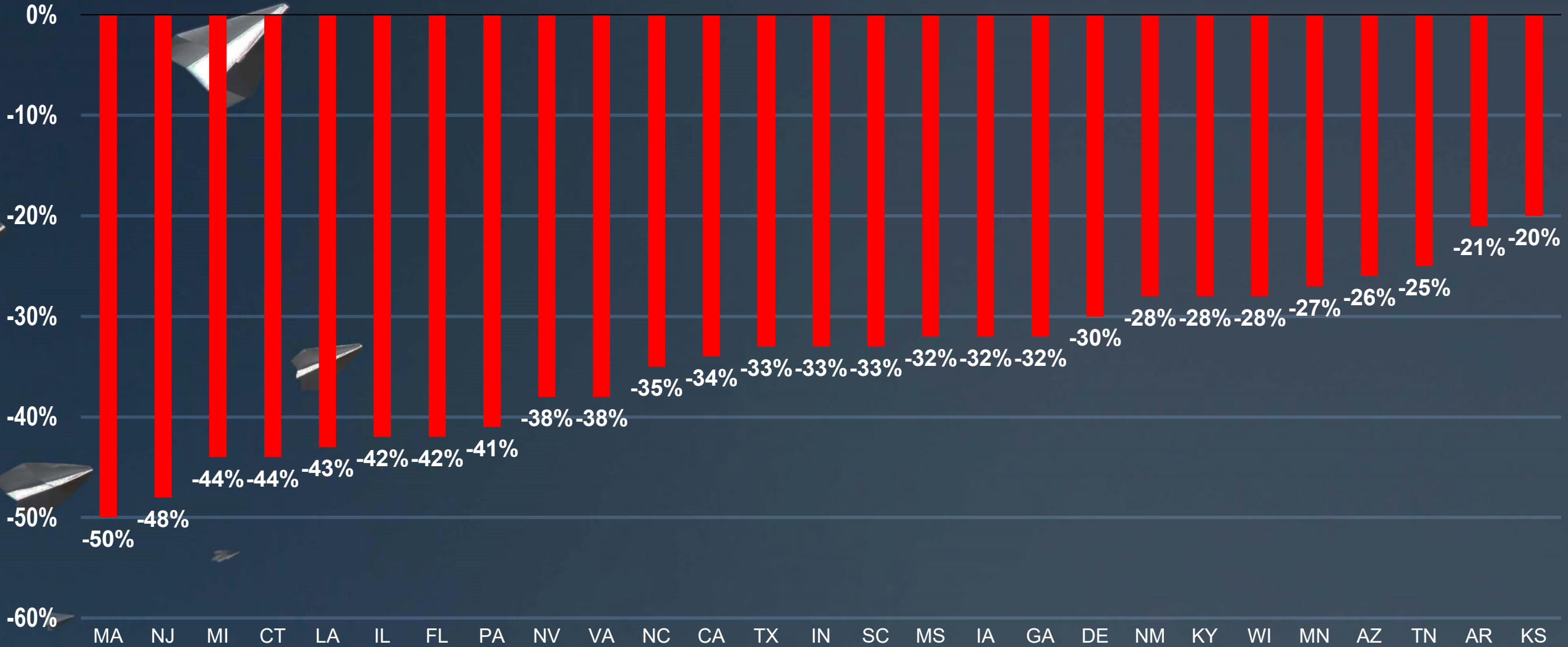
Potential 2020 California Premium Impacts

Based on WCIRB Employer Surveys and UCLA Forecast



Sources: WCIRB surveys of approximately 1,600 employers scheduled for classification inspections. BLS data and UCLA forecasts.

Percent Change in Number of Non-COVID-19 Lost-Time Claims by State Q2 2020 Vs. Q2 2021

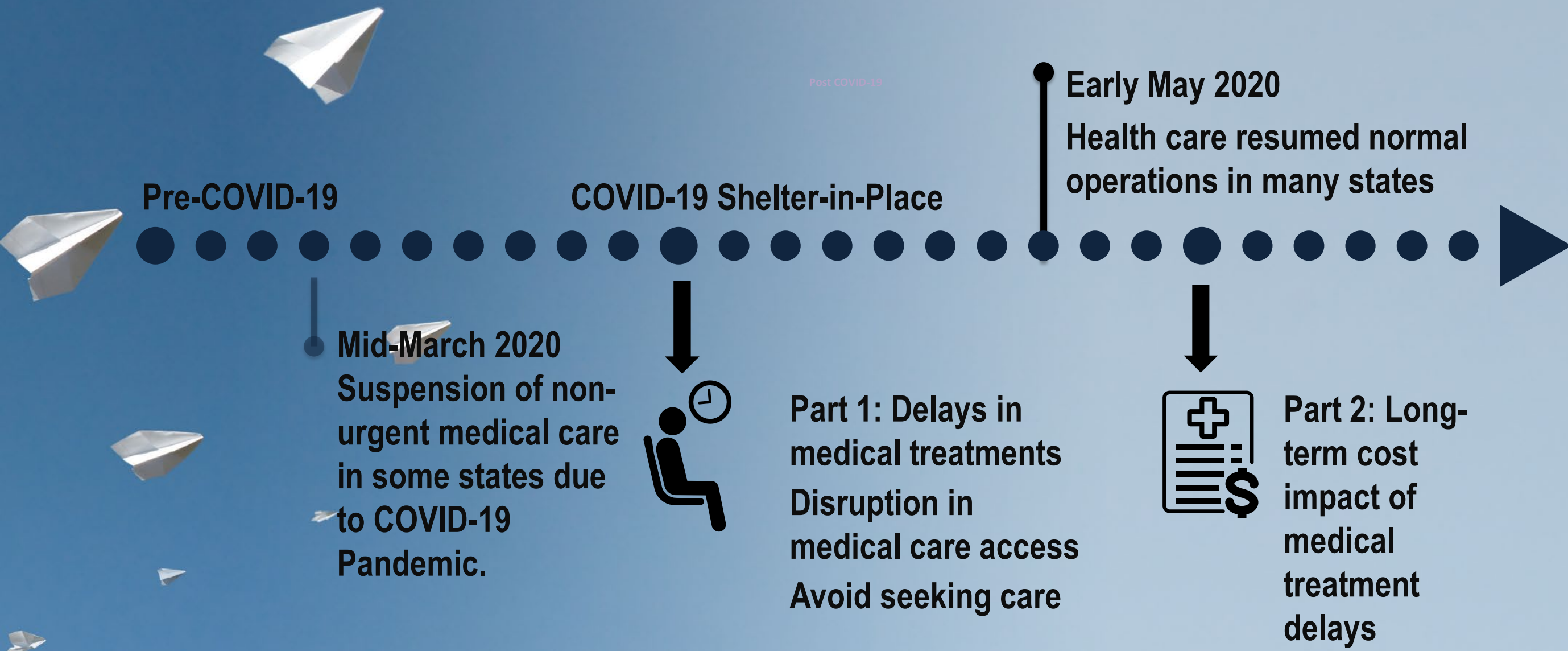


Source: *The Early Impact of COVID-19 on Workers' Compensation Claim Composition*. WCRI, January 2021

A blurred photograph of a hospital waiting area. In the foreground, a person is sitting on a white plastic chair, wearing a green shirt and patterned pants. Behind them, several other people are sitting on similar chairs, some looking towards the camera and others looking away. The background is out of focus, showing a brightly lit hallway with other people walking. The overall scene suggests a busy medical facility.

What about the slowdown in medical care?

Impact of Medical Delays

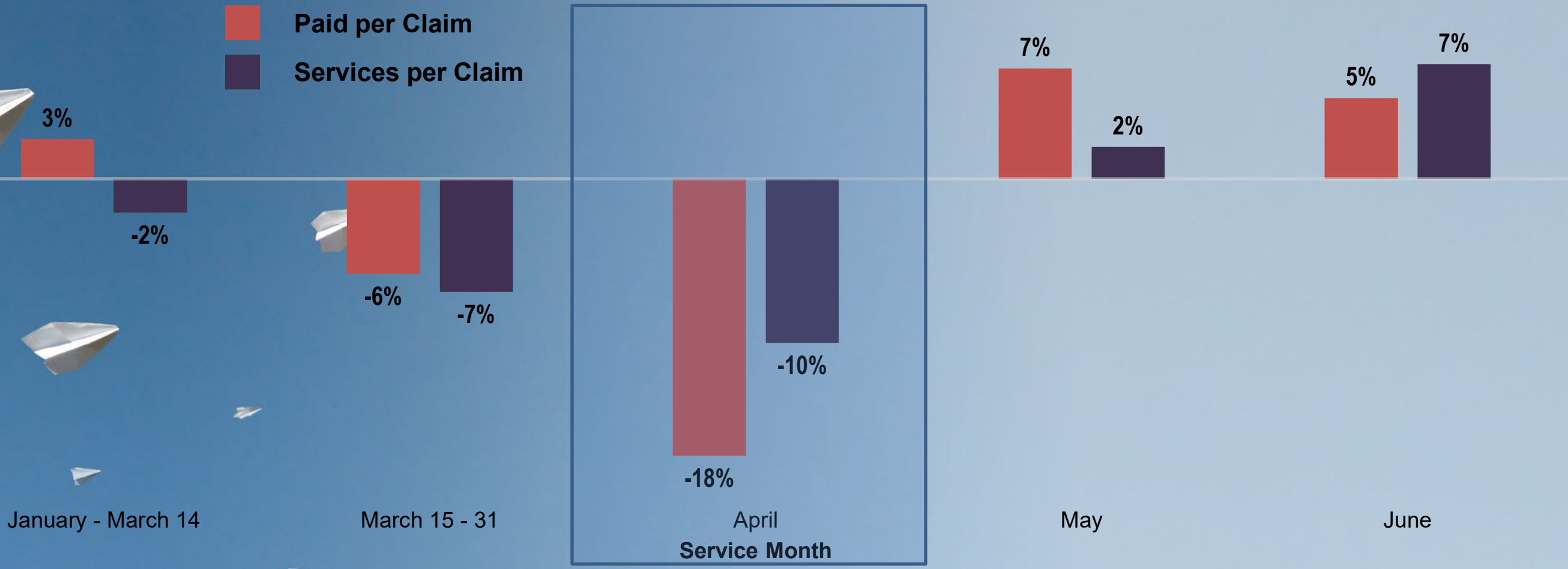


Impact of COVID-19 Pandemic on California Overall Medical Treatment Patterns and Costs

as of August 31, 2020

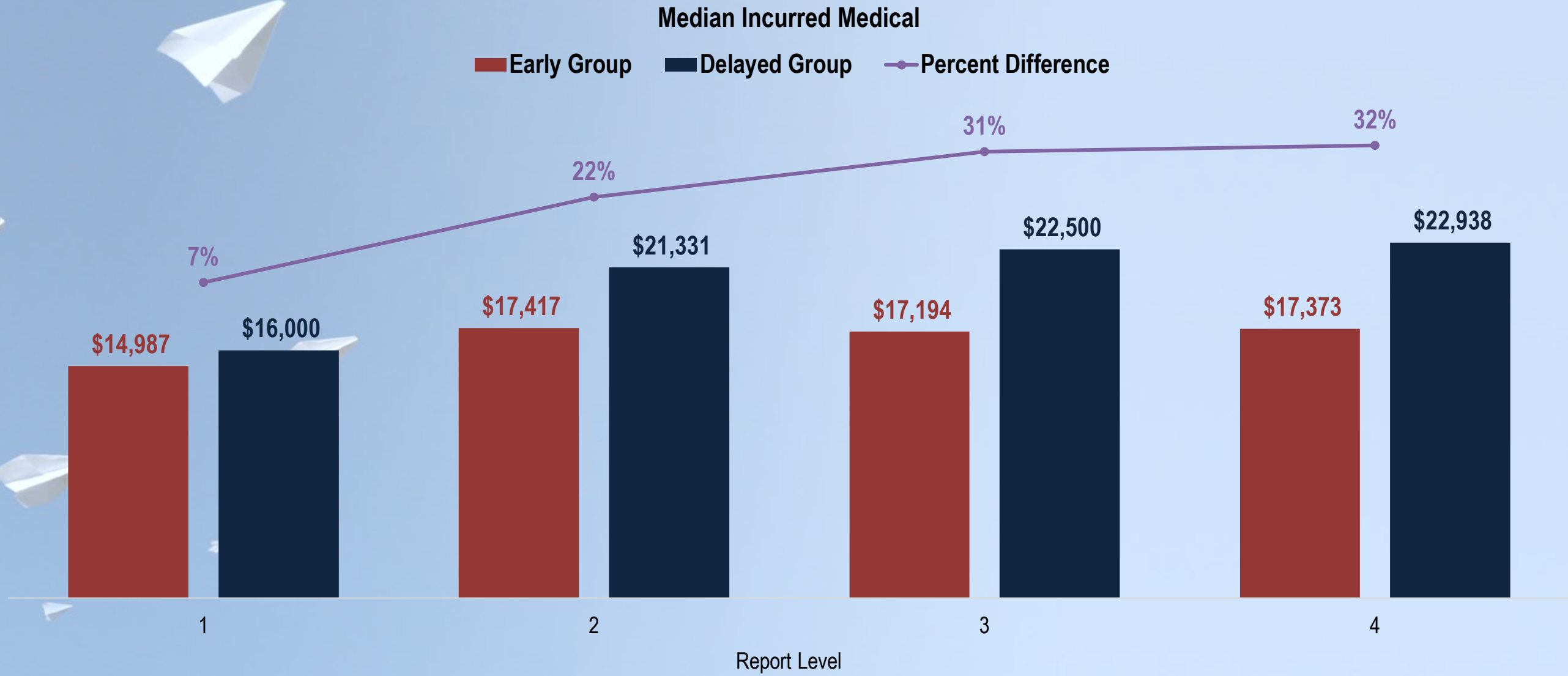
Year-over-Year Percentage Change in Overall Medical Services (2020 vs. 2019)

■ Paid per Claim
■ Services per Claim



• Source: WCIRB medical transaction data from insurers who submit data monthly.

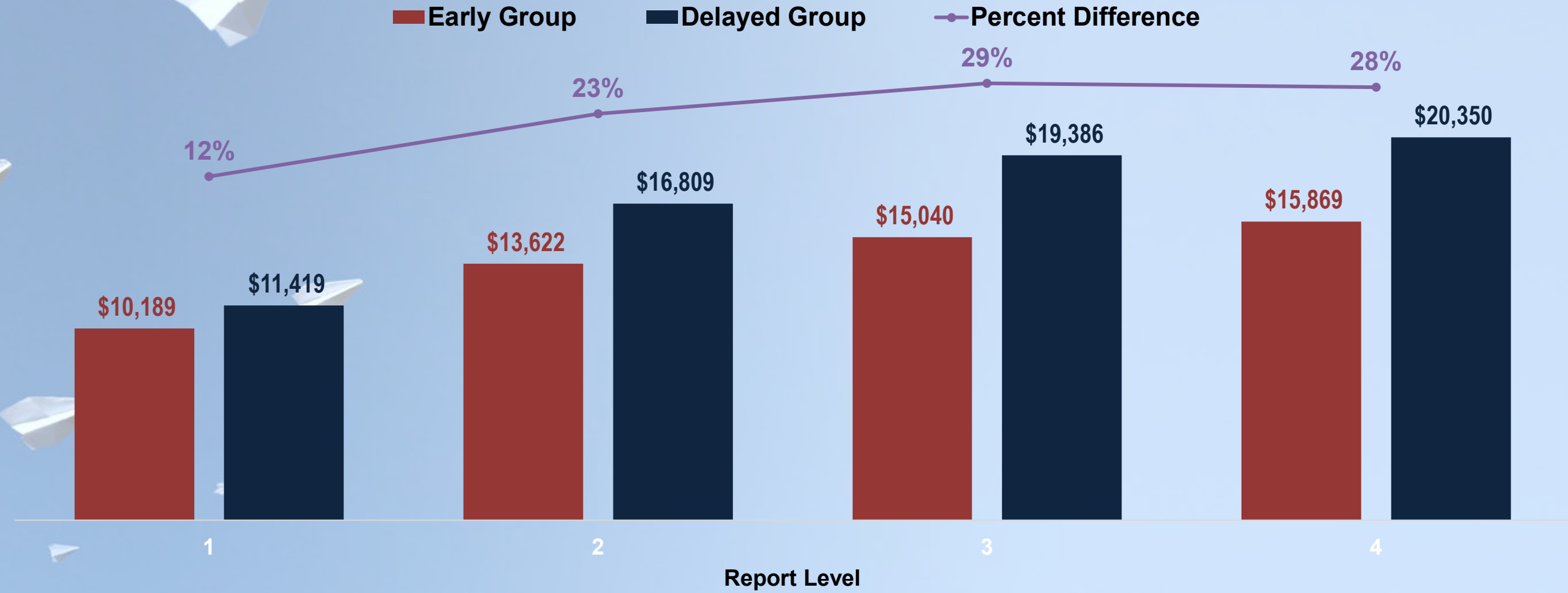
Impact of Delayed First Medical Service on Incurred Medical Soft Tissue Claims of Similar Characteristics



Note: Report level is a measure of valuation time. First report level is 18 months after the policy inception date, and each subsequent report level is 12 months from the previous report level. Source: WCIRB of California unit statistical and medical transaction data.

Impact of Delayed First Medical Service on Incurred Indemnity Soft Tissue Claims of Similar Characteristics

Median Incurred Indemnity



Note: Report level is a measure of valuation time. First report level is 18 months after the policy inception date, and each subsequent report level is 12 months from the previous report level.
Source: WCIRB of California unit statistical and medical transaction data.

Questions?