

\$0.27 = General Liability (GL)
 \$0.47 = Employment Practices Liability (EPL)
 \$0.02 = GL Additive
 \$0.38 = Property Insurance
 \$0.01 = Automobile Liability/Automobile Physical Damage & Be Smart About Safety (AL/APD BSAS)
 \$1.15 per \$100 of payroll for employees within the Department of Medicine

The Regents maintain a General Liability (GL) Self-Insurance Program to provide coverage for certain tort responsibilities of the University arising from its operations. The General Liability Self-Insurance Program covers three areas:
 * General Liability
 * Automotive Liability
 * Employment Practices Liability



Exhibit A

Fiscal 2022-23 General Liability (GL) and Employment Practices Liability (EPL) and Property Insurance Rates (Prop Prem)

Cost Center	GL Rate* Fiscal 2022-23	GL Rate Fiscal 2021-22	GL Prem. Fiscal 2022-23	EPL Rate** Fiscal 2022-23	EPL Rate Fiscal 2021-22	EPL Prem. Fiscal 2022-23	EPL Prem. Fiscal 2021-22	GL Rate Additive Fiscal 2022-23 (\$0.02/\$100)	Prop. Prem.*** Fiscal 2022-23 (\$0.38/\$100)	Prop. Prem. Fiscal 2021-22 (\$0.37/\$100)	AL/APD BSAS Fiscal 2022-23 (\$0.01/100)	AL/APD BSAS Fiscal 2021-22 (\$0.01/100)	TOTAL PREMIUM Fiscal 2022-23	TOTAL PREMIUM Fiscal 2021-22
Engineering	\$0.39	\$0.39	\$410,916	\$0.64	\$0.54	\$674,323	\$531,706	\$21,073	\$400,379	\$364,317	\$10,536	\$9,846	\$1,517,227	\$1,309,573
Management	\$0.39	\$0.39	\$337,537	\$0.64	\$0.54	\$553,907	\$373,470	\$17,310	\$328,882	\$255,896	\$8,655	\$6,916	\$1,246,291	\$919,842
Luskin/Public Policy	\$0.39	\$0.39	\$100,398	\$0.64	\$0.54	\$164,755	\$134,532	\$5,149	\$97,823	\$92,179	\$2,574	\$2,491	\$370,699	\$331,346
Theater, Film, and TV	\$0.39	\$0.39	\$80,305	\$0.64	\$0.54	\$131,782	\$116,092	\$4,118	\$78,246	\$79,544	\$2,059	\$2,150	\$296,510	\$285,930
Basic Biomedical Sciences	\$0.39	\$0.39	\$70,555	\$0.64	\$0.54	\$115,782	\$93,067	\$3,618	\$68,746	\$63,768	\$1,809	\$1,723	\$260,510	\$229,220
Nursing	\$0.39	\$0.39	\$56,055	\$0.64	\$0.54	\$91,987	\$80,880	\$2,875	\$54,617	\$55,418	\$1,437	\$1,498	\$206,971	\$199,204
Public Health	\$0.39	\$0.39	\$156,363	\$0.64	\$0.54	\$256,595	\$191,652	\$8,019	\$152,353	\$131,317	\$4,009	\$3,549	\$577,339	\$472,032
Medical Sciences	\$0.39	\$0.39	\$15,471	\$0.64	\$0.54	\$25,389	\$25,448	\$793	\$15,075	\$17,436	\$397	\$471	\$57,125	\$62,676
Office of Information Tech	\$0.39	\$0.39	\$23,252	\$0.64	\$0.54	\$38,157	\$44,119	\$1,192	\$22,656	\$30,230	\$596	\$817	\$85,853	\$108,664
California Nanosystems Ins	\$0.39	\$0.39	\$26,859	\$0.64	\$0.54	\$44,077	\$37,241	\$1,377	\$26,171	\$25,517	\$689	\$690	\$99,173	\$91,722
VC Research	\$0.39	\$0.39	\$102,995	\$0.64	\$0.54	\$169,018	\$133,868	\$5,282	\$100,354	\$91,724	\$2,641	\$2,479	\$380,290	\$329,712
Semel Institute	\$0.39	\$0.39	\$326,999	\$0.64	\$0.54	\$536,614	\$429,641	\$16,769	\$318,615	\$294,384	\$8,385	\$7,956	\$1,207,382	\$1,058,190
Chancellor's Organizations	\$0.39	\$0.39	\$145,517	\$0.64	\$0.54	\$238,797	\$198,293	\$7,462	\$141,786	\$135,868	\$3,731	\$3,672	\$537,293	\$488,389
External Affairs	\$0.39	\$0.39	\$190,051	\$0.64	\$0.54	\$311,878	\$246,777	\$9,746	\$185,178	\$169,088	\$4,873	\$4,570	\$701,726	\$607,802
VC Chief Financial Officer	\$0.39	\$0.39	\$146,289	\$0.64	\$0.54	\$240,064	\$205,474	\$7,502	\$142,538	\$140,788	\$3,751	\$3,805	\$540,144	\$506,075
VC Strategic Communications	\$0.39	\$0.39	\$39,737	\$0.64	\$0.54	\$65,210	\$47,232	\$2,038	\$38,718	\$32,363	\$1,019	\$875	\$146,722	\$116,331
VC Graduate Programs	\$0.39	\$0.39	\$49,612	\$0.64	\$0.54	\$81,414	\$62,909	\$2,544	\$48,340	\$43,105	\$1,272	\$1,165	\$183,182	\$154,944
Academic Senate	\$0.39	\$0.39	\$3,941	\$0.64	\$0.54	\$6,467	\$5,104	\$202	\$3,840	\$3,497	\$101	\$95	\$14,550	\$12,570
University Library	\$0.39	\$0.39	\$101,907	\$0.64	\$0.54	\$167,232	\$147,350	\$5,226	\$99,294	\$100,962	\$2,613	\$2,729	\$376,272	\$362,917
Continuing Education	\$0.39	\$0.39	\$154,362	\$0.64	\$0.54	\$253,312	\$203,332	\$7,916	\$150,404	\$139,320	\$3,958	\$3,765	\$569,952	\$500,800
Education	\$0.30	\$0.29	\$107,781	\$0.41	\$0.39	\$147,301	\$136,760	\$7,185	\$136,523	\$129,746	\$3,593	\$3,507	\$402,382	\$378,719
Law	\$0.26	\$0.26	\$129,186	\$0.36	\$0.36	\$178,873	\$164,748	\$9,937	\$188,811	\$169,324	\$4,969	\$4,576	\$511,776	\$466,786
Arts & Architecture	\$0.51	\$0.46	\$197,849	\$0.84	\$0.81	\$325,870	\$303,849	\$7,759	\$147,417	\$138,795	\$3,879	\$3,751	\$682,774	\$626,454
Herb Alpert School of Music	\$0.51	\$0.46	\$90,362	\$0.84	\$0.81	\$148,831	\$140,660	\$3,544	\$67,328	\$64,252	\$1,772	\$1,737	\$311,837	\$290,003
Letters and Science	\$0.39	\$0.37	\$1,640,473	\$0.54	\$0.51	\$2,271,424	\$2,005,040	\$84,127	\$1,598,409	\$1,454,637	\$42,063	\$39,315	\$5,636,496	\$5,032,258
Dentistry	\$0.27	\$0.28	\$118,009	\$0.64	\$0.60	\$279,725	\$246,293	\$8,741	\$166,087	\$151,881	\$4,371	\$4,105	\$576,932	\$525,425
Geffen School of Medicine	\$0.27	\$0.28	\$3,617,663	\$0.47	\$0.49	\$6,297,413	\$6,397,652	\$267,975	\$5,091,525	\$4,830,880	\$133,988	\$130,564	\$15,408,563	\$15,276,025
Medical Group	\$0.27	\$0.28	\$673,628	\$0.47	\$0.49	\$1,172,612	\$1,058,856	\$49,898	\$948,070	\$799,544	\$24,949	\$21,609	\$2,869,158	\$2,528,288
Athletics	\$0.78	\$0.66	\$324,948	\$0.57	\$0.47	\$237,462	\$202,180	\$8,332	\$158,308	\$159,163	\$4,166	\$4,302	\$733,216	\$658,160
Administration	\$0.92	\$0.87	\$400,172	\$0.75	\$0.71	\$326,228	\$324,601	\$8,699	\$165,289	\$169,158	\$4,350	\$4,572	\$904,738	\$905,225
Campus Crafts	\$0.92	\$0.87	\$246,680	\$0.75	\$0.71	\$201,098	\$202,604	\$5,363	\$101,889	\$105,582	\$2,681	\$2,854	\$557,710	\$565,009
Campus Maintenance	\$0.92	\$0.87	\$203,936	\$0.75	\$0.71	\$166,253	\$135,403	\$4,433	\$84,235	\$70,562	\$2,217	\$1,907	\$461,074	\$377,602
CTS	\$0.92	\$0.87	\$148,755	\$0.75	\$0.71	\$121,268	\$106,916	\$3,234	\$61,442	\$55,717	\$1,617	\$1,506	\$336,315	\$298,161
Utilities	\$0.92	\$0.87	\$69,442	\$0.75	\$0.71	\$56,610	\$52,462	\$1,510	\$28,682	\$27,339	\$755	\$739	\$156,998	\$146,301
Housing Administration	\$1.47	\$1.07	\$1,346,667	\$1.22	\$0.88	\$1,117,642	\$831,775	\$18,322	\$348,118	\$349,724	\$9,161	\$9,452	\$2,839,910	\$2,221,217
Transportation	\$2.03	\$1.95	\$321,532	\$0.97	\$0.62	\$153,638	\$115,037	\$3,168	\$60,188	\$68,651	\$1,584	\$1,855	\$540,110	\$551,063
UCPD	\$1.60	\$1.78	\$214,240	\$0.46	\$0.42	\$61,594	\$50,549	\$2,678	\$50,882	\$44,531	\$1,339	\$1,204	\$330,733	\$312,924
VC Student Affairs	\$0.77	\$0.68	\$488,157	\$0.96	\$0.81	\$608,611	\$502,790	\$12,679	\$240,909	\$229,669	\$6,340	\$6,207	\$1,356,696	\$1,173,176
ASUCLA	\$0.73	\$0.55	\$135,269	\$1.56	\$1.27	\$289,068	\$225,109	\$3,706	\$70,414	\$65,583	\$1,853	\$1,773	\$500,310	\$393,497
Faculty Center	\$0.00	\$0.00	\$0	\$1.82	\$1.45	\$29,120	\$29,552	\$320	\$6,080	\$7,541	\$160	\$204	\$35,680	\$37,704
Campus Rate/Premium	\$0.41	\$0.39	\$13,013,868	\$0.57	\$0.54	\$18,357,400	\$16,541,020	\$641,822	\$12,194,620	\$11,359,000	\$320,911	\$307,000	\$44,528,621	\$40,911,936

Notes:

*Fiscal 2022-23 GL rate includes Be Smart About Safety rate, which is approximately \$0.01. Also includes Sexual Harrassment.
 **Fiscal 2022-23 EPL rate includes Be Smart About Safety rate, which is approximately \$0.03, and non-litigated claim handling expense rate of approximately \$0.02.
 ***Fiscal 2022-23 Property rate includes Be Smart About Safety rate which is approximately \$0.02. Also includes Cyber Risk.

Exhibit A-1

Comparison of Fiscal 2022-23 v. Fiscal 2021-22 General Liability (GL), Employment Practices Liability (EPL) and Property Insurance Rates (Prop Prem)

Cost Center	GL* & EPL**	GL & EPL	Change in Premium Fiscal 2022-23 vs. 2021-22		GL Rate Additive	GL Rate Additive	Prop. Prem.***	Prop. Prem.	Property	AL/APD BSAS	AL/APD BSAS	TOTAL	TOTAL
	PREM. Fiscal 2022-23	PREM. Fiscal 2021-22	\$	%	Fiscal 2022-23 (\$0.02/\$100)	FY 2021-22 (\$0.02/\$100)	Fiscal 2022-23 (\$0.38/\$100)	FY 2021-22 (\$0.37/\$100)	Premium Diff	Fiscal 2022-23 (\$0.01/100)	Fiscal 2021-22 (\$0.01/100)	Premium Fiscal 2022-23	Premium Fiscal 2021-22
Engineering	\$1,085,239	\$915,716	\$169,523	19%	\$21,073	\$19,693	\$400,379	\$364,317	\$36,062	\$10,536	\$9,846	\$1,517,227	\$1,309,573
Management	\$891,444	\$643,198	\$248,247	39%	\$17,310	\$13,832	\$328,882	\$255,896	\$72,986	\$8,655	\$6,916	\$1,246,291	\$919,842
Luskin/Public Policy	\$265,153	\$231,693	\$33,460	14%	\$5,149	\$4,983	\$97,823	\$92,179	\$5,644	\$2,574	\$2,491	\$370,699	\$331,346
Theater, Film, and TV	\$212,087	\$199,936	\$12,151	6%	\$4,118	\$4,300	\$78,246	\$79,544	(\$1,299)	\$2,059	\$2,150	\$296,510	\$285,930
Basic Biomedical Sciences	\$186,337	\$160,281	\$26,056	16%	\$3,618	\$3,447	\$68,746	\$63,768	\$4,978	\$1,809	\$1,723	\$260,510	\$229,220
Nursing	\$148,042	\$139,293	\$8,749	6%	\$2,875	\$2,996	\$54,617	\$55,418	(\$800)	\$1,437	\$1,498	\$206,971	\$199,204
Public Health	\$412,958	\$330,068	\$82,890	25%	\$8,019	\$7,098	\$152,353	\$131,317	\$21,036	\$4,009	\$3,549	\$577,339	\$472,032
Medical Sciences	\$40,860	\$43,826	(\$2,966)	-7%	\$793	\$943	\$15,075	\$17,436	(\$2,362)	\$397	\$471	\$57,125	\$62,676
Office of Information Tech	\$61,409	\$75,983	(\$14,574)	-19%	\$1,192	\$1,634	\$22,656	\$30,230	(\$7,574)	\$596	\$817	\$85,853	\$108,664
California Nanosystems Ins	\$70,936	\$64,137	\$6,799	11%	\$1,377	\$1,379	\$26,171	\$25,517	\$654	\$689	\$690	\$99,173	\$91,722
VC Research	\$272,013	\$230,550	\$41,462	18%	\$5,282	\$4,958	\$100,354	\$91,724	\$8,630	\$2,641	\$2,479	\$380,290	\$329,712
Semel Institute	\$863,614	\$739,937	\$123,677	17%	\$16,769	\$15,913	\$318,615	\$294,384	\$24,231	\$8,385	\$7,956	\$1,207,382	\$1,058,190
Chancellor's Organizations	\$384,314	\$341,505	\$42,808	13%	\$7,462	\$7,344	\$141,786	\$135,868	\$5,918	\$3,731	\$3,672	\$537,293	\$488,389
External Affairs	\$501,929	\$425,005	\$76,925	18%	\$9,746	\$9,140	\$185,178	\$169,088	\$16,090	\$4,873	\$4,570	\$701,726	\$607,802
VC Chief Financial Officer	\$386,353	\$353,872	\$32,481	9%	\$7,502	\$7,610	\$142,538	\$140,788	\$1,750	\$3,751	\$3,805	\$540,144	\$506,075
VC Strategic Communications	\$104,947	\$81,344	\$23,603	29%	\$2,038	\$1,749	\$38,718	\$32,363	\$6,356	\$1,019	\$875	\$146,722	\$116,331
VC Graduate Programs	\$131,026	\$108,344	\$22,682	21%	\$2,544	\$2,330	\$48,340	\$43,105	\$5,235	\$1,272	\$1,165	\$183,182	\$154,944
Academic Senate	\$10,407	\$8,789	\$1,618	18%	\$202	\$189	\$3,840	\$3,497	\$343	\$101	\$95	\$14,550	\$12,570
University Library	\$269,139	\$253,769	\$15,370	6%	\$5,226	\$5,457	\$99,294	\$100,962	(\$1,668)	\$2,613	\$2,729	\$376,272	\$362,917
Continuing Education	\$407,674	\$350,183	\$57,491	16%	\$7,916	\$7,531	\$150,404	\$139,320	\$11,084	\$3,958	\$3,765	\$569,952	\$500,800
Education	\$255,082	\$238,453	\$16,629	7%	\$7,185	\$7,013	\$136,523	\$129,746	\$6,776	\$3,593	\$3,507	\$402,382	\$378,719
Law	\$308,059	\$283,733	\$24,327	9%	\$9,937	\$9,153	\$188,811	\$169,324	\$19,486	\$4,969	\$4,576	\$511,776	\$466,786
Arts & Architecture	\$523,719	\$476,405	\$47,314	10%	\$7,759	\$7,502	\$147,417	\$138,795	\$8,622	\$3,879	\$3,751	\$682,774	\$626,454
Herb Alpert School of Music	\$239,193	\$220,541	\$18,652	8%	\$3,544	\$3,473	\$67,328	\$64,252	\$3,076	\$1,772	\$1,737	\$311,837	\$290,003
Letters and Science	\$3,911,896	\$3,459,677	\$452,219	13%	\$84,127	\$78,629	\$1,598,409	\$1,454,637	\$143,772	\$42,063	\$39,315	\$5,636,496	\$5,032,258
Dentistry	\$397,734	\$361,230	\$36,504	10%	\$8,741	\$8,210	\$166,087	\$151,881	\$14,206	\$4,371	\$4,105	\$576,932	\$525,425
Geffen School of Medicine	\$9,915,075	\$10,053,452	(\$138,377)	-1%	\$267,975	\$261,129	\$5,091,525	\$4,830,880	\$260,645	\$133,988	\$130,564	\$15,408,563	\$15,276,025
Medical Group	\$1,846,241	\$1,663,916	\$182,325	11%	\$49,898	\$43,219	\$948,070	\$799,544	\$148,526	\$24,949	\$21,609	\$2,869,158	\$2,528,288
Athletics	\$562,410	\$486,092	\$76,318	16%	\$8,332	\$8,603	\$158,308	\$159,163	(\$855)	\$4,166	\$4,302	\$733,216	\$658,160
Administration	\$726,400	\$722,351	\$4,049	1%	\$8,699	\$9,144	\$165,289	\$169,158	(\$3,870)	\$4,350	\$4,572	\$904,738	\$905,225
Campus Crafts	\$447,777	\$450,866	(\$3,088)	-1%	\$5,363	\$5,707	\$101,889	\$105,582	(\$3,693)	\$2,681	\$2,854	\$557,710	\$565,009
Campus Maintenance	\$370,189	\$301,319	\$68,870	23%	\$4,433	\$3,814	\$84,235	\$70,562	\$13,673	\$2,217	\$1,907	\$461,074	\$377,602
CTS	\$270,022	\$237,927	\$32,096	13%	\$3,234	\$3,012	\$61,442	\$55,717	\$5,725	\$1,617	\$1,506	\$336,315	\$298,161
Utilities	\$126,052	\$116,745	\$9,306	8%	\$1,510	\$1,478	\$28,682	\$27,339	\$1,343	\$755	\$739	\$156,998	\$146,301
Housing Administration	\$2,464,309	\$1,843,138	\$621,171	34%	\$18,322	\$18,904	\$348,118	\$349,724	(\$1,606)	\$9,161	\$9,452	\$2,839,910	\$2,221,217
Transportation	\$475,170	\$476,846	(\$1,676)	0%	\$3,168	\$3,711	\$60,188	\$68,651	(\$8,463)	\$1,584	\$1,855	\$540,110	\$551,063
UCPD	\$275,834	\$264,782	\$11,052	4%	\$2,678	\$2,407	\$50,882	\$44,531	\$6,351	\$1,339	\$1,204	\$330,733	\$312,924
VC Student Affairs	\$1,096,768	\$924,885	\$171,883	19%	\$12,679	\$12,415	\$240,909	\$229,669	\$11,239	\$6,340	\$6,207	\$1,356,696	\$1,173,176
ASUCLA	\$424,337	\$322,597	\$101,740	32%	\$3,706	\$3,545	\$70,414	\$65,583	\$4,831	\$1,853	\$1,773	\$500,310	\$393,497
Faculty Center	\$29,120	\$29,552	(\$432)	-1%	\$320	\$408	\$6,080	\$7,541	(\$1,461)	\$160	\$204	\$35,680	\$37,704
Campus Rate/Premium	\$31,371,268	\$28,631,936	\$2,739,332	10%	\$641,822	\$614,000	\$12,194,620	\$11,359,000	\$835,620	\$320,911	\$307,000	\$44,528,621	\$40,911,936

Notes:

*Fiscal 2022-23 GL rate includes Be Smart About Safety rate, which is approximately \$0.01. Also includes Sexual Harrassment.

**Fiscal 2022-23 EPL rate includes Be Smart About Safety rate, which is approximately \$0.03, and non-litigated claim handling expense rate of approximately \$0.02.

***Fiscal 2022-23 Property rate includes Be Smart About Safety rate which is approximately \$0.02. Also includes Cyber Risk.

Rujanuruks, Catherine

From: UCLA Insurance & Risk Management <wcreports@bp.e.ucla.edu>
Sent: Thursday, July 7, 2022 3:31 PM
To: Rujanuruks, Catherine
Subject: FY 2022-23 Campus Insurance Rates and Premiums

[view this email as a web page](#)



Insurance & Risk Management

**To: Administrative Officers, Deans, Department Chairs, Directors,
Vice Chancellors and Vice Provosts**

What you need to know:

- Insurance rates and premiums for the campus are now available for fiscal year 2022-23
- Overall, total insurance costs increased 2%
- UCLA Insurance & Risk Management provides training in Workers' Compensation and Liability claim procedures and consultation on operational risk management issues

Dear Colleagues:

For your use and information, the [campus cost center insurance rates and premium allocations for FY 2022-23 for General and Employment Practices Liability and Property Insurance \(PDF\)](#) are now available. Also linked in the PDF is corresponding Exhibit A1 showing the changes in cost center General and Employment Practices Liability premiums from FY 2021-22. Workers Compensation (WC) rates are paid through the Composite Benefit Rate (CBR) applied equally to payroll. Campuswide programs and average campus costs are outlined below. Premiums and rates for individual cost centers can and do vary significantly from campus averages, due to differential claims experience and exposure (full time equivalent levels).

Overall, total insurance costs for FY 2022-23 WC, General Liability and Employment Practices Liability (GL and EPL), Property and Auto increased 2%, to \$79.9 million. This increase is due substantially to increases in General Liability (Sexual Misconduct), Employment Practices and Property (Cyber Risk) premiums, offset by a decrease in Workers' Compensation, which are discussed below.

Workers' Compensation

For FY 2022-23, the CBR will charge every campus department a flat Campus WC Rate of \$0.95 and a Rate Additive Rate of \$0.15.

The Workers' Compensation Rate (Base Rate, Deficit Rate and Be Smart About Safety Rate) will decrease by \$0.10 to \$0.95 per \$100 of payroll in FY 2022-23 from \$1.05 in FY 2021-22. Based on projected FY 2022-23 payroll, the entire campus' WC costs will decrease approximately 5% to \$35.4 million. As noted last fiscal year, the overall decrease in workers' compensation claims is due, in part, to the transition of many UCLA campus administrative personnel to working remotely due to COVID-19 risk. With remote work, the risk of Musculoskeletal Disorder (MSD) and sprain/strain related injuries increase and IRM's ergonomic team provides online ergonomic webinars, one to one remote consultations, team trainings and daily 'drop in' webinars to assist all employees with the transition to telecommuting. The campus has been shifting to provide

more at-home equipment much of which is overseen by Ergonomists. Regarding the risk of increased mental health conditions affecting the remote workforce, Disability Management explores reasonable accommodations and collaborates with Staff and Faculty Counseling Center to mitigate this risk. Additionally, the Workers' Compensation Program Manager works collaboratively with campus partners, particularly in EH&S, to address rapidly changing COVID-19 related regulations issued by the State, Cal/OSHA and UCOP.

Additionally, to improve medical care and mitigate claims exposure, a newly renovated Occupational Health Facility (OHF) was opened. It is expected that a move from a model of outside referrals for medical treatment to the retention of medical care by internal UCLA physicians will benefit injured employees and return them quicker to gainful employment. Additionally, OHF will be able to complete multiple service requests such as on-boarding which will reduce services to external vendors.

UCLA's rate of \$0.95 is determined by UCOP's actuaries who project the UC system-wide costs for campuses for the coming fiscal year, and allocate a share of these costs to the campus based on the previous five years of loss experience, excluding the most recent year. Excluding the Deficit Rate, the highest campus rate is \$1.24 for UC Berkeley and the lowest rate is \$0.46 for UC Irvine. UCLA's WC costs are low compared to the average insurer rate (average costs for WC paid by California employers) in 2020 which was \$1.74 vs. UCLA's Workers' Compensation Rate of \$0.95.

In 2012, Senate Bill 863 (SB 863) was passed and was expected to increase indemnity benefits to injured workers by 40%. To offset this increase, the legislature added cost-saving efficiencies, including the use of evidence-based medicine to guide treatment decisions and disputes by Independent Medical Review (IMR). This legislation continues to have significant impact on the current state of the California Workers' Compensation System.

In the latest assessment completed (July 2020) regarding the effect of SB 863 on the WC system, the California Department of Industrial

Relations (DIR) concluded that the goals of SB 863 continue to be realized in 2019 with an overall \$4.7B net annual savings to the California Workers' Compensation system from \$16.7B in 2015 to \$12B in 2020.

The COVID-19 pandemic has had a significant impact on the workers' compensation system in California. In May 2020 Governor Newsom issued an executive order, later codified, that directly impacts workers' compensation claims administration and benefits. This order included presumed compensability for certain professions in health care, public safety and other essential professions and also the elimination of the 3-day waiting period and shortened investigation periods. Cal/OSHA issued emergency guidelines that, in part, provided directives to compensability guidelines for workers' compensation claims for employees that may have contracted COVID-19 due to an exposure in the workplace.

It has been determined that the majority of COVID-19 claims are mild with no hospitalization and the average claim cost overall is \$12,478 which is lower than the cost of a non COVID -19 claim. UCLA campus incurred a total of 94 COVID-19 claims in FY 2020-21. Mitigation efforts to limit or prevent the spread of COVID-19 are spearheaded by our EH&S partners and numerous campus task forces. Mitigation includes allowing employees whose jobs can be performed remotely to telecommute based on area surge rates. Little is known yet on the likelihood of permanent disability benefits and long-term medical care on COVID-19 claims. If these areas are more common than projected, indemnity and medical costs on severe and critical claims could be higher.

General Liability (GL), Employment Practices Liability (EPL) GL Rate Additive, Auto BSAS and Property

The overall campus rates for GL and EPL will increase by \$0.05 to \$0.98 per \$100 of payroll in FY 2022-23. Premiums will increase by \$2.7 million in FY 2022-23. As indicated in the past, UCLA is not immune to many of the recent cultural and societal trends like #MeToo, Title IX issues and Active Assailant. Additionally, due to adverse results, the University no longer maintains outside insurance for abuse and molestation coverage.

As a result, there are continuing increases in GL costs due to adverse claim activity in both frequency and severity and the large settlement of a class action abuse case against UCLA Health.

The Property program rate will increase by \$0.01 to \$0.38 in FY 2022-23. Property premiums increased by \$836k. This increase is driven by a 140% increase in UCLA's Cyber Risk premium to \$3.7 million, offset by a decrease in the other portion of the property program.

The total cost of these programs to the campus in FY 2022-23 including GL Rate Additive and Auto BSAS, increased by approximately 9%, or \$3.6 million to \$44.5 million.

The UCLA campus continues to face a substantial challenge in the GL and EPL programs. As previously indicated, UCOP's actuaries have noted a substantial increase in frequency and severity of UCLA's claims in the EPL program, particularly for UCLA's Medical departments. The UCLA campus accounts for about 34% of the total cost of the UC campuswide EPL program, due to a substantially higher loss rate than the campus average. UCLA's GL program is approximately 30% of the total cost of the UC campuswide GL program, also due to a substantially higher loss rate than the UC campus average. In response to increasing GL and EPL losses, we will focus on programs aimed at prevention and mitigation.

The "Be Smart about Safety" program to fund loss prevention and loss control efforts remains in place to mitigate increases in General Liability, Employment, Property and Auto costs. In FY 2022-23, the campus will continue to participate in the pre-litigated program designed to assess cases early and mitigate employment practices claims. Retrospective training continues to emphasize a "lessons learned" process. Initiatives budgeted for FY 2022-23 will continue including investment in a Deputy Fire Marshall, a Behavioral Intervention Coordinator, a Violence Prevention Officer, and an E-Discovery Coordinator. Security enhancements have been identified in our research labs and outdoor facilities. Additionally, a property inventory, security and appraisal program, field research safety equipment, driver training and awareness programs, laptop protection software, hardscape repairs, and film safety

training will be initiated to further prevent and mitigate auto, property and general liability losses. Additionally, to mitigate EPL claims, a program to hire 3 investigators has been approved.

Training and Consultation

IRM provides training in Workers' Compensation and Liability claim procedures and consultation on operational risk management issues. *IRM strongly encourages departments to utilize these services to help control their insurance costs.*

Should you have any questions regarding any of the above, please contact me, or John Ryan in the Insurance and Risk Management (IRM) office at extension 46949. Our email addresses are jryan@irm.ucla.edu or dmalilay@irm.ucla.edu.

Sincerely,

Dean Malilay

Director

Insurance & Risk Management

The UCLA logo is displayed in white, bold, sans-serif capital letters on a solid blue rectangular background.

UCLA
10889 Wilshire Blvd., Suite 1400
Los Angeles, CA 90024-6971

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