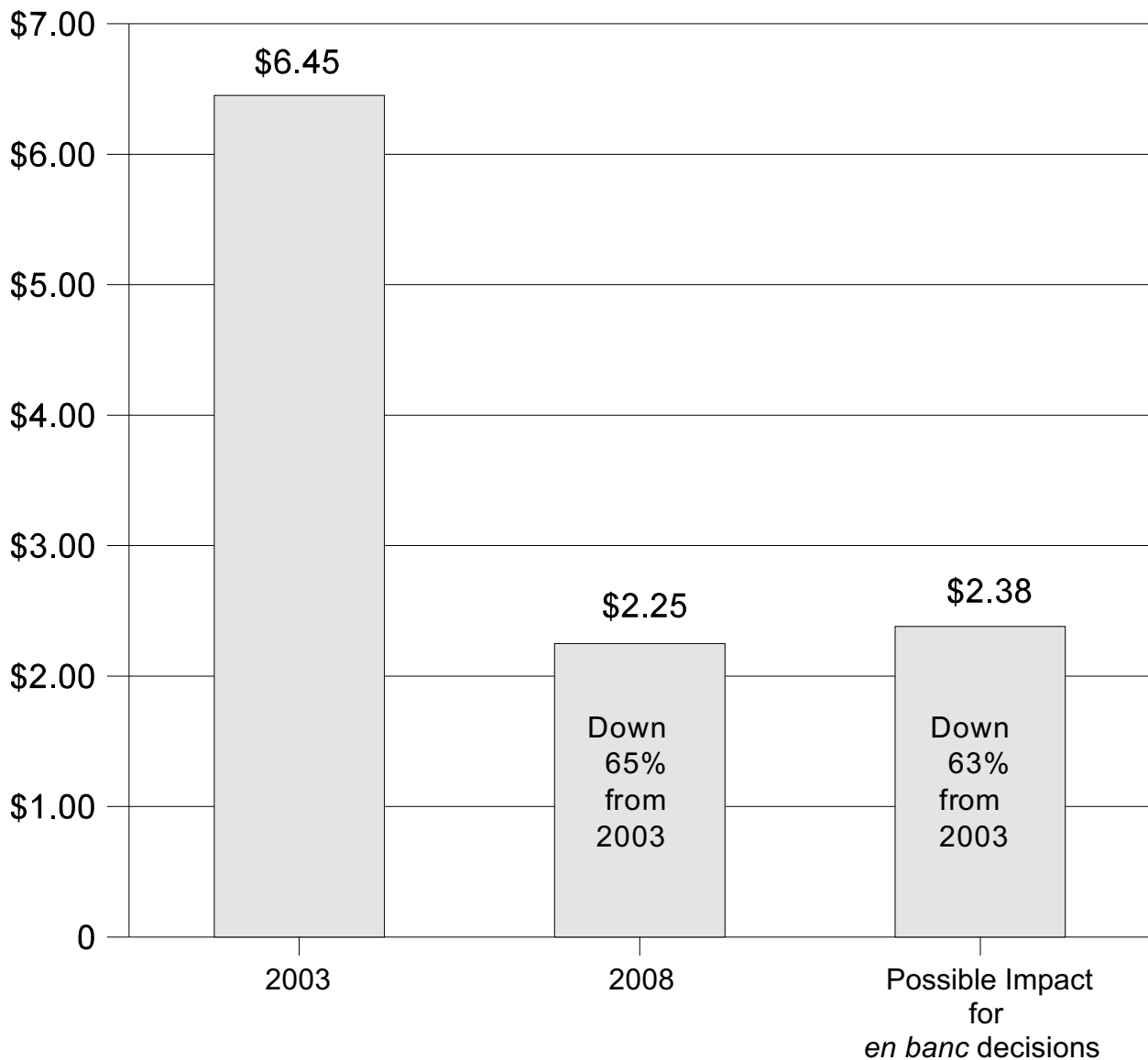


Average Work Comp Insurance Rates

Down almost two-thirds since 2003



**Work comp insurance rates will still be down 63%
even if rates are increased for recent en banc
decisions as proposed by WCIRB.**



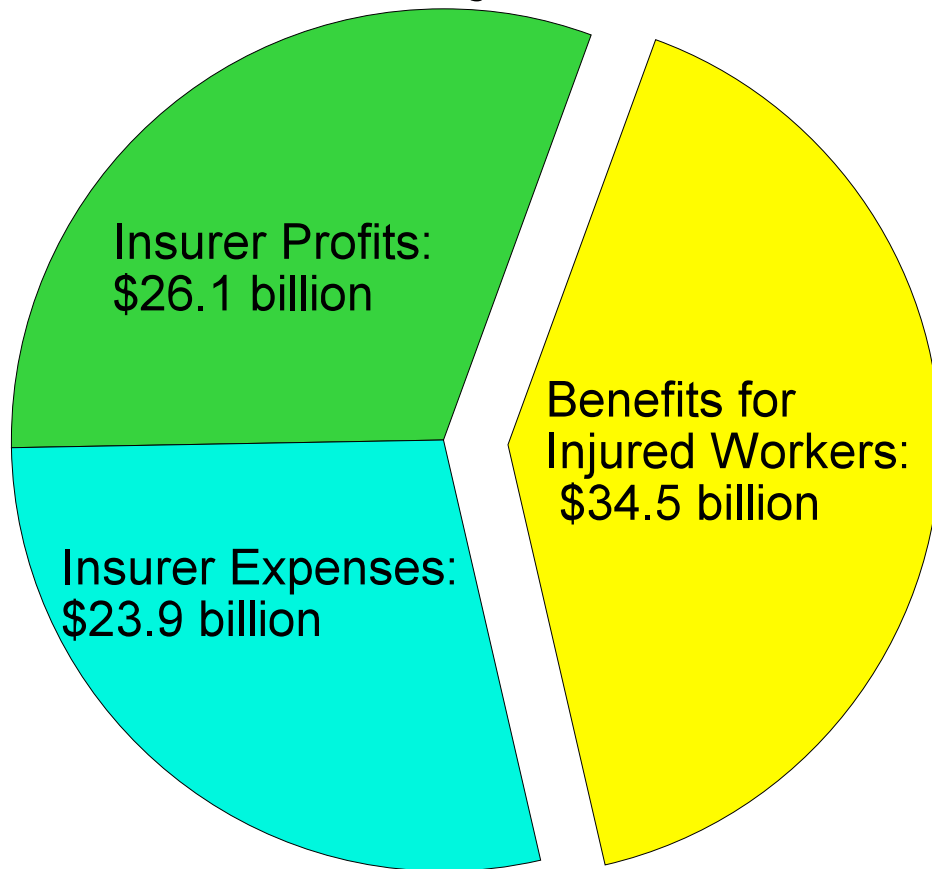
Source: 2003 and 2008 from "WCIRB Summary of December 31, 2008 Insurer Experience"
2009 Possible Impact Calculated by the California Applicants' Attorneys Association

April, 2009

Since Enactment of SB 899 Only About 40% of Premium Went To Pay Injured Workers' Benefits

Distribution of Premium

2004 through 2008



Source: WCIRB, "Summary of December 31, 2008 Insurer Experience," Released April 7, 2009, Exhibits 1 and 5, excluding impact of the Ogilvie and Almaraz/Guzman decisions.

**Significant Decline in % of Medical Costs for “Medical Treatment”
Sharp Growth in Costs for “Cost Control” and “Medical-Legal”**

Year	Medical Treatment	Prescription	Cost Control	Medical-Legal
2002	87.5%	5.4%	4.7%	2.4%
2003	84.5%	6.0%	5.9%	3.6%
2004	81.5%	4.7%	9.1%	4.7%
2005	83.0%	3.8%	9.3%	3.9%
2006	81.0%	4.1%	9.7%	5.1%
2007	80.1%	4.3%	10.7%	4.8%

Source: California Workers Compensation Institute