

March 17, 2026

Judicial Branch Workers' Compensation Program Advisory Committee Meeting

March 17, 2026



Judicial Council of California
Judicial Branch Workers' Compensation
Program Advisory Committee



Judicial Council of California
Judicial Branch Workers' Compensation
Program Advisory Committee

www.courts.ca.gov/jbwcp.htm

jbwcp@jud.ca.gov

**JUDICIAL BRANCH WORKERS' COMPENSATION PROGRAM
ADVISORY COMMITTEE**

TABLE OF CONTENTS

FEBRUARY 11, 2026 MEETING MINUTES	2
AGENDA.....	3
JBWCP ADVISORY COMMITTEE PRESENTATION	4
POLICIES AND PROCEDURES	5
JUDICIAL BRANCH WORKERS' COMPENSATION FUND PROTECTION POLICY	6
LEGISLATIVE UPDATES.....	7



JUDICIAL BRANCH WORKERS' COMPENSATION PROGRAM ADVISORY COMMITTEE

MINUTES OF OPEN MEETING

February 11, 2026

1:00 P.M. - 3:30 P.M.

<https://jcc.granicus.com/player/event/5210>

Advisory Body Members Present: Shelby Wineinger (Chair), Stephanie Bohrer, Heather Capps, Kevin Harrigan, Krista LeVier, Tara Leal, Brandon E. Riley, Jenny K. Rogers, Hugh K. Swift, Jennifer A. Thomas

Advisory Body Members Absent: Christine Alburger, Monica Alemán, Stephanie Cvitkovich, Walter Eissmann.

Others Present: Edward Metro, Edward Metro (Program Manager), Patrick Farrales, Jade Vu, Ed Cho, Katie Kwan, Miki Novitski, Sayuri Okamoto, Jacquelyn Miller, Becky Richard, Alan Turnipseed, Amanda Garcia, Heather Allen, Candace Maibes, Tracy Baril.

OPEN MEETING

Call to Order and Roll Call

The chair called the meeting to order at 1:03 P.M. and Program Manager, Edward Metro was asked to take roll call.

Approval of Minutes

The advisory body reviewed and approved the minutes of the March 19, 2025, Judicial Branch Workers' Compensation Program Advisory Committee meeting.

(Motion to approve: Harrigan, Second: Riley)

DISCUSSION AND ACTION ITEMS (ITEMS 1-5)

Item 1

Presentation of FY2026-27 Draft Actuarial Report and Premium Allocation

Presenter: Becky Richard, Bickmore Actuarial

Becky Richard presented the actuarial analysis for the upcoming 2026-2027 fiscal year, covering both the Trial Courts and Judiciary programs. The report highlighted favorable development across the board, with actual claims costs coming in lower than previous projections. For the Trial Courts, while payments were slightly higher than expected due to claims settling more quickly, the overall ultimate losses were reduced by nearly \$400,000. The Judiciary program remained stable, allowing for a decrease in outstanding liabilities of approximately \$200,000. Richard noted that while the programs are returning to pre-COVID

"normal" levels of activity, they remain very healthy and well-funded, with a combined fund margin increase of approximately \$6 million.

Regarding funding and premiums, the analysis supported a rate decrease for both programs: a 4% decrease for Trial Courts and a 1% decrease for the Judiciary. Total program funding is projected at just over \$19 million, a 2.5% overall decrease from the prior year. Richard explained that the allocation methodology remains unchanged, utilizing a three-year experience period and capping individual losses at \$75,000 to ensure premium stability. The session concluded with recommendations for further cost suppression, emphasizing the importance of safety training, early claim reporting, and robust return-to-work programs to maintain these downward trends.

Action: *(Motion to approve: Riley, Second: Swift)*

Item 2

Third Party Administrator Annual Audit

Presenter: *Alan Turnipseed, Marsh*

Alan Turnipseed presented the findings of the 2025 annual audit of the program's third-party administrator (TPA) and case management vendor, Sedgwick. The audit evaluated 14 core competency categories across 106 metrics, focusing on performance, compliance with state laws, and member experience. Turnipseed described the TPA audit results as "exemplary," noting a significant year-over-year increase in the overall score from 92.5% to 98.8%. Notably, 89 out of 90 metrics scored above the 90th percentile, with substantial improvements in critical areas such as three-point contacts, investigations, reserving, and settlement resolutions. While the performance was high, the audit identified minor opportunities for improvement regarding the consistency of securing litigation management budgets from defense counsel and addressing adjuster caseloads, which frequently exceeded the program's 120-claim target.

The case management audit also reflected "high performance" with a score of 90.22%, although this was a slight decrease from the previous year. While 10 of the 16 metrics were strong, specific gaps were identified in 60-day midpoint assessments for field case management (40%) and 90-day collaboration between nurse case managers and adjusters (36%). Turnipseed recommended reinforcing managed care guidelines and supervisory oversight to correct these systemic communication lags. Additionally, operational metrics showed favorable trends in timely claim reporting and a high success rate in defending claim denials and medical reviews, despite a 16% increase in pharmacy prescription costs attributed to general market inflation.

Action: *(Motion to approve: Rogers, Second: Riley)*

Item 3

Third Party Administrator Plan of Action

Presenters: Heather Allen, Sedgwick Claims

Candace Maibes, Sedgwick Claims

Heather Allen and Candace Maibes addressed the audit findings, expressing high satisfaction with the TPA score of 98.7% and the managed care score of 90.22%. Regarding the managed care "opportunities," Allen noted that some lower scores (such as the 80% for communication attempts and 83% for initial evaluations) resulted from a disparity in how telephonic and field case management roles are defined within the audit versus Sedgwick's internal structure. Moving forward, Sedgwick will consult with the program to decide whether to separate these roles in the service instructions or provide unified training to ensure compliance with reporting and 30-day progress updates.

The team also outlined specific plans to address more critical gaps, such as the low scores for 60-day field case management considerations (40%) and 90-day team collaborations (35.71%). These expectations have been reinforced with the nursing teams to ensure consistent execution. To address the adjuster caseload concerns, Allen reported that the average has already decreased to 125 claims per adjuster and that hiring for an additional partial position is underway. Finally, Maibes highlighted a strong start to 2026 with a 127.8% closing rate in January and committed to implementing new strategies for settling "Future Med" legacy claims and improving the timely collection of litigation budgets from defense counsel.

Information only, no action was required.

Item 4

Clinical Consultation Pilot Program

Presenters: Shelby Wineinger, Chair

Edward Metro, Lead Staff

Edward Metro provided a seven-month progress report on the Clinical Consultation Pilot Program, which launched on July 1, 2025. The program offers an optional triage service for non-urgent work injuries to streamline care and reduce costs. Metro noted that while awareness efforts included webinars and newsletters, utilization remains low, particularly in larger courts where only 8% of claims utilized the service compared to 18% in medium-sized courts. Of the 21 calls received, 11 resulted in active triage, including referrals to telemedicine, self-care, and urgent care. Initial data indicates the program has already saved approximately \$2,100 by diverting at least one potential emergency room visit to a lower-cost urgent care setting.

The committee discussed the program's future, weighing whether to transition it to a permanent service or continue the pilot phase. Members expressed interest in seeing more robust data to determine if the program could achieve greater savings if more aggressively promoted within larger organizations. Following the discussion, a motion was passed to extend the pilot program for an additional year (through June 30, 2027) to allow for further evaluation and data collection before making a final determination on its permanence.

Questions, Comments, and Actions

- **Data on Non-Utilization:** Heather Capps posed a question to the group, whether data exists for claims where clinical consultation was not used, specifically to see if employees are visiting the ER for injuries that could have been handled by the pilot program.

- Action Taken: Edward Metro confirmed the data is available and agreed to perform a "deep dive" into claim records to provide this comparison for the committee.
- Cost Allocation Concerns: Capps also inquired how the program would be funded if it becomes permanent—specifically, whether larger courts would bear the highest costs regardless of their individual utilization rates.
 - Action Needed: Edward Metro and the JBWCP team will develop a proposed cost-allocation model to present to the committee during the next annual review.

Action: (*Motion to approve: Riley, Second: Harrigan*)

Item 5

Annual Agenda

Presenters: Shelby Wineinger, Chair

Edward Metro, Lead Staff

Edward Metro outlined the 2026 Annual Agenda, focusing on a major one-time initiative: the completion of a 52-page Policies and Procedures document. This governing document memorializes the program's operations and history. The draft is finalized and will be sent to the Advisory Committee this month for a formal review at the March meeting, followed by a presentation to the Litigation Management Committee.

The agenda also includes several ongoing multi-year projects:

- **Premium Allocation:** Following the committee's approval earlier in the meeting, the FY 26-27 premiums will be moved to the consent agenda for the April Judicial Council meeting.
- **Litigation Management:** The program will actively monitor TPA defense fees and implement recommendations from the recent audit to reduce claim defense costs.
- **Financial Goal Setting:** With program funding currently stable and the fund balance remaining positive, the team will develop parameters during the March meeting to protect funding against future market fluctuations.
- **Risk Control:** Plans are underway for the next fiscal year's training curriculum and member outreach to further reduce claim frequency.

Action: (*Motion to approve: Swift, Second: Capps*)

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:32 P.M.

Approved by the advisory body on enter date.



Judicial Council of California
Judicial Branch Workers' Compensation
Program Advisory Committee

courts.ca.gov/jbwcp.htm
jbwcp@jud.ca.gov

Request for ADA accommodations
should be made at least three business days
before the meeting and directed to:
JCCAccessCoordinator@jud.ca.gov

**JUDICIAL BRANCH WORKERS' COMPENSATION PROGRAM
ADVISORY COMMITTEE**

NOTICE AND AGENDA OF OPEN ELECTRONIC MEETING

Open to the public (Cal. Rules of Court, rule 10.75(c) and (e)(1))

THIS MEETING IS BEING CONDUCTED BY ELECTRONIC MEANS

THIS MEETING IS BEING RECORDED

Date: Tuesday, March 17, 2026
Time: 1:00 PM - 3:30 PM
Public Access: <https://jcc.granicus.com/player/event/5211>

Meeting materials for open portions of the meeting will be posted on the advisory body webpage on the California Courts website at least three business days before the meeting.

Members of the public seeking to make an audio recording of the open meeting portion of the meeting must submit a written request at least two business days before the meeting. Requests can be emailed to jbwcp@jud.ca.gov.

Agenda items are numbered for identification purposes only and will not necessarily be considered in the indicated order.

I. OPEN MEETING (CAL. RULES OF COURT, RULE 10.75(C)(1))

Call to Order and Roll Call

Approval of Minutes

Approve minutes of the February 11, 2026, Judicial Branch Workers' Compensation Program Advisory Committee meeting.

II. PUBLIC COMMENT (CAL. RULES OF COURT, RULE 10.75(K)(1))

Written Comment

This meeting will be conducted by electronic means with a listen-only conference line available for the public. As such, the public may make comments on the meeting agenda in writing. In accordance with California Rules of Court, rule 10.75(k)(1), written comments pertaining to any agenda item of a regularly noticed open meeting can be submitted up to one complete business day before the meeting. For this specific meeting, comments should be emailed to jbwcp@jud.ca.gov or mailed or delivered to 455 Golden Gate Avenue, 5th Floor – HR, San Francisco, CA 94102, attention: JBWCP. Only written comments received

by Friday, March 13, 2026, will be provided to advisory body members prior to the start of the meeting.

III. DISCUSSION AND POSSIBLE ACTION ITEMS (ITEMS 1–2)

Item 1

Policies and Procedures (Action Required)

Review and consider approval of the JBWCP policies and procedures.

Presenter(s)/Facilitator(s): *Edward Metro, Lead Staff*
Ed Cho, Staff

Item 2

Judicial Branch Workers' Compensation Fund Asset Margin Policy (Action Required)

Review and consider approval of the JBWCP financial goals and policy.

Presenter(s)/Facilitator(s): *Shelby Wineinger, Chair*
Edward Metro, Lead Staff

IV. INFORMATION ONLY ITEMS (NO ACTION REQUIRED)

Info 1

Excess Insurance Market Presentation

Informational session and discussion regarding the current excess insurance market.

Presenter(s)/Facilitator(s): *Evan Washburn, Alliant Insurance Services*

Info 2

Sedgwick Claims Stewardship

Review of third-party administrator's progress, achievements, challenges, and overall health of the JBWCP for calendar year 2025.

Presenter(s)/Facilitator(s): *Amanda Garcia, Sedgwick Claims*
Heather Allen, Sedgwick Claims

Info 3

Legislative Updates

Information on upcoming changes and updates to worker's compensation legislation.

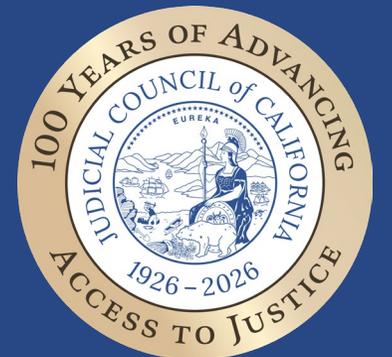
Presenter(s)/Facilitator(s): *Jacquelyn Miller, Sedgwick Pooling*

V. ADJOURNMENT

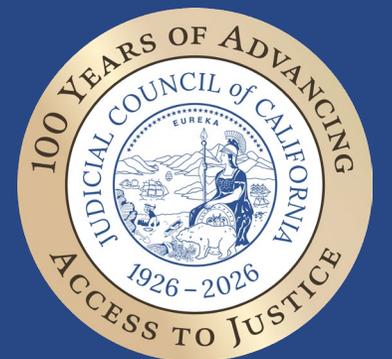
Adjourn

Judicial Branch Workers' Compensation Program Advisory Committee Meeting

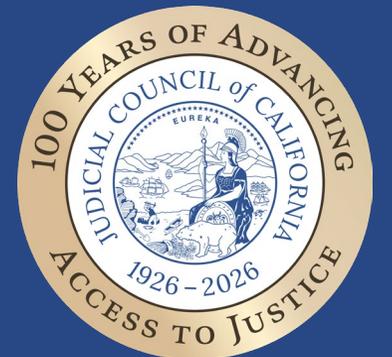
March 17, 2026



Call to Order and Roll Call

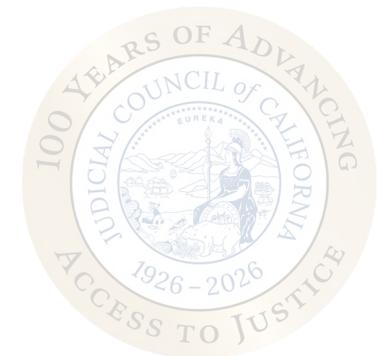


Public Comments



February 11, 2026 Minutes

Motion to Approve



Updates from the Chair

Shelby Wineinger

Court Executive Officer
Superior Court of California
County of El Dorado

Meeting Agenda

- Sedgwick Claims Stewardship
- Policies and Procedures
- Fund Protection Policy
- Public Entity Excess Insurance Market
- Legislative Updates

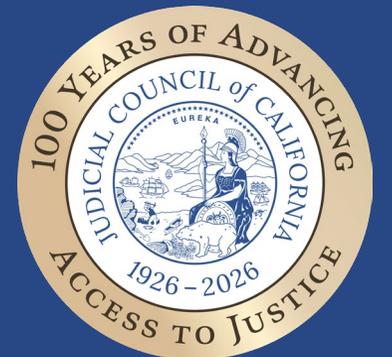


Sedgwick Claims Stewardship

Amanda Garcia, Sedgwick

Heather Allen, Sedgwick

March 17, 2026

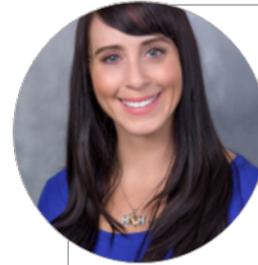


Sedgwick Introductions



**Amanda Garcia, Vice President,
Client Services**

- 26 years of industry experience
- 4 years working with JBWCP



**Heather Allen, Client Service
Manger**

- 9 years of industry experience
- 3 years working with JBWCP



**Candace Maibes, Vice President,
Operations**

- 21 years of industry experience
- 4 years working with JBWCP



Tracy Baril, Director of Claims

- 27 years of industry experience
- 2 year working with JBWCP

Program Accomplishments

Partnership in Action

- ✓ November 2024: Workers' Compensation Premium Allocation
- ✓ March 2025: Indemnity Claims & Demystifying Structured Settlements
- ✓ April 2025: JBWCP Overview: The Life of a Claim and Employer Responsibilities
- ✓ June 2025: Claims Management from the Member Perspective
- ✓ July 2025: Set annual goals for FY 25/26
- ✓ July 2025: Implemented Clinical Consultation as a pilot program
- ✓ JBWCP / Sedgwick: Weekly Check In Meetings
- ✓ JBWCP / Sedgwick: Monthly Team Meetings
- ✓ 12 File reviews in Fiscal Year 2025

Results

- ✓ **11.3% Decrease** in total incurred for CY 2025
- ✓ **29.4% Decrease** in average TTD days for CY 2025
- ✓ **1.9% Reduction** in total open pending
- ✓ **3.6% reduction** in indemnity type pending claims
- ✓ **4.8% decrease** in aged claims
- ✓ **536 Closures** in legacy pending claims since program inception as of 12.31.25
- ✓ **142 Closures** in aged pending (claims older than two years)
- ✓ **\$15.6M closed** off of your reserves in CY 2025
- ✓ **103.7%** closing ratio in CY 2025

Goal Tracker – FY 24/25

GOAL 1: Decrease TTD Days

Decrease Time lost days by 5% or 4,571 days

GOAL 2: Decrease the number of claims older than 2 years by 5% or 23 claims

Close claims that have been open two years or longer

Close claims before they get to the 2 year mark

GOAL 3: Increase the Usage of Structure Settlements by 3 claims

Use structured settlements in at least 3 settlements

GOAL 4: Present and Participate in three trainings for the Members for FY 24/25

Training a quarter for FY 24/25

Goal Tracker – FY 24/25

Decrease TTD Days			
Goal: Decrease of 4,571 Days (End with 86,849 TTD Days)			
Month	Prior Year TTD Days	Current Year TTD Days	Difference
July	92,188	88,085	-4,103
Aug	90,435	88,681	-1,754
Sept	88,501	89,096	595
Oct	86,631	90,803	4,172
Nov	86,879	89,189	2,310
Dec	85,161	89,944	4,783
Jan	86,421	90,317	3,896
Feb	87,092	88,582	1,490
Mar	89,825	88,577	-1,248
April	88,501	87,667	-834
May	88,878	87,919	-959
June	88,063	87,886	-177
Total:		87,886	

Aged Pending - Claims over 2 years				
Goal: 447 Open Aged Claims				
Month	Prior Year Claims 2+ Years	Claims 2+ Years	Difference	Claims Closed within 5 months of Hitting 2+ Years
July	510	464	-46	1
Aug	509	452	-57	0
Sept	505	449	-56	2
Oct	484	450	-34	1
Nov	478	453	-25	1
Dec	469	456	-13	0
Jan	472	457	-15	2
Feb	471	447	-24	3
Mar	480	442	-38	3
April	479	434	-45	2
May	471	438	-33	1
June	470	435	-35	0
		435		16

Increase use of Structured Settlements			
Goal: 3 Claims to use Structure			
Month	Prior Year Structure settlements	Current Year Structure Settlements	Difference
July	0	0	0
Aug	0	0	0
Sept	0	0	0
Oct	0	0	0
Nov	0	0	0
Dec	0	0	0
Jan	0	0	0
Feb	0	0	0
Mar	0	0	0
April	0	0	0
May	0	0	0
June	1	0	-1
Total:	1	0	-1

Trainings Done	
Goal: 3 Trainings	
Month	Training Done
July	0
Aug	0
Sept	0
Oct	1
Nov	0
Dec	0
Jan	0
Feb	0
Mar	1
April	1
May	1
June	1
Total:	5

Goal Tracker – FY 25/26

GOAL 1: Increase Closing Rate

Increase closing rate by 50%

GOAL 2: Decrease the number of claims older than 2 years by 5% or 22 claims

Close claims that have been open two years or longer

Close claims before they get to the 2 year mark

GOAL 3: Increase the Usage of Structure Settlements by 2 claims

Use structured settlements in at least 2 settlements

GOAL 4: Present and Participate in three trainings for the Members for FY 25/26

Training a quarter for FY 25/26

Goal Tracker – FY 25/26

Closing Rate

Goal: Increase Closing Rate by 50%

July through Each Month	Prior Year Closing Rate	Current Year Closing Rate	Increased?
July	7.7%	12.9%	Yes
Aug	6.6%	14.8%	Yes
Sept	16.9%	13.0%	No
Oct	2.9%	0.0%	No
Nov	0.0%	7.4%	Yes
Dec	5.6%	14.8%	Yes
Jan	0.0%	3.6%	Yes
Feb			
Mar			
April			
May			
June			
Total Closing Rate at EOY:			

Aged Pending - Claims over 2 years

Goal: 413 Open Aged Claims

Month	Prior Year Claims 2+ Years	Claims 2+ Years	Difference	Decrease
July	464	433	31	Yes
Aug	452	429	23	Yes
Sept	449	430	19	Yes
Oct	450	433	17	Yes
Nov	453	429	24	Yes
Dec	456	434	22	Yes
Jan	457	433	24	Yes
Feb				
Mar				
April				
May				
June				
Total Aged Claims at EOY:				

Structured Settlements

Goal: 2 Claims to use Structure

Month	Prior Year Structure settlements	Current Year Structure Settlements	Difference
July	0	0	0
Aug	0	0	0
Sept	0	0	0
Oct	0	0	0
Nov	0	0	0
Dec	0	0	0
Jan	0	0	0
Feb			
Mar			
April			
May			
June			
Total:	0	0	0

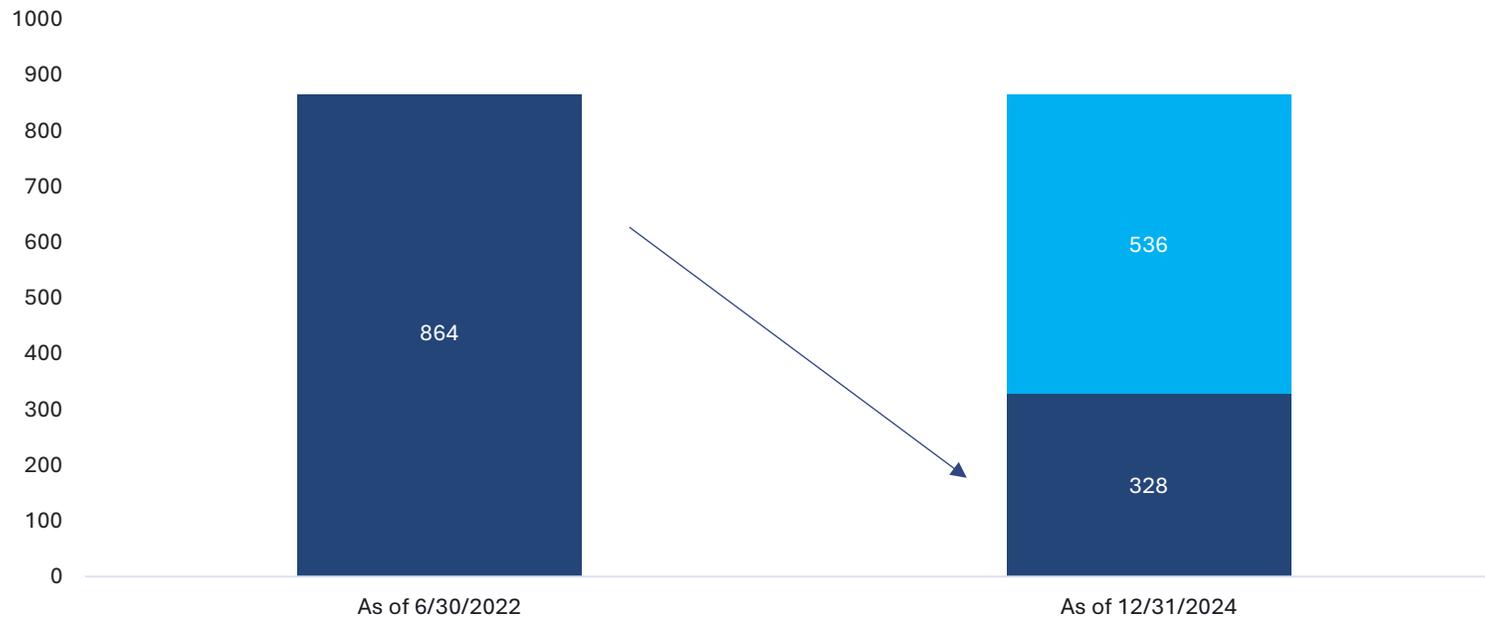
Trainings

Goal: 3 Trainings

Month	Training Done
July	0
Aug	0
Sept	1
Oct	1
Nov	1
Dec	0
Jan	0
Feb	
Mar	
April	
May	
June	
Total:	3

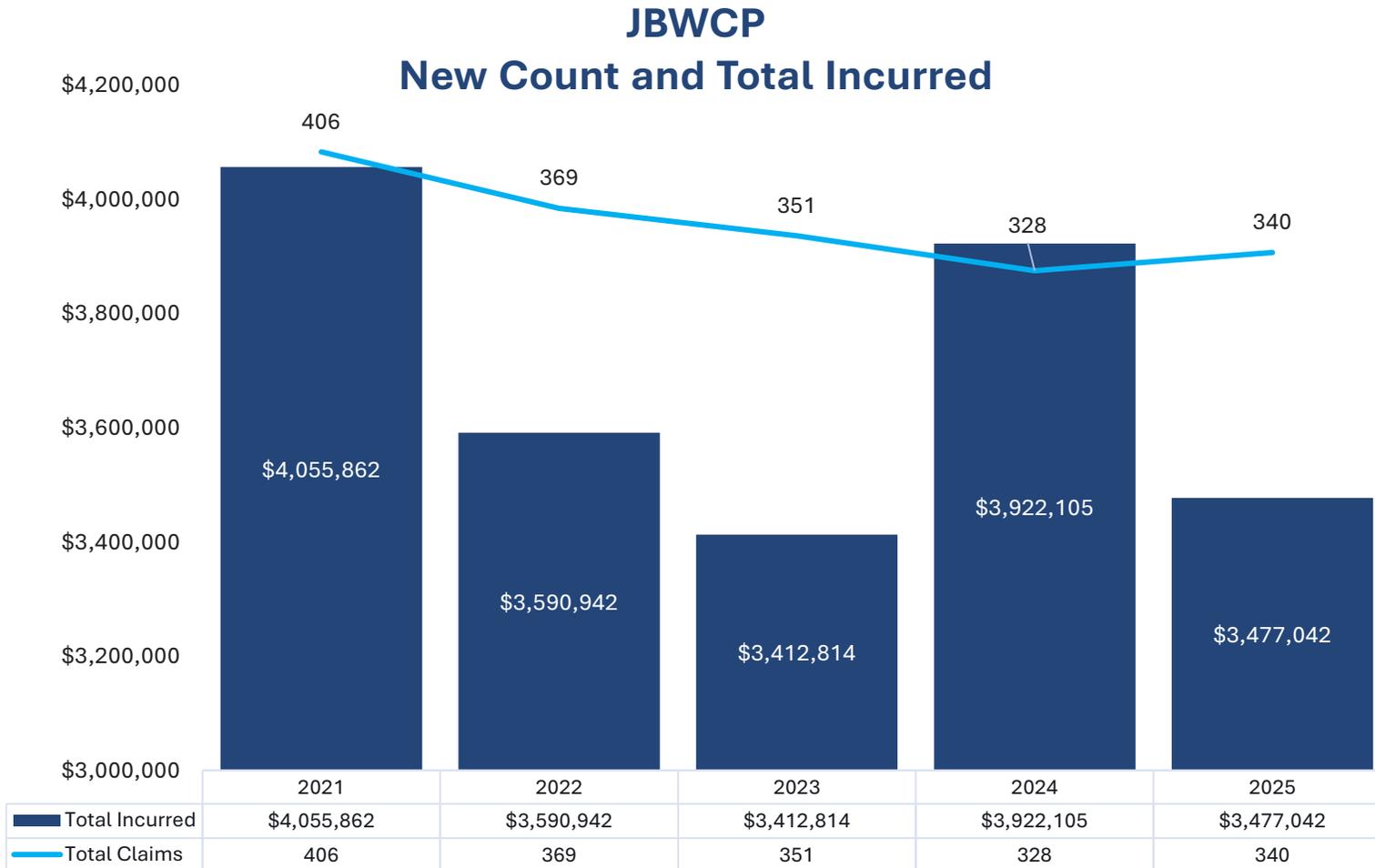
Closing Takeover Claims

JBWCP
Status of Claims Open at Inception



- There were 864 open claims at program inception (07.01.2022)
- Sedgwick examiners have **resolved 536** of those claims as of 12.31.2025

New Claims – Claims and Total Incurred



- 340 claims reported in 2025
 - 12 more claims than prior year
 - Lower than 21 - 23

- Total incurred decreased by 11% from prior year
 - 2024: 3 claims reached 100K incurred vs 2025 there were 2
 - Decrease in TTD days by 29%
 - Decrease in litigated claims by just under 2%
 - Total paid down 10%

New Claims – Closing Rate

JBWCP Closing Rate



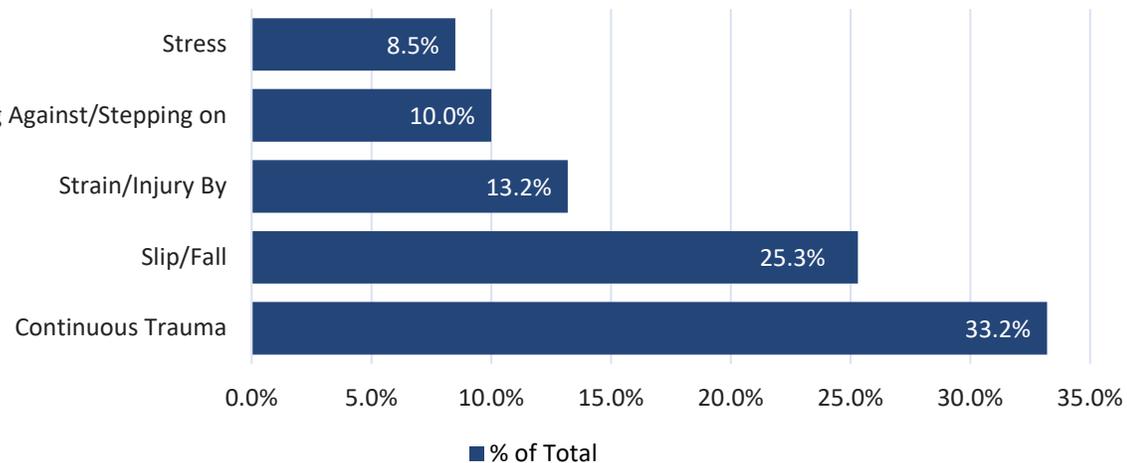
- Closing claims early keeps claims costs and pending claim inventories down
- Sedgwick examiners achieved a **51%** new closing rate in 2025 - **3%** decrease over prior year

Closing Rate: The number of claims newly reported, closed within 12 months

New Claims – Cause and Incurred

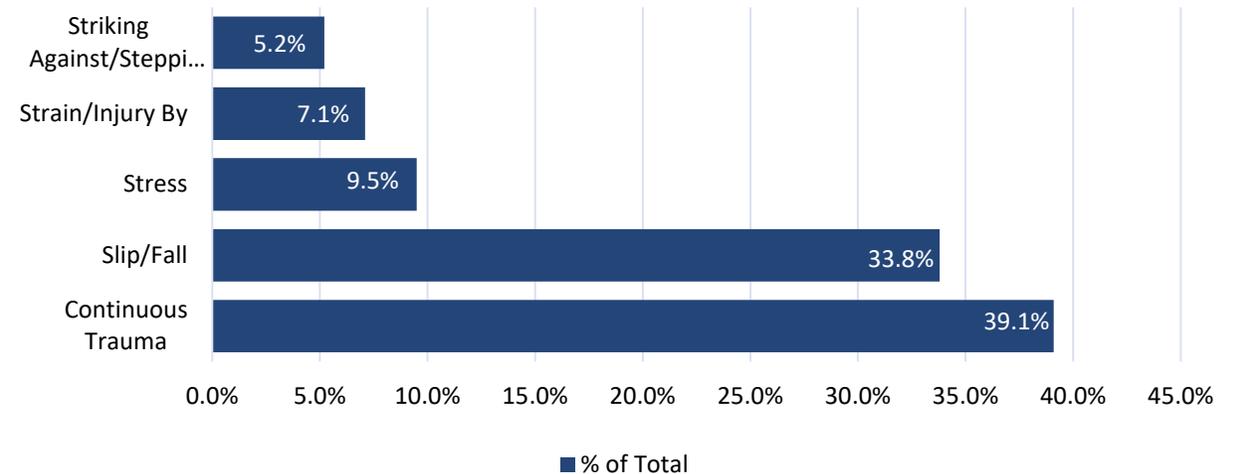
JBWCP

Top 5 Cause, New Claim Count



JBWCP

Top 5 Cause, New Claim Incurred



Continuous Trauma

- 113 new continuous trauma reported in 2025, which was 33.2% of the new claims
- Accounted for 39.1% of the new incurred in 2025
- Over the last 5 years, continuous trauma accounted for the highest number of new claims and highest new incurred every year

Slip/Fall

- 86 new slip/fall claims reported in 2025, which was 25.3% of the new claims
- Accounted for 33.8% of the new incurred in 2025
- Over the last 5 years, slip and falls accounted for the second highest number of new claims and the highest new incurred every year

New Claims – Lag Time

Lag to Sedgwick	2021	% of Total	2022	% of Total	2023	% of Total	2024	% of Total	2025	% of Total
0-1 Day	184	45.3%	151	40.9%	159	45.3%	191	58.2%	212	62.4%
2-3 Days	75	18.5%	54	14.6%	57	16.2%	50	15.2%	55	16.2%
4-14 Days	115	28.3%	123	33.3%	106	30.2%	66	20.1%	53	15.6%
15-30 Days	24	5.9%	25	6.8%	15	4.3%	13	4.0%	11	3.2%
Over 30 Days	8	2.0%	16	4.3%	14	4.0%	8	2.4%	9	2.6%
Total	406	100.0%	369	100.0%	351	100.0%	328	100.0%	340	100.0%

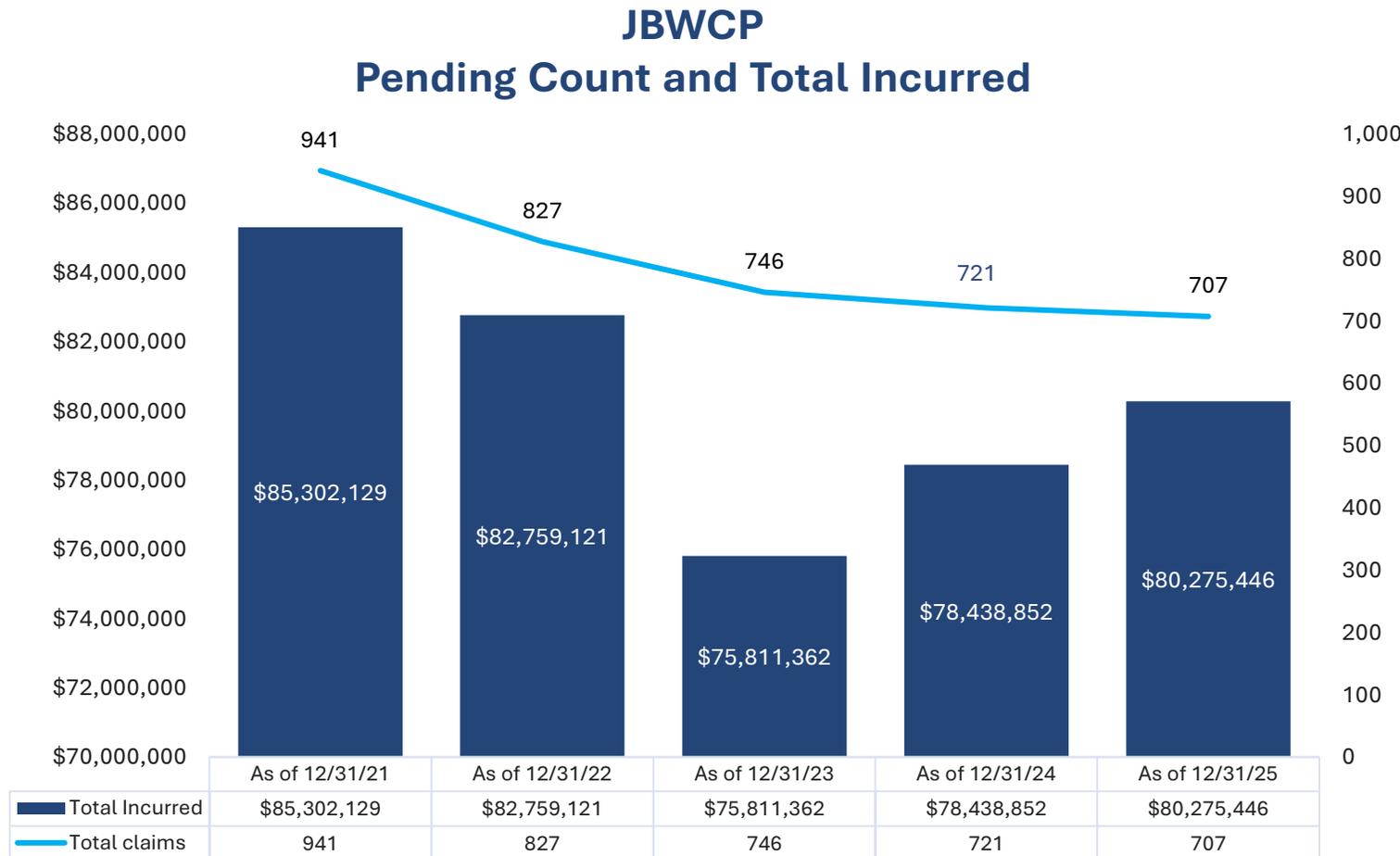
Opportunity:

- 4 - 14 days - 53 claims or 15.6%
- Has **decreased** from last year by about 5%
- Year over year, this appears to be the largest area of opportunity

Lag to Sedgwick: Measures the number of days from date reported to client to date reported to Sedgwick

- 212 claims, or 62.4% were reported to Sedgwick within 1 day. This was an improvement from the prior year of 4% and 21% from inception
- 55 claims, or 16.2% were reported to Sedgwick within 2-3 days
- 53 claims, or 15.6% were reported to Sedgwick between 4 - 14 days. Of these, 23 days were 7 -14 days

Open/Pending Claims – Claims and Total Incurred



- 707 pending/open claims as of 12/31/25
 - 12 claims less than the prior year
 - Lowest number of pending claims in 5 years
- Over the last five years, JBWCP has experienced a continued decline in open/pending claims
- Total incurred increased approx. 2% from the year prior
 - 2 new claims had an incurred of \$100k or greater
 - percentage of claims with incurred of greater than \$100k increased 3%

Open/Pending Claims – TTD Days

# Claim and TTD Days	As of 12/31/2021	Total TTD Days	% of Total TTD Days	As of 12/31/2022	Total TTD Days	% of Total TTD Days	As of 12/31/2023	Total TTD Days	% of Total TTD Days	As of 12/31/2024	Total TTD Days	% of Total TTD Days	As of 12/31/2025	Total TTD Days	% of Total TTD Days
1 Trial Courts	880	97,914	99.6%	722	98,615	99.6%	649	84,024	98.7%	659	88,729	98.6%	628	85,571	98.2%
2 Judiciary	19	373	0.4%	23	373	0.4%	29	1,129	1.3%	26	1,207	1.3%	28	1,563	1.8%
3 Trial Court Judges	11	8	0.0%	8	8	0.0%	8	8	0.0%	9	8	0.0%	13	8	0.0%
Total	910	98,295	100.0%	753	98,996	100.0%	686	85,161	100.0%	694	89,944	100.0%	669	87,142	100.0%

- 3% decrease (2,802 days) in Temporary Total Disability (TTD) days in 2025 from the prior year
 - ✓ 5% lower than the five-year average
 - ✓ 11% lower than 2021
- 669 Claims had TTD in 2025, 25 claims less than the prior year.
 - ✓ 10% lower than the five-year average
 - ✓ 26% less than 2020
 - ✓ Lowest number of claims with TTD in the last 5 years

Open/Pending Claims – Aged Claims

Claim Duration	As of 12/31/2021	% of Total	As of 12/31/2022	% of Total	As of 12/31/2023	% of Total	As of 12/31/2024	% of Total	As of 12/31/2025	% of Total
0-12 Months	224	23.8%	177	21.4%	183	24.5%	154	21.4%	169	23.9%
12-24 Months	122	13.0%	114	13.8%	94	12.6%	111	15.4%	104	14.7%
24-36 Months	102	10.8%	98	11.9%	72	9.7%	70	9.7%	72	10.2%
36+ Months	493	52.4%	438	53.0%	397	53.2%	386	53.5%	362	51.2%
Total	941	100.0%	827	100.0%	746	100.0%	721	100.0%	707	100.0%

Aged Claims are claims open over 2 years as of the stated valuation date

Claim Duration:

- 434 claims (61%) of the open claims are over 2 years old, as of 12.31.2025
- 22 claims less than measured on 12.31.2024

Claim Duration	As of 12/31/2021	% of Total	As of 12/31/2022	% of Total	As of 12/31/2023	% of Total	As of 12/31/2024	% of Total	As of 12/31/2025	% of Total
0-12 Months	\$3,707,596	4.3%	\$3,193,636	3.9%	\$3,065,043	4.0%	\$3,596,217	4.6%	\$3,294,266	4.1%
12-24 Months	\$4,492,637	5.3%	\$5,834,946	7.1%	\$4,915,959	6.5%	\$5,638,302	7.2%	\$7,539,256	9.4%
24-36 Months	\$6,419,827	7.5%	\$5,980,414	7.2%	\$5,991,423	7.9%	\$6,323,140	8.1%	\$5,986,867	7.5%
36+ Months	\$70,682,068	82.9%	\$67,750,125	81.9%	\$61,838,938	81.6%	\$62,881,193	80.2%	\$63,455,056	79.0%
Total	\$85,302,129	100.0%	\$82,759,121	100.0%	\$75,811,363	100.0%	\$78,438,852	100.0%	\$80,275,446	100.0%

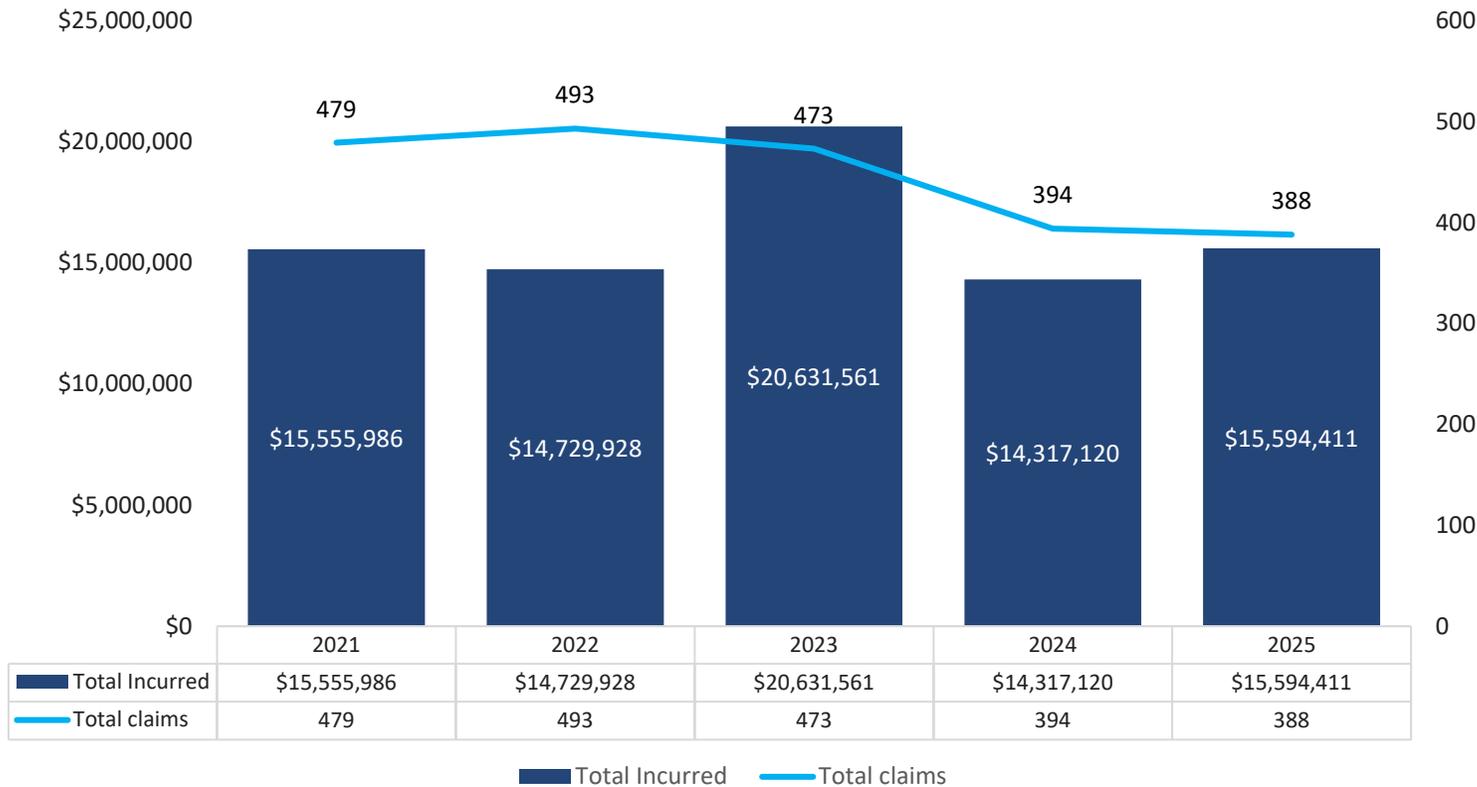
Claim Incurred:

- \$69M or 87% of the incurred are 2+ years

Closed Claims – Claims and Total Incurred

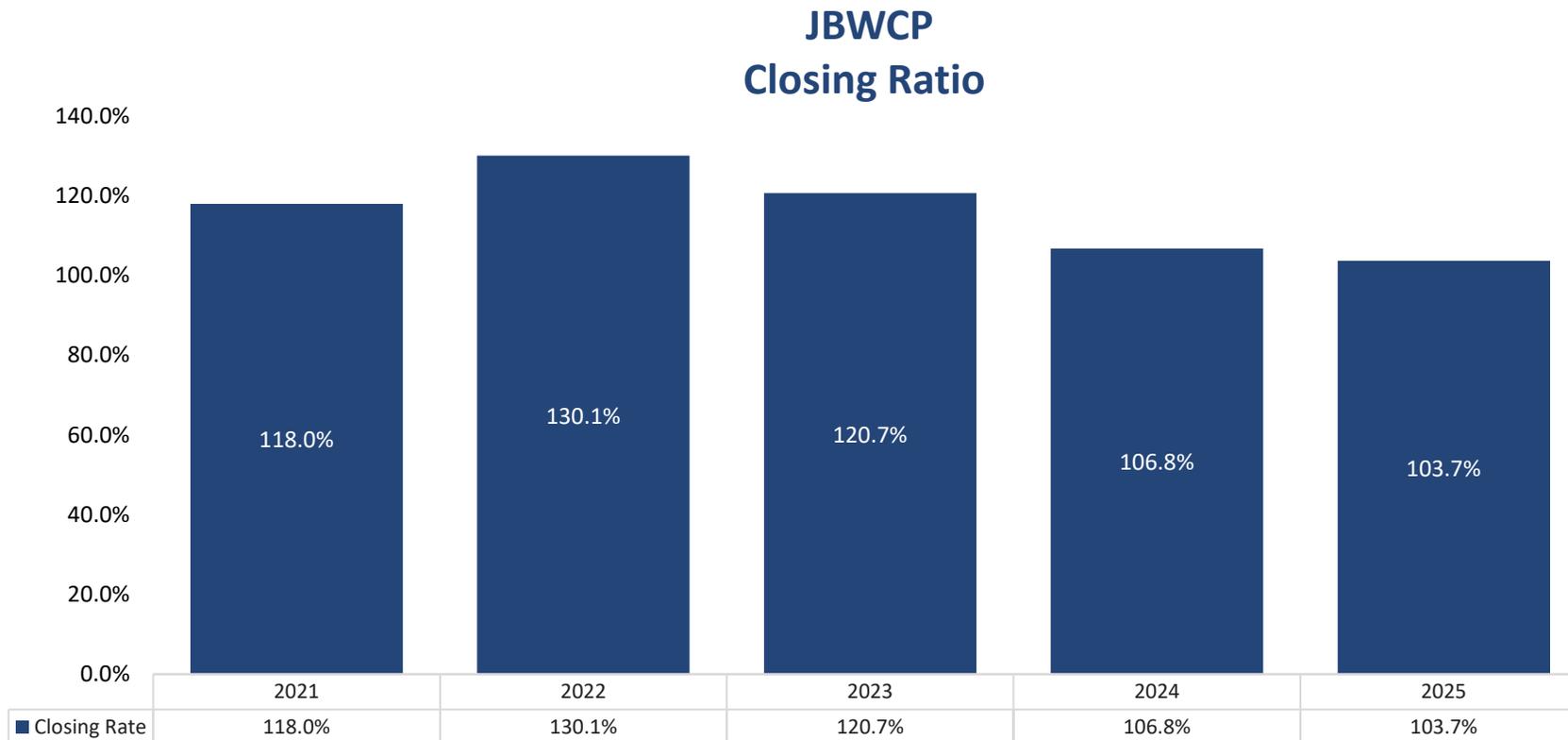
JBWCP

Closed Claim Count and Total Incurred



- 388 claims closed in 2025
- \$15.6M in total incurred that closed in 2025
- The decrease in total claims closed is correlated to the increase in new claims and indemnity claims as well as the decrease in closing rate

Closed Claims – Closing Ratio



- 103.7% closing ratio in 2025
- Goal every year is to be at or above 100%. Which is claim closed for every claim opened

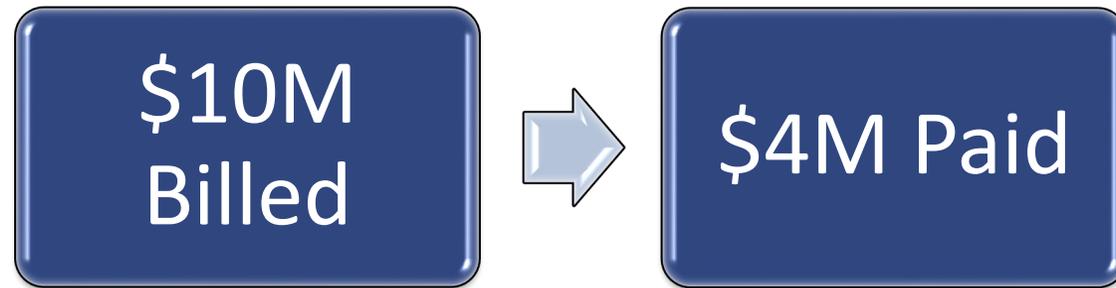
Closing Ratio: The number of new claims reported, divided by the number of claims closed in the same period, regardless of date of loss

Managed Care

March 17, 2026



Managed Care – Highlights



93% Bill Penetration

Managed Care Program ROI

20:1

Managed Care – Bill Review & Prescriptions

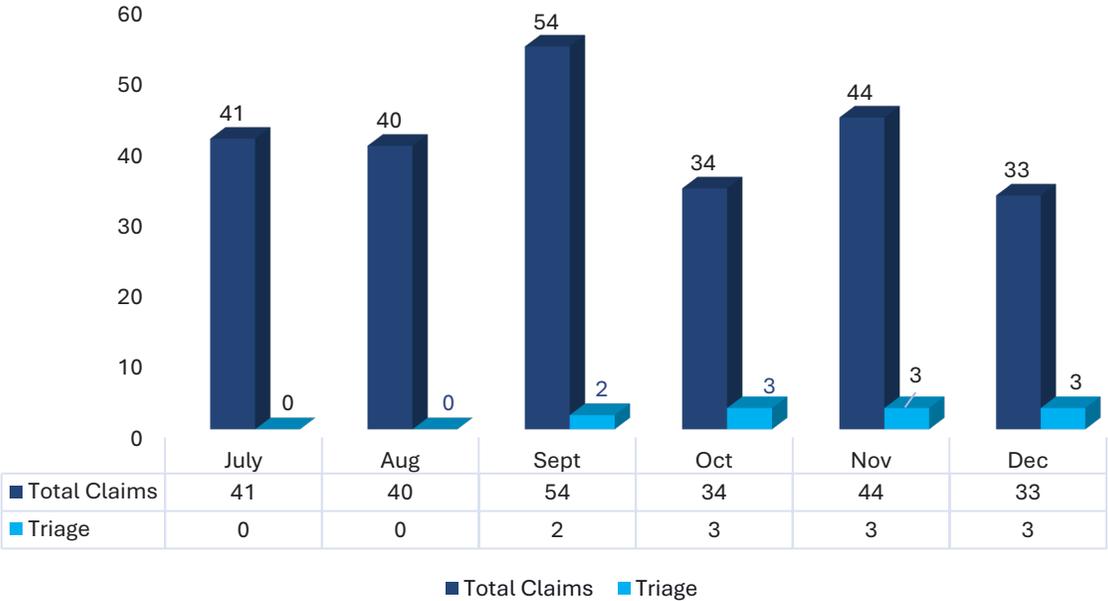
Medical Bill Review	2025
Total Number of Bills	13,663
<i>PPO Network Bill Penetration</i>	92.5%
Total Provider Charges	\$10,265,407
<i>PPO Network Charge Penetration</i>	86.5%
Average Provider Charges per Bill	\$751
Total Savings	\$6,194,538
Gross Savings %	60.3%
Total Allowance	\$4,070,869
<i>Average Allowance per Bill</i>	\$298
Total Fees	\$307,062
<i>Average Fees per Bill</i>	\$22.47
Net Savings	\$5,887,476
<i>Net % of Savings</i>	57.4%
Net Return on Investment	20:1

Pharmacy Benefits Management	2023	2024	2025
Total Bills	1,099	1,035	1,000
Total Scripts	1,291	1,197	1,174
Total Provider Charges	\$110,297	\$105,150	\$106,225
Network Savings	\$34,654	\$39,538	\$32,040
Total Allowance	\$75,643	\$65,612	\$74,185
Total Fees	\$19,092	\$20,891	\$21,620
Network Savings %	31.4%	37.6%	30.2%

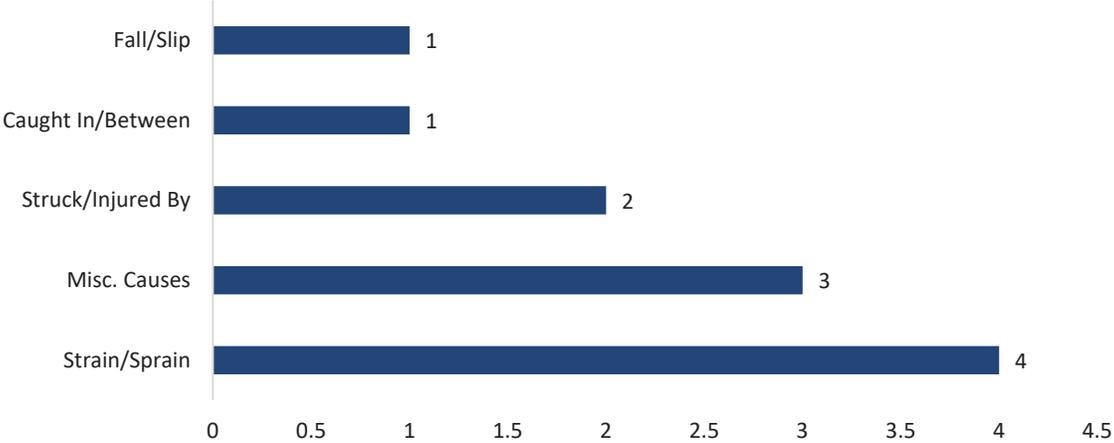
- Net pharmacy savings of \$32k; savings percentage of 30.2%
- About 4% decrease in bills with prescriptions and a 1.92% decrease in total scripts received from the prior year
 - 12% increase in total allowance in prescriptions

Clinical Consultation – Calls/Disposition

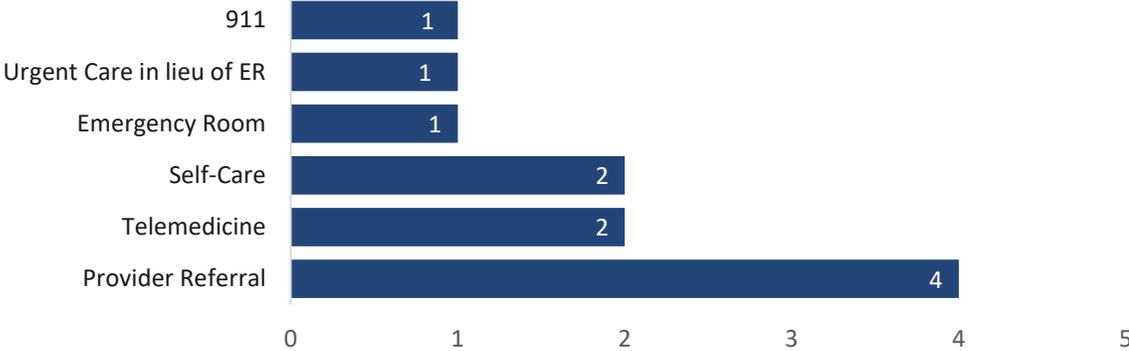
Claim vs Triaged Calls



Mechanism of Injury

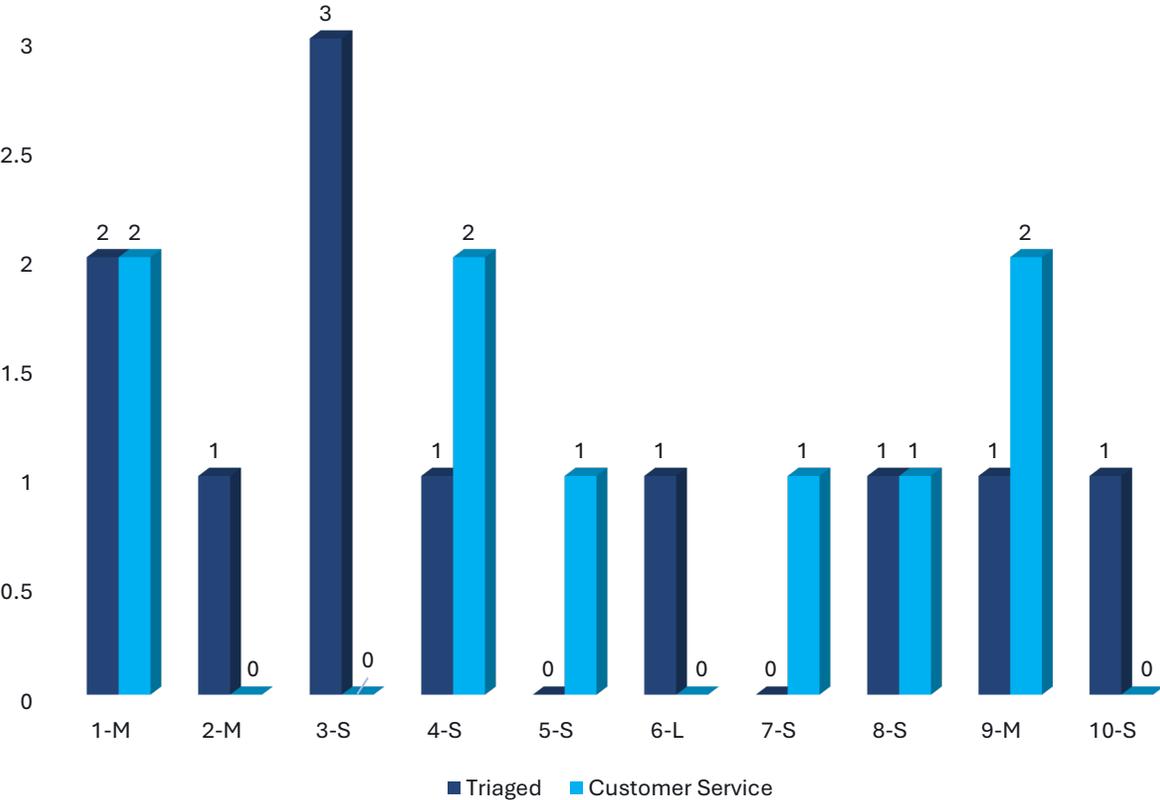


Disposition



Clinical Consultation – Members Usage

Members Usage



- **10 customer service calls/not triaged**
 - ✓ 4 eligibility not met
 - 2: TCJ not set up
 - 1: Implementation Team checking line
 - 1: Caller had to hang up before completing call
 - ✓ 2 : Already sought treatment and checking on claims
 - ✓ 1: Claim reporting (already treated)
 - ✓ 3: Claim related questions

- **11 Triaged Calls**
 - ✓ 9: Sought treatment
 - ✓ 2: Self Care

Clinical Consultation – Savings

Estimated Savings Through ER Avoidance

# of Calls where Emergency Care was recommended	2
# of Calls sent to the Emergency Room	1
# of Calls routed to an Urgent Care Center	1
Average charge for the ER hospital visit [includes facility and physician]	\$1,696 *
Average charge for an Urgent Care visit	\$238 *
Estimated savings from ER avoidance	\$1,458

Estimated Savings Through Self-Care

Total self-care referrals with no IN or MO claim	1
Average cost on a Medical Only claim	\$1,681 *
Total cost of Clinical Consultation services	\$990 **
Estimated savings based on Medical Only claim avoidance with self-	\$1,681
Estimated savings minus fees	\$691
Total Estimated Savings per Triage Call	\$195
Total Estimated Savings	\$2,149
Estimated ROI for Program	2.2:1

- **246 claims between July-Dec**
 - ✓ 11 claims triaged
 - ✓ 5% of claims triaged since inception
 - ✓ Estimated savings from ER avoidance was \$1,500
 - ✓ Total Estimated savings from ER avoidance and Self Care was \$2,149
 - ✓ Estimated ROI: 2:2:1

Looking into 2026

➤ **Goal Tracking**

- ✓ Increase Closing Rate by 50%
- ✓ Decrease number of claims older than two years by 5% or 22 claims
- ✓ Increase the usage of structured settlements by 2 claims
- ✓ Present and participate in three trainings for the Members for fiscal year 2025/2026

➤ **Lag Time reporting to Sedgwick**

- ✓ Work on the opportunity of 4 - 14 days

➤ **Clinical Consultation Future**

Sedgwick Stewardship Report

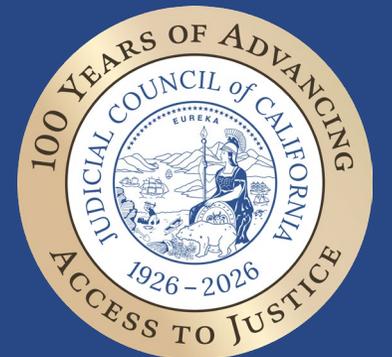
Questions and Answers



Policies and Procedures

Ed Cho, Program Staff

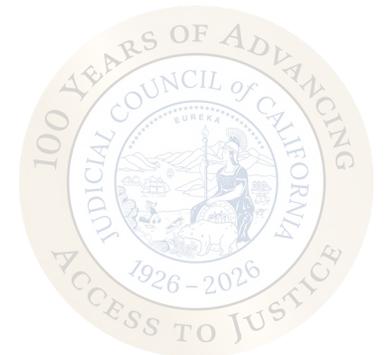
March 17, 2026



Review of Initiative: Governing Documents

From March 19, 2025 meeting:

- “development of a policies and procedures manual to memorialize program operations and institutional knowledge.”



Document Overview

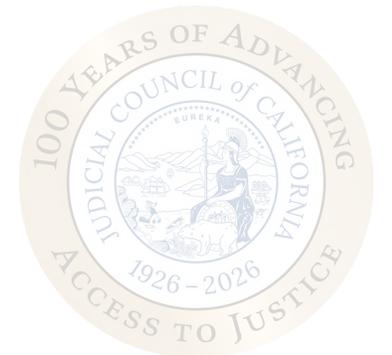
Introductory explanation

15 sections

Stand-alone structure

Authority & references

Informational glossary



§ 1: Judicial Branch Workers' Comp. Program

Section 1: JUDICIAL BRANCH WORKERS' COMPENSATION PROGRAM

This section provides an overview of the Judicial Branch Workers' Compensation Program (JBWCP, or Program) to preserve institutional subject matter knowledge and Program history. This assists with educating JBWCP Members, their workers' compensation (WC) personnel, and with succession planning.

Under California law, all employers are legally obligated to provide benefits for their employees for injuries or illnesses that arise out of and in the course of employment. Employers may obtain WC coverage from the commercial insurance market, elect to self-insure, or be designated as “permissibly uninsured” for this exposure. The JBWCP is designated as “permissibly uninsured” for the purpose of providing WC benefits. The mission of the JBWCP is to protect the interests of its Members and to ensure consistent and timely provision of these mandatory benefits to all eligible Judicial Branch employees covered by the Program. This is accomplished via two primary avenues: 1) assisting Members directly with their individual WC matters and concerns and 2) the careful selection and monitoring of claims administrators, vendors, and consultants to ensure first-class and cost-effective benefit delivery.

This policy applies to all JBWCP Members, also collectively referred to as “Judicial Branch entities” (JBEs), further detailed in “Section 2: Members”.

- ▶ **1.1. Basics of the California workers' compensation system**
- ▶ **1.2. Structure of the JBWCP**
- ▶ **1.3. Risk pool**
- ▶ **1.4. Vendor partnerships (in alphabetical order by type)**
- ▶ **1.5. Selected significant dates**
- ▶ **1.6. Timeline of courts joining the Program**
- ▶ **1.7. Trial court workers' compensation runoff liabilities for tail-end claims**



§ 2: Members

Section 2: MEMBERS

This section describes the membership of the Judicial Branch Workers' Compensation Program (JBWCP or Program). While largely stable, defined processes are necessary to continue smooth and uninterrupted operation in the event that a new member wishes to join or an existing member elects to leave.

- ▶ **2.1. JBWCP members**
- ▶ **2.2. Onboarding process**
- ▶ **2.3. Offboarding process**
- ▶ **2.4. Program changes**



§ 3: Advisory Committee

Section 3: ADVISORY COMMITTEE

This section outlines the framework and operational guidelines for the Judicial Branch Workers' Compensation Program (JBWCP, or Program) Advisory Committee (AC). This promotes effective governance and guidance for the JBWCP and Judicial Branch Workers' Compensation Fund (JBWCF). The AC makes recommendations to the Judicial Council of California (the Council) for improving the statewide administration of the JBWCP and makes recommendations on allocations to and from the JBWCF. Clearly defining the structure, roles, and responsibilities of the AC enhances decision-making and is vital for ensuring accountability, transparency, and consistency, which allows the JBWCP to harness the expertise and insights of the AC to drive its mission forward.

This policy applies to the operations and procedural responsibilities of the AC, its chair, members, supporting program staff, and any subgroups comprised of members within.

- ▶ **3.1. The JBWCP Advisory Committee**
- ▶ **3.2. Responsibilities of the Advisory Committee**
- ▶ **3.3. Advisory Committee composition**
- ▶ **3.4. Advisory Committee member terms and nominations**
- ▶ **3.5. Onboarding and offboarding for Advisory Committee member changes**
- ▶ **3.6. JBWCP Advisory Committee voting**
- ▶ **3.7. Responsibilities of the chair**
- ▶ **3.8. Responsibilities of subcommittees and working groups**
- ▶ **3.9. Program dispute resolution**

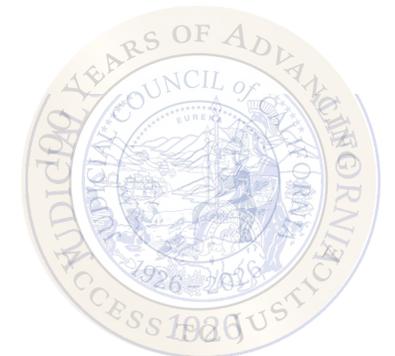


§ 4: Staff

Section 4: STAFF

This section outlines responsibilities of Judicial Branch Workers' Compensation Program (JBWCP, or Program) staff and their role in Program stewardship. Judicial Council of California (the Council) staff, under rule 10.34(e) of the California Rules of Court (CRC), support the planning, coordination, and ongoing implementation of the work of the Council's advisory bodies. Day-to-day operations include drafting annual agendas, managing budgets and resources, providing legal and policy analysis, organizing and drafting reports, selecting and supervising consultants, providing technical assistance, and assisting chairs in presenting advisory body recommendations to the Council.

- ▶ **4.1. Program staff**
- ▶ **4.2. Responsibilities**



§ 5: Annual Agenda

Section 5: ANNUAL AGENDA

This section outlines the framework and operational guidelines for the development, approval, and implementation of the Judicial Branch Workers' Compensation Program (JBWCP, or Program) Annual Agenda. The Annual Agenda outlines the work a committee will focus on in the coming year and identifies areas of collaboration with other advisory bodies and Judicial Council of California (the Council) staff resources. California Rules of Court (CRC), rule 10.30 (c) allows an advisory body to form subgroups, composed entirely of current members of the advisory body, to carry out the body's duties, subject to available resources, with the approval of its oversight committee.

- ▶ **5.1. Annual Agenda description**
- ▶ **5.2. Annual Agenda development procedure:**
- ▶ **5.3. Annual Agenda priority levels**
- ▶ **5.4. Approval process**



§ 6: Meeting Procedures

Section 6: MEETING PROCEDURES

California Rules of Court (CRC) 10.75, *Meetings of Judicial Council of California Advisory Bodies*, expands public access to advisory body meetings. The guidelines provided here were developed to assist advisory body chairs and lead staff with the proper and consistent application of the rule, and provide uniformity, predictability, and equality of access for the public.

The Judicial Council of California (the Council) relies upon the advice of its many internal and advisory committees and other multimember bodies that it creates to review issues and make recommendations for its consideration. Advisory body members volunteer their time, knowledge, and experience to support advisory bodies in performing many functions that assist the council. For example, advisory bodies propose needed changes to rules, forms, standards of judicial administration, and jury instructions, review and comment on pending legislation, recommend new legislative proposals, pilot projects, and programs, and recommend solutions to address emerging issues affecting court administration.

- ▶ **6.1. Meetings**
- ▶ **6.2. Notice**
- ▶ **6.3. Urgent circumstances**
- ▶ **6.4. Agenda**
- ▶ **6.5. Materials**
- ▶ **6.6. Recording**
- ▶ **6.7. Comments**
- ▶ **6.8. Attendance**
- ▶ **6.9. Minutes**
- ▶ **6.10. Action by email between members**



§ 7: Audit Process

Section 7: AUDIT PROCESS

This section provides an overview of the Judicial Branch Workers' Compensation Program (JBWCP, or Program) audit process, including third-party administrator (TPA), case management, and spot check audits. This assists with educating both new members joining the JBWCP, new workers' compensation (WC) personnel within existing members, and with succession planning for Program staff. These audits ensure that the TPA is aligned with the consistent and timely provision of the mandatory workers' compensation benefits to all Judicial Branch employees covered by the Program..

- ▶ **7.1. TPA audit**
- ▶ **7.2. TPA audit criteria will evaluate:**
- ▶ **7.3. Case management audit**
- ▶ **7.4. Medical case management criteria will evaluate:**
- ▶ **7.5. Spot-check audit**
- ▶ **7.6. Annual benchmarking**



§ 8: Premium Allocation

Section 8: PREMIUM ALLOCATION

This section covers the process for determining and distributing the financial contributions required from each member to fund the Judicial Branch Workers' Compensation Program (JBWCP, or Program). It provides clarity on how funds are distributed across the three distinct membership groups and emphasizes financial stability while promoting cost-effective loss management practices. The allocation methodology accounts for factors such as program costs, claims experience, and payroll data, which ensures that each member's premium aligns with their specific risk exposure. This protects the Program's ability to meet all current and future liabilities, and encourages members to actively manage their workers' compensation (WC) claims. Premium assessments are reviewed and adjusted annually with the goal of balancing fairness with sustainability while supporting the continued success of the Program for all members.

- ▶ **8.1. Upcoming premiums**
- ▶ **8.2. Actuarial studies**
- ▶ **8.3. Premium allocation**
- ▶ **8.4. Methodology**
- ▶ **8.5. Documentation**



§ 9: Excess Insurance

Section 9: EXCESS INSURANCE

The Judicial Branch Workers' Compensation Program (JBWCP, or Program) is committed to providing comprehensive and sustainable insurance coverage, and maintains excess insurance (EI) for all members as part of that commitment. EI is an additional layer of protection against catastrophic events and large claims that exceed established limits. This section details the role of EI in managing high-risk exposures and provides insight into the renewal and audit procedures designed to align EI with the Program's evolving needs. Coverage levels, terms, and renewal processes are regularly reviewed to maintain fiscal responsibility and the ability to effectively manage risks.

- ▶ **9.1. Excess insurance**
- ▶ **9.2. Coverage levels**
- ▶ **9.3. Coverage parameters**
- ▶ **9.4. Annual process**



§ 10: Judicial Branch Workers' Comp. Fund

Section 10: JUDICIAL BRANCH WORKERS' COMPENSATION FUND

This section overviews how the Judicial Branch Workers' Compensation Program (JBWCP, or Program) is financed using the Judicial Branch Workers' Compensation Fund (JBWCF). By statutory design, workers' compensation (WC) benefit are due and payable without significant delay, without regard to how those benefits are funded. The JBWCF is established as a continuously-appropriated fund within the State of California to provide a stable and guaranteed funding source.

- ▶ **10.1. Judicial Branch Workers' Compensation Fund**
- ▶ **10.2. Cash flow in**
- ▶ **10.3. Cash flow out**

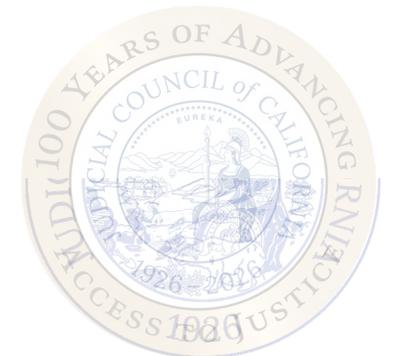


§ 11: Expenditure Process

Section 11: EXPENDITURE PROCESS

This section overviews the basic kinds of expenditures that occur within the Judicial Branch Workers' Compensation Program (JBWCP, or Program). JBWCP-approved costs are fundamentally those that support the overall goals and effective operation of the Program, rather than benefiting a single member exclusively. Program expenditures are generally categorized into two main types: 1) costs directly tied to claims and 2) costs related to the Program administration.

- ▶ **11.1. Claim-related expenditures (trust fund)**
- ▶ **11.2. Program administration expenditures (ULAE)**
- ▶ **11.3. Procedure for review of cost decisions**



§ 12: Training Program

Section 12: TRAINING PROGRAM

This section describes the training program of the Judicial Branch Workers' Compensation Program (JBWCP, or Program). Training provided by the JBWCP is an extension of its goals for risk management and membership engagement. The Program is committed to providing members with a minimum of one session per quarter. Presentations will cover a variety of topics such as claims management, industry best practices, and information from related legal venues (such as employment law) developed in conjunction with subject matter experts.

- ▶ **12.1. Program commitment and goals**
- ▶ **12.2. Curriculum development**
- ▶ **12.3. Content delivery**
- ▶ **12.4. Collaboration with experts**
- ▶ **12.5. Examples of past training sessions**



§ 13: Maintenance of Records & Data

Section 13: MAINTENANCE OF RECORDS & DATA

This section identifies the record maintenance requirements to which the Judicial Branch Workers' Compensation Program (JBWCP, or Program) adheres. Sufficient document and record retention is necessary to ensure that claims are properly managed by individual members. This is also critical for the Program itself, in the event that data needs to be transferred from one vendor to another.

- ▶ **13.1. Maintenance of records**
- ▶ **13.2. Data transfer and transition process**



§ 14: Miscellaneous Provisions

Section 14: MISCELLANEOUS PROVISIONS

This section records miscellaneous provisions relevant to the Judicial Branch Workers' Compensation Program (JBWCP, or Program). The current structure of this policies & procedures (P&P) document is largely set. However, it is possible that future program developments may not fit neatly within an existing section. These elements will be collected and preserved here, if enough information of the same type accumulates, adding a new P&P section can be considered.

14.1. [First entry]

(There are not yet any miscellaneous provisions contained within the P&P as of its submission to the Advisory Committee in March 2026 for initial review.)



§ 15: Amendments to Policies & Procedures

Section 15: AMENDMENTS TO POLICIES & PROCEDURES

This section preserves a running record of amendments made to the Judicial Branch Workers' Compensation Program (JBWCP, or Program). Substantive changes are entered with a detailed summary and effective date. Minor edits that don't affect operation, such as those for spelling and grammar, are noted as "nonsubstantive changes" and won't be individually itemized.

15.1. [First entry]

(This is the initial iteration of the P&P and as such, there are no amendments to record.)

[sample format of amendment entries]

Effective date

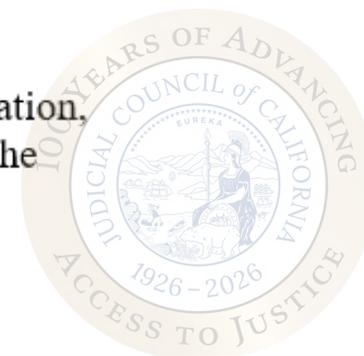
Amendment description

[Month, day, year]:

[describe changes / updates, section(s) affected. Include reason, e.g., legislation, regulation, policy decision, consultant / vendor recommendation, etc. What was the rationale / motivating reason? Who was involved in the discussions? Any controversies or risks that should be noted?]

[Month, day, year]:

[nonsubstantive changes, e.g., spelling, grammar]



Associated References

ASSOCIATED REFERENCES (GROUPED BY TYPE)

***Disclaimer:** These policies and procedures (P&P) will be revised at least every three years. Cited references that have become outdated will be corrected as P&P revisions occur. Current references will always be controlling in the event of a conflict with what is contained here. Additionally, summary language used to describe the citations below merely serves to inform the reader about the basic subject of each reference and is not controlling. Please consult the actual text of any references before making decisions; do not rely upon the summary language, thank you.*

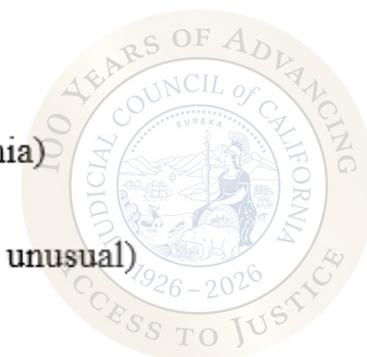
- ▶ **STATE CONSTITUTION**
 - ▶ **STATUTES**
 - ▶ **REGULATIONS**
 - ▶ **RULES OF COURT**
- ▶ **POLICIES & DOCUMENTS**



Glossary

P&P GLOSSARY

§ / §§:	section / sections
5020 :	The Employer's Report of Occupational Injury or Illness (DIR form)
5021 :	Doctor's First Report of Occupational Injury or Illness, aka "DFR" or "Dr's first" (DIR form)
AA:	applicants' attorney or app attorney
AB:	Assembly Bill
AD:	Administrative Director (of the DWC)
ADA :	Americans with Disabilities Act (under the EEOC)
ADL:	activities of daily living
ALAE:	allocated loss adjustment expenses, costs associated with specific claims
ALJ:	administrative law judge
AMA Guides:	AMA Guides to the Evaluation of Permanent Impairment, 5th Edition
AMA:	American Medical Association
AME:	agreed medical evaluator
AOC:	Administrative Office of the Courts (former name for the Judicial Council of California)
AOE / COE:	arising out of employment and in the course of the employment
app first:	A workers' comp claim initiated by the filing of an application (less common, but not unusual)
application / App:	Application for Adjudication of Claim (DIR form)
AWE / AWW:	average weekly earnings / average weekly wage (synonymous terms)

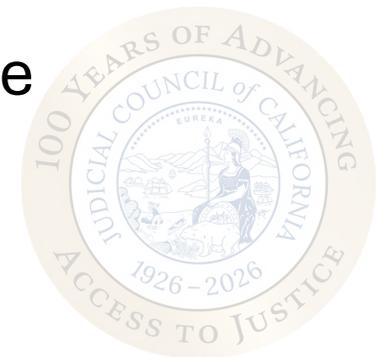


Policies and Procedures

Motion to Approve:

- Return to Program for further development
- More time for additional Committee review
- Approve

Next step: Review by Litigation Management Committee

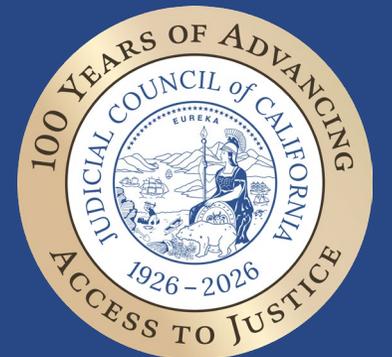


Fund Protection Policy

Shelby Wineinger, Chair

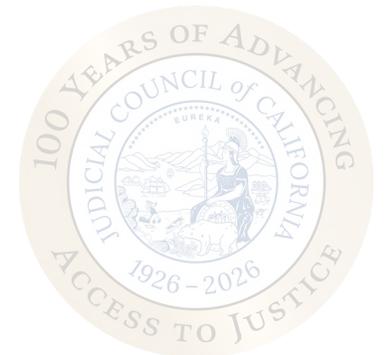
Edward Metro, Lead Staff

March 17, 2026



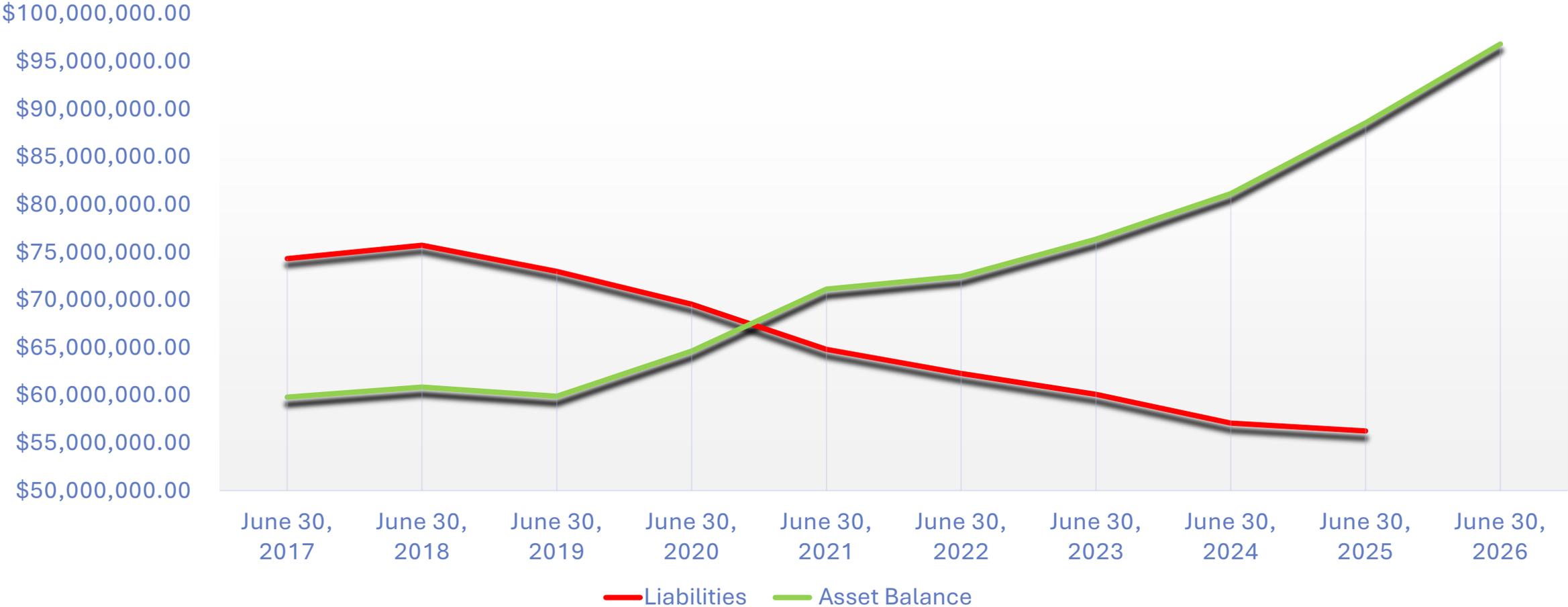
Review of Initiative: Financial Goals

- Protect the fund balance
- Soften premium volatility across membership
- Incentivize good claim outcome



History of the JBWCF

JBWCF



History of the JBWCF

Deficit Reduction Alternatives Working Group

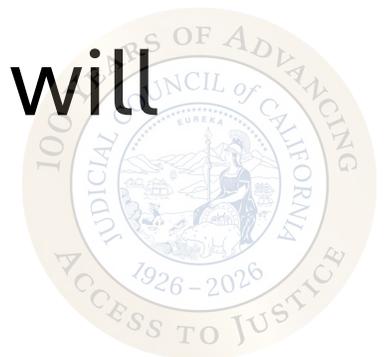
- Cost reductions
- SMIF investments
- Reduce borrowing
- Earlier funding (August/September)
- Funding at 70% Confidence Level



Confidence Levels Explained

Premium Funding Confidence Level

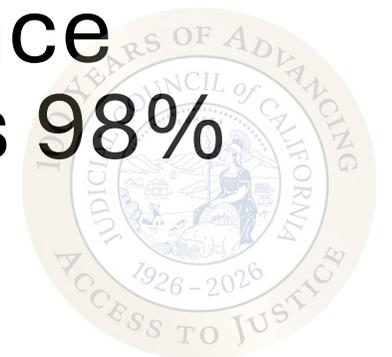
- Funded at 70% Confidence Level
- The premiums will be enough to cover the cost of the claim 70% of the time.
- May have better than expected claim outcomes or delay in treatment which will result in year-end positive balance.



Confidence Levels Explained

Fund Balance Confidence Level

- The level of confidence that the total fund balance is enough to cover the total cost of all claims' liabilities.
- At the fund's current balance, the JBWCP is confident that the JBWCP's fund balance can cover the total cost of all liabilities 98% of the time.



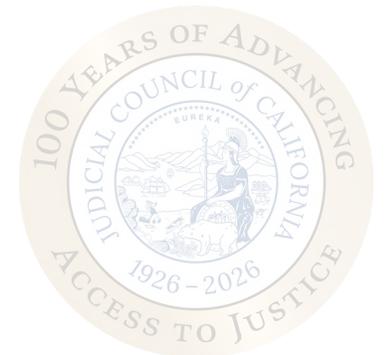
JBWCF Confidence Level Parameters

Recommended Asset Balance Parameters:

- Confidence Level Max: 90%
- Confidence Level Minimum: 70%

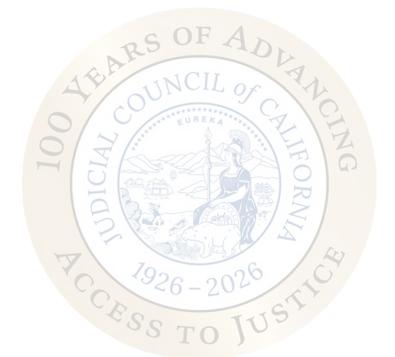
Current Asset Balance Confidence Level:

- Over 98%



Funding Policy Proposal

- Margin Release Policy
- Neutral Corridor Policy
- Deficit Recovery Policy



Margin Release Policy

Distributable Margin – Calculated at 25% of the excess above the 90% confidence level

Adjustment – The Distributable Margin is used to reduce the upcoming fiscal year's total JBWCP funding requirement before member allocations

Remaining Margin – The remaining 75% of the Distributable Margin (after adjustment) stays in the fund to support long-term funding stability



Margin Release Example

Estimated Assets at FY End \$	97,605,218
Assets Needed for 90% Confidence Level \$	75,258,000
Margin \$	22,347,218

Distributable Margin (25% of Margin) \$ 5,586,805

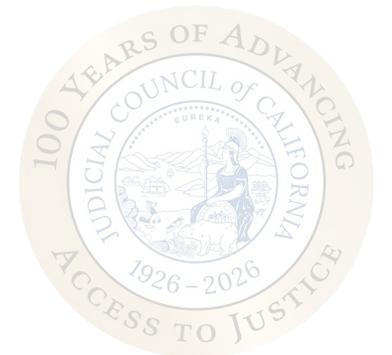
Premium Amount Before Margin Release \$	19,242,391
Distributable Margin \$	(5,586,805)
Total Premium Funding Needs \$	13,655,587



Neutral Corridor Policy

No discretionary adjustments or assessments will occur when the fund balance remains between the 70 percent and 90 percent confidence levels of outstanding liabilities.

This range serves as a stabilization buffer to absorb normal year-to-year fluctuations.



Neutral Corridor Example

No Adjustments or assessments will occur when FY end estimated asset balance between:

- 90% Target \$75,258,800
- 70% Target \$64,500,000

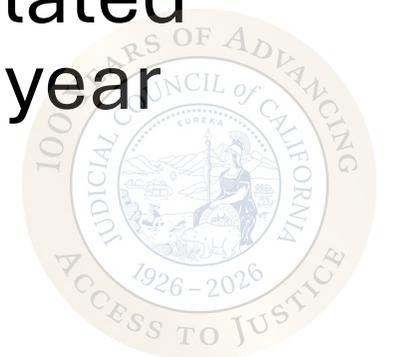


Deficit Recovery Policy

Assessment Trigger – An assessment is issued when fund balance drops below the 70% confidence level

Assessment Amount – The amount required to return the fund to the 70 percent confidence level based on forecasted liabilities

Cost Allocation – Each member's share is calculated based on their proportional premiums for the fiscal year following an underfunded period



Deficit Recovery Example

Estimated Asset Balance at FY End \$	63,000,000
Assets Needed for 70% Confidence Level \$	64,500,000
<hr/>	
Assessment Amount \$	(1,500,000)

Premium Amount Before Assessment \$	19,242,391
Assessment Amount \$	1,500,000
<hr/>	
Total Premium Funding Needs \$	20,742,391



Deficit Recovery Alternatives Provision

Outside of normal trend

Major financial risk on the JBWCP

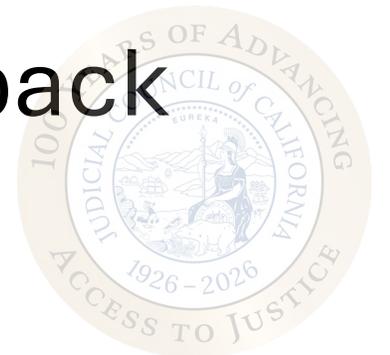
Immediate Deficit Recovery Alternatives

- Multiple-year terms
- Adjusting future premium funding requirements
- Submitting a BCP
- Other comparable actions



Funding Policy Proposal Goals

- Ensure the program continues to be funded at the appropriate level
- Back-to-back good years, we have a balance that can help offset upcoming premiums effective FY 2027-28
- Prevent the program from ever falling back into a deficit state



Fund Protection Policy

Questions and Answers



Fund Protection Policy

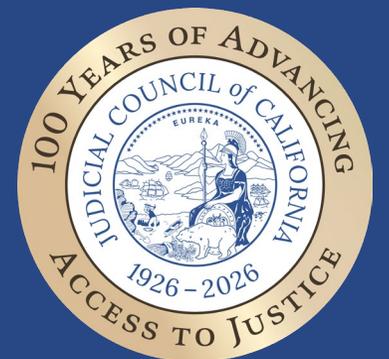
Motion to Approve



Public Entity Excess Insurance Market: Trends, Industry Issues & Outlook

Evan Washburn, Alliant

March 17, 2026



Market Pressures...



Great Resignation & Quiet Quitting



Social Inflation/ Nuclear Verdicts & Legislation



Geopolitical



Cyber Attacks



Mass Shootings



Ukraine & Middle East War/Conflicts

Global insured losses through the first nine months of 2025 are projected to reach **\$105 billion**, marking the **lowest total since 2019**. Five major events in January—the California wildfires, reportedly among the costliest in history, and three severe convective storms—accounted for **53% of all global insured losses**. In total, **22 individual events** each generated **over \$1 billion** in insured losses.

From July through September, loss activity slowed significantly, making it **one of the least costly third quarters since 2000**. Looking ahead, the next three months remain sensitive to the remainder of hurricane season and ongoing convective storm activity across the United States and Europe.

Aging Infrastructure

Climate Change

Inflation & Increased Loss Cost

Natural Disasters

Supply Chain & Labor Shortage

Proliferation of “secondary” perils (SCS)

Market Conditions

Impactful issues for insureds

Property

- 01 Property capacity:**
 - Return to stability from incumbents
 - Coastal, Earthquake and wildfire capacity continue to come under greater scrutiny
 - Targeted growth from new and incumbent markets alike
- 02 Two consecutive years of Insurer profitability – driven by increased rates rather than reduced loss activity**
 - 2023 totaled \$108b in Global Insured CAT losses, US responsible for **80%**
 - 2025 marks the 6th consecutive year global losses **>\$100b**
 - Through Q3 2025, **\$105b** insured losses globally (**lowest since 2019**, 2015-2024 average **\$114b**)
- 03** The first 3 quarters of 2025 resulted in **\$90b** in insured losses in the US, accounting for **86%** of global insured losses. Palisades and Eaton Fire in CA were responsible for **\$40b** of these insured losses. 2025 marked the 3rd consecutive year US SCS insured losses through Q3 exceeded **\$40b**
- 04** Consistent **increases in attritional property losses** (fires, water damage, tornados, hail, wildfires). **7 consecutive years** where Secondary perils have surpassed Primary. Are secondary perils 'secondary' anymore?
- 05** The threat of tariffs have brought **inflation concerns** back to the forefront of the property insurance community's minds

Liability

- 01 Reduced liability capacity** and withdrawals have been significant over the past two years
- 02 Social inflation & Litigation Financing** driving up liability verdicts and settlements
- 03** Excess Workers Compensation **remains stable, but retained layer may be experiencing increased claims volume**

Cyber

- 01 Cyber capacity has improved** and creating stabilized terms and conditions
- 02 Ransomware cyber losses** are systemic – **Expecting \$10 Trillion by 2025**

Market Trends

By Product Line

*Denotes Site Specific Pollution

Color Key

As a buyer, is that movement positive, neutral, or something that could present a challenge during my renewal?

- Positive change
- Neutral/No change
- Potential Challenge

Arrow Key

What direction are pricing, capacity, limits, deductibles and coverage moving?

- ↑ Increasing
- ↔ Stabilizing/No change
- ↓ Decreasing

Product Line	Pricing	Capacity	Retentions	Coverage
PROPERTY				
Challenged Exposures	↓	↑	↔	↔
Non-Challenged Exposures	↓	↑	↔	↔
Standalone Earthquake	↓	↔	↔	↔
Builder's Risk	↓	↑	↔	↔
CASUALTY				
General Liability	↑	↔	↔	↓
Automobile Liability	↑	↓	↑	↔
Workers' Compensation	↓	↔	↔	↔
Umbrella Liability	↑	↓	↑	↓
Excess Liability	↑	↓	↑	↓
Pollution Liability*	↑	↔	↔	↓
MANAGEMENT & PROFESSIONAL				
Cyber	↓	↑	↔	↔
Employment Practice Liability	↔	↔	↔	↔
Fiduciary	↑	↔	↑	↔
Fidelity/Crime	↔	↔	↔	↔

Casualty (As of Q4 2025)

Rate Trends	“Low End”	“High End”
General Liability	3%	10%
Automobile Liability	5%	30%
Workers’ Compensation	-5%	5%
Umbrella Liability	5%	25%
Excess Liability	5%	25%
Pollution Liability (Site Liability)	Flat	10%



Capacity

Capacity is readily available for less complex risks and new insurer capacity continues to enter the market. Underwriting remains disciplined, with capacity still constrained for difficult risks. Some insurers have pulled out of certain classes of business and market sizes all together.

Auto liability capacity continues to be limited due to rising claim frequency & severity, and an uptick in Hired and Non-owned losses.



Coverage

PFOS and PFAS exclusions are generally non-negotiable. Biometric data collection related underwriting questions and exclusions are increasing at a rapid pace due to tort law concerns. Seeing increased use of Abuse & Molestation, Assault & Battery, Wildfire and Traumatic Brain Injury exclusions.

Emerging concerns regarding reliance on Artificial Intelligence (AI) and its implications. ESG/climate risk concerns continue to be on the rise.



Retentions

Pressure remains on retentions. Attachment points should be analyzed and adjusted depending on risk appetite, with data, analytics and modeling tools utilized to make informed decisions. Alternative solutions, such as corridor deductibles and buffer layers, are becoming more common.

Auto repair costs (labor, parts and materials) keep rising, as does attorney representation in auto losses, and are contributing factors to the continued distressed auto market and continued significant rate increases.



Pricing

Workers Compensation remains the most consistent profit generator for insurers.

Legal system abuse (social inflation) and third-party litigation funding (TPLF) are driving an increase in the frequency of severity losses. State and federal lawmakers need to be more aggressive in tackling these abuses which are producing runaway jury verdicts and negatively impacting insureds.

Casualty Market Drivers



General Liability & Excess Liability

Increase in Catastrophic Losses

- Sexual Misconduct
- Law Enforcement Liability
- Lifetime Care Costs
- Punitive Damage Awards

Organized Plaintiff Bar

- Litigation Financing
- Settlement pressure driven by Nuclear Verdict Potential

Inflationary Pressures

- Social Inflation

Aging Infrastructure

Lack of market participation



Auto Liability

Cost of vehicles (inflation)

Cost to repair (technology)

Fatality Trends

Distractive Driving – Cell Phones

Robotaxis

Rising medical costs

Rapid rise of litigation costs

Use of Autonomous Driving

Increased fleet use of Electric Vehicles



Workers Compensation

Aging Workforce

Medical Cost Inflation

Cancer & PTSD Presumptions

Workplace Violence

Medical Service Delays

Out of State Exposure

Accident Survivability

Mental Health

Liability Outlook

Excess liability continues to face upward pressure



Specific Problem areas that continue to persist

- Aggregate limits – Many carriers are looking to cap their exposure on pool programs
- Attachment point/Retentions are being closely examined
- Changing capacity – Incumbent reductions & new entrants
- Underwriter scrutiny on Law Enforcement and Sexual Abuse/Misconduct coverages
- Emerging Exclusions: Is AI next?



Insurers reporting YOY **loss cost increases from the high single digits to 15%+**. Pricing will be based on losses and jurisdiction.



Additional Considerations

- Best in class risks continue to differentiate themselves with markets
 - Data is king
 - Risk management & risk control
- Alternative Risk/Structured Solutions

Cyber (As of Q4 2025)

Rate Trends

Cyber

“Low End”

Flat

“High End”

+10%



Capacity



Coverage



Retentions



Pricing

- Capacity has increased slightly over the past year. Insurers continue to put up over \$10M+ for quality risks, and any one insured can secure limits up to ~\$400M.
- US insurers will now participate on large primary quota share layers, previously exclusive to the London market .
- 2024 saw some consolidation as traditional insurers acquired InsureTech platforms (e.g., Corvus/Travelers, ElphaSecure/AXIS, Cowbell/Zurich).

- Broad coverage is available, as insurers compete for business via favorable terms and conditions.
- Sub-limits and restrictions for widespread events are rare and have not been adopted by the broader marketplace. Increases for sub-limits in social engineering and business interruption are possible for insureds with strong cyber resilience.
- Systemic risk, such as the CrowdStrike outage of July 2024, remains the industry’s top concern.
- War exclusions are universal.

- Retentions have been reduced at a select few renewals in the past 12 months but have broadly remained unchanged.

- Despite ongoing claims activity, premiums remain relatively stable. Most industries are seeing flat to down 5% on renewal. The exceptions are Healthcare, with increases starting at 10%, and Public Entity where we expect to see increases post 7/1 in the 5-10% range.
- Overall, for the eighth consecutive quarter, premiums decreased year-over-year; however, decreases have moderated, moving from an average of -10% in Q4 2023 to -5% in Q1 2025.

Cyber Renewal Outlook

Leading insurers have indicated “We may have hit rate equilibrium”

2026 Forecast:

- Flat to 5% increases as many cyber insurers are holding the line on offering decreases for the next year
- Capacity is still ample despite some insurers declining to write public entities
- Potential coverages enhancements vary by carrier, usually after additional underwriting questions
- Entities with prior incidents may see increased retentions or waiting periods



Key Areas of Focus

- Operational resiliency – do you have an Incident Response or Business Continuity Plan?
 - Have the plans been tested in the past 12 months?
- Does the organization utilize tracking technologies?
 - Do you provide opt-out notices?
- Does the organization utilize (generative) AI for any business processes?
 - 3rd party or in-house solutions? What is the impact on operations if the AI system fails?
- Maintaining safeguards around domain administrator access.
- Safeguards around end-of-life hardware and software.
- Continued employee training around phishing and social engineering schemes.

Worker's Compensation

Hardening Market?



The “relatively” stable line of coverage in recent years



Accident frequency has been steady or slightly down



However, severity continues to trend upward and there are some disturbing trends

to keep an eye on

WORK LIFE

Workers' Compensation Outlook

Workers' Compensation continues relative stability, but upward pressures exist

Factors serving as cost drivers resulting increased claims severity



Presumption Laws



Medical Technology



Accident Survivability



Life Expectancy



Mental Health



Vendor Labor Shortages



Cumulative Trauma



Aging Workforce



Return to Office



Medical Inflation/
Tariffs

Outlook:

- CA projected combined ratio for 2024: 125%, a 15-year high
- CA Insurance Commissioner approved an 8.7% increase in the Average Advisory Pure Premium Rate
- Pricing will be based on losses

Worker's Compensation Trends/Outlook

Trends to Watch



Trends to Watch:

- **Rising** medical costs for catastrophic claims
 - Accident survivability
 - **Increased** life expectancy for catastrophically injured workers
 - **Higher** costs for medical care technology
 - **30% increase** in claims incurred over \$10M in last 3 years*
- Home Health and Skilled Care Facility costs **increasing** at rates far more significant than average medical inflation
- Number of claims and cost to deliver benefits very high in CA

Source: Safety National's Carrier Chronicles

Excess Workers' Compensation Renewal Timeline



- “State of the Market” discussions
- Renewal Strategy Discussion

- Initial Budget Projections

- Submission preparation
- Application completion
- Gathering payroll, loss runs

- Submission to market
- Ongoing negotiations

- 6/01 quote due-date

- 7/01 effective date
- Invoice and certs issued

- Policy issuance
- Complete previous years Final Audit

- Ongoing service needs

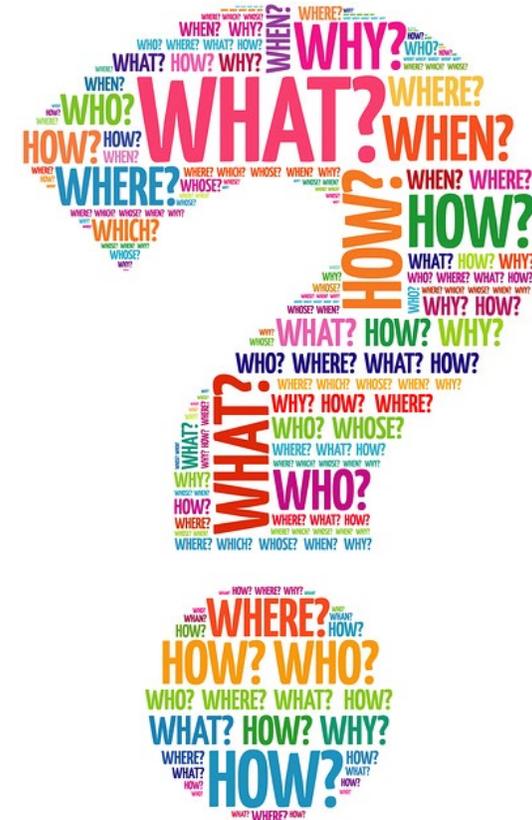
JCC Excess Work Comp Renewal Projections

- Current Carrier: Safety National
- Carrier wants to retain the account
- Consolidated all Out of State WC policies
- Will be fully marketed for Renewal

2026-2027 Renewal Expectations	
Renewal Payroll	1.75% - 5%
Expected Rate	5% - 10%
Total Increase	6.75% - 15%

Public Entity Excess Insurance Market

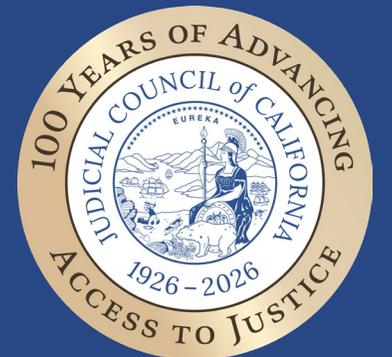
Questions and Answers



Legislative Update

Jacqueline Miller, Sedgwick Pooling

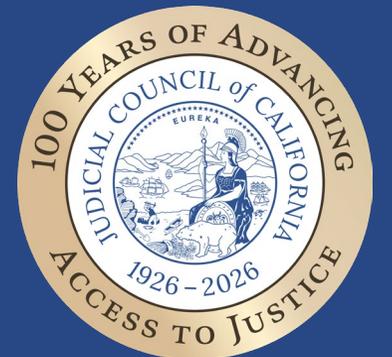
March 17, 2026



Workers' Compensation Legislative Update

- **AB 1048** Contract Transparency
- **AB 1331** Workplace Surveillance
- **AB 1683** Workers' Compensation Prepaid Cards
- **AB 1900** Health Care For All
- **SB 555** Average Weekly Earnings
- **SB 668** Med Legal Fee Schedule

Adjournment



Judicial Branch Workers' Compensation Program Policies & Procedures



TABLE OF CONTENTS

The Policies & Procedures.....	3
Section 1: Judicial Branch Workers' Compensation Program.....	4
Section 2: Members	9
Section 3: Advisory Committee.....	12
Section 4: Staff.....	16
Section 5: Annual Agenda.....	18
Section 6: Meeting Procedures	22
Section 7: Audit Process	25
Section 8: Premium Allocation	28
Section 9: Excess Insurance.....	32
Section 10: Judicial Branch Workers' Compensation Fund	36
Section 11: Expenditure Process.....	38
Section 12: Training Program.....	41
Section 13: Maintenance of Records & Data.....	43
Section 14: Miscellaneous Provisions.....	44
Section 15: Amendments to Policies & Procedures.....	45
Associated References (grouped by type).....	46
P&P Glossary.....	49

THE POLICIES & PROCEDURES

The Policies & Procedures (P&P) document for the Judicial Branch Workers' Compensation Program (JBWCP, or Program) memorializes the background, operation, and scope of the JBWCP and its stewardship of the Judicial Branch Workers' Compensation Fund. Along with the Workers' Compensation Claims Manual, Service Guidelines, and Memorandum of Coverage, the P&P serves to provide the history and details necessary to maintain effective oversight of the JBWCP for its various stakeholders.

This document will be updated as needed to reflect relevant policy and operational changes that occur within the Judicial Branch, Judicial Council, advisory bodies, and the workers' compensation system. This includes any required housekeeping items; however, substantial or fundamental alterations in JBWCP processes necessitate review and approval by the Advisory Committee prior to integration in the P&P.

HOW TO USE THE P&P

The Policies & Procedures (P&P) currently contain 15 sections. Each one begins with a brief introduction expressing the overall intent of that specific section. This provides readers with a quick summary and explanation of how it aligns with the overall JBWCP, and to whom the policies and procedures in that section apply.

Within each section, this subsection will always be the largest as it contains the most amount of detail and elaboration on the preceding summary points.

If all you need is a quick explanation of how the JBWCP works, just read the Purpose, Policy Statement, and Application portions of each section, which will provide you with a high-level summary. If you need more information or simply wish to learn more about the fine details, then you can review the Text subsection and Associated Documents at the end of the P&P.

If you have questions, please reach out to the JBWCP Staff at JBWCP@jud.ca.gov, thanks!

– JBWCP Staff

Section 1: JUDICIAL BRANCH WORKERS' COMPENSATION PROGRAM

This section provides an overview of the Judicial Branch Workers' Compensation Program (JBWCP, or Program) to preserve institutional subject matter knowledge and Program history. This assists with educating JBWCP Members, their workers' compensation (WC) personnel, and with succession planning.

Under California law, all employers are legally obligated to provide benefits for their employees for injuries or illnesses that arise out of and in the course of employment. Employers may obtain WC coverage from the commercial insurance market, elect to self-insure, or be designated as "permissibly uninsured" for this exposure. The JBWCP is designated as "permissibly uninsured" for the purpose of providing WC benefits. The mission of the JBWCP is to protect the interests of its Members and to ensure consistent and timely provision of these mandatory benefits to all eligible Judicial Branch employees covered by the Program. This is accomplished via two primary avenues: 1) assisting Members directly with their individual WC matters and concerns and 2) the careful selection and monitoring of claims administrators, vendors, and consultants to ensure first-class and cost-effective benefit delivery.

This policy applies to all JBWCP Members, also collectively referred to as "Judicial Branch entities" (JBEs), further detailed in "Section 2: Members".

1.1. Basics of the California workers' compensation system

The WC system provides statutorily mandated benefits to eligible employees and is the exclusive remedy for injuries or illnesses that arise out of employment and in the course of employment (AOE/COE) – note: the term "injury" as used in this document encompasses both injuries and illnesses. Employees with qualifying injuries receive defined benefits under the law and in return, the employee may not sue their employer for those injuries. Workers' compensation is often referred to as a "no-fault" system because it does not generally consider questions of negligence or whether the employee or employer was responsible for causing the injury.

Employers may secure these benefits by purchasing a WC insurance policy or by becoming self-insured. While most public sector employers opt to self-insure, the law allows the State the option of being legally uninsured, also known as "permissibly uninsured". Consequently, the JBWCP was established as a legally uninsured program (California's Legislative Branch and the vast majority of the Executive Branch also utilize a legally uninsured structure).

Note: In casual, informal usage, the terms "self-insured" and "legally uninsured" are sometimes used interchangeably. However, these terms are not actually synonymous and have some important distinctions. As such, "legally uninsured" or "permissibly uninsured" is the preferred usage in order to avoid any confusion – "self-insured" should not be used to describe the JBWCP in any written or recorded communication.

Workers' Compensation benefits fall under five categories:

1.1.a. Medical:

Treatment with the goal of returning an employee to their pre-injury baseline and improving their condition to a stabilized medical plateau.

1.1.b. Temporary disability (TD):

Indemnity payments to employees who are unable to work due to temporary work restrictions.

1.1.c. Permanent disability (PD):

Indemnity payments to employees to compensate for the permanent residual effects of an injury and the resulting impact on their activities of daily living.

1.1.d. Supplemental job displacement benefit (SJDB):

A retraining voucher for employees unable to return to their pre-injury occupation.

1.1.e. Death:

Benefits paid to an employee's surviving financial dependents if an industrial injury results in a fatality. This applies if death is the outcome of the initial incident or is subsequently caused by complications or treatment directly related to the original injury.

1.2. Structure of the JBWCP

The JBWCP is a risk pool that provides WC coverage to its members. It is facilitated by JBWCP staff and overseen by the JBWCP Advisory Committee, as discussed in "Section 3: Advisory Committee". The JBWCP consists of 11 judiciary members, 57 trial court members, and all California trial court judges (collectively also known as JBEs). For more information on the structure, please refer to "Section 2: Members".

1.3. Risk pool

A risk pool is when similar entities work collectively and share the risk of either purchasing or administering specific insurance benefits to meet statutory coverage requirements, as regulated by the state. This allows for an enhanced level of control regarding the management of claims and risks particular to those similar entities.

The JBWCP is a pool unique to the Judicial Branch and was formed to allow Members with similar risk to provide primary WC coverage to their employees and use their collective buying power to jointly purchase excess insurance (EI) coverage. Members share in all WC risks, as well as enjoy the benefits of reduced costs for providing pooled coverage for injured employees. Comprehensive first dollar WC coverage is offered to the Members.

The JBWCP is "permissibly uninsured" and self-funded, with EI coverage purchased up to statutory limits. Through the joint purchase of services including claims administration, claims audits, actuarial services, risk control services, claims oversight, and program management expertise, Members are assured the JBWCP is a viable solution to costly commercial insurance. This enables reduced financial exposure and promotes improvement on programs that protect both the Members and their employees.

1.4. Vendor partnerships (in alphabetical order by type)

1.4.a. Actuary: Bickmore Actuarial, effective (eff.) November 1, 2013.

Bickmore combines actuarial expertise with deep knowledge of the JBWCP in order to calculate our premium allocations. They provide consulting services such as developing annual actuarial valuation of workers' compensation data, assisting program staff in developing reports and presentations for committee-led program initiatives, providing one-on-one consultations with JBWCP members upon request, and calculating the annual premium allocation model for the JBWCP.

1.4.b. Auditor: Marsh USA, eff. May 1, 2020.

Marsh provides quality assurance and independent verification of performance metrics. They identify deficiencies and areas for improvement by providing accurate, candid, and well-documented audit findings, and offer sound recommendations regarding areas in need of improvement. Their primary function is to conduct annual audits of the TPA's claims' handling process based on established California WC claims administration industry standards and JBWCP TPA Service Guidelines. The audit pulls a random sampling of all claims handled by all TPA examiners staffed to the Program and reviews for the timely and proper administration of claims, utilization of best practices in relation to industry standards and JBWCP expectations. Depending on the outcome, Marsh may conduct additional audits at the JBWCP's request.

1.4.c. Broker: Alliant, eff. July 1, 2023.

Alliant supplies the JBWCP with insurance broker services that include but are not limited to EI placement and servicing, risk exposure analysis, and out-of-state insurance procurement. Excess insurance (sometimes referred to as “reinsurance”) is an arrangement where once a certain cost level is reached, any ongoing liability is transferred to the excess insurer, which insulates the JBWCP against catastrophic losses. Our current EI threshold is \$2,000,000 dollars per incident.

On an annual basis, Alliant solicits quotes from insurers, conducts a comparison evaluation of competing insurance companies, identifies the most beneficial entity for the Program, and negotiates a flat fee with selected insurers on behalf of the Council and the JBWCP.

1.4.d. Excess insurer and out-of-state carrier: Safety National, eff. July 1, 2010.

Safety National carries the JBWCP’s EI policy. Safety National also provides WC insurance policies for Members that have employees based outside of California. These out-of-state policies are separate from the JBWCP and paid directly by the Member, however, JBWCP staff will assist Members with obtaining this coverage.

Note: This requirement does not apply to employees that are normally based in California but are outside the state on a temporary assignment. There is no associated definition specifying what length of time does or does not constitute “temporary”, rather, the classification comes down to an evaluation of the facts on a case-by-case basis.

1.4.e. Risk Consultant: Sedgwick Risk, eff. July 1, 2020.

Sedgwick Risk (SR) furnishes the JBWCP with consultative services, subject matter expertise, and insight regarding how comparable employers operate. The risk manager participates in claim file reviews and offers guidance on matters of pool administration, policy analysis, and industry best practices. In partnership with the Program, SR develops strategies by analyzing current and past data to identify and develop metrics to reduce the cost of WC losses for all Members. They monitor the effectiveness of and compliance with WC initiatives and also evaluate the efficacy of new and existing measures (in both design and execution) in order to recommend options that meet the goals of the Program, the Advisory Committee, and the Members.

1.4.f. Third-party administrator: Sedgwick Claims, eff. July 1, 2022

Claims are administered by our third-party administrator (TPA) – currently Sedgwick Claims (SC) – who is responsible for accepting or denying claims filed under the JBWCP. While Members’ critical input regarding the circumstances of injury is needed and expected, the authority for making liability determinations is solely vested with the TPA. Claims examiners also provide all required benefits and notices, investigate and defend claims as appropriate, and process settlements through the Workers’ Compensation Appeals Board (WCAB).

Prior TPAs:

- (1) TRISTAR: July 1, 2004 – May 31, 2008
- (2) CorVel: June 1, 2008 – June 30, 2014
- (3) AIMS: July 1, 2014 – June 30, 2022

1.5. Selected significant dates

- August 15, 1990: In *County of Sonoma v. Workers’ Compensation Appeals Board, Judicial Council of California, et al.*, the first district court of appeal found that trial court judges are employees of the state for workers’ compensation purposes.
- July 1, 1997: [AB 233](#), *Lockyer-Isenberg Trial Court Funding Act* – shifted court funding and cost increases to the State.

- January 1, 2001: [SB 2140](#), contains the *Trial Court Employment Protection and Governance Act* – established the courts as independent employers, whereas previously the courts were considered part of their respective counties.
- July 1, 2001: [SB 2140](#), contains the *Trial Court Employment Protection and Governance Act* – trial courts became responsible for supplying WC coverage to their employees instead of the counties. Coverage was first implemented via an insurance policy purchased from the State Compensation Insurance Fund (SCIF, or State Fund). The decision to initially insure the program was due to the uncertainty regarding the number of initial participants and to provide a stable annual premium to the courts.
- September 25, 2002: [SB 2011](#) – clarified that the courts were permitted to be legally uninsured for WC coverage starting on January 1, 2003.
- January 1, 2003: Implemented a legally uninsured WC program for the trial courts. A subcommittee from the WC Oversight Committee selected TRISTAR Risk Management Services (TRISTAR) as the TPA. The WC Oversight Committee included representatives from the trial courts, and staff from the Administrative Office of the Courts (AOC) Human Resources, Finance, Office of Governmental Affairs, and Office of General Counsel. The WC Oversight Committee jointly with AOC consultants designed the JBWCP.
- July 1, 2003: The JBWCF is established as a continuously-appropriated fund to be available for use by the AOC to pay the WC claim costs of Judicial Branch employees.
- July 29, 2014: California Rules of Court, rule 10.81 was amended to implement the retirement of the name "Administrative Office of the Courts" and clarify that in retiring the name no substantive legal change has occurred. The Council and its staff will continue to discharge any legal obligations and duties they may have, regardless of the discontinuation of the use of the name "Administrative Office of the Courts."

1.6. Timeline of courts joining the Program

- January 1, 2001: Alameda, San Francisco, Santa Barbara
- July 1, 2001: Alpine, Del Norte, Nevada, Tuolumne.
- December 31, 2001: Kings
- July 1, 2002: Lake, Mariposa, Stanislaus
- January 1, 2003: Amador, Riverside, San Bernardino
- July 1, 2003: Contra Costa, Fresno, Imperial, Marin, Santa Cruz, Shasta, Solano
- July 1, 2004: Kern, San Diego, San Luis Obispo
- (dates unknown): Butte, Calaveras, Colusa, El Dorado, Glenn, Humboldt, Inyo, Lassen, Madera, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Orange, Placer, Sacramento, Plumas, San Benito, San Joaquin, San Mateo, Santa Clara, Sierra, Siskiyou, Sonoma, Sutter, Tehama, Trinity, Tulare, Ventura, Yolo, Yuba.

These join dates refer to the beginning date of injury (DOI) for when each respective court assumed workers' compensation responsibility. Please consult to each court's individual memorandum of coverage (MOC) for further details.

1.7. Trial court workers' compensation runoff liabilities for tail-end claims

1.7.a. Court-County separation

On January 1, 2001, with the passage of SB 2140, all trial courts became independent employers. On January 1, 2003, SB 2011 allowed trial courts to self-insure their WC exposure through the creation of the JBWCP, and on July 1, 2003, the JBWCF was established to be available for use by the Council to pay WC claims of Judicial Branch employees and associated administrative costs.

Starting in 2001, trial courts began opting in as members of the JBWCP, with the last court opting in 2014. As this occurred, WC runoff liabilities were incurred for certain trial courts. The JBWCP pays these runoff liabilities (e.g., benefits, such as future medical care, as well as costs for claim administration and other program costs) or until such time a trial court's tail-end claim is settled through a Compromise and Release.

In the event a member leaves the JBWCP, involved parties shall specifically determine whether the Member's existing claims will remain under the JBWCP or depart to the new administrator. The Program's actuary will provide estimates regarding the financial impact of each option.

1.7.b. Court-to-Court

If an employee with a WC claim transfers to a different covered Member, the Member where the claim originated shall still responsible for maintaining all aspects of claims administration except for return to work efforts.

1.7.c. Court-to-Program

There may be significant financial differences to potential members seeking to join the JBWCP depending on whether the potential member's existing WC caseload will be left with the current administrator or brought along to be handled by the JBWCP.

Section 2: MEMBERS

This section describes the membership of the Judicial Branch Workers' Compensation Program (JBWCP or Program). While largely stable, defined processes are necessary to continue smooth and uninterrupted operation in the event that a new member wishes to join or an existing member elects to leave.

2.1. JBWCP members

Members, collectively known as “Judicial Branch entities” (JBEs), consist of the following:

2.1.a. The Superior Courts (also referred to as Trial Courts):

- (1) All California Superior Courts except Los Angeles (i.e., 57 of the 58 trial courts participate in the Program.) This covers all:
 - (a) Trial court employees
 - (b) Trial court jurors
- (2) Grand jurors are not covered under the Program and should be referred back to the respective counties for whom they provide service.
- (3) Volunteers of a trial court are only included if that specific court has made the necessary declaration under Labor Code section § 3363.5 to extend workers' compensation coverage to their volunteers.

Each trial court is responsible for establishing their own internal policies and procedures to carry out their responsibilities as an employer, which includes coordinating directly with the Program's third-party administrator (TPA).

2.1.b. The Judiciary:

- (1) Supreme Court of California
- (2) The Courts of Appeal
- (3) Commission on Judicial Performance
- (4) California Judicial Center Library
- (5) Habeas Corpus Resource Center
- (6) Judicial Council of California

2.1.c. Judicial officers

- (1) All justices of the Supreme Court and Courts of Appeal
- (2) All trial court judges (including judges for Los Angeles Superior Court)
- (3) Retired Judges in the Assigned Judges Program

The Human Resources (HR) office of the Judicial Council serves as the liaison for the justices and trial court judges for workers' compensation matters.

2.2. Onboarding process

When a new entity expresses interest in joining the JBWCP, the potential member's CEO must send a formal note to the program administrator, after which the following steps will be taken:

2.2.a. Data collection:

The first step in the onboarding process is to collect the necessary data from the potential new member.

- (1) Historical data:

- (a) Ten years of detailed loss data in Excel format.
- (b) Details of any open claims older than ten years, either included with the loss data or submitted separately using the same format and layout.
- (c) Ten years of payroll data, broken-down by year.
- (d) Ten years of employee headcount data that specifies filled positions by year.
- (e) Trial court projections for the relevant fiscal year:
- (f) Estimated payroll by employee classifications.
- (g) Actual number of employees.
- (h) Information on safety officers, including type and number (for JBWCP purposes, safety officers refer to employees involved in public safety within the trial courts, such as bailiffs).

Once the data is collected, it will be submitted to the actuary for analysis.

2.2.b. Actuarial analysis:

After the data is collected, the actuary will conduct the following analysis to assess the financial feasibility of the potential new member joining the program:

- (1) Premium funding calculation: the actuary will estimate the premium funding required for the potential new member, projecting ultimate loss costs, medical and indemnity benefits, allocated and unallocated loss adjustment expenses (ALAE and ULAE), and other program costs.
- (2) Data review: the actuary will review the submitted loss data, payroll projections, and employee headcount to develop reasonable premium funding levels.
- (3) Loss cost projections: the actuary will provide projections for both direct claim costs (ALAE) and administrative costs (ULAE), based on historical loss trends and assumptions regarding the program's self-insured retention.
- (4) Standalone and pooling scenarios: The analysis will consider both stand-alone costs for the new member and potential cost-sharing scenarios if the member joins the pool with other participants.
- (5) Additional information may be required depending the specific data that the potential member is ultimately able to provide.

The results of the actuarial analysis will inform whether the new member's participation is financially feasible and guide the further steps of the onboarding process.

If approved, membership takes effect at the beginning of the next program year (July 1); mid-year entries are not permitted.

2.3. Offboarding process

If an existing member of the JBWCP wishes to leave the program, the member's CEO must send a formal note to the program administrator indicating their intent to do so. To ensure the accuracy and continuity of program records, the offboarding process includes:

- 2.3.a. Confirmation of any outstanding claims or financial obligations.
- 2.3.b. Deletion or transfer of member-specific data, as necessary, based on the terms outlined in the membership agreement.
- 2.3.c. Final audit of the member's participation in the program, if applicable.

- 2.3.d. Development of a memorandum of understanding (MOU) detailing the transfer or retention of any liabilities.

Once approved, membership terminates at the end of the current program year; mid-year departures are not permitted. The departing member's existing claims will remain with the JBWCP. As such, no premiums can be refunded, and any excess insurance reimbursements applicable to those retained claims belong to the JBWCP's current TPA.

2.4. Program changes

Any change to the structure of the JBWCP will require feedback and comment from both the JBWCP Advisory Committee (AC) and the Judicial Council (Council). This ensures that proposed changes align with the program's goals and meet the needs of the members.

- 2.4.a. Initial proposal: any proposed changes to the Program structure must be submitted to the AC for review.
- 2.4.b. Feedback period: the AC will provide feedback and recommendations for improvement within a set period.
- 2.4.c. Council review: after feedback from the AC, the proposal will be forwarded to the Council for further review and final approval.
- 2.4.d. Final decision: no structural changes will be implemented without final approval of the Council.

Section 3: ADVISORY COMMITTEE

This section outlines the framework and operational guidelines for the Judicial Branch Workers' Compensation Program (JBWCP, or Program) Advisory Committee (AC). This promotes effective governance and guidance for the JBWCP and Judicial Branch Workers' Compensation Fund (JBWCF). The AC makes recommendations to the Judicial Council of California (the Council) for improving the statewide administration of the JBWCP and makes recommendations on allocations to and from the JBWCF. Clearly defining the structure, roles, and responsibilities of the AC enhances decision-making and is vital for ensuring accountability, transparency, and consistency, which allows the JBWCP to harness the expertise and insights of the AC to drive its mission forward.

This policy applies to the operations and procedural responsibilities of the AC, its chair, members, supporting program staff, and any subgroups comprised of members within.

3.1. The JBWCP Advisory Committee

The AC succeeds the JBWCP Oversight Committee, formerly a subcommittee of the Trial Court Budget Advisory Committee. It was created in 2001 to assist trial courts with the then-newly established JBWCP. The Program is no longer limited to the trial courts; it has expanded to include all judicial branch entities except the Superior Court of California, County of Los Angeles.

The 16 members of the AC are appointed by the Chief Justice and are comprised of appellate court clerk/administrators, court executive officers, trial court human resources directors, and human resources senior staff involved in workers' compensation (WC) administration. The AC makes recommendations to the council for improving the statewide administration of the JBWCP and makes recommendations on allocations to and from the JBWCF in order to protect the interests of the program participants and eligible injured workers.

The AC strives to achieve its mission by ensuring timely and accurate claims' adjudication, collaborating to assess program successes and growth opportunities for improvement, and proactively implementing cost-containment efforts and cost-effective interventions. This is achieved through the development and implementation of the Annual Agenda.

In accordance with the *Judicial Council of California Record Management Manual*, all AC meetings are recorded and recordings are kept indefinitely.

3.2. Responsibilities of the Advisory Committee

CRC 10.34. *Duties and responsibilities of advisory committees* outlines baseline responsibilities for advisory bodies. Under CRC 10.34, advisory committees are established by rule of court or the Chief Justice to recommend and propose policy alternatives to the Council. Committees enhance the administration of justice by identifying issues, suggesting rule changes, reviewing legislation, recommending pilot projects, acting on council assignments, and making other relevant recommendations.

The JBWCP AC holds additional responsibilities beyond those outlined in CRC 10.34. Under CRC 10.67. *Judicial Branch Workers' Compensation Program Advisory Committee*, the AC reviews the progress of the program, examines the actuarial report for WC loss development, evaluates the annual premium allocation, reviews changes in the methodology for distributing WC costs.

The Judicial Council Governance Policies state that the advisory bodies, under CRC 10.34(a), make recommendations and offer policy alternatives to the Council for improving the administration of justice within their designated areas of focus by doing the following:

- 3.2.a. Identifying issues and concerns affecting court administration and recommending solutions to the council;
- 3.2.b. Proposing necessary changes to rules, standards, forms, and jury instructions;

- 3.2.c. Reviewing pending legislation and making recommendations to the Legislation Committee on whether to support or oppose it;
- 3.2.d. Recommending new legislation to the council;
- 3.2.e. Recommending to the council pilot projects and other programs to evaluate new procedures or practices;
- 3.2.f. Acting on assignments referred by the council or an internal committee; and
- 3.2.g. Making other appropriate recommendations to the council.

3.3. Advisory Committee composition

The California Rules of Court (CRC), Rule 10.67. *Judicial Branch Workers' Compensation Program Advisory Committee* outlines the following staffing composition of the 16-member AC:

- Trial courts and judicial branch entities knowledgeable about WC matters (three);
- Court executive officers (seven);
- Appellate court clerks/executive officers (one); and
- Human resources professionals (five).

The AC shall include at least one member from each of the categories appointed for three-year term staggered so one-third of the committee will change each year. When a committee member vacates mid-term, a newly appointed member may complete the three-year term through the nomination process.

3.4. Advisory Committee member terms and nominations

3.4.a. Nomination process

CRC 10.32. *Nominations and appointments to advisory committees* details the procedures and eligibility criteria for advisory body membership and outlines the Executive and Planning Committee's role in assisting the Chief Justice in selecting AC members.

The Chair of the Executive Committee assigns one committee member to review the nominations for each advisory body. During the solicitation period, JBWCP lead staff will receive updated reports and nomination forms for the AC's vacancies and positions with expiring terms. When the solicitation period ends, advisory body chairs and staff submit memoranda to the Executive Committee summarizing their needs and explaining how the nominees will best meet those needs.

3.4.b. Approximate timeline:

- (1) January: review upcoming vacancies
- (2) March: soliciting period and deadline to receive nominations
- (3) April:
 - (a) Draft Advisory Body Nomination Recommendation Letter for Judicial Council review
 - (b) Draft Advisory Body Appointment Letter for incoming members
- (4) June: draft Thank You Letter for outgoing members
- (5) September: new members appointed

3.4.c. Term limits

The CRC 10.31. *Advisory committee membership and terms* defines JBWCP Advisory Committee member terms as follows:

The Chief Justice appoints advisory committee members to three-year terms unless another term is specified in these rules or in the order appointing a member. Terms are staggered so that an approximately equal number of each committee's members changes annually. Members may apply for reappointment but there is no presumption of reappointment. All appointments and reappointments are the sole discretion of the Chief Justice.

3.4.d. Annual out-of-cycle nomination

If after the nomination process, there are still critical vacancies within the AC, a request may be submitted to solicit members outside of the annual cycle. In September, as new members are appointed, vacancies will also be identified. Any critical vacant roles will then be brought to Leadership Support Services/the Council's staff's attention. A compiled list of vacancies will then be submitted to the executive office and then to the executive committee chair for approval. The solicit period will then begin and follow the estimated timeline below:

- (1) September: draft solicitation member/nomination form and post to court's website, draft article for Court News Updates and inform Public Affairs staff.
- (2) October: nomination Deadline and submit AC Chair's recommendation memo.
- (3) November: Executive Committee Meeting and Chief Justice recommendations.
- (4) December: appointments communicated.
- (5) January: out-of-cycle appointment effective date and update roster

3.5. Onboarding and offboarding for Advisory Committee member changes

For outgoing AC members, a "Thank You" letter is drafted in June and distributed in September, addressed from the Chief Justice. This letter highlights one or two key areas of progress or change to which the outgoing member(s) have contributed.

For incoming members, a "Welcome" letter is drafted in April and distributed in September addressed from the Chief Justice and includes the JBWCP's charge statement.

An orientation is held by Program lead staff to introduce program staff to our members, discuss the AC's components, its mission, and an overview of the JBWCP.

3.6. JBWCP Advisory Committee voting

Each member of the JBWCP Advisory Committee has one vote. JBWCP Advisory Committee members may delegate their vote(s) by proxy to another member of the JBWCP Advisory Committee if the member submits a written request to the Chair at least three business days in advance of the meeting and the request is approved by the Chair.

A quorum is defined as a majority of all JBWCP Advisory Committee members, and a quorum is required for voting. As such, JBWCP Advisory Committee members are strongly encouraged to personally attend all meetings. The JBWCP Advisory Committee may act without a meeting if all members are polled electronically, and a majority of the members respond.

3.7. Responsibilities of the chair

CRC 10.34. *Duties and responsibilities of advisory committees* outlines the responsibilities of all advisory body chairs as follows:

Advisory committee chairs are responsible, with the assistance of staff, to:

- 3.7.a. Develop a realistic annual agenda for the advisory committee, consistent with the committee's annual charge by the Council or Council internal committee;
- 3.7.b. Present the advisory committee's recommendations to the Council;

- 3.7.c. Discuss with the Administrative Director or the Administrative Director's designee appropriate staffing and other resources for projects within the advisory committee's agenda; and
- 3.7.d. Submit recommendations with respect to advisory committee membership.

3.8. Responsibilities of subcommittees and working groups

CRC 10.30. Judicial Council advisory bodies state that subcommittees carry out the advisory body's duties, subject to available resources. This includes and is not limited to the initiatives outlined on the Annual Agenda.

The subcommittee members will review the associated issues and initiatives, provide input, take positions, and/or determine if a matter should be referred to the Advisory Committee for further discussion and review.

As needed, staff will contact the Advisory Committee members for interest in serving on the subcommittee and advise the Chair of the responses received. Depending on the urgency, the solicitation may be handled by direct communication or electronically. The factors to be considered will include, but not be limited to, the interest and background of the members and the need for representation relative to court size, geography, and region.

3.9. Program dispute resolution

Should a member have any concerns or disputes, they are encouraged to first discuss the issue with the Program Administrator. This facilitates prompt review to address any disagreements or misunderstandings. If the issue remains unresolved, there are two general tracks for escalation:

- 3.9.a. Matters under AC oversight per the JBWCP memorandum of coverage (MOC) – such as who is or is not a covered party under the Program – may be submitted by members for review by the AC or its designee. The decision rendered will be sent to the Judicial Council for final review.
- 3.9.b. For Program disputes outside AC purview, discussions may be broadened to include additional staff such as the court's HR Director or CEO. It may become necessary to seek legal counsel or ultimately external mediation. The decision rendered will be sent to the Judicial Council for final review.

In the event of a conflict between the MOC and the P&P, the MOC language will be controlling.

Section 4: STAFF

This section outlines responsibilities of Judicial Branch Workers' Compensation Program (JBWCP, or Program) staff and their role in Program stewardship. Judicial Council of California (the Council) staff, under rule 10.34(e) of the California Rules of Court (CRC), support the planning, coordination, and ongoing implementation of the work of the Council's advisory bodies. Day-to-day operations include drafting annual agendas, managing budgets and resources, providing legal and policy analysis, organizing and drafting reports, selecting and supervising consultants, providing technical assistance, and assisting chairs in presenting advisory body recommendations to the Council.

4.1. Program staff

Staff organization chart – please refer to the JBWCP [SharePoint](#) site.

4.1.a. Advisory Body Lead and Program Administrator

4.1.b. Program Member Liaison

4.1.c. Support Staff

4.2. Responsibilities

4.2.a. Program administration

The Program Administrator and staff oversees the JBWCP, ensuring its financial stability, regulatory compliance, and effective operation. The administrator monitors the Program's performance, offers guidance to Members, manages relations with external partners, and implements risk management strategies to reduce workplace injuries and claims costs, ultimately ensuring the long-term success and sustainability of the program.

4.2.b. Advisory body lead

The Council staff, under CRC 10.34(e) support the planning, coordination, and ongoing implementation of the work of the council's advisory bodies by drafting annual agendas, managing budgets and resources, providing legal and policy analysis, organizing and drafting reports, selecting and supervising consultants, providing technical assistance, and assisting chairs in presenting advisory body recommendations to the Council. Staff also organize meetings, provide information to members and to the public, ensure meeting notices are posted, facilitate advisory body nominations, and coordinate the work of the advisory body with related judicial branch work. The Lead also develops policies and procedures in collaboration with the JBWCP Advisory Committee (AC).

4.2.c. Member liaison and oversight

Program staff serve as a key resource for trial court members regarding workers' compensation (WC) matters. While the third-party administrator (TPA) and judicial branch entity (JBE) staff manage and handle claims, Program staff provide support, answer questions, and offer guidance to ensure Members understand processes and requirements. In partnership with the Program's TPA, Program staff ensure that the claims are handled timely and in accordance with California law.

4.2.d. Financial stewardship

The Program maintains a fiduciary responsibility by monitoring the cash flow of funds to ensure they are managed effectively. This oversight supports proper allocation and utilization, helping to maintain the financial stability of the program.

4.2.e. Auxiliary services

(1) Procurement of insurances

(a) Excess insurance (EI)

Annually solicit quotes from insurers for excess coverage using an industry standard competitive process. Program staff then conduct a comparison evaluation of competing insurance companies.

(b) Out-of-state

Although out-of-state workers' compensation coverage is not provided by the JBWCP, the Program will work with each trial court to facilitate the process. Members will be responsible for payment on all out-of-state coverage premiums.

(2) Member training

The Program also offers comprehensive training for Members to enhance their understanding of WC processes. These training sessions ensure that Members' staff are well-informed and equipped to manage claims efficiently, stay compliant with regulations, and address any challenges that may arise.

(3) Vendor management

The Program is responsible for vendor management, ensuring that relationships with TPAs and other service providers are effectively coordinated. This includes overseeing vendor performance, ensuring contract compliance, and resolving any issues that arise to maintain high-quality service for Members.

DRAFT

Section 5: ANNUAL AGENDA

This section outlines the framework and operational guidelines for the development, approval, and implementation of the Judicial Branch Workers' Compensation Program (JBWCP, or Program) Annual Agenda. The Annual Agenda outlines the work a committee will focus on in the coming year and identifies areas of collaboration with other advisory bodies and Judicial Council of California (the Council) staff resources. California Rules of Court (CRC), rule 10.30 (c) allows an advisory body to form subgroups, composed entirely of current members of the advisory body, to carry out the body's duties, subject to available resources, with the approval of its oversight committee.

5.1. Annual Agenda description

The Annual Agenda includes a list of key JBWCP Advisory Committee (AC) objectives that it intends to commence or accomplish in the coming year.

The Annual Agenda contains information relating to any subgroups (e.g., subcommittees, workstreams, working groups, curriculum committees, ad hoc groups), fiscal impact to the council or the judicial branch entities (JBEs), relevant resource needs, allocation or distribution of funds to the courts, potential internal or external stakeholders, and anticipated collaboration with committee subgroups, and the status and achievements of the previous year's projects.

The AC's initiatives are included in an order of priority and can extend over multiple program years.

5.2. Annual Agenda development procedure:

The Annual Agenda is charged with the following responsibilities:

- 5.2.a. Determine JBWCP priorities and initiatives, and ensure results through outreach and collaboration;
- 5.2.b. Oversee all program vendors to promote administrative efficiency;
- 5.2.c. Provide financial stewardship to ensure adequate funding for the program through the use of annual actuarial loss projections and consistent application of premium/cost allocation to all program participants.
- 5.2.d. Ensure the timely and accurate adjudication of claims;
- 5.2.e. Implement the necessary procedures to obtain appropriate treatment and return injured workers to gainful employment as soon as they are able;
- 5.2.f. Develop useful resources, tools, and procedures for the program participants to ensure efficient and effective claims monitoring;
- 5.2.g. Identify trends and mitigation opportunities to contain costs and manage outcomes.

Because the primary role of advisory bodies is to advise and provide policy recommendations to the Council, the oversight committees may focus on projects that fall outside of this role. If an advisory body has been directed to implement policy or produce a program, the oversight committee will want to ensure that staff continue to be accountable to the Administrative Director for the satisfactory performance of the implemented policy or program, and that the role of the advisory body is to provide advice to staff. These roles are consistent with the council's governance policies. For advisory bodies that have policy implementation and programmatic projects, the annual agenda process can clarify for the advisory body the part for which it is responsible (e.g., providing advice and guidance to staff) and the part for which staff are responsible (e.g., performing to the standards and expectations of the Administrative Director).

Preliminary questions about the annual agendas include:

- 5.2.h. Which projects give advice or make policy recommendations? (Both are the advisory body's primary role.)

- 5.2.i. Which projects are policy implementation or programmatic?
- 5.2.j. Which projects may result in a budget change proposal (BCP) or a distribution of funds to the courts?

However, when the advisory body's project produces products or services, such as resource materials, content, or programs, or the advisory body takes final action independent of the council, it is considered to be performing the work of implementation and program delivery. An explicit Judicial Council or oversight committee charge is required for an advisory body to take this action or pursue this type of project. The advisory body's oversight committee may approve the body's involvement with policy implementation or program delivery, but it is important to specify on the annual agenda that a policy implementation project is being approved and to clarify the role and accountability of the advisory body and staff. In particular, the oversight committee's expectations for reviewing final products or introducing new services at the completion of an advisory body's project should be made clear. That way, oversight committees can ensure that the Administrative Director continues to be accountable to the Council for staff performance and advisory bodies can proceed with the explicit support of their respective oversight committees. If the advisory body's work results in recommendations to be submitted to the Judicial Council for its consideration and approval, please consult the calendar of Judicial Council meeting dates and the Executive and Planning Committee's agenda-setting schedule to ensure timely delivery of the Council report.

An advisory body's recommendations of new or revised rules and forms are policy recommendations because they require the weighing of various possibilities and alternatives, and their approval requires a policy decision by the Council. An advisory body's recommendations of specific programs or of specific ways to implement policy are also policy recommendations. As long as an advisory body stays in the realm of making recommendations to the council, it occupies its traditional advisory role.

The following are general questions that may be applicable to annual agendas under review:

- 5.2.k. Is this a "realistic" list of objectives and projects for the coming year? (Factors may include the number of projects on the list, the varied scope of projects, the impact on the courts if approved, the resources needed, etc.)
- 5.2.l. What is the key direction and focus for this advisory body?
- 5.2.m. What is the status of the previous year's priority level 2 projects? (For priority level 2 projects approved by the Rules Committee, the expectation is that the advisory body can develop the project—typically a rule or form proposal—and that it will be approved for circulation in the second year, absent unusual circumstances.)
- 5.2.n. Were there issues/projects that the advisory body worked on during the previous year that were unanticipated? If so, what were they?
- 5.2.o. For a project that implements policy or produces a program:
 - (1) What role do advisory body members play in performing this project? What role do staff play? To whom are staff accountable for the satisfactory and timely completion of this project?
 - (2) Does the advisory body have an explicit Judicial Council or oversight committee charge to pursue this project? If the charge is ambiguous or was issued several years ago, should the oversight committee renew that charge? If so, under what circumstances and conditions should the advisory body pursue this project?
- 5.2.p. Does the advisory body gather stakeholder perspectives?
- 5.2.q. How does the advisory body intend to obtain information about the cost and training impact on the courts of a particular proposal?

5.2.r. Does the chair or staff have any concerns about the adequacy of resources to accomplish the projects?

If, after approval of its annual agenda, an advisory body identifies additional or different priorities and projects, because of legislation or other reasons, it may seek approval from its oversight committee to amend its annual agenda. In determining whether to give approval to a proposed additional project, the oversight committee considers:

- (1) The new project's urgency;
- (1) Whether it is consistent with the advisory body's charge;
- (2) The advisory body's approved annual agenda;
- (3) The Council's strategic plan; and
- (4) Whether it falls within the body's available staff and other resources.

5.3. Annual Agenda priority levels

5.3.a. Priority level 1

Proposals that meet one of the criteria below will be considered Priority Level 1 Proposals:

- (1) The proposal is urgently needed to conform to or accurately reflect the law;
- (2) The council or an internal committee has directed the committee to consider new or amended rules and forms;
- (3) The change is urgently needed to remedy a problem that is causing significant cost or inconvenience to the courts or the public; or
- (4) The proposal is otherwise urgent and necessary, such as a proposal that would mitigate exposure to immediate or severe financial or legal risk.

For the current cycle, proposals that address ways for courts to efficiently process cases or that provide increased access to justice through remote technology³ should be prioritized. Such proposals would generally come within category (c). *For each Priority Level 1 proposal in its annual agenda, the advisory body must provide a specific reason why it should be done this year and how it fits within the identified category.*

5.3.b. Priority level 2

Given the many constraints on the judicial branch at this time, the oversight committees do not anticipate approving many Priority Level 2 proposals. *If an advisory committee is interested in pursuing any Priority Level 2 proposals, please include justification as to why the proposal should be approved at this time.* Lower-level priority proposals are proposals that are:

- (1) Useful, but not necessary, to implement changes in law;
- (2) Responsive to identified concerns or problems; or
- (3) Helpful in otherwise advancing Judicial Council goals and objectives.

In developing proposals to respond to a specific need, advisory committees should consider whether the need could be addressed in other ways, such as developing suggested practices for courts. Advisory committees should consider whether a proposal must have statewide application as a rule or whether a different solution tailored to specific courts, or all courts of a particular size would address the matter.

5.4. Approval process

The Council governance policies express the council's interest in connecting with the leaders of its advisory bodies and coordinating efforts for the sake of continuously improving access to the courts and the administration and delivery of justice.

The Executive Committee, Rules Committee, Budget Committee, Technology Committee, and Litigation Management Committee provide oversight to the council's advisory bodies to guide them in focusing on matters of importance to the council and on providing the council with advice and policy recommendations. These oversight committees also identify any overlap in advisory body activities and projects.

Through annual agenda review meetings with the council's oversight committees, the advisory body chair discusses the best use of each advisory body's resources for the coming year. In these conversations, oversight committees are likely to convey their interest in the fulfillment of the council's strategic goals and operational objectives through the advisory body's objectives and projects.

Under CRC 10.34. *Duties and responsibilities of advisory committees*, the internal committees meet to review and approve the annual agendas over which they exercise oversight. The advisory body chairs and lead staff attend the meetings either in person or by telephone.

The process prior to the review meeting is as follows:

- 5.4.a. Before the annual agenda review meetings, the AC submits its draft annual agenda to its oversight committee, the Litigation Management Committee, for review.
- 5.4.b. Each advisory body's draft annual agenda forms the basis for a conversation during the review. During the meeting, the Litigation Management Committee asks questions of the advisory body chairs and engages in conversation to understand the direction and priorities of the AC. Lead staff are generally included in these meetings to support the chair and to provide further detailed information as needed.
- 5.4.c. The intended outcome is an understanding between the Litigation Management Committee, the advisory body chair, and lead staff of the AC's priorities for the coming year, the objectives to be pursued, and the projects to be undertaken.
- 5.4.d. Following the review meetings, the approved annual agenda is posted on the AC's page of the California Courts website to allow branch stakeholders to be informed of the work of the advisory bodies.

Section 6: MEETING PROCEDURES

California Rules of Court (CRC) 10.75, *Meetings of Judicial Council of California Advisory Bodies*, expands public access to advisory body meetings. The guidelines provided here were developed to assist advisory body chairs and lead staff with the proper and consistent application of the rule, and provide uniformity, predictability, and equality of access for the public.

The Judicial Council of California (the Council) relies upon the advice of its many internal and advisory committees and other multimember bodies that it creates to review issues and make recommendations for its consideration. Advisory body members volunteer their time, knowledge, and experience to support advisory bodies in performing many functions that assist the council. For example, advisory bodies propose needed changes to rules, forms, standards of judicial administration, and jury instructions, review and comment on pending legislation, recommend new legislative proposals, pilot projects, and programs, and recommend solutions to address emerging issues affecting court administration.

6.1. Meetings

Advisory committee meetings may be conducted in person, by electronic means, or utilize some combination of the two. These meetings may be open to the public, open with a portion closed to public access, or closed entirely. These are largely conducted the same way, with some differences as outlined below.

An in-person meeting will occur when almost every member meets in one location for the meeting; however, it is possible for a member(s) to participate remotely while all others are meeting together. The public will be allowed to attend the open portion of the meeting either in person or through electronic means. Spoken public comments will only be accepted at meetings that the public may attend in person.

An advisory body can conduct a meeting by telephone, computer, videoconference, or any other available method of electronic means. For these meetings, staff must ensure that the public has the ability to listen to the meeting. These meetings will not allow for spoken public comment; however, the public may submit written comments.

There will be no public attendance or comment for closed portions of meetings. A closed meeting, or closed session, is entirely closed to the public. No member of the public may attend, either in person or by electronic means, when a meeting is closed under any of the 10 bases for closing a meeting.

6.2. Notice

Public notice of meetings that are subject to the rule, including those that are closed to the public, must be posted on the advisory body web page on the California Courts website at least five business days before the meeting. This includes standing subcommittees (i.e., those charged with addressing a topic as a continuing matter) and any subcommittee that consists of a majority of the members of the advisory body.

Advisory body staff is required to use the Notice of Open Meeting template when providing public notice of an in-person advisory body meeting. Business necessity exceptions may be made on a case-by-case basis.

6.3. Urgent circumstances

There may be circumstances where the advisory body chair determines that a matter requires prompt action, and the advisory body cannot wait for the required five-day posting notice. In those circumstances, the advisory body chair must provide the public with 24 hours advance notice of the meeting. When completing the minutes of these meetings, staff must briefly state the facts creating the urgent circumstances requiring prompt action and the action taken.

6.4. Agenda

Agendas must be posted on the advisory body web page on the California Courts website at least five business days before the meeting. The agenda must list each item to be discussed or considered by the advisory body. Advisory body staff is required to use the Open Meeting Agenda template. Business necessity exceptions may be made on a case-by-case basis.

The agenda must identify the item number for closed sessions and the specific subdivision of CRC 10.75 that authorizes the closure.

6.5. Materials

All open meeting materials must be posted on the advisory body web page on the California Courts website at least three business days before the meeting, except in extraordinary circumstances.

Closed session meeting materials will not be posted.

6.6. Recording

The public may, with approval from the advisory body chair, audio-record an open portion of an advisory body meeting. Requests must be submitted at least two business days before the meeting. Closed portions or sessions may not be recorded.

6.7. Comments

Written comments pertaining to any agenda item of a regularly-noticed open meeting can be submitted by email, U.S. mail, or be hand delivered, up to one complete business day before the meeting. Advisory bodies may elect to receive and consider comments that are received late.

The public may offer spoken comment on any agenda item of an open meeting that the public attends in person, provided a request to comment is submitted before the start of the meeting. The advisory body chair may also decide to accept requests to comment after the meeting has begun. If the public is remotely participating in the meeting (e.g., conference call, Zoom) they may not provide spoken public comment, only written comments will be accepted.

Neither written nor in-person public comments are permitted when an advisory body meeting is closed.

6.8. Attendance

Staff should work with the advisory body chair to make reasonable attempts to select a meeting location with security measures, such as a Judicial Council office or another appropriate judicial branch or government facility that will allow the public to attend. If the meeting is scheduled at a location without security measures (e.g., the Council Sacramento office) the advisory body chair may conclude that the public is not allowed to attend in person; however, they will be allowed to attend the meeting via a conference call line or other electronic means. No member of the public should be excluded from attending an in-person meeting if the advisory body chair concludes that security measures permit public attendance.

All advisory body meetings that allow for in-person public attendance must also allow for the public to attend remotely. Currently, remote attendance means providing a listen-only conference call capability or an equivalent provided by other electronic means (e.g., broadcast).

Public attendance, either in person or by electronic means, is not permitted when an advisory body meeting is closed.

6.8.a. Americans with Disabilities Act (ADA) and Access to Open Public Meetings

Individuals with disabilities must be provided access to open meetings and are entitled to reasonable accommodation under the ADA and comparable California laws as needed. Qualifying disabilities may include mobility or other motor impairments, psychological and

mental illness, vision or hearing impairments, and environmental sensitivities. Advisory body staff should expect and be prepared to receive such requests.

If an individual with a disability requests an accommodation to attend a meeting, advisory body staff should determine the nature of the disability and the precise accommodation that is being requested. Council staff must keep confidential all information relating to a request for accommodation. Council staff can advise advisory body chairs that a request has been received, and the nature of the accommodation granted. Reference to the requestor and the nature of the accommodation granted should not be announced at the meeting, nor referenced in the meeting minutes.

6.9. Minutes

Minutes of each open meeting must be prepared and presented to the advisory body for approval at a future open meeting. If the meeting was held after only 24-hours public notice due to urgent circumstances, the minutes must briefly state the facts creating the urgent circumstances requiring prompt action and the action taken. When approved by the advisory body, the minutes constitute the official record of the meeting and must be posted on the advisory body web page on the California Courts website.

Minutes should contain a brief description of the proposal or other matter considered (e.g., recommendation that the Judicial Council adopt a rule) and the action taken (e.g., the committee recommended that the rule be adopted by the Judicial Council, effective on a particular date). An advisory body may request more detailed minutes, if necessary.

Closed session meeting minutes will not be posted to the advisory body web page; however, it is still necessary to have an official record of closed meeting discussions. Staff is to prepare minutes of each closed session and present them to the advisory body for approval at a future meeting. These minutes will be maintained by advisory body staff and may be used to respond to a complaint about the legitimacy of the closed meeting agenda item(s)

6.10. Action by email between members

Advisory bodies may act on a written proposal by email instead of meeting in person or by telephone under two circumstances:

- 6.10.a. The advisory body discussed and considered the proposal at a previous meeting but concluded additional information was needed; or
- 6.10.b. The advisory body chair concludes that prompt action is needed.

As soon as practicable after the minutes are approved, staff must post the minutes, including any public comments received, on the California Courts website.

Staff is not required to prepare minutes for email proposals on matters that otherwise would have been considered in a closed meeting. Instead, staff should maintain the LISTSERV emails regarding the email proposal as the official record of the proposal.

Section 7: AUDIT PROCESS

This section provides an overview of the Judicial Branch Workers' Compensation Program (JBWCP, or Program) audit process, including third-party administrator (TPA), case management, and spot check audits. This assists with educating both new members joining the JBWCP, new workers' compensation (WC) personnel within existing members, and with succession planning for Program staff. These audits ensure that the TPA is aligned with the consistent and timely provision of the mandatory workers' compensation benefits to all Judicial Branch employees covered by the Program..

7.1. TPA audit

Independent claims auditing services will be conducted annually for compliance with California Workers' Compensation claims administration industry regulations, standards and the JBWCP's Workers' Compensation Program Claims Service Guidelines. The audit will include a review of the TPA claims handling performance.

Audit process and timeline:

- 7.1.a. Audit Metrics review for adjustment to any audit criteria will be conducted between the auditor, JBWCP administrative staff, consultant and TPA in July of each year.
- 7.1.b. Audit begins in the third quarter of the year, concluded in the fourth quarter.
- 7.1.c. Audit preliminary results for potential rebuttal are provided to the TPA within 30 days of the Audit start.
- 7.1.d. TPA rebuttals are due within 30 days of receipt of the preliminary Audit.
- 7.1.e. Auditor to provide draft detailed reports of the Audit findings to the TPA and the JBWCP, with an executive summary, due no later than 45 days posts the Audit's conclusion, with a final draft report to the TPA and the JBWCP no later than 70 days post the Audit's conclusion. The TPA will have an opportunity to address any discrepancies in the Audit findings prior to sharing the final draft report with the Advisory Committee.
- 7.1.f. Final audit report delivered to the Program Manager in January of the following year, with presentation to the Advisory Committee in the first quarter.
- 7.1.g. Audit conducted by qualified claims and managed care staff.
- 7.1.h. Audit is conducted on-line.
- 7.1.i. The Audit shall have a 180-count random sampling of all claim types managed by the TPA claims adjusters.
- 7.1.j. Depending on the outcome of the initial Audits, the JBWCP may decide that additional Audits are necessary up to every three months until such time the Audits of the TPA meet the desired outcome of the JBWCP.

7.2. TPA audit criteria will evaluate:

- 7.2.a. Consistent application of the three-point contact with the injured workers, their supervisor or manager and the treating physician or clinic within 24 hours of assignment of the claims.
- 7.2.b. Timely Denial or Acceptance of claims.
- 7.2.c. Use of Investigation Services within Service Guidelines.
- 7.2.d. Subrogation/Recoveries/Appportionment
- 7.2.e. Disability Management
- 7.2.f. Penalties
- 7.2.g. Reserving Strategies within Service Guidelines.

- 7.2.h. Effective Action Plans
- 7.2.i. Effective Return to Work Strategies.
- 7.2.j. Communication
- 7.2.k. Litigation Management within Service Guidelines.
- 7.2.l. Adherence to Special Account Instructions.

7.3. Case management audit

Independent claims auditing services will be conducted annually focused on medical case management provided by the TPA for compliance with established industry metrics, best practices and the JBWCP's Workers' Compensation Claims Service Guidelines.

Audit process and timeline:

- 7.3.a. The medical case management audit will follow the same process and timeline outline in subsection 5.1 with an 80-count random sampling of cases assigned to medical case management.

7.4. Medical case management criteria will evaluate:

- 7.4.a. How cases are triaged and assigned.
- 7.4.b. How is the appropriate level of clinical intervention evaluated.
- 7.4.c. What tools and resourced do the nurses use to guide their assessments and action plans.
- 7.4.d. When are physician advisors utilized.
- 7.4.e. What data is used by the medical case management program to measure effectiveness.
- 7.4.f. Is there integrated communication between the medical case management program and the claims adjusting staff.
- 7.4.g. What is the impact to the claim.
- 7.4.h. Use of nationally recognized treatment and disability duration guidelines.
- 7.4.i. Coordination of Member's return-to-work programs.

7.5. Spot-check audit

The JBWCP may decide that the Auditor conduct random informal spot checks for a maximum of 30 claims of the TPA to ensure proper application of best practices, special handling instructions and criteria identified in the Annual audit(s).

Additionally, intermittent "one off" claim reviews for high exposure/high sensitivity cases may be requested by the JBWCP at a maximum of eight claims reviews and four claim review write-ups.

Findings of "one-off" reviews will be provided orally in a time and place of the JBWCP's choice.

7.6. Annual benchmarking

The Annual and Spot-Check audits focus on the legal responsibility of the JBWCP and the TPA's performance as outlined in the Claims Manual and Service Guidelines.

How does the program perform year after year? Are there areas where there are improvements or is the program experiencing challenges? The purpose of annual benchmarking is to audit the program against itself and its industry peers. This helps Program Staff understand what is working, what areas may need improvement, and ultimately the program's health overall. Working with the Program's Auditor, operational and/or financial benchmarks are selected. This could include benchmarks on claim processing times, costs per claim, return-to-work rates, or other measures.

Through a comparative analysis and decides workable solutions or changes which may yield better results. Depending on the identified program pain points, this may result in a revision to the Service Guidelines, Claims Manual, recommending training for the adjusters/TPA, or a request to the Advisory Committee for the development of a working group to brainstorm solutions for review by the Advisory Committee and Judicial Council's approval.

The goal is to continuously improve and outperform in the ever-changing industry of workers' compensation.

DRAFT

Section 8: PREMIUM ALLOCATION

This section covers the process for determining and distributing the financial contributions required from each member to fund the Judicial Branch Workers' Compensation Program (JBWCP, or Program). It provides clarity on how funds are distributed across the three distinct membership groups and emphasizes financial stability while promoting cost-effective loss management practices. The allocation methodology accounts for factors such as program costs, claims experience, and payroll data, which ensures that each member's premium aligns with their specific risk exposure. This protects the Program's ability to meet all current and future liabilities, and encourages members to actively manage their workers' compensation (WC) claims. Premium assessments are reviewed and adjusted annually with the goal of balancing fairness with sustainability while supporting the continued success of the Program for all members.

8.1. Upcoming premiums

The upcoming program year's premiums are calculated based on the estimated cost to cover the Program's claim expenses for the period. Our actuary incorporates the Program's loss experience to determine this cost. This cost is then allocated to our members with a weighted distribution based on three years of both their payroll and claims cost. If a member has multiple expensive claims, it can have an extraordinary impact on their upcoming premium.

8.2. Actuarial studies

The Advisory Committee (AC) recognizes the importance of conducting regular actuarial studies to maintain the fiscal integrity of the Program and to assist in the financial decision-making process. Actuarial studies are recommended to be conducted, at a minimum, once each year to determine reasonable funding levels for the Program, in compliance with Judicial Council funding policy and Governmental Accounting Standards Board Statements. The objectives of the annual actuarial study are to estimate the Program's liability for outstanding claims, project ultimate loss costs for the upcoming fiscal years, and provide funding guidelines to meet these liabilities and future costs.

The AC shall use the actuarial study to assess current membership contribution levels and determine if the Program's obligations and liabilities are being adequately met. The study includes the following components:

- 8.2.a. Estimated outstanding liabilities for loss and allocated loss adjustment expenses (ALAE) as of the end of the previous program year. Estimates are provided at the expected level, as well as various confidence levels.
 - (1) See "Section 11: Expenditure Process", subsection 11.1.a for more information on ALAE.
- 8.2.b. Projection of ultimate loss and ALAE for fiscal accident years previous fiscal year, current fiscal year and two fiscal years forward. Estimates are provided at the expected level, as well as various confidence levels.
- 8.2.c. Projection of loss and ALAE payments for previous fiscal year, current fiscal year and two fiscal years forward.

The JBWCP is analyzed in two parts: (1) Trial Courts and (2) State Judiciary (including Trial Court Judges). The estimates are based upon loss data valued as of December 31, as well as other information provided by the Judicial Council, including exposure and financial data. The actuary's estimates include medical and indemnity benefits, allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and benefit payments made under Labor Code section § 4850. The estimates exclude all other program expenses. Furthermore, the estimates are not discounted for anticipated investment income.

The study concludes with a summary of the JBWCP's liability for unpaid loss and allocated loss adjustment expenses (ALAE) forecasted for the end of the fiscal year, June 30, at the expected level and various other confidence level options.

8.3. Premium allocation

Each year the AC establishes and reviews annual premium deposits for each member to fund the Program. The Program is a self-funded risk pool, in which each member pays a share of cost based on their workers' compensation claims experience and historical payroll.

The total cost is allocated among three groups: Trial Courts, Judicial, and State Judiciary – for more information on these three groups, please refer to “Section 2: Members”.

8.3.a. Trial Courts:

Employees, jurors, and volunteers (if a volunteer coverage declaration exists), which includes 57 out of 58 California trial courts

8.3.b. Judicial:

Appellate justices, trial court judges, and retired judges in the Assigned Judges Program

8.3.c. State Judiciary:

Employees and volunteers (if a volunteer coverage declaration exists) of the Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, California Judicial Center Library, Commission on Judicial Performance, and the Judicial Council

8.4. Methodology

The actuary calculates member's premium deposits based on a blend of historical experience, exposure, and administrative costs. The methodology is designed with features that make it suitable for the varying population sizes of courts and judiciary entities participating in the program.

8.4.a. Annually, JBWCP commissions an actuarial study to assess potential loss costs. This study leverages historical loss data from the program's inception on January 1, 2001, as well as payroll information, both historical and projected. The data originates from the Judicial Council and third-party claims administrators.

8.4.b. The actuary evaluates the accumulated liabilities since the program's inception and forecasts costs for the upcoming policy period. They also predict the loss payments expected in the next fiscal year. These projections form the basis for allocating costs among the participating members.

8.4.c. For the allocation of costs, the actuary consolidates the actuarial data with cost figures, including excess insurance premiums, third-party administrator (TPA) fees, and brokerage and consulting expenses. The allocation formula incorporates a three-year loss distribution and a three-year payroll distribution, applying a weighted approach to determine the annual financial premium for each member.

The methodology is designed to ensure sufficient funding to cover anticipated loss payments and other program costs. It aims to motivate members to manage workers' compensation losses effectively by making cost allocation sensitive to recent loss experiences. Additionally, the methodology seeks to stabilize annual contributions to aid in budgetary planning and acknowledges that acceptable levels of financial volatility may vary based on the size of each member.

8.5. Documentation

At the end of each calendar year, JBWCP staff provides the Actuary with the following data:

8.5.a. Payroll

These figures represent the total payroll costs for the current fiscal year and the projected payroll for the upcoming fiscal year. They are used to assess exposure and help determine the appropriate premium rates based on the size and scope of the workforce.

8.5.b. Asset balance

The asset balance of the fund refers to the total value of assets available in the workers' compensation fund at the end of the fiscal year minus all the forecasted liabilities and expenditures throughout the year. This includes vendor costs, bi-weekly replenishment invoices to ancillary claims costs, and excess insurance. Income received by the fund includes cash reserves, investments, and any other resources that contribute to the fund's capacity to cover claims and expenses.

8.5.c. Calendar year-end loss run

The calendar year-end loss run provides a detailed record of all the program's claims and losses incurred. It includes information on the number of claims, their costs, and any outstanding liabilities, helping to assess the fund's performance and future claims expectations.

8.5.d. Claims handling and brokerage/consulting fees

(1) Third-party administration (TPA) fees

The Program's TPA fees represent the costs associated with managing and administering the workers' compensation program. This includes costs for claims adjusting and administration, reporting, Risk Information Management System (RIMS), and other costs associated with administering claims and its program's management which may include ancillary service fees such as but not limited to Medicare submission reporting fee, OSHA, and takeover claim fees.

This cost is allocated across the membership according to each member's proportion of payroll.

(2) Brokerage fees

A broker provides services that include but are not limited to excess insurance placement and servicing, risk exposure analysis, as well as general insurance advisory services and claims assistance for the JBWCP for the purpose of developing and maintaining a comprehensive statewide workers' compensation program. In addition, the broker performs the following:

Annually solicits quotes from insurers, conducts a comparison evaluation of competing insurance companies, identifies the most beneficial entity for the JBWCP, and negotiates a flat fee with selected insurers on behalf of the JBWCP.

Each year, as required, provides insurance marketing services for excess coverage, using an industry standard competitive process. The JBWCP has maintained a statutory excess coverage for the program for claims exceeding \$2,000,000.00.

(3) Actuarial fees

Actuarial fees are charges for the services provided by actuaries to assess and advise on the financial aspects of the JBWCP. These services include preparing actuarial reports that estimate program liabilities, determine premium allocations, and provide recommendations on managing program costs. Actuaries also offer support for special projects, committee initiatives, and ensure a smooth transition to new service providers when needed. These fees reflect the professional expertise required to maintain the financial stability and effectiveness of the program.

(4) Auditing

Auditing services are essential for ensuring that the JBWCP meets its claims handling and case management standards. The annual audit includes a thorough evaluation of the third-party administrator's (TPA) claim handling processes, ensuring compliance with industry standards and JBWCP guidelines. Audits are conducted on a random

sample of claims handled by TPA technicians and the case management program, assessing the timeliness and accuracy of claim administration.

In addition to annual audits, spot checks may be conducted to verify the ongoing application of best practices and special handling instructions. These checks help address any immediate concerns and ensure high-exposure cases are handled appropriately. The JBWCP receives detailed reports on the audit findings, including annual TPA and case management reports, as well as periodic spot check summaries. These audits and ongoing reviews support the integrity and effectiveness of the program while ensuring that service providers meet the JBWCP's expectations.

8.5.e. Out-of-state premiums

Out-of-state premium figures for the Judiciary are provided to the actuary so that they can be incorporated into the members' premiums.

* Out-of-state premium figures for Trial Court members are covered by the court, invoiced separately, and not incorporated into the members' premium allocation.

DRAFT

Section 9: EXCESS INSURANCE

The Judicial Branch Workers' Compensation Program (JBWCP, or Program) is committed to providing comprehensive and sustainable insurance coverage, and maintains excess insurance (EI) for all members as part of that commitment. EI is an additional layer of protection against catastrophic events and large claims that exceed established limits. This section details the role of EI in managing high-risk exposures and provides insight into the renewal and audit procedures designed to align EI with the Program's evolving needs. Coverage levels, terms, and renewal processes are regularly reviewed to maintain fiscal responsibility and the ability to effectively manage risks.

9.1. Excess insurance

EI provides additional coverage beyond the limits of the JBWCP's policies outlined in the Memorandum of Coverage (MOC), designed to protect an organization from large, unexpected losses that exceed the coverage limits of the underlying policy. The JBWCP provides coverage for its membership up to \$2,000,000 per occurrence¹. Claims that surpass this threshold are covered by EI, whereupon the excess carrier would begin issuing reimbursements to the JBWCP's third-party administrator (TPA) for claim expenses above the \$2,000,000 ceiling. This could possibly occur in cases of catastrophic events that result in multiple high-cost claims. The added layer of EI protection helps ensure that the program remains financially stable and can effectively manage high-risk exposures, providing an added level of security for its members.

9.2. Coverage levels

The chart below illustrates examples of the different coverage levels. The Program asks the broker to provide these details when seeking bids for EI coverage, which will then be presented to the Advisory Committee for approval.

	Option 1:	Option 2:	Option 3:	Option 4:
Coverage	Specific excess WC	Specific excess WC	Specific excess WC	Specific excess WC
Covered state	California	California	California	California
Estimated annual payroll	TBD	TBD	TBD	TBD
Workers' compensation limit	Statutory	\$100,000,000	Statutory	\$100,000,000
Employer's liability limit	\$2,000,000 / \$2,000,000 per occurrence & aggregate			
Self-insured retention (SIR)	\$2,000,000	\$2,000,000	\$3,000,000	\$3,000,000
Pay plan	Annual	Annual	Annual	Annual
Audit	Annual	Annual	Annual	Annual

¹ **Occurrence** shall mean an injury or disease of an Employee arising out of and in the course of employment that is compensable under Workers' Compensation Law. Bodily injury, illness, or disease sustained by one (1) or more Employees, as a result of a single accident, incident, or exposure, shall be deemed to arise from a single Occurrence. The Occurrence shall be deemed to take place on the earlier of (a) the last day of the last exposure, in the employment of the Covered Party, to conditions causing or aggravating the disease, or (b) the date upon which the Employee first suffered disability and either knew, or in the exercise of reasonable diligence should have known, that such disability was caused by employment with the Covered Party.

9.3. Coverage parameters

9.3.a. Coverage

Specific Excess WC – specific EI provides coverage once claims arising out of a single occurrence exceed the retention specified in the policy declarations.

9.3.b. Workers' compensation limit

Statutory limit – The coverage is set at the amount mandated by law.

Specific Dollar Amount – when the “Limit” is listed as a specific dollar amount, such as \$100,000,000, it represents the fixed limit established by the policy. This imposes a risk of coverage beyond the limited amount.

9.3.c. Employer liability limits

Employer liability (EL) coverage specifically addresses the legal liability of employers arising from employee claims that fall outside the scope of Workers' Compensation. EL coverage for program members is provided up to \$2,000,000 per occurrence. Any amount exceeding this limit will be charged back to the Program.

Example: If an employee is exposed to hazardous conditions at work that cause a long-term illness, the occurrence would be considered the event of exposure. If multiple employees are affected by this same exposure, the claims for all affected employees would be covered under the \$2,000,000 per occurrence limit. However, if the total of the claims for the affected employees exceeds \$2,000,000, any amount beyond this limit would be charged back to the program.

9.3.d. Self-insured retention

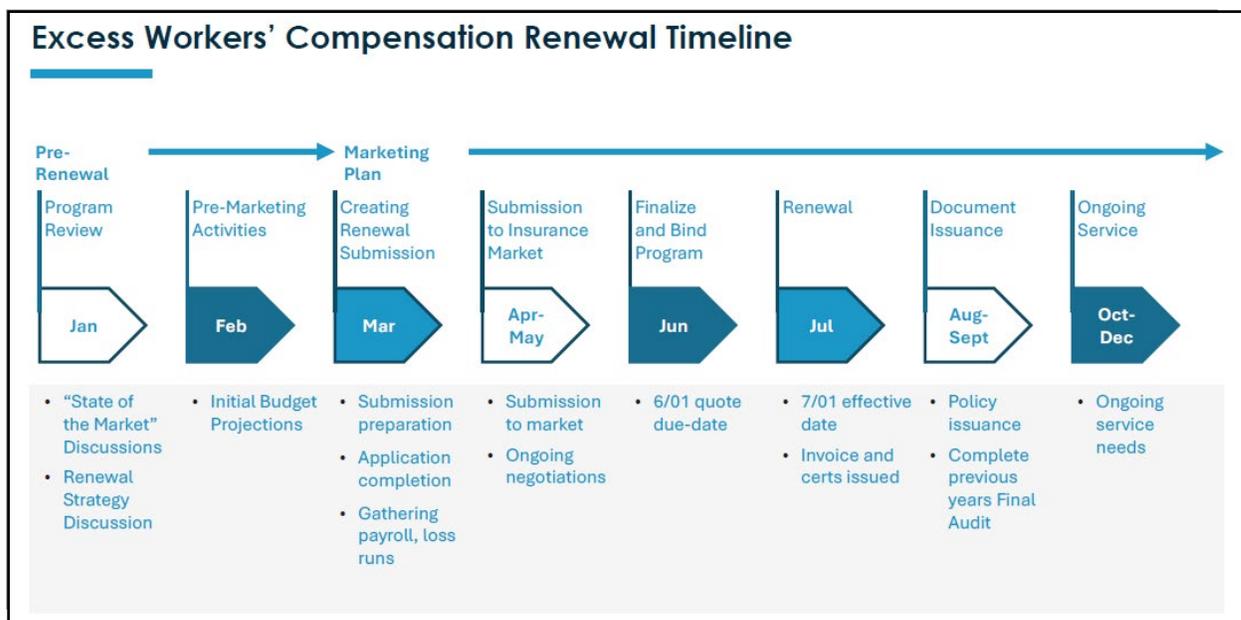
Refers to the dollar amount specified in a liability insurance policy that must be paid by the Program before the insurance policy will respond to a loss. Under a policy written with an SIR provision, the Program pays the defense and/or indemnity costs associated with a claim until the SIR limit is reached. After that point, the insurer would make any additional payments for defense and indemnity that were covered by the policy.

9.3.e. Pay plan & audit

Each year, as part of the annual pay and audit plan, the program provides the auditor (selected by the carrier) with updated payroll figures, which are used to calculate the final premium for the excess insurance coverage. The auditor compares the actual payroll data to the estimated figures provided at the beginning of the policy term. Based on this review, a true-up is done to adjust the premium; if the actual payroll exceeds the estimate, the program may owe additional premiums, while a lower payroll figure could result in a refund. This process ensures the premium accurately reflects the program's actual exposure for the year.

9.4. Annual process

The excess Workers' Compensation renewal process involves a series of critical stages that ensure the program is properly reviewed, negotiated, and renewed. The following timeline outlines the key steps involved, from the initial planning phase to the ongoing service after the renewal is complete. Each stage is essential in ensuring that the coverage remains effective and aligns with the organization's needs and market conditions.



9.4.a. Pre-renewal (January):

The Program review takes place during this phase. Key activities include discussions about the "State of the Market," which helps understand current trends and potential market challenges. Additionally, a renewal strategy discussion is held to align on objectives and expectations for the upcoming renewal.

9.4.b. Pre-marketing activities (February):

Initial budget projections are created for the renewal period. During this time, preparation for the renewal submission begins. This includes gathering important data such as payroll information and loss runs and setting up any necessary documentation for the upcoming submission.

9.4.c. Marketing plan (March):

The marketing plan is developed to structure the submission to the insurance market. This phase involves completing the renewal application and finalizing submission materials that will be presented to insurers. Key actions also include preparing the required data, including payroll and loss runs.

Examples of items that program staff have submitted to the broker for renewal include:

- (1) Excess Workers' Compensation application and any supplemental applications that apply to the insured.
- (2) Projected policy year payroll by class code by member.
- (3) Historical payroll for the current policy period, plus a minimum 10 previous policy periods
- (4) Summary of total incurred losses for the current policy year, plus a minimum 10 previous policy periods
- (5) Detailed large losses for all claims incurring over \$100,000 for the current policy year, plus a minimum of 10 previous policy periods.
- (6) Updated Employee concentration – certain carriers may require complete street addresses and number of employees per location.

(7) Copies of the Program's most current financial statement, actuarial report, and any fund documents changes.

9.4.d. Submission to insurance market (April–May):

The completed submission is sent out to the insurance market during this phase. This includes sending all necessary documents and data to potential carriers. Ongoing negotiations also take place as insurers review the submission and make their offers.

9.4.e. Finalize and bind Program (June):

The Program is finalized, and binding negotiations with insurers are concluded. By June 1, the final quote should be due from the insurer to ensure that the coverage is in place by the next effective date, which is typically July 1.

9.4.f. Renewal (July):

Renewal takes place, and the coverage is officially renewed. This phase involves finalizing the contract with the insurer and ensuring that the renewal premium is paid. The invoice and certificates of insurance are issued during this time.

9.4.g. Document issuance (August–September):

The policy documents are issued to confirm the renewal and coverage terms. Additionally, the audit for the previous year is completed to verify payroll and other metrics used to determine the premiums.

9.4.h. Ongoing service (October–December):

Throughout this period, ongoing service needs are addressed, including any adjustments or issues that arise. This stage ensures continuous support and that all final audit information for the previous year is fully processed and reviewed.

Section 10: JUDICIAL BRANCH WORKERS' COMPENSATION FUND

This section overviews how the Judicial Branch Workers' Compensation Program (JBWCP, or Program) is financed using the Judicial Branch Workers' Compensation Fund (JBWCF). By statutory design, workers' compensation (WC) benefit are due and payable without significant delay, without regard to how those benefits are funded. The JBWCF is established as a continuously-appropriated fund within the State of California to provide a stable and guaranteed funding source.

10.1. Judicial Branch Workers' Compensation Fund

The JBWCF is a revolving fund established in the State Treasury on July 1, 2003 to cover the cost of WC claims for members of the JBWCP. Member contributions are the primary funding source. Although there is one fund, there are two separate appropriations. One supports the WC program for the Judiciary (Supreme Court, appellate courts, Commission on Judicial Performance, Habeas Corpus Resource Center, California Judicial Center Library, and the Judicial Council of California). The other appropriation supports the trial courts (employees and judges).

Contributions from participating judicial branch employers as well as income of whatever nature earned on the JBWCF are deposited in the fund. Per Government Code (GOV) section § 13340, money is contributed to the fund and is continuously appropriated without regard to fiscal years. The fund shall be used to pay workers' compensation claims of judicial branch employees and administrative costs.

The assets within the JBWCF are classified as Governmental/Special Revenue Funds and fall under the legal jurisdiction of Nongovernmental/Working Capital and revolving funds. All state special funds, unless specifically identified in statute, are required to participate in the Surplus Money Investment Fund (SMIF), which guarantees sustainability. The legislation that established the JBWCF did not exclude it from SMIF, GOV § 16471. To the extent that the Program wants to deposit its funds into another investment source, legislation would be needed to amend the agreement excluding the JBWCF from participating in the SMIF and allow for other investment options.

The SMIF is invested in the State Treasurer's Office Pooled Money Investment Fund Account (PMIA), a money market fund held and managed by the State Treasurer's Office.

10.1.a. Confidence level

This term refers to the estimated probability that a given level of funding will be adequate to pay actual claims costs. For example, a 50 percent confidence level would refer to an estimate for which there is a 50 percent chance that the amount will be sufficient to pay loss costs. A 90 percent confidence level would refer to an estimate for which there is a 90 percent chance that the amount will be sufficient to pay loss costs. The 50-percent level is also known as the "expected" level.

The Program's funding began at "expected" and is currently at a 70 percent confidence level.

10.2. Cash flow in

The JBWCF is self-funded by members who pay a share of the total cost based on their WC claims experience and historical payroll. The JBWCF is currently funded through a premium deposit twice annually in August and September. The JBWCF is dynamic, and the invested assets into the SMIF can keep pace with the market while the contributions are allocated to claim expenses.

The premium allocation formula uses a weighted combination of three-year loss and payroll distributions for each member. The weighted formulas establish acceptable funding to cover all program expenses and provide members with incentives to control workers' compensation losses by making the premiums sensitive to recent loss experience.

10.2.a. SMIF moneys are invested in U.S. Government securities, commercial paper, time certificates of deposit, and bankers' acceptances – interest is earned quarterly.

10.2.b. Annual premium deposit (twice a year, usually August / September)

- (1) The Judicial Council approved this twice-a-year deposit structure on May 15, 2020. Previously, JBWCP premiums were collected in 12 monthly payments.

10.3. Cash flow out

Program vendor costs are encumbered and excess insurance costs are paid at the start of the fiscal year. Replenishment costs are received and paid twice a month throughout the fiscal year. As claims are paid, the previous year's funds cover the current year's expenses until premiums are transferred into the fund. Program management vendor costs:

10.3.a. Replenishment trust fund managed by the TPA for ancillary and claims medical costs (twice a month)

10.3.b. Excess insurance – expenses incurred at the beginning of the year.

DRAFT

Section 11: EXPENDITURE PROCESS

This section overviews the basic kinds of expenditures that occur within the Judicial Branch Workers' Compensation Program (JBWCP, or Program). JBWCP-approved costs are fundamentally those that support the overall goals and effective operation of the Program, rather than benefiting a single member exclusively. Program expenditures are generally categorized into two main types: 1) costs directly tied to claims and 2) costs related to the Program administration.

11.1. Claim-related expenditures (trust fund)

These are the costs directly tied to claims. A trust fund, co-managed by program staff and the third-party administrator (TPA) is replenished twice a month and used to cover claims-related medical expenses and allocated loss adjustment expenses (ALAE). These proposed ALAE and medical management service charges require pre-approval from the program before the costs are incurred. The "trust fund" is also referred to as a "revolving fund", and is detailed in "Section 10: Judicial Branch Workers' Compensation Fund".

11.1.a. Allocated loss adjustment expenses (ALAE)

ALAE refers to costs or expenses – separate from indemnity of medical – incurred as part of managing a loss on a specific claim file. Examples of approved ALAE include, but are not limited to:

- (1) Legal fees
- (2) Court reporter fees
- (3) Court costs
- (4) Professional photographer fees
- (5) Expert witness fees
- (6) Sub rosa investigation expenses (surveillance and investigation services)
- (7) Field investigation expenses
- (8) Rehabilitation service costs
- (9) Costs or expenses for other similar services necessary for claim resolution.

It is important to note that ALAE does *not* include fees payable to the TPA for their standard services, penalties payable by the TPA, or payments for services covered under Claims Administration Services or Medicare Agent Services that have their own fee structures.

11.1.b. Medical and medical management service charges

These are costs associated with the medical aspects of a claim. The program covers various medical management services, which can include:

- (1) Preferred provider organization (PPO) access: often charged as a percentage of savings.
- (2) Medical provider network (MPN) access: may be a flat rate per bill.
- (3) Prescription drug benefit program: costs vary based on brand/generic and retail/mail order, often involving a dispensing fee.
- (4) Medical bill review: Can be per line or a flat fee per bill, sometimes with a percentage of PPO savings. For very large bills (e.g., \$100,000 or greater) or surgical implant bills, network savings may be charged at a percentage of savings.
- (5) Utilization Review (standard and physician/peer review): charged per review to ensure medical treatment is appropriate and necessary.

- (6) Nurse case management:
 - (a) Telephonic case management (TCM): monthly fees for ongoing case management over the phone.
 - (b) Field case management (FCM): charged per hour for in-person case management.

11.1.c. Medicare related services

The program also covers costs associated with Medicare compliance for claims, such as:

- (1) Medicare submission reporting (quarterly)
- (2) Medicare set-aside (MSA) allocation reports: comprehensive reports to determine funds to set aside for Medicare. This includes variations like MSAs without submission to CMS (Centers for Medicare & Medicaid Services), zero-dollar MSA waivers for denied cases, and complex MSAs for cases with multiple claims or extensive medical records.
- (3) MSA submission to CMS
- (4) Medicare lien searches and appeals: to identify and resolve conditional payments made by Medicare.
- (5) Medical cost projections (MCP): similar to an MSA but may include non-Medicare covered expenses and is not submitted to CMS.
- (6) MSA/MCP combination reports
- (7) MSA updates: charged at a flat rate, though older MSAs might incur full MSA rates for an update.
- (8) Social Security disability checks
- (9) Rated age requests: to potentially minimize MSA amounts.

11.1.d. Indemnity expenses

- (1) Temporary disability (TD)
Payments to employees who lose wages because their injuries prevents them from doing their usual jobs while recovering.
- (2) Permanent disability (PD)
Payments to employees that don't recover completely back to their pre-injury baseline.

11.1.e. Claim settlements

WC claims that do not qualify for simple administrative closure will ultimately require legal resolution. Depending on the facts of the case, the final disposition may encompass costs from across multiple claim-related expenditure categories (subsection 5.1)

11.2. Program administration expenditures (ULAE)

These are the costs related to the administration of the program, also called unallocated loss adjustment expenses (ULAE). These include general administrative and other non-discretionary costs necessary for the program's operation, and are typically billed monthly or as needed.

11.3. Procedure for review of cost decisions

The JBWCP covers, from the JBWCF, all costs associated with claims, administration, brokerage, and insurance costs. Members are only financially responsible for their premiums as outlined in "Section 8: Premium Allocation", as determined by the Program's actuary.

Should a member have any concerns or disputes, they are encouraged to first discuss the issue with the Program Administrator. This facilitates prompt review to address any disagreements or misunderstandings. If the issue remains unresolved, there are two general tracks for escalation:

- 11.3.a. Matters under AC oversight per the JBWCP memorandum of coverage (MOC) – such as who is or is not a covered party under the Program – may be submitted by members for review by the AC or its designee. The decision rendered will be sent to the Judicial Council for final review.
- 11.3.b. For Program disputes outside AC purview, discussions may be broadened to include additional staff such as the court's HR Director or CEO. It may become necessary to seek legal counsel or ultimately external mediation. The decision rendered will be sent to the Judicial Council for final review.

In the event of a conflict between the MOC and the P&P, the MOC language will be controlling. Any changes to the cost or funding of the Program requires review and approval by the Judicial Council.

DRAFT

Section 12: TRAINING PROGRAM

This section describes the training program of the Judicial Branch Workers' Compensation Program (JBWCP, or Program). Training provided by the JBWCP is an extension of its goals for risk management and membership engagement. The Program is committed to providing members with a minimum of one session per quarter. Presentations will cover a variety of topics such as claims management, industry best practices, and information from related legal venues (such as employment law) developed in conjunction with subject matter experts.

12.1. Program commitment and goals

The JBWCP is committed to providing robust and regular educational opportunities to its members, including a minimum of one training session quarterly. The primary goal of the annual training curriculum is to directly support and clarify the program's responsibilities. Trainings are designed to educate members on best business practices, aid in risk reduction, and ultimately increase overall awareness regarding workers' compensation processes and related issues.

12.2. Curriculum development

The selection of training topics is a dynamic process, informed by several key sources:

- 12.2.a. Member needs: direct feedback and requests from members are prioritized.
- 12.2.b. Survey feedback: results from periodic surveys help identify areas of interest and need.
- 12.2.c. Staff analysis: internal analysis of common areas of improvement, frequently asked questions, or emerging trends across the membership helps pinpoint necessary training areas.
- 12.2.d. Industry trends: relevant topics within the broader workers' compensation industry, such as claims management, best business practices, and risk mitigation strategies, are also considered.

12.3. Content delivery

To ensure maximum accessibility and cater to diverse learning preferences, training content is delivered through multiple formats:

- 12.3.a. Remote/online webinars: allowing participation from various locations.
- 12.3.b. In-person sessions: facilitating direct interaction and engagement (as applicable).
- 12.3.c. Hybrid formats: combining elements of both remote and in-person training.
- 12.3.d. Live sessions & recordings: live trainings offer real-time interaction, while recordings of these sessions are made available for those unable to attend live or for later review. Requests for recordings can be made via email to JBWCP@jud.ca.gov.

12.4. Collaboration with experts

The JBWCP is committed to delivering high-quality and authoritative training. This is achieved by partnering with subject matter experts from the workers' compensation industry, ensuring that the information provided is current, accurate, and practical. Presenters often include experienced claims professionals, risk consultants, and legal experts in the field.

12.5. Examples of past training sessions

The program has consistently delivered training on key aspects of workers' compensation. A few examples, which illustrate the scope and practical nature of the educational offerings, include:

- 12.5.a. Return-to-Work After a Leave of Absence: this webinar, held in conjunction with the TPA, focused on the detailed process of an employee's return to work following a leave of

absence. It aimed to provide an in-depth look at ensuring a smooth transition back to the workplace.

- 12.5.b. Indemnity Claims and Demystifying Structured Settlement: this session was designed to discuss the intricacies of indemnity claims and explore the benefits and applications of structured settlements in resolving such claims.
- 12.5.c. Judicial Branch Workers' Compensation Overview: the Life of a Claim & Employer Responsibilities: this live online training provided a comprehensive overview of California's workers' compensation structure. It covered the general lifecycle of a workers' compensation claim, the daily activities of a claims examiner, and detailed the employer's responsibilities throughout the process.
- 12.5.d. Claims Management: this training explored the field of claims management by detailing Program requirements, best practices for communication with adjusters, records retention policies, and other essential practices for effective claims handling.

Additional information regarding upcoming trainings and resources is regularly posted on the JBWCP SharePoint site.

DRAFT

Section 13: MAINTENANCE OF RECORDS & DATA

This section identifies the record maintenance requirements to which the Judicial Branch Workers' Compensation Program (JBWCP, or Program) adheres. Sufficient document and record retention is necessary to ensure that claims are properly managed by individual members. This is also critical for the Program itself, in the event that data needs to be transferred from one vendor to another.

13.1. Maintenance of records

13.1.a. Claim file retention, applicable to the Program's third-party administrator (TPA)

- (1) All claim files will be retained for a minimum of five years from the date of injury or the date of the last provision of compensation benefits, whichever is later. In cases where there are awards for future benefits, claim files will not be destroyed. However, they may be converted to an inactive or closed status two years after the last provision of benefits, provided there is no reasonable expectation that future benefits will be claimed or provided.
- (2) Inactive or closed claim files may be converted to electronic or microfilm storage. If a file is not electronically stored or microfilmed, original paper files must be kept for at least two years following the closure or inactivity of the claim. These files must be readily reproducible into legible paper form if requested for audit purposes.
- (3) All claim files and logs, along with records of compensation benefit payments, must be maintained within California unless explicit written approval has been granted by the Program Administrator to store them outside the state.
- (4) Claim files, logs, and all records of compensation benefit payments shall be readily accessible for inspection by the Program Administrator or their designated representative.

13.2. Data transfer and transition process

13.2.a. All claim records, including images, notes, and associated data, are the property of the JBWCP. When transitioning from one TPA to another, all records, data, and files will be transferred to the new TPA. This includes, but is not limited to, claim files, medical reports, settlement documents, and other pertinent data. These records will remain with JBWCP regardless of the TPA change.

13.2.b. Purging of claim files is typically not a process adhered to by the TPA unless a formal transition of services occurs. In the event of such a transition, a comprehensive transition plan will be developed by the JBWCP and the current TPA, ensuring that all records are appropriately transferred to the new TPA, and the new TPA receives the necessary documentation to continue managing claims effectively.

Note: this approach is designed to align with industry standards, including the guidelines set forth by the Department of Industrial Relations (DIR), and to ensure compliance with applicable laws and regulations governing workers' compensation record-keeping and data management.

Section 14: MISCELLANEOUS PROVISIONS

This section records miscellaneous provisions relevant to the Judicial Branch Workers' Compensation Program (JBWCP, or Program). The current structure of this policies & procedures (P&P) document is largely set. However, it is possible that future program developments may not fit neatly within an existing section. These elements will be collected and preserved here, if enough information of the same type accumulates, adding a new P&P section can be considered.

14.1. [First entry]

(There are not yet any miscellaneous provisions contained within the P&P as of its submission to the Advisory Committee in March 2026 for initial review.)

DRAFT

Section 15: AMENDMENTS TO POLICIES & PROCEDURES

This section preserves a running record of amendments made to the Judicial Branch Workers' Compensation Program (JBWCP, or Program). Substantive changes are entered with a detailed summary and effective date. Minor edits that don't affect operation, such as those for spelling and grammar, are noted as "nonsubstantive changes" and won't be individually itemized.

15.1. [First entry]

(This is the initial iteration of the P&P and as such, there are no amendments to record.)

[sample format of amendment entries]

Effective date

Amendment description

[Month, day, year]: [describe changes / updates, section(s) affected. Include reason, e.g., legislation, regulation, policy decision, consultant / vendor recommendation, etc. What was the rationale / motivating reason? Who was involved in the discussions? Any controversies or risks that should be noted?]

[Month, day, year]: [describe changes / updates, section(s) affected. Include reason, e.g., legislation, regulation, policy decision, consultant / vendor recommendation, etc. What was the rationale / motivating reason? Who was involved in the discussions? Any controversies or risks that should be noted?]

[Month, day, year]: [nonsubstantive changes, e.g., spelling, grammar]

ASSOCIATED REFERENCES (GROUPED BY TYPE)

Disclaimer: *These policies and procedures (P&P) will be revised at least every three years. Cited references that have become outdated will be corrected as P&P revisions occur. Current references will always be controlling in the event of a conflict with what is contained here. Additionally, summary language used to describe the citations below merely serves to inform the reader about the basic subject of each reference and is not controlling. Please consult the actual text of any references before making decisions; do not rely upon the summary language, thank you.*

STATE CONSTITUTION

California Constitution, [Article XIV](#): Labor Relations

[§ 4](#): Legislature vested with plenary power to create and enforce a workers' compensation system.

STATUTES

Government Code ([GOV](#))

[§ 13340](#): Budgeting and accounting for state government.

[§ 68114.10](#): The JBWCF is continuously appropriated.

[§ 68502.6](#): The Trial Court Trust Fund, if insufficient, may borrow from the JBWCF.

[§§ 71600 et seq](#): *Trial Court Employment Protection Act* (SB 2140) – established trial courts as independent employers, whereas previously the courts were under their respective counties. The act also provided that the AOC would assist courts in establishing WC coverage.

[§ 71623.5](#): As of July 1, 2001, trial courts became responsible for supplying WC coverage to their employees instead of the counties, provisions for a transition period of up to 24 months.

[§§ 77000 et seq](#): *Brown-Presley Trial Court Funding Act* (SB 612, AB 1197) – state funding of trial courts and general provisions of court operations.

Labor Code ([LAB](#))

[§ 3363.5](#): optional resolution of WC coverage for public agency volunteers.

[§ 3600](#): Basic workers' compensation (WC) requirements and provisions, the exclusive remedy, defined benefits exchanged for waiver of civil actions.

[§ 3700](#): Requirement for every employer to secure the payment of WC except the State, which may be legally uninsured.

REGULATIONS

California Code of Regulations ([CCR](#))

California Code of Regulations, [Title 8](#). Industrial Relations

[§ 10102](#): Retention of Claim Files

[§ 15400.2](#): Maintenance of Records

RULES OF COURT

California Rules of Court ([CRC](#))

California Rules of Court, [Title 10](#). Judicial Administration Rules

10.34: Duties and responsibilities of advisory committees

[10.67](#): The Judicial Branch Workers' Compensation Program (JBWCP) Advisory Committee makes recommendations to the Council for improving the JBWCP and on Judicial Branch Workers' Compensation Fund (JBWCF) allocations

[10.75](#): Meetings of advisory bodies

[10.80](#): Provision regarding the Administrative Director of the Courts

[10.81](#): The employment and direction of Judicial Council by the Administrative Director

[10.350](#): Basic provisions of the JBWCP along with duties of Council staff and of the trial courts.

[10.810](#): Definitions for court operations, exclusions of grand jurors from operations (except for selection).

POLICIES & DOCUMENTS

Annual Agenda <https://www.courts.ca.gov/documents/JBWCP-Annual.pdf>

[Claims Manual](#)

[Courts.ca.gov](#)

Courts.ca.gov, [JPWCP page](#)

JBWCP Advisory Committee Website <https://www.courts.ca.gov/jbwcp.htm#panel28610>

[Judicial Council of California Record Management Manual](#)

Meetings

[2.0 Key Definitions](#)

[4.1 In-Person](#)

[4.2 Electronic Means](#)

[5.1 In-Person with Closed Session](#)

[5.2 Electronic Means with Closed Session](#)

[6.0 Closed Meetings](#)

[7.0 Action by E-mail Between Meetings](#)

[8.0 Advisory Body Webpage](#)

[9.0 Review Requirements](#)

[11.0 Advisory Body Meeting Checklist](#)

[12.2 Appendix B. Conference Call Line Capabilities](#)

[12.3 Appendix C. Web Content Checklist](#)

[12.4 Appendix D. Monthly Reporting Form](#)

[Rule 10.75 Overview](#)

[Rule 10.75 Road Map](#)

[Rule 10.75 FAQs](#)

[Memorandum of Coverage for Trial Courts](#)

[Memorandum of Coverage for Judiciary](#)

[Service Guidelines](#)

DRAFT

P&P GLOSSARY

§ / §§:	section / sections
5020:	The Employer's Report of Occupational Injury or Illness (DIR form)
5021:	Doctor's First Report of Occupational Injury or Illness, aka "DFR" or "Dr's first" (DIR form)
AA:	applicants' attorney or app attorney
AB:	Assembly Bill
AD:	Administrative Director (of the DWC)
ADA:	Americans with Disabilities Act (under the EEOC)
ADL:	activities of daily living
ALAE:	allocated loss adjustment expenses, costs associated with specific claims
ALJ:	administrative law judge
AMA Guides:	AMA Guides to the Evaluation of Permanent Impairment, 5th Edition
AMA:	American Medical Association
AME:	agreed medical evaluator
AOC:	Administrative Office of the Courts (former name for the Judicial Council of California)
AOE / COE:	arising out of employment and in the course of the employment
app first:	A workers' comp claim initiated by the filing of an application (less common, but not unusual)
application / App:	Application for Adjudication of Claim (DIR form)
AWE / AWW:	average weekly earnings / average weekly wage (synonymous terms)
Board:	generally refers to the WCAB in the workers' comp context
C&R:	compromise and release, a workers' comp settlement with a lump sum buy-out of liability
Cal/OSHA:	Division of Occupational Safety and Health (aka "DOSH", under the DIR)
CCP:	California Code of Civil Procedure
CCR:	California Code of Regulations (workers' comp falls under Title 8, i.e., "8 CCR")
CEO:	clerk/executive officer
CEO:	court executive officer
CFR:	Code of Federal Regulations
CFRA:	California Family Rights Act
CJCL:	California Judicial Center Library
CJP:	Commission on Judicial Performance
CMS:	Centers for Medical & Medicaid Services
COA:	Courts of Appeal
COLA:	cost of living adjustment
comm:	committee
comp:	compensation
confidence level:	estimated probability that a given funding level will be adequate to pay actual claims costs
CRC:	California Rules of Court
CRD:	Civil Rights Department, new name for Dept. of Fair Employment and Housing eff. July 2022
CT:	cumulative trauma or continuous trauma (aka repetitive motion injury / repetitive strain injury)
CUIAB:	California Unemployment Insurance Appeals Board
DC:	Doctor of Chiropractic
DCA:	District Court of Appeal
Dept:	Department
DEU:	Disability Evaluation Unit (under the DWC)
DFEC:	diminished future earning capacity
DFEH:	Department of Fair Employment and Housing, the Civil Rights Department as of July 2022
DFR:	doctor's first report of injury or illness, aka "Dr's first" or "5021" (DIR form)
DIR:	Department of Industrial Relations, over the Division of Workers' Compensation (DWC)

DO:	Doctor of Osteopathy
DOI / DOL:	date of injury / date of loss (synonymous terms)
DOK:	date of knowledge
DOR:	Declaration of Readiness to Proceed (DWC-CA form 10250)
DOSH:	Division of Occupational Safety and Health, aka "Cal/OSHA" (under the DIR)
DWC 1:	Workers' Compensation Claim Form
DWC:	Division of Worker's Compensation (under the DIR)
dx:	diagnosis
EAMS:	Electronic Adjudication Management System, an online DWC system
ECG / EKG:	electrocardiogram
echo:	echocardiogram (ultrasound)
ED:	emergency department
EDD:	Employment Development Department
EE:	employee
EEOC:	United States Equal Employment Opportunity Commission
eff:	effective
EI:	excess insurance
EMG:	electromyography
En banc:	a WCAB decision that is binding precedent on all WCJs
ER:	employer (decreasingly, "emergency room")
F&A:	findings and award
F&O:	findings and order
FCE:	functional capacity evaluation
FEC:	future earning capacity
FEHA:	Fair Employment and Housing Act (under CRD / DFEH)
FFD:	fitness for duty
FMLA:	Family Medical Leave Act
FROI:	first report of injury
FRP:	functional restoration program
GOV / GC:	California Government Code
HCRC:	Habeas Corpus Resource Center
HIPAA:	Health Insurance Portability and Accountability Act of 1996
I&A:	Information and Assistance Unit (under the DWC)
IBR:	independent bill review
IMR:	independent medical review
INS / IC:	California Insurance Code
IW:	injured worker
JBE:	Judicial Branch entity
JBWCF:	Judicial Branch Workers' Compensation Fund
JBWCP:	Judicial Branch Workers' Compensation Program
LAB / LC:	California Labor Code
LAc:	licensed acupuncturist
L VH:	left ventricular hypertrophy
LVN:	licensed vocational nurse
MD:	Doctor of Medicine
ML / M-L:	medical-legal or med-legal
MMI:	maximal medical improvement (same as P&S)
MPN:	medical provider network
MSA:	Medicare set-aside (aka "WCMSA")

MSC:	mandatory settlement conference
MTUS:	medical treatment utilization schedule
N&F:	new and further (sometimes called “petition to reopen”)
N.O.P.E.:	Notice of Potential Eligibility, accompanies the DWC 1
NCS:	nerve conduction study
NP:	nurse practitioner
NPO:	medical instruction to take nothing by mouth
ODG:	Official Disability Guidelines
OMFS:	Official Medical Fee Schedule (the set prices paid for medical services in workers' comp)
OOS:	out-of-state
OTOC:	ordered taken off calendar
P&S:	permanent and stationary (same as MMI)
PA:	physician's assistant
panel – legal:	3-member panel of WCJs
panel – medical:	3-member list of QMEs
PD:	permanent disability (can refer to either the benefit or the existence of disability)
PDA:	permanent disability advance
PDR:	Physician's Desk Reference
PDR:	permanent disability rating
PEN / PC:	California Penal Code
PhD:	Doctor of Philosophy, in workers' comp context often refers to a psychologist.
PJ:	presiding judge
PM&R:	Physical Medicine and Rehabilitation, aka “physiatry”
PPD:	permanent partial disability (1-99%)
PR-2:	primary treating physician's progress report
PR-3:	old schedule P&S report (no longer used)
PR-4:	P&S report
PRN:	medical instruction to take as needed
Program:	the JBWCP
psych:	abbreviation for “psychiatric” (different from “psyche”)
psyche:	The mind functioning as the center of thought, emotion, and behavior (different from “psych”)
PT:	physical therapy / physical therapist
PTD:	permanent total disability (100%)
PTP:	primary treating physician
QME:	qualified medical evaluator
rate:	generally refers to the weekly dollar value of temporary or permanent disability payments
rating string:	the formula used to calculate PD
rating:	refers the percentage of PD
RFA:	request for authorization for medical treatment
RMI:	repetitive motion injury
RN:	registered nurse
RPT:	registered physical therapist
RSI:	repetitive strain injury
Rx:	prescription
S&W:	serious and willful misconduct
SAR:	settlement authority request
SAWW:	state average weekly wage
SB:	Senate Bill
SC:	Sedgwick Claims

SCIF:	State Compensation Insurance Fund (aka "State Fund")
SCO:	State Controller's Office
SDI:	state disability insurance
SJDB:	Supplemental Job Displacement Benefit
SOL:	statute of limitations
SP:	Sedgwick Pooling
SPD:	significant panel decision by the WCAB
SR:	Sedgwick Risk
SSA:	Social Security Administration
SSDI:	Social Security disability insurance
SSI:	supplemental security income (from Social Security)
stip:	Stipulations with Request for Award (workers' comp settlement that provides future medical care)
sx:	symptom (not "surgery")
TD:	temporary disability (the existence of temporary disability)
TD:	temporary disability (a benefit payment) – or –
TPA:	third party administrator (e.g., CorVel, AIMS, Sedgwick, etc)
TPD:	temporarily partially disabled (a work status)
TPD:	temporary partial disability (a benefit, aka "wage loss") – or –
TTD:	temporarily totally disabled (a work status)
TTD:	temporary total disability (a benefit) – or –
tx:	treatment
UI:	unemployment insurance
UIC:	California Unemployment Insurance Code
ULAE:	unallocated loss adjustment expenses, overhead costs of claims adjustment
UR:	utilization review
USC:	United States Code
voucher:	the SJDB issued to the IW
VR:	vocational rehabilitation (often shortened to "voc rehab")
VRE:	vocational rehabilitation expert / voc rehab expert
WC:	workers' compensation (often shortened to "workers' comp" or "work comp")
WCAB:	Workers' Compensation Appeals Board – generally: DWC district offices / WC admin. court – or –
WCAB:	Workers' Compensation Appeals Board – specifically: the 7-member WC judicial review body
WCALJ:	workers' compensation administrative law judge (aka "WCJ")
WCJ:	workers' compensation judge (aka "WCALJ")
WCMSA:	workers' compensation Medicare set-aside (aka "MSA")
WPI:	whole person impairment

Judicial Branch Workers' Compensation Fund Protection Policy

This policy outlines the fiscal management of the Judicial Branch Workers' Compensation Fund (JBWCF) balance to ensure its long-term stability and continued solvency.

The annual actuarial report, reviewed as of June 30 of a given fiscal year, estimates the Judicial Branch Workers' Compensation Program's (JBWCP) outstanding liabilities at expected and higher confidence levels and compares them to the JBWCF's estimated assets. The difference between the JBWCP's liabilities and the JBWCF's assets equals the JBWCF balance. To maintain long-term financial stability, this policy sets a target for the JBWCF balance between the 70 percent and 90 percent actuarially determined confidence levels of the estimated liabilities, defined as the Fund Balance Parameters. This policy also grants the authority to consider the premium cost adjustments into account when setting next year's funding requirements, whether the program is releasing extra funds through a margin release or recovering from a shortfall via a deficit recovery. In both scenarios, the updated premium allocations will be submitted to the JBWCP Advisory Committee (Committee) for approval prior to proceeding to the Judicial Council for final approval.

Fund Balance Parameters

Each year, JBWCP staff and the contracted actuary evaluate the program's fiscal health by reviewing the JBWCF balance—the difference between assets and estimated outstanding liabilities as of June 30, the fiscal year end. If estimated assets are equal to or greater than the 90 percent confidence level, a **Margin Release Policy** will be triggered. If assets fall below the 70 percent confidence level, a **Deficit Recovery Policy** will be initiated.

1. Margin Release Policy

A margin release occurs when the projected fund balance exceeds the amount required to cover expected JBWCP liabilities at the **90 percent confidence level**¹.

- a. **Distributable Margin:** This is the total amount—calculated at 25 percent of the excess above the 90 percent confidence level—designated for margin adjustment.
- b. **Adjustment:** The Distributable Margin is used to reduce the upcoming fiscal year's total JBWCP funding requirement before the member allocations are determined. The reductions are deducted proportionally

¹ Definition of Confidence Level – An estimated probability that a given level of funding will be adequate to pay actual claims costs. For example, the 90% confidence level refers to an estimate for which there is a 90% chance that the amount will be sufficient to pay loss costs.

from each member's premium allocation based on the JBWCP's weighted premium allocation methodology in the fiscal year after a Distributable Margin is determined.

- c. **Remaining Margin:** The remaining 75 percent of the Distributable Margin (after adjustment) stays in the JBWCF to support long-term funding stability.

2. Neutral Corridor Policy

No discretionary adjustments or assessments will occur when the fund balance remains between the 70 percent and 90 percent confidence levels of outstanding liabilities. This range serves as a stabilization buffer to absorb normal year-to-year fluctuations.

The JBWCF balance will be monitored annually. If there is ever a time when JBWCF balance approaches the 70 percent confidence level, JBWCP staff and its actuary will begin evaluating options to present to the Committee to prevent a deficit. A deficit is defined as a projected fund balance below the amount required to cover JBWCP liabilities at the 70 percent confidence level.

3a. Deficit Recovery Policy

If the projected fund balance falls below the 70 percent confidence level, the Committee and JBWCP staff will review the JBWCP's financial position and will initiate a deficit recovery assessment to restore the fund to that threshold.

- a. **Assessment Trigger:** An assessment is issued when fund balance drops below the 70 percent confidence level.
- b. **Assessment Amount:** The amount required to return the fund to the 70 percent confidence level based on forecasted liabilities.
- c. **Cost Allocation:** Each member's share is calculated based on their proportional allocation of the upcoming premium for the fiscal year following an underfunded period.

3b. Deficit Recovery Alternatives Provision

This provision outlines the approach taken by the Committee and JBWCP staff in response to a significant, unforeseen event or disaster that leads to a financial emergency, which is defined as a sudden and unexpected change in the JBWCF's assets and/or JBWCP liabilities (whether actual or estimated).

In such circumstances, the Committee and JBWCP staff may convene to discuss immediate Deficit Recovery Alternatives, including but not limited to structuring multi-year terms for deficit recovery, adjusting future premium funding requirements, submitting a budget change proposal, and other comparable actions to ensure continued solvency of the JBWCP without imposing an immediate financial strain on its members. The Committee is further authorized to consider and submit the financial decisions to the Judicial Council for final approval.

Through the **Margin Release** and **Deficit Recovery Policies**, the JBWCF balance will be considered when assessing liabilities and determining future premium funding requirements, thereby promoting continued stability, reduced volatility and ongoing solvency.

DRAFT



JBWCP Legislative Updates – February 27, 2026

LEGISLATIVE ACTIVITY

The 2026 Legislative Session is underway with some two-year bills failing to continue through the Session, new bills introduced, and others amended.

AB 1048 Contract Transparency

This Bill would state the intent of the Legislature to enact legislation to improve transparency and accountability in contracts between payers and medical providers in the Workers' Compensation system.

Opposition to this bill states "AB 1048 ignores contracted dispute resolution provisions and instead forces these disputes into an IBR process that isn't built for contract disputes."

The bill was amended September 5, 2025 to remove the IBR process and require when "the basis for any adjustment, change, or denial of an item or procedure is a contract, require the explanation of review to include information on that underlying contract, including whom the medical provider may contact to seek a copy of the relevant, applicable contract."

While the removal of involvement of the IBR process is a positive step. The requirement to provide contracted vendor information on a contract they entered into seems unnecessary. The additional amendment of January 22, 2026 includes a requirement for a Request for Authority (RFA) shall be signed by the treating physician and may be mailed, faxed, or sent electronically through the use of a secure email system or via electronic data interchange to the address, fax number, email address, or clearinghouse designated by the claims administrator. A coalition of employer agencies remains in opposition to this bill.

Status – In committee process.

AB 1331 Workplace surveillance.

AB 1331 will limit the use of workplace surveillance tools, as defined, by employers, including prohibiting an employer from monitoring or surveilling workers in off-duty areas. The bill would provide workers with the right to disable or leave behind workplace surveillance tools that are on their person or in their possession during off-duty hours.

This Bill is opposed in coalition with the Chamber of Commerce and California Association of Joint Powers Authorities) CAJPA).

Opposition includes statements concerns such as “AB 1331 will needlessly endanger public workforces and severely impair our ability to prevent and investigate instances of workplace violence. The bill restricts the ability for public agencies to review data collected through a surveillance tool in any “off-duty area,” defined to include breakrooms and cafeterias unless directed by a court order or upon request by either a court, law enforcement, or by an employee. These restrictions needlessly inhibit the use of tools that can be used to keep employees safe from workplace violence incidents or, worse, provide the worst actors with a roadmap of locations where they can more easily hide bad behavior, including abuse of vulnerable populations like children, the elderly, or those experiencing mental health crises.”

Status – This bill has been moved to the “inactive file.”

AB 1683 Workers’ Comp Prepaid Cards

Current law governs temporary and permanent disability indemnity payments and prohibits payments made by a written instrument unless it is immediately negotiable and payable in cash, among other things. Current law, until January 1, 2027, allows an employer to commence a program under which disability indemnity payments are deposited in a prepaid card account for employees.

This bill would extend the authorization to deposit indemnity payments in a prepaid card account indefinitely.

Status – In committee process.

AB 1900 Health Care For All

This bill, the California Guaranteed Health Care for All Act, would create the California Guaranteed Health Care for All program, or CalCare, to provide comprehensive universal single-payer health care coverage and a health care cost control system for benefit of all residents of the state. Under the bill, CalCare would be a health care service plan subject to Knox-Keene.

The bill, among other things, would provide that CalCare cover a wide range of medical benefits including Workers' Compensation benefits.

Status – May be heard in committee March 15, 2026.

SB 555 Average Weekly Earnings

This Bill involves an increase to the Permanent Partial Disability rate and originally required that the current limits (not adjusted since 2014) be adjusted by the amount equal to the cost-of-living adjustment for Federal Social Security benefits. The amendment of January 22, 2026, revised the method for adjusting the rate by limits to be established for injuries occurring on or after January 1, 2027.

A coalition of public and private employers is OPPOSED to SB 555 which misidentifies permanent disability as wage replacement when a closer look at the complexities of the Workers' Compensation system in California clarifies that permanent disability is not intended to replace wages and therefore annual increases as proposed are not appropriate. Moreover, instead of streamlining incentives in the Workers' Compensation system, SB 555's mandatory cost of living adjustment for permanent disability would substantially increase frictional costs and would result in delays in the resolution and settlement of claims without any showing that a fix was needed. Any discussion of increased benefits is better suited for a larger discussion about system reform as was done in prior legislation.

Status – This bill has been passed to the Assembly.

SB 668 Med Legal Fee Schedule

The Med Legal fee schedule is to be revised at the same time as the medical treatment schedule is revised. SB 668 proposes the fee schedule may be adjusted every two years based on certain medical practice costs and the per-page cost of reviewing records.

Status –As of February 2, 2026, the bill did not pass out of Appropriations and will not proceed.