

DEPARTMENT OF INDUSTRIAL RELATIONS 2013 SELF-INSURED ASSESSMENTS

Self-Insured employers should be in receipt of their 2012-2013 assessment invoices, which were mailed out by the Department of Industrial Relations (DIR) during the first week of December.

Assessments paid to the DIR cover the costs to administer the workers' compensation, health and safety and labor standards enforcement programs. Compared to last year, the DIR is increasing the funds needed to run these programs by 14.89% (\$565 million for 2013, compared to \$492 million for 2012). The DIR calculates fund balances and then assesses self-insured and insured employers the difference between the assessment required and the fund balance.

While the DIR is increasing their overall funding by 14.89%, both insured and self-insured employers will see a much larger increase in their assessment compared to last year. Considering fund balances and other adjustments, the total amount assessed to self-insured employers will be \$116 million in 2013, compared to \$79 million in 2012. This represents an increase of about 46.48%. Insured employers will see an increase of about 51.96% compared to last year.

The \$116 million assessed to self-insured employers is allocated based on indemnity paid, as reported in last year's Self-Insured Annual Report. The factors used in the calculation are included in the table below:

	2009	2010	2011	2012	2013
Total Assessment (before factoring in current fund balances and amounts over/under collected)	\$311 million	\$426 million	\$488 million	\$492 million	\$565 million
User Funding Assessment (DWC and DIR)	.016569	.027736	.022070	.023739	.034375
Uninsured Employers Benefit Trust Fund Assessment	.002029	.002345	.008843	.003293	.008565
Subsequent Injuries Benefit Trust Fund Assessment	.001019	.001414	.003563	.003379	.004354
Occupational Safety & Health Fund Assessment (OSHF)	.003353	.009488	.007450	.006643	.006926
Anti-Fraud Surcharge	.006267	.006057	.005931	.008003	.006823
Labor Enforcement and Compliance Fund Assessment (LECF)	NA	.005946	.006959	.007212	.009275
Overall Factor Applied to Self-Insured Indemnity Paid	.029237	.052986	.054816	.052269	.070318

If you have not received your invoice, we recommend you contact the DIR at 916-574-0300 immediately, as invoices were mailed the first week of December and are due and payable within 30 days of the invoice date.

If you have any questions regarding the information contained in this *Briefing*, please feel free to contact your Account Executive, Claims Analyst or Christine Gerbasi at cgerbasi@keenan.com or 310-212-0363, Ext 3760.

Keenan & Associates is not a law firm and no opinion, suggestion, or recommendation of the firm or its employees shall constitute legal advice. Clients are advised to consult with their own attorney for a determination of their legal rights, responsibilities and liabilities, including the interpretation of any statute or regulation, or its application to the clients' business activities.