

Workers' Compensation Premium Calculation

Employer Education Series

This presentation is for informational purposes only and not meant to be taken as legal advice.

STATE  
COMPENSATION  
FUND

1

---

---

---

---

---

---



## Our Speakers

Carol Miguel  
Sr Corp Underwriting Analyst  
Training Development

Florence Prasad  
Sr Customer Care Specialist  
Policy Servicing Center

STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2026 State Compensation Insurance Fund

STATE  
COMPENSATION  
FUND

2

---

---

---

---

---

---

---



## California's Standard Classification System

WCIRB California  
Objective. Trusted. Integral.

The Workers' Compensation Insurance Rating Bureau (WCIRB) regulates and maintains California's Standard Classification System rules and regulations.

- Groups businesses with similar operations
- Reflects the risk of losses common to those employers

Classifying your business operations is the first step in pricing a workers' compensation policy.

STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2026 State Compensation Insurance Fund

STATE  
COMPENSATION  
FUND

3

---

---

---

---

---

---

---

## Classifying a Business Operation

### How are businesses classified??

- What is the purpose of the business?
- How does the business make money?
- How does the business accomplish their purpose?



STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2026 State Compensation Insurance Fund



---

---

---

---

---

---

---

4

## WCIRB Pure Premium Rates

Each classification code represents a different set of work hazards and duties and therefore has its own unique Pure Premium Rate.



STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2026 State Compensation Insurance Fund



---

---

---

---

---

---

---

5

## Base Rates

Your policy premium calculation begins with Base Rates.

- Base Rates are multiplied per \$100 of estimated payroll for each class code.
- Estimated premiums by class code are totaled to develop your **Estimated Base Premium**.



STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2026 State Compensation Insurance Fund

---

---

---

---

---

---

---

6

2

## State Fund Base Rates

**State Fund uses multiple risk factors when determining the specific base rates for your policy.**

- Claims frequency
- Years in business
- Average annual wages
- Your business' financial health (D&B)



STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2026 State Compensation Insurance Fund

7

## Experience Modifications

- Merit-based system
- Calculated by WCIRB
- Modifies a qualifying employer's workers' comp premium based on their loss and payroll history
- Expressed as a factor that adjusts premium as either a credit or debit

Your experience mod is applied to your Estimated Base Premium to develop your **Estimated Standard Premium**.



STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2026 State Compensation Insurance Fund

8

## Experience Rating

- WCIRB examines a **3-year period of losses and payroll** for an employer to see if they qualify
- Employers must meet the **annual threshold to qualify**
- Annual threshold for all qualified employers is calculated each year
- Experience rating is mandatory for those who qualify

**Current Eligibility Threshold effective September 1, 2025 is \$10,800.**



STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2026 State Compensation Insurance Fund

9

## Territory Modifier

**A Territory Modifier is the next step in developing your premium.**

- State Fund's territory modifiers are a combination of territory and industry.
- Territory and industry are based on the Governing Location.
- Governing Location is the business's location with the highest payroll exposure.

The territory modifier is applied the **Estimated Standard Premium.**



STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2025 State Compensation Insurance Fund

The logo for State Fund, featuring the word "STATE" in a bold, sans-serif font above the word "FUND" in a larger, bolder, sans-serif font. Below "FUND" is a small, faint line of text that is partially obscured but appears to read "INVESTMENT MANAGEMENT".

10

## Tier Modifier

Next, a Tier Modifier is applied.

The purpose of the Tier Modifier is to adjust your base rates based on your individual business characteristics, such as:

- Loss History
- Industry
- Number of Locations and Payroll Exposure
- Financial Health (D&B score)

The Tier Modifier is applied to the **Estimated Standard Premium**.



STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2025 State Compensation Insurance Fund

The logo for the State Fund, featuring the word "STATE" in a bold, sans-serif font above the word "FUND" in a larger, bold, sans-serif font. Below "FUND" is the tagline "INSURANCE. BONDED. INVESTMENT." in a smaller, all-caps, sans-serif font.

11

## Risk Evaluation



An underwriter may adjust pricing based on a business's unique workplace physical characteristics and safety practices.

#### Underwriters evaluate:

- Business Operations and Risks
- Management Business Practices
- Management Safety Practices

**At State Fund, this level of risk evaluation is done on policies with \$50,000 and greater in Estimated Standard Premium.**

STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2026 State Compensation Insurance Fund

NTO

## What the Underwriter Looks for When Evaluating a Risk

- Specific risk exposures
- Safety programs and training
- Experienced employees
- Timely claims reporting
- Current Return-to-Work program
- Available modified duty when appropriate for injured workers

The logo for the State Fund, featuring the word "STATE" above "FUND" in a bold, sans-serif font, with "COMPENSATION INSURANCE FUND" in a smaller font below.

STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA

© 2026 State Compensation Insurance Fund

13

NTO

## Premium Discount

**The Premium Discount is a factor applied to your Estimated Modified Premium.**

The premium discount is an 11.3% discount on Estimated Modified Premium above \$5,000. The first \$5,000 is not discounted.

A large, 3D white percentage symbol (%) is centered on a blue background. The percentage symbol is rendered with a slight shadow, giving it a three-dimensional appearance. It is positioned in the upper right quadrant of the slide.

STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA

© 2026 State Compensation Insurance Fund

The logo for the State Compensation Insurance Fund, featuring the text "STATE COMPENSATION INSURANCE FUND" in a bold, sans-serif font, with "STATE" and "FUND" in a larger size than "COMPENSATION INSURANCE".

14

# Your Quote

**Estimated Base Premium Calculation**

Employee Number	Number of Part-Time Employees	Class Code	Description	Base Rate	Extended Payroll	Estimated Base Premium
1	18	0	GENERAL BUSINESS- PRIVATE OFFICE	1.42	\$824,000.00	\$8,391.20
1	17	2	GENERAL BUSINESS- PRIVATE OFFICE	10.15	\$824,000.00	\$8,281.00
1	0	0	GENERAL BUSINESS- PRIVATE OFFICE	0.85	\$824,000.00	\$727.00
						<b>Total Before Modifications</b>
						<b>\$10,669.20</b>

**Class Code and Rate Summary**

Class Code	Rate (\$/100 Payroll)	Rate (\$/100 Payroll)	Rate (\$/100 Payroll)	Rate (\$/100 Payroll)	Rate (\$/100 Payroll)
0000-1	1.42	1.70	1.70	1.70	1.70
0001-1	1.43	1.70	1.70	1.70	1.70
0002-1	10.15	12.10	12.10	12.10	12.10

The rates shown reflect the estimated class code base rates after any modifications and discounts have been applied. Final rates will be based on the actual payroll reported and except as noted.

**All modifiers, factors, adjustments to the Standard Premium are clearly itemized on quote documents.**

<b>Base Premium (LCW of 2.5%)</b>	<b>\$86,867.20</b>
<b>Expense Modification</b>	<b>N/A</b>
<b>Estimated Standard Premium</b>	<b>\$86,867.20</b>
<b>Territory Modifier</b>	<b>1.16000</b>
<b>Rate Multiplier</b>	<b>1.00000</b>
<b>Schedule Rating Plan Modifier</b>	<b>1.00000</b>
<b>Rating Plan Modifier</b>	<b>1.33400</b>
<b>Estimated Modified Premium</b>	<b>\$92,227.32</b>
<b>Estimated Premium Discount Credit</b>	<b>-\$893.00</b>
<b>Rating</b>	<b>Estimated Annual Premiums</b>
	<b>\$79,710.00</b>

**Interim Billing Factor** 1.1970

**Mandatory Surcharges**

<b>ICA Surcharge</b>	<b>2.0404%</b>	<b>\$1,961.18</b>
<b>ICPA Surcharge</b>	<b>0.4222%</b>	<b>\$326.56</b>
<b>LECB Surcharge</b>	<b>0.1000%</b>	<b>\$82.40</b>
<b>SBRT Surcharge</b>	<b>1.2881%</b>	<b>\$1,264.47</b>
<b>GSIF Surcharge</b>	<b>0.7989%</b>	<b>\$769.71</b>
<b>LEC Surcharge</b>	<b>0.7109%</b>	<b>\$686.66</b>
<b>CGA Surcharge</b>	<b>0.0000%</b>	<b>\$0.00</b>

These premiums, Modified Premiums is discounted according to the following schedule:  
From \$30,000 - \$34,999  
Above \$30,000 - 11.7%

15

## Workers' Comp Policy Surcharges

In California, workers' comp insurance premiums are subject to various surcharges and assessments to fund specific programs.

- Policy surcharges are paid directly to the State of California
- Surcharges are subject to change annually

FUND	2026 SURCHARGES
WCARF - Workers' Compensation Administration Revolving Fund	1.50%
WCFA - Workers' Compensation Fraud Assessment Fund	0.46%
UEBTF - Uninsured Employers Benefit Trust Fund	0.10%
SIBTF - Subsequent Injuries Benefits Trust Fund	2.04%
OSHF - Occupational Safety and Health Fund	0.57%
LECF - Labor Enforcement and Compliance Fund	0.53%
CIGA - California Insurance Guarantee Association	0.0%
Total of All Assessments	5.19%

STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2026 State Compensation Insurance Fund

**STATE FUND**

16

## State Fund Billing Plans



STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2026 State Compensation Insurance Fund

**Minimum Premium Policies**

- Annual Payment
  - Pay 100% of the minimum premium at inception of the policy
  - Annual or semi-annual payroll reporting

**Policies with Base Premium less than \$5,000**

- Stipulated Billing
  - Pay quarterly premium upon receipt of stipulated bill
  - Semi-annual payroll reporting

**Policies with Base Premium of \$5,000 or More**

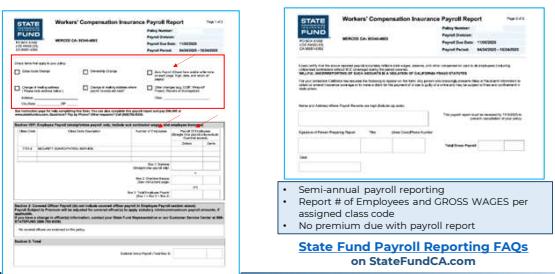
- Monthly Payroll Reporting and Payment
  - Report payroll and pay premium monthly
- OR Stipulated Billing
  - Pay monthly premium upon receipt of stipulated bill
  - Semi-annual payroll reporting

STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2026 State Compensation Insurance Fund

**STATE FUND**

17

## Stipulated Billing Plan-Payroll Reporting



STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2026 State Compensation Insurance Fund

**State Fund Payroll Reporting FAQs**  
on StateFundCA.com

**STATE FUND**

18

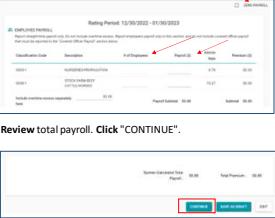
19

20

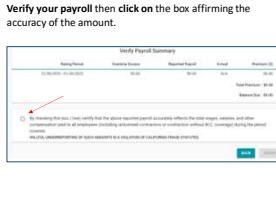
21

### Monthly Payroll Reporting - State Fund Online

Fill out the number of employees and **payroll amounts** for each class codes listed.



Review total payroll. Click "CONTINUE".



Verify your payroll then click on the box affirming the accuracy of the amount.

STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2026 State Compensation Insurance Fund

**STATE  
COMPENSATION  
FUND**

22

### Premium Payments- State Fund Online



3. Next, read and accept the "Website Transfer Acknowledgment".

Input an email address where you'd like your receipt sent.

Click "CONTINUE" and you'll be sent to our payment vendor, One Inc., where you can make your payment.



4. Choose between paying with a credit/debit card or a direct withdrawal from a bank account.

Click on the corresponding button labeled for that choice.

**NOTE:** One Inc. charges a 2.99% processing fee for credit and debit transactions. There is no charge for paying from a bank account.

Next, fill out the requested data for either your credit/debit card or your bank account. Click on "REVIEW".

STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2026 State Compensation Insurance Fund

**STATE  
COMPENSATION  
FUND**

23

### Premium Payments- State Fund Online



5. The next screen allows you to confirm your payment. This screen includes the processing fee if a credit or debit card is used.

Once you review the payment details, click the "PAY" button showing the amount.



6. The "Your payment is complete!" screen will pop up once your payment is processed.

You'll have the option to send the receipt via email, print, or download it. Click on "CLOSE" to close the window.

STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA © 2026 State Compensation Insurance Fund

**STATE  
COMPENSATION  
FUND**

24

NTO

# We're More Than Workers' Comp Insurance

A photograph of a woman with long dark hair, wearing a light-colored top, holding a green triangular sign with the words "Come in we're OPEN" in white. She is standing in front of a glass door or window of a business. The door has a silver "PUSH" sign. The background shows some foliage and a building facade.

- Fast, reliable claims handling
- Advanced fraud protection
- Free education and training resources
- Best-in-class safety and health services
- Local and regional underwriting expertise
- Financial strength and longstanding commitment to California
- Serving California businesses for over 100 years
- Not-for-profit status and customer-first focus

**Together we'll keep California working.**

STATE FUND IS NOT A BRANCH OF THE STATE OF CALIFORNIA

© 2026 State Compensation Insurance Fund

The logo for the State Compensation Insurance Fund, featuring the words "STATE COMPENSATION INSURANCE FUND" in a serif font, with "STATE" and "FUND" in larger, bolder letters.

25

The image features the State Fund logo at the top left, which includes the word "STATE" in a large serif font, "FUND" in a bold sans-serif font, and a blue square with a white "S" in the center. The background of the slide is a light blue color. In the center, there is a white image of a computer keyboard. A yellow sticky note is placed on the keyboard, containing the handwritten text "Thank you" and a smiley face. To the left of the keyboard, there is promotional text for State Fund.

26