

# BUSINESS INSURANCE.

## California COVID presumption could cost up to \$1.8B

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California's rebuttable presumption for COVID-19 acquisition for 16 categories of essential workers may likely cost the state \$1 billion, but far less than earlier projections, according to a presentation of the California Workers Compensation Insurance Ratings Bureau's actuarial committee on Tuesday.

Preliminary costs of covering COVID-19 acquisition for essential critical infrastructure workers in the state via a rebuttable presumption could range from \$600 million to \$1.8 billion, according to the committee, based on its estimate of 66 million compensable COVID claims including medical and indemnity benefits.



The Oakland, California-based WCIRB [published](#) a detailed outlook April 17 of what presumptive coverage of COVID-19 workers compensation claims made by first responders, health care and other workers could look like in the state. The report considered a wide range of possible costs for coverage based on average rates of acquisition and levels of severity and their related medical costs, estimating that conclusive presumptive coverage of COVID-19 could cost anywhere from \$2 billion to \$33 billion.

On May 6, Gov. Gavin Newsom issued an [executive order](#) to allow all essential critical infrastructure workers who acquire COVID-19 to assume that they contracted the virus at work. However, the order allows employers to rebut that assumption before accepting a claim.

The actuarial committee's new estimations for rebuttable presumption looked at mild, severe, critical and fatal cases of COVID-19 among essential workers in the state, predicting that most claims would be mild, not subject to permanent disability or death benefits and carrying medical costs that total about \$20 million. Based on its estimate, the biggest expenses would be due to death benefits, at an estimated total cost of \$210 million, and medical costs for severe, critical and fatal cases at an estimated \$200 million, \$120 million and \$140 million, respectively.

The committee noted in its presentation that its estimates do not reflect potential increases in COVID-19 claims when stay-at-home orders are relaxed, and noted that the environment is "very fluid" and that cost estimates could be impacted based on a number of conditions, including the implementation and interpretation of the governor's order, preexisting conditions of COVID sufferers or claims made by those not covered by the essential worker order.

*More insurance and workers compensation news on the coronavirus crisis [here](#).*

