



Strategic Insights

Our 2021 Claims Experience



[CORVEL.COM](https://www.corvel.com)

The “New Normal”

As we enter the third year of the COVID-19 pandemic, we are providing this update on its impact on workers’ compensation claims. 2021 was a transitional year, as we learned to adapt to what has been labeled as the “new normal.”

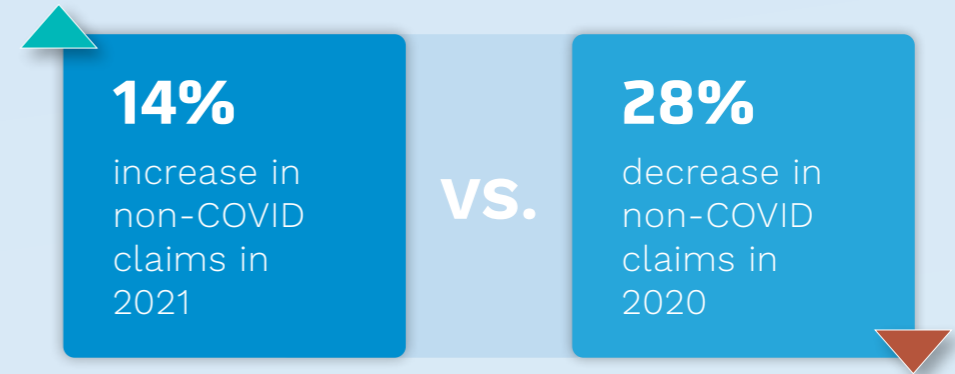
Consistent with our 2020 claims report, [“It’s a Pandemic,”](#) this analysis reviews claims received from April 1 through December 31, 2021, compared to the same time frame in 2020, with all data valued at the end of each period. Likewise, non-COVID claims in this study comprise all claims received by CorVel during the designated period that are not classified as COVID (Nature of Injury Code 83). Claims classified as COVID in this report have this Nature of Injury Code. The 2021 data in this report reflects only our customers who were presented with claims in both years.

Overall, the gradual return to the new normal resulted in a 6% increase for all workers’ compensation claims in 2021 compared to 2020. Separating COVID claims from all reported claims, we found that the amount of COVID claims decreased by 38% and non-COVID claims increased by 14%. Top industries for COVID claims in 2021 remained consistent with 2020: health care and social assistance, public administration, and finance and insurance. Similarly, top states remained consistent for COVID claims (California, Pennsylvania, Florida, and Texas), except for New York, which saw an 83% decrease in 2021.

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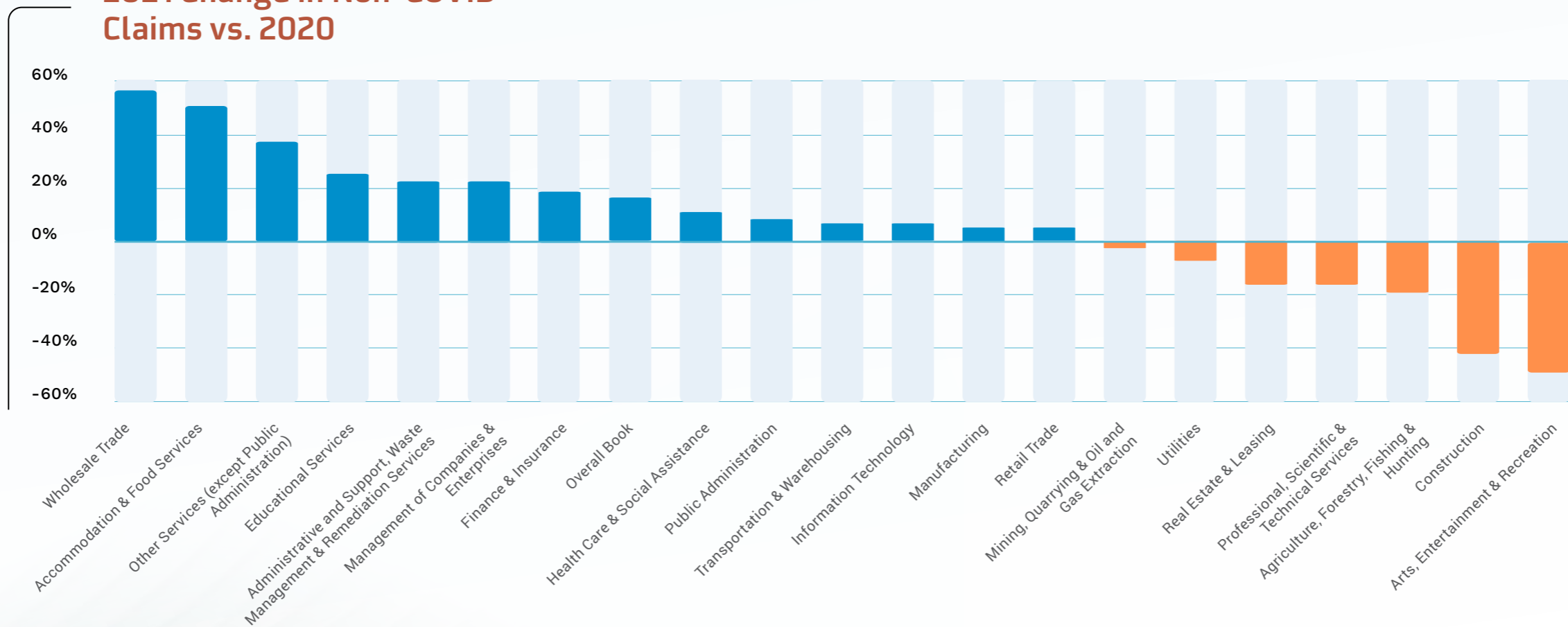
NON-COVID CASES BY INDUSTRY

The return of hotel and restaurant services, along with in-school learning, helped drive the increase in non-COVID claims in 2021. In fact, 2021 non-COVID cases reached 93% of our 2019 claim volume. As the chart below illustrates, non-COVID claims increased the most in the following industries: wholesale trade, accommodations and food service, and other services (except public administration). Not coincidentally, the same industries that had an increased number of non-COVID claims also experienced the greatest decreases in total claims in 2020. Overall, we saw a 14% increase in non-COVID claims in 2021.



Non-COVID claims reached **93%** of 2019 claim volume

2021 Change in Non-COVID Claims vs. 2020



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NON-COVID CASES BY STATE

The following chart illustrates the overall percentage change in non-COVID claims frequency by state in 2021 compared to 2020. Although the District of Columbia had the greatest increase in non-COVID claims, this is due to the relatively low claim volume in that jurisdiction. In contrast, Virginia and Maryland are among the top 10 states by claim volume with slower recoveries. As noted in our previous report, Florida is the only state that reported an increase in non-COVID claims in 2020.



Washington D.C.

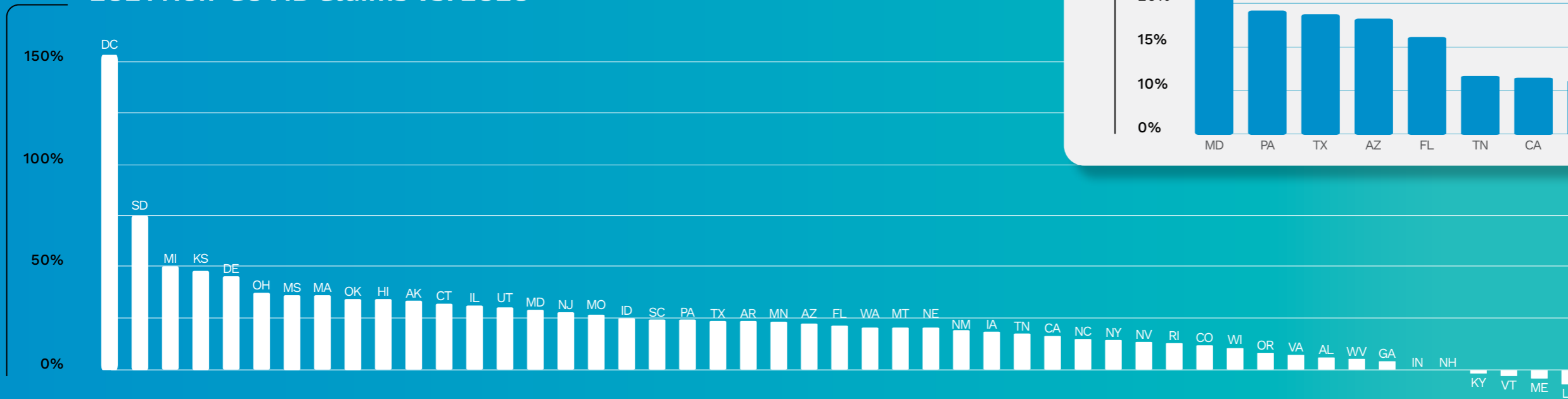
reported the greatest increase in non-COVID claims due to low claim volume



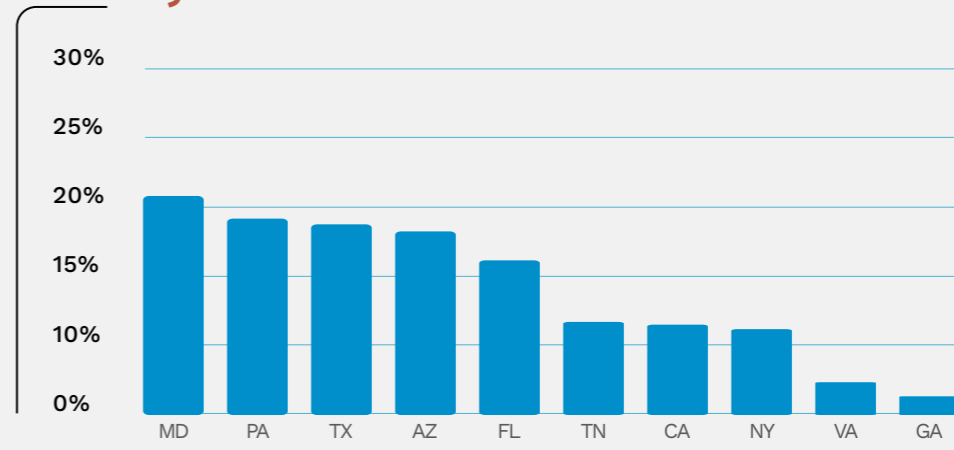
Louisiana, Maine, Vermont

reported the greatest decline in non-COVID claims

2021 Non-COVID Claims vs. 2020



2021 Change for Top 10 States by Claim Volume



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COVID CASES

To be consistent with our prior years' analysis, the claims data analyzed in this 2021 report is based on claims received from April 1 through December 31, 2021. In the review of claims received from January 1 through March 31, 2021, we found that the number of COVID claims received during that time period accounted for 44% of all COVID claims in 2021. Finance and insurance, health care and social assistance, and public administration were the top three industries by claim volume and accounted for 89% of all COVID claims reported in this time period (Q1 2021). Moreover, California, Pennsylvania, and Florida were the top states by volume and accounted for 55% of all COVID claims in this quarter.

38%

decrease in COVID claims in 2021

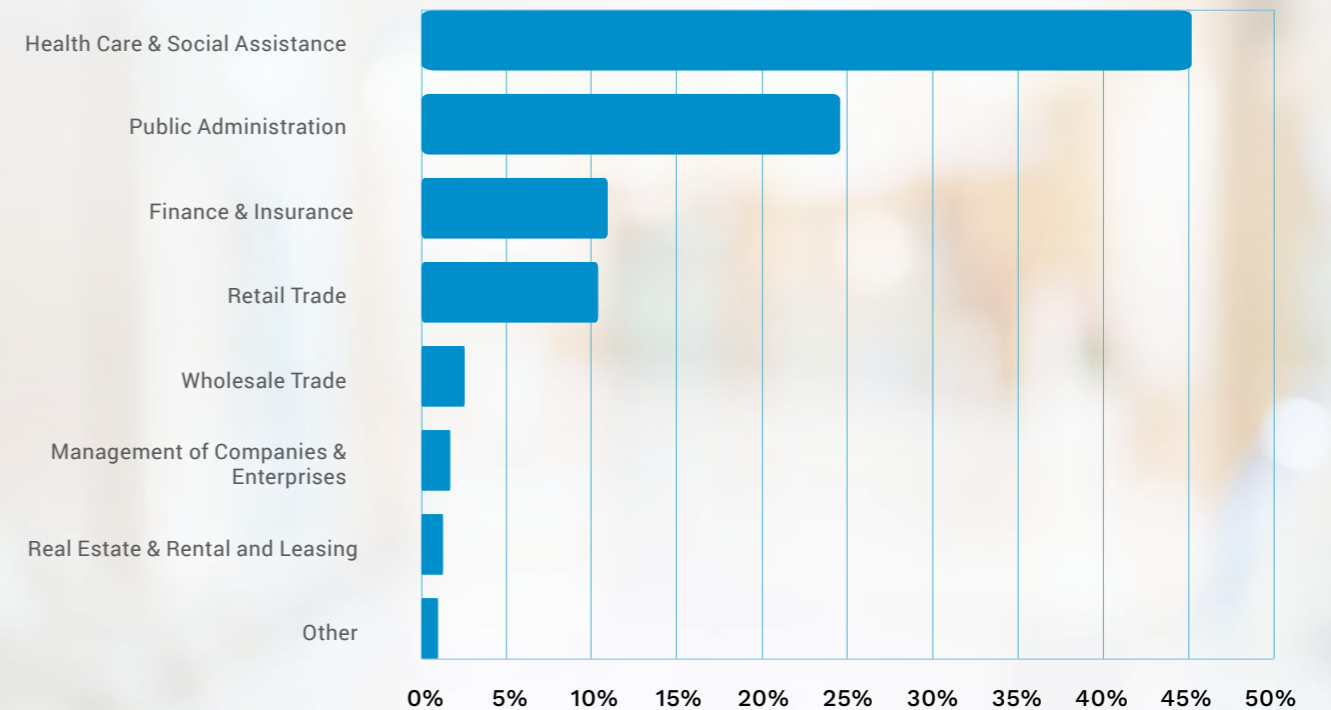
4 industries

accounted for 92% of COVID claims



The following chart captures the percentage of overall COVID claims by industry. As in 2020, industries with a large proportion of frontline employees experienced the most COVID claims in 2021. However, the number of COVID claims decreased by 38% in 2021 compared to 2020.

Industries with a large proportion of frontline employees experienced the most COVID claims in 2021 and 2020.



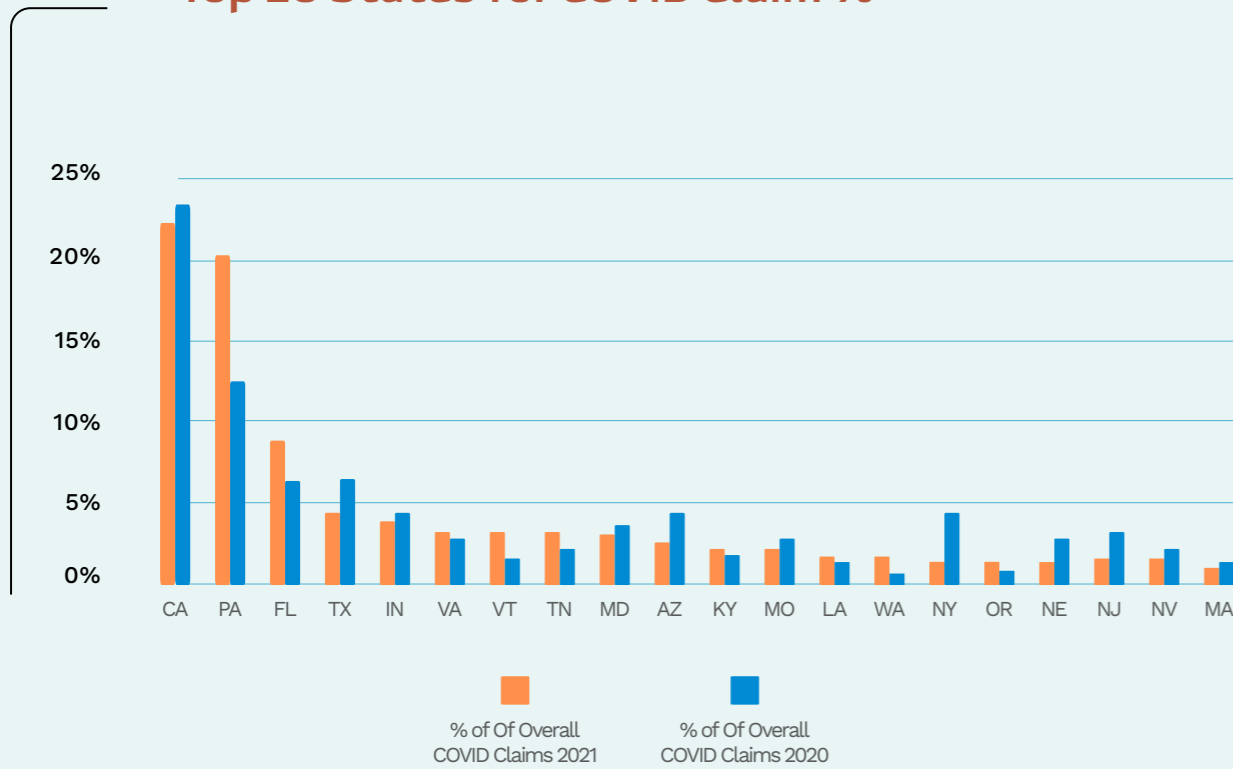
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COVID CASES CONTINUED

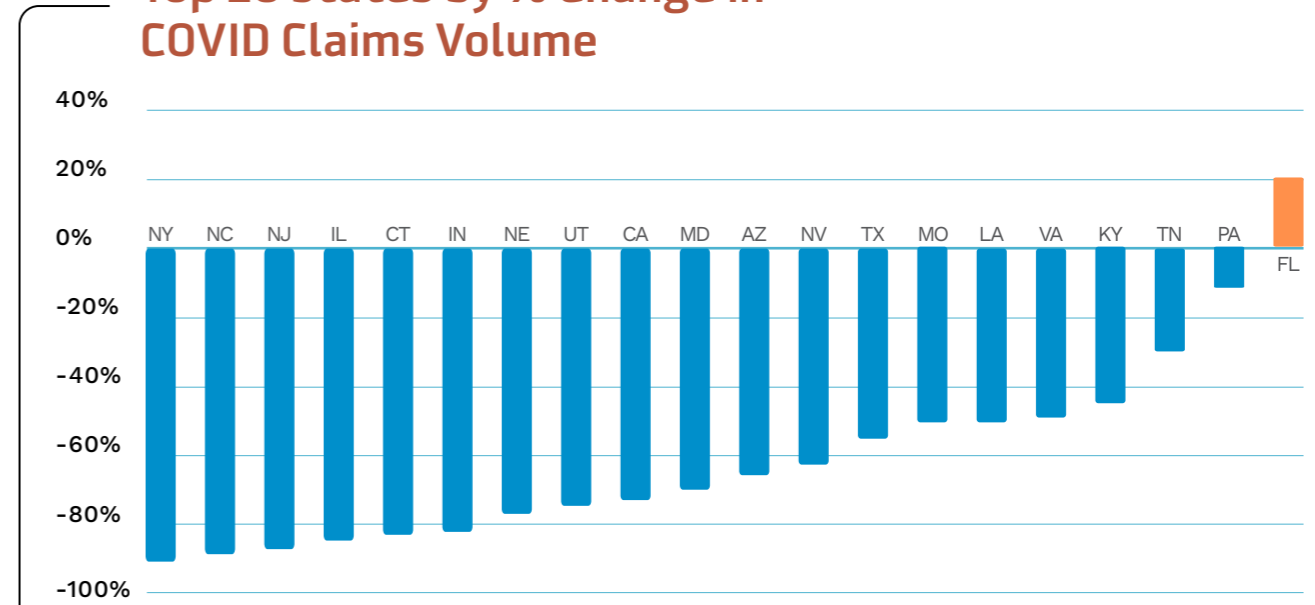
Similar to industry distribution, the states with the highest number of COVID claims remained consistent in 2021, except for New York, which decreased 83% compared to 2020. The top states by claim volume with the most COVID claims in 2021 were California, Pennsylvania, Florida, Texas, and Indiana. The 20 states in the chart below account for 85% of all COVID claims in 2021. Claim volume does not appear to be influenced by states with presumptive language. California could be considered an exception, though the volume of overall claims in the state is a considerable factor.

States with Presumptive COVID Language		
Alaska	Missouri	Vermont
California	New Hampshire	Virginia
Connecticut	New Jersey	Washington
Illinois	Puerto Rico	Wisconsin
Kentucky	Tennessee	Wyoming
Michigan	Texas	
Minnesota	Utah	

Top 20 States for COVID Claim %



Top 20 states by % Change in COVID Claims Volume



Florida is the only state that had an increase in COVID claims in 2021



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ALL 2021 CLAIMS

To ensure accuracy and consistency in reporting, all 2021-to-2020 comparisons in this report analyze data from the same list of clients that were with us for both years. When combining COVID and non-COVID claims for the measurement period, CorVel's intake of workers' compensation claims increased by 6% in the last three quarters of 2021.

In 2020, educational services and accommodation and food services were among the industries with the largest reduction in overall claim volume. Educational services saw a 70% decrease in claims, while accommodation and food services saw a 35% decrease. In 2021, those two industries experienced the highest increase in total claim volume.

Educational Services:

70%

decrease in 2020

vs.

118%

increase in 2021

Accommodation and Food Services:

35%

decrease in 2020

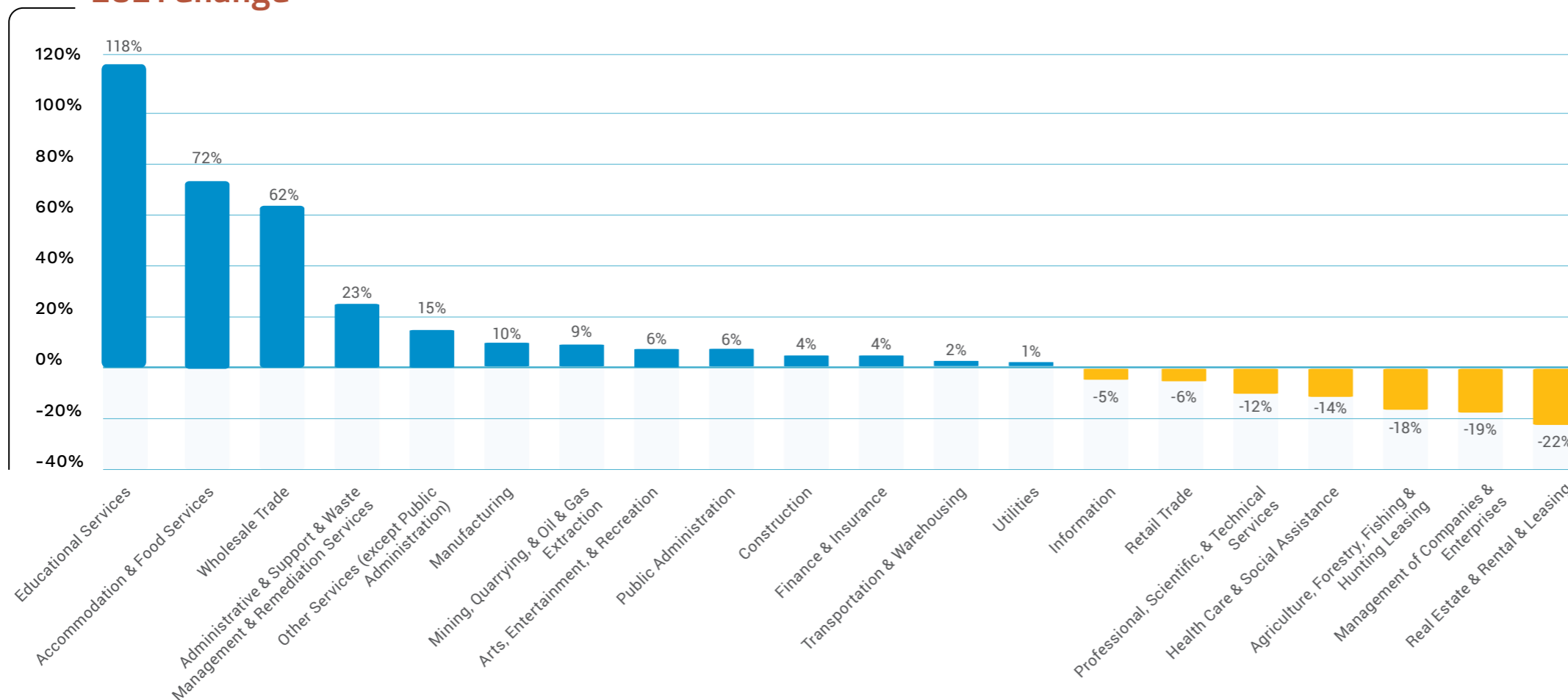
vs.

72%

increase in 2021

In 2020, health care and social assistance within the CorVel book of business saw a nearly 30% increase in overall claim volume. In 2021, however, the industry experienced a 14% decrease in overall claim volume.

2021 Change



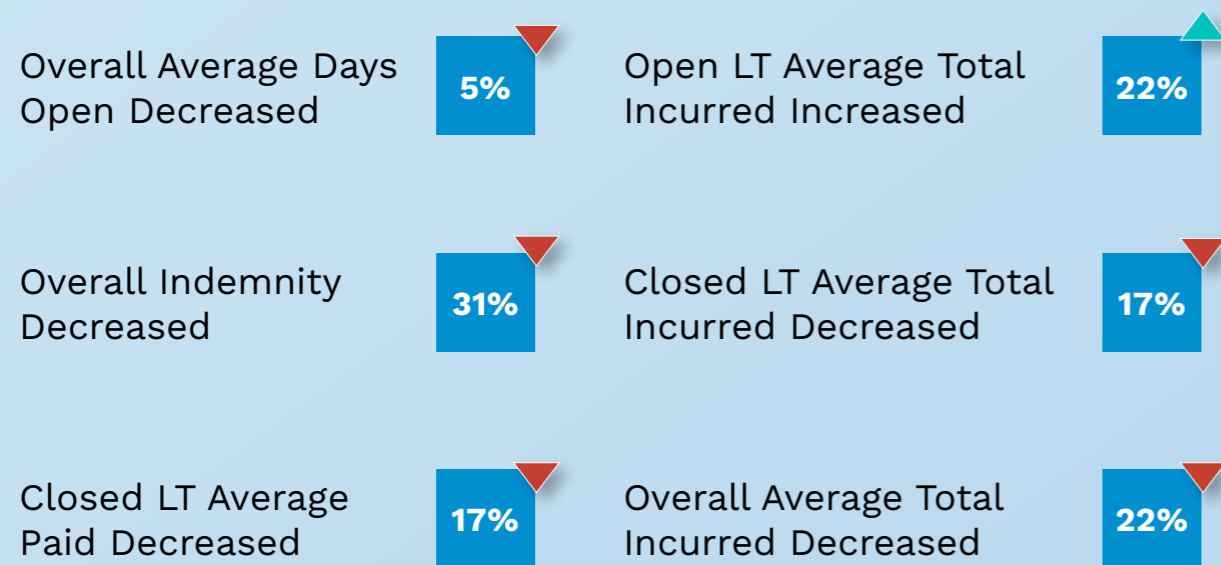
14%

decrease in overall claim volume in health care

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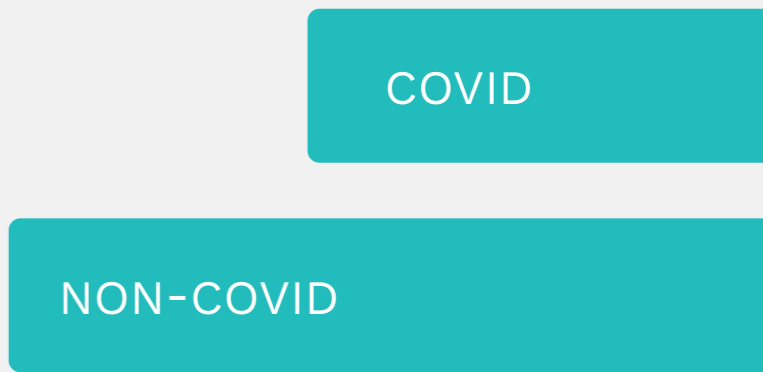
ALL 2021 CLAIMS CONTINUED

The overall average total incurred decreased 22% year over year. That improvement was driven by the amount of non-COVID claims compared to COVID claims, which saw a 25% increase in the average total incurred compared to the prior year. Moreover, the average number of days open on COVID claims increased by 2%, while the overall average days open decreased by 5%.

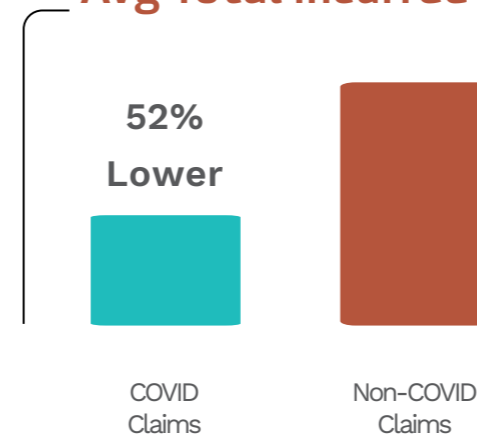


Within CorVel's book of business, the average cost incurred on a COVID claim was 52% lower than the average non-COVID claim during the same period. The average total incurred for lost-time (LT) COVID claims was 34% lower. As highlighted in our 2020 report, the same differences were seen when we measured total open and closed claims incurred for COVID vs. non-COVID. For open lost-time COVID claims, the average total incurred was 45% less than their non-COVID peer claims. For closed COVID claims, the total paid was 71% less than their non-COVID peer claims.

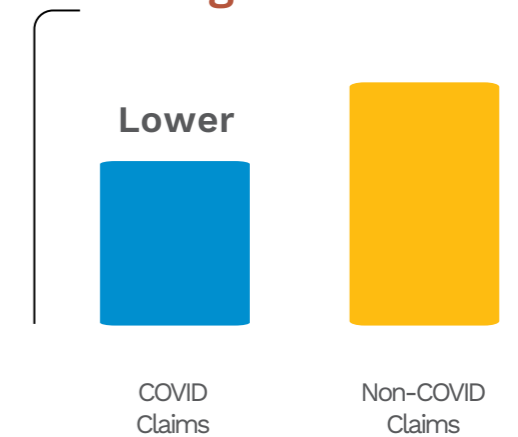
The number of days open for COVID claims is **37%** lower than non-COVID claims.



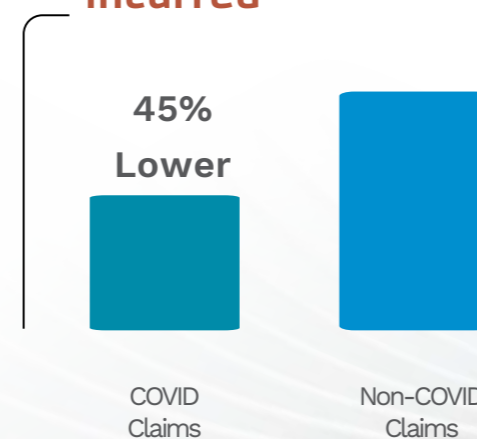
Avg Total Incurred



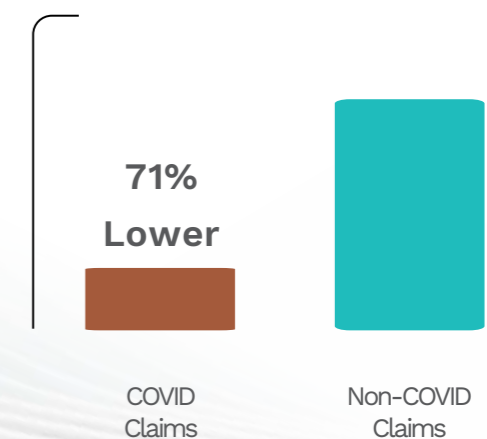
LT Avg Total Incurred



Open LT Avg Total Incurred



Closed LT Avg Paid



SUMMARY

Overall, the transition to the “new normal” has resulted in what would be reasonably expected: an increase in the frequency of non-COVID claims and a decrease in the frequency of COVID claims. In the analysis of our 2021 claim intake, we have seen that claim costs for non-COVID claims have decreased while the cost for COVID claims has increased. We found that while overall claim frequencies increased in 2021, they have yet to return to their pre-pandemic volume.

As mentioned in our 2020 claims report, we noted a significant increase in the utilization of telehealth. Despite the return of in-person work, school, and activities in 2021, the utilization of telehealth continued to increase. At CorVel, we strongly advocate that clients take advantage of our integrated claims and managed care solutions, as well as our industry-leading virtual care services, to ensure optimal patient outcomes and program results.

