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WCIRB Industry Profile Restaurants

A comprehensive overview of the operational characteristics, workers' compensation claim costs and key cost drivers of the restaurant industry in California

Executive Summary

- The restaurant industry is one of the largest in California with 52,000 workers' compensation policies with operations assigned to Classification 9079 (Restaurants) and 10,000 policies with operations assigned to Classification 8078 (Sandwich Shops). These restaurant classifications generate more than 7% of all California workers' compensation insurance premiums.
- The advisory pure premium rates approved by the Insurance Commissioner for Restaurants and Sandwich Shops have been, with some exceptions, higher than the statewide average ([Chart 1](#)), driven by higher claim frequency in the restaurant industry. ([Chart 10](#))
- Restaurants have consistently higher pure premium rates than Sandwich Shops, driven by both higher claim frequency and severity, potentially reflective of a higher risk exposure from serving hot food ([Chart 10](#)). Cut and burn injuries are common leading causes of injury in the restaurant industry ([Chart 18](#) and [19](#)).
- Restaurants and Sandwich Shops are most concentrated in the Bay Area, Los Angeles (LA) Basin and San Diego areas ([Chart 4](#)). While the LA Basin has higher claim frequency potentially related to a greater prevalence of cumulative trauma claims in the area, the Bay Area and Silicon Valley have lower frequency ([Chart 13](#)).
- Classification 9079 encompasses various segments, including counter service restaurants, bars and taverns, and other restaurants that include predominantly sit-down restaurants with wait-staff. Counter service restaurants with long hours, which tend to be fast food chain restaurants, have higher claim frequency than other types of restaurant operations ([Chart 20](#) and [21](#)).

This is the first in the WCIRB Industry Profile series focusing on one of the largest industry sectors in California's economy and workers' compensation system and providing insights into key characteristics and cost drivers in the industry.

Background



Restaurant Industry in California

The restaurant industry has been a driving force in California's economy and one of the largest sectors in the workers' compensation system. Its workers' compensation exposure is characterized by relatively low average wages, but relatively high claim frequency.



Impact of COVID-19 Pandemic on Restaurant Industry

The COVID-19 pandemic has brought changes to the restaurant industry, such as growth in takeout sales and use of third-party delivery services, increases in food sales in bars and taverns, a possible shortage of labor and the hiring of more inexperienced workers.



Classification of Restaurant Operations

In California's Standard Classification System, restaurant operations are assigned to Classifications 9079, *Restaurants or Taverns; Concessionaries*, and 8078, *Sandwich Shops; Beverage Preparation Shops; Ice Cream or Frozen Yogurt Shops*. These two classifications encompass various restaurant operations, including fast food, sit-down restaurants with wait-staff, bars, taprooms and tasting rooms, doughnut shops, sandwich shops, and food trucks. Restaurant operations also exist in hospitality and other sectors, such as hotels and grocery stores. Some of these are separately classified and in other cases the restaurant operations are included within the classification definition.

Classifications for Restaurant Operations in the California Workers' Compensation System – Basic Demographics



9079(1), *RESTAURANTS OR TAVERNS*
 – all employees – including musicians
 and entertainers



9079(2), *CONCESSIONAIRES* –
 dispensing food and beverage items at
 ball parks, racetracks, theaters, concert
 venues and amusement and
 recreational facilities



8078(1), *SANDWICH SHOPS* – not
 restaurants – N.O.C.



8078(2), *BEVERAGE PREPARATION
 SHOPS* – not bars or taverns



8078(3), *ICE CREAM OR FROZEN
 YOGURT SHOPS*

52,900 Policies in 2020

10,300 Policies in 2020

7.7%

of statewide
 policies in 2018

6.8%

of statewide pure
 premium in 2018

1.5%

of statewide
 policies in 2018

0.3%

of statewide pure
 premium in 2018

3.3%

of all workers'
 compensation
 payroll in 2018

\$2.56

Advisory Pure
 Premium Rate
 effective 9/1/2021

0.2%

of all workers'
 compensation
 payroll in 2018

\$1.29

Advisory Pure
 Premium Rate
 effective 9/1/2021

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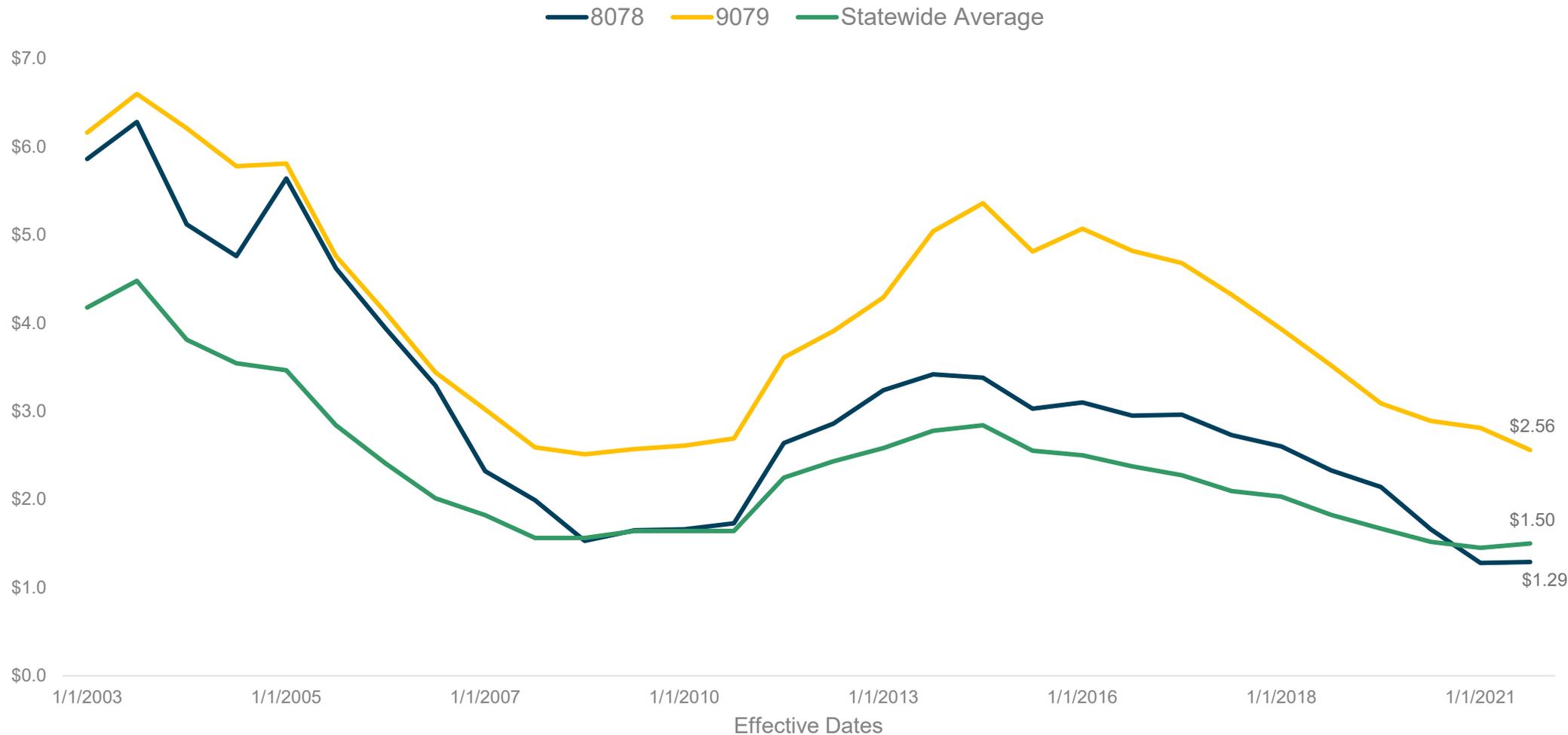


Demographics

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Chart 1: Historical Advisory Pure Premium Rates

Historical Advisory Pure Premium Rates (per \$100 of Payroll)



💡 Insights

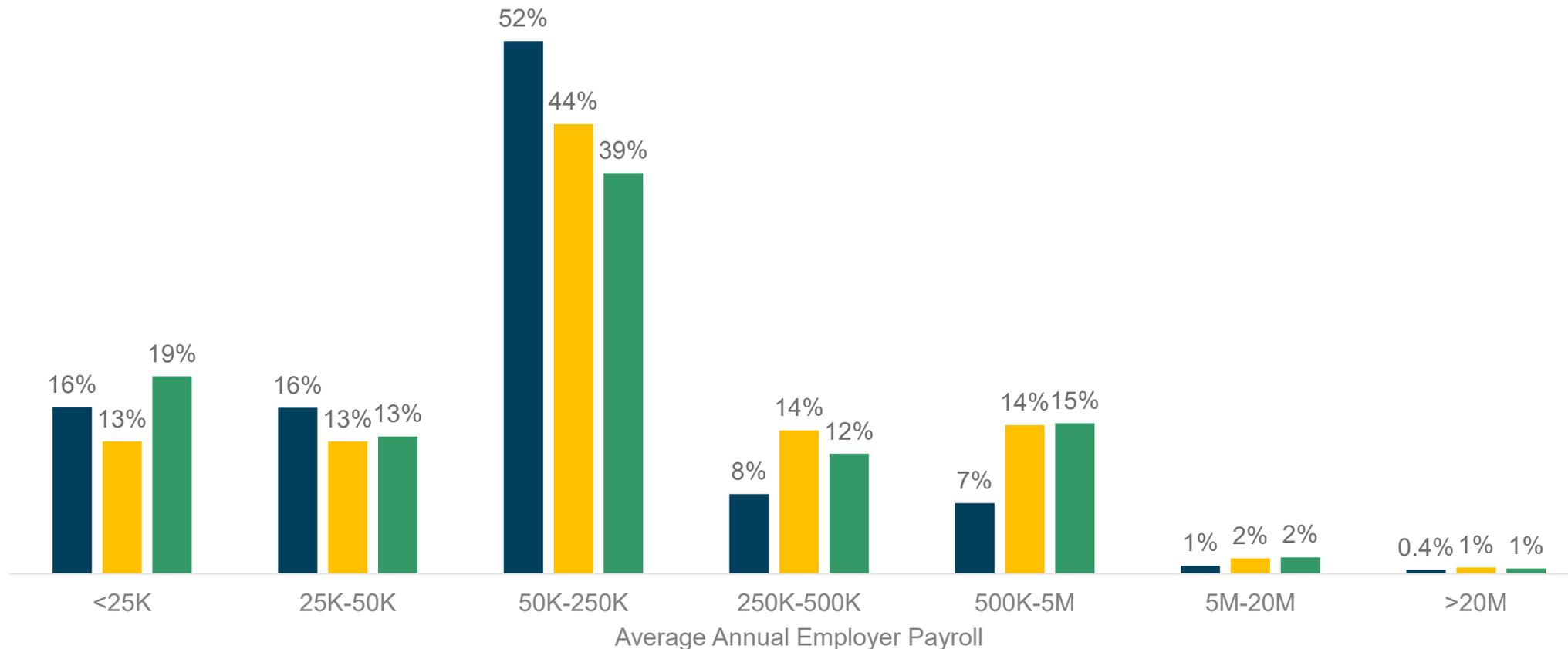
Both Classifications 8078 and 9079 have had, with few exceptions, higher advisory pure premium rates (PPRs) than the statewide average.

The advisory PPRs for Classification 9079 have consistently been significantly higher than those for Classification 8078.

Chart 2: Employer Distribution by Annual Payroll Size

Share of Employers (Policy Years (PYs) 2014-2018)

■ 8078 ■ 9079 ■ Statewide



Insights

Employers reporting payroll in Classification 9079 are generally larger than those in Classification 8078, potentially due to more chain restaurants in 9079 and that the restaurants assigned to Classification 9079 serving hot food tend to be larger than sandwich shops assigned to Classification 8078.

About one-half of restaurants and sandwich shops are concentrated in the \$50k-250k payroll range.

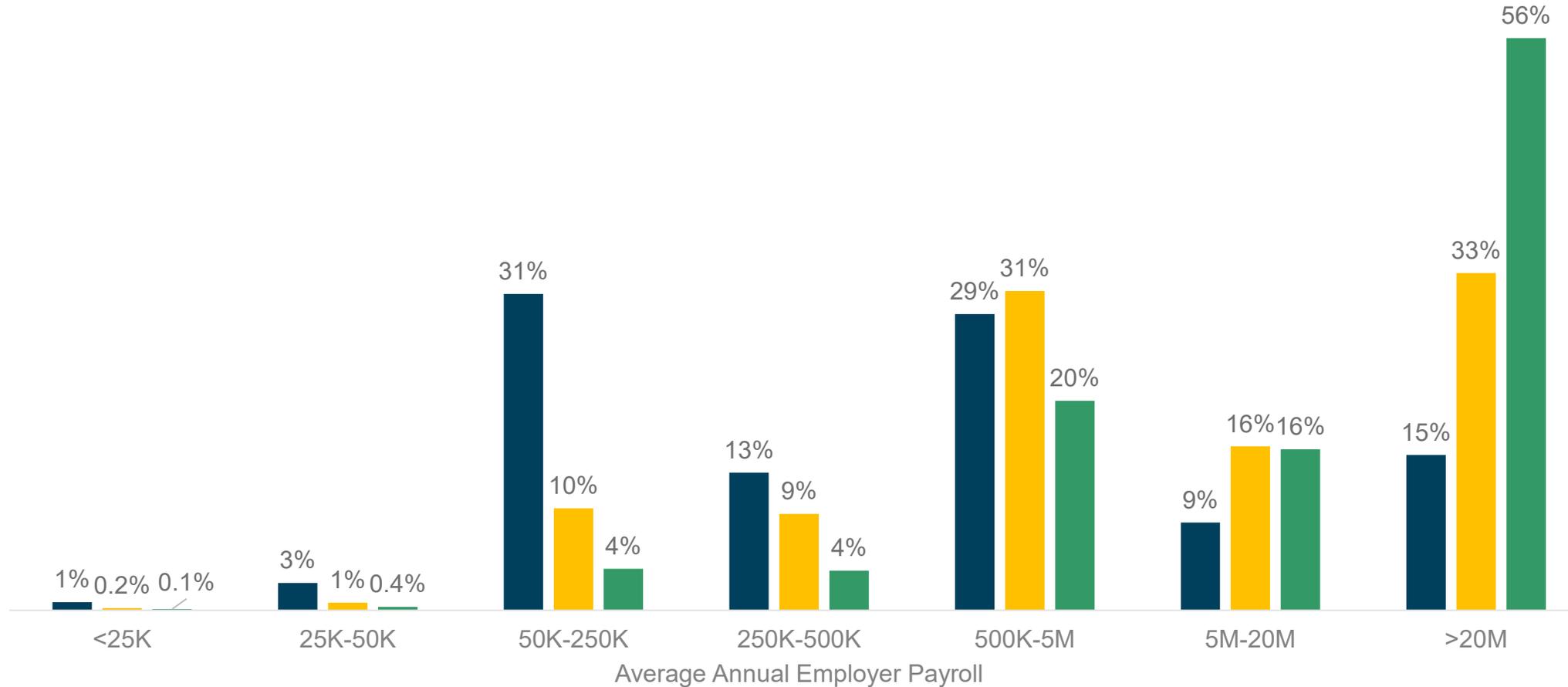
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Chart 3: Payroll Distribution by Employer Annual Payroll Size

Share of Payroll (PYs 2014-2018)

■ 8078 ■ 9079 ■ Statewide



💡 Insights

Both Classifications 8078 and 9079 have a larger than typical percentage of payroll generated by small employers.

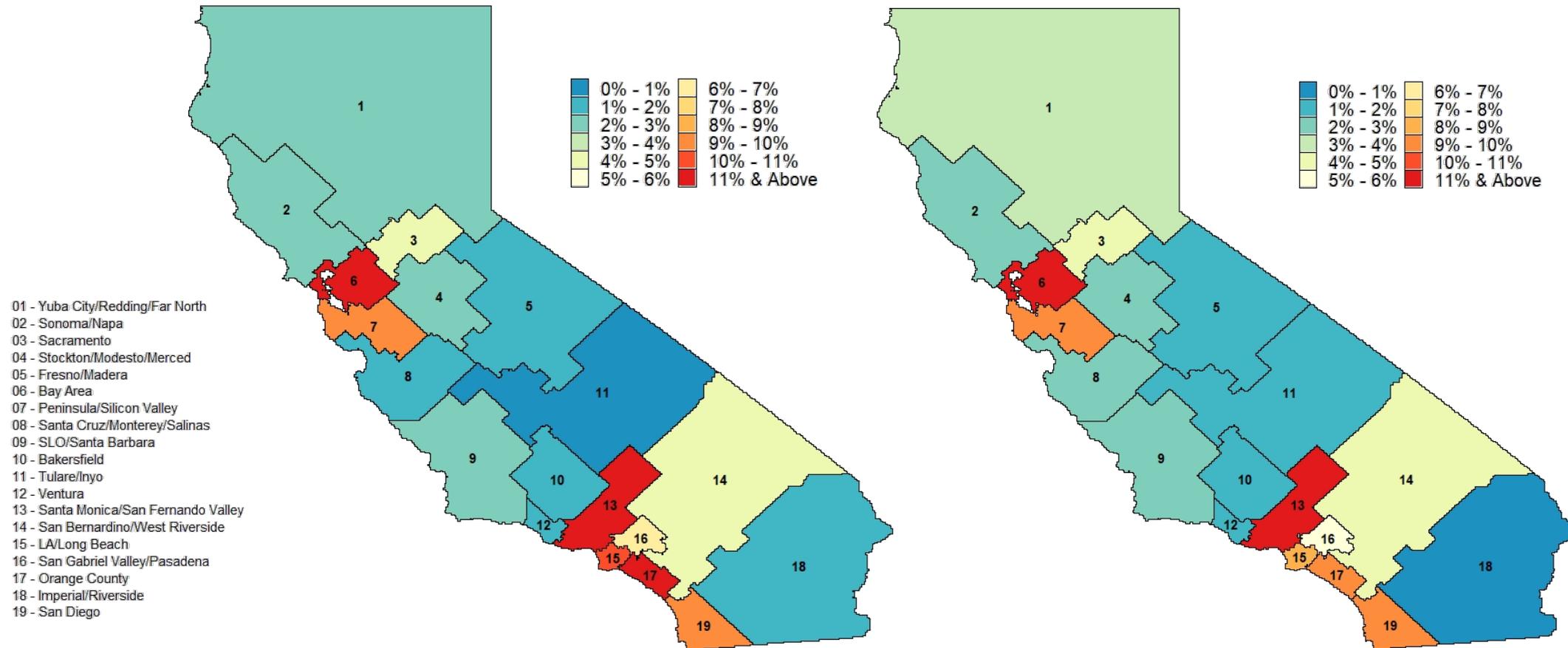
A large share of the Classification 8078 payroll (31%) was reported by smaller employers concentrated in the \$50k-\$250k payroll range. In comparison, 80% of the Classification 9079 payroll was reported by employers with annual payroll greater than \$500k.

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Chart 4: Payroll Share by Region

9079 Payroll Share (PY2014-PY2018)

8078 Payroll Share (PY2014-PY2018)

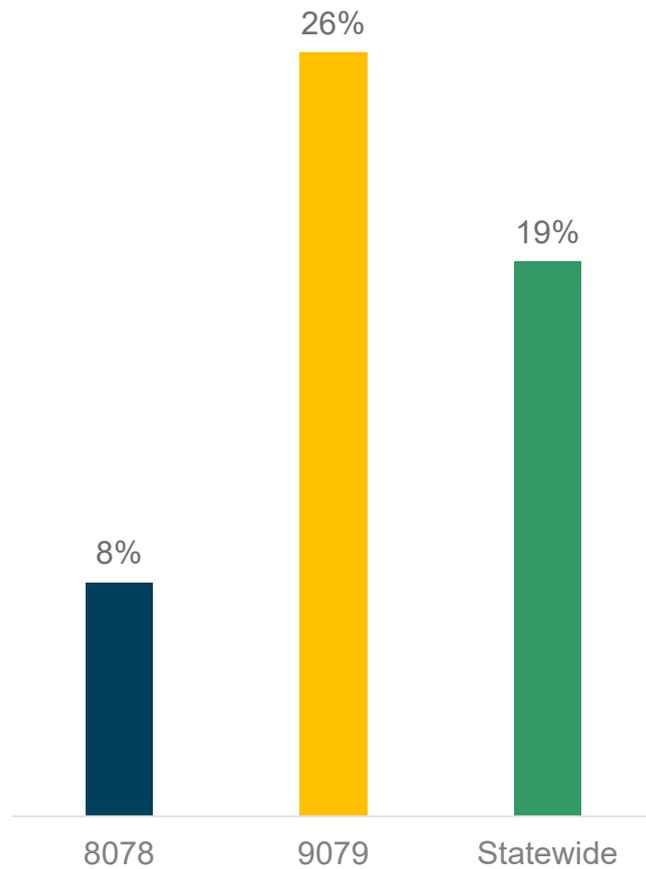


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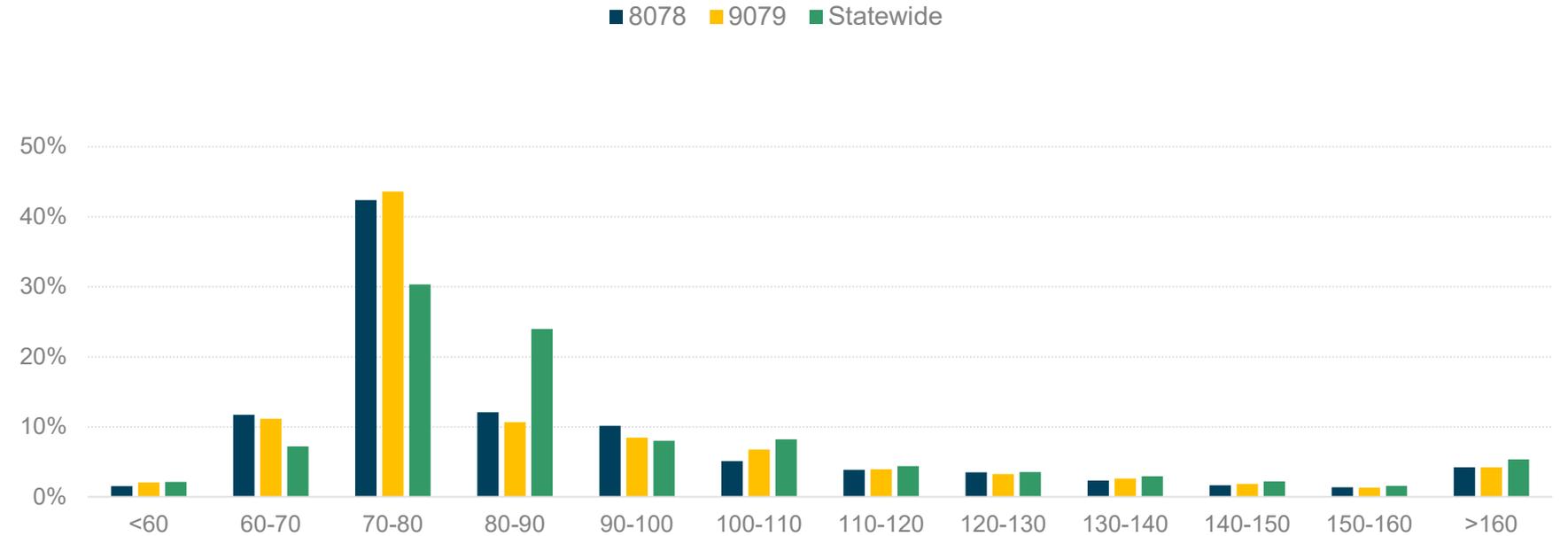
Not surprisingly, most of the payroll assigned to Classifications 9079 and 8078 are concentrated in the more urban Bay Area and Los Angeles Basin and San Diego areas.

Chart 5: X-Mod Distribution

Share of X-Mod-Eligible Employers (PYs 2014-2018)



Share of Eligible Employers by X-Mod (PYs 2014-2018)



Insights

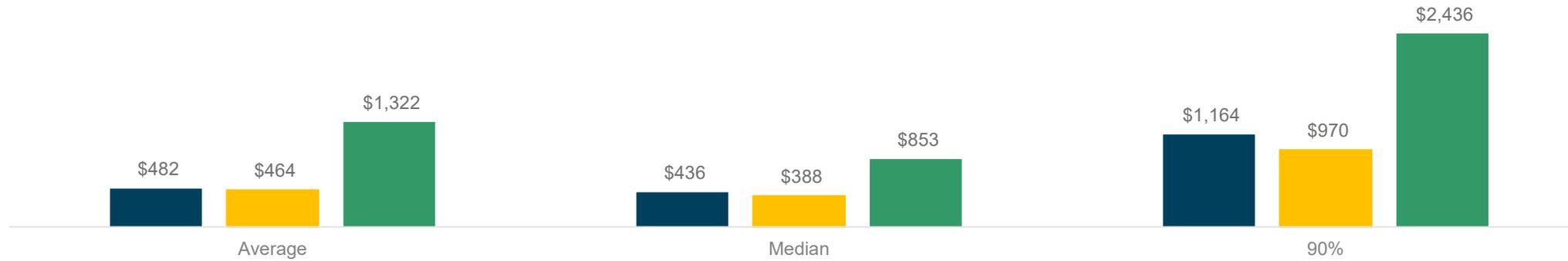
A larger share of Classification 9079 employers qualified for X-Mods than Classification 8078 employers, as a result of the larger average payroll and higher average expected loss per \$100 of payroll for Classification 9079 employers.

The restaurant industry has a higher than typical share of employers in the lower X-Mod ranges (i.e., 60-80).

Chart 6: Weekly Wages and Impact of Minimum Wage Mandates

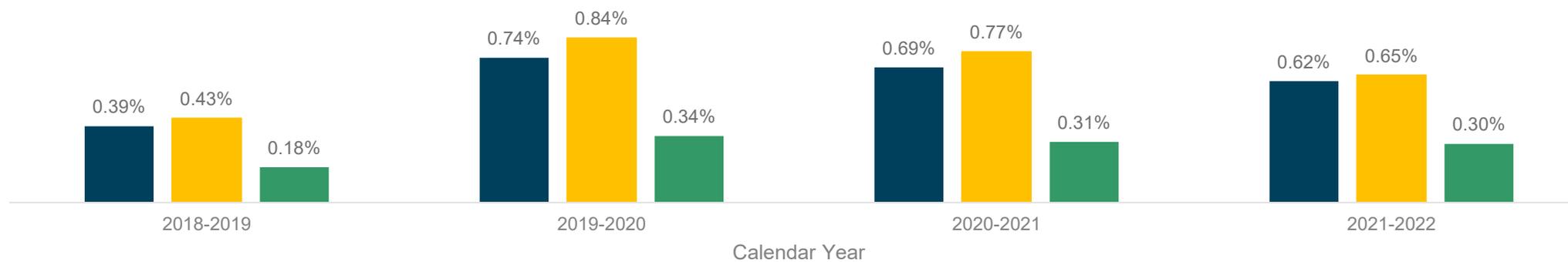
Average Weekly Wage for Classifications 9079 and 8078

■ 8078 ■ 9079 ■ Statewide



Effect of Minimum Wage Mandates on Payroll by Classification

■ 8078 ■ 9079 ■ Statewide



Insights

The average weekly wage for workers in both restaurant classifications is less than one-half of the statewide average. The patterns are similar at the median and 90th percentile.

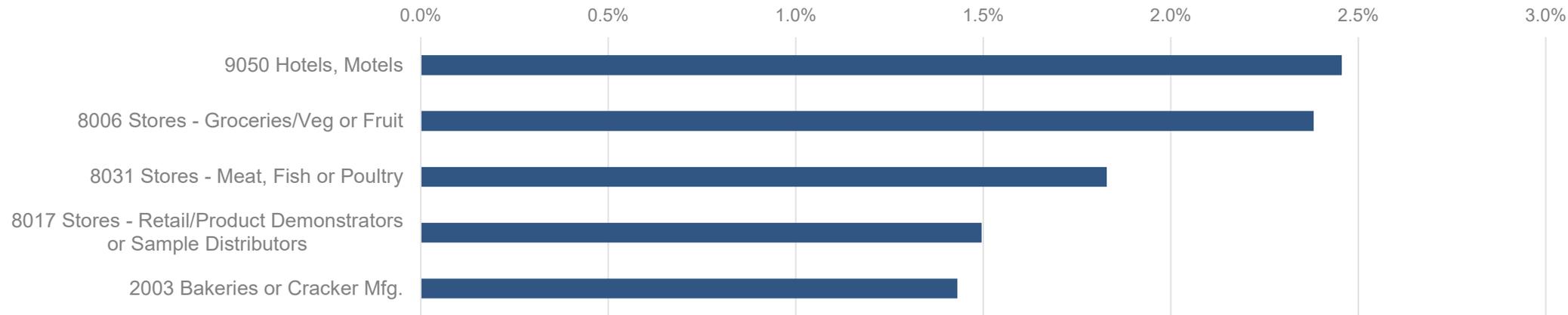
Average and median weekly wages for Classification 9079 workers are slightly lower than those for Classification 8078 workers, potentially due to more part-time hourly workers in Classification 9079.

The minimum wage mandates in various locales in California tend to have a larger impact on the restaurant industry than on other sectors, due to a larger share of low-wage restaurant and sandwich shop workers.

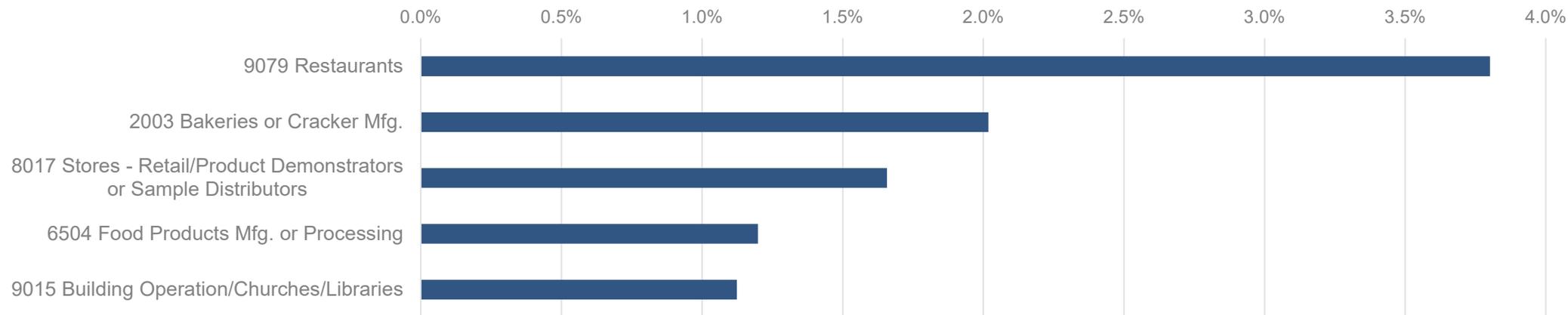
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Chart 7: Associated Classifications

Share of 9079 Employers by Leading Classifications Associated with 9079



Share of 8078 Employers by Leading Classifications Associated with 8078



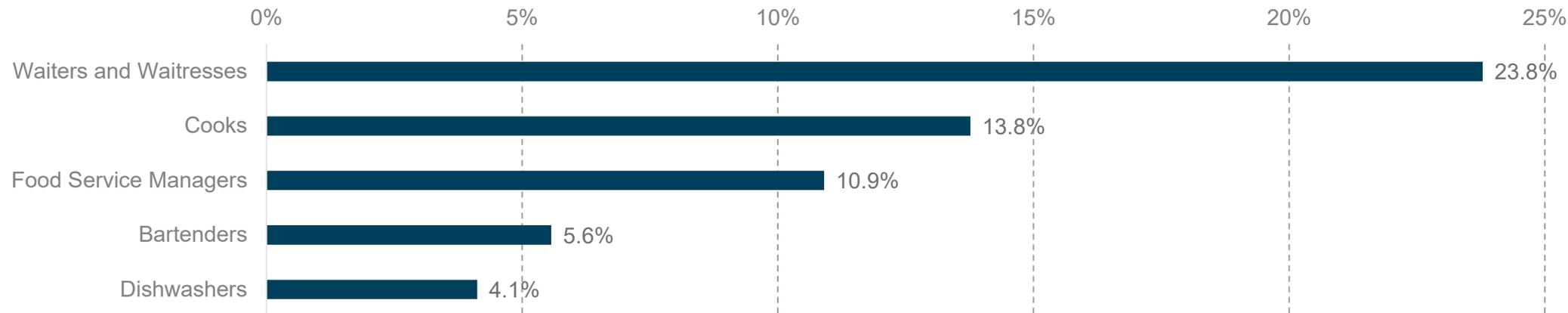
Insights

Restaurant operations exist in other industry sectors. Hotels, grocery or retail stores, and food manufacturing are among the leading classifications in which Classification 9079 employers also report payroll.

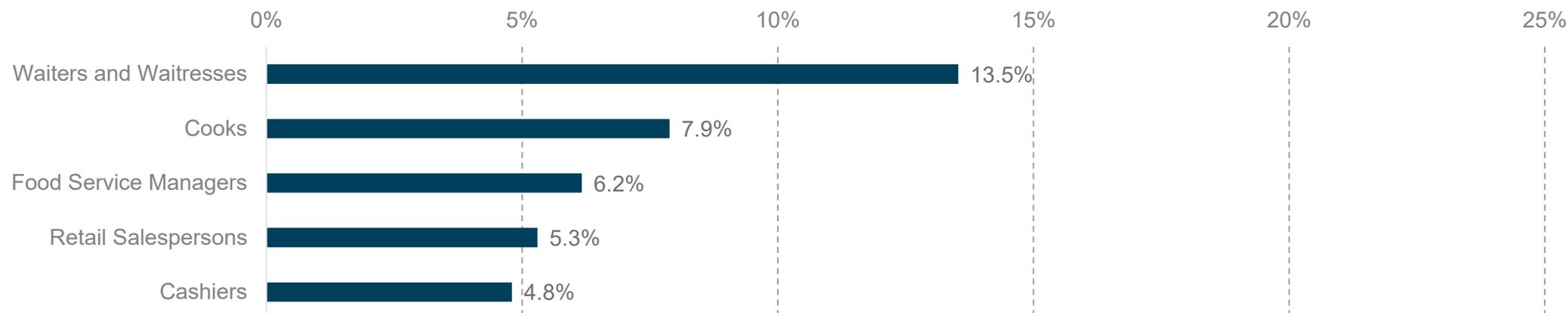
Classification 8078 employers may also have payroll reported in Classification 9079.

Chart 8: Leading Occupations

Share of 9079 Payroll for Top Five Occupations



Share of 8078 Payroll for Top Five Occupations



Insights

Restaurants assigned to Classification 9079 and sandwich shops assigned to Classification 8078 share the same top three occupations (wait staff, cooks and food service managers). However, restaurants tend to have a larger share of payroll for these occupations than sandwich shops.

Among other leading occupations, bartenders and dishwashers are common in restaurants, while retail sales and cashiers are common in sandwich shops.

While not in the top 5 occupations, drivers account for about 1% and 3% of the payroll in Classifications 9079 and 8078, respectively, mostly related to delivery service not performed by third parties.

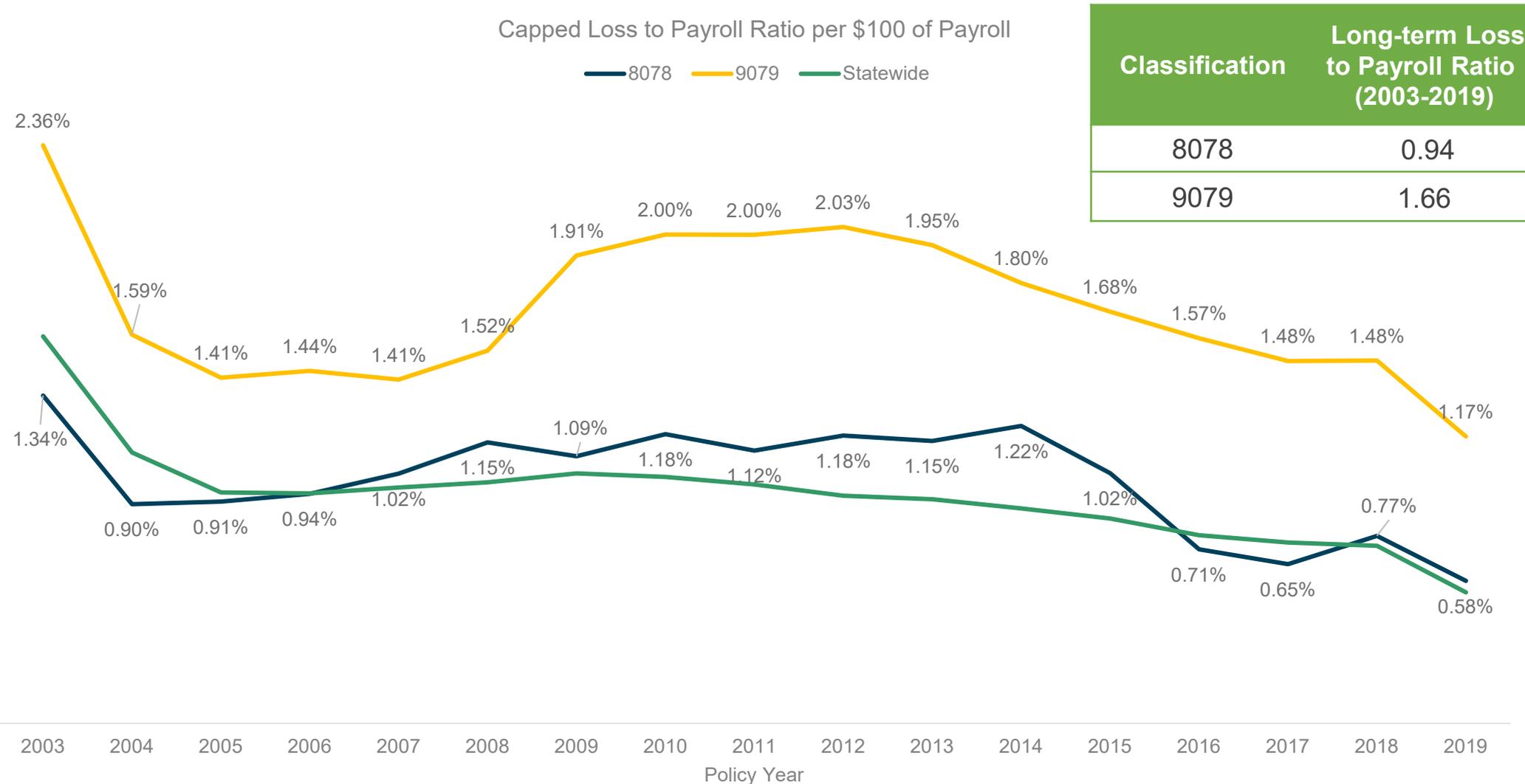
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Loss and Payroll Experience

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Chart 9: Historical Loss to Payroll Ratios



Classification	Long-term Loss to Payroll Ratio (2003-2019)
8078	0.94
9079	1.66

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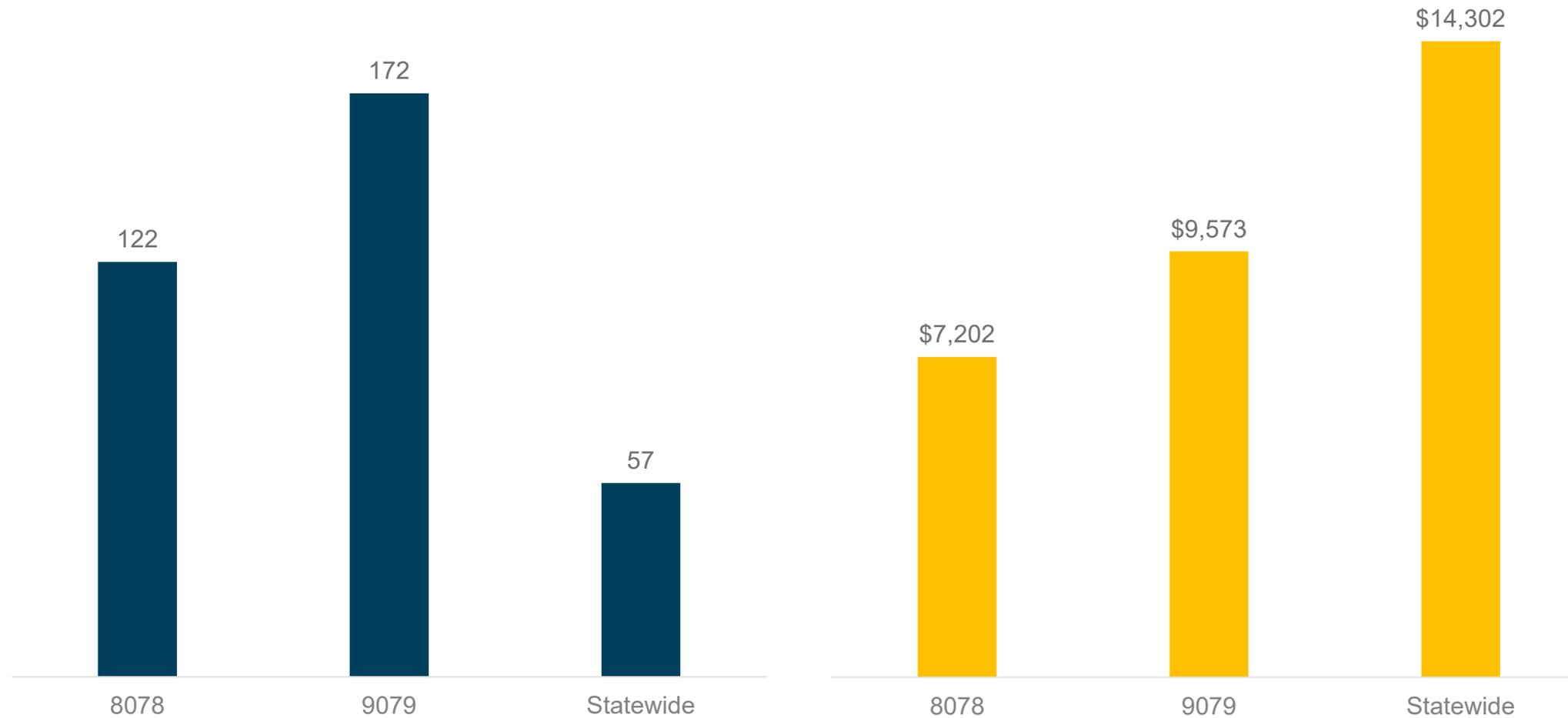
The loss to payroll ratios for Classification 9079 have been consistently higher than those for Classification 8078 and the statewide average. The higher loss to payroll ratios for Classification 9079 are driven by higher claim frequency and severity (see [Chart 10](#)).

Decreases in loss to payroll ratios for the restaurant industry in recent years are mostly driven by declining indemnity claim frequency (see [Chart 12](#)).

The long-term loss to payroll ratio for restaurants (1.66) is almost twice as high as that for sandwich shops (0.94).

Chart 10: Total Claim Frequency and Average Claim Severity

Total Claim Count per \$100M Payroll
for PYs 2014-2018



Insights

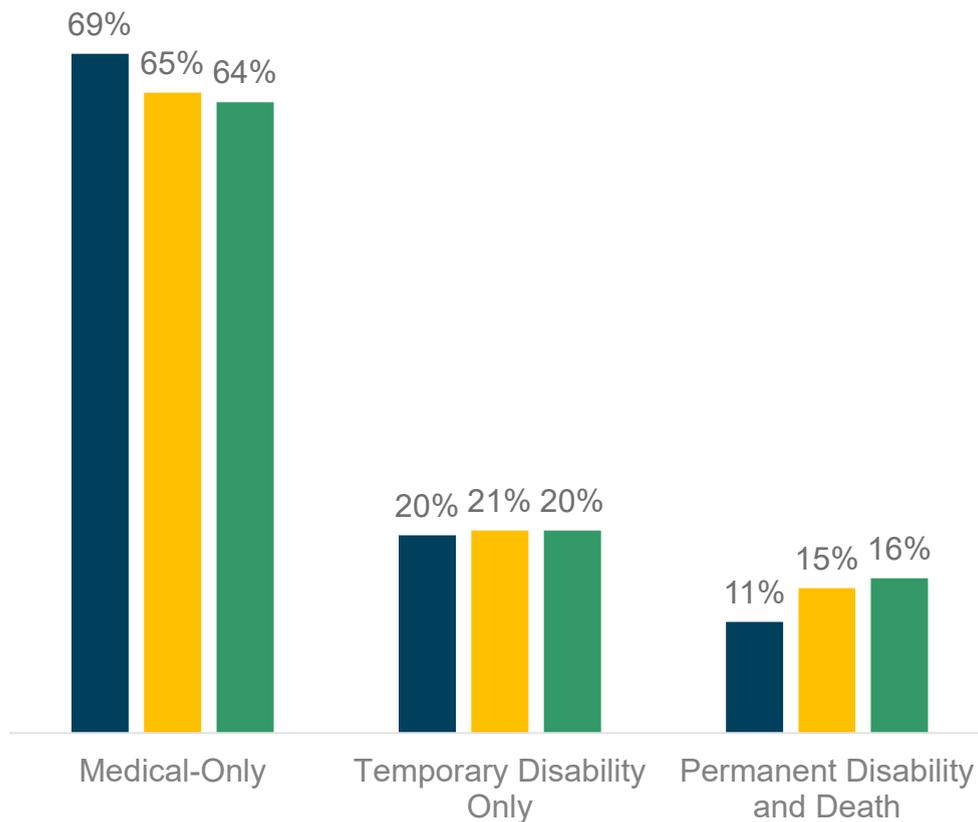
Restaurant operations in both classifications tend to have higher claim frequency than statewide experience, while the average claim severity for both classifications is lower than that of the statewide average.

Classification 9079 applies to restaurants serving hot food, while Classification 8078 applies to sandwich shops serving mostly cold food. The higher frequency and severity for Classification 9079 operations are likely in part due to a higher risk exposure from serving hot food.

Chart 11: Share of Claims and Average Claim Severity by Injury Type

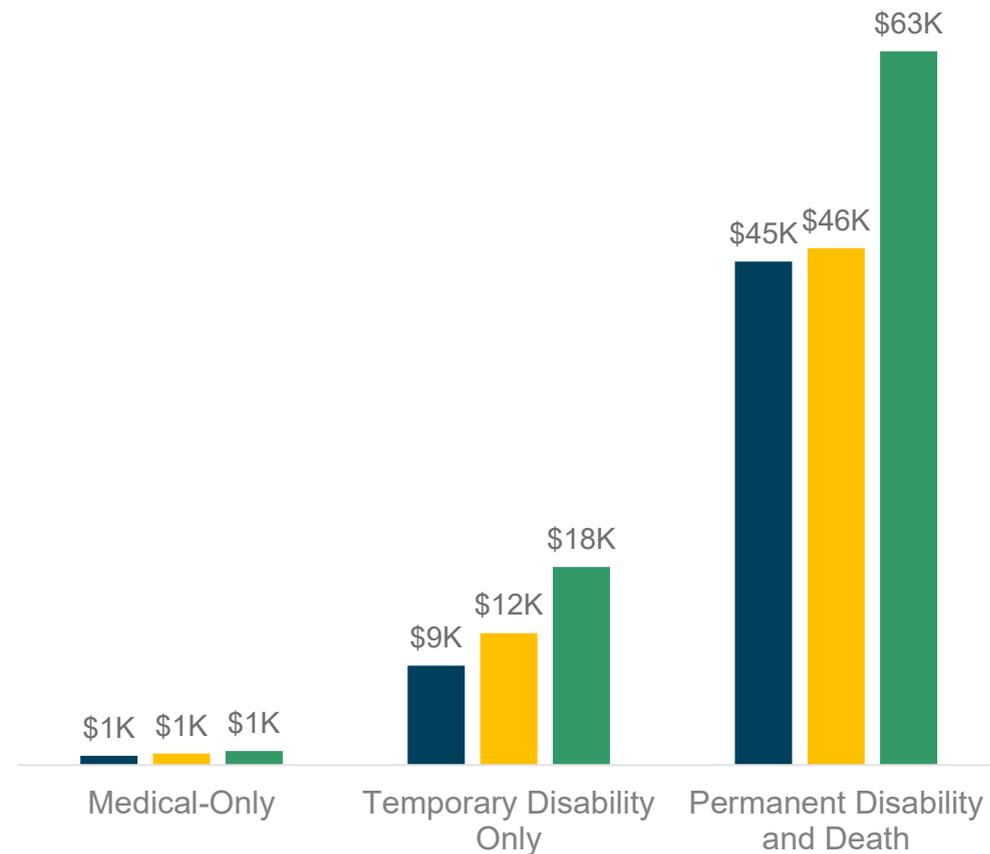
Share of Claims by Injury Type for PYs 2014-2018

■ 8078 ■ 9079 ■ Statewide



Average Claim Severity by Injury Type for PYs 2014-2018

■ 8078 ■ 9079 ■ Statewide



Insights

Classification 8078 has a slightly higher share of medical-only claims and a lower share of indemnity claims (including those involving temporary disability, permanent disability and death) than Classification 9079. Average claim severities of both medical-only and indemnity claims for Classification 8078, however, are slightly lower than those for Classification 9079.

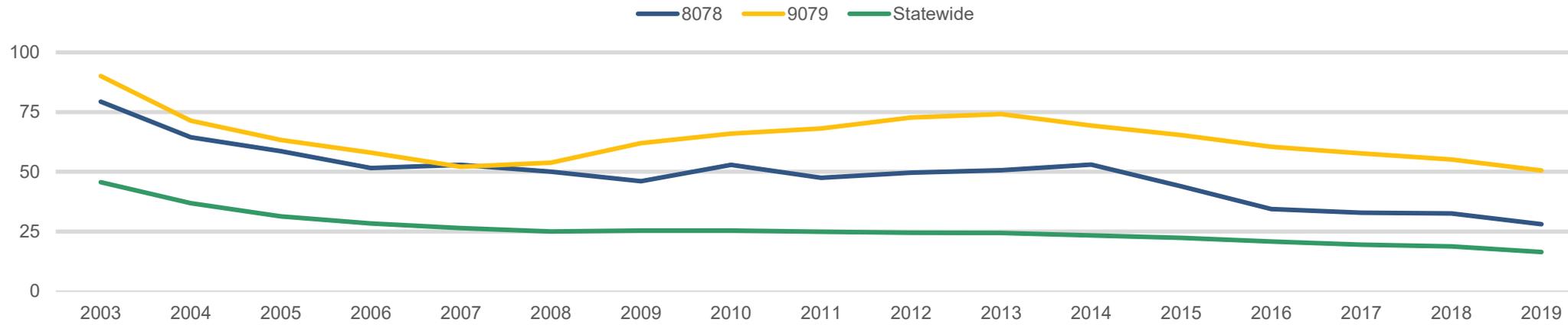
While Classification 9079 has a similar share of indemnity claims as the statewide, these indemnity claims have much lower average severity than the statewide (see [Chart 12](#)).

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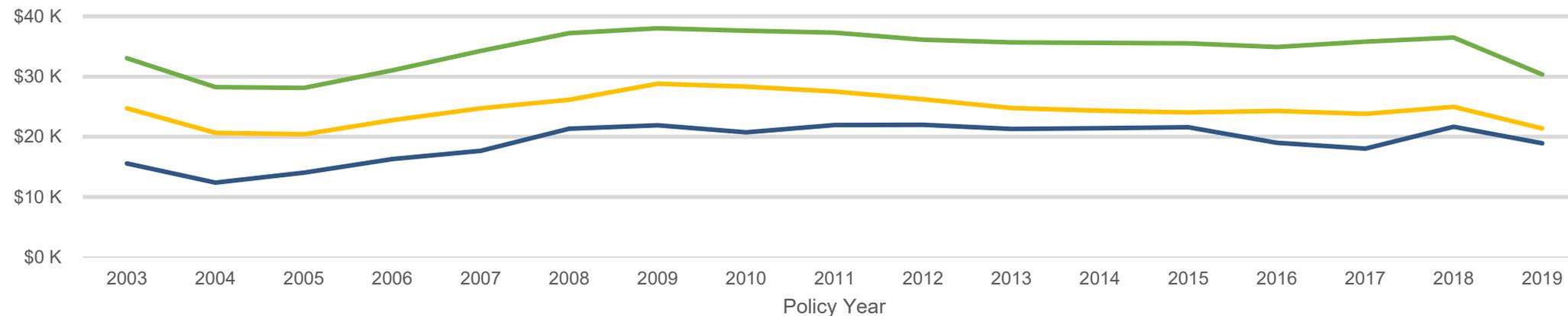
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Chart 12: Indemnity Claim Frequency and Average Claim Severity

Indemnity Claim Count per \$100 Million of Payroll



Average Indemnity Claim Severity



Insights

The restaurant industry has consistently higher indemnity frequency and lower average severity than the statewide average over time.

Indemnity claim frequency in both restaurant classifications has generally declined since 2014, driving lower advisory pure premium rates.

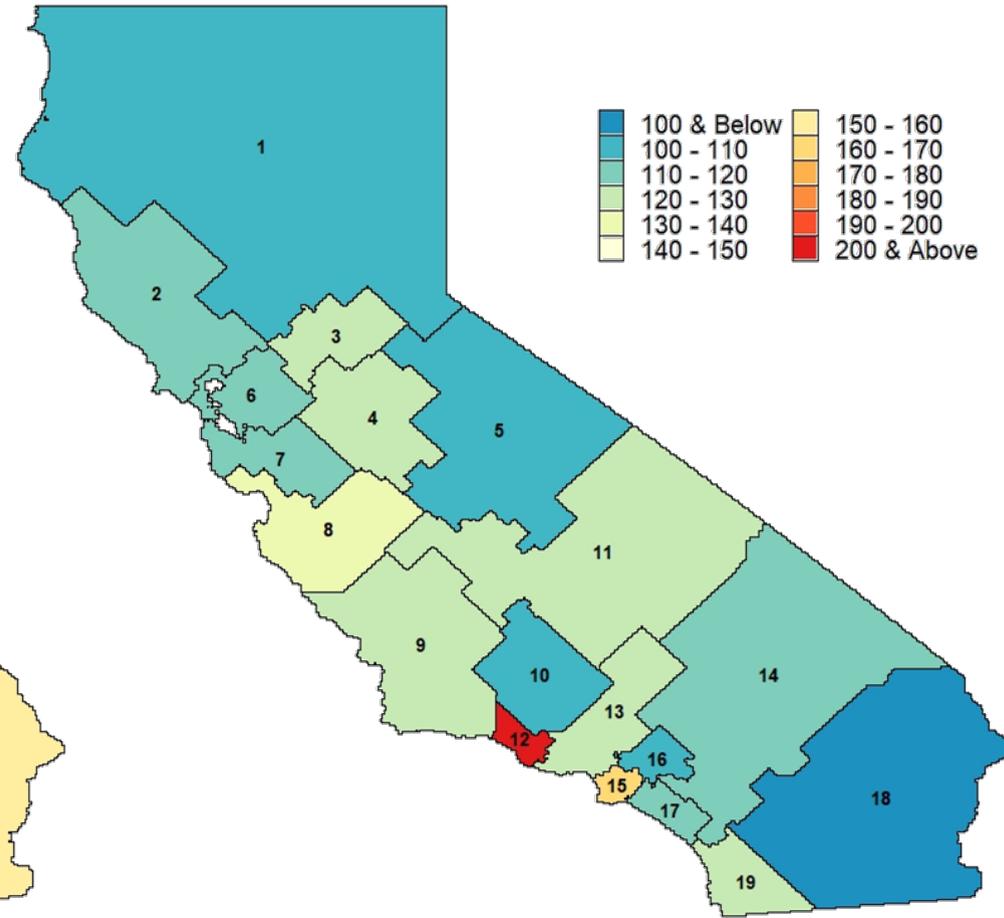
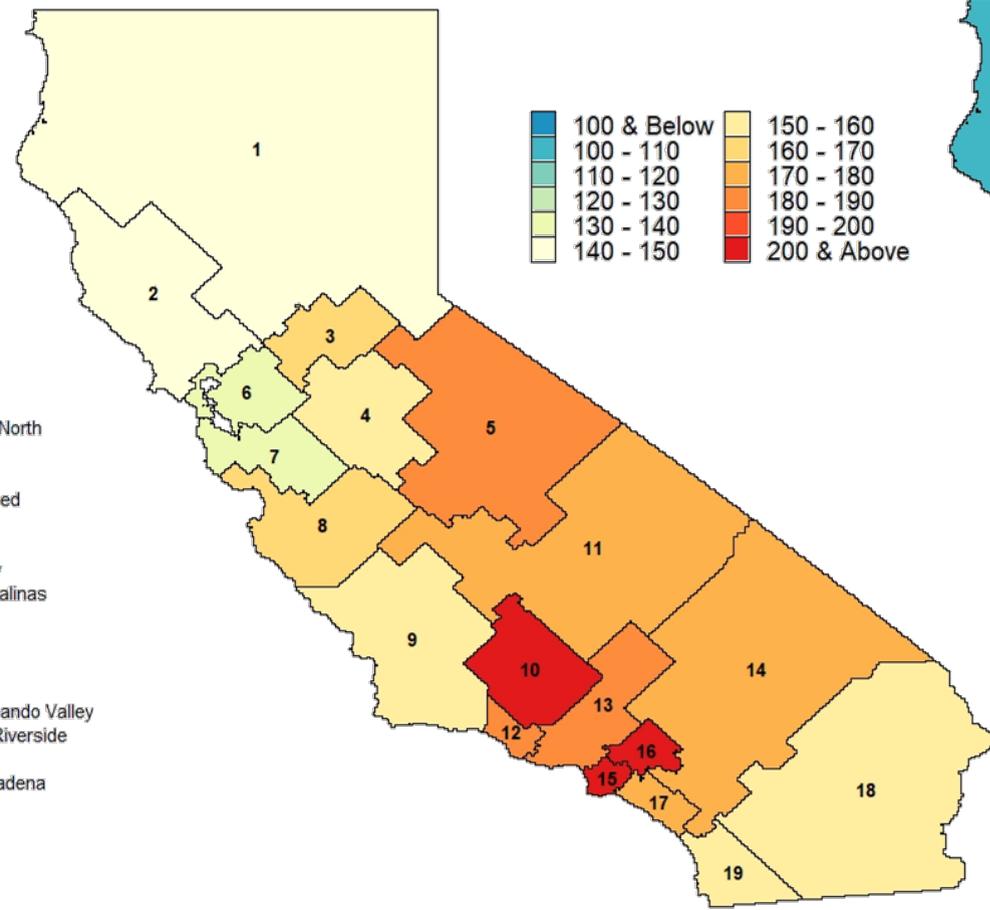
Within the restaurant industry, Classification 9079 has higher indemnity frequency and higher average severity than Classification 8078. The pattern is generally consistent over time.

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Chart 13: Total Claim Frequency by Region

9079 Total Claims per \$100M of Payroll (PYs 2014-2018)

8078 Total Claims per \$100M of Payroll (PYs 2014-2018)



- 01 - Yuba City/Redding/Far North
- 02 - Sonoma/Napa
- 03 - Sacramento
- 04 - Stockton/Modesto/Merced
- 05 - Fresno/Madera
- 06 - Bay Area
- 07 - Peninsula/Silicon Valley
- 08 - Santa Cruz/Monterey/Salinas
- 09 - SLO/Santa Barbara
- 10 - Bakersfield
- 11 - Tulare/Inyo
- 12 - Ventura
- 13 - Santa Monica/San Fernando Valley
- 14 - San Bernardino/West Riverside
- 15 - LA/Long Beach
- 16 - San Gabriel Valley/Pasadena
- 17 - Orange County
- 18 - Imperial/Riverside
- 19 - San Diego

Insights

Classification 8078 has much lower claim frequency (fewer than 130 claims per \$100M of payroll) than Classification 9079 in most of the regions in California, except for Ventura (206 claims per \$100M of payroll).

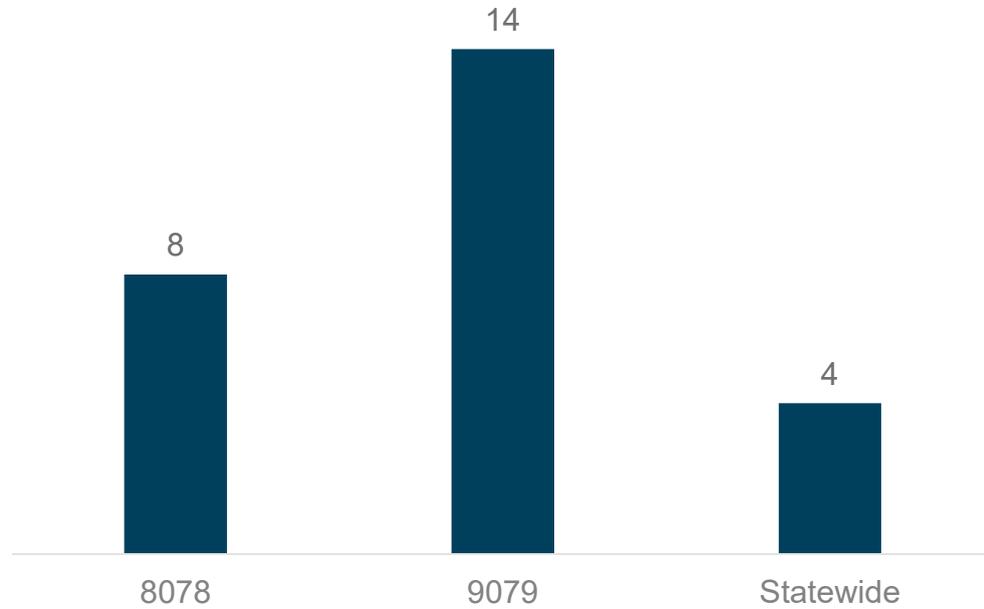
Classification 9079 has the highest claim frequency in the Los Angeles basin and Bakersfield and the lowest claim frequency in the Bay Area and Silicon Valley.

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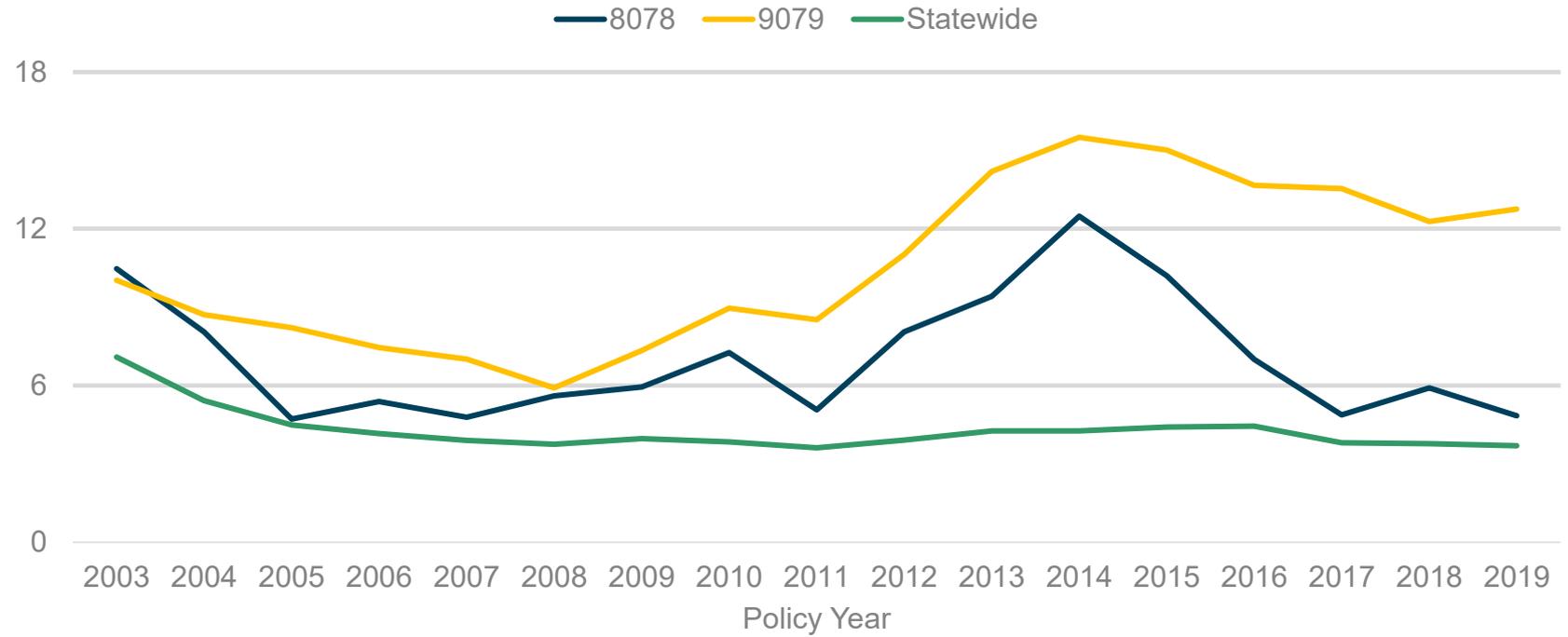
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Chart 14: Frequency for Cumulative Trauma Claims

CT Claim Count per \$100M of Payroll
(PYs 2014-2018)



CT Claim Count per \$100M of Payroll



Insights

The frequency of cumulative trauma (CT) claims for Classification 9079 is almost twice as high as that for Classification 8078 and more than three times higher than the statewide average.

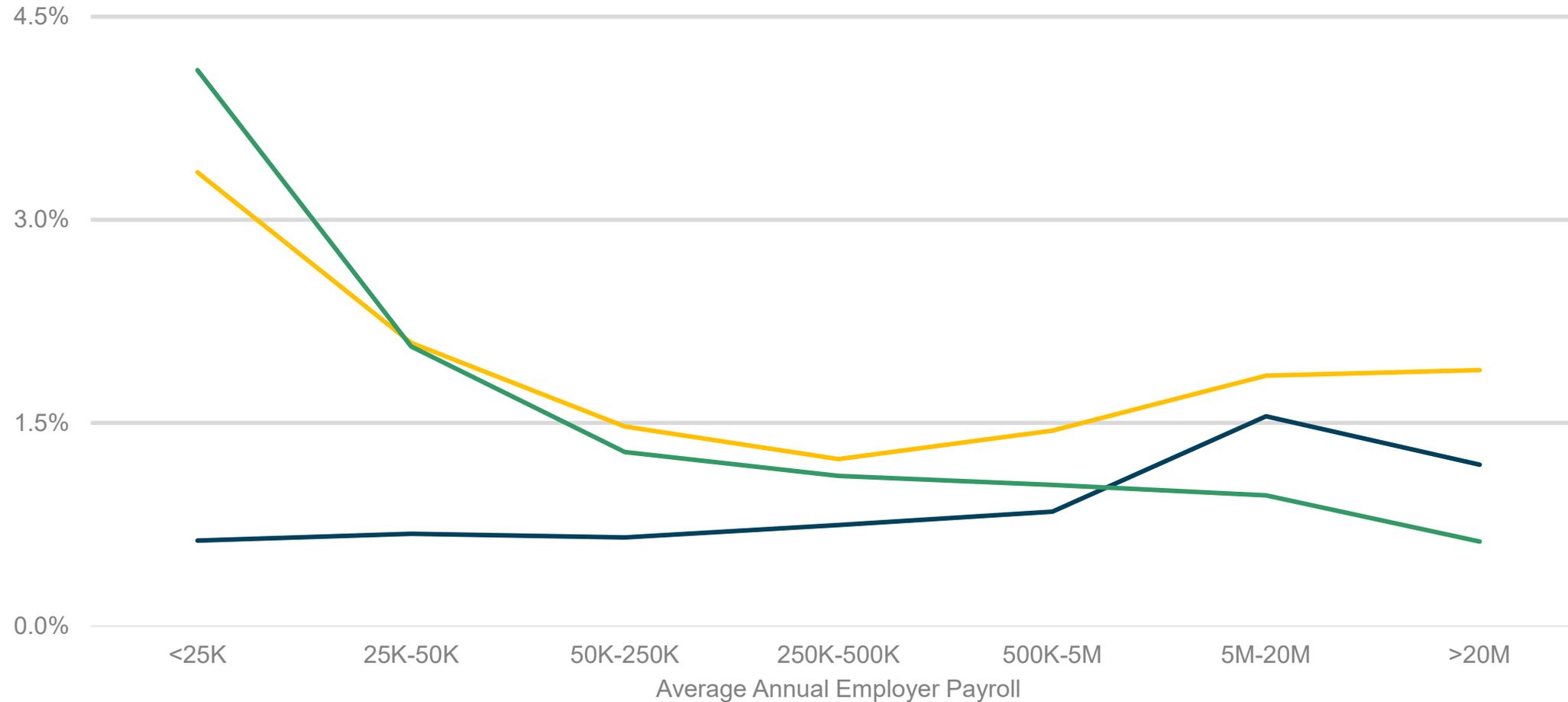
CT claim frequency increased sharply between Policy Years 2012 and 2014 for both classifications. While CT frequency began to drop in Policy Year 2015 for Classification 8078, it remained high for Classification 9079.

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Chart 15: Loss to Payroll Ratios by Employer Size

Capped Loss to Payroll Ratio (PYs 2014-2018)

8078 9079 Statewide



Insights

The loss to payroll ratio for Classification 8078 generally increases as the size of employers increases, mostly driven by claim frequency (see [Chart 16](#)). However, Classification 8078 has a lower loss to payroll ratio than Classification 9079 across all employer sizes.

For Classification 9079, smaller employers have higher loss to payroll ratios, and mid-size employers (\$250K - \$500K payroll range) have the lowest ratio. The pattern potentially reflects better loss control measures in larger restaurants than smaller restaurants. However, the largest restaurants (reported payroll > \$5M) have relatively high loss to payroll ratios, mostly driven by high claim frequency (see [Chart 16](#)). This could be related to large chain restaurants with multiple locations that may have higher loss to payroll ratios per location.

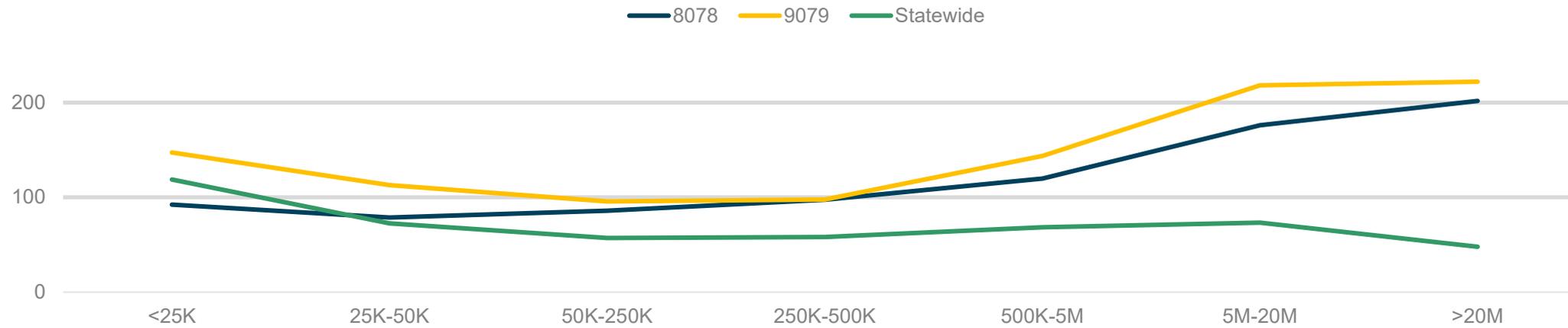
The relationship between loss to payroll ratio and employer size in the restaurant industry differs from statewide where larger employers tend to have lower loss to payroll ratios than smaller employers.

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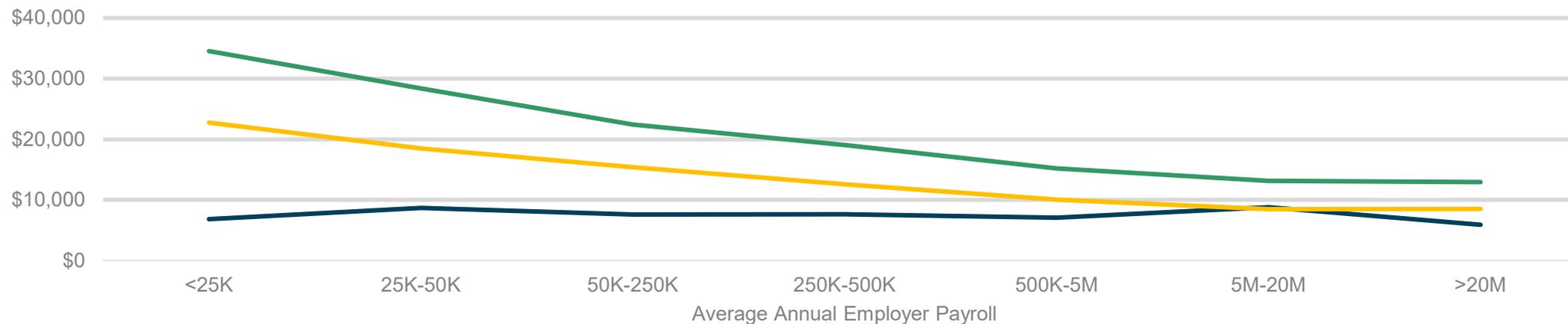
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Chart 16: Total Claim Frequency and Claim Severity by Employer Size

Total Claim Count per \$100M of Payroll (PYs 2014-2018)



Average Total Claim Severity (PYs 2014-2018)



Insights

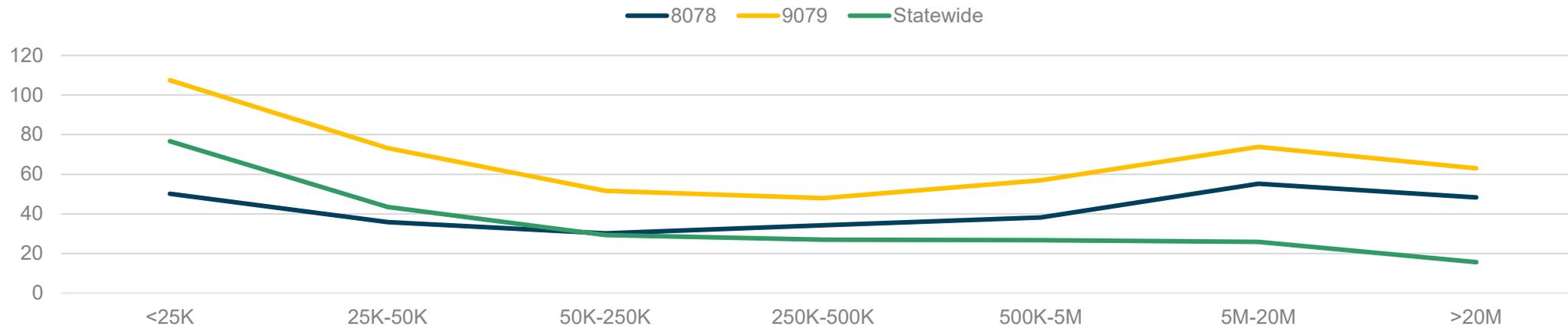
Smaller employers in Classification 9079 tend to have lower total claim frequency and higher average claim severity than larger employers. The largest employers have the highest claim frequency but the lowest severity.

For Classification 8078, claim frequency increases as the employer size increases. Average claim severity, however, is relatively consistent among all employer sizes.

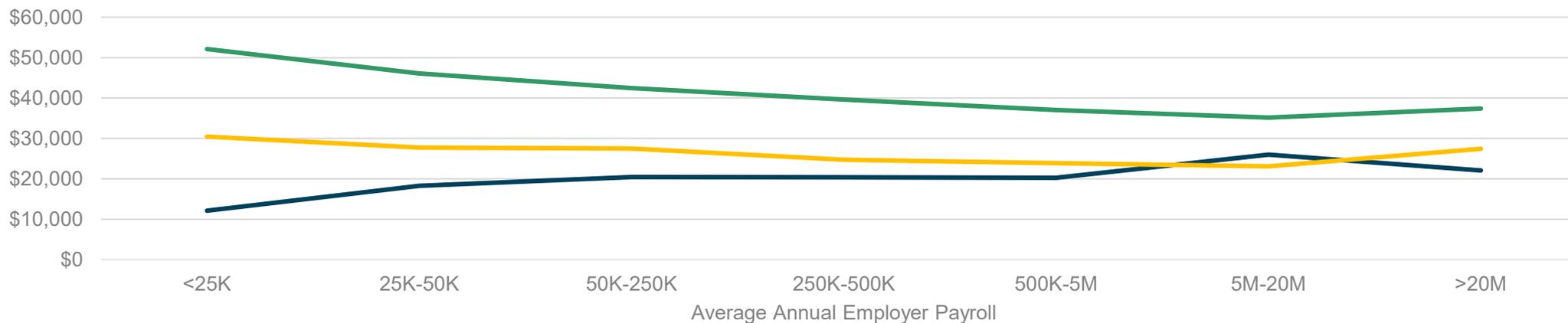
The high total claim frequency among large employers in both classifications is mostly driven by medical-only claims. In comparison, the statewide frequency change relative to employer size is driven by both medical-only and indemnity claims ([Chart 17](#)). Larger employers statewide tend to have lower claim frequency.

Chart 17: Indemnity Claim Frequency and Claim Severity by Employer Size

Indemnity Claim Count per \$100M of Payroll for PYs 2014-2018



Average Indemnity Claim Severity for PYs 2014-2018



Insights

Overall, Classification 9079 has higher indemnity claim frequency and higher claim severity for most employer sizes than does Classification 8078.

For Classification 9079, the smallest employers (payroll <\$25K) have the highest indemnity claim frequency, while mid-size employers (\$250K - \$500K payroll range) have the lowest indemnity claim frequency.

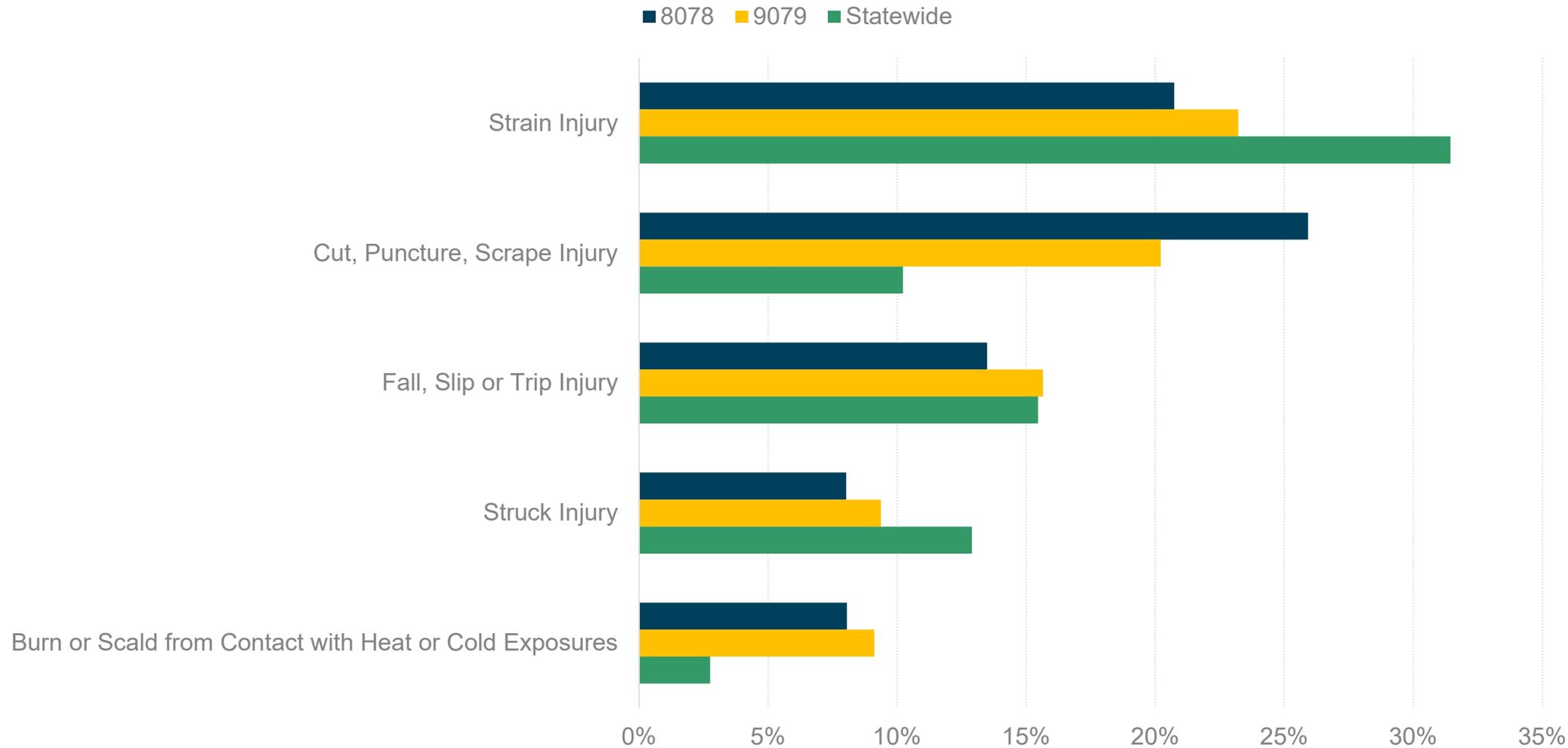
The restaurant industry has consistently lower average indemnity claim severities than other sectors among all employer sizes.

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Chart 18: Leading Causes of Injury

Share of Claims for Top 5 Causes of Injury (PYs 2014-2018)



Insights

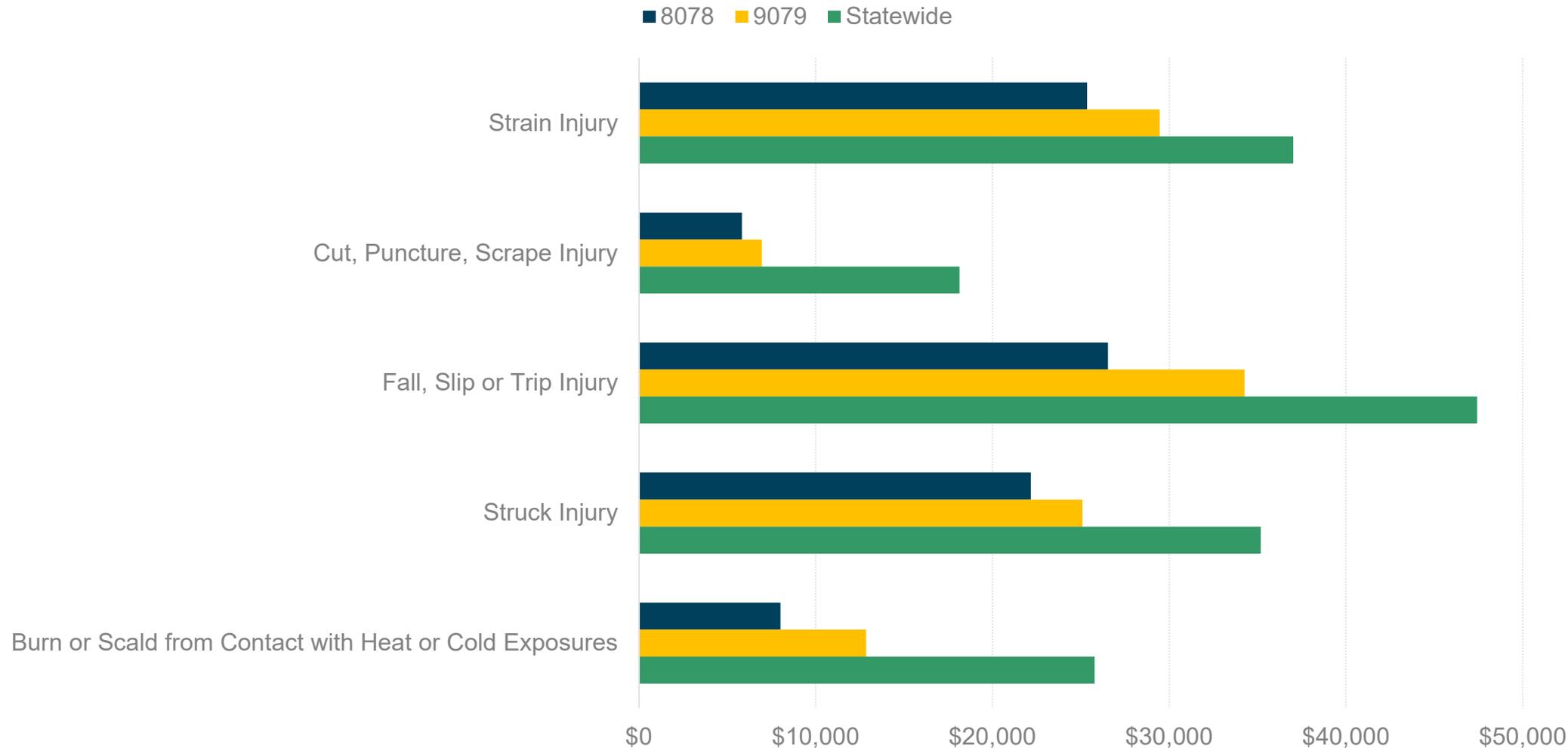
Strain Injury is the leading cause of injury for claims in Classification 9079 and statewide, while Cut, Puncture, Scrape Injuries have the highest claim share for Classification 8078.

Cut and burn injuries are common leading causes of injury for the restaurant industry, while the statewide share of claims involving these injuries is much lower.

While motor vehicle accident is not one of the leading causes of injury in the restaurant industry, around 0.5% of the claims involve motor vehicle accidents, which account for 1% of the total losses. These claims are likely from restaurant delivery drivers. The small claim share for motor vehicle accidents is partly due to most of the restaurant delivery service being performed by third parties assigned to Classification 7198. In comparison, motor vehicle accidents represent a larger share of claims (2.2%) and total losses (3.8%) on a statewide basis.

Chart 19: Average Indemnity Claim Severity for Leading Causes of Injury

Average Indemnity Claim Severity (PYs 2014-2018)



Insights

The average indemnity claim severity for the leading causes of injury in the restaurant industry is lower than that for statewide experience. In particular, while the claim frequency for cut and burn injuries is higher among restaurant workers (see [Chart 18](#)), the average claim severity of these injuries is much lower than the statewide average.

Similar to the aggregated severity information (see [Chart 17](#)), Classification 9079 has higher indemnity claim severity for each leading cause of injury than Classification 8078.

Both average indemnity and medical severities for the top five causes of injury are higher for indemnity claims in Classification 9079 than for those in Classification 8078. The cost differential is about the same for these leading injury causes except for burn injuries, which have a much higher average medical severity for Classification 9079 claims than for Classification 8078 claims.

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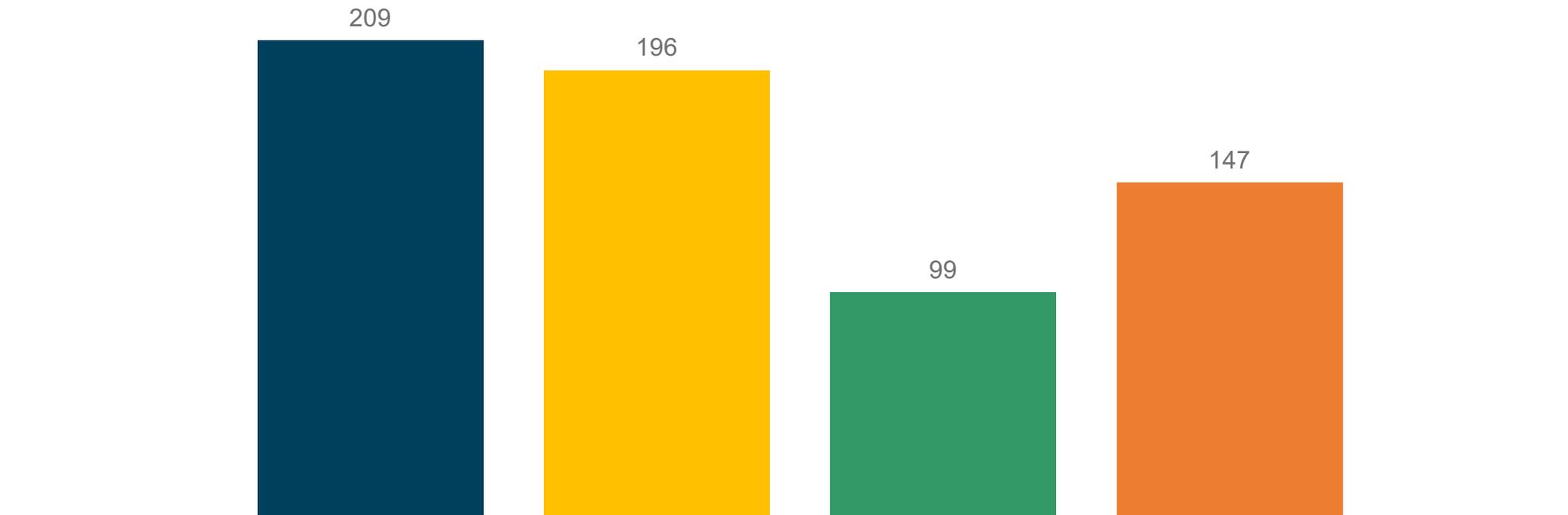
Segments in Restaurant Operations

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Chart 20: Claim Frequency for Classification 9079 Segments

Total Claim Count per \$100M of Payroll (PY 2015-2018)

■ Counter Service w/ Long Hours ■ Counter Service w/o Long Hours ■ Bars and Taverns ■ Other (incl. Sit-Down Restaurants)



Insights

Classification 9079 encompasses various segments of restaurant operations, including counter service restaurants, bars and taverns, and other restaurants (incl. predominantly sit-down restaurants with wait-staff).

Counter service restaurants have the highest claim frequency of about 200 claims per \$100M of payroll, while bars and taverns only have about one-half the claim frequency.

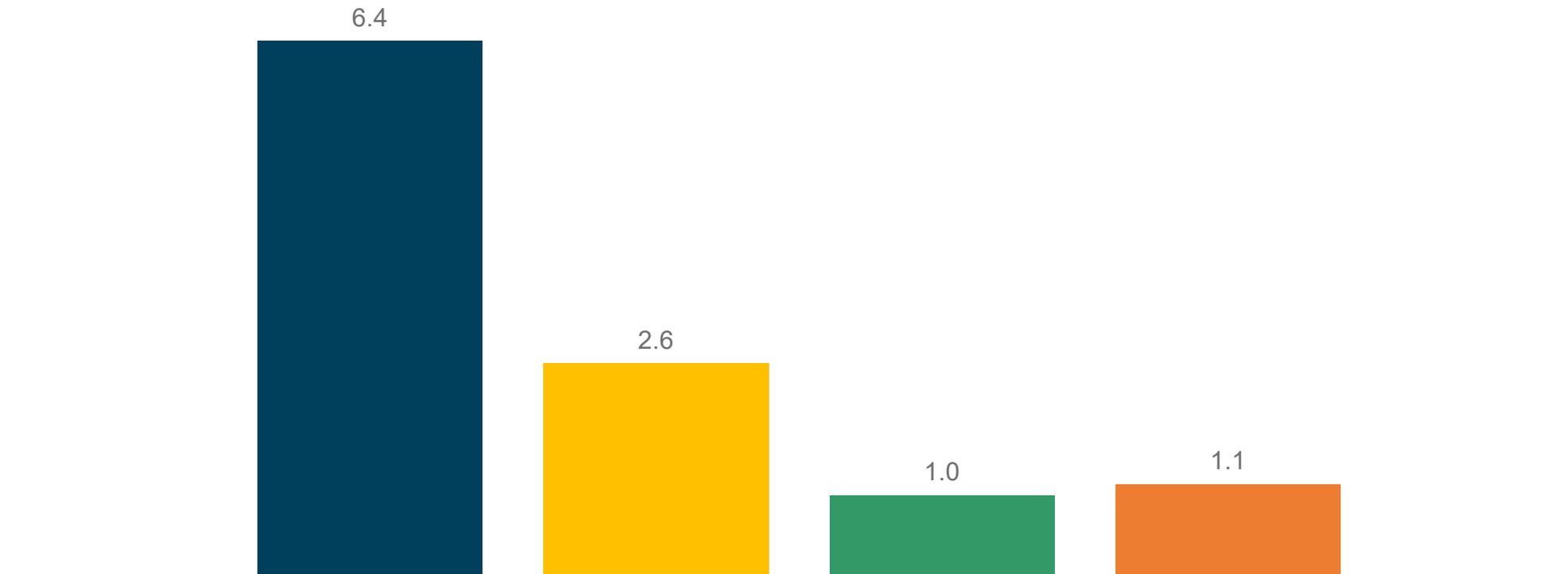
Long hours of operations for counter service restaurants seem to be associated with higher claim frequency.

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Chart 21: Average Number of Locations for Classification 9079 Segments

Average Number of Restaurant Locations (PYs 2015-2018)

■ Counter Service w/ Long Hours ■ Counter Service w/o Long Hours ■ Bars and Taverns ■ Other (incl. Sit-Down Restaurants)



Insights

Counter service restaurants with long hours have the greatest number of locations per employer as those tend to be fast food chain restaurants that are open for extended business hours.

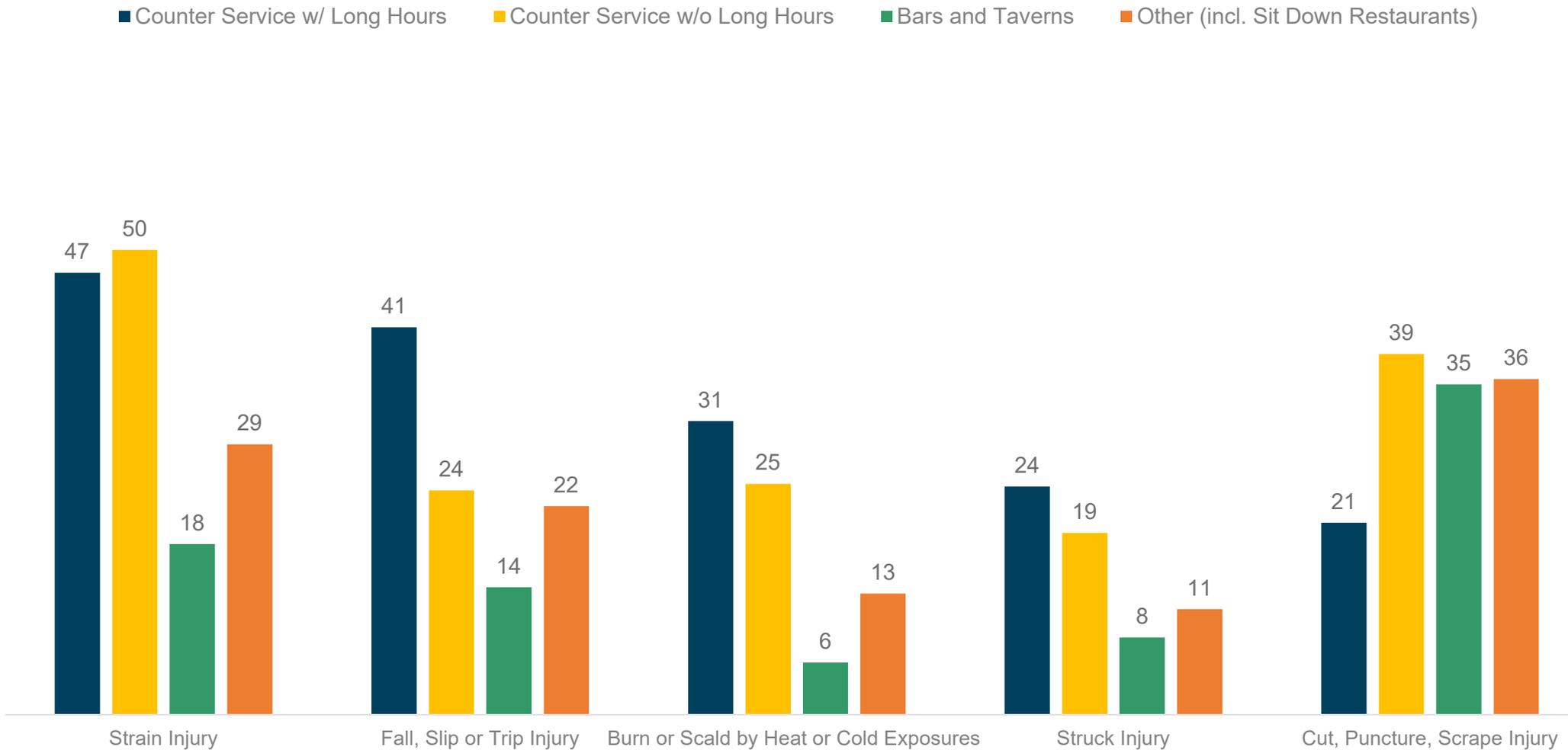
Counter service restaurants without long hours, in comparison, have fewer locations per employer, which indicates a mix of chain and single-branch restaurants.

Bars and taverns and other restaurants have on average only one location per employer.

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Chart 22: Leading Causes of Injury for Classification 9079 Segments

Total Claim Count per \$100M of Payroll (PYs 2015-2018)



Insights

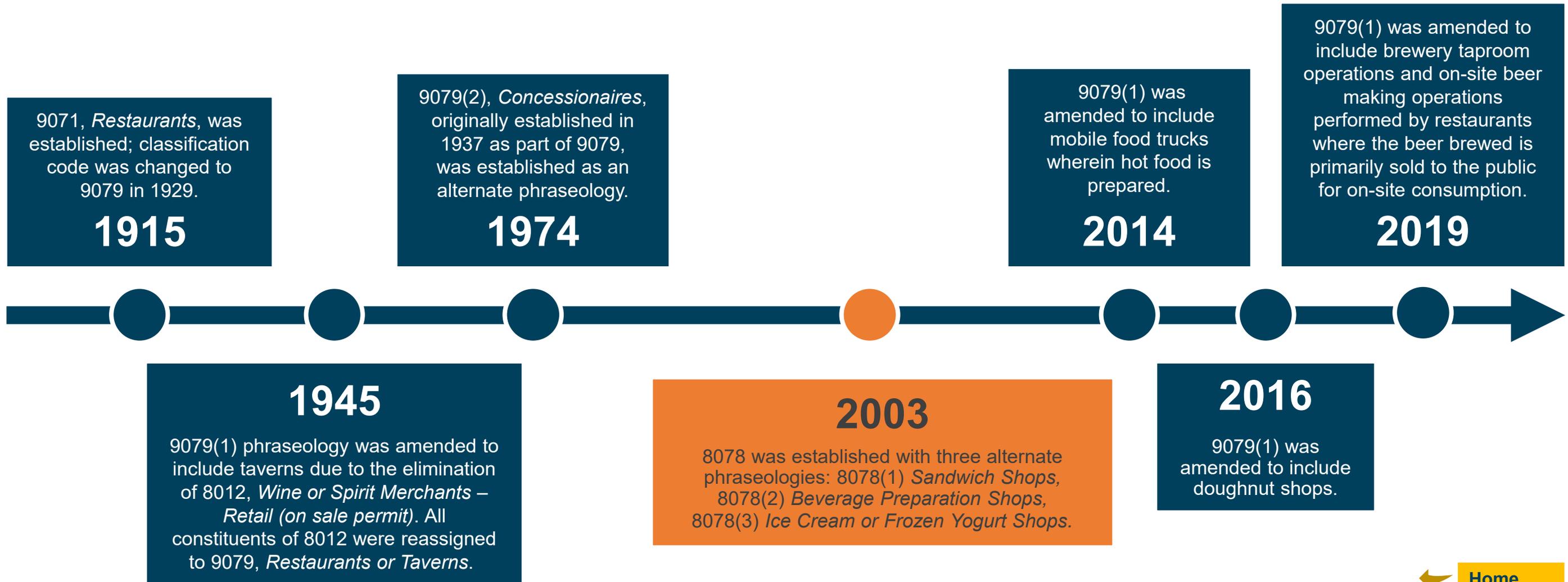
Counter service restaurants tend to have higher claim frequency for most of the leading causes of injury, while bars and taverns have generally the lowest claim frequency.

Unlike other leading causes of injury, Cut, Puncture, Scrape Injuries are less common for counter service restaurants with long hours. This is likely due to less cutting required for fast food restaurants that use mostly packaged ingredients.



Appendix I – History of Classifications 9079 and 8078

Appendix I – History of Classifications 9079 and 8078



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Appendix II – Methodology and Data Source

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Appendix II - Methodology and Data Source

Chart 1 - Historical Advisory Pure Premium Rates

Source: The advisory pure premium rates approved by the California Insurance Commissioner.

Chart 2 - Employer Distribution by Annual Payroll Size

- Employer payroll size is the average of each employer's total annual payroll over policy years 2014 to 2018. The share of employers was calculated as the number of employers in each employer payroll size divided by the total number of employers in Classifications 8078, 9079 or statewide.

Source: WCIRB unit statistical report (USR) data evaluated at the latest report level for policy years 2014 to 2018.

Chart 3 - Payroll Distribution by Employer Annual Payroll Size

- Employer payroll size is the average of each employer's total annual payroll over policy years 2014 to 2018. The share of payroll by classification was calculated as the payroll amount in Classification 8078 (or 9079) in each employer payroll size over the total statewide payroll in Classification 8078 (or 9079). The share of statewide payroll includes payroll of all classifications.

Source: WCIRB USR data evaluated at the latest report level for policy years 2014 to 2018.

Chart 4 - Payroll Share by Region

- Payroll was mapped to an employer's location based on the 2020 WCIRB Geo Study mapping.
- The regional share of payroll for Classification 8078 (or 9079) was calculated as the ratio of the payroll amount reported in each region in Classification 8078 (or 9079) to the statewide 8078 (or 9079) payroll.

Source: WCIRB USR data evaluated at the latest report level for policy years 2014 to 2018 and 2020 WCIRB Geo Study.

Appendix II - Methodology and Data Source

Chart 5 - X-Mod Distribution

- Experience modifications (also referred to as “X-Mod”) issued to employers are calculated in accordance with the California Experience Rating Plan approved by the Insurance Commissioner based on the USR data reported for the employer. Employer’s eligibility for experience modification is determined by comparing the reported payroll and estimated expected loss rate for each classification that the employer reports payroll in with a threshold adjusted each year for inflation.
- The share of employer by X-Mod value is calculated as the number of employers in each X-Mod value range divided by all employers eligible for experience rating for Classifications 8078, 9079 or statewide.

Source: WCIRB USR data evaluated at the latest report level for policy years 2014 to 2018 and *California Workers’ Compensation Experience Rating Plan—1995*.

Chart 6 - Weekly Wages and Impact of Minimum Wage Mandates

- The weekly wage was estimated based on Occupational Employment Statistics Survey (OES) data collected by the Bureau of Labor Statistics (BLS) and the American Community Survey (ACS).

Source: The WCIRB’s 2021 Wage, Payroll and Exposure Report available in WCIRB AnalyticsPortal.

Chart 7 - Associated Classifications

- Associated classifications were defined as the classifications, in which Classification 9079 and 8078 employers also reported payroll.
- Standard Exception classifications (Classifications 8810 and 8742) are excluded from the associated classifications in the chart.

Source: WCIRB USR data evaluated at the latest preliminary report level for policy years 2015 to 2019.

Chart 8 - Leading Occupations

- Occupations are based on the 2018 Standard Occupational Classification System by the BLS.

Source:

- WCIRB Wage Cube in WCIRB AnalyticsPortal
- Payroll share is based on WCIRB USR data evaluated at the first report level for policy year 2018.

Appendix II - Methodology and Data Source

Chart 9 - Historical Loss to Payroll Ratios

- Loss to payroll ratios were calculated as capped total incurred losses divided by payroll for each policy year. Incurred losses were capped at \$500,000 per claim.
- The long-term weighted average loss to payroll ratio was calculated as the aggregate losses from policy years 2003 to 2019 divided by the aggregate payroll during the same period. The aggregate losses were capped at \$500,000 per claim.

Source: WCIRB USR data evaluated at the second report level for policy years 2003 to 2018 and evaluated at first report level for policy year 2019.

Chart 10 - Total Claim Frequency and Average Claim Severity

- Claim frequency was calculated as the total number of claims divided by payroll per \$100 million.
- Average claim severity was calculated as the ratio of total capped incurred losses to the total number of claims. Incurred losses were capped at \$500,000 per claim.

Source: WCIRB USR data evaluated at the latest report level for policy years 2014 to 2018.

Chart 11 - Share of Claims and Average Claim Severity by Injury Type

- The share of claims by injury type was calculated as the ratio of the number of claims in each reported injury type to all claims for Classifications 8078, 9079 or statewide.
- Average claim severity was calculated as the ratio of total incurred losses to the total number of claims for each injury type. Incurred losses were capped at \$500,000 per claim.

Source: WCIRB USR data evaluated at the latest report level for policy years 2014 to 2018.

Chart 12 - Indemnity Claim Frequency and Average Claim Severity

- Indemnity claim frequency was calculated as the number of indemnity claims divided by payroll per \$100 million.
- Average indemnity claim severity was calculated as the ratio of total capped incurred losses for indemnity claims to the total number of indemnity claims. Incurred losses were capped at \$500,000 per claim.

Source: WCIRB USR data evaluated at the second report level for policy years 2003 to 2018 and evaluated at first report level for policy year 2019.

Appendix II - Methodology and Data Source

Chart 13 - Total Claim Frequency by Region

- Payroll and claim information were mapped to employers' locations based on the 2020 WCIRB Geo Study mapping.
- Claim frequency for each region was calculated as the ratio of the number of claims to payroll per \$100 million in each region for each classification.

Source: WCIRB USR data evaluated at the latest report levels for policy years 2014 to 2018 and [2020 WCIRB Geo Study](#).

Chart 14 - Frequency for Cumulative Trauma Claims

- Cumulative trauma (CT) claims were defined as claims with loss type of "Cumulative Injury Other Than Disease" or "Occupational Disease" reported in the USR data.
- Claim Frequency was calculated as the ratio of the total number of CT claims to payroll per \$100 million.

Source: WCIRB unit statistical report data (USR). Aggregate claim frequency is based on data evaluated at the latest final report levels for policy years 2014 to 2018. Frequency trend by policy year is based on data evaluated at second report level for policy years 2003 to 2018 and for policy year 2019 evaluated at first report level.

Chart 15 - Loss to Payroll Ratios by Employer Size

- Employer payroll size is the average of the employer's annual payroll over policy years 2014 to 2018.
- This chart shows the percentage of capped incurred losses in payroll by each employer size payroll size interval. Incurred losses were capped at \$500,000 per claim.

Source: WCIRB USR data evaluated at the latest report levels for policy years 2014 to 2018.

Chart 16 - Total Claim Frequency and Claim Severity by Employer Size

- Employer payroll size is the average of the employer's annual payroll over policy years 2014 to 2018.
- Claim Frequency was calculated as the ratio of the total number of claims to payroll per \$100 million for each employer payroll size interval.
- Average claim severity was calculated as the ratio of total capped incurred losses to total claim count. Incurred losses were capped at \$500,000 per claim.

Source: WCIRB USR data evaluated at the latest report levels for policy years 2014 to 2018.

Appendix II - Methodology and Data Source

Chart 17 - Indemnity Claim Frequency and Claim Severity by Employer Size

- Employer payroll size is the average of the employer’s annual payroll over policy years 2014 to 2018.
- Indemnity claim frequency was calculated as the ratio of the number of indemnity claims to payroll per \$100 million.
- Average indemnity claim severity was calculated as the ratio of total capped incurred losses for indemnity claims to total number of indemnity claims. Incurred losses were capped at \$500,000 per claim.

Source: WCIRB USR data evaluated at the latest report levels for policy years 2014 to 2018.

Chart 18 - Leading Causes of Injury

- Cause of injury categories in the chart are groupings of the causes of injury data reported in USRs.
- The share of claims was calculated as the ratio of the number of claims involving each cause of injury category to the total number of claims for Classifications 8078, 9079 and statewide.
- Classification 7198, *Parcel delivery and messenger service companies; armored transport services.*

Source: WCIRB USR data evaluated at the latest report levels for policy years 2014 to 2018.

Chart 19 - Average Indemnity Claim Severity for Leading Causes of Injury

- Cause of injury categories in the chart are groupings of the causes of injury data reported in USRs.
- Average indemnity claim severity was calculated as the ratio of total capped incurred losses for indemnity claims to the total number of indemnity claims. Incurred losses were capped at \$500,000 per claim.

Source: WCIRB USR data evaluated at the latest report levels for policy years 2014 to 2018.

Chart 20 - Claim Frequency for Classification 9079 Segments

- Classification 9079 segments were identified using the business information in a public California restaurant dataset that was linked to the USR and D&B Hoovers® data. The business information in the public data reflects how restaurants classify themselves in the industry not in the Standard Classification System.
- “Counter service” segment includes restaurants with no wait staff. Counter service restaurant with long hours are those with business information on breakfast, lunch and dinner services or serving breakfast and open until late night. “Other” segment includes mostly restaurants with wait staff, such as sit-down restaurants.
- Claim frequency for each segment was calculated as ratio of the total number of claims in each segment to payroll per \$100 million.

Source:

- WCIRB USR data evaluated at the latest report levels for policy years 2015 to 2018.
- A public dataset on California restaurants on CA.gov.
- Dun and Bradstreet Hoovers® (D&B Hoovers®) data.

 [Home](#)

Appendix II - Methodology and Data Source

Chart 21 - Average Number of Locations for Classification 9079 Segments

- Classification 9079 segments were identified using the business information in a public California restaurant dataset that was linked to the WCIRB USR and D&B Hoovers® data. The business information in the public data reflects how restaurants classify themselves in the industry not in the Standard Classification System.
- “Counter service” segment includes restaurants with no wait staff. Counter service restaurant with long hours are those with business information on breakfast, lunch and dinner services or serving breakfast and open until late night.
- The average number of locations for restaurant segments is the number of unique restaurant locations for each employer.

Source:

- WCIRB USR data evaluated at the latest report levels for policy years 2015 to 2018.
- A public dataset on California restaurants on CA.gov.
- D&B Hoovers® data.

Chart 22 - Leading Causes of Injury for Classification 9079 Segments

- Classification 9079 segments were identified using the business information in a public California restaurant dataset that was linked to the WCIRB USR and D&B Hoovers® data. The business information in the public data reflects how restaurants classify themselves in the industry not in the Standard Classification System.
- “Counter service” segment includes restaurants with no wait staff. Counter service restaurant with long hours are those with business information on breakfast, lunch and dinner services or serving breakfast and open until late night.
- Cause of injury categories in the chart are groupings of the causes of injury data reported in USRs.
- Claim frequency for each segment was calculated as the ratio of the total number of claims in each segment to payroll per \$100 million.

Source:

- WCIRB USR data evaluated at the latest report levels for policy years 2015 to 2018.
- A public dataset on California restaurants on CA.gov.
- D&B Hoovers® data.

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