Californians for Fair Workers' Compensation

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Fix CA Workers' Comp Now Campaign Launches to Restore Integrity to California's Workers' Compensation System

Californians for Fair Workers' Compensation calls on lawmakers to enact commonsense reforms as rising abuse strains the system

SACRAMENTO, Calif. — Californians for Fair Workers' Compensation, a coalition focused on strengthening the state's workers' compensation system, today launched Fix CA Workers' Comp Now, a new statewide campaign urging lawmakers to enact commonsense reforms that protect the system and its benefits for workers who are injured on the job and bring rising costs under control.

The size of California's workers' compensation system – created to provide medical care and wage replacement for injured workers – covers 17.7 million workers and has ballooned to more than $24 billion. In recent years, costs within the system have increased dramatically due to a surge in cumulative trauma claims. Under current law, claims can be filed long after an alleged injury occurs, and employers can be held liable even if only a small portion of an injury is work-related — loopholes that campaign supporters say are being exploited by bad actors. Those impacts are driving up costs and driving down affordability of goods and services statewide.

"Workers' compensation should be there for people who are truly injured on the job, but abuse is undermining trust and diverting resources away from legitimate claims," said **Tim East, spokesperson for Californians for Fair Workers' Compensation**. "We need lawmakers to restore balance by shoring up the law and requiring claims to be based on real evidence and connection to work."

Rising costs are putting increasing pressure on employers of all sizes, from small businesses to local governments. The impact on taxpayer-funded budgets is forcing difficult tradeoffs for public services, with the average annual cost of cumulative trauma claims hovering around **$238 million for local governments**, according to PRISM research.

Local governments are seeing these rising costs firsthand. The City of Torrance currently has 540 open workers' compensation claims, with total spending reaching $87.7 million. Of those, 173 –

32% of those – are for cumulative trauma, amounting to $32.4 million. Workers' comp is currently costing the city about $9.5 million each year, up from $7 million just three years ago, said **City of Torrance Mayor George K. Chen**.

"These increasing costs force difficult budgetary tradeoffs and divert funding away from services residents rely on, including parks, infrastructure, staffing, training, workplace safety investments, and other core community needs**," Mayor Chen** said. "The City of Torrance supports reforms that improve accountability, reduce abuse, and create a more sustainable workers' compensation system while maintaining strong protections for employees with valid claims. Thoughtful reform can help local governments better manage costs, invest in injury prevention, and preserve resources for the essential services our residents depend on every day."

Larger jurisdictions are facing similar pressures. Los Angeles County maintains the largest self-insured local governmental workers' compensation program in the state, with 33,000 pending workers' compensation claims and approximately 11,500 new claims each year. In fiscal year 2024-25, workers' compensation expenses for LA County reached $775 million, with outstanding liabilities of nearly $3.93 billion. Those are tax dollars that are increasingly hard to come by, said **Anthony Taras, County of Los Angeles Manager and Workers' Compensation Administrator.**

"California's workers' compensation system must be fair to injured workers and equitable, sustainable, and accountable to taxpayers," said Taras. "Every dollar spent on workers' comp represents a scarce tax dollar needed to provide critical services to County residents. We need focused reforms that restore balance and protect benefits for workers who need them – and we can't afford to wait."

Fix CA Workers' Comp Now is urging California lawmakers to enact targeted reforms to stop abuse of the system, close legal loopholes, and ensure the integrity of the workers' compensation system. Proposed reforms include:

- **Requiring clear evidence and a meaningful connection between the injury and the job**;
- **Setting a reasonable filing deadline**;
- **Establishing a minimum employment period before cumulative trauma claims can be filed**; and
- **Requiring appropriate documentation to improve accountability.**

Without action, rising costs and ongoing abuse will continue to undermine the system, putting greater strain on employers, taxpayers, and the workers it was designed to protect.

Learn more about efforts to Fix CA Workers' Compensation Now.

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Fix CA Workers' Comp Now *is led by* ***Californians for Fair Workers' Compensation****, a coalition dozens of organizations, employers and businesses representing hundreds of local governments, small businesses, school districts and nonprofits across California focused on advancing commonsense reforms to stop abuse, close legal loopholes, and restore integrity to the workers' compensation system.*