

WHO PAYS WHEN CALIFORNIA'S BRAVEST ARE HURT?

Cost Distribution Under the Current System vs. the Proposed SIBTF Trailer Bill

THE INCIDENT Small California city • House fire • Roof collapse • 4 firefighters critically injured

Projected injuries: severe burns, orthopedic trauma, possible amputation, spinal injury, inhalation injury, PTSD — each firefighter projected at **~70% PD from the new injury**.

KEY ASSUMPTION: Each firefighter has **rateable pre-existing conditions that were NOT labor-disabling** — e.g., asymptomatic degenerative disc disease, pre-presumption cardiac/pulmonary findings, prior healed MSK injuries, hearing loss, or psych predisposition. They were working full-duty up until the collapse. This is the **exact population** the Trailer Bill's new §4750 "labor-disabling" test strips from SIBTF eligibility.

COST BORNE BY	SCENARIO I <i>Current System w/ SIBTF</i>	SCENARIO II <i>Trailer Bill — Attorney Accepts Standard PD</i>	SCENARIO III <i>Trailer Bill — Attorney Pursues 100% PD</i>
PRIVATE COST — EMPLOYER-FUNDED WORKERS' COMP POOL			
SIBTF <i>(statewide employer-assessment pool)</i>	\$2.6 M	\$0	\$0
PUBLIC COST — TAXPAYER-FUNDED			
CITY <i>(local taxpayer / public employer)</i>	\$2.4 M	\$2.4 M	\$14.5 M
STATE OF CALIFORNIA <i>(welfare / safety-net backfill)</i>	\$0.2 M	\$1.8 M	\$0.2 M
PUBLIC TOTAL	\$2.6 M	\$4.2 M	\$14.7 M
BENEFITS TO THE 4 INJURED FIREFIGHTERS	~\$5.0 M <i>full combined-disability benefits</i>	~\$2.4 M <i>52% cut — families on welfare</i>	~\$14.5 M <i>city absorbs a 6x cost spike</i>

PRIVATIZATION → PUBLIC COST SHIFT

- **The underlying WC settlement does not change.** The Trailer Bill does not touch §4663, the PDRS, or the employer's PD liability. The city pays its apportioned share (\$2.4 M) in both Scenario I and Scenario II. What changes is only who covers the gap.
- **Scenario I — private risk pool covers the gap.** SIBTF, funded by ~\$0.02 per \$100 of premium across every California employer, pays \$2.6 M. Under *Todd v. SIBTF* the firefighters' non-labor-disabling pre-existing conditions satisfy §4751. Worker is made whole.
- **Scenario II — private share goes to zero, public share jumps 62%.** New §4750's "labor-disabling" test disqualifies the firefighters. The gap doesn't disappear — it re-emerges as \$1.8 M in Medi-Cal, SSI/SSP, CalFresh, CalWORKs, and dependent services as undercompensated families fall into the safety net.
- **Scenario III — rational response destroys the city.** With SIBTF closed, competent counsel must defeat §4663 apportionment and prove 100% PTD via *Almaraz/Guzman* and *LeBoeuf*. Local taxpayer exposure surges from \$2.4 M to \$14.5 M — a 6x spike absorbed by one small city's general fund.
- **Bottom line:** the Trailer Bill does not eliminate catastrophic firefighter costs — it **privatizes the savings** (employer assessments drop) and **socializes the losses** (taxpayers absorb the shortfall through welfare or catastrophic local-government liability).

Illustrative estimates based on 2026 statutory maximums, AMA Guides 5th Ed., California PDRS, Labor Code §§4650–4659, 4663 (apportionment), 4750–4755 (SIBTF), 4850 (public-safety full-salary continuation), and Todd v. SIBTF (2020). Per-worker figures are present-value approximations including indemnity, lifetime medical, and life pension where applicable. State-of-California costs reflect lifetime general-fund share of Medi-Cal gap coverage, SSI/SSP, CalFresh, CalWORKs, and dependent-child services triggered when WC benefits are inadequate. Scenario II assumes employer obtains ~50% apportionment to non-industrial pre-existing causation under §4663. Not legal advice.