

CITY OF OAKLAND
AGENDA REPORT

2010 JAN 28 PM 4: 36

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Finance and Management Agency
DATE: February 9, 2010

RE: **Informational Report on the Workers' Compensation Program for Fiscal Year 2008-09**

SUMMARY

This informational report provides current expenditure and program data on the City of Oakland's Workers' Compensation Program for Fiscal Year 2008-09. Included in this report is information regarding management of employee disabilities, workers' compensation program changes and impact of specific incidents on the overall program future liabilities.

FISCAL IMPACTS

This is an informational report. It provides information and data regarding the existing program as compared to previous years. No new costs are introduced within this report.

The following tables summarize the key categories of Workers' Compensation expenditures incurred by the City of Oakland:

A. Workers' Compensation Expenditures by type (Fiscal Years 2007-08 and 2008-09):

Category	Amount Paid 2007-08	Amount Paid 2008-09	Total Variance	Percent Change
Indemnity / Settlement	\$ 3,735,520	\$ 4,567,441	\$ 831,921	17.01%
Indemnity	\$ 6,347,089	\$ 5,877,058	\$ (470,031)	-5.67%
Allocated	\$ 1,405,995	\$ 1,574,003	\$ 168,008	10.73%
Medical	\$ 6,851,987	\$ 6,310,839	\$ (541,148)	-8.42%
Third Party Recovery	\$ (597,789)	\$ (329,531)	\$ 268,258	-69.93%
Administrative	\$ 2,655,941	\$ 2,665,272	\$ 9,331	0.40%
TOTAL	\$ 20,398,743	\$ 20,665,082	\$ 266,339	1.15%

The primary types of expenditures incurred in Workers' Compensation are medical, indemnity, and allocated payments. FY 2008-09 medical payments, despite a decline over the previous year, remain the City's single largest workers' compensation expense. The decrease is attributable in part to legislative changes in the management of workers' compensation claims, and more aggressive medical management and monitoring by the City's Third-Party Administrator (TPA).

Indemnity payments, which include temporary disability, permanent disability payments, and salary supplement expenses are the second largest burden on the Workers' Compensation Program. Indemnity payments are impacted by Labor Code 4850 payments (which allow sworn employees to receive up to a full year of salary, tax-free, upon a doctor's order to stay off work), State-mandated disability rates, and negotiated increases in civilian salary.

Allocated expenses include legal fees and investigation expenses the City incurs when defending claims before the Workers' Compensation Appeals Board. The City has established protocols for the investigation and litigation of suspicious claims, the use of investigators to determine eligibility for compensation and uncover potential fraud.

See the accompanying 2008-09 Workers' Compensation Report, pages 5-6, for further discussion.

B. Workers' Compensation First Year Total Incurred by Department:

First Year Loss Data – Total Incurred			
Department	2006-07	2007-08	2008-09
City Administrator's Office	\$ 848	\$ 1,352	\$ 9,832
City Auditor	587	1,698	0
Community and Economic Development Agency	118,532	70,418	120,522
Department of Health and Human Services	326,706	64,982	51,763
Department of Information Technology	12,024	15,876	1,005
Finance and Management Agency	155,610	184,056	111,909
Library	37,662	87,246	12,026
Mayor	0	0	168
Museum	26,665	152	72,812
Oakland Fire Department	3,527,358	2,684,496	2,349,870
Oakland Parks and Recreation	124,193	79,505	70,365
Oakland Police Department	4,060,424	3,951,040	6,397,370
Office of City Attorney	21,159	31,833	14,274
Public Works Agency	1,210,149	975,602	866,224
First Year Loss Data -- Total Incurred	\$ 9,621,917	\$ 8,148,256	\$ 10,078,140

The financial impact of claims are measured for the life of the claim which may last many years. Workers' Compensation regulations require the employer be held responsible for all medical expenditures related to a work-related injury or illness. Employers are also responsible for a period of lost wages (indemnity) and for compensating the injured employee should their injury have a permanent impact on their ability to work (indemnity/permanent disability). Actuarially we estimate the future liabilities for each claim in order to anticipate the financial burden placed on the City in the years to come.

The table above shows the financial impact of each department for claims incurred in the fiscal year referenced. This allows the City to review for fiscal trends by department and assists in planning loss prevention, cost-containment strategies for the future. Although not

reported in this format, *Exhibit E* of the attached report provides more actuarial analysis for the purpose of future fiscal planning for this program.

BACKGROUND

Like most public entities, the City of Oakland is permissibly self-insured for workers' compensation. The Risk Management Division (RMD) works with a contracted third-party administrator (TPA), JT2 Integrated Resources, who handles the technical aspects of each claim. Through Risk Management, the TPA provides services to all City's agencies and departments to ensure program compliance with mandated California Labor Code requirements.

Each year, the Risk Management Division provides statistical information regarding the administration of the Workers' Compensation Program. These statistics serve as benchmarks by which the City is able to measure its performance and the effectiveness of Workers' Compensation program initiatives. RMD also develops and implements new program changes based on these statistics.

This year, RMD was also asked to report on the frequency of non-workers' compensation long-term disability cases which have resulted in employees remaining off work for an extended leave period. This report identifies the primary disability related leaves the employers are required to extend to their workforce and summarizes the status of those on extended leave as of June 30, 2009.

KEY ISSUES AND IMPACTS

The Risk Management Division administers the Workers' Compensation Program for the City of Oakland, providing program services and support to all City agencies and departments. The attached Workers' Compensation Report provides information on the current state of the program including review of several program elements and information on some upcoming program additions/changes. As described more fully in the attached report, the program statistics for Fiscal Year 2008-09 include:

- The Fiscal Year 2008-09 Total Benefits Paid (Indemnity and Medical Expenses only), as reported on the State-mandated Public Self Insurer's Annual Report was reduced by \$642,051 (or by 4%). This was inclusive of the benefits paid during FY 2008-09 as a result of the Police Officer Shooting deaths of March 21, 2009.
- Total Workers' Compensation Expense for FY 2008-09 increased by \$266,339 (or 1.15%). This includes the \$171,328 expended on the officer shooting deaths. The largest increase occurred in the Indemnity/Settlement area that reports expenses involving permanent disability settlements (including applicant attorney fees). This increase is attributable to the cost of negotiating closure of older claims. The City also experienced a few very serious cancer and organ-related cases that resulted in large, permanent disability settlements and significant attorney fees. Indemnity payments for temporary disabilities and medical expenses experienced the largest decline of over \$1 million combined.

- The number of Open Indemnity Cases declined by 11.1%. This was the result of continued aggressive claims management. RMD has continued the emphasis of closing older, inactive indemnity claims that require a liability reserve be held. Even though the number of indemnity cases were reduced, the Estimated Future Liability (EFL) increased by 1.9%. This can be directly correlated to the EFL linked to indemnity cases filed as a result of the March 21, 2009 Officer Shooting Deaths.
- **Officer Shooting Deaths Impact:**
 - The financial burden (Estimated Future Liability) imposed on the program as a result of the March 21, 2009 event, as of June 30, 2009, was estimated at \$3,188,466 for the 9 workers' compensation claims filed by employees impacted by the event. Since June 30, 2009, additional claims have been filed, as employees continue to suffer from the traumatic effects of that day.
 - By virtue of the fact that all cases filed by employees related to the March 21, 2009 event are considered a single occurrence, the City's Excess Workers' Compensation Insurance Policy will provide coverage for expenditures in excess of \$750,000 – positively impacting the projected Estimated Future Liability.
- Transitional Duty Program participation resulted in an indemnity savings of \$1.19 Million. Providing transitional duty to injured employees is also considered part of the interactive process required under the Federal Employment and Housing Act (FEHA).
- The number of workers' compensation claims filed by City employees declined by 4.3%. This is inclusive of the nine claims filed as a result of the March 21, 2009 event. This reduction can partially be attributed to loss prevention efforts at the departmental level, but is also part of the ebb and flow of claims activity.
- The number of employees on long-term workers' compensation leave declined by 26% for a total of 17 employees under long-term WC disability. (See Table 13 in the accompanying 2008-09 Workers' Compensation Report). RMD continues to work closely with EOPD, DHRM, City Attorney's Office and the employing department to develop strategies of resolving all long-term leave cases.
- A total of 16 employees were on long-term disability leave, *unrelated to workers' compensation*, as of June 30, 2009. This includes individuals on medical leave, military leave, pregnancy leave and other types of personal leave in excess of twelve weeks. The tracking and administration of these leave categories are largely the responsibility of the Department of Human Resource Management.

RMD undertook and/or enhanced several program initiatives during the past reporting year. A few of the more high-profile efforts included the following.

- RMD increased its promotion of a City-wide Web-Based Training Program called **Preventionlink** that provides over 100 safety and wellness courses designed specifically to comply with State and Federal OSHA requirements. This program supported the City-wide mandated training for prevention of sexual harassment and protected class discrimination. It has also been widely used by the Oakland Fire Department and Public Works Agency to deliver mandated safety trainings and continuing education trainings. RMD will continue to enhance its use and tailor the topics offered to current City needs and mandated training requirements. It should be noted that the Preventionlink program is made available to the City at no cost through our primary insurance pool – CSAC-EIA.
- RMD partnered with DHRM on enhancing program offerings at the City's Annual Health & Wellness Fair. As a result of the improved marketing and changes to offered elements the participation increased by 67%.
- RMD sponsored the third annual Disability Summit where key personnel from various departments participated in two-days of intensive orientation and discussions on current disability issues impacting the City of Oakland. Topics of discussion focused on creating a more seamless approach to disability management as a whole for the City, addressing current compliance issues, such as development of the City's internal response to the H1N1 pandemic which resulted in AI 257 being adopted.

RMD continues to enhance existing elements to strategically impact the overall program costs. RMD's current strategic efforts include the following:

- Placement of a designated Workers' Compensation Coordinator in each department.
- Monthly review meetings with department representatives to discuss active claims and identify cases for investigation and/or transitional duty assignments.
- Regular Medical/Legal meetings with departments and legal counsel to review claims of significant size or duration, and develop strategies for moving the claims toward closure or settlement.
- Regular Financial Review meetings with TPA representatives to examine expenditure rates and trends on a more global scale to assist in early detection of negative program changes.

Future innovations that are under development include the following:

- Piloting telephonic injury reporting to triage Workers' Compensation claims reporting, and possible expansion of the methodology for certifying medical conditions under the FMLA program

- Coordinate with departments to use Preventionlink to provide targeted on-line training sessions based on the current loss activity.
- Ongoing examination of the City's disability programs to align them with industry innovations and best practices
- Continuing education for staff charged with administering the City's inter-disciplinary disability programs

SUSTAINABLE OPPORTUNITIES

There are no economic, environmental, or social equity opportunities associated with this report.

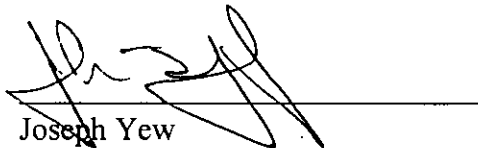
DISABILITY AND SENIOR CITIZEN ACCESS

There are no disability and senior citizen access issues relevant to this report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that Council accept the attached 2008-09 Workers' Compensation Report.

Respectfully submitted,




Joseph Yew
Director, Finance and Management Agency

Prepared by
Deborah Grant, Risk Manager
Risk Management Division

Attachments: 2008-09 Workers' Compensation Report (with Exhibits A through E)

APPROVED AND FORWARDED TO THE
FINANCE & MANAGEMENT COMMITTEE:


Office of the City Administrator

Item: _____
Finance and Management Committee
February 9, 2010

CITY OF OAKLAND
RISK MANAGEMENT DIVISION



2008-09 WORKERS' COMPENSATION REPORT

February 9, 2010

PREPARED BY:

DEBORAH GRANT
Risk Manager

2008-09 WORKERS' COMPENSATION ANNUAL REPORT

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SCHEDULE OF ATTACHMENTS

- Exhibit A Workers' Compensation Claims Audit (North Bay Associates, September 2009)
Addendum, Tabs 1-4 are is omitted due to the size of the documents
- Exhibit B Response of JT2 dated October 5, 2009 to Workers' Compensation Claims Audit
- Exhibit C Frequency Analysis – Loss Cause (07-01-2007 through 06-30-2008)
- Exhibit D Frequency Analysis – Loss Cause (07-01-2008 through 06-30-2009)
- Exhibit E Actuarial Study of the Self-Insured Workers Compensation Program as of June 30, 2009 (Armtech, November 3, 2009)

I. Program Elements

The City's Workers' Compensation Program is managed within the Finance and Management Agency – Risk Management Division (RMD). It is comprised of several program elements. The highlights of these program elements are discussed below:

A. Workers' Compensation Management Program

The City's Workers' Compensation Program operates under a uniform system with all departments and agencies following strict procedures for departmental workers' compensation claims handling. Adopted in 2002, the Workers' Compensation Management Program standardized claim reporting documentation and processes, and created a comprehensive transitional duty (early Return-To-Work) program.

The three key contributors to efficient administration of the Workers' Compensation Management Program are:

- 1) A designated Workers' Compensation Coordinator in each department;
- 2) The contracted Third Party Administrator (TPA), JT2 Integrated Resources and its staff, including a Return-to-Work coordinator; and
- 3) RMD coordination of the combined efforts of the departments and the TPA.

RMD conducts monthly claims review meetings with City departments to address currently active claims, including identifying cases for investigation and/or transitional duty assignments. Quarterly file reviews with departments address longer term or complex cases, including those that are litigated and focus on defense strategies and case resolution. Department directors, managers, and workers' compensation coordinators are encouraged to attend these meetings to be kept apprised of case progress and to assist in strategy development for defense of the workers' compensation case.

B. Risk Management Disability Summit

In September 2009, RMD hosted the third annual Risk Management Summit and Strategic Planning Meeting. Returning participants included management staff from the Finance and Management Agency, Oakland's Police Department, the Office of Personnel, the Equal Opportunity Programs Division, the Oakland Fire Department, the third party administrator, the insurance broker, outside workers' compensation counsel, and the contracted medical services provider. Building upon the momentum cultivated at the previous two Summits, participants continued the pursuit of ways to explore and better understand the interrelationship between Workers' Compensation and long-term disability and disability retirement issues, loss prevention and employee training opportunities, litigation management, and medical management. Session topics targeted current events or special interest areas, including corporate wellness and safety in the workplace, medical and legal responses to H1N1 in the workplace, and updates on changes to the City of Oakland's Memorandum of Understanding. This summit serves as an educational outlet for City professionals charged with administering the inter-disciplinary disability programs

in place within the City. It also serves to examine efforts employed in the past and re-direct program efforts to align them with new industry innovations and best-practices.

Key areas of discussion included the following:

- City's Response to Pandemic H1N1 Issues
- Development of an integrated disability management program to better blend our Workers' Compensation and Fair Employment and Housing Act (FEHA) processes
- Exploring enhancements to the City's Transitional Duty Program
- Employee Health and Wellness Promotions

Summit participants continue to meet throughout the year to develop the programs as discussed at the Summit and reinforce efforts and focus for program improvements. Some of these efforts will be discussed later in this report.

As a result of the Summit, the participating departments were able to work on efforts to enhance the annual employee health fairs and develop various policies including AI 257 – Prevention and Response to Communicable Diseases in the Workplace.

Another outcome of the Summit is the introduction of telephonic workers' compensation claims reporting. One of the anticipated benefits of this program change will be telephonic injury triage to better direct the injured employee to the appropriate venue for treatment, including directing them to their personal physician if the injury is deemed non-work related. If this program is successful, it may be considered for expansion to serve as a mechanism to certify medical conditions under the FMLA program.

C. Comprehensive Transitional Duty (Early Return-To-Work) Program

Studies have shown that effective Return-To-Work programs are one of the single largest factors in controlling workers' compensation claims costs. The City's program continues to provide tangible savings in disability payments that would have otherwise been expended. The estimated savings for Fiscal Year 2008-09 is \$1,188,189 in avoided workers' compensation expenditures. (In other words, without an effective Return-To-Work program, the City's indemnity expenditure would have been nearly \$1.2 million higher.)

The Transitional Duty Program returns injured employees to work for the purpose of temporarily performing meaningful tasks that are within their physician's stated physical restrictions. This allows employees to "transition" back to their "usual and customary" job duties. The program is only for employees who have not received a full release from their doctor to return to their "usual jobs."

D. Active Partnership with a Third-Party Administrator Focusing on Innovative Claims Management

In September 2007, JT2 was contracted to continue providing third-party claims administration services under a six-year agreement, split into three two-year terms. Each two-year extension was contingent upon successful independent audit reports. The TPA is responsible for managing the technical aspects of all of the City's workers' compensation claims and medical treatments. The City reviews the performance of the TPA through an independent audit process, which reviews randomly-selected claims and tracks procedures in accordance with established performance measures set by the City. This ensures that the TPA is managing claims as effectively as possible and is performing its work as specified under the contract.

According to the audit results, JT2 Integrated Resources earned a 91% rating in the 2008-09 contract year, an improvement over last year's rating of 89%. A portion of the auditor's report (Exhibit A), with the TPA's response (Exhibit B) is attached, and the full copy is available for review in the Risk Management Division office upon request.

As a result of this audit, RMD has directed the TPA to refocus efforts in the areas found deficient. This refocus includes additional in-service training for TPA staff and supervisors, particularly in the areas of investigations, aggressive claims management, compliance with State Labor Code governing Workers' Compensation and Excess Insurance Carrier claims management requirements. It also includes modifications to activity documentation on claim files, timely referrals to specialists, including investigators and legal counsel (for fraud and subrogation) and proper valuation of claims.

Overall, the TPA continues to actively partner with the City on developing cost-containment strategies and supporting program initiatives such as early fraud detection, active pursuit of cost recovery through subrogation, injury triage and early return to work programs.

E. Increased Loss Prevention Efforts

RMD continues to review and analyze claims activity within departments for the purpose of developing loss prevention programs through engineering controls, staff training and protective equipment. Loss prevention efforts have been promoted through the City's Ergonomics Program, targeted Safety and Loss Control Programs, OSHA Compliance Programs and a Defensive Driving Program. Risk Management continues to sponsor Citywide and departmental safety training and safety service programs through which City staff participate in multiple safety training sessions. A web-based training system called Preventionlink was introduced in 2008 and marketed heavily in 2008. Preventionlink provides over 100 different safety and wellness courses designed specifically to comply with regulatory requirements of State and Federal OSHA. RMD is able to work with departments by providing targeted online training sessions based on the current loss activity experienced by the City and a number of general health and wellness topics.

Through this online system, managers and supervisors will be able to assign required training courses, and track whether employees have completed the assigned courses. In November 2009, the use of the web-based training was reinforced at the 2009 Health and Wellness Fairs, through the offering a nominal reward to individuals who completed an on-line course in H1N1 Influenza Awareness.

F. Focus On Employee Health

Each year RMD sponsors Employee Health and Wellness Fairs. Employees are able to participate in a number of health-related medical screenings such as Health Risk Assessments, cholesterol testing, diabetes screening, and blood pressure tests. Seasonal Flu and Hepatitis B shots are also made available. Health and Wellness information sessions are also provided to educate employees on personal health issues.

In both FYs 2008-09 and 2009-10, Health and Wellness Fairs were held for both City-wide attendance in a central location, and for staff of the Public Works Agency, at the Edgewater location. In 2009, employee participation at the City Center complex health fair increased 67% over 2008.

In an ongoing effort to increase participation in the Health and Wellness Fairs, staff continues to identify effective methods for notifying employees of the Health Fair services, as well as provide useful medical and health information.

G. Focus on Closure of Old Claims

Beginning in 2006-07, RMD challenged the TPA to take extraordinary measures to reduce the number of open claims. The primary method of negotiating claims closure with the injured employees and former employees was to seek permanent disability ratings from the State Workers' Compensation Appeals Board and negotiate a compromise and release settlement that would relieve the City from any future liability. During Fiscal Year 2008-09, open/active indemnity claims were reduced an additional 11%, from 1,037 to 922.

Table 1

	Fiscal Year 2005-06,	Fiscal Year 2006-07	Fiscal Year 2007-08	Fiscal Year 2008-09*
Open Indemnity Cases	1,399	1,276	1,037	922
Number of cases reported during FY	707	712	716	687
Estimated Future Liability	\$44,531,575	\$40,659,161	\$33,841,494	\$34,488,722
Total Benefits Paid (Indemnity/Medical Costs Only)	\$16,662,943	\$20,333,717	\$15,810,095	\$15,168,044

1. Data obtained from State of California Public Self Insurer's Annual Report.

During Fiscal Year 2008-09, the City incurred the tragic loss of four veteran Police personnel on March 21, 2009. As a result of the events of this date, as of June 30, 2009, a total of 9 injury claims were filed by Police Department employees, inclusive of the 4 officer deaths. This occurrence ultimately skewed the year-end totals for FY 2008-09.

Table 2, below, reports on the financial burden this occurrence had on the City's Workers' Compensation Program.

Table 2

	A	B	C
	Fiscal Year 2008-09	3/21/09 Cases	Adjusted Fiscal Year 2008-09 (Column A minus Column B)
Open Indemnity Cases	922	9	913
Number of cases reported during FY	687	9	678
Estimated Future Liability	\$34,488,722	\$3,188,466	\$31,300,256
Total Benefits Paid (Indemnity/Medical Costs Only)	\$15,168,044	\$ 171,328	\$14,996,716

It should also be noted that under the City's Excess Workers' Compensation (EWC) Insurance Policy, all cases stemming from the 3/21/09 event are considered a single occurrence. As a result, all costs and fiscal liabilities incurred by the City will be capped at \$750,000. Our EWC policy will provide financial coverage for expenses in excess of this amount up to \$100 million. Theoretically, our unadjusted Estimated Future Liability should be \$32,050,256 (Table 2, Column C plus \$750,000).

Regarding the March 21, 2009 incident, City employees continue to feel the impact of that day, and this City has received additional claims after the above June 30, 2009 date of this report data.

II. Expenditures

The following sections provide information about overall Workers' Compensation Program expenditures for Fiscal Year 2008-09. Also included are discussions of indemnity expenses, medical expenses, and allocated expenses.

A. Workers' Compensation Expenditure Report

	2004-05	2005-06	2006-07	2007-08	2008-09	Percentage Change Since 2004-05
OPERATIONS EXPENDITURES						
INDEMNITY / SETTLEMENT						
Permanent Disability	\$ 4,272,337	\$ 3,592,032	\$ 4,889,912	\$ 3,735,520	\$ 4,567,441	7%
INDEMNITY / SALARY						
Non-4850⁽¹⁾						
Temporary Disability	\$ 1,222,042	\$ 1,833,183	\$ 2,269,510	\$ 1,583,731	\$ 1,045,350	
Civilian - Salary Supplement	\$ 683,739	\$ 681,679	\$ 725,863	\$ 574,907	\$ 428,485	
Total Non-4850 Pay	\$ 1,905,781	\$ 2,514,862	\$ 2,995,373	\$ 2,158,638	\$ 1,473,835	-23%
4850⁽²⁾						
Sworn - OPD - 4850 Pay	\$ 3,412,969	\$ 2,735,571	\$ 3,164,191	\$ 2,145,813	\$ 1,726,011	
Sworn - OFD - 4850 Pay	\$ 2,081,130	\$ 1,884,324	\$ 2,124,254	\$ 2,042,638	\$ 2,677,212	
Total 4850 Pay	\$ 5,494,099	\$ 4,619,895	\$ 5,288,445	\$ 4,188,451	\$ 4,403,223	-20%
Subtotal -- Indemnity / Salary	\$ 7,399,880	\$ 7,134,757	\$ 8,283,818	\$ 6,347,089	\$ 5,877,058	-21%
ALLOCATED						
Rehabilitation	\$ 554,730	\$ 440,119	\$ 277,247	\$ 140,384	\$ 88,391	
Investigative Claims Expense	\$ 265,919	\$ 272,107	\$ 447,674	\$ 398,844	\$ 443,300	
Legal	\$ 444,312	\$ 673,970	\$ 815,482	\$ 838,922	\$ 1,023,725	
10% Penalties	\$ 70,473	\$ 79,925	\$ 25,324	\$ 27,845	\$ 18,587	
Subtotal -- Allocated	\$ 1,335,434	\$ 1,466,121	\$ 1,565,727	\$ 1,405,995	\$ 1,574,003	18%
MEDICAL						
City Physician (Concentra)	\$ 233,575	\$ 298,937	\$ 391,776	\$ 401,045	\$ 403,931	
All Others	\$ 5,042,149	\$ 5,150,445	\$ 6,034,822	\$ 6,450,942	\$ 5,906,908	
Subtotal -- Medical	\$ 5,275,724	\$ 5,449,382	\$ 6,426,598	\$ 6,851,987	\$ 6,310,839	20%
SUB-TOTAL OPERATIONS EXPENDITURES	\$ 18,283,375	\$ 17,642,292	\$ 21,166,055	\$ 18,340,591	\$ 18,329,341	0.3%
THIRD PARTY RECOVERY - REFUNDED TO CITY	\$ (143,799)	\$ (139,326)	\$ (383,618)	\$ (597,789)	\$ (329,531)	
TOTAL OPERATIONS EXPENDITURES	\$ 18,139,576	\$ 17,502,966	\$ 20,782,437	\$ 17,742,802	\$ 17,999,810	-0.8%
ADMINISTRATIVE EXPENDITURES						
Claims Administrator Contract	\$ 1,726,250	\$ 1,615,482	\$ 1,673,884	\$ 1,999,572	\$ 2,082,888	
Bill Review Expense	\$ 515,137	\$ 501,335	\$ 653,128	\$ 656,369	\$ 582,384	
SUBTOTAL -- ADMINISTRATIVE EXPENDITURES	\$ 2,241,387	\$ 2,116,817	\$ 2,327,012	\$ 2,655,941	\$ 2,665,272	19%
TOTAL WORKERS' COMPENSATION EXPENSE	\$ 20,380,963	\$ 19,619,783	\$ 23,109,449	\$ 20,398,743	\$ 20,665,082	1.4%

Table 3

(1) Non-4850 pay is the amount paid to Civilian employees required by the State of California labor code for workers' compensation benefits plus the negotiated salary supplement contained in the City of Oakland memorandum of Understanding for each labor unit.

(2) 4850 pay is the total amount paid to Sworn employees (Police and Fire) required by the State of California Labor Code § 4850.

Note: Officer deaths (March 21, 2009) resulted in unexpected expenses in the amount of \$173,619, and increased future reserves of \$3.5 Million.

Summary of Expenditures Comparison (2007-08 to 2008-09)

The following table summarizes the key categories of expenditures presented in Table 3 (above).

Category	Amount Paid 2007-08	Amount Paid 2008-09	Total Variance	Percent Change
Indemnity / Settlement	\$ 3,735,520	\$ 4,567,441	\$ 831,921	17.01%
Indemnity	\$ 6,347,089	\$ 5,877,058	\$ (470,031)	-5.67%
Allocated	\$ 1,405,995	\$ 1,574,003	\$ 168,008	10.73%
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Third Party Recovery	\$ (597,789)	\$ (329,531)	\$ 268,258	-69.93%
Administrative	\$ 2,655,941	\$ 2,665,272	\$ 9,331	0.40%
TOTAL	\$ 20,398,743	\$ 20,665,082	\$ 266,339	1.15%

Table 4

1. Indemnity Expenses

Indemnity expenses include all temporary disability, permanent disability settlements and salary supplement expenses. These include Labor Code 4850 payments, which consists of the special salary supplement sworn employees receive which allow an injured worker to receive up to a full year of salary, tax-free, upon a doctor's order to stay off work. These payments represent the City's single largest workers' compensation expense, apart from medical payments. Other cost drivers in the indemnity expense category are directly linked to State-mandated disability rates and negotiated increases in civilian salary.

In January 2005, the State of California increased its maximum weekly rate for temporary disability payment from \$728 to \$840 per week. That rate remained unchanged through 2006. In January 2007, the benefit again increased from \$882 per week to \$915 per week, and again to \$916 in 2008. The most recent change, in January 2009, increased the maximum temporary total disability rate to \$958.01. This increase marks the third consecutive year that the TTD rate will be affected by a change in the State Average Weekly Wage (SAWW). This impacts the "temporary disability" line item on the Workers' Compensation Expenditure Report (Table 3).

Table 5 provides a five-year history of indemnity payments to sworn employees, and distinguishes between payments to Police and Fire personnel.

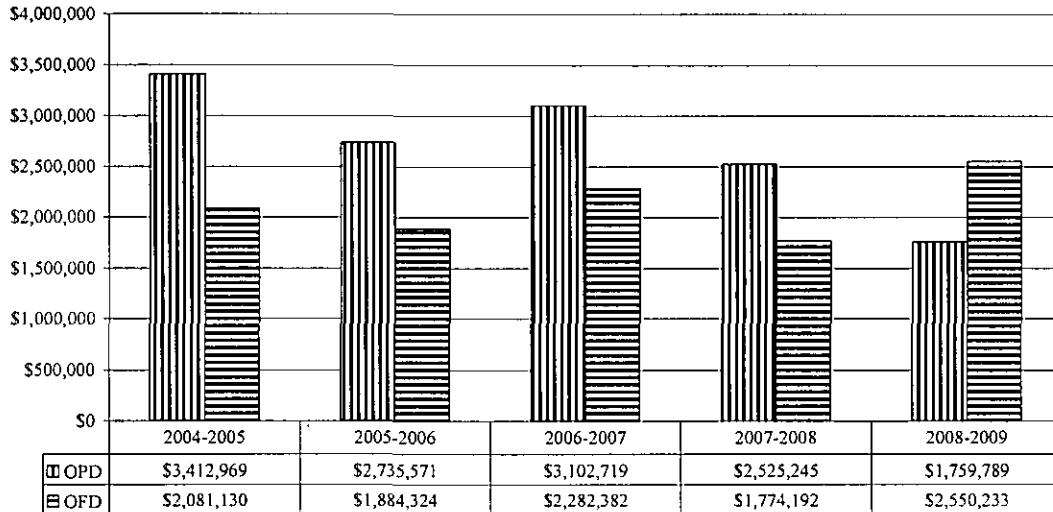


Table 5

One major factor that contributes to the City's ability to control sworn employee indemnity (4850) payments is the continued success of the City's Return-To-Work program (transitional duty). Since the program's formal inception in 2002, the number of days spent on transitional duty, as opposed to days off work due to injury, has continued to result in considerable savings. Table 6 shows Transitional Duty Program Savings over the past four fiscal years.

	2005-06	2006-07	2007-08	2008-09
Transitional Duty Days	8,448	7,370	5,557	5,421
Total Lost Days	10,987	10,441	12,369	12,164
Indemnity Savings	\$ 1,765,917	\$ 1,508,997	\$ 1,203,909	\$1,188,189

Table 6

Table 7 shows the number of transitional duty days worked by injured employees in the Police, Fire, and Public Works agencies, the three largest users of the Workers' Compensation Program.

Number of Transitional Duty Days	2005-06	2006-07	2007-08	2008-09
Police Employees	4,158	3,703	1,869	2,010
Fire Employees	881	656	197	544
Public Works Employees	2,626	1,897	1,271	1,782

Table 7

2. Medical Expenses

During this past year, the City experienced an 8% decrease in medical expenditures compared to the previous year. This is attributed to a number of variables, including legislative changes in the management of workers' compensation claims, and more aggressive medical management and monitoring on the part of the City's TPA.

The City's medical costs have increased a total of 20% since 2004-05. In the same period, according to the Bureau of Labor Statistics' historical Consumer Price Index for all Urban Consumers, medical costs in general have increased by 18%.

Medical costs have, historically, been driven by an injured workers seemingly limitless access to medical services to "cure and relieve" an illness or injury; all of which was paid by the employer. In addition, the system operated under medical treatment guidelines specifically geared toward "work-related" illness or injury. This invariably meant a lengthier period of disability than if the same illness or injury was treated pursuant to non-work-related guidelines. Legislation which went into effect January 1, 2004 and January 1, 2005 was designed to help employers meet the ongoing challenge of cost containment in the workers' compensation arena.

Prior to this legislation, changes in workers' compensation legislation were on a going forward basis only. The new treatment guidelines apply regardless of date of injury. This is important to employers because now all injured workers are subject to:

- Limits on the number of physical therapy visits;
- Limits on the number of chiropractic treatments; and
- Mandatory Utilization Review processing for all requests for treatment, diagnostic tests and surgery from medical service providers. The Utilization Review process is a State-provided service whereby independent, state licensed medical reviewers provide oversight and authorization of treatment protocols recommended by workers' compensation medical service providers on all cases. For example, if an employee's treating physician wants to perform a non-routine medical procedure related to an accepted workers' compensation claim, they must obtain approval from the Utilization Review body of the State before the procedure is authorized; and payment for the procedure is limited to the State mandated reimbursement rate. Utilization Review must be consistent with the American College of Occupation and Environmental Medicine (ACOEM) treatment guidelines.

These sweeping changes to medical care, which were intended to result in medical cost savings for employers, also became a benefit for the injured workers.

Effective January 1, 2005, employers are now required to expend, up to \$10,000, in medical costs for claims that are delayed for investigation, and even those which may

ultimately be denied. As a result of this legislative change, the City of Oakland incurred \$550,730 in related costs in FY 2008-09.

3. Allocated Expenses

The legislative tightening of control over medical care for workers' compensation claims has resulted in increased litigation costs. The City incurs legal costs when required to defend the City before the Workers' Compensation Appeals Board.

Allocated expenses include expenses such as legal fees and investigation. The City of Oakland has established protocols to investigate and litigate suspicious claims and to utilize investigators to determine eligibility for compensation and uncover potential fraud. These costs reflect monies paid for defense attorneys, witness fees, depositions, arbitrators and interpreters.

III. Workers' Compensation Data Summary

A. Total Claims Received – Five Year Results

Table 8 provides the total number of compensation claims received citywide over the past five years, expressed in terms of indemnity and medical-only claims.

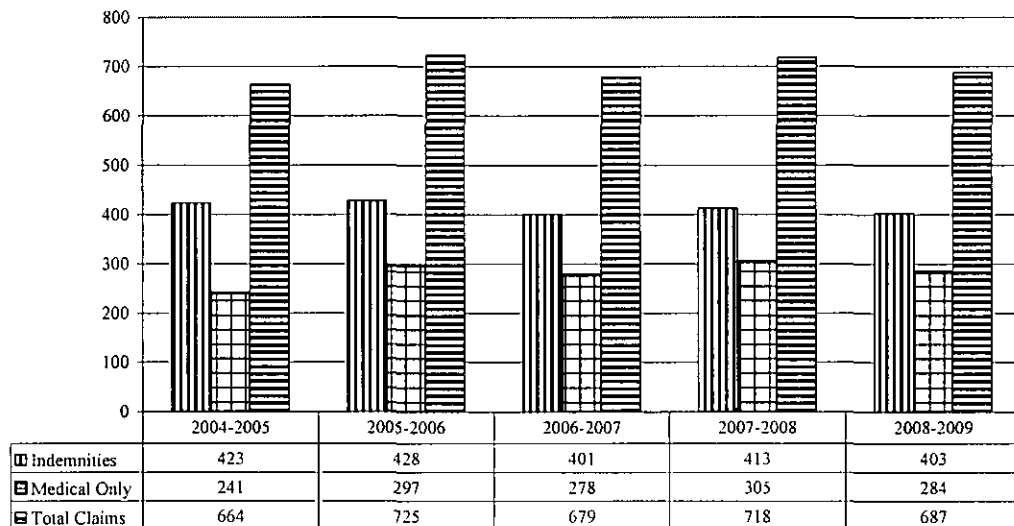


Table 8

Reported injuries in the City of Oakland increased slightly in both indemnity and medical only cases since 2006. Viewed historically over the past five years, indemnity cases have shown a net decrease in cases, and medical only cases have shown a net increase, with the total number of claims received down by 6%. Indemnity cases are those cases in which an employee lost some amount of work time in excess of three days. Medical-only cases are those in which the employee lost three days, or less, from work.

B. Greatest Frequency of Claims, By Department

Table 9 reflects the number of injury claims filed within the agencies/departments with the highest number of injuries. All departments, with exception to Police, reported below experienced a decrease in the claim frequency. The increase in Police claims can be directly attributed to the March 21, 2009 event which resulted in 10 claims. RMD continues to analyze data to determine where additional injury reduction strategies would aid in controlling continued losses.

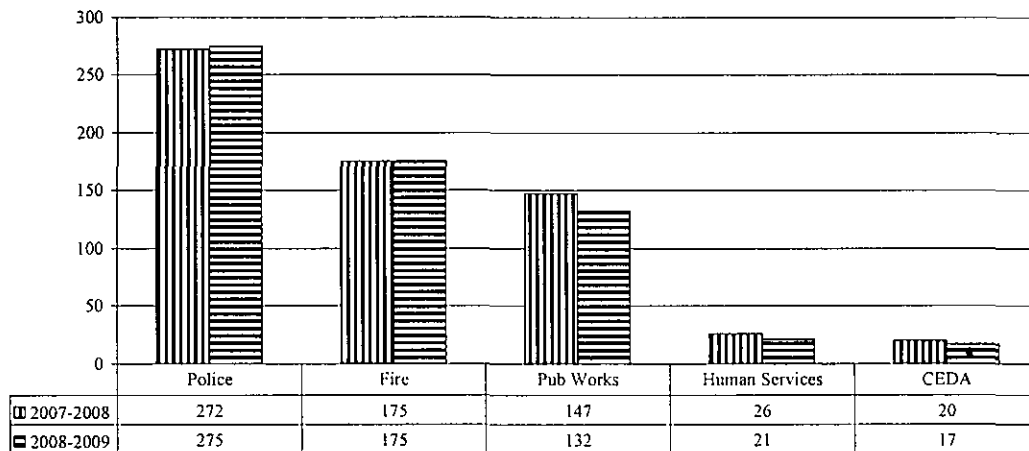


Table 9

C. Cause of Injury (By Department)

The following tables provide information on the leading causes of injuries based on the number of injuries and associated costs in the Police, Fire and Public Works Departments during the Fiscal Years 2007-08. This information is used by RMD and the individual departments to identify where focused training and program changes may be beneficial.

In the Police Department (Table 10), the largest cause of injuries for both fiscal years remain injuries sustained interacting with persons involved in crimes, fitness training, and vehicle accidents. Risk Management is supporting OPD in their driver training programs, assisting in the development of driver training instructors for the purpose of bringing proven training to current OPD personnel. We are also reviewing with OPD other possible methods of improving officer safety in both the field and training environments to promote safer methods of performing public safety services.

Oakland Police Department

Cause of Injury	Fiscal Year 2007-2008				Fiscal Year 2008-2009			
	Number of Injuries	Total Paid	Total Incurred	Average Paid	Number of Injuries	Total Paid	Total Incurred	Average Paid
Person in Act of Crime	62	\$651,197	\$1,234,607	\$10,503	51	\$509,551	\$4,046,647	\$9,991
Vehicle Collision	20	\$155,729	\$293,510	\$7,786	30	\$207,746	\$343,830	\$6,925
Fall, Slip or Trip, NOC	11	\$21,038	\$34,507	\$1,913	20	\$226,498	\$443,774	\$11,325
Strain; twisting	14	\$91,467	\$234,778	\$6,533	16	\$180,072	\$279,840	\$11,255
Strain; Repetitive Motion	10	\$67,154	\$209,765	\$6,715	13	\$20,941	\$76,213	\$1,611
Injured by: Animal or Insect	9	\$20,204	\$27,755	\$2,245	12	\$18,051	\$19,553	\$1,504
Injured by: Another Person	4	\$13,224	\$51,947	\$3,306	11	\$75,325	\$77,861	\$6,848
Cut, caught, punctured	10	\$14,163	\$27,896	\$1,416	10	\$4,123	\$17,030	\$412
Cumulative	14	\$63,392	\$299,953	\$4,528	10	\$174,566	\$485,368	\$17,457
Physical Fitness	29	\$102,407	\$287,099	\$3,531	9	\$4,203	\$4,203	\$467
Strain NOC	4	\$3,224	\$3,224	\$806	8	\$24,603	\$84,891	\$3,075

Table 10

In the Fire Department (Table 11), strains and lifting replace fighting fires as the leading cause of injuries. As with OPD, Risk Management is working with OFD in identifying methods of performing their public safety services with the least risk of injury. RMD has enabled selected OFD personnel to be trained as instructors in a program called "CrossFit". CrossFit is a strength and conditioning program used by many public safety agencies designed focusing on nutrition and conditioning. Several OFD personnel were trained in this program and it is anticipated that many more OFD employees will be trained internally in the techniques supported by this program. Additionally, RMD also supported OFD in their ongoing bi-annual body-mechanics training, further emphasizing employee fitness and smart work techniques.

Oakland Fire Department

Cause of Injury	Fiscal Year 2007-2008				Fiscal Year 2008-2009			
	Number of Injuries	Total Paid	Total Incurred	Average Paid	Number of Injuries	Total Paid	Total Incurred	Average Paid
Fall, Slip or Trip, NOC	16	\$296,164	\$476,262	\$18,510	20	\$256,375	\$384,309	\$12,819
Strain; Lifting	19	\$129,546	\$276,497	\$6,818	20	\$217,415	\$357,783	\$10,871
Contact With	11	\$6,749	\$17,849	\$613	13	\$27,447	\$54,305	\$2,111
Cumulative (NOC)	16	\$194,173	\$729,431	\$12,136	12	\$41,883	\$365,705	\$3,490
Fighting Fire	22	\$54,389	\$82,760	\$2,472	10	\$55,431	\$180,634	\$5,543
Strain; Pushing or Pulling	5	\$35,070	\$72,405	\$7,014	10	\$139,699	\$185,708	\$13,970
Strain; Twisting	3	\$16,797	\$18,702	\$5,599	9	\$112,557	\$174,096	\$12,566
Strain; NOC	5	\$11,858	\$52,650	\$2,371	8	\$94,111	\$168,272	\$11,764
Cut; caught, punctured	2	\$2,623	\$14,301	\$1,312	7	\$55,624	\$109,629	\$7,946
Physical Fitness	3	\$17,838	\$37,042	\$5,946	7	\$47,818	\$83,471	\$6,831

Table 11

In the Public Works Agency (Table 12), the consistent largest causes of injury are slips/falls and strains from lifting. RMD continues working with PWA in providing expert resources through an onsite dedicated Safety Consultant who services PWA in the majority of their safety and loss control needs. RMD has also revised the training profile for PWA where instead of offering extensive safety training in an annual academy format, now the same amount of training is provided throughout the year, providing more flexibility in changing the focus and intent of training based on the current issues that require addressing. RMD continues to support PWA in their incentive program, driver training/accident review program, safety equipment program and other similar programs designed to address the primary loss drivers.

Public Works

Cause of Injury	Fiscal Year 2007-2008				Fiscal Year 2008-2009			
	Number of Injuries	Total Paid	Total Incurred	Average Paid	Number of Injuries	Total Paid	Total Incurred	Average Paid
Strain: Lifting	18	\$51,856	\$173,692	\$2,881	26	\$134,856	\$351,490	\$5,187
Fall, Slip or Trip, NOC	14	\$65,960	\$128,797	\$4,711	12	\$11,183	\$34,662	\$932
Injured by: Animal or Insect	5	\$1,619	\$1,619	\$324	9	\$1,438	\$4,525	\$160
Vehicle: Collision	11	\$35,447	\$86,193	\$3,222	8	\$21,331	\$78,813	\$2,666
Strain: Pushing or Pulling	8	\$37,877	\$74,430	\$4,735	8	\$34,890	\$46,320	\$4,362
Cut: Caught, Punctured	3	\$1,578	\$1,578	\$526	7	\$1,502	\$1,922	\$214
Strike: Object Being Handled	9	\$15,761	\$40,970	\$1,751	6	\$102,552	\$121,574	\$17,092

Table 12

D. Long-Term Workers' Compensation Leave Costs

The following table provides information about the financial impact of Workers' Compensation cases, where the employee has been absent from work for one year or more. Cases in italics denote employees who have since retired, whose retirement is pending, or who have otherwise separated from the City.

DOI	Claim#	Dept	Job Class	Totals PAID through 6/30/09	Totals INCURRED EXPENSES through 6/30/09	Status
8/26/08	0808002081	Fire	Engineer of Fire	\$106,851.49	\$149,912.92	Off and Medical Treatment Continues
8/16/07	708002066	Fire	Battalion Chief	\$83,486.30	\$196,687.00	Off and Medical Treatment Continues
6/2/08	0806001258	Fire	Captain of Fire	\$50,215.00	\$82,607.19	Off and Medical Treatment Continues
4/28/06	0604000872	Police	Police Service Technician	\$179,685.88	\$264,239.00	IR Granted 6/2009
8/17/07	0708001974	Police	Police Officer Trainee	\$195,351.28	\$484,405.00	Separated 9/2009
9/20/06	06090002608	Police	Police Officer	\$127,886.27	\$158,134.00	Off and Medical Treatment Continues
12/18/07	0712003113	Police	Police Officer Trainee	\$80,181.57	\$102,239.00	Separated 9/1/09
6/10/04	0406001485	Police	Police Officer	\$424,427.31	\$507,000.00	RTW 10/09
2/8/05	0502000291	Public Works	Heavy Equipment Mechanic	\$175,803.45	\$289,457.43	Retired 6/2009
3/20/08	0803000557	Public Works	PW Maintenance Worker	\$50,515.56	\$87,724.48	Off and Medical Treatment Continues
9/28/05	0509001885	Public Works	Custodian PT	\$42,554.51	\$88,747.14	Off and Medical Treatment Continues
5/9/06	0605000894	Public Works	PW Maintenance Worker	\$45,916.25	\$54,981.01	RTW with Permanent Accomodation 11/2009
7/30/07	0707001827	Public Works	Street Sweeper Operator	\$77,887.71	\$99,585.45	Off and Medical Treatment Continues
4/1/05	0504000627	Public Works	Custodian	\$263,953.29	\$290,953.49	IR Granted 6/09
3/23/06	0603000575	Finance	Tax Rep II	\$104,417.01	\$137,080.66	IR Granted 7/09
2/22/08	0802000349	Recreation	Parklands Maintenance Worker	\$72,262.44	\$99,001.00	Off and Medical Treatment Continues
1/22/08	0801000119	Recreation	Office Asst I -> Public Service Rep PPT	\$37,741.15	\$49,720.26	FEHA Job Search
TOTALS				\$2,119,136.47	\$3,142,475.03	

Table 13

During FY 2008-09, a total of 17 cases involved employees incurring long-term leave as a result of their accepted workers' compensation claim. Nine of these cases have been

resolved since June 30, 2009. This number reflects a reduction of 26% over FY 2007-08 cases (23 claims total) and a reduction of 58% over the FY 2006-07 cases (40 claims total).

Workers' Compensation strategies for all long-term absence cases involve moving cases to closure and assisting employees with the job reassignment as required under the California Fair Employment and Housing Act (FEHA) and/or the disability retirement process as appropriate. This usually occurs once a case reaches the point where the employee has permanent medical restrictions and it has been determined that the employee can no longer perform the essential functions of their job classification, with or without accommodation. In some cases, depending on the severity of the injury, it takes more than 12 months for this determination to be made. Until this stage is reached, the City is obligated to continue working with the employee and his/her medical provider in returning them to full functionality in their designated job classification. As a result of RMD's collaboration with other City agencies that also have responsibilities in employee disability cases, a majority of the employees that are on the list above have since retired or otherwise separated from the City, removing themselves from being an ongoing burden on the City.

RMD is exploring methods of applying similar methods with non-workers' compensation cases that involve long-term medical leave. This will be discussed further in part G of this section.

E. Five-Year Trend Analysis, by Department

Table 14 shows the claims activity for the three departments with the greatest number of claims over the past five years. The activity is grouped according to the fiscal year within which the claims occurred.

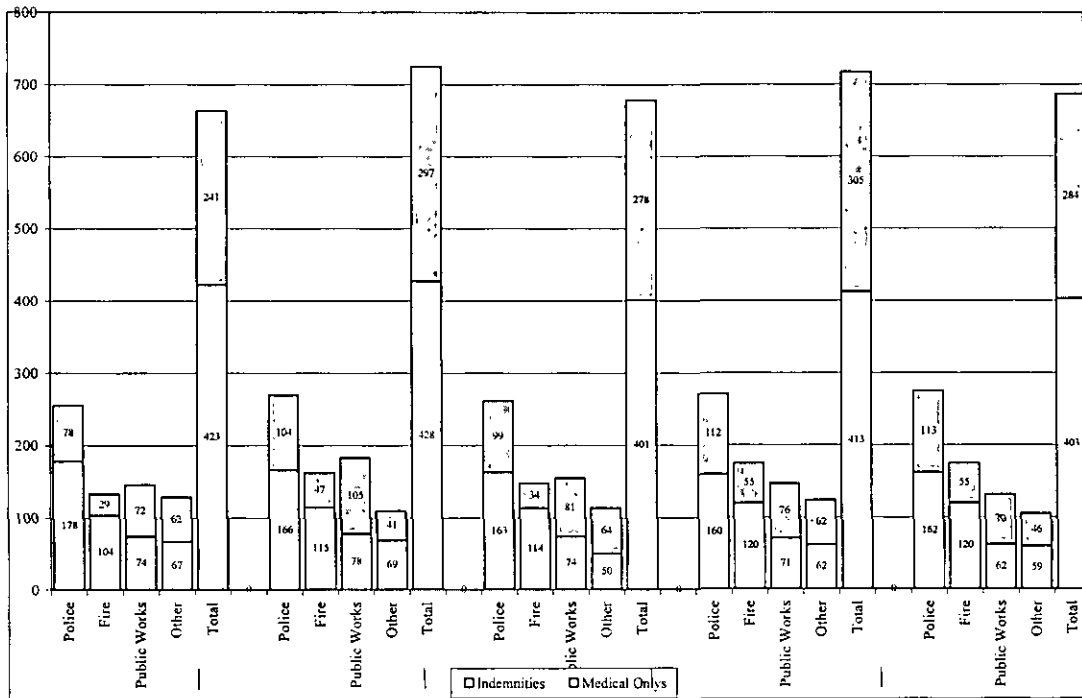


Table 14

F. Incurred Costs For Claims Received in Fiscal Year 2008-09

Incurred costs are the total estimated “lifetime” cost (paid and unpaid) of a claim. Table 15 shows the total estimated cost for claims incurred during FY 2008-09, compared to FY 2007-08.

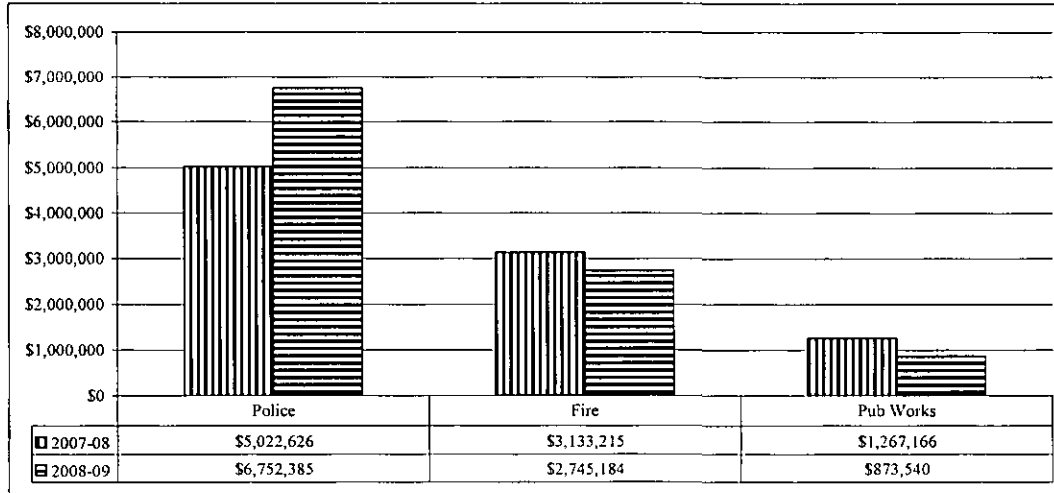


Table 15

G. All Other Leaves in Excess of 450 Hours

Council requested additional information regarding the number of employees out on long-term disability leave (unrelated to workers’ compensation as reported in part D above). While RMD’s jurisdiction is limited to Workers’ Compensation disability leave management, it does interact with other responsible departments (DHRM and EOPD) as it relates to their compliance efforts as required by other State and Federal standards, such as Family Medical Leave Act (FMLA) and Fair Employment and Housing Act (FEHA).

All large employers, public and private, are grappling with the difficult task of managing employee disability leaves, both industrial and non-industrial based disabilities. The overlapping of leave rights presents one of the major management challenges for employers. It should be noted that the benefits are conferred from multiple authorities: civil service regulations (sick leave); federal and state disability laws; and negotiated benefits conferred by the employer within union memoranda of understanding.

In addition to the various phases of workers’ compensation leave, the City must manage a myriad of other disability leaves by virtue of the State/Federal requirements or negotiated benefits. An example of these additional leaves are:

- Sick leave with- and without pay – granted at the department level;
- Fair Employment and Housing Act (FEHA) reasonable accommodation - where time off from work may be considered a reasonable accommodation as determined by EOPD;

- Family Medical Leave Act (FMLA) – which guarantees an employee with a serious medical condition job protection benefits of up to 12 weeks in a 12 month period as certified by DHRM;
- Pregnancy Disability Leave (PDL) – gives both mothers and fathers job protection benefits to allow for pregnancy disability and bonding time – as certified by DHRM;
- California Family Rights Act (CFRA) - which guarantees an employee with a serious medical condition job protection benefits of up to 12 weeks in a 12 month period as certified by DHRM;
- Short-term/Long-term Disability Benefits (STD/LTD) – a paid benefit for certain City employees that provides income continuation while suffering from a qualifying medical condition, as administered by DHRM;

Many of these leaves can run concurrently with other leaves or may be applied on an intermittent basis, further complicating the employer's ability to track them. Because of this overlapping of leaves and jurisdictions, it is essential that the interdepartmental jurisdictions that administer these programs maintain a clear line of communication between their counterparts in other disability related programs to ensure as seamless a process as possible for the involved employee and their department. This has been one of the primary goals of the Risk Management Disability Summit as discussed earlier in this report.

A review of ORACLE leave records for Fiscal Year 2008-09 showed that a total of 16 employees were found to have been on long-term leave (over 12-weeks consecutive leave and continued absence as of 6/30/2009). Table 16 provides a summary of the individual employees who continue on non-workers' compensation long-term leave past the Fiscal Year. Those entries in italics have since been resolved through retirement, return to work or other form of separation.

Department	Job Class	Total Consecutive Hours (All Other Leave) April 3 - June 30, 2009	Current Status
<i>08242 - Stores Operations</i>	<i>Storekeeper II</i>	<i>580.00</i>	<i>Retired 9/2009</i>
<i>20411 - Emergency Service/Suppression</i>	<i>Fire Fighter</i>	<i>1,272.00</i>	<i>Full duty</i>
<i>20411 - Emergency Service/Suppression</i>	<i>Fire Fighter</i>	<i>1,104.00</i>	<i>Full duty</i>
<i>20411 - Emergency Service/Suppression</i>	<i>Fire Fighter</i>	<i>1,296.00</i>	<i>Still off on long-term Military LWOP</i>
<i>20411 - Emergency Service/Suppression</i>	<i>Fire Fighter Paramedic</i>	<i>1,872.00</i>	<i>Still off on Medical LOA</i>
<i>20711 - Emergency Services Program Unit</i>	<i>Emergency Planning Coordinator</i>	<i>1,440.00</i>	<i>Still off on long-term Military LWOP</i>
<i>30611 - Facilities & Environ Asst. Director's Office</i>	<i>Administrative Services Manager I</i>	<i>1,260.45</i>	<i>EOPD Determination. Scheduled to return 1/2010</i>
<i>30632 - Landscape Maintenance</i>	<i>Gardener Crew Leader</i>	<i>880.00</i>	<i>Retired. WC denied claim.</i>
<i>102320 - Homicide</i>	<i>Police Records Specialist</i>	<i>1,700.72</i>	<i>Retired 6/22/2009</i>
<i>103242 - Records & Warrants</i>	<i>Police Records Specialist</i>	<i>1,119.50</i>	<i>Retired 9/29/2009</i>
<i>103310 - Communications Unit</i>	<i>Police Communications Dispatcher</i>	<i>782.50</i>	<i>Retired 6/30/2009</i>
<i>103310 - Communications Unit</i>	<i>Police Communications Dispatcher</i>	<i>864.00</i>	<i>Resigned 10/8/2009</i>
<i>103310 - Communications Unit</i>	<i>Police Communications Dispatcher</i>	<i>1,048.00</i>	<i>Out on Extended Leave (personal illness)</i>
<i>103430 - Training Unit</i>	<i>Police Officer Trainee</i>	<i>960.00</i>	<i>Separated 9/15/2009</i>
<i>106410 - Police Information Technology</i>	<i>Police Officer (PERS)</i>	<i>2,084.00</i>	<i>Out on Extended Leave (personal illness)</i>
<i>107110 - Police Area 1</i>	<i>Police Officer (PERS)</i>	<i>1,645.80</i>	<i>Out on Extended Leave (ODI)</i>

* All Other Leaves Includes: Authorized LWOP, CFRA LWOP, Family Care LWOP, FMLA LWOP, Maternity LWOP, Military LWOP, PDI, LWOP, SLV Sick LWOP, and VTN Voluntary LWOP.

Table 16

H. Other Information

Following the conclusion of this report are Exhibits A through E. These consist of audit and statistical reports RMD commissions throughout the year as a method of monitoring and tracking the Workers' Compensation Program. Each report provides conclusions and recommendations based on the elements reviewed by the various experts utilized to complete the analysis within the scope of their services. RMD takes each of these reports and audits very seriously and uses them to determine program areas that require improvement or modification to enhance program performance.

IV. Conclusion

The Risk Management Division has as a primary mission the adoption of risk management best practices throughout the City and the provision of resources and assistance to Agencies and Departments in their efforts to comply with risk management best practices. The overall intent of this mission is to minimize the City's Cost of Risk. Through coordination between departments RMD will continue to focus on implementation and monitoring of activities designed to support the annual City-wide and departmental workers' compensation and general liability reduction goals. RMD will continue to collaborate with partnering departments to improve risk management programs and procedures, and consult with individual departments on corrective actions to address program deficiencies. This includes working closely with EOPD, DHRM and City Attorney's Office to support education and compliance with requirements established under the Fair Employment and Housing Act, Americans with Disabilities Act, and Americans with Disabilities Amendments Act.



NORTH BAY ASSOCIATES

WORKERS' COMPENSATION
AUDITORS • CONSULTANTS

September 2009

Workers' Compensation Claims Audit

for

**EIA
&
CITY OF OAKLAND**

NORTH BAY ASSOCIATES
Salinas, California

NBA

Workers' Compensation Claims Audit

September 2009

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&
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NORTH BAY ASSOCIATES

WORKERS' COMPENSATION
AUDITORS • CONSULTANTS

September 18, 2009

CSAC Excess Insurance Authority
Ms. Kathy McLean
Workers' Compensation Claims Manager

City of Oakland
Ms. Deb Grant
Risk Manager

The report on the September 2009, Workers' Compensation Claims Audit for City of Oakland administered by JT² Integrated Resources is presented herewith.

We wish to acknowledge the cooperation of the administrator, JT² Integrated Resources, and for providing us with a comfortable place to review the files in its office and by providing us with direct access to the claims data in its computer.

Quick Overview
• *Executive Summary & Audit Profile (page 4)*
• *Summary of Recommendations (page 6)*

This report has been simultaneously provided to the administrator. Although all the data had not yet been tabulated in the form seen here, the general findings and preliminary recommendations of this audit were discussed with TPA management during an exit interview.

Since this report deals with employees' injuries, reserves on the claim files, tactics for further handling, and so on, we suggest it be kept confidential.

We hope that this report is self-explanatory; any comments or questions the reader may have are welcome. It has been a pleasure once again to serve City of Oakland and the Excess Insurance Authority.

Respectfully submitted,

NORTH BAY ASSOCIATES

Robert N. Hoyle
President

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Audit Profile and Tabular Summaries. Tab Four

A. INTRODUCTION

This is the report on the September 2009, Workers' Compensation Claims Audit for City of Oakland :

1. Goals of the Claims Audit.

- ❖ Gather and present statistical data relating to the administration of City of Oakland's workers' compensation claims from February 2008, to date.
- ❖ Focus on those claims constituting the bulk of the outstanding reserves, and claims involving key issues and a representative sample of each examiner's files.
- ❖ Present and explain industry standards, Division of Workers' Compensation Audit Unit standards, and CSAC/EIA standards and goals.
- ❖ Compare audit findings to the standards, and to prior audits, noting strengths and weaknesses.
- ❖ Recommend ways to meet standards and to reach goals.

2. Report Organization.

This report contains eleven audit areas beginning at Section E, page 9. Each has an introduction, point-by-point discussion, and summary and recommendations. Data is presented in as many as four different ways for clarity and for different depths of detail.

First, for an overview, are the Executive Summary and Audit Profile on pages 4 and following. These summarize strengths and weaknesses in the major audit areas.

Second, for detailed data and explanation, each numbered paragraph delves into a particular audit item. Each point is explained and audit findings are compared to standards. Comments about any particular claim file are often amplified by "Summary Memos." These can be found in the *Addendum* at Tab Three in order

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by NBA number.

Third, the Tabular Summary numerically restates the same data shown in the text. The Tabular Summary is the engine that drives this audit. It is located in the *Addendum* at Tab Four.

Fourth, The Audit Profile augments key audit areas with current data and is at Tab Four in the *Addendum*.

The *Addendum* contains statistical and other essential data. In brief, the *Addendum* includes the following:

Tab One: Full list of claims audited, sorted by NBA#. This list may be used to identify claimants; to maintain confidentiality, the body of this report refers only to NBA#'s.

Tab Two: The Reserve Summary reports on the dollar amounts of reserve changes recommended and the reserve computation worksheets show individual recommended reserves on claims not adequately reserved at the time of the audit. The Excess Report shows all excess cases in the sample.

Tab Three: Individual Summary Memos. These are left on certain files for the benefit of the examiner where some issue was pending or where guidance was appropriate. Some explain a definite shortcoming in a file and offer recommendations for further handling. Others offer suggestions on files that are being correctly handled. Not every file audited has a Memo. Since many Memos detail specific recommendations for further file handling, we recommend the EIA follow up to be certain the administrator acts on these Memos and recommendations. We always encourage the examiners to discuss these Memos with us. In this case, the supervisors chose to discuss some of the Memos and the points raised therein.

Tab Four: The Audit Profile and Tabular Summaries are here.

3. Audit Sample.

The sample used to develop the data for this audit was taken from live data provided to us by JT² Integrated Resources. The sample consisted of 145 files, or 15% of the total open inventory of indemnity files. The sample is a carefully

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selected and structured sample rather than a random sample. It is weighted in favor of claims with significant potential and claims containing certain key issues. This is called the "dollar value" sampling technique. But we also spread the sample to include the work of all the examiners and to look at files newly opened since the last audit.

Not all audit queries apply to each case in the sample. Some points apply to the beginning stages of a file, while others pertain only to the end. Claims activity during this audit period is the determining factor. Except for historical comparisons, we read but do not consider for audit purposes activity prior to the last audit.

EXECUTIVE SUMMARY (continued)

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In summary, the most important strong point is:

Finalizing the cases. Disposing of each case fairly and with all due speed is in the interest of everyone. This area has improved into the acceptable range for the EIA standard but can still be further improved upon.

The notably weak point is:

Prompt and effective subrogation. Maximizing recovery of workers compensation benefits from a responsible 3rd party should be a top priority. This area needs some attention.

Some important points that need improvement are:

Reserving sufficient funds to pay each case. This ensures the self-insured's financial viability and although there has been significant improvement since the prior audit the program's aggregate reserves may still be somewhat under estimated.

Communication with the injured employees. This helps ensure a large degree of control over the claims process. The frequency of such employee contact needs some reinforcing in both the initial and ongoing phases.

Summarized recommendations for further improvement begin on the next page.

C. SUMMARY OF RECOMMENDATIONS

Recommendations are compiled here to provide a summary and to provide convenient reference. To be fully understood, the recommendations should be considered in the context of the audit detail.

- We recommend more investigation into questionable issues as they arise and more initial employer contact on questionable claims. Please see pages 9 and following.
- We recommend more vigorous enforcement of the employee contact standard. Please see page 13.
- We recommend supervisory review to find ways of eliminating overpayment situations and effect more timely *initiation of PD advances*. Please see pages 15 and following.
- We recommend closer supervision in the areas of case planning and litigation management. Please see pages 20 and 28.
- We recommend an examiner review session on reserving practices and principles. Please see pages 34 and following.
- We recommend more promptly investigating subrogation cases with more timely follow up. Please see pages 38 and following.

We suggest that the employer, the EIA and JT² Integrated Resources set priorities and adopt a timetable for implementing these recommendations.

D. ORGANIZATIONAL INFORMATION

The workers' compensation claims of City of Oakland continue to be handled by JT² Integrated Resources. The supervisors in immediate charge of these claims are Ms. Betty Hahn and Ms. Mary Silveira. They report to Ms. Debbie Flores.

1. Claims Examiner's Caseload.

The EIA has set a reasonable standard of 150 to 175 open indemnity files based on "future medical" files counted at a ratio of 2:1 relative to other indemnity files. Examiners with a combination of too many files or too little support have no time for regular communication with their clients' injured employees, consulting with the client on significant cases and developments, and continuing their training. Therefore, the whole picture must be evaluated.

The following table shows the examiner's workload, experience, and certification as reported by JT² Integrated Resources. Self Insurance Plans, a state agency, certifies workers' compensation examiners by a one-time test. The Insurance Education Association has an extensive certification program.

	Workload †		Experience †		Certification	
	This Account	All Accounts	This Account	Total	SIP	IEA
Charlotte Delahousaye					Y	N
Debra Parker					Y	N
Irving Willis					Y	N
LaDonna Ashford					Y	N
Lisa Jones					N	N
Lupe Lopez					Y	N
Nicole Dawson					Y	N
Rebecca Duenas					Y	N
Tyrone Woodson					N	N
Total	968					

† All Indemnity Files

‡ As an Examiner

ORGANIZATIONAL INFORMATION *(Continued)*

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2. Claims Assistant's Duties.

The most common duties of the examiner's principal assistant, whatever the actual job title, may include: doing a triage to separate MO's from indemnity and urgent indemnity from normal indemnity files; controlling and paying ongoing temporary and permanent indemnity payments; calculating and paying Awards; paying medical bills on both indemnity and MO files; and data input.

Here, there are 4 assistants; the assistants' duties consist of paying TD, PD, and medical bills, data input, and mail matching.

3. Findings, Summary and Recommendations.

Although individual examiner caseloads were not provided, based on the open indemnity count the average caseload is within the EIA/industry standard. All examiners are indicated to have 5+ years experience. The City's program is adequately staffed with experienced personnel and recommendations are not indicated.

E. AUDIT DETAIL

This section contains the details of this audit for City of Oakland. Each subsection discusses an important group of related points and the sub-subsections offer specifics of narrow points and, finally, findings, a summary and any needed recommendations are offered for the group.

1. Compensability Determination.

This audit area concerns the initial decision regarding compensability of the claim at the time it is reported. Usually simple, this issue is sometimes complicated at the outset. The initial decision to accept, delay, or deny a particular claim is an important milestone. Inquiries in this area are also made to see whether adequate background investigation is made, if necessary, and if communication with the relevant department of the employer is established and maintained.

1.1 Investigated If Necessary.

This inquiry detects whether a particular file requires an investigation: either an intensive field investigation, a simple phone investigation by the examiner, or a medical investigation by a consultant and, if so, whether this investigation was done. Conversely, we also look for unnecessary sub rosa or compensability investigations that would drive up costs needlessly.

Investigations needed: 28.

Investigations appropriately done: 25 (89.3%).

The exceptions are:

- #765: Although this claim was appropriately accepted for the ortho. injuries the additional problems of dizziness, headaches, and lightheadedness were questionable from the outset and should have been investigated further including use of the PQME process. More recently there is a diagnosis of tinnitus which has not been adequately explained medically in relationship to the original industrial incident. It is further noted that the DWC1 only lists the injuries as lower back and left arm/shoulder.
- #876: The Dr. 1st report questions whether or not the problem is AOE-COE and subsequent reports including UR

AUDIT DETAIL (Continued)

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continue to question that. Recommend initiation of the PQME process in an attempt to get the bottom of this insofar as diagnosis and causation is concerned.

- #882: Claim was not referred out for statements until almost 2 months after receipt.

1.2 *Correct Compensability Decision.*

The examiner's threshold function is to decide if a workers' compensation claim is to be accepted, delayed, or denied. This inquiry looks at the correctness of that decision.

Compensability decisions required: 28.
Compensability decisions correct: 25 (89.3%).

Exceptions are:

- #746: The second denial of claim was somewhat questionable given that this is a presumption claim.
- #840: This claim was appropriately delayed pending receipt of medical documentation with a diagnosis of pneumonia. By 5/29/09 there still was no medical documentation when a series of benefit notices were sent out; one accepting the claim based on the presumption, one delaying LC4850 benefit, and one denying PD. None of these should have been sent. Rather, a denial notice of the entire claim should have been sent based on no medical documentation of a pneumonia diagnosis. Meanwhile, a signed medical release was received from the EE on 3/20/09 but records not requested until 6/12/09. There is no indication the records were ever received or follow up as to the status of the records.

1.3 *Basis of Decision Documented.*

Any file other than those routinely accepted should be fully documented with evidence sufficient to justify the action taken, and should show a clear statement of the examiner's thought processes. If the self-insured, defense attorney, or any other source of information was relied upon, then these facts and sources need to be included in the documentation. The

AUDIT DETAIL (Continued)

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Office of Benefit Assistance and Enforcement Audit Unit fine, payable to the state, for an "unsupported" denial is as much as \$5,000.

Cases that require documentation: 27.
Cases sufficiently documented: 25 (92.6%).

An exception is:

- #744: The medical report upon which the denial of this claim was based upon was not in the file.

1.4 *Decision Timely.*

The timeliness standard is that the initial decision to accept, delay, or deny a claim be made within three days of receipt of all available information. If an investigation is necessary and meanwhile the claim is delayed, then a final decision whether to accept or deny must be made within three days of receipt of the investigation findings. In any case, the decision should be made within the state requirement of ninety days of the employer's date of knowledge.

Cases requiring a decision: 27.
Cases decided timely at each stage: 27.

1.5 *Employer Contact.*

Critical compensability decisions should be made in consultation with the employer. This might include the employee's supervisor, the Risk Manager, or other pertinent parties to guarantee coordination of all facts.

Cases requiring contact: 83.
Cases with documented contact: 74 (89.2%).

Exceptions are:

- #716: Did not see any initial ER or EE contact on this claim and no continuing contact with EE while using up 1 year of LC4850.
- #723: Did not see initial ER contact before claim was denied.

AUDIT DETAIL (Continued)

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- #765: The 3 point contact process was not timely or very thorough in light of the questionable problems that had surfaced in addition to the original ortho. injuries.
- #782: Did not see any initial ER contact to determine if restrictions were being accommodated.
- #797: There was a delay in getting this claim set up and in getting the investigation going as a notice of representation and application were received 11/24/08. Did not see any initial ER contact.
- #836: Did not see any initial ER contact.
- #840: Did not see completed 3 point contact on this delayed claim.
- #885: Did not see any initial ER contact on this delayed claim.

1.6 Index Bureau.

Many claims administrators or self-insured entities use the Index Bureau. This is a private company that maintains a database of claimants with workers' compensation, bodily injury, and other types of claims. The claims person or an automated process completes a short form and sends it to the Index Bureau. If there is a match to other claims by the same person, a minimum amount of information is returned to the examiner, who then decides whether to make further use of it. Useful information is not always obtained but it is frequent enough to be cost effective.

JT? Integrated Resources uses the Index Bureau.

1.7 Findings, Summary and Recommendations.

There were a few cases that were not timely investigated and/or required more in depth investigation of the issues presented. ER contact on a few of the questionable claims was lacking. Better recognition of the issues that need additional investigation or clarification is recommended in these instances along with more initial ER contact.

2. Employee Contact.

The purpose of this area of inquiry is to learn if the claims examiner makes early telephone contact with each injured worker according to industry standards and whether this telephone contact continues as appropriate. Most good administrators do this as part of "three-point contact." The other two contact points are the treating doctor and the employer.

2.1 Prompt Contact With Employee.

It is a good standard claims practice for the examiner to personally contact every disabled claimant by telephone. Often the employee is simply the best source of information about the claim and we need to ask for his or her side of the facts. Contact is particularly critical with problematic claims or those in which information must be given to the employee that he or she may not want to hear, for instance, that his or her claim is being denied. It is generally believed that some litigation will be avoided by close telephone contact between the examiner and the injured workers.

Files in need of initial contact: 86.

Files showing initial contact: 66 (76.7%).

2.2 Employee Contact Continued.

Cases needing continuing employee contact: 39.

Cases with continuing contact: 7 (17.9%).

2.3 Findings, Summary and Recommendations.

While it appears that an employee contact standard is in place it is not being consistently applied. Ongoing employee contact in particular is lacking and some of that could be the lack of documentation. We recommend that the administrator's employee-contact standard be more vigorously enforced.

3. Benefit Payments.

This area concerns itself with the timeliness and accuracy of benefit payments. Initial indemnity payments and the issuance of the first DWC notice are checked against the timeliness standards of the Administrative Director of the Division of Workers' Compensation. Subsequent indemnity payments and permanent disability payments are also reviewed for timeliness.

3.1 *Timeliness of First Payment.*

California administrative regulations require that initial indemnity payments (or notice, in the case of salary continuation) be issued within fourteen days of the first date of disability. Late claims are subject to a DWC Audit Unit fine of up to \$100 each. In addition, if direct payment was made to the employee (as opposed to salary continuation) and this payment was twenty-eight or more days late, then an additional automatic penalty is payable to the employee. The goal is to accomplish 100% within this time limit.

Cases on which temporary disability was paid: 80.
Cases paid timely: 78 (97.5%).

The exceptions are:

- #716: First payment was timely but a TD check was issued in addition to LC4850 voucher resulting in an overpayment.
- #744: After receipt of the treating physician's report dated 1/12/09 indicating there was in fact a new CT injury TD was not paid or otherwise the necessary steps were not taken in a timely fashion to continue contesting the claim. This resulted in a penalty petition being filed by AA. Separately, the AME report was received 7/21/2009 indicating ongoing TD. That was not timely initiated. The 10% self imposed increase was not paid.

3.2 *Subsequent Temporary Disability Biweekly.*

Subsequent indemnity payments are required to be paid once every two weeks exactly.

AUDIT DETAIL (Continued)

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Subsequent payments: 75.
Subsequent payments timely: 74 (98.7%).

The exception is:

- #750: A TD check was issued concurrent with a LC4850 voucher resulting in an overpayment.

3.3 *Transportation Expense.*

This inquiry looks at the speed with which employees are reimbursed upon requesting medical transportation expense. The CSAC/EIA standard calls for payment within five days.

Transportation expense requests: 37.
Transportation expense payments timely: 34 (91.9%).

Exceptions are:

- #687: A mileage check was not issued for the PQME evaluation.
- #872: A mileage check was not sent for the PQME eval.

3.4 *Correct Permanent Disability Payments.*

This inquiry is intended to discover whether permanent disability (and advances thereon) are paid correctly by law. This requires advance payment of permanent disability between the end of temporary disability and the date a permanent disability rating is determined. Without such advance permanent disability payments, a penalty by the Workers' Compensation Appeals Board is at risk. Further, there is an additional \$100 penalty payable to the state and the 10% automatic penalty that is payable to the claimant with the administrator's own funds. Thus, on a late or absent permanent disability payment, as many as three penalties could apply. Conversely, permanent disability payments should not be made unnecessarily simply to avoid the risk of a penalty.

Cases on which PD (or advances) were required: 37.
Cases with correct PD payments: 32 (86.5%).

AUDIT DETAIL (Continued)

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The exceptions are:

- #213: The life pension payments were commenced sooner than required. It appears an agreement has been worked out to recover this over payment.
- #512: PD advances were overpaid that eventually amounted to \$330.
- #554: It is noted that the treating physician's P&S report was received no later than some time in 6/08 and the report was determined to be incomplete for rating purposes by an independent rater. A lump sum PD advance was not made until 10/08. Since nothing new was presented medically at the time the advance was made it is not clear why there was a delay in making said advance. As an aside, the severity of the injury probably warranted making an advance at the time TD was terminated.
- #691: There was one late payment of PD advance. The 10% self imposed increase was paid.
- #702: The initial PD advance was paid late. The 10% self imposed increase was paid.

3.5 *Permanent Disability Rate Adjustment.*

Beginning January 1, 2005, permanent disability benefit weekly payment amounts are affected up or down depending on the employer making work available to an employee with a disability. This query records whether this new section, LC§ 4658(d)(1), is applied correctly.

Cases involving a PD rate adjustment: 18.

Cases on which the adjustment was correctly applied: 15 (83.3%).

The exceptions are:

- #481: Do not see that an offer of regular work was ever sent.
- #667: Looks like an offer of regular work should have been sent upon receipt of the treating P&S report.

AUDIT DETAIL (Continued)

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- #766: An offer of regular work was sent but there was no 15% PD rate reduction taken on the subsequent PD advances.

3.6 Self-Imposed 10% Penalty Paid if Required.

This query records whether the automatic penalty is paid when required. It is automatically triggered by any of several situations. The problem is circuitous because a late or absent penalty triggers yet another penalty.

Cases involving a self-imposed penalty: 3.

Cases on which such a penalty was properly paid: 2 (66.7%).

3.7 Regular File Balancing.

In this area we look at the fiscal safeguards or "prevent and detect" used by JT² Integrated Resources. Specifically, we note whether cases are balanced at regular intervals. "Balancing" means the following: On the indemnity portion of the file, the term refers to the regular reconciliation of payment liability against payments issued as shown by the manual and the data processing records. In other words, is the administrator regularly checking what it intends to pay against what is being paid? On the medical and expense portion of the case, balancing consists of reconciling bills paid against the manual and data processing records and, more important, it requires verification by a second person that each bill is correct in every way.

Cases on which balancing was expected: 97.

Cases with regular balancing: 84 (86.6%).

3.8 Findings, Summary and Recommendations.

There were a few instances of overpayments. More awareness of the particular situation should eliminate these mistakes. There were also a few instances in which PD advances were initiated late. The offer of regular work/PD rate reduction needs to be more consistently applied.

While the findings look more like isolated situations rather than a pattern we recommend the noted exceptions be a focal point by supervisory personnel in order to eliminate overpayment situations and to improve upon the initiation of timely PD advances. Case #744 should be used as an

AUDIT DETAIL *(Continued)*

example of what not to do in order to avoid potential penalty allegations.

4. Case Planning & Correspondence.

Examining workers' compensation claims, like any other business activity, should include a plan of action to achieve an explicit result. Without a plan, the claims examiner merely reacts to outside stimuli and the claims administration process breaks down, to the detriment of everyone concerned. Ideally, a plan should be written and include contingencies. This is where tactics are evaluated.

4.1 Case Plan Appropriate.

The purpose of this inquiry is to learn whether initial case planning took place when the claim was reported to JT² Integrated Resources from any source and if subsequent planning and tactics are appropriate to the case. In simple cases, action is a more than adequate substitute for a written plan.

Planning should have been evident in 145 cases.
Appropriate planning was seen in 135 (93.1%) cases.

Exceptions are:

- #447: There appears to be a portion or portions of file documentation missing from this file. Currently unable to ascertain any clear plan of action or litigation plan to bring this and the companion file to resolution.
- #687: A notice of representation was received in 6/08. A PQME evaluation was arranged thereafter. There was no indication that the AME/PQME process for represented claims was appropriately followed per LC4062.2.
- #698: The documentation is lacking with respect to the events leading up to the medical evaluation of 2/27/09. The report gives the impression this was an AME exam but there is no actual filing of an application until several months later or any communication with that AA prior to that. If this was a PQME evaluation it does not look like proper procedure was followed. Letter to the doctor was not sent until the day of the evaluation. Report was sent for a private rating when clearly the doctor indicated the condition was not yet P&S.

AUDIT DETAIL (Continued)

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- #699: The PQME report was received 10/14/08 finding AOE/COE. A second denial was sent out with the plan of requesting a supplemental report due to purported deficiencies in the opinion that the claim was industrial. First, LC4061(h)(1) is noted. This unfortunate section requires an administrator to commence payment of benefits when a PQME finds AOE-COE or to otherwise commence proceedings before the WCAB to resolve an ongoing dispute. This was not done and still has not been done to date. That aside, there has never been a request to the PQME for a supplemental report.
- #714: There is no current documented POA in the file. The last medical report was received 4/20/09.
- #716: This claim will require aggressive claims handling from this point forward. EE managed to stay on LC4850 for most of her pregnancy. She is still TD and likely has little incentive to RTW any time soon with a newborn. The medical reports have been pretty worthless to date insofar as any kind of treatment plan. The PQME process should be initiated upon receipt of next report unless she is returned to work in some capacity.
- #730: It is not clear why 2 PD denials were sent out for lack of medical treatment on this litigated claim. Communication with AA and initiation of the AME/PQME process would have been the preferred step under these circumstances.
- #744: This claim was closed with an unresolved application filed.
- #872: The EE has had extensive treatment at Kaiser. Those records need to be obtained for completeness and potential apportionment.

4.2 *Apportionment Pursuit.*

The Labor Code has significantly changed as of April 19, 2004, in regards to apportionment of permanent disability. All cases are affected regardless of the date of injury. This major change is sharply in favor of employers but it will only be as effective as it is aggressively pursued. If the

AUDIT DETAIL (Continued)

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examiners do not develop information and effectively ask the doctors about this information, nothing will change. Exactly what form the examiner's efforts should take is problematic at this point. Therefore, to audit for this point we look for any efforts that seem appropriate and effective.

Cases on which apportionment is an issue: 21.

Cases on which apportionment is thoroughly addressed: 20 (95.2%).

The exception is:

- #730: The AME did not adequately explain why there was no apportionment given the MRI findings of degenerative changes.

4.3 *Required Notices.*

The Division of Workers' Compensation requires that many separate notices be sent to claimants. There are well over one hundred such notices. The language is largely prescribed by the state and this language constantly prompts employees to hire attorneys and appeal even insignificant developments in their cases. The lack of notice or slightly incorrect language is a major source of Division of Workers' Compensation Audit Unit fines. Sending unnecessary notices should be avoided too as unnecessary litigation will result.

Cases with notices required: 122.

Cases with notices: 99 (81.1%).

The exceptions are:

- #667: Although PD advances were commenced upon the termination of LC4850 did not see that a beginning PD notice was sent.
- #691: The ending PD notice was not timely sent.
- #705: The beginning LC4850 notice was sent late.
- #711: The beginning LC4850 notice was sent late.
- #736: The delay notice was sent late.

AUDIT DETAIL (Continued)

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- #750: The LC4850 resumption notice was sent late.
- #751: The LC4850 resumption notice was sent late.
- #758: The ending LC4850 benefit notice was sent late.
- #764: The beginning LC4850 notice was not sent timely.
- #765: Both the LC4850 voucher and beginning/ending benefit notice were issued late.
- #771: An ending LC4850 notice was sent late.
- #782: The beginning/ending LC4850 notice was sent late as was the last ending notice.
- #793: The LC4850 resumption notice was sent late.
- #802: The delay notice and beginning PD notice were both sent late.
- #803: The first PD denial notice was sent late and the last beginning/ending LC4850 notice was sent late.
- #829: The beginning LC4850 benefit notice was sent late.
- #832: The TD delay notice was not timely sent.
- #836: The beginning/ending LC4850 notice was not sent timely.
- #900: The LC4850 notice was sent late.
- #936: The ending LC4850 benefit notice was sent late.

4.4 *File Documentation.*

Here, the depth and breadth of file documentation is reviewed. Each claim file, if documented well, stands on its own. A new examiner, a supervisor, the client, or an auditor should be able to read the file and determine how and why the file got to its current point.

AUDIT DETAIL (Continued)

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Files sampled: 145.

Files with reasonably clear and complete documentation: 138 (95.2%).

Exceptions are:

- #251: A payment in the amount of \$983.13 was made to the applicant on 9/2/08. The payment indicates witness/depo. but there is no supporting documentation and it does not appear likely this payment should have gone to the applicant.
- #316: Claim Status Reports continue to refer to Dr. Warbritton as an AME. He is not; he is a DQME. Several instances on other claims have been noted wherein these reports have not been updated by the examiner on one or more of the various paragraphs.
- #318: Claims Status Reports continue to reference PD as per the treating MD report back in 2006. An AME has been used on this case and the reports should be updated to reflect PD as opined by that physician.
- #368: Claim was settled based on AME report but that report was not found in the file.
- #432: A payment was issued to the EE on 12/18/08 in the amount of \$300.10 for DOS 1/15/09. The payment request form indicates QME/Dr. Walcott. There appears to be no such involvement of this doctor on this case and there is no other documented activity on 1/15/09 that correlates to this payment.
- #746: The status report and excess first report both dated 7/28/09 do not show the updated reserve increases. The total aggregate reserve is still less than 50% SIR.

4.5 Correspondence.

The EIA standard is that all incoming correspondence shall be date stamped and if a response is required, it shall be within five days.

Files with correspondence: 144.

Files with timely response: 139 (96.5%).

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Exceptions are:

- #200: Several months delay occurred in providing DA with an accounting of benefits paid.
- #835: Despite the fact that the EE was represented contact was made by phone and the delay notice was not copied to AA.
- #838: EDD sent a notice of lien that was not addressed at the time claim was accepted and TD paid. This lien still remains unresolved.

4.6 Findings, Summary and Recommendations.

There are some noted shortcomings in the area of case planning. Closer supervision is recommended here to make sure examiners have a clear case plan and that it is followed up on and revised when indicated. Examiners also need to pay closer attention when completing claim status reports to make sure they are updated to truly reflect the current relevant issues. The timeliness in the issuance of required benefit notices should be reviewed to effect improvement in that area. The situation presented in Case #838 is one that must be avoided as any duplicate payment of EDD benefits is difficult to recoup if there is no PD. Even with PD, crediting of the overpayment can be a hassle.

5. Medical Administration.

The Labor Code requires the treating physician periodically to report to the claims administrator during treatment of an injured worker. This allows the examiner to insist on a regular flow of chart notes, X-ray reports, etc., to keep treatment focused on the industrial injury. Without sufficient reports from the doctors, the treatment can drift from the actual industrial injury. The use of (or lack thereof) billing review, utilization review, and nurse case management services are also assessed.

5.1 *Physician Contact.*

The CSAC/EIA standard is that the physician's office be contacted within five days and as needed thereafter.

Cases that required physician contact: 50.

Cases with regular contact: 49 (98%).

5.2 *Appropriate Medical Consultations Obtained.*

This inquiry looks for both treatment-oriented consultations and med-legal consultations. Many cases do not need medical opinions other than the treater's.

Cases needing medical consultations: 13.

Cases on which consultations were obtained: 10 (76.9%).

An exception is:

- #447: Treatment costs are outweighing any noticeable benefit. More aggressive use of the UR process is recommended and the NCM activities are rather passive.

5.3 *Findings, Summary and Recommendations.*

There are a few instances in which the UR process should be more aggressively used and a couple of instances where UR was not necessarily indicated. A review of the referral guidelines with examiners is recommended. Billing review and use of nurse case management services

AUDIT DETAIL *(Continued)*

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are appropriate. Medical management overall is in the acceptable range with room for additional improvement.

6. Litigation.

Litigation has a major impact on any self-insured program. Although it affects only a minority of files, it uses a disproportionate amount of time and money. This audit area focuses on the efficient use of defense counsel.

6.1 Files Litigated.

This inquiry is quantitative rather than qualitative. It simply looks at the total number of files sampled with applications filed. Of the cases sampled, 59 were in litigation as of the date of the audit. That is 40.7%. The sample used by North Bay Associates for this claims review is weighted toward the high-dollar indemnity claims that tend to be litigated.

6.2 Use of Defense Attorney Appropriate.

This inquiry records whether a defense attorney was assigned as needed or used unnecessarily. This is subjective but is based on the experience level of the examiner and standard practices of other examiners and administrators. It may seem appropriate for the claims examiner to hire an attorney if the injured worker has done so, but if this is done unnecessarily, it will drastically increase the cost of handling litigated claims. On the other hand, if the defense counsel is needed because of overriding legal issues or other reasons, then it is important that the claims examiner refer the file as soon as possible and then control counsel rather than the other way around. This is not to suggest that claims examiners go to the Workers' Compensation Appeals Board and try cases against applicants' attorneys. But many experienced examiners can handle a litigated case so that no WCAB hearing is necessary and the case is equitably and speedily settled.

The inquiry applied to the 47 litigated cases.
Cases on which attorneys were used appropriately: 47.

6.3 Legal Issue Recognition.

Here we evaluate if the examiner recognizes all relevant legal issues and proceeds accordingly.

AUDIT DETAIL (Continued)

28

This inquiry was directed at each litigated file: 58.
Cases that showed good issue recognition: 58.

However, please see case #687 in Section 4.1.

6.4 *Litigation Expense Control.*

This inquiry is directed to each case with counsel assigned: 59.
Cases that showed expected level of expense control: 57 (96.6%).

6.5 *Litigation Plan Documented.*

Litigated cases: 58.
Cases with documented plans: 53 (91.4%).

Some of the exceptions are:

- #481: PQME/AME discussions last documented 1/29/09. There is no litigation plan in place to bring case to resolution and there has been no effort to do so since 4/09.
- #721: There is no documented litigation plan in place to bring this claim to resolution.
- #832: TD is in dispute and that issue needs to be resolved as quickly as possible through the AME/PQME process as current treator (chiropractor) has applicant on continuing TD. Ongoing chiro. treatment should be put through UR. Applicant's deposition should be undertaken to ascertain activities, including any subsequent employment since being laid off from the City's job.

6.6 *Timely and Documented Referral to Counsel.*

This inquiry determines whether files requiring defense counsel are referred timely and if the referral is documented with all appropriate issues identified, as opposed to merely shipping the file to an attorney blindly without any guidance. It is this initial referral document by which the examiner takes the first steps to assert control of the file and not relinquish control to counsel. The purpose of this control is to save money.

AUDIT DETAIL (Continued)

29

Files assigned to counsel during this audit period: 47.
Files that were timely: 46 (97.9%).

The exception is:

- #744: File indicates referred to DA at time of claim set up which would have been appropriate. Apparently DA never received it at the time and ultimately the case was not referred until 5/09 when a notice of MSC was received. DOR was received 2/25/09 and not timely responded to.

6.7 Findings, Summary and Recommendations.

As with general case planning, closer supervision is recommended to ensure that the examiner has a clear litigation plan in place, that it is followed up on in a timely fashion, and revised when necessary.

7. Finalization.

This area is probably the most important to any claims operation. It is essential to conclude every case at the earliest possible moment. This requires not only a high examiner energy level but also a case load appropriate to the claims examiner's experience and expertise to know what to do next and how to do it. It is in the interest of all parties to move cases briskly. No case ever gets better by being aged or ignored.

Workers' compensation files that are not disposed of with all due speed can be ranked as follows: 1) those that are not being handled briskly but with no apparent ill effect by the time of this audit; 2) those in which the delays have resulted in an ill effect; and 3) those where the ill effect is workers' compensation benefits being paid needlessly.

7.1 Continuous Finalization Efforts.

The North Bay Associates standard for measuring constant finalization efforts is that there should be no time in the life of the file when these efforts lag for more than forty-five days, that is, if the file reaches a point where something needs to happen but for forty-five number of days it does not, then we consider that a finalization failing even if at some subsequent time appropriate activity on the file resumes. If at the time of the audit a file is inactive or stuck, then specific suggestions are made and left on the file for the benefit of the claims examiner. These are called Summary Memos, copies of which are found at Tab Three in the *Addendum* to this report.

Cases in which we expect constant finalization efforts: 137.

Cases with constant efforts to finalize: 130 (94.9%).

Some of the exceptions are:

- #251: There has not been any meaningful activity in almost a year to get this claim settled.
- #731: Do not see any activity since 4/1/09 when it was agreed to settle case by C&R for \$1500 and DA was to contact EDD regarding their lien.
- #758: It is not clear whether EE is pursuing additional

treatment or feels he needs additional treatment. Recommend contacting him to ascertain his current status and need for additional treatment. If not, file could be closed.

- #766: Stips. were sent to the EE in 4/09 and not returned. There has been no follow up.

7.2 Correct Settlement Valuation.

Here we measure the examiner's technical and tactical evaluation of the settlement value of each case that was or is in the finalization stages. Is the examiner correctly reading the medical reports on which compromise and release or stipulations are based? Is the examiner challenging the state's permanent disability rating if appropriate? Are cases undervalued for any reason?

Cases settled or in the process of being settled: 26.
Cases correctly valued: 26.

7.3 Compromise and Release Offered if Appropriate.

Several methods are available to conclude a workers' compensation case. One important method is the compromise and release by which the employer is released from all further liability. This method, though, is not the preferred method in all cases. Most of the time a C&R is appropriate when the claimant is no longer an employee; conversely, a C&R is rarely a good strategy if the claimant continues to be an employee. The purpose in tracking this is to provide a baseline statistic. With it, one can track if there are too many files without total settlements where it would have been appropriate. If so, it probably suggests that not enough money is being offered or not enough effort is being made. Therefore, this inquiry looks at whether a C&R is attempted if appropriate.

Compromise and release appropriate: 12.
Compromise and release offered: 12.

7.4 Timely Closing.

This inquiry is designed to catch any files that are open at the time of the audit but that should have been closed.

AUDIT DETAIL *(Continued)*

32

Cases that should have been closed: 13.

Cases closed: 13.

7.5 *Findings, Summary and Recommendations.*

The finalization result shown under Paragraph 8.1 above is an accomplishment at 94.9%. This is an acceptable result and no particular recommendations are offered. It is also noted that the number of open indemnity cases at the time of this audit was about 200 less than at the time of the prior audit. This shows that a good effort is being made to close claims in a timely manner.

8. Reserve Adequacy.

Reserve adequacy is a key area. The self-insured entity wants to know and understand what its total liability is at any given time. Reserving may seem subjective but an experienced examiner can, during any given fiscal year, set case-based aggregate reserves that will still be adequate (within a few percentage points) years later. Most individual cases will close with total costs below the reserve, but many cases will need to have their reserves sharply increased from the initial amounts. Done correctly over the years, decreases in reserves and salvage on closing will offset the increases, leaving the original fiscal year aggregate accurate.

The underlying premise is that at the end of any given year the aggregate incurred reserve should be adequate for the life of all claims opened during that year. The governing regulation¹ states: "Each indemnity claim listed on the self insurer's annual report shall be estimated on the basis of computations which will develop the **probable total future cost** of the compensation and medical benefits due or potentially due. Future liabilities on the annual report must represent the total future cost of the claim based on the information available in the claim file at the cutoff date of the period of time covered by the annual report." In reality, the aggregate incurred for many claims administrators does not level off for two or even three years. This is not a major flaw if it is understood, anticipated, and supplemented with actuarial studies. The findings in this report regarding reserving should be shared with client's actuary and correlated with the actuarial reports. But inadequate reserves found by Self Insurance Plans, the state Agency that regulates workers' compensation self insurance will result in an audit and possible sanctions.

North Bay Associates looks at case-based reserves at several points: initial reserves at creation, revisions up and down that are constantly necessary as more information is received into the file, and finally, reserves at the time of the audit.

8.1 Reserve Calculation Work Sheets Complete.

This query checks for sufficiently complete use of the examiner's main reserving tool: a reserve calculation worksheet. A worksheet encourages the examiner to break down the reserves into component parts rather than quickly guessing at totals only. The California Code of Regulations

¹§15300 (b) Rules and Regulations.

AUDIT DETAIL (Continued)

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“recommends” the use of a worksheet.²

Cases that should have sufficiently complete worksheets: 134.

Cases with such worksheets: 130 (97%).

An exception is:

- #765: There was no reserve worksheet for reserve change subsequent to the opening reserves. The medical reserve has only \$605 left.

8.2 *Initial Reserves Appropriate.*

Reserves created at the time the case is first opened should be adequate based on the information then available in the file. If newly incurred losses are under reserved, then the aggregate of all losses will be constantly understated. A properly trained examiner will recognize the gravity of a loss as the file is created; he or she does not need to wait for actual costs to push up reserves.

Files opened during this audit period: 101.

Files with accurate initial reserves: 100 (99%).

The exception is:

- #797: Initial reserves were not realistic given this was a litigated delayed claim. There appears to have been a reserve change when the AME report was received but did not find a reserve worksheet for this.

8.3 *Reserves Revised Appropriately.*

New information is constantly received into the file and it often impacts the reserves. Here we see if the examiner reacted to the new information. It is this percentage that is in the graph entitled “Workers’ Compensation Performance.”

Files that needed their reserves revised: 107.

²§15400 of the Rules and Regulations.

AUDIT DETAIL (Continued)

35

Files with properly revised reserves: 92 (86%).

The exceptions are:

- #213: Medical treatment costs exceeded \$5000 for the past year and the medical reserve currently looks to be inadequate.
- #304: Claimant had total knee replacement 3 months ago. The medical reserve is inadequate.
- #336: EE has been treating once a month with consistency. Medical payments exceeded \$1500 the last year. The FM reserve is not sufficient.
- #368: The indemnity reserve was not timely increased upon receipt of the AME report.
- #382: The FM reserve is not sufficient as claimant has been treating more often lately.
- #447: The medical reserve is clearly inadequate.
- #451: Medication usage alone in the last year was approximately \$2500. The FM reserve is inadequate.
- #481: Several overspent reserve messages were observed.
- #512: Looks like applicant has sought some recent medical treatment. The medical reserve will be inadequate if that continues.
- #615: Apparently this EE is going to have additional cervical surgery. The recent reserve increase does not appear to be sufficient for future exposure and does not look like PD exposure was accounted for including that which was already advanced.
- #698: Reserves were not timely adjusted on several occasions as there were several instances of over spent reserves.
- #721: The current reserves are not adequate.
- #809: Current reserves are not adequate.

AUDIT DETAIL (Continued)

36

- #829: The EE recently had shoulder surgery and knee surgery has also been certified. Reserves are not currently sufficient.
- #832: Reserves are not adequate for this ongoing litigated case.

A Reserve Summary Report is provided at Tab Two of the *Addendum* along with reserve worksheets for the individual recommended reserve changes.

8.4 *Findings, Summary and Recommendations.*

Reserving has shown a significant improvement since the last audit. That being said there is still room for more improvement. We would recommend an afternoon workshop with examiners to go over reserving practices and principles that will hopefully result in further improvement in this area.

AUDIT DETAIL (Continued)

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9. Excess Insurance.

This area assesses proper reinsurance reporting to the Excess Insurance Authority or other excess carrier as required, including subsequent reporting as necessary and regular requests for reimbursement as applicable.

9.1 Prompt Excess Reporting.

The basis for this query is the common reinsurance reporting requirements; the actual excess insurance policies covering these claims were not examined.

Cases requiring reporting to the reinsurer based on either 50% of retention or other common factors: 9.

Cases reported: 9.

9.2 Sufficient Subsequent Reports.

Cases requiring subsequent reports: 6.

Cases with subsequent reports: 6.

9.3 Regular Reimbursement Requested.

Cases over retention, thus entitled to periodic reimbursement: none.

9.4 Findings, Summary and Recommendations.

Clearly cases are being reported timely to excess with appropriate follow up. Recommendations are unnecessary. A report listing these cases—entitled “Excess Reporting”—is at Tab Two in the *Addendum*.

10. Subrogation.

Subrogation is an important issue. This area usually involves few files but is unique in that it allows the administrator to recover some of the clients' funds. It is another indicator of the depth of the claims examiner's knowledge and skills.

10.1 Prompt and Effective Subrogation.

Cases with at least a potential for subrogation: 10.

Cases identified and acted upon: 6 (60%).

The exceptions are:

- #687: There was a police report done for this incident with the intent of forwarding such to the City Attorney's office for prosecution. The claimant also recorded the license plate # of the vehicle. It is not clear why there has been no effort to pursue subrogation.
- #698: This was a clear subrogation case but there was nothing documented concerning this until a supervisor note over a year later indicated this was a hit and run.
- #721: It does not look like there has ever been a police report obtained or any identification of the 3rd party at fault. There has not been any communication with the EE's 3rd party attorney. Has EE filed a Complaint?
- #820: Documentation indicates the main cause of this accident to be a collapsed handrail. That would seem to indicate a potential for subrogation.

10.2 Appropriate Follow-Up.

Actual subrogation cases: 7.

Subrogation cases handled appropriately: 5 (71.4%).

Please refer to the previous section for the exceptions.

AUDIT DETAIL *(Continued)*

39

10.3 Findings, Summary and Recommendations.

This area needs some attention. Timeliness is lacking in initial investigation and follow through. It is recommended more focus be directed toward prompt and effective subrogation efforts in order to maximize potential recovery possibilities in a timely fashion.

AUDIT DETAIL (Continued)

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11. Penalty Summary.

This audit area is a review of any claims that fall into the penalty provisions of the Labor Code or Division of Workers' Compensation Rules and Regulations. Penalties may prove to be more fair to employers and less of an issue after 2004. In other audit areas, the Tabular Summary generally records expected results under "Yes" against undesirable results under "No." In this area, neither a "Yes" nor a "No" is desirable. A "Yes" means one or more penalties were due and paid or at risk, while a "No" means one or more penalties were due but not paid. An ideal result is all zeros.

11.1 Labor Code § 5814 Penalty.

This inquiry lists any claims at risk for the 25% penalty. This penalty must be asserted by the employee, typically through his attorney, and awarded by a judge of the Appeals Board before it is due. The audit will not concern itself with every file where a remote possibility for penalty exists or where the issue is raised by an applicant's attorney as a tactic, but only those in which it has actually and properly been raised by the employee or his attorney.

Cases with potential or actual §5814 penalties: None.

11.2 Labor Code § 4650 (Self-imposed 10% Penalty).

This inquiry is directed at those claims that may have had some benefit delayed. A delay requires that the administrator automatically penalize itself 10%, and pay that money to the claimant or medical provider.

Cases with self-imposed penalty due: 3.

Cases with self-imposed penalty paid: 2.

11.3 Labor Code § 129.5 (DWC Audit Unit Fines).

A DWC shortcoming on a claim will remain in the file for a state Auditor ultimately to find and penalize. North Bay Associates does attempt to monitor the current practices of the DWC Audit Unit to gauge if any of the files sampled are at risk for such penalties.

AUDIT DETAIL *(Continued)*

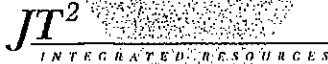
41

Cases with at least one potential DWC Audit Unit penalty: 27.

These are primarily due to the late issuance of required benefit notices.

11.4 Findings, Summary and Recommendations.

Excepting case #744 as noted in Section 3.1 the potential for penalties is insignificant. The third party administrator is correctly charging penalties to itself and should be providing its client with prompt reimbursement.



October 5, 2009

Ms. Deb Grant
Risk Manager
City of Oakland
150 Frank Ogawa Plaza, 3rd Floor
Oakland, CA 94612

Re: City of Oakland- CSAC/EIA Audit 2009

Dear Ms. Grant:

We are in receipt of the audit report conducted by Robert Hoyle of North Bay Associates. Thank you for allowing us the opportunity to respond to this audit. We appreciate the opportunity this audit affords us for improvement to your program.

Based on the calculations of the audit, JT2 received a 91% rating. It is the goal of JT2 to meet and exceed the expectations of the City of Oakland and the CSAC requirements. To that extent, we have identified the areas requiring improvement, and have either corrected the errors identified by the auditor, provided training to the staff, or have training scheduled for the near future.

This audit report will focus on the summary of recommendations as well as the Audit Detail. The following is a response, to Audit Detail falling below 95%, starting on page 9 of the report.

Investigated if Necessary

Investigations needed: 28

Investigations appropriately done: 25 (89.3%)

We agree with the auditor's findings. It is the responsibility of the Fast Track supervisor to provide the staff with red flag information to ensure all aspects of a claim are investigated. The Fast Track supervisor has been trained in this area.

Correct Compensability Decision**Compensability decisions required: 28****Compensability decisions correct: 25 (89.3%)**

We agree with the auditor's findings. All delayed claims are to be seen on a 30, 60 & 90-day diary by the supervisor to ensure due diligence has taken place within the allotted investigation period. A meeting was held with both supervisors and they are aware of the expectation.

Basis of Decision Documented**Cases that require documentation: 27****Cases sufficiently documented: 25 (92.6%)**

We agree with the auditor's findings. All corrections have been made. Additional training will be provided to the staff within the next 30 days.

Decision Timely**Cases requiring a decision: 27****Cases decided timely at each stage 27 (100%)**

Agree.

Employer Contact**Cases requiring contact: 83****Cases with documented contact: 74 (89.2%)**

We agree with the auditor's findings. The staff has been instructed that on a go forward basis, they will contact the employer to obtain pertinent information and guarantee coordination of all facts.

Prompt Contact with Employee**Files in need of initial contact: 86****Files showing initial contact: 66 (76.7%)**

We agree with the auditor's findings. Until recently, this function has been the responsibility of the Early Intervention/Return to Work unit. Effective immediately, the examiner will also contact the injured worker. The initial call will still be made by the E/I-RTW unit to notify the injured worker that a claim has been received, but sharing of information between examiner and injured worker will be conducted by the examiner.

Employee Contact Continued**Cases needing continuing employee contact: 39****Cases with continuing contact 7 (17.9%)**

We agree with the auditor's findings. Although the staff was advised of this deficiency from the last audit, there was a misunderstanding, and instead of documenting the file

notes, they documented the DAP notes. DAP is our payment list for upcoming disability payments.

The staff is now fully aware that all documentation regarding any file activity is to be entered into the notepad of the claim file.

Timeliness of First Payment

Cases on which Temporary Disability was paid: 80

Cases paid timely: 78 (97.5%)

Agree

Subsequent Temporary Disability Biweekly

Subsequent payments: 75

Subsequent payments timely: 74 (98.7%)

Agree

Transportation Expense

Transportation expense requests: 37

Transportation expense payments timely: 34 (91.9%)

We agree with the auditor's findings. These items were discussed in detail in the unit meeting held on 9-5-09, as well as the supervisors met with both examiners and assistants that were responsible, and provided one-on-one coaching.

Correct Permanent Disability Payments

Cases on which PD (or advances) were required: 37

Cases with correct PD payments: 32 (86.5%)

We agree with the auditor's findings. These items were discussed in detail in the unit meeting held on 9-5-09. Since this is an area that had the potential to result in a penalty, the supervisors met with both examiners and assistants that were responsible, and provided one-on-one coaching.

Permanent Disability Rate Adjustment

Cases involving a PD rate adjustment: 18

Cases on which the adjustment was correctly applied: 15 (83.3%)

We agree with the auditor's findings. Corrections have been made to the three examples involving the offer of regular work letter being sent timely. Additional training in this area is scheduled for this month. Although there were some deficiencies, this was a vast improvement in this area over last year.

Self-Imposed 10% Penalty Paid if Required**Cases involving a self-imposed penalty: 3****Cases on which such a penalty was properly paid: 2 (66.7%)**

We agree with the auditor's findings. First, it should be noted that due to the statistically small inventory of claims involved with this section, any deviation would significantly impact the rating. Only one file was identified as not meeting the expectation. While the findings look more like an isolated situation rather than a pattern, we still take it quite seriously, and conducted training with the examiner.

Regular File Balancing**Cases on which balancing was expected: 97****Cases with regular balancing: 84 (86.6%)**

We agree with the auditor's findings. The staff has made significant improvement over last year's 25.5%. The staff is well aware of the expectation, and we anticipate file balancing will continue to improve.

Case Plan Appropriate**Planning should have been evident in 145 cases.****Appropriate planning was seen in 135 (93.1%) cases.**

We agree with the auditor's findings. Clearly, this one area has significant importance that applies to all cases; therefore these items were discussed in detail with the examining staff. Each specific case was reviewed by supervisor and examiner as a training issue.

Apportionment Pursuit**Cases on which apportionment is an issue: 21****Cases on which apportionment is thoroughly addressed: 20 (95.2%)**

Agree

Required Notices**Cases with notices required: 122****Cases with notices: 99 (81.1%)**

We disagree with the auditor's findings. All 122 cases had the required notices albeit 23 of those notices were late. These items were discussed in detail in the unit meeting held on 10-5-09.

File Documentation**All files sampled for clear documentation: 145****Files with reasonably clear and complete documentation: 138 (95.2%)**

Agree

Correspondence

Files with correspondence: 144
Files with timely response: 139 (96.5%)
Agree

Physician Contact

Cases that required physician contact: 50
Cases with regular contact: 49 (98%)
Agree

Appropriate Medical Consultations Obtained

Cases needing medical consultations: 13
Cases on which consultations were obtained: 10 (76.9%)
We agree with the auditor's findings. These items were discussed in detail with the examining staff. Each specific case was reviewed by supervisor and examiner as a training issue.

Use of Defense Attorney Appropriate

Showed good issue of recognition of litigated files: 58
Cases that showed good issue recognition: 58 (100%)
Agree

Litigation Expense Control

Litigation expense control: 59
Cases that showed expense control: 57 (96.6%)
Agree

Litigation Plan Documented

Litigated cases: 58
Cases with documented plans: 53 (91.4%)
We agree with the auditor's findings. These items were discussed in detail between the supervisor and examiner, not only resolve the issue at hand, but to provide training.

Timely and Documented Referral to Counsel

Files assigned to counsel during this audit period: 47
Files that were timely: 46 (97.9%)
Agree

Continuous Finalization Efforts

Cases in which we expect constant finalization efforts: 137

Cases with constant efforts to finalize: 130 (95%)

Agree

Correct Settlement Valuation

Cases settled or in the process of being settled: 26

Cases correctly valued: 26 (100%)

Agree

Compromise and Release Offered if Appropriate

Compromise and release appropriate: 12

Compromise and release offered: 12 (100%)

Agree

Timely Closing

Cases that should have been closed: 13

Cases closed: 13 (100%)

Agree

Reserve Calculation Work Sheets Complete

Cases that should have sufficiently complete worksheets: 134

Cases with such worksheets: 130 (97%)

Agree

Initial Reserves Appropriate

Files opened during this audit period: 101

Files with accurate initial reserves: 100 (99%)

Agree

Reserves Revised Appropriately

Files that needed their reserves revised: 107

Files with properly revised reserves: 92 (86%)

We agree with the auditor's findings that changes were needed on all files listed with the exception of three files. The auditor's recommendations for these files were immaterial. After conducting our own review of the reserves, we varied substantially from the auditor's recommendations showing that reserving is very subjective. Regardless, all files needing correction have taken place.

Prompt Excess Reporting

Cases requiring reporting to excess carrier: 9

Cases reported: 9 (100%)

Agree

Sufficient Subsequent Reports

Cases requiring subsequent reports: 6

Cases with subsequent reports: 6 (100%)

Agree

Prompt and Effective Subrogation

Cases with at least a potential for subrogation: 10

Cases identified and acted upon: 6 (60%)

We agree with the auditor's findings. In order to ensure proper follow-through by their staff, a report indicating all subrogation will be provided to the supervisors on a quarterly basis. The supervisor will review each claim on the report to ensure proactive claims handling. In addition, the supervisor will keep a dual diary on subrogation files to ensure timely filings.

Appropriate Follow-up

Actual subrogation cases: 7

Subrogation cases handled appropriately: 5 (71.4%)

We agree with the auditor's findings. First, it should be noted that due to the statistically small inventory of claims involved with this section, any deviation would significantly impact the rating. The two files that were identified as requiring follow-up, have been reviewed by the supervisor and examiner to ensure appropriate claims handling.

Labor Code 5814 Penalty

Cases with potential or actual L/C 5814 penalties: None

Labor Code 4650 (Self-imposed 10% Penalty)

Cases with self-imposed penalty due: 3

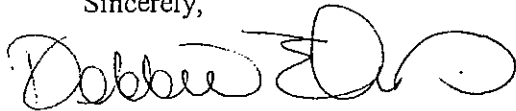
Cases with self-imposed penalty paid: 2

In the executive summary, the auditor identified three areas that he felt required improvement: Subrogation, reserving, and communication. A meeting was held on 10-5-09 with the claims supervisors to review the areas listed above. Additional training was provided and a procedure was put into place to correct on-going issues.

We continue to strive to meet the City's and CSAC's goal, and we are excited at the possibilities of continued improvement on the City's program. The increase in staffing to allow for 125 files per examiner continues to make a difference. Notable improvement was identified by the auditor. We are confident the reduction in caseloads will afford us the opportunities to produce a better work product.

We look forward to working closely with you to make continued improvements in the City's program. If additional information is required, please do not hesitate to contact me directly. Again, thank you for allowing us the opportunity to respond to this audit.

Sincerely,

A handwritten signature in cursive script, appearing to read "Debbie Flores". The signature is written in black ink and is positioned above the typed name.

Debbie Flores
Vice President Claims Services

Cc: Theresa Fernandez
File copy

Loss Dates: 07/01/2008 - 06/30/2009 Extract: Logical

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

Frequency Analysis - Loss Cause 08-09

As Of 06/30/2009

City of Oakland

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
CEDA																
31 Fall, slip or trip, NOC	1	3	1	0	0	0	5,459.53	28,956.22	1,819.84	4,501.23	23,496.69	0.5	0.2	0.3		
56 Strain; lifting	0	2	0	0	0	0	1,711.87	1,711.87	855.94	1,110.54	0.00	0.3	0.0	0.0		
60 Strain; strain or injury by, NOC	2	2	0	0	54	27	8,300.24	21,097.98	4,150.12	5,159.29	12,797.74	0.3	0.2	0.2		
09 Adverse reaction	1	1	1	0	0	0	7.25	10,862.20	7.25	7.25	10,854.95	0.2	0.0	0.1		
19 Cut; caught, punctured, scraped, NOC	1	1	0	0	0	0	0.00	1,650.00	0.00	0.00	1,650.00	0.2	0.0	0.0		
33 Fall; on stairs	1	1	0	153	0	153	49,149.49	55,434.74	49,149.49	49,149.49	6,285.25	0.2	1.4	0.5		
53 Strain; twisting	0	1	0	0	4	4	362.78	362.78	362.78	362.78	0.00	0.2	0.0	0.0		
66 Strike; object being lifted or handled	0	1	0	0	0	0	284.68	284.68	284.68	284.68	0.00	0.2	0.0	0.0		
70 Strike; against or stepping on NOC	0	1	0	0	0	0	96.59	96.59	96.59	96.59	0.00	0.2	0.0	0.0		
99 Misc; other - miscellaneous, NOC	0	1	0	0	0	0	65.28	65.28	65.28	65.28	0.00	0.2	0.0	0.0		
Totals for CEDA	6	14	2	153	58	15	65,437.71	120,522.34	4,674.12	49,149.49	55,084.63	2.2	1.9	1.2		

Loss Dates: 07/01/2008 - 06/30/2009 Extract: Logical

Frequency Analysis - Loss Cause 08-09

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

December 15, 2009

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

As Of 06/30/2009

8:21PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
City Administrator / City Manager														
09 Adverse reaction	1	1	0	0	0	0	782.37	9,832.04	782.37	782.37	9,049.67	0.2	0.0	0.1
Totals for City Administrator / City Manager	1	1	0	0	0	0	782.37	9,832.04	782.37	782.37	9,049.67	0.2	0.0	0.1
Totals for City Administrator														
	1	1	0	0	0	0	782.37	9,832.04	782.37	782.37	9,049.67	0.2	0.0	0.1

Loss Dates: 07/01/2008 - 06/30/2009 Extract: Logical

Frequency Analysis - Loss Cause 08-09

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

December 15, 2009

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

As Of 06/30/2009

8:21PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
City Attorney's Office / City Attorney																
56 Strain; lifting	0	2	0	0	0	0	1,783.24	1,783.24	891.62	966.42	0.00	0.3	0.1	0.0		
33 Fall; on stairs	0	1	0	0	0	0	928.39	928.39	928.39	928.39	0.00	0.2	0.0	0.0		
97 Strain; repetitive motion	1	1	0	0	0	0	1,521.02	11,562.00	1,521.02	1,521.02	10,040.98	0.2	0.0	0.1		
Totals for City Attorney's Office / City Attorney	1	4	0	0	0	0	4,232.65	14,273.63	1,058.16	1,521.02	10,040.98	0.6	0.1	0.1		
Totals for City Attorney's Office	1	4	0	0	0	0	4,232.65	14,273.63	1,058.16	1,521.02	10,040.98	0.6	0.1	0.1		

Loss Dates: 07/01/2008 - 06/30/2009 Extract: Logical

Frequency Analysis - Loss Cause 08-09

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

December 15, 2009

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City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
Department of Information & Technology / Office of Information & Tech														
31 Fall, slip or trip, NOC	0	1	0	0	0	0	135.89	135.89	135.89	135.89	0.00	0.2	0.0	0.0
56 Strain; lifting	0	1	0	0	0	0	869.33	869.33	869.33	869.33	0.00	0.2	0.0	0.0
Totals for Department of Information & Technology / Office of Information & Tech														
	0	2	0	0	0	0	1,005.22	1,005.22	502.61	869.33	0.00	0.3	0.0	0.0
Totals for Department of Information & Technology														
	0	2	0	0	0	0	1,005.22	1,005.22	502.61	869.33	0.00	0.3	0.0	0.0

Loss Dates: 07/01/2008 - 06/30/2009 Extract: Logical

Frequency Analysis - Loss Cause 08-09

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

December 15, 2009

Open and Closed / Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

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City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
Financial Management Agency / Financial Administration														
97 Strain; repetitive motion	5	7	2	0	0	0	8,150.29	60,249.16	1,164.33	3,936.12	52,098.87	1.1	0.2	0.6
74 Injured by; another person	2	2	1	0	0	0	3,021.61	32,983.00	1,510.81	2,045.59	29,961.39	0.3	0.1	0.3
31 Fall, slip or trip, NOC	0	1	0	3	0	3	1,473.82	1,473.82	1,473.82	1,473.82	0.00	0.2	0.0	0.0
56 Strain; lifting	0	1	0	0	11	11	501.56	501.56	501.56	501.56	0.00	0.2	0.0	0.0
68 Strike; stationary object	0	1	0	0	0	0	6.75	6.75	6.75	6.75	0.00	0.2	0.0	0.0
Totals for Financial Management Agency / Financial Administration														
	7	12	3	3	11	1	13,154.03	95,214.29	1,096.17	3,936.12	82,060.26	1.9	0.4	0.9
Financial Management Agency / Parking Control Technicians														
53 Strain; twisting	0	3	0	0	14	5	3,867.62	3,867.62	1,289.21	2,274.34	0.00	0.5	0.1	0.0
50 Vehicle; motor vehicle NOC	1	2	0	0	8	4	2,492.66	7,299.31	1,246.33	2,396.07	4,806.65	0.3	0.1	0.1
10 Heat stress related	0	1	0	0	0	0	220.73	220.73	220.73	220.73	0.00	0.2	0.0	0.0
12 Caught; object handled	0	1	0	0	0	0	920.59	920.59	920.59	920.59	0.00	0.2	0.0	0.0
31 Fall, slip or trip, NOC	1	1	0	0	0	0	5.00	1,650.00	5.00	5.00	1,645.00	0.2	0.0	0.0
45 Vehicle; collide with other vehicle	0	1	0	0	2	2	1,228.56	1,228.56	1,228.56	1,228.56	0.00	0.2	0.0	0.0
66 Strike; object being lifted or handled	0	1	0	0	0	0	895.54	895.54	895.54	895.54	0.00	0.2	0.0	0.0
70 Strike; against or stepping on NOC	0	1	0	0	5	5	286.37	286.37	286.37	286.37	0.00	0.2	0.0	0.0
81 Injured by; struck or injured NOC	0	1	0	0	0	0	6.75	6.75	6.75	6.75	0.00	0.2	0.0	0.0
Totals for Financial Management Agency / Parking Control Technicians														
	2	12	0	0	29	2	9,923.82	16,375.47	826.99	2,396.07	6,451.65	1.9	0.3	0.2
Financial Management Agency / Personnel Res Mgmt														
50 Vehicle; motor vehicle NOC	0	1	0	0	0	0	169.42	169.42	169.42	169.42	0.00	0.2	0.0	0.0
Totals for Financial Management Agency / Personnel Res Mgmt														
	0	1	0	0	0	0	169.42	169.42	169.42	169.42	0.00	0.2	0.0	0.0
Financial Management Agency / Retirement & Risk Admin														
97 Strain; repetitive motion	0	1	0	0	0	0	150.17	150.17	150.17	150.17	0.00	0.2	0.0	0.0
Totals for Financial Management Agency / Retirement & Risk Admin														
	0	1	0	0	0	0	150.17	150.17	150.17	150.17	0.00	0.2	0.0	0.0
Totals for Financial Management Agency														
	9	26	3	3	40	2	23,397.44	111,909.35	899.90	3,936.12	88,511.91	0.2	0.0	0.0

Loss Dates: 07/01/2008 - 06/30/2009 Extract: Logical

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

Frequency Analysis - Loss Cause 08-09

As Of 06/30/2009

City of Oakland

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
Fire Services Agency / Fire-Civilian-Administration																
31 Fall, slip or trip, NOC	2	5	0	0	0	0	4,260.19	11,733.34	852.04	2,896.34	7,473.15	0.8	0.1	0.1		
97 Strain; repetitive motion	2	5	0	0	0	0	3,200.41	27,336.97	640.08	1,786.16	24,136.56	0.8	0.1	0.3		
91 Police/fire physical fitness	1	3	0	30	0	10	4,352.16	18,395.36	1,450.72	3,092.96	14,043.20	0.5	0.1	0.2		
12 Caught; object handled	0	2	0	0	0	0	1,809.78	1,809.78	904.89	931.12	0.00	0.3	0.1	0.0		
56 Strain; lifting	0	2	0	0	5	3	1,059.06	1,059.06	529.53	648.26	0.00	0.3	0.0	0.0		
75 Injured by; falling or flying object	0	2	0	4	9	7	7,576.54	7,576.54	3,788.27	7,323.92	0.00	0.3	0.2	0.1		
02 Burn; Hot object or substance	0	1	0	0	0	0	149.45	149.45	149.45	149.45	0.00	0.2	0.0	0.0		
09 Adverse reaction	0	1	0	0	0	0	3,381.33	3,381.33	3,381.33	3,381.33	0.00	0.2	0.1	0.0		
103 Fitness Training	0	1	0	0	0	0	545.18	545.18	545.18	545.18	0.00	0.2	0.0	0.0		
50 Vehicle; motor vehicle NOC	1	1	0	1	0	1	10,853.04	13,711.15	10,853.04	10,853.04	2,858.11	0.2	0.3	0.1		
82 Misc;absorption/ingestion/inhalation	0	1	0	0	0	0	108.34	108.34	108.34	108.34	0.00	0.2	0.0	0.0		
99 Misc; other - miscellaneous, NOC	0	1	0	0	0	0	96.59	96.59	96.59	96.59	0.00	0.2	0.0	0.0		
Totals for Fire Services Agency / Fire-Civilian-Administration																
	6	25	0	35	14	2	37,392.07	85,903.09	1,495.68	10,853.04	48,511.02	3.9	1.1	0.8		
Fire Services Agency / Fire-Sworn																
56 Strain; lifting	7	16	1	641	9	41	194,430.16	277,949.95	12,151.89	73,388.39	83,519.79	2.5	5.6	2.7		
31 Fall, slip or trip, NOC	7	15	1	745	91	56	252,114.48	372,575.60	16,807.63	106,851.49	120,461.12	2.3	7.2	3.7		
05 Contact with	2	13	0	72	0	6	27,446.51	54,304.96	2,111.27	24,163.82	26,858.45	2.0	0.8	0.5		
53 Strain; twisting	3	9	0	385	41	47	112,500.75	174,039.11	12,500.08	41,950.29	61,538.36	1.4	3.2	1.7		
57 Strain; pushing or pulling	1	9	0	242	0	27	72,777.74	101,949.31	8,086.42	24,065.29	29,171.57	1.4	2.1	1.0		
98 Cumulative (NOC)	8	9	7	39	0	4	31,435.73	286,342.12	3,492.86	26,020.17	254,906.39	1.4	0.9	2.8		
32 Fighting fire	3	8	1	101	0	13	37,481.29	155,613.97	4,685.16	20,664.16	118,132.68	1.2	1.1	1.5		
19 Cut; caught, punctured, scraped, NOC	3	7	0	161	0	23	55,623.74	109,629.06	7,946.25	48,565.58	54,005.32	1.1	1.6	1.1		
60 Strain; strain or injury by, NOC	4	7	0	90	4	13	36,099.52	88,773.62	5,157.07	15,514.69	52,674.10	1.1	1.0	0.9		
99 Misc; other - miscellaneous, NOC	2	7	0	95	0	14	70,316.29	93,313.26	10,045.18	58,011.51	22,996.97	1.1	2.0	0.9		
30 Slipped; did not fall	3	4	1	153	180	83	62,853.82	93,745.98	15,713.46	58,701.77	30,892.16	0.6	1.8	0.9		
12 Caught; object handled	3	3	0	110	0	37	28,712.80	48,383.70	9,570.93	12,702.90	19,670.90	0.5	0.8	0.5		
52 Sports/physical fitness	2	3	0	24	0	8	5,944.07	43,241.73	1,981.36	3,471.43	37,297.66	0.5	0.2	0.4		
87 Foreign matter (body) in eye(s)	0	3	0	7	0	2	4,829.37	4,829.37	1,609.79	1,783.30	0.00	0.5	0.1	0.0		
91 Police/fire physical fitness	0	3	1	104	0	35	38,618.00	38,618.00	12,872.67	31,433.59	0.00	0.5	1.1	0.4		
09 Adverse reaction	1	2	0	0	0	0	266.98	8,591.79	133.49	193.73	8,324.81	0.3	0.0	0.1		
66 Strike; object being lifted or handled	0	2	0	5	0	3	2,495.39	2,495.39	1,247.70	1,981.37	0.00	0.3	0.1	0.0		
70 Strike; against or stepping on NOC	0	2	0	0	0	0	629.80	629.80	314.90	431.01	0.00	0.3	0.0	0.0		
79 Injured by; object being lifted/handled	1	2	0	198	53	126	69,131.43	125,393.00	34,565.72	69,131.43	56,261.57	0.3	2.0	1.2		
07 Climbing	0	1	0	7	0	7	3,572.28	3,572.28	3,572.28	3,572.28	0.00	0.2	0.1	0.0		
103 Fitness Training	1	1	0	14	0		9,035.44	16,374.72	9,035.44	9,035.44	7,339.28	0.2	0.3	0.2		

EXHIBIT C

Frequency Analysis - Loss Cause 08-09

As Of 06/30/2009

City of Oakland

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
Fire Services Agency / Fire-Sworn (Continued)																
13 Caught; in, under, between, NOC	0	1	0	0	0	0	793.82	793.82	793.82	793.82	0.00	0.2	0.0	0.0		
18 Cut; powered hand tool, appliance	1	1	0	56	0	56	5,600.72	38,101.04	5,600.72	5,600.72	32,500.32	0.2	0.2	0.4		
27 Fall; from liquid or grease spills	1	1	0	9	0	9	6,944.82	13,264.90	6,944.82	6,944.82	6,320.08	0.2	0.2	0.1		
34 Noise Exposure	0	1	0	0	0	0	217.56	217.56	217.56	217.56	0.00	0.2	0.0	0.0		
58 Strain; reaching	1	1	0	0	0	0	703.21	11,262.36	703.21	703.21	10,559.15	0.2	0.0	0.1		
74 Injured by; another person	0	1	0	0	0	0	557.24	557.24	557.24	557.24	0.00	0.2	0.0	0.0		
76 Injured by; hand tool or machine in use	1	1	0	90	0	90	23,187.42	57,902.36	23,187.42	23,187.42	34,714.94	0.2	0.7	0.6		
81 Injured by; struck or injured NOC	1	1	1	0	0	0	1,688.59	37,542.20	1,688.59	1,688.59	35,853.61	0.2	0.0	0.4		
82 Misc;absorption/ingestion/inhalation	0	1	0	11	0	11	3,561.62	3,561.62	3,561.62	3,561.62	0.00	0.2	0.1	0.0		
85 Injured by; animal or insect	0	1	0	0	0	0	141.99	141.99	141.99	141.99	0.00	0.2	0.0	0.0		
93 Contagious or occup. disease	0	1	0	0	0	0	254.78	254.78	254.78	254.78	0.00	0.2	0.0	0.0		
Totals for Fire Services Agency / Fire-Sworn	56	137	13	3,359	378	27	1,159,967.36	2,263,966.59	8,466.92	106,851.49	1,103,999.23	21.3	33.1	22.3		
Totals for Fire Services Agency	62	162	13	3,394	392	23	1,197,359.43	2,349,869.68	7,391.11	106,851.49	1,152,510.25	21.3	33.1	22.3		

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Frequency Analysis - Loss Cause 08-09

As Of 06/30/2009

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
Human Services / HHS-Head Start																
31 Fall, slip or trip, NOC	0	3	0	1	0	0	1,396.91	1,396.91	465.64	898.03	0.00	0.5	0.0	0.0		
74 Injured by; another person	0	2	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.3	0.0	0.0		
09 Adverse reaction	0	1	0	0	0	0	135.89	135.89	135.89	135.89	0.00	0.2	0.0	0.0		
23 Fall or Slip; Ice, Snow	0	1	0	0	0	0	860.88	860.88	860.88	860.88	0.00	0.2	0.0	0.0		
30 Slipped; did not fall	0	1	0	0	0	0	143.17	143.17	143.17	143.17	0.00	0.2	0.0	0.0		
45 Vehicle; collide with other vehicle	0	1	0	0	0	0	455.83	455.83	455.83	455.83	0.00	0.2	0.0	0.0		
66 Strike; object being lifted or handled	1	1	0	23	0	23	2,705.38	5,858.49	2,705.38	2,705.38	3,153.11	0.2	0.1	0.1		
68 Strike; stationary object	1	1	1	0	0	0	1,541.16	15,108.00	1,541.16	1,541.16	13,566.84	0.2	0.0	0.1		
Totals for Human Services / HHS-Head Start	2	11	1	24	0	2	7,239.22	23,959.17	658.11	2,705.38	16,719.95	1.7	0.2	0.2		
Human Services / HHS-Human Services Div																
97 Strain; repetitive motion	2	3	2	0	0	0	2,169.39	11,129.69	723.13	1,593.78	8,960.30	0.5	0.1	0.1		
31 Fall, slip or trip, NOC	1	2	0	0	0	0	3,737.12	3,879.87	1,868.56	3,468.58	142.75	0.3	0.1	0.0		
Totals for Human Services / HHS-Human Services Div	3	5	2	0	0	0	5,906.51	15,009.56	1,181.30	3,468.58	9,103.05	0.8	0.2	0.1		
Human Services / LEA-Administration																
31 Fall, slip or trip, NOC	0	1	0	0	0	0	112.94	112.94	112.94	112.94	0.00	0.2	0.0	0.0		
Totals for Human Services / LEA-Administration	0	1	0	0	0	0	112.94	112.94	112.94	112.94	0.00	0.2	0.0	0.0		
Human Services / Office of Aging																
31 Fall, slip or trip, NOC	0	1	0	0	0	0	766.14	766.14	766.14	766.14	0.00	0.2	0.0	0.0		
75 Injured by; falling or flying object	0	1	0	0	0	0	173.30	173.30	173.30	173.30	0.00	0.2	0.0	0.0		
97 Strain; repetitive motion	1	1	0	0	0	0	806.55	11,741.55	806.55	806.55	10,935.00	0.2	0.0	0.1		
Totals for Human Services / Office of Aging	1	3	0	0	0	0	1,745.99	12,680.99	582.00	806.55	10,935.00	0.5	0.0	0.1		
Totals for Human Services	6	20	3	24	0	1	15,004.66	51,762.66	750.23	3,468.58	36,758.00	0.5	0.0	0.1		

Loss Dates: 07/01/2008 - 06/30/2009 Extract: Logical

Frequency Analysis - Loss Cause 08-09

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December 15, 2009

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City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
Library / Library														
56 Strain; lifting	1	3	0	0	0	0	684.53	1,962.72	228.18	371.81	1,278.19	0.5	0.0	0.0
09 Adverse reaction	0	2	0	0	0	0	1,198.38	1,198.38	599.19	1,075.25	0.00	0.3	0.0	0.0
31 Fall, slip or trip, NOC	0	2	0	0	0	0	479.33	479.33	239.67	479.33	0.00	0.3	0.0	0.0
97 Strain; repetitive motion	1	2	0	0	0	0	966.31	1,475.42	483.16	825.42	509.11	0.3	0.0	0.0
57 Strain; pushing or pulling	1	1	0	0	0	0	669.02	5,650.00	669.02	669.02	4,980.98	0.2	0.0	0.1
60 Strain; strain or injury by, NOC	0	1	0	0	0	0	161.77	161.77	161.77	161.77	0.00	0.2	0.0	0.0
87 Foreign matter (body) in eye(s)	0	1	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.2	0.0	0.0
98 Cumulative (NOC)	0	1	0	0	0	0	448.15	448.15	448.15	448.15	0.00	0.2	0.0	0.0
99 Misc; other - miscellaneous, NOC	1	1	0	0	0	0	0.00	650.00	0.00	0.00	650.00	0.2	0.0	0.0
Totals for Library / Library	4	14	0	0	0	0	4,607.49	12,025.77	329.11	1,075.25	7,418.28	2.2	0.1	0.1
Totals for Library	4	14	0	0	0	0	4,607.49	12,025.77	329.11	1,075.25	7,418.28	2.2	0.1	0.1

Loss Dates: 07/01/2008 - 06/30/2009 Extract: Logical

Frequency Analysis - Loss Cause 08-09

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

As Of 06/30/2009

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
Miscellaneous/Old / Dummy Claims																
99 Misc; other - miscellaneous, NOC	1	1	0	0	0	0	1,812.90	88,300.00	1,812.90	1,812.90	86,487.10	0.2	0.1	0.9		
Totals for Miscellaneous/Old / Dummy Claims	1	1	0	0	0	0	1,812.90	88,300.00	1,812.90	1,812.90	86,487.10	0.2	0.1	0.9		
Totals for Miscellaneous/Old	1	1	0	0	0	0	1,812.90	88,300.00	1,812.90	1,812.90	86,487.10	0.2	0.1	0.9		

Loss Dates: 07/01/2008 - 06/30/2009 Extract: Logical

Frequency Analysis - Loss Cause 08-09

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

As Of 06/30/2009

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
Museum / Museum														
31 Fall, slip or trip, NOC	1	2	0	239	33	136	27,223.07	46,907.53	13,611.54	26,775.34	19,684.46	0.3	0.8	0.5
53 Strain; twisting	1	1	0	2	0	2	10,901.93	25,904.41	10,901.93	10,901.93	15,002.48	0.2	0.3	0.3
Totals for Museum / Museum	2	3	0	241	33	91	38,125.00	72,811.94	12,708.33	26,775.34	34,686.94	0.5	1.1	0.7
Totals for Museum	2	3	0	241	33	91	38,125.00	72,811.94	12,708.33	26,775.34	34,686.94	0.5	1.1	0.7

Loss Dates: 07/01/2008 - 06/30/2009 Extract Logical

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

Frequency Analysis - Loss Cause 08-09

As Of 06/30/2009

City of Oakland

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
Office of Mayor & Council / Office of the Mayor														
75 Injured by; falling or flying object	0	1	0	0	0	0	168.07	168.07	168.07	168.07	0.00	0.2	0.0	0.0
Totals for Office of Mayor & Council / Office of the Mayor	0	1	0	0	0	0	168.07	168.07	168.07	168.07	0.00	0.2	0.0	0.0
Totals for Office of Mayor & Council														
	0	1	0	0	0	0	168.07	168.07	168.07	168.07	0.00	0.2	0.0	0.0

Loss Dates: 07/01/2008 - 06/30/2009 Extract: Logical

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

Frequency Analysis - Loss Cause 08-09

As Of 06/30/2009

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
Parks & Recreation / OPR-Park Services														
19 Cut; caught, punctured, scraped, NOC	0	1	0	0	0	0	132.37	132.37	132.37	132.37	0.00	0.2	0.0	0.0
Totals for Parks & Recreation / OPR-Park Services	0	1	0	0	0	0	132.37	132.37	132.37	132.37	0.00	0.2	0.0	0.0
Parks & Recreation / OPR-Recreational Services														
31 Fall, slip or trip, NOC	0	2	0	24	129	77	5,415.84	5,415.84	2,707.92	5,034.29	0.00	0.3	0.2	0.1
54 Strain; jumping	2	2	0	0	14	7	0.00	9,724.40	0.00	0.00	9,724.40	0.3	0.0	0.1
74 Injured by; another person	0	2	0	0	0	0	1,026.02	1,026.02	513.01	922.16	0.00	0.3	0.0	0.0
07 Climbing	1	1	0	0	0	0	7.25	8,649.60	7.25	7.25	8,642.35	0.2	0.0	0.1
12 Caught; object handled	1	1	0	59	23	82	11,620.00	24,753.03	11,620.00	11,620.00	13,133.03	0.2	0.3	0.2
66 Strike; object being lifted or handled	0	1	0	1	0	1	274.34	274.34	274.34	274.34	0.00	0.2	0.0	0.0
99 Misc; other - miscellaneous, NOC	1	1	0	0	0	0	14,964.58	20,389.28	14,964.58	14,964.58	5,424.70	0.2	0.4	0.2
Totals for Parks & Recreation / OPR-Recreational Services	5	10	0	84	166	25	33,308.03	70,232.51	3,330.80	14,964.58	36,924.48	1.6	1.0	0.7
Totals for Parks & Recreation	5	11	0	84	166	23	33,440.40	70,364.88	3,040.04	14,964.58	36,924.48	1.6	1.0	0.7

Frequency Analysis - Loss Cause 08-09

As Of 06/30/2009

City of Oakland

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
Police Services Agency / Police-Civilian-Administration																
97 Strain; repetitive motion	2	7	1	72	11	12	14,279.65	55,634.86	2,039.95	9,469.23	41,355.21	1.1	0.4	0.5		
91 Police/fire physical fitness	0	6	0	0	2	0	1,048.51	1,048.51	174.75	286.53	0.00	0.9	0.0	0.0		
31 Fall, slip or trip, NOC	3	5	0	51	20	14	2,858.50	4,106.97	571.70	1,158.78	1,248.47	0.8	0.1	0.0		
85 Injured by; animal or insect	1	5	0	0	0	0	585.29	2,087.04	117.06	189.43	1,501.75	0.8	0.0	0.0		
74 Injured by; another person	0	3	0	0	0	0	1,145.23	1,145.23	381.74	726.42	0.00	0.5	0.0	0.0		
09 Adverse reaction	1	2	0	0	0	0	540.16	540.16	270.08	540.16	0.00	0.3	0.0	0.0		
30 Slipped; did not fall	1	2	0	33	26	30	2,801.09	54,323.17	1,400.55	2,498.92	51,522.08	0.3	0.1	0.5		
45 Vehicle; collide with other vehicle	2	2	0	6	0	3	544.56	10,952.50	272.28	532.31	10,407.94	0.3	0.0	0.1		
53 Strain; twisting	0	2	0	0	0	0	942.92	942.92	471.46	475.77	0.00	0.3	0.0	0.0		
99 Misc; other - miscellaneous, NOC	1	2	0	0	0	0	1,422.68	2,029.93	711.34	1,422.68	607.25	0.3	0.0	0.0		
10 Heat stress related	1	1	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.2	0.0	0.0		
19 Cut; caught, punctured, scraped, NOC	1	1	0	0	0	0	441.61	3,525.00	441.61	441.61	3,083.39	0.2	0.0	0.0		
29 Slip or Fall Same Level	0	1	0	0	0	0	140.77	140.77	140.77	140.77	0.00	0.2	0.0	0.0		
56 Strain; lifting	1	1	0	0	0	0	0.00	1,506.75	0.00	0.00	1,506.75	0.2	0.0	0.0		
57 Strain; pushing or pulling	0	1	0	0	0	0	776.63	776.63	776.63	776.63	0.00	0.2	0.0	0.0		
60 Strain; strain or injury by, NOC	0	1	0	0	0	0	135.89	135.89	135.89	135.89	0.00	0.2	0.0	0.0		
66 Strike; object being lifted or handled	0	1	0	0	0	0	220.63	220.63	220.63	220.63	0.00	0.2	0.0	0.0		
82 Misc;absorption/ingestion/inhalation	1	1	0	0	0	0	7.25	15,443.00	7.25	7.25	15,435.75	0.2	0.0	0.2		
89 Person in act of crime	0	1	0	9	4	13	2,482.95	2,482.95	2,482.95	2,482.95	0.00	0.2	0.1	0.0		
98 Cumulative (NOC)	0	1	0	0	0	0	531.68	531.68	531.68	531.68	0.00	0.2	0.0	0.0		
Totals for Police Services Agency / Police-Civilian-Administration																
	15	46	1	171	63	5	30,906.00	157,574.59	671.87	9,469.23	126,668.59	7.1	0.9	1.5		
Police Services Agency / Police-Sworn																
89 Person in act of crime	19	46	5	1,282	403	37	505,669.73	4,040,379.54	10,992.82	75,208.74	3,534,709.81	7.1	14.4	39.7		
45 Vehicle; collide with other vehicle	10	26	1	742	71	31	204,234.66	328,415.50	7,855.18	50,463.88	124,180.84	4.0	5.8	3.2		
31 Fall, slip or trip, NOC	6	15	3	758	72	55	223,639.50	439,667.17	14,909.30	83,843.49	216,027.67	2.3	6.4	4.3		
53 Strain; twisting	5	14	0	671	241	65	179,129.04	278,897.26	12,794.93	47,544.20	99,768.22	2.2	5.1	2.7		
19 Cut; caught, punctured, scraped, NOC	2	9	0	5	0	1	3,681.61	13,504.70	409.07	2,421.02	9,823.09	1.4	0.1	0.1		
05 Contact with	3	8	0	24	6	4	8,413.91	12,823.52	1,051.74	3,159.46	4,409.61	1.2	0.2	0.1		
50 Vehicle; motor vehicle NOC	5	8	0	453	168	78	135,657.20	233,910.72	16,957.15	53,754.00	98,253.52	1.2	3.9	2.3		
74 Injured by; another person	1	8	0	443	13	57	74,179.69	76,715.77	9,272.46	67,970.67	2,536.08	1.2	2.1	0.8		
56 Strain; lifting	2	7	0	5	42	7	4,139.74	6,985.49	591.39	1,554.60	2,845.75	1.1	0.1	0.1		
60 Strain; strain or injury by, NOC	3	7	1	108	20	18	24,467.62	84,755.13	3,495.37	12,151.95	60,287.51	1.1	0.7	0.8		
85 Injured by; animal or insect	0	7	0	76	45	17	17,465.82	17,465.82	2,495.12	7,956.04	0.00	1.1	0.5	0.2		
98 Cumulative (NOC)	6	6	3	85	0	14	18,590.66	145,230.55	3,098.44	9,060.52	126,639.89	0.9	0.5	1.4		
09 Adverse reaction	4	5	1	0	0		8,447.75	116,654.64	1,689.55	4,950.69	108,206.89	0.8	0.2	1.1		

EXHIBIT C

Loss Dates: 07/01/2008 - 06/30/2009 Extract: Logical
 Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims
 Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

Frequency Analysis - Loss Cause 08-09

As Of 06/30/2009

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
Police Services Agency / Police-Sworn (Continued)														
07 Climbing	1	4	0	39	6	11	8,764.55	13,849.70	2,191.14	6,076.06	5,085.15	0.6	0.3	0.1
103 Fitness Training	0	4	0	7	34	10	3,252.92	3,252.92	813.23	2,347.16	0.00	0.6	0.1	0.0
54 Strain; jumping	0	3	0	8	0	3	2,884.37	2,884.37	961.46	1,347.24	0.00	0.5	0.1	0.0
57 Strain; pushing or pulling	2	3	1	82	26	36	26,569.95	62,966.60	8,856.65	11,931.70	36,396.65	0.5	0.8	0.6
101 Defensive Tactics	1	2	0	228	32	130	83,676.16	167,297.34	41,838.08	83,572.82	83,621.18	0.3	2.4	1.6
66 Strike; object being lifted or handled	1	2	0	0	6	3	306.28	1,813.53	153.14	306.28	1,507.25	0.3	0.0	0.0
96 Bending	1	2	0	187	51	119	49,747.83	69,874.81	24,873.92	49,741.08	20,126.98	0.3	1.4	0.7
97 Strain; repetitive motion	1	2	1	0	0	0	80.00	12,996.75	40.00	72.75	12,916.75	0.3	0.0	0.1
99 Misc; other - miscellaneous, NOC	0	2	0	11	0	6	2,829.83	2,829.83	1,414.92	2,763.83	0.00	0.3	0.1	0.0
02 Burn; Hot object or substance	0	1	0	0	7	7	5.00	5.00	5.00	5.00	0.00	0.2	0.0	0.0
10 Heat stress related	0	1	0	0	0	0	887.38	887.38	887.38	887.38	0.00	0.2	0.0	0.0
12 Caught; object handled	0	1	0	13	0	13	4,268.44	4,268.44	4,268.44	4,268.44	0.00	0.2	0.1	0.0
13 Caught; in, under, between, NOC	0	1	0	0	0	0	229.47	229.47	229.47	229.47	0.00	0.2	0.0	0.0
14 Gunshot	0	1	0	45	0	45	26,287.39	26,287.39	26,287.39	26,287.39	0.00	0.2	0.8	0.3
15 Cut; broken glass	0	1	0	6	0	6	2,424.35	2,424.35	2,424.35	2,424.35	0.00	0.2	0.1	0.0
28 Fall; Into Opening	0	1	0	0	0	0	443.65	443.65	443.65	443.65	0.00	0.2	0.0	0.0
29 Slip or Fall Same Level	0	1	0	0	77	77	2,823.27	2,823.27	2,823.27	2,823.27	0.00	0.2	0.1	0.0
58 Strain; reaching	0	1	0	5	0	5	2,071.98	2,071.98	2,071.98	2,071.98	0.00	0.2	0.1	0.0
59 Strain; using tools or machinery	0	1	0	0	0	0	495.83	495.83	495.83	495.83	0.00	0.2	0.0	0.0
70 Strike; against or stepping on NOC	0	1	0	0	0	0	511.27	511.27	511.27	511.27	0.00	0.2	0.0	0.0
75 Injured by; falling or flying object	0	1	0	0	0	0	136.51	136.51	136.51	136.51	0.00	0.2	0.0	0.0
79 Injured by; object being lifted/handled	1	1	0	40	0	40	24,179.63	46,035.25	24,179.63	24,179.63	21,855.62	0.2	0.7	0.5
82 Misc;absorption/ingestion/inhalation	1	1	0	2	0	2	707.13	9,506.75	707.13	707.13	8,799.62	0.2	0.0	0.1
87 Foreign matter (body) in eye(s)	0	1	0	0	0	0	222.72	222.72	222.72	222.72	0.00	0.2	0.0	0.0
91 Police/fire physical fitness	0	1	0	7	20	27	2,393.53	2,393.53	2,393.53	2,393.53	0.00	0.2	0.1	0.0
93 Contagious or occup. disease	1	1	0	0	0	0	10.00	7,880.78	10.00	10.00	7,870.78	0.2	0.0	0.1
Totals for Police Services Agency / Police-Sworn	76	207	16	5,332	1,340	32	1,653,926.37	6,239,795.23	7,989.98	83,843.49	4,585,868.86	32.1	47.2	61.4
Totals for Police Services Agency	91	253	17	5,503	1,403	27	1,684,832.37	6,397,369.82	6,659.42	83,843.49	4,712,537.45	32.1	47.2	61.4

Loss Dates: 07/01/2008 - 06/30/2009 Extract: Logical

Frequency Analysis - Loss Cause 08-09

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

December 15, 2009

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

As Of 06/30/2009

8:21PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
Public Works Department / Administration																
31 Fall, slip or trip, NOC	0	1	0	0	0	0	691.11	691.11	691.11	691.11	0.00	0.2	0.0	0.0		
56 Strain; lifting	1	1	0	0	20	20	347.60	5,000.00	347.60	347.60	4,652.40	0.2	0.0	0.0		
Totals for Public Works Department / Administration	1	2	0	0	20	10	1,038.71	5,691.11	519.36	691.11	4,652.40	0.3	0.0	0.1		
Public Works Department / Electrical																
53 Strain; twisting	0	1	0	0	0	0	265.67	265.67	265.67	265.67	0.00	0.2	0.0	0.0		
85 Injured by; animal or insect	0	1	0	0	0	0	153.40	153.40	153.40	153.40	0.00	0.2	0.0	0.0		
Totals for Public Works Department / Electrical	0	2	0	0	0	0	419.07	419.07	209.54	265.67	0.00	0.3	0.0	0.0		
Public Works Department / Engineering/Design																
09 Adverse reaction	0	1	0	0	0	0	135.89	135.89	135.89	135.89	0.00	0.2	0.0	0.0		
56 Strain; lifting	1	1	0	0	43	43	2,867.59	11,510.60	2,867.59	2,867.59	8,643.01	0.2	0.1	0.1		
58 Strain; reaching	0	1	0	0	0	0	696.96	696.96	696.96	696.96	0.00	0.2	0.0	0.0		
Totals for Public Works Department / Engineering/Design	1	3	0	0	43	14	3,700.44	12,343.45	1,233.48	2,867.59	8,643.01	0.5	0.1	0.1		
Public Works Department / Equipment																
56 Strain; lifting	0	3	0	141	14	52	32,750.63	32,750.63	10,916.88	30,619.69	0.00	0.5	0.9	0.3		
50 Vehicle; motor vehicle NOC	0	2	0	0	0	0	710.72	710.72	355.36	569.83	0.00	0.3	0.0	0.0		
29 Slip or Fall Same Level	1	1	0	0	12	12	525.39	7,788.00	525.39	525.39	7,262.61	0.2	0.0	0.1		
31 Fall, slip or trip, NOC	0	1	0	0	0	0	254.51	254.51	254.51	254.51	0.00	0.2	0.0	0.0		
60 Strain; strain or injury by, NOC	0	1	0	0	0	0	96.59	96.59	96.59	96.59	0.00	0.2	0.0	0.0		
75 Injured by; falling or flying object	0	1	0	0	0	0	111.26	111.26	111.26	111.26	0.00	0.2	0.0	0.0		
Totals for Public Works Department / Equipment	1	9	0	141	26	19	34,449.10	41,711.71	3,827.68	30,619.69	7,262.61	1.4	1.0	0.4		
Public Works Department / Maint Services																
56 Strain; lifting	8	10	3	393	193	59	61,149.29	259,083.24	6,114.93	28,347.96	197,933.95	1.6	1.7	2.5		
31 Fall, slip or trip, NOC	2	6	0	10	23	6	6,812.84	24,290.90	1,135.47	2,803.35	17,478.06	0.9	0.2	0.2		
45 Vehicle; collide with other vehicle	4	6	0	105	177	47	17,653.56	59,852.00	2,942.26	10,456.70	42,198.44	0.9	0.5	0.6		
57 Strain; pushing or pulling	2	4	0	72	0	18	18,935.48	21,737.01	4,733.87	10,251.87	2,801.53	0.6	0.5	0.2		
66 Strike; object being lifted or handled	2	4	0	432	16	112	99,828.84	118,235.46	24,957.21	84,802.95	18,406.62	0.6	2.9	1.2		
05 Contact with	1	3	0	65	0	22	9,816.80	9,816.80	3,272.27	9,266.36	0.00	0.5	0.3	0.1		

EXHIBIT C

Frequency Analysis - Loss Cause 08-09

City of Oakland

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
Public Works Department / Maint Services (Continued)																
85 Injured by; animal or insect	1	3	0	0	3	1	648.81	3,085.74	216.27	316.63	2,436.93	0.5	0.0	0.0		
19 Cut; caught, punctured, scraped, NOC	0	2	0	0	0	0	255.00	255.00	127.50	158.41	0.00	0.3	0.0	0.0		
29 Slip or Fall Same Level	1	2	1	419	0	210	48,749.70	69,288.26	24,374.85	48,742.95	20,538.56	0.3	1.4	0.7		
50 Vehicle; motor vehicle NOC	2	2	0	6	37	22	3,136.68	15,750.88	1,568.34	3,129.43	12,614.20	0.3	0.1	0.2		
60 Strain; strain or injury by, NOC	2	2	0	0	51	26	2,995.23	12,043.82	1,497.62	2,087.82	9,048.59	0.3	0.1	0.1		
70 Strike; against or stepping on NOC	0	2	0	16	15	16	4,336.21	4,336.21	2,168.11	4,232.34	0.00	0.3	0.1	0.0		
82 Misc;absorption/ingestion/inhalation	0	2	0	0	0	0	2,099.25	2,099.25	1,049.63	1,797.94	0.00	0.3	0.1	0.0		
87 Foreign matter (body) in eye(s)	1	2	0	6	0	3	1,007.67	5,838.46	503.84	514.21	4,830.79	0.3	0.0	0.1		
99 Misc; other - miscellaneous, NOC	0	2	0	0	0	0	169.34	169.34	84.67	96.59	0.00	0.3	0.0	0.0		
02 Burn; Hot object or substance	0	1	0	0	0	0	104.49	104.49	104.49	104.49	0.00	0.2	0.0	0.0		
09 Adverse reaction	0	1	0	0	0	0	2,588.80	2,588.80	2,588.80	2,588.80	0.00	0.2	0.1	0.0		
12 Caught; object handled	0	1	0	0	0	0	129.64	129.64	129.64	129.64	0.00	0.2	0.0	0.0		
30 Slipped; did not fall	0	1	0	0	0	0	304.77	304.77	304.77	304.77	0.00	0.2	0.0	0.0		
76 Injured by; hand tool or machine in use	1	1	0	0	27	27	1,507.10	2,650.00	1,507.10	1,507.10	1,142.90	0.2	0.0	0.0		
79 Injured by; object being lifted/handled	0	1	0	0	2	2	502.06	502.06	502.06	502.06	0.00	0.2	0.0	0.0		
92 Skin Disease or disorders	0	1	0	0	0	0	96.59	96.59	96.59	96.59	0.00	0.2	0.0	0.0		
Totals for Public Works Department / Maint Services	27	59	4	1,524	544	35	282,828.15	612,258.72	4,793.70	84,802.95	329,430.57	9.2	8.1	6.0		
Public Works Department / Municipal Bldgs																
75 Injured by; falling or flying object	0	3	0	0	0	0	441.01	441.01	147.00	197.13	0.00	0.5	0.0	0.0		
56 Strain; lifting	1	2	0	0	35	18	4,225.53	8,980.91	2,112.77	3,322.46	4,755.38	0.3	0.1	0.1		
19 Cut; caught, punctured, scraped, NOC	0	1	0	0	0	0	135.24	135.24	135.24	135.24	0.00	0.2	0.0	0.0		
31 Fall, slip or trip, NOC	1	1	0	8	7	15	1,690.11	5,437.00	1,690.11	1,690.11	3,746.89	0.2	0.0	0.1		
53 Strain; twisting	0	1	0	4	24	28	1,556.47	1,556.47	1,556.47	1,556.47	0.00	0.2	0.0	0.0		
57 Strain; pushing or pulling	0	1	0	0	10	10	907.43	907.43	907.43	907.43	0.00	0.2	0.0	0.0		
66 Strike; object being lifted or handled	0	1	0	0	60	60	688.25	688.25	688.25	688.25	0.00	0.2	0.0	0.0		
82 Misc;absorption/ingestion/inhalation	0	1	0	0	0	0	96.59	96.59	96.59	96.59	0.00	0.2	0.0	0.0		
97 Strain; repetitive motion	0	1	0	0	0	0	2,652.44	2,652.44	2,652.44	2,652.44	0.00	0.2	0.1	0.0		
99 Misc; other - miscellaneous, NOC	0	1	0	0	0	0	118.52	118.52	118.52	118.52	0.00	0.2	0.0	0.0		
Totals for Public Works Department / Municipal Bldgs	2	13	0	12	136	11	12,511.59	21,013.86	962.43	3,322.46	8,502.27	2.0	0.4	0.2		
Public Works Department / PWA-PARKS																
56 Strain; lifting	1	9	0	196	43	27	33,515.05	34,165.05	3,723.89	29,508.64	650.00	1.4	1.0	0.3		
31 Fall, slip or trip, NOC	1	5	0	0	17	3	2,425.24	4,680.00	485.05	1,314.34	2,254.76	0.8	0.1	0.0		

Loss Dates: 07/01/2008 - 06/30/2009 Extract: Logical

Frequency Analysis - Loss Cause 08-09

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

As Of 06/30/2009

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
Public Works Department / PWA-PARKS (Continued)														
85 Injured by; animal or insect	1	5	0	0	0	0	635.99	1,285.99	127.20	232.46	650.00	0.8	0.0	0.0
19 Cut; caught, punctured, scraped, NOC	1	4	0	0	11	3	1,111.97	1,531.61	277.99	325.58	419.64	0.6	0.0	0.0
57 Strain; pushing or pulling	1	3	0	40	92	44	15,056.78	23,675.41	5,018.93	6,881.37	8,618.63	0.5	0.4	0.2
45 Vehicle; collide with other vehicle	1	2	0	13	12	13	3,677.69	18,960.64	1,838.85	2,590.71	15,282.95	0.3	0.1	0.2
50 Vehicle; motor vehicle NOC	1	2	0	19	0	10	960.92	15,957.87	480.46	953.67	14,996.95	0.3	0.0	0.2
74 Injured by; another person	0	2	0	5	1	3	5,080.27	5,080.27	2,540.14	4,937.63	0.00	0.3	0.1	0.0
79 Injured by; object being lifted/handled	0	2	0	0	0	0	396.92	396.92	198.46	212.31	0.00	0.3	0.0	0.0
07 Climbing	0	1	0	0	99	99	1,130.94	1,130.94	1,130.94	1,130.94	0.00	0.2	0.0	0.0
13 Caught; in, under, between, NOC	0	1	0	0	0	0	119.11	119.11	119.11	119.11	0.00	0.2	0.0	0.0
30 Slipped; did not fall	1	1	0	0	72	72	2,429.04	2,650.00	2,429.04	2,429.04	220.96	0.2	0.1	0.0
53 Strain; twisting	0	1	0	0	22	22	1,960.35	1,960.35	1,960.35	1,960.35	0.00	0.2	0.1	0.0
59 Strain; using tools or machinery	1	1	1	39	286	325	17,706.80	50,124.66	17,706.80	17,706.80	32,417.86	0.2	0.5	0.5
66 Strike; object being lifted or handled	1	1	0	0	99	99	2,035.14	2,650.00	2,035.14	2,035.14	614.86	0.2	0.1	0.0
75 Injured by; falling or flying object	0	1	0	0	0	0	159.14	159.14	159.14	159.14	0.00	0.2	0.0	0.0
76 Injured by; hand tool or machine in use	0	1	0	49	47	96	8,192.61	8,192.61	8,192.61	8,192.61	0.00	0.2	0.2	0.1
97 Strain; repetitive motion	1	1	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.2	0.0	0.0
99 Misc; other - miscellaneous, NOC	0	1	0	0	0	0	66.00	66.00	66.00	66.00	0.00	0.2	0.0	0.0
Totals for Public Works Department / PWA-PARKS	11	44	1	361	801	26	96,659.96	172,786.57	2,196.82	29,508.64	76,126.61	6.8	2.8	1.7
Totals for Public Works Department	43	132	5	2,038	1,570	27	431,607.02	866,224.49	3,269.75	84,802.95	434,617.47	6.8	2.8	1.7

Loss Dates: 07/01/2008 - 06/30/2009 Extract: Logical

Frequency Analysis - Loss Cause 08-09

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

December 15, 2009

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

As Of 06/30/2009

8:21PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
Totals for City of Oakland	231	644	43	11,440	3,662	23	3,501,812.73	10,166,439.89	5,437.60	106,851.49	6,664,627.16	6.8	2.8	1.7

Loss Dates: 07/01/2008 - 06/30/2009 Extract: Logical

Frequency Analysis - Loss Cause 08-09

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

December 15, 2009

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

As Of 06/30/2009

8:21PM

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
GRAND TOTALS	231	644	43	11,440	3,662	23	3,501,812.73	10,166,439.89	5,437.60	106,851.49	6,664,627.16	100.0	100.0	100.0

Received Dates: 07/01/2007 - 06/30/2008 Extract: Logical
Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims
Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

Frequency Analysis - Loss Cause 07-08

As Of 06/30/2008

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
Admin Services Agency / Office of Information & Tech														
56 Strain; lifting	1	2	0	0	0	0	2,189.09	14,851.92	1,094.55	1,987.17	12,662.83	0.3	0.1	0.1
09 Adverse reaction	0	1	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.1	0.0	0.0
19 Cut; caught, punctured, scraped, NOC	0	1	0	0	0	0	103.10	103.10	103.10	103.10	0.00	0.1	0.0	0.0
96 Bending	0	1	0	0	0	0	75.19	75.19	75.19	75.19	0.00	0.1	0.0	0.0
97 Strain; repetitive motion	0	1	0	0	0	0	845.38	845.38	845.38	845.38	0.00	0.1	0.0	0.0
Totals for Admin Services Agency / Office of Information & Tech	1	6	0	0	0	0	3,212.76	15,875.59	535.46	1,987.17	12,662.83	0.8	0.1	0.1
Admin Services Agency / Personnel Res Mgmt														
09 Adverse reaction	0	1	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.1	0.0	0.0
Totals for Admin Services Agency / Personnel Res Mgmt	0	1	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.1	0.0	0.0
Totals for Admin Services Agency	1	7	0	0	0	0	3,212.76	15,875.59	458.97	1,987.17	12,662.83	0.1	0.0	0.0

Received Dates: 07/01/2007 - 06/30/2008 Extract: Logical

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

Frequency Analysis - Loss Cause 07-08

As Of 06/30/2008

January 09, 2009

2:26PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
CEDA																
31 Fall, slip or trip, NOC	0	5	0	78	31	22	12,541.61	12,541.61	2,508.32	11,411.43	0.00	0.7	0.3	0.1		
97 Strain; repetitive motion	1	3	1	0	0	0	625.20	11,123.12	208.40	406.78	10,497.92	0.4	0.0	0.1		
09 Adverse reaction	1	2	0	0	0	0	2,503.28	30,432.59	1,251.64	2,401.69	27,929.31	0.3	0.1	0.3		
56 Strain; lifting	1	2	1	57	40	49	10,428.16	15,168.18	5,214.08	9,557.76	4,740.02	0.3	0.3	0.1		
04 Collision: non-vehicle	0	1	0	0	0	0	154.46	154.46	154.46	154.46	0.00	0.1	0.0	0.0		
13 Caught; in, under, between, NOC	0	1	0	0	0	0	318.71	318.71	318.71	318.71	0.00	0.1	0.0	0.0		
19 Cut; caught, punctured, scraped, NOC	0	1	0	0	0	0	6.75	6.75	6.75	6.75	0.00	0.1	0.0	0.0		
45 Vehicle; collide with other vehicle	0	1	0	0	10	10	594.25	594.25	594.25	594.25	0.00	0.1	0.0	0.0		
60 Strain; strain or injury by, NOC	0	1	0	0	0	0	532.09	532.09	532.09	532.09	0.00	0.1	0.0	0.0		
74 Injured by; another person	0	1	0	0	0	0	96.59	96.59	96.59	96.59	0.00	0.1	0.0	0.0		
75 Injured by; falling or flying object	0	1	0	0	0	0	145.34	145.34	145.34	145.34	0.00	0.1	0.0	0.0		
87 Foreign matter (body) in eye(s)	0	1	0	0	0	0	174.28	174.28	174.28	174.28	0.00	0.1	0.0	0.0		
Totals for CEDA	3	20	2	135	81	11	28,120.72	71,287.97	1,406.04	11,411.43	43,167.25	2.8	0.8	0.7		

Received Dates: 07/01/2007 - 06/30/2008 Extract: Logical

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

Frequency Analysis - Loss Cause 07-08

As Of 06/30/2008

City of Oakland

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
City Attorney's Office / City Attorney																
31 Fall, slip or trip, NOC	0	1	0	0	0	0	1,268.01	1,268.01	1,268.01	1,268.01	0.00	0.1	0.0	0.0		
53 Strain; twisting	0	1	0	1	22	23	876.59	876.59	876.59	876.59	0.00	0.1	0.0	0.0		
59 Strain; using tools or machinery	1	1	0	71	60	131	12,583.59	19,810.00	12,583.59	12,583.59	7,226.41	0.1	0.3	0.2		
97 Strain; repetitive motion	1	1	0	0	0	0	3,859.36	9,878.88	3,859.36	3,859.36	6,019.52	0.1	0.1	0.1		
Totals for City Attorney's Office / City Attorney	2	4	0	72	82	39	18,587.55	31,833.48	4,646.89	12,583.59	13,245.93	0.6	0.5	0.3		
Totals for City Attorney's Office	2	4	0	72	82	39	18,587.55	31,833.48	4,646.89	12,583.59	13,245.93	0.6	0.5	0.3		

Received Dates: 07/01/2007 - 06/30/2008 Extract: Logical

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

Frequency Analysis - Loss Cause 07-08

As Of 06/30/2008

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
City Manager's Office / City Manager														
31 Fall, slip or trip, NOC	0	1	0	0	7	7	1,255.12	1,255.12	1,255.12	1,255.12	0.00	0.1	0.0	0.0
99 Misc; other - miscellaneous, NOC	0	1	0	0	0	0	96.59	96.59	96.59	96.59	0.00	0.1	0.0	0.0
Totals for City Manager's Office / City Manager	0	2	0	0	7	4	1,351.71	1,351.71	675.86	1,255.12	0.00	0.3	0.0	0.0
Totals for City Manager's Office														
	0	2	0	0	7	4	1,351.71	1,351.71	675.86	1,255.12	0.00	0.3	0.0	0.0

Received Dates: 07/01/2007 - 06/30/2008 Extract: Logical

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

Frequency Analysis - Loss Cause 07-08

As Of 06/30/2008

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
Fire Services Agency / Fire-Civilian-Administration																
97 Strain; repetitive motion	1	3	0	0	0	0	2,482.97	10,832.97	827.66	2,482.97	8,350.00	0.4	0.1	0.1		
31 Fall, slip or trip, NOC	0	2	0	4	0	2	5,005.20	5,005.20	2,502.60	2,826.33	0.00	0.3	0.1	0.0		
07 Climbing	0	1	0	0	0	0	1,919.32	1,919.32	1,919.32	1,919.32	0.00	0.1	0.1	0.0		
09 Adverse reaction	0	1	0	0	0	0	124.11	124.11	124.11	124.11	0.00	0.1	0.0	0.0		
45 Vehicle; collide with other vehicle	1	1	0	104	0	104	14,768.72	73,923.00	14,768.72	14,768.72	59,154.28	0.1	0.4	0.7		
53 Strain; twisting	1	1	0	0	0	0	151.28	1,650.00	151.28	151.28	1,498.72	0.1	0.0	0.0		
56 Strain; lifting	0	1	0	0	3	3	1,513.01	1,513.01	1,513.01	1,513.01	0.00	0.1	0.0	0.0		
57 Strain; pushing or pulling	0	1	0	0	0	0	184.36	184.36	184.36	184.36	0.00	0.1	0.0	0.0		
66 Strike; object being lifted or handled	1	1	0	0	0	0	1,667.26	2,675.51	1,667.26	1,667.26	1,008.25	0.1	0.0	0.0		
75 Injured by; falling or flying object	0	1	0	0	0	0	177.87	177.87	177.87	177.87	0.00	0.1	0.0	0.0		
91 Police/fire physical fitness	0	1	0	0	0	0	114.28	114.28	114.28	114.28	0.00	0.1	0.0	0.0		
98 Cumulative (NOC)	0	1	0	0	0	0	387.82	387.82	387.82	387.82	0.00	0.1	0.0	0.0		
Totals for Fire Services Agency / Fire-Civilian-Administration	4	15	0	108	3	7	28,496.20	98,507.45	1,899.75	14,768.72	70,011.25	2.1	0.8	0.9		
Fire Services Agency / Fire-Sworn																
32 Fighting fire	6	22	2	162	0	7	54,388.75	82,760.25	2,472.22	11,111.66	28,371.50	3.1	1.5	0.8		
56 Strain; lifting	9	18	3	553	44	33	128,033.46	274,983.91	7,112.97	23,327.35	146,950.45	2.5	3.4	2.6		
98 Cumulative (NOC)	9	15	9	161	0	11	194,260.31	729,518.67	12,950.69	103,054.45	535,258.36	2.1	5.2	6.8		
31 Fall, slip or trip, NOC	6	14	2	847	41	63	291,158.68	471,257.39	20,797.05	100,571.84	180,098.71	1.9	7.8	4.4		
05 Contact with	2	11	0	13	0	1	6,748.62	17,849.35	613.51	3,142.28	11,100.73	1.5	0.2	0.2		
103 Fitness Training	5	7	2	472	34	72	118,255.30	301,781.57	16,893.61	59,719.86	183,526.27	1.0	3.2	2.8		
60 Strain; strain or injury by, NOC	3	5	0	28	0	6	11,857.67	52,650.52	2,371.53	4,039.35	40,792.85	0.7	0.3	0.5		
70 Strike; against or stepping on NOC	3	5	0	111	0	22	32,725.69	80,852.63	6,545.14	11,181.12	48,126.94	0.7	0.9	0.8		
87 Foreign matter (body) in eye(s)	2	5	0	2	0	0	891.20	6,926.83	178.24	387.29	6,035.63	0.7	0.0	0.1		
15 Cut; broken glass	3	4	0	54	0	14	14,474.21	89,271.44	3,618.55	14,228.30	74,797.23	0.6	0.4	0.8		
30 Slipped; did not fall	2	4	0	186	0	47	53,890.64	117,143.59	13,472.66	32,070.72	63,252.95	0.6	1.5	1.1		
57 Strain; pushing or pulling	2	4	0	119	75	49	34,885.39	72,220.97	8,721.35	26,470.16	37,335.58	0.6	0.9	0.7		
82 Misc; absorption/ingestion/inhalation	0	4	0	81	0	20	27,094.63	27,094.63	6,773.66	8,803.88	0.00	0.6	0.7	0.3		
12 Caught; object handled	0	3	0	72	0	24	23,071.68	23,071.68	7,690.56	18,968.37	0.00	0.4	0.6	0.2		
50 Vehicle; motor vehicle NOC	3	3	0	271	0	90	128,919.16	373,144.18	42,973.05	76,273.25	244,225.02	0.4	3.5	3.5		
66 Strike; object being lifted or handled	0	3	0	0	0	0	670.70	670.70	223.57	330.18	0.00	0.4	0.0	0.0		
93 Contagious or occup. disease	0	3	0	55	0	18	17,974.82	17,974.82	5,991.61	13,588.18	0.00	0.4	0.5	0.2		
99 Misc; other - miscellaneous, NOC	1	3	0	1	0	0	4,313.16	18,159.54	1,437.72	2,053.69	13,846.38	0.4	0.1	0.2		
02 Burn; Hot object or substance	0	2	0	8	0	4	2,633.48	2,633.48	1,316.74	2,536.89	0.00	0.3	0.1	0.0		
19 Cut; caught, punctured, scraped, NOC	1	2	0	10	0	5	2,623.39	14,300.87	1,311.70	2,459.60	11,677.48	0.3	0.1	0.1		
52 Sports/physical fitness	1	2	1	199	0	EXHIBIT D	44,326.80	58,950.25	22,163.40	41,032.43	14,623.45	0.3	1.2	0.6		

Received Dates: 07/01/2007 - 06/30/2008 Extract: Logical

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

Frequency Analysis - Loss Cause 07-08

As Of 06/30/2008

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
Fire Services Agency / Fire-Sworn (Continued)																
53 Strain; twisting	1	2	0	49	0	25	16,645.38	17,051.70	8,322.69	15,536.70	406.32	0.3	0.4	0.2		
68 Strike; stationary object	0	2	0	38	0	19	10,875.05	10,875.05	5,437.53	10,675.35	0.00	0.3	0.3	0.1		
79 Injured by; object being lifted/handled	0	2	0	4	0	2	1,452.51	1,452.51	726.26	1,323.08	0.00	0.3	0.0	0.0		
91 Police/fire physical fitness	1	2	1	47	0	24	17,723.94	36,927.97	8,861.97	14,794.99	19,204.03	0.3	0.5	0.3		
07 Climbing	0	1	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.1	0.0	0.0		
09 Adverse reaction	1	1	0	1	0	1	269.19	8,518.72	269.19	269.19	8,249.53	0.1	0.0	0.1		
11 Burn; cold objects or substances	0	1	0	0	0	0	269.32	269.32	269.32	269.32	0.00	0.1	0.0	0.0		
16 Cut; hand tool, utensil, not powered	0	1	0	0	0	0	162.54	162.54	162.54	162.54	0.00	0.1	0.0	0.0		
33 Fall; on stairs	1	1	0	6	0	6	0.00	29,166.32	0.00	0.00	29,166.32	0.1	0.0	0.3		
34 Noise Exposure	0	1	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.1	0.0	0.0		
69 Stepping; on sharp object	0	1	0	0	0	0	416.99	416.99	416.99	416.99	0.00	0.1	0.0	0.0		
74 Injured by; another person	0	1	0	0	0	0	182.49	182.49	182.49	182.49	0.00	0.1	0.0	0.0		
76 Injured by; hand tool or machine in use	1	1	0	78	0	78	24,675.56	35,438.80	24,675.56	24,675.56	10,763.24	0.1	0.7	0.3		
77 Injured by; motor vehicle	0	1	0	23	0	23	7,346.08	7,346.08	7,346.08	7,346.08	0.00	0.1	0.2	0.1		
81 Injured by; struck or injured NOC	0	1	0	0	0	0	304.57	304.57	304.57	304.57	0.00	0.1	0.0	0.0		
85 Injured by; animal or insect	0	1	0	3	0	3	824.69	824.69	824.69	824.69	0.00	0.1	0.0	0.0		
97 Strain; repetitive motion	1	1	1	48	0	48	14,320.47	52,552.15	14,320.47	14,320.47	38,231.68	0.1	0.4	0.5		
Totals for Fire Services Agency / Fire-Sworn	64	160	21	3,702	194	24	1,288,666.52	3,034,707.17	8,054.17	103,054.45	1,746,040.65	22.3	34.7	28.3		
Totals for Fire Services Agency	68	175	21	3,810	197	23	1,317,162.72	3,133,214.62	7,526.64	103,054.45	1,816,051.90	22.3	34.7	28.3		

Received Dates: 07/01/2007 - 06/30/2008 Extract: Logical

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

Frequency Analysis - Loss Cause 07-08

As Of 06/30/2008

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
Life Enrichment Agency / HHS-Head Start														
31 Fall, slip or trip, NOC	2	5	0	0	30	6	2,611.13	23,593.49	522.23	1,181.70	20,982.36	0.7	0.1	0.2
74 Injured by; another person	0	2	0	0	0	0	310.80	310.80	155.40	206.31	0.00	0.3	0.0	0.0
81 Injured by; struck or injured NOC	0	2	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.3	0.0	0.0
98 Cumulative (NOC)	0	2	1	0	0	0	0.00	0.00	0.00	0.00	0.00	0.3	0.0	0.0
99 Misc; other - miscellaneous, NOC	2	2	0	0	83	42	2,056.33	15,245.68	1,028.17	1,128.88	13,189.35	0.3	0.1	0.1
103 Fitness Training	0	1	0	0	0	0	732.39	732.39	732.39	732.39	0.00	0.1	0.0	0.0
12 Caught; object handled	0	1	0	0	0	0	245.23	245.23	245.23	245.23	0.00	0.1	0.0	0.0
60 Strain; strain or injury by, NOC	0	1	0	0	0	0	916.81	916.81	916.81	916.81	0.00	0.1	0.0	0.0
68 Strike; stationary object	1	1	0	0	104	104	4,427.92	9,178.73	4,427.92	4,427.92	4,750.81	0.1	0.1	0.1
Totals for Life Enrichment Agency / HHS-Head Start														
	5	17	1	0	217	13	11,300.61	50,223.13	664.74	4,427.92	38,922.52	2.4	0.3	0.5
Life Enrichment Agency / HHS-Human Services Div														
31 Fall, slip or trip, NOC	0	1	0	0	0	0	6.75	6.75	6.75	6.75	0.00	0.1	0.0	0.0
99 Misc; other - miscellaneous, NOC	1	1	0	0	0	0	96.59	246.59	96.59	96.59	150.00	0.1	0.0	0.0
Totals for Life Enrichment Agency / HHS-Human Services Div														
	1	2	0	0	0	0	103.34	253.34	51.67	96.59	150.00	0.3	0.0	0.0
Life Enrichment Agency / LEA-Administration														
56 Strain; lifting	0	1	0	0	0	0	271.12	271.12	271.12	271.12	0.00	0.1	0.0	0.0
Totals for Life Enrichment Agency / LEA-Administration														
	0	1	0	0	0	0	271.12	271.12	271.12	271.12	0.00	0.1	0.0	0.0
Life Enrichment Agency / Library														
56 Strain; lifting	1	6	0	0	0	0	1,357.39	2,907.39	226.23	694.09	1,550.00	0.8	0.0	0.0
97 Strain; repetitive motion	3	4	0	0	44	11	5,772.76	36,595.00	1,443.19	3,274.91	30,822.24	0.6	0.2	0.3
98 Cumulative (NOC)	1	2	1	0	76	38	1,250.64	19,905.63	625.32	1,175.57	18,654.99	0.3	0.0	0.2
31 Fall, slip or trip, NOC	1	1	0	90	0	90	12,073.77	17,968.20	12,073.77	12,073.77	5,894.43	0.1	0.3	0.2
57 Strain; pushing or pulling	1	1	1	0	0	0	2,924.34	6,414.50	2,924.34	2,924.34	3,490.16	0.1	0.1	0.1
75 Injured by; falling or flying object	1	1	0	0	0	0	0.00	3,530.04	0.00	0.00	3,530.04	0.1	0.0	0.0
Totals for Life Enrichment Agency / Library														
	8	15	2	90	120	14	23,378.90	87,320.76	1,558.59	12,073.77	63,941.86	2.1	0.6	0.8
Life Enrichment Agency / Museum														
57 Strain; pushing or pulling	0	1	0	0	0	0	299.91	299.91	299.91	299.91	0.00	0.1	0.0	0.0

EXHIBIT D

Received Dates: 07/01/2007 - 06/30/2008 Extract: Logical

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

Frequency Analysis - Loss Cause 07-08

As Of 06/30/2008

City of Oakland

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
Life Enrichment Agency / Museum (Continued)																
66 Strike; object being lifted or handled	0	1	0	0	0	0	152.28	152.28	152.28	152.28	0.00	0.1	0.0	0.0		
75 Injured by; falling or flying object	0	1	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.1	0.0	0.0		
Totals for Life Enrichment Agency / Museum	0	3	0	0	0	0	452.19	452.19	150.73	299.91	0.00	0.4	0.0	0.0		
Life Enrichment Agency / Office of Aging																
31 Fall, slip or trip, NOC	0	3	0	0	0	0	346.95	346.95	115.65	146.12	0.00	0.4	0.0	0.0		
56 Strain; lifting	0	2	0	0	3	2	590.43	590.43	295.22	439.93	0.00	0.3	0.0	0.0		
74 Injured by; another person	1	1	0	0	17	17	449.69	13,464.00	449.69	449.69	13,014.31	0.1	0.0	0.1		
Totals for Life Enrichment Agency / Office of Aging	1	6	0	0	20	3	1,387.07	14,401.38	231.18	449.69	13,014.31	0.8	0.0	0.1		
Life Enrichment Agency / OPR-Administration																
79 Injured by; object being lifted/handled	0	1	0	0	0	0	486.87	486.87	486.87	486.87	0.00	0.1	0.0	0.0		
Totals for Life Enrichment Agency / OPR-Administration	0	1	0	0	0	0	486.87	486.87	486.87	486.87	0.00	0.1	0.0	0.0		
Life Enrichment Agency / OPR-Park Services																
03 Burn; temperature extremes	0	1	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.1	0.0	0.0		
05 Contact with	0	1	0	0	0	0	1,745.13	1,745.13	1,745.13	1,745.13	0.00	0.1	0.0	0.0		
53 Strain; twisting	1	1	0	0	0	0	235.17	1,515.00	235.17	235.17	1,279.83	0.1	0.0	0.0		
56 Strain; lifting	0	1	0	0	5	5	437.46	437.46	437.46	437.46	0.00	0.1	0.0	0.0		
60 Strain; strain or injury by, NOC	0	1	0	0	0	0	160.40	160.40	160.40	160.40	0.00	0.1	0.0	0.0		
Totals for Life Enrichment Agency / OPR-Park Services	1	5	0	0	5	1	2,578.16	3,857.99	515.63	1,745.13	1,279.83	0.7	0.1	0.0		
Life Enrichment Agency / OPR-Recreational Services																
31 Fall, slip or trip, NOC	1	2	1	315	20	168	36,102.57	54,801.02	18,051.29	35,541.55	18,698.45	0.3	1.0	0.5		
75 Injured by; falling or flying object	0	2	0	0	0	0	271.07	271.07	135.54	167.21	0.00	0.3	0.0	0.0		
97 Strain; repetitive motion	1	2	0	0	0	0	1,776.38	18,443.64	888.19	1,127.64	16,667.26	0.3	0.0	0.2		
45 Vehicle; collide with other vehicle	0	1	0	0	0	0	135.89	135.89	135.89	135.89	0.00	0.1	0.0	0.0		
82 Misc;absorption/ingestion/inhalation	0	1	0	0	0	0	6.25	6.25	6.25	6.25	0.00	0.1	0.0	0.0		
87 Foreign matter (body) in eye(s)	0	1	0	0	0	0	103.86	103.86	103.86	103.86	0.00	0.1	0.0	0.0		
89 Person in act of crime	0	1	0	0	0	0	1,405.04	1,405.04	1,405.04	1,405.04	0.00	0.1	0.0	0.0		

Received Dates: 07/01/2007 - 06/30/2008 Extract: Logical

Frequency Analysis - Loss Cause 07-08

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

As Of 06/30/2008

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
Totals for Life Enrichment Agency / OPR-Recreational Services	2	10	1	315	20	34	39,601.06	75,166.77	3,980.11	35,541.55	35,365.71	1.4	1.1	0.7
Totals for Life Enrichment Agency	18	60	4	405	382	13	79,759.32	232,433.55	1,329.32	35,541.55	152,674.23	1.4	1.1	0.7

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City of Oakland

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Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
Miscellaneous/Old / Dummy Claims																
99 Misc; other - miscellaneous, NOC	1	1	0	0	0	0	0.00	750,000.00	0.00	0.00	750,000.00	0.1	0.0	7.0		
Totals for Miscellaneous/Old / Dummy Claims	1	1	0	0	0	0	0.00	750,000.00	0.00	0.00	750,000.00	0.1	0.0	7.0		
Totals for Miscellaneous/Old	1	1	0	0	0	0	0.00	750,000.00	0.00	0.00	750,000.00	0.1	0.0	7.0		

Frequency Analysis - Loss Cause 07-08

As Of 06/30/2008

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
Office Of Financial Services / Financial Administration																
97 Strain; repetitive motion	1	4	0	113	8	30	10,357.34	24,582.81	2,589.34	8,215.07	14,225.47	0.6	0.3	0.2		
31 Fall, slip or trip, NOC	1	3	1	0	30	10	1,710.89	18,375.45	570.30	1,241.56	16,664.56	0.4	0.0	0.2		
45 Vehicle; collide with other vehicle	0	2	0	0	77	39	3,713.80	3,713.80	1,856.90	3,605.46	0.00	0.3	0.1	0.0		
09 Adverse reaction	1	1	0	94	0	94	1,705.44	19,831.00	1,705.44	1,705.44	18,125.56	0.1	0.0	0.2		
56 Strain; lifting	1	1	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.1	0.0	0.0		
58 Strain; reaching	1	1	0	0	0	0	929.88	17,998.00	929.88	929.88	17,068.12	0.1	0.0	0.2		
99 Misc; other - miscellaneous, NOC	1	1	1	0	0	0	5,991.75	25,498.00	5,991.75	5,991.75	19,506.25	0.1	0.2	0.2		
Totals for Office Of Financial Services / Financial Administration																
	6	13	2	207	115	25	24,409.10	109,999.06	1,877.62	8,215.07	85,589.96	1.8	0.7	1.0		
Office Of Financial Services / Parking Control Technicians																
45 Vehicle; collide with other vehicle	2	3	0	0	65	22	1,375.80	15,877.48	458.60	769.35	14,501.68	0.4	0.0	0.1		
53 Strain; twisting	1	3	0	0	85	28	2,213.29	18,375.94	737.76	1,243.64	16,162.65	0.4	0.1	0.2		
97 Strain; repetitive motion	2	2	0	37	92	65	5,206.73	27,717.70	2,603.37	5,206.73	22,510.97	0.3	0.1	0.3		
19 Cut; caught, punctured, scraped, NOC	1	1	0	0	0	0	0.00	1,650.00	0.00	0.00	1,650.00	0.1	0.0	0.0		
31 Fall, slip or trip, NOC	0	1	0	0	0	0	5.00	5.00	5.00	5.00	0.00	0.1	0.0	0.0		
60 Strain; strain or injury by, NOC	0	1	0	0	0	0	61.30	61.30	61.30	61.30	0.00	0.1	0.0	0.0		
74 Injured by; another person	1	1	1	19	37	56	3,912.20	9,825.00	3,912.20	3,912.20	5,912.80	0.1	0.1	0.1		
77 Injured by; motor vehicle	0	1	0	0	0	0	1,162.30	1,162.30	1,162.30	1,162.30	0.00	0.1	0.0	0.0		
85 Injured by; animal or insect	0	1	0	0	0	0	113.59	113.59	113.59	113.59	0.00	0.1	0.0	0.0		
99 Misc; other - miscellaneous, NOC	0	1	0	0	0	0	140.77	140.77	140.77	140.77	0.00	0.1	0.0	0.0		
Totals for Office Of Financial Services / Parking Control Technicians																
	7	15	1	56	279	22	14,190.98	74,929.08	946.07	5,206.73	60,738.10	2.1	0.4	0.7		
Office Of Financial Services / Purchasing																
56 Strain; lifting	0	1	0	0	34	34	289.93	289.93	289.93	289.93	0.00	0.1	0.0	0.0		
Totals for Office Of Financial Services / Purchasing																
	0	1	0	0	34	34	289.93	289.93	289.93	289.93	0.00	0.1	0.0	0.0		
Totals for Office Of Financial Services																
	13	29	3	263	428	24	38,890.01	185,218.07	1,341.03	8,215.07	146,328.06	0.1	0.0	0.0		

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Frequency Analysis - Loss Cause 07-08

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Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

As Of 06/30/2008

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rost.							Claims	Paid	Incur.
Office of the City Auditor / City Auditor														
98 Cumulative (NOC)	0	1	0	0	0	0	1,697.66	1,697.66	1,697.66	1,697.66	0.00	0.1	0.0	0.0
Totals for Office of the City Auditor / City Auditor	0	1	0	0	0	0	1,697.66	1,697.66	1,697.66	1,697.66	0.00	0.1	0.0	0.0
Totals for Office of the City Auditor	0	1	0	0	0	0	1,697.66	1,697.66	1,697.66	1,697.66	0.00	0.1	0.0	0.0

Received Dates: 07/01/2007 - 06/30/2008 Extract: Logical

Frequency Analysis - Loss Cause 07-08

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

January 09, 2009

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

As Of 06/30/2008

2:26PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
Police Services Agency / Police-Civilian-Administration																
103 Fitness Training	11	24	3	492	295	33	101,958.26	285,148.05	4,248.26	39,441.47	183,189.79	3.3	2.7	2.7		
53 Strain; twisting	2	5	1	81	34	23	12,743.12	111,485.11	2,548.62	9,648.24	98,741.99	0.7	0.3	1.0		
101 Defensive Tactics	3	4	2	466	131	149	103,539.35	554,108.28	25,884.84	70,167.96	450,568.93	0.6	2.8	5.2		
19 Cut; caught, punctured, scraped, NOC	1	4	0	0	2	1	856.53	4,381.53	214.13	431.01	3,525.00	0.6	0.0	0.0		
31 Fall, slip or trip, NOC	2	4	0	110	8	30	6,068.33	7,534.56	1,517.08	4,352.57	1,466.23	0.6	0.2	0.1		
97 Strain; repetitive motion	3	4	1	145	163	77	38,956.77	105,536.70	9,739.19	30,305.89	66,579.93	0.6	1.0	1.0		
09 Adverse reaction	1	3	0	0	0	0	841.54	841.54	280.51	737.68	0.00	0.4	0.0	0.0		
45 Vehicle; collide with other vehicle	2	3	2	162	88	83	10,418.58	63,035.89	3,472.86	10,282.69	52,617.31	0.4	0.3	0.6		
82 Misc;absorption/ingestion/inhalation	0	3	0	0	0	0	364.75	364.75	121.58	364.75	0.00	0.4	0.0	0.0		
91 Police/fire physical fitness	0	3	0	10	51	20	2,926.16	2,926.16	975.39	2,363.23	0.00	0.4	0.1	0.0		
98 Cumulative (NOC)	2	3	3	0	0	0	1,487.36	77,895.66	495.79	847.70	76,408.30	0.4	0.0	0.7		
57 Strain; pushing or pulling	1	2	0	182	28	105	34,875.57	54,835.63	17,437.79	34,694.39	19,960.06	0.3	0.9	0.5		
60 Strain; strain or injury by, NOC	0	2	0	0	0	0	2,885.81	2,885.81	1,442.91	2,039.06	0.00	0.3	0.1	0.0		
74 Injured by; another person	1	2	0	11	62	37	1,299.02	40,021.25	649.51	1,292.77	38,722.23	0.3	0.0	0.4		
85 Injured by; animal or insect	1	2	1	243	0	122	13,358.97	20,909.40	6,679.49	13,099.57	7,550.43	0.3	0.4	0.2		
93 Contagious or occup. disease	2	2	0	4	0	2	408.60	10,013.00	204.30	403.60	9,604.40	0.3	0.0	0.1		
05 Contact with	1	1	0	0	0	0	0.00	13,000.00	0.00	0.00	13,000.00	0.1	0.0	0.1		
30 Slipped; did not fall	1	1	0	18	65	83	11,060.91	65,300.00	11,060.91	11,060.91	54,239.09	0.1	0.3	0.6		
56 Strain; lifting	0	1	0	0	0	0	1,258.38	1,258.38	1,258.38	1,258.38	0.00	0.1	0.0	0.0		
66 Strike; object being lifted or handled	0	1	0	0	0	0	273.58	273.58	273.58	273.58	0.00	0.1	0.0	0.0		
81 Injured by; struck or injured NOC	0	1	0	0	0	0	103.86	103.86	103.86	103.86	0.00	0.1	0.0	0.0		
92 Skin Disease or disorders	0	1	0	0	0	0	107.68	107.68	107.68	107.68	0.00	0.1	0.0	0.0		
Totals for Police Services Agency / Police-Civilian-Administration																
	34	76	13	1,924	927	38	345,793.13	1,421,966.82	4,549.91	70,167.96	1,076,173.69	10.6	9.3	13.3		
Police Services Agency / Police-Sworn																
89 Person in act of crime	23	62	4	2,261	237	40	651,197.36	1,234,606.85	10,503.18	95,570.66	583,409.49	8.6	17.5	11.5		
45 Vehicle; collide with other vehicle	7	17	0	521	7	31	145,310.46	230,473.86	8,547.67	56,689.28	85,163.40	2.4	3.9	2.2		
98 Cumulative (NOC)	6	11	8	112	22	12	62,003.00	222,155.13	5,636.64	24,256.24	160,152.13	1.5	1.7	2.1		
53 Strain; twisting	2	9	0	262	72	37	78,723.61	123,292.45	8,747.07	65,605.81	44,568.84	1.3	2.1	1.2		
31 Fall, slip or trip, NOC	2	7	0	60	49	16	14,969.85	26,972.85	2,138.55	11,487.90	12,003.00	1.0	0.4	0.3		
56 Strain; lifting	1	7	0	96	34	19	25,221.60	35,841.01	3,603.09	8,387.09	10,619.41	1.0	0.7	0.3		
85 Injured by; animal or insect	0	7	0	16	12	4	6,845.49	6,845.49	977.93	2,864.70	0.00	1.0	0.2	0.1		
19 Cut; caught, punctured, scraped, NOC	1	6	0	71	0	12	13,306.63	23,514.77	2,217.77	9,854.12	10,208.14	0.8	0.4	0.2		
97 Strain; repetitive motion	3	6	0	96	160	43	28,197.27	104,228.52	4,699.55	13,657.23	76,031.25	0.8	0.8	1.0		
103 Fitness Training	1	5	0	0	7	1	449.23	1,950.73	89.85	199.15	1,501.50	0.7	0.0	0.0		
82 Misc;absorption/ingestion/inhalation	2	5	1	0	0		EXHIBIT D 1,237.11	51,691.22	247.42	367.75	50,454.11	0.7	0.0	0.5		

Received Dates: 07/01/2007 - 06/30/2008 Extract: Logical

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

Frequency Analysis - Loss Cause 07-08

As Of 06/30/2008

January 09, 2009

2:26PM

Report Categories: AGIMODPR

City of Oakland

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incub.		
Police Services Agency / Police-Sworn (Continued)																
05 Contact with	3	4	1	195	13	52	43,569.91	125,694.83	10,892.48	43,388.74	82,124.92	0.6	1.2	1.2		
09 Adverse reaction	3	4	2	13	8	5	4,104.63	83,666.15	1,026.16	3,374.15	79,561.52	0.6	0.1	0.8		
101 Defensive Tactics	3	4	1	608	105	178	136,021.13	206,010.08	34,005.28	70,214.95	69,988.95	0.6	3.7	1.9		
57 Strain; pushing or pulling	2	4	0	103	0	26	30,620.05	73,695.89	7,655.01	27,113.11	43,075.84	0.6	0.8	0.7		
79 Injured by; object being lifted/handled	0	4	0	0	14	4	934.03	934.03	233.51	440.69	0.00	0.6	0.0	0.0		
81 Injured by; struck or injured NOC	3	4	1	0	0	0	26,785.05	834,064.79	6,696.26	26,576.41	807,279.74	0.6	0.7	7.8		
91 Police/fire physical fitness	2	3	1	87	0	29	26,964.85	41,813.08	8,988.28	26,236.18	14,848.23	0.4	0.7	0.4		
04 Collision: non-vehicle	0	2	0	13	0	7	5,282.72	5,282.72	2,641.36	4,741.39	0.00	0.3	0.1	0.0		
07 Climbing	2	2	0	18	0	9	5,057.91	19,079.50	2,528.96	4,320.82	14,021.59	0.3	0.1	0.2		
30 Slipped; did not fall	1	2	0	36	71	54	9,580.36	23,799.81	4,790.18	5,795.55	14,219.45	0.3	0.3	0.2		
60 Strain; strain or injury by, NOC	0	2	0	0	0	0	338.67	338.67	169.34	179.83	0.00	0.3	0.0	0.0		
69 Stepping; on sharp object	0	2	0	5	45	25	1,748.64	1,748.64	874.32	1,421.47	0.00	0.3	0.0	0.0		
74 Injured by; another person	0	2	0	57	0	29	11,925.34	11,925.34	5,962.67	11,398.67	0.00	0.3	0.3	0.1		
08 Collision; Non-vehicle	1	1	0	0	13	13	135.47	20,015.00	135.47	135.47	19,879.53	0.1	0.0	0.2		
12 Caught; object handled	0	1	0	0	5	5	470.93	470.93	470.93	470.93	0.00	0.1	0.0	0.0		
14 Gunshot	1	1	0	1	0	1	216.74	15,006.50	216.74	216.74	14,789.76	0.1	0.0	0.1		
26 Fall; from ladder or scaffolding	1	1	0	0	0	0	0.00	1,506.50	0.00	0.00	1,506.50	0.1	0.0	0.0		
34 Noise Exposure	0	1	0	0	0	0	432.66	432.66	432.66	432.66	0.00	0.1	0.0	0.0		
46 Vehicle; collision with fixed object	1	1	0	180	0	180	47,040.84	54,325.95	47,040.84	47,040.84	7,285.11	0.1	1.3	0.5		
50 Vehicle; motor vehicle NOC	0	1	0	19	0	19	3,669.29	3,669.29	3,669.29	3,669.29	0.00	0.1	0.1	0.0		
52 Sports/physical fitness	0	1	0	0	0	0	365.96	365.96	365.96	365.96	0.00	0.1	0.0	0.0		
66 Strike; object being lifted or handled	0	1	0	0	32	32	635.28	635.28	635.28	635.28	0.00	0.1	0.0	0.0		
68 Strike; stationary object	1	1	0	0	0	0	0.00	1,506.50	0.00	0.00	1,506.50	0.1	0.0	0.0		
70 Strike; against or stepping on NOC	1	1	0	0	0	0	0.00	1,506.50	0.00	0.00	1,506.50	0.1	0.0	0.0		
75 Injured by; falling or flying object	0	1	0	0	42	42	5.00	5.00	5.00	5.00	0.00	0.1	0.0	0.0		
87 Foreign matter (body) in eye(s)	0	1	0	0	0	0	201.63	201.63	201.63	201.63	0.00	0.1	0.0	0.0		
92 Skin Disease or disorders	1	1	0	0	7	7	5.00	9,006.50	5.00	5.00	9,001.50	0.1	0.0	0.1		
93 Contagious or occup. disease	0	1	0	7	0	7	2,378.69	2,378.69	2,378.69	2,378.69	0.00	0.1	0.1	0.0		
Totals for Police Services Agency / Police-Sworn	74	196	19	4,837	955	30	1,385,952.39	3,600,659.30	7,071.19	95,570.66	2,214,706.91	27.3	37.3	33.6		
Totals for Police Services Agency	108	272	32	6,761	1,882	32	1,731,745.52	5,022,626.12	6,366.71	95,570.66	3,290,880.60	27.3	37.3	33.6		

Received Dates: 07/01/2007 - 06/30/2008 Extract: Logical
Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims
Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

Frequency Analysis - Loss Cause 07-08

As Of 06/30/2008

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
Public Works Department / Administration																
97 Strain; repetitive motion	3	4	2	80	133	53	10,663.70	52,452.40	2,665.93	6,406.32	41,788.70	0.6	0.3	0.5		
09 Adverse reaction	1	2	0	0	0	0	176.49	176.49	88.25	176.49	0.00	0.3	0.0	0.0		
13 Caught; in, under, between, NOC	0	1	0	0	4	4	739.81	739.81	739.81	739.81	0.00	0.1	0.0	0.0		
45 Vehicle; collide with other vehicle	1	1	0	0	0	0	1,251.39	7,527.00	1,251.39	1,251.39	6,275.61	0.1	0.0	0.1		
68 Strike; stationary object	1	1	1	0	0	0	1,788.42	13,500.00	1,788.42	1,788.42	11,711.58	0.1	0.0	0.1		
79 Injured by; object being lifted/handled	0	1	0	0	0	0	219.53	219.53	219.53	219.53	0.00	0.1	0.0	0.0		
Totals for Public Works Department / Administration	6	10	3	80	137	22	14,839.34	74,615.23	1,483.93	6,406.32	59,775.89	1.4	0.4	0.7		
Public Works Department / Electrical																
31 Fall, slip or trip, NOC	1	1	1	92	171	263	31,745.37	42,856.62	31,745.37	31,745.37	11,111.25	0.1	0.9	0.4		
85 Injured by; animal or insect	0	1	0	0	3	3	555.00	555.00	555.00	555.00	0.00	0.1	0.0	0.0		
Totals for Public Works Department / Electrical	1	2	1	92	174	133	32,300.37	43,411.62	16,150.19	31,745.37	11,111.25	0.3	0.9	0.4		
Public Works Department / Engineering/Design																
18 Cut; powered hand tool, appliance	0	1	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.1	0.0	0.0		
31 Fall, slip or trip, NOC	0	1	0	0	0	0	206.42	206.42	206.42	206.42	0.00	0.1	0.0	0.0		
45 Vehicle; collide with other vehicle	0	1	0	0	5	5	2,016.33	2,016.33	2,016.33	2,016.33	0.00	0.1	0.1	0.0		
Totals for Public Works Department / Engineering/Design	0	3	0	0	5	2	2,222.75	2,222.75	740.92	2,016.33	0.00	0.4	0.1	0.0		
Public Works Department / Equipment																
56 Strain; lifting	1	3	0	133	138	90	20,439.64	56,410.97	6,813.21	15,114.35	35,971.33	0.4	0.6	0.5		
09 Adverse reaction	1	2	1	0	0	0	0.00	33,616.00	0.00	0.00	33,616.00	0.3	0.0	0.3		
16 Cut; hand tool, utensil, not powered	0	1	0	0	5	5	159.40	159.40	159.40	159.40	0.00	0.1	0.0	0.0		
31 Fall, slip or trip, NOC	1	1	1	134	0	134	19,072.06	61,972.39	19,072.06	19,072.06	42,900.33	0.1	0.5	0.6		
66 Strike; object being lifted or handled	0	1	0	0	0	0	135.89	135.89	135.89	135.89	0.00	0.1	0.0	0.0		
Totals for Public Works Department / Equipment	3	8	2	267	143	51	39,806.99	152,294.65	4,975.87	19,072.06	112,487.66	1.1	1.1	1.4		
Public Works Department / Maint Services																
31 Fall, slip or trip, NOC	1	7	1	33	45	11	4,450.68	5,776.30	635.81	3,145.88	1,325.62	1.0	0.1	0.1		
45 Vehicle; collide with other vehicle	5	6	0	84	40	21	25,611.59	61,775.36	4,268.60	18,682.31	36,163.77	0.8	0.7	0.6		
09 Adverse reaction	2	5	1	0	3		11,245.71	34,941.45	2,249.14	6,929.56	23,695.74	0.7	0.3	0.3		

EXHIBIT D

Frequency Analysis - Loss Cause 07-08

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
Public Works Department / Maint Services (Continued)														
56 Strain; lifting	3	4	0	0	7	2	3,695.66	23,053.66	923.92	1,938.67	19,358.00	0.6	0.1	0.2
57 Strain; pushing or pulling	1	4	0	41	44	21	11,033.55	20,966.76	2,758.39	10,193.65	9,933.21	0.6	0.3	0.2
66 Strike; object being lifted or handled	1	4	0	0	83	21	3,705.92	13,117.81	926.48	2,685.11	9,411.89	0.6	0.1	0.1
19 Cut; caught, punctured, scraped, NOC	0	3	0	3	6	3	1,578.51	1,578.51	526.17	944.00	0.00	0.4	0.0	0.0
53 Strain; twisting	1	3	0	55	79	45	5,686.94	17,323.79	1,895.65	5,393.87	11,636.85	0.4	0.2	0.2
70 Strike; against or stepping on NOC	1	3	0	0	25	8	543.97	10,561.59	181.32	335.48	10,017.62	0.4	0.0	0.1
75 Injured by; falling or flying object	0	3	0	2	0	1	469.45	469.45	156.48	372.86	0.00	0.4	0.0	0.0
87 Foreign matter (body) in eye(s)	0	3	0	0	0	0	392.04	392.04	130.68	198.85	0.00	0.4	0.0	0.0
97 Strain; repetitive motion	3	3	0	411	0	137	88,460.87	142,136.08	29,486.96	44,804.79	53,675.21	0.4	2.4	1.3
60 Strain; strain or injury by, NOC	2	2	1	85	0	43	9,023.66	48,668.16	4,511.83	8,512.21	39,644.50	0.3	0.2	0.5
69 Stepping; on sharp object	0	2	0	0	22	11	2,924.29	2,924.29	1,462.15	2,549.52	0.00	0.3	0.1	0.0
03 Burn; temperature extremes	0	1	0	0	0	0	402.68	402.68	402.68	402.68	0.00	0.1	0.0	0.0
05 Contact with	0	1	0	0	0	0	165.40	165.40	165.40	165.40	0.00	0.1	0.0	0.0
12 Caught; object handled	0	1	0	3	0	3	1,413.70	1,413.70	1,413.70	1,413.70	0.00	0.1	0.0	0.0
15 Cut; broken glass	0	1	0	0	0	0	96.59	96.59	96.59	96.59	0.00	0.1	0.0	0.0
30 Slipped; did not fall	1	1	0	0	11	11	432.08	1,650.00	432.08	432.08	1,217.92	0.1	0.0	0.0
50 Vehicle; motor vehicle NOC	1	1	0	10	122	132	4,180.29	13,742.91	4,180.29	4,180.29	9,562.62	0.1	0.1	0.1
61 Strain; welding or throwing	0	1	0	0	16	16	1,456.68	1,456.68	1,456.68	1,456.68	0.00	0.1	0.0	0.0
68 Strike; stationary object	0	1	0	0	0	0	239.96	239.96	239.96	239.96	0.00	0.1	0.0	0.0
71 Injured by; patient assault, fellow work	1	1	1	92	0	92	15,283.88	35,126.00	15,283.88	15,283.88	19,842.12	0.1	0.4	0.3
74 Injured by; another person	1	1	0	0	0	0	3,913.93	19,721.95	3,913.93	3,913.93	15,808.02	0.1	0.1	0.2
77 Injured by; motor vehicle	1	1	0	0	0	0	432.99	17,806.16	432.99	432.99	17,373.17	0.1	0.0	0.2
79 Injured by; object being lifted/handled	0	1	0	0	0	0	152.37	152.37	152.37	152.37	0.00	0.1	0.0	0.0
82 Misc;absorption/ingestion/inhalation	0	1	0	0	0	0	1,193.42	1,193.42	1,193.42	1,193.42	0.00	0.1	0.0	0.0
98 Cumulative (NOC)	1	1	1	370	0	370	69,169.80	179,911.83	69,169.80	69,169.80	110,742.03	0.1	1.9	1.7
Totals for Public Works Department / Maint Services														
	26	66	5	1,189	503	26	267,356.61	656,764.90	4,050.86	69,169.80	389,408.29	9.2	7.2	6.1
Public Works Department / Municipal Bldgs														
56 Strain; lifting	1	4	1	0	3	1	14,928.81	69,648.17	3,732.20	14,609.83	54,719.36	0.6	0.4	0.7
31 Fall, slip or trip, NOC	1	2	0	0	0	0	10,128.93	17,628.01	5,064.47	9,517.06	7,499.08	0.3	0.3	0.2
45 Vehicle; collide with other vehicle	0	2	0	0	0	0	138.66	138.66	69.33	138.66	0.00	0.3	0.0	0.0
53 Strain; twisting	0	2	0	0	89	45	4,462.68	4,462.68	2,231.34	4,262.69	0.00	0.3	0.1	0.0
57 Strain; pushing or pulling	2	2	0	97	124	111	26,448.18	51,554.49	13,224.09	26,180.38	25,106.31	0.3	0.7	0.5
98 Cumulative (NOC)	1	2	2	0	0	0	4,981.09	15,397.41	2,490.55	4,083.68	10,416.32	0.3	0.1	0.1
02 Burn; Hot object or substance	0	1	0	0	6	6	379.61	379.61	379.61	379.61	0.00	0.1	0.0	0.0
05 Contact with	0	1	0	0	0	0	96.59	96.59	96.59	96.59	0.00	0.1	0.0	0.0

EXHIBIT D

Received Dates: 07/01/2007 - 06/30/2008 Extract: Logical

Frequency Analysis - Loss Cause 07-08

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

January 09, 2009

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

As Of 06/30/2008

2:26PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
Public Works Department / Municipal Bldgs (Continued)														
30 Slipped; did not fall	0	1	0	0	0	0	305.15	305.15	305.15	305.15	0.00	0.1	0.0	0.0
60 Strain; strain or injury by, NOC	0	1	0	0	0	0	512.05	512.05	512.05	512.05	0.00	0.1	0.0	0.0
66 Strike; object being lifted or handled	0	1	0	0	14	14	436.20	436.20	436.20	436.20	0.00	0.1	0.0	0.0
71 Injured by; patient assault, fellow work	0	1	0	0	0	0	279.48	279.48	279.48	279.48	0.00	0.1	0.0	0.0
75 Injured by; falling or flying object	0	1	0	0	0	0	118.77	118.77	118.77	118.77	0.00	0.1	0.0	0.0
79 Injured by; object being lifted/handled	0	1	0	0	0	0	189.41	189.41	189.41	189.41	0.00	0.1	0.0	0.0
82 Misc; absorption/ingestion/inhalation	0	1	0	0	0	0	865.20	865.20	865.20	865.20	0.00	0.1	0.0	0.0
99 Misc; other - miscellaneous, NOC	1	1	0	0	0	0	0.00	1,650.00	0.00	0.00	1,650.00	0.1	0.0	0.0
Totals for Public Works Department / Municipal Bldgs														
	6	24	3	97	236	14	64,270.81	163,661.88	2,677.95	26,180.38	99,391.07	3.3	1.7	1.5
Public Works Department / PWA-PARKS														
56 Strain; lifting	3	7	1	81	58	20	12,791.87	24,579.43	1,827.41	10,487.74	11,787.56	1.0	0.3	0.2
70 Strike; against or stepping on NOC	1	4	0	3	21	6	1,751.81	1,979.28	437.95	1,296.90	227.47	0.6	0.0	0.0
85 Injured by; animal or insect	0	4	0	0	2	1	1,064.18	1,064.18	266.05	434.35	0.00	0.6	0.0	0.0
66 Strike; object being lifted or handled	2	3	1	67	107	58	11,482.70	27,280.23	3,827.57	11,192.47	15,797.53	0.4	0.3	0.3
09 Adverse reaction	0	2	0	0	0	0	3,149.89	3,149.89	1,574.95	3,041.55	0.00	0.3	0.1	0.0
31 Fall, slip or trip, NOC	0	2	0	0	0	0	357.02	357.02	178.51	243.16	0.00	0.3	0.0	0.0
53 Strain; twisting	1	2	0	0	6	3	537.49	6,989.15	268.75	434.15	6,451.66	0.3	0.0	0.1
57 Strain; pushing or pulling	1	2	0	0	5	3	394.95	1,909.06	197.48	259.06	1,514.11	0.3	0.0	0.0
05 Contact with	0	1	0	0	3	3	283.91	283.91	283.91	283.91	0.00	0.1	0.0	0.0
12 Caught; object handled	0	1	0	0	1	1	216.27	216.27	216.27	216.27	0.00	0.1	0.0	0.0
18 Cut; powered hand tool, appliance	0	1	0	0	0	0	96.59	96.59	96.59	96.59	0.00	0.1	0.0	0.0
45 Vehicle; collide with other vehicle	1	1	0	59	0	59	6,428.79	14,736.13	6,428.79	6,428.79	8,307.34	0.1	0.2	0.1
46 Vehicle; collision with fixed object	1	1	0	147	41	188	32,834.01	91,300.00	32,834.01	32,834.01	58,465.99	0.1	0.9	0.9
60 Strain; strain or injury by, NOC	0	1	0	0	0	0	96.59	96.59	96.59	96.59	0.00	0.1	0.0	0.0
79 Injured by; object being lifted/handled	0	1	0	0	0	0	10.00	10.00	10.00	10.00	0.00	0.1	0.0	0.0
81 Injured by; struck or injured NOC	0	1	0	0	0	0	147.42	147.42	147.42	147.42	0.00	0.1	0.0	0.0
Totals for Public Works Department / PWA-PARKS														
	10	34	2	357	244	18	71,643.49	174,195.15	2,107.16	32,834.01	102,551.66	4.7	1.9	1.6
Totals for Public Works Department														
	52	147	16	2,082	1,442	24	492,440.36	1,267,166.18	3,349.93	69,169.80	774,725.82	4.7	1.9	1.6

Received Dates: 07/01/2007 - 06/30/2008 Extract: Logical

Frequency Analysis - Loss Cause 07-08

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

January 09, 2009

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

As Of 06/30/2008

2:26PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
Totals for City of Oakland	266	718	78	13,528	4,501	25	3,712,968.33	10,712,704.95	5,171.27	103,054.45	6,999,736.62	4.7	1.9	1.6

Received Dates: 07/01/2007 - 06/30/2008 Extract: Logical

Frequency Analysis - Loss Cause 07-08

Reporting Level: 3 / Break after level(s): 2 Litigation: All Claims

Open and Closed // Info Excluded / Pending Excluded / Show Details: N Days Type: Calendar

As Of 06/30/2008

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
GRAND TOTALS	266	718	78	13,528	4,501	25	3,712,968.33	10,712,704.95	5,171.27	103,054.45	6,999,736.62	100.0	100.0	100.0



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**City of Oakland,
California**

**Actuarial Study of the
Self-Insured Workers Compensation Program
as of June 30, 2009**

November 3, 2009

1901 Main Street, Suite 300 • Irvine, California 92614
949/608-6300 • Fax 949/608-6475
www.armtech.com

EXHIBIT E



November 3, 2009

271100

City of Oakland
150 Frank H. Ogawa Plaza, Second Floor
Oakland, California 94612

Attn: Ms. Deb Grant
Insurance Manager

**Actuarial Study of the
Self-Insured Workers Compensation Program
as of June 30, 2008**

This study has been completed for the City of Oakland, California, for the specific objectives listed in the study. It contains the analysis and conclusions of our work.

Each section and appendix of the study is an integral part of the whole. We recommend a review of the entire study prior to reliance upon this study.

No key personnel have a relationship with the City of Oakland, California, that may impair our objectivity.

Please call if you have any questions. Thank you for the opportunity to be of service.

Respectfully submitted,

ARM TECH

By Mujtaba Datto
Mujtaba Datto, ACAS, MAAA, FCA
Actuarial Practice Leader

MD:bc

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III.	Conclusions	6

Appendices

A	Conditions and Limitations
B	Glossary of Actuarial Terms
C	Exhibits

I. Background

The City of Oakland (the City) was fully self-insured for workers compensation until August 1, 2004. Effective August 2, 2004, the City began purchasing excess insurance.

The history of the City's self-insured retentions for workers compensation is as shown in Table I-1.

Table I-1
Self-Insured Retentions
(Workers Compensation)

Claim Period (1)	Self-Insured Retention (2)
To 8/1/2004	Unlimited
8/2/2004 to 6/30/2008	\$1,000,000
7/1/2008 and subsequent	750,000

Note: Above information provided by the City.

A self-insured retention of \$750,000 is assumed through 2018/19.

We have not reviewed the collectibility of the excess insurance. JT2 administers the workers compensation program.

The fiscal period runs from July 1 through June 30.

II. Objectives

The specific objectives of this study are:

1. **Estimate Outstanding Losses.** Estimate outstanding losses (including allocated loss adjustment expenses [ALAE]) as of June 30, 2009.

The estimated outstanding losses are the cost of unpaid claims. The estimated outstanding losses include case reserves, the development of known claims and incurred but not reported (IBNR) claims. ALAE are the direct expenses for settling specific claims. The amounts are limited to the self-insured retention.

2. **Project Ultimate Losses.** Project ultimate losses (including ALAE) for 2009/10 through 2011/12.

The projected ultimate losses are the accrual value of losses with accident dates during 2009/10 through 2011/12, regardless of report or payment date. The amounts are limited to the self-insured retention.

3. **Project Losses Paid.** Project losses paid during the 2009/10 through 2011/12 years.

The projected losses paid are the claim disbursements during 2009/10 through 2011/12, regardless of accident or report date. The amounts are limited to the self-insured retention.

4. **Size of Loss Distribution Analysis.** Analyze the distribution of losses in various layers.

5. **Affirm GASB Statement No. 10.** Provide a statement affirming the conclusions of this report are consistent with Governmental Accounting Standards Board (GASB) Statement No. 10.

III. Conclusions

We have reached the following conclusions:

1. Estimate Outstanding Losses

We estimate outstanding losses as of June 30, 2009 to be as shown in Table III-1.

Table III-1
Estimated Outstanding Losses
at Expected (50%) Confidence Level
June 30, 2009

(A)	Estimated outstanding losses (including '4850' benefits)	\$77,973,093
(B)	Present value of estimated outstanding losses	62,775,642

Note: (A) and (B) are from Exhibit WC-11.

We note one large open claim (#0058620072) in the 1997/98 year. We capped the loss development at the incurred loss of \$4.9 million as of June 30, 2009, as shown in Exhibit WC-23.

The estimated outstanding losses as of June 30, 2009 reflect the impact of AB 749 (which became effective January 1, 2003), SB 228 (effective January 1, 2004) and SB 899 (effective April 19, 2004). AB 749 increased costs of indemnity benefits, whereas SB 288 and SB 899 have reduced costs of medical and indemnity benefits. Based on the latest industry data, the combined impact of these reforms has been estimated by WCIRB (Workers Compensation Insurance Rating Bureau) as +4.8% effective January 1, 2003, -9.2% effective January 1, 2004, -20% effective April 19, 2004, -12.3% effective January 1, 2005, +2.8% effective January 1, 2006 and +0.1% effective January 1, 2007. These latest WCIRB estimates include the impact of the new PDRS (Permanent Disability Rating Schedule) and system utilization due to medical reforms of SB 899.

The present value of the estimated outstanding losses is the amount of money, discounted for anticipated investment income, required to meet unpaid claims. It is calculated based on a 3.98% yield on investments, as provided by the City.

The estimated outstanding losses reflect the excess insurance maintained by the City.

GASB Statement No. 10 requires public entities to recognize the impact of all benefits paid for work-related injuries.

The implementation guide for GASB Statement No. 10 specifies that a liability for outstanding unallocated loss adjustment expenses (ULAE) needs to be established for governmental entities. ULAE are primarily composed of future claims administration for open claims. They are typically 5% to 10% of the estimated outstanding losses.

'4850' benefits are a full-salary (12 months) benefit for safety personnel. They are typically about 5% of the estimated outstanding losses.

2. Project Ultimate Losses

We project ultimate losses for 2009/10 through 2011/12 to be as shown in Tables III-2A through III-2C.

Table III-2A
Projected Ultimate Losses
2009/10
(at \$750,000 WC SIR)

Item (1)	Amount (2)	Rate per \$100 of Payroll (3)
(A) Projected ultimate losses (including '4850' benefits)	\$22,426,000	\$5.76
(B) Present value of projected ultimate losses	18,606,000	4.78

Note: (A) and (B) are from Exhibit WC-10.

Table III-2B
Projected Ultimate Losses
2010/11
(at \$750,000 WC SIR)

Item (1)	Amount (2)	Rate per \$100 of Payroll (3)
(A) Projected ultimate losses (including '4850' benefits)	\$23,561,000	\$5.88
(B) Present value of projected ultimate losses	19,548,000	4.88

Note: (A) and (B) are from Exhibit WC-10.

Table III-2C
Projected Ultimate Losses
2011/12
(at \$750,000 WC SIR)

Item (1)	Amount (2)	Rate per \$100 of Payroll (3)
(A) Projected ultimate losses (including '4850' benefits)	\$24,753,000	\$6.00
(B) Present value of projected ultimate losses	20,537,000	4.98

Note: (A) and (B) are from Exhibit WC-10.

For workers compensation, these projections reflect the estimated impact of AB 749, SB 228 and SB 899.

The present value of the projected ultimate limited losses is the amount of money, discounted for anticipated investment income, required to meet claims. It is calculated based on a 3.98% yield on investments, as provided by the City.

All costs other than losses are additional.

Projected ultimate losses for seven additional years (2012/13 through 2018/19) are shown in Exhibit WC-10. We emphasize that due to the length of the projection period, there will be greater than normal variability in the estimates.

3. Project Losses Paid

We project losses paid during 2009/10 through 2011/12 to be as shown in Table III-3.

Table III-3
Projected Losses Paid
2009/10 through 2011/12

Item (1)	2009/10 (2)	2010/11 (3)	2011/12 (4)
(A) Projected losses paid	\$17,773,997	\$18,767,134	\$19,782,377

Note: (2) is from Exhibit WC-12.
(3) is from Exhibit WC-13.
(4) is from Exhibit WC-14.

We note that there is a large open claim (#0058620072) in the 1997/98 year. We have assumed that this claim will be paid out according to the selected payment pattern anticipated in this report. If this claim is paid out in a lump sum, or in any manner different than the selected pattern, the projected loss payments shown in Table III-3 may vary significantly from expected payments.

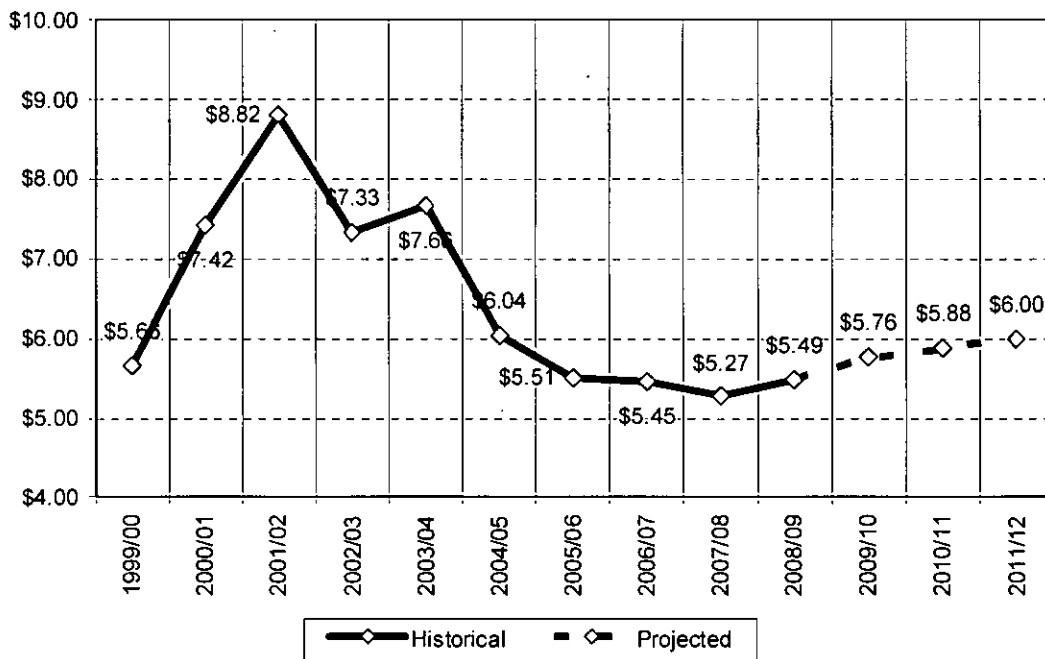
All costs other than losses are additional.

Projected losses paid for seven additional years (2012/13 through 2018/19) are shown in Exhibits WC-15 through WC-21. We emphasize that due to the length of the projection period, there will be greater than normal variability in the estimates.

Loss Experience Trends

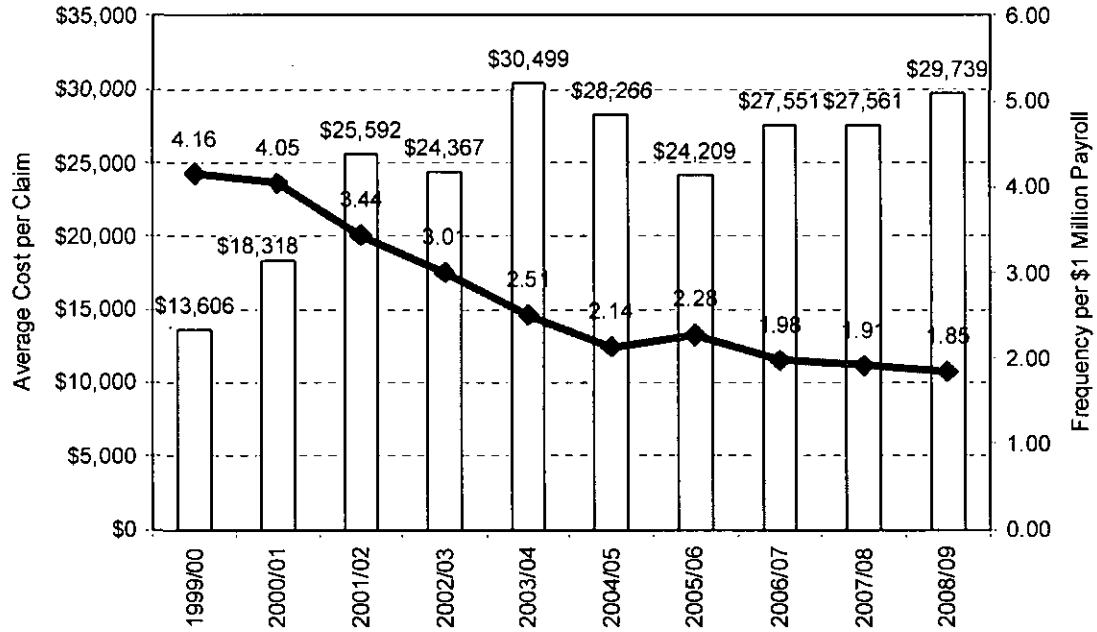
Graphs III-1 and III-2 show loss experience trends for workers compensation as measured by loss rate per \$100 of payroll and frequency and severity, respectively.

Graph III-1
Loss Rate per \$100 of Payroll
(Workers Compensation)



Note: Loss rates per \$100 of payroll are from Exhibit WC-10, columns (4) and (7).

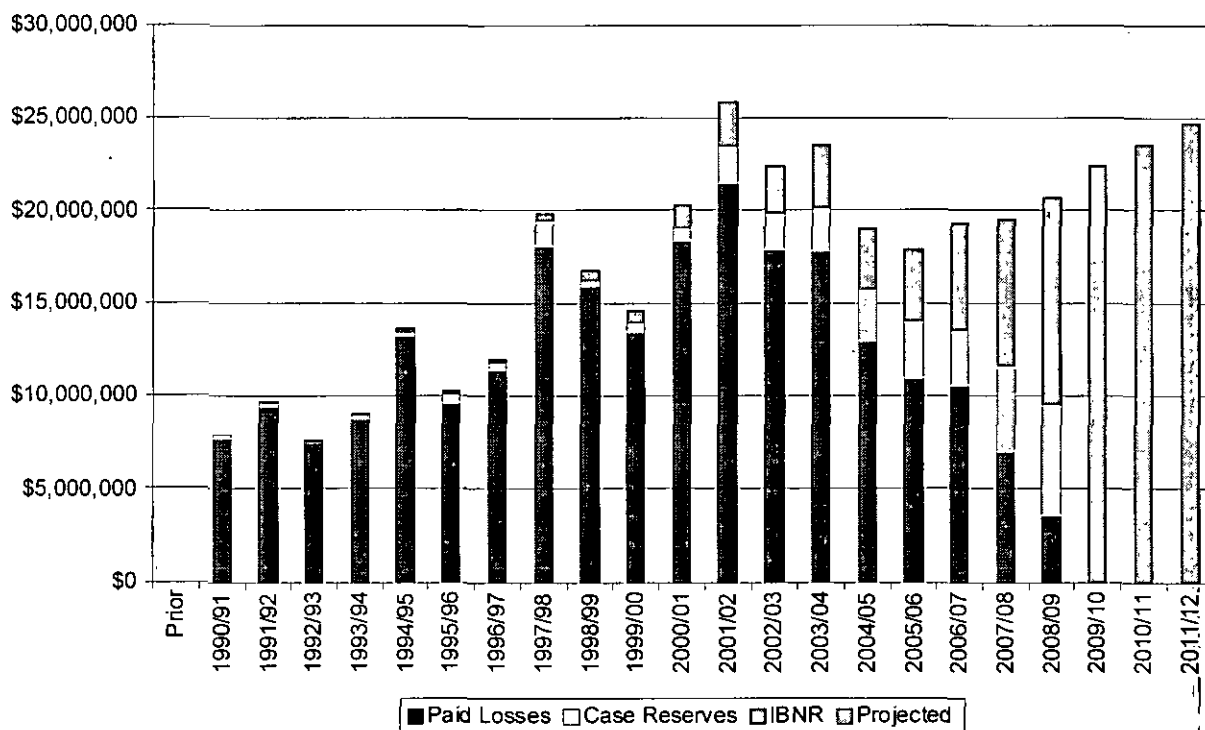
**Graph III-2
Frequency and Severity
(Workers Compensation)**



Note: Frequency amounts are from Exhibit WC-8, Section I, column (7).
Severity amounts are based on Exhibits WC-8 and WC-9.

Graph III-3 shows the composition of the projected ultimate limited losses for workers compensation.

**Graph III-3
Composition of Projected Ultimate Limited Losses
(Workers Compensation)**



Note: Amounts through 2008/09 are from Exhibit WC-11.
Amounts for 2009/10 through 2011/12 are from Exhibit WC-10.

A list of large claims with limited reported incurred losses \$500,000 or greater as of June 30, 2009 is as shown in Exhibit WC-23.

4. Size of Loss Distribution Analysis

Table III-4A shows the distribution of losses in various layers for workers compensation.

Table III-4A
Size of Loss Distribution
(Workers Compensation)

Layer (1)	Total Reported Claims (2)	Percent of Total (2)/Total(2) (3)	Cumulative Percent of Total (4)	Total Reported Incurred Losses (5)	Percent of Total (5)/Total(5) (6)	Cumulative Percent of Total (7)
(A) \$0.01 to \$5,000	23,472	79.5%	79.5%	\$19,489,212	5.5%	5.5%
(B) \$5,000 to \$10,000	1,554	5.3%	84.7%	10,972,355	3.1%	8.6%
(C) \$10,000 to \$50,000	2,722	9.2%	94.0%	66,592,585	18.8%	27.4%
(D) \$50,000 to \$100,000	935	3.2%	97.1%	67,084,207	18.9%	46.3%
(E) \$100,000 to \$250,000	677	2.3%	99.4%	102,444,004	28.9%	75.1%
(F) \$250,000 to \$500,000	129	0.4%	99.9%	42,058,538	11.9%	87.0%
(G) \$300,000 to \$750,000	26	0.1%	99.9%	15,268,249	4.3%	91.3%
(H) \$500,000 to \$1,000,000	5	0.0%	100.0%	4,221,246	1.2%	92.5%
(I) \$1,000,000 to \$2,000,000	7	0.0%	100.0%	10,418,850	2.9%	95.4%
(J) Over \$2,000,000	5	0.0%	100.0%	16,209,390	4.6%	100.0%
(K) Total (A) ... (J)	29,532	100.0%		\$354,758,636	100.0%	

Note: See Exhibit WC-24. Claim counts exclude claims with incurred value of \$0.

About 85% of the non-zero claims reported are below \$10,000 and they represent about 9% of the incurred amounts. The remaining 15% of the claims consume about 91% of the incurred amounts.

A size of loss distribution by year and loss layer as of June 30, 2009 is as shown in Exhibit WC-24.

5. Affirm GASB Statement No. 10

We affirm the conclusions of this report are consistent with GASB Statement No. 10.

Appendix A
Conditions and Limitations

Conditions and Limitations

It is important to understand the conditions and limitations listed below. Each chapter and section is an integral part of the whole study. If there are questions, please contact ARM Tech for clarification.

- **Data Quality.** We relied upon data provided by the organization shown on the transmittal page or its designated agents. The data was used without verification or audit, other than checks for reasonableness. Unless otherwise stated, we assumed the data to be correct and complete.
- **Economic Environment.** Unless otherwise stated, we assumed the current economic conditions will continue in the foreseeable future.
- **Insurance Coverage.** Unless otherwise stated, we assumed no insurance coverage changes (including coverage provided by the organization to others) subsequent to the date this study was prepared. This includes coverage language, self-insured retention, limitations and similar issues.
- **Insurance Solvency.** Unless otherwise stated, we assumed all insurance purchased by the organization is from solvent sources payable in accordance with terms of the coverage document.
- **Interest Rate.** The exhibits specify the annual interest rate used.
- **Methodology.** In this study, different actuarial methods were applied. In some instances, the methods yield significantly disparate results. The estimates, projections and recommendations in this study reflect our judgments as to the best method or combination of methods that are most reliable and reflective of the exposure to loss.
- **Reproduction.** This study may only be reproduced in its entirety.
- **Risk and Variability.** Insurance is an inherently risky enterprise. Actual losses may vary significantly from our estimates, projections and recommendations. They may emerge higher or lower.

- **Statutory and Judicial Changes.** Legislatures and judiciaries may change statutes that govern indemnification. This includes benefit levels for workers compensation, immunities and limitations for liability, and other similar issues. Unless otherwise stated, we assumed no statutory changes subsequent to the date this study was prepared.
- **Supplemental Data.** In addition to the data provided by the organization, we supplemented our analysis with data from similar organizations and insurance industry statistics, as we deemed appropriate.
- **Usage.** This study has been prepared for the usage of the organization shown on the transmittal page. It was not prepared for and may not be appropriate for use by other organizations. Other organizations should obtain written permission from ARM Tech prior to use of this study.

Appendix B
Glossary of Actuarial Terms

Glossary of Actuarial Terms

Actuarial Methods (Most Common)

A major objective of an actuarial study is to statistically project ultimate losses. The following actuarial methods are the most common:

- Developed Paid Losses
- Developed Reported Incurred Losses
- Developed Case Reserves
- Frequency Times Severity Analysis
- Loss Rate Analysis

The following describes each method:

1. **Developed Paid Losses.** Paid losses represent the amounts actually paid to claimants (less excess insurance recoveries). As time goes on, loss payments continue until all claims are closed and there are no remaining payments expected. At this time, the ultimate losses for the claim period are known. This common process is called “paid loss development.”

Paid loss development is an extrapolation of actual dollars paid. It does not depend on case reserve estimates. A potential shortcoming of utilizing this method is that only a small fraction of total payments have been made for the most recent claim periods. Extrapolating ultimate losses based on small amounts of actual payments may be speculative. A second potential shortcoming is that payment patterns can change over time.

2. **Developed Reported Incurred Losses.** Reported incurred losses are paid losses plus case reserves. In most programs, total reported incurred losses underestimate the ultimate losses. Over time, as more information about a body of claims becomes known, they are adjusted either up or down until they are closed. Though many individual claims settle for less than what was estimated, these decreases are generally more than offset by increases in the cost of other claims for which new information has emerged.

The net effect is that total estimated costs are often revised upward over time. This normal process is called “reported incurred loss development.” Actuaries typically

review the development patterns of the recent past to make projections of the expected future loss development and, therefore, estimations of ultimate losses.

3. **Developed Case Reserves.** The developed case reserves method is a hybrid of the paid loss development and reported incurred loss development methods. It relies on the historical adequacy of case reserves to predict ultimate losses.
4. **Frequency Times Severity Analysis.** The frequency times severity analysis is an actuarial method that uses a preliminary projection of ultimate losses to project claims severity. The claims severity times the number of claims is a predictor of ultimate losses. The focus of the frequency times severity analysis is that ultimate losses each period are dependent on the number of claims.
5. **Loss Rate Analysis.** The loss rate analysis is based on the historical loss rates per exposure unit (such as payroll, vehicles or property value). The loss rates (projected ultimate losses divided by exposure units) are trended to reflect the effect of claim cost inflation and retention changes. The trended loss rates represent the rates that one would see if all of the claims had been handled in the claim cost environment that will be present in the upcoming period. The trended loss rate times the projected exposure units is a predictor of losses.
6. **Bornhuetter-Ferguson Method (B-F).** The B-F method is an actuarial method that weights a preliminary projection of ultimate losses with projections of ultimate losses determined by other actuarial methods (usually the developed paid losses and developed reported incurred losses methods). For less mature claim periods, the B-F method leans more heavily to the preliminary projection. It gradually converges to the projections of ultimate losses determined by the other actuarial methods as the claim periods mature.

Actuary

A specialist trained in mathematics, statistics, and finance who is responsible for rate, reserve, and dividend calculations and other statistical studies.

Allocated Loss Adjustment Expenses

Allocated loss adjustment expenses (ALAE) are the direct expenses to settle specific claims. These expenses are primarily legal expenses.

Governmental Accounting Standards Board (GASB) Statement No. 10 requires that ALAE be included in financial statements and that they be calculated by actuarial methods.

American Academy of Actuaries

A society concerned with the development of education in the field of actuarial science and with the enhancement of standards in the actuarial field. Members may use the designation MAAA (Member, American Academy of Actuaries).

Benefits

The financial reimbursement and other services provided insureds by insurers under the terms of an insurance contract. An example would be the benefits listed under a life or health insurance policy or benefits as prescribed by a workers compensation law.

Casualty Actuarial Society

A professional society for actuaries in areas of property and casualty insurance work. This society grants the designation of Associate of the Casualty Actuarial Society (ACAS) and Fellow of the Casualty Actuarial Society (FCAS).

Claim

Demand by an individual or entity to recover for a loss.

Claims Made

A policy written on this basis covers only those claims that are made during the policy period. Coverage for prior acts is provided back to what is known as the retroactive date, which is the effective date of the original claims made policy with the same insurer.

Composite Rate

A single rate with a single basis of premium (e.g., payroll or sales). For this single rate the insured is covered for a variety of hazards, such as premises and operations, completed operations, products liability, and automobile. Its primary value is to compute premium simply.

Confidence Level

A confidence level is the statistical certainty that an actuary believes funding will be sufficient. For example, an 80% confidence level means that the actuary believes funding will be sufficient in eight years out of ten.

Confidence levels are determined based on mathematical models. Coverages that are low frequency and high severity (such as excess liability) are subject to greater risk than coverages that are high frequency and low severity (such as automobile physical damage). Therefore, they need a greater margin to attain a given confidence level.

GASB Statement No. 10 requires public entities to use "expected" amounts as a liability in financial statements. Expected corresponds to approximately a 55% confidence level. Amounts above expected are prudent, but should be considered equity (not a liability).

Coverage

The scope of the protection provided under a contract of insurance.

Credibility

Credibility is the belief that the sample data is an accurate reflection of the larger population. Credibility is highest when the sample data is large and the standard deviation (discussed later) of the larger population is low.

Dates

There are at least three milestone dates in a claim. They are the date of injury or accident, the date of report and the date of closure. It is best if each of these dates is recorded. Some organizations may also keep the date a claim becomes a lawsuit, as opposed to a demand. ARM Tech recommends this additional level of detail, especially if the data is to be used for litigation management.

Deductible

The portion of an insured loss to be borne by the insured before he is entitled to recovery from the insurer. Deductibles may be expressed as a dollar amount, percentage or waiting period.

Disability

A condition that curtails a person's ability to carry on his normal pursuits. A disability may be partial or total, and temporary or permanent.

Dividend (Policyholder)

The return of part of the premium paid for a policy issued on a participating basis by either a mutual or a stock insurer.

Estimated Outstanding Losses

Estimated outstanding losses are the cost of claims that have occurred but have not yet been paid. They typically include indemnification and allocated loss adjustment expenses (ALAE), but not unallocated loss adjustment expenses (ULAE).

Estimated outstanding losses are calculated as projected ultimate losses less paid losses. Alternatively, they are the sum of case reserves and incurred but not reported (IBNR) claims.

Estimated outstanding losses are usually the largest single item listed as a liability on the balance sheet of a public entity's financial statement. GASB Statement No. 10 requires they be calculated by actuarial methods. Other common names for estimated outstanding losses are outstanding claims liabilities and unpaid claims.

Experience Rating

A method of adjusting the premium for a risk based on past loss experience for that risk compared to loss experience for an average risk.

Exposure Data

Exposure data refers to the activities of the organization. For example, payroll is the most common exposure measure for workers compensation. ARM Tech suggests collecting exposure data with the following characteristics:

- **Readily Available.** The exposure data should be easily obtained. It is best if it is a byproduct of other activities, although this is not always possible. If getting data is arduous, it may discourage collection.

- **Vary With Losses.** The exposure data should correlate directly with losses. The ideal situation is where exposure and expected losses move in tandem. The exposure base needs to be fitting to the coverage. For example, the number of employees may vary with property losses (more employees = more office space = more losses), but property value is a clearly superior exposure base for property losses.

Generally Accepted Accounting Principles (GAAP)

These principles are intended to produce financial results (in the insurance industry) consistent with those of other industries and to assure consistency in financial reporting.

Incurred But Not Reported

IBNR is really comprised of two distinct items. These are the development of known case reserves (incurred but not enough reported [IBNER] and incurred but not yet reported [IBNYR]).

IBNER are the actuary's estimate of the inadequacy of case reserves. Most claims settle at amounts close to what is set by the claims administrator. Some claims close favorably and some emerge as more expensive. On balance, case reserves tend to be too low (especially for recent years). IBNER is the actuary's estimate of the amount total case reserves will rise upon closure.

IBNYR refers to those claims that have occurred, but have not yet been reported. A classic example is medical malpractice claim reported several years after the medical procedure was performed.

Insurance Services Office (ISO)

An organization of the property and casualty insurance business designed to gather statistics, promulgate rates, and develop policy forms.

Investment Income

The return received by entities from their investment portfolios, including interest, dividends and realized capital gains on stocks. Realized capital gains means the profit realized on assets that have actually been sold for more their purchase price.

Limited

Most programs purchase excess insurance for catastrophic claims. For example, they may purchase coverage for claims above a \$500,000 per occurrence self-insured retention. "Limited" refers to an estimate or projection being limited to the self-insured retention. In contrast, "unlimited" means a loss projection not limited to the self-insured retention.

Other common names for limited are net of excess insurance or capped losses.

Loss Development

The difference between the amount of losses initially estimated by the insurer and the amount reported in an evaluation on a later date. Loss development is typically measured for paid losses, reported incurred losses and claim counts.

Manual Rates

Usually, the published rate for some unit of insurance. An example is in the workers compensation manual, where the rates shown apply to each \$100 of the payroll of the insured, \$100 being the "unit."

National Council on Compensation Insurance (NCCI)

An association of workers compensation insurance companies whose main functions are collecting statistics and calculating rates, establishing policy wording, developing experience and retrospective rating plans, and serving as the filing organization for member companies.

Net

Many pooling programs assign deductibles to members. For example, each member may have a \$5,000 per claim deductible. "Net" refers to a loss estimate or projection that excludes amounts below member deductibles.

Occurrence

An event that results in an insured loss. In some lines of insurance, such as general liability, it is distinguished from accident in that the loss does not have to be sudden and fortuitous and can result from continuous or repeated exposure that results in bodily injury or property damage neither expected nor intended by the insured.

Pool

An organization of entities through which particular types of risks are written with the premiums, losses, and expenses shared in agreed amounts among the members belonging to the organization.

Premium

The price of insurance protection for a specified risk for a specified period of time.

Present Value

The amount of money that future amounts receivable are currently worth. For example, a Life Insurance policy may provide for payments to be made monthly for ten years. The present value of that money would be less than the total amount of the regular periodic payments for 10 years because of the amount of interest that a present lump sum could earn during the term than the payments otherwise would have been made.

Probability

The probability is the likelihood of an event. It is a measure of how likely a value or event is to occur. It can be measured from data by calculating the number of occurrences of the value or event divided by the total number of occurrences. This calculation can be converted to a percentage. For example, tossing a coin has a 50% probability of heads or tails.

Projected Losses Paid

Projected losses paid are the projected claims disbursements in a period, regardless of when the claim occurred. They typically include indemnification and ALAE, but not unallocated loss adjustment expenses (ULAE).

“Projected losses paid” is a cash-flow analysis that can be used in making investment decisions.

Projected Ultimate Losses

Projected ultimate losses are the accrual value of claims. They are the total amount that is expected to be paid in a particular claim period after all claims are closed. Projected ultimate

losses are the total loss costs for a particular period. They typically include indemnification and ALAE, but not ULAE.

Other common names for projected ultimate losses are expected losses, ultimate losses and total losses.

Rate

The cost of a given unit of insurance. For example, in life insurance, it is the price of \$1,000 of the face amount. In property insurance, it is the rate per \$100 of value to be insured. The premium is the rate multiplied by the number of units of insurance purchased.

Retrospective Rating

A method for which the final premium is not determined until the end of the coverage period, and is based on the insured's own loss experience for that same period. It is usually subject to a maximum and minimum premium. A plan of this type can be used in various types of insurance, especially workers compensation and liability, and is usually elected by only very large insureds.

Salvage

Property taken over by an entity to reduce its loss. Automobile physical damage losses can be reduced by the sale of recovered vehicles.

Schedule Rating

The application of debits or credits within established ranges for various characteristics of a risk according to an established schedule of items. Under liability and automobile insurance, the schedule rating plan allows credits and debits for various good or bad features of a particular commercial risk. An example in automobile schedule rating would be allowing credits for driver training classes or fleet maintenance programs.

Self-Insurance Retention (SIR)

That portion of a risk or potential loss assumed by an insured. It is often in the form of a per occurrence deductible.

Society of Actuaries (SOA)

A professional society for actuaries in areas of pensions, and life and health insurance work. The SOA grants the designation Associate of the Society of Actuaries (ASA) and Fellow of the Society of Actuaries (FSA).

Standard Premium

Most often used in connection with retrospective rating for Workers Compensation and General Liability Insurance. It is the premium of which the basic premium is a percentage and is developed by applying the regular rates to an insured's payroll.

State Fund

A fund set up by a state government to finance a mandatory insurance system, such as Workers Compensation or non-occupational disability benefits. Such a fund may be monopolistic, i.e., purchasers of the type of insurance required must place it in the state fund; or it may be competitive, i.e., an alternative to private insurance if the purchaser desires to use it.

Statutory Accounting Principles (SAP)

Those principles required by statute that must be followed by an insurance company or other similar entity when submitting its financial statement to the state insurance department. Such principles differ from (GAAP) in some important respects. For one thing SAP requires that expenses must be recorded immediately and cannot be deferred to track with premiums as they are earned and taken into revenue.

Unallocated Loss Adjustment Expenses

Unallocated loss adjustment expenses (ULAE) are the indirect expenses to settle claims. These expenses are primarily administration and claims handling expenses.

GASB Statement No. 10 requires that ULAE be included in financial statements and that they be calculated by actuarial methods.

Appendix C

Exhibits

Exhibits

The attached exhibits detail our analysis.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-1

Data Summary as of June 30, 2009

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/09 (4)	Payroll (000) (5)	Reported Claims 6/30/09 (6)	Open Claims 6/30/09 (7)	Limited Paid Losses 6/30/09 (8)	Limited Case Reserves 6/30/09 (9)	Limited Reported Incurred Losses 6/30/09 (10)
to 1989/90	Unlimited	None	240.0	Not Provided	13,923	72	\$82,316,992	\$1,722,421	\$84,039,413
1990/91	Unlimited	None	228.0	Not Provided	1,203	7	7,611,584	265,989	7,877,573
1991/92	Unlimited	None	216.0	Not Provided	1,158	7	9,358,835	258,465	9,617,300
1992/93	Unlimited	None	204.0	Not Provided	1,136	5	7,418,572	93,899	7,512,471
1993/94	Unlimited	None	192.0	Not Provided	1,106	7	8,689,677	251,038	8,940,715
1994/95	Unlimited	None	180.0	Not Provided	1,026	7	13,166,839	269,448	13,436,287
1995/96	Unlimited	None	168.0	Not Provided	1,059	11	9,540,693	509,587	10,050,480
1996/97	Unlimited	None	156.0	Not Provided	1,051	18	11,337,417	447,965	11,785,382
1997/98	Unlimited	None	144.0	Not Provided	1,045	26	17,996,288	1,468,753	19,465,041
1998/99	Unlimited	None	132.0	Not Provided	1,025	15	15,826,509	398,643	16,225,152
1999/00	Unlimited	None	120.0	256,973	1,069	20	13,335,519	546,102	13,881,621
2000/01	Unlimited	None	108.0	273,627	1,109	33	18,343,960	766,681	19,110,641
2001/02	Unlimited	None	96.0	293,519	1,011	47	21,371,306	2,148,003	23,519,309
2002/03	Unlimited	None	84.0	305,541	919	59	17,817,756	2,014,324	19,832,080
2003/04	Unlimited	None	72.0	307,406	772	65	17,739,762	2,360,682	20,100,444
2004/05	1,000,000 *	None	60.0	315,491	674	56	12,855,288	2,868,233	15,723,521
2005/06	1,000,000	None	48.0	326,085	742	65	10,837,296	3,206,463	14,043,760
2006/07	1,000,000	None	36.0	354,814	701	96	10,463,710	3,074,295	13,538,006
2007/08	1,000,000	None	24.0	370,278	703	116	6,900,544	4,745,185	11,645,729
2008/09	750,000	None	12.0	377,769	647	223	3,502,158	6,016,127	9,518,285
Total					32,079	955	\$316,430,908	\$33,432,301	\$349,863,209

*The self-insured retention of \$1 million became effective August 2, 2004.

(8), (9) and (10) are net of specific self insured retention.

Data was provided by the City.

CITY OF OAKLAND
WORKERS COMPENSATION

Summary of Percent Losses Paid, Losses Reported and Claims Reported

Months of Development (1)	Percent Losses Paid (2)	Percent Losses Reported (3)	Percent Claims Reported (4)
360.0	99.8%	100.0%	100.0%
348.0	99.7%	100.0%	100.0%
336.0	99.6%	100.0%	100.0%
324.0	99.4%	100.0%	100.0%
312.0	99.1%	100.0%	100.0%
300.0	98.8%	100.0%	100.0%
288.0	98.2%	100.0%	100.0%
276.0	97.5%	100.0%	100.0%
264.0	96.4%	100.0%	100.0%
252.0	94.8%	99.9%	100.0%
240.0	92.6%	99.5%	100.0%
228.0	92.3%	99.3%	100.0%
216.0	92.0%	99.0%	100.0%
204.0	91.6%	98.7%	100.0%
192.0	91.2%	98.5%	100.0%
180.0	90.7%	98.1%	100.0%
168.0	90.0%	97.7%	100.0%
156.0	89.1%	97.2%	100.0%
144.0	88.0%	96.4%	100.0%
132.0	86.6%	95.5%	100.0%
120.0	84.5%	94.0%	100.0%
108.0	82.0%	92.2%	100.0%
96.0	78.9%	90.0%	100.0%
84.0	75.1%	87.3%	100.0%
72.0	70.9%	84.4%	100.0%
60.0	65.9%	80.7%	100.0%
48.0	59.9%	76.2%	100.0%
36.0	50.4%	69.3%	99.9%
24.0	34.7%	57.7%	99.3%
12.0	15.1%	41.2%	92.8%

(2) is from Exhibit WC-2 (page 2).

(3) is from Exhibit WC-2 (page 3).

(4) is from Exhibit WC-2 (page 4).

CITY OF OAKLAND
WORKERS COMPENSATION

Historical Limited Paid Losses (\$000) and Limited Paid Loss Development

I. Historical Limited Paid Losses (\$000)

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
to 1989/90																					
1990/01																				\$81,061	\$82,317
1991/92																			7,543	7,612	
1992/93																	9,339	9,359			
1993/94																7,364	7,419				
1994/95															8,639	8,690					
1995/96														13,023	13,167						
1996/97													11,208	9,541							
1997/98												11,337	17,996								
1998/99												17,539	17,996								
1999/00												15,665	13,336								
2000/01												12,867	18,344								
2001/02												17,909	21,371								
2002/03												20,261	17,818								
2003/04												16,745	17,740								
2004/05												11,251	12,855								
2005/06												9,241	10,837								
2006/07												7,705	10,464								
2007/08												3,274	6,901								
2008/09												3,502									

II. Limited Paid Loss Development

Claim Period	Months of Development:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-UR
to 1989/90																				
1990/91																				1,015
1991/92																				
1992/93																				
1993/94																				
1994/95																				
1995/96																				
1996/97																				
1997/98																				
1998/99																				
1999/00																				
2000/01																				
2001/02																				
2002/03																				
2003/04																				
2004/05																				
2005/06																				
2006/07																				
2007/08																				
2008/09																				
Average All Wtd 3																				
Last 3																				
Last 5																				
x-hi/low																				
Similar Previous																				
Selected Cumulative Percent																				

Amounts are limited (net of excess insurance).

Data was provided by the City.

CITY OF OAKLAND
WORKERS COMPENSATION

Historical Limited Reported Incurred Losses (\$000) and Limited Reported Incurred Loss Development

I. Historical Limited Reported Incurred Losses (\$000)

Claim Period	12	24	Months of Development:		60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
			36	48																
to 1989/90																				
1990/91																			\$83,752	\$84,039
1991/92																			7,838	7,878
1992/93																			9,636	
1993/94																			9,617	
1994/95																			7,465	
1995/96																			8,941	
1996/97																			13,557	
1997/98																			13,436	
1998/99																			9,051	
1999/00																			8,941	
2000/01																			11,845	
2001/02																			11,785	
2002/03																			16,568	
2003/04																			19,589	
2004/05																			19,465	
2005/06																			16,225	
2006/07																			13,881	
2007/08																			13,882	
2008/09																			16,568	
																			19,444	
																			19,111	
																			23,517	
																			19,832	
																			19,806	
																			20,100	
																			19,835	
																			15,724	
																			15,375	
																			14,044	
																			13,638	
																			13,538	
																			12,182	
																			11,646	
																			8,876	
																			9,518	

II. Limited Reported Incurred Loss Development

Claim Period	12-24	24-36	Months of Development:		60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult
			36-48	48-60																
to 1989/90																				
1990/91																				
1991/92																				
1992/93																				
1993/94																				
1994/95																				
1995/96																				
1996/97																				
1997/98																				
1998/99																				
1999/00																				
2000/01																				
2001/02																				
2002/03																				
2003/04																				
2004/05																				
2005/06																				
2006/07																				
2007/08																				
2008/09																				
Average All	1.312	1.111	1.030	1.023	1.013	1.001	1.000	0.983	1.000	0.979	0.994	0.995	1.030	0.991	0.988	1.006	0.998	1.005	1.003	1.003
Wtd 3																				
Last 3																				
Last 5																				
x-hi/low																				
Similar Previous	1.449	1.201	1.101	1.064	1.050	1.039	1.031	1.025	1.021	1.018	1.012	1.012	1.006	1.009	1.008	1.004	1.002	1.003	1.002	1.023
Selected Cumulative Percent	1.468	1.186	1.082	1.048	1.033	1.025	1.020	1.016	1.013	1.011	1.010	1.008	1.005	1.004	1.004	1.003	1.002	1.003	1.002	1.010
	1.400	1.200	1.100	1.060	1.045	1.035	1.030	1.025	1.020	1.015	1.010	1.008	1.005	1.004	1.004	1.003	1.002	1.003	1.002	1.005
	2.426	1.733	1.444	1.313	1.238	1.185	1.145	1.112	1.085	1.063	1.048	1.037	1.029	1.024	1.019	1.016	1.013	1.010	1.007	1.005
	41.2%	57.7%	69.3%	76.2%	80.7%	84.4%	87.3%	90.0%	92.2%	94.0%	95.5%	96.4%	97.2%	97.7%	98.1%	98.5%	98.7%	99.0%	99.3%	99.5%

Amounts are limited (net of excess insurance).

Data was provided by the City.

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CITY OF OAKLAND
WORKERS COMPENSATION

Historical Ratio of Limited Paid Losses and Limited Reported Incurred Losses

I. Ratio of Limited Paid Losses to Limited Reported Incurred Losses

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
to 1989/90																					
1990/91																				96.8%	98.0%
1991/92																				96.6%	
1992/93																				96.2%	
1993/94																				97.3%	
1994/95																				98.8%	
1995/96																				98.8%	
1996/97																				95.4%	
1997/98																				98.0%	
1998/99																				97.2%	
1999/00																				95.3%	
2000/01																				96.2%	
2001/02																				94.9%	
2002/03																				96.1%	
2003/04																				94.9%	
2004/05																				95.3%	
2005/06																				96.2%	
2006/07																				92.5%	
2007/08																				89.5%	
2008/09																				97.5%	
Average																				92.7%	
All																				96.0%	
Last 3																				96.1%	
Last 5																				96.1%	
x-hi,low																				96.1%	
Implicit																				92.7%	

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-3

Developed Limited Paid Losses

Claim Period (1)	Months of Development 6/30/09 (2)	Limited Paid Losses 6/30/09 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
to 1989/90	240.0	\$82,316,992	92.6%	\$88,902,352
1990/91	228.0	7,511,584	92.3%	8,247,227
1991/92	216.0	9,358,835	92.0%	10,175,883
1992/93	204.0	7,418,572	91.6%	8,095,471
1993/94	192.0	8,689,677	91.2%	9,523,250
1994/95	180.0	13,166,839	90.7%	14,513,458
1995/96	168.0	9,540,893	90.0%	10,595,108
1996/97	156.0	11,337,417	89.1%	12,719,160
1997/98	144.0	17,996,288	88.0%	20,452,038
1998/99	132.0	15,826,509	86.6%	18,275,400
1999/00	120.0	13,335,519	84.5%	15,783,945
2000/01	108.0	18,343,960	82.0%	22,363,302
2001/02	96.0	21,371,306	78.9%	27,096,129
2002/03	84.0	17,817,756	75.1%	23,720,209
2003/04	72.0	17,739,762	70.9%	25,033,360
2004/05	60.0	12,855,288	65.9%	19,501,213
2005/06	48.0	10,837,296	59.9%	18,083,957
2006/07	36.0	10,463,710	50.4%	20,778,068
2007/08	24.0	6,900,544	34.7%	19,868,762
2008/09	12.0	3,502,158	15.1%	23,192,683

(3) is from Exhibit WC-1.

(4) is from Exhibit WC-2.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-4

Developed Limited Reported Incurred Losses

Claim Period (1)	Months of Development 6/30/09 (2)	Limited Reported Incurred Losses 6/30/09 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
to 1989/90	240.0	\$84,039,413	99.5%	\$84,459,610
1990/91	228.0	7,877,573	99.3%	7,935,541
1991/92	216.0	9,617,300	99.0%	9,717,860
1992/93	204.0	7,512,471	98.7%	7,609,799
1993/94	192.0	8,940,715	98.5%	9,080,846
1994/95	180.0	13,436,287	98.1%	13,695,837
1995/96	168.0	10,050,480	97.7%	10,286,714
1996/97	156.0	11,785,382	97.2%	12,127,676
1997/98	144.0	19,465,041	96.4%	20,006,401 *
1998/99	132.0	16,225,152	95.5%	16,997,073
1999/00	120.0	13,881,621	94.0%	14,760,178
2000/01	108.0	19,110,641	92.2%	20,726,542
2001/02	96.0	23,519,309	90.0%	26,145,685
2002/03	84.0	19,832,080	87.3%	22,708,107
2003/04	72.0	20,100,444	84.4%	23,820,928
2004/05	60.0	15,723,521	80.7%	19,233,960 *
2005/06	48.0	14,043,760	76.2%	18,122,926 *
2006/07	36.0	13,538,006	69.3%	19,548,911
2007/08	24.0	11,645,729	57.7%	19,147,346 *
2008/09	12.0	9,518,285	41.2%	20,067,888 *

* - Indicates large claim(s) limited to retention. For details, see Exhibit WC-23.

(3) is from Exhibit WC-1.

(4) is from Exhibit WC-2.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-5

Developed Limited Case Reserves

Claim Period (1)	Months of Development 6/30/09 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 6/30/09 [(4)-(3)]/ [100.0%-(3)] (5)	Limited Paid Losses 6/30/09 (6)	Limited Case Reserves 6/30/09 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
to 1989/90	240.0	92.6%	99.5%	93.3%	\$82,316,992	\$1,722,421	\$84,163,427
1990/91	228.0	92.3%	99.3%	90.5%	7,611,584	265,989	7,905,422
1991/92	216.0	92.0%	99.0%	87.1%	9,358,835	258,465	9,655,539
1992/93	204.0	91.6%	98.7%	84.7%	7,418,572	93,899	7,529,428
1993/94	192.0	91.2%	98.5%	82.4%	8,689,677	251,038	8,994,445
1994/95	180.0	90.7%	98.1%	79.6%	13,166,839	269,448	13,505,447
1995/96	168.0	90.0%	97.7%	76.9%	9,540,893	509,587	10,203,386
1996/97	156.0	89.1%	97.2%	74.0%	11,337,417	447,965	11,942,618
1997/98	144.0	88.0%	96.4%	70.1%	17,996,288	1,468,753	19,634,850 *
1998/99	132.0	86.6%	95.5%	66.1%	15,826,509	398,643	16,429,526
1999/00	120.0	84.5%	94.0%	61.6%	13,335,519	546,102	14,221,636
2000/01	108.0	82.0%	92.2%	56.6%	18,343,960	766,681	19,697,992
2001/02	96.0	78.9%	90.0%	52.5%	21,371,306	2,148,003	25,466,226
2002/03	84.0	75.1%	87.3%	49.1%	17,817,756	2,014,324	21,920,056
2003/04	72.0	70.9%	84.4%	46.4%	17,739,762	2,360,682	22,828,160
2004/05	60.0	65.9%	80.7%	43.5%	12,855,288	2,868,233	18,642,946 *
2005/06	48.0	59.9%	76.2%	40.6%	10,837,296	3,206,463	17,741,353 *
2006/07	36.0	50.4%	69.3%	38.1%	10,463,710	3,074,295	18,415,543 *
2007/08	24.0	34.7%	57.7%	35.2%	6,900,544	4,745,185	17,905,250 *
2008/09	12.0	15.1%	41.2%	30.8%	3,502,158	6,016,127	18,536,608 *

* - Indicates large claim(s) limited to retention. For details, see Exhibit WC-23.

(3) and (4) are from Exhibit WC-2.

(6) and (7) are from Exhibit WC-1.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-6

Preliminary Projected Ultimate Limited Losses to 2008/09

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	Preliminary Projected Ultimate Limited Losses (5)
to 1989/90	\$88,902,352	\$84,459,610	\$84,163,427	\$84,341,137
1990/91	8,247,227	7,935,541	7,905,422	7,923,493
1991/92	10,175,883	9,717,660	9,655,539	9,692,932
1992/93	8,095,471	7,609,799	7,529,428	7,577,651
1993/94	9,523,250	9,080,846	8,994,445	9,046,286
1994/95	14,513,458	13,695,837	13,505,447	13,619,681
1995/96	10,595,108	10,286,714	10,203,386	10,253,383
1996/97	12,719,160	12,127,676	11,942,618	12,053,653
1997/98	20,452,038	20,006,401	19,634,850	19,857,780
1998/99	18,275,400	16,997,073	16,428,526	16,770,054
1999/00	15,783,945	14,760,178	14,221,636	14,544,761
2000/01	22,363,302	20,726,542	19,697,992	20,315,122
2001/02	27,096,129	26,145,685	25,466,226	25,873,901
2002/03	23,720,208	22,708,107	21,920,056	22,392,887
2003/04	25,033,360	23,820,928	22,828,160	23,545,064
2004/05	19,501,213	19,233,960	18,642,946	19,051,005
2005/06	18,083,957	18,122,926	17,741,353	17,962,503
2006/07	20,778,068	19,548,911	18,415,543	19,341,395
2007/08	19,868,762	19,147,346	17,905,250	18,794,791
2008/09	23,192,683	20,067,888	18,536,608	20,080,335

(2) is from Exhibit WC-3.

(3) is from Exhibit WC-4.

(4) is from Exhibit WC-5.

(5) is based on (2) to (4) and actuarial judgment.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-7

Bornhuetter - Ferguson Analysis

I. A-priori Loss Rate

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)X10 (4)	Loss Rate Trend (2009/10 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)	Projected A-priori Loss Rate per \$100 of Payroll (7)/(5) (8)
1999/00	\$14,544,761	\$256,973	\$5.66	0.824	\$4.67	\$6.90
2000/01	20,315,122	273,627	7.42	0.808	6.00	7.04
2001/02	25,873,901	293,519	8.82	0.784	6.91	7.26
2002/03	22,392,887	305,541	7.33	0.750	5.50	7.58
2003/04	23,545,064	307,406	7.66	0.785	6.01	7.25
2004/05	19,051,005	315,491	6.04	1.034	6.24	5.50
2005/06	17,962,503	326,085	5.51	1.069	5.89	5.32
2006/07	19,341,395	354,814	5.45	1.040	5.67	5.47
2007/08	18,794,791	370,278	5.08	1.027	5.21	5.54
2008/09	20,080,335	377,769	5.32	1.021	5.43	5.57

(7) Projected 2009/10 a-priori loss rate per \$100 of Payroll

\$5.69

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

Claim Period (1)	Limited Paid Losses 6/30/09 (2)	Percent Losses Paid (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unpaid Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Paid Losses (2)+(6) (7)
2004/05	\$12,855,288	65.9%	\$5.50	\$315,491	\$5,917,168	\$18,772,457
2005/06	10,837,296	59.9%	5.32	326,085	6,950,424	17,787,720
2006/07	10,463,710	50.4%	5.47	354,814	9,634,424	20,098,134
2007/08	6,900,544	34.7%	5.54	370,278	13,384,001	20,284,545
2008/09	3,502,158	15.1%	5.57	377,769	17,869,425	21,371,582

III. Bornhuetter - Ferguson Analysis Based on Limited Reported Incurred Losses

Claim Period (1)	Limited Reported Incurred Losses 6/30/09 (2)	Percent Losses Reported (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unreported Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Reported Losses (2)+(6) (7)
2004/05	\$15,723,521	80.7%	\$5.50	\$315,491	\$3,342,724	\$19,066,245
2005/06	14,043,760	76.2%	5.32	326,085	4,132,000	18,175,759
2006/07	13,538,006	69.3%	5.47	354,814	5,967,687	19,505,692
2007/08	11,645,729	57.7%	5.54	370,278	8,671,903	20,317,632
2008/09	9,518,285	41.2%	5.57	377,769	12,371,530	21,889,815

Section I, (2) is from Exhibit WC-6.

Section I, (3), Section II, (5) and Section III, (5) are from Exhibit WC-10.

Section I, (5) is from Exhibit WC-22 and adjusted for change in retention.

Section I, (7) is based on Section I, (6) and actuarial judgment.

Sections II and III, (2) are from Exhibit WC-1.

Sections II and III, (3) are from Exhibit WC-2.

Sections II and III, (4) are from Section I, (8).

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-8

Frequency Times Severity Analysis

I. Projected Ultimate Claims

Claim Period (1)	Months of Development 6/30/09 (2)	Reported Claims 6/30/09 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)	Payroll (000) (6)	Frequency per \$1M of Payroll (5)/(6)X1,000 (7)
1999/00	120.0	1,069	100.0%	1,069	\$256,973	4.16
2000/01	108.0	1,109	100.0%	1,109	273,627	4.05
2001/02	96.0	1,011	100.0%	1,011	293,519	3.44
2002/03	84.0	919	100.0%	919	305,541	3.01
2003/04	72.0	772	100.0%	772	307,406	2.51
2004/05	60.0	674	100.0%	674	315,491	2.14
2005/06	48.0	742	100.0%	742	326,085	2.28
2006/07	36.0	701	99.9%	702	354,814	1.98
2007/08	24.0	703	99.3%	708	370,278	1.91
2008/09	12.0	647	92.8%	697	377,769	1.85

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (2009/10 = 1.000) (5)	Tranded Average Claim Severity (4)X(5) (6)	De-Tranded Projected 2009/10 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
1999/00	\$14,544,761	1,069	\$13,606	1.108	\$15,073	\$27,720	\$29,633,098
2000/01	20,315,122	1,109	18,318	1.054	19,316	29,123	32,297,455
2001/02	25,873,901	1,011	25,592	0.993	25,407	30,933	31,273,498
2002/03	22,392,887	919	24,367	0.923	22,486	33,278	30,582,865
2003/04	23,545,064	772	30,499	0.937	28,571	32,782	25,307,728
2004/05	19,051,005	674	28,266	1.198	33,871	25,628	17,273,040
2005/06	17,962,503	742	24,208	1.204	29,140	25,512	18,930,124
2006/07	19,341,395	702	27,552	1.136	31,310	27,023	18,970,360
2007/08	18,794,791	708	26,546	1.090	28,930	28,180	19,951,223
2008/09	20,080,335	697	28,810	1.052	30,298	29,201	20,353,339
(7) Projected 2009/10 average claim severity					\$30,710		

Section I, (3) is from Exhibit WC-1.

Section I, (4) is from Exhibit WC-2.

Section I, (6) is from Exhibit WC-10.

Section II, (2) is from Exhibit WC-6.

Section II, (3) is from Section I, (5).

Section II, (5) is from Exhibit WC-22 and adjusted for change in retention.

Section II, (7) is based on (6) and actuarial judgment.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-9

Projected Ultimate Limited Losses to 2008/09

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	B-F Ultimate Limited Paid Losses (5)	B-F Ultimate Limited Reported Losses (6)	Frequency Times Severity (7)	Projected Ultimate Limited Losses (8)
to 1989/90	\$88,902,352	\$84,459,610	\$84,163,427				\$84,341,000
1990/91	8,247,227	7,935,541	7,905,422				7,923,000
1991/92	10,175,883	9,717,860	9,655,539				9,693,000
1992/93	8,095,471	7,609,799	7,529,428				7,578,000
1993/94	9,523,250	9,080,846	8,994,445				9,046,000
1994/95	14,513,458	13,695,837	13,505,447				13,620,000
1995/96	10,595,108	10,286,714	10,203,386				10,253,000
1996/97	12,719,160	12,127,676	11,942,618				12,054,000
1997/98	20,452,038	20,006,401	19,634,850				19,858,000
1998/99	18,275,400	16,997,073	16,429,526				16,770,000
1999/00	15,783,945	14,760,178	14,221,636				14,545,000
2000/01	22,363,302	20,726,542	19,697,992				20,315,000
2001/02	27,096,129	26,145,685	25,466,226				25,874,000
2002/03	23,720,208	22,708,107	21,920,056				22,393,000
2003/04	25,033,360	23,820,928	22,828,160				23,545,000
2004/05	19,501,213	19,233,960	18,642,946	18,772,457	19,066,245	17,273,040	19,051,000
2005/06	18,083,957	18,122,926	17,741,353	17,787,720	18,175,759	18,930,124	17,963,000
2006/07	20,778,068	19,548,911	18,415,543	20,098,134	19,505,692	18,970,360	19,341,000
2007/08	19,868,762	19,147,346	17,905,250	20,284,545	20,317,632	19,951,223	19,513,000
2008/09	23,192,683	20,067,888	18,536,608	21,371,582	21,889,815	20,353,339	20,728,000

(2) is from Exhibit WC-3.

(3) is from Exhibit WC-4.

(4) is from Exhibit WC-5.

(5) and (6) are from Exhibit WC-7.

(7) is from Exhibit WC-8.

(8) is based on (2) to (7) and actuarial judgment.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-10

Projected Ultimate Limited Losses for 2009/10 and Subsequent

Claim Period (1)	Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2009/10 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)
1999/00	\$14,545,000	\$256,973	\$5.66	0.824	\$4.67
2000/01	20,315,000	273,627	7.42	0.808	6.00
2001/02	25,874,000	293,519	8.82	0.784	6.91
2002/03	22,393,000	305,541	7.33	0.750	5.50
2003/04	23,545,000	307,406	7.66	0.785	6.01
2004/05	19,051,000	315,491	6.04	1.034	6.24
2005/06	17,963,000	326,085	5.51	1.069	5.89
2006/07	19,341,000	354,814	5.45	1.040	5.67
2007/08	19,513,000	370,278	5.27	1.027	5.41
2008/09	20,728,000	377,769	5.49	1.021	5.60
Total	\$203,268,000	\$3,181,501	\$6.39		\$5.79

Claim Period (1)	Projected Limited Loss Rate per \$100 of Payroll (7)	Projected Payroll (000) (8)	Projected Ultimate Limited Losses (7)X(8)X10 (9)	Present Value Factor (10)	Present Value of Projected Limited Loss Rate per \$100 of Payroll (7)X(10) (11)	Present Value of Projected Ultimate Limited Losses (8)X(11)X10 (12)
2009/10	\$5.76	\$389,102	\$22,426,000	0.83	\$4.78	\$18,606,000
2010/11	5.88	400,775	23,561,000	0.83	4.88	19,548,000
2011/12	6.00	412,798	24,753,000	0.83	4.98	20,537,000
2012/13	6.12	425,182	26,006,000	0.83	5.07	21,576,000
2013/14	6.24	437,937	27,321,000	0.83	5.18	22,568,000
2014/15	6.36	451,076	28,704,000	0.83	5.28	23,815,000
2015/16	6.49	464,608	30,156,000	0.83	5.39	25,020,000
2016/17	6.62	478,546	31,682,000	0.83	5.49	26,296,000
2017/18	6.75	492,903	33,285,000	0.83	5.60	27,616,000
2018/19	6.89	507,690	34,970,000	0.83	5.71	29,013,000

(2) is from Exhibit WC-9.

(3) was provided by the City.

(5) is from Exhibit WC-22 and adjusted for change in retention.

(7) for 2009/10 is based on (6) and actuarial judgment.

(7) for 2010/11 and subsequent are based on 2009/10 plus the trend in Exhibit WC-22.

(8) is based on (3) for 2008/09 and a 3% trend.

(10) is based on a 3.98% interest rate and the payout pattern in Exhibit WC-2.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-11

Estimated Outstanding Losses as of June 30, 2009

Claim Period (1)	Limited Paid Losses 6/30/09 (2)	Limited Case Reserves 6/30/09 (3)	Limited Reported Incurred Losses 6/30/09 (4)	Projected Ultimate Limited Losses (5)	Estimated IBNR 6/30/09 (5)-(4) (6)	Estimated Outstanding Losses 6/30/09 (3)+(6) (7)	Present Value Factor (8)	Present Value of Estimated Outstanding Losses 6/30/09 (7)X(8) (9)
to 1989/90	\$82,316,992	\$1,722,421	\$84,039,413	\$84,341,000	\$301,587	\$2,024,008	0.91	\$1,839,269
1990/91	7,611,584	265,989	7,877,573	7,923,000	45,427	311,416	0.88	273,490
1991/92	9,358,835	258,465	9,617,300	9,693,000	75,700	334,165	0.85	284,107
1992/93	7,418,572	93,899	7,512,471	7,578,000	65,529	159,428	0.82	131,416
1993/94	8,689,677	251,038	8,940,715	9,046,000	105,285	356,323	0.80	285,543
1994/95	13,166,839	269,448	13,436,287	13,620,000	183,713	453,161	0.78	354,758
1995/96	9,540,893	509,587	10,050,480	10,253,000	202,520	712,107	0.77	547,321
1996/97	11,337,417	447,965	11,785,382	12,054,000	268,618	716,583	0.76	544,517
1997/98	17,996,288	1,468,753	19,465,041	19,858,000	392,959	1,861,712	0.76	1,405,632
1998/99	15,826,509	398,643	16,225,152	16,770,000	544,848	943,491	0.75	710,444
1999/00	13,335,519	546,102	13,881,621	14,545,000	663,379	1,209,481	0.76	918,694
2000/01	18,343,960	766,681	19,110,641	20,315,000	1,204,359	1,971,040	0.77	1,508,160
2001/02	21,371,306	2,148,003	23,519,309	25,874,000	2,354,691	4,502,694	0.77	3,479,647
2002/03	17,817,756	2,014,324	19,832,080	22,393,000	2,560,920	4,575,244	0.78	3,565,752
2003/04	17,739,762	2,360,682	20,100,444	23,545,000	3,444,556	5,805,238	0.78	4,548,422
2004/05	12,855,288	2,868,233	15,723,521	19,051,000	3,327,479	6,195,712	0.79	4,873,893
2005/06	10,837,296	3,206,483	14,043,780	17,983,000	3,919,240	7,125,703	0.79	5,631,107
2006/07	10,463,710	3,074,295	13,538,006	19,341,000	5,802,994	8,877,289	0.80	7,125,970
2007/08	6,900,544	4,745,185	11,645,729	19,513,000	7,867,271	12,612,456	0.82	10,368,994
2008/09	3,502,158	6,016,127	9,518,285	20,728,000	11,209,715	17,225,842	0.83	14,378,406
Total	\$316,430,908	\$33,432,301	\$349,863,209	\$394,404,000	\$44,540,790	\$77,973,093		\$62,775,642

(2), (3) and (4) are net of specific self insured retention and aggregate retention.

(5) is from Exhibit WC-9.

(8) is based on a 3.98% interest rate and the payout pattern in Exhibit WC-2.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-12

Projected Losses Paid July 1, 2009 to June 30, 2010

Claim Period (1)	Months of Development 6/30/09 (2)	Percent Losses Paid (3)	Months of Development 6/30/10 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/09 to 6/30/10 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/09 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/10 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/10 (9)X(10) (11)
to 1989/90	240.0	92.6%	252.0	94.8%	30.0%	\$2,024,008	\$607,202	\$1,416,806	0.91	\$1,291,395
1990/91	228.0	92.3%	240.0	92.8%	3.9%	311,418	12,119	299,297	0.91	271,979
1991/92	216.0	92.0%	228.0	92.3%	4.0%	334,165	13,397	320,768	0.88	281,703
1992/93	204.0	91.6%	216.0	92.0%	4.0%	159,428	6,334	153,094	0.85	130,180
1993/94	192.0	91.2%	204.0	91.8%	4.5%	356,323	15,941	340,382	0.82	280,577
1994/95	180.0	90.7%	192.0	91.2%	5.7%	453,161	25,680	427,501	0.80	342,583
1995/96	168.0	90.0%	180.0	90.7%	6.7%	712,107	48,065	664,042	0.78	519,847
1996/97	156.0	89.1%	168.0	90.0%	8.4%	716,583	60,254	656,329	0.77	504,450
1997/98	144.0	88.0%	156.0	89.1%	9.5%	1,881,712	177,357	1,684,355	0.76	1,279,907
1998/99	132.0	86.6%	144.0	88.0%	10.4%	943,491	98,051	845,440	0.76	638,325
1999/00	120.0	84.5%	132.0	86.8%	13.8%	1,209,481	164,888	1,044,793	0.75	786,724
2000/01	108.0	82.0%	120.0	84.5%	13.7%	1,971,040	269,870	1,701,170	0.76	1,292,170
2001/02	96.0	78.9%	108.0	82.0%	14.9%	4,502,694	672,359	3,830,335	0.77	2,930,817
2002/03	84.0	75.1%	96.0	78.9%	15.1%	4,575,244	690,585	3,884,679	0.77	3,002,050
2003/04	72.0	70.9%	84.0	75.1%	14.6%	5,805,238	847,183	4,958,055	0.78	3,864,099
2004/05	60.0	65.9%	72.0	70.9%	14.5%	6,195,712	898,833	5,296,879	0.78	4,150,121
2005/06	48.0	59.9%	60.0	65.9%	15.0%	7,125,703	1,065,841	6,060,062	0.79	4,787,281
2006/07	36.0	50.4%	48.0	59.9%	19.3%	8,877,289	1,711,108	7,166,181	0.79	5,663,095
2007/08	24.0	34.7%	36.0	50.4%	23.9%	12,812,456	3,020,058	9,592,398	0.80	7,700,002
2008/09	12.0	15.1%	24.0	34.7%	23.1%	17,225,842	3,982,926	13,242,916	0.82	10,887,310
2009/10	0.0	0.0%	12.0	15.1%	15.1%	22,428,000	3,388,388	19,039,614	0.83	15,892,361
Total						\$100,399,093	\$17,773,997	\$82,625,096		\$68,476,958

(3) and (5) are from Exhibit WC-2.

(7) to 2008/09 is from Exhibit WC-11. The amount for 2009/10 is from Exhibit WC-10.

(10) is based on a 3.98% interest rate and the payout pattern in Exhibit WC-2.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-13

Projected Losses Paid July 1, 2010 to June 30, 2011

Claim Period (1)	Months of Development 6/30/10 (2)	Percent Losses Paid (3)	Months of Development 6/30/11 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/10 to 6/30/11 [(5)-(3)]/[100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/10 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/11 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/11 (9)X(10) (11)
to 1989/90	252.0	94.8%	264.0	96.4%	30.0%	\$1,416,806	\$425,042	\$991,764	0.92	\$907,504
1990/91	240.0	92.8%	252.0	94.8%	30.0%	299,297	89,789	209,508	0.91	190,963
1991/92	228.0	92.3%	240.0	92.6%	3.9%	320,768	12,483	308,285	0.91	280,147
1992/93	216.0	92.0%	228.0	92.3%	4.0%	153,094	6,138	146,956	0.88	129,059
1993/94	204.0	91.6%	216.0	92.0%	4.0%	340,382	13,523	326,859	0.85	277,895
1994/95	192.0	91.2%	204.0	91.6%	4.5%	427,501	19,125	408,376	0.82	336,824
1995/96	180.0	90.7%	192.0	91.2%	5.7%	664,042	37,601	626,441	0.80	502,006
1996/97	168.0	90.0%	180.0	90.7%	8.7%	656,329	44,300	612,029	0.78	479,129
1997/98	156.0	89.1%	168.0	90.0%	8.4%	1,684,355	141,629	1,542,726	0.77	1,185,729
1998/99	144.0	88.0%	156.0	89.1%	9.5%	845,440	80,541	764,899	0.78	581,231
1999/00	132.0	86.8%	144.0	88.0%	10.4%	1,044,793	108,579	936,214	0.78	706,861
2000/01	120.0	84.5%	132.0	86.6%	13.8%	1,701,170	231,838	1,469,332	0.75	1,106,550
2001/02	108.0	82.0%	120.0	84.5%	13.7%	3,830,335	524,440	3,305,895	0.76	2,511,082
2002/03	96.0	78.9%	108.0	82.0%	14.9%	3,884,679	580,075	3,304,604	0.77	2,528,549
2003/04	84.0	75.1%	96.0	78.9%	15.1%	4,958,055	748,345	4,209,710	0.77	3,253,232
2004/05	72.0	70.9%	84.0	75.1%	14.8%	5,296,879	772,996	4,523,883	0.78	3,525,724
2005/06	60.0	65.9%	72.0	70.9%	14.5%	6,060,062	879,153	5,180,909	0.78	4,059,258
2006/07	48.0	59.9%	60.0	65.9%	15.0%	7,168,181	1,071,694	6,096,487	0.79	4,794,382
2007/08	36.0	50.4%	48.0	59.9%	19.3%	8,592,398	1,848,948	7,743,452	0.79	6,119,285
2008/09	24.0	34.7%	36.0	50.4%	23.9%	13,242,916	3,171,021	10,071,895	0.80	8,084,903
2009/10	12.0	15.1%	24.0	34.7%	23.1%	19,039,814	4,402,302	14,637,512	0.82	12,033,875
2010/11	0.0	0.0%	12.0	15.1%	15.1%	23,561,000	3,557,774	20,003,226	0.83	16,696,888
Total						\$108,188,096	\$18,767,134	\$87,418,962		\$70,290,456

(3) and (5) are from Exhibit WC-2.

(7) to 2009/10 is from Exhibit WC-12, (9). The amount for 2010/11 is from Exhibit WC-10.

(10) is based on a 3.98% interest rate and the payout pattern in Exhibit WC-2.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-14

Projected Losses Paid July 1, 2011 to June 30, 2012

Claim Period (1)	Months of Development 6/30/11 (2)	Percent Losses Paid (3)	Months of Development 6/30/12 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/11 to 6/30/12 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/11 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 8/30/12 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/12 (9)X(10) (11)
to 1989/90	264.0	96.4%	276.0	97.5%	30.0%	\$991,764	\$297,529	\$694,235	0.92	\$638,408
1990/91	252.0	94.8%	264.0	96.4%	30.0%	209,508	62,852	146,656	0.92	134,196
1991/92	240.0	92.6%	252.0	94.8%	30.0%	308,285	92,486	215,799	0.91	196,897
1992/93	228.0	92.3%	240.0	92.6%	3.9%	146,958	5,719	141,237	0.91	128,348
1993/94	216.0	92.0%	228.0	92.3%	4.0%	326,859	13,104	313,755	0.88	275,544
1994/95	204.0	91.6%	216.0	92.0%	4.0%	408,376	16,224	392,152	0.85	333,407
1995/96	192.0	91.2%	204.0	91.6%	4.5%	626,441	28,025	598,416	0.82	493,274
1996/97	180.0	90.7%	192.0	91.2%	5.7%	612,029	34,656	577,373	0.80	462,684
1997/98	168.0	90.0%	180.0	90.7%	8.7%	1,542,726	104,130	1,438,596	0.78	1,126,209
1998/99	156.0	89.1%	168.0	90.0%	8.4%	764,899	64,317	700,582	0.77	538,462
1999/00	144.0	88.0%	156.0	89.1%	9.5%	938,214	89,189	847,025	0.76	643,637
2000/01	132.0	88.6%	144.0	88.0%	10.4%	1,469,532	152,719	1,316,813	0.76	994,221
2001/02	120.0	84.5%	132.0	86.6%	13.6%	3,305,895	450,145	2,855,750	0.75	2,150,366
2002/03	108.0	82.0%	120.0	84.5%	13.7%	3,304,604	452,458	2,852,148	0.76	2,166,425
2003/04	96.0	78.9%	108.0	82.0%	14.9%	4,209,710	629,610	3,581,100	0.77	2,740,112
2004/05	84.0	75.1%	96.0	78.9%	15.1%	4,523,883	682,813	3,841,070	0.77	2,968,349
2005/06	72.0	70.9%	84.0	75.1%	14.8%	5,180,909	756,072	4,424,837	0.78	3,448,531
2006/07	60.0	65.9%	72.0	70.9%	14.5%	6,094,487	884,148	5,210,339	0.78	4,082,317
2007/08	48.0	59.9%	60.0	65.9%	15.0%	7,743,452	1,158,024	6,585,428	0.79	5,180,572
2008/09	36.0	50.4%	48.0	59.9%	19.3%	10,071,895	1,941,370	8,130,525	0.79	6,425,170
2009/10	24.0	34.7%	36.0	50.4%	23.9%	14,637,312	3,504,910	11,132,402	0.80	8,936,192
2010/11	12.0	15.1%	24.0	34.7%	23.1%	20,003,226	4,625,107	15,378,119	0.82	12,642,710
2011/12	0.0	0.0%	12.0	15.1%	15.1%	24,753,000	3,737,770	21,015,230	0.83	17,541,408
Total						\$112,171,962	\$19,782,377	\$92,389,585		\$74,247,237

(3) and (5) are from Exhibit WC-2.

(7) to 2010/11 is from Exhibit WC-13, (9). The amount for 2011/12 is from Exhibit WC-10.

(10) is based on a 3.98% interest rate and the payout pattern in Exhibit WC-2.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-15

Projected Losses Paid July 1, 2012 to June 30, 2013

Claim Period (1)	Months of Development 6/30/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/12 to 6/30/13 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/12 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/13 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/13 (9)X(10) (11)
to 1989/90	276.0	97.5%	288.0	98.2%	30.0%	\$694,235	\$208,270	\$485,965	0.93	\$449,878
1990/91	264.0	96.4%	276.0	97.5%	30.0%	148,856	43,997	102,859	0.92	94,404
1991/92	252.0	94.8%	264.0	96.4%	30.0%	215,799	84,740	151,059	0.92	138,225
1992/93	240.0	92.6%	252.0	94.8%	30.0%	141,237	42,371	98,866	0.91	90,115
1993/94	228.0	92.3%	240.0	92.6%	3.9%	313,755	12,210	301,545	0.91	274,022
1994/95	216.0	92.0%	228.0	92.3%	4.0%	392,152	15,722	376,430	0.88	330,586
1995/96	204.0	91.6%	216.0	92.0%	4.0%	598,416	23,774	574,642	0.85	488,560
1996/97	192.0	91.2%	204.0	91.6%	4.5%	577,373	25,830	551,543	0.82	454,637
1997/98	180.0	90.7%	192.0	91.2%	5.7%	1,438,596	81,480	1,357,138	0.80	1,087,556
1998/99	168.0	90.0%	180.0	90.7%	6.7%	700,582	47,287	653,295	0.78	511,434
1999/00	156.0	89.1%	168.0	90.0%	8.4%	847,025	71,222	775,803	0.77	596,277
2000/01	144.0	88.0%	156.0	89.1%	9.5%	1,316,813	125,447	1,191,366	0.76	905,295
2001/02	132.0	86.6%	144.0	88.0%	10.4%	2,855,750	296,780	2,558,970	0.76	1,932,076
2002/03	120.0	84.5%	132.0	86.6%	13.6%	2,852,146	388,360	2,463,786	0.75	1,855,219
2003/04	108.0	82.0%	120.0	84.5%	13.7%	3,581,100	490,316	3,090,784	0.76	2,347,888
2004/05	96.0	78.9%	108.0	82.0%	14.9%	3,841,070	573,583	3,267,507	0.77	2,500,164
2005/06	84.0	75.1%	96.0	78.9%	15.1%	4,424,837	667,864	3,756,973	0.77	2,903,360
2006/07	72.0	70.9%	84.0	75.1%	14.6%	5,210,339	760,367	4,449,972	0.78	3,468,121
2007/08	60.0	65.9%	72.0	70.9%	14.5%	6,585,428	955,370	5,630,058	0.78	4,411,168
2008/09	48.0	59.9%	60.0	65.9%	15.0%	8,130,525	1,215,911	6,914,614	0.79	5,439,533
2009/10	36.0	50.4%	48.0	59.9%	19.3%	11,132,402	2,145,784	8,986,618	0.79	7,101,700
2010/11	24.0	34.7%	36.0	50.4%	23.9%	15,378,119	3,682,297	11,695,822	0.80	9,388,460
2011/12	12.0	15.1%	24.0	34.7%	23.1%	21,015,230	4,859,101	16,156,129	0.82	13,282,330
2012/13	0.0	0.0%	12.0	15.1%	15.1%	26,006,000	3,926,976	22,079,024	0.83	18,429,356
Total						\$118,395,585	\$20,725,019	\$97,670,566		\$78,479,964

(3) and (5) are from Exhibit WC-2.

(7) to 2011/12 is from Exhibit WC-14, (9). The amount for 2012/13 is from Exhibit WC-10.

(10) is based on a 3.98% interest rate and the payout pattern in Exhibit WC-2.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-18

Projected Losses Paid July 1, 2013 to June 30, 2014

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
to 1989/90	288.0	98.2%	300.0	98.8%	30.0%	\$485,965	\$145,789	\$340,176	0.93	\$317,219
1990/91	278.0	97.5%	288.0	98.2%	30.0%	102,659	30,798	71,861	0.93	66,495
1991/92	264.0	96.4%	276.0	97.5%	30.0%	151,059	45,318	105,741	0.92	97,238
1992/93	252.0	94.8%	284.0	96.4%	30.0%	98,866	29,680	69,206	0.92	63,326
1993/94	240.0	92.6%	252.0	94.8%	30.0%	301,545	90,464	211,081	0.91	192,397
1994/95	228.0	92.3%	240.0	92.6%	3.9%	376,430	14,650	361,780	0.91	328,759
1995/96	218.0	92.0%	228.0	92.3%	4.0%	574,642	23,038	551,604	0.88	484,426
1996/97	204.0	91.6%	216.0	92.0%	4.0%	551,543	21,912	529,631	0.85	450,292
1997/98	192.0	91.2%	204.0	91.6%	4.5%	1,357,136	60,715	1,296,421	0.82	1,069,839
1998/99	180.0	90.7%	192.0	91.2%	5.7%	653,295	36,993	616,302	0.80	493,881
1999/00	168.0	90.0%	180.0	90.7%	6.7%	775,803	52,365	723,438	0.78	566,345
2000/01	156.0	89.1%	168.0	90.0%	8.4%	1,191,366	100,176	1,091,190	0.77	838,681
2001/02	144.0	88.0%	156.0	89.1%	9.5%	2,558,970	243,781	2,315,189	0.76	1,759,264
2002/03	132.0	88.6%	144.0	88.0%	10.4%	2,463,786	256,045	2,207,741	0.76	1,666,891
2003/04	120.0	84.5%	132.0	86.6%	13.6%	3,090,784	420,854	2,669,930	0.75	2,010,444
2004/05	108.0	82.0%	120.0	84.5%	13.7%	3,267,507	447,379	2,820,128	0.76	2,142,104
2005/06	96.0	78.9%	108.0	82.0%	14.9%	3,756,973	561,005	3,195,968	0.77	2,445,425
2006/07	84.0	75.1%	96.0	78.9%	15.1%	4,449,972	671,657	3,778,315	0.77	2,919,853
2007/08	72.0	70.9%	84.0	75.1%	14.6%	5,630,058	821,618	4,808,440	0.78	3,747,495
2008/09	60.0	65.9%	72.0	70.9%	14.5%	6,914,614	1,003,126	5,911,488	0.78	4,631,669
2009/10	48.0	59.9%	60.0	65.9%	15.0%	8,986,618	1,343,938	7,642,680	0.79	6,012,282
2010/11	36.0	50.4%	48.0	59.9%	19.3%	11,695,822	2,254,384	9,441,438	0.79	7,461,123
2011/12	24.0	34.7%	36.0	50.4%	23.9%	16,156,129	3,868,591	12,287,538	0.80	9,863,442
2012/13	12.0	15.1%	24.0	34.7%	23.1%	22,079,024	5,105,069	16,973,955	0.82	13,954,684
2013/14	0.0	0.0%	12.0	15.1%	15.1%	27,321,000	4,125,545	23,195,455	0.83	19,361,241
Total						\$124,991,566	\$21,774,870	\$103,216,696		\$82,943,615

(3) and (5) are from Exhibit WC-2.

(7) to 2012/13 is from Exhibit WC-15, (9). The amount for 2013/14 is from Exhibit WC-10.

(10) is based on a 3.98% interest rate and the payout pattern in Exhibit WC-2.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-17

Projected Losses Paid July 1, 2014 to June 30, 2015

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(5)-(3)]/[100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
to 1989/90	300.0	98.8%	312.0	99.1%	30.0%	\$340,176	\$102,053	\$238,123	0.94	\$224,165
1990/91	288.0	98.2%	300.0	98.8%	30.0%	71,861	21,558	50,303	0.93	48,908
1991/92	276.0	97.5%	288.0	98.2%	30.0%	105,741	31,722	74,019	0.93	68,492
1992/93	264.0	96.4%	276.0	97.5%	30.0%	69,208	20,762	48,444	0.92	44,548
1993/94	252.0	94.8%	264.0	96.4%	30.0%	211,081	63,324	147,757	0.92	135,204
1994/95	240.0	92.6%	252.0	94.8%	30.0%	361,780	108,534	253,246	0.91	230,829
1995/96	228.0	92.3%	240.0	92.6%	3.9%	551,604	21,467	530,137	0.91	481,749
1996/97	216.0	92.0%	228.0	92.3%	4.0%	529,631	21,233	508,398	0.88	446,482
1997/98	204.0	91.6%	216.0	92.0%	4.0%	1,296,421	51,505	1,244,916	0.85	1,058,427
1998/99	192.0	91.2%	204.0	91.6%	4.5%	616,302	27,572	588,730	0.82	485,290
1999/00	180.0	90.7%	192.0	91.2%	5.7%	723,438	40,964	682,474	0.80	546,908
2000/01	168.0	90.0%	180.0	90.7%	6.7%	1,091,190	73,652	1,017,538	0.78	798,582
2001/02	156.0	89.1%	168.0	90.0%	8.4%	2,315,189	194,673	2,120,516	0.77	1,629,814
2002/03	144.0	88.0%	156.0	89.1%	9.5%	2,207,741	210,321	1,997,420	0.78	1,517,798
2003/04	132.0	86.6%	144.0	88.0%	10.4%	2,669,930	277,469	2,392,461	0.78	1,806,358
2004/05	120.0	84.5%	132.0	86.6%	13.6%	2,820,128	384,001	2,436,127	0.75	1,834,392
2005/06	108.0	82.0%	120.0	84.5%	13.7%	3,195,968	437,584	2,758,384	0.76	2,095,205
2006/07	96.0	78.9%	108.0	82.0%	14.9%	3,778,315	564,192	3,214,123	0.77	2,459,316
2007/08	84.0	75.1%	96.0	78.9%	15.1%	4,808,440	725,763	4,082,677	0.77	3,155,061
2008/09	72.0	70.9%	84.0	75.1%	14.6%	5,911,488	862,689	5,048,799	0.78	3,934,821
2009/10	60.0	65.9%	72.0	70.9%	14.5%	7,642,680	1,108,749	6,533,931	0.78	5,119,355
2010/11	48.0	59.9%	60.0	65.9%	15.0%	9,441,438	1,411,956	8,029,482	0.79	6,316,569
2011/12	36.0	50.4%	48.0	59.9%	19.3%	12,287,538	2,368,438	9,919,100	0.79	7,838,597
2012/13	24.0	34.7%	36.0	50.4%	23.9%	16,973,955	4,064,420	12,909,535	0.80	10,362,731
2013/14	12.0	15.1%	24.0	34.7%	23.1%	23,195,455	5,363,208	17,832,247	0.82	14,660,306
2014/15	0.0	0.0%	12.0	15.1%	15.1%	28,704,000	4,334,381	24,369,619	0.83	20,241,315
Total						\$131,920,696	\$22,892,190	\$109,028,506		\$87,637,222

(3) and (5) are from Exhibit WC-2.

(7) to 2012/13 is from Exhibit WC-15, (9). The amount for 2013/14 is from Exhibit WC-10.

(10) is based on a 3.98% interest rate and the payout pattern in Exhibit WC-2.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-18

Projected Losses Paid July 1, 2015 to June 30, 2016

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
to 1989/90	312.0	99.1%	324.0	99.4%	30.0%	\$238,123	\$71,437	\$166,686	0.95	\$158,719
1990/91	300.0	98.8%	312.0	99.1%	30.0%	50,303	15,091	35,212	0.94	33,148
1991/92	288.0	98.2%	300.0	98.8%	30.0%	74,019	22,206	51,813	0.93	48,316
1992/93	276.0	97.5%	288.0	98.2%	30.0%	48,444	14,533	33,911	0.93	31,379
1993/94	264.0	96.4%	276.0	97.5%	30.0%	147,757	44,327	103,430	0.92	95,113
1994/95	252.0	94.8%	264.0	96.4%	30.0%	253,246	75,974	177,272	0.92	162,211
1995/96	240.0	92.6%	252.0	94.8%	30.0%	530,137	159,041	371,096	0.91	338,248
1996/97	228.0	92.3%	240.0	92.6%	3.9%	508,398	19,785	488,613	0.91	444,016
1997/98	216.0	92.0%	228.0	92.3%	4.0%	1,244,816	49,909	1,195,007	0.88	1,049,471
1998/99	204.0	91.6%	216.0	92.0%	4.0%	588,730	23,389	565,341	0.85	480,653
1999/00	192.0	91.2%	204.0	91.6%	4.5%	682,474	30,532	651,942	0.82	537,395
2000/01	180.0	90.7%	192.0	91.2%	5.7%	1,017,538	57,618	959,920	0.80	769,243
2001/02	168.0	90.0%	180.0	90.7%	6.7%	2,120,516	143,129	1,977,387	0.78	1,548,003
2002/03	156.0	89.1%	168.0	90.0%	8.4%	1,997,420	167,954	1,829,466	0.77	1,406,115
2003/04	144.0	88.0%	156.0	89.1%	9.5%	2,392,461	227,919	2,164,542	0.76	1,644,791
2004/05	132.0	88.6%	144.0	88.0%	10.4%	2,436,127	253,171	2,182,956	0.76	1,648,178
2005/06	120.0	84.5%	132.0	86.6%	13.8%	2,758,384	375,593	2,382,791	0.75	1,794,230
2006/07	108.0	82.0%	120.0	84.5%	13.7%	3,214,123	440,070	2,774,053	0.76	2,107,107
2007/08	96.0	78.9%	108.0	82.0%	14.9%	4,082,677	609,641	3,473,036	0.77	2,657,426
2008/09	84.0	75.1%	96.0	78.9%	15.1%	5,048,799	762,041	4,286,758	0.77	3,312,774
2009/10	72.0	70.9%	84.0	75.1%	14.6%	6,533,931	953,524	5,580,407	0.78	4,349,134
2010/11	60.0	65.9%	72.0	70.9%	14.5%	8,029,482	1,164,864	6,864,618	0.78	5,378,450
2011/12	48.0	59.9%	60.0	65.9%	15.0%	9,919,100	1,483,390	8,435,710	0.79	6,636,137
2012/13	36.0	50.4%	48.0	59.9%	19.3%	12,909,535	2,488,328	10,421,207	0.79	8,235,388
2013/14	24.0	34.7%	36.0	50.4%	23.9%	17,832,247	4,269,939	13,562,308	0.80	10,886,724
2014/15	12.0	15.1%	24.0	34.7%	23.1%	24,369,819	5,634,696	18,734,923	0.82	15,402,417
2015/16	0.0	0.0%	12.0	15.1%	15.1%	30,156,000	4,553,637	25,602,363	0.83	21,370,286
Total						\$139,184,506	\$24,111,738	\$115,072,768		\$92,525,072

(3) and (5) are from Exhibit WC-2.

(7) to 2012/13 is from Exhibit WC-15, (9). The amount for 2013/14 is from Exhibit WC-10.

(10) is based on a 3.98% interest rate and the payout pattern in Exhibit WC-2.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-19

Projected Losses Paid July 1, 2016 to June 30, 2017

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(6)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (8)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
to 1989/90	324.0	99.4%	336.0	99.6%	30.0%	\$166,686	\$50,008	\$116,680	0.97	\$112,622
1990/91	312.0	99.1%	324.0	99.4%	30.0%	35,212	10,564	24,648	0.95	23,470
1991/92	300.0	98.8%	312.0	99.1%	30.0%	51,813	15,544	36,269	0.94	34,143
1992/93	288.0	98.2%	300.0	98.8%	30.0%	33,911	10,173	23,738	0.93	22,138
1993/94	276.0	97.5%	288.0	98.2%	30.0%	103,430	31,029	72,401	0.93	68,995
1994/95	264.0	96.4%	276.0	97.5%	30.0%	177,272	53,182	124,090	0.92	114,111
1995/96	252.0	94.8%	264.0	96.4%	30.0%	371,096	111,329	259,767	0.92	237,697
1996/97	240.0	92.6%	252.0	94.8%	30.0%	488,613	146,584	342,029	0.91	311,754
1997/98	228.0	92.3%	240.0	92.6%	3.9%	1,195,007	46,506	1,148,501	0.91	1,043,673
1998/99	216.0	92.0%	228.0	92.3%	4.0%	565,341	22,665	542,676	0.88	476,585
1999/00	204.0	91.6%	216.0	92.0%	4.0%	651,942	25,901	626,041	0.85	532,260
2000/01	192.0	91.2%	204.0	91.6%	4.5%	959,920	42,944	916,976	0.82	755,863
2001/02	180.0	90.7%	192.0	91.2%	5.7%	1,977,387	111,969	1,865,418	0.80	1,494,874
2002/03	168.0	90.0%	180.0	90.7%	6.7%	1,829,466	123,484	1,705,982	0.78	1,335,533
2003/04	156.0	89.1%	168.0	90.0%	8.4%	2,184,542	182,006	1,982,536	0.77	1,523,763
2004/05	144.0	88.0%	156.0	89.1%	9.5%	2,182,956	207,960	1,974,996	0.76	1,500,759
2005/06	132.0	86.6%	144.0	88.0%	10.4%	2,382,791	247,628	2,135,163	0.76	1,612,093
2006/07	120.0	84.5%	132.0	86.6%	13.6%	2,774,053	377,727	2,396,326	0.75	1,804,422
2007/08	108.0	82.0%	120.0	84.5%	13.7%	3,473,036	475,520	2,997,516	0.76	2,276,844
2008/09	96.0	78.9%	108.0	82.0%	14.9%	4,286,758	640,115	3,646,643	0.77	2,790,263
2009/10	84.0	75.1%	96.0	78.9%	15.1%	5,580,407	842,280	4,738,127	0.77	3,661,588
2010/11	72.0	70.9%	84.0	75.1%	14.6%	6,864,618	1,001,783	5,862,835	0.78	4,569,246
2011/12	60.0	65.9%	72.0	70.9%	14.5%	8,435,710	1,223,797	7,211,913	0.78	5,650,556
2012/13	48.0	59.9%	60.0	65.9%	15.0%	10,421,207	1,558,479	8,862,728	0.79	6,972,060
2013/14	36.0	50.4%	48.0	59.9%	19.3%	13,562,308	2,614,151	10,948,157	0.79	8,651,812
2014/15	24.0	34.7%	36.0	50.4%	23.9%	18,734,923	4,486,085	14,248,838	0.80	11,437,815
2015/16	12.0	15.1%	24.0	34.7%	23.1%	25,802,363	5,919,729	19,882,634	0.82	16,181,552
2016/17	0.0	0.0%	12.0	15.1%	15.1%	31,682,000	4,784,067	26,897,933	0.83	22,451,698
Total						\$146,754,768	\$25,363,207	\$121,391,561		\$97,646,187

(3) and (5) are from Exhibit WC-2.

(7) to 2012/13 is from Exhibit WC-15, (9). The amount for 2013/14 is from Exhibit WC-10.

(10) is based on a 3.98% interest rate and the payout pattern in Exhibit WC-2.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-20

Projected Losses Paid July 1, 2017 to June 30, 2018

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (8)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
to 1989/90	336.0	99.6%	348.0	99.7%	30.0%	\$116,680	\$35,004	\$81,676	0.98	\$80,098
1990/91	324.0	99.4%	336.0	99.6%	30.0%	24,648	7,394	17,254	0.97	18,654
1991/92	312.0	99.1%	324.0	99.4%	30.0%	36,289	10,881	25,388	0.95	24,174
1992/93	300.0	98.8%	312.0	99.1%	30.0%	23,738	7,121	16,617	0.94	15,643
1993/94	288.0	98.2%	300.0	98.8%	30.0%	72,401	21,720	50,681	0.93	47,281
1994/95	276.0	97.5%	288.0	98.2%	30.0%	124,090	37,227	86,863	0.93	80,377
1995/96	264.0	96.4%	276.0	97.5%	30.0%	259,767	77,930	181,837	0.92	167,215
1996/97	252.0	94.8%	264.0	96.4%	30.0%	342,029	102,609	239,420	0.92	219,079
1997/98	240.0	92.6%	252.0	94.8%	30.0%	1,148,501	344,550	803,951	0.91	732,788
1998/99	228.0	92.3%	240.0	92.6%	3.9%	542,878	21,119	521,557	0.91	473,953
1999/00	216.0	92.0%	228.0	92.3%	4.0%	628,041	25,098	600,943	0.88	527,758
2000/01	204.0	91.6%	216.0	92.0%	4.0%	916,978	36,430	880,546	0.85	748,640
2001/02	192.0	91.2%	204.0	91.6%	4.5%	1,885,418	83,454	1,781,964	0.82	1,468,872
2002/03	180.0	90.7%	192.0	91.2%	5.7%	1,705,982	96,601	1,609,381	0.80	1,289,696
2003/04	168.0	90.0%	180.0	90.7%	6.7%	1,992,538	133,816	1,848,720	0.78	1,447,275
2004/05	156.0	89.1%	168.0	90.0%	8.4%	1,974,996	166,088	1,808,928	0.77	1,390,330
2005/06	144.0	88.0%	156.0	89.1%	9.5%	2,135,163	203,407	1,931,756	0.76	1,487,902
2006/07	132.0	86.6%	144.0	88.0%	10.4%	2,398,328	249,035	2,147,291	0.76	1,621,250
2007/08	120.0	84.5%	132.0	86.6%	13.6%	2,997,518	408,154	2,589,362	0.75	1,949,777
2008/09	108.0	82.0%	120.0	84.5%	13.7%	3,846,643	499,290	3,147,353	0.76	2,390,657
2009/10	96.0	78.9%	108.0	82.0%	14.9%	4,738,127	707,515	4,030,612	0.77	3,084,081
2010/11	84.0	75.1%	96.0	78.9%	15.1%	5,862,835	884,908	4,977,927	0.77	3,848,904
2011/12	72.0	70.9%	84.0	75.1%	14.8%	7,211,913	1,052,465	6,159,448	0.78	4,800,414
2012/13	60.0	65.9%	72.0	70.9%	14.5%	8,862,728	1,285,746	7,576,982	0.78	5,938,589
2013/14	48.0	59.9%	60.0	65.9%	15.0%	10,948,157	1,637,284	9,310,873	0.79	7,324,803
2014/15	36.0	50.4%	48.0	59.9%	19.3%	14,248,838	2,746,481	11,502,357	0.79	9,089,770
2015/16	24.0	34.7%	36.0	50.4%	23.9%	19,682,634	4,713,015	14,969,619	0.80	12,018,400
2016/17	12.0	15.1%	24.0	34.7%	23.1%	26,897,933	6,219,288	20,678,645	0.82	17,000,396
2017/18	0.0	0.0%	12.0	15.1%	15.1%	33,285,000	5,026,125	28,258,875	0.83	23,587,676
Total						\$154,678,561	\$26,839,735	\$127,836,826		\$102,846,210

(3) and (5) are from Exhibit WC-2.

(7) to 2012/13 is from Exhibit WC-15, (9). The amount for 2013/14 is from Exhibit WC-10.

(10) is based on a 3.98% interest rate and the payout pattern in Exhibit WC-2.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-21

Projected Losses Paid July 1, 2018 to June 30, 2019

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
to 1989/90	348.0	99.7%	360.0	99.8%	30.0%	\$81,676	\$24,503	\$57,173	1.00	\$57,173
1990/91	336.0	99.6%	348.0	99.7%	30.0%	17,254	5,176	12,078	0.98	11,845
1991/92	324.0	99.4%	336.0	99.8%	30.0%	25,388	7,816	17,772	0.97	17,154
1992/93	312.0	99.1%	324.0	99.4%	30.0%	16,617	4,985	11,632	0.95	11,078
1993/94	300.0	98.8%	312.0	99.1%	30.0%	50,681	15,204	35,477	0.94	33,397
1994/95	288.0	98.2%	300.0	98.8%	30.0%	86,863	26,059	60,804	0.93	56,701
1995/96	276.0	97.5%	288.0	98.2%	30.0%	181,837	54,551	127,286	0.93	117,782
1996/97	264.0	96.4%	276.0	97.5%	30.0%	239,420	71,826	167,594	0.92	154,117
1997/98	252.0	94.8%	264.0	96.4%	30.0%	803,951	241,185	562,766	0.92	514,953
1998/99	240.0	92.6%	252.0	94.8%	30.0%	521,557	156,467	365,090	0.91	332,773
1999/00	228.0	92.3%	240.0	92.8%	3.9%	600,943	23,387	577,556	0.91	524,840
2000/01	216.0	92.0%	228.0	92.3%	4.0%	880,546	35,302	845,244	0.88	742,304
2001/02	204.0	91.6%	216.0	92.0%	4.0%	1,781,964	70,795	1,711,169	0.85	1,454,835
2002/03	192.0	91.2%	204.0	91.6%	4.5%	1,609,381	72,000	1,537,381	0.82	1,267,262
2003/04	180.0	90.7%	192.0	91.2%	5.7%	1,848,720	104,683	1,744,037	0.80	1,397,904
2004/05	168.0	90.0%	180.0	90.7%	6.7%	1,808,928	122,098	1,686,830	0.78	1,320,539
2005/06	156.0	89.1%	168.0	90.0%	8.4%	1,931,756	162,432	1,769,324	0.77	1,359,890
2006/07	144.0	88.0%	156.0	89.1%	9.5%	2,147,291	204,562	1,942,729	0.76	1,476,240
2007/08	132.0	86.6%	144.0	88.0%	10.4%	2,589,362	269,096	2,320,266	0.76	1,751,850
2008/09	120.0	84.5%	132.0	86.6%	13.6%	3,147,353	426,557	2,718,796	0.75	2,047,240
2009/10	108.0	82.0%	120.0	84.5%	13.7%	4,030,612	551,862	3,478,750	0.76	2,642,379
2010/11	96.0	78.9%	108.0	82.0%	14.9%	4,977,927	743,323	4,234,604	0.77	3,240,147
2011/12	84.0	75.1%	96.0	78.9%	15.1%	6,159,448	929,678	5,229,770	0.77	4,041,528
2012/13	72.0	70.9%	84.0	75.1%	14.6%	7,576,982	1,105,741	6,471,241	0.78	5,043,412
2013/14	60.0	65.9%	72.0	70.9%	14.5%	9,310,873	1,350,760	7,960,113	0.78	6,238,774
2014/15	48.0	59.9%	60.0	65.9%	15.0%	11,502,357	1,720,164	9,782,193	0.79	7,695,377
2015/16	36.0	50.4%	48.0	59.9%	19.3%	14,969,619	2,885,412	12,084,207	0.79	9,549,579
2016/17	24.0	34.7%	36.0	50.4%	23.9%	20,678,645	4,951,510	15,727,135	0.80	12,624,472
2017/18	12.0	15.1%	24.0	34.7%	23.1%	28,258,875	6,533,962	21,724,913	0.82	17,860,557
2018/19	0.0	0.0%	12.0	15.1%	15.1%	34,970,000	5,280,564	29,689,436	0.83	24,781,765
Total						\$162,806,826	\$28,153,460	\$134,653,366		\$108,365,583

(3) and (5) are from Exhibit WC-2.

(7) to 2012/13 is from Exhibit WC-15, (9). The amount for 2013/14 is from Exhibit WC-10.

(10) is based on a 3.98% interest rate and the payout pattern in Exhibit WC-2.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-22

Loss Rate and Severity Trend

I. Benefit Level Changes

Effective Date (1)	Benefit Level Change (2)	Cumulative Benefit Level Change (3)
04/01/99	1.008	1.008
06/29/01	1.011	1.019
01/01/03	1.048	1.068
01/01/04	0.908	0.970
04/19/04	0.800	0.776
01/01/05	0.877	0.680
01/01/06	1.028	0.699
01/01/07	1.001	0.700
02/15/07	1.010	0.707
03/01/07	0.971	0.687
01/01/08	1.011	0.694
01/01/09	1.002	0.696

II. Loss Rate and Severity Trend

Claim Period (1)	Benefit Trend (2009/10 = 1.000) (2)	Residual Trend (2009/10 = 1.000) (3)	Retention Index (2009/10 = 1.000) (4)	Loss Rate Trend (2009/10 = 1.000) (2)X(3)X(4) (5)	Wage Trend (2009/10 = 1.000) (6)	Severity Trend (2009/10 = 1.000) (5)X(6) (7)
1999/00	0.690	1.219	0.980	0.824	1.344	1.108
2000/01	0.690	1.195	0.980	0.808	1.305	1.054
2001/02	0.683	1.172	0.980	0.784	1.267	0.993
2002/03	0.667	1.149	0.980	0.750	1.230	0.923
2003/04	0.711	1.126	0.980	0.785	1.194	0.937
2004/05	0.955	1.104	0.980	1.034	1.159	1.198
2005/06	1.008	1.082	0.980	1.069	1.126	1.204
2006/07	1.000	1.061	0.980	1.040	1.093	1.136
2007/08	1.007	1.040	0.980	1.027	1.061	1.090
2008/09	1.001	1.020	1.000	1.021	1.030	1.052
2009/10	1.000	1.000	1.000	1.000	1.000	1.000
2010/11	1.000	0.980	1.000	0.980	0.971	0.952
2011/12	1.000	0.961	1.000	0.961	0.943	0.906
2012/13	1.000	0.942	1.000	0.942	0.915	0.862
2013/14	1.000	0.924	1.000	0.924	0.888	0.821
2014/15	1.000	0.906	1.000	0.906	0.863	0.781
2015/16	1.000	0.888	1.000	0.888	0.837	0.744
2016/17	1.000	0.871	1.000	0.871	0.813	0.708
2017/18	1.000	0.853	1.000	0.853	0.789	0.674
2018/19	1.000	0.837	1.000	0.837	0.766	0.641

Section I, (2) and (3) reflect NCCI data.

Section II, (2) is based on Section I, (2).

Section II, (3) is based on 2% trend per actuarial judgment.

Section II, (4) is based on industry statistics and actuarial judgment.

Section II, (6) is based on 3% trend.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-23

List of Large Claims
Limited Reported Incurred Losses Greater Than or Equal to \$500,000

Claim Number (1)	Date of Loss (2)	Claim Period (3)	Cap (4)	Limited Paid Losses 6/30/09 (5)	Limited Case Reserves 6/30/09 (6)	Limited Reported Incurred Losses 6/30/09 (7)
0000190143	12/27/1972	to 1989/90	Unlimited	\$722,941	\$0	\$722,941
0000190774-LFP	1/19/1974	to 1989/90	Unlimited	518,455	89,684	608,139
0000190326-FM	8/1/1974	to 1989/90	Unlimited	771,240	0	771,240
0000190147-FM	7/4/1975	to 1989/90	Unlimited	2,095,963	39,070	2,135,033
0000190244-FM	10/3/1975	to 1989/90	Unlimited	512,006	0	512,006
0000191607-FM	3/11/1977	to 1989/90	Unlimited	2,904,601	0	2,904,601
0000190910-FM	12/5/1977	to 1989/90	Unlimited	839,902	32,614	872,516
0000190513-FM	10/19/1978	to 1989/90	Unlimited	546,170	19,723	565,892
0001305216	4/11/1983	to 1989/90	Unlimited	800,100	0	800,100
0001305402-FM	1/3/1984	to 1989/90	Unlimited	580,516	123,034	703,550
0001305712-FM	1/26/1984	to 1989/90	Unlimited	418,022	83,452	501,475
0008600690-FM	7/16/1986	to 1989/90	Unlimited	558,533	23,142	581,675
0088580879	7/1/1988	to 1989/90	Unlimited	628,550	0	628,550
0088580941-C/R	10/6/1988	to 1989/90	Unlimited	612,393	0	612,393
0090000792-LFP	8/23/1990	1990/91	Unlimited	375,775	127,632	503,407
0091000967	10/20/1991	1991/92	Unlimited	615,883	0	615,883
0091001095-FM	10/20/1991	1991/92	Unlimited	451,291	141,932	593,223
0094630112	8/1/1994	1994/95	Unlimited	1,409,190	0	1,409,190
0030111911	1/1/1995	1994/95	Unlimited	1,894,634	0	1,894,634
0096630617	3/1/1996	1995/96	Unlimited	541,404	0	541,404
0058620072	7/1/1997	1997/98	4,916,615	3,846,390	1,070,225 *	4,916,615 *
0097630604-LFP	7/10/1997	1997/98	Unlimited	452,774	53,494	506,268
0059620210	1/1/1999	1998/99	Unlimited	639,616	82,659	722,275
0059620316-C/R	3/26/1999	1998/99	Unlimited	506,947	0	506,947
0056210086	1/24/2001	2000/01	Unlimited	526,771	0	526,771
0056210681	7/19/2001	2001/02	Unlimited	314,473	190,127	504,600
0109002741-LFP	9/21/2001	2001/02	Unlimited	691,414	222,018	913,432
0204001439-FM	4/6/2002	2001/02	Unlimited	544,681	16,834	561,515
0204001189	4/15/2002	2001/02	Unlimited	2,228,738	193,593	2,422,331
0208004522-FM	8/3/2002	2002/03	Unlimited	1,436,514	116,996	1,553,511
0208003005-AWD	8/11/2002	2002/03	Unlimited	336,823	334,396	671,219
0209003498	9/27/2002	2002/03	Unlimited	418,660	83,007	501,667
0211004343-AWD	11/23/2002	2002/03	Unlimited	452,566	142,686	595,251
0404001214	3/31/2004	2003/04	Unlimited	718,416	145,543	863,959
0406001485-SUB	6/10/2004	2003/04	Unlimited	424,427	82,573	507,000
0410003366	10/15/2004	2004/05	1,000,000	363,319	136,681	500,000
0509002575-LFP	12/3/2004	2004/05	1,000,000	380,202	619,798 *	1,000,000 *
0507002799-LFP	7/1/2005	2005/06	1,000,000	315,654	684,346 *	1,000,000 *
0701000110-DTH	1/20/2007	2006/07	1,000,000	197,255	353,445 *	550,700
0708002337-LFP	8/27/2007	2007/08	1,000,000	270,240	729,760 *	1,000,000 *
0711002694	1/1/2007	2007/08	1,000,000	0	750,000 *	750,000 *
0903000601-DTH	3/21/2009	2008/09	750,000	39,486	710,514 *	750,000 *
0903000603-DTH	3/21/2009	2008/09	750,000	53,549	696,451 *	750,000 *
0903000604-DTH	3/21/2009	2008/09	750,000	38,075	635,425 *	673,500 *

The claim(s) indicated by a '*' have been limited in development.

(1) through (7) were provided by the City.

CITY OF OAKLAND
WORKERS COMPENSATION

Exhibit WC-24

Size of Loss Distribution

I. Reported Claim Count

Layer (1)	Prior (2)	2004/05 (3)	2005/06 (4)	2006/07 (5)	2007/08 (6)	2008/09 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	2,440	27	20	13	27	20	2,547		
0.01 - 5,000	21,188	435	511	471	472	415	23,472	23,472	79.5%
5,000 - 10,000	1,333	47	43	45	39	47	1,554	25,026	84.7%
10,000 - 50,000	2,232	83	87	99	102	119	2,722	27,748	94.0%
50,000 - 100,000	745	39	41	31	42	37	935	28,683	97.1%
100,000 - 250,000	1,557	30	33	34	18	5	677	29,360	99.4%
250,000 - 500,000	102	12	8	7	1	1	129	29,489	99.9%
500,000 - 750,000	23	0	0	1	1	1	26	29,515	99.9%
750,000 - 1,000,000	5	0	0	0	0	0	5	29,520	100.0%
1,000,000 - 2,000,000	3	0	1	0	1	2	7	29,527	100.0%
Over 2,000,000	4	1	0	0	0	0	5	29,532	100.0%
Total	28,612	674	742	701	703	647	32,079	29,532	

II. Total Reported Incurred Losses

Layer (1)	Prior (2)	2004/05 (3)	2005/06 (4)	2006/07 (5)	2007/08 (6)	2008/09 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	\$3,102	\$0	\$0	\$0	\$0	\$0	\$3,102		
0.01 - 5,000	17,162,364	478,753	510,387	515,144	418,894	405,670	19,489,212	19,489,212	5.5%
5,000 - 10,000	9,375,947	348,826	305,492	315,264	277,514	349,312	10,972,355	30,461,568	8.6%
10,000 - 50,000	54,847,713	2,049,571	2,162,143	2,350,731	2,479,204	2,703,224	68,592,585	97,054,153	27.4%
50,000 - 100,000	53,108,283	2,832,395	2,870,836	2,284,918	3,310,078	2,677,697	67,084,207	164,138,360	48.3%
100,000 - 250,000	83,011,076	4,984,925	5,349,737	5,444,749	2,925,633	727,882	102,444,004	266,582,363	75.1%
250,000 - 500,000	33,140,419	4,031,050	1,845,165	2,078,499	484,405	481,000	42,058,538	308,640,901	87.0%
500,000 - 750,000	13,294,049	0	0	550,700	750,000	673,500	15,268,249	323,909,150	91.3%
750,000 - 1,000,000	4,221,246	0	0	0	0	0	4,221,246	328,130,396	92.5%
1,000,000 - 2,000,000	4,857,334	0	1,965,929	0	1,447,087	2,148,500	10,418,850	338,549,247	95.4%
Over 2,000,000	12,378,580	3,830,810	0	0	0	0	16,209,390	354,758,637	100.0%
Total	\$285,393,909	\$18,554,331	\$15,009,689	\$13,538,006	\$12,092,816	\$10,186,785	\$354,755,535	\$354,758,637	