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OAKLAND

2018 FEB 15 PM 1:24

# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Ian Appleyard  
Director, HRM

**SUBJECT:** Fiscal Year 2016-17 Workers'  
Compensation Annual Report

**DATE:** February 05, 2018

City Administrator Approval

Date:

2/15/18

## RECOMMENDATION

**Staff Recommends That The City Council Receive An Informational Report On The Workers' Compensation Program For Fiscal Year 2016-17.**

## EXECUTIVE SUMMARY

This informational report provides current expenditure and program data on the City of Oakland's Workers' Compensation Program for Fiscal Year (FY) 2016-17. Included in this report is information and statistics regarding management of employee disabilities through the Workers' Compensation Program, highlighting different program initiatives, and cost containment efforts.

## BACKGROUND / LEGISLATIVE HISTORY

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

Each year, HRM provides statistical information regarding the administration of the Workers' Compensation Program. These statistics serve as benchmarks by which the City can measure its performance and the effectiveness of Workers' Compensation Program initiatives. HRM also develops and implements new program changes based on these statistics. This information is contained in the 2016-17 Workers' Compensation Annual Report (**Attachment A**). Since the last report, HRM has commissioned an Actuarial Analysis as well as a Claims Management Performance Audit to monitor and ensure continued effective administration of the program. The results of the audit/analysis are included as appendices for review at the end of this annual report.

Item: \_\_\_\_\_  
Finance & Management Committee  
February 27, 2018

## **ANALYSIS AND POLICY ALTERNATIVES**

HRM 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. As described more fully in the attached report, the program statistics for FY 2016-17 include:

- The Total Gross Program Expenditure for FY 2016-17 was **\$22,853,520**. Excess recovery checks received in the amount of **\$82,330** reduced the Total Net Program Expenditures to **\$22,771,190**.
- While the FY 2016-17 Total Benefits Paid (Indemnity and Medical Expenses only), as reported on the State-mandated Public Self Insurer's Annual Report, was **increased by \$527,784 (3.41%)**, the estimated future liability was **decreased by \$4,068,062 (7.48%)**.
- Total Workers' Compensation Operational Claims Cost for FY 2016-17 **increased by \$3,106,261 (17.96%)**.
- The number of new Temporary Disability Claims increased by 4.33 percent this year. While slightly higher than last year, the number of reported claims remains lower than prior years. This can be attributed to the early claim intervention and reporting triage that directs employees into a more aggressive return to work claims management scenario. Claims where the employee does not miss time from work are ultimately not converted to a time loss claim that would result in Temporary Disability payments being disbursed.
- Transitional Duty Program participation resulted in **an indemnity avoidance of \$4.1 Million**. Providing transitional duty to injured employees is also considered part of the interactive process required under the Federal Employment and Housing Act (FEHA).

### ***Claims Management Performance Audit***

The annual Workers' Compensation Claims Audit overall performance rating of the Third-Party Administrator was **87.83%**. This is an increase of 7.32% over the prior year's Audit. The HRM Department will continue to closely monitor and continually assess JT2's performance. Appendix C & D provide the fall audit report and a Plan of Action produced by JT2 discussing strategies for continued improvements.

**Loss Frequency**

Over the past four years, the number of claims filed by City employees has remained somewhat constant as represented in **Table 1** below, as the percentage of department employees that file a claim.

**Table 1: Number of New Workers' Compensation (WC) Claims by Department  
 Fiscal Years 2013/14 through 2016/17**

Fiscal Year	Police			Fire			Public Works			All Others		
	Total Number of Emp (Sworn)	WC Cases	Percent	Total Number of Emp (Sworn)	WC Cases	Percent	Total Number of Emp	WC Cases	Percent	Total Number of Emp	WC Cases	Percent
2013-14	650	202	31.08%	392	139	35.46%	727	99	13.62%	3,593	73	2.03%
2014-15	717	218	30.40%	436	146	33.49%	724	122	16.85%	3,124	75	2.40%
2015-16	777	222	28.57%	426	151	35.45%	742	121	16.31%	3,339	99	2.29%
2016-17	745	189	25.37%	451	182	40.35%	612	120	19.61%	2463	78	3.17%
<b>Average</b>	<b>722</b>	<b>208</b>	<b>28.81%</b>	<b>426</b>	<b>155</b>	<b>36.38%</b>	<b>701</b>	<b>116</b>	<b>16.55%</b>	<b>3130</b>	<b>81</b>	<b>2.59%</b>

HRM continues to support departments in injury reduction and accident prevention efforts by way of onsite audits/surveys, safety trainings, and program development.

- HRM continues its promotion of a City-wide Web-Based Training Program called **Target Solutions** that provides over 100 safety and wellness courses designed specifically to comply with State and Federal Occupational Safety and Health Administration 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 Oakland Public Works to deliver mandated safety trainings and continuing education trainings. HRM 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 Target Solutions platform is made available to the City at no cost through our primary insurance pool – CSAC Excess Insurance Authority (CSAC-EIA).

HRM has continued to enhance existing elements to strategically impact the overall program costs. HRM's continued efforts have included the following:

- Placement of a designated Workers' Compensation Coordinator in high volume departments. The Workers' Compensation Program is currently funding a dedicated workers' compensation position in the Police, Fire, Public Works, City Attorney's, and Finance departments. While HRM does not direct the work or function of these positions, it is intended that they devote 100 percent of their position to the development and administration of their department's internal workers' compensation program or support the City-wide workers' compensation administration efforts.
- Monthly disability review meetings with department representatives to discuss active claims and identify cases for investigation and/or transitional duty assignments.

- 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.
- Telephonic injury reporting to triage Workers' Compensation claims reporting, and possible expansion of the methodology for certifying medical conditions under the Family Medical Leave Act (FMLA) program.
- Implementation of Labor Soft, an Integrated Disability Management Information System, designed to aid in the tracking and documenting disability leaves, disability management issues, and other Risk-related loss prevention programs.
- Participate in Medical Provider Network (MPN) through WellComp, a MPN sponsored by CSAC-EIA, our Excess Workers' Compensation insurance carrier.
- Ongoing examination of the City's disability programs to align them with industry innovations and best practices.
- Continuing education for staff responsible for administering the City's inter-disciplinary disability programs.

#### **FISCAL IMPACT**

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.

- A. **Table 2** summarizes the key categories of Workers' Compensation expenditures incurred by the City of Oakland:

**Table 2: Future Liability Incurred**

	FY2015-16	FY2016-17	Change
Number of Claims Received	520	500	-3.85%
Total Expenditures	\$19,437,302	\$22,771,190	17.15%
Total Future Liability	\$54,384,319	\$50,316,257	-7.48%
Costs Avoided via Transitional Work	\$4,310,369	\$4,111,079	-4.62%
Settlements (Permanent Disability)	\$4,549,793	\$4,665,792	2.55%
Temporary Disability	\$5,610,202	\$6,593,966	17.54%
Allocated (Other Claim Costs)	\$1,995,748	\$2,034,370	1.94%
Medical	\$5,534,676	\$7,193,002	29.96%
Operational Expenses	\$17,298,537	\$20,404,798	17.96%
Admin. Expenses	\$2,138,765	\$2,366,392	10.64%

The primary types of expenditures incurred in Workers' Compensation are medical, permanent and temporary disability, and allocated (other claim costs) payments. In FY 2016-17 despite a decrease in the number of claims filed, medical, permanent and temporary disability payments increased over the prior year, and remain the City's single largest workers' compensation expense.

- Temporary disability 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.
- Payments made on files delayed or denied in previous year.
- Increase in claim settlements.
- Medical payments on catastrophic claim.

Additional discussion regarding the expenditures listed above and control factors are included in the attached report.

**Estimated Future Liability/First Year Total Incurred by Department:**

B. **Table 3** on the following page shows the estimated future liability incurred by each department for claims filed 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, **Appendix E** of the attached report (**Attachment A**) provides more actuarial analysis for future fiscal planning for this program.

**Table 3: Estimated Future Liability by Dept – Total Incurred**

<b>Department</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
City Administration	\$9,875	\$10,328	\$41,617
City Attorney	\$23,257	\$4,914	\$5,885
Clerk's Office	\$0	\$0	\$2,032
Dept. of Info & Tech	\$22,943	\$22,242	\$0
Finance	67,860	\$0	\$6,033
Fire Department	\$2,134,371	\$4,116,610	\$3,536,606
Housing and Comm Dev.	\$61,533	\$0	\$0
Human Services	\$42,080	\$323,121	\$114,499
Library	\$187,312	\$16,256	\$20,773
Neighborhood Investment	\$0	\$269,709	\$0
Parks and Recreation	\$19,341	\$111,144	\$44,449
Planning and Building	\$14,925	\$7,386	\$67,565
Police Department	\$2,637,576	\$2,481,008	\$1,090,358
Public Works	\$458,670	\$920,991	\$2,103,320
<b>Total Incurred</b>	<b>\$5,679,743</b>	<b>\$8,283,710</b>	<b>\$7,033,137</b>

Of note: The increase in Public Works liability was due to a catastrophic claim.

The estimated future liabilities 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 to anticipate the financial burden placed on the City in the years to come. The increase in Public Works liability was due to a catastrophic claim.

**PUBLIC OUTREACH / INTEREST**

There are no public outreach opportunities associated with this report further than the required publication on the City's website.

**COORDINATION**

Development of this report was coordinated with internal staff in HRM, Controller's Bureau, City Attorney's Office, and City Administrator's Office.

**SUSTAINABLE OPPORTUNITIES**

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

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

**Social Equity:** *There are no economic, environmental, or social equity opportunities associated with this report.*

**ACTION REQUESTED OF THE CITY COUNCIL**

**Staff Recommends That The City Council Receive An Informational Report On The Workers' Compensation Program For Fiscal Year 2016-17.**

For questions regarding this report, please contact DEBORAH GRANT, RISK MANAGER, at (510) 238-7165.

Respectfully submitted,

  
\_\_\_\_\_  
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Director/Human Resources Management  
Department

Reviewed by:  
Deborah Grant, Risk Manager

Prepared by:  
Mary Baptiste, Disability Benefits Coordinator  
HRM/Risk & Benefits Division

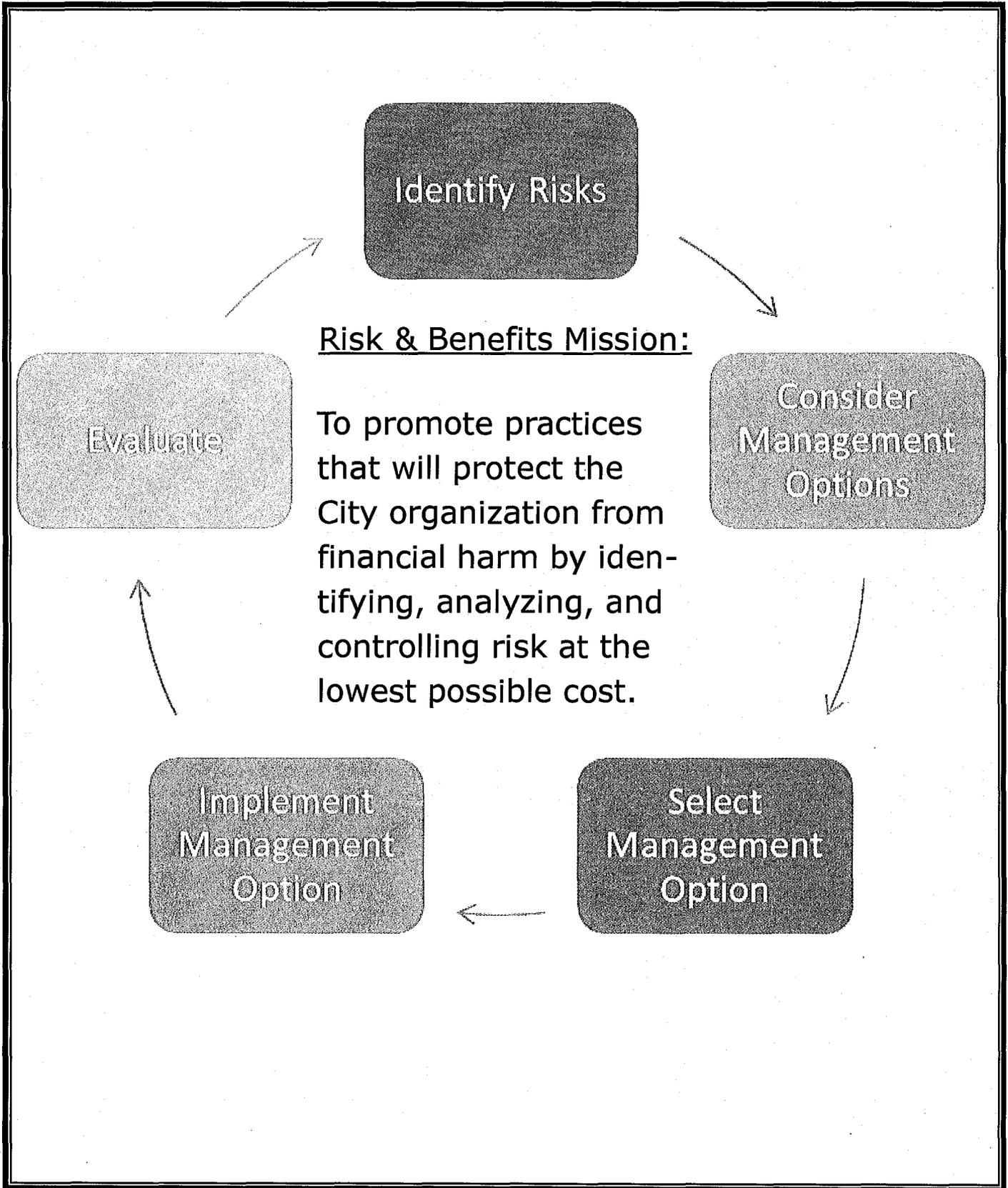
**Attachments (1):**

A – FY 2016-17 Workers' Compensation Annual Report

# **CITY OF OAKLAND**

## **WORKERS' COMPENSATION ANNUAL REPORT FY 2016-17**

**Human Resources Management, Risk & Benefits Division**  
**150 Frank H. Ogawa Plaza, Suite 3332, Oakland, CA 94612**  
**Phone: 510-238-7660, Fax: 510-238-4749**



# WORKERS' COMPENSATION PROGRAM ANNUAL REPORT

## FISCAL YEAR 2016-17



The City of Oakland's Human Resources Management Department is responsible for managing the City's work related injury claims.

This report details the Workers' Compensation Program from Fiscal Year 2016-17 with multiple comparisons between departments, previous years, & other similarly sized cities.



### Table of Contents

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**Citywide Overview .....4**

**Programs That Work .....8**

**What's Ahead .....12**

**Third Party Claims Administrator .....13**

**City's Comparisons .....17**

**Oakland vs. Oakland .....19**

**Oakland vs. Other Cities .....20**

**Claim Management Programs .....21**

**Program Expenditure Categories .....25**

**Frequency & Severity by Dept ..... 28**

**Police Department .....29**

**Fire Department .....31**

**Public Works Agency .....33**

**Office of Parks and Recreation .....35**

**All Other Departments .....37**

**Attachments .....38**

# **CITYWIDE OVERVIEW—WORKERS' COMPENSATION PROGRAM ANNUAL REPORT FOR FISCAL YEAR 2016-17**

This report details the scope, costs, and trends of the City of Oakland's Workers' Compensation Program (WCP) and serves as a reference tool for Departments' to better understand their work related injuries.

## **Fiscal Year 2016-17 - Program Highlights**

**Program outcomes include the following:**

- **\$22,771,190 Workers' Compensation Expense**
- **\$82,330 Third Party recoveries refunded to the City**
- **\$2,758,089 Increase in permanent / temporary disability and medical benefits paid over last year - up by 17.6%**
- **Reported claims decreased from last year - down by 4.05%**
- **\$4.1 Million Cost Avoidance via Transitional Duty Program - down by 4.6%**
- **TPA Annual Performance Audit 12-13-17 rated 87.83%**
- **172 open FEHA Cases; 151 Closed FEHA Cases; 3 Medical Separations**
- **36 Industrial Retirements from 7-1-16 to 6-30-17**
- **2 Successful Health Fairs**

## **Fiscal Year 2017-18 - Initiatives & Enhancements**

**Some of the ongoing and new efforts to support and/or improve program elements include:**

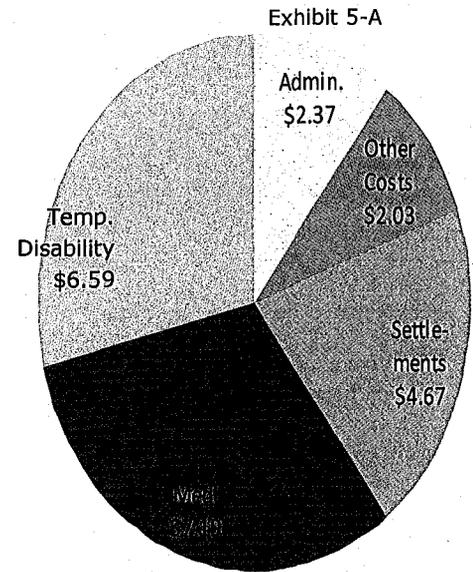
- **FEHA and benefits training sessions for each Departments to be held on monthly basis starting in January of 2018.**
- **Comprehensive Claims Reviews for all open and active claims**
- **Monthly Legal Review Meetings with assigned law firms**
- **Monthly Medical Team Meeting**
- **Bi-Weekly Accommodation Review Meetings**
- **Monthly Department Safety Committee Meetings**
- **Loss Prevention Training Development (OPD, OFD, OPW, other)**
- **Administrative Instructions Updates**

# CITYWIDE OVERVIEW—WORKERS' COMPENSATION PROGRAM ANNUAL REPORT FOR FISCAL YEAR 2016-17

The total cost of the Workers' Compensation Program for Fiscal Year 2016-17 was \$22,771,190, representing a cost increase of 17.4% from the previous fiscal year.

Although the number of claims reported decreased by 3.85%, the combined total of Temporary Disability, Permanent Disability benefits and Medical expenses increased by a total of 17.6%.

## FY 2016-17 Costs In Millions



### Temp Disability (TD) Increase

- There was a 4% state mandated increase in TD maximum rates.
- \$183,000 in liens were paid on 3 claims delayed or denied in the previous fiscal year. This is an increase of \$145,000 over what was spent during the previous fiscal year.
- \$302,000 of 4850 was paid on claims delayed or denied in the previous fiscal year. This is an increase of \$198,000 over what was spent during the previous year. The number of claims were consistent across these two fiscal years.
- \$130,000 paid on claim number 0001305673 as a TD Settlement.
- \$138,000 in TD was paid on 4 claims that were initially delayed or denied in previous fiscal year. This is an increase of \$128,000 over what was spent during the previous year.
- There was an increase of \$190,000 for Fire Department 4850 payments which corresponds to the increase in Fire Department disability claims which went from 94 in FY2015-16 to 100 in FY2016-17.

### Permanent Disability (PD) Increase

- \$185,000 increase in Compromise and Release (C&R) Settlements due to an increase in the number of claims settled. 47 claims were settled in FY2015-16. 60 claims were settled in FY2016-17.

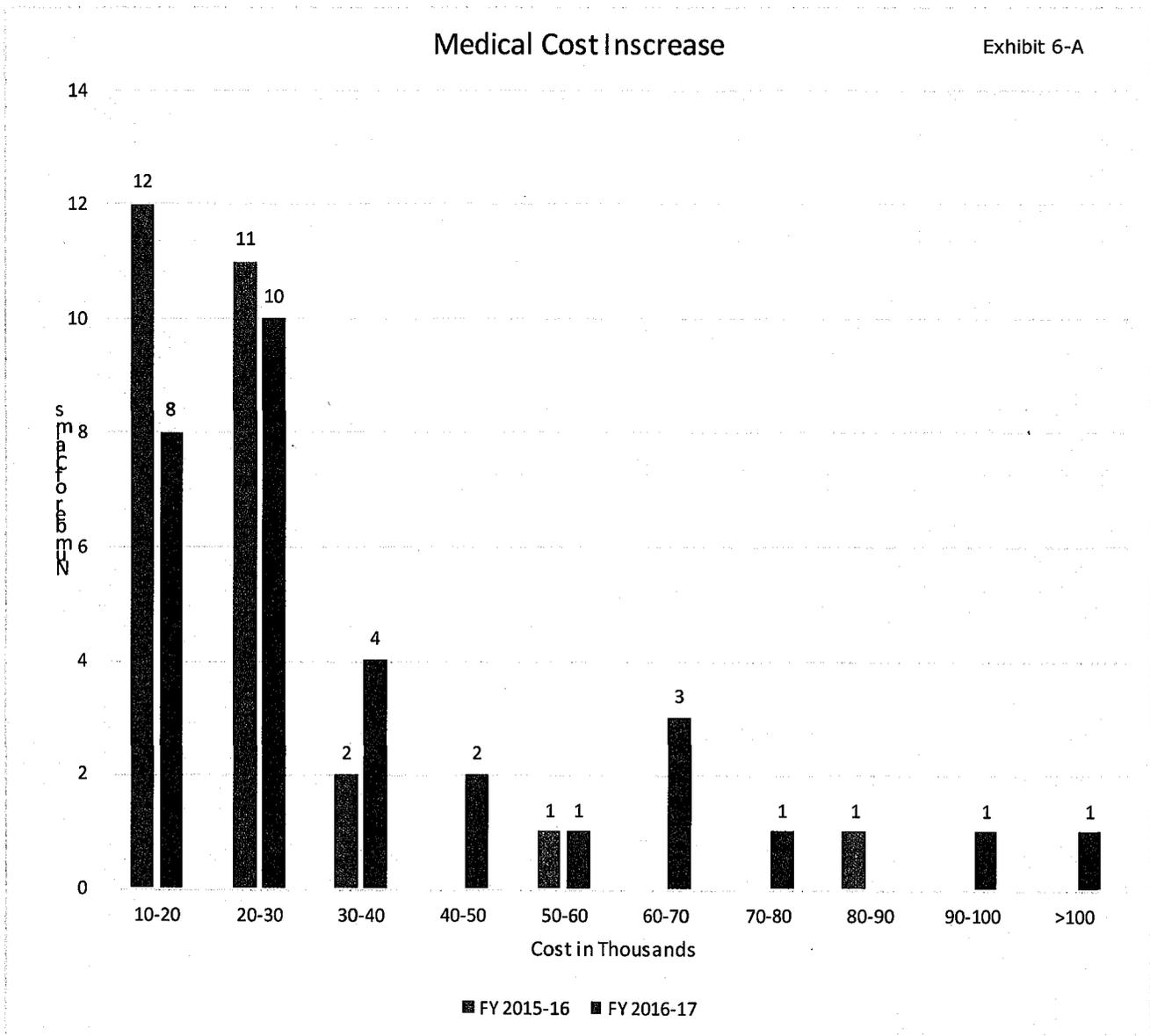
\* Allocated: Rehabilitation, Investigative, Legal, Utilization Review, Return to Work, Penalties.

# CITYWIDE OVERVIEW—WORKERS' COMPENSATION PROGRAM ANNUAL REPORT FOR FISCAL YEAR 2016-17

## ANNUAL COSTS - Continued

### Medical Increase

- \$950,000 paid during FY2016-17 on claim 170100012.
- \$500,000 increase from prior fiscal year for Inpatient (42) and Outpatient (36) bills.
- Bills over \$10,000 for the two years were similar -- 27 bills in FY2015-16 and 31 bills in FY2016-17. However, costs for bills over \$10,000 increased from \$662,734 in FY2015-16, to \$1,107,235 FY2016-17.



# CITYWIDE OVERVIEW—WORKERS' COMPENSATION PROGRAM

## ANNUAL REPORT FOR FISCAL YEAR 2016-17

### ANNUAL COSTS - Continued

Due to a huge increase in reserves, the City of Oakland requested that JT2 complete a Reserve Audit on 100 files. These files were reviewed for reserve accuracy and adjusted based on the true ultimate exposure of the claim. Based on the reserve project they were able to reduce the reserve by \$2,161,627. Based on this project, JT2 reviewed and has continued to review reserves and adjust the reserves based on the ultimate exposure of claims.

The table below provides detail regarding the costs associated with this program.

Exhibit 7-A

	FY15-16	FY16-17	% Change
Number of All Claims Received	520	500	-3.85%
Total Expenditures	\$19,437,302	\$22,771,190	17.15%
Total Future Liability	\$54,384,319	\$50,316,257	-7.48%
Costs Avoided via Transitional Work	\$4,310,369	\$4,111,079	-4.62%
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Operational Expenses	\$17,298,537	\$20,404,798	17.96%
Admin. Expenses	\$2,138,765	\$2,366,392	10.64%



## **INTEGRATED DISABILITY MANAGEMENT (IDM)**

The goal of the Integrated Disability Management program is to comply with applicable leave and workplace protection laws while administering workers' compensation benefits. The laws include the Federal Employment and Housing Act (FEHA), Family Medical Leave Act (FMLA) and California Family Rights Act (CFRA).

HRM provides a single point of contact for employees who have suffered from a work-related injury, which assists them in receiving the rights and benefits to which they are entitled. Additionally, Departments benefit by having a single point of contact to monitor and manage employee leaves, reducing operational impacts and administrative costs.

The complexities of FEHA, Workers' Compensation and FMLA can contribute to lengthy timelines to fully staff positions impacted by leaves and worker compensation cases. HRM is a strategic partner with departments to closely manage medical leaves and worker compensation cases, enabling departments to fill positions with employees that are fit for duty.

Working closely with departments, employees and their representatives, the Integrated Disability Management (IDM) process takes the employee through deliberate steps to ensure all employment options, which include:

- temporary modified duty assignments,
- return to original position with accommodation,
- assignment to an alternate vacant position,
- extension of medical leave sufficient to enable the employee to return to work,
- medical retirement and
- medical separation.

# PROGRAMS THAT WORK

## TRANSITIONAL DUTY PROGRAM (EARLY RETURN-TO-WORK)

A key component of the City's Integrated Disability Management (IDM) program is the Transitional Duty Program. This program enables injured employees to return to work performing meaningful tasks that are within physical restrictions set by their physician. These assignments are meant to provide an opportunity for the employee to "transition" back to their regular work duties. The City of Oakland's offering of temporary modified work assignments is one of many ways that the City complies with the requirements of the Americans with Disabilities (ADA) and the Fair Employment and Housing Act (FEHA).

Return-To-Work Programs are also effective at controlling Workers' Compensation costs. The City's Early Return to Work Program Cost Avoidance decreased 4.62% from last year, resulting in a Cost Avoidance for Fiscal Year 2016-17 of \$4,111,079. This amount would have been spent on employee leave as opposed to employees working as part of the Early Return-To-Work Program.

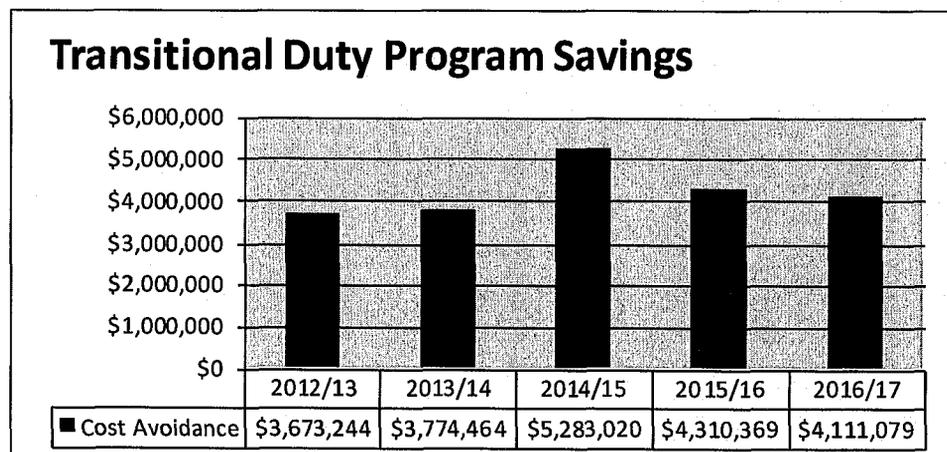
The prospect of an injured employee to be placed in a transitional duty assignment depends on the severity of the injury and the physician's assessment of the work-related restrictions. The HRM and the Third Party Administrator (TPA) work in concert to place injured employees in transitional duty assignments whenever medically possible. The TPA requests work restrictions from the physician at every medical appointment.

While the City advises all doctors treating our employees that the City has an aggressive Return-to-Work Program, it remains the doctor's prerogative to place the injured worker off work completely. However, the City's Cost Avoidance attributable to the transitional duty performed through the Return to Work Program, remains significant, totaling \$21,152,176 over the last five years.

Exhibit 9-A

### Of note...

- \$199,290 *less* than last year.
- \$4,111,079 avoided in FY 16-17.



More statistics related to this program are provided later in this report.

## **LOSS PREVENTION/REDUCTION**

In 2016-17 the Human Resources Management Department continued its commitment to promote and support Employee Safety, Health and Wellness and Loss Prevention. Examples of efforts and initiatives include:

- Promoted Employee Safety Training through web-based training platform, Target Solutions. A total of 1236 course completions recorded (2,020 training hours) online.
- Citywide Employee Wellness Committee continues to offer sponsored wellness events including exercise groups, healthy cooking classes, wellness incentives, etc.
- Hosted two Employee Health and Wellness Fairs, providing services to over 610 employees; 9% increase participants on Biometric Screenings & Health Assessment  
Conducted 386 ergonomic/workstation assessments
- Conducted building inspections of fire stations, recreation centers, administration buildings, maintenance buildings and libraries
- Completed nine Indoor Air Quality assessments and facilitated corrective actions if recommended
- Coordinated three majors site decontamination and cleaning projects as a result of Indoor Air Quality assessments
- Coordinated cleaning and restoration projects as a result of losses due to property damage.
- Provided safety orientation training to over 407 new employees through monthly New Employee Orientation.
- Coordinated sexual harassment prevention awareness training for 338 supervisors and non-supervisory employees.
- Provided Floor Warden training to City Administration Complex buildings
- Participated in monthly departmental safety committee meetings.

## **LOSS PREVENTION/REDUCTION - Continued**

- Participated in monthly accident review committees meetings with recommendation to prevent future similar occurrence
- Coordinated 8 Cal-OSHA investigations of alleged title 8 violations
- Provided cross-departmental customized training presentation on Accident Prevention, Emergency Preparedness and Planning to ensure departments are ready with appropriate actions before, during and after an emergency
- Facilitated provision of safety equipment and tools including safety shoes, glasses and automatic electronic defibrillators
- Collaborated with City departments with pre-placement and preventive medical services, specialized safety training and certification needs including:
  - ◊ Certified 144 employees as forklift operators
  - ◊ Certified 75 employees on aerial lifts
  - ◊ Coordinated training for 34 utilities employees in confined space entry
  - ◊ Coordinated training for 81 employees in trenching and shoring
- Monitored over 170 commercial driver's licenses and over 2000 non-commercial driver's license
- Coordinated 54 respirator fit tests in compliance with Cal OSHA requirements
- Facilitated 1807 physical examinations including pre-placement screening, preplacement psychological evaluations for sworn personnel, industrial disability applicants and specialty physical exams.
- Facilitated 618 drug and alcohol screens including random tests for commercial drivers, annual drug screens for sworn fire personnel and pre-placement drug screens for certain classifications
- Coordinated 60 follow-up drug and alcohol tests for employees on last-chance agreements
- Provided drug and alcohol awareness training sessions for supervisors
- Coordinated annual flu vaccines and tuberculosis testing for public safety emergency responders
- Coordinated training and hepatitis vaccinations for homeless encampment responders
- Provided multiple critical incident debrief sessions, grief counseling sessions, conflict resolution mediations and team building facilitations
- Completed multiple Threat Assessments with recommendations to departments on how to ensure safe work environments free from violence and threats of violence

## **FISCAL YEAR 2017-18 ACTION PLAN**

HRM Risk and Benefits continues to develop programs and guide available resources to ensure the program objectives are being proactively addressed. In the next fiscal year, our focus will be on the following efforts:

- Continue working on the expansion/broadening of the web-based training platform to improve functionality and training compliance.
- Complete Root Cause Analyses for catastrophic or critical loss cases to determine risk reduction and loss prevention focal points
- Provide department level loss prevention trainings for strains and sprains injuries and other soft tissue injuries, based on results of Root Cause Analyses
- Provide supervisor accident investigation training, which promotes identification of preventive and corrective actions to reduce re-occurrence of incidents as part of Supervisor Training Academy
- Develop Risk Management Guidelines to codify practices and procedures for a variety of Risk Management programs and service areas
- Provide training on Supervisor Referral Guidelines for Employee Assistance Program
- Continue updating administrative instructions related to Human Resources and Risk Management policies and procedures
- Administer the City-wide Employee Health and Wellness Program and support Police Department in their wellness program
- Implement satisfaction survey regarding medical services provided by Emeryville Occupational Medical Clinic (EOMC)
- Continue to provide supervisor training modules for IDM and FEHA awareness, providing orientation on recognizing the key FEHA triggers, privacy rights, use of program tools and resources

# THIRD PARTY CLAIMS ADMINSTRATOR

## ACTIVE PARTNERSHIP WITH A THIRD PARTY ADMINISTRATOR

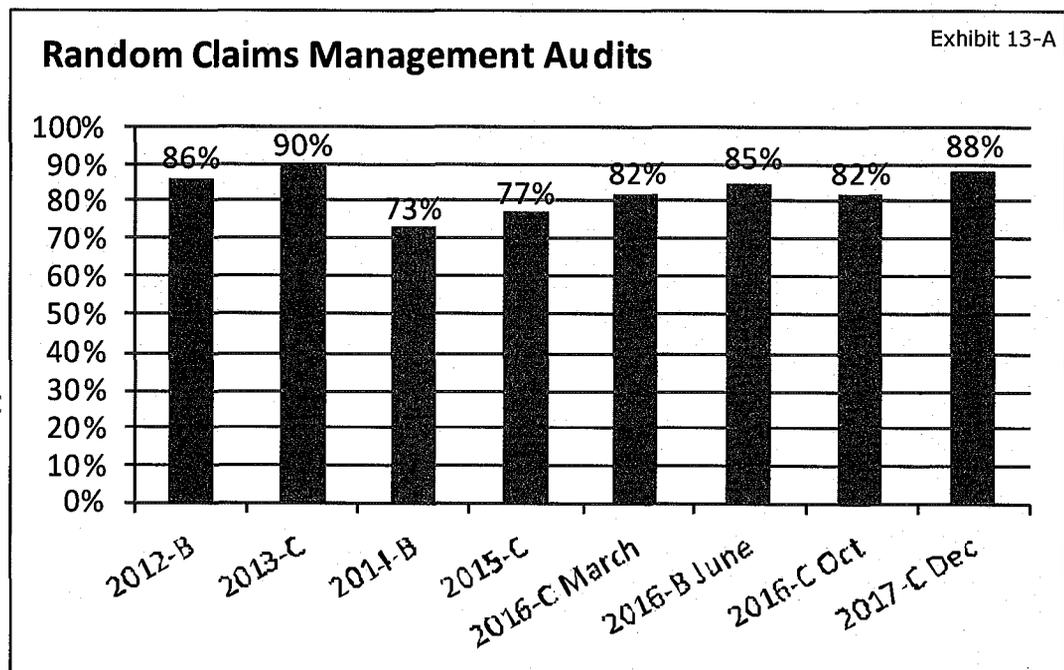
The purpose of a Third Party Administrator (TPA) to manage the City's workers' compensation program is to assist in managing the regulatory and technical compliance with the Division of Workers' Compensation (DWC) and the California Division of Industrial Relations (DIR). The success of the City's Self-Insured Workers' Compensation program relies heavily on the successful partnership with the City's TPA. The City's Risk and Benefits staff have daily contact with the TPA related to all aspects of claim management, which impact staffing, claim processing, reserve allocation, and settlement funding related to our self-insured status.

Since 2001, the City has contracted with JT2 Integrated Resources as its TPA. The TPA is measured against a performance standard established by CSAC-EIA, the City's Excess Workers' Compensation Insurance carrier. Over the past 8 audits JT2 has earned an average score of 82.9% compliance with CSAC standards.

The City has instituted a number of different analytical tools to assess the performance of the TPA, including annual Claims Audits, annual Actuarial Reviews, quarterly Financial Reviews, quarterly Fraud Status Updates, and intermittent miscellaneous reviews, such as Fraud Program review and Contract Compliance Assessments. In the past year, the City commissioned a number of these tools, including Actuarial Assessment, Fraud Assessment, and a Claims Audit. The results of these assessment efforts are found in Appendices C - E. Below is a discussion of the Claims Audit.

### Of note...

- FY 16-17's Rating has increased. However they continue to perform below the Performance Goal of 95%.
- See Appendix C for more detailed information.



Auditors: (B) Bickmore (C) CSAC

# THIRD PARTY CLAIMS ADMINSTRATOR

## TOTAL CLAIM AUDIT COMPARISON OF TPA

The table below compares the annual 2017 Audit (conducted in October 2017) with the annual 2016 Audit (conducted in October 2016). Each audit was conducted on a comprehensive random sampling of files. There were significant improvements in 16 of the 20 categories in the 2017 Audit. A total of 7 of the 20 assessed categories met a 95% performance standard which is an increase over the 5 of the 20 categories in the prior annual audit. The HRM Department will continue to closely monitor and continually assess JT2's performance. Appendix C & D provide the full audit report and a Plan of Action produced by JT2 discussing strategies for continued improvements.

Exhibit 14-A

<b>CSAC Random Selection Audits - 2016 vs. 2017 Annual Audit</b>			
<b>Category</b>	<b>Annual Score (Oct. 2016)</b>	<b>Annual Score (Oct. 2017)</b>	<b>Variance</b>
Caseload	100%	100%	0%
Case Review and Documentation	76.73%	81.57%	4.84%
Communication	89.60%	93.17%	3.57%
Fiscal Handling	78.57%	91.60%	13.03%
Medicare Reporting	2.65%	100%	97.35%
Three Point Contact	53.33%	83.33%	30.00%
Compensability	96.49%	90.91%	-5.58%
AOE/COE Investigations	100%	80.00%	-20.00%
Initial Reserves	92.75%	98.28%	5.53%
Indexing	96.15%	99.06%	2.91%
Payments	84.33%	90.70%	6.37%
Medical Treatment	97.44%	97.37%	-0.07%
Apportionment	84.62%	89.66%	5.04%
Disability Management	80.95%	100%	19.05%
Supplemental Job Displacement Benefits	100%	N/A	N/A
Reserves	62.96%	76.72%	13.76%
Resolution of Claim	67.39%	79.52%	12.13%
Settlement Authority	92.59%	98.48%	5.89%
Litigated Cases	75.81%	91.80%	15.99%
Subrogation	60%	86.96%	26.96%
Excess	50%	88.89%	38.89%
<b>Overall Score</b>	<b>74.47%</b>	<b>87.83%</b>	<b>12.69%</b>

# THIRD PARTY CLAIMS ADMINSTRATOR



## PERFORMANCE MEASURES

In addition to the Claims Management Audits, HRM uses a variety of measures to monitor claims administration performance. The statistics of Closing Ratio and Fraud Investigations in the exhibits below highlight some of these measures.

**Closing Ratio:** Measures the number of claims closed as compared to opened over a specific period of time. A Closing Ratio of greater than one is desirable because it indicates more claims are being closed than opened, reducing the City's total number of open claims (and future liability).

### Of note...

Closing ratio decreased this past year. Industry-wide, a 1:1 closing ratio is a consistently good measurement. 111% while lower than last year, is consistent with past experience.

<b>Claims Productivity Ratio</b>				Exhibit 15-A
<b>by Fiscal Year</b>				
Fiscal Year	# Claims Closed	# Claims Opened	Closing Ratio	
FY11-12	634	598	106%	
FY12-13	691	566	122%	
FY13-14	645	640	101%	
FY14-15	508	563	90%	
FY15-16	717	593	121%	
FY16-17	634	569	111%	

### Fraud Investigations have 3 parts:

1. Surveillance (observation of individual without contact with the subject).
2. Field Investigations (progression of surveillance, and taking statements from the subject & others).
3. Fraud Referral (the case meets the standard for fraud set by the District Attorney).

<b>Fraud Investigation Activity</b>				Exhibit 15-B	
Indemnity Claims Filed FY2015-16	Surveillance	Field Investigation	Fraud Referral (FD-1) Submission	Back-ground Checks	Denied Claims
289	13 (3%)	58 (12%)	12 (2%)	22 (4%)	97 (19%)

# THIRD PARTY CLAIMS ADMINSTRATOR



## AGREED MEDICAL EXAMINATIONS

An Agreed Medical Examination (AME) is a tool approved by the State of California as a method of seeking third opinion resolutions on disputed medical cases. This typically occurs when an employee's treating physician and the employer's physician are not in agreement on the severity of injury and degree of disability caused by the injury. When such disagreement exists, either party (employee or employer) has the option to invoke an Agreed Medical Examination. However, both parties must agree to the need for the exam. Additionally, the State of California requires that the injured worker have legal representation to qualify for an AME. If the employee does not have legal counsel, the City cannot require the employee to participate in the AME process.

The physician selection process is managed by the State of California. When a request for an AME has been received, the State provides a "panel list" of physicians to the parties from which to select. The State of California establishes the panel. Typically, it takes several months for an Examination appointment due to the number of State-wide Workers' Compensation cases that are in dispute.

The City of Oakland relies heavily on AMEs to bring resolution to a number of our Workers' Compensation cases. The exhibit below illustrates the number of AME and QME (Qualified Medical Examination) processes that have been utilized for Fiscal Year 2012-13 through Fiscal Year 2016-17. In addition, this exhibit reflects the number of cases settled on the basis of the opinion of the employee's Primary Treating Physician (PTP).

<b>Medical Legal Statistics by Fiscal Year for City of Oakland Workers' Compensation Claims</b>					
					Exhibit 16-A
Fiscal Year	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17
Number of Claims Settled	322	132	114	128	163
AME (Agreed to Medical Examination)	103	84	74	90	130
PTP (Primary Treating Physician)	18	22	25	25	15
Panel QME (Employee Unrepresented by Attorney)	6	15	6	3	0
QME (Employee Represented by Attorney)	5	11	6	12	18
Other	0	0	3	0	0

# CITY'S COMPARISONS



As a Self-Insured employer, the City is required to submit a Self-Insured Annual Report (SIA) to the State of California each year. The SIA captures Workers' Compensation and employment data from all Self-Insured employers within the State. The SIA serves two purposes. First, it enables to State to determine the annual Workers' Compensation Assessments to employers. Second, it provides the City with important comparison information for year to year program performance and program performance among similarly situated public entities. The table below shows the City's performance for the past five fiscal years. The following pages compare City's Workers' Compensation experience against itself and comparable cities.

Exhibit 17-A					
<b>COO Self-Insured Annual Report to State of California</b>					
<b>Fiscal Year</b>	<b>FY12-13</b>	<b>FY13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>
<b>Indemnity Claims Rec'd</b>	289	307	273	277	289
<b>Medical Only Claims Rec'd</b>	176	208	207	243	211
<b>Total # of Claims Rec'd</b>	465	515	480	520	500
<b>Total Benefits Paid (Disability &amp; Medical Expenses Only)</b>	\$15,611,250	\$15,061,781	\$17,841,655	\$15,472,848	\$16,000,632
<b>Total Future Liability</b>	\$34,164,988	\$40,264,806	\$42,439,625	\$54,384,319	\$50,316,257
<b># of Employee (FTE)</b>	4424	4684	4552	4576	5062
<b>Total Reported Payroll</b>	\$270,358,254	\$334,111,830	\$342,660,477	\$364,004,747	\$360,410,946
<b>Total # Claims/100 FTE</b>	10.51	10.99	10.54	11.36	9.88
<b>Total Benefits Paid/100 FTE</b>	\$352,876	\$321,558	\$391,952	\$338,130	\$316,093
<b>Total # Claims per \$1M Payroll</b>	1.72	1.54	1.40	1.43	1.39
<b>Total Benefits Paid per \$1M Payroll</b>	\$57,743	\$45,080	\$52,068	\$42,507	\$44,396
<b>Average Cost per Claim</b>	\$33,573	\$29,246	\$37,170	\$29,755	\$32,001

# EXCESS WORKERS' COMPENSATION INSURANCE

As a form of Risk Transfer related to this program, the City purchases Excess Workers' Compensation (EWC) coverage through CSAC-EIA. The EWC Program provides bodily injury coverage for employees if they are injured on the job. Coverage includes reimbursement for payments above the City's Self Insured Retention of \$750,000. Covered expenses include compensation for loss of earnings at statutory rates, medical benefits and some allocated expenses.

The City currently has 11 open and active workers' compensation claims that are subject of this policy. It is projected that these 11 claims is \$13.0 million, but the City retained portion of the exposure is \$6.0 million (due to one claim resulting in multiple injuries, triggering one retention). As a result, the EWC program is expected to pay the amount in excess of the City's retention.

## ***EWC Insurance Retention Review***

Prior to renewing coverage each year, it is not uncommon to revisit the cost benefit of the EWC coverage. The table below provides the actuarial assessment of the projected premiums for fiscal year 2018-19.

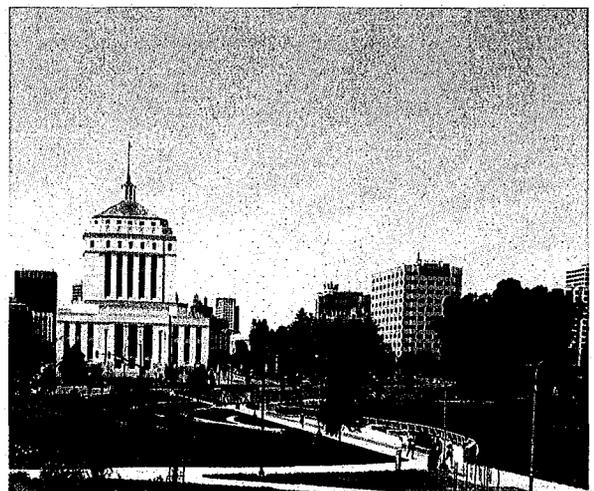
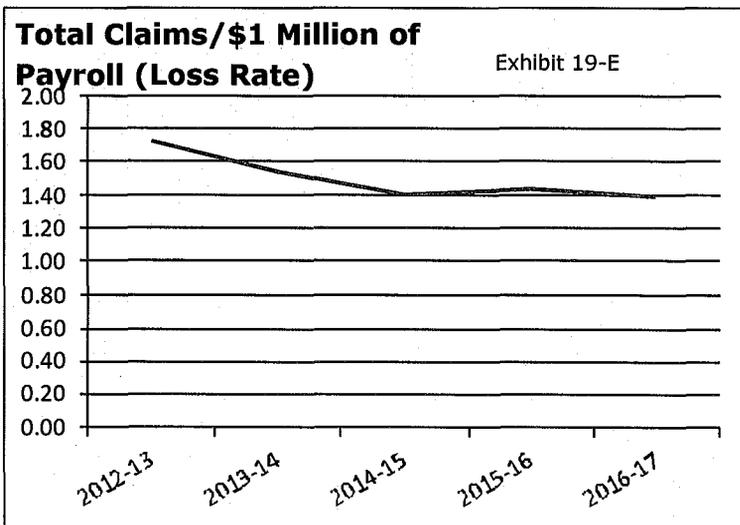
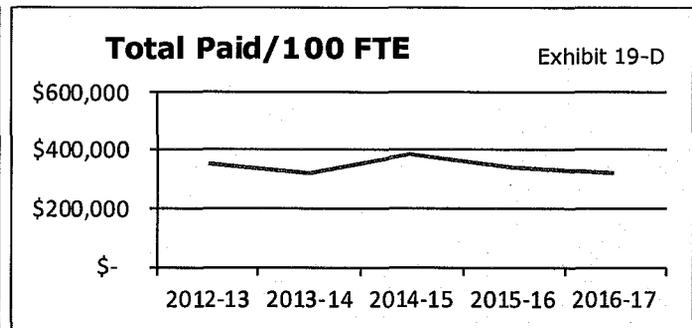
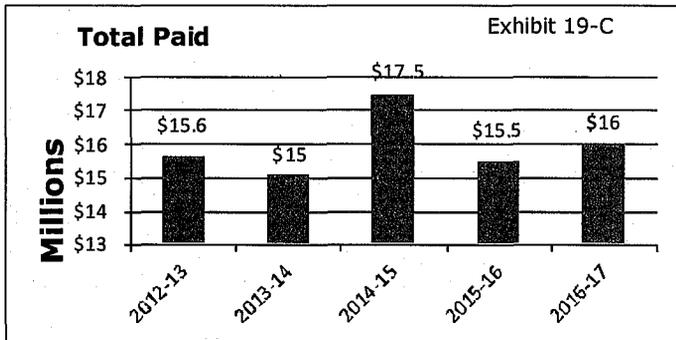
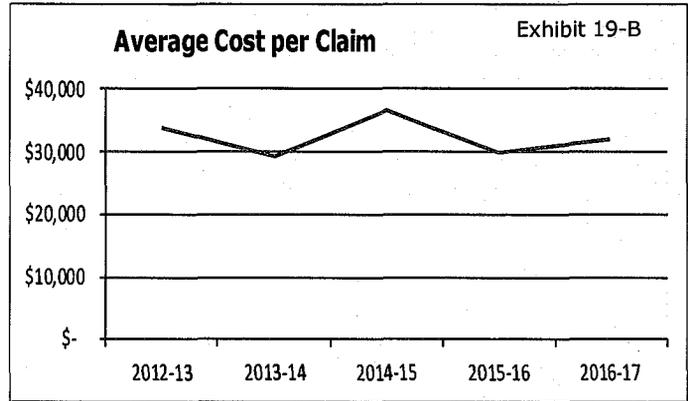
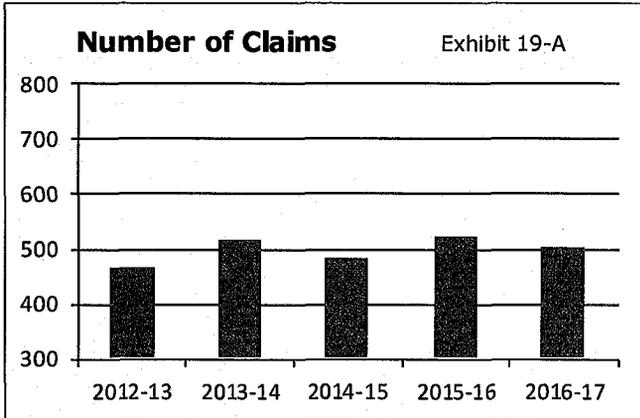
Exhibit 18-A

SIR (1)	Projected Ultimate Limited Losses (2)	Change from Cur- rent Level SIR (3)	Estimated Premium (4)	Change from Current Level Premium (5)	Net Impact (3)+(5) (6)
500,000	19,853,000	-794,000	2,569,000	765,000	-29,000
<b>750,000</b>	<b>20,647,000</b>	<b>0</b>	<b>1,804,000</b>	<b>0</b>	<b>0</b>
1,000,000	21,068,000	421,000	1,470,000	-334,000	87,000
1,500,000	21,507,000	860,000	1,037,000	-767,000	93,000
2,000,000	21,965,000	1,318,000	781,000	-1,023,000	295,000
3,000,000	22,442,000	1,795,000	585,000	-1,219,000	576,000

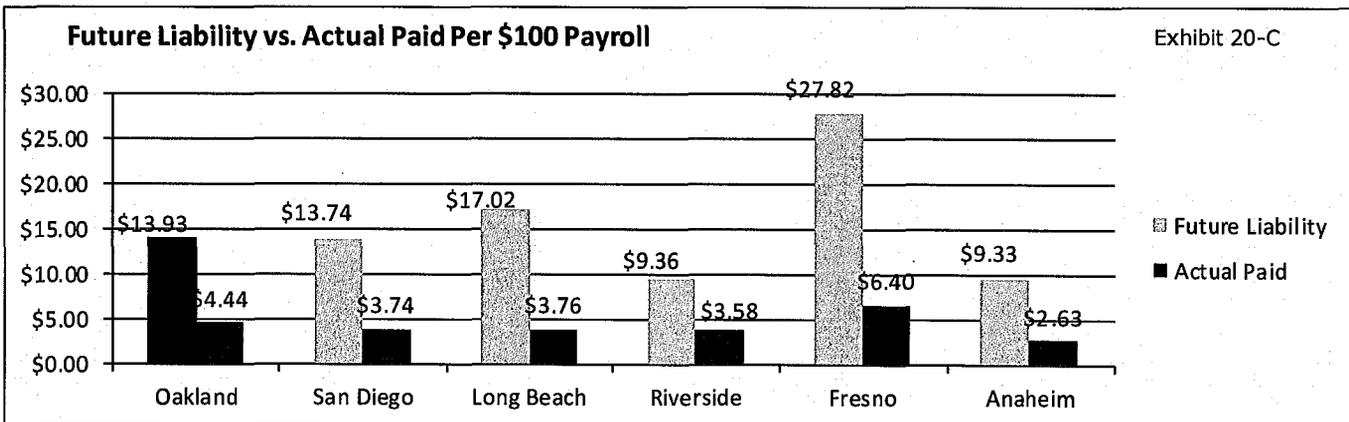
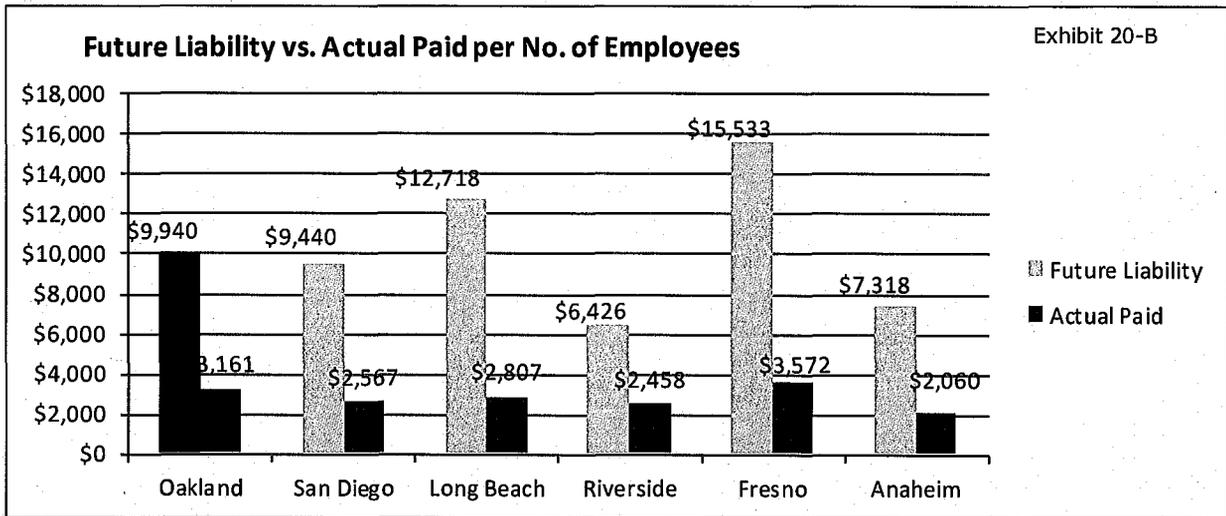
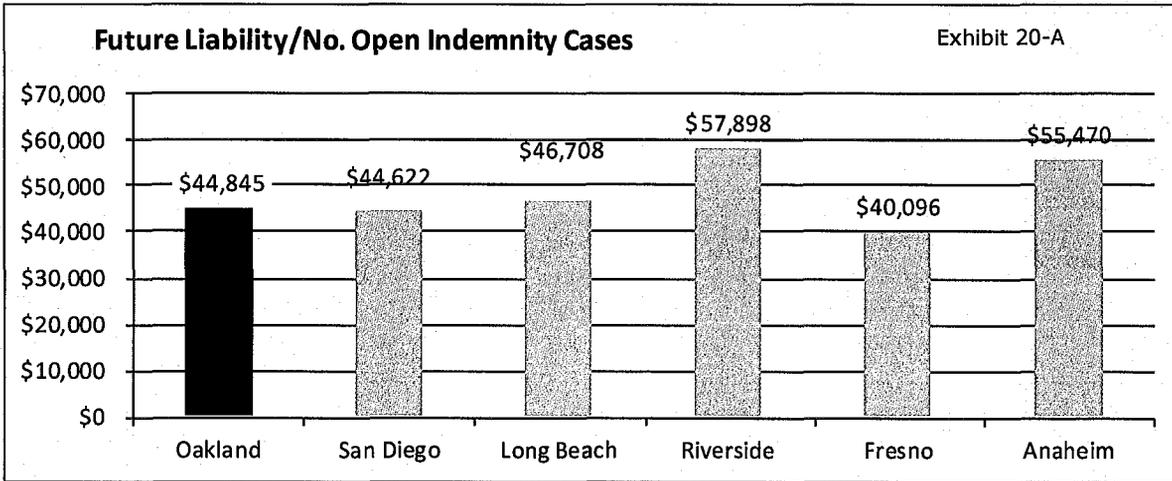
The City's current Self Insured Retention for EWC is \$750,000. Based on actuarial projections, if the City chose to increase its retention to \$1.0 million, the cost benefit to the program would be and increase expense of \$87,000 (Column 6). As the retentions increase (Column 1), the City's out of pocket expense (Column 6) also increases.

Similarly, if the City could convince a carrier to reduce our current retention to \$500,000, our out of pocket our only decline by \$29,000. Given the City's loss history, it is unlikely a carrier would agree to offer coverage at that retention level.

# OAKLAND VS. OAKLAND



# OAKLAND VS. OTHER CITIES

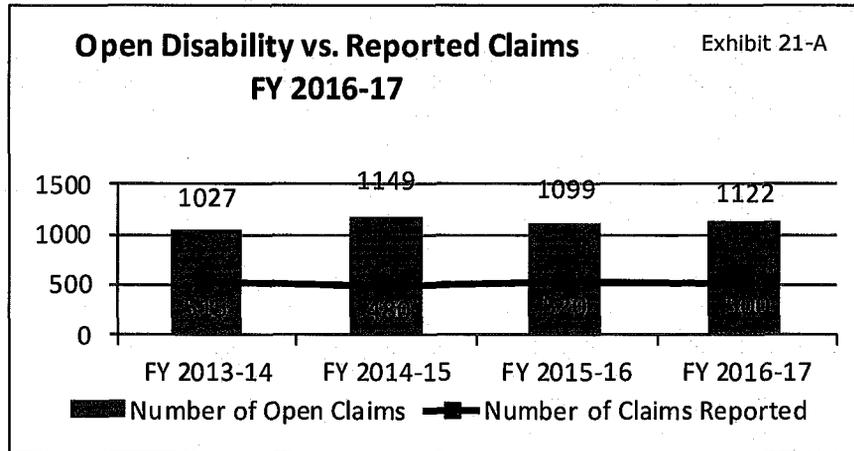


# CLAIMS MANAGEMENT PROGRAM



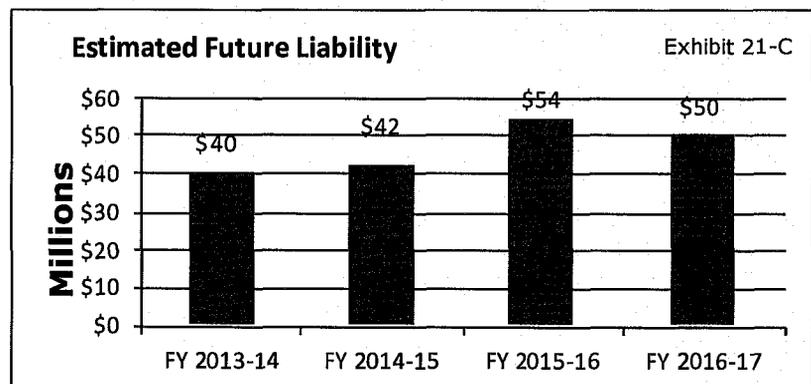
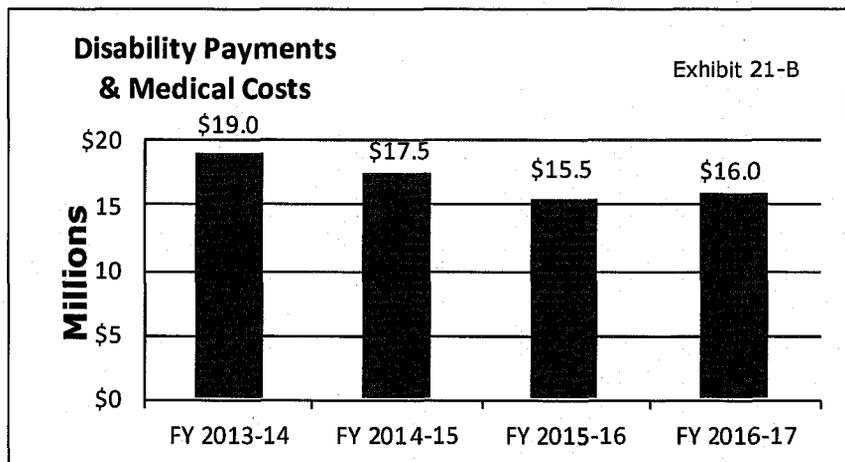
## Of note...

- 3.85% decrease in reported claims from FY 2015-16.
- \$527,784 (3.4%) increase in disability and medical payments.



The City's Claim Management Program standardizes the process for documenting and reporting claims, and incorporates a Transitional Duty (Early Return-to-Work) Program. The effectiveness of this program hinges on the contributions of three groups:

- Department-Based Coordinators
- RMD Workers' Compensation Program Coordinator
- The City's Third-Party Administrator (JT2 Integrated Resources)

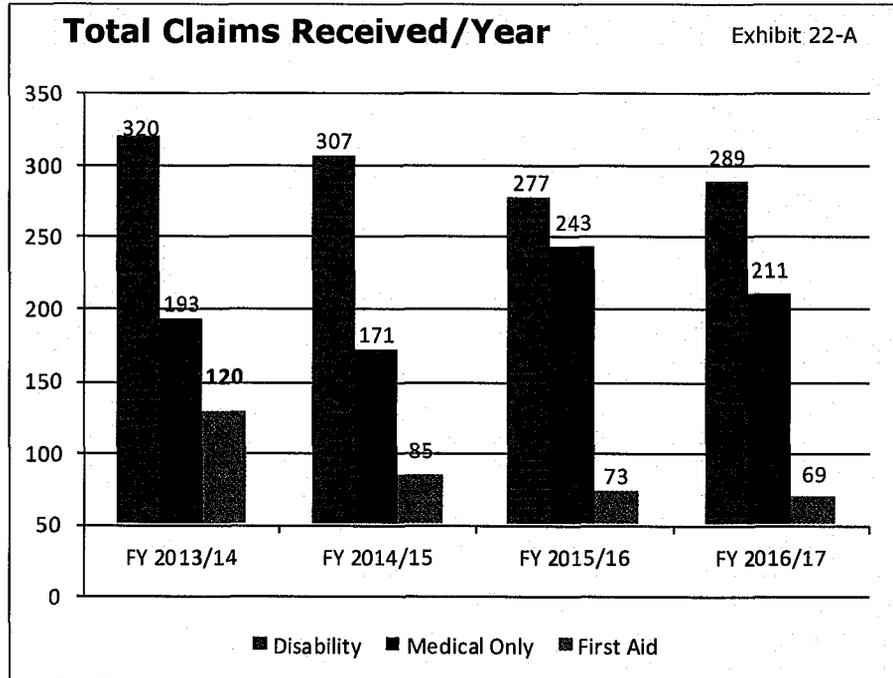


# C LAIMS MANAGEMENT PROGRAM



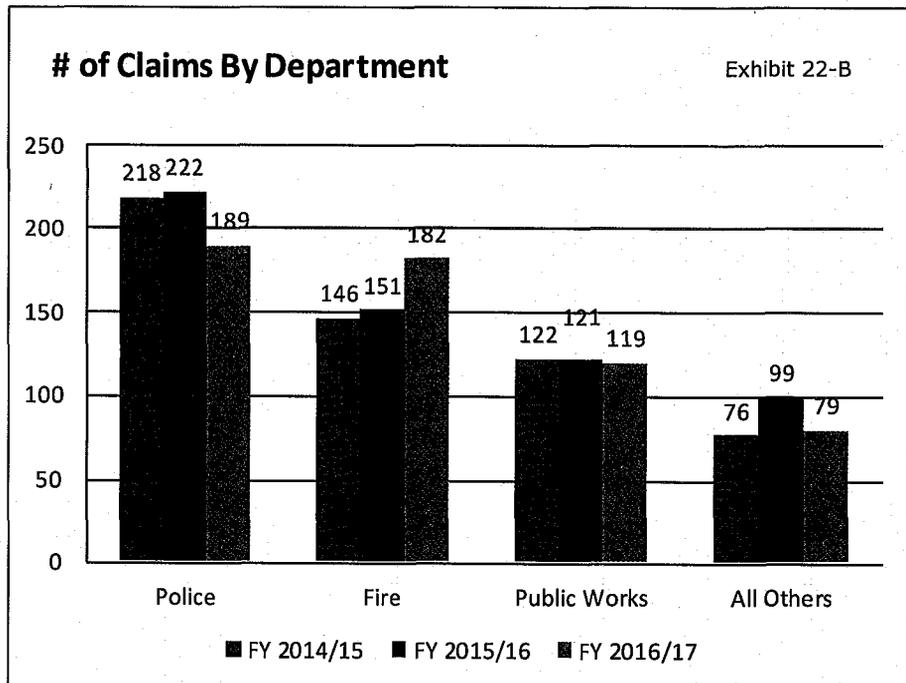
## Of note...

- Indemnity claims have increased over the last year, while Medical Only and First Aid claims have decreased.



## Of note...

- Overall, the number of injuries per Department decreased in FY 2016/17 compared to FY 2015/16.
- Police had the greatest decrease (33) while fire had an equivalent increase (31) in FY 16/17 from FY 15/16.

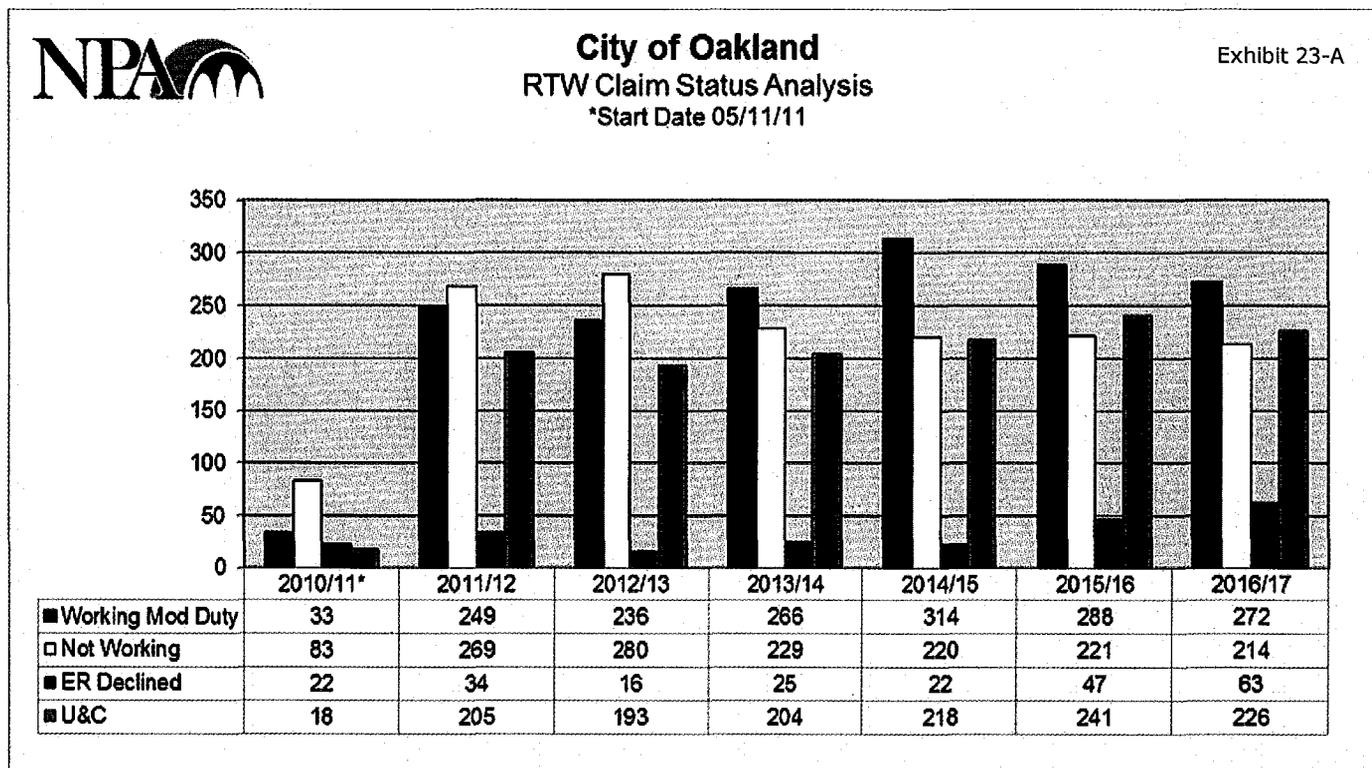


# PROGRAM PERFORMANCE MEASURES



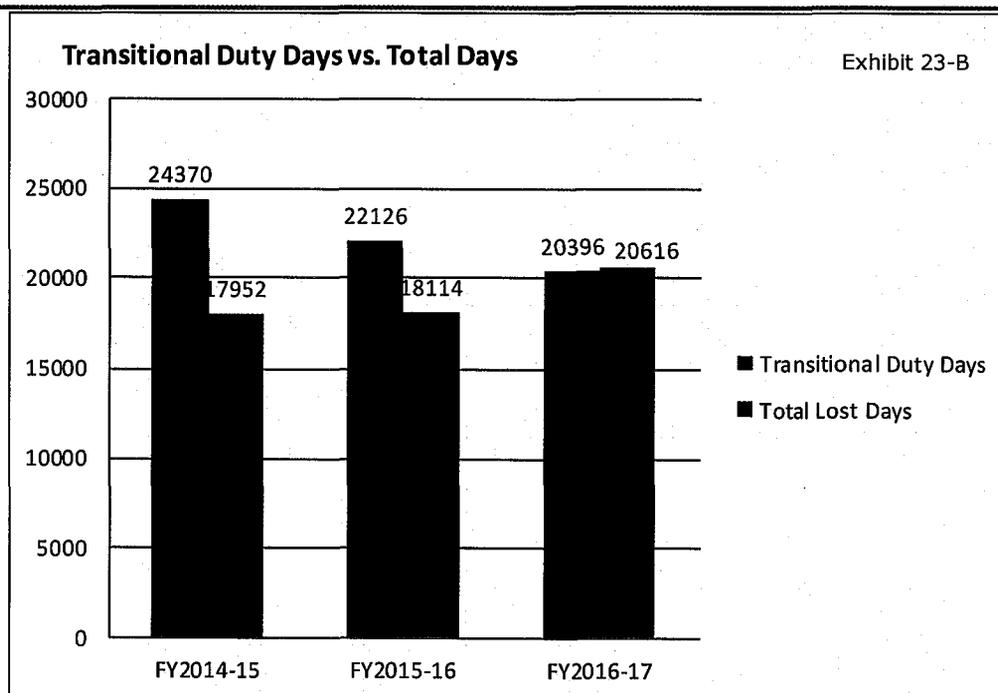
## Productivity Gains via Transitional Duty Program (Early Return-To-Work)

The City of Oakland's Early Return-To-Work program saw the number of claims engaged in Modified Duty assignments (seen in green below) surpass the number of claims where the injured worker was not working at all (as seen in blue below). The red below indicates when a department places an employee on paid administrative leave instead of modified duty.



### Of note...

In Exhibit 23-B, Fiscal Year 2016-17 reflects 1,730 (7.8%) fewer days of modified duty productivity related to injury claims than last year. There were 2502 (13.8%) more Lost Days in Fiscal Year 2016-17 than last year.



# T TRANSITIONAL DUTY PROGRAM USE BY DEPARTMENTS

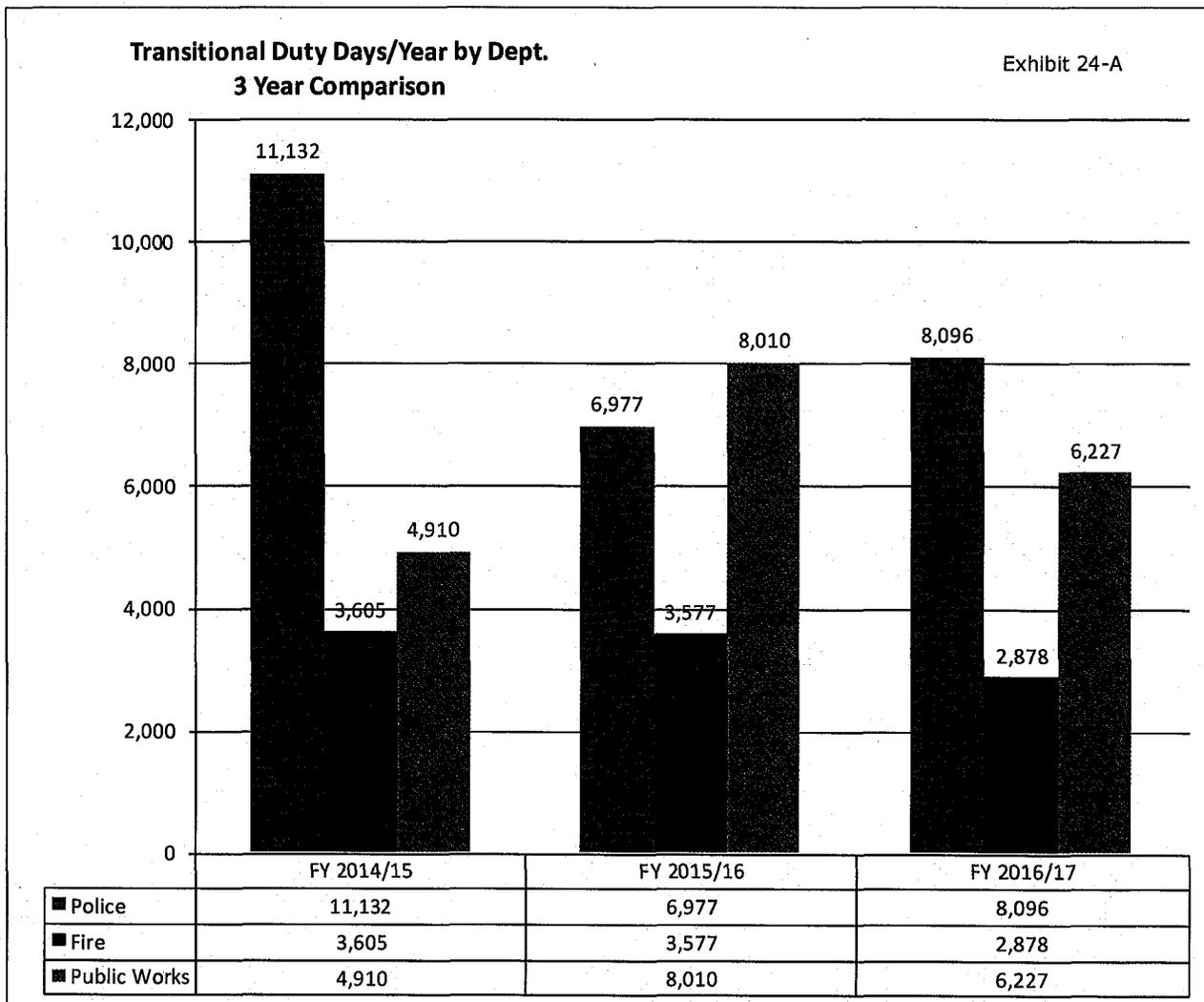


## Of note...

The number of Transitional Duty (TD) days for Public Works has decreased by 22% from last year's number. Factors affecting the reduction of days in modified duty are listed below. OPD had a 16% increase in Transitional Duty (TD) days from last year.

Overall, FY 2016-17 had a 20.2% decrease in TD days in the Transitional Duty Program from FY 2015-16. Factors that contributed to this decline include:

- Reduction in average days to return to work at full duties.
- Decrease in department decline of modified duty.
- Change in medical clinic.
- Instituting a Medical Provider Network (MPN).



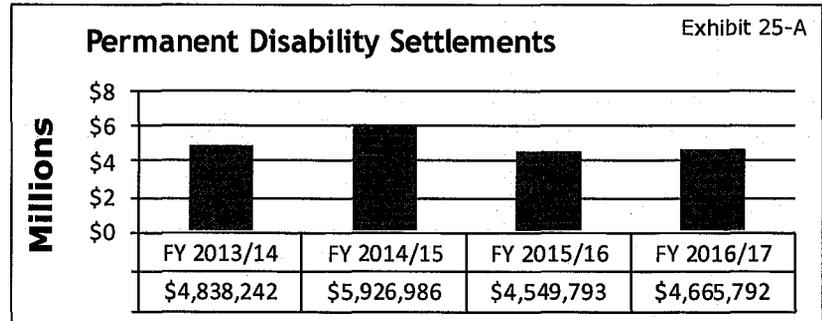
# PROGRAM EXPENDITURE CATEGORIES



The primary expenditure types of the Workers' Compensation Program can be categorized as Indemnity Payments, which are in the form of Permanent Disability payments, Temporary Disability payments, Medical Expenditures and Allocated Expenditures. Appendix A defines these terms further, and Appendix B provides a detailed breakdown of program expenditures over the past 5 years. The following graphs show four-year histories of each of the key categories of Workers' Compensation expenses.

## PERMANENT DISABILITY SETTLEMENTS

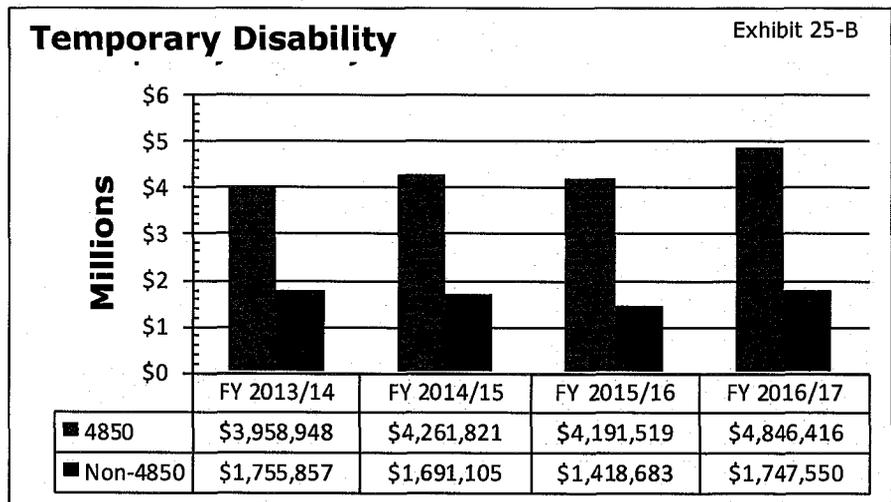
Exhibit 25-A shows a four year history of Indemnity Expenses paid for the settlement of claims when injury has resulted in some level of permanent disability for the employee.



## TEMPORARY DISABILITY PAYMENTS

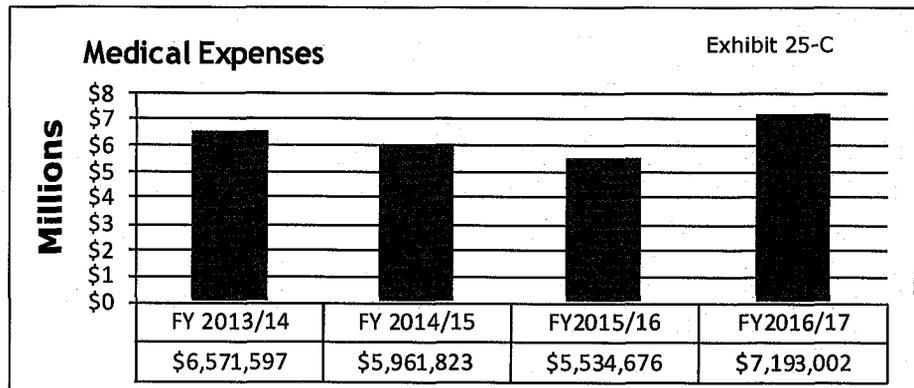
Exhibit 25-B shows a four year history of Indemnity Expenses paid for salary related to claims. These Expenses are divided into two categories: 4850 and Non-4850.

For non-4850, cost drivers are linked to both negotiated pay increases and to the State Average Weekly Wage (SAWW). For 4850, full pay costs are driven by negotiated increases in sworn

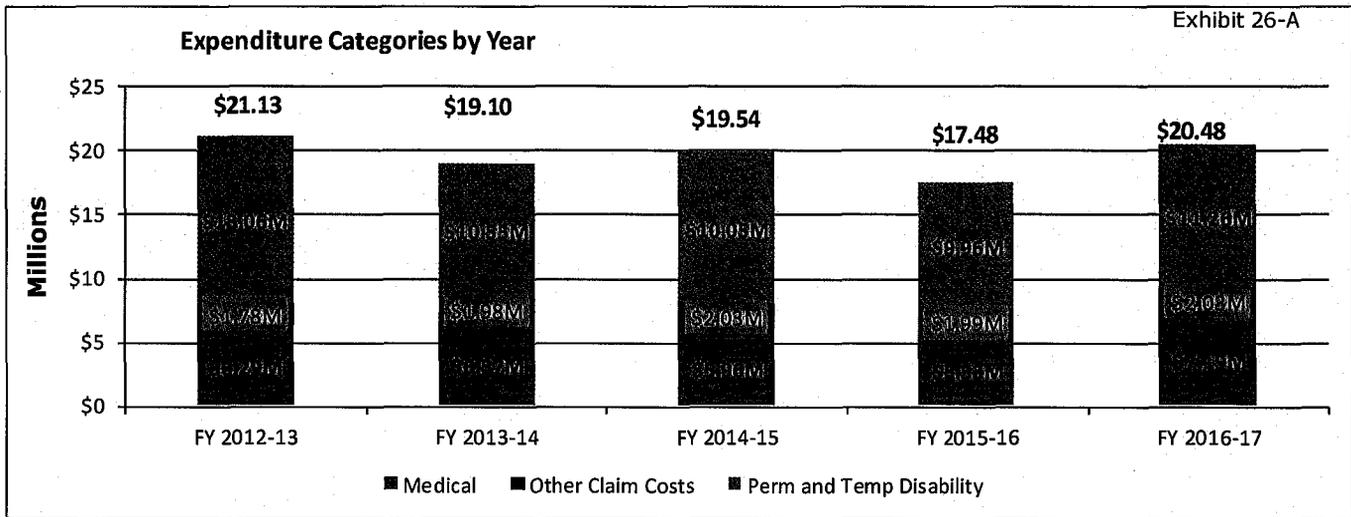


## MEDICAL EXPENSES

Exhibit 25-C shows a four year history of medical expenses associated with all Workers' Compensation claims. In FY 2016-17, the City's medical costs increased 30%.

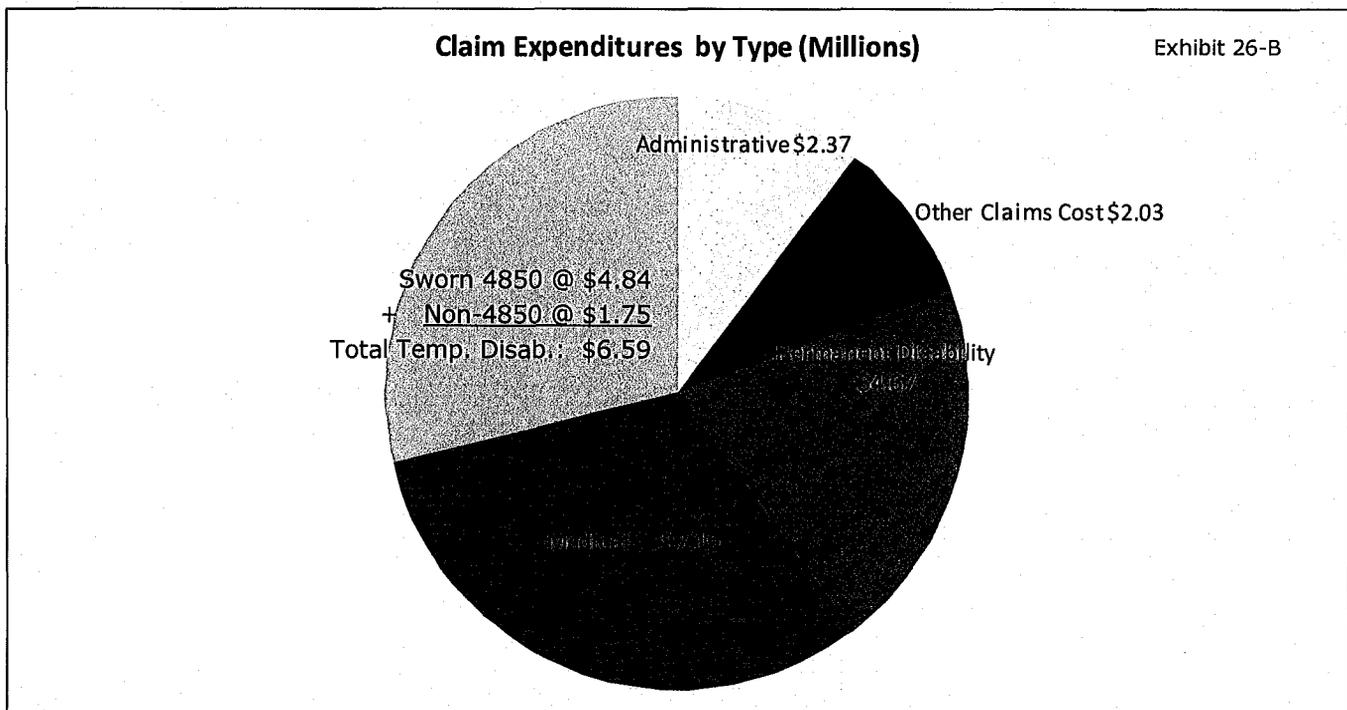


# PROGRAM EXPENDITURE CATEGORIES



## Of note...

- Disability, medical, and allocated costs increased by \$2,998,562 (17.15%) in FY16-17 over the prior year.
- 10.6% higher administrative costs in FY 2016-17 than the last year.



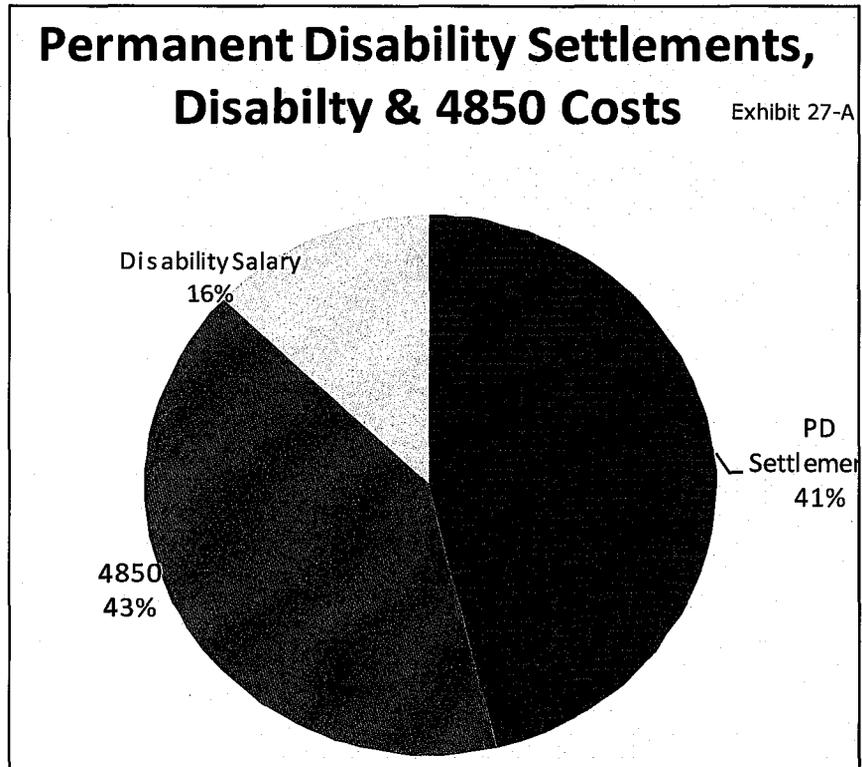
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## ROGRAM EXPENDITURE CATEGORIES



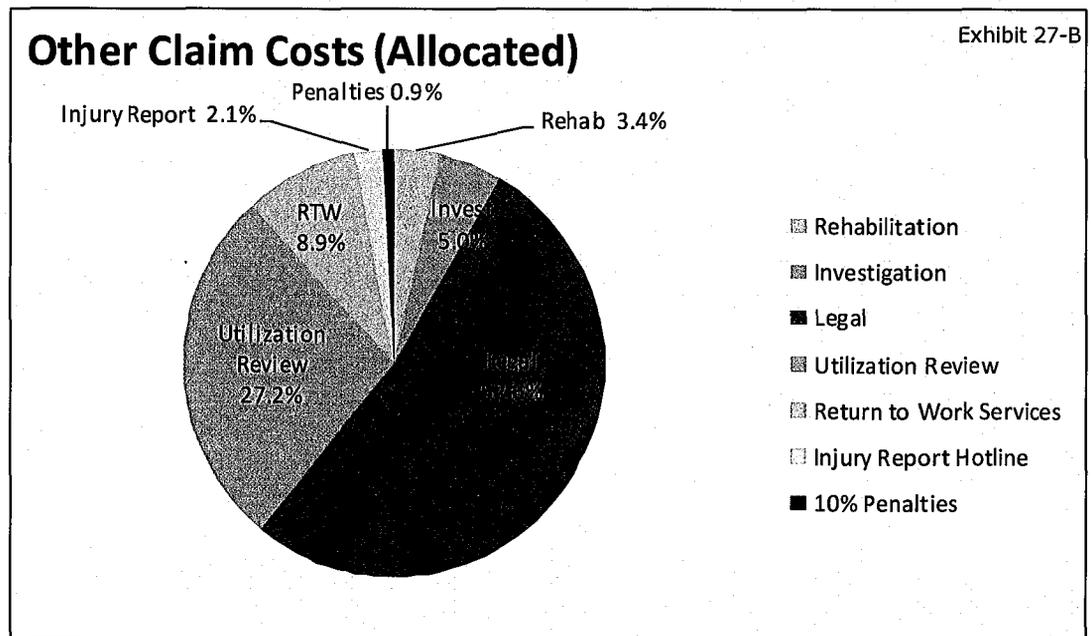
### Of note...

- Disability Salary and 4850 both relate to Salary Payments made to injured workers missing work time.



### Of note...

- Other Claim Costs (Allocated) represent the \$2.03 million seen on the previous page.



# FREQUENCY & SEVERITY BY DEPARTMENT



The following exhibits provide department history as related to frequency (number of claims) and severity (future liability of claims). This data can be used by the City and individual Departments to determine where the largest program users exist. The focus of injury prevention programs should target the areas of high frequency and severity.

Department	FY14-15			FY15-16			FY16-17		
	M.O.	Disb.	All	M.O.	Disb.	All	M.O.	Disb.	All
Budget & Revenue								1	1
City Administration	3	1	4	9	4	13	3	4	7
City Attorney	1	1	2	3	2	5	1	0	1
City Auditor	0	0	0	0	0	0	0	2	2
City Clerk	0	0	0	0	0	0	1	0	1
Dept. Of Info & Tech	0	3	3	3	0	3	0	2	2
Financial Mgmt	4	5	9	0	1	1	0	3	3
Fire	39	82	121	42	94	136	54	100	154
Housing & Comm Dev.	1	3	4	0	0	0	0	0	0
Human Services	8	4	12	6	19	25	7	14	21
Library	4	8	12	5	1	6	2	4	6
Neighborhood Inv.	0	0	0	0	1	1	0	0	0
Office Mayor	1	0	1	1	0	1	0	0	0
Parks & Recreation	9	5	14	14	11	25	9	11	20
Planning & Bldg	2	0	2	2	1	3	2	3	5
Police	74	121	195	107	87	194	85	89	174
Public Works	61	40	101	37	68	105	45	58	103
<b>Totals</b>	<b>207</b>	<b>273</b>	<b>480</b>	<b>229</b>	<b>289</b>	<b>518</b>	<b>209</b>	<b>291</b>	<b>500</b>

**M.O.:** Medical Only Claims      **Disb.** Claims with disability costing

Department	FY14-15	FY15-16	FY16-17
City Administration	\$9,875	\$10,328	\$41,617
City Attorney	\$23,257	\$4,914	\$5,885
City Clerk	-	-	\$2,032
Dept. Of Info & Tech	\$22,943	\$22,242	-
Financial Mgmt	\$67,860	-	\$6,033
Fire	\$2,134,371	\$4,116,610	\$3,536,606
Housing & Com Dev.	\$61,533	-	-
Human Services	\$42,080	\$323,121	\$114,499
Library	\$187,312	\$16,256	\$20,773
Neighborhood Inv.	-	\$269,709	-
Parks & Recreation	\$19,341	\$111,144	\$44,449
Planning & Bldg	\$14,925	\$7,386	\$67,565
Police	\$2,637,576	\$2,481,008	\$1,090,358
Public Works (PW) *	\$458,670	\$920,991	\$2,103,320
<b>Totals</b>	<b>\$5,679,743</b>	<b>\$8,283,710</b>	<b>\$7,033,137</b>

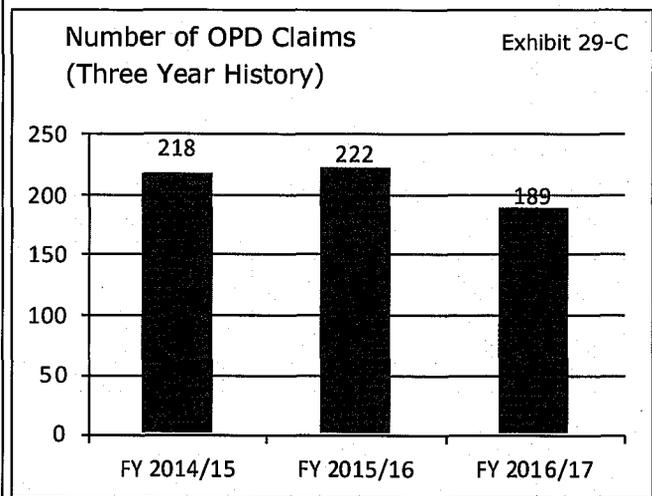
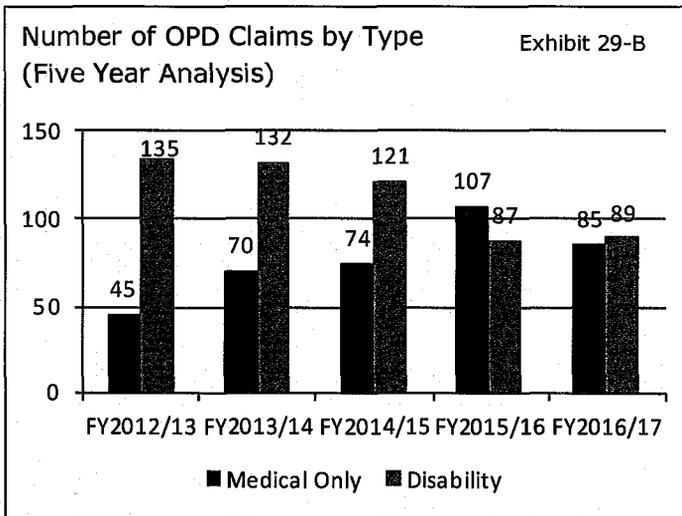
\* Increased PW liability due to a catastrophic claim.



Police Department -- Workers' Compensation Claims					Exhibit 29-A
	# of Claims	% of City	Cost of Claims	% of City	Average Cost Per Claim
FY 2016-17	189	33%	\$2,483,247	21.30%	\$13,139
3-Year Average	210	36%	\$3,271,015	31.26%	\$15,601

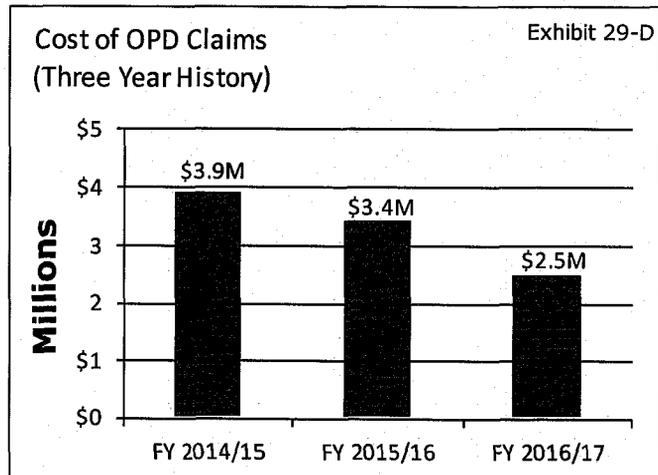
### Of note...

- The cost of OPD claims in FY16-17 is \$926,246 less than last Fiscal Year.
- There are 11% fewer claims for OPD in FY 2016-17 than the 3-year average.
- The total cost of OPD claims in FY 2016/17 is lower than the three year average by 24.1%.



### Of note...

- 20.6% reduction of claims involving Medical since last year.
- Total costs decreased by 27.2% since last year.

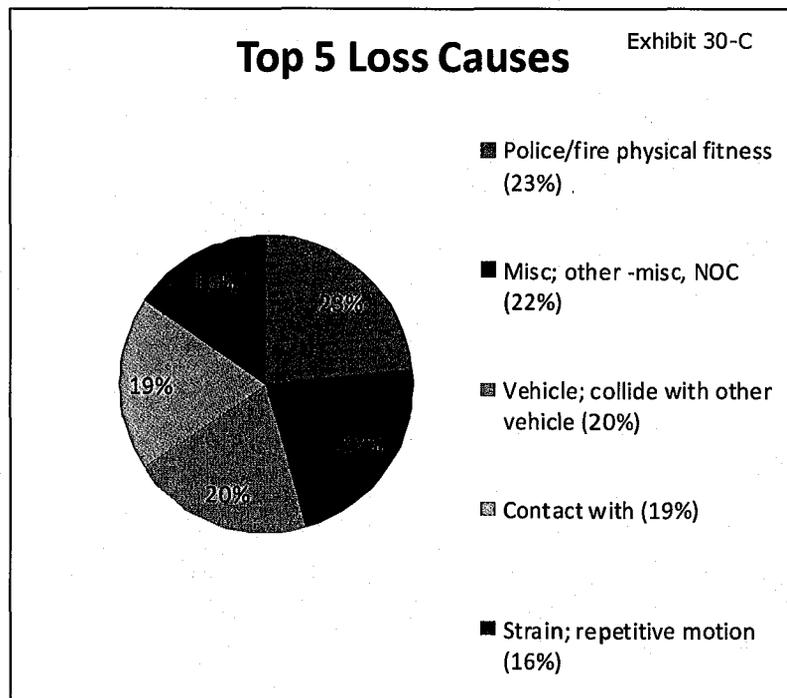
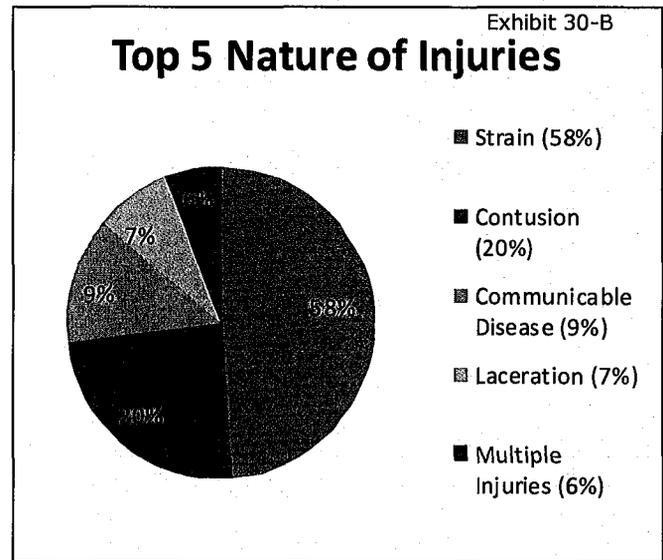
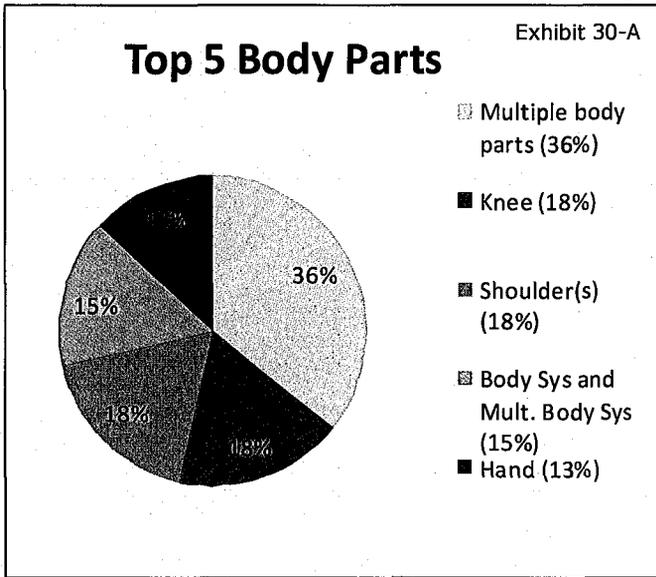




## OPD INJURY TYPES FY 2016-17

### Of note...

- In FY 2016-17 OPD injuries most frequently involve multiple body parts.
- Strains continue as the most frequent type of OPD injury in FY 2016-17.

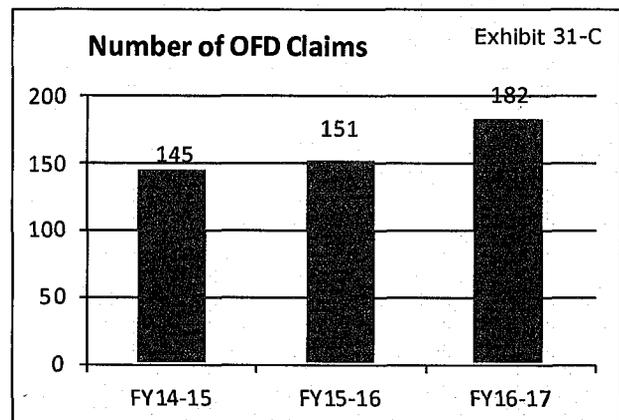
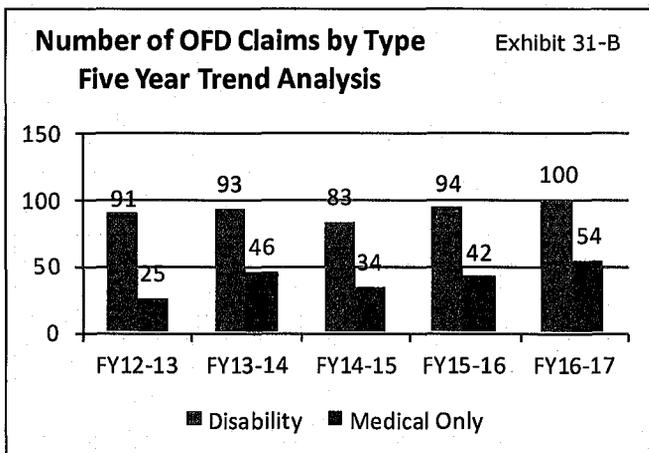




Fire Department -- Worker's Compensation Claims					Exhibit 31- A
	#	%	Cost	%	Average Cost
FY 2016-2017	182	32%	\$5,011,550	42.98%	\$27,536
3-Year Average	160	28%	\$4,579,741	43.77%	\$28,683

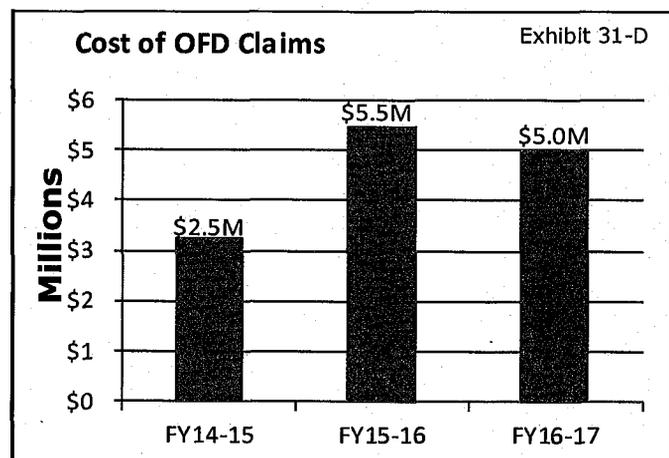
### Of note...

- FY 2016-17 had an 14% more claims than the 3-Year Average
- The total cost of OFD claims in FY 2016-17 is 9.43% higher (\$431,809) than the 3-year average.



### Of note...

- FY 2016-2016 continues to have the highest number of OFD Temporary Disability Claims in 5 years.
- 31 more claims filed this year than last year.
- The total cost of claims decreased by 8.6% over last year's cost.

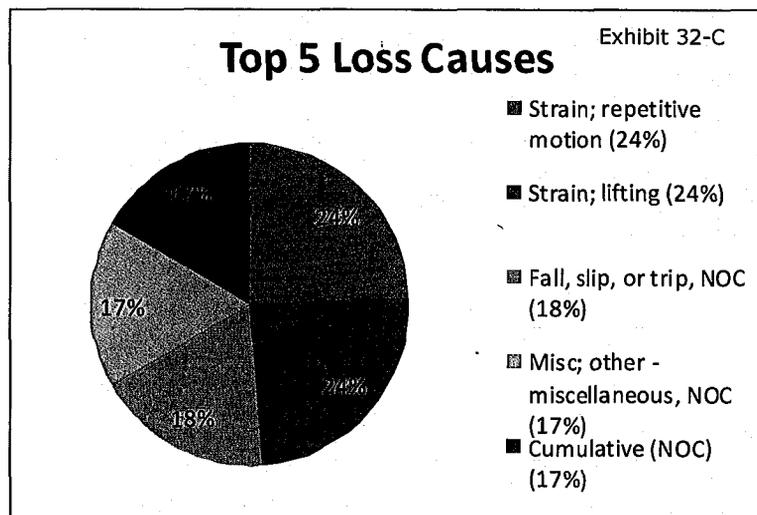
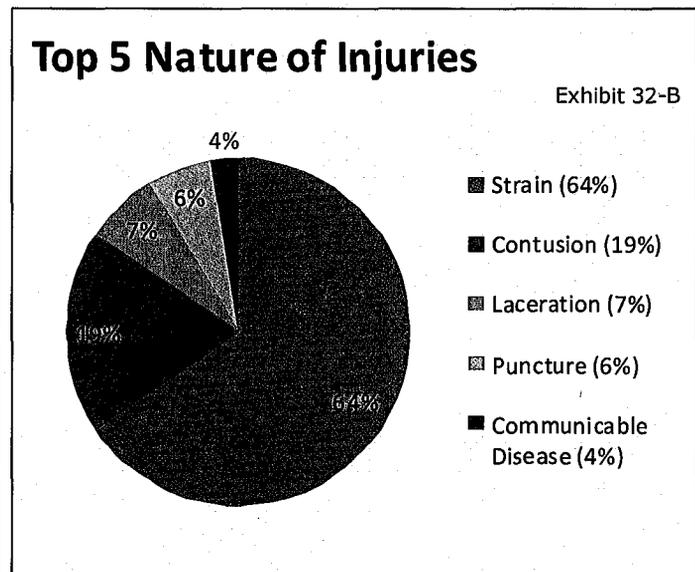
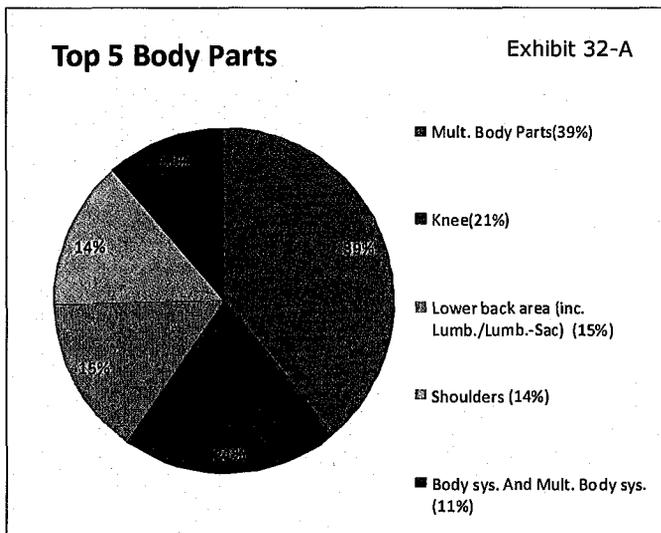




## OFD INJURY TYPES FY 2016-17

### Of note...

- Multiple body parts were injured most often in OFD during FY 2016-17.
- Strains continue to be the most frequent injury in OFD in FY 2016-17.
- Injuries caused by strains were the most frequent cause of loss in FY 2016-17.



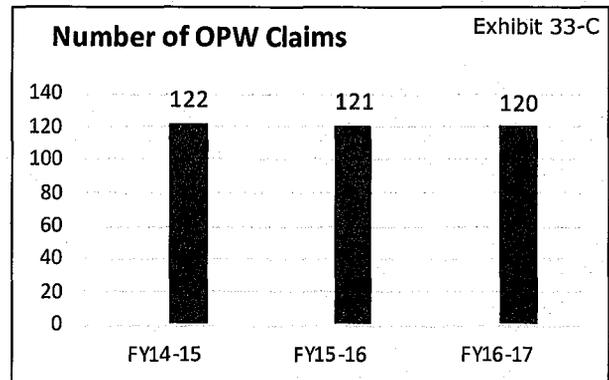
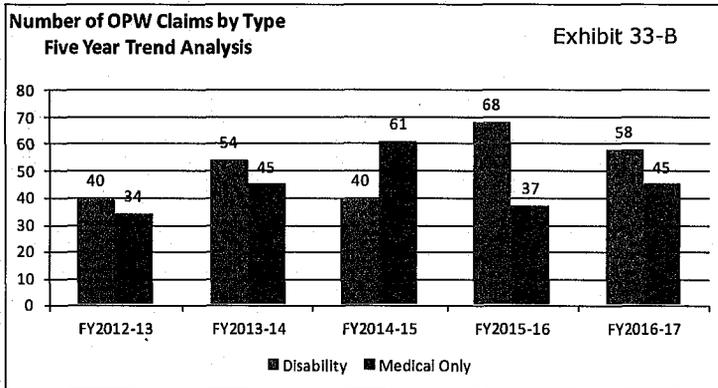


## Public Works Department -- Worker's Compensation Claims Exhibit 33-A

	Number of Claims	% of City	Cost of Claims	% of City	Avg. Cost Per Claim
FY 2016-17	120	21%	\$3,607,736	30.94%	\$30,064
3 Year Avg.	121	21%	\$1,881,085	17.98%	\$15,546

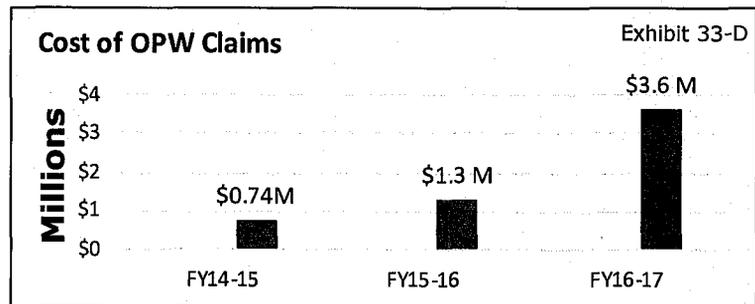
### Of note...

- The number of claims in the last three years have been relatively the same as the 3-year average.
- \$1,726,651 or 91.79% more paid for OPW claims in FY 2016-17 than the 3-year average.



### Of note...

- The number of OPW claims have been relatively the same over the last 3 years.
- The total cost of claims increased by 178% since last year. This was in part due to a catastrophic claim.

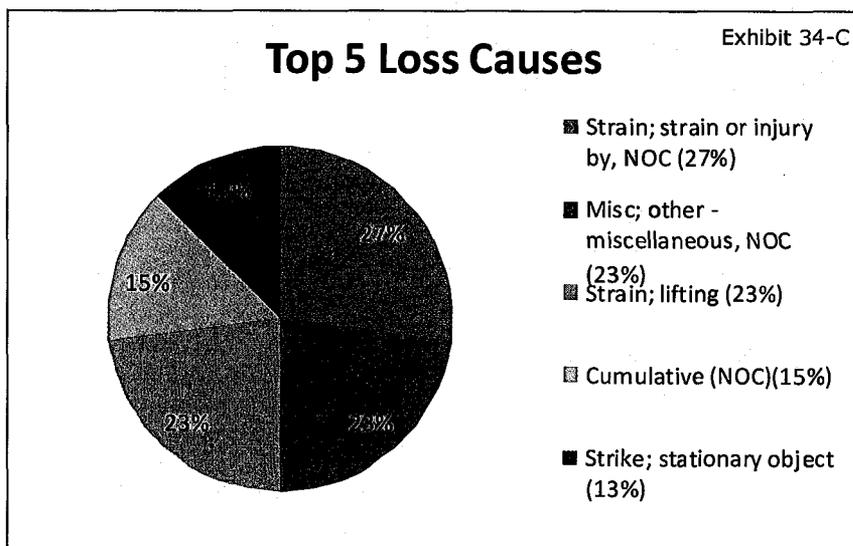
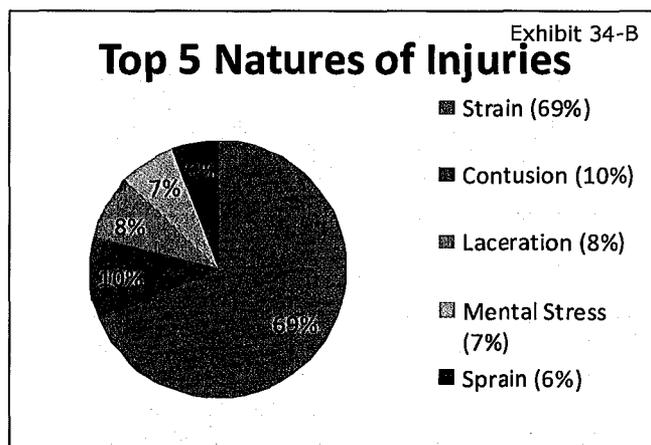
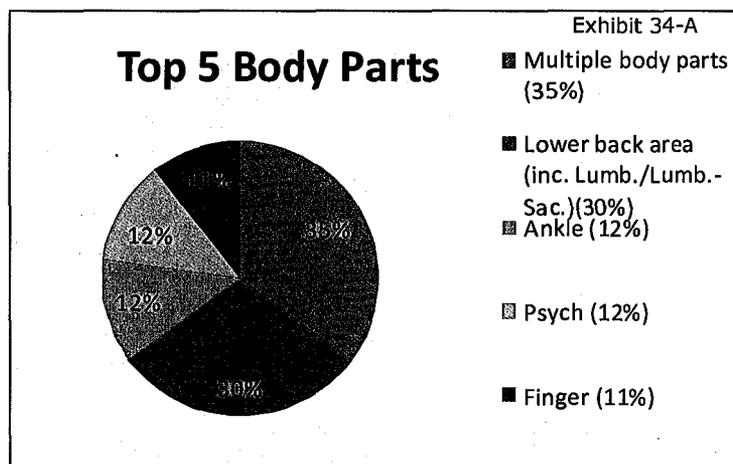




## OPW INJURY TYPES FY 2016-17

### Of note...

- OPW injuries involved Multiple body parts most often in FY 2015-16.
- Strains continue to be the most frequent injury in OPW in FY 2015-16.
- Strains continue to be the top cause of loss in FY 2015-16.

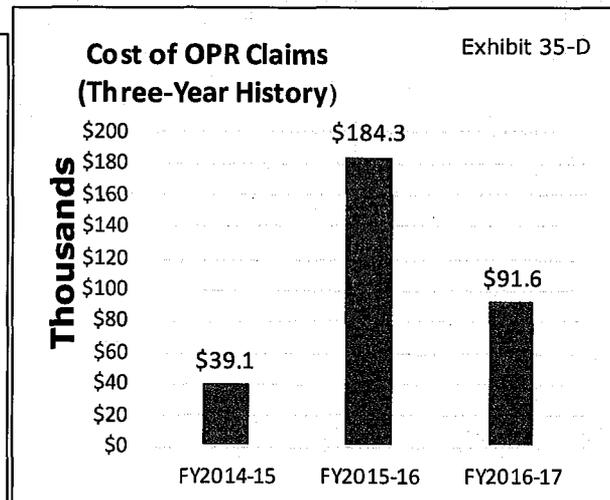
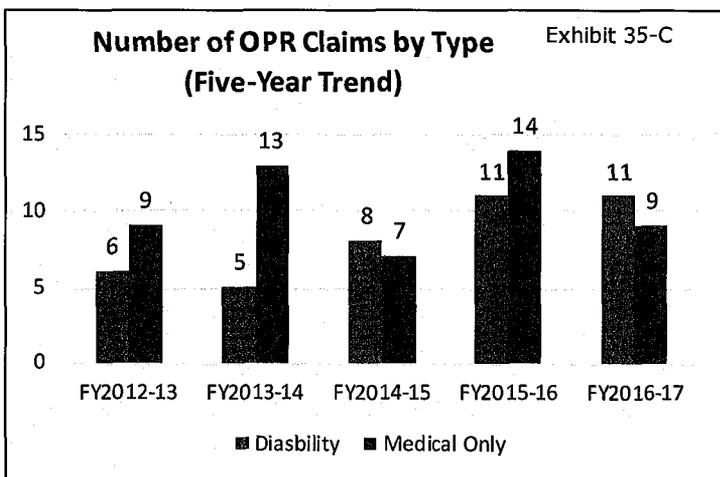
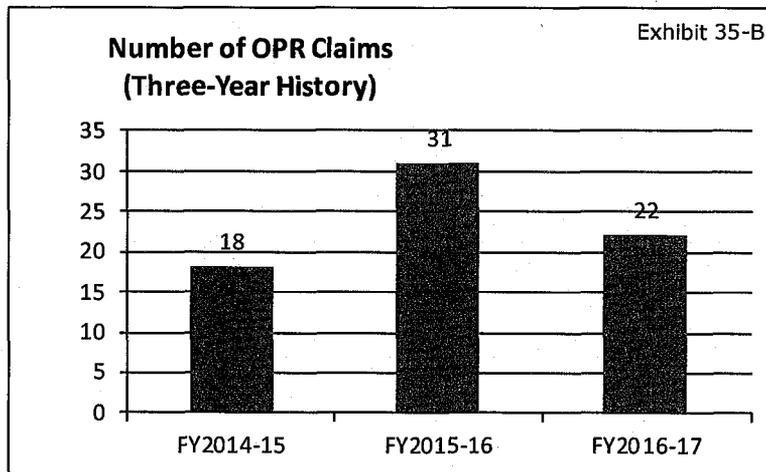




	No. of Claims	% of City	Cost of Claims	% of City	Average Cost Per Claim
FY 2016-17	22	4%	\$91,597	0.79%	\$4,164
3-Year Average	24	4%	\$63,922	0.72%	\$2,701

### Of note...

- OPR claims decreased by 9 claims (29%) in FY 2016-17 from last year.
- FY 2016-17 cost of claims in OPR is \$92,676 (50.3%) less than last year.

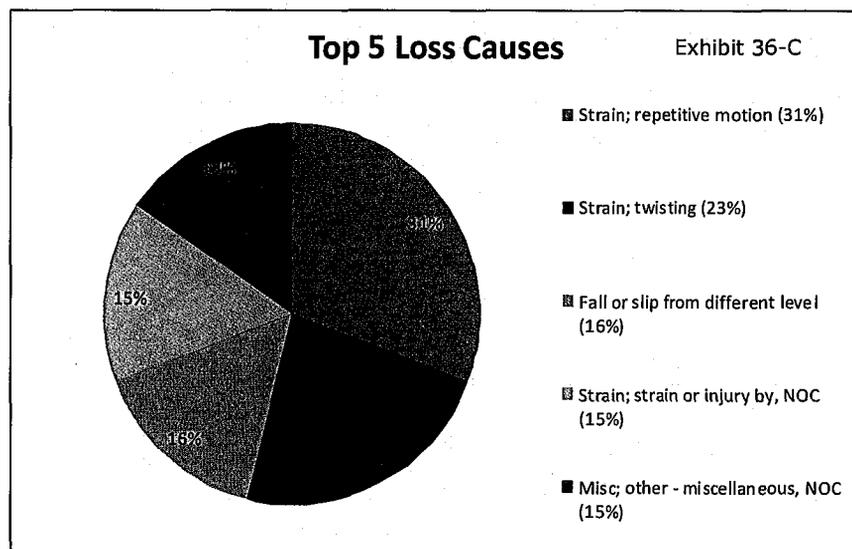
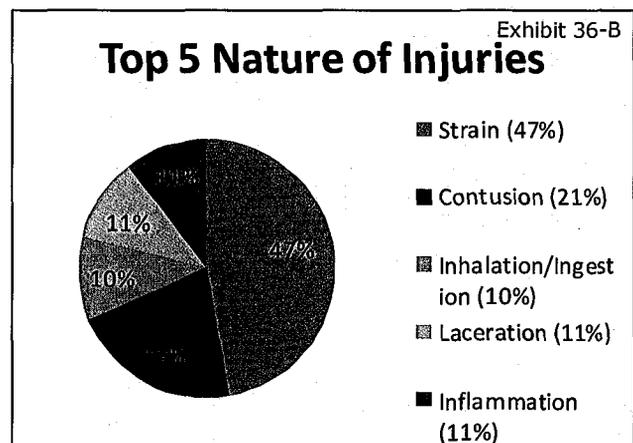
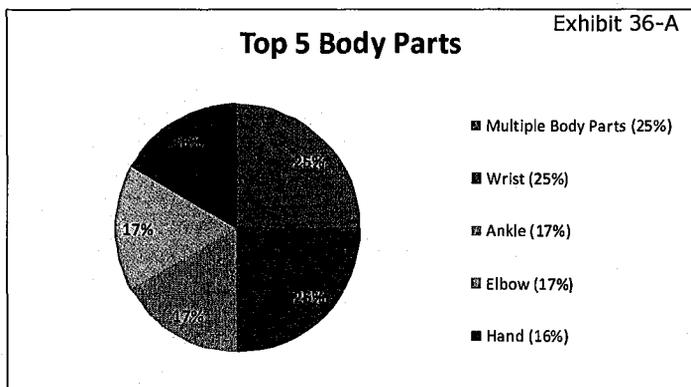




## OPR INJURY TYPES FY 2016-17

### Of note...

- The most common injuries for OPR in FY 2016-17 were to the wrists and injuries with multiple body parts.
- Strains continue to be the most frequent injury in OPR in FY 2016-17.



# A LL OTHER DEPARTMENTS



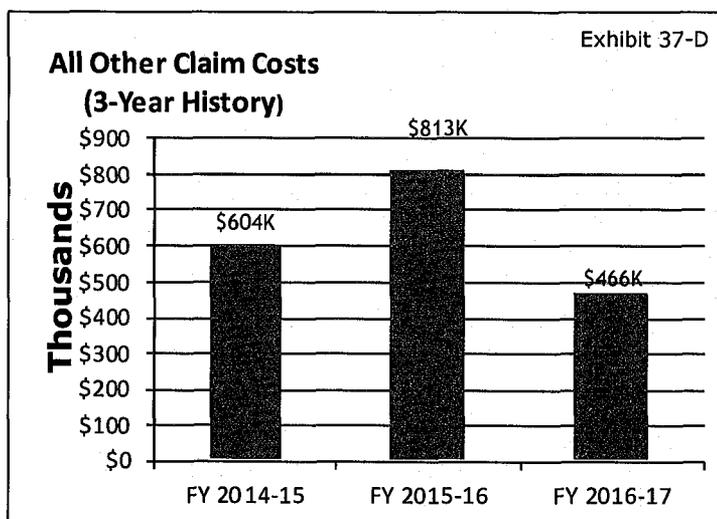
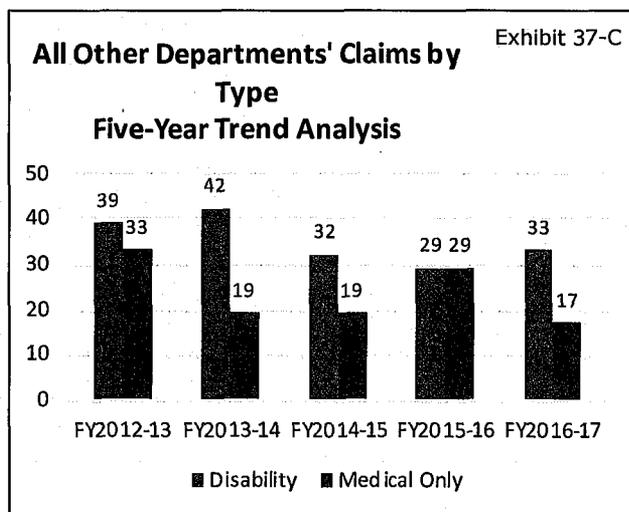
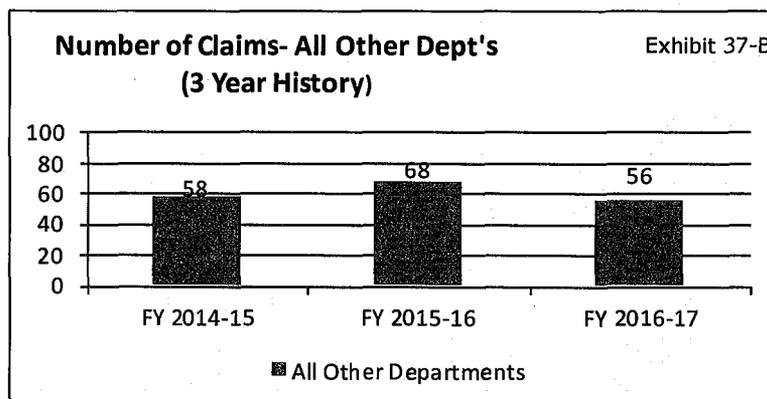
	# of Claims	% of City	Cost of Claims	% of City	Average Cost per Claim
<b>FY 2016-17</b>	56	10%	\$466,005	4%	\$8,321
<b>3-Year Average</b>	61	11%	\$627,544	6%	\$10,344

## Of note...

- "All Other" departments had five fewer claims in FY 2016-17 as the 3 year average.
- FY 2016-17 cost of claims and the average cost per claim is lower than the 3 year average.

## Of note...

- The number of claims in FY 2016-17 decreased 17.6% from last year's number of claims.
- The total cost of claims in FY 2016-16 decreased 42.7% over the cost of claims for last year.





## SCHEDULE OF EXHIBITS

<b>Appendix A</b>	<b>Key Terms</b>
<b>Appendix B</b>	<b>Workers' Compensation Expenditure Report</b> (FY 2012-13 through FY 2016-17)
<b>Appendix C</b>	<b>Workers' Compensation Third Party Administration Claims Audit, Final Reports</b> <i>CSAC Excess Insurance Authority, December 2017, Pages 1 - 23</i>
<b>Appendix D</b>	<b>Response from TPA Regarding Annual Claims Audit 2015</b> <i>Letter from JT2 Integrated Resources to Ian Appleyard, HR Director and Deb Grant, Risk Manager, dated January 9, 2018</i>
<b>Appendix E</b>	<b>Actuarial Review of the Self-Insured Workers' Compensation Program</b> <i>(AON Risk Solutions, June 30, 2017, Pages 1-53.</i>

# A

PPENDICES



## Appendix A

### Key Terms

# KEY TERMS



The following section provides information about the Workers' Compensation Program expenditures for Fiscal Year 2013-14, as defined in the table below.

**Permanent Disability Settlements:**

Settlements paid when an injury results in a permanent disability.

**Temporary Disability:**

**Non-Sworn Salary Supplement:** City payments at the employee's full rate of pay made in the first 60-90 days when injured workers are unable to perform work of any kind.

**Temporary Disability:** State-mandated payments made when injured workers are unable to perform work of any kind.

**Sworn Salary Supplement/4850:** State-mandated payments at the employee's full rate of pay for up to one-year when an injured worker is unable to perform work of any kind.

**Allocated:  
(Other Claim Costs)**

- Rehabilitation
- Investigation Expenses
- Legal
- Utilization Review
- Return to Work Services
- 24 hour Injury Report Line
- 10% Penalties

**Medical:**

All medical expenses related to treatment of the injury, including diagnostics, physical therapy, durable medical equipment, prescriptions and surgery, and in/out hospital patient care.

**Administrative:**

This includes costs associated with administration of the Workers' Compensation Program.



## **Appendix B**

# **Workers' Compensation Expenditures Report (Fiscal Years 2012-2017)**

# APPENDICES

<b>Expenditures By Year</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>% Change Since FY15-16</b>
<b>Settlements:</b>						
<b>Permanent Disability</b>	<b>\$4,357,102</b>	<b>\$4,838,242</b>	<b>\$5,926,906</b>	<b>\$4,549,793</b>	<b>\$4,665,792</b>	<b>2.5%</b>
<b>Temporary Disability Non-4850</b>						
Temporary Disability	1,808,078	1,346,545	1,195,099	1,084,483	1,443,514	
MOU Benefit—non-sworn	<u>420,965</u>	<u>409,312</u>	<u>496,006</u>	<u>334,200</u>	<u>307,487</u>	
Total Non-4850 Pay	2,229,043	1,755,857	1,691,105	1,418,683	1,751,001	<b>23.4%</b>
<b>4850</b>						
Sworn-OPD-4850 Pay	4,123,621	2,533,225	2,356,175	1,873,375	2,334,489	
Sworn-OFD-4850 Pay	<u>2,356,639</u>	<u>1,425,723</u>	<u>1,905,646</u>	<u>2,318,144</u>	<u>2,508,476</u>	
Total 4850 Pay	6,480,260	3,958,948	4,261,821	4,191,519	4,842,965	<b>15.5%</b>
<b>Subtotal—Temp. Disability</b>	<b>8,709,303</b>	<b>5,714,805</b>	<b>5,952,926</b>	<b>5,610,202</b>	<b>6,593,966</b>	<b>17.5%</b>
<b>Total Disability</b>	<b>13,066,405</b>	<b>10,553,047</b>	<b>11,879,832</b>	<b>10,159,995</b>	<b>11,259,758</b>	<b>10.8%</b>
<b>Allocated: (Other Claim Costs)</b>						
Rehabilitation	47,465	55,365	31,348	30,556	69,308	
Investigation Expenses	392,331	174,998	154,162	116,005	100,898	
Legal	971,049	1,226,711	1,104,091	962,432	1,069,949	
Utilization Review		321,099	536,818	650,192	552,992	
Return to Work Services		55,235	153,300	182,820	182,005	
24hr Injury Report Line		44,100	42,805	44,565	41,863	
10% Penalties - (JT2 & non JT2)	<u>5,416</u>	<u>4,574</u>	<u>5,533</u>	<u>9,178</u>	<u>17,355</u>	
<b>Allocated</b>	<b>1,416,261</b>	<b>1,882,082</b>	<b>2,028,057</b>	<b>1,995,748</b>	<b>2,034,370</b>	<b>1.9%</b>
<b>Medical</b>						
WC Disability Medical	6,267,304	6,542,036	5,945,931	5,516,530	7,181,856	
First Aid Only Claims	<u>20,091</u>	<u>29,561</u>	<u>15,892</u>	<u>18,146</u>	<u>11,146</u>	
<b>Total Medical:</b>	<b>6,287,395</b>	<b>6,571,597</b>	<b>5,961,823</b>	<b>5,534,676</b>	<b>7,193,002</b>	<b>-30.0%</b>
<b>Operational Expenses</b>						
3rd Party/ Excess Ins. — Refunded to City	<u>21,133,330</u> <u>(645,676)</u>	<u>19,106,726</u> <u>(101,858)</u>	<u>19,869,712</u> <u>(2,109,151)</u>	<u>17,690,417</u> <u>(391,880)</u>	<u>20,487,128</u> <u>(82,330)</u>	<b>17.2%</b>
<b>Total Operational Ex- penses</b>	<b>20,487,654</b>	<b>19,004,868</b>	<b>17,760,561</b>	<b>17,298,537</b>	<b>20,404,798</b>	<b>18.0%</b>
<b>Admin. Expenses</b>						
TPA Contract	2,162,642	2,126,962	1,507,421	1,644,460	1,824,322	
Bill Review Expense	<u>582,384</u>	593,456	451,440	492,480	<u>542,070</u>	
Misc. Admin. Fee (Storage)		<u>17,739</u>	<u>1,552</u>	<u>1,825</u>		
<b>Admin. Expenses</b>	<b>2,745,026</b>	<b>2,738,157</b>	<b>1,960,413</b>	<b>2,138,765</b>	<b>2,366,392</b>	<b>10.6%</b>
<b>Total Workers' Compensation Expense</b>	<b>\$23,232,690</b>	<b>\$21,743,025</b>	<b>\$19,720,974</b>	<b>\$19,437,302</b>	<b>\$22,771,190</b>	<b>17.4%</b>



**Appendix C**  
**CSAC EIA Claims Audit Report**  
**December 13, 2017**

December 13, 2017  
CSAC EIA AUDIT REPORT

**CITY OF OAKLAND**



# Table of Contents

## Executive Summary

- Page 2

## Category Results

- Page 4

## Audit Team

- Page 22

## Audit Cross Reference List

- Appendix A

## Audit Worksheets

- Appendix B

## EXECUTIVE SUMMARY

This section will serve as an overview of the audit findings with recommendations for moving forward. The **final score of 87.83%** which is an improvement over the prior audit for the City of Oakland.

Category	Points Available	Points	Score	Prior Score	Variance
Claims Handling Administration	1095	960	87.67%	80.47%	7.20%
Claim Creation	243	231	95.06%	89.92%	5.15%
Claims Handling Technical	952	818	85.92%	77.52%	8.40%
Litigated Cases	61	56	91.80%	75.81%	16.00%
Subrogation	23	20	86.96%	60.00%	26.96%
Excess	9	8	88.89%	50.00%	38.89%
Overall Score	2383	2093	87.83%	80.08%	7.75%

### We saw strong performance in the following areas:

- A score of 100% was achieved in the categories of caseload, return phone calls, date stamp mail, Medicare reporting, initial reserve for probable value, overpayments, undisputed awards paid timely, medical bills paid timely, objection letters, self-imposed penalties coded correctly, IMR, proactive return to work, member notice of permanent work restrictions, TD & 4850 reserves separate, PD reserves include life pension, settlement valuation, proof member/EIA authority, initiate investigation, settlement proposals direct to member, comply with member reporting instructions, periodic contact with 3rd party, member involved in complaint/lien, subrogation pursued for maximum recovery, member/EIA authority to settle/waive subrogation and timely initial excess reporting.

### Performance areas that require improvement:

- With respect to timely plan of action updates we recommend making sure all open files have a current diary for the adjuster. Further, we recommend creating a weekly or monthly management report wherein the supervisor and claim manager can monitor and report these statistics to the member so that performance improvement can be tracked.
- We recommend that at the time of set up, medical only claim have a diary set for 90 days to review the case for potential conversion.
- When the initial TD benefit is triggered an automatic 45-day diary should be set to maintain employee contact while the employee is off work. Likewise, when surgery is approved a diary should be set to secure the surgery date so that contact can be made within three business days of the procedure.
- Timely mail handling and diary management should improve getting the reserves timely adjusted with triggering events. Training with regard to how to outline a detailed reserve rationale within the plan of action template that clearly describes why the adjuster believes the reserves are accurate should prompt more accurate reserving. More detailed review by the supervisors during the supervisor reviews should also lead to more accurate and timely reserving.

- There were delays in getting cases worked up for settlement. More timely mail handling and being on diary should improve results in these categories.
- Timely mail handling should also improve results for timely identification and notice to the 3<sup>rd</sup> party of regarding subrogation rights.
- There were seventeen subcategories where only one or two downgraded files produced a low score. We consider these to be outliers and not an adverse trend. Categories impacted were initial decision, delay letter, final decision, AOE/COE investigation, initial reserves timely, indexing, subsequent TD/PD payments, copy of award to excess, employee reimbursements timely, self-imposed penalties paid, penalty reimbursement, proper use of UR, NCM used appropriately, apportionment ruled in/out, apportionment pursued appropriately, member settlement authority requested and timely subsequent excess reporting.

### **AUDIT CRITERIA**

The audit criterion was formed by using the CSAC EIA standards. The file audits specifically focused on claims handling activity from 11/02/17 through the date of the audit. JT2 provided a list of the open inventory covered by the CSAC EIA program and a random selection of the files was pulled to gather 146 files from the open inventory. The file selection consisted of a mix of indemnity claims, future medical files and medical only claims. File documents, notes, payments, letters and reserves are maintained in electronic form. The files were accessed electronically.

### **AUDIT PROCESS**

The audit was completed electronically. Each worksheet was provided to Carmen Angeles and Angela Sorrentino for review and comment. They engaged with the auditors and submitted all questions, feedback or disputes prior to the conclusion of the audit.

## CATEGORY RESULTS

<b>Category</b>	<b>Points Available</b>	<b>Points</b>	<b>Score</b>	<b>Prior Score</b>	<b>Variance</b>
Caseload	2	2	100.00%	100.00%	0.00%
Case Review Documentation	586	478	81.57%	76.73%	4.84%
Communication	249	232	93.17%	89.60%	3.57%
Fiscal Handling	119	109	91.60%	78.57%	13.03%
Medicare Reporting	139	139	100.00%	N/A	N/A
Three Point Contact	30	25	83.33%	53.33%	30.00%
Compensability	44	40	90.91%	96.49%	-5.58%
AOE/COE Investigations	5	4	80.00%	100.00%	-20.00%
Initial Reserves	58	57	98.28%	92.75%	5.52%
Indexing	106	105	99.06%	96.15%	2.90%
Payments	355	322	90.70%	84.33%	6.38%
Medical Treatment	76	74	97.37%	97.44%	-0.07%
Apportionment	29	26	89.66%	84.62%	5.04%
Disability Management	8	8	100.00%	80.95%	19.05%
SJDB	0	0	N/A	100.00%	N/A
Reserves	335	257	76.72%	62.96%	13.75%
Resolution of Claim	83	66	79.52%	67.39%	12.13%
Settlement Authority	66	65	98.48%	92.59%	5.89%
Litigated Cases	61	56	91.80%	75.81%	16.00%
Subrogation	23	20	86.96%	60.00%	26.96%
Excess	9	8	88.89%	50.00%	38.89%
<b>Overall Score</b>	<b>2383</b>	<b>2093</b>	<b>87.83%</b>	<b>80.08%</b>	<b>7.75%</b>

## Caseload

Standard 100% → Audit Score 100%

There are six dedicated adjusters for the City of Oakland with workloads within the CSAC EIA Standards. There are also two dedicated persons to handle the future medical files. The supervisors do not carry caseloads.

## Case Review & Documentation

Examiner Plan of Action Updates

Files Meeting the Criteria 146 | Files in Compliance 88

Standard 95% → Audit Score 60.27%

Timely plan of action updates were evident within 88 of the 146 claims that met this audit criteria. The following audit files did not meet standard:

A-4719	A-4720	A-4724	A-4725	A-4728	A-4751	A-4752	A-4753	A-4754	A-4755
A-4757	A-4759	A-4765	A-4768	A-4772	A-4773	A-4774	A-4780	A-4783	A-4785
A-4786	A-4788	A-4791	A-4793	A-4794	A-4799	A-4805	A-4806	A-4807	A-4808
A-4810	A-4814	A-4815	A-4819	A-4820	A-4823	A-4829	A-4831	A-4832	A-4833
A-4835	A-4838	A-4839	A-4841	A-4846	A-4848	A-4849	A-4853	A-4854	A-4855
A-4859	A-4871	A-4872	A-4929	A-4935	A-4936	A-4938	A-4940		

Quality Plan of Action

Files Meeting the Criteria 146 | Files in Compliance 123

Standard 95% → Audit Score 84.25%

Quality plan of actions were evident within 123 of the 146 claims that met this audit criteria. Due to the number of exceptions we recommend reviewing the specific audit worksheets for detailed information regarding the exceptions. The following audit files did not meet standard:

A-4725	A-4761	A-4762	A-4763	A-4771	A-4772	A-4779	A-4786	A-4790	A-4799
A-4813	A-4820	A-4822	A-4823	A-4824	A-4835	A-4841	A-4846	A-4847	A-4859
A-4875	A-4893	A-4939							

Supervisor Reviews

Files Meeting the Criteria 146 | Files in Compliance 126

Standard 95% → Audit Score 86.30%

Timely supervisor reviews were evident within 126 of the 146 claims that met this audit criteria. The following audit files did not meet standard:

A-4718	A-4725	A-4764	A-4772	A-4780	A-4786	A-4790	A-4799	A-4804	A-4806
A-4824	A-4827	A-4831	A-4835	A-4841	A-4847	A-4852	A-4859	A-4930	A-4934

File Contents

Files Meeting the Criteria 141 | Files in Compliance 138

Standard 95% → Audit Score 97.87%

File contents were clearly identified within 138 of the 141 claims that met this audit criteria. Audit file A-4764 was missing the QME report. Audit file A-4777 was missing the DWC-1 and 5020. Audit file A-4847 was missing the AME report.

### **Medical Only Conversion**

**Files Meeting the Criteria 7 | Files in Compliance 3**

**Standard 95% → Audit Score 42.86%**

*Timely medical only conversion reviews were evident within 3 of the 7 claims that met this audit criteria. Audit files A-4777, A-4856 and A-4942 failed to demonstrate an MO review by the 90<sup>th</sup> day. Audit file A-4871 was untimely reviewed on 06/30/17.*

### **Communication**

#### **Return Phone Calls**

**Files Meeting the Criteria 20 | Files in Compliance 20**

**Standard 95% → Audit Score 100%**

*Return phone calls were timely returned within the standard for all claims that met this audit criteria.*

#### **Respond to Written Inquiries**

**Files Meeting the Criteria 81 | Files in Compliance 68**

**Standard 95% → Audit Score 83.95%**

*Written inquiries were timely responded to within 68 of the 81 claims that met this audit criteria. For audit file A-4718 settlement authority from the member was received 07/17/17 with Stipulations untimely sent to the employee on 08/17/17. For audit file A-4753 the supervisor reviews recommend member contact to discuss waiver of subrogation however there is no documentation this was completed. Additionally, there was no timely action taken on the 09/11/17 (receipt date) denial from the 3rd party insurance carrier. For audit file A-4758 the request to the QME for a supplemental report, in response to the DEU's request for additional information, was untimely sent 02/13/17. Additionally, the member settlement approval was received 07/12/17 with Stipulations untimely sent to the employee on 09/26/17. For audit file A-4760 the 08/08/17 supervisor request to respond to applicant's attorney's email was not addressed. For audit file A-4763 there was no response to applicant's attorney's 12/07/16 email. Further, there was an untimely response to his follow up email of 02/02/17. For audit file A-4764 the supervisor emailed the adjuster on 09/11/17 recommending a supplemental report from the QME. The adjuster's 10/22/17 POA indicates a QME supplemental report would be requested. As of the audit that was still not done. For audit file A-4768 there is no documentation of a response to the supervisor's inquiry regarding settlement authority status on 06/08/17 nor a response to the applicant's attorney's filing of a DOR and the notice of hearing on 06/20/17. There is also no response to the defense attorney's email regarding settlement recommendations sent on 05/30/17 which prompted the defense attorney to send two follow up emails on 06/12/17 and 06/20/17. Additionally, the 09/01/17 adjuster response to the defense attorney's 08/15/17 email regarding settlement documents was not timely. For audit file A-4775 the settlement authority request was completed by the adjuster on 03/20/17 but was not approved by the supervisor and sent to the member until 04/10/17. For audit file A-4780 there was no response to applicant's attorney's settlement demand of 09/21/17. For audit file A-4782 settlement authority was received 03/22/17 with Stipulations untimely sent to the employee 05/16/17. For audit file A-4786 the defense attorney's report of 08/02/17 outlines the exposure and settlement recommendations with request for the adjuster to contact the defense attorney to discuss. There is no indication that the adjuster responded to this nor has file been worked up for settlement authority. Additionally, the adjuster received the applicant's attorney's notice of DOR on 10/16/17 with no activity documented to contact the defense attorney for legal strategy or indication of working the file up for settlement.*

For audit file **A-4819** the settlement approval was received 08/28/17 with untimely Stipulations sent to the employee on 09/29/17. For audit file **A-4821** settlement approval was received 07/12/17 with untimely Stipulations sent to the employee on 08/16/17.

#### **Date Stamp Mail**

**Files Meeting the Criteria 140 | Files in Compliance 140**

**Standard 95% → Audit Score 100%**

All incoming correspondence was date stamped with the date of receipt for all claims that met this audit criteria.

#### **Ongoing Employee Contact**

**Files Meeting the Criteria 8 | Files in Compliance 4**

**Standard 95% → Audit Score 50%**

Timely ongoing contact with the employee while off work was evident within 4 of the 8 claims that met this audit criteria. Audit file **A-4766** failed to demonstrate contact with the employee within 3 days of the 11/15/16 surgical procedure. Audit file **A-4784** failed to demonstrate contact with the employee while off work. Audit files **A-4838** and **A-4840** failed to demonstrate contact with the employee while off work prior to litigation of the claim.

### **Fiscal Handling**

#### **Payments on Correct Claims**

**Files Meeting the Criteria 70 | Files in Compliance 62**

**Standard 95% → Audit Score 88.57%**

Payments were made on the correct claims for 62 of the 70 claims that met this audit criteria. For audit file **A-4754** the 07/05/17 MRI, paid on 07/28/17, was for the lumbar spine which is not part of the audit file but appears to be due to the employee's subsequent injury. Additionally, it appears payments to the PTP are for treatment for both this claim and subsequent claim. For audit file **A-4756** the payment issued 10/18/17 for the 09/27/17 PTP invoice was for the employee's ankle claim not the audit file which is for the back. For audit file **A-4757** the payment issued 03/21/17 for a diagnostic date of service 02/17/16 was for the employee's right knee which is not one of the listed body parts for this claim. Most likely this bill belongs to one of the employee's other claims. For audit file **A-4800** the prior Stipulation agreement contained multiple claims and the Stipulation agreement post N&F allegations contained 2 claims however settlement payment was issued from only the audit file. Payment allocation is not evident. For audit file **A-4823** the employee has two open claims with overlapping body parts and active treatment. There needs to be a discussion/agreement by and between the adjuster, defense attorney and the member as to how treatment will be allocated to each file (what percentage will the 2011 claim reimburse this claim for ongoing care). From there a reimbursement schedule needs to be set up. For audit file **A-4845** there is a lack of discussion in the file as to how the medical treatment will be allocated between each file for both past treatment and current treatment (what percentage will be borne by each claim). For audit file **A-4887** there are a number of pharmacy charges paid on this claim which do not appear related to this claim. Audit file **A-4891** seems to be a trailing companion file to the 2013 open claim for overlapping body parts. It does not appear that the treatment paid in 2017 belongs to this claim.

### **File Balancing**

**Files Meeting the Criteria 49 | Files in Compliance 47**

**Standard 95% → Audit Score 95.92%**

*File balancing was timely evidenced within 47 of the 49 claims that met this audit criteria. Audit file A-4728 failed to demonstrate timely file balancing upon termination of PD benefits. Audit file A-4848 failed to demonstrate file balancing when it was due in April 2017.*

### **Medicare Reporting**

**Files Meeting the Criteria 139 | Files in Compliance 139**

**Standard 100% → Audit Score 100%**

*Medicare reporting was completed for all claims that met this audit criteria.*

### **Three-Point Contact**

**Files Meeting the Criteria 30 | Files in Compliance 25**

**Standard 95% → Audit Score 83.33%**

*Timely three-point contact was evident within 25 of the 30 claims that met this audit criteria. Audit file A-4719 demonstrated untimely employer contact. Audit file A-4752 demonstrated untimely employer and employee contact. Audit file A-4812 failed to demonstrate three attempts to contact the employee within three days. Audit file A-4819 failed to demonstrate employee contact. Audit file A-4871 demonstrated untimely employer, medical and employee contact.*

### **Compensability**

#### **Initial Decision**

**Files Meeting the Criteria 30 | Files in Compliance 29**

**Standard 100% → Audit Score 96.67%**

*An initial decision was completed timely for 29 of the 30 claims that met this audit criteria. For audit file A-4719 the application was received 03/24/17 with an untimely decision to delay documented on 06/08/17.*

#### **Delay Letter**

**Files Meeting the Criteria 6 | Files in Compliance 5**

**Standard 100% → Audit Score 83.33%**

*Delay letters were sent timely for 5 of the 6 claims that met this audit criteria. For audit file A-4719 the application was received 03/24/17 with an untimely delay notice issued on 06/08/17.*

#### **Final Decision**

**Files Meeting the Criteria 8 | Files in Compliance 6**

**Standard 100% → Audit Score 75%**

*A final decision was made timely for 6 of the 8 claims that met this audit criteria. For audit file A-4819 the QME report was received 05/12/17 with a request to the member to reverse the denial on 05/15/17. This was approved the same date. The claim was not accepted until 07/17/17 which is not considered a timely final decision notification. For audit file A-4839 there was a delay between the date the QME report which was received on 02/28/17 and the date acceptance was recommended to the member on 04/10/17.*

## **AOE/COE Investigations**

**Files Meeting the Criteria 5 | Files in Compliance 4**

**Standard 95% → Audit Score 80%**

*AOE/COE investigations were triggered timely for 4 of the 5 claims that met this audit criteria. For audit file A-4819 the investigation was untimely initiated.*

## **Initial Reserves**

**Initial Reserves for Probable Value**

**Files Meeting the Criteria 29 | Files in Compliance 29**

**Standard 95% → Audit Score 100%**

*The initial reserves were set for the appropriate probable value for all cases that met this audit criteria.*

**Initial Reserve Timely**

**Files Meeting the Criteria 29 | Files in Compliance 28**

**Standard 95% → Audit Score 96.55%**

*The initial reserves were set timely for 28 of the 29 cases that met this audit criteria. Audit file A-4719 failed to meet the standard.*

## **Indexing**

**Files Meeting the Criteria 106 | Files in Compliance 105**

**Standard 95% → Audit Score 99.06%**

*Initial indexing and/or appropriate re-indexing was evident within 105 of the 106 files that met this audit criteria. For audit file A-4811 nearly four years had elapsed between the date of last medical treatment and the date the employee contacted the TPA to reopen the claim. A current index should have been completed to ensure there have been no new claims for injury.*

## **Payments**

**Initial TD/PD Payment**

**Files Meeting the Criteria 34 | Files in Compliance 26**

**Standard 100% → Audit Score 76.47%**

*Initial TD/PD payment were timely for 26 of the 34 files that met this audit criteria. For audit file A-4765 the initial PD payment was not timely. The employee retired 04/23/16. PD was indicated per the 04/21/17 AME report received 05/01/17. PD was not issued until 09/06/17 with a penalty payment. For audit file A-4769 the AME report indicating PD exposure was received by the defense attorney on 04/11/17 with PD untimely initiated 06/22/17. For audit file A-4770 the defense attorney received the AME report indicating PD on 08/24/17 with no indication of PD benefits being paid as of the date of the file audit. For audit file A-4806 the initial TD/PD payment has been marked down as the PTP indicated MMI with PD prior to audit period (at least as early as 10/12/16 as PTP report indicates MMI, estimated PD and indicated MMI evaluation to be completed) however payment was not issued until 12/02/16. For audit file A-4819 the QME report was received 05/12/17 with a request to the member to reverse the denial on 05/15/17. This was approved the same date. The first and final salary continuation voucher was untimely issued 07/17/17. For audit file A-4855 retroactive TD/4850 was untimely issued 02/21/17 for the period of 11/15/16 to 01/03/17. For audit file A-4878 the first voucher was due by 07/05/17 and was not sent until 07/07/17. For audit file A-4929 the QME report was received on 02/08/17 with PD untimely paid 05/10/17.*

**DWC Notice****Files Meeting the Criteria 37 | Files in Compliance 30****Standard 100% → Audit Score 81.08%**

*Initial DWC notices were timely for 30 of the 37 files that met this audit criteria. For audit file A-4754 the 03/17/17 TD delay notice was not appropriate. The letter references that a WCJ decision is needed however the pending decision was due to a medical records dispute not an issue regarding TD. Additionally, the file notes indicate 104 weeks of TD had been exhausted (prior to audit period). As such a straight denial of TD benefits referencing this cap was warranted. For audit file A-4770 the defense attorney received the AME report indicating PD on 08/24/17 with no indication of PD benefits or benefit notice being issued as of the date of the file audit. For audit file A-4806 and A-4929 the PD start notice was not issued timely. For audit file A-4819 the first and final salary continuation notice was not issued timely. For audit files A-4855 and A-4878 the start/stop TD/4850 notices were not issued timely.*

**Subsequent TD/PD Payments****Files Meeting the Criteria 41 | Files in Compliance 40****Standard 100% → Audit Score 97.56%**

*Subsequent payments were supported and/or timely for 40 of the 41 files that met this audit criteria. For audit file A-4823 the level of PD exposure for this claim warrants continuing payments which are not evident.*

**Timely Final Payment & Notice****Files Meeting the Criteria 44 | Files in Compliance 36****Standard 100% → Audit Score 81.82%**

*All final payments and/or notice letters were timely for 36 of the 44 files that met this audit criteria. For audit file A-4780 the PD advice notice based upon the 08/09/17 QME report is not evident. For audit file A-4785 the 05/08/17 PD delay notice was untimely as the prior delay expired 05/03/17. For audit file A-4819 the PD advice letter was untimely sent. For audit file A-4823 the PD advice notice based upon the AME report was not evident. For audit file A-4855 the PD delay decision was due by 05/22/17 but it was not made until 06/12/17. For audit file A-4879 the PD advice letter was untimely sent. Audit file A-4929 does not contain a PD advice letter based upon the QME report received 02/08/17. Audit file A-4949 does not contain the PD advice letter based upon the AME report received 06/30/17.*

**Overpayments****Files Meeting the Criteria 2 | Files in Compliance 2****Standard 95% → Audit Score 100%**

*Overpayments were appropriately pursued for all files that met this audit criteria.*

**Undisputed Awards Paid Timely****Files Meeting the Criteria 16 | Files in Compliance 16****Standard 95% → Audit Score 100%**

*Undisputed awards were paid timely for all claims that met this audit criteria.*

**Copy of Award to Excess****Files Meeting the Criteria 1 | Files in Compliance 0****Standard 95% → Audit Score 0%**

*The excess carrier was not copied with the Award for the claim that met this audit criteria. Audit file A-4768 did not meet this standard.*

**Medical Bills Paid Timely**

**Files Meeting the Criteria 114 | Files in Compliance 114**

**Standard 100% → Audit Score 100%**

*Medical bills were paid timely for all claims that met this audit criteria.*

**Objection Letters Timely**

**Files Meeting the Criteria 14 | Files in Compliance 14**

**Standard 100% → Audit Score 100%**

*Objection letters were evident within all claims that met this audit criteria.*

**Employee Reimbursements Timely**

**Files Meeting the Criteria 19 | Files in Compliance 18**

**Standard 95% → Audit Score 94.74%**

*Employee reimbursements were timely for 18 of the 19 claims that met this audit criteria. For audit file A-4787 the mileage request received 01/31/17 was untimely paid on 02/28/17.*

**Advance Travel Timely**

**Files Meeting the Criteria 23 | Files in Compliance 20**

**Standard 95% → Audit Score 86.96%**

*Advance travel was timely paid for 20 of the 23 claims that met this audit criteria. For audit file A-4765 advance mileage for the 04/21/17 AME evaluation was not evident. For audit file A-4836 advance mileage for the 10/12/17 AME reevaluation was not evident. For audit file A-4947 advance mileage was not evident for the 02/10/17 evaluation.*

**Self-Imposed Penalties Paid**

**Files Meeting the Criteria 5 | Files in Compliance 3**

**Standard 100% → Audit Score 60%**

*Self-imposed penalties were timely paid for 3 of the 5 claims that met this audit criteria. For audit file A-4769 the initial PD payment was untimely issued however SIP was not evident. For audit file A-4770 a SIP is due for the untimely PD benefits.*

**Penalties Coded Correctly**

**Files Meeting the Criteria 3 | Files in Compliance 3**

**Standard 95% → Audit Score 100%**

*Penalties were coded correctly for all claims that met this audit criteria.*

**Penalty Reimbursement Plan**

**Files Meeting the Criteria 2 | Files in Compliance 0**

**Standard 95% → Audit Score 0.00%**

*There was a proper penalty reimbursement plan evidenced within 0 of the 2 claims that met this audit criteria. For audit file A-4765 the auditor was unable to locate a reimbursement plan for the \$3,525.57 SIP issued 09/06/17 due to late initial PD payment. For audit file A-4795 the auditor was unable to locate a reimbursement plan for SIP issued 09/07/17 due to late issuance of the waiting period.*

## Medical Treatment

### Proper Use of UR

Files Meeting the Criteria 57 | Files in Compliance 56

Standard 100% → Audit Score 98.25%

*Proper UR was evidenced within 56 of the 57 claims that met this audit criteria. For audit file A-4809 medical treatment had to be approved on 10/17/17 due to failure to timely respond to an RFA dated 08/08/17.*

### UR Dispute Resolved via IMR

Files Meeting the Criteria 18 | Files in Compliance 18

Standard 100% → Audit Score 100%

*In that only the employee, his representative or the treating doctor can request IMR the administrator can have no impact on ensuring UR disputes are resolved by IMR. There were 18 claims with an IMR request or decision with proper medicals submitted by the TPA.*

### NCM Used Appropriately

Files Meeting the Criteria 1 | Files in Compliance 0

Standard 95% → Audit Score 0%

*Proper NCM was not evident within the claim that met this audit criteria. For audit file A-4762 ongoing TCM does not appear to be of value for this claim as TD ended more than one year ago, it has been several months since the employee's last surgery and the claim is litigated.*

## Apportionment

### Ruled In/Out

Files Meeting the Criteria 13 | Files in Compliance 11

Standard 95% → Audit Score 84.62%

*Apportionment was properly ruled in/out for 11 of the 13 claims that met this audit criteria. For audit file A-4771 the initial employee contact does not indicate if the employee has prior injuries/illnesses for which apportionment should be investigated. The employee has multiple prior claims via the TPA's claim system and ISO. For audit file A-4790 there are some positive hits on the index check for this employee. Given the length of time the claim has been open, the details of the index should be outlined within the POA to establish if there is any apportionment potential should this claim result in PD.*

### Pursued Appropriately

Files Meeting the Criteria 16 | Files in Compliance 15

Standard 95% → Audit Score 93.75%

*Apportionment was properly pursued for 15 of the 16 claims that met this audit criteria. For audit file A-4848 apportionment potential could have been recognized and pursued earlier.*

## Disability Management

### Proactive Return to Work

Files Meeting the Criteria 7 | Files in Compliance 7

Standard 95% → Audit Score 100%

*Proactive return to work was evident within all claims that met this audit criteria.*

**Member Noticed of Permanent Work Restrictions**  
**Files Meeting the Criteria 1 | Files in Compliance 1**  
**Standard 95% → Audit Score 100%**

*The member was timely noticed of permanent work restrictions for the claim that met this audit criteria.*

**20 Day Member Follow Up on Permanent Restrictions**  
**Files Meeting the Criteria 0 | Files in Compliance N/A**  
**Standard 95% → Audit Score N/A**

*There were no applicable claims for this category.*

## **SJDB**

**SJDB Provided Timely**  
**Files Meeting the Criteria 0 | Files in Compliance N/A**  
**Standard 100% → Audit Score N/A**

*There were no applicable claims for this category.*

**SJDB Concluded Appropriately**  
**Files Meeting the Criteria 0 | Files in Compliance N/A**  
**Standard 95% → Audit Score N/A**

*There were no applicable claims for this category.*

## **Reserves**

**Reserves Adjusted Timely at Diary or with Triggering Event**  
**Files Meeting the Criteria 146 | Files in Compliance 96**  
**Standard 100% → Audit Score 65.75%**

*Reserves were timely adjusted with a triggering event, or on diary, for 96 of the 146 claims that met this audit criteria. The reserve summary outlining the variances is listed below. Due to the number of exceptions we recommend reviewing the specific audit worksheets for detailed information regarding the exceptions. The following audit files did not meet standard:*

A-4725	A-4750	A-4752	A-4753	A-4754	A-4755	A-4758	A-4761	A-4762	A-4766
A-4768	A-4770	A-4771	A-4772	A-4773	A-4779	A-4780	A-4785	A-4791	A-4803
A-4807	A-4809	A-4811	A-4813	A-4815	A-4817	A-4819	A-4820	A-4822	A-4823
A-4824	A-4828	A-4831	A-4835	A-4836	A-4838	A-4840	A-4841	A-4844	A-4847
A-4848	A-4856	A-4859	A-4871	A-4875	A-4879	A-4895	A-4929	A-4932	A-4939

**TD & 4850 Reserved Separately**  
**Files Meeting the Criteria 8 | Files in Compliance 8**  
**Standard 95% → Audit Score 100%**

*Separate TD/4850 reserves were evidenced within all claims that met this audit criteria.*

**PD Exposure Includes Life Pension**  
**Files Meeting the Criteria 1 | Files in Compliance 1**  
**Standard 100% → Audit Score 100%**

*The claim with life pension exposure had the proper benefit calculated within the PD reserve.*

**FM Reserves Consistent with OSIP Standards**

**Files Meeting the Criteria 37 | Files in Compliance 33**

**Standard 100% → Audit Score 89.19%**

*Future medical reserves were in line with OSIP standards for 33 of the 37 claims that met this audit criteria. For audit files A-4755 and A-4807 the reserves are understated. For audit file A-4813 a calculation consistent with OSIP standards was not evident and the reserve is understated. For audit file A-4820 a calculation consistent with OSIP standards has not been completed since 2015 and the current reserve is understated.*

**Allocated Reserve includes medical cost containment, legal, investigation, copy service and other related fees.**

**Files Meeting the Criteria 143 | Files in Compliance 119**

**Standard 100% → Audit Score 83.22%**

*Allocated reserves contained values for bill review, utilization review and independent medical review for 119 of the 143 claims that met this audit criteria. The following audit files had allocated reserves that were understated: A-4754, A-4755, A-4785, A-4803, A-4807, A-4809, A-4813, A-4817, A-4820, A-4822, A-4823, A-4836, A-4838, A-4847, A-4875 and A-4895. The following audit files had allocated reserves that were overstated: A-4753, A-4768 and A-4831. The following audit files had inaccurate allocated reserves with no overall reserve variance: A-4771 and A-4772. For audit file A-4773 there have been five reserve changes on this future medical file in the last year, two of which are incremental increases on the expense line to pay legal bills. It is unclear why there was a need to change the reserves multiple times during the audit period. For audit file A-4791 there were three expense reserve increases on the legal expense line during the audit period which suggest that the adjuster was not accurately forecasting legal expense costs. For audit file A-4824 the file reserves were exceeded when the surveillance bill was received and paid on 11/01/17.*

**Reserve Detail**

No recommended changes	111 claims
Increase recommended	29 claims
Decrease recommended	6 claims
Total estimated reserve variance	\$619,890

**Resolution of Claim**

**Resolution Pursued within 10 Days**

**Files Meeting the Criteria 52 | Files in Compliance 35**

**Standard 95% → Audit Score 67.31%**

*Resolution was timely pursued within ten days for 35 of the 52 claims that met this audit criteria. The following audit files failed to meet this standard:*

A-4728	A-4758	A-4763	A-4768	A-4772	A-4775	A-4780	A-4810	A-4819	A-4823
A-4829	A-4835	A-4846	A-4855	A-4875	A-4879	A-4949			

**Settlement Valuation**

**Files Meeting the Criteria 31 | Files in Compliance 31**

**Standard 95% → Audit Score 100%**

*Accurate settlement valuations were evident within all claims that met this audit criteria.*

### **Medicare's Interests Protected**

**Files Meeting the Criteria 0 | Files in Compliance N/A**

**Standard 95% → Audit Score N/A**

*There were no applicable claims for this category.*

### **Settlement Authority**

**EIA Settlement Authority Requested**

**Files Meeting the Criteria 0 | Files in Compliance N/A**

**Standard 95% → Audit Score N/A**

*There were no applicable claims for this category.*

**Member Settlement Authority Requested**

**Files Meeting the Criteria 34 | Files in Compliance 33**

**Standard 95% → Audit Score 97.06%**

*Member settlement authority was evident within 33 of the 34 claims that met this audit criteria. For audit file A-4875 an offer to settle by way of Stipulated Award was made but there is no documentation of a settlement authority request within the file to support the member's authority was requested.*

**Proof of Member/EIA Authority**

**Files Meeting the Criteria 32 | Files in Compliance 32**

**Standard 95% → Audit Score 100%**

*Proof of Member/EIA settlement authority was evident within all claims that met this audit criteria.*

### **Litigated Claims**

**Initiate Investigation Material to Potential Litigation**

**Files Meeting the Criteria 4 | Files in Compliance 4**

**Standard 95% → Audit Score 100%**

*Investigation was timely initiated for all claims that met this audit criteria.*

**Defense Attorney on Panel with Proper Initial & Ongoing Management**

**Files Meeting the Criteria 45 | Files in Compliance 40**

**Standard 95% → Audit Score 88.89%**

*Approved defense counsel was assigned to each file with proper initial and ongoing litigation management was evident within 40 of the 45 claims that met this audit criteria. For audit file A-4768 an adjuster driven legal strategy and recommendations are not evident. For audit file A-4786 the file reflects payments for defense fees, so it would appear this file is the master file however the file is lacking documentation of adjuster directed legal strategy, communication and plan to move the claims to resolution. For audit file A-4809 there are two defense attorneys currently assigned to the claim file with neither of them addressing the Petition for New and Further benefits. For audit file A-4854 the defense attorney was to be assigned 05/03/17 however this was not completed until 07/27/17. Audit file A-4934 fails to demonstrate a response to the defense attorney's 05/29/17 email regarding settlement. A follow up email was sent in August 2017 with no follow up by the adjuster.*

**Settlement Proposals Direct to Member in Concise and Clear Written Form with Reasoned Recommendation**

**Files Meeting the Criteria 6 | Files in Compliance 6**

**Standard 95% → Audit Score 100%**

*Defense counsel's settlement proposals were validated and timely communicated to the member for all claims that met this audit criteria.*

**Member Involved in Deposition, Examinations and Trial**

**Files Meeting the Criteria 0 | Files in Compliance N/A**

**Standard 95% → Audit Score N/A**

*There were no applicable claims for this category.*

**Comply with Reporting Requirements of Member**

**Files Meeting the Criteria 6 | Files in Compliance 6**

**Standard 95% → Audit Score 100%**

*There was compliance with the Member reporting criteria for all claims that met this audit criteria.*

**Subrogation**

**Identify & Notice 3<sup>rd</sup> Party in 14 days**

**Files Meeting the Criteria 5 | Files in Compliance 2**

**Standard 95% → Audit Score 40%**

*The potential 3<sup>rd</sup> party was timely noticed within 14 days for 2 of the 5 claims that met this audit criteria. For audit file A-4838 subrogation was not recognized as an issue on the claim until eleven months in to the claim. For audit file A-4878 the police report was received 07/31/17 with untimely notice to the 3<sup>rd</sup> party on 08/30/17. For audit file A-4880 the police report was received 08/04/17 with untimely notice to the 3<sup>rd</sup> party on 09/15/17.*

**Periodic Contact with 3<sup>rd</sup> Party Evidenced**

**Files Meeting the Criteria 8 | Files in Compliance 8**

**Standard 95% → Audit Score 100%**

*Periodic contact with the 3<sup>rd</sup> party was evident within all claims that met this audit criteria.*

**Complaint or Lien Filed Timely**

**Files Meeting the Criteria 0 | Files in Compliance N/A**

**Standard 95% → Audit Score N/A**

*There were no applicable claims for this category.*

**Member Involved in Complaint**

**Files Meeting the Criteria 3 | Files in Compliance 3**

**Standard 95% → Audit Score 100%**

*The member was involved in complaints vs. lien for all claims that met this audit criteria.*

**Subrogation Pursued for Maximum Recovery**

**Files Meeting the Criteria 6 | Files in Compliance 6**

**Standard 95% → Audit Score 100%**

*Subrogation was pursued for maximum recovery for all claims that met this audit criteria.*

**Member/EIA Approval to Waive or Settle 3<sup>rd</sup> Party Case**

**Files Meeting the Criteria 1 | Files in Compliance 1**

**Standard 95% → Audit Score 100%**

*The member and/or EIA was involved in waiving or settling the 3<sup>rd</sup> party case for the claim that met this audit criteria.*

**Excess Coverage**

**Report within 5 Days of Knowledge That Reporting Criteria Met**

**Files Meeting the Criteria 4 | Files in Compliance 4**

**Standard 95% → Audit Score 100%**

*Reporting was done within five days for all claims that met this audit criteria.*

**Subsequent Reports Meet 90/180 Day Standard**

**Files Meeting the Criteria 5 | Files in Compliance 4**

**Standard 95% → Audit Score 80%**

*Subsequent reports were timely for 4 of the 5 claims that met this audit criteria. Audit file A-4762 did not meet the standard.*

**Reimbursement Requests Meet 90/180 Standard**

**Files Meeting the Criteria 0 | Files in Compliance N/A**

**Standard 95% → Audit Score N/A**

*There were no applicable claims for this category.*

**Closing Report Sent**

**Files Meeting the Criteria 0 | Files in Compliance N/A**

**Standard 95% → Audit Score N/A**

*There were no applicable claims for this category.*

## Claims Handling Administration

Category	Points Available	Points	Score	Standard	Standard Met	Prior Score	Variance
<b>Claims Handling Administrative</b>							
<b>Caseload</b>							
Supervisor Caseload	1	1	100.00%	100%	YES	100.00%	0.00%
Adjuster Caseload	1	1	100.00%	100%	YES	100.00%	0.00%
<b>Sub-Total of Category</b>	<b>2</b>	<b>2</b>	<b>100.00%</b>				
<b>Case Review &amp; Documentation</b>							
Examiner Plan of Action Updates	146	88	60.27%	95%	NO	66.88%	-6.61%
Quality POA	146	123	84.25%	95%	NO	N/A	N/A
Supervisor Reviews	146	126	86.30%	95%	NO	68.94%	17.36%
File Contents	141	138	97.87%	95%	YES	100.00%	-2.13%
Medical Only Conversion	7	3	42.86%	95%	NO	88.89%	-46.03%
<b>Sub-Total of Category</b>	<b>586</b>	<b>478</b>	<b>81.57%</b>				
<b>Communication</b>							
Return Phone Calls	20	20	100.00%	95%	YES	100.00%	0.00%
Respond To Written Inquiries	81	68	83.95%	95%	NO	71.88%	12.07%
Date Stamp Mail	140	140	100.00%	95%	YES	95.42%	4.58%
Ongoing Employee Contact	8	4	50.00%	95%	NO	16.67%	33.33%
<b>Sub-Total of Category</b>	<b>249</b>	<b>232</b>	<b>93.17%</b>				
<b>Fiscal Handling</b>							
Payments On Correct Claims	70	62	88.57%	95%	NO	72.22%	16.35%
File Balancing	49	47	95.92%	95%	YES	90.00%	5.92%
<b>Sub-Total of Category</b>	<b>119</b>	<b>109</b>	<b>91.60%</b>				
<b>Medicare Reporting</b>							
Medicare Reporting	139	139	100.00%	100%	YES	N/A	N/A
<b>Sub-Total of Category</b>	<b>139</b>	<b>139</b>	<b>100.00%</b>				
<b>Claims Handling Administrative Score</b>	<b>1095</b>	<b>960</b>	<b>87.67%</b>				

Adjuster / Supervisor	City of Oakland			Other Accounts			Total	Weighted Value
	Indemnity	Med Only	Future Med	Indemnity	Med Only	Future Med		
Daniel Christensen	0	0	222	0	0	0	222	111
Faye Lockett	0	0	242	0	0	0	242	121
Jerry Hom	93	10	14	0	0	0	117	105
Jutta Paiz	80	15	23	0	0	0	118	99
Kieonne Dawson	93	9	18	0	0	0	120	107
Kyrie Otero	115	9	8	0	0	0	132	124
Niris Thrower	105	29	17	0	0	0	151	128
Victor Munroe	97	25	16	0	0	0	138	118
Betsy Strome	0	0	0	0	0	0	0	0
Grinnah Bautista	0	0	0	0	0	0	0	0
<b>Total</b>	<b>583</b>	<b>97</b>	<b>560</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1240</b>	<b>912</b>

## Claim Creation

Category	Points Available	Points	Score	Standard	Standard Met	Prior Score	Variance
<b>Claim Creation</b>							
Three Point Contact	30	25	83.33%	95%	NO	53.33%	30.00%
<b>Sub-Total of Category</b>	<b>30</b>	<b>25</b>	<b>83.33%</b>				
<b>Compensability</b>							
Initial Decision	30	29	96.67%	100%	NO	97.06%	-0.39%
Delay Letter	6	5	83.33%	100%	NO	100.00%	-16.67%
Final Decision	8	6	75.00%	100%	NO	95.00%	-20.00%
<b>Sub-Total of Category</b>	<b>44</b>	<b>40</b>	<b>90.91%</b>				
<b>AOE/COE Investigation</b>	<b>5</b>	<b>4</b>	<b>80.00%</b>	<b>95%</b>	<b>NO</b>	<b>100.00%</b>	<b>-20.00%</b>
<b>Sub-Total of Category</b>	<b>5</b>	<b>4</b>	<b>80.00%</b>				
<b>Initial Reserves</b>							
Initial Reserves for Probable Value	29	29	100.00%	95%	YES	100.00%	0.00%
Initial Reserves Timely	29	28	96.55%	95%	YES	85.29%	11.26%
<b>Sub-Total of Category</b>	<b>58</b>	<b>57</b>	<b>98.28%</b>				
Indexing	106	105	99.06%	95%	YES	96.15%	2.91%
<b>Sub-Total of Category</b>	<b>106</b>	<b>105</b>	<b>99.06%</b>				
<b>Claim Creation Score</b>	<b>243</b>	<b>231</b>	<b>95.06%</b>				

## Claim Handling Technical

Category	Points Available	Points	Score	Standard	Standard Met	Prior Score	Variance
<b>Claims Handling Technical</b>							
<b>Payments</b>							
Initial TD/PD Payment	34	26	76.47%	100%	NO	79.17%	-2.70%
DWC Notice	37	30	81.08%	100%	NO	81.25%	-0.17%
Subsequent TD/PD Payments	41	40	97.56%	100%	NO	87.88%	9.68%
Timely Final Payment & Notice	44	36	81.82%	100%	NO	62.50%	19.32%
Overpayments	2	2	100.00%	95%	YES	50.00%	50.00%
Undisputed Awards Paid Timely	16	16	100.00%	95%	YES	92.31%	7.69%
Copy of Award to Excess	1	0	0.00%	95%	NO	N/A	N/A
Medical Bills Paid Timely	114	114	100.00%	100%	YES	97.54%	2.46%
Objection Letters	14	14	100.00%	100%	YES	100.00%	0.00%
Employee Reimbursements Timely	19	18	94.74%	95%	NO	95.24%	-0.50%
Advance Travel Timely	23	20	86.96%	95%	NO	52.17%	34.79%
Self Imposed Penalties Paid	5	3	60.00%	100%	NO	50.00%	10.00%
Penalties Coded Correctly	3	3	100.00%	95%	YES	N/A	N/A
Penalty Reimbursement	2	0	0.00%	95%	NO	N/A	N/A
<b>Sub-Total of Category</b>	<b>355</b>	<b>322</b>	<b>90.70%</b>				
<b>Medical Treatment</b>							
Proper Use of UR	57	56	98.25%	100%	NO	100.00%	-1.75%
UR Dispute Resolved Via IMR	18	18	100.00%	100%	YES	100.00%	0.00%
NCM Used Appropriately	1	0	0.00%	95%	NO	60.00%	-60.00%
<b>Sub-Total of Category</b>	<b>76</b>	<b>74</b>	<b>97.37%</b>				
<b>Apportionment</b>							
Apportionment Ruled In/Out	13	11	84.62%	95%	NO	71.43%	13.19%
Apportionment Pursued Appropriately	16	15	93.75%	95%	NO	100.00%	-6.25%
<b>Sub-Total of Category</b>	<b>29</b>	<b>26</b>	<b>89.66%</b>				

Category	Points Available	Points	Score	Standard	Standard Met	Prior Score	Variance
<b>Disability Management</b>							
Proactive RTW	7	7	100.00%	95%	YES	91.67%	8.33%
Member Noticed of Permanent Work Restrictions	1	1	100.00%	95%	YES	100.00%	0.00%
20 Day Member Follow Up on Permanent Restrictions	0	0	N/A	95%	N/A	0.00%	N/A
<b>Sub-Total of Category</b>	<b>8</b>	<b>8</b>	<b>100.00%</b>				
<b>SJDB</b>							
SJDB Provided Timely	0	0	N/A	100%	N/A	100.00%	N/A
SJDB Concluded Appropriately	0	0	N/A	95%	N/A	N/A	N/A
<b>Sub-Total of Category</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>				
<b>Reserves</b>							
Reserves Adjusted Timely	146	96	65.75%	100%	NO	49.47%	16.28%
TD & 4850 Reserves Separate	8	8	100.00%	100%	YES	100.00%	0.00%
PD Exposure Includes Life Pension	1	1	100.00%	95%	YES	N/A	N/A
FM Reserves Consistent with OSIP Standards	37	33	89.19%	100%	NO	34.88%	54.31%
Allocated Reserves Accurate	143	119	83.22%	100%	NO	79.66%	3.56%
<b>Sub-Total of Category</b>	<b>335</b>	<b>257</b>	<b>76.72%</b>				
<b>Resolution of Claim</b>							
Resolution Pursued Timely	52	35	67.31%	95%	NO	57.38%	9.93%
Settlement Valuation	31	31	100.00%	95%	YES	87.10%	12.90%
Medicare's Interests Protected	0	0	N/A	95%	N/A	N/A	N/A
<b>Sub-Total of Category</b>	<b>83</b>	<b>66</b>	<b>79.52%</b>				
<b>Settlement Authority</b>							
EIA Settlement Authority Requested	0	0	N/A	95%	N/A	N/A	N/A
Member Settlement Authority Requested	34	33	97.06%	95%	YES	89.66%	7.40%
Proof of Member/EIA Authority	32	32	100.00%	95%	YES	96.00%	4.00%
<b>Sub-Total of Category</b>	<b>66</b>	<b>65</b>	<b>98.48%</b>				
<b>Claims Handling Technical Score</b>	<b>952</b>	<b>818</b>	<b>85.92%</b>				

## Litigated Cases

Category	Points Available	Points	Score	Standard	Standard Met	Prior Score	Variance
<b>Litigated Cases</b>							
Initiate Investigation Material to Potential Litigation	4	4	100.00%	95%	YES	40.00%	60.00%
Proper Litigation Management & Defense Attorney on Panel	45	40	88.89%	95%	NO	72.73%	16.16%
Settlement Proposals Direct to Member in Concise & Clear	6	6	100.00%	95%	YES	100.00%	0.00%
Member Involved in Legal Activities where Appropriate	0	0	N/A	95%	N/A	100.00%	N/A
Comply with Member Reporting Requirements	6	6	100.00%	95%	YES	100.00%	0.00%
<b>Litigated Cases Score</b>	<b>61</b>	<b>56</b>	<b>91.80%</b>				

## Subrogation

Category	Points Available	Points	Score	Standard	Standard Met	Prior Score	Variance
<b>Subrogation</b>							
Identify & Notice 3rd Party Timely	5	2	40.00%	95%	NO	0.00%	40.00%
Periodic Contact With 3rd Party	8	8	100.00%	95%	YES	100.00%	0.00%
Complaint or Lien Filed Timely	0	0	N/A	95%	N/A	N/A	N/A
Member Involved in Complaint vs. Lien	3	3	100.00%	95%	YES	N/A	N/A
Subro Pursued for Maximum Recovery	6	6	100.00%	95%	YES	100.00%	0.00%
Member/EIA Approval to Accept Waive or Settle 3rd Party Case	1	1	100.00%	95%	YES	100.00%	0.00%
<b>Subrogation Score</b>	<b>23</b>	<b>20</b>	<b>86.96%</b>				

## Excess

Category	Points Available	Points	Score	Standard	Standard Met	Prior Score	Variance
<i>Excess</i>							
Timely Initial Excess Reporting	4	4	100.00%	95%	YES	N/A	N/A
Timely Subsequent Excess Reporting	5	4	80.00%	95%	NO	50.00%	30.00%
Timely Excess Reimbursement Requests	0	0	N/A	95%	N/A	N/A	N/A
Closing Excess Report Sent	0	0	N/A	95%	N/A	N/A	N/A
Excess Score	9	8	88.89%				

## **AUDIT TEAM**

### **Angela Mudge**

#### **Owner, President & CEO**

*Over 27 years of workers' compensation claims experience. IEA Certificate, Self-Insured Certificate & WCCP Designation. Prior positions held - adjuster, supervisor, claims manager and vice president.*

### **Anne Ruiz**

#### **Vice President & COO**

*Over 20 years of workers' compensation claims experience. Associate in Claims Designation, Self-Insured Certificate & WCCA Designation. Prior positions held - adjuster, supervisor, claims services liaison and central services manager.*



**Appendix D**

**Response from TPA Regarding**

**CSAC Claims Audit**

**January 9, 2018**



VIA EMAIL AND U.S. MAIL

January 9, 2018

Ian Appleyard  
Director, Human Resource Management, City of Oakland  
150 Frank Ogawa Plaza  
Oakland, California 94612

Deborah Grant  
Risk Manager, City of Oakland  
150 Frank Ogawa Plaza  
Oakland, California 94612

**RE: Response to CSAC-EIA 12/13/17 Audit Report 2017 CITY OF OAKLAND**

Dear Mr. Appleyard and Ms. Grant:

This letter provides our comments in response to the CSAC EIA December 13, 2017 Audit Report for the City of Oakland. JT2 was extremely pleased with its continued rating improvement with its current score of 86.67%, and that JT2 scored 90% to 100% in 13 of the 21 audit categories. We very much value the audit process and our opportunity to serve the City of Oakland and its employees.

**2017 SUCCESSES**

The December 13, 2017 Workers' Compensation Audit Report from ALC Claims Collaborations detailing the recent audit results of 146 randomly selected claims was thoroughly reviewed. JT2 was extremely pleased to see that there had been a significant improvement in the score since the previous audit; i.e., score of current score of 86.67% versus 80.47% previously. Also encouraging was the fact that JT2 scored 90% to 100% in 13 of the total 21 categories. In 25 of the main categories and subcategories, the auditor stated there was evidence of strong performance. In the categories scored below 90%, all of them showed improvement, except for AOE/COE Investigations category which the auditor identified as an outlier and not part of an adverse trend, especially considering that there was only single downgrade out of the 5 applicable cases.

The benefits of a reinforced management team with determined direction and focus have positively impacted audit results. In addition, our commitment to enforce effective and sustained training has advantageously positioned us to deliver ongoing quality service. Although we have made great strides in accomplishing major improvements in the majority of the audited areas, we are mindful of the fact that further enhancements need to continue on a moving- forward basis to support and solidify our common goals. To that end, we have identified areas we want to concentrate on and have addressed them below.

## **TARGETED IMPROVEMENT OPPORTUNITIES**

Case Review Documentation/81.57% - (1) 45/90 Day Plan of Action (POA) – In many cases these reviews were performed; however, points are only awarded when the reviews are done within the required timeframes. To ensure reviews will be done within the required timeframes, POA diaries will be distributed by the supervisor one week in advance and monitored by the supervisor for timely completion. (2) Medical Only Claims Conversion Documentation at 90 Days – All medical only claims will now have an automatic 90-day diary review set upon the initial claim set-up for the purpose of evaluating the potential transfer to indemnity status or closure. If neither is applicable, the examiner will document the file with the rationale to retain the claim as a medical-only. Regardless, for any of these 3 decisions; i.e., retain, transfer to indemnity or claim closure will all be properly documented. Points were lost due to a lack of documented reasoning for maintaining the file in a medical-only status, even though it was appropriate to do so.

Three-Point Contact/83.33% - There was a dramatic improvement in this area from last time; i.e., 83.33% now vs. 53.33% previously. Nonetheless, continued improvement is desired. Our internal procedures have been changed to make better use of the claims software and its tracking and reporting features. If no entries are made within 48 hours, system reports will be generated to both the examiner and supervisor as reminders to complete this task. Additionally, a log of pending contacts to be made or not yet completed will be kept on the examiner's desktop to facilitate compliance in this area.

AOE/COE Investigations/80.00% - In 4 of the 5 applicable cases, the investigations were performed properly and within the appropriate timeframes. With only 1 deficiency out of 5, this dropped the score from what would have been 100% down to 80%. Page 3 of the auditor's report stated that this was an outlier, not at all signifying an adverse trend. Even so, we will remind our staff of the importance to complete this task within the required three day timeframe.

Reserves/76.72% - This score showed a marked improvement of 14% from the prior audit and we are working to increase it even further by adding additional documentation in the claim files. Some of the reserves that were deemed to be accurate by the auditor were still marked as deficient due to the fact that there was either no documentation stating the reason for continued accuracy, or the reserve change was not made as soon as a triggering event took place. The plan of action (POA) worksheet has been revised to include an additional entry specifically for the reasoning and justification for each claim's reserves. The examiner must now show justification for the following:

- Keeping the same reserves with no change
- Documenting why a change is needed and the basis thereof
- Showing the SIP calculation for the change on future medical claims

Resolution of Claim/79.52% - In most instances, the initiation of claim resolutions was performed; however, either not within the CSAC-EIA required timeframe or was not as yet analyzed due to waiting for defense counsel recommendations. Although this Category showed significant improvement from the last audit's score of 67.39%, continued staff training and monitoring will improve the performance in this area. Examiners will be reminded that any P&S/MMI reports received must be examined as quickly as possible in order to determine if claim resolution is warranted or further discovery needs to take

place such as medical depositions, objections, etc. For litigated cases involving defense counsel, examiners will now obtain an immediate assessment for settlement potential in order to move towards resolution. In the event defense counsel is slowing down this process, the examiner will notify the supervisor to escalate the matter and involve defense firm partners/managers.

Subrogation/86.96% - Compliance was found in 20 of the 23 applicable claims, an increase of 27% since the last audit. Although the examiners documented that subrogation was not applicable, their reasoning was not documented. Future documentation will include the reasoning. Examiners have been instructed that, when applicable, the tortfeasor will be identified along with any statutes of limitation, civil suit venues and statuses of recovery. Potential recovery will outline percentages of negligence, amounts anticipated, types of settlements most advantageous, petitions for credit and contribution rights for multiple employers including the Subsequent Injury Fund if applicable. Timely initial identification will be monitored by the supervisor via the first claim review and subsequent diary prior to the timeframe deadline, in order to serve as a reminder to the examiner.

Excess/88.89% - Compliance in this area was found in 8 of the 9 claims. The single deficiency resulted in this score being less than 100%. The auditor mentioned that, once again, this was an outlier with a single downgrade producing the lower score. The deficiency was a result of exceeding the timeframe for subsequent claim reporting. Supervisor diaries will now contain the dates of all excess claims, to remind examiners to report.

#### **JT2 – COMMITTED TO SUCCESS**

JT2 has enjoyed a trusted and longstanding relationship with the City and its employees since 2001 which has resulted in successful claims management, employee transitions to return to work, and millions of dollars in savings to the City in claims handling and reduction of liability exposure in claims without any adverse impact on your employees. The JT2 claims model works.

In 2016, independent auditor Bickmore reported on a comparison of City workers' compensation programs and compared the City of Oakland with six (6) other cities. The report confirms that JT2 is performing higher than other comparable cities over a ten (10) year period. JT2's management of the City of Oakland's claims ranked NUMBER One in virtually all categories when comparing Oakland to Bakersfield, Fresno, Long Beach, Sacramento, San Diego and San Francisco in the following categories:

- Frequency by number of claims per 100 employees - JT2/Oakland - ranked first
- Severity by average incurred cost per claim – JT2/Oakland ranked first
- Average medical cost per claim – JT2/Oakland ranked second
- Average incurred cost per \$100 of payroll - JT2/Oakland ranked first
- Medical incurred per \$100 of payroll - JT2/Oakland ranked first

These exceptional results confirm how well the Oakland Workers' Compensation Program is being administered by JT2. The partnership works.

### **CITY OF OAKLAND WORKERS' COMPENSATION COSTS 2016/17**

JT2 has also consistently managed these claims to benefit the employee and with an eye toward savings for the City. The City's average cost per claim is low especially considering the latest statistics published by the California Workers' Compensation Institute. In December 2016, the average total cost per indemnity claim in California (includes medical, indemnity and allocated), is \$82,234. This is the highest ever since the year 2000. The latest CWCI (California Workers' Compensation Institute), figures in 2016 reveal that the average cost which includes just medical and indemnity payments are at \$71,000. City of Oakland costs are half of the state average at \$32,001.

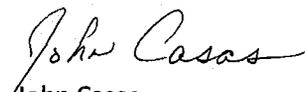
Many more claims were settled in 2016/17 compared to 2015/16 - 163 versus 128 (27% more). In the aggregate, these cases were actually settled at lower amounts than in the prior year due to the fact that there were so many more claims that we were able to resolve. This is the largest number of settlements since 2012/13. Many of these settlements closed out claims which helped to reduce the City's overall estimated future liabilities by \$4 million, a decrease of 7.5%.

### **JT2 – A TRUSTED PARTNER**

JT2 is a steward of the public trust in this longstanding relationship with the City and its employees. We remain committed to exceptional and successful outcomes for City employees, and which result in reduced claims, program savings, and successful return to work statistics for City claimants. JT2 is proud of its ranking by the California Department of Industrial Relations and by other auditors which ranks this program among the top in the state in comparison to other city workers compensation program and as "first" when comparing the six large cities in the Bickmore audit. We are also proud that as the largest Hispanic owned third party administrator in the nation, we can boast that 65% of our employees are diverse and that most of our employees are African American, followed by Asians and then Hispanics and that most reside in Oakland. We are especially proud to have been an Oakland-based business for 17 years.

Thank you for the opportunity to comment on this audit report. We look forward to our continued relationship this year.

Respectfully,



John Casas

CEO, Chairman



**Appendix E**

**AON**

**Actuarial Review of the Self-Insured Workers'  
Compensation Program**

**Period ending June 30, 2017**

**City of Oakland,  
California**

**Actuarial Study of the  
Self-Insured Workers Compensation Program  
as of June 30, 2017**

**December 11, 2017**



December 11, 2017

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

Attn: Ms. Deb Grant  
Risk Manager

**Actuarial Study of the  
Self-Insured Workers Compensation Program  
as of June 30, 2017**

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,

*Aon Risk Consultants, Inc.*

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

Tracy Fleck  
Tracy Fleck, ACAS, MAAA  
Consultant and Actuary

Brenda Craigmyle  
Brenda Craigmyle  
Senior Actuarial Analyst

MD:bc

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## Table of Contents

I.	Background .....	1
II.	Objectives .....	3
III.	Conclusions .....	4

### 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)**

<b>Claim Period (1)</b>	<b>Self-Insured Retention (2)</b>
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.

### **Data**

Loss data valued as of June 30, 2017 was provided to us by the City. The City also provided payroll through 2018/19.

In conducting this analysis, we relied upon the provided data without audit or independent verification; however, we reviewed it for reasonableness and consistency. Any inaccuracies in quantitative data or qualitative representations could have a significant effect on the results of our review and analysis. Any material discrepancies discovered in the loss or exposure data by the City or any other parties should be reported to us immediately, and if warranted, we will make appropriate amendments to the report.

Consistent with the prior study, we have combined several claims from 2009 into one occurrence that was identified by the City.

**Payroll**

As discussed above, the City provided actual payroll for 2016/17 and projections for 2017/18 and 2018/19 for this study. For the prior study (based on data as of June 30, 2016), the City provided actual payroll through 2015/16. In that study, payroll projections for 2016/17 and 2017/18 were based on a 1% trend. Table I-2 provides a comparison of the payroll used in the prior and current studies for 2012/13 and subsequent.

We note a payroll decrease of over \$90 million (-24%) from 2015/16 (\$390.6 million) to 2016/17 (\$298.5 million). The City has instructed us to rely on these amounts as provided. While the projected loss rates for 2017/18 and 2018/19 are consistent with the projected rates in the prior study, the projected ultimate losses for these years are approximately 20% lower than the prior projections due to the lower payroll estimates.

**Table I-2  
Payroll**

<b>Claim Period (1)</b>	<b>Payroll (6/30/16 Study) (2)</b>	<b>Payroll (6/30/17 Study) (3)</b>	<b>Change (3)/(2)-1 (4)</b>
2012/13	\$355,748,269	\$355,748,269	0.0%
2013/14	373,451,270	373,451,270	0.0%
2014/15	364,736,533	364,736,533	0.0%
2015/16	390,571,251	390,571,251	0.0%
2016/17	394,476,963	298,494,609	-24.3%
2017/18	398,421,733	322,070,328	-19.2%
2018/19		323,921,944	

Note: (2) through 2015/16 was provided by the City. 2016/17 and 2017/18 were projected based on a 1% trend.  
(3) was provided by the City.

## 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, 2017.

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 2017/18 and 2018/19.

The projected ultimate losses are the accrual value of losses with accident dates during 2017/18 and 2018/19, regardless of report or payment date. The amounts are limited to the self-insured retention.

3. **Project Losses Paid.** Project losses paid during the 2017/18 and 2018/19 years.

The projected losses paid are the claim disbursements during 2017/18 and 2018/19, regardless of accident or report date. The amounts are limited to the self-insured retention.

4. **Compare to Previous Actuarial Study.** Compare to the previous actuarial study valued as of June 30, 2016.

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

6. **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, 2017 to be as shown in Table III-1.

**Table III-1**  
**Estimated Outstanding Losses**  
**at Expected (50%) Confidence Level**  
**June 30, 2017**

Item (1)	Amount (2)
(A) Estimated outstanding losses	\$94,027,842
(B) Present value of estimated outstanding losses	79,943,391

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

The estimated outstanding losses decreased by \$5.9 million from our prior estimate of \$99,955,065 as of June 30, 2016 to \$94,027,842 as of June 30, 2017. The decrease consists of:

- +\$21.4 million from the additional year (2016/17) of exposure,
- -\$20.2 million for claim payments made during 2016/17, and
- -\$7.1 million due to a decrease in projected ultimate losses for claim periods 2015/16 and prior.

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 2.5% yield on investments, as previously 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 2017/18 and 2018/19 to be as shown in Tables III-2A and III-2B. As discussed in the Background section, the projected payroll provided by the City is significantly lower than the projections in the prior study. This has resulted in a decrease to the projected ultimate losses.

**Table III-2A  
Projected Ultimate Losses  
2017/18**

<b>Item (1)</b>	<b>Projected Payroll (000) (2)</b>	<b>Loss Rate per \$100 of Payroll (3)</b>	<b>Projected Ultimate Losses (4)</b>
(A) Full Value	\$322,070	\$6.53	\$21,041,000
(B) Present Value	322,070	5.79	18,646,000

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

**Table III-2B  
Projected Ultimate Losses  
2018/19**

<b>Item (1)</b>	<b>Projected Payroll (000) (2)</b>	<b>Loss Rate per \$100 of Payroll (3)</b>	<b>Projected Ultimate Losses (4)</b>
(A) Full Value	\$323,922	\$6.66	\$21,585,000
(B) Present Value	323,922	5.91	19,128,000

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

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 2.5% yield on investments, as provided by the City.

All costs other than losses are additional.

### 3. Project Losses Paid

We project losses paid during 2017/18 and 2018/19 to be as shown in Table III-3.

**Table III-3**  
**Projected Losses Paid**  
**2017/18 and 2018/19**

<b>Item (1)</b>	<b>2017/18 (2)</b>	<b>2018/19 (3)</b>
(A) Projected losses paid	\$17,618,174	\$18,107,867

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

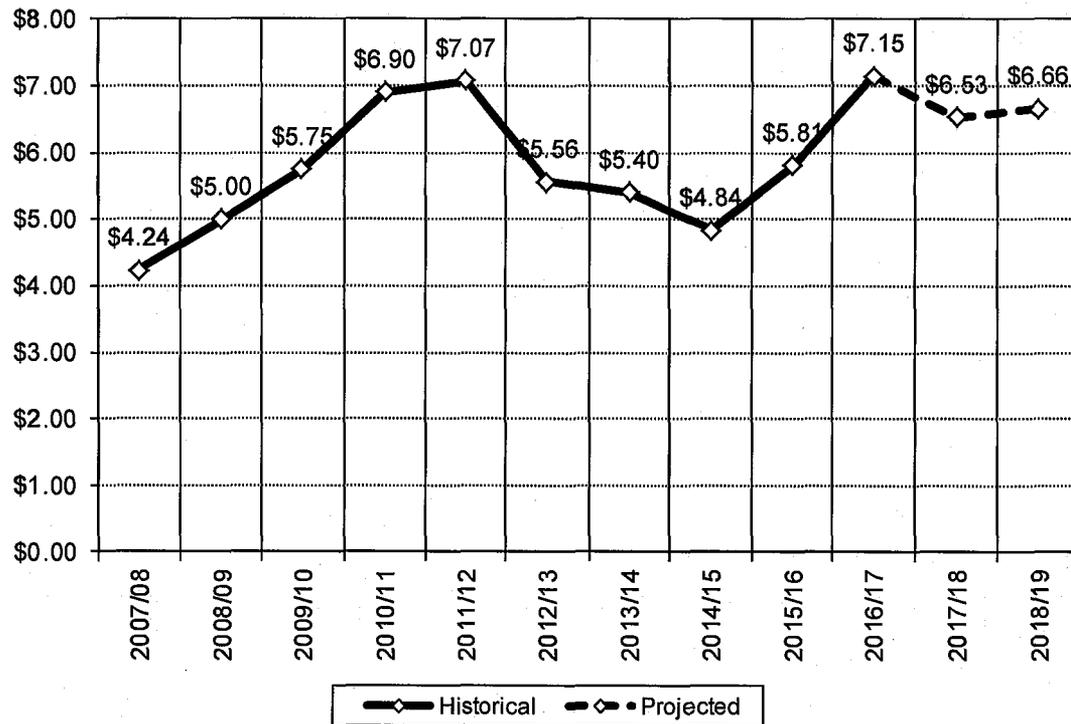
We note that there are two large open claims with case reserves greater than \$1 million (on an unlimited basis). We have assumed that these claims will be paid out according to the selected payment pattern anticipated in this report. If these claims are paid out in a lump sum, or in any manner different than the selected pattern, the projected loss payments shown in Table III-3 may vary from expected payments.

All costs other than losses are additional.

**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.

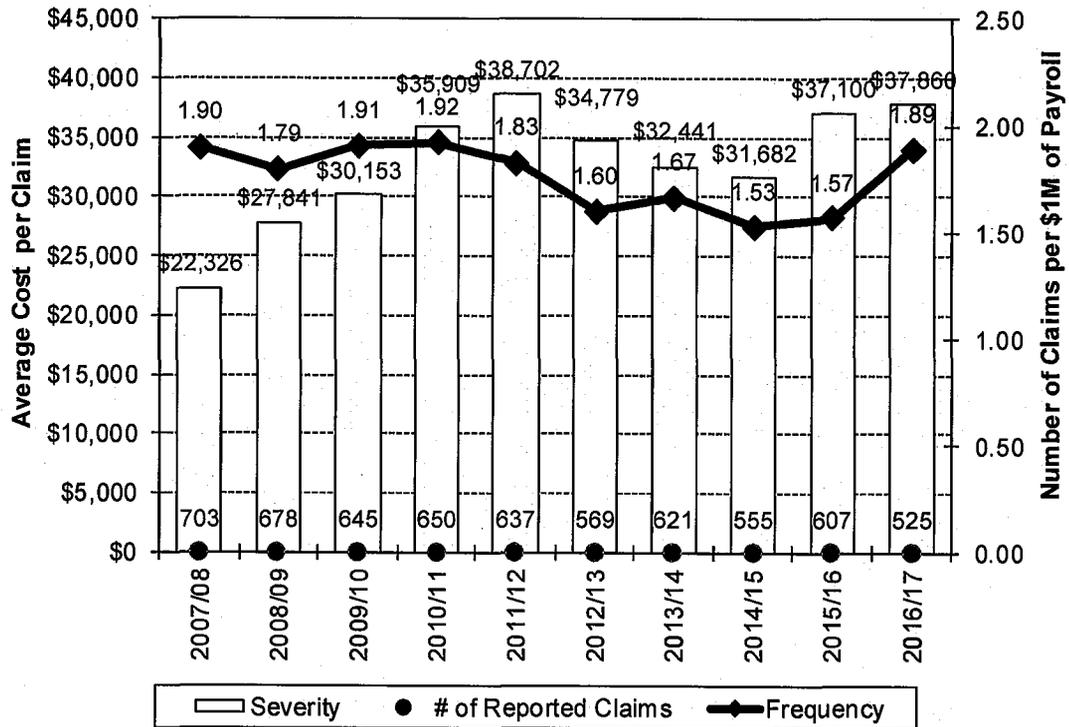
**Graph III-1  
Loss Rate per \$100 of Payroll  
(Workers Compensation)**



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

We note that the loss experience of 2010/11 and 2011/12 is greater due to the presence of more claims between \$100,000 to \$250,000. Conversely, the loss experience of 2012/13 through 2014/15 is favorable because there are fewer claims over \$50,000 than there has been historically. A size of loss distribution is provided in Exhibit WC-16.

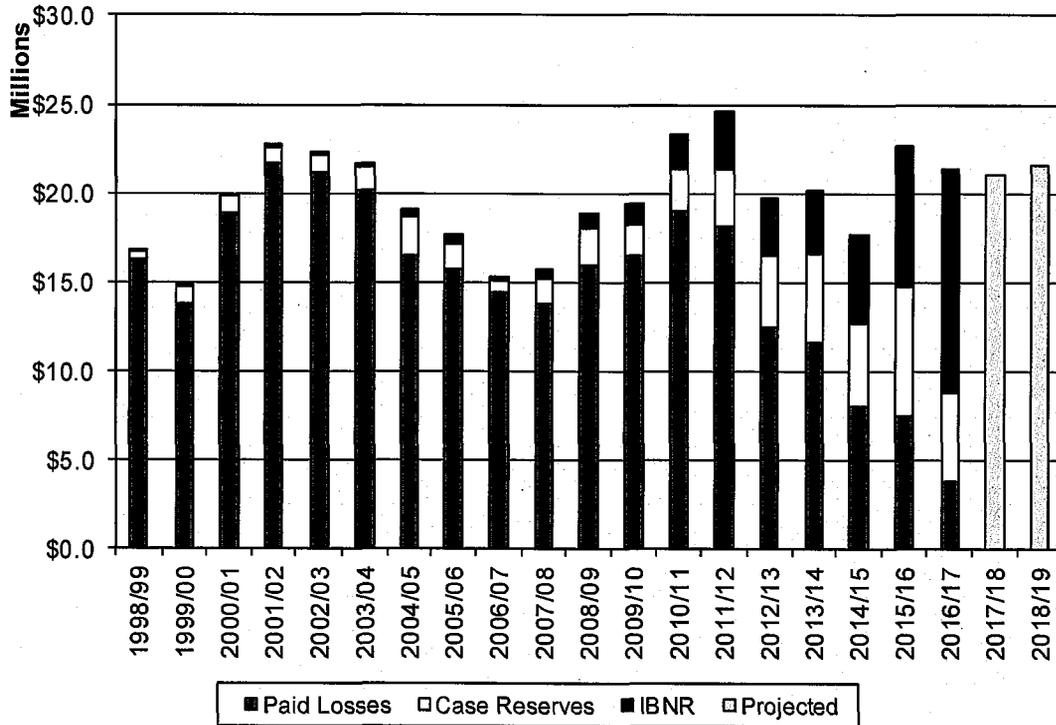
**Graph III-2  
Frequency and Severity  
(Workers Compensation)**



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)**



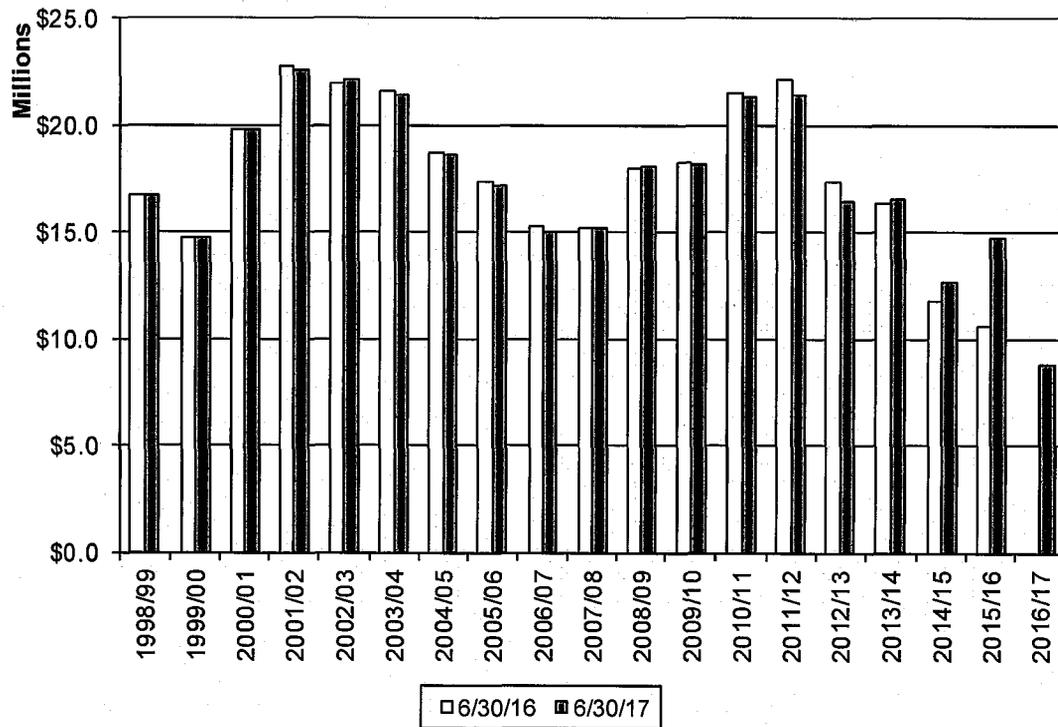
Note: Amounts through 2016/17 are from Exhibit WC-11.  
Amounts for 2017/18 and 2018/19 are from Exhibit WC-10.

A list of large claims with limited reported incurred losses \$500,000 or greater as of June 30, 2017 is as shown in Exhibit WC-15.

#### 4. Compare to Previous Actuarial Study

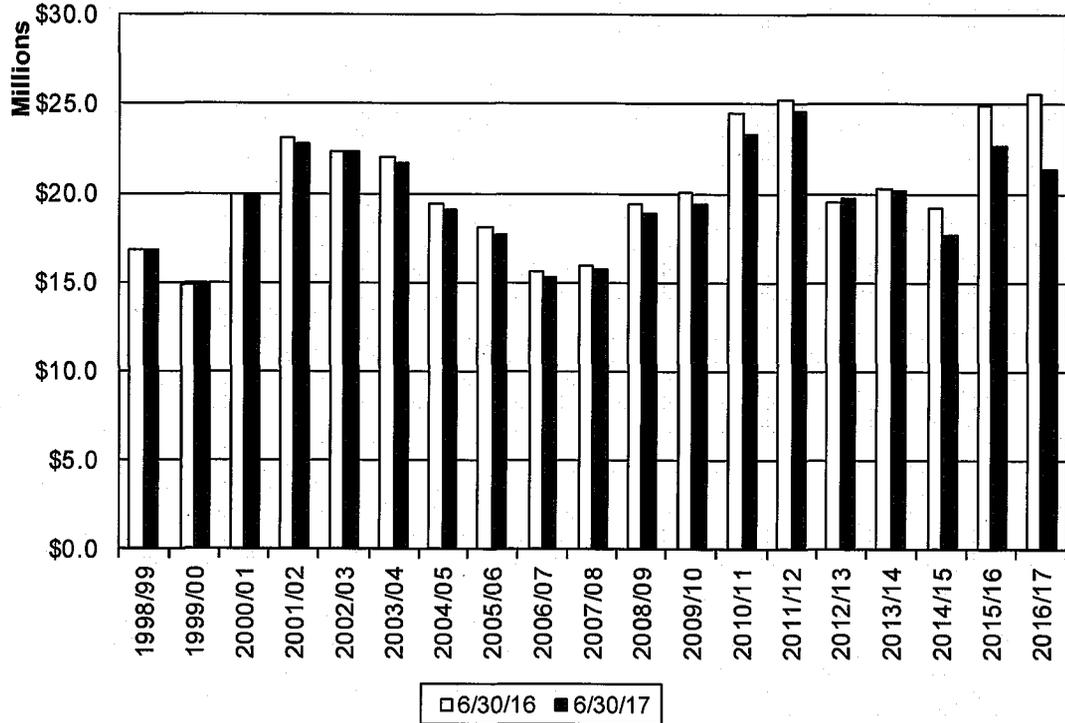
Graphs III-4 and III-5 are graphical comparisons of the reported incurred losses and projected ultimate losses, respectively, by fiscal year of occurrence of the workers compensation program from the previous study (report dated November 2, 2016) to the current study.

**Graph III-4**  
**Comparison of Limited Reported Incurred Losses**  
**as of June 30, 2016 and June 30, 2017**



Note: Amounts as of June 30, 2016 are from the previous actuarial study.  
Amounts as of June 30, 2017 are from Exhibit WC-1.

**Graph III-5**  
**Comparison of Projected Ultimate Limited Losses**  
**as of June 30, 2016 and June 30, 2017**



Note: Amounts as of June 30, 2016 are from the previous actuarial study.  
Amounts as of June 30, 2017 are from Exhibits WC-9.

For all claims through 2015/16, the change in the projected ultimate limited losses from June 30, 2016 to June 30, 2017 was -1.3%.

We compare the projected ultimate limited losses by year as of June 30, 2016 and June 30, 2017 as shown in Table III-4A.

**Table III-4A  
Comparison of Projected Ultimate Limited Losses  
as of June 30, 2016 and June 30, 2017**

Claim Period (1)	Projected Ultimate Limited Losses as of 6/30/16 (2)	Projected Ultimate Limited Losses as of 6/30/17 (3)	Change (3) - (2) (4)	Percentage Change (4) / (2) (5)
to 1997/98	\$175,957,000	\$177,403,000	\$1,446,000	0.8%
1998/99	16,799,000	16,790,000	(9,000)	-0.1%
1999/00	14,869,000	14,888,000	19,000	0.1%
2000/01	19,989,000	19,945,000	(44,000)	-0.2%
2001/02	23,058,000	22,753,000	(305,000)	-1.3%
2002/03	22,310,000	22,333,000	23,000	0.1%
2003/04	22,005,000	21,746,000	(259,000)	-1.2%
2004/05	19,400,000	19,143,000	(257,000)	-1.3%
2005/06	18,094,000	17,648,000	(446,000)	-2.5%
2006/07	15,670,000	15,294,000	(376,000)	-2.4%
2007/08	15,973,000	15,695,000	(278,000)	-1.7%
2008/09	19,425,000	18,876,000	(549,000)	-2.8%
2009/10	20,034,000	19,449,000	(585,000)	-2.9%
2010/11	24,539,000	23,341,000	(1,198,000)	-4.9%
2011/12	25,294,000	24,653,000	(641,000)	-2.5%
2012/13	19,490,000	19,789,000	299,000	1.5%
2013/14	20,306,000	20,178,000	(128,000)	-0.6%
2014/15	19,237,000	17,647,000	(1,590,000)	-8.3%
2015/16	24,938,000	22,705,000	(2,233,000)	-9.0%
2016/17	25,610,000	21,353,000	(4,257,000)	-16.6%
Total	\$562,997,000	\$551,629,000	(\$11,368,000)	-2.0%

Note: (2) is from the prior actuarial study.  
(3) is from Exhibit WC-9 and Exhibit WC-10..

The City experienced lower than expected loss development for 2003/04 through 2015/16, resulting in a decrease in the estimated ultimate losses for most of these years. There was greater than expected paid loss development for 2012/13, resulting in an increase to the estimated ultimate loss for that year. The estimate for 2016/17 has decreased from the prior projection, due to lower than expected incurred loss development.

Actual loss experience versus expected experience in the prior actuarial study, for both paid and incurred losses, is as shown in Table III-4B.

**Table III-4B  
Comparison of Actual and Expected Experience  
June 30, 2016 to June 30, 2017**

Claim Period (1)	Paid Losses in the Period			Incurred Losses in the Period		
	Paid Expected (2)	Paid Actual (3)	Difference (3) - (2) (4)	Incurred Expected (5)	Incurred Actual (6)	Difference (6) - (5) (7)
to 1997/98	\$806,828	\$1,177,917	\$371,090	\$409,919	\$1,421,999	\$1,012,080
1998/99	76,646	210,874	134,228	33,286	20,938	(12,348)
1999/00	67,503	81,787	14,284	36,347	51,076	14,729
2000/01	90,296	103,909	13,613	52,862	1,532	(51,330)
2001/02	124,246	82,077	(42,169)	81,239	(206,867)	(288,106)
2002/03	139,276	364,387	225,111	89,648	126,188	36,540
2003/04	194,303	106,204	(88,098)	115,852	(123,528)	(239,380)
2004/05	203,123	347,429	144,306	131,190	(75,959)	(207,150)
2005/06	248,621	294,027	45,406	138,729	(192,928)	(331,656)
2006/07	263,865	84,152	(179,713)	148,693	(199,542)	(348,235)
2007/08	328,009	227,256	(100,753)	223,992	(40,840)	(264,832)
2008/09	389,167	182,087	(207,080)	356,078	61,721	(294,357)
2009/10	572,830	497,631	(75,199)	412,833	(54,089)	(466,921)
2010/11	711,807	758,602	46,795	578,001	(159,732)	(737,733)
2011/12	895,858	818,220	(77,638)	642,702	(775,453)	(1,418,155)
2012/13	842,611	1,624,001	781,390	558,226	(920,146)	(1,478,372)
2013/14	1,962,408	2,157,134	194,726	1,372,053	195,307	(1,176,746)
2014/15	3,124,534	2,427,793	(696,741)	1,828,959	929,968	(898,990)
2015/16	6,231,552	4,757,582	(1,473,969)	7,267,376	4,202,731	(3,064,645)
2016/17	3,999,670	3,866,155	(133,516)	9,329,011	8,773,579	(555,432)
<b>Total</b>	<b>\$21,273,152</b>	<b>\$20,169,223</b>	<b>(\$1,103,928)</b>	<b>\$23,806,996</b>	<b>\$13,035,955</b>	<b>(\$10,771,041)</b>

Note: (2) and (5) are expected amounts from June 30, 2016 to June 30, 2017.  
(3) and (6) are the actual experience from June 30, 2016 to June 30, 2017.

As part of our analysis, we project ultimate losses by year using paid loss development and incurred loss development (these are defined in the attached Glossary). Table III-4B shows how the paid and incurred claims emerged 12 months later based on loss development factors we selected in the actuarial study valued as of June 30, 2016. This analysis provides a peek into how the claims are actually emerging compared to the expected emergence which is based on historical development patterns.

## 5. Size of Loss Distribution Analysis

Table III-5A shows the distribution of losses in various layers for workers compensation.

**Table III-5A**  
**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) \$1 to \$5,000	26,555	77.6%	77.6%	\$23,103,619	4.4%	4.4%
(B) \$5,000 to \$10,000	1,868	5.5%	83.1%	13,139,844	2.5%	7.0%
(C) \$10,000 to \$25,000	1,856	5.4%	88.5%	30,058,661	5.8%	12.8%
(D) \$25,000 to \$50,000	1,313	3.8%	92.4%	47,178,949	9.1%	21.8%
(E) \$50,000 to \$100,000	1,188	3.5%	95.8%	84,886,665	16.3%	38.2%
(F) \$100,000 to \$250,000	1,101	3.2%	99.1%	171,801,991	33.1%	71.3%
(G) \$250,000 to \$500,000	247	0.7%	99.8%	80,721,024	15.5%	86.8%
(H) \$500,000 to \$750,000	45	0.1%	99.9%	26,770,850	5.2%	92.0%
(I) \$750,000 to \$1,000,000	10	0.0%	100.0%	8,647,253	1.7%	93.6%
(J) Over \$1,000,000	17	0.0%	100.0%	33,140,579	6.4%	100.0%
(K) Total (A) ... (J)	34,200	100%		\$519,449,435	100%	

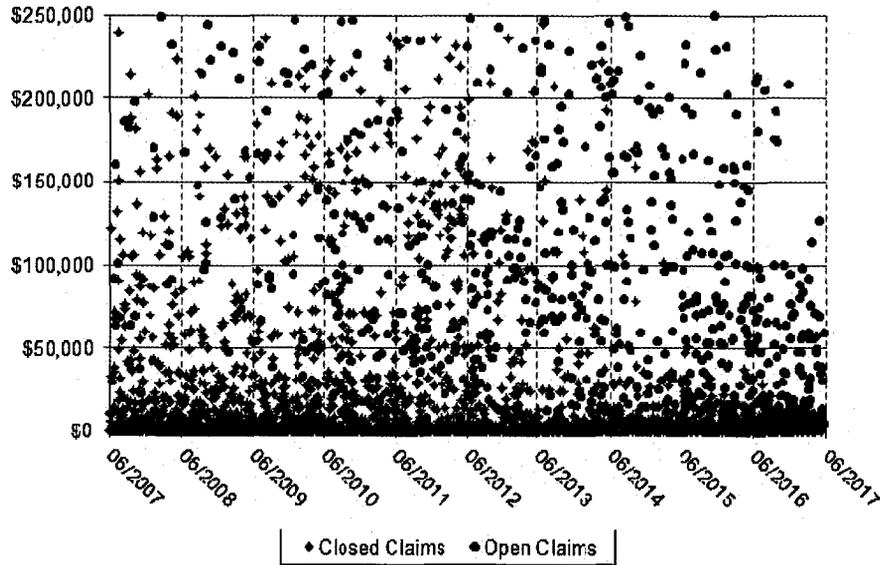
Note: See Exhibit WC-16. Claim counts exclude claims with incurred value of \$0.

For workers compensation, about 83% of the non-zero claims reported are below \$10,000 and represent about 7% of the incurred amounts. The remaining 17% of the claims consume about 93% of the incurred amounts.

A size of loss distribution by year and loss layer as of June 30, 2017 is as shown in Exhibit WC-16.

The reported workers compensation claim experience underlying our analysis is shown below in Graphs III-6 and III-7, with each point representing one claim. The amounts are gross of excess insurance.

**Graph III-6**  
**Distribution of Workers Compensation Losses**  
**Incurred Less Than \$100,000**  
**2007/08 through 2016/17**



**Graph III-7**  
**Distribution of Workers Compensation Losses**  
**Incurred Greater Than \$100,000**  
**2007/08 through 2016/17**

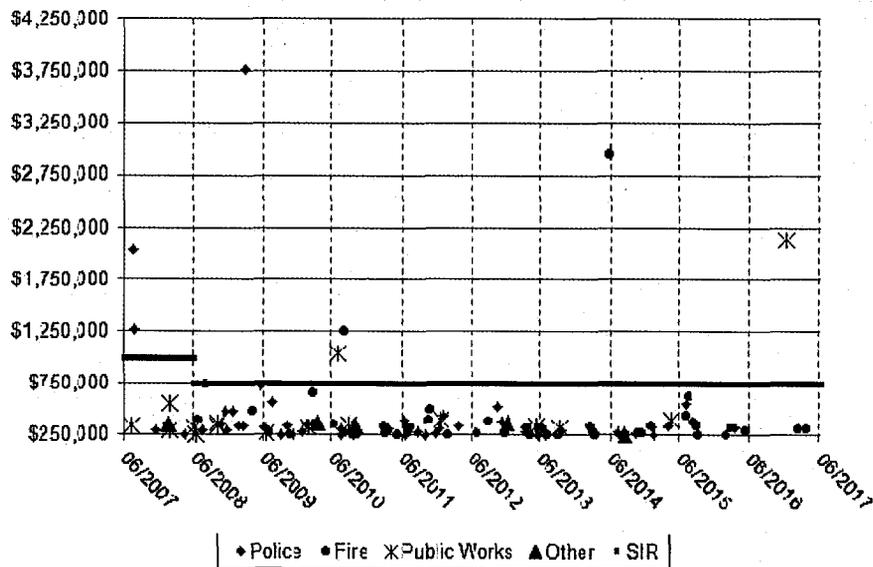


Table III-5B shows the distribution of claim counts and incurred losses (not developed or trended) by type of benefit.

**Table III-5B  
Loss Distribution by Type of Benefit  
(2007/08 through 2016/17)**

Year (1)	Claim Counts		Incurred Losses	
	Count (2)	% (3)	Loss (4)	% (5)
(A) Medical Only	2,654	42.9%	\$2,773,621	1.6%
(B) Claims with Indemnity				
(i) Indemnity			102,769,921	59.4%
(ii) Medical			53,830,319	31.1%
(iii) <u>Expense</u>			<u>13,699,458</u>	<u>7.9%</u>
(iv) Subtotal	3,536	57.1%	170,299,698	98.4%
(C) Total (A)+(Biv)	6,190	100%	\$173,073,319	100%

Note: See Exhibit WC-17.

About 43% of the claims reported are Medical Only claims and represent about 2% of the incurred amounts. For the Claims with Indemnity, Indemnity benefits are 59.4%, Medical 31.1%, and expense 7.9% of the total benefit.

**6. Affirm GASB Statement No. 10**

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

## 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 Aon for clarification.

- **Data Quality** In conducting this analysis, we relied upon the provided data without audit or independent verification; however, we reviewed it for reasonableness and consistency. Any inaccuracies in quantitative data or qualitative representations could have a significant effect on the results of our review and analysis. Any material discrepancies discovered in the loss data by the organization or any other parties should be reported to us immediately, and if warranted, we will make appropriate amendments to the report.
- **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.** Use of this report is limited to the organization for the specific purpose described in the Introduction section. Other uses are prohibited without an executed release with Aon.

Distribution by the organization is unrestricted. The report should only be distributed in its entirety including all supporting exhibits.

- **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 Aon prior to use of this study.

## 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.** A case reserve is an estimate of the unpaid amount established by claims adjusters for which a particular claim will ultimately be settled or adjudicated. 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.

## **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. Aon 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. Aon 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 than 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.

**Exhibits**

The attached exhibits detail our analysis.

Data Summary as of June 30, 2017  
Losses Limited to Self-Insured Retention

Claim Period (1)	Specific Self-Insured Retention* (2)	Aggregate Retention (3)	Months of Development 6/30/17 (4)	Payroll (000) (5)	Reported Claims 6/30/17 (6)	Open Claims 6/30/17 (7)	Limited Paid Losses 6/30/17 (8)	Limited Case Reserves 6/30/17 (9)	Limited Reported Incurred Losses 6/30/17 (10)
to 1997/98	Unlimited	None	240.0	Not Provided	22,704	129	\$171,911,775	\$4,991,916	\$176,903,692
1998/99	Unlimited	None	228.0	Not Provided	1,025	13	16,338,384	410,482	16,748,866
1999/00	Unlimited	None	216.0	256,973	1,068	14	13,768,782	1,000,512	14,769,294
2000/01	Unlimited	None	204.0	273,627	1,109	22	18,874,744	934,239	19,808,983
2001/02	Unlimited	None	192.0	293,519	1,013	18	21,692,089	904,750	22,596,839
2002/03	Unlimited	None	180.0	305,541	922	27	21,140,697	984,771	22,125,468
2003/04	Unlimited	None	168.0	307,406	773	27	20,222,466	1,220,092	21,442,558
2004/05	1,000,000	None	156.0	315,491	675	22	16,538,520	2,090,100	18,628,619
2005/06	1,000,000	None	144.0	326,085	749	25	15,741,888	1,408,750	17,150,638
2006/07	1,000,000	None	132.0	354,814	703	18	14,459,317	592,839	15,052,157
2007/08	1,000,000	None	120.0	370,278	703	28	13,800,038	1,404,711	15,204,749
2008/09	750,000	None	108.0	377,769	678	30	15,957,961	2,113,911	18,071,872
2009/10	750,000	None	96.0	338,407	645	44	16,537,725	1,648,357	18,186,081
2010/11	750,000	None	84.0	338,298	650	68	18,955,843	2,399,769	21,355,612
2011/12	750,000	None	72.0	348,514	637	77	18,140,846	3,250,724	21,391,571
2012/13	750,000	None	60.0	355,748	569	88	12,446,569	4,014,267	16,460,836
2013/14	750,000	None	48.0	373,451	621	99	11,631,241	4,953,335	16,584,576
2014/15	750,000	None	36.0	364,737	555	93	8,020,368	4,659,484	12,679,851
2015/16	750,000	None	24.0	390,571	607	151	7,555,751	7,210,401	14,766,152
2016/17	750,000	None	12.0	298,495	525	237	3,866,155	4,907,425	8,773,579
<b>Total</b>					<b>36,931</b>	<b>1,230</b>	<b>\$457,601,158</b>	<b>\$51,100,835</b>	<b>\$508,701,994</b>

\* The specific self-insured retention changes are as follows:

Effective Date	Retention
Prior	Unlimited
08/02/04	1,000,000
07/01/08	750,000

(8), (9) and (10) are net of the specific self-insured retention and other recoveries.

Data was provided by the City.

CITY OF OAKLAND  
WORKERS' COMPENSATION

Data Summary as of June 30, 2017  
Net Unlimited Losses

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/17 (4)	Payroll (000) (5)	Reported Claims 6/30/17 (6)	Open Claims 6/30/17 (7)	Net Unlimited Paid Losses 6/30/17 (8)	Net Unlimited Case Reserves 6/30/17 (9)	Net Unlimited Reported Incurred Losses 6/30/17 (10)
to 1997/98	Unlimited	None	240.0	Not Provided	22,704	129	\$171,911,775	\$4,991,916	\$176,903,692
1998/99	Unlimited	None	228.0	Not Provided	1,025	13	16,338,384	410,482	16,748,866
1999/00	Unlimited	None	216.0	256,973	1,068	14	13,768,782	1,000,512	14,769,294
2000/01	Unlimited	None	204.0	273,627	1,109	22	18,874,744	934,239	19,808,983
2001/02	Unlimited	None	192.0	293,519	1,013	18	21,692,089	904,750	22,596,839
2002/03	Unlimited	None	180.0	305,541	922	27	21,140,697	984,771	22,125,468
2003/04	Unlimited	None	168.0	307,406	773	27	20,222,466	1,220,092	21,442,558
2004/05	Unlimited	None	156.0	315,491	675	22	16,538,520	2,791,064	19,329,584
2005/06	Unlimited	None	144.0	328,085	749	25	17,108,326	1,408,750	18,517,076
2006/07	Unlimited	None	132.0	354,814	703	18	14,459,317	692,839	15,052,157
2007/08	Unlimited	None	120.0	370,278	703	28	14,272,881	2,239,671	16,512,552
2008/09	Unlimited	None	108.0	377,769	678	30	18,862,695	2,219,950	21,082,645
2009/10	Unlimited	None	96.0	338,407	645	44	16,537,725	1,648,357	18,186,081
2010/11	Unlimited	None	84.0	338,298	650	68	19,241,826	2,896,761	22,138,587
2011/12	Unlimited	None	72.0	348,514	637	77	18,140,846	3,250,724	21,391,571
2012/13	Unlimited	None	60.0	355,748	569	88	12,446,569	4,014,267	16,460,836
2013/14	Unlimited	None	48.0	373,451	621	99	11,640,277	7,147,437	18,787,714
2014/15	Unlimited	None	36.0	364,737	555	93	8,020,368	4,659,484	12,679,851
2015/16	Unlimited	None	24.0	390,571	607	151	7,555,751	7,210,401	14,766,152
2016/17	Unlimited	None	12.0	298,495	525	237	4,066,459	6,082,471	10,148,930
<b>Total</b>					<b>36,931</b>	<b>1,230</b>	<b>\$462,840,486</b>	<b>\$56,608,939</b>	<b>\$519,449,435</b>

(8), (9) and (10) are gross of the specific self-insured retention and net of other recoveries.

Data was provided by the City.

Data Summary as of June 30, 2017  
Gross Unlimited Losses

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/17 (4)	Payroll (000) (5)	Reported Claims 6/30/17 (6)	Open Claims 6/30/17 (7)	Gross Unlimited Paid Losses 6/30/17 (8)	Gross Unlimited Case Reserves 6/30/17 (9)	Gross Unlimited Reported Incurred Losses 6/30/17 (10)
to 1997/98	Unlimited	None	240.0	Not Provided	22,704	129	\$171,947,121	\$4,995,018	\$176,942,139
1998/99	Unlimited	None	228.0	Not Provided	1,025	13	16,365,365	410,482	16,775,847
1999/00	Unlimited	None	216.0	256,973	1,068	14	14,002,897	1,000,512	15,003,408
2000/01	Unlimited	None	204.0	273,627	1,109	22	18,971,220	934,239	19,905,459
2001/02	Unlimited	None	192.0	293,519	1,013	18	21,872,068	904,750	22,776,818
2002/03	Unlimited	None	180.0	305,541	922	27	21,256,008	984,771	22,240,779
2003/04	Unlimited	None	168.0	307,406	773	27	20,797,757	1,220,092	22,017,849
2004/05	Unlimited	None	156.0	315,491	675	22	16,708,344	2,791,064	19,499,408
2005/06	Unlimited	None	144.0	326,085	749	25	17,212,158	1,408,750	18,620,907
2006/07	Unlimited	None	132.0	354,814	703	18	14,579,034	592,839	15,171,874
2007/08	Unlimited	None	120.0	370,278	703	28	14,456,014	2,239,671	16,695,685
2008/09	Unlimited	None	108.0	377,769	678	30	19,136,346	2,219,950	21,356,296
2009/10	Unlimited	None	96.0	338,407	645	44	16,823,617	1,648,357	18,471,974
2010/11	Unlimited	None	84.0	338,298	650	68	19,270,693	2,896,761	22,167,454
2011/12	Unlimited	None	72.0	348,514	637	77	18,254,549	3,250,724	21,505,274
2012/13	Unlimited	None	60.0	355,748	569	88	12,448,284	4,014,267	16,462,552
2013/14	Unlimited	None	48.0	373,451	621	99	11,648,177	7,147,437	18,795,614
2014/15	Unlimited	None	36.0	364,737	555	93	8,027,595	4,659,484	12,687,079
2015/16	Unlimited	None	24.0	390,571	607	151	7,567,627	7,210,401	14,778,028
2016/17	Unlimited	None	12.0	298,495	525	237	4,070,893	6,082,471	10,153,364
<b>Total</b>					<b>36,931</b>	<b>1,230</b>	<b>\$465,415,766</b>	<b>\$56,612,040</b>	<b>\$522,027,806</b>

(8), (9) and (10) are gross of the specific self-insured retention and other recoveries.

Data was provided by the City.

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)
540.0	100.0%	100.0%	100.0%
528.0	100.0%	100.0%	100.0%
516.0	100.0%	100.0%	100.0%
504.0	99.9%	100.0%	100.0%
492.0	99.9%	100.0%	100.0%
480.0	99.9%	100.0%	100.0%
468.0	99.9%	100.0%	100.0%
456.0	99.9%	100.0%	100.0%
444.0	99.8%	100.0%	100.0%
432.0	99.8%	100.0%	100.0%
420.0	99.7%	100.0%	100.0%
408.0	99.7%	100.0%	100.0%
396.0	99.6%	100.0%	100.0%
384.0	99.5%	100.0%	100.0%
372.0	99.3%	100.0%	100.0%
360.0	99.2%	100.0%	100.0%
348.0	98.9%	100.0%	100.0%
336.0	98.7%	100.0%	100.0%
324.0	98.4%	100.0%	100.0%
312.0	97.9%	100.0%	100.0%
300.0	97.4%	100.0%	100.0%
288.0	96.8%	100.0%	100.0%
276.0	96.0%	100.0%	100.0%
264.0	95.0%	100.0%	100.0%
252.0	93.7%	99.9%	100.0%
240.0	92.2%	99.5%	100.0%
228.0	91.7%	99.3%	100.0%
216.0	91.3%	99.1%	100.0%
204.0	90.8%	98.8%	100.0%
192.0	90.3%	98.6%	100.0%
180.0	89.7%	98.2%	100.0%
168.0	89.0%	97.8%	100.0%
156.0	88.1%	97.3%	100.0%
144.0	87.0%	96.6%	100.0%
132.0	85.6%	95.8%	100.0%
120.0	83.9%	94.9%	100.0%
108.0	82.1%	93.5%	100.0%
96.0	80.4%	91.7%	100.0%
84.0	77.7%	89.6%	100.0%
72.0	74.7%	87.2%	100.0%
60.0	71.2%	84.7%	100.0%
48.0	66.5%	82.1%	99.9%
36.0	55.4%	75.3%	99.7%
24.0	38.8%	65.8%	99.2%
12.0	14.9%	37.6%	93.1%

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

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

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

(6), (7) and (8) are interpolated, based on (2), (3) and (4), respectively

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 1997/98																				
1998/99										15,061	15,160	15,422	15,609	15,731	15,864	15,953	16,079	16,128	16,338	
1999/00								12,690	12,925	13,044	13,155	13,223	13,310	13,517	13,611	13,687	13,769			
2000/01								17,498	17,835	18,095	18,243	18,384	18,520	18,608	18,688	18,771	18,875			
2001/02								18,378	18,963	19,678	20,043	20,442	20,700	20,923	21,071	21,610	21,692			
2002/03						16,745	17,702	18,322	18,692	19,444	19,819	20,358	20,586	20,776	21,141					
2003/04					15,966	16,776	17,253	18,274	18,603	19,046	19,578	19,834	20,116	20,222						
2004/05				11,109	12,288	13,255	14,081	14,562	15,529	15,627	15,961	16,191	16,539							
2005/06			9,239	10,733	11,925	12,719	13,209	13,887	14,276	15,170	15,448	15,742								
2006/07		7,705	10,428	12,123	12,969	13,467	13,788	14,031	14,145	14,375	14,459									
2007/08	3,274	6,798	9,061	10,643	11,516	12,147	12,662	13,281	13,573	13,800										
2008/09	3,500	8,732	11,787	13,716	14,403	14,960	15,523	15,776	15,958											
2009/10	3,877	9,024	12,032	13,699	15,065	15,655	16,404	16,538												
2010/11	4,975	10,288	13,545	16,083	17,050	18,197	18,956													
2011/12	2,977	10,326	14,196	16,388	17,323	18,141														
2012/13	2,401	6,100	8,993	10,823	12,447															
2013/14	2,368	6,551	9,474	11,631																
2014/15	2,240	5,593	8,020																	
2015/16	2,798	7,556																		
2016/17	3,866																			

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-Ult
to 1997/98																				
1998/99										1.007	1.017	1.012	1.008	1.008	1.006	1.008	1.003	1.013		
1999/00									1.018	1.009	1.007	1.005	1.007	1.016	1.007	1.006	1.006			
2000/01								1.019	1.015	1.008	1.008	1.007	1.005	1.004	1.004	1.006				
2001/02							1.032	1.038	1.019	1.020	1.013	1.011	1.007	1.026	1.004					
2002/03						1.057	1.035	1.020	1.040	1.019	1.027	1.011	1.009	1.018						
2003/04					1.051	1.028	1.059	1.018	1.024	1.028	1.013	1.014	1.005							
2004/05				1.106	1.079	1.062	1.034	1.066	1.006	1.021	1.014	1.021								
2005/06			1.162	1.111	1.067	1.039	1.051	1.028	1.063	1.018	1.019									
2006/07		1.353	1.163	1.070	1.038	1.024	1.018	1.008	1.016	1.006										
2007/08	2.077	1.333	1.175	1.082	1.055	1.042	1.049	1.022	1.017											
2008/09	2.495	1.350	1.164	1.050	1.039	1.038	1.016	1.012												
2009/10	2.327	1.333	1.139	1.100	1.039	1.025	1.031													
2010/11	2.068	1.317	1.187	1.060	1.067	1.042														
2011/12	3.469	1.375	1.154	1.057	1.047															
2012/13	2.541	1.474	1.203	1.150																
2013/14	2.767	1.446	1.228																	
2014/15	2.497	1.434																		
2015/16	2.700																			
2016/17																				
Average																				
All	2.549	1.379	1.175	1.087	1.054	1.040	1.036	1.026	1.024	1.015	1.015	1.012	1.007	1.014	1.005	1.006	1.004	1.013		
Wtd 3	2.660	1.452	1.189	1.081	1.052	1.035	1.031	1.014	1.032	1.015	1.015	1.015	1.007	1.016	1.005	1.006				
Last 3	2.655	1.451	1.195	1.089	1.051	1.035	1.032	1.014	1.032	1.015	1.016	1.016	1.007	1.016	1.005	1.006				
Last 5	2.669	1.418	1.182	1.072	1.047	1.035	1.033	1.021	1.019	1.020	1.016	1.012	1.006	1.014						
x-hi,low																				
Similar	2.799	1.547	1.265	1.151	1.096	1.068	1.051	1.041	1.035	1.029	1.022	1.017	1.016	1.014	1.012	1.012	1.011	1.010	1.091	
Previous	2.600	1.400	1.170	1.065	1.050	1.039	1.037	1.025	1.025	1.020	1.016	1.012	1.010	1.007	1.006	1.005	1.005	1.005	1.085	
Selected	2.600	1.430	1.200	1.070	1.050	1.039	1.035	1.022	1.022	1.020	1.016	1.013	1.010	1.008	1.006	1.006	1.005	1.005	1.085	
Cumulative	6.707	2.580	1.804	1.503	1.405	1.338	1.288	1.244	1.217	1.191	1.168	1.150	1.135	1.124	1.115	1.108	1.101	1.096	1.085	
Percent	14.9%	38.8%	55.4%	66.5%	71.2%	74.7%	77.7%	80.4%	82.1%	83.9%	85.6%	87.0%	88.1%	89.0%	89.7%	90.3%	90.8%	91.3%	92.2%	

Amounts are limited (net of excess insurance) and net of other recoveries.

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	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
to 1997/98																				
1998/99										15,770	15,476	15,969	15,939	16,019	16,240	16,510	16,573	16,728	16,749	
1999/00								13,576	13,471	13,373	13,488	13,611	13,759	14,566	14,633	14,718	14,769			
2000/01								18,966	18,601	18,712	18,863	19,194	19,105	19,327	19,398	19,807	19,809			
2001/02							21,104	20,917	20,801	21,140	21,284	21,293	22,321	22,725	22,804	22,597				
2002/03					19,806	19,717	20,191	20,328	20,637	20,663	21,445	21,641	21,999	21,566	21,443					
2003/04					18,973	18,991	19,153	19,790	20,472	20,531	21,219	21,397	21,566	21,443						
2004/05				14,940	14,940	16,266	16,963	17,540	18,362	18,405	18,550	18,705	18,629							
2005/06			13,636	13,940	14,760	15,366	15,996	16,186	16,806	17,020	17,344	17,151								
2006/07		12,182	13,503	14,335	14,489	14,489	14,947	14,660	14,772	14,904	15,252	15,052								
2007/08	8,126	10,793	12,889	14,266	14,228	14,126	14,723	15,079	15,246	15,205										
2008/09	7,312	13,225	16,845	17,497	17,101	17,372	17,328	18,010	18,072											
2009/10	8,727	15,621	17,474	17,349	17,587	17,768	18,240	18,186												
2010/11	11,395	17,821	18,656	20,235	20,504	21,515	21,356													
2011/12	9,353	17,335	19,494	21,503	22,167	21,392														
2012/13	5,495	10,353	13,970	17,381	16,461															
2013/14	5,431	11,242	16,389	16,585																
2014/15	6,785	11,750	12,680																	
2015/16	10,563	14,766																		
2016/17	8,774																			

II. Limited Reported Incurred 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-Ult
to 1997/98																				
1998/99										0.981	1.032	0.996	1.005	1.014	1.017	1.004	1.009	1.001		
1999/00								0.992	0.993	1.009	1.009	1.011	1.005	1.006	1.006	1.003	1.003			
2000/01								0.981	1.006	1.008	1.018	0.995	1.012	1.004	1.021	1.000				
2001/02							0.991	0.994	1.016	1.007	1.000	1.048	1.018	1.003	0.991					
2002/03						0.996	1.024	1.007	1.015	1.001	1.038	1.009	1.017	1.006						
2003/04					1.001	1.009	1.033	1.034	1.003	1.034	1.008	1.008	0.994							
2004/05				1.000	1.089	1.043	1.034	1.047	1.002	1.008	1.008	0.996								
2005/06			1.022	1.059	1.041	1.041	1.012	1.038	1.013	1.019	0.989									
2006/07		1.108	1.062	1.011	1.032	0.981	1.008	1.009	1.023	0.987										
2007/08	1.328	1.194	1.107	0.997	0.993	1.042	1.024	1.011	0.997											
2008/09	1.809	1.274	1.039	0.877	1.016	0.997	1.039	1.003												
2009/10	1.790	1.119	0.893	1.014	1.010	1.027	0.997													
2010/11	1.564	1.047	1.085	1.013	1.049	0.993														
2011/12	1.853	1.125	1.103	1.031	0.965															
2012/13	1.884	1.348	1.244	0.947																
2013/14	2.070	1.458	1.012																	
2014/15	1.732	1.079																		
2015/16	1.398																			
2016/17																				
Average																				
All	1.714	1.195	1.074	1.005	1.022	1.014	1.018	1.014	1.008	1.004	1.013	1.009	1.009	1.017	1.008	1.003	1.006	1.001		
Wtd 3	1.657	1.291	1.113	1.000	1.007	1.005	1.020	1.008	1.011	1.005	1.002	1.005	1.010	1.004	1.005	1.003	1.006	1.001		
Last 3	1.733	1.295	1.120	0.997	1.008	1.006	1.020	1.008	1.011	1.005	1.002	1.004	1.010	1.004	1.006	1.003				
Last 5	1.823	1.184	1.067	1.001	1.006	1.006	1.015	1.019	1.006	1.009	1.006	1.004	1.013	1.008						
x-hi,low																				
Similar	1.713	1.200	1.105	1.067	1.046	1.028	1.024	1.016	1.017	1.010	1.009	1.007	1.006	1.005	1.003	1.004	1.003	1.003	0.999	1.037
Previous	1.800	1.145	1.090	1.035	1.030	1.027	1.023	1.020	1.015	1.010	1.008	1.007	1.005	1.004	1.004	1.003	1.002	1.002	1.002	1.005
Selected	1.750	1.145	1.090	1.032	1.030	1.027	1.023	1.020	1.015	1.010	1.008	1.007	1.005	1.004	1.004	1.003	1.002	1.002	1.002	1.005
Cumulative	2.661	1.521	1.328	1.218	1.181	1.146	1.116	1.091	1.070	1.054	1.043	1.035	1.028	1.022	1.018	1.015	1.012	1.009	1.007	1.005
Percent	37.6%	65.8%	75.3%	82.1%	84.7%	87.2%	89.6%	91.7%	93.5%	94.9%	95.8%	96.6%	97.3%	97.8%	98.2%	98.6%	98.8%	99.1%	99.3%	99.5%

Amounts are limited (net of excess insurance) and net of other recoveries.

Data was provided by the City.

CITY OF OAKLAND  
WORKERS' COMPENSATION

Historical Reported Claims and Reported Claim Development

I. Historical Reported Claims

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 1997/98																				
1998/99										1,024	1,024	1,024	1,024	1,025	1,025	1,025	1,025	1,025	1,025	1,025
1999/00										1,068	1,068	1,068	1,067	1,067	1,068	1,067	1,068	1,068	1,068	1,068
2000/01									1,106	1,107	1,107	1,106	1,107	1,108	1,107	1,108	1,107	1,108	1,108	1,109
2001/02								1,009	1,010	1,012	1,005	1,006	1,013	1,006	1,013	1,013	1,013	1,013	1,013	1,013
2002/03										918	919	920	918	919	922	922	922	922	922	922
2003/04					771	771	771	767	769	774	769	774	769	774	773	773	773	773	773	773
2004/05				670	672	674	671	671	674	672	675	675	675	675						
2005/06			740	742	747	740	740	748	740	748	748	749	749							
2006/07		696	701	703	700	700	703	700	703	703	703									
2007/08	669	702	702	694	694	694	694	702	702	703	703									
2008/09	637	674	672	673	677	674	678	678	678											
2009/10	605	615	618	642	619	642	642	645												
2010/11	576	615	645	625	649	650	650													
2011/12	548	629	593	536	536	537														
2012/13	515	560	566	568	569															
2013/14	587	618	620	621																
2014/15	526	553	555																	
2015/16	571	607																		
2016/17	525																			

II. Reported Claim 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-Ult
to 1997/98																				
1998/99										1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999/00										1.000	0.999	1.000	1.001	0.999	1.001	1.000	1.000	1.000	1.000	1.000
2000/01										1.001	1.002	0.998	1.001	0.999	1.001	1.000	1.000	1.001	1.000	1.000
2001/02										1.001	1.001	0.998	1.001	0.997	1.003	1.000	1.000	1.000	1.000	1.000
2002/03										1.000	0.995	1.003	1.007	0.994	1.007	1.000	1.000	1.000	1.000	1.000
2003/04					1.000	1.000	1.001	1.001	1.004	1.004	1.004	0.997	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004/05				1.003	1.003	1.003	0.996	1.000	1.011	0.999	1.011	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005/06			1.003	1.007	0.991	1.000	1.011	0.989	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2006/07		1.007	1.003	0.986	1.000	1.004	0.996	1.004	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007/08	1.049	1.000	0.989	1.000	1.012	0.989	1.012	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008/09	1.058	0.997	1.001	1.006	0.996	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2009/10	1.017	1.005	1.039	0.964	1.037	1.000	1.005													
2010/11	1.068	1.049	0.969	1.038	1.002	1.000														
2011/12	1.148	0.943	1.073	1.000	1.002															
2012/13	1.087	1.011	1.004	1.002																
2013/14	1.053	1.003	1.002																	
2014/15	1.051	1.004																		
2015/16	1.063																			
2016/17																				
Average																				
All	1.066	1.002	1.009	1.002	1.005	0.999	1.002	1.000	1.001	1.000	1.001	0.999	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Wtd 3	1.056	1.006	1.026	1.014	1.013	1.002	1.005	1.002	1.004	1.002	1.002	1.001	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 3	1.056	1.006	1.026	1.013	1.013	1.002	1.005	1.002	1.004	1.002	1.002	1.001	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 5	1.068	1.006	1.015	1.003	1.005	1.001	1.005	1.002	1.002	1.002	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
x-hi,low																				
Similar	1.131	1.019	1.010	1.007	1.007	1.005	1.005	1.006	1.006	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Previous	1.065	1.007	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.065	1.005	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.074	1.008	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Percent	93.1%	99.2%	99.7%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

CITY OF OAKLAND  
WORKERS' COMPENSATION  
Historical Ratio of Limited Paid Losses and 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 1997/98																					
1998/99										95.5%	98.0%	96.6%	97.9%	98.2%	97.7%	96.6%	97.0%	96.4%	97.5%		
1999/00									93.5%	95.9%	97.5%	97.5%	97.1%	96.7%	92.8%	93.0%	93.0%	93.2%			
2000/01								92.3%	95.9%	96.7%	96.7%	95.8%	96.9%	96.3%	96.3%	94.8%	95.3%				
2001/02							87.1%	90.7%	94.6%	94.8%	96.0%	97.2%	93.7%	92.7%	94.8%	96.0%					
2002/03						84.5%	89.8%	90.7%	92.0%	94.2%	95.9%	94.9%	95.1%	94.4%	95.5%						
2003/04					84.1%	88.3%	90.1%	92.3%	90.9%	92.8%	92.3%	92.7%	93.3%	94.3%							
2004/05				74.4%	82.2%	81.5%	83.0%	83.0%	84.6%	84.9%	86.0%	86.6%	88.8%								
2005/06			67.8%	77.0%	80.8%	82.8%	82.6%	85.8%	84.9%	89.1%	89.1%	91.8%									
2006/07		63.2%	77.2%	84.6%	89.5%	90.1%	94.1%	95.0%	94.9%	94.3%	96.1%										
2007/08	40.3%	63.0%	70.3%	74.6%	80.9%	86.0%	86.0%	88.1%	89.0%	90.8%											
2008/09	47.9%	66.0%	70.0%	78.4%	84.2%	86.1%	89.6%	87.6%	88.3%												
2009/10	44.4%	57.8%	68.9%	79.0%	85.7%	88.1%	87.9%	90.9%													
2010/11	43.7%	57.7%	72.6%	79.5%	83.2%	84.6%	88.8%														
2011/12	31.8%	59.6%	72.8%	76.2%	78.1%	84.8%															
2012/13	43.7%	58.9%	64.4%	62.3%	75.6%																
2013/14	43.6%	58.3%	57.8%	70.1%																	
2014/15	33.0%	47.6%	63.3%																		
2015/16	26.5%	51.2%																			
2016/17	44.1%																				
<b>Average</b>																					
All	39.9%	58.3%	68.5%	75.6%	82.4%	85.7%	87.9%	89.6%	90.9%	92.9%	94.2%	94.1%	94.7%	95.4%	95.4%	95.1%	95.1%	94.8%	97.5%		
Last 3	34.5%	52.3%	61.8%	69.5%	79.0%	85.8%	88.8%	88.9%	90.7%	91.4%	90.4%	90.3%	92.4%	93.8%	95.6%	94.6%	95.1%				
Last 5	40.1%	56.1%	66.7%	75.1%	81.8%	85.6%	88.8%	88.9%	87.4%	90.9%	92.4%	93.1%	94.0%	95.0%	95.6%						
x-hi,low																					
<b>Implicit</b>	39.7%	58.9%	73.6%	81.1%	84.0%	85.7%	86.7%	87.7%	87.9%	88.5%	89.3%	90.0%	90.6%	91.0%	91.4%	91.6%	91.9%	92.1%	92.4%	92.6%	

Developed Limited Paid Losses

Claim Period (1)	Months of Development 6/30/17 (2)	Limited Paid Losses 6/30/17 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
to 1997/98	Various	\$171,911,775	97.5%	\$176,272,956
1998/99	228.0	16,338,384	91.7%	17,815,782
1999/00	216.0	13,768,782	91.3%	15,088,894
2000/01	204.0	18,874,744	90.8%	20,787,822
2001/02	192.0	21,692,089	90.3%	24,034,068
2002/03	180.0	21,140,697	89.7%	23,563,684
2003/04	168.0	20,222,466	89.0%	22,720,534
2004/05	156.0	16,538,520	88.1%	18,767,327
2005/06	144.0	15,741,888	87.0%	17,946,045 *
2006/07	132.0	14,459,317	85.6%	16,887,165
2007/08	120.0	13,800,038	83.9%	16,248,263 *
2008/09	108.0	15,957,961	82.1%	19,265,311 *
2009/10	96.0	16,537,725	80.4%	20,537,127 *
2010/11	84.0	18,955,843	77.7%	24,195,638 *
2011/12	72.0	18,140,846	74.7%	24,273,050
2012/13	60.0	12,446,569	71.2%	17,486,615
2013/14	48.0	11,631,241	66.5%	17,107,552 *
2014/15	36.0	8,020,368	55.4%	14,468,230
2015/16	24.0	7,555,751	38.8%	19,250,245 *
2016/17	12.0	3,866,155	14.9%	21,650,154 *
<b>Total</b>		<b>\$457,601,158</b>		<b>\$548,366,460</b>

\* - Indicates large claim(s) limited to retention. For details, see Exhibit WC-15.

(3) is from Exhibit WC-1.

(4) is from Exhibit WC-2.

Developed Limited Reported Incurred Losses

Claim Period (1)	Months of Development 6/30/17 (2)	Limited Reported Incurred Losses 6/30/17 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
to 1997/98	Various	\$176,903,692	99.9%	\$176,998,076
1998/99	228.0	16,748,866	99.3%	16,872,113
1999/00	216.0	14,769,294	99.1%	14,907,730
2000/01	204.0	19,808,983	98.8%	20,044,115
2001/02	192.0	22,596,839	98.6%	22,926,413
2002/03	180.0	22,125,468	98.2%	22,528,699
2003/04	168.0	21,442,558	97.8%	21,923,041
2004/05	156.0	18,628,619	97.3%	19,121,183 *
2005/06	144.0	17,150,638	96.6%	17,718,118 *
2006/07	132.0	15,052,157	95.8%	15,705,688
2007/08	120.0	15,204,749	94.9%	15,915,851 *
2008/09	108.0	18,071,872	93.5%	19,215,426 *
2009/10	96.0	18,186,081	91.7%	19,841,978
2010/11	84.0	21,355,612	89.6%	23,661,785 *
2011/12	72.0	21,391,571	87.2%	24,520,797
2012/13	60.0	16,460,836	84.7%	19,434,842
2013/14	48.0	16,584,576	82.1%	20,043,689 *
2014/15	36.0	12,679,851	75.3%	16,840,287
2015/16	24.0	14,766,152	65.8%	22,172,067 *
2016/17	12.0	8,773,579	37.6%	22,102,415 *
<b>Total</b>		<b>\$508,701,994</b>		<b>\$552,494,312</b>

\* - Indicates large claim(s) limited to retention. For details, see Exhibit WC-15.

(3) is from Exhibit WC-1.

(4) is from Exhibit WC-2.

Developed Limited Case Reserves

Claim Period (1)	Months of Development 6/30/17 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 6/30/17 [(4)-(3)]/ [100.0%-(3)] (5)	Limited Paid Losses 6/30/17 (6)	Limited Case Reserves 6/30/17 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
to 1997/98	Various	97.5%	99.9%	98.4%	\$171,911,775	\$4,991,916	\$176,984,809
1998/99	228.0	91.7%	99.3%	91.2%	16,338,384	410,482	16,788,517
1999/00	216.0	91.3%	99.1%	89.4%	13,768,782	1,000,512	14,888,100
2000/01	204.0	90.8%	98.8%	87.3%	18,874,744	934,239	19,945,466
2001/02	192.0	90.3%	98.6%	85.2%	21,692,089	904,750	22,753,409
2002/03	180.0	89.7%	98.2%	82.6%	21,140,697	984,771	22,333,007
2003/04	168.0	89.0%	97.8%	80.1%	20,222,466	1,220,092	21,746,321
2004/05	156.0	88.1%	97.3%	77.1%	16,538,520	2,090,100	19,143,131 *
2005/06	144.0	87.0%	96.6%	73.9%	15,741,888	1,408,750	17,648,101
2006/07	132.0	85.6%	95.8%	71.1%	14,459,317	592,839	15,293,634
2007/08	120.0	83.9%	94.9%	68.2%	13,800,038	1,404,711	15,695,393 *
2008/09	108.0	82.1%	93.5%	63.5%	15,957,961	2,113,911	18,876,226 *
2009/10	96.0	80.4%	91.7%	57.5%	16,537,725	1,648,357	19,405,013
2010/11	84.0	77.7%	89.6%	53.4%	18,955,843	2,399,769	23,260,696 *
2011/12	72.0	74.7%	87.2%	49.5%	18,140,846	3,250,724	24,709,799
2012/13	60.0	71.2%	84.7%	46.9%	12,446,569	4,014,267	21,004,381
2013/14	48.0	66.5%	82.1%	46.4%	11,631,241	4,953,335	22,295,612
2014/15	36.0	55.4%	75.3%	44.6%	8,020,368	4,659,484	18,475,993
2015/16	24.0	38.8%	65.8%	44.1%	7,555,751	7,210,401	23,462,352 *
2016/17	12.0	14.9%	37.6%	26.6%	3,866,155	4,907,425	22,288,113
<b>Total</b>					<b>\$457,601,158</b>	<b>\$51,100,835</b>	<b>\$556,998,071</b>

\* - Indicates large claim(s) limited to retention. For details, see Exhibit WC-15.

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

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

Preliminary Projected Ultimate Limited Losses to 2016/17

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 1997/98	\$176,272,956	\$176,998,076	\$176,984,809	\$177,402,883
1998/99	17,815,782	16,872,113	16,788,517	16,789,914
1999/00	15,088,894	14,907,730	14,888,100	14,888,100
2000/01	20,787,822	20,044,115	19,945,466	19,945,466
2001/02	24,034,068	22,926,413	22,753,409	22,753,409
2002/03	23,563,684	22,528,699	22,333,007	22,333,007
2003/04	22,720,534	21,923,041	21,746,321	21,746,321
2004/05	18,767,327	19,121,183	19,143,131	19,143,131
2005/06	17,946,045	17,718,118	17,648,101	17,648,101
2006/07	16,887,165	15,705,688	15,293,634	15,293,634
2007/08	16,248,263	15,915,851	15,695,393	15,695,393
2008/09	19,265,311	19,215,426	18,876,226	18,876,226
2009/10	20,537,127	19,841,978	19,405,013	19,448,709
2010/11	24,195,638	23,661,785	23,260,696	23,340,914
2011/12	24,273,050	24,520,797	24,709,799	24,653,098
2012/13	17,486,615	19,434,842	21,004,381	20,376,565
2013/14	17,107,552	20,043,689	22,295,612	20,876,037
2014/15	14,468,230	16,840,287	18,475,993	17,020,158
2015/16	19,250,245	22,172,067	23,462,352	22,103,817
2016/17	21,650,154	22,102,415	22,288,113	22,131,468
<b>Total</b>	<b>\$548,366,460</b>	<b>\$552,494,312</b>	<b>\$556,998,071</b>	<b>\$552,466,350</b>

(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.

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)*10 (4)	Loss Rate Trend (2017/18 = 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)
2007/08	\$15,696,393	\$370,278	\$4.24	1.242	\$5.26	\$5.31
2008/09	18,876,226	377,769	5.00	1.234	6.17	5.35
2009/10	19,448,709	338,407	5.75	1.201	6.91	5.49
2010/11	23,340,914	338,298	6.90	1.177	8.12	5.60
2011/12	24,653,098	348,514	7.07	1.154	8.16	5.72
2012/13	20,376,565	355,748	5.73	1.152	6.60	5.72
2013/14	20,876,037	373,451	5.59	1.120	6.26	5.89
2014/15	17,020,158	364,737	4.67	1.065	4.97	6.19
2015/16	22,103,817	390,571	5.66	1.041	5.89	6.34
2016/17	22,131,468	298,495	7.41	1.020	7.56	6.47
(7) Projected 2017/18 a-priori loss rate per \$100 of Payroll						\$6.60

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

Claim Period (1)	Limited Paid Losses 6/30/17 (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)
2012/13	\$12,446,569	71.2%	\$5.72	\$355,748	\$5,869,753	\$18,316,322
2013/14	11,631,241	66.5%	5.89	373,451	7,364,803	18,996,044
2014/15	8,020,368	55.4%	6.19	364,737	10,063,229	18,083,596
2015/16	7,555,751	38.8%	6.34	390,571	15,151,922	22,707,673
2016/17	3,866,155	14.9%	6.47	298,495	16,429,397	20,295,552

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

Claim Period (1)	Limited Reported Incurred Losses 6/30/17 (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)
2012/13	\$16,480,836	84.7%	\$5.72	\$355,748	\$3,116,391	\$19,577,227
2013/14	16,584,576	82.1%	5.89	373,451	3,944,035	20,528,611
2014/15	12,679,851	75.3%	6.19	364,737	5,578,614	18,258,465
2015/16	14,766,152	65.8%	6.34	390,571	8,472,444	23,238,596
2016/17	8,773,579	37.6%	6.47	298,495	12,052,771	20,826,350

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-14 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  
Frequency Times Severity Analysis

I. Projected Ultimate Claims

Claim Period (1)	Months of Development 6/30/17 (2)	Reported Claims 6/30/17 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)	Payroll (000) (6)	Frequency (per \$1M of Payroll) (5)/(6)X1,000 (7)
		703		703	\$370,278	1.80
2007/08	120.0	678	100.0%	678	377,769	1.79
2008/09	108.0	645	100.0%	645	338,407	1.91
2009/10	96.0	650	100.0%	650	338,298	1.92
2010/11	84.0	637	100.0%	637	348,514	1.83
2011/12	72.0	569	100.0%	569	355,748	1.60
2012/13	60.0	621	99.9%	622	373,451	1.67
2013/14	48.0	555	99.7%	557	364,737	1.53
2014/15	36.0	607	99.2%	612	390,571	1.57
2015/16	24.0	525	93.1%	564	298,495	1.89
2016/17	12.0					

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (2017/18 = 1,000) (5)	Trended Average Claim Severity (4)X(5) (6)	De-Trended Projected 2017/18 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
		703	\$22,326	1.669	\$37,253	\$26,311	\$18,486,970
2007/08	\$15,695,393	678	27,841	1.610	44,829	27,265	18,485,742
2008/09	18,876,226	645	30,153	1.522	45,893	28,845	18,605,065
2009/10	19,448,709	650	35,909	1.448	51,995	30,320	19,707,903
2010/11	23,340,914	637	38,702	1.378	53,313	31,870	20,301,138
2011/12	24,653,098	569	35,811	1.338	47,836	32,866	18,700,928
2012/13	20,376,565	622	33,563	1.260	42,300	34,833	21,666,425
2013/14	20,876,037	557	30,557	1.184	35,576	37,708	21,003,401
2014/15	17,020,158	612	36,117	1.105	39,895	39,745	24,324,002
2015/16	22,103,817	564	39,240	1.050	41,215	41,798	23,574,118
2016/17	22,131,468				\$43,902		

(7) Projected 2017/18 average claim severity

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-14 and adjusted for change in retention.

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

Projected Ultimate Limited Losses to 2016/17

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 1997/98	\$176,272,956	\$176,998,076	\$176,984,809				\$177,403,000
1998/99	17,815,782	16,872,113	16,788,517				16,790,000
1999/00	15,088,894	14,907,730	14,888,100				14,888,000
2000/01	20,787,822	20,044,115	19,945,466				19,945,000
2001/02	24,034,068	22,926,413	22,753,409				22,753,000
2002/03	23,563,684	22,528,699	22,333,007				22,333,000
2003/04	22,720,534	21,923,041	21,746,321				21,746,000
2004/05	18,767,327	19,121,183	19,143,131				19,143,000
2005/06	17,946,045	17,718,118	17,648,101				17,648,000
2006/07	16,887,165	15,705,688	15,293,634				15,294,000
2007/08	16,248,263	15,915,851	15,695,393				15,695,000
2008/09	19,265,311	19,215,426	18,876,226				18,876,000
2009/10	20,537,127	19,841,978	19,405,013				19,449,000
2010/11	24,195,638	23,661,785	23,260,696				23,341,000
2011/12	24,273,050	24,520,797	24,709,799				24,653,000
2012/13	17,486,615	19,434,842	21,004,381	18,316,322	19,577,227	18,700,928	19,789,000
2013/14	17,107,552	20,043,669	22,295,612	18,996,044	20,528,611	21,666,425	20,178,000
2014/15	14,468,230	16,840,287	18,475,993	18,083,596	18,258,465	21,003,401	17,647,000
2015/16	19,250,245	22,172,067	23,462,352	22,707,673	23,238,596	24,324,002	22,705,000
2016/17	21,650,154	22,102,415	22,288,113	20,295,552	20,826,350	23,574,118	21,353,000

(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.

Projected Ultimate Limited Losses for 2017/18 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 (2017/18 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)
2007/08	\$16,695,000	\$370,278	\$4.24	1.242	\$5.26
2008/09	18,876,000	377,769	5.00	1.234	6.17
2009/10	19,449,000	338,407	5.75	1.201	6.91
2010/11	23,341,000	338,298	6.90	1.177	8.12
2011/12	24,653,000	348,514	7.07	1.154	8.16
2012/13	19,789,000	355,748	5.56	1.152	6.41
2013/14	20,178,000	373,451	5.40	1.120	6.05
2014/15	17,647,000	364,737	4.84	1.065	5.16
2015/16	22,705,000	390,571	5.81	1.041	6.05
2016/17	21,353,000	298,495	7.15	1.020	7.29
<b>Total</b>	<b>\$203,686,000</b>	<b>\$3,556,267</b>	<b>\$5.73</b>		<b>\$6.56</b>

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)
2017/18	\$6.53	\$322,070	\$21,041,000	0.89	\$5.79	\$18,646,000
2018/19	6.66	323,922	21,585,000	0.89	5.91	19,128,000

(2) is from Exhibit WC-9.

(3) was provided by the City.

(5) is from Exhibit WC-14 and adjusted for change in retention.

(7) 2017/18 is based on (6) and actuarial judgment.  
Other period(s) based on 2017/18 plus the trend in Exhibit WC-14.

(8) to 2018/19 was provided by the City. Other claim periods are based on a 1% trend.

(10) is based on a 2.5% interest rate and the payout pattern in Exhibit WC-2.

Estimated Outstanding Losses as of June 30, 2017

Claim Period (1)	Limited Paid Losses 6/30/17 (2)	Limited Case Reserves 6/30/17 (3)	Limited Reported Incurred Losses 6/30/17 (4)	Projected Ultimate Limited Losses (5)	Estimated IBNR 6/30/17 (5)-(4) (6)	Estimated Outstanding Losses 6/30/17 (3)+(6) (7)	Present Value Factor (8)	Present Value of Estimated Outstanding Losses 6/30/17 (7)X(8) (9)
to 1997/98	\$171,911,775	\$4,991,916	\$176,903,692	\$177,403,000	\$499,308	\$5,491,224	0.90	\$4,942,707
1998/99	16,338,384	410,482	16,748,866	16,790,000	41,134	451,616	0.88	399,326
1999/00	13,768,782	1,000,512	14,769,294	14,888,000	118,706	1,119,218	0.87	972,793
2000/01	18,874,744	934,239	19,808,983	19,945,000	136,017	1,070,256	0.85	914,926
2001/02	21,692,099	904,750	22,596,839	22,753,000	156,161	1,060,911	0.84	893,880
2002/03	21,140,697	984,771	22,125,468	22,333,000	207,532	1,192,303	0.83	990,427
2003/04	20,222,466	1,220,092	21,442,558	21,746,000	303,442	1,523,534	0.82	1,252,202
2004/05	16,538,520	2,090,100	18,628,619	19,143,000	514,381	2,604,481	0.82	2,124,350
2005/06	15,741,888	1,408,750	17,150,638	17,648,000	497,362	1,906,112	0.81	1,548,620
2006/07	14,459,317	592,839	15,052,157	15,294,000	241,843	834,682	0.81	677,114
2007/08	13,800,038	1,404,711	15,204,749	15,695,000	490,251	1,894,962	0.81	1,538,640
2008/09	15,957,961	2,113,911	18,071,872	18,876,000	804,128	2,918,039	0.81	2,369,283
2009/10	16,537,725	1,648,357	18,186,081	19,449,000	1,262,919	2,911,276	0.81	2,357,425
2010/11	18,955,843	2,399,769	21,355,612	23,341,000	1,985,388	4,385,157	0.81	3,569,743
2011/12	18,140,846	3,250,724	21,391,571	24,653,000	3,261,429	6,512,153	0.82	5,317,335
2012/13	12,446,569	4,014,267	16,460,836	19,789,000	3,328,164	7,342,431	0.82	6,022,325
2013/14	11,631,241	4,953,335	16,584,576	20,178,000	3,593,424	8,546,759	0.83	7,062,068
2014/15	8,020,368	4,659,484	12,679,851	17,647,000	4,967,149	9,626,633	0.85	8,195,246
2015/16	7,555,751	7,210,401	14,766,152	22,705,000	7,938,848	15,149,249	0.87	13,230,353
2016/17	3,866,155	4,907,425	8,773,579	21,353,000	12,579,421	17,486,846	0.89	15,564,628
<b>Total</b>	<b>\$457,601,158</b>	<b>\$51,100,835</b>	<b>\$508,701,994</b>	<b>\$551,629,000</b>	<b>\$42,927,007</b>	<b>\$94,027,842</b>		<b>\$79,943,391</b>

(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 2.5% interest rate and the payout pattern in Exhibit WC-2.

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

Claim Period (1)	Months of Development 6/30/18 (2)	Percent Losses Paid (3)	Months of Development 6/30/19 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/18 to 6/30/19 [(5)-(3)]/[100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/18 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/19 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/19 (9)X(10) (11)
to 1997/98	252.0	93.7%	264.0	95.0%	20.0% *	\$4,392,979	\$878,596	\$3,514,383	0.90	\$3,163,736
1998/99	240.0	92.2%	252.0	93.7%	20.0% *	426,644	85,329	341,315	0.90	307,238
1999/00	228.0	91.7%	240.0	92.2%	5.5% *	1,060,851	58,659	1,002,192	0.90	902,083
2000/01	216.0	91.3%	228.0	91.7%	5.2% *	1,017,459	53,061	964,398	0.88	852,735
2001/02	204.0	90.8%	216.0	91.3%	4.9% *	1,001,952	49,427	952,525	0.87	827,908
2002/03	192.0	90.3%	204.0	90.8%	5.6% *	1,129,886	62,792	1,067,094	0.85	912,223
2003/04	180.0	89.7%	192.0	90.3%	5.2% *	1,424,867	74,592	1,350,275	0.84	1,137,686
2004/05	168.0	89.0%	180.0	89.7%	6.5% *	2,411,220	156,155	2,255,065	0.83	1,873,247
2005/06	156.0	88.1%	168.0	89.0%	7.4% *	1,740,382	129,142	1,611,240	0.82	1,324,288
2006/07	144.0	87.0%	156.0	88.1%	8.7% *	755,145	65,658	689,487	0.82	562,381
2007/08	132.0	85.6%	144.0	87.0%	9.5% *	1,896,814	161,689	1,535,125	0.81	1,247,211
2008/09	120.0	83.9%	132.0	85.6%	10.5% *	2,622,847	274,260	2,348,587	0.81	1,905,231
2009/10	108.0	82.1%	120.0	83.9%	10.1% *	2,649,063	267,982	2,381,081	0.81	1,933,351
2010/11	96.0	80.4%	108.0	82.1%	9.0% *	3,851,884	346,932	3,504,952	0.81	2,845,824
2011/12	84.0	77.7%	96.0	80.4%	12.2% *	5,760,824	700,566	5,060,258	0.81	4,097,577
2012/13	72.0	74.7%	84.0	77.7%	11.5% *	6,435,812	742,521	5,693,291	0.81	4,634,631
2013/14	60.0	71.2%	72.0	74.7%	12.3% *	7,358,011	908,543	6,449,468	0.82	5,268,152
2014/15	48.0	66.5%	60.0	71.2%	13.9% *	7,701,306	1,071,156	6,630,150	0.82	5,438,106
2015/16	36.0	55.4%	48.0	66.5%	20.0% *	12,119,399	2,423,880	9,695,519	0.83	8,011,272
2016/17	24.0	38.8%	36.0	55.4%	20.0% *	13,989,477	2,797,895	11,191,582	0.85	9,527,502
2017/18	12.0	14.9%	24.0	38.8%	20.0% *	17,903,846	3,580,769	14,323,077	0.87	12,508,829
2018/19	0.0	0.0%	12.0	14.9%	14.9% *	21,585,000	3,218,263	18,366,737	0.89	16,347,799
<b>Total</b>						<b>\$119,035,668</b>	<b>\$18,107,867</b>	<b>\$100,927,801</b>		<b>\$85,627,010</b>

\* - Limited to a maximum of 20% per actuarial judgment.

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

(7) to 2017/18 is from Exhibit WC-12, (9). The amount for 2018/19 is from Exhibit WC-10.

(10) is based on a 2.5% interest rate and the payout pattern in Exhibit WC-2.

Loss Rate and Severity Trend

I. Benefit Level Changes

Effective Date (1)	Benefit Level Change (2)	Cumulative Benefit Level Change (3)
01/01/08	1.022	1.022
01/01/09	1.013	1.035
01/01/10	1.001	1.036
01/01/12	1.001	1.037
01/01/13	0.962	0.998
01/01/14	1.058	1.056
01/01/15	1.004	1.060
01/01/16	1.003	1.063
01/01/17	1.000	1.062

II. Loss Rate and Severity Trend

Claim Period (1)	Benefit Trend (2017/18 = 1.000) (2)	Residual Trend (2017/18 = 1.000) (3)	Retention Index (2017/18 = 1.000) (4)	Loss Rate Trend (2017/18 = 1.000) (2)X(3)X(4) (5)	Wage Trend (2017/18 = 1.000) (6)	Severity Trend (2017/18 = 1.000) (5)X(6) (7)
2007/08	1.039	1.219	0.980	1.242	1.344	1.669
2008/09	1.033	1.195	1.000	1.234	1.305	1.610
2009/10	1.025	1.172	1.000	1.201	1.267	1.522
2010/11	1.025	1.149	1.000	1.177	1.230	1.448
2011/12	1.024	1.126	1.000	1.154	1.194	1.378
2012/13	1.044	1.104	1.000	1.152	1.159	1.336
2013/14	1.035	1.082	1.000	1.120	1.126	1.260
2014/15	1.004	1.061	1.000	1.065	1.093	1.164
2015/16	1.001	1.040	1.000	1.041	1.061	1.105
2016/17	1.000	1.020	1.000	1.020	1.030	1.050
2017/18	1.000	1.000	1.000	1.000	1.000	1.000
2018/19	1.000	0.980	1.000	0.980	0.971	0.952

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

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.

List of Large Claims  
Reported Incurred Losses Greater Than \$500,000

Claim Number (1)	Date of Loss (2)	Claim Period (3)	Specific Self-Insured Retention (4)	Unlimited Paid Losses 6/30/17 (5)	Unlimited Case Reserves 6/30/17 (6)	Unlimited Reported Incurred Losses 6/30/17 (7)
0000190143	12/27/1972	to 1997/98	Unlimited	\$722,941	\$0	\$722,941
0000190774	1/19/1974	to 1997/98	Unlimited	613,638	0	613,638
0000190326	8/1/1974	to 1997/98	Unlimited	771,240	0	771,240
0000190147	7/4/1975	to 1997/98	Unlimited	3,968,478	429,087	4,397,565
0000190244	10/3/1975	to 1997/98	Unlimited	542,435	0	542,435
0000191607	3/11/1977	to 1997/98	Unlimited	2,904,822	0	2,904,822
0000190910	12/5/1977	to 1997/98	Unlimited	913,798	0	913,798
0000190513	10/19/1978	to 1997/98	Unlimited	925,345	0	925,345
0000120155	8/21/1982	to 1997/98	Unlimited	429,754	83,313	513,066
0001305216	4/11/1983	to 1997/98	Unlimited	800,100	0	800,100
0001305673	10/28/1983	to 1997/98	Unlimited	559,162	347,479	906,641
0001305402	1/3/1984	to 1997/98	Unlimited	583,002	0	583,002
0001305712	1/26/1984	to 1997/98	Unlimited	567,073	0	567,073
0008600690	7/16/1986	to 1997/98	Unlimited	560,893	0	560,893
0087580347	2/24/1987	to 1997/98	Unlimited	657,717	5,835	663,552
0088580879	7/1/1988	to 1997/98	Unlimited	628,550	0	628,550
0088580941	10/6/1988	to 1997/98	Unlimited	612,393	0	612,393
0090000792	8/23/1990	to 1997/98	Unlimited	491,255	114,391	605,646
0091000256	9/15/1990	to 1997/98	Unlimited	465,474	134,626	600,100
0091001095	10/20/1991	to 1997/98	Unlimited	610,196	212,643	822,839
0091000967	10/20/1991	to 1997/98	Unlimited	615,883	0	615,883
0093000088	1/15/1993	to 1997/98	Unlimited	414,576	101,858	516,435
0094630112	8/1/1994	to 1997/98	Unlimited	1,409,190	0	1,409,190
0095630065	11/7/1994	to 1997/98	Unlimited	358,827	192,235	551,061
0095630121	1/11/1995	to 1997/98	Unlimited	557,037	55,681	612,718
0096630131	8/15/1995	to 1997/98	Unlimited	673,938	284,432	958,369
0096630617	3/1/1996	to 1997/98	Unlimited	541,404	0	541,404
0097630604	7/10/1997	to 1997/98	Unlimited	475,324	52,588	527,912
0058620066	1/25/1998	to 1997/98	Unlimited	429,878	94,909	524,786
0058620470	6/11/1998	to 1997/98	Unlimited	677,094	383,503	1,060,598
0059620316	3/26/1999	1998/99	Unlimited	506,947	0	506,947
0059620442	5/4/1999	1998/99	Unlimited	591,450	142,658	734,108
0056200017	1/3/2000	1999/00	Unlimited	583,117	431,069	1,014,186
0056210090	1/3/2001	2000/01	Unlimited	359,776	184,632	544,408
0056210086	1/24/2001	2000/01	Unlimited	531,819	0	531,819
0056210681	7/19/2001	2001/02	Unlimited	555,678	0	555,678
0108004322	8/23/2001	2001/02	Unlimited	915,476	0	915,476
0109002741	9/21/2001	2001/02	Unlimited	731,455	0	731,455
0204001439	4/6/2002	2001/02	Unlimited	790,473	233,982	1,024,455
0208004522	8/3/2002	2002/03	Unlimited	1,580,310	210,655	1,790,965
0208003005	8/11/2002	2002/03	Unlimited	752,443	0	752,443
0209003498	9/27/2002	2002/03	Unlimited	614,576	85,435	700,011
0210003933	10/3/2002	2002/03	Unlimited	660,438	7,898	668,337
0211004343	11/23/2002	2002/03	Unlimited	860,661	180,695	1,041,357
0312004058	12/27/2003	2003/04	Unlimited	537,320	47,143	584,464
0401000424	1/13/2004	2003/04	Unlimited	584,135	0	584,135
0405001211	5/14/2004	2003/04	Unlimited	435,807	75,520	511,327
0408000000	8/27/2004	2004/05	1,000,000	130,692	449,121	579,813
0509002575	12/3/2004	2004/05	1,000,000	643,355	1,057,609 *	1,700,964 *
0603000428	3/5/2005	2004/05	1,000,000	463,444	134,331	597,775
0504000627	4/4/2005	2004/05	1,000,000	342,590	289,174	631,765
0506001414	6/23/2005	2004/05	1,000,000	674,478	208,523	881,001
0507002799	7/1/2005	2005/06	1,000,000	665,427	0	665,427
0601000103	1/21/2006	2005/06	1,000,000	2,366,438 *	0	2,366,438 *
0602003173	2/28/2006	2005/06	1,000,000	506,378	0	506,378
0608001735	8/14/2006	2006/07	1,000,000	430,284	170,807	601,091
0701000110	1/20/2007	2006/07	1,000,000	504,355	0	504,355
0708001974	8/17/2007	2007/08	1,000,000	1,472,843 *	565,848	2,038,691 *
0708002337	8/27/2007	2007/08	1,000,000	646,260	622,852 *	1,269,112 *
0802000349	2/22/2008	2007/08	1,000,000	383,365	176,180	559,544
0808002081	8/26/2008	2008/09	750,000	450,911	283,355 *	734,267 *
0903000803	3/21/2009	2008/09	750,000	3,654,734 *	106,038	3,760,772 *
0906002809	6/12/2009	2008/09	750,000	230,924	496,100 *	727,024 *
0908002206	8/18/2009	2009/10	750,000	321,946	244,876	566,822
1003000505	3/19/2010	2009/10	750,000	634,989 *	14,401	649,390
1008001619	8/6/2010	2010/11	750,000	1,035,983 *	0	1,035,983 *
1008001950	8/31/2010	2010/11	750,000	536,616	710,376 *	1,246,992 *
121100167	11/14/2012	2012/13	750,000	518,743	0	518,743
140600108	6/24/2014	2013/14	750,000	759,036 *	2,194,102	2,953,138 *
150800000	8/3/2015	2015/16	750,000	384,081 *	163,883 *	547,964 *
150800113	8/20/2015	2015/16	750,000	175,318	449,001 *	624,319 *
170100012	1/8/2017	2016/17	750,000	950,304 *	1,175,046	2,125,351 *

Amounts are gross of excess insurance and net of other recoveries.

The claim(s) indicated by a "\*" have been limited in development

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

Size of Loss Distribution

I. Reported Claim Count

Layer (1)	Prior (2)	2012/13 (3)	2013/14 (4)	2014/15 (5)	2015/16 (6)	2016/17 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	2,648	13	30	11	18	11	2,731		
0.01 - 5,000	24,682	367	424	394	389	299	26,555	26,555	77.6%
5,000 - 10,000	1,651	29	28	36	37	87	1,868	28,423	83.1%
10,000 - 25,000	1,665	34	24	27	55	51	1,856	30,279	88.6%
25,000 - 50,000	1,197	26	18	23	23	26	1,313	31,592	92.4%
50,000 - 100,000	1,014	41	37	17	41	38	1,188	32,780	95.8%
100,000 - 250,000	928	47	48	35	33	10	1,101	33,881	99.1%
250,000 - 500,000	202	11	11	12	9	2	247	34,128	99.8%
500,000 - 750,000	42	1	0	0	2	0	45	34,173	99.9%
750,000 - 1,000,000	10	0	0	0	0	0	10	34,183	100.0%
Over 1,000,000	15	0	1	0	0	1	17	34,200	100.0%
<b>Total</b>	<b>34,054</b>	<b>569</b>	<b>621</b>	<b>555</b>	<b>607</b>	<b>525</b>	<b>36,931</b>	<b>34,200</b>	

II. Total Reported Incurred Losses

Layer (1)	Prior (2)	2012/13 (3)	2013/14 (4)	2014/15 (5)	2015/16 (6)	2016/17 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
0.01 - 5,000	20,717,747	402,093	477,691	522,634	527,098	456,357	23,103,619	23,103,619	4.4%
5,000 - 10,000	11,626,352	202,301	185,197	250,414	243,892	631,688	13,139,844	36,243,463	7.0%
10,000 - 25,000	27,075,697	533,567	408,015	404,239	864,318	772,825	30,058,661	66,302,124	12.8%
25,000 - 50,000	43,008,067	941,587	630,246	786,441	821,090	991,518	47,178,949	113,481,073	21.8%
50,000 - 100,000	71,896,271	3,188,050	2,781,500	1,336,137	2,929,577	2,755,129	84,886,665	198,367,738	38.2%
100,000 - 250,000	143,541,625	7,215,679	8,141,515	5,856,570	5,247,188	1,799,414	171,801,991	370,169,728	71.3%
250,000 - 500,000	66,951,023	3,458,817	3,210,413	3,523,417	2,960,706	616,649	80,721,024	450,890,752	86.8%
500,000 - 750,000	25,079,825	518,743	0	0	1,172,283	0	26,770,850	477,661,603	92.0%
750,000 - 1,000,000	8,647,253	0	0	0	0	0	8,647,253	486,308,856	93.6%
Over 1,000,000	28,062,091	0	2,953,138	0	0	2,125,351	33,140,579	519,449,435	100.0%
<b>Total</b>	<b>\$446,605,952</b>	<b>\$16,460,836</b>	<b>\$18,787,714</b>	<b>\$12,679,851</b>	<b>\$14,766,152</b>	<b>\$10,148,930</b>	<b>\$519,449,435</b>	<b>\$519,449,435</b>	

Amounts are gross of excess insurance and net of other recoveries.

Data was provided by the City.

Loss Distribution by Type

I. Claim Counts and Incurred Losses

Claim Period (1)	Reported Claims 6/30/17			Unlimited Reported Incurred Losses 6/30/17				Total (5)...(8) (9)
	Medical Only (2)	Claims w/ Indemnity (3)	Total (2)...(3) (4)	Claims w/ Indemnity				
				Medical Only (5)	Indemnity (6)	Medical (7)	Expense (8)	
2007/08	287	416	703	\$115,776	\$10,111,611	\$5,234,430	\$1,233,868	\$16,695,685
2008/09	266	412	678	117,401	14,319,281	5,532,049	1,387,564	21,356,296
2009/10	244	401	645	121,687	11,116,022	5,771,370	1,462,894	18,471,974
2010/11	226	424	650	132,349	13,557,306	6,926,342	1,551,457	22,167,454
2011/12	279	358	637	200,521	13,579,319	6,028,640	1,696,793	21,505,274
2012/13	243	326	569	179,792	9,533,219	5,082,760	1,666,780	16,462,552
2013/14	320	301	621	253,855	11,186,905	5,943,711	1,411,143	18,795,614
2014/15	239	316	555	197,964	7,227,740	4,017,051	1,244,323	12,687,079
2015/16	275	332	607	290,273	8,101,643	4,967,942	1,418,170	14,778,028
2016/17	275	250	525	1,164,001	4,036,873	4,326,024	626,466	10,153,364
<b>Total</b>	<b>2,654</b>	<b>3,536</b>	<b>6,190</b>	<b>\$2,773,621</b>	<b>\$102,769,921</b>	<b>\$53,830,319</b>	<b>\$13,699,458</b>	<b>\$173,073,319</b>

II. Percentages

Claim Period (1)	Reported Claims 6/30/17			Unlimited Reported Incurred Losses 6/30/17				Total (13)...(16) (17)
	Medical Only (2)/(4) (10)	Claims w/ Indemnity (3)/(4) (11)	Total (10)...(11) (12)	Claims w/ Indemnity				
				Medical Only (5)/(9) (13)	Indemnity (6)/(9) (14)	Medical (7)/(9) (15)	Expense (8)/(9) (16)	
2007/08	40.8%	59.2%	100.0%	0.7%	60.6%	31.4%	7.4%	100.0%
2008/09	39.2%	60.8%	100.0%	0.5%	67.0%	25.9%	6.5%	100.0%
2009/10	37.8%	62.2%	100.0%	0.7%	60.2%	31.2%	7.9%	100.0%
2010/11	34.8%	65.2%	100.0%	0.6%	61.2%	31.2%	7.0%	100.0%
2011/12	43.8%	56.2%	100.0%	0.9%	63.1%	28.0%	7.9%	100.0%
2012/13	42.7%	57.3%	100.0%	1.1%	57.9%	30.9%	10.1%	100.0%
2013/14	51.5%	48.5%	100.0%	1.4%	59.5%	31.6%	7.5%	100.0%
2014/15	43.1%	56.9%	100.0%	1.6%	57.0%	31.7%	9.8%	100.0%
2015/16	45.3%	54.7%	100.0%	2.0%	54.8%	33.6%	9.6%	100.0%
2016/17	52.4%	47.6%	100.0%	11.5%	39.8%	42.6%	6.2%	100.0%
<b>Total</b>	<b>42.9%</b>	<b>57.1%</b>	<b>100.0%</b>	<b>1.6%</b>	<b>59.4%</b>	<b>31.1%</b>	<b>7.9%</b>	<b>100.0%</b>

Data was provided by the City and is gross of recoveries. Medical Only includes claims with claim type of FA, IO or MO. Lost Time includes claim types FM, PP, and TD.