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OFFICE OF THE CITY CLERK  
OAKLAND

# CITY OF OAKLAND

## AGENDA REPORT

2009 JAN 15 PM 3:31

TO: Office of the City Administrator  
ATTN: Dan Lindheim  
FROM: Finance and Management Agency  
DATE: January 27, 2009

RE: **Informational Report on the Workers' Compensation Program for Fiscal Year 2007-08**

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### SUMMARY

This informational report provides current expenditure and program data on the City of Oakland's Workers' Compensation Program for Fiscal Year 2007-08.

### FISCAL IMPACTS

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

### BACKGROUND

Like most public entities, the City of Oakland is self-insured for workers' compensation. The Risk Management Division works with a contracted third-party administrator (TPA), JT2 Integrated Resources, who handles the technical aspects of each claim. JT2 works in partnership with the City's agencies and departments to ensure that injured workers receive appropriate care as mandated under the California Labor Code.

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

### KEY ISSUES AND IMPACTS

The Risk Management Division continues to implement program elements introduced in Fiscal Year 2004-05 that change some of the fundamental ways the Workers' Compensation Program is viewed by both management and employees. The attached 2007-08 Workers' Compensation Report reviews these changes in detail, along with claims and expenditure data from Fiscal Year 2007-08.

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As described more fully in the attached report, the City of Oakland enjoyed a number of successes this past year. Highlights for Fiscal Year 2007-08 include:

- The introduction of City-wide Web-Based Training Programs to broaden training outreach and reduced cost to the program
- Transitional Duty Program participation resulted in an indemnity savings of \$1.2 million
- Reduction in future liabilities by \$6,817,667 (16.8%)
- Reduction in open, active claims from 1,345 to 1,090

The Risk Management Division's current strategic focus areas include the following:

- A FastTrack system for reviewing incoming claims, which "triages" new claims for express closure
- A reduction in open/active claims, supported by the use of negotiated claims closures and global settlements
- Reduced examiner case load assignments (from 175 to 125 claims per examiner) to allow more time on individual cases and create greater efficiencies
- Regular Medical/Legal meetings, to review claims of significant size or duration, and achieve consensus on the process for moving the claims toward closure or settlement
- Regular Financial Review meetings, to examine expenditure rates and trends across departments and cause of injury

In 2006-07, the Risk Management Division challenged JT2 to take extraordinary measures to reduce the number of open claims. The primary method of negotiating claims closure with the injured employees and former employees was to seek permanent disability ratings from the State Workers' Compensation Appeals Board and negotiate a compromise and release settlement that would relieve the City from any future liability. As a result of the concerted effort of our TPA, legal and medical team, open, active claims were reduced for the second consecutive year. For FY 2007-08, open, active claims were reduced from 1,345 to 1,090. As a result of these closures, it is estimated that the City's future liabilities have been reduced by \$6,817,667.

Future innovations that are under development include the following:

- A High Risk Unit to identify cases that have increased risk factors for high expense
- A Special Investigations Unit to coordinate with the High Risk Unit to investigate fraud or abuse cases
- An Integrated Health Care/Disability Management Program that will more closely tie industrial and non-industrial disability exposures to reduce the potential for "double-dipping"
- Alternative Dispute Resolution agreements, to divert claims from the State Workers' Compensation Appeals Board to a contracted arbitrator

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- Interactive Process fine-tuning, to maximize the City's resources for Family Medical Leave Act, Federal Employment and Housing Act, and Workers' Compensation obligations

### **SUSTAINABLE OPPORTUNITIES**

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

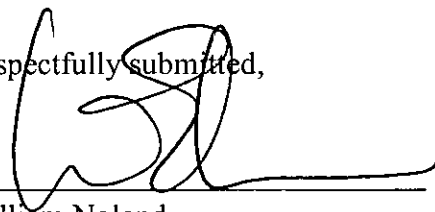
### **DISABILITY AND SENIOR CITIZEN ACCESS**

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

### **ACTION REQUESTED OF THE CITY COUNCIL**

Staff requests that Council accept the attached 2007-08 Workers' Compensation Report.

Respectfully submitted,



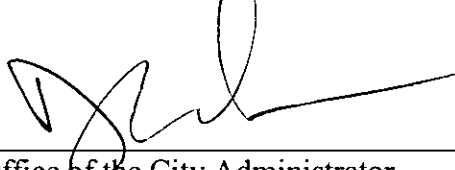
William Noland

Director, Finance and Management Agency

Prepared by  
Deborah Grant, Risk Manager  
Risk Management Division

Attachments: 2007-08 Workers' Compensation Report (with Exhibits A through E)

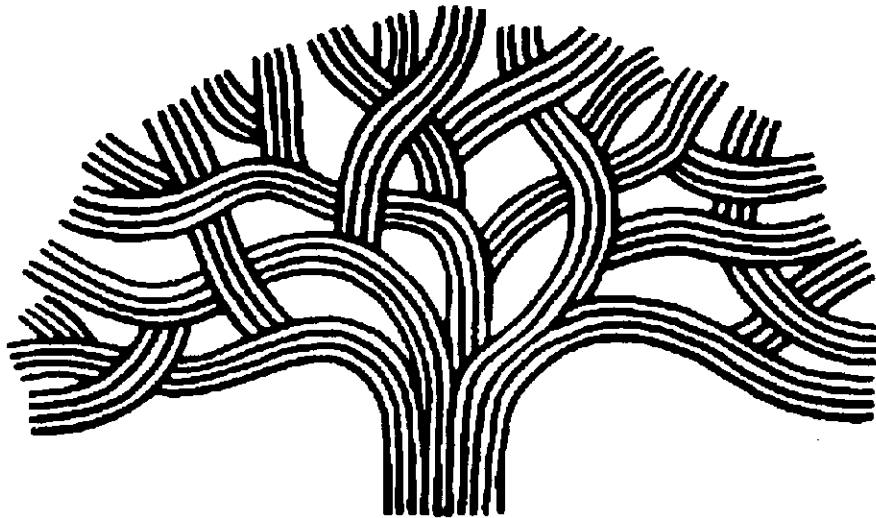
APPROVED AND FORWARDED TO THE  
FINANCE & MANAGEMENT COMMITTEE:



Office of the City Administrator

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Finance and Management Committee  
January 27, 2009

**CITY OF OAKLAND**  
**RISK MANAGEMENT DIVISION**



**2007-08 WORKERS' COMPENSATION REPORT**

**January 27, 2009**

***PREPARED BY:***

**DEBORAH GRANT**  
Risk Manager

**2007-08 WORKERS' COMPENSATION ANNUAL REPORT**

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## SCHEDULE OF ATTACHMENTS

- Exhibit A      Workers' Compensation Third Party Administration Audit (Bickmore Risk Services and Consulting, November 17, 2008)  
*Sections IV.B and IV.C are excluded due to the size of the document*
- Exhibit B      Response of JT2 dated November 17, 2008 to Workers' Compensation Performance Audit 2008
- Exhibit C      Frequency Analysis – Loss Cause (07-01-2006 through 06-30-2007)
- Exhibit D      Frequency Analysis – Loss Cause (07-01-2007 through 06-30-2008)
- Exhibit E      Actuarial Study of the Self-Insured Workers Compensation Program as of June 30, 2008 (Armtech, November 25, 2008)

## **I. Program Elements**

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

### **A. Workers' Compensation Management Program**

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

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

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

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

In September 2008, RMD hosted the second annual Workers' Compensation Risk Management Summit and Strategic Planning Meeting. Returning participants included management staff from the City Administrator's Office, the Finance and Management Agency, Oakland's Police Department, the third party administrator, the Workers' Compensation insurance broker, and the medical services provider. Building upon the momentum cultivated at the 2007 Summit, participants continued the pursuit of ways to explore and better understand the interrelationship between Workers' Compensation and long-term disability and disability retirement issues, loss prevention and employee training opportunities, litigation management, and medical management. This year, participants had the opportunity to hear the collective insights of a panel of industry experts from the consulting, legal (both practicing and judicial) and service delivery sectors.

Key areas of discussion included the following:

- Use of alternative dispute resolutions for expedited claim resolution
- Development of an integrated disability management program to better blend our Workers' Compensation and Fair Employment and Housing Act (FEHA) processes
- Exploring enhancements to the City's Transitional Duty Program
- Use of strategic planning sessions involving multiple departments to guide immediate focus areas

## **B. Comprehensive Transitional Duty (Early Return-To-Work) Program**

Studies have shown that effective Return-To-Work programs are one of the single largest factors in controlling workers' compensation claims costs. The City's program continues to provide tangible savings in disability payments that would have otherwise been expended. The estimated savings for Fiscal Year 2007-08 is \$1,209,909 in avoided workers' compensation expenditures. (In other words, without an effective Return-To-Work program, the City's indemnity expenditure would have been at least \$1.2 million higher.)

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

Key features of the Transitional Duty Program include:

- 1) A "Return-To-Work Coordinator" position within the Workers' Compensation TPA's staffing requirements. This position provides coordination and liaison services directly to Agencies and Departments as well as Treating Physicians for the sole purpose of identifying and filling temporary, modified duty assignments. As an added benefit, the Return-To-Work Coordinator identifies cases where a nurse case manager may be necessary to coordinate an injured worker's care needs.
- 2) Agencies and departments must actively participate in returning their injured employees to temporary assignments that are within the limitations of the individual employee. As an incentive to encourage participation, agencies and departments who are unable to provide modified work assignments are responsible for indemnity expenses until such time temporary assignments can be provided or the employee returns to full duty.
- 3) Employees must also actively participate by accepting temporary assignments while on "restricted duty" and by working within the restrictions established by their treating physician. As an incentive to employees, those who refuse to participate in



temporary assignments are no longer eligible for temporary disability/4850 benefits, as permitted by the State Labor Code, or the City's "free period" salary supplement.

### **C. Active Partnership with a Third-Party Administrator Focusing on Innovative Claims Management**

Commencing in August 2001, JT2 began providing third-party claims administration services under a six-year total agreement, split into three two-year terms. Each two-year extension was contingent upon successful independent audit reports. The TPA is responsible for managing the technical aspects of all of the City's workers' compensation claims and medical treatments. The City reviews the performance of the TPA through an independent audit process, which reviews randomly-selected claims and tracks procedures in accordance with established performance measures set by the City. This ensures that the TPA is managing claims as effectively as possible and is performing its work as specified under the contract. An 85% or higher rating must be achieved in order to qualify for receipt of retained contract dollars.

According to the audit results, JT2 Integrated Resources has exceeded the required 85% rating each year since the inception of its contract, and earned an 89% rating in the 2007-08 contract year. The prior TPA Services Contract expired in August, 2008. A portion of the auditor's report is attached to this report (Attachment A), and the full copy is available for review in the Risk Management Division office upon request.

Program initiatives that were introduced in the new contract, largely for the purpose of cost containment and increased program efficiencies, continue to be strategic focus areas. Among the initiatives that were incorporated into the TPA Services Contract are:

- Creation of the Fast Track system -- "trriages" new claims for express closure
- Reduction of claims examiners' case loads -- more time on individual cases and greater efficiencies
- Reduction of open/active claims -- negotiated claims closures and global settlements
- Renegotiating Bill Review expenses -- fixed rate
- Institution of med/Legal Quarterly meetings
- Institution of quarterly Financial Review meetings

Future Innovations (under development) are:

- High Risk Unit -- identifies cases that have increased risk factors for high expense
- Special Investigations Unit -- Coordinates with High Risk Unit to investigate fraud or abuse cases

- Integrated Health Care/Disability Management Program – more closely ties industrial and non-industrial disability exposures to reduce potential for “double-dipping”
- Alternative Dispute Resolution (ADR agreements – diverting claims from State WCAB to a contracted arbitrator
- Interactive Process fine-tuning – to maximize resources for FMLA/FEHA/WC obligations

#### **D. Increased Loss Prevention Efforts**

RMD continues to review and analyze claims activity within departments for the purpose of developing loss prevention programs through engineering controls, staff training and protective equipment. Loss prevention efforts have been promoted through the City’s Ergonomics Program, targeted Safety and Loss Control Programs, OSHA Compliance Programs and a Defensive Driving Program. Risk Management continues to sponsor annual Safety Training Academies during which City staff participate in multiple safety training sessions. The topics of the training sessions include CalOSHA required safety training, training based on the current loss activity experienced by the City and a number of general health and wellness topics.

In November 2008, RMD also introduced a web-based safety training program to broaden training outreach at a reduced cost to the program. The program will enable employees to complete a broad variety of required training courses at times that are convenient to their work schedule, and reduce the amount of time spent in more traditional classroom-based training sessions. Moreover, managers and supervisors will be able to assign required training courses, and track whether employees have completed the assigned courses.

#### **E. Focus On Employee Health**

Each year RMD sponsors Employee Health and Wellness Fairs. Employees are able to participate in a number of health-related medical screenings such as cholesterol testing, diabetes screening, blood pressure tests, and bone density tests. Flu and Hepatitis B shots are also made available. In FY 2007-08, Health and Wellness Fairs were held for both City-wide attendance in a central location, and for staff of the Public Works Agency, at the Edgewater location.

#### **F. Focus on Closure of Old Claims**

Beginning in 2006-07, RMD challenged the TPA to take extraordinary measures to reduce the number of open claims. The primary method of negotiating claims closure with the injured employees and former employees was to seek permanent disability ratings from the State Workers’ Compensation Appeals Board and negotiate a compromise and release settlement that would relieve the City from any future liability. As a result of the concerted effort of our TPA, legal and medical team, open, active claims were reduced from 1,345 to

1,090. Additionally, as a result of these closures, it is estimated that our future liabilities have been reduced by \$6,817,667.

## **II. Expenditures**

The following sections provide information about overall Workers' Compensation Program expenditures for Fiscal Year 2007-08. Also included are discussions of indemnity expenses, medical expenses, and allocated expenses.

## A. Workers' Compensation Expenditure Report

	2003-04	2004-05	2005-06	2006-07	2007-08
<b>OPERATIONS EXPENDITURES</b>					
<b>INDEMNITY / SETTLEMENT</b>					
Permanent Disability	\$ 3,656,534	\$ 4,272,337	\$ 3,592,032	\$ 4,889,912	\$ 3,735,520
<b>INDEMNITY / SALARY</b>					
<b>Non-4850<sup>(1)</sup></b>					
Temporary Disability	\$ 1,458,597	\$ 1,222,042	\$ 1,833,183	\$ 2,269,510	\$ 1,583,731
Civilian - Salary Supplement	\$ 657,413	\$ 683,739	\$ 681,679	\$ 725,863	\$ 574,907
<b>Total Non-4850 Pay</b>	<b>\$ 2,116,010</b>	<b>\$ 1,905,781</b>	<b>\$ 2,514,862</b>	<b>\$ 2,995,373</b>	<b>\$ 2,158,638</b>
<b>4850<sup>(2)</sup></b>					
Sworn - OPD - 4850 Pay	\$ 3,383,319	\$ 3,412,969	\$ 2,735,571	\$ 3,164,191	\$ 2,145,813
Sworn - OFD - 4850 Pay	\$ 2,014,153	\$ 2,081,130	\$ 1,884,324	\$ 2,124,254	\$ 2,042,638
<b>Total 4850 Pay</b>	<b>\$ 5,397,472</b>	<b>\$ 5,494,099</b>	<b>\$ 4,619,895</b>	<b>\$ 5,288,445</b>	<b>\$ 4,188,451</b>
<b>Subtotal -- Indemnity / Salary</b>	<b>\$ 7,513,482</b>	<b>\$ 7,399,880</b>	<b>\$ 7,134,757</b>	<b>\$ 8,283,818</b>	<b>\$ 6,347,089</b>
<b>ALLOCATED</b>					
Rehabilitation	\$ 526,867	\$ 554,730	\$ 440,119	\$ 277,247	\$ 140,384
Investigative Claims Expense	\$ 375,833	\$ 265,919	\$ 272,107	\$ 447,674	\$ 398,844
Legal	\$ 395,036	\$ 444,312	\$ 673,970	\$ 815,482	\$ 838,922
10% Penalties	\$ 66,169	\$ 70,473	\$ 79,925	\$ 25,324	\$ 27,845
<b>Subtotal -- Allocated</b>	<b>\$ 1,363,905</b>	<b>\$ 1,335,434</b>	<b>\$ 1,466,121</b>	<b>\$ 1,565,727</b>	<b>\$ 1,405,995</b>
<b>MEDICAL</b>					
City Physician (Concentra)	\$ 326,179	\$ 233,575	\$ 298,937	\$ 391,776	\$ 401,045
All Others	\$ 7,337,374	\$ 5,042,149	\$ 5,150,445	\$ 6,034,822	\$ 6,450,942
<b>Subtotal -- Medical</b>	<b>\$ 7,663,553</b>	<b>\$ 5,275,724</b>	<b>\$ 5,449,382</b>	<b>\$ 6,426,598</b>	<b>\$ 6,851,987</b>
<b>SUB-TOTAL OPERATIONS EXPENDITURES</b>	<b>\$ 20,197,474</b>	<b>\$ 18,283,375</b>	<b>\$ 17,642,292</b>	<b>\$ 21,166,055</b>	<b>\$ 18,340,591</b>
THIRD PARTY RECOVERY - REFUNDED TO CITY	\$ (236,541)	\$ (143,799)	\$ (139,326)	\$ (383,618)	\$ (597,789)
<b>TOTAL OPERATIONS EXPENDITURES</b>	<b>\$ 19,960,933</b>	<b>\$ 18,139,576</b>	<b>\$ 17,502,966</b>	<b>\$ 20,782,437</b>	<b>\$ 17,742,802</b>
<b>ADMINISTRATIVE EXPENDITURES</b>					
Claims Administrator Contract	\$ 1,656,855	\$ 1,726,250	\$ 1,615,482	\$ 1,673,884	\$ 1,999,572
Bill Review Expense	\$ 708,721	\$ 515,137	\$ 501,335	\$ 653,128	\$ 656,369
<b>SUBTOTAL -- ADMINISTRATIVE EXPENDITURES</b>	<b>\$ 2,365,576</b>	<b>\$ 2,241,387</b>	<b>\$ 2,116,817</b>	<b>\$ 2,327,012</b>	<b>\$ 2,655,941</b>
<b>TOTAL WORKERS' COMPENSATION EXPENSE</b>	<b>\$ 22,326,509</b>	<b>\$ 20,380,963</b>	<b>\$ 19,619,783</b>	<b>\$ 23,109,449</b>	<b>\$ 20,398,743</b>

Table 1

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

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

## B. Summary of Expenditures Comparison (2006-07 to 2007-08)

The following table summarizes the key categories of expenditures presented in Table 1 (above).

Category	Amount Paid 2006-07	Amount Paid 2007-08	Total Variance	Percent Change
Indemnity / Settlement	\$ 4,889,912	\$ 3,735,520	\$ (1,154,392)	-24%
Indemnity	\$ 8,283,818	\$ 6,347,089	\$ (1,936,729)	-23%
Allocated	\$ 1,565,727	\$ 1,405,995	\$ (159,732)	-10%
Medical	\$ 6,426,598	\$ 6,851,987	\$ 425,389	7%
Third Party Recovery	\$ (383,618)	\$ (597,789)	\$ (214,171)	56%
Administrative	\$ 2,327,012	\$ 2,655,941	\$ 328,929	14%
<b>TOTAL</b>	<b>\$ 23,109,449</b>	<b>\$ 20,398,743</b>	<b>\$ (2,710,706)</b>	<b>-12%</b>

Table 2

### 1. Indemnity Expenses

Indemnity expenses include all temporary disability, permanent disability settlements and salary supplement expenses. These include Labor Code 4850 payments, which consists of the special salary supplement sworn employees receive which allow an injured worker to receive up to a full year of salary, tax-free, upon a doctor's order to stay off work. These payments represent the City's single largest workers' compensation expense, apart from medical payments. Other cost drivers in the indemnity expense category are directly linked to State-mandated disability rates and negotiated increases in civilian salary. In January 2005, the State of California increased its maximum weekly rate for temporary disability payment from \$728 to \$840 per week. That rate remained unchanged through 2006. In January 2007, the benefit again increased from \$882.00 per week to \$917.00 per week. Note that the increase is tied to the State Average Weekly Wage (SAWW). This impacts the "temporary disability" line item on the Workers' Compensation Expenditure Report (Table 1).

The following Table 3 provides a five-year history of indemnity payments to sworn employees, and distinguishes between payments to Police and Fire personnel.

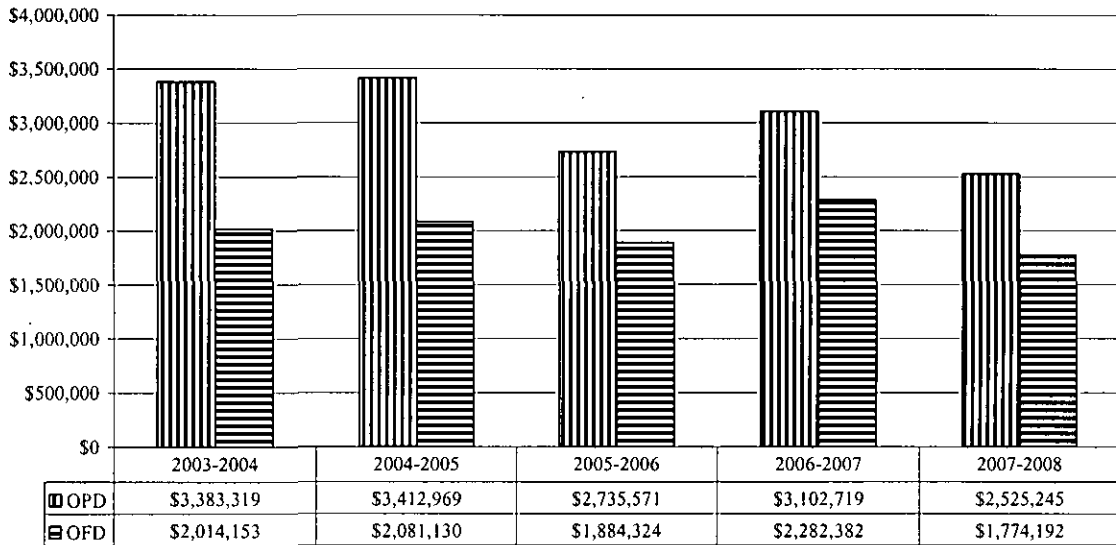


Table 3

One major factor that contributes to the City's ability to control sworn employee indemnity (4850) payments is the continued success of the City's Return-To-Work program (transitional duty). Since the program's formal inception in 2002, the number of days spent on transitional duty, as opposed to days off work due to injury, has continued to result in considerable savings. Table 4 shows Transitional Duty Program Savings over the past four fiscal years.

	2004-05	2005-06	2006-07	2007-08
Transitional Duty Days	7,704	8,448	7,370	5,557
Total Lost Days	9,500	10,987	10,441	12,369
Indemnity Savings	\$ 1,509,291	\$ 1,765,917	\$ 1,508,997	\$ 1,203,909

Table 4

Table 5 shows the number of transitional duty days worked by injured employees in the Police, Fire, and Public Works agencies.

Number of Transitional Duty Days	2004-05	2005-06	2006-07	2007-08
Police Employees	3,531	4,158	3,703	1,869
Fire Employees	337	881	656	197
Public Works Employees	2,849	2,626	1,897	1,271

Table 5

## 2. Medical Expenses

During this past year, the City experienced an increase in medical expenditures. This is attributed to a number of variables including recent legislative changes in the management of workers' compensation claims, inflationary increases in the State official fee schedule for Workers' Compensation, and more aggressive medical management and monitoring on the part of the City's TPA. Despite the increase in 2007-08, medical costs have decreased a total of 11% since 2003-04. In the same period, according to the Bureau of Labor Statistics' historical Consumer Price Index for all Urban Consumers, medical costs in general have increased by 19%.

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

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

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

These sweeping changes to medical care, which were intended to result in medical cost savings for employers, also became a benefit for the injured workers. Effective January 1, 2005, employers are now required to expend, up to \$10,000, in medical costs for claims that are delayed for investigation, and even those which may ultimately be denied. As a result of this legislative change, the City of Oakland incurred \$788,907 in related costs in FY 2007-08.

### 3. Allocated Expenses

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

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

## III. Workers' Compensation Data Summary

### A. Total Claims Received – Five Year Results

Table 6 provides the total number compensation claims received citywide over the past five years, expressed in terms of indemnity and medical-only claims.

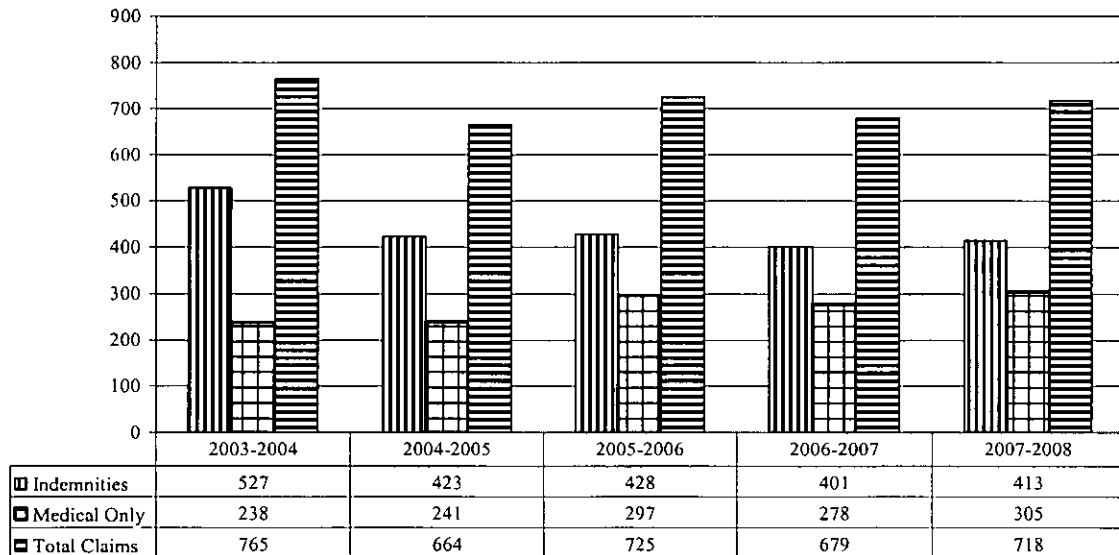


Table 6

Reported injuries in the City of Oakland increased slightly in both indemnity and medical only cases since 2006. Viewed historically over the past five years, indemnity cases have shown a net decrease in cases, and medical only cases have shown a net increase, with the



total number of claims received down by 6%. Indemnity cases are those cases in which an employee lost some amount of work time in excess of three days. Medical-only cases are those in which the employee lost three days, or less, from work. The increase in claims has been demonstrated across police, fire, human services and CEDA.

### B. Greatest Frequency of Claims, By Department

Table 7 reflects the number of injury claims filed within the agencies/departments with the highest number of injuries. Police, Fire, the Life Enrichment Agency, and CEDA experienced an increase in the number of claims filed. It appears that the increase in the Police Department can be linked to the hiring and training of Police Officer Trainees. RMD continues to analyze data to determine where additional injury reduction strategies that would aid in controlling continued losses.

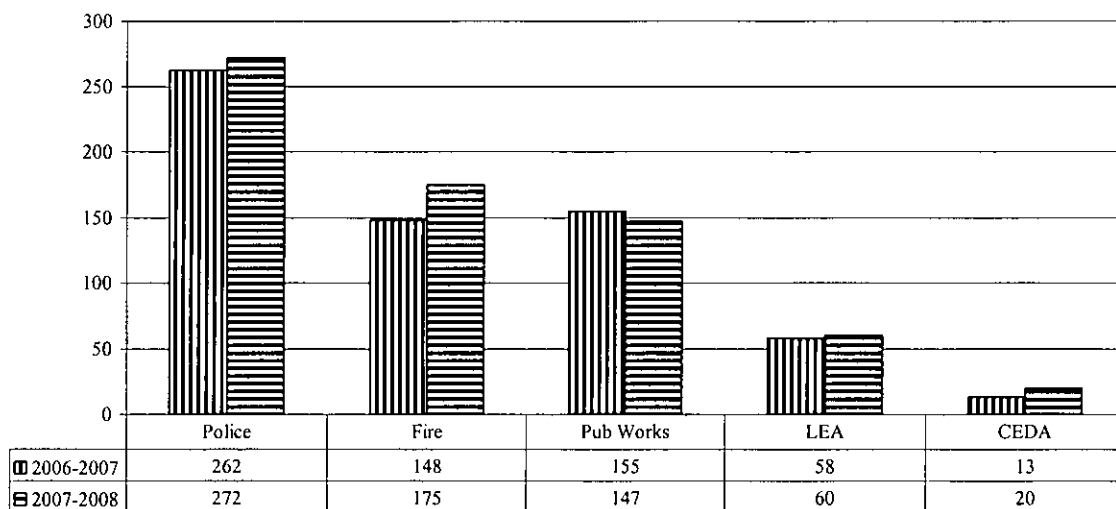


Table 7

### C. Cause of Injury (By Department)

The following tables provide information on the leading causes of injuries based on the number of injuries and associated costs in the Police, Fire and Public Works Departments during the Fiscal Years 2006-08. This information is used by RMD and the individual departments to identify where focused training and program changes may be beneficial.

In the Police Department (Table 8), the largest cause is injuries for both fiscal years remain injuries sustained interacting with persons involved in crimes, fitness training, and vehicle accidents. Risk Management is supporting OPD in their driver training programs, assisting in the development of driver training instructors for the purpose of bringing proven training to current OPD personnel. We are also reviewing with OPD other possible methods of improving officer safety in both the field and training environments to promote safer methods of performing public safety services.

**Oakland Police Department**

Cause of Injury	Fiscal Year 2006-2007				Fiscal Year 2007-2008			
	Number of Injuries	Total Paid	Total Incurred	Average Paid	Number of Injuries	Total Paid	Total Incurred	Average Paid
Person in Act of Crime	58	\$456,821	\$939,421	\$7,876	61	\$651,187	\$1,234,597	\$10,675
Fitness Training	20	\$20,523	\$162,255	\$1,026	27	\$102,261	\$286,953	\$3,787
Vehicle Collision	21	\$419,926	\$863,429	\$19,997	20	\$155,729	\$293,510	\$7,786
Strain; twisting	8	\$51,962	\$155,108	\$6,495	13	\$25,861	\$125,224	\$1,989
Fall, Slip or Trip, NOC	10	\$58,803	\$168,409	\$5,880	10	\$19,371	\$32,840	\$1,937
Cumulative (NOC)	6	\$10,014	\$110,040	\$1,669	9	\$58,336	\$279,670	\$6,482
Injured by: Animal or Insect	13	\$7,773	\$7,773	\$598	9	\$20,204	\$27,755	\$2,245
Strain; Repetitive Motion	10	\$10,679	\$90,100	\$1,068	9	\$66,437	\$209,048	\$7,382
Defensive Tactics	18	\$113,496	\$282,404	\$6,305	8	\$239,560	\$760,118	\$29,945
Strain; Lifting	4	\$1,256	\$20,512	\$314	7	\$25,222	\$35,841	\$3,603
Strain; Pushing or Pulling	3	\$7,438	\$16,317	\$2,479	5	\$38,383	\$70,621	\$7,677

Table 8

In the Fire Department (Table 9), strains and lifting replace fighting fires as the leading cause of injuries. As with OPD, Risk Management is working with OFD in identifying methods of performing their public safety services with the least risk of injury. RMD has enabled selected OFD personnel to be trained as instructors in a program called "CrossFit." CrossFit is a strength and conditioning program used by many public safety agencies designed focusing on nutrition and conditioning. Several OFD personnel were trained in this program and it is anticipated that many more OFD employees will be trained internally in the techniques supported by this program. Additionally, RMD also supported OFD in their ongoing bi-annual body-mechanics training, further emphasizing employee fitness and smart work techniques.

**Oakland Fire Department**

Cause of Injury	Fiscal Year 2006-2007				Fiscal Year 2007-2008			
	Number of Injuries	Total Paid	Total Incurred	Average Paid	Number of Injuries	Total Paid	Total Incurred	Average Paid
Strain; Lifting	9	\$160,229	\$267,350	\$17,803	19	\$129,546	\$276,497	\$6,818
Fighting Fire	38	\$776,341	\$1,236,794	\$20,430	18	\$50,300	\$78,578	\$2,794
Fall, Slip or Trip, NOC	6	\$117,480	\$181,473	\$19,580	16	\$296,164	\$476,263	\$18,510
Contact With	5	\$12,969	\$16,064	\$2,594	11	\$6,749	\$17,849	\$614
Cumulative (NOC)	15	\$57,646	\$292,569	\$3,843	10	\$81,050	\$288,612	\$8,105
Fitness Training	8	\$176,039	\$923,828	\$22,005	7	\$118,255	\$301,752	\$16,894
Strain; Strain or Injury by, NOC	8	\$7,176	\$20,910	\$897	5	\$11,858	\$52,651	\$2,372
Strain; Pushing or Pulling	4	\$14,943	\$23,938	\$3,736	5	\$35,070	\$72,405	\$7,014
Strain; Twisting	6	\$31,469	\$32,023	\$5,245	3	\$16,797	\$18,702	\$5,599
Injured By; Struck or Injured NOC	5	\$35,332	\$68,955	\$7,066	1	\$305	\$305	\$305

Table 9

In the Public Works Agency (Table 10), the consistent largest causes of injury are strains from lifting and slips/falls. RMD continues working with PWA in providing expert resources through an onsite dedicated Safety Consultant who services PWA in the majority of their safety and loss control needs. RMD has also revised the training profile for PWA where instead of offering extensive safety training in an annual academy format, now the same amount of training is provided throughout the year, providing more flexibility in changing the focus and intent of training based on the current issues that require addressing. RMD continues to support PWA in their incentive program, driver training/accident review program, safety equipment program and other similar programs designed to address the primary loss drivers.

**Public Works**

Cause of Injury	Fiscal Year 2006-2007				Fiscal Year 2007-2008			
	Number of Injuries	Total Paid	Total Incurred	Average Paid	Number of Injuries	Total Paid	Total Incurred	Average Paid
Strain; Lifting	18	\$35,836	\$164,413	\$1,991	16	\$36,742	\$158,578	\$2,296
Fall, Slip or Trip, NOC	17	\$181,747	\$477,579	\$10,691	12	\$65,813	\$128,649	\$5,484
Strain; Twisting	8	\$32,432	\$89,944	\$4,054	7	\$10,687	\$28,776	\$1,527
Injured by: Animal or Insect	7	\$825	\$825	\$118	5	\$1,619	\$1,619	\$324
Cumulative*	7	\$15,921	\$95,036	\$2,274	--	--	--	--
Injured by: Falling Object	6	\$2,443	\$2,443	\$407	4	\$588	\$588	\$147
Injured by: Struck	6	\$23,685	\$49,638	\$3,947	1	\$147	\$147	\$147

Table 10

**D. Long-Term Workers' Compensation Leave Costs**

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

DOI	Claim#	Dept	Job Class	Totals PAID through 6/30/2008	Total INCURRED EXPENSES through 6/30/2008	Retirement Status
3/23/06	0603000575	Finance	Tax Rep I	\$82,012	\$118,000	Reinstated 11/08; Off and Medical Treatment Continues
8/26/04	0408002072	Fire	Battalion Chief	\$468,892	\$556,476	<i>IR Granted 12/08</i>
6/19/06	0606001390	Fire	Lieutenant of Fire	\$182,127	\$424,531	<i>IR Granted 12/08</i>
6/10/07	0706001415	Fire	Captain of Fire	\$154,594	\$283,385	<i>IR Granted 12/08</i>
2/5/06	0602000600	Fire	Engineer of Fire	\$206,258	\$257,625	<i>IR Granted 10/08</i>
3/28/07	0703000747	Fire	Firefighter	\$56,544	\$152,265	<i>IR Granted 12/08</i>
8/23/01	0108004322	Head Start	Center Director	\$287,140	\$435,312	RTW/FEHA 8/08
12/14/05	0512002516	LEA-DHS-Admin	Senior Aide	\$71,397	\$153,560	<i>Terminated 9/08</i>
6/10/04	0406001485	Police	Police Officer	\$338,824	\$452,501	Off and Medical Treatment Continues
9/8/06	0609002077	Police	Police Officer	\$135,986	\$266,289	<i>IR Granted 8/08</i>
5/22/06	0605001034	Police	Police Officer	\$199,144	\$255,548	Off and Medical Treatment Continues
8/14/06	0608001735	Police	Police Officer	\$189,598	\$233,264	<i>IR Granted 8/08</i>
4/8/07	0704001100	Police	Lieutenant of Police	\$146,392	\$218,706	<i>IR Granted 10/08</i>
4/28/06	0604000872	Police	Police Service Technician	\$128,215	\$209,300	Off and Medical Treatment Continues
2/16/04	0402000322	Police	Police Officer	\$137,430	\$191,769	<i>IR Granted 8/08</i>
12/24/05	0512002591	Police	Police Officer	\$157,446	\$190,728	<i>IR Granted 8/08</i>
7/12/07	0707001774	Police	Police Officer	\$91,767	\$147,215	<i>IR Hearing 01/09</i>
8/5/07	0708002112	Police	Police Officer	\$74,703	\$90,040	<i>Terminated 9/08</i>
1/17/03	0301000216	Police	Police Records Specialist	\$137,160	\$147,585	<i>Medical Separation 7/08</i>
2/18/07	0702000453	Police	Police Officer	\$128,729	\$134,510	<i>IR Granted 7/08</i>
4/4/05	0504000627	Public Works	Custodian	\$285,896	\$338,157	FEHA Process Continues
10/3/02	0210003933	Public Works	Garden Crew Leader	\$219,723	\$257,680	RTW/FEHA 7/08
8/21/07	0708002022	Recreation	Recreation Attendant I	\$35,542	\$54,240	RTW/ Full Duty Review in Process
TOTALS:				\$3,915,517	\$5,568,686	

Table 11

**Legend**

IR = Industrial Retirement

RTW = Return to Work

FEHA -- Fair Employment and Housing Act

Workers' Compensation strategies for all long-term absence cases involve moving cases to closure and assisting employees with the job reassignment as required under the California Fair Employment and Housing Act (FEHA) and/or the disability retirement process as appropriate. This usually occurs once a case reaches the point where the employee has permanent medical restrictions and it has been determined that the employee can no longer perform the essential functions of their job classification, with or without accommodation. In some cases, depending on the severity of the injury, it takes more than 12 months for this

determination to be made. Until this stage is reached, the City is obligated to continue working with the employee and his/her medical provider in returning them to full functionality in their designated job classification. As a result of RMD's collaboration with other City agencies that also have responsibilities in employee disability cases, a majority of the employees that are on the list above have since retired or otherwise separated from the City, removing themselves from being an ongoing burden on the City.

### E. Five-Year Trend Analysis, by Department

Table 12 shows the claims activity for the three departments with the greatest number of claims over the past five years. The activity is grouped according to the fiscal year within which the claims occurred.

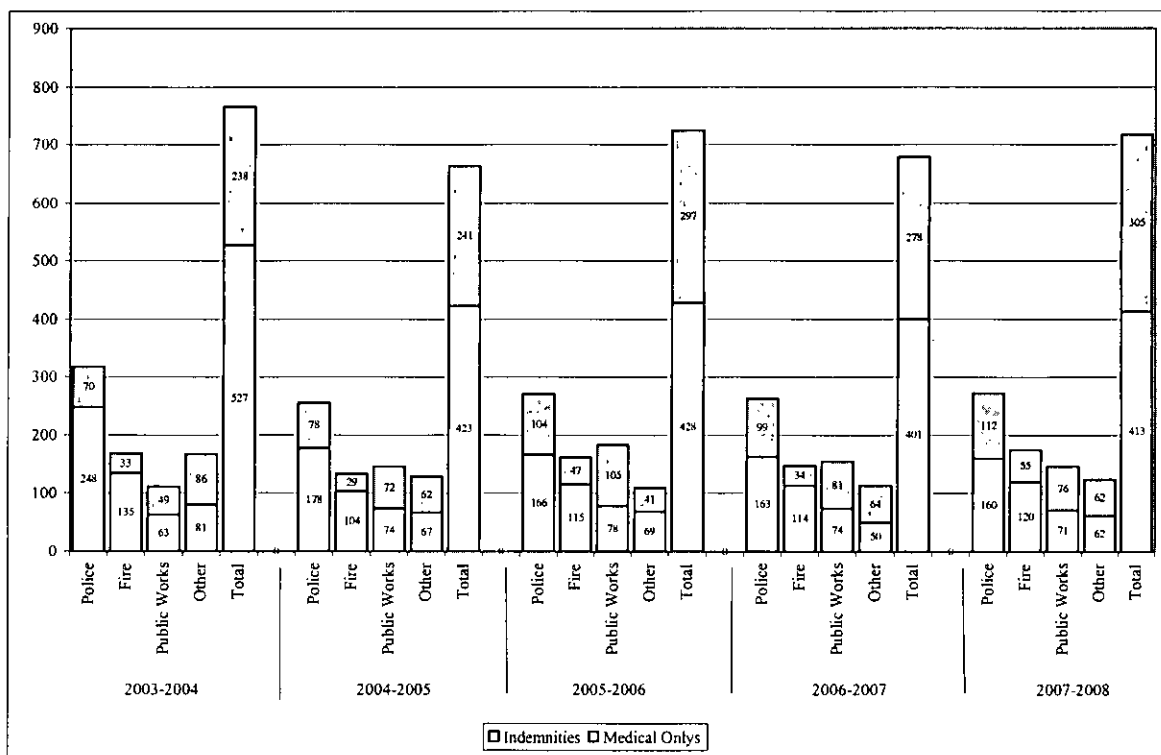


Table 12

## F. Incurred Costs For Claims Received in Fiscal Year 2006-07

Incurred costs are the total estimated “lifetime” cost of a claim. Table 13 shows the total estimated cost for claims incurred during FY 2007-08, compared to FY 2006-07.

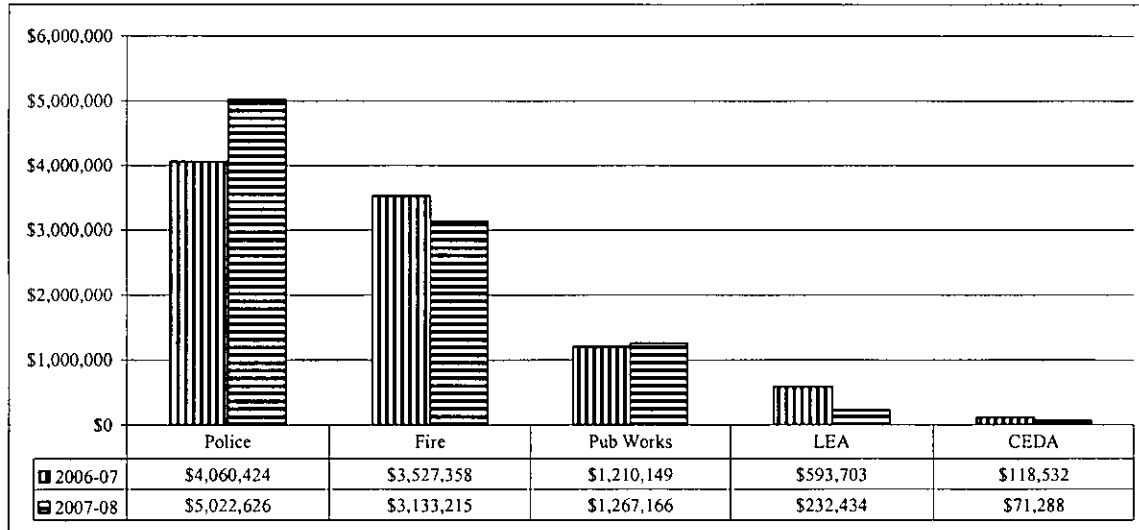


Table 13

## G. Other Information

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

## IV. Conclusion and Future Outlook

The City continues to reap benefits from the workers’ compensation law reform bill, SB 899. Some of the benefits include the requirement that all medical expenses undergo scrutiny by a third party. This Utilization Review process did not begin until July 1, 2004. The immediate outcome of this process is reflected by a marked reduction in medical expenditures. Other changes include a revised permanent disability schedule, which should decrease the City’s expenses, strict limits on physical therapy and a cessation of the vocational rehabilitation process.

However, the City still struggles with attempts to control the costs attributed to Labor Code 4850, which governs workers’ compensation benefits for sworn personnel. This Labor Code Section guarantees generous benefits to sworn employees and includes up to a year of tax-free salary for each injury. This benefit forms the largest cost center for the City of Oakland’s workers’ compensation program. Risk Management will continue to work closely with all City

agencies and departments to devise methods and strategies of containing workers' compensation losses.

In this constantly evolving system, Risk Management looks forward to considering various innovative options that will keep the City on the leading edge of workers' compensation program management.

# CITY OF OAKLAND

## AGENDA REPORT

TO: Office of the City Administrator  
ATTN: Deborah A. Edgerly  
FROM: Finance and Management Agency  
DATE: January 27, 2009

RE: **Informational Report on the Workers' Compensation Program for Fiscal Year 2007-08**

---

### SUMMARY

This informational report provides current expenditure and program data on the City of Oakland's Workers' Compensation Program for Fiscal Year 2007-08.

### FISCAL IMPACTS

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

### BACKGROUND

Like most public entities, the City of Oakland is self-insured for workers' compensation. The Risk Management Division works with a contracted third-party administrator (TPA), JT2 Integrated Resources, who handles the technical aspects of each claim. JT2 works in partnership with the City's agencies and departments to ensure that injured workers receive appropriate care as mandated under the California Labor Code.

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

### KEY ISSUES AND IMPACTS

The Risk Management Division continues to implement program elements introduced in Fiscal Year 2004-05 that change some of the fundamental ways the Workers' Compensation Program is viewed by both management and employees. The attached 2007-08 Workers' Compensation Report reviews these changes in detail, along with claims and expenditure data from Fiscal Year 2007-08.

Item: \_\_\_\_\_  
Finance and Management Committee  
January 27, 2009

As described more fully in the attached report, the City of Oakland enjoyed a number of successes this past year. Highlights for Fiscal Year 2007-08 include:

- The introduction of City-wide Web-Based Training Programs to broaden training outreach and reduced cost to the program
- Transitional Duty Program participation resulted in an indemnity savings of \$1.2 million
- Reduction in future liabilities by \$6,817,667 (16.8%)
- Reduction in open, active claims from 1,345 to 1,090

The Risk Management Division's current strategic focus areas include the following:

- A FastTrack system for reviewing incoming claims, which "triages" new claims for express closure
- A reduction in open/active claims, supported by the use of negotiated claims closures and global settlements
- Reduced examiner case load assignments (from 175 to 125 claims per examiner) to allow more time on individual cases and create greater efficiencies
- Regular Medical/Legal meetings, to review claims of significant size or duration, and achieve consensus on the process for moving the claims toward closure or settlement
- Regular Financial Review meetings, to examine expenditure rates and trends across departments and cause of injury

In 2006-07, the Risk Management Division challenged JT2 to take extraordinary measures to reduce the number of open claims. The primary method of negotiating claims closure with the injured employees and former employees was to seek permanent disability ratings from the State Workers' Compensation Appeals Board and negotiate a compromise and release settlement that would relieve the City from any future liability. As a result of the concerted effort of our TPA, legal and medical team, open, active claims were reduced for the second consecutive year from 1,345 to 1,090. As a result of these closures, it is estimated that our future liabilities have been reduced by \$6,817,667.

Future innovations that are under development include the following:

- A High Risk Unit to identify cases that have increased risk factors for high expense
- A Special Investigations Unit to coordinate with the High Risk Unit to investigate fraud or abuse cases
- An Integrated Health Care/Disability Management Program that will more closely tie industrial and non-industrial disability exposures to reduce the potential for "double-dipping"
- Alternative Dispute Resolution agreements, to divert claims from the State Workers' Compensation Appeals Board to a contracted arbitrator



- Interactive Process fine-tuning, to maximize the City's resources for Family Medical Leave Act, Federal Employment and Housing Act, and Workers' Compensation obligations

### **SUSTAINABLE OPPORTUNITIES**

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

### **DISABILITY AND SENIOR CITIZEN ACCESS**

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

### **ACTION REQUESTED OF THE CITY COUNCIL**

Staff requests that Council accept the attached 2007-08 Workers' Compensation Report.

Respectfully submitted,

---

William Noland  
Director, Finance and Management Agency

Prepared by  
Deborah Grant, Risk Manager  
Risk Management Division

Attachments: 2007-08 Workers' Compensation Report (with Exhibits A through E)

APPROVED AND FORWARDED TO THE  
FINANCE & MANAGEMENT COMMITTEE:

---

Office of the City Administrator

Item: \_\_\_\_\_  
Finance and Management Committee  
January 27, 2009

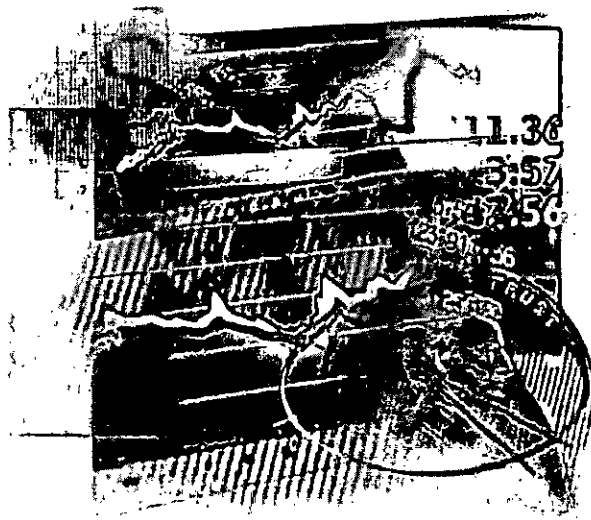


Bickmore Risk Services & Consulting

# City of Oakland

## Workers' Compensations Third Party Administration Audit

### Final Report



*October 2008*

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Bickmore Risk Services & Consulting

MAXIMIZING PERFORMANCE

WITH AN EYE ON RISK

November 7, 2008

Ms. Deborah Grant  
Risk Manager  
City of Oakland  
One Frank H. Ogawa Plaza  
Oakland, CA 94612

Re: City of Oakland - JT<sup>2</sup> Integrated Resources  
Workers' Compensation Performance Audit 2008

Dear Ms. Grant:

Enclosed is our final report for the Workers' Compensation Performance Audit of the City's third party administrator, JT<sup>2</sup> Integrated Resources which was completed during the week of October 1, 2008. An electronic copy of the report is provided this date, with a hard copy to follow.

If you have any question or concerns, please feel free to contact me at (916)244-1155.

Sincerely,

A handwritten signature in cursive script that reads 'Judith Bals'.

Judith Bals  
Director of Workers' Compensation Services

Enclosure

cc: Debbie Flores/JT<sup>2</sup> Integrated Resources

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## I. EXECUTIVE SUMMARY

### A. WORK PLAN AND METHODOLOGY

Bickmore Risk Services and Consulting (BRS) was requested to conduct an audit for performance contract compliance by the third party administrator, JT<sup>2</sup> Integrated Resources (JT<sup>2</sup>). To implement the audit process, BRS was provided a loss run from which 80 files were selected. The scope of the audit was to assess claims handling activity between September 1, 2007 and August 31, 2008. Files with work product outside of this range have been excluded from the calculations. It is the experience of BRS that a sample of this size will provide a fair basis for evaluation of a workers' compensation program administered by JT<sup>2</sup> on the City's program. A benchmark target of 85 % minimal compliance has been established and all claims were audited against this standard.

The onsite audit was conducted from October 1, 2008, to October 7, 2008 by Ms. Jacquelyn Miller of BRS, the results of which were used for the compilation of the audit and report. Management staff of JT<sup>2</sup> was provided preliminary observations prior to the data analysis at the conclusion of the audit.

All files selected, were available and reviewed at the office of JT<sup>2</sup> in Oakland, California. The comments and recommendations that follow apply only to the workers' compensation claims management processes.

The draft report was supplied to JT<sup>2</sup> to provide clarification or additional information on October 17, 2008. Any additional information has been incorporated in to this final report.

### B. OUTCOME

This audit was conducted to determine if JT<sup>2</sup> has met the Performance Incentive Program requirements of achieving a rating of 85 % in each category, as well as maintaining a 100 % closing ratio. The prior audit report of January 10, 2008, was reviewed for comparison purposes. A weighted formula was created for this audit based upon the Performance Standards specific to the City.

Although each category did not achieve a rating of 85%, BRS staff assessed an overall final rating of eighty-nine percent (89%).

Performance Standard areas rating at or above 85% were noted as:

- Category One – 48 Hour Set-Up (2<sup>nd</sup> Year Recognized)
- Category Three – Physical Therapy Management (2<sup>nd</sup> Year Recognized)
- Category Four – Transitional Work (2<sup>nd</sup> Year Recognized)
- Category Six – Timely Payments
- Category Seven – Subrogation Management ((2<sup>nd</sup> Year Recognized)
- Category Nine – Coordination with the Contract Monitor (2<sup>nd</sup> Year Recognized)
- Category Eleven – Managed Care & Early Intervention (2<sup>nd</sup> Year Recognized)
- Category Fifteen – Administrative Reports (2<sup>nd</sup> Year Recognized)
-

- Category Sixteen – Appropriate Identification of Medical Only vs. Indemnity (2<sup>nd</sup> Year Recognized)
- Category Seventeen – Claim Administration (2<sup>nd</sup> Year Recognized)

Performance Standard areas rating below 85% were noted as:

- Category Two – Five Day Decision
- Category Five – Reserve Adequacy (2<sup>nd</sup> Year Noted)
- Category Eight – Database Integrity (2<sup>nd</sup> Year Noted)
- Category Ten – Litigation Management (2<sup>nd</sup> Year Noted)
- Category Twelve – Voc Rehab/SJDB Notices (2<sup>nd</sup> Year Noted)
- Category Thirteen – VR/SJDB Mgmt (2<sup>nd</sup> Year Noted)
- Category – Supervision (2<sup>nd</sup> Year Noted)

Our opinion is limited to the files that we actually reviewed. Any future audit on the City's program may yield a different result in the score, as the score system is predicated on the actual files reviewed.

Overall, the file documentation appears to reflect the current adjusters for JT<sup>2</sup> understand the Performance Standards of the City's program and work well within those standards. Staff assigned to the files in the last year shows an average of 1.24 adjusters per file. It is noted JT<sup>2</sup> and the City implemented a revised staffing model which provides for more initial files to be handled in one unit and transferred to another more advanced unit when specific claim milestones are reached, such as extended time loss and litigation. This model allows for faster, more appropriate turn around of less severe cases and provides those adjusters handling the more complex cases with manageable case counts allowing them to concentrate their efforts on case resolution. There has been an addition to the supervisory staff and turnover in this position in the last year. While Category Fourteen, Supervision, remains below the 85% achievement level it is expected consistent staff will raise this rating in the future.

Two measurements of "lag time" are included in our review. Lag 1 indicates the number of days from the City's date of knowledge of claim to the date the claim is reported to JT<sup>2</sup>. The files reviewed demonstrate an average of 8.7 days to report the claims to JT<sup>2</sup>. As you are aware, the State of California allows for only five days for an employer to report workers' compensation claims. A focus on streamlining the reporting process is recommended. Lag 2 indicates the number of days from JT<sup>2</sup>'s receipt of the claims to the date the claims are set up in their computer system. Very positive results are noted in this area, demonstrating an average of 1.5 days to set up the claims.

A "closing" project was undertaken in the last year by JT<sup>2</sup>, at the request of the City, with a goal of reducing the open cases to 1,050. It is noted that during this closing project the file inventory dropped from 1,567 to 1,035, which certainly meets the goal established of 100% closure.

During the audit process it was identified that LC4850 benefits may be posted to the claim files after the period of time for which they are credited. It is recognized that this posting will generally take place no later than two weeks from the date of the benefit. While late posting of LC4850 benefits to the claim files does not incur self-imposed increases and is

not seen as a late payment, it was noted in this audit when the recognition or pursuit of LC4850 information exceed the two week timeline.

JT<sup>2</sup> has reviewed the files indicated for this issue and determined the majority of the file postings relate to late provision of LC4850 information or time loss information, but were timely posted to the claim file once the information was received by JT<sup>2</sup>. Rating categories for each file in which clarification supported timely posting of the benefit were adjusted.

In conclusion, the overall work product of JT<sup>2</sup> on the City of Oakland's program results in a final rating of eighty-nine percent (89%) and therefore meets the minimum goal established.

## II. PERFORMANCE STANDARD REVIEW

### A. HISTORY

Effective in August 2001, JT<sup>2</sup> has provided Third Party Administration (TPA) services to the City of Oakland. The annual Performance Standard audit is conducted by an independent third party to evaluate JT<sup>2</sup>'s work product and success on the City's program. A rating of 85% or higher must be attained in order to qualify for receipt of retained contract funds.

The audit conducted by BRS in 2007 demonstrated an overall rating of 91% and is used as a comparison against current audit results.

### B. RECOMMENDATIONS

BRS submits the following recommendations or comments to the City regarding the workers' compensation program:

- The Transitional Duty program remains very impressive and positively impacts the claims overall and individually. The language utilized in the Transitional Duty letters continues to focus on the positive and is well received by the injured workers. All files with applicable Transitional Duty services possessed Transitional Duty letters and notices
- A revision to the File Closure Checklist currently in place is recommended, to include SJDB notice requirements.
- It is recommended an Offer of Regular Work be issued on all indemnity claims, regardless of identification of Permanent Disability. While this is not currently a requirement of either the City or a regulatory requirement for the State of California, it is believed implementation of this step will help to keep the Offer of Regular Work a constant focus for the adjusting staff.
- It is recommended that specific, itemized reserving for delayed and newly established claims be implemented in place of the \$10,000 "place holder" currently utilized on many files. Requiring the adjusters to evaluate the specific

- needs of each file at set up will decrease the likelihood of over-reserving and can focus the adjuster on the actual exposure for each claim. Accurate reserving has remained an area needing improvement. Fifteen (15) files were identified for inadequate reserving during the review period.

The recommended reserve changes identified a total increase of \$135,837, with Indemnity reserves representing 81% of the increase (\$110,432). Regulation 15300 states in Estimating and Reporting Work Injuries:

*“The administrator shall set a realistic estimate of future liability for each indemnity claim listed on the self insurer’s annual report based on computations which reflect the probable total future cost of compensation and medical benefits due or that can reasonably expected to be due over the life of the claim.”*

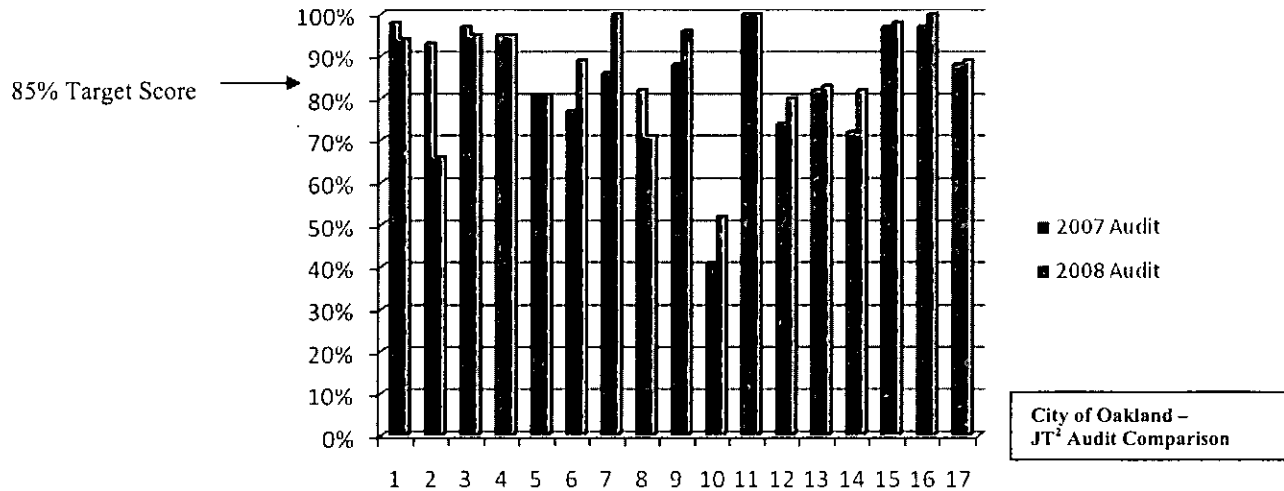
- It is noted that every file in which potential subrogation was identified had been thoroughly investigated and documented to support either the pursuit of recovery or the basis for stopping further activity. In reference to Category Seven demonstrating 100% compliance, this reflects very positively on the JT<sup>2</sup> staff.
- An evaluation of the use of outside rating companies to determine the level Permanent Disability is recommended. The audit provided information that JT<sup>2</sup> is randomly utilizing these services with additional cost to the claim files. While the reasons provided for utilizing this service seem reasonable (less applicant attorney disputes when outside rating companies are utilized, complex files require additional expertise, the Disability Evaluation Unit (DEU) is notoriously backlogged), it is recommended referrals to outside rating companies be reviewed and approved by supervisory staff prior to assignment. This will allow the JT<sup>2</sup> management staff to assure the additional cost incurred to the file is not due to a need for additional training, staffing issues or inexperience.

### **C. GENERAL COMMENTS AND OBSERVATIONS**

- All files selected for review were available with contents compliant per Regulation 10101.
- The files evidenced a sound understanding of the various salary continuation programs and minimal Self-Imposed Increases were noted.
- It is recognized the City and JT<sup>2</sup> have considered our prior recommendation to discontinue the use of “appended” file notes and determined this practice remains appropriate for the City’s program. However, as indicated in one audit response referencing the supervisor’s failure to note specific claim information as it was referenced only in the Return To Work Coordinator’s notes and not the adjuster’s notes, this recommendation remains one for consideration to allow the claims staff to review the *entire* claim in an chronologic manner.
- 2% of the files reviewed in the last audit were noted for inaccurate or late Benefit Notices. While this continued on a sporadic basis, it was not seen as a “practice” throughout the office.



- The following is a comparison of the Performance Standards by category from the 2007 and 2008 Audits. This graph indicates significant improvement noted in Categories Six (Timely Payments), Seven (Subrogation), and Nine (Coordination with Contract Monitor), with continued improvement needed in Category Two (Five Day Decision) and Category Eight (Data Integrity) as well as Category Ten (Litigation Management). It is recommended each Category be evaluated for opportunities for improvement.



We are attaching the Individual Performance Standards Contract Compliance worksheets for those files that demonstrate the work product shown above.

Submitted November, 7, 2008

Jacquelyn Miller  
Workers' Compensation Specialist

### III. 2008 THIRD PARTY ADMINISTRATION AUDIT RESULTS

#### A. WEIGHTED FORMULA

THIS SECTION ASSIGNED A WEIGHTED FORMULA TO EACH PERFORMANCE STANDARD RANGING FROM A POINT VALUE OF ONE TO FIVE BASED UPON BOTH THE IMPORTANCE TO THE CITY'S PROGRAM AS WELL AS THE IMPORTANCE TO ACCURATE CLAIMS ADMINISTRATION.:

**Performance Standard One – Point Value Two**

*The TPA entered the new claim into the system within two days.*

**Performance Standard Two – Point Value Three**

*The TPA assessed a liability decision within five days.*

**Performance Standard Three – Point Value Four**

*The TPA appropriately managed physical therapy treatment requests.*

**Performance Standard Four – Point Value Five**

*The TPA positively influenced the return to work process and considered transitional duty.*

**Performance Standard Five – Point Value Five**

*The TPA has established adequate reserves on the file.*

**Performance Standard Six – Point Value Five**

*The TPA made timely payments in the file.*

**Performance Standard Seven – Point Value Three**

*The TPA actively pursued subrogation or third party recovery.*

**Performance Standard Eight – Point Value Two**

*The TPA updated the claim file timely and with appropriate data.*

**Performance Standard Nine – Point Value Four**

*Ongoing communication with Contract Monitor is evident in the file.*

**Performance Standard Ten – Point Value Three**

*The file meets the litigation management standard.*

**Performance Standard Eleven – Point Value Two**

*The TPA utilized early intervention and managed care resources appropriately.*

**Performance Standard Twelve – Point Value Two**

*Timely notification made to appropriate parties on vocational rehabilitation or SJDB .*

**Performance Standard Thirteen – Point Value Two**

*Management of vocational rehabilitation or SJDB process met standard.*

**Performance Standard Fourteen – Point Value Three**

*Supervisory review is evident and demonstrates appropriate coaching to the examiner.*

**Performance Standard Fifteen – Point Value Three**

*The TPA generated administrative reports to standard.*

**Performance Standard Sixteen – Point Value Two**

*The TPA has classified the claim for appropriate claim type (medical only vs. indemnity)*

**Performance Standard Seventeen – Point Value Rating of 70% or better**

*Overall claim administration by the TPA meets standard.*

This category calculated the compliance ratings on the above 16 categories for an overall rating.

## B. PERFORMANCE STANDARD RATING 2008

**THIS SECTION APPLIES CURRENT PERFORMANCE STANDARD RATINGS AGAINST THOSE IDENTIFIED IN THE 2007 AUDIT REPORT:**

### **Performance Standard One – Rating 94% (Standard Achieved)**

*The TPA entered the new claim into the system within two days.*

This category rated 98% in the last audit, demonstrating an overall decline of 4% for the current review period. 51 of 54 files applicable met this standard.

### **Performance Standard Two – Rating 66% (Standard Not Achieved)**

*The TPA assessed a liability decision within 5 days.*

This category rated at 93% in the last audit, demonstrating an overall decline of 27% for the current review period. 35 of 53 files applicable met this standard. This standard relies heavily upon file documentation and the initial adjuster's determination of acceptance, denial or delay of the claim. It is recommended these files be reviewed to determine if clarification of the liability decision is required.

### **Performance Standard Three – Rating 95% (Standard Achieved)**

*The TPA appropriately managed physical therapy treatment requests.*

This category rated at 97% in the last audit, demonstrating an overall decline of 2% for the current review period. 21 of 22 files applicable met this standard. Due to the small number of files applicable, this will be impacted by any discrepancy and the result may be statistically insignificant.

### **Performance Standard Four – Rating 95% (Standard Achieved)**

*The TPA positively influenced the return to work process and considered transitional duty.*

This category rated at 95% in the last audit, demonstrating JT<sup>2</sup> is holding firm on meeting the requirements outlined. 35 of 37 files applicable met this standard.

### **Performance Standard Five – Rating 81% (Standard Not Achieved)**

*The TPA has established adequate reserves on the claim.*

This category rated at 81% in the last audit, demonstrating no change from the prior audit. Use of \$10,000 "place holder" reserves on new files and delayed files has impacted this rating and specific reserve analyses are recommended. 64 of 79 files applicable met this standard.

### **Performance Standard Six – Rating 89% (Standard Achieved)**

*The TPA made timely payments in the file.*

This category rated at 77% in the last audit demonstrating an overall increase of 12% from the prior audit. 68 of 76 file applicable met this standard.

### **Performance Standard Seven – Rating 100% (Standard Achieved)**

*The TPA actively pursued subrogation or third party recovery.*

This category rated at 86% in the last audit demonstrating an overall increase of 14% for this review period. While the number of files applicable to this standard is low, achievement of 100% in subrogation pursuit is admirable.

**Performance Standard Eight – Rating 71% (Standard Not Achieved)**

*The TPA updated the claim file timely and with appropriate data.*

This category rated at 82% in the last audit demonstrating an overall decline of 11% for the current review period. 57 of 80 files applicable met this standard.

**Performance Standard Nine – Rating 96% (Standard Achieved)**

*Ongoing communication with Contract Monitor is evident in the claim.*

This category rated at 88% in the last audit demonstrating an overall increase of 8% for the current audit period. 69 of 72 files applicable met this standard.

**Performance Standard Ten – Rating 52% (Standard Not Achieved)**

*The claim meets the litigation management standard.*

This category rated at 41% in the last audit demonstrating an overall increase of 11% for the current audit period. 12 of 23 files applicable met this standard. Due to the small number of files applicable, this will be impacted by any discrepancy and the result may be statistically insignificant.

**Performance Standard Eleven – Rating 100% (Standard Achieved)**

*The TPA utilized early intervention and managed care resources appropriately.*

This category rated at 100% in the last audit demonstrating continued success in this area. 22 of 22 files applicable met this standard.

**Performance Standard Twelve – Rating 80% (Standard Not Achieved)**

*Timely notification made to appropriate parties on vocational rehabilitation or SJDB voucher.*

This category rated at 74% in the last audit demonstrating an overall increase of 6% for the current audit period. 35 of 44 files applicable met this standard.

**Performance Standard Thirteen – Rating 83% (Standard Not Achieved)**

*Management of vocational rehabilitation or SJDB voucher process met standard.*

This category rated 82% in the last audit demonstrating an overall increase of 1% for this review period. 10 of 12 files applicable met this standard. Due to the small number of files applicable, this will be impacted by any discrepancy and the result may be statistically insignificant.

**Performance Standard Fourteen – Rating 82% (Standard Not Achieved)**

*Supervisory review is evident and demonstrates appropriate coaching to the examiner.*

This category rated at 72% in the last audit demonstrating an overall increase of 10% for the current audit period. 65 of 79 files applicable met this standard.

**Performance Standard Fifteen – Rating 98% (Standard Achieved)**

*The TPA generated administrative reports to standard.*

This category rated at 97% in the last audit demonstrating an overall increase of 1% for the current audit period. 54 of 55 files applicable met this standard.

**Performance Standard Sixteen – Rating 100% (Standard Achieved)**

*The TPA has classified the claim for appropriate claim type (medical only v indemnity).*

This category rated at 97% in the last audit demonstrating an overall improvement of 3% for the current audit period. 80 of 80 files applicable met this standard.

**Performance Standard Seventeen – Rating 89% (Standard Achieved)**

*Overall claim administration by the TPA meets standard.*

This category rated at 91% in the last audit demonstrating an overall decline of 2% for the current audit period. 71 of 80 files applicable met this standard.

## IV. ASSESSMENT SUMMATION CHARTS AND WORKSHEETS

### A. SUMMARY SPREADSHEET

**City of Oakland  
TPA Audit 2008**

CLAIMS DATA										
Audit Subject #	CLAIM NUMBER	DOI	DOK	Date Rec'd	Lag1	Date Opened	Lag2	CLAIM TYPE	Open Status	Examiner Count
1	0704001044	04/28/07	Predates	Predates	N/A	Predates	N/A	I	O	1
2	0808001986	08/13/08	08/26/08	08/26/08	0	08/27/08	1	I	O	1
3	0612002921	12/19/06	Predates	Predates	N/A	Predates	N/A	I	O	2
4	0803000536	03/15/08	03/15/08	03/19/08	4	03/19/08	0	I	C	1
5	0703001070	03/15/07	Predates	Predates	N/A	Predates	N/A	I	C	2
6	0805001063	05/09/08	05/09/08	05/16/08	7	05/16/08	0	I	C	1
7	0709002394	09/27/07	09/27/07	10/02/07	5	10/02/07	0	M	C	1
8	0610003121-DN	10/24/06	Predates	Predates	N/A	Predates	N/A	I	O	1
9	0806001515-DN	06/30/08	06/30/08	07/01/08	1	07/07/08	6	I	O	2
10	0709002307	09/18/07	09/21/07	09/24/07	3	09/25/07	1	I	C	1
11	0803000416	03/04/08	03/04/08	03/04/08	0	03/05/08	1	I	O	3
12	0709002283	09/18/07	09/18/07	09/20/07	2	09/20/07	0	I	O	1
13	0706001419	06/13/07	Predates	Predates	N/A	Predates	N/A	I	C	1
14	0710002840	10/13/07	10/13/07	11/15/07	33	11/19/07	4	I	O	3
15	0710002404	10/02/07	10/02/07	10/03/07	1	10/03/07	0	I	C	1
16	0805001181-DN	05/29/08	05/29/08	05/30/08	1	05/30/08	0	I	C	1
17	0711002895	11/26/07	11/26/07	11/27/07	1	11/27/07	0	I	C	1
18	0803000522	03/15/08	03/15/08	03/17/08	2	03/18/08	1	I	C	1
19	0802000619-DN	02/26/08	02/26/08	03/31/08	34	03/31/08	0	I	C	1
20	0704000816	04/04/07	Predates	Predates	N/A	Predates	N/A	I	O	1
21	0807001762	07/27/08	07/29/08	07/30/08	1	07/31/08	1	I	C	1
22	0707002963	07/20/07	07/23/07	12/05/07	135	12/05/07	0	M	C	1
23	0801000230-DN	01/27/08	02/03/08	02/11/08	8	02/11/08	0	I	C	1
24	0707001744	07/17/07	Predates	Predates	N/A	Predates	N/A	I	C	1
25	0802000438	02/14/08	02/27/08	03/07/08	9	03/07/08	0	I	C	1
26	0705001057	05/05/07	Predates	Predates	N/A	Predates	N/A	I	C	1
27	0807001806	07/16/08	07/16/08	07/23/08	7	07/23/08	0	I	O	1
28	0708001913-SUB	08/10/07	Predates	Predates	N/A	Predates	N/A	I	C	1
29	0701003274-DN	1/24/2007	06/03/08	06/18/08	15	07/17/08	29	I	C	1
30	0802000384	2/27/2008	02/27/08	02/28/08	1	02/29/08	1	I	O	2
31	0806001328	6/11/2008	06/11/08	06/13/08	2	06/16/08	3	I	O	1
32	0609003135	9/25/2006	Predates	Predates	N/A	Predates	N/A	I	O	2
33	0708002135	8/31/2007	08/31/07	09/05/07	5	09/07/07	2	I	C	1
34	0612002927-SUB	12/20/2006	Predates	Predates	N/A	Predates	N/A	I	O	1
35	0706001434	6/17/2007	Predates	Predates	N/A	Predates	N/A	I	O	1
36	0712003068	12/12/2007	12/13/07	12/17/07	4	12/17/07	0	I	C	1
37	0805001256-DN	5/18/2008	05/18/08	06/05/08	18	06/09/08	4	I	O	1
38	0712003170	12/20/2007	12/27/07	01/07/08	11	01/07/08	0	I	C	1
39	0711002865	11/19/2007	11/19/07	11/20/07	1	11/21/07	1	I	C	1
40	0707001867-DN	7/13/2007	Predates	Predates	N/A	Predates	N/A	I	C	1
41	0801000202	1/11/2008	01/14/08	02/06/08	23	02/07/08	1	I	C	1
42	0710002698-DN	10/29/2007	10/29/07	11/01/07	3	11/01/07	0	I	C	1
43	0806001502	6/12/2008	06/13/08	06/16/08	3	07/03/08	17	I	C	1
44	0807001936	7/30/2008	07/30/08	08/20/08	21	08/21/08	1	I	O	1
45	0801000143	1/24/2008	01/24/08	01/28/08	4	01/28/08	0	I	C	1
46	0801000119	1/22/2008	01/22/08	01/23/08	1	01/24/08	1	I	O	2



**City of Oakland  
TPA Audit 2008**

CLAIMS DATA										
Audit Subject #	CLAIM NUMBER	DOI	DOK	Date Rec'd	Lag1	Date Opened	Lag2	CLAIM TYPE	Open Status	Examiner Count
47	0805000989	5/2/2008	05/02/08	05/12/08	10	05/12/08	0	I	O	2
48	0704001100	4/1/2007	Predates	Predates	N/A	Predates	N/A	I	O	1
49	0707001784	7/25/2007	Predates	Predates	N/A	Predates	N/A	I	C	2
50	0711002948	11/29/2007	11/29/07	12/03/07	4	12/03/07	0	I	O	2
51	0709002207	9/9/2007	09/10/07	09/14/07	4	09/14/07	0	I	O	1
52	0702000580	2/7/2007	Predates	Predates	N/A	Predates	N/A	I	O	1
53	0611002807	11/14/2006	Predates	Predates	N/A	Predates	N/A	I	O	2
54	0802000263	2/6/2008	02/06/08	02/12/08	6	02/13/08	1	I	O	2
55	0709002193-SUB	9/11/2007	09/11/07	09/12/07	1	09/13/07	1	I	O	2
56	0804000712-DN	4/3/2008	04/08/08	04/10/08	2	04/11/08	1	I	O	1
57	0807001655	7/20/2008	07/20/08	07/22/08	2	07/22/08	0	I	O	1
58	0707001757-DN	7/20/2007	Predates	Predates	N/A	Predates	N/A	I	C	1
59	0807001752-SUB	7/17/2008	07/17/08	07/30/08	13	07/30/08	0	I	C	1
60	0808001912	8/17/2008	08/17/08	08/18/08	1	08/19/08	1	I	O	1
61	0701000095-FM	1/13/2007	Predates	Predates	N/A	Predates	N/A	I	C	1
62	0711002925	11/27/2007	11/27/07	11/29/07	2	11/29/07	0	M	C	1
63	0802000221	2/6/2008	02/06/08	02/07/08	1	02/08/08	1	I	O	2
64	0707003207-DN	7/20/2007	01/14/08	01/19/08	5	01/19/08	0	I	O	2
65	0706001754	6/29/2007	Predates	Predates	N/A	Predates	N/A	M	C	1
66	0609002041-SUB	9/15/2006	Predates	Predates	N/A	Predates	N/A	I	O	1
67	0711002799-DN	11/10/2007	11/10/07	11/14/07	4	11/14/07	0	I	O	2
68	0708002343-DN	8/15/2007	09/27/07	09/27/07	0	09/27/07	0	I	O	1
69	0710002665-DN	10/29/2007	10/29/07	10/29/07	0	10/29/07	0	I	O	2
70	0701000043-SUB	1/8/2007	Predates	Predates	N/A	Predates	N/A	I	O	1
71	0803000722	3/29/2008	03/29/08	04/10/08	12	04/11/08	1	I	O	1
72	0804001023	4/29/2008	04/29/08	05/14/08	15	05/14/08	0	I	O	1
73	0803000480	3/6/2008	03/06/08	03/12/08	6	03/12/08	0	I	O	2
74	0704000938	4/25/2007	Predates	Predates	N/A	Predates	N/A	I	O	2
75	0612002850	12/10/2006	Predates	Predates	N/A	Predates	N/A	I	C	2
76	0805001062	5/11/2008	05/11/08	05/15/08	4	05/16/08	1	I	O	1
77	0806001324-DN	6/4/2008	06/04/08	06/13/08	9	06/13/08	0	I	O	1
78	0704001402-FM	4/11/2007	Predates	Predates	N/A	Predates	N/A	I	O	2
79	0712003113	12/18/2007	12/18/07	12/21/07	3	12/21/07	0	I	O	2
80	0702000507	2/28/2007	Predates	Predates	N/A	Predates	N/A	I	C	1

**City of Oakland  
TPA Audit 2008**

PERFORMANCE STANDARDS (Compliance Y/N/not applicable)																	
Audit Subject #	Cat 1 48 Hour Set Up	Cat 2 5 Day Decision	Cat 3 P.T. Mgmt.	Cat 4 Transitional Work	Cat 5 Reserve Adequacy	Cat 6 Timely Payments	Cat 7 SUBRO Mgmt	Cat 8 Database Integrity	Cat 9 Coord. With Contract Monitor	Cat 10 Lit. Mgmt.	Cat 11 Managed Care & Early Interv.	Cat 12 VR/SJDB Notification	Cat 13 VR/SJDB Mgmt.	Cat 14 Supervision	Cat 15 Admin. Reports	Cat 16 Approp. Claim Type	Cat 17 Claim Administration
1	N/A	N/A	Y	Y	Y	Y	N/A	Y	Y	N	N/A	N/A	N/A	Y	Y	Y	Y
2	Y	N/A	N/A	N/A	N/A	N/A	N/A	Y	Y	N/A	N/A	N/A	N/A	Y	N/A	Y	Y
3	N/A	N/A	N/A	N/A	Y	Y	N/A	Y	Y	N/A	N/A	N/A	N/A	Y	Y	Y	Y
4	Y	N	N/A	Y	N	Y	N/A	Y	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y
5	N/A	N/A	Y	Y	Y	Y	N/A	Y	Y	N/A	Y	N/A	N/A	Y	N/A	Y	Y
6	Y	N	N/A	Y	N	N	N/A	Y	N	N/A	N/A	N	N/A	N	Y	Y	N
7	Y	Y	N/A	Y	Y	Y	N/A	Y	Y	N/A	N/A	N/A	N/A	Y	N/A	Y	Y
8	N/A	N/A	N	N/A	Y	Y	N/A	N	Y	N	N/A	N/A	N/A	Y	Y	Y	Y
9	N	Y	N/A	N/A	Y	Y	N/A	Y	Y	Y	Y	N/A	N/A	Y	Y	Y	Y
10	Y	N	N/A	Y	Y	Y	N/A	N	Y	N/A	N/A	N	N/A	Y	N/A	Y	Y
11	Y	Y	N/A	Y	Y	N/A	N/A	N	Y	N/A	Y	Y	N/A	N	Y	Y	Y
12	Y	Y	Y	Y	Y	N	N/A	N	Y	N	Y	N	Y	Y	Y	Y	Y
13	N/A	N/A	Y	Y	Y	Y	N/A	Y	Y	N/A	Y	Y	Y	Y	Y	Y	Y
14	Y	Y	Y	N/A	N	Y	N/A	N	Y	N/A	Y	Y	Y	Y	Y	Y	Y
15	Y	N	Y	Y	Y	Y	N/A	Y	Y	N/A	N/A	Y	N/A	Y	Y	Y	Y
16	Y	Y	N/A	N/A	Y	Y	N/A	Y	N	N/A	N/A	N/A	N/A	Y	Y	Y	Y
17	Y	Y	N/A	N	N	N	N/A	Y	N	N/A	N/A	Y	N/A	N	Y	Y	N
18	Y	Y	N/A	Y	Y	Y	N/A	Y	Y	N/A	N/A	Y	N/A	Y	Y	Y	Y
19	Y	Y	N/A	N/A	Y	N/A	N/A	Y	Y	N/A	N/A	N/A	N/A	Y	Y	Y	Y
20	N/A	N/A	N/A	N/A	N	N	N/A	N	Y	Y	Y	Y	Y	Y	Y	Y	N
21	Y	Y	N/A	N/A	Y	Y	N/A	Y	Y	N/A	N/A	Y	Y	Y	Y	Y	Y
22	Y	Y	N/A	N/A	Y	Y	N/A	Y	Y	N/A	N/A	N/A	N/A	Y	Y	Y	Y
23	Y	Y	N/A	N/A	N	Y	N/A	Y	Y	N/A	N/A	N/A	N/A	Y	Y	Y	Y
24	N/A	N/A	N/A	N/A	Y	Y	N/A	Y	Y	N/A	N/A	N	N/A	Y	Y	Y	Y
25	Y	N	N/A	N/A	Y	Y	N/A	Y	Y	N/A	N/A	Y	N/A	Y	Y	Y	Y
26	N/A	N/A	N/A	Y	Y	Y	N/A	N	Y	N/A	N/A	N	Y	N	Y	Y	Y
27	Y	Y	N/A	N/A	Y	Y	N/A	Y	Y	N/A	N/A	Y	N/A	Y	Y	Y	Y
28	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	N/A	N/A	N	N/A	Y	Y	Y	Y
29	Y	Y	N/A	N/A	Y	Y	N/A	N	Y	N/A	N/A	N/A	N/A	N	Y	Y	Y
30	Y	Y	Y	Y	Y	Y	N/A	N	Y	N/A	Y	Y	N/A	Y	Y	Y	Y
31	Y	Y	Y	Y	Y	Y	N/A	Y	Y	N/A	Y	Y	N/A	Y	N/A	Y	Y
32	N/A	N/A	Y	Y	Y	Y	N/A	Y	Y	N/A	Y	Y	N/A	Y	Y	Y	Y
33	Y	Y	N/A	N/A	Y	Y	N/A	Y	Y	N/A	N/A	Y	N/A	N	Y	Y	Y
34	N/A	N/A	Y	Y	Y	Y	Y	N	Y	Y	Y	N/A	Y	Y	Y	Y	Y
35	N/A	N/A	N/A	N/A	Y	N	N/A	N	Y	N	N/A	Y	Y	N	Y	Y	N
36	Y	Y	N/A	Y	Y	Y	N/A	Y	Y	N/A	N/A	N	N/A	Y	Y	Y	Y
37	Y	Y	N/A	N/A	Y	Y	N/A	Y	Y	N/A	N/A	N/A	N/A	Y	Y	Y	Y
38	Y	Y	Y	N/A	Y	Y	N/A	N	Y	N/A	N/A	N/A	N/A	Y	Y	Y	Y
39	Y	N	N/A	Y	Y	Y	N/A	Y	Y	N/A	N/A	Y	N/A	Y	Y	Y	Y
40	N/A	N/A	N/A	N/A	Y	Y	N/A	Y	Y	N/A	N/A	N/A	N/A	Y	Y	Y	Y
41	Y	N	N/A	N/A	Y	Y	N/A	N	Y	Y	N/A	Y	N/A	Y	N/A	Y	Y
42	Y	Y	N/A	N/A	Y	Y	N/A	Y	Y	N/A	N/A	N/A	N/A	Y	N/A	Y	Y
43	N	N	N/A	N/A	Y	Y	N/A	Y	N/A	N/A	N/A	Y	N/A	N	N/A	Y	N
44	Y	Y	N/A	N/A	Y	Y	N/A	Y	Y	N/A	N/A	N/A	N/A	Y	N/A	Y	Y
45	Y	Y	N/A	Y	N	Y	N/A	Y	Y	N/A	N/A	Y	N/A	Y	N/A	Y	Y
46	Y	N	N/A	Y	Y	Y	N/A	Y	Y	Y	N/A	N/A	N/A	Y	Y	Y	Y

**City of Oakland  
TPA Audit 2008**

PERFORMANCE STANDARDS (Compliance Y/N/not applicable)																	
Audit Subject #	Cat 1	Cat 2	Cat 3	Cat 4	Cat 5	Cat 6	Cat 7	Cat 8	Cat 9	Cat 10	Cat 11	Cat 12	Cat 13	Cat 14	Cat 15	Cat 16	Cat 17
	48 Hour Set Up	5 Day Decision	P.T. Mgmt.	Transitional Work	Reserve Adequacy	Timely Payments	SUBRO Mgmt	Database Integrity	Coord. With Contract Monitor	Lit. Mgmt.	Managed Care & Early Interv.	VR/SJDB Notification	VR/SJDB Mgmt.	Supervision	Admin. Reports	Approp. Claim Type	Claim Administration
47	Y	N	N/A	Y	Y	Y	N/A	Y	Y	N/A	N/A	N/A	N/A	Y	Y	Y	Y
48	N/A	N/A	N/A	Y	N	Y	N/A	N	Y	N/A	N/A	N	N/A	N	Y	Y	N
49	N/A	N/A	N/A	Y	Y	Y	N/A	Y	Y	N/A	N/A	N	N/A	N	N/A	Y	Y
50	Y	N	N/A	N/A	N	N	N/A	Y	Y	N	N/A	Y	N/A	N	Y	Y	N
51	Y	Y	Y	Y	Y	Y	N/A	Y	Y	N	Y	Y	Y	Y	Y	Y	Y
52	N/A	N/A	Y	N/A	Y	Y	N/A	N	Y	N/A	Y	Y	N	N	Y	Y	Y
53	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	N	N/A	N/A	N/A	Y	Y	Y	Y
54	Y	N	N/A	N/A	N	Y	N/A	Y	Y	N	Y	Y	N	Y	Y	Y	N
55	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N/A	Y	Y	Y	Y
56	Y	Y	N/A	N/A	Y	Y	N/A	Y	Y	N/A	N/A	N/A	N/A	Y	N/A	Y	Y
57	Y	Y	N/A	Y	Y	Y	N/A	Y	Y	N/A	N/A	N/A	N/A	Y	N/A	Y	Y
58	N/A	N/A	N/A	N/A	Y	Y	N/A	Y	N/A	N/A	N/A	N/A	N/A	Y	N/A	Y	Y
59	Y	N	N/A	N/A	Y	Y	Y	Y	Y	N/A	N/A	Y	N/A	Y	N/A	Y	Y
60	Y	Y	N/A	Y	Y	Y	N/A	Y	Y	N/A	N/A	Y	N/A	Y	N/A	Y	Y
61	N/A	N/A	N/A	N/A	Y	N	N/A	N	Y	N	N/A	N/A	N/A	N	N	Y	N
62	Y	Y	N/A	Y	N	Y	N/A	N	N/A	N/A	N/A	N/A	N/A	Y	N/A	Y	Y
63	Y	Y	N/A	Y	Y	Y	N/A	Y	Y	N/A	N/A	Y	N/A	Y	Y	Y	Y
64	N	Y	N/A	N/A	Y	Y	N/A	Y	Y	Y	N/A	N/A	N/A	Y	Y	Y	Y
65	N/A	N/A	N/A	N/A	Y	Y	N/A	Y	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Y	Y
66	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	N/A	N/A	Y	Y	Y	Y
67	Y	Y	Y	N/A	Y	Y	N/A	N	Y	N/A	N/A	N/A	N/A	Y	Y	Y	Y
68	Y	Y	N/A	N/A	Y	Y	N/A	Y	Y	Y	N/A	N/A	N/A	Y	Y	Y	Y
69	Y	Y	N/A	Y	N	Y	N/A	N	Y	Y	N/A	N/A	N/A	Y	Y	Y	Y
70	N/A	N/A	N/A	N/A	N	Y	Y	N	Y	Y	Y	N/A	N/A	Y	Y	Y	Y
71	Y	N	Y	N	Y	Y	N/A	N	Y	N/A	N/A	Y	N/A	Y	N/A	Y	Y
72	Y	N	N/A	Y	Y	Y	N/A	N	Y	N/A	Y	Y	N/A	Y	Y	Y	Y
73	Y	Y	Y	Y	Y	N	N/A	Y	Y	N/A	Y	Y	N/A	Y	N/A	Y	Y
74	N/A	N/A	Y	Y	N	Y	N/A	Y	Y	N	Y	Y	N/A	Y	Y	Y	Y
75	N/A	N/A	N/A	N/A	Y	Y	N/A	N	N/A	N/A	N/A	Y	N/A	N	N/A	Y	Y
76	Y	N	Y	N/A	Y	Y	Y	Y	Y	N/A	Y	Y	N/A	Y	N/A	Y	Y
77	Y	N	N/A	N/A	Y	Y	N/A	Y	Y	Y	N/A	N/A	N/A	Y	N/A	Y	Y
78	N/A	N/A	Y	N/A	N	Y	N/A	Y	N/A	Y	N/A	N/A	N/A	Y	N/A	Y	Y
79	Y	N	Y	Y	Y	Y	N/A	Y	Y	N/A	Y	Y	N/A	Y	Y	Y	Y
80	N/A	N/A	N/A	N/A	Y	N/A	N/A	Y	N/A	N/A	N/A	N/A	N/A	Y	N/A	Y	Y
<b>Total "YES"</b>	<b>51</b>	<b>35</b>	<b>21</b>	<b>35</b>	<b>64</b>	<b>68</b>	<b>8</b>	<b>57</b>	<b>69</b>	<b>12</b>	<b>22</b>	<b>35</b>	<b>10</b>	<b>65</b>	<b>54</b>	<b>80</b>	<b>71</b>
<b>Applicable Files</b>	<b>54</b>	<b>53</b>	<b>22</b>	<b>37</b>	<b>79</b>	<b>76</b>	<b>8</b>	<b>80</b>	<b>72</b>	<b>23</b>	<b>22</b>	<b>44</b>	<b>12</b>	<b>79</b>	<b>55</b>	<b>80</b>	<b>80</b>
<b>Percentage</b>	<b>94%</b>	<b>66%</b>	<b>95%</b>	<b>95%</b>	<b>81%</b>	<b>89%</b>	<b>100%</b>	<b>71%</b>	<b>96%</b>	<b>52%</b>	<b>100%</b>	<b>80%</b>	<b>83%</b>	<b>82%</b>	<b>98%</b>	<b>100%</b>	<b>89%</b>

November 17, 2008

Deb Grant  
Risk Manager  
City of Oakland  
150 Frank Ogawa Plaza 2<sup>nd</sup> Floor  
Oakland, CA 94612

Re: City of Oakland Audit

Dear Ms. Grant:

We are in receipt of the audit completed by Jacquelyn Miller of Bickmore Risk Services & Consulting during the week of October 1, 2008. You have been provided with both an electronic and hard copy of the report. Ms. Miller took the time to reacquaint herself with the operations, procedures and personnel. We appreciate her thoughtful evaluation of our claims services.

We thank you for the opportunity to respond to the issues identified in the audit report and assure you JT2 Integrated Resources takes these issues seriously and has already begun to make the necessary improvement. Based upon the information provided in the audit report of Ms. Miler, the following action plans have been implemented to ensure immediate compliance.

Since the majority of audit areas rate 85% or above, this response will focus only on the Performance Standard Ratings which rated below 85%. The following is a response to the specifics noted by the auditor starting on page 9 of her report.

The TPA assessed a liability decision within 5 days: 66%

This category rated at 93% in the last audit, demonstrating an overall decline of 27% for the current review period. 35 of 53 files applicable met this standard. This standard relies heavily upon file documentation and the initial adjuster's determination of acceptance, denial or delay of the claim. It is recommended these files be reviewed to determine if clarification of the liability decision is required.

**We agree with the auditor's findings. The majority of the claims identified with deficiencies in this area were during the inception of the new staffing model which piloted the Fast Track Unit where all new claim set-ups are handled. Prior to the audit, we had already identified the problem and had created a procedure to avoid any further occurrences. The problem has been corrected.**

The TPA has established adequate reserves on the claim: 81%

This category rated at 81% in the last audit, demonstrating no change from the prior audit. Use of \$10,000 "place hold" reserves on new files and delayed files has impacted this rating and specific reserve analyses are recommended. 64 of 79 files applicable met this standard.

**We agree with the auditor's findings. The "place hold" reserves on the new files were specific to one examiner in the Fast Track Unit. The supervisor has met one on one with the examiner and reviewed each identified item. The problem has been corrected.**

The TPA updated the claim file timely and with appropriate data: 71%

This category rated at 82% in the last audit demonstrating an overall decline of 11% for the current review period. 57 of 80 files applicable met this standard.

**We agree with the auditor's findings. Prior to this audit, the City and JT2 adopted the CSAC reporting requirements, which include 90 status reports. The status reports require the following items to be addressed:**

- **A brief history of the claim**
- **Temporary disability**
- **Permanent disability**
- **Benefit Notices – All required sent to date**
- **Rehab – Offer of regular work**
- **Medical treatment**
- **Reserves – Worksheet completed**
- **Litigation**
- **Subrogation**
- **Excess**
- **Plan of action**

**We are confident that the 90 requirement will address many of the identified items that fell within this performance standard.**

The claim meets the litigation management standard: 52%

This category rated at 41% in the last audit demonstrating an overall increase of 11% for the current audit period. 12 of 23 files applicable met this standard. Due to the small number of files applicable, this will be impacted by any discrepancy and the result may be statistically insignificant.

**Of the eleven files identified as not meeting the standard, four were specifically targeted for not filing an answer to the application. I believe the auditor "interpret" the literal wording in LC5500 regarding Required Pleadings. What it actually means is that if a response is needed to an application, you are required to use the prescribed/conformed answer form for objecting to disputes at the time applications were filed. There were no disputes to these four therefore, no Answer filed. This would increase the rating to 69.5%. Having said this, we do believe that training is necessary and will conduct training to all claims associates.**

Timely notification made to appropriate parties on voc rehab or SJDB voucher: 80%

This category rated at 74% in the last audit demonstrating an overall increase of 6% for the current audit period. 35 of 44 files applicable met this standard.

**We agree with the auditor's findings. As demonstrated by the increase in rating over last year, the staff continues to improve in this area. It remains our goal to reach 100% in this area. We are conducting training bi-annually in order to ensure the staff adapts to the changes in the law.**

Management of vocational rehab or SJDB voucher process met standard: 83%

This category rated 82% in the last audit demonstrating an overall increase of 1% for this review period. 10 of 12 files applicable met this standard. Due to the small number of files applicable, this will be impacted by any discrepancy and the result may be statistically insignificant.

**One of the two files that the auditor identified as not meeting the standard actually met the standard, changing the rating to 91.6%.**

**File # 0802000263 – The P&S report was received in our office on 10-9-08, and the offer of regular work and PD letters were sent on the same day.**

Supervisory review is evident and demonstrates appropriate coaching to the examiner: 82%

This category rated at 72% in the last audit demonstrating an overall increase of 10% for the current audit period. 65 of 79 files applicable met this standard.

**We do not agree with the auditor's findings. In many of the examples provided, there was not a need for a supervisor to be in the file. JT2 recognized the importance of quality as it relates to our technical work product. Our supervisors do not carry a caseload so they can concentrate on their primary function, which is quality assurance. Files are reviewed on both a random and systematic basis. These include:**

- ✎ All cases where benefits are delayed
- ✎ All Denied cases
- ✎ Reserves over examiners authority level
- ✎ All settlements
- ✎ All claims closures
- ✎ Cases proceeding to trial
- ✎ Sample of cases in litigation
- ✎ All subrogation cases

**The supervisor's signature at the end of each process verifies its completion. JT2's goal is to hire the most qualified staff. We provide them with tools and resources that allow them to be effective. Many times files that are handled by a high level examiner will not need to be viewed by a supervisor as frequently therefore the auditor's opinion that the supervisor should have been in a particular file, at any given point is subjective and not reasonable nor valid.**

It is clear there are areas in which JT2 needs to monitor more closely. We have met with the Oakland management team to address these areas needing improvement and to provide the staff guidance to assure quality claims administration. To that end, we have scheduled a meeting to review our strengths and weaknesses, and have assigned training both individually, as well as for the entire unit.

It is our hope, that through a continued partnership with the City, we will improve our level of performance in those area identified by the audit while we maintain the high level of quality claims handling in those areas in which we excelled. If any additional information is required, please do not hesitate to contact me directly. Thank you for allowing us the opportunity to respond to this audit.

Sincerely,

Debbie Flores  
Vice President Claims Services

Cc: Theresa Fernandez  
Tom Blake  
Betty Hahn  
Mary Silveira  
Client File

Loss Dates: 07/01/2006 - 06/30/2007

## Frequency Analysis - Loss Cause

Page 1

Reporting Level: 2 / Break after level(s): 2

February 07, 2008

Open and Closed / Info Claims Included / Show Details: N

As Of 06/30/2007

9:56AM

City of Oakland

Report Categories: AGIMODP

	Open	Total	Litigated	Indem Days	Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
											Claims	Paid	Incur.
<b>Admin Services Agency</b>													
05 Contact with	1	1	0	35	35.0	2,746.95	11,015.00	2,746.95	2,746.95	8,268.05	0.2	0.1	0.1
31 Fall, slip or trip, NOC	0	1	0	0	0.0	0.00	0.00	0.00	0.00	0.00	0.2	0.0	0.0
56 Strain; lifting	0	1	0	0	0.0	1,159.61	1,159.61	1,159.61	1,159.61	0.00	0.2	0.0	0.0
99 Misc; other - miscellaneous, NOC	0	1	0	0	0.0	761.02	761.02	761.02	761.02	0.00	0.2	0.0	0.0
Totals for Admin Services Agency	1	4	0	35	8.8	4,667.58	12,935.63	1,166.90	2,746.95	8,268.05	0.6	0.1	0.1



Loss Dates: 07/01/2006 - 06/30/2007

Reporting Level: 2 / Break after level(s): 2

Open and Closed / Info Claims Included / Show Details: N

City of Oakland

# Frequency Analysis - Loss Cause

As Of 06/30/2007

February 07, 2008

9:56AM

Report Categories: AGIMODP

	Open	Total	Litigated	Indem Days	Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
											Claims	Paid	Incur.
<b>CEDA</b>													
31 Fall, slip or trip, NOC	3	5	1	67	13.4	32,169.98	103,976.58	6,434.00	30,361.88	71,806.60	0.8	0.8	1.1
19 Cut; caught, punctured, scraped, NOC	0	1	0	0	0.0	0.00	0.00	0.00	0.00	0.00	0.2	0.0	0.0
34 Noise Exposure	0	1	0	0	0.0	523.28	523.28	523.28	523.28	0.00	0.2	0.0	0.0
45 Vehicle; collide with other vehicle	1	1	0	0	0.0	1,106.38	12,500.00	1,106.38	1,106.38	11,393.62	0.2	0.0	0.1
53 Strain; twisting	0	1	0	0	0.0	393.67	393.67	393.67	393.67	0.00	0.2	0.0	0.0
56 Strain; lifting	0	1	0	0	0.0	1,021.30	1,021.30	1,021.30	1,021.30	0.00	0.2	0.0	0.0
85 Injured by; animal or insect	0	1	0	0	0.0	110.59	110.59	110.59	110.59	0.00	0.2	0.0	0.0
98 Cumulative (NOC)	0	1	0	0	0.0	6.25	6.25	6.25	6.25	0.00	0.2	0.0	0.0
Totals for CEDA	4	12	1	67	5.6	35,331.45	118,531.67	2,944.29	30,361.88	83,200.22	1.8	0.9	1.2

Loss Dates: 07/01/2006 - 06/30/2007

Reporting Level: 2 / Break after level(s): 2

Open and Closed / Info Claims Included / Show Details: N

City of Oakland

## Frequency Analysis - Loss Cause

As Of 06/30/2007

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February 07, 2008

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Report Categories: AGIMODP

	Open	Total	Litigated	Indem Days	Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
											Claims	Paid	Incur.
<b>City Attorney's Office</b>													
97 Strain; repetitive motion	2	2	0	40	20.0	6,203.10	21,153.00	3,101.55	5,369.25	14,949.90	0.3	0.2	0.2
60 Strain; strain or injury by, NOC	0	1	0	0	0.0	6.25	6.25	6.25	6.25	0.00	0.2	0.0	0.0
Totals for City Attorney's Office	2	3	0	40	13.3	6,209.35	21,159.25	2,069.78	5,369.25	14,949.90	0.5	0.2	0.2

Loss Dates: 07/01/2006 - 06/30/2007

Reporting Level: 2 / Break after level(s): 2

Open and Closed / Info Claims Included / Show Details: N

City of Oakland

## Frequency Analysis - Loss Cause

As Of 06/30/2007

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February 07, 2008

9:56AM

Report Categories: AGIMODP

	Open	Total	Litigated	Indem Days	Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
											Claims	Paid	Incur.
<b>City Manager's Office</b>													
31 Fall, slip or trip, NOC	0	1	0	0	0.0	146.12	146.12	146.12	146.12	0.00	0.2	0.0	0.0
98 Cumulative (NOC)	0	1	0	0	0.0	701.68	701.68	701.68	701.68	0.00	0.2	0.0	0.0
Totals for City Manager's Office	0	2	0	0	0.0	847.80	847.80	423.90	701.68	0.00	0.3	0.0	0.0

Loss Dates: 07/01/2006 - 06/30/2007

Reporting Level: 2 / Break after level(s): 2

Open and Closed / Info Claims Included / Show Details: N

City of Oakland

## Frequency Analysis - Loss Cause

As Of 06/30/2007

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February 07, 2008

9:56AM

Report Categories: AGIMODP

	Open	Total	Litigated	Indem Days	Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
											Claims	Paid	Incur.
<b>Fire Services Agency</b>													
32 Fighting fire	17	38	4	1,912	50.3	776,340.68	1,236,793.97	20,430.02	141,595.98	460,453.29	5.8	20.2	12.7
98 Cumulative (NOC)	13	15	8	280	18.7	57,645.67	292,568.67	3,843.04	40,080.82	234,923.00	2.3	1.5	3.0
56 Strain; lifting	5	9	1	378	42.0	160,228.66	267,350.21	17,803.18	123,359.87	107,121.55	1.4	4.2	2.8
103 Fitness Training	6	8	1	443	55.4	176,176.40	923,965.27	22,022.05	91,418.67	747,788.87	1.2	4.6	9.5
60 Strain; strain or injury by, NOC	2	8	0	5	0.6	7,176.30	20,910.47	897.04	3,015.30	13,734.17	1.2	0.2	0.2
31 Fall, slip or trip, NOC	3	6	1	292	48.7	117,480.22	181,472.96	19,580.04	86,213.87	63,992.74	0.9	3.1	1.9
53 Strain; twisting	0	6	0	94	15.7	31,468.55	32,023.11	5,244.76	17,712.30	554.56	0.9	0.8	0.3
05 Contact with	1	5	0	42	8.4	12,968.80	16,063.71	2,593.76	7,915.44	3,094.91	0.8	0.3	0.2
81 Injured by; struck or injured NOC	2	5	2	85	17.0	35,331.56	68,954.91	7,066.31	25,881.65	33,623.35	0.8	0.9	0.7
57 Strain; pushing or pulling	1	4	0	40	10.0	14,942.74	23,938.46	3,735.69	8,260.16	8,995.72	0.6	0.4	0.2
09 Adverse reaction	1	3	0	0	0.0	4,270.53	27,400.45	1,423.51	1,843.38	23,129.92	0.5	0.1	0.3
66 Strike; object being lifted or handled	0	3	0	16	5.3	4,775.10	4,775.10	1,591.70	4,775.10	0.00	0.5	0.1	0.0
87 Foreign matter (body) in eye(s)	0	3	0	0	0.0	753.41	753.41	251.14	318.23	0.00	0.5	0.0	0.0
91 Police/fire physical fitness	2	3	2	298	99.3	107,492.17	170,177.49	35,830.72	101,530.90	62,685.32	0.5	2.8	1.8
13 Caught; in, under, between, NOC	0	2	0	0	0.0	437.51	437.51	218.76	360.97	0.00	0.3	0.0	0.0
16 Cut; hand tool, utensil, not powered	0	2	0	19	9.5	7,209.04	7,209.04	3,604.52	4,080.90	0.00	0.3	0.2	0.1
30 Slipped; did not fall	2	2	0	110	55.0	34,056.26	43,300.69	17,028.13	34,050.01	9,244.43	0.3	0.9	0.4
52 Sports/physical fitness	0	2	0	4	2.0	3,610.25	3,610.25	1,805.13	1,943.40	0.00	0.3	0.1	0.0
82 Misc;absorption/ingestion/inhalation	1	2	0	7	3.5	5,880.39	27,051.62	2,940.20	3,051.62	21,171.23	0.3	0.2	0.3

Loss Dates: 07/01/2006 - 06/30/2007

Reporting Level: 2 / Break after level(s): 2

Open and Closed / Info Claims Included / Show Details: N

City of Oakland

## Frequency Analysis - Loss Cause

As Of 06/30/2007

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February 07, 2008

9:56AM

Report Categories: AGIMODP

	Open	Total	Litigated	Indem Days	Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
											Claims	Paid	Incur.
<b>Fire Services Agency (Continued)</b>													
85 Injured by; animal or insect	1	2	0	1	0.5	830.61	2,345.61	415.31	830.61	1,515.00	0.3	0.0	0.0
02 Burn; Hot object or substance	0	1	0	24	24.0	7,536.32	7,536.32	7,536.32	7,536.32	0.00	0.2	0.2	0.1
07 Climbing	1	1	0	110	110.0	45,594.62	78,901.34	45,594.62	45,594.62	33,306.72	0.2	1.2	0.8
15 Cut; broken glass	0	1	0	10	10.0	3,293.28	3,293.28	3,293.28	3,293.28	0.00	0.2	0.1	0.0
19 Cut; caught, punctured, scraped, NOC	0	1	0	13	13.0	3,035.77	3,035.77	3,035.77	3,035.77	0.00	0.2	0.1	0.0
34 Noise Exposure	1	1	0	0	0.0	6,310.84	19,340.00	6,310.84	6,310.84	13,029.16	0.2	0.2	0.2
59 Strain; using tools or machinery	0	1	0	0	0.0	6.25	6.25	6.25	6.25	0.00	0.2	0.0	0.0
61 Strain; welding or throwing	0	1	0	0	0.0	2,958.16	2,958.16	2,958.16	2,958.16	0.00	0.2	0.1	0.0
70 Strike; against or stepping on NOC	0	1	0	7	7.0	2,602.61	2,602.61	2,602.61	2,602.61	0.00	0.2	0.1	0.0
74 Injured by; another person	0	1	0	9	9.0	3,139.00	3,139.00	3,139.00	3,139.00	0.00	0.2	0.1	0.0
75 Injured by; falling or flying object	0	1	0	0	0.0	0.00	0.00	0.00	0.00	0.00	0.2	0.0	0.0
76 Injured by; hand tool or machine in use	1	1	0	20	20.0	4,541.32	24,006.25	4,541.32	4,541.32	19,464.93	0.2	0.1	0.2
99 Misc; other - miscellaneous, NOC	1	1	0	46	46.0	18,042.18	31,436.00	18,042.18	18,042.18	13,393.82	0.2	0.5	0.3
Totals for Fire Services Agency	61	140	19	4,265	30.5	1,656,135.20	3,527,357.89	11,829.54	141,595.98	1,871,222.69	21.5	43.1	36.4

Loss Dates: 07/01/2006 - 06/30/2007

Reporting Level: 2 / Break after level(s): 2

Open and Closed / Info Claims Included / Show Details: N

City of Oakland

## Frequency Analysis - Loss Cause

As Of 06/30/2007

Page 7

February 07, 2008

9:56AM

Report Categories: AGIMODP

	Open	Total	Litigated	Indem Days	Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total			
											Claims	Paid	Incur.	
<b>Life Enrichment Agency</b>														
31 Fall, slip or trip, NOC	8	15	0	207	13.8	68,861.86	402,566.35	4,590.79	36,025.18	333,704.49	2.3	1.8	4.1	
74 Injured by; another person	3	6	1	138	23.0	18,566.80	73,386.87	3,094.47	10,954.16	54,820.07	0.9	0.5	0.8	
56 Strain; lifting	2	5	0	2	0.4	6,005.09	19,150.24	1,201.02	3,363.60	13,145.15	0.8	0.2	0.2	
97 Strain; repetitive motion	3	4	0	0	0.0	1,194.12	12,540.01	298.53	1,160.01	11,345.89	0.6	0.0	0.1	
02 Burn; Hot object or substance	1	3	0	0	0.0	893.11	3,237.06	297.70	700.81	2,343.95	0.5	0.0	0.0	
19 Cut; caught, punctured, scraped, NOC	0	3	0	0	0.0	1,343.60	1,343.60	447.87	679.51	0.00	0.5	0.0	0.0	
57 Strain; pushing or pulling	0	3	0	0	0.0	1,002.08	1,002.08	334.03	979.58	0.00	0.5	0.0	0.0	
75 Injured by; falling or flying object	2	3	0	0	0.0	17.50	1,526.25	5.83	11.25	1,508.75	0.5	0.0	0.0	
81 Injured by; struck or injured NOC	1	2	0	0	0.0	1,006.72	14,695.22	503.36	695.22	13,688.50	0.3	0.0	0.2	
98 Cumulative (NOC)	1	2	0	0	0.0	3,491.65	17,428.37	1,745.83	2,908.28	13,936.72	0.3	0.1	0.2	
09 Adverse reaction	1	1	1	0	0.0	3,799.91	19,500.00	3,799.91	3,799.91	15,700.09	0.2	0.1	0.2	
15 Cut; broken glass	0	1	0	0	0.0	304.31	304.31	304.31	304.31	0.00	0.2	0.0	0.0	
30 Slipped; did not fall	1	1	0	49	49.0	6,044.45	21,940.00	6,044.45	6,044.45	15,895.55	0.2	0.2	0.2	
52 Sports/physical fitness	0	1	0	0	0.0	802.52	802.52	802.52	802.52	0.00	0.2	0.0	0.0	
53 Strain; twisting	0	1	0	0	0.0	11.25	11.25	11.25	11.25	0.00	0.2	0.0	0.0	
60 Strain; strain or injury by, NOC	0	1	0	0	0.0	6.25	6.25	6.25	6.25	0.00	0.2	0.0	0.0	
77 Injured by; motor vehicle	1	1	0	0	0.0	6.25	1,515.00	6.25	6.25	1,508.75	0.2	0.0	0.0	
79 Injured by; object being lifted/handled	0	1	0	0	0.0	153.64	153.64	153.64	153.64	0.00	0.2	0.0	0.0	
82 Misc;absorption/ingestion/inhalation	0	1	0	0	0.0	154.98	154.98	154.98	154.98	0.00	0.2	0.0	0.0	

Loss Dates: 07/01/2006 - 06/30/2007

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Open and Closed / Info Claims Included / Show Details: N

City of Oakland

# Frequency Analysis - Loss Cause

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Report Categories: AGIMODP

	Open	Total	Litigated	Indem Days	Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
											Claims	Paid	Incur.		
<b>Life Enrichment Agency (Continued)</b>															
96 Bending	0	1	0	0	0.0	2,438.96	2,438.96	2,438.96	2,438.96	0.00	0.2	0.1	0.0		
Totals for Life Enrichment Agency	24	56	2	396	7.1	116,105.05	593,702.96	2,073.30	36,025.18	477,597.91	8.6	3.0	6.1		

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Report Categories: AGIMODP

	Open	Total	Litigated	Indem Days	Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
											Claims	Paid	Incur.
<b>Office Of Financial Services</b>													
74 Injured by; another person	2	5	0	73	14.6	8,918.44	53,946.00	1,783.69	5,698.90	45,027.56	0.8	0.2	0.6
31 Fall, slip or trip, NOC	1	4	0	0	0.0	930.89	930.89	232.72	767.49	0.00	0.6	0.0	0.0
66 Strike; object being lifted or handled	0	4	0	4	1.0	2,304.09	2,304.09	576.02	1,417.24	0.00	0.6	0.1	0.0
81 Injured by; struck or injured NOC	0	3	0	80	26.7	13,831.73	13,831.73	4,610.58	11,405.22	0.00	0.5	0.4	0.1
53 Strain; twisting	0	2	0	0	0.0	2,184.96	2,184.96	1,092.48	1,455.63	0.00	0.3	0.1	0.0
97 Strain; repetitive motion	2	2	0	98	49.0	9,227.68	41,665.00	4,613.84	8,948.40	32,437.32	0.3	0.2	0.4
19 Cut; caught, punctured, scraped, NOC	0	1	0	0	0.0	6.25	6.25	6.25	6.25	0.00	0.2	0.0	0.0
45 Vehicle; collide with other vehicle	1	1	1	0	0.0	4,487.06	15,356.31	4,487.06	4,487.06	10,869.25	0.2	0.1	0.2
56 Strain; lifting	1	1	0	0	0.0	6.25	1,515.00	6.25	6.25	1,508.75	0.2	0.0	0.0
57 Strain; pushing or pulling	1	1	0	3	3.0	943.63	16,500.00	943.63	943.63	15,556.37	0.2	0.0	0.2
59 Strain; using tools or machinery	0	1	0	0	0.0	2,457.09	2,457.09	2,457.09	2,457.09	0.00	0.2	0.1	0.0
60 Strain; strain or injury by, NOC	0	1	0	0	0.0	471.75	471.75	471.75	471.75	0.00	0.2	0.0	0.0
71 Injured by; patient assault, fellow work	0	1	0	0	0.0	661.10	661.10	661.10	661.10	0.00	0.2	0.0	0.0
75 Injured by; falling or flying object	0	1	0	0	0.0	1,197.63	1,197.63	1,197.63	1,197.63	0.00	0.2	0.0	0.0
76 Injured by; hand tool or machine in use	1	1	0	0	0.0	0.00	0.00	0.00	0.00	0.00	0.2	0.0	0.0
98 Cumulative (NOC)	0	1	1	0	0.0	1,649.49	1,649.49	1,649.49	1,649.49	0.00	0.2	0.0	0.0
99 Misc; other - miscellaneous, NOC	0	1	0	0	0.0	933.02	933.02	933.02	933.02	0.00	0.2	0.0	0.0
<b>Totals for Office Of Financial Services</b>	<b>9</b>	<b>31</b>	<b>2</b>	<b>258</b>	<b>8.3</b>	<b>50,211.06</b>	<b>155,610.31</b>	<b>1,619.71</b>	<b>11,405.22</b>	<b>105,399.25</b>	<b>4.8</b>	<b>1.3</b>	<b>1.6</b>



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City of Oakland

Report Categories: AGIMODP

	Open	Total	Litigated	Indem Days	Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
											Claims	Paid	Incur.
<b>Office of the City Auditor</b>													
31 Fall, slip or trip, NOC	0	1	0	0	0.0	587.30	587.30	587.30	587.30	0.00	0.2	0.0	0.0
87 Foreign matter (body) in eye(s)	1	1	0	0	0.0	0.00	0.00	0.00	0.00	0.00	0.2	0.0	0.0
Totals for Office of the City Auditor	1	2	0	0	0.0	587.30	587.30	293.65	587.30	0.00	0.3	0.0	0.0

Loss Dates: 07/01/2006 - 06/30/2007

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## Frequency Analysis - Loss Cause

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Report Categories: AGIMODP

	Open	Total	Litigated	Indem Days	Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total			
											Claims	Paid	Incur.	
<b>Police Services Agency</b>														
89 Person in act of crime	24	58	3	1,731	29.8	456,820.72	939,420.82	7,876.22	60,091.20	482,600.10	8.9	11.9	9.7	
45 Vehicle; collide with other vehicle	14	21	5	1,065	50.7	419,926.43	863,428.59	19,996.50	177,685.12	443,502.16	3.2	10.9	8.9	
103 Fitness Training	4	20	0	39	2.0	20,523.32	162,254.59	1,026.17	5,903.37	141,731.27	3.1	0.5	1.7	
101 Defensive Tactics	6	18	2	309	17.2	113,495.76	282,403.84	6,305.32	84,193.96	168,908.08	2.8	3.0	2.9	
81 Injured by; struck or injured NOC	8	15	2	0	0.0	9,287.33	175,605.10	619.16	2,619.11	166,317.77	2.3	0.2	1.8	
85 Injured by; animal or insect	1	13	0	9	0.7	7,773.25	7,773.25	597.94	2,668.39	0.00	2.0	0.2	0.1	
05 Contact with	8	10	1	333	33.3	137,776.21	203,536.67	13,777.62	82,230.86	65,760.46	1.5	3.6	2.1	
31 Fall, slip or trip, NOC	5	10	2	266	26.6	58,803.19	168,408.65	5,880.32	25,693.08	109,605.46	1.5	1.5	1.7	
60 Strain; strain or injury by, NOC	4	10	1	25	2.5	18,533.17	60,420.90	1,853.32	7,254.06	41,887.73	1.5	0.5	0.6	
97 Strain; repetitive motion	5	10	1	0	0.0	10,679.44	90,100.05	1,067.94	5,212.06	79,420.61	1.5	0.3	0.9	
53 Strain; twisting	5	8	1	201	25.1	51,962.22	155,107.99	6,495.28	24,943.10	103,145.77	1.2	1.4	1.6	
74 Injured by; another person	4	7	1	94	13.4	26,879.93	66,402.86	3,839.99	23,211.42	39,522.93	1.1	0.7	0.7	
50 Vehicle; motor vehicle NOC	4	6	1	173	28.8	31,874.26	79,863.70	5,312.38	18,892.42	47,989.44	0.9	0.8	0.8	
98 Cumulative (NOC)	5	6	4	0	0.0	10,013.58	110,040.24	1,668.93	5,488.79	100,026.66	0.9	0.3	1.1	
96 Bending	3	5	2	408	81.6	38,593.58	106,297.41	7,718.72	25,325.87	67,703.83	0.8	1.0	1.1	
56 Strain; lifting	2	4	0	3	0.8	1,255.55	20,511.70	313.89	816.10	19,256.15	0.6	0.0	0.2	
70 Strike; against or stepping on NOC	3	4	0	59	14.8	15,652.82	24,656.25	3,913.21	15,358.29	9,003.43	0.6	0.4	0.3	
57 Strain; pushing or pulling	1	3	1	0	0.0	7,437.57	16,316.85	2,479.19	6,831.97	8,879.28	0.5	0.2	0.2	
66 Strike; object being lifted or handled	1	3	0	18	6.0	4,109.01	17,086.92	1,369.67	3,728.34	12,977.91	0.5	0.1	0.2	

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	Open	Total	Litigated	Indem Days	Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
											Claims	Paid	Incur.
<b>Police Services Agency (Continued)</b>													
77 Injured by; motor vehicle	1	3	1	97	32.3	33,857.00	61,026.58	11,285.67	33,030.42	27,169.58	0.5	0.9	0.6
91 Police/fire physical fitness	2	3	0	0	0.0	3,282.26	43,331.34	1,094.09	3,106.67	40,049.08	0.5	0.1	0.4
07 Climbing	1	2	0	0	0.0	342.96	11,288.71	171.48	336.71	10,945.75	0.3	0.0	0.1
19 Cut; caught, punctured, scraped, NOC	1	2	0	0	0.0	325.20	1,833.95	162.60	318.95	1,508.75	0.3	0.0	0.0
41 Vehicle; crash of rail vehicle	2	2	1	1	0.5	403.60	69,243.50	201.80	397.35	68,839.90	0.3	0.0	0.7
68 Strike; stationary object	2	2	1	117	58.5	27,011.51	61,908.46	13,505.76	16,647.15	34,896.95	0.3	0.7	0.6
82 Misc;absorption/ingestion/inhalation	0	2	0	0	0.0	528.89	528.89	264.45	342.16	0.00	0.3	0.0	0.0
99 Misc; other - miscellaneous, NOC	1	2	1	110	55.0	35,280.96	138,755.04	17,640.48	34,582.42	103,474.08	0.3	0.9	1.4
04 Collision: non-vehicle	0	1	0	0	0.0	6.25	6.25	6.25	6.25	0.00	0.2	0.0	0.0
12 Caught; object handled	0	1	0	0	0.0	276.06	276.06	276.06	276.06	0.00	0.2	0.0	0.0
13 Caught; in, under, between, NOC	0	1	0	0	0.0	6.25	6.25	6.25	6.25	0.00	0.2	0.0	0.0
14 Gunshot	1	1	0	41	41.0	9,825.22	45,414.50	9,825.22	9,825.22	35,589.28	0.2	0.3	0.5
15 Cut; broken glass	0	1	0	0	0.0	213.00	213.00	213.00	213.00	0.00	0.2	0.0	0.0
30 Slipped; did not fall	1	1	0	49	49.0	13,751.37	46,132.00	13,751.37	13,751.37	32,380.63	0.2	0.4	0.5
46 Vehicle; collision with fixed object	0	1	0	0	0.0	199.41	199.41	199.41	199.41	0.00	0.2	0.0	0.0
52 Sports/physical fitness	1	1	0	0	0.0	6.25	1,525.00	6.25	6.25	1,518.75	0.2	0.0	0.0
79 Injured by; object being lifted/handled	0	1	0	0	0.0	498.67	498.67	498.67	498.67	0.00	0.2	0.0	0.0
93 Contagious or occup. disease	1	1	1	0	0.0	527.33	28,600.00	527.33	527.33	28,072.67	0.2	0.0	0.3

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	Open	Total	Litigated	Indem Days	Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
											Claims	Paid	Incur.
Totals for Police Services Agency	121	259	32	5,148	19.9	1,567,739.53	4,060,423.99	6,053.05	177,685.12	2,492,684.46	39.7	40.8	41.9

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	Open	Total	Litigated	Indem Days	Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
											Claims	Paid	Incur.
<b>Public Works Department</b>													
31 Fall, slip or trip, NOC	7	18	4	496	27.6	181,746.66	477,579.14	10,097.04	52,791.05	295,832.48	2.8	4.7	4.9
56 Strain; lifting	9	18	0	213	11.8	35,835.72	164,413.31	1,990.87	15,332.17	128,577.59	2.8	0.9	1.7
53 Strain; twisting	6	8	0	83	10.4	32,432.00	89,943.95	4,054.00	21,701.95	57,511.95	1.2	0.8	0.9
85 Injured by; animal or insect	1	7	0	0	0.0	824.83	824.83	117.83	283.51	0.00	1.1	0.0	0.0
98 Cumulative (NOC)	3	7	3	0	0.0	15,921.00	95,036.09	2,274.43	8,797.50	79,115.09	1.1	0.4	1.0
81 Injured by; struck or injured NOC	3	6	2	133	22.2	23,684.87	49,638.31	3,947.48	13,255.88	25,953.44	0.9	0.6	0.5
87 Foreign matter (body) in eye(s)	0	6	0	3	0.5	1,951.62	1,951.62	325.27	713.31	0.00	0.9	0.1	0.0
97 Strain; repetitive motion	2	6	1	45	7.5	12,051.59	26,164.71	2,008.60	8,941.61	14,113.12	0.9	0.3	0.3
19 Cut; caught, punctured, scraped, NOC	1	5	0	2	0.4	1,291.57	9,845.91	258.31	310.20	8,554.34	0.8	0.0	0.1
30 Slipped; did not fall	1	5	0	133	26.6	15,368.43	63,274.40	3,073.69	13,394.03	47,905.97	0.8	0.4	0.7
45 Vehicle; collide with other vehicle	2	5	1	242	48.4	40,900.63	87,174.92	8,180.13	20,090.73	46,274.29	0.8	1.1	0.9
57 Strain; pushing or pulling	1	5	0	3	0.6	5,667.69	13,422.65	1,133.54	2,260.04	7,754.96	0.8	0.1	0.1
75 Injured by; falling or flying object	0	5	0	0	0.0	2,442.75	2,442.75	488.55	1,182.07	0.00	0.8	0.1	0.0
09 Adverse reaction	1	4	0	0	0.0	309.98	11,314.28	77.50	169.26	11,004.30	0.6	0.0	0.1
79 Injured by; object being lifted/handled	0	4	0	0	0.0	1,132.03	1,132.03	283.01	810.21	0.00	0.6	0.0	0.0
82- Misc;absorption/ingestion/inhalation	1	4	0	0	0.0	148.40	12,122.15	37.10	130.90	11,973.75	0.6	0.0	0.1
05 Contact with	0	3	0	0	0.0	996.74	996.74	332.25	446.54	0.00	0.5	0.0	0.0
14 Gunshot	0	3	0	0	0.0	6.25	6.25	2.08	6.25	0.00	0.5	0.0	0.0
66 Strike; object being lifted or handled	1	3	0	3	1.0	1,572.92	18,068.90	524.31	704.02	16,495.98	0.5	0.0	0.2

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	Open	Total	Litigated	Indem Days	Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
											Claims	Paid	Incur.
<b>Public Works Department (Continued)</b>													
70 Strike; against or stepping on NOC	0	3	0	0	0.0	1,399.81	1,399.81	466.60	1,161.26	0.00	0.5	0.0	0.0
74 Injured by; another person	2	3	0	10	3.3	2,741.67	11,810.97	913.89	1,795.97	9,069.30	0.5	0.1	0.1
02 Burn; Hot object or substance	1	2	0	21	10.5	3,271.51	14,990.67	1,635.76	2,890.84	11,719.16	0.3	0.1	0.2
12 Caught; object handled	0	2	0	0	0.0	748.07	748.07	374.04	644.21	0.00	0.3	0.0	0.0
59 Strain; using tools or machinery	1	2	0	0	0.0	1,457.66	8,451.41	728.83	958.49	6,993.75	0.3	0.0	0.1
68 Strike; stationary object	0	2	0	0	0.0	202.41	202.41	101.21	191.16	0.00	0.3	0.0	0.0
99 Misc; other - miscellaneous, NOC	1	2	0	22	11.0	4,403.86	8,797.91	2,201.93	3,120.95	4,394.05	0.3	0.1	0.1
27 Fall; from liquid or grease spills	0	1	0	45	45.0	8,181.05	8,181.05	8,181.05	8,181.05	0.00	0.2	0.2	0.1
50 Vehicle; motor vehicle NOC	1	1	0	0	0.0	0.00	7,200.00	0.00	0.00	7,200.00	0.2	0.0	0.1
60 Strain; strain or injury by, NOC	1	1	1	0	0.0	5,447.34	21,375.84	5,447.34	5,447.34	15,928.50	0.2	0.1	0.2
77 Injured by; motor vehicle	0	1	0	0	0.0	123.22	123.22	123.22	123.22	0.00	0.2	0.0	0.0
96 Bending	1	1	0	0	0.0	0.00	1,515.00	0.00	0.00	1,515.00	0.2	0.0	0.0
Totals for Public Works Department	47	143	12	1,454	10.2	402,262.28	1,210,149.30	2,813.02	52,791.05	807,887.02	21.9	10.5	12.5

Loss Dates: 07/01/2006 - 06/30/2007

Reporting Level: 2 / Break after level(s): 2

Open and Closed / Info Claims Included / Show Details: N

# Frequency Analysis - Loss Cause

As Of 06/30/2007

February 07, 2008

9:56AM

City of Oakland

Report Categories: AGIMODP

	Open	Total	Litigated	Indem Days	Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
											Claims	Paid	Incur.
Totals for City of Oakland	270	652	68	11,663	17.9	3,840,096.60	9,701,306.10	5,889.72	177,685.12	5,861,209.50	21.9	10.5	12.5

Loss Dates: 07/01/2006 - 06/30/2007

Reporting Level: 2 / Break after level(s): 2

Open and Closed / Info Claims Included / Show Details: N

# Frequency Analysis - Loss Cause

As Of 06/30/2007

February 07, 2008

9:56AM

Report Categories: AGIMODP

	Open	Total	Litigated	Indem Days	Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
											Claims	Paid	Incur.
<b>GRAND TOTALS</b>	270	652	68	11,663	17.9	3,840,096.60	9,701,306.10	5,889.72	177,685.12	5,861,209.50	100.0	100.0	100.0



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

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

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

## Frequency Analysis - Loss Cause

As Of 06/30/2008

Page 1

December 05, 2008

4:31PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
<b>Admin Services Agency</b>														
09 Adverse reaction	0	2	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.3	0.0	0.0
56 Strain; lifting	1	2	0	0	0	0	2,189.09	14,851.92	1,094.55	1,987.17	12,662.83	0.3	0.1	0.2
19 Cut; caught, punctured, scraped, NOC	0	1	0	0	0	0	103.10	103.10	103.10	103.10	0.00	0.2	0.0	0.0
96 Bending	0	1	0	0	0	0	75.19	75.19	75.19	75.19	0.00	0.2	0.0	0.0
97 Strain; repetitive motion	0	1	0	0	0	0	845.38	845.38	845.38	845.38	0.00	0.2	0.0	0.0
Totals for Admin Services Agency	1	7	0	0	0	0	3,212.76	15,875.59	458.97	1,987.17	12,662.83	1.1	0.1	0.2

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

## Frequency Analysis - Loss Cause

Page 2

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

December 05, 2008

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

As Of 06/30/2008

4:31PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
<b>CEDA</b>																
31 Fall, slip or trip, NOC	0	5	0	78	31	22	12,541.61	12,541.61	2,508.32	11,411.43	0.00	0.8	0.4	0.1		
97 Strain; repetitive motion	1	3	0	0	0	0	625.20	11,123.12	208.40	406.78	10,497.92	0.5	0.0	0.1		
09 Adverse reaction	1	2	0	0	0	0	2,503.28	30,432.59	1,251.64	2,401.69	27,929.31	0.3	0.1	0.3		
04 Collision; non-vehicle	0	1	0	0	0	0	154.46	154.46	154.46	154.46	0.00	0.2	0.0	0.0		
13 Caught; in, under, between, NOC	0	1	0	0	0	0	318.71	318.71	318.71	318.71	0.00	0.2	0.0	0.0		
19 Cut; caught, punctured, scraped, NOC	0	1	0	0	0	0	6.75	6.75	6.75	6.75	0.00	0.2	0.0	0.0		
45 Vehicle; collide with other vehicle	0	1	0	0	10	10	594.25	594.25	594.25	594.25	0.00	0.2	0.0	0.0		
56 Strain; lifting	1	1	1	57	40	97	9,557.76	14,297.78	9,557.76	9,557.76	4,740.02	0.2	0.3	0.2		
60 Strain; strain or injury by, NOC	0	1	0	0	0	0	532.09	532.09	532.09	532.09	0.00	0.2	0.0	0.0		
74 Injured by; another person	0	1	0	0	0	0	96.59	96.59	96.59	96.59	0.00	0.2	0.0	0.0		
75 Injured by; falling or flying object	0	1	0	0	0	0	145.34	145.34	145.34	145.34	0.00	0.2	0.0	0.0		
87 Foreign matter (body) in eye(s)	0	1	0	0	0	0	174.28	174.28	174.28	174.28	0.00	0.2	0.0	0.0		
Totals for CEDA	3	19	1	135	81	11	27,250.32	70,417.57	1,434.23	11,411.43	43,167.25	2.9	0.8	0.8		

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

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

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

### Frequency Analysis - Loss Cause

As Of 06/30/2008

December 05, 2008

4:31PM

Report Categories: AGIMODPR

**City of Oakland**

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
<b>City Attorney's Office</b>														
31 Fall, slip or trip, NOC	0	1	0	0	0	0	1,268.01	1,268.01	1,268.01	1,268.01	0.00	0.2	0.0	0.0
53 Strain; twisting	0	1	0	1	22	23	876.59	876.59	876.59	876.59	0.00	0.2	0.0	0.0
59 Strain; using tools or machinery	1	1	0	71	60	131	12,583.59	19,810.00	12,583.59	12,583.59	7,226.41	0.2	0.4	0.2
97 Strain; repetitive motion	1	1	0	0	0	0	3,859.36	9,878.88	3,859.36	3,859.36	6,019.52	0.2	0.1	0.1
Totals for City Attorney's Office	2	4	0	72	82	39	18,587.55	31,833.48	4,646.89	12,583.59	13,245.93	0.6	0.6	0.4

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

### Frequency Analysis - Loss Cause

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

December 05, 2008

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

As Of 06/30/2008

4:31 PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
<b>City Manager's Office</b>														
31 Fall, slip or trip, NOC	0	1	0	0	7	7	1,255.12	1,255.12	1,255.12	1,255.12	0.00	0.2	0.0	0.0
99 Misc; other - miscellaneous, NOC	0	1	0	0	0	0	96.59	96.59	96.59	96.59	0.00	0.2	0.0	0.0
Totals for City Manager's Office	0	2	0	0	7	4	1,351.71	1,351.71	675.86	1,255.12	0.00	0.3	0.0	0.0

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

## Frequency Analysis - Loss Cause

Page 5

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

December 05, 2008

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

As Of 06/30/2008

4:31PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
<b>Fire Services Agency</b>																
56 Strain; lifting	9	19	3	553	47	32	129,546.47	276,496.92	6,818.24	23,327.35	146,950.45	2.9	3.9	3.1		
32 Fighting fire	5	18	0	159	0	9	50,299.61	78,577.86	2,794.42	11,111.66	28,278.25	2.7	1.5	0.9		
31 Fall, slip or trip, NOC	6	16	2	851	41	56	296,163.88	476,262.59	18,510.24	100,571.84	180,098.71	2.4	9.0	5.4		
05 Contact with	2	11	0	13	0	1	6,748.62	17,849.35	613.51	3,142.28	11,100.73	1.7	0.2	0.2		
98 Cumulative (NOC)	5	10	5	148	0	15	81,049.84	288,612.48	8,104.98	36,068.01	207,562.64	1.5	2.5	3.2		
103 Fitness Training	5	7	2	472	34	72	118,255.30	301,781.57	16,893.61	59,719.86	183,526.27	1.1	3.6	3.4		
57 Strain; pushing or pulling	2	5	0	119	75	39	35,069.75	72,405.33	7,013.95	26,470.16	37,335.58	0.8	1.1	0.8		
60 Strain; strain or injury by, NOC	3	5	0	28	0	6	11,857.67	52,650.52	2,371.53	4,039.35	40,792.85	0.8	0.4	0.6		
70 Strike; against or stepping on NOC	3	5	0	111	0	22	32,725.69	80,852.63	6,545.14	11,181.12	48,126.94	0.8	1.0	0.9		
87 Foreign matter (body) in eye(s)	2	5	0	2	0	0	891.20	6,926.83	178.24	387.29	6,035.63	0.8	0.0	0.1		
15 Cut; broken glass	3	4	0	54	0	14	14,474.21	89,271.44	3,618.55	14,228.30	74,797.23	0.6	0.4	1.0		
30 Slipped; did not fall	2	4	0	186	0	47	53,890.64	117,143.59	13,472.66	32,070.72	63,252.95	0.6	1.6	1.3		
66 Strike; object being lifted or handled	1	4	0	0	0	0	2,337.96	3,346.21	584.49	1,667.26	1,008.25	0.6	0.1	0.0		
82 Misc; absorption/ingestion/inhalation	0	4	0	81	0	20	27,094.63	27,094.63	6,773.66	8,803.88	0.00	0.6	0.8	0.3		
97 Strain; repetitive motion	2	4	1	48	0	12	16,803.44	63,385.12	4,200.86	14,320.47	46,581.68	0.6	0.5	0.7		
12 Caught; object handled	0	3	0	72	0	24	23,071.68	23,071.68	7,690.56	18,968.37	0.00	0.5	0.7	0.3		
50 Vehicle; motor vehicle NOC	3	3	0	271	0	90	128,919.16	373,144.18	42,973.05	76,273.25	244,225.02	0.5	3.9	4.2		
53 Strain; twisting	2	3	0	49	0	16	16,796.66	18,701.70	5,598.89	15,536.70	1,905.04	0.5	0.5	0.2		
91 Police/fire physical fitness	1	3	1	47	0	16	17,838.22	37,042.25	5,946.07	14,794.99	19,204.03	0.5	0.5	0.4		
93 Contagious or occup. disease	0	3	0	55	0	18	17,974.82	17,974.82	5,991.61	13,588.18	0.00	0.5	0.5	0.2		
99 Misc; other - miscellaneous, NOC	1	3	0	1	0	0	4,313.16	18,159.54	1,437.72	2,053.69	13,846.38	0.5	0.1	0.2		
02 Burn; Hot object or substance	0	2	0	8	0	4	2,633.48	2,633.48	1,316.74	2,536.89	0.00	0.3	0.1	0.0		
09 Adverse reaction	1	2	0	1	0	1	393.30	8,642.83	196.65	269.19	8,249.53	0.3	0.0	0.1		
19 Cut; caught, punctured, scraped, NOC	1	2	0	10	0	5	2,623.39	14,300.87	1,311.70	2,459.60	11,677.48	0.3	0.1	0.2		
52 Sports/physical fitness	1	2	1	199	0	100	44,326.80	58,950.25	22,163.40	41,032.43	14,623.45	0.3	1.3	0.7		
68 Strike; stationary object	0	2	0	38	0	19	10,875.05	10,875.05	5,437.53	10,675.35	0.00	0.3	0.3	0.1		
07 Climbing	0	1	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.2	0.0	0.0		
11 Burn; cold objects or substances	0	1	0	0	0	0	269.32	269.32	269.32	269.32	0.00	0.2	0.0	0.0		
16 Cut; hand tool, utensil, not powered	0	1	0	0	0	0	162.54	162.54	162.54	162.54	0.00	0.2	0.0	0.0		
33 Fall; on stairs	1	1	0	6	0	6	0.00	29,166.32	0.00	0.00	29,166.32	0.2	0.0	0.3		
34 Noise Exposure	0	1	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.2	0.0	0.0		
45 Vehicle; collide with other vehicle	1	1	0	104	0	104	14,768.72	73,923.00	14,768.72	14,768.72	59,154.28	0.2	0.4	0.8		
69 Stepping; on sharp object	0	1	0	0	0	0	416.99	416.99	416.99	416.99	0.00	0.2	0.0	0.0		
74 Injured by; another person	0	1	0	0	0	0	182.49	182.49	182.49	182.49	0.00	0.2	0.0	0.0		
75 Injured by; falling or flying object	0	1	0	0	0	0	177.87	177.87	177.87	177.87	0.00	0.2	0.0	0.0		
76 Injured by; hand tool or machine in use	1	1	0	78	0	78	24,675.56	35,438.80	24,675.56	24,675.56	10,763.24	0.2	0.7	0.4		
77 Injured by; motor vehicle	0	1	0	23	0	23	7,346.08	7,346.08	7,346.08	7,346.08	0.00	0.2	0.2	0.1		

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

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

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

### Frequency Analysis - Loss Cause

As Of 06/30/2008

December 05, 2008

4:31PM

Report Categories: AGIMODPR

City of Oakland

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
<b>Fire Services Agency (Continued)</b>																
79 Injured by; object being lifted/handled	0	1	0	0	0	0	129.43	129.43	129.43	129.43	0.00	0.2	0.0	0.0		
81 Injured by; struck or injured NOC	0	1	0	0	0	0	304.57	304.57	304.57	304.57	0.00	0.2	0.0	0.0		
85 Injured by; animal or insect	0	1	0	3	0	3	824.69	824.69	824.69	824.69	0.00	0.2	0.0	0.0		
Totals for Fire Services Agency	63	163	15	3,790	197	24	1,196,232.89	2,684,495.82	7,338.85	100,571.84	1,488,262.93	24.7	36.2	30.2		

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

## Frequency Analysis - Loss Cause

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

December 05, 2008

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

As Of 06/30/2008

4:31 PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
<b>Life Enrichment Agency</b>														
31 Fall, slip or trip, NOC	4	11	1	405	50	41	50,973.82	96,549.06	4,633.98	35,541.55	45,575.24	1.7	1.5	1.1
56 Strain; lifting	1	9	0	0	8	1	2,656.40	4,206.40	295.16	694.09	1,550.00	1.4	0.1	0.0
97 Strain; repetitive motion	4	6	0	0	44	7	7,549.14	55,038.64	1,258.19	3,274.91	47,489.50	0.9	0.2	0.6
75 Injured by; falling or flying object	1	4	0	0	0	0	271.07	3,801.11	67.77	167.21	3,530.04	0.6	0.0	0.0
74 Injured by; another person	1	3	0	0	17	6	760.49	13,774.80	253.50	449.69	13,014.31	0.5	0.0	0.2
99 Misc; other - miscellaneous, NOC	3	3	0	0	83	28	2,152.92	15,492.27	717.64	1,128.88	13,339.35	0.5	0.1	0.2
60 Strain; strain or injury by, NOC	0	2	0	0	0	0	1,077.21	1,077.21	538.61	916.81	0.00	0.3	0.0	0.0
03 Burn; temperature extremes	0	1	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.2	0.0	0.0
05 Contact with	0	1	0	0	0	0	1,745.13	1,745.13	1,745.13	1,745.13	0.00	0.2	0.1	0.0
103 Fitness Training	0	1	0	0	0	0	732.39	732.39	732.39	732.39	0.00	0.2	0.0	0.0
12 Caught; object handled	0	1	0	0	0	0	245.23	245.23	245.23	245.23	0.00	0.2	0.0	0.0
45 Vehicle; collide with other vehicle	0	1	0	0	0	0	135.89	135.89	135.89	135.89	0.00	0.2	0.0	0.0
53 Strain; twisting	1	1	0	0	0	0	235.17	1,515.00	235.17	235.17	1,279.83	0.2	0.0	0.0
57 Strain; pushing or pulling	1	1	1	0	0	0	2,924.34	6,414.50	2,924.34	2,924.34	3,490.16	0.2	0.1	0.1
66 Strike; object being lifted or handled	0	1	0	0	0	0	152.28	152.28	152.28	152.28	0.00	0.2	0.0	0.0
68 Strike; stationary object	1	1	0	0	104	104	4,427.92	9,178.73	4,427.92	4,427.92	4,750.81	0.2	0.1	0.1
79 Injured by; object being lifted/handled	0	1	0	0	0	0	486.87	486.87	486.87	486.87	0.00	0.2	0.0	0.0
81 Injured by; struck or injured NOC	0	1	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.2	0.0	0.0
87 Foreign matter (body) in eye(s)	0	1	0	0	0	0	103.86	103.86	103.86	103.86	0.00	0.2	0.0	0.0
89 Person in act of crime	0	1	0	0	0	0	1,405.04	1,405.04	1,405.04	1,405.04	0.00	0.2	0.0	0.0
98 Cumulative (NOC)	1	1	0	0	76	76	1,175.57	19,830.56	1,175.57	1,175.57	18,654.99	0.2	0.0	0.2
Totals for Life Enrichment Agency	18	52	2	405	382	15	79,210.74	231,884.97	1,523.28	35,541.55	152,674.23	7.9	2.4	2.6

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

### Frequency Analysis - Loss Cause

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

December 05, 2008

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

As Of 06/30/2008

4:31PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
<b>Miscellaneous/Old</b>																
99 Misc; other - miscellaneous, NOC	1	1	0	0	0	0	0.00	750,000.00	0.00	0.00	750,000.00	0.2	0.0	8.4		
Totals for Miscellaneous/Old	1	1	0	0	0	0	0.00	750,000.00	0.00	0.00	750,000.00	0.2	0.0	8.4		



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

## Frequency Analysis - Loss Cause

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

December 05, 2008

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

As Of 06/30/2008

4:31 PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
<b>Office Of Financial Services</b>														
97 Strain; repetitive motion	3	6	0	150	100	42	15,564.07	52,300.51	2,594.01	8,215.07	36,736.44	0.9	0.5	0.6
45 Vehicle; collide with other vehicle	2	5	0	0	142	28	5,089.60	19,591.28	1,017.92	3,605.46	14,501.68	0.8	0.2	0.2
31 Fall, slip or trip, NOC	1	4	1	0	30	8	1,715.89	18,380.45	428.97	1,241.56	16,664.56	0.6	0.1	0.2
53 Strain; twisting	1	3	0	0	85	28	2,213.29	18,375.94	737.76	1,243.64	16,162.65	0.5	0.1	0.2
99 Misc; other - miscellaneous, NOC	1	2	1	0	0	0	6,132.52	25,638.77	3,066.26	5,991.75	19,506.25	0.3	0.2	0.3
09 Adverse reaction	1	1	0	0	0	0	1,705.44	19,831.00	1,705.44	1,705.44	18,125.56	0.2	0.1	0.2
19 Cut; caught, punctured, scraped, NOC	1	1	0	0	0	0	0.00	1,650.00	0.00	0.00	1,650.00	0.2	0.0	0.0
56 Strain; lifting	0	1	0	0	34	34	289.93	289.93	289.93	289.93	0.00	0.2	0.0	0.0
58 Strain; reaching	1	1	0	0	0	0	929.88	17,998.00	929.88	929.88	17,068.12	0.2	0.0	0.2
60 Strain; strain or injury by, NOC	0	1	0	0	0	0	61.30	61.30	61.30	61.30	0.00	0.2	0.0	0.0
74 Injured by; another person	1	1	1	19	37	56	3,912.20	9,825.00	3,912.20	3,912.20	5,912.80	0.2	0.1	0.1
85 Injured by; animal or insect	0	1	0	0	0	0	113.59	113.59	113.59	113.59	0.00	0.2	0.0	0.0
Totals for Office Of Financial Services	12	27	3	169	428	22	37,727.71	184,055.77	1,397.32	8,215.07	146,328.06	4.1	1.1	2.1

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

### Frequency Analysis - Loss Cause

As Of 06/30/2008

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 December 05, 2008  
 4:31PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
<b>Office of the City Auditor</b>														
98 Cumulative (NOC)	0	1	0	0	0	0	1,697.66	1,697.66	1,697.66	1,697.66	0.00	0.2	0.1	0.0
Totals for Office of the City Auditor	0	1	0	0	0	0	1,697.66	1,697.66	1,697.66	1,697.66	0.00	0.2	0.1	0.0

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

## Frequency Analysis - Loss Cause

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

December 05, 2008

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

As Of 06/30/2008

4:31PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
<b>Police Services Agency</b>														
89 Person in act of crime	23	61	4	2,261	237	41	651,187.36	1,234,596.85	10,675.20	95,570.66	583,409.49	9.2	19.7	13.9
103 Fitness Training	12	27	3	492	302	29	102,261.37	286,952.66	3,787.46	39,441.47	184,691.29	4.1	3.1	3.2
45 Vehicle; collide with other vehicle	9	20	2	683	95	39	155,729.04	293,509.75	7,786.45	56,689.28	137,780.71	3.0	4.7	3.3
53 Strain; twisting	3	13	1	107	106	16	25,860.92	125,224.38	1,989.30	9,648.24	99,363.46	2.0	0.8	1.4
19 Cut; caught, punctured, scraped, NOC	2	10	0	71	2	7	14,163.16	27,896.30	1,416.32	9,854.12	13,733.14	1.5	0.4	0.3
31 Fall, slip or trip, NOC	4	10	0	170	57	23	19,371.19	32,840.42	1,937.12	11,487.90	13,469.23	1.5	0.6	0.4
85 Injured by; animal or insect	1	9	1	259	12	30	20,204.46	27,754.89	2,244.94	13,099.57	7,550.43	1.4	0.6	0.3
97 Strain; repetitive motion	6	9	1	241	323	63	66,437.29	209,048.47	7,381.92	30,305.89	142,611.18	1.4	2.0	2.3
101 Defensive Tactics	6	8	3	1,074	236	164	239,560.48	760,118.36	29,945.06	70,214.95	520,557.88	1.2	7.3	8.5
82 Misc;absorption/ingestion/inhalation	2	8	1	0	0	0	1,601.86	52,055.97	200.23	367.75	50,454.11	1.2	0.0	0.6
98 Cumulative (NOC)	5	8	5	112	14	16	58,434.40	271,268.44	7,304.30	24,256.24	212,834.04	1.2	1.8	3.0
09 Adverse reaction	4	7	2	13	8	3	4,946.17	84,507.69	706.60	3,374.15	79,561.52	1.1	0.1	0.9
56 Strain; lifting	1	7	0	96	34	19	25,221.60	35,841.01	3,603.09	8,387.09	10,619.41	1.1	0.8	0.4
57 Strain; pushing or pulling	2	5	0	211	28	48	38,382.51	70,620.21	7,676.50	34,694.39	32,237.70	0.8	1.2	0.8
91 Police/fire physical fitness	1	5	0	10	51	12	3,654.83	5,161.33	730.97	2,363.23	1,506.50	0.8	0.1	0.1
05 Contact with	3	4	1	195	13	52	43,569.91	125,694.83	10,892.48	43,388.74	82,124.92	0.6	1.3	1.4
60 Strain; strain or injury by, NOC	0	4	0	0	0	0	3,224.48	3,224.48	806.12	2,039.06	0.00	0.6	0.1	0.0
74 Injured by; another person	1	4	0	68	62	33	13,224.36	51,946.59	3,306.09	11,398.67	38,722.23	0.6	0.4	0.6
79 Injured by; object being lifted/handled	0	4	0	0	14	4	934.03	934.03	233.51	440.69	0.00	0.6	0.0	0.0
81 Injured by; struck or injured NOC	2	4	0	0	0	0	312.50	15,676.61	78.13	201.89	15,364.11	0.6	0.0	0.2
30 Slipped; did not fall	2	3	0	54	136	63	20,641.27	89,099.81	6,880.42	11,060.91	68,458.54	0.5	0.6	1.0
93 Contagious or occup. disease	2	3	0	11	0	4	2,787.29	12,391.69	929.10	2,378.69	9,604.40	0.5	0.1	0.1
04 Collision: non-vehicle	0	2	0	13	0	7	5,282.72	5,282.72	2,641.36	4,741.39	0.00	0.3	0.2	0.1
07 Climbing	2	2	0	18	0	9	5,057.91	19,079.50	2,528.96	4,320.82	14,021.59	0.3	0.2	0.2
66 Strike; object being lifted or handled	0	2	0	0	32	16	908.86	908.86	454.43	635.28	0.00	0.3	0.0	0.0
69 Stepping; on sharp object	0	2	0	5	45	25	1,748.64	1,748.64	874.32	1,421.47	0.00	0.3	0.1	0.0
92 Skin Disease or disorders	1	2	0	0	7	4	112.68	9,114.18	56.34	107.68	9,001.50	0.3	0.0	0.1
08 Collision; Non-vehicle	1	1	0	0	13	13	135.47	20,015.00	135.47	135.47	19,879.53	0.2	0.0	0.2
14 Gunshot	1	1	0	1	0	1	216.74	15,006.50	216.74	216.74	14,789.76	0.2	0.0	0.2
26 Fall; from ladder or scaffolding	1	1	0	0	0	0	0.00	1,506.50	0.00	0.00	1,506.50	0.2	0.0	0.0
34 Noise Exposure	0	1	0	0	0	0	432.66	432.66	432.66	432.66	0.00	0.2	0.0	0.0
46 Vehicle; collision with fixed object	1	1	0	180	0	180	47,040.84	54,325.95	47,040.84	47,040.84	7,285.11	0.2	1.4	0.6
50 Vehicle; motor vehicle NOC	0	1	0	19	0	19	3,669.29	3,669.29	3,669.29	3,669.29	0.00	0.2	0.1	0.0
52 Sports/physical fitness	0	1	0	0	0	0	365.96	365.96	365.96	365.96	0.00	0.2	0.0	0.0
68 Strike; stationary object	1	1	0	0	0	0	0.00	1,506.50	0.00	0.00	1,506.50	0.2	0.0	0.0
70 Strike; against or stepping on NOC	1	1	0	0	0	0	0.00	1,506.50	0.00	0.00	1,506.50	0.2	0.0	0.0
75 Injured by; falling or flying object	0	1	0	0	42	42	5.00	5.00	5.00	5.00	0.00	0.2	0.0	0.0

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

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

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

### Frequency Analysis - Loss Cause

As Of 06/30/2008

City of Oakland

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
<b>Police Services Agency (Continued)</b>																
87 Foreign matter (body) in eye(s)	0	1	0	0	0	0	201.63	201.63	201.63	201.63	0.00	0.2	0.0	0.0		
Totals for Police Services Agency	100	254	24	6,364	1,869	32	1,576,888.88	3,951,040.16	6,208.22	95,570.66	2,374,151.28	38.4	47.7	44.4		

### Frequency Analysis - Loss Cause

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total				
				Lost	Rest.							Claims	Paid	Incur.		
<b>Public Works Department</b>																
56 Strain; lifting	8	16	1	115	164	17	36,741.63	158,577.88	2,296.35	14,609.83	121,836.25	2.4	1.1	1.8		
31 Fall, slip or trip, NOC	4	12	3	259	216	40	65,812.57	128,648.85	5,484.38	31,745.37	62,836.28	1.8	2.0	1.4		
09 Adverse reaction	4	10	2	0	3	0	11,530.54	68,842.28	1,153.05	6,929.56	57,311.74	1.5	0.3	0.8		
45 Vehicle; collide with other vehicle	7	10	0	143	40	18	33,430.43	84,177.15	3,343.04	18,682.31	50,746.72	1.5	1.0	0.9		
66 Strike; object being lifted or handled	3	9	1	67	204	30	15,760.71	40,970.13	1,751.19	11,192.47	25,209.42	1.4	0.5	0.5		
53 Strain; twisting	2	7	0	55	174	33	10,687.11	28,775.62	1,526.73	5,393.87	18,088.51	1.1	0.3	0.3		
57 Strain; pushing or pulling	3	7	0	44	49	13	11,696.30	38,749.10	1,670.90	10,193.65	27,052.80	1.1	0.4	0.4		
97 Strain; repetitive motion	6	7	2	491	133	89	99,124.57	194,588.48	14,160.65	44,804.79	95,463.91	1.1	3.0	2.2		
70 Strike; against or stepping on NOC	1	6	0	3	46	8	2,194.44	12,212.06	365.74	1,296.90	10,017.62	0.9	0.1	0.1		
85 Injured by; animal or insect	0	5	0	0	5	1	1,619.18	1,619.18	323.84	555.00	0.00	0.8	0.0	0.0		
75 Injured by; falling or flying object	0	4	0	2	0	1	588.22	588.22	147.06	372.86	0.00	0.6	0.0	0.0		
05 Contact with	0	3	0	0	3	1	545.90	545.90	181.97	283.91	0.00	0.5	0.0	0.0		
19 Cut; caught, punctured, scraped, NOC	0	3	0	3	6	3	1,578.51	1,578.51	526.17	944.00	0.00	0.5	0.0	0.0		
87 Foreign matter (body) in eye(s)	0	3	0	0	0	0	392.04	392.04	130.68	198.85	0.00	0.5	0.0	0.0		
12 Caught; object handled	0	2	0	3	1	2	1,629.97	1,629.97	814.99	1,413.70	0.00	0.3	0.0	0.0		
18 Cut; powered hand tool, appliance	0	2	0	0	0	0	96.59	96.59	48.30	96.59	0.00	0.3	0.0	0.0		
30 Slipped; did not fall	1	2	0	0	11	6	737.23	1,955.15	368.62	432.08	1,217.92	0.3	0.0	0.0		
60 Strain; strain or injury by, NOC	1	2	0	0	0	0	608.04	10,096.59	304.02	511.45	9,488.55	0.3	0.0	0.1		
68 Strike; stationary object	1	2	1	0	0	0	2,028.38	13,739.96	1,014.19	1,788.42	11,711.58	0.3	0.1	0.2		
69 Stepping; on sharp object	0	2	0	0	22	11	2,924.29	2,924.29	1,462.15	2,549.52	0.00	0.3	0.1	0.0		
71 Injured by; patient assault, fellow work	1	2	1	92	0	46	15,563.36	35,405.48	7,781.68	15,283.88	19,842.12	0.3	0.5	0.4		
79 Injured by; object being lifted/handled	0	2	0	0	0	0	229.53	229.53	114.77	219.53	0.00	0.3	0.0	0.0		
82 Misc;absorption/ingestion/inhalation	0	2	0	0	0	0	2,058.62	2,058.62	1,029.31	1,193.42	0.00	0.3	0.1	0.0		
02 Burn; Hot object or substance	0	1	0	0	6	6	379.61	379.61	379.61	379.61	0.00	0.2	0.0	0.0		
13 Caught; in, under, between, NOC	0	1	0	0	4	4	739.81	739.81	739.81	739.81	0.00	0.2	0.0	0.0		
15 Cut; broken glass	0	1	0	0	0	0	96.59	96.59	96.59	96.59	0.00	0.2	0.0	0.0		
16 Cut; hand tool, utensil, not powered	0	1	0	0	5	5	159.40	159.40	159.40	159.40	0.00	0.2	0.0	0.0		
46 Vehicle; collision with fixed object	1	1	0	147	41	188	32,834.01	91,300.00	32,834.01	32,834.01	58,465.99	0.2	1.0	1.0		
50 Vehicle; motor vehicle NOC	1	1	0	10	122	132	4,180.29	13,742.91	4,180.29	4,180.29	9,562.62	0.2	0.1	0.2		
61 Strain; wielding or throwing	0	1	0	0	16	16	1,456.68	1,456.68	1,456.68	1,456.68	0.00	0.2	0.0	0.0		
74 Injured by; another person	1	1	0	0	0	0	3,913.93	19,721.95	3,913.93	3,913.93	15,808.02	0.2	0.1	0.2		
77 Injured by; motor vehicle	1	1	0	0	0	0	432.99	17,806.16	432.99	432.99	17,373.17	0.2	0.0	0.2		
81 Injured by; struck or injured NOC	0	1	0	0	0	0	147.42	147.42	147.42	147.42	0.00	0.2	0.0	0.0		
99 Misc; other - miscellaneous, NOC	1	1	0	0	0	0	0.00	1,650.00	0.00	0.00	1,650.00	0.2	0.0	0.0		
<b>Totals for Public Works Department</b>	<b>47</b>	<b>131</b>	<b>11</b>	<b>1,434</b>	<b>1,271</b>	<b>21</b>	<b>361,918.89</b>	<b>975,602.11</b>	<b>2,762.74</b>	<b>44,804.79</b>	<b>613,683.22</b>	<b>19.8</b>	<b>11.0</b>	<b>11.0</b>		

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

### Frequency Analysis - Loss Cause

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

December 05, 2008

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

As Of 06/30/2008

4:31PM

City of Oakland

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
Totals for City of Oakland	247	661	56	12,369	4,317	25	3,304,079.11	8,898,254.84	4,998.61	100,571.84	5,594,175.73	19.8	11.0	11.0

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

### Frequency Analysis - Loss Cause

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

December 05, 2008

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

As Of 06/30/2008

4:31 PM

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
<b>GRAND TOTALS</b>	247	661	56	12,369	4,317	25	3,304,079.11	8,898,254.84	4,998.61	100,571.84	5,594,175.73	100.0	100.0	100.0



**City of Oakland,  
California**

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

**November 25, 2008**





November 25, 2008

904-012

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

Attn: Ms. Deb Grant  
Insurance Manager

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

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

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

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

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

Respectfully submitted,

*ARM TECH*

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

MD:iga

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II.	Objectives .....	5
III.	Conclusions .....	6

## Appendices

A	Conditions and Limitations
B	Glossary of Actuarial Terms
C	Exhibits

## I. Background

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

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

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

<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 2017/18.

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

The fiscal period runs from July 1 through June 30.

## II. Objectives

The specific objectives of this study are:

1. **Estimate Outstanding Losses.** Estimate outstanding losses (including allocated loss adjustment expenses [ALAE]) as of June 30, 2008.

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 2008/09 through 2010/11.

The projected ultimate losses are the accrual value of losses with accident dates during 2008/09 through 2010/11, regardless of report or payment date. The amounts are limited to the self-insured retention.

3. **Project Losses Paid.** Project losses paid during the 2008/09 through 2010/11 years.

The projected losses paid are the claim disbursements during 2008/09 through 2010/11, regardless of accident or report date. The amounts are limited to the self-insured retention.

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

5. **Data Observations.**

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, 2008 to be as shown in Table III-1.

**Table III-1**  
**Estimated Outstanding Losses**  
**at Expected (50%) Confidence Level**  
**June 30, 2008**

(A)	Estimated outstanding losses (including '4850' benefits)	\$80,382,255
(B)	Present value of estimated outstanding losses	64,571,904

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

We note one large open claim (#0058620072) in the 1997/98 year. We capped the loss development at the incurred loss of \$4.9 million as of June 30, 2008, as shown in Exhibit WC-23 (page 51).

The estimated outstanding losses as of June 30, 2008 reflect the impact of AB 749 (which became effective January 1, 2003), SB 228 (effective January 1, 2004) and SB 899 (effective April 19, 2004). AB 749 increased costs of indemnity benefits, whereas SB 288 and SB 899 have reduced costs of medical and indemnity benefits. Based on the latest industry data, the combined impact of these reforms has been estimated by WCIRB (Workers Compensation Insurance Rating Bureau) as +4.8% effective January 1, 2003, -9.2% effective January 1, 2004, -20% effective April 19, 2004, -12.3% effective January 1, 2005, +2.8% effective January 1, 2006 and +0.1% effective January 1, 2007. These latest WCIRB estimates include the impact of the new PDRS (Permanent Disability Rating Schedule) and system utilization due to medical reforms of SB 899.

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

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

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

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

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

## 2. Project Ultimate Losses

We project ultimate losses for 2008/09 through 2010/11 to be as shown in Tables III-2A through III-2C.

**Table III-2A  
Projected Ultimate Losses  
2008/09  
(at \$750,000 WC SIR)**

Item (1)	Amount (2)	Rate per \$100 of Payroll (3)
(A) Projected ultimate losses (including '4850' benefits)	\$20,239,000	\$5.31
(B) Present value of projected ultimate losses	16,875,000	4.42

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

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

Item (1)	Amount (2)	Rate per \$100 of Payroll (3)
(A) Projected ultimate losses (including '4850' benefits)	\$21,263,000	\$5.41
(B) Present value of projected ultimate losses	17,729,000	4.51

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

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

	<b>Item (1)</b>	<b>Amount (2)</b>	<b>Rate per \$100 of Payroll (3)</b>
(A)	Projected ultimate losses (including '4850' benefits)	\$22,339,000	\$5.52
(B)	Present value of projected ultimate losses	18,626,000	4.60

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

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

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

All costs other than losses are additional.

Projected ultimate losses for seven additional years (2011/12 through 2017/18) are shown in Exhibit WC-10 (page 38). We emphasize that due to the length of the projection period, there will be greater than normal variability in the estimates.

### 3. Project Losses Paid

We project losses paid during 2008/09 through 2010/11 to be as shown in Table III-3.

**Table III-3  
Projected Losses Paid  
2008/09 through 2010/11**

	<b>Item (1)</b>	<b>2008/09 (2)</b>	<b>2009/10 (3)</b>	<b>2010/11 (4)</b>
(A)	Projected losses paid	\$18,094,388	\$18,562,194	\$19,129,918

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

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

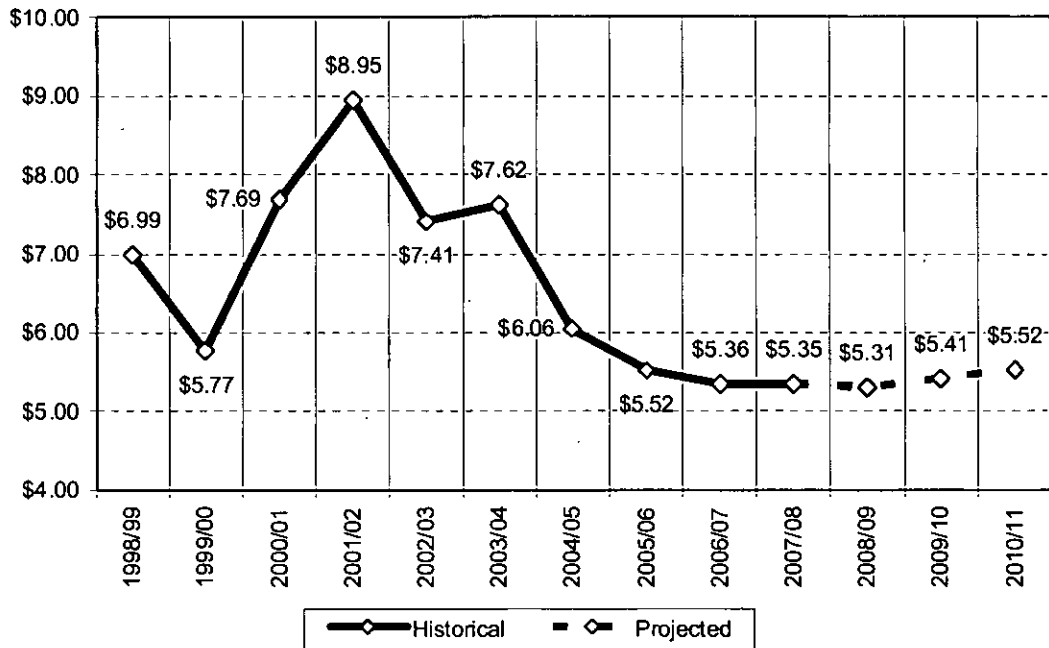
All costs other than losses are additional.

Projected losses paid for seven additional years (2011/12 through 2017/18) are shown in Exhibits WC-15 through WC-21 (pages 43 through 49). We emphasize that due to the length of the projection period, there will be greater than normal variability in the estimates.

### Loss Experience Trends

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

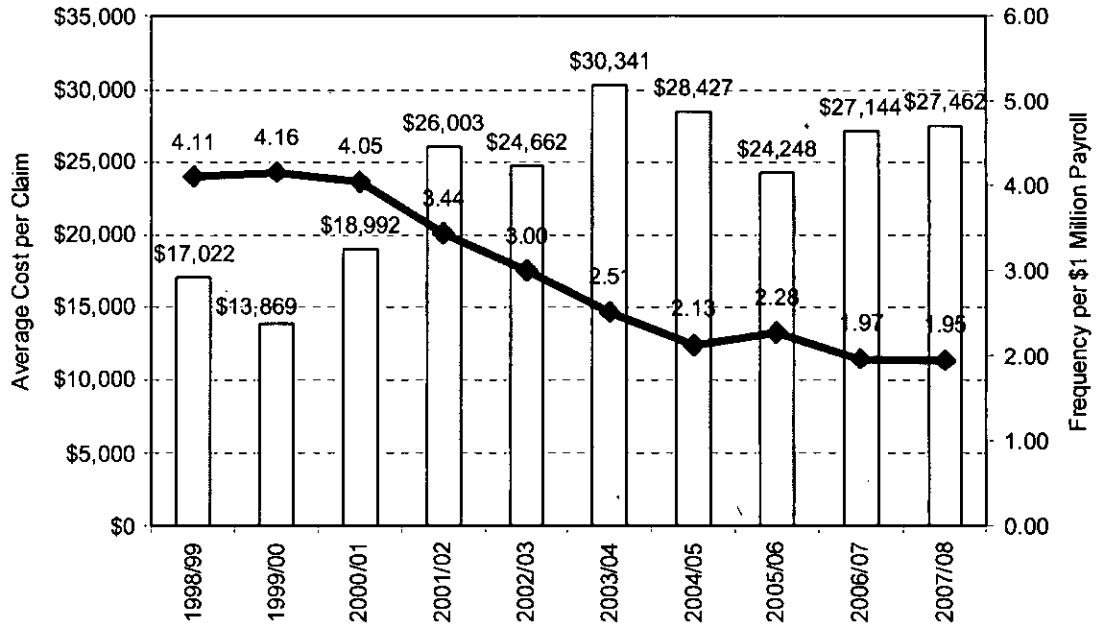
**Graph III-1**  
**Loss Rate per \$100 of Payroll**  
*(Workers Compensation)*



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



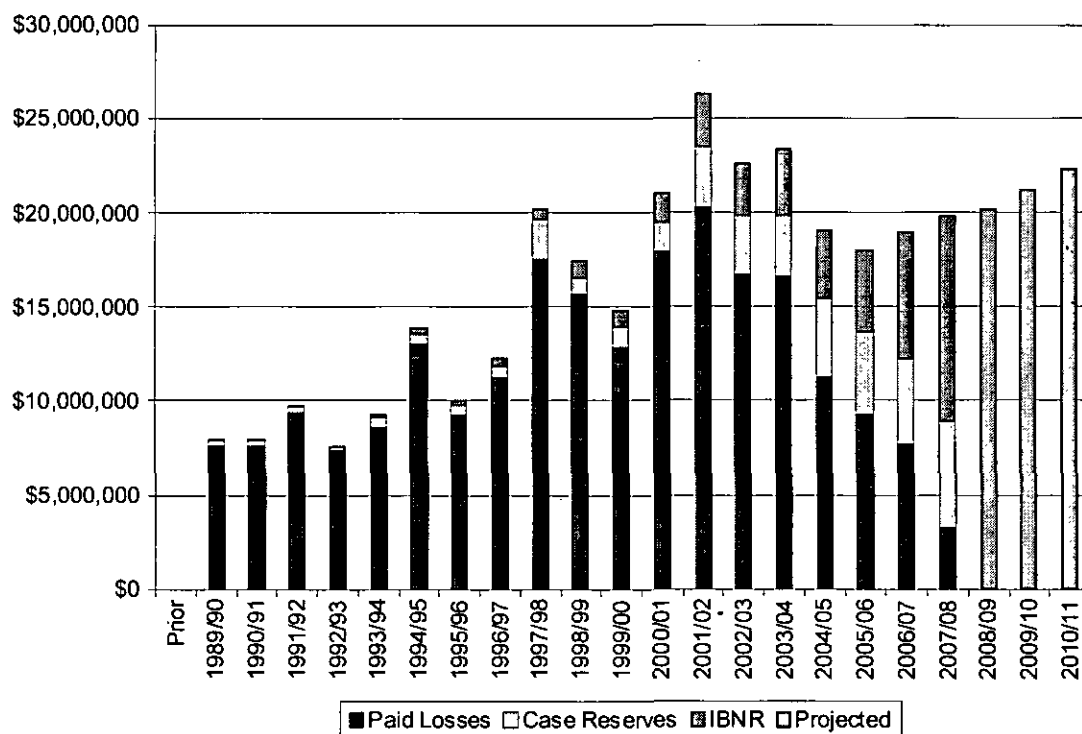
**Graph III-2  
Frequency and Severity  
(Workers Compensation)**



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

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

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



Note: Amounts through 2007/08 are from Exhibit WC-11.  
Amounts for 2008/09, 2009/10 and 2010/11 are from Exhibit WC-10.

A list of large claims with limited reported incurred losses \$500,000 or greater as of June 30, 2008 is as shown in Exhibit WC-23 (page 51).

#### 4. Size of Loss Distribution Analysis

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

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

Layer (1)	Total Reported Claims (2)	Percent of Total (2)/Total(2) (3)	Cumulative Percent of Total (4)	Total Reported Incurred Losses (5)	Percent of Total (5)/Total(5) (6)	Cumulative Percent of Total (7)
(A) \$0.01 to \$5,000	3,038	70.3%	70.3%	\$2,729,499	3.4%	3.4%
(B) \$5,000 to \$10,000	252	5.8%	76.1%	1,840,574	2.3%	5.7%
(C) \$10,000 to \$50,000	586	13.6%	89.7%	14,050,296	17.5%	23.2%
(D) \$50,000 to \$100,000	220	5.1%	94.8%	15,692,738	19.5%	42.7%
(E) \$100,000 to \$250,000	179	4.1%	98.9%	28,252,329	35.2%	77.9%
(F) \$250,000 to \$500,000	39	0.9%	99.8%	12,261,240	15.3%	93.2%
(G) \$300,000 to \$750,000	6	0.1%	100.0%	3,788,300	4.7%	97.9%
(H) \$500,000 to \$1,000,000	2	0.0%	100.0%	1,680,992	2.1%	100.0%
(I) \$1,000,000 to \$2,000,000	0	0.0%	100.0%	0	0.0%	100.0%
(J) Over \$2,000,000	0	0.0%	100.0%	0	0.0%	100.0%
(K) Total (A) ... (J)	4,322	100.0%		\$80,295,968	100.0%	

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

About 76% of the non-zero claims reported are below \$10,000 and they represent about 6% of the incurred amounts. The remaining 24% of the claims consume about 94% of the incurred amounts.

A size of loss distribution by year and loss layer as of June 30, 2008 is as shown in Exhibit WC-24 (page 52).

#### 5. Data Observations

The City did not provide historical loss data valuations to allow us to consider the City's actual historical development patterns. Instead, we relied on industry data and other similar programs to select the development patterns used in the analysis. We recommend the City provide at least four prior loss run valuations (i.e. as of June 30, 2007, as of June 30, 2006, as of June 30, 2005 and as of June 30, 2004).

#### 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 ARM Tech for clarification.

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

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

## Glossary of Actuarial Terms

### Actuarial Methods (Most Common)

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

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

The following describes each method:

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

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

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

The net effect is that total estimated costs are often revised upward over time. This normal process is called “reported incurred loss development.” Actuaries typically review the development patterns of the recent past to make projections of the

expected future loss development and, therefore, estimations of ultimate losses.

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

## **Actuary**

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

## **Allocated Loss Adjustment Expenses**

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

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

## **American Academy of Actuaries**

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

## **Benefits**

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

## **Casualty Actuarial Society**

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

## **Claim**

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

## **Claims Made**

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

## **Composite Rate**

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



## **Confidence Level**

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

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

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

## **Coverage**

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

## **Credibility**

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

## **Dates**

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

## **Deductible**

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

## **Disability**

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

## **Dividend (Policyholder)**

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

## **Estimated Outstanding Losses**

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

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

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

## **Experience Rating**

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

## **Exposure Data**

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

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

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

## **Generally Accepted Accounting Principles (GAAP)**

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

## **Incurred But Not Reported**

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

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

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

## **Insurance Services Office (ISO)**

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

## **Investment Income**

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

## **Limited**

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

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

## **Loss Development**

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

## **Manual Rates**

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

## **National Council on Compensation Insurance (NCCI)**

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

## **Net**

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

## **Occurrence**

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

## **Pool**

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

## **Premium**

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

## **Present Value**

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

## **Probability**

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

## **Projected Losses Paid**

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

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

## **Projected Ultimate Losses**

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

and ALAE, but not ULAE.

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

## **Rate**

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

## **Retrospective Rating**

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

## **Salvage**

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

## **Schedule Rating**

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

## **Self-Insurance Retention (SIR)**

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

## **Society of Actuaries (SOA)**

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

## **Standard Premium**

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

## **State Fund**

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

## **Statutory Accounting Principles (SAP)**

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

## **Unallocated Loss Adjustment Expenses**

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

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

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-1

Data Summary as of June 30, 2008

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/08 (4)	Payroll (000) (5)	Reported Claims 6/30/08 (6)	Open Claims 6/30/08 (7)	Limited Paid Losses 6/30/08 (8)	Limited Case Reserves 6/30/08 (9)	Limited Reported Incurred Losses 6/30/08 (10)
to 1988/89	Unlimited	None	240.0	Not Provided	12,802	79	\$73,490,285	\$2,396,892	\$75,887,177
1989/90	Unlimited	None	228.0	Not Provided	1,119	8	7,570,706	294,346	7,865,052
1990/91	Unlimited	None	216.0	Not Provided	1,203	9	7,543,479	294,175	7,837,653
1991/92	Unlimited	None	204.0	Not Provided	1,158	10	9,339,325	296,930	9,636,255
1992/93	Unlimited	None	192.0	Not Provided	1,136	4	7,363,732	101,725	7,465,457
1993/94	Unlimited	None	180.0	Not Provided	1,108	10	8,638,881	412,408	9,051,289
1994/95	Unlimited	None	168.0	Not Provided	1,028	8	13,023,037	534,421	13,557,459
1995/96	Unlimited	None	156.0	Not Provided	1,059	12	9,294,448	463,448	9,757,897
1996/97	Unlimited	None	144.0	Not Provided	1,051	23	11,207,658	637,503	11,845,161
1997/98	Unlimited	None	132.0	Not Provided	1,044	27	17,538,696	2,050,438	19,589,134
1998/99	Unlimited	None	120.0	Not Provided	1,025	21	15,664,933	902,698	16,567,631
1999/00	Unlimited	None	108.0	256,973	1,069	28	12,867,196	1,013,858	13,881,054
2000/01	Unlimited	None	96.0	273,827	1,108	51	17,909,476	1,534,978	19,444,453
2001/02	Unlimited	None	84.0	293,519	1,010	62	20,261,097	3,255,952	23,517,049
2002/03	Unlimited	None	72.0	305,541	918	80	18,744,602	3,060,914	19,805,516
2003/04	Unlimited	None	60.0	307,408	772	84	16,582,829	3,252,428	19,835,257
2004/05	1,000,000	None	48.0	315,491	672	85	11,250,779	4,123,882	15,374,661
2005/06	1,000,000	None	36.0	326,085	741	109	9,241,069	4,397,038	13,638,107
2006/07	1,000,000	None	24.0	354,814	696	129	7,704,841	4,477,163	12,182,004
2007/08	1,000,000	None	12.0	370,278	670	238	3,273,676	5,602,676	8,876,352
Total					31,385	1,077	\$296,510,745	\$39,103,771	\$335,614,516

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

Effective July 1, 2008, the self-insured retention changed to \$750,000.

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

Data was provided by the City.



CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-2

Summary of Percent Losses Paid, Losses Reported and Claims Reported

Months of Development (1)	Percent Losses Paid (2)	Percent Losses Reported (3)	Percent Claims Reported (4)
360.0	99.8%	100.0%	100.0%
348.0	99.7%	100.0%	100.0%
336.0	99.6%	100.0%	100.0%
324.0	99.4%	100.0%	100.0%
312.0	99.1%	100.0%	100.0%
300.0	98.8%	100.0%	100.0%
288.0	98.2%	100.0%	100.0%
276.0	97.5%	100.0%	100.0%
264.0	96.4%	100.0%	100.0%
252.0	94.8%	99.9%	100.0%
240.0	92.6%	99.0%	100.0%
228.0	92.3%	98.8%	100.0%
216.0	92.0%	98.5%	100.0%
204.0	91.6%	98.2%	100.0%
192.0	91.2%	98.0%	100.0%
180.0	90.7%	97.6%	100.0%
168.0	90.0%	97.2%	100.0%
156.0	89.1%	96.7%	100.0%
144.0	88.0%	95.9%	100.0%
132.0	86.6%	95.0%	100.0%
120.0	84.8%	93.9%	100.0%
108.0	82.7%	92.7%	100.0%
96.0	80.1%	91.3%	100.0%
84.0	77.0%	89.5%	100.0%
72.0	73.0%	87.3%	100.0%
60.0	67.6%	84.5%	100.0%
48.0	61.7%	80.7%	100.0%
36.0	52.8%	74.6%	99.8%
24.0	35.9%	62.9%	99.4%
12.0	14.8%	42.9%	92.9%

(2), (3) and (4) are based on other similar programs with which we are familiar.

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-3

Developed Limited Paid Losses

Claim Period (1)	Months of Development 6/30/08 (2)	Limited Paid Losses 6/30/08 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
to 1988/89	240.0	\$73,490,285	92.6%	\$79,369,507
1989/90	228.0	7,570,706	92.3%	8,202,935
1990/91	216.0	7,543,479	92.0%	8,202,041
1991/92	204.0	9,339,325	91.6%	10,191,480
1992/93	192.0	7,363,732	91.2%	8,070,111
1993/94	180.0	8,638,881	90.7%	9,522,410
1994/95	168.0	13,023,037	90.0%	14,462,010
1995/96	156.0	9,294,448	89.1%	10,427,205
1996/97	144.0	11,207,658	88.0%	12,737,041
1997/98	132.0	17,538,696	86.6%	20,252,519
1998/99	120.0	15,664,933	84.8%	18,464,496
1999/00	108.0	12,867,196	82.7%	15,561,977
2000/01	96.0	17,909,476	80.1%	22,355,103
2001/02	84.0	20,261,097	77.0%	26,314,369
2002/03	72.0	16,744,602	73.0%	22,951,506
2003/04	60.0	16,582,829	67.6%	24,524,732
2004/05	48.0	11,250,779	61.7%	18,247,575
2005/06	36.0	9,241,069	52.8%	17,498,320
2006/07	24.0	7,704,841	35.9%	21,474,104
2007/08	12.0	3,273,676	14.8%	22,156,018

(3) is from Exhibit WC-1.

(4) is from Exhibit WC-2.

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-4

Developed Limited Reported Incurred Losses

Claim Period (1)	Months of Development 6/30/08 (2)	Limited Reported Incurred Losses 6/30/08 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
to 1988/89	240.0	\$75,887,177	99.0%	\$76,646,049
1989/90	228.0	7,865,052	98.8%	7,962,344
1990/91	216.0	7,837,653	98.5%	7,959,006
1991/92	204.0	9,636,255	98.2%	9,809,661
1992/93	192.0	7,465,457	98.0%	7,620,190
1993/94	180.0	9,051,289	97.6%	9,272,035
1994/95	168.0	13,557,459	97.2%	13,945,159
1995/96	156.0	9,757,897	96.7%	10,091,261
1996/97	144.0	11,845,161	95.9%	12,347,054
1997/98	132.0	19,589,134	95.0%	20,363,658 *
1998/99	120.0	16,567,529	93.9%	17,635,522
1999/00	108.0	13,881,054	92.7%	14,967,633
2000/01	96.0	19,444,453	91.3%	21,306,757
2001/02	84.0	23,517,049	89.5%	26,273,493
2002/03	72.0	19,805,516	87.3%	22,682,689
2003/04	60.0	19,835,257	84.5%	23,473,318
2004/05	48.0	15,374,661	80.7%	19,061,700
2005/06	36.0	13,638,107	74.6%	18,193,640 *
2006/07	24.0	12,182,004	62.9%	19,342,819 *
2007/08	12.0	8,876,352	42.9%	19,749,814 *

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

(3) is from Exhibit WC-1.

(4) is from Exhibit WC-2.

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-5

Developed Limited Case Reserves

Claim Period (1)	Months of Development 6/30/08 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 6/30/08 [(4)-{(3)}] [100.0%-(3)] (5)	Limited Paid Losses 6/30/08 (6)	Limited Case Reserves 6/30/08 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
to 1988/89	240.0	92.6%	99.0%	86.6%	\$73,490,285	\$2,396,892	\$76,256,983
1989/90	228.0	92.3%	98.8%	84.1%	7,570,706	294,346	7,920,509
1990/91	216.0	92.0%	98.5%	81.0%	7,543,479	294,175	7,906,611
1991/92	204.0	91.6%	98.2%	78.9%	9,339,325	296,930	9,715,858
1992/93	192.0	91.2%	98.0%	76.8%	7,363,732	101,725	7,496,184
1993/94	180.0	90.7%	97.6%	74.3%	8,638,881	412,408	9,193,634
1994/95	168.0	90.0%	97.2%	72.1%	13,023,037	534,421	13,764,686
1995/96	156.0	89.1%	96.7%	69.6%	9,294,448	463,448	9,960,411
1996/97	144.0	88.0%	95.9%	66.1%	11,207,658	637,503	12,171,429
1997/98	132.0	86.6%	95.0%	62.6%	17,538,696	2,050,438	19,971,947 *
1998/99	120.0	84.8%	93.9%	60.1%	15,664,933	902,596	17,167,801
1999/00	108.0	82.7%	92.7%	58.1%	12,867,196	1,013,858	14,612,901
2000/01	96.0	80.1%	91.3%	56.0%	17,909,476	1,534,978	20,648,150
2001/02	84.0	77.0%	89.5%	54.4%	20,261,097	3,255,952	26,247,104
2002/03	72.0	73.0%	87.3%	53.1%	16,744,602	3,060,914	22,509,442
2003/04	60.0	67.6%	84.5%	52.1%	16,582,829	3,252,428	22,820,736
2004/05	48.0	61.7%	80.7%	49.6%	11,250,779	4,123,882	19,571,385 *
2005/06	36.0	52.8%	74.6%	46.1%	9,241,069	4,397,038	18,036,516 *
2006/07	24.0	35.9%	62.9%	42.1%	7,704,841	4,477,163	17,986,626 *
2007/08	12.0	14.8%	42.9%	33.0%	3,273,676	5,602,676	18,569,600 *

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

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

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

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-6

Preliminary Projected Ultimate Limited Losses to 2007/08

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 1988/89	\$79,369,507	\$76,646,049	\$76,256,983	\$76,490,422
1989/90	8,202,935	7,962,344	7,920,509	7,945,610
1990/91	8,202,041	7,959,006	7,906,611	7,938,048
1991/92	10,191,480	9,809,661	9,715,858	9,772,140
1992/93	8,070,111	7,620,190	7,496,184	7,570,588
1993/94	9,522,410	9,272,035	9,193,634	9,240,675
1994/95	14,462,010	13,945,159	13,764,686	13,872,970
1995/96	10,427,205	10,091,261	9,960,411	10,038,921
1996/97	12,737,041	12,347,054	12,171,429	12,276,804
1997/98	20,252,519	20,363,658	19,971,947	20,206,974
1998/99	18,464,496	17,635,522	17,167,801	17,448,433
1999/00	15,561,977	14,967,633	14,612,901	14,825,740
2000/01	22,355,103	21,306,757	20,648,150	21,043,314
2001/02	26,314,369	26,273,493	26,247,104	26,262,937
2002/03	22,951,506	22,682,689	22,509,442	22,640,272
2003/04	24,524,732	23,473,318	22,820,736	23,422,568
2004/05	18,247,575	19,061,700	19,571,385	19,102,749
2005/06	17,498,320	18,193,640	18,036,516	17,991,726
2006/07	21,474,104	19,342,819	17,986,626	19,226,599
2007/08	22,156,018	19,749,814	18,569,600	19,758,969

(2) is from Exhibit WC-3.

(3) is from Exhibit WC-4.

(4) is from Exhibit WC-5.

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

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-7

Bornhuetter - Ferguson Analysis

I. A-priori Loss Rate

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2008/09 = 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)
1998/99	\$17,448,433	\$249,489	\$6.99	0.836	\$5.85	\$6.36
1999/00	14,825,740	256,973	5.77	0.818	4.72	6.50
2000/01	21,043,314	273,627	7.69	0.798	6.13	6.67
2001/02	26,262,937	293,519	8.95	0.782	7.00	6.80
2002/03	22,640,272	305,541	7.41	0.758	5.62	7.01
2003/04	23,422,568	307,406	7.62	0.726	5.53	7.33
2004/05	19,102,749	315,491	6.05	0.759	4.60	7.01
2005/06	17,991,726	326,085	5.52	1.000	5.52	5.32
2006/07	19,226,599	354,814	5.42	1.035	5.61	5.14
2007/08	19,758,969	370,278	5.34	1.000	5.34	5.32

(7) Projected 2008/09 a-priori loss rate per \$100 of Payroll

\$5.32

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

Claim Period (1)	Limited Paid Losses 6/30/08 (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)
2003/04	\$16,582,829	67.6%	\$7.33	\$307,406	\$7,292,268	\$23,875,097
2004/05	11,250,779	61.7%	7.01	315,491	8,475,140	19,725,919
2005/06	9,241,069	52.8%	5.32	326,085	8,182,220	17,423,289
2006/07	7,704,841	35.9%	5.14	354,814	11,692,336	19,397,177
2007/08	3,273,676	14.8%	5.32	370,278	16,779,129	20,052,805

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

Claim Period (1)	Limited Reported Incurred Losses 6/30/08 (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)
2003/04	\$19,835,257	84.5%	\$7.33	\$307,406	\$3,490,099	\$23,325,356
2004/05	15,374,681	80.7%	7.01	315,491	4,275,323	19,649,984
2005/06	13,638,107	74.6%	5.32	326,085	4,411,085	18,049,192
2006/07	12,182,004	62.9%	5.14	354,814	6,771,475	18,953,479
2007/08	8,876,352	42.9%	5.32	370,278	11,244,736	20,121,088

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

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

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

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

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

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

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

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-8

Frequency Times Severity Analysis

I. Projected Ultimate Claims

Claim Period (1)	Months of Development 6/30/08 (2)	Reported Claims 6/30/08 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)	Payroll (000) (6)	Frequency per \$1M of Payroll (5)/(6)X1,000 (7)
1998/99	120.0	1,025	100.0%	1,025	\$249,489	4.11
1999/00	108.0	1,069	100.0%	1,069	256,973	4.16
2000/01	96.0	1,108	100.0%	1,108	273,627	4.05
2001/02	84.0	1,010	100.0%	1,010	293,519	3.44
2002/03	72.0	918	100.0%	918	305,541	3.00
2003/04	60.0	772	100.0%	772	307,406	2.51
2004/05	48.0	672	100.0%	672	315,491	2.13
2005/06	36.0	741	99.8%	742	326,085	2.28
2006/07	24.0	696	99.4%	700	354,814	1.97
2007/08	12.0	670	92.9%	721	370,278	1.95

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (2008/09 = 1.000) (5)	Trended Average Claim Severity (4)X(5) (6)	De-Trended Projected 2008/09 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
1998/99	\$17,448,433	1,025	\$17,023	1.124	\$19,134	\$23,967	\$24,565,679
1999/00	14,825,740	1,069	13,869	1.068	14,808	25,230	26,970,421
2000/01	21,043,314	1,108	18,992	1.010	19,187	26,665	29,544,728
2001/02	26,262,937	1,010	26,003	0.962	25,005	28,014	28,294,303
2002/03	22,640,272	918	24,663	0.905	22,328	29,755	27,315,482
2003/04	23,422,568	772	30,340	0.842	25,533	32,011	24,712,736
2004/05	19,102,749	672	28,427	0.854	24,285	31,534	21,190,735
2005/06	17,991,726	742	24,248	1.093	26,497	24,652	18,291,683
2006/07	19,226,599	700	27,467	1.098	30,151	24,541	17,178,628
2007/08	19,758,969	721	27,405	1.030	28,230	26,152	18,855,383
						(7) Projected 2008/09 average claim severity \$26,939	

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

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

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

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

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

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

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

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-9

Projected Ultimate Limited Losses to 2007/08

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 1988/89	\$79,369,507	\$76,646,049	\$76,256,983				\$76,490,000
1989/90	8,202,935	7,962,344	7,920,509				7,946,000
1990/91	8,202,041	7,959,006	7,906,611				7,938,000
1991/92	10,191,480	9,809,661	9,715,858				9,772,000
1992/93	8,070,111	7,620,190	7,496,184				7,571,000
1993/94	9,522,410	9,272,035	9,193,634				9,241,000
1994/95	14,462,010	13,945,159	13,764,686				13,873,000
1995/96	10,427,205	10,091,261	9,960,411				10,039,000
1996/97	12,737,041	12,347,054	12,171,429				12,277,000
1997/98	20,252,519	20,363,658	19,971,947				20,207,000
1998/99	18,464,496	17,635,522	17,167,801				17,448,000
1999/00	15,561,977	14,967,633	14,612,901				14,826,000
2000/01	22,355,103	21,306,757	20,648,150				21,043,000
2001/02	26,314,369	26,273,493	26,247,104				26,263,000
2002/03	22,951,506	22,682,689	22,509,442				22,640,000
2003/04	24,524,732	23,473,318	22,820,736	23,875,097	23,325,356	24,712,736	23,423,000
2004/05	18,247,575	19,061,700	19,571,385	19,725,919	19,649,984	21,190,735	19,103,000
2005/06	17,498,320	18,193,640	18,036,516	17,423,289	18,049,192	18,291,683	17,992,000
2006/07	21,474,104	19,342,819	17,986,626	19,397,177	18,953,479	17,178,628	19,001,000
2007/08	22,156,018	19,749,814	18,569,600	20,052,805	20,121,088	18,855,383	19,800,000

(2) is from Exhibit WC-3.

(3) is from Exhibit WC-4.

(4) is from Exhibit WC-5.

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

(7) is from Exhibit WC-8.

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



CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-10

Projected Ultimate Limited Losses for 2008/09 and Subsequent

Claim Period (1)	Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)X10 (4)	Loss Rate Trend (2008/09 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)		
1998/99	\$17,448,000	\$249,489	\$6.99	0.836	\$5.85		
1999/00	14,826,000	256,973	5.77	0.818	4.72		
2000/01	21,043,000	273,627	7.69	0.798	6.13		
2001/02	26,263,000	293,519	8.95	0.782	7.00		
2002/03	22,640,000	305,541	7.41	0.758	5.62		
2003/04	23,423,000	307,406	7.62	0.726	5.53		
2004/05	19,103,000	315,491	6.06	0.759	4.60		
2005/06	17,992,000	326,085	5.52	1.000	5.52		
2006/07	19,001,000	354,814	5.36	1.035	5.54		
2007/08	19,800,000	370,278	5.35	1.000	5.35		
<b>Total</b>	<b>\$201,539,000</b>	<b>\$3,053,222</b>	<b>\$6.60</b>		<b>\$5.59</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)
2008/09	\$5.31	\$381,386	\$20,239,000	0.83	\$4.42	\$16,875,000
2009/10	5.41	392,828	21,263,000	0.83	4.51	17,729,000
2010/11	5.52	404,613	22,339,000	0.83	4.60	18,626,000
2011/12	5.63	416,751	23,470,000	0.83	4.70	19,569,000
2012/13	5.74	429,253	24,657,000	0.83	4.79	20,559,000
2013/14	5.86	442,131	25,905,000	0.83	4.89	21,599,000
2014/15	5.98	455,395	27,216,000	0.83	4.98	22,692,000
2015/16	6.10	469,057	28,593,000	0.83	5.08	23,840,000
2016/17	6.22	483,128	30,040,000	0.83	5.18	25,046,000
2017/18	6.34	497,622	31,560,000	0.83	5.29	26,314,000

(2) is from Exhibit WC-9.

(3) for 1999/00, 2000/01, 2001/02, 2002/03, 2003/04, 2004/05, 2005/06, 2006/07 and 2007/08 were provided by the City. Other periods assume a 3% trend.

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

(7) for 2008/09 is based on (6) and actuarial judgment.

(7) for 2009/10 and subsequent are based on 2008/09 plus the trend in Exhibit WC-22.

(8) is based on (3) for 2007/08 and a 3% trend.

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

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-11

Estimated Outstanding Losses as of June 30, 2008

Claim Period (1)	Limited Paid Losses 6/30/08 (2)	Limited Case Reserves 6/30/08 (3)	Limited Reported Incurred Losses 6/30/08 (4)	Projected Ultimate Limited Losses (5)	Estimated IBNR 6/30/08 (5)-(4) (6)	Estimated Outstanding Losses 6/30/08 (3)+(6) (7)	Present Value Factor (8)	Present Value of Estimated Outstanding Losses 6/30/08 (7)X(8) (9)
to 1988/89	\$73,490,285	\$2,396,892	\$75,887,177	\$76,490,000	\$602,823	\$2,999,715	0.91	\$2,725,920
1989/90	7,570,706	294,346	7,865,052	7,946,000	80,948	375,294	0.88	329,588
1990/91	7,543,479	294,175	7,837,653	7,938,000	100,347	394,522	0.85	335,422
1991/92	9,339,325	296,930	9,636,255	9,772,000	135,745	432,675	0.82	358,654
1992/93	7,363,732	101,725	7,465,457	7,571,000	105,543	207,268	0.80	166,097
1993/94	8,638,881	412,408	9,051,289	9,241,000	189,711	602,119	0.78	471,370
1994/95	13,023,037	534,421	13,557,459	13,873,000	315,541	849,962	0.77	653,275
1995/96	9,294,448	463,448	9,757,897	10,039,000	281,103	744,551	0.76	565,769
1996/97	11,207,658	637,503	11,845,161	12,277,000	431,839	1,069,342	0.76	807,376
1997/98	17,538,696	2,050,438	19,589,134	20,207,000	617,866	2,668,304	0.75	2,009,220
1998/99	15,664,933	902,596	16,567,529	17,448,000	880,471	1,783,067	0.75	1,345,142
1999/00	12,867,196	1,013,858	13,881,054	14,826,000	944,946	1,958,804	0.76	1,484,103
2000/01	17,909,476	1,534,978	19,444,453	21,043,000	1,598,547	3,133,525	0.76	2,388,405
2001/02	20,261,097	3,255,952	23,517,049	26,263,000	2,745,951	6,001,903	0.77	4,599,689
2002/03	16,744,602	3,060,914	19,805,516	22,840,000	2,834,484	5,895,398	0.77	4,561,370
2003/04	16,582,829	3,252,428	19,835,257	23,423,000	3,587,743	6,840,171	0.78	5,358,344
2004/05	11,250,779	4,123,882	15,374,661	19,103,000	3,728,339	7,852,221	0.79	6,194,665
2005/06	9,241,089	4,397,038	13,638,107	17,992,000	4,353,893	8,750,931	0.80	7,005,122
2006/07	7,704,841	4,477,163	12,182,004	19,001,000	6,818,996	11,296,159	0.83	9,327,346
2007/08	3,273,676	5,602,676	8,876,352	19,800,000	10,923,648	16,526,324	0.84	13,889,027
<b>Total</b>	<b>\$296,510,745</b>	<b>\$39,103,771</b>	<b>\$335,614,516</b>	<b>\$376,893,000</b>	<b>\$41,278,484</b>	<b>\$80,382,255</b>		<b>\$64,571,904</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 3.98% interest rate and the payout pattern in Exhibit WC-2.

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-12

Projected Losses Paid July 1, 2008 to June 30, 2009

Claim Period (1)	Months of Development 6/30/08 (2)	Percent Losses Paid (3)	Months of Development 6/30/09 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/08 to 6/30/09 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/08 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/09 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/09 (9)X(10) (11)
to 1988/89	240.0	92.6%	252.0	94.8%	30.0%	\$2,999,715	\$899,915	\$2,099,800	0.91	\$1,913,932
1989/90	228.0	92.3%	240.0	92.6%	3.9%	375,294	14,805	360,689	0.91	327,768
1990/91	216.0	92.0%	228.0	92.3%	4.0%	394,522	15,817	378,705	0.88	332,584
1991/92	204.0	91.8%	216.0	92.0%	4.0%	432,675	17,190	415,485	0.85	353,245
1992/93	192.0	91.2%	204.0	91.8%	4.5%	207,268	9,273	197,995	0.82	163,207
1993/94	180.0	90.7%	192.0	91.2%	5.7%	602,119	34,095	568,024	0.80	455,192
1994/95	168.0	90.0%	180.0	90.7%	6.7%	849,962	57,370	792,592	0.78	620,483
1995/96	156.0	89.1%	168.0	90.0%	8.4%	744,551	62,606	681,945	0.77	524,138
1996/97	144.0	88.0%	156.0	89.1%	9.5%	1,069,342	101,871	967,471	0.76	735,161
1997/98	132.0	86.6%	144.0	88.0%	10.4%	2,668,304	277,300	2,391,004	0.76	1,805,258
1998/99	120.0	84.8%	132.0	86.6%	11.6%	1,783,067	207,208	1,575,859	0.75	1,186,614
1999/00	108.0	82.7%	120.0	84.8%	12.4%	1,958,804	243,721	1,715,083	0.75	1,293,855
2000/01	96.0	80.1%	108.0	82.7%	12.9%	3,133,525	404,952	2,728,573	0.76	2,067,324
2001/02	84.0	77.0%	96.0	80.1%	13.8%	6,001,903	813,328	5,188,575	0.76	3,951,474
2002/03	72.0	73.0%	84.0	77.0%	14.9%	5,895,398	880,680	5,014,718	0.77	3,843,138
2003/04	60.0	67.6%	72.0	73.0%	16.5%	6,840,171	1,127,878	5,712,293	0.77	4,419,698
2004/05	48.0	61.7%	60.0	67.6%	15.5%	7,852,221	1,220,814	6,631,607	0.78	5,194,963
2005/06	36.0	52.8%	48.0	61.7%	18.7%	8,750,931	1,640,283	7,110,648	0.79	5,609,634
2006/07	24.0	35.9%	36.0	52.8%	26.4%	11,296,159	2,982,843	8,313,316	0.80	6,654,811
2007/08	12.0	14.8%	24.0	35.9%	24.8%	18,526,324	4,092,413	12,433,911	0.83	10,266,799
2008/09	0.0	0.0%	12.0	14.8%	14.8%	20,239,000	2,990,428	17,248,574	0.84	14,496,019
Total						\$100,621,255	\$18,094,388	\$82,526,867		\$66,215,297

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

(7) to 2007/08 is from Exhibit WC-11. The amount for 2008/09 is from Exhibit WC-10.

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

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-13

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

Claim Period (1)	Months of Development 6/30/09 (2)	Percent Losses Paid (3)	Months of Development 6/30/10 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/09 to 6/30/10 [(5)-(3)] [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/09 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/10 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/10 (9)X(10) (11)
to 1988/89	252.0	94.8%	264.0	96.4%	30.0%	\$2,099,800	\$629,940	\$1,469,860	0.92	\$1,344,981
1989/90	240.0	92.6%	252.0	94.8%	30.0%	360,689	108,207	252,482	0.91	230,133
1990/91	228.0	92.3%	240.0	92.6%	3.9%	378,705	14,738	363,967	0.91	330,746
1991/92	216.0	92.0%	228.0	92.3%	4.0%	415,485	18,657	398,828	0.89	350,256
1992/93	204.0	91.6%	216.0	92.0%	4.0%	197,895	7,866	190,129	0.85	161,848
1993/94	192.0	91.2%	204.0	91.6%	4.5%	568,024	25,412	542,612	0.82	447,275
1994/95	180.0	90.7%	192.0	91.2%	5.7%	792,592	44,880	747,712	0.80	599,187
1995/96	168.0	90.0%	180.0	90.7%	6.7%	681,945	46,030	635,915	0.78	497,828
1996/97	156.0	89.1%	168.0	90.0%	8.4%	967,471	81,350	886,121	0.77	681,066
1997/98	144.0	88.0%	156.0	89.1%	9.5%	2,391,004	227,780	2,163,224	0.76	1,643,789
1998/99	132.0	86.6%	144.0	88.0%	10.4%	1,575,859	163,769	1,412,090	0.76	1,066,158
1999/00	120.0	84.8%	132.0	86.6%	11.6%	1,715,083	199,308	1,515,775	0.75	1,141,371
2000/01	108.0	82.7%	120.0	84.8%	12.4%	2,728,573	339,499	2,389,074	0.75	1,802,313
2001/02	96.0	80.1%	108.0	82.7%	12.9%	5,188,575	670,530	4,518,045	0.76	3,423,131
2002/03	84.0	77.0%	96.0	80.1%	13.6%	5,014,718	679,553	4,335,165	0.76	3,301,541
2003/04	72.0	73.0%	84.0	77.0%	14.9%	5,712,293	853,327	4,858,966	0.77	3,723,774
2004/05	60.0	67.6%	72.0	73.0%	16.5%	6,631,607	1,093,487	5,538,120	0.77	4,284,938
2005/06	48.0	61.7%	60.0	67.6%	15.5%	7,110,648	1,105,338	6,005,310	0.78	4,704,344
2006/07	36.0	52.8%	48.0	61.7%	18.7%	8,313,318	1,558,256	6,755,060	0.79	5,329,108
2007/08	24.0	35.9%	36.0	52.8%	26.4%	12,433,911	3,283,275	9,150,636	0.80	7,325,086
2008/09	12.0	14.8%	24.0	35.9%	24.8%	17,248,574	4,271,264	12,977,310	0.83	10,715,488
2009/10	0.0	0.0%	12.0	14.8%	14.8%	21,263,000	3,141,728	18,121,272	0.84	15,229,450
<b>Total</b>						<b>\$103,789,887</b>	<b>\$18,562,194</b>	<b>\$85,227,673</b>		<b>\$68,333,611</b>

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

(7) to 2008/09 is from Exhibit WC-12, (9). The amount for 2009/10 is from Exhibit WC-10.

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

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-14

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

Claim Period (1)	Months of Development 6/30/10 (2)	Percent Losses Paid (3)	Months of Development 6/30/11 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/10 to 6/30/11 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/10 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/11 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/11 (9)X(10) (11)
to 1988/89	264.0	96.4%	276.0	97.5%	30.0%	\$1,469,860	\$440,958	\$1,028,902	0.92	\$946,163
1989/90	252.0	94.8%	264.0	96.4%	30.0%	252,482	75,745	176,737	0.92	161,721
1990/91	240.0	92.6%	252.0	94.8%	30.0%	363,967	109,190	254,777	0.91	232,225
1991/92	228.0	92.3%	240.0	92.6%	3.9%	398,828	15,521	383,307	0.91	348,321
1992/93	216.0	92.0%	228.0	92.3%	4.0%	190,129	7,622	182,507	0.88	160,280
1993/94	204.0	91.6%	216.0	92.0%	4.0%	542,612	21,557	521,055	0.85	443,001
1994/95	192.0	91.2%	204.0	91.6%	4.5%	747,712	33,451	714,261	0.82	588,765
1995/96	180.0	90.7%	192.0	91.2%	5.7%	635,915	36,009	599,906	0.80	480,741
1996/97	168.0	90.0%	180.0	90.7%	6.7%	886,121	59,811	826,310	0.78	646,879
1997/98	156.0	89.1%	168.0	90.0%	8.4%	2,163,224	181,895	1,981,329	0.77	1,522,838
1998/99	144.0	88.0%	156.0	89.1%	9.5%	1,412,090	134,523	1,277,567	0.76	970,797
1999/00	132.0	86.6%	144.0	88.0%	10.4%	1,515,775	157,525	1,358,250	0.76	1,025,507
2000/01	120.0	84.8%	132.0	86.6%	11.6%	2,389,074	277,632	2,111,442	0.75	1,589,906
2001/02	108.0	82.7%	120.0	84.8%	12.4%	4,518,045	562,151	3,955,894	0.75	2,984,318
2002/03	96.0	80.1%	108.0	82.7%	12.9%	4,335,165	560,242	3,774,923	0.76	2,860,099
2003/04	84.0	77.0%	96.0	80.1%	13.6%	4,858,966	658,446	4,200,520	0.76	3,198,999
2004/05	72.0	73.0%	84.0	77.0%	14.9%	5,538,120	827,308	4,710,812	0.77	3,610,233
2005/06	60.0	67.6%	72.0	73.0%	16.5%	6,005,310	990,217	5,015,093	0.77	3,880,263
2006/07	48.0	61.7%	60.0	67.6%	15.5%	6,755,060	1,050,063	5,704,997	0.78	4,469,090
2007/08	36.0	52.8%	48.0	61.7%	18.7%	9,150,636	1,715,205	7,435,431	0.79	5,865,857
2008/09	24.0	35.9%	36.0	52.8%	26.4%	12,977,310	3,426,764	9,550,546	0.80	7,645,214
2009/10	12.0	14.8%	24.0	35.9%	24.8%	18,121,272	4,487,370	13,633,902	0.83	11,257,643
2010/11	0.0	0.0%	12.0	14.8%	14.8%	22,339,000	3,300,713	19,038,287	0.84	16,000,127
<b>Total</b>						<b>\$107,566,673</b>	<b>\$19,129,918</b>	<b>\$88,436,755</b>		<b>\$70,888,985</b>

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

(7) to 2009/10 is from Exhibit WC-13, (9). The amount for 2010/11 is from Exhibit WC-10.

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

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-15

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

Claim Period (1)	Months of Development 6/30/11 (2)	Percent Losses Paid (3)	Months of Development 6/30/12 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/11 to 6/30/12 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/11 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/12 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/12 (9)X(10) (11)
to 1988/89	276.0	97.5%	288.0	98.2%	30.0%	\$1,028,902	\$308,671	\$720,231	0.93	\$666,452
1989/90	264.0	96.4%	276.0	97.5%	30.0%	176,737	53,021	123,716	0.92	113,767
1990/91	252.0	94.8%	264.0	96.4%	30.0%	254,777	76,433	178,344	0.92	163,192
1991/92	240.0	92.6%	252.0	94.8%	30.0%	383,307	114,992	268,315	0.91	244,585
1992/93	228.0	92.3%	240.0	92.6%	3.9%	182,507	7,103	175,404	0.91	159,394
1993/94	216.0	92.0%	228.0	92.3%	4.0%	521,055	20,889	500,166	0.88	439,252
1994/95	204.0	91.6%	216.0	92.0%	4.0%	714,261	28,377	685,884	0.85	583,138
1995/96	192.0	91.2%	204.0	91.6%	4.5%	599,906	26,838	573,068	0.82	472,380
1996/97	180.0	90.7%	192.0	91.2%	5.7%	826,310	46,790	779,520	0.80	624,677
1997/98	168.0	90.0%	180.0	90.7%	6.7%	1,981,329	133,735	1,847,594	0.78	1,446,394
1998/99	156.0	89.1%	168.0	90.0%	8.4%	1,277,567	107,425	1,170,142	0.77	899,363
1999/00	144.0	88.0%	156.0	89.1%	9.5%	1,358,250	129,394	1,228,856	0.76	933,782
2000/01	132.0	86.8%	144.0	88.0%	10.4%	2,111,442	219,429	1,892,013	0.76	1,428,510
2001/02	120.0	84.8%	132.0	86.6%	11.6%	3,955,894	459,710	3,496,184	0.75	2,632,610
2002/03	108.0	82.7%	120.0	84.8%	12.4%	3,774,923	469,689	3,305,234	0.75	2,493,462
2003/04	96.0	80.1%	108.0	82.7%	12.9%	4,200,520	542,842	3,657,678	0.76	2,771,267
2004/05	84.0	77.0%	96.0	80.1%	13.6%	4,710,812	638,370	4,072,442	0.76	3,101,458
2005/06	72.0	73.0%	84.0	77.0%	14.9%	5,015,093	749,176	4,265,917	0.77	3,269,278
2006/07	60.0	67.6%	72.0	73.0%	16.5%	5,704,997	940,698	4,764,299	0.77	3,686,219
2007/08	48.0	61.7%	60.0	67.6%	15.5%	7,435,431	1,155,825	6,279,606	0.78	4,919,218
2008/09	36.0	52.8%	48.0	61.7%	18.7%	9,550,546	1,790,164	7,760,382	0.79	6,122,213
2009/10	24.0	35.9%	36.0	52.8%	26.4%	13,633,902	3,600,143	10,033,759	0.80	8,032,026
2010/11	12.0	14.8%	24.0	35.9%	24.8%	19,038,287	4,714,450	14,323,837	0.83	11,827,329
2011/12	0.0	0.0%	12.0	14.8%	14.8%	23,470,000	3,467,824	20,002,176	0.84	16,810,197
Total						\$111,906,755	\$19,801,988	\$92,104,767		\$73,640,143

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

(7) to 2010/11 is from Exhibit WC-14, (9). The amount for 2011/12 is from Exhibit WC-10.

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

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-16

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

Claim Period (1)	Months of Development 6/30/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/12 to 6/30/13 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/12 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/13 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/13 (9)X(10) (11)
to 1988/89	288.0	98.2%	300.0	98.8%	30.0%	\$720,231	\$216,069	\$504,162	0.93	\$470,138
1989/90	278.0	97.5%	288.0	98.2%	30.0%	123,716	37,115	86,601	0.93	80,135
1990/91	264.0	96.4%	276.0	97.5%	30.0%	178,344	53,503	124,841	0.92	114,802
1991/92	252.0	94.8%	264.0	96.4%	30.0%	268,315	80,494	187,821	0.92	171,864
1992/93	240.0	92.6%	252.0	94.8%	30.0%	175,404	52,621	122,783	0.91	111,915
1993/94	228.0	92.3%	240.0	92.6%	3.9%	500,166	19,465	480,701	0.91	436,826
1994/95	216.0	92.0%	228.0	92.3%	4.0%	685,684	27,498	658,366	0.88	578,203
1995/96	204.0	91.6%	216.0	92.0%	4.0%	573,068	22,767	550,301	0.85	467,886
1996/97	192.0	91.2%	204.0	91.6%	4.5%	779,520	34,874	744,646	0.82	613,811
1997/98	180.0	90.7%	192.0	91.2%	5.7%	1,847,594	104,619	1,742,975	0.80	1,396,753
1998/99	168.0	90.0%	180.0	90.7%	6.7%	1,170,142	78,982	1,091,160	0.78	854,218
1999/00	156.0	89.1%	168.0	90.0%	8.4%	1,228,856	103,329	1,125,527	0.77	865,072
2000/01	144.0	88.0%	156.0	89.1%	9.5%	1,892,013	180,243	1,711,770	0.76	1,300,739
2001/02	132.0	86.6%	144.0	88.0%	10.4%	3,496,184	363,338	3,132,848	0.76	2,365,366
2002/03	120.0	84.8%	132.0	86.6%	11.8%	3,305,234	384,097	2,921,137	0.75	2,199,602
2003/04	108.0	82.7%	120.0	84.8%	12.4%	3,657,678	455,101	3,202,577	0.75	2,416,018
2004/05	96.0	80.1%	108.0	82.7%	12.9%	4,072,442	526,290	3,546,152	0.76	2,686,769
2005/06	84.0	77.0%	96.0	80.1%	13.8%	4,265,917	578,081	3,687,836	0.76	2,808,553
2006/07	72.0	73.0%	84.0	77.0%	14.9%	4,764,299	711,712	4,052,587	0.77	3,105,788
2007/08	60.0	67.6%	72.0	73.0%	16.5%	6,279,606	1,035,446	5,244,160	0.77	4,057,496
2008/09	48.0	61.7%	60.0	67.6%	15.5%	7,160,382	1,206,338	6,554,044	0.78	5,134,203
2009/10	36.0	52.8%	48.0	61.7%	18.7%	10,033,759	1,880,738	8,153,021	0.79	6,431,968
2010/11	24.0	35.9%	36.0	52.8%	26.4%	14,323,837	3,782,326	10,541,511	0.80	8,438,482
2011/12	12.0	14.8%	24.0	35.9%	24.8%	20,002,176	4,953,138	15,049,038	0.83	12,426,134
2012/13	0.0	0.0%	12.0	14.8%	14.8%	24,657,000	3,643,210	21,013,790	0.84	17,660,376
Total						\$116,761,767	\$20,531,392	\$96,230,375		\$77,193,097

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

(7) to 2011/12 is from Exhibit WC-15, (9). The amount for 2012/13 is from Exhibit WC-10.

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

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-17

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

Claim Period (1)	Months of Development 6/30/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/12 to 6/30/13 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/12 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/13 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/13 (9)X(10) (11)
to 1988/89	300.0	98.8%	312.0	99.1%	30.0%	\$504,162	\$151,249	\$352,913	0.94	\$332,227
1989/90	288.0	98.2%	300.0	98.8%	30.0%	88,801	25,980	60,821	0.93	56,530
1990/91	276.0	97.5%	288.0	98.2%	30.0%	124,841	37,452	87,389	0.93	80,884
1991/92	264.0	96.4%	276.0	97.5%	30.0%	187,821	56,346	131,475	0.92	120,902
1992/93	252.0	94.8%	264.0	96.4%	30.0%	122,783	36,835	85,948	0.92	78,646
1993/94	240.0	92.6%	252.0	94.8%	30.0%	480,701	144,210	336,491	0.91	306,706
1994/95	228.0	92.3%	240.0	92.8%	3.9%	658,388	25,622	632,764	0.91	575,009
1995/96	216.0	92.0%	228.0	92.3%	4.0%	550,301	22,062	528,239	0.88	463,906
1996/97	204.0	91.6%	216.0	92.0%	4.0%	744,648	29,584	715,062	0.85	607,945
1997/98	192.0	91.2%	204.0	91.6%	4.5%	1,742,975	77,976	1,664,999	0.82	1,372,458
1998/99	180.0	90.7%	192.0	91.2%	5.7%	1,091,180	61,787	1,029,393	0.80	824,900
1999/00	168.0	90.0%	180.0	90.7%	6.7%	1,125,527	75,970	1,049,557	0.78	821,649
2000/01	156.0	89.1%	168.0	90.0%	8.4%	1,711,770	143,935	1,567,835	0.77	1,205,027
2001/02	144.0	88.0%	156.0	89.1%	9.5%	3,132,848	298,452	2,834,396	0.76	2,153,799
2002/03	132.0	86.6%	144.0	88.0%	10.4%	2,921,137	303,575	2,617,562	0.76	1,978,314
2003/04	120.0	84.8%	132.0	86.6%	11.6%	3,202,577	372,168	2,830,409	0.75	2,131,284
2004/05	108.0	82.7%	120.0	84.8%	12.4%	3,548,152	441,225	3,104,927	0.75	2,342,351
2005/06	96.0	80.1%	108.0	82.7%	12.9%	3,687,836	476,587	3,211,249	0.76	2,433,027
2006/07	84.0	77.0%	96.0	80.1%	13.6%	4,052,587	549,173	3,503,414	0.76	2,668,102
2007/08	72.0	73.0%	84.0	77.0%	14.9%	5,244,160	783,395	4,460,765	0.77	3,418,604
2008/09	60.0	67.6%	72.0	73.0%	16.5%	6,554,044	1,080,698	5,473,346	0.77	4,234,821
2009/10	48.0	61.7%	60.0	67.6%	15.5%	8,153,021	1,267,373	6,885,648	0.78	5,393,969
2010/11	36.0	52.8%	48.0	61.7%	18.7%	10,541,511	1,975,912	8,565,599	0.79	6,757,453
2011/12	24.0	35.9%	36.0	52.8%	26.4%	15,049,038	3,973,821	11,075,217	0.80	8,865,714
2012/13	12.0	14.8%	24.0	35.9%	24.8%	21,013,790	5,203,644	15,810,146	0.83	13,054,588
2013/14	0.0	0.0%	12.0	14.8%	14.8%	25,905,000	3,827,609	22,077,391	0.84	18,554,246
Total						\$122,135,375	\$21,442,640	\$100,692,735		\$80,831,041

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

(7) to 2011/12 is from Exhibit WC-15, (9). The amount for 2012/13 is from Exhibit WC-10.

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



CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-18

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

Claim Period (1)	Months of Development 6/30/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/12 to 6/30/13 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/12 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/13 (7)X(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/13 (9)X(10) (11)
to 1988/89	312.0	99.1%	324.0	99.4%	-30.0%	\$352,913	\$105,874	\$247,039	0.95	\$235,231
1989/90	300.0	98.8%	312.0	99.1%	30.0%	80,821	18,188	42,435	0.94	39,948
1990/91	288.0	98.2%	300.0	98.8%	30.0%	87,389	26,217	61,172	0.93	57,044
1991/92	276.0	97.5%	288.0	98.2%	30.0%	131,475	39,442	92,033	0.93	85,161
1992/93	264.0	96.4%	276.0	97.5%	30.0%	85,948	25,784	60,164	0.92	55,326
1993/94	252.0	94.8%	264.0	96.4%	30.0%	338,491	100,947	235,544	0.92	215,532
1994/95	240.0	92.6%	252.0	94.8%	30.0%	632,764	189,829	442,935	0.91	403,728
1995/96	228.0	92.3%	240.0	92.6%	3.9%	528,239	20,558	507,681	0.91	461,343
1996/97	216.0	92.0%	228.0	92.3%	4.0%	715,062	28,667	686,395	0.88	602,801
1997/98	204.0	91.6%	216.0	92.0%	4.0%	1,664,999	66,148	1,598,851	0.85	1,358,342
1998/99	192.0	91.2%	204.0	91.6%	4.5%	1,029,373	46,052	983,321	0.82	810,551
1999/00	180.0	90.7%	192.0	91.2%	5.7%	1,049,557	59,431	990,128	0.80	793,449
2000/01	168.0	90.0%	180.0	90.7%	6.7%	1,567,835	105,825	1,462,010	0.78	1,144,538
2001/02	156.0	89.1%	168.0	90.0%	8.4%	2,834,396	238,331	2,596,065	0.77	1,995,318
2002/03	144.0	88.0%	156.0	89.1%	9.5%	2,617,562	249,363	2,368,199	0.76	1,798,546
2003/04	132.0	86.6%	144.0	88.0%	10.4%	2,830,409	294,148	2,536,263	0.76	1,914,932
2004/05	120.0	84.8%	132.0	86.6%	11.6%	3,104,927	360,820	2,744,107	0.75	2,066,299
2005/06	108.0	82.7%	120.0	84.8%	12.4%	3,211,249	399,555	2,811,694	0.75	2,121,136
2006/07	96.0	80.1%	108.0	82.7%	12.9%	3,503,414	452,753	3,050,661	0.76	2,311,356
2007/08	84.0	77.0%	96.0	80.1%	13.6%	4,480,765	604,488	3,876,279	0.76	2,936,834
2008/09	72.0	73.0%	84.0	77.0%	14.9%	5,473,348	817,632	4,655,714	0.77	3,568,008
2009/10	60.0	67.6%	72.0	73.0%	16.5%	8,885,648	1,135,376	5,750,272	0.77	4,449,083
2010/11	48.0	61.7%	60.0	67.6%	15.5%	8,585,599	1,331,508	7,234,091	0.78	5,666,827
2011/12	36.0	52.8%	48.0	61.7%	18.7%	11,075,217	2,075,950	8,999,267	0.79	7,098,577
2012/13	24.0	35.9%	36.0	52.8%	26.4%	15,810,146	4,174,798	11,635,348	0.80	9,314,099
2013/14	12.0	14.8%	24.0	35.9%	24.8%	22,077,391	5,467,024	16,610,367	0.83	13,715,338
2014/15	0.0	0.0%	12.0	14.8%	14.8%	27,216,000	4,021,317	23,194,683	0.84	19,493,238
<b>Total</b>						<b>\$127,908,735</b>	<b>\$22,456,019</b>	<b>\$105,452,716</b>		<b>\$84,715,685</b>

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

(7) to 2011/12 is from Exhibit WC-15, (9). The amount for 2012/13 is from Exhibit WC-10.

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

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-19

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

Claim Period (1)	Months of Development 6/30/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/12 to 6/30/13 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/12 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/13 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/13 (9)X(10) (11)
to 1988/89	324.0	99.4%	336.0	99.6%	30.0%	\$247,039	\$74,112	\$172,927	0.97	\$166,912
1989/90	312.0	99.1%	324.0	99.4%	30.0%	42,435	12,730	29,705	0.95	28,285
1990/91	300.0	98.8%	312.0	99.1%	30.0%	61,172	18,352	42,820	0.94	40,310
1991/92	288.0	98.2%	300.0	98.8%	30.0%	92,033	27,610	64,423	0.93	60,075
1992/93	276.0	97.5%	288.0	98.2%	30.0%	60,164	18,049	42,115	0.93	38,970
1993/94	264.0	96.4%	276.0	97.5%	30.0%	235,544	70,663	164,881	0.92	151,622
1994/95	252.0	94.8%	264.0	96.4%	30.0%	442,935	132,881	310,054	0.92	283,712
1995/96	240.0	92.6%	252.0	94.8%	30.0%	507,681	152,304	355,377	0.91	323,920
1996/97	228.0	92.3%	240.0	92.6%	3.9%	686,395	26,713	659,682	0.91	599,470
1997/98	216.0	92.0%	228.0	92.3%	4.0%	1,598,851	64,099	1,534,752	0.88	1,347,839
1998/99	204.0	91.6%	216.0	92.0%	4.0%	983,321	39,066	944,255	0.85	802,805
1999/00	192.0	91.2%	204.0	91.6%	4.5%	990,126	44,296	945,830	0.82	779,647
2000/01	180.0	90.7%	192.0	91.2%	5.7%	1,462,010	82,786	1,379,224	0.80	1,105,257
2001/02	168.0	90.0%	180.0	90.7%	6.7%	2,596,065	175,228	2,420,837	0.78	1,895,159
2002/03	156.0	89.1%	168.0	90.0%	8.4%	2,368,199	199,131	2,169,068	0.77	1,667,131
2003/04	144.0	88.0%	156.0	89.1%	9.5%	2,536,263	241,618	2,294,645	0.76	1,743,654
2004/05	132.0	86.6%	144.0	88.0%	10.4%	2,744,107	285,177	2,458,930	0.76	1,856,544
2005/06	120.0	84.8%	132.0	86.6%	11.6%	2,811,694	326,744	2,484,950	0.75	1,871,155
2006/07	108.0	82.7%	120.0	84.8%	12.4%	3,050,661	379,574	2,671,087	0.75	2,015,063
2007/08	96.0	80.1%	108.0	82.7%	12.9%	3,856,279	498,355	3,357,924	0.76	2,544,156
2008/09	84.0	77.0%	96.0	80.1%	13.6%	4,655,714	630,903	4,024,811	0.76	3,065,184
2009/10	72.0	73.0%	84.0	77.0%	14.9%	5,750,272	859,000	4,891,272	0.77	3,748,533
2010/11	60.0	67.6%	72.0	73.0%	16.5%	7,234,091	1,192,831	6,041,260	0.77	4,674,226
2011/12	48.0	61.7%	60.0	67.6%	15.5%	8,999,267	1,398,921	7,600,346	0.78	5,953,838
2012/13	36.0	52.8%	48.0	61.7%	18.7%	11,635,348	2,180,941	9,454,407	0.79	7,458,639
2013/14	24.0	35.9%	36.0	52.8%	26.4%	16,810,367	4,386,103	12,224,264	0.80	9,785,526
2014/15	12.0	14.8%	24.0	35.9%	24.8%	23,194,883	5,743,899	17,450,984	0.83	14,409,444
2015/16	0.0	0.0%	12.0	14.8%	14.8%	28,593,000	4,224,777	24,368,223	0.84	20,479,503
<b>Total</b>						<b>\$134,045,716</b>	<b>\$23,486,663</b>	<b>\$110,559,053</b>		<b>\$88,896,579</b>

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

(7) to 2011/12 is from Exhibit WC-15, (9). The amount for 2012/13 is from Exhibit WC-10.

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

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-20

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

Claim Period (1)	Months of Development 6/30/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/12 to 6/30/13 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/12 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/13 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/13 (9)X(10) (11)
to 1988/89	336.0	99.6%	348.0	99.7%	30.0%	\$172,927	\$51,878	\$121,049	0.98	\$118,710
1989/90	324.0	99.4%	336.0	99.6%	30.0%	29,705	8,912	20,793	0.97	20,070
1990/91	312.0	99.1%	324.0	99.4%	30.0%	42,820	12,846	29,974	0.95	28,541
1991/92	300.0	98.8%	312.0	99.1%	30.0%	64,423	19,327	45,096	0.94	42,453
1992/93	288.0	98.2%	300.0	98.8%	30.0%	42,115	12,634	29,481	0.93	27,491
1993/94	276.0	97.5%	288.0	98.2%	30.0%	164,881	49,464	115,417	0.93	106,799
1994/95	264.0	96.4%	276.0	97.5%	30.0%	310,054	93,016	217,038	0.92	199,585
1995/96	252.0	94.8%	264.0	96.4%	30.0%	355,377	106,613	248,764	0.92	227,629
1996/97	240.0	92.6%	252.0	94.8%	30.0%	659,682	197,905	461,777	0.91	420,902
1997/98	228.0	92.3%	240.0	92.6%	3.9%	1,534,752	59,728	1,475,024	0.91	1,340,393
1998/99	216.0	92.0%	228.0	92.3%	4.0%	944,255	37,856	906,399	0.88	796,011
1999/00	204.0	91.6%	216.0	92.0%	4.0%	945,830	37,577	908,253	0.85	772,196
2000/01	192.0	91.2%	204.0	91.6%	4.5%	1,379,224	61,703	1,317,521	0.82	1,086,032
2001/02	180.0	90.7%	192.0	91.2%	5.7%	2,420,837	137,079	2,283,758	0.80	1,830,115
2002/03	168.0	90.0%	180.0	90.7%	6.7%	2,169,068	146,406	2,022,662	0.78	1,583,446
2003/04	156.0	89.1%	168.0	90.0%	8.4%	2,294,645	192,946	2,101,699	0.77	1,615,351
2004/05	144.0	88.0%	156.0	89.1%	9.5%	2,458,930	234,251	2,224,679	0.76	1,690,488
2005/06	132.0	86.8%	144.0	88.0%	10.4%	2,484,950	258,245	2,226,705	0.76	1,681,209
2006/07	120.0	84.8%	132.0	86.8%	11.6%	2,671,087	310,404	2,360,683	0.75	1,777,583
2007/08	108.0	82.7%	120.0	84.8%	12.4%	3,357,924	417,805	2,940,119	0.75	2,218,020
2008/09	96.0	80.1%	108.0	82.7%	12.9%	4,024,811	520,135	3,504,676	0.76	2,655,344
2009/10	84.0	77.0%	96.0	80.1%	13.6%	4,891,272	662,824	4,228,448	0.76	3,220,268
2010/11	72.0	73.0%	84.0	77.0%	14.9%	6,041,260	902,470	5,138,790	0.77	3,938,223
2011/12	60.0	67.6%	72.0	73.0%	16.5%	7,600,346	1,253,223	6,347,123	0.77	4,910,877
2012/13	48.0	61.7%	60.0	67.6%	15.5%	9,454,407	1,469,671	7,984,736	0.78	6,254,955
2013/14	36.0	52.8%	48.0	61.7%	18.7%	12,224,264	2,291,329	9,932,935	0.79	7,836,153
2014/15	24.0	35.9%	36.0	52.8%	26.4%	17,450,984	4,608,074	12,842,910	0.80	10,280,752
2015/16	12.0	14.8%	24.0	35.9%	24.8%	24,368,223	6,034,302	18,333,921	0.83	15,138,493
2016/17	0.0	0.0%	12.0	14.8%	14.8%	30,040,000	4,438,579	25,601,421	0.84	21,515,905
Total						\$140,599,053	\$24,627,202	\$115,971,851		\$93,333,994

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

(7) to 2011/12 is from Exhibit WC-15, (9). The amount for 2012/13 is from Exhibit WC-10.

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

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-21

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

Claim Period (1)	Months of Development 6/30/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/12 to 6/30/13 {(5)-(3)} [100.0%-(3)] (8)	Estimated Outstanding Losses 6/30/12 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/13 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/13 (9)X(10) (11)
to 1988/89	348.0	99.7%	360.0	99.8%	30.0%	\$121,049	\$36,315	\$84,734	1.00	\$84,734
1989/90	336.0	99.6%	348.0	99.7%	30.0%	20,793	6,238	14,555	0.98	14,274
1990/91	324.0	99.4%	336.0	99.6%	30.0%	29,874	8,992	20,982	0.97	20,252
1991/92	312.0	99.1%	324.0	99.4%	30.0%	45,096	13,529	31,567	0.95	30,058
1992/93	300.0	98.8%	312.0	99.1%	30.0%	29,481	8,844	20,637	0.94	19,427
1993/94	288.0	98.2%	300.0	98.8%	30.0%	115,417	34,825	80,792	0.93	75,340
1994/95	276.0	97.5%	288.0	98.2%	30.0%	217,038	65,111	151,927	0.93	140,583
1995/96	264.0	96.4%	276.0	97.5%	30.0%	248,764	74,629	174,135	0.92	160,132
1996/97	252.0	94.8%	264.0	96.4%	30.0%	461,777	138,533	323,244	0.92	295,781
1997/98	240.0	92.6%	252.0	94.8%	30.0%	1,475,024	442,507	1,032,517	0.91	941,122
1998/99	228.0	92.3%	240.0	92.6%	3.9%	906,399	35,274	871,125	0.91	791,614
1999/00	216.0	92.0%	228.0	92.3%	4.0%	906,253	36,412	871,841	0.88	765,662
2000/01	204.0	91.6%	216.0	92.0%	4.0%	1,317,521	52,343	1,265,178	0.85	1,075,654
2001/02	192.0	91.2%	204.0	91.6%	4.5%	2,283,758	102,170	2,181,588	0.82	1,798,282
2002/03	180.0	90.7%	192.0	91.2%	5.7%	2,022,662	114,533	1,908,129	0.80	1,529,101
2003/04	168.0	90.0%	180.0	90.7%	6.7%	2,101,699	141,859	1,959,840	0.78	1,534,266
2004/05	156.0	89.1%	168.0	90.0%	8.4%	2,224,679	187,063	2,037,616	0.77	1,566,098
2005/06	144.0	88.0%	156.0	89.1%	9.5%	2,226,705	212,128	2,014,577	0.76	1,530,836
2006/07	132.0	86.6%	144.0	88.0%	10.4%	2,360,683	245,331	2,115,352	0.76	1,597,135
2007/08	120.0	84.8%	132.0	86.6%	11.6%	2,940,119	341,668	2,598,451	0.75	1,956,621
2008/09	108.0	82.7%	120.0	84.8%	12.4%	3,504,676	436,064	3,068,612	0.75	2,314,955
2009/10	96.0	80.1%	108.0	82.7%	12.9%	4,228,448	546,451	3,681,997	0.76	2,789,693
2010/11	84.0	77.0%	96.0	80.1%	13.6%	5,138,790	696,366	4,442,424	0.76	3,383,226
2011/12	72.0	73.0%	84.0	77.0%	14.9%	6,347,123	948,161	5,398,962	0.77	4,137,612
2012/13	60.0	67.6%	72.0	73.0%	18.5%	7,984,736	1,316,605	6,668,131	0.77	5,159,246
2013/14	48.0	61.7%	60.0	67.6%	15.5%	9,932,935	1,544,058	8,388,877	0.78	6,571,545
2014/15	36.0	52.8%	48.0	61.7%	18.7%	12,842,910	2,407,288	10,435,622	0.79	8,232,726
2015/16	24.0	35.9%	36.0	52.8%	26.4%	18,333,921	4,841,221	13,492,700	0.80	10,800,909
2016/17	12.0	14.8%	24.0	35.9%	24.8%	25,601,421	6,339,679	19,261,742	0.83	15,904,604
2017/18	0.0	0.0%	12.0	14.8%	14.8%	31,560,000	4,663,167	26,896,833	0.84	22,604,593
<b>Total</b>						<b>\$147,531,851</b>	<b>\$26,037,164</b>	<b>\$121,494,687</b>		<b>\$97,826,081</b>

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

(7) to 2011/12 is from Exhibit WC-15, (9). The amount for 2012/13 is from Exhibit WC-10.

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

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-22

Loss Rate and Severity Trend

I. Benefit Level Changes

Effective Date (1)	Benefit Level Change (2)	Cumulative Benefit Level Change (3)
07/01/94	1.042	1.042
07/01/95	1.023	1.066
07/01/96	1.020	1.087
04/01/97	1.019	1.108
04/01/99	1.008	1.117
06/29/01	1.011	1.129
01/01/03	1.048	1.183
01/01/04	0.908	1.074
04/19/04	0.800	0.860
01/01/05	0.877	0.754
01/01/06	1.028	0.775
01/01/07	1.001	0.776

II. Loss Rate and Severity Trend

Claim Period (1)	Benefit Trend (2008/09 = 1.000) (2)	Residual Trend (2008/09 = 1.000) (3)	Retention Index (2008/09 = 1.000) (4)	Loss Rate Trend (2008/09 = 1.000) (2)X(3)X(4) (5)	Wage Trend (2008/09 = 1.000) (6)	Severity Trend (2008/09 = 1.000) (5)X(6) (7)
1998/99	0.700	1.219	0.980	0.836	1.344	1.124
1999/00	0.699	1.195	0.980	0.818	1.305	1.068
2000/01	0.695	1.172	0.980	0.798	1.267	1.010
2001/02	0.695	1.149	0.980	0.782	1.230	0.962
2002/03	0.687	1.126	0.980	0.758	1.194	0.905
2003/04	0.671	1.104	0.980	0.726	1.159	0.842
2004/05	0.716	1.082	0.980	0.759	1.126	0.854
2005/06	0.962	1.061	0.980	1.000	1.093	1.093
2006/07	1.015	1.040	0.980	1.035	1.061	1.098
2007/08	1.000	1.020	0.980	1.000	1.030	1.030
2008/09	1.000	1.000	1.000	1.000	1.000	1.000
2009/10	1.000	0.980	1.000	0.980	0.971	0.952
2010/11	1.000	0.961	1.000	0.961	0.943	0.906
2011/12	1.000	0.942	1.000	0.942	0.915	0.862
2012/13	1.000	0.924	1.000	0.924	0.888	0.821
2013/14	1.000	0.906	1.000	0.906	0.863	0.781
2014/15	1.000	0.888	1.000	0.888	0.837	0.744
2015/16	1.000	0.871	1.000	0.871	0.813	0.708
2016/17	1.000	0.853	1.000	0.853	0.789	0.674
2017/18	1.000	0.837	1.000	0.837	0.766	0.641

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

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

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

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

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

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-23

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

Claim Number (1)	Date of Loss (2)	Claim Period (3)	Cap (4)	Limited Paid Losses 6/30/08 (5)	Limited Case Reserves 6/30/08 (6)	Limited Reported Incurred Losses 6/30/08 (7)
0000190143	12/27/1972	to 1988/89	Unlimited	\$722,941	\$0	\$722,941
0000190774-LFP	1/19/1974	to 1988/89	Unlimited	495,031	114,526	609,557
0000190326-FM	8/1/1974	to 1988/89	Unlimited	771,240	0	771,240
0000190147-FM	7/4/1975	to 1988/89	Unlimited	1,815,942	22,703	1,838,646
0000190244-FM	10/3/1975	to 1988/89	Unlimited	506,535	0	506,535
0000191607-FM	3/11/1977	to 1988/89	Unlimited	2,904,601	0	2,904,601
0000190910-FM	12/5/1977	to 1988/89	Unlimited	518,259	9,508	527,767
0000190513-FM	10/19/1978	to 1988/89	Unlimited	529,920	35,972	565,892
0001305216	4/11/1983	to 1988/89	Unlimited	800,100	0	800,100
0001305402-FM	1/3/1984	to 1988/89	Unlimited	573,146	130,404	703,550
0088580879	7/1/1988	to 1988/89	Unlimited	628,550	0	628,550
0088580941-C/R	10/6/1988	to 1988/89	Unlimited	612,393	0	612,393
0091000967	10/20/1991	1991/92	Unlimited	615,883	0	615,883
0091001095-FM	10/20/1991	1991/92	Unlimited	451,293	141,930	593,223
0094630112	8/1/1994	1994/95	Unlimited	1,409,190	0	1,409,190
0030111911	1/1/1995	1994/95	Unlimited	1,894,634	0	1,894,634
0096630617	3/1/1996	1995/96	Unlimited	541,404	0	541,404
0058620072	7/1/1997	1997/98	4,916,615	3,506,421	1,410,194 *	4,916,615 *
0097630604-LFP	7/10/1997	1997/98	Unlimited	450,060	158,708	608,769
0059620210	1/1/1999	1998/99	Unlimited	603,494	194,282	797,775
0059620316-C/R	3/26/1999	1998/99	Unlimited	506,881	0	506,881
0056210086	1/24/2001	2000/01	Unlimited	526,756	67,205	593,961
0109002741-LFP	9/21/2001	2001/02	Unlimited	587,200	308,600	895,800
0204001439-FM	4/6/2002	2001/02	Unlimited	508,656	52,859	561,515
0204001189	4/15/2002	2001/02	Unlimited	1,882,920	530,364	2,413,285
0208004522-FM	8/3/2002	2002/03	Unlimited	1,424,517	127,087	1,551,603
0209003498	9/27/2002	2002/03	Unlimited	405,536	104,180	509,716
0211004343	11/23/2002	2002/03	Unlimited	423,881	180,226	604,107
0404001214	3/31/2004	2003/04	Unlimited	617,272	245,228	862,500
0509002575-LFP	12/3/2004	2004/05	1,000,000	88,636	452,266 *	540,902
0602003173-DTH	2/28/2006	2005/06	1,000,000	26,576	791,916 *	818,492 *
0701000110-DTH	1/20/2007	2006/07	1,000,000	137,944	512,756 *	650,700 *
0708001974	8/17/2007	2007/08	1,000,000	70,168	444,032 *	514,200 *
0711002694	11/1/2007	2007/08	1,000,000	0	750,000 *	750,000 *

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

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

CITY OF OAKLAND  
WORKERS COMPENSATION

Exhibit WC-24

Size of Loss Distribution

I. Reported Claim Count

Layer (1)	Prior (2)	2003/04 (3)	2004/05 (4)	2005/06 (5)	2006/07 (6)	2007/08 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	228	23	27	19	14	45	356		
0.01 - 5,000	719	497	431	515	469	407	3,038	3,038	70.3%
5,000 - 10,000	34	53	46	41	36	42	252	3,290	76.1%
10,000 - 50,000	100	79	88	82	110	127	586	3,876	89.7%
50,000 - 100,000	26	49	34	40	34	37	220	4,096	94.8%
100,000 - 250,000	10	63	32	38	26	10	179	4,275	98.9%
250,000 - 500,000	8	7	13	5	6	0	39	4,314	99.8%
500,000 - 750,000	2	0	1	0	1	2	6	4,320	100.0%
750,000 - 1,000,000	0	1	0	1	0	0	2	4,322	100.0%
1,000,000 - 2,000,000	0	0	0	0	0	0	0	4,322	100.0%
Over 2,000,000	0	0	0	0	0	0	0	4,322	100.0%
<b>Total</b>	<b>1,127</b>	<b>772</b>	<b>672</b>	<b>741</b>	<b>698</b>	<b>670</b>	<b>4,678</b>	<b>4,322</b>	

II. Total Reported Incurred Losses

Layer (1)	Prior (2)	2003/04 (3)	2004/05 (4)	2005/06 (5)	2006/07 (6)	2007/08 (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	289,291	569,795	460,128	507,322	504,236	398,728	2,729,499	2,729,499	3.4%
5,000 - 10,000	249,453	383,332	337,862	289,230	252,219	328,478	1,840,574	4,570,072	5.7%
10,000 - 50,000	2,642,882	2,088,785	2,097,922	1,955,073	2,533,951	2,731,684	14,050,296	18,620,368	23.2%
50,000 - 100,000	1,870,310	3,490,705	2,485,997	2,751,735	2,408,784	2,685,208	15,692,738	34,313,107	42.7%
100,000 - 250,000	1,235,843	10,290,341	5,185,796	8,013,799	4,058,697	1,468,055	28,252,329	62,565,436	77.9%
250,000 - 500,000	2,769,509	2,149,801	4,266,055	1,302,456	1,773,418	0	12,261,240	74,826,676	93.2%
500,000 - 750,000	1,332,498	0	540,902	0	850,700	1,264,200	3,788,300	78,614,975	97.9%
750,000 - 1,000,000	0	862,500	0	818,492	0	0	1,680,992	80,295,967	100.0%
1,000,000 - 2,000,000	0	0	0	0	0	0	0	80,295,967	100.0%
Over 2,000,000	0	0	0	0	0	0	0	80,295,967	100.0%
<b>Total</b>	<b>\$10,389,585</b>	<b>\$19,835,257</b>	<b>\$15,374,661</b>	<b>\$13,638,107</b>	<b>\$12,182,004</b>	<b>\$8,878,352</b>	<b>\$80,295,967</b>	<b>\$80,295,967</b>	

Data was provided by the City.