

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2008 FEB 28 PM 4:47

TO: Office of the City Administrator
ATTN: Deborah A. Edgerly
FROM: Finance & Management Agency
DATE: March 11, 2008

RE: **Report and Recommendation Regarding the Allocation of Monies from the Self-Insurance General Liability Fund (Fund 1100) to Departments for the Fiscal Year 2008-09 Mid-Cycle Budget Adjustment of General Liability Costs Based on Implementation of the "Phoenix Model" of Risk Management Cost Allocation**

SUMMARY

This report transmits the findings of the Risk Management consulting firm, ARM TECH, used to analyze historic loss information for the purpose of fine-tuning the cost allocation amounts for Fiscal Year 2008-09. The data analyzed by ARM TECH was provided by the City Attorney's Office. The consultant's report is attached for Council's review. The findings in the ARM TECH report should be used by the Budget Office to adjust the mid-cycle budget for each department.

FISCAL IMPACT

This report is provided for the purpose of informing Council on the allocation of monies from the Self-Insurance General Liability Fund (Fund 1100) to Departments for the Fiscal Year 2008-09 Mid-Cycle Budget Adjustment, based on historic loss information in Fiscal Year 2006-07. The total General Liability payout for Fiscal Year 2008-09 is projected by ARM TECH to be \$13,612,753 and the total General Liability payout for Fiscal Year 2009-10 is projected to be \$14,396,968. The projections provided below for Fiscal Years 2008-10 are adjusted to reflect the most recent actuarial review conducted by ARM TECH.

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Department	Allocated Percent of Projected Loss (2008-09)	2008-09 Projected Loss/Proposed Budget	2009-10 Projected Loss/Proposed Budget
Fire Services Agency	10.68%	\$1,453,214	\$1,536,932
Parks and Recreation	2.43%	331,059	350,131
Police Services Agency	48.72%	6,631,573	7,013,611
Public Works Agency	20.15%	2,743,434	2,901,480
Other Departments	18.02%	2,453,473	2,594,814
TOTAL	100.00%	\$13,612,753	\$14,396,968

Table 1

The amounts, as adjusted, shown in Table 1 should be allocated to each department by the Budget Office during the Fiscal Year 2008-09 Mid-Cycle Budget Process. The proposed budget includes expenditures associated with the management and development of claims (contracted investigators, outside counsel, expert witnesses, etc.).

The funding amount recommended by ARM TECH for FY 2008-09 relates specifically to the payment of projected losses on General Liability claims during the course of the fiscal year, and includes outside legal expenses. The budget for Fund 1100, as adopted in the City of Oakland FY 2007-09 Policy Budget, contains these projected losses, as well as excess insurance, internal claims adjusting, and other administrative expenses.

BACKGROUND

On January 6, 2004, City Council directed staff to implement a Risk Management Cost Allocation Program (RMCAP) to allocate monies from the Self-Insurance General Liability Fund (Fund 1100) to the Oakland Police Department, Oakland Fire Department, Public Works Agency and Office of Parks and Recreation. The monies allocated to the departments would then be used for payment of General Liability claims. This program was modeled after the Risk Management Cost Allocation Program utilized by the City of Phoenix, Arizona, hereinafter referred to as "the Phoenix Model."

Other components of the City Council directive regarding the RMCAP include:

- 1) Create a system of rewards and/or recognition for employees in each division whose job performance contributed to loss prevention in the previous year;
- 2) Fund the development of a loss prevention program in the Public Works Agency and Oakland Police Department, developed in conjunction with the City Attorney's Office and Risk Management, to target a 15 percent loss reduction;

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- 3) Continue regular reporting on losses and loss prevention to the Finance and Management Committee;
- 4) Require departments to return to Council if they exceed their budget allocation and need additional funding for liability payouts; and,
- 5) Allow departments to retain a percentage of their unspent liability budget allocation, with guidelines for the use of those retained funds to be established by the Finance Committee.

This report meets the requirements of the Phoenix Model reporting structure and provides loss reporting information as required by component three of the above directives.

KEY ISSUES AND IMPACTS

There are two primary goals of the Risk Management Cost Allocation Plan (RMCAP):

1. Allocate and appropriate funds sufficient to cover the City's risk funding needs.
2. Charge loss funds in an equitable way that rewards departments with better than expected loss experience and provide incentives for all departments to improve risk management practices.

Based on the actuarial analysis, the recommended funding levels reported in the Fiscal Impacts section of this report should be used as the target allocation for the payment of departmental general liability losses for Fiscal Year 2008-09.

The attached actuarial report also provides loss reporting data in exhibits LI-23 through LI-25.

- Exhibit LI-23 identifies the number of claims per \$1 million payroll, average cost per claim and loss rate by department
- Exhibit LI-24 identifies the actual paid losses by department for Fiscal Year 2006-07
- Exhibit LI-25 reports the top causes of loss by department relevant to highest frequency and highest average payout over the past 5 years.

Please note that the Oakland Fire Department, Office of Parks and Recreation, and the Public Works Agency stayed well within the budgeted amount for General Liability losses during Fiscal Year 2006-07, as shown in the table below.

Department	FY 2006-07 Budget Allocation	FY 2006-07 Actual Paid Losses	Variance Favorable/ Unfavorable
Oakland Fire Department	\$845,435	\$457,196	\$388,239
Office of Parks and Recreation	\$253,896	98,706	155,190
Oakland Police Department	\$3,966,053	7,022,518	(3,056,465)
Public Works Agency	\$4,513,977	2,378,364	2,135,613
All Other Agencies / Departments	\$1,707,854	3,189,885	(1,482,031)
CITYWIDE TOTAL	\$11,287,215	\$13,146,669	(\$1,859,454)

Table 2

An element of the Phoenix Model program specified that departments were to return to Council if they exceeded their budget allocation and needed additional funding for liability payouts; and, that departments were allowed to retain a percentage of their unspent liability budget allocation for approved projects or programs as presented to Council.

Since its last report in February 2007, the FMA-Risk Management Division has continued to work closely with the Oakland Police Department (OPD) and Public Works Agency (PWA) to facilitate their loss prevention efforts. For example, Risk Management funded a number of equipment purchases for OPD to improve officer and vehicle safety. During an unexpected building water damage loss, Risk Management worked with OPD to contain business and operational down-time. Risk Management is also in discussions with OPD Training to institute in-house driver training programs to allow for ongoing skill improvement programs. Risk Management continues to collaborate with OPD on a number of other loss reduction initiatives designed specifically to address general liability and workers' compensation loss exposures.

Risk Management continues to support PWA in its departmental safety committee. Staffed by supervisory and management level personnel, one of its objectives is to implement and administer a loss reduction incentive program. Funded by Risk Management, this incentive program is designed to recognize employees who have made contributions to the reduction and/or prevention of loss on a daily basis. Additionally, Risk Management continues to make available to PWA the services of a professional safety consultant with the sole purpose of providing dedicated safety services to PWA. This consultant works with PWA three days per week, conducting inspections, accident investigations, trainings, program development and other safety related services. Risk Management also conducted an Employee Health Fair specifically for PWA personnel. This health fair provided PWA employees with a number of health and wellness screenings conducted at no cost to the employee. The intent of this annual event is to increase health awareness among employees and give them confidential access to medical professional resources that may not be available through their personal health care providers. Risk Management revamped the PWA Safety Academy providing dedicated safety and loss control training to all PWA personnel, increasing the frequency of the trainings and making them available year-round. Risk Management continues to actively participate in the development and growth of PWA's internal risk management program.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this report.

Environmental: There are no environmental impacts associated with this report.

Social Equity: There are no economic issues associated with this report.

DISABILITY AND SENIOR CITIZEN ACCESS

There are no disability or senior access issues associated with this report.

RECOMMENDATION(S) AND RATIONALE

Staff recommends the City Council accept this report regarding the use of monies from the Self-Insurance General Liability Fund (Fund 1100) received from departments for the Fiscal Years 2008-10 allocation of general liability costs based on the implementation of the “Phoenix Model” of Risk Management Cost Allocation.

Table 1, in the summary section, reports the amounts recommended by ARM TECH necessary to cover the projected payouts for Fiscal Years 2008-10. This estimate is based on data provided by the City Attorney’s Office as analyzed by ARM Tech. This information is also reflected in Exhibits LI-32 and LI-33 of the February 20, 2008 Actuarial Study (Attachment A).

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council accept this report regarding the use of monies appropriated from the Self-Insurance General Liability Fund (Fund 1100) to departments for the Fiscal Years 2008-10 allocation of general liability costs based on the implementation of the “Phoenix Model” of Risk Management Cost Allocation.

Respectfully submitted,



William E. Noland
Director, Finance & Management Agency

Prepared by:
Deborah Grant, Risk Manager
Risk Management Division

Attachment A: Actuarial Study of the Self-Insured Liability Program

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:


Office of the City Administrator

Item: _____
Finance & Management Committee
March 11, 2008



**City of Oakland,
California**

**Actuarial Study of the
Self-Insured Liability Program
as of June 30, 2007
(Revised)**

February 20, 2008



February 20, 2008

904-010

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 Liability Program
as of June 30, 2007**

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:blc

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I. Background

The City of Oakland (the City) was fully self-insured for liability (combined general and automobile liability) until November 11, 1998. Effective November 11, 1998, the City purchased excess insurance with a self-insured retention (SIR) of \$2 million and a \$25 million aggregate.

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, 2007.

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 2007/08 through 2009/10.

The projected ultimate losses are the accrual value of losses with accident dates during 2007/08 through 2009/10, regardless of report or payment date. The amounts are limited to the self-insured retention.

3. **Project Losses Paid.** Project losses paid during the 2007/08 through 2009/10 years.

The projected losses paid are the claim disbursements during 2007/08 through 2009/10, regardless of accident or report date. The amounts are limited to the self-insured retention.

4. **Recommend Funding.** Recommend funding by City department for 2007/08 through 2009/10.

The recommend funding is based on expected loss payments in 2007/08 through 2009/10. The funding is allocated by City department based on each department's exposure to loss and actual loss experience.

5. **Analysis by Department and Cause of Loss.** Analyze frequency (number of claims per exposure), severity (average cost per claim), and loss rate (cost per exposure) by City department. Review frequency and severity by cause of loss.

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, 2007 to be as shown in Table III-1.

Table III-1
Estimated Outstanding Losses
June 30, 2007

(A)	Estimated outstanding losses	\$39,309,664
(B)	Present value of estimated outstanding losses	36,206,749

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

The present value of the estimated outstanding losses is the estimated outstanding losses discounted to reflect future investment earnings. It is based on a 3.5% interest rate.

All costs other than losses are additional.

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.

2. Project Ultimate Losses

We project ultimate losses for 2007/08 through 2009/10 to be as shown in Tables III-2A through III-2C.

**Table III-2A
Projected Ultimate Losses
2007/08**

	Item (1)	Amount (2)	Rate per \$100 of Payroll (3)
(A)	Projected ultimate losses	\$14,757,991	\$4.04
(B)	Present value of projected ultimate losses	13,115,875	3.59

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

**Table III-2B
Projected Ultimate Losses
2008/09**

	Item (1)	Amount (2)	Rate per \$100 of Payroll (3)
(A)	Projected ultimate losses	\$15,504,753	\$4.12
(B)	Present value of projected ultimate losses	13,779,545	3.66

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

**Table III-2C
Projected Ultimate Losses
2009/10**

	Item (1)	Amount (2)	Rate per \$100 of Payroll (3)
(A)	Projected ultimate losses	\$16,289,294	\$4.20
(B)	Present value of projected ultimate losses	14,476,790	3.73

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

The present value of the projected ultimate losses is based on a 3.5% interest rate.

All costs other than losses are additional.

Projected ultimate losses for seven additional years (2010/11 through 2016/17) are shown in Exhibit LI-10. We emphasize that due to the length of the projection period, there will be greater than normal variability in the estimates.

3. Project Losses Paid

We project losses paid during 2007/08 through 2009/10 to be as shown in Table III-3.

**Table III-3
Projected Losses Paid
2007/08 through 2009/10**

Item (1)	2007/08 (2)	2008/09 (3)	2009/10 (4)
(A) Projected losses paid	\$13,135,475	\$13,612,753	\$14,396,968

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

All costs other than losses are additional.

Projected losses paid for seven additional years (2010/11 through 2016/17) are shown in Exhibits LI-15 through LI-21. We emphasize that due to the length of the projection period, there will be greater than normal variability in the estimates.

4. Recommend Funding

The City requested that ARM Tech develop a cost allocation plan that is similar to that employed by the City of Phoenix. Based on discussions with staff of the City of Phoenix, we learned that they allocate their costs by department based on five years of claim and exposure data (number of employees). The allocation is provided in Exhibits LI-26 through LI-33.

We recommend funding by City department for 2007/08 through 2009/10 to be as shown in Table III-6.

**Table III-6
Recommended Funding by Department
2007/08 through 2009/10**

Department (1)	Projected Loss Funds 2007/08 (2)	Projected Loss Funds 2008/09 (3)	Projected Loss Funds 2009/10 (4)
(A) Fire Department	\$1,402,263	\$1,453,214	\$1,536,932
(B) Parks and Recreation	319,451	331,059	350,131
(C) Police Services Agency	6,399,063	6,631,573	7,013,611
(D) Public Works	2,647,246	2,743,434	2,901,480
(E) Other	2,367,451	2,453,473	2,594,814
(F) Total	\$13,135,474	\$13,612,753	\$14,396,968

Note: (2) is from Exhibit LI-31.
(3) is from Exhibit LI-32.
(4) is from Exhibit LI-33.

We have shown the funding needs based on expected payments in 2007/08 through 2009/10. Outside legal expenses are included. Other costs including excess insurance, claims adjusting, and other administrative expenses are not included.

There are two primary goals of the cost allocation plan (the Plan):

1. To allocate and budget funds sufficient to cover the City's risk funding needs.
2. To charge loss funds in an equitable way that rewards departments with better-than-expected loss experience and provides incentives for all departments to improve risk management practices.

The Plan accomplishes this by looking at five years of exposures (i.e., payroll) in Exhibit LI-26 and five years of incurred losses in Exhibit LI-27. One would expect a department with 5% of exposures to have 5% of losses. Relative loss rates are calculated in Exhibits LI-28 and LI-29 to demonstrate department departure from this expectation.

Next, the Plan compares each department's experience to the overall City average. Experience modification factors (Xmods) are calculated in Exhibit LI-30 to measure department departure from the average.

In Exhibit LI-31, each department's Xmod is applied to its current exposure to generate a "weighted exposure," share of weighted exposure to be applied to the City's project funding needs for 2007/08. A similar calculation is performed in Exhibit LI-32 for 2008/09.

The exhibits are described in greater detail below.

1. **LI-26** shows **Payroll** for the five-year period 2002/03 through 2006/07 and calculates each department's percent of payroll.
2. **LI-27** shows **Unlimited Losses** for 2002/03 through 2006/07 and calculates each department's percent of losses.
3. **LI-28** calculates **Relative Loss Rates** for each of the five years from 2002/03 through 2006/07. The percent of losses divided by the percent of payroll is the relative loss rate.

A relative loss rate greater than 1.000 means the department has proportionally more capped losses than payroll. This indicates relatively poor loss experience. A relative loss rate less than 1.000 indicates relatively good experience.

4. **LI-29** calculates an **Average Relative Loss Rate** for years 2002/03 through 2006/07. A five-year average provides stability and mitigates the effects of one bad year a department may have experienced.
5. **LI-30** calculates an **Experience Modification** factor (**Xmod**) for each department. This is a measure of whether a department's loss experience is better or worse than the City's average.

The "Weight" column shows the weight given to each department's own loss experience. If little weight is given to a department's own loss experience:

- Its experience modification will be close to 1.000, regardless of how good or bad its loss experience.
- Its share of total costs will be close to its share of payroll, regardless of how good or bad its loss experience.

If a lot of weight is given to a department's own loss experience, its

experience modification factor will be able to move away from 1.000.

For most organizations, smaller departments do not want costs to fluctuate much from year to year, and individual loss experience is not a good predictor of long-term trends. For this reason, little weight is given to the loss experience of smaller departments. The opposite is true for large departments.

The minimum weight is 10%. A minimum weight was assigned, so even a small department would be given some credit for its own loss experience. The largest department is assigned a weight of 75%.

8. **LI-31** calculates each department's recommended funding ("**Projected Loss Funds**") for 2007/08. A department's final loss funds is obtained by:
 - a. Calculating each department's "experience weighted exposure" for the year in which costs are to be allocated. Experience weighted exposure is payroll for the year multiplied by the Xmod calculated in Exhibit LI-30.
 - b. Calculating each department's percent of experience weighted exposure.
 - c. Multiplying the total funding needs by each department's percentage of experience weighted exposure.
9. **LI-32 and LI-33** calculates each department's recommended funding ("**Projected Loss Funds**") for 2008/09 and 2009/10, respectively, in a manner consistent with that used in Exhibit LI-31.

The following points are of importance.

1. **Equity.** The proposed rating plan is an equitable way to determine each department's loss funds. It recognizes each department's exposure to loss and actual loss experience.
2. **Experience period.** We have used five years of loss experience. This is long enough to smooth the results of a single year (good or bad).

5. Analysis by Department and Cause of Loss

The frequency, severity, and loss rate by City department is summarized in Table III-5A. Further analysis by department by year is provided in Exhibit LI-23.

**Table III-5A
Analysis by Department
2002/03 through 2006/07**

Department (1)	Number of Claims per \$1 Million of Payroll (2)	Average Cost per Claim (3)	Rate per \$100 of Payroll (4)
(A) Fire Department	0.33	\$24,609	\$0.81
(B) Parks and Recreation	2.94	2,143	0.63
(C) Police Services Agency	2.36	15,887	3.76
(D) Public Works	7.78	6,600	5.13
(E) Other	0.84	18,869	1.59
(F) Total	2.29	\$11,412	\$2.61

Note: (A) through (F) are from Exhibit LI-23.

Exhibit LI-24 shows the cumulative payments as of June 30, 2007 by department for the latest seven claim periods from 1999/00 to 2006/07. Table III-5B shows the summary.

**Table III-5B
Payments by Department
1999/00 through 2006/07 as of June 30, 2007**

Department (1)	Total Paid (2)
(A) Fire Department	\$2,662,429
(B) Parks and Recreation	1,500,650
(C) Police Services Agency	28,526,276
(D) Public Works	14,584,602
(E) Other	7,205,464
(F) Total	\$54,479,421

Note: (A) through (F) are from Exhibit LI-24.

Exhibit LI-25 shows the top three categories of loss by frequency and average payment. This is shown by department and represents the combined loss experience from 2002/03 through 2006/07 valued as of June 30, 2007.

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
LIABILITY

Exhibit LI-1

Data Summary as of June 30, 2007

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/07 (4)	Payroll (000) (5)	Reported Claims 6/30/07 (6)	Open Claims 6/30/07 (7)	Limited Paid Losses 6/30/07 (8)	Limited Case Reserves 6/30/07 (9)	Limited Reported Incurred Losses 6/30/07 (10)
to 1988/89	Unlimited	None	228.0	Not Provided	19	0	\$187,193	\$0	\$187,193
1989/90	Unlimited	None	216.0	Not Provided	9	0	332,335	0	332,335
1990/91	Unlimited	None	204.0	Not Provided	11	0	13,162	0	13,162
1991/92	Unlimited	None	192.0	Not Provided	11	1	142,557	2	142,559
1992/93	Unlimited	None	180.0	Not Provided	11	0	229,267	0	229,267
1993/94	Unlimited	None	168.0	Not Provided	107	1	3,234,720	15,000	3,249,720
1994/95	Unlimited	None	156.0	Not Provided	851	0	5,560,271	0	5,560,271
1995/96	Unlimited	None	144.0	Not Provided	1,136	0	10,402,539	0	10,402,539
1996/97	Unlimited	None	132.0	Not Provided	1,177	0	6,473,990	0	6,473,990
1997/98	Unlimited	None	120.0	Not Provided	1,099	2	7,988,107	54,404	8,042,511
1998/99	2,000,000	None	108.0	Not Provided	1,090	4	5,289,358	43,746	5,333,104
1999/00	2,000,000	None	96.0	256,973	1,256	3	9,554,747	3,426	9,558,173
2000/01	2,000,000	None	84.0	273,627	1,228	4	9,866,066	249,701	10,115,767
2001/02	2,000,000	None	72.0	293,519	1,026	9	8,131,638	3,899,203	12,030,841
2002/03	2,000,000	None	60.0	305,541	1,090	19	9,177,869	838,732	10,016,601
2003/04	2,000,000	None	48.0	307,406	805	27	8,145,962	2,722,697	10,868,659
2004/05	2,000,000	None	36.0	315,491	703	43	5,743,090	3,440,629	9,183,720
2005/06	2,000,000	None	24.0	326,085	639	114	2,784,391	3,876,179	6,660,570
2006/07	2,000,000	None	12.0	354,814	450	285	1,075,658	4,271,965	5,347,623
Total					12,718	512	\$94,332,920	\$19,415,683	\$113,748,603

{8}, {9} and {10} are net of specific self insured retention.

Data was provided by the City.

CITY OF OAKLAND
LIABILITY

Exhibit LI-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)	Months of Development (5)	Percent Losses Paid (6)	Percent Losses Reported (7)	Percent Claims Reported (8)
360.0	100.0%	100.0%	100.0%	354.0	100.0%	100.0%	100.0%
348.0	100.0%	100.0%	100.0%	342.0	100.0%	100.0%	100.0%
336.0	100.0%	100.0%	100.0%	330.0	100.0%	100.0%	100.0%
324.0	100.0%	100.0%	100.0%	318.0	100.0%	100.0%	100.0%
312.0	100.0%	100.0%	100.0%	306.0	100.0%	100.0%	100.0%
300.0	100.0%	100.0%	100.0%	294.0	100.0%	100.0%	100.0%
288.0	100.0%	100.0%	100.0%	282.0	100.0%	100.0%	100.0%
276.0	100.0%	100.0%	100.0%	270.0	100.0%	100.0%	100.0%
264.0	100.0%	100.0%	100.0%	258.0	100.0%	100.0%	100.0%
252.0	100.0%	100.0%	100.0%	246.0	100.0%	100.0%	100.0%
240.0	100.0%	100.0%	100.0%	234.0	100.0%	100.0%	100.0%
228.0	100.0%	100.0%	100.0%	222.0	99.9%	100.0%	100.0%
216.0	99.9%	100.0%	100.0%	210.0	99.9%	100.0%	100.0%
204.0	99.9%	100.0%	100.0%	198.0	99.9%	100.0%	100.0%
192.0	99.9%	100.0%	100.0%	186.0	99.9%	100.0%	100.0%
180.0	99.8%	100.0%	100.0%	174.0	99.8%	100.0%	100.0%
168.0	99.8%	100.0%	100.0%	162.0	99.7%	100.0%	100.0%
156.0	99.6%	100.0%	100.0%	150.0	99.6%	100.0%	100.0%
144.0	99.5%	100.0%	100.0%	138.0	99.4%	100.0%	100.0%
132.0	99.3%	100.0%	100.0%	126.0	99.1%	100.0%	100.0%
120.0	99.0%	99.9%	100.0%	114.0	98.7%	99.7%	100.0%
108.0	98.5%	99.5%	100.0%	102.0	96.9%	98.6%	100.0%
96.0	95.2%	97.7%	100.0%	90.0	93.1%	96.7%	100.0%
84.0	91.1%	95.7%	100.0%	78.0	87.7%	94.1%	100.0%
72.0	84.3%	92.5%	100.0%	66.0	80.1%	90.5%	100.0%
60.0	75.8%	88.5%	100.0%	54.0	70.0%	85.4%	99.9%
48.0	64.2%	82.3%	99.8%	42.0	56.4%	76.2%	99.6%
36.0	48.7%	70.1%	99.3%	30.0	39.2%	61.8%	98.3%
24.0	29.7%	53.5%	97.4%	18.0	21.6%	42.3%	84.7%
12.0	13.5%	31.1%	72.1%	6.0	6.7%	15.5%	36.1%

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

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-3

Developed Limited Paid Losses

Claim Period (1)	Months of Development 6/30/07 (2)	Limited Paid Losses 6/30/07 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
to 1988/89	228.0	\$187,193	100.0%	\$187,271
1989/90	216.0	332,335	99.9%	332,533
1990/91	204.0	13,162	99.9%	13,174
1991/92	192.0	142,557	99.9%	142,731
1992/93	180.0	229,267	99.8%	229,667
1993/94	168.0	3,234,720	99.8%	3,242,774
1994/95	156.0	5,560,271	99.6%	5,580,070
1995/96	144.0	10,402,539	99.5%	10,455,538
1996/97	132.0	6,473,990	99.3%	6,521,213
1997/98	120.0	7,988,107	99.0%	8,071,606
1998/99	108.0	5,289,358	98.5%	5,368,698
1999/00	96.0	9,554,747	95.2%	9,936,451 *
2000/01	84.0	9,866,066	91.1%	10,635,357 *
2001/02	72.0	8,131,638	84.3%	9,641,053
2002/03	60.0	9,177,869	75.8%	11,471,900 *
2003/04	48.0	8,145,962	64.2%	12,165,027 *
2004/05	36.0	5,743,090	48.7%	11,084,989 *
2005/06	24.0	2,784,391	29.7%	9,385,808
2006/07	12.0	1,075,658	13.5%	7,976,975

* - Indicates large claim(s) limited to retention. For details, see Exhibit LI-22.

(3) is from Exhibit LI-1.

(4) is from Exhibit LI-2.

CITY OF OAKLAND
LIABILITY

Exhibit LI-4

Developed Limited Reported Incurred Losses

Claim Period (1)	Months of Development 6/30/07 (2)	Limited Reported Incurred Losses 6/30/07 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
to 1988/89	228.0	\$187,193	100.0%	\$187,193
1989/90	216.0	332,335	100.0%	332,335
1990/91	204.0	13,162	100.0%	13,162
1991/92	192.0	142,559	100.0%	142,559
1992/93	180.0	229,267	100.0%	229,267
1993/94	168.0	3,249,720	100.0%	3,249,721
1994/95	156.0	5,560,271	100.0%	5,560,285
1995/96	144.0	10,402,539	100.0%	10,402,714
1996/97	132.0	6,473,990	100.0%	6,474,715
1997/98	120.0	8,042,511	99.9%	8,048,518
1998/99	108.0	5,333,104	99.5%	5,359,769
1999/00	96.0	9,558,173	97.7%	9,732,692 *
2000/01	84.0	10,115,767	95.7%	10,477,527 *
2001/02	72.0	12,030,841	92.5%	12,682,423 *
2002/03	60.0	10,016,601	88.5%	11,057,044 *
2003/04	48.0	10,868,659	82.3%	12,771,164 *
2004/05	36.0	9,183,720	70.1%	13,105,729
2005/06	24.0	6,660,570	53.5%	12,451,602
2006/07	12.0	5,347,623	31.1%	12,764,126 *

* - Indicates large claim(s) limited to retention. For details, see Exhibit LI-22.

(3) is from Exhibit LI-1.

(4) is from Exhibit LI-2.

CITY OF OAKLAND
LIABILITY

Exhibit LI-5

Developed Limited Case Reserves

Claim Period (1)	Months of Development 6/30/07 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 6/30/07 [(4)-(3)]/ [100.0%-(3)] (5)	Limited Paid Losses 6/30/07 (6)	Limited Case Reserves 6/30/07 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
to 1988/89	228.0	100.0%	100.0%	100.0%	\$187,193	\$0	\$187,193
1989/90	216.0	99.9%	100.0%	100.0%	332,335	0	332,335
1990/91	204.0	99.9%	100.0%	100.0%	13,162	0	13,162
1991/92	192.0	99.9%	100.0%	100.0%	142,557	2	142,559
1992/93	180.0	99.8%	100.0%	100.0%	229,267	0	229,267
1993/94	168.0	99.8%	100.0%	100.0%	3,234,720	15,000	3,249,722
1994/95	156.0	99.6%	100.0%	99.9%	5,560,271	0	5,560,271
1995/96	144.0	99.5%	100.0%	99.7%	10,402,539	0	10,402,539
1996/97	132.0	99.3%	100.0%	98.5%	6,473,990	0	6,473,990
1997/98	120.0	99.0%	99.9%	92.8%	7,988,107	54,404	8,046,741
1998/99	108.0	98.5%	99.5%	66.3%	5,289,358	43,746	5,355,305
1999/00	96.0	95.2%	97.7%	53.1%	9,554,747	3,426	9,561,202
2000/01	84.0	91.1%	95.7%	52.1%	9,866,066	249,701	10,345,344
2001/02	72.0	84.3%	92.5%	52.1%	8,131,638	3,899,203	12,252,090 *
2002/03	60.0	75.8%	88.5%	52.6%	9,177,869	838,732	10,773,381
2003/04	48.0	64.2%	82.3%	50.6%	8,145,962	2,722,697	12,257,775 *
2004/05	36.0	48.7%	70.1%	41.7%	5,743,090	3,440,629	13,478,136 *
2005/06	24.0	29.7%	53.5%	33.9%	2,784,391	3,876,179	14,226,964
2006/07	12.0	13.5%	31.1%	20.4%	1,075,658	4,271,965	14,290,055 *

* - Indicates large claim(s) limited to retention. For details, see Exhibit LI-22.

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

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-6

Preliminary Projected Ultimate Limited Losses to 2006/07

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	\$187,271	\$187,193	\$187,193	\$187,193
1989/90	332,533	332,335	332,335	332,335
1990/91	13,174	13,162	13,162	13,162
1991/92	142,731	142,559	142,559	142,611
1992/93	229,667	229,267	229,267	229,267
1993/94	3,242,774	3,249,721	3,249,722	3,251,220
1994/95	5,580,070	5,560,285	5,560,271	5,560,271
1995/96	10,455,538	10,402,714	10,402,539	10,402,539
1996/97	6,521,213	6,474,715	6,473,990	6,473,990
1997/98	8,071,606	8,048,518	8,046,741	8,054,911
1998/99	5,368,698	5,359,769	5,355,305	5,361,109
1999/00	9,936,451	9,732,692	9,561,202	9,742,373
2000/01	10,635,357	10,477,527	10,345,344	10,485,221
2001/02	9,641,053	12,682,423	12,252,090	12,420,761
2002/03	11,471,900	11,057,044	10,773,381	11,096,402
2003/04	12,165,027	12,771,164	12,257,775	12,435,306
2004/05	11,084,989	13,105,729	13,478,136	12,611,229
2005/06	9,385,808	12,451,602	14,228,964	12,064,473
2006/07	7,976,975	12,764,126	14,290,055	11,785,759

(2) is from Exhibit LI-3.

(3) is from Exhibit LI-4.

(4) is from Exhibit LI-5.

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

Bornhuetter - Ferguson Analysis

I. A-priori Loss Rate

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)*10 (4)	Loss Rate Trend (2007/08 = 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)
1997/98	\$8,054,911	\$242,222	\$3.33	1.219	\$4.05	\$3.29
1998/99	5,361,109	249,489	2.15	1.195	2.57	3.36
1999/00	9,742,373	256,973	3.79	1.172	4.44	3.42
2000/01	10,485,221	273,627	3.83	1.149	4.40	3.49
2001/02	12,420,761	293,519	4.23	1.126	4.77	3.56
2002/03	11,096,402	305,541	3.63	1.104	4.01	3.63
2003/04	12,435,306	307,406	4.05	1.082	4.38	3.70
2004/05	12,611,229	315,491	4.00	1.061	4.24	3.78
2005/06	12,064,473	326,085	3.70	1.040	3.85	3.85
2006/07	11,785,759	354,814	3.32	1.020	3.39	3.93

(7) Projected 2007/08 a-priori loss rate per \$100 of Payroll

\$4.01

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

Claim Period (1)	Limited Paid Losses 6/30/07 (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)
2002/03	\$9,177,869	75.8%	\$3.63	\$305,541	\$2,687,584	\$11,865,453
2003/04	8,145,962	64.2%	3.70	307,406	4,074,478	12,220,439
2004/05	5,743,090	48.7%	3.78	315,491	6,121,239	11,864,329
2005/06	2,784,391	29.7%	3.85	326,085	8,839,476	11,623,867
2006/07	1,075,658	13.5%	3.93	354,814	12,067,718	13,143,375

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

Claim Period (1)	Limited Reported Incurred Losses 6/30/07 (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)
2002/03	\$10,016,601	88.5%	\$3.63	\$305,541	\$1,274,769	\$11,291,370
2003/04	10,868,659	82.3%	3.70	307,406	2,011,434	12,880,092
2004/05	9,183,720	70.1%	3.78	315,491	3,567,507	12,751,227
2005/06	6,660,570	53.5%	3.85	326,085	5,845,098	12,505,668
2006/07	5,347,623	31.1%	3.93	354,814	9,610,629	14,958,252

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

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

Section I, (5) is based on a 2% trend.

Section I, (7) is based on Section I, (6) and the following weights:

Claim Period	Weight
1997/98	10.0%
1998/99	10.0%
1999/00	10.0%
2000/01	10.0%
2001/02	10.0%
2002/03	10.0%
2003/04	10.0%
2004/05	10.0%
2005/06	10.0%
2006/07	10.0%

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

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

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

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Exhibit LI-8

Frequency Times Severity Analysis

I. Projected Ultimate Claims

Claim Period (1)	Months of Development 6/30/07 (2)	Reported Claims 6/30/07 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)	Payroll (000) (6)	Frequency per \$1M of Payroll (5)/(6)X1,000 (7)
1997/98	120.0	1,099	100.0%	1,099	\$242,222	4.54
1998/99	108.0	1,090	100.0%	1,090	249,489	4.37
1999/00	96.0	1,256	100.0%	1,256	256,973	4.89
2000/01	84.0	1,228	100.0%	1,228	273,627	4.49
2001/02	72.0	1,026	100.0%	1,026	293,519	3.50
2002/03	60.0	1,090	100.0%	1,090	305,541	3.57
2003/04	48.0	805	99.8%	807	307,406	2.63
2004/05	36.0	703	99.3%	708	315,491	2.24
2005/06	24.0	639	97.4%	656	326,085	2.01
2006/07	12.0	450	72.1%	624	354,814	1.76

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (2007/08 = 1,000) (5)	Trended Average Claim Severity (4)X(5) (6)	De-Trended Projected 2007/08 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
1997/98	\$8,054,911	1,099	\$7,329	1.638	\$12,007	\$9,286	\$10,205,698
1998/99	5,361,109	1,090	4,918	1.559	7,669	9,756	10,634,300
1999/00	9,742,373	1,256	7,757	1.484	11,513	10,250	12,873,880
2000/01	10,485,221	1,228	8,538	1.413	12,063	10,769	13,223,779
2001/02	12,420,761	1,026	12,106	1.345	16,279	11,313	11,607,587
2002/03	11,096,402	1,090	10,180	1.280	13,030	11,886	12,955,629
2003/04	12,435,306	807	15,409	1.218	18,773	12,487	10,077,271
2004/05	12,611,229	708	17,812	1.160	20,656	13,119	9,288,382
2005/06	12,064,473	656	18,391	1.104	20,299	13,783	9,041,657
2006/07	11,785,759	624	18,887	1.051	19,843	14,480	9,035,791
(7) Projected 2007/08 average claim severity					\$15,213		

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

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

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

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

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

Section II, (5) is based on a 5.1% trend.

Section II, (7) is based on (6) and the following weights:

Claim Period	Weight
1997/98	10.0%
1998/99	10.0%
1999/00	10.0%
2000/01	10.0%
2001/02	10.0%
2002/03	10.0%
2003/04	10.0%
2004/05	10.0%
2005/06	10.0%
2006/07	10.0%

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Exhibit LI-9

Projected Ultimate Limited Losses to 2006/07

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	\$187,271	\$187,193	\$187,193				\$187,193
1989/90	332,533	332,335	332,335				332,335
1990/91	13,174	13,162	13,162				13,162
1991/92	142,731	142,559	142,559				142,611
1992/93	229,667	229,267	229,267				229,267
1993/94	3,242,774	3,249,721	3,249,722				3,251,220
1994/95	5,580,070	5,560,285	5,560,271				5,560,271
1995/96	10,455,538	10,402,714	10,402,539				10,402,539
1996/97	6,521,213	6,474,715	6,473,990				6,473,990
1997/98	8,071,606	8,048,518	8,046,741				8,054,911
1998/99	5,368,698	5,359,769	5,355,305				5,361,109
1999/00	9,936,451	9,732,692	9,561,202				9,742,373
2000/01	10,635,357	10,477,527	10,345,344				10,485,221
2001/02	9,641,053	12,682,423	12,252,090				12,420,761
2002/03	11,471,900	11,057,044	10,773,381	11,865,453	11,291,370	12,955,629	11,096,402
2003/04	12,165,027	12,771,164	12,257,775	12,220,439	12,880,092	10,077,271	12,435,306
2004/05	11,084,989	13,105,729	13,478,136	11,864,329	12,751,227	9,288,382	12,611,229
2005/06	9,385,808	12,451,602	14,226,964	11,623,867	12,505,668	9,041,657	12,004,367
2006/07	7,976,975	12,764,126	14,290,055	13,143,375	14,958,252	9,035,791	12,838,320

(2) is from Exhibit LI-3.

(3) is from Exhibit LI-4.

(4) is from Exhibit LI-5.

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

(7) is from Exhibit LI-8.

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

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Exhibit LI-10

Projected Ultimate Limited Losses for 2007/08 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 (2007/08 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)
1997/98	\$8,054,911	\$242,222	\$3.33	1.219	\$4.05
1998/99	5,361,109	249,489	2.15	1.195	2.57
1999/00	9,742,373	256,973	3.79	1.172	4.44
2000/01	10,485,221	273,627	3.83	1.149	4.40
2001/02	12,420,761	293,519	4.23	1.126	4.77
2002/03	11,096,402	305,541	3.63	1.104	4.01
2003/04	12,435,306	307,406	4.05	1.082	4.38
2004/05	12,611,229	315,491	4.00	1.061	4.24
2005/06	12,004,367	326,085	3.68	1.040	3.83
2006/07	12,838,320	354,814	3.62	1.020	3.69
Total	\$107,049,998	\$2,925,166	\$3.66		\$4.04

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)
2007/08	\$4.04	\$365,458	\$14,757,991	0.89	\$3.59	\$13,115,875
2008/09	4.12	376,422	15,504,753	0.89	3.66	13,779,545
2009/10	4.20	387,715	16,289,294	0.89	3.73	14,476,790
2010/11	4.29	399,346	17,113,532	0.89	3.81	15,209,315
2011/12	4.37	411,326	17,979,477	0.89	3.88	15,978,907
2012/13	4.46	423,666	18,889,238	0.89	3.96	16,787,439
2013/14	4.55	436,376	19,845,034	0.89	4.04	17,636,884
2014/15	4.64	449,467	20,849,192	0.89	4.12	18,529,310
2015/16	4.73	462,951	21,904,161	0.89	4.20	19,466,893
2016/17	4.83	476,840	23,012,512	0.89	4.29	20,451,918

(2) is from Exhibit LI-9.

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

(5) is based on a 2% trend.

(7) for 2007/08 is based on (6) and the following weights:

Claim Period	Weight
1997/98	10.0%
1998/99	10.0%
1999/00	10.0%
2000/01	10.0%
2001/02	10.0%
2002/03	10.0%
2003/04	10.0%
2004/05	10.0%
2005/06	10.0%
2006/07	10.0%

(7) for 2008/09 and subsequent are based on 2007/08 plus a 2% trend.

(8) is based on (3) for 2006/07 and a 3% trend.

(10) is based on a 3.5% interest rate and the payout pattern in Exhibit LI-2.

CITY OF OAKLAND
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Exhibit LI-11

Estimated Outstanding Losses as of June 30, 2007

Claim Period (1)	Limited Paid Losses 6/30/07 (2)	Limited Case Reserves 6/30/07 (3)	Limited Reported Incurred Losses 6/30/07 (4)	Projected Ultimate Limited Losses (5)	Estimated IBNR 6/30/07 (5)-(4) (6)	Estimated Outstanding Losses 6/30/07 (3)+(6) (7)	Present Value Factor (8)	Present Value of Estimated Outstanding Losses 6/30/07 (7)X(8) (9)
to 1988/89	\$187,193	\$0	\$187,193	\$187,193	\$0	\$0	0.92	\$0
1989/90	332,335	0	332,335	332,335	0	0	0.92	0
1990/91	13,162	0	13,162	13,162	0	0	0.91	0
1991/92	142,557	2	142,559	142,611	51	53	0.91	48
1992/93	229,267	0	229,267	229,267	0	0	0.91	0
1993/94	3,234,720	15,000	3,249,720	3,251,220	1,500	16,500	0.91	15,054
1994/95	5,560,271	0	5,560,271	5,560,271	0	0	0.91	0
1995/96	10,402,539	0	10,402,539	10,402,539	0	0	0.91	0
1996/97	6,473,990	0	6,473,990	6,473,990	0	0	0.91	0
1997/98	7,988,107	54,404	8,042,511	8,054,911	12,400	66,804	0.91	60,887
1998/99	5,289,358	43,746	5,333,104	5,361,109	28,005	71,751	0.91	65,388
1999/00	9,554,747	3,426	9,558,173	9,742,373	184,199	187,625	0.95	178,522
2000/01	9,866,066	249,701	10,115,767	10,485,221	369,454	619,155	0.95	587,325
2001/02	8,131,638	3,899,203	12,030,841	12,420,761	389,920	4,289,123	0.95	4,053,848
2002/03	9,177,869	838,732	10,016,601	11,096,402	1,079,801	1,918,533	0.94	1,799,298
2003/04	8,145,962	2,722,697	10,868,659	12,435,306	1,566,647	4,289,344	0.93	3,993,179
2004/05	5,743,090	3,440,629	9,183,720	12,611,229	3,427,509	6,868,138	0.92	6,351,528
2005/06	2,784,391	3,876,179	6,660,570	12,004,367	5,343,797	9,219,976	0.92	8,460,732
2006/07	1,075,658	4,271,965	5,347,623	12,838,320	7,490,697	11,762,662	0.90	10,640,940
Total	\$94,332,920	\$19,415,683	\$113,748,603	\$133,642,585	\$19,893,980	\$39,309,664		\$36,206,749

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

(5) is from Exhibit LI-9.

(8) is based on a 3.5% interest rate and the payout pattern in Exhibit LI-2.

CITY OF OAKLAND
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Exhibit LI-12

Projected Losses Paid July 1, 2007 to June 30, 2008

Claim Period (1)	Months of Development 6/30/07 (2)	Percent Losses Paid (3)	Months of Development 6/30/08 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/07 to 6/30/08 [(5)-(3)]/[100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/07 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/08 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/08 (9)X(10) (11)
to 1988/89	228.0	100.0%	240.0	100.0%	30.0%	\$0	\$0	\$0	0.92	\$0
1989/90	216.0	99.9%	228.0	100.0%	30.0%	0	0	0	0.92	0
1990/91	204.0	99.9%	216.0	99.9%	30.0%	0	0	0	0.92	0
1991/92	192.0	99.9%	204.0	99.9%	30.0%	53	16	37	0.91	34
1992/93	180.0	99.8%	192.0	99.9%	30.0%	0	0	0	0.91	0
1993/94	168.0	99.8%	180.0	99.8%	30.0%	16,500	4,950	11,550	0.91	10,543
1994/95	156.0	99.6%	168.0	99.8%	30.0%	0	0	0	0.91	0
1995/96	144.0	99.5%	156.0	99.6%	30.0%	0	0	0	0.91	0
1996/97	132.0	99.3%	144.0	99.5%	30.0%	0	0	0	0.91	0
1997/98	120.0	99.0%	132.0	99.3%	30.0%	66,804	20,041	46,763	0.91	42,627
1998/99	108.0	98.5%	120.0	99.0%	30.0%	71,751	21,525	50,226	0.91	45,777
1999/00	96.0	95.2%	108.0	98.5%	69.3%	187,625	129,973	57,652	0.91	52,539
2000/01	84.0	91.1%	96.0	95.2%	46.0%	619,155	284,891	334,264	0.95	318,046
2001/02	72.0	84.3%	84.0	91.1%	43.1%	4,289,123	1,848,536	2,440,587	0.95	2,315,119
2002/03	60.0	75.8%	72.0	84.3%	35.4%	1,918,533	678,334	1,240,199	0.95	1,172,169
2003/04	48.0	64.2%	60.0	75.8%	32.3%	4,289,344	1,385,831	2,903,513	0.94	2,723,063
2004/05	36.0	48.7%	48.0	64.2%	30.3%	6,868,138	2,082,426	4,785,712	0.93	4,455,274
2005/06	24.0	29.7%	36.0	48.7%	27.0%	9,219,976	2,488,874	6,731,102	0.92	6,224,800
2006/07	12.0	13.5%	24.0	29.7%	18.7%	11,762,662	2,200,032	9,562,630	0.92	8,775,169
2007/08	0.0	0.0%	12.0	13.5%	13.5%	14,757,991	1,990,046	12,767,945	0.90	11,550,356
Total						\$54,067,655	\$13,135,475	\$40,932,180		\$37,685,516

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

(7) to 2006/07 is from Exhibit LI-11. The amount for 2007/08 is from Exhibit LI-10.

(10) is based on a 3.5% interest rate and the payout pattern in Exhibit LI-2.

CITY OF OAKLAND
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Exhibit LI-13

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	100.0%	252.0	100.0%	30.0%	\$0	\$0	\$0	0.92	\$0
1989/90	228.0	100.0%	240.0	100.0%	30.0%	0	0	0	0.92	0
1990/91	216.0	99.9%	228.0	100.0%	30.0%	0	0	0	0.92	0
1991/92	204.0	99.9%	216.0	99.9%	30.0%	37	11	26	0.92	24
1992/93	192.0	99.9%	204.0	99.9%	30.0%	0	0	0	0.91	0
1993/94	180.0	99.8%	192.0	99.9%	30.0%	11,550	3,465	8,085	0.91	7,385
1994/95	168.0	99.8%	180.0	99.8%	30.0%	0	0	0	0.91	0
1995/96	156.0	99.6%	168.0	99.8%	30.0%	0	0	0	0.91	0
1996/97	144.0	99.5%	156.0	99.6%	30.0%	0	0	0	0.91	0
1997/98	132.0	99.3%	144.0	99.5%	30.0%	46,763	14,029	32,734	0.91	29,845
1998/99	120.0	99.0%	132.0	99.3%	30.0%	50,226	15,068	35,158	0.91	32,049
1999/00	108.0	98.5%	120.0	99.0%	30.0%	57,652	17,296	40,356	0.91	36,781
2000/01	96.0	95.2%	108.0	98.5%	69.3%	334,264	231,553	102,711	0.91	93,603
2001/02	84.0	91.1%	96.0	95.2%	46.0%	2,440,587	1,122,965	1,317,602	0.95	1,253,673
2002/03	72.0	84.3%	84.0	91.1%	43.1%	1,240,199	534,504	705,695	0.95	669,416
2003/04	60.0	75.8%	72.0	84.3%	35.4%	2,903,513	1,026,593	1,876,920	0.95	1,773,964
2004/05	48.0	64.2%	60.0	75.8%	32.3%	4,785,712	1,546,201	3,239,511	0.94	3,038,179
2005/06	36.0	48.7%	48.0	64.2%	30.3%	6,731,102	2,040,877	4,690,225	0.93	4,366,380
2006/07	24.0	29.7%	36.0	48.7%	27.0%	9,562,630	2,581,371	6,981,259	0.92	6,456,141
2007/08	12.0	13.5%	24.0	29.7%	18.7%	12,767,945	2,388,056	10,379,889	0.92	9,525,129
2008/09	0.0	0.0%	12.0	13.5%	13.5%	15,504,753	2,090,744	13,414,009	0.90	12,134,809
Total						\$66,436,933	\$13,612,753	\$42,824,180		\$39,417,378

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

(7) to 2007/08 is from Exhibit LI-12, (9). The amount for 2008/09 is from Exhibit LI-10.

(10) is based on a 3.5% interest rate and the payout pattern in Exhibit LI-2.

CITY OF OAKLAND
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Exhibit LI-14

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	100.0%	264.0	100.0%	30.0%	\$0	\$0	\$0	0.92	\$0
1989/90	240.0	100.0%	252.0	100.0%	30.0%	0	0	0	0.92	0
1990/91	228.0	100.0%	240.0	100.0%	30.0%	0	0	0	0.92	0
1991/92	216.0	99.9%	228.0	100.0%	30.0%	26	8	18	0.92	17
1992/93	204.0	99.9%	216.0	99.9%	30.0%	0	0	0	0.92	0
1993/94	192.0	99.9%	204.0	99.9%	30.0%	8,085	2,426	5,659	0.91	5,174
1994/95	180.0	99.8%	192.0	99.9%	30.0%	0	0	0	0.91	0
1995/96	168.0	99.8%	180.0	99.8%	30.0%	0	0	0	0.91	0
1996/97	156.0	99.6%	168.0	99.8%	30.0%	0	0	0	0.91	0
1997/98	144.0	99.5%	156.0	99.6%	30.0%	32,734	9,820	22,914	0.91	20,898
1998/99	132.0	99.3%	144.0	99.5%	30.0%	35,158	10,547	24,611	0.91	22,439
1999/00	120.0	99.0%	132.0	99.3%	30.0%	40,356	12,107	28,249	0.91	25,751
2000/01	108.0	98.5%	120.0	99.0%	30.0%	102,711	30,813	71,898	0.91	65,529
2001/02	96.0	95.2%	108.0	98.5%	69.3%	1,317,602	912,738	404,864	0.91	368,961
2002/03	84.0	91.1%	96.0	95.2%	46.0%	705,695	324,711	380,984	0.95	362,499
2003/04	72.0	84.3%	84.0	91.1%	43.1%	1,876,920	808,919	1,068,001	0.95	1,013,096
2004/05	60.0	75.8%	72.0	84.3%	35.4%	3,239,511	1,145,392	2,094,119	0.95	1,979,248
2005/06	48.0	64.2%	60.0	75.8%	32.3%	4,690,225	1,515,351	3,174,874	0.94	2,977,559
2006/07	36.0	48.7%	48.0	64.2%	30.3%	6,981,259	2,116,724	4,864,535	0.93	4,528,655
2007/08	24.0	29.7%	36.0	48.7%	27.0%	10,379,889	2,801,985	7,577,904	0.92	7,007,907
2008/09	12.0	13.5%	24.0	29.7%	18.7%	13,414,009	2,508,892	10,905,117	0.92	10,007,105
2009/10	0.0	0.0%	12.0	13.5%	13.5%	16,289,294	2,196,535	14,092,759	0.90	12,748,832
Total						\$59,113,474	\$14,396,968	\$44,716,506		\$41,133,670

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

(7) to 2008/09 is from Exhibit LI-13, (9). The amount for 2009/10 is from Exhibit LI-10.

(10) is based on a 3.5% interest rate and the payout pattern in Exhibit LI-2.

CITY OF OAKLAND
LIABILITY

Exhibit LI-15

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	100.0%	276.0	100.0%	30.0%	\$0	\$0	\$0	0.93	\$0
1989/90	252.0	100.0%	264.0	100.0%	30.0%	0	0	0	0.92	0
1990/91	240.0	100.0%	252.0	100.0%	30.0%	0	0	0	0.92	0
1991/92	228.0	100.0%	240.0	100.0%	30.0%	18	5	13	0.92	12
1992/93	216.0	99.9%	228.0	100.0%	30.0%	0	0	0	0.92	0
1993/94	204.0	99.9%	216.0	99.9%	30.0%	5,659	1,698	3,961	0.92	3,626
1994/95	192.0	99.9%	204.0	99.9%	30.0%	0	0	0	0.91	0
1995/96	180.0	99.8%	192.0	99.9%	30.0%	0	0	0	0.91	0
1996/97	168.0	99.8%	180.0	99.8%	30.0%	0	0	0	0.91	0
1997/98	156.0	99.6%	168.0	99.8%	30.0%	22,914	6,874	16,040	0.91	14,634
1998/99	144.0	99.5%	156.0	99.6%	30.0%	24,611	7,383	17,228	0.91	15,712
1999/00	132.0	99.3%	144.0	99.5%	30.0%	28,249	8,475	19,774	0.91	18,029
2000/01	120.0	99.0%	132.0	99.3%	30.0%	71,898	21,569	50,329	0.91	45,878
2001/02	108.0	98.5%	120.0	99.0%	30.0%	404,864	121,459	283,405	0.91	258,301
2002/03	96.0	95.2%	108.0	98.5%	69.3%	380,984	263,918	117,066	0.91	106,685
2003/04	84.0	91.1%	96.0	95.2%	46.0%	1,068,001	491,418	576,583	0.95	548,608
2004/05	72.0	84.3%	84.0	91.1%	43.1%	2,094,119	902,528	1,191,591	0.95	1,130,332
2005/06	60.0	75.8%	72.0	84.3%	35.4%	3,174,874	1,122,538	2,052,336	0.95	1,939,757
2006/07	48.0	64.2%	60.0	75.8%	32.3%	4,864,535	1,571,668	3,292,867	0.94	3,088,219
2007/08	36.0	48.7%	48.0	64.2%	30.3%	7,577,904	2,297,628	5,280,276	0.93	4,915,690
2008/09	24.0	29.7%	36.0	48.7%	27.0%	10,905,117	2,943,767	7,961,350	0.92	7,362,511
2009/10	12.0	13.5%	24.0	29.7%	18.7%	14,092,759	2,635,842	11,456,917	0.92	10,513,466
2010/11	0.0	0.0%	12.0	13.5%	13.5%	17,113,532	2,307,680	14,805,852	0.90	13,393,922
Total						\$61,830,038	\$14,704,450	\$47,125,588		\$43,355,382

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

(7) to 2009/10 is from Exhibit LI-14, (9). The amount for 2010/11 is from Exhibit LI-10.

(10) is based on a 3.5% interest rate and the payout pattern in Exhibit LI-2.

CITY OF OAKLAND
LIABILITY

Exhibit LI-16

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	100.0%	288.0	100.0%	30.0%	\$0	\$0	\$0	0.93	\$0
1989/90	264.0	100.0%	276.0	100.0%	30.0%	0	0	0	0.93	0
1990/91	252.0	100.0%	264.0	100.0%	30.0%	0	0	0	0.92	0
1991/92	240.0	100.0%	252.0	100.0%	30.0%	13	4	9	0.92	8
1992/93	228.0	100.0%	240.0	100.0%	30.0%	0	0	0	0.92	0
1993/94	216.0	99.9%	228.0	100.0%	30.0%	3,961	1,188	2,773	0.92	2,542
1994/95	204.0	99.9%	216.0	99.9%	30.0%	0	0	0	0.92	0
1995/96	192.0	99.9%	204.0	99.9%	30.0%	0	0	0	0.91	0
1996/97	180.0	99.8%	192.0	99.9%	30.0%	0	0	0	0.91	0
1997/98	168.0	99.8%	180.0	99.8%	30.0%	16,040	4,812	11,228	0.91	10,249
1998/99	156.0	99.6%	168.0	99.8%	30.0%	17,228	5,168	12,060	0.91	11,003
1999/00	144.0	99.5%	156.0	99.6%	30.0%	19,774	5,932	13,842	0.91	12,624
2000/01	132.0	99.3%	144.0	99.5%	30.0%	50,329	15,099	35,230	0.91	32,121
2001/02	120.0	99.0%	132.0	99.3%	30.0%	283,405	85,022	198,383	0.91	180,838
2002/03	108.0	98.5%	120.0	99.0%	30.0%	117,066	35,120	81,946	0.91	74,687
2003/04	96.0	95.2%	108.0	98.5%	69.3%	576,583	399,414	177,169	0.91	161,458
2004/05	84.0	91.1%	96.0	95.2%	46.0%	1,191,591	548,286	643,305	0.95	612,092
2005/06	72.0	84.3%	84.0	91.1%	43.1%	2,052,336	884,520	1,167,816	0.95	1,107,780
2006/07	60.0	75.8%	72.0	84.3%	35.4%	3,292,867	1,164,257	2,128,610	0.95	2,011,847
2007/08	48.0	64.2%	60.0	75.8%	32.3%	5,280,276	1,705,989	3,574,287	0.94	3,352,149
2008/09	36.0	48.7%	48.0	64.2%	30.3%	7,961,350	2,413,889	5,547,461	0.93	5,164,427
2009/10	24.0	29.7%	36.0	48.7%	27.0%	11,456,917	3,092,722	8,364,195	0.92	7,735,055
2010/11	12.0	13.5%	24.0	29.7%	18.7%	14,805,852	2,769,216	12,036,636	0.92	11,045,446
2011/12	0.0	0.0%	12.0	13.5%	13.5%	17,979,477	2,424,449	15,555,028	0.90	14,071,654
Total						\$65,105,065	\$15,555,087	\$49,549,978		\$45,585,980

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

(7) to 2010/11 is from Exhibit LI-15, (9). The amount for 2011/12 is from Exhibit LI-10.

(10) is based on a 3.5% interest rate and the payout pattern in Exhibit LI-2.

CITY OF OAKLAND
LIABILITY

Exhibit LI-17

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	100.0%	300.0	100.0%	30.0%	\$0	\$0	\$0	0.94	\$0
1989/90	276.0	100.0%	288.0	100.0%	30.0%	0	0	0	0.93	0
1990/91	284.0	100.0%	276.0	100.0%	30.0%	0	0	0	0.93	0
1991/92	252.0	100.0%	264.0	100.0%	30.0%	9	3	6	0.92	6
1992/93	240.0	100.0%	252.0	100.0%	30.0%	0	0	0	0.92	0
1993/94	228.0	100.0%	240.0	100.0%	30.0%	2,773	832	1,941	0.92	1,783
1994/95	216.0	99.9%	228.0	100.0%	30.0%	0	0	0	0.92	0
1995/96	204.0	99.9%	216.0	99.9%	30.0%	0	0	0	0.92	0
1996/97	192.0	99.9%	204.0	99.9%	30.0%	0	0	0	0.91	0
1997/98	180.0	99.8%	192.0	99.9%	30.0%	11,228	3,368	7,860	0.91	7,180
1998/99	168.0	99.8%	180.0	99.8%	30.0%	12,060	3,618	8,442	0.91	7,706
1999/00	156.0	99.6%	168.0	99.8%	30.0%	13,842	4,153	9,689	0.91	8,840
2000/01	144.0	99.5%	156.0	99.6%	30.0%	35,230	10,569	24,661	0.91	22,491
2001/02	132.0	99.3%	144.0	99.5%	30.0%	198,383	59,515	138,868	0.91	126,612
2002/03	120.0	99.0%	132.0	99.3%	30.0%	81,946	24,584	57,362	0.91	52,289
2003/04	108.0	98.5%	120.0	99.0%	30.0%	177,169	53,151	124,018	0.91	113,033
2004/05	96.0	95.2%	108.0	98.5%	69.3%	643,305	445,634	197,671	0.91	180,142
2005/06	84.0	91.1%	96.0	95.2%	46.0%	1,167,816	537,346	630,470	0.95	599,880
2006/07	72.0	84.3%	84.0	91.1%	43.1%	2,128,610	917,393	1,211,217	0.95	1,148,949
2007/08	60.0	75.8%	72.0	84.3%	35.4%	3,574,287	1,263,758	2,310,529	0.95	2,183,787
2008/09	48.0	64.2%	60.0	75.8%	32.3%	5,547,461	1,792,313	3,755,148	0.94	3,521,770
2009/10	36.0	48.7%	48.0	64.2%	30.3%	8,364,195	2,536,032	5,828,163	0.93	5,425,747
2010/11	24.0	29.7%	36.0	48.7%	27.0%	12,036,636	3,249,213	8,787,423	0.92	8,126,448
2011/12	12.0	13.5%	24.0	29.7%	18.7%	15,555,028	2,909,338	12,645,690	0.92	11,604,346
2012/13	0.0	0.0%	12.0	13.5%	13.5%	18,889,238	2,547,126	16,342,112	0.90	14,783,680
Total						\$68,439,216	\$16,357,946	\$52,081,270		\$47,914,689

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

(7) to 2011/12 is from Exhibit LI-16. (9). The amount for 2012/13 is from Exhibit LI-10.

(10) is based on a 3.5% interest rate and the payout pattern in Exhibit LI-2.

CITY OF OAKLAND
LIABILITY

Exhibit LI-18

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

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
to 1988/89	300.0	100.0%	312.0	100.0%	30.0%	\$0	\$0	\$0	0.95	\$0
1989/90	288.0	100.0%	300.0	100.0%	30.0%	0	0	0	0.94	0
1990/91	276.0	100.0%	288.0	100.0%	30.0%	0	0	0	0.93	0
1991/92	264.0	100.0%	276.0	100.0%	30.0%	6	2	4	0.93	4
1992/93	252.0	100.0%	264.0	100.0%	30.0%	0	0	0	0.92	0
1993/94	240.0	100.0%	252.0	100.0%	30.0%	1,941	582	1,359	0.92	1,252
1994/95	228.0	100.0%	240.0	100.0%	30.0%	0	0	0	0.92	0
1995/96	216.0	99.9%	228.0	100.0%	30.0%	0	0	0	0.92	0
1996/97	204.0	99.9%	216.0	99.9%	30.0%	0	0	0	0.92	0
1997/98	192.0	99.9%	204.0	99.9%	30.0%	7,860	2,358	5,502	0.91	5,030
1998/99	180.0	99.8%	192.0	99.9%	30.0%	8,442	2,533	5,909	0.91	5,397
1999/00	168.0	99.8%	180.0	99.8%	30.0%	9,689	2,907	6,782	0.91	6,191
2000/01	156.0	99.6%	168.0	99.8%	30.0%	24,661	7,398	17,263	0.91	15,750
2001/02	144.0	99.5%	156.0	99.6%	30.0%	138,668	41,660	97,208	0.91	88,654
2002/03	132.0	99.3%	144.0	99.5%	30.0%	57,362	17,209	40,153	0.91	36,609
2003/04	120.0	99.0%	132.0	99.3%	30.0%	124,018	37,205	86,813	0.91	79,135
2004/05	108.0	98.5%	120.0	99.0%	30.0%	197,671	59,301	138,370	0.91	126,113
2005/06	96.0	95.2%	108.0	98.5%	69.3%	630,470	436,743	193,727	0.91	176,548
2006/07	84.0	91.1%	96.0	95.2%	46.0%	1,211,217	557,316	653,901	0.95	622,174
2007/08	72.0	84.3%	84.0	91.1%	43.1%	2,310,529	995,797	1,314,732	0.95	1,247,143
2008/09	60.0	75.8%	72.0	84.3%	35.4%	3,755,148	1,327,705	2,427,443	0.95	2,294,288
2009/10	48.0	64.2%	60.0	75.8%	32.3%	5,828,163	1,883,004	3,945,159	0.94	3,699,972
2010/11	36.0	48.7%	48.0	64.2%	30.3%	8,787,423	2,664,355	6,123,068	0.93	5,700,290
2011/12	24.0	29.7%	36.0	48.7%	27.0%	12,645,690	3,413,624	9,232,066	0.92	8,537,646
2012/13	12.0	13.5%	24.0	29.7%	18.7%	16,342,112	3,056,551	13,285,561	0.92	12,191,525
2013/14	0.0	0.0%	12.0	13.5%	13.5%	19,845,034	2,676,010	17,169,024	0.90	15,531,735
Total						\$71,926,304	\$17,182,260	\$54,744,044		\$50,365,456

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

(7) to 2012/13 is from Exhibit LI-17, (9). The amount for 2013/14 is from Exhibit LI-10.

(10) is based on a 3.5% interest rate and the payout pattern in Exhibit LI-2.

CITY OF OAKLAND
LIABILITY

Exhibit LI-19

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

Claim Period (1)	Months of Development 6/30/14 (2)	Percent Losses Paid (3)	Months of Development 6/30/15 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/14 to 6/30/15 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/14 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/15 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/15 (9)X(10) (11)
to 1988/89	312.0	100.0%	324.0	100.0%	30.0%	\$0	\$0	\$0	0.96	\$0
1989/90	300.0	100.0%	312.0	100.0%	30.0%	0	0	0	0.95	0
1990/91	288.0	100.0%	300.0	100.0%	30.0%	0	0	0	0.94	0
1991/92	276.0	100.0%	288.0	100.0%	30.0%	4	1	3	0.93	3
1992/93	264.0	100.0%	276.0	100.0%	30.0%	0	0	0	0.93	0
1993/94	252.0	100.0%	264.0	100.0%	30.0%	1,359	408	951	0.92	879
1994/95	240.0	100.0%	252.0	100.0%	30.0%	0	0	0	0.92	0
1995/96	228.0	100.0%	240.0	100.0%	30.0%	0	0	0	0.92	0
1996/97	216.0	99.9%	228.0	100.0%	30.0%	0	0	0	0.92	0
1997/98	204.0	99.9%	216.0	99.9%	30.0%	5,502	1,651	3,851	0.92	3,525
1998/99	192.0	99.9%	204.0	99.9%	30.0%	5,909	1,773	4,136	0.91	3,781
1999/00	180.0	99.8%	192.0	99.9%	30.0%	6,782	2,035	4,747	0.91	4,336
2000/01	168.0	99.8%	180.0	99.8%	30.0%	17,263	5,179	12,084	0.91	11,030
2001/02	156.0	99.6%	168.0	99.8%	30.0%	97,208	29,162	68,046	0.91	62,081
2002/03	144.0	99.5%	156.0	99.6%	30.0%	40,153	12,046	28,107	0.91	25,634
2003/04	132.0	99.3%	144.0	99.5%	30.0%	86,813	26,044	60,769	0.91	55,406
2004/05	120.0	99.0%	132.0	99.3%	30.0%	138,370	41,511	96,859	0.91	88,293
2005/06	108.0	98.5%	120.0	99.0%	30.0%	193,727	58,118	135,609	0.91	123,597
2006/07	96.0	95.2%	108.0	98.5%	69.3%	653,901	452,974	200,927	0.91	183,109
2007/08	84.0	91.1%	96.0	95.2%	46.0%	1,314,732	604,947	709,785	0.95	675,347
2008/09	72.0	84.3%	84.0	91.1%	43.1%	2,427,443	1,046,185	1,381,258	0.95	1,310,249
2009/10	60.0	75.8%	72.0	84.3%	35.4%	3,945,159	1,394,887	2,550,272	0.95	2,410,380
2010/11	48.0	64.2%	60.0	75.8%	32.3%	6,123,068	1,978,284	4,144,784	0.94	3,887,190
2011/12	36.0	48.7%	48.0	64.2%	30.3%	9,232,066	2,799,171	6,432,895	0.93	5,988,724
2012/13	24.0	29.7%	36.0	48.7%	27.0%	13,285,561	3,586,353	9,699,208	0.92	8,969,650
2013/14	12.0	13.5%	24.0	29.7%	18.7%	17,169,024	3,211,212	13,957,812	0.92	12,808,418
2014/15	0.0	0.0%	12.0	13.5%	13.5%	20,849,192	2,811,416	18,037,776	0.90	16,317,640
Total						\$75,593,236	\$18,063,357	\$57,529,879		\$52,929,272

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

(7) to 2013/14 is from Exhibit LI-18, (9). The amount for 2014/15 is from Exhibit LI-10.

(10) is based on a 3.5% interest rate and the payout pattern in Exhibit LI-2.

CITY OF OAKLAND
LIABILITY

Exhibit LI-20

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

Claim Period (1)	Months of Development 6/30/15 (2)	Percent Losses Paid (3)	Months of Development 6/30/16 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/15 to 6/30/16 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/15 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/16 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/16 (9)X(10) (11)
to 1988/89	324.0	100.0%	336.0	100.0%	30.0%	\$0	\$0	\$0	0.97	\$0
1989/90	312.0	100.0%	324.0	100.0%	30.0%	0	0	0	0.96	0
1990/91	300.0	100.0%	312.0	100.0%	30.0%	0	0	0	0.95	0
1991/92	288.0	100.0%	300.0	100.0%	30.0%	3	1	2	0.94	2
1992/93	276.0	100.0%	288.0	100.0%	30.0%	0	0	0	0.93	0
1993/94	264.0	100.0%	276.0	100.0%	30.0%	951	285	666	0.93	618
1994/95	252.0	100.0%	264.0	100.0%	30.0%	0	0	0	0.92	0
1995/96	240.0	100.0%	252.0	100.0%	30.0%	0	0	0	0.92	0
1996/97	228.0	100.0%	240.0	100.0%	30.0%	0	0	0	0.92	0
1997/98	216.0	99.9%	228.0	100.0%	30.0%	3,851	1,155	2,696	0.92	2,472
1998/99	204.0	99.9%	216.0	99.9%	30.0%	4,136	1,241	2,895	0.92	2,650
1999/00	192.0	99.9%	204.0	99.9%	30.0%	4,747	1,424	3,323	0.91	3,038
2000/01	180.0	99.8%	192.0	99.9%	30.0%	12,084	3,625	8,459	0.91	7,727
2001/02	168.0	99.8%	180.0	99.8%	30.0%	68,046	20,414	47,632	0.91	43,479
2002/03	156.0	99.6%	168.0	99.8%	30.0%	28,107	8,432	19,675	0.91	17,950
2003/04	144.0	99.5%	156.0	99.6%	30.0%	60,769	18,231	42,538	0.91	38,795
2004/05	132.0	99.3%	144.0	99.5%	30.0%	96,859	29,058	67,801	0.91	61,817
2005/06	120.0	99.0%	132.0	99.3%	30.0%	135,609	40,663	94,926	0.91	86,531
2006/07	108.0	98.5%	120.0	99.0%	30.0%	200,927	60,278	140,649	0.91	128,190
2007/08	96.0	95.2%	108.0	98.5%	69.3%	709,785	491,687	218,098	0.91	198,757
2008/09	84.0	91.1%	96.0	95.2%	46.0%	1,381,258	635,557	745,701	0.95	709,520
2009/10	72.0	84.3%	84.0	91.1%	43.1%	2,550,272	1,099,122	1,451,150	0.95	1,376,548
2010/11	60.0	75.8%	72.0	84.3%	35.4%	4,144,784	1,465,468	2,679,316	0.95	2,532,345
2011/12	48.0	64.2%	60.0	75.8%	32.3%	6,432,895	2,078,385	4,354,510	0.94	4,083,882
2012/13	36.0	48.7%	48.0	64.2%	30.3%	9,699,208	2,940,809	6,758,399	0.93	6,291,753
2013/14	24.0	29.7%	36.0	48.7%	27.0%	13,957,812	3,767,823	10,189,989	0.92	9,423,515
2014/15	12.0	13.5%	24.0	29.7%	18.7%	18,037,776	3,373,700	14,664,076	0.92	13,456,523
2015/16	0.0	0.0%	12.0	13.5%	13.5%	21,904,161	2,953,674	18,950,487	0.90	17,143,312
Total						\$79,434,040	\$18,991,052	\$60,442,988		\$55,609,424

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

(7) to 2014/15 is from Exhibit LI-19, (9). The amount for 2015/16 is from Exhibit LI-10.

(10) is based on a 3.5% interest rate and the payout pattern in Exhibit LI-2.

CITY OF OAKLAND
LIABILITY

Exhibit LI-21

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

Claim Period (1)	Months of Development 6/30/16 (2)	Percent Losses Paid (3)	Months of Development 6/30/17 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/16 to 6/30/17 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/16 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/17 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/17 (9)X(10) (11)
to 1988/89	336.0	100.0%	348.0	100.0%	30.0%	\$0	\$0	\$0	0.98	\$0
1989/90	324.0	100.0%	336.0	100.0%	30.0%	0	0	0	0.97	0
1990/91	312.0	100.0%	324.0	100.0%	30.0%	0	0	0	0.96	0
1991/92	300.0	100.0%	312.0	100.0%	30.0%	2	1	1	0.95	1
1992/93	288.0	100.0%	300.0	100.0%	30.0%	0	0	0	0.94	0
1993/94	276.0	100.0%	288.0	100.0%	30.0%	666	200	466	0.93	435
1994/95	264.0	100.0%	276.0	100.0%	30.0%	0	0	0	0.93	0
1995/96	252.0	100.0%	264.0	100.0%	30.0%	0	0	0	0.92	0
1996/97	240.0	100.0%	252.0	100.0%	30.0%	0	0	0	0.92	0
1997/98	228.0	100.0%	240.0	100.0%	30.0%	2,696	809	1,887	0.92	1,734
1998/99	216.0	99.9%	228.0	100.0%	30.0%	2,895	869	2,026	0.92	1,858
1999/00	204.0	99.9%	216.0	99.9%	30.0%	3,323	997	2,326	0.92	2,129
2000/01	192.0	99.9%	204.0	99.9%	30.0%	8,459	2,538	5,921	0.91	5,413
2001/02	180.0	99.8%	192.0	99.9%	30.0%	47,632	14,290	33,342	0.91	30,456
2002/03	168.0	99.8%	180.0	99.8%	30.0%	19,675	5,903	13,772	0.91	12,571
2003/04	156.0	99.6%	168.0	99.8%	30.0%	42,538	12,761	29,777	0.91	27,167
2004/05	144.0	99.5%	156.0	99.6%	30.0%	67,801	20,340	47,461	0.91	43,284
2005/06	132.0	99.3%	144.0	99.5%	30.0%	94,926	28,478	66,448	0.91	60,584
2006/07	120.0	99.0%	132.0	99.3%	30.0%	140,649	42,195	98,454	0.91	89,747
2007/08	108.0	98.5%	120.0	99.0%	30.0%	218,098	65,429	152,669	0.91	139,146
2008/09	96.0	95.2%	108.0	98.5%	69.3%	745,701	516,567	229,134	0.91	208,815
2009/10	84.0	91.1%	96.0	95.2%	46.0%	1,451,150	667,716	783,434	0.95	745,422
2010/11	72.0	84.3%	84.0	91.1%	43.1%	2,679,316	1,154,738	1,524,578	0.95	1,446,201
2011/12	60.0	75.8%	72.0	84.3%	35.4%	4,354,510	1,539,621	2,814,889	0.95	2,660,481
2012/13	48.0	64.2%	60.0	75.8%	32.3%	6,758,399	2,183,551	4,574,848	0.94	4,290,526
2013/14	36.0	48.7%	48.0	64.2%	30.3%	10,189,989	3,089,614	7,100,375	0.93	6,610,117
2014/15	24.0	29.7%	36.0	48.7%	27.0%	14,664,076	3,958,474	10,705,602	0.92	9,900,345
2015/16	12.0	13.5%	24.0	29.7%	18.7%	18,950,487	3,544,409	15,406,078	0.92	14,137,422
2016/17	0.0	0.0%	12.0	13.5%	13.5%	23,012,612	3,103,130	19,909,382	0.90	18,010,764
Total						\$83,455,500	\$19,952,630	\$63,502,870		\$58,424,618

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

(7) to 2015/16 is from Exhibit LI-20, (9). The amount for 2016/17 is from Exhibit LI-10.

(10) is based on a 3.5% interest rate and the payout pattern in Exhibit LI-2.

CITY OF OAKLAND
LIABILITY

Exhibit LI-22

List of Large Claims

Claim Number (1)	Date of Loss (2)	Claim Period (3)	Specific Self-Insured Retention (4)	Limited Paid Losses 6/30/07 (5)	Limited Case Reserves 6/30/07 (6)	Limited Reported Incurred Losses 6/30/07 (7)
98011	1/1/1996	1995/96	Unlimited	\$3,899,358	\$0	\$3,899,358
X00193	1/1/1996	1995/96	Unlimited	2,370,051	0	2,370,051
R20752	6/27/2000	1999/00	2,000,000	2,000,000 *	0	2,000,000 *
21037	9/9/2000	2000/01	2,000,000	2,000,000 *	0	2,000,000 *
X02852	3/1/2002	2001/02	2,000,000	12,340	1,987,660 *	2,000,000 *
X01528	4/25/2002	2001/02	2,000,000	328,778	1,671,222 *	2,000,000 *
23333	4/7/2003	2002/03	2,000,000	2,000,000 *	0	2,000,000 *
23841	8/6/2003	2003/04	2,000,000	702,061	1,297,939 *	2,000,000 *
24026	10/23/2003	2003/04	2,000,000	1,617,890 *	0	1,617,890
X02454	11/9/2004	2004/05	2,000,000	1,323,044 *	0	1,323,044
X02666	6/27/2005	2004/05	2,000,000	109,705	1,000,000 *	1,109,705
R02667	6/28/2005	2004/05	2,000,000	403,884	668,133 *	1,072,018
X02960	12/7/2006	2006/07	2,000,000	14,290	1,985,710 *	2,000,000 *

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

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-23

Number of Claims per \$1 Million of Payroll, Average Cost per Claim, and Loss Rate by Department

Department (1)	2002/03 (2)	2003/04 (3)	2004/05 (4)	2005/06 (5)	2006/07 (6)	2002/03 to 2006/07 (7)
I. Payroll						
Fire Department	\$60,180,191	\$59,453,316	\$64,410,370	\$66,573,163	\$72,438,489	\$323,055,528
Parks and Recreation	15,787,216	16,261,800	9,421,343	9,737,696	10,595,621	61,803,676
Police Services Agency	104,383,851	104,008,924	105,567,030	109,111,795	118,724,921	541,796,521
Public Works	37,591,169	38,367,768	46,429,594	47,988,623	52,216,586	222,593,740
Other	87,598,139	89,314,027	89,662,586	92,673,306	100,838,144	460,086,203
Total	\$305,540,566	\$307,405,834	\$315,490,924	\$326,084,583	\$354,813,761	\$1,609,335,668
II. Number of Reported Claims as of June 30, 2007						
Fire Department	22	29	25	22	8	106
Parks and Recreation	113	46	10	11	2	182
Police Services Agency	434	310	236	175	126	1,281
Public Works	418	343	376	353	241	1,731
Other	103	77	56	78	73	387
Total	1,090	805	703	639	450	3,687
III. Reported Incurred Losses as of June 30, 2007						
Fire Department	\$580,874	\$257,063	\$1,618,767	\$129,142	\$22,699	\$2,608,546
Parks and Recreation	161,078	84,626	27,897	101,022	15,333	389,955
Police Services Agency	5,654,996	5,287,786	4,056,189	2,778,000	2,574,347	20,351,318
Public Works	1,974,608	3,999,101	2,029,345	2,146,638	1,275,492	11,425,184
Other	1,645,045	1,240,083	1,451,521	1,505,768	1,459,751	7,302,168
Total	\$10,016,601	\$10,868,659	\$9,183,720	\$6,660,570	\$5,347,623	\$42,077,171
IV. Number of Claims per \$1 Million of Payroll [Section II / (Section I / \$1,000,000)]						
Fire Department	0.37	0.49	0.39	0.33	0.11	0.33
Parks and Recreation	7.16	2.83	1.06	1.13	0.19	2.94
Police Services Agency	4.16	2.98	2.24	1.60	1.06	2.36
Public Works	11.12	8.94	8.10	7.36	4.62	7.78
Other	1.18	0.86	0.62	0.84	0.72	0.84
Total	3.57	2.62	2.23	1.96	1.27	2.29
V. Average Cost per Claim (Section III / Section II)						
Fire Department	\$26,403	\$8,864	\$64,751	\$5,870	\$2,837	\$24,609
Parks and Recreation	1,425	1,840	2,790	9,184	7,666	2,143
Police Services Agency	13,030	17,057	17,187	15,874	20,431	15,887
Public Works	4,724	11,659	5,397	6,081	5,292	6,600
Other	15,971	16,105	25,920	19,305	19,997	18,869
Total	\$9,190	\$13,501	\$13,064	\$10,423	\$11,884	\$11,412
VI. Loss Rate per \$100 of Payroll [Section III / (Section I / \$100)]						
Fire Department	\$0.97	\$0.43	\$2.51	\$0.19	\$0.03	\$0.81
Parks and Recreation	1.02	0.52	0.30	1.04	0.14	0.63
Police Services Agency	5.42	5.08	3.84	2.55	2.17	3.76
Public Works	5.25	10.42	4.37	4.47	2.44	5.13
Other	1.88	1.39	1.62	1.62	1.45	1.59
Total	\$3.28	\$3.54	\$2.91	\$2.04	\$1.51	\$2.61

I, II, and III were provided by the City. Payroll by department for 2005/06 and 2006/07 was estimated based on the distribution of 2004/05.

Claim counts and loss amounts are on a reported basis. They have not been developed to ultimate values.

CITY OF OAKLAND
LIABILITY

Exhibit LI-24

Paid Losses by Department

I. As of June 30, 2006

Claim Period (1)	Fire Department (2)	Parks and Recreation (3)	Police Services Agency (4)	Public Works (5)	Other (6)	Limited Paid Losses 6/30/06 (7)
1999/00	\$16,722	\$423,613	\$5,561,595	\$2,289,217	\$859,227	\$9,150,374
2000/01	87,667	349,346	5,688,608	1,873,059	1,303,606	9,302,286
2001/02	161,621	387,066	2,889,025	2,945,055	733,612	7,116,379
2002/03	414,992	128,318	4,952,361	1,777,235	485,817	7,758,722
2003/04	116,470	84,626	1,766,716	2,110,307	478,276	4,556,395
2004/05	1,386,533	20,982	549,564	984,784	78,177	3,020,040
2005/06	21,228	7,995	95,889	226,580	76,865	428,557
Total	\$2,205,233	\$1,401,944	\$21,503,759	\$12,206,239	\$4,015,579	\$41,332,753

II. As of June 30, 2007

Claim Period (1)	Fire Department (2)	Parks and Recreation (3)	Police Services Agency (4)	Public Works (5)	Other (6)	Limited Paid Losses 6/30/07 (7)
1999/00	\$94,725	\$423,677	\$5,749,836	\$2,366,015	\$920,495	\$9,554,747
2000/01	113,709	369,498	6,090,409	1,875,386	1,417,065	9,866,066
2001/02	170,917	389,145	3,495,503	3,170,331	905,742	8,131,638
2002/03	494,153	161,078	5,261,661	1,953,957	1,307,021	9,177,869
2003/04	189,042	84,626	4,398,933	2,543,166	930,194	8,145,962
2004/05	1,508,265	27,897	2,311,728	1,542,368	352,833	5,743,090
2005/06	80,560	34,395	904,471	949,420	815,545	2,784,391
2006/07	11,058	10,335	313,736	183,960	556,570	1,075,658
Total	\$2,662,429	\$1,500,650	\$28,526,276	\$14,584,602	\$7,205,464	\$54,479,422

III. Actual Paid During 2006/07 [Section II - Section I]

Claim Period (1)	Fire Department (2)	Parks and Recreation (3)	Police Services Agency (4)	Public Works (5)	Other (6)	Limited Paid Losses 6/30/07 (7)
1999/00	\$78,002	\$65	\$188,241	\$76,798	\$61,268	\$404,373
2000/01	26,043	20,152	401,800	2,327	113,459	563,780
2001/02	9,296	2,080	606,478	225,276	172,130	1,015,259
2002/03	79,161	32,760	309,300	176,721	821,204	1,419,147
2003/04	72,572	0	2,632,217	432,859	451,918	3,589,566
2004/05	121,732	6,915	1,762,164	557,583	274,656	2,723,051
2005/06	59,332	26,401	808,583	722,840	738,680	2,355,835
2006/07	11,058	10,335	313,736	183,960	556,570	1,075,658
Total	\$457,196	\$98,706	\$7,022,518	\$2,378,364	\$3,189,885	\$13,146,669

(2) through (6) are net of the City's specific self insured retention of \$2 million. Only 1999/00 and subsequent are available by department on a consistent basis.

Data was provided by the City.

CITY OF OAKLAND
LIABILITY

Exhibit LI-25

Analysis by Cause of Loss
Claim Periods 2002/03 through 2006/07 as of June 30, 2006

I. Fire Department

a. Top Three Loss Categories (Frequency)

Cause	Count	Total Paid
City Vehicle Against Another Vehicle	55	\$219,847
Fire Dept.: Fire Response Related Dmgs.	20	13,624
Personnel/Labor	4	190,887

b. Top Three Average Payment Categories

Cause	Count	Total Paid	Average Payment
Personnel/Labor: Compensation & Benefits	3	\$1,376,401	\$458,800
Personnel/Labor: A.D.A.	1	151,537	151,537
Personnel/Labor	4	190,887	47,722

II. Parks and Recreation

a. Top Three Loss Categories (Frequency)

Cause	Count	Total Paid
Dangerous Condition: - Trees	120	\$110,968
City Vehicle Against Another Vehicle	12	46,261
Dangerous Cond.: Operations-Maintenance	11	6,630

b. Top Three Average Payment Categories

Cause	Count	Total Paid	Average Payment
Personnel/Labor: Grievance-Termination	2	\$42,743	\$21,372
Personnel/Labor: Grievance - Other	1	14,054	14,054
Claim of Employee Negligence	3	20,478	6,826

III. Police Services Agency

a. Top Three Loss Categories (Frequency)

Cause	Count	Total Paid
City Vehicle Against Another Vehicle	187	\$755,264
Police: Force - Civil Rights	160	9,279,852
Police: Towing - Red Zone, Tickets, etc.	149	318,431

b. Top Three Average Payment Categories

Cause	Count	Total Paid	Average Payment
Personnel/Labor: Wrongful Termination	9	\$681,028	\$75,670
Personnel/Labor: Sexual Harrassment	2	139,443	69,721
Police: Force - Civil Rights	160	9,279,852	57,999

IV. Public Works

a. Top Three Loss Categories (Frequency)

Cause	Count	Total Paid
Dangerous Condition: Streets	476	\$520,584
Dangerous Cond.: Sidewalks: Trip & Falls	322	1,401,879
Dangerous Condition: Sewers & Floods	219	911,308

b. Top Three Average Payment Categories

Cause	Count	Total Paid	Average Payment
City Govt.: Land Use/Planning	1	\$101,886	\$101,886
Personnel/Labor: Employment Discriminati	2	82,307	41,153
Dangerous Condition: Streets/Signs/Light	56	1,404,897	25,087

V. Other

a. Top Three Loss Categories (Frequency)

Cause	Count	Total Paid
Misc.	93	\$12,905
Code Enforcement	36	152,742
City Vehicle Against Another Vehicle	29	67,852

b. Top Three Average Payment Categories

Cause	Count	Total Paid	Average Payment
City Govt.: Charter	1	\$204,644	\$204,644
Personnel/Labor: Grievance-Lay Off & RIF	1	109,705	109,705
City Govt.: Ordinance	10	891,243	89,124

Data was provided by the City.

CITY OF OAKLAND
LIABILITY

Exhibit LI-26

Historical Payroll and Percent Payroll

Dept Code (1)	Department (2)	2002/03 Payroll (3)	2002/03 Percent Payroll (3)/Total(3) (4)	2003/04 Payroll (5)	2003/04 Percent Payroll (5)/Total(5) (6)	2004/05 Payroll (7)	2004/05 Percent Payroll (7)/Total(7) (8)	2005/06 Payroll (9)	2005/06 Percent Payroll (9)/Total(9) (10)	2006/07 Payroll (11)	2006/07 Percent Payroll (11)/Total(11) (12)	2002/03 to 2006/07 Payroll (3)+(5)+(7)+(9)+(11) (13)	2002/03 to 2006/07 Percent Payroll (13)/Total(13) (14)
DP200	Fire Department	\$60,180,191	19.70%	\$59,453,316	19.34%	\$64,410,370	20.42%	\$66,573,163	20.42%	\$72,438,489	20.42%	\$323,055,528	20.07%
DP5000	Parks and Recreation	\$8,879,463	2.91%	9,146,391	2.98%	9,421,343	2.99%	9,737,696	2.99%	10,595,621	2.99%	47,780,515	2.97%
DP1000	Police Services Agency	\$104,383,851	34.16%	104,008,924	33.83%	105,567,030	33.46%	109,111,795	33.46%	118,724,921	33.46%	541,796,521	33.67%
DP300	Public Works	\$44,498,922	14.56%	45,483,177	14.80%	46,429,594	14.72%	47,988,623	14.72%	52,216,586	14.72%	236,616,901	14.70%
Misc.	Other	\$87,598,139	28.67%	89,314,027	29.05%	89,662,586	28.42%	92,673,306	28.42%	100,838,144	28.42%	460,086,203	28.59%
Total		\$305,540,566	100.00%	\$307,405,834	100.00%	\$315,490,924	100.00%	\$326,084,583	100.00%	\$354,813,761	100.00%	\$1,609,335,668	100.00%

(3), (5), (7), (9) and (11) were provided by the City. Parks and Recreation was adjusted to reflect the movement of Parks Maintenance to Public Works.

CITY OF OAKLAND
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Exhibit LI-27

Calculation of Percent of Unlimited Reported Incurred Losses

Dept Code (1)	Department (2)	Reported Incurred Losses 6/30/07 (3)	Percent Reported Incurred Losses (3)/Total(3) (4)
I. 2002/03			
DP200	Fire Department	\$580,874	5.11%
DP5000	Parks and Recreation	38,190	0.34%
DP1000	Police Services Agency	7,001,075	61.61%
DP300	Public Works	2,097,495	18.46%
Misc.	Other	1,645,045	14.48%
Total		\$11,362,680	100.00%
II. 2003/04			
DP200	Fire Department	\$257,063	2.13%
DP5000	Parks and Recreation	23,205	0.19%
DP1000	Police Services Agency	5,287,786	43.78%
DP300	Public Works	5,269,655	43.63%
Misc.	Other	1,240,083	10.27%
Total		\$12,077,792	100.00%
III. 2004/05			
DP200	Fire Department	\$1,618,767	17.63%
DP5000	Parks and Recreation	27,897	0.30%
DP1000	Police Services Agency	4,056,189	44.17%
DP300	Public Works	2,029,345	22.10%
Misc.	Other	1,451,521	15.81%
Total		\$9,183,720	100.00%
IV. 2005/06			
DP200	Fire Department	\$129,142	1.94%
DP5000	Parks and Recreation	101,022	1.52%
DP1000	Police Services Agency	2,778,000	41.71%
DP300	Public Works	2,146,638	32.23%
Misc.	Other	1,505,768	22.61%
Total		\$6,660,570	100.00%
V. 2006/07			
DP200	Fire Department	\$22,699	0.13%
DP5000	Parks and Recreation	15,333	0.09%
DP1000	Police Services Agency	14,293,541	83.75%
DP300	Public Works	1,275,492	7.47%
Misc.	Other	1,459,751	8.55%
Total		\$17,066,817	100.00%

(3), (4) and (5) were provided by the City. Parks Maintenance is included in Public Works.

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Exhibit LI-28

Calculation of Relative Loss Rate

Dept Code (1)	Department (2)	Percent Payroll (3)	Percent Reported Incurred Losses (4)	Relative Loss Rate (4)/(3) (5)
I. 2002/03				
DP200	Fire Department	19.70%	5.11%	0.260
DP5000	Parks and Recreation	2.91%	0.34%	0.116
DP1000	Police Services Agency	34.16%	61.61%	1.804
DP300	Public Works	14.56%	18.46%	1.267
Misc.	Other	28.67%	14.48%	0.505
Total		100.00%	100.00%	1.000
II. 2003/04				
DP200	Fire Department	19.34%	2.13%	0.110
DP5000	Parks and Recreation	2.98%	0.19%	0.065
DP1000	Police Services Agency	33.83%	43.78%	1.294
DP300	Public Works	14.80%	43.63%	2.949
Misc.	Other	29.05%	10.27%	0.353
Total		100.00%	100.00%	1.000
III. 2004/05				
DP200	Fire Department	20.42%	17.63%	0.863
DP5000	Parks and Recreation	2.99%	0.30%	0.102
DP1000	Police Services Agency	33.46%	44.17%	1.320
DP300	Public Works	14.72%	22.10%	1.502
Misc.	Other	28.42%	15.81%	0.556
Total		100.00%	100.00%	1.000
IV. 2005/06				
DP200	Fire Department	20.42%	1.94%	0.095
DP5000	Parks and Recreation	2.99%	1.52%	0.508
DP1000	Police Services Agency	33.46%	41.71%	1.246
DP300	Public Works	14.72%	32.23%	2.190
Misc.	Other	28.42%	22.61%	0.795
Total		100.00%	100.00%	1.000
V. 2006/07				
DP200	Fire Department	20.42%	0.13%	0.007
DP5000	Parks and Recreation	2.99%	0.09%	0.030
DP1000	Police Services Agency	33.46%	83.75%	2.503
DP300	Public Works	14.72%	7.47%	0.508
Misc.	Other	28.42%	8.55%	0.301
Total		100.00%	100.00%	1.000

(3) is from Exhibit LI-26.

(4) is from Exhibit LI-27.

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Exhibit LI-29

Calculation of Average Relative Loss Rate

Dept Code (1)	Department (2)	2002/03 Relative Loss Rate (3)	2003/04 Relative Loss Rate (4)	2004/05 Relative Loss Rate (5)	2005/06 Relative Loss Rate (6)	2006/07 Relative Loss Rate (7)	Average 2002/03 to 2006/07 Relative Loss Rate Average [(3)..(7)] (8)
DP200	Fire Department	0.260	0.110	0.863	0.095	0.007	0.267
DP5000	Parks and Recreation	0.116	0.065	0.102	0.508	0.030	0.164
DP1000	Police Services Agency	1.804	1.294	1.320	1.246	2.503	1.633
DP300	Public Works	1.267	2.949	1.502	2.190	0.508	1.683
Misc.	Other	0.505	0.353	0.556	0.795	0.301	0.502
Total		1.000	1.000	1.000	1.000	1.000	1.000

(3) to (7) are from Exhibit LI-28.

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Exhibit LI-30

Calculation of Experience Modification Factors

Dept Code (1)	Department (2)	2002/03 to 2006/07 Percent Payroll (3)	Average 2002/03 to 2006/07 Relative Loss Rate (4)	Weight (3)/[(3)+ Max(3)] (5)	Experience Modification Factor [(4)X(5)]+ [1.000-(5)] (6)
DP200	Fire Department	20.07%	0.267	0.641	0.523
DP5000	Parks and Recreation	2.97%	0.164	0.209	0.814
DP1000	Police Services Agency	33.67%	1.633	0.750	1.456
DP300	Public Works	14.70%	1.683	0.567	1.369
Misc.	Other	28.59%	0.502	0.718	0.634
Total		100.00%	1.000		1.000

(3) is from Exhibit LI-26.

(4) is from Exhibit LI-29.

Weight is designed to give the largest member a weight of .750 and the rest proportionally smaller weights subject to a .100 minimum.

(6) is subject to an off-balance factor.

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Exhibit LI-31

Calculation of 2007/08 Projected Premium

Dept Code (1)	Department (2)	Projected 2007/08 Payroll (3)	2007/08 Experience Modification Factor (4)	Experience Rated Projected 2007/08 Payroll (3)X(4) (5)	2007/08 Percent Funding (5)/Total(5) (6)	2007/08 Projected Loss Funds (6)XTotal(7) (7)
DP200	Fire Department	\$74,611,643	0.523	\$39,014,079	10.68%	\$1,402,263
DP5000	Parks and Recreation	10,913,490	0.814	8,887,850	2.43%	319,451
DP1000	Police Services Agency	122,286,668	1.456	178,036,192	48.72%	6,399,063
DP300	Public Works	53,783,084	1.389	73,652,290	20.15%	2,647,246
Misc.	Other	103,863,289	0.634	65,867,763	18.02%	2,367,451
Total		\$365,458,174	1.000	\$365,458,174	100.00%	\$13,135,475

(3) was provided by the City.

(4) is from Exhibit LI-30.

Total (7) is from Exhibit LI-13.

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Exhibit LI-32

Calculation of 2008/09 Projected Premium

Dept Code (1)	Department (2)	Projected 2008/09 Payroll (3)	2008/09 Experience Modification Factor (4)	Experience Rated Projected 2008/09 Payroll (3)X(4) (5)	2008/09 Percent Funding (5)/Total(5) (6)	2008/09 Projected Loss Funds (6)XTotal(7) (7)
DP200	Fire Department	\$76,849,993	0.523	\$40,184,501	10.68%	\$1,453,214
DP5000	Parks and Recreation	11,240,894	0.814	9,154,486	2.43%	331,059
DP1000	Police Services Agency	125,955,269	1.456	183,377,278	48.72%	6,631,573
DP300	Public Works	55,396,576	1.369	75,861,858	20.15%	2,743,434
Misc.	Other	106,979,187	0.634	67,843,796	18.02%	2,453,473
Total		\$376,421,919	1.000	\$376,421,919	100.00%	\$13,612,753

(3) is based on payroll for 2005/06 plus a 3.0% trend.

(4) is from Exhibit LI-30.

Total (7) is from Exhibit LI-13.

CITY OF OAKLAND
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Exhibit LI-33

Calculation of 2009/10 Projected Premium

Dept Code (1)	Department (2)	Projected 2009/10 Payroll (3)	2009/10 Experience Modification Factor (4)	Experience Rated Projected 2009/10 Payroll (3)X(4) (5)	2009/10 Percent Funding (5)/Total(5) (6)	2009/10 Projected Loss Funds (6)XTotal(7) (7)
DP200	Fire Department	\$79,155,492	0.523	\$41,390,036	10.68%	\$1,536,932
IDP5000	Parks and Recreation	11,578,121	0.814	9,429,120	2.43%	350,131
DP1000	Police Services Agency	129,733,927	1.456	188,878,597	48.72%	7,013,611
IDP300	Public Works	57,058,473	1.369	78,137,714	20.15%	2,901,480
Misc.	Other	110,188,563	0.634	69,879,109	18.02%	2,594,814
Total		\$387,714,576	1.000	\$387,714,576	100.00%	\$14,396,968

(3) is based on payroll for 2005/06 plus a 3.0% trend.

(4) is from Exhibit LI-30.

Total (7) is from Exhibit LI-14.