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OFFICE OF THE CITY CLERK  
OAKLAND

**CITY OF OAKLAND**  
**AGENDA REPORT**

2009 JAN 15 PM 12:50

TO: Office of the City Administrator  
ATTN: Dan Lindheim  
FROM: Finance & Management Agency  
DATE: January 27, 2008

RE: **An Informational Report Regarding the Allocation of Monies from the Self-Insurance General Liability Fund (Fund 1100) to Departments for the Fiscal Year 2009-10 Budget Adjustment of General Liability Costs Based on Implementation of the "Phoenix Model" of Risk Management Cost Allocation, Reflecting a Projected Ultimate Loss Increase from \$4.32 per \$100 Payroll in Fiscal Year 2008-09 to \$4.40 per \$100 Payroll in Fiscal Year 2009-10**

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**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 2009-10. 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 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 2009-10 Budget Adjustment, based on historic loss information in Fiscal Year 2007-08. The total General Liability payout for Fiscal Year 2009-10 is projected by ARM Tech to be \$16,979,659 and the total General Liability payout for Fiscal Year 2010-11 is projected to be \$16,640,210. The projections provided below for Fiscal Years 2009-11 are adjusted to reflect the most recent actuarial review conducted by ARM Tech.

Item: \_\_\_\_\_  
Finance & Management Committee  
January 27, 2008

Department	Allocated Percent of Projected Loss (2009-10)	2009-10 Projected Loss/Proposed Budget	2010-11 Projected Loss/Proposed Budget
Fire Services Agency	9.15%	\$1,553,804	\$1,522,741
Parks and Recreation	2.62%	445,206	436,306
Police Services Agency	51.48%	8,740,976	8,566,231
Public Works Agency	20.53%	3,486,351	3,416,654
Other Departments	16.22%	2,753,321	2,698,278
<b>TOTAL</b>	<b>100.00%</b>	<b>\$16,979,658</b>	<b>\$16,640,210</b>

Table 1

The amounts, as adjusted, shown in Table 1 should be allocated to each department by the Budget Office during the Fiscal Year 2009-10 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 2009-10 relates specifically to the payment of projected losses on General Liability claims during the course of the fiscal year, and includes outside legal expenses. It is recommended that the budget for Fund 1100, as adopted in the City of Oakland FY 2009-10 Policy Budget, contain 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 Division (RMD), to target a 15 percent loss reduction;
- 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 2009-10.

The attached actuarial report also provides loss reporting data in exhibits LI-24 through LI-26.

- Exhibit LI-24 identifies the number of claims per \$1 million payroll, average cost per claim and loss rate by department
- Exhibit LI-25 identifies the actual paid losses by department for Fiscal Year 2007-08
- Exhibit LI-26 reports the top causes of loss by department relevant to highest frequency and highest average payout over the past 5 years.

As shown in Table 2, below, the Public Works Agency exceeded its budget for General Liability Losses, while the Oakland Fire Department, Office of Parks and Recreation, the Oakland Police Department and the balance of the City's other agencies and departments (taken collectively) stayed within the budgeted amount for General Liability losses during Fiscal Year 2007-08.

Department	FY 2007-08 Budget Allocation	FY 2007-08 Actual Paid Losses	Variance Favorable/ (Unfavorable)
Oakland Fire Department	\$1,635,336	\$310,398	\$1,324,938
Office of Parks and Recreation	326,692	50,000	276,692
Oakland Police Department	4,777,879	4,242,370	535,509
Public Works Agency	3,738,422	4,353,359	(614,937)
All Other Agencies / Departments	4,338,372	1,963,614	2,374,758
<b>CITYWIDE TOTAL</b>	<b>\$14,816,701</b>	<b>\$10,919,741</b>	<b>\$3,896,960</b>

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 March 2008, the FMA-Risk Management Division (RMD) has continued to work closely with the Oakland Police Department (OPD), the Oakland Fire Department (OFD) and Public Works Agency (PWA) to facilitate their loss prevention efforts. Risk Management agreed to adjust OPD's Workers' Compensation benefit overhead rate, allowing a surplus of funds in their allocated budget for payment of tasers for OPD personnel. RMD eliminated a program redundancy and lowered the cost of OFD's web-based training program by transferring its separately-contracted web-based training program to RMD's contract for the same web-based training program.

RMD continues to support PWA in its departmental safety program including the PWA Safety Incentive Program and in-house safety services program. The safety services consultant actively participates in the development and growth of PWA's internal risk management program, conducting inspections, accident investigations, trainings, program development and other safety related services.

On a City-wide perspective, RMD facilitated the annual City-wide Health Fair in November, as well as an Employee Health Fair specifically for PWA personnel in December 2008. These health fairs provide employees with a number of health and wellness screenings conducted at no cost to the employee. This year, services were expanded to include reduced insurance rates for consolidated accounts, opportunities for enrollment in a child identification database, and identity-theft protection services. The intent of these annual events 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.

### SUSTAINABLE OPPORTUNITIES

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

**DISABILITY AND SENIOR CITIZEN ACCESS**

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

**RECOMMENDATION(S) AND RATIONALE**

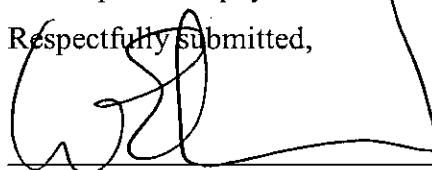
Staff recommends the City Council accept this report regarding the use of monies from the Self-Insurance General Liability Fund (Fund 1100) received from departments for the Fiscal Years 2009-11 allocation of general liability costs based on the implementation of the “Phoenix Model” of Risk Management Cost Allocation, reflecting a projected ultimate loss increase from \$4.32 per \$100 payroll in Fiscal Year 2008-09 to \$4.40 per \$100 payroll in Fiscal Year 2009-10.

Table 1, in the summary section, reports the amounts recommended by ARM Tech necessary to cover the projected payouts for Fiscal Years 2009-11. 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 November 23, 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 2009-11 allocation of general liability costs based on the implementation of the “Phoenix Model” of Risk Management Cost Allocation, reflecting a projected ultimate loss increase from \$4.32 per \$100 payroll in Fiscal Year 2008-09 to \$4.40 per \$100 payroll in Fiscal Year 2009-10.

Respectfully submitted,

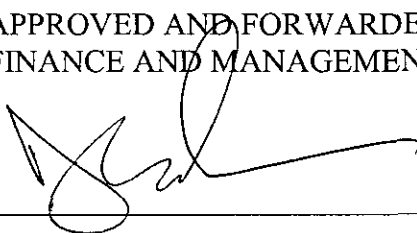


William E. Noland  
Director, Finance & Management Agency

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  
January 27, 2008



**City of Oakland,  
California**

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

**November 25, 2008**



November 25, 2008

904-012

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

Attn: Ms. Deb Grant  
Insurance Manager

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

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

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

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

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

Respectfully submitted,

*ARM TECH*

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

MD:iga

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## Appendices

A	Conditions and Limitations
B	Glossary of Actuarial Terms
C	Exhibits



## I. Background

The City of Oakland (the City) was fully self-insured for liability (combined general and automobile liability) until November 11, 1998. Effective November 11, 1998, the City began purchasing excess insurance.

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

**Table I-1**  
**Self-Insured Retentions**  
**(Liability)**

<b>Claim Period (1)</b>	<b>Self-Insured Retention (2)</b>	<b>Aggregate (3)</b>
To 11/10/1998	Unlimited	None
11/11/1998 and subsequent	\$2,000,000	\$25,000,000

Note: Above information provided by the City.

A self-insured retention of \$2 million is assumed through 2017/18.

We have not reviewed the collectibility of the excess insurance.

The fiscal period runs from July 1 through June 30.

## II. Objectives

The specific objectives of this study are:

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

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

2. **Project Ultimate Losses.** Project ultimate losses (including ALAE) for 2008/09 through 2010/11.

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

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

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

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

5. **Recommend Funding.** Recommend funding by City department for 2008/09 through 2010/11.

The recommend funding is based on expected loss payments in 2008/09 through 2010/11. The funding is allocated by City department based on each department's exposure to loss and actual loss experience.

6. **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.

7. **Data Observations.**

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

### III. Conclusions

We have reached the following conclusions:

#### 1. Estimate Outstanding Losses

We estimate outstanding losses as of June 30, 2008 to be as shown in Table III-1.

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

(A)	Estimated outstanding losses	\$50,242,266
(B)	Present value of estimated outstanding losses	45,764,357

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

The estimated outstanding losses increased significantly by about \$10.9 million from our previous estimate as of June 30, 2007 (report dated February 20, 2008). This change includes an increase in reported case reserves of about \$7.0 million. The case reserve increase appears to be attributable to accident years 2004/05 and 2006/07. For 2004/05, case reserves for two claims (#24634 and # X02981) increased about \$1.6 million and about \$1.3 million, respectively. For 2006/07, case reserves for 11 newly reported claims during 2007/08 totaled about \$4.2 million.

We also note other significant changes in the loss data since the previous actuarial report in Section 7: Data Observations (page 17).

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

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

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

## 2. Project Ultimate Losses

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

**Table III-2A**  
**Projected Ultimate Losses**  
**2008/09**  
**(at \$2 Million LIABILITY SIR)**

Item (1)	Amount (2)	Rate per \$100 of Payroll (3)
(A) Projected ultimate losses	\$16,463,000	\$4.32
(B) Present value of projected ultimate losses	14,408,000	3.78

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

**Table III-2B**  
**Projected Ultimate Losses**  
**2009/10**  
**(at \$2 Million LIABILITY SIR)**

Item (1)	Amount (2)	Rate per \$100 of Payroll (3)
(A) Projected ultimate losses	\$17,296,000	\$4.40
(B) Present value of projected ultimate losses	15,137,000	3.85

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

**Table III-2C**  
**Projected Ultimate Losses**  
**2010/11**  
**(at \$2 Million LIABILITY SIR)**

Item (1)	Amount (2)	Rate per \$100 of Payroll (3)
(A) Projected ultimate losses	\$18,171,000	\$4.49
(B) Present value of projected ultimate losses	15,902,000	3.93

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

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

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 (page 43). We emphasize that due to the length of the projection period, there will be greater than normal variability in the estimates.

### 3. Project Losses Paid

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

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

Item (1)	2008/09 (2)	2009/10 (3)	2010/11 (4)
(A) Projected losses paid	\$16,395,226	\$16,979,659	\$16,640,210

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

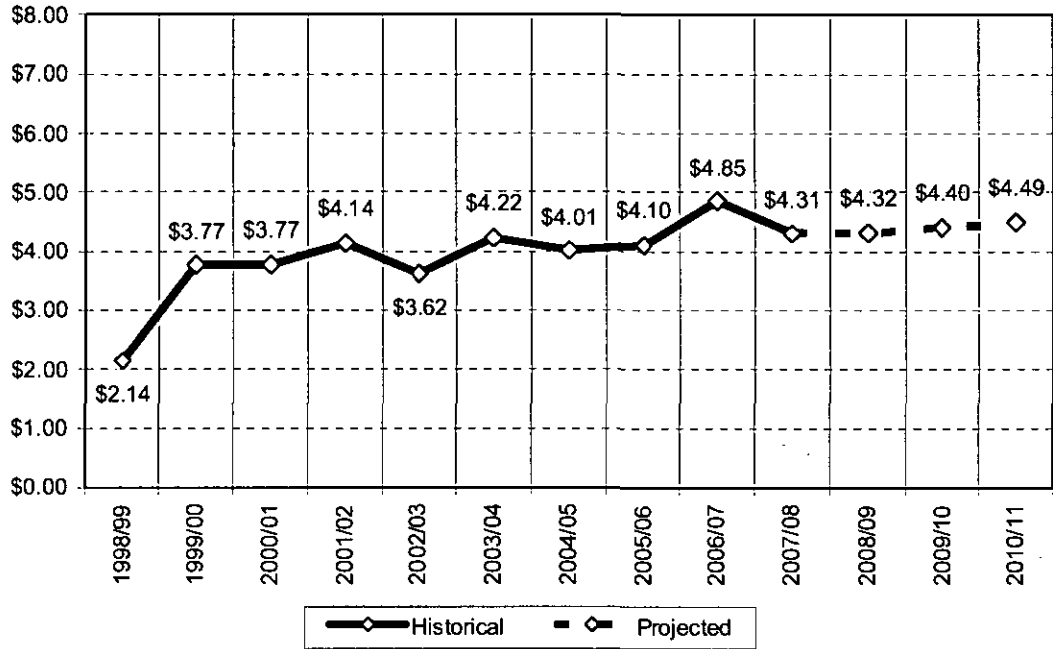
All costs other than losses are additional.

Projected losses paid for seven additional years (2010/11 through 2016/17) are shown in Exhibits LI-15 through LI-21 (pages 48 through 54). We emphasize that due to the length of the projection period, there will be greater than normal variability in the estimates.

## Loss Experience Trends

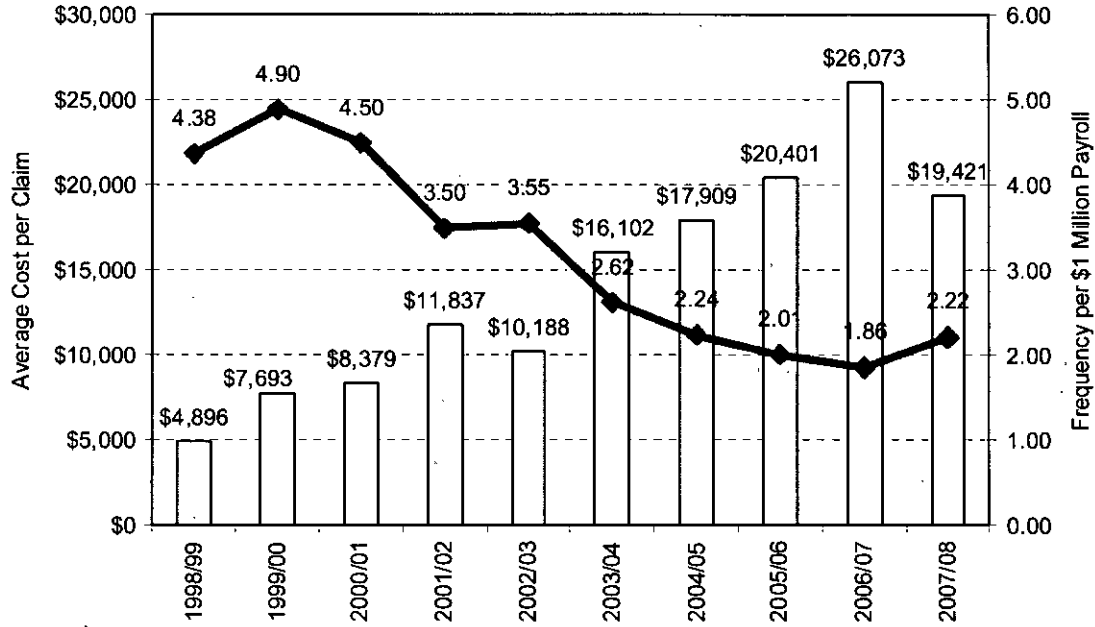
Graphs III-1 and III-2 show loss experience trends for liability as measured by loss rate per \$100 of payroll and frequency and severity, respectively.

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



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

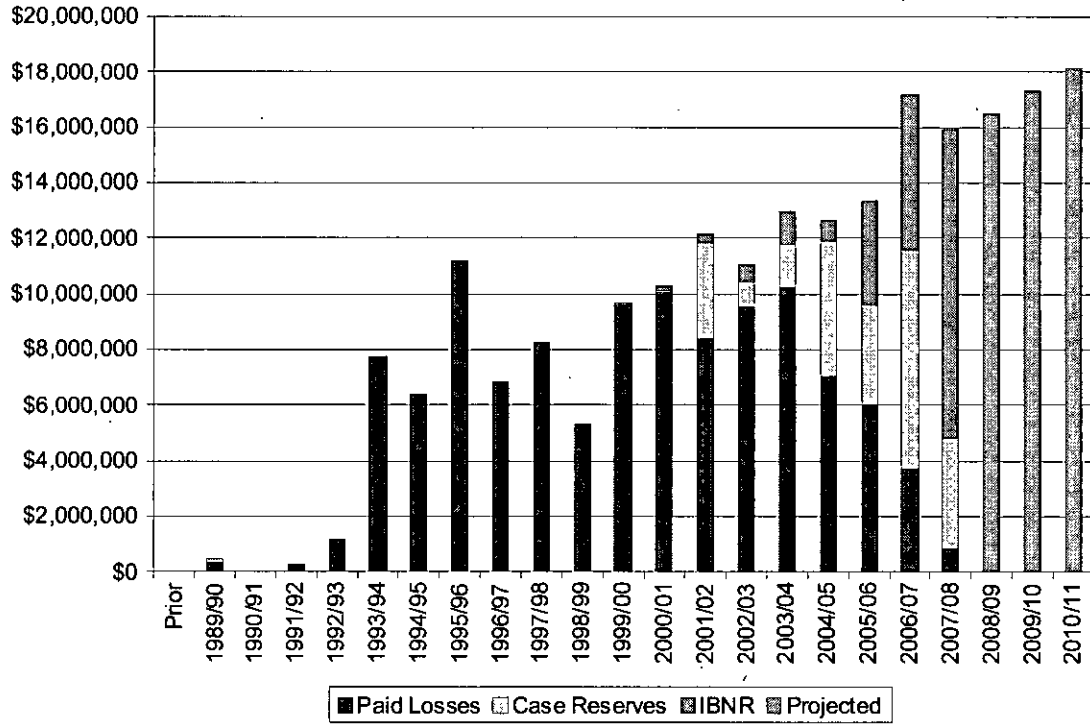
**Graph III-2  
Frequency and Severity  
(Liability)**



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

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

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



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

A list of large claims with limited reported incurred losses \$1 million or greater as of June 30, 2008 is as shown in Exhibit LI-22 (page 55).



#### 4. Size of Loss Distribution Analysis

Table III-4 shows the distribution of losses in various layers for liability.

**Table III-4**  
**Size of Loss Distribution**  
**(Liability)**

Layer (1)	Total Reported Claims (2)	Percent of Total (2)/Total(2) (3)	Cumulative Percent of Total (4)	Total Reported Incurred Losses (5)	Percent of Total (5)/Total(5) (6)	Cumulative Percent of Total (7)
(A) \$0.01 to \$5,000	11,075	83.9%	83.9%	\$7,523,795	4.4%	4.4%
(B) \$5,000 to \$10,000	683	5.2%	89.1%	4,767,693	2.8%	7.2%
(C) \$10,000 to \$50,000	976	7.4%	96.5%	22,294,713	13.1%	20.4%
(D) \$50,000 to \$100,000	216	1.6%	98.1%	15,154,893	8.9%	29.3%
(E) \$100,000 to \$250,000	153	1.2%	99.3%	23,600,614	13.9%	43.2%
(F) \$250,000 to \$500,000	56	0.4%	99.7%	19,013,429	11.2%	54.4%
(G) \$300,000 to \$750,000	14	0.1%	99.8%	8,496,804	5.0%	59.4%
(H) \$500,000 to \$1,000,000	8	0.1%	99.9%	7,021,986	4.1%	63.5%
(I) \$1,000,000 to \$2,000,000	7	0.1%	99.9%	9,364,706	5.5%	69.0%
(J) Over \$2,000,000	10	0.1%	100.0%	52,667,187	31.0%	100.0%
(K) Total (A) ... (J)	13,198	100.0%		\$169,905,820	100.0%	

Note: See Exhibit LI-23. Claim counts exclude claims with incurred value of \$0.

About 89% of the non-zero claims reported are below \$10,000 and they represent about 7% of the incurred amounts. The remaining 11% of the claims consume about 93% of the incurred amounts.

A size of loss distribution by year and loss layer as of June 30, 2008 is as shown in Exhibit LI-23 (page 56).

## 5. Recommend Funding

The City requested that ARM Tech develop a cost allocation plan that is similar to that employed by the City of Phoenix, Arizona. 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-27 through LI-34 (pages 60 through 67).

We recommend funding by City department for 2008/09 through 2010/11 to be as shown in Table III-5.

**Table III-5**  
**Recommended Funding by Department**  
**2008/09 through 2010/11**  
**(at \$2 Million LIABILITY SIR)**

Department (1)	Projected Loss Funds 2008/09 (2)	Projected Loss Funds 2009/10 (3)	Projected Loss Funds 2010/11 (4)
(A) Fire Department	\$1,500,323	\$1,553,804	\$1,522,741
(B) Parks and Recreation	429,882	445,206	436,306
(C) Police Services Agency	8,440,116	8,740,976	8,566,231
(D) Public Works	3,366,352	3,486,351	3,416,654
(E) Other	2,658,553	2,753,321	2,698,278
(F) Total	\$16,395,226	\$16,979,658	\$16,640,210

Note: (2) is from Exhibit LI-32.  
(3) is from Exhibit LI-33.  
(4) is from Exhibit LI-34.

We have shown the funding needs based on expected payments in 2008/09 through 2010/11. 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-27 (page 60) and five years of incurred losses in Exhibit LI-28 (page 61). One would expect a department with 5% of exposures to have 5% of losses. Relative loss rates are

calculated in Exhibits LI-29 and LI-30 (pages 62 and 63, respectively) 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-31 (page 64) to measure department departure from the average.

In Exhibit LI-32 (page 65), 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 2008/09. A similar calculation is performed in Exhibits LI-33 and LI-34 (pages 66 and 67, respectively) for 2009/10 and 2010/11, respectively.

The exhibits are described in greater detail below.

1. **LI-27** shows **Payroll** for the five-year period 2003/04 through 2007/08 and calculates each department's percent of payroll.
2. **LI-28** shows **Unlimited Losses** for 2003/04 through 2007/08 and calculates each department's percent of losses.
3. **LI-29** calculates **Relative Loss Rates** for each of the five years from 2003/04 through 2007/08. 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-30** calculates an **Average Relative Loss Rate** for years 2003/04 through 2007/08. A five-year average provides stability and mitigates the effects of one bad year a department may have experienced.
5. **LI-31** 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-32** calculates each department's recommended funding ("**Projected Loss Funds**") for 2008/09. 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-31.
  - 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-33 and LI-34** calculates each department's recommended funding ("**Projected Loss Funds**") for 2009/10 and 2010/11, respectively, in a manner consistent with that used in Exhibit LI-32.

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).

## 6. Analysis by Department and Cause of Loss

The frequency, severity, and loss rate by City department is summarized in Table III-6A. Further analysis by department by year is provided in Exhibit LI-24 (page 57).

**Table III-6A  
Analysis by Department  
2003/04 through 2007/08**

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	0.31	\$22,458	\$0.70
(B) Parks and Recreation	1.38	8,887	1.23
(C) Police Services Agency	1.95	23,095	4.49
(D) Public Works	7.26	7,604	5.52
(E) Other	0.80	21,026	1.69
(F) Total	2.03	\$14,608	\$2.96

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

Exhibit LI-25 (page 58) shows the cumulative payments as of June 30, 2008 by department for the latest seven claim periods from 1999/00 to 2007/08. Table III-6B shows the summary.

**Table III-6B  
Payments by Department  
1999/00 through 2007/08 as of June 30, 2008**

Department (1)	Total Paid (2)
(A) Fire Department	\$2,972,827
(B) Parks and Recreation	1,550,650
(C) Police Services Agency	32,768,646
(D) Public Works	18,937,961
(E) Other	9,169,078
(F) Total	\$65,399,162

Note: (A) through (F) are from Exhibit LI-25.

Exhibit LI-26 (page 59) shows the top three categories of loss by frequency and average payment. This is shown by department and represents the combined loss experience from 2003/04 through 2007/08 valued as of June 30, 2008.

## **7. Data Observations**

- *Case Reserves.* We note a significant increase in case reserves of about \$7.0 million since the previous actuarial study valued as of June 30, 2007. The case reserve increase appears to be attributable to accident years 2004/05 and 2006/07. For 2004/05, case reserves for two claims (#24634 and # X02981) increased about \$1.6 million and about \$1.3 million, respectively. For 2006/07, case reserves for 11 newly reported claims during 2007/08 totaled about \$4.2 million.
- *Number of Reported Claims.* We note an unusually large number of additional reported claims for accident years through 1996/97 since the previous actuarial study valued as of June 30, 2007. There are about 1,500 additional claims reported during this period, which includes a +\$7.7 million change in reported incurred losses and +\$7.6 million change in paid losses. Per discussions with the City, the increase in reported claim counts is due to the inclusion of reported claims that were not provided in previous valuations and therefore, we have relied on the current loss run valuation as of June 30, 2008. Although this will have an impact on the frequency and severity, it does not appear directly related to the \$7.0 million case reserve increase.

## **8. 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, 2008

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/08 (4)	Payroll (000) (5)	Reported Claims 6/30/08 (6)	Open Claims 6/30/08 (7)	Limited Paid Losses 6/30/08 (8)	Limited Case Reserves 6/30/08 (9)	Limited Reported Incurred Losses 6/30/08 (10)
to 1988/89	Unlimited	None	240.0	Not Provided	29	1	\$244,469	\$84,766	\$329,235
1989/90	Unlimited	None	228.0	Not Provided	11	1	334,626	100,919	435,546
1990/91	Unlimited	None	216.0	Not Provided	18	1	21,243	5,001	26,244
1991/92	Unlimited	None	204.0	Not Provided	21	1	280,001	2	280,003
1992/93	Unlimited	None	192.0	Not Provided	183	0	1,149,212	0	1,149,212
1993/94	Unlimited	None	180.0	Not Provided	1,067	0	7,741,855	0	7,741,855
1994/95	Unlimited	None	168.0	Not Provided	1,147	1	6,370,283	2	6,370,285
1995/96	Unlimited	None	156.0	Not Provided	1,174	0	11,163,555	0	11,163,555
1996/97	Unlimited	None	144.0	Not Provided	1,214	0	6,844,987	0	6,844,987
1997/98	Unlimited	None	132.0	Not Provided	1,100	0	8,232,859	0	8,232,859
1998/99	2,000,000 *	25,000,000 *	120.0	Not Provided	1,092	3	5,307,952	27,526	5,335,477
1999/00	2,000,000	25,000,000	108.0	256,973	1,259	2	9,590,021	54,951	9,644,972
2000/01	2,000,000	25,000,000	96.0	273,627	1,232	3	10,061,025	67,309	10,128,334
2001/02	2,000,000	25,000,000	84.0	293,519	1,027	9	8,353,101	3,457,746	11,810,848
2002/03	2,000,000	25,000,000	72.0	305,541	1,086	12	9,534,253	858,460	10,392,713
2003/04	2,000,000	25,000,000	60.0	307,406	806	14	10,220,880	1,547,579	11,768,459
2004/05	2,000,000	25,000,000	48.0	315,491	705	18	7,054,776	4,824,654	11,879,430
2005/06	2,000,000	25,000,000	36.0	326,085	651	41	6,034,608	3,531,524	9,566,132
2006/07	2,000,000	25,000,000	24.0	354,814	643	97	3,686,645	7,893,347	11,579,992
2007/08	2,000,000	25,000,000	12.0	370,278	592	379	863,853	3,964,051	4,827,904
<b>Total</b>					<b>15,057</b>	<b>583</b>	<b>\$113,090,204</b>	<b>\$26,417,837</b>	<b>\$139,508,041</b>

\*The self-insured retention of \$2 million and \$25 million aggregate retention became effective November 11, 1998.

(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)
360.0	100.0%	100.0%	100.0%
348.0	100.0%	100.0%	100.0%
336.0	100.0%	100.0%	100.0%
324.0	100.0%	100.0%	100.0%
312.0	100.0%	100.0%	100.0%
300.0	100.0%	100.0%	100.0%
288.0	100.0%	100.0%	100.0%
276.0	100.0%	100.0%	100.0%
264.0	100.0%	100.0%	100.0%
252.0	100.0%	100.0%	100.0%
240.0	100.0%	100.0%	100.0%
228.0	100.0%	100.0%	100.0%
216.0	99.9%	100.0%	100.0%
204.0	99.9%	100.0%	100.0%
192.0	99.9%	100.0%	100.0%
180.0	99.8%	100.0%	100.0%
168.0	99.8%	100.0%	100.0%
156.0	99.6%	100.0%	100.0%
144.0	99.5%	100.0%	100.0%
132.0	99.3%	100.0%	100.0%
120.0	99.0%	99.9%	100.0%
108.0	98.5%	99.5%	100.0%
96.0	95.2%	97.7%	100.0%
84.0	91.1%	95.7%	100.0%
72.0	84.3%	92.5%	100.0%
60.0	75.8%	88.5%	100.0%
48.0	64.2%	82.3%	99.8%
36.0	48.7%	70.1%	99.3%
24.0	29.7%	53.5%	97.4%
12.0	13.5%	31.1%	72.1%

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

CITY OF OAKLAND  
LIABILITY

Exhibit LI-3

Developed Limited Paid Losses

Claim Period (1)	Months of Development 6/30/08 (2)	Limited Paid Losses 6/30/08 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
to 1988/89	240.0	\$244,469	100.0%	\$244,540
1989/90	228.0	334,626	100.0%	334,766
1990/91	216.0	21,243	99.9%	21,256
1991/92	204.0	280,001	99.9%	280,240
1992/93	192.0	1,149,212	99.9%	1,150,613
1993/94	180.0	7,741,855	99.8%	7,755,338
1994/95	168.0	6,370,283	99.8%	6,386,144
1995/96	156.0	11,163,555	99.6%	11,203,307
1996/97	144.0	6,844,987	99.5%	6,879,861
1997/98	132.0	8,232,859	99.3%	8,292,911
1998/99	120.0	5,307,952	99.0%	5,363,435
1999/00	108.0	9,590,021	98.5%	9,703,872 *
2000/01	96.0	10,061,025	95.2%	10,468,309 *
2001/02	84.0	8,353,101	91.1%	9,170,023
2002/03	72.0	9,534,253	84.3%	10,932,780 *
2003/04	60.0	10,220,880	75.8%	12,713,292 *
2004/05	48.0	7,054,776	64.2%	10,925,027 *
2005/06	36.0	6,034,608	48.7%	12,403,566
2006/07	24.0	3,686,645	29.7%	12,427,184
2007/08	12.0	863,853	13.5%	6,406,248

\* - 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 6/30/08 (2)	Limited Reported Incurred Losses 6/30/08 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
to 1988/89	240.0	\$329,235	100.0%	\$329,235
1989/90	228.0	435,546	100.0%	435,546
1990/91	216.0	26,244	100.0%	26,244
1991/92	204.0	280,003	100.0%	280,003
1992/93	192.0	1,149,212	100.0%	1,149,212
1993/94	180.0	7,741,855	100.0%	7,741,855
1994/95	168.0	6,370,285	100.0%	6,370,287
1995/96	156.0	11,163,555	100.0%	11,163,583
1996/97	144.0	6,844,987	100.0%	6,845,102
1997/98	132.0	8,232,859	100.0%	8,233,781
1998/99	120.0	5,335,477	99.9%	5,339,462
1999/00	108.0	9,644,972	99.5%	9,683,197 *
2000/01	96.0	10,128,334	97.7%	10,316,018 *
2001/02	84.0	11,810,848	95.7%	12,248,165 *
2002/03	72.0	10,392,713	92.5%	11,073,656 *
2003/04	60.0	11,768,459	88.5%	13,036,269 *
2004/05	48.0	11,879,430	82.3%	13,569,726 *
2005/06	36.0	9,566,132	70.1%	13,651,454
2006/07	24.0	11,579,992	53.5%	19,908,274 *
2007/08	12.0	4,827,904	31.1%	15,523,903

\* - 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 6/30/08 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 6/30/08 [(4)-(3)]/ [100.0%-(3)] (5)	Limited Paid Losses 6/30/08 (6)	Limited Case Reserves 6/30/08 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
to 1988/89	240.0	100.0%	100.0%	100.0%	\$244,469	\$84,766	\$329,235
1989/90	228.0	100.0%	100.0%	100.0%	334,626	100,919	435,546
1990/91	216.0	99.9%	100.0%	100.0%	21,243	5,001	26,244
1991/92	204.0	99.9%	100.0%	100.0%	280,001	2	280,003
1992/93	192.0	99.9%	100.0%	100.0%	1,149,212	0	1,149,212
1993/94	180.0	99.8%	100.0%	100.0%	7,741,855	0	7,741,855
1994/95	168.0	99.8%	100.0%	100.0%	6,370,283	2	6,370,285
1995/96	156.0	99.6%	100.0%	99.9%	11,163,555	0	11,163,555
1996/97	144.0	99.5%	100.0%	99.7%	6,844,987	0	6,844,987
1997/98	132.0	99.3%	100.0%	98.5%	8,232,859	0	8,232,859
1998/99	120.0	99.0%	99.9%	92.8%	5,307,952	27,526	5,337,617
1999/00	108.0	98.5%	99.5%	66.3%	9,590,021	54,951	9,672,859
2000/01	96.0	95.2%	97.7%	53.1%	10,061,025	67,309	10,187,846
2001/02	84.0	91.1%	95.7%	52.1%	8,353,101	3,457,746	12,366,972 *
2002/03	72.0	84.3%	92.5%	52.1%	9,534,253	858,460	11,183,046
2003/04	60.0	75.8%	88.5%	52.6%	10,220,880	1,547,579	13,164,825
2004/05	48.0	64.2%	82.3%	50.6%	7,054,776	4,824,654	13,129,162 *
2005/06	36.0	48.7%	70.1%	41.7%	6,034,608	3,531,524	14,005,466 *
2006/07	24.0	29.7%	53.5%	33.9%	3,686,645	7,893,347	22,189,884 *
2007/08	12.0	13.5%	31.1%	20.4%	863,853	3,964,051	20,332,852

\* - 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 2007/08

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	Preliminary Projected Ultimate Limited Losses (5)
to 1988/89	\$244,540	\$329,235	\$329,235	\$337,712
1989/90	334,766	435,546	435,546	445,638
1990/91	21,256	26,244	26,244	26,744
1991/92	280,240	280,003	280,003	280,074
1992/93	1,150,613	1,149,212	1,149,212	1,149,212
1993/94	7,755,338	7,741,855	7,741,855	7,741,855
1994/95	6,386,144	6,370,287	6,370,285	6,375,044
1995/96	11,203,307	11,163,583	11,163,555	11,163,555
1996/97	6,879,861	6,845,102	6,844,987	6,844,987
1997/98	8,292,911	8,233,781	8,232,859	8,232,859
1998/99	5,363,435	5,339,462	5,337,617	5,346,101
1999/00	9,703,872	9,683,197	9,672,859	9,686,298
2000/01	10,468,309	10,316,018	10,187,846	10,323,253
2001/02	9,170,023	12,248,165	12,366,972	12,156,622
2002/03	10,932,780	11,073,656	11,183,046	11,064,210
2003/04	12,713,292	13,036,269	13,164,825	12,977,942
2004/05	10,925,027	13,569,726	13,129,162	12,644,147
2005/06	12,403,566	13,651,454	14,005,466	13,383,292
2006/07	12,427,184	19,908,274	22,189,884	18,348,430
2007/08	6,406,248	15,523,903	20,332,852	14,231,291

(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 (2008/09 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)*(5) (6)	Projected A-priori Loss Rate per \$100 of Payroll (7)/(5) (8)
1998/99	\$5,346,101	\$249,489	\$2.14	1.219	\$2.61	\$3.53
1999/00	9,686,298	256,973	3.77	1.195	4.50	3.60
2000/01	10,323,253	273,627	3.77	1.172	4.42	3.67
2001/02	12,156,622	293,519	4.14	1.149	4.76	3.75
2002/03	11,064,210	305,541	3.62	1.126	4.08	3.82
2003/04	12,977,942	307,406	4.22	1.104	4.66	3.90
2004/05	12,644,147	315,491	4.01	1.082	4.34	3.98
2005/06	13,383,292	326,085	4.10	1.061	4.36	4.05
2006/07	18,348,430	354,814	5.17	1.040	5.38	4.14
2007/08	14,231,291	370,278	3.84	1.020	3.92	4.22

(7) Projected 2008/09 a-priori loss rate per \$100 of Payroll \$4.30

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

Claim Period (1)	Limited Paid Losses 6/30/08 (2)	Percent Losses Paid (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unpaid Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Paid Losses (2)+(6) (7)
2003/04	\$10,220,880	75.8%	\$3.90	\$307,406	\$2,901,515	\$13,122,395
2004/05	7,054,776	64.2%	3.98	315,491	4,487,110	11,541,886
2005/06	6,034,608	48.7%	4.05	326,085	6,788,952	12,823,559
2006/07	3,686,645	29.7%	4.14	354,814	10,320,879	14,007,524
2007/08	863,853	13.5%	4.22	370,278	13,513,639	14,377,492

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

Claim Period (1)	Limited Reported Incurred Losses 6/30/08 (2)	Percent Losses Reported (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unreported Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Reported Losses (2)+(6) (7)
2003/04	\$11,768,459	88.5%	\$3.90	\$307,406	\$1,376,241	\$13,144,700
2004/05	11,879,430	82.3%	3.98	315,491	2,215,136	14,094,566
2005/06	9,566,132	70.1%	4.05	326,085	3,956,656	13,522,788
2006/07	11,579,992	53.5%	4.14	354,814	6,824,675	18,404,667
2007/08	4,827,904	31.1%	4.22	370,278	10,762,149	15,590,053

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 actuarial judgment.

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).

CITY OF OAKLAND  
LIABILITY

Exhibit LI-8

Frequency Times Severity Analysis

I. Projected Ultimate Claims

Claim Period (1)	Months of Development 6/30/08 (2)	Reported Claims 6/30/08 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)	Payroll (000) (6)	Frequency per \$1M of Payroll (5)/(6)X1,000 (7)
1998/99	120.0	1,092	100.0%	1,092	\$249,489	4.38
1999/00	108.0	1,259	100.0%	1,259	256,973	4.90
2000/01	96.0	1,232	100.0%	1,232	273,627	4.50
2001/02	84.0	1,027	100.0%	1,027	293,519	3.50
2002/03	72.0	1,086	100.0%	1,086	305,541	3.55
2003/04	60.0	806	100.0%	806	307,406	2.62
2004/05	48.0	705	99.8%	706	315,491	2.24
2005/06	36.0	651	99.3%	656	326,085	2.01
2006/07	24.0	643	97.4%	660	354,814	1.86
2007/08	12.0	592	72.1%	821	370,278	2.22

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (2008/09 = 1,000) (5)	Trended Average Claim Severity (4)X(5) (6)	De-Trended Projected 2008/09 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
1998/99	\$5,346,101	1,092	\$4,896	1.638	\$8,020	\$10,857	\$11,855,587
1999/00	9,686,298	1,259	7,694	1.559	11,997	11,406	14,360,301
2000/01	10,323,253	1,232	8,379	1.484	12,437	11,983	14,763,384
2001/02	12,156,622	1,027	11,837	1.413	16,723	12,590	12,929,539
2002/03	11,064,210	1,086	10,188	1.345	13,700	13,227	14,364,146
2003/04	12,977,942	806	16,102	1.280	20,609	13,896	11,200,114
2004/05	12,644,147	706	17,910	1.218	21,819	14,599	10,306,934
2005/06	13,383,292	656	20,401	1.160	23,658	15,338	10,061,576
2006/07	18,348,430	660	27,801	1.104	30,685	16,114	10,635,147
2007/08	14,231,291	821	17,334	1.051	18,211	16,929	13,898,891
(7) Projected 2008/09 average claim severity					\$17,786		

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 actuarial judgment.

CITY OF OAKLAND  
LIABILITY

Exhibit LI-9

Projected Ultimate Limited Losses to 2007/08

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	B-F Ultimate Limited Paid Losses (5)	B-F Ultimate Limited Reported Losses (6)	Frequency Times Severity (7)	Projected Ultimate Limited Losses (8)
to 1988/89	\$244,540	\$329,235	\$329,235				\$338,000
1989/90	334,766	435,546	435,546				446,000
1990/91	21,256	26,244	26,244				27,000
1991/92	280,240	280,003	280,003				280,003
1992/93	1,150,613	1,149,212	1,149,212				1,149,212
1993/94	7,755,338	7,741,855	7,741,855				7,741,855
1994/95	6,386,144	6,370,287	6,370,285				6,375,000
1995/96	11,203,307	11,163,583	11,163,555				11,163,555
1996/97	6,879,861	6,845,102	6,844,987				6,844,987
1997/98	8,292,911	8,233,781	8,232,859				8,232,859
1998/99	5,363,435	5,339,462	5,337,617				5,346,000
1999/00	9,703,872	9,683,197	9,672,859				9,686,000
2000/01	10,468,309	10,316,018	10,187,846				10,323,000
2001/02	9,170,023	12,248,165	12,366,972				12,157,000
2002/03	10,932,780	11,073,656	11,183,046				11,064,000
2003/04	12,713,292	13,036,269	13,164,825	13,122,395	13,144,700	11,200,114	12,978,000
2004/05	10,925,027	13,569,726	13,129,162	11,541,886	14,094,566	10,306,934	12,644,000
2005/06	12,403,566	13,651,454	14,005,466	12,823,559	13,522,788	10,061,576	13,383,000
2006/07	12,427,184	19,908,274	22,189,884	14,007,524	18,404,667	10,635,147	17,208,000
2007/08	6,406,248	15,523,903	20,332,852	14,377,492	15,590,053	13,898,891	15,945,000

(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.

CITY OF OAKLAND  
LIABILITY

Exhibit LI-10

Projected Ultimate Limited Losses for 2008/09 and Subsequent

Claim Period (1)	Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)X10 (4)	Loss Rate Trend (2008/09 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)
1998/99	\$5,346,000	\$249,489	\$2.14	1.219	\$2.61
1999/00	9,686,000	256,973	3.77	1.195	4.50
2000/01	10,323,000	273,627	3.77	1.172	4.42
2001/02	12,157,000	293,519	4.14	1.149	4.76
2002/03	11,064,000	305,541	3.62	1.126	4.08
2003/04	12,978,000	307,406	4.22	1.104	4.66
2004/05	12,644,000	315,491	4.01	1.082	4.34
2005/06	13,383,000	326,085	4.10	1.061	4.36
2006/07	17,208,000	354,814	4.85	1.040	5.05
2007/08	15,945,000	370,278	4.31	1.020	4.39
<b>Total</b>	<b>\$120,734,000</b>	<b>\$3,053,222</b>	<b>\$3.95</b>		<b>\$4.32</b>

Claim Period (1)	Projected Limited Loss Rate per \$100 of Payroll (7)	Projected Payroll (000) (8)	Projected Ultimate Limited Losses (7)X(8)X10 (9)	Present Value Factor (10)	Present Value of Projected Limited Loss Rate per \$100 of Payroll (7)X(10) (11)	Present Value of Projected Ultimate Limited Losses (8)X(11)X10 (12)
2008/09	\$4.32	\$381,386	\$16,463,000	0.88	\$3.78	\$14,408,000
2009/10	4.40	392,828	17,296,000	0.88	3.85	15,137,000
2010/11	4.49	404,613	18,171,000	0.88	3.93	15,902,000
2011/12	4.58	416,751	19,090,000	0.88	4.01	16,707,000
2012/13	4.67	429,253	20,056,000	0.88	4.09	17,553,000
2013/14	4.77	442,131	21,071,000	0.88	4.17	18,441,000
2014/15	4.86	455,395	22,137,000	0.88	4.25	19,374,000
2015/16	4.96	469,057	23,257,000	0.88	4.34	20,354,000
2016/17	5.06	483,128	24,434,000	0.88	4.43	21,384,000
2017/18	5.16	497,622	25,671,000	0.88	4.51	22,466,000

(2) is from Exhibit LI-9.

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

(5) is based on a 2% trend.

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

(7) for 2009/10 and subsequent are based on 2008/09 plus a 2% trend.

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

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

CITY OF OAKLAND  
LIABILITY

Exhibit LI-11

Estimated Outstanding Losses as of June 30, 2008

Claim Period (1)	Limited Paid Losses 6/30/08 (2)	Limited Case Reserves 6/30/08 (3)	Limited Reported Incurred Losses 6/30/08 (4)	Projected Ultimate Limited Losses (5)	Estimated IBNR 6/30/08 (5)-(4) (6)	Estimated Outstanding Losses 6/30/08 (3)+(6) (7)	Present Value Factor (8)	Present Value of Estimated Outstanding Losses 6/30/08 (7)X(8) (9)
to 1988/89	\$244,469	\$84,766	\$329,235	\$338,000	\$8,765	\$93,531	0.91	\$84,994
1989/90	334,626	100,919	435,546	446,000	10,454	111,373	0.91	100,972
1990/91	21,243	5,001	26,244	27,000	756	5,757	0.90	5,210
1991/92	280,001	2	280,003	280,003	0	2	0.90	2
1992/93	1,149,212	0	1,149,212	1,149,212	0	0	0.90	0
1993/94	7,741,855	0	7,741,855	7,741,855	0	0	0.90	0
1994/95	6,370,283	2	6,370,285	6,375,000	4,715	4,717	0.90	4,253
1995/96	11,163,555	0	11,163,555	11,163,555	0	0	0.90	0
1996/97	6,844,987	0	6,844,987	6,844,987	0	0	0.90	0
1997/98	8,232,859	0	8,232,859	8,232,859	0	0	0.90	0
1998/99	5,307,952	27,526	5,335,477	5,346,000	10,523	38,049	0.90	34,269
1999/00	9,590,021	54,951	9,644,972	9,686,000	41,028	95,979	0.90	86,434
2000/01	10,061,025	67,309	10,128,334	10,323,000	194,666	261,975	0.95	247,691
2001/02	8,353,101	3,457,746	11,810,848	12,157,000	346,152	3,803,898	0.94	3,583,797
2002/03	9,534,253	858,460	10,392,713	11,064,000	671,287	1,529,747	0.94	1,435,252
2003/04	10,220,880	1,547,579	11,768,459	12,978,000	1,209,541	2,757,120	0.93	2,564,184
2004/05	7,054,776	4,824,854	11,879,430	12,644,000	764,570	5,589,224	0.92	5,154,894
2005/06	6,034,608	3,531,524	9,566,132	13,383,000	3,816,868	7,348,392	0.92	6,726,684
2006/07	3,686,645	7,893,347	11,579,992	17,208,000	5,628,008	13,521,355	0.91	12,269,786
2007/08	863,853	3,964,051	4,827,904	15,945,000	11,117,096	15,081,147	0.89	13,465,935
<b>Total</b>	<b>\$113,090,204</b>	<b>\$26,417,837</b>	<b>\$139,508,041</b>	<b>\$163,332,472</b>	<b>\$23,824,429</b>	<b>\$50,242,266</b>		<b>\$45,764,357</b>

(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 3.98% interest rate and the payout pattern in Exhibit LI-2.

CITY OF OAKLAND  
LIABILITY

Exhibit LI-12

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

Claim Period (1)	Months of Development 6/30/08 (2)	Percent Losses Paid (3)	Months of Development 6/30/09 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/08 to 6/30/09 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/08 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/09 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/09 (9)X(10) (11)
to 1988/89	240.0	100.0%	252.0	100.0%	30.0%	\$93,531	\$28,059	\$65,472	0.91	\$59,677
1988/90	228.0	100.0%	240.0	100.0%	30.0%	111,373	33,412	77,961	0.91	70,845
1990/91	216.0	99.9%	228.0	100.0%	30.0%	5,757	1,727	4,030	0.91	3,654
1991/92	204.0	99.9%	216.0	99.9%	30.0%	2	1	1	0.90	1
1992/93	192.0	99.9%	204.0	99.9%	30.0%	0	0	0	0.90	0
1993/94	180.0	99.8%	192.0	99.9%	30.0%	0	0	0	0.90	0
1994/95	168.0	99.8%	180.0	99.8%	30.0%	4,717	1,415	3,302	0.90	2,979
1995/96	156.0	99.6%	168.0	99.8%	30.0%	0	0	0	0.90	0
1996/97	144.0	99.5%	156.0	99.6%	30.0%	0	0	0	0.90	0
1997/98	132.0	99.3%	144.0	99.5%	30.0%	0	0	0	0.90	0
1998/99	120.0	99.0%	132.0	99.3%	30.0%	38,049	11,415	26,634	0.90	23,992
1999/00	108.0	98.5%	120.0	99.0%	30.0%	95,979	28,794	67,185	0.90	60,511
2000/01	96.0	95.2%	108.0	98.5%	69.3%	261,975	181,477	80,498	0.90	72,493
2001/02	84.0	91.1%	96.0	95.2%	46.0%	3,803,898	1,750,284	2,053,614	0.95	1,941,645
2002/03	72.0	84.3%	84.0	91.1%	43.1%	1,529,747	659,294	870,453	0.94	820,087
2003/04	60.0	75.8%	72.0	84.3%	35.4%	2,757,120	974,833	1,782,287	0.94	1,672,193
2004/05	48.0	64.2%	60.0	75.8%	32.3%	5,589,224	1,805,806	3,783,418	0.93	3,518,664
2005/06	36.0	48.7%	48.0	64.2%	30.3%	7,348,392	2,228,040	5,120,352	0.92	4,722,457
2006/07	24.0	29.7%	36.0	48.7%	27.0%	13,521,355	3,650,004	9,871,351	0.92	9,036,189
2007/08	12.0	13.5%	24.0	29.7%	18.7%	16,081,147	2,820,706	12,260,441	0.91	11,125,586
2008/09	0.0	0.0%	12.0	13.5%	13.5%	16,463,000	2,219,959	14,243,041	0.89	12,717,591
Total						\$66,705,266	\$16,395,226	\$50,310,040		\$45,848,584

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

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

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

CITY OF OAKLAND  
LIABILITY

Exhibit LI-13

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

Claim Period (1)	Months of Development 6/30/09 (2)	Percent Losses Paid (3)	Months of Development 6/30/10 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/09 to 6/30/10 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/09 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/10 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/10 (9)X(10) (11)
to 1988/89	252.0	100.0%	264.0	100.0%	30.0%	\$65,472	\$19,642	\$45,830	0.92	\$41,936
1989/90	240.0	100.0%	252.0	100.0%	30.0%	77,961	23,388	54,573	0.91	49,742
1990/91	228.0	100.0%	240.0	100.0%	30.0%	4,030	1,209	2,821	0.91	2,564
1991/92	216.0	99.9%	228.0	100.0%	30.0%	1	0	1	0.91	1
1992/93	204.0	99.9%	216.0	99.9%	30.0%	0	0	0	0.90	0
1993/94	192.0	99.9%	204.0	99.9%	30.0%	0	0	0	0.90	0
1994/95	180.0	99.8%	192.0	99.9%	30.0%	3,302	991	2,311	0.90	2,087
1995/96	168.0	99.8%	180.0	99.8%	30.0%	0	0	0	0.90	0
1996/97	156.0	99.6%	168.0	99.8%	30.0%	0	0	0	0.90	0
1997/98	144.0	99.5%	156.0	99.6%	30.0%	0	0	0	0.90	0
1998/99	132.0	99.3%	144.0	99.5%	30.0%	26,634	7,990	18,644	0.90	16,798
1999/00	120.0	99.0%	132.0	99.3%	30.0%	67,185	20,156	47,029	0.90	42,364
2000/01	108.0	98.5%	120.0	99.0%	30.0%	80,498	24,149	56,349	0.90	50,751
2001/02	96.0	95.2%	108.0	98.5%	69.3%	2,053,614	1,422,593	631,021	0.90	568,267
2002/03	84.0	91.1%	96.0	95.2%	46.0%	870,453	400,521	469,932	0.95	444,310
2003/04	72.0	84.3%	84.0	91.1%	43.1%	1,782,287	768,134	1,014,153	0.94	955,472
2004/05	60.0	75.8%	72.0	84.3%	35.4%	3,783,418	1,337,701	2,445,717	0.94	2,294,642
2005/06	48.0	64.2%	60.0	75.8%	32.3%	5,120,352	1,654,319	3,466,033	0.93	3,223,489
2006/07	36.0	48.7%	48.0	64.2%	30.3%	9,871,351	2,993,003	6,878,348	0.92	6,343,842
2007/08	24.0	29.7%	36.0	48.7%	27.0%	12,260,441	3,309,628	8,950,813	0.92	8,193,533
2008/09	12.0	13.5%	24.0	29.7%	18.7%	14,243,041	2,663,950	11,579,091	0.91	10,507,303
2009/10	0.0	0.0%	12.0	13.5%	13.5%	17,296,000	2,332,285	14,963,715	0.89	13,361,080
<b>Total</b>						<b>\$67,608,040</b>	<b>\$16,979,659</b>	<b>\$50,628,381</b>		<b>\$46,098,181</b>

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

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

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

CITY OF OAKLAND  
LIABILITY

Exhibit LI-14

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

Claim Period (1)	Months of Development 6/30/10 (2)	Percent Losses Paid (3)	Months of Development 6/30/11 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/10 to 6/30/11 [(5)-(3)]/[100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/10 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/11 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/11 (9)X(10) (11)
to 1988/89	264.0	100.0%	276.0	100.0%	30.0%	\$45,830	\$13,749	\$32,081	0.92	\$29,501
1989/90	252.0	100.0%	264.0	100.0%	30.0%	54,573	16,372	38,201	0.92	34,955
1990/91	240.0	100.0%	252.0	100.0%	30.0%	2,821	846	1,975	0.91	1,800
1991/92	228.0	100.0%	240.0	100.0%	30.0%	1	0	1	0.91	1
1992/93	216.0	99.9%	228.0	100.0%	30.0%	0	0	0	0.91	0
1993/94	204.0	99.9%	216.0	99.9%	30.0%	0	0	0	0.90	0
1994/95	192.0	99.9%	204.0	99.9%	30.0%	2,311	693	1,618	0.90	1,462
1995/96	180.0	99.8%	192.0	99.9%	30.0%	0	0	0	0.90	0
1996/97	168.0	99.8%	180.0	99.8%	30.0%	0	0	0	0.90	0
1997/98	156.0	99.6%	168.0	99.8%	30.0%	0	0	0	0.90	0
1998/99	144.0	99.5%	156.0	99.6%	30.0%	18,644	5,593	13,051	0.90	11,763
1999/00	132.0	99.3%	144.0	99.5%	30.0%	47,029	14,109	32,920	0.90	29,661
2000/01	120.0	99.0%	132.0	99.3%	30.0%	56,349	16,905	39,444	0.90	35,531
2001/02	108.0	98.5%	120.0	99.0%	30.0%	631,021	189,306	441,715	0.90	397,835
2002/03	96.0	95.2%	108.0	98.5%	69.3%	469,932	325,534	144,398	0.90	130,038
2003/04	84.0	91.1%	96.0	95.2%	46.0%	1,014,153	466,641	547,512	0.95	517,660
2004/05	72.0	84.3%	84.0	91.1%	43.1%	2,445,717	1,054,060	1,391,657	0.94	1,311,133
2005/06	60.0	75.8%	72.0	84.3%	35.4%	3,468,033	1,225,483	2,242,550	0.94	2,102,148
2006/07	48.0	64.2%	60.0	75.8%	32.3%	6,878,348	2,222,305	4,656,043	0.93	4,330,225
2007/08	36.0	48.7%	48.0	64.2%	30.3%	8,950,813	2,713,895	6,236,918	0.92	5,752,257
2008/09	24.0	29.7%	36.0	48.7%	27.0%	11,579,091	3,125,702	8,453,389	0.92	7,738,193
2009/10	12.0	13.5%	24.0	29.7%	18.7%	14,963,715	2,798,742	12,164,973	0.91	11,038,954
2010/11	0.0	0.0%	12.0	13.5%	13.5%	18,171,000	2,450,275	15,720,725	0.89	14,037,013
<b>Total</b>						<b>\$68,797,381</b>	<b>\$16,640,210</b>	<b>\$52,157,171</b>		<b>\$47,500,130</b>

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

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

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



CITY OF OAKLAND  
LIABILITY

Exhibit LI-15

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

Claim Period (1)	Months of Development 6/30/11 (2)	Percent Losses Paid (3)	Months of Development 6/30/12 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/11 to 6/30/12 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/11 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/12 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/12 (9)X(10) (11)
to 1988/89	276.0	100.0%	288.0	100.0%	30.0%	\$32,081	\$9,624	\$22,457	0.93	\$20,780
1989/90	264.0	100.0%	276.0	100.0%	30.0%	38,201	11,460	26,741	0.92	24,591
1990/91	252.0	100.0%	264.0	100.0%	30.0%	1,975	593	1,382	0.92	1,265
1991/92	240.0	100.0%	252.0	100.0%	30.0%	1	0	1	0.91	1
1992/93	228.0	100.0%	240.0	100.0%	30.0%	0	0	0	0.91	0
1993/94	216.0	99.9%	228.0	100.0%	30.0%	0	0	0	0.91	0
1994/95	204.0	99.9%	216.0	99.9%	30.0%	1,618	485	1,133	0.90	1,025
1995/96	192.0	99.9%	204.0	99.9%	30.0%	0	0	0	0.90	0
1996/97	180.0	99.8%	192.0	99.9%	30.0%	0	0	0	0.90	0
1997/98	168.0	99.8%	180.0	99.8%	30.0%	0	0	0	0.90	0
1998/99	156.0	99.6%	168.0	99.8%	30.0%	13,051	3,915	9,136	0.90	8,238
1999/00	144.0	99.5%	156.0	99.6%	30.0%	32,920	9,876	23,044	0.90	20,769
2000/01	132.0	99.3%	144.0	99.5%	30.0%	39,444	11,833	27,611	0.90	24,878
2001/02	120.0	99.0%	132.0	99.3%	30.0%	441,715	132,515	309,200	0.90	278,530
2002/03	108.0	98.5%	120.0	99.0%	30.0%	144,398	43,319	101,079	0.90	91,038
2003/04	96.0	95.2%	108.0	98.5%	69.3%	547,512	379,278	168,236	0.90	151,505
2004/05	84.0	91.1%	96.0	95.2%	46.0%	1,391,657	640,342	751,315	0.95	710,351
2005/06	72.0	84.3%	84.0	91.1%	43.1%	2,240,550	965,637	1,274,913	0.94	1,201,144
2006/07	60.0	75.8%	72.0	84.3%	35.4%	4,656,043	1,646,234	3,009,809	0.94	2,823,889
2007/08	48.0	64.2%	60.0	75.8%	32.3%	6,236,918	2,015,067	4,221,851	0.93	3,926,417
2008/09	36.0	48.7%	48.0	64.2%	30.3%	8,453,389	2,563,076	5,890,313	0.92	5,432,586
2009/10	24.0	29.7%	36.0	48.7%	27.0%	12,164,973	3,283,857	8,881,116	0.92	8,129,732
2010/11	12.0	13.5%	24.0	29.7%	18.7%	15,720,725	2,940,329	12,780,396	0.91	11,597,412
2011/12	0.0	0.0%	12.0	13.5%	13.5%	19,090,000	2,574,197	16,515,803	0.89	14,746,937
<b>Total</b>						<b>\$71,247,171</b>	<b>\$17,231,635</b>	<b>\$54,015,536</b>		<b>\$40,191,088</b>

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

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

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

CITY OF OAKLAND  
LIABILITY

Exhibit LI-16

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

Claim Period (1)	Months of Development 6/30/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/12 to 6/30/13 [(5)-(3)]/[100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/12 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/13 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/13 (9)X(10) (11)
to 1988/89	288.0	100.0%	300.0	100.0%	30.0%	\$22,457	\$6,737	\$15,720	0.93	\$14,659
1989/90	278.0	100.0%	288.0	100.0%	30.0%	26,741	8,022	18,719	0.93	17,321
1990/91	264.0	100.0%	276.0	100.0%	30.0%	1,382	415	967	0.92	889
1991/92	252.0	100.0%	264.0	100.0%	30.0%	1	0	1	0.92	1
1992/93	240.0	100.0%	252.0	100.0%	30.0%	0	0	0	0.91	0
1993/94	228.0	100.0%	240.0	100.0%	30.0%	0	0	0	0.91	0
1994/95	218.0	99.9%	228.0	100.0%	30.0%	1,133	340	793	0.91	719
1995/96	204.0	99.9%	216.0	99.9%	30.0%	0	0	0	0.90	0
1996/97	192.0	99.9%	204.0	99.9%	30.0%	0	0	0	0.90	0
1997/98	180.0	99.8%	192.0	99.9%	30.0%	0	0	0	0.90	0
1998/99	168.0	99.8%	180.0	99.8%	30.0%	9,136	2,741	6,395	0.90	5,769
1999/00	156.0	99.6%	168.0	99.8%	30.0%	23,044	6,913	16,131	0.90	14,545
2000/01	144.0	99.5%	156.0	99.6%	30.0%	27,611	8,283	19,328	0.90	17,420
2001/02	132.0	99.3%	144.0	99.5%	30.0%	309,200	92,760	216,440	0.90	195,015
2002/03	120.0	99.0%	132.0	99.3%	30.0%	101,079	30,324	70,755	0.90	63,737
2003/04	108.0	98.5%	120.0	99.0%	30.0%	168,236	50,471	117,765	0.90	106,066
2004/05	96.0	95.2%	108.0	98.5%	69.3%	751,315	520,456	230,859	0.90	207,900
2005/06	84.0	91.1%	96.0	95.2%	46.0%	1,274,913	586,625	688,288	0.95	650,760
2006/07	72.0	84.3%	84.0	91.1%	43.1%	3,009,809	1,297,174	1,712,635	0.94	1,613,538
2007/08	60.0	75.8%	72.0	84.3%	35.4%	4,221,851	1,492,717	2,729,134	0.94	2,560,552
2008/09	48.0	64.2%	60.0	75.8%	32.3%	5,890,313	1,903,084	3,987,229	0.93	3,708,213
2009/10	36.0	48.7%	48.0	64.2%	30.3%	8,881,118	2,692,763	6,188,353	0.92	5,707,465
2010/11	24.0	29.7%	36.0	48.7%	27.0%	12,780,396	3,449,987	9,330,409	0.92	8,541,013
2011/12	12.0	13.5%	24.0	29.7%	18.7%	16,515,803	3,089,037	13,426,766	0.91	12,183,953
2012/13	0.0	0.0%	12.0	13.5%	13.5%	20,056,000	2,704,458	17,351,542	0.89	15,493,167
<b>Total</b>						<b>\$74,071,536</b>	<b>\$17,943,307</b>	<b>\$56,128,229</b>		<b>\$51,102,720</b>

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

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

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

CITY OF OAKLAND  
LIABILITY

Exhibit LI-17

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

Claim Period (1)	Months of Development 6/30/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/12 to 6/30/13 [(5)-(3)]/[100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/12 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/13 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/13 (9)X(10) (11)
to 1988/89	300.0	100.0%	312.0	100.0%	30.0%	\$15,720	\$4,716	\$11,004	0.94	\$10,359
1989/90	288.0	100.0%	300.0	100.0%	30.0%	18,719	5,616	13,103	0.93	12,219
1990/91	276.0	100.0%	288.0	100.0%	30.0%	967	290	677	0.93	626
1991/92	264.0	100.0%	276.0	100.0%	30.0%	1	0	1	0.92	1
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%	0	0	0	0.91	0
1994/95	228.0	100.0%	240.0	100.0%	30.0%	793	238	555	0.91	504
1995/96	216.0	99.9%	228.0	100.0%	30.0%	0	0	0	0.91	0
1996/97	204.0	99.9%	216.0	99.9%	30.0%	0	0	0	0.90	0
1997/98	192.0	99.9%	204.0	99.9%	30.0%	0	0	0	0.90	0
1998/99	180.0	99.8%	192.0	99.9%	30.0%	6,395	1,918	4,477	0.90	4,042
1999/00	168.0	99.8%	180.0	99.8%	30.0%	16,131	4,839	11,292	0.90	10,187
2000/01	156.0	99.6%	168.0	99.8%	30.0%	19,328	5,798	13,530	0.90	12,200
2001/02	144.0	99.5%	156.0	99.6%	30.0%	216,440	64,932	151,508	0.90	136,552
2002/03	132.0	99.3%	144.0	99.5%	30.0%	70,755	21,226	49,529	0.90	44,626
2003/04	120.0	99.0%	132.0	99.3%	30.0%	117,765	35,330	82,435	0.90	74,258
2004/05	108.0	98.5%	120.0	99.0%	30.0%	230,859	69,258	161,601	0.90	145,547
2005/06	96.0	95.2%	108.0	98.5%	69.3%	688,288	476,795	211,493	0.90	190,460
2006/07	84.0	91.1%	96.0	95.2%	46.0%	1,712,635	788,033	924,602	0.95	874,190
2007/08	72.0	84.3%	84.0	91.1%	43.1%	2,729,134	1,176,208	1,552,926	0.94	1,463,071
2008/09	60.0	75.8%	72.0	84.3%	35.4%	3,987,229	1,409,762	2,577,467	0.94	2,418,253
2009/10	48.0	64.2%	60.0	75.8%	32.3%	6,188,353	1,999,376	4,188,977	0.93	3,895,843
2010/11	36.0	48.7%	48.0	64.2%	30.3%	9,330,409	2,828,989	6,501,420	0.92	5,996,204
2011/12	24.0	29.7%	36.0	48.7%	27.0%	13,426,766	3,624,470	9,802,296	0.92	8,972,976
2012/13	12.0	13.5%	24.0	29.7%	18.7%	17,351,542	3,245,360	14,106,192	0.91	12,800,489
2013/14	0.0	0.0%	12.0	13.5%	13.5%	21,071,000	2,841,326	18,229,674	0.89	16,277,250
Total						\$77,199,229	\$18,604,470	\$58,594,759		\$53,339,857

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

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

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

CITY OF OAKLAND  
LIABILITY

Exhibit LI-18

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

Claim Period (1)	Months of Development 6/30/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/12 to 6/30/13 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/12 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/13 (7)X(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/13 (8)X(10) (11)
to 1988/89	312.0	100.0%	324.0	100.0%	30.0%	\$11,004	\$3,301	\$7,703	0.95	\$7,335
1989/90	300.0	100.0%	312.0	100.0%	30.0%	13,103	3,931	9,172	0.94	8,634
1990/91	288.0	100.0%	300.0	100.0%	30.0%	677	203	474	0.93	442
1991/92	276.0	100.0%	288.0	100.0%	30.0%	1	0	1	0.93	1
1992/93	264.0	100.0%	276.0	100.0%	30.0%	0	0	0	0.92	0
1993/94	252.0	100.0%	264.0	100.0%	30.0%	0	0	0	0.92	0
1994/95	240.0	100.0%	252.0	100.0%	30.0%	555	167	388	0.91	354
1995/96	228.0	100.0%	240.0	100.0%	30.0%	0	0	0	0.91	0
1996/97	216.0	99.9%	228.0	100.0%	30.0%	0	0	0	0.91	0
1997/98	204.0	99.9%	216.0	99.9%	30.0%	0	0	0	0.90	0
1998/99	192.0	99.9%	204.0	99.9%	30.0%	4,477	1,343	3,134	0.90	2,832
1999/00	180.0	99.8%	192.0	99.9%	30.0%	11,292	3,388	7,904	0.90	7,136
2000/01	168.0	99.8%	180.0	99.8%	30.0%	13,530	4,059	9,471	0.90	8,544
2001/02	156.0	99.6%	168.0	99.8%	30.0%	151,508	45,452	106,056	0.90	95,627
2002/03	144.0	99.5%	156.0	99.6%	30.0%	49,529	14,859	34,670	0.90	31,248
2003/04	132.0	99.3%	144.0	99.5%	30.0%	82,435	24,730	57,705	0.90	51,993
2004/05	120.0	99.0%	132.0	99.3%	30.0%	161,601	48,480	113,121	0.90	101,900
2005/06	108.0	98.5%	120.0	99.0%	30.0%	211,493	63,448	148,045	0.90	133,338
2006/07	96.0	95.2%	108.0	98.5%	69.3%	924,602	640,496	284,106	0.90	255,852
2007/08	84.0	91.1%	96.0	95.2%	46.0%	1,552,926	714,547	838,378	0.95	792,668
2008/09	72.0	84.3%	84.0	91.1%	43.1%	2,577,467	1,110,842	1,466,625	0.94	1,381,763
2009/10	60.0	75.8%	72.0	84.3%	35.4%	4,188,977	1,481,094	2,707,883	0.94	2,540,613
2010/11	48.0	64.2%	60.0	75.8%	32.3%	6,501,420	2,100,524	4,400,896	0.93	4,092,932
2011/12	36.0	48.7%	48.0	64.2%	30.3%	9,802,296	2,972,066	6,830,230	0.92	6,299,483
2012/13	24.0	29.7%	36.0	48.7%	27.0%	14,106,192	3,807,877	10,298,315	0.92	9,427,300
2013/14	12.0	13.5%	24.0	29.7%	18.7%	18,229,674	3,409,591	14,820,083	0.91	13,448,301
2014/15	0.0	0.0%	12.0	13.5%	13.5%	22,137,000	2,985,071	19,151,929	0.89	17,100,730
Total						\$80,731,759	\$19,435,469	\$61,296,290		\$55,788,736

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

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

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

CITY OF OAKLAND  
LIABILITY

Exhibit LI-19

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

Claim Period (1)	Months of Development 6/30/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/12 to 6/30/13 $\frac{[(5)-(3)]}{[100.0\%-(3)]}$ (6)	Estimated Outstanding Losses 6/30/12 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/13 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/13 (9)X(10) (11)
to 1988/89	324.0	100.0%	336.0	100.0%	30.0%	\$7,703	\$2,311	\$5,392	0.97	\$5,204
1989/90	312.0	100.0%	324.0	100.0%	30.0%	9,172	2,752	6,420	0.95	6,113
1990/91	300.0	100.0%	312.0	100.0%	30.0%	474	142	332	0.94	313
1991/92	288.0	100.0%	300.0	100.0%	30.0%	1	0	1	0.93	1
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%	0	0	0	0.92	0
1994/95	252.0	100.0%	264.0	100.0%	30.0%	388	116	272	0.92	249
1995/96	240.0	100.0%	252.0	100.0%	30.0%	0	0	0	0.91	0
1996/97	228.0	100.0%	240.0	100.0%	30.0%	0	0	0	0.91	0
1997/98	216.0	99.9%	228.0	100.0%	30.0%	0	0	0	0.91	0
1998/99	204.0	99.9%	216.0	99.9%	30.0%	3,134	940	2,194	0.90	1,986
1999/00	192.0	99.9%	204.0	99.9%	30.0%	7,904	2,371	5,533	0.90	5,001
2000/01	180.0	99.8%	192.0	99.9%	30.0%	9,471	2,841	6,630	0.90	5,986
2001/02	168.0	99.8%	180.0	99.8%	30.0%	106,056	31,817	74,239	0.90	66,976
2002/03	156.0	99.6%	168.0	99.8%	30.0%	34,670	10,401	24,269	0.90	21,882
2003/04	144.0	99.5%	156.0	99.6%	30.0%	57,705	17,311	40,394	0.90	36,407
2004/05	132.0	99.3%	144.0	99.5%	30.0%	113,121	33,936	79,185	0.90	71,347
2005/06	120.0	99.0%	132.0	99.3%	30.0%	148,045	44,414	103,631	0.90	93,352
2006/07	108.0	98.5%	120.0	99.0%	30.0%	284,106	85,232	198,874	0.90	179,118
2007/08	96.0	95.2%	108.0	98.5%	69.3%	838,379	580,767	257,612	0.90	231,993
2008/09	84.0	91.1%	96.0	95.2%	46.0%	1,466,625	674,837	791,788	0.95	748,617
2009/10	72.0	84.3%	84.0	91.1%	43.1%	2,707,883	1,167,049	1,540,834	0.94	1,451,678
2010/11	60.0	75.8%	72.0	84.3%	35.4%	4,400,896	1,556,022	2,844,874	0.94	2,689,142
2011/12	48.0	64.2%	60.0	75.8%	32.3%	6,930,230	2,206,759	4,623,471	0.93	4,299,932
2012/13	36.0	48.7%	48.0	64.2%	30.3%	10,298,315	3,122,459	7,175,856	0.92	6,618,231
2013/14	24.0	29.7%	36.0	48.7%	27.0%	14,820,083	4,000,587	10,819,496	0.92	9,904,117
2014/15	12.0	13.5%	24.0	29.7%	18.7%	19,151,929	3,582,085	15,569,844	0.91	14,128,662
2015/16	0.0	0.0%	12.0	13.5%	13.5%	23,257,000	3,136,098	20,120,902	0.89	17,965,925
<b>Total</b>						<b>\$84,553,290</b>	<b>\$20,261,247</b>	<b>\$64,292,043</b>		<b>\$58,512,232</b>

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

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

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

CITY OF OAKLAND  
LIABILITY

Exhibit LI-20

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

Claim Period (1)	Months of Development 6/30/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/12 to 6/30/13 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/12 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/13 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/13 (9)X(10) (11)
to 1988/89	336.0	100.0%	348.0	100.0%	30.0%	\$5,392	\$1,618	\$3,774	0.98	\$3,701
1989/90	324.0	100.0%	336.0	100.0%	30.0%	6,420	1,926	4,494	0.97	4,338
1990/91	312.0	100.0%	324.0	100.0%	30.0%	332	100	232	0.95	221
1991/92	300.0	100.0%	312.0	100.0%	30.0%	1	0	1	0.94	1
1992/93	288.0	100.0%	300.0	100.0%	30.0%	0	0	0	0.93	0
1993/94	276.0	100.0%	288.0	100.0%	30.0%	0	0	0	0.93	0
1994/95	264.0	100.0%	276.0	100.0%	30.0%	272	82	190	0.92	175
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	0.91	0
1997/98	228.0	100.0%	240.0	100.0%	30.0%	0	0	0	0.91	0
1998/99	216.0	99.9%	228.0	100.0%	30.0%	2,194	658	1,536	0.91	1,393
1999/00	204.0	99.9%	216.0	99.9%	30.0%	5,533	1,660	3,873	0.90	3,505
2000/01	192.0	99.9%	204.0	99.9%	30.0%	6,630	1,989	4,641	0.90	4,194
2001/02	180.0	99.8%	192.0	99.9%	30.0%	74,239	22,272	51,967	0.90	46,919
2002/03	168.0	99.8%	180.0	99.8%	30.0%	24,269	7,281	16,988	0.90	15,326
2003/04	156.0	99.6%	168.0	99.8%	30.0%	40,394	12,118	28,276	0.90	25,495
2004/05	144.0	99.5%	156.0	99.6%	30.0%	79,185	23,755	55,430	0.90	49,958
2005/06	132.0	99.3%	144.0	99.5%	30.0%	103,631	31,089	72,542	0.90	65,361
2006/07	120.0	99.0%	132.0	99.3%	30.0%	198,874	59,662	139,212	0.90	125,403
2007/08	108.0	98.5%	120.0	99.0%	30.0%	257,612	77,284	180,328	0.90	162,414
2008/09	96.0	95.2%	108.0	98.5%	69.3%	791,788	548,492	243,296	0.90	219,101
2009/10	84.0	91.1%	96.0	95.2%	46.0%	1,540,834	708,983	831,851	0.95	786,496
2010/11	72.0	84.3%	84.0	91.1%	43.1%	2,844,874	1,226,090	1,618,784	0.94	1,525,118
2011/12	60.0	75.8%	72.0	84.3%	35.4%	4,623,471	1,634,718	2,988,753	0.94	2,804,134
2012/13	48.0	64.2%	60.0	75.8%	32.3%	7,175,856	2,318,426	4,857,430	0.93	4,517,519
2013/14	36.0	48.7%	48.0	64.2%	30.3%	10,819,496	3,280,482	7,539,014	0.92	6,953,169
2014/15	24.0	29.7%	36.0	48.7%	27.0%	15,569,844	4,202,980	11,366,864	0.92	10,405,175
2015/16	12.0	13.5%	24.0	29.7%	18.7%	20,120,902	3,763,318	16,357,584	0.91	14,843,487
2016/17	0.0	0.0%	12.0	13.5%	13.5%	24,434,000	3,294,811	21,139,189	0.89	18,875,152
<b>Total</b>						<b>\$88,726,043</b>	<b>\$21,219,794</b>	<b>\$67,506,249</b>		<b>\$61,437,755</b>

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

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

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

CITY OF OAKLAND  
LIABILITY

Exhibit LI-21

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

Claim Period (1)	Months of Development 6/30/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/12 to 6/30/13 [(5)-(3)]/ [100.0%-(3)] (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	348.0	100.0%	360.0	100.0%	30.0%	\$3,774	\$1,132	\$2,642	1.00	\$2,642
1989/90	338.0	100.0%	348.0	100.0%	30.0%	4,494	1,348	3,146	0.98	3,085
1990/91	324.0	100.0%	336.0	100.0%	30.0%	232	70	162	0.97	156
1991/92	312.0	100.0%	324.0	100.0%	30.0%	1	0	1	0.95	1
1992/93	300.0	100.0%	312.0	100.0%	30.0%	0	0	0	0.94	0
1993/94	288.0	100.0%	300.0	100.0%	30.0%	0	0	0	0.93	0
1994/95	276.0	100.0%	288.0	100.0%	30.0%	190	57	133	0.93	123
1995/96	264.0	100.0%	276.0	100.0%	30.0%	0	0	0	0.92	0
1996/97	252.0	100.0%	264.0	100.0%	30.0%	0	0	0	0.92	0
1997/98	240.0	100.0%	252.0	100.0%	30.0%	0	0	0	0.91	0
1998/99	228.0	100.0%	240.0	100.0%	30.0%	1,536	461	1,075	0.91	977
1999/00	216.0	99.9%	228.0	100.0%	30.0%	3,873	1,162	2,711	0.91	2,458
2000/01	204.0	99.9%	216.0	99.9%	30.0%	4,641	1,392	3,249	0.90	2,940
2001/02	192.0	99.9%	204.0	99.9%	30.0%	51,967	15,590	36,377	0.90	32,877
2002/03	180.0	99.8%	192.0	99.9%	30.0%	18,988	5,096	11,892	0.90	10,737
2003/04	168.0	99.8%	180.0	99.8%	30.0%	28,276	8,483	19,793	0.90	17,857
2004/05	156.0	99.6%	168.0	99.8%	30.0%	55,430	16,629	38,801	0.90	34,985
2005/06	144.0	99.5%	156.0	99.6%	30.0%	72,542	21,763	50,779	0.90	45,767
2006/07	132.0	99.3%	144.0	99.5%	30.0%	139,212	41,764	97,448	0.90	87,802
2007/08	120.0	99.0%	132.0	99.3%	30.0%	180,328	54,098	126,230	0.90	113,709
2008/09	108.0	98.5%	120.0	99.0%	30.0%	243,296	72,989	170,307	0.90	153,389
2009/10	96.0	95.2%	108.0	98.5%	69.3%	831,851	576,245	255,606	0.90	230,186
2010/11	84.0	91.1%	96.0	95.2%	46.0%	1,618,784	744,850	873,934	0.95	826,285
2011/12	72.0	84.3%	84.0	91.1%	43.1%	2,988,753	1,288,099	1,700,654	0.94	1,602,251
2012/13	60.0	75.8%	72.0	84.3%	35.4%	4,857,430	1,717,438	3,139,992	0.94	2,946,030
2013/14	48.0	64.2%	60.0	75.8%	32.3%	7,539,014	2,435,757	5,103,257	0.93	4,746,144
2014/15	36.0	48.7%	48.0	64.2%	30.3%	11,366,884	3,446,444	7,920,420	0.92	7,304,936
2015/16	24.0	29.7%	36.0	48.7%	27.0%	16,357,584	4,415,626	11,941,958	0.92	10,931,613
2016/17	12.0	13.5%	24.0	29.7%	18.7%	21,139,189	3,953,773	17,185,416	0.91	15,594,693
2017/18	0.0	0.0%	12.0	13.5%	13.5%	25,671,000	3,461,615	22,209,385	0.89	19,830,728
<b>Total</b>						<b>\$93,177,249</b>	<b>\$22,281,881</b>	<b>\$70,895,368</b>		<b>\$84,522,371</b>

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

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

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

CITY OF OAKLAND  
LIABILITY

Exhibit LI-22

List of Large Claims  
Limited Reported Incurred Losses Greater Than or Equal to \$1,000,000

Claim Number (1)	Date of Loss (2)	Claim Period (3)	Specific Self-Insured Retention (4)	Limited Paid Losses 6/30/08 (5)	Limited Case Reserves 6/30/08 (6)	Limited Reported Incurred Losses 6/30/08 (7)
95323	6/5/1994	1993/94	Unlimited	\$1,495,448	\$0	\$1,495,448
96157	8/18/1994	1994/95	Unlimited	1,074,202	0	1,074,202
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	80,179	1,919,821 *	2,000,000 *
X01528	4/25/2002	2001/02	2,000,000	353,624	1,304,690 *	1,658,314
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	2,000,000 *	0	2,000,000 *
24026	10/23/2003	2003/04	2,000,000	1,617,890 *	0	1,617,890
24634	9/10/2004	2004/05	2,000,000	333,755	1,666,245 *	2,000,000 *
X02454	11/9/2004	2004/05	2,000,000	1,323,044 *	0	1,323,044
X02981	3/17/2005	2004/05	2,000,000	123,390	1,876,610 *	2,000,000 *
25256	3/6/2006	2005/06	2,000,000	145,652	979,765 *	1,125,418
X02960	12/7/2006	2006/07	2,000,000	128,723	1,871,277 *	2,000,000 *
26077	3/20/2007	2006/07	2,000,000	7,422	1,062,969 *	1,070,391 *

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

Size of Loss Distribution

I. Reported Claim Count

Layer (1)	Prior (2)	2003/04 (3)	2004/05 (4)	2005/06 (5)	2006/07 (6)	2007/08 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	1,828	13	12	1	4	1	1,859		
0.01 - 5,000	8,318	642	579	522	526	488	11,075	11,075	83.9%
5,000 - 10,000	521	38	30	22	28	44	683	11,758	89.1%
10,000 - 50,000	704	71	55	64	46	36	978	12,734	96.5%
50,000 - 100,000	137	24	11	18	15	11	218	12,950	98.1%
100,000 - 250,000	96	12	10	16	13	8	153	13,103	99.3%
250,000 - 500,000	32	3	4	6	6	5	56	13,159	99.7%
500,000 - 750,000	10	0	1	1	1	1	14	13,173	99.8%
750,000 - 1,000,000	5	1	0	0	2	0	8	13,181	99.9%
1,000,000 - 2,000,000	3	0	0	0	0	0	3	13,188	99.9%
Over 2,000,000	6	1	2	0	1	0	10	13,198	100.0%
Total	11,660	806	705	651	643	592	15,057	13,198	

II. Total Reported Incurred Losses

Layer (1)	Prior (2)	2003/04 (3)	2004/05 (4)	2005/06 (5)	2006/07 (6)	2007/08 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
0.01 - 5,000	6,231,185	558,055	433,276	438,141	434,368	428,771	7,523,795	7,523,795	4.4%
5,000 - 10,000	3,637,608	260,341	224,477	163,505	189,210	292,552	4,767,693	12,291,488	7.2%
10,000 - 50,000	15,728,513	1,769,672	1,327,685	1,533,353	1,174,758	780,753	22,294,713	34,586,201	20.4%
50,000 - 100,000	9,722,514	1,737,440	743,487	1,206,763	965,552	779,136	15,154,893	49,741,093	29.3%
100,000 - 250,000	15,285,348	1,827,985	1,695,218	2,247,547	1,745,312	799,204	23,600,614	73,341,707	43.2%
250,000 - 500,000	11,156,991	1,166,643	1,433,214	2,299,751	1,702,759	1,254,071	19,013,429	92,355,137	54.4%
500,000 - 750,000	8,064,886	0	699,049	561,655	867,997	513,417	8,496,804	100,851,941	59.4%
750,000 - 1,000,000	4,561,908	830,433	0	0	1,629,646	0	7,021,986	107,873,927	63.5%
1,000,000 - 2,000,000	4,227,964	1,617,890	1,323,044	1,125,418	1,070,391	0	9,364,706	117,238,632	69.0%
Over 2,000,000	26,813,867	2,508,402	9,492,331	0	13,852,587	0	52,667,187	169,905,819	100.0%
Total	\$102,430,583	\$12,276,861	\$17,371,781	\$9,566,132	\$23,432,579	\$4,827,904	\$169,905,819	\$169,905,819	

Data was provided by the City.

CITY OF OAKLAND  
LIABILITY

Exhibit LI-24

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

Department (1)	2003/04 (2)	2004/05 (3)	2005/06 (4)	2006/07 (5)	2007/08 (6)	2003/04 to 2007/08 (7)
<b>I. Payroll</b>						
Fire Department	\$59,453,316	\$64,410,370	\$66,573,163	\$72,438,489	\$75,417,311	\$338,292,648
Parks and Recreation	16,261,800	9,421,343	9,737,696	10,595,621	10,331,786	56,348,246
Police Services Agency	104,008,924	105,567,030	109,111,795	118,724,921	125,852,050	563,264,719
Public Works	38,367,768	46,429,594	47,988,623	52,216,586	53,844,307	238,846,878
Other	89,314,027	89,662,586	92,673,306	100,838,144	104,832,307	477,320,371
<b>Total</b>	<b>\$307,405,834</b>	<b>\$315,490,924</b>	<b>\$326,084,583</b>	<b>\$354,813,761</b>	<b>\$370,277,760</b>	<b>\$1,674,072,862</b>
<b>II. Number of Reported Claims as of June 30, 2008</b>						
Fire Department	29	25	22	13	16	105
Parks and Recreation	46	10	11	4	7	78
Police Services Agency	311	236	182	191	176	1,096
Public Works	343	376	358	337	320	1,734
Other	77	58	78	98	73	384
<b>Total</b>	<b>806</b>	<b>705</b>	<b>651</b>	<b>643</b>	<b>592</b>	<b>3,397</b>
<b>III. Limited Reported Incurred Losses as of June 30, 2008</b>						
Fire Department	\$250,111	\$1,814,806	\$187,690	\$53,924	\$51,611	\$2,358,142
Parks and Recreation	84,626	27,897	87,397	19,342	473,932	693,194
Police Services Agency	5,652,509	6,950,090	5,160,389	5,447,403	2,101,245	25,311,635
Public Works	3,953,466	2,606,416	2,938,392	2,096,963	1,589,773	13,185,009
Other	1,827,747	480,221	1,192,265	3,962,360	611,343	8,073,936
<b>Total</b>	<b>\$11,768,459</b>	<b>\$11,879,430</b>	<b>\$9,566,132</b>	<b>\$11,579,992</b>	<b>\$4,827,904</b>	<b>\$49,621,917</b>
<b>IV. Number of Claims per \$1 Million of Payroll [Section II / (Section I / \$1,000,000)]</b>						
Fire Department	0.49	0.39	0.33	0.18	0.21	0.31
Parks and Recreation	2.83	1.06	1.13	0.38	0.68	1.38
Police Services Agency	2.99	2.24	1.67	1.61	1.40	1.95
Public Works	8.94	8.10	7.46	6.45	5.94	7.26
Other	0.86	0.65	0.84	0.97	0.70	0.80
<b>Total</b>	<b>2.62</b>	<b>2.23</b>	<b>2.00</b>	<b>1.81</b>	<b>1.60</b>	<b>2.03</b>
<b>V. Average Cost per Claim (Section III / Section II)</b>						
Fire Department	\$8,625	\$72,592	\$8,531	\$4,148	\$3,226	\$22,458
Parks and Recreation	1,840	2,790	7,945	4,836	67,705	8,887
Police Services Agency	18,175	29,450	28,354	28,520	11,939	23,095
Public Works	11,526	6,932	8,208	6,222	4,968	7,604
Other	23,737	8,280	15,285	40,432	8,375	21,026
<b>Total</b>	<b>\$14,601</b>	<b>\$16,850</b>	<b>\$14,695</b>	<b>\$18,009</b>	<b>\$8,155</b>	<b>\$14,608</b>
<b>VI. Loss Rate per \$100 of Payroll [Section III / (Section I / \$100)]</b>						
Fire Department	\$0.42	\$2.82	\$0.28	\$0.07	\$0.07	\$0.70
Parks and Recreation	0.52	0.30	0.90	0.18	4.59	1.23
Police Services Agency	5.43	6.58	4.73	4.59	1.67	4.49
Public Works	10.30	5.61	6.12	4.02	2.95	5.52
Other	2.05	0.54	1.29	3.93	0.58	1.69
<b>Total</b>	<b>\$3.83</b>	<b>\$3.77</b>	<b>\$2.93</b>	<b>\$3.26</b>	<b>\$1.30</b>	<b>\$2.96</b>

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

Claim counts and loss amounts are on a reported basis. They have not been developed to ultimate values. Losses are net of specific self insured retention.

CITY OF OAKLAND  
LIABILITY

Exhibit LI-25

Paid Losses by Department

I. 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 6/30/06 (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

II. As of June 30, 2008

Claim Period (1)	Fire Department (2)	Parks and Recreation (3)	Police Services Agency (4)	Public Works (5)	Other (6)	Limited Paid Losses 6/30/08 (7)
1999/00	\$94,725	\$423,677	\$5,758,269	\$2,389,539	\$923,812	\$9,590,021
2000/01	113,709	370,382	6,281,373	1,875,386	1,420,176	10,061,025
2001/02	170,917	389,145	3,576,343	3,198,461	1,018,235	8,353,101
2002/03	502,576	161,078	5,406,531	1,972,105	1,491,963	9,534,253
2003/04	250,111	84,626	4,970,738	3,870,954	1,044,451	10,220,880
2004/05	1,582,162	27,897	3,122,971	1,868,492	453,255	7,054,776
2005/06	187,688	68,576	2,543,033	2,078,952	1,156,359	6,034,608
2006/07	45,933	19,216	931,228	1,297,901	1,392,366	3,686,645
2007/08	25,006	6,053	178,161	386,171	268,462	863,853
Total	\$2,972,827	\$1,550,650	\$32,768,646	\$18,937,961	\$9,169,078	\$65,399,163

III. Actual Paid During 2007/08 [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 6/30/08 (7)
1999/00	\$0	\$0	\$8,433	\$23,524	\$3,317	\$35,274
2000/01	0	884	190,964	0	3,111	194,959
2001/02	0	0	80,840	28,130	112,493	221,463
2002/03	8,423	0	144,870	18,149	184,942	356,384
2003/04	61,069	0	571,805	1,327,788	114,257	2,074,919
2004/05	73,897	0	811,243	326,124	100,422	1,311,686
2005/06	107,128	34,181	1,638,561	1,129,532	340,814	3,250,216
2006/07	34,875	8,882	617,493	1,113,941	835,797	2,610,987
2007/08	25,006	6,053	178,161	386,171	268,462	863,853
Total	\$310,398	\$50,000	\$4,242,370	\$4,353,359	\$1,963,614	\$10,919,741

(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.

Losses are net of specific self insured retention.

Data was provided by the City.

CITY OF OAKLAND  
LIABILITY

Exhibit LI-26

Analysis by Cause of Loss  
Claim Periods 2003/04 through 2007/08 as of June 30, 2008

I. Fire Department

a. Top Three Loss Categories (Frequency)

Cause	Count	Total Paid
City Vehicle Against Another Vehicle	57	\$288,942
Fire Dept.: Fire Response Related Dmgs.	18	10,940
Misc.	4	1,238

b. Top Three Average Payment Categories

Cause	Count	Total Paid	Average Payment
Personnel/Labor: Compensation & Benefits	2	\$1,323,401	\$661,701
City Vehicle Against Another Vehicle	57	288,942	5,069
Personnel/Labor: Employment Discriminati	2	149,970	74,985

II. Parks and Recreation

a. Top Three Loss Categories (Frequency)

Cause	Count	Total Paid
Dangerous Condition: - Trees	32	\$35,093
Dangerous Condition: OPR-Rec. Centers	11	35,060
City Vehicle Against Another Vehicle	7	14,849

b. Top Three Average Payment Categories

Cause	Count	Total Paid	Average Payment
Personnel/Labor: Grievance - Other	1	\$38,920	\$38,920
Dangerous Condition: - Trees	32	35,093	1,097
Dangerous Condition: OPR-Rec. Centers	11	35,060	3,187

III. Police Services Agency

a. Top Three Loss Categories (Frequency)

Cause	Count	Total Paid
City Vehicle Against Another Vehicle	194	\$879,446
Police: Towing - Red Zone, Tickets, etc.	140	58,843
Police: Force - Civil Rights	124	5,004,567

b. Top Three Average Payment Categories

Cause	Count	Total Paid	Average Payment
Police: Force - Civil Rights	124	\$5,004,567	\$40,359
Police: Non-Force Civil Rights	54	1,143,959	21,184
Personnel/Labor: Wrongful Termination	7	1,122,027	160,290

IV. Public Works

a. Top Three Loss Categories (Frequency)

Cause	Count	Total Paid
Dangerous Condition: Streets-pot holes	447	\$507,485
Dangerous Cond.: Sidewalks: Trip & Falls	287	1,535,324
Dangerous Condition: - Trees	224	381,512

b. Top Three Average Payment Categories

Cause	Count	Total Paid	Average Payment
Dangerous Condition: Streets/Signs/Light	61	\$2,700,995	\$44,279
Dangerous Condition: Sewers & Floods	165	1,653,003	10,018
Dangerous Cond.: Sidewalks: Trip & Falls	287	1,535,324	5,350

V. Other

a. Top Three Loss Categories (Frequency)

Cause	Count	Total Paid
Misc.	100	\$15,848
City Govt.: Other	27	164,407
Citations: Parking & Tow Disputes	23	24,751

b. Top Three Average Payment Categories

Cause	Count	Total Paid	Average Payment
City Govt.: Ordinance	10	\$620,085	\$62,009
City Govt.: Land Use/Planning	16	612,389	38,274
Personnel/Labor: Wrongful Termination	7	443,770	63,396

Data was provided by the City. Losses are net of specific self insured retention.

CITY OF OAKLAND  
LIABILITY

Exhibit LI-27

Historical Payroll and Percent Payroll

Dept Code (1)	Department (2)	2003/04 Payroll (3)	2003/04 Percent Payroll (3)/Total(3) (4)	2004/05 Payroll (5)	2004/05 Percent Payroll (5)/Total(5) (6)	2005/06 Payroll (7)	2005/06 Percent Payroll (7)/Total(7) (8)	2006/07 Payroll (9)	2006/07 Percent Payroll (9)/Total(9) (10)	2007/08 Payroll (11)	2007/08 Percent Payroll (11)/Total(11) (12)	2003/04 to 2007/08 Payroll (3)+(5)+(7)+(9)+(11) (13)	2003/04 to 2007/08 Percent Payroll (13)/Total(13) (14)
DP200	Fire Department	\$59,453,316	19.34%	\$64,410,370	20.42%	\$66,573,163	20.42%	\$72,438,489	20.42%	\$75,417,311	20.37%	\$338,292,648	20.21%
DP5000	Parks and Recreation	16,261,800	5.29%	9,421,343	2.99%	9,737,696	2.99%	10,595,621	2.99%	10,331,786	2.79%	56,348,246	3.37%
DP1000	Police Services Agency	104,008,924	33.83%	105,567,030	33.46%	109,111,795	33.46%	118,724,921	33.46%	125,852,050	33.99%	563,264,719	33.65%
DP300	Public Works	38,367,768	12.48%	46,429,594	14.72%	47,988,623	14.72%	52,216,586	14.72%	53,844,307	14.54%	238,846,878	14.27%
Misc.	Other	89,314,027	29.05%	89,662,586	28.42%	92,673,306	28.42%	100,838,144	28.42%	104,832,307	28.31%	477,320,371	28.51%
Total		\$307,405,834	100.00%	\$315,490,924	100.00%	\$326,084,583	100.00%	\$354,813,761	100.00%	\$370,277,760	100.00%	\$1,674,072,862	100.00%

ARM TECH

(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  
LIABILITY

Exhibit LI-28

Calculation of Percent of Unlimited Reported Incurred Losses

Dept Code (1)	Department (2)	Reported Incurred Losses 6/30/08 (3)	Percent Reported Incurred Losses (3)/Total(3) (4)
<b>I. 2003/04</b>			
DP200	Fire Department	\$250,111	2.04%
DP5000	Parks and Recreation	84,626	0.69%
DP1000	Police Services Agency	5,652,509	46.04%
DP300	Public Works	4,461,868	36.34%
Misc.	Other	1,827,747	14.89%
<b>Total</b>		<b>\$12,276,861</b>	<b>100.00%</b>
<b>II. 2004/05</b>			
DP200	Fire Department	\$1,814,806	10.45%
DP5000	Parks and Recreation	27,897	0.16%
DP1000	Police Services Agency	12,442,421	71.62%
DP300	Public Works	2,606,416	15.00%
Misc.	Other	480,221	2.76%
<b>Total</b>		<b>\$17,371,761</b>	<b>100.00%</b>
<b>III. 2005/06</b>			
DP200	Fire Department	\$187,690	1.96%
DP5000	Parks and Recreation	87,397	0.91%
DP1000	Police Services Agency	5,160,389	53.94%
DP300	Public Works	2,938,392	30.72%
Misc.	Other	1,192,265	12.46%
<b>Total</b>		<b>\$9,566,132</b>	<b>100.00%</b>
<b>IV. 2006/07</b>			
DP200	Fire Department	\$53,924	0.23%
DP5000	Parks and Recreation	19,342	0.08%
DP1000	Police Services Agency	17,299,990	73.83%
DP300	Public Works	2,096,963	8.95%
Misc.	Other	3,962,360	16.91%
<b>Total</b>		<b>\$23,432,579</b>	<b>100.00%</b>
<b>V. 2007/08</b>			
DP200	Fire Department	\$51,611	1.07%
DP5000	Parks and Recreation	473,932	9.82%
DP1000	Police Services Agency	2,101,245	43.52%
DP300	Public Works	1,589,773	32.93%
Misc.	Other	611,343	12.66%
<b>Total</b>		<b>\$4,827,904</b>	<b>100.00%</b>

(3), (4) and (5) were provided by the City. Parks Maintenance is included in Public Works. Losses are gross of specific self insured retention.

CITY OF OAKLAND  
LIABILITY

Exhibit LI-29

Calculation of Relative Loss Rate

Dept Code (1)	Department (2)	Percent Payroll (3)	Percent Reported Incurred Losses (4)	Relative Loss Rate (4)/(3) (5)
<b>I. 2003/04</b>				
DP200	Fire Department	19.34%	2.04%	0.105
DP5000	Parks and Recreation	5.29%	0.69%	0.130
DP1000	Police Services Agency	33.83%	46.04%	1.361
DP300	Public Works	12.48%	36.34%	2.912
Misc.	Other	29.05%	14.89%	0.512
<b>Total</b>		<b>100.00%</b>	<b>100.00%</b>	<b>1.000</b>
<b>II. 2004/05</b>				
DP200	Fire Department	20.42%	10.45%	0.512
DP5000	Parks and Recreation	2.99%	0.16%	0.054
DP1000	Police Services Agency	33.46%	71.62%	2.141
DP300	Public Works	14.72%	15.00%	1.020
Misc.	Other	28.42%	2.76%	0.097
<b>Total</b>		<b>100.00%</b>	<b>100.00%</b>	<b>1.000</b>
<b>III. 2005/06</b>				
DP200	Fire Department	20.42%	1.96%	0.096
DP5000	Parks and Recreation	2.99%	0.91%	0.306
DP1000	Police Services Agency	33.46%	53.94%	1.612
DP300	Public Works	14.72%	30.72%	2.087
Misc.	Other	28.42%	12.46%	0.439
<b>Total</b>		<b>100.00%</b>	<b>100.00%</b>	<b>1.000</b>
<b>IV. 2006/07</b>				
DP200	Fire Department	20.42%	0.23%	0.011
DP5000	Parks and Recreation	2.99%	0.08%	0.028
DP1000	Police Services Agency	33.46%	73.83%	2.206
DP300	Public Works	14.72%	8.95%	0.608
Misc.	Other	28.42%	16.91%	0.595
<b>Total</b>		<b>100.00%</b>	<b>100.00%</b>	<b>1.000</b>
<b>V. 2007/08</b>				
DP200	Fire Department	20.37%	1.07%	0.052
DP5000	Parks and Recreation	2.79%	9.82%	3.518
DP1000	Police Services Agency	33.99%	43.52%	1.281
DP300	Public Works	14.54%	32.93%	2.264
Misc.	Other	28.31%	12.66%	0.447
<b>Total</b>		<b>100.00%</b>	<b>100.00%</b>	<b>1.000</b>

(3) is from Exhibit LI-27.

(4) is from Exhibit LI-28.

CITY OF OAKLAND  
LIABILITY

Exhibit LI-30

Calculation of Average Relative Loss Rate

Dept Code (1)	Department (2)	2003/04 Relative Loss Rate (3)	2004/05 Relative Loss Rate (4)	2005/06 Relative Loss Rate (5)	2006/07 Relative Loss Rate (6)	2007/08 Relative Loss Rate (7)	Average 2003/04 to 2007/08 Relative Loss Rate Average [(3)-(7)] (8)
DP200	Fire Department	0.105	0.512	0.096	0.011	0.052	0.155
DP5000	Parks and Recreation	0.130	0.054	0.306	0.028	3.518	0.807
DP1000	Police Services Agency	1.361	2.141	1.612	2.206	1.281	1.720
DP300	Public Works	2.912	1.020	2.087	0.608	2.264	1.778
Misc.	Other	0.512	0.097	0.439	0.595	0.447	0.418
Total		1.000	1.000	1.000	1.000	1.000	1.000

(3) to (7) are from Exhibit LI-29.



CITY OF OAKLAND  
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Exhibit LI-31

Calculation of Experience Modification Factors

Dept Code (1)	Department (2)	2003/04 to 2007/08 Percent Payroll (3)	Average 2003/04 to 2007/08 Relative Loss Rate (4)	Weight (3)/[(3)+ Max(3)] (5)	Experience Modification Factor [(4)X(5)]+ [1.000-(5)] (6)
DP200	Fire Department	20.21%	0.155	0.643	0.449
DP5000	Parks and Recreation	3.37%	0.807	0.231	0.940
DP1000	Police Services Agency	33.65%	1.720	0.750	1.515
DP300	Public Works	14.27%	1.778	0.560	1.412
Misc.	Other	28.51%	0.418	0.718	0.573
Total		100.00%	1.000		1.000

(3) is from Exhibit LI-27.

(4) is from Exhibit LI-30.

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.

CITY OF OAKLAND  
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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)	2008/09 Payout Rate Per \$100 of Payroll (7) / (3) x 100 (8)
DP200	Fire Department	\$77,679,830	0.449	\$34,900,538	9.15%	\$1,500,323	\$1.93
DP5000	Parks and Recreation	10,641,739	0.940	9,999,933	2.62%	429,882	4.04
DP1000	Police Services Agency	129,627,611	1.515	196,334,147	51.48%	8,440,116	6.51
DP300	Public Works	55,459,636	1.412	78,308,162	20.53%	3,366,352	6.07
Misc.	Other	107,977,276	0.573	61,843,314	16.22%	2,658,553	2.46
Total		\$381,386,093	1.000	\$381,386,093	100.00%	\$16,395,226	\$4.30

(3) was provided by the City.

(4) is from Exhibit LI-31.

Total (7) is from Exhibit LI-13.

CITY OF OAKLAND  
LIABILITY

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)	2009/10 Payout Rate Per \$100 of Payroll (7) / (3) x 100 (8)
DP200	Fire Department	\$80,010,225	0.449	\$35,947,554	9.15%	\$1,553,804	\$1.94
DP5000	Parks and Recreation	10,960,991	0.940	10,299,931	2.62%	445,206	4.06
DP1000	Police Services Agency	133,516,440	1.515	202,224,171	51.48%	8,740,976	6.55
DP300	Public Works	57,123,425	1.412	80,657,407	20.53%	3,486,351	6.10
Misc.	Other	111,216,595	0.573	63,698,613	16.22%	2,753,321	2.48
Total		\$392,827,676	1.000	\$392,827,676	100.00%	\$16,979,659	\$4.32

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

(4) is from Exhibit LI-31.

Total (7) is from Exhibit LI-13.

CITY OF OAKLAND  
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Exhibit LI-34

Calculation of 2010/11 Projected Premium

Dept Code (1)	Department (2)	Projected 2010/11 Payroll (3)	2010/11 Experience Modification Factor (4)	Experience Rated Projected 2010/11 Payroll (3)X(4) (5)	2010/11 Percent Funding (5)/Total(5) (6)	2010/11 Projected Loss Funds (6)XTotal(7) (7)	2010/11 Payout Rate Per \$100 of Payroll (7) / (3) x 100 (8)
DP200	Fire Department	\$82,410,532	0.449	\$37,025,981	9.15%	\$1,522,741	\$1.85
DP5000	Parks and Recreation	11,289,821	0.940	10,608,929	2.62%	436,306	3.86
DP1000	Police Services Agency	137,521,933	1.515	208,290,896	51.48%	8,566,231	6.23
DP300	Public Works	58,837,128	1.412	83,077,129	20.53%	3,416,654	5.81
Misc.	Other	114,553,093	0.573	65,609,571	16.22%	2,698,278	2.36
Total		\$404,612,506	1.000	\$404,612,506	100.00%	\$16,640,210	\$4.11

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

(4) is from Exhibit LI-31.

Total (7) is from Exhibit LI-14.