

# CITY OF OAKLAND

## AGENDA REPORT

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2010 JAN 28 PM 4:35

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

RE: **An Informational Report Regarding the Allocation of Monies from the Self-Insurance General Liability Fund (Fund 1100) to Departments for the Fiscal Year 2010-11 Budget Adjustment of General Liability Costs Based on Implementation of the "Phoenix Model" of Risk Management Cost Allocation, Reflecting a Projected Ultimate Loss of \$4.51 per \$100 Payroll in Fiscal Year 2010-11**

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### SUMMARY

The City Council has directed staff to prepare an annual risk management cost allocation plan mirrored after a program that was developed by the City of Phoenix, Arizona. This program is commonly referred to as the "Phoenix Model". The plan has five (5) components which are intended to track liability spending and incentivize departments into improving their programs that incur the liability exposures.

This report transmits the findings of the Risk Management consulting firm, ARM Tech / Aon Global Risk Consulting ("ARM Tech"), who analyze historic loss information for the purpose of fine-tuning the cost allocation amounts for Fiscal Year 2010-11. 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 as a basis for adjusting departmental Self Insurance Fund (1100) budget during the FY 2010-11 Midcycle.

### FISCAL IMPACT

This report is provided for the purpose of informing Council on the allocation of monies from the Self-Insurance General Liability Fund (1100) to Departments for the Fiscal Year 2010-11 Midcycle Budget Review, based on historic loss information in Fiscal Year 2008-09. The total General Liability payout for Fiscal Year 2010-11 is projected by ARM Tech to be \$17,200,370. The projections provided below for Fiscal Year 2010-11 are adjusted to reflect the most recent actuarial review conducted by ARM Tech.

Item: \_\_\_\_\_  
Finance & Management Committee  
February 9, 2010

Department	Actuary Proposed Budget Revision		Proposed Budget Revision Reflecting City Attorney Staff Costs		Adopted 2010-11 Budget and Variance	
	Allocated Percent of Projected Loss (2010-11)	2010-11 Projected Loss	Allocated Percent of Project Loss (2010-11) with City Attorney Staff Costs	2010-11 Projected Loss	Adopted 2010-11 Budget	Variance, Adopted Budget vs. Revised Budget
Fire Services Agency	10.94%	\$1,882,509	8.67%	\$1,491,886	\$1,132,920	\$358,966
Parks and Recreation	2.13%	366,148	1.69%	\$290,172	\$324,610	(\$34,438)
Police Services Agency	54.10%	9,305,357	42.87%	\$7,374,483	\$6,373,300	\$1,001,183
Public Works Agency	15.11%	2,599,486	11.98%	\$2,060,090	\$2,542,000	(\$481,910)
Other Departments	17.71%	3,046,869	14.04%	\$2,414,640	\$2,698,280	(\$283,640)
City Attorney			20.75%	\$3,569,100	\$3,569,100	\$0
<b>TOTAL</b>	<b>100.00%</b>	<b>\$17,200,369</b>	<b>100.00%</b>	<b>\$17,200,370</b>	<b>\$16,640,210</b>	<b>\$560,160</b>

Table 1

The recommended net increase to the Self Insurance Liability fund is based on the *projected losses paid* data which increased from \$16,395,226 for 2008/09 to \$16,961,674 for 2009/10. This is an increase of \$566,448, or 3.5%. The main reason for this increase is an increase in the outstanding losses for the 2007/08 year. In the prior actuarial study, it was estimated that the outstanding losses for 2007/08 as of 6/30/08 would be \$9,871,351 (*shown in Exhibit LI-12 of Attachment A, report date January 27, 2009*). In the current actuarial study based on 6/30/09 data, we estimate that the outstanding losses for 2007/08 are \$15,334,559 (*shown in Exhibit LI-11 of Attachment A*). This change is due to a large increase in the 2007/08 case reserves, which increased from \$3,964,051 as of 6/30/08 to \$9,150,042 as of 6/30/09. Many of these reserve changes were the result of conferring with the City's Excess Liability Insurer and their recommendations to change the case reserve values. Additionally, there are several large open claims for this year, which are shown in *Exhibit LI-22 of Attachment A*.

The overall increase from the adopted FY2010-11 budget to the amount proposed by ARM Tech is \$560,160. The difference would have to be funded by an increased transfer from the General Purpose Fund, and will be incorporated into the FY 2010-11 Midcycle Budget Process. The proposed budget revision includes expenditures associated with the management and development of claims (contracted investigators, outside counsel, expert witnesses, internal staff costs, Third-Party Administrator costs, etc.) including the internal City Attorney personnel costs.

**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 (*in conjunction with the City Attorney's Office*) 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. Staff intends to return to Council with a revision to the legislation proposing that retention of unspent liability funds only occur when the Self Insurance Liability fund negative balance is eliminated. A plan exists to eliminate the negative fund balance. Although Council approved suspending repayments in FY 2009-10, they will resume in FY 2010-11.

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 (*Attachment A*) 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 2008-09
- 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 Oakland Fire Department, Office of Parks and Recreation, and the Oakland Police Department stayed within the budgeted amount for General Liability losses during Fiscal Year 2008-09. The Public Works Agency exceeded their budget by 12.5% .

Department	FY 2008-09 Budget Allocation	FY 2008-09 Actual Paid Losses	Variance Favorable/ (Unfavorable)
Oakland Fire Department	\$1,171,760	\$1,015,691	\$156,069
Office of Parks and Recreation	335,740	161,860	173,880
Oakland Police Department	6,591,780	5,801,890	789,890
Public Works Agency	2,629,140	2,956,764	(327,624)
All Other Agencies / Departments	6,251,230	3,505,684	2,745,546
<b>CITYWIDE TOTAL</b>	<b>\$16,979,650</b>	<b>\$13,441,889</b>	<b>\$3,537,761</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.

The City Attorney’s Office is required to bring all settlement proposals in excess of \$5,000 to the City Council for approval. Discussion of the involved case(s) and expenditure approval take place in closed session, with the approval reported in a meeting of the full Council. Departmental notice of excessive spending in their allocation is to take place during the closed session reporting. On the other hand, no department that saved (from their budget allocation) in the Self Insurance Liability Fund has been given an opportunity to keep the savings, given the large negative balance in the fund.

Since its last report in January 2009, 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.

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, the City Attorney's Office is transitioning from an internal claims administration model to a third-party administered claims model. This should result in improved efficiencies in claims management and assist in containing costs associated with general liability claims administration.*

It should also be noted that effective July 1, 2009, the City's excess liability retention changed from \$2 Million to \$4 Million. This was partially based on the number of large loss claims filed by the City, primarily from the Police Department. It is anticipated that by going to a third-party administrator managed system, the City will be able to secure a reduced retention in upcoming policy renewal cycles. RMD will continue to work closely with City Attorneys and their contracted third-party administrator to meet the requirements of our excess insurer.

RMD will also be evaluating the effectiveness of this Risk Management Cost Allocation Program as compared to those utilized by other jurisdictions. To ensure the program is meeting best-practice standards and functioning in the most effective and impactful manner, it is beneficial to perform a critical program review from time to time. Staff expects to provide Council with an evaluation and recommendations for program modifications (if any) in the next reporting cycle.

### **SUSTAINABLE OPPORTUNITIES**

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

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

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

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

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

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends the City Council accept this informational report regarding the allocation of monies from the Self-Insurance General Liability Fund (Fund 1100) to departments for based on the “Phoenix Model” of Risk Management Cost Allocation.

Respectfully submitted,

  
Cheryl Taylor  
Director, Budget Office

  
Joseph Yew  
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



ATTACHMENT A

**City of Oakland,  
California**

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

**November 3, 2009**



November 3, 2009

271100

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

Attn: Ms. Deb Grant  
Insurance Manager

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

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 Dato  
Mujtaba Dato, ACAS, MAAA, FCA  
Actuarial Practice Leader

MD:bc

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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 2018/19.

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, 2009.

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

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

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

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

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

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

5. **Recommend Funding.** Recommend funding by City department for 2009/10 through 2011/12.

The recommend funding is based on expected loss payments in 2009/10 through 2011/12. 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. **Affirm GASB Statement No. 10.** Provide a statement affirming the conclusions of this report are consistent with Governmental Accounting Standards Board (GASB) Statement No. 10.

### III. Conclusions

We have reached the following conclusions:

#### 1. Estimate Outstanding Losses

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

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

(A)	Estimated outstanding losses	\$49,236,516
(B)	Present value of estimated outstanding losses	45,218,962

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

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 2009/10 through 2011/12 to be as shown in Tables III-2A through III-2C.

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

Item (1)	Amount (2)	Rate per \$100 of Payroll (3)
(A) Projected ultimate losses	\$17,190,000	\$4.42
(B) Present value of projected ultimate losses	15,097,000	3.88

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

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

Item (1)	Amount (2)	Rate per \$100 of Payroll (3)
(A) Projected ultimate losses	\$18,060,000	\$4.51
(B) Present value of projected ultimate losses	15,861,000	3.96

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

**Table III-2C  
Projected Ultimate Losses  
2011/12  
(at \$2 Million LIABILITY SIR)**

Item (1)	Amount (2)	Rate per \$100 of Payroll (3)
(A) Projected ultimate losses	\$18,974,000	\$4.60
(B) Present value of projected ultimate losses	16,663,000	4.04

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 (2012/13 through 2018/19) 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 2009/10 through 2011/12 to be as shown in Table III-3.

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

Item (1)	2009/10 (2)	2010/11 (3)	2011/12 (4)
(A) Projected losses paid	\$16,961,674	\$17,200,370	\$17,283,638

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

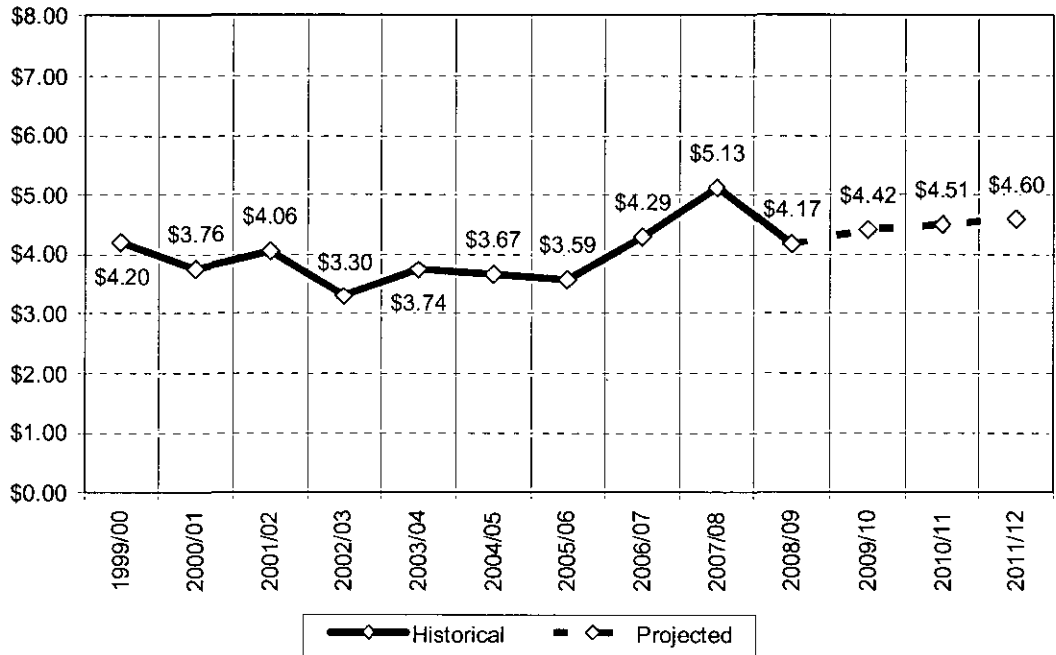
All costs other than losses are additional.

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

## Loss Experience Trends

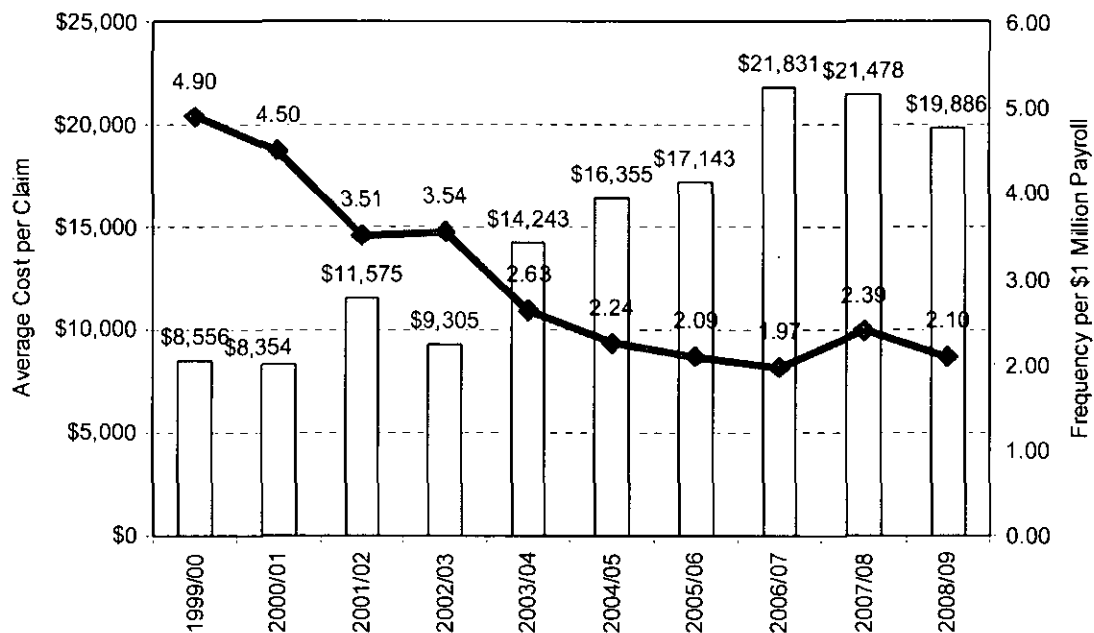
Graphs III-1 and III-2 show loss experience trends for liability as measured by loss rate per \$100 of payroll and frequency and severity, respectively.

**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)**

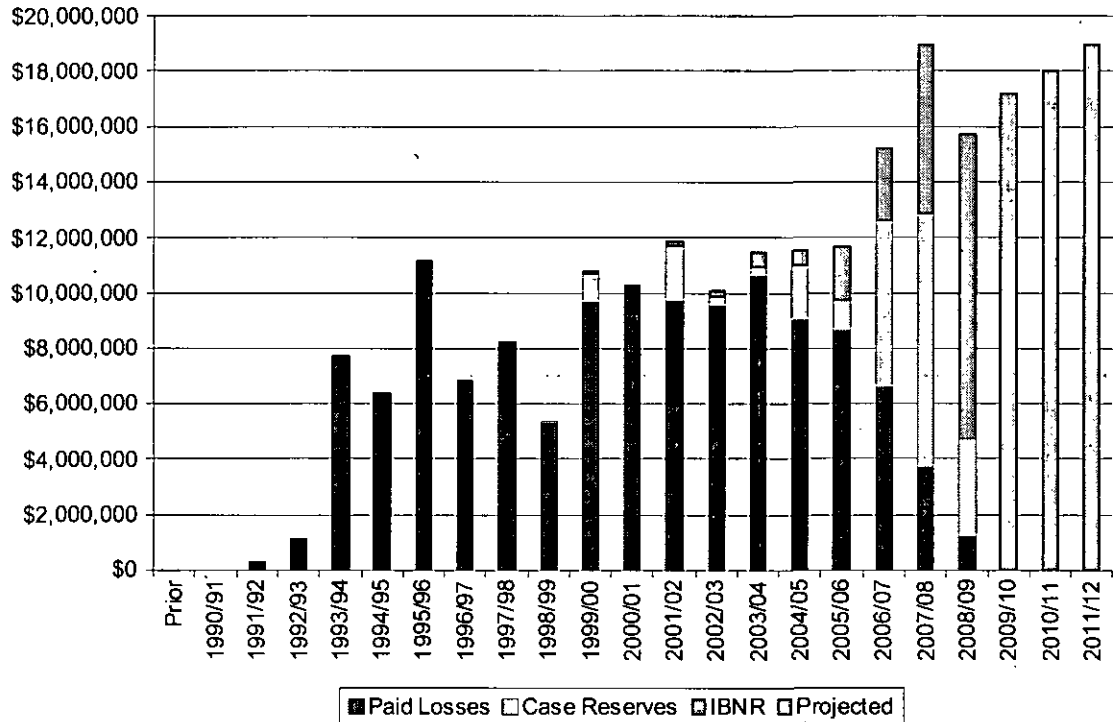


Note: Frequency amounts are from Exhibit LI-8, Section 1, column (7).  
Severity amounts are based on Exhibits LI-8 and LI-9.



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

A list of large claims with limited reported incurred losses \$1 million or greater as of June 30, 2009 is as shown in Exhibit LI-22.

#### 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	13,641	85.5%	85.5%	\$8,159,939	4.2%	4.2%
(B) \$5,000 to \$10,000	737	4.6%	90.1%	5,148,815	2.7%	6.9%
(C) \$10,000 to \$50,000	1,072	6.7%	96.9%	24,720,717	12.9%	19.8%
(D) \$50,000 to \$100,000	238	1.5%	98.4%	16,797,619	8.7%	28.6%
(E) \$100,000 to \$250,000	166	1.0%	99.4%	26,081,999	13.6%	42.1%
(F) \$250,000 to \$500,000	50	0.3%	99.7%	17,434,521	9.1%	51.2%
(G) \$300,000 to \$750,000	15	0.1%	99.8%	9,170,411	4.8%	56.0%
(H) \$500,000 to \$1,000,000	7	0.0%	99.9%	6,282,260	3.3%	59.3%
(I) \$1,000,000 to \$2,000,000	14	0.1%	99.9%	18,170,918	9.5%	68.7%
(J) Over \$2,000,000	9	0.1%	100.0%	60,051,902	31.3%	100.0%
(K) Total (A) ... (J)	15,949	100.0%		\$192,019,101	100.0%	

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

About 90% of the non-zero claims reported are below \$10,000 and they represent about 7% of the incurred amounts. The remaining 10% of the claims consume about 93% of the incurred amounts.

A size of loss distribution by year and loss layer as of June 30, 2009 is as shown in Exhibit LI-23.

## 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 2009/10 through 2011/12 to be as shown in Table III-5.

**Table III-5**  
**Recommended Funding by Department**  
**2009/10 through 2011/12**  
**(at \$2 Million LIABILITY SIR)**

Department (1)	Projected Loss Funds 2009/10 (2)	Projected Loss Funds 2010/11 (3)	Projected Loss Funds 2011/12 (4)
(A) Fire Department	\$1,856,385	\$1,882,509	\$1,891,623
(B) Parks and Recreation	361,067	366,148	367,921
(C) Police Services Agency	9,176,223	9,305,357	9,350,405
(D) Public Works	2,563,412	2,599,486	2,612,070
(E) Other	3,004,587	3,046,869	3,061,619
(F) Total	\$16,961,674	\$17,200,369	\$17,283,638

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 2009/10 through 2011/12. 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 64) and five years of incurred losses in Exhibit LI-28 (page 65). 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 66 and 67, 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 68) to measure department departure from the average.

In Exhibit LI-32 (page 69), 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 2009/10. A similar calculation is performed in Exhibits LI-33 and LI-34 (pages 70 and 71, respectively) for 2010/11 and 2011/12, respectively.

The exhibits are described in greater detail below.

1. **LI-27** shows **Payroll** for the five-year period 2004/05 through 2008/09 and calculates each department's percent of payroll.
2. **LI-28** shows **Unlimited Losses** for 2004/05 through 2008/09 and calculates each department's percent of losses.
3. **LI-29** calculates **Relative Loss Rates** for each of the five years from 2004/05 through 2008/09. 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 2004/05 through 2008/09. 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 2009/10. 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 2010/11 and 2011/12, 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.

**Table III-6A  
Analysis by Department  
2004/05 through 2008/09**

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	0.28	\$33,616	\$0.93
(B) Parks and Recreation	0.83	10,727	0.89
(C) Police Services Agency	1.83	20,782	3.81
(D) Public Works	7.54	8,700	6.56
(E) Other	0.88	19,721	1.73
(F) Total	1.99	\$14,644	\$2.92

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

Exhibit LI-25 shows the cumulative payments as of June 30, 2009 by department for the latest seven claim periods from 1999/00 to 2008/09. Table III-6B shows the summary.

**Table III-6B  
Payments by Department  
1999/00 through 2008/09 as of June 30, 2009**

Department (1)	Total Paid (2)
(A) Fire Department	\$3,988,518
(B) Parks and Recreation	1,712,510
(C) Police Services Agency	38,570,535
(D) Public Works	21,894,725
(E) Other	12,674,763
(F) Total	\$78,841,051

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

Exhibit LI-26 shows the top three categories of loss by frequency and average payment. This is shown by department and represents the combined loss experience from 2004/05 through 2008/09 valued as of June 30, 2009.

**7. Affirm GASB Statement No. 10**

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

**Appendix A**  
**Conditions and Limitations**



## Conditions and Limitations

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

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

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

**Appendix B**  
**Glossary of Actuarial Terms**

## Glossary of Actuarial Terms

### Actuarial Methods (Most Common)

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

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

The following describes each method:

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

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

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

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

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

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

## **Actuary**

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

## **Allocated Loss Adjustment Expenses**

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

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

## **American Academy of Actuaries**

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

## **Benefits**

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

## **Casualty Actuarial Society**

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

## **Claim**

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

## **Claims Made**

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

## **Composite Rate**

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

## **Confidence Level**

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

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

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

## **Coverage**

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

## **Credibility**

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

## **Dates**

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

## **Deductible**

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

## **Disability**

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

## **Dividend (Policyholder)**

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

## **Estimated Outstanding Losses**

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

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

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

## **Experience Rating**

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

## **Exposure Data**

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

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



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

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

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

## **Incurred But Not Reported**

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

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

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

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

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

## **Investment Income**

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

## **Limited**

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

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

## **Loss Development**

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

## **Manual Rates**

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

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

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

## **Net**

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

## **Occurrence**

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

## **Pool**

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

## **Premium**

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

## **Present Value**

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

## **Probability**

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

## **Projected Losses Paid**

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

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

## **Projected Ultimate Losses**

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

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

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

## **Rate**

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

## **Retrospective Rating**

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

## **Salvage**

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

## **Schedule Rating**

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

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

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

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

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

## **Standard Premium**

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

## **State Fund**

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

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

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

## **Unallocated Loss Adjustment Expenses**

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

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

**Appendix C**

**Exhibits**

## Exhibits

The attached exhibits detail our analysis.

CITY OF OAKLAND  
LIABILITY

Exhibit LI-1

Data Summary as of June 30, 2009

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/09 (4)	Payroll (000) (5)	Reported Claims 6/30/09 (6)	Open Claims 6/30/09 (7)	Limited Paid Losses 6/30/09 (8)	Limited Case Reserves 6/30/09 (9)	Limited Reported Incurred Losses 6/30/09 (10)
to 1989/90	Unlimited	None	240.0	Not Provided	41	2	\$615,399	\$185,301	\$800,700
1990/91	Unlimited	None	228.0	Not Provided	18	0	21,366	0	21,366
1991/92	Unlimited	None	216.0	Not Provided	21	0	280,340	0	280,340
1992/93	Unlimited	None	204.0	Not Provided	183	0	1,149,212	0	1,149,212
1993/94	Unlimited	None	192.0	Not Provided	1,067	0	7,744,158	0	7,744,158
1994/95	Unlimited	None	180.0	Not Provided	1,149	0	6,370,435	0	6,370,435
1995/96	Unlimited	None	168.0	Not Provided	1,175	0	11,164,037	0	11,164,037
1996/97	Unlimited	None	156.0	Not Provided	1,215	0	6,845,343	0	6,845,343
1997/98	Unlimited	None	144.0	Not Provided	1,100	0	8,242,641	0	8,242,641
1998/99	2,000,000	25,000,000	132.0	Not Provided	1,092	3	5,330,731	26,125	5,356,856
1999/00	2,000,000	25,000,000	120.0	256,973	1,260	2	9,633,023	1,043,208	10,676,231
2000/01	2,000,000	25,000,000	108.0	273,627	1,231	1	10,209,901	2,002	10,211,903
2001/02	2,000,000	25,000,000	96.0	293,519	1,029	7	9,733,299	1,979,485	11,712,784
2002/03	2,000,000	25,000,000	84.0	305,541	1,083	6	9,550,448	263,280	9,813,728
2003/04	2,000,000	25,000,000	72.0	307,406	808	11	10,632,628	297,434	10,930,062
2004/05	2,000,000	25,000,000	60.0	315,491	707	11	9,003,983	2,002,818	11,006,801
2005/06	2,000,000	25,000,000	48.0	326,085	681	45	8,605,437	1,109,541	9,714,978
2006/07	2,000,000	25,000,000	36.0	354,814	692	76	6,571,042	6,049,034	12,620,076
2007/08	2,000,000	25,000,000	24.0	370,278	852	173	3,673,441	9,150,042	12,823,483
2008/09	2,000,000	25,000,000	12.0	377,769	545	378	1,227,851	3,523,623	4,751,474
Total					15,949	715	\$126,604,714	\$25,631,894	\$152,236,608

\*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 (page 1)

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	100.0%	100.0%	100.0%
204.0	100.0%	100.0%	100.0%
192.0	100.0%	100.0%	100.0%
180.0	100.0%	100.0%	100.0%
168.0	100.0%	100.0%	100.0%
156.0	100.0%	100.0%	100.0%
144.0	100.0%	100.0%	100.0%
132.0	99.5%	100.0%	100.0%
120.0	99.0%	99.8%	100.0%
108.0	98.0%	99.3%	100.0%
96.0	96.1%	98.3%	100.0%
84.0	92.4%	96.9%	100.0%
72.0	88.0%	94.0%	100.0%
60.0	80.0%	90.4%	99.9%
48.0	66.7%	84.1%	99.7%
36.0	50.5%	74.8%	99.2%
24.0	29.7%	56.4%	96.3%
12.0	8.5%	28.2%	68.8%

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

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

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

CITY OF OAKLAND  
LIABILITY

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

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
to 1989/90																					
1990/91																					
1991/92																					
1992/93																					
1993/94																					
1994/95																					
1995/96																					
1996/97																					
1997/98																					
1998/99																					
2000/01																					
2001/02																					
2002/03																					
2003/04																					
2004/05																					
2005/06																					
2006/07																					
2007/08																					
2008/09																					

II. Limited Paid Loss Development

Claim Period	Months of Development:																				
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Lit	
to 1989/90																					
1990/91																					
1991/92																					
1992/93																					
1993/94																					
1994/95																					
1995/96																					
1996/97																					
1997/98																					
1998/99																					
2000/01																					
2001/02																					
2002/03																					
2003/04																					
2004/05																					
2005/06																					
2006/07																					
2007/08																					
2008/09																					

Average	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
5.573																					
4.284																					
4.125																					
5.047																					
x-Row																					
Similar																					
Previous																					
Selected																					
Cumulative																					
Percent																					

Amounts are limited (net of excess insurance).

Data was provided by the City.

CITY OF OAKLAND  
LIABILITY

Exhibit LI-2 (page 3)

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

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

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
to 1989/90																					
1990/91																\$517	\$520	\$520	\$765	\$801	
1991/92															13	13	13	26	21		
1992/93														93	93	143	280	280			
1993/94													229	229	229	1,149	1,149				
1994/95											5,558	3,234	3,250	3,250	7,742	7,744					
1995/96										10,353	16,642	10,403	11,164	11,164	6,370						
1996/97									6,254	7,176	6,474	6,845	6,845								
1997/98								7,820	8,197	8,043	8,233	8,243									
1998/99							4,851	4,936	5,333	5,335	5,357										
1999/00					7,976	8,879	9,188	9,558	9,845	10,676											
2000/01				7,285	9,757	10,320	10,116	10,126	10,212												
2001/02			8,028	8,439	9,692	12,031	11,811	11,713													
2002/03		6,853	8,614	10,269	10,017	10,393	9,814														
2003/04	4,357	6,704	11,033	10,869	11,768	10,930															
2004/05	2,704	4,526	9,184	11,879	11,007																
2005/06	1,725	6,661	9,566	9,715																	
2006/07	5,348	11,580	12,620																		
2007/08	4,828	12,823																			
2008/09	4,751																				

II. Limited Reported Incurred Loss Development

Claim Period	Months of Development:																				
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-UR	
to 1989/90																1.007	0.998	1.472	1.047		
1990/91															1.000	1.000	1.994	0.814			
1991/92														1.000	1.541	1.964	1.001				
1992/93													1.000	1.000	5.013	1.000					
1993/94												1.005	1.000	1.146	1.000						
1994/95										1.608	0.625	1.073	1.000								
1995/96									1.147	0.902	1.057	1.000									
1996/97								1.048	0.581	1.024	1.001										
1997/98								1.018	1.080	1.000	1.004										
1998/99					1.113	1.035	1.040	1.009	1.107												
1999/00				1.339	1.058	0.980	1.001	1.008													
2000/01			1.051	1.149	1.241	0.982	0.992														
2001/02		1.257	1.192	0.975	1.038	0.944															
2002/03		1.539	1.646	0.985	1.083	0.929															
2003/04	1.539	1.646	1.294	0.927																	
2004/05	1.674	2.029	1.016																		
2005/06	3.860	1.436																			
2006/07	2.165	1.090																			
2007/08	2.656																				
2008/09																					
<b>Average</b>																					
All	2.379	1.492	1.107	1.095	1.076	0.985	1.013	1.036	1.059	1.134	0.921	1.019	1.036	1.346	2.138	1.243	1.331	1.143	1.047		
Wtd 3	2.610	1.378	1.090	0.993	1.060	0.969	1.009	1.023	1.038	0.976	0.813	1.033	1.041	1.458	1.121	1.105	1.015				
Last 3	2.894	1.518	1.098	0.995	1.069	0.969	1.011	1.033	1.030	0.977	0.895	1.024	1.049	1.461	2.518	1.321	1.331				
Last 5	2.165	1.446	1.086	1.069	1.070																
x-hi low																					
Similar	1.650	1.285	1.165	1.080	1.050	1.040	1.030	1.015	1.012	1.090											
Previous	1.720	1.310	1.175	1.075	1.045	1.035	1.021	1.018	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	2.000	1.325	1.125	1.075	1.040	1.030	1.015	1.010	1.005	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Cumulative	3.544	1.772	1.337	1.189	1.106	1.063	1.032	1.017	1.007	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Percent	28.2%	56.4%	74.8%	84.1%	90.4%	94.0%	96.9%	98.3%	99.3%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Amounts are limited (net of excess insurance).

Data was provided by the City.

ARM TECH

CITY OF OAKLAND  
LIABILITY

Historical Reported Claims and Reported Claim Development

I. Historical Reported Claims

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
to 1989/90																30	26	28	40	41
1990/91															11	11	11	18	18	
1991/92														9	9	11	21	21		
1992/93													11	11	11	183	183			
1993/94												105	106	107	1,067	1,067				
1994/95											850	850	851	1,147	1,149					
1995/96											1,132	1,133	1,136	1,174	1,175					
1996/97									1,169	1,169	1,177	1,214	1,215							
1997/98								1,061	1,062	1,039	1,100	1,100								
1998/99							1,059	1,061	1,090	1,082	1,092									
1999/00					1,304	1,217	1,217	1,256	1,259	1,260										
2000/01				1,227	1,198	1,201	1,228	1,232	1,231											
2001/02			982	948	953	1,026	1,027													
2002/03		969	939	946	1,090	1,086	1,083													
2003/04	561	745	773	805	806	808														
2004/05	469	657	703	705	707															
2005/06	436	639	651	681																
2006/07	450	643	692																	
2007/08	592	852																		
2008/09	545																			

II. Reported Claim Development

Claim Period	Months of Development:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult
to 1989/90																0.867	1.077	1.428	1.025	
1990/91															1.000	1.000	1.636	1.000		
1991/92														1.000	1.222	1.909	1.000			
1992/93													1.000	1.000	16.638	1.000				
1993/94											1.010	1.009	9.872	1.002	1.000					
1994/95										1.001	1.003	1.031	1.001							
1995/96										1.000	1.007	1.031	1.001							
1996/97										1.001	1.035	1.001	1.000							
1997/98										1.001	1.027	1.002	1.000							
1998/99										1.002	1.032	1.002	1.001							
1999/00					0.933	1.000	1.002	1.027	1.002	1.001										
2000/01					1.003	1.022	1.003	0.999												
2001/02			0.965	0.976	1.005	1.077	1.001	1.002												
2002/03		0.969	1.007	1.152	0.996	0.997														
2003/04	1.328	1.038	1.041	1.001	1.002															
2004/05	1.401	1.070	1.003	1.003																
2005/06	1.466	1.019	1.046																	
2006/07	1.429	1.076																		
2007/08	1.439																			
2008/09																				
<b>Average</b>																				
All	1.413	1.034	1.013	1.028	1.002	1.005	1.010	1.007	1.009	1.002	1.009	1.011	1.090	3.243	4.965	1.194	1.238	1.214	1.025	
Wtd 3	1.444	1.055	1.030	1.060	1.025	1.008	1.013	1.009	1.012	1.003	1.012	1.013	1.140	1.760	1.160	1.049	1.155			
Last 3	1.445	1.055	1.030	1.052	1.025	1.007	1.012	1.010	1.012	1.003	1.011	1.012	1.119	3.991	6.288	1.303	1.238			
Last 5	1.423	1.042	1.017	1.003	1.000															
x-hi-low																				
Similar	1.190	1.040	1.025	1.013	1.010	1.008	1.007	1.006	1.005	1.005										
Previous	1.350	1.020	1.005	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.400	1.030	1.005	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.454	1.038	1.008	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Percent	88.8%	96.3%	99.2%	99.7%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data was provided by the City.

CITY OF OAKLAND  
LIABILITY

Historical Ratio of Limited Paid Losses and Limited Reported Incurred Losses

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

Claim Period	Months of Development:					100	120	132	144	156	168	180	192	204	216	228	240
	12	24	36	48	60												
to 1989/90																	
1990/91																	
1991/92																	
1992/93																	
1993/94																	
1994/95																	
1995/96																	
1996/97																	
1997/98																	
1998/99																	
1999/00																	
2000/01																	
2001/02																	
2002/03																	
2003/04																	
2004/05																	
2005/06																	
2006/07																	
2007/08																	
2008/09																	
Average																	
All	18.9%	37.5%	51.0%	74.9%	85.6%	98.4%	98.7%	99.2%	99.5%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Last 3	21.3%	34.1%	59.2%	74.3%	86.8%	98.5%	99.5%	99.8%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Last 5	20.9%	36.7%	57.0%	74.0%	86.2%	93.1%	99.5%	99.8%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
x-HiLow																	
Impact	30.1%	52.6%	67.6%	79.3%	88.5%	93.6%	98.7%	99.2%	99.5%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

CITY OF OAKLAND  
LIABILITY

Exhibit LI-3

Developed Limited Paid Losses

Claim Period (1)	Months of Development 6/30/09 (2)	Limited Paid Losses 6/30/09 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
to 1989/90	240.0	\$615,399	100.0%	\$615,399
1990/91	228.0	21,366	100.0%	21,366
1991/92	216.0	280,340	100.0%	280,340
1992/93	204.0	1,149,212	100.0%	1,149,212
1993/94	192.0	7,744,158	100.0%	7,744,158
1994/95	180.0	6,370,435	100.0%	6,370,435
1995/96	168.0	11,164,037	100.0%	11,164,037
1996/97	156.0	6,845,343	100.0%	6,845,343
1997/98	144.0	8,242,641	100.0%	8,242,641
1998/99	132.0	5,330,731	99.5%	5,357,385
1999/00	120.0	9,633,023	99.0%	9,709,544 *
2000/01	108.0	10,209,901	98.0%	10,375,128 *
2001/02	96.0	9,733,299	96.1%	10,127,767
2002/03	84.0	9,550,448	92.4%	10,170,709 *
2003/04	72.0	10,632,628	88.0%	11,808,877 *
2004/05	60.0	9,003,983	80.0%	11,253,916
2005/06	48.0	8,605,437	66.7%	12,906,936
2006/07	36.0	6,571,042	50.5%	13,009,434
2007/08	24.0	3,673,441	29.7%	12,363,634
2008/09	12.0	1,227,851	8.5%	14,463,944

\* - 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 6/30/09 (2)	Limited Reported Incurred Losses 6/30/09 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
to 1989/90	240.0	\$800,700	100.0%	\$800,700
1990/91	228.0	21,366	100.0%	21,366
1991/92	216.0	280,340	100.0%	280,340
1992/93	204.0	1,149,212	100.0%	1,149,212
1993/94	192.0	7,744,158	100.0%	7,744,158
1994/95	180.0	6,370,435	100.0%	6,370,435
1995/96	168.0	11,164,037	100.0%	11,164,037
1996/97	156.0	6,845,343	100.0%	6,845,343
1997/98	144.0	8,242,641	100.0%	8,242,641
1998/99	132.0	5,356,856	100.0%	5,356,856
1999/00	120.0	10,676,231	99.8%	10,693,583 *
2000/01	108.0	10,211,903	99.3%	10,269,469 *
2001/02	96.0	11,712,784	98.3%	11,878,679 *
2002/03	84.0	9,813,728	96.9%	10,066,395 *
2003/04	72.0	10,930,062	94.0%	11,495,392 *
2004/05	60.0	11,006,801	90.4%	11,960,069 *
2005/06	48.0	9,714,978	84.1%	11,548,938
2006/07	36.0	12,620,076	74.8%	16,009,699 *
2007/08	24.0	12,823,483	56.4%	22,045,374 *
2008/09	12.0	4,751,474	28.2%	14,746,236 *

\* - 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 6/30/09 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 6/30/09 [(4)-(3)]/ [100.0%-(3)] (5)	Limited Paid Losses 6/30/09 (6)	Limited Case Reserves 6/30/09 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
to 1989/90	240.0	100.0%	100.0%	100.0%	\$615,399	\$185,301	\$800,700
1990/91	228.0	100.0%	100.0%	100.0%	21,366	0	21,366
1991/92	216.0	100.0%	100.0%	100.0%	280,340	0	280,340
1992/93	204.0	100.0%	100.0%	100.0%	1,149,212	0	1,149,212
1993/94	192.0	100.0%	100.0%	100.0%	7,744,158	0	7,744,158
1994/95	180.0	100.0%	100.0%	100.0%	6,370,435	0	6,370,435
1995/96	168.0	100.0%	100.0%	100.0%	11,164,037	0	11,164,037
1996/97	156.0	100.0%	100.0%	100.0%	6,845,343	0	6,845,343
1997/98	144.0	100.0%	100.0%	100.0%	8,242,641	0	8,242,641
1998/99	132.0	99.5%	100.0%	100.0%	5,330,731	26,125	5,356,856
1999/00	120.0	99.0%	99.8%	79.9%	9,633,023	1,043,208	10,938,827
2000/01	108.0	98.0%	99.3%	64.7%	10,209,901	2,002	10,212,995
2001/02	96.0	96.1%	98.3%	56.9%	9,733,299	1,979,485	11,777,848 *
2002/03	84.0	92.4%	96.9%	58.7%	9,550,448	263,280	9,998,679
2003/04	72.0	88.0%	94.0%	50.4%	10,632,628	297,434	11,223,347
2004/05	60.0	80.0%	90.4%	52.1%	9,003,983	2,002,818	11,395,204 *
2005/06	48.0	66.7%	84.1%	52.4%	8,605,437	1,109,541	10,724,852
2006/07	36.0	50.5%	74.8%	49.0%	6,571,042	6,049,034	16,439,270 *
2007/08	24.0	29.7%	56.4%	38.0%	3,673,441	9,150,042	23,612,078 *
2008/09	12.0	8.5%	28.2%	21.6%	1,227,851	3,523,623	-14,720,450 *

\* - 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 2008/09

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	Preliminary Projected Ultimate Limited Losses (5)
to 1989/90	\$615,399	\$800,700	\$800,700	\$819,230
1990/91	21,366	21,366	21,366	21,366
1991/92	280,340	280,340	280,340	280,340
1992/93	1,149,212	1,149,212	1,149,212	1,149,212
1993/94	7,744,158	7,744,158	7,744,158	7,744,158
1994/95	6,370,435	6,370,435	6,370,435	6,370,435
1995/96	11,164,037	11,164,037	11,164,037	11,164,037
1996/97	6,845,343	6,845,343	6,845,343	6,845,343
1997/98	8,242,641	8,242,641	8,242,641	8,242,641
1998/99	5,357,385	5,356,856	5,356,856	5,359,469
1999/00	9,709,544	10,693,583	10,938,827	10,780,552
2000/01	10,375,128	10,269,469	10,212,995	10,284,224
2001/02	10,127,767	11,878,679	11,777,848	11,910,733
2002/03	10,170,709	10,066,395	9,998,679	10,077,374
2003/04	11,808,877	11,495,392	11,223,347	11,507,824
2004/05	11,253,916	11,960,069	11,395,204	11,578,763
2005/06	12,906,936	11,548,938	10,724,852	11,709,112
2006/07	13,009,434	16,009,699	16,439,270	15,238,491
2007/08	12,363,634	22,045,374	23,612,078	19,610,863
2008/09	14,463,944	14,746,236	14,720,450	14,653,813

(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.

CITY OF OAKLAND  
LIABILITY

Exhibit LI-7

Bornhuetter - Ferguson Analysis

I. A-priori Loss Rate

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2009/10 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)	Projected A-priori Loss Rate per \$100 of Payroll (7)/(5) (8)
1999/00	\$10,780,552	\$256,973	\$4.20	1.219	\$5.11	\$3.60
2000/01	10,284,224	273,627	3.76	1.195	4.49	3.68
2001/02	11,910,733	293,519	4.06	1.172	4.75	3.75
2002/03	10,077,374	305,541	3.30	1.149	3.79	3.82
2003/04	11,507,824	307,406	3.74	1.126	4.22	3.90
2004/05	11,578,763	315,491	3.67	1.104	4.05	3.98
2005/06	11,709,112	326,085	3.59	1.082	3.89	4.06
2006/07	15,238,491	354,814	4.29	1.061	4.56	4.14
2007/08	19,610,863	370,278	5.30	1.040	5.51	4.22
2008/09	14,653,813	377,769	3.88	1.020	3.96	4.31

(7) Projected 2009/10 a-priori loss rate per \$100 of Payroll \$4.39

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

Claim Period (1)	Limited Paid Losses 6/30/09 (2)	Percent Losses Paid (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unpaid Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Paid Losses (2)+(6) (7)
2004/05	\$9,003,983	80.0%	\$3.98	\$315,491	\$2,509,467	\$11,513,450
2005/06	8,605,437	66.7%	4.06	326,085	4,410,174	13,015,610
2006/07	6,571,042	50.5%	4.14	354,814	7,268,560	13,839,602
2007/08	3,673,441	29.7%	4.22	370,278	10,988,540	14,661,981
2008/09	1,227,851	8.5%	4.31	377,769	14,887,726	16,115,576

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

Claim Period (1)	Limited Reported Incurred Losses 6/30/09 (2)	Percent Losses Reported (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unreported Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Reported Losses (2)+(6) (7)
2004/05	\$11,006,801	90.4%	\$3.98	\$315,491	\$1,201,346	\$12,208,147
2005/06	9,714,978	84.1%	4.06	326,085	2,101,391	11,816,369
2006/07	12,620,076	74.8%	4.14	354,814	3,704,996	16,325,072
2007/08	12,823,483	56.4%	4.22	370,278	6,811,091	19,634,573
2008/09	4,751,474	28.2%	4.31	377,769	11,678,326	16,429,800

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 6/30/09 (2)	Reported Claims 6/30/09 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)	Payroll (000) (6)	Frequency per \$1M of Payroll (5)/(6)X1,000 (7)
1999/00	120.0	1,260	100.0%	1,260	\$256,973	4.90
2000/01	108.0	1,231	100.0%	1,231	273,627	4.50
2001/02	96.0	1,029	100.0%	1,029	293,519	3.51
2002/03	84.0	1,083	100.0%	1,083	305,541	3.54
2003/04	72.0	808	100.0%	808	307,406	2.63
2004/05	60.0	707	99.9%	708	315,491	2.24
2005/06	48.0	681	99.7%	683	326,085	2.09
2006/07	36.0	692	99.2%	698	354,814	1.97
2007/08	24.0	852	96.3%	885	370,278	2.39
2008/09	12.0	545	68.8%	792	377,769	2.10

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (2009/10 = 1.000) (5)	Trended Average Claim Severity (4)X(5) (6)	De-Trended Projected 2009/10 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
1999/00	\$10,780,552	1,260	\$8,556	1.638	\$14,017	\$13,555	\$17,079,370
2000/01	10,284,224	1,231	8,354	1.559	13,027	14,241	17,530,598
2001/02	11,910,733	1,029	11,575	1.484	17,180	14,962	15,395,417
2002/03	10,077,374	1,083	9,305	1.413	13,146	15,719	17,023,229
2003/04	11,507,824	808	14,242	1.345	19,152	16,514	13,343,269
2004/05	11,578,763	708	16,354	1.280	20,932	17,350	12,283,483
2005/06	11,709,112	683	17,144	1.218	20,886	18,227	12,449,341
2006/07	15,238,491	698	21,832	1.160	25,316	19,150	13,366,524
2007/08	19,610,863	885	22,159	1.104	24,458	20,119	17,805,072
2008/09	14,653,813	792	18,502	1.051	19,439	21,137	16,740,293

(7) Projected 2009/10 average claim severity

\$22,206

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 2008/09

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	B-F Ultimate Limited Paid Losses (5)	B-F Ultimate Limited Reported Losses (6)	Frequency Times Severity (7)	Projected Ultimate Limited Losses (8)
to 1989/90	\$615,399	\$800,700	\$800,700				\$819,230
1990/91	21,366	21,366	21,366				21,366
1991/92	280,340	280,340	280,340				280,340
1992/93	1,149,212	1,149,212	1,149,212				1,149,212
1993/94	7,744,158	7,744,158	7,744,158				7,744,158
1994/95	6,370,435	6,370,435	6,370,435				6,370,435
1995/96	11,164,037	11,164,037	11,164,037				11,164,037
1996/97	6,845,343	6,845,343	6,845,343				6,845,343
1997/98	8,242,641	8,242,641	8,242,641				8,242,641
1998/99	5,357,385	5,356,856	5,356,856				5,359,469
1999/00	9,709,544	10,693,583	10,938,827				10,781,000
2000/01	10,375,128	10,269,469	10,212,995				10,284,000
2001/02	10,127,767	11,878,679	11,777,848				11,911,000
2002/03	10,170,709	10,066,395	9,998,679				10,077,000
2003/04	11,808,877	11,495,392	11,223,347				11,508,000
2004/05	11,253,916	11,960,069	11,395,204	11,513,450	12,208,147	12,283,483	11,579,000
2005/06	12,906,936	11,548,938	10,724,852	13,015,610	11,816,369	12,449,341	11,709,000
2006/07	13,009,434	16,009,699	16,439,270	13,839,602	16,325,072	13,366,524	15,238,000
2007/08	12,363,634	22,045,374	23,612,078	14,661,981	19,634,573	17,805,072	19,008,000
2008/09	14,463,944	14,746,236	14,720,450	16,115,576	16,429,800	16,740,293	15,750,000

(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 2009/10 and Subsequent

Claim Period (1)	Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2009/10 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)
1999/00	\$10,781,000	\$256,973	\$4.20	1.219	\$5.11
2000/01	10,284,000	273,627	3.76	1.195	4.49
2001/02	11,911,000	293,519	4.06	1.172	4.75
2002/03	10,077,000	305,541	3.30	1.149	3.79
2003/04	11,508,000	307,406	3.74	1.126	4.22
2004/05	11,579,000	315,491	3.67	1.104	4.05
2005/06	11,709,000	326,085	3.59	1.082	3.89
2006/07	15,238,000	354,814	4.29	1.061	4.56
2007/08	19,008,000	370,278	5.13	1.040	5.34
2008/09	15,750,000	377,769	4.17	1.020	4.25
Total	\$127,845,000	\$3,181,501	\$4.02		\$4.45

Claim Period (1)	Projected Limited Loss Rate per \$100 of Payroll (7)	Projected Payroll (000) (8)	Projected Ultimate Limited Losses (7)X(8)X10 (9)	Present Value Factor (10)	Present Value of Projected Limited Loss Rate per \$100 of Payroll (7)X(10) (11)	Present Value of Projected Ultimate Limited Losses (8)X(11)X10 (12)
2009/10	\$4.42	\$389,102	\$17,190,000	0.88	\$3.88	\$15,097,000
2010/11	4.51	400,775	18,060,000	0.88	3.96	15,861,000
2011/12	4.60	412,798	18,974,000	0.88	4.04	16,663,000
2012/13	4.69	425,182	19,934,000	0.88	4.12	17,507,000
2013/14	4.78	437,937	20,943,000	0.88	4.20	18,392,000
2014/15	4.88	451,076	22,003,000	0.88	4.28	19,323,000
2015/16	4.98	464,608	23,116,000	0.88	4.37	20,301,000
2016/17	5.07	478,546	24,286,000	0.88	4.46	21,328,000
2017/18	5.18	492,903	25,514,000	0.88	4.55	22,407,000
2018/19	5.28	507,690	26,805,000	0.88	4.64	23,541,000

(2) is from Exhibit LI-9.

(3) was provided by the City.

(5) is based on a 2% trend.

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

(7) for 2010/11 and subsequent are based on 2009/10 plus a 2% trend.

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

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

CITY OF OAKLAND  
LIABILITY

Exhibit LI-11

Estimated Outstanding Losses as of June 30, 2009

Claim Period (1)	Limited Paid Losses 6/30/09 (2)	Limited Case Reserves 6/30/09 (3)	Limited Reported Incurred Losses 6/30/09 (4)	Projected Ultimate Limited Losses (5)	Estimated IBNR 6/30/09 (5)-(4) (6)	Estimated Outstanding Losses 6/30/09 (3)+(6) (7)	Present Value Factor (8)	Present Value of Estimated Outstanding Losses 6/30/09 (7)X(8) (9)
to 1989/90	\$615,399	\$185,301	\$800,700	\$819,230	\$18,530	\$203,831	1.00	\$203,831
1990/91	21,366	0	21,366	21,366	0	0	1.00	0
1991/92	280,340	0	280,340	280,340	0	0	1.00	0
1992/93	1,149,212	0	1,149,212	1,149,212	0	0	1.00	0
1993/94	7,744,158	0	7,744,158	7,744,158	0	0	1.00	0
1994/95	6,370,435	0	6,370,435	6,370,435	0	0	1.00	0
1995/96	11,164,037	0	11,164,037	11,164,037	0	0	1.00	0
1996/97	8,845,343	0	8,845,343	8,845,343	0	0	1.00	0
1997/98	8,242,641	0	8,242,641	8,242,641	0	0	1.00	0
1998/99	5,330,731	26,125	5,356,856	5,359,469	2,613	28,738	0.98	28,183
1999/00	9,633,023	1,043,208	10,676,231	10,781,000	104,769	1,147,977	0.96	1,104,193
2000/01	10,209,901	2,002	10,211,903	10,284,000	72,097	74,099	0.95	70,593
2001/02	9,733,299	1,979,485	11,712,784	11,911,000	198,216	2,177,701	0.95	2,064,521
2002/03	9,550,448	263,280	9,813,728	10,077,000	263,272	526,552	0.95	497,753
2003/04	10,632,628	297,434	10,930,062	11,508,000	577,938	875,372	0.94	818,805
2004/05	9,003,983	2,002,818	11,006,801	11,579,000	572,199	2,575,017	0.93	2,399,996
2005/06	8,605,437	1,109,541	9,714,978	11,709,000	1,994,022	3,103,563	0.93	2,886,603
2006/07	6,571,042	6,049,034	12,620,076	15,238,000	2,617,924	8,666,958	0.92	7,996,474
2007/08	3,673,441	9,150,042	12,823,483	19,008,000	6,184,517	15,334,559	0.91	14,030,294
2008/09	1,227,851	3,523,623	4,751,474	15,750,000	10,998,526	14,522,149	0.90	13,117,716
Total	\$126,604,714	\$25,831,894	\$152,236,608	\$175,841,231	\$23,604,623	\$49,236,516		\$45,218,962

(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, 2009 to June 30, 2010

Claim Period (1)	Months of Development 6/30/09 (2)	Percent Losses Paid (3)	Months of Development 6/30/10 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/09 to 6/30/10 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/09 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/10 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/10 (9)X(10) (11)
to 1989/90	240.0	100.0%	252.0	100.0%	100.0%	\$203,831	\$203,831	\$0	1.00	\$0
1990/91	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.00	0
1991/92	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
1992/93	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
1993/94	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.00	0
1994/95	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.00	0
1995/96	168.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.00	0
1996/97	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
1997/98	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
1998/99	132.0	99.5%	144.0	100.0%	100.0%	28,738	28,738	0	1.00	0
1999/00	120.0	99.0%	132.0	99.5%	49.9%	1,147,977	572,557	575,420	0.98	584,300
2000/01	108.0	98.0%	120.0	99.0%	49.7%	74,099	36,819	37,280	0.96	35,858
2001/02	96.0	96.1%	108.0	98.0%	49.3%	2,177,701	1,074,671	1,103,030	0.95	1,050,841
2002/03	84.0	92.4%	96.0	96.1%	48.7%	526,552	256,389	270,163	0.95	256,122
2003/04	72.0	88.0%	84.0	92.4%	36.7%	875,372	321,223	554,149	0.95	523,841
2004/05	60.0	80.0%	72.0	88.0%	40.0%	2,575,017	1,030,493	1,544,524	0.94	1,444,716
2005/06	48.0	66.7%	60.0	80.0%	40.0%	3,103,563	1,241,777	1,861,786	0.93	1,735,242
2006/07	36.0	50.5%	48.0	66.7%	32.7%	8,668,958	2,830,567	5,836,391	0.93	5,428,389
2007/08	24.0	29.7%	36.0	50.5%	29.6%	15,334,559	4,537,461	10,797,098	0.92	9,961,824
2008/09	12.0	8.5%	24.0	29.7%	23.2%	14,522,149	3,367,881	11,154,268	0.91	10,205,553
2009/10	0.0	0.0%	12.0	8.5%	8.5%	17,190,000	1,459,267	15,730,733	0.90	14,209,418
Total						\$66,426,516	\$16,961,674	\$49,464,842		\$45,416,103

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

(7) to 2008/09 is from Exhibit LI-11. 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-13

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

Claim Period (1)	Months of Development 6/30/10 (2)	Percent Losses Paid (3)	Months of Development 6/30/11 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/10 to 6/30/11 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/10 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/11 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/11 (9)X(10) (11)
to 1989/90	252.0	100.0%	264.0	100.0%	100.0%	\$0	\$0	\$0	1.00	\$0
1990/91	240.0	100.0%	252.0	100.0%	100.0%	0	0	0	1.00	0
1991/92	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.00	0
1992/93	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
1993/94	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
1994/95	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.00	0
1995/96	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.00	0
1996/97	168.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.00	0
1997/98	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
1998/99	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
1999/00	132.0	99.5%	144.0	100.0%	100.0%	575,420	575,420	0	1.00	0
2000/01	120.0	99.0%	132.0	99.5%	49.9%	37,280	18,594	18,686	0.98	18,325
2001/02	108.0	98.0%	120.0	99.0%	49.7%	1,103,030	548,083	554,947	0.96	533,781
2002/03	96.0	96.1%	108.0	98.0%	49.3%	270,163	133,322	136,841	0.95	130,366
2003/04	84.0	92.4%	96.0	96.1%	48.7%	554,149	269,827	284,322	0.95	269,545
2004/05	72.0	88.0%	84.0	92.4%	36.7%	1,544,524	566,772	977,752	0.95	924,275
2005/06	60.0	80.0%	72.0	88.0%	40.0%	1,861,786	745,066	1,116,720	0.94	1,044,557
2006/07	48.0	66.7%	60.0	80.0%	40.0%	5,836,391	2,335,218	3,501,173	0.93	3,263,202
2007/08	36.0	50.5%	48.0	66.7%	32.7%	10,797,098	3,526,256	7,270,842	0.93	6,762,561
2008/09	24.0	29.7%	36.0	50.5%	29.6%	11,154,268	3,300,523	7,853,745	0.92	7,246,172
2009/10	12.0	8.5%	24.0	29.7%	23.2%	15,730,733	3,648,167	12,082,566	0.91	11,054,896
2010/11	0.0	0.0%	12.0	8.5%	8.5%	18,060,000	1,533,122	16,526,878	0.90	14,928,568
<b>Total</b>						<b>\$67,524,842</b>	<b>\$17,200,370</b>	<b>\$50,324,472</b>		<b>\$46,176,248</b>

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

(7) to 2009/10 is from Exhibit LI-12, (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-14

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

Claim Period (1)	Months of Development 6/30/11 (2)	Percent Losses Paid (3)	Months of Development 6/30/12 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/11 to 6/30/12 [(5)-(3)]/[100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/11 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/12 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/12 (9)X(10) (11)
to 1989/90	284.0	100.0%	276.0	100.0%	100.0%	\$0	\$0	\$0	1.00	\$0
1990/91	252.0	100.0%	284.0	100.0%	100.0%	0	0	0	1.00	0
1991/92	240.0	100.0%	252.0	100.0%	100.0%	0	0	0	1.00	0
1992/93	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.00	0
1993/94	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
1994/95	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
1995/96	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.00	0
1996/97	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.00	0
1997/98	168.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.00	0
1998/99	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
1999/00	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
2000/01	132.0	99.5%	144.0	100.0%	100.0%	18,686	18,686	0	1.00	0
2001/02	120.0	89.0%	132.0	99.5%	49.9%	554,947	276,782	278,165	0.98	272,789
2002/03	108.0	98.0%	120.0	99.0%	49.7%	136,841	67,995	68,846	0.96	66,220
2003/04	96.0	96.1%	108.0	98.0%	49.3%	284,322	140,310	144,012	0.95	137,198
2004/05	84.0	92.4%	96.0	96.1%	48.7%	977,752	478,088	501,664	0.95	475,592
2005/06	72.0	88.0%	84.0	92.4%	36.7%	1,116,720	409,787	706,933	0.95	668,268
2006/07	60.0	80.0%	72.0	88.0%	40.0%	3,501,173	1,401,131	2,100,042	0.94	1,964,336
2007/08	48.0	66.7%	60.0	80.0%	40.0%	7,270,842	2,909,181	4,361,661	0.93	4,085,222
2008/09	36.0	50.5%	48.0	66.7%	32.7%	7,853,745	2,564,978	5,288,767	0.93	4,919,046
2009/10	24.0	29.7%	36.0	50.5%	29.6%	12,082,566	3,575,204	8,507,362	0.92	7,849,224
2010/11	12.0	8.5%	24.0	29.7%	23.2%	16,526,878	3,832,804	12,694,074	0.91	11,614,393
2011/12	0.0	0.0%	12.0	8.5%	8.5%	18,974,000	1,810,712	17,363,288	0.90	15,684,089
Total						\$69,298,472	\$17,283,638	\$52,014,834		\$47,716,377

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

(7) to 2010/11 is from Exhibit LI-13, (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-15

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

Claim Period (1)	Months of Development 6/30/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/12 to 6/30/13 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/12 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/13 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/13 (9)X(10) (11)
to 1989/90	276.0	100.0%	288.0	100.0%	100.0%	\$0	\$0	\$0	1.00	\$0
1990/91	284.0	100.0%	276.0	100.0%	100.0%	0	0	0	1.00	0
1991/92	252.0	100.0%	284.0	100.0%	100.0%	0	0	0	1.00	0
1992/93	240.0	100.0%	252.0	100.0%	100.0%	0	0	0	1.00	0
1993/94	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.00	0
1994/95	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
1995/96	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
1996/97	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.00	0
1997/98	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.00	0
1998/99	168.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.00	0
1999/00	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
2000/01	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
2001/02	132.0	99.5%	144.0	100.0%	100.0%	278,165	278,165	0	1.00	0
2002/03	120.0	99.0%	132.0	99.5%	49.9%	68,846	34,337	34,509	0.98	33,842
2003/04	108.0	98.0%	120.0	99.0%	49.7%	144,012	71,558	72,454	0.98	69,691
2004/05	96.0	96.1%	108.0	98.0%	49.3%	501,664	247,566	254,098	0.95	242,076
2005/06	84.0	92.4%	96.0	96.1%	48.7%	706,933	344,220	362,713	0.95	343,862
2006/07	72.0	88.0%	84.0	92.4%	36.7%	2,100,042	770,622	1,329,420	0.95	1,256,709
2007/08	60.0	80.0%	72.0	88.0%	40.0%	4,361,681	1,745,497	2,616,184	0.94	2,447,125
2008/09	48.0	66.7%	60.0	80.0%	40.0%	5,288,767	2,116,106	3,172,661	0.93	2,957,019
2009/10	36.0	50.5%	48.0	66.7%	32.7%	8,507,382	2,778,444	5,728,918	0.93	5,328,428
2010/11	24.0	29.7%	36.0	50.5%	29.6%	12,694,074	3,756,148	8,937,926	0.92	8,246,480
2011/12	12.0	8.5%	24.0	29.7%	23.2%	17,363,298	4,026,779	13,336,509	0.91	12,202,186
2012/13	0.0	0.0%	12.0	8.5%	8.5%	19,934,000	1,692,206	18,241,794	0.90	16,477,635
Total						\$71,948,834	\$17,861,648	\$54,087,186		\$49,605,053

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

(7) to 2011/12 is from Exhibit LI-14, (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-16

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

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 8/30/13 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
to 1989/90	288.0	100.0%	300.0	100.0%	100.0%	\$0	\$0	\$0	1.00	\$0
1990/91	276.0	100.0%	288.0	100.0%	100.0%	0	0	0	1.00	0
1991/92	264.0	100.0%	276.0	100.0%	100.0%	0	0	0	1.00	0
1992/93	252.0	100.0%	264.0	100.0%	100.0%	0	0	0	1.00	0
1993/94	240.0	100.0%	252.0	100.0%	100.0%	0	0	0	1.00	0
1994/95	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.00	0
1995/96	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
1996/97	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
1997/98	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.00	0
1998/99	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.00	0
1999/00	168.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.00	0
2000/01	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
2001/02	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
2002/03	132.0	99.5%	144.0	100.0%	100.0%	34,509	34,509	0	1.00	0
2003/04	120.0	99.0%	132.0	99.5%	49.9%	72,454	36,137	36,317	0.98	35,615
2004/05	108.0	98.0%	120.0	99.0%	49.7%	254,098	126,258	127,840	0.98	122,964
2005/06	96.0	96.1%	108.0	98.0%	49.3%	362,713	178,995	183,718	0.95	175,026
2006/07	84.0	92.4%	96.0	96.1%	48.7%	1,328,420	647,322	682,098	0.95	646,848
2007/08	72.0	88.0%	84.0	92.4%	36.7%	2,816,184	960,023	1,656,161	0.95	1,565,579
2008/09	60.0	80.0%	72.0	88.0%	40.0%	3,172,661	1,269,664	1,902,997	0.94	1,780,024
2009/10	48.0	66.7%	60.0	80.0%	40.0%	5,728,918	2,292,217	3,436,701	0.93	3,203,112
2010/11	36.0	50.5%	48.0	66.7%	32.7%	8,937,926	2,919,063	6,018,863	0.93	5,598,104
2011/12	24.0	29.7%	36.0	50.5%	29.6%	13,336,509	3,946,243	9,390,266	0.92	8,663,826
2012/13	12.0	8.5%	24.0	29.7%	23.2%	18,241,794	4,230,516	14,011,278	0.91	12,819,563
2013/14	0.0	0.0%	12.0	8.5%	8.5%	20,943,000	1,777,861	19,165,139	0.90	17,311,684
<b>Total</b>						<b>\$75,030,186</b>	<b>\$18,418,808</b>	<b>\$56,611,378</b>		<b>\$51,922,145</b>

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

(7) to 2012/13 is from Exhibit LI-15, (9). The amount for 2013/14 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, 2014 to June 30, 2015

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(5)-(3)]/[100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
to 1989/90	300.0	100.0%	312.0	100.0%	100.0%	\$0	\$0	\$0	1.00	\$0
1990/91	288.0	100.0%	300.0	100.0%	100.0%	0	0	0	1.00	0
1991/92	276.0	100.0%	288.0	100.0%	100.0%	0	0	0	1.00	0
1992/93	264.0	100.0%	276.0	100.0%	100.0%	0	0	0	1.00	0
1993/94	252.0	100.0%	264.0	100.0%	100.0%	0	0	0	1.00	0
1994/95	240.0	100.0%	252.0	100.0%	100.0%	0	0	0	1.00	0
1995/96	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.00	0
1996/97	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
1997/98	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
1998/99	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.00	0
1999/00	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.00	0
2000/01	168.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.00	0
2001/02	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
2002/03	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
2003/04	132.0	99.5%	144.0	100.0%	100.0%	36,317	36,317	0	1.00	0
2004/05	120.0	99.0%	132.0	99.5%	49.9%	127,840	63,761	64,079	0.98	62,841
2005/06	108.0	98.0%	120.0	99.0%	49.7%	183,718	91,287	92,431	0.96	88,906
2006/07	96.0	96.1%	108.0	98.0%	49.3%	682,098	336,608	345,490	0.95	329,143
2007/08	84.0	92.4%	96.0	96.1%	48.7%	1,658,161	806,419	849,742	0.95	805,579
2008/09	72.0	88.0%	84.0	92.4%	36.7%	1,902,997	698,315	1,204,682	0.95	1,138,793
2009/10	60.0	80.0%	72.0	88.0%	40.0%	3,436,701	1,375,330	2,061,371	0.94	1,928,164
2010/11	48.0	66.7%	60.0	80.0%	40.0%	6,018,863	2,408,228	3,610,635	0.93	3,365,224
2011/12	36.0	50.5%	48.0	66.7%	32.7%	9,390,266	3,068,795	6,323,471	0.93	5,881,418
2012/13	24.0	29.7%	36.0	50.5%	29.6%	14,011,278	4,145,906	9,865,372	0.92	9,102,177
2013/14	12.0	8.5%	24.0	29.7%	23.2%	19,165,139	4,444,652	14,720,487	0.91	13,468,451
2014/15	0.0	0.0%	12.0	8.5%	8.5%	22,003,000	1,867,845	20,135,155	0.90	18,187,890
Total						\$78,614,378	\$19,341,463	\$59,272,915		\$54,358,586

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

(7) to 2012/13 is from Exhibit LI-15, (8). The amount for 2013/14 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, 2015 to June 30, 2016

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
to 1989/90	312.0	100.0%	324.0	100.0%	100.0%	\$0	\$0	\$0	1.00	\$0
1990/91	300.0	100.0%	312.0	100.0%	100.0%	0	0	0	1.00	0
1991/92	288.0	100.0%	300.0	100.0%	100.0%	0	0	0	1.00	0
1992/93	276.0	100.0%	288.0	100.0%	100.0%	0	0	0	1.00	0
1993/94	264.0	100.0%	276.0	100.0%	100.0%	0	0	0	1.00	0
1994/95	252.0	100.0%	264.0	100.0%	100.0%	0	0	0	1.00	0
1995/96	240.0	100.0%	252.0	100.0%	100.0%	0	0	0	1.00	0
1996/97	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.00	0
1997/98	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
1998/99	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
1999/00	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.00	0
2000/01	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.00	0
2001/02	168.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.00	0
2002/03	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
2003/04	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
2004/05	132.0	99.5%	144.0	100.0%	100.0%	64,079	64,079	0	1.00	0
2005/06	120.0	99.0%	132.0	99.5%	49.9%	92,431	46,100	46,331	0.98	45,438
2006/07	108.0	98.0%	120.0	99.0%	49.7%	345,490	171,670	173,820	0.96	167,190
2007/08	96.0	96.1%	108.0	98.0%	49.3%	849,742	419,338	430,404	0.95	410,040
2008/09	84.0	92.4%	96.0	96.1%	48.7%	1,204,682	586,585	618,097	0.95	585,973
2009/10	72.0	88.0%	84.0	92.4%	36.7%	2,061,371	756,431	1,304,940	0.95	1,233,568
2010/11	60.0	80.0%	72.0	88.0%	40.0%	3,610,635	1,444,936	2,165,699	0.94	2,025,750
2011/12	48.0	66.7%	60.0	80.0%	40.0%	6,323,471	2,530,105	3,793,366	0.93	3,535,535
2012/13	36.0	50.5%	48.0	66.7%	32.7%	9,865,372	3,221,961	6,643,411	0.93	6,178,992
2013/14	24.0	29.7%	36.0	50.5%	29.6%	14,720,487	4,355,759	10,364,728	0.92	9,562,903
2014/15	12.0	8.5%	24.0	29.7%	23.2%	20,135,155	4,669,612	15,465,543	0.91	14,150,137
2015/16	0.0	0.0%	12.0	8.5%	8.5%	23,116,000	1,962,328	21,153,672	0.90	19,107,906
<b>Total</b>						<b>\$82,388,915</b>	<b>\$20,228,904</b>	<b>\$62,160,011</b>		<b>\$57,003,430</b>

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

(7) to 2012/13 is from Exhibit LI-15. (9). The amount for 2013/14 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, 2016 to June 30, 2017

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
to 1989/90	324.0	100.0%	336.0	100.0%	100.0%	\$0	\$0	\$0	1.00	\$0
1990/91	312.0	100.0%	324.0	100.0%	100.0%	0	0	0	1.00	0
1991/92	300.0	100.0%	312.0	100.0%	100.0%	0	0	0	1.00	0
1992/93	288.0	100.0%	300.0	100.0%	100.0%	0	0	0	1.00	0
1993/94	276.0	100.0%	288.0	100.0%	100.0%	0	0	0	1.00	0
1994/95	264.0	100.0%	276.0	100.0%	100.0%	0	0	0	1.00	0
1995/96	252.0	100.0%	264.0	100.0%	100.0%	0	0	0	1.00	0
1996/97	240.0	100.0%	252.0	100.0%	100.0%	0	0	0	1.00	0
1997/98	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.00	0
1998/99	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
1999/00	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
2000/01	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.00	0
2001/02	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.00	0
2002/03	168.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.00	0
2003/04	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
2004/05	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
2005/06	132.0	99.5%	144.0	100.0%	100.0%	46,331	46,331	0	1.00	0
2006/07	120.0	99.0%	132.0	99.5%	49.9%	173,820	86,693	87,127	0.98	85,443
2007/08	108.0	98.0%	120.0	99.0%	49.7%	430,404	213,863	216,541	0.98	208,282
2008/09	96.0	96.1%	108.0	98.0%	49.3%	618,097	305,024	313,073	0.95	298,260
2009/10	84.0	92.4%	96.0	96.1%	48.7%	1,304,940	635,403	669,537	0.95	634,740
2010/11	72.0	88.0%	84.0	92.4%	36.7%	2,165,699	794,715	1,370,984	0.95	1,296,000
2011/12	60.0	80.0%	72.0	88.0%	40.0%	3,793,366	1,518,063	2,275,303	0.94	2,128,272
2012/13	48.0	66.7%	60.0	80.0%	40.0%	6,643,411	2,658,118	3,985,293	0.93	3,714,417
2013/14	36.0	50.5%	48.0	66.7%	32.7%	10,364,728	3,385,047	6,979,681	0.93	6,491,754
2014/15	24.0	29.7%	36.0	50.5%	29.6%	15,465,543	4,576,219	10,889,324	0.92	10,046,916
2015/16	12.0	8.5%	24.0	29.7%	23.2%	21,153,672	4,905,819	16,247,853	0.91	14,885,909
2016/17	0.0	0.0%	12.0	8.5%	8.5%	24,286,000	2,061,650	22,224,350	0.90	20,075,039
Total						\$86,446,011	\$21,186,945	\$65,259,066		\$59,845,032

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

(7) to 2012/13 is from Exhibit LI-15, (9). The amount for 2013/14 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, 2017 to June 30, 2018

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(5)-(3)]/[100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
to 1989/90	336.0	100.0%	348.0	100.0%	100.0%	\$0	\$0	\$0	1.00	\$0
1990/91	324.0	100.0%	336.0	100.0%	100.0%	0	0	0	1.00	0
1991/92	312.0	100.0%	324.0	100.0%	100.0%	0	0	0	1.00	0
1992/93	300.0	100.0%	312.0	100.0%	100.0%	0	0	0	1.00	0
1993/94	288.0	100.0%	300.0	100.0%	100.0%	0	0	0	1.00	0
1994/95	276.0	100.0%	288.0	100.0%	100.0%	0	0	0	1.00	0
1995/96	264.0	100.0%	276.0	100.0%	100.0%	0	0	0	1.00	0
1996/97	252.0	100.0%	264.0	100.0%	100.0%	0	0	0	1.00	0
1997/98	240.0	100.0%	252.0	100.0%	100.0%	0	0	0	1.00	0
1998/99	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.00	0
1999/00	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
2000/01	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
2001/02	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.00	0
2002/03	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.00	0
2003/04	168.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.00	0
2004/05	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
2005/06	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
2006/07	132.0	99.5%	144.0	100.0%	100.0%	87,127	87,127	0	1.00	0
2007/08	120.0	99.0%	132.0	99.5%	49.9%	218,541	108,000	108,541	0.98	106,443
2008/09	108.0	98.0%	120.0	99.0%	49.7%	313,073	155,562	157,511	0.96	151,503
2009/10	96.0	96.1%	108.0	98.0%	49.3%	669,537	330,409	339,128	0.95	323,082
2010/11	84.0	92.4%	96.0	96.1%	48.7%	1,370,984	667,561	703,423	0.95	666,865
2011/12	72.0	88.0%	84.0	92.4%	36.7%	2,275,303	834,935	1,440,368	0.95	1,361,589
2012/13	60.0	80.0%	72.0	88.0%	40.0%	3,985,293	1,594,870	2,390,423	0.94	2,235,953
2013/14	48.0	66.7%	60.0	80.0%	40.0%	6,979,681	2,792,664	4,187,017	0.93	3,902,430
2014/15	36.0	50.5%	48.0	66.7%	32.7%	10,889,324	3,556,376	7,332,948	0.93	6,820,325
2015/16	24.0	29.7%	36.0	50.5%	29.6%	18,247,853	4,807,703	11,440,150	0.92	10,555,129
2016/17	12.0	8.5%	24.0	29.7%	23.2%	22,224,350	5,154,124	17,070,226	0.91	15,618,336
2017/18	0.0	0.0%	12.0	8.5%	8.5%	25,514,000	2,165,895	23,348,105	0.90	21,090,116
Total						\$90,773,066	\$22,255,226	\$68,517,840		\$62,831,771

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

(7) to 2012/13 is from Exhibit LI-15, (9). The amount for 2013/14 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, 2018 to June 30, 2019

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(5)-(3)]/[100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
to 1989/90	348.0	100.0%	360.0	100.0%	100.0%	\$0	\$0	\$0	1.00	\$0
1990/91	336.0	100.0%	348.0	100.0%	100.0%	0	0	0	1.00	0
1991/92	324.0	100.0%	336.0	100.0%	100.0%	0	0	0	1.00	0
1992/93	312.0	100.0%	324.0	100.0%	100.0%	0	0	0	1.00	0
1993/94	300.0	100.0%	312.0	100.0%	100.0%	0	0	0	1.00	0
1994/95	288.0	100.0%	300.0	100.0%	100.0%	0	0	0	1.00	0
1995/96	276.0	100.0%	288.0	100.0%	100.0%	0	0	0	1.00	0
1996/97	264.0	100.0%	276.0	100.0%	100.0%	0	0	0	1.00	0
1997/98	252.0	100.0%	264.0	100.0%	100.0%	0	0	0	1.00	0
1998/99	240.0	100.0%	252.0	100.0%	100.0%	0	0	0	1.00	0
1999/00	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.00	0
2000/01	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
2001/02	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
2002/03	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.00	0
2003/04	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.00	0
2004/05	168.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.00	0
2005/06	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
2006/07	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
2007/08	132.0	99.5%	144.0	100.0%	100.0%	108,541	108,541	0	1.00	0
2008/09	120.0	99.0%	132.0	99.5%	49.9%	157,511	78,559	78,952	0.98	77,426
2009/10	108.0	98.0%	120.0	99.0%	49.7%	339,128	168,509	170,619	0.96	164,112
2010/11	96.0	96.1%	108.0	98.0%	49.3%	703,423	347,131	356,292	0.95	339,434
2011/12	84.0	92.4%	96.0	96.1%	48.7%	1,440,368	701,345	739,023	0.95	700,614
2012/13	72.0	88.0%	84.0	92.4%	36.7%	2,390,423	877,179	1,513,244	0.95	1,430,479
2013/14	60.0	80.0%	72.0	88.0%	40.0%	4,187,017	1,675,598	2,511,419	0.94	2,349,130
2014/15	48.0	66.7%	60.0	80.0%	40.0%	7,332,948	2,934,011	4,398,937	0.93	4,099,946
2015/16	36.0	50.5%	48.0	66.7%	32.7%	11,440,150	3,738,272	7,703,878	0.93	7,165,325
2016/17	24.0	29.7%	36.0	50.5%	29.6%	17,070,226	5,051,041	12,019,185	0.92	11,089,369
2017/18	12.0	8.5%	24.0	29.7%	23.2%	23,348,105	5,414,738	17,933,367	0.91	16,408,063
2018/19	0.0	0.0%	12.0	8.5%	8.5%	26,805,000	2,275,489	24,529,511	0.90	22,157,269
Total						\$95,322,840	\$23,368,413	\$71,954,427		\$65,981,167

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

(7) to 2012/13 is from Exhibit LI-15, (9). The amount for 2013/14 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 6/30/09 (5)	Limited Case Reserves 6/30/09 (6)	Limited Reported Incurred Losses 6/30/09 (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
20784	3/23/2000	1999/00	2,000,000	37,069	1,043,207	1,080,276
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	106,356	1,893,644 *	2,000,000 *
X01528	4/25/2002	2001/02	2,000,000	1,638,881	0	1,638,881
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	420,106	1,579,894 *	2,000,000 *
X02454	11/9/2004	2004/05	2,000,000	1,323,044	0	1,323,044
X02666	6/27/2005	2004/05	2,000,000	1,342,844	0	1,342,844
25256	3/6/2006	2005/06	2,000,000	1,124,032	0	1,124,032
X02960	12/7/2006	2006/07	2,000,000	783,492	1,216,508 *	2,000,000 *
25878	1/16/2007	2006/07	2,000,000	134,644	1,505,369 *	1,640,013 *
26639	12/18/2007	2007/08	2,000,000	25,584	1,019,827 *	1,045,411
26639-B	12/18/2007	2007/08	2,000,000	0	1,010,000 *	1,010,000
26776	3/5/2008	2007/08	2,000,000	1,389	1,509,933 *	1,511,323 *
X03258	3/8/2008	2007/08	2,000,000	82,638	1,029,969 *	1,112,607
26717	7/24/2008	2008/09	2,000,000	138,731	1,016,216 *	1,154,947 *

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)	2004/05 (3)	2005/06 (4)	2006/07 (5)	2007/08 (6)	2008/09 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	1,838	11	1	4	0	3	1,857		
0.01 - 5,000	8,970	583	543	565	689	434	11,178	11,178	83.8%
5,000 - 10,000	557	31	25	32	40	52	737	12,521	88.9%
10,000 - 50,000	779	54	69	51	76	43	1,072	13,593	96.6%
50,000 - 100,000	160	13	21	15	23	6	238	13,831	98.1%
100,000 - 250,000	105	8	15	18	16	4	166	13,997	99.3%
250,000 - 500,000	36	3	5	2	3	1	50	14,047	99.7%
500,000 - 750,000	10	0	1	2	1	1	15	14,062	99.8%
750,000 - 1,000,000	5	1	0	1	0	0	7	14,069	99.8%
1,000,000 - 2,000,000	5	2	0	1	4	0	14	14,083	99.9%
Over 2,000,000	7	1	0	1	0	0	9	14,092	100.0%
Total	12,472	707	681	692	852	545	15,949	14,092	

II. Total Reported Incurred Losses

Layer (1)	Prior (2)	2004/05 (3)	2005/06 (4)	2006/07 (5)	2007/08 (6)	2008/09 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
0.01 - 5,000	5,608,052	439,985	490,662	470,144	523,674	427,421	8,159,939	8,159,939	4.2%
5,000 - 10,000	3,885,076	230,603	180,248	217,852	289,681	345,355	5,148,815	13,308,754	6.9%
10,000 - 50,000	17,585,066	1,306,325	1,540,933	1,391,371	2,012,294	884,728	24,720,717	38,029,471	19.8%
50,000 - 100,000	11,396,542	890,184	1,491,272	1,075,035	1,502,460	442,126	16,797,619	54,827,090	28.6%
100,000 - 250,000	16,654,787	1,333,551	2,170,834	3,106,846	2,174,288	641,696	26,081,999	80,909,089	42.1%
250,000 - 500,000	12,181,388	1,269,039	2,165,341	667,228	921,324	250,201	17,434,521	98,343,610	51.2%
500,000 - 750,000	6,090,872	0	1,551,655	1,202,460	1,720,424	605,000	9,170,411	107,514,021	56.0%
750,000 - 1,000,000	4,581,908	871,228	0	849,127	0	0	6,282,260	113,796,281	59.3%
1,000,000 - 2,000,000	6,908,667	2,665,888	1,124,032	1,640,013	4,679,341	1,154,947	18,170,818	131,967,199	68.7%
Over 2,000,000	28,750,863	2,572,092	0	28,728,958	0	0	60,051,902	192,019,101	100.0%
Total	\$113,801,250	\$11,578,882	\$9,714,978	\$39,349,034	\$12,823,483	\$4,751,474	\$192,019,101	\$192,019,101	

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)	2004/05 (2)	2005/06 (3)	2006/07 (4)	2007/08 (5)	2008/09 (6)	2004/05 to 2008/09 (7)
<b>I. Payroll</b>						
Fire Department	\$64,410,370	\$66,573,163	\$72,438,489	\$75,417,311	\$76,684,124	\$355,523,457
Parks and Recreation	9,421,343	9,737,696	10,595,621	10,331,786	9,532,615	49,619,061
Police Services Agency	105,567,030	109,111,795	118,724,921	125,852,050	142,148,068	601,403,863
Public Works	46,429,594	47,988,623	52,216,586	53,844,307	38,093,598	238,572,707
Other	89,662,586	92,673,306	100,838,144	104,832,307	111,310,326	499,316,670
<b>Total</b>	<b>\$315,490,924</b>	<b>\$326,084,583</b>	<b>\$354,813,761</b>	<b>\$370,277,760</b>	<b>\$377,768,730</b>	<b>\$1,744,435,758</b>
<b>II. Number of Reported Claims as of June 30, 2009</b>						
Fire Department	26	22	13	22	15	98
Parks and Recreation	10	12	6	10	3	41
Police Services Agency	236	205	212	275	175	1,103
Public Works	376	360	342	438	282	1,798
Other	59	82	119	107	70	437
<b>Total</b>	<b>707</b>	<b>681</b>	<b>692</b>	<b>852</b>	<b>545</b>	<b>3,477</b>
<b>III. Limited Reported Incurred Losses as of June 30, 2009</b>						
Fire Department	\$2,798,476	\$207,765	\$52,496	\$191,135	\$44,497	\$3,294,369
Parks and Recreation	27,897	82,369	98,131	221,728	9,680	439,805
Police Services Agency	4,421,126	5,235,305	6,089,460	4,386,590	2,790,274	22,922,754
Public Works	2,024,676	3,077,240	2,872,075	6,572,362	1,095,493	15,641,847
Other	1,734,627	1,112,299	3,507,915	1,451,668	811,529	8,618,037
<b>Total</b>	<b>\$11,006,801</b>	<b>\$9,714,978</b>	<b>\$12,620,076</b>	<b>\$12,823,483</b>	<b>\$4,751,474</b>	<b>\$50,916,811</b>
<b>IV. Number of Claims per \$1 Million of Payroll [Section II / (Section I / \$1,000,000)]</b>						
Fire Department	0.40	0.33	0.18	0.29	0.20	0.28
Parks and Recreation	1.06	1.23	0.57	0.97	0.31	0.83
Police Services Agency	2.24	1.88	1.79	2.19	1.23	1.83
Public Works	8.10	7.50	6.55	8.13	7.40	7.54
Other	0.66	0.88	1.18	1.02	0.63	0.88
<b>Total</b>	<b>2.24</b>	<b>2.09</b>	<b>1.95</b>	<b>2.30</b>	<b>1.44</b>	<b>1.99</b>
<b>V. Average Cost per Claim (Section III / Section II)</b>						
Fire Department	\$107,634	\$9,444	\$4,038	\$8,688	\$2,966	\$33,616
Parks and Recreation	2,790	6,864	16,355	22,173	3,227	10,727
Police Services Agency	18,734	25,538	28,724	15,951	15,944	20,782
Public Works	5,385	8,548	8,398	15,005	3,885	8,700
Other	29,400	13,565	29,478	13,567	11,593	19,721
<b>Total</b>	<b>\$15,568</b>	<b>\$14,266</b>	<b>\$18,237</b>	<b>\$15,051</b>	<b>\$8,718</b>	<b>\$14,644</b>
<b>VI. Loss Rate per \$100 of Payroll [Section III / (Section I / \$100)]</b>						
Fire Department	\$4.34	\$0.31	\$0.07	\$0.25	\$0.06	\$0.93
Parks and Recreation	0.30	0.85	0.93	2.15	0.10	0.89
Police Services Agency	4.19	4.80	5.13	3.49	1.96	3.81
Public Works	4.36	6.41	5.50	12.21	2.88	6.56
Other	1.93	1.20	3.48	1.38	0.73	1.73
<b>Total</b>	<b>\$3.49</b>	<b>\$2.98</b>	<b>\$3.56</b>	<b>\$3.46</b>	<b>\$1.26</b>	<b>\$2.92</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, 2008

Claim Period (1)	Fire Department (2)	Parks and Recreation (3)	Police Services Agency (4)	Public Works (5)	Other (6)	Limited Paid Losses 6/30/06 (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
<b>Total</b>	<b>\$2,972,827</b>	<b>\$1,550,650</b>	<b>\$32,768,646</b>	<b>\$18,937,961</b>	<b>\$9,169,078</b>	<b>\$65,399,163</b>

II. As of June 30, 2009

Claim Period (1)	Fire Department (2)	Parks and Recreation (3)	Police Services Agency (4)	Public Works (5)	Other (6)	Limited Paid Losses 6/30/09 (7)
1999/00	\$94,725	\$423,677	\$5,795,991	\$2,390,683	\$927,948	\$9,633,023
2000/01	113,709	370,605	6,429,967	1,875,386	1,420,235	10,209,901
2001/02	170,917	389,145	4,907,703	3,199,207	1,066,326	9,733,299
2002/03	502,576	161,078	5,340,604	1,986,491	1,559,699	9,550,448
2003/04	250,170	84,626	5,001,136	3,969,975	1,326,720	10,632,628
2004/05	2,498,270	27,897	2,776,644	1,989,385	1,711,787	9,003,983
2005/06	207,264	82,369	4,249,268	2,956,715	1,109,820	8,605,437
2006/07	47,433	46,420	2,349,622	1,840,083	2,287,484	6,571,042
2007/08	70,739	125,639	1,298,653	1,371,895	806,515	3,673,441
2008/09	32,715	1,054	420,948	314,905	458,228	1,227,851
<b>Total</b>	<b>\$3,988,518</b>	<b>\$1,712,510</b>	<b>\$38,570,535</b>	<b>\$21,894,725</b>	<b>\$12,674,763</b>	<b>\$78,841,052</b>

III. Actual Paid During 2008/09 [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 6/30/09 (7)
1999/00	\$0	\$0	\$37,722	\$1,145	\$4,136	\$43,002
2000/01	0	223	148,594	0	59	148,876
2001/02	0	0	1,331,360	745	48,092	1,380,197
2002/03	0	0	-65,927	14,386	67,736	16,195
2003/04	59	0	30,398	99,021	282,269	411,747
2004/05	916,107	0	-346,326	120,893	1,258,532	1,949,207
2005/06	19,576	13,793	1,706,235	877,764	-46,538	2,570,829
2006/07	1,500	27,204	1,418,393	542,181	895,118	2,884,397
2007/08	45,734	119,586	1,120,492	985,724	538,053	2,809,588
2008/09	32,715	1,054	420,948	314,905	458,228	1,227,851
<b>Total</b>	<b>\$1,015,691</b>	<b>\$161,860</b>	<b>\$5,801,890</b>	<b>\$2,956,764</b>	<b>\$3,505,684</b>	<b>\$13,441,889</b>

(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-28

Analysis by Cause of Loss  
Claim Periods 2004/05 through 2008/09 as of June 30, 2009

I. Fire Department

a. Top Three Loss Categories (Frequency)

Cause	Count	Total Paid
City Vehicle Against Another Vehicle	55	\$239,710
Fire Dept.: Fire Response Related Dmgs.	15	6,307
Personnel/Labor: Grievance - Other	4	89,427

b. Top Three Average Payment Categories

Cause	Count	Total Paid	Average Payment
Personnel/Labor: Compensation & Benefits	2	\$1,325,487	\$662,743
Personnel/Labor: Sexual Harrassment	1	871,226	871,226
City Vehicle Against Another Vehicle	55	239,710	4,358

II. Parks and Recreation

a. Top Three Loss Categories (Frequency)

Cause	Count	Total Paid
Dangerous Condition: OPR-Rec. Centers	11	\$65,417
Misc.	7	3,928
Dangerous Condition: Park Fac./Sports	5	19,233

b. Top Three Average Payment Categories

Cause	Count	Total Paid	Average Payment
Personnel/Labor: A.D.A. / Discrimination	1	\$68,016	\$68,016
Dangerous Condition: OPR-Rec. Centers	11	65,417	5,947
Personnel/Labor: Grievance - Other	1	39,368	39,368

III. Police Services Agency

a. Top Three Loss Categories (Frequency)

Cause	Count	Total Paid
City Vehicle Against Another Vehicle	173	\$1,063,110
Police: Towing - Red Zone, Tickets, etc.	136	62,878
Police: Force - Civil Rights	108	1,919,290

b. Top Three Average Payment Categories

Cause	Count	Total Paid	Average Payment
Police: Force - Civil Rights	108	\$1,919,290	\$17,771
Police: Non-Force Civil Rights	57	1,403,352	24,620
Personnel/Labor: Wrongful Termination	6	1,230,657	205,110

IV. Public Works

a. Top Three Loss Categories (Frequency)

Cause	Count	Total Paid
Dangerous Condition: Streets-holes, etc.	493	\$620,239
Dangerous Cond.: Sidewalks: Trip & Falls	297	1,631,145
Dangerous Condition: - Trees	242	367,884

b. Top Three Average Payment Categories

Cause	Count	Total Paid	Average Payment
Dangerous Condition: Sewers & Floods	164	\$1,931,799	\$11,779
Dangerous Cond.: Sidewalks: Trip & Falls	297	1,631,145	5,492
Dangerous Condition: Streets/Signs/Light	65	936,213	14,403

V. Other

a. Top Three Loss Categories (Frequency)

Cause	Count	Total Paid
Misc.	94	\$22,269
City Govt.: Other	29	237,013
Citations: Parking & Tow Disputes	26	99,083

b. Top Three Average Payment Categories

Cause	Count	Total Paid	Average Payment
Personnel/Labor: Grievance-Lay Off & RIF	4	\$1,551,172	\$387,793
City Govt.: Land Use/Planning	15	679,934	45,329
City Govt.: Ordinance	8	534,293	66,787

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)	2004/05 Payroll (3)	2004/05 Percent Payroll (3)/Total(3) (4)	2005/06 Payroll (5)	2005/06 Percent Payroll (5)/Total(5) (6)	2006/07 Payroll (7)	2006/07 Percent Payroll (7)/Total(7) (8)	2007/08 Payroll (9)	2007/08 Percent Payroll (9)/Total(9) (10)	2008/09 Payroll (11)	2008/09 Percent Payroll (11)/Total(11) (12)	2004/05 to 2008/09 Payroll (3)+(5)+(7)+(9)+(11) (13)	2004/05 to 2008/09 Percent Payroll (13)/Total(13) (14)
DP200	Fire Department	\$64,410,370	20.42%	\$66,573,163	20.42%	\$72,438,489	20.42%	\$75,417,311	20.37%	\$76,684,124	20.30%	\$355,523,457	20.38%
DP5000	Parks and Recreation	9,421,343	2.99%	9,737,696	2.99%	10,595,621	2.99%	10,331,786	2.79%	9,532,615	2.52%	49,619,061	2.84%
DP1000	Police Services Agency	105,567,030	33.46%	109,111,795	33.46%	118,724,921	33.46%	125,852,050	33.99%	142,148,068	37.63%	601,403,863	34.48%
DP300	Public Works	46,429,594	14.72%	47,888,623	14.72%	52,216,586	14.72%	53,844,307	14.54%	38,093,598	10.08%	238,572,707	13.68%
Misc.	Other	89,662,586	28.42%	92,673,306	28.42%	100,838,144	28.42%	104,832,307	28.31%	111,310,326	29.47%	499,316,670	28.62%
Total		\$315,490,924	100.00%	\$326,084,583	100.00%	\$354,813,761	100.00%	\$370,277,760	100.00%	\$377,768,730	100.00%	\$1,744,435,758	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 6/30/09 (3)	Percent Reported Incurred Losses (3)/Total(3) (4)
<b>II. 2004/05</b>			
DP200	Fire Department	\$2,798,476	24.17%
DP5000	Parks and Recreation	27,897	0.24%
DP1000	Police Services Agency	4,993,207	43.12%
DP300	Public Works	2,024,676	17.49%
Misc.	Other	1,734,627	14.98%
<b>Total</b>		<b>\$11,578,882</b>	<b>100.00%</b>
<b>II. 2005/06</b>			
DP200	Fire Department	\$207,765	2.14%
DP5000	Parks and Recreation	82,369	0.85%
DP1000	Police Services Agency	5,235,305	53.89%
DP300	Public Works	3,077,240	31.68%
Misc.	Other	1,112,299	11.45%
<b>Total</b>		<b>\$9,714,978</b>	<b>100.00%</b>
<b>III. 2006/07</b>			
DP200	Fire Department	\$52,496	0.13%
DP5000	Parks and Recreation	98,131	0.25%
DP1000	Police Services Agency	32,818,417	83.40%
DP300	Public Works	2,872,075	7.30%
Misc.	Other	3,507,915	8.91%
<b>Total</b>		<b>\$39,349,034</b>	<b>100.00%</b>
<b>IV. 2007/08</b>			
DP200	Fire Department	\$191,135	1.49%
DP5000	Parks and Recreation	221,728	1.73%
DP1000	Police Services Agency	4,386,590	34.21%
DP300	Public Works	6,572,362	51.25%
Misc.	Other	1,451,668	11.32%
<b>Total</b>		<b>\$12,823,483</b>	<b>100.00%</b>
<b>V. 2008/09</b>			
DP200	Fire Department	\$44,497	0.94%
DP5000	Parks and Recreation	9,680	0.20%
DP1000	Police Services Agency	2,790,274	58.72%
DP300	Public Works	1,095,493	23.06%
Misc.	Other	811,529	17.08%
<b>Total</b>		<b>\$4,751,474</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)
I. 2004/05				
DP200	Fire Department	20.42%	24.17%	1.184
DP5000	Parks and Recreation	2.99%	0.24%	0.081
DP1000	Police Services Agency	33.46%	43.12%	1.289
DP300	Public Works	14.72%	17.49%	1.188
Misc.	Other	28.42%	14.98%	0.527
Total		100.00%	100.00%	1.000

II. 2005/06

DP200	Fire Department	20.42%	2.14%	0.105
DP5000	Parks and Recreation	2.99%	0.85%	0.284
DP1000	Police Services Agency	33.46%	53.89%	1.610
DP300	Public Works	14.72%	31.68%	2.152
Misc.	Other	28.42%	11.45%	0.403
Total		100.00%	100.00%	1.000

III. 2006/07

DP200	Fire Department	20.42%	0.13%	0.007
DP5000	Parks and Recreation	2.99%	0.25%	0.084
DP1000	Police Services Agency	33.46%	83.40%	2.493
DP300	Public Works	14.72%	7.30%	0.496
Misc.	Other	28.42%	8.91%	0.314
Total		100.00%	100.00%	1.000

IV. 2007/08

DP200	Fire Department	20.37%	1.49%	0.073
DP5000	Parks and Recreation	2.79%	1.73%	0.620
DP1000	Police Services Agency	33.99%	34.21%	1.006
DP300	Public Works	14.54%	51.25%	3.525
Misc.	Other	28.31%	11.32%	0.400
Total		100.00%	100.00%	1.000

V. 2008/09

DP200	Fire Department	20.30%	0.94%	0.046
DP5000	Parks and Recreation	2.52%	0.20%	0.081
DP1000	Police Services Agency	37.63%	58.72%	1.561
DP300	Public Works	10.08%	23.06%	2.286
Misc.	Other	29.47%	17.08%	0.580
Total		100.00%	100.00%	1.000

(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)	2004/05 Relative Loss Rate (3)	2005/06 Relative Loss Rate (4)	2006/07 Relative Loss Rate (5)	2007/08 Relative Loss Rate (6)	2008/09 Relative Loss Rate (7)	Average 2004/05 to 2008/09 Relative Loss Rate Average [(3)..(7)] (8)
DP200	Fire Department	1.184	0.105	0.007	0.073	0.046	0.283
DP5000	Parks and Recreation	0.081	0.284	0.084	0.020	0.081	0.230
DP1000	Police Services Agency	1.289	1.610	2.493	1.006	1.561	1.592
DP300	Public Works	1.188	2.152	0.496	3.525	2.286	1.929
Misc.	Other	0.527	0.403	0.314	0.400	0.580	0.445
Total		1.000	1.000	1.000	1.000	1.000	1.000

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

CITY OF OAKLAND  
LIABILITY

Exhibit LI-31

Calculation of Experience Modification Factors

Dept Code (1)	Department (2)	2004/05 to 2008/09 Percent Payroll (3)	Average 2004/05 to 2008/09 Relative Loss Rate (4)	Weight (3)/[(3)+ Max(3)] (5)	Experience Modification Factor [(4)X(5)]+ [1.000-(5)] (6)
DP200	Fire Department	20.38%	0.283	0.639	0.539
DP5000	Parks and Recreation	2.84%	0.230	0.198	0.844
DP1000	Police Services Agency	34.48%	1.592	0.750	1.438
DP300	Public Works	13.68%	1.929	0.543	1.499
Misc.	Other	28.62%	0.445	0.714	0.601
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 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	\$78,984,647	0.539	\$42,585,581	10.94%	\$1,856,385	\$2.35
DP5000	Parks and Recreation	9,818,593	0.844	8,282,904	2.13%	361,067	3.68
DP1000	Police Services Agency	146,412,510	1.438	210,503,098	54.10%	9,176,223	6.27
DP300	Public Works	39,236,406	1.499	58,804,817	15.11%	2,563,412	6.53
Misc.	Other	114,649,636	0.601	68,925,392	17.71%	3,004,587	2.62
<b>Total</b>		<b>\$389,101,792</b>	<b>1.000</b>	<b>\$389,101,792</b>	<b>100.00%</b>	<b>\$16,961,674</b>	<b>\$4.36</b>

(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 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	\$81,354,187	0.539	\$43,863,148	10.94%	\$1,882,509	\$2.31
DP5000	Parks and Recreation	10,113,151	0.844	8,531,391	2.13%	366,148	3.62
DP1000	Police Services Agency	150,804,885	1.438	216,818,191	54.10%	9,305,357	6.17
DP300	Public Works	40,413,498	1.499	60,568,962	15.11%	2,599,486	6.43
Misc.	Other	118,089,125	0.601	70,993,153	17.71%	3,046,869	2.58
<b>Total</b>		<b>\$400,774,846</b>	<b>1.000</b>	<b>\$400,774,846</b>	<b>100.00%</b>	<b>\$17,200,370</b>	<b>\$4.29</b>

(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  
LIABILITY

Exhibit LI-34

Calculation of 2011/12 Projected Premium

Dept Code (1)	Department (2)	Projected 2011/12 Payroll (3)	2011/12 Experience Modification Factor (4)	Experience Rated Projected 2011/12 Payroll (3)X(4) (5)	2011/12 Percent Funding (5)/Total(5) (6)	2011/12 Projected Loss Funds (6)XTotal(7) (7)	2011/12 Payout Rate Per \$100 of Payroll (7) / (3) x 100 (8)
DP200	Fire Department	\$83,794,812	0.539	\$45,179,043	10.94%	\$1,891,623	\$2.26
DP5000	Parks and Recreation	10,416,546	0.844	8,787,333	2.13%	367,921	3.53
DP1000	Police Services Agency	155,329,032	1.438	223,322,737	54.10%	9,350,405	6.02
DP300	Public Works	41,625,903	1.499	62,386,031	15.11%	2,612,070	6.28
Misc.	Other	121,631,799	0.601	73,122,948	17.71%	3,061,619	2.52
<b>Total</b>		<b>\$412,798,091</b>	<b>1.000</b>	<b>\$412,798,091</b>	<b>100.00%</b>	<b>\$17,283,638</b>	<b>\$4.19</b>

(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.