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CITY OF OAKLAND
AGENDA REPORT

TO: Office of the City Administrator
ATTN: Deborah A. Edgerly
FROM: Finance & Management Agency
DATE: March 13, 2007

RE: **Resolution Authorizing the Appropriation of Monies from the Self-Insurance General Liability Fund (Fund 1100) to Departments for FYs 2007-09 Allocation of General Liability Costs based on Implementation of the "Phoenix Model" of Risk Management Cost Allocation**

SUMMARY

On January 6, 2004, City Council directed staff to implement a Risk Management Cost Allocation Program to allocate monies from the Self-Insured General Liability Fund (Fund 1100) to the Oakland Police Department, Oakland Fire Department, Public Works Agency and Office of Parks and Recreation. The monies appropriated to the departments would be used for payment of General Liability claims during the course of the fiscal year. The program began July 1, 2005.

This report transmits the findings of the Risk Management consulting firm, ARM TECH, used to analyze historic loss information for the purpose of fine-tuning the cost allocation amounts for Fiscal Years 2007-09. The data analyzed by ARM TECH was provided by the City Attorney's Office. The consultant's report is attached for Council's review (Attachment A). The findings in the ARM TECH report should be used by the Budget Office to adjust the budget for each department.

FISCAL IMPACT

The total General Liability payout for Fiscal Year 2007-08 is projected to be **\$12,537,237** and the total General Liability payout for Fiscal Year 2008-09 is projected to be **\$12,733,819**. The below estimates for FYs 2007-09 are adjusted to reflect the most recent actuarial review conducted by ARM TECH.

Item: _____
Finance & Management Committee
March 13, 2007

Table 1

| Department | Allocated Percent of Projected Loss | 2007-08 Projected Loss/Proposed Budget | 2008-09 Projected Loss/Proposed Budget |
|------------------------|--|---|---|
| Fire Services Agency | 13.04% | \$1,635,336 | \$1,660,977 |
| Parks and Recreation | 2.61% | \$326,692 | \$331,815 |
| Police Services Agency | 38.11% | \$4,777,879 | \$4,852,796 |
| Public Works Agency | 29.82% | \$3,738,422 | \$3,797,040 |
| Other Departments | 16.42% | \$2,058,908 | \$2,091,191 |
| Total | 100.00% | \$12,537,237 | \$12,733,819 |

The amounts shown in Table 1 should be allocated to each department by the Budget Office during the 07-09 Budget Development Process. The proposed budget amounts include expenditures associated with the management and development of claims (contracted investigators, outside counsel, expert witnesses, etc.).

BACKGROUND

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

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

- 1) Create a system of rewards and/or recognition for employees in each division whose job performance contributed to loss prevention in the previous year;
- 2) Fund the development of a loss prevention program in the Public Works Agency and Oakland Police Department, developed in conjunction with the City Attorney’s Office and Risk Management, to target 15 percent loss reduction;
- 3) Continue regular reporting on losses and loss prevention to the Finance and Management Committee;
- 4) Require departments to return to Council if they exceed their budget allocation and need additional funding for liability payouts; and,
- 5) Allow departments to retain a percentage of their unspent liability budget allocation with input from the Finance Committee to establish guidelines for use of those retained funds.

This report meets the requirements of the Phoenix model reporting structure and provides loss reporting information as required by component 3 of the above directives. It also recommends

an incentive approach for component 5 of the above directive.

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 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 Years 2007-09.

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

- Exhibit LI-23 identifies the number of claims per \$1 million payroll, average cost per claim and loss rate by department
- Exhibit LI-24 identifies the actual paid losses by department for Fiscal Year 2005-06
- Exhibit LI-25 reports the top causes of loss by department relevant to highest frequency and highest average payout over the past 5 years.

It should be noted that all participating departments with exception to the Oakland Police and Fire Departments stayed within the budgeted amount for General Liability losses during FY 2005-06, as shown in the table below.

Table 2

| <u>Department</u> | <u>FY 2005/06 Budget Allocation</u> | <u>FY 2005/06 Actual Paid Losses</u> | <u>Deviation from Budget to Actual</u> |
|---|--|---|---|
| Oakland Fire Department | \$794,868 | \$1,642,721 | +\$847,853 |
| Office of Parks and Recreation | \$238,710 | \$30,105 | -\$208,605 |
| Oakland Police Department | \$3,728,837 | \$4,432,896 | +\$704,059 |
| Public Works Agency | \$4,243,989 | \$3,255,175 | -\$988,814 |
| All Other Agencies/Departments | \$1,605,706 | \$636,198 | -\$969,508 |
| Citywide Total | \$10,612,110 | \$9,997,094 | -\$615,016 |

PROGRAM DESCRIPTION

Since its last report in February 2006, the FMA-Risk Management Division has continued to work closely with all participating departments, particularly the Oakland Police Department

(OPD) and Public Works Agency (PWA), to facilitate their loss prevention efforts. For example, Risk Management funded a number of equipment purchases for OPD to improve officer safety. Risk Management facilitated the outfitting of the entire force with ergonomically-engineered duty gear belts, thereby reducing the risk of back injury and presumed workers' compensation claims among sworn officers. Risk Management continues to collaborate with OPD on a number of other loss reduction initiatives designed specifically to address general liability and workers' compensation loss exposures.

Risk Management continues to support PWA in its departmental safety committee. Staffed by supervisory and management level personnel, one of its objectives is to implement and administer a loss reduction incentive program. Funded by Risk Management, this incentive program is designed to recognize employees who have made contributions to the reduction and/or prevention of loss on a daily basis.

Additionally, Risk Management has made available to PWA the services of a professional safety consultant with the sole purpose of providing dedicated safety services to PWA. This consultant works with PWA three days per week, conducting inspections, accident investigations, trainings, program development and other safety related services.

Risk Management conducted an Employee Health Fair specifically for PWA personnel. This health fair provided PWA employees with a number of health and wellness screenings conducted at no cost to the employee. The intent of this annual event is to increase health awareness among employees and give them confidential access to professional medical resources that may not be available through their personal health care providers. Risk Management also conducted a PWA Safety Academy providing dedicated safety and loss control training to all PWA personnel in an intensive three day training format. Risk Management continues to actively participate in the development and growth of PWA's internal risk management program.

SUSTAINABLE OPPORTUNITIES

Economic: There are potential economic opportunities to be realized as departments increase their risk management focus and draw less liability to the City. Over the course of several years, utilizing proactive risk management techniques, the future liability exposure to the City can be reduced, freeing up monies for use in other City programs and initiatives. This, however, can only be done with concentrated and consistent loss reduction efforts at the department level, the source of the loss exposures.

Environmental: There are no environmental opportunities contained in this report.

Social Equity: No social equity opportunities have been identified.

DISABILITY AND SENIOR CITIZEN ACCESS

There are no ADA or senior citizen access issues contained in this report.

RECOMMENDATION(S) AND RATIONALE

Staff recommends the City Council approve and adopt the attached resolution authorizing the appropriation of monies from the Self-Insurance General Liability Fund (Fund 1100) to departments for the FYs 2007-09 allocation of general liability costs based on the implementation of the “Phoenix Model” of Risk Management Cost Allocation. *Table 1*, in the summary section, reports the amounts recommended by ARM TECH necessary to cover the projected payouts for FYs 2007-09. This estimate is based on data provided by the City Attorney’s Office as analyzed by ARM Tech. This information is also reflected in Exhibit LI-32 and LI-33 of the February 1, 2007 Actuarial Study (Attachment A).

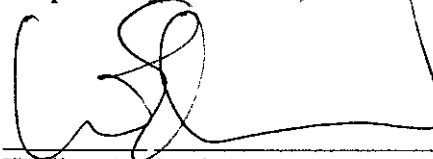
ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council approve and adopt the attached resolution authorizing the appropriation of monies from the Self-Insurance General Liability Fund (Fund 1100) to departments for the FY 2007-09 allocation of general liability costs based on the implementation of the "Phoenix Model" of Risk Management Cost Allocation. The specific amounts to be allocated are represented in the table below:

Table 1

| Department | Allocated Percent of Projected Loss | 2007-08 Projected Loss/Proposed Budget | 2008-09 Projected Loss/Proposed Budget |
|------------------------|--|---|---|
| Fire Services Agency | 13.04% | \$1,635,336 | \$1,660,977 |
| Parks and Recreation | 2.61% | \$326,692 | \$331,815 |
| Police Services Agency | 38.11% | \$4,777,879 | \$4,852,796 |
| Public Works Agency | 29.82% | \$3,738,422 | \$3,797,040 |
| Other Departments | 16.42% | \$2,058,908 | \$2,091,191 |
| Total | 100.00% | \$12,537,237 | \$12,733,819 |

Respectfully submitted,

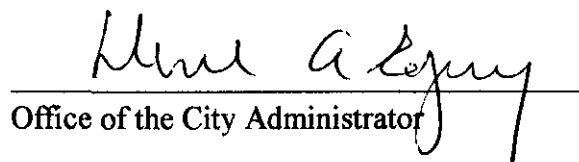


William Noland
Director, Finance & Management Agency

Prepared by:
Deborah Grant, Acting Risk Manager
Risk Management Division

Attachment

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:



Office of the City Administrator

OAKLAND CITY COUNCIL

City Attorney

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING THE BUDGETARY APPROPRIATION OF MONIES FROM THE SELF-INSURANCE GENERAL LIABILITY FUND (FUND 1100) TO DEPARTMENTS FOR FY 2007-08 AND 2008-09 ALLOCATION OF GENERAL LIABILITY COSTS BASED ON IMPLEMENTATION OF THE "PHOENIX MODEL" OF RISK MANAGEMENT COST ALLOCATION

WHEREAS, in 2004, the City Council adopted the Risk Management Cost Allocation Program (RMCAP) to monitor the liability claim and litigation payouts incurred by certain City agencies/departments; and

WHEREAS, the RMCAP is modeled after a program currently utilized by the City of Phoenix, Arizona; and

WHEREAS, the RMCAP budgeted appropriations for claims/litigation payouts in those agencies/departments based upon historical performance and future projections; and

WHEREAS, the Current Expenditure Baseline Budget for Fiscal Years 2005-07 reflects funding allocations established in FY 2004-05; and

WHEREAS, actuarial analysis of claims/litigation payout performance for the past 5 fiscal years has recommended budgetary appropriations for the upcoming budget cycle as listed below:

| Department | 2007-08 Projected Loss / Proposed Budget | 2008-09 Projected Loss / Proposed Budget |
|------------------------|---|---|
| Fire Department | \$1,635,336 | \$1,660,977 |
| Parks and Recreation | \$326,692 | \$331,815 |
| Police Services Agency | \$4,777,879 | \$4,852,796 |
| Public Works Agency | \$3,738,422 | \$3,797,040 |
| Other Departments | \$2,058,908 | \$2,091,191 |
| Total | \$12,537,237 | \$12,733,819 |

now, therefore be it

RESOLVED: That funds be allocated from the self-insurance fund, non-departmental account to establish the actuarially recommended budget appropriations for claims/litigation payments for the departments/agencies and in the amounts listed above, for Fiscal Years 2007-08 and 2008-09.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California



ATTACHMENT A

**City of Oakland,
California**

**Actuarial Study of the
Self-Insured Liability Program
as of June 30, 2006**

February 1, 2007



February 1, 2007

904-009

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, 2006**

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

By Emma M. McCaffrey
Emma M. McCaffrey, ACAS, MAAA
Senior Consultant and Actuary

MD/EMM:blc

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Table of Contents

| | | |
|------|-------------------|---|
| I. | Background | 1 |
| II. | Objectives | 2 |
| III. | Conclusions | 3 |

Appendices

| | |
|---|-----------------------------|
| A | Conditions and Limitations |
| B | Glossary of Actuarial Terms |
| C | Exhibits |

I. Background

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

II. Objectives

The specific objectives of this study are:

1. **Estimate Outstanding Losses.** Estimate outstanding losses (including allocated loss adjustment expenses [ALAE]) as of June 30, 2006.

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 2006/07 through 2008/09.

The projected ultimate losses are the accrual value of losses with accident dates during 2006/07 through 2008/09, regardless of report or payment date. The amounts are limited to the self-insured retention.

3. **Project Losses Paid.** Project losses paid during the 2006/07 through 2008/09 years.

The projected losses paid are the claim disbursements during 2006/07 through 2008/09, regardless of accident or report date. The amounts are limited to the self-insured retention.

4. **Recommend Funding.** Recommend funding by City department for 2006/07 through 2008/09.

The recommend funding is based on expected loss payments in 2006/07 through 2008/09. The funding is allocated by City department based on each department's exposure to loss and actual loss experience.

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

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

III. Conclusions

We have reached the following conclusions:

1. Estimate Outstanding Losses

We estimate outstanding losses as of June 30, 2006 to be as shown in Table III-1.

Table III-1
Estimated Outstanding Losses
June 30, 2006

| | | |
|-----|---|--------------|
| (A) | Estimated outstanding losses | \$38,575,753 |
| (B) | Present value of estimated outstanding losses | 35,471,048 |

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

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

All costs other than losses are additional.

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

2. Project Ultimate Losses

We project ultimate losses for 2006/07 through 2008/09 to be as shown in Tables III-2A through III-2C.

Table III-2A
Projected Ultimate Losses
2006/07

| | Item (1) | Amount (2) | Rate per \$100 of Payroll (3) |
|-----|--|-----------------------|--|
| (A) | Projected ultimate losses | \$12,315,636 | \$3.67 |
| (B) | Present value of projected ultimate losses | 10,945,280 | 3.26 |

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

Table III-2B
Projected Ultimate Losses
2007/08

| | Item (1) | Amount (2) | Rate per \$100 of Payroll (3) |
|-----|--|-----------------------|--|
| (A) | Projected ultimate losses | \$12,938,812 | \$3.74 |
| (B) | Present value of projected ultimate losses | 11,499,115 | 3.32 |

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

Table III-2C
Projected Ultimate Losses
2008/09

| | Item (1) | Amount (2) | Rate per \$100 of Payroll (3) |
|-----|--|-----------------------|--|
| (A) | Projected ultimate losses | \$13,593,516 | \$3.81 |
| (B) | Present value of projected ultimate losses | 12,080,970 | 3.39 |

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

While the loss rates per \$100 of payroll are down approximately 5% compared to the prior actuarial study, the projected payroll is up 17%, resulting in an increase to the projected ultimate losses. We note that the payroll projections are based on a 3% trend from the 2005/06 year, where projections were provided to us for the prior study.

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

All costs other than losses are additional.

Projected ultimate losses for seven additional years (2009/10 through 2015/16) are shown in Exhibit LI-10. We emphasize that due to the length of the projection period, there will be greater than normal variability in the estimates.

3. Project Losses Paid

We project losses paid during 2006/07 through 2008/09 to be as shown in Table III-3.

Table III-3
Projected Losses Paid
2006/07 through 2008/09

| Item (1) | 2006/07 (2) | 2007/08 (3) | 2008/09 (4) |
|---------------------------|------------------------|------------------------|------------------------|
| (A) Projected losses paid | \$12,749,271 | \$12,537,236 | \$12,733,819 |

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 (2009/10 through 2015/16) are shown in Exhibits LI-15 through LI-21. We emphasize that due to the length of the projection period, there will be greater than normal variability in the estimates.

4. Recommend Funding

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

We recommend funding by City department for 2006/07 through 2008/09 to be as shown in Table III-6.

Table III-6
Recommended Funding by Department
2006/07 through 2008/09

| Department (1) | Projected Loss Funds 2006/07 (2) | Projected Loss Funds 2007/08 (3) | Projected Loss Funds 2008/09 (4) |
|----------------------------|---|---|---|
| (A) Fire Department | \$1,662,993 | \$1,635,336 | \$1,660,977 |
| (B) Parks and Recreation | 332,217 | 326,692 | 331,815 |
| (C) Police Services Agency | 4,858,684 | 4,777,879 | 4,852,796 |
| (D) Public Works | 3,801,647 | 3,738,422 | 3,797,040 |
| (E) Other | 2,093,729 | 2,058,908 | 2,091,191 |
| (F) Total | \$12,749,270 | \$12,537,237 | \$12,733,819 |

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

We have shown the funding needs based on expected payments in 2006/07 through 2008/09. Outside legal expenses are included. Other costs including excess insurance, claims adjusting, and other administrative expenses are not included.

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

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

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

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

In Exhibit LI-31, each department's Xmod is applied to its current exposure to generate a "weighted exposure," share of weighted exposure to be applied to the City's project funding needs for 2006/07. A similar calculation is performed in Exhibit LI-32 for 2007/08.

The exhibits are described in greater detail below.

1. **LI-26** shows **Payroll** for the five-year period 2001/02 through 2005/06 and calculates each department's percent of payroll.
2. **LI-27** shows **Unlimited Losses** for 2001/02 through 2005/06 and calculates each department's percent of losses.
3. **LI-28** calculates **Relative Loss Rates** for each of the five years from 2001/02 through 2005/06. The percent of losses divided by the percent of payroll is the relative loss rate.

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

4. **LI-29** calculates an **Average Relative Loss Rate** for years 2001/02 through 2005/06. A five-year average provides stability and mitigates the effects of one bad year a department may have experienced.
5. **LI-30** calculates an **Experience Modification** factor (**Xmod**) for each department. This is a measure of whether a department's loss experience is better or worse than the City's average.

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

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

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

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

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

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

8. **LI-31** calculates each department's recommended funding ("**Projected Loss Funds**") for 2006/07. A department's final loss funds is obtained by:
 - a. Calculating each department's "experience weighted exposure" for the year in which costs are to be allocated. Experience weighted exposure is payroll for the year multiplied by the Xmod calculated in Exhibit LI-30.
 - b. Calculating each department's percent of experience weighted exposure.
 - c. Multiplying the total funding needs by each department's percentage of experience weighted exposure.
9. **LI-32 and LI-33** calculates each department's recommended funding ("**Projected Loss Funds**") for 2007/08 and 2008/09, respectively, in a manner consistent with that used in Exhibit LI-31.

The following points are of importance.

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

5. Analysis by Department and Cause of Loss

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

Table III-5A
Analysis by Department
2001/02 through 2005/06

| 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 | 0.37 | \$20,918 | \$0.78 |
| (B) Parks and Recreation | 4.51 | 2,245 | 1.01 |
| (C) Police Services Agency | 2.41 | 13,992 | 3.37 |
| (D) Public Works | 8.52 | 8,952 | 7.63 |
| (E) Other | 0.78 | 13,127 | 1.02 |
| (F) Total | 2.43 | \$10,853 | \$2.64 |

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

Exhibit LI-24 shows the cumulative payments as of June 30, 2006 by department for the latest seven claim periods from 1999/00 to 2005/06. Table III-5B shows the summary.

Table III-5B
Payments by Department
1999/00 through 2005/06 as of June 30, 2006

| Department (1) | Total Paid (2) |
|----------------------------|-------------------|
| (A) Fire Department | \$2,205,233 |
| (B) Parks and Recreation | 1,401,944 |
| (C) Police Services Agency | 21,503,759 |
| (D) Public Works | 12,206,239 |
| (E) Other | 4,015,579 |
| (F) Total | \$41,332,754 |

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

Exhibit LI-25 shows the top three categories of loss by frequency and average payment. This is shown by department and represents the combined loss experience from 2001/02 through 2005/06 valued as of June 30, 2006.

We note that the Fire Department had one large payment of \$1.3 million (on a 2004/05 claim) since the prior report.

6. 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, 2006

| Claim Period (1) | Specific Self-Insured Retention (2) | Aggregate Retention (3) | Months of Development 6/30/06 (4) | Payroll (000) (5) | Reported Claims 6/30/06 (6) | Open Claims 6/30/06 (7) | Limited Paid Losses 6/30/06 (8) | Limited Case Reserves 6/30/06 (9) | Limited Reported Incurred Losses 6/30/06 (10) |
|------------------------|--|-------------------------------|--|-------------------------|--------------------------------------|----------------------------------|---|---|--|
| to 1988/89 | Unlimited | None | 216.0 | Not Provided | 17 | 0 | \$188,113 | \$0 | \$188,113 |
| 1989/90 | Unlimited | None | 204.0 | Not Provided | 9 | 0 | 332,335 | 0 | 332,335 |
| 1990/91 | Unlimited | None | 192.0 | Not Provided | 11 | 0 | 13,162 | 0 | 13,162 |
| 1991/92 | Unlimited | None | 180.0 | Not Provided | 9 | 0 | 92,502 | 0 | 92,502 |
| 1992/93 | Unlimited | None | 168.0 | Not Provided | 11 | 0 | 229,267 | 0 | 229,267 |
| 1993/94 | Unlimited | None | 156.0 | Not Provided | 106 | 1 | 3,234,571 | 15,000 | 3,249,571 |
| 1994/95 | Unlimited | None | 144.0 | Not Provided | 850 | 0 | 5,560,123 | 0 | 5,560,123 |
| 1995/96 | Unlimited | None | 132.0 | Not Provided | 1,133 | 1 | 10,103,913 | 6,538,417 | 16,642,329 |
| 1996/97 | Unlimited | None | 120.0 | Not Provided | 1,169 | 1 | 7,165,931 | 9,794 | 7,175,725 |
| 1997/98 | Unlimited | None | 108.0 | Not Provided | 1,062 | 3 | 7,643,357 | 553,513 | 8,196,870 |
| 1998/99 | 2,000,000 | None | 96.0 | Not Provided | 1,061 | 5 | 4,827,409 | 108,930 | 4,936,339 |
| 1999/00 | 2,000,000 | None | 84.0 | 256,973 | 1,217 | 4 | 9,150,374 | 37,408 | 9,187,783 |
| 2000/01 | 2,000,000 | None | 72.0 | 273,627 | 1,201 | 8 | 9,302,286 | 1,017,519 | 10,319,805 |
| 2001/02 | 2,000,000 | None | 60.0 | 293,519 | 953 | 17 | 7,116,379 | 2,575,385 | 9,691,764 |
| 2002/03 | 2,000,000 | None | 48.0 | 305,541 | 946 | 23 | 7,758,722 | 2,509,817 | 10,268,539 |
| 2003/04 | 2,000,000 | None | 36.0 | 307,406 | 773 | 48 | 4,556,395 | 6,476,649 | 11,033,045 |
| 2004/05 | 2,000,000 | None | 24.0 | 315,491 | 657 | 54 | 3,020,040 | 1,505,967 | 4,526,006 |
| 2005/06 | 2,000,000 | None | 12.0 | 326,085 | 436 | 193 | 428,557 | 1,296,844 | 1,725,401 |
| Total | | | | | 11,621 | 358 | \$80,723,437 | \$22,645,243 | \$103,368,679 |

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

Data was provided by the City

CITY OF OAKLAND
LIABILITY

Exhibit LI-2

Summary of Percent Losses Paid, Losses Reported and Claims Reported

| Months of Development (1) | Percent Losses Paid (2) | Percent Losses Reported (3) | Percent Claims Reported (4) | Months of Development (5) | Percent Losses Paid (6) | Percent Losses Reported (7) | Percent Claims Reported (8) |
|---------------------------------|----------------------------------|--------------------------------------|--------------------------------------|---------------------------------|----------------------------------|--------------------------------------|--------------------------------------|
| 360.0 | 100.0% | 100.0% | 100.0% | 354.0 | 100.0% | 100.0% | 100.0% |
| 348.0 | 100.0% | 100.0% | 100.0% | 342.0 | 100.0% | 100.0% | 100.0% |
| 336.0 | 100.0% | 100.0% | 100.0% | 330.0 | 100.0% | 100.0% | 100.0% |
| 324.0 | 100.0% | 100.0% | 100.0% | 318.0 | 100.0% | 100.0% | 100.0% |
| 312.0 | 100.0% | 100.0% | 100.0% | 306.0 | 100.0% | 100.0% | 100.0% |
| 300.0 | 100.0% | 100.0% | 100.0% | 294.0 | 100.0% | 100.0% | 100.0% |
| 288.0 | 100.0% | 100.0% | 100.0% | 282.0 | 100.0% | 100.0% | 100.0% |
| 276.0 | 100.0% | 100.0% | 100.0% | 270.0 | 100.0% | 100.0% | 100.0% |
| 264.0 | 100.0% | 100.0% | 100.0% | 258.0 | 100.0% | 100.0% | 100.0% |
| 252.0 | 100.0% | 100.0% | 100.0% | 246.0 | 100.0% | 100.0% | 100.0% |
| 240.0 | 100.0% | 100.0% | 100.0% | 234.0 | 100.0% | 100.0% | 100.0% |
| 228.0 | 100.0% | 100.0% | 100.0% | 222.0 | 99.9% | 100.0% | 100.0% |
| 216.0 | 99.9% | 100.0% | 100.0% | 210.0 | 99.9% | 100.0% | 100.0% |
| 204.0 | 99.9% | 100.0% | 100.0% | 198.0 | 99.9% | 100.0% | 100.0% |
| 192.0 | 99.9% | 100.0% | 100.0% | 186.0 | 99.9% | 100.0% | 100.0% |
| 180.0 | 99.8% | 100.0% | 100.0% | 174.0 | 99.8% | 100.0% | 100.0% |
| 168.0 | 99.8% | 100.0% | 100.0% | 162.0 | 99.7% | 100.0% | 100.0% |
| 156.0 | 99.6% | 100.0% | 100.0% | 150.0 | 99.6% | 100.0% | 100.0% |
| 144.0 | 99.5% | 100.0% | 100.0% | 138.0 | 99.4% | 100.0% | 100.0% |
| 132.0 | 99.3% | 100.0% | 100.0% | 126.0 | 99.1% | 100.0% | 100.0% |
| 120.0 | 99.0% | 99.9% | 100.0% | 114.0 | 98.7% | 99.7% | 100.0% |
| 108.0 | 98.5% | 99.5% | 100.0% | 102.0 | 96.9% | 98.6% | 100.0% |
| 96.0 | 95.2% | 97.7% | 100.0% | 90.0 | 93.1% | 96.7% | 100.0% |
| 84.0 | 91.1% | 95.7% | 100.0% | 78.0 | 87.7% | 94.1% | 100.0% |
| 72.0 | 84.3% | 92.5% | 100.0% | 66.0 | 80.1% | 90.5% | 100.0% |
| 60.0 | 75.8% | 88.5% | 100.0% | 54.0 | 70.0% | 85.4% | 99.9% |
| 48.0 | 64.2% | 82.3% | 99.8% | 42.0 | 56.4% | 76.2% | 99.6% |
| 36.0 | 48.7% | 70.1% | 99.3% | 30.0 | 39.2% | 61.8% | 98.3% |
| 24.0 | 29.7% | 53.5% | 97.4% | 18.0 | 21.6% | 42.3% | 84.7% |
| 12.0 | 13.5% | 31.1% | 72.1% | 6.0 | 6.7% | 15.5% | 36.1% |

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

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-3

Developed Limited Paid Losses

| Claim Period (1) | Months of Development 6/30/06 (2) | Limited Paid Losses 6/30/06 (3) | Percent Losses Paid (4) | Developed Limited Paid Losses (3)/(4) (5) |
|------------------------|--|---|----------------------------------|--|
| to 1988/89 | 216.0 | \$188,113 | 99.9% | \$188,226 |
| 1989/90 | 204.0 | 332,335 | 99.9% | 332,618 |
| 1990/91 | 192.0 | 13,162 | 99.9% | 13,178 |
| 1991/92 | 180.0 | 92,502 | 99.8% | 92,663 |
| 1992/93 | 168.0 | 229,267 | 99.8% | 229,838 |
| 1993/94 | 156.0 | 3,234,571 | 99.6% | 3,246,089 |
| 1994/95 | 144.0 | 5,560,123 | 99.5% | 5,588,451 |
| 1995/96 | 132.0 | 10,103,913 | 99.3% | 10,177,612 |
| 1996/97 | 120.0 | 7,165,931 | 99.0% | 7,240,836 |
| 1997/98 | 108.0 | 7,643,357 | 98.5% | 7,758,007 |
| 1998/99 | 96.0 | 4,827,409 | 95.2% | 5,071,314 |
| 1999/00 | 84.0 | 9,150,374 | 91.1% | 9,849,671 * |
| 2000/01 | 72.0 | 9,302,286 | 84.3% | 10,657,755 * |
| 2001/02 | 60.0 | 7,116,379 | 75.8% | 9,390,758 |
| 2002/03 | 48.0 | 7,758,722 | 64.2% | 10,967,053 * |
| 2003/04 | 36.0 | 4,556,395 | 48.7% | 9,365,241 |
| 2004/05 | 24.0 | 3,020,040 | 29.7% | 7,739,106 * |
| 2005/06 | 12.0 | 428,557 | 13.5% | 3,178,135 |

* - 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 6/30/06 (2) | Limited Reported Incurred Losses 6/30/06 (3) | Percent Losses Reported (4) | Developed Limited Reported Incurred Losses (3)/(4) (5) |
|------------------------|--|---|--------------------------------------|--|
| to 1988/89 | 216.0 | \$188,113 | 100.0% | \$188,113 |
| 1989/90 | 204.0 | 332,335 | 100.0% | 332,335 |
| 1990/91 | 192.0 | 13,162 | 100.0% | 13,162 |
| 1991/92 | 180.0 | 92,502 | 100.0% | 92,502 |
| 1992/93 | 168.0 | 229,267 | 100.0% | 229,267 |
| 1993/94 | 156.0 | 3,249,571 | 100.0% | 3,249,579 |
| 1994/95 | 144.0 | 5,560,123 | 100.0% | 5,560,216 |
| 1995/96 | 132.0 | 16,642,329 | 100.0% | 16,644,192 |
| 1996/97 | 120.0 | 7,175,725 | 99.9% | 7,181,084 |
| 1997/98 | 108.0 | 8,196,870 | 99.5% | 8,237,854 |
| 1998/99 | 96.0 | 4,936,339 | 97.7% | 5,050,319 |
| 1999/00 | 84.0 | 9,187,783 | 95.7% | 9,508,177 * |
| 2000/01 | 72.0 | 10,319,805 | 92.5% | 10,994,833 * |
| 2001/02 | 60.0 | 9,691,764 | 88.5% | 10,690,048 * |
| 2002/03 | 48.0 | 10,268,539 | 82.3% | 11,613,267 * |
| 2003/04 | 36.0 | 11,033,045 | 70.1% | 13,725,789 * |
| 2004/05 | 24.0 | 4,526,006 | 53.5% | 7,998,183 * |
| 2005/06 | 12.0 | 1,725,401 | 31.1% | 5,547,948 |

* - 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 6/30/06 (2) | Percent Losses Paid (3) | Percent Losses Reported (4) | Percent Losses Reserved 6/30/06 [(4)-(3)]/ [100.0%-(3)] (5) | Limited Paid Losses 6/30/06 (6) | Limited Case Reserves 6/30/06 (7) | Developed Limited Case Reserves (6)+(7)/(5) (8) |
|------------------------|--|----------------------------------|--------------------------------------|---|---|---|--|
| to 1988/89 | 216.0 | 99.9% | 100.0% | 100.0% | \$188,113 | \$0 | \$188,113 |
| 1989/90 | 204.0 | 99.9% | 100.0% | 100.0% | 332,335 | 0 | 332,335 |
| 1990/91 | 192.0 | 99.9% | 100.0% | 100.0% | 13,162 | 0 | 13,162 |
| 1991/92 | 180.0 | 99.8% | 100.0% | 100.0% | 92,502 | 0 | 92,502 |
| 1992/93 | 168.0 | 99.8% | 100.0% | 100.0% | 229,267 | 0 | 229,267 |
| 1993/94 | 156.0 | 99.6% | 100.0% | 99.9% | 3,234,571 | 15,000 | 3,249,582 |
| 1994/95 | 144.0 | 99.5% | 100.0% | 99.7% | 5,560,123 | 0 | 5,560,123 |
| 1995/96 | 132.0 | 99.3% | 100.0% | 98.5% | 10,103,913 | 6,538,417 | 16,744,990 |
| 1996/97 | 120.0 | 99.0% | 99.9% | 92.8% | 7,165,931 | 9,794 | 7,176,486 |
| 1997/98 | 108.0 | 98.5% | 99.5% | 66.3% | 7,643,357 | 553,513 | 8,477,778 |
| 1998/99 | 96.0 | 95.2% | 97.7% | 53.1% | 4,827,409 | 108,930 | 5,032,649 |
| 1999/00 | 84.0 | 91.1% | 95.7% | 52.1% | 9,150,374 | 37,408 | 9,222,176 |
| 2000/01 | 72.0 | 84.3% | 92.5% | 52.1% | 9,302,286 | 1,017,519 | 11,256,575 |
| 2001/02 | 60.0 | 75.8% | 88.5% | 52.6% | 7,116,379 | 2,575,385 | 10,480,748 * |
| 2002/03 | 48.0 | 64.2% | 82.3% | 50.6% | 7,758,722 | 2,509,817 | 10,865,764 * |
| 2003/04 | 36.0 | 48.7% | 70.1% | 41.7% | 4,556,395 | 6,476,649 | 13,718,913 * |
| 2004/05 | 24.0 | 29.7% | 53.5% | 33.9% | 3,020,040 | 1,505,967 | 7,465,689 |
| 2005/06 | 12.0 | 13.5% | 31.1% | 20.4% | 428,557 | 1,296,844 | 6,797,864 |

* - 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 2005/06

| Claim Period (1) | Developed Limited Paid Losses (2) | Developed Limited Reported Incurred Losses (3) | Developed Limited Case Reserves (4) | Preliminary Projected Ultimate Limited Losses (5) |
|------------------------|---|---|---|--|
| to 1988/89 | \$188,226 | \$188,113 | \$188,113 | \$188,113 |
| 1989/90 | 332,618 | 332,335 | 332,335 | 332,335 |
| 1990/91 | 13,178 | 13,162 | 13,162 | 13,162 |
| 1991/92 | 92,663 | 92,502 | 92,502 | 92,502 |
| 1992/93 | 229,838 | 229,267 | 229,267 | 229,267 |
| 1993/94 | 3,246,089 | 3,249,579 | 3,249,582 | 3,251,071 |
| 1994/95 | 5,588,451 | 5,560,216 | 5,560,123 | 5,560,123 |
| 1995/96 | 10,177,612 | 16,644,192 | 16,744,990 | 17,296,171 |
| 1996/97 | 7,240,836 | 7,181,084 | 7,176,486 | 7,197,630 |
| 1997/98 | 7,758,007 | 8,237,854 | 8,477,778 | 8,252,221 |
| 1998/99 | 5,071,314 | 5,050,310 | 5,032,649 | 5,051,316 |
| 1999/00 | 9,849,671 | 9,508,177 | 9,222,176 | 9,524,825 |
| 2000/01 | 10,657,755 | 10,994,833 | 11,256,575 | 10,972,232 |
| 2001/02 | 9,390,758 | 10,690,048 | 10,480,748 | 10,237,471 |
| 2002/03 | 10,967,053 | 11,613,267 | 10,865,764 | 11,195,152 |
| 2003/04 | 9,365,241 | 13,725,789 | 13,718,913 | 12,415,562 |
| 2004/05 | 7,739,106 | 7,998,183 | 7,465,689 | 7,760,712 |
| 2005/06 | 3,178,135 | 5,547,948 | 6,797,864 | 5,211,979 |

(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)X10 (4) | Loss Rate Trend (2006/07 = 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) |
|---------------------|--|-------------------------|--|---|--|---|
| 1996/97 | \$7,197,630 | \$235,167 | 3.06 | 1.219 | \$3.73 | \$2.89 |
| 1997/98 | 8,252,221 | 242,222 | 3.41 | 1.195 | 4.07 | 2.95 |
| 1998/99 | 5,051,316 | 249,489 | 2.02 | 1.172 | 2.37 | 3.01 |
| 1999/00 | 9,524,825 | 256,973 | 3.71 | 1.149 | 4.26 | 3.07 |
| 2000/01 | 10,972,232 | 273,627 | 4.01 | 1.126 | 4.52 | 3.13 |
| 2001/02 | 10,237,471 | 293,519 | 3.49 | 1.104 | 3.85 | 3.19 |
| 2002/03 | 11,195,152 | 305,541 | 3.66 | 1.082 | 3.97 | 3.26 |
| 2003/04 | 12,415,562 | 307,406 | 4.04 | 1.061 | 4.29 | 3.32 |
| 2004/05 | 7,760,712 | 315,491 | 2.46 | 1.040 | 2.56 | 3.39 |
| 2005/06 | 5,211,979 | 326,085 | 1.60 | 1.020 | 1.63 | 3.45 |

(7) Projected 2006/07 a-priori loss rate per \$100 of Payroll \$3.52

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

| Claim Period (1) | Limited Paid Losses 6/30/06 (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) |
|---------------------|---|----------------------------------|--|-------------------------|---|--|
| 2001/02 | \$7,116,379 | 75.8% | 3.19 | \$293,519 | \$2,269,040 | \$9,385,419 |
| 2002/03 | 7,758,722 | 64.2% | 3.26 | 305,541 | 3,559,115 | 11,317,838 |
| 2003/04 | 4,556,395 | 48.7% | 3.32 | 307,406 | 5,241,769 | 9,798,165 |
| 2004/05 | 3,020,040 | 29.7% | 3.39 | 315,491 | 7,516,168 | 10,536,207 |
| 2005/06 | 428,557 | 13.5% | 3.45 | 326,085 | 9,746,940 | 10,175,497 |

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

| Claim Period (1) | Limited Reported Incurred Losses 6/30/06 (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) |
|---------------------|---|--------------------------------------|--|-------------------------|---|--|
| 2001/02 | \$9,891,764 | 88.5% | 3.19 | \$293,519 | \$1,076,246 | \$10,968,010 |
| 2002/03 | 10,268,539 | 82.3% | 3.26 | 305,541 | 1,757,016 | 12,025,556 |
| 2003/04 | 11,033,045 | 70.1% | 3.32 | 307,406 | 3,054,945 | 14,087,990 |
| 2004/05 | 4,526,006 | 53.5% | 3.39 | 315,491 | 4,970,061 | 9,496,067 |
| 2005/06 | 1,725,401 | 31.1% | 3.45 | 326,085 | 7,762,381 | 9,487,783 |

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

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

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

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

| Claim Period | Weight |
|--------------|--------|
| 1996/97 | 10.0% |
| 1997/98 | 10.0% |
| 1998/99 | 10.0% |
| 1999/00 | 10.0% |
| 2000/01 | 10.0% |
| 2001/02 | 10.0% |
| 2002/03 | 10.0% |
| 2003/04 | 10.0% |
| 2004/05 | 10.0% |
| 2005/06 | 10.0% |

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 6/30/06 (2) | Reported Claims 6/30/06 (3) | Percent Claims Reported (4) | Projected Ultimate Claims (3)/(4) (5) | Payroll (000) (6) | Frequency per \$1M of Payroll (5)/(6)X1,000 (7) |
|---------------------|---|-----------------------------------|--------------------------------|---|-------------------------|---|
| 1996/97 | 120.0 | 1,169 | 100.0% | 1,169 | \$235,167 | 4.97 |
| 1997/98 | 108.0 | 1,062 | 100.0% | 1,062 | 242,222 | 4.38 |
| 1998/99 | 96.0 | 1,061 | 100.0% | 1,061 | 249,489 | 4.25 |
| 1999/00 | 84.0 | 1,217 | 100.0% | 1,217 | 256,973 | 4.74 |
| 2000/01 | 72.0 | 1,201 | 100.0% | 1,201 | 273,627 | 4.39 |
| 2001/02 | 60.0 | 953 | 100.0% | 953 | 293,519 | 3.25 |
| 2002/03 | 48.0 | 946 | 99.8% | 948 | 305,541 | 3.10 |
| 2003/04 | 36.0 | 773 | 99.3% | 778 | 307,406 | 2.53 |
| 2004/05 | 24.0 | 657 | 97.4% | 675 | 315,491 | 2.14 |
| 2005/06 | 12.0 | 436 | 72.1% | 605 | 326,085 | 1.86 |

II. Frequency Times Severity

| Claim Period (1) | Preliminary Projected Ultimate Limited Losses (2) | Projected Ultimate Claims (3) | Average Severity (2)/(3) (4) | Severity Trend (2,006/07 ÷ 1,000) (5) | Trended Average Claim Severity (4)X(5) (6) | De-Trended Projected 2006/07 Average Claim Severity (7)/(5) (6) | Frequency Times Severity (3)X(8) (9) |
|---------------------|--|----------------------------------|------------------------------------|---|--|---|--|
| 1996/97 | \$7,197,630 | 1,169 | \$6,157 | 1.638 | \$10,087 | \$7,386 | \$8,633,878 |
| 1997/98 | 8,252,221 | 1,062 | 7,770 | 1.559 | 12,117 | 7,759 | 8,240,495 |
| 1998/99 | 5,051,316 | 1,061 | 4,761 | 1.484 | 7,066 | 8,152 | 8,649,312 |
| 1999/00 | 9,524,825 | 1,217 | 7,826 | 1.413 | 11,057 | 8,565 | 10,423,034 |
| 2000/01 | 10,972,232 | 1,201 | 9,136 | 1.345 | 12,285 | 8,998 | 10,806,473 |
| 2001/02 | 10,237,471 | 953 | 10,742 | 1.280 | 13,749 | 9,453 | 9,008,889 |
| 2002/03 | 11,195,152 | 948 | 11,809 | 1.218 | 14,387 | 9,932 | 9,415,082 |
| 2003/04 | 12,415,562 | 778 | 15,958 | 1.160 | 18,505 | 10,434 | 8,117,695 |
| 2004/05 | 7,760,712 | 675 | 11,497 | 1.104 | 12,690 | 10,962 | 7,399,363 |
| 2005/06 | 5,211,979 | 605 | 8,615 | 1.051 | 9,051 | 11,517 | 6,967,602 |

(7) Projected 2006/07 average claim severity

\$12,099

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

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

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

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

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

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

| Claim Period | Weight |
|--------------|--------|
| 1996/97 | 10.0% |
| 1997/98 | 10.0% |
| 1998/99 | 10.0% |
| 1999/00 | 10.0% |
| 2000/01 | 10.0% |
| 2001/02 | 10.0% |
| 2002/03 | 10.0% |
| 2003/04 | 10.0% |
| 2004/05 | 10.0% |
| 2005/06 | 10.0% |

CITY OF OAKLAND
LIABILITY

Exhibit LI-9

Projected Ultimate Limited Losses to 2005/06

| Claim Period (1) | Developed Limited Paid Losses (2) | Developed Limited Reported Incurred Losses (3) | Developed Limited Case Reserves (4) | B-F Ultimate Limited Paid Losses (5) | B-F Ultimate Limited Reported Losses (6) | Frequency Times Severity (7) | Projected Ultimate Limited Losses (8) |
|------------------------|---|---|---|---|---|---------------------------------------|---|
| to 1988/89 | \$188,226 | \$188,113 | \$188,113 | | | | \$188,113 |
| 1989/90 | 332,618 | 332,335 | 332,335 | | | | 332,335 |
| 1990/91 | 13,178 | 13,162 | 13,162 | | | | 13,162 |
| 1991/92 | 92,663 | 92,502 | 92,502 | | | | 92,502 |
| 1992/93 | 229,838 | 229,267 | 229,267 | | | | 229,267 |
| 1993/94 | 3,246,089 | 3,249,579 | 3,249,582 | | | | 3,251,071 |
| 1994/95 | 5,588,451 | 5,560,216 | 5,560,123 | | | | 5,560,123 |
| 1995/96 | 10,177,612 | 16,644,192 | 16,744,990 | | | | 17,296,171 |
| 1996/97 | 7,240,836 | 7,181,084 | 7,176,486 | | | | 7,197,630 |
| 1997/98 | 7,758,007 | 8,237,854 | 8,477,778 | | | | 8,252,221 |
| 1998/99 | 5,071,314 | 5,050,319 | 5,032,649 | | | | 5,051,316 |
| 1999/00 | 9,849,671 | 9,508,177 | 9,222,176 | | | | 9,524,825 |
| 2000/01 | 10,657,755 | 10,994,833 | 11,256,575 | | | | 10,972,232 |
| 2001/02 | 9,390,758 | 10,690,048 | 10,480,748 | 9,385,419 | 10,768,010 | 9,008,889 | 10,237,471 |
| 2002/03 | 10,967,053 | 11,613,267 | 10,865,764 | 11,317,838 | 12,025,556 | 9,415,082 | 11,195,152 |
| 2003/04 | 9,365,241 | 13,725,789 | 13,718,913 | 9,798,165 | 14,087,990 | 8,117,695 | 12,415,562 |
| 2004/05 | 7,739,106 | 7,998,183 | 7,465,689 | 10,536,207 | 9,496,067 | 7,399,363 | 8,613,076 |
| 2005/06 | 3,178,135 | 5,547,918 | 6,797,864 | 10,175,497 | 9,487,783 | 6,967,602 | 8,876,960 |

(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 2006/07 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 (2006/07 = 1.000) (5) | Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6) |
|---------------------|--|-------------------------|---|---|--|
| 1996/97 | \$7,197,630 | \$235,167 | \$3.06 | 1.219 | \$3.73 |
| 1997/98 | 8,252,221 | 242,222 | 3.41 | 1.195 | 4.07 |
| 1998/99 | 5,051,316 | 249,489 | 2.02 | 1.172 | 2.37 |
| 1999/00 | 9,524,825 | 256,973 | 3.71 | 1.149 | 4.26 |
| 2000/01 | 10,972,232 | 273,627 | 4.01 | 1.126 | 4.52 |
| 2001/02 | 10,237,471 | 293,519 | 3.49 | 1.104 | 3.85 |
| 2002/03 | 11,195,152 | 305,541 | 3.66 | 1.082 | 3.97 |
| 2003/04 | 12,415,562 | 307,406 | 4.04 | 1.061 | 4.29 |
| 2004/05 | 8,613,076 | 315,491 | 2.73 | 1.040 | 2.84 |
| 2005/06 | 8,876,960 | 326,085 | 2.72 | 1.020 | 2.78 |
| Total | \$92,336,446 | \$2,805,519 | \$3.29 | | \$3.67 |

| 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) |
|---------------------|---|-----------------------------------|--|------------------------------|---|---|
| 2006/07 | \$3.67 | \$335,867 | \$12,315,636 | 0.89 | \$3.26 | \$10,945,280 |
| 2007/08 | 3.74 | 345,943 | 12,938,812 | 0.89 | 3.32 | 11,499,115 |
| 2008/09 | 3.81 | 356,321 | 13,593,516 | 0.89 | 3.39 | 12,080,970 |
| 2009/10 | 3.89 | 367,011 | 14,281,348 | 0.89 | 3.46 | 12,692,267 |
| 2010/11 | 3.97 | 378,021 | 15,003,984 | 0.89 | 3.53 | 13,334,496 |
| 2011/12 | 4.05 | 389,362 | 15,763,186 | 0.89 | 3.60 | 14,009,222 |
| 2012/13 | 4.13 | 401,043 | 16,560,803 | 0.89 | 3.67 | 14,718,088 |
| 2013/14 | 4.21 | 413,074 | 17,398,780 | 0.89 | 3.74 | 15,462,824 |
| 2014/15 | 4.30 | 425,466 | 18,279,158 | 0.89 | 3.82 | 16,245,242 |
| 2015/16 | 4.38 | 438,230 | 19,204,083 | 0.89 | 3.89 | 17,067,252 |

(2) is from Exhibit LI-9

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

(5) is based on a 2% trend

(7) for 2006/07 is based on (6) and the following weights

| Claim Period | Weight |
|--------------|--------|
| 1996/97 | 10.0% |
| 1997/98 | 10.0% |
| 1998/99 | 10.0% |
| 1999/00 | 10.0% |
| 2000/01 | 10.0% |
| 2001/02 | 10.0% |
| 2002/03 | 10.0% |
| 2003/04 | 10.0% |
| 2004/05 | 10.0% |
| 2005/06 | 10.0% |

(7) for 2007/08 and subsequent are based on 2006/07 plus a 2% trend.

(8) is based on (3) for 2005/06 and a 3% trend.

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-11

Estimated Outstanding Losses as of June 30, 2006

| Claim Period (1) | Limited Paid Losses 6/30/06 (2) | Limited Case Reserves 6/30/06 (3) | Limited Reported Incurred Losses 6/30/06 (4) | Projected Ultimate Limited Losses (5) | Estimated IBNR 6/30/06 (5)-(4) (6) | Estimated Outstanding Losses 6/30/06 (3)+(6) (7) | Present Value Factor (8) | Present Value of Estimated Outstanding Losses 6/30/06 (7)X(8) (9) |
|------------------------|---|---|---|---|--|---|-----------------------------------|--|
| to 1988/89 | \$188,113 | \$0 | \$188,113 | \$188,113 | \$0 | \$0 | 0.92 | \$0 |
| 1989/90 | 332,335 | 0 | 332,335 | 332,335 | 0 | 0 | 0.91 | 0 |
| 1990/91 | 13,162 | 0 | 13,162 | 13,162 | 0 | 0 | 0.91 | 0 |
| 1991/92 | 92,502 | 0 | 92,502 | 92,502 | 0 | 0 | 0.91 | 0 |
| 1992/93 | 229,267 | 0 | 229,267 | 229,267 | 0 | 0 | 0.91 | 0 |
| 1993/94 | 3,234,571 | 15,000 | 3,249,571 | 3,251,071 | 1,500 | 16,500 | 0.91 | 15,048 |
| 1994/95 | 5,560,123 | 0 | 5,560,123 | 5,560,123 | 0 | 0 | 0.91 | 0 |
| 1995/96 | 10,103,913 | 6,538,417 | 16,642,329 | 17,296,171 | 653,842 | 7,192,259 | 0.91 | 6,556,162 |
| 1996/97 | 7,165,931 | 9,794 | 7,175,725 | 7,197,630 | 21,905 | 31,699 | 0.91 | 28,891 |
| 1997/98 | 7,643,357 | 553,513 | 8,196,870 | 8,252,221 | 55,351 | 608,864 | 0.91 | 554,871 |
| 1998/99 | 4,827,409 | 108,930 | 4,936,339 | 5,051,316 | 114,978 | 223,908 | 0.95 | 213,044 |
| 1999/00 | 9,150,374 | 37,408 | 9,187,783 | 9,524,825 | 337,042 | 374,450 | 0.95 | 355,200 |
| 2000/01 | 9,302,286 | 1,017,519 | 10,319,805 | 10,972,232 | 652,427 | 1,669,946 | 0.95 | 1,578,343 |
| 2001/02 | 7,116,379 | 2,575,385 | 9,691,764 | 10,237,471 | 545,707 | 3,121,092 | 0.94 | 2,927,120 |
| 2002/03 | 7,758,722 | 2,509,817 | 10,268,539 | 11,195,152 | 926,612 | 3,436,429 | 0.93 | 3,199,155 |
| 2003/04 | 4,556,395 | 6,476,649 | 11,033,045 | 12,415,562 | 1,382,517 | 7,859,166 | 0.92 | 7,268,013 |
| 2004/05 | 3,020,040 | 1,505,967 | 4,526,006 | 8,613,076 | 4,087,070 | 5,593,037 | 0.92 | 5,132,463 |
| 2005/06 | 428,557 | 1,296,844 | 1,725,401 | 8,876,960 | 7,151,559 | 8,448,403 | 0.90 | 7,642,738 |
| Total | \$80,773,437 | \$22,645,243 | \$103,368,679 | \$119,299,191 | \$15,930,510 | \$38,575,753 | | \$35,471,048 |

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

(5) is from Exhibit LI-9

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-12

Projected Losses Paid July 1, 2006 to June 30, 2007

| Claim Period (1) | Months of Development 6/30/06 (2) | Percent Losses Paid (3) | Months of Development 6/30/07 (4) | Percent Losses Paid (5) | Percent Outstanding Losses Paid 7/1/06 to 6/30/07 [(5)-(3)]/ [100.0%-(3)] (6) | Estimated Outstanding Losses 6/30/06 (7) | Projected Losses Paid (6)X(7) (8) | Estimated Outstanding Losses 6/30/07 (7)-(8) (9) | Present Value Factor (10) | Present Value of Estimated Outstanding Losses 6/30/07 (9)X(10) (11) |
|------------------------|--|----------------------------------|--|----------------------------------|---|--|---|---|------------------------------------|--|
| to 1988/89 | 216.0 | 99.9% | 228.0 | 100.0% | 30.0% | \$0 | \$0 | \$0 | 0.92 | \$0 |
| 1989/90 | 204.0 | 99.9% | 216.0 | 99.9% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1990/91 | 192.0 | 99.9% | 204.0 | 99.9% | 30.0% | 0 | 0 | 0 | 0.91 | 0 |
| 1991/92 | 180.0 | 99.8% | 192.0 | 99.9% | 30.0% | 0 | 0 | 0 | 0.91 | 0 |
| 1992/93 | 168.0 | 99.8% | 180.0 | 99.8% | 30.0% | 0 | 0 | 0 | 0.91 | 0 |
| 1993/94 | 156.0 | 99.6% | 168.0 | 99.8% | 30.0% | 16,500 | 4,950 | 11,550 | 0.91 | 10,538 |
| 1994/95 | 144.0 | 99.5% | 156.0 | 99.6% | 30.0% | 0 | 0 | 0 | 0.91 | 0 |
| 1995/96 | 132.0 | 99.3% | 144.0 | 99.5% | 30.0% | 7,192,259 | 2,157,678 | 5,034,581 | 0.91 | 4,590,255 |
| 1996/97 | 120.0 | 99.0% | 132.0 | 99.3% | 30.0% | 31,699 | 9,510 | 22,189 | 0.91 | 20,227 |
| 1997/98 | 108.0 | 98.5% | 120.0 | 99.0% | 30.0% | 608,864 | 182,659 | 426,205 | 0.91 | 388,452 |
| 1998/99 | 96.0 | 95.2% | 108.0 | 98.5% | 69.3% | 223,908 | 155,107 | 68,801 | 0.91 | 62,700 |
| 1999/00 | 84.0 | 91.1% | 96.0 | 95.2% | 46.0% | 374,450 | 172,295 | 202,155 | 0.95 | 192,347 |
| 2000/01 | 72.0 | 84.3% | 84.0 | 91.1% | 43.1% | 1,669,946 | 719,717 | 950,229 | 0.95 | 901,379 |
| 2001/02 | 60.0 | 75.8% | 72.0 | 84.3% | 35.4% | 3,121,092 | 1,103,522 | 2,017,570 | 0.95 | 1,906,898 |
| 2002/03 | 48.0 | 64.2% | 60.0 | 75.8% | 32.3% | 3,436,429 | 1,110,266 | 2,326,163 | 0.94 | 2,181,594 |
| 2003/04 | 36.0 | 48.7% | 48.0 | 64.2% | 30.3% | 7,859,166 | 2,382,907 | 5,476,259 | 0.93 | 5,098,141 |
| 2004/05 | 24.0 | 29.7% | 36.0 | 48.7% | 27.0% | 3,592,037 | 1,509,805 | 4,083,232 | 0.92 | 3,770,098 |
| 2005/06 | 12.0 | 13.5% | 24.0 | 29.7% | 18.7% | 5,448,403 | 1,590,149 | 6,868,254 | 0.92 | 6,302,869 |
| 2006/07 | 0.0 | 0.0% | 12.0 | 13.5% | 13.5% | 12,315,636 | 1,660,706 | 10,651,930 | 0.90 | 9,638,844 |
| Total | | | | | | \$5,931,389 | \$12,749,271 | \$33,142,115 | | \$35,070,147 |

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

(7) to 2005/06 is from Exhibit LI-11 The amount for 2006/07 is from Exhibit LI-10.

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-13

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

| Claim Period (1) | Months of Development 6/30/07 (2) | Percent Losses Paid (3) | Months of Development 6/30/08 (4) | Percent Losses Paid (5) | Percent Outstanding Losses Paid 7/1/07 to 6/30/08 [(5)-(3)]/ [100.0%-(3)] (6) | Estimated Outstanding Losses 6/30/07 (7) | Projected Losses Paid (6)X(7) (8) | Estimated Outstanding Losses 6/30/08 (7)-(8) (9) | Present Value Factor (10) | Present Value of Estimated Outstanding Losses 6/30/08 (9)X(10) (11) |
|------------------------|--|----------------------------------|--|----------------------------------|---|--|---|---|------------------------------------|--|
| to 1988/89 | 228.0 | 100.0% | 240.0 | 100.0% | 30.0% | \$0 | \$0 | \$0 | 0.92 | \$0 |
| 1989/90 | 216.0 | 99.9% | 228.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1990/91 | 204.0 | 99.9% | 216.0 | 99.9% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1991/92 | 192.0 | 99.9% | 204.0 | 99.9% | 30.0% | 0 | 0 | 0 | 0.91 | 0 |
| 1992/93 | 180.0 | 99.8% | 192.0 | 99.9% | 30.0% | 0 | 0 | 0 | 0.91 | 0 |
| 1993/94 | 168.0 | 99.8% | 180.0 | 99.8% | 30.0% | 11,550 | 3,465 | 8,085 | 0.91 | 7,380 |
| 1994/95 | 156.0 | 99.6% | 168.0 | 99.8% | 30.0% | 0 | 0 | 0 | 0.91 | 0 |
| 1995/96 | 144.0 | 99.5% | 156.0 | 99.6% | 30.0% | 5,034,581 | 1,510,374 | 3,524,207 | 0.91 | 3,214,076 |
| 1996/97 | 132.0 | 99.3% | 144.0 | 99.5% | 30.0% | 22,189 | 6,657 | 15,532 | 0.91 | 14,161 |
| 1997/98 | 120.0 | 99.0% | 132.0 | 99.3% | 30.0% | 426,205 | 127,862 | 298,343 | 0.91 | 271,957 |
| 1998/99 | 108.0 | 98.5% | 120.0 | 99.0% | 30.0% | 68,801 | 20,640 | 48,161 | 0.91 | 43,895 |
| 1999/00 | 96.0 | 95.2% | 108.0 | 98.5% | 69.3% | 202,155 | 140,038 | 62,117 | 0.91 | 56,609 |
| 2000/01 | 84.0 | 91.1% | 96.0 | 95.2% | 46.0% | 950,229 | 437,228 | 513,001 | 0.95 | 488,110 |
| 2001/02 | 72.0 | 84.3% | 84.0 | 91.1% | 43.1% | 2,017,570 | 869,537 | 1,148,033 | 0.95 | 1,089,014 |
| 2002/03 | 60.0 | 75.8% | 72.0 | 84.3% | 35.4% | 2,326,163 | 822,460 | 1,503,703 | 0.95 | 1,421,219 |
| 2003/04 | 48.0 | 64.2% | 60.0 | 75.8% | 32.3% | 5,476,259 | 1,769,308 | 3,706,951 | 0.94 | 3,476,568 |
| 2004/05 | 36.0 | 48.7% | 48.0 | 64.2% | 30.3% | 4,083,232 | 1,238,040 | 2,845,192 | 0.93 | 2,648,741 |
| 2005/06 | 24.0 | 29.7% | 36.0 | 48.7% | 27.0% | 6,868,254 | 1,854,042 | 5,014,212 | 0.92 | 4,637,052 |
| 2006/07 | 12.0 | 13.5% | 24.0 | 29.7% | 15.7% | 10,654,930 | 1,662,847 | 8,992,083 | 0.92 | 7,345,780 |
| 2007/08 | 0.0 | 0.0% | 12.0 | 13.5% | 13.5% | 12,938,812 | 1,744,738 | 11,194,074 | 0.90 | 10,126,574 |
| Total | | | | | | \$51,080,930 | \$12,537,236 | \$38,543,694 | | \$35,444,136 |

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

(7) to 2006/07 is from Exhibit LI-12, (9). The amount for 2007/08 is from Exhibit LI-10.

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-14

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

| Claim Period (1) | Months of Development 6/30/08 (2) | Percent Losses Paid (3) | Months of Development 6/30/09 (4) | Percent Losses Paid (5) | Percent Outstanding Losses Paid 7/1/08 to 6/30/09 [(5)-(3)]/ [100.0%-(3)] (6) | Estimated Outstanding Losses 6/30/08 (7) | Projected Losses Paid (6)X(7) (8) | Estimated Outstanding Losses 6/30/09 (7)-(8) (9) | Present Value Factor (10) | Present Value of Estimated Outstanding Losses 6/30/09 (9)X(10) (11) |
|------------------------|--|----------------------------------|--|----------------------------------|---|--|---|---|------------------------------------|--|
| to 1988/89 | 240.0 | 100.0% | 252.0 | 100.0% | 30.0% | \$0 | \$0 | \$0 | 0.92 | \$0 |
| 1989/90 | 228.0 | 100.0% | 240.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1990/91 | 216.0 | 99.9% | 228.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1991/92 | 204.0 | 99.9% | 216.0 | 99.9% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1992/93 | 192.0 | 99.9% | 204.0 | 99.9% | 30.0% | 0 | 0 | 0 | 0.91 | 0 |
| 1993/94 | 180.0 | 99.8% | 192.0 | 99.9% | 30.0% | 8,085 | 2,425 | 5,660 | 0.91 | 5,170 |
| 1994/95 | 168.0 | 99.8% | 180.0 | 99.8% | 30.0% | 0 | 0 | 0 | 0.91 | 0 |
| 1995/96 | 156.0 | 99.6% | 168.0 | 99.8% | 30.0% | 3,524,207 | 1,057,262 | 2,466,945 | 0.91 | 2,250,705 |
| 1996/97 | 144.0 | 99.5% | 156.0 | 99.6% | 30.0% | 15,532 | 4,660 | 10,872 | 0.91 | 9,915 |
| 1997/98 | 132.0 | 99.3% | 144.0 | 99.5% | 30.0% | 298,343 | 89,503 | 208,840 | 0.91 | 190,409 |
| 1998/99 | 120.0 | 99.0% | 132.0 | 99.3% | 30.0% | 48,161 | 14,448 | 33,713 | 0.91 | 30,731 |
| 1999/00 | 108.0 | 98.5% | 120.0 | 99.0% | 30.0% | 62,117 | 18,635 | 43,482 | 0.91 | 39,630 |
| 2000/01 | 96.0 | 95.2% | 108.0 | 98.5% | 69.3% | 513,001 | 355,369 | 157,632 | 0.91 | 143,653 |
| 2001/02 | 84.0 | 91.1% | 96.0 | 95.2% | 46.0% | 1,148,033 | 528,243 | 619,790 | 0.95 | 589,718 |
| 2002/03 | 72.0 | 84.3% | 84.0 | 91.1% | 43.1% | 1,503,703 | 648,069 | 855,634 | 0.95 | 811,647 |
| 2003/04 | 60.0 | 75.8% | 72.0 | 84.3% | 35.4% | 3,706,951 | 1,310,664 | 2,396,287 | 0.95 | 2,264,841 |
| 2004/05 | 48.0 | 64.2% | 60.0 | 75.8% | 32.3% | 2,845,192 | 919,245 | 1,925,947 | 0.94 | 1,806,251 |
| 2005/06 | 36.0 | 48.7% | 48.0 | 64.2% | 30.3% | 5,014,212 | 1,520,314 | 3,493,898 | 0.93 | 3,252,656 |
| 2006/07 | 24.0 | 29.7% | 36.0 | 48.7% | 27.0% | 8,662,083 | 2,338,274 | 6,323,809 | 0.92 | 5,848,143 |
| 2007/08 | 12.0 | 13.5% | 24.0 | 29.7% | 18.7% | 11,194,074 | 2,093,686 | 9,100,388 | 0.92 | 8,350,952 |
| 2008/09 | 0.0 | 0.0% | 12.0 | 13.5% | 13.5% | 13,593,516 | 1,833,022 | 11,760,494 | 0.90 | 10,638,378 |
| Total | | | | | | \$52,137,210 | \$12,733,819 | \$39,403,391 | | \$36,233,439 |

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

(7) to 2007/08 is from Exhibit LI-13, (9) The amount for 2008/09 is from Exhibit LI-10.

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-15

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

| Claim Period (1) | Months of Development 6/30/09 (2) | Percent Losses Paid (3) | Months of Development 6/30/10 (4) | Percent Losses Paid (5) | Percent Outstanding Losses Paid 7/1/09 to 6/30/10 [(5)-(3)]/ [100.0%-(3)] (6) | Estimated Outstanding Losses 6/30/09 (7) | Projected Losses Paid (6)X(7) (8) | Estimated Outstanding Losses 6/30/10 (7)-(8) (9) | Present Value Factor (10) | Present Value of Estimated Outstanding Losses 6/30/10 (9)X(10) (11) |
|------------------------|--|----------------------------------|--|----------------------------------|---|--|---|---|------------------------------------|--|
| to 1988/89 | 252.0 | 100.0% | 264.0 | 100.0% | 30.0% | \$0 | \$0 | \$0 | 0.92 | \$0 |
| 1989/90 | 240.0 | 100.0% | 252.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1990/91 | 228.0 | 100.0% | 240.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1991/92 | 216.0 | 99.9% | 228.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1992/93 | 204.0 | 99.9% | 216.0 | 99.9% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1993/94 | 192.0 | 99.9% | 204.0 | 99.9% | 30.0% | 5,660 | 1,698 | 3,962 | 0.91 | 3,622 |
| 1994/95 | 180.0 | 99.8% | 192.0 | 99.9% | 30.0% | 0 | 0 | 0 | 0.91 | 0 |
| 1995/96 | 168.0 | 99.8% | 180.0 | 99.8% | 30.0% | 2,466,945 | 740,084 | 1,726,861 | 0.91 | 1,576,298 |
| 1996/97 | 156.0 | 99.6% | 168.0 | 99.8% | 30.0% | 10,872 | 3,262 | 7,610 | 0.91 | 6,943 |
| 1997/98 | 144.0 | 99.5% | 156.0 | 99.6% | 30.0% | 208,840 | 62,652 | 146,188 | 0.91 | 133,323 |
| 1998/99 | 132.0 | 99.3% | 144.0 | 99.5% | 30.0% | 33,713 | 10,114 | 23,599 | 0.91 | 21,516 |
| 1999/00 | 120.0 | 99.0% | 132.0 | 99.3% | 30.0% | 43,482 | 13,045 | 30,437 | 0.91 | 27,745 |
| 2000/01 | 108.0 | 98.5% | 120.0 | 99.0% | 30.0% | 157,632 | 47,290 | 110,342 | 0.91 | 100,568 |
| 2001/02 | 96.0 | 95.2% | 108.0 | 98.5% | 69.3% | 619,790 | 429,345 | 190,445 | 0.91 | 173,557 |
| 2002/03 | 84.0 | 91.1% | 96.0 | 95.2% | 46.0% | 855,634 | 393,702 | 461,932 | 0.95 | 439,519 |
| 2003/04 | 72.0 | 84.3% | 84.0 | 91.1% | 43.1% | 2,396,287 | 1,032,757 | 1,363,530 | 0.95 | 1,293,432 |
| 2004/05 | 60.0 | 75.5% | 72.0 | 81.3% | 35.4% | 1,325,017 | 680,956 | 1,244,991 | 0.95 | 1,176,698 |
| 2005/06 | 48.0 | 64.2% | 60.0 | 75.8% | 32.3% | 3,493,898 | 1,128,833 | 2,365,065 | 0.94 | 2,218,079 |
| 2006/07 | 36.0 | 48.7% | 48.0 | 64.2% | 30.3% | 6,323,809 | 1,917,385 | 4,406,424 | 0.93 | 4,102,175 |
| 2007/08 | 24.0 | 29.7% | 36.0 | 48.7% | 27.0% | 9,100,388 | 2,456,592 | 6,643,796 | 0.92 | 6,144,061 |
| 2008/09 | 12.0 | 13.5% | 24.0 | 29.7% | 18.7% | 11,760,494 | 2,199,627 | 9,560,867 | 0.92 | 8,773,551 |
| 2009/10 | 0.0 | 0.0% | 12.0 | 13.5% | 13.5% | 14,281,348 | 1,925,773 | 12,355,575 | 0.90 | 11,177,311 |
| Total | | | | | | \$53,664,739 | \$13,043,115 | \$40,641,624 | | \$37,368,396 |

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

(7) to 2008/09 is from Exhibit LI-14, (9). The amount for 2009/10 is from Exhibit LI-10.

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-16

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

| Claim Period (1) | Months of Development 6/30/10 (2) | Percent Losses Paid (3) | Months of Development 6/30/11 (4) | Percent Losses Paid (5) | Percent Outstanding Losses Paid 7/1/10 to 6/30/11 [(5)-(3)]/ [100.0%-(3)] (6) | Estimated Outstanding Losses 6/30/10 (7) | Projected Losses Paid (6)X(7) (8) | Estimated Outstanding Losses 6/30/11 (7)-(8) (9) | Present Value Factor (10) | Present Value of Estimated Outstanding Losses 6/30/11 (9)X(10) (11) |
|------------------------|--|----------------------------------|--|----------------------------------|---|--|---|---|------------------------------------|--|
| to 1988/89 | 264.0 | 100.0% | 276.0 | 100.0% | 30.0% | \$0 | \$0 | \$0 | 0.93 | \$0 |
| 1989/90 | 252.0 | 100.0% | 264.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1990/91 | 240.0 | 100.0% | 252.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1991/92 | 228.0 | 100.0% | 240.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1992/93 | 216.0 | 99.9% | 228.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1993/94 | 204.0 | 99.9% | 216.0 | 99.9% | 30.0% | 3,962 | 1,189 | 2,773 | 0.92 | 2,538 |
| 1994/95 | 192.0 | 99.9% | 204.0 | 99.9% | 30.0% | 0 | 0 | 0 | 0.91 | 0 |
| 1995/96 | 180.0 | 99.8% | 192.0 | 99.9% | 30.0% | 1,726,861 | 518,058 | 1,208,803 | 0.91 | 1,104,166 |
| 1996/97 | 168.0 | 99.8% | 180.0 | 99.8% | 30.0% | 7,610 | 2,283 | 5,327 | 0.91 | 4,863 |
| 1997/98 | 156.0 | 99.6% | 168.0 | 99.8% | 30.0% | 146,188 | 43,856 | 102,332 | 0.91 | 93,362 |
| 1998/99 | 144.0 | 99.5% | 156.0 | 99.6% | 30.0% | 23,599 | 7,080 | 16,519 | 0.91 | 15,065 |
| 1999/00 | 132.0 | 99.3% | 144.0 | 99.5% | 30.0% | 30,437 | 9,131 | 21,306 | 0.91 | 19,426 |
| 2000/01 | 120.0 | 99.0% | 132.0 | 99.3% | 30.0% | 110,342 | 33,103 | 77,239 | 0.91 | 70,408 |
| 2001/02 | 108.0 | 98.5% | 120.0 | 99.0% | 30.0% | 190,445 | 57,134 | 133,311 | 0.91 | 121,502 |
| 2002/03 | 96.0 | 95.2% | 108.0 | 98.5% | 69.3% | 461,932 | 319,992 | 141,940 | 0.91 | 129,353 |
| 2003/04 | 84.0 | 91.1% | 96.0 | 95.2% | 46.0% | 1,363,530 | 627,400 | 736,130 | 0.95 | 700,413 |
| 2004/05 | 72.0 | 84.3% | 84.0 | 91.1% | 43.1% | 1,244,991 | 536,569 | 708,422 | 0.95 | 672,003 |
| 2005/06 | 60.0 | 75.8% | 72.0 | 84.3% | 35.4% | 2,365,065 | 836,214 | 1,528,851 | 0.95 | 1,444,988 |
| 2006/07 | 48.0 | 64.2% | 60.0 | 75.8% | 32.3% | 4,406,424 | 1,423,658 | 2,982,766 | 0.94 | 2,797,390 |
| 2007/08 | 36.0 | 48.7% | 48.0 | 64.2% | 30.3% | 6,613,796 | 2,014,405 | 4,629,391 | 0.93 | 4,309,746 |
| 2008/09 | 24.0 | 29.7% | 36.0 | 48.7% | 27.0% | 9,560,867 | 2,580,895 | 6,979,972 | 0.92 | 6,454,950 |
| 2009/10 | 12.0 | 13.5% | 24.0 | 29.7% | 18.7% | 12,355,575 | 2,310,928 | 10,044,647 | 0.92 | 9,217,493 |
| 2010/11 | 0.0 | 0.0% | 12.0 | 13.5% | 13.5% | 15,063,984 | 2,023,217 | 12,980,767 | 0.90 | 11,742,883 |
| Total | | | | | | \$55,645,608 | \$13,315,112 | \$42,330,496 | | \$38,900,549 |

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

(7) to 2009/10 is from Exhibit LI-15, (9) The amount for 2010/11 is from Exhibit LI-10.

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-17

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

| Claim Period (1) | Months of Development 6/30/11 (2) | Percent Losses Paid (3) | Months of Development 6/30/12 (4) | Percent Losses Paid (5) | Percent Outstanding Losses Paid 7/1/11 to 6/30/12 [(5)-(3)]/ [100.0%-(3)] (6) | Estimated Outstanding Losses 6/30/11 (7) | Projected Losses Paid (6)X(7) (8) | Estimated Outstanding Losses 6/30/12 (7)-(8) (9) | Present Value Factor (10) | Present Value of Estimated Outstanding Losses 6/30/12 (9)X(10) (11) |
|------------------------|--|----------------------------------|--|----------------------------------|---|--|---|---|------------------------------------|--|
| to 1988/89 | 276.0 | 100.0% | 288.0 | 100.0% | 30.0% | \$0 | \$0 | \$0 | 0.93 | \$0 |
| 1989/90 | 264.0 | 100.0% | 276.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.93 | 0 |
| 1990/91 | 252.0 | 100.0% | 264.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1991/92 | 240.0 | 100.0% | 252.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1992/93 | 228.0 | 100.0% | 240.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1993/94 | 216.0 | 99.9% | 228.0 | 100.0% | 30.0% | 2,773 | 832 | 1,941 | 0.92 | 1,780 |
| 1994/95 | 204.0 | 99.9% | 216.0 | 99.9% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1995/96 | 192.0 | 99.9% | 204.0 | 99.9% | 30.0% | 1,208,803 | 362,641 | 846,162 | 0.91 | 773,623 |
| 1996/97 | 180.0 | 99.8% | 192.0 | 99.9% | 30.0% | 5,327 | 1,598 | 3,729 | 0.91 | 3,406 |
| 1997/98 | 168.0 | 99.8% | 180.0 | 99.8% | 30.0% | 102,332 | 30,700 | 71,632 | 0.91 | 65,386 |
| 1998/99 | 156.0 | 99.6% | 168.0 | 99.8% | 30.0% | 16,519 | 4,956 | 11,563 | 0.91 | 10,549 |
| 1999/00 | 144.0 | 99.5% | 156.0 | 99.6% | 30.0% | 21,306 | 6,392 | 14,914 | 0.91 | 13,602 |
| 2000/01 | 132.0 | 99.3% | 144.0 | 99.5% | 30.0% | 77,239 | 23,172 | 54,067 | 0.91 | 49,295 |
| 2001/02 | 120.0 | 99.0% | 132.0 | 99.3% | 30.0% | 133,311 | 39,993 | 93,318 | 0.91 | 85,065 |
| 2002/03 | 108.0 | 98.5% | 120.0 | 99.0% | 30.0% | 141,940 | 42,582 | 99,358 | 0.91 | 90,557 |
| 2003/04 | 96.0 | 95.2% | 108.0 | 98.5% | 69.3% | 736,130 | 509,937 | 226,193 | 0.91 | 206,134 |
| 2004/05 | 84.0 | 91.1% | 96.0 | 95.2% | 46.0% | 708,422 | 325,968 | 382,456 | 0.95 | 363,899 |
| 2005/06 | 72.0 | 84.3% | 84.0 | 91.1% | 43.1% | 1,528,851 | 658,908 | 869,943 | 0.95 | 825,220 |
| 2006/07 | 60.0 | 75.8% | 72.0 | 84.3% | 35.4% | 2,982,766 | 1,054,615 | 1,928,151 | 0.95 | 1,822,384 |
| 2007/08 | 48.0 | 64.2% | 60.0 | 75.8% | 32.3% | 4,829,391 | 1,495,696 | 3,333,695 | 0.94 | 2,938,939 |
| 2008/09 | 36.0 | 48.7% | 48.0 | 64.2% | 30.3% | 6,379,972 | 2,116,334 | 4,263,638 | 0.93 | 4,527,819 |
| 2009/10 | 24.0 | 29.7% | 36.0 | 48.7% | 27.0% | 10,044,647 | 2,711,489 | 7,333,158 | 0.92 | 6,781,570 |
| 2010/11 | 12.0 | 13.5% | 24.0 | 29.7% | 18.7% | 12,980,767 | 2,427,861 | 10,552,906 | 0.92 | 9,663,898 |
| 2011/12 | 0.0 | 0.0% | 12.0 | 13.5% | 13.5% | 15,763,186 | 2,125,592 | 13,637,594 | 0.90 | 12,337,073 |
| Total | | | | | | \$58,063,682 | \$13,939,264 | \$44,124,418 | | \$40,560,199 |

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

(7) to 2009/10 is from Exhibit LI-15, (9). The amount for 2010/11 is from Exhibit LI-10.

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-16

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

| Claim Period (1) | Months of Development 6/30/12 (2) | Percent Losses Paid (3) | Months of Development 6/30/13 (4) | Percent Losses Paid (5) | Percent Outstanding Losses Paid 7/1/12 to 6/30/13 [(5)-(3)]/ [100.0%-(3)] (6) | Estimated Outstanding Losses 6/30/12 (7) | Projected Losses Paid (6)X(7) (8) | Estimated Outstanding Losses 6/30/13 (7)-(8) (9) | Present Value Factor (10) | Present Value of Estimated Outstanding Losses 6/30/13 (9)X(10) (11) |
|---------------------|---|----------------------------|---|----------------------------|---|--|---|---|------------------------------|--|
| to 1988/89 | 288.0 | 100.0% | 300.0 | 100.0% | 30.0% | \$0 | \$0 | \$0 | 0.94 | \$0 |
| 1989/90 | 276.0 | 100.0% | 288.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.93 | 0 |
| 1990/91 | 264.0 | 100.0% | 276.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.93 | 0 |
| 1991/92 | 252.0 | 100.0% | 264.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1992/93 | 240.0 | 100.0% | 252.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1993/94 | 228.0 | 100.0% | 240.0 | 100.0% | 30.0% | 1,941 | 582 | 1,359 | 0.92 | 1,249 |
| 1994/95 | 216.0 | 99.9% | 228.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1995/96 | 204.0 | 99.9% | 216.0 | 99.9% | 30.0% | 846,162 | 253,849 | 592,313 | 0.92 | 542,194 |
| 1996/97 | 192.0 | 99.9% | 204.0 | 99.9% | 30.0% | 3,729 | 1,119 | 2,610 | 0.91 | 2,386 |
| 1997/98 | 180.0 | 99.8% | 192.0 | 99.9% | 30.0% | 71,632 | 21,490 | 50,142 | 0.91 | 45,802 |
| 1998/99 | 168.0 | 99.8% | 180.0 | 99.8% | 30.0% | 11,563 | 3,409 | 8,094 | 0.91 | 7,388 |
| 1999/00 | 156.0 | 99.6% | 168.0 | 99.8% | 30.0% | 14,914 | 4,474 | 10,440 | 0.91 | 9,525 |
| 2000/01 | 144.0 | 99.5% | 156.0 | 99.6% | 30.0% | 54,067 | 16,220 | 37,847 | 0.91 | 34,516 |
| 2001/02 | 132.0 | 99.3% | 144.0 | 99.5% | 30.0% | 93,313 | 27,995 | 65,323 | 0.91 | 59,558 |
| 2002/03 | 120.0 | 99.0% | 132.0 | 99.3% | 30.0% | 99,358 | 29,807 | 69,551 | 0.91 | 63,400 |
| 2003/04 | 108.0 | 98.5% | 120.0 | 99.0% | 30.0% | 226,193 | 67,859 | 158,335 | 0.91 | 144,310 |
| 2004/05 | 96.0 | 95.2% | 108.0 | 98.5% | 69.3% | 382,456 | 264,957 | 117,519 | 0.91 | 107,095 |
| 2005/06 | 84.0 | 91.1% | 96.0 | 95.2% | 46.0% | 869,943 | 400,286 | 469,657 | 0.95 | 446,870 |
| 2006/07 | 72.0 | 84.3% | 84.0 | 91.1% | 43.1% | 1,923,151 | 830,999 | 1,097,152 | 0.95 | 1,040,748 |
| 2007/08 | 60.0 | 75.8% | 72.0 | 84.3% | 35.4% | 3,133,695 | 1,107,978 | 2,025,717 | 0.95 | 1,914,599 |
| 2008/09 | 48.0 | 64.2% | 60.0 | 75.8% | 32.3% | 4,863,638 | 1,571,378 | 3,292,260 | 0.94 | 3,087,650 |
| 2009/10 | 36.0 | 48.7% | 48.0 | 64.2% | 30.3% | 7,353,158 | 2,223,421 | 5,109,737 | 0.93 | 4,756,926 |
| 2010/11 | 24.0 | 29.7% | 36.0 | 48.7% | 27.0% | 10,552,906 | 2,848,690 | 7,704,216 | 0.92 | 7,124,718 |
| 2011/12 | 12.0 | 13.5% | 24.0 | 29.7% | 18.7% | 13,637,594 | 2,550,711 | 11,086,883 | 0.92 | 10,173,903 |
| 2012/13 | 0.0 | 0.0% | 12.0 | 13.5% | 13.5% | 16,560,803 | 2,233,147 | 14,327,656 | 0.90 | 12,961,525 |
| Total | | | | | | \$60,685,221 | \$14,158,410 | \$46,226,811 | | \$42,524,165 |

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

(7) to 2009/10 is from Exhibit LI-15, (9). The amount for 2010/11 is from Exhibit LI-10.

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-19

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

| Claim Period (1) | Months of Development 6/30/13 (2) | Percent Losses Paid (3) | Months of Development 6/30/14 (4) | Percent Losses Paid (5) | Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(5)-(3)] [100.0%-(3)] (6) | Estimated Outstanding Losses 6/30/13 (7) | Projected Losses Paid (6)X(7) (8) | Estimated Outstanding Losses 6/30/14 (7)-(8) (9) | Present Value Factor (10) | Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11) |
|------------------------|--|----------------------------------|--|----------------------------------|--|--|---|---|------------------------------------|--|
| to 1988/89 | 300.0 | 100.0% | 312.0 | 100.0% | 30.0% | \$0 | \$0 | \$0 | 0.95 | \$0 |
| 1989/90 | 288.0 | 100.0% | 300.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.94 | 0 |
| 1990/91 | 276.0 | 100.0% | 288.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.93 | 0 |
| 1991/92 | 264.0 | 100.0% | 276.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.93 | 0 |
| 1992/93 | 252.0 | 100.0% | 264.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1993/94 | 240.0 | 100.0% | 252.0 | 100.0% | 30.0% | 1,359 | 408 | 951 | 0.92 | 876 |
| 1994/95 | 228.0 | 100.0% | 240.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1995/96 | 216.0 | 99.9% | 228.0 | 100.0% | 30.0% | 592,313 | 177,694 | 414,619 | 0.92 | 380,143 |
| 1996/97 | 204.0 | 99.9% | 216.0 | 99.9% | 30.0% | 2,610 | 783 | 1,827 | 0.92 | 1,672 |
| 1997/98 | 192.0 | 99.9% | 204.0 | 99.9% | 30.0% | 50,142 | 15,043 | 35,099 | 0.91 | 32,090 |
| 1998/99 | 180.0 | 99.8% | 192.0 | 99.9% | 30.0% | 8,094 | 2,428 | 5,666 | 0.91 | 5,176 |
| 1999/00 | 168.0 | 99.8% | 180.0 | 99.8% | 30.0% | 10,440 | 3,132 | 7,308 | 0.91 | 6,671 |
| 2000/01 | 156.0 | 99.6% | 168.0 | 99.8% | 30.0% | 37,847 | 11,354 | 26,493 | 0.91 | 24,171 |
| 2001/02 | 144.0 | 99.5% | 156.0 | 99.6% | 30.0% | 65,323 | 19,597 | 45,726 | 0.91 | 41,702 |
| 2002/03 | 132.0 | 99.3% | 144.0 | 99.5% | 30.0% | 69,551 | 20,865 | 48,686 | 0.91 | 44,389 |
| 2003/04 | 120.0 | 99.0% | 132.0 | 99.3% | 30.0% | 158,335 | 47,501 | 110,834 | 0.91 | 101,032 |
| 2004/05 | 108.0 | 98.5% | 120.0 | 99.0% | 30.0% | 117,519 | 35,256 | 82,263 | 0.91 | 74,970 |
| 2005/06 | 96.0 | 95.2% | 108.0 | 98.5% | 30.3% | 469,657 | 325,344 | 144,313 | 0.91 | 131,515 |
| 2006/07 | 84.0 | 91.1% | 96.0 | 95.2% | 46.0% | 1,097,152 | 504,832 | 592,320 | 0.95 | 563,581 |
| 2007/08 | 72.0 | 84.3% | 84.0 | 91.1% | 43.1% | 2,025,717 | 873,048 | 1,152,669 | 0.95 | 1,093,411 |
| 2008/09 | 60.0 | 75.8% | 72.0 | 84.3% | 35.4% | 3,292,260 | 1,164,042 | 2,128,218 | 0.95 | 2,011,477 |
| 2009/10 | 48.0 | 64.2% | 60.0 | 75.8% | 32.3% | 5,109,737 | 1,650,890 | 3,458,847 | 0.94 | 3,243,883 |
| 2010/11 | 36.0 | 48.7% | 48.0 | 64.2% | 30.3% | 7,704,216 | 2,335,926 | 5,368,290 | 0.93 | 4,997,627 |
| 2011/12 | 24.0 | 29.7% | 36.0 | 48.7% | 27.0% | 11,086,883 | 2,992,834 | 8,094,049 | 0.92 | 7,485,229 |
| 2012/13 | 12.0 | 13.5% | 24.0 | 29.7% | 16.7% | 14,527,656 | 2,679,776 | 11,647,880 | 0.92 | 10,688,703 |
| 2013/14 | 0.0 | 0.0% | 12.0 | 13.5% | 13.5% | 17,398,780 | 2,346,144 | 15,052,636 | 0.90 | 13,617,172 |
| Total | | | | | | \$63,625,591 | \$15,206,897 | \$48,418,694 | | \$44,545,496 |

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

(7) to 2009/10 is from Exhibit LI-15, (9). The amount for 2010/11 is from Exhibit LI-10

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-20

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

| Claim Period (1) | Months of Development 6/30/14 (2) | Percent Losses Paid (3) | Months of Development 6/30/15 (4) | Percent Losses Paid (5) | Percent Outstanding Losses Paid 7/1/14 to 6/30/15 [(5)-(3)]/ [100.0%-(3)] (6) | Estimated Outstanding Losses 6/30/14 (7) | Projected Losses Paid (6)X(7) (8) | Estimated Outstanding Losses 6/30/15 (7)-(8) (9) | Present Value Factor (10) | Present Value of Estimated Outstanding Losses 6/30/15 (9)X(10) (11) |
|------------------------|--|----------------------------------|--|----------------------------------|---|--|---|---|------------------------------------|--|
| to 1988/89 | 312.0 | 100.0% | 324.0 | 100.0% | 30.0% | \$0 | \$0 | \$0 | 0.96 | \$0 |
| 1989/90 | 300.0 | 100.0% | 312.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.95 | 0 |
| 1990/91 | 288.0 | 100.0% | 300.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.94 | 0 |
| 1991/92 | 276.0 | 100.0% | 288.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.93 | 0 |
| 1992/93 | 264.0 | 100.0% | 276.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.93 | 0 |
| 1993/94 | 252.0 | 100.0% | 264.0 | 100.0% | 30.0% | 951 | 285 | 666 | 0.92 | 616 |
| 1994/95 | 240.0 | 100.0% | 252.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1995/96 | 228.0 | 100.0% | 240.0 | 100.0% | 30.0% | 414,619 | 124,386 | 290,233 | 0.92 | 266,657 |
| 1996/97 | 216.0 | 99.9% | 228.0 | 100.0% | 30.0% | 1,827 | 548 | 1,279 | 0.92 | 1,173 |
| 1997/98 | 204.0 | 99.9% | 216.0 | 99.9% | 30.0% | 35,099 | 10,530 | 24,569 | 0.92 | 22,490 |
| 1998/99 | 192.0 | 99.9% | 204.0 | 99.9% | 30.0% | 5,666 | 1,700 | 3,966 | 0.91 | 3,626 |
| 1999/00 | 180.0 | 99.8% | 192.0 | 99.9% | 30.0% | 7,308 | 2,192 | 5,116 | 0.91 | 4,673 |
| 2000/01 | 168.0 | 99.8% | 180.0 | 99.8% | 30.0% | 26,493 | 7,948 | 18,545 | 0.91 | 16,928 |
| 2001/02 | 156.0 | 99.6% | 168.0 | 99.8% | 30.0% | 45,726 | 13,718 | 32,008 | 0.91 | 29,202 |
| 2002/03 | 144.0 | 99.5% | 156.0 | 99.6% | 30.0% | 48,686 | 14,606 | 34,080 | 0.91 | 31,081 |
| 2003/04 | 132.0 | 99.3% | 144.0 | 99.5% | 30.0% | 110,834 | 33,250 | 77,584 | 0.91 | 70,737 |
| 2004/05 | 120.0 | 99.0% | 132.0 | 99.3% | 30.0% | 82,263 | 24,679 | 57,584 | 0.91 | 52,401 |
| 2005/06 | 108.0 | 96.5% | 120.0 | 99.0% | 30.0% | 144,313 | 43,294 | 101,019 | 0.91 | 92,071 |
| 2006/07 | 96.0 | 95.2% | 108.0 | 98.5% | 69.3% | 592,320 | 410,316 | 182,004 | 0.91 | 165,864 |
| 2007/08 | 84.0 | 91.1% | 96.0 | 95.2% | 46.0% | 1,152,609 | 539,377 | 622,232 | 0.95 | 592,099 |
| 2008/09 | 72.0 | 84.3% | 84.0 | 91.1% | 43.1% | 2,128,218 | 917,224 | 1,210,994 | 0.95 | 1,148,738 |
| 2009/10 | 60.0 | 75.8% | 72.0 | 84.3% | 35.4% | 3,458,847 | 1,222,942 | 2,235,905 | 0.95 | 2,113,257 |
| 2010/11 | 48.0 | 64.2% | 60.0 | 75.8% | 32.3% | 5,368,290 | 1,734,425 | 3,633,865 | 0.94 | 3,408,024 |
| 2011/12 | 36.0 | 48.7% | 48.0 | 64.2% | 30.3% | 8,094,049 | 2,154,123 | 5,639,926 | 0.93 | 5,250,507 |
| 2012/13 | 24.0 | 29.7% | 36.0 | 48.7% | 27.0% | 11,647,880 | 3,144,271 | 8,503,609 | 0.92 | 7,863,982 |
| 2013/14 | 12.0 | 13.5% | 24.0 | 29.7% | 18.7% | 15,052,636 | 2,815,373 | 12,237,263 | 0.92 | 11,229,552 |
| 2014/15 | 0.0 | 0.0% | 12.0 | 13.5% | 13.5% | 18,278,158 | 2,464,859 | 15,813,299 | 0.90 | 14,306,201 |
| Total | | | | | | \$66,697,852 | \$15,971,046 | \$50,726,806 | | \$46,669,969 |

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

(7) to 2009/10 is from Exhibit LI-15, (9) The amount for 2010/11 is from Exhibit LI-10

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-21

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

| Claim Period (1) | Months of Development 6/30/15 (2) | Percent Losses Paid (3) | Months of Development 6/30/16 (4) | Percent Losses Paid (5) | Percent Outstanding Losses Paid 7/1/15 to 6/30/16 [(5)-(3)]/ [100.0%-(3)] (6) | Estimated Outstanding Losses 6/30/15 (7) | Projected Losses Paid (6)X(7) (8) | Estimated Outstanding Losses 6/30/16 (7)-(8) (9) | Present Value Factor (10) | Present Value of Estimated Outstanding Losses 6/30/16 (9)X(10) (11) |
|------------------------|--|----------------------------------|--|----------------------------------|---|--|---|---|------------------------------------|--|
| to 1988/89 | 324.0 | 100.0% | 336.0 | 100.0% | 30.0% | \$0 | \$0 | \$0 | 0.97 | \$0 |
| 1989/90 | 312.0 | 100.0% | 324.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.96 | 0 |
| 1990/91 | 300.0 | 100.0% | 312.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.95 | 0 |
| 1991/92 | 288.0 | 100.0% | 300.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.94 | 0 |
| 1992/93 | 276.0 | 100.0% | 288.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.93 | 0 |
| 1993/94 | 264.0 | 100.0% | 276.0 | 100.0% | 30.0% | 666 | 200 | 466 | 0.93 | 433 |
| 1994/95 | 252.0 | 100.0% | 264.0 | 100.0% | 30.0% | 0 | 0 | 0 | 0.92 | 0 |
| 1995/96 | 240.0 | 100.0% | 252.0 | 100.0% | 30.0% | 290,233 | 87,070 | 203,163 | 0.92 | 187,166 |
| 1996/97 | 228.0 | 100.0% | 240.0 | 100.0% | 30.0% | 1,279 | 384 | 895 | 0.92 | 822 |
| 1997/98 | 216.0 | 99.9% | 228.0 | 100.0% | 30.0% | 24,569 | 7,371 | 17,198 | 0.92 | 15,768 |
| 1998/99 | 204.0 | 99.9% | 216.0 | 99.9% | 30.0% | 3,966 | 1,190 | 2,776 | 0.92 | 2,541 |
| 1999/00 | 192.0 | 99.9% | 204.0 | 99.9% | 30.0% | 5,116 | 1,535 | 3,581 | 0.91 | 3,274 |
| 2000/01 | 180.0 | 99.8% | 192.0 | 99.9% | 30.0% | 18,545 | 5,563 | 12,982 | 0.91 | 11,858 |
| 2001/02 | 168.0 | 99.8% | 180.0 | 99.8% | 30.0% | 32,008 | 9,602 | 22,406 | 0.91 | 20,452 |
| 2002/03 | 156.0 | 99.6% | 168.0 | 99.8% | 30.0% | 31,080 | 10,224 | 20,856 | 0.91 | 21,765 |
| 2003/04 | 144.0 | 99.5% | 156.0 | 99.6% | 30.0% | 17,584 | 23,275 | 54,309 | 0.91 | 49,530 |
| 2004/05 | 132.0 | 99.3% | 144.0 | 99.5% | 30.0% | 57,534 | 17,275 | 40,259 | 0.91 | 36,752 |
| 2005/06 | 120.0 | 99.0% | 132.0 | 99.3% | 30.0% | 101,019 | 30,306 | 70,713 | 0.91 | 64,459 |
| 2006/07 | 108.0 | 98.5% | 120.0 | 99.0% | 30.0% | 182,004 | 51,601 | 127,403 | 0.91 | 116,118 |
| 2007/08 | 96.0 | 95.2% | 108.0 | 98.5% | 69.3% | 622,292 | 431,078 | 191,214 | 0.91 | 174,257 |
| 2008/09 | 84.0 | 91.1% | 96.0 | 95.2% | 46.0% | 1,210,994 | 557,214 | 653,780 | 0.95 | 622,059 |
| 2009/10 | 72.0 | 84.3% | 84.0 | 91.1% | 43.1% | 2,235,905 | 963,635 | 1,272,270 | 0.95 | 1,206,864 |
| 2010/11 | 60.0 | 75.8% | 72.0 | 84.3% | 35.1% | 3,633,865 | 1,284,823 | 2,349,042 | 0.95 | 2,220,188 |
| 2011/12 | 48.0 | 64.2% | 60.0 | 75.8% | 32.3% | 5,639,926 | 1,822,187 | 3,817,739 | 0.94 | 3,580,471 |
| 2012/13 | 36.0 | 48.7% | 48.0 | 64.2% | 30.3% | 8,503,609 | 2,573,302 | 5,925,307 | 0.93 | 5,516,184 |
| 2013/14 | 24.0 | 29.7% | 36.0 | 48.7% | 27.0% | 12,237,263 | 3,303,371 | 8,933,892 | 0.92 | 8,261,900 |
| 2014/15 | 12.0 | 13.5% | 24.0 | 29.7% | 18.7% | 15,814,296 | 2,957,831 | 12,856,465 | 0.92 | 11,797,767 |
| 2015/16 | 0.0 | 0.0% | 12.0 | 13.5% | 13.5% | 19,204,083 | 2,589,581 | 16,614,502 | 0.90 | 15,030,094 |
| Total | | | | | | \$69,930,889 | \$16,736,618 | \$53,194,271 | | \$48,940,722 |

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

(7) to 2009/10 is from Exhibit LI-15, (9). The amount for 2010/11 is from Exhibit LI-10.

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-22

List of Large Claims

| Claim Number (1) | Date of Loss (2) | Claim Period (3) | Specific Self-Insured Retention (4) | Limited Paid Losses 6/30/06 (5) | Limited Case Reserves 6/30/06 (6) | Limited Reported Incurred Losses 6/30/06 (7) |
|------------------------|------------------------|------------------------|--|---|---|---|
| 98011 | 1/1/1996 | 1995/96 | Unlimited | \$649,403 | \$6,538,417 | \$7,187,820 |
| X00193 | 1/1/1996 | 1995/96 | Unlimited | 4,571,253 | 0 | 4,571,253 |
| 99247 | 6/1/1996 | 1995/96 | Unlimited | 1,642,941 | 0 | 1,642,941 |
| 98153 | 1/27/1997 | 1996/97 | Unlimited | 1,750,537 | 0 | 1,750,537 |
| 98244 | 6/7/1998 | 1997/98 | Unlimited | 717,313 | 529,108 | 1,246,422 |
| 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 * |
| X01528 | 4/25/2002 | 2001/02 | 2,000,000 | 299,039 | 1,700,961 * | 2,000,000 * |
| 23333 | 4/7/2003 | 2002/03 | 2,000,000 | 2,000,000 * | 0 | 2,000,000 * |
| 23803 | 6/15/2003 | 2002/03 | 2,000,000 | 102,731 | 1,897,269 * | 2,000,000 * |
| 23841 | 8/6/2003 | 2003/04 | 2,000,000 | 628,217 | 1,371,783 * | 2,000,000 * |
| 24026 | 10/23/2003 | 2003/04 | 2,000,000 | 117,226 | 1,502,043 * | 1,619,269 * |
| X02236 | 1/20/2004 | 2003/04 | 2,000,000 | 47,265 | 1,952,735 * | 2,000,000 * |
| X02454 | 11/9/2004 | 2004/05 | 2,000,000 | 1,317,478 * | 0 | 1,317,478 * |

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

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-23

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

| Department (1) | 2001/02 (2) | 2002/03 (3) | 2003/04 (4) | 2004/05 (5) | 2005/06 (6) | 2001/02 to 2005/06 (7) |
|--|----------------|----------------|----------------|----------------|----------------|------------------------------|
| I Payroll | | | | | | |
| Fire Department | \$58,673,419 | \$60,180,191 | \$59,453,316 | \$64,410,370 | \$66,573,163 | \$309,290,459 |
| Parks and Recreation | 15,514,580 | 15,787,216 | 16,261,800 | 9,421,343 | 9,737,696 | 66,722,636 |
| Police Services Agency | 101,241,846 | 104,383,851 | 104,008,924 | 105,567,030 | 109,111,795 | 524,313,446 |
| Public Works | 34,096,186 | 37,591,169 | 38,367,768 | 46,429,594 | 47,988,623 | 204,473,339 |
| Other | 83,993,018 | 87,598,139 | 89,314,027 | 89,662,586 | 92,673,306 | 443,241,076 |
| Total | \$293,519,049 | \$305,540,566 | \$307,405,834 | \$315,490,924 | \$326,084,583 | \$1,548,040,958 |
| II Number of Reported Claims as of June 30, 2006 | | | | | | |
| Fire Department | 30 | 20 | 28 | 22 | 15 | 115 |
| Parks and Recreation | 126 | 112 | 46 | 10 | 7 | 301 |
| Police Services Agency | 339 | 311 | 297 | 212 | 103 | 1,262 |
| Public Works | 362 | 414 | 339 | 367 | 261 | 1,743 |
| Other | 96 | 89 | 63 | 46 | 51 | 345 |
| Total | 953 | 946 | 773 | 657 | 437 | 3,766 |
| III Reported Incurred Losses as of June 30, 2006 | | | | | | |
| Fire Department | \$239,105 | \$498,584 | \$179,738 | \$1,452,536 | \$35,614 | \$2,405,577 |
| Parks and Recreation | 387,066 | 128,218 | 84,626 | 60,982 | 14,870 | 675,760 |
| Police Services Agency | 5,741,280 | 5,827,090 | 4,352,987 | 1,220,706 | 516,407 | 17,658,470 |
| Public Works | 3,225,939 | 4,955,817 | 4,999,069 | 1,573,365 | 848,913 | 15,603,103 |
| Other | 800,547 | 595,634 | 2,604,764 | 218,418 | 309,598 | 4,528,960 |
| Total | \$10,393,936 | \$12,005,343 | \$12,221,184 | \$4,526,006 | \$1,725,401 | \$40,871,870 |
| IV Number of Claims per \$1 Million of Payroll [Section II / (Section I / \$1,000,000)] | | | | | | |
| Fire Department | 0.51 | 0.33 | 0.47 | 0.34 | 0.23 | 0.37 |
| Parks and Recreation | 8.12 | 7.09 | 2.83 | 1.06 | 0.72 | 4.51 |
| Police Services Agency | 3.35 | 2.98 | 2.86 | 2.01 | 0.94 | 2.41 |
| Public Works | 10.62 | 11.01 | 8.84 | 7.90 | 5.44 | 8.52 |
| Other | 1.14 | 1.02 | 0.71 | 0.51 | 0.55 | 0.78 |
| Total | 3.25 | 3.10 | 2.51 | 2.08 | 1.34 | 2.13 |
| V Average Cost per Claim [Section III / Section II] | | | | | | |
| Fire Department | \$7,970 | \$24,929 | \$6,419 | \$66,024 | \$2,374 | \$20,918 |
| Parks and Recreation | 3,072 | 1,145 | 1,840 | 6,098 | 2,124 | 2,245 |
| Police Services Agency | 16,936 | 18,737 | 14,657 | 5,758 | 5,014 | 13,992 |
| Public Works | 8,911 | 11,971 | 14,747 | 4,287 | 3,253 | 8,952 |
| Other | 8,339 | 6,693 | 41,345 | 4,748 | 6,071 | 13,127 |
| Total | \$10,907 | \$12,691 | \$15,810 | \$6,889 | \$3,948 | \$10,853 |
| VI Loss Rate per \$100 of Payroll [Section III / (Section I / \$100)] | | | | | | |
| Fire Department | \$0.41 | \$0.83 | \$0.30 | \$2.26 | \$0.05 | \$0.78 |
| Parks and Recreation | 2.49 | 0.81 | 0.52 | 0.65 | 0.15 | 1.01 |
| Police Services Agency | 5.67 | 5.58 | 4.19 | 1.16 | 0.47 | 3.37 |
| Public Works | 9.46 | 13.18 | 13.03 | 3.39 | 1.77 | 7.63 |
| Other | 0.95 | 0.68 | 2.92 | 0.24 | 0.33 | 1.02 |
| Total | \$3.54 | \$3.93 | \$3.98 | \$1.43 | \$0.53 | \$2.64 |

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

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-24

Paid Losses by Department

I. As of June 30, 2005

| Claim Period (1) | Fire Department (2) | Parks and Recreation (3) | Police Services Agency (4) | Public Works (5) | Other (6) | Limited Paid Losses 6/30/06 (7) |
|---------------------|------------------------|-----------------------------|-------------------------------|---------------------|--------------|------------------------------------|
| 1999/00 | \$16,722 | \$423,613 | \$5,456,702 | \$2,282,852 | \$598,537 | \$8,778,425 |
| 2000/01 | 87,667 | 348,698 | 5,164,042 | 1,872,994 | 1,300,476 | 8,773,876 |
| 2001/02 | 151,173 | 387,066 | 2,614,325 | 2,260,394 | 632,127 | 6,045,084 |
| 2002/03 | 171,394 | 128,218 | 2,905,945 | 1,196,737 | 447,057 | 4,849,350 |
| 2003/04 | 90,581 | 80,663 | 818,599 | 1,089,088 | 365,291 | 2,444,222 |
| 2004/05 | 44,976 | 3,582 | 111,251 | 249,000 | 35,893 | 444,702 |
| Total | \$562,512 | \$1,371,839 | \$17,070,863 | \$8,951,064 | \$3,379,381 | \$31,335,659 |

II. As of June 30, 2006

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

III Actual Paid During 2005/06 [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 6/30/06 (7) |
|---------------------|------------------------|-----------------------------|-------------------------------|---------------------|--------------|------------------------------------|
| 1999/00 | \$0 | \$0 | \$104,894 | \$6,366 | \$260,690 | \$371,949 |
| 2000/01 | 0 | 648 | 524,567 | 66 | 3,130 | 528,410 |
| 2001/02 | 10,449 | 0 | 274,700 | 684,661 | 101,485 | 1,071,295 |
| 2002/03 | 243,598 | 100 | 2,046,416 | 580,499 | 38,760 | 2,909,372 |
| 2003/04 | 25,889 | 3,963 | 948,117 | 1,021,220 | 112,985 | 2,112,173 |
| 2004/05 | 1,341,557 | 17,400 | 438,314 | 735,784 | 42,283 | 2,575,337 |
| 2005/06 | 21,228 | 7,995 | 95,889 | 226,580 | 76,865 | 428,557 |
| Total | \$1,642,721 | \$30,105 | \$4,432,896 | \$3,255,175 | \$636,198 | \$9,997,094 |

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

Data was provided by the City.

CITY OF OAKLAND
LIABILITY

Exhibit LI-25

Analysis by Cause of Loss
Claim Periods 2001/02 through 2005/06 as of June 30, 2006

I. Fire Department

a. Top Three Loss Categories (Frequency)

| Cause | Count | Total Paid |
|---|-------|------------|
| City Vehicle Against Another Vehicle | 66 | \$254,857 |
| Fire Dept.: Fire Response Related Dmgs. | 22 | 17,028 |
| Misc. | 6 | 73,562 |

b. Top Three Average Payment Categories

| Cause | Count | Total Paid | Average Payment |
|--|-------|-------------|-----------------|
| Personnel/Labor: Compensation & Benefits | 1 | \$1,317,478 | \$1,317,478 |
| Personnel/Labor: A D A | 1 | 151,537 | 151,537 |
| Personnel/Labor | 3 | 127,774 | 42,591 |

II. Parks and Recreation

a. Top Three Loss Categories (Frequency)

| Cause | Count | Total Paid |
|--|-------|------------|
| Dangerous Condition - Trees | 209 | \$208,908 |
| City Vehicle Against Another Vehicle | 23 | 308,644 |
| Dangerous Cond. Operations-Maintenance | 19 | 9,932 |

b. Top Three Average Payment Categories

| Cause | Count | Total Paid | Average Payment |
|---------------------------------------|-------|------------|-----------------|
| City Vehicle Against Another Vehicle | 23 | \$308,644 | \$13,419 |
| Claim of Employee Negligence | 3 | 13,563 | 4,521 |
| Dangerous Condition - Grounds/Medians | 13 | 46,219 | 3,555 |

III. Police Services Agency

a. Top Three Loss Categories (Frequency)

| Cause | Count | Total Paid |
|--|-------|------------|
| City Vehicle Against Another Vehicle | 220 | \$717,543 |
| Police: Force - Civil Rights | 198 | 6,800,384 |
| Police: Towing - Red Zone, Tickets, etc. | 171 | 237,760 |

b. Top Three Average Payment Categories

| Cause | Count | Total Paid | Average Payment |
|--|-------|------------|-----------------|
| Personnel/Labor: Employment Discriminati | 2 | \$337,722 | \$168,861 |
| Police: Force - Shooting Non-Fatality | 3 | 171,666 | 57,222 |
| Personnel/Labor: Wrongful Termination | 6 | 296,936 | 49,489 |

IV. Public Works

a. Top Three Loss Categories (Frequency)

| Cause | Count | Total Paid |
|--|-------|------------|
| Dangerous Condition: Streets | 476 | \$516,342 |
| Dangerous Cond. Sidewalks Trip & Falls | 322 | 1,461,781 |
| Dangerous Condition: Sewers & Floods | 219 | 1,113,141 |

b. Top Three Average Payment Categories

| Cause | Count | Total Paid | Average Payment |
|--|-------|------------|-----------------|
| Personnel/Labor: Employment Discriminati | 1 | \$58,055 | \$58,055 |
| Dangerous Condition: Streets/Signs/Light | 75 | 1,795,565 | 23,941 |
| Code Enforcement: Toxic Waste | 1 | 22,038 | 22,038 |

V. Other

a. Top Three Loss Categories (Frequency)

| Cause | Count | Total Paid |
|--------------------------------------|-------|------------|
| Misc. | 95 | \$41,887 |
| Code Enforcement | 56 | 182,639 |
| City Vehicle Against Another Vehicle | 30 | 66,082 |

b. Top Three Average Payment Categories

| Cause | Count | Total Paid | Average Payment |
|-------------------------------------|-------|------------|-----------------|
| City Govt.: Municipal Code | 1 | \$251,767 | \$251,767 |
| City Govt.: Ordinance | 5 | 478,724 | 95,745 |
| Code Enforcement: Zoning Violations | 1 | 50,153 | 50,153 |

Data was provided by the City.

CITY OF OAKLAND
LIABILITY

Exhibit LI-26

Historical Payroll and Percent Payroll

| Dept Code (1) | Department (2) | 2001/02 Payroll (3) | 2001/02 Percent Payroll (3)/Total(3) (4) | 2002/03 Payroll (5) | 2002/03 Percent Payroll (5)/Total(5) (6) | 2003/04 Payroll (7) | 2003/04 Percent Payroll (7)/Total(7) (8) | 2004/05 Payroll (9) | 2004/05 Percent Payroll (9)/Total(9) (10) | 2005/06 Payroll (11) | 2005/06 Percent Payroll (11)/Total(11) (12) | 2001/02 to 2005/06 Payroll (3)+(5)+(7) +(9)+(11) (13) | 2001/02 to 2005/06 Percent Payroll (13)/Total(13) (14) |
|---------------------|------------------------|---------------------------|--|---------------------------|--|---------------------------|--|---------------------------|---|----------------------------|---|--|---|
| DP200 | Fire Department | \$58,673,419 | 19.99% | \$60,180,191 | 19.70% | \$59,453,316 | 19.34% | \$64,410,370 | 20.42% | \$66,573,163 | 20.42% | \$309,290,459 | 19.98% |
| DP5000 | Parks and Recreation | 8,726,120 | 2.97% | 8,879,463 | 2.91% | 9,146,391 | 2.98% | 9,421,343 | 2.99% | 9,737,696 | 2.99% | 45,911,014 | 2.97% |
| DP1000 | Police Services Agency | 101,241,846 | 34.49% | 104,383,851 | 34.16% | 104,008,924 | 33.83% | 105,567,030 | 33.46% | 109,111,795 | 33.46% | 524,313,446 | 33.87% |
| DP300 | Public Works | 40,884,646 | 13.93% | 44,498,922 | 14.56% | 45,483,177 | 14.80% | 46,429,594 | 14.72% | 47,988,623 | 14.72% | 225,284,961 | 14.55% |
| Misc. | Other | 83,993,018 | 28.62% | 87,598,139 | 28.67% | 89,314,027 | 29.05% | 89,662,586 | 28.42% | 92,673,306 | 28.42% | 443,241,076 | 28.63% |
| Total | | \$293,519,049 | 100.00% | \$305,540,566 | 100.00% | \$307,405,834 | 100.00% | \$315,490,924 | 100.00% | \$326,084,583 | 100.00% | \$1,548,040,956 | 100.00% |

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-27

Calculation of Percent of Unlimited Reported Incurred Losses

| Dept Code (1) | Department (2) | Reported Incurred Losses 6/30/06 (3) | Percent Reported Incurred Losses (3)/Total(3) (4) |
|---------------------|------------------------|--|--|
| I. 2001/02 | | | |
| DP200 | Fire Department | \$239,105 | 2.30% |
| DP5000 | Parks and Recreation | 217,044 | 2.09% |
| DP1000 | Police Services Agency | 5,741,280 | 55.24% |
| DP300 | Public Works | 3,395,960 | 32.67% |
| Misc. | Other | 800,547 | 7.70% |
| Total | | \$10,393,936 | 100.00% |
| II. 2002/03 | | | |
| DP200 | Fire Department | \$498,584 | 4.15% |
| DP5000 | Parks and Recreation | 5,430 | 0.05% |
| DP1000 | Police Services Agency | 5,827,090 | 48.54% |
| DP300 | Public Works | 5,078,605 | 42.30% |
| Misc. | Other | 595,634 | 4.96% |
| Total | | \$12,005,343 | 100.00% |
| III. 2003/04 | | | |
| DP200 | Fire Department | \$179,738 | 1.47% |
| DP5000 | Parks and Recreation | 23,205 | 0.19% |
| DP1000 | Police Services Agency | 4,352,987 | 35.62% |
| DP300 | Public Works | 5,060,490 | 41.41% |
| Misc. | Other | 2,604,764 | 21.31% |
| Total | | \$12,221,184 | 100.00% |
| IV. 2004/05 | | | |
| DP200 | Fire Department | \$1,452,536 | 32.09% |
| DP5000 | Parks and Recreation | 60,982 | 1.35% |
| DP1000 | Police Services Agency | 1,220,706 | 26.97% |
| DP300 | Public Works | 1,573,365 | 34.76% |
| Misc. | Other | 218,418 | 4.83% |
| Total | | \$4,526,006 | 100.00% |
| V. 2005/06 | | | |
| DP200 | Fire Department | \$35,614 | 2.06% |
| DP5000 | Parks and Recreation | 14,870 | 0.86% |
| DP1000 | Police Services Agency | 516,407 | 29.93% |
| DP300 | Public Works | 848,913 | 49.20% |
| Misc. | Other | 309,598 | 17.94% |
| Total | | \$1,725,401 | 100.00% |

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-28

Calculation of Relative Loss Rate

| Dept Code (1) | Department (2) | Percent Payroll (3) | Percent Reported Incurred Losses (4) | Relative Loss Rate (4)/(3) (5) |
|---------------------|------------------------|---------------------------|--|--|
| I. 2001/02 | | | | |
| DP200 | Fire Department | 19.99% | 2.30% | 0.115 |
| DP5000 | Parks and Recreation | 2.97% | 2.09% | 0.702 |
| DP1000 | Police Services Agency | 34.49% | 55.24% | 1.601 |
| DP300 | Public Works | 13.93% | 32.67% | 2.346 |
| Misc. | Other | 28.62% | 7.70% | 0.269 |
| Total | | 100.00% | 100.00% | 1.000 |
| II. 2002/03 | | | | |
| DP200 | Fire Department | 19.70% | 4.15% | 0.211 |
| DP5000 | Parks and Recreation | 2.91% | 0.05% | 0.016 |
| DP1000 | Police Services Agency | 34.16% | 48.54% | 1.421 |
| DP300 | Public Works | 14.56% | 42.30% | 2.905 |
| Misc. | Other | 28.67% | 4.96% | 0.173 |
| Total | | 100.00% | 100.00% | 1.000 |
| III. 2003/04 | | | | |
| DP200 | Fire Department | 19.34% | 1.47% | 0.076 |
| DP5000 | Parks and Recreation | 2.98% | 0.19% | 0.064 |
| DP1000 | Police Services Agency | 33.83% | 35.62% | 1.053 |
| DP300 | Public Works | 14.80% | 41.41% | 2.799 |
| Misc. | Other | 29.05% | 21.31% | 0.734 |
| Total | | 100.00% | 100.00% | 1.000 |
| IV. 2004/05 | | | | |
| DP200 | Fire Department | 20.42% | 32.09% | 1.572 |
| DP5000 | Parks and Recreation | 2.99% | 1.35% | 0.451 |
| DP1000 | Police Services Agency | 33.46% | 28.97% | 0.806 |
| DP300 | Public Works | 14.72% | 34.76% | 2.362 |
| Misc. | Other | 28.42% | 4.83% | 0.170 |
| Total | | 100.00% | 100.00% | 1.000 |
| V. 2005/06 | | | | |
| DP200 | Fire Department | 20.42% | 2.06% | 0.101 |
| DP5000 | Parks and Recreation | 2.99% | 0.86% | 0.289 |
| DP1000 | Police Services Agency | 33.46% | 29.93% | 0.894 |
| DP300 | Public Works | 14.72% | 49.20% | 3.343 |
| Misc. | Other | 28.42% | 17.94% | 0.631 |
| Total | | 100.00% | 100.00% | 1.000 |

(3) is from Exhibit LI-26

(4) is from Exhibit LI-27.

CITY OF OAKLAND
LIABILITY

Exhibit LI-29

Calculation of Average Relative Loss Rate

| Dept Code (1) | Department (2) | 2001/02 Relative Loss Rate (3) | 2002/03 Relative Loss Rate (4) | 2003/04 Relative Loss Rate (5) | 2004/05 Relative Loss Rate (6) | 2005/06 Relative Loss Rate (7) | Average 2001/02 to 2005/06 Relative Loss Rate Average [(3)..(7)] (8) |
|---------------------|------------------------|--|--|--|--|--|--|
| DP200 | Fire Department | 0.115 | 0.211 | 0.076 | 1.572 | 0.101 | 0.415 |
| DP5000 | Parks and Recreation | 0.702 | 0.016 | 0.064 | 0.451 | 0.289 | 0.304 |
| DP1000 | Police Services Agency | 1.601 | 1.421 | 1.053 | 0.806 | 0.894 | 1.155 |
| DP300 | Public Works | 2.346 | 2.905 | 2.799 | 2.362 | 3.343 | 2.751 |
| Misc. | Other | 0.269 | 0.173 | 0.734 | 0.170 | 0.631 | 0.395 |
| Total | | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |

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

CITY OF OAKLAND
LIABILITY

Exhibit LI-30

Calculation of Experience Modification Factors

| Dept Code (1) | Department (2) | 2001/02 to 2005/06 Percent Payroll (3) | Average 2001/02 to 2005/06 Relative Loss Rate (4) | Weight (3)/[(3)+ Max(3)] (5) | Experience Modification Factor [(4)X(5)]+ [1.000-(5)] (6) |
|---------------------|------------------------|--|---|---------------------------------------|--|
| DP200 | Fire Department | 19.98% | 0.415 | 0.639 | 0.639 |
| DP5000 | Parks and Recreation | 2.97% | 0.304 | 0.208 | 0.873 |
| DP1000 | Police Services Agency | 33.87% | 1.155 | 0.750 | 1.139 |
| DP300 | Public Works | 14.55% | 2.751 | 0.563 | 2.026 |
| Misc. | Other | 28.63% | 0.395 | 0.717 | 0.578 |
| Total | | 100.00% | 1.000 | | 1.000 |

(3) is from Exhibit LI-26

(4) is from Exhibit LI-29.

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

(6) is subject to an off-balance factor

CITY OF OAKLAND
LIABILITY

Exhibit LI-31

Calculation of 2006/07 Projected Premium

| Dept Code (1) | Department (2) | Projected 2006/07 Payroll (3) | 2006/07 Experience Modification Factor (4) | Experience Rated Projected 2006/07 Payroll (3)X(4) (5) | 2006/07 Percent Funding (5)/Total(5) (6) | 2006/07 Projected Loss Funds (6)XTotal(7) (7) |
|---------------------|------------------------|--|--|--|--|---|
| DP200 | Fire Department | \$70,627,469 | 0.639 | \$45,124,228 | 13.04% | \$1,662,993 |
| DP5000 | Parks and Recreation | 10,330,722 | 0.873 | 9,014,497 | 2.61% | 332,217 |
| DP1000 | Police Services Agency | 115,756,703 | 1.139 | 131,837,227 | 38.11% | 4,858,684 |
| DP300 | Public Works | 50,911,130 | 2.026 | 103,155,217 | 29.82% | 3,801,847 |
| Misc. | Other | 98,317,110 | 0.578 | 56,811,965 | 16.42% | 2,093,729 |
| Total | | \$345,943,134 | 1.000 | \$345,943,134 | 100.00% | \$12,749,271 |

(3) was provided by the City.

(4) is from Exhibit LI-30

Total (7) is from Exhibit LI-13.

CITY OF OAKLAND
LIABILITY

Exhibit LI-32

Calculation of 2007/08 Projected Premium

| Dept Code (1) | Department (2) | Projected 2007/08 Payroll (3) | 2007/08 Experience Modification Factor (4) | Experience Rated Projected 2007/08 Payroll (3)X(4) (5) | 2007/08 Percent Funding (5)/Total(5) (6) | 2007/08 Projected Loss Funds (6)XTotal(7) (7) |
|---------------------|------------------------|--|--|--|--|---|
| DP200 | Fire Department | \$72,746,293 | 0.639 | \$46,477,954 | 13.04% | \$1,635,336 |
| DP5000 | Parks and Recreation | 10,640,644 | 0.873 | 9,284,932 | 2.61% | 326,692 |
| DP1000 | Police Services Agency | 119,229,404 | 1.139 | 135,792,344 | 38.11% | 4,777,879 |
| DP300 | Public Works | 52,438,464 | 2.026 | 106,249,874 | 29.82% | 3,738,422 |
| Misc. | Other | 101,266,624 | 0.578 | 58,516,324 | 16.42% | 2,058,908 |
| Total | | \$356,321,428 | 1.000 | \$356,321,428 | 100.00% | \$12,537,236 |

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

(4) is from Exhibit LI-30.

Total (7) is from Exhibit LI-13

CITY OF OAKLAND
LIABILITY

Exhibit LI-33

Calculation of 2008/09 Projected Premium

| Dept Code (1) | Department (2) | Projected 2007/08 Payroll (3) | 2008/09 Experience Modification Factor (4) | Experience Rated Projected 2008/09 Payroll (3)X(4) (5) | 2008/09 Percent Funding (5)/Total(5) (6) | 2008/09 Projected Loss Funds (6)XTotal(7) (7) |
|---------------------|------------------------|--|--|--|--|---|
| DP200 | Fire Department | \$74,928,681 | 0.639 | \$47,872,293 | 13.04% | \$1,660,977 |
| DP5000 | Parks and Recreation | 10,959,863 | 0.873 | 9,563,480 | 2.61% | 331,815 |
| DP1000 | Police Services Agency | 122,806,286 | 1.139 | 139,866,114 | 38.11% | 4,852,796 |
| DP300 | Public Works | 54,011,617 | 2.026 | 109,437,370 | 29.82% | 3,797,040 |
| Misc. | Other | 104,304,622 | 0.578 | 60,271,814 | 16.42% | 2,091,191 |
| Total | | \$367,011,071 | 1.000 | \$367,011,071 | 100.00% | \$12,733,819 |

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

(4) is from Exhibit LI-30.

Total (7) is from Exhibit LI-14.